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PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, FIRST SESSION

SENATE—*Thursday, April 9, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable FRANK H. MURKOWSKI, a Senator from the State of Alaska.

PRAYER

Rabbi Samuel Fox, Beth Jacob Congregation, Dayton, Ohio, offered the following prayer:

Almighty God and Father of all mankind, we humbly invoke Thy divine blessing and protection upon the President of the United States, our leaders in the Senate and all those who guide the destiny of our Nation. Enable us to rise above the chaos and confusion, vindictiveness, and violence that grips our society as we cling to the majestic vision of a brighter tomorrow. Grant us also the moral courage and self-sacrifice that is necessary to bridge the chasm between dream and reality, word and deed, promise and fulfillment. Illumine our hearts with the spark of Thy divine light so we can further advance the imperishable ideals of justice and freedom, equality and brotherhood, peace and security.

Endow us, we pray, with wisdom and understanding to fashion a new world in which neighbors and nations will live in peace and harmony. In the words of Thy prophet, Micah, "And they shall sit every man under his vine and under his figtree: and none shall make them afraid." Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 9, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable FRANK H. MURKOWSKI, a Senator from the State of Alaska, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. MURKOWSKI thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ASSISTANT MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the assistant majority leader.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. STEVENS. Mr. President, is there an order that the Senate stand in recess until 9:30 a.m. tomorrow at the close of business today?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. STEVENS. Mr. President, I have no request for leader time on this side.

Does the Senator from West Virginia desire any part of that time?

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Alaska, the assistant majority leader.

Does my friend from Alabama wish to have any additional time?

Mr. HEFLIN. Mr. President, I think I have adequate time.

Mr. ROBERT C. BYRD. I have no further need for time.

Mr. STEVENS. Mr. President, I yield back the leader's time on this side.

Mr. ROBERT C. BYRD. Mr. President, I yield back the leader's time on this side.

RECOGNITION OF SENATOR HEFLIN

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Alabama is recognized for not to exceed 15 minutes.

WAR ON VIOLENT CRIME IN AMERICA

Mr. HEFLIN. Mr. President, today I am introducing the National War on Violent Crime Act. The purpose of this legislation is to establish a coordinated and comprehensive Federal program to deal severely with the problem of crime in this country.

Mr. President, last November, I addressed this body on the problem of crime in the United States, at which time I stated that next to inflation, crime is the most serious domestic problem that the American people face today. As we have seen by the violent acts of murder and assault which have occurred in the last several months, this situation has only worsened.

On March 30, 1981, our Nation was profoundly shocked and saddened at the attempted assassination of President Reagan and the wounding of his Press Secretary Jim Brady, Secret Service Agent Tim J. McCarthy, and District of Columbia Policeman Thomas C. Delahanty. I know all of us are relieved at the President's excellent and speedy recovery and the fact that he will soon be able to resume business as usual as our Chief Executive. Our prayers continue for the victims of this tragic incident, particularly to Jim Brady, who received the most crippling wound, but who appears to be on the road to a most extraordinary recovery.

During the past three decades, Americans have seen violent crime reach epidemic proportions in this country. The brutal and violent event of March 30 is a chilling reminder to all Americans that no one is safe from criminal attack, including the President of the United States. Violent crime is rampant in every section and locale of this country, no longer isolated to our big cities, but spreading fear in areas traditionally thought of as safe, such as the suburbs and rural areas.

Statistics compiled by the FBI reveal that over the past 30 years the number of murders in the United States has increased by 370 percent and the number of robberies by 300 percent. A preliminary annual report recently released by the FBI contains statistics indicating that, nationwide, violent crime increased 13 percent last year over 1979.

That report further reveals that, in 1980, robbery went up 20 percent over 1979, forcible rape increased 9 percent, aggravated assault increased 8 percent, and murder increased 7 percent.

Also, statistics recently compiled by

the Alabama Criminal Justice Information Center, headed by Mr. Ruffin Blalock, revealed that, in my own home State of Alabama, violent crime increased 11 percent over 1979. The statistics are truly alarming and are representative, not only of the crime problem in Alabama, but of the crime epidemic the entire country is currently nursing.

One significant result of this alarming increase in crime is the paralyzing effect it is having on the American people. In the last few years, crime has become more vicious and irrational and therefore more frightening.

Americans are literally changing the way they live, work, and play because of their fear of becoming victims of a random assault or robbery. A few weeks ago, in his speech to the American Bar Association, Chief Justice Warren Burger commented upon the reign of terror that now exists in our society and asked the question: "Are we not hostages within the borders of our own self-styled, enlightened country?"

Recent surveys indicate that the answer to this question is an unqualified "Yes."

In a nationwide survey conducted by the Gallop organization, and published in Newsweek magazine, these startling statistics were revealed: 60 percent of our citizens avoid certain areas during the day; 64 percent avoid going out alone at night if at all possible; 79 percent carry very little money with them; 31 percent keep a gun for protection; and 75 percent of those surveyed believe that criminals are more violent today than they were 5 years ago.

A U.S. News & World Report survey dramatizes that Americans are reshaping the way they live out of fear of violent crime. These findings revealed that 4 out of 10 Americans lock the doors of their homes and apartments and ask visitors to identify themselves before allowing them to enter; 4 out of 10 people feel unsafe in their homes, neighborhoods, workplaces, and shopping centers.

In a democratic and free society such as ours, no citizen should have to live behind locked doors in constant fear for their safety. Too many times in the past, Americans have been subjected to a great deal of talk concerning the prevalence of cirme in the United States, but there has been very little real action by the Federal Government toward solving this national problem. As John Stuart Mill once stated:

> Laws and institutions are required to be adapted, not to good men, but to bad.

While it may be impossible to rid our streets completely of criminal violence, I firmly believe that this activity can be considerably decreased, so that Americans can once again enjoy a peaceful quality of life. To do so, I propose that the Congress of the United States declare a national war on violent crime in America. This war must be waged on every aspect of crime, and must have as its goal, the total control of violent crime.

In this regard, there have been some encouraging signs recently that America is ready to do battle against violent crime. A few weeks ago, Attorney General William French Smith created a special task force on violent crime to be headed by former Attorney General Griffin Bell and Illinois Gov. James Thompson. This task force will examine what the Federal Government can do to assist State and local governments in their fight against crime. It is indeed encouraging to see the new administration placing a high priority on battling violent crimes.

Last Congress, the Senate Judiciary Committee conducted hearings, which I chaired, to examine the role of the Federal Government in assisting State and local governments in improving criminal justice systems and decreasing crime. During these hearings, the committee heard testimony from leading law enforcement officers, government officials, and average citizens from around the United States. Again and again we heard the same point made; local law enforcement cannot effectively fight crime without some assistance and cooperation from the Federal Government.

If we are to significantly reduce crime in this country, we must have a coordinated program between the Federal, State, and local governments, designed to effectively deal with the problem. As you all know, the Law Enforcement Assistance Administration (LEAA) was created in 1968 for this purpose, and in recent years has proved to be of enormous benefit to State and local law enforcement programs.

However, due to budgetary cutbacks and amid charges of financial wastefulness and abuse, LEAA was all but abolished in the last Congress.

I am the first to admit that in its early years, LEAA experienced many problems. However, in recent years, LEAA became an effective and successful program. By providing financial aid and technical assistance to State and local governments, LEAA made vast improvements in the area of crime prevention and control. LEAA proved to be extremely successful in a number of innovative programs, such as: Statistical gathering and analyzation; law enforcement training and education; career criminal programs; uniform sentencing guidelines; juvenile delinquency; deinstitutionalization of status offenders; and others. These programs made vast improvements in the criminal justice system and had clear and definable impacts on crime reduction all across this country.

However, the abuses of the LEAA program, such as wasteful spending on equipment and hardware, consultants, and ineffective programs, continue to weigh heavily on the minds of a majority of our national lawmakers. The LEAA program is dead—a new innovative approach to combating crime must be devised. A new name and a new agency is needed. Such a program can benefit from the failures of LEAA and profit from its successes.

My "National War on Violent Crime Act," contains a series of measures designed to establish an overall, coordinated program to modernize and improve our system of criminal justice, making it more effective in the battle against crime.

First, I propose the creation of a National Police Academy. Such an academy would be conducted in cooperation with State and local governments and would provide high-level training to officers in many important areas.

I believe this type of academy would help give law officers the needed recognition they deserve as professionals within the criminal system.

While such an academy would start off providing specialized programs for career law enforcement officers on a national and regional level, it would advance to a state where part of its program could be a West Point for the police, to educate future FBI agents, Secret Service agents and management level police officers.

Second, this bill would make funds available to State and local law enforcement for technical assistance in a time of unusual need. A current example of the need for technical assistance would be Atlanta, where 21 black children have been murdered.

Under this provision, assistance in the form of equipment and technical expertise would be readily available to State and local law enforcers upon their request, in their attempt to solve crimes beyond the normal capability of a local department.

Technical assistance to State and local law enforcement which provides expertise is needed in many areas, such as preparation for a local visit by a President, bomb dismantling, drug problem, and neighborhood youth gangs.

Third, I propose that public television and radio be utilized to inform the public of the names and identifications of wanted criminals and fugitives on a nationwide basis and on a statewide basis.

I believe this will result in greater public awareness of the crime problem and will also result in public assistance to law enforcement officers in their criminal investigations and apprehensions.

Deterrence will not result unless punishment is publicized. Public stocks and public whippings were common in the early history of this Nation and while our punishment has become less severe, there is no reason to make punishment a secret.

Too often after a person is arrested or tried, there is little notoriety as to a convicted felon actually going to prison and serving a long sentence. I believe that if a young person sees a classmate entering a State prison on the 6 o'clock news, it will act as a great deterrent. The same would be true for radio listeners. This legislation will provide the resources necessary to disseminate this information and bring about greater public awareness of the price one must pay for a life of crime.

Fourth, this bill would establish a new Federal Government agency within the Department of Justice to be called the Violent Crime Administration. The purpose of this new agency would be to provide assistance to State and local governments in carrying out specific programs proven to be effective under the Law Enforcement Assistance Administration. Seventy-five percent of the money under this part of the bill would

be available for State planning agencies in specific priority areas.

These priority areas would be the programs of training and education of criminal justice officials, combating violent crime, juvenile delinquency and justice, statistical gathering and analysis, and planning and coordination. Funds for these priority programs would be available to the States on a 10 percent match basis.

Other programs at the State and local level would be authorized based upon a record of proven effectiveness at a 50-percent match. The remaining 25 percent would be national discretionary money to be used for analysis, coordination, development and planning, and technical assistance.

The second bill I am introducing today encompasses several amendments to the Criminal Code, which will hopefully put some greatly needed teeth in our Federal criminal law.

First, this bill establishes a career criminal provision which mandates that after a career criminal has been convicted of a violent felony for a third time, he must be given a mandatory life sentence without parole. Of course, this does not mean that we should decrease our efforts to rehabilitate second offenders.

However, I believe mandatory life sentences, without parole, is necessary to insure that the proven career criminal, who chooses a life of violent crime, is taken off the streets.

Second, the bill contains provisions to reduce the waiting period from arrest to trial and to sharply reduce the appeal period. I will endeavor in another measure to bring rapid finality to post-conviction efforts to overturn a conviction after an appeal has been dismissed or the sentence has been affirmed.

Third, this bill would establish an additional 5-year sentence for the use of a handgun in commission of a felony. The sentence would increase by 5 years each time the criminal is convicted of a felony in which such a weapon was used.

This legislation will call for a computerized information system concerning arrests of individuals armed with handguns.

Such a system will make available to all law enforcement agencies information about suspected criminals who use handguns.

Such information should bring about a vast increase in the number of arrests and convictions for the offense of carrying a concealed weapon.

Fourth, this bill would tighten our drug abuse laws with a pharmacy theft provision, which would make the robbery of controlled substances from drugstores a Federal crime.

Specifically, this provision would establish Federal jurisdiction when the value of drugs stolen from a pharmacy exceeds $100. For many years now, our Federal agents from the Drug Enforcement Administration and the Federal Bureau of Investigation have waged an increasingly effective campaign to halt the flow of illegal drugs in our Nation's cities and suburbs.

However, because our Federal agents have made such progress in disrupting the illegal trade on our streets, the drugpushers have now been attacking, in increasing numbers, local retail drugstores to fill their supplies.

I believe this law would more clearly warn the drugpushers that we fully intend to pursue and prosecute them for their criminal activities.

Fighting drug-related crime is a priority in the funds provided to the States under the National War on Violent Crime Act.

Fifth, this bill would amend our bail laws to give a judge greater discretion to retain a defendant before trial. Thus, if the judge determines that the defendant would pose a danger to other persons or the community, if released, he could then hold the defendant without bail. Of course, this provision is the suggestion of Chief Justice Burger.

Sixth, this bill contains an antiarson provision, which will require the FBI to permanently classify arson as a part I offense for the purposes of the uniform crime reporting index, and thus more clearly reflect criminal activity. I have for years been deeply concerned about the need for public awareness of the number and devastating effects of crimes related to arson. I believe that we must have the capability to collect precise and extensive data concerning fires in order to have a more accurate portrayal of the arson problem and to plan the kind of action which is needed to reduce and eliminate these crimes. I believe this law will be a major step toward the accomplishment of this goal.

There are many other provisions in this legislation, but I wanted to relate some of its more important specifics.

Mr. President, the legislation I offer today is merely an initial step in America's battle to curb crime. There will necessarily be other proposals, ideas, and legislation offered in the ensuing months. I urge my colleagues to give vigorous attention to the crime problem in this country, and I invite them to join me in sponsoring this legislation. I am hopeful that these bills, and those that follow, will put crime in the forefront of our national congressional priorities and that, through our national effort, we will send a clear message to the criminal element that its reign of terror will no longer be tolerated by the American people.

Mr. President, on Sunday, April 5, 1981, an editorial discussing crime as a national crisis appeared in the Birmingham News. I ask unanimous consent to have this editorial printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CRIME—A NATIONAL CRISIS

The assassination attempt on President Reagan could have one welcome positive effect: It could provide incentive for a nationwide effort to come to grips with a problem which has clearly reached crisis proportions. Mr. Reagan would probably be the first to suggest that such a confrontation is both appropriate and necessary if the nation is to avoid social anarchy.

Admittedly, crime is a world problem. But it is also a national problem, a state problem, a county problem, a city problem and a neighborhood problem. To make any progress in combatting crime, every American must come to understand that crime is his or her problem and not a threat that concerns others only. At the current rate, one out of every 100 persons will be directly affected by crime during the next 12 months. Statistically, the streets of any town in Alabama are as dangerous from criminal threat as any street in New York, Washington or Los Angeles.

It was this knowledge that brought police, correctional officials and professors together on the campus of the University of South Carolina this week to discuss crime in a conference entitled "Criminal Justice and the Future."

On at least two points, the conferees reached a consensus: The fear of crime is increasing much faster than the crime rate itself and has produced dramatic changes in people's lifestyles. While statistically, people are no safer in one city than in another, fear has motivated thousands to move to the suburbs to escape dangerous criminals. For others, fear of criminals has instilled a defeatist, fortress mentality.

"This is dramatically exemplified," says USC's Dr. Thomas Cook, "by the terrified little householder who barricades himself behind elaborate security devices, buys a watchdog and never goes out after dark, even to meet his next door neighbors."

The second conclusion reached unanimously was that the criminal justice system can do little to control crime. "Crime is deeply rooted in the complex social problems or our society. . . . as such, the field of criminal justice merely reacts to crime," wrote Dr. Donald Walker of Kent State University.

The conference at USC did not address solutions, concentrating instead on the prevalence of crime and on public demands for harsher treatment of accused lawbreakers and known criminals. The USC conference should be only the beginning of a national dialogue on crime. One would hope that others will begin to examine alternatives to the kind of efforts we are now making to prevent crime and to restrain the criminal.

In that direction, Charles W. Colson, himself a convicted lawbreaker sentenced to a jail term for his role in the Watergate scandals, and Daniel H. Benson, professor of law at Texas Tech, have some suggestions. Their proposals appeared in an essay in the Detroit College of Law Review. The way to reduce overall crime, the men write, is to substitute restitution for imprisonment in thousands of cases.

"The history of the prison system shows that there is no way adequately to reform the system because it is the system that is wrong," say Colson and Benson. "What is wrong is the entire system itself as a system and as a theory of punishment, not the technical details of how it is operated."

Benson and Colson would not do away with prisons, but they would substitute restitution programs in the vast majority of cases—especially in cases which do not involve violence or use of lethal weapons. By restitution, the writers mean that "restitution would be made by payment in money or services directly to a victim of crime by the convicted offender under the supervision of the criminal justice system in order to restore the victim to the position he occupied before the offense."

Restitution differs from compensation. "Compensation," the writers say, "means the payment of money by or through the state, or its agencies, to the victims of crime in order to compensate the victims for whatever loss the crime caused . . . Restitution programs do not and need not in actual practice mean that dangerous criminals are allowed to remain at large to continue victimizing the public," the authors say.

Citing several examples of restitution programs over the country, particularly in Georgia, the writers conclude that "such programs work and accomplish what they are supposed to accomplish. They save taxpayers' money. Most of all, they redeem the lives, careers and families of offenders who otherwise might be ruined in the sick environment fo our nation's prisons."

The authors say that far fewer repeat offenders are among those who make restitution to their victims than among those who go to prison, so the public is better protected than if the lawbreakers are locked up and punished. Such programs can be limited as a pre-trial alternative for first offenders who have committed nonviolent crimes. Or they can be restricted, at the opposite end of the criminal justice system, to offenders who are released from prison on parole or applied to any combination in between.

The authors do not propose that prisons and punishment be abandoned, but claim that experience so far indicates a restitution program is worthy of more experiment. As an alternative to imprisonment, it offers desirable benefits to (1) the victims, (2) society and (3) to the offenders and their families.

Restitution may not be the total answer to cap crime, but it could very well be one answer to how to deal with non-violent offenders that would leave room in prisons for those who are unquestionably a threat to the public.

To underscore the need to search for effective alternatives such as the restitution program, the Rand Corp., which has done a number of studies on crime and career criminals, claims that a "substantial increase in prison population would be required to bring about a significant reduction in crime" (through restraint)—at least a 3-percent increase in imprisonment is required to obtain a 1-percent reduction in crime. If this extrapolation is accurate, a reduction in the crime rate would be expensive indeed for Americans both in terms of building new prisons and in paying the costs of housing and feeding a vastly increased prison population.

In the short term, however, one cannot deny that we must have more prisons to get career criminals off the streets and to keep them off the streets. But that does not mean we should not investigate alternatives to prison for those who commit non-violent crimes, for the young and for first offenders.

In the meantime, we should continue to discuss and debate the causes of crime. The USC conference chairman, Gene Stephens of the USC College of Criminal Justice, believes crime is increasing because the value systems in American life are breaking down. "The churches, schools and the family have disappeared as value transmitters," Stephens says. "With no set of human values to follow, it's amazing to me that as many people are as good as they are."

Crime can be reduced. But it will be reduced only if all of us press for a renewal of the social contract, only if institutions such as churches, schools, television, newspapers and magazines recognize that they have a responsibility to the public and have a vested interest in a human values system that nurtures the individual and civilization as a whole.

Mr. HEFLIN. Mr. President, I also ask unanimous consent that the two bills that I am introducing today appear in the RECORD following my remarks.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 953

Be it enacted by the Senate and House of Reresentatives of the United States of America in Congress assembled, That this Act may be cited as the "National War on Violent Crime Act".

PART A—FINDINGS AND DEFINITIONS

FINDINGS AND PURPOSE

SEC. 101. (a) The Congress finds and declares that—

(1) the general welfare of American citizens is threatened and undermined by the frequent occurrence of violent crime in this Nation;

(2) although the primary responsibility for crime and juvenile delinquency lies with the State and local jurisdictions, the continued high incidence of crime demands that the Federal Government work in cooperation with State and local governments in a joint attempt to reduce crime; and

(3) to foster such joint effort the Federal Government must—

(A) furnish monetary and technical support;

(B) decrease related bureaucratic processes;

(C) simplify grant structures;

(D) afford necessary guidance; and

(E) improve and coordinate its own efforts to reduce crime.

(b) The Congress declares that it is the policy of the United States to—

(1) encourage and assist the development of improved State and local criminal justice systems by providing State and local governments with monetary and technical support through a flexible program;

(2) create a grant assistance program aimed at both State and local criminal justice systems in an attempt to reduce a small, specified group of significant criminal justice problems;

(3) create a limited categorical program to support Federal programs of direct aid to State and local criminal justice systems; and

(4) assist law enforcement agencies when they are forced to meet temporary criminal justice emergencies which they cannot control alone.

DEFINITIONS

SEC. 102. As used in this Act—

(1) The term "Administration" means the Violent Crime Administration.

(2) The term "Administrator" means the Administrator of the Violent Crime Administration.

(3) The term "criminal justice" means activities pertaining to crime prevention, control, or reduction, or the enforcement of the criminal law, including (A) police education and efforts to prevent, control or reduce crime, (B) programs relating to juvenile justice, (C) programs and activities initiated to combat violent crime, and (D) programs relating to the compilation and evaluation of criminal statistics.

(4) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territories of the Pacific Islands and the Northern Mariana Islands.

(5) The term "unit of general local government" means any city, county, township, town borough, parish, village, or other general purpose political subdivision of a State, an Indian tribe which performs law enforcement functions as determined by the Secretary of the Interior, or, for the purpose of assistance eligibility, any agency of the District of Columbia government or the United States Government performing law enforcement functions in and for the District of Columbia.

PART B—ADMINISTRATION

ESTABLISHMENT

SEC. 201. There is hereby established within the Department of Justice, under the general authority of the Attorney General, a Violent Crime Administration (hereinafter referred to as the "Administration"). The Administration shall be under the direction of an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and such other Deputy Administrators as may be designated by the Attorney General. The Administrator shall have final authority over all grants, agreements and contracts awarded by the Administration. The Administrator shall be responsible for carrying out the purposes of this Act.

PART C—GRANTS

AUTHORITY OF ADMINISTRATOR

SEC. 301. The Administrator is authorized to make grants to States planning and coordinating agencies in accordance with the provisions of this Act, for the establishment and operation of State violent crime planning and coordinating agencies (hereinafter referred to as "State planning agencies") for the preparation, development, and revision of the State plan required by this Act. Any State may make application to the Administration for such grants within three months after the date of enactment of this Act.

STATE PLANNING AGENCIES

SEC. 302. (a) A grant made under this part to a State shall be utilized by the State to establish and maintain a State planning agency. Such agency shall be created or designated by the chief executive of the State and shall be subject to his jurisdiction. The State shall use the planning agency established for the Law Enforcement Assistance Administration pursuant to the Omnibus Crime Control and Safe Streets Act of 1968. The State planning agency shall be representative of law enforcement agencies of the State and of the units of general local government within the State.

(b) The State planning agency shall—

(1) develop a comprehensive statewide plan for the improvement of law enforcement and the criminal justice system throughout the State;

(2) define, develop and coordinate programs and projects for the State and the units of general local government in the State or combinations of States or units for improvement in law enforcement and in the criminal justice system; and

(3) establish priorities for the improvement in law enforcement and in the criminal justice system throughout the State.

ALLOTMENT

SEC. 303. (a) From the sums appropriated pursuant to this Act, the Administrator shall allot 75 per centum of such sum—

(1) to each State an amount which bears the same ratio to 50 per centum of such 75 per centum as the number of individuals in

such State bears to the number of individuals in all States, and

(2) to each State an amount which bears the same ratio to 50 per centum of such 75 per centum as the need index determined in accordance with criteria established by the Attorney General.

(b) The remainder of the sums appropriated pursuant to this Act shall be used by the Administration to carry out the provisions of part G, relating to discretionary grants.

(c) The portion of any State's allotment under subsection (a) for a fiscal year in which the Administrator determines will not be required for carrying out the purposes of this Act, shall be available for reallotment from time to time, on such dates during such period as the Administrator may fix. Such sums shall be available to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Administrator estimates such State needs and will be able to use for such period for carrying out such portion of its State application approved under this Act. The total of such reductions shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(d)(1) The population of a State and of all States shall be determined by the Administration on the basis of the most satisfactory data available to the Administrator.

(2) The need index (volume and activity of a criminal justice system of a State and the total expenditures of a State and for all States) shall be determined by the Administrator after establishing criteria for measuring such volume, activity, and expenditures determining such need.

SPECIFIC PROGRAMS

SEC. 304. (a) It is the purpose of this part to assist States and units of local government in carrying out specific programs which are of proven effectiveness. The Administration is authorized to make grants under this part to States and units of local government for the purpose of—

(1) training and providing education to law enforcement personnel;

(2) combating violent crime;

(3) improving juvenile justice;

(4) improving and developing statistical and evaluative systems;

(5) improving State criminal justice coordination, planning and analysis;

(6) detecting and disrupting drug related commerce and activities;

(7) providing the public with information on criminal activities and individuals by dissemination on public and commercial media; and

(8) coordinating and facilitating the reporting of arrests involving firearms with other localities and law enforcement agencies at the State and Federal levels.

(b) The non-Federal portion shall be 10 per centum of the cost of programs in subsection (a) of this section.

(c)(1) The State planning agencies are authorized to issue grants in areas other than those described in subsection (a) of this section if such program or plan is of proven effectiveness, or is essential for the reduction of crime.

(2) The non-Federal portion shall be 50 per centum of the cost of the programs of this subsection.

PART D—STATE PLAN

SUBMISSION OF PLAN

SEC. 401. (a) Any State desiring to receive its allotment of Federal funds under this Act shall submit a State plan each year, which is consistent with such basic criteria as the Administrator may prescribe under this Act.

(b) The Administrator shall approve any State plan and any modification thereof only if—

(1) the State plan, or modification, complies with the requirements set forth in subsection (a) of this section; and

(2) the Administrator determines that the program set forth in the State plan contributes to encouraging advanced practices in the administration of criminal justice within the State.

BASIC CRITERIA

SEC. 402. As soon as practicable after enactment of this Act, the Administrator shall by regulation, after consultation with the heads of other appropriate Federal agencies, prescribe basic criteria to be applied by the State agency under section 401 of this Act.

WITHHOLDING

SEC. 403. (a) Whenever the Administrator, after reasonable notice to any State, and opportunity for a hearing, finds—

(1) that there has been a failure to comply substantially with any requirement set forth in plans of that State approved under section 401 of this Act;

(2) that there has been a failure to comply substantially with any requirement set forth in the application of a locality approved pursuant to the State plan; or

(3) that in the operation of any program or project assisted under this Act there is a failure to comply substantially with any applicable provision of this Act;

the Administrator shall notify such State of his findings and specify that no further payments may be made to such State under this Act until the Administrator is satisfied that there is no longer any failure to comply.

(b) If the applicant or recipient is dissatisfied with the findings and determinations of the Administrator a request may be made for a rehearing, under such regulations and procedures as the Administrator may establish. Such recipient shall be afforded an opportunity to present such additional information as may be deemed appropriate.

APPELLATE COURT REVIEW

SEC. 404. (a) If any applicant or recipient is dissatisfied with a final action, such applicant or recipient may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such applicant or recipient is located, or in the United States Court of Appeals for the District of Columbia, a petition for review of the action. A copy of the petition shall be transmitted by the petitioner to the Administration. The Adminisration shall thereupon file in the court the record of the proceeding on which the action was based, as provided in section 2112 of title 28, United States Code. No objection to the action shall be considered by the court unless such objection has been urged before the Administration.

(b) The court shall have jurisdiction to affirm or modify a final action or to set it aside in whole or in part. The findings of fact by the Administration, if supported by substantial evidence on the record considered as a whole, shall be conclusive, but the court, for good cause shown, may remand the case to the Administration to take additional evidence to be made part of the record. The Administration may thereupon make new or modified findings of fact by reason of the new evidence so taken and filed with the court and shall file such modified or new findings along with any recommendations for the modification or setting aside of such Administration's original action. All new or modified findings shall be conclusive with respect to questions of fact if supported by substantial evidence when the record as a whole is considered.

(c) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Administration or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification as provided in section 1254 of title 28, United States Code.

PART F—COMPENSATION

COMPENSATION OF ADMINISTRATOR

SEC. 501. Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Administrator, Violent Crime Administration.".

COMPENSATION OF DEPUTY ADMINISTRATOR

SEC. 502. Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following: "Deputy Administrator, Violent Crime Administration.".

PART F—NATIONAL ADVISORY BOARD

ESTABLISHMENT OF BOARD

SEC. 601. There is hereby established a National Advisory Board (hereinafter referred to as the "Board") which shall serve to advise the Administrator.

MEMBERSHIP

SEC. 602. The Board shall be composed of two representatives from each State. One member shall be appointed by the Governor of such State and one shall be appointed by the Attorney General of such State.

TERM OF OFFICE

SEC. 603. Two members shall be initially appointed to the Board by each State. One member shall be appointed to a term of one year and one shall be appointed for a term of two years. All appointments after such initial appointment shall be for a term of two years.

DUTIES AND FUNCTIONS

SEC. 604. The Board shall be responsible for advising the Attorney General and the Administrator of the needs of the criminal justice system and for coordinating the functions necessary to carry out the purposes of this Act.

PART G—DISCRETIONARY GRANTS

PURPOSE

SEC. 701. It is the purpose of this part to encourage States, units of local government, or private nonprofit organizations to—

(1) analyze, coordinate and assist in the development and planning of programs to improve the criminal justice system;

(2) provide technical assistance to State and local governments to improve the criminal justice system;

(3) meet criminal justice emergency situations beyond the capacity of State and local governments to respond adequate; and

(4) promote close coordination between Federal law enforcement and State and local law enforcement in training, information gathering and dissemination, research, and technical assistance for the improvement of the total criminal justice system of the United States.

NATIONAL POLICE ACADEMY

SEC. 702. There is hereby established a National Police Academy, which shall provide for and encourage career officers. The Academy shall have authority to train national, regional and local police officers in both general and special police duties.

AWARDS

SEC. 703. The Administration may and according to the criteria and on the terms and conditions it determines consistent with this part, provide financial assistance of up to 75 per centum of the cost of the program, to those programs or projects which most clearly satisfy the priorities established under this Act.

PART H—AUTHORIZATION OF APPROPRIATIONS

AUTHORIZATION

SEC. 801. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3146(a) of title 18, United States Code, is amended to read as follows:

"§ 3146. Release in noncapital cases prior to trial

"(a) Any person charged with an offense, other than an offense punishable by death, shall, at his appearance before a judicial officer, be ordered released pending trial on his personal recognizance or upon the execution of an unsecured appearance bond in an amount specified by the judicial officer, unless the officer determines, in the exercise of his discretion, that such a release will not reasonably assure the appearance of the person as required or that such release will endanger the safety of any person or the community. When such a determination is made, the judicial officer shall, either in lieu of or in addition to the above methods of release, impose the first of the following conditions of release which will reasonably assure the appearance of the person for trial or, if no single condition gives that assurance, any combination of the following conditions:

"(1) place the person in the custody of a designated person or organization agreeing to supervise him;

"(2) place restrictions on the travel, association, or place of abode of the person during the period of release;

"(3) require the execution of an appearance bond in a specified amount and the deposit in the registry of the court, in cash or other security as directed, of a sum not to exceed 10 per centum of the amount of the bond, such deposit to be returned upon the performance of the conditions of release;

"(4) require the execution of a bail bond with sufficient solvent sureties, or the deposit of cash in lieu thereof; or

"(5) impose any other condition deemed reasonably necessary to assure appearance as required, including a condition requiring that the person return to custody after specified hours.".

SEC. 2. (a) Chapter 103 of title 18, United States Code, is amended by adding immediately after section 2117 the following new section:

"§ 2118. Robbery of a pharmacy

"(a) Any person who takes property of another from a licensed pharmacy regularly engaged in the retail dispensing in interstate commerce of prescription drugs or devices, by force and violence, or by intimidation, and such robbery is part of a pattern of such robberies in the locality, shall be fined not more than $5,000, or imprisoned not more than ten years, or both.

"(b) For purposes of this section, the term 'property' means a controlled substance consisting of a narcotic, amphetamine, or barbiturate that is listed in Schedule I, II, III, or IV established by section 202 of the Controlled Substances Act (21 U.S.C. 812), the value of which is in excess of $100.".

(b) The table of sections for chapter 103 of title 18, United States Code, is amended by adding at the end thereof the following:

"2118. Robbery of a pharmacy.".

SEC. 3. Subsection (c) of section 924 of title 18, United States Code, is amended to read as follows:

"(c) Whoever—

"(1) uses any firearm to commit a felony with respect to which the district courts of the United States have original and exclusive jurisdiction under section 3231 of this title; or

"(2) carries a firearm during the commission of any such felony if an element of such felony is the use of violence or threat of imminent violence;

shall, in addition to the punishment provided for the commission of such felony, be sentenced to imprisonment for a term of five years. In the case of the second or subsequent conviction of a person under this subsection, such person shall be sentenced to imprisonment for a term of five years plus an additional five years for each subsequent conviction after the first.".

SEC. 4. Section 3575 of title 18, United States Code, is amended by adding at the end thereof the following:

"(h) Notwithstanding any other provision of this section if a defendant has previously been convicted in a court of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States or any political subdivision thereof, of two violent felonies which are independent, he shall be sentenced to life imprisonment without parole for a subsequent violent felony conviction.".

SEC. 5. (a) Section 704 of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by adding at the end thereof the following:

"(c) The Director of the Federal Bureau of Investigation is authorized and directed to classify the offense of arson as a part I crime in its Uniform Crime Reports. In addition, the Director of the Federal Bureau of Investigation is authorized and directed to develop and prepare a special statistical report in cooperation with the National Fire Data Center for the crime of arson, and shall make public the results of that report. The Director of the Federal Bureau of Investigation shall give priority as part of the special report to the investigation of arson in housing supported by programs of or owned by the Department of Housing and Urban Development.".

(b) Subsection (b) of section 704 of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by striking out "this section" and inserting in lieu thereof "subsection (a)".

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. LUGAR). Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 1 hour, with statements therein limited to 10 minutes each.

ELIE WIESEL: NO ANSWERS, ONLY QUESTIONS

Mr. PROXMIRE. Mr. President, in Tuesday's New York Times, Michiko Kakutani writes of the continuing testament of Elie Wiesel—scholar, essayist, playwright, and survivor. Wiesel, a survivor of two Nazi concentration camps, writes of an event he knows is beyond explanation and language, an event so horrifying—with consequences so enormous—that description is impossible. Referring to the holocaust, he states that—

It is always present. I know whatever I do, whatever I write, is always against the background of that event.

As Kakutani notes, Wiesel grew up in a Hassidic community, in a life devoted to study and prayer, a life devoted to God. Then one day, the 15-year-old boy and his family were placed on a cattle train and taken to a place called Auschwitz. Most disturbing to Wiesel today is the fact that people were silent:

We were so isolated: the rest of the world knew, but we didn't even know what the word "Auschwitz" meant.

His father was killed before his eyes. As a child, Wiesel also lost faith in a benevolent God. The experience changed the shape of his world, and altered the direction of his life. Wiesel says that—

Without the war, I would never have questioned any of my beliefs. I wouldn't have been involved in action. The event made me realize the urgency of personal commitment.

His first testimony, the highly autobiographical "Night" had difficulty finding an American publisher. "No one wanted to hear about it," Wiesel recalls: "People felt ashamed and embarrassed." Yet currently the holocaust is a widely documented phenomenon, and Wiesel warns against trivializing the event, or playing with it like a "fad." "I would still like to tremble when I pronounce the word 'Auschwitz,' " he states.

A major concern of Wiesel's is also the plight of Russian Jews in the Soviet Union. He is particularly disturbed by communism's desire to suppress individuality, and by the methods used against those who refuse to surrender it.

Mr. President, genocide is the most potent method of oppression, but it knows no single country or ideology. It has occurred with a sickening frequency throughout our history, and for every 1 person killed, there have been 10 who did nothing—who kept silent. Today, we cannot afford such inaction. Elie Wiesel, a survivor of the greatest terror of the 20th century, eloquently speaks out against it and future holocausts. We in the Senate have the opportunity to follow his example.

The Genocide Convention affirms the most basic right of all human beings—the right to live. It declares those who deprive that right, on a massive scale, international criminals. The convention simply states that wholesale killing on the basis of race, nationality, ethnicity, or religion is wrong. And yet it has been pending before this Senate ever since Harry Truman won its UN approval in 1949.

That has been 30 years too long. Approved by both the American Civil Liberties Union and the American Bar Association, endorsed by every President since Truman, ratified by every major nation in the world except the United States, the Genocide Treaty demands to be ratified now.

Elie Wiesel states:

Once upon a time I was convinced it must be possible to shake people up. Now I don't think it's possible. I write because I must, and if I still scream, it is to prevent the others from changing me.

Though we command far less courage and spirit, the time has come for us to speak out. The passage of the Genocide Convention must be carried by our voices.

RATIFICATION OF THE GENOCIDE CONVENTION: THE BEST WAY TO HONOR RAOUL WALLENBERG

Mr. PROXMIRE. Mr. President, yesterday Senator PELL introduced a resolution (S.J. Res. 65) proclaiming Raoul Wallenberg an honorary citizen of the United States and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom.

Raoul Wallenberg was the remarkable Swedish person who went behind the Nazi lines in World War II and saved hundreds of Jewish lives by providing passports for them. He later disappeared in the Soviet Union, and the Soviets have had him in prison, apparently, ever since then. There have been reports that he is alive, but those reports have not been completely confirmed. At any rate, by making him an honorary citizen of this country, we feel there is a chance to work toward his final freedom from imprisonment in the Soviet Union.

I commend Senator PELL for introducing this resolution. I ask unanimous consent that I be added as a cosponsor of Senate Joint Resolution 65.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Henry F. Greene, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

The assistant legislative clerk read the nomination of Henry F. Greene, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

THE CAMBODIAN BLOOD BATH AND THE GREAT SILENCE

Mr. HAYAKAWA. Mr. President, long before public attention was riveted on genocide in Cambodia, Dr. Ernest Lefever, Assistant Secretary of State Designate for Human Rights and Humanitarian Affairs, wrote an article in the TV Guide analyzing how the press reported one of the greatest atrocities of our time.

During the first 20 months of the Pol Pot regime when perhaps one out of seven Cambodians was being killed by deliberate policy, he found that the evening news programs of the three television networks gave the story only 20 seconds per month.

Dr. Lefever asks a very interesting question in this article. Why did the media report "fully and sometimes join in the condemnation of the Spanish Government in 1975 for executing five terrorists convicted of murdering a policeman," but practically ignore the murder of a million innocent people? He suggests a partial answer—"the frequent partnership of moral outrage and revolutionary zeal." Apparently when these atrocities are committed in the name of revolution, they attract less attention.

It is my belief, Mr. President, that the Reagan administration's pursuit of a credible human rights policy under the leadership of Dr. Lefever will prevent the reoccurrence of a similar situation.

I ask unanimous consent that this article, "The Cambodian Blood Bath and the Great Silence," dated April 30, 1977, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CAMBODIAN BLOOD BATH AND THE GREAT SILENCE

(By Dr. Ernest W. Lefever)

Let's suppose that Castro were abruptly overthrown and replaced in Cuba by a non-Communist regime determined to wipe out all vestiges of the old order—Castro's army and secret police, the Communist Party, political commissars and the entire Soviet apparatus, along with the revolution's vaunted social achievements: child-care centers, workers' schools, student cane-cutting battalions and the Marxist intellectual class.

Let's further suppose that Cuba's new rulers pursued their ends, not by legislation, trials or reeducation, but by a massive program of "class" executions and forced migration from cities, a program that within 20 months would bring brutal death to one Cuban in every six or seven.

If such a blood bath took place, the world press would scream with condemnation and the United Nations would vote sanctions.

Unfortunately, this scenario is not make-believe. The blood bath has already happened, not in Cuba but in Cambodia. In the face of this massive atrocity, the President, the Congress and the United Nations have remained all but mute. American newspapers and TV, with rare exceptions, have neither reported the facts nor condemned what The Christian Science Monitor has called one of the most "brutal and concentrated onslaughts in history."

The Cambodian blood bath began on April 17, 1975, two hours after the first Communist squads started "liberating" Phnom Penh. Within days, there was enough evidence from the lips of escaping Cambodians and foreigners to rivet mankind's conscience on Cambodia.

According to numerous eyewitness accounts verified by several independent and reliable sources, this is what happened. From the start, the Communist High Command decided to eliminate all "enemies of the people," a category that expanded as the grisly drama unfolded. First executed were the officers and men of the Lon Nol army and their wives and children. Then came higher civilian officials, followed by lesser ones—hamlet chiefs, doctors, nurses, teachers and even students in most cases, the families were also killed in the frantic effort to obliterate every trace of the old regime by the first anniversary of the Communist takeover.

To "purify" the culture, historic buildings, shrines, schools and even cities were scheduled for oblivion. Two million citizens of Phnom Penh, considered a cesspool of corruption, were evacuated at gunpoint, as were a million more from smaller towns. The sick were driven from hospitals. Tens of thousands met death by beating, exhaustion or slow starvation. The lucky ones were shot.

According to two experienced researchers who sifted testimony from refugees in Thailand, France and the U.S. ("Murder of a Gentle Land," by John Barron and Anthony Paul, Reader's Digest Press) at least 1.2 million Cambodians died between April 17, 1975 and Jan. 1, 1977 as a direct result of Communist policies—over 100,000 from massacres and executions, over 20,000 during escape attempts, over 400,000 during the expulsion from the cities and 680,000 from disease and starvation. One Cambodian in six met a painful end. U.S. Government agencies and other authorities do not dispute these grim statistics.

On Sept. 5, 1975, Leng Sary, a Cambodian official, on arriving in New York said: "The towns have been cleaned." When he appeared at the United Nations, he was warmly applauded. He neglected to say he represented a country "without universities, commerce, art, music, literature, science or hope," to quote Barron and Paul.

American newspapers and TV networks barely pierced what The New York Times called the "veil of silence."

In the 20 months following the "liberation" of Cambodia, the ABC, CBS and NBC evening news shows spent a total of four hours and 55 minutes covering Cambodia, but only 7 per cent on the blood bath. The three shows combined gave one minute of news a month to a purge that in terms of relative population exceeded the slaughter of Hitler's and Stalin's concentration camps. The attentive viewer—able to watch only one channel at a time—received only 20 seconds a month from the medium American citizens rely on most for their news.

Equally appalling was the skeptical and even apologetic tone of most of the early stories. The May 8, 1975 reporting was typical: ABC says blood-bath theory is widely believed by refugees; no confirmation. CBS says tales of executions are not confirmed; New York Times newsman Sydney Schanberg suggests Americans have stake in blood-bath theory. ABC and CBS report the Khmer Rouge troops are well-disciplined.

During the next 18 months the three net-

works combined carried 10 brief references to brutality and death, but there was not a single comprehensive report on the blood bath.

The near absence of Cambodian bloodbath news on TV was not attributable to a lack of evidence. Among the 50,000 Cambodians who escaped, there are thousands of eyewitnesses. And some enterprising newsmen did interview them.

The performance of America's serious newspapers was not as poor as that of TV news. Of the 63 stories examined, it appears that only one hit page one, on Feb. 2, 1976 in The Washington Post. As on TV, only a few press stories carried the blood-bath story without misgivings or apology.

It took two explicit atrocity reports by Secretary of State Kissinger to get the attention of the networks. His May 13, 1975 statement appeared in several papers. His June 24 report was noted briefly by TV and the papers, but it was not followed up by either.

The blood bath, the very essence of dramatic human-interest news—when carried at all—was treated more frequently in signed opinion and editorials than in the news columns. To their credit, The New York Times, The Christian Science Monitor and The Wall Street Journal reported and condemned the blood bath. On July 9, 1975. The Times compared it to the "Soviet extermination of the Kulaks [and] the Gulag Archipelago." In April 1976, The Journal said: "The enormity of this kind of atrocity . . . is mind-numbing" and asked why the "weak outcry from the usual wellsprings of moral outrage around the world."

Why, indeed? The press is frequently outraged by small or even alleged crimes. The media reported fully and sometimes joined in the condemnation of the Spanish government in 1975 for executing five terrorists convicted of murdering policemen. But where is the condemnation of the murder of a million innocent people?

The Wall Street Journal suggests a partial answer—the frequent partnership of moral outrage and revolutionary zeal. The "crimes of the Khmer Rouge, even though they dwarf some other state crimes of our time . . . have attracted less attention because they are inflicted in the name of revolution."

POLAND—THE PROLETARIAT CHALLENGE TO THE COMMUNIST BOURGEOIS

Mr. ROBERT C. BYRD. Mr. President, the ongoing crisis in Poland presents the international community with a classic study of the contradictions between the theory and actual practice of communism. We are witnessing the so-called revolution of the proletariat coming full circle.

On March 29, 1981, we were greeted with news stories that the Kremlin had charged the Solidarity Union, representing 10 million Polish industrial workers, with being counterrevolutionary and an enemy of the state.

The official Soviet news agency, Tass, in expressing the deepening concern within the Soviet leadership over events in Poland, raised the following alarm:

Solidarity itself is following the path of transformation into a political party hostile to Polish Communists and the Government.

Leaders of the Soviet Union and its Eastern European allies, East Germany and Czechoslovakia in particular, have urged Polish authorities to crack down on the solidarity government.

I find these events particularly illuminating since the proletariat, or the industrial worker, is supposedly the foundation upon which a truly Communist state is built.

One only has to read the Communist Manifesto, written by Karl Marx and Friedrich Engels, to appreciate the contradictions inherent in the Eastern bloc's alarm over events in Poland. In the chapter on bourgeois and proletarians the following commentary can be found:

From time to time the workers are victorious (in their struggle against the Bourgeois), but only for a time. The real fruit of their battles lies, not in the immediate result, but in the ever expanding union of the workers. This union is helped on by the improved means of communication that are created by modern industry and that place the workers of different localities in contact with one another. It was just this contact that was needed to centralize the numerous local struggles, all of the same character, into one national struggle between classes. But every class struggle is a political struggle. . . .

What an irony that this commentary should be a prophecy not only for Communist Poland, but the entire Eastern bloc as well. One only has to recall that Solidarity began as a small, almost obscure, union in the shipyards of Gdansk. Today, it has grown to encompass 10 million industrial workers from the coal miners of Silesia to the factory workers in nearly all the major cities of Poland.

If one were to believe Soviet propaganda, I suppose the West should feel secure in the knowledge that somehow we have the capability to organize 10 million Polish workers in an attempt to subvert the socialist systems of Eastern Europe. However, despite all of this propaganda, it cannot conceal the fact that the proletariat of Poland represents a fundamental threat to the underpinnings of Communist ideology. This is the real threat to the Soviet Union and its allies—one which the Soviets understand only too well.

The present situation in Poland does have an historical base. It has been 64 years since the first Communist state was established through the overthrow of Czar Nicholas II in the Bolshevik Revolution of 1917. According to Marxist-Leninist theologians of the time, this historic occasion was to have set in motion a chain of events leading to the dictatorship of the proletariat and eventually to a completely classless society.

Yet, during this span of 64 years, the proletariat has remained the exploited proletariat in the Eastern bloc, only now they labor under the Communist system. Far from evolving into the dictatorship of the proletariat or into classless societies, we have seen the emergence and perpetuation of new elites—a Communist bourgeoisie. Comprised of political and military loyalists to the party line, the Communist bourgeoisie enjoy a standard of living far beyond the reach or the dreams of the proletariat in their countries. They maintain dachas, feast on caviar, are driven around in limousines, and generally enjoy all the amenities of life.

Contrary to Eastern Europe under communism, the worker of the West has evolved into a major political and economic force in the capitalist system. Through the trade union movement, the laborer in the West has increased his purchasing power and with it, access to a wide variety of consumer goods. This is not to say that all inequities for the Western worker have been resolved. However, his counterpart in the Eastern bloc is faced with a declining quality of life. He, or members of his family, spend numerous hours in food lines waiting to purchase the barest necessities. Few consumer goods are within his financial reach. Yet, the leadership of the Eastern bloc does not endure the same hardships.

This is the fundamental issue involved in Poland, and this is what is so threatening and so frightening for the Soviet leadership. Poland today is not Hungary of 1956 which the Soviets invaded to suppress a revolt of intellectuals and students. Poland today is not Czechoslovakia of 1968 where Soviet tanks were used to roll back the liberalization of the "Prague Spring." Poland today is not Afghanistan, a neutral, Third World country for which the Soviets have always had imperialist designs.

Poland today is 10 million industrial workers who want a greater voice in the running of their unions and a greater voice in controlling their own destinies. And this creates a dilemma for the Soviets. It is one thing to turn guns on students and intellectuals. It is quite another to turn guns on the proletariat, the so-called foundation of the Communist state.

The Soviet bloc is nothing more than a collection of governments comprised of dictatorial elites. V. I. Lenin, on page 441 of volume XXV of his collected works (second edition) defined dictatorship in the following manner:

The scientific concept of dictatorship means nothing more than unlimited government, unrestrained by any laws or any absolute rules and supporting itself directly by force. Nothing other than that is the meaning of the concept of dictatorship.

It is apparent this has been the central dogma for the dictatorial elite of the Soviet Union—beginning with the rule of Josef Stalin. The maintenance of this status is the overriding concern of the Soviet leadership even if it means it has to be accomplished at the expense of the workers and peasants. The historical expansionist policies of the Russian leaders have always taken primacy over the welfare of the proletariat. Little has changed since the czars.

SOME OLD-FASHONED RESPONSIBILITIES FOR BUSINESS IN AMERICA'S NEW BEGINNING

Mr. DANFORTH. Mr. President, as chairman and chief executive officer of Monsanto Co., John W. Hanley is a leader of the St. Louis business community. He is also a thoughtful commentator on the responsibilities of American business in today's economic and political environment. I ask unanimous consent that excerpts from Mr. Hanley's March 23, 1981 remarks to the Instrument Society of America be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

SOME OLD-FASHIONED RESPONSIBILITIES FOR BUSINESS IN AMERICA'S NEW BEGINNING

I regard the installation of a new Administration in Washington as providing a real opportunity for business leadership to demonstrate its capability to help America solve our collective problems. A failure on our part will likely see a prompt return to overdependence on the government sector and continued low regard for the initiative of business leadership.

Many of us in business have been arguing for years that we could help make this economy produce more effectively if Washington would just get off our backs. Now they've called our bluff. So we've got to deliver in terms of both our economic performance and our social responsibilities.

To do so, we'll have to rediscover some old-fashioned virtues—self-restraint, self-denial, and, above all, self-reliance. Today, I'd like to tell you why I think these old-fashioned responsibilities for business must be the foundation of America's new beginning.

Let's start with self-restraint. Business leaders must avoid the temptation to act like just another "special interest" group. . . .

I'm afraid those of us in the business community are especially vulnerable in this regard. Right or wrong, we have felt for a long time that we were on the outside, that the constituencies we serve were slighted both in government and in public opinion.

Now we have an Administration that is clearly more receptive to businessmen's views. We are getting an opportunity to present our ideas and to sell them on their merits, which is really all we can expect. . . .

If we are smart, we won't forget that the term "special interest" once applied almost exclusively to economic interests. The muckrakers at the turn of the century nearly tarnished businessmen forever as the predatory special interest group—those "malefactors of great wealth," in Teddy Roosevelt's memorable words.

The tables have turned. Now it's the critics of business who are often seen as the special interests. The American people have spoken out against them at the polls—as they surely will against businessmen if the public perceives us as acting out of narrow self-interest instead of manifesting a broadly based concern for the national welfare.

If we don't exercise self-restraint and place the common good ahead of our own parochial interests, we will inevitably lose our newfound influence in national affairs—as, indeed, we should.

Closely related to self-restraint is a second heightened responsibility for business under the new Administration—that of self-denial.

The Administration has proposed sweeping measures to cut government spending. In addition, it plans to restructure the tax system to revive the American economy. These measures call for self-denial and sacrifice on the part of all of us. They call for compromise, and that is something I hope we can do with more grace than our society has demonstrated in the past few decades.

Businessmen now have an opportunity to take the lead in forging new cooperative relationships with government. It's time we stopped complaining and helped develop workable solutions to the problems of our society.

A case in point is cost-benefit analysis. It is not government's primary responsibility to make cost-benefit analysis work. That task rests squarely on our shareholders.

Government and business may never agree totally on regulatory cost-benefit analysis, particularly when powerful third parties such as labor, environmentalists, and consumer advocates are deeply involved. But the analysis is going to require hard, precise and—above all—honest data, and we can help provide these. So it's time for us to make a determined effort to work with government in developing and supplying the information on which reasoned judgments can be made.

There are other areas as well where we have a responsibility to make concessions and to cooperate in achieving common goals. If we want to get rid of some of those unnecessary OSHA programs which we have criticized for so long, then workers and management will have to cooperate in monitoring the workplace more carefully themselves.

If we don't want more states passing laws which severely limit the ability of companies to close unproductive facilities, then businesses must initiate innovative and mutually beneficial arrangements with the communities where their plants are located.

What I am recommending is that business show the way out of our old adversarial relationships toward a new spirit of cooperation and compromise—in which all parties exercise appropriate self-denial.

That brings me to the third, and most important, responsibility for business, in fact, for all of us. That responsibility is self-reliance—an old, familiar word with a fresh, new meaning in the context to today's problems. . . .

I've sat through a good many meetings in the past few years where businessmen heatedly debated the question: "How do we get government out of our affairs?"

The answer, I think, can be summed up in one terse sentence: "Don't give government any excuse for coming in in the first place!"

We must look to ourselves to solve many of our pressing national problems and to make this economy work. If the business community has learned anything from the past 20 years' experience, it is the urgent need for greater attention to product quality and keener sensitivity and responsiveness to emerging social and economic problems. . . .

Some businessmen, perhaps nostalgic for the past, like to think that if only we could rely exclusively on the profit-and-loss signals of the marketplace, everything would be fine. However appropriate such an outlook may have been for an earlier era, it certainly does not fit with the business imperatives of today.

We cannot survive in the current business environment unless we are sensitive to a broader range of signals: from politics, both domestic and international; from our host communities and our employees; from our churches and schools and other institutions; and, of course, from our own consciences.

Increasingly, the solutions to our social problems and economic weaknesses will involve high technology. . . . Only a self-reliant private sector can develop the high-technology means to lower production costs. And lower costs mean higher productivity. I know we share the conviction that increasing the productivity of American industry is basic to reversing the downward slide of our economy and making it more competitive around the world.

Several factors go into productivity growth, of course—levels of capital investment, allocation of resources, quality of the work force, and others. However, a full 40 percent of the growth of productivity in this country during the past half century came through technological innovation. And that portion is bound to grow as our economy moves more and more away from labor-intensive industry toward high-technology industry. As I see it, this kind of innovation will result in safer workplaces, a cleaner environment, and a more prosperous nation.

If this nation of ours is to have a fresh beginning, those are some of the tasks before us. Rarely does a people get the chance to set a radically different and more promising course. That opportunity is now ours.

New and heightened responsibilities rest on all Americans, particularly those in last November's victorious coalition. Those who gained official position cannot hesitate to fulfill their promise of regulatory reason and budgetary sanity. Those in the business community can advance or retard this promise, depending on how we use our new-found influence.

If we fail to exercise self-restraint and instead place our special interests above the common good . . . .

If we shun the self-denial and cooperation and compromise required of all Americans . . . .

If we recoil from the self-reliance required to solve our national problems and to make this country again an economic mircale . . . .

If we fail to carry out these responsibilities honorably, we won't be asked to bear them the next time.

We've been given a "second chance" to *earn* the public's confidence . . . . to demonstrate our ability to help solve our collective problems . . . . to provide sound, statesmanlike leadership.

Let's seize the opportunity that is ours and make the most of it!

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-908. A communication from the Acting Under Secretary of Defense for Research and Engineering, transmitting, pursuant to law, the annual report on the Defense Industrial Reserve; to the Committee on Armed Services.

EC-909. A communication from the Acting General Counsel of the Department of Defense, transmitting a draft of proposed legislation to provide members of the Armed Forces a 5.3 percent pay raise; to the Committee on Armed Services.

EC-910. A communication from a member of the Board of Directors of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on a transaction involving U.S. exports to Mexico; to the Committee on Banking, Housing, and Urban Affairs.

EC-911. A communication from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to authorize funding authorizations for fiscal years 1982 and 1983 for housing and related programs of the Department; to the Committee on Banking, Housing, and Urban Affairs.

EC-912. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations under the National Advisory Committee on Oceans and Atmosphere Act; to the

Committee on Commerce, Science, and Transportation.

EC–913. A communication from the Chairman of the Civil Aeronautics Board transmitting a draft of proposed legislation to eliminate unnecessary airline subsidy payments; to the Committee on Commerce, Science, and Transportation.

EC–914. A communication from the Acting Assistant Secretary of the Army for Civil Works, transmitting a draft of proposed legislation to authorize funds for completion of certain river basin plans; to the Committee on Environment and Public Works.

EC–915. A communication from the Assistant Secretary of the Army for Civil Works, transmitting a draft of proposed legislation to authorize further engineering and design of water resources development projects; to the Committee on Environment and Public Works.

EC–916. A communication from the Acting Assistant Secretary of the Army for Civil Works, transmitting a draft of proposed legislation to authorize the Secretary of the Army to maintain and update the national inventory of dams; to the Committee on Environment and Public Works.

EC–917. A communication from the Acting Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act; to the Committee on Environment and Public Works.

EC–918. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Social Security Act to eliminate non-basic benefits; to the Committee on Finance.

EC–919. A communication from the Acting Assistant Secretary of State for International Organization Affairs, transmitting, pursuant to law, several documents from the United Nations system; to the Committee on Foreign Relations.

EC–920. A communication from the Acting Director of the U.S. International Development Cooperation Agency, transmitting, pursuant to law, a report of activities of the Agency under the Foreign Assistance Act for fiscal 1980; to the Committee on Foreign Relations.

EC–921. A communication from the Acting President of the Overseas Private Investment Corporation, transmitting a draft of proposed legislation authorizing a 4-year extension of the investment insurance and guaranty programs operated by the Corporation; to the Committee on Foreign Relations.

EC–922. A communication from the Executive Secretary of the National Mediation Board, transmitting, pursuant to law, the report of the Board under the Government in the Sunshine Act for calendar 1980; to the Committee on Governmental Affairs.

EC–923. A communication from the Acting Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to repeal certain provisions relative to compensation of employees of Immigration and Naturalization Service; to the Committee on Governmental Affairs.

EC–924. A communication from the Acting Deputy Assistant Secretary of Interior for Indian Affairs, transmitting, pursuant to law, a plan for the use and distribution of Yankton Sioux judgment funds awarded by the Court of Claims; to the Select Committee on Indian Affairs.

EC–925. A communication from the Executive director of the Navajo and Hopi Indian Relocation Commission, transmitting, pursuant to law, a report and plan; to the Select Committee on Indian Affairs.

EC–926. A communication from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to implement the Convention on the Physical Protection of Nuclear Material; to the Committee on the Judiciary.

EC–927. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Further Improvements Needed in EEOC Enforcement Activities"; to the Committee on Labor and Human Resources.

EC–928. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to consolidate Federal assistance to States for certain health programs; to the Committee on Labor and Human Resources.

EC–929. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to eliminate free medical care for merchant seamen and to permit closure of Public Health Service Hospitals; to the Committee on Labor and Human Resources.

EC–930. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to consolidate Federal health assistance to States and provide States greater flexibility in administering health services; to the Committee on Labor and Human Resources.

EC–931. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "The SBA 8(a) Procurement Program—A Promise Unfulfilled"; to the Committee on Small Business.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–57. A petition from a citizen of Chicago, Ill., favoring congressional cooperation with the efforts of the Reagan administration to strengthen the military power of the United States; to the Committee on Armed Services.

POM–58. A petition from a citizen of Chicago, Ill., favoring congressional cooperation with the efforts of the Reagan administration to strengthen the military power of the United States; to the Committee on Armed Services.

POM–59. A petition from a citizen of Chicago, Ill., favoring congressional cooperation with the efforts of the Reagan administration to strengthen the military power of the United States; to the Committee on Armed Services.

POM–60. A petition from a citizen of Chicago, Ill., favoring congressional cooperation with the efforts of the Reagan administration to strengthen the military power of the United States; to the Committee on Armed Services.

POM–61. A petition from a citizen of Chicago, Ill., favoring congressional cooperation with the efforts of the Reagan Administration to strengthen the military power of the United States; to the Committee on Armed Services.

POM–62. A petition from a citizen of Chicago, Ill., favoring congressional cooperation with the efforts of the Reagan administration to strengthen the military power of the United States; to the Committee on Armed Services.

POM–63. A petition from a citizen of Chicago, Ill., favoring congressional cooperation with the efforts of the Reagan administration to strengthen the military power of the United States; to the Committee on Armed Services.

POM–64. A petition from a citizen of Chicago, Ill., favoring congressional cooperation with the efforts of the Reagan administration to strengthen the military power of the United States; to the Committee on Armed Services.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HEFLIN:

S. 953. A bill to create a program to combat violent crime in the United States, and for other purposes; to the Committee on the Judiciary.

S. 954. A bill to amend title 18 and the Omnibus Crime Control and Safe Streets Act of 1974, and for other purposes; to the Committee on the Judiciary.

By Mr. HARRY F. BYRD, JR. (for himself and Mr. PACKWOOD):

S. 955. A bill to amend the Internal Revenue Code of 1954 with respect to the time for payment of gift taxes; to the Committee on Finance.

By Mr. DECONCINI (for himself, Mr. GOLDWATER and Mr. WALLOP):

S. 956. A bill to amend the Reclamation Safety of Dams Act of 1978 to authorize additional appropriations, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CHAFEE (for himself and Mr. PELL):

S. 957. A bill to establish a New England Regional Power Planning and Distribution Authority, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HEINZ:

S. 958. A bill to amend the Trade Act of 1974 to provide a special remedy for the artificial pricing of articles produced by nonmarket economy countries; to the Committee on Finance.

By Mr. RANDOLPH:

S. 959. A bill to amend section 103(b)(6) of the Internal Revenue Code, and for other purposes; to the Committee on Finance.

By Mr. CANNON:

S. 960. A bill to amend the Hazardous Materials Transportation Act to encourage a greater effort in the prevention and response to transportation incidents involving hazardous materials, to provide assistance to States and local governments in preventing and responding to such incidents, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BENTSEN (for himself, Mr. CHILES, Mr. BOREN, Mr. NUNN, and Mr. JOHNSTON):

S. 961. A bill to require that a Federal agency may not require that any person maintain records for a period of 5 years, and a Federal agency may not commence an action for enforcement of, a law or regulation or for collection of a civil fine after 5 years from the date of the act which is the subject of the enforcement action or fine, and for other purposes; to the Committee on the Judiciary.

By Mr. BENTSEN (for himself, Mr. WALLOP, Mr. TOWER, and Mr. PRYOR):

S. 962. A bill to amend the Federal Meat Inspection Act to allow the interstate move-

ment of all meat food products which are processed by federally inspected establishments and which are derived from meat which has been slaughtered, or processed at certain State-inspected establishments; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 963. A bill to authorize loans at interest rates in excess of certain State usury ceilings; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 964. A bill to specifically include Native Hawaiians within a group of underserved populations for purposes of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970; to the Committee on Labor and Human Resources.

By Mr. INOUYE (for himself, Mr. MATSUNAGA and Mr. KENNEDY):

S. 965. A bill to require the Secretary of Health and Human Services to prepare and transmit to the Congress a special report on the health care needs of native Hawaiians; to the Committee on Labor and Human Resources.

By Mr. SASSER:

S. 966. A bill to amend Chapter 13 of title 18 of the United States Code; to the Committee on the Judiciary.

By Mr. ZORINSKY:

S. 967. A bill to establish a revolving fund to finance short-term export credit sales of United States agricultural commodities, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 968. A bill to establish certain price support loan levels and an agricultural export credit sales program in the event of the suspension of export sales of agricultural commodities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ROTH (for himself, Mr. BAUCUS, Mr. BENTSEN, Mr. CHAFEE, Mr. CRANSTON, Mr. GOLDWATER, Mr. HEINZ, Mr. HELMS, Mr. INOUYE, Mr. PERCY, Mr. RANDOLPH, Mr. RIEGLE and Mr. TOWER):

S. 969. A bill to establish a national export policy for the United States; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ROTH (for himself, Mr. HEINZ, and Mr. BENTSEN):

S. 970. A bill to establish as an executive department of the Government of the United States a Department of International Trade and Investments, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CRANSTON:

S. 971. A bill to make the term of the Chairman and Vice Chairman of the Board of Governors of the Federal Reserve System concurrent with the term of the President of the United States; to the Committee on Banking, Housing, and Urban Affairs.

By Mrs. KASSEBAUM:

S. 972. A bill to eliminate the possibility of a suspended or probationary sentence for crimes committed using a firearm; to the Committee on the Judiciary.

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 973. A bill to amend the Internal Revenue Code of 1954 to allow a refundable income tax credit for the purchase of new automobiles manufactured by certain companies which have substantially increased their average fuel economy; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. CHAFEE, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. PELL, Mr. PERCY, Mr. TSONGAS and Mr. WILLIAMS):

S. 974. A bill to amend chapter 44 of title 18 of the United States Code to control handgun crime; to the Committee on the Judiciary.

By Mr. CHAFEE (for himself, Mr. STAFFORD and Mr. RANDOLPH) (by request):

S. 975. A bill to revise and extend certain provisions of the Federal Water Pollution Control Act, as amended, for 1 year, and for other purposes; to the Committee on Environment and Public Works.

By Mr. PERCY (by request):

S. 976. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize development and security assistance programs for fiscal year 1982, and for other purposes; to the Committee on Foreign Relations.

By Mr. PELL:

S. 977. A bill to amend the Clean Air Act to allow temporary emergency suspensions of implementation plan provisions when coal is burned instead of foreign oil, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DANFORTH (for himself and Mr. CHILES):

S. 978. A bill to amend the Internal Revenue Code of 1954 to modify certain W-2 filing requirements; to the Committee on Finance.

By Mr. LUGAR (for himself and Mr. QUAYLE):

S. 979. A bill to amend the Internal Revenue Code of 1954 to clarify the tax exemption for interest on obligations of volunteer fire departments; to the Committee on Finance.

By Mr. LUGAR (for himself and Mr. FORD):

S. 980. A bill entitled the "Natural Gas Utilization Act"; to the Committee on Energy and Natural Resources.

By Mr. SYMMS:

S. 981. A bill to amend the Internal Revenue Code of 1954 to exempt from income tax a certain portion of the pay received by members of the Armed Forces who have served at least four years; to the Committee on Finance.

By Mr. SYMMS (for himself and Mr. MCCLURE):

S. 982. A bill to provide for the conveyance of certain Federal lands adjacent to Lake Shore Drive, Lake Lowell, Boise project, Idaho; to the Committee on Energy and Natural Resources.

By Mr. ROTH:

S.J. Res. 68. Joint resolution to authorize and request the President to issue a proclamation designating the day of April 15, 1981, as "National Tax Freedom Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HEFLIN:

S. 953. A bill to create a program to combat violent crime in the United States, and for other purposes; to the Committee on the Judiciary.

S. 954. A bill to amend title 18 and the Omnibus Crime Control and Safe Streets Act of 1974 and for other purposes; to the Committee on the Judiciary.

The remarks of Mr. HEFLIN on this legislation appear earlier in today's RECORD.

By Mr. HARRY F. BYRD, JR. (for himself and Mr. PACKWOOD):

S. 955. A bill to amend the Internal Revenue Code of 1954 with respect to the time payment of gift taxes; to the Committee on Finance.

ANNUAL REPORTING FOR GIFT TAX RETURNS

Mr. HARRY F. BYRD, JR. Mr. President, the proposal which I am introducing today, along with Senator PACKWOOD, deals with the operation of the Federal gift tax. It would permit reporting the gift tax on an annual basis and end an unsuccessful attempt to require quarterly returns.

The measure fits into a program of tax simplification which began in the last Congress. The program includes simplification of the tax laws and also of the procedures involved in voluntary compliance with and Government enforcement of those laws.

The quarterly reporting requirement was first introduced in 1971 in the hope that it would increase gift tax revenues and provide for a more speedy collection of gift taxes. In fact, however, by 1976 the total gift tax collected was slightly less than in 1970, and the number of returns had more than doubled.

Congress then began to cut back on the quarterly system. Beginning in 1977, it exempted from the quarterly requirement those taxpayers whose total gifts for the calendar year are less than $25,000.

In 1979, the Congress made a further change, to coordinate the filing date for the fourth quarter gift tax return to conform to the April 15 income tax filing date.

In 1980 I introduced a measure similar to the one being introduced today, and a public hearing was held on it last September. At the hearing Daniel Halperin for the Department of the Treasury testified that the Treasury did not oppose the bill. He further testified that the "present quarterly filing requirement has resulted in compliance problems for and confusion among affected taxpayers and administrative burdens for the Internal Revenue Service," and that "a simplified reporting system will be beneficial in terms of tax administration."

The Treasury's testimony was also supported by witnesses from the tax section of the American Bar Association and from the American Bankers Association, who pointed out the reduced importance and amount of gift tax collections under the present unified credit. They testified about the burden on taxpayers and Service alike of the present system and described the quarterly return requirement as a trap for the unwary. Both groups characterized the bill as a valuable simplification of the tax law.

After the hearings, the Senate Finance Committee favorably reported the bill, and it was subsequently approved by the Senate. However, because the House of Representatives did not have sufficient time to conduct a hearing on the proposal, it was eliminated in a conference between the House and Senate in the last days of the 96th Congress.

From a revenue standpoint, I should emphasize that the bill does not reduce

the Federal gift tax by a single dollar. Since it does switch two quarterly payments from one fiscal year to another, it does result in a one-time reduction in revenues for the year of adoption.

The bill received support both from those charged with the enforcement of the law and from those engaged in representing taxpayers who must comply with the law. I urge its speedy adoption.

Mr. President, I ask unanimous consent that the text of the bill and a statement by Senator PACKWOOD on the bill be printed in the RECORD.

There being no objection, the bill and the statement were ordered to be printed in the RECORD, as follows:

S. 955

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT OF 1954 CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. TIME FOR PAYMENT OF GIFT TAXES.

(a) AMENDMENTS TO SUBCHAPTER A OF CHAPTER 12.—

(1) SECTION 2501.—Subsection (a) of section 2501 (relating to imposition of gift tax) is amended by striking out "calendar quarter" each place it appears and inserting in lieu thereof "calendar year".

(2) SECTION 2502.—Section 2502 (relating to rate of tax) is amended to read as follows:

"SEC. 2502. RATE OF TAX.

"(a) COMPUTATION OF TAX.—The tax imposed by section 2501 for each calendar year shall be an amount equal to the excess of—

"(1) a tentative tax, computed in accordance with the rate schedule set forth in section 2001(c), on the aggregate sum of the taxable gifts for such calendar year and for each of the preceding calendar periods, over

"(2) a tentative tax, computed in accordance with such rate schedule, on the aggregate sum of the taxable gifts for each of the preceding calendar periods.

"(b) PRECEDING CALENDAR PERIOD.—Whenever used in this title in connection with the gift tax imposed by this chapter, the term 'preceding calendar period' means—

"(1) calendar years 1932 and 1970 and all calendar years intervening between calendar year 1932 and calendar year 1970,

"(2) the first calendar quarter of calendar year 1971 and all calendar quarters intervening between such calendar quarter and the first calendar quarter of calendar year 1982, and

"(3) all calendar years after 1981 and before the calendar year for which the tax is being computed.

For purposes of paragraph (1), the term 'calendar year 1932' includes only that portion of such year after June 6, 1932.

"(c) TAX TO BE PAID BY DONOR.—The tax imposed by section 2501 shall be paid by the donor.".

(3) SECTION 2503.—

(A) Subsection (a) of section 2503 is amended to read as follows:

"(a) GENERAL DEFINITION.—The term 'taxable gifts' means the total amount of gifts made during the calendar year, less the deductions provided in subchapter C (section 2522 and following).".

(B) The first sentence of subsection (b) of section 2503 is amended to read as follows: "In the case of gifts (other than gifts of future interests in property) made to any person by the donor during the calendar year, the first $3,000 of such gifts to such person shall not, for purposes of subsection (a), be included in the total amount of gifts made during such year.".

(4) SECTION 2504.—

(A) Subsection (a) of section 2504 is amended to read as follows:

"(a) IN GENERAL.—In computing taxable gifts for preceding calendar periods for purposes of computing the tax for any calendar year—

"(1) there shall be treated as gifts such transfers as were considered to be gifts under the gift tax laws applicable to the calendar period in which the transfers were made,

"(2) there shall be allowed such deductions as were provided for under such laws, and

"(3) the specific exemption in the amount (if any) allowable under section 2521 (as in effect before its repeal by the Tax Reform Act of 1976) shall be applied in all computations in respect of preceding calendar periods ending before January 1, 1977, for purposes of computing the tax for any calendar year.".

(B) Subsection (b) of section 2504 is amended—

(i) by striking out "preceding calendar years and calendar quarters" and inserting in lieu thereof "preceding calendar periods",

(ii) by striking out "the years and calendar quarters" and inserting in lieu thereof "the periods",

(iii) striking out "such years and calendar quarters" and inserting in lieu thereof "such preceding calendar periods", and

(iv) by striking out "Preceding years and quarters" in the subsection heading and inserting in lieu thereof "Preceding calendar periods".

(C) Subsection (c) of section 2504 is amended—

(i) by striking out "preceding calendar year or calendar quarter" each place it appears and inserting in lieu thereof "preceding calendar period",

(ii) by striking out "under this chapter for any calendar quarter" and inserting in lieu thereof "under this chapter for any calendar year",

(iii) by striking out "section 2502(c)" and inserting in lieu thereof "section 2502(b)", and

(iv) by striking out "Preceding years and quarters" in the subsection heading and inserting in lieu thereof "Preceding calendar periods".

(D) The section heading for section 2504 is amended by striking out "PRECEDING YEARS AND QUARTERS" and inserting in lieu thereof "PRECEDING CALENDAR PERIODS".

(E) The table of sections for subchapter A of chapter 12 is amended by striking out "preceding years and quarters" in the item relating to section 2504 and inserting in lieu thereof "preceding calendar periods".

(5) SECTION 2505.—

(A) Subsection (c) of section 2505 is amended—

(i) by striking out "each calendar quarter" and inserting in lieu thereof "each calendar year", and

(ii) by striking out "preceding calendar quarters" and inserting in lieu thereof "preceding calendar periods".

(B) Section 2505 is amended by striking out subsection (b) and by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(C) Subsection (c) of section 2505 (as redesignated by subparagraph (B)) is amended by striking out "calendar quarter" each place it appears and inserting in lieu thereof "calendar year".

(b) AMENDMENTS TO SUBCHAPTER B OF CHAPTER 12.—

(1) SECTION 2512.—Subsection (b) of section 2512 is amended by striking out "calendar quarter" and inserting in lieu thereof "calendar year".

(2) SECTION 2513.—

(A) Section 2513(a) is amended by striking out "calendar quarter" each place it appears and inserting in lieu thereof "calendar year".

(B) Paragraph (2) of section 2513(b) is amended by striking out "calendar quarter" in the matter preceding subparagraph (A) and inserting in lieu thereof "calendar year".

(C) Subparagraph (A) of subsection (b) (2) of section 2513 is amended to read as follows:

"(A) The consent may not be signified after the 15th day of April following the close of such year, unless before such 15th day no return has been filed for such year by either spouse, in which case the consent may not be signified after a return for such year is filed by either spouse.".

(D) Subparagraph (B) of subsection (b) (2) of section 2513 is amended—

(i) by striking out "the consent" and inserting in lieu thereof "The consent", and

(ii) by striking out "such calendar quarter" and inserting in lieu thereof "such year".

(E) Subsection (c) of section 2513 is amendment—

(i) by striking out "calendar quarter" and inserting in lieu thereof "calendar year", and

(ii) by striking out "15th day of the second month following the close of such quarter" and inserting in lieu thereof "15th day of April following the close of such year".

(F) Subsection (d) of section 2513 is amended—

(i) by striking out "any calendar quarter" and inserting in lieu thereof "any calendar year", and

(ii) by striking out "such calendar quarter" and inserting in lieu thereof "such year".

(3) SECTION 2515.—Paragraph (1) of subsection (c) of section 2515 is amended by striking out "calendar quarter" and inserting in lieu thereof "calendar year".

(c) AMENDMENTS TO SUBCHAPTER C OF CHAPTER 12.—

(1) SECTION 2522.—Section 2522 is amended by striking out "quarter" each place it appears and inserting in lieu thereof "year".

(2) SECTION 2523.—

(A) Paragraph (1) of section 2523(a) is amended by striking out "calendar quarter" each place it appears and inserting in lieu thereof "calendar year".

(B) Paragraph (2) of section 2523(a) is amended to read as follows:

"(2) LIMITATION.—The aggregate of the deductions allowed under paragraph (1) for any calendar year shall not exceed the sum of—

"(A) $100,000 reduced (but not below zero) by the aggregate of the deductions allowed under this section for preceding calendar periods beginning after December 31, 1976; plus

"(B) 50 PERCENT OF THE LESSER OF—

"(i) the amount of the deductions allowable under paragraph (1) for such calendar year (determined without regard to this paragraph); or

"(ii) the amount (if any) by which the aggregate of the amounts determined under clause (i) for the calendar year and for each preceding calendar period beginning after December 31, 1976, exceeds $200,000.".

(d) MISCELLANEOUS AMENDMENTS.—

(1) Paragraph (2) of subsection (d) of section 1015 (relating to increased basis for gift tax paid) is amended—

(A) by striking out "calendar quarter (or calendar year if the gift was made before January 1, 1971)" and inserting in lieu thereof "calendar year (or preceding calendar period)", and

(B) by striking out "calendar quarter or year" each place it appears and inserting in lieu thereof "calendar year or period".

(2) Section 6019 (relating to gift tax returns) is amended by striking out subsection (b), by redesignating subsection (c) as subsection (b), and by amending subsection (a) to read as follows:

"(a) IN GENERAL.—Any individual who in any calendar year makes any transfers by gift (other than transfers which under section 2503(b) are not included in the total amount of gifts for such year) shall make a return with respect to the gift tax imposed by subtitle B.".

(3) Subsection (b) of section 6075 (relating to time for filing gift tax returns) is amended to read as follows:

"(b) GIFT TAX RETURNS.—

"(1) GENERAL RULE.—Returns made under section 6019 (relating to gift taxes) shall be filed on or before the 15th day of April following the close of the calendar year.

"(2) EXTENSION WHERE TAXPAYER GRANTED EXTENSION FOR FILING INCOME TAX RETURN.—Any extension of time granted the taxpayer for filing the return of income taxes imposed by a subtitle A for any taxable year which is a calendar year shall be deemed to be also an extension of time granted the taxpayer for filing the return under section 6019 for such calendar year.

"(3) COORDINATION WITH DUE DATE FOR ESTATE TAX RETURN.—Notwithstanding paragraphs (1) and (2), the time for filing the return made under section 6019 for the calendar year which includes the date of death of the donor shall not be later than the time (including extensions) for filing the return made under section 6018 (relating to estate tax returns) with respect to such donor.".

(4) Paragraph (1) of section 6212(c) (relating to notice of deficiency) is amended by striking out "calendar quarter" and inserting in lieu thereof "calendar year".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to gifts made after December 31, 1981.

● Mr. PACKWOOD. Mr. President, I am delighted to join with the distinguished senior Senator from Virginia, HARRY F. BYRD, Jr., in introducing legislation to permit annual filing of gift tax returns. This legislation has been widely hailed by attorneys and accountants, the public, and the Treasury Department. I commend Senator BYRD for his leadership in this important area.

Prior to 1971, gift tax returns were filed annually. Between 1971 and 1976, quarterly returns were required. Since 1976, quarterly returns have been required only if total gifts to date in the year exceed $25,000.

Our bill permits annual filing of all gift tax returns. The due date for the return would be the due date for the individual income tax return—normally April 15.

This legislation would bring about an important simplification for both taxpayers and the Internal Revenue Service. Enactment would cut the cost of compliance with and administration of tax laws. It helps eliminate a redtape trap facing innocent taxpayers.

The Senate Finance Committee held hearings on this legislation on September 10, 1980. It was supported by the tax section of the American Bar Association.

The Treasury Department indicated it did not oppose the bill. Speaking for the Treasury Department, Deputy Assistant Secretary for Tax Policy, Daniel I. Halperin, testified that:

The Treasury Department does not oppose S. 3080 (providing annual filing of gift tax returns).

The present quarterly filing requirement has resulted in compliance problems for and confusion among affected taxpayers with administrative burdens for the Internal Revenue Service. While a return to annual filing will result in a one-time revenue reduction in FY 1981 and some modest continuing revenue loss attributable to the loss of accelerated tax receipts, we nonetheless believe that a simplified reporting system will be beneficial in terms of tax administration.

On September 8, 1980, the Joint Committee on Taxation estimated that the revenue loss from this bill is $85 million in the first year and $5 million thereafter.

Mr. President, I look forward to working with Senator BYRD and other Senators in connection with congressional action on this legislation.●

By Mr. DECONCINI (for himself, Mr. GOLDWATER, and Mr. WALLOP):

S. 956. A bill to amend the Reclamation Safety of Dams Act of 1978 to authorize additional appropriations, and for other purposes; to the Committee on Energy and Natural Resources.

RECLAMATION SAFETY OF DAMS

● Mr. DECONCINI. Mr. President, today, along with several of my colleagues, I am introducing legislation which is critical to the future safety of dams in this country.

The purpose of this bill is to allow the Water and Power Resources Service sufficient authorization to complete safety work on reclamation dams nationwide. The Reclamation Safety of Dams Act of 1978 authorized the Secretary of the Interior to construct, restore, operate, and maintain new or modified features at existing Federal reclamation dams for the purpose of dam safety. The act provides an authorization level of $100 million.

Mr. President, the current authorization level cannot possibly cover the costs of existing and future dam safety work. The Water and Power Resources Service estimates the current cost of dam safety in at least 12 States to be upwards of $430 million. In my State of Arizona alone, modifications of immediate need on six Salt River project dams are in excess of $250 million. Moreover, the Water and Power Resources Service indicates that safety of dams studies for fiscal years 1981–83 may identify an additional 29 dams needing safety related modification work in the future.

In order to complete work that has been initiated and insure that future dam safety needs are met, it is necessary that authorization for the Reclamation Safety of Dams Act be increased to at least $450 million.

Mr. President, I believe we are all aware of the devastation that could result in loss of lives and personal property from dam failure. We must take the necessary precautions now, to alleviate to the extent possible, the potential for threats from this type of disaster. I cannot emphasize strongly enough the seriousness of our problems without sufficient authority to make the necessary adjustments.

An identical bill is being introduced today in the House by Congressman UDALL. Mr. President, dam safety is not a partisan issue and I urge my colleagues in the Senate on both sides of the aisle to join me in supporting this measure and seeking its enactment before the close of this year.●

By Mr. CHAFEE (for himself and Mr. PELL):

S. 957. A bill to establish a New England Regional Power Planning and Distribution Authority, and for other purposes; to the Committee on Energy and Natural Resources.

NEW ENGLAND REGIONAL POWER PLANNING AND DISTRIBUTION AUTHORITY BILL

● Mr. CHAFEE. Mr. President, I am pleased to introduce today a bill to establish a New England Regional Power Planning and Distribution Authority. This bill is identical to H.R. 2971, introduced by Congresswoman CLAUDINE SCHNEIDER on April 1, 1981.

Our energy supply is one of the most serious, long-term problems of the New England region. Unlike the rest of our Nation, we have neither oil or natural gas resources, nor significant deposits of coal. We are 80 percent dependent upon oil for generating electricity and heating our homes, and 87 percent of that oil comes from foreign sources.

Our dependence on imported oil makes us not only extremely vulnerable to supply disruptions, but also subject to high energy prices, which in New England are 25 percent greater, on the average, than the rest of the Nation. Our electricity rates are now the highest in the Nation; in Providence, it costs $96 for 1,000 kilowatt-hours of electricity, compared to $37 in Memphis, Tenn.; or $14 in Seattle, Wash.

Our natural gas supplies are also priced above the national average. In New England, 1,000 cubic feet of natural gas costs $4.67, $1 more than the average price for the remainder of the country. Part of the reason for our high natural gas prices is the geographic fact that our region lies at the end of natural gas pipelines.

Mr. President, we can wring our hands and complain about tenuous supplies and high prices, or we can act in unison to provide New England with stable, reasonably priced energy supplies.

It is in our national interest to help the New England region diversify its energy mix and reduce its use of imported oil. It is in our regional interest to lower our energy costs and make better use of indigenous energy supplies; such as solar, wind, conservation, low-head hydroelectric and reasonably priced hydroelectric power imported from Canada.

Although we clearly have the need for regional power planning, we are one of the few regions which does not have a regional power-planning authority, such as the Bonneville Power Authority in the Northwest or the Southeastern Power Authority in the Southeast.

The bill I introduce today will establish a power authority for the six-State

region. The authority would have three principal purposes:

First, to develop a long-range energy plan for the New England region;

Second, to provide for maximum development of indigenous resources; and

Third, to provide coordination for any necessary importation of hydropower, natural gas, or other power from Canada.

The 12 members of the authority would be appointed by the President from nominations submitted by each Governor in the region. An executive director would be elected by the authority and would serve as its manager.

The authority would be required to formulate a regional plan for New England. Public hearings are required to be held in each State before adoption of the plan. The plan must take into account alternative resources and examine the cost effectiveness of each alternative. In addition, it must include an energy power forecast, an estimate of power necessary to meet projected demand, and a system for ranking available energy resources.

Similar to other power authorities, the New England Power Authority would have the ability to raise capital through the sale of reserve bonds. These funds could be used to import hydropower and natural gas into the region according to terms established in a treaty between the United States and Canada.

In no way is the Authority intended to override the power of the New England States or the utilities, or supplant other parties who have contributed to solving New England's energy problem, such as the New England Energy Congress. In fact, the Authority would have no regulatory power. It is specifically prevented from preempting State or local law, or, owning transmission lines, generating capacity or other equipment or property.

Mr. President, the bill I introduce today is similar in several respects to bills introduced in previous years to establish an Energy Corporation of the Northeast (ENCONO). I will continue to support the ENCONO idea, as well as others which provide long-term solutions to our energy problems.

In my view, establishing a New England Power Planning and Distribution Authority will be a cost-effective way to help lower energy prices and maintain stable supplies. I urge my colleagues to join in support of this bill.

I request unanimous consent that a copy of the bill be printed in the RECORD as introduced.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 957

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled,

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "New England Regional Power Planning and Distribution Act of 1981".

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FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the New England Region does not have an adequate coordinated and long-range plan for ascertaining and meeting the future energy service requirements of the Region:

(2) the limited existing and potential fuel resources which are indigenous to the Region do not provide the Region with long-term assurance of reasonably priced energy services; and

(3) it is in the national interest, and in the best interest of the New England Region to establish in the Region a regional energy service planning authority to plan for the energy needs of the Region and to insure, to the extent possible, that such needs can be met in an appropriate and cost-effective manner.

(b) It is the purpose of this Act to establish a New England Regional Power Planning Authority to systematically and periodically assess the long-term energy service requirements for the New England Region as a whole, to facilitate the appropriate regionwide use of existing electric power capacity, to provide financial assistance for the development, where necessary, of the additional sources of energy, including low-cost imported electric power, to maximize the efficient use of existing and potential energy resources available to the Region, and to encourage the adoption of energy efficiency measures and programs to the extent that such programs and measures are cost effective.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Regional Authority" or "Authority" means the New England Regional Power Planning Authority.

(2) "Region" or "New England Region" means the area within the boundaries of the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut.

(3) "Fund" means the New England Power Fund established under section 401.

TITLE I—ESTABLISHMENT OF AUTHORITY

ESTABLISHMENT AND COMPOSITION

SEC. 101. (a) There is hereby established within the Department of Energy a New England Regional Power Planning Authority to be under the supervision of a Board of Directors.

(b) The Board shall be composed of twelve members appointed by the President as follows:

(1) Two members of the Board shall be appointed by the President from among nominations made by the Governor of Maine.

(2) Two members of the Board shall be appointed by the President from among nominations made by the Governor of New Hampshire.

(3) Two members of the Board will be appointed by the President from among nominations made by the Governor of Vermont.

(4) Two members of the Board shall be appointed by the President from among nominations made by the Governor of Massachusetts.

(5) Two members of the Board shall be appointed by the President from among nominations made by the Governor of Rhode Island.

(6) Two members of the Board shall be appointed by the President from among nominations made by the Governor of Connecticut.

Nominations made by the Governors of each State shall be made in accordance with any procedures and requirements established for such purposes under State law. Any vacancy in the Board shall be filled in the manner in which the original appointment was made.

(c)(1) Except as provided in paragraph (2), members shall be appointed for terms of 4 years.

(2) Of the members first appointed—

(A) three shall be appointed for a term of 1 year;

(B) three shall be appointed for a term of 2 years; and

(C) three shall be appointed for a term of 3 years, as designated by the President at the time of appointment. Any member of the Board appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(d) Members of the Board shall each be paid at a rate equal to the rate of basic pay payable for level IV of the Executive Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Board. While away from their homes or regular places of business in the performance of services for the Board, members shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(e) Seven members of the Board shall constitute a quorum but a lesser number may hold hearings.

(f) The Chairman of the Board shall be elected by the members of the Board and shall serve for a term of two years.

LOCATION

SEC. 102. The principal offices of the Authority shall be in the New England Region.

OFFICERS AND EMPLOYEES

SEC. 103. (a) The Board shall have an Executive Director who shall be appointed by the Board and who shall be paid at a rate not to exceed the rate of basic pay payable for level IV of the Executive Schedule. The duties and authorities of the Executive Director shall be prescribed by the Board. The Executive Director shall serve as a voting member of the Board in the case of any vote by the Board, which, but for the vote of the Executive Director, would be a tie vote.

(b) Subject to such rules as may be prescribed by the Board, the Executive Director may appoint and fix the pay of such personnel as he considers appropriate.

(c) Upon request of the Board, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the per-

sonnel of such agency to the Board to assist the Board in carrying out its duties under this Act.

EXPERTS AND CONSULTANTS

SEC. 104. Subject to such rules as may be prescribed by the Board, the Executive Director may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code.

GENERAL POWERS

SEC. 105. (a) The Executive Director is authorized to enter into and perform such contracts, leases, cooperative agreements, or other similar transactions with public agencies and private organizations and persons, and to make such payments as he may deem necessary or appropriate to carry out functions now or hereafter vested in him.

(b) The Executive Director may, on behalf of the Board, accept, use, and dispose of gifts or donations or services or property.

(c) The Regional Authority may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(d) The Administrator of General Services shall provide to the Regional Authority on a reimbursable basis such administrative support services as the Executive Director may request.

ANNUAL REPORT

SEC. 106. The Regional Authority shall file an annual report with the Congress respecting its operations.

TITLE II—REGIONAL PLANNING

REGIONAL ENERGY SERVICE PLAN

SEC. 201. (a) As promptly as practicable after the date of the enactment of this Act, and after undertaking the necessary studies and investigations, the Regional Authority shall prepare, adopt, and publish a regional energy service plan for the New England Region. The plan shall be reviewed by the Regional Authority not less frequently than every five years and amended by the Authority from time to time as may be appropriate.

(b) Prior to the adoption of the plan or any amendment thereto, the Regional Authority shall hold a public hearing in each State within the Region which the Authority determines may be affected by the proposed action of the Authority. Such hearings shall be subject to such procedures as the Regional Authority deems necessary to insure full and complete public participation and participation by State and local authorities.

(c) The plan shall include—

(1) an energy power demand forecast for the Region;

(2) a forecast of the additional power resources, if any, estimated to the necessary to meet the projected demand;

(3) a system for determining priorities among the various alternative resources which may be available to meet energy power demand within the Region;

(4) an analysis of reserve and reliability requirements affecting electric power use and availability in the Region;

(5) guidelines respecting the rates to be applicable to the sale of power by the Authority under Title III of this Act; and

(6) such other elements as the Regional Authority deems appreciate.

The plan shall be consistent with applicable Federal energy policies, including the policies set forth in the National Energy Conservation Policy Act, the Public Utility Regulatory Policies Act of 1978, and other Federal legislation respecting the use, conservation, and development of domestic energy resources.

(d) Following adoption of the plan, action of the Authority under Title III shall be consistent with the plan and any amendment thereto.

TITLE III—PURCHASE AND SALE OF GAS OR ELECTRIC POWER

PURCHASE OF GAS AND ELECTRIC POWER

SEC. 301. (a) The Executive Director of the Regional Authority is authorized to purchase from any person or authority, for purposes of resale under this Act, gas or electric power generated from imported hydroelectric facilities located in Canada or from utilities or power authorities located in other parts of the nation. Such purchases shall be consistent with this Act, with the plan adopted under Title II, and with the provisions of an applicable treaty between the United States and Canada.

(b) For purposes of assisting in the construction of new hydroelectric capacity in Canada which will be available to the Regional Authority for purposes of resale under this title, the Regional Authority is authorized to enter into long term contracts for the purchase of power from such new capacity and to commit, and make available in advance, funds to private and public persons, including foreign governmental and nongovernmental entities.

(c) No contract or other arrangement may be entered into by the Regional Authority respecting the acquisition of any power until such time as the Regional Plan has been adopted pursuant to Title II and a treaty has been adopted by both the United States and Canada respecting the purchase by the Authority of gas or electric energy generated in Canada.

SALE OF ELECTRIC POWER

SEC. 302. (a) The Authority is authorized to offer to sell, and to sell, power acquired as provided in Section 301 to electric utilities for resale for use within the Region. Such sales may be made only to persons engaged in the business of selling electric power.

(b) No power may be sold by the Regional Authority under this Act to any person unless the Regional Authority determines that such sale is consistent with the plan adopted under Title II and that the purposes, sales, and other operations of such person are consistent with such plan.

(c)(1) The Regional Authority shall establish, and periodically review and revise, rates for the sale of power under this Act. Such rates shall be consistent with the guidelines established in the plan prepared under Title II.

(2) Rates established under this section shall become effective only upon confirmation and approval by the Federal Energy Regulatory Commission upon a finding by the Commission that such rates are adequate to cover the Authority's total system costs and amortize any obligations incurred under Section 301 and produce such additional revenues as may be required to pay when due the principal of, premiums, discounts, and expenses in connection with the issuance of and interest of all bonds issued and outstanding pursuant to this Act, and amounts required to establish and maintain reserve and other funds and accounts established in connection therewith.

(d) In establishing rates under this section, the Regional Authority shall—

(1) provide public notice in an appropriate manner of the proposed rates and the date schedule for the hearing referred to in paragraph (2); and

(2) conduct a public hearing respecting the proposed rates at which interested parties are afforded an opportunity to submit oral and written data, views, and arguments and a reasonable opportunity for cross-examination and for refutation or rebuttal of material submitted by other persons.

The decision of the Authority respecting any rates established under this section shall be based upon the record of such hearing and shall include a full and complete statement of the basis and reasons for such decision.

TITLE IV—FINANCING AUTHORITY

FUND

SEC. 401. (a) There is hereby established in the Treasury of the United States a New England Power Fund. The Fund shall consist of—

(1) all receipts, collections, and recoveries of the Authority from all sources, and

(2) all proceeds derived from the sale of bonds by the Authority.

(b) Amounts credited to the Fund shall be available, as provided in appropriations Act, for any purpose necessary or appropriate to carry out any duty or authority of the Authority, including—

(1) the development of a New England Regional Energy Power Plan in accordance with Title II of this Act;

(2) the purchase and marketing of power including the advance payment of amounts pursuant to contracts entered into under Section 301 providing for the construction of hydroelectric facilities in Canada, all or a part of the electric energy from which will be available to the Authority; and

(3) paying the interest, premiums, discounts, and expenses associated with the issuance of bonds under this title and paying the principal amount of such bonds when due.

(c)(1) If the Regional Authority determines that moneys in the Fund are in excess of current needs, it may request the investment of such amounts as it deems advisable by the Secretary of the Treasury in direct, general obligations of, or obligations guaranteed as to both principal and interest by, the United States of America.

(2) With the approval of the Secretary of the Treasury, the Regional Authority may deposit moneys of the Fund in any Federal Reserve Bank or other depository for funds of the United States of America, or in such other banks and financial institutions and under such terms and conditions as the Regional Authority and the Secretary of the Treasury may mutually agree.

BONDS

SEC. 402. (a) The Regional Authority is authorized to issue and sell to the public from time to time in the name of and for and on behalf of the Authority, bonds, notes, and other evidences of indebtedness (referred to in this Act as "bonds") to assist in carrying out the duties and responsibilities of the Authority. Such bonds shall be in such forms and denominations, bear such maturities, and be subject to such terms and conditions as may be prescribed by the Secretary of the Treasury taking into account terms and conditions prevailing in the market for similar bonds, the term of the contract for the financing of which the bonds are issued, and the financing practices of the utility industry. Refunding provisions may be prescribed by the Regional Authority. Such bonds shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities, plus an amount in the judgment of the Secretary of the Treasury to provide for a rate comparable to the rates prevailing in the market for similar bonds.

(b) The Secretary of the Treasury shall purchase forthwith any bonds issued by the Regional Authority under this Act and for that purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the bonds issued by the Regional Authority under this Act. The Secretary of the Treasury may, at any

time, sell any of the bonds acquired by him under this Act. All redemptions, purchases, and sales by the Secretary of the Treasury of such bonds shall be treated as public debt transactions of the United States.

(c)(1) The principal of, premiums (if any), and interest on bonds issued by the Authority shall be payable solely from the net proceeds of the Authority.

(2) No bond, and no contract, obligation, or other action of the Regional Authority shall be construed as an obligation secured by the full faith and credit of the United States.

TITLE VI—GENERAL PROVISIONS

RELATIONSHIP TO STATE LAW

SEC. 501. Nothing in this Act shall preempt the authority of any State or local authority to establish or enforce any rate for the sale of electric power (other than a rate established by the Regional Authority under Title III and approved by the Federal Energy Regulatory Commission) or to exercise any other authority under State or local law respecting the construction or operation of any facility for the generation or transmission of electric energy, respecting the purchase or sale of electric energy, or respecting the financial or organizational aspects of electric utilities and other persons engaged in the generation, transmission, or distribution of electric power.

ACCOUNTS AND AUDITS

SEC. 502. The Executive Director of the Regional Authority shall, subject to the requirements of the Federal Power Act, keep complete and accurate accounts of all operations of the Authority, including all funds expended and received in connection with the purchase and sale of electric power under this Act.●

By Mr. HEINZ:

S. 958. A bill to amend the Trade Act of 1974 to provide a special remedy for the artificial pricing of articles produced by nonmarket economy countries; to the Committee on Finance.

LEGISLATION RELATING TO A REMEDY FOR ARTIFICIAL PRICING OF ARTICLES BY NONMARKET ECONOMY COUNTRIES

● Mr. HEINZ. Mr. President, one of the major issues left over from the Multilateral trade negotiations and the accompanying legislation passed by the Congress in 1979 is the question of how to deal with dumping and market disruption caused by nonmarket economies. This problem was put aside during the Finance Committee's deliberations on the Trade Agreements Act of 1979 because of its complexity and controversial nature. Today I am reintroducing in revised form legislation intended to reopen the debate on the nonmarket economy problem and ultimately to resolve it in a way that is equitable for all parties.

To the extent the nonmarket economy problem is discussed by people outside the community of trade professionals, it is perceived primarily in the context of a handful of relatively obscure cases, the most famous—or infamous—of which is the Polish golf cart case, in which the Poles, who have no golf courses, were found to be dumping golf carts in the United States. Unfortunately the potential for serious market disruption from nonmarket countries is rapidly growing as our economic relations with such nations become more sophisticated. Growing trade with the PRC and various Eastern European nations, in part due to the recent extensions of MFN status to Romania and Hungary, also adds to domestic concern about this problem.

Conceptually, finding a way to deal with market disruption by nonmarket economies is complicated by theoretical and practical differences between free market and nonmarket structures. For example, dumping, a peculiarly free market concept, is based on a comparison between a product's price in its country of origin and its price in the United States, or alternatively, between its cost of production in the country of origin and its U.S. price. In either case, if the latter is less than the former, dumping is usually found to have occurred, and compensatory duties are assessed, assuming producers are found to have been injured.

Within such a framework a determination of dumping depends upon the administering authority's ability to accurately make the necessary price comparisons. In other words, the administering authority must be able to accurately obtain the price in the home country or the cost of production, and such prices should reflect true economic costs.

In a nonmarket economy, however, such comparisons cannot be made with any confidence. Prices within such a country do not necessarily reflect the interaction of supply and demand in any realistic sense, and costs of production are equally difficult to measure because of the unreliability of product input costs and the difficulty of separating Government subsidies from true input costs. In a centrally planned economy such distinctions are simply not made in the same way they are made in capitalistic economies. Moreover, price inconsistencies are particularly likely to occur in the export sector, because of the nonmarket economy's interest in promoting exports as a source of foreign exchange to aid in internal industrial development or other governmental policies. As a result, it is often fair to say that the export sector of these economies is more advanced and relatively more heavily supported by the Government than other sectors.

Since 1978, U.S. administrative regulations here attempted to cope with these problems through the use of the comparable economy concept. In this approach, a free market country at a comparable stage of economic development with the nonmarket country is selected and the price of a like article in that economy (or the constructed value of the article—what it would cost to produce it) is used to make the comparison.

This concept, however, is flawed in several important respects, notably in its two basic assumptions that a simple and accurate basis exists for determining when economies are at comparable stages of development and that comparable overall levels of development—assuming such can be determined—mean comparable levels within a particular industry. For example, when a country has targeted a particular industry for rapid development in order to stimulate its export sector—not an unusual occurrence, as I mentioned earlier—the level of development in that industry is likely to be greater than the economy as a whole, thus making industry-specific comparisons based on aggregate national analyses highly misleading.

Similar problems are presented in the application of our countervailing duty laws, since the absence of marketplace standards in a nonmarket economy make it impossible to quantify fully the amount of Government subsidization.

Because of these problems, the legislation I am introducing today takes a different approach, both from existing law and from the legislation I introduced last year (S. 1966).

The major overhaul of the bill in the past year is based on comments received from a wide variety of sources. I am particularly grateful for input from the Polish and American participants in interface II, a conference on the problems of trade with nonmarket economies held last June in Poland and cosponsored by the University of Poznan and Georgetown University's International Law Institute. Interface II was the second in a series of conferences on this subject originated by, among others, Peter Ehrenhaft, former Deputy Assistant Secretary of the Treasury responsible for antidumping and countervailing duty investigations. Interface I was held at Airlie House in Virginia in 1978. One subsequent conference is scheduled for Philadelphia in 1982, where the host will be the University of Pennsylvania Law School. We are fortunate to have been able to draw on a wealth of expertise of so many people with a wide range of experience in this complex area.

In commenting on S. 1966, most observers made a convincing case that the legislation should, where possible, treat nonmarket economies like anyone else, and in offering to do so, create an incentive for them to cooperate with our Government by providing appropriate market information in the course of an antidumping or countervailing duty investigation. I believe it is in our long-term interest, as well as that of the nonmarket economies, to encourage them to develop the attributes of market economies. Accordingly, we have restructured the bill to create that incentive. This is a departure from current law, which was deliberately constructed to treat nonmarket economies, defined as Communist countries, differently, and in doing so to give the President greater latitude in providing import relief than in cases involving Western economies.

In this new version of the bill, an interested party—as defined in current law—could file a complaint against a nonmarket economy alleging artificial pricing. Procedures and time limits for the ensuing investigation are the same as in a countervailing duty investigation under title VII of the Tariff Act of 1930 as amended by the Trade Agreements Act of 1979.

During the course of the investigation, the Commerce Department would consult with the nonmarket economy's government and solicit from it information that would enable the Department to determine dumping or the presence of a sub-

sidy subject to the standards of current law for free market economies. Such information may or may not be available, depending on the nature of the economy or the particular industry in question. In the Polish case, for example, much of the cost and pricing data provided by the Polish exporter could be meaningful in our terms if the Poles also made available the true exchange rate applied to that particular industry's exports.

If, in the Department's judgment, sufficient, verifiable information is provided to permit the case to be treated as a normal antidumping or countervailing duty case, then the Department shall do so, moving the investigation to the appropriate track at the same point in time, and applying the injury test as appropriate if the nonmarket economy in question has signed the relevant code. Of course, the provisions of those statutes permitting suspension of the investigation would also apply, as would all other provisions of current law.

In those cases where the nonmarket economy will not or cannot provide the necessary information, preventing the complaint from being handled in a normal way, a different standard would be employed, a standard which is not punitive, but which is deliberately intended to be less attractive to the nonmarket economy than the alternative of cooperation. That standard would be the same as that originally proposed in S. 1966—defining artificial pricing as sales below the price of the lowest average price free-market producer, with appropriate adjustments. Even in this case, however, unlike S. 1966, the petition would be treated pursuant to the time frames and procedures applicable to countervailing duty investigations in existing law. In short, the current concept of a section 406, which in many ways parallels section 201, would cease to exist, and instead the section would be redesigned to deal with unfair trade practices by nonmarket economies rather than simple market disruption. The latter could be handled through existing escape clause procedures under section 201 of the Trade Act of 1974. This approach is more consistent with the division in current law between fair and unfair trade practice relief provisions and is intended to conform to that division.

This bill also deals with one of the thorniest philosophical questions inherent in the entire issue: What is a nonmarket economy? Present law defines the term narrowly, applying it only to countries "dominated or controlled by communism." As the international economy grows in sophistication and complexity, a number of the socialist countries are becoming mixed national economies, and the prior definition which put everything in the context of communism becomes simplistic.

As an alternative, my new legislation attempts to approach the problem from the standpoint of economic theory by defining the term as, "* * * any country the economy of which, as determined by the administering authority, operates on principles other than those of a free market to an extent that sales or offers of sales of merchandise in that country or to countries other than the United States do not reflect the fair value of the merchandise." With this definition the administering authority no longer has to make a political judgment about the country's government but rather an economic judgment about its market system. That could be difficult, but it is also more faithful to the principle we are trying to establish with this legislation.

In short, we have tried to create with this legislation a carrot and stick mechanism that will encourage nonmarket economies to cooperate with our Government in investigating the allegations in petitions filed against them and to adjust their economies in a way that will permit such cooperation to take place. Every opportunity is presented to treat these countries in these cases precisely as all other nations are treated under our laws, even to the extension of the injury test in appropriate cases. This represents a "liberalizing" of present law; while at the same time the alternative "lowest average price free market producer" test provides a certainty and administrative ease of determination absent in present regulations.

As I indicated when I began my remarks today, I am introducing this legislation in an effort to renew the debate in Congress and in the trade community in general on how our Government can best deal with this difficult problem in a way which is fair both to foreign governments and their exporters and to our own industries. It may well be that some further changes in the bill will be appropriate, and I want to indicate my willingness to consider any proposals that are put forward. At the same time I believe it is important that Congress act on this issue during the 97th Congress, and I intend to press the Finance Committee for hearings and markup on this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 958

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CREATION OF ARTIFICIAL PRICING INVESTIGATION REMEDY.

(a) AMENDMENT OF SECTION 406.—Section 406 of the Trade Act of 1974 (19 U.S.C. 2436) "SEC. 406. ARTIFICIAL PRICING.

is amended to read as follows:

"(a) If the administering authority determines that, with respect to imports of an article which is the product of a nonmarket economy country, there is artificial pricing with respect to an article produced by a domestic industry, then there shall be imposed upon such merchandise a duty, in addition to any other duty imposed, in the amount necessary to offset the amount of such artificial pricing.

"(b)(1) A proceeding under this section shall be commenced by the administering authority upon—

"(A) the filing of a petition by an interested party described in section 771(9) of the Tariff Act of 1930 on behalf of an industry which alleges the elements necessary for the imposition of the duty imposed by subsection (a), and which is accompanied by information reasonably available to the petitioner supporting the allegations,

"(B) the request of the President or the United States Trade Representative,

"(C) resolution of the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, or

"(D) its own motion.

"(2) In the case of a proceeding commenced by petition, the petitioner shall file a copy of the petition with the Commission on the same day as it is filed with the administering authority. In the case of a proceeding commenced under subparagraph (B), (C), or (D) of paragraph (1), the administering authority shall notify the Commission and transmit to it a copy of the request, resolution, or motion on the same day as it is received or agreed to by the administering authority.

"(3) Under regulations prescribed by the administering authority, and except as otherwise provided by this section, the artificial pricing investigation shall be conducted on the same schedule, with preliminary and final determinations, and subject to suspension and termination of suspension, as if it were a countervailing duty investigation under subtitle A of title VII of the Tariff Act of 1930.

"(4) Except as provided in subsection (c)(2), the administering authority shall not initiate an artificial pricing investigation pursuant to a petition filed by an entity with respect to the artificial pricing of an article from a nonmarket economy country with respect to which that entity has filed a petition for a countervailing duty or antidumping duty investigation under section 303 or title VII of the Tariff Act of 1930 if—

"(i) the countervailing duty or antidumping duty proceeding is in process, or

"(ii) a countervailing duty or antidumping duty is in effect with respect to such article.

"(5) Within 7 days after a final determination, the administering authority shall publish an artificial pricing duty order which—

"(A) directs customs officers to assess an artificial pricing duty in the amount necessary to offset the amount of such artificial pricing within 6 months after the date on which the administering authority receives satisfactory information upon which the assessment may be based, but in no event later than 12 months after the end of the annual accounting period of the manufacturer or exporter within which the merchandise is entered, or withdrawn from warehouse, for consumption,

"(B) includes a description of the class or kind of merchandise to which it applies, in such detail as the administering authority deems necessary, and

"(C) requires the deposit of estimated artificial pricing duties pending liquidation of entries of merchandise at the same time as estimated normal customs duties on that merchandise are deposited.

"(6)(A) Entries of the merchandise subject to the artificial pricing duty order the liquidation of which has been suspended shall be subject to the imposition of artificial pricing duties under subsection (a).

"(B) Merchandise subject to an artificial pricing duty order which is entered, or withdrawn from warehouse, for consumption on or after the date of publication of notice of the final determination shall be subject to the imposition of artificial pricing duties, and the administering authority shall release any bond or other security, and refund any cash deposit made, to secure the payment of artificial pricing duties with respect to entries of the merchandise entered, or withdrawn from warehouse, for consumption before that date.

"(C) For purposes of this section, all provisions of subtitle A of title VII of the Tariff Act of 1930 which apply with respect to

the assessment and collection of countervailing duties shall apply with respect to the assessment and collection of the artificial pricing duty.

"(c)(1)(A) Except as provided in subparagraph (B), whenever a nonmarket economy country which is the producer of an article which is the subject of an artificial pricing investigation under this section furnishes verifiable information to the administering authority in connection with such investigation which is sufficient, in the judgment of the administering authority, to permit the investigation to be conducted as a countervailing duty investigation or an antidumping duty investigation, the administering authority shall treat the investigation as if it had been commenced as a countervailing duty or antidumping duty investigation, whichever is appropriate. Whenever the administering authority determines that an artificial pricing investigation will be treated as a countervailing duty or antidumping duty investigation, the administering authority shall—

"(i) terminate the investigation as an artificial pricing investigation and begin to conduct the investigation as a countervailing duty or antidumping duty investigation at the same point in time as that at which the investigation would have been had it been commenced as such an investigation, and

"(ii) notify the petitioner, the President, the Trade Representative, or the Committee of the determination, as appropriate.

"(B) In the case of a nonmarket economy country which is not a party to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (relating to antidumping measures), if an artificial pricing investigation is treated as an antidumping duty investigation under paragraph (1), such investigation (and any other action in connection with such investigation) shall be conducted without regard to whether an industry is injured or to whether the establishment of an industry is materially retarded.

"(2) Whenever a nonmarket economy country which is the producer of an article which is the subject of a countervailing duty or antidumping duty investigation does not furnish verifiable information to the administering authority in connection with such investigation which is sufficient, in the judgment of the administering authority, to permit the investigation to be conducted as a countervailing duty investigation or an antidumping duty investigation, the administering authority shall treat the investigation as if it had been commenced under this section. Whenever the administering authority determines that a countervailing duty or antidumping duty investigation will be treated as an artificial pricing investigation, the administering authority shall—

"(A) terminate the investigation as a countervailing duty or antidumping duty investigation and begin to conduct the investigation as an artificial pricing investigation at the same point in time as that at which the investigation would have been had it been commenced as such an investigation, and

"(B) notify the petitioner, the President, the Trade Representative, or the Committee of the determination, as appropriate.

"(d) For purposes of this section—

"(1) The term 'nonmarket economy country' means any country the economy of which, as determined by the administering authority, operates on principles other than those of a free market to an extent that sales or offers of sale of merchandise in that country or to countries other than the United States do not reflect the fair value of the merchandise.

"(2) Artificial pricing exists whenever an article like an article produced by such domestic industry, is imported directly or indirectly from a nonmarket economy country or countries at a price below the lowest free-market price of like articles.

"(3) The lowest free-market price of like articles is the lowest average price, adjusted for differences in quantity, level of trade, duties or other factors required to insure comparability, charged for like articles in this country by any producer or aggregate of producers from an appropriate free-market country, including the United States, which, as determined by the administering authority, produces a sufficient quantity of like articles for the administering authority to determine a representative price.

"(4) The term 'like article' means an article which is like, or in the absence of like, most similar in characteristics and uses with the article subject to an investigation under this section.

"(5) A country is an appropriate free-market country with respect to an article alleged to be disruptive if—

"(A) the country is not a nonmarket economy country within the meaning of this section,

"(B) no preliminary or final determination has been made under title VII (or, if applicable, section 303) of the Tariff Act of 1930 that a subsidy, bounty, or grant is being provided with respect to like articles from that country, and

"(C) no preliminary or final determination has been made under subtitle B of title VII of the Tariff Act of 1930 that like articles from that country are being, or are likely to be, sold in the United States at less than fair value.

"(6) The term 'domestic industry' means an industry producing an article in whole or in part in the United States, including any territory or possession of the United States.

"(7) The term 'administering authority' has the meaning given such term by section 771(1) of the Tariff Act of 1930.

"(8) The term 'Commission' means the United States International Trade Commission.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 773 of the Tariff Act of 1930 (19 U.S.C. 1677(c)) is hereby repealed.

(2) Subsection (f) of section 303 of the Tariff Act of 1930 (19 U.S.C. 1303(f)) and subsection (c) of section 701 of such Act (19 U.S.C. 1671(c)) are each amended—

(A) by inserting "(1)" before "For", and

(B) by inserting at the end thereof the following new paragraph:

"(2) For provisions of law applicable in the case of a product of a nonmarket economy country, see section 406 of the Trade Act of 1974 (19 U.S.C. 2436).".

(3) Section 731 of the Tariff Act of 1930 (19 U.S.C. 1673) is amended—

(A) by inserting "(a) IN GENERAL.—" before "If", and

(B) by adding at the end thereof the following new subsection:

"(b) CROSS REFERENCE.—

For provisions of law applicable in the case of a product of a nonmarket economy country, see section 406 of the Trade Act of 1974 (19 U.S.C. 2436).".

(c) CLERICAL AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by striking out the item relating to section 406 and inserting in lieu thereof the following new item:

"Sec. 406. Artificial pricing.".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall apply with respect to petitions filed, requests made, and resolutions adopted after the date of the enactment of this Act.●

By Mr. CANNON:

S. 960. A bill to amend the Hazardous Materials Transportation Act to encourage a greater effort in the prevention and response to transportation incidents involving hazardous materials, to provide assistance to States and local governments in preventing and responding to such incidents, and for other purposes; to the Committee on Commerce, Science, and Transportation.

HAZARDOUS MATERIALS TRANSPORTATION ACT AMENDMENTS OF 1981

● Mr. CANNON. Mr. President, today I am introducing a bill which would amend the Hazardous Materials Transportation Act to encourage a greater effort in the prevention and response to transportation incidents involving hazardous materials and provide assistance to State and local governments in preventing and responding to such incidents. There have been a number of incidents in the last several years which have focused attention on the risks associated with the transportation of hazardous materials. Preliminary data for 1980 shows 18 deaths and more than 600 injured in transportation incidents. The year 1978 was particularly disastrous: 45 people were killed and 1,130 injured. In addition to the widely publicized accidents involving fatalities and serious injuries, it is important to note that there are thousands of incidents each year that result in the unintentional release of hazardous materials. Just a short time ago, it was necessary to evacuate a large part of Kansas City when two trains carrying toxic and flammable chemicals collided in the Kansas City Terminal Yard. Only a few days ago, there was another hazardous materials incident in Indiana.

The potential danger is apparent when the extensive nature of the hazardous materials transportation industry is considered—more than 20,000 suppliers of containers, over 600,000 vehicles and vessels transporting hazardous materials in bulk and about 700,000 transporting portable containers from at least 100,000 locations. At the same time, the transportation of these hazardous substances is essential to commerce and the health and well-being of the public. An adequate safety program is essential to provide protection against the risks inherent in the transportation of hazardous materials.

This area is one that has been of particular concern to the Commerce Committee. It is a matter that was accorded high priority during my tenure as chairman, and I am certain that it will continue to receive close attention during the chairmanship of my colleague from Oregon, Senator PACKWOOD.

Last year the Commerce Committee focused on methods of improving Federal programs for preventing and responding to hazardous materials transportation accidents. We held a field hearing and also received written comments on draft amendments to the Hazardous Materials Transportation Act.

After reviewing the hearing record and the comments which were submitted and following discussions with the Department of Transportation, the Federal Emergency Management Agency and others, I have had that legislation redrafted and am introducing it today to invite further comment and discussion.

It is my hope that hearings can be scheduled in the near future, and that we can move forward to consider this hazardous materials legislation on an expedited basis. I would emphasize that the bill I have introduced does not necessarily represent the views of other Commerce Committee members but rather is intended as a vehicle for the committee's deliberations in this area.

In general, the bill attempts to address significant problems in the transportation of hazardous materials—several relating to prevention and others to response.

PREVENTION

The legislation would require the Department of Transportation to evaluate accident-prevention training programs, based upon a survey and analysis of Government and private training programs. Necessary measures would be taken to improve the coordination and effectiveness of such training programs (Federal, State, local, and private). To improve enforcement efforts, a program would be established to assist States in the enforcement of hazardous materials transportation rules and regulations.

The bill addresses the controversial issue of routing hazardous materials by requiring the Secretary of Transportation to issue regulations within 18 months or report to Congress why such regulations are not necessary. A report is also required with respect to the feasibility and desirability of establishing a prenotification system concerning routing of hazardous materials shipments.

In order to encourage coordinated response programs, FEMA is authorized to provide planning assistance to States, local governments, and regional agencies. The legislation also includes a technical change in the Hazardous Materials Transportation Act to authorize cooperative action between the Secretary of Transportation and private agencies.

This bill will involve limited funding. Many of the provisions can be implemented under existing authorizations. The general language of the bill, "such sums as may be necessary," is included only because we have not yet been able to obtain precise figures from the Department of Transportation or the Congressional Budget Office for the enforcement and response planning programs. As soon as this information is received, appropriate figures will be substituted for the more general language in the bill.

I believe that this legislation is responsive to the needs of the public in that it will eliminate inadequacies in incident prevention programs and provide greater coordination between Federal, State, and local governments in preventing and responding to hazardous materials incidents.

Mr. President, I ask unanimous consent that the text of the bill, together with the section-by-section analysis, be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 960

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Hazardous Materials Transportation Act Amendments of 1981".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the transportation of hazardous materials can create severe hazards to the public safety;

(2) such transportation is nonetheless essential to commerce;

(3) in the interest of uniformity, the Hazardous Materials Transportation Act provides for the preemption of State and local governmental regulation of hazardous materials transportation to the extent it is not consistent with Federal requirements and regulations;

(4) despite this preemption, when serious hazardous materials incidents occur, it is the State and local governments which necessarily have the primary responsibility for emergency response; and

(5) increased coordination and greater consistency between the Federal Government and State and local governments would assist in the prevention of hazardous materials transportation incidents and in the overall ability of State and local governments to respond to such incidents.

(b) It is the purpose of this Act to—

(1) promote the public safety by providing for increased coordination among the various levels of government and greater consistency among Federal, State, and local rules and regulations;

(2) encourage and assist State and local governments to play a major role in the prevention of hazardous materials transportation incidents by delegating the enforcement of certain Federal regulations; and

(3) provide for greater assistance to State and local governments in responding to such incidents through coordinated and well-planned advice and assistance at the time of the incident, training and technical assistance programs, and planning grants to encourage the adoption of coordinated incident response programs.

DEFINITIONS

SEC. 3. Section 103 of the Hazardous Materials Transportation Act (49 U.S.C. 1802) is amended by redesignating paragraphs (3), (4), (5), (6), and (7), and all references thereto, as paragraphs (4), (5), (6), (7), and (8), respectively, and by inserting the following new paragraph immediately after paragraph (2):

"(3) 'incident' means any event occurring in the transportation of hazardous materials or a transportation-related function such as loading, unloading, packaging or stowage which has led, or poses an imminent threat of leading, to a release of hazardous materials which could result in a serious risk to health, safety, or property;".

PREVENTION OF AND RESPONSE TO HAZARDOUS MATERIALS INCIDENTS

SEC. 4. The Hazardous Materials Transportation Act (49 U.S.C. 1801 et seq.) is amended by inserting "Subtitle A" after "TITLE I—HAZARDOUS MATERIALS" and by adding at the end thereof the following new subtitle:

"Subtitle B

"DEPARTMENT OF TRANSPORTATION TRAINING FOR INCIDENT PREVENTION

"SEC. 120. (a) In accordance with the provisions of this section, the Secretary shall conduct a study and evaluation of programs conducted by Federal, State, and local agencies and private organizations which provide training to shippers, carriers, inspectors, and enforcement personnel involved in the transportation of hazardous materials with respect to compliance with and enforcement of rules, regulations, standards, and orders promulgated by the Secretary under the authority of this title. Not later than 4 months after the date of enactment of this section, the Secretary shall submit to the Congress an interim report on the results of such evaluation, and the Secretary shall complete such study and evaluation and submit to Congress the results of such study not later than 8 months after the date of enactment of this section.

"(b) If, as a result of the study and evaluation conducted pursuant to subsection (a) of this section, the Secretary determines that existing training programs for the transportation of hazardous materials are inadequate or that there is needless duplication among such programs, the Secretary is authorized to develop appropriate training programs and make recommendations as to how to improve existing programs. The Secretary shall upon request provide to State and local agencies and private organizations a description of training programs and such other assistance as is appropriate to assist such agencies and organizations in fulfilling their hazardous materials training needs.

"(c) The Secretary shall maintain within the Department an information dissemination service, which shall provide instructional materials in the training, skills, and knowledge necessary to assist Federal, State, and local agencies and private organizations in training personnel in safe and proper methods for the transportation of hazardous materials. As part of such service, the Secretary shall identify specific elements with respect to training, equipment, and methodologies necessary and useful in preventing incidents involving the transportation of hazardous materials. In addition, the Secretary shall identify training programs which he determines through the evaluation required by subsection (a) of this section to be useful for training shippers, carriers, inspectors, or enforcement personnel with respect to hazardous materials transportation safety. The Secretary is authorized to take all necessary measures to improve the coordination and effectiveness of all such Federal, State, local, and private training programs.

"(d) As part of the effort to improve the coordination of incident prevention training programs, the Secretary to the extent practicable shall establish or encourage the establishment of regional training centers.

"STATE REGULATION AND GRANTS TO STATES

"SEC. 121. (a) Under the terms and conditions of this section, and subject to the availability of funds, the Secretary is authorized to make grants to States for the development and implementation of programs for the enforcement of Federal rules, regulations, standards, and orders applicable to hazardous materials transportation pursuant to the provisions of this title and consistent State rules, regulations, standards, and orders.

"(b)(1) The Secretary shall, after notice and opportunity for comment by interested parties, formulate procedures for any State to submit a plan whereby the State agrees to adopt, and to assume responsibility for enforcing, rules, regulations, standards, and orders issued under this title and consistent State rules, regulations, standards, and orders. Such plan shall be approved by the Secretary if he determines that the plan promotes the objectives of this title, and the plan—

"(A) designates the State agency or agencies responsible for administering the plan throughout the State;

"(B) contains satisfactory assurances that such agency has or is taking steps pursuant to State law to have the legal authority, resources, and qualified personnel necessary for the enforcement of such rules, regulations, standards, and orders;

"(C) gives satisfactory assurances that such State will devote adequate funds to the administration of such plan and enforcement of such rules, regulations, standards, and orders;

"(D) provides a right of entry and inspection sufficient to enforce the provisions of this title; and

"(E) provides that such State agency will adopt such uniform reporting requirements and use such uniform forms for recordkeeping, inspections, and investigations as may be established and required by the Secretary.

"(2) If a plan submitted under paragraph (1) of this subsection is rejected, the Secretary shall provide the State with a written explanation of his action and shall permit the State to modify and resubmit his proposed plan for approval, in accordance with the procedures formulated pursuant to such paragraph.

"(c) The Secretary shall, on the basis of reports submitted by the State agency, and on his own inspections, make a continuing evaluation of the manner in which each State with a plan approved under this section is carrying out such plan. Whatever the Secretary finds, after affording due notice and opportunity for comment, that a State plan previously approved is not being followed or that it has become inadequate to assure the enforcement of rules, regulations, standards, or orders issued under this title, he shall notify the State of withdrawal of approval of such plan. Upon receipt of such notice, such plan shall cease to be in effect. Any State aggrieved by a determination of the Secretary pursuant to this subsection may seek judicial review pursuant to chapter 7 of title 5, United States Code. The State may, however, retain jurisdiction in any case commenced before the withdrawal of the plan whenever the issues involved do not directly relate to the reasons for the withdrawal of approval of the plan.

"(d) By grants authorized under this section, the Secretary shall reimburse any State in an amount not to exceed 50 percent of the costs incurred by that State in that fiscal year in the development and implementation of programs to enforce hazardous materials transportation rules, regulations, standards, or orders issued under this title and consistent State rules, regulations, standards, and orders. The Secretary is authorized to allocate amounts appropriated for grants to support such programs among the States whose applications for grants have been approved pursuant to such criteria as may be established.

"ROUTING AND PRENOTIFICATION

"SEC. 122. (a)(1) Within 18 months after the date of enactment of this section, the Secretary shall, in consultation with State, local, and regional governments and with appropriate Federal agencies, determine whether to issue regulations in accordance with the provisions of this section and pursuant to section 105 of this title with respect to the routing of hazardous materials being transported in interstate commerce. If the Secretary determines that regulations should not be issued, a report shall be submitted to Congress stating why such regulations are not necessary.

"(2) If the Secretary issues regulations pursuant to paragraph (1) of this subsection, such regulations shall provide for the participation by State, local, and regional governments in selecting preferred routes and modes of transportation of hazardous materials within their respective jurisdictions.

"(3) In determining whether to promulgate regulations, the Secretary shall consider—

"(A) the question of whether any mode presents an unacceptable level of risk to safety with respect to the transportation of hazardous materials;

"(B) various factors affecting the safety of any given route, including, but not limited to, population density, design characteristics of the route, and adjacent land uses;

"(C) the implementation of additional protective measures whenever hazardous materials are transported through areas of particularly high risk;

"(D) the social, economic, and commercial impacts of routing restrictions; and

"(E) the relative hazard potential of specific hazardous materials as a factor determining the need for selective routing.

"(b)(1) Within 12 months after the date of enactment of this section, the Secretary shall submit a report to Congress with respect to the feasibility, cost, desirability of establishing, and the problems of implementing, a prenotification system which would inform State or local governments in advance of the timing, nature, and routing of hazardous materials shipments through their jurisdictions.

"(2) In preparing such report, the Secretary shall consult with State, local, and regional governments and with appropriate Federal agencies, and shall seek the advice of various groups interested in the safety of the transportation of hazardous materials, including shippers, carriers, and users of hazardous materials and bulk package or container manufacturers; organizations which represent employees engaged in the transportation of hazardous materials; citizens' and environmental groups; and private organizations concerned with transportation safety or the provision of emergency services in response to a major accident involving the transportation of hazardous materials.

"(c) In order to acquire information in accordance with this section, the Secretary may establish one or more demonstration projects.

"FEDERAL TRAINING PROGRAMS FOR INCIDENT RESPONSE

"SEC. 123. (a) The Director of the Federal Emergency Management Agency, in coordination with the Secretary and other agencies with responsibilities relating to hazardous materials transportation, shall conduct a study and evaluation of programs conducted by Federal, State, and local agencies and private organizations which provide training to agencies or organizations responsible for responding to incidents involving hazardous materials transportation. Not later than 6 months after the date of enactment of this section, the Director shall submit an interim report on the results of such evaluation. Not later than 12 months after the date of enactment of this section, the Director shall complete such study and evaluation and submit the results of such study, along with such recommendations as he deems necessary, to the Congress.

"(b) If, as a result of the study and evaluation conducted pursuant to subsection (a) of this section, the Director determines that existing training programs are inadequate, the Director, in coordination with the Secretary, is authorized to develop appropriate training programs. The Director or the Secretary shall, upon request, provide to State and local agencies and private organizations a description of training programs and such other assistance as is appropriate to assist such agencies and organizations in fulfilling their incident response training needs.

"(c) The Director or the Secretary, as they deem appropriate, shall maintain an information dissemination service, which shall provide instructional materials in the training, skills, and knowledge necessary to assist Federal, State, and local agencies and private organizations in training personnel in safe and proper methods for responding to incidents. Such information service shall identify specific elements with respect to training, equipment, and methodologies necessary and useful in responding to incidents. In addition, training programs shall be identified which are determined through the evaluation required by subsection (a) of this section to be useful for training response personnel.

"EMERGENCY RESPONSE PLANNING GRANTS

"SEC. 124. (a) In order to promote the development of coordinated and effective emergency response programs for incidents at the State and local levels, the Director of the Federal Emergency Management Agency is authorized, taking into account consistency with the national contingency plan, as revised pursuant to the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, to make emergency response planning grants to units of State, regional, and local government. Such grants shall be used, among other things, to—

"(1) assess the present response capabilities of each emergency response agency within the scope of the study area in terms of the adequacy of trained personnel, equipment, and information systems and determine the most cost-effective means for upgrading such capabilities;

"(2) determine at what point and to what extent each such agency will become involved in the response to a given incident;

"(3) determine which of such agencies will be the lead agency for responding to a given type of incident at any given location;

"(4) define the role of each such agency in responding to any incident; and

"(5) establish a communications network that will permit onsite interagency communications as well as operational and command communications.

"(b) The Director shall, within 12 months, establish such rules and regulations as he deems necessary for the administration of emergency response planning grants described in subsection (a) of this section. Any such regulations shall provide that—

"(1) the Federal share of any such planning grant shall not exceed 50 percent of the cost of such project; and

"(2) no less than 25 percent of the funds obligated for such planning grants shall be used to make planning grants to units of regional or local government.

"(c) To the extent possible, the Director shall encourage the use of such planning grants to promote planning for the establishment of coordinated regional emergency response programs.

"RESEARCH AND DEVELOPMENT

"SEC. 125. The Director of the Federal Emergency Management Agency, in coordination with the Secretary, is authorized to conduct research and development activities designed to improve the capabilities of Federal, State, local, and private agencies and organizations responsible for responding to an incident. Such activities may include, among other things, programs to—

"(1) encourage the development and demonstration of new and innovative techniques in responding to incidents;

"(2) evaluate existing techniques and programs for responding to incidents; and

"(3) promote the development and adoption of minimum standards for training, equipment, coordination, information, and other resources related to responding to incidents.

"AUTHORIZATIONS FOR APPROPRIATIONS

"SEC. 126. (a) There is authorized to be appropriated to the Secretary such sums as may be necessary for the purposes of section 121 of this subtitle.

"(b) There is authorized to be appropriated such sums as may be necessary to the Federal Emergency Management Agency for the purposes of section 124 of this subtitle.".

REPORTING SYSTEM AND DATA CENTER

SEC. 5. Section 109(d) of the Hazardous Materials Transportation Act (49 U.S.C. 1808(d)) is amended—

(1) by inserting "(1)" immediately before "The Secretary";

(2) by redesignating paragraphs (1), (2),

and (3) as subparagraphs (A), (B), and (C), respectively; and

(3) by adding at the end thereof the following new paragraph:

"(2) Nothing in this subsection shall be construed to limit the authority of the Secretary to enter into a contract with a private entity for use of a supplemental reporting system and data center operated and maintained by such entity.".

CONFORMING AMENDMENTS

SEC. 6. Sections 110, 111, and 115 of the Hazardous Materials Transportation Act (49 U.S.C. 1809, 1810, and 1812) are amended by striking "title" wherever it appears and inserting in lieu thereof "subtitle" in each such place.

SECTION-BY-SECTION ANALYSIS

Section 1. Pursuant to this section, the legislation is entitled the "Hazardous Materials Transportation Act Amendments of 1981".

Section 2. This section sets forth the findings and purposes of this Act. Under subsection (2), Congress finds that the transportation of hazardous materials presents a hazard to public safety but that it is nonetheless essential to commerce. Congress further finds that while states and localities have been preempted with respect to the regulation of hazardous materials transportation, state and local authorities have primary responsibility for responding to hazardous materials incidents. Finally, Congress finds the need for increased coordination and greater consistency among the Federal, state and local governments in order to further the prevention of and improve the response capabilities with respect to hazardous materials incidents.

As explained in subsection (b), this legislation is intended to promote safety through improved coordination and greater consistency among the Federal, state and local governments. To this end, this bill is to encourage active participation by the state and local authorities in the prevention of hazardous materials incidents by delegating enforcement of certain Federal laws and regulations. In addition, the bill would provide for more assistance to state and local governments in the area of emergency response through training and planning programs.

Section 3. In order to clarify the coverage of the Act, this section would add the term "incident" to the list of definitions included in the Hazardous Materials Transportation Act. This term is defined to mean any event, involving the actual transportation or activities incident thereto, which leads or threatens to lead to a release of hazardous materials which could result in a risk to health, safety or property.

Section 4. This section designates as Subtitle A the Hazardous Materials Transportation Act as currently written and adds a new section to be cited as Subtitle B. This new subtitle calls for a review by the Department of Transportation (DOT) of incident prevention training programs; establishes procedures and a funding mechanism for the expansion of state enforcement authority; requires action by DOT with respect to routing and prenotification; mandates the study by the Federal Emergency Management Agency (FEMA), in coordination with DOT, of incident response training and calls for research in the area of emergency response; and sets up a funding mechanism to promote state, regional and local emergency response planning.

INCIDENT PREVENTION TRAINING

Subsection (a) of Section 120 requires the Secretary of Transportation to evaluate all existing public and private training programs related to compliance with and enforcement of the hazardous materials laws and regulations. Within four months of the date of enactment of this section, an interim report based on the evaluation is to be submitted by DOT to Congress, and a final report is due within eight months of date of enactment. Pursuant to subsection (b), if this study indicates that existing training programs are inadequate or that there is unnecessary duplicating among them, the Secretary is authorized to develop new programs and to recommend changes in existing ones. DOT would be required upon request to provide interested groups with a description of such recommended programs and any other appropriate training assistance.

Additionally, under subsection (c) of Section 120 DOT is required to maintain an information dissemination service with respect to appropriate public and private incident prevention training programs. In this regard, the Secretary is required to identify specific elements which should be part of such programs. Also, the Secretary must designate those compliance and enforcement training programs which are determined as part of the study mandated under subsection (b) to be the most useful. Through this information dissemination, DOT is to strive for more coordinated and effective training programs at all levels, both public and private.

In furtherance of improved coordination of such training programs, the Secretary is mandated pursuant to subsection (d) to promote, to the extent practicable, the establishment of regional training centers.

STATE ENFORCEMENT

Subsection (a) of Section 121 authorizes DOT to make funds available to the states for programs set up to enforce Federal law and consistent state law with respect to hazardous materials transportation. Under subsection (d), DOT could not reimburse a state for more than 50% of the costs incurred in the development and implementation of such state enforcement programs. Subject to the availability of funds, the Secretary of Transportation is empowered to allocate the money pursuant to such criteria as might be established.

Under subsection (b), the Secretary is mandated to establish procedures for the submission by states of plans for which such Federal grants would be available. These submissions would make clear that the states agree to adopt and to assume enforcement responsibility for the law made pursuant to the Hazardous Materials Transportation Act and consistent state law.

For such a plan to be approved, the Secretary must find that it promotes the objectives of the hazardous materials laws. Also, the plan must designate a state agency or agencies as responsible for the administration of the plan; must provide assurances that steps have, or are being taken, to ensure that such designated agency has the legal authority, resources, and funding to carry out its responsibilities under the plan; must allow for an adequate right of entry and inspection; and, finally, must require the state to adopt recordkeeping and reporting requirements as established by the Secretary. If a plan is rejected pursuant to these requirements, the Secretary is to provide the state with a written explanation for such rejection. The state would be able to submit a modified proposal for approval at a later date.

Pursuant to subsection (c) of Section 121, the Secretary would be required to conduct an ongoing evaluation of a state plan approved under this section. Upon finding either that it is not being implemented as approved or that it is inadequate to effect the necessary enforcement, the Secretary must notify the state of withdrawal of the prior approval, and the receipt of such notice is to serve to terminate the plan. Judicial review of the Secretary's decision would be provided to a state pursuant to the Administrative Procedure Act. A withdrawal of approval would not preclude a state from retaining jurisdiction over a case commenced prior to the withdrawal if the issues involved do not relate to the reasons for the withdrawal.

ROUTING AND PRENOTIFICATION

Section 122(a) requires the Secretary of Transportation, within 18 months of the date of enactment of this section, to determine whether to issue regulations with respect to the routing of hazardous materials and, if it is determined that no regulations are necessary, to submit a report to Congress explaining the basis for such determination. In making such determination, the Secretary must consult with state, local and regional governments and with appropriate Federal agencies. Furthermore, the Secretary is to consider the issue of whether any mode presents an unacceptable level of risk to safety in the transportation of hazardous materials; the various factors bearing on the safety of a particular route; additional protections which would be applied when transporting hazardous materials, the social and economic impacts of routing; and the relationship between the dangers associated with a specific material and the need for its routing. If regulations are issued, they are to provide for the participation of state, local and regional governments in selecting preferred routes and modes.

Pursuant to subsection (b), the Secretary is mandated within 12 months of the date of enactment of the section to submit to Congress a report with respect to the feasibility, cost, desirability, and implementation of a prenotification system. In the preparation of this report, the Secretary shall consult with state, local and regional governments and with appropriate Federal agencies. Also, the Secretary shall seek the advice of shippers, carriers, and users; employee organizations; citizens' and environmental groups; and private emergency response organizations.

With respect to the study of routing and prenotification, subsection (c) grants the Secretary the authority to establish one or more demonstration projects.

INCIDENT RESPONSE TRAINING

Section 123(a) mandates that the Director of the Federal Emergency Management Agency, in coordination with DOT and other Federal agencies, evaluate public and private incident response training programs. An interim report based on this study is to be submitted to Congress within six months of the date of enactment of this section, and a final report with any appropriate recommendations is due within one year of date of enactment. Pursuant to subsection (b) of this section, if the study indicates that existing training programs are inadequate, FEMA is empowered, in coordination with DOT, to develop improved programs. DOT or FEMA would be required upon request to provide state and local agencies and private groups with a description of these proposed programs and any other assistance as might be appropriate.

An information dissemination service on incident response training would be maintained under subsection (c) by FEMA or DOT, as the agencies deem appropriate. With respect to this service, identification would be made as to what elements should be included in response training programs. Furthermore, programs which are determined by the study mandated under subsection (a) to be useful are to be identified as such.

STATE AND LOCAL RESPONSE PLANNING

Pursuant to Section 124(a), the Director of FEMA is authorized, consistent with the National Contingency Plan, to make funding available to state, local and regional governments for emergency response planning. This

program is intended to promote a more coordinated and effective response program at the state and local levels. The money would be used to assess the existing response capabilities of the state and local governments and to determine a cost-effective means for increasing such capabilities; to define the roles of the agencies involved in state and local emergency response activities and to identify when and to what extent such agencies are to become involved and which agency is to take the lead in responding to a given incident; and to establish a sound communications network.

For allocating the funding authorized under this section, FEMA is mandated pursuant to subsection (b) to establish appropriate regulations within one year. Such regulations must require that the Federal share constitute no more than 50% of a project's costs and that no less than 25% of the funds obligated is to be made available to local or regional units.

In the use of these funds, the Director of FEMA is mandated under subsection (c) to encourage planning for coordinated regional emergency response programs.

RESEARCH

Section 125 authorizes the Director of FEMA, in coordination with DOT, to conduct research to improve public and private response capabilities. Such research programs should evaluate existing response techniques, should encourage innovations in those techniques, and should promote the establishment of minimum standards for response activities.

AUTHORIZATIONS

Under Section 126, such sums as may be necessary are authorized to be appropriated to DOT for the state enforcement funding program. Such sums as may be necessary are also authorized to FEMA to cover the state, regional and local response planning program.

Section 5. This section amends Section 109 (d) (2) of the Hazardous Materials Transportation Act to promote more efficient use of private sector information-gathering activities in the area of the emergency response. Section 109(d) (2) as presently written mandates that the Secretary of Transportation establish and maintain a central reporting system and data center.

Currently, the chemical industry maintains its own information center with respect to chemicals and uses this data as part of the services provided by its emergency response communicator system, CHEMTREC. In order to make the most effective use of this private sector capability, DOT entered into an agreement on March 13, 1980, with the Chemical Manufacturers Association whereby the National Response Center, operated by the Coast Guard, and CHEMTREC would cooperate in providing the system and data center required by Section 109(d)(2). The amendment clarifies that this cooperative effort would fulfill DOT's mandate under this section.

Section 6. This section merely conforms the Hazardous Materials Transportation Act as currently written with this legislation, which would be designated Subtitle B of that Act.

By Mr. BENTSEN (for himself, Mr. CHILES, Mr. BOREN, Mr. NUNN, and Mr. JOHNSTON):

S. 961. A bill to require that a Federal agency may not require that any person maintain records for a period of 5 years, and a Federal agency may not commence an action for enforcement of a law or resolution or for collection of a civil fine after 5 years from the date of the act which is the subject of the enforcement action or fine, and for other purposes; to the Committee on the Judiciary.

STATUTE OF LIMITATIONS LEGISLATION

● Mr. BENTSEN. Mr. President, I think it is indeed ironic that much of the criminal element in this country—our forgers, embezzlers, thieves, and extortionists—are protected by a statute of limitations. If they can perpetrate a crime and remain undetected for a specified number of years, they can be assured of immunity from prosecution for that deed, no matter how strong the case against them.

But there is no statute of limitation for the honest, hardworking small businessman or entrepreneur who unwittingly violates one of the rules or regulations that spew forth from this city like volcanic ash from the summit of Mount St. Helens. The innocent taxpayer who happens to violate a dictate of DOE or the EPA is liable forever; and he would be well advised to maintain records that go back years and years just in case he is called to account by a Federal agency for an alleged misdeed sometime in the distant past.

I can really see no good reason, Mr. President, to accord the professional criminal element in this country a greater measure of protection than we offer to our law-abiding citizens. I am therefore introducing legislation today with Senators BOREN, CHILES, NUNN, and JOHNSTON—that would place a 5-year statute of limitations on the enforcement of rules and regulations promulgated by Federal agencies. This legislation would also limit to 5 years the time period required for individual recordkeeping.

Mr. President, at a time when compliance with Federal rules and regulations creates a $100 billion annual drag on our economy, it is obviously in our national interest to reduce wherever possible and appropriate the crushing burden of Federal interference.

We should understand that this burden falls most heavily on the shoulders of small- and medium-sized enterprises—those segments of our economy least able to afford it. The Fortune 500 corporations can afford the lawyers, the trade associations and the accountants required to keep abreast of and in compliance with all Federal regulations. They can afford to microfilm their records and keep them indefinitely as insurance against a charge, however ill-conceived, that they violated a Federal regulation a decade ago.

But the small company frequently lacks the resources for this sort of monitoring and recordkeeping. These corporations are more likely to put their scarce resources into the sort of R. & D. or new equipment that our economy needs so desperately. And these are the companies that would benefit most from a statute of limitations on the enforcement of Federal regulations and at the same time a limit on recordkeeping requirements.

Let me emphasize that this 5-year statute of limitations will not apply in cases of fraud or willful or knowing violation. In addition, actions and records relating to dangerous material are also exempted from the 5-year rule. For example, recordkeeping requirements relating to hazardous wastes would not be changed by this bill. The legislation is designed to protect against harassment for inadvertent violations far in the past and to reduce the cost involved in recordkeeping.

Mr. President, if enacted into law, this proposal will be favorably received by millions of small businessmen in America; it will free up scarce resources and put them to more productive use. It will not diminish the force of effectiveness of necessary regulations, but it will protect honest businessmen all across this country from the lingering fear of prosecution for an alleged violation more than 5 years in the past.

Mr. President, I hope the Senate will move promptly to approve this legislation and I ask that the text be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 961

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Limitation on Government Recordkeeping Requirements Act of 1981".

SEC. 2. (a) Except as otherwise provided by the Internal Revenue Code of 1954 or any regulations promulgated under such Code and subsection (b)—

(1) an agency may not require, or enforce any law or regulation to the extent that such law or regulation requires, that any person maintain, prepare, or produce any record, after the expiration of five years after the date of the transaction or event which is or is to be the subject of such record; and

(2) an agency may not commence an action, suit, or proceeding against any person for enforcement of a law or regulation or for the collection of any civil fine, penalty, or forfeiture after five years from the date of the act or failure to act which is the subject of such action, suit or proceeding, or fine, penalty or forfeiture.

(b) Subsection (a) shall not apply in any case involving—

(1) dangerous material;

(2) fraud;

(3) a willful or knowing violation; or

(4) an untrue statement of material fact made to an agency, or the omission of any material fact necessary to make a statement to such agency not misleading.

(c) For the purposes of this section—

(1) "agency" has the meaning given such term in section 551(1) of title 6, United States Code;

(2) "Dangerous material" means—

(a) hazardous waste as defined in section 1004 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6903); and

(b) byproduct, source, or special nuclear material, as defined in section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014);

(3) "Person" includes an individual, corporation, partnership, and an association; and

(4) "Regulation" means the whole part of a statement by an agency regarding the applicability or enforceability of a provision of law.●

By Mr. BENTSEN (for himself Mr. WALLOP, Mr. TOWER, and Mr. PRYOR):

S. 962. A bill to amend the Federal Meat Inspection Act to allow the interstate movement of all meat food products which are processed by federally inspected establishments and which are

derived from meat which has been slaughtered or processed at certain State-inspected establishments; to the Committee on Agriculture, Nutrition, and Forestry.

DISCRIMINATION AGAINST SMALL MEATPACKERS

● Mr. BENTSEN. Mr. President, I am today introducing for myself and several of my colleagues a bill to equalize the treatment of an important group of small businessmen who are now being discriminated against by Federal law.

The small meat packers of this country are suffering the ravages of inflation just as are other small businessmen. They suffer from Government overregulation, just as do their counterparts in many other industries. However, they also suffer the burden of being discriminated against by their own Government, in their own country, in favor of their foreign competition.

Mr. President, the small, State-inspected meat plants in this country are the victims of an unconscionable case of reverse protectionism. The bill which I am introducing today would alleviate that problem by injecting some badly needed free trade into the system.

This bill would amend the Federal Meat Inspection Act to provide that meat from State-inspected meat plants may be sold to federally-inspected plants for further processing, and that the resulting product may then be sold in interstate commerce.

The Federal Meat Inspection Act is a well-intentioned law. It requires that all meat in the United States meet uniform high standards for processing, and this law guarantees U.S. consumers that they can buy the finest quality meat in the world in any domestic market without fear of contamination from unwholesome facilities.

This law sets strict standards for federally inspected meat plants, and provides that the products of those plants may move freely in interstate commerce with the U.S. Department of Agriculture inspection seal as a guarantee of quality.

The law also requires that any meat imported into the United States must be processed under these same high standards. To be eligible for export to the United States, meat must be produced in plants under an inspection system which is "at least equal to" the U.S. Federal system. USDA inspectors check these foreign plants to assure compliance, with visits occurring on average about once a year. The foreign governments are notified in advance of these inspections.

This law also requires that all State meat inspection systems be certified by USDA as being "at least equal to" the Federal system. USDA inspectors assure that these standards are complied with.

Penalties for failure to comply are strict and simple. Foreign plants losing certification cannot export to this country. State inspection systems which slip below Federal standards are "designated" by USDA—they are closed down and USDA takes over the inspection of all State-inspected plants in the designated State. In addition, USDA is required to assume inspection duties in any State which voluntarily closes its State inspection system.

This law assures that all meat sold in the United States—from Federal plants, foreign plants, or State plants—is produced under the same high standards of inspection. The fact that six State inspection systems have been "designated," or closed down, by USDA since 1971 is proof that these standards are being enforced.

However, the treatment that the law provides for meat from these different sources—State, Federal, and foreign—is quite different. Meat from Federal plants moves freely in interstate commerce. Meat from foreign plants is sampled by USDA inspectors at the port of entry and then allowed to move freely, without any distinguishing label, in interstate commerce.

Meat from State plants, on the other hand, is forever barred from moving across State lines. It cannot even be sold to Federal plants for processing into other products, as is done with most foreign meat.

This is unfair and unwarranted interference on the part of the Federal Government.

It must be recognized that there is great diversity in the meatpacking industry. Plants range in size from small family-run operations which slaughter only a few animals per week to giant conglomerates which slaughter animals by the thousands and process them on mechanized, computerized cutting lines. All of these firms have an equal right to exist in our free market. All of them fulfill a need in our competitive economy. The large plants supply mass quantities of meat at a low per-unit cost. The small plants provide more specialized, customized services to meet the needs of a unique market.

Why does the law then not recognize that the small plants have the same right to exist as do the large plants? Why does it not recognize that the American small businessman who produces a product under the same standards as a foreign producer merits treatment at least equal to that accorded the foreign meat plant?

If there is an answer to this question then let it be brought forth. If there is no answer, and I have found no such answer, then let us pass this bill and end this travesty.

Mr. President, there is no doubt that our small State-inspected meat plants are in serious trouble, and a good deal of that trouble is caused by Government through these artificial market restrictions and through the burdensome regulations which these plants must submit to. As chairman of the Joint Economic Committee I held hearings last year on paperwork problems in the meat industry. At those hearings one example of this needless Federal paperwork burden was an exhibit of 1,100 bootleg forms. These were illegal forms, forms which had never been approved by the Office of Management and Budget as required by law, but which meat plants were being required to fill out. The stack was over 2 feet thick.

Plants are required to meet strict standards, but they are not allowed to serve their natural markets. Because of this, State inspection systems themselves are in jeopardy. Arkansas, Idaho, and Michigan will probably close their State inspection systems in order to save money. Many others could follow as a result of fiscal belt tightening.

This is in direct contradiction to the administration's announced intention to delegate power back to the States. It is in direct contradiction to the massive drive to reduce Federal expenditures. I have long called for spending cuts, and I have supported the massive cut which we are making this year. However, these cuts are being undone by this discriminatory law.

The Federal Government is required by law to provide meat inspection services if States do not. As these States cut out their inspection systems to save money, the Federal Government is required to spend more money and hire more personnel to inspect these small plants.

These small meat plants do not want the paperwork and bureaucratic problems of the Federal system, and we do not want to spend more money and expand the Federal bureaucracy in order to inspect them. But if there is an artificial limitation on the market for their products there is less and less support for keeping a State inspection system as more and more of these small plants go out of business.

Mr. President, I urge my colleagues to read the hearing record from last year's Joint Economic Committee hearing on meat inspection paperwork. I urge my colleagues to read the record of the hearing which was held on this bill by the Senate Subcommittee on Agricultural Research and General Legislation last year. Look at the problems which face the small businessman in the meatpacking business. As my distinguished colleague the Senator from Wyoming (Mr. WALLOP) has remarked, he rid himself of the many inspectors who policed his meat plant only by running for the U.S. Senate.

I believe that all who take a close look at this situation will join with my cosponsors and myself in seeking prompt passage of this legislation to correct this injustice to the American small businessman.●

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 963. A bill to authorize loans at interest rates in excess of certain State usury ceilings; to the Committee on Banking, Housing, and Urban Affairs.

AUTHORIZATION OF LOANS IN EXCESS OF CERTAIN STATE USURY CEILINGS

● Mr. BUMPERS. Mr. President, the Nation's automobile industry has been, and continues to be, in desperate straits. Production and sales are down dramatically and unemployment within the industry and within allied industries is extremely high. As far as the small business dealer is concerned, the attrition rate is staggering. Over 1,600 dealers have closed their doors since January 1, 1980, and over 100,000 dealers employees have lost their jobs.

The current problems facing the industry are, of course, multifaceted and no single action by the Government or industry will provide an immediate solution. However, State usury laws have played a significant role in the problems that have been encountered by many automobile dealers.

Automobile dealers are not the only people affected adversely by State usury limitations, but they exemplify the reason for the legislation I am introducing today. An inequitable situation was created by the usury override legislation passed by Congress last year.

Under current law, any person, not just financial institutions, can make a business or agricultural loan and charge an interest rate up to 5 percent over the Federal discount rate, regardless of the State usury limit. But only federally related financial institutions are allowed to make consumer loans that exceed State usury ceilings.

The net result in my State is that automobile dealers must borrow money at 21 percent for loans on their inventory, and loan money to their customers at 10 percent. It does not take long under this financial arrangement to bankrupt the dealer.

Mr. President, I have spoken in the Senate many times about the emergency financial situation created by the usury limit in the Arkansas constitution. The usury override legislation that was passed by Congress last year provided temporary relief to some segments of the Arkansas economy, but another emergency relief measure needs to be passed to prevent many small businessmen from being driven out of business between now and next year's general election when the voters of Arkansas will once again be given an opportunity to change the 10-percent usury limitation contained in the Arkansas constitution.

State usury limits were established for ordinary times. However, when extraordinary circumstances result in a rapid escalation of interest rates and the prime rate quickly surpasses most State usury limits, the limitations no longer serve the purpose for which they were designed.

No one can deny that these are extraordinary times. During the decade of the sixties, the prime rate was changed only 15 times. During the year 1980 alone, the prime rate was changed 60 times. The prime interest rate hit 20 percent last April. Four months later, it was at 11 percent, and then in December was at 21.5 percent.

Usury limits compound the problems of small businessmen who are already hurt by the increased costs of doing business. Inasmuch as small businessmen generally have to pay 1 to 2 percentage points above prime to finance their inventory, they cannot obtain credit to continue to finance their ordinary business obligations, since lending institutions will naturally refuse to extend credit at usury law limits which are well below the going rate. In addition, sales of higher cost items, such as automobiles, drop dramatically because those consumers who desire credit and are willing to pay higher rates to finance the purchase of these items simply cannot get credit.

In April of last year, the National Automobile Dealers Association performed a random survey of dealers from across the country and found that approximately 30 percent of their sales contracts for the purchase of an automobile were being lost because of an inability of the consumers to obtain financing. By May, this figure had jumped to an astounding 50 percent. In many cases, the inability of lending institutions to charge the going rate resulted in their withdrawal from the automobile-financing business.

The dramatic reduction in consumer credit which consumers experienced during the recent period of high interest rates was not, of course, solely the result of State usury limits, but there is no doubt that these limits contributed significantly to the problem in many areas of the country, especially Arkansas.

Unlike many other States, the Arkansas Legislature cannot legislate lenders out of this critical situation. With a 10-percent maximum interest rate limit embedded in Arkansas constitution, there is no choice but emergency Federal legislation until our next general election in 1982.

Because of this unique interest rate restriction, many creditors, especially those that automobile dealers must depend on, namely GMAC, Ford Motor Credit and Chrysler Credit have established very strict credit policies. Beginning January 1, 1980, GMAC, for example, withdrew collision, conversion and confiscation coverage (3c), which exposes dealers to all losses resulting from repossessed vehicles. Shortly thereafter, Ford also limited their 3c coverage and recently Chrysler has withdrawn it. These moves are unique to Arkansas and were only the beginning of what has become a critical situation for Arkansas automobile dealers.

This critical situation was compounded when GMAC announced that it will not finance new non-GM cars or trucks for Arkansas dealers after March 31, 1981. In addition, the only used cars that will be eligible for GMAC financing will be those traded in on the purchase of a new GM car or truck.

Unless the Arkansas automobile dealers obtain relief immediately, most will not be able to stay in business another 6 months without a dramatic drop in interest rates which is not imminent.

Mr. President, the bill Senator PRYOR and I are introducing today will provide temporary relief by allowing any person to charge a rate of interest of 1 percent in excess of the discount rate on all types of loans. The usury preemption in the bill will expire on April 1, 1983, or sooner if the State passes a law or constitutional provision overriding the Federal legislation.

The Arkansas General Assembly has proposed a constitutional amendment that will be considered by the voters of our State in the general election in November 1982. There is no question that Arkansas economy has suffered as a result of the usury limit in our constitution.

The problem created by usuary ceilings is not unique to Arkansas, but the attention of the Senate has been directed to our State more often than others. I do not want to ask for emergency relief again to solve this problem that ultimately will have to be solved at the State level with the passage of a constitutional amendment. I recognize the local nature of this problem, but there is no other source of relief for the people of my State except in Congress. I ask that the Senate Banking Committee take action on this measure as soon as possible considering the economic emergency in Arkansas.

Mr. President, I ask unanimous consent that the text of the bill and information and tables on Arkansas employment and per capita income be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 963

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title V of the Depository Institutions Deregulation and Monetary Control Act of 1980 is amended by adding at the end thereof the following:

"PART D—GENERAL USURY OVERRIDE

"OTHER LOANS

"SEC. 531. (a) If the applicable rate prescribed in this section exceeds the rate a person would be permitted to charge in the absence of this section, such person may in the case of any loan, notwithstanding any State constitution or statute which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any such loan, interest at a rate of not more than one per centum in excess of the discount rate, including any surcharge thereon, on ninety-day commercial paper in effect at the Federal Reserve bank in that Federal Reserve district where the person is located.

"(b) If the rate prescribed in subsection (a) exceeds the rate such person would be permitted to charge in the absence of this section, and such State imposed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate than is allowed by subsection (a), when knowingly done, shall be deemed a forfeiture on the entire interest which the loan carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of interest paid from the person taking, receiving, reserving, or charging such interest.

"(c) For the purpose of this part—

"(1) the term 'loan' includes all secured and unsecured loans, credit sales, forbearances, advances, renewals or other extensions of credit made by or to any person or organization;

"(2) the term 'interest' includes any compensation, however denominated, for a loan;

"(3) the term 'organization' means a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, association, or other entity; and

"(4) the term 'person' means a natural person or organization.

"EFFECTIVE DATE OF PART D

"SEC. 532. (a) The provisions of this part shall apply only with respect to loans made in any State during the period beginning on July 1, 1981, and ending on the earlier of—

"(1) April 1, 1983, or

"(2) the date, on or after July 1, 1981, on which such State adopts a law or certifies that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want the provisions of this part to apply with respect to loans made in such State,

except that such provisions shall apply to any loan made on or after such later date pursuant to a commitment to make such loan which was entered into on or after July 1, 1981, and prior to such later date.

"(b) A loan shall be deemed to be made on or after July 1, 1981, if such loan—

"(1) is funded or made in whole or in part after July 1, 1981, regardless of whether pursuant to a commitment or other agreement therefor made prior to July 1, 1981;

"(2) was made prior to July 1, 1981, and bears or provides for interest on or after July 1, 1981, on the outstanding amount thereof at a variable or fluctuating rate; or

"(3) is a renewal, extension, or other modification made on or after July 1, 1981, of any loan, if such renewal, extension, or other modification is made with a written consent of any person obligated to repay such loan.

"(c) This part does not apply to any loan secured by a residential manufactured home unless the loan meets the requirements of section 501(c).".

Arkansas Employment Changes 1979–80 Relative to the United States, and Related Data

Recent unemployment data indicates that Arkansas suffered more from the poor economy in 1980 than did the nation as a whole, and that the problem is continuing.

Some part of the problem has been the impact of limited consumer financing due to the ten percent usury limit at the consumer level. As might be expected, this has begun to impact on jobs in the trade sector of the economy.

Table 1 shows the Arkansas employment for the fourth quarter, 1979 and 1980 for four service sector industries, the percentage change for Arkansas and the U.S., and the number of additional jobs that would have existed in Arkansas if the State had matched the national level rate of change.

Overall, almost 6,000 more jobs would have existed in Arkansas at the end of 1980 if the State had performed like the nation. Wholesale and retail trade employment would have been 3,600 more, and transportation and public utilities would have been up 2,100 jobs. If these jobs existed, Arkansas' February, 1981 unemployment rate would have been 8.7 percent instead of 9.3 percent.

TABLE 1.—ARKANSAS VERSUS U.S. EMPLOYMENT CHANGES FOR SELECTED INDUSTRIES, 1979-80

Area of employment	Arkansas employment, 4th quarter		Percent change, 1979-80		Additional jobs in Arkansas with U.S. growth rate
	1979	1980	Arkansas	United States	
Transportation and public utilities	45,500	43,500	−4.4	0.0027	2,100
Wholesale trade	42,000	41,000	−2.4	.0148	1,800
Retail trade	123,400	124,500	.0089	.0149	1,800
Finance, insurance, and real estate	31,400	32,300	.0287	.0378	287
Total					5,987

Source: Employment Security Division, U.S. Department of Labor and Arkansas publications, and the Industrial Research and Extension Center, University of Arkansas.

The impact of the volatile interest rate market and Arkansas' limit is fairly easy to see from Table 2. Since 1974, when it all really started (the prime rate reached 12 percent in July, 1974), Arkansas has ceased advancing on the national per capita income.

From 1958 to 1974, Arkansas went from 62.3 percent to 78.7 percent of the national per capita income. Arkansas' growth was 7.84 percent compounded annual rate, or 1.57 percent a year faster than the United States' 6.27 percent.

Since 1974, however, Arkansas per capita income has increased at a 9.68 percent rate, which was .23 percent a year slower than the U.S. rate of 9.91 percent. We do not have comparable data for 1980, but the Economic Outlook just published by the University of Arkansas has comparative figures for personal income that indicates Arkansas will drop again when the figures come out—see Page 4.

Real personal income fell in 1980, both for Arkansas and the U.S., with Arkansas' decrease almost twice the U.S. percentage, (−4.959 percent versus −2.608 percent). This was partially due to the poor agricultural year, aided by the very weak year for construction. The 1981 projection is much better because it assumes a very good year for agriculture.

The income from wages and salaries in 1981 shows Arkansas' increase some three percentage points below the national increase. This results from the employment projections on Page 3 of the Outlook, in which Arkansas does not compare well.

In earlier recessions, when the inflation was lower and interest rates lower and less volatile, Arkansas suffered less than the nation. That is no longer the case. Arkansas is simply not competitive at these levels of inflation and interest rates, and it seems that it will be some time until the nation's economy can be brought back to more reasonable levels—if indeed it ever gets to the point that ten percent is a broadly acceptable rate.

TABLE 2.—ARKANSAS AND UNITED STATES PER CAPITA INCOME, 1958-59

	Arkansas	United States	Arkansas percent of United States
1958	$1,277	$2,050	62.3
1959	1,363	2,145	63.5
1960	1,358	2,201	61.7
1961	1,455	2,248	64.7
1962	1,516	2,353	64.4
1963	1,594	2,436	65.4
1964	1,713	2,572	66.6
1965	1,832	2,750	66.6
1966	2,046	2,963	69.1
1967	2,176	3,142	69.3
1968	2,379	3,401	69.9
1969	2,569	3,667	70.1
1970	2,791	3,893	71.7
1971	2,999	4,132	72.6
1972	3,302	4,493	73.5
1973	3,822	4,981	76.7
1974	4,274	5,428	78.7
1975	4,527	5,861	77.2
1976	4,945	6,402	77.2
1977	5,414	7,038	76.9
1978	6,121	7,840	78.1
1979	6,785	8,706	77.9

Mr. PRYOR. Mr. President, last year as part of the Financial Institutions Deregulation and Monetary Control Act the Congress adopted several Federal overrides of State usury restrictions. As we stand now, lenders may charge 5 percent over the Federal Reserve's discount rate on business and agricultural loans of $1,000 or more notwithstanding State laws or constitutional provisions. Mortgage loans may be made at any rate, and State-chartered financial institutions may now make any loan at 1 percent over the discount rate, as national banks have been allowed to do since 1933. These provisions were necessary and helpful and have done a great deal to strengthen the economy of my State and, I am sure, the home States of many of my colleagues.

Since the enactment of the legislation, however, we have come to realize that the coverage of the preemptions is too narrow. As the law is now written, it applies, with one exception, to federally insured banks, savings and loans, mutual savings banks, credit unions, small business investment companies and certain other financial institutions.

Not included are automobile dealers, furniture and appliance firms, and other retailers. The plight of the auto dealers is the most severe of all these groups. The dealers in my State are paying the prime rate for their floor plan but, under Arkansas' strict usury laws, can charge their customers only 10 percent on car loans. The eventual effect of this squeeze should be obvious. Nationally, the annual rate on car loans has been around 14 to 17 percent, exceeding usury limits in 12 States. An additional six States have limits that fall between 17 and 18 percent. For this reason the 20,000-member National Automobile Dealers Association has been working to raise State interest rate limits and increase the availability of financing.

In 1980, 1,600 dealers in the United States went out of business, and many others are headed in that direction. While there are many reasons for the problems of our auto dealers, the usury barrier is an important one, and our bill would grant much-needed relief to some ailing firms.

This relief would be applied to more than this one industry, however. Many small businesses have been operating at a disadvantage in some States—equipment dealers, furniture companies, and appliance dealers are just a few examples.

This legislation, which would allow any person or entity to charge up to 1 percent over the Federal Reserve discount rate on any type of loan, is vital to many small businesses which are struggling to stay alive in these times of tight money, and I ask my colleagues' support for our effort.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 964. A bill to specifically include Native Hawaiians within a group of underserved populations for the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970; to the Committee on Labor and Human Resources.

AMENDMENT OF COMPREHENSIVE ALCOHOL ABUSE AND ALCOHOL PREVENTION, TREATMENT, AND REHABILITATION ACT

● Mr. INOUYE. Mr. President, today I am pleased to be introducing legislation on behalf of Senator MATSUNAGA and myself, that would amend the Comprehensive Alcohol Abuse and Alcohol Prevention, Treatment, and Rehabilitation Act of 1970 to specifically include Native Hawaiians within the designation of underserved native American populations.

The problem of alcoholism and alcohol abuse is nationwide. A recent study conducted by the National Institute of Alcohol Abuse and Alcoholism shows that within the age group of 25 to 64 years of age, deaths attributed to excessive alcohol abuse are the fourth largest, exceeded only by heart disease, cancer, and stroke. Last year, legislation was enacted to establish a National Commission To Examine Alcoholism and propose ways to combat this pressing social problem. I was personally most pleased that earlier this year, the Commission has decided to include the unique needs of the Native Hawaiian population in their 2-year study.

Native Hawaiians, as a group, have serious economic, educational, and health-related problems which, nonetheless, have often been overlooked by Federal programs targeted to meet the needs of native American populations.

The importance of now focusing upon Native Hawaiians as a population with special needs is reflected in a recent communication that I received from Gov. George Ariyoshi of the State of Hawaii, who strongly supports this type of legislation. He shared with me the findings of a 1979 Hawaii State Survey on Substance Abuse, which studied a target group of various ethnic backgrounds. This study revealed that for ages 12 and above, 52.8 percent of those surveyed are current alcohol users, of this number, 8.2 percent report having family problems, and 4.9 percent report having legal problems as a result of their alcohol abuse.

Of this identified State target of approximately 17,845 persons who were targeted to be in need of alcohol treatment services due to reported consumption of 1 or more ounces of pure ethanol daily and who also had one or more reported problems due to alcohol use, 22.6 percent were Native Hawaiians. They were the second largest group in need of services in this target population.

At this point, I would also like to share that very few Native Hawaiians in need of some form of alcohol treatment are actually being served in existing treatment facilities. Only 2.5 percent of that target population in need of services sought treatment in an alcohol facility and only 4.5 percent sought help somewhere else for their alcohol problem.

Further, in a recent study conducted by the Department of Health of the State of Hawaii, as of 1970 life expectancy for Hawaiians was an average of 67.6 years as compared to the statewide mean of 74.2 years. In 1975, mortality for all major causes of death was the highest among Native Hawaiians.

Mr. President, it is apparent in the various statistics that I have shared with this body today, that alcohol abuse and alcoholism is a national problem among our native American communities and, Native Hawaiians, like other native American groups have their own unique problems associated with this pressing social problem, such as the influence of various ethnic groups residing in the State of Hawaii and the location of Hawaii which separates it from the rest of the Nation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 964

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (3) of section 311(a) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (42 U.S.C. 4577) (relating to grants for entities providing treatment to underserved populations) is amended by inserting "Native Hawaiians (as defined in section 813 (3) of the Economic Opportunity Act of 1974)," after "native Americans,".●

By Mr. INOUYE (for himself, Mr. MATSUNAGA, and Mr. KENNEDY):

S. 965. A bill to require the Secretary of Health and Human Services to prepare and transmit to the Congress a special report on the health care needs of native Hawaiians; to the Committee on Labor and Human Resources.

AMENDMENT OF PUBLIC HEALTH SERVICE ACT

● Mr. INOUYE. Mr. President, today I am pleased to be introducing legislation on behalf of Senator KENNEDY and myself which would amend the Public Health Service Act to direct the Department of Health and Human Services to conduct a formal review of the unique physical health and mental health needs of our Nation's native Hawaiians. The results of this study would be submitted to Congress no later than 1 year from the date of enactment of this legislation.

Native Hawaiians, like other native American groups, have their own unique health and mental problems. For example, recent studies conducted by the Department of Health in the State of Hawaii show that as of 1979, life expectancy at birth is shortest for Hawaiians, being an average of 67.6 years as compared with the 74.2 mean age for the total State population. In 1975, mortality for all major causes of death was highest among native Hawaiians. Hawaiians comprised only 13 percent of the State's adult population, yet they accounted for 28 percent of all deaths occurring from heart disease, 35 percent of all deaths occurring from strokes and 22 percent of all deaths occurring from cancer. According to a study conducted by members of the epidemiology program of the Cancer Center of Hawaii, and the Hawaii Tumor Registry of the State department of health, the incidence of cancer among native Hawaiians is higher than that of any other ethnic group residing in the State. Further, young Hawaiians comprised 20 percent of the State population of their age group, yet they accounted for 27 percent of the suicides in 1975. Deaths among infant and newborn native Hawaiians was 30 percent as opposed to the 17 percent estimated for that year.

In looking at the leading chronic illnesses for 1976, we found that 12 percent of the State of Hawaii was affected by high blood pressure, yet of this percentage 23 percent were of Native Hawaiian ancestry. Hawaiians had a greater prevalence of asthma, arthritis, heart disease, and diabetes. Statistics from the Hawaii affiliate of the American Diabetes Association reflected that approximately 20,000 out of Hawaii's estimated 45,000 cases of diabetes went undiagnosed.

The 1979 Hawaii State Survey on Substance Abuse revealed that for ages 12 years and above, 53 percent of the Native Hawaiian population surveyed were current alcohol users. Many reported having family and legal problems as a result of their alcohol use. It was also determined that Hawaiians comprised 23 percent of the target group in need of alcohol treatment services. To compound this problem, very few Native Hawaiians in need of treatment are actually receiving services in existing treatment facilities. Only 2.5 percent of the population in need of services sought treatment in a specified facility and only 4.5 percent sought help elsewhere for their problem. Needless to say, there is a relationship between alcohol abuse and mental health problems among Native Hawaiians.

Mr. President, this study is modeled after legislation Senator KENNEDY introduced in the 95th Congress (Public Law 95-262), which included language that provided for a study to be conducted by the Department of Health, Education, and Welfare to review the primary health care needs of the American Indian-Alaska Native population.

In all fairness, Mr. President, we must fulfill our national responsibility to these people which results from their native American status. As a Nation, we have thus far been extremely lax in our responsibility. This study would be the first step in the direction of addressing this pressing social problem. The information gained from this report, in my judgment, would be valuable and indeed necessary.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 965

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may may be cited as the "Native Hawaiian Health Care Needs Act of 1981".

SEC. 2. The Congress finds and declares that—

(1) the United States Government has a unique responsibility to promote the health and welfare of native Hawaiians;

(2) there is reason for concern about the health status of native Hawaiians;

(3) in 1979, the average life expectancy of native Hawaiians at birth was almost seven years less than the average life expectancy of the entire population of Hawaii;

(4) in 1975, the mortality rate for all major causes of death was higher among native Hawaiians than among members of any other ethnic group in Hawaii;

(5) the infant mortality rate among native Hawaiians is 30 percent, as compared to a 17 percent mortality rate for all infants in Hawaii;

(6) in 1976, native Hawaiians had a higher incidence of high blood pressure, asthma, diabetes, arthritis, and heart disease than the members of any other ethnic group in Hawaii;

(7) in 1975, although young native Hawaiians comprised only 20 percent of the number of young residents of Hawaii, young native Hawaiians comprised 27 percent of the number of young residents of Hawaii who committed suicide; and

(8) information is needed concerning physical and mental health care needs of native Hawaiians and types of physical and mental health care assistance which would be effective to improve the health and welfare of native Hawaiians.

SEC. 3. (a) Within one year after the enactment of this Act, the Secretary of Health and Human Services (hereafter referred to in this Act as the "Secretary") shall prepare and transmit to Congress a special report on the physical and mental health care needs of native Hawaiians.

(b) The report required by this section shall contain—

(1) an assessment of the access of, and barriers to, native Hawaiians in receiving physical and mental health care services,

(2) an assessment of the physical and mental health care needs of native Hawaiians, and

(3) specific recommendations for the development of a national strategy to address such needs.

(c) In preparing the report required by this section, the Secretary shall consult with the Commissioner of the Administration for Native Americans, the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, the Director of the Indian Health Service, leaders in the field of health care, and representatives of native Hawaiians.

SEC. 4. For purposes of this Act, the term "native Hawaiian" means any individual of whose ancestors were natives of the area which consists of the Hawaiian Islands prior to 1778.●

By Mr. SASSER:

S. 966. A bill to amend charter 13 of title 18 of the United States Code; to the Committee on the Judiciary.

LEGISLATION RELATING TO DAMAGING A CEMETERY, BUILDING USED FOR RELIGIOUS PURPOSES, OR ANY RELIGIOUS ARTICLE

● Mr. SASSER. Mr. President, I rise today to introduce legislation that would make the willful damaging of a cemetery, a building used for religious purposes, or any religious article contained therein a Federal crime.

As Americans there is no right that we cherish more dearly than the right to free exercise of our religious beliefs. That right is among the basic foundations of our Nation. And, there is no right more important to our future.

Some may believe that acts of destruction against religious buildings and cemeteries are isolated and harmless. I do not share that point of view. Few who have lived through World War II can forget that it was a few isolated ripples of violence toward religious minorities in Germany that led to a wave of violence directed toward Jews, Catholics, and Protestants.

America has a long and proud history of religious tolerance. However, at certain periods in our history we have experienced a rash of violence, committed by a handful of people, aimed at certain religious groups. I rise today because I am concerned about the increasing number of such incidents in our country and abroad.

Last summer, a small gold box containing the remains of St. Herman of Alaska, the only American saint of the Orthodox Church of America, was stolen from St. Tikhon's Orthodox Monestary in South Canaan, Pa. Of course, those remains, so significant to the Orthodox Church in this country, can never be replaced.

In New York, there have been reports of Torahs being stolen from synagogues in Brooklyn. Those most sacred scrolls of the Jewish faith are virtually priceless and the production of a Torah takes years. But, more important, is that the theft itself is an act of violence against the faith.

No American should remain unalarmed by the bombings of Jewish synagogues late last year in Paris. The terror that overcame those synagogues during holy hours of sabbath worship cannot be ignored.

Unfortunately, the shame and the fear is not contained by national borders. Last year in the United States, there were six fire bombings or attempted fire bombings of synagogues and 12 cases of arson against Jewish religious institutions.

The Federal Government, charged with the responsibility of protecting the right of all Americans to freely exercise their religions, does not have adequate power to investigate acts of violence against religious institutions. This power is needed if we are to meet fully that responsibility, for how can Americans worship freely if they must worship in fear and if they must fear violations of the sanctity of their religious institutons?

This bill, Mr. President, is a matter of concern to all Americans. No religious institution is safe if all religious institutions are not fully protected and the rights of all Americans to practice their religion freely is threatened if any American's right is so threatened.

This bill attempts to meet the Federal responsibility by adding a new section to title 18 of the United States Code. That section would make it a Federal crime for any person to willfully damage a cemetery, a building used for religious purposes or religious articles contained in those places. It would also make the attempt to commit such destruction a crime punishable by Federal law. The penalties are graded on the basis of the seriousness of such offenses. First, there is a general penalty of $10,000 and/or 5 years imprisonment. Second, $15,000 in fines and/or 15 years imprisonment where bodily injury results. Finally, a maximum of life imprisonment where death results.

Mr. President, this is a strong bill with stiff penalties aimed at curbing one of the most heinous crimes. But, the time has come to put those who would destroy or dishonor sacred places on notice that they will be subject to justice by the Goverment of the United States.

Mr. President, I request that the text of the bill be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 966

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 13 of title 18 of the United States Code is amended by adding at the end of the following new section:

"SECTION 247. Destruction or Theft of Property Used for Religious Purposes—

"Whoever, whether or not acting under the color of law, with the intent to injure, intimidate or interfere with any person or any class of persons in the free exercise of religion secured by the Constitution or laws of the United States, or because of having so exercised the same, willfully vandalizes, sets fire to, tampers with, or in any other way damages or destroys any cemetery, any building or other real property used for religious purposes, or any religious article contained therein, or takes and carries away, with intent to steal, any religious article contained in any cemetery, or any building or other real property used for religious purposes, or attempts to do any of the same, shall be fined not more than $10,000, or imprisoned not more than five years, or both; and if bodily injury results shall be fined not more than $15,000, or imprisoned not more than fifteen years, or both; and if death results, shall be subject to imprisonment for any term of years or for life.

SEC. 2. The table of sections for chapter 13 of title 18 of the United States Code is amended by adding at the end the following new item:

"SECTION 247. Destruction or Theft of Property Used for Religious Purposes".●

By Mr. ZORINSKY:

S. 967. A bill to establish a revolving fund to finance short-term export credit sales of U.S. agricultural commodities, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

REVOLVING FUND TO FINANCE AGRICULTURAL IMPORTS

● Mr. ZORINSKY. Mr. President, the productive capability of the farmers of

our Nation is one of the wonders of the modern world, and it far outstrips the demand for agricultural products here at home. And yet, farmers are driven by economic pressures to push their equipment and land to their productive limits. Fixed costs must be spread over more and more acres in order to make ends meet.

Producers in the face of this situation have relied increasingly on export markets in recent years. Agricultural exports have become vital in maintaining farm income and critical to the Nation in paying for energy imports.

A crucial element in the development and retention of these export markets is the availability of adequate amounts of credit for the purchase of U.S. agricultural commodities. Many countries throughout the world, for a whole host of reasons, find it to their advantage to deal directly with the U.S. Government in arranging export financing. If we do not offer that service to them, they will find some other exporter who will.

Over the past few years the availability of direct export credit from the Federal Government has been subjected to the whim of budgeters who have viewed it as an easy target for reducing Federal outlays. Those who keep the Federal balance sheets have traditionally counted each loan as a direct outlay, thus ignoring the fact that with only minor exceptions every loan is repaid with interest.

The previous administration instituted a system of guarantees for private bank loans in place of direct short-term loans by the Commodity Credit Corporation. This system has not been a total success since interest rates have been high, and in addition there is a service charge for the guarantee.

The bill I am proposing today will remove this budgetary cloud from over our direct export credit program. This legislation authorizes the creation of a revolving fund to finance short term export credit sales of agricultural commodities. The fund would be capitalized through the appropriations process, thus incurring an initial outlay of Federal dollars. Repayments of previous year short-term CCC loans would also be utilized in establishing the revolving fund.

Once capitalized, the revolving fund would require no additional appropriated funds from the Federal Treasury. As proceeds were repaid into the fund, with interest, they would be loaned out again and not count as new outlays. In all likelihood, after the first few years of operation, the amount in the fund would start to grow due to interest payments. These receipts could then be used to increase the direct export credit sales program without incurring any additional Federal expenditure.

The revolving fund would be used for the development of new and expanded agricultural export sales. In the past, the CCC export credits were used extensively for the benefit of export sales to Poland and Korea.

I believe that the time is ripe for a revolving export credit fund. It can become a vital tool to help our farmers continue to expand their exports thereby benefiting them and the Nation itself. I know that Secretary Block has spoken favorably on numerous occasions regarding a revolving fund, and I am hopeful that he will see fit to support my proposal.

Mr. President, I ask unanimous consent that the bill and a short explanation of it be printed in the RECORD.

There being no objection, the bill and summary ordered to be printed in the RECORD, as follows:

S. 967

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Food for Peace Act of 1966 (7 U.S.C. 1707a) is amended by adding at the end thereof a new subsection (d) as follows:

"(d)(1) There is hereby established in the Treasury a revolving fund to be known as the Agricultural Export Credit Revolving Fund. The Fund shall be available without fiscal year limitation to the Commodity Credit Corporation to finance commercial export sales of United States agricultural commodities out of private stocks on credit terms of not to exceed three years, as provided under subsection (a) of this section: *Provided,* That the Corporation may use the Fund only to finance sales that the Secretary of Agriculture determines will develop new markets, or expand existing markets, for United States agricultural commodities.

"(2) Export credit sales obligations made out of the Fund in any fiscal year may not exceed the amount of money available in the Fund in such fiscal year for such purpose less a reasonable contingency reserve.

"(3) The Fund shall be credited with—

"(A) all moneys received by the Commodity Credit Corporation after the date of enactment of this Act in repayment of Commodity Credit Corporation commercial agricultural export credits with terms of not to exceed ten years (including repayments of such credits made from the Fund under the authority of paragraph (1) of this subsection);

"(B) interest or other receipts on investments and credit obligations of this Fund; and

"(C) such funds as may be made available to the Fund under appropriation Acts.

"(4) The Secretary of Agriculture shall submit an annual report to Congress not later than January 31 of each year regarding the operation of the Fund during the fiscal year ending in the immediately preceding calendar year. Each such report shall include information on the commercial agricultural export sales financed under this subsection, and analyses of the market development achievements obtained through the use of the Fund, during such fiscal year.".

SHORT EXPLANATION

The bill would establish a revolving fund in the U.S. Treasury for use by the Commodity Credit Corporation in financing short-term commercial export sales of U.S. agricultural commodities out of private stocks. The Corporation could use the Fund only to finance sales that the Secretary of Agriculture determines will develop new markets, and expand existing markets, for U.S. agricultural commodities.

Under the bill, the export credit sales obligations made out of the Fund in any year could not exceed the amount of money available in the Fund in that year, less a reasonable reserve.

The Fund would be established and maintained with money from the following sources—

(1) money received in repayment of Commodity Credit Corporation short- and intermediate-term export credits (including credits made from the Fund);

(2) interest and other receipts on investments and credit obligations of the Fund; and

(3) such funds as may be made available to the Fund under appropriation acts.

Under the bill, the Secretary of Agriculture would be required to submit annual reports to Congress regarding the operation of the Fund.●

By Mr. ZORINSKY:

S. 968. A bill to establish certain price support loan levels and an agricultural export credit sales program in the event of the suspension of export sales of agricultural commodities; to the Commtitee on Agriculture, Nutrition, and Forestry.

EMBARGO PROTECTION

● Mr. ZORINSKY. Mr. President, I am introducing today legislation to protect our country's farmers from the consequences of embargoes.

Three times in the past decade administrations have unilaterally suspended sales of grain or oilseeds, with little or no regard for the impact this action has had on the livelihood of thousands of farmers. In each case, farm prices have fallen precipitously and long-term market development efforts have been eroded. The reputation of the United States as a reliable supplier of vital food commodities has been damaged and valuable export markets have been lost.

Current law requires that if an embargo of agricultural commodities is imposed for reasons of short supply Federal price supports must be promptly raised to 90 percent of parity. However, if an embargo is imposed for either foreign policy or national security reasons no action need be taken.

Our country's farmers are suffering under such an embargo today. The suspension of grain sales to the Soviet Union, announced by former President Carter last January, has continued for 15 months. Because the embargo was initiated under the President's foreign policy and national security authority rather than this short supply authority, American grain producers have suffered the loss of a substantial market, with no compensation.

The bill I am introducing today would rectify this situation. If the President chooses to impose an embargo on any agricultural commodity, commodity for short supply reasons, the current provision for an increase in price support loans to 90 percent of parity would take effect. If however, the embargo is imposed for foreign policy or national security reasons, price support loans for the embargoed commodity would increase to the average market price for the 15 marketing days preceding the announcement of the embargo.

The increase of the loan will go far to compensate American producers for the price declines which inevitably follow the announcement of an embargo. But the increase in price supports can only be a temporary solution to the problem. It does not address the more long-term consequences of trade embargoes—the loss of export markets.

To protect American grain producers from permanent damage to their vital export markets, increased market devel-

opment efforts are necessary. This legislation would—in addition to raising the price-support price for the duration of the embargo—direct the Secretary of Agriculture to make available short-term Commodity Credit Corporation direct export credits to offset the loss of exports due to the embargo.

Until 1980, a direct export credit program was used by the U.S. Agriculture Department as a very successful marketing tool. Since then, however, the Department has offered only loan guarantees, rather than direct loans. This program has not been an unqualified success. For a variety of reasons, many governments prefer to obtain credit for food purchases directly from the Commodity Credit Corporation. The CCC direct export credits will serve as another means of offsetting the adverse impact an embargo on grain sales will have on the development and retention of export markets.

In 1973, the Ford administration, fearing a shortage of feedstuffs for domestic markets, imposed an embargo on the export of soybeans. Prices plummeted and the credibility of U.S. suppliers was impaired. Three years later, in 1977, Congress included the American agricultural protection program in the comprehensive Food and Agriculture Act of that year, thus offering American producers some protection from this sort of market manipulation. In 1979, the Carter administration imposed an embargo on grain sales to the Soviet Union for foreign policy and national security reasons. Again, prices dropped and the reliability of American suppliers was called into question.

It seems our fate, Mr. President, always to react rather than to act. We are too late to prevent the severe impact this latest embargo has had on the agricultural economy, but perhaps we can prevent it from reoccurring. It seems clear that despite evidence of the foolhardiness of such a policy, food is becoming a weapon of foreign policy. If this is to become a commonplace occurrence, we must take action to prevent America's farmers from unduly suffering. We cannot expect the hard-working men and women in our country's wheatfields and cornfields to bear the burden of national policy alone.

Mr. President, I ask unanimous consent that the bill and a short explanation of it be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 968

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1002 of the Food and Agriculture Act of 1977 (7 U.S.C. 1310) is amended by—

(1) amending subsection (a) to read as follows:

"(a) Notwithstanding any other provision of law, whenever the President or any other member of the executive branch of the Federal Government, either directly of indirectly, suspends, or causes to be suspended, the export sales of any commodity, as defined in subsection (d) of this section, to any country or area with which the United States continues other commercial trade, the Secretary of Agriculture shall, on the date the suspension is initiated, set the loan level for such commodity under the Agricultural Act of 1949, if a loan program is in effect for the commodity, as provided under this subsection. If such suspension is based on a determination of short supply, the loan level for such commodity shall promptly be set at 90 per centum of the parity price for the commodity, as such parity price is determined on the date the suspension is initiated. If the suspension is based on reasons of national security or foreign policy, the loan level for such commodity shall promptly be set at a level not less than the average market price for such commodity during the fifteen marketing days immediately preceding such suspension."; and

(2) redesignating subsection (c) as subsection (d), and inserting immediately after subsection (b) of a new subsection (c) as follows:

"(c)(1) Whenever the export sales of a commodity are suspended, as described in the first sentence of subsection (a) of this section, for reasons of national security or foreign policy, the Secretary of Agriculture shall, within five days after the suspension is initiated, establish a short-term agricultural export credit program for the commodity under section 4 of the Food for Peace Act of 1966 to alleviate the adverse effects of the suspension on United States agricultural producers. Under such program, the Secretary shall make available not more than $2,000,000,000 for short-term credit obligations for export sales of the commodity under section 4 of such Act. The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation is discharging the Secretary's functions and responsibilities under this subsection.

"(2) The authority to make commitments under this subsection, in excess of the funds available to the Commodity Credit Corporation under section 4 of the Commodity Credit Corporation Charter Act and the Act of October 11, 1978 (92 Stat. 1073), shall be effective for any fiscal year only to the extent provided by appropriation Acts.".

SEC. 2. The provisions of this Act shall be applicable to any suspension of export sales caused by the Federal Government after the date of enactment of this Act.

SHORT EXPLANATION

The bill would amend the provisions of present law that require an increase in price support loan rates for certain agricultural commodities* whenever the Government suspends the export sales of those commodities to any country with which the United States continues other commercial trade.

PRICE SUPPORT LOAN RATES

Under existing law, the price support loan rate will be increased only if the trade suspension is based on a determination of short supply. In such case, the price support loan rate will be reestablished at 90 percent of the parity price for the commodity involved; and the 90-percent loan rate will remain in place as long as the suspension of export sales remains in effect.

The bill retains these provisions and adds requirements relating to trade suspensions for reasons of national security or foreign policy. If a suspension of export sales of any of the specified commodities is initiated for national security or foreign policy reasons, the price support loan rate would have to be reestablished at a level not less than the average market price for the commodity involved during the 15 days immediately preceding the suspension. The revised loan rate would remain in effect as long as the suspension of export sales remains in effect.

*Wheat, corn, grain sorghums, soybeans, oats, rye, barley, rice, flaxseed, and cotton.

EXPORT CREDIT SALES

The bill also adds provisions for an export credit sales program to alleviate the adverse effects of trade suspensions.

Under the bill, the program would be required whenever the export sales of any of the specified commodities are suspended for either short supply or national policy reasons, but other commercial trade with the importing country continues. The Secretary of Agriculture would be directed to establish, within 5 days after the suspension begins, a short-term agricultural export credit program for the commodity under section 4 of the Food for Peace Act of 1966. The Secretary would be required to make available not more than $2 billion for short-term credit obligations for export sales of the commodity under the program. The Secretary would use the funds, facilities, and authorities of the Commodity Credit Corporation to implement the program.

EFFECTIVE DATE

The bill would become effective for trade suspensions initiated after the date of enactment of the bill.●

By Mr. ROTH (for himself, Mr. BAUCUS, Mr. BENTSEN, Mr. CHAFEE, Mr. CRANSTON, Mr. GOLDWATER, Mr. HEINZ, Mr. HELMS, Mr. INOUYE, Mr. PERCY, Mr. RANDOLPH, Mr. RIEGLE, and Mr. TOWER):

S. 969. A bill to establish a national export policy for the United States; to the Committee on Banking, Housing, and Urban Affairs.

NATIONAL EXPORT POLICY ACT OF 1981

● Mr. ROTH. Mr. President, on behalf of myself and Senator BENTSEN, I am introducing the National Export Policy Act of 1981 to establish export expansion as a national priority and to create an environment, that will encourage exports of U.S. goods and services. This bipartisan bill is a major step toward creating a strong, cohesive export policy that deals with all aspects of exporting and achieves maximum cooperation among Government, industry, labor, and consumers for a common national economic objective.

The need for this legislation is clear. Our country today faces serious problems in the international trade arena, and we are losing our competitive capability and world leadership role. Throughout our economy, we are seeing the evidence and repercussions of our failure to compete in the world. We see our decline in our persistent negative trade balances, in our loss of overseas markets and in our drop in employment.

Our cumulative trade deficit grows larger and larger each year. In 1980, the United States witnessed a $25 billion deficit in our merchandise trade account, bringing our total deficit in the trade of goods to $100 billion for the last 4 years. While the $35 billion surplus in 1980's services account was strong enough to outweigh our deficit in goods, we cannot ignore the damaging effect to our economy of our overall declining international competitiveness.

We have seen the consequences of our decline in our overseas sales capability. From 1956 to 1979, the U.S. share of world trade in manufactures fell from 25 percent to 16 percent. As the world's economies emerge—particularly in the

Pacific Basin and Latin America—we are missing opportunities to sell U.S. output to those countries. Our competitors in Japan, West Germany and the newly industrializing countries are overtaking us in the race to develop and supply new markets.

Mr. President, to those who say our export woes are over, to those who suggest we need no change in U.S. laws and regulations to encourage our traders, I point to January's drastic trade performance. January's merchandise trade deficit soared to the second or third largest monthly deficit ever, reaching a whopping $5.4 billion. While oil, auto, steel, and consumer electronic imports contributed most to our eroding trade position, other product areas were seriously affected, as well. Clearly, we have not yet turned the corner in trade, and we must act now to restore our strength.

One of the common solutions offered to our trade imbalance is to rely on the vagaries of exchange rate fluctuations. Perhaps, this approach will help in the short run, but it does not address the basic problems of our economic well-being. Moreover, with a falling dollar, we are simply selling more and more goods and services for less and less return.

We desperately need to reverse this downward trend, restore the health of our economy and again become the world's economic leader. Increased exports can be the engine of growth we seek, providing job opportunities, encouraging improved productivity and spurring technological innovation.

From data developed by the Georgetown Center for Strategic and International Studies, it is estimated that a $1 billion increase in exports can build employment for 40,000 people and can generate a $2 to $3 billion increase in our gross national product. Fixed investment could rise by $200 million, and domestic consumption by $1.4 billion. The higher level of economic activity due to export growth would boost Federal Government receipts by $650 million and State and local government receipts by $180 million. Taking into account the increased imports required to support this rise in export-related production, we would see an overall addition to our now-battered merchandise trade balance of $630 million.

Yet, rather than taking the steps necessary to achieve these benefits for our national welfare, we have chosen to "give away" export opportunities to other trading nations. For too long, the United States has sacrificed export goals to other objectives. Since the end of World War II, our policies have been geared toward helping our trading partners regain strength and competitiveness. We have assisted those nations in rebuilding and modernizing, providing the necessary defense and financial umbrellas to protect their fledgling economies.

This "Marshall Plan Mentality" was right for the 1950's and 1960's, but it is not appropriate for today. Rather, we must now turn our attention to restoring American preeminence.

In the international arena, we must demand our rights as an important member of the international economic community and aggressively promote the sale of U.S. goods and services in overseas markets. At home, we need to put U.S. economic considerations at the top of our list of national goals, recognizing the essential role exports play in developing and maintaining a strong economy.

We must effect a change in the basic attitude of business, labor, and Government regarding the need for exports. For business, creativity and aggressiveness in the global arena, combined with cooperation at home, are the keys to export success. Our firms must be creative in their packaging of American goods and services, and they must be reliable suppliers. Management must be aggressive in offering attractive investment and financing deals and products that meet foreign tastes. Business should also be willing to cooperate with labor to achieve their common goals of industry health and job security. In short, business must place the creation of job opportunities on a par with the maintenance of profits.

Labor can do its part by maintaining open channels of communication with business and Government. Labor-industry cooperation can lead to new ideas, increased productivity, and additional jobs through exporting.

Government has a central role to play, as well. Government must take a fresh, comprehensive approach to trade which signals to the world that we have a true national commitment to export growth. Our export policies must be geared to strengthening the U.S. economy generally, increasing the financial and competitive capabilities, and contributing to an improvement in the income and working conditions of U.S. workers.

The National Export Policy Act of 1981 represents such a comprehensive approach. It is a bipartisan effort that pulls together in one place our major concerns and recommendations regarding exports. Through this omnibus bill we may see the whole picture at one time, identify potential conflicts in our laws, policies and practices, and arrive at a comprehensive package that puts exporting first and foremost.

Mr. President, last year the 66-member Senate Export Caucus chaired by Adlai Stevenson and me labored long and hard to draw together principal pieces of export legislation into an omnibus export bill.

The legislation I am introducing today contains many of the provisions of last session's work. These provisions must be passed by Congress and enacted into law if we are to turn this country around and achieve great growth through exporting.

In the months to come, I also hope to expand on the earlier work of the Export Caucus, scrutinizing issues such as trade in services to determine if more changes are necessary. I look forward to the assistance of this year's 73-member Export Caucus, as well as representatives from business, labor, and other branches of Government, in developing further proposals.

Mr. President, I ask unanimous consent that a summary of the National Export Policy Act of 1981 be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE NATIONAL EXPORT POLICY ACT OF 1981

TITLE I—GENERAL FINDINGS AND PURPOSES

This title presents the importance of exports to the U.S. economy and the need for aggressive action to be taken to improve U.S. export performance; and calls for export expansion to be a principal national goal.

TITLE II—EXPORT FINANCING

This title adjusts the terms of the directors of the Export-Import Bank; and removes Export-Import Bank appropriations from consideration with the foreign aid program.

TITLE III—EXPORT-RELATED TAX POLICY

This title concludes that the Tax Code should work to encourage rather than discourage exports; provides for certain tax exemptions for American nationals living abroad and engaged in export activities; adjusts provisions of the Tax Code on bad debts resulting from exports, research and experimental expenditures and foreign currency losses on export receivables; removes unfair penalties on U.S. exporters whose business is adversely affected by war and civil unrest in foreign nations; and allows duty-free entry of machinery, materials and fuels for use in export manufacture in foreign trade zones.

TITLE IV—ANTITRUST REGULATIONS

This title finds that current application of U.S. antitrust laws to international trade laws is complex and ambiguous, resulting in restraints on exports rather than encouragement of competition overseas; amends Webb-Pomerene law to allow business associations engaged in export to obtain preclearance that will grant antitrust immunity for certified activities; and simplifies antitrust procedures to avoid conflicting demands by the several U.S. agencies applying antitrust laws and to clarify applications of the laws to extraterritorial activities.

TITLE V—ADJUSTMENT OF LAWS AND GOVERNMENT REGULATIONS THAT HINDER EXORTS

This title finds that a number of U.S. laws, regulations, controls and policies that have been instituted to serve legitimate domestic economic, political and ethical needs have inadvertently acted as restraints on exports because of the unpredictable and unclear nature of their enforcement, interpretation and jurisdiction; amends the Foreign Corrupt Practices Act of 1977 and the Securities Exchange Act to remove these restraints; calls for an international agreement on foreign business practices and a full review of the Foreign Corrupt Practices Act; and calls for a reduction in the amount of export paperwork.

TITLE VI—EXPORT AWARENESS AND EXPORT PROMOTION PROGRAMS

This title provides for the formation of export trading companies; creates special grant and loan programs to help small businesses enter the export market; creates the Joint Export Marketing Assistance Program; and calls for special assistance for exporters of services.

TITLE VIII—AGRICULTURAL EXPORT PROGRAMS

This title amends the Commodity Credit Corporation Charter Act to create an Agricultural Export Revolving Fund; and calls for adequate financing of agricultural commodity exports through the U.S. Export-Import Bank.

TITLE VIII—INTERNATIONAL AGREEMENTS

This title finds that multilateral negotiations and agreements are a preferable solution to many U.S. trade problems but the trade agreements and codes reached so far have not achieved adequate removal of artificial barriers to U.S. products abroad; calls for strong implementation of the Multilateral Trade Agreements and continued stronger efforts to remove foreign tariff and non-tariff barriers; encourages implementation of the Subsidies Codes on agricultural products by creating a standby export subsidy program for agricultural commodities that neutralizes the effects of other countries' export subsidy programs if they fail to follow the Code; calls for international codes on financing, business conduct, reciprocity on enforcement of antitrust laws and services and investment.

TITLE IX—GOVERNMENT SUPPORT OF EXPORT GOALS

This title concludes that all the available resources of the U.S. Government must be used to assist and promote the export of U.S. goods and services, except where contrary to the national security or national economic interests; calls upon all government departments, agencies and organizations not directly involved in export policy, in particular the Office of Management and Budget, the Department of Justice, the Overseas Private Investment Corporation Agency, the International Development Cooperation Agency, the Department of Energy, the Small Business Administration and the Congress, to consider the impact of their policies, decisions and programs on exports and, where possible and appropriate, to take steps to help export expansion goals.●

By Mr. ROTH (for himself, Mr. HEINZ, and Mr. BENTSEN):

S. 970. A bill to establish as an executive department of the Government of the United States a Department of International Trade and Investment, and for other purposes; to the Committee on Governmental Affairs.

LEGISLATION TO ESTABLISH A DEPARTMENT OF INTERNATIONAL TRADE AND INVESTMENT

● Mr. ROTH. Mr. President, today I am introducing a bill on behalf of Senator HEINZ, Senator BENTSEN, and myself to establish a Department of International Trade and Investment.

I believe it is high time we consolidate our nonagricultural responsibilities into a single executive branch agency whose Secretary will make trade expansion a principal national goal.

I have strongly advanced the establishment of a trade department for many years. Despite reorganizations undertaken during the last administration, bits and pieces of our foreign trade apparatus are still scattered around the Federal Government.

Last year's reorganization was little more than a shell game, where vital functions were moved from agency to agency, but where no clear mandate surfaced to make trade and investment prime national goals. Our trade environment continued to be plagued by nonsolutions, nonpolicies, and nondecisions.

Unfortunately, President Reagan is saddled today with the same unworkable system. His Cabinet has been stymied by an organizational inability to identify and promote our trade objectives.

The auto import issue now before us, for example, is the first highly serious test of the new administration's trade policymaking and policy action process. As in the past, rather than being able to make quick, definitive decisions that will provide our auto industry, with certainty in trade, the cabinet is forced to argue over "Who's in charge?"

I am not critical of our new administration. They have been in office only a short time and have made the best of a difficult situation. They are laboring, however, under a trade structure that cannot work, a structure so confusing that those who seek to take fast action for the benefit of automotive and other U.S. sectors are forever frustrated.

Last year's reorganization of trade functions was simply not enough. Each bureaucracy still formulates its own foreign trade policies in a vacuum. All too often, trade goals are sacrificed for the benefit of other objectives, be they foreign policy related or matters of domestic political expediency.

Notwithstanding last year's reorganization, we have still got chaos. Instead of a single, strong voice for trade, we have got a two- or perhaps, three-headed monster. We have got rivals among agencies, instead of a well-coordinated engine for new economic growth. We have got bureaucratic infighting, instead of clear, positive policies; and we have got a structure that operates for the benefit of our bureaucrats, rather than for the benefit of America's traders.

For example, the Commerce Department now analyzes trade and investment matters when crises arise. The U.S. Trade Representative, Treasury, State, Defense, Labor, the Council of Economic Advisors—the list is endless—then review the policy options facing us to develop negotiating positions. Next, the U.S. Trade Representative, or maybe State or Treasury negotiate with our trade or investment partners. Finally, the action returns to Commerce, which is responsible for implementing the results of those international talks.

To make matters worse, not everything receives the time and attention it needs. Some issues, like trade in services, continue to fall between the cracks. Others, like international investment, get short shrift.

What I have described is a system that is sluggish instead of dynamic, reactive instead of aggressive, muddling instead of coordinated and clear thinking.

The United States continues to be the only major economic power without a Government department or ministry with primary responsibility for foreign trade. Our successful trading partners have shown us that, if we are going to compete—and compete effectively—in today's rapidly changing and increasingly interdependent world, we must become properly organized.

The fluidity of international exchange markets; the increasing openness of our economy mean that actions taken abroad will have almost immediate, unavoidable effects on us. We must become properly organized if we are going to win in such an intertwined system.

Mr. President, we are seeing the effects of our refusal to organize for trade. Right now, the United States is confronting one of the greatest challenges in our economic history.

To put it bluntly, we are no longer No. 1 in manufacturing trade. We are losing our competitive capability and world leadership role.

We can see our economic decline in persistent negative trade balances. The 1980's performance was not much better than those of the mid- and late-1970's.

In 1980, we saw a $25 billion deficit in our merchandise trade account. While it is true we also experienced a $35 billion surplus in our services trade account, we cannot ignore the damaging effect on our economy of our overall declining competitiveness.

Our overall deficit in the trade of goods for the past 4 years reached $100 billion. We can all imagine what a $100 billion deficit is doing to the value of the dollar and to our economic prestige and bargaining strength abroad.

We desperately need to turn this situation around. Our persistent negative trade deficits, our loss of markets at home and overseas, the increasing numbers of foreign market opportunities which slip through our fingers are simply not acceptable to the American people.

A Department of International Trade and Investment, in and of itself, will not correct the balance-of-trade deficit. It will, however, establish a better framework for dealing with that and other problems. The creation of a Department of Trade, as I envision it, would signal to our trading partners, once and for all, that we are serious about trade, serious about exporting, and serious about championing our international rights.

The Department of International Trade and Investment, my colleagues and I are proposing today, would consolidate all nonagricultural trade and investment analysis, policymaking, negotiation, and implementation functions into one agency. By so doing, we would reduce the duplication and contradictions in the executive branch's trade policymaking process. We would insure followthrough on negotiations and guarantee our rights in domestic and foreign markets were aggressively pursued. We would have one strong voice in the Cabinet and the White House to articulate, and act on, our trade- and investment-related priorities.

The Department of International Trade and Investment would have the following key elements:

First, it would combine the office of the U.S. trade representative with the international trade and investment functions of the Commerce Department. Commerce's International Trade Administration with its responsibilities for the administration of trade laws, trade development, and trade and investment policymaking would thus be included in the new Department of Trade.

Second, the Department of Trade would encompass the Commerce Department's functions involving industry analysis, productivity and technological innovation. In this increasingly interdependent world, we must treat all our economic sectors as part of an overall global strategy. Every industry, every firm, every worker is affected by trade in one way or another, and our organizational structure must reflect this interaction of domestic and international forces.

Third, the Secretary of Trade and Investment would perform two major functions—in effect, wear two hats. One hat would be that of the Secretary, a Cabinet-level official, capable of speaking out for our trade interests in debates among departments.

The other hat would be that of a White House coordinator for trade matters. Just as we have coordinators for domestic policy, economic matters, and national security, we need a coordinator for trade.

To carry out this function, the Secretary of Trade would act as Chairman of an Interagency Trade Policy Committee. This Committee, with members from the Departments of State, Treasury, Labor, and Agriculture, would have the authority to make final decisions on all but the most sensitive, nearly insoluble trade questions.

It is critical that the Secretary of Trade have this coordinating role in the White House to insure our export and import goals become a matter of national concern and to upgrade the importance of trade.

Fourth, many of the trade and investment functions now in the Departments of State and Treasury would be moved to the Department of International Trade and Investment. Treasury's responsibility for trade financing, East-West trade, international direct investment, energy-related trade matters, and the U.S. Customs Service would rest with the Secretary of Trade, as would State's present authority over international communications, investment protection, and nonagricultural commodities.

There is no rational reason for the proliferation of duplicative bureaucratic machinery now in the executive branch. While I do not propose stripping other agencies' ability to analyze trade matters, I believe we must centralize final decisionmaking in one department. Moreover, we cannot justify the present redundancies and overlapping functions in our agencies at a time we are all seeking ways to eliminate Government waste.

Fifth, overall responsibility for agricultural trade matters would remain with the Secretary of Agriculture. In cases that could affect trade in agricultural products, my legislation would require that the Secretaries of Trade and Agriculture consult closely. It would further mandate that, in international negotiations and consultations involving agricultural commodities produced in significant quantities in the United States, the Secretary of Agriculture would vice-chair U.S. delegations. This would insure that our producers of wheat, for example, would be strongly represented in talks affecting their markets and production decisions.

During the multilateral trade negotiations conducted in the 1970's under the auspices of the general agreement on tariffs and trade, I pressed strongly for our farmers' increased access to the European and Japanese markets. I was disappointed by the results of our agricultural agreements, however, and believe that a Secretary of Trade, acting in close coordination with our Secretary of Agriculture, would have the institutional underpinning and strength to make greater inroads into foreign markets.

Last, the Secretary of Trade would serve as a member of the boards of the Export-Import Bank of the United States and the Overseas Private Investment Corporation.

By their financing and insurance decisions, these entities effectively make policy every day. The Secretary of Trade must have a strong voice in the decisions of those boards, since they affect our international trade and investment posture and prospects.

The International Trade and Investment Reorganization Act would streamline the policymaking process by consolidating agencies already existing and in place. It would authorize no new regulatory power with which to burden our exporters. It would create no new bureaucracy; and it would not increase the size of the President's cabinet or the number of executive branch departments.

Rather, by combining the trade, investment and industrial analytic responsibilities of the Secretary of Commerce and the U.S. trade representative, we eliminate one of those positions.

This legislation replaces the existing Department of Commerce with an aggressive Department of Trade and sends the nontrade-related functions to other agencies.

The Maritime Administration would be transferred to the Department of Transportation, the National Oceanic and Atmospheric Administration to the Department of the Interior and the Economic Development Administration to the Department of Housing and Urban Development. HUD could be renamed to reflect its expanded responsibilities.

The Bureau of the Census would become an independent agency, charged with compiling and analyzing our Nation's data.

Mr. President, we are introducing this legislation today because a change is needed now. I would invite all those who have an interest in the organization of government to promote our trade objectives to contact me with their views and suggestions. Over the last months, I have consulted with a wide range of farm, manufacturing, labor, and public sector groups, and I would like that process to continue, particularly as this legislation makes its way through my governmental affairs committee.

To insure quick action, I have scheduled a hearing in the governmental affairs committee for May 19, when we will consider our present organizational structure for trade, the bill I am introducing today and the entire question of government trade policymaking.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 970

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Trade and Investment Reorganization Act of 1981".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) the expansion of United States participation in international trade through aggressive promotion and marketing of American goods and services is a principal national goal;

(2) the economy of the United States is so inextricably linked with the international economic system that all domestic economic sectors are influenced by the dynamics of global trade and investment;

(3) the expansion of United States participation in international trade and investment will improve the general welfare of the people of the United States by increasing demand for American products and services, creating jobs, and increasing the gross national product;

(4) business, labor, and all levels of government must join efforts to place the highest priority on developing methods and policies to achieve the goal described in paragraph (1), and the achievement of such goal is dependent on a marked improvement in the capability of United States businesses to compete in foreign markets;

(5) the Federal Government can enhance the capability of United States businesses to compete in foreign markets by acting to (A) reduce political and economic barriers to sales and investments by such businesses, (B) promote American goods and services in foreign countries, and (C) encourage aggressive participation by the private sector in the international marketplace;

(6) effective and efficient Government action to enhance the capability of United States businesses to compete in foreign markets requires coordination of the development and implementation of Government policies relating to the international trade and investment interests of the United States;

(7) effective and efficient Government action with respect to international trade and investment further requires the employment of a corps of personnel consisting of individuals who, like the personnel of the governments of present and potential United States trading partners, are highly experienced and educated in international trade and investment operations and negotiations;

(8) the present organizational structure of Government administration of international trade and investment activities is so diffuse that inconsistent and contradictory policies and actions result;

(9) such inconsistent and contradictory policies and actions discourage experienced Government personnel from career service in international trade and investment activities; and

(10) the consolidation of Government functions relating to international trade and investment, including functions relating to technical analysis, policymaking, international negotiation, and operational responsibilities into a cabinet-level Department of International Trade and Investment will provide the needed coordination of Government activity in international trade and investment and will encourage the retention of the highly experienced personnel necessary for such coordination to be effective.

DEFINITIONS

SEC. 3. As used in this Act, unless otherwise provided or indicated by the context—

(1) the term "Department" means the Department of International Trade and Investment or any component thereof;

(2) the term "Secretary" means the Secretary of International Trade and Investment;

(3) the term "Deputy Secretary" means the Deputy Secretary of International Trade and Investment;

(4) the term "Assistant Secretary" means an Assistant Secretary of International Trade and Investment;

(5) the term "department" means an executive department under section 101 of title 5, United States Code;

(6) the term "agency" has the same meaning as section 551 (1) of such title; and

(7) the term "function" includes any duty, obligation, power, authority, responsibility, right, privilige, activity, or program.

ESTABLISHMENT OF DEPARTMENT

SEC. 4. (a) There is established an executive department to be known as the Department of International Trade and Investment. The Department shall be administered by a Secretary of International Trade and Investment who shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary shall have the rank and status of Ambassador Extraordinary and Plenipotentiary with respect to international trade and investment matters.

(b) There shall be in the Department a Deputy Secretary of International Trade and Investment who shall be appointed by the President, by and with the advise and consent of the Senate. The Deputy Secretary (or during the absence or disability of the Deputy Secretary, or in the event of a vacancy in the office of Deputy Secretary, an Assistant Secretary or the General Counsel, according to such order as the Secretary shall prescribe) shall act for, and exercise the powers of the Secretary, during the absence or disability of the Secretary or in the event of a vacancy in the office of Secretary. The Deputy Secretary shall have the rank and status of Ambassador and shall perform such functions as the Secretary may prescribe.

(c) There shall be in the Department four Assistant Secretaries of International Trade and Investment and a General Counsel, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall perform such functions as the Secretary may prescribe.

(d) There shall be in the Department a Representative to the General Agreement on Tariffs and Trade and a Chief Textile Negotiator, each of whom shall have the rank and status of Ambassador.

(e) There shall be in the Department an Inspector General appointed in accordance with the Inspector General Act of 1978 (as amended by section 15(i) of this Act).

FUNCTIONS

SEC. 5. (a) The Secretary shall—

(1) exercise leadership, under the direction of the President, in international trade and investment matters;

(2) develop and coordinate the policies of the United States for the promotion of beneficial international trade relationships with respect to industrial and agricultural products, services, and raw materials;

(3) negotiate agreements relating to the international trade of the United States and assert and protect the rights of the United States under such agreements;

(4) seek fair and equitable international trade relationships which do not discriminate against the commerce of the United States;

(5) protect American industry, agriculture, and labor from unfair or injurious foreign competition;

(6) develop, in cooperation with appropriate departments and agencies of the Government, trade monitoring systems that encourage and permit timely reaction and adjustment to increased volumes of imports and global competition;

(7) seek and promote new trade and commercial opportunities in foreign countries for American industrial products, and, in consultation with the Secretary of Agriculture, seek and promote such opportunities for agricultural products;

(8) assist small businesses in developing export markets;

(9) assist in financing international trade between the United States and foreign countries;

(10) develop, in cooperation with other appropriate departments and agencies of the Government, long-range programs to promote American international economic policy interests;

(11) secure reliable access at competitive prices to supplies of raw materials which are produced in foreign countries;

(12) develop and implement policies of the United States concerning foreign investment;

(13) administer the United States Customs Service and maintain the tariff schedules of the United States;

(14) mobilize and facilitate the participation of American private capital and skills in the development of the economic and social progress of friendly developing countries and areas;

(15) administer export controls as provided by the Congress;

(16) promote and undertake the development, collection, analysis, and dissemination of technical, statistical, economic, and other information relating to domestic and international trade and investment and to the activities of the Secretary and the Department;

(17) consult and cooperate with other departments and agencies in gathering information regarding the status of international trade and investment in which the United States or other countries may be participants; and

(18) consult and cooperate with State and local governments and other interested parties on international trade and investment matters of interest to such governments and parties, and, when appropriate, hold informal public hearings.

(b) In carrying out his functions, the Secretary shall consult, exchange information, and carry on joint planning, research, and other activities with the Secretary of Agriculture, the Secretary of State, the Secretary of the Treasury, and the heads of such other departments and agencies as the Secretary considers appropriate.

(c)(1) The Secretary shall consult with the Secretary of Agriculture or his designee on all matters which potentially involve international trade in agricultural products.

(2) If an international meeting for negotiation or consultation includes discussion of international trade in agricultural commodities which are produced in significant quantities in the United States, the Secretary or his delegate shall be Chairman of the United States delegation to such meeting and the Secretary of Agriculture or his delegate shall be Vice Chairman.

(d) The Secretary shall jointly study, with the Secretary of Agriculture, the Secretary of State, the Secretary of the Treasury, and the heads of such other departments or agencies as the Secretary considers appropriate, how Federal policies and programs can ensure that international trade and investment systems most effectively serve both national and international economic needs. The Secretary shall include in the annual report required by section 11 of this Act an account of the studies and activities conducted under this subsection, including any legislative recommendations which the Secretary determines desirable.

TRANSFERS TO THE DEPARTMENT OF INTERNATIONAL TRADE AND INVESTMENT

SEC. 6. (a) There are transferred to the Secretary all functions of the United States Trade Representative.

(b)(1) There are transferred to the Secretary all functions of the Secretary of Commerce or the Department of Commerce with respect to or being administered through—

(A) the International Trade Administration;

(B) the United States Travel Service;

(C) the National Telecommunications and Information Administration;

(D) the Office of Productivity, Technology and Innovation;

(E) the Office of Industrial Technology;

(F) the Center for the Utilization of Federal Technology;

(G) the National Bureau of Standards;

(H) the Standards Information Center;

(I) the National Climate Program Office of the National Bureau of Standards;

(J) the Patent and Trademark Office;

(K) the National Technical Information Service;

(L) the Bureau of Economic Analysis;

(M) the Office of Industrial Economics; and

(N) the Minority Business Development Agency.

(2) There are transferred to the Secretary all functions of the Secretary of Commerce or the Department of Commerce under—

(A) the Tariff Act of 1930;

(B) the Act of June 18, 1934 (48 Stat. 998; 19 U.S.C. 81a et seq.), relating to foreign trade zones;

(C) section 202(a)(3) of the Foreign Service Act of 1980;

(D) the Trade Expansion Act of 1962;

(E) the Trade Act of 1974;

(F) the Trade Agreements Act of 1979;

(G) the Export Administration Act of 1979;

(H) section 309(c) of the Nuclear Non-Proliferation Act of 1978, relating to export of items of significance for producing nuclear explosives;

(I) the Trade Fair Act of 1959;

(J) the Act of May 27, 1970 (84 Stat. 271; 22 U.S.C. 2801 et seq.), relating to international expositions;

(K) the Act of October 21, 1980 (94 Stat. 2330; 15 U.S.C. 649 a–d), relating to small business export expansion assistance;

(L) Section 6 of the Federal Water Pollution Control Act Amendments of 1972, relating to the effects of water pollution controls on international trade;

(M) the International Travel Act of 1961;

(N) the International Maritime Satellite Telecommunications Act;

(O) the Stevenson-Wydler Technology Innovation Act of 1980;

(P) the Act of March 3, 1901 (31 Stat. 1449; 15 U.S.C. 271 et seq.), relating to the National Bureau of Standards;

(Q) the Standard Reference Data Act;

(R) the Solid Waste Disposal Act, relating to resource recovery technology and standards;

(S) the Act of March 3, 1881 (21 Stat. 521, 15 U.S..C 201–203), relating to sets of standard weights and measures for States;

(T) title 35 of the United States Code;

(U) the Act of July 5, 1946 (60 Stat. 427; 15 U.S.C. 1051 et seq.), relating to trademarks; and

(V) The Act of September 9, 1950 (64 Stat. 823, 15 U.S.C. 1151 et seq.), relating to the collection and public dissemination of scientific, technical, and engineering information.

(3) There are transferred to the Secretary all functions of the Secretary of Com-

merce or the Department of Commerce relating to international trade and investment in addition to the functions transferred by paragraphs (1) and (2) of this subsection.

(4) There are transferred to the Inspector General of the Department all functions of the Inspector General of the Department of Commerce or of the Office of Inspector General of the Department of Commerce relating to the functions and agencies transferred by this subsection.

(c) There are transferred to the Secretary all functions of the Secretary of the Treasury relating to—

(1) international trade and investment, including all functions relating to—

(A) multilateral and bilateral trade negotiation;

(B) international trade finance matters;

(C) United States trade relationship with nonmarket economy countries, including the union of Soviet Socialist Republic, the People's Republic of China, and the countries of Eastern Europe;

(D) international direct investment matters, including matters pertaining to multinational corporations, expropriation, and the Overseas Private Investment Corporation;

(E) trade and investment aspects of international energy policies; and

(F) international trade and investment with respect to nonfuel natural resources, including natural resources of the oceans, and to agricultural and other commodities;

(2) economic analysis of international trade and investment policies; and

(3) the United States Customs Service.

(d) The United States Customs Service is transferred to the Department, and all functions of the Commissioner of Customs are transferred to the Secretary.

(e) There are transferred to the Secretary all functions of the Secretary of State relating to international trade and investment, including functions relating to—

(1) textile matters;

(2) multilateral and bilateral trade negotiations;

(3) trade agreements and treaties;

(4) trade preferences;

(5) import relief measures;

(6) security export controls;

(7) international communications, including telecommunications;

(8) investment protection, including protection against restrictive business practices affecting United States business interests in foreign countries;

(9) industrial property rights;

(10) primary products, including energy and fuels, industrial raw materials, and related manufactured products; and

(11) nonagricultural commodities.

(f) The Export-Import Bank of the United States is transferred to the Department.

(g) The Overseas Private Investment Corporation is transferred to the Department.

TRANSFERS TO OTHER DEPARTMENTS OR AGENCIES

SEC. 7. (a)(1) There are transferred to the Department of Housing and Urban Development—

(A) the Economic Development Administration of the Department of Commerce; and

(B) the Office of Regional Development of the Department of Commerce.

(2) There are transferred to the Secretary of Housing and Urban Development all functions of the Secretary of Commerce or the Department of Commerce with respect to—

(A) the Economic Development Administration of the Department of Commerce; and

(B) the Office of Regional Development of the Department of Commerce.

(3) There are transferred to the Inspector General of the Department of Housing and Urban Development all functions of the Inspector General of the Department of Commerce or of the Office of Inspector General of the Department of Commerce relating to the functions and agencies transferred by this subsection.

(b)(1) The Maritime Administration of the Department of Commerce is transferred to the Department of Transportation.

(2) There are transferred to the Secretary of Transportation all functions of the Secretary of Commerce or the Department of Commerce with respect to the Maritime Administration of the Department of Commerce.

(3) There are transferred to the Inspector General of the Department of Transportation all functions of the Inspector General of the Department of Commerce or of the Office of Inspector General of the Department of Commerce relating to the agency and functions transferred by this subsection.

(c)(1) The National Oceanic and Atmospheric Administration is transferred to the Department of the Interior.

(2) There are transferred to the Secretary of the Interior all functions of the Secretary of Commerce or the Department of Commerce with respect to the National Oceanic and Atmospheric Administration of the Department of Commerce.

(3) There are transferred to the Inspector General of the Department of the Interior all functions of the Inspector General of the Department of Commerce or the Office of Inspector General of the Department of Commerce relating to the agency and functions transferred by this subsection.

(d)(1) All functions of the Secretary of Commerce being administered through the individual holding the office of Director of the Census on the day before the effective date of this Act are transferred to the Director of the Bureau of the Census appointed under section 21 of title 13, United States Code, as amended by section 8(e) of this Act.

(2) All functions of the Secretary of Commerce with respect to the Director of the Bureau of the Census or the Bureau of the Census are transferred to the Director of the Bureau of the Census appointed under section 21 of title 13, United States Code, as amended by section 8(e) of this Act.

(3) The Bureau of the Census of the Department of Commerce is transferred to the Bureau of the Census established by section 3 of title 13, United States Code, as amended by section 8(d) of this Act.

(4) There are transferred to the Director of the Bureau of the Census all functions of the Inspector General of the Department of Commerce or of the Office of the Inspector General of the Department of Commerce relating to the agency and functions transferred by this subsection.

ESTABLISHMENT OF INDEPENDENT BUREAU OF THE CENSUS

SEC. 8. (a)(1) Section 4 of title 13, United States Code, is repealed.

(2) Sections 1, 2, and 3 of such title are redesignated as sections 2, 3, and 4, respectively.

(b) Title 13, United States Code, is amended by inserting before section 2 (as redesignated by subsection (a)(2)) the following new section:

"§ 1. Purpose

"The purpose of this chapter is to establish an independent Bureau of the Census due to the importance of the functions of the Bureau in providing statistical information to all agencies of the United States Government and to the people of the United States.".

(c) Section 2 of such title (as redesignated by subsection (a)(2)), is amended—

(1) by striking out " 'Secretary' means the Secretary of Commerce."; and

(2) by adding at the end thereof the following:

" 'Director' means the Director of the Census appointed under section 21 of this title.".

(d) Section 3 of such title (as redesignated by subsection (a)(2)), is amended to read as follows:

"§ 3. Establishment

"There is established an independent establishment in the executive branch of the Government to be known as the Bureau of the Census. The Bureau shall be administered under the supervision and direction of the Director.".

(e) Section 21 of such title is amended to read as follows:

"§ 21. Director of the Census; powers and duties

"(a) The Bureau shall be headed by a Director of the Census, who shall be appointed by the President, by and with the advice and consent of the Senate.

"(b) The Director may prescribe such policies, standards, criteria, procedures, rules, and regulations as he finds necessary or appropriate to carry out his functions.

"(c) The Director may organize the Bureau as he finds necessary or appropriate.

"(d) Except as otherwise expressly provided by law, the Director may delegate any of his functions to such officers and employees of the Bureau as he may designate, and may authorize such successive redelegations of such functions as he may determine to be necessary or appropriate. A delegation of functions by the Director shall not relieve the Director of responsibility for the administration of such functions.

"(e) The Director is authorized to obtain the services of experts and consultants as authorized by section 3109 of title 5 of the United States Code, at rates not to exceed $100 per day for individuals unless otherwise specified in an appropriation Act.

"(f) The Director is authorized to appoint, without regard to the classification and civil service laws, advisory committees to advise him with respect to any function of the Director or the Bureau.

"(g) The Director shall consult with interested Federal agencies with a view to obtaining their advice and assistance in carrying out the purposes of this title. Each Federal agency is authorized to furnish to the Director, upon his request, any information or other data which the Director finds necessary to carry out his duties.

"(h) If authorized by the Director, officers and employees of the Bureau are empowered, while engaged in the performance of their duties, to administer oaths.".

(f) The table of sections for chapter 1 of title 13, United States Code, is amended—

(1) by redesignating the items relating to sections 1, 2, and 3 as the items relating to sections 2, 3, and 4, respectively; and

(2) by inserting before the item relating to section 2 (as redesignated by clause (1) of this subsection) the following new item:

"1. Purpose.".

(3) by inserting "powers and" before "duties" in the item relating to section 21.

(g) Title 13, United States Code, is amended—

(1) by striking out "Secretary" each place it appears and inserting in lieu thereof "Director"; and

(2) by striking out "Department of Commerce" each place it appears and inserting in lieu thereof "Bureau of the Census".

ESTABLISHMENT OF TRADE POLICY COMMITTEE

SEC. 9. (a) Section 242(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1872(a)) is amended to read as follows:

"(a) There is established a Trade Policy Committee (hereafter in this section referred to as the 'Committee') to assist the President in carrying out the functions vested in him by this title and sections 201, 202, and 203 of the Trade Act of 1974. The Committee shall be composed of the Secretary of International Trade and Investment, who shall

be Chairman, the Secretary of Agriculture, the Secretary of Labor, the Secretary of State, and the Secretary of the Treasury. The Committee shall meet at such times and with respect to such matters as the President or the Chairman shall direct. The Committee may invite the head of any department or agency not represented on the Committee to participate in its activities when matters of interest to such department or agency are under consideration.".

(b) Section 242(b) of such Act (19 U.S.C. 1872(b)) is amended by striking out "organization" each place it appears and inserting in lieu thereof "Committee".

(c)(1) The first sentence of section 242 (c) of such Act (19 U.S.C. 1872(c)), is amended to read as follows: "The Committee shall, to the maximum extent practicable, draw upon the resources of the departments represented in the organization, as well as such other departments and agencies as it may determine, including the United States International Trade Commission.".

(2) The second sentence of such section is amended by striking out "organization" each place it appears and inserting in lieu thereof "Committee".

(d) Section 242 of such Act (19 U.S.C. 1872) is further amended by adding at the end thereof the following new subsections:

"(d) In carrying out its functions, the Committee shall obtain advice from any appropriate department or agency of the Government regarding the impact of Government international trade and investment policy on such matters as inflation in the United States economy, United States resource supply, national security and defense, and Government antitrust policies and activities.

"(e)(1) There is established a subcommittee of the Committee which shall be known as the Trade Negotiating Subcommittee. The Trade Negotiating Subcommittee shall advise the Secretary of the International Trade and Investment concerning the management of negotiations relating to international trade and investment.

"(2) The Trade Negotiating Subcommittee shall be composed of the Deputy Secretary of International Trade and Investment, who shall be Chairman, and an officer of the Department of Agriculture, the Department of Labor, the Department of State, and the Department of the Treasury, each of whom shall be appointed by the head of the respective Department.

"(f)(1) The Chairman of the Committee, with the advice of the Committee, may establish, on a permanent or temporary basis, additional subcommittees of the Committee, including trade policy review groups and trade policy staff committees.

"(2) Any subcommittee established pursuant to this subsection shall be composed of representatives of such departments or agencies as the Chairman shall designate, and the head of each such department or agency shall appoint as members of such subcommittee such officers or employees of the department or agency as he considers appropriate.

"(g) The Secretary of International Trade and Investment shall provide such staff and support to the Committee and its subcommittees as may be necessary to enable the Committee and subcommittees to carry out the assigned functions.".

(e) The section heading for section 242 of the Trade Expansion Act of 1962 is amended to read as follows:

"§ 242. Trade Policy Committee; subcommittees".

ADMINISTRATIVE PROVISIONS

SEC. 10. (a) In addition to the authority contained in any other Act authorizing functions transferred to the Secretary by this Act, the Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including investigators, attorneys, and hearing examiners, as are necessary to carry out the provisions of this Act, and to prescribe the authority and duties of such officers and employees.

(b) The Secretary may obtain services as authorized by section 3109 of title 5 of the United States Code, at rates not to exceed $100 per day for individuals unless otherwise specified in an appropriation Act.

(c) In addition to the authority to delegate and redelegate functions contained in any other Act authorizing functions transferred to the Secretary by this Act, the Secretary may delegate his functions to such officers and employees of the Department as he may designate, and may authorize such successive redelegations of such functions as he may find appropriate.

(d) The Secretary may make such rules and regulations as may be necessary or appropriate to administer and manage the functions of the Secretary or the Department.

(e)(1) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as the Secretary shall find to be desirable in the interest of economy and efficiency in the Department, including such services as—

(A) a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its components;

(B) central messenger, mail, telephone, and other communications services;

(C) office space, central services for document reproduction, and for graphics and visual aids; and

(D) a central library service.

(2) The capital of the fund shall consist of any appropriations made for the purpose of providing working capital and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. Such funds shall be reimbursed in advance from available funds of agencies and offices in the Department, or from other sources, for supplies and services at rates which will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payment for loss or damage to property owned by the fund. There shall be covered into the United States Treasury as miscellaneous receipts any surplus of the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain such fund. There shall be transferred to the fund the stocks of supplies, equipment, other assets, liabilities, and unpaid obligations relating to the services which the Secretary determines, with the approval of the Director of the Office of Management and Budget, will be performed.

(f) The Secretary shall cause a seal of office to be made for the Department of such design as he shall approve, and judicial notice shall be taken of such seal.

(g)(1) The Secretary is authorized to accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts and bequests of money and the proceeds from sales of other property received as gifts or bequests shall be deposited in the Treasury in a separate fund and shall be disbursed upon order of the Secretary. Property accepted pursuant to this paragraph, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift or bequest.

(2) For the purpose of Federal income, estate, and gift taxes, property accepted under paragraph (1) shall be considered as a gift or bequest to or for use of the United States.

(3) Upon the request of the Secretary, the Secretary of the Treasury may invest and reinvest in securities of the United States or in securities guaranteed as to principal and interest by the United States any moneys contained in the fund provided for in paragraph (1). Income accruing from such securities, and from any other property held by the Secretary pursuant to paragraph (1) shall be deposited to the credit of the fund, and shall be disbursed upon order of the Secretary.

(h) The Secretary is authorized to appoint, without regard to the classification and civil service laws, such advisory committees as may be appropriate to assist the Department in the performance of its functions.

(i)(1) Subject to the provisions of the Federal Property and Administrative Services Act of 1949, the Secretary is authorized to make, enter into, and perform such contracts, grants, leases, cooperative agreements, or other similar transactions with Federal or other public agencies (including State and local governments) and private organizations and persons, and to make such payments, by way of advance or reimbursement, as the Secretary may determine necessary or appropriate to carry out functions of the Secretary or the Department.

(2) Notwithstanding any other provision of this Act, no authority to enter into contracts or to make payments under this Act shall be effective except to such extent or in such amounts as are provided in advance under appropriation Acts. This subsection shall not apply with respect to the authority granted under subsection (g) of this section.

(j)(1) The Secretary is authorized, upon the written request of any person, or any State, territory, possession, or political subdivision thereof, to (A) make special statistical studies relating to international trade and investment, (B) prepare from the records of the Department special statistical compilations, and (C) furnish transcripts of such studies and compilations of the Department upon the payment of the actual cost of such study or compilation by the person or body requesting such work.

(2) All moneys received by the Department in payment for any study or compilation prepared under paragraph (1) shall be deposited in a separate account to be administered under the direction of the Secretary. Such moneys may be used, in the discretion of the Secretary, for the ordinary expenses incidental to the preparation of any such study or compilation or to secure in connection therewith the services of persons who are not officers or employees of the United States, to such extent or in such amounts as are provided in advance in appropriation Acts.

(k)(1) The Secretary is authorized to enter into contracts, to such extent or in such amounts as are provided in appropriation Acts, with educational institutions, public, or private agencies or organizations, or persons for the conduct of research into any aspect of the problems related to the programs of the Department which are authorized by statute.

(2) The Secretary shall require a showing that any institution, agency, organization, or person with which he expects to enter into any contract pursuant to this subsection have the capability of doing effective work. The Secretary shall furnish such advice and assistance to any such institution, agency, organization, or person as he determines will best carry out the functions of the Department, participate in coordinating all research initiated under this subsection, and indicate the lines of inquiry which the Secretary considers most important. The

Secretary shall encourage, and assist in the establishment and maintenance of, cooperation by and between all institutions, agencies, organizations, or persons with which he enters into contracts under this subsection, and between such institutions, agencies, organizations, and persons and other research organizations, the Department, and other Federal departments and agencies.

(3) The Secretary may disseminate in the form of reports or publications to public or private agencies or organizations, or individuals such information as he finds pertinent on the research carried out pursuant to this section.

(4) This subsection does not modify or repeal any provision of law administered by the Department which authorizes contracts for research.

ANNUAL REPORT

SEC. 11. The Secretary shall, as soon as practicable after the end of each fiscal year, make a report in writing to the President for submission to the Congress on the activities of the Department, including activities under section 5(d) of this Act, during the preceding fiscal year.

TRANSFER MATTERS

SEC. 12. (a) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, in connection with the functions, offices, and agencies transferred by this Act, are, subject to section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c), correspondingly transferred for appropriate allocation.

(b) The transfer of personnel pursuant to subsection (a) of this section shall be without reduction in classification or compensation for one year after such transfer.

(c) Any person who, on the day preceding the effective date of this Act, held a position compensated in accordance with the Executive Schedule, and who, without a break in service, is appointed, in a department or agency to which functions, agencies, or offices are transferred under this Act, to a position having duties comparable to those performed immediately preceding his appointment shall continue to be compensated in his new position at not less than the rate provided for his previous position, for the duration of his service in his new position.

(d) In the exercise of the functions transferred under this Act, the head of the department or agency whom functions are so transferred shall have the same authority as was exercised by the head of the department or agency exercising such functions, powers, and duties immediately preceding their transfer, and the actions of the head of the department or agency to whom functions are transferred by this Act in exercising such functions, powers, and duties shall have the same force and effect as when exercised by the head of the department or agency from whom such functions are transferred.

(e)(1) The Director of the Office of Management and Budget, at such time or times as the Director shall provide, is authorized and directed to make such determinations as may be necessary with regard to the functions, agencies, or portions thereof, transferred by this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, agencies, or portions thereof, as may be necessary to carry out the provisions of this Act. The Director shall provide for the termination of the affairs of all entities terminated by this Act and for such further measures and dispositions as may be necessary to effectuate the purposes of this Act.

(2) After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget is authorized, at such time as the Director of the Office of Management and Budget provides, to make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with functions and offices transferred by this Act.

(f) Subject to the provisions of this Act, the President, for a period of 180 days after the effective date of this Act, may transfer to the appropriate department or agency any functions (including powers, duties, activities, facilities, and parts of functions) of any other department or agency of the United States, or of any officer or office thereof, which relate primarily to the functions, powers, and duties transferred by this Act. In connection with any such transfer, the President may, under this section or other applicable authority, provide for appropriate transfers of records, property, civilian personnel, and funds.

SAVINGS PROVISIONS

SEC. 13. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are transferred under this Act by (A) any department or agency, any functions of which are transferred by this Act, or (B) any court of competent jurisdiction; and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the President, the head of the department or agency to which a function is transferred by this Act, by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not affect any proceedings pending at the time this Act takes effect before any department or agency or any component thereof, the functions of which are transferred by this Act; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the department or agency to which such functions are transferred. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the head of a department or agency to which a function is transferred by this Act, by a court of competent jurisdiction, or by operation of law.

(c) Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect actions commenced prior to the date this Act takes effect, and

(2) in all such actions proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

(d) No action or other proceeding commenced by or against any officer in his official capacity as an officer for any department or agency from whom functions are transferred by this Act shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency from which functions are transferred by this Act, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act. Causes of action and actions with respect to a function, office, or agency transferred by this Act, or other proceedings may be asserted by or against the United States or such official of the department or agency to which such function, office, or agency is transferred as may be appropriate and, in an action pending when this Act takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(e) If before the date on which this Act takes effect, any department or agency, or any officer thereof in his official capacity, is a party to an action, and under this Act—

(1) such agency is transferred to another department, or agency; or

(2) any function of such department, agency, or officer is transferred to the head of another department or agency,

such action shall be continued with the head of the department or agency to which such agency or function is transferred or other appropriate official of the department or agency substituted or added as a party.

(f) Orders and actions of the head of a department or agency in the exercise of the functions transferred under this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the head of the department or agency exercising such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, actions upon the record, or administrative review that apply to any functions transferred by this Act shall apply to the exercise of such functions by the head of the department or agency to which such functions are transferred.

(g) With respect to any function transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any department or agency, or any officer or office thereof, the functions of which are so transferred, shall be deemed to mean the head of the department or agency to whom this Act transfers such functions.

TERMINATION

SEC. 14. (a) In any case in which all of the functions of any department or agency are transferred by this Act, such department or agency shall lapse.

(b) The Department of Commerce is terminated.

(c) The Office of the United States Trade Representative is terminated.

AMENDMENTS AND REPEALS

SEC. 15. (a) Section 19(d)(1) of title 3, United States Code, is hereby amended by striking out "Secretary of Commerce," and by inserting before the period a comma and "Secretary of International Trade and Investment".

(b) Section 101 of title 5, United States Code, is amended by striking out "the Department of Commerce." and adding at the end thereof the following:

"The Department of International Trade and Investment.".

(c)(1) Section 5312 of title 5, United States Code, is amended by striking out the items relating to the Special Representative for Trade Negotiations and the Secretary of Commerce and by adding at the end thereof the following:

"Secretary of International Trade and Investment.".

(2) Section 5313 of such title is amended by adding at the end thereof the following new items:

"Deputy Secretary of International Trade and Investment.

"United States Representative to the General Agreement on Tariffs and Trade.".

(3) Section 5314 of title 5, United States Code, is amended by striking out the items relating to the Under Secretary of Commerce

and the Deputy Special Representatives for Trading Negotiations.

(4)(A) Section 5315 of title 5, United States Code, is amended by striking out the items relating to the Assistant Secretaries of Commerce and the General Counsel of the Department of Commerce and by adding at the end thereof the following:

"Assistant Secretaries of International Trade and Investment (4).

"General Counsel of the Department of International Trade and Investment.

"Chief Textile Negotiator of the United States, Department of International Trade and Investment.".

(3) The item relating to Assistant Secretaries of Housing and Urban Development in such section is amended by striking out "(8)" and inserting in lieu thereof "(9)".

(C) The item relating to Assistant Secretaries of Transportation in such section is amended by striking out "(4)" and inserting in lieu thereof "(5)".

(5) Section 5316 of title 5, United States Code, is amended—

(A) by striking out the item relating to the Commissioner of Customs, Department of the Treasury and by inserting in lieu thereof the following:

"Commissioner of Customs, Department of International Trade and Investment.";

(B) by striking out the item relating to the Commissioner of Patents, Department of Commerce and by inserting in lieu thereof the following:

"Commissioner of Patents, Department of International Trade and Investment.";

(C) by striking out the item relating to the Director, Bureau of the Census, Department of Commerce and by inserting in lieu thereof the following:

"Director, Bureau of the Census.";

(D) by striking out the item relating to the Director, National Bureau of Standards, Department of Commerce and by inserting in lieu thereof the following:

"Director, National Bureau of Standards, Department of International Trade and Investment.";

(E) by striking out the item relating to the Maritime Administrator, Department of Commerce and by inserting in lieu thereof the following:

"Maritime Administrator, Department of Transportation.";

(F) by striking out the item relating to the Director, United States Travel Service, Department of Commerce and by inserting in lieu thereof the following:

"Director, United States Travel Service, Department of International Trade and Investment.";

(G) by striking out the item relating to the National Export Expansion Coordinator, Department of Commerce; and

(H) by striking out the item relating to the Inspector General, Department of Commerce and by inserting in lieu thereof the following:

"Inspector General, Department of International Trade and Investment.".

(d) The first sentence of section 4(a) of the Department of Housing and Urban Development Act (42 U.S.C. 3533(a)) is amended by striking out "four" and inserting in lieu thereof "nine".

(e) Section 3(c) of the Department of Transportation Act (49 U.S.C. 1652(c)) is amended by striking our "four" and inserting in lieu thereof "five".

(f) The Act of February 14, 1903 (32 Stat. 825; 15 U.S.C. 1501 et seq.), relating to establishment of the Department of Commerce, is repealed.

(g)(1) The first sentence of section 231 of the Foreign Assistance Act of 1961 (22 U.S.C. 2191) is amended by striking out "Secretary of State" and inserting in lieu thereof "Secretary of International Trade and Investment".

(2) The first paragraph of section 233(b) of such Act (22 U.S.C. 2193(b)) is amended to read as follows: "All powers of the Corporation shall vest in and be exercised by or under the authority of its Board of Directors ('the Board') which shall consist of thirteen Directors, including the Chairman, with seven Directors constituting a quorum for the transaction of business. The Director of the United States International Development Cooperation Agency shall be Chairman of the Board, ex officio. The Secretary of International Trade and Investment shall be a permanent voting member of the Board, ex officio. Seven additional Directors (other than the President of the Corporation, appointed pursuant to subsection (c) who shall also serve as a Director) shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and shall not be officials or employees of the Government of the United States. At least one of the seven Directors appointed under the preceding sentence shall be experienced in small business, one in organized labor, and one in cooperatives. Each such Director shall be appointed for a term of no more than three years. The terms of no more than three such Directors shall expire in any one year. Such Directors shall serve until their successors are appointed and qualified and may be reappointed.".

(3) The second paragraph of section 233(b) of such Act (22 U.S.C. 2193(b)) is amended by inserting "four" before "Directors".

(4) Section 233(c) (22 U.S.C. 2193(c)) of such Act is amended by adding at the end thereof the following new sentence: "The President of the Corporation shall report to the Secretary of International Trade and Investment.".

(h)(1) Section 3(a) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(a)) is amended to read as follows:

"(a) The Export-Import Bank of the United States is established as an independent agency within the Department of International Trade and Investment.".

(2) Section 3(b) of such Act (12 U.S.C. 635a(b)) is amended by inserting after the first sentence the following new sentence: "The President of the Bank shall report to the Secretary of International Trade and Investment.".

(3) The first sentence of section 3(c) of such Act (12 U.S.C. 635a(c)) is amended to read as follows: "There shall be a Board of Directors of the Bank consisting of the President of the Export-Import Bank of the United States, who shall serve as Chairman, the First Vice President of the Bank who shall serve as Vice Chairman, the Secretary of International Trade and Investment, and two additional persons appointed by the President of the United States by and with the advice and consent of the Senate.".

(i) The Inspector General Act of 1978 is amended—

(1) by striking out "the Department of Commerce" in section 2(1) and inserting in lieu thereof "the Department of International Trade and Investment";

(2) by striking out "Commerce" in section 11(1) and inserting in lieu thereof "International Trade and Investment"; and

(3) by striking cut "commerce" in section 11(2) and inserting in lieu thereof "International Trade and Investment".

(j) Section 4 of the International Travel Act of 1961 (22 U.S.C. 2124) is amended to read as follows:

"SEC. 4. There is established in the Department of International Trade and Investment a United States Travel Service which shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate.".

(k) Section 7 of the Trade Fair Act of 1959 (19 U.S.C. 1756) is amended to read as follows:

"SEC. 7. (a) Except as provided in subsection (b), the Secretary of International Trade and Investment may prescribe such regulations as may be necessary or appropriate to carry out the provisions of this Act.

"(b) The Secretary of the Treasury may prescribe such regulations as may be necessary or appropriate to carry out the provisions of this Act with respect to internal revenue tax laws.".

SEPARABILITY

SEC. 16. If any provision of this Act and the amendments and repeals made by this Act or the application thereof to any person or circumstances is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances shall not be affected thereby.

EFFECTIVE DATE; INITIAL APPOINTMENT OF OFFICERS

SEC. 17. (a) This Act and the amendments and repeals made by this Act shall take effect ninety days after the date on which the Secretary first takes office, or on such prior date after enactment of this Act as the President shall prescribe and publish in the Federal Register.

(b) Notwithstanding subsection (a), any of the officers provided for in this Act may be appointed in the manner provided for in this Act at any time after the date of enactment of this Act. Any such officer shall be compensated from the date he first takes office at the rates provided for in this Act. Such compensation and related expenses of any such officer shall be paid from funds available for the functions to be transferred to the Department pursuant to this Act.

INTERIM APPOINTMENTS

SEC. 18. (a) Prior to the appointment and confirmation of an individual to serve as Director of the Census under section 21 of title 13, United States Code, the individual holding the office of Director of the Census on the day before the effective date of this Act may serve as Director of the Census under such section, and while so serving shall be compensated at the rate provided under section 5316 of title 5, United States Code.

(b) Except as provided in subsection (a), in the event that one or more officers required by this Act to be appointed by and with the advice and consent of the Senate shall not have entered upon office on the effective date of this Act and notwithstanding any other provisions of law, the President may designate an officer in the executive branch to act in such office for one hundred and twenty days or until the office is filled as provided in this Act, whichever occurs first.

(c) Any officer acting in an office due to designation by the President under subsection (b) shall receive compensation at the rate prescribed for such office under this Act.●

● Mr. BENTSEN. Mr. President, I want to commend Senator ROTH for his longstanding commitment to a more rational and effective organization of our efforts in the important area of trade. I am pleased to join my colleague from Delaware as a cosponsor of legislation intended to create a Department of International Trade and Investment.

Just yesterday, Mr. President, the Senate passed the export trading companies legislation and, in the process, sought to remove some of the legal impediments and bureaucratic barriers to American exports.

I welcome that progress and look forward to the day we can vote to establish

a Department of International Trade and Investment.

Anyone familiar with the highly competitive and increasingly important world of trade can well appreciate that the aggressive promotion of American goods and services abroad must be a high priority objective of our Government. Mr. President, if you look around at our competitors for world markets—and I guess the Japanese are the best example—you will see that the Minister of Trade frequently stands at the right hand of the President.

That is because nations like Japan, West Germany, France, and Korea fully understand the iron link between performance in international trade and the level of domestic prosperity. They are organized to promote their own products and interests throughout the world, and they do so forcefully and aggressively.

For too long, Mr. President, we in this country have treated trade as a luxury or as a foreign policy inducement while our competitors have been targeting world markets and organizing their domestic economies to conquer them. Our efforts in the area of trade are still diffuse, but American firms today frequently find themselves competing against the combined resources of the public and private sectors of major industrial nations.

That may be one reason, Mr. President, why this country consistently runs a balance-of-trade deficit of staggering proportions—somewhere around $30 billion a year—while our competitors gain steadily larger shares of rapidly expanding markets.

I believe a convincing case can be made that, in an era of interdependence, trade policy must be a full-time job. The Department of Commerce, currently the focus of much of our trade policymaking and monitoring, simply has too many other concerns and responsibilities to devote the exclusive attention of its Cabinet-level personnel to the formulation of a tough and pragmatic trade policy.

The STR and the Secretary of Commerce both have Cabinet rank, and both have areas of jurisdiction in respect to trade, but those areas can overlap and conflict; and as I mentioned earlier, the Secretary of Commerce has other, equally important responsibilities.

The facts, Mr. President, argue strongly for pulling all the threads of trade policy together, locating them in one agency with exclusive power and jurisdiction over trade, and naming a Secretary with a clear mandate to represent our trade interests forcefully and at the highest levels of Government.

I would further suggest that the reorganization proposals contained in this legislation will result in a more streamlined and efficient Federal bureaucracy that will protect and promote our vital trading interests without placing a new burden on the hard-pressed American taxpayer.

We have seen, Mr. President, that exports have become an increasingly important component of our domestic prosperity. The creation of a Department of International Trade and Investment will enable American business to compete more effectively, and with the full support of our public sector, in the international marketplace.●

By Mr. CRANSTON:

S. 971. A bill to make the term of the Chairman and Vice Chairman of the Board of Governors of the Federal Reserve System concurrent with the term of the President of the United States; to the Committee on Banking, Housing, and Urban Affairs.

SELECTION OF CERTAIN MEMBERS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

● Mr. CRANSTON. Mr. President, I am introducing legislation today to change the way the Federal Reserve Board's Chairman and Vice Chairman are selected.

Just this week a leading spokesman for the President's economic team warned that the Fed's present policies threaten to undermine the President's economic recovery program.

I do not necessarily agree with all of the President's program. I hope, but I am not certain, that it will work. But I do know that President Reagan will not get a fair test of his program with its reliance of supplyside economic theory without full cooperation by the Federal Reserve.

Twice in recent years the Fed's Chairman has differed with incumbent Presidents over the purpose and effect of their economic policies. President Carter had to contend with Arthur Burns who was appointed by a Republican President until Burns finally resigned.

Now President Reagan has to cope with Paul Volcker, who was appointed by President Carter and who will remain Chairman until August 6, 1983.

My bill would make the terms of the Chairman and Vice Chairman coterminous with the term of the President. It carries out precisely the recommendation made by the Commission on Money and Credit in its 1961 report prepared for the Committee on Economic Development.

This proposal was carefully developed to give the President his own Chairman and Vice Chairman but in a way to assure the continuity and independence of the Federal Reserve's Board of Governors.

The recommendation of the Commission was as follows:

> The FRB Chairman and Vice Chairman should be designated by the President from among the Board's membership, to serve for 4-year terms coterminous with the President's.

Unless the law is changed as I propose, no President will be able to name a chairman of the Fed at the start of his new administration.

A listing of the expiration dates of the present members' 14-year terms will demonstrate the point:

Names and expiration date of Board of Governors, Federal Reserve: Paul Volcker, as Chairman, term expires Aug. 6, 1983. As a member of the Board, Jan. 31, 1992.
Fredrick Schultz, Jan. 31, 1982.
Henry Wallich, Jan. 31, 1988.
J. Charles Partee, Jan. 31, 1986.
Nancy H. Teeters, Jan. 31, 1984.
Emmett J. Rice, Jan. 31, 1990.
Lyle E. Gramley, Jan. 31, 1994.

Except for the President of the United States, no one wields more power and influence over the Nation's economy than the Chairman and Board of Governors of the Federal Reserve System.

The bill I am proposing will bring to a halt the tendency of the Board and the Chairman to assume that they rule the only anti-inflation game in town.

I urge my colleagues to give careful consideration to the legislative recommendation of the Commission on Money and Credit. Although this recommendation was made 20 years ago it is still timely. The reputation of the Commission's members, who included Adolph Berle, Jr., David Rockefeller, Stanley Ruttenberg, Henry H. Fowler, and other outstanding financial and monetary experts, speaks well for the thoughtful and deliberate nature of this recommendation.

I believe all Presidents, including President Reagan, will be well served by our active consideration of my proposal.

Mr. President, I ask unanimous consent that the text of my bill be printed at the end of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 971

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third sentence of the second paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 242) is amended by striking out "term of four years" each place it appears and inserting in lieu thereof "until such time as the term of the President making such designation shall expire".●

By Mrs. KASSEBAUM:

S. 972. A bill to eliminate the possibility of a suspended or probationary sentence for crimes committed using a firearm; to the Committee on the Judiciary.

MANDATORY SENTENCING LEGISLATION

● Mrs. KASSEBAUM. Mr. President, last week's tragic events focus attention once again on violent crime and the political debate over firearms. That debate historically has proven to be more contentious than productive. Among those who have spoken out on either side of the gun issue, there seems to be little common ground. Perhaps the single aspect of the question on which a rough consensus has emerged is that penalties for gun crimes must be severe and certain. While the wider debate is raging, I propose that we act on at least this one point of agreement.

The alarming increase in the use of firearms and explosives in the commission of crimes against the American people and their property cannot be allowed to continue unchecked. Existing legislation has not been adequate, and registration of handguns is not a solution that will keep guns and other dan-

gerous instrumentalities, such as explosives, out of the hands of criminals.

The best way to decrease the use of these dangerous instrumentalities is to make it clear that anyone using them in the commission of a Federal crime will face the certainty of confinement in jail. Under existing law, it is possible for U.S. courts to place on immediate probation any convicted criminal who has used a gun or explosives in the commission of a crime. The use of probationary sentences is not unusual, and, when granted, the defendant does not serve any time in confinement, even though the firearms or explosive devices which he used in his criminal endeavor may have had the potential for great injury and even death to innocent victims. Such probationary sentences should not be permitted when crimes are committed with firearms and explosives.

Mr. President, I therefore, am proposing that section 18 U.S.C. 3651, which grants authority to U.S. courts to impose probationary sentences, be amended to prohibit such probationary sentences when firearms or explosives are used in the commission of Federal crimes. The present statute reads as follows:

§ 3651. Suspension of sentence and probation

Upon entering a judgment of conviction of any offense not punishable by death or life imprisonment, any court having jurisdiction to try offenses against the United States when satisfied that the ends of justice and the best interest of the public as well as the defendant will be served thereby, may suspend the imposition or execution of sentence and place the defendant on probation for such period and upon such terms and conditions as the court deems best.

Upon entering a judgment of conviction of any offense not punishable by death or life imprisonment, if the maximum punishment provided for such offense is more than six months, any court having jurisdiction to try offenses against the United States, when satisfied that the ends of justice and the best interest of the public as well as the defendant will be served thereby, may impose a sentence in excess of six months and provide that the defendant be confined in a jail-type institution or a treatment institution for a period not exceeding six months and that the execution of the remainder of the sentence be suspended and the defendant placed on probation for such period and upon such terms and conditions as the court deems best.

Probation may be granted whether the offense is punishable by fine or imprisonment or both. If an offense is punishable by both fine and imprisonment, the court may impose a fine and place the defendant on probation as to imprisonment. Probation may be limited to one or more counts or indictments, but, in the absence of express limitation, shall extend to the entire sentence and judgment.

The court may revoke or modify any condition of probation, or may change the period of probation.

The period of probation, together with any extension thereof, shall not exceed five years.

While on probation and among the conditions thereof, the defendant—

May be required to pay a fine in one or several sums; and

May be required to make restitution or reparation to aggrieved parties for actual damages or loss caused by the offense for which conviction was had; and

May be required to provide for the support of any persons, for whose support he is legally responsible.

The court may require a person as conditions of probation to reside in or participate in the program of a residential community treatment center, or both, for all or part of the period of probation: *Provided*, That the Attorney General certifies that adequate treatment facilities, personnel, and programs are available. If the Attorney General determines that the person's residence in the center or participation in its program, or both, should be terminated, because the person can derive no further significant benefits from such residence or participation, or both, or because his such residence or participation adversely affects the rehabilitation of other residents or participants, he shall so notify the court, which shall thereupon, by order, make such other provision with respect to the person on probation as it deems appropriate.

A person residing in a residential community treatment center may be required to pay such costs incident to residence as the Attorney General deems appropriate.

The court may require a person who is an addict within the meaning of section 4251(a) of this title, or a drug dependent person within the meaning of section 2(q) of the Public Health Service Act, as amended (42 U.S.C. 201), as a condition of probation, to participate in the community supervision programs authorized by section 4255 of this title for all or part of the period of probation.

The defendant's liability for any fine or other punishment imposed as to which probation is granted, shall be fully discharged by the fulfillment of the terms and conditions of probation.

Mr. President, the bill I am introducing would amend this statute by adding the following paragraph after paragraph 2 of the existing statute:

Whenever the defendant has been convicted of a crime in which firearms or destructive devices, as defined in section 921 (3) and (4) of the Title, during the commission of the offense, the court shall not suspend the imposition or the execution of the sentence or give the defendant a probationary sentence.

The court would, of course, retain its discretion within the limits fixed by law to modify the length of the period of confinement.

In order to complete the prohibition of probationary sentences for criminals who use firearms and explosives, my proposal also amends 18 U.S.C. 924(c), which provides for a separate crime with increased penalty when guns are used in Federal crimes. This statute, however, does not provide for a mandatory sentence or confinement for the first offense. Nor does this statute guarantee that criminals who use firearms or explosives will be charged with this offense providing for increased penalties, since the statute creates a separate crime, and the prosecutor can charge the defendant with the underlying crime and need not charge the violation created in this statute.

To put this statute in conformity with the proposed abolition of probationary sentences in 18 U.S.C. 3651 when guns or explosives are used, I am proposing that 18 U.S.C. 924(c) be amended by striking out the language that permits this circumvention of the mandatory sentencing provision.

Mr. President, if this measure is enacted I believe there will be an eventual reduction in the incidence of gun crime. The measure in the context of the broader debate over firearms has a limited impact. Nevertheless, it would be irresponsible of us not to seize upon recognized solutions merely because they are admittedly partial. I therefore urge all Senators to give this modest proposal their favorable consideration.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 972

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3651 of title 18, United States Code, is amended by adding at the end thereof the following: "Whenever the defendant has been convicted of an offense in which firearms or other destructive devices as defined in paragraphs (3) and (4) of section 921(a) of this title are used during the commission of the offense, the court shall not suspend the sentence of the defendant or give the defendant a probationary sentence.".

SEC. 2. The second sentence of subsection (c) of section 924 of title 18, United States Code, is amended by striking out the following: "the court shall not suspend the sentence in the case of a second or subsequent conviction of such person or give him a probationary sentence.".●

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 973. A bill to amend the Internal Revenue Code of 1954 to allow a refundable income tax credit for the purchase of new automobiles manufactured by certain companies which have substantially increased their average fuel economy; to the Committee on Finance.

TAX CREDIT TO PURCHASERS OF NEW CARS

● Mr. RIEGLE. Mr. President, today I introduce S. 973 which will provide a $500 tax credit to individuals who purchase a new car during 1981. My friend and colleague Congressman BRODHEAD of Michigan, has introduced this bill in the House (H.R. 146).

Specifically, this legislation is targeted at cars produced by U.S. automakers who have increased their average fuel economy for passenger cars in the 1979 model year to at least 120 percent of the average fuel economy of that manufacturer's 1974 model year line. The four principal auto manufacturers in the United States now meet this standard, as do three relatively small volume foreign makers. So this legislation is aimed at the sale of American built cars and is designed to stimulate the sale of cars built here in the United States.

The decline of U.S. auto sales has reached alarming proportions. In 1980, domestic car sales declined by 20 percent from 1979 and 28 percent from 1978. At the same time, imports claimed a record 27 percent of our market, despite the recession and high interest rates. The result was that one American autoworker in four was on permanent layoff with no prospect of reemployment at the end of 1980.

The tax credit in S. 973 will put Americans back to work. It is estimated that this credit will help put 163,000 workers back on the job building fuel-efficient cars. The tax credit would be "refundable"; that is, available even if the taxpayer has no tax liability during 1981. It would reduce revenues to the Treasury

by about $2.7 billion—a substantial portion of which would be recouped through increased income and social security tax receipts, and reduced unemployment and welfare payments.

The effects of this legislation would extend into the supplier industry—steel, rubber, glass, textiles, parts, and so forth—which are so important to America's industrial economy.

Our domestic auto industry is now in a period of historic and dramatic transition. Between 1980 and 1984 this industry will spend $80 billion to retool and modernize. During this time period, we must encourage Americans to buy the fuel-efficient autos that are now available from our domestic companies.●

By Mr. KENNEDY (for himself, Mr. CHAFEE, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. PELL, Mr. PERCY, Mr. TSONGAS, and Mr. WILLIAMS):

S. 974. A bill to amend chapter 44 of title 18 of the United States Code to control handgun crime; to the Committee on the Judiciary.

HANDGUN CRIME CONTROL ACT OF 1981

Mr. KENNEDY. Mr. President, on behalf of Senators CHAFEE, MATSUNAGA, MOYNIHAN, PELL, PERCY, TSONGAS, WILLIAMS, and myself, I send to the desk the "Handgun Crime Control Act of 1981," and I ask that it may be referred to the Senate Committee on the Judiciary.

Companion legislation is being introduced today in the House of Representatives by PETER W. RODINO, JR., chairman of the House Committee on the Judiciary.

This has been a difficult time for all Americans.

Ten days ago in a hotel ballroom, the President of the United States spoke to the members of the Building Trades. He warned of the "violent crime that has surged—making neighborhood streets unsafe and families fearful in their homes."

Then the President went out from that meeting to be shot on the unsafe streets of our Nation's Capital. A two-second fusillade of bullets from a cheap handgun sent a too familiar fear into every home across the land.

We are all grateful for the progress that President Reagan is making in his recovery. We are all prayerful for those who were wounded with him. In these days, we have been one country of common sorrow and concern.

But there are other words that must now be said about this evil deed.

Before the latest flash of gunfire fades from our conscience into the darker pages of our history, we must ask of ourselves why we abide the continuing carnage of the gun and the bullet, the murderer and the assassin. This time, along with our fears and our tears and our shared feelings, must come a new sense of public purpose, a new national commitment to deal with a public question that has haunted us for nearly two decades—the question of handgun control.

Today, we launch a new effort in the Congress to end the arms race in our neighborhoods and streets that nearly took the President's life, and that each year takes the lives of 10,000 Americans and wounds or threatens 250,000 more.

President Reagan may be the latest and best known handgun casualty. But he is not the only victim. By this time tomorrow, 29 more Americans will have died in handgun murders, and 700 more will have been assaulted in handgun crimes. Every day, the relentless toll climbs higher.

Inaction is inexcusable. It is time for Congress to stand up to the gun lobby and face up to its responsibility to deal with the epidemic of handgun violence that plagues the Nation.

This measure is narrowly and carefully drafted to achieve its goal. The reasonable steps I seek will in no way impair the legitimate rights of hunters and sportsmen, or prevent law-abiding citizens from acquiring guns for self-defense. I believe this legislation offers the best, and perhaps the only hope to end the arms race on our city streets and reduce the unacceptable rate of hangun crime that brings sudden death to thousands of innocent Americans every year.

I intend to press this cause in Congress in every way I can. I recognize that enactment of this legislation will not be easy. A powerful special interest group with an overflowing treasury is arrayed against us. But their power is not invincible. What we need is for the citizens of this land to express their shock and outrage, and tell Congress in unequivocal terms that enough is enough.

The bill we are introducing contains the following essential provisions:

It will ban the manufacture, sale, and importation of Saturday night specials.

It will require a 21-day waiting period before the purchase of any other handgun, so that dealers may contact law enforcement authorities and verify the purchaser's eligibility to own a handgun. Current law prohibits sales to felons, persons with a history of mental illness, drug addicts, and persons under 21, but there is no effective method to verify a purchaser's eligibility.

It will prohibit pawnshops from selling hundguns.

It will impose a mandatory minimum jail sentence of up to 5 years for using or carrying a handgun during the commission of a felony.

It will require manufacturers to keep records on all handgun transfers, so that law enforcement officers may trace handguns used in crimes.

It will require the theft or loss of a handgun to be reported to authorities; a fine will be imposed for failure to report the theft or loss of a handgun later used in a felony.

It will prohibit dealers from selling more than two handguns to one person in a year.

It will transfer the law enforcement functions under the legislation from the Treasury Department to the Justice Department.

The wounding of the President has stunned the world and stirred a vast reaction. Yet he is only the most famous casualty of an endless guerrilla war inside our own country. Others less famous are wounded or killed every day; their families suffer and worry. They weep and all too often they mourn.

President Reagan had the maximum security of anyone in this Nation—and yet he was vulnerable last week, as most citizens are vulnerable every day. Never has there been clearer proof that none of us can be safe in America until America is safer for all of us.

Sixty million handguns are now in circulation in this country. The lethal number grows by 2½ million annually. By the year 2000, there will be 100 million handguns in America. Our Nation is armed to the teeth at home. Our society is now becoming an arsenal of criminal anarchy.

In the past year alone, we have seen a 13-percent rise in violent crime, the greatest increase in a dozen years.

Whether the victim is Ronald Reagan or someone whose name the Nation will never know, it is time for us to disarm the violent criminals, the killers, and the psychopaths of their Saturday night specials and their cheap handguns.

Surely we cannot stop all the violence, but at least we can make our cities safer for human survival. Today the clear and present danger to America is the midnight mugger—and the deranged assassin.

We must insist on neighborhoods that are no longer free-fire zones.

We must resist the single issue groups and the gun lobby—for the one issue that really matters here is whether our fathers and mothers, our brothers and sisters, and someday our children, will live or die.

We must understand the anguish and the agony in the White House last week, in the housing projects of our inner cities and the homes of our suburbs every day and night of our national life.

I recognize that handgun control is hardly the whole answer to lawlessness. That is why I have also advocated other measures over many years.

We must set conditions on bail, because no suspect charged with violent crime should be free without condition to rape or to rob. We must demand that juveniles who shoot, stab, and assault should never be allowed to misuse their youth as an automatic excuse for their offenses. We must reform sentencing and provide sufficient resources for law enforcement. No police officer should ever have to jeopardize his life for a subsistence salary that cannot support his family.

All of this is important—but none of it is enough. In the truest sense, law enforcement is part of our national defense. And in the effort to defend ourselves, we must not duck the question of gun control. No sane society should stand by while its enemies arm themselves—whether those enemies are adversaries abroad or criminals and assassins here at home.

So, we must say again and again that for America in 1981, crime control means gun control.

Let me tell you in candor that this is not an easy issue for any officeholder or candidate.

In 1980, in the Presidential primaries, I constantly met union members—men

and women whose interests I have sought to represent throughout my career in public life—who opposed me because they thought I favored confiscation of hunting rifles, long guns, and sporting pistols. It was not true. But it was believed, because the gun lobby had repeated it over and over and over.

Other Senators and Representatives faced a similar assault in 1980. The political action committees opposing gun control spent over $2 million for their candidates, while those on the other side had less than a tenth as much to contribute.

That is why we have failed to control the plague of handguns, even though three-quarters of the American people have favored such control ever since 1963.

I hope that the present tragedy will now be a challenge to put behind us past apprehensions and appeals which have treated handgun control as a sinister plot or a subversion of civil liberties. I hope we can now agree that the first civil liberty of all citizens is freedom from the fear of violence and sudden death on the streets of their communities.

The bill we are introducing today is a moderate bill. It is a sensible bill. It is all I will seek on this issue—and it is something all Americans should be able to support.

All Americans, including sportsmen and hunters, should be able to support a ban on Saturday night specials and cheap handguns. Those guns are not accurate beyond a range of 10 or 15 feet. They are meant to maim or kill another human being. Saturday night specials can be purchased now because of a loophole in the law that allows their lethal parts to be imported from abroad, and then assembled and sold in this country. And last week, one of those weapons almost killed our President.

All Americans, including all liberals, should be abe to support a mandatory minimum prison sentence for any felon who commits a crime with a handgun.

And all Americans, including the National Rifle Association, should be able to support a waiting period for the purchase of handguns to prevent them from falling into the hands of criminals and psychopaths.

If the bill containing those provisions—the bill I have fought for over the years—was in effect now, the alleged attacker of President Reagan could not have bought his gun and shot the President.

There may be other solutions. I am willing to compromise on the provisions of this particular legislation. But I do not comprehend why anyone should oppose the central idea.

No hunters would lose the right to own rifles or sporting pistols. No law-abiding citizens would lose the right to own a handgun to protect their home or family. But very few if any families now rely on Saturday night specials for their safety. Yet very many criminals rely on those guns as a source of instant and inexpensive firepower. Street toughs who cannot afford a $200 handgun can spend $30 or $40 for a weapon that can terrorize a neighborhood or take a life.

The question is not whether we will disarm honest citizens, as some gun lobbyists have charged. The question is whether we will make it harder for those who break the law to arm themselves.

Gun control is not an easy issue. But for me it is a fundamental issue. My family has been touched by violence; too many others have felt the same terrible force. Too many children have been raised without a father or a mother. Too many widows have lived out their lives alone. Too many people have died.

On gun control, I will not give up or give in.

We ask the support of all citizens who believe in law and order as the rule of law that works, instead of a code word doomed to fail.

We ask all citizens to tell their Senators and Representatives, whatever party they are in, whether they are conservatives or liberals, to stand against the danger of handguns in the wrong hands.

We must no longer accept cities and communities bristling with Saturday night specials, apartments triple-locked against intruders, an America where people are imprisoned in their own homes and the elderly live in fearful isolation.

Here in Washington, we remember Michael Halberstam and the shot that echoed across this city.

We all know the toll that has been taken across the Nation. We all know the leaders of our public life and of the human spirit who have been lost or wounded year after year:

My brother, John Kennedy, and my brother, Robert Kennedy;

Medgar Evers, who died so that others could live free;

Martin Luther King, the apostle of nonviolence who became the victim of violence;

George Wallace, who has been paralyzed for nearly 9 years;

And George Moscone, the mayor of San Francisco who was killed in his office.

Last year alone, we lost Al Lowenstein and we almost lost Vernon Jordan.

Four months ago, we lost John Lennon, that gentle soul who challenged us in song to "give peace a chance."

We had two attacks on President Ford and now the attack on President Reagan.

It is unacceptable that all these good men have been shot down. They all sought, each in their own way, to make ours a better world. And too often, too soon, their own world came to an end.

It is unacceptable that a man who has been arrested before, who has been apprehended carrying loaded guns through an airport security check, who apparently has psychiatric problems as well as a criminal record—it is unacceptable that such a man should be able to go to a pawnshop and buy a cheap handgun imported because of a loophole in the law, and then use that gun to attempt murder against the President of the United States.

It is unacceptable that there are States in the American Union today where the accused attacker of President Reagan could buy another Saturday night special.

Above all else, it is unacceptable for us to be silent or to do nothing.

At long last, let us pursue peace in our own country. Let us recall the words of Robert Kennedy spoken the day after Martin Luther King's assassination:

> The victims of the violence are black and white, rich and poor, young and old, famous and unknown. They are, most important of all, human beings whom other human beings loved and needed. No one, no matter where he lives or what he does, can be certain who next will suffer from some senseless act of bloodshed. And yet it goes on, and on, and on, in this country of ours. Why?

Thirteen years later, that same tragic question must be raised again. Now it is for all of us to answer it. We must revolve that the next generation of Americans will not have to witness the carnage next time and ask—"Why?"

Mr. President, I ask that a brief summary of the principal provisions of the bill, the text of the bill, and other materials may be printed in the RECORD.

There being no objection, the bill and other material were ordered to be printed in the RECORD, as follows:

SUMMARY OF PRINCIPAL PROVISIONS OF THE KENNEDY-RODINO HANDGUN CRIME CONTROL ACT OF 1981

1. Ban the manufacture, sale, assembly, or importation of Saturday Night Specials (definition based on weight, length, caliber, lack of safety features and other tests).

2. Establish a twenty-one day waiting perroid for the sale or transfer of any other handgun. Current law prohibits sales to felons, persons with a history of mental illness, drug addicts, or persons under 21, but there is no effective method to implement these prohibitions. Under the bill, a dealer would use the waiting period to check with law enforcement authorities and verify the purchaser's eligibility. The waiting period will be waived if the purchaser has complied with a similar state law requiring a license or permit to purchase a handgun.

3. Prohibit pawnshops from selling handguns.

4. Impose a mandatory minimum jail sentence for using or carrying a handgun during commission of a felony under federal law:

Additional sentence of two to ten years for first offense.

Additional sentence of five to twenty-five years for subsequent offenses.

5. Require manufacturers to keep records on all handgun transfers, so that law enforcement officers may trace handguns used in crimes.

6. Require the theft or loss of a handgun to be reported to authorities; impose a fine for failure to report the theft or loss of any handgun later used in a felony.

7. Prohibit dealers from selling more than two handguns to one person in a year without the approval of the Attorney General.

8. Encourage states to pass handgun "license to purchase" or "license to carry" laws.

9. Increase the license fee for handgun dealers from $10 to $500; increase the fee for manufacturers and importers from $50 to $5,000.

10. Require private parties who transfer handguns to effect such transfer through a licensed dealer.

11. Provide civil liability to handgun victims for any person who "negligently sells" a handgun in violation of the act if the gun is later used in a crime against the victim.

12. Transfer law enforcement functions from the Treasury Department to the Justice Department.

HANDGUN CONTROL FACTS

1. Crime Rate:

Violent crime was up 13 percent in 1980, the largest increase in 12 years.

2. Civilian Handgun Deaths:

One person is murdered by handguns every fifty minutes.

By this time tomorrow, twenty-nine more Americans will have been murdered in handgun killings.

10,728 were murdered in 1979; more than 250,000 other handgun crimes were committed (shootings, assaults, robberies, rapes).

During the peak years of the Vietnam War, 40,000 U.S. soldiers died; in the same period, 50,000 were murdered by handguns.

Handguns are used in fifty percent of all murders—knives are next at nineteen percent; rifles are used in five percent.

3. Law Enforcement:

76 police officers were killed by handguns in 1979.

4. Handguns in Circulation:

60 million now.

2.5 million more every year.

At current rates, there will be 100 million handguns in circulation in the year 2000.

A new handgun is sold every thirteen seconds.

One in five Americans has access to a handgun.

One in nine Americans has been threatened or attacked with a handgun.

On the average, most handguns change hands once every two years.

5. Handgun Manufacturers and Dealers:

There are less than 50 manufacturers of handguns in the U.S.

There are 170,000 gun dealers (roughly the same as the number of gasoline stations).

6. Saturday Night Specials:

The 1968 Act banned their importation, but left a loophole allowing parts to be imported and sold.

A Florida study showed that two-thirds of all convicted handgun felons in jail had used Saturday Night Specials for their crimes.

The Senate passed a ban in 1972 by a vote of 68–25, but the bill died in the House. Subsequent efforts to pass the measure in the Senate have failed.

On a similar Senate vote in 1974, the bill was defeated 58–31.

7. Foreign Countries:

No other Western democracy has such high rates of killings by handguns.

Great Britain; with one quarter of our population, had 55 handgun murders in 1979 (compared to 10,000 in the U.S.).

Japan, with one-half our population, had 171 handguns crimes in 1979 (compared to 250,000 in the U.S.).

The figures are similar for West Germany, France, and Canada.

Most of the foreign nations require licenses for purchases, and only under strict conditions involving police certification.

QUESTIONS AND ANSWERS ON HANDGUN CONTROL

DO WE REALLY NEED HANDGUN CONTROL, AND WHAT IS BEING DONE ABOUT IT?

The statistics of handgun violence are alarming. In 1979, 10,728 Americans were murdered with a handgun, 2½ times more often than with any other weapon. That figure represents 50% of all the murders in America that year. In addition, there were over 250,000 other handgun crimes in 1979—shootings, assaults, robberies, and rapes.

More important than the statistics of handgun violence are the lives they represent. "The victims of the violence are black and white, rich and poor, young and old, famous and unknown," said Robert Kennedy, himself a victim of handgun violence, in 1968. "They are most important of all, human beings whom other human beings loved and needed. No one—no matter where he lives or what he does—can be certain who next will suffer from some senseless act of bloodshed. And yet it goes on and on and on in this country of ours. Why?"

There are an estimated 60 million handguns in America, and 2.5 million new handguns are put into circulation every year. It is expected that there will be over 100 million handguns in America by the year 2000.

To help reduce handgun violence in our country, Senator Edward Kennedy and Congressman Peter Rodino have introduced the Handgun Crime Control Bill in Congress. The legislation is the most comprehensive handgun control bill ever introduced, and as Senator Kennedy has said, it "seeks to find common ground between law-abiding, responsible handgun owners and those Americans who do not own or wish to own handguns."

WHAT ARE THE MAIN FEATURES OF THE KENNEDY-RODINO HANDGUN CRIME CONTROL BILL?

1. The Kennedy-Rodino Bill would stop the manufacture and sale of Saturday Night Specials, the non-sporting, easily-concealed handguns most favored by criminals. The bill would use the same definition of Saturday Night Specials now used to determine which handguns are not suitable for importation.

2. The bill would establish a 21-day waiting period between the time an individual purchases a handgun and the time it is picked up. There are two purposes for the waiting period. First, it would provide a "cooling off" period for individuals intent on buying a handgun to commit a crime of passion. Second, it would provide an opportunity for law enforcement officials to check that the prospective purchaser did not have a criminal record or history of mental incompetence or drug addiction.

3. The bill would prohibit sales of handguns by pawnshops—that is, any store which receives personal property as security for the repayment of money.

4. The bill would establish a mandatory jail sentence for committing a federal felony with a handgun. A jail sentence of 2–10 years would be imposed for the first offense and 5–25 years for the second offense.

5. The bill would change the record-keeping procedure for handguns. Instead of a record of the purchase being kept by the dealer (the current practice), the record would be processed by the dealer, but kept by the manufacturer. The purpose of this new procedure is to make it easier for law enforcement officials to trace handguns used in crimes and to return stolen handguns to their legitimate owners. There are 170,000 dealers of handguns in America, but less than 50 manufacturers. The current procedure is cumbersome for law enforcement officials, and the new procedure would facilitate the tracing of handguns used in crimes.

6. The bill would require the reporting of thefts and losses of handguns by handgun manufacturers, dealers, and owners. Under current law, there is no such requirement, despite the fact that large numbers of the handguns used by criminals are stolen.

7. The bill would prohibit dealers from selling more than two handguns to one person in a year without the approval of the Attorney General.

8. The bill would encourage states to pass license-to-carry laws similar to the Bartley-Fox law in Massachusetts. Because the eligibility of the purchaser would already have been checked, a person with a license-to-carry would not have to wait three weeks between purchasing and picking up his handgun.

9. The bill would transfer the responsibility for firearms from the Department of Treasury to the Department of Justice. The Treasury Department is the taxation arm of the federal government, and the Justice Department is the law enforcement arm of the federal government. Control of handgun crime is the proper responsibility of the law enforcement arm of the government.

THE KENNEDY-RODINO BILL WOULD BAN ALL SATURDAY NIGHT SPECIALS—HOW WOULD THAT TYPE OF HANDGUN BE DEFINED?

The 1968 Gun Control Act prohibited the importation of a certain class of handguns, commonly known as Saturday Night Specials. Loopholes in that law, however, allow the importation of parts for Saturday Night Specials and do not prohibit the domestic manufacture and sale of these handguns. In fact, the handgun used in the attempted assassination of President Reagan was a Saturday Night Special which had been assembled from imported parts.

The Kennedy-Rodino Bill uses the same criteria for defining a domestically manufactured Saturday Night Special as the 1968 Gun Control Act used in defining a foreign-manufactured Saturday Night Special. A "Factoring Criteria for Weapons" established by the Bureau of Alcohol, Tobacco and Firearms of the Treasury Department would require handguns to meet certain requirements before they could be manufactured and sold. The criteria is based on barrel length, frame construction, weight, caliber, safety features, and miscellaneous equipment.

ARE SATURDAY NIGHT SPECIALS REALLY THE MOST FAVORED HANDGUNS USED BY CRIMINALS?

According to a study for the Florida Bureau of Criminal Justice Planning and Assistance prepared by Dr. D. E. S. Burr of the Florida Technological University, Saturday Night Specials are indeed more favored by criminals than by law-abiding citizens.

The Burr Study defined Saturday Night Specials as handguns costing $50.00 or less and with a barrel length of 3 inches or less. A comparison was made between handguns owned by law-abiding citizens of Florida and those handguns used by felony offenders in the custody of the Florida Department of Offender Rehabilitation.

The Burr Study concluded that only 12 percent of the handguns owned by law-abiding citizens could be classified as Saturday Night Specials, but 68 percent of the handguns used by criminals to commit felonies could be classified in that category.

"Legitimate handgun owners typically own a different type of weapon than felony offenders," the study concluded. "Felony offenders also carry handguns more frequently than legitimate gun owners. Of the 277 felony offenders interviewed in this Study, 73 percent indicated that they would continue to regularly carry a handgun upon release from custody, while only 7 percent of the legitimate gun owners regularly carry a handgun."

ISN'T THIS SIMPLY FEDERAL REGISTRATION OF ALL HANDGUNS? WON'T IT RESULT IN A LARGE GOVERNMENT BUREAUCRACY?

Under the Kennedy-Rodino Bill, there would be no federal registration of handguns, and there would be no government bureaucracy. Under the bill, handgun sale records would be maintained by manufacturers (just as automobiles are), and the records would not be available to the federal government except for law enforcement officials tracing handguns used in crimes. The records would not be available to the government for any other purpose.

WOULD THERE BE LICENSING OF HANDGUNS UNDER THE KENNEDY-RODINO BILL?

There would be no federal licensing of handguns owners under the Kennedy-Rodino Bill. The bill does encourage states to pass license-to-carry laws similar to the Bartley-Fox law in Massachusetts, but those measures would be handled by the state governments, not the federal government.

With a state license-to-carry, a person would not have to wait three weeks between purchasing and picking up a handgun, because his eligibility would already have been verified when he received his license.

MASSACHUSETTS IS KNOWN FOR HAVING ONE OF THE TOUGHEST HANDGUN CONTROL LAWS IN THE NATION. DOES IT WORK?

A study of the Bartley-Fox law in Massachusetts by the Center for Applied Social Research at Northeastern University in Boston concluded that there was a significant decrease in the use of handguns in murders, assaults, and robberies as a result of the law. The Massachusetts law mandates a one-year jail term for carrying a handgun illegally.

There was a 43% decline in handgun homicides in Boston during the period studied, while there was only an 11.1% decline in other similar-sized cities, according to the study. The number of armed robberies in Massachusetts declined by 35.1% during 1975 and 1976, the first two years the law was in effect, according to the study, while the number of armed robberies in the other 49 states declined by only 11.7%

While there was an increase in the use of other weapons in Massachusetts during the period studied, the authors of the Northeastern report said the law's overall effect was beneficial, because "gun-related incidents are the most serious and injurious, so there has been a tendency toward less dangerous encounters."

"Particularly in the category of armed assaults, most of which typically stem from arguments and other spur-of-the-moment things," according to Dr. William J. Bowers, Director of the Northeastern Center and coauthor of the study, "people seem less likely to run to their cars or their homes and come back with a gun. Instead, they appear to have just reached for a barstool or something else more frequently."

"We don't see it as a deliberate substitution of a knife or some other weapon for a gun," he added, "but rather an emotional resort to whatever is handy during a heated conflict, with guns being less handy because law."

WHAT HAS BEEN THE EXPERIENCE OF OTHER NATIONS IN CONTROLLING HANDGUNS?

Compared to the United States, other major industrial nations have very stringent controls. In Great Britain, it is necessary to have a police certificate to own a handgun. With a population of 50 million, there were 55 handgun murders in Great Britain in 1979. There were only 69 crimes involving murder or robbery with a firearm in 1979 in West Germany, where the population is 60 million. West German requires a potential handgun owner to prove he needs a handgun and to have experience or training in its use.

In Japan, a prospective handgun owner must get permission from the public safety commission and go through a strict check on his background before getting a handgun. With a population of 117 million, there were 48 handgun murders in Japan in 1979. Canada recently passed a law requiring a stringent "needs" test for police permission to buy a handgun. In 1979, one year after the law took effect, there were 52 handgun murders in Canada, a country with a population of 24 million.

With a population of 226 million, there were 10,728 murders with handguns in the United States in 1979.

DOESN'T THE SECOND AMENDMENT TO THE CONSTITUTION GUARANTEE INDIVIDUALS THE RIGHT TO KEEP AND BEAR ARMS?

The Second Amendment states: "A well-regulated militia, being necessary to the security of a free State, the right of the people to keep and bear arms, shall not be infringed."

This amendment does not guarantee a right "to keep and bear arms" to individuals, but does say that such a right is necessary for a well-regulated militia (now known as the National Guard in the fifty states).

On five separate occasions, the U.S. Supreme Court has ruled that the Second Amendment was intended to protect members of a state militia from being disarmed by the federal government. In addition to the five Supreme Court decisions, the American Bar Association has stated that "every Federal Court decision involving the amendment has given the amendment a collective, militia interpretation and/or held that firearms control laws enacted under a state's police power are constitutional."

WHAT DO PUBLIC OPINION POLLS SAY ABOUT HANDGUN CONTROL?

Public opinion polls have shown strong public support for handgun control for almost fifty years. Recent polls by George Gallup and Lou Harris have confirmed continuing support for handgun control by the American people.

In August 1979, an ABC News-Harris Survey showed that by a margin of 78–20 percent, Americans favor "a federal law requiring that all handguns people own be registered by federal authorities." The same poll also showed that 23 percent of the entire adult population said they would vote against a political candidate who is opposed to handgun control. By contrast, only 7 percent said they would vote against a candidate who favors handgun control.

The Gallup Poll in January 1981 also showed the American public is overwhelmingly of the opinion that handgun control laws should be made more strict; 62 percent of the public said that they favored stricter handgun control legislation.

A Washington Post-ABC News Poll taken following the attempted assassination of President Reagan in March 1981 showed that 65 percent of the American people favor "stronger legislation controlling the distribution of handguns."

S. 974

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Handgun Crime Control Act of 1981".

TITLE I—AMENDMENTS TO CHAPTER 44 OF TITLE 18, UNITED STATES CODE

DEFINITIONS

SEC. 101. (a) Section 921(a) of title 18 of the United States Code, is amended by striking out paragraphs (11) through (12) and inserting in lieu thereof the following:

"(11) The term 'dealer' means any person who is (A) engaged in business as an ammunition retailer, (B) engaged in business as a gunsmith, (C) engaged in business as a firearms dealer, or (D) a pawnbroker whose business includes the taking or receiving by way of pledge or pawn, of any firearm or ammunition as security for the payment or repayment of money. The term 'licensed dealer' means any dealer who is licensed under the provisions of this chapter. The term 'firearms dealer' means any person who is engaged in the business of selling firearms or ammunition at wholesale or retail.

"(12) The term 'pawnbroker' means any person whose business or occupation includes the taking or receiving by way of pledge or pawn, of personal property as security for the payment or repayment of money.".

(b) Section 921(a) of such title is amended by adding at the end the following new paragraphs:

"(21) The term 'ammunition retailer' means any person who is not otherwise a dealer and who is engaged in the business of selling ammunition at retail, other than ammunition for destructive devices.

"(22) The term 'gunsmith' means any person who is not otherwise a dealer and who is engaged in the business of repairing firearms and the term 'repairing' includes making or fitting special barrels, stocks, or trigger mechanisms to firearms.

"(23) The term 'handgun' means a firearm which has a short stock and which is designed to be held and fired by the use of a single hand. The term also includes any combination of parts from which a handgun can be assembled.

"(24) The term 'handgun model' means a handgun of a particular design, specification, and designation.".

UNLAWFUL ACTS

SEC. 102. (a) Section 922(a)(1) of title 18 of the United States Code, is amended by inserting "repairing," after "manufacturing,".

(b) Section 922(a)(2)(A) of such title is amended—

(1) by inserting after "replacement firearm" the following: ", other than a handgun model which has not been approved by the Attorney General under section 930 of this title,";

(2) by inserting after "customizing" the following: "; except that an individual may not mail a handgun model which has not been approved by the Attorney General under section 930 of this title, except for the purpose of modification pursuant to subsection (d)(3) of this section, but this subparagraph does not preclude the return, within thirty days of the effective date, to the person from whom it was received, of a handgun of a model not approved by the Attorney General under section 930 which was transferred to the licensed importer, licensed manufacturer, licensed dealer, or licensed collector before the effective date of the amendments made by the Handgun Crime Control Act of 1981".

(c)(1) Section 922(a)(5) of such title is amended by striking out "resides in any State other than that in which the transferor resides (or other than that" and inserting in lieu thereof "does not reside in the State in which the transferor resides (or does not reside in the State".

(2) Section 922(a)(5) of such title is further amended—

(A) by striking out "and" at the end of clause (A);

(B) in clause (B), by inserting "other than a handgun" after "firearm"; and

(C) by inserting before the period the following: ", and (C) the loan or rental of a handgun, other than a handgun model which has not been approved by the Attorney General under section 930 of this title, to any person for temporary use for lawful sporting purposes within the premises or in the presence of the transferor".

(e) Section 922(b)(2) of such title is amended by inserting after "other disposition" the following: ", or the place of residence of the purchaser,".

(f) Section 922(b)(3) of such title is amended—

(A) by redesignating clause (C) as clause (D);

(B) in clause (B), by inserting "other than a handgun" after "firearm"; and

(C) by inserting after "lawful sporting purposes," in clause (B) the following: "(C) shall not apply to the loan or rental of a handgun, other than a handgun model which has not been approved by the Attorney General under section 930 of this title, to any person for temporary use for lawful sporting purposes within the premises or in the presence of the transferor".

(g) Section 922(c) of such title is amended—

(1) by inserting after "may sell a firearm" the following: ", other than a handgun,"; and

(2) by striking out ", in the case of any firearm other than a shotgun or a rifle, I am twenty-one years or more of age, or that, in the case of a shotgun or a rifle," in subsection (c)(1).

(h) Section 922 of such title is amended by striking out subsections (d) and (h).

(i) Section 922 of such title is amended by inserting after subsection (c) the following:

"(d)(1) It shall be unlawful for any licensed manufacturer, licensed importer, licensed dealer, or licensed collector to manufacture, assemble, sell, deliver, or transfer any handgun, other than a curio or relic, in the United States unless the handgun model has been approved by the Attorney General under section 930 of this title.

"(2) It shall be unlawful for any person other than a licensed manufacturer licensed importer, licensed dealer, or licensed collector to sell or transfer any handgun, other than a curio or relic, in the United States unless that person knows or has reasonable cause to believe that the handgun model has been approved by the Attorney General under section 930 of this title.

"(3)(A) Paragraphs (1) and (2) of this subsection do not preclude an individual from mailing a handgun model which has not been approved by the Attorney General under section 930 of this title and which such individual owns in compliance with Federal, State, and local law to a licensed importer, licensed manufacturer, or licensed dealer for the sole purpose of modifying the handgun to comply with the standards of a handgun model approved under section 930 of this tilte, if such individual informs the local law enforcement authorities that such individual intends to do so.

"(B) Paragraphs (1) and (2) of this subsection do not apply to the manufacture, sale, delivery, or other transfer of a handgun to the Attorney General for testing and analysis by the Attorney General or a research organization designated by the Attorney General.

"(4) It shall be unlawful for any person to modify a handgun of a handgun model previously approved by the Attorney General under section 930 of this title if as a result of the modification the handgun no longer meets the standards of a handgun model approved under section 930 of this title.".

(j) Section 922(g)(3) of such title is amended—

(1) by striking out "drug (as defined in section 201(v) of the Federal Food, Drug, and Cosmetic Act)" and inserting in lieu thereof "substance"; and

(2) by striking out "(as defined in section 4731(a) of the Internal Revenue Code of 1954); or" and inserting in lieu thereof "as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802);".

(k) Subsection (g) of section 922 of such title is amended by striking out "or" at the end of paragraph (3) and all that follows through the end of such subsection and inserting in lieu thereof the following:

"(4) who has been adjudicated as mentally incompetent or has been committed to a mental institution; or

"(5) who, being an alien, is illegally or unlawfully in the United States;

"(6) who has been discharged from the Armed Forces under dishonorable conditions; or

"(7) who having been a citizen of the United States has renounced his citizenship;

to possess, ship, transport, or receive any firearm or ammunition. It shall be unlawful for any licensed importer, licensed manufacturer, licensed dealer, or licensed collector to sell or otherwise dispose of any firearm or ammunition to any person knowing or having reasonable cause to believe that such person is a person described in clause (1), (2), (3), (4), (5), (6), or (7) of this subsection.".

(l) Section 922 of such title is further amended by inserting after subsection (g) the following:

"(h) It shall be unlawful for any person—

"(1) who, while being employed by an employer who is prohibited from possessing, shipping, transporting, or receiving firearms or ammunition under paragraph (1), (2), (3), (4), (5), (6), or (7) of subsection (g), and

"(2) who, knowing or having reason to believe such an employer is a person described in paragraph (1), (2), (3), (4), (5), (6), or (7) of subsection (g),

to possess, transport or receive any firearm or ammunition in the course of such employment unless the Attorney General waives the prohibition under this subsection with respect to such a person in accordance with such rules as the Attorney General prescribes.".

(m) Section 922(1) of such title is amended—

(1) by inserting "or 930(a)" after "925(d)"; and

(2) by inserting "(including any handgun)" after "firearm" each place it appears.

(n) Section 922 of such title is further amended by adding at the end the following new subsections:

"(n) It shall be unlawful for any person to ship or transport any firearm or ammunition in interstate or foreign commerce if such shipment or transportation is in violation of a State law in a place to which or through which the firearm was shipped or transported or of an ordinance applicable at the place of sale, delivery, or other disposition.

"(o)(1) It shall be unlawful for any licensed importer, licensed manufacturer, licensed dealer, or licensed collector to sell or transfer three or more handguns to the same person, other than another licensed importer, licensed manufacturer, licensed dealer, or licensed collector, during a period of one year, unless the transferee has obtained prior approval of the purchase from the Attorney General, under rules prescribed by the Attorney General.

"(2) It shall be unlawful for any person, other than a licensed importer, licensed manufacturer, licensed dealer, or licensed collector to purchase or receive three or more handguns during a period of one year, unless such person has obtained prior approval of the purchase from the Attorney General under rules prescribed by the Attorney General.

"(p) It shall be unlawful for any person who has knowledge of the loss, theft, or disappearance of a handgun in such person's possession or control to fail to report the loss, theft or disappearance to the chief law enforcement officer of the place where the handgun was kept, within twenty-four hours after discovering the loss, theft, or disappearance, and to the Attorney General within five days after discovering the loss, theft, or disappearance. Each such report shall contain (1) the serial number, (2) the model, (3) the caliber, (4) the manufacturer of the handgun, (5) the date and place of theft, loss or disappearance, and (6) a complete statement of facts and circumstances surrounding the theft, loss or disappearance.".

TRANSFER OF HANDGUNS

SEC. 103. (a) Chapter 44 of title 18 of the United States Code, is amended by inserting after section 928 the following new section:

"§ 929. Transfer of handguns

"(a) In any case not otherwise prohibited by this chapter, an individual in lawful possession of a permit issued under a State law approved by the Attorney General under subsection (c) of this section may purchase or receive a handgun in any State only if the requirements of subsection (b) of this section are satisfied.

"(b) The requirements referred to in subsection (a) of this section are that—

"(1) such purchase or receipt would not be in violation of any State or local law applicable at the place of transfer; and

"(2)(A) in the case of a transfer by a transferor who is licensed under section 923 of this title, the transferee appears in person at the business premises of a licensed dealer in handguns, and

"(i) the transferee has shown the licensed dealer such permit and the licensed dealer has verified the current validity of that permit and has stamped on such permit the date of transfer or purchase; or

"(ii) the transferee provides identification sufficient to establish, under rules prescribed by the Attorney General, reasonable grounds to believe that the individual described on the permit is the transferee, and the dealer reasonably believes that the individual described on the permit is the transferee; and

"(B) in the case of a transfer by a transferor other than a person licensed under section 923 of this title, to a transferee other than a person so licensed, the transferee has supplied to the transferor with a certificate that—

"(i) establishes the current validity of the permit; and

"(ii) was obtained from a local law enforcement agency or licensed dealer in handguns in a form and in a manner prescribed by the Attorney General;

and upon completion of the transfer, the transferor has reported the transfer on a form to be provided by the Attorney General to a licensed dealer who shall maintain a record of that transfer.

"(c) The Attorney General shall review State laws providing for permits to carry handguns and laws providing for permits to purchase handguns. The Attorney General shall certify any such law as approved under this subsection if the law contains provisions to assure that—

"(1) a permit is issued only after (A) positive determination of the identity of the applicant: (B) an examination of pertinent local, State, and Federal records; (C) a determination that the applicant has not been convicted of, and is not currently charged with an offense punishable by imprisonment for one year or more; and (D) the application and examination reveal no other grounds for disqualification to possess a handgun under Federal or State law;

"(2) the permit provides, on its face, a photograph or other reliable means of determining that an individual possessing the permit is the individual to whom such permit was issued;

"(3) each permit issued to an individual is canceled upon the holder's becoming ineligible to have such permit, and the State issues at least monthly, to the Attorney General and to all licensed dealers within the State, a list of canceled permit numbers;

"(4) the permit is not issued to any individual who is prohibited from purchasing a handgun under the local law applicable at such individual's place of residence;

"(5) the permit is effectively nonalterable or the State law punishes the alteration thereof;

"(6) the State maintains a record of the names of individuals who have been issued a permit;

"(7) in the case of a permit to carry handguns—

"(A) a permit is only issued to an individual who is not prohibited from carrying a handgun under the local law applicable at such individual's place of residence and who has a legitimate need to carry a handgun outside such individual's residence or

place of business, including an individual who is—

"(i) law enforcement personnel;

"(ii) a licensed security guard;

"(iii) an individual who meets standards of demonstrated need for the use of handguns for protection of such individual's person or property;

"(iv) individuals who meet standards of demonstrated need for the use of handguns for legitimate sporting purposes; and

"(v) individuals who, for a limited period of time, must transport a handgun in such individual's possession through or within the State;

"(B) the State periodically reviews the need of an individual for a permit so that any permit may be canceled when the need no longer exists; and

"(C) the State provides a mandatory penalty of imprisonment for a term of at least six months for all individuals who are found guilty of carrying a handgun outside of their residence or place of business without a permit to carry a handgun; and

"(8) in the case of a permit to purchase a handgun—

"(A) allows the permittee to carry the handgun outside of permittee's residence or place of business for not more than twenty-four hours from the date such permittee actually receives the handgun from the transferor, and only if the handgun is carried in nonfunctional form; and

"(B) expires within two years, with renewal predicated on a redetermination of the permittee's eligibility.

"(d) The Attorney General shall publish monthly a composite list of canceled permit numbers, by State, for all States submitting lists under paragraph (3) of this subsection.

"(e) A licensed dealer in handguns shall not sell, deliver, or otherwise transfer a firearm to an individual who is not licensed under section 923 of this title and does not have a permit under a law approved by the Attorney General under subsection (c) of this section unless—

"(1) the transferee appears in person at the business premises of a licensed dealer in handguns;

"(2) the transferee submits to the dealer a sworn statement on a form prescribed by the Attorney General which states—

"(A) the transferee's name and residence;

"(B) that the transferee's receipt, purchase, or possession of the handgun will not be in violation of Federal law, or of a State or local law applicable to the transferee's place of residence and that the transferee does not intend to resell or retransfer the handgun to a person who is barred from purchasing, owning, or possessing such handgun by Federal, State, or local law applicable to the place of the residence of the retransferee;

"(C) the title, name, and address of the chief law enforcement officer of the place of the transferee's residence;

"(3) in the event that a State or local law applicable at the place of the residence of the transferee requires that an individual must have a permit to own, carry, purchase, or possess the handgun, a true copy of such permit is attached to the sworn statement, and any other information required to be supplied to purchase, acquire, possess, own, or carry a handgun under such State or local law is also attached to the sworn statement;

"(4) the transferee provides identification sufficient to establish, under rules prescribed by the Attorney General, reasonable grounds to believe that the individual named on the sworn statement is the transferee, and that the residence of the transferee is at the address stated in such sworn statement;

"(4) the dealer has, before delivery of the handgun, forwarded immediately by registered or certified mail (return receipt requested), to the chief law enforcement officer of the place of residence of the transferee and to the Federal Bureau of Investigation a copy of the sworn statement (with the attached copy of any State permit) in a form prescribed by the Attorney General, for the purpose of—

"(A) notifying such officer of the proposed transaction, and permitting such officer to check the identity and record of the transferee, and to determine and report to the dealer whether ownership or possession of the handgun by the transferee would be in violation of Federal law or of State or local law enforcement officer of the place of residence;

"(B) permitting an identity and record check by the Federal Bureau of Investigation which shall, within fifteen days of receipt of the sworn statement from the dealer, transmit to the dealer a report whether the transferee is prohibited by law from receiving a handgun;

"(6) the dealer—

"(A) has received the report of the Federal Bureau of Investigation;

"(B) has received the report of the chief law-enforcement officer of the place of residence of the transferee; and

"(C) has not received information from the Federal Bureau of Investigation or the chief law enforcement officer that the transferee is prohibited from shipping, possessing, transporting, or receiving a handgun under subsection (g) of section 922, or that the transferee is less than twenty-one years of age, or that the receipt, purchase, or possession of the handgun by the transferee would be a violation of State or local law applicable at the place of residence; and

"(7) twenty-one days have elapsed after the licensee submitted the sworn statement of the transferee.

A copy of the sworn statement, a copy of any State license or permit to purchase or carry, and a copy of any notification to the Federal Bureau of Investigation and the appropriate chief law enforcement officer, together with the report received from the Federal Bureau of Investigation and the law enforcement officer under this subsection, shall be retained by the licensee as part of the records required to be kept under section 923(g) of this title.

"(f) In the case of a transfer of a handgun by a transferor, who is not a licensed dealer in handguns, to a transferee who is not a person licensed under section 923 of this title and does not have a permit under a law approved by the Attorney General under subsection (c) of this section, the transferor shall not transfer the handgun unless the transferor has received from the transferee or from a licensed dealer in handguns a written certification on a form provided by the Attorney General, that a licensed dealer in handguns has followed the procedure required under subsection (e) for transfers to which that subsection applies, as if the transfer under this subsection were a transfer by such dealer under that subsection. Upon completion of the transfer, the transferor shall notify the dealer, on a form provided as part of the certificate, that the transfer has taken place.

"(g) This section does not apply to loans or rentals of handguns at legitimate shooting ranges for use on the premises for periods of less than twelve hours and under conditions prescribed by rule under this chapter.

"(h) A licensed dealer in handguns who handles a transfer of a handgun under subsection (b)(2)(B) or subsection (e) of this section shall be entitled to charge the transferee a fee determined by the Attorney General of not more than $10 per transaction.

"(i) Nothing in this section shall be construed to permit an individual to carry a handgun in any State if such a carrying is illegal in that State.".

(b) The table of sections for chapter 44 of such title is amended by inserting at the end the following new item:

"929. Transfer of handguns.".

LICENSING

SEC. 104. (a) Section 923(a)(1) of title 18 of the United States Code, is amended—

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(2) by adding after subparagraph (A) the following:

"(B) of handguns, a fee of $5,000 per year;"; and

(3) by inserting in subparagraph (C), as so redesignated by this subsection, "or handguns" after "destructive devices".

(b) Section 923(a)(2) of such title is amended—

(1) by striking out "or" at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C);

(3) by inserting after subparagraph (A) the following:

"(B) of handguns, a fee of $5,000 per year; or"; and

(4) by inserting "or handguns" after "destructive devices" the first place is appears by this subsection.

(c) Section 923(a)(3) of such title is amended—

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (E) and (F), respectively;

(2) by inserting after subparagraph (A) the following:

"(B) in handguns, a fee of $500 per year;

"(C) in ammunition for handguns that is not also used in rifles, a fee of $100 per year;";

"(D) who is a gunsmith, a fee of $100 per year;"; and

(3) by inserting "or handguns" after "destructive devices" each place it appears in subparagraphs (E) and (F), as so redesignated by this subsection.

(d) Section 923(a) of such title is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of law, the license fees paid pursuant to this section shall be used by the Attorney General for the administration and enforcement of the provisions of this chapter.".

(e) Section 923(c) of such title is amended by inserting "(1)" after the subsection designation and by adding at the end thereof the following:

"(2) A pawnbroker may not be licensed as a dealer in handguns or handgun ammunition, and a handgun dealer or dealer in handgun ammunition may not conduct such dealer's business from the premises of a pawnbroker.".

(f)(1) The matter preceding subparagraph (A) in paragraph (1) of section 923(d) of such title is amended to read as follows:

"(1) Any application submitted under subsection (a) or (b) of this section shall be approved if the Attorney General finds that—".

(2) Section 923(d)(1)(B) of such title is amended to read as follows:

"(B) the applicant (including, in the case of a corporation, partnership, or association, any individual possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of the corporation, partnership, or association)—

"(i) is not prohibited from possessing, transporting, shipping, or receiving firearms or ammunition under section 922 (g) or (h) of this chapter;

"(ii) is not prohibited by the law of the State or by the relevant ordinance of his place of business from conducting the business of transporting, shipping, receiving, selling, transferring, owning, or possessing the

firearms or ammunition to which the license would apply; and

"(iii) certifies the applicant will not employ individuals in the licensed business who are prohibited from possessing, transporting, shipping, or receiving firearms or ammunition under section 922(g).".

(3) Section 923(d)(1)(E)(i) of such title is amended by inserting before the comma the following: "and such premises are appropriate nonmobile premises protected by such adequate security devices as the Attorney General shall by rule prescribe".

(g) Section 923(d)(2) of such title is amended by deleting "forty-five" and inserting in lieu thereof "ninety".

(h) Section 923(e) of such title is amended by inserting "suspend or" before "revoke".

(i) Section 923(f) of such title is amended—

(1) in paragraph (1)—

(A) by inserting "suspended or" before "revoked" each place it appears; and

(B) by inserting "suspension or" before "revocation";

(2) in paragraph (2)—

(A) by inserting "suspends or" before "revokes a license";

(B) by striking out "denial or revocation" and inserting in lieu thereof "denial, suspension, or revocation" in lieu thereof; and

(C) in the second sentence, by inserting "suspension or" before "revocation" each place it appears; and

(3) in paragraph (3)—

(A) in the first sentence, by striking out "his decision to deny an application or revoke a license" and inserting in lieu thereof "the action reviewed";

(B) in the second sentence by striking out "denial or revocation" and inserting "action" in lieu thereof; and

(C) in the last sentence by inserting "suspend or" before "revoke".

(j) Section 923(g) of such title is amended to read as follows:

"(g)(1) Each licensed importer, licensed manufacturer, licensed dealer, and licensed collector shall maintain such records of importation, production, shipment, receipt, sale, or other disposition, of firearms and ammunition at such place, for such period, and in such form as the Attorney General may by rule prescribe.

"(2) Each licensed importer and licensed manufacturer shall for each handgun imported, received, or manufactured by such importer or manufacturer, maintain accurate records kept according to the serial number of each such handgun for ten years from the date of each disposition, of (A) the disposition of each such handgun whether through sale, transfer, destruction, loss, theft, or other means, (B) the date of such disposition, and (C) in addition for each sale or transfer of each such handgun including subsequent transfers reported by a licensed dealer under subsection (b) of section 929, of the model, the name and address of the transferor, and the name and address or license number of the transferee.

"(3) Each licensed dealer in handguns shall, for each handgun received or transferred by or through him under section 929, maintain accurate records kept according to the serial number of each such handgun, of (A) the disposition of each such handgun, whether through sale, transfer, trade-in, destruction, loss, theft, or other means, (B) the date of such disposition, and (C) in addition for each sale or transfer of such handgun, of the model, the name and address of the transferor, and the name and address and license or permit number, if any, of the transferee and the date of expiration of such license or permit. Each such dealer shall transfer such records monthly to the importer or manufacturer whose serial number appears on the handgun.

"(4) Each licensed importer and licensed manufacturer shall, pursuant to such regulations as the Attorney General shall prescribe, conduct periodic audits of the records received from licensed dealers under paragraph (3) of this subsection to ensure the accuracy of such records.

"(5) In the event that a licensed importer, manufacturer, dealer, or collector loses his license, sells or transfers his business to another person or corporation, dies, or in any other way ceases doing business as a licensed importer, manufacturer, dealer, or collector, he shall transfer, or cause to be transferred, to the subsequent purchaser or transferee of the business, or in the event that there is no subsequent purchaser or transferee of the business, to the Attorney General, the records maintained under this section. All reports under subsection (b) from dealers with respect to transfers of handguns with serial numbers associated with an importer or manufacturer who has ceased doing business, shall be sent to the subsequent purchaser or transferee of the business, or in the event that there is no subsequent purchaser or transferee of the business, to the Attorney General.

"(6)(A) All licensed importers, licensed manufacturers, licensed dealers, and licensed collectors shall make such records available for inspection at all reasonable times, and shall submit to the Attorney General such regular reports and information with respect to such records as he shall by regulations prescribe, including quarterly reports, kept according to handgun size and model, summarizing the disposition of all handguns transferred by or through that licensed importer, licensed manufacturer, licensed dealer, or licensed collector. No such regular reports shall contain the name or address of any noncommercial licensee.

"(B) The Attorney General may enter during business hours the premises (including places of storage) of any firearms or ammunition importer, manufacturer, dealer, or collector for the purpose of inspecting or examining (i) any records or documents required to be kept by such importer, manufacturer, dealer, or collector under the provisions of this chapter or rules issued under this chapter, and (ii) any firearms or ammunition kept or stored by such importer, manufacturer, dealer, or collector at such premises. Upon the request of a State or any political subdivision thereof, the Attorney General may make available to such State or any political subdivision thereof, any information which the Attorney General may obtain by reason of the provisions of this chapter with respect to the identification of persons within such State or political subdivision thereof, who have purchased or received firearms or ammunition, together with a description of such firearms or ammunition.".

(k) Section 923(i) of such title is amended by inserting at the end thereof the following: "The Attorney General shall approve for each licensed importer and manufacturer a serial number code unique to that importer or manufacturer.".

EASILY CONCEALABLE HANDGUNS ILLEGAL

SEC. 105. (a) Chapter 44 of title 18 is amended by inserting after section 929 as added by this Act the following new section:

"§ 930. Easily concealable handguns

"(a)(1) The Attorney General shall approve for manufacture, assembly, importation, sale, or transfer any handgun model if the Attorney General has caused to be evaluated and tested representative samples of such handgun model, and has found that such handgun model is generally recognized as particularly suitable for or readily adaptable to sporting purposes.

"(2) The Attorney General may approve under paragraph (1) of this subsection any handgun model particularly appropriate for use for law enforcement purposes by law enforcement authorities, even if such handgun model is not generally recognized as particularly suitable for or readily adaptable to sporting purposes. The Attorney General may by rule approve the manufacture and sale of limited quantities of such handgun model only to law enforcement authorities that have a demonstrated need to use such handguns for law enforcement purposes. Handguns of such handgun model shall not be sold or resold to any other individuals.

"(b) The Attorney General shall cause to be evaluated and tested representative samples of all handgun models in manufacture after the effective date of this subsection within one hundred and twenty days after such effective date or the date of first manufacture, whichever is later.

"(c)(1) The Attorney General shall give written notification of the results of evaluation and testing under this section to the licensed manufacturer, licensed importer, licensed dealer, or licensed collector who submitted a sample of a handgun model for such evaluation and testing. If any handgun model fails to meet the standards for approval, the notification of the Attorney General shall state specifically the reasons for such finding.

"(2) Any licensed manufacturer, licensed importer, licensed dealer, or licensed collector who submitted to the Attorney General for testing a handgun model that is subsequently not approved under this section shall have ten days from receipt of notification of noncompliance within which to submit in writing specific objections to such finding and a request for retesting such model, together with a justification therefor. Upon receipt of such a request the Attorney General shall, if the Attorney General determines that sufficient justification for retesting exists, promptly arrange for retesting and notify the aggrieved party of the results. If the Attorney General determines that retesting is not warranted, the Attorney General shall promptly notify the aggrieved party of the Attorney General's determination. If upon retesting the finding of the Attorney General remains adverse, or if the Attorney General finds that retesting is not warranted, the aggrieved party may within sixty days after the date of the notice from the Attorney General of such finding file a petition in the United States district court in the district in which the aggrieved party resides or has his principal place of business in order to obtain judicial review of such finding. Such review shall be in accordance with the provisions of section 706 of title 5, United States Code.

"(d) The Attorney General shall publish in the Federal Register at least semiannually a list of handgun models which have been tested and the results of the tests. Any handgun model—

"(1) not in manufacture on or after October 22, 1968; and

"(2) which has not been tested or for which the test results have not been published;

shall be deemed to be approved under this section until notice of the disapproval of the handgun model has been published in the Federal Register.".

(b) The table of sections for chapter 44 of such title, as amended by section 103 of this Act is further amended by adding at the end the following new item:

"930. Easily concealable handguns.".

PENALTIES

SEC. 106. (a) The first sentence of section 924(a) of title 18, United States Code, is amended by inserting after "violates any provision of this chapter" the following: ", other than subsection (h) or (p) of section 922 or, in the case of the transfer of a handgun between persons not licensed under section 923 of this title, section 929,".

(b) Section 924(a) of such title is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) Whoever violates section 922(h) of this chapter shall be fined not more than $1,000, or imprisoned not more than one year, or both.

"(B) Whoever, being an individual who is not licensed under section 923 of this title violates section 922(p) of this chapter, shall—

"(i) for the first offense, be fined not more than $100, and

"(ii) for the second and subsequent offenses be fined not more than $1,000 or imprisoned not more than six months, or both.

"(C) If there is a transfer of a handgun between persons not licensed under section 923 of this title in violation of section 929 of this title, the transferor and transferee shall each be liable to a civil penalty of $100.".

(c) Section 924(c) of such title is amended to read as follows:

"(c) Whoever—

"(1) uses a firearm to commit any felony for which he may be prosecuted in a court of the United States, or

"(2) carries a firearm during the commission of any felony for which he may be prosecuted in a court of the United States,

shall, in addition to the punishment provided for the commission of such felony, be sentenced to a term of imprisonment of not less than two years nor more than ten years in the case of the first offense, and to a term of imprisonment of not less than five nor more than twenty-five years for a second or subsequent offense. Notwithstanding any other provision of law, the court shall not suspend the sentence of such person or give him a probationary sentence, nor shall the term of imprisonment imposed under this subsection run concurrenty with any term of imprisonment imposed for the commission of such felony nor shall the defendant be eligible for parole for a term specified by the court for at least two years for a first offense and at least five years for a subsequent offense, unless the court finds that, at the time of the offense—

"(A) the defendant was less than eighteen years old;

"(B) the mental capacity of the defendant was significantly impaired, although the impairment was not such as to constitute a defense to prosecution;

"(C) the defendant was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution; or

"(D) the defendant was an accomplice, the conduct constituting the offense was principally the conduct of another person, and the participation of the defendant was relatively minor.".

(d) Section 924 of such title is amended by adding at the end the following new subsection:

"(e) Whoever negligently sells, transfers, or delivers a handgun in violation of this chapter shall be civilly liable for the death or injury suffered by an individual as a result of the use of the handgun by the transferee in the commission of an offense that causes death or personal injury to that individual.".

EXCEPTIONS; RELIEF FROM DISABILITIES

SEC. 107. (a)(1) Section 925(a)(2) of title 18 of the United States Code, is amended by inserting after "firearms" a comma and the following: "other than a handgun model which has not been approved by the Attorney General pursuant to section 930 of this title,".

(2) Section 925(a)(2) of such title is further amended by inserting after "may receive a firearm" the following: ", other than a handgun of a model which has not been approved by the Attorney General under section 930 of this chapter".

(b)(1) Section 925(c) of such title is amended by inserting "(1)" after the subsection designation and by adding at the end thereof the following new paragraph:

"(2) Any individual who, having been adjudicated as mentally incompetent, or who, having been committed to a mental institution, subsequently has been adjudicated by a court or other lawful authority to have been restored to mental competency, if such court or other lawful authority specifically finds that the individual is no longer suffering from a mental disorder and that the possession of a firearm by the individual would not pose a danger to the individual or to the safety of another individual, shall be relieved from the disabilities imposed by this chapter with respect to the acquisition, receipt, transfer, shipment, or possession of firearms incurred because of such adjudication or commitment.".

(2) Section 925(c)(1) of such title, as redesignated by this section, is amended by inserting after "National Firearms Act" the following: "or of a State or local law which relates to the importation, manufacture, sale, or transfer, of a firearm".

RULES AND REGULATIONS

SEC. 108. (a) Section 926 of title 18, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by inserting after paragraph (2) the following new paragraph:

"(3) rules precluding multiple sales or transfers of handguns under section 922(o) to persons who do not demonstrate to the satisfaction of the Attorney General that such purchase or transfer is for lawful purposes, as defined in the rules.".

(b) Such section 926 is further amended by inserting "(a)" before "The" the first place it appears and by adding at the end thereof the following new subsection:

"(b) Any officer or employee of the Department of Justice who is designated by the Attorney General to carry out the provisions of this chapter is authorized to administer such oaths or affirmations as may be necessary for the enforcement of this chapter and any other provision of law or regulation administered by the Bureau.".

TITLE II—GUN CONTROL FUNCTIONS TRANSFERRED TO ATTORNEY GENERAL

TRANSFER OF FUNCTIONS

SEC. 201. (a) There are transferred to the Attorney General, and the Attorney General shall perform, all functions of the Secretary of the Treasury under chapter 44 of title 18, United States Code.

(b) Within one hundred and eighty days after the effective date of this section, the President may transfer to the Department any function of any other agency or office, or part of any agency or office, in the executive branch of the United States Government if the President determines that such function relates primarily to functions transferred to the Department by this section.

(c)(1) Chapter 44 of such title 18 is amended by striking out "the Secretary" each place it appears in such subchapter and inserting in lieu thereof "the Attorney General".

(2) Section 103 of the Gun Control Act of 1968 is amended by striking out "the Secretary of the Treasury" and inserting in lieu thereof "the Attorney General".

ESTABLISHMENT OF THE FIREARMS SAFETY AND ABUSE CONTROL ADMINISTRATION

SEC. 202. (a) There is established within the Department of Justice the Firearms Safety and Abuse Control Administration. The Administration shall be headed by an Administrator appointed by the President, by and with the advice and consent of the Senate. The Administrator shall be under the supervision and direction of the Attorney General.

(b) The functions of the Attorney General under chapter 44 of title 18, United States Code, and under this Act shall be administered through the Administration.

ANNUAL REPORT

SEC. 203. (a) The Attorney General shall prepare and transmit to the Congress as part of the annual report of the Department of Justice a report on the activities of the Administration.

(b) Each such report shall include a description of the effective use of the resources of the Federal, State, and local law enforcement agencies in controlling illicit handgun traffic, the extent of intergovernmental cooperation in controlling such traffic, a detailed summary of the activities of the Administration, an assessment and evaluation of specific programs of Federal, State, and local law enforcement agencies to reduce illicit handgun traffic, a description of the nature, extent, and effect of Federal, State, and local law enforcement agency intelligence operations relating to illicit handgun traffic, and such recommendations, including recommendations for additional legislation, as the Attorney General deems appropriate.

TRANSFER OF OFFICES AND PERSONNEL

SEC. 204. (a) All personnel, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred under the provisions of section 101, are transferred to the Attorney General.

(b)(1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this Act shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The transfer of personnel pursuant to subsection (a) shall be without reduction in classification or compensation for one year after such transfer.

SAVINGS PROVISIONS

SEC. 205. (a) All orders, determinations, rules, regulations, contracts, certificates, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are transferred under this title, by (A) any agency or office, or part thereof, any functions of which are transferred by this title, or (B) any court of competent jurisdiction; and

(2) which are in effect at the time this title takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Attorney General, by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this title shall not affect any proceedings pending at the time this section takes effect before any agency or office, or part thereof, functions of which are transferred by this title; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the agency or office, or part thereof, before which they are pending at the time of such transfer. In either case orders shall be in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this title had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Attorney General, by a court of competent jurisdiction, or by operation of law.

(c)(1) Except as provided in paragraph (2)—

(A) the provisions of this title shall not affect suits commenced prior to the date this section takes effect; and

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this title had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any agency or office, or part thereof, functions of which are transferred by this title, shall abate by reason of the enactment of this title. No cause of action by or against any agency or office, or part thereof, functions of which are transferred by this title, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this title. Causes of actions, suits, or other proceedings may be asserted by or against the United States or such official of the Department as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If before the date on which this title takes effect, any agency or office, or officer thereof in his official capacity, is a party to a suit, and under this title any functions of such agency, office, or part thereof, or officer is transferred to the Attorney General, then such suit shall be continued by the Attorney General (except in the case of a suit not involving functions transferred to the Attorney General, in which case the suit shall be continued by the agency, office, or part thereof, or officer which was a party to the suit prior to the effective date of this title).

(d) With respect to any function transferred by this title and exercised after the effective date of this title, reference in any other Federal law to any agency, office, or part thereof, or officer so transferred or functions of which are so transferred shall be deemed to mean the Department or officer in which such function is vested pursuant to this title.

(e) Orders and actions of the Attorney General in the exercise of functions transferred under this title shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions, immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this title shall apply to the exercise of such function by the Attorney General.

(f) In the exercise of the functions transferred under this title, the Attorney General shall have the same authority as that vested in the agency or office, or part thereof, exercising such functions immediately preceding their transfer, and his actions in exercising such functions shall have the same force and effect as when exercised by such agency or office, or part thereof.

DEFINITIONS

SEC. 206. As used in this title—

(1) "Department" means the Department of Justice; and

(2) "function" includes power and duty.

COMPENSATION OF ADMINISTRATOR

SEC. 207. Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(70) Administrator, Firearms Safety and Abuse Control Administration, Department of Justice.".

TITLE III—MISCELLANEOUS PROVISIONS

NONMAILABLE FIREARMS

SEC. 301. Section 1715 of title 18, United States Code, is amended—

(1) by inserting after "Such articles" in the second sentence the following: ", other than handguns whose transfer is restricted under section 922(d),"; and

(2) by inserting after the second sentence the following new sentence: "The Postal Service shall make rules, subject to approval of the Attorney General, consistent with section 922(d) of this title, concerning conveyance in the mails of handguns subject to that section for the United States or any department or agency thereof, or to any State, department, agency, or political subdivision thereof.".

STUDY OF EFFECTIVENESS OF CRIME CONTROL LAWS

SEC. 302. The Advisory Commission on Intergovernmental Relations established by the Act entitled "An Act to establish an Advisory Commission on Intergovernmental Relations", approved September 24, 1959, in consultation with the United States Conference of Mayors and the National League of Cities, and representatives of Federal, State, and local law enforcement agencies shall investigate, analyze, and report within six months of the enactment of the Act upon (1) intergovernmental problems involved in controlling illicit handgun traffic, and (2) the effectiveness of chapter 44 of title 18, United States Code, and particularly the requirements for licensing of manufacturers, importers, and dealers.

REPEALER

SEC. 303. Title VII of the Omnibus Crime Control and Safe Streets Act of 1968 (18 U.S.C. Appendix 1202–1203) is hereby repealed.

SAVINGS PROVISION

SEC. 304. A valid license issued pursuant to section 923 of title 18 of the United States Code, as such section existed in the day before the general effective date of the amendments made by this Act, shall be valid until it expires according to its terms unless it is sooner suspended, revoked, or terminated pursuant to applicable provisions of law:

EARLY TESTING

SEC. 305. The Attorney General shall cause to be evaluated and tested representative samples of all handgun models, manufactured on or after October 22, 1968, and before the date of the enactment of this Act, in the same manner as provided in section 930 of title 18 as amended by this Act for handgun models in manufacture after the effective date of the amendments made by this Act, and shall publish a list of the models tested under this section and the results of the test in the manner described in section 930(d) of title 18 as amended by this Act, for to which such section applies not later than sixty days after the date of the enactment of this Act.

EFFECTIVE DATE OF AMENDMENTS

SEC. 306. The amendments including any appeals made by this Act shall become effective one hundred and twenty days after the date of the enactment of this Act.

● Mr. MOYNIHAN. Mr. President, it is my solemn duty as an American citizen and as a U.S. Senator to join my distinguished colleague, the senior Senator from Massachusetts, and others in introducing the Handgun Crime Control Act of 1981 and in urging its enactment by the Congress.

This is not a time for florid rhetoric, but for seriousness and determination. The tragic events of Monday, March 30, powerfully reinforced this Nation's awareness of a simple, awful fact: Dangerous weapons too easily come into the hands of people who for whatever reasons employ them to attack other people.

Our purpose in this legislation is straightforward: To make it more difficult for irresponsible persons to obtain the kinds of weapons most commonly used in attacks on other persons and to deter those who do obtain such weapons from using them to attack other persons.

I realize that there are some Federal laws already on the books; that many States—including my own—have such laws; and that a number of municipalities—including New York City—also have such ordinances and requirements. I realize that the existence of a law does not keep it from being broken by determined—or demented—persons who are unaware of the consequences or prepared to risk them. I realize that adding another law to the statute books cannot be expected to eradicate the unlawful use of handguns for violent attacks on innocent persons.

But because I believe a carefully drafted and well-enforced law can diminish the frequency of such use, and because I believe that this is self-evidently a desirable thing for American society, I believe that this legislation should pass. That it must pass. And that to the extent that it can reduce the likelihood of incidents such as the one outside the Washington Hilton Hotel on Monday before last and of other incidents, less recent but no less deeply engraved on the consciousness and consciences of this society, we will be better for it.

This is, of course, a controversial issue. Debate tends to be dominated by extremists of both kinds: Either those who would prohibit the possession of all weapons by all persons, or those who oppose any limitation of any kind of the possession and use of firearms.

Wise public policy is never made by extremists, or by those who heed the ravings of extremists. Wise public policy is grounded in reason, moderation, feasibility, and understanding of the competing interests in the society.

There are, essentially, three sets of people—other than law-enforcement agents—who possess, and wish to possess firearms.

First, law-abiding citizens who keep guns for self-defense and who hope never to have occasion to use them.

Second, sportsmen and sportswomen who use guns for recreational purposes.

Third, criminals, fanatics, and others who use guns against innocent persons.

I am persuaded that the interests of the first two groups can be preserved and their rights safeguarded without allowing the third group the easy access that it now enjoys to firearms. I am myself a sportsman who from time to time enjoys hunting and who would never support legislation that would deprive sportsmen of their rights or their property. I also know many law-abiding persons who own guns solely for self-defense, and I would never support legislation that would deprive them of their rights or their security.

This is moderate legislation that seeks to restrain only those activities that this society can no longer tolerate. I would, of course, prefer to believe that all criminals, fanatics and madmen would vol-

untarily lay down their arms and alter their behavior. But we do not live in a dreamworld. We live in a society the fabric of which was torn again on March 30, 1981. To the extent that reasonable legislation can reduce the likelihood of more such incidents, such legislation deserves the support of every American. It has mine.●

● Mr. PELL. Mr. President, I am pleased to join Senator KENNEDY today in cosponsoring the Kennedy-Rodino Handgun Crime Control Act. The attempt on the life of President Reagan last week has vividly reminded each of us that nearly anyone in this country can purchase a handgun today, and snuff out the life of a Government leader, a neighbor, or a member of our own family.

I believe that it is possible to stem the flood of handguns that is engulfing our country. The legislation being introduced today would increase the personal security of every one of our citizens, without diminishing the liberty of law abiding citizens.

Last year, 24 million American homes were touched by crime, meaning that nearly one-third of all households in the country were affected. Violent crime showed its largest increase in a dozen years. Handguns, and the so-called "Saturday night specials" in particular, played a major role in the crime epidemic which is now reaching every neighborhood in the country, rich and poor, urban and rural, black and white.

Banning the sale of "Saturday night specials" and requiring a 21 day waiting period before the sale of any handgun are essential to controlling this problem. These steps will not infringe on the legitimate ownership or use of firearms, but will prevent the boundless proliferation of handguns that is possible in this country today because of the inadequacy of our laws.

I am pleased to join with Senator KENNEDY in this effort, and I urge each of my colleagues—as they ponder the crime statistics just released by the Justice Department—to support the check on handgun violence contained in this legislation.●

● Mr. TSONGAS. Mr. President, the recent attempted assassination of President Reagan, including the wounding of his press secretary and two security officers, is on the mind of every American. Once again, it confronts us with the need for stricter controls on the use of Saturday night specials and other easily concealable handguns. The Handgun Crime Control Act of 1981 would accomplish this objective.

This legislation does not infringe upon an individual's right to possess a firearm for legitimate means. Rather, it is a protection to all members of society against the gun violence that is running rampant in America today.

Every year 250,000 citizens are assaulted with handguns. Handguns are responsible for an average of 29 deaths a day—1 every 50 minutes In the past year alone, John Lennon, Dr. David Halberstam, and over 10,000 Americans have been killed by a handgun.

Something is drastically wrong when a young person like John W. Hinckley, Jr., with a history of psychiatric problems, can arm himself with such ease to stalk and wound the President of the United States. The real question, according to Dr. Lawrence Z. Freedman, a psychiatrist at the University of Chicago, is "not why Presidents are sometimes shot but why they are not shot at more often."

Handguns represent a relentless threat to individual citizens and to the Nation as a whole. We must act now to curb this violence. The United States will never begin to cope with its gun violence until it begins to change its mind by changing its laws.

There is widespread support for gun control legislation of this kind. According to a recent Gallup poll, 6 out of 10 Americans favor stronger gun control legislation. Handgun control is supported by many law enforcement groups and officials, including the heads of police in Boston, New York, Chicago, Detroit, the District of Columbia, Los Angeles, and San Francisco.

In my own State of Massachusetts, we passed the Bartley-Fox law in 1975. It requires a person who carries a handgun outside his home or place of business to have a license to do so. Violators get a mandatory sentence of 1 year in jail. Nationwide Gallup surveys have shown consistent public support for both of these provisions. A study by the Center for Applied Social Research at Northeastern University indicates that the Bartley-Fox law has worked. In the 2 years following its enactment, there was a significant drop in the use of guns in murders, robberies, and assaults in Massachusetts—especially in Boston. According to the study, the number of gun homicides in Boston declined 55 percent. Gun robberies dropped 35 percent; gun assaults, 37 percent.

Mr. President, the Handgun Crime Control Act of 1981 is a sound and reasonable program to reduce the violent consequences of the free and easy handgun trade in this country. It flatly applies standards of responsibility and accountability to the handgun market that are appropriate to the lethal nature of these weapons. This legislation does nothing—absolutely nothing—that impairs the use of long guns such as rifles and shotguns. On the other hand, it would eliminate the huge loophole in the 1968 gun legislation which allows the importation of Saturday night special parts for assembly in the United States. This change in the law is long overdue.

Mr. President, I commend Senator KENNEDY for this comprehensive, balanced bill, which I am proud to cosponsor. I respectfully urge my distinguished colleagues to follow the vast majority of Americans in supporting such legislation.

Mr. President, I ask unanimous consent to have printed in the RECORD an article by Jack Germond and Jules Witcover concerning gun control that appeared in the Washington Star on March 31, 1981.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHANCES ARE THE MADNESS WILL GO ON

The shooting of President Reagan, White House Press Secretary James Brady and two security officers is yet another replay of the national nightmare and madness that peculiarly afflicts American society. The capturing of the event on television tape has again brought the horror of the moment into the nation's living rooms. And yet who will be foolhardily enough even to suggest that the country has learned any lesson from it?

Since President John F. Kennedy was gunned down in Dallas 17 years ago, the roll call of political and celebrity casualties or targets at the hands of men blasting away with firearms is all too familiar: Martin Luther King Jr., Robert F. Kennedy, George C. Wallace, Gerald R. Ford, Vernon Jordan, John Lennon and now Ronald Reagan.

The Secret Service, which has the responsibility of protecting presidents and presidential candidates, knows full well that security measures, no matter how stringently applied, can be no foolproof safeguard against a single individual with a gun, concealed in his pocket and murder on his mind.

So if there is any answer at all it must be found in the ready availability of these weapons of death—an estimated 60 million of them in the United States. These, and in an idiotic acquiescence in the perpetuation of blatant nonsense, peddled effectively by gun purveyors, about the inherent innocence of firearms and the supposed constitutional right of Americans to keep them without restriction.

Every time a president or some other public figure is shot or shot at, the nation collectively gnashes its teeth, looks into its own dark soul—and goes about business as usual. The National Rifle Association continues to perpetrate its stupidity that "guns don't kill people, people kill people"—in the face of statistical evidence staggeringly overwhelming that firearms are the chief elements in the plague of murder.

Just this month the Justice Department reported that in 1979 firearms were used in the commission of 63 percent of all murders and 40 percent of all robberies. Yet Attorney General William French Smith, in announcing the establishment of yet another federal commission on violent crime—the sixth in 16 years—specifically ruled out handgun control legislation.

Handgun control, of course, is no guarantee that other presidents and prominent figures won't be shot. But at least enactment of the minimal proposals for the outlawing of cheap "Saturday night specials" of the sort apparently used in this latest tragedy could be a message to Americans from Americans that the national madness has gone far enough.

Assassination attempts against presidents of course generate national attention and concern, but they are only the most prominent exhibits of the country's special sickness. In 1979, according to FBI statistics, 10,728 persons were murdered by handguns—every one of which had a human being on the operational end of it. Being victimized, or having a loved one victimized is the best recruitment for the handgun control lobby.

President Reagan himself has had more than his share of personal involvement in the horror. Even before this latest shooting, he and his wife, Nancy, and Secret Service agents guarding him at the start of his 1976 presidential campaign were subjected to a moment of shock when a man pulled a pistol and pointed it at him at a Florida rally. The pistol proved to be a toy, but that moment was no less terrifying for all who exprienced it.

During his 1980 campaign, he said at one point he would support legislation "making it more difficult for (individuals) with records of crime or instability to purchase firearms"—a type of gun control—while holding to the view that the outlawing of "Saturday

night specials" would achieve little. The question now is whether yesterday's events will bring about any change in attitude at the White House.

One who is hopeful of that outcome is Pete Shields, head of Handgun Control Inc., whose son Nick was killed by a handgun in 1974. Shields says President Reagan's popularity in the country can serve to personalize this issue for millions of Americans who voted for him or supported him later.

The personal association that millions of young Americans felt toward former Beatle John Lennon has galvanized them to support handgun control, Shields says. His organization's membership climbed 25 percent in four months after Lennon's death in December, he says, and the same thing can occur among Reagan supporters who heretofore may have opposed it as many conservatives do.

"I didn't think about this much, either, until I had a tragedy," he says. "Maybe when the issue becomes personal, people will respond. I hope I'm right. If it doesn't now, will it ever?"

That, indeed, is the question. But it is precisely the same question that shocked Americans asked after the shooting or attempted shootings of John Kennedy, King, Robert Kennedy, Wallace, Ford, Jordan and Lennon. The chances are the answer will be no different this time, and the madness will go on—unless the people demand that it be stopped.●

By Mr CHAFEE (for himself, Mr. STAFFORD, and Mr. RANDOLPH) (by request):

S. 975. A bill to revise and extend certain provisions of the Federal Water Pollution Control Act, as amended, for 1 year, and for other purposes; to the Committee on Environment and Public Works.

LEGISLATION TO REFORM THE CONSTRUCTION GRANTS PROGRAM OF THE CLEAN WATER ACT

● Mr. CHAFEE. Mr. President, today I am introducing, at the request of the administration, its proposed legislative reforms to the construction grants program of the Clean Water Act. Although I cannot support all of the pieces of the reform package, I agree with the message it conveys. The construction grants program lacks a focus and has raised expectations unrealistically high that the Federal Government will commit to it $100 billion. Those kinds of fiscal resources simply are not available.

The highlights of the proposed amendments are:

Limiting funding to secondary or advanced secondary, or any cost effective alternative thereof and interceptor source, and to meet backlog needs only;

Eliminating liability for future reimbursement of projects constructed without Federal funds;

Allowing States discretion as to whether they will set aside for rural, innovative, or alternative projects, and expanding the authority of a Governor to lower the Federal share allocated to categories of projects;

Tying States administration grants to actual workload of the State program as reflected by unobligated funds;

Requiring that projects included on a States priority list result in significant water quality benefits, particularly in areas of large urban, industrial concentrations; and

Revising the allotment formula to reflect only the actual treatment needs of each State.

This package of amendments is clearly an initial step in the legislation process that we expect to have completed by the end of September. As many of you know, the administration has already requested a rescission of $1.7 billion of unobligated funds which have been appropriated since 1977 and the total elimination of budget authority for next year. This body is now on record in support of that action.

Although this is drastic action, it is necessary. Currently the States have available to them approximately $2.5 billion. This is more than enough to carry the program forward while we work on the necessary reforms. After enactment of these reforms, the administration has committed to request $2.4 billion for 1982 to keep up the momentum that has built upon the program.

The construction grants program has been beset by difficulties from its very beginning. It has been marked by delays, impoundments, and various moratoriums on funding so that the single, most crucial need—stability—has been missing in the program. The States originally were not effectively staffed and were, in effect, drowning in Federal dollars. Now the States appear to be in a position to use the funds that we appropriate efficiently. Indeed, we have come full circle.

Since the Federal Water Pollution Control Act was passed in 1972, Congress has authorized $44 billion and appropriated $35 billion to assist States in the construction of treatment facilities. The States have obligated $29 billion to approximately 17,000 projects nationwide. This is a significant public works program, second only to our interstate highway program. But, as everyone agrees, times are changing, and we need to reassess the strategy by which we are going to achieve the goals of the Clean Water Act.

The Environmental Pollution and Resource Protection Subcommittee, of which I am chairman, will be scheduling hearings in early summer on changes in the program. Because of the need to work within the budget process and move quickly, these hearings will focus only on the construction grants program. Later this year and early next year, we will address the rest of the act through both oversight and legislative hearings.

While the administration's requested amendments are useful for focusing discussion, it is necessary for me to take exception to parts of them. The first exception I have is with the total elimination of eligibility for Federal funding of the control and treatment of combined sewer overflows. First and foremost, the construction grants program is a water quality program. Such an inflexible approach may not address true water quality needs.

In some areas of the country, municipal treatment works receive and have to treat waste flows from combined sewers. Many of these plants need upgrading in order to treat flows that occur during periods of heavy rainfall when the combined sewer flows are beyond plant capacity and are simply bypassed into receiving water. Providing only for secondary treatment at these plants is almost throwing money away.

During our hearings, we will take testimony on the need to preserve some flexibility for the Administrator to be able to deal with these special water quality problems as the need dictates. This problem is most significant in areas where waste is discharged into ecologically fragile bays and estuaries.

The other exception I have is with the section that would repeal the Administrator's authority to reimburse States and localities that move forward with projects on their own in order to get a jump on inflation. During the past several Congresses, I have worked on behalf of Rhode Island to enable my State to move ahead with a needed upgrading of the treatment plant at Providence. I sponsored an amendment, enacted last year, to enable States like Rhode Island to begin needed work and be reimbursed for it, but only after they were certified to do so by the Administrator.

Other safeguards were also built into that program so that the Federal Government was not exposed to undue risks. Future outlays would be managed by the Administrator carefully. This provision is only used when the Administrator feels that it is in the interest of water quality and fiscal integrity to do so. It is not open-ended. I simply cannot support efforts to repeal it.

Later this session, I will offer my own suggestions on the municipal wastewater program which will focus on providing stability to the program and determining its future direction.

At this point in the RECORD, I want to include a section-by-section analysis of the proposals. The Environmental Pollution and Resource Protection Subcommittee will be holding hearings soon to make sure that the $2.4 billion, which will be requested by the administration when reforms are enacted, will be available in the next fiscal year.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 1 of the bill revises and extends for one year the formula under which each State is allotted a share of the annual appropriation for construction of municipal wastewater treatment systems. The present allotment formula was adopted by the Congress in 1977, applicable to fiscal years 1978 through 1981 and is based on the population of each State and the needs of that State to meet the requirements of the Clean Water Act, as shown in the 1976 Needs Survey submitted to Congress by the Environmental Protection Agency (EPA).

The revised formula in this proposal provides that each State receive an allotment which reflects that State's needs as a percentage of the total national needs, reflected in the 1980 Needs Survey recently submitted to the Congress. The needs included in computing the percentage are limited to those eligible for grant assistance under the revised categories of this proposal, including the limitation on funding for reserve capacity. The revised categories of eligibility

are secondary treatment or more stringent treatment than secondary, or any cost-effective alternatives thereof, and new interceptors and appurtenances. In this way, each State's allotment will more accurately reflect that State's needs in relation to the total available moneys under the program.

By limiting the revision to the formula to one year, the amendment permits consideration of the approach to be taken to responding to each State's needs, as provided in the formula, in the context of the reauthorization of the basic grants program, which expires September 30, 1982.

Section 2 of the bill extends for one year the provisions of the Act designed to encourage use of innovative and alternative technology in wastewater treatment facilities, now scheduled to expire September 30, 1981.

The innovative and alternative (I/A) technology program, established by the Congress in 1977, provides incentives to encourage technological advances and the application of alternative processes in the treatment of municipal wastewater, including an increase from 75 percent to 85 percent of Federal funding for eligible projects.

During the first two years of implementation of this program, a significant potential for use of innovative and alternative technology has been demonstrated. At this same time, it has become apparent that the existing three-year time frame of the program will not be sufficient to meet the objectives of this provision. This is due, in part, to the unavoidable start-up time involved in getting the I/A program on line, as well as the lead time involved in constructing a wastewater treatment facility.

Extending this provision for one year, to coincide with the reauthorization of the Construction Grants Program, would permit review of the innovative and alternative incentives in the context of the overall program. This additional period would also provide further experience to assist in evaluating the program.

Section 3 of the bill extends for one year the provision in the present Act, now scheduled to expire September 30, 1981, which provides a set-aside of up to 3 percent of each State's allotment to be used to fund the 10 percent increase (from 75 percent to 85 percent) of the Federal share of construction costs available for projects applying innovative or alternative technology.

In the proposed amendment, the set-aside is made discretionary for fiscal year 1982, at the request of a Governor of a State, rather than mandatory, as presently required.

This change reflects the reduced Federal resources expected to be available for the program as well as the new thrust of the program incorporated into these reforms. Each State will have the discretion to request a set-aside of its allotment for innovative and alternative technology funding if that State finds it consistent with its overall needs.

Section 4 of the bill continues the provision in the present Act, now scheduled to expire September 30, 1981, that sets aside up to 4 percent of a State's allotment for rural communities where alternatives to conventional treatment systems may be more appropriate to respond to the needs of a given community.

Under existing law, this set-aside is mandatory. The extension of the provision also permits such a set-aside to be at the discretion of the Governor of a State. In this way, rural States, as well as other States, will continue to have the flexibility to respond to the needs of smaller communities, where appropriate, without violating the intent of the other provisions of this bill emphasizing funding priorities for urban-industrial concentration and limited categories of eligibilities. This change also reflects the reduced funding expected to be available for the program by allowing States to consider such a set-aside in the context of their total needs.

Section 5 of the bill amends section 202 of the Act, which establishes the Federal share of a construction project, by limiting any grant under authority of the Act to certain categories of projects: secondary treatment or more stringent treatment than secondary, or most cost-effective alternatives thereof; and new interceptors and appurtenances.

The section also amends the present authority of a Governor to reduce the existing 75 percent Federal share uniformly in the State to permit such reductions to be done on a category-by-category basis as well as according to project step. For example, a Governor may choose to fund secondary treatment projects at 50 percent for facility planning (Step 1) and design (Step 2), but fund actual construction (Step 3) at 75 percent, while at the same time elect to fund all phases of interceptor construction at 40 percent. In this way, the Governor will have additional discretion to target limited Federal funds to eligible projects of greatest concern.

This amendment limiting categories of eligibility would eliminate Federal funding of projects such as new collection systems, replacement and rehabilitation of sewers, combined sewer systems overflow correction, separate stormwater sewer systems overflow correction, and correction of infiltration/inflow problems.

By eliminating these categories, Federal funding will be targeted to projects which will produce the greatest water quality benefits per dollar invested. In addition, this amendment, along with section 8 of the bill limiting Federal funding of treatment system capacity to 1980 needs, will reduce the Federal share of construction costs to within reasonable reach of expected budgetary resources.

The amendment does retain the existing eligibility for grant assistance of cost-effective alternatives. This includes alternatives such as land treatment or application as defined in section 212, or a modification to secondary treatment as permitted under section 301(h) of the Act. In addition, this will include alternatives provided in section 203 (h) for rural areas, as well as alternatives eligible under the innovative and alternative program in section 202.

This amendment does not limit the authority of States to provide assistance to local communities in meeting costs associated with future growth, which may be an important element in providing a cost-effective treatment works.

Section 6 of the bill amends section 205 (g), which provides a set-aside of a State's allotment for State administrative purposes. Under current law, the State administration grant is computed as a percentage of the allotment the State would receive if the full authorization were appropriated.

The amendment requires that, beginning in fiscal year 1982, the amount set aside for a State will be a percentage of an amount equal to the sum of the unexpended obligations and the unobligated allotment available to a State at the beginning of the fiscal year in which the grant is to be made, or $400,000, whichever amount is greater.

The impact of tying a State administration set-aside to authorization levels, at a time of reduced appropriation levels for the program, is to provide an artificial level of funding for administrative purposes, not directly related to the actual administrative effort required.

This amendment will require that a State's grant for administration of the program be tied directly to the amount of unexpended obligations and unobligated allotment funds available to that State at the beginning of a fiscal year. This reflects the sums the State would be expected to expend during the course of that year. In this way, the amount of money available for administrative purposes will be tied to the anticipated work load of each State.

Section 7 of the bill repeals section 206 of the Act which provides that projects constructed in years prior to the 1972 amendments could be eligible for reimbursement of a portion of the costs to construct such projects, and that, under certain conditions, construction of an approved project may proceed without Federal funds, with reimbursement of the Federal share to be paid out of allotments.

The EPA Appropriations Act for fiscal year 1981 prohibits the use of any construction grant funds to implement section 206. A similar restriction has been included in prior years' appropriations measures.

This amendment repealing section 206 retains authority for the administration to pay, out of funds remaining from past appropriations to implement subsection (a), costs of projects found eligible in amounts the Administrator finds appropriate. This continued authority is necessary to respond to claims now under litigation which may be found eligible.

Section 8 of the bill amends section 204(a), dealing with planning for reserve capacity needed to accommodate future community growth. The proposed amendment limits the Federal funding of reserve capacity to only the planning stage of a treatment system (Step 1) and the actual design (Step 2). Construction (Step 3) costs for that portion of the system associated with future growth must be funded by the States and localities.

This amendment will substantially reduce the Federal share of construction costs for treatment works by focusing on correcting the backlog of needs as reflected in the 1980 Needs Survey. This is consistent with the intent of the reforms in this proposal to target Federal funds to only those projects which will result in significant water quality benefit, and to require the States and localities to fund those portions of systems which are designed to stimulate and accommodate new growth in the community.

Section 9 of the bill amends section 216 which defines the criteria for establishing a list of projects by priority of importance to meeting the goals of the Act. From this list, projects may be selected for Federal funding by the State. Under this proposed amendment, the States retain the responsibility of establishing the priority to be given projects within the State.

In addition, the new criteria for establishing the priority list are included: first, it must be demonstrated that a project will result in significant public health or water quality benefits; and, second, highest priority must be given to those projects which will directly benefit areas of urban-industrial concentration, subject to the discretionary authority of the governor to request a set-aside of allotment monies to be used to fund alternative treatment systems in rural communities.

The term "urban-industrial concentrations" is used to reflect those urban areas having substantial water quality control problems as defined in section 208(a) of this title. The amendment does not change the intent of section 201(k), which limits funding of industrial capacity after November 15, 1981.

This amendment, in keeping with the intent of the reform proposal, requires that prioritization of projects is linked to those areas reporting highest treatment needs. It also requires that inclusion on the priority list is tied to a project's demonstrated ability to achieve significant water quality bene-

fits. This will ensure that Federal funding is focused on projects which will result in the greatest amount of pollution control for the money expended.●

By Mr. PERCY (by request):

S. 976. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize development and security assistance programs for fiscal year 1982, and for other purposes; to the Committee on Foreign Relations.

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1981

● Mr. PERCY. Mr. President, I am introducing today at the request of the administration a bill to authorize international development and security assistance programs for the fiscal year 1982 and to make certain modifications in the Foreign Assistance Act of 1961, as amended. The funds authorized in this bill provide the United States with an array of programs which can assist friendly developing countries in dealing with their immediate security and economic problems, and help those countries with the kind of long-range development projects which will improve the lot of their people and build a base for sustained economic growth.

I realize that we face a difficult economic situation in this country. I fully support the President's effort to restore the economy and hold down Government spending to an absolute minimum. But I also agree with the President, and witnesses such as the Secretary of State who have appeared before the Senate Foreign Relations Committee, who stress that an adequate economic and security assistance program is an essential tool for the conduct of U.S. foreign policy.

Increasing our defense budget to make up for the past neglect is necessary. But I would point out that our foreign assistance programs have been eroded over the past decades even more than our defense spending. In 1955, under President Eisenhower, defense expenditures accounted for 55 to 65 percent of our Federal budget. The request for fiscal year 1982 will amount to around one-third of the Federal budget. By contrast, during the Eisenhower years foreign assistance was around 7 percent of the Federal budget; the President's request for fiscal year 1982 is about 1.4 percent of the budget.

I know that we are being asked to undertake painful reductions in domestic programs which affect our own citizens, and there is a strong temptation to reduce foreign assistance programs and add savings to domestic programs. I would only emphasize that foreign assistance programs do not only aid foreigners. They help other countries improve their defense forces to lessen the chance that Americans will have to become directly involved in foreign conflicts. They assist the economic development of countries which become our fastest growing markets, creating jobs for Americans and business for our industry and agriculture. And of course they help some of the people of the world in the most desperate straits, a humanitarian undertaking supported by millions of Americans.

Mr. President, during our hearings and our committee deliberation on this legislation, we will carefully review all elements of the proposed budget and will reduce the request in any areas where it can be safely reduced. If there are programs which need to be run better, we will press for better administration. But I hope my distinguished colleagues will avoid the temptation of looking to the foreign assistance budget as an easy source of revenue for domestic programs. I hope they have noted that in the administration's efforts to deal with emergency situations in El Salvador and Liberia, it has already been necessary to reduce funding in fiscal year 1981 to Egypt and Israel, two other countries in which we have vital interests. We can simply not cut these programs much more without having to bear the immediate political costs of reducing support for countries which are important to us, and risking the long-term security interests of the United States.

Mr. President, I ask unanimous consent for the text of the bill, together with the section-by-section analysis of the bill prepared by the Department of State, and a letter from Secretary of State Haig to the President of the Senate, to be printed in full in the RECORD. I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

There being no objection, the bill, analysis, and letter were ordered to be printed in the RECORD, as follows:

S. 976

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Security and Development Cooperation Act of 1981".

TITLE I—DEVELOPMENT ASSISTANCE

AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION

SEC. 101. (a) The first sentence of section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by striking out "$713,500,000 for the fiscal year 1981" and inserting in lieu thereof "$727,779,000 for the fiscal year 1982".

(b) Section 103 of such Act is amended by adding at the end thereof the following new subsection:

"(g) In order to carry out the purposes of this section, the President is authorized to participate in and provide, on such terms and conditions as he may determine, up to $180,000,000 to the International Fund for Agricultural Development. There is authorized to be appropriated to the President for the purposes of this subsection, in addition to funds otherwise available for such purposes, $180,000,000. Amounts appropriated under this subsection are authorized to remain available until expended.".

POPULATION AND HEALTH

SEC. 102. The first sentence of section 104(g) of the Foreign Assistance Act of 1961 is amended to read as follows:

"There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $253,370,000 for the fiscal year 1982 to carry out subsection (b) of this section; and

"(2) $120,405,000 for the fiscal year 1982 to carry out subsection (c) of this section.".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 103. The second sentence of section 105(a) of the Foreign Assistance Act of 1961 is amended by striking out "$101,000,000 for the fiscal year 1981" and inserting in lieu thereof "$109,574,000 for the fiscal year 1982".

ENERGY, PRIVATE VOLUNTARY ORGANIZATIONS, AND SELECTED DEVELOPMENT ACTIVITIES

SEC. 104. (a) Section 106(d)(3) of the Foreign Assistance Act of 1961 is amended by striking out the semicolon and adding immediately after the word "disasters" the following: "and programs of disaster preparedness including the prediction of, and contingency planning for, natural disasters abroad;".

(b) Section 106(e)(1) of such Act is amended by striking out "$140,000,000 for the fiscal year 1981" and inserting in lieu thereof "$178,240,000 for the fiscal year 1982".

PROGRAMS OF SCIENTIFIC AND TECHNOLOGICAL COOPERATION

SEC. 105. The Foreign Assistance Act of 1961 is amended by adding the following new section in chapter 1 of part I:

"SEC. 106A. PROGRAMS OF SCIENTIFIC AND TECHNOLOGICAL COOPERATION.—(a) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for programs of scientific and technological cooperation. These programs may include:

"(1) assistance to developing countries to strengthen their own scientific and technological capacity in order for them to undertake the research and experimentation necessary for development;

"(2) support for research, in the United States and in developing countries, on critical development problems, with emphasis on research relating to technologies which are labor-intensive or which do not generate additional unemployment or underemployment and with emphasis on those problems which are the greatest impediment to improvement in the lives of the majority of the poor;

"(3) fostering the exchange of scientists and other technological experts with developing countries, and other forms of exchange and communication, to promote the joint solution of problems of mutual concern to the United States and developing countries;

"(4) advice and assistance to other agencies of the United States Government in planning and executing policies and programs of scientific and technological cooperation with developing countries;

"(5) facilitation of the participation of private United States institutions, businesses, and individuals in scientific and technological cooperation with developing countries; and

"(6) gathering, analyzing, and disseminating information relevant to the scientific and technological needs of developing countries.

"(b) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $10,000,000 for the fiscal year 1982, which are authorized to remain available until expended.".

HUMAN RIGHTS

SEC. 106. The first sentence of section 116(e) of the Foreign Assistance Act of 1961 is amended by striking out "not less than $1,500,000 of the" and "for the fiscal year 1980".

SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION

SEC. 107. Section 121(c) of the Foreign Assistance Act of 1961 is amended by adding after the third sentence the following new sentence: "In addition to the amounts authorized in the preceding sentences and to

funds otherwise available for such purposes, there are authorized to be appropriated to the President for purposes of this section $107,500,000 for the fiscal year 1982.".

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 108. Section 214(c) of the Foreign Assistance Act of 1961 is amended by striking out "$30,000,000 for the fiscal year 1981" and inserting in lieu thereof "$7,500,000 for the fiscal year 1982".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 109. (a) Section 301(f) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(f) The President is hereby authorized to permit the United States to participate in and to use any of the funds made available under this part for the purpose of furnishing assistance, on such terms and conditions as he may determine, to the International Fertilizer Development Center, and to the International Food Policy Research Institute.".

(b) Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended by striking out "$233,350,000 for the fiscal year 1981" and inserting in lieu thereof "$215,000,000 for the fiscal year year 1982".

INTERNATIONAL DISASTER ASSISTANCE

SEC. 110. Section 492 of the Foreign Assistance Act of 1961 is amended by striking out "$25,000,000 for the fiscal year 1981" and inserting in lieu thereof "$27,000,000 for the fiscal year 1982".

TRADE AND DEVELOPMENT PROGRAMS

SEC. 111. (a) The section caption of section 661 of the Foreign Assistance Act of 1961 is amended by striking out "Reimbursable Development Programs" and inserting in lieu thereof "Trade and Development Programs".

(b) Section 661 of such Act is amended—

(1) by inserting "(a)" immediately before "The President";

(2) in the first sentence by striking out "to use $4,000,000 of the funds made available for the fiscal year 1981 for purposes of this Act"; and

(3) by inserting at the end thereof a new subsection (b) as follows:

"(b) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $6,907,000 for the fiscal year 1982.".

HOUSING GUARANTY PROGRAMS

SEC. 112. The third sentence of section 222(a) of the Foreign Assistance Act of 1961 is amended by striking out "September 30, 1982" and inserting in lieu thereof "September 30, 1983".

SEC. 113. Section 223(b) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following: "All of the foregoing fees referred to in this section together with earnings thereon and other income arising from guaranty operations hereunder shall be held in a revolving fund account maintained in the Treasury of the United States. All funds in such account may be invested in obligations of the United States. Any interest or other receipts derived from such investments will be credited to such account and may be used for the purposes cited in this section.".

TITLE II—MISCELLANEOUS PROVISIONS

OPERATING EXPENSES

SEC. 201. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "fiscal year 1981" and inserting in lieu thereof "fiscal year 1982"; and

(2) in paragraph (1) by striking out "$293,800,000" and inserting in lieu thereof "$343,632,000".

CONSTRUCTION OF PRODUCTIVE ENTERPRISES IN EGYPT

SEC. 202. The first sentence of section 620(k) of the Foreign Assistance Act of 1961 is amended by striking out the words "for fiscal year 1977, fiscal year 1980, or fiscal year 1981".

COMPENSATION FOR PARTICIPATING AGENCY EMPLOYEES

SEC. 203. The first sentence of section 625(d) of the Foreign Assistance Act of 1961 is amended by striking out the words "together with allowances and benefits under that Act.", and by inserting in lieu thereof: "or under chapter 53 of title 5, United States Code, or at any other rate authorized by law, together with allowances and benefits under the Foreign Service Act of 1980.".

MISSIONS AND STAFFS ABROAD

SEC. 204. Section 631(b) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following sentence: "Such deputy shall be entitled to receive such compensation and allowances as are authorized by the Foreign Service Act of 1980, not to exceed those authorized for a member of the Senior Foreign Service, as the President shall determine to be appropriate.".

TITLE III—ECONOMIC SUPPORT FUND AND OTHER PROGRAMS

ECONOMIC SUPPORT FUND

SEC. 301. (a) Section 531(b)(1) of the Foreign Assistance Act of 1961 is amended by striking out "fiscal year 1981, $2,065,300,000" and inserting in lieu thereof "fiscal year 1982, $2,581,500,000".

(b) Sections 532 and 533 of such Act are repealed.

PEACEKEEPING OPERATIONS

SEC. 302. (a) Section 552(a) of the Foreign Assistance Act of 1961 is amended by striking out "$25,000,000 for the fiscal year 1981" and inserting in lieu thereof "$19,000,000 for the fiscal year 1982".

(b) Section 552(b) of such Act is amended by striking out the comma and all that follows after the words "in such section" and inserting in lieu thereof a period.

INTERNATIONAL NARCOTICS CONTROL

SEC. 303. (a) Section 481(d) of the Foreign Assistance Act of 1961 is repealed.

(b) Section 482(a) of such Act is amended to read as follows:

"(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $37,700,000 for the fiscal year 1982.

"(2) Amounts appropriated under this subsection are authorized to remain available until expended.".

TITLE IV—MILITARY SALES AND RELATED PROGRAMS

NONRECURRING RESEARCH AND DEVELOPMENT COSTS

SEC. 401. Section 21(e)(2) of the Arms Export Control Act is amended by striking out all that follows after "standardization." and inserting in lieu thereof "or in standardization with the armed forces of Japan, Australia, or New Zealand in furtherance of the mutual defense treaties between the United States and those countries.".

FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILINGS

SEC. 402. (a) Section 31(a) of the Arms Export Control Act is amended by striking out "$500,000,000 for the fiscal year 1981" and inserting in lieu thereof "$1,481,800,000 for the fiscal year 1982".

(b) Section 31(b) of such Act is amended—

(1) in paragraph (1), by striking out "fiscal year 1981 shall not exceed $500,000,000" and inserting in lieu thereof "fiscal year 1982 shall not exceed $1,481,800,000";

(2) in paragraph (2), by striking out "fiscal year 1981 shall not exceed $2,616,000,000" and inserting in lieu thereof "fiscal year 1982 shall not exceed $2,572,600,000"; and

(3) in paragraph (3), by striking out "fiscal year 1981" and inserting in lieu thereof "fiscal year 1982", and by striking the comma and all that follows after "Israel" and inserting in lieu thereof a period.

(c) Section 31(c) of such Act is amended in the first sentence by striking out "fiscal year 1981" and inserting in lieu thereof "fiscal year 1982".

(d) The principal amount of loans guaranteed under section 24(a) of such Act for the fiscal year 1982 with respect to Egypt and Turkey shall be repaid in not less than twenty years, following a grace period of ten years on repayment of principal.

REPORTS TO THE CONGRESS

SEC. 403. (a) Section 3(d) of the Arms Export Control Act is amended—

(1) in paragraph (1), by striking out all that follows "The President may not give his consent" through "Act of 1961" and inserting in lieu thereof "under paragraph (2) of subsection (a) of this section or under the third sentence of such subsection, or under sections 505(a)(1) or 505(a)(4) of the Foreign Assistance Act of 1961, to the transfer of any major defense equipment valued (in terms of its original acquisition cost) at $14,000,000 or more, or of any defense article or related training or other defense service valued (in terms of its original acquisition cost) at $50,000,000 or more, to any country or international organization other than the North Atlantic Treaty Organization, any member country of such Organization, Japan, Australia, or New Zealand,";

(2) in paragraph (3), by striking out all that follows "The President may not give his consent" through "section 38 of this Act," and inserting in lieu thereof "to the transfer of any major defense equipment valued (in terms of its original acquisition cost) at $14,000,000 or more, or of any defense article or defense service valued (in terms of its original acquisition cost) at $50,000,000 or more, the export of which has been licensed or approved under section 38 of this Act, to any country or international organization other than the North Atlantic Treaty Organization, any member country of such Organization, Japan, Australia, or New Zealand,"; and

(3) in paragraph (4), by inserting "or" immediately after the semicolon at the end of subparagraph (A), and striking out the semicolon and all that follows after the end of subparagraph (B) and inserting in lieu thereof a period.

(b) Section 25(d)(1) of such Act is amended by striking out "$7,000,000" and inserting in lieu thereof "$14,000,000", and by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000".

(c) Section 28(a) of such Act is amended in the first sentence by striking out "five" and inserting in lieu thereof "fifteen", by striking out "$7,000,000" and inserting in lieu thereof "$14,000,000", and by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000".

(d) Section 36(b)(1) of such Act is amended in the first sentence—

(1) by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000", and by striking out "$7,000,000" and inserting in lieu thereof "$14,000,000"; and

(2) by inserting "to any country or international organization other than the North Atlantic Treaty Organization, and member country of such Organization, Japan, Australia, or New Zealand," immediately before "before such letter of offer is issued".

(e) Section 36(c) of such Act is amended—

(1) in the first sentence of paragraph (1), by striking out "$7,000,000" and inserting in lieu thereof "$14,000,000", and by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000";

(2) by amending paragraph (2) to read as follows:

"(2) Unless the President states in his certification that an emergency exists which requires the proposed export in the national security interests of the United States, a license for export described in paragraph (1) shall not be issued until at least 30 calendar days after the Congress receives such certification; except that this subsection shall not apply with respect to proposed exports to the North Atlantic Treaty Organization, any member country of such Organization, Japan, Australia, or New Zealand."; and

(3) by striking out paragraph (3).

(f) Section 36(d) of such Act is amended by striking out "such subsection" and inserting in lieu thereof "subsection (c)(1) of this section".

(g) Section 109(e) of the International Security and Development Cooperation Act of 1980 is amended by striking out "$7,000,000" and inserting in lieu thereof "$14,000,000", and by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000".

AGENTS FEES AND OTHER PAYMENTS

SEC. 404. (a)(1) Section 39 of the Arms Export Control Act, relating to agents fees and other payments, is repealed.

(2) All delegations, rules, regulations, orders, or other forms of administrative action made, issued, or taken under such section 39 and which are in effect at the time this section takes effect shall continue in effect in accordance with their terms until modified, superseded, set aside, or revoked by appropriate authority.

(b)(1) Section 36(a) of such Act is amended by striking out paragraph (8) and redesignating paragraphs (9) and (10) as paragraphs (8) and (9), respectively.

(2) Section 36(b)(1) of such Act is amended in the first sentence by striking out "paragraph (9) of subsection (a)" and all that follows through the end of such sentence and inserting in lieu thereof "paragraph (8) of subsection (a).".

(3) Section 38(c) of such Act is amended by striking out all before the words "or who willfully" and inserting in lieu thereof "Any person who willfully violates any provision of this section, or any rule or regulation issued hereunder,".

ADMINISTRATIVE FUNDS

SEC. 405. Section 43(b) of the Arms Export Control Act, relating to charges for administrative services, is amended by striking out "administrative expenses" and inserting in lieu thereof "administrative and extraordinary expenses".

SPECIAL DEFENSE ACQUISITION FUND

SEC. 406. The Arms Export Control Act is amended by adding at the end thereof a new chapter, to read as follows:

"Chapter 5—SPECIAL DEFENSE ACQUISITION FUND

"SEC. 51. SPECIAL DEFENSE ACQUISITION FUND.—(a) Under the direction of the President and in consultation with the Secretary of State, the Secretary of Defense may establish a Special Defense Acquisition Fund, to be used as a revolving fund separate from other accounts, under the control of the Department of Defense, to finance the acquisition of defense articles and defense services in anticipation of their transfer pursuant to this Act, the Foreign Assistance Act, or as otherwise authorized by law, to eligible foreign countries and international organizations, and may acquire such articles and services with the funds in such account as he may determine. Acquisition under this chapter of items in short supply within the Department of Defense for which the initial issue quantity requirements for United States Armed Forces are not under current procurement contract shall be emphasized when compatible with security assistance requirements for the transfer of such items. Nothing in this chapter shall be construed to limit or impair any responsibilities conferred upon the Secretary of State or the Secretary of Defense under this Act or the Foreign Assistance Act of 1961.

"(b) The Special Defense Acquisition Fund established pursuant to subsection (a) of this section shall consist of:

"(1) collections from sales made under letters of offer issued pursuant to section 21(a)(1) of this Act representing the actual value of defense articles not intended to be replaced in stock;

"(2) collections from sales representing the value of asset use charges (including contractor rental payments for United States Government-owned plant and production equipment) and charges for the proportionate recoupment of nonrecurring research, development, and production costs; and

"(3) collections from sales made under letters of offer (or transfers made under the Foreign Assistance Act of 1961) of defense articles and defense services acquired under this chapter, representing the value of such items calculated in accordance with paragraphs (2) or (3) of section 21(a) or section 22 of this Act or section 644(m) of the Foreign Assistance Act of 1961, as appropriate;

together with such funds as may be appropriated or otherwise made available for the purposes of this account.

"SEC. 52. USE AND TRANSFER OF ITEMS PROCURED BY THE FUND.—(a) No defense article or defense service acquired by the Secretary of Defense under this chapter may be transferred to any foreign country or international organization unless such transfer is authorized by this Act, the Foreign Assistance Act of 1961, or other law.

"(b) The President may authorize the temporary use by the United States Armed Forces of defense articles and defense services acquired under this chapter prior to their transfer to a foreign country or international organization, if such use is necessary to meet national defense requirements and the United States Armed Forces bear the costs of operation and maintenance of such articles or services while in their use and the costs of restoration or replacement upon the termination of such use.

"(c) Except as provided in subsection (b) of this section, the account established pursuant to section 51(a) of this Act may be used to pay for storage, maintenance, and other costs related to the preservation and preparation for transfer of defense articles and defense services acquired under this chapter prior to their transfer, as well as the administrative costs of the Department of Defense incurred in the acquisition of such items to the extent not reimbursed pursuant to section 43(b) of this Act.".

MILITARY ASSISTANCE

SEC. 407. (a) Section 504(a) of the Foreign Assistance Act of 1961, relating to authorization, is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $131,400,000 for the fiscal year 1982.

(2) Amounts appropriated under this subsection are authorized to remain available until expended.".

(b) Section 516 of such Act is repealed.

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 408. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out "$85,000,000 for the fiscal year 1981" and inserting in lieu thereof "$100,000,000 for the fiscal year 1982".

INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

SEC. 409. Section 515 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 515. OVERSEAS MANAGEMENT OF ASSISTANCE AND SALES PROGRAMS.—(a) In order to carry out his responsibilities for the management of international security assistance programs conducted under this chapter, chapter 5 of this part, and under the Arms Export Control Act, the President may assign members of the Armed Forces of the United States to foreign countries to perform necessary management and other functions related to such programs. The total number of members of the Armed Forces assigned under this section in each foreign country may not exceed the number justified to the Congress in the congressional presentation materials for such foreign country, unless the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives are so notified.

"(b) Members of the Armed Forces assigned to a foreign country under this section shall serve under the direction and supervision of the Chief of the United States Diplomatic Mission to that country.

"(c) The numerical limitations contained in subsection (a) of this section shall not apply to members of the Armed Forces of the United States performing services for specific purposes and for fixed periods of time on a fully reimbursable basis under section 21(a) of the Arms Export Control Act. It is the sense of the Congress that training assistance in countries to which military personnel are assigned under this section shall primarily be provided by other personnel who are not assigned under this section and who are detailed for limited periods to perform specific tasks.

"(d) Effective October 1, 1982, the entire costs (including salaries of United States military personnel) of overseas management of international security assistance programs under this section shall be charged to or reimbursed from funds made available to carry out this chapter, other than such costs which are either paid directly for such defense services under section 21(a) of the Arms Export Control Act or are reimbursed from charges for services collected from foreign governments pursuant to section 21(e) and section 43(b) of the Arms Export Control Act.

"(e) The President shall continue to instruct United States diplomatic and military personnel in the United States missions abroad that they should not encourage, promote, or influence the purchase by any foreign country of United States-made military equipment, unless they are specifically instructed to do so by an appropriate official of the Executive branch.".

INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 410. Section 542 of the Foreign Assistance Act of 1961 is amended by striking out "$34,000,000 for the fiscal year 1981" and inserting in lieu thereof "$47,700,000 for the fiscal year 1982".

NUCLEAR TRANSFERS

SEC. 411. Section 669(b)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(b)(1) Notwithstanding subsection (a) of this section, the President may furnish assistance which would otherwise be prohibited to a country under such subsection if he transmits to the Speaker of the House of Representatives and to the Chairman of the Committee on Foreign Relations of the Senate a certification with respect to such assistance in the same form as the certification provided for in section 670(b)(1) of this Act, together with a statement setting forth the specific reasons therefor.".

PROVISIONS RELATING TO SPECIFIC COUNTRIES

SEC. 412. (a) Section 620B of the Foreign Assistance Act of 1961, relating to Argentina, is repealed.

(b) Section 118 of the International Security and Development Cooperation Act of 1980, relating to Angola, is repealed.

TITLE V—AUTHORIZATION FOR THE FISCAL YEAR 1983 AND EFFECTIVE DATE

SEC. 501. There are authorized to be appropriated for the fiscal year 1983 such sums as may be necessary to carry out programs and activities for which appropriations for the fiscal year 1982 are authorized by this Act.

SEC. 502. This Act shall be effective upon the date of its enactment, except that authorizations of appropriations and limitations of authority applicable to the fiscal year 1982 as contained in this Act and in provisions of the law amended by this Act shall take effect on October 1, 1981.

SECTION-BY-SECTION ANALYSIS

I. INTRODUCTION

The proposed International Security and Development Cooperation Act of 1981 (hereinafter referred to as "the Bill") amends the Foreign Assistance Act of 1961 (hereinafter referred to as "the FAA"), the Arms Export Control Act (hereinafter referred to as "the AECA"), and certain related statutes, in order to authorize appropriations to carry out international security and development assistance programs during the fiscal year 1982, and to make certain changes in the substantive authorities governing those programs. The Bill also contains authorizations for the fiscal year 1983, in accordance with the requirements of the Congressional Budget Act of 1974.

Structurally, the Bill is composed of five titles. Title I relates to development assistance authorizations. Title II provides for miscellaneous amendments to the FAA. Title III relates to the Economic Support Fund and other programs. Title IV relates to military sales and related programs. Title V provides for fiscal year 1983 authorizations and for the effective date of the Bill.

II. PROVISIONS OF THE BILL

Section 1. Short Title: This section provides that the Bill may be cited as the "International Security and Development Cooperation Act of 1981".

TITLE I—DEVELOPMENT ASSISTANCE

Section 101. Agriculture, Rural Development, And Nutrition: This section amends section 103(a)(2) of the FAA to authorize $727,779,000 for the fiscal year 1982 to carry out programs in agriculture, rural development and nutrition. This section also creates a new section 103(g) of the FAA to authorize participation in and the provision of $180,000,000 for the International Fund for Agricultural Development. The amount authorized will be paid out over a three year period and it will, therefore, not be necessary to appropriate the full amount in fiscal year 1982.

Section 102. Population and Health: This section amends section 104(g) of the FAA to authorize $253,370,000 for the fiscal year 1982 for population planning programs, and $120,405,000 for the fiscal year 1982 for health programs.

Section 103. Education and Human Resources Development: This section amends section 105(a) of the FAA, to authorize $109,574,000 for the fiscal year 1982 for programs of education and human resources development.

Section 104. Energy, Private Voluntary Organizations, and Selected Development Activities: This section amends section 106 of the FAA, which authorizes programs relating to energy, private voluntary organizations and selected development activities. Section 106(d)(3) of the FAA is amended to authorize programs of preparedness for natural disasters. Currently the section authorizes programs of reconstruction following natural or man-made disasters and section 491 includes disaster preparedness as part of international Disaster Assistance. Section 106(e) of the FAA is amended to authorize the appropriation of $178,240,000 for fiscal year 1982 for programs authorized by section 106.

Section 105. Programs of Scientific and Technological Cooperation: This section amends Chapter 1 of part I of the FAA by adding a new Section 106A. Section 106A authorizes programs of scientific and technological cooperation. Such programs may include assisting developing countries to strengthen their own scientific and technological capacity, supporting research on critical development problems, fostering the exchange of scientists or other technological experts with developing countries, advising and assisting other U.S. government agencies regarding programs of scientific and technological cooperation with developing countries, facilitating the participating of the U.S. private sector in such cooperation, and gathering, analyzing, and disseminating information relevant to the scientific and technological needs of developing countries. Section 106A(b) authorizes $10,000,000 for the fiscal year 1982 to carry out the section.

Section 106. Human Rights. This section amends section 116(e) of the FAA, which authorizes the President to use not less than $1,500,000 in fiscal year 1981 for studies, to identify, and openly carry out, programs and activities which will encourage or promote increased adherence to civil and political rights. Section 116(e) is amended by striking out the references to the target figure and the fiscal year. The purpose of this change is to make the congressional mandate for section 116(e) programs and activities a permanent legislative authority and policy statement by deleting the reference to the limited fiscal year authority. The present target for this section has been exceeded by a considerable amount in both fiscal years in which it has been applicable. The Executive Branch fully supports the policy stated in section 116(e). Eliminating the target figure is consistent with Executive Branch policy against special earmarks within accounts. Funds remain available in chapter 1 for section 116(e) activities.

Section 107. Sahel Development Program: This section amends section 211(c) of the FAA, to authorize $107,500,000 for the fiscal year 1982 for the Sahel Development program.

Section 108. American Schools and Hospitals Abroad: This section amends section 214(c) of the FAA to authorize $7,500,000 for the fiscal year 1982 for the American Schools and Hospitals Abroad program.

Section 109. International Organizations Programs: This section amends section 301(f) of the FAA, which authorizes U.S. participation in and the furnishing of assistance for the International Fertilizer Development Center (IFDC). Section 301(f) is amended to add the name of the International Food Policy Research Institute (IFPRI) to the section, thereby authorizing U.S. participation in and the furnishing of assistance to that organization. IFPRI was formed in 1975 pursuant to the recommendation of the Technical Advisory Committee of the Consultative Group on International Agricultural Research, a group consisting of 34 governments, several intergovernmental organizations and a small number of private foundations involved in supporting agricultural research. Inclusion in section 301(f) fulfills one of the requirements of Department of State guidelines for treatment as an international organization under the International Organization Immunities Act.

This section also amends section 302 of the FAA, which authorizes appropriations for International Organizations and Programs. Section 302(a)(1) of the FAA is amended to authorize $215,000,000 for the fiscal year 1982 to carry out the chapter on International Organizations and Programs.

Section 110. International Disaster Assistance: This section amends section 492 of the FAA to authorize $27,000,000 for the fiscal year 1982 for international disaster assistance.

Section 111. Trade and Development Programs: This section amends section 661 of the Act by changing the section caption from "Reimbursable Development Programs" to "Trade and Development Programs", to accord with the Executive Branch action of July 1, 1980 which changed the name of the program and created a separate component within the International Development Cooperation Agency to administer it. This section further amends section 661 by authorizing a separate line item appropriation of $6,907,000 for the fiscal year 1982.

Section 112. Housing and Guaranty Programs: This section amends section 222 of the FAA, which authorizes the issuance of housing guaranties. Section 222(a) is amended by extending the program until September 30, 1983.

Section 113. Reserve Fund for Guaranty Programs: This section amends section 223(b) of the FAA, which authorizes the creation of a reserve fund from fee income from guaranties and the use of such funds. Section 223(b) is amended to authorize the investment of such funds in obligations of the United States and the use of income derived therefrom.

TITLE II. MISCELLANEOUS PROVISIONS

Section 201. Operating Expenses: This section amends section 667(a) of the FAA, to authorize $343,632,000 for the fiscal year 1982 for operating expenses of the International Development Cooperation Agency and the Agency for International Development.

Section 202. Construction of Productive Enterprises in Egypt: This section amends section 620(k) of the FAA, which limits assistance for the construction of a productive enterprise to $100 million. Section 620(k) is amended to provide a permanent exemption for the Egypt program, which previously had specific exemptions for fiscal years 1977, 1980, and 1981.

Section 203. Compensation for Participating Agency Employees: This section amends section 625(d) of the FAA to provide for the compensation of non-Foreign Service employees of Federal agencies performing functions under the FAA under the General Schedule pay system of other pay systems authorized by law in lieu of compensation under the Foreign Service Act pay system. Presently, section 625(d) requires that such employees be compensated at Foreign Service pay rates. This often results in grade creep, pay windfalls and other pay administration problems as employees move back and forth between the Foreign Service pay system and non-Foreign Service pay systems due to the differences in the pay systems. The amendment would give AID the authority to require agencies to continue to pay such employees under their present pay system, e.g., GS, SES, or Public Health Commissioned Officer Corps, while continuing to allow such employees to receive Foreign Service allowances and benefits.

Section 204. Missions and Staffs Abroad: This section amends section 631(b) of the FAA to provide authority for the compensation of deputy chiefs of AID missions abroad. The section now provides for the appointment and removal of chiefs and deputy chiefs but, inadvertently, only provides for compensation of chiefs of missions and not of deputy chiefs.

TITLE III—ECONOMIC SUPPORT FUND AND OTHER PROGRAMS

Section 301. Economic Support Fund: This section consists of two subsections, as follows:

(a) This subsection amends section 531(b)(1) of the FAA to authorize $2,581,500,000 in appropriations to carry out economic support fund programs for the fiscal year 1982.

(b) This subsection repeals various earmarkings and related provisions applicable to economic support fund programs for the fiscal year 1981.

Section 302. Peacekeeping Operations: This section consists of two subsections, as follows:

(a) This subsection amends section 552(a) of the FAA to authorize $19,000,000 in appropriations to carry out peacekeeping and other programs in furtherance of the national security interests of the United States for the fiscal year 1982.

(b) This subsection amends section 552(c) of the FAA to eliminate the $10,000,000 limitation on the transfer of economic support fund appropriations to the peacekeeping chapter in a fiscal year, and to remove the limitation on the use of earmarked economic support fund appropriations for the purpose.

Section 303. International Narcotics Control: This section consists of two subsections, as follows:

(a) This subsection repeals section 481(d) of the FAA, limiting assistance under the international narcotics control program for the purpose of marijuana eradication involving herbicides which are likely to cause serious harm to the health of persons using marijuana sprayed with such herbicides.

(b) This subsection amends section 482(a) of the FAA to authorize appropriations of $37,700,000 to carry out international narcotics control programs for the fiscal year 1982.

TITLE IV—MILITARY SALES AND RELATED PROGRAMS

Section 401. Nonrecurring Research and Development Costs: This section amends section 21(e) of the AECA to permit the President to waive reimbursement for a proportionate share of nonrecurring research and development costs in the case of sales under the AECA which sales, if made, would significantly advance United States interests in standardization with the Armed Forces of Japan, Australia, or New Zealand. This would supplement the present authority to waive such reimbursement in connection with NATO standardization efforts. In addition, this change would eliminate the present authority to waive reimbursement for such charges in connection with sales related to foreign procurement in the United States under coproduction arrangements.

Section 402. Foreign Military Sales Authorization and Aggregate Ceilings: This section consists of four subsections, as follows:

(a) This subsection amends section 31(a) of the AECA to authorize $1,481,800,000 in appropriations to carry out FMS credit programs in the fiscal year 1982.

(b) This subsection consists of three paragraphs, as follows:

(1) This paragraph amends section 31(b)(1) of the AECA to establish a ceiling of $1,481,800,000 on the aggregate amount of FMS credits that may be extended under section 23 of the AECA during the fiscal year 1982.

(2) This paragraph amends section 31(b)(2) of the AECA to establish a ceiling of $2,572,600,000 on the aggregate principal amount of loans that may be guaranteed under section 24 of the AECA during the fiscal year 1982.

(3) This paragraph amends section 31(b)(3) of the AECA to allocate to Israel not less than $1,400,000,000 in FMS credit and guaranteed loans during the fiscal year 1982, and to remove the earmarking of $200,000,000 of such funds for relocation of Israeli forces from the Sinai applicable to the fiscal year 1981.

(c) This subsection amends section 31(c) of the AECA, relating to terms and conditions governing repayment by Israel of financing extended pursuant to the AECA, to make that subsection applicable, without change, to the fiscal year 1982. As in past years, repayment by Israel of $500,000,000 in such financing is to be forgiven.

(d) This subsection, which does not amend the permanent provisions of the AECA, provides for certain repayment terms for Federal Financing Bank loans to be guaranteed under section 24(a) of the AECA for Egypt and Turkey for the fiscal year 1982. These terms are identical to those provided for loans to such countries in the fiscal year 1981 by section 106(d) of the International Security and Development Cooperation Act of 1980.

Section 403. Reports to the Congress: This section consists of seven subsections, as follows:

(a) This subsection amends section 3(d) of the AECA to impose a threshold on proposed third-country transfers of U.S.-origin defense articles and services that must be certified to the Congress of $14,000,000 or more in major defense equipment (as defined in section 47(6) of the AECA) and $50,000,000 or more in defense articles and services, and to eliminate the advance certification requirement for any proposed third-party transfers to or between NATO, any NATO member, Japan, Australia, or New Zealand.

(b) This subsection amends section 25(d)(1) of the AECA to increase the threshold for potential transactions to be included in the annual Arms Sales Proposal under that section to $14,000,000 or more in major defense equipment and $50,000,000 or more in defense articles and services.

(c) This subsection amends section 28(a) of the AECA to extend from five to fifteen days the time following the end of a calendar quarter within which reports must be made concerning price and availability estimates given during such calendar quarter, and to increase the threshold for estimates to be reported under that section to $14,000,000 in major defense equipment and $50,000,000 in defense articles or services.

(d) This subsection amends section 36(b)(1) of the AECA to increase the threshold for proposed FMS sales to be certified under that section to $14,000,000 in major defense equipment and $50,000,000 in defense articles or services, and to exempt from such certification FMS sales to NATO, any NATO member, Japan, Australia, or New Zealand.

(e) This section amends section 36(c) of the AECA to increase the threshold for proposed commercial exports to be certified under that section to $14,000,000 in major defense equipment and $50,000,000 in defense articles or services, to eliminate the provision providing for disapproval of such exports by concurrent resolution, and to exempt from such certification proposed exports to NATO, any NATO member, Japan, Australia, or New Zealand.

(f) This subsection amends section 36(d) of the AECA to correct a technical defect in that section's reference to section 36(c).

(g) This subsection amends section 109(e) of the International Security and Development Cooperation Act of 1980 to increase the threshold for proposed leases under 10 U.S.C. S2267 to be reported under that section to $14,000,000 in major defense equipment and $50,000,000 in other defense property.

Section 404. Agents Fees and Other Payments: This section consists of two subsections, as follows:

(a) This subsection consists of two paragraphs, as follows:

(1) This paragraph repeals section 39 of the AECA, requiring reports to the Secretary of State concerning fees, commissions, and related payments paid or agreed to be paid in connection with sales and exports under the AECA. This provision has been effectively superseded by the requirements of the Foreign Corrupt Practices Act of 1977 (Public Law 95-213, 91 Stat. 1494 *et seq.*).

(2) This paragraph preserves in effect until modified or revoked all rules, regulations, and other administrative actions made, issued, or taken pursuant to section 39 of the AECA. It is anticipated that the reporting requirements of part 130 of the International Traffic in Arms Regulations, which part implements section 39 of the AECA, will be revoked subsequent to enactment of the Bill. Enforcement actions that may be pending at such time would not be affected. No change, however, is required or anticipated either in the Defense Acquisition Regulations or the administration of the financing program under the AECA with respect to such payments on the basis of the repeal of section 39 of the AECA.

(b) This subsection consists of three paragraphs, amending sections 36(a), 36(b)(1), and 38(c) of the AECA, respectively, in order to conform the references in those sections to the repeal of section 39 made by the Bill.

Section 405. Administrative Funds: This section amends section 43(b) of the AECA to permit the use of funds derived from charges for administrative expenses imposed on FMS sales by section 21(e) of the AECA to augment military assistance (MAP) funds available for security assistance representational activities.

Section 406. Special Defense Acquisition Fund: This section adds a new chapter 5 to the AECA, relating to establishment of a "Special Defense Acquisition Fund". New chapter 5 consists of two sections, as follows:

New Section 51 consists of two subsections:

(a) This subsection authorizes the establishment of an account for procurement of defense articles and defense services in anticipation of transfers to foreign governments and international organizations on a grant basis under the FAA, a sales basis under the AECA, or as may otherwise be authorized by law. Procurement of "short supply" items is to be emphasized where compatible with expected security assistance requirements. The present statutory allocation of policy and implementation responsibilities between the Secretaries of State and Defense would not be affected. The principal purpose of the new account is to reduce problems arising from long procurement lead-times and from the impact on Department of Defense inventories of security assistance transfers. The Secretary of Defense may operate the account as a new separate "working-capital" fund under chapter 131 of title 10 of the United States Code.

(b) This subsection provides that the new account established pursuant to new section 51(a) is to consist of funds from four sources:

(1) collections from FMS sales from Department of Defense stocks of defense articles not intended to be replaced, which receipts at present are deposited in the Treasury as miscellaneous receipts;

(2) collections from asset use charges and charges for nonrecurring research, development and production costs imposed on FMS sales, which receipts at present are deposited in the Treasury as miscellaneous receipts;

(3) collections from FMS sales and MAP grants of defense articles and defense services acquired under the new Special Defense Acquisition Fund; and

(4) such appropriations as may be made pursuant to this new chapter or as may be otherwise available for the purpose of the new account. (No appropriations are proposed for the fiscal year 1982.) New section 52 consists of three subsections:

(a) This subsection prohibits transfers to foreign countries or international organizations of defense articles and services acquired under the Special Defense Acquisition Fund unless authorized by the FAA, the AECA, or other law.

(b) This subsection permits the President to authorize the temporary use by the U.S. Armed Forces of defense articles and services acquired under the Special Defense Acquisition Fund, if such temporary use is necessary for U.S. national defense requirements and the U.S. Armed Forces bear the cost of operation, maintenance, and restoration or replacement of such articles and services.

(c) This subsection provides that funds in the new account may be used to pay for storage, maintenance, and other costs related to the preservation and preparation for transfer of defense articles and services acquired under the new account. Administrative expenses not otherwise provided for would also be paid from funds available under the new account.

Section 407. Military Assistance: This section consists of two subsections, as follows:

(a) This subsection amends section 504 (a) of the FAA to authorize $131,400,000 in appropriations to carry out military assistance programs in the fiscal year 1982. The military assistance program for the fiscal year 1982 is made up of new budget authority plus reimbursements to the military assistance account. The total program of $166,-100,000 in the fiscal year 1982 will require the appropriation of $131,400,000. It is estimated that approximately $66,100,000 of the total program will be used for administrative and related expenses, including reimbursement to the Department of Defense for those costs of overseas management of security assistance programs for which reimbursement from the military assistance account is required by section 515 of the FAA. $100,000,000 of the total program will be for transfers of defense articles and defense services to meet unforeseen requirements during the fiscal year 1982. As such, this $100,000,000 is not allocated among specific military assistance programs. Assistance furnished under this section would be furnished in accordance with the statutory authorities governing such assistance, and would require advance notification to the Congress under section 634A of the FAA and applicable appropriations legislation.

(b) This subsection repeals section 516 of the FAA, which requires specific statutory authorization, by country and amount, for military assistance programs carried out after the fiscal year 1977 (with the limited exception of deliveries under previously authorized military assistance programs). The limitations of section 516 of the FAA would be incompatible with the authority of section 504(a) of the FAA as amended by the bill.

Section 408. Stockpiling of Defense Articles for Foreign Countries: This section amends section 514(b)(2) of the FAA to establish a ceiling of $100,000,000 on the aggregate value of additions made in the fiscal year 1982 to overseas stockpiles of defense articles (other than in NATO countries) which are designated as war reserve stocks for allied or other foreign forces. The United States retains title to any stocks so designated, the transfer of which to a foreign country may take place only under the authority of the FAA or the AECA, and within the limitations and funds available under those Acts.

Section 409. International Military Assistance and Sales Program Management: This section revises existing section 515 of the FAA as follows:

(a) This subsection authorizes the President to assign U.S. military personnel to foreign countries to perform necessary management and other functions in connection with military assistance and international military education and training programs under the FAA, and foreign military sales and financing programs under the AECA. It provides for advance notice to the Congress before the number of personnel justified for assignment to a country in the annual congressional presentation materials may be exceeded, in lieu of the present requirement for specific statutory authority for the assignment of more than six such personnel to any country, and eliminates special requirements limiting the performance of management functions by defense attaches. Changes made by this subsection will facilitate the performance of broad cooperative functions in such areas as host nation support; joint exercises; equipment rationalization, standardization, and interoperability; and defense-related negotiations.

(b) This subsection retains present law regarding the authority of the Chiefs of United States Diplomatic Missions over personnel assigned under section 515(a) of the FAA.

(c) This subsection retains present law excepting from the numerical limitations of section 515 personnel performing specific defense services for limited periods pursuant to FMS sales under section 21(a) of the AECA, and stating the sense of the Congress regarding the conduct of training programs primarily by personnel not assigned under section 515.

(d) This subsection provides that, effective as of the fiscal year 1983, the entire cost (including salaries) of overseas program management under section 515 is to be reimbursed from military assistance funds, except for such costs that are either paid directly for such services under section 21(a) (of the AECA or reimbursed from charges for services collected from foreign governments in accordance with sections 21(e) or 43(b) of the AECA. The latter exceptions represent a departure from present law, under which such costs must be also reimbursed from military assistance fund, thereby exaggerating the size of the military assistance program each year.

(e) This subsection retains present law regarding the role of United States diplomatic and military personnel with regard to foreign military sales facilitation.

Section 410. International Military Education and Training: This section amends section 542 of the FAA to authorize $47,700,000 in appropriations to carry out the international military education and training program in the fiscal year 1982.

Section 411. Nuclear Transfers: This section amends section 669(b)(1) of the FAA to permit the President to furnish assistance to a country notwithstanding the prohibitions of section 669 on such assistance to countries which receive or transfer nuclear enrichment material, technology, or equipment (except under certain circumstances) if withholding such assistance would be prejudicial to United States nuclear nonproliferation objectives or otherwise jeopardize the common defense and security. As amended by the bill, section 669(b)(1) would enable the President to furnish assistance upon a determination identical to that provided for in section 670(b)(1) of the FAA for assistance to countries which have received or transferred nuclear reprocessing materials, technology, or equipment or which are non-nuclear weapons states that detonate a nuclear explosive device.

Section 412. Provisions Relating to Specific Countries: This section consists of two subsections, as follow:

(a) This subsection repeals section 620B of the FAA prohibiting military assistance, international military education and training, economic support fund and peacekeeping operations assistance, FMS sales and financing, and commercial Munitions List exports to or for the Government of Argentina.

(b) This subsection repeals section 118 of the International Security and Development Cooperation Act of 1980, prohibiting certain forms of assistance relating to Angola unless specifically authorized by law.

THE SECRETARY OF STATE,
Washington, D.C., April 1, 1981.

Hon. GEORGE BUSH,
President of the Senate.

DEAR MR. PRESIDENT: I herewith transmit on behalf of the President a bill to authorize international development and security assistance programs for the fiscal years 1982 and 1983. The programs authorized by this bill are critical to the achievement of United States foreign policy and national security objectives in the face of increasing challenges to our interests in various regions of the world. The bill will also provide for an effective United States contribution to the reduction of hunger, poverty, and other developmental problems of the developing countries. Through these programs, the United States assists allied and friendly nations to deter aggression, provide increasingly for their own defense against regional threats, strengthen internal security in the face of political, military and economic crises, stabilize economies buffeted by high oil prices and inflation, and foster economic development and progress. By so doing, we not only demonstrate our responsiveness to the legitimate needs of countries less fortunate than we but also make a significant contribution to our own national interests.

The bill incorporates authorizations for both development and security assistance. Title I of the bill consists of amendments to the Foreign Assistance Act of 1961 (FAA). The title includes all the fiscal year 1982 authorizations for the development assistance programs as well as the fiscal year 1982 authorizations for such related activities as International Disaster Assistance programs, and the American Schools and Hospitals Abroad program. Title II contains miscellaneous provisions and authorization for operating expenses of the International Development Cooperation Agency and the Agency for International Development. Title III provides authorizations for the economic support fund, peacekeeping operations, and international narcotics control programs. Title IV consists of fiscal year 1982 authorizations for military sales and assistance programs and related activities under the Arms Export Control Act (AECA) and the FAA. Title V relates to the effective date of the bill and authorizes fiscal 1983 appropriations as required by the Congressional Budget Act of 1974.

Economic development in the Third World continues to be threatened by rising oil prices, sluggish growth in indusrtialized economies, and political instability. To address these issues, this bill authorizes the appropriation of funds for development assistance programs and makes certain substantive changes to the statutory authorities under which development assistance programs are carried out. Included among the substantive changes to statutory authorities are those affecting AID's programs of science and technology. Trade and Development and Housing Guaranties. A provision authorizing a replenishment for the International Fund for Agricultural Development (IFAD) is also included.

The bill includes a new section to authorize programs of scientific and technological cooperation. These programs would assist developing countries to strengthen their own scientific and technological capacity, facilitate cooperation with the U.S. private sector in this field, and advise and assist other U.S. government agencies regarding programs of scientific and technological cooperation.

The bill amends section 661 of the FAA to

change the section caption from "Reimbursable Development Programs" to "Trade and Development Programs." This is in accord with prior Executive Branch action which created the program as a separate component within IDCA and more accurately reflects the purpose of the program to promote trade and development opportunities between the U.S. private sector and developing countries. Heretofore, funds for the program have been made available from other development assistance accounts. This bill amends section 661 to authorize a separate line item appropriation for this program.

The bill also authorizes the creation of a Housing Guaranty reserve account to be established from fees and other income from guaranty operations under the Housing Guaranty program, the authority for which is extended by the bill to September 30, 1983. All funds in the account will be maintained in the Treasury and invested in obligations of the U.S. Receipts derived from such investments will be used for specified program purposes.

Recent challenges to United States interests and the interests of our friends and allies have underscored the need not only for increases in the amounts authorized and appropriated for security assistance programs, but also for greater flexibility to use these programs effectively to meet new challenges and to respond to unforeseen foreign policy and national security emergencies. The bill contains a number of provisions to this end. The authorization of fiscal year 1982 appropriations for the economic support fund and the military assistance program includes $250 million and $100 million respectively, unallocated to any particular program and activity, which would be available to meet currently unexpected situations where provision of such assistance would further the national interests of the United States. Recent experience suggests that we will be increasingly called upon to respond in a timely manner to fast breaking situations, often short of an international emergency, involving economically hard-pressed nations of the developing world. The difficulties and delays occasioned over the past several years by the need to reprogram assistance to meet these needs from planned country programs, or to postpone action until the next budget cycle, indicates the importance and usefulness of such unallocated amounts.

The bill also contains a proposed new authority to establish a Special Defense Acquisition Fund for the procurement of defense articles and services in anticipation of transfers to foreign governments and international organizations. This fund, which will not require appropriations in fiscal year 1982, would permit more timely responses to the military needs of recipient states while reducing the adverse impact on the readiness of United States forces that may result from transfers of stocks in inventory or diversions from production to meet foreign needs.

In addition, the bill repeals section 620B of the FAA which prohibits assistance under the FAA, sales, credits and guaranties under the AECA, and the commercial export of items on the United States Munitions List to or for the Government of Argentina. The bill repeals section 118 of the International Security and Development Cooperation Act of 1980, prohibiting certain forms of assistance related to Angola unless specifically authorized by law. The bill also amends section 669(b)(1) of the FAA to permit the President to furnish assistance to a country notwithstanding the prohibitions of section 669 on such assistance to countries which receive or transfer nuclear enrichment material, technology or equipment, if withholding such assistance would be prejudicial to United States nuclear non-proliferation objectives or otherwise jeopardize the common defense and security.

The bill revises section 515 of the FAA to permit greater flexibility to increase overseas security assistance personnel assigned to a particular country and to clarify responsibilities of such overseas organizations.

The bill also amends the AECA to eliminate the requirement for advance certification to the Congress of all major FMS sales, commercial Munitions List exports, and third-party transfers, to NATO, any NATO member, Japan, Australia or New Zealand. This change will facilitate vital military supply cooperation with our principal allies. In addition, the bill amends the AECA and related legislation to double the dollar thresholds for certification to the Congress of all other major proposed FMS sales and commercial Munitions List exports, to establish a comparable threshold for certification of proposed third-party transfers, and to eliminate the legislative "veto" feature of the AECA insofar as it applies to proposed commercial Munitions List exports. The bill repeals section 39 of the AECA, relating to reports of agents fees and related payments, in light of the more comprehensive requirements of the Foreign Corrupt Practices Act of 1977.

The programs authorized by this bill are essential components of our foreign and national security policies, and of our commitment to the advancement in freedom, dignity and development of peoples in nations far less fortunate than our own. These programs have been formulated to achieve these ends in as effective and efficient a manner as possible in light of the resources available to us. They will serve our interests in the stability and economic prosperity of the developing countries, already important markets for U.S. exports, and whose participation in the world economy is steadily increasing.

With particular regard for the authorizations requested in this bill for security assistance programs for Greece and for Turkey, I hereby certify, in accordance with section 620C(d) of the Foreign Assistance Act of 1961, as amended, that the furnishing of such assistance to Greece and to Turkey will be consistent with the principles set forth in section 620C(b) of this Act. The explanation of the reasons for this certification in each case is contained in the Congressional presentation materials for the fiscal year 1982 security assistance programs.

The rapidly changing, difficult world situation facing the United States at this moment in history underscores the need to address, with renewed vigor, the human problems arising in the less-developed countries, our economic ties with them, and the security needs of our friends and allies. This bill would significantly contribute to these ends, and I urge its early passage.

The Office of Management and Budget has advised that there is no objection to the presentation of this proposal for the consideration of the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

ALEXANDER M. HAIG, JR.●

By Mr. PELL:

S. 977. A bill to amend the Clean Air Act to allow temporary emergency suspensions of implementation plan provisions when coal is burned instead of foreign oil, and for other purposes; to the Committee on Environment and Public Works.

LEGISLATION RELATING TO MEETING ENERGY EMERGENCIES

● Mr. PELL. Mr. President, I am today introducing legislation to provide greater flexibility in meeting energy emergencies while maintaining environmental safeguards under the Clean Air Act.

More specifically, the legislation I am introducing would allow the President, on the petition of the Governor of a State, to suspend implementation of the State's clean air plan for not more than 1 year, to permit the burning of coal instead of imported oil. The suspension of the clean air plan would be permitted upon a finding by the Governor that an energy emergency exists as a result of excessive reliance on imported oil as the primary source of fuel.

In no case, however, would such a suspension be permitted if the temporary conversion to coal from oil would result in a violation of national clean air standards.

Mr. President, this bill represents a modest but highly important change in the existing Clean Air Act provisions which restrict unduly our ability to adjust and respond to energy supply emergencies.

The bill is based on a bitter and costly experience last year in the State of Rhode Island.

At that time, the major electric generating company in the State was prepared and willing, in the midst of one of the most severe winters in recent years, to convert its generating plant from expensive imported oil to coal. That conversion would have been welcomed by just about everyone—home consumers, manufacturing plants, schools, colleges, and hospitals—because the skyrocketing cost of that imported oil was driving electric rates up to unprecedented levels.

It is estimated that conversion to coal would have saved the consumers of the State $1 million a month in utility bills.

Under existing law, however, there was no possibility of a temporary conversion to coal despite electric rates so high that they constituted an economic emergency for many families and many businesses.

Under existing law, a Governor at the request of a utility, may petition the President for a suspension of the State clean air implementation plan, but the suspension is limited to no more than 4 months, and in addition, the conditions for suspension are so restrictive that suspensions are for all practical purposes impossible.

Under existing law, suspensions may be approved by the President only on evidence of high levels of unemployment or a total loss of energy supplies for residential buildings.

The bill I have introduced would permit a 1-year suspension and conversion to cheaper coal if it is shown that imports of oil for the generating plant have reached an excessive level, and that those imports can be reduced by the emergency suspension.

In my view, if the expensive imported oil becomes excessive to the point that electricity is unaffordably expensive, that is about the same as a total loss of energy supplies. It is just as much of an emergency, and emergency relief should be available.

I recognize Mr. President, that this legislation, by itself, will not solve the problem of extremely high energy costs that threaten the economic life of New England.

New England now suffers the highest energy costs in the Nation, primarily because the region is so heavily dependent on oil and particularly imported oil.

Other measures that are needed include even more stringent conservation efforts, increased use of alternate energy sources, use of renewable fuels, and development of the many small-scale potential hydroelectric sites in the region. In addition, I strongly support the concept of a New England Power Authority, as recently proposed by my Rhode Island colleague, Representative CLAUDINE SCHNEIDER.

In the interim, however, while we struggle to adjust to the harsh realities of high-priced energy and seek longer term solutions to our regional energy needs, I believe the legislation I have introduced today can make a significant contribution by restraining electric rates without endangering environmental quality.

Mr. President, this legislation has been developed in close consultation with Governor Garrahy of Rhode Island, and I ask unanimous consent that a letter from Governor Garrahy to President Reagan on this subject be printed in the RECORD at the conclusion of my remarks, along with the text of the bill.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 977

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 110(f)(2) of the Clean Air Act is amended to read as follows:

"(2) A temporary emergency suspension under this subsection shall be issued to a source only if the Governor of such State finds that—

"(A) such temporary suspension is essential to the State's economic welfare;

"(B) foreign imports of fuels used by such source have reached an excessive level and such imports can be reduced by the emergency suspension; or

"(C) there exists in the vicinity of such source a temporary energy emergency involving high levels of unemployment or loss of necessary energy supplies for residential dwellings, and such unemployment or loss can be totally or partially alleviated by such emergency suspension.

Not more than one such suspension may be issued for any source on the basis of the same set of circumstances or on the basis of the same emergency.".

(b) Section 110(f)(3) of such Act is amended—

(1) by striking out "four months" and inserting in lieu thereof "one year"; and

(2) by inserting before the period at the end of the first sentence the following: "; but no suspension may remain in effect if such suspension results in a violation of any national ambient air quality standard".

(c) Section 110(f)(4) of such Act is amended—

(1) by striking out "for a four-month period" and inserting in lieu thereof "for a period of up to one year"; and

(2) by inserting before the period at the end thereof the following: "; but no suspension may remain in effect if such suspension results in a violation of any national ambient air quality standard".

STATE OF RHODE ISLAND
AND PROVIDENCE PLANTATIONS,
Providence, R.I., January 29, 1981.

THE PRESIDENT
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: There is no issue of greater importance to New England than our dependence on the uncertain supply and ever rising cost of foreign oil for electricity generation. It is directly related to the economic health, indeed survival, of the region and has as well national security implications, as you are aware.

Through its affiliate, Narragansett Electric Company, the New England Power Company, which provides electricity for 1,000,000 residents of Massachusetts, New Hampshire and Rhode Island, has applied for emergency suspension of the Clean Air Act (42 U.S.C. 1857 et seq.) under section 110(f) (42 U.S.C. 7410 (f)) in order to burn coal at its generating plant in Providence, Rhode Island. Such suspension under the Act requires that the Governor of the State petition the President to determine that a national or regional energy emergency exists of such severity that temporary suspension may be necessary and that other means of responding may be inadequate. There must be a finding of "high levels of unemployment or loss of necessary energy supplies for residential dwellings" as well as findings that "such unemployment or loss can be totally or partially alleviated by such emergency suspension."

As the Clean Air Act specifies, a public hearing has been held here on the request. Attached is the report from the Rhode Island hearing panel which indicates that the required findings are not present. Governor King of Massachusetts, we understand, is sending you separately a similar report and conclusion from his State, where New England Power also requested suspension in order to burn coal at its Salem Harbor generating plant.

We are forwarding these reports to you because while the evidence does not fall within the strict guidelines of the Clean Air Act, the testimony received does point out sharply that the continued use of oil in electrical generation facilities in New England has a potentially disastrous impact on our economy. It is also evident that because of the foreign oil dependency of New England, supply is subject to potential interruption at any time. It is suggested you review section 110(f) for possible revision with a view toward clarifying the required standards for demonstrating potential economic dislocation.

If the requested emergency coal burning at the two plants cannot be accommodated under the requirements of 110(f) of the Clean Air Act, we must quickly find other means of utilizing coal on a long range basis to alleviate the energy crisis which so threatens our region. We offer specifically the following proposals:

The economics of permanent conversion of the two plants and possibly others to burn coal utilizing effective means of emission limitation should be explored and wherever feasible, proper applications made, requesting Federal and State approval for immediate burning of coal under a delayed compliance order while conversion is pending. The appropriate section of the Clean Air Act governing this alternative is 113(d)(5).

In those circumstances where the conversion of aging oil-fired generating facilities proves to be uneconomic and where the generating capacity which they provide is necessary, they should be replaced with efficient new coal-fired plants, located so as not to exacerbate urban air quality conditions.

We urge prompt passage of Federal "oil backout" legislation to fund these conversions and facility replacements. Funding should be retroactive to cover already commenced projects so as not to penalize ratepayers of companies which have already taken steps to convert to coal.

In addition to increased use of coal, we call to your attention other developing options to meet New England's energy needs. These include purchase of Canadian natural gas and hydroelectric power. We will be contacting you to urge Federal approval of such importations at the appropriate time. A Federal power marketing administration in this area may well be needed. An international treaty may even be required. We will be in further communication with you and officials of your administration on these matters shortly.

We earnestly solicit your cooperation and aid as we explore these and other possibilities to relieve New England's dependence on foreign oil. As scores of businessmen in both states have so eloquently testified, severe economic dislocation is imminent if we do not solve this problem. We greatly appreciate the attention of your administration to to these concerns.

Sincerely,

J. JOSEPH GARRAHY,
Governor.

By Mr. DANFORTH (for himself and Mr. CHILES):

S. 978. A bill to amend the Internal Revenue Code of 1954 to modify certain W–2 filing requirements; to the Committee on Finance.

MODIFICATION OF CERTAIN W–2 FILING REQUIREMENTS

● Mr. DANFORTH. Mr. President, there is no question that bureaucratic excess counts for a great deal of the paperwork the Federal Govenment passes off on American businesses, but every now and then it turns out Congress itself is the culprit.

As everyone knows, the Internal Revenue Code requires employers to provide W–2 forms to all their employees at the end of the year. But the Internal Revenue Code also requires employers to provide W–2 forms to employees who leave their jobs during the year—at the time they terminate their employment.

The idea is to make certain that employees get their W–2's. The problem is—human nature being what it is—most employees lose their W–2's and end up having to get another one at the end of the year.

In fact, a few years back the National Society of Public Accountants estimated that some two-thirds of the W–2's were getting lost—that is 25 million forms. The NSPA estimates it costs $12 to issue a duplicate form, which means the cost of this requirement may total as much as $300 million.

By regulation (31.605–1), the IRS has sought to provide some relief from the significant paperwork burdens imposed by this requirement, but the directives in the code put to question such administrative reforms.

Therefore, today I am introducing legislation to correct this problem. I am pleased to say that Senator CHILES has joined me in sponsoring this bill. Under our proposal, departing employees who

ask for W-2's will be provided forms within 30 days following the termination of their employment. The rest will get the forms at the end of the year. The change will cost the Treasury nothing, while saving taxpaying business a bundle.

Mr. President, similar proposals have been offered to address this problem, most recently Congressman HAMILTON's bill, H.R. 2929. Congressman HAMILTON's proposal, however, would require employers to provide written notice to their employees at the time they leave work, informing them that they may obtain a W-2 at that time. I am not sure such a requirement is necessary, or even useful, since it clearly imposes a paperwork requirement on the employer and may serve to exacerbate the problem by encouraging the issuance of duplicate W-2's. I think the simpler course is the better course to follow, and the one more likely to effect meaningful reductions in administrative costs and redtape.

Mr. President, I ask that the text of S. 978 be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 978

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Subsection (a) of section 6051 of the Internal Revenue Code of 1954 (relating to receipts for employees) is amended by striking out "on the day on which the last payment of remuneration is made" and inserting in lieu thereof "within 30 days after receipt of a written request from the employee if earlier than such January 31".

SEC. 2. The amendments made by this Act shall apply with respect to employees whose employment is terminated after the date of enactment.●

By Mr. LUGAR (for himself and Mr. QUAYLE):

S. 979. A bill to amend the Internal Revenue Code of 1954 to clarify the tax exemption for interest on obligations of volunteer fire departments; to the Committee on Finance.

TAX EXEMPTIONS FOR VOLUNTEER FIRE DEPARTMENTS

● Mr. LUGAR. Mr. President, today I am introducing a bill on behalf of myself and my distinguished colleague from Indiana (Mr. QUAYLE) to amend the Internal Revenue Code to clarify the tax exempt status of interest on obligation of volunteer fire departments.

Volunteer fire departments perform a vital role in protecting the lives and property of their communities. They are an essential part of local government in many urban as well as rural areas of this country.

The Wayne Township Volunteer Fire Department of Marion County, Ind., is one of the largest volunteer fire departments in the Nation. It has enjoyed a position of respect and dependability in its community for many years through hard work and good management. Another reason for its success has been its ability to acquire top quality operating equipment with private loans at rates consistent with that paid by municipalities.

Therefore it disturbed me to learn that the IRS had recently decided to tax the interest paid by the Wayne Township Volunteer Fire Department on funds they had borrowed to pay for firefighting equipment. The Wayne Township Volunteer Fire Department is the sole firefighting and emergency force in the area by agreement with Wayne Township. It receives substantial funds by contract with the township trustee in compliance with Indiana law. It makes no charge for its firefighting services.

In reaching its unfortunate decision, the IRS relied on a court case involving a fire department which was totally independent of any control by local or State government and operated without a contract or public funds. In effect, the court held the organization to be a social club, not a political subdivision of a State.

What this bill does is to overturn the IRS ruling with respect to volunteer fire departments when these departments are the sole organization providing firefighting services in the area, when they are required by the political subdivision to provide firefighting services by agreement or otherwise, when they receive over half their funds from the political subdivision, and when they make no charge for firefighting services.

The bill then specifically provides that no inference is to be made about other cases in which fire departments might not meet the specific standards set up in this bill. This bill simply clarifies what had been the practice with respect to the Wayne Township Volunteer Fire Department and similar fire departments before the IRS made its ruling.

Wayne Township Volunteer Fire Department needs this legislation to help replace its 1949 firetruck. The interest differential between exempt status and being taxed on the interest is nearly $100,000. That is a heavy burden for many local communities to bear. However, even more important is the principle involved. Such volunteer organizations provide many communities with low-cost government services. As such they ought to be rewarded rather than penalized.

I urge that this legislation be enacted without delay.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 979

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) OBLIGATIONS OF CERTAIN VOLUNTEER FIRE DEPARTMENTS.—

"(1) IN GENERAL.—An obligation of a volunteer fire department shall be treated as an obligation of a political subdivision of a State if—

"(A) such department is a qualified volunteer fire department with respect to an area within the jurisdiction of such political subdivision, and

"(B) such obligation is issued as part of an issue substantially all of the proceeds of which are to be used for the acquisition, construction, reconstruction, or improvement of qualified firefighting property.

"(2) QUALIFIED VOLUNTEER FIRE DEPARTMENT.—For purposes of this subsection, the term 'qualified volunteer fire department' means, with respect to a political subdivision of a State, any organization—

"(A) which is organized and operated to provide firefighting services for persons in an area (within the jurisdiction of such political subdivision) which is not provided with any other firefighting services,

"(B) which is required (by agreement or otherwise) by the political subdivision to furnish firefighting services in such area,

"(C) which receives over half of the funds for outfitting its members and providing and maintaining its qualified firefighting property from the political subdivision, and

"(D) which makes no charge for its firefighting services.

"(3) QUALIFIED FIREFIGHTING PROPERTY.—For purposes of this subsection, the term 'qualified firefighting property' means property—

"(A) which is of a character subject to the allowance for depreciation, and

"(B) (i) which is used in the training for the performance of, or the performance of firefighting or ambulance services, or

"(ii) which is used to house the property described in clause (i).

"(4) NO INFERENCE WHERE STANDARDS ARE NOT MET.—In the case of an obligation which does not meet all of the requirements of this subsection, nothing in this subsection shall be construed to infer that interest on such obligation is not exempt from tax under this section."

(b) The amendments made by subsection (a) shall apply to obligations issued after December 31, 1968.

By Mr. LUGAR (for himself and Mr. FORD):

S. 980. A bill entitled the "Natural Gas Utilization Act"; to the Committee on Energy and Natural Resources.

NATURAL GAS UTILIZATION ACT

● Mr. LUGAR. Mr. President, I am pleased to join with Senator FORD, a most knowledgeable and effective member of the Energy and Natural Resources Committee, to introduce today the Natural Gas Utilization Act.

This bill is designed to lift market restraints on the use of natural gas by repealing the incremental pricing provisions of the Natural Gas Policy Act of 1978 (NGPA) and three provisions of the Powerplant and Industrial Fuel Use Act of 1978 (FUA): The ban on use of natural gas in existing powerplants; the ban on the use of natural gas in existing major fuel burning installations (MFBI's), and the prohibition on the use of gas for existing outdoor lighting.

The legislation would also allow the Secretary of Energy to grant an exemption from the ban on use of natural gas in new powerplants and MFBI's where the gas, used in conjunction with coal, is necessary to meet applicable Federal and State requirements.

Mr. President, we strongly support the concept, embodied in this legislation, that all statutory natural gas demand constraints be addressed in a single package. With our natural gas supply picture looking extremely encouraging,

and our national need to cut the use of imported oil, the time has come to reexamine restrictions on the use of natural gas.

All indications are that the phased deregulation of the NGPA is working. The legislation we are amending was enacted at a time when the Congress and the previous administration mistakenly believed that the Nation was running out of natural gas.

Since then, however, these perceptions have been proven false. Last year, for example, additions to natural gas reserves were up 35 percent from 1979 and additions to reserves in the Continental United States were higher than they had been since 1967.

Some recent estimates on the outlook for conventional and supplemental sources of gas energy conclude that sufficient gas energy—methane—will be available in the year 2000 to continue to supply at least 25 percent of our Nation's total need for energy. Depending on assumptions regarding future technical, social, economic, and political conditions, gas could provide as much as 33 percent of our needs—the level provided by natural gas energy in the late 1960's and early 1970's.

Since domestic gas energy supply and utilization projects, both large and small, generally require only two-thirds the capital investment of comparable projects to generate and utilize electricity and synthetic liquid fuels from domestic resources, gas energy can and should be an increasingly popular choice.

Given the improving outlook for natural gas supplies and the uncertainty of oil supply from foreign sources, we believe the Congress must, in the national interest, remove these impediments to the use of natural gas.

Senator FORD and I are extremely encouraged that these issues will get the prompt attention they deserve. Our good friend and colleague, Senator GORDON HUMPHREY, has scheduled hearings April 23 and 24 on the Fuel Use Act in his Subcommittee on Energy Regulation of the Energy and Natural Resources Committee. We look forward to working with him on this issue.

The Fuel Use Act amendments in this bill make sense economically and environmentally as well as from a supply perspective. Permitting new powerplants and new MFBI's to use natural gas in order to reduce emissions released into the atmosphere will enable them to achieve air quality standards without the addition of expensive scrubbers.

If existing powerplants and MFBI's are allowed to use natural gas, they can terminate the use of imported oil, for many the only alternative fuel.

For existing MFBI's, the current Fuel Use Act authority to order mandatory gas-to-coal conversion would be eliminated, thereby removing the prospect of costly retrofitting that cannot be justified in light of improved gas availability.

The amount of natural gas used in existing outdoor lights is so small—the DOE estimates a savings of only 0.14 percent of annual natural gas consumption—that the expense of replacing or abandoning approximately 1.5 million fixtures is simply not warranted with today's gas supply scenario.

I have long been an advocate of repeal of incremental pricing, title II of the NGPA. In the 96th Congress I introduced S. 2392, and was joined in this effort by 20 Senators, both Democrats and Republicans. The same legislation introduced in the House had over 100 cosponsors. In this Congress, I have reintroduced the legislation as S. 29 and have been pleased to add five Senators as cosponsors.

As my colleagues know, last year the House exercised its legislative veto over regulations issued by FERC to extend incremental pricing to almost all industrial uses of natural gas. Many believe that this action terminated all problems concerning incremental pricing. This is not true. Phase I still applies to industrial boiler users consuming 300 Mcf or more per day.

Incremental pricing requires natural gas sold to interstate industrial boiler users to be priced at the level of fuel oil. This of course not only substantially and artificially raises the price that industrial users of natural gas would otherwise pay, but also exposes these users to the likelihood of sudden, large increases in gas prices given the extreme volatility of oil prices.

In addition, although the FERC regulations now require industrial users to be priced at the level of high-sulfur No. 6 fuel oil, the cheapest and dirtiest type of oil capable of being burned in boilers, a much more expensive three-tiered cost ceiling system is scheduled to go into effect this November.

Clearly, incremental pricing is artificially dampening demand for natural gas and threatening, in the process, to erode the supply response to NGPA title I.

This is bad public policy created by Congress and the Congress must now act rapidly to change it. I might also mention that the constitutionality of last year's congressional veto of phase II is now being challenged in the courts.

Neither Senator FORD nor I want to take up the issue of deregulation of natural gas at this time. We firmly believe, however, that all demand restraints on the use of natural gas, whether found in FUA or NGPA, should be considered together. My constituents in Indiana cannot wait another year for repeal with the specter of a three-tier pricing system or a judicial overruling of the phase II veto hanging over their heads. Indiana has been hurt enough already by incremental pricing phase I.

To cite just one example of incremental pricing's effect on Indiana industry, after 8 continuous months of no applicable surcharge, the Indiana alternate fuel price ceiling in January 1981, as published by the Energy Information Administration at DOE, has been dramatically increased from $2.51 to $3.40 per million Btu's.

This required a surcharge to be placed on certain steel mill natural gas usage in northern Indiana of approximately 70 cents per million Btu and amounted to an increase of 25 percent for that gas subject to incremental pricing. This amounted to an additional 1 month's cost for natural gas of $634,000 for 1 month for the five major steel companies in Indiana, all of whom are currently struggling with reduced demand, other increased costs, and intense foreign competition.

The total burden of this surcharge on all industries in northern Indiana is estimated to be $1,248,000, which under the concept of incremental pricing will ultimately be refunded to residential customers for the average amount of $0.47 per customer—an insignificant benefit in exchange for a tremendous new burden on job-producing industries.

My State—and the Midwest in general—have already been hard hit by rising energy prices. We have seen plants shut down and people put out of work because of competition from abroad and a general economic slowdown.

Incremental pricing and FUA restraints, coupled with already rising energy prices, only exacerbate the distress of the industrialized Northern States and widen the gap between the energy-consuming States and the energy-producing States. Indeed, a recent issue of Forbes contained a quote that should give us all pause:

> Not even a country as large as ours can maintain its democratic institutions half rich and half poor, especially when trends will make it very apparent that for the "have-nots" things will get worse and not better. ("Trouble in the Heartland," March 16, 1981).

I am greatly concerned about the implications of a regional recession for the Midwest, which the Forbes article predicts in distressing detail.

Heavy industry, particularly autos and steel, are the backbone of the economy of the Midwest. Each has enormous problems confronting it.

The Reagan administration and the Congress are deeply concerned about the plight of these industries and are actively considering policies to deal with these problems. It makes no sense to keep statutes on the book which are counterproductive to the economic recovery of these industries.

Artificially higher natural gas prices and unnecessary constraints on its use must be lifted by the Congress in order to help us compete in the world market and encourage use of a plentiful, clean domestic resource.

To conclude, Mr. President, we believe the changes to current law embodied in the Natural Gas Utilization Act will benefit consumers and our national security in two ways:

First, they will improve the already promising supply outlook for domestic natural gas by reducing market uncertainties which inhibit investment in new natural gas production, and second, they will encourage a shift from the use of oil, which is 40 percent imported, to natural gas, which is over 95 percent domestic and 99 percent North American. We hope our colleagues will support this bill, and urge its prompt and immediate consideration.

Mr. President, I ask unanimous consent that the text of S. 980 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 980

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Natural Gas Utilization Act".

REPEAL OF CERTAIN STATUTORY PROHIBITIONS ON USE OF GAS BY EXISTING POWERPLANTS

SEC. 2. Section 301 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8341) is amended by striking out subsection (a) and redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

REPEAL OF AUTHORITY TO PROHIBIT COAL-CAPABLE FACILITIES USE OF GAS AND AUTHORITY TO PROHIBIT USE OF GAS IN CERTAIN FUEL MIXTURES

SEC. 3. (a) Sections 301(b) (as so redesignated by section 2) and 302(a) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8341(b) and 8342(a)) are each amended by striking out "or natural gas, or both,".

(b) Sections 301(b) (as so redesignated by section 2) and 302(b)(1) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8341(c) and 8342(b)(1)) are each amended by striking out "or natural gas" and "or natural gas, or both," each place such terms appear.

(c)(1) The following provisions of the Powerplant and Industrial Fuel Use Act of 1978 are amended by striking out "natural gas or" each place it appears:

(A) Subsections (a)(1) and (b) of section 303.

(B) Subsections (a), (b), (c), (d)(1), (e), (f), and (g) of section 311.

(C) The subsection heading for section 312(d).

(D) Subsections (a)(1) and (g)(1)(B)(i) of section 312.

(2) Section 311(h) of the Powerplant and Industrial Fuel Use Act of 1978 is amended—

(A) by striking out paragraph (3) and redesignating paragraph (4) as paragraph (3); and

(B) in paragraph (3) (as so redesignated), by striking out "natural gas and".

(3) Section 312(c)(1) of such Act is amended by striking out "petroleum or natural gas, or both, are" and inserting in lieu thereof "petroleum is".

(4) Section 312 of such Act is amended—

(A) in subsection (d), by striking out paragraph (3); and

(B) by striking out subsections (h), (i), and (j) and redesignating subsections (k) and (l) as subsections (h) and (i), respectively.

(5) Section 731(a) of such Act is amended by striking out "or title III".

PROHIBITION ON THE USE OF GAS FOR OUTDOOR LIGHTING NOT TO APPLY TO FIXTURES IN OPERATION ON THE ENACTMENT OF THE FUEL USE ACT; PUBLIC INFORMATION PROGRAM BY UTILITIES

SEC. 4 (a) Section 402(b)(1) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8372(b)(1)) is amended—

(1) by inserting "(other than any outdoor lighting fixture which was installed before the date of the enactment of this Act for use in connection with a residence and for which natural gas was being provided on such date of enactment)" after "use in outdoor lighting", and

(2) in subparagraph (C), by striking out the dash and all that follows through "residence," and inserting in lieu thereof "any municipal outdoor lighting fixture".

(b) Section 402 of such Act is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f)(1) For the purpose of discouraging the use of natural gas for outdoor lighting, each local distribution company which is subject to subsection (a) or (b) shall, in accordance with rules promulgated by the Secretary—

"(A) establish a reasonable and simple method, as determined by each such company, by which the company shall periodically inform its customers about the amount of natural gas consumed by outdoor lighting and the annual cost of such gas for such lighting; and

"(B) report to the Secretary the method established under subparagraph (A).

A company may establish a method which provides for reporting such information on the basis of estimates where actual information is not readily available.

"(2) The Secretary shall propose the rules referred to in paragraph (1) as promptly as possible after the date of the enactment of this subsection, and such rules shall take effect not later than the ninetieth day after they are proposed. In promulgating such rules, the Secretary shall, to the greatest extent feasible, consult with the appropriate regulatory authority of the States and the local distribution companies who will be subject to the rules.".

EXEMPTION FOR THE USE OF GAS IN GAS-COAL MIXTURES TO OFFSET COAL EMISSIONS

SEC. 5 (a) Section 212(d) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8322(d)) is amended by adding at the end thereof the following new paragraph:

"(3) After consideration of a petition (and comments thereon) for an exemption from the prohibitions of subpart A for a powerplant or installation to use natural gas in a natural gas-coal mixture, the Secretary shall, by order, grant a permanent exemption under this subsection with respect to natural gas if the petitioner certifies to the Secretary that—

"(A) the use of natural gas in such mixture is to reduce the emissions from that which would occur if only coal was used as a primary energy source; and

"(B) the proportion of natural gas in such mixture will not exceed the level necessary to comply with applicable environmental requirements, disregarding any variances issued or granted in connection with the powerplant installation.

For purposes of this paragraph, the term 'natural gas-coal mixture' means any mixture of natural gas and coal or any combination of such fuels used simultaneously or alternately in any unit or in any set of units located at the same site.".

(b) Section 701(c) of such Act (42 U.S.C. 8411(c)) is amended by adding at the end thereof the following new paragraph:

"(4)(A) Notwithstanding section 702(a) or any other provision of law (other than subparagraph (B)), any exemption under section 212(d) shall be effective upon the date a petition for such exemption is filed with the Secretary on that petition.

"(B) An exemption shall not be made effective under subparagraph (A) for a facility if—

"(i) a previous petition for an exemption under such sections has been denied on the basis of facts and circumstances which have not substantially changed since the prior petition; or

"(ii) such an exemption has been approved but subsequently revoked under the terms and conditions of that exemption.".

REPEAL OF INCREMENTAL PRICING REQUIREMENTS UNDER THE NATURAL GAS POLICY ACT OF 1978

SEC. 6. (a) Title II of the Natural Gas Policy Act of 1978 (15 U.S.C. 3341–3347) is repealed.

(b)(1) Section 121(b) of such Act (15 U.S.C. 3331(d)) is amended—

(A) by striking out "Effective beginning on the effective date of the rule required under section 201, the" and inserting in lieu thereof "The"; and

(B) by striking out "shall cease to apply" and inserting in lieu thereof "shall not apply" and inserting in lieu thereof "shall not apply".

(2) Section 502 of such Act (15 U.S.C. 3412) is amended by striking out subsection (d).

(3) Section 504(b) of such Act (15 U.S.C. 3414(b)) is amended—

(A) by striking out paragraph (3);

(B) in paragraph (1), by striking out "paragraphs (2) and (3)" and inserting in lieu thereof "paragraph (2)"; and

(C) in paragraph (4), by striking out "paragraph (1), (2), or (3)" and inserting in lieu thereof "paragraph (1) or (2)".

(4) Section 506 of such Act (15 U.S.C. 3416) is amended by striking out subsection (d).

(5)(A) Section 507(a) of such Act (15 U.S.C. 3417(a)) is amended by inserting "and" at the end of paragraph (1), by striking out "; and" at the end of paragraph (2) and inserting in lieu thereof a period, and by striking out paragraph (3).

(B) Section 507(c) of such Act (15 U.S.C. 3417(c)) is amended—

(i) in paragraph (1), by striking out "sections 122, 202, and 206" and inserting in lieu thereof "section 122"; and

(ii) by striking out paragraph (3).

(6) The table of contents for such Act is amended by striking out the items relating to title II.

(c) The provisions of subsections (a) and (b)(2) shall apply with respect to costs incurred by interstate pipelines after the date of the enactment of this Act.●

● Mr. FORD. Mr. President, today I join my colleague, Senator LUGAR, in introducing the Natural Gas Utilization Act of 1981. This bill is designed to remove certain specific restraints which the Federal Government has imposed upon the marketing of natural gas.

The gas demand restraints in question were enacted by Congress in 1978 as part of the National Energy Act legislative package. At the time of enactment, the gas demand restraints were reasonable in light of the severe gas shortage during the winter of 1977.

However, in view of the fact that the gas supply outlook has since improved dramatically, with favorable supply indicators ranging from reserve additions to well completions to absolute production, the assumption of critical gas scarcity is not as widely held.

Indeed, by artificially reducing the demand for natural gas at a time when a natural gas surplus already exists, artificial Federal restraints on gas demand could affirmatively decrease gas production by reducing the market for whatever new gas might be developed by producers.

Let me stress that this proposed legislation does not address, directly or indirectly, the thorny issue of wellhead prices under the Natural Gas Policy Act. That is a question which should be dealt with separately, if at all.

The specific provisions of the Natural Gas Utilization Act can be briefly outlined as follows:

First, all restrictions on gas use by existing powerplants, under section 301 of the Fuel Use Act (FUA) would be eliminated. This action would repeal the currently scheduled FUA ban on any gas use by existing powerplants after 1989. Since the 1990 FUA ban would focus al-

most exclusively on powerplants whose only alternative fuel is oil—not coal—elimination of the 1990 FUA ban will prevent a massive increase in the use of imported oil during the 1990's.

According to the American Gas Association, the increase in imported oil use that would be indirectly mandated by the 1990 FUA ban could approach or even exceed 1 million barrels of oil per day. This fuel switching will entail a substantial cost to electric utility customers.

Eimination of the gas use restrictions in FUA section 301 would also entail removal of the FUA's interim, that is, pre-1990, restrictions on gas use by existing powerplants. These interim restrictions clearly operate to prevent powerplants from increasing their historic use of gas and also serves to prohibit oil-using powerplants from shifting from oil to natural gas.

Since this prevention of potential oil displacement is important for national energy priorities, the repeal of these interim powerplant gas use restrictions would serve the national interest. It should be noted that the Economic Regulatory Administration (ERA) has granted numerous temporary exemptions from these restrictions in the case of powerplants which seek to displace oil with natural gas.

However, since the statute limits the maximum duration of these exemptions to a period of 5 years, ERA's current policy does not constitute a solution.

Only legislative action can resolve this problem on more than a temporary basis. There is also nothing in this provision that would limit the authority of DOE to order existing coal-capable gas powerplants to convert to coal.

Second, the Natural Gas Utilization Act would also amend FUA section 302 in order to remove the current statutory authority to require "coal capable" existing industrial facilities to convert from natural gas to coal.

In light of the improved supply outlook for natural gas, and in view of the high cost of retrofitting existing industrial facilities, the current FUA authority to order mandatory gas-to-coal conversions can no longer be considered necessary or justifiable.

As is the case with the bill's amendments to FUA restrictions on existing powerplants, the current FUA authority to restrict oil use would be left intact.

Third, the Natural Gas Utilization Act would not remove the automatic FUA ban—under FUA sections 201 and 202—on oil or gas use by new powerplants and new industrial facilities. We must continue to encourage the use of coal in new industrial and electric powerplant facilities, to the maximum extent possible in order to back-out foreign oil.

In the case of such facilities, however, a new FUA alternative would be created that would foster greater domestic coal use.

Under this alternative, such facilities would be permitted to undertake the select, limited use of natural gas—in conjunction with primarily coal—for the limited purpose of meeting applicable environmental requirements.

This would permit natural gas to be burned by new facilities solely to the extent necessary to meet Federal and State regulations governing the direct combustion of coal.

It is the hope of Senator LUGAR and myself that this approach will actually enhance the possibility for coal conversion by permitting direct coal use in areas where coal combustion would otherwise be prohibited for environmental reasons.

As the representative of a major coal producing State, I believe that the small quantities of natural gas that would be used in new coal-fired powerplants or in new industrial facilities will actually enable facilities to use more coal.

Consider this example: Suppose that the owner of an existing coal-fired boiler, which is located in an area with severe air pollution problems, wishes to add a second coal-fired boiler.

Because of air pollution in the area, a new-coal fired boiler may be an impossibility, unless the owner can switch the existing boiler to a mixture of 20 percent natural gas and 80 percent coal.

The natural gas can offset the emission increases from a new coal-fired boiler, with control technology. With the select use of gas with coal the entire facility would use 90 percent coal and just 10 percent natural gas.

Most importantly, the owner could expand the facility, although it is a nonattainment air quality area, and the facility would burn 80 percent more coal with no net increase in air pollutants.

Fourth, the Natural Gas Utilization Act would also effectively eliminate the scheduled 1982 ban—under FUA Section 402—on gas use in existing residential outdoor lights. This scheduled ban would impose severe administrative burdens on numerous gas utilities and would deprive hundreds of thousands of homeowners of property valued at hundreds of dollars per gaslight. In return for the hardships and inconveniences created, the ERA estimates that the ban would reduce national gas consumption by only 14/100 of 1 percent.

It should be noted that the bill's language on this issue is identical to the wording of legislation which passed the House unanimously late last year.

Fifth, finally, the Natural Gas Utilization Act would repeal all of the incremental pricing program that was mandated by title II of the Natural Gas Policy Act (NGPA).

Through an extremely complicated mechanism, incremental pricing artificially raises gas prices for industrial boiler fuel use to a level of parity with fuel oil. (At the moment, the standard for fuel oil parity is the energy equivalent price of high sulfur No. 6 oil—but the Federal Energy Regulatory Commission is planning to move to a mixed parity system, under which some boiler fuel gas users would be priced at parity with more expensive fuel oils, in November of 1981.)

Incremental pricing was designed to reduce residential and commercial gas utility bills by artificially shifting a larger share of gas costs to industrial boilers.

In practice, however, industrial boiler fuel gas users simply pass through the inflated gas costs—which raises prices paid by consumers for manufactured products—or, if the affected firms are financially marginal, the artificially increased gas costs are offset through reductions in employment or capital investment.

In addition to these negative consequences, incremental pricing generates the even more serious problem of an artificially created incentive for industrial boilers to switch from natural gas to oil.

Incremental pricing sometimes raises gas prices to a level of theoretical price parity which exceeds the level of actual price parity. To put it another way, incrementally priced gas is sometimes raised to a price above competing fuel oil. In my own State of Kentucky, such inaccuracies have in recent months elevated incrementally priced gas above the level of actual parity with fuel oil—and, despite the initiation of two regulatory rulemakings to deal with Kentucky's situation, the problem has not been fully resolved.

In light of the clear need to remove the Federal Government's artificially created barriers to the use of a secure and almost exclusively domestic fuel, I urge my colleagues to join Senator LUGAR and myself in sponsoring the Natural Gas Utilization Act.●

By Mr. SYMMS:

S. 981. A bill to amend the Internal Revenue Code of 1954 to exempt from income tax a certain portion of the pay received by members of the Armed Forces who have served at least 4 years; to the Committee on Finance.

SERVICEMAN'S RETENTION ACT

● Mr. SYMMS. Mr. President, I am introducing the Serviceman's Retention Act, legislation to amend the Internal Revenue Code of 1954 to exempt from income tax a certain portion of the pay received by members of the Armed Forces who have served at least 4 years.

In recent years, our Armed Forces have faced a crisis in manpower that is reaching dangerous proportions. The major reason for this great exodus from the service is the issue of pay.

Despite certain benefits that military personnel enjoy, military salaries are far below those in the private sector. For example, an Air Force master sergeant (E–7) crew chief with over 12 years of experience makes about $14,214 per year while his civilian counterpart working for an airline makes $20,877 per year. This discrepancy in pay has caused the departure of many experienced, well-trained technicians from the service in search of a better economic future in the private sector.

Under this act, all members of the Armed Forces who have served 4 years or more will have some portion of their pay exempted from Federal income taxes:

Those with 4 years of service will have 25 percent of their salary tax free.

Those with 8 years of service will have 35 percent of their salary tax free.

Those with 12 years of service will have 45 percent of their salary tax free.

Those with 16 years of service will have 50 percent of their salary tax free.

With his disposable income nearly approaching similar civilian occupations, the serviceman is less likely to leave to look for a more lucrative job. The Nation's Armed Forces will thus be considerably strengthened due to improved morale and readiness through the retention of the most experienced personnel. The improvement in pay would also serve as an inducement for enlistment, thus increasing the quality of the Armed Forces.

The Serviceman's Retention Act will increase incentives to remain in the Armed Forces and at the same time reduce revenues by only $744 million in 1981, or less than one-fifth of the projected cost of $3.9 billion for recruiting and training replacements for the estimated 147,000 qualified servicemen who will elect to leave the Armed Forces during the coming year.

These manpower shortages, as depicted below, threaten the security of our Nation. By providing the incentives for servicemen to remain in the military will greatly improve our military capabilities.

1. RETENTION, REENLISTMENT AND SHORTAGES

[In percent]

Fiscal year	Career personnel reenlisting	Eligible 1st term personnel reenlisting
A. Department of Defense (DOD) reenlistment rates:[1]		
1975	81.5	36.8
1976	76.3	29.8
1977	74.8	35.0
1978	71.5	37.1
1979	68.2	37.4
	Career reenlistment rate	Eligible 1st term reenlistment rate
B. The U.S. Navy as example:[2]		
1975	80.5	39.9
1976	74.8	35.2
1977	68.1	36.9
1978	63.5	40.3
1978	62.2	37.5

[1] In any given year, about 20 percent of all enlisted personnel end their 1st term of service. Approximately half of those people are eligible for reenlistment. The services are only attracting little more than one-third of those qualified people.

[2] The Navy's reenlistment rate has remained lower than the DOD rate.

NOTES

The critical time period is at 10 yr of service. By that time a Navy petty officer (noncommissioned officer—NCO) has acquired experience that cannot be qualified.

The Navy is short about 23,000 petty officers/NCO's with over 11 yr of service.

Of the 138 nuclear qualified petty officers with over 11 yr of service in 1979, the Navy now has fewer than 40.

Critical naval officer specialties:

Category	Percent needed	Percent retained
Surface	60	39
Pilot	60	30
Nuclear submarine	60	36

II. MANPOWER COSTS

Item	Amoun
A. Some representative training costs for specialty skills in which DOD suffers most:	
Navy/Marine F-14 or Air Force F-15 pilot	$1,000,000
Army helicopter pilot	150,000
Para-Rescue and recovery medic	60,000
Enlisted nuclear submariner	55,000
Helicopter maintenance technician	55,000
Data processing maintenance specialist	28,000
B. DOD Manpower costs (billions):	
Military manpower, total outlays fiscal year 1981	$30.3
Individual training, total outlays fiscal year 1981	8.8
Recruiting/advertising/support, total outlays fiscal year 1981	.89
Training cost for enlisted personnel to replace 147,000 eligible personnel who leave the service	3.4
Recruiting/advertising and support cost for above	.3
Cost to provide replacement officer personnel for the 18 percent eligible officers who leave the service	.2
Total projected cost of replacing eligible personnel electing to leave the service	3.9

Sources: Department of Defense Annual Report, Fiscal Year 1981. Office of the Assistant Secretary of Defense (M.P.A. & L.)

III. REVENUE IMPACT OF THE SYMMS BILL[1]

[In millions of dollars, fiscal years]

	1981	1982	1983	1984	1985	1986
Reduction in tax receipts	744	1,274	1,402	1,542	1,696	1,866

[1] Calculated by the Joint Committee on Taxation.

The defense of our Nation is the most important task of the Government. If the Nation's citizens, property, and interests cannot be protected and our freedoms preserved, our existence will become but a page in history.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 981

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129 and by inserting after section 127 the following new section:

"SEC. 128. COMPENSATION RECEIVED BY MEMBERS OF THE ARMED FORCES.

"(a) GENERAL RULE.—In the case of any qualified service member, gross income does not include the excludable portion of compensation received for active service as a member of the Armed Forces of the United States.

"(b) EXCLUDABLE PORTION.—For purposes of subsection (a), the excludable portion of any compensation is—

"(1) in the case of compensation attributable to months beginning after the individual's service period exceeds 4 years but before such period exceeds 8 years, 25 percent of the compensation,

"(2) in the case of compensation attributable to months beginning after the individual's service period exceeds 8 years but before such period exceeds 12 years, 35 percent of the compensation,

"(3) in the case of compensation attributable to months beginning after the individual's service period exceeds 12 years but before such period exceeds 16 years, 40 percent of the compensation, and

"(4) in the case of compensation attributable to months beginning after the individual's service period exceeds 16 years, 50 percent of the compensation.

"(c) OTHER DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED SERVICE MEMBER.—The term 'qualified service member' means any individual whose service period exceeds 4 years.

"(2) SERVICE PERIOD.—The term 'service period' means the aggregate of the periods during which the individual performed active service as a member of the Armed Forces of the United States. For purposes of the preceding sentence, active service shall not be taken into account unless such service was continuous for 90 days or more.

"(3) COMPENSATION.—The term 'compensation' does not include pensions and retirement pay."

(b) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 128. Compensation received by members of the Armed Forces.
"Sec. 129. Cross references to other Acts."

(c) The amendments made by this Act shall apply to taxable years beginning after December 31, 1980.●

By Mr. SYMMS (for himself and Mr. MCCLURE):

S. 982. A bill to provide for the conveyance of certain Federal lands adjacent to Lake Shore Drive, Lake Lowell, Boise project, Idaho; to the Committee on Energy and Natural Resources.

SALE OF CERTAIN SURPLUS LANDS IN IDAHO

● Mr. SYMMS. Mr. President, I am introducing legislation to authorize the sale of certain surplus public lands along Lake Shore Drive in Idaho to landowners that live along them. The legislation will correct an unfortunate situation that developed when a recent title search involving some of the land showed that the strips of land in question actually belonged to the U.S. Water and Power Resources Service, and not to the adjacent landholders.

The history of this misunderstanding dates back to 1909, when the Lake Lowell Dam was constructed by the Federal Reclamation Service. In 1937, President Franklin Roosevelt created the Deer Flat National Wildlife Refuge from the lands surrounding the reservoir. Afterward, the Lake Shore Drive was constructed, but the road did not conform to the boundaries of the land that the Federal Government had acquired for the reservoir. As a result, 29 parcels of land were isolated from the Deer Flat Wildlife Refuge. Since then, the adjacent landowners have absorbed these tracts of land, farmed them, improved

them, built upon them, and even paid taxes levied on them. And over the years, though there have been some boundary disputes, the parcels of land have been treated as though they belonged to the adjacent landowners.

In the 1970's, the Boise Office of the Bureau of Reclamation surveyed the lands to resolve a legal title dispute and discovered that the 29 isolated parcels of land were actually owned by the Federal Government. They then removed those parcels of land from the Deer Flat Wildlife Refuge, and determined that the land should be sold. Unfortunately, this land, by Federal regulation, must be sold by the General Services Administration to the highest bidder, on the basis of a sealed bid. It is this regulation that my legislation would correct—to allow the adjacent landowners who have in good faith treated this land as their own, to have the first option to purchase it at the current fair market value of the land.

Mr. President, the Department of Interior agrees that the land should be sold to the adjacent private landowners, but the Water and Power Resources Service does not have the authority to offer that sale to them. The former Commissioner of that Bureau sent a letter to me on August 21, 1980 indicating his support for the legislation I have introduced today, and pledging that he would delay reporting these lands to the General Services Administration until such time as this legislation is acted upon. Mr. President, I ask unanimous consent that this letter be included in the RECORD at the end of my statement. I also ask unanimous consent that a letter that I sent to the current Commissioner of the Water and Power Resources Service be included in the RECORD.

There being no objection, the bill and the letters were ordered to be printed in the RECORD, as follows:

S. 982

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Secretary of the Interior (hereinafter referred to as the "Secretary") is hereby authorized to convey all right, title, and interest, except as reserved herein, to certain small tracts of Federal lands located adjacent to Lake Shore Drive, Lake Lowell, Boise project, Idaho, to the adjacent landowners.

SEC. 2. Such conveyances shall be made by the Secretary only to the adjacent landowners, and shall be made within one year from the date of his receipt of a proper application from such landowners. Applicants for such conveyances must pay the fair market value of the lands as of the date of the conveyance, including administrative costs, but excluding the costs to the government of conducting the necessary land surveys and preparing the legal descriptions of the land to be conveyed. In determining the fair market value of the lands, the Secretary shall not include the value of any improvements made to the lands by the adjacent landowners or their predecessors.

SEC. 3. All conveyances made pursuant to this Act shall reserve to the United States all mineral deposits in the lands and shall assure that the right to mine and remove such minerals is subservient to the surface rights granted in the conveyances.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., August 21, 1980.

Hon. STEVE SYMMS,
House of Representatives,
Washington, D.C.

DEAR STEVE: This is in response to your letter of August 11, 1980, regarding our disposal of some narrow strips of land along Lake Shore Drive, Deer Flat Reservoir, Idaho.

I support your proposal to dispose of these lands to those individuals holding the adjacent private lands. In that respect I will delay the reporting of these lands to the General Services Administration for disposal until you have had an opportunity to sponsor and introduce remedial legislation.

I would suggest that these lands be made available to the adjacent landowners at a fair market value not reflecting any improvements which have been placed on the land due to the lack of an accurate survey. I have asked the Regional Office to provide me with the legal descriptions and maps of the area which you requested. When they are received I will furnish copies to you.

If I can be of any further service, please contact me.

Sincerely yours,
R. KEITH HIGGINSON,
Commissioner.

COMMITTEE ON ENVIRONMENT
AND PUBLIC WORKS,
Washington, D.C., April 6, 1981.

Mr. ROBERT BROADBENT,
Commissioner, Water and Power Resources Service, Department of the Interior, Washington, D.C.

DEAR COMMISSIONER BROADBENT: Last year, at the request of Members of the Idaho Congressional delegation, Commissioner Higginson delayed action on the disposal of land along Lake Shore Drive, Deer Flat Reservoir, Idaho. I have enclosed a copy of a letter which I sent to him, and his response.

Essentially, as the correspondence shows, the land has been treated for decades as belonging to the individuals who held the adjacent private lands. This position was upheld by an inaccurate survey of the land. Last year, I introduced legislation to convey the land in question to those land owners at fair market value *before* placing it up for sale on a sealed bid basis.

I am writing to ask for your support for this legislation. The land owners, who have held this land under the understanding that it was theirs have done so in good faith. I hope that we can resolve their situation in good faith. As I mentioned to Commissioner Higginson, I also would like the Bureau to provide me with legal descriptions and maps of the lands involved.

Thank you for your consideration of this important issue.

Best regards.

Yours for a free society,
STEVE SYMMS,
U.S. Senator.●

By Mr. ROTH:

S.J. Res. 68. Joint resolution to authorize and request the President to issue a proclamation designating the day of April 15, 1981, as "National Tax Freedom Day"; to the Committee on the Judiciary.

NATIONAL TAX FREEDOM DAY

● Mr. ROTH. Mr. President, I am introducing today a joint resolution which calls upon the President to declare April 15, 1981, "National Tax Freedom Day."

Last year, our Nation's inflation rate reached a level of 13.5 percent. This represents an increase of almost 9 percent on an annual basis since 1976.

This year the Federal Government will collect over $286 billion in income taxes from the American people. Total Federal tax receipts already account for 22 percent of GNP.

Over the next 5 years, Federal tax revenues will more than double, increasing from $585 billion to $1.1 trillion a year by fiscal 1985.

Mr. President, middle-income Americans, those earning from $15,000 to $60,000 a year, are being gouged by the Federal Government. These individuals currently bear 66 percent of the Federal tax burden. In my judgment, that burden is far too great to endure any longer.

This unbearable tax load is having a devastating effect on our Nation's economy. The United States currently maintains the lowest rate of savings in the Western World, resulting in the lowest rate of productivity, growth, investment, and real wage increases among the major industrialized nations. Our savings rate is continuing to fall because high tax rates reduce the real rate of return on savings income.

Our high rate of taxation discourages savings and encourages consumption. It is a major contributing factor to our high rate of inflation. It forces savings away from productive investments and into tax exempt bonds and tax shelters.

There is no question but that substantial tax reductions are needed to offset the massive tax increases facing the working people of this Nation.

I believe there is no more appropriate date to begin the task of reducing America's tax burden than April 15, that infamous day on which we all must pay Uncle Sam his due, whether just or unjust.

Accordingly, I am calling upon the President to declare April 15, 1981, National Tax Freedom Day.

I had hoped that this joint resolution would receive immediate consideration by the Senate. Indeed, I cannot imagine why anyone would object to a joint resolution which by its very nature is purely and simply aimed at helping the working men and women of this country. Nevertheless, I have been informed that the minority objects to the joint resolution. I have no idea what their reasoning or logic may be. But whatever they are thinking, it certainly is not helping the middle income taxpayers of America.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 63

Whereas inflation as measured by the consumer price index reached a rate of 13.5 percent in 1980, up from 4.8 percent in 1976;

Whereas the Federal government will collect over $600 billion in total Federal taxes from the American people in 1981;

Whereas total Federal tax revenues under current law will more than double over the next 5 years increasing $585 billion to $1.1 trillion a year by fiscal 1985;

Whereas the average Federal tax paid by a U.S. household in 1979 was more than $6,000, an increase of 45 percent from 1976;

Whereas middle income Americans, those earning from $15,000 to $60,000 a year, currently bear 66 percent of the Federal tax burden;

Whereas Federal tax receipts account for more than 22 percent of GNP;

Whereas Federal income and social security taxes currently reduce the personal income of the average American by more than 15 percent;

Whereas the United States has the lowest rate of saving in the Western World, resulting in the lowest rate of productivity, growth, investment, and real wage increases among the major industrialized nations;

Whereas the rate of personal savings is falling because high tax rates reduce the real rate of return on savings income;

Whereas the present high Federal tax rates discourage new savings, encourage consumption, and force savings away from productive investments and into tax exempt bonds and tax shelters;

Whereas substantial tax reductions are needed to offset the massive tax increases facing the working men and women of this country;

Whereas the only way to reduce inflation is to promote economic growth and the best way to promote economic growth is to reduce the high rates of taxation which are destroying the incentive to work, to save and to invest;

Whereas April 15 is the filing date for Federal income tax returns; and

Whereas Congress is committed to freeing the American people from the unfair and high tax burden they now endure: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the day of April 15, 1981 as "National Tax Freedom Day."●

ADDITIONAL COSPONSORS

S. 164

At the request of Mr. MELCHER, the Senator from Wisconsin (Mr. KASTEN) was added as a cosponsor of S. 164, a bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related entities and on deferred payments in the case of certain sales of property.

S. 267

At the request of Mr. DECONCINI, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 267, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 290

At the request of Mr. MELCHER, the Senator from West Virginia (Mr. ROBERT C. BYRD) was added as a cosponsor of S. 290, a bill entitled the "Reye's Syndrome Act of 1981."

S. 395

At the request of Mr. WALLOP, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 395, a bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes.

S. 496

At the request of Mr. MELCHER, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 496, a bill to amend the Federal Mine Safety and Health Act of 1977.

S. 574

At the request of Mrs. KASSEBAUM, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 574, a bill to amend the Internal Revenue Code of 1954 to allow the estate of a decedent a deduction for certain bequests of interests in property used in farms or other trades or businesses, and for other purposes.

S. 734

At the request of Mr. HEINZ, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 734, an original bill to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally.

SENATE JOINT RESOLUTION 12

At the request of Mr. INOUYE, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of Senate Joint Resolution 12, a joint resolution to authorize and request the President to designate November 14 of each year as "Operating Room Nurses Day."

SENATE JOINT RESOLUTION 65

At the request of Mr. PROXMIRE, his name was added as a cosponsor of Senate Joint Resolution 65, a joint resolution proclaiming Raoul Wallenberg to be an honorary citizen of the United States, and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom

At the request of Mr. SASSER, his name was added as a cosponsor of Senate Joint Resolution 65, supra.

SENATE RESOLUTION 112—RESOLUTION TO HONOR LAVERN DUFFY FOR HIS SERVICE TO THE SENATE

Mr. NUNN (for himself and Mr. PERCY) submitted the following resolution; which was referred to the Committee on Governmental Affairs:

S. RES. 112

Whereas, LaVern J. Duffy honorably, loyally and faithfully served from 1953 to 1981 as Assistant Counsel, Chief Counsel, and General Counsel, successively, of the Permanent Subcommittee on Investigations of the Governmental Affairs Committee of the United States Senate;

Whereas, in such positions LaVern J. Duffy represented the subcommittee in exemplary fashion, bringing credit to the Senate and to the Congress;

Whereas, the enterprise and inexhaustible capacity of LaVern J. Duffy for original and independent investigation resulted in the exposure of waste, fraud, and abuse in Government operations;

Whereas, the dedication of LaVern J. Duffy to fairness and a balanced presentation of the facts made his investigations textbook illustrations of how the congressional oversight function should be performed;

Whereas subcommittee investigations in which LaVern J. Duffy has been involved, such as investigations of organized crime and racketeering in the labor-management field, have demonstrated the value and effectiveness of congressional inquiry;

Whereas, the leadership of LaVern J. Duffy in staff investigations resulted in public hearings by the subcommittee that led to prosecutions and legislative and executive corrective actions; and

Whereas, LaVern J. Duffy has prepared more cases leading to hearings than has any other staff member in the history of the subcommittee: Now, therefore, be it

Resolved, That the United States Senate honors, pays tribute, and expresses its deep appreciation to LaVern J. Duffy for extraordinary contributions and twenty-eight years of distinguished service to the Senate Permanent Subcommittee on Investigations, the Committee on Governmental Affairs, the Senate, and the Congress of the United States.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to LaVern J. Duffy.

● Mr. NUNN. Mr. President, on behalf of myself and Senator PERCY, I am today submitting a resolution to honor LaVern J. Duffy, who recently retired after a long and distinguished career on the staff of the Permanent Subcommittee on Investigations.

Mr. Duffy joined the staff in 1953 while he was a student at the Georgetown Law School. He was an Assistant Counsel for 28 years thereafter, and the members of the subcommittee came to rely heavily on his advice and counsel as well as his outstanding work as an investigator and lawyer.

This was particularly true over the past 6 years, during which I served as either acting chairman, vice chairman, and chairman of the subcommittee, and Senator PERCY served as its ranking minority member. In fact, when I became chairman early in the 96th Congress, I made Mr. Duffy the subcommittee's General Counsel.

I think I can speak for Senator PERCY when I say that both he and I turned repeatedly to Mr. Duffy, not only to do his usual excellent work, but to give us the benefit of his experience and sound judgment.

With his thorough knowledge of the subcommittee's rules of procedure, its traditions and legal precedents, LaVern Duffy truly has been for Senators and staff alike a source of knowledge and valuable advice. No matter how challenging the problem, Mr. Duffy invariably has faced it or something similar before. After a few moments of thoughful atten-

tion, he always offers a solution. I have never known his judgment to be wrong.

But LaVern Duffy's contribution to the subcommittee goes beyond his being an experienced attorney. He also happens to be a master at investigating, organizing, and presenting public hearings. In the history of the subcommittee, no staff member has been responsible for more investigations leading to more hearings.

In the midfifties, when reports of corrupt practices in the collective bargaining process troubled most Americans, the Senate created the Select Committee on Irregular Practices in the Labor or Management Field.

The select committee was chaired by the late Senator John L. McClellan of Arkansas, who was also chairman of the Investigations Subcommittee. Many of the subcommittee staff members moved over on a temporary basis to the select committee. Among those who made that temporary move were Robert Kennedy, the Chief Counsel, and LaVern Duffy.

The Labor Rackets Committee, as it was known, put together a comprehensive and detailed record of how corrupt practices had infected and compromised parts of the labor movement. Millions of working men and women today who can take pride in the responsible and honest leadership of their unions owe a debt of gratitude to the select committee and the lasting reforms that resulted from its investigation.

As much as any other member of that fine staff assembled by Senator McClellan and Chief Counsel Kennedy, LaVern Duffy can look back proudly upon their many productive investigations. No one headed more investigations at the staff level than Mr. Duffy did. He traveled throughout the Nation, investigating hundreds of instances of alleged corruption, compiling fact after fact that would eventually become the heart of public hearings.

In the labor rackets effort, at the start of his career, Mr. Duffy was demonstrating the work habits and professionalism that were to be the hallmark of his approach to the congressional oversight function.

In assembling his cases and preparing for hearings, LaVern Duffy always followed a basic rule. It was, and is: "One mistake is all it takes to ruin an otherwise perfect presentment."

It was, and is, that absence of mistakes that makes Mr. Duffy's cases so professionally balanced, fair, responsible, and effective. He leaves nothing to chance.

It is my feeling, and I know it is the view of other Senators who have served on the Investigations Subcommittee, that we have come to expect excellent staff work if LaVern Duffy is in charge of the investigation at the staff level.

In a very real sense, it is a tribute to the strict standards of staff conduct demanded by Senator McClellan and Robert Kennedy that they saw in this young lawyer, LaVern Duffy, the potential to be a fine lawyer and an extraordinary investigator and then encouraged and helped develop that potential.

Returning to the Investigations Subcommittee staff when the select committee concluded its mission in 1960, Mr. Duffy then embarked on what was the most historic effort in a career that has touched on many historymaking events.

Most people know the name Joe Valachi and recognize him as the onetime mobster who, testifying before drama-packed Senate hearings in 1963, gave Congress and millions of television viewers their first detailed glimpse of criminals who belonged to an organization known as La Costra Nostra.

Books were written about the Valachi hearings. Movies were made; TV shows and magazine articles followed. Joe Valachi made history before the Investigations Subcommittee.

But few people know or understand the months of exhaustive interviewing and independent investigation that preceded Valachi's testimony. The interviewing of Valachi, the independent inquiry, the endless checking and rechecking of the assertions and allegations that Valachi was to make—all of that effort was almost exclusively the work of LaVern Duffy.

For many months, Duffy spent hours on a daily basis with Valachi in his cell in the District of Columbia jail. Valachi, who was not educated, had an inordinate memory. There were few events in his criminal career that he could not remember. That was what made him such a credible witness.

But a memory with vast amounts of information is of little value unless it is properly channeled and directed to recall pertinent events that will be of interest to the subcommittee as it tries to draft legislation that will control the criminality which Valachi was able to recall.

As anyone who has read the Valachi hearings will note, much of what the former Cosa Nostra member testified to was corroborated by testimony and other forms of evidence from police departments and other reliable witnesses.

Joe Valachi, after all, was a felon. He was a self-confessed mobster. As a witness, Valachi had a certain sincerity and undeniable candor. But, despite his personality and those qualities that made him a credible witness, it was still absolutely essential that, wherever possible, evidence in support of Valachi's testimony had to be developed. That tough challenge went to Mr. Duffy and he did an excellent job.

The preparation for the Valachi hearings was painstaking and complicated. The hearings seemed to go smoothly, and they did, but their success was owed not only to Joe Valachi's memory and courage in testifying; but also to the preliminary staff work of LaVern Duffy.

Former Senator Abraham Ribicoff of Connecticut, who came to the Senate the year of the Valachi hearings and who served on the Investigations Subcommittee for the next 12 years, made a point of writing a letter of commendation to LaVern Duffy last year shortly before that distinguished Senator's retirement.

Senator Ribicoff, who went on to become the chairman of the full Senate Governmental Affairs Committee the last 6 years of his 18-year Senate career, observed LaVern Duffy's professional conduct at close range for nearly two decades. It is a most informative summation of the many contributions of a unique staff member. Also, Senator PERCY spoke recently in the Senate about LaVern Duffy's many contributions to the Congress and the Nation.

In my own service as chairman of the Investigations Subcommittee and now as ranking minority member, I am pleased to say I have grown in admiration and respect for Mr. Duffy's many skills as an investigator and his uncommon judgment as a lawyer.

Self-effacing and loyal, LaVern Duffy's special gift is his ability to provide the necessary research and background to members of the subcommittee so that they are able to do the oversight examination of Government operations and national problems that are their responsibility.

LaVern Duffy was one of the Senate's most dedicated, resourceful, and effective staff members. Without staff like him, much of what we achieve in the Senate would not be possible.

His has been a distinguished career, which, fortunately for the subcommittee, did not come entirely to an end when he retired at the end of February. He will now serve us as a consultant—but knowing LaVern Duffy, he will not slow from the furious pace he has maintained during his entire career.

I want to compliment Mr. Duffy on all his many distinguished accomplishments and to thank him for his long, outstanding service to the U.S. Senate.

Mr. President, I ask unanimous consent that a letter written by former Senator Ribicoff and Senator PERCY's remarks of March 10, 1981, be printed in the RECORD.

U.S. SENATE,
Washington, D.C., October 2, 1980.

Mr. LAVERN J. DUFFY,
General Counsel, Permanent Subcommittee on Investigations, U.S. Senate

DEAR LAVERN: Having served on the Investigation Subcommittee for my first 12 years in the Senate and as Chairman of the full Committee for the last six years, I have had many opportunities to appreciate the excellent work you have done as Assistant Counsel, as Chief Counsel and now as General Counsel.

There is much at stake when the Investigations Subcommittee conducts an investigation. Important strides forward are always possible in achieving more efficient government operations and in gathering information for the Congress on crime and subversion. But incompetent or irresponsible performance at the staff level can be disastrous. The reputations of innocent persons can be damaged and the credibility of the Senate itself can suffer. That is why it is so essential that Senators on the Subcommittee be served by experienced, reliable and responsible staff.

You enjoy a good reputation among all Senators who have served on the Subcommittee. It is well known that if LaVern Duffy is in charge of a case at the staff level, Senators can rest assured that it will be managed in a professional, thorough, factual and fair manner. You have a reputation for not making mistakes, for sound judgment and for putting on solid cases. All your many cases—from Joe Valachi to labor rackets to Vietnam corruption to organized crime—serve as textbook illustrations of how the Congressional oversight function is supposed to be exercised.

I know I speak for other Senators when

I say how grateful we are for your dedication and continuous service. In 28 years, you have made the Subcommittee your life's work and, in so doing, you have made a priceless contribution to the Senate and the nation.

Sincerely,

ABE RIBICOFF.

LAVERNE DUFFY: ONE OF THE SENATE'S MOST DEDICATED EMPLOYEES

(By Senator PERCY)

Mr. President, I think it is fair to say that last November 5, the day after the election, most of us were more than a little surprised by the sweeping results. For the first time in 26 years, control of the Senate was about to change hands. Very few of us were present in this Chamber when that last occurred.

LaVerne Duffy is one of the most distinguished of those professionals who were here the last time a new majority party emerged. For almost 28 years, he has served as a trusted counsel on the Permanent Subcommittee on Investigations. In the 96th Congress, he held the title of general counsel, having also served as acting chief counsel from March to May 1979.

LaVerne graduated from Marquette University, and served with the U.S. Marines in World War II during which he suffered serious wounds at Iwo Jima. He joined the subcommittee staff in 1953, and worked closely with the young minority counsel, Robert F. Kennedy. When the Democrats regained control of the Senate after the election of 1954, Bobby Kennedy became the chief counsel of the subcommittee. He conducted a thorough housecleaning of what was left of the McCarthy committee staff. Only two staff persons were asked to remain: one was Laverne Duffy.

Over the next several years, LaVerne worked on some of the most significant—and most dangerous—investigations into labor racketeering that the subcommittee has ever conducted. He was then, as he has been ever since—a tough, intelligent, and dedicated investigator, not swayed in the least by political considerations, and only interested in presenting the truth to the public. Bobby Kennedy, in his book, The Enemy Within, had this to say about him:

"LaVerne Duffy, not only one of our younger staff members, but one of our three or four best, had been in the Marines, and was badly wounded in the fighting in the Pacific. He was in charge of investigating the dynamitings and violence in Scranton, Pennsylvania.

"It was in the early days of the Committee. Several times Duffy answered the telephone and the voice on the other end warned: You'd better leave Scranton, mister, or we're going to kill you.

"Joe Maher subpoenaed Roland McMasters; Jim McShane subpoenaed the witness for our juke-box hearing; LaVern Duffy did not leave Scranton."

LaVern is perhaps best known for his work in preparing Joseph Valachi for his appearance before the subcommittee in 1963. Until the public testimony of Joe Valachi, a longstanding member of organized crime, many, including Federal law enforcement officials, played down the power and influence of organized crime in society. Some even doubted its existence. Then, Valachi dramatically changed the public perception of organized crime. His awesome, and graphic, testimony of its tight-knit structure, initiation procedures, rules and customs, code the Nation once and for all that organized crime was very real, and very dangerous.

People may not realize the months and months of preparation necessary before someone like Joe Valachi gives public testimony. Every name, date, and place must be checked out and corroborated with local and Federal authorities. Endless interviews must be conducted with the witness so that the thousand stories of a nearly illiterate professional criminal can be presented as a coherent whole that the Congress and the public can understand. LaVern Duffy was the person primarily responsible for that investigation and for the testimony of Joe Valachi. The hard work and personal sacrifice involved were, to LaVern, simply part of the job.

During the past few years, LaVern has been instrumental in several subcommittee investigations focusing on the commitment of the Labor Department to join in the fight against organized crime and labor-management racketeering. As those investigations have shown, the strong commitment of the Labor Department has been lacking. Some changes for the better have been made, including a threefold increase in the personnel assigned to work with the organized crime strike forces of the Justice Department. But, I hope that with the incoming administration we will see a stronger stand in this area.

In these matters, as in all others, it has been a pleasure and, indeed, a privilege to work with LaVern. He takes an uncompromising approach when it comes to integrity, professionalism, fairness and thoroughness. These qualities have earned him the highest respect of every majority and minority Senator and staff member. We never hesitated to look to him for advice and counsel.

I could go on and on listing the criminal convictions obtained as a result of LaVern's investigations of labor racketeering and waste and mismanagement in Government, or noting the changes in the law that ultimately flowed from his work. But I want to conclude my remarks by congratulating him on his cautious, as well as effective, use of congressional authority. The Congress has immense investigatory powers to expose wrongdoing in order to correct the situation through oversight and/or legislation. LaVern has always vigorously pursued his duty and responsibility to root out fraud and waste, and expose misconduct. To be sure, he has always conducted the meticulous and painstaking investigation and corroboration necessary to avoid needlessly harming a person's reputation by allowing a witness to make public accusations that cannot be backed up. He has done his best to insure that the Permanent Subcommittee on Investigations uses its powers wisely. For that, I thank him.

In his 28 years on the subcommittee, LaVern Duffy has never sought out public recognition for his fine work. A successful investigation has been enough of a reward for him. Indeed, he may even be embarrassed and uncomfortable by my turning the spotlight on him this one time. I just want him to know that my staff and I have enjoyed working with him all my years on the subcommittee, and I look forward to working with him in the 97th Congress.

AMENDMENTS SUBMITTED FOR PRINTING

PEANUT ALLOTMENT-QUOTA SYSTEM

AMENDMENT NO. 34

(Ordered to be printed and referred to the Committee on Agriculture, Nutrition, and Forestry.)

Mr. HELMS (for himself, Mr. BENTSEN, Mr. CHILES, Mr. DENTON, Mr. EAST, Mrs. HAWKINS, Mr. HEFLIN, Mr. HOLLINGS, Mr. SCHMITT, Mr. THURMOND, and Mr. WARNER) submitted an amendment intended to be proposed by them to the bill (S. 943) to provide price support and production adjustment incentives for farmers in order to assure the availability of an abundance of food and fiber, and for other purposes.

● Mr. HELMS. Mr. President, yesterday I introduced, by request, the administration's version of a proposed 1981 farm bill, S. 943. This proposed legislation is designed as the reauthorization instrument for the basic food and agriculture statutes which expire this year. It would replace the Food and Agriculture Act of 1977.

The efforts of the Secretary of Agriculture and his staff in preparing this legislation are to be applauded. He has presented a conscientious proposal that I am sure will be met with general acceptance in many of its provisions.

On April 7, I introduced my own farm bill, the Agriculture and Food Act of 1981, S. 884. My bill has a number of provisions applicable to all commodities which differ from the administration bill I introduced by request.

For instance, my approach to the establishment of the loan rate, the farmer-held reserve and other provisions are different in a way that I think is an improvement.

In particular, however, the administration's proposed title dealing with peanuts causes me significant concern. The administration's peanut proposal is one that, if implemented into law, would have a devastating impact on the thousands of peanut growers in 16 States. This section would adversely affect farmers, shellers, and others who depend on this important food and oil crop. The chaos which would be created by the administration's provision regarding peanuts would extend across the land and into our present and future export markets.

The administration's section on peanuts would abolish the allotment system; it would also reduce quotas by 10 percent each year until they are phased out. Such provisions are intolerable. In addition, the administration's proposal has a price tag of some $12 million annually, where my amendment would have the program operate at virtually no cost to the taxpayers.

The existing program has been highly successful over the years in providing U.S. consumers with an assured supply of high-quality peanuts at a reasonable cost.

To discontinue the present system would cause wild swings in production and in returns to the farmer.

To discontinue the current program would end the orderly production and marketing mechanism for the peanut crop which, I would remind Senators, is a highly perishable commodity and cannot be stored for long periods on farms as can wheat and corn.

Under the present program, peanut production in the United States is essentially conducted through a family-farm network, located in three geographic areas in the country. The administration's proposal would unwisely tend to shift peanut production to large corpo-

rate-style farm operations and to one geographic area.

As chairman of the Senate Committee on Agriculture, Nutrition, and Forestry—and as a Senator from one of the leading peanut-producing States—I am committed to doing everything I can to prevent such a catastrophe for the peanut industry. Our peanut farmers have devoted years of work, they have invested money in land and equipment, and they have tied their lives to the production of peanuts. We simply must not stand by and let their honest efforts be shattered by legislation such as proposed by the Agriculture Department.

I am submitting an amendment to the administration bill. This amendment carries the same provisions as the peanut title in my own version of the 1981 farm bill. It serves to keep the present allotment and quota peanut program intact. The amendment also provides for certain improvements and adjustments in the program.

My amendment, which is cosponsored by 10 Senators from peanut-producing States, will, among other things, keep the two-price system of support for peanuts and establish the loan rate on quota peanuts at a minimum of $650 a ton from the 1982 crop year through 1985. This amendment will also give the Secretary authority to increase the loan level for any crop year, taking into consideration such things as increases in the index of price paid by farmers on interest, taxes, and the like. The support price for what are known as "additional" peanuts—those in excess of the established quota—shall be set at a rate estimated to result in no program losses to the Commodity Credit Corporation.

The amendment stipulates that cooperatives engaged in handling, shelling, or dealing in peanuts in any manner, other than handling peanut price support activities for the Commodity Credit Corporation, are barred from conducting loan activities through a loan agreement with CCC.

Also, Mr. President, my amendment includes a provision which permits peanut farmers and grower cooperatives to redeem peanuts from loan as long as the cost of putting them under loan in the first place is borne by the grower. In situations such as we had in 1980 where prices exceeded the loan rate because of market conditions, farmers would be in a position to profit. This year they were not because current law requires that "additional" peanuts remain under loan in the area association pool until after the marketing year. This addition to the law makes the peanut program more farmer oriented, more market oriented, and will reduce the administrative and regulatory costs of the program.

These are some of the basic provisions of my amendment, all aimed at strengthening and improving the present program, which was fashioned through bipartisan consideration on the Agriculture Committee.

I ask unanimous consent that this amendment to the administration's farm bill, S. 943, along with a section-by-section explanation, be printed in the RECORD.

There being no objection, the amendment and explanation was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 34

Strike out all of Title VI and insert in lieu thereof the following:

TITLE VI—PEANUTS

ANNUAL MARKETING QUOTA AND STATE ACREAGE ALLOTMENT

SEC. 601. (a) Subsections (a) and (e) of section 358 of the Agricultural Adjustment Act of 1938 (7 U.SC 1358 (a) and (e)) shall not be applicable to the 1982 through 1985 crops of peanuts.

(b) Effective for the 1982 through 1985 crops of peanuts, subsection (c) (1) of section 358 of such Act (7 U.S.C. 1358(c)(1)) is amended by striking out the period at the end of the second sentence and inserting in lieu thereof a colon and the following: "*Provided further*, That the peanut acreage allotment for the State of New Mexico shall not be reduced below the 1977 acreage allotment as increased pursuant to subsection (c)(2) of this section.".

NATIONAL ACREAGE ALLOTMENT; NATIONAL POUNDAGE QUOTA; FARM POUNDAGE QUOTA; AND DEFINITIONS

SEC. 602. Effective only for the 1982 through 1985 crops of peanuts, section 358 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358) is further amended by adding at the end thereof the following new subsections:

"(k) Not later than December 1 of each year, the Secretary shall announce a national acrease allotment for peanuts for the next crop taking into consideration projected domestic use, exports, and a reasonable carryover, except that such allotment shall not be less than 1,614,000 acres.

"(1) Not later than December 1 of each year, the Secretary shall announce a minimum national poundage quota for peanuts for the next marketing year. The minimum national poundage quota for any crop shall be 1,300,000 tons increased by such additional quantity as the Secretary estimates will be necessary to meet the requirements for domestic edible and seed uses during the next marketing year.

"(m) For each farm for which a farm acreage allotment has been established, a farm yield for peanuts shall be determined. Such yield shall be equal to the average of the actual yield per acre on the farm for each of the three crop years in which yields were highest on the farm out of the five crop years 1973 through 1977. In the event that peanuts were not produced on the farm in at least three years during such five-year period or there was a substantial chance in the operation of the farm during such period (including, but not limited to, a change in operator, leasee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms which are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(n) For each farm, a farm base production poundage shall be established equal to the quantity determined by multiplying the farm peanut acreage allotment by the farm yield determined in accordance with subsection (m) of this section.

"(o)(1) For each farm, a farm poundage quota shall be established by the Secretary for each marketing year equal to the farm base production poundage multiplied by a factor determined by the Secretary, such that the total of all farm poundage quotas will equal the national poundage quota for such marketing year. The poundage quota so determined, beginning with the 1982 crop for any farm, shall be increased by the number of pounds by which marketings of quota peanuts from the farm during previous marketing years (excluding any marketing year before the marketing year for the 1980 crop) were less than the farm poundage quota.

"(2) A quantity of peanuts equal to the quantity of peanuts undermarketed in any year may be produced and marketed in any subsequent year or years (undermarketing carry forward) and such quantity of peanuts shall be considered quota peanuts, except that in order to qualify for an undermarketing carry forward in any year a producer must have planted an acreage on the farm to peanuts in the preceding year equal to or greater than 50 per centum of the acreage allotment for the farm for peanuts for such preceding year.

"(3) In no case may the total marketings of a producer exceed actual production from the farm acreage allotment.

"(4) Notwithstanding the foregoing provisions of this subsection, if the total of all increases under paragraph (1) of this subsection in individual farm poundage quotas exceeds 10 per centum of the national poundage quota for the marketing year, the Secretary shall adjust such increases so that the total of all increases does not exceed 10 per centum of the national poundage quota.

"(p) For the purposes of this part and title I of the Agricultural Act of 1949—

"(1) 'quota peanuts' means, for any marketing year, any peanuts which are eligible for domestic edible use as determined by the Secretary, which are marketed or considered marketed from a farm, and which do not exceed the farm poundage quota of such farm for such year;

"(2) 'additional peanuts' means, for any marketing year, any peanuts which are marketed from a farm and which are in excess of the marketings of quota peanuts from such farm for such year but not in excess of the actual production of the farm acreage allotment;

"(3) 'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary; and

"(4) 'domestic edible use' means use for milling to produce domestic food peanuts and seed and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c) of this Act, are unique strains, and are not commercially available.".

SALE, LEASE, AND TRANSFER OF ACREAGE ALLOTMENT

SEC. 603. Effective for the 1982 through 1985 crops of peanuts, section 358a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358a) is amended—

(1) by striking out in subsection (a) ", if he determines that it will not impair the effective operation of the peanut marketing quota or price support program,";

(2) by striking out "may" each place it appears in subsection (a) and inserting in lieu thereof "shall"; and

(3) by adding at the end thereof the following new subsections:

"(i) Notwithstanding any other provision of this section, transfers shall be on the basis of the farm base production poundage, and the acreage allotment for the receiving farm shall be increased by an amount determined by dividing the number of pounds transferred by the farm yield for the receiving farm, and the acreage allotment for the transferring farm shall be reduced by an amount determined by dividing the number of pounds transferred by the farm yield for the transferring farm.

"(j) Notwithstanding the provisions of subsection (b)(1) of this section, farm acreage allotments and marketing quotas for peanuts may be transferred from one county to another in the same State in the case of any State in which the total farm peanut acreage allotment is 11,000 acres or less.".

MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS

SEC. 604. Effective only for the 1982 through 1985 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359) is amended—

(1) by inserting "(1)" after the subsection designation "(a)";

(2) by striking out in the first sentence of subsection (a)(1) of such section, as designated by clause (1) of this section, "75 per centum of the support price for" and inserting in lieu thereof "120 per centum of the support price for quota";

(3) by inserting after the first sentence of subsection (a)(1) of such section, as designated by clause (1) of this section, the following new sentence: "The marketing of any additional peanuts from a farm shall be subject to the same penalty unless the peanuts, in accordance with regulations established by the Secretary, are placed under loan at the additional loan rate under the loan program made available under section 108(b) of the Agricultural Act of 1949 and not redeemed by the producers or are marketed under contracts between handlers and producers pursuant to the provisions of subsection (i) of this section.";

(4) by striking out "normal yield" in subsection (a)(1) of such section, as designated by clause (1) of this section, and inserting in lieu thereof "farm yield";

(5) by adding at the end of subsection (a)(1) of such section as designated by clause (1) of this section the following new paragraph:

"(2) The Secretary shall authorize, under such regulations as he shall prescribe, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or reduce marketing penalties provided for under this subsection in cases in which such committees determine that the violations which were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned. Errors in weight which do not exceed one-tenth of 1 per centum in the case of any one marketing document shall not be considered marketing violations except in cases of fraud or conspiracy."; and

(6) by adding at the end of such section the following new subsections:

"(f) Only quota peanuts may be retained for use as seed or for other uses on a farm and when so retained shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts that are used to produce peanuts excluded under section 359(c), are unique strains, and are not commercially available. Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use. Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(g) Upon a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to 120 per centum of the loan level for quota peanuts on the quantity of peanuts which the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(h) The Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108(c) of the Agricultural Act of 1949. Quota and additional peanuts of like type and segregation or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(i) Handlers may, under regulations prescribed by the Secretary, contract with producers for the purchase of additional peanuts for crushing, export, or both. All such contracts shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval prior to April 15 of the year in which the crop is produced, except that if any handler contracts with a producer for additional peanuts at a price equal to or more than 105 per centum of the loan level of quota peanuts such peanuts may be utilized as quota peanuts if (1) such contract is approved before April 15 of the year in which the crop is produced, and (2) all of the producer's quota peanuts have been contracted for before or at the same time that the producer's additional peanuts are contracted for.

"(j) Subject to the provisions of section 407 of the Agricultural Act of 1949, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with regulations established by the Secretary. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus (1) 100 per centum of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season upon delivery by and with the written consent of the producer, (2) not less than 105 per centum of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year, or (3) not less than 107 per centum of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year. For the period from the date additional peanuts are delivered for loan to April 30 of the calendar year following the year in which such additional peanuts were harvested, the area marketing associations designated pursuant to section 108(c) of the Agricultural Act of 1949 shall have sole authority to accept or reject lot list bids when the sales price as determined under this section equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts, except that the area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by this sentence in order to facilitate the orderly marketing of additional peanuts.".

REPORTS AND RECORDS

SEC. 605. Section 805 of the Food and Agriculture Act of 1977 (91 Stat. 947) is amended by striking out "1981" and inserting in lieu thereof "1985".

PRESERVATION OF UNUSED ALLOTMENTS

SEC. 606. Section 806 of the Food and Agriculture Act of 1977 (91 Stat. 947) is amended by striking out "1981" and inserting in lieu thereof "1985".

PRICE SUPPORT PROGRAM

SEC. 607. Effective for the 1982 through 1985 crops of peanuts, title I of the Agricultural Act of 1949 is amended by adding after section 107 a new section 108 as follows:

"SEC. 108. Notwithstanding any other provision of law—

"(1) The Secretary shall make price support available to producers through loans, purchases, or other operations on quota peanuts for each of the 1982 through 1985 crops of peanuts at such levels as the Secretary finds appropriate, taking into consideration the eight factors specified in section 401(b) of this Act, and any change in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning January 1 and ending December 31 of the calendar year immediately preceding the marketing year for which the level of support is being determined, except that the level of price support for the 1982 through 1985 crops shall not be less than $650 per ton. The levels of price support so announced may not be reduced by any deductions for inspection, handling, or storage, but the Secretary may make adjustments for location of peanuts and other adjustments authorized by section 403 of this Act.

"(2) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1982 through 1985 crops of peanuts. In determining the support level for additional peanuts, the Secretary shall take into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, but in no case may the level of price support for additional peanuts be set at a level which the Secretary estimates would result in the Commodity Credit Corporation incurring a loss on the price support program for additional peanuts for the marketing year concerned. The Secretary shall announce the level of price support for additional peanuts of each crop not later than February 15 preceding the marketing year for which the level of price support, so announced, is to be in effect.

"(3) (A) In carrying out paragraphs (1) and (2) of this subsection, the Secretary shall make warehouse storage loans available in each of the three producing areas (described in 7 CFR 1446.10(1980)) to a designated area marketing association of peanut producers which is selected and approved by the Secretary and which is operated primarily for the purpose of conducting such loan activities. The Secretary may not make warehouse storage loans available to any cooperative which is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and in section 359 of the Agricultural Adjustment Act of 1938. Such area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938, as amended. Loans made under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 359 of the Agricultural Adjustment Act of 1938, as amended.

"(B) The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by type for quota peanuts handled under loans and for additional peanuts produced without a contract between handler and producer described in section 359(i) of the Agricultural Adjustment Act of 1938. Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed in proportion to the value of the pea-

nuts placed in the pool by each grower. Net gains for peanuts in each pool shall consist of (i) for quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from the pool for additional peanuts to the extent of the net gains from the sale for domestic food and related uses of additional peanuts in the pool for additional peanuts equal to any loss on disposition of all peanuts in the pool for quota peanuts, and (ii) for additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (1) of this subparagraph. Notwithstanding any other provision of this subsection, any distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by such grower.".

SECTION-BY-SECTION ANALYSIS

TITLE VI—PEANUTS

Section 601. Annual marketing quota and state acreage allotment:

Section 601 provides that provisions of law pertaining to the proclamation of an annual marketing quota for peanuts and the apportionment of the State acreage allotment among countries shall not apply to the 1982 through 1985 crops of peanuts. This section also continues for the 1982 through 1985 crops of peanuts current provisions of law that the peanut acreage allotment for New Mexico shall not be reduced below the 1977 acreage allotment as adjusted.

Section 602. National acreage allotment; national poundage quota; farm poundage quota; and definitions:

Section 602 extends for the 1982 through 1985 crops of peanuts current law pertaining to the national acreage allotment, the national poundage quota, and the farm poundage quota with the following three modifications. First, the minimum national poundage quota for the marketing year for any crops of peanuts shall be 1,300,000 tons increased by such additional quantity as the Secretary of Agriculture estimates will be necessary to meet the requirements for domestic edible and seed uses during the next marketing year.

Second, a producer's cumulative undermarketings for one or more previous marketing years (excluding any marketing year before the marketing year for the 1980 crop) may be added to the farm poundage quota, provided, that (1) the producer planted an acreage on the farm to peanuts in the preceding year equal to or greater than 50% of the acreage allotment for the farm for peanuts for such preceding year; (2) the total marketings of the producer does not exceed the actual production from the farm acreage allotment; and (3) if the total of all increases because of undermarketing carry forward in individual farm poundage quotas exceeds 10% of the national poundage quota for the marketing year, the Secretary shall adjust such increases so that the total of all increases does not exceed 10% of the national poundage quota.

Third, seed peanuts for the production of "green" peanuts of unique strains which are not commercially available may be exempt from marketing penalties.

Section 603. Sale, lease, and transfer of acreage allotment:

Section 603 extends for the 1982 through 1985 crops of peanuts current law regarding the sale, lease, and transfer of acreage allotments, except that acreage allotments and marketing quotas may be transferred without regard to county boundaries in States which have less than a total of 11,000 acres in farm peanut acreage allotments.

Section 604. Marketing penalties; disposition of additional peanuts:

Section 604 extends for the 1982 through 1985 crops of peanuts current provisions of law regarding marketing penalties and the disposition of additional peanuts with the following modifications. First, the Secretary of Agriculture is required to authorize ASCS State and county committees to reduce or waive penalties for unintentional violations of the prescribed peanut marketing procedures. Errors in weight which do not exceed one-tenth of 1 percent in the case of any marketing document shall not be considered marketing violations except in cases of fraud or conspiracy.

Second, the deadline before which contracting for additional peanuts must be completed is moved from June 15 to April 15 of the year in which the crop is produced. Additional peanuts not contracted for before April 15 are eligible for sale to handlers only if the producer consents to such sale.

Third, producers are permitted to redeem additional peanuts from loan at prices equal to or more than 105 percent of the loan level of quota peanuts. Fourth, the area marketing associations shall have complete authority for selling additional peanuts under loan in instances where such peanuts are sold at prices equal to or greater than the Commodity Credit Corporation's minimum sales price.

Section 605. Reports and records:

Section 605 extends for the 1982 through 1985 crops of peanuts current requirements that all farmers engaged in the production of peanuts keep records subject to examination by USDA and submit such information when asked to do so.

Section 606. Preservation of unused allotments:

Section 606 extends for the 1982 through 1985 crops of peanuts current law which provides that the current farm acreage allotment shall not be preserved as history acreage unless for the current year or either of the two preceding years an acreage sufficient to produce 75% of the farm poundage quota was actually devoted to peanuts.

Section 607. Price support program:

Section 607 extends for the 1982 through 1985 crops of peanuts the current law providing a two-tiered price support program for peanuts with the following modifications. The loan levels for 1982 through 1985 crops of quota peanuts shall be established at the discretion of the Secretary of Agriculture, but not at a level less than $650 per ton. The Secretary is provided with authority to adjust the loan level for any crop year after taking into consideration such things as increases in the index of prices paid by farmers, interest, taxes, etc.

The support price for "additional" peanuts shall be set at a rate estimated to result in no program losses to the Commodity Credit Corporation. Warehouse storage loans and field supervisory functions must be carried out by grower associations operated primarily for such purposes. Cooperatives engaged in handling, shelling, or dealing in peanuts in any manner, other than handling peanut price support activities for the Commodity Credit Corporation (CCC), are barred from conducting loan activities through a loan agreement with CCC. Finally, the Secretary shall require area marketing associations to establish accounting pools for purposes of providing certain protections to CCC against program losses.●

● Mr. BENTSEN. Mr. President, I am joining the chairman of the Senate Committee on Agriculture in offering this amendment to correct a glaring inequity in the administration's proposed farm bill.

Mr. President, 4 years ago the peanut farmers of Texas and the Nation recognized a fact which is only now winning wide acceptance—the fact that we must reduce Government spending. They recognized that the peanut program was much too expensive. They recognized that the program had worked well in assuring a stable and adequate supply of peanuts for decades, but that this alone was not enough. They recognized that they were part of the problem of Government spending, and they took action to correct that situation.

Today, the administration is proposing to throw out 40 years of experience with a successful program. They are proposing to cast aside the sacrifices of 10,000 peanut farmers in Texas and many more in other States. They are proposing to trade thousands of small farmers and the active rural economies which they support for a much smaller number of very large farmers and a loss of jobs that will dry up many small towns—the small towns that are the heart of rural America.

I cannot support such a change. I for one will recognize the sacrifice and effort of the peanut growers and will stand with them in this fight to retain the current program.

Mr. President, over the last 4 years peanut growers have taken sharp cuts in order to return the peanut program to a balance of supply and demand, a balance where the market will clear the peanut supply and there will be no excess for the Government to buy.

Peanut growers put themselves under a poundage quota on every farm in the Nation during the first year of the 1977 farm bill. Each year since they have taken a 5-percent cut in these quotas.

In addition, the price support level for quota peanuts has been increased only once since 1977, and then only slightly. Growers this year will get only $455 per ton for quota peanuts. By contrast, the U.S. Department of Agriculture estimated that last year it cost growers $526 per ton to produce peanuts, and the 1981 cost estimate is well over $600 according to farmers and agricultural economists. The Agricultural Extension Service in North Carolina, the State which the distinguished sponsor of this amendment so ably represents, has estimated peanut production costs in that State at $624.56 per ton.

Mr. President, I support major cuts in Federal spending. I have helped lead the change for years for a comprehensive economic plan of cuts in spending, cuts in costly Government regulations, and targeted tax cuts. But I must recognize that the peanut growers have been there, too. They have taken their share of cuts. They initiated a plan 4 years ago that is moving them toward a program that will maintain a viable peanut industry, that will maintain a healthy rural economy, and that will cost the Federal Government little or nothing.

Peanut farmers saw what they had to do, and they are doing it. They are biting the bullet. They are sacrificing.

Mr. President, USDA's proposal to do away with the program that growers

have tried so hard to rejuvenate is totally unfair. I believe that we should recognize this effort, that we should stick by our farmers and give their proposal a chance to work. I have seen the cost estimates prepared by USDA for their program. I have also seen the cost estimates prepared by peanut growers for the program that they are proposing. Mr. President, if both these estimates are correct, then the growers' proposal, the proposal we are presenting today, will be less costly than USDA's proposal. Our proposal will save $1.4 million over the 4-year life of this bill. Our proposal will cost the Government nothing in 1985, while the administration estimates their version will cost $14 million in that year.

Mr. President, the heavy hand of Government has intruded too much into the lives and businesses of the citizens it seeks to serve. Government should not dictate to the people. It should listen to the people, it should serve their wishes. The small peanut farmers of this country have spoken. They value their way of life. They value their small towns, their homes, their jobs. They have voluntarily pointed the way to a peanut program that will maintain this way of life, that will maintain a healthy economy in rural America, in towns like Mason, Gorman, De Leon, Stephenville, and hundreds others like them where people are neighbors and neighbors are friends.

We as their elected representatives should recognize this. We should work with them, not dictate to them. They pay taxes. They are hurt by inflation. They support the economic program which I have outlined so often over these last years. They are taking their cuts and will continue to do so.

Let us recognize their service. Let us recognize the stability they have given us in our peanut supply. This year's crop is a fluke—the result of a drought so bad that we have a peanut shortage for the first time in 25 years. What other commodity can boast that?

Mr. President, this proposal will assure the American consumer of a stable supply of peanuts at a reasonable price. It will minimize the cost to the taxpayer, and it will maintain the economic health of large parts of rural America. This is a program that was designed and asked for by the people, not handed down from on high by the Government.

I urge my colleagues to listen to the voices of those who grow our food, to take counsel from the wisdom of years on the land, and to then support this needed amendment.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public that the following hearings have been scheduled before the Subcommittee on Public Lands and Reserved Water.

Subcommittee hearings have been scheduled on S. 842, the RARE II Review Act of 1981, for Wednesday, April 22, beginning at 2 p.m. in room 3110 of the Dirksen Senate Office Building and Thursday, April 23, beginning at 9 a.m. in a room to be announced at a later date.

Subcommittee hearings have been scheduled on S. 910, to amend the Land and Water Conservation Fund Act of 1965, as amended, for Tuesday, April 28, beginning at 10 a.m. and Wednesday, April 29, beginning at 2 p.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to subbmit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subbcommittee on Public Lands and Reserved Water, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding these hearings, you may wish to contact Mr. Tony Bevinetto at 224–5161.

SUBCOMMITTEE ON MINERAL RESOURCES

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of public hearings before the Subcommittee on Energy and Mineral Resources on alternative financing mechanisms to fund the strategic petroleum reserve.

The hearings are scheduled for Tuesday, April 21; Wednesday, April 22; Wednesday, April 29; and Thursday, April 30, beginning at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy and Mineral Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding the hearing, you may wish to contact Mr. Roger Sindelar at 224–4236.

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT GENERALLY

Mr. DANFORTH. Mr. President, on April 24, 1981, the Subcommittee on Taxation and Debt Management Generally, chaired by Senator BOB PACKWOOD, will conduct a hearing on bills relating to the taxation of Americans living abroad. Senator PACKWOOD routinely explains the bills and issues to come before the hearing in a Senate statement prior to the hearing.

However, Senator PACKWOOD is unavoidably away from the Senate today and has asked me, as the ranking Republican on the Taxation Subcommittee, to insert his statement in the CONGRESSIONAL RECORD on his behalf.

Therefore, Mr. President, I submit the following statement by Senator PACKWOOD for the RECORD.

● Mr. PACKWOOD. Mr. President, the Subcommittee on Taxation and Debt Management Generally of the Senate Finance Committee will hold a hearing at 9:30 a.m. on Friday, April 24, 1981. I have scheduled four bills for the hearing, all relating to the taxation of U.S. individuals living abroad. The four bills are:

First, S. 408, introduced by Senator CHAFEE;

Second, S. 436, introduced by Senator BENTSEN;

Third, S. 598, introduced by Senator JEPSEN; and

Fourth, S. 867, introduced by Senator MOYNIHAN.

The purpose of this statement is to briefly explain the issues raised by these bills. This may help you chart the progress of tax legislation before the Taxation Subcommittee. It helps assure greater public awareness of the tax bills coming before hearings.

CURRENT LAW

Generally, U.S. citizens and residents are taxed by the United States on their worldwide income, with the allowance of a foreign tax credit for foreign taxes paid.

The Foreign Earned Income Act of 1978 provides a series of itemized deductions for excess costs of working overseas. Separate deductions are allowed for the higher general cost of living, housing, education, and home leave costs. In addition, a $5,000 deduction is provided for taxpayers living and working in certain hardship areas.

As an exception to these rules, employees who reside in camps in hardship areas may elect to claim a $20,000 earned income exclusion in lieu of the excess living cost and hardship area deductions. No foreign tax credit is allowed for foreign taxes attributable to the excluded amount.

These deductions are provided to U.S. citizens who are present in a foreign country 510 days out of 18 consecutive months, or if they are bona fide residents of a foreign country for a period which includes an entire taxable year.

TAX REDUCTION ACT OF 1980—H.R. 5829

The Tax Reduction Act of 1980 (H.R. 5829), as reported by the Senate Finance Committee on September 15, 1980, proposed to liberalize the tax rules governing the taxation of income earned abroad by individuals.

For individuals described below, the committee's bill would have replaced the excess foreign living cost deductions with an exclusion of $50,000 per year, increasing to $65,000 for individuals living abroad for more than 2 years. In addition, the exclusion would have been increased by the excess of an individual's housing cost over 16 percent of the salary of a Government employee at step 1 of grade GS–14 (the 16-percent figure was then about $5,554).

The eligibility requirement would have also allowed the exclusion for individuals overseas for 11 of 12 months in a year. This requirement is waived if the employee is forced to leave the country because of civil unrest.

This new exclusion would have been available to certain categories of Americans in foreign countries. These categories were:

First, individuals working in developed countries (other than tax havens); and

Second, individuals in developed countries or tax havens if those individuals performed charitable, export related, or natural-resource related services.

BILLS SCHEDULED FOR HEARING

S. 408, introduced by Senator CHAFEE. S. 408, introduced by Senator CHAFEE, is similar to the proposal approved by the Senate Finance Committee in 1980. S. 408 provides an exclusion for earned income of $50,000 plus 50 percent of the next $50,000. It also allows a deduction for housing costs in excess of 16 percent of wages of a GS–14 at step 1.

The exclusion is available to American citizens living in a foreign country for 330 days in a year, and those who are bona fide residents of a foreign country for an entire year. This requirement is waived for citizens forced to leave a country because of civil unrest. The exclusion would not apply to employees of the U.S. Government.

The employee's foreign tax credit would not take into account amounts allocable to income excluded from tax.

S. 436, introduced by Senator BENTSEN. S. 436, introduced by Senator BENTSEN, provides exclusion of earned income equal to $75,000 in 1981 rising $5,000 each year to $95,000 in 1985.

S. 436 also provides an additional exclusion for housing costs in excess of $5,500.

To be eligible for the exclusion provided by S. 436, an American must live abroad for 330 days in a 12-month period or be a bona fide resident of a foreign country for an entire year. A citizen departing from a foreign country because of civil unrest may still be permitted to qualify even if the 330-day requirement is not met.

Under S. 436, the exclusion does not apply to employees of the U.S. Government.

No foreign tax credit would be allowed for taxes allocable to income excluded from U.S. tax.

S. 598, introduced by Senator JEPSEN. S. 598, introduced by Senator JEPSEN, eliminates U.S. taxation of foreign earned income for Americans living abroad. S. 598 does not apply to interest and dividends received by Americans living abroad.

S. 598 does not apply to employees of the U.S. Government.

To be eligible for the exclusion, the U.S. citizen must be a bona fide resident of a foreign country for an entire year, or reside in the country for 17 out of 18 months.

No foreign tax credit would be allowed for taxes paid which are allocable to income excluded from tax.

S. 867, introduced by Senator MOYNIHAN. S. 867, introduced by Senator MOYNIHAN, provides an 80-percent exclusion for all earned and unearned income received by Americans living abroad. The exclusion would be available for Americans living abroad 330 days in a year, and for those maintaining a bona fide residence in a foreign country for an entire year. Eligibility would not cease merely because the American departs the country because of civil unrest.

Under S. 867, the exclusion is optional. This means Americans working abroad could choose to pay tax as if there were no exclusion.

S. 867 does not apply to U.S. Government employees.

S. 867 repeals the itemized deductions for excess living costs enacted in 1978.●

ADDITIONAL STATEMENTS

PERSONAL RESPONSIBILITY AND HEALTH COST CONTAINMENT

● Mr. LUGAR. Mr. President, on April 1, 1981, I cosponsored Senate Joint Resolution 60, a joint resolution to authorize and request the President to designate the week of May 3 through May 9, 1981, as "National Physical Fitness and Sports for All Week." I am pleased to join Senator THURMOND and my fellow colleagues on this legislation because it is a step toward encouraging more Americans to take responsibility for improving their health habits as a means of reducing our national health care bill. As we enter the 1980's under new leadership, Government policy in the health care field should concentrate on efforts to promote such individual initiatives.

One of the most positive social changes of this past decade has been an increased attention to individual health and physical fitness, as evidenced by Americans' adoption of healthier habits. A Government study released in late 1980 documented some of these changes.

The number of male smokers over 20 years of age decreased by 28 percent; adult women smokers declined by 13 percent; and teenage males smoked 20 percent less.

According to the study, the most dramatic change occurred in the number of Americans who engaged in some form of exercise; this number rose to 92 percent of the population. Of still greater import is the growth in the number of people who exercise on a regular basis. In the 1960's, 24 percent exercised regularly. By 1977 the figure had almost doubled—47 percent. The most popular form of exercise was walking; approximately 50 million people took an extended walk more than three times a week in 1980. Swimming, bicycling, and working out at health facilities were also among the most popular activities.

The form of exercise that has received the most attention in recent years is jogging. With the exception of walking and rollerskating, most forms of exercise have varied only slightly in popularity over time. The popularity of jogging, on the other hand, has increased substantially. In a recent public opinion poll of those who exercise regularly, 12 percent indicated that they run on a daily basis; 3 percent said that they run more than 3 miles at one time; 14 percent said they jogged as much as 3 miles; 23 percent said they jogged as much as 2 miles; and 60 percent responded that they run a mile or less at a time.

Clearly, there has been a growing recognition on the part of Americans that their habits affect their health. In response to new information, people are taking greater personal responsibility for the quality of their lifestyles. The impact that these trends could have on health care costs has been lost in the search for ways for the Federal Government to reduce the financial risk of those who suffer illness after years of bodily neglect, and are in need of hospitalization or other medical treatment or services. Voluntarily and collectively, these millions of physical fitness enthusiasts and joggers are helping to reduce our Nation's health care bill, present and future, by billions of dollars annually.

Just as stopping criminal repeaters would greatly reduce the rate of crime, cutting the number of habitual health offenders would greatly reduce the cost of care for all Americans. A surprisingly small minority of individuals are responsible for a majority of our health care expenses. A 1980 study by two Harvard researchers found that just 13 percent of all patients at six major hospitals accounted for 50 percent of the total cost of care. Of these highest-cost patients, more than one-third indulged in more than four "hard drinks" or a pack of cigarettes a day, or were grossly overweight. These abusers were 50 percent more likely to be hospitalized again within a year's time than patients with more moderate habits.

The implications are clear. More than any other remedy, greater personal initiatives in eating right, exercising, and developing a "wellness awareness" would keep people out of hospitals, hold down the cost of health care, and add to the quality and quantity of the years we are given to live.

Developing a "wellness awareness" among Americans will help to reduce our health bill and increase life expectancy. It will not eliminate the need for talented doctors, nurses, and other health care professionals. In fact, most Americans believe that first-class hospitals, health care professionals, and emergency care facilities are essential to maintaining an adequate and cost-effective health care system to meet the demands of a changing society. But a majority of Americans also realize that the individual is ultimately responsible for his or her own state of health. A recent poll of public opinion showed that 92 percent of Americans feel that a nutritiously balanced diet, regular exercise, and smoking less would do more to improve their health than anything doctors and medicine could do.

The growing behavioral modification commitment of Americans and the previous direction of Government policy carries important implications for today's leaders and their deliberations over the role of Government in the health care field in the 1980's. Public officials must encourage the physical fitness trend by personal example, and attempt to assist private sector and Government information sources that further understanding of the benefits of healthier habits. Other financial incentives through innovative tax policies and insurance mechanisms need to be explored.

No amount of redistribution or additional Government control will serve to restrain health care costs. Self-help and personal responsibility are the only sure

routes to lower medical bills and a healthier America. I hope that the Senate will act promptly and enthusiastically in passing this resolution.●

JAMES E. POE

● Mr. SASSER. Mr. President, I would like to take this opportunity to salute an outstanding Tennessean, Mr. James E. Poe of Jackson, Tenn. Mr. Poe has the distinction of being the first Prince Hall Shriner to be elected to the Imperial Outer Guard of the Ancient Egyptian Arabic Order Nobles Mystic Shrine of North and South America and Its Jurisdiction, Inc.

Election to the Imperial Outer Guard is indeed an honor and is limited to qualified men who are either 33d degree Scottish Rite Masons or Knight Templars. Poe is the first Prince Hall Shriner in the State of Tennessee ever to be elected a line officer in the history of the Imperial Guard.

Mr. Poe, a lifelong resident of Tennessee, was initiated in the Jackson Masonic Lodge No. 72 on February 15, 1956.

Mr. Poe embodies the high standards of good citizenship, integrity, morality, and achievement which have made the Masons and Shriners the fine organization it is.

I am glad to have the opportunity to pay tribute to Mr. Poe and join his many friends in congratulating him on this fine accomplishment.●

MURDERS OF CIVILIANS IN EL SALVADOR AND U.S. RELIGIOUS SUPPORT FOR S. 728

● Mr. KENNEDY. Mr. President, the shocking murders of 30 Salvadoran civilians by security forces on April 7 demonstrate again that it is essential to end the military escalation and pursue a political solution to this tragic conflict.

In the impoverished San Salvador suburb of Monte Carmelos, the security forces dragged 23 people out of their homes before dawn Tuesday and summarily executed them in the streets. Another seven who refused to come out were reportedly slain in their homes, in front of their families.

These latest murders come in the wake of the reported massacre last month of at least 50 Salvadoran refugees, most of them women and children, who were seeking to flee Salvadoran Government troops by crossing the border into Honduras. This mass killing represents a grisly repetition of the slaying of 600 refugees along the Honduran-Salvadoran border less than a year ago.

More than 15,000 Salvadorans have lost their lives over the past 18 months. Six American citizens were murdered over 3 months ago, and no suspects have been apprehended. Yet the killing and terror persist, and unconditioned military aid continues to flow from the United States. Neither State Department press releases nor statements by the junta have altered the conclusion of independent observers that government security forces are responsible for the vast majority of the noncombatant civilian deaths in the country. How many more lives must be lost before the administration ends its policy of military escalation and presses for a military truce and a mediated political solution to this conflict?

I call upon the Reagan administration to change its course and help bring an end to the killing. I urge my colleagues in the Congress to enact legislation which will achieve this purpose.

On March 17, I introduced legislation, together with Senator PAUL TSONGAS and our colleagues, Senators LEAHY and LEVIN, to suspend military aid to El Salvador and to withdraw U.S. military personnel from that country until a number of conditions were met, including a thorough and complete investigation of the murders of four American Catholic women missionaries and two American labor leaders. The United States and the Government of El Salvador would also actively pursue a mediated political solution to the tragic civil conflict.

Today, I am pleased to join with Senator PAUL TSONGAS in announcing the names of 22 U.S. Catholic, Protestant, and Jewish leaders who have given support to our legislation:

LIST OF SUPPORTERS

Sister Bartholomew, General Superior, Ursuline Nuns of Cleveland.

Asia Bennett, Executive Secretary, American Friends Service Committee.

Arie R. Brouwer, General Secretary, Reformed Church in America.

Rev. James L. Connor, S.J., President, Jesuit Conference.

Sister Carol Coston, OP, Executive Director, NETWORK.

Rev. William E. Creed, S.J., National Board of Jesuit Social Ministries.

Sister Joan M. Fitzgibbons, r.c., Provincial, Northeastern Provincialate, Religious of the Cenacle.

Rev. Alan McCoy, OFM, President, Conference of Major Superiors of Men.

Victor M. Mercado, Area Secretary for Latin America and the Caribbean, International Ministries, American Baptist Churches, USA.

Sister Clare Pratt, R.S.C.J., Provincial Superior, Washington Province, Society of the Sacred Heart.

Avery D. Post, President, United Church of Christ.

Sister Lora Ann Quinonez, Executive Director, Leadership Conference of Women Religious.

Sister Melinda Roper, M.M., Community President, Maryknoll Sisters.

Rabbi David Saperstein, Director, Commission on Social Action of Reformed Judaism.

Rabbi Alexander Schindler.

Richard S. Scobie, Executive Director, Unitarian Universalist Service Committee.

Edward F. Snyder, Executive Director, Friends Committee on National Legislation.

Rev. Paul Steffan, O.F.M.Cap. Provincial, Capuchin Province of New York-New England.

William P. Thompson, Stated Clerk, United Presbyterian Church, USA.

Bishop D. Frederick Wertz, The United Methodist Church, The Washington Area.

Rev. Alfred H. Winters, Director, Mission Office, Diocese of Cleveland.

William Wipfler, Director, Human Rights Office, National Council of Churches.

Mr. President, I request that the text of our legislation and statements of the religious leaders in support of it be inserted at this point in the RECORD, followed by the Associated Press, Boston Globe, and Washington Post reports of the killings of Salvadoran civilians by Government security forces.

The material follows:

S. 728

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

(a) the Congress—

(1) is deeply concerned with the escalating violence within El Salvador and the increasing military involvement of outside countries; and

(2) affirms its support for a negotiated settlement to the Salvadoran conflict and for esablishment of democracy and the respect for human rights in El Salvador.

(b) It is the purpose of this Act to prohibit the assignment to or presence in El Salvador of United States military personnel and to prohibit the furnishing of military and other security assistance for El Salvador, unless certain conditions are met, including a thorough and complete investigation by the Government of El Salvador of the recent murders in El Salvador of Catholic missionaries and other Americans.

SEC. 2. Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 620E. Prohibition Against the Provision of Military Personnel to and the Furnishing of Security Assistance for El Salvador.—(a) Notwithstanding any other provision of law, on or after the date of enactment of this section, no United States military personnel may be assigned to or may be present in, and no military or other security assistance may be furnished for or delivered to, El Salvador unless the provisions of subsection (b) are met.

"(b) The provisions of subsection (a) shall not apply if—

"(1) the President determines, and prepares and transmits to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth such determination, that—

"(A) the Government of El Salvador—

"(i) has carried out a thorough and complete investigation of the recent murders in El Salvador of six United States citizens, including the murders of three Catholic sisters and a Catholic lay worker on December 2, 1980, and the murders of two representatives of United States labor organizations on January 3, 1981;

"(ii) is taking definitive steps to bring to justice the individuals responsible for such murders; and

"(iii) is investigating and pursuing the prosecution of individuals, whether or not such individuals are members of the security forces of El Salvador, responsible for acts of murder and terrorism;

"(B) the United States Government is actively encouraging international efforts, including the efforts of the Organization of American States and other Latin American and European countries—

"(i) to oppose the introduction of any arms or military personnel from any foreign source into El Salvador,

"(ii) to obtain an in-place truce between the parties to the Salvadoran conflict,

"(iii) to seek a conference of the parties to the conflict, and

"(iv) to achieve a fair and peaceful mediated solution of the conflict which prevents foreign military intervention,

and the Government of El Salvador has cooperated with such efforts;

"(C) Salvadoran civilians continue to have a substantial role in the decisionmaking and leadership of the Government of El Salvador;

"(D) the United States Government is vigorously investigating reports of, and prose-

cuting any individual in the United States found to be responsible for, the financing of assassination squads or other terrorist activities in El Salvador; and

"(E) the Government of El Salvador has submitted a specific written request that the Government of the United States provide United States military personnel and military or other security assistance to El Salvador; and

"(2) the Congress, within 30 calendar days of receiving such report and under procedures described in subsection (c), adopts a concurrent resolution stating in substance that it approves the determination made by the President.

"(c)(1)(A) A concurrent resolution referred to in subsection (b)(2) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(B) For purposes of section 601(b) of such Act, the report described in subsection (b)(1) shall be considered to be a certification.

"(2) For the purpose of expediting the consideration and adoption of a concurrent resolution under subsection (b)(2), a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

"(d) For purposes of this section—

"(1) the term 'military assistance' means assistance under chapter 2 of part II of this Act;

"(2) the term 'other security assistance' means—

"(A) assistance under chapter 5 (military education and training) or chapter 6 (peacekeeping operations) of part II of this Act;

"(B) sales of defense articles or services, extensions of credits (including participations in credits) and guarantees of loans under the Arms Export Control Act;

"(C) any license in effect with respect to the export of defense articles or defense services to or for the armed forces, police, intelligence, or other internal security forces of a foreign country under section 38 of the Arms Export Control Act; or

"(D) military assistance or any assistance described in clause (A), (B), or (C), which is provided under section 614 of this Act without regard to any provision of this Act or of the Arms Export Control Act; and

"(3) the term 'United States military personnel' means members of the Armed Forces of the United States and other personnel of the Department of Defense who are assigned to perform or are performing duties under this Act or under the Arms Export Control Act.".

URSULINE EDUCATIONAL CENTER,
Cleveland, Ohio, March 13, 1981.

Hon. EDWARD M. KENNEDY,
Russell Senate Office Building,
Washington, D.C.

DEAR MR. KENNEDY: The Ursuline Nuns of Cleveland wholeheartedly endorse your efforts to convince the United States Senate to pass a three pronged legislation that

(1) will obligate our nation to discontinue providing funds for military assistance to the government in El Salvador and to direct those funds to the alleviation of the suffering, impoverished ordinary Salvadorans, the victims of injustice, cruelty and barbarous treatment;

(2) withdraw American military advisers from El Salavador;

(3) require President Ronald Reagan to insist upon a thorough and complete investigation of the murder of the four women missionaries, one of whom was a member of our community.

We urge President Reagan, through your intermediation to deal with the current political situation in El Salvador by actively encouraging a mediated and negotiated settlement of the deeply rooted problems existing in that country. One effective step toward resolving the conflict would, we think, be an executive order stopping the flow of money from rightist sympathizers resident in Miami to El Salvador.

This letter also carries the endorsement of the Reverend Alfred H. Winters, Director of the Mission Office, Diocese of Cleveland. We wish to emphasize the fact that our community participates in missionary activity in El Salvador as members of the Cleveland Diocesan Mission Team. In no way are we involved in the politics of El Salvador. Our one concern is that its suffering people hear the Gospel message and live to see it in practice in their beleagured country.

Thanking you for your efforts in behalf of justice and equity, we are

Sincerely yours,
Sister BARTHOLOMEW,
General Superior,
Ursuline Nuns of Cleveland.
Sister M. ANGELA,
Sister M. EUGENE,
Sister JOHN MARY,
Sister SUSAN MARY,
Council Members,
Ursuline Nuns of Cleveland.

[Mailgram]

AMERICAN FRIENDS SERVICE COMMITTEE,
Philadelphia, Pa., March 16, 1981.

Senator EDWARD KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: We are deeply troubled by the recent escalation of U.S. military involvement in El Salvador. Our government's support for the present regime with its military domination and its brutal record cannot be tolerated. The people of El Salvador want and deserve a society free from the decades of economic injustice and military rule. But the U.S. seems intent on supporting a government that will further alienate the majority of people and prevent any genuine political settlement to the crisis.

We support your efforts and others in the Congress who seek to end U.S. military aid and turn our government policy to a more constructive purpose.

Sincerely,
ASIA BENNETT,
Executive Secretary.

[Mailgram]

REFORMED CHURCH IN AMERICA,
New York, N.Y., March 16, 1981.

Senator EDWARD KENNEDY,

Having learned of the legislation you will be introducing to stop military aid to El Salvador and to set conditions for its restoration, I want to declare my support for this initiative.

ARIE R. BROUWER,
General Secretary.

JESUIT CONFERENCE,
Washington, D.C., March 18, 1981.

Hon. EDWARD M. KENNEDY,
Russell Senate Building,
Washington, D.C.

DEAR SENATOR KENNEDY: I write to applaud your announced effort to bring about suspension of all military aid to El Salvador until several conditions have been fulfilled. It is my hope that the bill you are introducing in the Senate will receive the attentive consideration of all your colleagues and that its obvious merits will win their full support.

Certainly, as you have stated, it must concern us all that every step be taken to avoid the road that leads to wider war. Moreover, as your legislative proposal insists, our country's policy must embrace active pursuit of a solution to the conflict in El Salvador. An important element here must be an end to repressive actions initiated or endorsed by the government of El Salvador.

It is impossible, however, to take any pledges in this respect with seriousness until world opinion has been satisfied that a thorough and complete investigation has been made of those responsible for the murder of three American nuns, as well as the American Catholic lay worker and two American labor leaders in El Salvador.

All these conditions should be met if we are to have a just and wise policy on El Salvador. No further military aid should go to that country until they have been fulfilled. Any other course of action would be, not only a flagrant disregard of our own best interests and the legitimate demands of the American citizenry, but also a display of contempt for the great majority of Salvadorans who daily bear the brunt of repression and slaughter under existing political and military structures.

Sincerely,
JAMES L. CONNOR, S.J.,
President.

NETWORK,
Washington, D.C., March 17, 1981.

Senator EDWARD KENNEDY,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: NETWORK supports the bill on El Salvador being introduced by yourself, Senator Tsongas and Senator Proxmire today.

NETWORK sees this legislation as an important step in establishing the accountability of the Salvadoran government and in creating a stable and just situation in which military action will no longer be used.

NETWORK has opposed all military aid to El Salvador and calls for a redefinition of the U.S. role there; for the promotion of a political, negotiated settlement of the conflict; and for an end to violence by the U.S.-supported Duarte government.

Peace,
Sister CAROL COSTON, OP,
Executive Director.

JESUIT,
OFFICE OF SOCIAL MINISTRIES,
Washington, D.C., March 25, 1981.

Hon. EDWARD M. KENNEDY,
Russell Senate Building,
Washington, D.C.

DEAR SENATOR KENNEDY: As a board representing thousands of people working for and with the poor in this country, we fervently support your efforts on behalf of the poor in El Salvador. We specifically endorse the bill you have recently sponsored, S. 728, imposing conditions on United States military aid to El Salvador.

What happens in El Salvador is critically important to us and to those we serve. As a Board responsible for the social ministry of some 5,000 Jesuits in the United States, we met recently in the South Bronx. There it was all too evident that the cry of the "truly" poor in this land is both desperate and largely unheeded. But in that surrounding, we were touched by their outpouring of sympathy and support for two peoples far removed from, yet somehow present to, the communities of the South Bronx: the hunted children of Atlanta and the victimized peasants of El Salvador. Instinctively the oppressed can sense that their very existence so clarifies the injustice of society around them that the response may be gunfire rather than concern; social forces may opt for elimination of people rather than resolution of conflicts. This is the death option which haunts the poor. And this is the option our government would directly support by esca-

lation of military aid without the conditions your bill would impose.

Specifically, we urge that at least the following would be necessary if U.S. military aid is to avoid escalating the death and terror of El Salvador's poor:

a. Accountability for murder and widespread violation of human rights must be established by the government over its own forces and over those whose support it depends upon or allows. Military aid without this would only further escalate the slaughter of the innocent.

b. Civilian leadership must be strengthened to deal with the political and economic problems which underlie the conflict. Military "solutions" cannot be tolerated.

c. Mediation as the only viable alternative to years of brutal and inconclusive war must become a central objective of the government and the international community. In mediation there is at least some hope for resolution of the great differences which divide the people of El Salvador.

These conditions, essentially, are those your bill would impose on any military aid to El Salvador. They are, to us, crucial to assure that the United States does not ally itself with the forces of death and oppression in El Salvador.

We support your bill wholeheartedly, and urge you to speak out frequently, as you have in the past, in favor of reasonable and just policies toward El Salvador. We are moved not only by our conviction of the necessity of these policies, but also by the pleas of our fellow Jesuits working and suffering in the midst of the Salvadoran people.

Sincerely,

Rev. William E. Creed, S.J., Rev. Joseph P. Daoust, S.J., Rev. Peter L. Davis, S.J., Rev. Alfred C. Kammer, S.J., Rev. John F. Kavanaugh, S.J., Rev. Daniel C. Lewis, S.J., Rev. Michael J. Mandala, S.J., Rev. William C. Rickle, S.J., Rev. Albert R. Thelen, S.J., Rev. Joseph C. Towle, S.J.

CENACLE,
Brighton, Mass., March 13, 1981.

Senator EDWARD KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: I would like to express my support of the bill which you plan to introduce regarding military aid to El Salvador and the investigation of the death of the sisters and the laywoman who were murdered there.

There certainly is a real temptation to discouragement when one reads of the action being taken by our Government at the moment. Your efforts in the direction of peace and justice for the oppressed are a ray of hope. You will be in our prayers.

Sincerely,

JOAN M. FITZGIBBONS,
Provincial.

CONFERENCE OF
MAJOR SUPERIORS OF MEN,
Oakland, Calif., March 12, 1981.

Hon. EDWARD M. KENNEDY,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: Your support is essential to stop the sending of further arms from the United States to El Salvador. This request is made on behalf of the Conference of Major Superiors of Men, USA, which represents the Roman Catholic Religious Orders in the nation.

The United States Catholic Conference, Leadership Conference of Women Religious and the Conference of Major Superiors of Men have released a joint statement on this subject and we ask that serious consideration be given to this joint statement which I am enclosing.

CMSM stands ready to support you in any way and encourages you to continue your firm stance on behalf of the Salvadoran people. Our Conference has a Justice/Peace liaison, Fr. Joseph Sullivan, OFM, at the national office in Washington, D.C.

Warmest personal regards.

ALAN MCCOY, OFM,
President, CMSM.

INTERNATIONAL MINISTRIES—ABC,
Valley Forge, Pa., March 19, 1981.

Senator EDWARD KENNEDY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: We are grateful for your bill introduced in the Senate for the suspension of Military Arms and Advisors to El Salvador. Your excellent and well-balanced statement provides alternatives the Latin American people have been longing for.

We need to hear and be sensitive to the cry of those oppressed instead of supporting the oppressors in order to come with a sound foreign policy that will make friends instead of alienating Latin American neighboring countries.

Latin America does not need arms from anybody. Arms have not and will not solve the problem. It is time to opt for human life, for justice, for peace. Such has never been accomplished through arms. Arms is the easy way out. Your position is harder and demands more commitment and political will. However, such is in a more solid ground and will last longer if founded upon friendship and mutual respect.

Keep on trying. You have our support.

Yours truly,

VICTOR M. MERCADO,
Area Secretary for
Latin America and the Caribbean.

WASHINGTON PROVINCE,
SOCIETY OF THE SACRED HEART,
Newton, Mass., March 13, 1981.

Senator EDWARD KENNEDY,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR: I just learned that you are about to introduce a bill into the Senate asking for the suspension of military aid to El Salvador. I heartily endorse your efforts to eliminate U.S. intervention in El Salvador and I am encouraging the religious of this province to get in touch with you as well.

One of our religious has been in El Salvador for four years, working closely with Archbishop Romero, and more recently with Bishop Rivera, and I know from her first-hand accounts that the failure to prosecute the perpetrators of so many thousands of deaths lies squarely with the junta. I visited her in January, 1979, and saw for myself the deplorable conditions of the people, as well as the efforts of the Church to right the injustices which have for so long been a part of the fabric of that country.

As you undoubtedly know, thousands of religious women support the suspension of military aid to El Salvador. As examples I enclose a recent press release of twenty-two major superiors (Boston Unit of the Leadership Conference of Women Religious—LCWR) issued after a meeting on March 3, 1981. I was one of the signers.

I also enclose a letter which I wrote to my province last week, urging action on behalf of El Salvador as a most fitting way of observing Lent.

Please know that you have many behind you, and we will continue to support you as you try to persuade the Senate to take actions which will further peace and justice in a country which has been torn apart for too long.

I thank you for your attention to this letter.

Sincerely yours,

Sister CLARE PRATT, R.S.C.J.,
Provincial Superior.

LEADERSHIP CONFERENCE OF
WOMEN RELIGIOUS,
Washington, D.C., March 17, 1981.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: The Leadership Conference of Women Religious, whose membership comprises the major superiors of the women's religious orders in this country, has for close to two years followed the situation in El Salvador with grave concern. Because we have regular contact with national conferences in Latin America, we have become aware of the conditions in various countries that affect the human rights and the actual lives of thousands of ordinary people.

A large segment of our members is gravely disturbed about the policies of the United States Government in relation to Latin America and specifically to El Salvador. We believe that there is substantial evidence to support the judgment that United States dollars are actively contributing to the deaths of thousands of people in El Salvador. We are as concerned about the thousands of faceless, nameless people as we are about the deaths of our four United States missionaries last December. To us, all of these people are important and their lives are of consequence to us.

For that reason, we strongly support your efforts to affect the policy of our government in relation to military assistance. We oppose unequivocally the lending of military assistance to El Salvador and the sending of any military personnel into that country. We believe that our position reflects not a political ideology but our commitment to the social teachings of our Church.

Sincerely yours,

Sister LORA ANN QUIÑONEZ,
Executive Director.

UNITED CHURCH OF CHRIST,
New York, N.Y., March 18, 1981.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: I very much appreciate your offering Senate bill S. 728 setting conditions for future U.S. military aid to the government of El Salvador.

Two national agencies of the United Church of Christ passed resolutions on El Salvador during the last four months. I am attaching them for your information and because I believe they are quite consistent with the intent of your bill.

We believe that as long as the government of El Salvador persists in consistent gross violations of its citizens' human rights, it should be prohibited from receiving U.S. military aid. We believe the interest of our European and North American allies in a negotiated political settlement to the war in El Salvador should be actively pursued by the Reagan Administration and view your bill as a very positive step toward this goal.

I am attaching a question and answer sheet on El Salvador prepared by a member of our staff in hopes you might want to insert it in the Congressional Record.

Please call on me if I can be of help on this issue.

Sincerely,

AVERY D. POST,
President.

MARYKNOLL SISTERS,
Maryknoll, N.Y., March 13, 1981.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: I wish to express my personal appreciation and that of the Maryknoll Sisters for the legislation which you, Senator Tsongas and others will introduce today. As I understand it, this Bill would halt all arms to El Salvador, including whatever is in the pipeline, until cer-

tain requirements are met by the El Salvadoran government. These requirements would have to be certified to the Congress by the President.

Certainly, it is obvious that the situation is very bad, indeed, and that more U.S. Military Aid and Military Advisors can only make it worse. We oppose all outside involvement in El Salvador and support the people of that country in their just struggle for self-determination.

It could, perhaps, be helpful if there were some dialogue between the Opposition and the present Government. But how does one dialogue with a government that obviously cannot control its own security forces; which is seemingly powerless in the face of Right Wing power, allegedly based in Miami; and which remains, essentially, a Military Government?

We agree that a full investigation into the murders of the four American Missionaries is very important. However, we are not interested—as I am sure you are not—in merely identifying particular persons who can then be punished for their crime and that is the end of that. We would hope, rather, that those truly responsible for those murders, and for the thousands of others, be identified. That is not likely to happen.

When Father Rutilio Grande, Jesuit, and his two campesino friends were murdered in Aguilares, Archbishop Romero called for an investigation. Nothing happened. When Archbishop Romero was assassinated, March 24, 1980, one week after his open letter to President Carter denouncing U.S. Military Aid to El Salvador, an investigation was called for. Nothing happened. After the deaths of the four women Missionaries, there was a great flurry of investigation. Nothing has happened. Why? Could it be that the same forces responsible for the deaths of thousands of Salvadorans are also responsible for the deaths of Grande, Romero, and the four American Missionaries? This does call for a thorough investigation and we support your demands for one.

We pray, with millions of other Americans, that our country not be involved any longer in the continued killings in El Salvador and we suport your legislation to halt all Military Aid.

Sincerely yours,

Sister MELLINDA ROPER, N.M.,
Community President.

[Telegram]

COMMISSION ON SOCIAL ACTION
OF REFORMED JUDAISM,
Lexington, Ky., March 13, 1981.

Senator EDWARD KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: On behalf of the Commission on Social Action of Reformed Judaism I commend you for having called for vigorous action on behalf of the American Government in dealing with El Salvador. Your call for a complete investigation of the brutal murders of American clergy and labor representatives, for progress toward a negotiated settlement, for effective guarantees against a military coup are all necessary if we are to avoid the tragic mistakes we have made in Vietnam. I urge that your colleagues join in implementing these actions.

Sincerely,

Rabbi DAVID SAPERSTEIN,
Director.

STATEMENT OF RABBI SCHINDLER

I personally support your position fully and am opposed to the military aid to El Salvador until completion of the investigation and prosecution of those responsible for killing U.S. citizens is undertaken and until we have some further proof that there will be a substantial role for citizens in the Salvadoran Government. Obviously, I also favor the encouragement by the United States of an international effort towards halting of arms supplies to El Salvador from any other foreign source in the hope that there will be a mediated political solution to the situation.

Unfortunately, the Union of American Hebrew Congregations has not yet added its support to these issues. However, it is my intention to submit these proposals to our Social Action Commission which meets April 12–14, 1981 when, hopefully, they will make my present personal views the position of our religious community.

With warmest regards, I am,

Sincerely,

ALEXANDER M. SCHINDLER.

UNITARIAN UNIVERSALIST
SERVICE COMMITTEE,
Boston, Mass., March 26, 1981.

Senator EDWARD KENNEDY,
Senator PAUL TSONGAS,
Senate Office Building,
Washington, D.C.

DEAR SENATORS KENNEDY AND TSONGAS: The Unitarian Universalist Service Committee has been deeply concerned with the unfolding tragedy in El Salvador for several years. We have, in the course of our community development and educational work in the region, worked with and known personally many of the individuals who have been martyred there in the struggle for human rights.

Through our investigations in El Salvador, and our sponsorship of several congressional delegations to the region, we have become convinced that the current junta has no effective control over its armed forces, and that to continue to aid the so-called "Security Forces" there is a serious error on the part of the United States.

We are therefore heartened by your sponsorship of Senate bill 728 which would: 1) suspend the military assistance to El Salvador; 2) call for the pursuit of a political solution to the conflict; and 3) require the full investigation into the deaths of the North American religious workers and prosecution of those implicated.

The Unitarian Universalist Service Committee is pleased to endorse and support this legislation, and we commend you for your leadership on this issue.

Sincerely,

RICHARD S. SCOBIE,
Executive Director.

FRIENDS COMMITTEE ON
NATIONAL LEGISLATION,
Washington, D.C., March 16, 1981.

Senator EDWARD M. KENNEDY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: We have read with great interest your statement in the Congressional Record of March 6 proposing legislation to seek a peaceful solution to the tragic situation in El Salvador.

The three steps which you propose—to investigate the circumstances surrounding the killing of four U.S. Catholic nuns and workers and two labor leaders, to pursue international efforts to shape a mediated solution, and to have representative civilians play a significant role in any government—are essential.

But rather than making a renewal of U.S. military aid conditional on meeting these steps, we would prefer to see an outright prohibition of any further U.S. military aid—as is set forth in HR 1509. We note that the $30 million in U.S. military aid so far announced in 1981 is more than all U.S. military loans and grants to El Salvador since World War II. This is escalation on a grand scale.

A statement by Phillip Berryman, repsenting our Committee and the American Friends Service Committee, given to a House Foreign Affairs Subcommittee on March 11 is enclosed.

Sincerely yours,

EDWARD F. SNYDER.

[Telegram]

Senator EDWARD KENNEDY,
Washington, D.C.

DEAR SIR: We support your position on El Salvador and bill regarding military aid. U.S. policy should promote justice and human dignity, not East-West consultation. Government must control security forces as condition for U.S. support. Our missionaries in Central America appreciate your initiative and efforts.

Paul Steffan provincial Don Bosco Duquette vicar provincial Capuchin provicene of New York-New England.

THE UNITED METHODIST CHURCH,
Washington, D.C., March 24, 1981.

Senator EDWARD KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: I have read with some care your proposal to suspend military aid to El Salvador. I am writing to offer my strong support to this effort on your part to save us from unfortunate military involvement in El Salvador.

I believe it is imperative that the United States use all of its influence to encourage international mediation of the present conflict in El Salvador. I would hope that we might also use all of our influence to investigate the recent murders of six American citizens in that country and all other acts of terrorism there.

I strongly believe that the United States Government must be a party to those efforts which will result in peace rather than a wider war.

I commend you and strongly support your efforts in behalf of a peaceful resolution of the conflict.

Peace and Joy!

D. FREDERICK WERTZ.

NATIONAL COUNCIL OF CHURCHES,
March 16, 1981.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: The Human Rights Office, National Council of Churches, energetically supports your initiative to place firm conditions on any security assistance for El Salvador.

We believe your emphasis on a true investigation of past murders, and on the encouragement of negotiated settlement of the present conflict, on a greater voice for civilians in decision-making in El Salvador, and the vigorous prosecution of persons in the United States who aid and abet terrorism in El Salvador is an accurate focus for U.S. policy.

We congratulate you and will continue our support in this effort.

WILLIAM WIPFLER,
Director, Human Rights Office.

[From the Associated Press, Apr. 8, 1981]

SALVADOR ARMY MASSACRES 23 IN RAID ON HOMES

SAN SALVADOR.—Men in uniform and civilian clothes drove into a poor suburb of San Salvador before dawn yesterday, pulled 23 people from their homes, and shot them dead in the street, witnesses said. Seven more people were slain in their homes as their families watched in horror, according to the witnesses.

A Defense Ministry spokesman denied that there had been a premeditated massacre.

He said the shooting started when an army patrol was fired upon, and that four soldiers were killed in the exchange of fire. He did not identify them.

"One must have a sick mind to plan something like that," said the spokesman, who declined to be identified by name.

When reporters arrived in the suburb of Monte Carmelos, 23 bodies ripped by automatic fire were strewn for 100 yards. Two homes were burned, apparently by fires started by bazooka rounds.

"It was horrible—indescribable," said a woman who lives in the area.

"It was the National Guard, and police," shouted several residents.

The street where the victims were slain ran with blood, and the victims, presumed leftists, were disfigured by large-caliber slugs pumped into their heads and chests. One young boy said he saw a masked man in civilian clothes pointing out homes from which victims were dragged.

He said that after the masked man pointed out a house, uniformed men went to its door, knocked, and after a few seconds one or two people were dragged out.

"I could hear the screams of someone asking a neighbor to turn on the outside lights, but no one did, and the shooting began."

Neighbors said the seven victims shot in their homes refused to come out, so they were slain inside, in front of their families.

"We are very afraid," said a pregnant woman. Another resident said they watched from windows, but were afraid to go outside into the body strewn street until dawn.

"We could not leave the house until dawn, and when there was sufficient light, the picture we saw was horrible," the witness said. "The whole street was covered with bodies."

The killings were the latest in the political struggle that has claimed an estimated 18,000 lives since President Carlos Humberto Romero was ousted by a military junta in October 1979. Leftist guerrillas have been trying to replace the junta with a Marxist regime.

[From the Boston Globe, Mar. 26, 1981]

SALVADOR BORDER MASSACRE REPORTED

(By Alex W. Drehsler)

LOS HERNANDEZ, HONDURAS.—At least 50 persons, most of them women and children, were killed in Los Hernandez earlier this month as Salvadoran refugees fleeing government troops were caught in a crossfire between Salvadoran and Honduran soldiers, according to witnesses to the attack.

It was reported that up to 8000 refugees poured through a guerrilla-created gap in a Salvadoran army encirclement in Cabanas Province in an attempt last week to escape the violence of the ongoing war between government soldiers and leftist insurgents.

Gunmen attacked the US embassy in San Salvador for the third time in three weeks. A witness said that eight men opened fire with rocket-propelled grenades and submachine guns. No one was injured but damage to the third floor was extensive.

However, survivors said, when they reached the Rio Lempa, which forms the border between El Salvador and Honduras here, they were met by machine-gun and mortar fire from Salvadoran forces and, on the other side of the river, gunfire from Honduran soldiers.

Spokesmen for the Salvadoran and Honduran armies denied the reported attack occurred. The US embassy in San Salvador said it would investigate the alleged incident.

It was the second reported incident of mass killings along the Honduran-Salvadoran border in less than a year. Last May 14, opponents of the Salvadoran government say, some 600 fleeing refugees were slaughtered at the Rio Sumpul, a few miles from Los Hernandez.

The events that led up to what refugees now call "the massacre at Rio Lempa," began on Sunday, March 15.

That day, guerrilla sources said in interviews a few days after the attack apparently took place, Salvadoran army and air force units attacked insurgent-held territory in the northern province of Cabanas along the Honduran border as part of a continuing government offensive against the country's rebels.

As approximately 1500 soldiers began their attacks on nine guerrilla controlled towns, Honduran soldiers, according to refugee and relief organization sources, took up positions along their side of the river.

Beginning at 6 a.m., according to refugee sources, the first of scores of mortar shells were fired into the insurgent towns. Twice that day, they said, the Salvadoran air force dropped payloads of large bombs, possibly 150- and 500-pound bombs, on the towns.

On Monday, March 16, the bombing intensified. The army continued advancing from its base, the town of Victoria, and managed to reach the outskirts of Santa Marta and other towns, where, according to guerrilla sources, the soldiers ran into stiff resistance.

On Tuesday, March 17, according to refugee accounts, Salvadoran army troops and members of ORDEN, a government-sponsored paramilitary organization, began burning the cornfields, and houses near the besieged towns in an attempt to drive out the insurgents.

Marxist-Leninist guerrilla commanders in the area held a meeting Tuesday evening to decide what to do about the ever-worsening situation. Their evaluation was that they and the approximately 10,000 civilians in the province, mostly peasants, were surrounded. According to guerrilla sources, it was decided by the insurgent leaders to abandon the province, but not before evacuating the civilians to neighboring Honduras.

To do this, the guerrillas had to break through the government lines. According to rebel sources, a courier was sent to Chupamiel, a guerrilla stronghold on top of a mountain about four miles away, in neighboring Chalatenango Province.

The guerrilla commander of Chupamiel, a 22-year-old peasant named Fernando, reportedly sent a contingent of approximately 20 men and women into Cabanas to break the government circle.

The guerrillas from Chupamiel later related that, armed with Belgian made assault rifles and US-made M16s, they broke through the government lines and opened up a narrow corridor through which the civilians were evacuated.

Led by guerrillas, approximately 8,000 peasants began the six-mile exodus to the border early Wednesday, March 18.

The refugees, primarily old men, women and children, reached the Rio Lempa along with the guerrilla contingent at 6 a.m.

Refugees and international relief officials described these events:

As the peasants crossed the river, a Salvadoran air force reconnaissance plane was seen in the sky. Minutes later, a helicopter gunship and two jet-fighter planes appeared.

The helicopter attacked the refugees and guerrillas with what appeared to be a mounted 50-caliber machine gun.

Eleven children and four adults drowned in the river in their desperation to cross to safety.

Twenty-five children were separated from their families and were lost in the hills on the Salvadoran side of the border.

Two little girls were machine-gunned to death on the Salvadoran banks of the river.

A middle-aged woman who managed to cross over to Honduras got only 20 feet from the river before she was killed.

As those fleeing the Salvadoran troops began to climb up the hill on the Honduran side, Honduran soldiers opened fire on them. Representatives from the Doctors Without Borders relief agency said four persons were killed.

The refugees said they were attacked all day Wednesday. They related that they were bombed, mortar-shelled and machine-gunned most of the day but that most still continued to attempt to cross the river.

By the time the flood of people subsided Thursday morning, March 19, at least 8,000 Salvadorans had been packed into a huge cattle corral in the Honduran village of Los Hernandez.

According to refugees and medics, at least 50 persons—mostly women and children—were killed. According to lists made by priests at the scene, many people remain missing and are feared drowned or dead in the jungle.

In the Salvadoran capital of San Salvador, Col. Alfonso Cotto, spokesman for the Salvadoran army, dismissed the reported mass killings as "completely untrue, completely removed from reality."

Cotto said that topographic conditions around the Rio Lempa—a river he described as the biggest in the nation—"do not permit" the kind of all-out military action described by the refugees.

In fact, Cotto said, the only time soldiers have been active in the area of the alleged killings was in skirmishes with subversive forces, not in major battles.

The reported massacre, he said, "is part of an international, orchestrated campaign to disfigure the image of the Salvadoran armed forces and our nation."

Cotto said the campaign also involved the alleged incident last May at the Rio Sumpul in which foes of the Salvadoran government claim that 600 refugees lost their lives.

Howard Lane, spokesman for the US embassy in the Salvadoran capital, said Tuesday that the Salvadoran press had carried nothing on an incident at the Rio Lempa and that a call from the newspaper was the first time he had heard of it. But, several hours later, Lane called the newspaper to say that the US embassy planned to dispatch an investigator to the Rio Lempa area.

However, Lane cautioned, reports of other alleged massacres "had been made out of whole cloth."

"It is a well-known fact that these villages in the north are guerrilla strongholds," he added. "It is awfully hard to separate people with guns from people without guns."

While Lane stressed he did not know what happened at the Rio Lempa, he suggested that guerrillas could have been mixed in with escaping citizens.

"The stories of massacres depend on your point of view in telling them," he said.

In the Honduran capital of Tegucigalpa, Maj. Julio Pavon, spokesman for the Honduran army, issued a "categorical denial" of the reported participation by his nation's troops in an incident at the Rio Lempa.

"It is inconceivable that my nation's army would perpetrate such an action," he said.

Pavon added that Honduras has enough problems at home without getting involved in the problems of other nations.

However, Honduran radio stations broadcast accounts of the alleged incident early this week, and the first published report appeared Tuesday on page 30 of a local newspaper, according to Chris Arco, spokesman for the US embassy in Tegucigalpa.

Arco said none of the accounts mentioned a death toll.

In Washington, Joe Reap, a State Department spokesman, said he had no knowledge of the alleged incident.

After the alleged attack at the Rio Lempa,

survivors reported that Honduran peasants took in as many of the refugees as they could. Many of the Salvadorans had not eaten in four days. Dozens more were wounded, according to relief agency doctor and medic accounts. Some of the children were ill with pneumonia and bronchitis after having been without food or shelter for four days.

Physicians from the Doctors Without Borders organization turned an adobe house into a makeshift clinic.

Working with few supplies, the doctors began attending to the most seriously ill and wounded. Some were beyond help, however. A 3-year-old girl and a 5-year-old girl died of pneumonia.

An American priest, Rev. Earl Gallagher, of Brooklyn, N.Y., who has been based in Honduras since 1976, drove to the border with several Honduran priests from the Honduran interior last Wednesday, as soon as they heard reports of the events transpiring on the river.

Gallagher, 36, is a member of the Capuchins, a missionary branch of the Franciscans. He said he spent most of the day carrying children across the river, while ducking bombs, mortar shells and bullets.

Last Wednesday evening, survivors of the alleged attack said Honduran soldiers arrested 21 Salvadoran refugees. They were all men. One of them was turned over to the Salvadoran national guard, 12 were taken to the nearby Honduran town of La Virtud and the remaining eight have disappeared, according to relatives of those allegedly arrested.

Last Thursday, at the site of the river crossing, thousands of articles of clothing littered both banks. The corpse of a middle-aged woman was lying on the Honduran side.

Across the river, on the Salvadoran side, the corpses of the two little girls were still visible.

A tall, skinny man, stripped down to his underwear, who said he was looking for his son, walked to the edge of the water, cupped his hand to his mouth and yelled: "Salvador, my son, it's your father. I'm here to help you cross. Come out my son. Come to papa."

There was no reply from the Salvadoran side. As the man walked away from the river, he said, to no one in particular, "He's dead."

[From the Washington Post, Apr. 9, 1981]

BRUTAL MURDERS ROUTINE—WHO KILLS SALVADORAN CIVILIANS?

(By Al Kamen)

SOYOPANGO, EL SALVADOR.—Grieving families in this low-income suburb of San Salvador buried their dead today—30 bodies of men, women and teen-agers shot yesterday morning by government troops and left strewn along a dirt road.

"We were eight living together in the house," the brother of one of the victims said. "Four men and four women. The troops came and lined us up against the wall and asked for our identity cards. My brother didn't have his card, he had lost it. They took him away for interrogation, they said. We found him dead yesterday morning."

No one in this country disputes that it is embroiled in a brutal war in which the two opposing armies—leftist guerrillas and the troops of a civilian-military coalition government—regularly, viciously confront and kill each other.

What is disputed, however, is who is responsible for the deaths of non-combatant civilians who, most agree, comprise the majority of the 15,000 lives lost in political violence here over the past 18 months. The Salvadoran government and its backers in Washington maintain that most of those who are not killed in direct combat are murdered by extremists—rampaging guerrillas or right-wing rogues both in and outside of the armed forces.

But many observers in El Salvador—including Western diplomats and civilians outside the government—say that many, perhaps most of the noncombatant deaths can be attributed to military operations similar to that conducted early Tuesday morning in Soyopango. It is this kind of officially tolerated, if not condoned, violence, they argue, that indicates that a military solution to the Salvadoran conflict will never provide a lasting peace or gain the government the support of the Salvadoran people.

Over and over again, in private conversations with peasants in urban slums and rural agricultural cooperatives, similar stories are told. Sometimes it begins with a brief shootout in the darkened, curfew-deserted street, sometimes not. House-to-house searches are conducted, often by men in uniform, often led by one man, sometimes masked, who points out those to be taken away.

A few miles away from here is another working class suburb, called Ciudad Delgado. There, more than one-third of the houses are empty and those who remain say that their neighbors fled from similar house-to-house searches by the military. Fifteen miles away is a refugee camp called La Bermuda. Even there, there is no safety, and residents last week told of 20 people being led away by soldiers, never to return.

In rural agricultural cooperatives, the centerpieces of government programs to win the support of El Salvador's peasants, hundreds of peasant leaders have been exectued. Occasionally, workers will accuse the leftists who travel in guerrilla bands through the countryside. Most often, they accuse the government security forces.

Privately, some Western diplomats concede that perhaps half of those murdered—often killed on the word of a single informant—probably had little or nothing to do with the guerrillas.

"The troops," said one mourner at today's funeral in Soyopango, "go through our neighborhood often and take people away."

The U.S. Embassy here, which administers the Reagan administration's new $25 million military assistance program, reportedly is putting heavy pressure on the government to stem official terrorism.

"Progress has been made" in stopping right-wing violence, Col. Eldon Cummings, the man who has been in charge of the 56 U.S. military advisers here told reporters Saturday. "I have seen the [disciplinary books] and they have disciplined people. I have also provided [the military] with my recommendations, or criticisms, if you will, of certain actions.

"But it is not simple," Cummings added. "You can't change 50 years of the normal way of doing things overnight. But I think it is changing."

A leading member of the Christian Democratic Party, the only political party sharing governmental power with the military, disputed Cummings' assessment of the level of change, complaining that, if anything, violence has gotten much worse in the last 30 days since the military began a counter-offensive against the guerrillas.

The Christian Democrats hold government security forces, or right-wing paramilitary organizations, responsible for the murders of more than 40 Christian Democratic mayors and scores of party leaders and workers.

Some U.S. officials here insist that the violence by the right is committed by lower-level extremists in the security forces or by ORDEN, a right-wing paramilitary force, originally sponsored by the government but officially disbanded 18 months ago. Many peasants insist it still operates throughout the country.

Some Salvadorans question whether the high command could stop the rightist violence without risking a coup from hard-line military officers.

One businessman, who said he had received death threats from the right as well as the left, scoffed at the suggestion that the government could not stop the random killing.

"Are you kidding?" he asked rhetorically. "ORDEN *is* the government."

What was different about the Soyopango shootings was that the government publicly acknowledged that members of the security forces had been involved. Official spokesmen said that the residents were killed in a shootout between government forces and leftist guerrillas. They said the shooting began after midnight when a government patrol was attacked. Although one official initially said that four soldiers had been killed, another later said government casualties had consisted of two wounded soldiers.

Asked about the incident as he left a luncheon at the Camino Real hotel today, Defense Minister Col. Jose Guillermo Garcia referred reporters to the chief of police. U.S. Charge d'Affaires Frederic Chapin, leaving the same luncheon, said he had no comment.

Families of victims in Monte Carmelo, a Soyopango neighborhood where most of the dead had lived, said uniformed soldiers conducted a house-to-house search, guided by a man in a mask. Some were shot there, although all the bodies were dumped in San Carlos.

Witnesses along the San Carlos street where the dead were found said that many of the bodies were dressed.

The grieving families at today's burial showed little interest in whether mainline government forces, or supposed military renegades, were responsible for the killings. Asked what she and her neighbors thought of the government, one young woman, a co-worker of one of the victims, said: "We don't discuss that."●

PUBLIC HEARING

● Mr. TSONGAS. Mr. President, our Nation's public housing system faces critical problems as a result of the Reagan administration's budget proposals.

DEVELOPMENT OF NEW PUBLIC HOUSING WILL SHARPLY DECLINE FROM 40,000 UNITS PROPOSED FOR FISCAL YEAR 1981, TO 24,000 UNITS IN FISCAL YEAR 1982

The need for further development of public housing for our most needy families and elderly citizens is unquestioned. Most public housing developments are 100 percent occupied, with long waiting lists. Nationwide, the public housing system has only a 2-percent vacancy rate. The clients of public housing are the most socially and economically disadvantaged in our society. Median tenant income is $3,700—which is 27 percent of the national median income; 46 percent of tenants are elderly, and 46 percent of households are female headed. Those in public housing, and the thousands waiting to get into public housing, simply do not have the means to find housing alternatives if the public housing system fails them.

THE PUBLIC HOUSING MODERNIZATION PROGRAM WILL BE REDUCED BY 40 PERCENT AFTER FISCAL YEAR 1982

This policy is particularly troubling in view of that fact that we are about to embark on the new, comprehensive modernization program which was enacted into law in the last Congress, a program which holds great promise. Modernization is our method of getting at the root

causes of problems associated with deferred maintenance and high energy bills. Public housing energy costs rose 400 percent over the last decade, and this program is critical if we are to stop that alarming trend.

THE PRESIDENT HAS WITHDRAWN THE FISCAL YEAR 1981 FUNDING REQUEST FOR ADDITIONAL PUBLIC HOUSING OPERATING SUBSIDIES TO COVER SHORTFALLS

Of even greater concern than long-term development or near-term modernization is the need to deal with operating subsidies for public housing. The current estimate of the fiscal year 1981 shortfall is over $200 million. The Reagan administration has declined to request any funds to meet this need. Instead, the administration proposes to fold public housing operating subsidies into the already overburdened low-income fuel assistance program, a program which cannot even meet current demands.

Massachusetts, in many respects, represents the worst of our Nation's public housing system. We have many painful examples in the Commonwealth of the price which we pay for neglect. We also have some of the Nation's best professionals involved in solving our problems, many of whom have written to me on this subject, and whose analysis and suggestions are extremely sound. The problems of Boston, Cambridge, Lowell, and Somerville, and other cities in Massachusetts will become the problems of other areas of the country if we suffer major disruptions in funding. Nationwide right now the public housing system is already stretched to its limits, and very dependent on Federal funding for survival. I would strongly suggest that continued investments are necessary and cannot be deferred. As a recent Boston Globe editorial pointed out—

Unlike social welfare programs, public housing cannot be expanded and collapsed periodically. It is a fixed asset. Once lost, it is lost forever.

I think that it is important to remember who, ultimately, will suffer as a result of what Boston Housing Authority Chief Harry Spence has characterized as "seemingly mindless budget slashing." For over 6,000 public housing tenants in Lowell, Housing Authority Executive Director Victor Normand says—

The combined effects of a decreasing operating budget and increasing energy costs . . . will be lesser service to tenants and eventually an inability to provide safe, sanitary and decent housing, as is our contractual obligation with the Department of Housing and Urban Development and with our tenants.

Michael McLaughlin, executive director of the Somerville Housing Authority, says—

With spiraling utility costs and the fact that maintenance costs have risen due to new code requirements, any reduction in operating subsidies would necessitate wholesale cuts in service to our tenants, both family and elderly . . . and to rescind $300 million from the proposed 1981 program level for the modernization of public housing would have far reaching effects which would haunt us in the very near future.

I submit for the RECORD a Boston Globe editorial on the public housing operating subsidies as part of my remarks. I am also including a letter from the Boston and Cambridge Housing Authorities, the Citizens Housing and Planning Association and the New England Council of the National Association of Housing and Redevelopment Officials. I call my colleagues' particular attention to this letter, which contains a detailed and excellent analysis of the problems with the President's funding proposal for operating subsidies.

The material follows:

[From the Boston Globe, Apr. 6, 1981]

TO CONSERVE PUBLIC HOUSING

The Reagan Administration has failed to stretch its "social safety net" far enough to cover one crucial necessity for the nation's "truly needy"—public housing. Unless Congress acts, the nation's public housing authorities will have a shortfall this fiscal year in the neighborhood of $200 million. They will be forced to curtail maintenance sharply. Vacancies will almost certainly increase. The opportunities for crime in public housing will be enhanced. Life in public housing will become even more difficult.

What makes the Administration position particularly deplorable is that it is fully aware of the problem. It developed because the Department of Housing and Urban Development miscalculated the energy bills that would be sustained by public housing authorities this year.

A study conducted by the Carter Administration placed the shortfall at $147 million. Current estimates put it at $200 million. To close the gap, Carter proposed a $100 million supplemental budget to Congress before leaving office. However, the Reagan Administration has withdrawn that request. It proposes instead that housing authorities close the gap by securing funds from the federal program of fuel assistance to needy families. The problem is that there is nowhere near $200 million available from that source, it was never intended to be targeted to public housing and any adjustments now would require approvals of state governments.

Already HUD has directed that because of the inadequacy of current appropriations, housing authorities are to receive only 85 percent of the federal subsidy to which they are entitled by formula. That percentage may soon be dropped to 80 percent. In New England 40 percent to 50 percent of the operating costs of public housing are for energy. Those bills must be paid. Other bills, for insurance for example, must be paid.

The result is that virtually all of the cutbacks must come in maintenance.

Responsibility for initiating a supplemental appropriation for public housing resides with a House subcommittee chaired by Rep. Edward Boland (D-Mass.). It has scheduled hearings on the issue today. In acting, it would, of course, be challenging the Administration's budget plan. In truth, however, providing essential support for public housing is a sensible conservative approach.

Unlike social welfare programs, public housing cannot be expanded and collapsed periodically. It is a fixed asset. Once lost, it is lost forever. The conservative policy is certainly to provide the money necessary to conserve it.

BHA HEAD LAMENTS U.S. BUDGET IMPACT

(By Ben Taylor)

WASHINGTON.—"Desperate," "devastating" and "dramatic" were three of the adjectives the director of the Boston Housing Authority used yesterday to describe the impact of the Reagan Administration's proposed budget cuts on public housing in Boston.

Appearing before a House subcommittee on housing headed by U.S. Rep. Edward P. Boland of Massachusetts, Lewis H. Spence, director of the Boston Housing Authority, outlined a bleak future for the 30,000 people living in the 12,000 federally subsidized public housing units in Boston unless Congress can come up with an additional $200 million for housing projects across the country.

Unless the money is forthcoming, Spence said, "We will have people with floods in their apartments who will have to wait three days for a plumber to come, and people whose heat goes off will have to wait a week or 10 days for someone to fix it."

The issue, according to Spence and his aides, goes back to last year when, in the closing days of his presidency, Jimmy Carter requested an additional $100 million to cover what was then perceived as a shortfall in federal funds for public housing.

When Ronald Reagan took office in January, he withdrew the request from Congress and suggested that housing authorities needing additional money obtain funds from another government program, the Home Energy Assistance Program.

But many housing authorities, including the BHA, found they were too late to take advantage of the program, or were not eligible to participate.

Moreover, because of rising energy costs and the severity of the winter, the shortfall in public housing funds is up to $225 million, Spence said. More than half of the $42-million budget of the Boston Housing Authority is used to pay energy bills, according to Spence.

In fact, the BHA stands to lose $6.4 million in anticipated federal funds as a result of the Reagan approach, and with well over half of its operating expenses determined by fixed costs like energy bills, the authority will have to cut its budget for administration and maintenance by about 30 percent, Spence said.

Without the additional funds, Spence said in an interview after his testimony, as many as 320 of the 800-member staff of the BHA will have to be laid off, which in turn will drastically affect maintenance and services in already poorly maintained housing projects like Columbia Point, Bromley Health and Mission Hill.

Last year, the BHA was placed in receivership by Suffolk Superior Court because of gross violations of the state sanitary code.

Spence said yesterday that without additional federal funds, "I will have to go back to the judge and say, 'this housing cannot be operated in compliance with the law.'"

After meeting with members of the Massachuetts delegation in the office of House Speaker Thomas P. O'Neill, Jr., Spence said he had been given "some hope" that Congress would try to include additional funding for public housing as Reagan's budget works its way through the House.

But unless Congress does something about what he described as "seemingly mindless budget slashing," Spence told a reporter, "it will result in the abandonment and shutdown for large housing authorities across the country," including the BHA.

MARCH 18, 1981.

(Subject: Operating Subsidies for Public Housing Supplemental Appropriation for Fiscal Year 1981).

PAUL E. TSONGAS,
U.S. Senator, Washington, D.C.

DEAR SENATOR TSONGAS: We are writing to bring to your attention the critical financial situation which is confronting Public Housing Agencies (PHA's). Rapidly increasing utility costs are causing substantial deficits in the operating budgets of PHA's across the nation. The deficits in PHA budgets normally would be funded from the Department of Housing and Urban Development's operating subsidy account. However, both the Carter and Reagan Administrations have reported to Congress that there

is a substantial shortfall in the operating subsidy account for fiscal year 1981.

The severity of the winter, OPEC price increases and the decontrol of oil prices have all contributed to the increased cost of utilities. In 1978, PHA's nationally expended 37.5 percent of their operating budgets for utilities. In 1981, large PHA's in New England are expending closer to 50 percent of their operating budgets for utilities. A recent survey indicates the following percentage of total operating budgets are expended for utilities by PHA's heating with oil:

	Percent
Cambridge, Mass	42.8
Manchester, N.H	45.5
Brookline, Mass	48.8
Providence, R.I	49.9
New Haven, Conn	51.0
Portland, Maine	51.9
Boston, Mass	52.6
Springfield, Mass	55.3
Bridgeport, Conn	56.0
Taunton, Mass	56.1

New England PHA's which depend on oil for heating purposes and electricity generated from oil are particularly vulnerable to escalating utility costs.

In January of this year, HUD estimated that its operating subsidy account would be $140 million short of the projected need. This estimate was based on first quarter (Oct.-Dec.) financial reports from PHA's. As a result of the January estimate, the Carter Administration took the following actions: First, a $100 million supplemental appropriation for operating subsidies was requested from Congress. Second, PHA's were directed to seek the remaining $40 million from the Home Energy Assistance Program (HEAP). Third, HUD advised PHA's with fiscal years beginning in January 1981 and March 1981 that they would receive no more than 85.5% of their operating subsidies. Currently, HUD is conducting a second survey of PHA operating costs for the January-March quarter. It is generally felt that the results of this survey will show the shortfall in operating subsidies to be $200 million.

Many PHA's, responding to the HUD directive, sought funding from the Home Energy Assistance Program and discovered that they were not eligible participants in the program. The Home Energy Assistance Program is administered by the Department of Health and Human Services in conjunction with the states. Each state prepares a state plan which details how HEAP funds will be distributed. HHS regulations (Subpart H—Payments to Building Owners) require the states to consider the extent to which building operators' costs are compensated by subsidy programs in order to prevent duplicate payments. Currently, a majority of the state plans exclude PHA's from receiving energy assistance funds. As this situation became apparent, HUD reviewed the HEAP plans for the 50 states, Puerto Rico, and the District of Columbia with the following results: in 28 states PHA's were not eligible for HEAP funds, in 12 states it was not possible to determine PHA eligibility, in 12 states PHA's were eligible for HEAP funds.

On March 10th the Reagan Administration submitted its revised budget to the Congress. The revised budget no longer includes the request for a $100 million supplemental appropriation for operating subsidies. The Office of Management and Budget had directed HUD to have the PHA's request $140 million in HEAP funds from the states. It should be noted that OMB is aware that the $140 million figure is too low and that the actual shortfall in operating subsidies will approach $200 million.

In order to circumvent the state plans that exclude the participation of PHA's, OMB has sought an opinion from the Department of Justice declaring PHA's eligible for HEAP funds in all states. It is believed that this action will supersede the requirement that the states amend their plans through the same participatory process used to develop the plans initially. It is doubtful that this OMB scheme will work. OMB has created tens of thousands of new clients for the energy assistance program without a dollar of additional funding.

The OMB proposal has a number of drawbacks. It presumes that HEAP funds are available. At this point in the heating season the states will have committed most, if not all, of their funds. It presumes that a PHA's eligibility for HEAP funds will be identical to the PHA's eligibility for operating subsidies. PHA's might receive HEAP funds and still be left with substantial deficits. It forces the states to choose between existing clients and the thousands of new clients created by OMB. For example, in Massachusetts many of the applications taken from families that heat with gas are not processed until the end of the heating season. Will Massachusetts have to choose between applications on hand from those families, and applications made by PHA's on behalf of public housing tenants? Obviously, those PHA's that require substantial HEAP funding are located in the same states where HEAP funds are required by large numbers of low-income families.

Under the OMB proposal some PHA's will receive some HEAP funding, but the vast majority of PHAs will receive little or nothing. The consequences of the operating subsidy shortfall will range from cash flow problems to fiscal disaster for some PHA's. Already, PHA's have laid off employees, and others are diverting reserves from maintenance needs to operations. For the larger PHA's facing critical financial problems the size of the cuts involved will make continued operating impossible.

If financial disaster for PHA's is to be averted, decisive Congressional action is required. The House and Senate Appropriations Committees should question HUD and OMB on the adequacy of operating subsidies for fiscal year 1981. We believe that the Committees will recognize the need for a $200 million supplemental appropriation for operating subsidies. The House and Senate Budget Committees should provide sufficient budget authority in the Third Budget Resolution for FY 1981 to cover the required supplemental appropriation. Without responsible Congressional action, Public Housing Agencies and their low-income tenants will suffer severe hardships caused by conditions beyond their control.

Sincerely,

LEWIS H. SPENCE,
Exec. Dir., Boston Housing Authority.
DAN WUENSCHEL,
Exec. Dir., Cambridge Housing Authority.
ROBERT E. MCKAY,
Exec. Dir., Citizens Housing and Planning.
THOMAS J. CONNELLY, JR.,
Exec. Sec., Mass. NAHRO.
JOHN F. JOHNSON.
New England Regional Council of NAHRO ●

LEGISLATION RELATING TO ILLEGAL ALIENS

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the text of the bill S. 930, which I introduced on April 8, 1981, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 930

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Guest Worker Act of 1981".

FINDINGS

SEC. 2. The Congress finds that—

(1) strong economic and political cooperation between the United States and Mexico will benefit not only the people of these countries, but will also help to eliminate tensions in the Western Hemisphere;

(2) the cause of illegal migration from Mexico to the United States is the lack of opportunities for economic well-being in Mexico relative to those in the United States;

(3) the mutual benefit of past economic cooperation through legal work programs and investment opportunities is well documented;

(4) in order to eliminate the present large and uncontrolled influx of undocumented workers a system of temporary legal admissions should be established;

(5) the vast majority of jobs that will be taken by Mexicans are in the agricultural and service industries where jobs are not now greatly in demand by American workers;

(6) many of the short-term economic needs of Mexicans and the short-term labor needs of American agricultural and service industries can be met by a temporary worker visa program for Mexicans seeking temporary employment in the United States;

(7) the value to Mexico of temporary employment of Mexican workers in the United States is in the direct flow of dollars into its economy and in the increase in skills within its labor force;

(8) a program of temporary worker visas would encourage the existing temporary nature of most Mexican migration into the United States;

(9) attempts to seal the vast border between the United States and Mexico to the flow of migrants are doomed to failure and only increase the exploitation of such workers by smugglers and unscrupulous employers; and

(10) it is necessary to establish a legal framework for Mexican labor in the United States in order to harmonize the use of such workers, to prevent abuse of them by smugglers and unscrupulous employers, to better protect American workers from unfair competition, to reduce the flow of illegal migrants, and to permit a better understanding of the scope of the opportunities and problems related to Mexican workers in the United States and Mexico.

ESTABLISHMENT OF VISA PROGRAM

SEC. 3. Section 214 of the Immigration and Nationality Act is amended by adding at the end thereof the following new subsections:

"(e)(1) The Attorney General, in consultation with the Secretary of State and, when appropriate, with the assistance of the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Labor, shall by regulation establish a program for the admission as nonimmigrants into the United States under section 101(a)(15)(M) of Mexican nationals who desire to temporarily perform services or labor in the United States. Visas shall be made available to qualified applicants in the chronological order for which they are applied. Such visas shall permit each alien to temporarily perform services or labor within the United States for not to exceed 180 days during any calendar year. Such aliens shall not be required to obtain a petition of any prospective employer within the United States in order to obtain such a visa. Such visas shall not limit the geographical area within which the alien may be employed nor set any limitations on the type of employment for which the alien may be employed, except as provided in subsection (f).

"(2) Any alien who obtains a visa under the program established under paragraph (1) who—

"(A) violates the restrictions with respect to the amount of time for which the alien is allowed to remain in the United States, or

"(B) violates any restriction required under subsection (g),

shall be ineligible to obtain another visa under such program for a period of five years or the remainder of the duration of the program, whichever first occurs. Any alien who, after the beginning of this program, enters the United States unlawfully shall be prohibited from obtaining a visa under such program for a period of 5 years.

"(f)(1) Each nonimmigrant alien described under section 101(a)(15)(M) applying for a visa under the program established in subsection (e) shall give a suitable and proper bond or undertaking of $500 to the United States to insure that at the expiration of the time for which such alien was admitted or upon failure to maintain the status under which he was admitted, such alien will depart from the United States. In addition, each such alien shall be given a receipt as evidence of the giving of such bond or undertaking and shall present such receipt at the appropriate time for the return of the sum due under paragraph (3).

"(2) For each calendar quarter in which a sum is held to secure the bond referred to in paragraph (1), such sum shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding short-term obligations of the United States as of the last day of the preceding calendar quarter.

"(3) Such bond or undertaking shall terminate upon the permanent departure from the United States of such alien, and such sum as was held to secure such departure, together with accrued interest, except to the extent forfeited for the violation of the terms thereof, shall be returned to the person by whom furnished or to his legal representatives upon presentation of a proper receipt.

"(4) The Attorney General may prescribe such regulations as he determines to be necessary to carry out the provisions of this subsection.

"(g) The Attorney General, upon request from the Secretary of Labor, shall place specific restrictions on employment of aliens holding temporary work visas under the program established in subsection (e) at a specific business or agricultural site if employees or employers demonstrate that such aliens will displace available, qualified, and willing domestic workers. The Secretary of Labor shall establish the criteria under which such restrictions may be requested.".

UNITED STATES CONSULATES IN MEXICO

SEC. 4. (a) The Secretary of State is authorized to take such steps as are necessary in order to establish and expand the United States Consulates in Mexico in order to implement the program established in section 214 (e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act.

(b) The Secretary of State shall coordinate with appropriate officials of Mexico in order to insure maximum awareness in Mexico of the nature and restrictions of the program established in section 214 (e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act.

(c) The Secretary of Labor shall undertake to insure, to the extent practicable, that the nature and restrictions of the program established in section 214 (e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act, are known to aliens of Mexican citizenship residing in the United States.

NONIMMIGRANT CATEGORY

SEC. 5. (a) Section 101(a)(15) of the Immigration and Nationality Act is amended by adding at the end thereof the following:

"(M) a Mexican national who has no intention of abandoning his or her residence in Mexico who is coming to the United States for not to exceed 180 days during any calendar year to temporarily perform services or labor.".

(b) Section 201(a) of the Immigration and Nationality Act is amended by adding at the end thereof the following:

"(c) The number of nonimmigrants described under section 101(a)(15)(M) who may be issued nonimmigrant visas shall not in any fiscal year exceed 1,000,000.".

EFFECT OF DEPORTATION

SEC. 6. Section 212(a) is amended—

(1) by inserting before the semicolon at the end of paragraph (16) a comma and the following: "except that the Attorney General shall not consent to the reapplying for admission of an alien described in section 101(a)(15)(M)"; and

(2) by inserting before the semicolon at the end of paragraph (17) a comma and the following: "except that the Attorney General shall not consent to the applying or reapplying for admission of an alien described in section 101(a)(15)(M)".

PROHIBITION ON ADJUSTMENT OF STATUS UNDER TEMPORARY WORKER VISA PROGRAM

SEC. 7. Section 245(c) of the Immigration and Nationality Act is amended—

(1) by striking out "or"; and

(2) by inserting immediately after "section 212(d)(4)(C)" a semicolon and the following: "or (4) any alien described in section 101(a)(15)(M)".

REPORT TO CONGRESS

SEC. 8. (a) The Attorney General, during the period in which such program is in effect, shall report semiannually to the Congress on the temporary worker visa program established in section 214 (e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act, and shall include in that report a summary of the number of visas issued under the program, the effectiveness of the program, enforcement problems related to the program, and any recommendations for legislative change in the program.

(b) In addition, in the last report required by this section, the Attorney General shall include an evaluation of the program, together with recommendations on whether to extend the duration of the program and on whether to offer to the nationals of other countries a similiar program.

BILATERAL ADVISORY COMMISSION

SEC. 9. It is the sense of the Congress that the President should negotiate with the appropriate officials of the Government of Mexico to establish an Advisory Commission on the Guest Worker Program to consult with and advise the Attorney General in establishing the regulations for the temporary worker visa program established under section 214 (e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act.

EMPLOYMENT OF ALIENS

SEC. 10. (a) Section 274 of the Immigration and Nationality Act is amended by adding at the end thereof the following:

"(d)(1) It shall be unlawful for any employer or his agent knowingly to employ or promise employment to, or use the services of, an alien in the United States who has not been lawfully admitted to the United States for permanent residence, unless the employment of such alien is authorized by this Act or by the Attorney General.

"(2) Any employer who violates paragraph (1) shall be subject to a civil penalty of not more than $500 for each such alien with respect to whom a violation has occurred and a civil penalty of not more than $100 for each 7-day period after the first fourteen days such alien is so employed.

"(3) The Attorney General may assess a civil penalty under this subsection only pursuant to an order after the employer charged with a violation under paragraph (1) has been given an opportunity for a hearing and the Attorney General determines that a violation did occur and the amount of the penalty which is warranted. Any hearing under this paragraph shall be on the record and conducted before an immigration officer designated by the Attorney General, individually or by regulation, and the proceedings shall be conducted in accordance with the requirements of section 554 of title 5, United States Code.

"(4) If the employer against whom a civil penalty is assessed fails to pay the penalty within the time prescribed in the order of the Attorney General, the Attorney General shall bring a civil action to collect the penalty in any appropriate district court of the United States. In any such action or in any other action to review a determination of the Attorney General under paragraph (3), the action shall be determined solely upon the administrative record upon which the civil penalty was assessed, and the findings of fact of the Attorney General, if supported by substantial evidence on the record considered as a whole, shall be conclusive.

"(5) Any penalty paid under this section shall be covered into and merged with the appropriation for the enforcement of this Act to be available only to cover expenses of deportation.".

(b) The caption for section 274 is amended to read as follows:

"BRINGING IN AND HARBORING CERTAIN ALIENS; EMPLOYMENT OF ALIENS".

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.

TERMINATION

SEC. 12. The provisions of this Act, including any amendments made by this Act, shall terminate five years after the date of enactment of this Act.

RAOUL WALLENBERG

● Mr. SASSER. Mr. President, I ask unanimous consent that I be added as a cosponsor of Senate Joint Resolution 65, to proclaim Raoul Wallenberg to be an honorary citizen of the United States, and to request the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom.

I consider it an honor to lend my name and my efforts to the recognition of this extraordinary man, efforts which I hope will lead to his release. The debt owed to him, not only by the hundreds of thousands of individuals and families whose lives he has touched directly, but by free people around the world, is incalculable.

Raoul Wallenberg's story is well known in some quarters, a revelation in others. In 1944, he went to Hungary at the request of Secretary of State Cordell Hull to organize a rescue mission to save Hungarian Jews and others from extermination by the Nazis. A Swedish diplomat with everything to lose, Wallenberg was seized by the Russians in January of 1945 after risking his life to save almost 100,000 men, women, and children from the death camps and providing them with food, shelter and medical care. He has been a prisoner in the Soviet Union since that time.

A history of 37 years in Russian prisons

could hardly be called a hopeful indication that even so phenomenal a man as Raoul Wallenberg would still be alive. But reports keep coming in, from former prisoners, that give us hope for his safety and eventual freedom. This resolution is but the first step in what will be a difficult process, an absolutely necessary process, and I pray a successful process. Raoul Wallenberg, having risked his life so that others might escape to freedom, should have his own life and freedom returned to him.●

NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request from Senator LAXALT for a determination under rule 35 which would permit Mr. Richard Spees of his staff to participate in a program sponsored by a foreign educational institution, Soochow University in Taipei, Taiwan, from April 10 to April 19, 1981.

The committee has determined that participation by this employee in the program in Taiwan, at the expense of Soochow University, to discuss economic and political issues including United States-Taiwanese relations, is in the interests of the Senate and the United States.

The Select Committee on Ethics has received requests from Senators GLENN and DODD for determinations under rule 35 which would permit Mr. Tobias Seggerman of Senator DODD's staff and Senator GLENN's employee, Mr. Dale Butland, to participate in a program sponsored by a foreign educational institution, Soochow University in Taipei, Taiwan, from April 10 to April 19, 1981.

The committee has determined that participation by these employees in the program in Taiwan, at the expense of Soochow University, to discuss economic and political issues, including United States-Taiwanese relations, is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request from Senator GRASSLEY for a determination under rule 35 which would permit Mr. Robert Ludwiczak of his staff to participate in a program sponsored by a foreign educational institution, Soochow University in Taipei, Taiwan, from April 10 to April 19, 1981.

The committee has determined that participation by this employee in the program in Taiwan, at the expense of Soochow University, to discuss economic and political issues including United States-Taiwanese relations, is in the interests of the Senate of the United States.

The Select Committee on Ethics has received requests for a determination under rule 35 that will permit Senate employees to participate in a program at the Graduate School of American Studies of Tamkang University in Taipei, Taiwan, from April 10 to 18, 1981. The employees are Howard E. Shuman of the staff of Senator PROXMIRE, Melinda Carmen of the staff of Senator HUMPHREY, Howard Segermark of the staff of Senator HELMS, Doyce Boesch of the staff of Senator NICKLES, and Nancy Norell of the staff of Senator MCCLURE.

The committee has determined that participation by these employees in the program at Tamkang University is in the interests of the Senate and the United States.●

THE CONGRESSIONAL RESEARCH SERVICE GRADUATE SEMINAR ON CONGRESSIONAL PROCEDURE

● Mr. DECONCINI. Mr. President, I would like to take a minute of the Senate's time to express my appreciation to the Congressional Research Service of the Library of Congress. The Congressional Research Service recently held a 4-day seminar in Charlottesville, Va., at the Federal Executive Institute for Senate and House staffers. During this 4-day session, staffers assumed the roles of Senators and Congressmen and took a mock bill through hearings, markup, floor debate, and final conference action.

The enthusiastic report of one of my staff members who attended the seminar is high praise for the educational benefits of the program and the effort that CRS makes to assist the Senate and its staff. The concentrated program which gives firsthand knowledge of what can be a complicated and confusing process will certainly help staffers assist us in our responsibilities.

I would like to commend the Congressional Research Service for their efforts and urge my colleagues to consider sending members of their staff to CRS' graduate seminar on congressional procedure in the future.●

ST. VINCENT HOSPITAL, INDIANAPOLIS, IND.

● Mr. LUGAR. Mr. President, on April 26, 1981, St. Vincent Hospital in Indianapolis, Ind., will celebrate its centennial year in the founding of the hospital. The progressive strides made by St. Vincent's in ably serving the residents of Indianapolis and throughout the State of Indiana are described in the following historical perspective. I ask that the full text be printed in the RECORD, and encourage my colleagues to read it.

The material follows:

ST. VINCENT'S CELEBRATES ITS CENTENNIAL

St. Vincent Hospital and Health Care Center is a not-for-profit hospital established in Indianapolis, Indiana, on April 26, 1881, by four sisters of the Daughters of Charity of St. Vincent de Paul. It is one of 37 Daughters of Charity Hospitals located in the U.S.A. today.

The first location of the hospital was a three-story brick building on Vermont Street between East and Liberty. Hospital II was completed in 1889 and was located on the corner of South and Delaware Streets. Hospital III was opened in 1913 facing Fall Creek, between Illinois and Capitol Streets. The present facility, located on a 114-acre site at 2001 West 86th Street, opened on March 31, 1974. This 555-bed hospital has 2,800 employees and 463,000 square feet of intensely utilized space. Quality patient care is the top priority at St. Vincent.

April 26, 1981, will mark the 100th anniversary of St. Vincent Hospital and Health Care Center. One hundred years ago four Daughters of Charity came from their Motherhouse in Emmitsburg, Maryland, to start this Catholic hospital. They came after much urging from Bishop Francis Silas Chatard who offered them an unused seminary, fronting Vermont Street between East and Liberty Streets. The sisters arrived with $34.77, but much determination. With financial help from the bishop and friends, they converted the seminary into an infirmary where all who came to the door were received—the hungry, the cold, the tired, the ill, the homeless—with no questions asked as to their abiilty to pay.

The agency was legally incorporated as "St. Vincent Infirmary" in 1884 and could accommodate 50 patients. The need for a new and larger place was soon evident and the sisters completed construction of Hospital II in 1889, borrowing the money for this venture. This modern brick building could accommodate 150 patients. An operating room amphitheater was built to the rear and the two nearby medical colleges sent their students here for observation of surgery as well as for attendance at medical and surgical clinics conducted by the leading physicians and surgeons of the day. The first interns were accepted in 1893. With only a few Daughters of Charity to care for the patients and do all the administrative work, the sisters, looking toward the future, opened a school of nursing in December, 1896. (This school was to close in 1970 after graduating 2,418 nurses.)

While Hospital II was well-constructed and remained serviceable, the surrounding area soon became highly industrialized. An additional problem was again bed space and there was no room in the building for expansion. Out of necessity the sisters began looking for a new site. A location on Fair Bank Park was purchased for a new hospital, number III. The title of the institution was legally changed to St. Vincent Hospital in 1911. The third hospital was opened on February 3, 1913 and during that month 43 patients still in Hospital II were transferred to the new hospital. This well-constructed and commodious building could accommodate 300 patients. Hospital III was approved by the American Medical Association for internships in 1914.

Before long, the doctors again asked for more beds (and parking space). The patient waiting list was long. A new building, Marillac Hall, was built to the east of the hospital to house the school of nursing and students. The building was dedicated in 1928 and the fourth floor, previously occupied by the students, was converted to patients' rooms.

The hospital made every attempt to keep up with requests from ancillary departments. The Laboratory was moved and increased in size. The X-ray department increased in size with the addition of a cobalt therapy machine and a linear accelerator. A recovery room was opened. The surgery department was enlarged. Heart surgery, physical therapy, and a respiratory therapy department were started. An emergency room was established.

An intensive care unit was organized followed by a coronary care unit. All this occurred in the original building. Another separate building was constructed for the Sisters' residence since they occupied parts of two floors in the hospital. Even with this additional space, there was a continuous cry for more beds and the waiting list for elective

surgery was much too long. There was no alternative but to move again. In 1963, the administration announced that an option had been taken on a 114-acre site on West 86th Street.

The new hospital would fulfill the suggestion made earlier by the consulting firm, Booz-Allen & Hamilton, that the city had need of a general hospital on the north or northwestern side.

On January 4, 1971, ground was broken for a new seven story, steel and glass hospital of 555 beds. The move to the new structure was made on March 31, 1974. On December 8, 1977, the name of the hospital was legally changed to St. Vincent Hospital and Health Care Center, Inc. The name was changed to reflect the new direction of health care in general. Traditionally, hospitals have looked inward in their attempts to serve the community. This effort has indeed made possible the care and treatment of patients for many years. However, while maintaining this concern for patients, St. Vincent Hospital and Health Care Center reached to the outside—to serve a wider arena of needs.

The new name was adopted to reflect services and outreach programs offered to our community. St. Vincent remains a "hospital" in that it offers acute care to those patients requiring this degree of medical treatment. It is a "health care center" in that St. Vincent is able to provide the community with health maintenance and prevention of illness and disease.

St. Vincent Hospital and Health Care Center has followed the philosophy of the Daughters of Charity and has today become a health care center from which many services originate.

In 1978, a revised philosophy reiterated what the Daughters of Charity had believed in from the beginning. The preamble reads:

"As Daughters of Charity established as a vital and integral part of the work of the Church by St. Vincent de Paul, Universal Patron of Charity and Our Founder, we individually and collectively dedicate ourselves to promote Christian community and to enhance the dignity of man by providing optimal health care services to all persons we serve in response to community needs insofar as our capabilities and resources allow. Our commitment impels us to extend Christ's mission of mercy: to witness to the Gospel message; to care for the whole person—body, mind and soul—in a spirit of equality and ecumenism; and to serve all persons as we would serve Christ, in a humble, simple and loving way."

1981 marks the centennial year of the founding of the hospital. The theme for this year, "Spreading Our Wings For Century II" will be celebrated with various functions throughout the year. But the greatest manifestion of continued progress is evident in the huge addition and renovation project which is currently in progress. This was necessitated, again, by a cry for beds, but mostly by the increase in technologies and resulting equipment, and the increase for emergency and out-patient services.●

ROLAND CRANDALL

● Mr. NUNN. Mr. President, Roland Crandall came over to the Senate from the Government Printing Office in 1961 on temporary assignment to assist the permanent Subcommittee on Investigations in preparing its voluminous publications. He expected to stay 2 weeks—and ended up spending the next 20 years on the subcommittee's staff.

Mr. Crandall retired from Government service at the end of March, and the Senate as well as the subcommittee is at a loss for his having done so.

The statistics of his 20-year career on the staff are impressive. As the subcommittee's staff editor, he was responsible for producing 163 volumes of hearing records and 55 committee reports and other documents.

It was the quality of his efforts that was even more impressive, especially in light of the subcommittee's sensitive work. As I have said here before, the permanent Subcommittee on Investigations is not an ordinary legislative subcommittee. Our job is to look for fraud and abuse in the Government, to investigate organized crime, labor racketeering, and narcotics trafficking, and to examine other very delicate areas that other committees may not be staffed to handle.

Our investigations often involve allegations of criminal conduct on the part of individuals, and we have touched on national security matters in the past. Accordingly, it is imperative that the subcommittee be very careful with the facts.

This is especially true of the printed records of the subcommittee's investigations and the storage of the exhibits that are introduced at its hearings.

In both of these areas, Mr. Crandall set the highest example of unwavering accuracy and care. He read and edited every line of the subcommittee's records, and he was responsible for maintaining its exhibits file. He performed these duties with dedication and the utmost of professional skill.

The record of a subcommittee such as ours is reflected in its volumes of hearings and reports. Mr. Crandall was the keeper of the subcommittee's record, and the titles he produced are indicative of what the subcommittee accomplished during his 20 years on the staff. For example:

Gambling and Organized Crime (1961);

James R. Hoffa and Continued Underworld Control of New York Teamster Local 239 (1961);

Department of Agriculture Handling of Pooled Cotton Allotments of Billie Sol Estes (1962);

TFX Contract Investigation (1963);

Organized Crime and Illicit Traffic in Narcotics [so-called Valachi hearings] (1963);

Investigation Into Federally Insured Banks (1965);

Riots, Civil and Criminal Disorders (1967);

Fraud and Corruption in Management of Military Club Systems (1969);

Organized Crime (Stolen Securities) (1971);

U.S. Military Supply Systems—Traffic in Surplus War Materials (1972);

Transfer of Technology to the Soviet Union and Eastern Europe (1974);

Current Energy Shortages (1974);

The Robert Vesco Investigation (1974);

Prepaid Health Plans (1975);

Federal Drug Enforcement (1975–77);

Grain Sales to the Soviet Union (1975);

Guaranteed Student Loan Program (1975);

Teamsters Central States Pension Fund (1977);

Labor Union Insurance (1977);

Labor Management Racketeering (1978);

Arson-for-Hire (1978);

Illicit Narcotics Profits (1979);

Organized Crime and the Use of Violence (1980); and

Organized Crime's Influence and Control over the Waterfront Industry Along the East and Gulf Coasts (1981).

Mr. President, these were significant investigations that were conducted under the leadership of four different chairmen—the late Senator John L. McClellan of Arkansas, the distinguished Senator from Washington (Mr. JACKSON), myself, and the distinguished Senator from Delaware (Mr. ROTH).

No one knows how much these investigations may have saved the American taxpayer, but I do know that they could not have been conducted without an able and efficient staff team. Mr. Crandall was an effective member of that team, and as such, he made a significant contribution to the economy and efficiency of the Federal Government.

The day-to-day work of the Senate depends in large measure on the performance of staff members such as Roland Crandall. When I took over as chairman of the permanent subcommittee in January 1979, I knew that I could count on him to do an outstanding job every day, and he exceeded my expectations. Not only did he handle our printing and exhibits with his usual professional skill, he also was a reservoir of good sense, judgment, and experience from which the newer members of staff continually drew.

As Mr. Crandall enters his well-earned retirement, I want to express my appreciation for a job well done. He was a distinct credit to the Senate staff, and I want to wish him as much success in his future endeavors as he had working for the permanent Subcommittee on Investigations.●

A NEW APPROACH TO CONSOLIDATING FEDERAL WATER RESOURCES PLANNING AND RESEARCH

● Mr. ABDNOR. Mr. President, I believe that the Federal Government has a significant role to play in fostering water resources research, including desalting, and to continue a program of support for State water resources agencies. I believe, too, that we must improve the coordination and implementation of water policy objectives and that Congress must play an active role in determining those objectives.

It was unfortunate, I believe, that the administration's March 10 budget recommendations eliminated entirely the programs of the Water Resources Council and the Office of Water Research and Technology.

I share wholeheartedly the administration's concern for cutting the budget. And I share its belief that some of the work of the WRC and the OWRT has been less effective and less needed than we might have liked.

Yet I am convinced that portions of these programs remain a vital part of an effective national program for water resources development. The Committee on

Environment and Public Works shares that concern. In its March 14 budget recommendations, the committee voted 11 to 1 to restore $20 million in fiscal year 1982 to the WRC effort, with another $20 million for the programs of the OWRT, and to shift those funds from the Corps of Engineers construction budget. At those levels, the 1982 programs for WRC and OWRT would be far lower than present spending.

The Subcommittee on Water Resources, which I am pleased to chair, will conduct 3 days of hearings on water resources later this month—on April 21, 22, and 23. One of the prime issues we intend to explore at that time is the future of the Government's role in water resources planning assistance and research. In future hearings we will be pursuing in greater depth the water development policies of the Federal Government and especially the mechanisms under which these policies are established.

In an effort to clarify the issues and the debate, I have prepared draft legislation which may resolve many of the concerns of the administration, while assuring the States, the State water research institutes, and the river basin commissions a period of transition away from Federal financial support, rather than the "cold turkey" approach they otherwise confront.

My proposal, which I hope to introduce after the recess and after the hearings, would establish several new approaches. It would create an Office of Water Policy in the Department of the Interior, which would undertake factual assessments of the Nation's water outlook. The Office would operate State program grants, which will gradually be reduced until the States can manage their own, and it would operate a research program that includes continued funding, for a time, of the State water institutes.

In addition, my proposal would create an interagency National Board of Water Policy to be responsible for establishing the administration's position on water policy and to report to Congress on needed changes in policy.

My proposal would also set up a State advisory committee, to strengthen the bond that we must weld between the States and the Federal agencies. Continued operation of the river basin commissions is also a part of my approach. The basin commissions offer a great opportunity to assure more effective cooperation between neighboring States, but the States would be required to initiate the commissions and to pay two-thirds of their costs.

Mr. President, I do not offer this proposal as the full solution to these issues or as the final answer. Rather, I offer it in draft form in an effort to be constructive, to promote discussion, and to help focus the attention of my colleagues and those interested in water resources development on our need to establish more workable mechanisms to continue Federal involvement in water planning where necessary and justifiable and to improve water policy coordination and implementation.

I urge the various witnesses and potential witnesses who will attend our hearings on April 21 to 23 to examine this proposal, to see if it will provide a workable new approach. I hope that this bill creates a superstructure upon which we can build an effective planning and research program for the Nation.

Mr. President, I ask that a copy of my draft bill be printed in the RECORD.

The proposed bill follows:

S. ——

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Water Resources Planning Act, as amended (42 U.S.C. 1962 et seq.), is further amended by deleting all after the enacting clause and inserting in lieu thereof the following: "This Act may be cited as the National Water Resources Research and Planning Act of 1981.

"TITLE I—GENERAL PROVISIONS

"NATIONAL BOARD OF WATER POLICY

"SEC. 101. (a) There is hereby established a National Board of Water Policy (hereinafter in this Act referred to as the 'Board'), to be composed of the Secretary of the Army, the Secretary of Interior, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency. The term of the Chairman of such Board shall be one year, and such chairmanship shall rotate among the Board's members in the order listed in the preceding sentence. Actions of the Board shall be by majority vote.

"(b) The Board shall meet at least six times annually to: (1) advise the President and Congress on matters relating to water resources policy, (2) identify inconsistencies in such policy and programs and to recommend to the President and Congress changes in law or procedures that will emphasize the wise, cost-effective development and use of the water resources of the United States, and (3) establish and issue rules and procedures designed to assure the implementation of a national water resources policy and program, pursuant to law.

"(c) The Board, in cooperation with the Office of Water Policy, established pursuant to Section 102 of this Title, shall develop procedures to encourage interagency coordination of Federal water resources research, including the research authorized by this Act. Such coordination shall include (1) continuing review of the adequacy of the Government-wide program in water resources research and development and identification of technical needs in various water resources research categories, (2) identification and elimination of duplication and overlaps between two or more programs, (3) recommendations with respect to allocation of technical effort among the Federal agencies, and (4) recommendations concerning management policies to improve the quality of the Government-wide research efforts.

"(d) For the purposes of administration, the sum of $1,000,000 is authorized to be appropriated to the Board for the fiscal year ending September 30, 1982, and for each fiscal year thereafter.

"OFFICE OF WATER POLICY

"SEC. 102. (a) There is established within the Department of Interior an Office of Water Policy (hereinafter in this Act referred to as the 'Office'), which shall advise the Secretary on matters relating to water policy, and shall coordinate and administer the programs authorized by Titles II, III, and IV of this Act.

"(b) The Office shall be headed by a director, appointed by the Secretary of Interior.

"(c) The Office shall issue such rules and regulations as it finds appropriate, after consultation with the Board, to carry out the requirements of Titles II, III, and IV of this Act.

"(d) In cooperation with the departments and agencies represented on the Board, the Office is authorized to prepare periodic assessments of national water needs, including studies of the adequacy of supplies of water needed to meet national, regional, and state requirements.

"(e) For the purposes of administration and the undertaking of necessary assessments, the sum of $3,000,000 is authorized to be appropriated to the Office for the fiscal year ending September 30, 1982, and for each fiscal year thereafter.

"STATE ADVISORY COMMITTEE

"SEC. 103. (a) To assist the work of the Board and the Office, there is hereby established a State Advisory Committee (hereinafter in this Act referred to as the 'State Committee'), which shall be composed of five members.

"(b)(1) The Chairman of the State Committee shall be appointed by the Board from persons recommended by the governing body of the National Governors Association on the basis of his or her understanding of the Nation's water resources needs.

"(2) The remaining members of the State Committee shall be selected jointly by the Board and the Chairman of the State Committee from persons recommended by the governing body of the National Governors Association in order to provide for a broad national representation in water resources management.

"(c) The State Committee shall meet at least four times a year to review actions and proposals made by the Board and the Office, and to offer its analysis of such actions and proposals, including recommendations for changes. Any such analysis shall accompany any report submitted by the Board or Office to Congress.

"(d) For the purposes of administration, the sum of $1,000,000 is authorized to be appropriated to the State Committee for the fiscal year ending September 30, 1982, and for each fiscal year thereafter.

"SEC. 104. The agencies authorized to be established by Sections 101, 102, and 103 and Title IV of this Act are authorized to hire necessary staff and to contract for studies to carry out their authorized functions, within available sums.

"SEC. 105. (a) Nothing in this Act is intended to repeal, supersede, or diminish existing authorities or responsibilities of any agency of the Federal Government concerning water resources.

"(b) Nothing in this Act shall be construed to alter existing law with respect to the ownership and control of water.

"SEC. 106. As used in this Act, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, and the Virgin Islands.

"TITLE II—STATE WATER PLANNING

"SEC. 201. In order to assist the various States in the wise use and development of the water resources of the United States, and of the consultants with the State Committee, the Office shall make annual grants to the States to assist them in developing comprehensive programs for the development of water and related land resources.

"SEC. 202. (a) From the sums appropriated pursuant to section 204 of this Title, the Office shall make allotments to the States, in accordance with regulations promulgated by the Office, on the basis of (1) the population, (2) the land area, (3) the need for comprehensive water and related land resources planning programs, and (4) the financial need of the respective States.

"(b) The sums allocated under this section for the purpose of implementing a program approved under section 203 of this Title shall be matched during the fiscal year

ending September 30, 1982; on the basis of no less than one State dollar for every Federal dollar; on the basis of no less than two State dollars for each Federal dollar during the fiscal year ending September 30, 1983; on the basis of no less than four State dollars for each Federal dollar during the fiscal year ending September 30, 1984; and on the basis of no less than eight State dollars for each Federal dollar during the fiscal year ending September 30, 1985.

"SEC. 203. (a) The Office shall approve any program for comprehensive water and related land resources planning which is submitted by a State, if such program—

"(1) provides for a comprehensive program for the development of the intrastate or interstate water resources, or both, in such State necessary to meet the needs for water and water-related activities, taking into account the need to coordinate among Federal, State, and local agencies, and any nongovernmental entities having responsibilities in the affected fields;

"(2) designates a State agency (hereinafter referred to as the "State agency") to administer such program;

"(3) provides such accounting, budgeting, and other procedures for the proper and efficient administration of the program as are necessary for keeping appropriate accountability of the funds allocated to the States under this Title; and

"(4) provides a plan that is intended to assure that such State will assume full financial responsibility for the continuation of such program within such State after October 1, 1985.

"(b) The Office shall not disapprove any program without first giving reasonable notice and opportunity for hearing to the State agency administering such program.

"SEC. 204. For the purposes of the grants to be made under the terms of Section 202 of this Title, there is authorized to be appropriated to the Office the sum of $10,000,000 for fiscal year ending September 30, 1982, the sum of $7,500,000 for the fiscal year ending September 30, 1983; the sum of $5,000,000 for the fiscal year ending September 30, 1984, and the sum of $3,000,000 for the fiscal year ending September 30, 1985.

"TITLE III—WATER RESOURCES RESEARCH

"STATE RESEARCH INSTITUTES

"SEC. 301. (a) The Office is authorized to assist the work of a water resources research and technology institute, center, or equivalent agency (hereinafter referred to as the "institute") to be established in each State. Each established institute shall have responsibility for planning, conducting, and/or arranging for competent research and development in relation to water resources, including investigations and experiments of either a basic or practical nature, or both; to promote the dissemination and application of the results of these efforts; and to provide for the training of scientists and engineers through such research, investigation, and experiments.

"(b) The designated institute shall cooperate closely with other colleges and universities in the State with demonstrated research, information dissemination, and graduate training capabilities in developing a statewide program directed to resolving State and regional water and related land problems, and shall cooperate closely with regional consortia, as may be designated by the Office, to increase the effectiveness of the institutes and for the purpose of regional coordination, particularly the river basin commissions established pursuant to title IV of this Act.

"(c) Each institute shall submit the Office for its approval a program to include assurances satisfactory to the Office, that such program was developed in close consultation and collaboration with leading water resources officials within the State and region to promote research, training, information dissemination and other work meeting the needs of the State, together with a plan to assure that the full financial responsibility for the continuation of such institute shall be assumed by non-Federal interests after October 1, 1985.

"(d) There is hereby authorized to be appropriated to the Office for the purpose of carrying out this section an amount sufficient to provide $150,000 to each participating institute, on a cost-sharing basis, for the fiscal year ending September 30, 1982, an amount sufficient to provide $125,000 to each participating institute, on a cost-sharing basis, for the fiscal year ending September 30, 1983, an amount sufficient to provide $90,000 to each institute, on a cost-sharing basis, for the fiscal year ending September 30, 1984, and an amount sufficient to provide $50,000 to each institute, on a cost-sharing basis, for the fiscal year ending September 30, 1985.

"RESEARCH GRANTS

"SEC. 302. (a) In addition to the grants authorized by Section 301 of this Title, the Office is authorized to make grants, on a matching basis, to the institutes established pursuant to Section 301 of this Title, as well as other qualified educational institutions, private foundations, private firms and individuals, and local and State, governmental agencies for research concerning any aspect of a water-related problem which the Office may deem as desirable in the national interest.

"(b) Each application for a grant pursuant to this section shall state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the importance of the project to the Nation, as well as to the region and State concerned, its relation to other known research projects theretofore pursued or currently being pursued, and the extent to which it will provide an opportunity for the training of water resources scientists. No grant shall be made under this section except for a project approved by the Office, and all grants shall be made upon the basis of the merit of the project and the need for the knowledge which it is expected to produce when completed.

"(c) The sum of $6,000,000 is authorized to be appropriated to the Office for the purposes of this section for each of the fiscal years ending September 30, 1982, through September 30, 1985, such sums to remain available until expended.

"SEC. 303. The type of research to be undertaken under the authority of Section 302 of this Title and to be encouraged by the institutes established under Section 301 of this Title shall include, without being limited to, aspects of the hydrologic cycle, supply and demand for water, saline water conversion, conservation and best use of available supplies of water and methods of increasing such supplies, water reuse, and the economic, legal, social engineering, recreational, biological, geographic, ecological, and other aspects of water problems; scientific information dissemination activities, including identifying, assembling, and interpreting the results of scientific and engineering research on water resources problems, and providing means for improved communication of research results, having due regard for the varying conditions and needs for the respective States and regions, for water research and development projects now being conducted by agencies of the Federal and State governments, the agricultural and engineering experiment stations, and other university research centers and for the need to avoid undue displacement of scientists and engineers elsewhere engaged in water resources research and development.

"SALINE WATER RESEARCH

"SEC. 304. (a) The Office is further authorized and directed to conduct, encourage, and promote basic scientific research to develop effective and economical processes and equipment, together with pilot plants and demonstration plants, for the purpose of desalting saline and other impaired water, and to disseminate research and development results to other organizations and individuals for further development and practical application to water and water-related problems.

"(b) As used in this section—

"(1) the terms "saline and other impaired water" includes, but is not limited to, brackish water, mineralized ground or surface water, irrigation return flows, and other similarly contaminated waters;

"(2) the term "pilot plant" means an experimental unit of sufficient size used to evaluate and develop new or improved processes or systems and to obtain technical and engineering data; and

"(3) the term "demonstration plant" means a plant of sufficient capacity and reliability to demonstrate, on a day-to-day operating basis, that the process or system is feasible and that such process or system has potential for application to water system improvement.

"(d) The sum of $8,000,000 is authorized to be appropriated to the Office for the purposes of this section for each of the fiscal years ending September 30, 1982, through September 30, 1985, such sums to remain available until expended.

"SEC. 305. For the purposes of section 301 of this Title, each institute shall be established at one college or university in each state, which college or university shall be a college or university established in accordance with the Act approved July 2, 1862 (12 Stat. 503; 7 U.S.C. 301ff), entitled "An Act donating public lands to the several states and territories which may provide colleges for the benefit of agriculture and the mechanic arts" or some other institution designated by Act of the legislature of the state concerned: *Provided*, That (1) if there is more than one such college or university in a state established in accordance with said Act of July 2, 1862, funds under this section shall, in the absence of a designation to the contrary by act of this legislature of the state, be paid to the one such college or university designated by the Governor of the State to receive the same, subject to the Secretary's determination that such college or university has, or may reasonably be expected to have the capability of doing effective work under this title; (2) two or more states may cooperate in the designation of a single institute or regional institute, in which event the sums assignable to all of the cooperating states shall be paid to such institute.

"SEC. 306. With respect to patent policy and to the definition of title to, and licensing of inventions made or conceived in the course of, or under any contract or grant pursuant to this title, and withstanding any other provision of law, the Secretary shall be governed by the provisions of sections 9 and 10 of the Federal Nonnuclear Energy, Research, and Development Act of 1974 (Public Law 93–577: 88 Stat. 1887, 1891; 42 U.S.C. 5908, 5909): *Provided however*, That subsections (1) and (n) of section 9 of such Act shall not apply to this Act: *Provided further, however*, That, subject to the patent policy of section 408, all research or development contracted for, sponsored, cosponsored, or authorized under authority of this title, shall be provided in such manner that all information, data, and knowhow, regardless of their nature or mediums, resulting from such research and development will

(with such exceptions and limitations, if any, as the Office may find to be necessary in the interest of national defense) be usefully available for practice by the general public.

"TITLE IV—RIVER BASIN COMMISSIONS

"SEC. 401. (a) The President shall declare the establishment of a river basin commission responsible for water and related land resources within such basin, upon the request of the States within which all or a significant portion of the basin or basins concerned are located, if the request (1) defines the area, river basin, or group of related river basins for which a commission is requested, (2) is made in writing by the Governors or in such manner as provided by State law, and (3) is concurred in by not less than two-thirds of the States within which portions of the basin or basins concerned are located.

"(b) Each such commission shall—

"(1) work with the affected States to coordinate planning for the development of water and related land resources in the basin;

"(2) prepare and keep up to date, to the extent practicable, a comprehensive, coordinated, joint plan for Federal, State, interstate, local and nongovernmental development of water and related sources in the basin;

"(3) rank priorities for the collection and analysis of basic data and for investigation, planning, and construction of projects; and

"(4) foster and undertake such studies of water and related land resources problems in its area, river basin, or group of river basins as are necessary in the preparation of the plan described in paragraph (2) of this subsection.

"MEMBERSHIP

"SEC. 402. Each river basin commission established pursuant to this Title shall be composed of one member appointed by the Board, together with one member from each State which lies wholly or partially within the basin or portion of the basin for which the commission was established, and the appointment of each such member shall be made in accordance with the laws of the State which he represents. In the absence of governing provisions of State law, such State members shall be appointed and serve at the pleasure of the Governor. The chairman of each commission shall be selected by the commission.

"SEC. 403. (a) In the work of the commission, every reasonable endeavor shall be made to arrive at a consensus of all members on all issues; but failing this, full opportunity shall be afforded each member for the presentation and reporting of individual or opposing views.

"(b) Vacancies in a commission shall not affect its powers but shall be filled in the same manner in which the original appointments were made.

"(c) A commission shall terminate upon decision of a majority of the State composing the commission. Upon such termination, all property, assets, and records of the commission shall thereafter be turned over to such agencies of the United States and the participating States as shall be appropriate in the circumstances: *Provided*, That studies, data, and other materials useful in water and related land resources planning to any of the participants shall be kept freely available to all such participants.

"SEC. 404. Each river basin commission shall—

"(1) submit a report on its work at least annually, to the Congress, the Governor of each participating State, and the heads of such Federal, State, interstate, and international agencies as the President or the Governors of the participating States may direct;

"(2) submit to the Governors and the legislatures of the participating States a comprehensive, coordinated, joint plan, or any major portion thereof or necessary revisions thereof, for water and related land resources development in the area, river basin, or portion of a basin for which such commission was established. Before the commission submits such a plan or major portion thereof or revision thereof to the Council, it shall transmit the proposed plan or revision to the head of each affected Federal department or agency, the Governor of each State, and each interstate agency, and to the head of the United States section of any international commission if the plan, portion, or revision deals with a boundary water or a river crossing a boundary, or any tributary flowing into such boundary water or river, over which the international commission has jurisdiction or for which it has responsibility. Each such department and agency head, Governor, interstate agency, and United States section of an international commission shall have ninety days from the date of the receipt of the proposed plan, portion, or revision to report its views, comments, and recommendations to the commission. The commission may modify the plan, portion, or revision after considering the reports so submitted. The views, comments, and recommendations submitted by each Federal department or agency head, Governor, interstate agency, and United States section of an international commission shall be transmitted with the plan, or revision.

"SEC. 405. (a) For the purpose of carrying out the provisions of this title, each river basin commission may—

"(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable.

"(2) acquire, furnish, and equip such office space as is necessary.

"(b) The chairman of each river basin commission shall, with the concurrence of the vice chairman, appoint the personnel employed by such commission, and the chairman shall, in accordance with the general policies of such commission with respect to the work to be accomplished by it and the timing thereof, be responsible for (1) the supervision of personnel employed by such commission, (2) the assignment of duties and responsibilities among such personnel, and (3) the use and expenditure of funds available to such commission.

"SEC. 406. (a) There is authorized to be appropriated to the Office for distribution to approved river basin commissions the sum of $2,000,000 for the fiscal year ending September 30, 1982, and for each fiscal year thereafter.

"(b) The United States shall pay for no more than one-third of the expenses of any commission. The remainder of the commission's expenses shall be otherwise apportioned as the commission may determine." ●

OMAR BRADLEY

● Mr. DOLE. Mr. President, with the death of Omar Bradley, America will be missing one of her most cherished citizens. Indeed, it is because of a few people like General Bradley that this Government exists, and is allowed the strength and stability that can only come with time.

Omar Bradley lived 88 years. It may be noted that, in an era of shocking incidents and daily surprises, his death does not come unexpectedly. He lived an unusually successful and full life, and he died of natural causes. It was not his fate to surprise us with happenstance, but rather to impress us with a simple excellence stemming from diligence, honesty and hard work.

He was not a Patton, and not a Montgomery. Omar Bradley was one of those rare people who seemed destined to be at the right place at the right time. Unaffected, stable, competent and self-assured—this was a man who could balance who he was with what he had to do. And all he had to do was help to save this world in its greatest hour of need.

Like his good friend and commander Dwight D. Eisenhower, Omar Bradley was a Midwesterner with a supremely patriotic heart. He once said that the Armed Forces are not there to make wars, but rather to get us out of them. This was the kind of straight-forward thinking that made him a great general, and an important leader.

In the history of this Nation, Omar Bradley will be remembered in that way: as one of our greatest military men. But he was more than that. He was a good man, and that is the most that any of us can ever hope to be.●

ELIMINATING WASTE, FRAUD, AND ABUSE: AN INNOVATIVE APPROACH TO SAVE BILLIONS

● Mr. KASTEN. Mr. President, at a time when both the administration and the Congress are attempting to slow Federal spending and bring the budget under control, it is intolerable and unacceptable not to do everything possible to eliminate waste, fraud, and abuse from every Federal agency.

The American people have the perception that the entire Federal system is fraught with waste, fraud, and abuse, and they do not like it. We in Congress have all seen the mounting evidence that there indeed exists plenty of opportunity to tighten budgets. President Reagan in his speech before the Congress termed waste, fraud, and abuse "an unrelenting national scandal."

The President has proposed to focus on these problems and he is to be commended for his initiatives.

But, Mr. President, this is a problem which the administration ought not to solve alone. Congress has control over the purse strings, and we have oversight responsibilities. What we need is a cooperative plan to insist that Federal managers all across this Nation systematically begin an earnest search to eliminate the problems of waste, fraud, and abuse.

Mr. President, I intend to introduce a bill shortly after the recess to provide a formal procedure to attack waste, fraud, and abuse. Today, I would just like to take a few minutes to outline the basic elements of the bill. I would begin by pointing out that estimates of waste, fraud, and abuse have run as high as $100 billion annually. Despite the efforts of inspectors-general and the comptroller generally only a fraction of the potential savings have been realized. Efforts by Congress to reduce expenditures have not been successful. Members from both parties are concerned about the problem.

My bill, Mr. President, would simply

force every department to focus on waste, fraud, and abuse. It offers potential savings in Federal spending of billions of dollars during fiscal years 1982 and 1983. If we in Congress do our job, these savings can become a reality and the money saved can be diverted to the badly needed tax cut or to other programs that are now being curtailed.

My bill—the Waste, Fraud, and Abuse Reduction Act of 1981—directs the Secretary of the Treasury to withhold 2 percent of every agency's budget pending compliance with a process designed to eliminate waste, fraud, and abuse. This step will serve notice on all Federal managers that Congress intends to become more diligent in its oversight responsibilities.

The second step requires every agency to submit a report to Congress by the beginning of the fiscal year—October 1—outlining precisely what that agency plans to do to effect the 2-percent savings through the elimination of waste, fraud, and abuse. This step will require each agency to focus on the problem. It will notify the agencies that they must justify their search to Congress if they hope to get any part of the 2-percent "withheld" money released.

The bill provides that by February 1—midway through the fiscal year—every agency must notify Congress if it intends to meet the 2-percent savings, how it will make those savings, and if such savings cannot be made, why not.

The next step—and perhaps the most critical in testing the will of Congress—is for the Government Affairs Committee in the Senate and the Government Operations Committee in the House of Representatives to conduct an investigation into each agency. These committees are directed to utilize information from the authorizing committees, Inspector General reports, GAO reports, and public comments. These committees will determine if the agency is doing the job intended by the Congress. By June 1. these committees will recommend whether or not any part of the withheld funds should be released.

The final step will be for the Appropriations Committees to present a resolution authorizing release of the part of the withheld funds believed to be justified as a result of the investigations. This step is politically important, because it leaves the final decision in the hands of the Appropriations Committees which are most familiar with the specific programs. It should be noted that the recommendations of Government Affairs and Government Operations Committees are to be considered in making these decisions.

Mr. President, if every agency were to save its 2-percent quota, we could reduce the spending levels by from $10 to $12 billion in 1982. And in 1983 this amount could exceed $20 billion, assuming the waste is there to be eliminated. Whatever the saving, there can be no question that money saved could be put to more productive use, including badly needed tax cuts to get the economy revitalized.

Another point should be made. This bill for the first time establishs a process to attack the problem of waste, fraud, and abuse. But it does not attack it with a broadax; it attacks it with a scalpel. No agency free of waste, fraud, and abuse need lose a single dime of appropriations. But it must justify that it is free of waste, fraud, and abuse.

The Waste, Fraud and Abuse Reduction Act of 1981 is a moderate, but determined and innovative approach to this critical and pressing problem.

I believe, Mr. President, this concept should receive bipartisan support. It is a strong signal to look for waste, fraud, and abuse. Congress, by adopting this concept, can contribute to an immediate solution. And it will assert the proper role of Congress.●

AMERICAN PEOPLE FAIL TO VOTE: LATEST EXAMPLE OF THIS FAILURE IS ELECTION OF MAYOR IN SAN ANTONIO

● Mr. RANDOLPH. Mr. President, Federal Election Commission figures show that 53.6 percent of our Nation's eligible voters cast ballots in the 1980 Presidential election. This was the smallest voter turnout in more than three decades.

This failure to vote is appalling when compared to that of other democratic nations.

In the most recent election in Great Britain, the percentage of eligible voters at the polls was 76 percent; in Denmark, 86 percent; 91 percent in West Germany; and 95 percent in Australia.

I cite these figures, Mr. President, to highlight again what I consider to be a serious malady afflicting our Republic.

Last weekend, an election for mayor was conducted in our ninth largest city, San Antonio, Tex. Press reports indicated that the 156,263 votes cast represent a record turnout of 43 percent of those registered.

Although San Antonio can be proud of the record voter turnout, it is sad—it is shocking—Mr. President, when 43 percent of the registered voters—not even of the eligible voters—establishes a high mark for voter participation in an election.●

A TRIBUTE TO HOBART TAYLOR, JR.

● Mr. RIEGLE. Mr. President, I rise to pay tribute to an outstanding former Michigander who served both his State and his country with distinction and honor, and who will be remembered by those who knew him as a tireless humanist.

Hobart Taylor, Jr., answered President John F. Kennedy's call to Washington to become special counsel to the President's Committee on Equal Employment Opportunity in 1961. Mr. Taylor's outstanding contribution and leadership in the post led to a number of other public service positions and in 1965 President Johnson appointed him to the Export-Import Bank as a director.

In 1968 he resigned and entered probate law practice. At the time of his death, he was a partner in the firm of Jones, Day, Reavis, and Pogue, and served on the boards of directors of several major U.S. corporations.

Before coming to Washington, Hobart Taylor, Jr., began his career in Michigan as a research clerk for the chief justice of the Michigan Supreme Court. He was also an assistant prosecuting attorney in Detroit and later became the corporation counsel for Wayne County. He completed his Detroit career as senior partner in a law firm he established. His concern for his community was ever a part of his busy schedule while in Michigan.

At the age of 60, the loss of Hobart Taylor, Jr., seems particularly difficult for us to accept because his contributions have been widely known and appreciated. I and my Michigan constituents wish to express our deepest sympathy to the members of his family and others who have been close companions and fellow workers at his side through the years.●

CONCLUSION OF MORNING BUSINESS

Mr. STEVENS. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. STEVENS. Mr. President, I move, in accordance with the previous order that the Senate stand in recess until 9:30 a.m. tomorrow.

The motion was agreed to; and at 10:01 a.m. the Senate recessed until tomorrow, April 10, 1981, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Thursday, April 9, 1981*

The House met at 11 a.m.

The Reverend William Hoffman, pastor, Presbyterian Church of the Covenant, Arlington, Va., offered the following prayer:

Gracious God, Eternal Spirit, we come to You this day in the name of Jesus Christ. May the Spirit that guided His life in the ways of righteousness, justice, and concern for His people dwell also in us. O send out Your light and Your truth; let them lead this House as it conducts the affairs of our people, that Your will may be done.

Give those who have been entrusted with heavy burdens of responsibility to serve the common good the awareness of Your presence in those times when they are most vulnerable. Help us to remember the words of our Lord: "What shall it profit a man if he should gain the whole world, but lose his own soul?"

Strengthen the bonds of affection with our families, O God, that they may be a source of comfort and a refuge from the slings and arrows of outrageous demands. Be merciful to us this day and grant us Your blessing. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

A MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 694. An act to authorize supplemental appropriations for fiscal year 1981 for the Armed Forces for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and for research, development, test, and evaluation, to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for such fiscal year, to authorize supplemental appropriations for such fiscal year for construction at certain military installations, and for other purposes.

REV. WILLIAM E. HOFFMAN

(Mr. SUNIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SUNIA. Mr. Speaker, I rise with great pleasure to introduce our guest minister for today.

Rev. William E. Hoffman was born in Hazleton, Pa., on May 5, 1943. In his junior year in high school his family moved to New Jersey and Bill was graduated from Barringer High School in Newark, N.J., in 1961 cum laude. He was elected a member of the National Honor Society. In 1966, Bill received his bachelor of arts degree from Bloomfield College in New Jersey, a Presbyterian-related institution. He was awarded an academic key for scholarship having majored in history. Bill entered the Pittsburgh Theological Seminary in Pittsburgh, Pa. In 1967, he was awarded the Fred McFeely Rogers Prize in Biblical Studies and the James Purdy Award for outstanding scholarship. Bill completed his master of divinity degree in 1969 and pursued postgraduate work in the area of pastoral care. He has held pastorates in Toledo, Ohio, and Dearborn, Mich., prior to accepting the position of pastor of the Church of the Covenant in Arlington, Va. Bill is married to the former Sara Jean Morris from the State of Washington. They have three children: Sara Theresa, age 7; Katrina Corinne, age 5; and Lucien Morris, who was baptized last Sunday.

GENERAL OF THE ARMY OMAR N. BRADLEY

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, yesterday, a great American and Missourian died. General of the Army, Omar N. Bradley, passed away. He was 88 years of age. During World War II, General Bradley led the American forces in their invasion at Normandy, through the breakout at St. Lo, and crushed the German Army in a sweep across the Rhine. He later became America's first Chairman of the Joint Chiefs of Staff. He was the last surviving 5-star general, whose military career spanned 69 years—a period longer than any other man in our Nation's history. He will be remembered as the GI's general, a great tactician, an inspiring leader, and one who truly cared for the men who fought under his command.

His life will be an inspiration to those Americans who follow in the profession of arms.

PROF. DAVID GOLDFARB

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, I rise to urge the Soviet authorities to permit the emigration to Israel of Prof. David Goldfarb of 44 Vavilova Street, corp. 3, apt. 12, in Moscow. In May 1979, Goldfarb, then head of the Laboratory of Molecular Genetics of Bacteria and Bacteriophages, U.S.S.R. Academy of Sciences, applied to leave the Soviet Union for Israel and, at the same time, resigned from the academy. He had been offered a faculty position with the rank of professor at the Weizmann Institute in Israel and sought to relocate there. In January of this year Goldfarb was informed that his departure was considered undesirable for state reasons. His visa request was denied.

David Goldfarb is guilty of no crime. He only wishes to live and work in the State of Israel. Goldfarb has been a good and productive member of Soviet society. He is a veteran of World War II and, as a result of injuries suffered at Stalingrad, lost a leg. This is the United Nations Year of the Handicapped and Goldfarb's case deserves special consideration.

The denial of Goldfarb's application for a visa is alarming for another reason. Goldfarb is a leading scientist in the area of gene manipulation. At the time he applied to leave the Soviet Union, Goldfarb was heading the laboratory of molecular genetics at the Soviet academy and his particular field of research was bacterial plasmids. Plasmid research is associated with gene cloning in recombinant DNA experiments. Goldfarb was not involved in any military-related work whatsoever and, in fact, did not hold a security clearance. This makes the denial of his visa for state reasons very troubling. It suggests that the Soviet Union considers the entire area of molecular genetics to be a state security matter.

I have long opposed U.S. research and development efforts in the area of biological warfare. It would be very alarming indeed to learn that the Soviets are engaged in secret work in this area.

I strongly urge President Brezhnev and the other Soviet authorities to permit David Goldfarb to emigrate to Israel. There is no legitimate reason for denying him the right to live as a Jew in his ancestral homeland. Failure

to permit the emigration of Professor Goldfarb would be another indication that Soviet-American cooperation in vital areas of science is rapidly becoming a thing of the past. As one who favors U.S.-U.S.S.R. cooperation, and not competition, in science, I would consider that to be disheartening indeed.

GENERAL OF THE ARMY OMAR N. BRADLEY

(Mr. GORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GORE. Mr. Speaker, I rise this morning to pay tribute in this Chamber to General of the Army Omar N. Bradley. He was uniquely an American general, a beloved leader of our democracy's free soldiers. He was known as the GI's general because he always exhibited such compassion and concern for the men who served under him. His mastery of tactics was used to preserve the lives of millions of American soldiers who fought during World War II. He was truly one of the greatest heroes that this country has ever had.

We can hope that his dream, often expressed, that war will one day become obsolete can be furthered in the actions and decisions that we take in this body.

THE GUARANTEED STUDENT LOAN PROGRAM FOR FARMERS' CHILDREN

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, today I have written to the Reagan administration regarding the guaranteed student loan program.

I agree with the administration's attempt to cut back that program and to have that program serve students with real needs. However, the administration has proposed a type of asset test in the guaranteed student loan program that would eliminate most children of farmers and small business owners in North Dakota and other States from eligibility for the guaranteed student loan.

A farm family with a very modest asset base could conceivably have several years of negative income and, because of the asset test, not qualify for the guaranteed student loan. I think that is wrong.

I agree that we ought to tighten up eligibility for that program. We ought to target the areas of need. But I think most of us would agree that the guaranteed student loan program should be open to all those who demonstrate a need and that includes the children of many farmers and small business owners.

I encourage the rest of the Members of the House to contact the administration and to see if we cannot work with the administration to change that needs test so that children of small business and farm families can qualify for the guaranteed student loan program.

SYRIAN TROOPS IN LEBANON

(Mr. KAZEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KAZEN. Mr. Speaker, I rise once again to express my indignation at the destructive actions of Syrian troops in Lebanon. These troops, which ostensibly came to keep the peace, have now made it obvious that they are there to control Lebanon and condemn both its Christian and Moslem people to live under Syrian domination.

Syria has absolutely no respect for, nor does it even pretend to recognize, the sovereignty and independence of Lebanon.

Mr. Speaker, it is time for the United States to take the lead in the world community and demand an immediate end to the murder, nay the slaughter, of innocent people in Lebanon. We should continue to adequately arm and equip the Lebanese Army, to bolster the central government and end the peace-keeping status of the Syrian Army, demanding their immediate withdrawal to Syria and return the government and the country back to the Lebanese people.

LETTER FROM A REPUBLICAN

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, I recently received a letter from one of my constituents in my Republican county of Putnam. This person is a long-time Republican. It is a lot different than many of the letters I have received in the past with regard to administration policy. Those letters have been short and brief and urging one to follow the administration programs 100 percent. This letter is 7 pages long. I would like to read a little bit of it to you:

> I've considered myself a Republican since 1940 and I have voted for the Republican presidential nominee eight times out of the last 11 presidential elections. Now I'm beginning to wonder whether I've been right.

He goes on to say, Mr. Speaker:

> I'd like to point out some inequities in the administration's tax cut program.
>
> It's not equitable treatment if the $10,000 income family of four gets $3 a month more in his paycheck, while the $40,000 income family of four gets $71. Yet that's what would happen from reduced tax withholding in the first year of President Reagan's tax cut program.
>
> I agree with Mr. Reagan's stated goal of a balanced budget. But I think it should be done in a more even-handed manner.

That is what a Republican says and I agree with that Republican.

I would like to read you something else from this letter:

> The Reagan administration has yet to prove itself. And as our representative in Congress, I hope you will examine all administration proposals very critically. This is no time to be stampeded into voting for something just because a winning administration has said it is the answer to our problems. It's my view that each Congressman should always vote his own conscience after thorough deliberation. I trust that you will do so.

Mr. Speaker, I am here in the well to tell you and everyone that I plan to do so.

He says:

> I think we have a great country. And I hope it remains great and strong and free. President Reagan has asked Congress to come up with a better alternative than his program if they think they can. I hope you take him up on his challenge. I think you can do it.

Mr. Speaker, I say we will do it.

TAX DEDUCTION NEEDED FOR ADOPTION

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. OBERSTAR. Mr. Speaker, adopting a child can cost a family thousands of dollars. Adoption costs include legal fees, administrative expenses, transportation expenses, and numerous other costs incurred in securing the best possible home for a child. It is in the national interest to support those families wishing to bring up children who are not biologically their own, particularly children considered hard to place. For more reasons I strongly support legislation to encourage adoption through a tax deduction.

The principal goals of most adoption tax assistance legislation, including the legislation I have introduced, H.R. 1596, are to encourage placement of hard-to-place children of which there are currently 100,000 awaiting suitable homes; to equalize the tax treatment of natural childbirth and adoption; and, as a secondary benefit, to make adoption a realistic alternative to pregnant women who are considering abortion.

The key feature of H.R. 1596 is to allow for the deduction of costs for only those adoptions arranged through State-licensed or State-authorized agencies. This will have the secondary effect of discouraging or minimizing adoptions made by physicians, ministers, or lawyers—independent adoptions open to abuse and subsequent pain for parents and children.

This qualification will insure that the selection of a home for a child is made in the best interests of the child.

Several States have laws providing tax deductions for adoption. California's deduction, signed into law by then-Governor Ronald Reagan in 1968, resulted in a loss to the State's treasury over the 3-year period of 1977-79 of only $504,000. This was in response to deductions filed on 15,550 returns—the cost per child was only $15.

Minnesota's deduction of up to $1,250, limited to those State-authorized adoptions, granted adopting families a total of $116,000 in 1978 for the adoption of 2,256 children or a loss to the State of $37 per child.

This legislation is a modest proposal; it is an appeal for equity; it is an appeal for consideration of the needs of the least fortunate among us: Neglected children who are hard to place and those children whose natural parents simply are unable to care for them.

I speak from personal experience, for my wife and I are adoptive parents. Our son's coming-home day, by sheer coincidence, was exactly 13 years ago last Wednesday, April 1, the day I testified before the Ways and Means Committee on behalf of this legislation. I urge my colleagues to express their support for the inclusion of this provision in the 1981 tax bill and insert my testimony from last week at this point in the RECORD:

STATEMENT OF THE HONORABLE JAMES L. OBERSTAR

Chairman Rostenkowski, Members of the Committee, I appreciate this opportunity to appear before you today to testify to the need for inclusion in the 1981 tax bill of a tax deduction for those expenses incurred by parents in the adoption of a child.

I have introduced H.R. 1596 which is cosponsored by Mr. Frenzel of the Ways and Means Committee and by five other Members of Congress. This bill provides for a tax deduction for those placements made by state authorized or licensed agencies. Similar deduction bills have been introduced by six other Members in the House and by two Senators and have been cosponsored by over thirty Members. Some of these bills have been introduced by Members who have a personal interest in adoption. My wife and I are adoptive parents as are several other Congressional families. We know firsthand the high costs of adopting a child and the barriers that such expenses can create.

I urge the Ways and Means Committee to give serious consideration to this amendment to the tax code, particularly as you consider the various bills concerning marriage and family tax issues. This bill is a constructive method to aid families who are willing to adopt children, including those currently being raised in foster care, but which may have been discouraged by the financial barriers of adoption fees and legal costs. But this bill is not merely a tax relief measure for adoptive parents. It is hope for the 100,000 children who are currently free for adoption or are in foster care. Many of these children are considered hard-to-place or are special needs children for whom adoptive parents are difficult to find.

The incentive for adoption inherent in this tax deduction also may offer to thousands of young, pregnant women the option of placing their child for adoption as an alternative to abortion or single parenthood. H.R. 1596 provides an important safeguard for the welfare of the child free for adoption and for the young woman who plans to place her child for adoption by allowing a deduction only to those adoptive parents who have arranged for their adoptions through a state-licensed or authorized organization or agency. Through this qualification, the federal government will discourage independent adoption placements made by physicians, lawyers, ministers and others who, despite their intentions, do not have the time and resources necessary to place the child in the best possible home. Such independent adoption procedures are too often open to abuses by black market operators.

Congress realized the need for incentives for the adoption of special needs children in the passage of the Adoption Assistance and Child Welfare Amendments of 1980—now Public Law 96-272. This law, the very good work of this Committee, recognizes the problems of children staying in foster care too long. H.R. 1596 complements Public Law 96-272 which provides federal funds for adoption subsidy payments but does not pay for adoption fees charged to adoptive parents. A tax incentive is a logical further step to encourage these adoptions.

The present tax code discriminates against adoptive parents by not treating those costs incurred in the adoption of a child in the same manner as those costs incurred in having a child of one's own. The medical costs associated with pregnancy are deductible, yet those who are unable to have children by traditional methods are disadvantaged when attempting to obtain children.

Tax deductions for adoption is not a new concept. Tax deduction bills have been introduced in many Congresses past. Several states grant tax deductions for adoption costs. The state of Minnesota allows for a tax deduction of up to $1,250 for those adoptions made by state authorized agencies. California also has a deduction which was signed into law by the then-governor, Ronald Reagan. Wisconsin, too, has enacted similar legislation to encourage adoptions.

The costs of the state revenues of these adoption deductions have been surprisingly small. In 1978, 3,111 adoptions were completed in Minnesota. Of these, 2,256 adoptive parents filed for a deduction on their returns. The average deduction per return was only $445.70 and represented a loss to the state treasury of only $116,000. This amounts to approximately $37 per child.

In California, the cost to the state per child was only $15 over a three year period. From 1977-79, 15,550 returns were filed for adoption deductions. The total loss to the treasury over these three years was only $504,000.

A cost estimate of H.R. 1596 has not been completed yet by the Joint Committee on Taxation. Senator Jepson received an estimate last year on his bill allowing for deductions of all adoptions. That figure was $60 million. I expect that the qualification in my bill recognizing only those adoptions made by state licensed or authorized agencies or organizations will cut that figure significantly. Another mitigating factor will be those costs currently paid by the government which will be saved by the adoption of children presently in foster care. Last year, the costs of foster care under the Aid to Families with Dependent Children exceeded $400 million.

The primary goals of all the tax deduction bills are to encourage the adoption of hard-to-place children and to eliminate the discrepancies in the tax code which discriminate between obtaining a child by natural childbirth and through adoption placement. My bill goes one step further than most of the others and makes the tax incentive one that insures the placement of a child by those who take into consideration the best interests of the child over any other factor. Thus, the deduction reenforces the intent of the Adoption Assistance and Child Welfare Act, Public Law 96-272, and the Child Abuse Prevention and Treatment and Adoption Reform Act, Public Law 95-266, by tacitly urging states to offer guidelines to those placing children in adoptive homes.

I urge the Committee to include in this year's tax bill this provision for the deduction of those expenses incurred in the adoption of a child. Thank you.

THE LEGAL SERVICES CORPORATION

(Mr. FORD of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FORD of Tennessee. Mr. Speaker, I would like to take to task President Reagan's proposal to eliminate the Legal Services Corporation. It is one of the most financially sound, administratively efficient, and programmatically effective of all programs funded by Congress.

When the Legal Services Corporation was started in 1975, legal services were simply unavailable in most parts of the country. In vast areas of the South, the Southwest, and the Midwest, low-income persons had no opportunity to see an attorney when a civil legal need arose. While there were more than 30 million persons found to be eligible for legal services in 1975, less than 1.5 million were living in areas where a minimal level of civil legal assistance was available.

Today, a little more than 5 years later, legal services are being provided, at a minimum level, in every part of this country. Legal Services Corporation has continually sought to minimize bureaucracy and overhead while maximizing high quality legal assistance. Over 93 percent of the funds allocated to it are targeted for direct provision of legal assistance. These funds go directly to legal service programs across the country so that hundreds and thousands of low-income persons can be provided assistance when in need.

Less than 1.6 percent of their annual budget is allocated for central management and administration purposes. All effort is made to insure that the services provided to the poor are of the highest quality possible.

The Corporation currently funds 323 independent, locally controlled grantees. These legal service programs are operating in 1,450 neighborhood offices through the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Micronesia. Working in these programs around the country are over 6,200 attorneys and 2,800 paralegals, earning salaries which are generally much lower than those of their counterparts in other public and private offices.

In 1980, the Legal Services Corporation grantees provided representation to low-income persons in over 1.2 million legal matters. The largest category of cases, representing approximately 30 percent of the total is designated "family" which includes adoption, child custody, divorce, child and wife support, parental rights, and spouse abuse.

Income maintenance and housing are the next largest categories of legal problems, each representing between 17 percent and 18 percent of the total cases. Housing includes, not just landlord/tenant, but federally subsidized housing rights and home ownership. Income maintenance runs the gamut of assistance programs, including aid for families with dependent children (AFDC), food stamps, social security, veterans' benefits, unemployment compensation, and black lung benefits. Consumer issues make up almost 14 percent of all cases. Education, juveniles, health, individual rights, and employment cases constitute 9.4 percent of all cases. The remaining 11.7 percent include miscellaneous issues such as torts, wills, and auto licenses.

Virtually every program is forced to turn clients away and to make difficult choices between competing, needy, and financially eligible individuals. Legal services are only available for a single person earning less than $4,738 a year or a family of four earning less than $9,313 a year. An income of under $10,000 per year simply does not allow for payment of the services of a private attorney. Over 84 percent of those persons served are between the ages of 18 and 59. Persons over 60 constitute 12.5 percent of those served. Well over 54 percent are white, 26 percent are black, and 16.6 percent are Hispanic.

In my own district Legal Services handled over 6,000 cases, with 25 percent of these dealing with the elderly. Over 400 cases involving the elderly dealt with such areas as housing and income maintenance. Another 200 cases dealt with consumer issues such as elderly ripoffs. Of the other 4,500 cases handled by Legal Services in my district, health, housing, and income maintenance constituted more than 50 percent of the matters handled. Of the clients served, 39 percent were white and 61 percent were black or other minorities.

The statistics hide human crises that bring these people to legal services. In my district, an 8-year-old girl could not do her schoolwork because she needed glasses. She has three sisters and brothers, her mother is unemployed and her father is disabled and unemployed. Attorneys told her parents that their daughter was covered by medicaid; so they were able to get glasses for her so that she could see, read, and learn.

An 80-year-old woman had been sold aluminum siding and had signed an agreement with the door-to-door salesman. The agreement had been purchased by a lending institution who tried to foreclose and take the woman's home away because she had refused to pay for siding that was never delivered. Legal Services was able to help this woman keep her home.

A child was placed in a program for the mentally retarded without any evaluation of his mental abilities. Legal Services helped him obtain an evaluation to determine his capabilities.

These cases are only three of the hundreds of thousands of cases handled by the Legal Services Corporation every year. And, while it would be unreasonable of me to say that this program is perfect, it is even more unreasonable of the present administration to, in effect, deny the poor equal access to civil courts.

Our country can be proud of programs which provide equality of opportunity to all its citizens regardless of race, creed, color, or wealth. Legal Services is one of the programs which does this—and which does it with cost efficiency, good administration, and care. I strongly support the continued funding of the Legal Services Corporation.

□ 1115

A SALUTE TO NASA, ASTRONAUTS YOUNG AND CRIPPEN, AND THE "COLUMBIA"

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, tomorrow the hopes and best wishes of our Nation will ride with astronauts John Young and Robert Crippen as they lift off on the maiden voyage of the Space Shuttle *Columbia*.

To paraphrase the words of Neil Armstrong, the first man to walk on the Moon, a successful launching and landing this weekend will mean one giant leap forward in our efforts to explore, and to utilize, the sea of space which surrounds our world. The Space Shuttle represents a more efficient approach to space flight. Unlike the great rockets of the 1960's, which lifted our astronauts to the Moon, the Space Shuttle will be largely reusable. The Shuttle's design, which will allow it to land much like regular airplanes, will eliminate the anxiety and expense associated with splashdowns. Eventually, a fleet of Space Shuttles will be capable of seeding the skies with communications satellites, telescopes, and orbiting laboratories that will increase our knowledge and improve our world.

No one can deny that space flight and exploration have brought many benefits to our Nation. Computers, microcircuitry, calculators, and advanced communications systems, among many other devices, have directly resulted from our bold commitment to reach for the stars. Less tangible, but still important, are the feelings of pride and accomplishment, and the explosion of scientific knowledge, which we have harvested from that commitment.

The history of our country has been characterized by the spirit of the pioneer. Our forefathers conquered the wilderness on horseback and in Conestoga wagons; our generation surges forward into the unknown in 1,000-ton machines. The same hunger to explore, to learn, and to expand our awareness propelled both of these ventures. It is my hope that we continue in this spirit and never slacken in our resolve to explore, to learn, and to surmount the seemingly insurmountable. I salute NASA and astronauts Young and Crippen, and I wish them the best of luck in their mission.

APPOINTMENT AS MEMBERS OF NATIONAL COMMISSION ON ALCOHOLISM AND OTHER ALCOHOL-RELATED PROBLEMS

The SPEAKER. Pursuant to section 18, Public Law 96-180, the Chair appoints as members of the National Commission on Alcoholism and Other Alcohol-Related Problems the following Members on the part of the House: The gentleman from Ohio (Mr. SEIBERLING), the gentleman from Oregon (Mr. WYDEN), the gentleman from North Carolina (Mr. MARTIN), and the gentleman from West Virginia (Mr. BENEDICT).

APPOINTMENT AS MEMBERS OF COMMITTEE ON HOUSE RECORDING STUDIO

The SPEAKER. Pursuant to the provisions of 2 U.S.C. 123b, the Chair appoints as members of the Committee on the House Recording Studio the following Members on the part of the House: The gentleman from North Carolina (Mr. ROSE), the gentlewoman from Louisiana (Mrs. BOGGS), and the gentleman from California (Mr. DORNAN).

SPECIAL ORDER PERMISSION

Mr. RODINO. Mr. Speaker, I have a special order today. I ask unanimous consent that I may be permitted to precede all of the other special orders previously entered.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

HANDGUN CRIME CONTROL ACT OF 1981

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 10 minutes.

Mr. RODINO. Mr. Speaker, by this time tomorrow, 29 Americans will be killed with handguns. By the next day, 29 more.

All told, more than 10,000 persons will die this year in the handgun violence that makes many of our streets corridors of terror. Quite frankly, there is no end in sight to the violence and bloodshed that are transforming our neighborhoods into battlegrounds, where law-abiding citizens live in fear.

The FBI statistics tell us what we already know and feel—that violent crime rose by 11 percent and murder increased 9.7 percent in 1979. The FBI also reports that 51 percent of all murders are committed with handguns and that handguns are 2½ times more likely to be used in murders than any other weapons.

This is not surprising when we consider that there are roughly 50 million handguns in circulation in our country and about 2 million more are added each year.

The direct relation between handgun availability and increased violent crime in America cannot be denied. Nor should it be ignored. I pledge all my efforts to work for a sensible solution to stop the handgun deaths, and I am urging my colleagues to join with me in this commitment.

The Handgun Crime Control Act of 1981, which I am introducing today, is a rational and reasonable attempt to put an end to America's handgun crime. It does not curtail the rights of sportsmen or gun collectors. In no way does it infringe on the right to keep and bear arms. Instead it aims to preserve one of our most fundamental rights—the right to live in a peaceful society.

My bill, which several of my colleagues have cosponsored, would accomplish this through a variety of measures:

First, it would place an outright ban on the importation, domestic manufacture or assembly, or sale of so-called Saturday night specials. These easily concealable handguns have no sporting purpose and are used only to threaten human life.

The bill would close the loophole in the 1968 Gun Control Act, which banned the importation of Saturday night specials but allowed the importation of foreign parts, so that thousands of these essentially foreign Saturday night specials are assembled and sold here in America.

Other, larger handguns could still be sold, but handgun manufacturers, dealers, and owners would have to become more accountable for these deadly weapons through stricter recordkeeping.

No person would be permitted to purchase more than two handguns in a single year.

A 21-day waiting period would be required for any person wishing to buy a handgun so that States can guard against selling a handgun to a minor, a criminal, or a mental incompetent.

Pawnbrokers would be forbidden to sell handguns.

Handgun owners would be responsible for reporting the theft or loss of their handgun under penalty of law.

The bill also provides mandatory minimum prison sentences of 2 years for the first offense and 5 years for the second offense for using or carrying a firearm during the commission of a felony. I have included mandatory minimum sentences in the bill, because I believe this is one element in our overall attack on handgun violence. Mandatory minimum sentences alone certainly cannot be considered an effective solution to the handgun problem.

Also, many States have enacted tough gun control laws, but their effectiveness has been stymied by the ease with which handguns are transported from one State to another.

The only truly effective solution to curbing handgun crime is a national law that keeps Saturday night specials off the streets and provides a uniform standard of accountability across the Nation for the ownership, distribution, and transportation of handguns.

Mr. Speaker, I refuse to accept the notion that opposing sides on this issue cannot find a common ground on which to base a rational, effective, national handgun policy.

Perhaps we really are not at irreconcilable cross-purpose, although the salvos of blunderbuss rhetoric may have obscured this possibility.

I think there is substantial agreement, for instance, that we all want to separate criminals from their guns. That is what my bill is designed to do. I think there is widespread acceptance of the concept that we put in jail those who commit serious crimes with handguns. My bill provides for such punishment.

I would like to believe that we might also come to terms on two key provisions of my proposals: The total ban on Saturday night specials and the waiting period for anyone wishing to buy a handgun. The former would stop the trafficking in handguns that are useless for anything other than to frighten, threaten, maim, or kill. The latter would, at the very least, make it possible to keep some handguns away from those who, we all agree, should not have them.

At the same time, those who could legitimately possess a handgun would not be denied one.

Of course, I am not so naive as to believe that the policy I propose will work to perfection. But it will save lives. Of that I am certain.

Neither am I so unrealistic as to imagine that any possible accommodation will be easily achieved or totally satisfactory. There are views deeply rooted and strongly and sincerely held on both sides of this issue. The divisions are deep. But it seems to me that if we, as a nation, can negotiate arms limitation with another country whose ideology and society are completely foreign to ours, we ought to be able to come to an understanding on a way to limit arms in our own society.

It is time that we stopped shouting slogans and counterslogans at one another. We who propose a national handgun policy have been accused of "knee-jerk" response whenever a shooting tragedy or near tragedy occurs. If that is true, I would suggest that the response of the opponents to these proposals has seemed the same.

The violence in our streets—the fear, the death—demands that we give our citizens something more than reflex reaction. We must have a reasoned response. We all want to stop the killing. We all want to end the reign of terror by criminals in our society. My bill is a vehicle toward that end.

I look forward to discussions with those who would challenge my views. Jack Kennedy said that we must never negotiate out of fear but never fear to negotiate. I suggest that the fear of violence and slaughter demands that we negotiate a reasonable solution to the handgun crime problem.

We must find a common ground to prevent our society from turning into a killing ground.

Mr. Speaker, the American people have recognized the close relationship of handgun availability and crime for many years. In fact, since the 1930's public opinion polls have shown that the majority of Americans favor stricter controls on the availability and use of handguns. A 1980 Gallup poll stated that 59 percent of all Americans want stricter laws covering the sale of handguns.

It is time that we in Congress find a way to translate public sentiment into legislative action.

WISCONSIN STEELWORKERS—SAVE OUR JOBS COMMITTEE

The SPEAKER pro tempore (Mr. DYSON). Under a previous order of the House, the gentleman from Illinois (Mr. SAVAGE) is recognized for 60 minutes.

GENERAL LEAVE

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SAVAGE. Mr. Speaker, I rise today, my heart deeply troubled because of the tragedy of Wisconsin steelworkers in the Second Congressional District of Illinois which I represent.

With us today are approximately 150 laid off steelworkers representing some 3,500 former employees of Wisconsin Steel, a mill which went bankrupt March 27, 1980. They are members of the Save Our Jobs Committee, headed by Frank Lumpkin and fighting for thousands of deeply patriotic Americans, still mostly unemployed, who are trying desperately to make family ends meet in a climate of economic uncertainty and Government retrenchment.

Their tragedy should and must be brought to the forefront of this Nation's conscience, and particularly brought to the attention of our National Government, for if we are serious about this Government being by and for the people, then justice cries out we extend a helping hand to the less fortunate of our brethren.

They came here today to lobby the Halls of Congress for understanding of their plight and assistance in their hour of need. Having already met with a number of you this morning, they will continue their efforts this afternoon. The character and resolve etched in lines on their faces is proof they are not here for a handout but here for a helping hand. They epitomize what makes this country so great. But how we choose to treat these and similarly situated workers will, in the eyes of many, determine whether this country truly aspired to even greater heights. Allow me to tell you their story of tears.

For decades Wisconsin Steel was a wholly owned subsidiary of International Harvester, a manufacturer best known for farm machinery. At times, Wisconsin supplied International Harvester with a good percentage of its steel products requirements. However, Wisconsin's production facilities were, and still are, aging and outmoded and ill-suited to compete with more efficient steel producers—most notably from abroad. International Harvester, instead of taking the crucial and necessary steps to modernize the mill, chose instead to milk it for all its worth while the milking was good.

Apparently, as far as International Harvester was concerned, the milk and honey began to run out beginning in 1977. Later that year in November, International Harvester sold Wisconsin to Envirodyne Industries, Inc., a small California engineering consulting firm having little or no experience in steel production. The purchase price was $65 million, a figure that, according to many financial analysts, was way below the fair market value of the mill. With only about $9 million in assets and a questionable cash flow, no lending institution was willing to stick its neck on the chopping block to finance the purchase. Envirodyne and International Harvester worked out a deal that can only be termed "sweetheart."

International Harvester loaned Envirodyne $50 million to finance the purchase of the plant, taking as collateral Wisconsin coal and mine properties, its most valuable assets. This loan amounted to over 75 percent of the purchase price, which gives some indication of the eagerness of International Harvester to cut and run.

Aware of the problems domestic steel producers were facing in trying to remain competitive with foreign sources of steel, the Economic Development Administration formed a special steel program in 1978. Envirodyne was one of the very first applicants for Federal assistance under this program. In 1979 the Economic Development Administration approved a federally guaranteed loan package targeted for Envirodyne. The loan package was for $90 million and Chase Manhattan Bank was the prime lender, joined by a consortium of six insurance companies.

A scant few months later, March 27, 1980, and with no prior warning, International Harvester called in its note with Envirodyne and foreclosed on the collateral. Only a few hours later that same day, Chase Manhattan froze Wisconsin's bank account, an action that resulted in plant closure and workers' checks bouncing all over the place.

Wisconsin Steel is now in chapter 11 reorganization and has bought the plant. Presently, the Economic Development Administration is negotiating with a steel specialty firm from Cleveland called American Spring Wire in hopes of inducing a sell and reopening of the plant.

Who benefited from what I see as a steelscam?

International Harvester, the original owner and in-house major customer, gained enormous tax benefits, repossessed coal and ore mining properties possibly worth $200 million to satisfy a $50 million loan it made to facilitate the sale.

Chase Bank benefited from making a 90-percent U.S. guaranteed $90 million loan. Plus Harvester guaranteed the remaining 10 percent.

Envirodyne reportedly received millions from its other subsidiaries contracting with its Wisconsin subsidiary.

Who suffers because of three wrongs committed from November 1, 1977, to March 27, 1980, which led to the closing of Wisconsin Steel?

First and foremost are the wives and children of some 3,500 former employees who are burdened with first, unpaid wages, second, unpaid pensions, third, unpaid supplemental unemployment benefits, and fourth, unpaid but earned vacations—plus, of course, most remain jobless, many after more than 20 years service to the company, with inadequate Government provisions for retraining.

Second are the small businesses in the communities where suffering workers reside.

Third is the total American economy which has less gross national product and more unemployment as a result of the closing of Wisconsin Steel.

Wisconsin Steel is closed because of first, the misjudgment of Government, second, the greed or possible fraud by some private businesses, and third, the confusion or collusion of an independent company union, all aided by a couple of politicians. This is why I have requested a full investigation of this shame by the General Accounting Office.

Transportation Secretary Drew Lewis has said, regarding the proposed discount sale of Conrail by the Federal Government, "Give me any property and I can sell it. It is a matter of terms and conditions."

All that is required to sell Wisconsin Steel to a private firm with the commitment, resources, and experience sufficient to operate Wisconsin successfully is for EDA to set an attractive price and participate in the financing for EDA now owns Wisconsin Steel, having bought it in bankruptcy last January, allegedly to resell it for reopening.

Any possible past misfeasance on the part of EDA cannot justify the future malfeasance which would be represented by scrapping the plant.

Nevertheless, the President has called for the immediate curtailment of CETA and the ending of loans and loan guarantees by EDA, plus its eventual elimination, without specific regard for the plight of former Wisconsin employees.

At a recent hearing of the House Subcommittee on Economic Development, when I challenged Dave Stockman, the President's spokesman for wrong-side economics, he declared that if proposed limitations and elimination of EDA discouraged potential buyers who would reopen Wisconsin

Steel—then, the administration would "scrap it."

At the next day's hearing, fortunately Commerce Secretary Malcolm Baldrige differed with "Dangerous Dave" and recognized the unique circumstances of the Wisconsin Steel problem. Yet, he has proposed no specific change in the course which has led to liquidators now occupying a portion of that mill. This is bad economics because it will cost far more to duplicate the Wisconsin Steel facility, even though it is not up-to-date technologically and its productivity was not competitive, than will be derived from scrapping it. And the loss will be greater than the cost of making Wisconsin competitive. Why permit such a reduction in America's steelmaking capacity when we need more rails, mass transit vehicles, construction, and equipment?

Certainly, it will take more massive protests than ours today to convince Reagan that, while most voters want a drastic change they do not want to go backward. However, ours is a definite part of a historic beginning, a spark that hopefully will ignite the discontent dried to kindling by the growing ownership concentration, market domination, conglomeration, and internationalization of American business.

This destructive trend only serves short-term profit maximization, which promotes industrial stagnation and runaway inflation, plus mass unemployment and unhappiness. It encourages shoddiness, selfishness, and hatreds, rather than quality, cooperativeness, and love.

It puts profits before people, and that is the basic fault of Reaganomics: It puts profit above people. And I am convinced that America will awake before it is too late—and put some backbone into the flesh of some of this House's majority, or culminate their protests at the poll.

□ 1130

Mr. Speaker, at this time I yield such time as he may consume to my distinguished colleague, the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. I thank my distinguished colleague for yielding.

Mr. Speaker, I am happy to join my good friend and colleague from Illinois, (GUS SAVAGE) during this special order.

I commend the gentleman for taking this special order and for bringing to the attention of the Congress the closing of the Wisconsin Steel Co. located on the South Side of Chicago in the Second Congressional District of Illinois which GUS has the honor to represent.

I want to congratulate the gentleman on the strong and dedicated efforts he is making to reopen the Wisconsin steel plant. Because of the closing of this plant, hundreds of people are out of jobs. They have no work and their reemployment is at stake.

There is nothing more frightening than the shutdown of a plant, because the entire heart and soul of a community shuts down with the plant, and this is exactly what has happened on the South Side of Chicago.

We have seen a constant and continual erosion of American industries because of our trade policies. We have seen literally hundreds of thousands of jobs lost. We have seen the great shoe industry of this country shut down. Losses of jobs from our garment industry have been great because of foreign imports. We have seen our radio and TV industry practically shut its doors in this country, and now we are faced with the calamity of a bankrupt auto and steel industry because of foreign imports.

It is about time that the Congress of the United States share the burden that has saddled American workers who have suffered tremendous economic and personal adversity because of the closing of plants and the decline of our industries.

The Wisconsin Steel plant can be saved. The Congress of the United States has provided through the Economic Development Administration the tools, the money, and the know-how to save this plant. The Secretary of Commerce should use his good offices to intercede for the EDA, which is under his jurisdiction, in order to supply the necessary funds to reopen this plant and put these unemployed steelworkers back to work.

I want to urge my colleagues to vote against any cuts for the EDA, because this agency is too important to American industry. We all agree that there have to be cuts, but we have a responsibility that these cuts be made with equity and with fairness, so that individuals are not irreparably hurt as we bring down deficit spending, reduce the national debt, and balance our budget.

I want to appeal to my colleagues, as we go through the process of making these cuts, to exercise caution and care in our treatment of human beings, and I want to urge the President and the Secretary of Commerce to maintain the Economic Development Administration. Especially I want to urge the EDA to look into the problem of Wisconsin Steel and to heed the cry of GUS SAVAGE who is wholeheartedly and sincerely trying to help the unemployed people of his district to get their jobs back at Wisconsin Steel.

Mr. SAVAGE. Mr. Speaker, I yield as much time as he may consume to the gentleman from Minnesota (Mr. OBERSTAR), the chairman of the Subcommittee on Economic Development of the House Committee on Public Works and Transportation.

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for yielding and I commend him on his courage on taking this special order, for speaking out as he is doing today and addressing directly the needs of the people who have lost their jobs due to this unfortunate closing of Wisconsin Steel.

Mr. Speaker, the gentleman from Illinois also spoke out very forcefully and vigorously and with great feeling and spirit and deep concern for his constituents on a day that we held the hearings of the Subcommittee on Economic Development on the EDA program, directly addressing Budget Director Stockman on the issue of Wisconsin Steel and pointing out that this administration was proposing to terminate an agency whose purpose is to create jobs, to keep people employed. Here was a great opportunity to keep an industry afloat and this administration was proposing to terminate the only hope of keeping that company going and preserving those jobs in Wisconsin.

The gentleman spoke eloquently and so directly from the heart and with such great feeling that I was deeply moved. I want to commend the gentleman for the fight he has carried forward. I am happy to join with him. I want to thank him for the contribution he has made in the subcommittee where we have succeeded in telling the country, telling the Congress and telling this administration of the very successful job that EDA has done over its 20 years of existence in creating, preserving jobs, putting people to work all across America, generating $6½ billion in revenues to Federal, State and local governments from the 1½ million jobs, 1.4 million to be exact. These jobs were created by EDA and return more every year to the Federal Treasury than was invested in the 20 years by the Federal Government in this agency.

Wisconsin Steel is the very type of project that EDA should be involved with, to help an ailing industry, to help a plant that has encountered difficulties through no fault of its own, to help that plant keep those people employed, to remain in the competitive market, and keep functioning for the future to make that economic contribution and return to the economy.

I would say to the gentleman that through his contribution on our subcommittee, we have succeeded yesterday with the House Budget Committee in retaining in the House Budget Committee's proposals for fiscal 1982 a $350 million item for the Economic Development Administration, to keep that agency going so that in the years ahead it will succeed and we will have the opportunity to keep Wisconsin Steel in business.

Yesterday, also in the House Appropriations Committee, the Subcommittee on State Justice and Commerce approved a lesser rescission than the administration requested.

The administration proposed to terminate the agency entirely and the Appropriations Committee succeeded in restoring funds for the Economic Development Administration so that it will be able to carry on the work of preserving the jobs of Wisconsin Steel.

So, I would say to the gentleman that he has contributed enormously to the work of our subcommittee and to the prospect of keeping alive in the Federal Government the one agency that can preserve these jobs of Wisconsin Steel.

It was no fault of the workers. It was no fault of EDA. No one could have foreseen that days after the loan guarantee was approved, that the company would go bankrupt.

As the gentleman from Illinois (Mr. ANNUNZIO) has so eloquently stated, it is the imports of foreign steel that are the cause, not the Government agency that is trying to help.

When you have a situation that exists in the steel industry today, and I know it very well, coming from my own State of Minnesota, my district which produces 71 percent of the iron ore that feeds the steel industry, we are in partnership with you in Chicago. We provide the iron ore and you make the steel and together we make this country strong.

It is the Japanese from 8,000 miles away who import iron ore, their limestone, and their coal, to make the steel and then ship it 20-some-thousand miles across the Pacific through the Panama Canal into the Caribbean and up the east coast of the Atlantic and down the St. Lawrence Seaway. They can lay steel down in Chicago for $85 a ton less than we can produce it in Minnesota because their Government has the wisdom to support and strengthen that industry, to provide the Government funds that are necessary to keep it afloat, to subsidize the exportation of that steel, and to displace American steelworkers.

Our Government will not lend a hand, will not stretch out that hand of support to our own people.

It is an injustice.

The gentleman has taken the well to correct that injustice. I commend him and stand with him.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. DYSON). The Chair will remind all persons in the gallery that they are here as guests of the House. We very much enjoy having you here today, but any manifestations of approval or disapproval of proceedings is in violation of the rules of the House.

Mr. SAVAGE. Mr. Speaker, I yield as much time as he may consume to my distinguished colleague from Illinois (Mr. WASHINGTON).

Mr. WASHINGTON. Mr. Speaker, I thank the gentleman for yielding and thank him even more for affording me and others, including my colleague from Illinois (Mr. ANNUNZIO) and others, the opportunity to dwell upon a very serious subject, not just to the people of Chicago or the Second District, but to the people throughout this entire country.

Let me at this same time, if I may, extend my congratulations to those hearty gentle men and women who have traveled here today to redress grievances with their Congress and who are vitally concerned about the plight of this economy and not just their particular jobs which, obviously, they have a right to be concerned about.

I want to thank the gentleman for affording me this opportunity and I will be as brief as possible.

Mr. Speaker, the present administration has said much about its desire to eliminate unemployment and make our Nation more productive. I can think of no better way to do that than to take swift action to revive industrial capacity in the industrial East and Midwest. Plant closings have taken a horrible toll through much of the country: In New York and New England; in smaller industrial cities like Youngstown, Ohio; on the west coast from Los Angeles to the Pacific Northwest; and in my home—Chicago. In many cases, productive facilities have been left to stand idle, simply because the capital needed to revive them is not immediately available.

Wisconsin Steel in Chicago is such a plant. In 1979, the Economic Development Administration provided a $90 million loan guarantee to help the new owners obtain the capital needed to turn the aging steel mill into a modern, highly productive, and environmentally sound facility.

The modernization would have preserved vitally needed steelmaking capacity, in a period when our Nation is losing its ability to produce steel. The project was halted, however, on March 24, 1980, when International Harvester foreclosed on its note with Envirodyne. As a result, Chase Manhattan Bank froze Wisconsin Steel's account, forcing the closing of the mill. In January, the Economic Development Administration, as priority creditor, succeeded to the assets of Wisconsin Steel.

The Carter administration launched a major effort to resell the plant to a private firm capable of reopening it and operating at a profit. But the Reagan administration, by moving to eliminate the Economic Development Administration, would make resale of the plant virtually impossible. The result is likely to be a loss to the Government of nearly $60 million, the amount of the outstanding loans, and a permanent loss to Chicago of more than 3,000 jobs.

In a period of high unemployment and declining industrial capacity, such action is inexcusable. This action against the workers at Wisconsin Steel is merely another example of the fiscal insanity of the administration's budget cutback plan.

I applaud the efforts of the bold group of Wisconsin steelworkers who traveled 800 miles today to make their views, and the severity of their plight, known to Congress and the administration. I join in their demand that Wisconsin Steel be reopened.

□ 1145

I urge my colleagues here in the Congress to do the same, and I urge you as well to join in the effort to save the Economic Development Administration so that more American workers will not be needlessly—I stress needlessly—put out of work. Anything short of that to me is irresponsible—irresponsible almost bordering on criminality.

This country needs its workers. We just have jobs with viability, jobs with dignity, and jobs which men selected based on their own determination. These opportunities have been snatched from us.

It bothers me deeply, Mr. Speaker, Congressman SAVAGE, Congressman ANNUNZIO, that in a crisis situation of high unemployment this administration seems to be turning its back upon that major problem and going out on flights of fancy, talking about a supply side economics which they do not understand and have been unable to translate intelligently to the American people. I applaud you, Mr. SAVAGE. I applaud Mr. Frank Lumpkin and those fine people who have journeyed here today to make their plight known. It is people like you, Congressmen, who vivify to the American people every day and also to the administration that their irresponsible fiscal attitude cannot prevail. We will not permit it.

I thank the gentleman.

● Mr. FARY. Mr. Speaker, I would like to address a few remarks to the matter of Wisconsin Steel. As you have heard, the Wisconsin steel plant has struggled along these past few years, not unlike other major concerns within the steel industry. To the detriment of the workers, the plant closed its doors abruptly in March of 1980.

As a Congressman from the Fifth Congressional District, I represent a large number of blue-collar workers from the South Side of Chicago. I can readily agree with my colleague, Hon. GUS SAVAGE from Chicago, that the demise of Wisconsin Steel has created a level of unemployment the likes of which we have rarely seen in Chicago.

This has had a rippling effect on our community affecting our local economic conditions, as well as our residents. Most of these workers have existed on unemployment compensation and depleted family savings for over a year. Now welfare is their only available option.

Mr. Speaker, I have been a long and loyal supporter of labor and will continue to be. I will look closely at all alternatives as a solution to this problem and urge my colleagues to do so also.●

● Mr. BEDELL. Mr. Speaker, I am pleased to join Mr. SAVAGE in this special order to discuss the Wisconsin Steel situation and the problems it is causing in Chicago and elsewhere. As you know, the problems at Wisconsin Steel first came to the attention of the Congress a little over a year ago in the course of a series of hearings conducted by the Small Business Subcommittee on Antitrust, which I chaired at the time.

We were looking at conglomerate mergers and their effects on small business and local communities. Early on, the Wisconsin Steel case was mentioned by several of our witnesses and the subcommittee's staff was directed to investigate the situation. Later in the hearings we looked at this case in some detail.

One of the major problem areas, we quickly discovered, was the issue of pensions. The way in which responsibility for the unfunded pension liabilities was shed when ownership of Wisconsin Steel changed hands is very troubling. Quite frankly, I believe this case highlights a significant deficiency in the Employee Retirement Income Security Act.

I have corresponded with PHIL BURTON, chairman of the Labor-Management Subcommittee which has created a special task force that will hold hearings later this year on the subject of single employer pension funds. PHIL has agreed to my suggestion that I be permitted to present information on the Wisconsin Steel case to the committee.

In the meantime, I must say that I am puzzled by the seemingly low level of interest and concern shown thus far by the relevant Federal Government agencies. The Internal Revenue Service, the Labor Department, and the Pension Benefit Guaranty Corporation all have jurisdiction in this area—in addition to the Economic Development Administration being deeply involved in the bankruptcy.

There is a tragedy of great proportion being played out here, and I hope that we can find ways to help the thousands of individuals who are caught up in the middle of this. Personally, I will continue to follow the situation closely and be of whatever assistance I can be to Mr. SAVAGE and others who are interested in helping the former employees of Wisconsin Steel.●

WE NEED LESS GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 45 minutes, and to revise and extend his remarks.

Mr. COLLINS of Texas. Mr. Speaker, America needs for Congress to have a balanced budget. But Congress votes more spending.

In 1972, the budget was $232 billion. In April 1980, the Democratic chairman of the Budget Committee, Bob Giaimo, proposed a $616 billion budget with $614 billion expenditures and claimed a $2 billion surplus. Republicans voted no to this unrealistic budget which was passed by the Democrats. Final figures showed the national debt increased $80 billion in 1980.

Now the talk is about budget cuts. This year the Democratic chairman of the Budget Committee, JIM JONES, recommends a $713 billion budget. Are there budget cuts in a budget which zooms up from $616 billion to $713 billion in 1 year? The 1981 national debt increase is moving toward another increase of $80 billion this year.

The other day, a Democratic Congressman stated he had written a bill to balance the budget. When his bill was read, it was found it did not apply until 1984.

The rate of growth of spending on social programs in the 1950's was 82 percent, in the 1960's it was 188 percent, and in the 1970's it grew 313 percent. We cannot afford that kind of spending which is more than working folks can pay. Taxes now get 43 cents out of every dollar.

AFDC payments are often made to families who would not be in need if the missing parent would meet his/her child support obligations.

Food stamps will account for 41.5 percent of the entire Federal budget in the year 2000 if they continue to grow at the same rate as they have for the past decade.

About 39.5 percent of food stamp recipients are above the poverty level.

In 1972 the budget was $232 billion. When President Ford left office in 1976 the budget was $360 billion. And now Congress is talking about $713 billion.

The average citizen should ask himself "What is the Government doing for me today that it was not doing a few years ago?"

Let us take median family income of $9,750 in 1970 compared to median income in 1980 of $19,950. Looks like the family is making twice as much, but in real purchasing power the take-home pay dropped $912 which is a net of 5 percent less purchasing power than they had in 1970.

On February 23, 1978, Congress passed a resolution that the budget must be balanced in 1980 for fiscal year 1981. So what happens? Congress ignored the resolution and the national debt went up $80 billion in 1980 and $80 billion more in 1981.

There is only one way to balance the budget and that is through a National Constitutional Convention. We must limit the Nation's spending by a constitutional mandate. Congress, with the liberals in control, has refused to submit this balanced budget amendment to the people. But a National Constitutional Convention will be called when 36 States ratify it. Texas has already ratified it, and all we need are three more States in order to call the convention. This balanced budget constitutional amendment is essential. We have a balanced budget law for the State of Texas. Our Texas counties have a law that they must balance their budgets. The Texas cities have a law that they must be in balance. We must require a constitutional amendment so as to force Congress to balance the budget each year.

A major load on the average citizen is increasing taxes. In the last 5 years, Federal personal taxes for a family have increased about 67 percent.

President Reagan recommends a tax cut. Republicans strongly favor a tax cut. Let us look back at the strong positive growth which developed when President Kennedy's tax reduction in 1964 was passed. The Nation doubled the growth of disposable income and increased the personal savings rate more than 31 percent the first year and 50 percent by the fourth year after the tax cut.

What is happening today is that a young person cannot buy a home because interest rates are so high. How can a small businessman run a business when the interest expense is 20 percent and he is looking for a 10-percent profit margin?

Today, the Japanese each year invest 60 percent more than the United States in new equipment for their plants. When their automobile plants build and install 60 percent more for new plants, new machinery, and new equipment for each year, you can see why after 10 years Japan is able to produce better products at lower prices than Americans can.

We must balance the budget. We must end taxes taking 43 cents out of every dollar. America must have less welfare and more jobs.

Let us cut welfare. In New York City the welfare benefits provide an equivalent of $4.87 an hour if he had worked. So unemployment in New York is very high, because people prefer $4.87 an hour while sitting rather than earning $3.35 working for a living.

Deficit spending, overregulation, and declining American productivity result in higher and higher prices.

The Federal Government has incurred a budget deficit in every fiscal year during the 1970's. In fact, the debt of the United States has been steadily increasing from less than $300 billion in 1960 to an anticipated $1 trillion as we end this year. Recent Federal spending has been growing approximately 16 percent per year. It is interesting to note the rising rates of Federal spending over the last 25 years; from an average annual rate increase of 6.3 percent from 1955 to 1964, to 15.9 percent from 1979 to 1981.

Inflation's impact on food prices shows costs zooming. Did you know that the food budget of an average family of four was $59 per week in 1970, but has risen to over $122 per week in 1981?

It is interesting to note that the tax bill for all American families between 1975 and 1979 increased eight times as much as did their fuel bills. And we talk about high heating costs, but the real problem is heavy, expensive Government costs through taxes and inflation.

For 26 years the Democrats have controlled the House. The Democrats have introduced all of the tax and appropriations bills. This year the Republicans have gained seats but the Democrats still have a 51-vote majority to control the House. One party domination has led to more and more welfare spending.

Deficit spending is paid for by printing more paper money or by issuing more paper bonds. We must be reminded of our Nation's experience during the Continental Congress.

Take the first 5 years of our new Republic from 1776 to 1781. Lacking discipline in this new Government and not understanding finance, the Government ran a deficit. They spent more each year than the revenue they received. And the paper Continental dollar dropped each year in value and had less purchasing power. Finally, in 1781 the Continental dollar had dropped so low it had to be called in. It was then only worth a penny. Its value had dropped from 100 cents to 1 cent. And the expression of "It's not worth a Continental dollar" was heard everywhere. Even today people say, "It's not worth a Continental." Do not let our money be destroyed by a liberal Congress.

This big spending Congress is running over the middle class of America. Deficit spending is a burden on the fixed income retired group living on pensions. Deficit spending, which caused high interest rates, is breaking the back of the small businessman. High interest rates are eliminating new home purchases for young couples. And excessive welfare, which causes able-bodied persons to sit idle, discourages the workingman and dims his productivity incentive.

Let us have less Government so business in America can grow and develop. Our country has more Government than we want. We have more regulations than we need. And we are called on to pay more taxes than we can afford.

□ 1200

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair likes to remind our guests, it is a violation of House rules to show disapproval or approval during House proceedings.

SOCIAL SECURITY FINANCING LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PICKLE) is recognized for 15 minutes.

Mr. PICKLE. Mr. Speaker, is the social security system going broke? Is it in serious trouble?

Most Americans have that question on their minds. Those who depend on this great social program fear it will dwindle before their eyes. Those who do not yet receive benefits fear it will be gone when their turn comes.

No more important challenge faces this Government today than restoring confidence in social security. It is so much a part of the financial underpinning of this country and its economy that confidence in social security must be viewed on an equal basis with the tax cut and spending budget matters.

The problems facing social security are threefold:

First, under current projections the large retirement fund (OASI) will run out of reserves to pay benefits sometime in 1982 if we do not act this year to provide it more money.

Second, the President has sent to the Congress recommendations for $2.4 billion in cuts in social security as part of his budget program, and we must address and try to comply with that request.

Third, many Members of Congress feel we cannot restore confidence in this program if we do not also address long-term shortages expected to confront social security in the next century.

Since the start of this Congress, the Ways and Means Subcommittee on Social Security has held almost continuous public hearings and meetings of the members of the subcommittee to try to solve the problems we face.

The subcommittee has made significant progress. Working from a draft committee print which incorporated some 27 different proposals, the subcommittee has agreed, on a bipartisan basis, that 23 of these should be addressed in concept in formal legislation for a markup in the near future. I am very encouraged by the cooperation of the subcommittee. The members have been diligent, attentive, and openminded. It is most significant that we have reached general agreement of the type of bill to be introduced. I am proud of this bipartisan approach.

We have also asked the administration for its assistance and recommendations in meeting the short- and long-term financial needs of social security. We do expect a response and hope that it will be soon. We specifically ask for the administration's position on the questions of indexing and universal coverage, neither of which is included in this bill.

The subcommittee has tentatively agreed upon a program which would meet the President's budget targets, although not in the same way he originally proposed. Tuesday the subcommittee further agreed to consider a proposal aimed at the long-term problems. This proposal would move full retirement to age 68 by the year 2000 while also preserving the option to retire as young as age 62. It also would eliminate the social security retirement test at age 68 beginning in 1983.

Even more critical will be an agreement on how to handle the short-term situation. We can pass a band-aid approach for next year, hope that all goes perfectly with the economy, and hope that we will need to do nothing further. Or, we can take more decisive action. Our answer here will determine whether the people have a social security program—or a social insecurity program—2, 3, and 4 years from now. Although we have not yet agreed upon an exact proposal, we in the subcommittee do agree we must take action that will guarantee social security funding no matter what happens in the economy.

Being chairman of the Subcommittee on Social Security is not the most pleasant job a Member of Congress can assume. It is one of the most significant, however, and I feel a special responsibility and commitment to try to give the American people a soundly financed and stable social security program.

It is from that personal commitment that I speak to you today, and from that personal commitment that I am today introducing legislation regarding social security financing. The bill I am introducing incorporates the 23 concepts tentatively agreed upon in the subcommittee. It also includes a transfer of some funding from the HI—medicare—fund into the retirement fund to insure adequate money for now and the future. This particular concept, transfer of one-half of the HI revenues to the OASI fund, is one item which has not been agreed to by the subcommittee. We do know we

must raise approximately $20 billion a year additional for the next 5 years. I think the transfer of some of the HI funds will be the most likely route to go. The bill meets the President's budget objectives, meets the short-term needs of the system, and provides sufficient funding in the future to meet the system's needs even if current reasonable and normal economic projections do not pan out.

Mr. Speaker, this is the chairman's bill—not a subcommittee bill. I speak in this legislation as one individual member. But I speak as one who is determined to take social security out of the headlines and to set the people's minds at ease for decades to come. It is of utmost importance that the Congress meet this challenge. The time to act is now.

Let me examine more closely the problems we face and the solutions I incorporate in this bill.

FINANCIAL CONDITIONS OF THE SOCIAL SECURITY TRUST FUNDS

There are three social security trust funds, maintained separately although all are financed out of the FICA payroll tax: retirement and survivor's insurance, disability insurance, and health insurance.

The social security retirement and survivor's trust fund will become unable to pay benefits sometime in mid-1982. Even if the assets of the disability fund were added in, the two funds together would still be insufficient late in 1982. This shortfall is projected under both the Carter administration's fiscal year 1982 budget economic assumptions and the Reagan revised fiscal year 1982 budget assumptions.

If the assets of all three funds, including health insurance, are considered together, the trust funds are adequate to make benefit payments through 1986 under the Reagan economic assumptions, but are insufficient by late in 1984 under the Carter assumptions. Even under the Reagan assumptions, the margin is extremely thin. Assets in all three funds combined drop to only 14 percent or only 1½ months' worth of reserves. If economic conditions in the next 3 years are only slightly worse than the Reagan administration predicts, the trust funds will be unable to make benefit payments at some point before 1986.

An additional $110 billion in revenues, or approximately $20 billion a year, likely will be needed to achieve a 25-percent trust fund reserve by 1986.

In addition to the practical problem of providing sufficient revenues to the system, the general public apparently has little confidence in the soundness of the social security program. We need to take action now that will restore the public's confidence.

The Hart public opinion survey conducted for the National Commission on Social Security found that 62 percent of all nonretired Americans had little or no confidence that there will be funds to pay their social security benefits; 73 percent of those age 25 to 44 felt this way.

The Lou Harris poll conducted in 1979 on American attitudes toward pensions and retirement found that more than four out of five workers have less than full confidence that social security will be able to pay their benefits when they retire, and more than two out of five have hardly any confidence at all.

This legislation contains two provisions specifically to insure the fiscal soundness of the trust funds:

Interfund borrowing: This provision allows borrowing among the three trust funds if assets of any one fund fall below 20 percent of 1 year's benefit payments. In this way, shortfalls in one fund, such as the one due to occur in the retirement and survivor's fund in 1982, could be made up for by loans from another fund.

General revenues for HI: Beginning in 1983, an amount equal to one-half the revenues from the present HI tax rate would be paid into the HI trust fund from the general fund of the Treasury. One-half of the HI tax rate would at the same time be reallocated to the OASDI trust funds.

These two provisions combined should guarantee the solvency of the trust funds through the end of the century.

PRESIDENT'S BUDGET RECOMMENDATIONS

The Reagan administration budget includes four major changes in the OASDI program. These are: First, elimination of the minimum benefit; second, elimination of the postsecondary student benefit; third, tightening eligibility for disability benefits, and fourth, eliminating the lump-sum death benefit to beneficiaries without survivors. These and the other proposals would save $2.4 billion in fiscal year 1982 and would affect some 3.5 million beneficiaries.

ELIMINATION OF THE MINIMUM BENEFIT

Under present social security law the regular minimum primary insurance amount (PIA) is $122, regardless of the fact that a retired worker's earnings history might produce a lower benefit when applied to the benefit formula.

About 3.1 million beneficiaries are receiving benefits based on the minimum, and currently about 10 percent of benefit awards to retired workers are based on the minimum.

The proposal would eliminate this minimum payment level as of July 1981, so that the 3 million current beneficiaries receiving the minimum PIA will have their benefits recalculated to reflect their actual earnings histories. All future beneficiaries will receive benefits that reflect their actual earnings records.

Estimated savings to the OASDI trust funds from the administration proposal are expected to be $50 million in fiscal year 1981 and $1.3 billion in fiscal year 1982. New and increased SSI entitlements for approximately 625,000 affected beneficiaries would add an estimated $300 million in outlays in fiscal year 1982 for a net unified budget savings of $1 billion.

It should be noted that these cost estimates are gross benefits savings and do not reflect associated administrative expenses. Costs of administering recomputations for approximately 3 million beneficiaries will be sizable.

Rough estimates of the increased workload that would result from this proposal are from 6,000 to 9,000 man-years in the last quarter of fiscal year 1981 and the first quarter of fiscal year 1982 for OASDI alone. Normal full-quarter SSA workload is approximately 20,000 man-years.

ELIMINATE STUDENT'S BENEFITS

The administration proposal would eliminate student's benefits completely for postsecondary students who reach age 18 in August 1981 or later, and for children who have already attained age 18 but are not now enrolled in postsecondary education. In addition, the proposal would reduce benefits for current postsecondary students by 25 percent each year beginning in August 1981. No further cost-of-living increases would be provided after July 1981.

Approximately 700,000 student beneficiaries in August 1981 would have their benefits reduced and ultimately phased out under the administration proposal. Approximately 500,000 benefit awards that would have been made in fiscal year 1982 would be eliminated. The March 10 revised budget estimates a savings of $1 billion to the trust funds in fiscal year 1982. By fiscal year 1986 when the benefits to full-time students would be completely phased out, the annual savings to the trust funds would be over $2 billion annually.

REDUCTIONS IN DISABILITY INSURANCE ENTITLEMENTS

The administration's proposed reductions in disability insurance entitlements would limit spending by tightening the eligibility criteria and by limiting the overall amount of benefits that can be received through the combined benefits of a number of disability programs. If all elements of their disability proposals are effective by July 1, the administration envisions savings of $5 million in the current fiscal year, $167 million in fiscal year 1982, the first full year after enactment, and $1.4 billion by 1986.

Specifically, the two major legislative administration DI proposals are:

Stricter insured status requirements for disability: Under present law eligibility for DI benefits requires fully in-

sured status and recently insured status—5 of previous 10 years in covered employment. The administration proposal would provide an additional requirement—the claimant would have had to have worked in covered employment in 6 of the previous 13 calendar quarters.

Establish a disability mega-cap: Under current law, with the exception of those beneficiaries affected by the workers' compensation offset, all other people who become disabled can receive a combination of social security disability benefits and any other Federal, State, or local disability benefits to which they are entitled, regardless of the amount of their combined benefits and their predisability earnings.

The proposal would provide that social security disability insurance benefits will be reduced so that the sum of all benefits payable under Federal, State, and local programs on the basis of disability will generally not exceed 80 percent of a worker's predisability earned income. The proposal would not reduce social security disability benefits because of veterans' benefits, needs-based public benefits, or private insurance.

ELIMINATION OF THE LUMP-SUM DEATH BENEFITS

Under present law a lump-sum death benefit is paid to the surviving spouse or person(s) paying the burial expense of a fully or currently insured deceased wage earner. The benefit was part of the original act and originally was basically a return of the deceased worker's contributions if they exceeded any benefits paid out. The 1954 amendments set the lump-sum death benefit at three times the worker's primary insurance amount with a maximum of $255. The lump-sum death benefit has been a flat $255 since 1974.

The administration proposal would eliminate the lump-sum death benefit, except in cases where the worker is survived by a widow, widower, or young children, eligible for survivor benefits.

OTHER BUDGET REDUCTIONS

The Reagan administration has also adopted three of President Carter's budget proposals plus also recommending that funding for vocational rehabilitation services be eliminated.

First, application of the workers' compensation offset to disability benefits in the month the individual is entitled to both benefits. Under present law, this offset applies only with the month the Social Security Administration is notified that the individual is receiving both benefits.

Second, extension of the workers' compensation offset to apply to all months in which the worker receives both disability and workers' compensation benefits until age 65. Under present law, the offset ceases when the worker reaches age 62.

Third, eliminate vocational rehabilitation funding in SSA. The administration proposal would eliminate the program that provides social security trust funds for the rehabilitation of disabled social security beneficiaries. Under existing law, up to an amount equal to 1½ percent of benefit payments are potentially available for such services. This full amount has not been requested or appropriated in recent years. Only $87 million was requested in the Carter budget, whereas $115 million was spent in 1980.

The administration is combining the regular rehabilitation program into a block grant which incorporates a 25-percent cut in the programs it encompasses.

Fourth, round OASDI benefit to nearest dime.

MEETING THE BUDGET TARGETS

The legislation I am introducing today meets the President's budget targets, but through a different route. I reject the concept of changing the minimum benefit in such a way that it would reduce the actual benefits of people who may have been receiving the minimum for some time. This bill would eliminate the minimum benefit—but on a prospective basis only.

Second, I do not think a student's education should be interrupted and have followed an approach whereby those who are now juniors in high school could be assured they would receive their students' benefits. My bill would freeze the students' benefits at their current levels rather than providing for a 25-percent annual reduction and would not pay benefits during June, July, and August to any individual not a full-time summer student. I would further add that I do not think anything should be done regarding the students' benefit if the other assistance programs are not funded to take up the slack.

In accordance with the subcommittee decision, I have included a provision to round social security benefits down to the nearest dollar on the final benefit computation.

Also in accordance with the subcommittee decisions, I have included the President's proposals in the disability program for a megacap and for changes in the workman's compensation offset. I have not included the proposals for a stricter insured status requirement for disability or for elimination of the lump-sum death benefit and have altered the elimination of the vocational rehabilitation funding to provide for funding in cases where there is a successful rehabilitation that enables a beneficiary to return to the work force.

Also to meet the budget targets, my bill provides for a direct deposit of State and local FICA taxes with the Federal Government, and makes other changes listed in the outline at the conclusion of this statement.

OTHER PROVISIONS

The bill includes provisions, first, which provide a limited earnings sharing upon divorce for cases in which the marriage lasted at least 25 years before divorce and in which the lower earning spouse is age 50 or over, and, second, which would compute benefits for aged survivors based on the deceased spouses' earnings record indexed by wage changes up to the year in which the worker would have reached age 60 so that when a worker dies long before retirement age the surviving spouse's benefit is not based on earnings several years out of date.

It also includes provisions to eliminate the advantage individuals with pensions from uncovered employment gain from the weighting of the social security benefit formula when they have short earnings histories in the social security system, and a provision to extend for 5 additional years the current exemption from the Government pension offset for certain spouses of covered workers.

Finally, the bill would eliminate the retirement test for individuals age 68 and over beginning in January 1983.

Two items are not mentioned in this discussion—the cost of living and extension of coverage to Federal or other workers. These are critical issues, and the cost of living in particular must be addressed at some point. But the subcommittee needs the recommendations of the administration before it makes any judgment in these areas. We have asked for the position of the administration on these items.

CONCLUSION

The provisions of this bill further outlined below will meet the President's budget targets, they will provide financial security for social security in the near term, and they will provide a cushion of financing in the long term. The 1980 trustees report indicated that the social security system over the long term has a deficit of 1.52 percent of payroll, under the intermediate assumptions. But that same report, under a more pessimistic scenario shows a deficit of over 6 percent of payroll. This bill more than meets the needs of the program using the intermediate assumptions. But if we are to provide the public with confidence, I think it is important to do so. The history of the past several years has been that we have tended to be too optimistic about our economic assumptions. Until our experience improves, prudence demands that we take this step.

Finally, I should note that the bill as introduced today includes many provisions still in a concept form. They will need much technical work in the weeks ahead.

Following now is an outline of the bill itself:

SOCIAL SECURITY FINANCING LEGISLATION

TITLE I—GENERAL PROVISIONS

Sec. 101. *Revised Tax Rate Schedule.*—Section 101 of the bill provides a revised tax rate schedule reflecting a reallocation of one half of the HI portion of the overall tax rate to the OASDI programs, and in addition a reallocation of a portion of the DI tax rate to the OASI program. This section also provides for restoring the revenues which the HI program would lose because of the reallocation through infusions of general revenues into the HI trust fund. These revised tax rates and allocations would be permanent in nature in contrast to last year's reallocation measure which only pertained to calendar years 1980 and 1981. They would become effective beginning in calendar year 1982 and would provide assurance that the OASI program will be adequately financed particularly in the coming decade.

Sec. 102. *Interfund Borrowing Between the Trust Funds.*—Section 102 of the bill would permit the OASI, DI, and HI Trust Funds to borrow from each other, as needed until the close of fiscal year 1990, if one of the funds falls below 20 percent of its estimated outlays for the 12 months preceding the borrowing. When the borrowing fund's assets ultimately reaches 25 percent of its outlays during the previous 12 months, all of its income beyond what is needed to maintain the 25 percent level would be transferred to the lending fund until the loan is repaid with interest.

Sec. 103. *Phaseout of Postsecondary Student Benefits.*—Section 103 of the bill would amend the provisions of the Social Security Act dealing with child's benefits to phase out over a 4-year period, beginning with the 83/84 school year, benefits to children between the ages of 18 and 22 because of their full-time attendance as students at institutions of higher education or other post-secondary schools. Children aged 18-22 currently receiving benefits as full-time students as well as present high school seniors and juniors could continue to receive benefits until age 22, but would be precluded from receiving future benefit increases after the 1981 increase, and would receive no payments during the summer months, June through August, except where the student is enrolled in a full time summer school program beginning in 1982. Also, children over 18 would continue to receive benefits until completion of their elementary or secondary education.

Sec. 104. *Termination of Mothers' and Fathers' Benefits When Child Attains Age 16*—Section 104 of the bill would end entitlement to benefits for the mother or father caring for a child who receives child's insurance benefits, when the child reaches age 16 (rather than age 18, as under current law). The provision would not apply in the case of a parent caring for a disabled child aged 16 or over. The provision would be effective with respect to current beneficiaries only at the end of two years after the month of enactment, but would be effective for parents becoming newly entitled in or after the second month after enactment. Benefits to the child or children in the family would continue until age 18 as under present law (or 22 as prescribed under section 103 of the bill).

Section 105. *Elimination of Minimum Benefit.*—Section 105 of the bill would repeal the minimum social security benefit with respect to individuals who first become eligible for benefits after December, 1981. This provision, in contract to the Administration's proposal, would not affect the 3 million beneficiaries currently relying on their minimum benefits.

Section 106. *Rounding of Benefits.*—Section 106 of the bill would provide for rounding monthly social security benefit amounts to the next lower dollar at the final step in determining the benefit payment rather than to the next higher ten cents at every step in the benefit formula as under present law.

Section 107. *Pension Reform Act—Cost Reimbursement.*—Section 107 of the bill would provide for payment to the social security trust funds for expenses incurred in providing information required to enable an employee benefit plan to comply with the Employee Retirement Income Security Act of 1974 (commonly referred to as the Pension Reform Act).

Section 108. *Transition To Providing Cost of Living Increases on a Fiscal Year Basis.*—Section 108 of the bill would move the cost of living increase to a fiscal year basis by providing for a two-step benefit increase in calendar year 1982, and subsequently providing annual benefit increases in October of each year, the first month of the fiscal year, instead of in July as at present.

Under the provision, benefit increases would be payable for September of each year when triggered, and paid beginning with the October 3 check. The additional trust fund expenditures would occur beginning with the first month of the fiscal year rather than 3 months earlier. In calendar year 1982 a two-step benefit increase would be provided as a means of phasing into making the cost of living increase operate on a fiscal year basis. A benefit increase would be payable in May 1982 equal to roughly half of the estimated June 1982 benefit increase under the President's budget, with another increase payable in October, 1982. The two increases together would result in a total benefit increase in 1982 which would be higher than the present law increase projected to occur under the administration budget. Further benefit increases under the provision would be based on the change in the CPI from the March through May period of one year to the next.

Section 109. *Limited Earnings Sharing.*—Section 109 of the bill provides for limited earnings sharing at divorce for spouses divorced after age 50 after a marriage of at least 25 years' duration. The provision would apply only to divorces after January 1, 1985, and would split only earnings received after that date.

Section 110. *Index Survivors' Benefits.*—Section 110 of the bill provides for indexing earnings for aged survivors up through the year the deceased worker would have reached age 60, or through the year the survivor reaches age 58, whichever is earlier. This provision is effective for surviving spouses coming on the rolls on or after January 1, 1985.

Section 111. *Phased Elimination of the Earnings Test for Persons 68 and Older.*—Section 111 of the bill would lower the age at which the retirement test no longer applies to 71 in 1982 instead of age 70, as was provided in the 1977 Social Security Amendments. This section also eliminates the retirement test for persons 68 and older, beginning in calendar year 1983, and repeals the delayed retirement credit provision of current law.

Section 112. *Raising the Age of Eligibility for Retirement Benefits.*—Section 112 of the bill gradually increases, beginning in 1990, the reduction in benefits for those taking benefits before age 68 so that by the year 2000 those retiring at age 62 would receive 64 percent of the full benefit, with the percentage graduated up to 100 percent at age 68.

TITLE II—PROVISIONS AFFECTING THE DISABILITY INSURANCE PROGRAM

Section 201. *A "Megacap" on Disability Benefits.*—Section 201 of the bill would amend the workmen's compensation offset provision so that it would apply to certain State, local, and Federal disability benefits in addition to workers compensation. Under the "megacap" DI benefits would be reduced if the combined disability benefits from DI and other public disability programs (excluding private pension benefits, private disability insurance programs, veterans' disability benefits, benefits based on public service employment covered by social security, and means-tested public benefits) exceeds 80 percent of his average current earnings. The provision would also make the off-set applicable between age 62 and 65 and at the individuals entitlement to the other disability benefits instead of application. The provision allowing the States to offset their workmen's compensation to avoid the Federal offset would be repealed.

Section 202. *Elimination of Trust Fund Rehabilitation Program.*—Section 202 repeals the program that provides social security trust funds for the rehabilitation of disabled social security beneficiaries. However, the States would be provided reimbursement for rehabilitation services provided to disabled beneficiaries if they engage for nine continuous months in substantial gainful activity (SGA).

Section 203. *Own-Motion Review.*—Section 203 would amend section 304(g) of the Disability Amendments of 1980 requiring the Secretary of Health and Human Services to "implement a program of reviewing, on his motion, decisions rendered by Administrative Law Judges as a result of hearings" on disability determinations. The Secretary would be required to review 5% of ALJ awards and reversals of cessation in 1981 and 35% in 1982 and thereafter. The required report to Congress by January 1, 1982 on the progress of the own-motion review program would be retained in the law.

Section 204. *Guidelines for Disability Determination.*—Section 204 would require that the regulations of the Secretary, Social Security Rulings, and the manual which governs the adjudication of cases by the State agencies (POMS) would all be applicable to determinations of disability.

Section 205. *Evaluation of Pain.*—Section 205 would provide an explicit statement in the law of Social Security Administration policy on the evaluation and effect of subjective testimony as to pain and similar symptoms. The amendment provides that "claimant testimony as to pain and other symptoms shall not alone permit a finding of disability as defined in Section 216(i)(1) unless medical signs and findings established by medically acceptable clinical or laboratory diagnostic techniques show that there is a medical condition that could reasonably be expected to produce such pain or other symptoms."

Section 206. *Substantial Gainful Activity and Trial Work.*—Section 206 is designed to provide for an automatic adjustment of the amount that determines whether an individual is able to engage in substantial gainful activity (SGA) and what constitutes a month of trial work. The provision would

establish the SGA level at $340, the same level as the earnings test exempt amount applied to Social Security beneficiaries under 65, and then subject it to the same automatic indexing procedures of the retirement test provision. The amount of earnings that constitutes a month of trial work, now $75 would be similarly indexed.

Section 207. *Medical School Courses and Continuing Education in Disability.*—Section 207 will authorize trust fund monies for the cost of courses established in medical schools which provide instruction in the evaluation of medical impairments. These courses must meet standards prescribed by the Secretary of Health and Human Services in consultation with an Advisory Council on Medical Aspects of Disability which is established by the legislation for this and other disability evaluation and consultative functions. The section also provids monies for the continuing education of physicians employed in the disability program by the Federal government or the State agencies and private physicians hired under contract to provide medical examinations and evaluation.

TITLE III—PROVISIONS RELATED TO COVERAGE AND PENSION OFFSETS

Sec. 301. *Elimination of Windfall Social Security Benefits for Persons With Pensions From Noncovered Employment.*—Section 301 of the bill would eliminate the windfall portion of the social security benefits received by persons who also have staff pension benefits from employment not covered by the social security system. The affected beneficiaries would include persons receiving Federal civil service or related annuities, and annuities from noncovered State and local government and non-profit employment. The provision would become effective for new social security entitlements after August, 1981, except for persons who have already reached age 65 in August 1981 or earlier.

In computing the worker's primary insurance amount (PIA), earnings from both covered and noncovered employment would be combined and average indexed monthly earnings would be determined in the same way it is currently done under present law. This PIA would then be reduced by the ratio of the worker's (1) total covered indexed earnings to (2) total covered and future noncovered indexed earnings (limited by the applicable earnings base).

Because noncovered earnings of past years would be difficult to locate, only noncovered earnings beginning in calendar year 1982 or later would be used to determine the "combined AIME." Initially this means only a few years of noncovered earnings would be taken into account. However, by the year 2000, a newly entitled beneficiary could have as many as 19 years of noncovered employment figured into his benefit computation.

In order to have an immediate impact in removing the "windfall", section 301 also requires a "length of service reduction" be made for years in a worker's earnings record in which he had no covered earnings. A 1 percent reduction in the PIA would be made for each year prior to 1982, in excess of 10, in which the worker had no earnings.

Sec. 302. *Termination of State and Local Coverage.*—Section 302 of the bill provides that coverage of State and local government employees and employees of nonprofit organizations could not be terminated by either the employers or the Secretary of Health and Human Services unless notice was given before March 25, 1981.

Sec. 303. *Extension of the Government Pension Offset.*—Section 303 extends until November 1987 the period in which certain individuals who receive pensions from noncovered public employment would avoid having their dependent or survivor social security benefits reduced by the pension offset provision.

Sec. 304. *Deposits of State and Local Government Social Security Taxes.*—Section 304 of the bill would apply the same requirements to States and local governments with respect to depositing social security taxes for services performed by their employees who are covered under social security as apply to private employers. This provision would be effective beginning in January 1982.

H.R. 3207

A bill to amend title II of the Social Security Act to improve and strengthen the financing of the old-age, survivors, and disability insurance program, to modify selected provisions relating to eligibility and benefit amounts in order to eliminate unnecessary or unintended costs while promoting the program's legitimate objectives, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Social Security Amendments of 1981".

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TITLE III—PROVISIONS AFFECTING GOVERNMENT WORKERS

Sec. 301. Elimination of windfall social security benefits for persons with pensions from noncovered employment.
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TITLE IV—MINOR AND TECHNICAL AMENDMENTS

[To be supplied]

TITLE I—GENERAL PROVISIONS

REVISED TAX RATE SCHEDULE FOR OASDI AND HI PURPOSES; PARTIAL FINANCING OF HI PROGRAM THROUGH GENERAL REVENUES

SEC. 101. (a)(1) Section 3101(a) of the Internal Revenue Code of 1954 (relating to rate of tax on employees for purposes of old-age, survivors, and disability insurance) is amended by striking out paragraphs (5) through (7) and inserting in lieu thereof the following:

"(5) with respect to wages received during the calendar year 1982, the rate shall be 5.90 percent;

"(6) with respect to wages received during the calendar years 1983 and 1984, the rate shall be 6.05 percent;

"(7) with respect to wages received during the calendar year 1985, the rate shall be 6.35 percent;

"(8) with respect to wages received during the calendar years 1986 through 1989, the rate shall be 6.40 percent; and

"(9) with respect to wages received after December 31, 1989, the rate shall be 6.90 percent.".

(2) Section 3111(a) of such Code (relating to rate of tax on employers for purposes of old-age, survivors, and disability insurance) is amended by striking out paragraphs (5) through (7) and inserting in lieu thereof the following:

"(5) with respect to wages paid during the calendar year 1982, the rate shall be 5.90 percent;

"(6) with respect to wages paid during the calendar years 1983 and 1984, the rate shall be 6.05 percent;

"(7) with respect to wages paid during the calendar year 1985, the rate shall be 6.35 percent;

"(8) with respect to wages paid during the calendar years 1986 through 1989, the rate shall be 6.40 percent; and

"(9) with respect to wages paid after December 31, 1989, the rate shall be 6.90 percent.".

(C) Section 1401(a) of such Code (relating to rate of tax on self-employment income for purposes of old-age, survivors, and disability insurance) is amended by striking out paragraphs (5) through (7) and inserting in lieu thereof the following:

"(5) in the case of any taxable year beginning after December 31, 1981, and before January 1, 1983, the tax shall be equal to 8.55 percent of the amount of the self-employment income for such taxable year;

"(6) in the case of any taxable year beginning after December 31, 1982, and before January 1, 1985, the tax shall be equal to 9.10 percent of the amount of the self-employment income for such taxable year;

"(7) in the case of any taxable year beginning after December 31, 1984, and before

January 1, 1986, the tax shall be equal to 9.50 percent of the amount of the self-employment income for such taxable year;

"(8) in the case of any taxable year beginning after December 31, 1985, and before January 1, 1990, the tax shall be equal to 9.60 percent of the amount of the self-employment income for such taxable year; and

"(9) in the case of any taxable year beginning after December 31, 1989, the tax shall be equal to 10.35 percent of the amount of the self-employment income for such taxable year.".

(b)(1) Section 3101(b) of such Code (relating to rate of tax on employees for purposes of hospital insurance) is amended by striking out paragraphs (4) through (6) and inserting in lieu thereof the following:

"(4) with respect to wages received during the calendar year 1981, the rate shall be 1.30 percent;

"(5) with respect to wages received during the calendar year 1982, the rate shall be 0.80 percent;

"(6) with respect to wages received during the calendar years 1983 and 1984, the rate shall be 0.65 percent;

"(7) with respect to wages received during the calendar year 1985, the rate shall be 0.70 percent; and

"(8) with respect to wages received after December 31, 1985, the rate shall be 0.75 percent.".

(2) Section 3111(b) of such Code (relating to rate of tax on employers for purposes of hospital insurance) is amended by striking out paragraphs (4) through (6) and inserting in lieu thereof the following:

"(4) with respect to wages paid during the calendar year 1981, the rate shall be 1.30 percent;

"(5) with respect to wages paid during the calendar year 1982, the rate shall be 0.80 percent;

"(6) with respect to wages paid during the calendar years 1983 and 1984, the rate shall be 0.65 percent;

"(7) with respect to wages paid during the calendar year 1985, the rate shall be 0.70 percent; and

"(8) with respect to wages paid after December 31, 1985, the rate shall be 0.75 percent.".

(3) Section 1401(b) of such Code (relating to tax on self-employment income for purposes of hospital insurance) is amended by striking out paragraphs (4) through (6) and inserting in lieu thereof the following:

"(4) in the case of any taxable year beginning after December 31, 1980, and before January 1, 1982, the tax shall be equal to 1.30 percent of the amount of the self-employment income for such taxable year;

"(5) in the case of any taxable year beginning after December 31, 1981, and before January 1, 1983, the tax shall be equal to 0.80 percent of the amount of the self-employment income for such taxable year;

"(6) in the case of any taxable year beginning after December 31, 1982, and before January 1, 1985, the tax shall be equal to 0.65 percent of the amount of the self-employment income for such taxable year;

"(7) in the case of any taxable year beginning after December 31, 1984, and before January 1, 1986, the tax shall be equal to 0.70 percent of the amount of the self-employment income for such taxable year; and

"(8) in the case of any taxable year beginning after December 31, 1985, the tax shall be equal to 0.75 percent of the amount of the self-employment income for such taxable year.".

(c)(1) Section 201(b)(1) of the Social Security Act is amended by striking out clauses (K) through (M) and inserting in lieu thereof the following: "(K) 1.40 per centum of the wages (as so defined) paid after December 31, 1981, and before January 1, 1983, and so reported, (L) 1.38 per centum of the wages (as so defined) paid after December 31, 1982, and before January 1, 1990, and so reported, and (M) 2.10 per centum of the wages (as so defined) paid after December 31, 1989, and so reported,".

(2) Section 201(b)(2) of such Act is amended by striking out clauses (K) through (M) and inserting in lieu thereof the following: "(K) 1.015 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1981, and before January 1, 1983, (L) 1.035 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1982, and before January 1, 1990, and (M) 1.575 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1989,".

(d) Section 1817(a) of the Social Security Act is amended by striking out "amounts equivalent to 100 per centum" in the matter preceding paragraph (1) and inserting in lieu thereof "amounts equivalent to 200 per centum".

(e) The amendments made by subsections (a), (b), and (c) shall apply with respect to wages paid or received during calendar years after 1981 and with respect to self-employment income for calendar years beginning after 1981; and the amendments made by subsection (d) shall apply with respect to fiscal years beginning on or after October 1, 1981.

INTERFUND BORROWING BETWEEN THE TRUST FUNDS

SEC. 102. (a) Section 201 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(l)(1) If in any month the assets of the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund are less than 20 percent of the amount disbursed from that Trust Fund during the twelve immediately preceding months, the Board of Trustees may, prior to fiscal year 1991, direct the Managing Trustee to borrow from the other Trust Fund, or from the Federal Hospital Insurance Trust Fund established under section 1817, for transfer to and deposit in the deficient Trust Fund, an amount not to exceed the difference between the assets of the deficient Trust Fund and 20 percent of the amount so disbursed.

"(2) In any case where a loan has been made to a deficient Trust Fund under paragraph (1), there shall be transferred from time to time, from the deficient Trust Fund to the lending Trust Fund, interest with respect to the unrepaid balance of such loan at a rate equal to the rate which the lending Trust Fund would earn on the amount involved if the loan were an investment under subsection (d).

"(3) If in any month after a loan has been made to a deficient Trust Fund under paragraph (1) the assets of that Trust Fund equal or exceed 25 percent of the amount disbursed from that Fund during the twelve immediately preceding months, all amounts that would otherwise thereafter be paid into that Trust Fund shall instead be transferred to and paid into the lending Trust Fund, except so much as is required to maintain the assets of the deficient Trust Fund at 25 percent of the amount so disbursed, until the loan under this subsection is repaid.

"(4) The Board of Trustees shall make a timely report to the Congress of any amounts transferred (other than as interest) under this subsection."

(b) Section 1817 of such Act is amended by adding at the end thereof the following new subsection:

"(j)(1) If in any month the assets of the Federal Hospital Insurance Trust Fund are less than 20 percent of the amount disbursed from that Trust Fund during the twelve immediately preceding months, the Board of Trustees may, prior to fiscal year 1991, direct the Managing Trustee to borrow from the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund established under section 201 (or from both such Trust Funds), for transfer to and deposit in the Federal Hospital Insurance Trust Fund, an amount not to exceed the difference between the assets of the Federal Hospital Insurance Trust Fund and 20 percent of the amount so disbursed.

"(2) In any case where a loan has been made to the Federal Hospital Insurance Trust Fund under paragraph (1), there shall be transferred from time to time from the Federal Hospital Insurance Trust Fund to the lending Trust Fund or Funds, interest with respect to the unrepaid balance of such loan at a rate equal to the rate which the lending Trust Fund or Funds would earn on the amount involved if the loan were an investment under subsection (c).

"(3) If in any month after a loan has been made to the Federal Hospital Insurance Trust Fund under paragraph (1) the assets of that Trust Fund equal or exceed 25 percent of the amount disbursed from that Fund during the twelve immediately preceding months, all amounts that would otherwise thereafter be paid into that Trust Fund shall instead be transferred to and paid into the lending Trust Fund or Funds, except so much as is required to maintain the assets of the Federal Hospital Insurance Trust Fund at 25 percent of the amount so disbursed, until the loan under this subsection is repaid.

"(4) The Board of Trustees shall make a timely report to the Congress of any amounts transferred (other than as interest) under this subsection."

(c) The amendments made by this section shall be effective on the date of the enactment of this Act.

PHASEOUT OF POSTSECONDARY STUDENT BENEFITS

SEC. 103. (a)(1) Section 202(d) of the Social Security Act is amended by striking out "full-time student" each place it appears in paragraphs (1)(B), (1)(E)(ii), (1)(F)(i), (1)(G)(iii), (6)(A)(i), (6)(D)(i), (6)(E)(i), (7)(A), (7)(B), and (7)(D) and inserting in lieu thereof "full-time elementary or secondary school student".

(2)(A) Section 202(d) of such Act is further amended by striking out "educational institution" each place it appears in paragraphs (7)(A), (7)(B), and (7)(D) and inserting in lieu thereof "elementary or secondary school".

(B) Section 202(d)(7)(A) of such Act is further amended by striking out "institutions involved" and inserting in lieu thereof "schools involved".

(3) Section 202(d)(7)(C) of such Act is amended to read as follows:

"(C)(i) An 'elementary or secondary school' is a day or residential school that

provides elementary or secondary education, respectively, as determined under the law of the State or other jurisdiction in which it is located.

"(ii) For purposes of determining whether a child is a 'full-time elementary or secondary school student' or 'intends to continue to be in full-time attendance at an elementary or secondary school', within the meaning of this subsection, there shall be disregarded any education provided, or to be provided, beyond the twelfth grade.".

(4) Section 202(d)(7)(D) of such Act is further amended by striking out "degree from a four-year college or university" and inserting in lieu thereof "diploma or equivalent certificate from a secondary school (as defined in subparagraph (C)(i))".

(b) Section 202(d)(2) of such Act is amended by inserting "(A)" after "(2)", and by adding at the end thereof the following new subparagraph:

"(B) Notwithstanding subparagraph (A), the amount of the child's insurance benefit which is payable to a particular individual for the month in which such individual attains age 18 or any subsequent month, if such individual is entitled to such benefit by reason of his full-time attendance at an educational institution (within the meaning of this subsection as in effect without regard to the amendments made by the Social Security Amendments of 1981) at a level above the twelfth grade, shall be determined without regard to any increases which may have become effective after May 1982 in the primary insurance amount of the person on the basis of whose wages and self-employment income such benefit is payable.

(c) Section 202(d)(7)(B) of such Act (as amended by subsection (a) of this section) is further amended—

(1) by inserting "(and in the last sentence of this subparagraph)" after "Except to the extent provided in such regulations"; and

(2) by adding at the end thereof the following new sentence: "The preceding provisions of this subparagraph shall apply only with respect to individuals who are students at elementary or secondary schools; and no individual who has attained the age of 18 shall be entitled to a benefit under this subsection, by reason of his being a full-time student at an educational institution (within the meaning of this subsection as in effect without regard to the amendments made by the Social Security Amendments of 1981) at a level above the twelfth grade, for the month of June, July, or August in any year unless during that month such individual is attending such an institution as a student enrolled in a full-time summer school program (as determined in accordance with regulations prescribed by the Secretary).".

(d)(1) The amendments made by subsection (a) shall apply with respect to child's insurance benefits for months after December 1982; except that such amendments shall not apply in the case of any individual who in December 1982 or in a prior month was in full-time attendance at an educational institution (within the meaning of section 202(d)(7) of the Social Security Act as in effect without regard to the amendments made by this Act) at a level above the twelfth grade.

(2) The amendments made by subsections (b) and (c) shall apply with respect to child's insurance benefits payable for months after May 1982.

TERMINATION OF MOTHERS' AND FATHERS' BENEFITS WHEN CHILD ATTAINS AGE 16

SEC. 104. (a)(1) Section 202(s)(1) of the Social Security Act is amended by striking out "the age of 18" and inserting in lieu thereof "the age of 16".

(2) The heading of section 202(s) of such Act is amended by striking out "Child Aged 18 or Over Attending School" and inserting in lieu thereof "Child Over Specified Age to be Disregarded for Certain Benefit Purposes Unless Disabled".

(b) The amendments made by subsection (a) shall apply with respect to wife's and mother's insurance benefits for months after the month in which this Act is enacted; except that, in the case of an individual who is entitled to such a benefit (on the basis of having a child in her care) for the month in which this Act is enacted, such amendments shall not take effect until the first day of the first month which begins two years or more after the date of the enactment of this Act.

PROSPECTIVE ELIMINATION OF MINIMUM BENEFIT

SEC. 105. (a) Section 215(a)(1)(C)(i) of the Social Security Act is amended to read as follows:

"(i) No primary insurance amount computed under subparagraph (A) may be less than an amount equal to $11.50 multiplied by the individual's years of coverage in excess of 10, or the increased amount determined for purposes of this clause under subsection (i).".

(b)(1) Section 215(a)(1)(C)(ii) of such Act is amended by striking out "For purposes of clause (i)(II)" and inserting in lieu thereof "For purposes of clause (i)".

(2) Section 215(a)(3)(A) of such Act is amended by striking out "(except for subparagraph (C)(i)(II) thereof)" and inserting in lieu thereof "(except for subparagraph (C)(i) thereof)".

(3) Section 215(a)(4) of such Act is amended—

(A) by striking out "(except for subparagraph (C)(i)(II) thereof)" in the matter preceding subparagraph (A) and inserting in lieu thereof "(except for subparagraph (C)(i) thereof)"; and

(B) by inserting "as modified by paragraph (6) of this subsection" after "the table of benefits in effect in December 1978", and striking out "but without regard to clauses (iv) and (v) thereof", in the matter following subparagraph (B).

(4) Section 215(a) of such Act is further amended by adding at the end thereof the following new paragraph:

"(6)(A) The table of benefits in effect in December 1978 under this section, as referred to in paragraph (4) (in the matter following subparagraph (B)) and revised pursuant to subsection (i) as applicable, shall be extended for average monthly wages of less than $76.00 and primary insurance benefits (as determined under subsection (d)) of less than $16.20.

"(B) The Secretary shall determine and promulgate in regulations the methodology for extending the table under subparagraph (A).".

(5) Section 215(f)(7) of such Act is amended (effective for months after December 1981) by striking out the period at the end of the second sentence and inserting in lieu thereof ", and (effective January 1982) the recomputation shall be modified by the application of section 215(a)(6) where applicable.".

(6) The second sentence of section 215(f)(8) of such Act is amended by striking out "(a)(1)(C)(i)(II)" and inserting in lieu thereof "(a)(1)(C)(i)".

(7) Section 215(i)(2)(A)(ii)(II) of such Act is amended by striking out "(including a primary insurance amount determined under subsection (a)(1)(C)(i)(I), but subject to the provisions of such subsection (a)(1)(C)(i) and clauses (iv) and (v) of this subparagraph)".

(8) The last sentence of section 215(i)(2)(A)(ii) of such Act is amended by striking out "(C)(i)(II)" and inserting in lieu thereof "(C)(i)".

(9) Section 215(i)(2)(A)(iii) of such Act is amended—

(A) by inserting "in the case of an individual to whom that section (as in effect in May 1981) applied" after "under subsection (a)(1)(C)(i)(I)", and

(B) by inserting "(as then in effect)" after "clauses (iv) and (v) of this subparagraph".

(10) Section 215(i)(2)(A) of such Act is further amended by striking out clauses (iv) and (v).

(11) Section 215(i)(2)(D) of such Act is amended by striking out "subparagraph (C)(i)(II)" each place it appears and inserting in lieu thereof "subparagraph (C)(i)".

(c) Section 202(m)(1) of such Act is amended by striking out "(1)" after "(m)", and by striking out "shall not be less" and all that follows and inserting in lieu thereof "shall not be less than—

"(A) such deceased individual's primary insurance amount, increased under section 215(i) for months after May of the year in which such individual died as though such individual were still living, or

"(B) the amount which would be provided by section 215(a)(1)(C)(i)(I), increased under section 215(i) for months after the year in which such deceased individual died, as though such benefit were a primary insurance amount and such section 215(a)(1)(C)(i)(I) had continued in effect through that month,

whichever amount is smaller.".

(d)(1) Section 202(w)(1) of such Act is amended by striking out "or section 215(a)(1)(C)(i)(II)" in the matter preceding subparagraph (A) and inserting in lieu thereof "or section 215(a)(1)(C)(i)".

(2) Section 202(w)(5) of such Act is amended by striking out "or section 215(a)(1)(C)(i)(II)" and inserting in lieu thereof "or section 215(a)(1)(C)(i)".

(e) The first sentence of section 202(i) of such Act is amended by striking out "an amount equal to three times such individual's primary insurance amount, or" and ", whichever is the smaller,".

(f) Section 233(c)(2) of such Act is amended by striking out subparagraph (B).

(g) The amendments made by subsections (a) through (d) and (f) shall apply only with respect to benefits for months after December 1981 in the case of an individual who, after that month, first becomes eligible (as defined in section 215(a)(3)(B) of the Social Security Act) for an old-age insurance benefit, an individual who first became eligible (as so defined) for a disability insurance benefit after 1978, was not age 62 before 1979, and becomes entitled to that disability insurance benefit after December 1981, or an individual who dies after December 1981. Eligibility for this purpose is defined by sections 215(a)(3)(B) and (a)(2)(A) of the Social Security Act. The amendment made by subsection (e) shall apply with respect to deaths occurring after December 1981.

ROUNDING OF BENEFITS

SEC. 106. (a) The text of section 215(g) of the Social Security Act is amended to read as follows:

"(g) The amount of any monthly benefit computed under section 202 or 223 which

(after any reduction under section 203(a) and any deduction under section 203(b), and after any deduction under section 1840(a)(1)) is not a multiple of $1.00 shall be rounded to the next lower multiple of $1.00.".

(b)(1) Section 202(q)(8) of such Act is amended by striking out the second sentence.

(2) Section 203(a)(1) of such Act is amended by striking out the last sentence.

(3) Section 203(a)(2)(B) of such Act is amended by striking out ", with such product being rounded in the manner prescribed by section 215(a)(1)(B)(iii)".

(4) Section 203(a)(3)(B)(iii) of such Act is amended by striking out the parenthetical phrase immediately preceding the semicolon at the end thereof.

(5) Section 203(a)(8) of such Act is amended by inserting at the end the following new sentence: "For purposes of the preceding sentence the parenthetical phrase immediately preceding the semicolon at the end of subsection (a)(2)(C) of this section as in effect in December 1978 shall be disregarded.".

(6) Section 215(i)(2)(A)(ii) of such Act is amended by striking out the semicolon and all that follows in the sentence immediately following clause (III) and inserting in lieu thereof a period.

(7) Section 215(i)(4) of such Act is amended by inserting before the period at the end of the first sentence ", except that for this purpose the last sentence in paragraphs (2)(A)(ii), (2)(D)(iv), and (2)(D)(v) of this subsection as then in effect shall be disregarded".

(c) The amendments made by this section shall apply with respect to computations and determinations made for months after March 1981.

PENSION REFORM ACT—COST REIMBURSEMENT

SEC. 107. Section 1106 of the Social Security Act is amended—

(1) by striking out "as provided in part D of title IV of this Act" in the first sentence of subsection (a) and inserting in lieu thereof "as otherwise provided by Federal law"; and

(2) by inserting after subsection (b) the following new subsection:

"(c) Notwithstanding sections 552 and 552a of title 5, United States Code, or any other provision of law, whenever the Secretary determines that a request for information is made in order to assist a party in interest (as defined in section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002)) with respect to the administration of an employee benefit plan (as so defined), or is made for any other purpose not directly related to the administration of the program or programs under this Act to which such information relates, the Secretary may require the requester to pay the full cost, as determined by the Secretary, of providing such information.".

TRANSITION TO COST-OF-LIVING INCREASES ON A FISCAL YEAR BASIS

SEC. 108. (a) Section 215(i) of the Social Security Act is amended by striking out "base quarter" and "cost-of-living computation quarter" each place they appear and inserting in lieu thereof "base period" and "cost-of-living computation period", respectively.

(b)(1) Section 215(i)(1)(A) of such Act is amended to read as follows:

"(A) the term 'base period' means (i) the three-month period ending on May 31 in each year, or (ii) any other-three month period, ending on the last day of August, November, or February, in which occurs the effective month of a general benefit increase under this title;".

(2) Section 215(i)(1)(B)(ii) of such Act is amended by striking out "most recent calendar quarter" and inserting in lieu thereof "most recent three-month period specified in subparagraph (A)(ii)".

(3) Section 215(i)(1)(C) of such Act is amended to read as follows:

"(C) the Consumer Price Index for a base period, a cost-of-living computation period, or any other three-month period shall be the arithmetical mean of such index for the three months in such period.

(c)(1) Section 215(i)(2)(A)(ii) of such Act is amended by striking out "effective with the month of June" in the matter preceding subdivision (I) and inserting in lieu thereof "effective with the month of September";

(2) Section 215(i)(2)(A)(iii) of such Act is amended by striking out "months after May" and inserting in lieu thereof "months after August".

(3) Section 215(i)(2)(B) of such Act is amended by striking out "after May" each place it appears and inserting in lieu thereof "after August".

(4) Section 215(i)(2)(C)(ii) of such Act is amended—

(A) by inserting "beginning" immediately before "in a calendar year"; and

(B) by striking out "such quarter" and inserting in lieu thereof "such period".

(5) Section 215(i)(2)(D) of such Act is amended—

(A) by inserting "beginning" immediately before "in a calendar year"; and

(B) by striking out "such quarter" and inserting in lieu thereof "such period".

(d)(1) The amendments made by the preceding provisions of this section shall apply with respect to increases in benefits under section 215(i) of the Social Security Act after 1982.

(2) The amendments made by such provisions shall also apply with respect to the increase in benefits under such section 215(i) in 1982; except that—

(A) the "base period" for purposes of computing such increase shall be determined without regard to such amendments; and

(B) the percentage used as a multiplier in deriving such increase under the second sentence of paragraph (2)(A)(ii) of such section shall be the percentage otherwise determined under such sentence increased by one-twenty-eighth of such percentage as so determined.

(e)(1)(A) The Secretary of Health and Human Services (hereinafter in this subsection referred to as the "Secretary") shall, in accordance with the provisions of this subsection, increase the monthly benefits and lump-sum death payments payable under title II of the Social Security Act by the amounts specified in paragraph (2)(A) of this subsection.

(B) The provisions of this subsection (and the increase in benefits made hereunder) shall be effective, in the case of monthly benefits under title II of the Social Security Act, only for months after March 1982 and prior to September 1982, and, in the case of lump-sum death payments under such title, only with respect to deaths which occur after March 1982 and prior to September 1982.

(2) The increase in social security benefits authorized under this subsection shall be provided, and any determinations by the Secretary in connection with the provision of such increase in benefits shall be made, in the manner prescribed in section 215(i) of the Social Security Act for the implementation of cost-of-living increases authorized under title II of such Act, except that—

(A) the amount of such increase shall be 5.7 percent as applied to the primary insurance amounts and amounts of total monthly benefits described in subdivisions (II) and (III) of section 215(i)(2)(A)(ii) of such Act, and shall be sufficient as applied to the benefit amounts described in subdivision (I) of such section to raise such amounts to $111.20 in the case of an individual without a spouse and to a combined total of $166.80 in the case of an individual and spouse;

(B) in the case of any individual entitled to monthly insurance benefits payable pursuant to section 202(e) of such Act for March 1981 (without the application of section 202(j)(1) or 223(b) of such Act), including such benefits based on a primary insurance amount determined under section 215(a)(1)(C)(i)(II) of such Act, such increase shall be determined without regard to paragraph (2)(B) of such section 202(e); and

(C) in the case of any individual entitled to monthly insurance benefits payable pursuant to section 202(f) of such Act for March 1981 (without the application of section 202(j)(1) or 223(b) of such Act), including such benefits based on a primary insurance amount determined under section 215(a)(1)(C)(i)(II) of such Act, such increase shall be determined without regard to paragraph (3)(B) of such section 202(f).

(3) The increase in social security benefits provided by this subsection—

(A) shall not be considered to be an increase in benefits made under or pursuant to section 215(i) of the Social Security Act, and

(B) shall not (except for purposes of section 203(a)(3)(B)(iii) of such Act) be considered to be a "general benefit increase under this title" (as such term is defined in section 215(i)(3) of such Act);

and nothing in this subsection shall be construed as authorizing any increase in the "contribution and benefit base" (as such term is used in section 230 of such Act), or any increase in the "exempt amount" (as such term is used in section 203(f)(8) of such Act).

(4) Nothing in this subsection shall be construed to authorize (directly or indirectly) any increase in monthly benefits under title II of the Social Security Act for any month after August 1981, or any increase in lump-sum death payments payable under such title in the case of deaths occurring after August 1981. The recognition of the existence of the increase in benefits authorized by the preceding provisions of this subsection (during the period it was in effect) in the application, after August 1981, of the provisions of sections 202(q) and 203(a) of such Act shall not, for purposes of the preceding sentence, be considered to be an increase in a monthly benefit for a month after August 1981.

(5) In the case of an individual to whom monthly benefits are payable under title II of the Social Security Act for March 1982 (without the application of section 202(j)(1) or 223(b) of such Act), and to whom section 202(m) of such Act is applicable for such month, such section shall continue to be applicable to such benefits for the months of April through August 1982 for which such individual remains the only individual entitled to a monthly benefit on the basis of the wages and self-employment income of the deceased insured individual.

EARNINGS SHARING UPON DIVORCE

SEC. 109. (a) Title II of the Social Security Act is amended by adding at the end thereof the following new section:

"SHARING OF EARNINGS UPON DIVORCE IN CERTAIN CASES

"SEC. 234. (a)(1) The combined earnings of an individual and his or her spouse, to the extent that such earnings are attributable to the period of their marriage (as determined under paragraph (2)), shall be divided equally between them and shared in accordance with this section for purposes of determining their eligibility for old-age or disability insurance benefits and the amount of the old-age or disability insurance benefits to which each of them is or may become separately entitled, if—

"(A) they were married to each other for at least 25 years,

"(B) they are divorced on or after January 1, 1985, and

"(C) whichever of them had been credited under this title with the lower total amount of wages and self-employment income (determined without regard to this section), as of the close of the period of their marriage, or either of them if they had been credited with the same total amount of wages and self-employment income (so determined) as of the close of such period, has attained age 50 at the time of their divorce. For purposes of this section, a divorce shall be considered to have occurred on the date on which it becomes final.

"(2) For purposes of this section with respect to any two individuals who are married to each other and are then divorced, the 'period of their marriage' is the period—

"(A) beginning with the first day of the calendar quarter in which their marriage occurred, or with January 1, 1985, whichever is later, and

"(B) ending with the last day of the calendar quarter in which their divorce occurs.

"(b)(1) Except to the extent otherwise provided in subsections (c) and (d), whenever two individuals are to have their combined earnings for the period of their marriage divided and shared in accordance with subsection (a) they shall each be credited for all of the purposes of this title with wages and self-employment income, for each calendar quarter for which either of them is credited with any wages and self-employment income without regard to this section during such period, in an amount equal to 50 percent of the combined total of the wages and self-employment income otherwise credited to both of them for that quarter.

"(2) Nothing in this section shall have any effect upon the crediting of wages and self-employment income to any individual for any calendar quarter not included in the period of such individual's marriage; but to the extent that wages and self-employment income are credited pursuant to this section the other provisions of this title specifying the manner in which wages and self-employment income are to be credited shall (to the extent inconsistent with this section) be inapplicable.

"(c)(1) This section shall not apply with respect to the crediting of wages and self-employment income for any calendar quarter, in the case of any individual and his or her divorced spouse, if as a result of its application with respect to that quarter either of them would cease to be (A) a fully insured individual (as defined in section 214(a)), or (B) insured for disability insurance benefits under section 223(c)(1) or for the establishment of a period of disability under section 216(i)(3).

"(2) This section shall not apply with respect to any individual and his or her divorced spouse if (A) their divorce occurs after one of them has become entitled to old-age insurance benefits, or (B) their divorce occurs after one of them has become entitled to disability insurance benefits unless his or her period of disability (and entitlement to such benefits) ended prior to such divorce or, if it did not end prior to such divorce, until such period (and such entitlement) ends (and in either case the 'period of their marriage' shall not include any quarter all of which was included in such period of disability).

"(3) This section shall not apply with respect to any surviving divorced spouse for any month, and any widow's, widower's, or mother's insurance benefit payable to which such spouse is entitled under this title for any month shall be determined as though this section had not been enacted, if the amount of such benefit as computed after the application of this section is less than the amount of such benefit as computed without regard to this section (unless such spouse is also entitled for such month to an old-age or disability insurance benefit which, after the application of this section, is larger than such widow's, widower's, or mother's insurance benefit as computed either with or without regard to this section).

"(d) Notwithstanding any of the preceding provisions of this section—

"(1) any determination of whether or not an individual satisfies the special requirements of section 216(i)(3)(B)(i) or 223(c)(1)(B)(i) (for purposes of establishing a period of disability or entitlement to disability insurance benefits) shall be made without regard to this section;

"(2) benefits payable under subsection (d) or (h) of section 202 on the basis of the wages and self-employment income of any individual, and benefits payable under subsection (b), (c), (e), (f), or (g) of such section 202 (on the basis of such wages and self-employment income) to any person other than a divorced spouse or surviving divorced spouse who has shared in or been credited with a part of such individual's earnings under subsections (a) and (b) of this section, shall be determined as though this section had not been enacted if (A) the application of this section has changed such individual's primary insurance amount from what it would otherwise have been, and (B) the crediting of wages and self-employment income to such individual and his or her former spouse without regard to this section would increase the amount of such benefits; and

"(3) in the application of section 203(a) (relating to maximum family benefits) with respect to benefits payable on the basis of the wages and self-employment income of any individual, where all or any part of the wages and self-employment income of such individual and his or her former spouse was credited to them in accordance with this section, the primary insurance amount of such individual (and the crediting of his or her wages and self-employment income) shall be determined in accordance with this section but the benefits payable to any other person on the basis of the wages and self-employment income of such individual shall be determined as though this section had not been enacted and as though such person had made application for any benefit or benefits to which he or she would (upon such application) be entitled.".

(b)(1) Section 205(c)(5) of such Act is amended—

(A) by striking out "or" at the end of subparagraph (I);

(B) by striking out the period at the end of subparagraph (J) and inserting in lieu thereof "; or"; and

(C) by adding at the end thereof the following new subparagraph:

"(K) to reflect any changes in the crediting of wages and self-employment income which may be necessitated by section 234.".

(2) Section 215(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(5) The determination of the wages and self-employment income to be credited to an individual under this subsection shall in all cases be made after the application of section 234.".

(c) The amendments made by this section shall apply only with respect to divorces occurring on or after January 1, 1985, and with respect to earnings for periods on or after that date.

INDEXING OF SURVIVING SPOUSE'S BENEFITS TO RECENT WAGE LEVELS

SEC. 110. (a) Section 215(b)(3) of the Social Security Act is amended—

(1) by striking out "Except as provided in subparagraph (B)" in subparagraph (A) and inserting in lieu thereof "Except as provided in subparagraphs (B) and (C)"; and

(2) by adding at the end thereof the following new subparagraph:

"(C)(i) In computing the primary insurance amount of a deceased individual for purposes of determining the amount of the benefits to which such individual's widow, surviving divorced wife, or widower is entitled under section 202(e) or (f), in any case where the initial month of such entitlement is a month after December 1984, the year in which such widow, surviving divorced wife, or widower attains age 60 or initially becomes entitled to such benefits, whichever is earlier, shall be substituted for the second calendar year specified in subparagraph (A)(ii)(I) if such substitution would increase the amount of such benefits.

"(ii) In any case where a deceased individual referred to in clause (i) is an individual to whom subsection (a)(1) did not apply (and whose primary insurance amount was consequently computed under section 215(a) or 215(d) of this Act as in effect in December 1978), such individual's average monthly wage shall nevertheless be determined (as though it were his average indexed monthly earnings) in the manner provided in this subsection, and in accordance with clause (i) of this subparagraph, for purposes of determining the amount of the benefits to which such individual's widow, surviving divorced wife, or widower is entitled under section 202(e) or (f) if the initial month of such entitlement is a month after December 1984.".

(b) The amendments made by subsection (a) shall apply only with respect to benefits payable for months after December 1984.

PHASED ELIMINATION OF EARNINGS TEST FOR PERSONS 68 AND OLDER

SEC. 111. (a)(1) Effective with respect to monthly insurance benefits payable under title II of the Social Security Act for months in taxable years ending after December 31, 1981, and before January 1, 1983, section 203 of the Social Security Act (as in effect without regard to the amendments made by section 302 of the Social Security Amendments of 1977) is amended—

(A) by striking out "seventy-two" in subsections (c)(1), (d)(1), (f)(1)(B), and (j) and inserting in lieu thereof "seventy-one";

(B) by striking out "age 70" in subsection (f)(3) and inserting in lieu thereof "age 71";

(C) by striking out "the age of 72" and "age 72" in subsection (h)(1)(A) and inserting in lieu thereof in each instance "age 71"; and

(D) by striking out "SEVENTY-TWO" in the heading of subsection (j) and inserting in lieu thereof "SEVENTY-ONE".

(2) Section 302 of the Social Security Amendments of 1977 is repealed.

(b) Effective with respect to monthly insurance benefits payable under title II of the Social Security Act for months in taxable years ending after December 31, 1982—

(1) Subsections (c)(1) and (d)(1) of section 203 of such Act (as amended by subsection (a) of this section) are each further amended by striking out "the age of seventy-one" and inserting in lieu thereof "age 68".

(2) Subsection ((f)(1)(B) of such section 203 (as so amended) is further amended by striking out "age seventy-one" and inserting in lieu thereof "age 68".

(3) Subsection (f)(3) of such section 203 (as so amended) is further amended by striking out "age 71" and inserting in lieu thereof "age 68".

(4) Subsections (h)(1)(A) of such section 203 (as so amended) is further amended by striking out "age 71" each place it appears and inserting in lieu thereof "age 68".

(5) Subsections (j) of such section 203 (as so amended) is further amended by striking out "seventy-one" and inserting in lieu thereof "age 68".

(6) The heading of subsection (j) of such section 203 (as so amended) is further amended by striking out "AGE SEVENTY-ONE" and inserting in lieu thereof "AGE 68".

INCREASES IN AGE AT WHICH FULL BENEFITS ARE PAYABLE; CHANGES IN ACTUARIAL REDUCTION

SEC. 112. (a) Section 202(q)(9) of the Social Security Act is amended to read as follows:

"(9) For purposes of this subsection, the term 'retirement age' means age 68.".

(b) Section 202(q)(1) of such Act is amended—

(1) by striking out "five-ninths of 1 percent" and "twenty-five thirty-sixths of 1 percent" in subparagraph (A) and inserting in lieu thereof in each instance "½ of 1 percent"; and

(2) by adding at the end thereof (after and below subparagraph (D)(ii)) the following new sentence: "Notwithstanding any other provision of this section, no widow's or widower's insurance benefit shall be reduced under this subsection to less than 64 percent of the amount of such benefit as computed without regard to this subsection.".

(c) Section 202(q) of such Act is further amended by striking out "age 65" in paragraphs (2), (3)(A)(i), (5)(C), and (10)(C), and "the age of 65" in paragraph (3)(e), and by inserting in lieu thereof in each instance "age 68".

(d) Section 202(r) of such Act is amended by striking out "age 65" in paragraphs (1) and (2) and inserting in lieu thereof "age 68".

(e)(1) Section 202(w) of such Act is repealed.

(2) Section 202(a) of such Act is amended by striking out "and subsection (w)".

(3) Section 202(e)(2)(A) of such Act is amended by striking out the last sentence.

(4) Section 202(f)(3)(A) of such Act is amended by striking out the last sentence.

(5) Section 203(a)(3)(B)(iii) of such Act is amended by striking out "(excluding any part thereof determined under section 202(w))".

(f)(1) The amendments made by this section shall apply with respect to monthly insurance benefits payable to individuals whose initial month of entitlement to such benefits is a month after December 1999.

(2) The amendments made by this section shall also apply with respect to monthly insurance benefits payable to individuals whose initial month of entitlements to such benefits occurs in any calendar year during the 10-year period beginning January 1, 1990, and ending December 31, 1999; but the percentage reduction in any such benefit which results from such amendments, to the extent that the amount of that benefit as computed under section 202(q) of the Social Security Act after the application of such amendments differs from the amount of that benefit as it would be computed under such section 202(q) and section 202(w) of such Act without regard to such amendments, shall be only in an amount which bears the same relationship to such difference as the number of years which have theretofore elapsed during such period (through the end of the year in which such initial entitlement occurs) bears to 10. The Secretary of Health and Human Services, within 6 months after the date of the enactment of this Act, shall prescribe and publish tables setting forth the actual reductions to be made under such section 202(q) (and any incremental increases to be made under such section 202(w)), in accordance with the preceding sentence, with respect to benefits of each of the types involved for initial entitlements occurring in each of the years in such period; and such tables shall be treated for all of the purposes of title II of the Social Security Act as constituting a part of section 202(q) of such Act as so amended.

TITLE II—PROVISIONS AFFECTING THE DISABILITY INSURANCE PROGRAM

REDUCTION IN DISABILITY BENEFITS ON ACCOUNT OF OTHER RELATED PAYMENTS; EXTENSION OF OFFSET TO DISABLED WORKER BENEFICIARIES AGED 62 THROUGH 64 AND THEIR FAMILIES; CHANGE IN MONTH IN WHICH PAYMENTS ARE OFFSET

SEC. 201. (a) Section 224 of the Social Security Act is amended—

(1) in the heading, by striking out "ON ACCOUNT OF RECEIPT OF WORKMEN'S COMPENSATION";

(2) in subsection (a), in the matter preceding paragraph (1), by striking out "the age of 62" and inserting in lieu thereof "the age of 65";

(3) by striking out subsection (a)(2) and inserting in lieu thereof the following:

"(2) such individual is entitled for such month, under a law or plan of the United States, a State, or a political subdivision (as defined in section 218(b)(2)), to periodic benefits (other than benefits payable under title 38 of the United States Code or under a program of assistance which is based on need, or benefits based on service included under an agreement entered into by a State and the Secretary of Health and Human Services under section 218 of this Act for a total or partial disability (whether or not permanent),";

(4) in subsection (a)(4), by striking out "the workmen's compensation law or plan" and inserting in lieu thereof "such a law or plan";

(5) in subsection (b), by striking out "under a workmen's compensation law or plan" and inserting in lieu thereof "for a total or partial disability under a law or plan described in subsection (a)(2)";

(6) by striking out subsection (d);

(7) in subsection (e), by striking out "workmen's compensation"; and

(8) by adding at the end thereof the following new subsection:

"(h)(1) Notwithstanding any other provision of law, the head of any Federal agency shall provide such information as the Secretary may request for purposes of making a timely determination of the amount of the reduction, if any, required by this section in benefits payable under this title, or for purposes of verifying other information necessary in carrying out the provisions of this section.

"(2) The Secretary is authorized to enter into agreements with States, political subdivisions, and other organizations that administer laws or plans subject to the provisions of this section, in order to obtain such information as he may need to administer such provisions."

(b) The amendments made by subsection (a) shall apply with respect to entitlements to benefits under section 223(a) of the Social Security Act for months after the second month following the month in which this Act is enacted, except that—

(1) the amendments made by subsection (a)(2) shall apply only in the case of an individual who has not, before such second month, attained the age of 62; and

(2) in any State where periodic benefits under the applicable State workmen's compensation law or plan were being reduced as described in section 224(d) of the Social Security Act on March 1, 1981, under the practices of such State in effect on that day, subsection (a)(6) of this section shall not apply with respect to any payment made for a month before January 1984 to any individual whose periodic benefits were being so reduced on that day unless such State so elects.

ELIMINATION OF FUNDING FOR VOCATIONAL REHABILITATION SERVICES

SEC. 202. (a) Section 222(d) of the Social Security Act is amended to read as follows:

"Costs of Rehabilitation Services From Trust Funds

"(d)(1) For purpose of making vocational rehabilitation services more readily available to disabled individuals who are—

"(A) entitled to disability insurance benefits under section 223,

"(B) entitled to child's insurance benefits under section 202(d) after having attained age 18 (and are under a disability),

"(C) entitled to widow's insurance benefits under section 202(e) prior to attaining age 60, or

"(D) entitled to widower's insurance benefits under section 202(f) prior to attaining age 60,

to the end that savings will accrue to the Trust Funds as a result of rehabilitating such individuals into substantial gainful activity, there are authorized to be transferred from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund each fiscal year such sums as may be necessary to enable the Secretary to reimburse the State for the reasonable and necessary costs of vocational rehabilitation services furnished such individuals (including services during their waiting periods), under a State plan for vocational rehabilitation services approved under title I of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), which result in their performance of substantial gainful activity which lasts for a continuous

period of 9 months. The determination that the vocational rehabilitation services contributed to the successful return of such individuals to substantial gainful activity or their employment in sheltered workshops, and the determination of the amount of costs to be reimbursed under this subsection, shall be made by the Commissioner of Social Security in accordance with criteria formulated by him.

"(2) Payments under this subsection shall be made in advance or by way of reimbursement, with necessary adjustments for overpayments and underpayments.

"(3) Money paid from the Trust Funds under this subsection for the reimbursement of the costs of providing services to individuals who are entitled to benefits under section 223 (including services during their waiting periods), or who are entitled to benefits under section 202(d) on the basis of the wages and self-employment income of such individuals, shall be charged to the Federal Disability Insurance Trust Fund, and all other money paid from the Trust Funds under this subsection shall be charged to the Federal Old-Age and Survivors Insurance Trust Fund. The Secretary shall determine according to such methods and procedures as he may deem appropriate—

"(A) the total amount to be reimbursed for the cost of services under this subsection, and

"(B) subject to the provisions of the preceding sentence, the amount which should be charged to each of the Trust Funds.

"(4) For purposes of this subsection the term 'vocational rehabilitation services' shall have the meaning assigned to it in title I of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), except that such services may be limited in type, scope, or amount in accordance with regulations of the Secretary designed to achieve the purpose of this subsection.".

(b) The amendment made by subsection (a) shall apply with respect to services rendered on or after October 1, 1981.

OWN MOTION REVIEW

SEC. 203. Section 304(g) of the Social Security Disability Amendments of 1980 is amended by inserting "(1)" after "(g)", and by adding at the end thereof the following new paragraph:

"(2) In implementing and carrying out the program referred to in paragraph (1), the Secretary shall review—

"(A) at least 5 percent of all decisions, rendered by administrative law judges in the fiscal year 1981 as a result of hearings under section 221(d) of the Social Security Act, that individuals are or continue to be under disabilities as defined in section 216(i) or 223(d) of such Act; and

"(B) at least 35 percent of all such decisions so rendered in any fiscal year after the fiscal year 1981.".

GUIDELINES FOR DISABILITY DETERMINATION

SEC. 204. Section 205(a) of the Social Security Act is amended by adding at the end thereof the following new sentence: "The regulations of the Secretary, and the Social Security Rulings and the adjudicative standards of Part 4 of the Program Operations Manual System (POMS) published under the authority of the Commissioner of Social Security, shall govern determinations of whether individuals are under disabilities as defined in sections 216(i) and 223(d).".

EVALUATION OF PAIN

SEC. 205. (a) Section 223(d)(5) of the Social Security Act is amended by inserting after the first sentence the following new sentence: "An individual's testimony as to pain or other symptoms shall not alone permit a determination that he or she is under a disability unless medical signs and findings, established by medically acceptable clinical or laboratory diagnostic techniques, show the existence of a medical condition that could reasonably be expected to produce such pain or symptoms.".

(b) The amendment made by subsection (a) shall apply with respect to determinations of disability made on and after the date of the enactment of this Act.

SUBSTANTIAL GAINFUL ACTIVITY AND TRIAL WORK

SEC. 206. (a) The third sentence of section 223(d)(4) of the Social Security Act is amended by inserting before the period at the end thereof the following: "; and no other individual shall be regarded as having demonstrated an ability to engage in substantial gainful activity on the basis of earnings that do not exceed the exempt amount under such section 203(f)(8) which is applicable to individuals other than those described in subparagraph (D) thereof".

(b) The second sentence of section 222(c)(2) of such Act is amended to read as follows: "For purposes of this subsection the term 'services' means activity which is determined by the Secretary to be of a type normally performed for remuneration or gain, and which is performed (by the particular individual involved) in any month for remuneration or gain at least equal to (A) the amount of remuneration or gain which was sufficient, under the regulations of the Secretary then in effect, to cause the activity to be treated as constituting 'services' for such purposes in the month in which the Social Security Amendments of 1981 were enacted, or (B) if one or more increases in exempt amounts under section 203(f)(8) have occurred pursuant to subparagraph (B) thereof during the period between the month specified in clause (A) of this sentence and the month in which the particular activity involved is performed, the amount to which the amount specified in clause (A) of this sentence would have increased under such section 203(f)(8) during such period if (in the month specified in clause (A)) it had been an exempt amount applicable to individuals other than those described in subparagraph (D) of such section 203(f)(8).".

(c) The amendments made by this section shall apply with respect to months beginning after the date of the enactment of this Act.

MEDICAL SCHOOL COURSES AND CONTINUING EDUCATION IN DISABILITY

SEC. 207. (a) Section 201(k) of the Social Security Act is amended by adding at the end thereof the following new sentence: "There are authorized to be made available for expenditure, out of the Federal Disability Insurance Trust Fund, such amounts as are required to be paid under section 709(a)(1) to schools of medicine and schools of osteopathy which provide instruction in the evaluation of medical impairment and such amounts as are required under section 709(a)(2) for the continuing education of physicians and osteopaths in the evaluation of medical impairments for disability benefit purposes.".

(b) Title VII of such Act is amended by adding at the end thereof the following new section:

"PROGRAM OF TRAINING AND CONTINUING EDUCATION FOR PHYSICIANS AND OSTEOPATHS; ADVISORY COUNCIL ON MEDICAL ASPECTS OF DISABILITY

"SEC. 709. (a)(1) Any school of medicine or osteopathy which provides instruction in the evaluation of medical impairments of individuals applying for benefits based on disability under title II shall be entitled to reimbursement for the costs of providing such instruction, if such instruction satisfies such requirements and standards as may be prescribed by the Secretary in consultation with the Advisory Council on the Medical Aspects of Disability.

"(2) In addition, the Secretary shall pay the costs of the continuing education of physicians and osteopaths who are employed by or under contract with the Social Security Administration to perform services in connection with disability determinations under title II of this Act, or who are employed by or under contract with State agencies making disability determinations under section 221, if and to the extent that (A) such education consists of or involves attendance in courses of instruction relevant to disability claims processing and evaluation of medical impairments of individuals applying for benefits based on disability, (B) such education is undertaken by the physician or osteopath at the request or with the approval of the Secretary or the State agency involved, and (C) such courses of instruction meet such additional standards as the Secretary in consultation with the Advisory Council on the Medical Aspects of Disability may prescribe.

"(b)(1) There is hereby created an Advisory Council on the Medical Aspects of Disability (hereinafter referred to as the 'Council').

"(2) The Council shall consist of 15 members, including—

"(A) one designee of the Association of American Medical Colleges;

"(B) one designee of the American Medical Association;

"(C) one designee of the American Osteopathic Association;

"(D) one designee of the National Medical Association;

"(E) eight individuals appointed by the Secretary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, from among administrators of State agencies making disability determinations under section 221, physicians and osteopaths employed by or under contract with such State agencies, and persons engaged in conducting consultative examinations in connection with such determinations, including among these a designee from the National Association of Disability Examiners and the Council of State Administrators of Vocational Rehabilitation; and

"(F) three individuals, not otherwise in the employ of the United States, appointed by the Secretary without regard to such provisions of title 5 from among persons who are outstanding in fields related to hospital, medical, and other health activities.

The Secretary shall from time to time appoint one of the members to serve as Chairman.

"(3) Each member of the Council shall hold office for a term of four years, except that any member appointed or designated to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed or designated shall be appointed or designated for the remainder of

such term. A member shall not be eligible to serve continuously for more than two terms. Members of the Council, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive compensation at rates fixed by the Secretary but not exceeding $100 per day, including traveltime; and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the government service employed intermittently. The Council shall meet as often as the Secretary deems necessary, but not less often than twice each year. The Council is authorized to engage such technical assistance from individuals skilled in medical and other aspects of disability as may be necessary to carry out its functions. The Secretary shall make available to the Council such secretarial, clerical, and other assistance and any pertinent data prepared by the Department of Health and Human Services as it may require to carry out its functions.

"(4) It shall be the function of the Council—

"(A) to assist in the development of courses of instruction (for use in schools of medicine and osteopathy) in the evaluation of medical impairments of individuals for purposes of determining their eligibility for benefits based on disability:

"(B) to evaluate programs for the continuing education of physicians and osteopaths (particularly those employed by or under contract with the Secretary and the various State agencies involved) in the medical aspects of disability, and make recommendations as to how such education may best be provided to serve the purposes of subsection (a));

"(C) to advise the Secretary with respect to the proper level of medical documentation needed for the adequate adjudication of claims for benefits based on disability, including standards for determining residual functional capacity;

"(D) to advise and consult with the Secretary on the listing of impairments which is promulgated in regulations and make such recommendations for revisions therein as may be required by changes in medical practice and technology;

"(E) to examine the feasibility of making disability awards on a time-limited basis and the rehabilitation potential of specified disease processes; and

"(F) to provide the Secretary with advice and recommendations on matters of general policy with respect to disability determinations under title II, and perform such other appropriate functions relating to the medical aspects of disability as the Secretary may request.

"(5) The Council shall submit to the House of Representatives and the Senate at least once every two years a full report on its activities under this section.".

(c) The amendments made by this section shall become effective October 1, 1981.

TITLE III—PROVISIONS AFFECTING GOVERNMENT WORKERS

ELIMINATION OF WINDFALL SOCIAL SECURITY BENEFITS FOR PERSONS WITH PENSIONS FROM NONCOVERED EMPLOYMENT

SEC. 301. (a) Section 215 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"SPECIAL RULE FOR DETERMINING PRIMARY INSURANCE AMOUNTS IN CASE OF INDIVIDUALS RECEIVING PENSIONS BASED ON NONCOVERED WORK

"(j)(1) In the case of an individual who for any month is entitled to an old-age or disability insurance benefit under section 202(a) or 223, and who for such month is also entitled to a pension, annuity, or other periodic benefit based in whole or in part on his past performance of services which do not constitute employment or self-employment for purposes of this title or on his past receipt of remuneration or income which does not constitute wages or self-employment income for such purposes, the primary insurance amount of such individual shall not be computed under subsection (a) but shall instead be equal to the product of—

"(A) a primary insurance amount determined for such individual under subsection (a) on the basis of the total wages and self-employment income with which he would have been credited under this title (without regard to this subsection) if none of the limitations and exclusions contained in sections 209, 210, and 211 (other than those contained in sections 209(a) and 211(b)) had been effective after December 31, 1981, and

"(B) his noncovered-employment adjustment ratio, as determined under paragraph (2) of this subsection,

reduced by 1 percent for each year of zero coverage (as defined in paragraph (3)) in excess of 10 and thereafter increased as provided in subsection (i).

"(2) The 'noncovered-employment adjustment ratio' of any individual is equal to the quotient obtained by dividing—

"(A) the total (after adjustment under subsection (b)(3)) of such individual's wages paid in and self-employment income credited to his computation base years (determined under subsection (b)(2)(B)), by

"(B) the total (after such adjustment) of the wages and self-employment income of such individual that would have been paid in or credited to such years if none of the limitations and exclusions contained in sections 209, 210, and 211 (other than those contained in sections 209(a) and 211(b)) had been effective after December 31, 1981.

"(3) The term 'year of zero coverage' with respect to an individual means any calendar year before 1982 (A) which is included in such individual's elapsed years under subsection (b)(2)(B)(iii) and (B) for which such individual (without regard to this subsection) is not credited with any wages or self-employment income.".

(b)(1) Section 215(a)(3)(A) of such Act is amended by inserting ", other than an individual to whom subsection (j) applies," after "it applies to every such individual".

(2) Section 215(a)(5) of such Act is amended by inserting "or in subsection (j)" after "paragraph (4)(B)".

(3) Section 215(f) of such Act is amended by inserting after paragraph (2) the following new paragraph:

"(3) If an individual whose primary insurance amount has theretofore been computed under subsection (j) ceases to be entitled to a pension, annuity, or other periodic benefit of the type referred to in paragraph (1) thereof, and the Secretary determines, after a period of at least 12 months without such entitlement has elapsed, that there is no prospect that such individual will again become entitled to such a pension, annuity, or benefit at any identifiable time, the Secretary shall recompute such individual's primary insurance amount for the year in which he makes the determination, effective for monthly benefits beginning with benefits for the month after the month in which such determination is made. Any such recomputation shall be made under subsection (a) and without regard to subsection (j), in the manner provided for recomputations to which paragraph (2) of this subsection applies. Should any individual whose primary insurance amount has been recomputed under the first sentence of this paragraph again become entitled to a pension, annuity, or other periodic benefit of the type involved, subsection (j) shall again be applicable and the Secretary shall promptly redetermine such individual's primary insurance amount in accordance with that subsection, effective for monthly benefits beginning with benefits for the month in which such reentitlement occurs.".

(c) The amendments made by this section shall apply only with respect to individuals initially becoming entitled to old-age or disability insurance benefits after August 31, 1981, but shall not apply with respect to any individual who attained age 65 on or before that date.

PROHIBITION AGAINST TERMINATION OF COVERAGE IN CASE OF STATE AND LOCAL EMPLOYEES, AND IN CASE OF EMPLOYEES OF NONPROFIT ORGANIZATIONS

SEC. 302. (a) Section 218(g) of the Social Security Act is amended—

(1) by striking out "Upon" in paragraph (1) and "If" in paragraph (2), and by inserting in lieu thereof "Subject to paragraph (3), upon" and "Subject to paragraph (3), if", respectively;

(2) by striking out paragraph (3); and

(3) by adding after paragraph (2) the following new paragraph:

"(3) No agreement under this section may be terminated under paragraph (1) or paragraph (2) (either in its entirety or with respect to any coverage group) unless the applicable notice referred to in such paragraph is given on or before March 25, 1981.".

(b)(1) Section 3121(k)(1) of the Internal Revenue Code of 1954 (relating to waiver of exemption by nonprofit organization) is amended—

(A) by striking out "The period" in the first sentence of subparagraph (D) and inserting in lieu thereof "Subject to subparagraph (G), the period"; and

(B) by adding at the end thereof the following new subparagraph:

"(G) No period for which a certificate is effective may be terminated under subparagraph (D) or paragraph (2) unless the applicable advance notice referred to in such subparagraph or paragraph is given on or before March 25, 1981.".

(2) Section 3121(k)(2) of such Code (relating to termination of waiver period by Secretary) is amended by striking out "If" in the first sentence and inserting in lieu thereof "Subject to paragraph (1)(G), if".

(3) Section 3121(k)(3) of such Code (relating to no renewal of waiver) is repealed.

EXTENSION OF GOVERNMENT PENSION OFFSET EXEMPTION FOR FIVE MORE YEARS

SEC. 303. (a) Section 334(g)(1)(A) of the Social Security Amendments of 1977 is amended by striking out "the 60-month period" and inserting in lieu thereof "the 120-month period".

(b)(1) Section 334(g)(1)(B) of the Social Security Amendments of 1977 is amended by inserting before the period at the end thereof the following: "(or would meet such requirements if the amendments made by

section 337 of this Act had become effective on the first day of that month)".

(2) The amendment made by paragraph (1) shall be deemed to have become effective January 1, 1977, but shall apply only with respect to monthly insurance benefits for months after the month in which this Act is enacted.

COLLECTION AND ADMINISTRATION OF SOCIAL SECURITY TAXES DUE WITH RESPECT TO COVERED STATE AND LOCAL EMPLOYEES

SEC. 304. (a)(1) Subsections (e), (h), (j), (q), (r), (s), and (t) of section 218 of the Social Security Act are repealed.

(2)(A) Section 205(c)(1)(D)(i) of such Act is amended by striking out "(or on reports filed by a State under section 218(e) or regulations thereunder)".

(B) Section 205(c)(5)(F) of such Act is amended by striking out clauses (ii) and (iii).

(C) Section 218(f)(1) of such Act is amended by striking out "Except as provided in subsection (e)(2), any agreement" and inserting in lieu thereof "Any agreement".

(b) Section 3121(b)(7) of the Internal Revenue Code of 1954 (relating to exclusions from employment) is amended by striking out "shall not apply in the case of" in the matter preceding subparagraph (A)" and inserting in lieu thereof "shall not apply in the case of service included under an agreement under section 218 of the Social Security Act, or in the case of".

(c)(1) Chapter 21 of such Code (the Federal Insurance Contributions Act) is amended by redesignating section 3126 as section 3127, and by inserting after section 3125 the following new section:

SEC. 3126. RETURNS IN THE CASE OF STATE AND LOCAL GOVERNMENTAL EMPLOYEES.

"In the case of the taxes imposed by this chapter with respect to services performed in the employ of a State or any political subdivision thereof, or in the employ of any instrumentality of a State or political subdivision thereof which is wholly owned thereby, the return and payment of the taxes may be made by the Governor of such State or such agents as he may designate. The person making such return may, for convenience of administration, make payments of the tax imposed by section 3111 with respect to such service without regard to the contribution and benefit base limitation in section 3121(a)(1).".

(2) The table of sections for subchapter C of chapter 21 of such Code is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 3126. Returns in the case of State and local governmental employees.
"Sec. 3127. Short title.".

(d)(1) Section 6205(a) of such Code (relating to adjustment of tax) is amended by adding at the end thereof the following:

"(5) STATE AS EMPLOYER.—For purposes of this subsection, in the case of remuneration received during any calendar year from a State or political subdivision thereof or any instrumentality which is wholly owned thereby, the Governor of the State and each agent designated by him who makes a return pursuant to section 3126 shall be deemed a separate employer.".

(2) Section 6413(a) of such Code (relating to adjustment of tax) is amended by adding at the end thereof the following:

"(5) STATE AS EMPLOYER.—For purposes of this subsection, in the case of remuneration received during any calendar year from a State or political subdivision thereof or any instrumentality which is wholly owned thereby, the Governor of the State and each agent designated by him who makes a return pursuant to section 3126 shall be deemed a separate employer.".

(3) Section 6413(c)(2)(B) of such Code (relating to applicability in case of certain governmental employees) is amended to read as follows:

"(B) STATE EMPLOYEES.—For purposes of this subsection, in the case of remuneration received during any calendar year from a State or political subdivision thereof or any instrumentality which is wholly owned thereby, the Governor of the State and each agent designated by him who makes a return pursuant to section 3126 shall be deemed a separate employer.".

(e) The amendments made by this section shall apply with respect to service performed after December 1981.

ARE WE MAKING THE AMERICAN STEEL INDUSTRY SECOND RATE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RUSSO) is recognized for 5 minutes.

● Mr. RUSSO. Mr. Speaker, a little over 1 year ago Wisconsin Steel Corp. closed its doors and some 3,500 hard-working men and women are still unemployed, many are fighting to protect their pensions and many are still mobilized to try and save Wisconsin Steel Corp. and their jobs. They have not lost their faith in America or its dream and we must do everything we can to justify that faith.

Since the closing of this plant, I have heard much about the waste of money, land, and machinery which occurred because of this business failure—I say—what about the waste of people. A community is dying and we have to help. The return on our investment will be a resumption of corporate and income tax from Wisconsin Steel Corp.—more buying locally and thus more sales tax—a reduction in welfare and unemployment—a shot in the arm to our economically distressed region and most important—a rejuvenation of spirit for a group of industrious Americans.

If we turn our backs we take one more step toward making the American steel industry second rate.●

JOHN POTTS: A STORY OF HEROISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WILLIAM J. COYNE) is recognized for 5 minutes.

● Mr. WILLIAM J. COYNE. Mr. Speaker, I am proud to bring to the attention of my colleagues one of my constituents, Chief Hospital Corpsman John T. Potts of Dormont, Pa. This courageous man was awarded the Naval Medal for Heroism at a ceremony which I attended at the National Naval Medical Center on March 19. I would like to share his story with you.

Chief Corpsman Potts was involved in a near fatal accident aboard the U.S. Navy survey ship *Chauvenat* off Indonesia last September. Potts and Lieutenant Linda Paul were in a small landing craft that was being hauled aboard the bigger ship when one of the steel hoisting cables snapped. As the landing craft began to fall, Potts threw Lieutenant Paul overboard to safety, but the snapping cable severed his left hand and a falling box of tools fell on his leg, breaking it in three places. Chief Corpsman Potts was the only medically trained crewmember aboard the *Chauvenat* and, despite the intense pain, he refused morphine so that he could direct his fellow crewmen how to pack his severed hand in ice and splint his broken leg. He was airlifted to Singapore where a team of microsurgeons reattached his left hand.

Since that time, Chief Corpsman Potts has been a patient at the National Naval Medical Center in Bethesda, Md. Recently, the cast was removed from his leg and he is now able to walk with the assistance of a crutch. Doctors have restored circulation in his hand, however it remains paralyzed and he faces more surgery. As was his wish, Chief Corpsman Potts was not presented with his award for heroism until he could wear his uniform and stand at attention.

In spite of his ordeal and the prospect of more surgery, John Potts looks to each new day with enthusiasm and humor. He is indeed a credit to the Navy and a fine example to his fellow man. I commend him for his courage and dedication and wish him well in all his future endeavors.●

MAYOR ED KOCH'S MAXIMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, I would like to bring to my colleagues' attention some accurate, cogent remarks made by our former distinguished colleague and good friend Ed Koch, now the outstanding and highly respected mayor of New York City. In these remarks, which appeared in the February 1981 issue of State Legislatures, Mayor Koch describes a number of disturbing maxims which he claims guide those establishing Federal mandates.

I have not undertaken to find out how many of these maxims, Mayor Koch followed when voting for such mandates as a Member of Congress.

I guess that redemption and salvation never come too late, and it is good to see one change one's view as one changes one's position.

The following remarks are inserted for the RECORD:

ED KOCH'S IRREVERENT ANALYSIS OF MANDATES

With his tongue only slightly in cheek, New York City Mayor Edward I. Koch recently described a number of "disturbing maxims" that appear to guide those who write federal mandates:

Mandates solve problems, particularly those in which you are not involved. The federal government, for example, has shown no reluctance in ordering sweeping changes, whose impact it will never have to face since it does not hold final service delivery responsibilities in, for example, education, transportation and sewage disposal.

Mandates need not be tempered by the lessons of local experience. Frequently a statutory directive will impose a single nationwide solution to a perceived problem, such as sewage treatment, that has been developed in the isolation of a consultant's office and rarely, if ever, exposed to real world conditions in the affected regions.

Mandates will spontaneously generate the technology required to achieve them. Congress has shown a disturbing penchant for prohibitions on existing approaches to problems such as ocean dumping, for which no practical replacement has been developed.

The price tag of the lofty aspiration to be served by a mandate should never deter its impostion upon others. Statutory commands are rarely accompanied by adequate financial assistance. Most extreme in this instance are the accessibility mandate for transit systems and the requirement relating to the education of the handicapped.●

THE CREDIT CARD SURCHARGE ISSUE (H.R. 31)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE), is recognized for 10 minutes.

● Mr. LAFALCE. Mr. Speaker, I have requested time to speak this afternoon in order to call my colleagues' attention to a problem which they may wish to reflect upon during the upcoming recess. The issue I am referring to is the proposed 3-year extension of the ban on credit card surcharges contained in H.R. 31 and S. 414.

On February 24, 1981 this body passed H.R. 31 by the overwhelming margin of 372 to 4. The Banking Committee had forwarded the measure after a very brief debate on a proposed amendment to permit both cash discounts and surcharges. That amendment, which I supported, was defeated in committee. A few days later, H.R. 31 swept through the House primarily because of the great esteem in which every member of this body holds its principal author, the distinguished gentleman from Illinois, Mr. ANNUNZIO. Indeed, it was only because of my great respect and affection for him that I did not speak against this bill at that time. However, as others have now raised the issue and heightened controversy, I feel compelled to speak out.

As you may recall the discussion on the House floor at that time focused primarily upon the need to permit unlimited cash discounts. What little discussion there was of the surcharge issue led one to believe that the prohibition against credit card surcharges was necessary to protect consumers and was consequently in the public interest.

On March 12, 1981, the full Senate considered similar legislation to permit unlimited cash discounts and impose an additional 3 year ban on credit card surcharges. Senator PROXMIRE and Senator GLENN immediately proposed an amendment to the Garn-Chafee bill which would have permitted merchants to choose between cash discounts or credit card surcharges.

That amendment precipitated a 3 hour debate on the Senate floor. The amendment was eventually defeated by a vote of 41 to 56. Since that time I have had an opportunity to study that extended debate.

I rise today because I have become increasingly concerned that we in the House of Representatives may have acted without a complete understanding of the economic consequences resulting from yet another extension of the ban on credit card surcharges.

The Senate debate revealed opposition to the surcharge ban from the broadest imaginable spectrum of groups and agencies.

Both the Consumer Federation of America and Consumers Union oppose the ban on surcharges. CFA wrote that it was totally and unequivocally opposed to the surcharge ban contained in S. 414. They stated that:

This government intrusion on the free market gives consumers incorrect signals about credit—making it appear to be free when it in fact has substantial costs. Further, the surcharge ban penalizes lower-income purchasers who cannot qualify for credit cards; they still pay for the 'merchant discount' in their prices. Finally, the ban discourgages merchants from offering legal cash discounts, whose only difference from credit surcharges is a semantic one.

To those who argue that lifting the surcharge ban can cause abuse, we respond that the lifting of the ban is not likely to cause any merchant to deceive consumers who are not already doing so. The potential for deception is much greater in the cash discount situation, especially where the merchant raises his regular prices one day to a phony regular price and, then, the next day offers a cash discount which brings the price of the goods back to their actual regular price. Certainly the proponents of the ban would not argue that cash discounts should be eliminated because there is this potential for abuse.

CFA favors limit of 7 percent on the amount of the surcharge and the cash discount. However, if the choice is between the surcharge ban and the removal of the ban with no limitation, we support your amendment to remove this ban without limitation.

The ban constitutes an unwarranted government intrusion into the marketplace that serves only one special interest group—credit card issuers—at the expense of other consumers.

Your amendment to allow unlimited surcharges would remove this special interest provision and permit more equitable pricing of goods and services.

The International Ladies Garment Workers Union wrote that—

The government ban on credit surcharges forces retailers to charge all customers for the merchant discounts paid to credit card companies. Last year, these charges amounted to over $1.5 billion for American Express, Visa and Mastercharge alone.

Simply put, the ban requires cash customers to subsidize credit card purchases. Even lower-income consumers who cannot qualify for credit cards pay this cost of credit. The ban also deceives consumers about the true cost of credit, burying the merchant discount in the overall price of goods.

Additionally, the AFL-CIO opposes the surcharge ban.

Opposition to the surcharge ban was also expressed by the National Small Business Association, the National Farmers Union, the National Council of Senior Citizens and the National Taxpayers Union.

The Council for a Competitive Economy opposed the surcharge ban with the following language:

I am writing to express the Council's vigorous opposition to the credit-surcharge ban in S. 414, the Cash Discount Act. The Council, as you know, is a national business organization dedicated to the free, competitive economy unhampered by regulation, subsidy or special privilege. We have members in all 50 states, including Utah.

Our support of free competition leads us to oppose the surcharge ban, an anticompetitive regulation that interferes with business people and consumers and that is out of step with the economic views expressed by the voters in November.

In a free economy, merchants have the right to use surcharges for any purpose. This is simply voluntary exchange; customers are free to shop elsewhere if they dislike the extra charge. This view is implicity conceded in S. 414, which allows unlimited discounts for cash customers. The surcharge ban, then, is perplexing. If merchants are free to use one device, they should be free to use the other.

I would urge my colleagues to consider the reasoning contained in the statements relating to the surcharge ban which were submitted by the Federal Reserve Board, the Federal Trade Commission, the Comptroller of the Currency, the Federal Home Loan Bank Board, and the National Credit Union Administration. Each and every one of these agencies oppose the surcharge ban.

This unique spectrum of opposition to the ban on surcharges was reflected in the final rollcall vote on the proposed amendment when Senators PROXMIRE, GLENN, KENNEDY, BYRD, DODD, METZENBAUM, MOYNIHAN, TSONGAS, and other Democrats were joined by HELMS, HUMPHREY, QUAYLE, EAST, ARMSTRONG, DENTON, COHEN, KASTEN, and other Republicans in the 41-to-56 vote.

The point of my remarks is that a substantial body of evidence has developed since our vote on H.R. 31 which

severely undercuts any notion that a ban on credit card surcharges is in any way proconsumer. To the contrary, the arguments in opposition to the surcharge ban by the consumer groups, by the various agencies of the administraion, by numerous groups representing the unions, the elderly, small businesses, free enterprise advocates, and others might very well lead us to now conclude that the ban on credit card surcharges is nothing more than special interest legislation which is anti-cash customer, anti-free enterprise, antideregulation, and worst of all proinflation.

Just yesterday, the House conferees were selected to hammer out the differences between H.R. 31 and S. 414. I hope my colleagues will join with me in urging our conferees to carefully consider this recent body of evidence relating to the surcharge issue.●

INFORMATION ON HANDGUNS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. GIBBONS) is recognized for 5 minutes.

● Mr. GIBBONS. Mr. Speaker, following the shooting of the President and his aides with a handgun assembled in the United States from imported parts, I requested the U.S. International Trade Commission to provide me with data on trade in and production of handguns.

I have just received the following report which may be of substantial interest to the Members and the general public. I hope that this material will help contribute to an informed debate on the issue of handguns.

PISTOLS, REVOLVERS, AND PARTS THEREOF: A U.S. TRADE AND TARIFF PROFILE

DESCRIPTION AND USES

The products covered in this report are pistols and revolvers that are firearms designed to fire shot, pellets, or bullets (TSUS items 730.15–730.19) and parts of these firearms (TSUS item 730.61). Pistols and revolvers not designed to fire a fixed cartridge (muzzle-loaders or black powder guns), flare signaling pistols, guns designed to fire only blank ammunition or blank cartridges, and air or spring operated guns are excluded from this profile.

A pistol is a hand-operated firearm having a chamber integral with, or permanently aligned with, the bore. A revolver is a handgun with a revolving cylinder containing chambers for individual cartridges. Most pistols and revolvers are manufactured in the range of .22 to .45 caliber. Handguns are used for target-shooting, hunting, and personal protection, as well as by the police and military forces. There is generally little difference between imported and domestic handguns, although due to import restrictions (discussed in the next section), imports of smaller, less expensive handguns are limited.

CUSTOMS TREATMENT

An excerpt from the Tariff Schedules of the United States Annotated (1981) showing the current rates of duty applicable to pistols, revolvers and their parts is shown in app. A. Also included is a table showing the staged column 1 rates of duty negotiated under the most recent Multilateral Trade Negotiations and the base rates, in effect from Jan. 1, 1972 through Dec. 31, 1979. It should be noted that imports of pistols, revolvers, and their parts are not eligible for duty-free treatment under the Generalized System of Preferences.

The customs classification of pistols, revolvers, and parts is relatively uncomplicated. The parts provision refers only to parts that can be identified for use in a particular firearm, not accessories. Therefore, cases, optical sights, and similar accessories, as well as small undifferentiated parts such as screws imported separately, are excluded from the parts provisions. In addition, for the purpose of customs classification, a receiver or frame is considered a part, not a complete weapon. However, firearms kits containing all the parts necessary to assemble a finished firearm are classified as the finished article.

The manufacture, importation, sale, and ownership of arms is controlled in the United States under a complex array of laws and regulations, including those derived from provisions of section 414 of the Mutual Security Act of 1954, [1] and provisions of the National Firearms Act, the Omnibus Crime Control and Safe Streets Act of 1968, and the Gun Control Act of 1968. In addition, each state and many local governments enforce additional laws, regulations, and requirements regarding the sale and ownership of arms.

The net result is that the United States requires licenses for the importation of firearms and their parts. Only licensed importers, firearms dealers, or manufacturers may obtain the necessary permits from the Bureau of Alcohol, Tobacco, and Firearms (BATF) of the U.S. Department of Treasury, the body that administers most regulations pertaining to arms. Licenses to import are generally denied for military surplus, nonsporting firearms, and machine guns, although there may be partial or total exemptions concerning the importation of antiques and designated curios and the importation of arms by, or on behalf of, the Federal government, or state and local governments.

In addition, import permits are denied for certain handguns and their frames or receivers, on the basis of size and safety features under the Gun Control Act of 1968. In order to qualify for importation, a pistol must first have a positive manually operated safety device and a combined length and height of at least 10 inches with the height being at least 4 inches and the length at least 6 inches. A revolver must pass a safety test, have an overall frame length of at least 4½ inches, and a barrel of at least 3 inches. Handguns passing these requirements must then achieve a minimum point score with points awarded on the basis of the individual characteristics such as length, barrel length, construction, weight, caliber, and safety and target features. The full BATF factoring criteria for weapons are shown in app. B. Although aimed at preventing the importation of inexpensive, low-quality handguns ("Saturday Night Specials"), these restrictions also prevent the importation of many small, high-quality guns. In addition, although licenses are required to import parts of firearms, there is no prohibition on the importation of parts for the proscribed handguns, except frames or receivers, which are classified by BATF as complete weapons. The domestic manufacture of these handguns is likewise, not prohibited.

All firearms manufactured or imported in the United States must contain a serial number and a proof mark.

There is a federal excise tax imposed on the sale of pistols and revolvers by manufacturers and importers amounting to 10 percent of the sale price. In the case of importers, the tax is assessed on the sale of used or antique firearms as well as on new firearms.

THE U.S. INDUSTRY

In 1979, there were approximately 50 firms engaged in the manufacture of pistols and revolvers, an increase from 46 in 1976. The four largest account for more than 75 percent of the total quantity produced. Approximately 10 percent of domestic production consists of handguns assembled from domestically-produced receivers and foreign parts, and are primarily handguns that could not be imported in finished form because of restrictions of the Gun Control Act of 1968. Production is concentrated in Connecticut, Massachusetts, and, to lesser extent, Florida.

U.S. CONSUMPTION

Apparent consumption of pistols and revolvers rose from 1.8 million units in 1976 to 2.2 million in 1979. Consumption for the first 9 months of 1980 was 1.8 million units, nearly 15 percent higher than the comparable period in 1979 (table A). The ratio of imports to apparent consumption increased from 10 percent in 1976 to 11 percent in 1979, but was down to 9 percent for the period January–September 1980.

U.S. PRODUCTION

U.S. production of pistols and revolvers, except those manufactured solely for the Armed Forces of the United States, declined from 1,891 thousand units in 1976 to 1,864 thousand in 1977, then increased to 2,167 thousand units in 1979. Production of 1,803 thousand units for the period January–September 1980 was up 12 percent over the similar period in 1979 (table A). Approximately 10 percent of domestic production consists of pistols and revolvers assembled from foreign parts on a domestic frame or receiver, primarily in Florida. These assembly operations exist, in effect, to circumvent the import restrictions on small finished pistols and revolvers under the Gun Control Act of 1968. The recent production increases in pistols and revolvers are at least partially due to the growing demand for these weapons for use in personal protection.

U.S. IMPORTS

Imports of pistols and revolvers increased from 175,000 units in 1976 to 232,000 in 1979, then declined to 216,000 units in 1980. The value of imports more than doubled over the period, rising from $9 million in 1976 to $20 million in 1980 (table B–1). The average unit value of imports also increased annually, however, the greatest increase—34 percent—occurred between 1979 and 1980. West Germany was the largest source of imports based on value, during the period 1976–79, accounting for 26 to 37 percent of the total. In 1980, Belgium and Italy surpassed West Germany, when they accounted for 28 and 27 percent of the value imported, respectively. Brazil, the fourth largest supplier in terms of value in 1980, supplied the greatest number of handguns, 31 percent of the total quantity.

[1] The Arms Export Control Act of 1976 repealed section 414 of the Mutual Security Act of 1954; however, all regulations and orders continue in effect.

Imports of pistols and revolvers from Belgium tend to be high-valued, high-quality handguns (average unit value of $228.39 in 1980); those from Brazil fall in the lowest value levels that can be imported ($43.58 in 1980). Imports from West Germany ($116.63) and Italy ($84.60) cover the entire value range, but are concentrated in the medium-valued handguns, most similar to the bulk of production. It should be noted that because of import restrictions on handguns, very few of the most inexpensive handguns (those valued less than $8 each) are imported; therefore, the simplest, most inexpensive handguns are produced domestically, many assembled from imported parts on a domestically produced receiver. Domestic manufacturers retain a secure hold on the U.S. handgun market; imports tend to supplement domestic production.

Imports of pistols and revolvers parts increased at a declining rate over the period 1976–80, from $1.8 million to $6.2 million (table B–2). West Germany and Italy were the chief import sources over the period, accounting for 42 and 36 percent, respectively, in 1980. Since 1978, imports from Brazil increased sharply to supply 13 percent of the total in 1980. As discussed earlier, virtually all imports of pistol and revolver parts are assembled on domestic frames for sale as finished handguns in the U.S. market. Most of these guns could not be imported in the finished form because of import restrictions under the Gun Control Act of 1968. Parts from West Germany are usually assembled into inexpensive handguns, those from Italy cover a range of values and those from Brazil are, atypically, assembled into high quality, expensive handguns. These guns tend to supplement domestic production; very few are intended for sporting purposes.

TABLE A.—PISTOLS AND REVOLVERS: U.S. PRODUCTION, EXPORTS, IMPORTS, AND APPARENT CONSUMPTION, 1976–79, JANUARY TO SEPTEMBER 1979, AND JANUARY TO SEPTEMBER 1980

[Quantity in units]

Period	Production [1]	Exports	Imports	Apparent consumption	Ratio (percent) [2]
1976	1,890,672	248,567	175,492	1,817,597	9.7
1977	1,864,374	265,020	175,672	1,775,026	9.9
1978	1,957,270	254,814	190,728	1,893,184	10.1
1979	2,166,621	219,867	231,620	2,178,374	10.6
January to September:					
1979	1,603,296	181,431	172,718	1,594,583	10.8
1980	1,802,649	143,092	167,422	1,826,979	9.2

[1] Excludes arms manufactured solely for the Armed Forces of the United States, and arms assembled in the United States entirely from foreign parts.
[2] Percent of imports to consumption.
Source: Production data compiled from official statistics of the Bureau of Alcohol, Tobacco, and Firearms, U.S. Department of Treasury; import and export data compiled from official statistics of the U.S. Department of Commerce.

TABLE B–1.—PISTOLS AND REVOLVERS: U.S. IMPORTS FOR CONSUMPTION, BY PRINCIPAL SOURCES, 1976–80

Source	1976	1977	1978	1979	1980
	Quantity (units)				
Belgium	13,225	12,079	13,053	11,512	24,635
Italy	28,018	53,823	52,905	62,123	64,233
Federal Republic of Germany	63,421	57,215	64,061	61,760	34,746
Brazil	33,929	19,749	37,084	57,621	66,968
Spain	31,781	31,019	17,097	30,445	19,396
Argentina	375	1,050	1,268	2,943	3,044
Hong Kong	0	0	0	0	2,961
United Kingdom	82	6	41	1	146
All Other	4,661	731	5,219	5,215	366
Total	175,492	175,672	190,728	231,620	216,495
	Value (1,000 dollars)				
Belgium	1,555	1,975	2,210	2,506	5,626
Italy	925	1,903	2,410	3,930	5,434
Federal Republic of Germany	3,257	3,760	4,753	4,090	4,053
Brazil	1,044	681	1,506	2,299	2,918
Spain	1,664	1,920	1,305	2,153	1,595
Argentina	13	30	38	130	170
Hong Kong					83
United Kingdom	5	1	11	(1)	25
All Other	560	58	579	829	65
Total	9,023	10,327	12,813	15,937	19,969
	Unit value				
Belgium	$117.60	$163.47	$169.33	$217.70	$228.39
Italy	33.01	35.35	45.55	63.27	84.60
Federal Republic of Germany	51.36	65.72	74.19	66.23	116.63
Brazil	30.77	34.49	40.62	39.89	43.58
Spain	52.35	61.89	76.33	70.73	82.25
Argentina	35.00	28.50	30.21	44.13	55.76
Hong Kong					27.88
United Kingdom	57.59	231.50	270.78	263.00	172.81
All Other	120.25	78.68	111.03	158.89	177.68
Total	51.42	58.78	67.18	68.81	92.24

[1] Less than 500.
Source: Compiled from official statistics of the U.S. Department of Commerce.

TABLE B–2.—PISTOL AND REVOLVER PARTS: U.S. IMPORTS FOR CONSUMPTION, BY PRINCIPAL SOURCES, 1976–80

[In thousands of dollars]

Source	1976	1977	1978	1979	1980
Federal Republic of Germany	605	1,085	2,050	2,824	2,610
Italy	795	1,235	1,248	1,670	2,203
Brazil	2	1	89	364	799
Spain	142	108	196	240	394
Belgium	164	143	237	127	80
Japan		16	90	48	42
Philippines Republic	49	76	127	63	40

TABLE B–2.—PISTOL AND REVOLVER PARTS: U.S. IMPORTS FOR CONSUMPTION, BY PRINCIPAL SOURCES, 1976–80—Continued

[In thousands of dollars]

Source	1976	1977	1978	1979	1980
India				(1)	9
All other	49	16	46	23	25
Total	1,806	2,680	4,082	5,360	6,200

[1] Less than 500.

Source: Compiled from official statistics of the U.S. Department of Commerce.●

THE INCOME TAX SIMPLIFICATION ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California, Mr. PANETTA is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I am today introducing legislation that I hope will become the basis for a fundamental debate about taxation in this country. My bill, the Income Tax Simplification Act of 1981, would radically alter the way the Federal Government taxes income. It proposes a rational, equitable, and, above all, simple approach to taxation, and I hope it will be the first step away from our current system toward one that the American people can support wholeheartedly.

One of the most important proposals before the Congress today is the President's plan for a 3-year, 30-percent tax cut for individuals. We can, and most certainly will, conduct a thorough debate over the economic implications of this tax cut.

But the fact is that this proposal does not begin to address the fundamental unfairness and irrationality of the Internal Revenue Code. The Tax Code has become incredibly long and complex, and the average taxpayer has become its victim—an increasingly unwilling victim. We have gotten to the point where only accountants and lawyers can burrow through its inscrutable rules and regulations, and I believe the time has come for major structural reform.

The issue is not merely one of making it more convenient for people to pay their taxes. It is vital for any system of taxation that it be equitable and that it appear equitable to those who are assessed. More and more, Americans are becoming convinced that, due to unjustified loopholes and the ability to employ expensive accountants, wealthy individuals do not pay their fair share of taxes. In addition, we now have a system which prevents even the most intelligent individual from being able to complete his or her own tax return. That, in my view, is a ridiculous and intolerable situation.

The income tax has become increasingly complicated for several reasons. First, our economy and our society have become very complex, and there has been a tendency to use the income tax to address a wide variety of legislative issues. Second, it is the nature of Congress, like most lawmaking bodies, to add to, rather than subtract from, existing laws.

Finally, and most importantly, the Tax Code is a feasting ground for special interests. Just as every interest group has a slice of the budget pie that it wishes to protect, each of the many provisions of the Tax Code is cherished by one or more special interests. Unfortunately, the only special interest not represented at the committee meetings where these tax bills are worked out is the one that ends up paying the bill, the average taxpayer of this country.

The legislation I am introducing today would create a very simple income tax for both individuals and corporations. It would eliminate virtually all existing deductions, credits, and exclusions, and it would reduce the number of brackets for the individual income tax from 16 to only 4, along with a zero bracket amount.

The bill would eliminate or amend approximately 100 provisions of the Internal Revenue Code. For individuals, only a standard credit and business costs could be deducted from tax owed or from gross income. For corporations, in general, only business costs would be deductible.

The benefits of this system would include the following:

First, rather than encouraging trickery and gimmicks to avoid taxes, it would enable individuals to earn money, be taxed at a fair rate, and know how much they were likely to be taxed at the end of the year.

Second, it would reassure every American that he or she was subject to a system of taxation that taxed all citizens in an identical fashion.

Third, it would enable Americans to understand their system of taxation and fulfill the responsibility of filing a tax return without having to translate a tax form into plain English.

Fourth, it would eliminate distinctions between types of income, so that money earned through work and through investment would be taxed at the same rate.

Fifth, it would provide substantial relief from the injustice known as bracket creep by significantly widening tax brackets, thus drastically reducing the chances of being pushed into a higher bracket on account of inflation.

I am sure that these advantages, as well as others, are obvious to anyone who has ever sat down to fill out a tax return or winced at the amount of income tax withheld on a pay receipt.

I do not expect my proposal to be incorporated into this year's tax bill. But as the April 15 deadline for tax returns approaches, we should all be aware of the need for fundamental changes in our system of taxation. This legislation should be the vehicle for a national debate on this issue, which affects every citizen. To the American people, a simple, fair, rational income tax would be more important than any tax cut.

Let us heed the words of a great American philosopher, Henry David Thoreau, who wrote more than 125 years ago: "Our life is frittered away by detail * * * Simplify, simplify."

Following is the text of my legislation:

H.R. —

A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification and reform

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "The Income Tax Simplification Act of 1981".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I.—TAX REFORMS

SEC. 101. CREDITS AGAINST TAX.

Part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by striking out all sections thereof other than—

(1) section 31 (relating to tax withheld on wages), and

(2) section 32 (relating to tax withheld at source on nonresident aliens and foreign corporations and on tax-free covenant bonds).

SEC. 102. ITEMS SEPCIFICALLY INCLUDED IN GROSS INCOME.

(a) PRIZES AND AWARDS.—Section 74 (relating to prizes and awards) is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"Gross income includes amounts received as prizes and awards."

(b) GROUP-TERM LIFE INSURANCE PURCHASED FOR EMPLOYEES.—Subsection (a) of section 79 (relating to group term life insurance purchased for employees) is amended to read as follows:

"(a) GENERAL RULE.—There shall be included in the gross income of an employee for the taxable year an amount equal to the cost of group-term life insurance on his life provided for part or all of such year under a policy (or policies) carried directly or indirectly by his employer (or employers)."

(c) UNEMPLOYMENT COMPENSATION.—Subsection (a) and (b) of section 85 (relating to unemployment compensation) are amended to read as follows:

"(a) IN GENERAL.—Gross income includes unemployment compensation."

SEC. 103. ITEMS SPECIFICALLY EXCLUDED FROM GROSS INCOME.

Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by striking out all sections thereof other than—

(1) section 102 (relating to gifts and inheritances) and

(2) section 115 (relating to income of States, municipalities, etc.).

SEC. 104. ITEMIZED DEDUCTIONS FOR INDIVIDUALS AND CORPORATIONS.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by striking out all sections thereof other than—

(1) section 161 (relating to allowance of deductions),

(2) section 162 (relating to trade or business expenses),

(3) section 165 (relating to losses),

(4) section 176 (relating to payments with respect to employees of certain foreign corporations),

(5) section 183 (relating to activities not engaged in for profit),

(6) section 189 (relating to amortization of real property construction period interest and taxes), and

(7) section 192 (relating to contributions to Black Lung Benefit Trust).

(b) AMENDMENTS TO TRADE OR BUSINESS EXPENSE DEDUCTION.—

(1) REPEAL OF DEDUCTION FOR APPEARANCES, ETC., WITH RESPECT TO LEGISLATION.—Subsection (e) of section 162 (relating to appearances, etc., with respect to legislation) is hereby repealed.

(2) REPEAL OF PARTIAL DEDUCTION FOR TREBLE DAMAGE PAYMENTS UNDER THE ANTITRUST LAWS.—Subsection (g) of section 162 (relating to treble damage payments under the antitrust laws) is amended by striking out "two-thirds of".

(c) NO DEDUCTION FOR WAGERING LOSSES.—Subsection (d) of section 165 (relating to wagering losses) is amended to read as follows:

"(d) WAGERING LOSSES.—No deduction shall be allowed for losses from wagering transactions."

SEC. 105. ADDITIONAL ITEMIZED DEDUCTIONS FOR INDIVIDUALS.

Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by striking out all sections thereof other than—

(1) section 211 (relating to allowance of deductions),

(2) section 212 (relating to expenses for production of income), and

(3) section 215 (relating to alimony, etc., payments).

SEC. 106. SPECIAL DEDUCTIONS FOR CORPORATIONS.

Part VIII of subchapter B of chapter 1 (relating to special deductions for corporations) is hereby repealed.

SEC. 107. ITEMS NOT DEDUCTIBLE.

(a) CERTAIN CAPITAL EXPENDITURES NOT DEDUCTIBLE.—Section 263 (relating to denial deduction for certain capital expenditures) is amended by striking out—

(1) subsection (c) (relating to intangible drilling and development costs in the case of oil and gas wells and geothermal wells), and

(2) subsection (d) (relating to expenditures in connection with certain railroad rolling stock).

(b) DISALLOWANCE OF CERTAIN ENTERTAINMENT, ETC., EXPENSES.—

(1) IN GENERAL.—Subsection (a) of section 274 is amended to read as follows:

"(a) ENTERTAINMENT, AMUSEMENT, OR RECREATION.—No deduction otherwise allowable under this chapter shall be allowed for any item—

"(1) ACTIVITY.—With respect to an activity which is of a type generally considered to constitute entertainment, amusement, or recreation, or

"(2) FACILITY.—With respect to a facility used in connection with an activity referred to in paragraph (1)."

(2) REPEAL OF SPECIFIC EXEMPTIONS.—Subsection (e) of section 274 (relating to specific exemptions to application of subsection (a)) is hereby repealed.

SEC. 108. DENIAL OF DEDUCTION FOR EMPLOYER CONTRIBUTIONS TO PENSION PLANS.

Section 404 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan) is amended to read as follows:

"SEC. 404. NO DEDUCTION FOR CONTRIBUTIONS OF AN EMPLOYER TO AN EMPLOYEES' TRUST ON ANNUITY PLAN OR COMPENSATION UNDER A DEFERRED-PAYMENT PLAN.

"If contributions are paid by an employer to or under a stock bonus, pension, profit-sharing, or annuity plan, or if compensation is paid or accrued on account of any employee under a plan deferring the receipt of such compensation, such contributions or compensation shall not be deductible under this chapter."

SEC. 109. REPEAL OF SPECIAL TREATMENT OF CERTAIN INSURANCE COMPANIES.

(a) INSURANCE COMPANIES SUBJECT TO CORPORATE TAX.—Subsection (c) of section 11 (relating to exceptions from corporate income tax) is amended by striking out paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(b) REPEAL OF SPECIAL RULES RELATING TO BANKING INSTITUTIONS.—Subchapter H of chapter 1 (relating to banking institutions) is hereby repealed.

SEC. 110. REPEAL OF DEPLETION DEDUCTION, ETC.

Subchapter I of chapter 1 (relating to natural resources) is hereby repealed.

SEC. 111. REPEAL OF DEDUCTION FOR NET CAPITAL GAIN.

Part I of subchapter P of chapter 1 (relating to treatment of capital gains) is hereby repealed.

TITLE II.—INCOME TAX RATE REDUCTIONS, ETC.

SEC. 201. INDIVIDUAL INCOME TAX RATE REDUCTIONS.

Subsections (a), (b), (c), and (d) of section 1 (relating to tax imposed on individuals) are amended to read as follows:

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $3,700	No tax.
Over $3,700 but not over $25,000	0 plus 15% of excess over $3,700.
Over $25,000 but not over $50,000	$3,195 plus 30% of excess over $25,000.
Over $50,000 but not over $70,000	$10,695 plus 50% of excess over $50,000.
Over $70,000	$20,695 plus 65% of excess over $70,000.

"(b) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES) AND MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of—

"(1) every individual (other than a surviving spouse as defined in section 2(a)) who is not a married individual (as defined in section 143), and

"(2) every married individual (as so defined) who does not make a single return jointly with his spouse under section 6013,

a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,500	No tax.
Over $2,500 but not over $12,500	0 plus 15% of excess over $2,500.
Over $12,500 but not over $30,000	$1,500 plus 30% of excess over $12,500.
Over $30,000 but not over $50,000	$6,850 plus 50% of excess over $30,000.
Over $50,000	$16,750 plus 65% of excess over $50,000.

SEC. 202. CORPORATE INCOME TAX RATE REDUCTIONS.

Subsection (b) of section 11 (relating to amount of corporate income tax) is amended to read as follows:

"(b) AMOUNT OF TAX.—The amount of the tax imposed by subsection (a) shall be the sum of—

"(1) 3 percent of so much of the taxable income as does not exceed $50,000;

"(2) 6 percent of so much of the taxable income as exceeds $50,000 but does not exceed $100,000;

"(3) 9 percent of so much of the taxable income as exceeds $100,000 but does not exceed $150,000;

"(4) 12 percent of so much of the taxable income as exceeds $150,000 but does not exceed $200,000; plus

"(5) 15 percent of so much of the taxable income as exceeds $200,000."

SEC. 203. INCOME TAX CREDIT FOR PERSONAL EXEMPTIONS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 32 the following new section:

"SEC. 33. PERSONAL EXEMPTION.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to—

"(1) $250 for the taxpayer,

"(2) $250 for the spouse of the taxpayer (unless such spouse files a separate return), and

(3) $250 for each dependent of the taxpayer—

"(A) whose gross income for the calendar year in which the taxable year of the taxpayer begins is less than $1,000, or

"(B) who is a child of the taxpayer and who (i) has not attained the age of 19 at the close of the calendar year in which the taxable year of the taxpayer begins, or (ii) is a student.

"(b) SPECIAL RULE AND DEFINITIONS.—For purposes of subsection (a)—

"(1) NO CREDIT FOR CERTAIN MARRIED DEPENDENTS.—No credit shall be allowed under subsection (a)(3) for any dependent who has made a joint return with his spouse under section 6013 for the taxable year beginning in the calendar year in which the taxable year of the taxpayer begins.

"(2) CHILD DEFINED.—The term 'child' means an individual who (within the meaning of section 152) is a son, stepson, daughter, or stepdaughter of the taxpayer.

"(3) STUDENT DEFINED.—The term 'student' means an individual who during each of 5 calendar months during the calendar year in which the taxable year of the taxpayer begins—

"(A) is a full-time student at an educational organization described in section 170(b)(1)(A)(ii); or

"(B) is pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of an educational organization described in section 170(b)(1)(A)(ii) or of a State or political subdivision of a State.

For purposes of this paragraph, references to section 170 shall be to such section as in effect before its repeal by the Income Tax Simplification Act of 1981."

(b) REPEAL OF DEDUCTION FOR PERSONAL EXEMPTIONS.—Section 151 (relating to allowance of deductions for personal exemptions) is hereby repealed.

TITLE III.—EFFECTIVE DATE

SEC. 301. EFFECTIVE DATE, ETC.

(a) EFFECTIVE DATE.—The amendments made by this Act shall apply to taxable years beginning after December 31, 1981.

(b) TECHNICAL AND CONFORMING CHANGES.—The Secretary of the Treasury or his delegate shall, as soon as practicable but in any event not later than 90 days after the date of the enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives a draft of any technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.●

□ 1215

ETHNIC CITIZENS ADVISORY COUNCILS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. RITTER) is recognized for 10 minutes.

Mr. RITTER. Mr. Speaker, yesterday a group of Lehigh Valley Ukrainian American women afforded me an opportunity to visit with two very special people, Dr. Nina Strokata-Karavanski and Nadia Svitlychny.

Dr. Nina Strokata-Karavanski, who was imprisoned in a Soviet Union labor camp for 4 years, shared her remarkable story with me. I might add that both of these women shared the unfortunate experience of imprisonment in Soviet labor camps.

She said it all started in 1949, when her husband was arrested for being a member of a Ukranian Nationalist Association and writing Zamizdat, the underground press. He was sentenced to 30 years. That began Strokata-Karavanski's long struggle to secure freedom for her husband.

She petitioned the Government and like her companion Nadia Svitlychny, wrote of her husband's plight for the underground press. In 1972, when the Soviet Government began staging mass arrests of Ukranian intellectuals and artists, these women fled to the Caucasus in the north for safety. Unfortunately, it was to no avail for the police were not long in catching them. No reason was given for Strokata-Karavanski's arrest but she is certain it stemmed from her fight on behalf of her husband. She spent 4 years at the labor camp before being released in December 1975. Four more years elapsed while she waited for her husband to complete his 30-year term. Today, after half a lifetime of waiting and hoping, the two have been reunited and reside in the United States.

The most tragic thing about the story that unfolded in my office yesterday was that for every one of these examples of abuse and incarceration by the Soviet Government that comes to light, there are countless others that we never even hear about.

Last week I met with a group of individuals who serve on my Ethnic Citizens Advisory Council in the Lehigh Valley, and I was once again impressed at the insight and understanding that these Americans have of world affairs, especially regarding the U.S. relationship with the Soviet Union and Communist-bloc countries.

I am saddened to hear some of the stories they tell, which for the most part are unheard, but nevertheless occur on a daily basis to thousands of innocent people whose only desire is a little freedom.

I would encourage my fellow Members of Congress to take the opportunity to seek out those individuals in their respective districts which have ethnic heritage and allow them through some mechanism to serve in an advisory capacity on both domestic and international issues. My actions in the Congress have benefited from the input I have received from my ethnic citizens advisory council and I am confident that many other Members would benefit similarly.

While the United States must continue to speak out constructively for oppressed peoples of the world, the U.S.S.R. is moving in the opposite direction. The Soviets need to be reminded that the Helsinki agreement redrew the boundaries of Eastern Europe in exchange for their guarantee that certain rights would be respected. We, and other Helsinki signatories, must continue to insist that the Soviets live up to their agreement. We must continue to speak out in a strong voice against the physical and personal abuses of individuals such as those courageous women who visited my office yesterday. For so many of those people, we and world opinion are the only hope they have. If we fail to speak out, they will be crushed and the price that so many have already paid will be for naught.

Mr. Speaker, I am hopeful that Congress and the American people will continue to speak up for the principles and values of personal dignity and freedom that this Nation has always stood for, and that other Members will see that in their own congressional districts there are voices of ethnic Americans who have a firm and clear understanding of what the problems are within the Soviet Union and the repressive acts against the Soviet Union's nationalities and Communist-bloc neighboring countries.

These ethnic advisory councils can serve to aid Members on domestic issues as well. For too long the voices of our ethnic American communities have been largely ignored, and these voices have many learning experiences on the major issues facing the Congress. Such an advisory council, however, in my own district ranges in its activities from commenting on the national and international issues to creating a cooperative group effort to foster tourism in our district related to ethnic affairs. Most importantly, it works cooperatively to retain the languages, the customs, and the traditions that serve so well as foundation stones for our own American heritage in our own American culture.

Mr. LEWIS. Mr. Speaker, will the gentleman yield?

Mr. RITTER. I yield to the gentleman from California.

Mr. LEWIS. I thank the gentleman for yielding. My colleague, the gentleman from Pennsylvania (Mr. RITTER), has spoken persuasively with intelligence and information and background that few in the House share with him. In a shrinking world these days we find so often that the membership tends to pay so much attention just to our domestic problems and do not recognize the significant importance of raising the ethnic minority voice as it is reflecting concerns that affect the entire world.

I think the House should be made aware of the contribution the gentleman has been making in this regard. His voice repeated so often on the floor has been of great significance to improve the understanding of the House of the importance of focusing

on ethnic minorities and their problems.

I rise today to share in the gentleman's remarks and congratulate him for not only his statement today but for the tremendous job he has done, and truly the outstanding leadership he has shown in the time he has been in the House.

Mr. RITTER. I thank the gentleman from California (Mr. LEWIS).

Mr. Speaker, I wish to close on the note that it is in the international arena where we can learn a great deal from our ethnic American communities to be sure, but the values that these communities bring to our domestic debate are also very important. These are values of family, of home, of community, of neighborhood, of religious institution. These values are so essential as we build the kind of country that we would like to have.

ALTERNATE BUDGET PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 10 minutes.

● Mr. ALEXANDER. Mr. Speaker, on Monday, April 6, 1981, House Budget Committee Chairman JIM JONES unveiled an alternative budget proposal which will result in a Federal deficit for 1982 which will be smaller by half than that projected by the Reagan administration.

In addition to providing adequate levels of funding for the programs for the needy, it also proposes the largest peacetime increase in defense spending in the history of the Nation.

In the debate on the House floor immediately following the revelation of Chairman JONES' proposals, some of our Republican colleagues registered criticism of the Budget Committee proposals, although most had neither heard the chairman's presentation nor studied the committee's budget document.

I commend the reading of both to all my colleagues, but especially to those who seemed eager at that time to dismiss it out-of-hand. Since I fervently believe the committee's proposals deserve strong bipartisan support in the House, I am submitting for the RECORD the text of Chairman JONES' remarks at his April 6 press conference:

STATEMENT OF JAMES R. JONES, CHAIRMAN, HOUSE BUDGET COMMITTEE, APRIL 6, 1981

At the outset, let me commend President Reagan and his Administration for compiling in a very short period of time a most historic budget document. Without their efforts, I would not be able to present a House Budget Committee chairman's mark today which dramatically changes Federal fiscal policy.

Dr. Arthur Burns in a newspaper column published Sunday reiterated what he has told me privately that the Administration program is an evolving one which should neither be condemned outright nor endorsed in full.

The chairman's mark attempts to follow Dr. Burns' advice. It is the product of hundreds of meetings, countless hours of hearings over the past three months.

The chairman's mark is guided by certain principles and goals—foremost among them an all-out effort to halt inflation. In that vein, I felt that reducing the size of the deficit was most important because the deficit is the signal to the financial markets about the seriousness of the government's intent to halt inflation. Our 1982 deficit is $24.6 billion, $25.8 billion below that of the Administration.

Second, I tried to implement in practice legislation which I introduced last year which starts us on a road toward permanent spending restraint by limiting Federal spending ultimately to 20 percent of Gross National Product. That first installment would cut Federal outlays to 22.5 percent of GNP. This budget meets that goal. My total spending recommendation is $713.5 billion, which is $4.3 billion below the Administration.

Third, I felt that tax policy should be targeted toward improving productivity and encouraging savings and investment. Our budget provides for a first full year tax cut of $50 billion which would more than offset the increases in payroll taxes and inflation. It would accommodate a tax bill that would widen tax brackets for middle income workers by 10 percent, expand Individual Retirement Accounts to all citizens, lower investment income to 50 percent (thus lowering maximum capital gains taxes to 20 percent), give relief against the marriage tax penalty, provide accelerated depreciation reform, and include other worthy tax proposals.

This budget also accommodates tax cuts in 1983 and 1984, but only if Congress and the Administration cut spending further in order to lower the deficit.

Fourth, I felt the halting inflation required consistent improvement in productivity. This means we must invest more in both capital resources and also human resources. Studies are very clear that investments in early childhood nutrition and basic education and training result in more productive adult citizens and reduce crime and delinquency. Therefore, the Chairman's Mark partially restores some of the cuts in basic education programs, skill training for jobs in the private sector, some health and nutrition programs for young and old, and support for those who are trying to replace welfare with work.

We also analyzed the Administration's recommendations and found that some of them would have had an inflationary rather than anti-inflationary impact, for example, the large Medicaid cuts would have had the effect of transferring much of the cost to the Medicare system which is already under pressure for a payroll tax increase. That would be more inflationary than the present financing of Medicaid. The large cuts in local education programs would have required hundreds of communities to raise property taxes which would result in a massive increase in the cost of housing. Therefore, we moderated cuts in both of these areas.

Finally, I was guided by my belief that our defense force should be second to none. However, we should demand of the Pentagon the same respect for efficient spending of tax dollars that we do of other agencies. Therefore, we have recommended some savings from military spending amounting to about $4 billion out of $194 billion. Even with that, our budget provides for more 1982 spending than originally proposed by the Administration. It allows for a 21 percent increase over the 1981 military budget authority. This is the largest peacetime increase in defense spending in the history of our Nation.

Let me also say here that I am disappointed that we could not reach agreement at this time on reform of our indexing system. I think that failure to deal with this haunting issue is the greatest shortcoming of the Administration's economic program. About half of the total Federal budget is increased automatically each year by indexing formulas which often overstate inflation and such indexing drives up deficits and fuels pressure on inflation. This Chairman's Mark calls for a bi-partisan Congressional leadership effort to reform indexing so that it can be implemented in Fiscal Year 1984. Failure to reform indexing then could mean the difference between our first balanced budget in 15 years or another Federal deficit.

Now for the numbers. These charts show a comparison of the Administration requests and the Chairman's Mark.

[Charts not printed in RECORD.]

This is a budget which meets the needs of America. It will fight inflation, promote investment, real growth and productivity. It will assist those who genuinely need help through no fault of their own. And it is fair to America's middle class.

We have put this budget together using real numbers. There are no magic tricks here. We have had the advantage of more timely economic data than the Administration had I believe and this two-month advantage has helped us project more accurately where this economy is and where it is going next year.

I have tried to construct a budget that is realistic and will stand the test of time. I have tried to arrange a budget that honestly could command bi-partisan support. I have worked on my fellow Democrats to support about three-fourths of the President's program. Just as we will support the President, I call upon my Republican colleagues to put aside partisan urges in order to pass swiftly this budget and get this new economic program underway.●

STUDY MISSION TO BRAZIL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

● Mr. ZABLOCKI. Mr. Speaker, it was my honor as chairman of the Foreign Affairs Committee to head a congressional delegation which went to Brazil during a Latin American trip in January of this year. A formal report on our visit and meetings with Brazilian leaders and others will be published shortly. In the meantime, I am pleased to state to the House on behalf of our entire delegation that we had a most informative and productive visit. The other delegation members were Representatives L. H. FOUNTAIN, BENJAMIN S. ROSENTHAL, CHARLES RANGEL, LARRY WINN, JR., and TENNYSON GUYER.

Brazil is, of course, a major partner of the United States in this hemisphere and indeed in the world. Brazil

is larger geographically than the continental United States. It has the world's eighth largest economy and vigorous growth under a free enterprise system. Its dynamic and diverse culture is widely admired. Its international political influence extends not only throughout the Americas but also in global forums.

The United States and Brazil of course have many common interests and concerns. Politically we share devotion to international peace and promotion of the quality of life of all people and beliefs in God and democracy rather than totalitarianism.

During our delegation's visit January 15–17, we focused particularly on economic issues. Brazil imports 85 percent of its oil and is pressing hard to develop alternative energy sources. An intensive interchange of ideas between Brazilian and U.S. scientists on this matter is, therefore, something of great interest, and I am pleased that it ranks high in official U.S. exchange priorities administered by the U.S. International Communication Agency.

The fact that both the United States and Brazil import large quantities of petroleum from the oil-producing countries of the Middle East also points up a mutual interest held by both countries in encouraging the peaceful resolution of any conflicts which might disrupt the normal course of commercial activity in that region. Naturally we should be greatly interested in any way we can to establish cooperation between the United States and Brazil on this concern.

In the important matter of trade we are seeing United States-Brazilian cooperation under the aegis of such mechanisms as GATT. Brazil's problems with high inflation and the need to reduce its foreign debt through exports should not prevent our two countries from pursuing the mutually beneficial aspects of exploring one another's markets. We are Brazil's largest trading partner and greatest source of investment capital, and we are proud of this involvement. American technology and capital can be key resources in the Brazilian effort to develop, modernize, and diversify its industry. The United States has steadily reduced barriers to international trade and welcomes fair competition on the international market.

The delegation is deeply indebted to a number of distinguished and outstanding Brazilian leaders for the success of our visit. We were received most graciously by Hon. Flavio Marcilio, President of the Chamber of Deputies; Foreign Minister Ramiro Sarivo Guerreiro; The Minister of Justice, Ibrahim Abi-Ackel; and the Governor of the State of Rio de Janeiro, Antonio Chagas Freitas, among others.

With regard to our meetings with Brazil's senior Parliamentarians, we regard such communication between our two Congresses to be a vital link in the free world's political processes. We take this opportunity to congratulate the Brazilians on the political liberalization now taking place, the "abertura" which invites their great nation to employ all of its vast energies within the context of democratic expression. As the Brazilian National Congress expands its legislative and political prerogatives, the establishment of direct communication between members of that body and American legislators can offer promising opportunities for two-way communication on shared democratic goals and ideas.

I was greatly pleased to be able to return the hospitality we received in Brazil when four Brazilian federal deputies recently visited Washington. The four federal deputies met with members of the Foreign Affairs Committee on February 4, for over 2 hours of a very stimulating and free conversation. Our Brazilian guests were Hon. Waldmir Belinati, Hon. Heitor Furtado, Hon. Julio Martins, and Hon. Edson Vidigal.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PICKLE following all other special orders today to address the House for 15 minutes on the subject of social security.

Mr. RITTER, for 10 minutes, today.

(The following Members (at the request of Mr. DYSON), to revise and extend their remarks, and to include extraneous matter:)

Mr. RUSSO, for 5 minutes, today.

Mr. WILLIAM J. COYNE, for 5 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. LEVITAS, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. FARY, for 5 minutes, today.

Mr. LAFALCE, for 10 minutes, today.

Mr. GIBBONS, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

(The following Members (at the request of Mr. PICKLE), to revise and extend their remarks, and to include extraneous matter:)

Mr. ALEXANDER, for 10 minutes, today.

Ms. FERRARO, for 5 minutes, today.

Mr. ZABLOCKI, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HENDON), and to include extraneous matter:)

Mr. GREEN in two instances.

Mr. WOLF in two instances.

Mr. BEARD.

Mr. LENT.

Mrs. SCHNEIDER.

Mr. FIELDS.

Mr. ERLENBORN.

Mr. MICHEL.

Mr. MCCLORY.

Mr. BEREUTER.

Mr. DERWINSKI in four instances.

Mr. DICKINSON in two instances.

Mr. HYDE.

Mr. RUDD.

Mr. COATS.

Mr. THOMAS.

Mr. JEFFRIES.

Mr. DOUGHERTY.

Mr. ROBERTS of South Dakota.

(The following Members (at the request of Mr. DYSON), and to include extraneous matter:)

Mr. BEDELL in two instances.

Mr. BLANCHARD.

Mr. FAUNTROY.

Mr. ECKART.

Mr. WILLIAMS of Montana.

Mr. FLORIO.

Mr. ROSENTHAL.

Mr. MCDONALD.

Mr. SOLARZ.

Mr. HAWKINS in three instances.

Mr. PEPPER.

Mr. WEISS.

Mr. GAYDOS.

Mr. CONYERS.

Mr. PICKLE.

Mr. BONKER in two instances.

Mr. JONES of Tennessee.

ADJOURNMENT

Mr. PICKLE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 25 minutes p.m.), the House adjourned until tomorrow, Friday, April 10, 1981, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1071. A letter from the Deputy Secretary of Agriculture, transmitting a draft of proposed legislation to provide price support and production adjustment incentives for farmers in order to assure the availability of an abundance of food and fiber, and for other purposes; to the Committee on Agriculture.

1072. A letter from the Acting Under Secretary of Defense (Research and Engineering), transmitting an annual report on the status of the Defense Industrial Reserve, pursuant to section 5 to the Defense Industrial Reserve Act of 1948, as amended (87 Stat. 618); to the Committee on Armed Services.

1073. A letter from the Military Executive, U.S. Air Force, transmitting the annual report of the Reserve Forces Policy Board, pursuant to 10 U.S.C. 133(c)(3), together with a report on the Readiness Assessment of the Reserve Components for fiscal year 1980; to the Committee on Armed Services.

1074. A letter from the Board of Directors, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction involving nuclear facilities with Mexico, pursuant to section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

1075. A letter from the Chairman, National Council on Educational Research, transmitting notice of delay of the annual report, pursuant to section 405(c)(3) of the General Education Provisions Act; to the Committee on Education and Labor.

1076. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the quarterly report on foreign military sales as of December 31, 1980, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1077. A letter from the Acting Director, Defense Security Assistance Agency, transmitting addenda to the quarterly report on foreign military sales as of December 31, 1980, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1078. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the National Advisory Committee on Oceans and Atmospheric Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal year 1982, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1079. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a draft of proposed legislation to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PRICE: Committee on Armed Services. H.R. 2614. A bill to authorize supplemental appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles and for research, development, test, and evaluation for the Armed Forces and to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for fiscal year 1981; with amendment (Rept. No. 97-20). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 3172. A bill to authorize loans at interest rates in excess of certain State usury ceilings; to the Committee on Banking, Finance and Urban Affairs.

By Mr. AuCOIN (for himself, Mr. FRENZEL, Mr. ALEXANDER, Mr. BROWN of Ohio, Mr. LaFALCE, Mr. LOWRY of Washington, Mr. GIBBONS, Mr. LONG of Louisiana, Mr. HAMILTON, Mr. SIMON, Mr. STANTON of Ohio, Mr. DERWINSKI, Mr. BONKER, Mr. NEAL, Mr. RICHMOND, Mr. PRITCHARD, Mr. MOAKLEY, Mr. WILLIAMS of Montana, Mr. AKAKA, Mr. BENJAMIN, Mr. EVANS of Georgia, Mr. MURPHY, Mr. HUGHES, Mr. MINETA, Mr. HORTON, Mr. MOLLOHAN, Mr. FORSYTHE, and Mr. SAWYER):

H.R. 3173. A bill to establish a national export policy for the United States, jointly, to the Committees on Agriculture, Banking, Finance and Urban Affairs, Foreign Affairs, Energy and Commerce, the Judiciary, Small Business, and Ways and Means.

By Mr. BAILEY of Pennsylvania:

H.R. 3174. A bill to amend the Internal Revenue Code of 1954 to make changes in the investment tax credit with respect to certain industries and to provide for the refundability of investment tax credit with respect to certain industries; to the Committee on Ways and Means.

By Mr. ZABLOCKI (for himself and Mr. DERWINSKI) (by request):

H.R. 3175. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize development and security assistance programs for fiscal year 1982, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ZABLOCKI (for himself and Mr. BROOMFIELD) (by request):

H.R. 3176. A bill to authorize appropriations for the Peace Corps, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BOWEN (for himself, Mr. THOMAS, Mr. HUCKABY, Mr. COELHO, Mr. HATCHER, Mr. JONES of Tennessee, Mr. WHITLEY, Mr. ENGLISH, Mr. EMERSON, and Mr. NAPIER):

H.R. 3177. A bill to extend and amend the Food and Agriculture Act of 1977 for the purpose of assuring adequate supplies of upland cotton and its products to meet food and fiber needs of consumers at reasonable prices; to the Committee on Agriculture.

By Mr. BOWEN (for himself and Mr. LOWRY of Washington):

H.R. 3178. A bill to authorize appropriations for fiscal years beginning October 1, 1981, for the maintenance and operation of the Panama Canal, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DYSON (for himself and Mr. ROSE):

H.R. 3179. A bill to amend the Agricultural Adjustment Act of 1938 with respect to tobacco marketing quotas; to the Committee on Agriculture.

By Mr. FINDLEY:

H.R. 3180. A bill to provide price support and production adjustment incentives for farmers in order to assure the availability of an abundance of food and fiber, and for other purposes; to the Committee on Agriculture.

By Mr. PANETTA:

H.R. 3181. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification and reform; to the Committee on Ways and Means.

By Mr. DYMALLY:

H.R. 3182. A bill to amend the Comprehensive Employment and Training Act to provide a career intern program to encourage school districts and Opportunities Industrialization Centers, and other community-based organizations of demonstrated effectiveness, to carry out programs to improve the educational employment opportunity for youths; to the Committee on Education and Labor.

By Mr. COLLINS of Texas:

H.R. 3183. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to prohibit the Secretary of Transportation from requiring motor vehicle manufacturers to install automatic restraint protection systems in motor vehicles; to the Committee on Energy and Commerce.

By Mr. COLLINS of Texas (for himself and Mr. BLILEY):

H.R. 3184. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to prohibit the Secretary of Transportation from requiring motor vehicle manufacturers to install automatic occupant restraint protection systems in motor vehicles; to the Committee on Energy and Commerce.

By Mr. ERLENBORN (for himself and Mr. JOHNSTON):

H.R. 3185. A bill to amend the Contract Work Hours and Safety Standards Act and the Walsh-Healey Act to permit employees, to whom such acts apply, to work any combination of hours in a 40-hour workweek; jointly, to the Committees on Education and Labor and the Judiciary.

By Mr. FOWLER (for himself, Mr. HANCE, Mr. ARCHER, and Mr. BAFALIS):

H.R. 3186. A bill to amend the Internal Revenue Code of 1954 to allow the investment tax credit against the alternative minimum tax; to the Committee on Ways and Means.

By Mr. GUARINI:

H.R. 3187. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit discrimination against individuals because they are handicapped, and for other purposes; to the Committee on Education and Labor.

H.R. 3188. A bill to provide Federal financial assistance to States for programs to identify women who received diethylstilbestrol (DES) while pregnant and the children of such women, to establish a voluntary registry of such women and children, to provide screening of such women and children for cancer related to such drug, and to provide information respecting the health hazards of such drug; to the Committee on Energy and Commerce.

H.R. 3189. A bill to amend title XVI of the Social Security Act to permit States to replace supplementary payments with vendor payments on behalf of residents of certain facilities, and for other purposes; to the Committee on Ways and Means.

H.R. 3190. A bill to reestablish the Reconstruction Finance Corporation and to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for certain amounts of employer and employee social security taxes paid in 1981 and an equivalent refundable credit for individuals who do not benefit from the tax credit for social security taxes paid; jointly, to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

H.R. 3191. A bill to amend the Internal Revenue Code of 1954 to exempt conventions, et cetera, held on cruise ships documented under the laws of the United States

from certain rules relating to foreign conventions; to the Committee on Ways and Means.

By Mr. HANCE:

H.R. 3192. A bill to amend the Internal Revenue Code of 1954 to allow a deduction equal to 130 percent of the amount actually paid or incurred for electricity, natural gas, and LPG used on a farm for farming purposes; to the Committee on Ways and Means.

H.R. 3193. A bill to amend the Internal Revenue Code of 1954 to provide a maximum individual income tax rate of 50 percent; to the Committee on Ways and Means.

By Mr. HEFNER:

H.R. 3194. A bill to amend title 18, United States Code, to regulate polygraph and other detection of deception examinations and prohibit certain practices with respect thereto for the purpose of protecting the privacy rights of employees and individuals seeking employment with employers engaged in any business or activity in or affecting interstate commerce while permitting such employers to use such examinations to protect their businesses and control property losses attributable to employee theft and other acts of misconduct; to the Committee on the Judiciary.

By Mr. HOWARD (for himself and Mr. CLAUSEN) (by request):

H.R. 3195. A bill to amend the act approved August 8, 1972, Public Law 92-367 "to authorize the Secretary of the Army to maintain and update periodically the National Inventory of Dams"; to the Committee on Public Works and Transportation.

H.R. 3196. A bill to authorize the Secretary of the Army to undertake further engineering and design of water resources development projects upon transmittal of a report to Congress recommending implementation of such projects; to the Committee on Public Works and Transportation.

By Mr. HOWARD (for himself, Mr. CLAUSEN, Mr. ANDERSON, and Mr. SHUSTER) (by request):

H.R. 3197. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, to amend the Highway Safety Act of 1966 to authorize appropriations, and for other purposes; jointly, to the Committees on Public Works and Transportation and Ways and Means.

By Mr. HYDE:

H.R. 3198. A bill to amend the Voting Rights Act of 1965; to the Committee on the Judiciary.

By Mr. JONES of Tennessee:

H.R. 3199. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to establish a procedure for zero-base review of Government programs every 5 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. RODINO (for himself, Mr. AKAKA, Mr. BARNES, Mr. BEILENSON, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. PHILLIP BURTON, Mrs. CHISHOLM, Mr. CLAY, Mr. DELLUMS, Mr. DOWNEY, Mr. EDGAR, Mr. EDWARDS of California, Mr. FASCELL, Mr. FAUNTROY, Mr. GRAY, Mr. GREEN, Mr. GUARINI, Mr. LEHMAN, Mr. MCCLOSKEY, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. OTTINGER, Mr. RANGEL, Mr. RICHMOND, Mr. ROSENTHAL, Mr. SCHEUER, Mrs. SCHNEIDER, Mr. SEIBERLING, Mr. SOLARZ, Mr. STARK, Mr. STOKES, Mr. STUDDS, Mr. WAXMAN, Mr. WEISS, and Mr. YATES):

H.R. 3200. A bill to amend chapter 44 title 18 of the United States Code to control handgun crime; to the Committee on the Judiciary.

By Mr. MCCLORY:

H.R. 3201. A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1982, and for other purposes; to the Committee on the Judiciary.

By Mr. MARRIOTT (for himself, Mr. MCDADE, Mr. STANTON of Ohio, Mr. BROOMFIELD, Mr. WILLIAMS of Ohio, Mrs. SNOWE, Mr. DANIEL B. CRANE, Mr. HILER, Mr. STATON of West Virginia, Mr. DAUB, Mr. SMITH of New Jersey, Mr. WEBER of Minnesota, Mr. DREIER, Mr. ROTH, Mr. HANSEN of Utah, Mr. PAUL, and Mr. COATS):

H.R. 3202. A bill to amend the Small Business Act and the Internal Revenue Code of 1954 to provide tax incentives for small business; to the Committee on Ways and Means.

By Ms. OAKAR:

H.R. 3203. A bill to amend the Older Americans Act of 1965 to require States to provide assistance to older persons with limited English-speaking ability for the purpose of enabling such older persons to participate in programs and receive benefits under the act; to the Committee on Education and Labor.

By Mr. OBERSTAR:

H.R. 3204. A bill to amend the Internal Revenue Code of 1954 to allow the residential energy credit and the investment tax credit for certain property which enables the taxpayer to use hot or cold water or steam provided by a district heating or cooling system; to the Committee on Ways and Means.

H.R. 3205. A bill to provide for an accelerated program of assistance to small- or medium-sized municipalities for research and development and other assistance respecting district heating and cooling systems; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy Commerce.

By Mr. PEPPER:

H.R. 3206. A bill to provide for grants to localities for their reasonable humanitarian and administrative expenses related to the presence of illegal aliens within their jurisdictions; to the Committee on the Judiciary.

By Mr. PICKLE:

H.R. 3207. A bill to amend title II of the Social Security Act to improve and strengthen the financing of the old-age, survivors, and disability insurance program, to modify selected provisions relating to eligibility and benefit amounts in order to eliminate unnecessary or unintended costs while promoting the program's legitimate objectives, and for the purposes; to the Committee on Ways and Means.

By Mr. UDALL (for himself, Mr. RHODES, Mr. RUDD, and Mr. STUMP):

H.R. 3208. A bill to amend the Reclamation Safety of Dams Act of 1978, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WAXMAN (for himself and Mr. MADIGAN):

H.R. 3209. A bill to amend the Controlled Substances Act to establish a temporary program under which heroin would be made available through qualified hospital pharmacies for the relief of pain of cancer patients; to the Committee on Energy and Commerce.

By Mr. GREEN (for himself, Mr. ADDABBO, Mr. ARCHER, Mr. ATKINSON, Mr. AUCOIN, Mr. BARNES, Mr. BEILENSON, Mr. BIAGGI, Mr. BINGHAM, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. COLLINS of Texas, Mr. CONTE, Mr. CORCORAN, Mr. CORRADA, Mr. DANIEL B. CRANE, Mr. DOWNEY, Mr. DWYER, Mr. EDGAR, Mr. EDWARDS of California, Mr. FAUNTROY, Mrs. FENWICK, Mr. FISH, Mr. FLORIO, Mr. FOGLIETTA, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. GOLDWATER, Mr. GUYER, Mr. HARKIN, Mrs. HECKLER, Mr. HEFTEL, Mrs. HOLT, Mr. HOWARD, Mr. KEMP, Mr. KILDEE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEBOUTILLIER, Mr. LEHMAN, Mr. LENT, Mr. LONG of Maryland, Mr. LOWERY of California, Mr. LUNGREN, Mr. MARKEY, Mr. MCDADE, Mr. MCDONALD, Mr. MCGRATH, Mr. MCHUGH, Mr. MCKINNEY, Mr. MINETA, Mr. MOAKLEY, Mr. MOORE, Mr. MURPHY, Mr. OBERSTAR, Mr. OTTINGER, Mr. PEPPER, Mr. PEYSER, Mr. RANGEL, Mr. RICHMOND, Mr. RITTER, Mr. ROE, Mr. ROSENTHAL, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SIMON, Mr. SMITH of New Jersey, Mr. SOLARZ, Mr. TRAXLER, Mr. WAXMAN, Mr. WEISS, Mr. WILLIAMS of Ohio, Mr. WIRTH, Mr. WORTLEY, Mr. WYDEN, and Mr. YATES:

H.J. Res. 230. Joint resolution imploring the Union of Soviet Socialist Republics to allow Dr. Semyon Gluzman and his family to emigrate to Israel; to the Committee on Foreign Affairs.

By Mr. PEPPER:

H.J. Res 231. Joint resolution designating February 1982 as "American History Month"; to the Committee on Post Office and Civil Service.

H.J. Res. 232. Joint resolution to authorize the President to issue a proclamation designating the week beginning on July 4, 1983, as "National Unity Week"; to the Committee on Post Office and Civil Service.

By Mr. DERWINSKI (for himself and Mr. BROOMFIELD):

H. Con. Res. 112. Concurrent resolution expressing the sense of the Congress with respect to the United States making full use of its potential to improve the effectiveness of the Voice of America, Radio Free Europe, and Radio Liberty; to the Committee on Foreign Affairs.

Mr. FAUNTROY:

H. Con. Res. 113. Concurrent resolution revising the congressional budget for the U.S. Government for fiscal year 1981 and setting forth the congressional budget for the U.S. Government for fiscal year 1982; to the Committee on the Budget.

Mr. WON PAT:

H. Con. Res. 114. Concurrent resolution relating to self-determination for the people of Guam; to the Committee on Interior and Insular Affairs.

Mr. WRIGHT:

H. Res. 127. Resolution authorizing the printing of a collection of statements in tribute to the late Representative Olin E. Teague; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

36. The SPEAKER presented a memorial of the Senate of the State of Hawaii, relative to Federal regulations on meat and

poultry products, which was referred to the Committee on Agriculture.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 15: Mr. JEFFRIES.

H.R. 27: Mr. APPLEGATE, Mr. BAILEY of Missouri, Mr. BREAUX, Mr. DANIEL B. CRANE, Mr. DENARDIS, Mr. FITHIAN, Mr. HERTEL, Mr. LEACH of Iowa, Mr. SKEEN, Mr. STANTON of Ohio, Mr. DASCHLE, and Mr. FOWLER.

H.R. 44: Mr. MILLER of Ohio.

H.R. 182: Mr. EMERY.

H.R. 248: Mr. WON PAT and Mr. BEDELL.

H.R. 334: Mr. MCCURDY.

H.R. 835: Mr. MINETA, Mrs. HECKLER, Ms. OAKAR, and Mr. STUDDS.

H.R. 845: Mr. STANTON of Ohio, Mr. NOWAK, Mr. BENJAMIN, Mr. HERTEL, Mr. MOTTL, Ms. OAKAR, Mr. ZABLOCKI, Mr. SAVAGE, Mr. STOKES, Mr. STANGELAND, and Mr. ECKART.

H.R. 1005: Mr. SPENCE and Mr. WINN.

H.R. 1321: Mr. PEPPER.

H.R. 1400: Mr. HUTTO.

H.R. 1501: Mr. PEPPER.

H.R. 1502: Mr. PEPPER.

H.R. 1643: Mr. SCHEUER, Mr. BADHAM, Mr. GUYER, Mr. LEBOUTILLIER, Mr. LOWERY of California, Mr. STUMP, Mr. TAUKE, Mr. BROYHILL, MR. HUBBARD, and Mr. MILLER of Ohio.

H.R. 1960: Mr. HOLLAND and Mr. MCKINNEY.

H.R. 2123: Mr. PEPPER.

H.R. 2262: Mr. GUNDERSON and Mr. SEIBERLING.

H.R. 2265: Mr. SHELBY.

H.R. 2451: Mr. MURPHY and Mr. MORRISON.

H.R. 2533: Mr. BURGENER, Mr. GOODLING, Mr. JAMES K. COYNE, Mr. STENHOLM, Mr. EVANS of Georgia, and Mr. GINGRICH.

H.R. 2556: Mr. STUMP and Mr. MILLER of Ohio.

H.R. 2788: Mr. BAILEY of Missouri, Mr. BUTLER, Mr. COELHO, Mr. CORCORAN, Mr. CORRADA, Mr. DAVIS, Mr. DIXON, Mr. GOODLING, Mr. GRISHAM, Mr. GUYER, Mrs. HOLT, Mr. HORTON, Mr. HUCKABY, Mr. JEFFORDS, Mr. JOHNSTON, Mr. LOTT, Mr. LUNGREN, Mr. MINETA, Mr. O'BRIEN, Mr. PATTERSON, Mr. PETRI, Mr. ROSE, Mr. TAYLOR, Mr. VENTO, Mr. WHITEHURST, Mr. WHITTAKER, and Mr. WINN.

H.R. 2878: Mr. JONES of Tennessee, Mr. ENGLISH, and Mr. NAPIER.

H.J. Res. 128: Mr. DWYER and Mr. MARRIOTT.

H.J. Res. 214: Mr. CHAPPELL, Mr. DANIEL B. CRANE, Mr. PHILIP M. CRANE, Mr. ERTEL, Mr. HAMMERSCHMIDT, Mr. NEAL, Mr. SIMON, Mr. TRAXLER, and Mr. ZABLOCKI.

H. Con. Res. 88: Mr. PATTERSON and Mr. FAZIO.

EXTENSIONS OF REMARKS

HOW THE FARM CREDIT AMENDMENTS WILL HELP AGRICULTURAL BANKS

HON. ED JONES
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. JONES of Tennessee. Mr. Speaker, the Farm Credit Act Amendments of 1980 was one of the major legislative efforts in the agricultural area that was approved by the House Agriculture Committee and the Congress last year. On March 24, Governor Donald E. Wilkinson of the Farm Credit Administration spoke to the Las Vegas Convention of the Independent Bankers Association of America, on the subject of "How the Farm Credit Amendments Will Help Agricultural Banks." The text of Governor Wilkinson's remarks follows:

HOW THE FARM CREDIT AMENDMENTS WILL HELP AGRICULTURAL BANKS

I appreciate the opportunity to speak before you today. When Tom Bolger, your president invited me to talk before this convention, I accepted gladly, because our organizations have a mutual concern . . . the concern of providing credit to agriculture. It's the primary business of the Farm Credit System and an important portion of your business.

During our recent effort to amend and update the Farm Credit Act of 1971, your leadership demonstrated confidence and pragmatism in recognizing that the legislation was moving to enactment and in maintaining a position that was in the best interest of your membership. We in the Farm Credit Administration and the System recognize and applaud their fine efforts on your behalf.

During the year and a half that we worked on our legislative package, we had to deal with a lot of confusion, misunderstanding and misinterpretation of the 1980 Farm Credit Act Amendments. Quite a bit of misinformation was published. The leadership of your organization met with us on numerous occasions. They raised questions and expected straightforward answers. And we did the same with them. That's the kind of working relationship we developed. And I'm going to adhere to those ground rules in my comments to you today.

My assignment is to talk about "How the Farm Credit Amendments Will Help Agricultural Banks." And, since we have a straightforward relationship, there is one point that I want to make here, right in the beginning.

The business of the Farm Credit System is not to help agricultural banks.

Its business . . . its only business . . . and here I'd like to quote the mandate from Congress as stated in the Farm Credit Act of 1971 . . . the business of the Farm Credit System is to improve ". . . the income and well-being of American farmers and ranchers by furnishing sound, adequate, and constructive credit and closely related services to them, their cooperatives, and to selected farm-related businesses necessary for efficient farm operations."

In some cases, serving the credit needs of agriculture means channeling some of the funds through commercial banks. And some of the changes brought about by the 1980 Amendments to the Farm Credit Act of 1971 will make it easier for the System to serve agriculture through your institutions.

With that understanding let's look at how the Farm Credit System and agricultural banks can work together to help agriculture, since helping agriculture is our common objective. You're here today to determine what this means to your banks in light of the recently passed Farm Credit Amendment . . . and that's what I'm going to talk about.

FCA is now in the early stages of implementing Public Law 96-592. By early stages, I mean that we have drafted our regulations and have presented the more complex and controversial sections to our Federal Farm Credit Board at its last meeting in early February. At the Federal Board's direction, we have now sent copies of the regulations to the 37 banks and boards of the Farm Credit System and to other "interested parties" for comment. The IBAA is one of those "interested parties" and we've received some constructive comments from your leadership regarding certain areas which they want us to take into consideration as the regulations are developed and finalized. We expect and appreciate this kind of participation. And although we may have to draw lines in some areas because of the limitations of our authority or for some other reason, I want you to know that we are in continuing communication with your leaders.

At this point, I would like to set the stage by reviewing the specifics of the key amendments to the 1971 Act affecting the working relationship between IBAA and the Farm Credit System.

The OFI provision is the amendment that you are most interested in. It is one of the major modifications to the Farm Credit Act of 1971, because it significantly expands the access of other financial institutions to the Federal Intermediate Credit Bank (FICB) discount window.

I'm sure you recall the debate that centered on this amendment. Opponents argued that the amendment restricted rather than expanded discount window access. Actually, what this amendment does for the first time is define what the access will be.

Let's take a step back in FICB history to see what the precedents were that established the pattern for discount window access before the 1980 Amendments.

Actually, the FICBs were originally chartered in 1923 to discount agricultural paper for commercial banks and other lending institutions (OFIs). However, this banking authority never achieved its intended purpose of making short-term credit more readily available to farmers. For one reason or another, commercial banks and other lending institutions did not avail themselves of the authority.

As a consequence, the Production Credit Associations (PCAs) were established in 1933 to distribute the discounted funds to farmers. But even though PCAs were established to fill the void left by the commercial banking industry, the FICB authority to provide a source of credit to other financial institutions significantly committed to financing agriculture remained intact.

As time went on, the banking industry showed only sporadic interest in accessing the discount privilege. Demand on the system was heavy when money was tight and bank loan-to-deposit ratios were temporarily high. This, of course, stressed the Farm Credit System's funding mechanisms at their most vulnerable times. This stress during vulnerable periods forced the Farm Credit System to develop and administer certain requirements for access to the FICB discount window.

I am neither pointing a finger at commercial banks nor condoning the past actions of the Farm Credit System. Rather, my intention is to review the past in an effort to shed some light on the circumstances in which the agricultural banks and the Farm Credit System found themselves last year.

Returning to the OFI aspect of the 1980 Amendments, the law sets forth four conditions for granting commercial banks access to the FICB discount window.

First, the commercial bank or OFI must be significantly involved in farm lending.

Second, the bank must have a continuing need for a supplementary source of funds to meet the needs of its agricultural borrowers.

Third, the bank must have only limited access to regional or national capital markets.

And fourth, the bank may not use the FICB services to expand financing to persons or for purposes other than those authorized in the 1971 Act.

The basic thrust of the regulations will be to: (1) assure equitable OFI access; (2) protect the System against misuse; and (3) eliminate inconsistencies among the districts.

Now let's look at the provisions of the draft OFI regulations. Under the draft regulations, OFI eligibility criteria are clearly defined, as contrasted with the current regulations in which the criteria are general, nonspecific, and lend themselves to either a very broad or very narrow interpretation . . . depending on your point of view. Opponents to the new law have argued that the old law and regulations should have been retained, and the Farm Credit System forced to open the FICB discount window to all commercial banks.

However, precedents have established a narrow interpretation of the old law. The 1980 amendment guarantees access to the FICB discount window by qualified agricultural lenders, and new regulations are needed to more specifically define that access.

Changes that the draft eligibility regulations would make are:

1. Lowering the volume of agricultural loans required to establish eligibility from 25 to 15 percent of the total loan portfolio.
2. Changing the required loan-to-deposit ratio from 65 to 60 percent.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

3. Restricting access to the FICB discount window to banks or affiliates which have only limited access to national or regional money markets.

In addition, a new section in the proposed regulations establishes appeal rights for rejected applicants. The Farm Credit Administration, the Federal regulatory Agency for the System, will have responsibility for reviewing appealed decisions on a case-by-case basis.

We believe this eligibility section is a very important part of the draft regulations, because it helps fulfill the congressional mandate to open the FICB discount window to qualified agricultural lenders. We also feel that this will satisfy those who have felt that access to the discount window was arbitrarily determined in the past.

Since the text of the complete OFI regulations runs about 20 pages, we cannot get into a detailed discussion of all the sections in my allotted time. This we will do this afternoon as we meet with your Agricultural Division.

However, I do wish to mention another significant provision of the OFI amendment which is favorable to commercial banks. The provision to which I refer will level the playing field by granting OFIs the authority to discount with the FICB for the same types of loans that PCAs are authorized to make. The current authority restricts OFIs to discounting loans for agricultural purposes only, whereas, PCAs have broader authority to make loans to farm related businesses, rural residents, and aquatic producers. In addition, PCAs have the authority to make loans for the "other needs" of agricultural and aquatic producers.

Now that I have touched briefly on the basic provisions of the OFI amendment, the next question in your minds must be—"What is the timetable for implementation?"

The implementation of these regulations is not going to happen in the next 2 months or 4 months or even 6 months. FCA must adhere to certain legal procedural requirements and the draft regulations are subject to congressional review. We have developed a timetable and, coincidentally, today—March 24th—is the deadline for initial comments on the draft regulations from organizations such as the IBAA as well as the Farm Credit districts. Of course, there will be additional opportunities for comment when the proposed regulations go public in the Federal Register.

The next step will be presentation to the Federal Farm Credit Board in early April for tentative approval. The congressional review period will run through the end of July. The regulations will be then published as proposals in the Federal Register. This is followed by a traditional 60-day public comment period. At best, the regulations will not come back to the Federal Board for final adoption until early December. So, it will probably be early 1982 before the OFI regulations can be implemented. This assumes nothing unforeseen happens.

I promised earlier that my comments to you today would be straightforward. I would not be meeting that commitment if I failed to mention a few Farm Credit System concerns over expanding OFI access to the FICB discount window.

The FICBs will have problems in maintaining adequate staff to handle the OFI requests unless some mechanism for responding to potential wide fluctuations in OFI credit demands is established. I think you will agree that it would be a nightmarish management problem to be constantly tooling up and then tooling down as credit demand fluctuated.

Closely related to this problem is the importance of protecting the Farm Credit System's credibility in the money markets. It is a reputation earned over a more than 60-year period. And although the System has been unfairly criticized for its "unlimited" access to the money markets, it has not taken its reputation as a good market citizen lightly.

The System voluntarily coordinates its bond sales with the U.S. Treasury, the Federal Reserve, and with leading securities dealers to assure that every issue of System securities will go through and fit into the overall monetary picture. For example, the System gives consideration to whether another organization, such as the Federal National Mortgage Association, is going into the market with any unusual demand. If the Farm Credit System was to enter the market with a bond sale at the same time, it might be disadvantageous to both.

The bottom line is that we must not surprise or shock the investment community. Any increase in credit demand resulting from factors such as OFI discounting must be absorbed gradually. The investment community has been able to accommodate agriculture's credit needs, and it will continue to do so as long as we don't overburden or confuse it.

I have been concentrating on the new OFI authority, but there are some in this audience and in your industry who wish me to address another mechanism agricultural banks may want to pursue in meeting their growing credit demands. This relates to participation agreements with PCAs. These agreements are similar to an overline arrangement between a commercial bank and its correspondent banks.

PCA participations with commercial banks have worked very well in some areas. In others, they have not been an unqualified success. Participations have worked well when PCA management and commercial bank management have put aside old prejudices. Unfortunately, publicity about the less successful efforts apparently have led to considerable misunderstanding of the program. FICBs are now taking positive action by examining the PCA participation programs and amending them when possible to improve PCA receptivity. I encourage you to take a look at the program for yourself and then decide whether or not it can work for you.

The 1980 Amendments provide for a liberalization of this program, which we think will benefit both farmers and small country banks. One of the changes involves the issuance of participation certificates in conjunction with a loan. The certificates will be issued directly to the commercial bank instead of to the borrower. This makes the PCA an invisible third party in the transaction, something commercial banks consider important.

As I mentioned earlier, we have been working closely with your leadership in the development of the regulations. And this afternoon Mr. Larry Edwards, Associate Deputy Governor with our Office of Supervision, and our General Counsel, Mr. Fred Medero, and I will meet with your organization's Agricultural Division.

Again we appreciate the constructive, cooperative relationship evidenced by your leadership. Let's work together to identify our common areas of interest and to build a relationship which will assure our mutual success in furthering the interests of American agriculture.●

CONGRESSMAN GREEN INTRODUCES RESOLUTION FOR DR. SEYMON GLUZMAN

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. GREEN. Mr. Speaker, today I once again introduce legislation imploring the Soviet Union to release Dr. Seymon Gluzman. I am pleased that Congressmen BIAGGI, BINGHAM, KEMP, and 75 other Members have joined me in this effort. This clearly shows the high level of concern for Dr. Gluzman.

Nine years ago, Dr. Gluzman, a Soviet psychiatrist, was imprisoned in the U.S.S.R. after refusing to cooperate with the KGB to certify human rights and political activists as mentally ill. His story is one of tremendous courage and conviction. After his imprisonment, Gluzman and human rights activist Vladimir Bukovsky wrote a guide for fellow dissidents describing techniques to prevent being classified as psychotic by government psychiatrists, and smuggled it to the outside world. Gluzman continuously agitated for freedom while in prison, going on self-imposed hunger strikes in protest of cruel treatment of his fellow prisoners. As a result, he was harshly treated by prison guards, and was kept in solitary confinement in a punishment cell.

Dr. Gluzman served out his 7-year prison term and is currently in the second year of his exile in Siberia, scheduled to be released in 13 months. Despite his remarkable skills in psychiatry, Dr. Gluzman is denied the right to practice his profession and is working as a dispatcher. Recently, Dr. Gluzman wrote a letter which found its way to the West—a letter which epitomizes why we in Congress must continue to show our support for him and other Soviet human rights activists. Dr. Gluzman wrote, "Without letters (from the West) my life would be meaningless." He explains that his kolhoz is "without life," and that he finds his inspiration to work for fellow dissidents from his knowledge of activities in the West.

Concern for Dr. Gluzman in the U.S. medical community is high. Last May, at the annual meeting of the American Psychiatric Association, he was awarded the APA's highest honor, the title of Distinguished Fellowship. Several thousand psychiatrists, mental health workers, and physicians have signed protest petitions on his behalf.

I thank my colleagues for the enthusiastic support they have shown for

Dr. Gluzman, and invite anyone else to join us in this effort.●

HUMAN RIGHTS IN ARGENTINA

HON. DON BONKER
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. BONKER. Mr. Speaker, on April 1, the Subcommittee on Human Rights and International Organizations held hearings jointly with the Inter-American Subcommittee. At that time, we had the pleasure of receiving the testimony of Mr. Orville H. Schell of the Lawyers Committee for International Human Rights. Mr. Schell is a distinguished lawyer and scholar who is well known for his work on human rights around the world. In particular, he is the American Bar Association's observer to the United Nations, and a cochairman of the U.S. Helsinki Watch. He has made several trips to the Soviet Union on behalf of dissidents there.

In April of 1979, Mr. Schell led a group of American lawyers to Argentina to investigate the fate of approximately 200 Argentine lawyers who had disappeared or been detained without charges by the Argentine Government. While noting that the numbers of disappearances last year is significantly reduced from the 1976-79 period, he urged the U.S. Congress to take a broader view with respect to changing the statute which prohibits military aid or commercial sales to the Government of Argentina.

Mr. Schell noted that an active human rights policy can help reduce human rights violations in other countries and that the gradual decline in gross violations in Argentina was related to congressional concern and legislation. Mr. Schell further cautions against overturning the current restrictions on military aid to Argentina because of the symbolic importance of this change. Finally, he notes that U.S. blindness to continuing violations in Argentina would discredit U.S. efforts to monitor and denounce continuing violations in Communist countries. In his words:

If the U.S. fails to take strong positions against violations in non-communist countries it is simply too easy for the Soviet Union and her Eastern European satellites to dismiss our actions as insincere or as manifestations of cold war politics. Our failure to speak out about the violations of basic rights in Latin America or Asia severely undermines our ability to protect those courageous individuals who daily risk their lives and freedom to promote human rights in Eastern Europe.

As the Congress reviews our relations with Argentina, Mr. Schell's remarks are particularly timely. I would like to commend to the attention of my distinguished colleagues a section of his testimony:

HUMAN RIGHTS IN ARGENTINA

I am very grateful for the opportunity to appear today before this distinguished Committee.[1] I am a member of the firm of Hughes, Hubbard & Reed, a former President of the Association of the Bar of the City of New York, and currently the ABA's observer to the U.N. In recent years, I have been involved in a number of human rights activities. I have visited the Soviet Union on several occasions on behalf of dissidents in that country, and am Co-Chairman of the U.S. Helsinki Watch, a non-governmental organization which monitors compliance with the Helsinki accords of 1975. Last fall I also served as a public member of the U.S. delegation to the Madrid Meeting of the Commission on Security and Cooperation in Europe.

I am appearing today in my capacity as the Chairman of a delegation of lawyers which visited Argentina during the first week of April of 1979 on behalf of the Association of the Bar of the City of New York and the American Bar Association to inquire into the independence of lawyers and the administration of justice in that country.

Among our principal concerns was the fate of approximately 200 lawyers who have either disappeared or been detained without charges by the Argentine authorities. We also sought to create a dialogue with our Argentine colleagues, and to share with them our concern that recent events in that country have seriously undermined the independence of lawyers and caused a breakdown in the rule of law.

The findings of our mission to Argentina were described by myself and another member of our delegation, Judge Marvin Frankel, in hearings by Congressman Bonker's subcommittee on the subject of human rights and the phenomenon of disappearances, which were held in the fall of 1979. To briefly summarize that testimony, our mission found that at least 10,000 persons have disappeared in Argentina since the military junta took power in March, 1976, including 92 lawyers. Many of these disappeared, or desaparecidos as they are known in Argentina, have been subjected to torture and thousands may have been murdered during their confinement by the Argentine security forces. In addition, we found that approximately 2,500 persons, including some 99 lawyers, were being detained by the government without charges, trials or hearings of any sort on the grounds that they had "subversive connections." These people, held under the authority of the National Executive, are known as PEN detainees. Many had been held for as long as four years, subjected to brutal and inhumane treatment, and denied their right under the Argentine Constitution to leave the country in lieu of incarceration.

I am appearing here today to testify on current conditions in Argentina, which the members of our lawyers' mission have continued to follow, and to express our ongoing concern about the human rights situation in that country.

Last month we read with great interest and encouragement the press reports describing meetings between Congressional leaders and General Roberto Viola, who assumed the Presidency of Argentina last Sunday. We took special note of Senator Pell's statement on March 17: "I am delighted that at a Senate coffee today for members of the visiting Argentine delegation, President-Designate Viola stated that his government will publish a listing of all those known by the government to have disappeared and to have died over Argentina's past several years of internal turmoil. Such a listing is a critical step in determining the fate of thousands who have disappeared in Argentina. This list is earnestly desired by the families of those who are missing, as I learned on my recent visit to Argentina." (Press Release, Office of Senator Pell, 3/17/81)

News reports in this country echoed Senator Pell's optimism. The Washington Star on March 18 reported that General Viola had said that ". . . his government would publish, as a good-will gesture toward human rights groups, a list of the 7,000 to 10,000 political detainees who have died or disappeared during the government's 'dirty war' against left-wing terrorism."

We read these reports with hope, but also an underlying concern that these most recent pronouncements might merely be the latest in a series of broken promises by the Govenment of Argentina on human rights. I am sad to relate that subsequent news stories about General Viola's visit have reinforced our concerns.

Following his meetings with members of Congress and the Administration, President-Designate Viola met in an "off-the-record" session with members of the Argentine press. According to one wire service account of the meeting, General Viola emphasized to this group that: "his government was not going to publish a list of the so-called 'disappeared' without being absolutely certain that they were actually dead." (Agence France Presse wire, 3/17/81)

He explained, "We are not certain about how many disappeared there are. For example, a while ago, one of them 'reappeared.' You have to take into account those who have gone into exile and those who live clandestinely in Argentina." (UPI wire, 3/17/81)

Promises by Argentine officials, such as General Viola's recent statements to Senator Pell are not new and in the past have not been fulfilled. In December, 1978, in deciding the *Perez de Smith* case, a landmark habeas corpus proceeding on behalf of 1,542 disappeared people, the Supreme Court of Argentina called upon the military government "to intensify . . . the investigation of the whereabouts and status of persons whose disappearance is reported to the courts and of whom there is no record of detention." In a widely heralded response, then President Videla affirmed the importance of the judicial process. (See, Report of the Mission of Lawyers to Argentina, April 1-7, 1979, at 14).

But more than two years later the government still refuses to disclose any information regarding the fate of the desaparecidos, beyond vague suggestions that most are dead.

In April, 1979, General Viola made to our mission what he called a "formal promise" that the PEN detainees would either be released, transferred to the civilian courts to be charged and tried under the law, or allowed to leave the country. He said that this would be accomplished "soon," and that only a very small number of extremely dangerous persons would continue in PEN detention. (Report of the Mission of Lawyers to Argentina, April 1-7, 1979," at 10-11).

[1] I wish to acknowledge the assistance of R. Scott Greathead and Michael H. Posner in preparing my testimony today. Mr. Greathead was a member of our Mission to Argentina, and Mr. Posner is the Executive Director of the Lawyers Committee for International Human Rights.

Today, precisely two years later, 900 people remain in PEN detention.

In short, the situation in Argentina remains critical. The Argentine Government continues effectively to deny accountability for anything that has happened, and has made no effort to establish procedures, guidelines, or investigative techniques which could be used to determine the fate of the thousands of desparecidos and to clarify the status of the 900 detenidos. Moreover, the governmental machinery which has carried out those violations remains intact and is still being utilized. Recent information suggests that the Argentine Government has no intention either of abandoning the practices of illegal detentions and disappearances or of punishing those responsible.

This refusal to acknowledge any responsibility for those disappeared or detained is clearly expressed in an article entitled "Lights and Shadows of a Reality," that appeared in the Buenos Aires newspaper Clarin on March 22, 1981. The article, which describes General Viola's comments to a group of Argentine newsmen soon after his meeting with Senator Pell and other members of Congress, emphasizes General Viola's insistence that even if some list is eventually published, there will never be an investigation of the role of the security forces in these abductions and killings. The article goes on to quote General Viola's comments on the appropriateness of determining responsiblity for the disappearances: "A victorious army is not investigated. . . . If the Reich's troops had won the last world war the (war crimes) tribunal would have been held not in Nuremberg but in Virginia." (Clarin, March 22, 1981, p. 11)

I will not comment on this further except to share with you an editorial by James Neilson that appeared in the Buenos Aires Herald on March 22, 1981: "This was an astonishing and perhaps revealing thing to say. Does Viola really think that the crimes for which the Nazis were convicted, including such depraved acts as massacring millions of civilians—women and children included—and institutionalizing barbaric torture on a vast scale were simply the normal side products of war? Does he really think that the U.S. troops behaved just as viciously as the SS? Does he believe that in war everything is permissible to the victors, that nobody has any right to try to call them to account for their violations of the military code? One must hope that he does not think this way and that his glib reply was made on the spur of the moment and later regretted. Viola, after all, is supposed to be a moderate, and if moderates think the only thing the Nazis did wrong was lose, the normal mind will find it hard to imagine what the view of the "hardliners" must be." (Herald, 3/22/1981).●

PASSOVER: THE SEASON OF FREEDOM

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. SOLARZ. Mr. Speaker, at sundown on April 18, Jews throughout the world will celebrate the first night of Passover, commemorating the flight of the ancient Israelites from Egypt over 3,000 years ago to escape the oppression of the Pharoh.

Unhappily, elsewhere in the world, other Jews must celebrate their Seder in secret or, at best, in a hostile land that makes their religion an object of discrimination and persecution. In the Soviet Union thousands of Jews must hope at best to celebrate "next year in Jerusalem," since most of their petitions to leave have been denied. For some, that request for a visa to Israel brings harassment, loss of employment, and even arrest and imprisonment on trumped-up charges.

In Syria, where Jews have not been allowed to freely emigrate for decades, repeated appeals to the modern Pharoh who rules Syria, to allow other Jewish citizens to emigrate to Israel, have been met with stony silence. Treated as second-class citizens and denied the right to leave for other lands, only a handful of Syrian Jews have been able to reach freedom. I am proud of the part I played in bringing 13 Syrian Jewish women to Brooklyn, but unfortunately no others have been allowed to leave.

This year the dramatic reenactment of Masada on ABC television in the period before Passover has poignantly portrayed this important aspect of Judaism—the determination of Jews to live as free men and women. That conviction led to Masada, to the Warsaw ghetto uprising, and to the establishment of the State of Israel, where Jews could live as free men and women in a state of their own.

As the Jewish people prepare for Passover this year, few of them have to face the grim prospects of their ancestors—whether at Babylonia, Masada, or in the grim graveyard that was Europe during World War II. Here in the United States the Jewish community is able to enjoy the full meaning of Passover, since freedom is the keystone of our national heritage.

But so long as Jews—or others—anywhere in the world are denied their most fundamental human rights, and the opportunity to be free, the Passover holiday and the Seder service will continue to serve as a message of hope and inspiration for those who, like the ancient Israelites, still yearn to be free.●

HOW TO CUT DEFENSE SPENDING WITHOUT COMPROMISING NATIONAL SECURITY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. CONYERS. Mr. Speaker, the National S.A.N.E. Education Fund produced last month an excellent analysis of defense and national security issues and a comprehensive set of policy proposals that provide for defense budget alternative to the Reagan administration's.

As a way to familiarize my colleagues with the S.A.N.E. analysis, I am inserting into the RECORD portions of the study, entitled "Military Budget Manual: How To Cut Arms Spending Without Harming National Security."

INTRODUCTION

The United States today is embarked on the largest peacetime military buildup in its history. Military spending increased 7 percent above inflation last year and will rise another 6 percent this year. Budget authority for the Pentagon has jumped 27 percent above inflation in just two years.

Since 1977 the U.S. has substantially upgraded its ground and air forces and has increased American troop strength in Europe by more than 44,000 (a 15 percent rise). The mission of the U.S. Navy has also expanded markedly, with the U.S. now committed for the first time in its history to a permanent large-scale presence in the Indian Ocean. Simultaneously, the United States has pursued the modernization and expansion of all elements of its nuclear forces—including the Trident submarine and Trident I and II missiles, the MX land-based missile and air-, sea- and ground-launched Cruise missiles.

The Reagan military program will accelerate these trends—with a special emphasis on expanded conventional arms procurement. The new Administration's top priority will be a buildup in the Navy, including an increase in the number of Aircraft Carrier Task Forces from the present 12 (soon to be 13) to 15.

The 1982 Pentagon budget of $222 billion (Total Obligational Authority) is $44 billion greater than that for 1981—for a real increase above inflation of nearly 15 percent. The following table summarizes these increases:

DOD BUDGET INCREASES

[Dollars in billions]

	TOA (obligated spending)	Percent real increase	Outlays (current spending)	Percent real increase
Fiscal year 1981	$178	12.4	158.6	7.0
Fiscal year 1982	222.2	14.6	184.8	6.2

Over the last four years arms outlays have increased above inflation by a rate of 2 percent a year; over the next four years outlays are scheduled to increase by an average of 9.3 percent a year. By 1986, according to present projects, the DOD budget will be $367.5 billion (TOA), or $336 billion (outlays).

Before the nation embarks on further arms spending increases, it is appropriate to ask if such large expenditures are genuinely needed for national defense. Is a rapid expansion of the arms budget the best route to national security? Can the United States maintain an adequate national defense without spending tens of billions of dollars more each year? Which military programs can be slowed or eliminated without reducing our national defense capability?

This report attempts to answer some of these questions. It analyzes a wide range of military spending programs and proposes a large number of potential spending cuts which could be implemented without harming genuine U.S. security interests. The au-

thors support the need for maintaining an adequate defense, but we also believe that military spending programs are unnecessary or counterproductive. This report provides a guide to potential economies in the arms budget and shows how the U.S. can maintain a strong national defense while holding the line on additional expenditures.

WHAT ABOUT THE RUSSIANS?

The present arms buildup is justified as a necessary reaction to the "Soviet threat". It is claimed for example, that the Soviet Union has been outspending the United States on arms for over a decade, and that in 1979 the Russians spend 50 percent more on defense than the United States. It is also claimed that the Soviet Union is gaining influence in the Middle East and may threaten Western oil supplies. While this report is not the place for a detailed examination of these claims, it is necessary to address these concerns before considering U.S. arms policies.

The claim of a Soviet military spending advantage is based on highly questionable methodology. The present figures are the result of a politically biased method of calculation introduced into the CIA in 1976 by a group of hard-line hawks known as "Team B". Prior to this new approach, Soviet military spending had been estimated at 6 to 8% of their GNP; in 1976, however, these figures suddenly doubled—although no dramatic increases in arms spending were alleged or reported. The distortion came from measuring Soviet forces in U.S. dollar prices. The question became: what would it cost the Russians to maintain their armed forces if they paid U.S. dollar prices? By this method, Russian draftees who earn 5 rubles a month were assumed to cost as much as American volunteers, who earn $500 a month. This methodology also vastly overprices Soviet weaponry by ignoring the significant technological advantages of American equipment and assuming that Russian planes and tanks cost as much as our own.

It should be noted that the independent and widely respected Stockholm International Peace Research Institute conducts its own separate analyses of the two superpowers which shows them approximately equal in arms spending. Moreover, even if one accepts the CIA's dubious methodology, the NATO alliance as a whole still has a considerable advantage over the Warsaw Pact. According to an analysis by the Council for a Livable World (based on the Arms Control and Disarmament Agency's March 1981 study on "World Military Expenditures"), the NATO countries outspent the Warsaw Pact during the 1970's by $207 billion. The 1982 Defense Department Annual Report submitted by Secretary Harold Brown gave the following figures for military spending in 1979: NATO, $205 billion; Warsaw Pact, $194 billion.

The allegation of Soviet encroachment in the Middle East is also questionable. Although we believe the Soviet intervention in Afghanistan should be condemned, we do not believe it signifies increased Soviet influence in the Persian Gulf/Middle East region. To the contrary, the overall Soviet position in this region has weakened in recent years. The Soviet Union presently has close ties with Ethiopia and South Yemen (two of the poorest nations on earth) and maintains an uneasy alliance with Syria. Elsewhere in the region, however, Russian troops have been expelled from Egypt, Somalia and the Sudan, and Soviet influence has declined substantially in Iraq. Moreover, despite their hatred of the United States, the Iranian mullahs also strongly oppose Russian influence. In addition, the oil sheiks of Saudi Arabia, Kuwait and other Gulf states remain fiercely anti-communist. This is hardly a picture of Soviet domination.

STRATEGIC ARMS CONTROL

Real security in the nuclear age can come only through arms limitation. The highest national security priority should be negotiations and independent initiatives to reduce and eventually eliminate nuclear war threats.

To date, nearly all arms control negotiations and agreements between the superpowers have been fundamentally flawed. They do not limit the arms race; they merely codify it. They are a form of mutual expansion. But this does not mean that the limitation of arms should be abandoned. We should continue negotiations with the Soviets, aiming at genuine agreements which reduce the level of nuclear arms. The first step in such a process would be a mutual freeze on budgets and weapons.

The United States should declare, in conjunction with the Soviet Union, an immediate moratorium on all further nuclear weapons expansion. This would amount to a "cease fire in place"—a freeze on all further increases in weapons and technology development beyond present levels. Such a declaration could be enacted immediately. It would not reduce U.S. military capability and would not in any way endanger national security. Such a policy would allow for a breathing space in the nuclear arms race and would create an atmosphere of mutual trust in which negotiations for real reductions could take place.

The following are three specific forums for arms limitation which deserve the highest national priority:

Comprehensive Test Ban. This proposal, which has been discussed by American and Soviet negotiators for several years, would provide a direct route to a nuclear weapons freeze. It would also have the enormous advantage of placing limits on the underlying technological development of the arms race. A Comprehensive Test Ban has the further advantage of having already received substantial government attention on both sides. Indeed, the Russians have made important concessions in recent years, agreeing to forgo the option of so-called peaceful nuclear explosions and for the first time to allow limited on-site inspection. These important gestures were never adequately answered by the United States. They should be pursued, so that this treaty can be swiftly concluded.

SALT. The SALT process must be viewed objectively and critically. Limited agreement is perhaps better than unrestrained rivalry, but the SALT II treaty was seriously inadequate from an arms reduction perspective. In particular, the Carter policy of trying to win support for SALT by "buying off" hawks with further weapons increases should be avoided. The SALT II treaty should be ratified, and steps toward further substantive arms reduction immediately initiated.

European Theater Nuclear Weapons. Urgent diplomatic attention should be directed to European negotiations for reductions in theater nuclear forces. West German Chancellor Helmut Schmidt recently proposed a freeze on the deployment of Cruise and Pershing II missiles pending negotiations for mutual reductions. This is a significant initiative which should be supported by the U.S. as the first step toward larger negotiations for nuclear reductions in Europe.

TOWARD NONINTERVENTION

U.S. intervention in the affairs of other nations has earned us international condemnation in the past. Today, our policy towards El Salvador threatens more of the same. Continuation of U.S. military and economic aid to El Salvador's repressive and unpopular ruling junta will only prolong the people's suffering and may well result in another Vietnam. Former U.S. Ambassador Robert White and others have admitted that government police and military forces are responsible for 80 percent of the more than 10,000 deaths there last year. The U.S. should immediately halt all forms of aid to this government and allow the people of El Salvador to determine their own form of government.

In general the U.S. role as world policeman, as the guardian of security in countries all over the globe, should be ended. Superpower intervention is frequently the cause of international instability, certainly not its cure. The assumption that the United States (or the Soviet Union) can or should involve itself in every local conflict in the world is a relic from the past age of colonialism. The introduction of the great powers into regional controversies can only exacerbate and inflame local tensions and increase the likelihood of larger war.

The U.S. does indeed have global responsibilities, but these should not be defined in a militarized network of intervention forces all around the globe. Our obligation to the world should be to advance economic, social and political progress. Militarism and intervention can only obstruct these goals and undermine prospects for peace and international stability.●

PROFESSIONAL SECRETARIES WEEK

HON. JOHN HILER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. HILER. Mr. Speaker, the week of April 19 marks the 30th annual observance of Professional Secretaries Week, sponsored by the National Secretaries Association (International).

I am especially proud of the role secretaries play in our national economy and society. Their dedication, steadfastness, and loyalty are an excellent example of selflessness and a tribute to the concept of service.

I want to take this opportunity to especially congratulate and thank those secretaries active in the River Bend Chapter of the National Secretaries Association, of South Bend, Ind. They have great pride in their organization and chosen profession, demonstrating excellence and professionalism in all they do.

Mr. Speaker, I urge all of my colleagues to join me in honoring those who have served our Nation well, the Nation's secretaries, during the week of April 19–25.●

HOME PHONE POLL

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. GAYDOS. Mr. Speaker, I have just completed a survey among more than 2,000 volunteer members of a home phone poll in the 20th Congressional District of Pennsylvania on the subject of compensating the 52 Americans released earlier this year from captivity in Iran and our Nation's future relations with that Government.

I believe my colleagues will find the results of this survey quite interesting and I am inserting the findings into the RECORD for their consideration.

Total responses, 2,145.

Should the United States honor commitments of the Carter administration to secure the release of the hostages?

Yes, 1,674; no, 417; undecided, 54.

Should the United States renew diplomatic relations with Iran?

Yes, 930; no, 1,127; undecided, 88.

Should the United States give special consideration, financial or otherwise, to compensate the hostages for the hardships they endured?

Yes, 220; no, 1,886; undecided, 39.

Mr. Speaker, as has been my practice, I have forwarded the results to the White House in order that the President may hear the voice of the 20th District speak on this matter.●

SIXTH ANNUAL SUPER DANCE FOR CYSTIC FIBROSIS

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. WOLF. Mr. Speaker, I am pleased to bring to the attention of my colleagues the efforts of the students at Bishop Denis J. O'Connell High School in Arlington, Va., to raise funds to support the Cystic Fibrosis Foundation. Their efforts are an example of the contribution young people can make to support a worthy cause.

Cystic fibrosis is a hereditary respiratory disease that affects young adults. This affliction usually results in the death of the victim in his or her early twenties. Funds for research are needed to find a cure for this disease.

Students at Bishop Denis J. O'Connell High School raised over $35,000 to support the work of the foundation by organizing the sixth annual super dance for cystic fibrosis. This project proved to have a successful formula: Food and prizes were donated by members of the community, time and talent were given by the bands, and funds were pledged for each hour the students danced. In the past, the fundraising efforts of these young people have resulted in contributions of more than $100,000 to the Cystic Fibrosis Foundation and the citing of O'Connell High School as the No. 1 fund raiser in the Nation.

These young people and others like them throughout the country are to be commended for the contributions they have made to the Cystic Fibrosis Foundation and to the country. They have proven that through their participation and sacrifice for a cause, they can make a difference.●

FAIRNESS IN TRANSPORTATION FUNDING

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. FIELDS. Mr. Speaker, in the last several weeks, a number of my colleagues have presented statements to this legislative body decrying the Reagan administration's proposals to eliminate their "pet" projects.

As a firm supporter of the President's program, I will not now add my voice to those who promote only their own parochial interests. Nevertheless, it is important that I describe to you one of the most serious problems facing the Southwestern part of our country and, in particular, my city of Houston.

As my fellow Sun Belt colleagues well know, we, unlike our Northern and Eastern neighbors, have not received billions of dollars of Federal funds in highway capital construction grants and mass transit operating subsidies.

Many of those dollars, I must add, were appropriated, in part, from the Federal highway trust fund program and which were accumulated by taxes collected on gasoline and automobile accessories purchased by all of our citizens.

Now, however, with the tremendous growth in Houston's population, we are experiencing severe problems as we attempt to provide adequate transportation to our citizens.

Regrettably, however, because our economy is in trouble, the Federal funds which in the past were routinely provided, are not now available.

As a result, local governments—like Houston—have taken it upon themselves to allocate local funds to solve their highway and mass transit problems. For example, as a measure of their commitment to mass transit, the citizens of Harris County recently approved a special 1-cent tax earmarked exclusively for the development of a coordinated regional transportation system.

While such actions are commendable, fairness and equity demand that this administration and this Congress declare that Houston and other Sun Belt communities have not forfeited their future eligibility for or right to reimbursement for a portion of those expenditures which are now being made in the absence of Federal funding.

For, as the fifth largest and still one of the fastest growing cities in the Nation, it is absolutely imperative that Houston solve its transportation problems.

As a member of the Public Works and Transportation Committee, I will continue to vigorously support the President's economic recovery program, for it remains, in my judgment, our best hope for rational economic well-being. I will also vigorously work to secure funding for Houston's mass transportation needs should our economy improve and Federal funding for such programs be reinstituted.

For I fervently believe that the citizens of Houston have a right to receive a fair and just return of their Federal tax dollars, for our transportation needs today are just as vital as those of Boston, New York, and Philadelphia were in the past.

Thank you, Mr. Speaker.●

TRIBUTE TO MR. CARROLL WYLIE

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. JONES of Tennessee. Mr. Speaker, I rise today to pay special tribute to a man who was honored by his community on Friday for the many contributions he has made through charitable and civic causes. He is Mr. Carroll Wylie of Memphis, Tenn., a successful businessman and close friend of mine.

I have known Mr. Wylie for many years. He was born and raised near my hometown of Yorkville, Tenn. He moved to Memphis 30 years ago to get into business and immediately became very deeply involved in civic, charitable, and political affairs.

What makes Carroll Wylie's activities so special is the time and resources he has devoted to his community. He has done so, over the years, unselfishly and with only one goal in mind: to make his community a little better for everyone. This type of involvement in local activities is in keeping with the spirit of our Nation where there is autonomy at the local level and a great need for people who recognize their full responsibility to their fellow man.

Many people feel that they fulfill their civic activities by serving in the Armed Forces and voting on election day, and both of those are certainly

honorable undertakings. Carroll has done them both, but has gone much further. He not only votes but involves himself in the campaigns of candidates he supports. He served in the military during World War II, but came home with the goal of doing even more for his country.

All of these activities have made him an exemplary citizen; one who not only observes the needs of others around him but actively involves himself in the effort to meet those needs. The appreciation ceremony held for him Friday at the Frayser High School in Memphis was very appropriate in recognizing a man who has been so unselfish in giving of himself for the betterment of others. It has been my privilege to know Carroll all of his life and it is an honor that I count him among my closest friends.●

HEROIC REFUSENIKS

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. DICKINSON. Mr. Speaker, I have asked permission for this very special order to bring to the attention of the Congress and the public the case of Valery and Janna Lerner, and their son, Igor, very heroic refuseniks, whose pleas to the Soviet Government for permission to emigrate have consistently been denied.

After several years of apparent conciliation and cooperation in the emigration of Soviet Jews, the Soviet authorities have begun to shut the doors of freedom for many Soviet Jews who simply wish to join the rest of their families outside the Soviet Union. I believe we must take strong action to indicate our displeasure at this latest plan to prevent emigration.

The story of the Lerner family cannot be told any better than by the following account that has been provided to me by two of my constituents, Mrs. Joseph Bussard and Mrs. Charles Wampold, which I would like to share with my colleagues.

RUSSIA'S BRUTAL OPPRESSION OF REFUSENIKS

Within walking distance of the famed Red Square live Valery and Janna Lerner and their eight year old son, Igor. After working as an economics engineer in the field of aviational planning, it became necessary for Valery to leave his chosen profession in 1974 when he and other members of his family made the decision to emigrate. Although Valery was never made privy to any secret information, he was well aware that others in his field had been routinely refused merely because of the general nature of the work which they did. Therefore, he voluntarily relinquished his position and spent the next two years supporting his family by working odd jobs before making his first formal application in 1976.

His wife, Janna, who is a graduate of the Institute of Communications in Moscow, worked as an engineer in that field for nine years. The application which her family submitted was immediately interpreted by the Soviet government as an "unfriendly" (indeed, traitorous) action; therefore, the government contended that Janna might misuse her position as a lecturer for the purpose of disseminating some form of anti-Soviet propaganda. Although no aspect of her work was considered "SECRET," she was forced to give up her job.

Since their first refusal, the Lerners have re-applied whenever they have been eligible. Their latest refusal was issued in July, 1980. Finally forced from his last job as a clerk in an insurance company, Valery has been continuously unemployed since March, 1979. Financially, the Lerners live from day to day, dependent upon the help of their friends and of Janna's mother who works two jobs in order to assist her children. Jobless and fearful of being labeled "Parasites," the Lerners have spent much of the last two years living quietly, trying not to attract the attention of watchful KGB agents. Time and time again, they have waited for legal proceedings to run their course. Daily, their mental and spiritual fortitude is tested by restless boredom and the feeling that they are trapped in lives that lead nowhere. Their letters during this time afford outsiders an inspiring insight into the way in which so many Jewish Refuseniks suffer patiently without succumbing to despair and without ever losing hope.

A few days before Chanukkah 1978, Janna Lerner stoically wrote to her friends in the United States, "To my great regret, I cannot tell you good news about our life. Some days ago, we got a new refusal. That's the way life is. We live by our hope for the future." Their spirits undaunted by the six years that they had already waited, the Lerners wrote on February 15, 1979, "In March we will again begin filling out our documentation papers. We live in hopes of the best."

At that time, the Lerner family had already suffered several years of painful separation. Valery's brother had been permitted to immigrate to Israel in 1974, and his mother followed in 1977. In May 1979, the Lerners received news that brought them both joy and sadness. Janna's younger sister, who was also a Refusenik, was granted permission to emigrate. Unable to disguise her worry and pain, Janna Lerner spoke with a voice of both resignation and determination when she wrote on May 26, 1979:

"* * * It was very hard to say good-bye to her; she is only twenty years old. I've been looking after her since she was born, and our mother is now left alone in Kiev. We remembered the past and fretted and reminisced and worried some more. But, apparently, one's whole life consists of worry * * * Our situation is unchanged. * * * Our documents are in the process of being examined. * * *"

And, she concluded with what have since become identifying watchwords for the Lerners and so many others—"We wait. * * *"

A month later, while Janna's sister was still in Rome, en route to the U.S., the Lerners received yet another refusal. Feeling tired and defeated, the Lerners lapsed into a momentary mood of dejection. They wrote, "On the 27th of June we had another refusal. We are very upset and our nerves are shot and we are indifferent to everything." Not yielding completely, however, they noted their plans to visit Janna's mother in Kiev. Janna held out hope for themselves by saying, "Maybe she can help us to get on our feet again."

Meanwhile, Janna's sister, in Rome, became alarmed about their depressed moods and pleaded with their American friends, "They lost their hope. * * * but I wrote them that they have to ignore some things, that they have to fight for their future, that they have to believe in justice. * * * tell them, please, the same things. * * *"

For those who wait, the knowledge that they are not alone and are not forgotten is often the extra ounce of incentive needed by them to continue their seemingly endless fight for freedom. Within a short time, the Lerners had recovered themselves enough to write, "Your kindness gives us renewed strength." Less than a month after the crushing disappointment of that refusal, Janna was able to muster the needed spirit to write:

"When I'm troubled and life doesn't seem beautiful, I read and re-read your letters; and, everything begins to seem fine. * * * I thank God for your being my friends. I cannot even imagine what could have been if we didn't get acquainted. Life presents a person a lot of sorrows and joys. And, I'm sure that your friendship is the best gift for all my sorrows."

By Chanukkah, 1979, the Lerners had fully regained their spirit and hope. In December, Valery wrote, almost triumphantly, "It's difficult to say when we'll see each other, but I am sure that we will. How joyous it will be! * * * We do not lose our spirit, and we are even better off than some others."

As they have waited, the Lerners have had more with which to contend than mere financial harship and the personal anguish of being separated from family members. Because of an accident, Janna Lerner was hospitalized and confined to her bed between December 1979 and March 1980. The adult members of the family have battled various physical ailments throughout the past year—acute bronchitis, pneumonia, hypertension. Their greatest concern, though, has been for their son who has suffered with amblyopia since birth. During the entire time that the Lerners have been waiting for their permission to emigrate, they have watched their son fight a succession of illnesses. In a letter which the Lerners sent to an American senator, they pleaded:

"Our son is seven and a half years old. He has amblyopia of the right eye. The left eye's sight is 70%; the right eye's is 10%. He has been treated since he was three years old * * * But without any result. We are worrying about his sight.

"Lately, we have read in a Canadian newspaper that this illness is treated in the West in a month's time, but the child treated must not be older than 8. Today, it is the most important problem with us. I think you can understand what a child's sight means. * * * I think you can understand in what position we are—especially because of our only son's health."

In this same letter to the senator, they included a plea that could just as well have been uttered by any one of the thousands of other Jewish Refuseniks:

"We beg you—help us to settle this problem. Help us to leave for Israel. * * * Our position is awful and there is no way out. And we don't know what we are blamed for."

As senseless as their suffering is, theirs is a common story, not only in Moscow, but throughout the Soviet Union.●

ROBERT J. PETRIS HONORED BY CITY OF HOPE NATIONAL MEDICAL CENTER

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. ROYBAL. Mr. Speaker, on May 2, 1981, I will have the great pleasure of presenting Robert J. Petris with the City of Hope's Spirit of Life Award. This is a very great honor, and one which Mr. Petris richly deserves. I would like to take this opportunity to share with you the background of this remarkable individual.

Robert J. Petris, director of the 10-State western district of the United Steelworkers of America, was following in the footsteps of his career-steelworker father in October 1946, when he went to work for Bethlehem Steel Corp. in his native Seattle, in the same mill where the elder Petris had worked for 36 years.

At the age of 21, he had just been released from the U.S. Navy following nearly 5 years of service during World War II. The United Steelworkers of America had succeeded in the spring of that year in winning the first postwar labor agreement through strike action. These union activities looked exciting to young Petris, who almost immediately upon hire became involved in Steelworkers' Local Union 1208. Within a few weeks, he was appointed shop steward. From that point on he was totally committed to the work of the union, serving in various capacities at the plant level as a member of the safety committee and later as chairman of the workmen's compension, grievance, legislative education, and job evaluation committees.

Promoted to the job of electrician, he likewise ascended in the union ranks by being elected vice president and later, for two terms as the president of Local Union 1208. In February 1965 he was appointed to the staff of the USWA International Union, having won recognition for his work as a member of the USWA's national negotiating committee with Bethlehem Steel and after serving a term as a member of the USWA International Wage Policy Committee. Assigned to service local unions and organize in Oregon and northern California, he unionized some 14 plants into the USWA fold.

In February 1971, he was appointed by then district 38 director, Frank S. McKee, as his administrative assistant and was entrusted with the responsibility of administrating various local and national programs for the union. Later that year he was made an international representative while continuing as assistant director. In this position he was given special collective bargaining tasks, including direct leadership involvement in negotiations with major industries represented by the United Steelworkers of America. During this time, he coordinated the activities and programs of the district 38 legislative education committee as well as assisting in planning and arranging educational conferences in the eight regions—subdistricts—of the western district.

Mr. Petris was instrumental in establishing the USWA District 38 Health and Welfare Trust, which he now serves as chairman of the board of trustees. The trust provides members working for small, independent employers an opportunity to have health care, dental, vision, and pension programs through collective bargaining. He served as a member of the board of directors of California Blue Shield.

On February 8, 1977, Robert Petris was elected director of district 38 by a very substantial majority of the membership voting in a national referendum election for international union officers and district directors. He maintains the district office in the Los Angeles area as well as eight subdistrict offices throughout the district of some 80,000 members.

The Spirit of Life Award is presented by the City of Hope in celebration of the human family. Only a few individuals over the years have been presented this award in recognition of their special contributions to their fellow man. Mr. Petris has continually been involved in such humanitarian activities, and I will be greatly honored to present him with the Spirit of Life Award. I heartily congratulate Mr. Petris and his family.●

MEETING THE FINANCIAL NEEDS OF AMERICAN INDUSTRY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. LENT. Mr. Speaker, I would like to direct the attention of my colleagues to a very perceptive discussion of the financial needs of American industry, and how best to meet those needs. Mr. Thomas G. Labrecque, vice chairman of the Chase Manhattan Bank addressed this vital matter at the annual Washington Conference of the National Association of Manufacturers.

I found Mr. Labrecque's remarks to be most illuminating to anyone concerned—as we all should be—with the present sad state of American industry. And be forewarned—his discussion does not deal with banking.

I commend Mr. Labrecque's address to the thoughtful study of my colleagues, and submit it, in full, at the conclusion of my remarks.

The address follows:

AMERICAN INDUSTRY'S FINANCIAL NEEDS: HOW CAN THEY BE MET?

Our topic this morning, to set the tone for the remainder of the Conference, is how we can meet the financial meeds of American industry. As a banker, I'd like nothing more than to share with you some thoughts about how we, and other financial intermediaries, might meet industry's borrowing needs in the coming years. I might even work in a pitch for commercial banks or for Chase.

However, that kind of approach would fall far short. The real issues for our country and for its industry in these volatile times are not how financial resources and services will be delivered—which is what the financial community does. The question is how we as a nation can generate and harness the financial resources we know are needed to build—indeed rebuild—our competitive position in the world marketplace.

So let me approach the question more broadly: how can the resources necesary for the future strength of American industry be generated? Where will that wealth come from? How will we be able to do tomorrow what we are having so much difficulty doing today?

Before we can look meaningfully at financial requirements for the future, we have to take an honest look—warts and all—at where we are today.

The productivity of the US economy—and of the industry which underlies it—is extremely worrisome.

Prior to 1970, the productivity growth of the private sector averaged over 3% a year. In the 1970-78 period, that growth dropped to under 2%, and has actually declined for periods of time since then. Over the 1970s, the United States had the lowest rate of productivity growth of any modern industrial nation.

Investment is the key to productivity; and we don't invest enough. Japan invests about 20% of its GNP in new productive facilities. Germany invests 15%. In United States, we invest only 10%. We cannot expect to compete and to grow with this pattern of declining investment in productivity.

Is it any wonder that the US automaker share of US auto sales has fallen by almost a quarter in the past decade alone?

Does it surprise any of us that our share of the world steel market has shrunk substantially in that same decade.

Is there still anyone who is not concerned about the viability of our auto industry—our steel industry—our shipbuilding industry—our chemical and pharmaceutical industries—and yes, even our high-technology electronics industry?

That great American philosopher, Satchel Paige, used to advise: "Never look back; something might be gaining on you." Well, those of us concerned with the long-term economic health of our country and its industries know that we don't have to look back to see what might be gaining on us. In far too many industri's, we've been overtaken.

We have to turn that situation around—and reestablish our economic leadership.

Renewed economic vigor will take resources—money—for investment. Our capital stock per worker has not increased over the past five years. Even to recover to the previous capital stock growth trend—one that itself was not adequate—will require in-

vesting about 2 percent of our GNP each year. This is about a fifth more than we have been doing. Where will that money come from? It must come from three sources:

Increased individual savings.

Decreased government claims on our wealth.

And increased profits from industry itself, profits which can be put to productive use.

In recent years, our society has put consumption ahead of saving. We save less of our earnings now than we did a decade ago, and we save far less than people in other modern industrial nations—the very nations that have overtaken us in the marketplace.

But we ought to be very slow to blame the public for not saving more—because in choosing to spend, rather than to save, the American consumer has made a rational choice. It's an intelligent choice because inflation has made spending a smart decision, and taxation and regulation have made saving a less profitable decision.

It clearly bears repeating—even at the risk of preaching to the choir—that this pervasive illness we call inflation must be brought under control. Monetary policy alone can't do it—even if the Fed sticks to its anti-inflationary guns. We need, and perhaps we will soon see, a comprehensive attack on inflation which uses all the weapons we can bring to bear: monetary, fiscal, tax, regulatory, trade, and so on.

This major effort will not be all good news, for it will entail considerable pain and discipline for most firms. It will also place a premium on flexibility and innovation—qualities which in some firms and industries may not be as finely honed as they once were.

The principal creator of this inflationary environment has been government itself. Government, ostensibly for our own good, has taken more and more of the nation's wealth for its use.

In the second half of the 1970's the tax bill for American families increased more than eight times as much as their fuel bill.

Government expenditures have increased by a third, in real terms, over the past 10 years.

I genuinely believe that the people have spoken out clearly for change by electing the new Administration. I believe that our country's economic health can be restored—though I don't see how it can be done quickly or easily. I believe—fervently—that we can succeed in rebuilding our economy, if every sector of our society supports the change. And I believe—with a mixture of hope and foreboding—that the current environment, which seems conducive to change, may be our last real chance to restore economic well-being for a considerable time to come.

It's not my intent at this session to lay out specific economic or industrial policy proposals. Other, more qualified people participating in the Conference sessions will help focus on a number of the key issues during the next two days. But it seems clear to me that the crucial ingredient for any successful change is leadership: forceful, clear-thinking, determined, sensible leadership, leadership which will concentrate on our national goals and our national needs, rather than on preferential treatment for special interests.

No, I'm not speaking here about the President or the Congress—though we shall need a great deal of leadership from both those quarters. Rather, I'm speaking of your leadership: your farsightedness; your determination; your sense of the value of a stronger national economy.

It is industry that must lead.

You have the jobs—or must make them.

You have the money—or must earn it.

You have the talent and genius to develop, manufacture and market new and better goods.

You have the charter to compete—and to marshal the entrepreneurial spirit which has enabled your companies to thrive.

And in this regard, I number myself and my colleagues in the financial community as being among you in this requirement to be leaders.

All of us here, I suspect, have just said to ourselves, "Yes, but * * *" And then we've run through a catalogue of very real barriers which impede progress. Some are specific to our particular industries, others affect all of us.

Among the general disincentives is an approach to profits which rhetorically links earnings with evil: the expression "obscene" when applied to profits is now a commonplace; the stature just short of gospel. The idea has been lost that profits—like a harvest—are necessary not only to sustain us today, but to produce next year's seed as well. Only profits can provide the jobs and production needed for prosperity.

In the past, we have failed to argue the case for profits, investment and growth as effectively as we should. We have, by our silence, conceded the argument to the critics—and left the public aware of only one alternate source for meeting economic needs. That source is government—and I need not recount what our default in this debate has meant as a result.

We all chafe as well under the general disincentive of overregulation, which siphons off earnings in so many ways:

By diverting large proportions of research and development to comply with unnecessary regulatory and other government mandated requirements. In this way, regulation halts us in the present—and in time it cements us in the past.

Regulation also adds unnecessarily to the cost of products we make here in America, thereby reducing our competitiveness.

And most insidiously, it discourges innovation, initiative and commitment.

It is indeed time for fundamental change.

I believe that President Reagan has set us on the right course.

He has sought to reduce government's claim on our wealth by proposing substantial spending and tax cuts. Taxes would be slashed $54 billion in the first year of his program. Over a three-year period individuals would receive tax cuts that would total an average of 30%, which would be welcome provided that a parallel action to cut spending is undertaken seriously. This could help to generate funds to meet the needs of industry.

What is more important than the specific numbers, however, is the significant change in direction that the President has taken. We are seeing the first serious program to alter the economic course of the United States in almost half a century.

It has arrived not one moment too soon.

President Reagan also said he will ask for an increase in accelerated depreciation rates. This is particularly important because, in our current inflationary situation, the present write-off rates do not produce enough cash to cover the much higher cost of replacing an asset when that has to be done. And many of us are hopeful that there will be some relief for corporate income taxes, as well as for the tax on capital gains.

We also appear to have the President's attention and support for cutting back the thicket of regulations—which were well meant when enacted, but which have proven harmful in application. I hope that the Congress will play its part in the legislative arena to bring greater sanity to our regulatory Bedlam.

It is important to note, however, that government policy proposals and regulatory changes cannot, by themselves, create the wealth we need to restore our country's economic well-being. That burden and responsibility must be borne most heavily by the private sector. We must actively lead in supporting changes needed to improve the economic environment.

That means give-ups—give-ups for virtually every firm and institution represented in this room this morning. We must all be prepared to sacrifice our special interests for common survival. Otherwise the President's program will not prevail, and our chance to seize this opportunity will evaporate—for longer, perhaps, than we would like to envision.

Like every other group in this country, business and industry have grown accustomed to working with and depending on an ever-increasing federal government. Now that there's a genuine possibility to cut back on the federal role—something we have sought for so long—we should not cry out too loud when we see some of our own sacred cows led to the slaughterhouse. If anything, we should pledge our support even while we can see we may have to endure short-term dislocations and losses.

These give-ups are liable to hurt your company—or mine;

Your industry—or mine;

Your community—or mine;

We must not only take that first, necessary step of supporting the President's program even where it is our special ox that is being gored. We must also follow up vigorously to exploit the opportunities that the program opens up:

We must increase earnings by every means possible, especially by exporting more vigorously.

We must deliberately and consciously take a longer view of our needs and responsibilities. We must avoid the tendency to focus unduly on short-term earnings results, rather than on our continued ability to deliver earnings into the future.

In this regard, we must also be prepared to invest earnings courageously in the future—in new plant, and in constructive research and development which provides better and more competitive goods, rather than development geared to short-lived product improvement.

We must seek new and innovative ways to work with labor to increase productivity, recognizing that higher productivity leads not only to better company earnings but to better worker earnings as well.

We must also be willing to "go public" with our belief in the free enterprise system, taking the case for profitable enterprise to the American people.

This is not a plea for altruism, it is a proposal for survival. At this moment, our country has a rare chance to undertake a profound change for the better.

American business and industry must lead. The American people should be able to expect American business and industry—the engine of the free enterprise system—to lead the nation on its economic course. The

alternative, as we have seen, is a turn to government.

We cannot afford to forfeit this opportunity to restore our credibility—nor can we afford to squander this promising opportunity for change.●

WILLIAM REECE SMITH, JR., DEFENDS LEGAL SERVICES CORPORATION

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. PEPPER. Mr. Speaker, the Reagan-Stockman budget cuts program proposed to eliminate entirely the Legal Services Corporation which, last year, provided legal services to approximately 187,000 elderly citizens of America. In general, these legal services would never have been enjoyed by the elderly had it not been for this Legal Services Corporation. That means that their rights under the laws of our land would never have been protected, in most cases, had not the Congress earlier made available to them these legal services from public funds. I do not know of a better authority against cutting out these legal services for the needy—many of them the elderly—than the distinguished president of the American Bar Association, the Honorable William Reece Smith, Jr., of Tampa, Fla. A summary of President Smith's strong statement against cutting out these legal services appeared on the editorial page of the Washington Post of yesterday, April 8. I believe Members will respect the opinion on this vital subject of an eminent American lawyer, the distinguished president of the American Bar Association, William Reece Smith, Jr. I ask, therefore, Mr. Speaker, that the summary of President Smith's remarks on this subject, which appeared in the Post of yesterday, appear in the RECORD immediately following my remarks:

FOR THE RECORD

The Reagan administration plan to eliminate the Legal Services Corporation is unsound, unwise and not in the nation's best interest. Elimination of this program, which provides legal representation to millions of our nation's disadvantaged citizens would, in the long run cost this nation far more than any immediate dollars we may save. . . .

We have heard critics charge that the program focuses its efforts on controversial matters of social reform. Not so. The vast majority of the over 1.5 million cases a year handled by corporation-funded local programs tend to be simple routine legal issues but matters that are, to many of these individuals, of critical importance in their lives. Legal services attorneys assist clients in resolving consumer disputes, help our elderly and persons seriously ill get needed medical services, represent tenants whose landlords don't furnish heat or make needed repairs, provide assistance to poor mothers who are trying to keep their families together. . . . The legal services attorneys ensure access to the courts and legal system for the poor citizens of this country, just as private attorneys do for their paying clients.

This is all done at a cost of just over $10 per person, and an administrative overhead rate of less than 3 percent of the corporation budget. . . .

We enjoy in the country one of the oldest surviving democracies. One thing that has made it work is the belief of our citizenry that wrongs will be redressed and rights protected for all our citizens. . . .

To eliminate or weaken a cost-effective program that has not only provided legal assistance to millions but also has strengthened their belief in our society would be unfortunate and contrary to the nation's best interest.●

HUMAN RIGHTS—ESTONIA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. BONKER. Mr. Speaker, I am saddened to bring to the attention of my distinguished colleagues the following items which detail the death of Juri Kukk, a leading human rights activist of Estonia who had been incarcerated in a Soviet labor camp.

In a letter to Max Kampelman our Ambassador to the Madrid Conference on Security and Cooperation in Europe, Maido Kari, Chairman of the Joint Baltic American National Committee points it out best when he writes:

While not a member of a recognized Soviet-bloc Helsinki monitoring group, Kukk, in every other sense of the term had been a Helsinki monitor, endeavoring over the course of the last two years to focus attention on violations of human and national rights in Estonia, in Afghanistan and elsewhere. His death is the most recent, and severest, example of the Soviet repression of human rights activists which has been taking place throughout the course of the Madrid meeting.

The letters and a biography of Mr. Kukk follows:

JOINT BALTIC AMERICAN NATIONAL COMMITTEE,
March 30, 1981.

Hon. DON BONKER,
Chairman, Subcommittee on Human Rights and International Organizations, House of Representatives, Washington, D.C.

DEAR MR. BONKER: I am writing to you in your capacity as one of the leading congressional proponents of human rights, and I would like to draw your attention to the enclosures. News reached the West a few days ago that Juri Kukk, a leading human rights activist in Estonia, had died last week while incarcerated in a Soviet labor camp. As we write in our letter to Dr. Kampelman, Kukk's death is the most recent—and severest—example of Soviet repression which has taken place during this current phase of the CSCE process. We appeal to you as well to focus attention on this ultimate violation of the Final Act and its human rights provisions.

Sincerely,

MAIDO KARI, *Chairman.*

Enclosures.

JOINT BALTIC AMERICAN NATIONAL COMMITTEE,
March 30, 1981.

Hon. MAX KAMPELMAN,
Chairman, U.S. Delegation, Conference on Security and Cooperation in Europe, Madrid, Spain.

DEAR DR. KAMPELMAN: We have with great sorrow learned of the death last week, on either March 26 or 27, of Estonian scientist and human rights activist, Mr. Juri Kukk. Kukk's wife, Silvi, received at her home in Tallinn late last week a notice from Soviet authorities informing her of little more than that Kukk would be buried on March 30 in Vologda, a city in the Russian SFSR east of Leningrad. Kukk had been tried and sentenced in Tallinn on January 8 of this year to two years of forced labor for "spreading fabrications slandering the Soviet system," a term which he was apparently serving at some labor camp in the vicinity of Vologda. Kukk had been on a hunger strike since November 25, 1980.

You will recall that on December 3, during the first phase of the Madrid meeting, Dr. Philip Handler, a Senior Advisor to the U.S. delegation, cited the persecution of Kukk, among others, in a plenary speech dealing with the question of scientific freedom in the Soviet Union. While not a member of a recognized Soviet-bloc Helsinki monitoring group, Kukk, in every other sense of the term had been a Helsinki monitor, endeavoring over the course of the last two years to focus attention on violations of human and national rights in Estonia, in Afghanistan and elsewhere. His death is the most recent, and severest, example of the Soviet repression of human rights activists which has been taking place throughout the course of the Madrid meeting.

We respectfully request you to seek information regarding the circumstances of Kukk's death and to appeal to the Soviets to have Kukk's body ultimately buried in his homeland, Estonia. We enclose for your information a factsheet on Kukk.

Sincerely yours,

MAIDO KARI,
Chairman and Estonian American National Council.
GUNARS MEIEROVICS,
American Latvian Association, Inc.
JOHN B. GENYS,
Lithuanian American Council, Inc.
JOHN BOLSTEINS,
Director of Public Relations.

BIOGRAPHY OF JURI KUKK

Juri Kukk was born in Parnu, Estonia on May 1, 1940. He graduated from Tartu University in 1963 as a chemist. He taught chemistry at Tartu University from 1972–74; from 1974–79 he was assistant professor in the Chair of Inorganic Chemistry at the University. During 1975–76, Kukk did further work in chemistry on an exchange program in France. Chiefly as a result of his exposure to the West, he renounced his membership in the Communist Party in Estonia in 1978. In May, 1979, he requested that his Soviet citizenship be voided and that he be allowed to emigrate to the West. On September 20, 1979, he was suspended from Tartu University.

During 1979 and early 1980, Kukk signed numerous human rights appeals and documents, relating to the Baltic States, the Soviet invasion of Afghanistan and the 1980 Olympics, all of which received publicity in

the West. Kukk was first arrested by the KGB in Moscow in January 28, 1980, after leaving the car of an American correspondent for the Christian Science Monitor. Released shortly thereafter, he was arrested again on March 13, 1980, after a search of his apartment and confiscation of numerous manuscripts and his typewriter. After incarceration in the central prison in Tallinn, Kukk was subjected to a number of psychiatric examinations. He was later indicted under Article 194-1 of the Estonian SSR Criminal Code for "spreading deliberate fabrications, and slandering the Soviet political and social system" for which the law prescribes up to three years of forced labor. On November 25, 1980, Kukk started a hunger strike in support of Mart Niklus, another leading Estonian human rights activist. Kukk and Niklus were both brought to trial at the same time on January 5, 1981. On January 8, Niklus was sentenced to 15 years and Kukk was sentenced to two years at forced labor. Kukk was incarcerated in an Estonian labor camp on January 22 and, in failing health, later transferred to an unknown camp in the Murmansk region on February 26 of this year.

Kukk's wife, Silvi, resides at Aardla 9a-37, Tartu 202-400, Estonian SSR. There are two children, a son, Andres, age 13, and a daughter, Liis, age 9.●

ANALYSIS OF MEASURE TO ESTABLISH A JOINT COMMITTEE ON THE LEGISLATIVE BRANCH

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. McCLORY. Mr. Speaker, in response to requests which have been coming to my office for a brief section-by-section analysis of the Joint Committee on the Legislative Branch Resolution, I insert in the CONGRESSIONAL RECORD the following general summary of the bill's contents. This analysis covers only the main points. Members interested in some of the finer details should refer to the bill itself, which has been numbered House Joint Resolution 218. My brief remarks upon introduction of the bill may be found in the CONGRESSIONAL RECORD of March 25, 1981.

BRIEF ANALYSIS

Section 1 of H.J. Res. 218 provides a short title for the bill: the "Joint Committee on the Legislative Branch Resolution."

Section 2 provides for the membership of the Joint Committee. It is to be an evenly bipartisan committee, with a total of 12 members, six from the Senate and six from the House—3 majority and 3 minority members from each body. There must be one majority and one minority member from the Senate Committee on Rules and Administration and one majority and one minority member from the House Administration Committee. (The Joint Committee has no legislative jurisdiction. Any finding or recommendation of the Joint Committee requiring legislative enactment must be taken back to the respective houses and handled through the regular legislative process.) No member may serve on the Joint Committee for more than three Congresses, the chairmanship of the Joint Committee shall rotate between the houses every year, and no member may serve as chairman or vice chairman during more than one Congress.

Section 3 spells out the functions of the Joint Committee, the primary one being to undertake annually a "thorough and complete audit of all expenditures of the legislative branch." (In addition to the Senate and the House and those entities funded under the heading "Joint Items," the legislative branch is understood to include the Office of Technology Assessment, the Library of Congress, the Congressional Budget Office, the Architect of the Capitol, the Botanic Gardens, the Copyright Royalty Tribunal, the General Accounting Office, the Cost Accounting Standards Board, and the Government Printing Office.) The language conferring upon the Joint Committee "the function of reviewing and studying, on a continuing basis, the organization and operation of the legislative branch of the Federal Government, with particular concern to the agencies within the legislative branch as defined in subsection c" * * * is meant to give the Joint Committee a light and general oversight responsibility in the case of the operations of the Senate as such and the House as such, so as not to conflict with or duplicate the activities of the administration committees of each body, but to give precise oversight responsibility in the case of the enumerated legislative branch agencies. The Joint Committee shall issue an annual report, which shall include a summary of its audit and recommendations, if any, for improvements in the organization and operations of either house.

Section 4 limits the Joint Committee to a nonpartisan staff of 12 professional and 6 clerical employees but gives the Joint Committee authority to detail employees from legislative branch agencies such as the GAO or the Library of Congress as needed to assist in the audit or additional oversight work. Expenses of the Joint Committee shall be paid half from the contingent fund of the Senate and half from the contingent fund of the House.

Section 5 gives a general schematic for the Joint Committee. The Joint Committee shall make and publish and follow its own rules, meet at least once a month, and keep records. Proxy voted is prohibited. The Joint Committee is given subpoena power and may broadcast its hearings. No recommendation may be reported unless a majority of the Joint Committee was actually present.

Section 6 repeals the Joint Committee on the Library and the Joint Committee on Printing and assigns the functions of these two committees to the new Joint Committee.

Mr. Speaker, I might just offer a couple of words of explanation concerning certain provisions of the bill. The idea behind the legislation is to establish both a regular procedure and a responsible entity for accounting to the American people on the expenditure of their money to operate the legislative branch of the Federal Government. I suspect there are several ways to meet this responsibility. I have introduced legislation to create a special but very limited joint committee to carry out this objective because it seemed to me a logical and neat way to handle the matter. But I am open to suggestions from other Members who have a better idea of how to do this.

Creating yet another committee of the Congress is hardly a popular proposition at the moment, and in recognition of our collective reluctance on that score, I have endeavored to strictly limit this new committee to the functions discussed above, to provide it with a minimum staff, and I would anticipate that in taking over the duties of the present Joint Committees on Printing and the Library, the new committee would assume some of that staff, for as little personal and jurisdictional upheaval as possible. Furthermore, I have tried to emphasize the limited scope of the committee by providing for a constantly revolving membership. The chairmanship swings back and forth between the Houses every year, no person may serve as chairman or vice chairman of the committee during more than one Congress, and no Member may serve on the committee for more than three Congresses. I feel strongly that the operations of the Congress are of equal importance to all of us, and I would hope this automatic turnover in the membership of the Joint Committee would be of educational benefit both to the Congress and to the public by acquainting more Members with the details of our operations. In addition to accounting for the expenditure of legislative branch appropriations of a regular basis and in a manner designed to show the overall workings of the Congress, perhaps we can use the Joint Committee's annual report to better educate our citizenry and ourselves on just what is entailed in the making, debating, and reviewing of the Nation's laws.

Mr. Speaker, I will be happy to respond to any other questions Members may have about this bill, either here on the floor or in my office.●

IRVING KRISTOL AND HUMAN RIGHTS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. MICHEL. Mr. Speaker, the distinguished academic writer and thinker, Irving Kristol, has the rare ability to write about complex political and social issues in a clear, rational, and informative way. Recently he turned his considerable talents to the question of human rights. I would suggest that we all take time to read what Mr. Kristol has written.

At this time I insert in the RECORD, "The Common Sense of 'Human Rights'" by Irving Kristol, the Wall Street Journal, April 8, 1981:

THE COMMON SENSE OF "HUMAN RIGHTS"

Recently, on NBC network news, we were informed that the United States was contemplating sending arms to Pakistan, as part of a new military alliance. Immediately following the transmission of this bit of "hard news," we were further informed that Pakistan is a nation where the legal code still permits the public flogging of criminals and where the political opposition is repressed. In this way we were given notice by the media that an alliance with Pakistan creates a serious "human rights" problem for us.

Does it? To give a reasonable answer to that question would require thoughtful reflection on the whole issue of human rights, something that has not been a notable characteristic of current controversy. Instead, we have been treated mainly to vacuous moralism, hypocritical and tendentious exposes, and (more recently) a "hard-headed realism" that tends to evade the issue altogether. If we are ever to integrate an idea of human rights into our foreign policy, as I think we must, we are not going about it very successfully.

I want to emphasize that we really must integrate a conception of human rights into our foreign policy—into our alliances, our military aid programs, our economic aid programs, our cultural exchanges, etc: Our policy, after all, is founded on the idea of an individual's rights. Our foreign policy, to the degree that it rubs this idea the wrong way, will be guilt-ridden, uncertain, lacking in self-confidence. The United States never has had, never can have, and in my view never should try to have a purely "geopolitical" foreign policy. Elements of Realpolitik will surely have to be incorported into our foreign policy, as in all foreign policies. But such "realism" has to be conceived and expressed in a way that allows us to live, if a bit uncomfortably now and then, with our moral selves.

INTEGRATION PRINCIPLES

So how do we go about achieving the desirable and necessary integration? Are there principles governing any such integration? I think there are. Moreover, I do not think they are particularly esoteric principles discernible only to the sophisticated political philosopher. Rather, I believe they are already fully, if implicitly, possessed by American popular opinion, are in accord with the "common sense" upon which such opinion rests, but are badly in need of articulation.

Let us see if we can elucidate the principles that are needed successfully to incorporate the idea of human rights into American foreign policy. There are, I would say, five such principles.

(1) The American idea of human rights involves rights against government. It is important to emphasize this because postwar liberalism has purposefully expanded the idea of human rights to include a whole spectrum of "entitlements," identified as "rights," that are to be satisfied by government. The various United Nations declarations and resolutions, which list as "human rights" such items as vacations with pay, maternity leave, full employment and free medical care, are illustrative of this tendency. The American government, in its moments of silliness, has actually signed such declarations and resolutions. But the American people never have subscribed to any such nonsense.

Actually, it is a rather dangerous piece of nonsense. Such a conception of "human rights" permits left-wing ideologues to claim that, while the United States has a better record than, say, the Soviet Union or Cuba in certain areas of human rights, these latter nations can claim superiority in other areas—so, in sum, there really is no absolute difference, no difference in principle, between us and them. Indeed, the whole point of such a radical expansion of the idea of "human rights" is to minimize the importance of individual liberty as the keystone of that idea.

This permits dozens of nations to make solemn speeches in the UN in favor of "human rights" while blandly restricting and repressing individual liberty at home.

It would be a blessing if the United States began to move openly and deliberately to dissociate itself from this UN smokescreen. That would assuredly cause an enormous flap, both at the UN and among our own liberal folk. But it would be well worth while.

(2) Rights against government are to be distinguished from democratic rights—i.e., rights to participate in self-government. Though it is natural for Americans to wish to see all peoples govern themselves more or less as we do, it is obvious that the world is full of peoples who, as things now stand, are unable or unwilling to do so. The United States does have a missionary vocation for democracy—but only to the extent that our successful example encourages others to emulate us.

It is not really for us to insist that any or every country should have free elections or universal suffrage—that is their affair. We do, however, have a historic mission to defend the rights of the individual against arbitrary or tyrannical government, whether that government expresses the popular will or (as is more often the case) does not. It is a mission that has been an organic aspect of our very self-definition as a nation, ever since its origins.

(3) In reality, of course, there are always more complications, more shades and varieties of repression, than abstractions about human rights can cope with. So it is useful to have a workable set of priorities in mind. It seems to me that there are four human rights which are of such prime significance to Americans that, when any nation violates them, we promptly have a problem in our relations with that nation. They are:

The practice of torture—not "harsh treatment" but literal torture—against political opponents is so fundamentally obnoxious as to be always and everywhere unacceptable to us. Torture is an assault on the metaphysical concept of human dignity itself, from which our belief in individual rights is derived. Where its presence has been demonstrated, we ought to make our disapproval clear in every possible way.

The right to emigrate is the most basic of all individual rights, since it tends automatically to set limits to what an authoritarian or totalitarian regime can do. (The relative "liberalism" of Communist Yugoslavia is certainly connected with the freedom of emigration it permits.) I regard it as nothing less than a scandal that our representatives to the UN have, over the years, deliberately ignored this issue, presumably for fear of offending Soviet sensibilities.

Religious toleration is an idea so fundamental to the American way of life, so rooted in American traditions, that we simply cannot be indifferent to violations of that idea. Mind you, I am talking about religious toleration—i.e., freedom from religious persecution—not religious equality, and definitely not separation of church and state. These last are American ideas, not necessarily exportable. If a nation wishes to have a state-established religion, with special privileges, that is its affair. But freedom from religious persecution is a human right whose universality we must insist on.

Here again, our official and utter indifference to the violation of this human right—an indifference so visible at the UN—is a major scandal. Why haven't those representatives at the UN criticized the current government of Iran for its vicious persecution of the Bahais? When was the last time those representatives denounced the Soviet Union for persecuting pious Christians, Jews and Moslems? One suspects that this reflects the secular temper of the State Department, the media, the intellectual community. But we can be certain it does not reflect the temper of the American people.

The rights of racial minorities were not always thought by Americans to represent a fundamental human right, but they have unquestionably acquired that status in recent decades. A nation which fails to recognize those rights inhabits a different moral universe from us and is unacceptable as friend and ally. Again, as with religion, it is not a question of political rights but of civil rights. In America, we insist that racial and religious minorities are entitled to both classes of rights. But American practice may not be readily exportable to other multracial or multi-religious societies. In contrast, our idea of individual civil rights—involving access to due process of law and protection of an individual's property and personal security—is one which we indeed take to be universal.

(4) Recently, discussions of human rights have often hinged on the distinction between "totalitarian" and "authoritarian" countries. It is, I believe, a valid distinction and provides some rough guidelines for our human rights policies. Totalitarian states deny in principle our idea of human rights, and will tend habitually to violate all of them. Authoritarian regimes merely assert the irrelevance of our idea to their reality, and in both theory and practice will recognize at least some of the fundamental rights I have made reference to.

HOPE FOR AN EVOLUTION

Under authoritarian regimes there is always some ground for hope for an evolution toward a more liberal system. (We have witnessed that very evolution in Spain.) Totalitarian regimes exist precisely to rule out the possibility of any such evolution. Our attitudes toward these two very different kinds of illiberal system are bound to reflect these realities.

(5) In the real world of international power politics we are always forced, more frequently than we would like, to compromise our principles. There is nothing immoral about the American government's bowing to this inevitability. What is wrong, however, is for the government not to explain candidly to its people exactly why it is doing so. This may ruffle the sensibilities of some foreign governments—but that is a price we should insist they be prepared to pay.

In extreme situations, of course, discussions of human rights become a luxury, and the governing principle then becomes: The enemy of our enemy is our friend. Just when a situation is so extreme it is not easy to say, short of actual armed conflict. There are not, thank goodness, many places in the world today where our foreign policy is entrapped in such dire extremity—which is

why I believe that the issue of human rights is a real one and has to be integrated, better than it has been, into a realistic foreign policy.●

SALES REPRESENTATIVES PROTECTION ACT

HON. JAMES J. FLORIO
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. FLORIO. Mr. Speaker, I am pleased to announce my intention to introduce the Sales Representatives Protection Act in the 97th Congress.

This legislation had broad bipartisan support from Members from all parts of the Nation in the last Congress. Our colleague from New York, DICK OTTINGER was the lead sponsor, and he gained 158 Members of the House as cosponsors.

This widespread support led to a hearing by the Commerce Consumer Protection and Finance Subcommittee June 18, 1980. The subcommittee heard many witnesses that day and intended to schedule another hearing, but time constraints prevented further consideration of this proposal.

With the reorganization of the full committee this year, the Subcommittee on Commerce, Transportation and Tourism, of which I am chairman, gained jurisdiction over the Sales Representatives Protection Act. The ranking minority Member, NORMAN F. LENT of New York, is also a cosponsor of this bill, and supports my intention to hold hearings on it this summer.

The Sales Representatives Protection Act, or "SRPA", seeks to encourage the existence of contracts defining the relationship between wholesale, commissioned sales representatives and the manufacturers they represent. SRPA is designed to protect sales reps from sudden and unfair termination from accounts that they have invested time and money building up.

The sponsors of this bill have made several alterations to previous versions of SRPA, in response to suggestions made in hearings and discussions with interested parties. We believe that the legislation has been improved, and we look forward to its further examination and approval this year.

I will be joined in introducing this bill within the next several weeks by Mr. LENT, Mr. OTTINGER, MATT RINALDO, BILL BRODHEAD, CHARLES ROSE, WYCHE FOWLER, and BILL FRENZEL. Many other Members have already indicated their desire to cosponsor this new bill, and we will be pleased to add any Member who wishes to join us when it is introduced.

For the information of all concerned, I am including the text of the legislation and a summary of its provisions, which has been prepared by the Bureau of Wholesale Sales Representatives, one of the major proponents.

The material follows:

H.R. —

A bill to correct inequities in the relationship between sales representatives and their principals, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Sales Representatives Protection Act".

STATEMENT OF FINDINGS

SEC. 2. The Congress hereby finds that—

(1) sales representatives invest their own time, resources, and skills in the development of their territories and markets for their principals;

(2) many sales representatives are compensated primarily by commission and do not generally have the benefits of collective bargaining, workmen's compensation, unemployment compensation, company-sponsored retirement, or pension plans;

(3) many sales representatives are subjected to wrongful termination from their accounts, reduction in the size of their sales territories, conversion of their accounts to house accounts serviced directly by their principals, and other abuses which deny them the full benefits of their labor;

(4) there are significant inconsistencies in the construction and application of the laws of the several States as they apply to relationships between principals and sales representative and the termination of such relationships; and

(5) it is in the public interest to encourage the development of equitable contracts between sales representatives and their principals and for principals to provide reasonable compensation to sales representatives who are wrongfully terminated.

DEFINITIONS

SEC. 3. For purposes of this Act:

(1) The term "account" means a wholesaler, retailer, contractor, or other business establishment—

(A) which purchases any merchandise of a principal through a sales representative for resale; and

(B) to which the sales representative solicited orders on behalf of the principal for a period of not less than 18 months immediately preceding the termination of the sales representative by the principal.

(2) The term "commerce" means trade, traffic, transmission, communication, or transportation—

(A) between a place in a State and any place outside the State; or

(B) which affects trade, traffic, transmission, communication, or transportation described in subparagraph (A).

(3) The term "good cause" means—

(A) conduct on the part of a sales representative with respect to the principal of the sales representative which constitutes—

(i) dishonesty, fraud, or other illegal activity;

(ii) a material breach of the contract between the sales representative and the principal;

(iii) failure to put forth a good faith effort to obtain orders for the merchandise of the principal;

(iv) gross negligence in the performance of the duties of the sales representative; or

(B) a marketing area withdrawal.

(4) The term "marketing area withdrawal" means the withdrawal of merchandise, or a line of merchandise, directly or indirectly, by a principal from a particular marketing area during a continuous period of at least one year.

(5) The term "principal" means any person who—

(A) engages in the business of manufacturing, producing, assembling, or importing merchandise for sale in commerce to an account which purchases the merchandise for resale;

(B) utilizes sales representatives to solicit orders for the merchandise; and

(C) compensates the sales representatives, in whole or in part, by commission.

(6) The term "sales representative" means any person (other than an agent-driver or commission-driver) who engages in the business of soliciting, on behalf of a principal, orders for the purchase at wholesale of the merchandise of the principal.

(7) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

TITLE I—CONTRACTS BETWEEN SALES REPRESENTATIVES AND PRINCIPALS

CONTRACT TERMS

SEC. 101. (a) Any written contract conforming to this title between a sales representative and a principal under which the sales representative solicits orders for the merchandise of the principal shall—

(1) specify the rate of commission or any other form of compensation to be paid by the principal to the sales representative;

(2) specify the minimum term of the contract;

(3)(A) specify, in accordance with subsection (b)(1), the number of days of written notice the principal shall give the sales representative before terminating or failing to renew the contract without good cause; or

(B) specify, in accordance with subsection (b)(2), the amount of payment which shall be made in lieu of the written notice pursuant to subparagraph (A);

(4) specify the number of days of written notice, or the amount of payment which shall be made in lieu of written notice, the principal shall give the sales representative before the principal effects a marketing area withdrawal;

(5) include a description of the sales territory assigned to the sales representative and a statement of whether the territory will be an exclusive territory of the sales representative with respect to the merchandise, or line of merchandise, of the principal;

(6) include provisions relating to the ownership of any samples furnished by the principal to the sales representative for use in business;

(7) specify the number of days after an order for the merchandise of the principal is transmitted to the principal within which the principal shall notify the sales representative whether the order has been accepted or rejected;

(8) include terms under which the sales representative will receive copies of shipping documents which relate to merchandise shipped by the principal to an account of the sales representative; and

(9) include terms under which the sales representative will be allowed to solicit orders for the merchandise of other principals.

(b)(1) The notice specified in subsection (a)(3)(A) shall not be less than 30 days for each year the sales representative involved has solicited the account involved, except

that the notice shall not exceed a maximum of not less than 90 days.

(2) the payment specified in subsection (a)(3)(B) shall be paid not later than 30 days following the date of the termination involved. Such payment shall not be less than one-twelfth of the average annual compensation of the sales representative for the period during which the sales representative solicited the account during the preceding 5 years, multiplied by the lesser of (A) the total number of years that the sales representative solicited the account; or (B) 3 years.

DUTIES OF PRINCIPAL

SEC. 102. Any principal who enters into a contract with a sales representative under which the sales representative shall solicit orders for the merchandise of the principal shall—

(1) inform the sales representative, within a reasonable time to be specified in the contract, of the receipt of each order by the principal from an account of the sales representative;

(2) furnish the sales representative, within a reasonable time to be specified in the contract, copies of all invoices and credit memorandums issued with respect to sales in any assigned geographic territory of the sales representative;

(3) furnish the sales representative monthly statements of commissions due the sales representative; and

(4) provide to the sales representative, upon the written request of the sales representative—

(A) an accounting showing each sale made by the principal in the preceding 12 months in any assigned geographic territory of the sales representative, except that such accounting may not be required more frequently than once during each 12-month period;

(B) information with respect to any specific matter which is related to any claim by the sales representative against the principal for a commission; and

(C) access to the records of the principal for the purpose of verifying specific information supplied under subparagraphs (A) and (B).

TITLE II—INDEMNIFICATION

EXEMPTION FROM INDEMNIFICATION REQUIREMENTS

SEC. 201. No action for indemnification under this Act may be brought by a sales representative against a principal if the sales representative and the principal have entered into a written contract which conforms with the requirements established in title I.

INDEMNIFICATION REQUIREMENTS

SEC. 202. (a) Any principal who, without good cause, terminates a sales representative from an assignment to solicit orders on behalf of the principal shall indemnify the sales representative in accordance with section 203.

(b)(1) Any principal who—

(A) reduces, without good cause, the size of the geographical territory assigned to a sales representative; or

(B) reduces the rate of commission paid to a sales representative; or

(C) reduces the number of accounts assigned to a sales representative within a geographical territory;

shall be subject to the requirements established in paragraph (2).

(2) Any principal who carries out any reduction specified in subparagraph (A), (B), or (C) of paragraph (1) shall indemnify the sales representative involved in accordance with section 203 if—

(A) any such reduction (or any combination of such reductions) results in a decrease in the dollar amount of commissions paid by the principal to the sales representative for the 12-month period following such reduction or combination of reductions; and

(B) such decrease is equal to or greater than 25 percent of the dollar amount of commissions paid by the principal to the sales representative for the 12-month period immediately preceding such reduction or combination of reductions.

(3) The calculation of any decrease in the dollar amount of commissions paid by a principal to a sales representative under paragraph (2) shall disregard any portion of such decrease which is directly attributable to non-performance of the sales representative, an act of God, an act of war or insurrection, a strike, or an action by any agency of government.

COMPUTATION OF INDEMNITY

SEC. 203. Any principal required under section 202 to indemnify a sales representative for the loss or reduction of commissions from any account shall be liable to the sales representative in an amount equal to one-sixth of the average annual compensation of the sales representative for the period during which the sales representative solicited any such account during the preceding 5 years, multiplied by the total number of years (not to exceed 10 years) that the sales representative solicited any such account.

PAYMENT OF INDEMNITY RESULTING FROM SETTLEMENT

SEC. 204. (a) Following the making of a binding agreement to settle a claim by a sales representative against a principal for an indemnity under this title, and before any action is brought under section 301(a), the principal involved—

(1) shall pay the amount of the settlement to the sales representative not later than 30 days after the date of the agreement; or

(2) if the amount of the settlement is greater than $3,000, may elect to pay the amount in the manner specified in paragraph (1) or in the manner specified in subsection (b).

(b)(1) A principal electing under subsection (a)(2) to pay the amount of a settlement in excess of $3,000 under this subsection shall pay not less than 40 percent of the amount to the sales representative not later than 30 days after the date of the agreement.

(2) The principal also shall, at the time of the payment specified in paragraph (1), give the sales representative two negotiable notes, each for one-half of the balance of the amount of the settlement. One such negotiable note shall (A) be due not later than 12 months after the date of the agreement; and (B) bear interest at the highest rate of interest paid by the United States on notes issued by it during any 3-day period including such date.

(3) The second such negotiable note shall (A) be due not later than 24 months after the date of the agreement; and (B) bear interest at the highest rate of interest paid by the United States on notes issued by it during any 3-day period including such date.

(c) Nothing in this section shall restrict or invalidate any right or remedy established in sections 301 and 303.

TITLE III—MISCELLANEOUS PROVISIONS

PROCEDURAL REQUIREMENTS

SEC. 301. (a) An action to enforce any rights or liabilities created by this Act may be brought in a district court of the United States without regard to the amount in controversy or in any other court of competent jurisdiction.

(b) In the case of an action arising under this Act which is brought in a district court of the United States, the action may be brought in the judicial district where all the plaintiffs reside in addition to any other judicial district provided by law.

(c) No action may be brought under this Act later than 6 years after the right to the action arises.

(d) In any action brought by any sales representative against any principal under this Act, the burden of proof on the issue of whether the principal acted without good cause shall rest on the principal.

(e) In any successful action brought by a sales representative under this Act, the court may award reasonable attorney fees and the cost of the action to the sales representative.

(f) Payment of indemnification under this Act shall be deemed to be a payment of wages and salary under sections 507(a) (3) and (4) of title 11, United States Code.

(g) The right to indemnification arises on the date the principal has completed the actions specified in section 202 and does not terminate upon the death of the sales representative.

WAIVER PROHIBITED

SEC. 302. Any provision in any contract between any sales representative and any principal requiring the sales representative to waive any of the provisions of this Act shall be void.

EFFECT ON STATE LAW

SEC. 303. Nothing in this Act shall invalidate or restrict any right or remedy of any sales representative under the law of any State.

SUMMARY OF THE SALES REPRESENTATIVES PROTECTION ACT (SRPA)

The purpose of SRPA is to make available a federal remedy for sales representatives in interstate commerce who presently must endeavor to traverse a maze of inconsistent and conflicting state laws. SRPA requires no budgetary appropriation, no funding, and no involvement of any federal agency. Enactment would not increase the cost of government.

SRPA's remedy is a claim to an indemnity that may be adjudicated under limited conditions and only where the sales representative has represented the principal for at least 18 months. The remedy is not available where the parties have entered into a conforming written agreement. A conforming agreement must provide for a minimum of 30 days notice for each year of representation up to a maximum of 90 days notice where the relationship is terminated without good cause. Other items to be negotiated by the parties and addressed in a conforming contract are:

Commission rate
Term of the contract
Territory assigned
Ownership of samples
Time period to accept or reject an order
When shipping documents are to be furnished

Whether or not additional lines may be carried.

Under such a contract, the principal must inform the sales representative of receipt of orders, furnish copies of invoices, credit memos, and monthly statements of commisions due, and, upon request of the sales rep, provide an annual accounting and access to the records.

If a contract conforming to the first paragraph was not negotiated, any principal who:

1. terminates a sales rep without good cause, or who
2. causes a decrease in the sales rep's earnings of 25% or more by
   a. reducing the sales rep's territory
   b. converting accounts serviced by the sales representative to house accounts, or
   c. reducing the commission rate

is subject to a claim for indemnity. To calculate the indemnity, determine the sales rep's average annual commissions earned by soliciting the lost accounts or commission for the principal for the past 5 years; divide by 6 and multiply by the number of years (not to exceed ten) that the sales rep solicited the accounts on behalf of the principal.

If a written contract conforms to the provisions noted in the first paragraph, an indemnity claim is not available to the sales representative.●

MONSIGNOR CALVO HAS 40TH ANNIVERSARY

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. WON PAT. Mr. Speaker, this week marks the 40th anniversary of service in the Catholic priesthood for one of the most devoted, loyal, and compassionate men I have ever met, Msgr. Oscar L. Calvo of Guam.

The history of his service to the church and to the people of Guam is a remarkable one. He assumed his priestly duties only a few months prior to the invasion of Guam in 1941. Shortly thereafter, Father Calvo found himself only one of two priests left on the island—a most heavy responsibility for one so tender in years and experience.

During the long hard years of enemy occupation of Guam, Father Calvo brought untold comfort to his fellow Guamanians in the midst of terrible suffering. His is a story of true gallantry in the face of an enemy who was never reluctant to use deadly force.

Through a unique gift of humility, charity, and a strong love for his fellow mankind, Father Calvo not only helped bring his flock through those most trying of times, but emerged as one of the true spiritual leaders of the community who today enjoys the immense respect of his fellow islanders and those within the church.

Following the return of American troops to Guam and the end of World War II, Father Calvo took up his civilian pastorate and once again worked to better the life of those around him. His record of accomplishments is second to none. He helped found the Helping Hands of Guam, an organization to help the poor; he promoted local culture by teaching the local language at the Territorial College of Guam; he worked long and hard to promote agriculture by founding the annual coconut festival at Inarajan; and even found time to organize the first Boy Scout troop on Guam and serve as its pastor.

The people of Guam were not alone in recognizing the unusual and significant contributions of this great man. In 1947, the Catholic Church granted Father Calvo the title of monsignor and made him a papal chamberlain under Popes Pius XII, John XXIII, and Paul VI.

But to a man who has devoted his entire life to service in the church to his fellow mankind, titles are only part of life. His real reward is seeing his fellow islanders prosper in body and spirit. I would sincerely hope that Father Calvo also takes comfort in the knowledge that few men have made a greater impact on their community than has he. Guam has, in many respects, been unusually rich in the quality of men and women we have had serving the church on our island. But few have reached the pinnacles of love and devotion that is marked by the remarkable career of this most dedicated of public servants.

I am pleased to report that today, Monsignor Calvo continues to serve the community as he has for 40 years by working to develop a history of his times on the island.

I know that I am joined by the entire Guam community and countless others who have had the pleasure and privilege of knowing Father Calvo in saluting him for his four decades of truly dedicated service to the people of Guam. I wish him many more years of happiness and good health.

At this point I insert the biography of Monsignor Calvo in the RECORD so that my colleagues may learn more of the splendid works of this great servant to man and God. Thank you.

MSGR. OSCAR L. CALVO

April 5, 1981 is a special anniversary, commemorating forty years of service to God and man, forty years of quiet heroism displayed by a native of Guam, America's smallest and westernmost territory. It was forty years ago on April 5, 1941 that twenty-five year old Oscar L. Calvo, back from 13 years of seminary training in the Philippines, was ordained a priest in Agana, Guam, by Bishop Angel de Olano, OFM, Cap. Vicar Apostolic of Guam.

Guam had been Christianized by Spanish missionaries for more than three centuries, yet among the island clergy there was only one other native priest, thirty year old Father Jesus B. Duenas.

When the Japanese took over the island on Dec. 8, 1941, the Guamanians were not yet American citizens, so Father Calvo and Father Duenas were not interned and sent to concentration camps in Japan as were their American counterparts. They were left with the awesome responsibility of ministering to the 98 percent Catholic population of the island. They split it. Father Calvo took the northern half, which included the city of Agana and contained the bulk of population. On Monday morning he would leave his parents' ranch in Maite by bicycle, bull cart, sometimes horse carriage; going from place to place offering Mass and conferring the sacraments. Once he absolved and gave Communion to two condemned men, who were shot by firing squad immediately afterward. Saturday evening he would return to the ranch.

A small Japanese Navy garrison administered Guam, and the island was peaceful, if forced labor for women in rice paddies and for men building fortifications on the reef can be termed such.

On one occasion Father Calvo was told by the Minseibu, the local administrator, to locate Father Duenas and bring him to headquarters within three hours or lose his head. In vain did he explain that without motor transportation he could not reach Father Duenas' parish at the southern end of the island by the deadline, and even if he could there was no assurance that the priest would be there. A long time Japanese resident of Guam, Mrs. Dejima, came to the rescue with a motor vehicle, and Father Calvo was able to complete his mission.

The Minseibu ordered the two priests to remove crosses, books and all religious objects from the church, friary and bishop's house in Agana, as the buildings were to be taken over by the authorities. Father Calvo stored the materials in various homes, and unfortunately the vital statistics—marriage records, baptismal certificates—which had been consolidated in Agana were later destroyed by an incendiary bomb.

The Japanese executed Father Duenas in 1944 on the eve of the American reoccupation. Americans landed in July 1944 and secured the island on Aug. 18, although there was occasional sniper fire for some time after.

The post war years were busy as there was much building to do, both physical and spiritual. With the aid of General Henry Larsen, USMC, who furnished some lumber, Father Calvo built the first temporary church in Agana, using a tennis court as the floor. In 1949 he built the first permanent post-war church at Agana Heights. In 1951 he helped secure land for a convent at Tai.

He worked closely with the new American bishop, Apollinaris Baumgartner, and was a member of the vicariate council from 1945 to 1950. He co-organized the Holy Name Society and served as its chaplain. He co-organized the Christian Mothers and for unmarried women, the Sodality of Mary.

While on the board of directors of Guam Memorial Hospital, 1945 to 1960, he persuaded reluctant parents to permit their daughters to study nursing, which previously had not been considered a suitable profession for young Chamorro ladies. Later in 1967 he was an incorporator of Good Samaritan Clinic and has served on its board of directors.

Father Calvo was distressed to see people turn away from cultivation of the soil, which gave them their strength and kept them alive during the Japanese occupation. To counteract this trend, he helped found the annual Coconut Festival at Inarajan while he served there as pastor, 1946–49. Before the War, Inarajan was the center of copra production.

With Mrs. Leslie Litch he founded the Helping Hands of Guam in 1953. This organization assisted the poor and needy. It filled a void at a time when there were no food stamps and few federal aid programs.

In Jan. 1954 the Territorial College of Guam, later the University, introduced a course in spoken Chamorro, the native language. Father Calvo was the instructor. He was a member of the now defunct Chamorro-Cultural Association. He belongs to the Chamorro Language Commission, which standardizes spelling and grammar and promotes the use and preservation of Chamorro. His educational activities also include membership on the Catholic Board of Education from 1948 to 1951.

In 1950, Col. Van Orden U.S.M.C., Bishop Baumgartner and Father Calvo organized the Boy Scouts, and for a time Calvo served as chaplain. Later came the Girl Scouts.

Because of ill health Father Calvo went into semi-retirement in 1959. He was relieved of pastoral duties, but that did not mean an end to his activities. It gave him time to pursue a project dear to his heart, the beatification of Father Diego Luis de Sanvitores, the martyred Jesuit, who introduced Christianity to Guam and the Marianas more than three centuries ago. In search of supporting material, Calvo traveled to Spain and Rome to secure microfilms of documents in Spanish archives. Some of these were copied for the Micronesian Area Research Center, where Calvo worked for ten months.

He came under heavy criticism for spearheading the erection of a Japanese Peace Memorial. From his point of view it was simply a matter of granting Japanese pilgrims a place to honor their fathers, husbands, sons and brothers who had been killed on Guam. That the Japanese were former enemies made no difference to Father Calvo, the man of God. Securing land and building the monument was a private undertaking, approved by President Johnson and the State Department. Not one penny of American money was spent, and not one penny was raised on Guam. All funding came from private sources in Japan.

In 1947 Calvo was named Monsignor, a title indicating long and ardent devotion to duty. He was made Papal Chamberlain (member of the Pope's household) in Jan. 1947 and served in that capacity under Popes Pius XII, John XXIII and Paul VI.

Monsignor Calvo is a charter member of the Rotary Club of Guam, a charter member of the Knights of Columbus, fourth degree and a tertiary of the third order of St. Francis of Assisi.

He has published a translation of Bible stories in Chamorro, a pictorial book review of Guam from 1521 to 1940 and a book on the life of Luis de Sanvitores, Apostle of the Marianas.

His eyesight has failed over the years until now he is blind but not incapacitated. With the aid of an assistant he carries on research and tapes oral history.

The past forty years have not been easy, but Monsignor Calvo has answered the call and fought the good fight. For the past forty years this man of God has been an inspiration and a pillar of strength for the people of Guam.●

TENNESSEE VOICE OF DEMOCRACY WINNER

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. BEARD. Mr. Speaker, the following is the fine essay by Linda Joanne Leonard of Pulaski, Tenn., which won the 1980-81 Veterans of Foreign Wars "Voice of Democracy" scholarship contest. I recommend it to all Americans:

ESSAY OF VOICE OF DEMOCRACY TENNESSEE WINNER LINDA JOANNE LEONARD

As the United States has approached and passed her 200th birthday, it is extremely important that we, as citizens, take a close look at the shortcomings in our society. For the most part, the United States has become a strong nation with many opportunities for all people. Unfortunately there are also several flaws that need to be corrected. One of the most distressing problems facing our great Nation today is the lack of commitment shown by many Americans in three major areas—low voter turnout, refusal to defend our country, and lack of national pride. I, for one, do not and never will join in these tendencies.

What exactly is national commitment? Basically, national commitment is the guarantee from each citizen that he will do whatever is necessary to preserve our country's greatness. Although these promises vary in degree, Patrick Henry's quote "Give me liberty, or give me death" clearly shows his personal overwhelming loyalty to America. It was his sentiments, and the feelings of others like him, that have made this country strong. Our Founding Fathers set up a form of government, democracy, that enables us all to live in harmony while enjoying many liberties including: freedom of speech, religion, the press, and the right to assemble in a peaceful manner. Now it is up to today's society to preserve these freedoms for future generations. Primarily, this is accomplished by electing government officials who are truly concerned about the welfare of our Nation. voting is a privilege extended to all citizens upon reaching 18 years of age. Although I find it hard to understand, millions of Americans do not utilize this privilege. This is clearly a lack of commitment and concern for the future of our country on their part.

The law also plays a significant role in preserving these personal freedoms guaranteed by the Government. One man's liberties cannot be at the expense of another, and therefore a just and strong judicial system protects every individual citizen. This happens to be my chosen career field, for I want to do my part in safeguarding these individual liberties.

As the United States stands today on the possible brink of world war III, it is especially distressing to hear the lack of commitment by so many Americans. As our Nation watches the burning of the American flag by the Iranians, millions of men and women say they will refuse to fight in any war in which the United States becomes involved. This is one of the saddest things I have ever heard. Although I too would be afraid, I would rather fight for the survival of our Nation which has given us all so very much, than to succumb to communistic rule without even a struggle.

The fundamental foundation for commitment is a strong sense of national pride. When I attended Girl's State and sat among 500 girls from all over my State, I could not help but have a swelling of pride for my country. For it was when our 500 voices joined in singing the "Star Spangled Banner" that I realized how truly special our Nation is. It is up to today's citizens, both young and old, to insure the survival of our democratic society, and all the great things it offers. I am willing to do whatever is necessary on my part, and I have faith that at the deciding time, which is quickly approaching, All Americans will join together and face any problem, no matter the size—and America will prevail.●

RICHARD ALLEN ANALYZES INTERNATIONAL TERRORISM

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. ROSENTHAL. Mr. Speaker, President Reagan's National Security Adviser, Richard Allen, reviewed in a recent interview the new administration's attitude toward international terrorism, its sources of support, and its role in international affairs.

His comments upon the principle of national self-defense against terrorism, and the administration's support for the right of nations to protect themselves against terrorist attacks is especially noteworthy.

The transcript of the interview provides us with a good sense of how the executive branch views this important problem:

[ABC News 20/20 Magazine transcript, Mar. 20, 1981]

Q. Is the spread of International terrorism a threat to the United States?

A. Oh, certainly it is. It's an indirect threat at present because terrorism, as some people know it, is not good for our country. But, yes it is. It's a threat to us and certainly to our foreign policy objectives, if you concede that our main and overriding foreign policy objectives is the preservation of peace. That which disturbs the peace, no matter what its source, is injurious, not only to our interest, but to the interest of the people on whom it's being visited.

Q. How important is the Soviet involvement in the spread of international terrorism in the disruption of peace in the Western world?

A. I think substantially (the) Secretary of State has made quite a good case, I think, demonstrating Soviet involvement. But we have to be careful to define that involvement. What does it mean? Does it mean direct participation? Does it mean the support, whether it be ideological, hortatory, tangible? And in the case of the supply of weapons, which are ultimately used to inflict terrorism, there has been, I think, ample evidence accumulated.

I need only mention the work of Claire Sterling in this regard. I think it is a significant landmark work on the subject of terrorism, and something about which we have to be better informed.

We've had some studies in this country, such as that done by Robert Kupperman and Darrell Trent. We're way behind the power curve, and we've been very fortunate so far that all violent forms of terrorism have not been inflicted upon our people here.

Q. What about the Soviet role in the Middle East? How would you define their relationship with the PLO?

A. It's difficult to assess the relationship with the PLO because there are various component parts of the PLO. But, overall, I think it's fair to say that the Soviet Union is supporting the main aims of the PLO.

Again, that fine line between the support of a tangible nature and support of an ideological nature is difficult to measure. But, it's there. Any student of the Soviet system, anyone who is even reasonably serious in an evaluation of the Soviet system, from its inception, who is even in the most cursory way familiar with the writing of Lenin or Stalin, and after that it's more or less disappeared. The use of terror has been an important weapon, an important instrument in achieving revolutionary goals.

After all, you have to understand that the Soviets do have a very tightly closed ideological system or framework in which terrorism is one important component part.

Q. But, specifically in terms of the PLO, what is the Soviets' role? Is it the providing of arms? Is that it basically? Is it the condoning of criminal acts? Is it all of those things?

A. I think so, I think it is probably all of those things. I think it's financial, although others have perhaps taken up some of the slack that may have developed from the shortfall of Soviet funding. The PLO is said to get funds from other countries in the world. Libya. And I don't know what the budget process of the PLO is. And it may be that the case may be made for a minimal Soviet involvement in PLO organization itself.

But, nonetheless, that identity of purpose, that agreement as to the justness of revolution and terror as an instrument of revolution, is an inherent part of Marxist-Leninist ideology.

Q. Is it fair to call the PLO a terrorist organization?

A. Let me say it this way; we have said, the President of the United States has said repeatedly, that there are two main conditions that are obstacles to discussing anything with the PLO.

One is its practice of terrorism and its condoning of international terrorism. And second, of course, is the refusal to recognize the right of Israel to exist.

Absent those two conditions, we'd be dealing with a fundamentally different situation, so the President has said. I think, yes, on balance. There's no question that we must identify the PLO as a terrorist organization, until it provides evidence to the contrary.

Q. Of course, they have moderated their statements within the last year or so.

A. Again, you say they. They are factions of the PLO and one hears a spokesman on the one side. I've heard descriptions that identified Arafat as a moderate. But we're certainly wanting in hard proof that this is the case.

One man's moderate is another man's terrorist.

Q. If the PLO as presently constituted does become the government of an independent Palestinian state, what would the relevance be then of the Soviet connection?

A. Well, there are two premises there which I, of course, am not going to share, but you then pose a totally hypothetical situation.

The relevance of the Soviet Union in such a hypothetical circumstance would be rather substantial. Of course, that would be a function of how close the Soviet Union were to such a hypothetical state with a hypothetical government.

If you are going to ask that question another way, would such a state be a puppet, an appendage of the Soviet Union, or a satellite state, I really don't know. But I think the influence would be heavy because the historical influence has been heavy, and the evidence is there to show it.

Q. What troubles some journalists now, particularly since Claire Sterling's book has been published, is the many people talking about the Soviet connection with the PLO and the Soviet connection with international terrorism in general. But, the (lack) of substantial evidence to corroborate the fact that the Soviet Union is in some way funding, manipulating, supplying these various groups.

A. Mr. Rivera, I can—unfortunately I'm not at liberty to go into great detail with you on this show, which I'm sure will be a fine one, about the level of involvement.

I can tell you only that I am perfectly satisfied and I am prepared to defend that level of satisfaction in public forum, that the Soviet involvement is organic. And I don't want to just isolate it with respect to the PLO. We need to talk . . . you need to amplify the context here to talk about training African terrorists, Latin American terrorists, and, of course, not even the Soviets are the only ones involved. We have evidence that North Korea trains terrorists.

So, in some other places—in Libya—where we understand that recently terrorism has been elevated to the Ministry—the level of Ministry. This is very important. Many students are being taken out of Latin America and given scholarships in Eastern Europe—Germany, Czechoslovakia. These countries are all hosts to facilities which turn out terrorists and there's no doubt in my mind, and, as I say, I'm perfectly prepared to argue that case in a public forum and I welcome this opportunity to at least present my point of view on it.

Q. No doubt whatsoever that the Soviet Union is organically involved?

A. There's no doubt in my mind, no sir. But, on the other hand, as I say, it's very difficult for me at this stage to provide you with overwhelmingly convincing evidence.

Q. One of the problems with the current struggle with the Mid-East is that there seems to be some moral ambiguities now; it isn't just one side using weapons that hurt innocent people it seems. Do you agree with that, or do you think that terror or innocent people being hurt is strictly a one-way street in the Mid-East?

A. Well, I think that the use of terror, under any circumstance, globally, whether it comes from the right or left, is something that the United States condemns vigorously. That could be true in Central America, as true as it is in a place in the Middle East. In the Middle East, one takes Lebanon as an example. There's so much going on in Lebanon that it's very, very difficult to sort it out from time to time.

The public impression is very confused and hazy I find, at least in my discussion with public people. We've become so confused and, I think in some ways, so demoralized by this avalanche of information about terrorism. I mean, atrocities become a way of life on a day-to-day basis that we sooner or later tune it out. It's not unlike trying to describe to people what the extermination of six million Jews means. Six million is a huge figure. We can't conceive of this; our children can't conceive of what the elimination of six million people is. If thirty people are killed in a bus accident, that's staggering already. Thirty individual lives are lost.

As far as I'm concerned, whenever terrorism results in that loss of life is to be condemned. Now, I'm not here to confuse terrorism with the legitimate right of self-defense. We could go back and appeal to Thomas Of Aquinas if we wished, or earlier in the origins of law, for justification of self-defense. But, the inflicting of terrorism is something quite special. We haven't had it, so we can't know it.

The Italians have known it; it's been practiced on the streets of Italy. You have to combat this. We have to get the nations, the civilized nations of the world together, and combat it.

What the Iranians did in holding our hostages was terrorism. And the holding of the airliner, the hijacking of the Pakistani airliner and holding it in Kabul was an extension of terrorism. We found there that terrorists got off the plane with better weapons than they had gone on the plane with. We know from our own methods of interpreting intelligence what the Soviet role was in that.

This must stop. The people of the civilized world must be awakened to this. The terrorism that the Soviet troops are practicing on the people of Afghanistan today is something we believe must stop as well. And the Afghan people, the Freedom Fighters of Afghanistan, are resisting that kind of terrorism.

It doesn't necessarily just mean putting a bomb in a bus or in a building. You can have organized terrorism. Hitler's hordes are a case of organized terrorism against the world.

So, we do have to find ways, means to do something about it, to organize ourselves, to combat it, and it's very, very difficult.

Q. Hasn't terrorism worked for a group like the PLO though? Haven't they managed to pull themselves up by their bootstraps into some kind of very legitimate world place right now? Arafat got into the United Nations. Over one hundred nations recognizing them as the legitimate representatives of the Palestinian people. Hasn't terrorism worked for the PLO?

A. Accepting the premise then that the PLO is a terrorist organization, under these circumstances, I would say perhaps it has. And that's to my chagrin.

Q. You say accepting the premise?

A. Well, I say, you said hasn't terrorism worked? Hasn't the PLO pulled itself up by its bootstraps? My response is obviously the premise behind that is the question that the PLO is a terrorist organization.

Q. You're not clear that the . . .

A. I'm quite clear. I'm now reinforcing your own clarity, because you asked the question in a slightly different way just a few moments ago.

Q. I didn't mean to be semantical.

A. Of course, the one advantage you have, you've got the scissors.

Q. I'll definitely cut that out.

A. Of course. I'll have a press conference the next day.

Q. In your definition of terrorism, bearing in mind that terrorism can be an organized thing, and you also say that a state has a le-

gitimate right of self-defense, and, of course, it does. But within the context of that statement of fact, are the Israeli air raids into South Lebanon acts of terrorism or are they acts of legitimate self-defense?

A. I don't want to get into a specific policy discussion here, and what I'm saying does not represent the, I emphasize, the official policy of the United States Government, but to the extent that one reaches to the source of terrorism then, of course, there is ample justification for taking actions.

However, I'm not going to judge in a blanket way those particular actions to which you are saying now. I'm just saying that reaching to the source is generally recognized as hot pursuit of a sort and, therefore, justified. At least it's . . . At least there's a question there.

Q. There is no question in some of the acts; there is no question in many of the acts perpetrated by the other side against Israel.

A. It is my understanding that Israel exists with defined boundaries. Some of those boundaries are obviously subject to dispute. But, in Israel proper, there have been repeated acts of, if you will, forcible entry into Israeli space, violating Israeli sovereignty. Hostages taken and murders committed. Now, I don't think reasonable people have much difficulty in understanding that someone who comes from outside, invades for the purpose of terrorizing and murdering, is anything less than a terrorist. I think there is a broad understanding in the world.

The Israeli people, you are focusing here on the Middle East, have been the victims, the people of Israel. Especially those who came from Central Europe. They have been the victims of organized terrorism. They are highly sensitized to this phenomenon, and until they have some means of assurance in knowing that they're not going to be subject to that form of terrorism for a long period of time, they're going to be very leery.

Again, I want to emphasize this is not a statement of public policy on the part of the United States. You are addressing me in an individual capacity, and I'm giving you my personal reactions.

But, I don't apologize for the practice of terrorism anyplace, anytime. You've been to the Middle East. You've seen it practiced. You've seen the results of terrorism. I've seen it. I've seen it not only in the Middle East; I've seen it in Africa; I've seen the results inflicted on people in places in Vietnam. It's got to stop. Civilized peoples are particulary vulnerable. Those living in urban areas, to the demands of terrorists.

Disruption of our way of life is quite easily done or performed by terrorists, a small band of terrorists. A whole city can be held hostage. Not three blocks from where we sit, there was a terrorist incident several years ago and perpetrated by the so-called Hanafi Moslems right here in Washington, D.C., in City Hall. Life was lost.

I speak personally, and I speak with a substantial amount of emotion about this. I've never had the misfortune, and probably never will, to have terrorism directed against my people in this country or fellow citizens. But, I recognize that the opportunities for practicing terrorism by enhanced means of communication and the like, easy access to weapons, techniques that are widely known, increase that possibility. And I'm going to oppose it with all that I have at my disposal.

Q. Given the fact that the Soviet Union is organically involved in the international terror network, is the concept of detente a fraud?

A. Well, I don't agree under any circumstance that the concept of detente is a fraud. If you meant as a specific policy, I don't consider detente to be a policy. I consider it to be a means to an end. It means relaxation of tensions in whatever language you're using. Detente, entspannung, in German, just means relaxation of tension.

Some of the delusions of detente have been demonstrated to be, not a fraud, just wrong. Some of our own assumptions that building bridges to the Soviet Union, which in itself is not a bad idea, would bring about a better understanding and, therefore, perhaps a lessening of the Soviet momentum in the arms build-up, or for whatever the purpose of Soviet behavior we might want to alter. It's been demonstrated to be wrong.

We now are confronted with a tremendous arms build-up that continues. The most important arms build-up in the history of mankind is what we are now experiencing in the world. And we have to ask ourselves the question, Is this the representation of terror in itself?

We speak of the balance of terror. We've sought to avoid that balance of terror by negotiating arms control agreements at the super-power level. And it seems to be no reduction. We've stood still; we haven't increased our arsenals; we haven't increased our defenses; we have allowed, in fact, our defenses to decay, to erode. And the other side continues to pump out that material. For what?

The Soviet Union has accumulated weapons far exceeding it's defensive requirements, and now confronted us with this massive military build-up. So, we have to be very careful; we have to be able to respond.

The purpose of our accumulation of armaments is to deter a war and to fight successfully any war that we're not able to deter.

Q. Is the PLO the major organization, the major vehicle, for spreading terrorism being used by the Soviet Union now?

A. Probably not. My own estimate is that there are many, many instrumentalities, the spread of (that spread) Soviet techniques of terrorism.

I even think that sub-contracting stations have been set up elsewhere in the world, that the techniques have been successful, and that it being, that is terrorism, a component part of policy, that practices against the West. That other countries have been trained in the techniques, in fact, encouraged to set up sub-contracted schools.

Q. Is Israel fighting the fight of the Western democracies against terrorism?

A. When Israel fights against terrorism, yes. Any nation that combats terrorism. The Germans, the Israelis at Entebbe, the New York police when they fight against terrorism in that city, and anywhere in the world. I think, yes.

Q. Good. Thanks.●

FOREIGN POLICY SHOULD NOT BE SHAPED BY EMOTIONAL CAMPAIGNS

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. BEREUTER. Mr. Speaker, I would like to share with my colleagues a recent editorial which appeared in the Omaha World Herald. In a broad sense the editorial addresses an issue my colleagues and I continually face: the role of special interest groups in our democracy. I know my colleagues are receiving the same volume of mail I am on the issues of providing military aid to El Salvador. I believe they, too, will find the viewpoint expressed in the editorial helpful as they consider their responses.

I insert the text of the editorial at this point in the RECORD:

[From the Omaha World Herald, Mar. 29, 1981]

EMOTIONAL CAMPAIGNS SHOULDN'T SHAPE FOREIGN POLICY

Letters opposing military aid to El Salvador are being sent to members of Congress. The volume should not be surprising when one considers the campaigns organized by pacifists and some religious groups to produce it.

While Roman Catholic leaders appear to have taken the lead, a number of Protestant leaders have been urging a joint campaign to change U.S. policy. President N. William Howard of the National Council of Churches said in a letter to communion heads:

"We envision a significant campaign which we expect to center on massive activities during Holy Week."

The tone of the campaign is reflected in a press release on a statement from the United Presbyterian Church which says that expanding military commitment by the United States to El Salvador is "threatening the integrity and civil order of the U.S." Those are strong, emotional words.

If our civil order were being threatened, and we don't believe that it is, might it not be stirred by extreme statements like that?

Locally, a newspaper advertisement by the Omaha Solidarity Committee for Central America addressed an open letter to President Reagan. It was signed by scores of laymen and church officials including Archbishop Daniel E. Sheehan of Omaha.

These campaigns by church and pacifist groups raise the question of who would most likely be best informed and knowledgeable about El Salvador and the foreign policy of our nation: Letter writers who reflect the views of the organized groups? Or senators, representatives and those in the administration with responsibility for foreign affairs?

Consider these points:

The arms to keep the guerrillas fighting come from Communist nations.

President Carter made a decision to support the present regime against the extremist Salvadoran forces on the left and right.

The Reagan administration quickly followed this up, letting the world know it intended to try to halt Communist terrorism and insurgency in this hemisphere.

Washington is backing the existing El Salvador government, which it considers middle of the road and which is headed by Jose Napoleon Duarte, a Notre Dame graduate. The United States is supplying military aid and advisers, as well as economic assistance. And the Reagan administration insists that it also seeks, as its critics seem to ignore, a political solution.

Now consider the recent comment from two high members of the El Salvador clergy.

At an anniversary mass dedicated to Archbishop Oscar Arnulfo Romero, slain a year

ago by gunmen, the Rev. Roberto Amilear Torruella alluded to American priests and others who have called for a halt in U.S. arms shipments, saying:

"I am not going to discuss the theory of whether it is right or wrong to send guns to El Salvador.

"What I want to do is denounce the conduct of these persons, who without ever having been in this country, without knowing the roots of our problems take options that are so tremendous they can affect the destiny of our country."

And in a sermon receiving international circulation, the acting San Salvador archbishop, Arturo Rivera Damas, said:

"Insurrection is justified when four requirements are satisfied: There is a serious abuse of political power by those in office; all peaceful means have failed; the ills that accompany an insurrection would not be greater than present difficulties, and the people truly believe that the insurrection will win."

Only the first condition has been met in El Salvador, he said, adding:

"The Salvadoran people are not sure that the installation of a socialistic regime in El Salvador is preferable to a continuation of the present one.

"The Salvadoran left has not been honest with the people . . . We do not see the possibility of a victorious insurrection."

If the international Communist forces supporting the guerrillas were to prevail in more Central American countries, one result might be more atheistic, communistic governments such as those of the Soviet Union and China.

Where then would be religious freedom? Or other freedoms? What success would religious groups have in influencing foreign policy in those countries? How could the church flourish?

No doubt the stop-the-arms mail will continue to pour into congressional and administration offices. To suggest that it reflects the views of most Americans is misleading.

This country's leaders should base their El Salvador decisions on the soundest information available from all sources. They should not allow themselves to be swayed by emotional pressures from write-in groups, however well-intentioned.●

GIANT MARCHING MINUTEMEN

HON. JOHN HILER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. HILER. Mr. Speaker, many of us had the opportunity to enjoy last week's cherry blossom festivities, sponsored by the Washington, D.C. Downtown Jaycees.

We were particularly fortunate this year to be blessed with delightful weather and near perfect coincidence with the full blooming of the cherry blossoms.

I also might add, Mr. Speaker, that the Festival Parade featured an outstanding corps of marching bands from a great many schools. I am especially proud that the Concord Community High School "Giant Marching Minutemen" Band of Elkhart, Ind. played such an important role in the parade's success. They provided a superior performance.

I ask my colleagues to join me in saluting and recognizing members of the Concord High School Band:

THE CONCORD BANDS, NATIONAL CHERRY BLOSSOM FESTIVAL, WASHINGTON, D.C., APRIL 1981

Name, grade and instrument/position

Kari Alexander, 10th—flag crops. Heidi Anderson, 12th—drill team. Rodney Anglemyer, 9th—trumpet. Dennis Beckner, 10th—clarinet. DaJuana Bee, 12th—drill team. Laura Booth, 12th—flute/piccolo. Lisa Booth, 9th—flute/piccolo. John Bond, 12th—flag corps. Paul Bond, 10th—trumpet. Lisa Bradford, 10th—flute/piccolo.

Joni Brown, 11th—drill team. Jeff Bumgardner, 11th—guitar/trumpet. Nanette Canen, 12th—alto saxophone. Jennifer Cassady, 12th—clarinet. Karen Conrad, 11th—cymbals/clarinet. Michelle Cookman, 10th—flute/piccolo. Barb Creamer, 12th—flute. Chris Cripe, 10th—flag corps/oboe. Melinda Darling, 9th—alto saxophone. Mike Davis, 10th—flag corps.

Andrea Degenhart, 10th—alto saxophone. Jamie Dickey, 10th—electric piano. Angela Dickinson, 9th—drill team. Sherie Draggoo, 9th—alto saxophone. Betsy Dyer, 10th—clarinet. Yvonne Egierski, 11th—drill team. Donald Eisman, 10th—trumpet. Jeff Faux, 9th—bari saxophone. Jill Fawley, 12th—french horn/mellophone. John Fogerty, 12th—sousaphone.

Maria Fogerty, 10th—flute. Lisa Foster, 12th—cymballs/clarinet. Angie Frye, 11th—clarinet. Jeanette Furfaro, 9th—flag corps/french horn. Todd Gary, 10th—electric bass. Mark Gibson, 12th—trumpet. Errol Goins, 12th—trombone. Mike Grabill, 9th—percussion. Kimberly Graham, 9th—trumpet. Laura Grandstaff, 9th—flag corps.

Crikki Greenwood, 9th—clarinet. Michelle Grosch, 9th—drill team. Anne Guertin, 10th—drill team. Steve Haines, 11th—baritone. Terry Hall, 11th—trombone. Michael Heeter, 9th—alto saxophone/piano. Nancy Hendershot, 10th—flag corps/oboe. Stephanie Hertig, 9th—drill team. Brian Holcomb, 11th—trumpet. Ron Hopman, 11th—flag corps.

Susan Hopman, 10th—drill team. Karla Hurtle, 10th—flute. Annette Ilowiecki, 9th—trumpet. Larry Johnston, 12th—percussion/saxophone. Jeffrey Knight, 11th—alto saxophone. Brenda Lambert, 10th—drill team. Cheryl Lands, 10th—flute. Lori Leeth, 9th—alto saxophone. Mark Letourneau, 9th—tenor saxophone. Linda Light, 9th—clarinet.

Mike Lima, 11th—percussion. Peter Lima, 10th—alto saxophone. Mark Linton, 11th—drum major/oboe. Becky Longbrake, 11th—drill team. Jennifer Lucas, 11th—clarinet. Janet Magyar, 10th—french horn/melophone. Don Mann, 10th—trombone. Lori Markley, 10th—flute/piccolo. David Marling, 12th—percussion. Angelia Martin, 9th—drill team.

Keith Martin, 9th—clarinet. Tracy Maxey, 10th—drill team. Todd Meredith, 12th—drum major/trumpet. Michele Miller, 9th—clarinet. Craig Morehead 9th—tuba. Todd Morehead, 12th—trombone. Tony Mynhier, 11th—percussion. Rebecca McDowell, 12th—clarinet. Katy McKinney, 9th—alto saxophone. Pamela Nelson, 11th—trumpet.

Greg Newton, 11th—bari saxophone. Bruce Nissley, 10th—trumpet. Tracy Nissley, 9th—drill team. Paul Ochs, 10th—percussion. Michael Osborne, 12th—percussion. Russell Parish, 11th—trombone. Mark Patcheak, 10th—baritone. Ritchie Patel, 9th—baritone. Cindy Patrick, 12th—clarinet. Tammie Poe, 9th—flag corps.

Jamie Pontius, 12th—flute/piccolo. Jody Pontius, 10th—flute/piccolo. Tammie Porzelius, 10th—flute/piccolo. Chris Replogle, 12th—percussion. Evelyn Ridgley, 12th—flag corps. Tina Rinehart, 9th—flag corps. Scott Robbins, 11th—french horn/mellophone. Wendy Robbins, 9th—flag corps. Shari Roske, 9th—flag corps. Susan Sailor, 9th—drill team.

Dana Sarason, 9th—flag corps. Kim Scarbrough, 9th—clarinet. Kathleen Scheidel, 10th—clarinet/bass. Adam Schlager, 9th—trumpet. Sondra Scholl, 12th—percussion/clarinet. Cinda Schrock, 12th—drill team. Stacey Secor, 11th—drill team. Brian Sharkey, 10th—flag corps. Joe Stealy, 10th—trumpet. Steve Steele, 9th—tenor saxophone.

Scott Stender, 10th—trombone. Claudia Stettler, 10th—drill team. Alex Stone, 11th—percussion. Alex Strati, 10th—trumpet. Tom Stroup, 11th—trumpet. Todd Taylor, 11th—percussion. Tricia Templin, 10th—sousaphone. Lisa Thimlar, 10th—flag corps. Philip Thomas, 10th—bass guitar/string bass. Tim Thomas, 12th—percussion.

Blair Thompson, 11th—french horn/mellophone. Lisa Thompson, 12th—french horn/mellophone. Thomas Troup, 12th—bass clarinet/sousaphone. Stacey Tutorow, 10th—drill team. Kenlyn Ywa, 12th—clarinet. Mike Twa, 12th—percussion. Deann Vandaele, 9th—clarinet. Kim Ward, 11th—flute/piccolo. Lenee Ward, 9th—flag corps. Tom Warfel, 12th—percussion.

Mindy Weaver, 9th—drill team. Kimberlee Weidner, 9th—clarinet. Barbara Whippen, 11th—trumpet. Bob Wiegner, 9th—trombone. Cindy Wiggins, 12th—trumpet. Dane Wilkins, 11th—trumpet. Angela Witt, 10th—drill team. Steve Yoder, 10th—percussion. Tom Yoder, 12th—bass percussion. Michael Case, 11th—trumpet.

Michelle Magers, 10th—clarinet/percussion. Andy Peterson, 9th—tenor saxophone. Amy Campbell, 9th—french horn. Junior Rodman, 9th—bass clarinet/clarinet. Audrey Green, 9th—flute. Barb Peterson, 9th—flag corps. Karen Shafer, 11th—flute. Darlene Miller, 9th—clarinet. Dave Bohn, 11th—bass guitar. Lindsy Paulua, 9th—french horn.

SUPPORTING STAFF

Carolyn Albrecht, Nevin Albrecht, Mildred Badke, James Barney (vice-principal), Betty Beehler, Joseph Beickman (director), Berneita Bernett, Dolores Bond, Donald Bond, and Dick Booth.

Gerald Bordner (associate director), Marie Bordner, Lynn Bowdoin (secretary), Karen Braden (string instructor), Paul Brown, Shirley Brown, Sue Cogan, Michael Cookman, Sharon Cookman and Luta Davis.

Margaret Dohner, George Dyer (principal), Shirely Dyer, Robert Egierski, Bob Egierski, Sharon Fuller, Joyce Furfaro, Marcianne Gianinno, Helen Grabill and Sandra Grabill.

Berneda Gruver, Ellie Hoffman, Donna Belle Holdeman, Frank Holdeman, Dolores Hurtle, Eric Knight, Trudy Knight, Margaret Leube, Earl Light and Jeanette Light.

Deana Markely, Lee Markely, Perry McCarty (assistant director), Izola May McMillen, Elizabeth Osborne, Richard Osborne, Cindy Pacifico (drill team instructor), Helga Patcheak, Jim Strati, Joan Strati, James Taylor and Joyce Taylor.

John Thompson, Marie Thompson, Mary Ann VanderReydeb, Chuck Warfel, Gene Warfel, Pat Warfel, Jani Weaver, Nancy

Weaver, Roger Weaver, David Weirich (student teacher), and Karen Weeber.●

INSTITUTE FOR POLICY STUDIES—PART III

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. McDONALD. Mr. Speaker, this continues with the very important and informative coverage for my colleagues on the matter of the Institute for Policy Studies, and their international project, the Transnational Institute (TNI).

Part III, for the information of the House, will provide information on the funding of the Institute for Policy Studies and the TNI. It will also deal with their activities in areas of national security and foreign policy. Once again, as a service to my colleagues and the public in general. I consider this of paramount importance, and therefore wish to continue this contribution by John Rees and his publisher in the cause of freedom, the Western Goals Foundation.

TRANSNATIONAL INTRIGUE AND REVOLUTIONARY TERRORISM

(By John Rees)

Samuel Rubin Foundation grants to the Institute for Policy Studies in 1973, totaled $700,000, with $100,000 of that earmarked for the start of IPS's international project, the Transnational Institute (TNI). For the first full year of TNI operation in 1974, the Rubin Foundation provided $1,200,000 in addition to $350,000 for IPS. TNI operations have been underwritten almost completely by Sam Rubin's foundation with $400,000 yearly for 1975, 1976, and 1977, and $435,000 for 1978 and 1979, and a lesser $25,000 grant for IPS's projects.

Additional funding (but with much smaller grants) has come from a number of liberal and left-oriented foundations such as the Field Foundation, the Stern Fund, and what seems to be merely another conduit for Rubin Foundation money, the Fund for Tomorrow which is controlled by Peter and Cora Weiss.

It has been the practice of IPS to encourage its more viable projects to "spin-off," incorporate separately, and raise their own funds. For example, the IPS/TNI World Hunger Project headed by Richard Barnet and Joe Collins has evolved into the Institute for Food and Development Policy in San Francisco. Under co-directors Francis Moore Lappe and Joseph Collins, it received $10,000 from the Samuel Rubin Foundation in 1979.

Other IPS spin-offs retain more tangible relationships with their parent. When the Cambridge Institute for Policy Studies founded by IPS fellows Gar Alperovitz and Christopher Jencks split up in the mid-1970s, IPS came in to co-sponsor the Cambridge Institute's journal, Working Papers for a New Society, with which Barnet, Raskin and a variety of IPS veterans remain associated.

Another of these is the Foundation for National Progress (FNP). According to its 1976 financial report, "FNP was formed in 1975 to carry out on the West Coast the charitable and educational activities of the Institute for Policy Studies." FNP's functions consist principally of financing articles on the "evils" of corporate practices, the dangers of nuclear energy, agribusiness, surface mining, and more recently, articles attacking anti-Soviet foreign policy advisors of the Republican presidential nominee. These articles are then published in Mother Jones, a glossy, mass-market magazine which enjoys an obvious competitive edge over its commercial rivals in that it pretends to be an educational "journal" of the FNP and can receive subsidies from foundations. In 1979, the FNP received $35,000 from the Samuel Rubin Foundation and $3,000 from the Fund for Tomorrow.

IPS has three major program areas—domestic public policy, national security and foreign policy, and the international economic order and human rights.

DOMESTIC PUBLIC POLICY

In October 1979, IPS's National Conference for Alternative State and Local Public Policies (NCASLPP) directed by former Students for a Democratic Society leader Lee Webb was independently incorporated under Webb, now an IPS trustee, as the Conference on Alternative State and Local Policies (CASLP).

Within IPS, a major domestic policy program involves developing the Progressive Alliance coalition headed by United Auto Workers president Doug Fraser, now an IPS trustee. Marcus Raskin is the co-chair of the Progressive Alliance Issues Commission which is slated to produce studies on an agenda for the 1980s in conjunction with IPS during the next two years, with a book by Raskin, "The Common Good," due early in 1981. Among those from the greater IPS community of present and former IPS fellows, trustees and collaborators involved with the Issues Commission are Gar Alperovitz, Susan Thrasher, Richard Barnet, Wassily Leontief, David Gordon and Hazel Henderson.

The IPS Government Accountability Project (GAP), headed by Lewis Clark and Tom Devine, encourages government employees to "leak" information about programs or activities of which they disapprove, with an emphasis on getting employees of the FBI and CIA to provide information on intelligence activities. This is supported by a law student clincial program with students at Antioch Law School to perform legal case work for "whistleblowers."

NATIONAL SECURITY AND FOREIGN POLICY

Termed by IPS the "centerpiece" of its activities, this program has a simple theme: world tensions are the result of American intervention, economic or political, in other countries; and Soviet aggression and military buildup are the inevitable, if unfortunate, reactions to U.S. aggression and would stop if the United States were to return to a "fortress America" isolationism. Barnet and other IPS leaders salt their writings with mild criticisms of the USSR as dangerously prone to harsh overreaction to American "provocations." They use this to argue for U.S. appeasement.

Titles of recent IPS publications under this program include Fred Kaplan's "Dubious Spector: A Skeptical Look at the Soviet Nuclear Threat"; Alan Wolfe's "The Rise and Fall of the Soviet Threat"; an attack on the U.S. intelligence agencies by Saul Landau and John Dinges in their account of the overthrow of Allende and the murder of KGB agent of influence Orlando Letelier, "Assassination on Embassy Row," and an essay by Earl Ravenal, "Strategic Disengagement and World Peace: Towards a Noninterventionist Foreign Policy," published by the Cato Institute, a Libertarian think-tank. Kaplan is the Legislative Assistant to Rep. Les Aspin, a member of both the House Armed Services and Intelligence Committees.

IPS reacted frenetically against demands by Congressional and other American leaders for a U.S. military buildup following the collapse of Iran, the seizure of U.S. hostages and the Soviet invasion of Afghanistan.

IPS called a number of conferences to influence legislators on Capitol Hill and to bring together and coordinate "U.S. and European experts." One on March 14-15, 1979, on Capitol Hill, was co-sponsored with the Coalition for a New Foreign and Military Policy (CNFMP) and Americans for Democratic Action (ADA). This was followed on October 18-20, 1979, with a meeting organized by the IPS/TNI of "thirty researchers and organizers from the U.S. and Europe"; and a public meeting in Washington, D.C. on March 18, 1980, titled "Energy and the New Cold War." In this meeting, Barnet urged the United States to stay out of the Persian Gulf and not increase its military strength to avoid "provoking" the Soviets.

According to the IPS Annual Report, Richard Baret "played a major role in organizing the Committee on National Security, to mobilize broad support for detente to counter the voices calling for a return to confrontation and intervention." Other activities by the IPS co-founder included testimony in support of the SALT II treaty before the Senate Foreign Relations Committee in July 1979, and addressing parliamentarians in Holland and Denmark urging opposition to the positioning of Pershing II missiles in those countries.

Under the direction of Michael Klare, the IPS Militarism and Disarmament Project collects information on U.S. arms sales and transfers abroad, particularly information on "the supply of weapons, equipment, technology to police forces and governments cited for human rights abuses." The IPS project "maintains a data bank for use by legislators, journalists and scholars."

Under the subheading "area crisis studies," IPS/TNI fellows "provide expertise on the local political and economic dynamics often slighted in global national security calculations, and pose basic questions about whose security interest is at stake, and whether and how to protect it." What this rhetoric truly means is shown in the content of IPS's "crisis area" writings.

In 1979-1980, the key "crisis areas" for IPS were Afghanistan and Central America and the Caribbean. Articles and speeches on these areas were produced by Fred Halliday, Eqbal Ahmad, Michael Moffitt, Isabel Letelier, Michael Klare, and Saul Landau. The articles included support for the Communist puppet regime in Kabul [it wants to carry out land reform and educate women], shrill attacks claiming the United States and CIA were "destabilizing" the pro-Soviet governments in Grenada, Nicaragua and Jamaica and recommendations that the United States do nothing to aid Afghani resistance fighters by trade cuts with the USSR or any other method.

INTERNATIONAL ECONOMIC ORDER AND HUMAN RIGHTS

Projects have included a two-year study by IPS/TNI research groups in the United States, England, France, West Germany and

Japan of the nuclear power industry. Accompanying this study have been IPS/TNI sponsored meetings of anti-nuclear activists from the United States, Australia, Holland, Denmark and other countries focusing on uranium mining.

IPS TRANSNATIONAL

IPS's international project, the Transnational Institute (TNI) operates programs in Washington, D.C., London and Amsterdam. IPS's latest annual report notes two major seminar series at the TNI offices in Amsterdam, the Samuel Rubin Seminars on revoluntionary activities in the Third World, and the Orlando Letelier Seminars on "North-South Dynamics."

Among the Rubin seminars and their leaders were:

Southern Africa—Ruth First and Basker Vashee. Vashee is the current TNI director, and was the European representative and executive committee member of the Moscow-dominated terrorist Zimbabwe African People's Union (ZAPU). One Ruth First and her husband Joe Slovo became members of the Central Committee of the South African Communist Party (SACP) in November 1962. First and Slovo have been publicly named by South African government officials as living in Maputo, Mozambique, where they act as liaison between the SACP and the terrorist forces of the African National Congress.

Southeast Asia—Anthony Barnett, Ngo Manh Lan and Ben Kiernan.

Revolutions in the Islamic World—Fred Halliday, Nico Kielstra and Bafher Moin.

Post-Colonial Systems of Power—Eqbal Ahmad, an associate of the current Counter-Spy magazine and veteran IPS/TNI "counter-counter-insurgency specialist" and A. Sivanandan.

Latin America—James Petras, a veteran supporter of the Cuban revolution who first came to note in the early 1960s as head of the Young Socialist Alliance (YSA) chapter in Berkeley.

Feminism and Socialism in the Third World—Maxine Molyneux and Stephanie Urdang, a veteran member of the Southern Africa Collective, a support group for pro-Soviet revolutionary terrorist groups and regimes in Africa.

Among the 1979-80 Letelier Seminars at the TNI-Amsterdam offices were the following:

The World Capitalist System—Immanuel Wallerstein,

The Atomic State—Robert Jungk.

The New Europe and NATO—Ulrich Albrecht and Claude Bourdet.

The Politics of Food—David Baytelman and Susan George,

The World Economics and the Resource Crisis—Richard J. Barnet and Michael Kidron.

The National Security State—Marcus Raskin and Kurt Grünwald. It is noted that Marcus Raskin, co-founder of IPS, played a key role in bringing the rag-tag group of radicalized ex-military intelligence officers and anti-Vietnam activists of Vietnam Veterans Against the War (VVAW) who put out the first copies of the original Counter-Spy magazine, together with radical philanthropists and Norman Mailer's Fifth Estate project. The result was to transform the Committee for Action/Research on the Intelligence Community (CARIC), the project of VVAW members Tim Butz and Perry Fellwock, alias Winslow Peck, into the Organizing Committee for a Fifth Estate (OC-5), publishers of Counter-Spy. [See "Broken Seals" by Western Goals Foundation]

Marcus Raskin served in the Counter-Spy advisory board from 1974 through the end of 1976, during the period that Philip B. F. Agee also served in various capacities with Counter-Spy. In 1977 when Agee was deported from England on account of his continuing contacts with Cuban intelligence officers, the Netherlands Radio Handelsblad reported his entry into Holland had been secured through the IPS Transnational Institute.

IPS/TNI has also played a leading role in coordinating the international drive to stop uranium mining in the Free World by utilizing various land and sovereignty claims of tribal groups. For example, a March 18-19, 1980, meeting of the TNI Uranium Mining Working Group had panelists from the United States, Australia and Greenland along with participants from Holland and Denmark.●

JAMES RADOUMIS—KERN COUNTY'S NUMBER ONE FAN

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. THOMAS. Mr. Speaker, I would like to pay a brief tribute to a man who has contributed fully 40 years of his life to the betterment of his community. This man, James Radoumis, has promoted the virtues of Kern County, Calif., since 1941 as director of Kern's Chamber of Commerce and later its board of trade.

James Radoumis has helped in the progress of Kern County, and he has insured that millions of people throughout the United States have become familiar with the people, the land and the prosperity of Kern County. Visitors to California's State Fair have seen sweepstakes-winning displays highlighting Kern, and readers of such magazines as National Geographic, Time, and Life have visited our county through articles penned by Mr. Radoumis.

Mr. Radoumis organized the first Business Outlook Conference in Kern County in 1958, and he has since organized each successive conference, which is the largest of its kind in the United States.

As we enter the era of the Space Shuttle in orbital flight, I am proud to note that the Shuttle was largely conceived and tested in Kern County. Mr. Radoumis was responsible for bringing much of the program to Kern County, a fact of which many in his community are unaware.

Because Mr. Radoumis has never sought the spotlight, the proper credit which is due him for his achievements on behalf of Kern County has not been given. I would like to offer congratulations, thanks and best wishes on the occasion of his 40th year of service to Kern County. It is heartening that there are still people like Jim Radoumis who, quietly but thoroughly, get things done.●

JOHNS HOPKINS STUDY SITES JOB PLACEMENT SUCCESS FOR CETA WORKERS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. HAWKINS. Mr. Speaker, one of the main justifications given by the administration for the elimination of public service employment under CETA is that PSE does not lead to unsubsidized employment. In testimony before the Education and Labor Committee, Secretary of Labor Donovan reiterated this old theme. Yet witness after witness came before the Education and Labor Committee with evidence that the experience gained under CETA provided valuable entry into private sector jobs. The Department of Labor has chosen to ignore this cumulative evidence and has also ignored study after study indicating post-program gains from CETA participation.

Johns Hopkins University recently concluded a followup study of individuals who participated in public service employment in the Baltimore area under CETA. The finding of this study clearly substantiates the value of the CETA experience. The testimony of Dr. Laura Morlock, director of the Johns Hopkins study, before the Education and Labor Committee follows:

The major findings (from the Johns Hopkins study) include the following: The percentage of individuals who find employment continues to increase over time after participation in the program. At the time of leaving the program, 48% of the sample had obtained jobs in the regular labor market. This percentage had climbed to 59% employment one month after leaving the program, 66% employed by six months after program termination, 70% employed by the one-year follow-up interval, and 78% in jobs two years after program participation . . . The proportion enrolled in school or training as a primary activity varied within the sample from 3 to 6% over the follow-up period. This means the proportion of the sample who were employed in the regular labor force or in school or training was 76% one year after participation in the program and 82% two years after participation in the program.

The percentages of individuals in the sample who were not employed and who were looking for work declined steadily over the five-year follow-up, from 26% searching for employment one month after termination to 6% looking for work five years after program participation.

It should be noted that this steady decline in the percentages of persons in the sample looking for work occurred during the period when the average rate of unemployment in the Baltimore metropolitan area was increasing for the labor force as a whole.

This analysis indicates that after adjusting for changes in the Consumer Price Index, individuals averaged a 16% per hour increase over their pre-program job, and a 93% per hour increase from their pre-program position to the job they held at the time of the interview.

A major finding of the study, is that comparisons of short, of intermediate and of long-term outcomes indicate a steady increase over time both in employment levels and in wage rates. This suggests that reliance on the short-term indicators of program impact may seriously understate the employment and the wage levels of individuals after participation in the public service employment.●

BATTLIN' BASTARDS OF BATAAN

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. WILLIAMS of Montana. Mr. Speaker, 10 hours after Pearl Harbor, the Japanese invaded the Philippines. The Philippine and American Forces were badly outnumbered and poorly armed. The Japanese pushed the Allied Forces down the Bataan Peninsula, but always with fierce resistance. For the grim months that followed, an underarmed, half-starved army held tenaciously the hope that help would arrive. These fighting men held the distinction at that time of being the only American Forces fighting the enemy in the field, anywhere in the world. There was little hope.

For 27 days after the fall of Bataan, the Allied Forces clung to their last hope, the impregnable fortress off the Bataan Peninsula—called Corregidor. In the grand scheme of the Second World War, these brave men held the Japanese from the bay of Manila just long enough, inflicting severe damage.

On April 9, General Wainwright surrendered to the Japanese, at the door of the fortress Corregidor. In their description of this event, American Heritage praised the American Army for proving "it was a fine fighting machine even in confusion and disarray; proud, cunning, and strong."

Today, April 9, I would like to have us stop and remember the fall of Corregidor and the men who were imprisoned or died there. Let us also say a quiet prayer for those men who died or are forced to remember the death march that followed the surrender; 20,000 Filipinos and 1,400 Americans died from starvation, disease, and torture. These men were often clubbed and bayoneted; given very little food, if any. In our prayer let us hope no men shall have to make such a march again.

Today, on April 9, I would also like to note one of the truly sad ironies of history. As the Allied Forces were pushed back across the Bataan Peninsula, each man clung to the hope that the American Army would arrive. During that time when no hope came, there was a barracks ballad that was sung to ease the frustration. It went:

We are the battlin'
bastards of Bataan.
No mama, no papa,
and no Uncle Sam.

It was almost 3 years to the day that the Japanese held the Philippines and before help finally arrived, April 1945.

In May 1970 a concerned Congress passed Public Law 91-376, recognizing that past prisioners of war, like the men of Bataan, suffer a wide range of long-term effects because of their captivity. At that time, as the long list of diseases and medical problems were read, there was a great deal of sympathy, soon forgotten. These men became prisoners of a problem about which no one seemed to want to know.

In March 1979, the Honorable BILL YOUNG from Florida had inserted in the RECORD his support of ex-POW's and also a letter from Gen. Delmar T. Spivey, retired, that discussed a report by the National Medical Research Committee for American Ex-Prisoners of War. In that report the commission noted:

We have found that many times Public Law 90-376 is not being enforced by the VA and that the spirit of the law is interpreted by the VA for its benefit and not that of the veterans, in fact, many times they must prove they were prisoners of war. As of now 33 years later, they must prove for some reason that they did indeed suffer from the very disease Congress recognized in Public Law 91-376. Their concerns are met with "subject of remote memory" and "not admissable."

Still they waited, the men of Bataan, only now it is their families that waited with them.

On February 23, 1981, I wrote to President Reagan calling for a task force to establish an outreach program to seek and help our past POW's. The White House has not yet responded.

On March 10 Congressman MONTGOMERY's bill, H.R. 1100, was considered by committee and a markup session was held. This bill makes great strides in bringing the VA and our Government to correct the problems with our treatment. But as of today, April 9, 1981, 40 years later and 11 years after Public Law 91-376, the men of Bataan still wait.

Reprinted here is a letter sent to me by the wife of a survivor of the fall of Corregidor. I offer it today as a cry for help. As you read it, think of the men who clung to that rock off the Philippines and also the hope that help would arrive, and then think of the past POW's and their families that cling to the hope that someone will hear and then say to youself:

They were the battlin'
bastards of Bataan.
No mama, no papa,
and still no Uncle Sam.

MARCH 29, 1981.

Representative PAT WILLIAMS,
Montana Western District,
Longworth Building, Washington, D.C.

DEAR REPRESENTATIVE WILLIAMS: I'm writing in regards to a matter of great concern to me; and many other wives; the plight of the Americans who were POW's, especially those who were interned by the Japanese. Those especially, one of them being my husband for over 34 years. They truly need help. I watched the look and hurt in his face, mixed with joy when our hostages were released on January 20, 1981. There was no one, much less any fanfare to meet the boats when they docked in San Francisco in October 1945. They were wisked off to Letterman General Hospital, a quick physical and sent home, after 39 mos. as a POW, they were anxious to see loved ones, not thinking about the future, they went.

I could make a long list of ailments, making these relatively young men, old men bodily wise. They are listed in the VA study done called "POW Study of Former Prisoners of War"—Public Law 95-479. I would like to see action taken on this study, and cannot understand why there hasn't been, after spending $335,000. What a waste!

Most urgently needed are Doctors in the VA facilities who are learned and knowledgeable as to the conditions of my husband and his fellow X-POW's. Some of these people, supposedly there to help them, don't know what or where Bataan and Corregidor is, much less what went on there and following. They have no idea of the delayed reactions these men are suffering and experiencing. I understand a very informative and extensive study was made, "Cornell Medical Index" which shows that the Japanese-held POW's are suffering far more than others from different theatres of war. I truly cannot understand that our Government does not recognize and do something about this study. The Canadian Government does and has gone all out to help their men.

I also think it is very sad that the treatment is not equal from state to state, when we lived in Michigan and Lew went to the VA Hospital in Allen Park (a Detroit suburb), he told them he was "Project J" and they without hesitation processed him and sent him through all the sections and was given a 1st rate examination. In 1976, after getting his records transferred to F. Harrisson, got an appointment, went over there fully expecting the same kind of treatment he received in Michigan. He told them he was "Project J" and they did not know what he was talking about. They sent him back to Missoula to get a Doctor and send the VA the bill. In 1980 after this Dr. telling him his condition was much worse and was surprised that the VA was not giving him more compensation than what he was getting, Lew reopened his claim, with the backing of you, Rep. Williams, he did get a thorough examination, and we are so very thankful for all your help and deep concern. I don't think it should take that kind of action from our busy Representatives and Senators in order for these deserved men to get some much over due needed attention.

We need your support to establish a National X-POW Task Force to identify and inform all X-POW's of any and all information the U.S. Government holds in its files pertaining to their health and well being. We understand there is a file on Germ Warfare Experimentation that was done to the men interned in Mukden Manchuria (where Lew was), that may very well explain some

of these unidentified ailments so many of those men are now experiencing. We understand it is classified as "Top Secret"—My God, why!!! This is so important for us to know so they can get adequate treatment.

In September 1980 the Mr's Rodriquez, Yeats and Whitten held a seminar here in Missoula at the University. It was very extensive, informative, and so enlightening and helpful. Some of the problems I've had with Lew these 34 yrs.

I now know I am not alone, after hearing other wives express some of the same, that does help. Believe me, these men are different from our civilian friends. I would like to see these seminars held in regions and sponsored with the help of the Government. These three young men did a fantastic job. I can't begin to praise them enough, any who were there will agree with me wholeheartedly. It is very heart warming to see such dedication from these men of a younger generation take such deep sincere concern for our "men". These men are undaunting in their efforts to seek information to help and aid. They need some financial help.

I understand there are possibly 242 X-POW's in Montana and only 151 are getting any compensation, I'm sure it is the same in all the other states. Can't begin to tell you the number of X-POW's that we've informed what VA help is available to them, and of the organization, the "Am X-POW's" and the "American Defenders of Bataan and Corregidor" the latter, cannot get any larger, it can only get smaller in numbers. In fact this past week a fellow barracksmate from Mukden called Lew from St. Regis after seeing an article in the Missoulian. He's joining the groups and hopefully will make it to the National Convention of "ADBC" in Las Vegas, April 26-May 1, 1981.

Once a X-POW gets his disability, it is left there, no mention of treatment for any of their ailments. We desperately need regional treatment centers, could be within the VA facilities. We were very fortunate to have a wonderful family Dr. in Michigan who put Lew on treatment and informed us the VA would supply his medication, which he has to keep near him always. Our Dr. here in Missoula is also great, to help and he recognized the effects of Lew's internment as to his health now, as did the Dr. in Michigan. Why doesn't the VA?

In closing Pat, I thank you very deeply for all your help and deep concern. It is appreciated. Many thanks.●

FLEXIBLE WORKING HOURS

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. ERLENBORN. Mr. Speaker, the gentleman from North Carolina (Mr. JOHNSTON) and I are today introducing a bill to allow more people the opportunity for flexible working hours. The bill does that by amending two Federal procurement laws—the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act—to conform with the minimum wage law—the Fair Labor Standards Act.

Under the FLSA, overtime must be paid for work in excess of 40 hours in 1 week. Thus, the compressed workweek and flextime are permitted. Some employers and employees have agreed to go to the 10-hour, 4-day workweek. Others have opted for four 9-hour days and one 4-hour day. The arrangements come in a variety.

Thousands of firms have made the change, as have many State and local governments. Even Federal agencies are experimenting with it.

The results suggest that flexible hours often increase output, reduce absenteeism, and lower turnover. Employees report they are cutting down on their gasoline consumption, commuting fares, lunch money, and child care expenses as well as having more leisure time.

Under the procurement law, payment of overtime rates begins after 8 hours in any 1 day. As a consequence, working under contract with the Federal Government denies contractors and their employees the right to arrange flexible working hours without substantial penalty. The penalty, of course, would be passed on to the consumers and taxpayers.

Our bill does not mandate change. It merely permits Federal contractors and their employees to select the combination of hours in a 40-hour workweek that best suits them.

Without a penny of cost to taxpayers, we can boost the morale of millions of workers while saving energy, consumer costs, and tax dollars. We, therefore, urge prompt and favorable consideration of this legislation.●

VOTING RIGHTS ACT AMENDMENTS OF 1981

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. HYDE. Mr. Speaker, today I have introduced legislation entitled the Voting Rights Act Amendments of 1981.

One of the most important and controversial decisions this Congress must face is whether to renew the Voting Rights Act of 1965. Both sides of this issue feel deeply, and there is considerable merit to their opposing arguments.

For example, under the definitions of the act, nine Southern States—and any of their political subdivisions—must obtain prior approval—"preclearance"—from the Justice Department in Washington of any proposed changes in their laws that might impact on elections. Should the State or subdivisions prefer, it can, alternatively, institute a declaratory judgment action in the U.S. District Court in the District of Columbia to approve the proposed election law change.

Whether or not circumstances were so oppressive in 1965 to justify such a draconian erosion of State sovereignty, 17 years have passed and, in my judgment, such a demeaning process is no longer appropriate.

According to a March 9 article in the New York Times, the Justice Department has objected to less than 3 percent of the 33,000 changes submitted for review since 1965. Last year it objected to 44 of the 5,800 changes that it reviewed.

On the other hand, the right to vote—including the right to have your vote counted—is our most precious political right, and it would be helplessly naive to assume that everyone's voting rights are effectively observed everywhere and always.

I propose, therefore, to renew the Voting Rights Act of 1965 by amending section 4 to eliminate the language whereby these nine Southern States were treated less than sovereign, and by amending other appropriate sections to provide that the Attorney General may bring an action—or intervene in private actions—anywhere in the country where a "widespread pattern or practice" of voting rights abuse is found. Should the complaint be upheld, then the "pre-clearance" procedures now in the act would apply to the offending jurisdiction for 4 years.

The point is that denial of voting rights can occur anywhere—not just in a few specified locations—and the experience of the last 17 years no longer justifies treating the nine Southern States and their political subdivisions any differently from the rest of this country.

Another significant change I propose will update and expand coverage of the act beyond proscribing voting qualifications standards or procedures which deny or abridge the rights of any citizen because of race or color to include those voting qualifications standards or procedures which are for the purpose or with the effect of denying or abridging a citizen's rights.

Thus the addition of an effects test broadens the scope and coverage of the legislation.

Lastly, there is another section of the present law that has stirred emotions—the single-language minority provisions requiring bilingual ballots in certain prescribed circumstances. These provisions do not expire until 1985, and since they are not subject to renewal at this time, I propose no change for now.

This legislation presents a middle ground between those who would maintain the law with its anachronistic and heavyhanded double standard emasculating the sovereignty of nine Southern States, and those who want to see this law die a natural death under the euphemistic notion that the voting rights of citizens are secure always and everywhere in the Nation.

SECTION-BY-SECTION ANALYSIS OF THE VOTING RIGHTS ACT AMENDMENTS OF 1981

Section 2. This Section represents a major change in existing law. The language of current Section 2 provides:

"No voting qualification or prerequisite to voting, or standard, practice, or procedure shall be imposed or applied by any State or political subdivision to deny or abridge the right of any citizen of the United States on account of race or color."

The Supreme Court reviewed the weight of this Section in its 1980 decision in *City of Mobile, Alabama, et al.* v. *Bolten, et al.*, —— U.S. —— (decided April 22, 1980). In *Mobile*, the Court, by a 6-to-3 majority, held that Section 2's language does not elaborate upon that of the Fifteenth Amendment, and therefore was intended to have an effect "no different from that of the Fifteenth Amendment itself." (*Mobile*, Slip Op. at 4.) Accordingly, discriminatory intent was all that need be proved. (Id., at 5).

Proposed section 2 would therefore expand the existing law to include an "effects test".

Section 3. This Section empowers a federal court, consistent with language contained in proposed Section 12(g), to require preclearance of any jurisdiction in the country for a period not to exceed four years. The use of this remedy would be subject to a finding of a "pattern or practice" of voting rights abuse. "Pattern or Practice" is defined In *U.S.* v. *Mayton*, 335 F. 2d 153, 158–159 (1964).

Section 4. This Section amends the triggering mechanisms contained in Section 4(a) and Section 4(b) of the Act. These mechanisms are complex, and apply principally to jurisdictions which, on November 1, 1964, maintained "tests or devices" designed to abridge the right to vote on account of race or color only. Though the Act does not refer to a specific date, it does refer to a seventeen-year term. Seventeen years from August, 1965, ends in August, 1982. Any jurisdiction which maintained such a test or device in 1964, and in which less than 50 percent of those of voting age were registered as of that date, are required to forward changes in their voting laws to Washington in accordance with Section 5.

Proposed Section 4 would eliminate the trigger for all except those jurisdictions affected by the language minority provisions passed in 1975. Since these provisions do not expire until 1985, and are therefore not naturally subject to renewal in 1982 as are the other provisions of Section 4, my bill leaves them in place.

Section 5. Once again, this Section modifies language in Section 5 of the Act in such a way as to require preclearance provisions only in cases in which the language minority trigger is activated.

Section 6. This Section adds new subparagraphs (g) and (h) to existing Section 12 of the Act. According to the provisions of proposed subparagraph (g), the Attorney General would have "widespread pattern or practice" jurisdiction to bring a civil action to protect rights guaranteed by the Fifteenth Amendment and Section 2, if amended as proposed.

Proposed subsection (h) would permit the Attorney General to intervene in private actions designed to protect rights guaranteed by the Act.

H.R.——

A bill to amend the Voting Rights Act of 1965

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voting Rights Amendments Act of 1981".

SEC. 2. Section 2 of the Voting Rights Act of 1965 is amended by striking out "to deny or abridge" and inserting in lieu thereof "for the purpose or with the effect of denying or abridging."

SEC. 3. Section 3(c) of the Voting Rights Act of 1965 is amended—

(1) by striking out "If" and inserting "In" in lieu thereof; and

(2) by striking out "or an aggrieved person under any statute" and all that follows through "during such period" and inserting in lieu thereof "under section 12(g), and only in such a proceeding, the court, in addition to such other relief as it shall grant, may order that, for a period of not more than four years after the order is made,".

SEC. 4. (a) Section 4(a) of the Voting Rights Act of 1965 is amended—

(1) by striking out the first sentence;

(2) in the second sentence—

(A) by striking out "on account of race or color, or" each place it appears; and

(B) by striking out "the third sentence of";

(3) in the sentence beginning "The court shall retain jurisdiction" by striking out "on account of race or color, or";

(4) by striking out the first sentence beginning "If the Attorney General determines that he has no reason to believe"; and

(5) in the second sentence beginning "If the Attorney General determines that he has no reason to believe"—

(A) by striking out "on account of race or color, or"; and

(B) by striking out "the second sentence of".

(b) Section 4(b) of the Voting Rights Act of 1965 is amended—

(1) by striking the first two sentences; and

(2) in the third sentence by striking out "in addition to any State or political subdivision" and all that follows through "the previous two sentences, the provisions of".

(c) Section 4(f)(4) of the Voting Rights Act of 1965 is amended by striking out "the second sentence of".

SEC. 5. Section 5 of the Voting Rights Act of 1965 is amended by striking out "Whenever a State" and all that follows through "based on determinations made under the third sentence of section 4(b)" and inserting in lieu thereof "Whenever a State or political subdivision with respect to which the prohibitions set forth in section 4(a)".

SEC. 6. Section 12 of the Voting Rights Act of 1965 is amended by adding at the end the following:

"(g) Whenever the Attorney General has reasonable cause to believe that any person or governmental entity or group of persons or governmental entities is engaged in a widespread pattern or practice which has the purpose or effect of denying the full enjoyment of any of the rights granted or protected by this Act, or that any group of persons has been denied any of the rights granted or protected by this Act and such denial raises an issue of general public interest, the Attorney General may bring a civil action in any appropriate United States district court by filing with that court a complaint setting forth the facts and requesting such relief, including relief under section 3(c) of this Act, as the Attorney General deems necessary to assure the full enjoyment of the rights granted or protected by this Act.

"(h) In any civil action instituted by an individual to secure rights granted or protected by this title, the Attorney General may intervene in such civil action if the Attorney General certifies that the case is of general public importance.".●

PERSONAL EXPLANATION

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mrs. SCHNEIDER. Mr. Speaker, on Tuesday, April 7, I was unavoidably detained and as such, missed rollcall vote No. 21, final consideration of S. 840, to continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, Fiscal Year 1980, for a certain period. Had I been present, I would have voted "yea."●

HOW CETA AND VOCATIONAL EDUCATION WORK IN KENTUCKY

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. HAWKINS. Mr. Speaker, while the new Secretary of Labor keeps saying CETA provides only dead-end, make-work jobs, evidence abounds that such is the exception, not the general rule. Significantly, such critics see nothing wrong in pushing CETA enrollees onto welfare or unemployment compensation where no productive work is performed.

The falsity of this myth is ably answered by Mr. Steven L. Zimmer, CETA director for the Louisville-Jefferson County consortium in Kentucky. Excerpts from his testimony before the Education and Labor Committee on March 14, 1981, follow:

Today I would like for us to consider the progress which we have made in developing effective linkages between CETA and our educational institutions—especially the progress made in reducing unnecessary duplications and creating cost-effective services to young people and adults. The CETA program in Louisville and Jefferson County (Kentucky) helps support several hundred participants annually in occupational classroom training. At present we do not have the capability to provide enough training slots in vocational education for CETA participants currently enrolled in the system . . . Last year, in evaluating our program, we discovered that occupational classroom training is the most effective activity for placing CETA-eligible participants into jobs.

There are several myths concerning CETA/Public Service Employment which are being perpetuated by the Administration and the national press:

The first myth is that CETA provides only dead-end, make-work jobs which provide no opportunity for advancement or

skills training. Our Parks Department experience demonstrates the falseness of that perception. I believe that any job which improves basic job-keeping skills and teaches good work habits is beneficial, and increases the productivity of the American work force. In addition, our program has made an effort to link adult basic education with Public Service Employment. All PSE job holders are tested and basic education is made available to them. In FY80, almost 25 percent of our PSE participants who were high school drop-outs reached the G.E.D. achievement level. Therefore, participants learn work skills, provide valuable public services, upgrade their basic educational skills and are more employable.

The second myth is that PSE jobs do not have a counterpart in the private sector. This too is false. In our program 46 percent of all PSE participants entering employment in FY80 obtained jobs in the private sector.

The third myth is that all PSE jobs are in government. This too is false. Over 60 percent of the PSE positions for this Fiscal Year were allocated to non-governmental agencies. Participants in these programs not only learn valuable work skills, but also provide important public services.

The fourth myth is two fold: that all PSE participants are eligible and receive unemployment insurance benefits and that the elimination of PSE will save federal dollars. Not all PSE participants are eligible for benefits if they work for an exempt agency. Also, CETA serves the long-term unemployed, and the level of benefits, if any, for which laid-off participants are eligible are limited. Unemployment insurance benefits are included, but where does the proposed federal budget recognize the increased cost to the Federal Treasury, for AFDC, Food Stamps, Medicaid, and any other welfare payments for current PSE participants? We need to also consider the loss of tax revenues to state and local governments as well as the loss of economic stimulation.

Cutbacks in funding of vocational education and CETA appear to me to be contrary to the basic philosophy of the Administration's economic recovery plan. I believe that if the private sector has greater capital to invest in plant improvements and expansion, much of that investment will be geared toward automation and robotization which will reduce the number of entry-level jobs. Therefore, the need for training the work force will be even greater. CETA and vocational education are the public avenues available to move the disadvantaged long-term unemployed—those without job skills who have multiple barriers—into the mainstream of the American work force.●

VIETNAM VETERANS DAY

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. COATS. Mr. Speaker, on March 26 I was unavoidably detained on official business and failed to register my vote on House Joint Resolution 182, a resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era."

Had I been present, I would have risen in enthusiastic support for the resolution. As a Vietnam era veteran and member of the House Vietnam Veterans Caucus, I was proud to cosponsor this resolution recognizing the more than 8 million Americans who served during the Vietnam era, almost 3 million of which actually served in Vietnam.

Many of these people have successfully adjusted to civilian life, but many have not. The statistics are truly frightening. For example, the overall suicide rate of Vietnam era veterans is now about 23 percent higher than that of nonvets of the same age. An estimated 500,000 Vietnam era veterans are presently in criminal custody. And of all outpatients in the VA drug treatment program, 55 percent are Vietnam veterans.

A resolution such as this one is obviously not the solution to the very difficult problems facing a large number of Vietnam era veterans. That solution will come when we assume that responsibility for these individuals which is rightfully ours. Clearly, we owe them this day of recognition and much, much more.●

CANADIAN STUDY FINDS MASSIVE ANTITRUST VIOLATIONS BY OIL COMPANIES

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. BEDELL. Mr. Speaker, the House Small Business Subcommittee on Energy, which I chair, recently conducted several days of hearings on gasoline marketing practices. In the course of our hearings, there was some discussion of a Canadian Government report detailing alleged widespread anticompetitive activity by the major oil companies operating in our neighboring country.

It occurs to me that other Members also may be interested in this recently released Canadian study. The staff of the Small Business Subcommittee on Energy has prepared a very brief overview of the six-volume study. For the benefit of Members and the public, I am inserting the body of the staff memo at the conclusion of my remarks:

HOUSE OF REPRESENTATIVES, COMMITTEE ON SMALL BUSINESS, SUBCOMMITTEE ON ENERGY, ENVIRONMENT, AND SAFETY ISSUES AFFECTING SMALL BUSINESS, RAYBURN HOUSE OFFICE BUILDING,

Washington, D.C., March 24, 1981.

To: Hon. Berkley Bedell, Chairman.
From: Marc H. Rosenberg, Staff Director.
Re Canadian Government Study of Petroleum Marketing.

"The State of Competition in the Canadian Petroleum Industry" is the title of a report submitted to the Restrictive Trade Practices Commission (the Canadian counterpart to our Federal Trade Commission) by Robert J. Bertrand, Director of Investigation and Research for the commission. Bertrand submitted the report on February 27; it was released to the public on March 4, and your staff received a copy of the seven-volume report late last week. A number of elements in the report appear to be quite germane to the gasoline marketing issues now pending before the Subcommittee on Energy, Environment and Safety Issues Affecting Small Business.

Perhaps of greatest relevance is the Bertrand report's recommendation that the major integrated oil companies in Canada be required to divest themselves of some of their marketing operations, in order to foster greater competition at the retail level of the industry. The report also recommends that the government provide financial assistance to service station dealers who seek to acquire divested facilities. . . .

In its introduction, the Bertrand report notes, "There are a number of parallels between the Canadian petroleum industry and the industries in the United States and other countries." The oil companies that dominate the Canadian market all are subsidiaries of companies that have very substantial U.S. operations—Exxon, Gulf, Shell and Texaco.

Market concentration is much greater in Canada than in the United States. The report alleges that the major oil companies engaged in a deliberate policy of unfairly eliminating their independent competitors through manipulation at all levels of the petroleum industry—crude oil, refining, pipeline transportation and retailing.

The Canadian report says that the major companies always have regarded independent marketers as the greatest threat to their market dominance. Noting that the marketers still must obtain product from the majors, the report observes, ". . . the independent resellers' challenge to the majors was not primarily the result of lower supply prices. Their primary threat to the majors lay in their greater efficiency at distributing and marketing petroleum products." This, the report suggests, is why the majors struck at their competitors in areas other than in the retail marketing arena. Calculating the economic cost of the diminished role of the independent marketers, the report estimates that Canadian consumers paid an average of $325 million (in 1980 Canadian dollars) more per year for each year covered by the study.

This is how a public information statement from the Commission describes the origin of their inquiry:

"In February, 1973, the Consumers' Association of Canada requested the Director of Investigation and Research under the Combined Investigation Act to investigate whether gasoline and fuel oil price increases made a month earlier by a number of oil companies were the result of a conspiracy and to determine more generally whether prices were maintained at an unduly high level because of the extent of vertical integration within the petroleum industry."

The February 1973 date is of special interest because it coincides with the price-fixing charges brought against 14 major oil companies in the U.S. by the States of Arizona, California, Connecticut, Florida, Oregon and Washington. (See the testimony of Tony White in the record of 1980 hearings on H.R. 6722 before the Small Business Committee.)

The Canadian study focused most of its attention on the period 1958–1973. This may prove very useful to the Subcommittee—assuming the similarities between the U.S.

and Canadian markets are significant—because the Department of Energy's recently-completed report, "The State of Competition in Gasoline Marketing," addresses the pre-1973 marketplace only through the development of a theoretical model, rather than through an examination of specific data.

Mr. Bertrand suggests that an understanding of the pre-1973 gasoline marketplace is vital to an understanding of what is going on today. Reading his comments on this point leaves little room for doubt. The only question that arises is: Is he describing the situation in Canada or the U.S.? As you can see in the following excerpt from the report, the circumstances are remarkably alike.

"The material being submitted to the Restrictive Trade Practices Commission was largely collected in 1973. Thus the question arises whether the industry has changed since that date in a fashion which makes the assessment of past behaviour irrelevant to public policy decisions. While recent changes in the international environment affecting the Canadian petroleum industry and in government energy policy have occurred, the structural problems in the industry remain unchanged. In addition the consequences of that structure for the industry's behaviour and performance, as documented in this submission, are more important now than they were a decade ago."

"Some changes have occurred in the distribution sector. In particular, there has been a trend to fewer gasoline stations and average volumes per station have increased. However, the dominance of the majors is greater today than at the beginning of the 1970s. As a result there is little reason to suggest that consumers can count on benefiting from lower distribution costs. The various disciplinary practices that have been used in the past to maintain high wholesale-retail margins are still available to the majors. In addition, the independent resellers—the dynamic element that might provide the competition needed to keep costs and prices down—are more at the mercy of the majors for their supply of gasoline and other products than ever before. There is, therefore, a need to safeguard competition in the face of the dramatic changes that have occurred and that will continue during the next decade."●

VIETNAM VETERANS DAY

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. JEFFRIES. Mr. Speaker, when Congress declared April 26, 1981, as Vietnam Veterans Day, it took a step which I felt should have been done the first year after our pullout from Saigon. Our Nation has done little to honor the sacrifices these men and women endured when they were called upon to fight and die, sacrifices which were exacerbated by a lack of national will to support them in their efforts. This lack of support has been carried on for far too many years now, and I think it is time to turn the situation around. Many of those who returned came back with horrible memories, of years spent undergoing torture, of limbs lost to a sniper or land mine, to an ever-present knowledge that many of their own countrymen fled our Nation when they were called upon. An amnesty for the draft dodgers was later declared, which was akin to pouring salt in the wound. Our vets have suffered enough at the hands of the North Vietnamese. That they have to suffer more at America's hands is intolerable.

But the marking of April 26 as Vietnam Veterans Day will hopefully denote a turnaround in our way of thinking about our veterans. As a further sign of enlightenment, a program which is vital to many Vietnam vets, the Outreach program, has not been cut from the Veterans Committee budget proposal. The return of the hostages from Iran woke the Nation, and with the celebration we learned of our own neglect of those who were imprisoned for much longer.

I, and the rest of my colleagues, should join all Americans on April 26 in honoring the veterans of the Vietnam conflict.●

VOINOVICH ANALYZES REAGAN'S CUTS

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. ECKART. Mr. Speaker, recently several members of the northeast Ohio congressional delegation met with Mayor George Voinovich of Cleveland. The purpose of this meeting was to discuss the impact of the proposed fiscal year 1981 and fiscal year 1982 budget cuts on our region, and particularly, on the city of Cleveland.

First, I want to make the point that the meeting was not based on partisanship, but on principle. Cleveland's Republican mayor called the meeting, and he should be commended for his political forthrightness. Mayor Voinovich realizes that this is a community problem, and to adequately address it, it is important that party affiliation not be a factor.

Mr. Speaker, understandably Mayor Voinovich and the area's congressional representatives are concerned by what we see as the inequitable treatment accorded Cleveland and the other major cities of the industrial Northeast and Midwest in the administration's "Program for Economic Recovery." Mayor Voinovich's office was able to compile extensive figures and analyses that demonstrate that the proposed budget cuts and tax changes will impact adversely on the City of Cleveland and other northern Ohio cities, and could seriously undermine our economic base.

Mr. Speaker, the administration's proposed cuts for Cleveland amount to approximately $19.6 million in fiscal year 1981 and $35.6 million in fiscal 1982. Specifically, the cuts include:

Three projects which had previously been authorized by EDA are now in jeopardy of not receiving funds totaling $16 million;

Changes in the UDAG and weatherization programs and elimination of section 312 loans result in a loss of $4.4 million in fiscal year 1982 to Cleveland's community development program;

Loss of titles II-D and VI will result in a reduction of $14 million in Cleveland's CETA program or approximately 1,000 fewer jobs for Cleveland's unemployed;

A $3.1 million loss in youth programs will mean 3,500 fewer young adults will not have jobs during the summer of 1982;

The elimination of the bridge construction/reconstruction funds from the fiscal year 1982 budget amounts to a loss of $4.4 million to Cleveland over the next 6 years for projected repairs to 10 bridges; and

Elimination of the UPARR program, which is aimed at assisting distressed cities rebuild their park systems, will result in a loss to Cleveland of $6.1 million for needed park and recreation repairs.

Mr. Speaker, the list continues: projects in which the Federal Government already has a substantial investment are threatened with rescission of funds: the Greater Cleveland Interchurch Council has identified the loss of $40 million to Cleveland's poorest families in areas such as nutrition programs, health care, and schools, the city's regional transit authority projects a loss of $16.4 million with the proposed elimination of the operating assistance program, Cleveland State University predicts that the proposed changes in the Pell grant will cost 573 of their students $470,000 in grant funds.

Mr. Speaker, it is obvious that there are holes in the administration's safety net. Cleveland's Plain Dealer quotes Mayor Voinovich as saying, "If the net isn't repaired, there's going to be devastation, not only in Cleveland but in every major city." I have to agree with this statement, for the proposed cuts could possibly destroy our older cities if they are not modified. And if these budget cuts do not do it, the untargeted tax changes and tax giveways that the administration seeks undoubtedly will. The accelerated investment writeoff procedure, as proposed, will further encourage disinvestment from the Nation's cities, encourage the growth of the Sunbelt at the expense of the North, and encourage industrial relocation instead of the revitalization that our region needs, further exacerbating the problems of our mature urban cities. Mayor Voino-

vich has stated that if these tax changes are not targeted, then they ". . . are not worth supporting." Again, I wholeheartedly agree.

Mr. Speaker, I am sure that Cleveland Mayor George Voinovich's analysis is true for other older urban areas as well. His nonpartisan, impartial analysis is welcomed by all of us who want to see budget cuts and tax programs that are reasonable, responsible, and fair for all regions of the country and for all people.●

ROY VELASQUEZ—FROM CABBIE TO BUSINESS LEADER

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. PICKLE. Mr. Speaker, one of the strengths of our American system is that a soft-spoken man can begin a business from scratch and build it into a major enterprise. When you throw in the ingredient of overcoming racial prejudice, you have a hearty brew, indeed.

Mr. Roy Velasquez last Sunday celebrated the 50th anniversary of his business in Austin, Tex.—Roy's Taxi. Some 1,500 friends gathered to offer their congratulations to this warm, humble man. The Austin Citizen published the definitive Roy Velasquez story last week, and I am pleased to present it here.

It is probably much harder to start a business now than 50 years ago. But the example set by Roy Velasquez still has applications for today—that hard work, personal initiative, the support of family, and finding time to help others can take a man or woman far.

We congratulate Roy and his family for a wonderful contribution to the Austin economy and showing the way for others.

I include for the RECORD two newspaper articles honoring the accomplishments of Roy Velasquez:

TIMELESS TAXI—ROY VELASQUEZ HUSTLED HIS WAY TO POSITION OF RESPECT

(By Donalevan Maines)

His diamond flair ring and gold necklace are emblems of Roy Velasquez's success as a Mexican-American businessman in Austin—50 years in a job he knew nothing about when he started.

They're symbols of the man himself—a crusading Capricorn whose primary obligation was to find a way to provide for his family. The necklace is a gift from his sons, who continue in the business with him, working out of Velasquez's house at 90 East Ave.

Velasquez, 71, leans forward in his wheelchair, takes a bite out of an apple and recalls the 50-year chapter in his life in which he rose from a "small fry" to a position of respect and leadership in the Mexican-American community.

On Sunday, Roy's Taxi Inc. will celebrate 50 years as the green-and-Aztec red cab service that has watched Austin grow along with it. Velasquez was honored today with a Texas Senate proclamation, the same type of recognition given to Oscar winner Sissy Spacek and Grammy winner Christopher Cross earlier in the session.

Velasquez takes it all in stride. Hard work got him where he is today, with a little help from a belief in the American Dream and a sense of integrity that many businessmen find wanting.

The respect that has been shown to him by Presidents Lyndon Johnson and Harry Truman and Mayors Carole McClellan and Tom Miller begins at home, where his 10 surviving children, 27 grandchildren and two great-grandchildren consider him "the noblest of men." Their loyalty to him reaches as far as the many miles he has covered at the steering wheel of a taxi.

"I started in 1931 when I went to the owner of 'Ten Cents Taxi' to be a driver and the man told me, 'People don't like Mexicans. You would run off my clientele if I had a Mexican driver,' " he says.

"So I say, 'I don't want you losing money because of me,' " he recalls. "And I start my own taxi company the hard way. I went out there like a crusader. I holler at everybody who pass by, 'Taxi! Taxi! Taxi!' "

In less than three months, Velasquez had 400 regular customers, many of them blacks who weren't allowed to ride on the trolley. He made the rounds in a 1928 Model A Ford, picking up his customers at their homes in the mornings, "dumping them at work" and returning them home in the evenings.

"I had to buy springs every two weeks," he says, "because I would pack seven or eight people in at a time. The streets were gravel and that first car didn't last too long."

His success angered streetcar drivers, who complained to the city that Velasquez was taking away their business. "They wanted me to move so I couldn't fight them. So I go to Sixth and Lydia and tell the fella I'll buy gas from him if he answer phone for me at filing station," he explains.

He remained there until 1950, when he moved the business to 704 E. 11th and set up living quarters there for his family. Since 1957, 90 East Ave. has been home and headquarters for Velasquez and Roy's Taxi—and its fleet of 50 cars.

It is also the place where city, state and national political figures come to Velasquez seeking both aid and advice in their quests to get the support of Mexican-Americans. LBJ, Truman and U.S. Rep. Jake Pickle are among Velasquez's favorites.

"Lyndon was a man who say 'yes' and mean 'yes.' He never said 'yes' and mean 'no,'" says Velasquez.

Velasquez helped organize the local chapter of LULAC in 1935 and was one of the charter members of the Austin Citizens League, which screened City Council candidates in the '60s and made political endorsements.

Whether as an organizer or chief, adviser or patriarch of his family, Velasquez has worked gallantly to fight for the things he believes in. To him, it is as simple as wanting to provide for his family. "I had to make it," he says. "I had my mother, my father and four brothers.

"I was ambitious—for dinero. But today, I don't think you could start business up like this. You have to be hungry for it. People

On Friday, Congress Avenue will be reborn since 1940, they have silver spoons in their mouth."

named for Velasquez as a tribute to his contributions to the citizens of Austin.

$5 LOAN BOUGHT GAS, LICENSE TO START ROY'S TAXI ON 50-YEAR CAREER

(By Bill Douthat)

Roy Velasquez, who began an Austin family business legend with a $5 loan and a determination to survive, was honored Sunday by nearly 2,000 friends who packed the arena floor at the Erwin Center for the 50th anniversary celebration of Roy's Taxi.

Velasquez, 71, was saluted as a "humanitarian and leader" who never forgot the poor and downtrodden even when his own business flourished.

I'm going to put this event into the CONGRESSIONAL RECORD as a salute to a great amigo," said Rep. J.J. "Jake" Pickle, one of several political leaders who came to the gala anniversary celebration.

Roy Ramirez, a LULAC official from San Antonio, said Velasquez had opened opportunities for minorities with his leadership in the Hispanic organization.

"He is the people's champion in the barrios of the poor," Ramirez said.

Velasquez joined the League of United Latin American Citizens in 1935 and for 40 years fought educational and economic barriers against Mexican-Americans in Texas. LULAC led the fight in the landmark Bastrop school discrimination case, which outlawed separate schools for Mexican-Americans.

Velasquez, confined to a wheelchair and partly blind, sat through the accolades with a characteristic granite expression, wearing a white felt Stetson and carrying a cigar tightly under a crooked index finger.

He launched Roy's Taxi on April 5, 1931, after other Austin taxi firms refused to hire him because of his ethnic background. The Depression had shattered his trade as a carpenter so he borrowed $5 from a friend, Braulio Reyes, for a $3 taxi permit and $2 worth of gas.

His motivation was simple.

"I was hungry and I had my father and my four brothers who depended on me. I had to make a living for them."

Since other cabs would not carry black passengers, the new taxi driver found a steady market on the east side of town. Within a year Roy's Taxi had 35 contract cars and carried 400 customers each day. The company now has a fleet of 50 cabs, half owned by the company, and nearly 100 employees.

Six of Velasquez's 11 children are officers in the company, which is located on one floor of the Velasquez home near East First Street and Interstate 35.

As part of the the 50th anniversary, the company restored a 1926 Model A Ford, a replica of the first taxi that carried the company's colors of the green and red stripes of the Mexican flag.

Sunday was declared Roy Velasquez Day by the city and Legislature, and Congress Avenue was named in his honor for the day.

The Velasquez family presented a plaque to the family of Braulio Reyes in appreciation for the $5 loan.

"My father," said the son of the now-deceased Reyes, "loved Roy and knew that he would also help those in need."

The celebration featured mariachi bands and folkloric dances and a special dance by Velasquez's 12-year-old granddaughter, Sharon Velasquez. Velasquez's brother, Matt, sang a song that the guest of honor could appreciate: "I Did it My Way."●

REAGAN'S WELFARE CUTS

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. JEFFRIES. Mr. Speaker, the Junction City, Kans., Union has published an editorial which I feel deserves the attention of the House. This was printed in the March 31, 1981, edition of the newspaper and in essence supports the President's attempt to cut welfare spending without causing undue hardship on those who are truly needy. As the writer indicates in the editorial, eligibility for these programs is not a constitutional right:

EDITOR'S VIEW

An observation by a welfare reform expert is saying that it is technically possible to reduce the cost of welfare programs by 25 percent and still accomplish their purpose. Whether this is possible or not is another question because nobody seems willing to stop complaining long enough to listen.

Charles Hobbs, a former state welfare official, explains that at the first indication of the slightest reduction in the least defensible program, special interest groups created and supported by the welfare industry descend on Congress to protest. They appear either as helpless victims of a vindictive cutback, or as a political power group whose welfare "rights" have been violated.

So the Reagan administration is accused of being heartless in proposing cutbacks in programs for the poor. Further, it is not unusual to hear eligibility for these programs defended as some kind of constitutional right. No question, there is clout behind the "welfare industry" in the form of government agencies administering welfare programs and organizations representing their clients.

Hobbs quotes a congressional study done several years ago to provide a classic example of how income security programs have piled up to distort the purpose of the welfare system.

The study demonstrated that a mother with four children qualifying for Aid to Families with Dependent Children was also entitled to benefits from 14 other programs. And—theoretically she was eligible for cash payments and in-kind benefits equal in value to three times the median income for a working woman.

The AFDC program and all 14 of the others could be defended as meeting a "need," but it is hardly defensible for the government to be providing a non-working mother with the same or a higher living standard than what a mother provides by working.

Just how far along this nation has come to being a welfare state was illustrated the other day by a Census Bureau report that one-third of all households receive some sort of federal handout. That includes such things as Medicare, Medicaid, food stamps, and school lunches.

Granted, lives are eased considerably through this federal assistance. But putting everyone on welfare will accomplish at least two consequences: the cost will prove catastrophic and it will be impossible to stop politically.

As the Census Bureau study discloses, the nation has nearly reached this point already. The present effort to reverse the tide of federal charity may be our last chance to stave off bankruptcy.●

TIME FOR INHERITANCE TAX REFORM HAS COME

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. ROBERTS of South Dakota. Mr. Speaker, I am introducing the Family Enterprise Estate Tax Equity Act in order to reduce the outrageous burden that Federal estate taxes have placed on family-owned enterprises.

The Federal estate tax was never meant to be inflicted on the small family farms and businesses that are a tradition in our country. Rather, it was intended to prevent unfair accumulations of wealth in the hands of a few. But that intention has not been met.

In fact, inflation has caused the estate tax to contribute to the problem it was designed to prevent. That is, as heirs who cannot afford to pay estate taxes are forced to sell out, more land and capital is accumulated by larger enterprises, as opposed to the smaller, family-controlled units.

This legislation, H.R. 3003, proposes five major changes designed to correct the inequities of current Federal estate tax law, along with amendments to clarify the law.

RAISE EXEMPTION, LOWER RATES

Current tax exemptions and rates are essentially based on 1939 values, which was the year of the original enactment of the estate tax as we know it today. Obviously, inflation has drastically altered property values since that time, and H.R. 3003 proposes to raise the exemption and reduce tax rates in order to adjust for inflation.

Under present law, tax rates on the estate, gift and generation skipping transfers range from 18 percent on estates under $10,000 to 70 percent on estates over $5 million. The present unified credit provision of the law is $47,000, acting as a tax exemption for estates under $175,625.

The enactment of the Family Enterprise Estate Tax Equity Act will reduce estate tax rates by 10 percent in all brackets and increase the unified credit to $124,750. Combined with the new tax rate tables, the increase in the unified credit will raise the exemption for estates to those under $600,000.

The tax rate schedules under H.R. 3003 are as follows:

"If the amount with respect to which the tentative tax to be computed is:	The tentative tax is:
Not over $25,000	10 percent of such amount.
Over $25,000 but not over $50,000	$2,500, plus 15 percent of the excess of such amount over $25,000.
Over $50,000 but not over $125,000	$6,250, plus 18 percent of the excess of such amount over $50,000.
Over $125,000 but not over $250,000	$19,750, plus 20 percent of the excess of such amount over $125,000.
Over $250,000 but not over $500,000	$44,750, plus 22 percent of the excess of such amount over $250,000.
Over $500,000 but not over $750,000	$99,750, plus 25 percent of the excess of such amount over $500,000.
Over $750,000 but not over $1,000,000.	$162,250, plus 28 percent of the excess of such amount over $750,000.
Over $1,000,000 but not over $1,250,000.	$232,250, plus 31 percent of the excess of such amount over $1,000,000.
Over $1,250,000 but not over $1,500,000.	$309,750, plus 33 percent of the excess of such amount over $1,250,000.
Over $1,500,000 but not over $2,000,000.	$392,250, plus 35 percent of the excess of such amount over $1,500,000.
Over $2,000,000 but not over $2,500,000.	$567,250, plus 39 percent of the excess of such amount over $2,000,000.
Over $2,500,000 but not over $3,000,000.	$762,250, plus 43 percent of the excess of such amount over $2,500,000.
Over $3,000,000 but not over $3,500,000.	$977,250, plus 47 percent of the excess of such amount over $3,000,000.
Over $3,500,000 but not over $4,000,000.	$1,212,250 plus 51 percent of the excess of such amount over $3,500,000.
Over $4,000,000 but not over $4,500,000.	$1,467,250, plus 55 percent of the excess of such amount over $4,000,000.
Over $4,500,000 but not over $5,000,000.	$1,742,250, plus 59 percent of the excess of such amount over $4,500,000.
Over $5,000,000	$2,037,250, plus 60 percent of the excess of such amount over $5,000,000.".

The increase in the unified credit will be phased in over a five-year period as follows:

"In the case of gifts made in:	
1981	$29,750
1982	55,750
1983	77,750
1984	99,750
1985	124,750

Corresponding filing exclusions are also phased in, so that by 1985, estates under $600,000 will not be required to file a return under federal law.

The unified credit is a lifetime credit that offsets gift tax liability, while the unused remainder of the credit offsets the estate tax liability of the donor.

END WIDOW'S TAX

Sadly, current inheritance tax law does not recognize the married couple as an equal partnership in a family enterprise. Many spouses who survive their partners are forced to sell off all or part of the farm or business they have worked all their lives in, in order to pay inheritance taxes.

H.R. 3003 will treat the married couple as a single unit for estate and gift tax purposes, thus ending the "widow's tax", as it is commonly called.

Presently, estate and gift tax laws allow complicated and limited deductions on gifts

from one spouse to another and some relief on transfers to the surviving spouse. Under H.R. 3003, transfers between spouses are disregarded for tax liability.

This unlimited marital deduction will permit the surviving spouse to receive the full value of the estate of the deceased spouse (for his or her support and maintainence) without being reduced by federal estate taxes.

RAISE THE GIFT TAX EXEMPTION

Under present law, gifts of a total of $3000 or less in any one year are exempt from the gift tax. Originally, the 1932 gift tax exclusion was set at $5000, but it was reduced in 1942. The current level does not reflect the spiraling inflation of recent years.

H.R. 3003 raises the gift tax exemption to $10,000 per year in order to adequately adjust for inflation.

CLARIFY SPECIAL USE VALUATION

Since 1976, the law has allowed for farm and ranch real property to be valued at its present use, rather than at its "highest and best use". This allowance helped correct a situation in which many small farms and ranches were valued at an exorbitant market price far exceeding their ability to produce income, but it has not alleviated the problem completely.

The Internal Revenue Service has adopted certain restrictions and limitations concerning special use valuations. This move was taken in an effort to prevent abuse of the special use valuation, but it has resulted in preventing the provision from being used to its maximum benefit for farmers and ranchers.

Consequently, many heirs to agricultural land are still faced with inheritance taxes far beyond their ability to pay, which forces many to sell land for its market price. Generally the buyer able to pay market price is not another farmer, but rather a developer who converts the land to non-agricultural use.

H.R. 3003 clarifies the current law in regard to special use valuation. The bill will allow a less restricted interpretation of the criteria necessary to be eligible for the special use valuation.

ADDITIONAL PROVISIONS

H.R. 3003 changes the recapture tax provisions if the property is converted to something other than a closely-held business or farm, or is transferred to someone other than a qualified heir. A major change is the allowance of "like-kind" exchanges of qualified property by the heir without triggering the recapture tax.

Other sections of the bill conform the amendments to the Code and provide other clarifying changes in the law on the extension of time for paying the taxes, and in disclaiming bequests and gifts without tax liability.●

THE INNOVATIVE UNITED PARCEL SERVICE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. EDWARDS of California. Mr. Speaker, I want to applaud the United Parcel Service for the work they have done in developing a new stratified charge engine. This new engine will burn anything from diesel fuel to premium high octane gasoline. Equally important, this new engine has received 30 percent better gasoline mileage in laboratory testing than was expected from the engine.

UPS officials have informed me that they expect to convert 600 of their vehicles this year to see how these engines perform under actual working conditions. It will cost the company about $1,300 to convert each engine.

UPS has also completed its road test for the company's new roof fairing and gap seal. These two additions to the cab of the truck cut down on wind resistance as the vehicle travels on the road. The new aerodynamic system cuts fuel use by an estimated 10.7 percent while traveling at 55 miles per hour. The company predicts that the new devices will pay for themselves in about 6 months.

It is encouraging, I think, for all Members of Congress to be aware of the fine efforts many of our businesses are making to improve fuel efficiency. Besides their fine performance as a reliable parcel carrier, UPS has taken the lead within the business community in developing their own engine to save the country precious fuel, and the company precious money. They have embraced the American spirit of free enterprise and innovative technology. I encourage them to keep up the good work.●

MERIT VERSUS "QUOTA" HIRING

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. DERWINSKI. Mr. Speaker, Allan C. Brownfeld, a widely respected columnist whose analyses of domestic as well as international issues are right on target, commented on the findings of a recent report issued by the Equal Employment Opportunity Commission. The report reinforces the concept of merit hiring rather than forcing compliance with "quota" hiring provisions. Mr. Brownfeld's article, which appeared in the April 3 edition of the Washington Inquirer, follows:

FIGHTING THE "NEW RACISM"

(By Allan C. Brownfeld)

The Reagan Administration's transition team at the Equal Employment Opportunity Commission (EEOC) issued a stinging report calling the U.S. Governments affirmative action program a "new racism in which every individual is judged by race."

The transition team was led by J.A. Parker, a black conservative who heads the respected Lincoln Institute, a think-tank which deals with black-oriented issues. The key recommendation of the group was that when a firm is accused of discrimination, the accuser be required to prove intent to discriminate, not just that a business has a lower percentage of minority group employees than may be available in the labor force.

It is Mr. Parker's contention that the EEOC has gone far beyond what Congress intended when it outlawed employment discrimination in the Civil Rights Act of 1964. The report states: "The EEOC has not confined itself to fighting cases of discrimination brought by aggrieved individuals but has placed the burden of proof upon employers whose work forces did not divide into what the EEOC deemed the approprite percentages for whites, blacks and other minorities. An employer may be found guilty of discriminating even though no 'intent' to discriminate has been shown. Rather than following the law which calls for equality of opportunity, the EEOC has been urging equality of result. This, we believe, violates the spirit of the law and is demeaning to those groups affected. In this pursuit, the EEOC has called for a virtual end to tests as conditions of employment and has even prevented employers from inquiring into a potential employe's criminal record. We urge regulations which would make it clear that intent to discriminate must be proven in any suit, with the burden of proof to be borne by those initiating the suit and that numbers will not be considered proof of a pattern of discrimination."

Discussing the philosophy of quotas and of affirmative action, the report declares: "In our view, judging individual applicants for employment by race and sex is as much discrimination if the intent is to bestow certain rewards as, in the past, when the intent was to deny access."

Eleanor Holmes Norton, current head of the EEOC, is outraged at the Parker transition report. She charged that the proposed changes would cripple the EEOC—exactly what Mr. Parker appears to want to do. Its function, under the law, should be simple: to provide relief to individuals who have actually been discriminated against. What it has been doing, instead, is to stir up voluminous litigation in pursuit of an idea of "group" rights versus "individual" rights. "Group" rights has never had a place in our law—and it is high time that we rejected it.

Mr. Parker states that, "The idea of equality, of an end to discrimination, of a society in which an individual's race, sex, religion or age will be irrelevant to his advancement in employment has been ill-served by the EEOC. In fact, the EEOC has, rather than implementing the Civil Rights Act against racial and other forms of discrimination, created a new racism in America, in which every individual is judged by race and every employer must keep records on the basis of race . . ."

The idea that if x percent of the population is black, then x percent of the doctors, lawyers, farmers, etc. must also be black should be offensive to every American who believes in individual freedom. The idea, writes Professor Sidney Hook, "that one can tell by statistical distribution alone whether objectionable discrimination exists that calls for corrective action is absurd on its face. Unless there is specific evidence of individual discrimination, at most only a sus-

picion of discrimination can be drawn warranting further inquiry. Only when we are dealing with random selection where no criteria of merit are involved, as in jury rolls, or in registration procedures or voting behavior, are statistical disproportions at variance with population distribution prime facie evidence of bias in the process of selection. My favorite example of non-discriminatory statistical disproportion is that in the past the overwhelming majority of the captains of tug boats in the New York harbor were of Swedish origin but this constituted no evidence of the presence of . . . prejudice."

Dr. Hook points out that, "Human beings do not constitute a homogenized mass in which interest, ambitions, historical and social traditions are equally shared . . . For historical reasons, Polish immigrants and their descendants did not go into sheepherding or fishing while Basques and Portugese did. Whenever anyone maintains, in the absence of discriminatory practices, that minority persons or women are 'underrepresented' or 'underutilized,' the assumption is unconsciously being made that there is a 'natural' or 'proper' or 'correct' norm or level of their representation . . . If we oppose, as we should, all invidious discrimination, why not drop all color, sex, religious and national bars in an honest quest for the best qualified—regardless of what the numerical distribution turns out to be . . . Whenever we judge a person primarily on the basis of membership in a group, except where membership in a group bears on the task to be performed (soprano voices, wet nurses), an unjustice is done to individuals . . ."

The EEOC transition report calls for, in effect, a "color blind" society. Now, it's up to President Reagan to implement it.●

ATTACKING MYTH: CETA DOES NOT WORK

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. HAWKINS. Mr. Speaker, the Secretary of Labor, on his job just 3 months, has concluded that the Comprehensive Employment and Training Act does not train or prepare its enrollees for unsubsidized jobs or career opportunities.

The Education and Labor Committee has amassed volumes of evidence that on the whole CETA does work, while those who attack the program have no alternative to offer.

In recent testimony before the House Committee, David S. Mundel, Administrator for the Employment and Economic Policy Administration in the city of Boston both refuted the myths and described how CETA works in his area.

Excerpts from his testimony follow:

The proposed (CETA) reductions are based on two assumptions. First, as part of an overall reduction in government spending and taxes, it is assumed that these reductions will generate increased private sector employment opportunities for the nation's economically disadvantaged. Thus the need for CETA services would decline. Second, it is assumed that CETA programs have not improved the employability of disadvantaged youth and adults.

The Boston experience suggests that both of these assumptions are incorrect. There is a continuing need for employment and training services in a healthy economy. Furthermore, the employment and training system has been successful in improving the employment success of economically disadvantaged individuals.

Unfortunately, (Boston's growth in jobs) has not brought equal benefits to all of Boston's citizens. . . . The Boston experience suggests that even in a growing economy with low unemployment, there are still substantial numbers of people who need employment and training services in order to be economically successful. The problems of unemployment and poverty of these people persist because they face sever employment barriers that preclude their success regardless of economic conditions. These individuals must have access to employment and training services if they are to overcome these barriers and become productive workers.

Many policy makers and a good portion of the general public perceive CETA to be ineffective in improving the employment success of its clients. Again, an examination of the Boston experience demonstrates that these views are misperceptions. Local CETA programs have, in fact, been markedly successful in providing benefits to clients; to local employers in need of productive employees; and to the community.

The role of the employment and training system in Boston is to provide a complex set of services that give clients the basic skills necessary to enter an unsubsidized job. . . . The Boston employment and training system has been successful in helping clients obtain employment. In 1980, two out of every three clients who entered a CETA program were placed in an unsubsidized job, continued training or returned to school as a result of their participation in the program . . . Participants in skill training programs experience significant increases in wages over pretraining levels. Even greater wage gains are obtained six months after completing the programs.

Boston's youth programs have also demonstrated their effectiveness. Project YES, a program that links work with education has shown its ability to improve school attendance and to encourage drop-outs to return to school . . . The benefits of CETA training programs help meet the needs of local private employers for skilled labor . . . CETA PSE slots also benefit the entire community as well as the individual client.

The effect of these proposed funding reductions on the Boston employment and training system would be dramatic . . . The elimination of Titles II-D and VI will reduce Boston's ability to provide pre-vocational, educational and training services to adults and older youth who cannot be absorbed into the remaining programs due to full enrollment. The virtual elimination of Title IV-A Youth Program and the end of Boston's Youth Entitlement Program (Project YES) will dramatically reduce the City's ability to educate, train and employ disadvantaged youth.

The reduction in service funding levels that would result from the Administration's proposals is not reflective of a declining need for services by those who are served by the CETA system. The reductions in funding will necessitate reductions in service to those in greatest need: unskilled, uneducated and unemployed minorities, youth, women, and handicapped individuals. Reductions of this scale will not eliminate duplication or force the CETA system to stop serving those who are employable. Rather it will deny the large number of Boston's poor and disadvantaged the opportunity to obtain services that could have a long-term, positive impact upon their future employability.●

THE 100TH BIRTHDAY OF ALFRED CHARLES DIEHL

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. DOUGHERTY. Mr. Speaker, on April 22, 1981, Mr. Alfred Charles Diehl of my district will celebrate his 100th birthday. His long life of fruitful and productive service is a source of pride to all those who know and love him.

Alfred Charles Diehl was born in Philadelphia on April 22, 1881, and has lived all of his 100 years in the "City of Brotherly Love." For the past 52 years he has been a vital part of the Crescentville neighborhood in the Fouth Congressional District of Pennsylvania.

On June 24, 1903, Alfred Charles Diehl married Ida E. Cook and they were blessed with 59 years of married life before Mrs. Diehl's death on August 19, 1962. The Diehls have a daughter, Almira D. Pollock; two grandsons, D. Bruce Pollock and Stephen C. Pollock; and four great-grandsons, Jonathan, Brian, Mark, and Eric.

A loyal member of the Crescentville Baptist Church, Mr. Diehl has lived his long life in dedication to Christian principles. A 32d degree Mason, Mr. Diehl has served with distinction with the Benjamin Franklin Consistory, Columbia Lodge No. 91, Keystone Royal Arch Chapter No. 3, Philadelphia, St. Johns Corinthian Commandery, and the Masonic Veterans of Philadelphia. His achievements have been an inspiration to his fellow Masons.

Alfred Charles Diehl served his country for many years as a member of the National Guard. His career has included jobs at John Wanamaker, S. S. White Dental Manufacturing Co., Westinghouse Electric, Automatic Timing and Controls, and the Cresentville Baptist Church. His coworkers remember him as faithful and dependable on the job and as a helpful friend.

Mr. Speaker, as Alfred Charles Diehl

marks the 100th year of his life, we join with his family and his friends in extending to him our heartiest congratulations and our gratitude for many years of faithful service to his community, to his country, and to his God.●

WORDS OF WISDOM FROM GREYHOUND

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. RUDD. Mr. Speaker, Gerald Trautman, dynamic board chairman and chief executive officer of the Greyhound Corp., which provides more than 52,000 real jobs nationwide and taxes of about $20 million annually, has some words of wisdom for all of us in the House of Representatives.

Mr. Trautman has been at the helm of Greyhound's diverse business operations during a time of tremendous growth for his company. He recognizes that as productive enterprise in the private sector is able to grow and expand, more jobs are created, more funds are available for charitable good works, and the tax base is expanded to support government services at the community, State, and Federal levels.

Mr. Trautman urges support of President Reagan's program for national economic recovery in a letter accompanying the Greyhound Corp.'s 1980 annual report.

This letter makes such good sense that I include it in the RECORD at this point:

THE GREYHOUND CORP.,
Phoenix, Ariz., April 1, 1981.

Hon. ELDON RUDD,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE RUDD: I am pleased to send you this advance copy of our 1980 annual report and to advise that last year, Greyhound's profitable operations allowed us to provide over 4,158 jobs for the people of Arizona, at a 1980 payroll of over $67.8 million. Equally important, those are real jobs . . . jobs which produced goods and services and which expanded the tax base.

Since our first advance mailing of annual reports in 1975, Greyhound's earnings have gone from $80 million to last year's $118 million. I take tremendous pride in that growth as evidence of a fine company meeting consumer needs. That profit growth serves still another purpose, however. It creates and maintains a "quality of life" for employees, shareholders, suppliers and the communities in which we operate. In short, "doing well" is the only way we can also be sure of "doing good!" . . . whether that good be scholarships and community health care, or job training and day care centers.

In the 1980 presidential election, the American people set aside their political persuasions and spoke as a nation of disquieted individuals . . . people suffering profound anxiety as they watched the nation's economy, and their own dreams and hopes, fraying badly. And they sensed, I believe, that this was no ordinary crisis, but a matter of survival for the governmental structure that has served us so well these 200 years.

Already, however, there are signs that some officials are more interested in clinging to tattered partisan rivalries than in giving our new economic remedies a chance to succeed. And this is tragic. Considering all we have been through in recent years; considering the price we have already paid, and the even greater turmoil that lies ahead if we relapse into our old economic format, we cannot afford to be a nation divided.

I urge you to put aside political considerations and put your considerable influence behind supporting the President and Congress in their efforts to reassert economic stability in the U.S. There will be inevitable pain for some because we've allowed the economy to deteriorate so badly that the remedies will hurt. But that's where we in the private sector can help . . . through job creation, improved productivity, a broadened tax base. Again . . . the concept of "doing good" if allowed to "do well!"

I solicit your support for business and industry and for your own constituents whose well-being is unalterably tied to the health and well-being of the economy.

Very sincerely yours,

GERALD H. TRAUTMAN,
Chairman of the Board.●

INDEPENDENT GASOLINE DEALER—ENDANGERED SPECIES?

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. HALL of Ohio. Mr. Speaker, as a cosponsor of H.R. 1362, the Small Business Motor Fuel Marketer Preservation Act of 1981 and its predecessor in the 96th Congress, H.R. 6722, I appreciate the opportunity to urge prompt enactment of gasoline divorcement legislation during the 97th Congress.

The theory and practice of fair competition forms the foundation of the American system of free enterprise. Small businesses in all sectors of industry thrive under fair competition, and wither in markets dominated by large companies which exert unfair pressures. That is why current anticompetitive practices of the integrated oil companies may render the small independent gasoline dealers extinct.

Charges against retail gasoline marketing practices are by no means new. In 1965, the Federal Trade Commission conducted hearings, and in 1967 it issued a report criticizing these practices. Since then, a host of studies, hearings, and forums have been conducted. Petroleum divorcement legislation was listed among the priority concerns evolving from the 1980 White House Conference on Small Business. The States of Maryland, Connecticut, Delaware, Georgia, Virginia, and as of this past January, the District of Columbia, have enacted laws which protect the independent dealers from unfair trade practices conducted by the big oil company managed gasoline stations.

The statistics are revealing. Nearly 100,000 independently owned or operated gasoline stations have gone out of business since 1972. This is more than a statistic. It represents people who have provided a valuable service, who have lost their livelihood. Yet, during the same period, the number of gasoline stations directly owned and operated by refining companies did not decline, but in fact increased by almost 3,000.

In response to this potentially dangerous situation, the Subcommittee on Antitrust and Restraint of Trade Activities Affecting Small Business held a series of field hearings last year. As a member of the subcommittee at the time, I had the privilege of hosting hearings in Dayton, Ohio, which is the principal city in my district. We received testimony from 21 active and former service station operators who told about the plight of the independent dealer.

According to testimony by the marketing manager for the Marathon Oil Co., problems encountered by the small independent dealers could fairly be placed with consumers who choose to abandon patronage of the smaller gasoline stations in favor of service from oil company managed facilities. Yet, I cannot conceive how consumer preference could claim sole responsibility for the massive independent station shut-downs which occurred so suddenly.

A different explanation was provided by the independent dealers who testified. They pointed out that the oil companies have built high volume, gas-only stations near independent dealer stations and sold gasoline at prices with which the dealers could not afford to compete. Dealers' leases have been suddenly canceled forcing them to go out of business.

Other dealers have been put on short-term leases with 30-day cancellation clauses. While this does not force a station to close, many choose to shut down rather than continue to operate with the uncertainty of not knowing when the lease will be terminated.

In many cases, the large oil companies will then open "secondary brand" stations on the very sites where the dealers had lost their leases because the oil companies claimed the sales volume of the independently managed stations were too low.

The 1978 report of the Standard Oil

Co. of Ohio (Sohio) reflected its strategy to reroute its retail sales of gasoline away from independent, full service outlets to company owned and operated self service stations. The company's established goal was to sell increasingly large volumes of gasoline through a decreasing number of outlets.

Data from the Department of Energy last year showed that from January of 1978 through May of 1979. Sohio owned and operated outlets in Ohio declined 11 percent, while the number of independently operated Sohio outlets declined 46.9 percent. Further figures showed that Sohio owned and operated outlets made up 39.5 percent of the total outlets selling Sohio products in January of 1978 in Ohio. By May of 1979, that figure had risen to 52.3 percent.

The trend continues. In Dayton, more than 100 independent stations have closed their pumps forever since 1974, according to the Southwest Ohio Gasoline Dealers Association. I have learned that now they are closing almost by the week.

Through my own participation in the hearings on this subject, and my examination of information which documents the extent of these activities, I have concluded that the retail marketing system as currently structured is unfair to the independent gasoline dealer. Unless some action is taken to reduce the power of the integrated oil companies, the neighborhood independent gas station dealer will be relegated to a position of historical Americana, like the milk delivery man and the doctor who makes house calls.

Last year, both the House and Senate committees completed favorable consideration of legislation to correct the marketplace abuses by the major oil companies, but not in time to secure a final vote on the floor of either body. This year we must coordinate the efforts of the committees having jurisdiction over the gasoline divorcement issue so that we can approve legislation to promote fair competition and preserve the independent gasoline dealer profession, while it still exists.●

THE NATIONAL EXPORT POLICY ACT, H.R. 3173—A SWEEPING ATTACK ON SAGGING U.S. EXPORTS

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. AuCOIN. Mr. Speaker, on behalf of myself and 27 Members of the House, I am pleased to introduce the National Export Policy Act of 1981. This comprehensive export bill is similar to legislation I sponsored in the last Congress; it is a companion bill to one being introduced today in the Senate by Senator ROTH and Members of the Senate Export Caucus. The National Export Policy Act is designed to establish an aggressive national export policy and promote U.S. exports.

In the past, Congress has acted on a number of trade measures to stimulate exports, but our approach has been piecemeal. The National Export Policy Act is a major step toward a strong, cohesive export policy that touches all aspects of American export efforts.

The need for this legislation is clear. Our country faces serious problems in the international marketplace. We are losing our ability to compete effectively. We are no longer preeminent in the trade of manufactured goods. In 1980, the U.S. merchandise trade deficit was $25 billion. While this was offset by a surplus in our services trade account, we cannot ignore the damaging effect on the value of the dollar and domestic job stability of continued trade deficits and declining international competitiveness.

Meeting this challenge begins with fundamental changes in our export practices and the laws that govern them. It begins with a new national export policy that capitalizes on our traditional economic strength and taps the innovative and creative resources of the American business community.

The National Export Policy Act is designed to enlist maximum cooperation among Government, industry, and labor toward a common national economic objective. It pulls together all of the major concerns and recommendations regarding exports which have crystallized over the last few years.

As the keystone of our drive to increase exports, the bill includes improvements in export financing, export-related tax policy—especially taxation of Americans overseas—and removal of export disincentives such as antitrust regulations and business and accounting standards. At this point, Mr. Speaker, I insert in the RECORD a summary of the bill and a list of principal cosponsors to date. I urge my colleagues to review this information closely and ask their support for this comprehensive trade policy legislation.

The material follows:

SUMMARY, NATIONAL EXPORT POLICY ACT OF 1981, H.R. 3173

Title I—General findings and purposes

This title presents the importance of exports to the U.S. economy and the need for aggressive action to be taken to improve the U.S. export performance; and calls for export expansion to be a principal national goal.

Title II—Export financing

This title recognizes the importance of adequate, competitive export financing to U.S. exports; adjusts the terms of the directors of the Export-Import Bank; and removes Export-Import Bank appropriations from consideration with the foreign aid program.

Title III—Export related tax policy

This title concludes that the Tax Code should work to encourage rather than discourage exports; provides for certain tax exemptions for American nationals living abroad and engaged in export activities; adjusts provisions of the Tax Code on bad debts resulting from exports, research and experimental expenditures and foreign currency losses on export receivables; removes unfair penalties on U.S. exporters whose business is adversely affected by war and civil unrest in foreign nations; and allows duty-free entry of machinery, materials and fuels for use in export manufacture in foreign trade zones.

Title IV—Antitrust regulations

This title finds that current application of U.S. antitrust laws to international trade laws is complex and ambiguous, resulting in restraints on exports rather than encouragement of competition overseas; amends Webb-Pomerene law to allow business associations engaged in export to obtain preclearance that will grant antitrust immunity for certified activities; and simplifies antitrust procedures to avoid conflicting demands by several U.S. agencies applying antitrust laws and to clarify application of the laws to extraterritorial activities.

Title V—Adjustment of laws and Government regulations that hinder exports

This title finds that a number of U.S. laws, regulations, controls and policies that have been instituted to serve legitimate domestic economic, political and ethical needs have inadvertently acted as restraints on exports because of the unpredictable and unclear nature of their enforcement, interpretation and jurisdiction; amends the Foreign Corrupt Practices Act of 1977 and the Securities and Exchange Act to remove these restraints; calls for an international agreement on foreign business practices and a full review of the Foreign Corrupt Practices Act; and calls for a reduction in the amount of export paperwork.

Title VI—Export awareness and export promotion programs

This title provides for the formation of export trading companies; creates special grant and loan programs to help small businesses enter the export market; creates the Joint Export Marketing Assistance Program; and calls for special assistance for exporters of services.

Title VII—Agricultural export programs

This title amends the Commodity Credit Corporation Charter Act to create an Agricultural Export Credit Revolving Fund; and calls for adequate financing of agricultural commodity exports through the U.S. Export-Import Bank.

Title VIII—International agreements

This title finds that multilateral negotiations and agreements are a preferable solution to many U.S. trade problems but the

trade agreements and codes reached so far have not achieved adequate removal of artificial barriers to U.S. products abroad; calls for strong implementation of the Multilateral Trade Agreements and continued stronger efforts to remove foreign tariff and non-tariff barriers; encourages implementation of the Subsidies Codes on agricultural products by creating a standby export subsidy program for agricultural commodities that neutralizes the effects of other countries' export subsidy programs if they fail to follow the Code; calls for international codes on financing, business conduct, reciprocity on enforcement of antitrust laws and services and investment.

Title IX—Government support of export goals

This title concludes that all the available resources of the U.S. Government must be used to assist and promote the export of U.S. goods and services, except where contrary to the national security or national economic interests; calls upon all government departments, agencies and organizations not directly involved in export policy, in particular the Office of Management and Budget, the Department of Justice, the Overseas Private Investment Corporation, the International Development Cooperation Agency, the Department of Energy, the Small Business Administration and the Congress, to consider the impact of their policies, decisions and programs on exports and, where possible and appropriate, to take steps to help export expansion goals.

THE NATIONAL EXPORT POLICY ACT OF 1981, H.R. 3173 COSPONSORS, 97TH CONGRESS

Akaka, Benjamin, Brown (Ohio), Evans (Ga.), Frenzel, Hamilton, Hughes, Long (La.), Mineta, Mollohan, Neal, Richmond, Simon, Williams, Alexander, Bonker, Derwinski, Forsythe, Gibbons, Horton, LaFalce, Lowry, Moakley, Murphy (Pa.), Pritchard, Sawyer, and Stanton.●

ANOTHER LOOK AT SECRETARY HAIG

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. DERWINSKI. Mr. Speaker, Secretary of State Alexander Haig has been the target of a great deal of press speculation in recent weeks. Hopefully, this press criticism will subside now that Secretary Haig has returned from a successful overseas diplomatic mission.

Syndicated columnist Patrick Buchanan provides an insight into the actions of Secretary Haig on the day of the attempted assassination of President Reagan on an editorial appearing in the Chicago Tribune of April 7. The editorial, which gives credence to Secretary Haig's role in reassuring the world that the United States was not in a crisis situation, follows for the Members' attention:

A SNAPPY SALUTE TO GENERAL HAIG

(By Patrick Buchanan)

WASHINGTON.—A month ago, Secretary of State Alexander Haig was the superstar of the Cabinet; his visage stared from the cover of Time magazine above the headline, "Taking Charge."

Today, he is like a wounded beast in some eddy of the Amazon whose blood has attracted pools of piranha in attacks as unseemly as they are unjustified.

The latest, made as usual by bureaucrats who were provided a cloak of anonymity by the press, centered on the secretary's demeanor in the critical hours after the attempted assassination of the President.

Let us review the actual situation in the Situation Room after Haig arrived with other Cabinet members.

While the press was reporting the grace and good cheer with which the President was conducting himself at George Washington University Hospital, we now know that his life was in the balance. On arrival, Mr. Reagan was having difficulty breathing, he was bleeding from the nostrils and mouth, staggering toward collapse. He had lost a third to one-half of his blood from the wound in his side. He was almost in shock.

While this was hidden from the public and press, surely it was known to a concerned Gen. Haig.

Watching television, Haig saw the deputy press secretary inform the world that the White House was unaware if U.S. military forces had gone on worldwide alert.

A take-charge man, the secretary immediately marched upstairs to the press room to assure the country there was no national crisis, no military alert. Asked who was in charge, here is the text of his now-controversial response:

"Constitutionally, gentlemen, you have the President, the vice president, and the secretary of state, in that order, and should the President decide he wants to transfer the helm to the vice president, he will do so. He has not done that. As of now, I am in control here, in the White House, pending return of the vice president, and in close touch with him. If something came up, I would check with him, of course."

Based on this statement, and reports or disagreement between Secretary Haig and Defense Secretary Casper Weinberger, some members of the press have suggested that Haig in crisis was something of a cross between General Jack Ripper in "Dr. Strangelove" and Burt Lancaster in "Seven Days in May."

According to White House aides who were in and out of the Situation Room, this is a misrepresentation and an injustice to Al Haig.

First, while the secretary should have begun his answer with the adverb "operationally" rather than "constitutionally"—the secretary of state being fifth in line of succession, by statute, not third—clearly, Haig was not referring to the line of succession but to the order of authority in the White House and Cabinet while the President and his senior aides were at the hospital.

Some of the selfsame journalists falling upon Haig for the verbal foot faults were themselves reporting that Jim Brady was dead.

Second, what conceivable harm was done by the secretary's misstatement? (As former Secretary Dean Rusk, who watched footage of Haig's appearance, noted to this writer, all this a "tempest in teapot . . . blown out of proportion" by the press corps simply because Haig "chose one or two untactful words." Haig, said Rusk, has not yet learned the special ability of secretaries of state "to say nothing at great length.")

Third, Haig's statement that U.S. forces were not on heightened alert was less an arrogation of authority than it was a necessary, reassuring response.

For two days, the President's senior aides, Ed Meese and Jim Baker, who were Secretary Haig's adversaries in the earlier "crisis management tiff," have gone out of their way to reassure the public, through the press, that Haig performed well and correctly.

Another White House aide told this writer that the whole thing is being "blown sky-high" by a press corps which seems starved for any tidbit on which to build a story that Secretary Haig was about to go berserk. Such tidbits are being provided largely by Pentagon bureaucrats who were only as close to the Situation Room as the Sony TV in their office.

Within the White House, a decision must be made. How badly does the administration want to retain the service of Al Haig? Admittedly a take-charge military man who will seize any bureaucratic turf left unoccupied, unattended, or disputed, he is also a man the Europeans trust and the Soviets respect.

If the administration wishes to retain the conceded abilities and liabilities of its controversial secretary of state, it should begin by canning a few of the backstabbing blabbermouths in the bureaucracy.●

CIVIL LIBERTIES AND CIVIL RIGHTS: OUTLOOK FOR THE EIGHTIES

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 9, 1981

● Mr. WEISS. Mr. Speaker, the 20th Congressional District Community Conference has become an important annual forum for addressing great national issues. Initiated by my late friend and colleague, Representative William F. Ryan, 20 years ago, the conference attracts a large and distinguished audience to hear and interact with the outstanding men and women who provide their expertise as panelists and moderators.

This year's conference held on the campus of Columbia University on April 5 had as its theme "Civil Liberties and Civil Rights: Outlook for the Eighties." An eloquent keynote speech opening the meeting was delivered by Judge Bruce McM. Wright, judge of the civil court of the city of New York.

I would like to share Judge Wright's remarks with my colleagues.

BANGS AND WHIMPERS

My fellow immigrants; my fellow displaced persons; my fellow hostages to right-

wing backlash; my fellow intellectuals; my fellow dreamers and visionaries; my allies in survival—I salute you.

We are in solemn West Side Congress assembled here to rub our fears like Aladdin's lamp and then, dressed in the emperor's new clothing, we will become the latter-day symmetry of Diogenes and quest for an honest ethic.

Deeply disturbed by the political equivalent in November of a Mount St. Helen's eruption, we have, we have come to the brink of fear and of fearing fear itself.

Millionaires rule the Nation. Demons, shadows, monsters and grotesque symmetries rise from the mists of our fears. The false faces of reality have become more fantastic than anything induced by hallucigenic drugs. There is no need to take uppers, smoke opium or sniff the dust of fantasy. Life has become a distorted reflection in a Coney Island mirror.

P. Jay Sidney, the actor and Flatbush activist, once said that any black person in America who is not paranoid, is sick. And now, the sickness has become integrated. We wonder what hath the politics of America wrought?

Artificial respiration is being given to the House Un-American Activities Committee. Its trials and tribulations are about to be born again in the Senate, dressed in the emperor's clothing of internal security.

S-1, a product of statutory miscegenation, lurks in the national legislative halls, ready to aid and abet a judicial reformation in America the beautiful.

The National Rifle Association, in a congenital and symbiotic relationship with the Ku Klux Klan, opposes hand-gun control.

The Klan, meanwhile, has ordained its own special forces and its commandoes are being trained to hate Jews, blacks and Catholics.

Native American rights are so denigrated that bumper stickers are now seen which say, "Save a Fish—Spear an Indian."

Five American citizens are shot down and killed in Greensboro, North Carolina. The crime is captured on video-tape and shown to an all-American jury. The accused Klansmen are acquitted.

States rights, the bane of black existence for so many years in this country, are extolled as a virtue by President Reagan. He elected to utter his praise in Philadelphia, Mississippi, where Schwerner, Goodman and Cheney were slaughtered by law officials.

Heartened by such display of ominous revanche aiding and abetting, the Klan promptly endorsed the Reagan candidacy. It sought to march in the inaugural parade as well.

Brilliant scholars of the world of self-delusion, have said that the Nazi holocaust was only a fiction, invented by liberal dissidents.

Jewish graves and tombs are vandalized in various parts of the country, including this city.

The Moral Majority, sometimes known as the religious new right, spreads the pollution of its spiritual ecology by radio and television.

A wave of pentecostal, charismatic and emotional pompous piety is sweeping across the land. It is a self-anointed temporal and national committee of undefined morals—except, of course, if you dare differ with its standards of integrity and character, you may be overwhelmed by their neo-Fascist morality.

It is not enough that an infallible Pope should condemn matrimonial lusting, but now, Jerry Falwell has now given us his protestant bull about divine propriety.

What Gunnar Myrdahl could only call a dilemma, has captured the world's attention. With 22 little children stolen and cut down in the full flower of their pre-pubic joy, blacks have begun to wonder if their final solution is now begun.

The terrifying symbolism of ripping hearts out of victims, stuns the most stoical imagination.

The contempt for the poor is daily announced by the White House. For the fatal toys of the pentagon, there are billions.

For social programs and for legal services, there is annulment.

Jeane Kirkpatrick, our woman at the United Nations, is quoted on the front page of the New York Times of February 15th, as having said that a racial dictatorship is preferable to a Marxist one.

At a dinner in Drydock Country, a well dressed lawyer placed a hand on my arm as he clutched with the other his fourth martini glass. He said, gazing into my eyes, "If we ever have slavery again, I'd like to own you."

That man is a member of the bar and a partner in a well known Wall Street law firm. His martinis had become a truth serum.

One could almost touch the fear of Walter Benton's opening lines to his poem, "This Is My Beloved." "Hate is legislated, shot into the veins like a vaccine."

It seems easy to mimic Palinurus and feel that the only thing in life which is worthless, is life itself.

Many people appear to echo the New England poet who, at one frustrated point, said "Life goes on; but I don't remember why."

Others act as though they might have committed suicide, except for their fear of what the neighbors might say.

Those of us gathered here are either deeply concerned about the meaning of recent political events, or, perhaps, we are infiltrated by spies who wish to monitor our discomfiture; our winter of discontent; our springtime neuroses.

And added to our domestic bafflements and vexations, we must be sensitive to the arrival of George Orwell's 1984.

In the meanwhile, Dennis Brogan speaks of American society as an air conditioned nightmare.

G. K. Chesterton chastises our pacification of the Indians and our industrial marvels by saying that there is nothing wrong with Americans, except their ideals.

George Bernard Shaw speaks of America, the gem of the ocean, as the only country in the world to suffer a decline and fall in its civilization, without first having become civilized.

Professor Harold Washington, of the Howard University Law School, has published a Law Review article on the opinions of Mr. Justice Rhenquist. His title is "Essays in Repression."

Earl Warren has gone.

Warren Earl is very much in charge.

Justice, that elusive blue bird of litigation, is condemned by those in high places, along with those entrusted with its administration. Both victims and criminal defendants deplore the judicial establishment.

We hear the sneer of Lenny Bruce screaming that, in the halls of justice, justice is in the halls.

Why should Americans entertain fears concerning civil rights? We are the country of the Bill of Rights. We are those who learned a long time ago that the Democrats believe in a republican form of government and the Republicans believe in a democratic form of government.

And yet, as I heard Reverend Sloan Coffin say from this very platform, "people of power have no goodwill and people of goodwill have no power."

One of the purposes of this conference today, is to discover some way for people of goodwill to have power. I am reminded, in some ways, of that glorious time when Mahatma Gandhi had succeeded in liberating India from the British Imperium. As he sat beside a spinning wheel one day, clad in the coarse and simple cloth he then effected, reporters crowded around for a word or two of wisdom.

One anxious reporter asked, "Mr. Gandhi, what do you think of Western Civilization?" Gandhi seemed bemused for a second. And then he replied with marked enthusiasm, "you know, that's not a bad idea. Why doesn't somebody work on it?"

As a black man, I cannot go home again. I mean by that that blacks like to join the Hyphenated Citizens, who call themselves Irish-Americans, French-Americans, German-Americans or Italian-Americans, and refer to themselves as Afro-Americans.

With their ancestors torn away from Africa as captives 3 and 4 hundred years ago, the bloodlines have now become confused. With the Indians, blacks are perhaps the only true Americans. Certainly, they cannot pack up in the summer and drop in on the Old Tribe in Africa.

And so, I am here not to be a Philip Nolan and sail this dry land as though I am without a country. Civil Rights have fed black hunger for survival. Persuading the majority, moral or otherwise, that we are here to stay, while insisting upon Constitutional equality, is of vital concern to 26 million blacks.

And so, after the fashion of one in worship of group therapy, I confess that I am here to abate fear and to help nourish the idea that civil liberties, civil rights and the politics of the 1980's and thereafter, can coexist; that they are not incompatible.

I say this, although well knowing that affirmative action, once devised as a catch-up mechanism, is a concept which is dead. It was assassinated by ambushers known as De Funis, Bakke and Weber. It now lies buried in an unmarked grave, somewhere in the middle-American mind.

In the cause of survival of American humanity, co-existing with civil liberties and civil rights, blacks will need their former Jewish allies. Puerto Ricans and blacks in this city will have to declare a social and political detente. There are no more poverty crumbs to quarrel over.

All of us need to meet in places such as this, from time to time, to water the roots of freedom. Not, as Thomas Jefferson said, with the blood of the martyrs, but with Pater's hard, gem-like flame of insight and traditional American energy.

The liberation of women is not to be foreign to our concerns. Women have moved from slave labor to cheap labor. Little wonder that Erica Jong could say, as she pointedly did, that bigamy is having one husband too many and monogamy is the same thing.

History is past politics, and politics present history we must be active in our time and shape the process, lest it shape us. "It seems to me a barren thing, this conservatism," said Disraeli, when faced by adversaries in control. He called Toryism "an unhappy crossbreed, the mule of politics that engenders nothing."

It is easier, of course, to be critical, than to be correct. Let us then be both, with a passion for change. This is especially true if the Victorian dogma is accurate in saying that a conservative government is organized hypocrisy.

We must fashion our beginnings, for we cannot avoid our endings without first avoiding our beginnings.

In the spirit of that change which will tolerate compatibility between national security and civil liberties; where the rights of women and blacks will be synonymous with the politics of honor; and where as Mr. Justice Douglas put it, the great duty of the land is to protect the Bill of Rights, let us never retreat.

With passionate impertinence, let us remember that the Constitution is not dumb. In that honorable cause, may the force be with us.●

SENATE—*Friday, April 10, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable TED STEVENS, a Senator from the State of Alaska.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The bill clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 10, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TED STEVENS, a Senator from the State of Alaska, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. STEVENS thereupon assumed the chair as Acting President pro tempore.

ADJOURNMENT UNTIL 12 NOON ON MONDAY, APRIL 27, 1981

The ACTING PRESIDENT pro tempore. Under the provisions of Senate Concurrent Resolution 17, the Senate stands in adjournment until 12 noon on Monday, April 27, 1981.

Thereupon, at 9:31 a.m., the Senate adjourned, in accordance with the provisions of Senate Concurrent Resolution 17, until Monday, April 27, 1981, at 12 o'clock noon.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S. 195. A bill to incorporate the United States Submarine Veterans of World War II (Rept. No. 97-37).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment, and with a preamble:

S.J. Res. 60. Joint resolution to authorize and request the President to designate the week of May 3 through 9, 1981, as "National Physical Fitness and Sports for All Week."

H.J. Res. 155. Joint resolution to authorize and request the President to issue a proclamation designating May 3 through May 10, 1981, as "Jewish Heritage Week".

By Mr. HUDDLESTON, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute, and an amendment to the title:

S. 730. A bill to provide for the emergency use of the funds of the Commodity Credit Corporation in implementing the Federal Crop Insurance Act of 1980 (Rept. No. 97-38).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOLE (by request):

S. 983. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to eliminate the national trigger for extended compensation, change the State trigger, provide for a qualifying requirement, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. HEINZ):

S. 984. A bill to amend the Federal Deposit Insurance Act; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MOYNIHAN:

S. 985. A bill to authorize the issuance of variable-rate debentures by the FDIC and FSLIC; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BOREN (for himself and Mr. MOYNIHAN):

S. 986. A bill to amend title IV of the Social Security Act to provide for a demonstration program to test the States' ability to develop functional alternatives to the current work requirements of the aid to families with dependent children program; to the Committee on Finance.

By Mr. NUNN (for himself, Mr. HUDDLESTON, Mr. BUMPERS, Mr. BAUCUS, Mr. LEVIN, Mr. DIXON, and Mr. PRYOR):

S. 987. A bill to amend the Small Business Act; to the Committee on Small Business.

By Mr. LEVIN:

S. 988. A bill to make certain amendments to title 18, United States Code, relating to rights of witnesses appearing before grand juries; to the Committee on the Judiciary.

By Mr. LEVIN (for himself, Mr. CRANSTON, Mr. RANDOLPH, and Mr. MOYNIHAN):

S. 989. A bill to amend the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 to provide for a national computerized adoption identification center, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MATHIAS:

S. 990. A bill to amend section 1979 of the Revised Statutes to provide that States, municipalities, and agencies or units of government thereof, may be sued under the provisions of such section, to establish rules of liability with respect to such States, municipalities, and agencies of units of government thereof, and for other purposes; to the Committee on the Judiciary.

By Mr. PERCY (by request):

S. 991. A bill to authorize appropriations under the Arms Control and Disarmament Act, and for other purposes; to the Committee on Foreign Relations.

By Mr. SASSER:

S. 992. A bill to amend title 11 of the United States Code; to the Committee on the Judiciary.

By Mr. PERCY (by request):

S. 993. A bill to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation; to the Committee on Foreign Relations.

By Mr. HUDDLESTON (for himself, Mr. FORD, and Mr. HEFLIN):

S. 994. A bill to provide price and income protection for farmers and assure consumers of an abundance of food and fiber at reasonable prices, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. THURMOND (for himself, Mr. BAUCUS, Mr. DECONCINI, Mr. HEFLIN, and Mr. LAXALT):

S. 995. A bill to provide for contribution of damages attributable to an agreement by two or more persons to fix, maintain, or stabilize prices under section 4, 4a, or 4c of Clayton Act; to the Committee on the Judiciary.

By Mr. DOMENICI:

S. 996. A bill to remove artificial impediments on the use of natural gas and to facilitate the transportation of natural gas to end users; to the Committee on Energy and Natural Resources.

By Mr. DOLE:

S. 997. A bill to provide a new program for producers of wheat, feed grains, and soybeans for the crop years 1982 through 1985, to amend the Food Stamp Act of 1977, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. McCLURE (for himself and Mr. WARNER):

S. 998. A bill to amend the Energy Policy and Conservation Act and the Energy Security Act to improve the administration of the Strategic Petroleum Reserve, to provide for transition in fiscal year 1982 to an alternative off-budget funding mechanism for financing the purchase of petroleum for the Strategic Petroleum Reserve, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BAKER (for himself and Mr. DIXON):

S.J. Res. 69. Joint resolution providing for the designation and adoption of the American marigold as the national floral emblem of the United States; to the Committee on the Judiciary.

By Mr. THURMOND (for himself and Mr. SIMPSON):

S.J. Res. 70. Joint resolution proposing an amendment to the Constitution of the United States with respect to the length of the term of office of the President and Vice President and the number of terms a President may serve; to the Committee on the Judiciary.

By Mr. McCLURE (by request):

S.J. Res. 71. A bill to approve the Constitution of the Virgin Islands, and for other purposes; to the Committee on Energy and Natural Resources.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (by request):

S. 983. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to eliminate the national trigger for extended compensation, change the State trigger, provide for a qualifying requirement, and for other purposes; to the Committee on Finance.

UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1981

● Mr. DOLE. Mr. President, at the request of the President, I am today introducing the Unemployment Compensation Amendments of 1981, which are intended to implement President Reagan's unemployment compensation recommendations contained in his program for economic recovery. In view of the pressing need to control Government spending and foster economic growth, I urge careful and prompt consideration of these proposals. The unemployment rate across the Nation stands at 7.4 percent; in some regions, the rate is double this. By the end of fiscal year 1981, more than $20 billion will have been spent at the State and Federal level on unemployment compensation benefits for some 10.5 million people. Steps to improve the system should have high priority.

The administration's bill includes a number of significant revisions in the unemployment compensation system. Title I of the bill contains four sections which change the Federal-State extended benefit program to improve the targeting of compensation to the truly long-term unemployment in the most severely impacted States. To accomplish this, the bill would—

Eliminate the national trigger for extended benefits and thus target benefits to claimants in those States with high unemployment rates;

Change the State trigger for extended compensation to achieve greater targeting of benefits in those States with higher unemployment rates;

Establish a new qualifying requirement for claimants of extended benefits in order to require a greater labor force attachment by workers; and

Change the equation for determining the rate of insured unemployment to eliminate claimants for extended benefits.

Title II would establish a tighter work test requirement for regular unemployment compensation after a claimant had received 13 weeks of compensation under the applicable State law. The requirement would remove a disincentive from seeking employment in different occupational sectors while challenging workers to adjust to new economic and industrial realities.

Title III would establish requirements for service members that are more comparable to those which apply to civilian workers.

This bill would produce savings of $565 million in fiscal year 1981, $1.4 billion in fiscal year 1982, and $1 billion in fiscal year 1983.

I expect the Finance Committee to carefully scrutinize each of these proposals. The committee may decide against some of these ideas and find other ways to achieve equivalent savings. For example, I anticipate that a number of members, including this one, may have some reservations about imposing a Federal suitability of work standard on the State regular benefit program.

Nevertheless, I strongly endorse the principles underlying the President's recommendations. We must improve the incentives of unemployed workers to reenter the work force, while protecting the basic income support function of the system. This can be achieved by targeting Government funds on those regions of the country experiencing more acute unemployment and on those individuals with some significant attachment to the labor force who find themselves temporarily and involuntarily out of work. This was the intention of the Senate Finance Committee during the 96th Congress when we recommended a number of provisions similar to those proposed by the administration. The committee has held hearings on these and other proposals in the administration's economic program and it is my expectation that we will move quickly to act on this measure.

Mr. President, I ask unanimous consent that a more detailed description of the bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1981

Title I would change various provisions of the Federal-State Extended Unemployment Compensation Act of 1970. Section 101 would eliminate the national trigger for extended compensation. Under present law, when the national rate of insured unemployment reaches 4.5 percent, the extended benefit program, consisting of up to 13 additional weeks of unemployment benefits after the regular 26 weeks of benefits, triggers on in all States.

The purpose of the extended benefit program is to prevent hardship in areas where high levels of unemployment make it unusually difficult for unemployed workers to find jobs. Structural shifts in the national economy, however, produce large unemployment rate differentials. The elimination of the national trigger will target extended benefit funds only to those States whose workers genuinely need such extra help. In addition, this change will remove the work disincentive which is created in low unemployment States when the national trigger is on.

This change would be made effective on the date of enactment if the national trigger is "off". The changes would be effective on July 1, 1981, if for the week in which such date of enactment occurs there is in effect an extended benefit period on the basis of a national "on" indicator. Alternatively, if the national indicator is "on", the changes would be effective prior to July 1, 1981, in the week following the week in which an extended benefit period ends on the basis of a national "off" indicator. This section also requires the States to conform their State laws to the enacted changes as soon as possible in 1981, or early in 1982 in the case of any State whose legislature does not meet in a session which begins before September 1, 1981.

Section 102 would increase the level of insured unemployment necessary to trigger extended benefits in a State. Under present law, the extended benefit program triggers in a State when (a) the insured unemployment rate is 4 percent or above for 13 weeks, provided the rate is at least 120 percent of the average of the rates for the corresponding periods in each of the two prior years, or at the option of the State, (b) 5 percent without regard to the rate in the prior two years.

This section would increase the State trigger rates of insured unemployment to 5 percent and 6 percent, respectively.

The purpose of the extended benefit program is to prevent hardship in areas where high levels of unemployment make it difficult for unemployed workers to find jobs. At the same time, where workers can more easily find work, the receipt of extended benefits operates as a disincentive to job search. The proposed increases in State trigger levels reflect a better balance between these objectives.

This change would be made effective on October 1, 1982. This section would also require the States to amend their State laws in order to conform with the enacted changes by September 25, 1982, or as soon thereafter as possible in the case of a State whose legislature does not meet in a session that begins before September 1, 1982.

Section 103 would add a qualifying requirement as a condition for an individual's eligibility for extended compensation. The new requirement would be 20 weeks of work in the base period or the equivalent in wages.

Extended unemployment benefits are paid generally from the 27th up to the 39th week of unemployment. Such long-term benefits should not be paid to workers who were employed for less than 20 weeks in the base period used to establish their eligibility for regular benefits, or who, under State law, have previously earned wages which amount to less than the equivalent of 20 weeks of work.

The bill sets forth two methods for determining when a worker has earned the equivalent in insured wages to 20 weeks of work. One method is earnings covered by State law which exceed 40 times the individual's most recent weekly benefit amount. Since an individual's weekly benefit amount usually approximates half of that individual's average weekly earnings, 40 times that amount should nearly approximate the earnings for 20 weeks of work. The second method is one and one-half times an individual's insured wages in that quarter of the individual's base period when the worker's insured wages were the highest. A base period quarter has 13 weeks. Therefore, the total of one and one-half times the earnings in the high earnings quarter should approximate the earnings of 20 weeks of work. Each State may choose between the 20 weeks of work test or one of the two wage equivalency tests. Since States already use one of these methods for their regular unemployment compensation program, the additional qualifying requirement should not be administratively burdensome.

The changes required by this section would be made effective on October 1, 1982. This section would require the States to amend their State laws in order to conform with

the enacted changes by September 25, 1982, or as soon thereafter as possible in the case of a State whose legislature does not meet in a session that begins before September 1, 1982.

Section 104 would change the method of calculating the insured unemployment rate (IUR). The present law includes individuals filing claims for extended benefits in the insured unemployment count. The amendment would take extended benefit claimants out of the count.

The present method of calculating insured unemployment rates, by including those claiming extended benefits, is technically flawed and produces several anomalies. The payment of extended benefits may be delayed when unemployment rises; extended benefits may be paid in one State for several months while they are not paid in another State with an identical overall unemployment rate; and extended benefits may continue to be paid when overall unemployment is less than it is when the extra benefits began. Removing those claiming extended benefits from the count of insured unemployed will correct these anomalies. This change would be effective for weeks beginning after the date of enactment.

This change in the method of IUR calculation will require the States to recalculate their IUR's for the past 117 weeks prior to the date of enactment. The IUR is used to trigger the State extended benefit period within that State. Under present law, the extended benefit program triggers on in a State when (a) the insured unemployment rate is 4 percent or above for 13 weeks, provided the rate is at least 120 percent of the average of the rates for the corresponding periods in each of the two prior years, or at the option of the State, (b) 5 percent without regard to the rate in the prior two years. Under method (a), a State would calculate the average rates for corresponding periods in each of the past two years. A change in the method of calculating the IUR would therefore require a State to adjust its prior IUR rates in order that the percentage would reflect a true average for the corresponding periods. If different IUR's were used, inaccurate results would be reached. Section 104 of the bill contains a provision requiring this recalculation.

The changes required by this section would require States to amend their State laws in order to conform with the enacted changes as soon as possible in 1981, or early in 1982 in the case of any State whose legislature does not meet in a session which begins before September 1, 1981.

Title II of the bill would change the work test under the regular Federal-State unemployment compensation program. Section 201 would amend the Federal Unemployment Tax Act to strengthen the work test for recipients of regular unemployment compensation. Under current State law, those who refuse to accept "suitable work" are denied unemployment benefits. "Suitable work" is usually defined as a job similar to the person's prior employment, and thus generally requires those drawing unemployment benefits to search for work in their customary occupations at prevailing wages.

This section would adopt the work test of the Federal-State Extended Unemployment Compensation Act of 1970, as amended. It would require that, after the 13th week in which the individual was entitled to a partial or total payment, was disqualified, or was unavailable for work, claimants whose prospects of returning to their line of work were not good—would be disqualified for regular UI if they failed or refused to accept offers of "suitable work", as redefined, or to seek and apply for such work. With respect to such work, there would have to be an offer in writing or the job would have to be listed with the State employment service. Changes in current procedures would not be required for workers during the first 13 weeks of their benefit years.

"Suitable work" after the first 13 weeks would be defined under this new work test as work, (a) which is within the person's capabilities; and (b) for which the wage rate is not less than the higher of the Federal minimum wage rate set forth in section 6 of the Fair Labor Standards Act or the applicable State or local minimum wage rate; and (c) for which the gross average weekly pay exceeds the person's most recent weekly benefit amount plus, if applicable, the amount of supplemental unemployment compensation benefits.

These changes in the unemployment compensation work test seek to challenge workers to adjust to new economic and industrial realities. Economic events of the past decade have produced significant structural shifts in the American economy, with employment in a number of major industries declining while newer industries grow. By allowing unemployed workers to draw up to 6 months of compensation unless jobs in their occupations are available, the present unemployment compensation system discourages workers from seeking employment in new industries which, while they may initially pay lower wages, hold the prospect of growing employment and increasingly higher pay.

The changes required by this section would be made effective on October 1, 1982. This section would require the States to amend their State laws in order to conform with the enacted changes by October 1, 1982, or as soon thereafter as is possible in the case of a State whose legislature does not meet in a session that begins before September 1, 1982.

Title III of the bill would change the provisions of title 5, United States Code, which provide for unemployment compensation for ex-service members (UCX).

The unemployment compensation program for ex-military personnel would be amended to make ineligible for benefits (under UCX) those military personnel who are not discharged under honorable conditions, or who voluntarily leave the military service, or are discharged for cause.

The military service is now entirely voluntary, and most separations from the service are voluntary. Unemployment compensation would be denied if the ex-servicemember resigns or voluntarily leaves the service, or is discharged for cause. In addition, only a discharge or release under honorable conditions would qualify an individual for benefits under the program. Every State provides for the disqualification of civilians who voluntarily leave their jobs, are discharged for misconduct, or refuse an offer of suitable work. The proposed amendment, therefore, would bring treatment of civilians and military personnel more in line, by establishing national rules for military separations that are voluntary or are not under honorable conditions.

The changes made by this title would be effective on July 1, 1981.

UNEMPLOYMENT COMPENSATION ACT AMENDMENTS OF 1981—BUDGET ESTIMATES

TITLE I—EXTENDED UNEMPLOYMENT COMPENSATION

The proposal is expected to result in the following changes in funding from current law:

[In millions of dollars]

Outlays:	
1981	—505
1982	—1,218
1983	—483
1984	—202
1985	—284
1986	—286

TITLE II—REGULAR UNEMPLOYMENT COMPENSATION

The proposal is expected to result in the following changes in funding:

[In millions of dollars]

Outlays:	
1981	-----
1982	-----
1983	—285
1984	—285
1985	—272
1986	—264

TITLE III—UNEMPLOYMENT COMPENSATION FOR EX-SERVICEMEMBERS

The proposal is expected to result in the following changes in funding:

[In millions of dollars]

	1981	1982	1983	1984	1985	1986
Budget authority	—60	—225	—237	—245	—247	—248
Outlays	—60	—225	—237	—245	—247	—248

By Mr. MOYNIHAN (for himself and Mr. HEINZ):

S. 984. A bill to amend the Federal Deposit Insurance Act; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MOYNIHAN:

S. 985. A bill to authorize the issuance of variable-rate debentures by the FDIC and FSLIC; to the Committee on Banking, Housing, and Urban Affairs.

GREATER FLEXIBILITY FOR FDIC AND FSLIC

● Mr. MOYNIHAN. Mr. President, I am introducing two bills today.

First, would amend the charter of the Federal Deposit Insurance Corporation and would make it easier for the FDIC to lend money to a bank that is in danger of failing.

The second would authorize the FDIC and its sister agency, the FSLIC, to issue variable-rate debentures. These debentures would be exchanged for low-yielding mortgages for banks that have lost money in two or more consecutive quarters.

The aim of the first bill is to give the FDIC greater flexibility.

Today, the agency has four options when a bank is in trouble. It may shut down the bank and pay off the bank's depositors. It may find another bank that wants to merge with the failing bank, and use its insurance money to make the merger more attractive. It may take over the bank and run it for up to 2 years as an FDIC bank. Or it may shore up the bank by giving it monetary assistance to keep it open.

The last option is rarely used. The reason is a bank must be essential to a community before the FDIC may lend it money; few banks, if any, are essential. Another problem is that the bank must be in danger of closing. By then, it is usually too late. A loan will not materially improve the bank's condition.

My bill would amend the FDIC charter. If it is enacted, the FDIC would be able to lend money to a bank that is in danger of closing, or one that is merely unstable, but not yet about to fail.

The bank would not have to be "essential," as under present law. But

the FDIC must feel that lending money to the bank is "desirable in order to preserve public confidence" in all banks, or that lending money is "desirable * * * in order to provide adequate banking service" in a community served by the bank.

The point is the FDIC should be free to lend money to a bank, if a well-timed loan would be less costly to the agency in the long run than other options.

The FDIC wants that freedom. It may propose slightly different language. Senator HEINZ is joining me today as a cosponsor.

The other bill is the "Mortgage Warehousing Facility Act." It is a contingency plan to help banks and savings associations adjust to changed economic and regulatory conditions. Interest rates have been extraordinarily volatile since late 1979. In addition, the Government began in March 1980 to deregulate banking. Thrift institutions have found it difficult to adjust, in part because they still have on their books mortgages made years ago when interest rates were 5, 6, and 7 percent.

We may yet have to help these institutions through a transition.

My bill would authorize the FDIC and FSLIC to issue variable-rate debentures. The debentures would be used to purchase low-yielding mortgages, at par, from financially troubled banks and savings associations. Any bank holding a debenture would be entitled to interest at the rate on 30-month Treasury notes.

The exchange would be a temporary one. Three years later, banks would begin to buy back their mortgages, again at par, and to retire the debentures, a process that would be completed by the end of the 10th year.

To qualify for the program, a bank or savings association would have to have lost money for two consecutive quarters and have at least 10 percent of its assets tied up in residential mortgages. A bank would not qualify, however, if its losses result from bad management, rather than from unforeseeable changes in interest rates and Government regulations.

The bill sets a limit of $700 million a year on Federal outlays under the program. The cost to the Government is the interest differential, the gap between the interest rate on the mortgages and the rate on 30-month Treasury notes. The money would be drawn from the FDIC and FSLIC insurance funds.

Because there are more old mortgages than the FDIC and FSLIC would be able to purchase, a way must be found to allocate the debentures. The bill suggests that no single institution be allowed to trade in more than 75 percent of its old mortgages. But it leaves other standards up to the regulators themselves. The bill requires the FDIC and FSLIC "jointly [to] prescribe a formula to be used in allocating the debentures."

In essence, this is a program that would give financially troubled banks and savings associations 3 years to adjust.

It would be used only in an emergency. There must be the prospect of an industry failure, not just the failure of isolated banks and savings associations. An industry failure is more than the FDIC and FSLIC can handle by conventional means.

Again, my aim is to give the Federal bank regulatory agencies greater flexibility.

Mr. President, I ask unanimous consent the text of both bills along with a fact sheet on the "Mortgage Warehousing Facility Act" be printed in the RECORD.

There being no objection, the bills and the fact sheet were ordered to be printed in the RECORD, as follows:

S. 984

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 13(c) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)) is amended by striking out the first sentence and inserting in lieu thereof the following—

"In order to reopen a closed bank or, when the Corporation has determined that an insured bank is in danger of closing, in order to prevent such closing, or, upon the application of an insured bank, to strengthen the stability of such insured bank, the Corporation, in the discretion of its Board of Directors, is authorized to make loans to, or purchase the assets or stock of, or make deposits in, such insured bank, upon such terms and conditions as the Board of Directors may prescribe, when in the opinion of the Board of Directors the continued operation of such bank is desirable in order to preserve public confidence in the stability and soundness of the nation's banking system or to provide adequate banking service in one or more communities served by the bank.".

S. 985

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

This Act may be cited as the "Mortgage Warehousing Facility Act of 1981".

SEC. 101. DEFINITIONS.—As used in this Act—

(1) the term "appropriate Federal agency" means the Federal Deposit Insurance Corporation with respect to any commercial bank and with respect to any savings bank the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, or the Federal Savings and Loan Insurance Corporation with respect to any savings and loan, building and loan, or homestead association or Federal savings bank; and

(2) the term "eligible institution" means any bank savings and loan, building and loan or homestead association, or any mutual savings bank, which has net operating losses after interest and dividends (exclusive of asset transactions and before taxes) for at least two consecutive calendar quarters subsequent to December 31, 1980, and at least 10 per centum of the assets of which are residential mortgages.

SEC. 102. AUTHORIZATION FOR PURCHASES.—The Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation are authorized to issue variable-rate debentures, as described in section 104, to eligible institutions in exchange at par for residential mortgages which were made or acquired prior to December 1, 1979, and which provide a return not in excess of 7½ per centum per annum, provided that prior to issuance the FDIC or FSLIC, as the case may be, finds that the eligible institution has submitted a realistic and satisfactory operating plan in such form as it shall prescribe, demonstrating the ability of the eligible institution to continue as a safe and sound financial institution after the issuance of debentures. The Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation are authorized to limit the aggregate amount of mortgages which may be acquired from any one eligible institution, and in no case may any eligible institution exchange more than 75 per centum of the mortgages held by it for such debentures. The Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation shall jointly prescribe a formula to be used in allocating the debentures authorized by this Act in order that the proportion of mortgages which an eligible institution may exchange will reflect the magnitude of its net operating losses after interest and dividends, subject to the limitation contained in the preceding sentence.

SEC. 103. RETIREMENT OF DEBENTURES.—Beginning in the third year following the issuance of any debentures under this Act, each eligible institution holding any such debenture shall allocate each year an amount equal to 50 per centum of any increase in its net operating income after interest and dividends over the net operating income after interest and dividends during the next preceding year to the repurchase of mortgages at par from the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, as the case may be, and the pro rata retirement of any debentures still outstanding. Not later than 10 years after the issuance of any such debenture, the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, as the case may be, shall recall such debenture and return to the eligible institution any mortgage acquired from it.

SEC. 104. VARIABLE-RATE DEBENTURES.—The Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation are authorized to issue nonmarketable debentures to eligible institutions. Such debentures shall have maturities not in excess of 10 years, and bear interest at rates prescribed by the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation. The rates shall be established and adjusted monthly to equal the average yield on obligations of the United States having a maturity 30 months from the date of issuance, which were issued during the month preceding the month of issuance or in which the adjustment is to be made. No debenture may be issued under this Act after the expiration of one year following the date on which a debenture under this Act is first issued.

SEC. 105. ADMINISTRATIVE PROVISIONS.—

(1) An eligible institution which exchanges a mortgage pursuant to this Act shall continue to service such mortgage. All amortization and other payments of principal on any such mortgage shall be applied to reduce the principal balance on the mortgage while held by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, as the case may be. The amount of such payment shall also reduce pro rata the principal balance of the debenture held by the eligible institution. All payments of interest on any such mortgage shall be paid or credited to the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, as the case may be.

(2) The difference between the interest so

paid on all mortgages received by the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation and the interest paid on all debentures issued by the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation pursuant to this Act shall not exceed $700 million per annum.

SEC. 106. AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

THE MORTGAGE WAREHOUSING FACILITY ACT

The legislation would permit the FDIC and FSLIC to swap variable-rate debentures, backed by them, for a share of the low-yielding mortgages held by eligible financial institutions.

1. The debentures would be nonmarketable.

2. Eligible institutions would be mutual savings banks, savings and loan associations and commercial banks

With two or more consecutive quarters of net operating losses (income less interest, operating expenses and state franchise taxes, but before federal income tax and losses or gains on asset transactions), and

Whose total assets are at least one-tenth residential mortgages.

The FDIC and FSLIC would have discretion, however, to deny eligibility to institutions whose problems are of their own making, rather than the result of changing economic and regulatory conditions.

3. Loans eligible for the exchange would be residential loans made prior to December 1, 1979 with interest rates of 7½ percent or less.

4. The proportion of such loans that an eligible institution may exchange would depend on the magnitude of its net operating losses, but in no case would it exceed 75 percent. A formula would be worked out jointly by the FDIC and FSLIC.

5. The mortgages would be exchanged at par. The participating institutions would continue to service the loans.

6. The variable-rate debentures would bear an interest rate geared to the yield on 30-month U.S. government securities.

7. Amortization and other principal payments on the mortgages would be applied to reducing the debenture obligations of the FDIC and FSLIC.

8. Beginning in the third year after the exchange, the institutions would in each year allocate 50 percent of the increase in net operating income above the previous year for the purpose of repurchasing exchanged mortgages and debenture retirement beyond the amounts provided in No. 7 above. By the end of the tenth year following the exchange, all debentures would have to be retired.

9. Mortgage/debenture exchanges would be authorized for only one year from the date when the program is first activated.

10. Federal outlays under the program would be limited to $700 million a year.●

By Mr. BOREN (for himself and Mr. MOYNIHAN):

S. 986. A bill to amend title IV of the Social Security Act to provide for a demonstration program to test the States ability to develop functional alternatives to the current work requirements of the aid to families with dependent children program; to the Committee on Finance.

WORK INCENTIVE DEMONSTRATION PROGRAM ACT

● Mr. BOREN. Mr. President, today I am introducing the Work Incentive Demonstration Program Act. This bill will amend the Social Security Act to allow States to demonstrate single agency administration of title IV–C (work incentive program—WIN) and other work-related objectives of the act. Such demonstrations shall be designed to synthesize the various work-related objectives of titles IV–A and IV–C into a cohesive welfare employment program with emphasis on placement in unsubsidized private sector employment.

I, along with several of my colleagues, have made attempts to streamline and improve the administration of the aid to families with dependent children (AFDC) program in the past. The Congress will consider the nature of welfare reform which is needed in the months ahead. In the meantime, the new administration and Congress have shown a great deal of interest in the need for employment. However, in many States the administration's budget proposes changes in work expense and child care deductions and recommends the creation of a workfare program effective October 1, 1981. I would urge Congress to build upon the administration's proposal by allowing States to design integrated programs which best meet the needs of their clients and effectively accomplish the goal of helping AFDC recipients become self-supporting, contributing members of our great country.

The WIN program was designed to provide recipients with training, work experience, employment and supportive services to assist in the transition to employment. However, in many States the per person cost of the program has been exorbitant and the impact minimal.

There are two serious flaws in the operation of the WIN program—dual agency administration (HHS and DOL) and inflexibility within the system—which result in a lack of agency accountability, cumbersome administrative rules and regulations, high cost, and poor performance. Many States have indicated they could run more efficient programs than currently exist. This bill provides us an opportunity to utilize State and local units of government which are the most responsive, best equipped and most competent levels of government to develop and administer programs to meet the needs of families with children.

This proposed program does not provide massive, permanent reformation of the welfare system of this country, nor does it pump more Federal dollars into the existing system.

It does, however, put us on the road to meaningful reform of the AFDC program which will result in a better program for recipients and taxpayers alike.

The bill allows any State to submit a plan to the Secretary of Health and Human Services to conduct a 3-year single agency administration demonstration of welfare work programs by utilizing the same funding proposed by President Reagan for fiscal year 1982 and beyond. The plan must describe the objectives and techniques used. The Secretary may disapprove the plan if determined to be less effective than current requirements.

The same eligibility requirements for participation in existing programs will be in effect for the demonstration programs. The HHS Secretary is required to conduct evaluations of the program to determine effectiveness.

Beyond these requirements, the State is allowed to design a program which best addresses the State's needs and makes best use of its resources. I am convinced that States will show overwhelmingly that they can deliver better benefits in a more effective manner than can the Federal Government.

The AFDC program is uniquely suited to innovative and responsive programs which can be developed and administered by the States. I urge you to join with me in this effort to move forward in reforming our welfare system.●

● Mr. MOYNIHAN. Mr. President, the myth of the lazy welfare recipient continues to plague discussions of how best to provide for those unable to provide for themselves and their children. I have long maintained that this popular bit of conventional rhetoric is both irrelevant to the core issues of welfare reform and, equally important, wrong. Irrelevant because the program we know as Aid to Families with Dependent Children (AFDC) is first and foremost a program to aid dependent children. Of the 10.3 million individuals receiving AFDC benefits in 1979, only 3.1 million were adults, 7.2 million were children, 4.2 million of them under the age of 10.

And wrong because for the past 14 years, the AFDC program has included both work incentives and a work requirement. The Social Security Amendments of 1967 established a system of earned income disregards, which allow welfare recipients to realize an economic gain from working. The amendments also established the work incentive program (WIN), which requires able-bodied adult welfare recipients to register for employment and training as a condition of receiving AFDC benefits. In 1979, over 1.5 million welfare recipients were registered for jobs and job training in the WIN program.

But WIN has failed to realize its promise of an end to welfare dependency through development of job skills. More than anything else, this is the result of byzantine and burdensome administrative features that split authority for the program among several State agencies. Were we to improve program administration, the work requirement for welfare recipients would at last augur an end to dependence. It is with this in mind that I join today with my distinguished colleague, Senator DAVID BOREN, in introducing a bill that would allow States to substitute work incentive demonstration programs for the WIN program.

These demonstration programs would synthesize the various work-incentive objectives of the Social Security Act into one comprehensive employment program geared toward placing welfare recipients in unsubsidized private sector jobs. Fed-

eral responsibility for monitoring the demonstration projects would lie within the Department of Health and Human Services. Funds for this purpose would be provided to the States as a block grant, and the States would be free to design programs so that they are commensurate with State needs and resources. The major restriction on the States is that the demonstration programs must be administered by the single State agency charged with administration of the AFDC program.

Quite simply, this bill makes good sense. It markedly improves the work-related component of AFDC, increasing a welfare recipient's chance to gain skills and a job with which to supplement—eventually, to replace—the welfare grant. It is a far better proposal than the so-called "workfare" program proposed by the Reagan administration. It makes a modest but important change that will significantly improve a program of 14 years' standing. We do not need to devote the time and effort of Congress to debate about creating a new work requirement when we can, with this bill, easily transform the current work requirement into a better work requirement. And unlike "workfare," this bill provides jobs, not make-work. It is a bill that Congress should pass quickly.

But we must remain fully aware that this bill does not address the real issue of welfare reform. AFDC exists in order to keep roofs over the heads, food in the mouths, and clothes on the backs of dependent children. It embodies the response of society to the elemental needs of dependent youngsters. And, despite the importance of encouraging certain types of behavior among adult recipients, changes in AFDC must be evaluated in terms of their impact on the children. It is not a program for adults. That some adults are also supported by it—96 percent of them husbandless women with children—is a consequence of the fact that most dependent children live with one parent.

And the number of these children is growing. According to data that I published in the spring issue of the Journal of the Institute for Socioeconomic Studies, approximately one-third of the children being born this year will live in a female-headed household that receives welfare benefits at some time before their 18th birthday. Only 7 percent of the children born in 1940 could expect to spend a portion of their minority in a female-headed household receiving AFDC benefits. Today, it is one child in three. That makes AFDC second only to public education as the Government program with the widest impact on American children.

My article argues for a comprehensive effort at ending the dependency that an alarmingly large percentage of American children will face. I ask unanimous consent that it be printed in the RECORD. And I ask that its plea for true welfare reform not go unheeded.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHILDREN AND WELFARE REFORM

(By DANIEL PATRICK MOYNIHAN)

"The first time as tragedy, the second as farce." [1] Karl Marx's celebrated epigram concerning the two Napoleons could as well apply to the two major efforts at welfare reform which took up sizable portions of presidential energy during the 1970s, but so far as support for dependent children is concerned, came to nothing.

The Family Assistance Plan (FAP), proposed by Richard Nixon in 1969, the first year of his presidency, undertook to substitute a guaranteed annual income for the four welfare programs already established under the Social Security Act: Aid to the Blind, Aid to the Permanently and Totally Disabled, Old Age Assistance, and Aid to Families with Dependent Children. This bill twice passed the House of Representatives by heavy margins.[2]

In 1973, with the enactment of the Supplemental Security Income (SSI) program, it could be said that three of the four objectives of the proposal were achieved. But this would miss the fact that the driving force behind "welfare reform" as it was universally known, was the idea of establishing a more generous, more uniform, more extensive system of support for children in poor or dependent families.[3] The Family Assistance Plan was devised above all to provide a guaranteed income for children and for families with children. In the end, children and families were the only groups excluded.

In 1977, President Jimmy Carter in the first year of his presidency took up the issue once more, proposing the Program for Better Jobs and Income (PBJI). By this point, the Federal bureaucracies and associated academic centers had acquired considerable sophistication with respect to guaranteed income plans. In what for example would appear to be the first such development in social policy, a variety of guaranteed income plans were actually "field tested". This was inaugurated with the New Jersey Graduated Work incentive Experiment begun in 1967 under President Johnson. As a result, vast amounts of data were available in 1977.[4] Thus it came about that in contrast to the small group which was able rather rapidly to put together the Family Assistance Plan for President Nixon in 1969, in 1977 President Carter was able—or was forced?—to turn to a much swollen bureaucratic and academic apparatus. The result was, on the edge, farcical. Committees became so large they met in auditoriums. Starting with presidential instructions that no additional funds should be committed, a program ended up that would have cost the Federal government an additional $174.4 billion.[5]

"WELL-MEANING BUT WITHOUT UNDERSTANDING"

The PBJI was sent to Congress in September 1977. In my study of FAP, the Politics of a Guaranteed Income. I made the point that a crucial feature of the negative income tax, of which both the Nixon and Carter proposals were variants, is that it is hard to understand. It was not likely that more than a sixth of the Members of Congress could follow just how the proposal before them in 1969–72 actually worked. But by contrast with the Carter proposal, FAP was Euclidean in its clarity. For by mid-decade, the economists had quite taken over the subject with the consequence that Carter's experts produced a proposal that it is not likely 25 persons in Washington actually understood.

Carter's welfare economists are said to have done reputable work in other fields, but when it came to social policy they were bumpkins. They used up almost a year of their president's time on a proposal that the full House Committee on Ways and Means never even considered. In the Senate, I introduced the legislation, but there was little interest and not the least disposition to act until the House had acted. (This is, after all, the constitutionally prescribed sequence of the two tax-writing committees which have jurisdiction over Social Security matters.)

President Carter had devoted extraordinary effort to devising the PBJI. Word was passed that this was a priority matter for his party and his administration and that the Congress would be receptive and the nation supportive, if not indeed impatient for action. In the end, however, a grotesquely swollen and self-deluded policy process failed utterly. Moreover, in the process, it destroyed the prospects of any significant advances. Apart from the relatively modest Adoption Assistance and Child Welfare Act of 1980, the Carter Administration, having expended such efforts on welfare reform—to the scorn of a Democratic Congress and the evident indifference of the public at large—never again mustered its resources or its nerve in the cause of other social policy innovations. It left office after four years, perhaps the first administration since that of Calvin Coolidge that could boast of no significant social legislation. The farcical element, however, was that nothing was going to happen anyway.

THE FAP DEFEAT

By contrast, there had been a tragic element in the loss of FAP, and it was this. The proposal was made at a time of still rising expectations about social reform. While it received acclamation and support, it was also opposed by groups which were of the view that such were the ever-improving prospects for such measures, a still better measure could be enacted. Thus, for example, the National Urban League opposed FAP.[6]

This was an illusion, widely shared, but susceptible of analysis. Only as evidence that a closer look argued otherwise, I observe that on July 1, 1970, I addressed a meeting of the National Urban Coalition in Washington to press for enactment of the Family Assistance Plan that year. The House had voted; the Senate was ready. I stated: "If we don't get it in this Congress, I don't see us getting it in this decade." [7]

The tragedy then was hubristic. FAP might not have passed in any event, given the opposition of those who thought it was "too much." But for certain it was opposed by those who thought it was "too little," and who were overwhelmingly confident that yet more resources could be made available. By the end of the decade, however, the resources available for social programs were already committed elsewhere, and far from having been improved, the levels of support for mothers and dependent children in the land had actually begun to diminish. In the meantime institutional crises such as the near-bankruptcy of New York City in 1975 cast the failed opportunity of FAP in yet another light. Had it been adopted in 1970, welfare costs, strictly defined, would have disappeared from the City's budget. This might have put off the fiscal crisis, and in any event would significantly have hastened recovery from it. Mayor John V. Lindsay sensed this in 1970 and strongly supported the "federalization" of welfare, which was an incidental but not casual aspect of FAP. A decade later, Mayor Edward I. Koch must accept that this is an ever receding prospect. As will be related, serious questions have arisen as to whether a guaranteed income would be desirable social policy. But few would contest that it would have been brilliant urban policy.

This record of failure in the 1970s would not seem to argue well for the 1980s. There has been a sharp retreat from party com-

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mitment to welfare reform as it was understood a decade ago. As recently as 1972, the Republican Party urged "uniform Federal payment standards for all welfare recipients" and lauded the Republican administration that had produced the Family Assistance Plan.

The platform adopted at the Republican convention in 1980, however, wanted no part of any such thing. "We categorically reject the notion of a guaranteed annual income, no matter how it may be disguised," said the welfare plank. "We oppose federalizing the welfare system . . ." Senator Robert F. Dole of Kansas, assuming the chairmanship of the Senate Committee on Finance, told the Socioeconomic Newsletter for January 1981 that he "flatly rejects . . . the institution of a guaranteed annual income."

The Democratic platform was at least as ardent as the Republican in 1972, proposing to "end the present welfare system and replace it with an income security program . . ." But by 1980 there was no such reference. In a discursive and largely evasive plank, there was no mention whatever of President Carter's Program for Better Jobs and Income. Instead, the party pledged itself to "continue to work" to extend to all states the "unemployed parent" portion of AFDC, under which two-parent families can in certain circumstances become eligible for welfare benefits, and to raise AFDC minimum payments in some southern and southwestern states. In a word, the routine elaboration of an established program. Not unimportant, but most emphatically not new.

The 1980 election seemed anything but a mandate for new social programs, more likely otherwise. Before taking office, a memorandum from then Representative David A. Stockman, who became President Reagan's Director of the Office of Management and Budget, suggested that the routine political rhetoric of getting rid of government "waste" or "fraud" would "hardly make a dent in the true problem"; that if the budget were to be reduced, more drastic steps, including cuts in entitlements and other programs, would have to be undertaken.[8] An editorial in The Washington Post noted that while only 1.3 percent of the Federal budget goes to programs that "most people mean by 'welfare'," they had become the subject of such public indignation "that it would almost be worth cutting them out entirely in order to be rid of this convenient scapegoat . . ."[9]

What prospects for change do exist are implied in the Post's caveat to its own modest proposal:

"It wou. l be well to eliminate welfare altogether were it not for the likely disastrous effect on the lives of some seven million children, effects we somehow doubt anyone would really relish."[10]

That is the essential point: the lives of children are involved. Few seem to grasp how many.

Some 20 years ago, as head of the newly formed policy planning staff of the U.S. Department of Labor, I began a series of statistical investigations seeking to establish the social costs of unemployment. This had been the subject of some enquiry during the 1930s, but had receded before the conceptual power of the Gross National Product and its measurement of costs and benefits in direct economic terms.

BIRTH OF THE "WELFARE CLASS"

Early on, I felt I was on to something. A considerable range of social indicators, especially among Black Americans, a group with a high rate of unemployment, could be shown to relate to unemployment. Especially when the indicators were lagged—for example, dropping "Married Woman, Husband Absent" back nine months or a year, and comparing this with Male Unemployment—quite astonishing correlations could be shown. Going back in time, a singularly powerful correlation could be shown between male unemployment rates and new AFDC cases. But this persisted only into the late 1950s, when of a sudden the correlation began to weaken. Then in the early 1960s, it disappeared altogether, becoming sharply negative. This is to say that for most of the postwar period (when unemployment data became available) until the close of the 1950s, whenever male unemployment rose, the number of new AFDC cases rose also. When unemployment dropped, the number of new cases dropped. (In this "model," I assumed that unemployment was the moon and AFDC the tide; in logic it could be the reverse, but to govern, as President Kennedy said, is to choose.)

Then this relation disappeared. Unemployment went down, and AFDC up. When I finally sent this data to President Lyndon B. Johnson, the negative relationship had existed for only two years, 1962–64. But this had been preceded by four years in which the positive relationship had steadily weakened. My hypothesis that employment and unemployment in the very near term controlled social dispositions was seemingly disproved. Something else was going on. And so I put it to the president that the society was entering a welfare crisis.

My data, subsequently published in Daedalus, the journal of the American Academy of Arts and Sciences, and in The Annals of the American Academy of Political and Social Science have not to my knowledge been disputed by social scientists.[11] The findings, of course, gave rise to intense controversy, but this turned on the presumed implications of the data. The data themselves have never been challenged.

As it happens, a number of scholars have in recent years returned to this subject and have confirmed my projections. Writing in the Summer 1980 edition of The Wilson Quarterly, Graham B. Spanier sums up: "That general prediction has proven correct. . . ."[12] What some statisticians have called "Moynihan's Scissors"—the sudden crossing of the curves—accurately forecast a major social development of the subsequent 15 years.

Data make a difference. Ours is scarcely a purely rational society, and anything but conflict-free. But we are, in the main, a well-intentioned society, capable of learning. The great welfare initiatives of the 1960s and 1970s arose as much as anything from data demonstrating the need for change.[13]

IMPACT ON CHILDREN

I make this point by way of introducing a new body of data which argues that however much the impulse may have faltered, the need for change is as great as ever. The data may be summarized as follows:

1. It appears that one-half of the children now being born are likely to live in female-headed households at some point prior to their 18th birthday. This includes 40 percent of majority children and 75 percent of minority children.

2. Two-thirds of female-headed households with children now receive AFDC payments.

3. Before their 18th birthday, one-third of all children now being born are likely to live in a female-headed household receiving AFDC payments.[14]

Year	Percentage of children born that year likely to reside in female-headed households prior to age 18	Average annual percentage of female-headed households with children receiving AFDC	Percentage of all children born that year likely to live in female-headed households receiving AFDC, prior to the 18th birthday
1940	31	23	7
1950	33	52	17
1960	35	64	22
1965	37	70	26
1970	40	78	31
1975	45	74	33
1978	48	67	32
1979	50	NA	NA

I wish to be explicit that these data do not in any way bear on the subject of whether the existing welfare system leads to family breakup. To my knowledge there is no evidence one way or another for this proposition and never has been. If the absence of research on a subject about which every other president and every secretary of Health, Education and Welfare in the modern age has confidently expounded uniform convictions is surprising, it should be understood as a characteristic of the present system. Some years ago, Lee Rainwater pointed to a tendency of professionals in social welfare to "protect the good name of the poor and disadvantaged by discouraging, even obstructing certain kinds of research."[15] At minimum it might have been supposed that of the hundreds of millions of dollars spent on research by HEW (now Health and Human Services) some effort would have been made to calculate the rates set forth in the table seen on page 8. None has.

CHANGING WELFARE POPULATION

On the other hand, it may be said that these data are consistent with current observations and projections concerning the nature and extent of poverty in the United States. Although the two are not the same, poverty is increasingly a problem of dependency; they commence now to intersect. In 1976, for the first time, the number of poor living in female-headed families surpassed the number of poor in male-headed families.[16] In its 1980 report to the president, an annual feature of the Economic Opportunity Act of 1964, the National Advisory Council on Economic Opportunity stated:

"All other things being equal, if the proportion of the poor who are in female-headed families were to increase at the same rate as it did from 1967 to 1977, the poverty population would be composed solely of women and their children by about the year 2000."[17]

This is a bold forecast, beyond the range of the present data. It assumes that a rate of increase that existed in one decade will persist for 23 more years. While it seems implausible that the entire "poverty population" would ever consist of persons living in female-headed families—the proportion of female-headed family persons within the total poverty population rose to 53 percent in 1978, but slipped back to 52 percent in 1979—certainly the same kinds of developments that raised the proportion from 38.1 percent to 51.0 percent in ten years could raise it considerably further by the end of the century.

Again, this must be allowed to be a condition especially pronounced among minority groups. Dr. Robert B. Hill of the National Urban League writes in his chapter on

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"Black Families in the 1970" in "The State of Black America 1980":

While the number of poor white families declined by two percent . . . between 1969 and 1978, the number of poor Black families rose by 19 percent . . . Because of the sharp rise in the number of Black families headed by women, they accounted for all of the increase in the number of poor Black families over the decade. While the number of poor Black families headed by men fell by 34 percent . . . between 1969 and 1978, the number of poor Black families headed by women soared by 64 percent.[18]

PERILOUS PROSPECT

In sum, more and more children will spend some or all of their early years in female-headed households. Most of these youngsters will be on welfare at some point. But not all will receive public assistance. Some will not need it. Others will need it, but will not satisfy the complex and uneven requirements of the various states and hence will not get it.

The social consequences of a childhood spent with only one parent extend beyond issues of welfare policy. Consider the report on "One-Parent Children in the Schools," related by the National Association of Elementary School Principals on July 28, 1980.[19]

One-parent children, on the whole, show lower achievement in school than their two-parent peers . . . Among all two-parent children, 30 percent were ranked as high achievers, compared to only 17 percent of one-parent children. At the other end of the scale, the situation is reversed. Only 24 percent of two-parent children were low achievers—while fully 40 percent of the one-parent children fell in that category.

There are more clinic visits among one-parent students. And their absence rate runs far higher than for students with two parents, with one-parent students losing about eight days more over the course of the year.

One-parent students are consistently more likely to be late, truant, and subject to disciplinary action by every criterion we examined, and at both the elementary and secondary levels . . . one-parent children are more than twice as likely as two-parent children to give up on school altogether.

In terms of group relations, such research findings augur continuing anguish. For there can be, there is, no equality among groups without some equivalence of social structure, for good or ill. This is a judgment, to be sure, but I hold to it.

What are the prospects for changes that might lead to improvements? Let it be said at the outset that there is less prospect in the 1980s for a guaranteed income, in the sense of a universal program available to dependent and non-dependent alike, than there was in the 1970s. The Democratic party, when in control of both the presidency and the Congress, could not enact one. The Republican party, now in control of the presidency and one house of the Congress, is adamantly opposed. Just as importantly, the results of the negative income tax experiments begun in the 1960s have been anything but reassuring with respect to the effect on social structure. Simply stated, there appears to have been more breakup among those families receiving a guaranteed income than among those that did not.[20]

George Gilder, in his stimulating book, "Wealth and Poverty," ascribes to me a measure of blame for having set us off in this policy direction, which I accept. He notes that my "preferred policy was always child allowances," but I urged the guaranteed income scheme on the new administration in 1969 because I thought it would be more politically appealing. He writes, "The result was a lost decade of initiatives of little political appeal or objective validity."[21]

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This is a view that might reasonably be shared by Dr. Martin Anderson, who took part in the deliberations concerning the Family Assistance Plan of 1969 and returned to Washington in 1981 as Senior Advisor to President Ronald W. Reagan. In his own book. "Welfare," Anderson argues that one lesson to be drawn from our recent experience is that "Radical welfare reform or any variety of a guaranteed income is politically impossible" for no such "plan can be devised that will simultaneously yield minimum levels of welfare benefits, financial incentives to work, and an overall cost to the taxpayers that are politically acceptable."[22]

HAS THE WAR ON POVERTY BEEN WON?

It is also Dr. Anderson's view, however, that "radical" welfare reform is unnecessary. He contends that 'the war on poverty' that began in 1964 has been largely successful. "The growth of jobs and income in the private economy, combined with an explosive increase in government spending for welfare and income transfer programs, has virtually eliminated poverty in the United States."[23] He urges that future reform efforts be directed to increasing efficiency, decreasing "fraud," enforcing a "fair, clear work requirement" and shifting more responsibility for policy and administration from Washington to state and local governments.

Dr. Anderson's proposals are based on the stated assumption that "There is no way that the Congress, at least in the near future, is going to pass any kind of welfare reform that actually reduces payments for millions of welfare recipients" and that even if Congress were to pass such a bill "no president could resist vetoing" it.[24]

But surely there is an elemental case for maintaining the existing level of benefits. Whether they be "high" or "low," there is no case for making them lower. Yet this is what the decade did. Not by act of Congress, to be sure, nor with explicit presidential sanction, but by inaction, by failure at both the national and state levels to maintain the purchasing power of welfare benefits.

INFLATIONARY EROSION

In February 1980, the Subcommittee on Public Assistance of the Senate Finance Committee held hearings on this matter. Data compiled by the Department of Health and Human Services were presented and analyzed by government officials and expert outside witnesses. It was shown that the average monthly AFDC benefit paid to families rose from $171 in 1969 to $272 in 1980. In constant dollars, however, the average benefit declined by 56 percent during those years.

Taking the 20 states then represented on the Finance Committee as a sample, Professor Leonard Hausman of Brandeis University pointed out that 12 had experienced benefit declines between 1973 and 1978. In Georgia, the decline was one-third. In Texas, there has been no change since 1969 (save for a temporary $5 increase in 1979) in the maximum benefit payable to a family of four with no other income. That payment of $140 a month—an annual income of $1,680—today buys less than half what it bought 11 years ago.[25]

In New York State, always so self-congratulatory in these matters, the basic allowance (exclusive of shelter) for a family of four was set at $258 in 1974. At the outset of 1981 it remained $258 although consumer prices increased 64 percent in that period.[26] To buy the same amount of food and clothing that could be purchased with $258 seven years ago would require $428 in 1981.[27]

The result is that in New York City today we find the paradox of the nation's largest welfare caseload, daily erosion of the real benefits paid to those hundreds of thousands of children, and a city in fiscal difficulty that, under the present arrangements, would nevertheless have to come up with a full quarter of the additional monies needed to provide any increase at all.

This suggests the fundamental difference in the context of welfare reform efforts today, as against a decade ago. In 1970, it was reasonable to point to states such as New York, that had striven for an adequate standard of common provision for their dependent populations, as the standard toward which other states and regions should be moved by the Federal government.

Today the so-called "high benefit states" can seemingly no longer afford to maintain those benefits. It is, therefore, no longer satisfactory to speak of welfare reform only in terms of increasing payments in a dozen southern and southwestern states (though they are low, and raising them remains an essential element). Nor is it any longer acceptable to design proposals that would transfer more resources out of weakening economies such as those of the northeastern industrial states and into the economies of ever more prosperous regions.

The AFDC program is caught in a fiscal trap. Because it is not "indexed," whilst every other Federal income maintenance program of any consequence is indexed, whatever additional Federal revenues are allotted to what we now call "Budget Function 600, Income Maintenance," are needed to pay for automatic increases in the indexed programs.

SHRINKING AFDC

The Federal budget grew from $400 billion in fiscal 1976 to $637 billion in fiscal 1981. One would suppose a few social initiatives could be squeezed out of an additional $237 billion. Or at least that needy children could be spared the full burden of inflation. But they have not been. "Uncontrollables" account for more than 70 percent of the entire increase in Federal outlays since 1977, and for almost 90 cents of every dollar of increased social spending. As a percent of the Federal budget, outlays for AFDC have shrunk from 1.6 percent in fiscal 1973 to 1.4 percent in fiscal 1977 to 1.1 percent in fiscal 1980.

It may be observed that the "new" Congressional budget process, something much favored in the early 1970s by reform groups, has had consequences not anticipated at the time. Frank C. Ballance of the Carnegie Endowment for International Peace observed in 1980 that "The Budget Act, a well-intentioned reform for Congressional reconciliation of revenues and expenditures, has spawned a time-consuming and complex budget process and forces accommodation in a way that has the greatest impact on the weakest programs."[28]

BLOCK GRANTS TO STATES

The Republican Administration came to office in 1981 pledged to cut the budget, to reduce taxes, and to transfer responsibility for welfare back to the states in the form of "block grants."

The latter phrase implies two quite ideas. The first is fiscal: Washington will replace its system of open-ended "matching payments" (under which it now reimburses states from 50 to 83 cents, according to a formula, of each dollar they expend on AFDC) with a specified sum provided to each state every year in the form of a "Federal contribution" to the costs of welfare. If the state spends more, it must use its own money. If it spends less, it can keep the remainder.

The second idea concerns program policy: in place of a federally designed and essentially national program (albeit with certain state variations, such as maximum benefit levels) that embodies a long list of "protections" for recipients with earnings, that prescribes the rate at which benefits are to be reduced for recipients with earnings, that bars requiring recipients to work in return for their benefits, and that makes other benefits (such as Medicaid) automatic, a

block grant program would empower the states to make these and other such policy decisions.

The first of these propositions—to replace open-ended "matching payments" from the Federal government—has considerable appeal. Senators Alan Cranston, Russell B. Long and I proposed a variation of it in 1978, after the Carter proposal had died and when it looked as if nothing at all were going to happen. (In the end, of course, nothing did.) That bill, however, would not have removed the recipient protections contained in the Social Security Act. It would merely have altered the fiscal arrangements from a reimbursement scheme to an annual Federal "contribution" that would increase as the cost of living (and the unemployment level) rose. The point was both to provide some immediate fiscal relief to state and local governments and to make it possible for them to insulate welfare recipients from the depredations of inflation.

Erasure of the national standards for AFDC as put forward in the second proposition raises the most profound questions about the relationship between the Federal government and the millions of dependent American children in one-parent households.

Either the nation does have a responsibility for the welfare of these children, or it does not. I hold to the belief that it does, and that it cannot renounce that responsibility in the name of "reform."

AIM: TO AID CHILDREN

AFDC is a program for aiding dependent children. That it incidentally aids their mothers—and a handful of fathers—is beside the point. I have little patience with welfare reform "debates" that hinge on the question of whether a given proposal will or will not increase the "incentive" for adults to "work." A woman with two or three or four young children and no husband ordinarily cannot work, at least not without elaborate (and expensive) day care arrangements. AFDC is not a program to subsidize leisure; it is a program to enable a hard-pressed woman to keep a room over the heads, clothes on the backs, and food in the mouths of her children.

Providing such aid has been a responsibility of the Federal government since 1935. It is a basic component of our national arrangements for common provision, as embodied in the Social Security Act. It is as basic as benefits for the elderly, for the unemployed and for the disabled. It is the proper task of the national government.

Any number of specific administrative arrangements can be devised for fulfilling that responsibility. Myriad fiscal mechanisms can be imagined. Some could take the form of "block grants" to states. Others, in the manner of Supplemental Security Income, would be entirely national. These are details, and while they are often intricate and always important, they matter less than the criterion by which their desirability will be measured. And the essential criterion is simplicity itself: will a given arrangement provide a better life for the children affected by it?

There is this central fact. An astonishingly large and evidently still increasing proportion of American children grow up in circumstances that significantly impair their prospects in life. This increase was foreseen. Nothing was done to prevent it. Or in any case, nothing did. To accept it as normal would be indifference to pain. Worse, the problem is now so extensive that to allow it to persist without a sustained effort to reverse it would constitute an indifference to the well being, even the security of the nation itself. In 1969 a new Republican administration showed far greater boldness in this matter than had its Democratic predecessor. Is it possible that history will repeat itself?

TECHNICAL NOTE

The data in the Table were calculated by:

(1) Estimating the percentage of babies born in a given year who are likely to reside in a female-headed household before turning 18.

(2) By calculating the average percentage of female-headed households with children under 18 who receive AFDC during a 15-year period including and following the child's year of birth; and

(3) By multiplying the results of the above computations in order to estimate the percentage of all children born in that given year likely to receive AFDC at some point in their minority.

Data were calculated for 1940, 1950, 1960, 1965, 1970, 1975 and 1978. For the more recent years, when the 15-year average used in step (2) is unobtainable (i.e., 1965, 1970, 1975, 1978), we instead averaged over the longest period of time for which data are available the annual percentage of female-headed households with children under 18 receiving AFDC.

(A) The methodology for estimating the percentage of babies born in a given year likely to reside in a single-parent household before reaching their majority was developed by Arthur J. Norton, Assistant Chief of the Population Division, Bureau of Census, Department of Commerce. His methodology, which is based on a consideration of trends in premarital births, divorce, long-term separation and death, was adapted to apply only to female parents. The following is a step-by-step description of the computations.

(1) Premarital births.—To find the percentage of babies born out of wedlock that will live in a female-headed household for at least one year following birth, the illegitimacy ratio for a given year was multiplied by the percentage of illegitimate babies retained by their mothers, then by the percentage of mothers who remained unmarried for at least one year following childbirth. Norton estimated that 90 percent of prematurally born children are retained by their mothers, and that this has held true over the past 40 years.

(2) Divorce.—We reduced the original cohort of babies by the result of Calculation (1), and multiplied the reduced cohort by the estimated percentage of first marriages of young adults likely to end in divorce. As this estimate is upwardly influenced by persons who had borne a child before marriage and by childless couples, we reduced the figure by four percent. James McCarthy of Princeton University's Office of Population Research developed a methodology for estimating and supplied estimates of the percentage of first marriages of young adults likely to end in divorce (McCarthy, "A Comparison of the Probability of the Dissolution of First and Second Marriages," Demography, Vol. 15, No. 3, August 1978, 345–359). Note that this figure will not account for children born to young women with husbands or for babies born to older women (over 45).

(3) Separation.—We obtained estimated percentages of long-term separations which either end in reconciliation or last indefinitely.

(4) Death of male parent.—We subtracted the results of Calculations (2) and (3) from the reduced cohort of babies to find the number of babies expected to live in a two-parent home except in case of death of a parent. For each year, we obtained estimates of the percentage of male parents who died while their children were under 18, then multiplied this figure by the remaining pool of babies. Charles Westoff of Princeton's Office of Population Research calculated our estimates of parental deaths according to Norton's methodology. He used a life table to estimate the survival rate of men at 28 years (the average age of childbearing women is 26, and the average husband is two years older than his wife). As life tables are not stratified by marital status, he reduced the percentage of non-survivors by 20 percent on the asumption that married persons have a somewhat greater longevity than non-married persons.

(5) Final Results.—We added the results of Calculations (1) through (4) to obtain an estimate of the percentage of babies born in that year likely to reside in a female-headed household before their 18th birthday.

(B) To find the average percentage of female-headed households with children receiving AFDC over a 15-year (or other period) of time, we divided the average number of female-headed households receiving AFDC in each year of that time period by the average of female-headed households with children in each year of that same period. To estimate the percentage of all children born in a given year likely to receive AFDC before their 18th birthday, we multiplied the results of Calculation (A) by the results of Calculation (B).

FOOTNOTES

[1] Karl Marx, "The Eighteenth Brumaire of Louis Bonaparte" (New York; International Publishers), 1963, p. 15.

[2] FAP passed the House of Representatives as H.R. 16311 on April 16, 1970, and again as part of H.R. 1, the Social Security Amendments of 1971, on June 22, 1971.

[3] For a general history of this ligislation, see M. Kenneth Bowler, "The Nixon Guaranteed Income Proposal: Substance and Process in Policy Change" (Cambridge, Mass.: Ballinger), 1974; Vincent J. and Vee Burke, "Nixon's Good Deed: Welfare Reform" (New York: Columbia University Press), 1974; Moynihan, "The Politics of a Guaranteed Income: The Nixon Administration and the Family Assistance Plan" (New York: Random House), 1973.

[4] For example, see John F. Cogan, "Negative Income Taxation and Labor Supply: New Evidence from the New Jersey-Pennsylvania Experiment" (Santa Monica, Calif.: Rand Corporation, February 1978); and U.S. Department of Health, Education and Welfare. "Summary Report: New Jersey Graduated Work Incentive Experiment," December 1973.

[5] Congress Budget Office, "The Administration's Welfare Reform Proposal: An Analysis of the Program for Better Jobs and Incomes." April 1978, p. 40.

[6] See statement of Vernon E. Jordan, Jr., Executive Director, National Urban League, in United States Senate, Committee on Finance, Social Security Amendments of 1971, Hearing on H.R. 1 (FAP), 92nd Congress, First and Second Sessions, vol. 4, pp. 2210–2220.

[7] Statement before the National Urban Coalition Action Council, July 1, 1970, cited in The Washington Post, July 2, 1970.

[8] *The Washington Post*, December 14, 1980.

[9] *The Washington Post*, December 22, 1980.

[10] *The Washington Post*, December 22, 1980.

[11] Daniel Patrick Moynihan, "Employment, Income and the Ordeal of the American Negro," *Daedalus*, Fall 1965, pp. 745–770; "Urban Conditions: General," *The Annals* of the American Academy of Political and Social Science, May 1967, pp. 159–177.

[12] Graham B. Spanier, "Outsiders Looking In" *The Wilson Quarterly*, Summer 1980, p. 130.

[13] See President Johnson's March 16, 1964 message to Congress, declaring the "War on Poverty," and submitting the Economic Opportunity Act of 1964, 88th Congress, Second Session, Document No. 243. In his message, President Johnson speaks to the needs of the ". . . millions of Americans—one-fifth of our people—who have not shared in the abundance which has been granted to most of us,

and on whom the gates of opportunity have been closed" (p. 1).

[14] For an explanation of the methodology used in these calculations, see technical footnote following text.

[15] Lee Rainwater and William L. Yancey, *The Moynihan Report and the Politics of Controversy* (Cambridge, Mass.: The MIT Press, 1967), p. 176.

[16] Bureau of the Census, *Current Population Reports*, Series p–60. No. 120. Table 18.

[17] National Advisory Council on Economic Opportunity, "Twelfth Report to the President: Critical Choices for the 80s," August 1980, p. 19.

[18] Robert B. Hill, "Black Families in the 70s," *The State of Black America 1980*, National Urban League, Jan. 22, 1980, p. 43.

[19] *The Most Significant Minority: One-Parent Children in the Schools: First Year Report of a Longitudinal Study of School Needs of Children from One-Parent Families*, Cosponsored by the National Association of Elementary School Principals and The Institute for Development of Educational Activities, a division of the Charles F. Kettering Foundation (Arlington, Va., July 28, 1980).

[20] Evidence from the Seattle/Denver Income Maintenance Experiment indicates that—

"For whites . . . 13.6 percent of the control group and 18.5 percent of the experimental group's marriages had dissolved within 2½ years—an increase of 36 percent. Among black families, 19.1 percent of the control group and 27 percent of the experimental group's marriages had dissolved within 2½ years, a 42 percent increase." (John Bishop, "Jobs, Cash Transfers, and Marital Instability: A Review and Synthesis of the Evidence," *Journal of Human Resources*, Summer 1980, p. 312.)

For further information on the effects of a guaranteed income on marriage dissolution see *Welfare Reform and Experimentation*, U.S. Senate Committee on Finance, Subcommittee on Public Assistance, Nov. 15, 16, 17, 1978; see also Nancy Brandon Tuma, Michael T. Hannan and Lyle P. Groeneveld, "Dynamic Analysis of Marital Stability," Center for the Study of Welfare Policy, Research Memorandum 58, Revised September 1978; and "Income and Independence Effects of Marital Dissolution: Results from the First Three Years of SIME/DIME," Center for the Study of Welfare Policy, Research Memorandum 63, July 1979.

[21] George Gilder, *Wealth and Poverty* (New York: Basic Books, 1981), p. 126.

[22] Martin Anderson, *Welfare: The Political Economy of Welfare Reform in the United States* (Palo Alto, Calif.: Hoover Institution Press, Stanford University, 1978), p. 133.

[23] *Ibid.*, p. 15.

[24] *Ibid.*, p. 136.

[25] Statement by Leonard Hausman, "How to Think About Welfare Reform in the 1980s," testimony delivered February 6, 1980, before the United States Senate. Committee on Finance, Subcommittee on Public Assistance, pp. 183–184.

[26] The prognosis for a rise in New York's welfare benefits seems to be improving. In his State of the State message on January 7, 1981, Governor Hugh L. Carey proposed a ten-percent increase per year for the next two years in AFDC benefit payments. The New York State Assembly passed a ten-percent increase in their 1980 session, but this measure was not approved by the State Senate. However, a *New York Times* article of December 31, 1980 details State Senate Majority Leader Warren Anderson's support for a 15-percent increase in AFDC payments. I am hopeful the state will finally enact a rise in welfare benefit levels this legislative session.

[27] Food Stamp benefits have increased, to be sure, and there are wholly paid for by the Federal government. Medicaid payments have increased as well. And New York's AFDC shelter allowance has risen somewhat, also. But Food Stamps cannot be used to pay the heating bill or to buy winter shoes. Thirty-six percent of New York City's welfare recipients must pay more for housing than the "shelter allowance" provides. And, as *The New York Times* pointed out on December 6, 1980, those who receive more in Medicaid benefits are sicker, not richer, than those who do not. See Dr. Blanche Bernstein, letter to the editor, *The New York Times*, November 29, 1980, and editorial rejoinder, December 6, 1980.

[28] Frank C. Ballance, "A Built-In Weakness," *The New York Times*, July 23, 1980.

By Mr. NUNN (for himself, Mr. HUDDLESTON, Mr. BUMPERS, Mr. BAUCUS, Mr. LEVIN, Mr. DIXON, and Mr. PRYOR):

S. 987. A bill to amend the Small Business Act; to the Committee on Small Business.

SBA DISASTER REGULATIONS

● Mr. NUNN. Mr. President, for myself and six other Members, I am introducing legislation which would prohibit the Small Business Administration from retroactively implementing their emergency disaster regulations for disasters which have already commenced. The change is necessary to permit Congress to review the entire range of disaster assistance options which we have available to us, and to insure that all disaster victims are equitably treated.

Unfortunately, the Administration is trying to address short-term problems in the SBA disaster program through sweeping revisions to their regulations. Currently, the disaster loan fund has a potential shortfall, in part because of the Administration's decision to withdraw an almost routine supplemental funding request, and in part because of the large number of farm-related disaster applicants that—for a short time longer—have residual eligibility for assistance from the Small Business Administration rather than having to seek that assistance from the Farmers Home Administration.

On March 19, 1981, SBA issued emergency and final regulations making significant changes in both the eligibility and benefits for disaster assistance. The changes are immediately applicable to approximately $1.1 billion in disaster loan applications which have already been received by SBA, but which SBA has not yet "approved." The changes will also apply to new applications which will be submitted for previously declared disasters, and to any future declared disasters.

Under these regulations, at least with respect to certain business borrowers, SBA has administratively imposed a creditworthiness test as a condition of eligibility for assistance—in contravention of clearly existing statutory provisions in Public Law 96–302 which utilize the credit test solely as a determination of interest rates to be charged borrowers.

Furthermore, business applicants who have not yet received approval for their loans will be limited to a maximum of 60 percent of their actual, uninsured loss. Under existing law, eligible applicants are able to receive 100 percent of their actual, uninsured loss.

Finally, SBA has administratively changed the threshold criterion for determinations of when a disaster is to be "declared."

During two hearings of the Small Business Committee, one on the SBA budget revisions on March 13 and the other the confirmation hearings of the SBA Administrator on March 23, many of us raised questions about the legality of some of the agency's regulatory actions, the impact of the changes on current disaster applicants, and the future design of the Small Business Administration's disaster assistance program.

One of the key issues Congress must address is equality for borrowers—equality between the Small Business Administration and the Farmers Home Administration in the access to, and benefits for, farm and nonfarm businesses; and equality between borrowers affected by the same disaster, but for which the benefits now available may differ because of the processing time by Small Business Administration personnel.

The purpose of this legislation is twofold: First, to insure that disaster victims are treated equally; and second, to reschedule prospectively the application of the changed regulations so that Congress has an opportunity to fully review the legislative proposals that have been submitted by the Department of Agriculture and the Small Business Administration and to determine the appropriate scope, if any, of Federal disaster relief.

As the ranking Democratic member of the Small Business Committee, I am well aware of some of the problems and complaints that have been raised about the Federal Government's disaster relief role. Last year, in response to some of those justified complaints, Congress adopted legislation to require that farm businesses seek disaster assistance from the Farmers Home Administration. A credit test for businesses to be used as a determinant of interest rates to be charged was added. A ceiling of $500,000 on the total benefits that could be received by a single borrower from any one disaster was included. Finally, the formula for determining the interest charges was changed to bring the rate in line with the Government's cost of borrowing.

I will also be proposing additional specific program recommendations within the context of the Small Business Committee's comprehensive review of the Small Business Administration's disaster program.

In light of the Senate's adoption of Senate Concurrent Resolution 9, the budget reconciliation resolution, and the direction that committees immediately begin work on meeting those instructions, all Democratic members of the Small Business Committee wrote Chairman WEICKER requesting that hearings be held at the earliest possible time, focusing on the March 19 regulations and the legislative proposals submitted by the administration on March 25. I am confident that the committee, and the Congress, can quickly agree on a comprehensive disaster plan which takes

into consideration the needs of all disaster victims, the basic requirements of equality, and concerns for fiscal and budgetary restraint.

Mr. President, I ask unanimous consent that the letter from the Democratic members of the Small Business Committee to Chairman WEICKER requesting hearings, and the text of the bill, be printed in the RECORD.

There being no objection, the bill and the letter were ordered to be printed in the RECORD, as follows:

S. 987

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 (c) of the Small Business Act is amended by adding at the end thereof the following new paragraph:

"(4) With respect to a disaster which commenced on or before March 19, 1981, any application for assistance under paragraph (1), (2), or (4) of subsection (b) shall be acted upon by the Administration under the rules and regulations in effect on the date the disaster commenced.".

COMMITTEE ON SMALL BUSINESS,
Washington, D.C., April 3, 1981.

Hon. LOWELL WEICKER, JR.,
Chairman, Committee on Small Business, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On March 19, 1981, SBA issued emergency and final regulations making significant changes in both the eligibility and benefits for disaster assistance. During two of our Committee hearings, one on March 13, with SBA Acting Administrator Roger Jones, and the other on March 23 at the confirmation of Michael Cardenas, many of us raised serious questions about the legality of some of the actions, the impact of the regulatory changes on current applicants, and the implications for future disaster aid.

During the Senate's consideration of S. Con. Res. 9, the Budget Reconciliation resolution, Senator Levin requested, and you agreed, to schedule full Committee hearings on this, and other, disaster matters. In light of the Senate's adoption of S. Con. Res. 9, and the direction that committees immediately begin work on meeting those instructions, we jointly request that hearings be held on this important issue at the earliest possible time. In addition to focusing on the March 19, 1981 SBA regulations, we believe it prudent to begin reviewing the policies and specifics of the SBA and the Department of Agriculture proposed legislation transmitted to the Congress on March 25, 1981.

Your immediate attention to this request is greatly appreciated. If you or your staff have any questions, please do not hesitate to contact us, or Alan Chvotkin, chief counsel to the minority.

Sincerely,

Sam Nunn, Ranking Minority Member; Dale Bumpers, Max Baucus, Paul Tsongas, Walter D. Huddleston, James Sasser. Carl Levin. Alan Dixon.●

● Mr. HUDDLESTON. Mr. President, I am pleased to cosponsor the legislation of the ranking Democratic member of the Small Business Committee, Mr. NUNN. I believe it is important that Congress again carefully, but quickly, address the appropriate Federal role for aiding disaster victims.

Yesterday, the legislative proposals requested by the Department of Agriculture and the Small Business Administration were introduced in the Senate and jointly referred to the Committees on Agriculture and Small Business. As the ranking Democratic member of the Agriculture Committee, and a member of the Small Business Committee, I am well aware of the Federal Government's history of aiding business disaster victims at both the Farmers Home Administration and the Small Business Administration.

Last year, in Public Laws 96–302 and 96–438, Congress and the administration agreed on, and adopted, a comprehensive disaster assistance package. I am confident that we can reach agreement on these new proposals, as well. However, until we have an opportunity to complete the congressional review of the full range of options available to us, the legislation which I am cosponsoring today will put a hold on SBA's narrowly based, administrative efforts.●

● Mr. BUMPERS. Mr. President, I am pleased to cosponsor the bill introduced by the Senator from Georgia, Mr. NUNN, concerning the disaster loan program of the Small Business Administration. This bill will correct an injustice that has occurred as a result of actions recently taken by the SBA to restrict disaster loans. The actions of the SBA have placed many farmers in my State of Arkansas in a severe financial situation and, unless this or comparable legislation is passed, many of them will go out of business.

Mr. President, last summer the State of Arkansas was devastated by the worst drought I can remember. Total agricultural losses approached $1 billion and, since agriculture is such a vital industry in my State, the result has been devastating. From June 2, 1980, to July 20, 1980, we received only 0.7 inch of rain in Arkansas. This was only 12 percent of normal. At the same time, Mr. President, Arkansas was experiencing temperatures in excess of 100 degrees on virtually every day.

The need for adequate disaster assistance was evident last summer and fall and, after the harvest, the losses mounted as the farmers of my State found their yields at historically low levels. The demand on existing disaster lending programs has been incredible and long delays have resulted. Many farmers sought assistance from the Farmers Home Administration and about 3,500 Arkansas farmers applied for disaster relief from the Small Business Administration.

I know, Mr. President, that there has been a long debate in this body over whether or not the SBA should be making farm disaster loans. That issue was settled last summer when we passed Public Law 96–302 which effectively removes SBA from farm disaster lending by requiring that farmers go to the Farmers Home Administration for disaster assistance first. However, the changes made in Public Law 96–302 do not apply to disasters which commenced on or before July 3, 1980, and the drought which plagued much of the Nation started prior to that time. Therefore, SBA is involved in making disaster loans to farmers as a result of last summer's drought.

When the 3,500 farmers of my State applied for disaster loans from SBA after the harvest last fall they were relying upon the law, regulation, and statements made by SBA personnel that they were eligible for SBA assistance. However, on March 10, 1981, further disaster lending by the SBA was stopped and, on March 19, 1981, new regulations were issued covering disaster lending by SBA. The new regulations impose a "credit elsewhere" test on applicants and, also, place a limitation on the amount an applicant can receive of 60 percent of his actual loss. Both of these requirements were not in the regulations when the farmers of Arkansas and other drought-stricken States submitted their applications.

Due to the freeze imposed on March 10, 1981, and the new regulations which were issued, several hundred farmers in Arkansas will be denied any disaster assistance from the Federal Government while others who suffered from the same drought have gotten disaster loans simply because their applications were processed prior to the March 10 changes.

The changes made by the SBA are unfair to those who had applications pending when the changes were made and this bill will correct this result. It provides that those applications pending on March 19, 1981, are to be processed using the regulations in effect when the application was submitted. It will result in all those who had applications pending before the changes were made to be treated in an equitable manner.

I thank my distinguished colleague from Georgia (Mr. NUNN) for introducing this bill and I am pleased to be a cosponsor.●

● Mr. LEVIN. Mr. President, I am pleased to join Senator NUNN in cosponsoring a bill which will prohibit SBA from retroactively implementing regulations which they issued March 19, 1981, relative to the disaster loan program. These regulations made significant changes in both the eligibility and benefits for disaster assistance. Senator NUNN's bill provides that loan applications received by SBA for disasters which happened on or before March 19 will be acted upon under the rules and regulations which were in effect on the date the disaster commenced.

This is a matter of equity. Under the SBA's new regulations, victims of a disaster may be treated differently depending on how quickly SBA processed a loan application or how long it took an individual to submit the application. Congress did not intend for two persons of similar circumstances to be provided with different benefits under the same program. SBA has administratively imposed a credit elsewhere test for businesses that is different than the one which Congress adopted in the 96th Congress and one which will deny certain businesses loans for which Congress intended them to be eligible; Congress intended the credit test to be utilized solely as a determination of interest to be charged borrowers.

Currently, businesses are able to receive 100 percent of the uninsured loss; the new SBA regulation limits the loan to 60 percent of the uninsured loss. The final major change in the regulations is a change in the definition of the "thresh-

old criterion for determinations of when a disaster is to be "declared."

The adoption of this bill will insure that disaster victims are treated equally. It will commit the Federal Government to fulfill its obligations under the law and assure the 15,000 businesses that have loans in process that fair treatment will be forthcoming from SBA.

Finally, I should mention that the Small Business Committee has recently heard on several occasions what SBA proposes for the disaster program, both in terms of regulations and changes in the law. I expect the committee to consider all changes and we expect to hold hearings on this subject. It is my hope that SBA will refrain from making any substantial changes in the disaster program until the Small Business Committee has had the opportunity to review the program and its budgetary implications.●

By Mr. LEVIN:

S. 988. A bill to make certain amendments to title 18, United States Code, relating to rights of witnesses appearing before grand juries; to the Committee on the Judiciary.

WITNESS RIGHTS IN GRAND JURY PROCEEDINGS

● Mr. LEVIN. Mr. President, today I am introducing a long-overdue bill to reform the Federal grand jury. I am hopeful that the bill will serve as a stimulus to Members of Congress to carefully examine our grand jury system and I am confident that those who do will recognize the inequities which exist and join me in a revision of some of the laws which govern it.

Grand juries originated through the Assize of Clarendon and had a twofold purpose—to protect citizens from overzealous and malicious prosecution, and to provide the Government with an investigatory mechanism. Hearings held in 1978 on Senator Abourezk's broader grand jury reform bill revealed abuses of power on the part of prosecutors which have transformed the grand jury into what many consider to be a "rubber stamp" of the prosecutor. Those who are called to testify before the grand jury are denied constitutional protections granted to citizens at every other stage of the criminal process.

Since I was attracted to the legal profession because I saw it as a way of dealing with injustice in a rational and effective manner, I am offended when the judicial system contains within it gross injustices, as it does with the grand jury system today. Legal scholars, civil libertarians, representatives of the business community, and others, have all sounded the alarm on the departure of the grand jury from its original design. It is time that the Congress responded to that alarm.

Mr. President, my bill is designed to address the areas which are in the greatest need of immediate reform. First and foremost, the bill would allow witnesses called to testify before the grand jury to be accompanied by an attorney in the grand jury chamber for the purpose of receiving advice and counsel. The right to counsel is now granted under the most strained and prejudicial of rules. Those persons who do have an attorney may consult with counsel only outside of the physical presence of the grand jury.

A person called to testify before the grand jury is permitted to rise, after each question, and walk outside to consult with his or her attorney and then return to the grand jury room to respond to the question. Needless to say, this process is cumbersome—one witness in my hometown of Detroit left the grand jury room over 1,000 times to consult with counsel. This absurd "luxury" is only available to those who know how to use it and those wealthy enough to pay for attorneys who have had past experience with the grand jury to sit outside of the grand jury room.

In order not to hinder the grand jury procedure or allow it to become a "mini-trial" as some critics of my proposal suggest, the bill limits counsel's role to advisement of the witness—the attorney could not address the prosecutor, the grand jurors, or otherwise take part in the proceedings.

A number of States have adopted rules which allow an attorney to be present and prosecutors in many of these States have indicated to me that no dire consequences flow from having counsel present. The American Bar Association considers reform of the grand jury to permit counsel to accompany witnesses into the chamber to be one of its highest priorities. The plain truth is that the legal risk posed by an appearance before the grand jury, by a subject of the grand jury investigation is as real as the risk present during interrogation or presentment or trial. That risk needs to be recognized in the same way it has been at these other stages of legal proceedings.

My bill would provide for the removal of disruptive counsel, although I suspect this will happen infrequently. Similarly, the problem of "multiple representation" or clients would be overcome by providing that no attorney or firm of attorneys would be permitted to represent more than one witness called before the grand jury.

The bill also includes a section requiring that proper notice of rights be given to witnesses called to testify before a grand jury. Many of these notice requirements have already been included in the Justice Department's guidelines, but there is no real way of knowing whether or not prosecutors have been complying with the guidelines.

The notice of rights section requires that subpenas to appear before the grand jury be served at least 3 days prior to the date of testimony. Upon service of the subpena, witnesses must be advised of their right to counsel, their privilege against self-incrimination, the general subject matter of the investigation—the violation which is under consideration by the grand jury—the witnesses rights regarding immunity, and any other rights which the court deems necessary or appropriate. These requirements will not interfere with the legitimate purpose of the grand jury investigation—they are only designed to let witnesses know what their rights are and what the investigation is generally about before having to appear to testify.

Mr. President, I want to briefly mention some other reform provisions included in the bill which perhaps will help to restore the integrity of the grand jury process. My bill requires that complete records be kept of all grand jury proceedings, other than the grand jury's secret deliberations. Under the supervision of the court, a defendant would be entitled to examine the grand jury transcripts prior to trial. This reform measure is important for two reasons. First, it provides defendants with the information needed to properly prepare for trial and second, it helps to control potential abuse on the part of the prosecutor.

Another serious problem with the existing system is the inability to prevent leaks which can cause drastic and irreparable harm to the person about whom the information is leaked. Without impinging upon first amendment rights, my bill would impose sanctions against the source of the leak in order to preserve the secrecy which is so vital to the integrity of the institution.

I urge a thorough examination of the Federal grand jury system and I am hopeful that hearings will be held in the Judiciary Committee so that we can work together to make needed reforms without further delay.●

By Mr. LEVIN (for himself, Mr. CRANSTON, Mr. RANDOLPH, and Mr. MOYNIHAN):

S. 989. A bill to amend the Child Abuse Preventions and Treatment and Adoption Reform Act of 1978 to provide for a national computerized adoption identification center, and for other purposes; to the Committee on Labor and Human Resources.

ADOPTION IDENTIFICATION ACT OF 1981

● Mr. LEVIN. Mr. President, the issue of a reunion between an adoptee and his or her birth parent(s) is sensitive and touches the hearts of all parties involved. This action must be dealt with care, thoughtfulness, and compassion. Under present conditions, a unilateral search by either the adopted offspring or the birth parent can lead to sudden meetings for which the other parties involved are unprepared.

For some time now I have been touched by the problems of adopted persons who seek, for a number of valid reasons, to learn more about their own history and, in some cases, attempt to make contact with their birth parents or other relatives. The need of these citizens to have access to information which may affect their own health and influence their own family decisions, is clear. But at the same time, I also recognize the feeling of birth parents who choose not to communicate with offspring they relinquished in past life. This delicate balance is one that needs to be maintained. I believe that the proposal I am introducing today along with Senators CRANSTON, RANDOLPH, and MOYNIHAN deals with these emotions in a careful and sensitive way.

My proposal would allow adoptees and

birth parent(s) to communicate if there exists mutual interest in communicating. The bill does not provide for the unsealing of records. I repeat the bill has nothing to do with the unsealing of records. The legislation is designed to avoid "intrusion" into the life or privacy of either party since participation is strictly voluntary.

Additionally, there would be no infringement of State's rights—State participation is not necessary, due to the voluntary nature of the program. No access to State information would be required. The mutual-interest-reunion would be coordinated from a National Clearinghouse location. The anticipated cost of this program is minimal—expected not to exceed $1 million during first year implementation—and future costs are expected to be far less.

Under my proposal, no action could be taken by the Clearinghouse unless and until both the adoptee and his or her birthparent(s) siblings or other relatives have independently made contact with the Clearinghouse. In other words, communication between the adoptee and his or her birth parent(c), siblings or other natural relatives take place only when both have independently made contact with the Clearinghouse.

Under the provisions of my bill:

First, the program will be a 3-year demonstration/pilot program.

Second, the Secretary of Health and Human Services is authorized to establish by grant to or contract with a public or private nonprofit agency or organization for the voluntary adoption clearinghouse system.

Third, applicants would be assessed a "reasonable" fee for services.

Mr. President, according to the American Law Division of the Library of Congress, there are over 2 million adoptees actively involved in a search for the identity of their birthparents, and a significant number of birthparents are attempting to locate the children they relinquished. There are numerous other individuals who want to make contact with their offspring or biological parent(s) but feel that present laws are such that any effort would be rendered useless. The total number of adoptees in the United States is estimated to be around 5 million. The shortage of infants offered for adoption in recent years has led to the widespread practice of "baby selling," for which there is no official count.

Last year, over a period of 9 months, my staff conducted extensive research, surveying search groups, interviewing individuals of the medical and legal professions, reviewing case studies, and personally screening dozens of adoptive parents and individuals who are searching for, or have located, relatives.

The various studies reviewed during this research revealed some startling and significant facts. A preliminary Los Angeles study determined that 82 percent of the birthparents they surveyed wanted reunion with their adopted children when grown, if the offspring so desired. Fifty percent of the birthparents continued to experience feelings of loss, pain, and mourning over the child they had relinquished. A Queens College study revealed that adult adoptees searching for their birthparents are not motivated by "dissatisfaction and disaffection with his or her adoptive family relationship"—the reasons they gave for seeking their parents ranged from the need for more medical information to a desire to establish one's identity.

Mr. President, I would like to share with my colleagues the remarks of a young woman who wrote to me and whom my staff interviewed relative to the adoptee-birthparent search issue. The woman is 32 years of age and has been searching for her birthparents for 7 years. My proposal would have alleviated the pain and suffering experienced by a young man and his birthmother, referred to by this young woman. I quote:

> I worked for two years with a young man searching for his biological parents and when he finally found them, learned that his birthmother and he had both gone to the same adoption agency for information within months of each other and were denied help. Each was assured that the other would not want to know and would suffer from knowledge or contact! We cannot but question why this myth is being perpetuated in the face of direct refutation, personally in this case or more broadly in the face of sociological studies of hundreds of involved parties.

She went on to say:

> Had I surrendered a child for adoption, I know I would always secretly wonder what had happened to her, if she were alive, if she were well, if she had found a good home. I would wonder what she looked like, what sort of a person she had become. I would wonder if she wondered about me. Sociological research done over the last ten years indicates that my projections were not unfounded. The overwhelming majority of women who give up children for adoption are disturbed by these questions all their lives. Many are even haunted by guilt. This is a chapter in their lives that never has an ending. They can never put their thoughts to rest. If only I could speak to the woman who gave me life I could tell her how happy I am; I could tell her about the wonderful people who adopted me and the joy she brought into their lives. And for my part, I could see her, discover the secret of my origin, know the country from which my ancestors came, the story that is my history. I could re-enter the bond of life that links all other people. I would see a blood relative—until my daughter was born, I could never discern my features in the face of another, and again and again since my son's birth people have asked me, 'who does he look like?' I want to know the answer. For seven years I have been searching. Under our present laws, the search is difficult, frustrating and time consuming. It is often expensive, as well.

Mr. President, the legislation which I am introducing today does not contain a sweeping new idea. It is similar to the reunion and matching files that presently exist within various adoptee and birthparent groups. But, a national clearinghouse as provided for in my bill would, on a national and far more comprehensive basis inform, coordinate, and expedite the reunion of adoptee, biological parent, or other natural relatives of the adoptee, which wish to be reunited.

Jean Patton, the mother of the adoptee movement and founder of Orphan Voyage, the first adoptee organization, says:

> The various reunion or matching files of adoptee groups at ALMA, Orphan Voyage, and International Soundex and the numerous small files are little match for the problem presented to a population within adoption which is close to 2.5 million people. What we need to assist people who have a mutual desire to meet after the separation by adoption, is a computerized identification center, of a national scope, supported and carried on in such a way that it can be a permanent starting point for people who would otherwise have to flounder and fail.

Mr. President, if either the birthparent or adoptee does not seek to know the identity of the other—so be it. But if both want reunion, why not facilitate it. In an age of rootlessness, the search for knowledge of one's own identity, if it harms nobody, certainly should not be squelched now by the simple absence of a clearinghouse.

Again, I am very pleased that Senators CRANSTON, RANDOLPH, and MONIHAN are cosponsors of this legislation.●

● Mr. MOYNIHAN. Mr. President, I am pleased to join with Senator LEVIN as a cosponsor of the Adoption Identification Act of 1981. Many in this Chamber remember my earlier work on behalf of adopted children. In the last Congress, I was active in passing the Child Welfare and Adoption Assistance Act (H.R. 3434), which can fairly be termed the only piece of major social legislation enacted during the Carter Presidency. It provided and provides incentives to adopt—rather than place in a series of foster homes—children receiving AFDC who could not remain with their natural parents. It also provides additional services aimed at helping more such children remain with their natural parents.

The bill we introduce today will make it easier for adult adoptees and their biological parents to locate each other if they both desire that. I should like to emphasize that participation in this program is completely voluntary, and that both parties must be actively searching before any information can became available to them. This bill simply creates a national network of information provided by adult adoptees and natural parents searching for each other that will help "match" them. The system will protect the confidentiality and privacy of all parties, and will end the long and costly search many adoptees and parents now make. I hope that the Senate will give this compassionate measure the prompt consideration it warrants.●

By Mr. MATHIAS:

S. 990. A bill to amend section 1979 of the Revised Statutes to provide that States, municipalities, and agencies or units of government thereof, may be sued under the provisions of such section, to establish rules of liability with respect to such States, municipalities, and agencies or units of government thereof, and for other purposes; to the Committee on the Judiciary.

CIVIL RIGHTS IMPROVEMENTS ACT OF 1981

● Mr. MATHIAS. Mr. President, I now send to the desk the Civil Rights Improvements Act of 1981. The bill is identical to S. 1983 which I introduced in the

last Congress and is similar to S. 35 which was the subject of 4 days of hearings in the 95th Congress. The Civil Rights Improvements Act would make a series of amendments to the Civil Rights Act of 1871 (commonly referred to as section 1983), which has been a principal tool in our Nation's effort to fulfill its historic commitment to the civil rights and civil liberties of the American people.

Specifically, my bill would:

Provide that States, as well as the District of Columbia, municipalities, counties, and other forms of local governments are "persons" for purposes of section 1983;

Define the circumstances under which States, the District of Columbia, municipalities, counties, and other forms of local governments will be liable for the actions of their employees and agents in violation of section 1983;

Allow individual section 1983 defendants to claim the personal defenses and immunities they have traditionally been accorded, but preclude government entities from invoking such individual defenses and immunities;

Recognize the delay and expense caused by the strict application of the abstention doctrine to section 1983 cases and thus set forth circumstances when a Federal court may certify a question of State law to the highest court of the State;

Provide that the doctrine of exhaustion of State judicial and administrative remedies is inapplicable in section 1983 suits;

Embody within section 1983 the limited circumstances when a Federal court can intervene in a pending criminal proceeding and restrict the equitable doctrine of *Younger* v. *Harris*, 401 U.S. 31 (1971) to criminal cases;

Prescribe the circumstances when the doctrine of res judicata is applicable to section 1983 suits; and

Establish a national statute of limitations to govern all section 1983 suits.

The primary purpose of the Civil Rights Improvements Act is to insure the continued vitality of section 1983. Basically, my bill would achieve this important goal in two ways.

First, the Civil Rights Improvements Act would clarify and elaborate upon a 1978 U.S. Supreme Court decision, *Monell* v. *Board of Social Services*, 436 U.S. 658, which eliminated the absolute immunity from section 1983 suits previously accorded local governments. In particular, my bill is an effort to provide a comprehensive and workable framework for individual and governmental entity liability under section 1983—a framework that insures broad and effective protections for victims of official misconduct without impinging upon the legitimate interests of individual and institutional section 1983 defendants.

Second, my proposal would respond to certain other Supreme Court decisions which have seriously curtailed access to Federal courts for civil rights litigants.

I. MONELL AND GOVERNMENTAL LIABILITY UNDER SECTION 1983

At the time I introduced S. 35, January 10, 1977, I noted that one of the major impediments facing plaintiffs under the Civil Rights Act of 1871 was a 1961 Supreme Court decision, *Monroe* v. *Pape*, 364 U.S. 167, in which the Court held that cities were not "persons" within the meaning of section 1983 for purposes of monetary relief. Later decisions extended this immunity to counties (*Moor* v. *City of Alameda*, 411 U.S. 693 (1972) and to suits for injunctive relief (*City of Kenosha* v. *Bruno*, 412 U.S. 507 (1973)). These decisions were based on the Supreme Court's interpretation of section 1983 and thus subject to congressional alteration. When I introduced S. 35, I stated the Court's narrow interpretation of the scope of section 1983 had crippled the statute as both a source of deterrence and compensation: it limited the incentive for public entities to take preventive measures against possible misconduct by their officers and employees, and it had the practical effect of precluding recovery against "judgment-proof" public employees, leaving many litigants with a right but not a remedy.

S. 35 was designed to increase the effectiveness of section 1983 as a source of compensation and deterrence by removing the absolute immunity conferred on governmental entities and defining the limited circumstances when they should be held liable for the torts of their employees. Significantly, S. 35 would not have imposed financial liability on governments for all such violations, although the adoption of such a "respondeat superior" approach is well within Congress constitutional authority. Rather, under the bill, governmental liability would have been restricted to situations where there is a reasonable expectation that the fear of monetary damages would lead the entity to adopt preventive measures aimed at deterring future section 1983 violations:

First, where the conduct was authorized by statute, ordinance, policy, or practice of the entity or was undertaken by those making such policies;

Second, where a supervisor encouraged or directed his subordinate to engage in the offending conduct;

Third, where a government employee has a history of misconduct and his supervisor has failed to take the necessary remedial action to prevent its recurrence; and

Fourth, where a section 1983 violation is documented but the identity of the offending officer cannot be determined, such as where a police officer conceals his or her badge.

Shortly after the Senate Judiciary Subcommittee completed its hearings on S. 35 in 1978, the Supreme Court handed down its decision in Monell. The cases involved a claim that the New York City Board of Education and Department of Social Services compelled pregnant employees to take unpaid maternity leaves before such leaves were required for medical reasons. This policy was in clear violation of existing Supreme Court precedent. In ruling in favor of the plaintiffs' claim for injunctive relief and back pay for unlawful forced leave, the Court concluded that its prior reading of the legislative history of the Civil Rights Act of 1871 was in error: the Court overruled Monroe against Pape, "insofar as it holds that local governments are wholly immune from suits under section 1983," and held under certain circumstances local governments would be liable for the torts of their employees.

After Monell was decided, I reviewed the Court's opinion, with special attention to its impact on the governmental liability provisions of S. 35. I concluded that the need for the provisions continued after Monell, and, further that Congress must complement the Court's pronouncement by enacting governmental liability provisions along the lines suggested in S. 35. As a result of my review, on November 6, 1979, I introduced a revised version of the Civil Rights Improvements Act which contained governmental entity provisions identical to those in S. 35.

The reasons I reintroduced my bill in the 96th Congress are as valid and compelling today as they were in 1979. Above all, neither in its language in Monell nor in its subsequent decisions has the Supreme Court provided the type of guidance necessary for local governments to predict areas of potential liability and take steps to prevent violations in the future. It is in the best interests of all involved, section 1983 plaintiffs and defendants alike, that such guidance be forthcoming. And, I believe the Congress is best equipped to play that role.

In Monell, while the Court did away with the absolute immunity conferred on local governments from section 1983 suits, it refused to adopt a "respondeat superior" approach which would have made such governmental units liable for all of the violations of section 1983 by its employees. By not doing so, the Court necessarily thrust upon itself and the lower Federal courts the task of defining the circumstances when such liability would exist. But the majority opinion in Monell gives us little guidance in this regard. It merely states that such liability must depend on a "policy statement, ordinance, regulation or decision officially adopted or a governmental custom even though such custom has not received formal approval through the body's official decisionmaking channels." Since Monell involved an official policy of the New York City school and social services authorities, it was an easy case to decide under this test. Not all cases, however, are as clear cut as Monell.

It might require years of litigation for the Federal courts to delineate the contours of governmental liability under section 1983. By enacting the Civil Rights Improvements Act with its clear specifications of governmental liability, Congress could shorten this process. Significantly, the standards of liability contained in the bill are not foreign to section 1983 litigation. By and large, they reflect the case law that has developed in the lower courts in suits against supervisory officials, where plaintiffs have sought to hold them liable for the torts of their subordinates. Thus Federal judges will have a wealth of related precedent to rely upon when confronted with suits brought under the governmental liability provisions of the Civil Rights Improvements Act. In addition, Congress—unlike a court of law—can supplement its own standards govern-

ing entity liability under section 1983 with a detailed legislative history replete with examples of actions that would and would not result in the imposition of such liability.

Since local governments now have little guidance after Monell as to when they will face section 1983 liability, they are hampered in their efforts to develop effective risk management programs aimed at deterring future section 1983 violations. Enactment of my bill would have the salutary effect of giving governmental units much greater notice of potential liability than they now have. This would enable the units to develop and modify their preventive programs accordingly.

Another key factor prompting the reintroduction of the entity liability provisions of my bill is the need to put an end to the immunity of States from section 1983 liability and thus insure that State and local governments are treated equally under the statute.

Until recently, the 11th amendment's grant of sovereign immunity was thought to be a bar against the awarding of money damages against States and State officials acting in their official capacity. But, in *Fitzpatrick* v. *Bitzer*, 427 U.S. 445 (1976) the Supreme Court paved the way for such suits. In Fitzpatrick, the Court held that the 11th amendment and the doctrine of State sovereign immunity were limited by the enforcement provision of section 5 of the 14th amendment and thus recognized that Congress could authorize retroactive monetary damage awards against States.

Prior to Fitzpatrick and Monell, State liability under section 1983 was denied routinely. In fact, in *Edelman* v. *Jordan*, 415 U.S. 651 (1974), the Court seemed to indicate that the 11th amendment was a bar to monetary damage awards under section 1983. But, after Monell was decided, the argument was made that Monell's reinterpretation of the legislative history of section 1983 undermined Edelman and that section 1983 money damage suits were permissible against States. Regrettably, in *Quern* v. *Jordan*, 440 U.S. 332 (1979), the Court rejected this argument and reaffirmed its holding in Edelman that Congress, in enacting section 1983, did not intend to abrogate the 11th amendment immunity of the States. Thus after Quern, we are left with the anomalous situation in which States are fully immune from section 1983 suits, but local governments are not. There is no public policy justifying this dichotomy. It is a result of the Court's reading of the legislative history of section 1983. Thus it can be offset by Congress and it should be. The Civil Rights Improvements Act would do just that.

Another argument in favor of my bill is the need for Congress to codify the Supreme Court's recent decision, *Owen* v. *City of Independence*, 445 U.S. 622 (1980). In Owen, the Court ruled that municipalities have no immunity from section 1983 suits and thus precluded the city of Independence, Mo., from invoking the good faith defense of its representatives.

Section 2(D)(1) of the Civil Rights Improvements Act addresses this issue. The proposal would not alter the ability of an individual defendant to utilize any of the existing immunities and defenses, but it would provide that governmental bodies would not be entitled to claim such individual defenses and immunities. Thus section 1983 plaintiffs who are met with a successful claim of immunity by an individual will nonetheless be able to proceed directly against the governmental entity.

For example, where a police officer enforces an unconstitutional statute in the good faith belief that it is constitutional, it is both fair and sound public policy to relieve him of liability under section 1983; but it would be inappropriate to shield the governmental entity from liability. The entity itself has abused its powers in an unconstitutional way; it is more equitable that the costs associated with the entity's unconstitutional actions be borne by society as a whole, rather than absorbed entirely by the victim of the official misconduct. As Justice Brennan wrote in Owen:

> A damages remedy against the offending party is a vital component of any scheme for vindicating cherished constitutional guarantees, and the importance of assuring its efficacy is only accentuated when the wrongdoer is the institution that has been established to protect the very rights it has transgressed. Yet owing to the qualified immunity enjoyed by most government officials, many victims of municipal malfeasance would be left remediless if the city were allowed to assert a good faith defense.

II. LIMITING ACCESS TO FEDERAL COURTS

Since Monell was handed down in May 1978, much of the discussion about section 1983 has focused on the scope of governmental liability under the statute. This is certainly understandable. For the first time local governments face the possibility of money damage liability. For the first time local governments have a financial incentive to take precautionary measures to prevent future section 1983 violations.

But the escalating debate over entity liability under section 1983 must not obscure the fact that over the past decade the Supreme Court has rendered a number of decisions significantly curtailing access to the Federal courts for those seeking relief under section 1983. Typical of this trend is the Court's expansion of the judicially created doctrine of *Younger* v. *Harris*, 401 U.S. 37 (1971), regarding Federal intervention in State court proceedings.

In Younger, the Court set out the limited circumstances under which a Federal court enjoin a pending State criminal proceeding—in effect, only where the State or local officials are prosecuting a defendant in bad faith. Although Younger dealt solely with a pending State criminal proceeding, the Court has applied Younger to certain civil matters (see for example, *Huffman* v. *Pursue Ltd.*, 420 U.S. 593 (1975); *Trainor* v. *Hernandez*, 431 U.S. 434 (1977); *Judice* v. *Vail*, 430 U.S. 327 (1977); and *Moore* v. *Sims*, 442 U.S. 415 (1979)) and Justice Brennan at least believes the majority has already decided to bring all civil proceedings within Younger and "merely the formal announcement is being postponed." Moreover, in *Rizzo* v. *Goode*, 423 U.S. 362 (1976), there is an indication that not only may Younger be extended to civil proceedings, but that injunctions against State and local administrative proceedings may also fall within the doctrine.

Finally, the Court has applied the Younger rationale even to instances where a Federal court proceeding has actually commenced prior to the filing of a State action. *Hicks* v. *Miranda*, 422 U.S. 332(1975). This is a particularly troublesome ruling—one which State prosecutors could use to file a local suit to oust the Federal courts of jurisdiction.

The full impact of the Younger doctrine on section 1983 cannot be appreciated unless it is viewed in tandem with the Court's recent decision in *Allen* v. *McCurry*, 101 S.Ct. 411(1980). In Allen, the Court ruled that the doctrines of res judicata and collateral estoppel were generally applicable to section 1983 cases. Allen thus bars relitigation of matters raised in an earlier State proceeding, even where the section 1983 plaintiff was a criminal defendant and thus an unwilling participant in the earlier proceeding. For example, assume a student participating in a peaceful demonstration is arrested and prosecuted under a very vague local ordinance of dubious constitutionality. At his trial, the student argues that the ordinance is unconstitutional. He is subsequently convicted. He then brings section 1983 suit seeking money damages and to have his criminal record expunged. Under Allen, it appears that his suit would be barred.

Under the Younger doctrine, section 1983 plaintiffs are often compelled to defer Federal court consideration of their constitutional and statutory claims until after related State proceedings are concluded. But, in view of Allen, it appears that such deferrals might well deprive many section 1983 plaintiffs of a Federal trial forum, thus largely negating the original intent of the authors of section 1983 who meant the Civil Rights Act of 1871 to establish the Federal Government and the Federal courts as the primary protectors of our Federal rights.

The Civil Rights Improvements Act would preclude the extension of the Younger rationale to civil proceedings, limit it to criminal cases and set forth clear guidelines governing the application of the traditional principles of preclusion to section 1983 cases. In effect, the bill would establish statutory standards designed to strike an appropriate balance between the traditional and legitimate State interest in conducting its own court proceedings without fear of undue Federal intervention and the longstanding congressional policy that an individual be provided a Federal forum to litigate his section 1983 claim.

CONCLUSION

Mr. President, a number of significant court decisions affecting section 1983 have been handed down since the original version of the Civil Rights Improvements Act was introduced in January 1977. Some concern the liability of governmental units for section 1983 violations of their employees, others deal with the proper balance between Federal and State court jurisdiction with respect to

the litigation of federally protected rights. Obviously, the entire area of law governing section 1983 is in flux. The time has come for Congress to turn its attention to the Civil Rights Improvements Act and give much-needed stability and clarity to this changing area of law.

I ask unanimous consent that the text of the Civil Rights Improvements Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 990

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civil Rights Improvements Act of 1981."

SEC. 2. Section 1979 of the Revised Statutes (42 U.S.C. 1983) is amended to read as follows:

(1) by inserting "(a)" immediately before "Every"; and

(2) by adding at the end thereof the following new subsections:

"(b) For purposes of this section 'person' means any natural person, any association or combination of natural persons, any partnership, corporation, or other legal entity, any State or territory, any municipality, county, parish or other State, territorial, or local governmental subdivision, unit, or agency, the District of Columbia, or any agency of the District of Columbia; and 'State or territory' shall include the District of Columbia.

"(c) A State, municipality, or any unit of government or agency thereof shall be liable for the conduct actionable under paragraph (a) of this section of any officer, employee, or agent of, or other person clothed with the authority of, such State, municipality, or unit of government or agency thereof, when—

"(1) for purposes of damages or other monetary relief—

"(A) the conduct was authorized or required by a statute, ordinance, policy, or practice of the entity, unit, or agency, or was undertaken by a person or persons appointed or elected to make such policy;

"(B) the officer, employee, agent, or other person clothed with the authority of the entity, unit, or agency engaged in such conduct at the direction or with the encouragement of a supervisory officer;

"(C) a supervisory officer, with the authority to act, knew or should have known that an inferior officer, employee, agent, or other person clothed with the authority of the entity had previously engaged in such conduct or similar conduct and failed either to halt such conduct or to take reasonable steps to prevent the recurrence of such conduct;

"(D) one or more officers, employees, agents, or other persons clothed with the authority of the entity, unit, or agency, engaged in such conduct and the person seeking relief under this Act cannot by reasonable effort identify such officer, employee, agent, or other person or prove causation with respect to a particular officer, employee, agent, or other person clothed with such authority;

"(2) for purposes of injunctive or declaratory relief the officer, employee, agent, or other person clothed with the authority of the entity, unit, or agency engages in such conduct. The court shall direct the State, the State municipality, or any unit or agency thereof, to adopt whatever disciplinary or other remedial measures are necessary to prevent the recurrence of such conduct, or, when otherwise appropriate.

"(d) (1) In suits against an entity, unit, or agency pursuant to subsection (c), it shall not be a defense for such entity, unit, or agency that the officer, employee, agent, or person clothed with the authority of the entity, unit, or agency, is personally immune from liability under this Act because of the existence of a common law or statutory immunity attaching to such officer.

"(2) Supervisory officers having command responsibility superior to any person engaging in conduct actionable under this Act, shall be jointly and severally liable with such persons whenever under subsection (c) of this Act the State, municipality, or unit or agency thereof, would be liable.

"(3) A plaintiff may join to a claim under this Act any other claim or claims arising under the laws of any State, territory, the District of Columbia, or of the United States, against the same defendant, additional defendants, or both, if the latter claim or claims and any one claim under this Act derive from a common nucleus of operative fact; and a court of the United States shall proceed to hear all such claims, as well as any additional claims under this Act that may be joined in the action.

"(e) (1) In any action brought under this Act, a court of the United States may certify to the highest court of a State a question of State law if—

"(A) the State has established a procedure by which its highest court may answer questions certified from such court of the United States;

"(B) the question of State law may be controlling in the action and cannot be satisfactorily determined in the light of the State authorities; and

"(C) the court expressly finds that certification will not cause undue delay or be prejudicial to the parties. Except as provided in this subsection, no court of the United States shall stay or dismiss any action under this Act for the purpose of obtaining a decision as to the law of the State from a State court.

"(2) No court of the United States shall stay or dismiss any civil action brought under this Act on the ground that the party bringing such action failed to exhaust the remedies available in the courts or the administrative agencies of any State, territory, or the District of Columbia, or subdivisions, units, or agencies thereof.

"(3) In the absence of extraordinary circumstances, no court of the United States shall enjoin a pending criminal prosecution under the law of any State, territory, subdivision of any State or territory, or the District of Columbia, if such prosecution—

"(A) was commenced prior to the time of filing of the action in the court of the United States;

"(B) is maintained against the party who brings the action in the court of the United States or against a person who is in privity with such party; and

"(C) provides a full and fair opportunity for the presentation and resolution in the courts of such State, territory, subdivision thereof, or the District of Columbia, of every claim of deprivation presented in the action in the court of the United States.

For purposes of this subsection, "extraordinary circumstances" include but are not limited to the existence of a criminal prosecution commenced or maintained in bad faith or to enforce a statute, ordinance, or regulation, that is, in whole or in part, facially unconstitutional.

"(4) In an action brought under this Act, a court of the United States may enjoin a pending criminal prosecution under the law of any State, territory, subdivision of any State or territory, or the District of Columbia, that was commenced subsequent to the time of filing of the action in the court of the United States, and shall enjoin such prosecution if it finds that the prosecution was initiated in response to a suit under this Act.

"(5) In an action brought under this Act, a court of the United States may enjoin a proceeding in the courts of any State, territory, subdivision of any State or territory, or the District of Columbia, which is noncriminal in nature, even if such proceeding is in aid of and closely related to the enforcement of a criminal statute, ordinance, or regulation, irrespective of whether the proceeding was commenced prior to or subsequent to the action.

"(f) In an action brought under this Act, the prior judgment of a court of any State, territory, subdivision of a State or territory, or the District of Columbia, shall be given merger and bar effect, and no other effect, as against any claim presented by a plaintiff in an action in a court of the United States, but such effect shall be given to that prior judgment only if it—

"(1) was rendered on the merits of the same claim,

"(2) following a full and fair hearing,

"(3) in an action commenced by the present plaintiff:

Provided, however, That when a court of the United States hears a claim not so barred it shall not grant as relief the modification or setting aside of any judicial order with respect to damages, irrespective of whether the order has been executed.

"(g) (1) Every civil action commenced under this Act shall be barred unless the complaint is filed within four years after the right of action first accrues. The action of any person under legal disability or outside the United States at the time the claim accrues may be commenced within three years after the disability ceases. Any time utilized seeking relief through State remedies shall not be counted in determining the time within which the complaint must be filed.

"(2) If any person having a cause of action under this Act dies after the accrual of his claim, the legal representatives of the deceased shall have such action therefor and may recover damages (to be distributed in accordance with the law of the State in which the deceased resided) for the benefit of the next of kin of the deceased or if there be no next of kin for the benefit of the estate to be disposed of in accordance with the law of the State in which the deceased resided.".

SEC. 3. Nothing contained in this Act shall be construed to constrict the availability of relief under any other provision of Federal law or impair the availability of any other remedy for denials of any rights, privileges, or immunities secured by the Constitution or laws of the United States in the courts of the United States or of any State, territory, subdivision thereof, or the District of Columbia.

SEC. 4. In evaluating the need for relief under this Act, no court of the United States shall consider the availability of a remedy under the laws, ordinances, or regulations of any State, territory, subdivision thereof, or the District of Columbia.

SEC. 5. This Act shall apply in any action arising as a result of any deprivation of any rights, privileges, or immunities secured by the Constitution or laws of the United States—

(a) with respect to the amendments made by section 2(b) through (f) of this Act, to any deprivation occurring after the date of enactment, and

(b) with respect to the remaining amendments herein made, to any action pending on the date of enactment of this Act and to any action subsequently brought.●

By Mr. PERCY (by request):

S. 991. A bill to authorize appropriations under the Arms Control and Disarmament Act, and for other purposes; to the Committee on Foreign Relations.

ARMS CONTROL AND DISARMAMENT ACT AUTHORIZATION

● Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to authorize appropriations under the Arms Control and Disarmament Act.

This legislation has been requested by the U.S. Arms Control and Disarmament Agency, and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill, together with a section-by-section analysis, and the letter from the Acting Director of ACDA to the President of the Senate dated April 1, 1981, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 991

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 49(a) of the Arms Control and Disarmament Act (22 U.S.C. 2589(a)) is amended to read as follows:

"SEC. 49(a). To carry out the purposes of this Act, there are authorized to be appropriated—

"(1) for the fiscal year 1982, $16,768,000 and such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs, and to offset adverse fluctuations in foreign currency exchange rates, and

"(2) for the fiscal year 1983, such sums as may be necessary to carry out the purposes of this act.

Amounts appropriated under this subsection are authorized to remain available until expended."

SEC. 2. Section 45(a) of the Arms Control and Disarmament Act (22 U.S.C. 2585(a)) is amended by inserting the following new sentence after the second sentence thereof: "In the case of persons detailed from other Government agencies, the Director may accept the results of full-field background security and loyalty investigations conducted by the Defense Investigative Service or the Department of State as the basis for the determination required under this subsection that the person is not a security risk or of doubtful loyalty, except that when the investigation is more than twelve months old the Office of Personnel Management will conduct an update full-field background investigation, which may be completed after the person's detail has begun at the discretion of the Director."

SECTION-BY-SECTION ANALYSIS

Arms Control and Disarmament Act amendment to extend authorization for appropriations:

The first section of the proposed legislation would amend section 49(a) of the ACDA Act (22 U.S.C. 2589(a)) to authorize appropriations for the U.S. Arms Control and Disarmament Agency for fiscal years 1982 and 1983. The sum of $16,768,000 is requested for fiscal year 1982 and "such sums as may be necessary" for fiscal year 1983. The Agency's current two year authorization is $18,876,000 for fiscal year 1980 and $20,645,000 for fiscal year 1981. In all instances these amounts are plus such additional amounts "as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs, and to offset adverse fluctuations in foreign currency exchange rates."

The Agency's current two year authorization expires on September 30, 1981. Because the Agency does not have a permanent authorization, the proposed legislation is required to continue its activities in support of the Administration's arms control and disarmament objectives.

Arms Control and Disarmament Act amendment to facilitate security clearances of personnel detailed from other Government agencies:

The second section of the proposed legislation would amend section 45(a) of the ACDA Act (22 U.S.C. 2585(a)) to permit the Agency, in the case of persons detailed to the Agency from other Government agencies, to use the results of security investigations conducted by the Departments of Defense and State.

The Agency has fifty-two reimbursable positions which are filled by individuals detailed to the Agency, primarily active duty military officers from the Department of Defense and career Foreign Service officers from the Department of State. Each year there is approximately a one-third turnover among these detailees and each year the Agency must wait many months for officers being detailed from the Departments of Defense and State to report for duty, even though these officers generally are middle to senior grade career officers with many years of service, who hold high-level clearances and often come to the Agency after working on highly sensitive issues.

The reason for this delay is that, as presently written, section 45(a) of the Arms Control and Disarmament Act requires the Director of the Agency to arrange full-field background investigations through the Civil Service Commission (now the Office of Personnel Management (OPM)), for all new employees, including "persons detailed from other Government agencies". Based on the results of that investigation, the Director must determine prior to the detailee's entry on duty that the detailee is not a security risk or of doubtful loyalty. While all career Foreign Service Officers and most military officers hold Top Secret clearances, these clearances are based on full-field background investigations conducted by their own agencies. However, at present the Director is precluded from using the results of a full-field background security and loyalty investigation conducted by the Department of Defense or the Department of State for a security clearance determination, because the wording of section 45(a) requires the investigation to be conducted by OPM.

As a result, the Agency must request a new OPM investigation, which takes an average of four months to complete for every military and Foreign Service officer detailed to the Agency, regardless of whether the individual has been previously investigated by the Department of Defense or the Department of State. Since the service of such detailee is often required on short notice, to staff or backstop delegations to international negotiations or to provide special technical expertise to the Agency, the lengthy delays required for the duplicate investigation required by the Act hamper the Agency in the efficient conduct of its business. The proposed legislation will permit the Agency to accept detailees on the basis of investigations conducted by their own agencies until an update investigation can be completed, if necessary. This is comparable to the practice of most other national security agencies, including the Departments of Defense and State.

Should the amendment regarding detailees be enacted, the Director will have the option of determining that a proposed military or Foreign Service detailee is not a security risk or of doubtful loyalty and allowing him to enter on duty if an evaluation of the results of the full-field background investigation conducted by the Department of Defense or the Department of State justifies such action.

In all cases in which the State or DOD investigation is more than twelve months old, OPM will be asked to conduct an update full-field background security and loyalty investigation. Should the updated investigation disclose derogatory information which cannot be resolved in the detailee's favor, the detail will be terminated immediately and the detailee's employing agency will be informed of the results of the investigation.

This amendment to section 45(a) of the Arms Control Act will not alter in any way the requirements of section 45(c) as to the circumstances and procedures under which access to Restricted Data may be permitted.

No additional appropriations or outlays or personnel would be required by this amendment. Although it is possible that enactment of this legislation may save a few thousand dollars each year thereafter, its primary purpose is to increase the efficient conduct of business by expediting security clearances of persons detailed from other Government agencies.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY,
Washington, D.C., April 1, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I transmit herewith for consideration of the Congress proposed legislation to extend the appropriation authorization for the U.S. Arms Control and Disarmament Agency, along with a section-by-section analysis of this proposal.

The Agency's current authorization expires on September 30, 1981. The proposed legislation would authorize appropriations for fiscal year 1982 of $16,768,000 (plus such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law and other nondiscretionary costs). The proposed legislation would also authorize appropriations for fiscal year 1983 of such sums as may be necessary. In addition, the proposed legislation would amend the law to permit the Agency to make use of the results of recent full-field background security and loyalty investigations conducted by the Departments of State or Defense in the case of persons detailed to ACDA from other U.S. Government agencies.

The Office of Management and Budget advises that this legislation is in accord with the program of the President, and the Administration urges the early enactment of this legislation.

Sincerely,

JAMES L. MALONE,
Acting.●

By Mr. SASSER:

S. 992. A bill to amend title 11 of the United States Code; to the Committee on the Judiciary.

BANKRUPTCY REFORM AMENDMENTS ACT OF 1981

● Mr. SASSER. Mr. President, I rise today to offer legislation which would amend the revised bankruptcy act which took effect in October of 1979.

The revisions made in the 95th Congress by and large have meant positive reform. However, anytime Congress makes changes in the law that are as substantial as the changes we made in the bankruptcy law in 1978, it is important that those changes be reviewed.

I believe there are strong indications that the current law needs some fine tuning. Last year there were over 380,000

personal bankruptcies filed in the United States. This is by far the largest number filed in the United States in any one year. Certainly, the Nation's economic difficulties are a major factor in the sharp increase. Still, few experts in the area of bankruptcy would deny that there are certain provisions in the new law that encourages individuals to file for bankruptcy rather than making a strong effort to retire their debts.

The bill I offer today would make changes in several areas of the current law. It would reduce the amount of personal assets that could be retained by the bankrupt; encourage a larger percentage of an individual's debt to be repaid under chapter 13 repayment plans; specify what interest rate will be paid under chapter 13 repayment plans; and require that chapter 13 bankruptcy payments shall be made at the time of filing a chapter 13 plan.

Section 1 would affect the present exemption for household goods, family property, et cetera, which is now $200 per item for each debtor. Since most household items are worth substantially less than $200 this provision may permit large aggregate amounts of property to be retained by the debtor.

The proposal I offer would limit the aggregate exemption to $3,000 for the individual debtor and $6,000 for joint debtors. What this proposed amendment does is prevent cases where individual debtors have several items of substantial value, such as stereos and televisions and are able to exempt those items.

The purpose of the exemption law is to allow a bankrupt to retain enough property that a fresh financial start can be made. We allow people to retain clothing, books, musical instruments, tools of their trade, and a generous amount of personal affects. We should continue to do that. No one is well served by forcing a person into a position where a financial rebound is hopeless.

However, we are also not well served by allowing a person to declare bankruptcy and retain large amounts of nonessential personal goods of great value. Certainly this defect in the present law serves to encourage consumers to invoke bankruptcy when they do not need to do so. Such a situation hurts not only those who extend credit but everyone who seeks credit as well.

In addition, section 1 would eliminate the so-called wild card exemption. Present law allows a person to maintain a $7,500 exemption in equity he may have in a home. If a person does not use all or part of that exemption for real estate he may apply the unused portion to any other personal property.

The purpose of the homestead exemption should be to recognize the unique importance of the home in terms of family life and the stability of the family. By nature, property exempted by the wild-card provision is not within the realm of what Congress recognized as essential to a fresh start.

Section 2 of this bill serves to encourage those who repay their debts under chapter 13 plans to pay a larger share while allowing them more time to do so. Present law requires that a chapter 13 plan last no longer than 3 years. If one should have a relatively small debt to repay or is able to do so in a shorter period of time, he would be allowed to do so as long as he paid 70 percent of the debt.

Section 2 of this bill also recognizes that a person's first financial priority after providing for his support and the support of his family is the repayment of his debts.

Section 3 addresses a discrepancy courts have had in interpreting current law as it applies to interest rates that will be paid by those who file chapter 13 plans. In some cases persons have been charged as little as $1 in interest on goods they pay for on chapter 13 plans. In other cases the rate is as high as the prime interest rate. This section of the bill simply requires that the debtor pay interest at the rate for which he contracted. Any other rule would encourage debtors with substantial interest-bearing obligations to use chapter 13 to lower their interest rates.

Section 4 provides that when a chapter 13 plan is filed by a debtor that payments under the plan shall commence to his creditors even before final confirmation of the plan. This provision will provide an incentive for the debtor to confirm his chapter 13 bankruptcy plan. This is desirable for creditors who desire steady and stable chapter 13 repayments, but it also offers the debtor the incentive to confirm his plan and thereby discharge his debts in an honorable and equitable fashion.

Mr. President, like many of my colleagues, I am disturbed by the rising number of personal bankruptcies that we are experiencing. Declaring bankruptcy is a traumatic experience for all too many American individuals and families. But with this legislation, I hope that we can begin to close some of the unintended loopholes in chapter 13 that came about as a result of the 1978 Bankruptcy Act, and thereby help weed out those debtors who have used chapter 13 proceedings in a cavalier, and some might say, ruthless fashion.

We must insure that American businessmen and consumers continue to keep faith with one another and that the bonds of free commerce are not disrupted by a wave of unnecessary and careless bankruptcies.

If we do not move on this front, the terms of consumer credit for all consumers may become even harder to come by for the millions of American consumers who will never file for bankruptcy. We cannot let the actions of a selfish or careless few hurt the many American consumers and small businessmen that seek to have stable and sensible consumer credit policies.

Mr. President, I understand Senator THURMOND and the Senate Judiciary Committee may soon be undertaking detailed investigations of this problem. Let me say that I am sure that the committee will undoubtedly provide us with a comprehensive, detailed bill on necessary revisions to the Bankruptcy Act. I am sure that it will be a well-crafted bill that may subsume many of the elements in S. 992 which I offer today. If that is the case, I will join with Senator THURMOND in supporting such a comprehensive measure.

Mr. President, several articles concerning the effects of recent changes in the bankruptcy law have been written recently. I ask unanimous consent that they be printed in the RECORD along with the text of S. 992.

There being no objection, the bill and articles were ordered to be printed in the RECORD, as follows:

S. 992

Be it enacted by the Senate and Houe of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Bankruptcy Reform Amendments Act of 1981."

SECTION 1. Section 522(b) of title 11, United States Code, is amended by substituting the following new paragraph:

"(b) Notwithstanding section 541 of this title, an individual debtor may elect to exempt the property in either subparagraph (1), or in the alternative, subparagraph (2). In joint cases filed under section 302, and individual cases of married debtors whose estates are consolidated, both of the debtors must elect to exempt the property in either subparagraph (1), or in the alternative, subparagraph (2). If the parties cannot agree on the alternative to be elected, they shall be deemed to have elected subparagraph (1)."

(b) Section 522(m) is amended to read as follows:

(m) Subject to the limitation in subsection (b), this section shall apply separately with respect to each debtor in a joint case.

(c) Section 522(d)(3) of title 11, United States Code, is amended by inserting after the word "item" the following:

"or $3,000 in aggregate value".

(d) Section 522(d)(5) of title 11, United States Code, is amended by striking the following:

"plus any unused amount of the exemption provided under paragraph (1) of this subsection".

SEC. 2. Section 1322(c) of title 11, United States Code, is amended by substituting the following new paragraph:

"(c) The plan may not provide for payments over a period of more than five years."

SEC. 3. (a) Section 1325(a) of title 11, United States Code, is amended by inserting at the end of the paragraph, and before the semicolon, the following:

"and such plan represents a bona fide effort which is consistent with the debtor's ability to repay his debts, after providing support for himself and his dependents".

(b) Section 1325(a) of title 11, United States Code, is amended by—

(1) renumbering the existing subparagraph (6) as subparagraph (7); and

(2) inserting the following new paragraph:

"(6) the plan extends for a period of five years, or the plan provides for payments of at least 70 percent of all allowed unsecured claims;"

(c) Section 1325(a)(5)(B)(ii) of title 11, United States Code, is amended by substituting the following new paragraph:

"(B)(ii) the value as of the date of filing the plan of property to be distributed under the plan is not less than the value determined under section 506(a), and if said value is to be paid in installments, interest shall be paid at the rate specified in the consumer's contract; or"

SEC. 4. Section 1321 of title 11, United States Code, is amended by renumbering Section 1321 as Section 1321(a), and adding a new subsection (b) as follows:

"(b) Payments under the plan shall be

commenced at the time of the filing of a plan. The payments shall be made to the trustee, and shall be retained by the trustee until a plan is confirmed or not confirmed. If any plan is confirmed, the trustee shall then distribute the funds in accordance with the plan. If no plan is confirmed, the funds shall be returned to the debtor after deducting the costs of administration.

SEC. 5. This Act shall take effect 180 days after enactment.

[From the Wall Street Journal, June 30, 1980]

DEBTORS FILE FOR BANKRUPTCY AT A RECORD RATE, SPURRED BY NEW CODE, RECESSION, TIGHT CREDIT

(By William G. Flanagan)

Have you ever heard an advertisement for going bankrupt? Well, in New York City just dial (212) 697-4004. You'll hear, in a smooth, radio-quality voice, the wisdom of going into Chapter 13 as a means of getting all those nasty creditors off your back.

A lot of debt-ridden consumers are getting the message about going under, whether they dial the office of bankruptcy lawyer A. Gerald Kagan or not. This is the biggest year ever for personal bankruptcies. In April alone, the latest month for which national figures are available, 39,494 people filed for bankruptcy, compared with 25,897 a year earlier. The 12 months ending today will see a record total of 355,000 filings, according to a projection by the Bankruptcy Division, Administrative Office of U.S. Courts. The highest number previously recorded was during the last recession in 1975, when there were 254,484 filings

The reasons so many people are going under are threefold, say the experts:

—A new federal bankruptcy code that took effect in October 1979 makes the terms and conditions for going bust a lot more palatable. The net effect of the new code is that many people facing bankruptcy can keep most, if not all, of what they own and leave most creditors holding the bag.

—The recession and high unemployment in some parts of the country have taken their toll. For families where the principal breadwinner—or even the working spouse whose income was once largely a luxury—is laid off, bankruptcy is sometimes a tempting way out of debt. In April, for example, aside from California, the states reporting the highest numbers of filings were Ohio (2,156), Illinois (2,204), and Michigan (1,260). These are the industrial states hit hardest by layoffs.

California is, as in many other things, a special case; it had 3,677 filings. Its terms for going bust are the most attractive in the nation. In most states, an individual filing for bankruptcy can choose to accept the ground rules set up by the state or those in the new federal code. (Those rules in California are so liberal that some people move into the state before going bust.)

—The Federal Reserve's tightening of consumer credit has also had an effect. Consumers with no cash reserves who are suddenly hit with an unexpected financial crisis or elimination of anticipated income for a period can't borrow to get back out of the hole as easily as they once could. So-called consolidation loans now are more difficult to obtain from finance companies. Lines of credit from banks have evaporated. Personal loans have been cut back, and other traditional sources of easy credit have been shut off.

The jump in the number of bankruptcies has naturally alarmed the nation's largest creditors. "Under the new code, there are more benefits to the debtor, at the creditor's expense," notes William R. Moroney, a spokesman for the National Consumer Finance Association.

Already the dollar losses are showing up. One large bank reports that its bankruptcy losses doubled in the first four months of this year from a year earlier. And the consumer-financial group recently surveyed a number of large finance companies that reported dollar losses from bankruptcies up an average of 50% from the first quarter of 1979. ("Skip-outs"—people who simply move without any notice—still account for greater losses than bankruptcies, however, says Mr. Moroney.)

Not surprisingly, the lending industry thinks many consumers are ill-advised in seeking bankruptcy as a means of getting out of debt. "The fact that there is legal advertising now, and bankruptcy being one of the things advertised, has had some effect," says Mr. Moroney. "Formerly, the person who now responds to a bankruptcy ad might have sought credit counseling. And some of the advice the consumer is getting—declare bankruptcy now and there will be no trouble getting credit later—is simply false. That stays on your credit record for 10 years."

Lawyer Kagan pooh-poohs such thinking. "Legal advertising has made it possible for much of the public to learn of its rights," he says. "The credit-counseling services often arrange loan-repayment programs that are simply too stiff for the debtor to handle. And debtors have no legal recourse to fend off the collection agencies. If anything, the collection agencies scare more people into bankruptcy than anyone else."

A PRICKLY DECISION

In any case, it is clear bankruptcy should be approached very carefully. But should you be considering it, here are some pertinent facts to keep in mind.

There are two kinds of personal bankruptcy—Chapter 7 and Chapter 13, under the federal code. The latter is not really formal bankruptcy, but a wage-earner plan. The essential difference is that in the first instance, you throw up your hands and surrender your assets for your creditors to squabble over. In the second, you work out a repayment schedule—usually partial—over a period of three years or so. In most cases the second alternative is preferable if you have substantial assets such as a home.

They can't take everything away from you if you go under. In fact, there is quite a bit of property that is exempt.

Under the new federal code, creditors cannot touch $7,500 equity in your home ($15,000 if you file jointly for bankruptcy with your spouse); $1,200 value of your car; all household furnishings, goods, clothes, books, etc., not to exceed $200 per item; $500 of personal jewelry; $400 in any property; $750 of tools; and all health aids for debtor and dependents.

Other federal exemptions include unmatured life insurance; Social Security, welfare, unemployment or veterans' disability payments; alimony, support and maintenance; and pension or profit-sharing benefits.

Some states have more liberal exemptions that you can choose. In California, for example, the head of household can keep up to $30,000 of equity in his home.

It isn't necessary to hire a lawyer to go into Chapter 7 or Chapter 13, although a $50 filing fee must be paid to the federal court where you file. But if you have any assets at all, it makes sense to hire a lawyer, who may charge $300 to $1,500 or more, depending upon services rendered. Beware: There are plenty of pitfalls for the unwary. If you transfer assets to your children or family, for example, you may be acting illegally if such actions are deemed to have been made in anticipation of bankruptcy. On the other hand, other transfers of assets—such as buying insurance with your savings—are perfectly aboveboard.

Not only the destitute go bust, of course. One New York doctor with an $80,000 annual income went into Chapter 13 to avoid the hounding of creditors, then arranged repayment of his debts over a three-year period. But even with high-income debtors, total repayment of debts under Chapter 13 is rare. "Ten cents on the dollar is typical," says one creditor.

The act of filing and declaring bankruptcy is quite simple. You file your petition, schedules of assets and earnings, and statement of affairs in the federal court district in which you have resided for six months. (A lawyer can help you with this, but many debtors can manage it themselves. The forms themselves are available from legal stationers.)

As soon as you submit your petition of bankruptcy, you are off the hook with your creditors. The court will notify them that you have filed, and they can no longer harass you. Within 10 to 30 days of filing, they will have an opportunity to question you at what is known as a meeting of creditors. But, as a matter of practice, few creditors ever appear.

FREE AT LAST

If the filing is complex, a judge may appoint a trustee to conserve the assets, check for other assets, and make equitable distribution to creditors. The creditors then have some time to react to a debtor's receiving a discharge of debts. But, after the final discharge, the creditors cannot do a thing.

If you choose Chapter 13 and find the repayment burden too harsh, you can still file for Chapter 7 bankruptcy. In fact, many debtors in Chapter 13 eventually declare formal bankruptcy later.

Two sources for further information: "How to Get Out of Debt," by Ted Nicholas (Enterprise Publishing, 725 Market St., Wilmington, Del., 19801 $4.95), and "The Consumer Guide to Bankruptcy & Chapter 13." (American Bankruptcy Council, 2525 Van Ness Ave., San Francisco 94109 $5.)

BANKRUPTCY FILINGS GO THROUGH THE ROOF

(By Steve Cocheo)

Bankruptcy filings are headed towards a record level in 1980. The rise is particularly sharp in personal bankruptcies.

Lenders and their attorneys that we sampled in various parts of the country blame both the new bankruptcy law, which took effect last October, and the economic recession.

Some attribute the increase about 50/50 to the two causes, while some others say it's 80 percent recession and 20 percent new law. But nearly everyone is unhappy with the situation. The thing that hurts most is the increased difficulty of lenders in recouping from bankrupt debtors under the new law.

The Division of Bankruptcy of the Administrative Office of the United States Courts projected in late June that total filings would reach 300,000 for the 1980 calendar year. (The projection is 418,700 if the figure is adjusted to reflect the fact that couples now file jointly for personal bankruptcy, rather than each spouse separately before Oct. 1, 1979). In calendar 1975, there were 265,596 total filings—up to now the all-time record.

The American Bankers Association is organizing a task force to deal with the effects of the new law. Walter Vaughn, senior vice president in charge of retail banking at American Security Bank, N.A., Washington, D.C., is chairman..

BACKGROUND

The new law, the Bankruptcy Reform Act of 1978 (officially, Public Law 95-598), has been the subject of innumerable industry briefings (ABA BJ, October 1979, p. 48). Here is a capsule review of differences from the old bankruptcy act:

In personal bankruptcies, there is now a list of liberal federal exemptions of equity in personal property (interest in excess of liens against it). Beforehand, only states set these rules on what a debtor could keep out of the hands of a trustee liquidating his

property to satisfy unsecured creditors' claims.

Also, reaffirmations of consumer debt not secured by real estate must now be approved by the bankruptcy judge and cannot be made at all once the debt is discharged.

Chapter 13 of the new law, evolved from an older version called the "wage-earner plan," has been liberalized and broadened to cover even small businesses wishing to avoid more technical bankruptcy chapters.

On the commercial side, a new Chapter 11 includes aspects of four sections of the old law: Chapter X, which was used for corporate capital structure reorganization; Chapter XI, which was for arrangements with unsecured creditors; Chapter XII, which was for non-corporate real estate cases; and Section 77 on railroad reorganizations.

There is considerably more flexibility, in principle, under this new Chapter 11 than under its predecessors.

Additionally, measures to upgrade the status of bankruptcy courts for both personal and commercial cases were set in motion. These included a five-year pilot program in 18 federal court districts setting up court officers called United States trustees to take over certain administrative duties formerly given to bankruptcy judges and private trustees.

THE CONSUMER LENDING SIDE

Of 17 consumer-lending bankers and bank lawyers we talked with in various areas of the country, all but three have seen increases of varying degrees in bankruptcy filings.

One of these three, James Struve, vice president and director of retail banking at The Merchants National Bank of Cedar Rapids, Iowa, reports no noticeable increase and adds: "I knock on wood when I say that. . . . We're kind of waiting for the other shoe to drop." Struve suggests that one reason is that his area's unemployment rate is lower than the national average.

CAUSES

But most questioned were not so fortunate as Merchants National. The new law was considered a factor in the increase in bankruptcies, but not all bankers laid the greatest stress on it. Economic conditions were pointed to often.

"It's a domino theory here," says Tom McClain, vice president and consumer loan administrator, The National Bank of Greenwood, Ind. He explains that many businesses in his area are related to the auto industry. This, added to the general business slowdown, has brought on unemployment, he adds. The bank had 16 consumer bankruptcies in the first quarter of 1980, versus 2 in the first quarter of last year.

However, at The First National Bank of Boston, Mass., the consumer finance department vice president, Leonard O'Connor, has seen bankruptcies double in number, while dollars involved are up two-and-a-half times. Most of the problem is Chapter 7 liquidations, O'Connor elaborates. Because his market's economy is in fairly reasonable shape, he thinks the bulk of the increase is caused by the attractiveness of the new law to the debtor.

EXEMPTIONS

"They can exempt a heck of a lot of assets," says banker Joe Gill, talking about consumers filing for Chapter 7 straight bankruptcy under the new law. Gill is vice president and manager of special credits for United California Bank, Los Angeles.

The federal exemptions permitted under the new law include, among others: $7,500 in a home or burial plot(s), up to $1,200 in a motor vehicle, up to $500 in jewelry, all household goods worth up to a maximum of $200 per item, and up to $750 in tools of trade.

Additionally, there is a $400 exemption of any property, to which is added any unused portion of the home exemption. (Thus an apartment dweller could have a "wild card" exemption of $7,900, attorney Peter Schellie of the Washington, D.C., law firm of Baker and Daniels told listeners at the American Bankers Association's National Installment Credit Conference in April.) Only the unsecured portion of eligible items can be exempted, generally speaking, though certain personal goods secured by nonpurchase-money mortgages can also be exempted outright. (The latter are liens on an item not bought with the loan; an example would be a finance company lien on all household goods.)

OVERRIDES

Under the new bankruptcy act, states are permitted to pass laws overriding the federal exemptions. As of late June, states confirmed to have done this include Alabama, Arizona, Florida, Indiana, Kansas, Louisiana, Nebraska, Ohio, Oklahoma, South Dakota, Tennessee, and Virginia. The matter was pending in Illinois.

Some of those we questioned complained about the new exemptions.

Robert Murphy, vice president-instalment lending for the central region of Marine Midland Bank in New York State, says every first meeting of creditors his bank is involved in is attended now.

"That's a must," he says, because: "If you're not there, you could be in all sorts of trouble, even if you're secured." The bank could possibly lose the collateral involved through an exemption by not being at the meeting, Murphy explains, recalling cases in which the court decided it wasn't interested since it wasn't there.

REAFFIRMATIONS

Under the new law, reaffirmations of consumer debt (promises to pay debt that would otherwise be wiped out by a discharge) are more severely governed than under the old statute.

The reaffirmation can be made only before a debt is discharged by the court. If the debtor does agree to pay back a debt after bankruptcy, he has 30 days from the day the agreement goes into effect to change his mind; and the court still has the final say on whether he'll be permitted to reaffirm a debt not secured by real estate.

Some of those questioned report that this has made reaffirmations somewhat more difficult than before.

"Reaffirmations are twice as hard to come by," says Gerard Pender, senior vice president for consumer lending of United Virginia Bank, Alexandria.

CHAPTER 13

In some areas, there has been a partial shift from personal liquidations to Chapter 13 plans. These are court-approved payback plans supervised by private trustees or U.S. trustees.

For instance, Irving Picard, U.S. trustee for the Southern District of New York, says there were 29 Chapter XIIIs filed under the old law in calendar 1978 in that district. Since the new law came into effect last October, there were 240 Chapter 13s filed through the end of May, he says, and 71 of these were joint filings.

Richard Parks, vice president in the consumer lending division of The Fidelity Bank, Philadelphia, says 70% of the filings he deals with are now 13s; the majority previously were straight liquidations.

Why the shift? In some areas, unsecured creditors are seeing payment plans that are quite lax. United California's Gill complains of plans that start off with no payments, and "further on, who knows what will actually be delivered on what is promised?" (According to the law, unsecured creditors have no veto power on a Chapter 13 repayment plan so long as the court deems they are getting a better deal than under a liquidation.)

Adding to problems with Chapter 13: Contradictory decisions come down from different bankruptcy judges, according to Herbert Minkel, Jr., attorney with the New York City law firm of Fried, Frank, Harris, Shriver & Jacobson.

Another comment comes from Phil Conover, an attorney with American Fletcher National Bank, Indianapolis. He has not seen the shift to 13 that he expected. He speculates that older bankruptcy practitioners are in a "liquidation rut."

THE COMMERCIAL LENDING SIDE

Though business filings are certainly up, the feeling of commercial lending and legal experts is that the new law's commercial aspects have had no major impact so far, though they have not really had a full tryout.

"I expected more waves or ripples," says Robert Grimmig, senior vice president for loan quality control of Chemical Bank, New York: "The commercial side of the new code has slipped in and been accepted without a tremendous hue and cry or shake and shiver."

Harvey Ziegler, senior vice president-commercial lending of Atlantic Bancorporation, Jacksonville, Fla., says there must be more experience with the new law "to see if it is really as onerous as some lenders seem to have expected."

Karen Fischer, vice president for commercial and real estate lending of American State Bank, Yankton, S.D., hasn't had any problems with the commercial side of the new law; she hasn't had any businesses file since it went into effect.

[From the Washington Post, Feb. 6, 1981]

PERSONAL BANKRUPTCIES HAVE INCREASED 82 PERCENT IN PAST YEAR, INFLATION IS BLAMED

(By Nancy L. Ross)

Personal bankruptcies have increased by 82 percent within the past year.

Growing concern among creditors about this alarming rise has prompted them to ask how much of the blame should be placed on persistent double-digit inflation and how much on an October 1979 change in the law that made bankruptcy easier.

Gerard A. Lareau, president of Consumer Credit Counseling Service in New York, dwelt on the former reason yesterday at a bankruptcy seminar sponsored by the National Retail Merchants Associations and the National Consumer Finance Association.

Two years of high inflation (13.3 percent in 1979; 12.4 percent in 1980) effectively have reduced the real spendable income of the average family by 10 percent. Yet, in Lareau's opinion, Americans were slow to reconcile themselves to a lower standard of living. As a result, some continued to spend beyond their means, living on savings and credit, until their debts overwhelmed them, he said.

During the 1974–75 recession, the most severe since the Depression, personal bankruptices hit a peak of 229,000 and then fell back to their prerecession annual average of below 200,000, as inflation receded to 4.8 percent in 1976 and then rose to 6.8 percent in 1977.

Bankruptcies began rising again with the onslaught of the 1979–80 recession. During the 12-month period from the effective date of the Bankruptcy Reform Act of 1978 until Oct. 1, 1980, bankruptcies shot up from 290,543 to 380,615, according to the Bankruptcy Division of the Administrative Office of the U.S. Courts.

Whereas formerly 10 percent to 15 percent of the more than 5,000 families that visit Lareau's service annually had no rational alternative except to file for straight bankruptcy, he said, for the past two years 45 percent of them have found themselves in that position. A survey of the reasons cited for their financial troubles—such as divorce or serious illness—revealed that more than half admitted they had just overspent.

"The new law came along at the same time as recession and double-digit inflation," said Lareau. "It was an explosive combination. I can't say how many bankruptcies there would have been if the law had not been changed."

Citibank Vice President Peter J. Gray said there appears to be no relationship between the increased volume of consumer bankruptcies and the level of consumer installment credit outstanding. Both shot up in tandem during late 1978 and 1979, but then credit dipped while bankruptcies continued to soar.

There is no sign of a peak yet. Gray said no precise information exists on the dollar amount lost through bankruptcy, but he estimated it in the "high hundreds of millions of dollars."

H. R. Lively, a credit manager for Sears, Roebuck & Co., said the giant retailer's losses due to bankruptcy rose 124 percent in 1980 to $40.5 million from $18.1 million the previous year. He fixed the blame squarely on the new law, which he termed a "bailout for the indiscreet. Today there is a philosophy that bankruptcy is a new consumer 'right.' The notion that bankruptcy is an acknowledgment of failure has vanished."

Lively's singling out of the new law is echoed by most creditors, although they also cite advertising by bankruptcy attorneys as another culprit. The major problem with the law is its lack of a requirement of financial disability, the National Consumer Finance Association says.

The group reports that there are people filing for straight bankruptcy whose assets or stable income would enable them to pay off their debts eventually were it not for the generous exemptions provided by the 1978 law. In some well-publicized cases, for example, families earning $50,000 a year or owning a $100,000 home were relieved of all debt by declaring bankruptcy.

The NCFA, which represents finance companies, favors a change in the law to oblige all debtors filing voluntarily for straight bankruptcy to enter a Chapter 13 five-year repayment plan that requires a "best effort" on their part. At the moment, some courts accept repayment plans offering as little as 1 cent on the dollar to unsecured creditors.

Sen. Robert Dole, (R-Kan.), chairman of the Senate Judiciary subcommittee on the courts, told the creditors that the "benefit-without-stigma" attitude of some bankrupts is one that President Reagan hopes to change.●

By Mr. PERCY (by request):

S. 993. A bill to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation; to the Committee on Foreign Relations.

OVERSEAS PRIVATE INVESTMENT CORPORATION AMENDMENTS ACT OF 1981

● Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to amend the Foreign Assistance Act of 1961 with respect to the Overseas Private Investment Corporation.

This legislation has been requested by OPIC, and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD, together with a section-by-section analysis and the letter from Acting President of the Overseas Private Investment Corporation to the President of the Senate dated April 3, 1981.

There being no objection, the bill and material was ordered to be printed in the RECORD, as follows:

S. 993

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Overseas Private Investment Corporation Amendments Act of 1981."

CREATION, PURPOSE AND POLICY

SEC. 2. Section 231 of the Foreign Assistance Act of 1961 is amended—

(1) in the second undesignated paragraph, by striking out "and" at the end of subparagraph (1);

(2) in the second undesignated paragraph, by inserting the following new subparagraph (2):

"(2) seek to support those developmental projects having positive trade benefits for the United States; and"; and

(3) in the second undesignated paragraph as follows: by redesignating subparagraph (2) as subparagraph (3); by striking out "$520 or less in 1975 United States dollars" and inserting "$625 or less in 1978 United States dollars"; and by striking out all thereafter in such subparagraph and inserting a period.

ORGANIZATION AND MANAGEMENT

SEC. 3. Section 233 of the Foreign Assistance Act of 1961 is amended in the first paragraph of subsection (b) as follows: by striking out "eleven" and "six" in the first sentence thereof and inserting "thirteen" and "seven", respectively; by inserting after the second sentence the following new sentence: "The United States Trade Representative shall be the Vice Chairman of the Board, ex-officio: *Provided, however,* That the United States Trade Representative may designate the Deputy United States Trade Representative to serve as Vice Chairman of the Board in place of the United States Trade Representative."; by striking out "Six", "six", and "two" in the third, fourth, and sixth sentences thereof and inserting "Seven", "seven", and "three", respectively; and by striking out "also" in the parenthetical and inserting ", ex-officio" at the end thereof.

INVESTMENT INSURANCE AND OTHER PROGRAMS

SEC. 4. Section 234 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a)(1)(C), by striking out "or insurrection" and inserting in lieu thereof ", insurrection or civil strife";

(2) in subsection (a)(2), by striking out "total" and "financing" appearing at the end thereof;

(3) in subsection (a)(3), by striking out "authorized to issue under this subsection" and inserting "permitted to have outstanding under section 235(a)(1)";

(4) in subsection (b), by striking out in the final proviso "authorized to issue under this subsection" and inserting "permitted to have outstanding under section 235(a)(2)";

(5) in subsection (f)(1), by striking out "(A)" and all after "equitable terms" and inserting a period; and

(6) in the final undesignated paragraph of subsection (f), by striking out in the second sentence thereof "exceed $600,000,000 in any one year, and the amount of such reinsurance shall not" and by striking out in the last sentence all after "whether first loss or otherwise" and inserting a period.

ISSUING AUTHORITY, DIRECT INVESTMENT FUND AND RESERVES

SEC. 5. Section 235 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a)(2), by striking out all after "$750,000,000" and inserting ". Commitments to guarantee loans are authorized for any fiscal year only to the extent or in such amounts as provided in appropriation acts.";

(2) by adding the following subsection (a)(3):

"The Corporation shall not make any commitment to issue any guaranty which would result in a reserve less than 25 per centum of the maximum contingent liability then outstanding against guaranties issued or commitments made pursuant to section 234 (b) or similar predecessor guaranty authority.";

(3) by redesignating subsections (a)(3) and (a)(4) as subsections (a)(4) and (a)(5), respectively;

(4) in redesignated subsection (a)(5), by striking out "September 30, 1981" and inserting "September 30, 1985"; and

(5) in subsection (b), by adding the following sentence at the end thereof: "Loans from the Direct Investment Fund are authorized for any fiscal year only to the extent or in such amounts as provided in appropriation acts."

GENERAL PROVISIONS RELATING TO INSURANCE AND GUARANTY PROGRAM

SEC. 6. Section 237 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (f), by striking out the first sentence and inserting the following:

"Compensation for insurance, reinsurance, or guaranties issued under this title shall not exceed the dollar value, as of the date of the investment, of the investment made in the project with the approval of the Corporation plus interest, earnings or profits actually accrued on said investment to the extent provided by such insurance, reinsurance, or guaranty, except that the Corporation may provide (1) that appropriate adjustments in the insured dollar value be made to reflect the replacement cost of project assets, and (2) that compensation for a claim of loss under insurance of equity investment may be computed on the basis of the net book value attributable to such equity investment on the date of loss."; and

(2) by striking out the third sentence of subsection (f).

DEFINITIONS

SEC. 7. Section 238 of the Foreign Assistance Act of 1961 is amended in subsection (a), by inserting after "includes any contribution" the phrase "or commitment".

GENERAL PROVISIONS AND POWERS

SEC. 8. Section 239 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (d), by inserting after the last semicolon the following: "to collect or compromise any obligations assigned to or held by the Corporation including any legal or equitable rights accruing to the Corporation;";

(2) in subsection (e), by striking out in the first sentence thereof "shall have the responsibility for planning and directing the execution of audits" and inserting "may conduct"; and

(3) by striking out subsections (f), (j), and (k) and redesignating subsections (g), (h), (i), and (l) as subsections (f), (g), (h), and (i), respectively.

REPORTS

SEC. 9. Section 240A of the Foreign Assistance Act of 1961 as amended—

(1) by striking out the designation "(a)" applied to subsection (a);

(2) in subparagraph (1), by striking out "section 239(1)" and inserting "section 239(h)"; in subparagraph 2(A), by striking out "section 239(1)" and inserting "section 239(i)"; and

(3) by striking out subsection (b).

SECTION-BY-SECTION ANALYSIS

I. INTRODUCTION

The proposed Overseas Private Investment Corporation Act of 1981 (hereafter referred to as the Bill) amends the Foreign Assistance Act of 1961, as amended (hereafter referred to as the Act) in order to extend the authority of the Corporation to issue investment insurance and guaranties and to make certain changes in existing programs and policies.

II. PROVISIONS OF THE BILL

Section 1. Short title: This paragraph provides that the Bill may be cited as the "Overseas Private Investment Corporation Amendments Act of 1981."

Section 2. Creation, purpose and policy: This paragraph amends section 231 of the Act, which creates the Corporation and sets forth the purpose and policy of the Corporation, as follows:

(A) Subparagraph (2) encourages the Corporation to support projects which have positive trade benefits for the United States. By encouraging the Corporation to seek out and support such projects, the amendment emphasizes the role the Corporation has to play in the trade and export expansion efforts of the Government. However, this amendment will in no way denigrate the primary development purpose of the Corporation, since all projects supported by the Corporation will continue to meet the Corporation's development criteria and the Corporation's activities will be restricted to less developed countries.

(B) Subparagraph (3) provides that the Corporation will give preferential consideration to projects in countries with per capita incomes of $625 or less in 1978 dollars. This reflects the current eligibility limit for access to the World Bank's concessional assistance provided through the International Development Association. The amendment would also remove the restrictions on the operation of the activities of the Corporation in less developed countries with per capita incomes of $1,000 or more in 1975 United States dollars.

Section 3. Organization and management: This paragraph amends section 233 of the act, which sets forth the organization and management of the Corporation. It modifies section 233(b) of the act to reflect the increase in Board membership effected by the President's Reorganization Plan No. 3 of 1979. It also makes certain other organizational changes. Whereas the Reorganization Plan provided for the United States Trade Representative to be Vice Chairman of the Board, ex officio, this amendment would allow the United States Trade Representative to designate the Deputy United States Trade Representative to serve as Vice Chairman of the Board in place of the United States Trade Representative. Because of the increase in number of private sector directors from six to seven, the terms of no more than three such directors, rather than two directors under existing legislation, shall expire in any one year.

Section 4. Investment insurance and other programs: This paragraph amends section 234 of the act, which describes the programs the Corporation is authorized to operate, as follows:

(A) Subparagraph (1) extends the Corporation's authority to insure investments against loss from war, revolution, or insurrection to permit it to insure against loss from civil strife. This would permit coverage of losses resulting from strife which might not clearly amount to insurrection or revolution. This could serve to encourage investment in countries in which there are various manifestations of civil unrest such as terrorist activities, riots and other types of civil disruptions. In general, OPIC's intention would be to try to cover the gap that exists between OPIC's present coverage and traditional property insurance. Protection against loss due to civil strife has long been available to exporters from the Export-Import Bank. The amendment would make comparable coverage available to investors.

(B) Subparagraph (2) makes a technical change to subsection (a)(2) to provide that the Corporation, in issuing insurance on a multilateral basis, shall not assume liabilities disproportionate to the participation of U.S. eligible investors in the project. This amendment clears up ambiguity under the present legislation which appears to link the amount of liabilities which can be assumed by the Corporation to the total debt and equity financing without recognizing the various contractual participations eligible investors may have in a project.

(C) Subparagraphs (3) and (4) are technical changes clarifying that the amounts of maximum contingent liability of investment insurance and investment guaranties are set forth in section 235 of the act and not in section 234.

(D) Subparagraph (5) deletes the provision limiting the Corporation from entering into various direct underwriting insurance arrangements with private insurance companies and other entities. With this amendment, the Corporation would have broader authority to encourage the private insurance companies to underwrite political risks, so long as consistent with the purpose of the Corporation and on equitable terms.

(E) Subparagraph (6) deletes the $600 million annual reinsurance limit in section 234(f). This limit appears to have been enacted in 1974 so that the Corporation could not accomplish by reinsurance what Congress sought to be accomplished through direct underwriting participation with private insurers. With the repeal of the general privatization mandate of 1974, such a limit is no longer necessary. All reinsurance issued by the Corporation will continue to require that the reinsured party retain for its own account specified portions of liability, whether first loss or otherwise.

Section 5. Issuing authority, direct investment fund and reserves: This paragraph amends section 235 of the Act, which sets forth the issuing authority of the Corporation, as follows:

(A) Subparagraph (1) removes the proviso in subsection (a)(2) since it is restated as a separate subsection (a)(3). It also adds a provision conforming to current practice applicable to federal credit programs.

(B) Subparagraph (2) is a restatement of the proviso now found in section 235(a)(2) of the Act.

(C) Subparagraph (3) redesignates subsections (a)(3) and (a)(4) as subsections (a)(4) and (a)(5), respectively, as a result of restating the proviso in subsection (a)(2) as subsection (a)(3).

(D) Subparagraph (4) extends the authority of the Corporation to issue investment insurance and guaranties until September 30, 1985.

(E) Subparagraph (5) adds a provision conforming to current practice applicable to federal credit programs.

Section 6. General provisions relating to insurance and guaranty program: This paragraph amends section 237 of the Act, which describes general provisions relating to the insurance and guaranty programs, as follows:

(A) Subparagraph (1) restates the first sentence in subsection (f) in order to clarify that the Corporation may compute compensation on a claim related to an equity investment based upon net book value attributable to such equity investment. The existing provision could be interpreted to require a cumbersome and difficult procedure of tracing investment earnings with respect to an equity investment through a series of often complex stock transactions to the original shares of stock to which earnings on the original equity investment are attributable.

(B) Subparagraph (2) deletes the final sentence of subsection (f), which now makes an exception for the 10 percent co-insurance requirement when State law prohibits it. This is done since there is no applicable State law making such a prohibition.

Section 7. Definitions: This paragraph amends Section 238 of the Act, which defines certain phrases. It modifies section 238(a) of the Act to clarify that the definition of investment includes a commitment for which the investor can be held responsible, as well as actual contributions of the kinds enumerated.

Section 8. General provisions and powers: This paragraph amends section 239 of the Act, which describes the general provisions and powers of the Corporation, as follows:

(A) Subparagraph (1) adds a new provision in order to clarify that the Corporation is authorized to collect or compromise obligations. This authority was previously exercised under the general powers granted to the Corporation.

(B) Subparagraph (2) modifies that part of subsection (e) giving the Auditor-General of the Agency for International Development the responsibility to conduct audits of the Corporation. Since the Government Corporation Control Act requires the General Accounting Office to conduct an annual audit of the Corporation and transmit its findings to Congress, it is uneconomical to continue this duplicative function with the Auditor-General. However, the Auditor-General could continue to conduct reviews, investigations and inspections and have security oversight responsibility.

(C) Subparagraph (3) removes three subsections and redesignates the remaining subsections. Subsection (f) provided for an Advisory Committee for the Corporation. This subsection has been deleted as it has been rendered inoperative by the provisions of the Federal Advisory Committee Act, Public Law 92-463. Subsections (j) and (k), respectively, provided certain prohibitions against the Corporation's support of projects involving the exploration, mining, or other extraction of copper, and against the establishment or expansion of production or processing of palm oil, sugar or citrus crops. The provisions of these two subsections have been deleted as they are encompassed by the provisions of section 231(1) of the Act.

Section 9. Reports: This paragraph amends section 240A of the Act, providing for certain reports by the Corporation to Congress, as follows:

(A) Subparagraphs (1) and (2) are conforming changes necessitated by the redesignation of the subsections in section 239 and the deletion of subsection (b).

(B) Subparagraph (3) removes the requirement that the Corporation submit a report to the Congress, no later than September 30, 1980, on the development of private and multilateral programs for investment insurance since such requirement has been satisfied.

OVERSEAS PRIVATE
INVESTMENT CORPORATION,
April 3, 1981.

Hon. GEORGE H. BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting today a bill to authorize a four-year extension of the investment insurance and guaranty programs operated by the Overseas Private Investment Corporation ("OPIC") and to make certain changes in its existing programs and policies. The Administration believes that OPIC has played an important role in advancing U.S. foreign economic development policies and that its programs can be of greater value in the future.

The major change proposed by the Administration is to remove the restriction on OPIC's activities with respect to investment projects in developing countries that have per capital incomes of $1,000 or more in 1975 U.S. dollars. The removal of this restriction reflects the fact that there are still significant development needs in such countries. This change would not diminish OPIC's development role or its commitment to promote projects in the poorer developing countries, since all projects supported by OPIC would continue to be measured by OPIC's development criteria and OPIC would continue to give preferential consideration to projects in the poorer countries.

The Administration also seeks amendments which would (1) encourage OPIC to support those developmental projects which also have positive trade benefits for the United States, and (2) permit OPIC to insure against losses resulting from civil strife. The bill also proposes certain other changes of lesser significance which will improve OPIC programs.

I urge the early passage of the enclosed legislation.

The Office of Management and Budget has advised that there is no objection to the presentation of this proposal to the Congress and that its enactment would be in accord with the program of the President.

Sincerely yours,

GERALD T. WEST,
Acting President.●

By Mr. HUDDLESTON (for himself, Mr. FORD, and Mr. HEFLIN):

S. 994. A bill to provide price and income protection for farmers and assure consumers of an abundance of food and fiber at reasonable prices, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD AND AGRICULTURE ACT OF 1981

● Mr. HUDDLESTON. Mr. President, I am today introducing legislation to extend and revise the Food and Agriculture Act of 1977.

My bill would—

First, extend for 4 years, through the 1985 crop year, the basic price-support programs for wheat, feed grains, upland cotton, and rice, with adjustments in the loan and target price levels to reflect increased costs of production. The bill would also adjust the support rates for peanuts and soybeans to reflect adequately the increases in the costs of producing those commodities;

Second, extend for 4 years, through fiscal year 1985, the Food Stamp Act of 1977 with changes that would result in signficant savings. I intend to offer amendments during the committee markup to achieve further savings in the food stamp program, while assuring that needy recipients continue to receive the food assistance this program affords. I am committed to establishing a program that adequately provides for the food needs of our poorest citizens at the minimum cost to the taxpayer. But I am convinced that we need to examine ways of meeting those needs and curbing costs other than the ones outlined by the President;

Third, extend for 4 years, through fiscal year 1985, the Agricultural Trade Development and Assistance Act (Public Law 480); and

Fourth, extend the authorities in the 1977 act for the conduct of agriculutral research by the Federal Government with changes designed to improve and further this important endeavor.

My bill would continue programs in the 1977 act that have provided protection to American producers and consumers from the risks of inadequate returns and inadequate supplies. The risks to the producer and to the consumer are related. The consumer will not enjoy the benefits of a bountiful supply of food and fiber products if the producer faces financially deadly risks without some insurance against those risks.

The farm bill hearings conducted by the Committee on Agriculture, Nutrition, and Forestry this year have made it clear that our farmers are facing virtually unprecedented demands and problems. The farmer faces—among other adversities—record high interest rates, the ravages of drought, falling farm income, and dramatically higher fuel costs. We have seen the loss of farmland through soil erosion and encroaching urban development. We have seen that the producer is threatened by financial and natural forces every year. It is increasingly apparent that consumers must recognize that each of us in America—and throughout the world—has a stake in the farmer's survival.

Clearly, we cannot provide total protection to the farmer. Nor should we in a free market system. But, over the years, Federal price support programs have provided a degree of stability in uncertain markets and protection from prices far below the cost of production. These programs have assisted our farmers in providing a plentiful supply of food and fiber at reasonable prices to the consumers of the Nation and of the world.

The 1977 act encompasses the basic price support legislation for almost all of our major farm commodities; contains provisions for agricultural research, extension, rural development, and conservation; and contains the authorization for funding of the food stamp program.

In approving the Food and Agriculture Act of 1977, President Carter remarked that—

In the last 40 years there has never been such a far-reaching and important piece of legislation passed relating to American agriculture.

The programs contained in the 1977 act and prior acts have given farmers the encouragement to make investments and improve their farming operations. These investments and improvements have led to the most efficient farming operations in the history of the world. Food costs in the United States take a smaller proportion of disposable income than in any other country of the world. And farm exports, nearing $50 billion annually, pay for a major part of oil imports.

The legislative proposals submitted by the President run counter to the provisions of the 1977 act. The nearly unlimited discretionary authority requested by the President and OMB are an assault on farm program expenditures masked as economy measures. If enacted, the proposals could result in false and dangerous economies.

Several principles underlie the basic framework of the Food and Agriculture Act of 1977, which my bill would continue. These principles are:

First, sufficient return to the farmer to compensate for the risks inherent in production;

Second, ability to take advantage of the expanding market opportunities with a minimum of Government interference;

Third, protection of the interests of taxpayers and consumers;

Fourth, contribution to the overall strength of the Nation's economy;

Fifth, encouragement of family farm operations; and

Sixth, preservation of the soil and water production base of American agriculture consistent with sustained and high production.

I am not prepared to abandon these principles. I believe that the authority vested in Congress to oversee the interests of farmers and consumers should not be handed over to the Office of Management and Budget.

FARM PROGRAMS

The Food and Agriculture Act of 1977 laid the basis for a sound agricultural policy. The act authorizes programs of freedom and flexibility for farmers to produce the high quality product the consumer wants. Payments are made to farmers only when market prices fall below a target level based on costs of producing their crops, excluding land, When market prices are such that deficiency payments must be made, the payments result, of course, in the expenditure of tax dollars. The price and income protection of our Nation's farm programs are, in the strictest sense, an investment in the continuing ability of the farmers of this Nation to meet the food and fiber needs of consumers—at home and abroad. This investment in agriculture is one of the best investments we can make. A productive agriculture is essential in our fight against inflation and essential to the continued welfare of the Nation.

Under the bill I am introducing today, the 1982 target price for wheat would be $4.40 per bushel, for corn $2.75 per bushel, and for cotton 80 cents per pound. Minimum loan levels would be established at $3.70 per bushel for wheat, $2.50 per bushel for corn, and 55 cents per pound for cotton.

The Secretary of Agriculture would retain the authority to adjust the loan levels, within ranges established by the bill. The flexibility given to the Secretary of Agriculture to adjust these levels and to administratively adjust many aspects of these programs is essential if this Nation's farmers are to compete effectively in world markets. But that discretionary authority must be exercised only after careful consideration of all consequences of proposed action for this Nation's agricultural system and the consumer. And Congress retains the authority and responsibility for providing reasonable bounds to that discretion.

FOOD STAMPS

The Food and Agriculture Act of 1977 revised the Food Stamp Act of 1964 to improve the level of nutrition of all low-

income householders. The administration is proposing major changes in the food stamp program, with the intention of achieving substantial savings of tax dollars. I am convinced of the need for meaningful reform of the program. But I am not convinced that the administration's proposals would result in significant savings without reducing benefits for the truly needy. I believe that a great deal of taxpayer dollars can be saved through more effective administration of the food stamp program by the Department of Agriculture within the present framework of law.

The Department's announcement that it will shortly begin to prorate food stamp benefits for the month of application—that is, tie the benefit level during the month of application to the time of the month the household applies—is a step in the right direction. The change could result in fiscal year 1982 savings of $210 million.

My bill revises the procedure for calculating the cost of the thrifty food plan, revises the provisions under which household income is calculated for the purposes of food stamp program eligibility, requires a tough work registration system, and provides incentives for error reductions as well as food coupon accountability on the part of State agencies. These changes will result in significant savings in program outlays.

I emphasize that during our committee's markup of the legislation, I will carefully consider all proposals for curbing expenditures and likely offer amendments of my own.

SOIL AND WATER CONSERVATION

Conservation of the food, fiber, and forestry production base of this Nation is an integral part of our efforts to increase agricultural and forestry productivity. Natural resources are potentially the most limiting factors for future production capacity.

Through the Soil and Water Resources Conservation Act of 1977 (RCA), Congress directed the Department of Agriculture to develop a series of reports on conservation needs, and propose a comprehensive soil and water conservation program. Most of those reports and the conservation program are long overdue.

The reports and program proposals, required by the RCA, will form a sound basis for future congressional action on conservation matters. For this reason, I urge the administration to conclude the RCA process as soon as possible.

I believe the development of a comprehensive soil and water conservation program for the Nation is imperative. Legislation dealing with many conservation issues has been introduced in the Senate. However, before setting the Nation's conservation policy, it would be desirable if the RCA reports and recommendations are completed by the Department of Agriculture.

In the meantime, as the Committee on Agriculture, Nutrition, and Forestry considers specific conservation measures, I will actively participate in developing sound legislation based on the available information.

CONCLUSION

Mr. President, the bill that I am introducing today establishes an agricultural policy framework for the Nation for the next 4 years that is responsive to the needs of both farmers and consumers. It builds on the programs that have in the past worked to preserve and stabilize our agricultural production capacity and provide price and income protection for U.S. farmers.

My bill also makes necessary improvements in two very important programs of the Department of Agriculture, the food stamp program, and the agricultural research, extension, and teaching program.

Therefore, as we begin work in the Senate to shape the 1981 food and farm legislation, I urge my colleagues to give serious consideration to my proposals.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary of the major provisions of the Food and Agriculture Act of 1981, and the full text of the bill.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 994

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Food and Agriculture Act of 1981".

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Sec. 1512. Research, extension, and teaching at 1890 land-grant colleges, including Tuskegee Institute.
Sec. 1513. International agricultural research and extension.
Sec. 1514. Federal-State cooperation in the food and agricultural sciences.
Sec. 1515. Indirect costs.
Sec. 1516. Federal Subcommittee on Food and Renewable Resources.
Sec. 1517. Competitive and facility improvement grants.
Sec. 1518. Cooperative research at forestry schools.
Sec. 1519. Rural development and small farm research and extension.
Sec. 1520. Authorizations for appropriations for agricultural research, extension, and teaching.

TITLE XVI—EFFECTIVE DATE

Sec. 1601. Effective date.

TITLE I—PAYMENT LIMITATIONS FOR WHEAT, FEED GRAINS, UPLAND COTTON, AND RICE

SEC. 101. Notwithstanding any other provision of law—

(1) The total amount of payments (excluding disaster payments) that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 and the Agricultural Adjustment Act of 1938 for wheat, feed grains, upland cotton, and rice shall not exceed $50,000 for each of the 1982 through 1985 crops.

(2) Whenever disaster payments are made to persons for any of the 1982 through 1985 crops of wheat, feed grains, upland cotton, or rice under section 114 of the Agricultural Act of 1949, the total amount of disaster payments that a person shall be entitled to receive for crops harvested in any one of such years shall not exceed $100,000.

(3) The term "payments" as used in this section shall not include loans or purchases, or any part of any payment that is determined by the Secretary of Agriculture to represent compensation for resource adjustment (excluding land diversion payments) or public access for recreation.

(4) If the Secretary determines that the total amount of payments that will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(5) The Secretary shall issue regulations defining the term "person" and prescribing such rules as the Secretary determines necessary to assure a fair and reasonable application of such limitation. The rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970, under section 101 of the Agricultural Act of 1970.

(6) The provisions of this section that limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

TITLE II—DAIRY PROGRAM

DAIRY BASE PLANS

SEC. 201. (a) Section 210(e) of the Agricultural Act of 1970 (7 U.S.C. 608c note) is amended to read as follows:

"(e) The provisions of this section shall not be effective after December 31, 1985, except with respect to orders providing for class I base plans issued prior to such date, but in no event shall any order so issued extend or be effective beyond December 31, 1988.".

(b) The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendment made by subsection (a) of this section as it was prior thereto.

MILK PRICE SUPPORT

SEC. 202. Section 201(c) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)) is amended by striking out the second sentence and inserting in lieu thereof the following: "Notwithstanding the foregoing, effective for the period beginning October 1, 1981, and ending September 30, 1985, the price of milk for the marketing year beginning on October 1 of each year shall be supported at a level determined according to the following procedure: The Secretary shall estimate Government price support purchases (net of sales for unrestricted use) for each such marketing year using the amount of such purchases made during the most recent six-month period adjusted to an annual level on the basis of the most recent ten year experience. The Secretary shall adjust this estimate of net Government purchases to reflect the effect of current and expected availability of feed, feed prices, milk-feed price ratio, utility cow prices, dairy cow numbers, and dairy heifer replacement stocks on milk production during each such marketing year. After making this final estimate, the Secretary shall support the price of milk during each such marketing year at not less than the level indicated by the following schedule:

	The higher of anticipated annual rate of net Government purchases	
Price as percent of parity	Nonfat dry milk (million pounds)	Milk equivalent (butterfat basis) of butter and cheese (billion pounds)
75	more than 500	5.5 or more.
76	450-499.9	5.0-5.499.
77	400-449.9	4.5-4.999.
78	350-399.9	4.0-4.499.
79	300-349.9	3.5-3.999.
80	250-299.9	3.0-3.499.
81	200-249.9	2.5-2.999.
82	150-199.9	2.0-2.499.
83	100-149.9	1.5-1.999.
84	50-99.9	1.0-1.499.
85-90	less than 50	less than 1.0.

In no event shall the support price for each such marketing year be less than the dollar amount of the support price then currently in effect for milk. The Secretary shall notify, in writing, the chairman of the Senate Committee on Agriculture, Nutrition, and Forestry and the chairman of the House Committee on Agriculture of each new annual support level and the basis therefor, thirty days prior to the effective date of the new support level. Notwithstanding the foregoing, if during any such marketing year dairy product imports into the United States are increased as the result of a reduction or termination of import restraints established under section 22 of the Agricultural Adjustment Act of 1933, the support price for milk shall be redetermined by reducing the final estimate of net Government purchases by the milk equivalent of butterfat of dairy products or nonfat dry milk or its equivalent of other products derived from milk involved in the expansion of dairy product imports. The increased support price so determined shall become effective simultaneously with the announcement of the expansion of dairy product imports. A similar reduction in the net Government purchases for the marketing year in which the imports are entered into the United States shall be made when determining the support price level for subsequent years.".

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND VETERANS HOSPITALS

SEC. 203. Section 202 of the Agricultural Act of 1949 (7 U.S.C. 1446a) is amended by striking out "December 31, 1981" in subsections (a) and (b) and inserting in lieu thereof "December 31, 1985".

DAIRY INDEMNITY PROGRAM

SEC. 204. Section 3 of the Act of August 13, 1968 (82 Stat. 750, as amended; 7 U.S.C. 4501), is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1985".

TITLE III—WOOL AND MOHAIR

EXTENSION OF PRICE SUPPORT UNDER THE NATIONAL WOOL ACT OF 1954

SEC. 301. Section 703(a) of the National Wool Act of 1954 (7 U.S.C. 1782(a)) is amended by striking out "December 31, 1981" and inserting in lieu thereof "December 31, 1985".

SUPPORT PRICE FOR SHORN WOOL

SEC. 302. Section 103(b) of the National Wool Act of 1954 (7 U.S.C. 1782(b)) is amended by striking out "*Provided*" and all that follows down through the end of the sentence and inserting in lieu thereof the following: "*Provided*, That for the marketing years beginning January 1, 1982, and ending December 31, 1985, the support price for shorn wool shall be 85 per centum (rounded to the nearest full cent) of the amount calculated according to the foregoing formula".

TITLE IV—WHEAT

LOAN RATES AND TARGET PRICES FOR THE 1982 THROUGH 1985 CROPS

SEC. 401. Effective only for the 1982 through 1985 crops of wheat, the Agricultural Act of 1949 is amended to add subsections (a) through (c) to a new section 107B as follows:

"SEC. 107B. Notwithstanding any other provision of law—

"(a) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of wheat at such level, not lets than $3.70 per bushel nor in excess of 100 per centum of parity, as the Secretary determines will maintain wheat's competitive relationship to other grains in domestic and export markets: *Provided*, That if the Secretary determines that the average price of wheat received by producers in any marketing year is not more than 105 per centum of the level of loans and purchases for wheat for such marketing year, the Secretary may reduce the level of loans and purchases for wheat for the next marketing year by the amount that the Secretary determines is necessary to maintain domestic and export markets for grain, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below $3.00 per bushel.

"(b)(1) In addition, the Secretary shall make available to producers payments for each of the 1982 through 1985 crops of wheat in an amount determined by multiplying (A) the payment rate by (B) the farm program acreage for the crop by (C) the farm program payment yield for the crop.

"(2) The payment rate for a crop of wheat shall be the amount by which the higher of—

"(A) the national weighted average market price received by producers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(B) the loan level determined under subsection (a) of this section for such crop is less than the established price per bushel. The established price for wheat shall be $4.40 per bushel for the 1982 crop. For each of the 1983 through 1985 crops, the established price for wheat shall be the established price for the previous year's crop adjusted to reflect any change in (A) the average adjusted cost of producing wheat for the two crop years immediately preceding the year for which the determination is made from (B) the average adjusted cost of producing wheat for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of producing wheat for each of such years shall be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and shall be limited to (A) variable costs, (B) machinery ownership costs, and (C) general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(3) Notwithstanding the foregoing provisions of this subsection, if the Secretary adjusts the level of loans and purchases for wheat in accordance with the proviso in subsection (a) of this section, the Secretary shall provide emergency compensation by increasing the established price payments for wheat by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made. Any such increase in established price payments shall not be included in the payments subject to limitation under the provisions of section 101 of the Food and Agriculture Act of 1981.

"(4) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which a reduced yield disaster payment is made to the producer under section 114 of the Agricultural Act of 1949.

"(c) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.".

PROGRAM ACREAGES AND PAYMENT YIELDS; SET-ASIDE PROGRAM

SEC. 402. Effective only for the 1982 through 1985 crops of wheat, the Agricultural Act of 1949 is amended by adding subsections (d) through (i) to section 107B as follows:

"(d)(1) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of wheat. The proclamation shall be made not later than August 1 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines that it is necessary based on the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for wheat shall be the number of harvested acres that the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be used domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of wheat are excessive or that an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount that the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of wheat. The allocation factor for wheat shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop: *Provided*, That in no event shall the allocation factor for any crop of wheat be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of wheat shall be determined by multiplying the allocation factor by the acreage of wheat planted for harvest on the farms for which individual farm program acreages are required to be determined: *Provided*, That the wheat acreage eligible for payments shall not be further reduced by application of the allocation factor if the producers reduce the acreage of wheat planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the proclamation of the national program acreage made not later than August 1 prior to the year in which the crop is harvested. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of wheat planted for harvest is less than for the preceding year, but the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for wheat, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(e) The farm program payment yield for each crop of wheat shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for wheat was established for the farm for the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(f)(1) The Secretary shall provide for a set aside of cropland if the Secretary determines that the total supply of wheat will, in the absence of such a set aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. The Secretary shall announce any such set aside not later than August 1 prior to the year in which the crop is harvested. If a set aside of cropland is in effect under this subsection, then as a condition of eligibility for loans, purchases, and payments authorized under this section and disaster payments authorized under section 114 of this Act, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of wheat planted for harvest for the crop for which the set aside is in effect. The Secretary may limit the acreage planted to wheat. Such limitation shall be applied on a uniform basis to all wheat-producing farms. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, that will assure protection of such acreage from weeds and wind and water erosion; however, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the set-aside acreage to be devoted to sweet sorghum, hay, and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

"(2) The Secretary may make land diversion payments to producers of wheat, whether or not a set aside for wheat is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of wheat to desirable goals. Such land diversion payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(3) The set-aside acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation

measures, and topography, and such other factors as the Secretary deems necessary.

"(5) If the operator of the farm desires to participate in the program formulated under this subsection, the operator shall file an agreement to do so not later than such date as the Secretary may prescribe. Loans, purchases, and payments under this section and disaster payments under section 114 of this Act shall be made available to producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres that the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producers, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(g) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments under this section or disaster payments under section 114 of this Act, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(h) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized under this section through the Commodity Credit Corporation.".

NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS

SEC. 403. Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) shall not be applicable to wheat processed or exported during the period July 1, 1973, through May 31, 1986.

SUSPENSION OF MARKETING QUOTAS AND PRODUCER CERTIFICATE PROVISIONS

SEC. 404. Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331–1334, 1335, 1336, 1338, 1339, 1379b, and 1379c) shall not be applicable to the 1982 through 1985 crops of wheat.

FINALITY OF DETERMINATIONS

SEC. 405. Effective only for the 1982 through 1985 crops, section 385 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1385) is amended by amending the first sentence to read as follows: "The facts constituting the basis for any Soil Conservation Act payment, any payment under the wheat, feed grain, upland cotton, and rice programs authorized by the Agricultural Act of 1949 and this Act, any disaster payment under section 114 of the Agricultural Act of 1949, any loan, or price support operation, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.".

SUSPENSION OF QUOTA PROVISIONS

SEC. 406. Public Law 74, Seventy-seventh Congress (55 Stat. 203, as amended, 7 U.S.C. 1340) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1982 through 1985.

APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949

SEC. 407. Section 408(k) of the Agricultural Act of 1949 (7 U.S.C. 1428(k)), as added by the Agricultural Act of 1970 and effective for the 1971 through 1981 crops, shall be effective for the 1971 through 1981 crops, shall be effective for the 1982 through 1985 crops of wheat and feed grains.

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS FOR WHEAT AND FEED GRAINS

SEC. 408. Section 408 of the Food and Agriculture Act of 1977 (91 Stat. 927) is amended by striking out "1981" and inserting in lieu thereof "1985".

NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF WHEAT

SEC. 409. Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1982 through 1985 crops of wheat.

TITLE V—FEED GRAINS

LOAN RATES AND TARGET PRICES FOR THE 1982 THROUGH 1985 CROPS

SEC. 501. Effective only for the 1982 through 1985 crops of feed grains, the Agricultural Act of 1949 is amended by adding subsections (a) through (c) to a new section 105B as follows:

"SEC. 105B. Notwithstanding any other provision of law—

"(a)(1) The Secretary shall make available to producers loans and purchases for each of the 1932 through 1985 crops of corn at such level, not less than $2.50 per bushel, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States: *Provided*, That if the Secretary determines that the average price of corn received by producers in any marketing year is not more than 105 per centum of the level of loans and puchases for corn for such marketing year, the Secretary may reduce the level of loans and purchases for corn for the next marketing year by the amount that the Secretary determines is necessary to maintain domestic and export markets for grain, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below $2.25 per bushel.

"(2) The Secretary shall make available to producers loans and purchases on each of the 1982 through 1985 crops of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b) of this Act, and on each of the 1982 through 1985 crops of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

"(b)(1) In addition, the Secretary shall make available to producers payments for each of the 1982 through 1985 crops of corn, grain sorghums and, if designated by the Secretary, oats and barley, in an amount determined by multiplying (A) the payment rate by (B) the farm program acreage for the crop by (C) the farm program payment yield for the crop.

"(2) The payment rate for a crop of corn shall be the amount by which the higher of—

"(A) the national weighted average market price received by producers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(B) the loan level determined under subsection (a) of this section for such crop

is less than the established price per bushel. The established price for corn shall be $2.75 per bushel for the 1982 crop. For each of the 1983 through 1985 crops, the established price for corn shall be the established price for the previous year's crop adjusted to reflect any change in (A) the average adjusted cost of producing corn for the two crop years immediately preceding the year for which the determination is made from (B) the average adjusted cost of producing corn for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of producing corn for each of such years shall be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and shall be limited to (A) variable costs, (B) machinery ownership costs, and (C) general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(3) Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for corn in accordance with the proviso in subsection (a)(1) of this section, the Secretary shall provide emergency compensation by increasing the established price payments for corn by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made. Any such increase in established price payments shall not be included in the payments subject to limitation under the provisions of section 101 of the Food and Agriculture Act of 1981.

"(4) The payment rate for grain sorghums and, if designated by the Secretary, oats and barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

"(5) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this subsection shall be reduced by the quantity on which a reduced yield disaster payment is made to the producer for the crop under section 114 of the Agricultural Act of 1949.

"(c) The Secretary shall provide for the sharing of payments made under this section for any farm among producers on the farm on a fair and equitable basis.".

PROGRAM ACREAGES AND PAYMENT YIELDS; SET-ASIDE PROGRAM

SEC. 502. Effective only for the 1982 through 1985 crops of feed grains, the Agricultural Act of 1949 is amended by adding subsections (d) through (i) to section 105B as follows:

"(d)(1) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of feed grains. The proclamation shall be made not later than November 1 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for feed grains shall be the number of harvested acres that the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be used domestically and for export during the marketing year for such crop. If the Secretary determines that the carryover stocks of feed grains are excessive or that an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount that the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of feed grains. The allocation factor for feed grains

shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop: *Provided*, That in no event shall the allocation factor for any crop of feed grains be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains planted for harvest on the farms for which individual farm program acreages are required to be determined: *Provided*, That the feed grain acreage eligible for payments shall not be further reduced by application of the allocation factor if the producers reduce the acreage of feed grains planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the proclamation of the national program acreage made not later than November 1 prior to the year in which the crop is harvested. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of feed grains planted for harvest is less than for the preceding year, but the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for feed grains, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(e) The farm program payment yield for each crop of feed grains shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for feed grains was established for the farm for the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(f)(1) The Secretary shall provide for a set-aside of cropland if the Secretary determines that the total supply of feed grains will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. The Secretary shall announce any such set-aside not later than November 1 prior to the year in which the crop is harvested. If a set-aside of cropland is in effect under this subsection, then as a condition of eligibility for loans and purchases for feed grains, payments on corn, grain sorghums, and, if designated by the Secretary, barley and oats authorized under this section and disaster payments authorized under section 114 of this Act, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the feed grain acreage planted for harvest for the crop for which the set-aside is in effect. The Secretary may limit the acreage planted to feed grains. Such limitation shall be applied on a uniform basis to all feed grain-producing farms. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, that will assure protection of such acreage from weeds and wind and water erosion; however, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the set-aside acreage to be devoted to sweet sorghum, hay, and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(2) The Secretary may make land diversion payments to producers of feed grains, whether or not a set-aside for feed grains is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. Such land diversion payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses in acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be under taken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(3) The set-aside acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) The Secretary may make such adjustments in individual set-side acreages under this section as the Secretary determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and such other factors as the Secretary deems necessary.

"(5) If the operator of the farm desires to participate in the program formulated under this subsection, the operator shall file an agreement to do so not later than such date as the Secretary may prescribe. Loans, purchases, and payments under this section and disaster payments under section 114 of this Act shall be made available to producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres that the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producers, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(g) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments under this section or disaster payments under section 114 of this Act, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(h) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized under this section through the Commodity Credit Corporation.".

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 CROPS OF FEED GRAINS

SEC. 503. Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1982 through 1985 crops of feed grains.

TITLE VI—UPLAND COTTON BASE ACREAGE ALLOTMENTS; SUSPENS ON OF MARKETING QUOTAS; RELATED PROVISIONS

SEC. 601. Section 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342, 1343, 1344, 1345, 1346, and 1377) shall not be applicable to upland cotton of the 1982 through 1985 crops.

COTTON PRODUCTION INCENTIVES; LOAN RATE AND TARGET PRICE; SET-ASIDE PROGRAM

SEC. 602. Effective only for the 1982 through 1985 crops of upland cotton except as otherwise provided herein, section 103 of the Agricultural Act of 1949 (7 U.S.C. 1444) is amended by adding at the end thereof a new subsection (g) as follows:

"(g)(1) The Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than sixty days, make available for the 1982 through 1985 crops of upland cotton to cooperators nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States the smaller of (i) 85 per centum of the average price (weighted by market and month) of such quality of cotton as quoted in the designated United States spot markets during three years of the five-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, or (ii) 90 per centum of the average, for the fifteen-week period beginning July 1 of the year in which the loan level is announced, of the five lowest priced growths of the growths quoted for Strict Middling one and one-sixteenth inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between such average Northern Europe price quotation of such quality of cotton and the market quotations in the designated United States spot markets for Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9): *Provided*, That in no event shall such loan

level be less than 55 cents per pound. If for any crop the average Northern Europe price determined under clause (ii) of the first sentence of this paragraph is less than the average United States spot market price determined under clause (i) of the first sentence of this paragraph, the Secretary may, notwithstanding the foregoing provisions of this paragraph, increase the loan level to such level as the Secretary may deem appropriate, not in excess of the average United States spot market price determined under clause (i) of the first sentence of this paragraph. The loan level for any crop of cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective, and such level shall not thereafter be changed. Nonrecourse loans provided for in this subsection shall, upon request of the cooperator during the tenth month of the loan period for the cotton, be made available for an additional term of eight months: *Provided*, That such requeset to extend the loan period shall not be approved in a month when the average price of Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for the preceding month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six month period: *Provided further*, That whenever the Secretary determines that the average price of Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for a month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six months, notwithstanding any other provision of law, the President shall immediately establish and proclaim a special limited global import quota for upland cotton subject to the following conditions:

"(A) The amout of the special quota shall be equal to twenty-one days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available;

"(B) If a special quota has been established under this subsection during the preceding twelve months, the amount of the quota next established hereunder shall be the smaller of twenty-one days of domestic mill consumption calculated as set forth in clause (A) of this sentence or the amount required to increase the supply to 130 per centum of the demand;

"(C) As used in clause (B) of this sentence, the term 'supply' means, using the latest official data of the Bureau of the Census, the United States Department of Agriculture, and the United States Department of the Treasury, the carryover of upland cotton at the beginning of the marketing year (adjusted to four hundred and eighty-pound bales) in which the special quota is established, plus production of the current crop, plus imports to the latest date available during the marketing year, and the term 'demand' means the average seasonally adjusted annual rate of domestic mill consumption in the most recent three months for which data are available, plus the larger of average exports of upland cotton during the preceding six marketing years or cumulative exports of upland cotton, plus outstanding export sales for the marketing year in which the quota is established;

"(D) When a special quota is established under the provisions of this subsection, a ninety-day period from the effective date of the proclamation shall be allowed for entering cotton under such quota;

"(E) Notwithstanding any other provision of law, upland cotton imported under a special quota established under the provisions of this subsection shall not be subject to import duties.

"(2) Notwithstanding the foregoing provisions of this subsection, a special quota period shall not be established that overlaps an existing special quota period.

"(3) Notwithstanding any other provision of law, the foregoing provisions of this subsection with respect to extension of the loan period and the proclamation of the special quota shall become effective upon the effective date of the Food and Agriculture Act of 1981 even though the cotton may be of a crop prior to the 1982 crop.

"(4)(A) In addition, the Secretary shall make available to producers on each farm payments for each of the 1982 through 1985 crops of upland cotton in an amount determined by multiplying the (i) payment rate by (ii) the farm program acreage for the crop, determined under paragraph (8) of this subsection, by (iii) the farm program payments yield for the crop, as determined under paragraph (9) of this subsection.

"(B) The payment rate for a crop of upland cotton shall be the amount by which the higher of—

"(i) the average market price received by farmers for upland cotton during the calendar year that includes the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under paragraph (1) of this subsection for such crop

is less than the established price per pound. The established price for upland cotton shall be $.80 per pound for the 1982 crop. For each of the 1982 through 1985 crops, the established price for upland cotton shall be the established price for the previous year's crop adjusted to reflect any change in (i) the average adjusted cost of producing upland cotton for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of producing upland cotton for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of producing upland cotton for each of such years shall be determined by the Secretary on the basis of the normal historical yield nationally, as determined by the Secretary, and on the basis of such information as the Secretary finds necessary and appropriate for the purpose and shall be limited to (i) variable costs, (ii) machinery ownership costs, and (iii) general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(C) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any reduced yield disaster payment is made to the producer for the crop under section 114 of the Agricultural Act of 1949.

"(5) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

"(6) The Secretary shall establish for each of the 1982 through 1985 crops of upland cotton a national program acreage. Such national program acreage shall be announced by the Secretary not later than November 1 of the calendar year preceding the year for which such acreage is established. The Secretary may revise the national program acreage first announced for any crop for the purpose of determining the allocation factor under paragraph (7) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall announce such revised national program acreage as soon as it is made. The national program acreage for upland cotton shall be the number of harvested acres that the Secretary determines (on the basis of the estimated weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be used domestically and for export during the marketing year for such crop. The national program acreage shall be subject to such adjustment as the Secretary determines necessary, taking into consideration the estimated carryover supply, so as to provide for an adequate but not excessive total supply of cotton for the marketing year for the crop for which such national program acreage is established. In no event shall the national program acreage be less than 10 million acres.

"(7) The Secretary shall determine a program allocation factor for each crop of upland cotton. The allocation factor (not to exceed 100 per centum) shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop.

"(8) The individual farm program acreage for each crop of upland cotton shall be determined by multiplying the allocation factor by the acreage of upland cotton planted for harvest on the farms for which individual farm program acreages are required to be determined: *Provided*, That the upland cotton acreage eligible for payment on a farm shall not be further reduced by application of the allocation factor if the producers reduce the acreage of upland cotton planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the announcement of the national program acreage made not later than November 1 of the calendar year preceding the year for which such acreage is established. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of upland cotton planted for harvest is less than for the preceding year, but the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(9) The farm program payment yield for each crop of upland cotton shall be determined on the basis of the actual yields per harvested acre on the farm for the preceding three years: *Provided*, That the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster, or other condition beyond the control of the producers. If farm yield data for one or more years are unavailable or there was no production, the Secretary shall provide for appraisals to be made on the basis of actual yields and program payment yields for similar farms in the area for which data are available. Notwithstanding the foregoing provisions of this paragraph, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this paragraph. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop involved. If national, State, or county program payment yields are established, the farm program payment

yields shall balance to the national, State, or county program payment yields.

"(10)(A). The Secretary shall provide for a set-aside of cropland if the Secretary determines that the total supply of upland cotton will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph, then as a condition of eligibility for loans, purchases, and payments on upland cotton authorized under this subsection and disaster payments authorized under section 114 of this Act, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary (but not to exceed 28 per centum), of the acreage of upland cotton planted for harvest for the crop for which a set-aside is in effect. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, that will assure protection of such acreage from weeds and wind and water erosion; however, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the set-aside acreage to be devoted to sweet sorghum, hay, and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income. The Secretary may limit the acreage planted to upland cotton. Such limitation shall be applied on a uniform basis to all upland cotton-producing farms. Producers on a farm who knowingly plant upland cotton in excess of the permitted upland cotton acreage for the farm shall be ineligible for upland cotton loans or payments with respect to that farm or disaster payments under section 114 of this Act.

"(B) The Secretary may make land diversion payments to producers of upland cotton, whether or not a set-aside for upland cotton is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. Such land diversion payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not affect adversely the economy of the county or local community.

"(C) The set-aside acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(11) If the operator of the farm desires to participate in the program formulated under this subsection, the operator shall file an agreement to do so not later than such date as the Secretary may prescribe. Loans, purchases, and payments under this subsection and disaster payments under section 114 of this Act shall be made available to the producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres that the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producers, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(12) The Secretary shall provide adequate safeguards to protect the interest of tenants and sharecroppers.

"(13) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans, purchases, and payments under this section or disaster payments under section 114 of this Act, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(14) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of the subsection.

"(15) The Secretary shall carry out the program authorized under this subsection through the Commodity Credit Corporation.

"(16) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.".

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

SEC. 603. Section 603 of the Food and Agriculture Act of 1977 (91 Stat. 939) is amended by striking out "July 31, 1982" and inserting in lieu thereof "July 31, 1986".

MISCELLANEOUS COTTON PROVISIONS

SEC. 604. (a) Section 408(b) of the Agricultural Act of 1949 (7 U.S.C. 1428(b)) is amended by inserting immediately before the period at the end of the first sentence a colon and the following: *"Provided further,* That for the 1982 through 1985 crops of upland cotton, a cooperator shall be a producer on a farm who has set aside the acreage required under section 103(g)".

(b) Section 408(l) of the Agricultural Act of 1949 (7 U.S.C. 1428(l)), as added by the Agricultural Act of 1970 and effective in the 1971 through 1981 crops, shall be effective for the 1982 through 1985 crops of upland cotton.

(c) Section 103(a) (7 U.S.C. 1444(a)) and 203 (7 U.S.C. 1446d) of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops.

SKIPROW PRACTICES

SEC. 605. Section 374(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1374 (a)) is amended by striking out "1981" in the last sentence and inserting in lieu thereof "1985".

PRELIMINARY ALLOTMENTS FOR 1986 CROP OF UPLAND COTTON

SEC. 606. Notwithstanding any other provision of law, the permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for any underplantings in 1977 and reconstituted as provided in section 379 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379), shall again become effective as preliminary allotments for the 1986 crop.

TITLE VII—RICE

LOAN RATES AND TARGET PRICES FOR THE 1982 THROUGH 1985 CROPS

SEC. 701. Effective only for the 1982 through 1985 crops of rice, section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) is amended to add paragraphs (1) through (4) to new subsection (i) as follows:

"(i) Notwithstanding any other provision of law—"(1) For the 1982 crop of rice, the established price for the purpose of making payments under this subsection shall be $11.01 per hundredweight of rice. For each of the 1983 through 1985 crops of rice, the established price shall be the established price for the previous year's crop adjusted to reflect any change in (A) the average adjusted cost of producing rice for the two crop years immediately preceding the year for which the determination is made from (B) the average adjusted cost of producing rice for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of producing rice for each of such years shall be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and shall be limited to (A) variable costs, (B) machinery ownership costs, and (C) farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(2) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of rice at such level as bears the same ratio to the loan level for the preceding year's crop as the established price for each such crop bears to the established price for the preceding year's crop. If the Secretary determines that loans and purchases at the foregoing level for any of the 1982 through 1985 crops would substantially discourage the exportation of rice and result in excessive stocks of rice in the United States, the Secretary may, notwithstanding the foregoing provisions of this paragraph, establish loans and purchases for such crop or crops at such level, not less than $8.26 per hundredweight nor more than the parity price thereof, as the Secretary determines necessary to avoid such consequences.

"(3)(A) In addition, the Secretary shall make available to producers payments for each of the 1982 through 1985 crops of rice in an amount determined by multiplying (i) the payment rate by (ii) the farm program acreage for the crop by (iii) the farm program payment yield for the crop. The payment rate for a crop of rice shall be the amount by which the established price for the crop of rice exceeds the higher of—

"(i) the national average market price received by producers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under paragraph (2) of this subsection for such crop.

"(B) the total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any reduced yield disaster payment is made to the producer under section 114 of this Act.

"(4) The Secretary shall provide for the sharing of payments made under this sub-

section for any farm among the producers on the farm on a fair and equitable basis.".

PROGRAM ACREAGES AND PAYMENT YIELDS: SET-ASIDE PROGRAM

SEC. 702. Effective only for the 1982 through 1985 crops of rice, section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) is amended by adding paragraphs (5) through (12) to subsection (i) as follows:

"(5)(A) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of rice. The proclamation shall be made not later than December 31 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop for the purpose of determining the allocation factor under subparagraph (B) of this paragraph if the Secretary determines that it is necessary based on the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for rice shall be the number of harvested acres that the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be used domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of rice are excessive or that an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount that the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(B) The Secretary shall determine a program allocation factor for each crop of rice. The allocation factor for rice shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop: *Provided*, That in no event shall the allocation factor for any crop of rice be more than 100 per centum nor less than 80 per centum.

"(C) The individual farm program acreage for each crop of rice shall be determined by multiplying the allocation factor by the acreage of rice planted for harvest on the farms for which individual farm program acreages are required to be determined: *Provided*, That the rice acreage eligible for payments shall not be further reduced by application of the allocation factor if the producers reduce the acreage of rice planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the proclamation of the national program acreage made not later than December 31 prior to the year in which the crop is harvested. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of rice planted for harvest is less than for the preceding year, but the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation for rice, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this subparagraph.

"(6) The farm program payment yield for each crop of rice shall be determined on the basis of the actual yields per harvested acre for the three preceding crops: *Provided*, That the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster, or other condition beyond the control of the producer. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(7)(A) The Secretary shall provide for a set-aside of cropland if the Secretary determines that the total supply of rice will, in the absence of such set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph, then as a condition of eligibility for loans, purchases, and payments authorized under this subsection and disaster payments authorized under section 114 of this Act, the producers on a farm must set-aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of rice planted for harvest for the crop for which the set-aside is in effect. The Secretary may limit the acreage planted to rice. Such limitation shall be applied on a uniform basis to all rice-producing farms. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, that will assure protection of such acreage from weeds and wind and water erosion; however, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the set-aside acreage to be devoted to sweet sorghum, hay, and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(B) The Secretary may make land diversion payments to producers, whether or not a set-aside for rice is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of rice to desirable goals. Such land diversion payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(C) The set-aside acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(D) If the operator of the farm desires to participate in the program formulated under this paragraph, the operator shall file an agreement to do so not later than such date as the Secretary may prescribe. Loans, purchases, and payments under this subsection and disaster payments under section 114 of this Act shall be made available to producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres that the operator of the farm agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producers on the farm, terminate or modify any such agreement entered into under this paragraph if the Secretary determines such action necessary because of any emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of rice.

"(8) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(9) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans, purchases, and payments under this subsection or disaster payments under section 114 of this Act, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(10) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(11) The Secretary shall carry out the program authorized under this subsection through the Commodity Credit Corporation.

"(12) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.".

SUSPENSION OF ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND OTHER PROVISIONS

SEC. 703. Sections 351, 352, 353, 354, 355, 356, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1351–1356, 1377) shall not be applicable to the 1982 through 1985 crops of rice.

CONFORMING AMENDMENT

SEC. 704. Section 408(m) of the Agricultural Act of 1949 (7 U.S.C. 1428(m)), as added by section 304 of the Rice Production Act of 1975 and amended and made effective for the 1976 through 1981 crops of rice by section 705 of the Food and Agriculture Act of 1977, shall be effective for the 1982 through 1985 crops of rice.

TITLE VIII—PEANUTS

ANNUAL MARKETING QUOTA AND STATE ACREAGE ALLOTMENT

SEC. 801. (a) Sections 358(a) and 358(e) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358(a) and 1358(e)) shall not be applicable to the 1982 through 1985 crops of peanuts.

(b) Section 801(b) of the Food and Agriculture Act of 1977 (91 Stat. 944) is amended by striking out "1981" and inserting in lieu thereof "1985".

NATIONAL ACREAGE ALLOTMENT; NATIONAL POUNDAGE QUOTA; FARM POUNDAGE QUOTA; AND DEFINITIONS

SEC. 802. Sections 358(k) through 358(p) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358(k)–1358(p)), as added by section 802 of the Food and Agriculture Act of 1977 to be effective for the 1978 through 1981 crops of peanuts, shall be effective for the 1982 through 1985 crops with the following amendments:

(1) Section 358(l) is amended by striking out "and 1981, 1,440,000 tons" in the first sentence and inserting in lieu thereof the following: "and for each of the marketing years 1981 through 1985, 1,440,000 tons"; and

(2) Section 358(m) is amended by striking out "1973 through 1977" and inserting in lieu thereof "1977 through 1981".

SALE, LEASE, AND TRANSFER OF ACREAGE ALLOTMENTS

SEC. 803. Section 803 of the Food and Agriculture Act of 1977 (91 Stat. 946) is amended by striking out "1981" and inserting in lieu thereof "1985".

MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS

SEC. 804. Section 804 of the Food and Agriculture Act of 1977 (91 Stat. 946) is amended by striking out "1981" and inserting in lieu thereof "1985".

REPORTS AND RECORDS

SEC. 805. Section 805 of the Food and Agriculture Act of 1977 (91 Stat. 947) is amended by striking out "1981" and inserting in lieu thereof "1985".

PRESERVATION OF UNUSED ALLOTMENTS

SEC. 806. Section 806 of the Food and Agriculture Act of 1977 (91 Stat. 947) is amended by striking out "1981" and inserting in lieu thereof "1985".

PRICE SUPPORT PROGRAM FOR THE 1982 THROUGH 1985 CROPS

SEC. 807. Effective only for the 1982 through 1985 crops of peanuts, the Agricultural Act of 1949 is amended by inserting immediately after section 108 a new section 108A as follows:

"SEC. 108A. Notwithstanding any other provision of law—

"(a) The Secretary shall make price support available to producers through loans, purchases, or other operations on quota peanuts for each of the 1982 through 1985 crops at such levels as the Secretary finds appropriate, taking into consideration the eight factors specified in section 401(b) of this Act and any change in the index of prices paid by farmers for production items, interest, taxes and wage rates during the period beginning January 1 and ending December 31 of the calender year immediately preceding the marketing year for which the level of support is being determined, but not less than $650 per ton. The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage; *Provided*, That the Secretary may make adjustments for location of peanuts and such other adjustments as are authorized under section 403 of this Act.

"(b) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1982 through 1985 crops. In determining support levels, the Secretary shall take into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets. The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for which the level of support is being determined.

"(c)(1) In carrying out subsections (a) and (b) of this section, the Secretary may make warehouse storage loans available in each of the three producing areas (described in 7 CFR sec. 1446.4 (1977)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting such loan activities. Such associations may be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938. Such loans shall include, in addition to the price support value of the peanuts, such costs as such association reasonably may incur in carrying out such responsibilities in its operations and activities under this section and section 359 of the Agricultural Adjustment Act of 1938.

"(2) The Secretary may require that each such association establish pools and maintain complete and accurate records by type for quota peanuts handled under loans and for additional peanuts produced without a contract between handler and producer described in section 359(1) of the Agricultural Adjustment Act of 1938. Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed in proportion to the value of the peanuts placed in the pool by each grower. Net gains for peanuts in each pool shall consist of (A) for quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from the pool for additional peanuts to the extent of the net gains from the sale for domestic food and related uses of additional peanuts in the pool for additional peanuts equal to any loss on disposition of all peanuts in the pool for quota peanuts and (B) for additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (A) of this sentence. Notwithstanding any other provision of this subsection, any distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by such grower.".

TITLE IX—SOYBEANS

SEC. 901. Effective only with respect to the 1982 through 1985 crops of soybeans, section 201 of the Agricultural Act of 1949 (U.S.C. 1446) is amended by—

(1) in the first sentence, inserting "soybeans," after "tung nuts,"; and

(2) adding at the end thereof a new subsection (g) to read as follows:

"(g) The price of each of the 1982 through 1985 crops of soybeans shall be supported through loans and purchases at such level as the Secretary determines appropriate in relation to competing commodities and taking into consideration domestic and foreign supply and demand factors: *Provided*, That the minimum level of price support for any such crop of soybeans shall be $5.44 per bushel: *Provided further*, That, notwithstanding the provisions of section 1102 of the Food and Agriculture Act of 1981, the Secretary shall not require a set-aside of soybean acreage as a condition of eligibility for price support for any commodity supported under the provisions of this Act.".

TITLE X—SUGAR

SEC. 1001. Effective only with respect to the 1982 through 1985 crops of sugar beets and sugarcane, section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended by—

(1) in the first sentence, striking out "honey, and milk" and inserting in lieu thereof "honey, milk, sugar beets, and sugarcane"; and

(2) adding at the end thereof a new subsection (h) as follows:

"(h) The price of each of the 1982 through 1985 crops of sugar beets and sugarcane, respectively, shall be supported through loans and purchases with respect to the processed products thereof at such levels as the Secretary determines adequate to assure the maintenance of the sugar production capacity of the United States.".

TITLE XI—MISCELLANEOUS

STANDBY AUTHORITY FOR DISASTER PAYMENTS

SEC. 1101. Effective only for the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice, title I of the Agricultural Act of 1949 is amended by adding at the end thereof a new section 114 as follows:

"SEC. 114. Notwithstanding any other provision of law—

"(a) Effective only for the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice, the Secretary may make disaster payments for any such crop to producers participating in the program for any such commodity under this Act and the Agricultural Act of 1938 whenever the Secretary determines that—

"(1) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on farms have suffered substantial losses of production either from being prevented from planting a nonconserving crop on the farm program acreage or from reduced yields on such acreage, and that such losses have created an economic emergency for the producers; and

"(2) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses together are insufficient to alleviate such economic emergency; and

"(3) additional assistance must be made available to such producers to alleviate the economic emergency.

"(b) Subject to the provisions of subsection (a) of this section, the Secretary shall make available under this section on any of the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice, prevented planting disaster payments, reduced yield disaster payments, or both, as follows:

"(1) If the Secretary determines that producers of wheat, feed grains, upland cotton, or rice on a farm are prevented from planting any portion of the acreage intended for the commodity to the commodity or to other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make prevented planting disaster payments to the producers on the number of acres so affected but not to exceed the acreage planted to the commodity for harvest (including acreage that the producers were prevented from planting to the commodity because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the commodity.

"(2) If the Secretary determines that, because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat, feed grains, upland cotton, or rice that the producers of any such commodity are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop (75 per centum in the case of upland cotton and rice) by the acreage planted for harvest for such crop, the Secretary shall make reduced yield disaster payments to producers of wheat and feed grains at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop, and to producers of upland cotton and rice at a rate equal to 33⅓ per centum of the established price for the crop for the deficiency in production below 75 per centum for the crop.

"(c) The Secretary may make such adjustments in the amount of payments made available under subsection (b) of this section

with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(e) The Secretary shall carry out the program authorized under this section through the Commodity Credit Corporation.".

SET-ASIDE OF NORMALLY-PLANTED ACREAGE

SEC. 1102. Notwithstanding any other provision of law—

(a) Whenever a set-aside is in effect for one or more of the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice, the Secretary of Agriculture may require, as a condition of eligibility for loans, purchases, and payments under the Agricultural Act of 1949, that the acreage normally planted to crops designated by the Secretary shall be reduced by the acreage of set-aside or diversion. The Secretary shall determine the normal crop acreage for a farm on the basis of the acreage planted for harvest during the most recent three-year period, adjusted by the Secretary so as to be fair and equitable among producers.

(b) Whenever a set-aside is in effect for one or more of the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice, the Secretary may increase the established price for any such commodity by the amount the Secretary determines appropriate to compensate producers for participation in such set-aside. In determining the amount of any such increase, the Secretary shall take into account changes in the cost of production resulting from participation in the set-aside involved. If the established price is increased for any commodity for which a set-aside is in effect, the Secretary may increase the established price for any other commodity in such amount as the Secretary determines necessary for the effective operation of the program. The Secretary shall adjust any increase in the established price to reflect, in whole or in part, any land diversion payments for the crop for which an increase is determined.

FARM STORAGE FACILITY LOANS

SEC. 1103. Section 1104 of the Food and Agriculture Act of 1977 (91 Stat. 954, as amended) is amended by striking out "September 30, 1981," both places that date appears therein and inserting in lieu thereof "September 30, 1985".

FARMER-HELD RESERVE

SEC. 1104. Effective beginning with the 1982 crops of wheat and feed grains, the first sentence of section 110(b) of the Agricultural Act of 1949 (7 U.S.C. 1445e(b)) is amended by striking out *"Provided,* That" and all that follows down through the end of the sentence and inserting in lieu thereof the following: *"Provided,* That the Secretary may make available price-support loans under the producer storage program at levels above such level of support, but not in excess of 120 percent of such level of support, to producers of each of the 1982 through 1985 crops of wheat and feed grains whenever the Secretary determines that such increased level of support is necessary to encourage sufficient participation in the producer storage program to adequately promote the orderly marketing of such commodities when such commodities are in abundant supply.".

TITLE XII—PUBLIC LAW 480

MARKET DEVELOPMENT UNDER PUBLIC LAW 480

SEC. 1201. The second sentence of section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732) is amended by striking out "domestic wine or beer industry" and inserting in lieu thereof "domestic wine, beer, or distilled spirits industry".

EXTENSION OF PUBLIC LAW 480 PROGRAMS

SEC. 1202. Section 409 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736c) is amended by striking out "1981" and inserting in lieu thereof "1985".

TITLE XIII—FOOD STAMP AND COMMODITY DISTRIBUTION PROGRAMS

AMENDMENTS TO THE DEFINITION OF "THRIFTY FOOD PLAN"

SEC. 1301. The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended by—

(1) amending clause (2) to read as follows: "(2) make cost adjustments in the thrifty food plan for Hawaii, the urban areas of Alaska, and the rural areas of Alaska to reflect the cost of food in Hawaii and such areas of Alaska,";

(2) in clause (4)—

(A) striking out "through January 1, 1980,", "and July 1", and "and March 31, respectively"; and

(B) striking out "six" and inserting in lieu thereof "twelve"; and

(3) striking out clauses (5) and (6) and inserting a period at the end of clause (4).

DEDUCTIONS ALLOWED IN THE COMPUTATION OF HOUSEHOLD INCOME

SEC. 1302. (a) Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by—

(1) in the second sentence—

(A) inserting "and every January 1 thereafter," after "January 1, 1981,"; and

(B) striking out the semicolon immediately after "September 30" the second time that date appears, and all that follows down through the end of the sentence;

(2) in clause (2) of the fourth sentence, striking out all that follows "on January 1, 1982," down through the end of the clause and inserting in lieu thereof the following: "and every January 1 thereafter, adjusted to the nearest $5 to reflect such changes for the twelve months ending the preceding September 30,"; and

(3) adding at the end thereof a new sentence as follows: "Households shall not be entitled to dependent care, excess shelter expense, or medical deductions for expenses that are paid on behalf of a household by a third party.".

(b) Sections 104 and 105(2) of Public Law 96-249 (94 Stat. 358) are hereby repealed.

ELIGIBILITY FOR PARTICIPATION—WORK REGISTRATION

SEC. 1303. Section 6(d)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(1)) is amended by striking out "six" in clause (1) and inserting in lieu thereof "twelve".

LIABILITY OF STATES FOR CERTAIN LOSSES RELATING TO FOOD STAMP COUPONS

SEC. 1304. Section 7(f) of the Food Stamp Act of 1977 (7 U.S.C. 2016(f)) is amended to read as follows:

"(f) Notwithstanding any other provision of this Act, the State agency shall be strictly liable to the Secretary for any financial losses involved in the acceptance, storage, or issuance of coupons, except that, in the case of loss resulting from the issuance or replacement of authorizations for coupons or replacement of allotments, the State agency shall be liable to the Secretary for losses that sound management can prevent, as prescribed in regulations promulgated by the Secretary.".

USE OF CIVIL MONEY PENALTIES TO INCREASE ENFORCEMENT ACTIONS

SEC. 1305. Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end thereof the following new sentence: "Sums collected as civil money penalties under this section shall be deposited in a special revolving fund, which shall be available without fiscal year limitations for use by the Secretary to finance actions to secure compliance with the provisions of this Act through efforts to reduce improper food stamp use and fraud.".

INCENTIVES FOR ERROR REDUCTION EFFORTS; PLANS FOR CORRECTIVE ACTION TO REDUCE ERRORS

SEC. 1306. Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by—

(1) in clause (4) of the first sentence of subsection (c), inserting immediately after "25 per centum" a comma and the following: "and, effective October 1, 1981, that also meets the standard contained in paragraph (1)(B) of this subsection"; and

(2) in subsection (d)—

(A) striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1981"; and

(B) striking out "subsection (c)" and inserting in lieu thereof "subsection (c)(2)".

FUNDING FOR THE FOOD STAMP PROGRAM

SEC. 1307. Section 18 of the Food Stamp Act of 1977 (7 U.S.C. 2027) is amended by—

(1) in subsection (a)(1), striking out "and not in excess of $9,739,276,000 for the fiscal year ending September 30, 1981" in the first sentence and inserting in lieu thereof the following: "and such sums as may be necessary for the fiscal year ending September 30, 1981, and following fiscal years up to and including the fiscal year ending September 30, 1985"; and

(2) adding at the end thereof a new subsection (e) as follows:

"(e) Funds collected from claims against households or State agencies, including claims collected under the provisions of sections 7(f), 11(h), and 16(g) of this Act, claims resulting from resolution of audit findings, and claims collected from households receive overissuances, shall be credited to the food stamp program appropriation account for the fiscal year in which the collection occurs. Funds provided to State agencies under section 16(c) of this Act shall be paid from the appropriation account for the fiscal year in which the funds are provided.".

EXTENSION OF THE COMMODITY DISTRIBUTION PROGRAMS; PENALTIES FOR CONVERSION

SEC. 1308. Section 4 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by—

(1) in subsection (a), striking out "1978, 1979, 1980, and 1981" and inserting in lieu thereof "1978 through 1985"; and

(2) adding at the end thereof a new subsection (d) as follows:

"(d) Whoever embezzles, willfully misapplies, steals, or obtains by fraud any agricultural commodities or their products (or any funds, assets, or property deriving from donation of such commodities) provided under this section or under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), or section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a-1), whether received directly or indirectly from the United States Department of Agriculture, or whoever receives, conceals, or retains such commodities, products, funds, assets, or property to the person's own use or gain knowing such commodities, products, funds, assets, or property have been embezzled, willfully misapplied, stolen or obtained by fraud shall, if such commodities, products, funds, assets, or property are of a value of $100 or more, be fined not more than $10,000 or imprisoned not more than five years, or both, or shall, if such commodities, products, funds, assets, or property are of a value of less than $100, be fined not more than $1,000 or imprisoned for not more than one year, or both.".

AMENDMENTS TO THE AUTHORITY FOR THE COMMODITY SUPPLEMENTAL FOOD PROGRAM

SEC. 1309. Section 5(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended to read as follows:

"SEC. 5. (a) In carrying out the supplemental feeding program (hereinafter referred to as the 'commodity supplemental food program') to which reference is made in section 4 of this Act, the Secretary of Agriculture shall provide to State agencies administering through 1985, funds appropriated from the program, for each of the fiscal years 1982 general fund of the Treasury in amounts equal to the administrative costs of State and local agencies in operating the program, except that the funds provided to State agencies each fiscal year may not exceed 15 per centum of the amount appropriated for the provision of commodities to State agencies under the program for that fiscal year.".

TITLE XIV—MULTIYEAR SET-ASIDE

SEC. 1401. Section 1005 of the Agricultural Act of 1970 (16 U.S.C. 1505) is amended by—

(1) striking out "1981" in the first sentence and inserting in lieu thereof "1985"; and

(2) striking out "1982" in the second sentence and inserting in lieu thereof "1986".

TITLE XV—FOOD AND AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING

AMENDMENTS TO SUBTITLE A OF THE NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

SEC. 1501. (a) Section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 1301) is amended to read as follows:

"FINDINGS

"SEC. 1402. Congress finds that—

"(1) the Federal Government of the United States has provided funding support for agricultural research, extension, and teaching for many years to promote and protect the general health and welfare of the people of the United States, and this support has contributed significantly to the development of the Nation's agricultural system;

"(2) a unique partnership arrangement exists in agricultural research, extension, and teaching between the Federal government and the governments of the several States whereby the States have accepted and supported, through legislation and appropriations, programs of agricultural research, extension, and teaching under Federal legislation;

"(3) the existing agricultural research, extension, and teaching system, consisting of the Federal Government, the land-grant colleges and universities, other colleges and universities engaged in agricultural research, extension services, agricultural experiment stations, and the private sector constitute an essential national resource that must serve as the foundation for any further strengthening of agricultural research, extension, and teaching in the United States;

"(4) the partnership in publicly supported agricultural research, extension, and teaching involving the programs of the Federal Government and the programs of the States has played a major role in the outstanding successes achieved in meeting the varied needs of United States agriculture, and must be preserved and enhanced;

"(5) Federal funding levels for agricultural research, extension, and teaching have not been commensurate with the need for technological progress stemming from changes in the United States agriculture and the world food and agricultural situation.

"(6) expanded agricultural research, extension, and teaching are needed to meet the rising demand for food, fiber, and energy caused by increases in worldwide population, increases in the cost of energy, and food shortages due to short-term or localized adverse climatic conditions;

"(7) declining rates of increase in productivity, rapidly escalating costs of petroleum, natural gas, and petrochemicals, declining water tables, natural resource depletion deterioration of environmental quality, and the increasing inability of world agriculture to provide and maintain adequate food for an ever increasing population threaten the security of future food supplies;

"(8) advances in the food and agricultural sciences and technology have become increasingly limited by the concentration on thorough development and exploitation of currently known scientific principles and technological approaches at the expense of more fundamental research, and a strong research effort in the basic sciences is necessary to achieve breakthroughs in knowledge that can support new and innovative food and agricultural technologies;

"(9) increased research and extension are necessary to alleviate inadequacies of the marketing system (including storage, transportation, and distribution of agricultural and forest products) that have impaired agricultural and forest production and the distribution of agricultural and forest products;

"(10) professional expertise in the food and agricultural sciences is in short supply and is not sufficient to meet current and projected occupational employment demand;

"(11) more reliable data and better research-based economic information are needed for the increasingly complex public and private decisions required by the rapidly changing events in domestic and world agriculture;

"(12) increased agricultural research, extension, and teaching attention must be given to a wide variety of subject areas, including, but not limited to:

"(A) productivity, including the development of more sophisticated crop and animal management systems, new crops and food sources, increased yields per acre and production per breeding unit, reduced energy inputs, lower overall costs, protection of the environment, and the preservation and enhancement of plant and animal germplasm;

"(B) energy, including the development of alternative sources of energy, new crops to produce biomass for conversion into energy, and new methods of conserving energy that will permit the increased production of food and fiber with the use of less petroleum, natural gas, and petrochemicals;

"(C) management of renewable natural resources, including multiple use management of forest and range resources, reduction of soil erosion, preservation of prime farmlands rapidly being converted to urban uses, improved water supply and use, and aquaculture;

"(D) human nutrition, including determining nutrition requirements especially as they relate to groups in greatest need, such as the elderly, the young, and the malnourished, better understanding of the components of various foods and of human dietary requirements, and conveying nutrition information to people so that they can understand and use it;

"(E) family and community development, including assistance to local governments and rural communities in developing and maintaining the services and structures necessary to support the agricultural system of the Nation, including its vital small farm component, and to consumers and rural residents;

"(F) international food and agriculture, including the development of resources needed to produce adequate food for the expanding world population and improved cooperation by the United States agricultural research and educational system with international research and education centers, counterpart agencies, and colleges and universities in other countries; and

"(13) long-range planning for agricultural research, extension, and teaching is a key element in meeting the objectives of this title, and all elements in the agricultural research and educational system should expand their successful planning and coordination efforts.".

(b) Section 1403 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3102) is amended by—

(1) striking out "undertake the special measures set forth in this title to improve the coordination and planning of agricultural research, identify needs and establish priorities for such research, assure that high priority research is" in clause (2) and inserting in lieu thereof the following: "undertake the special measures set forth in this title to improve the coordination and planning of agricultural research, extension, and teaching, identify needs and establish priorities for such research, extension, and teaching, assure that the high priorities are";

(2) striking out "section 1402(8)" in clause (4) and inserting in lieu thereof "section 1402(12)";

(3) adding "and teaching" after "research" in clause (6); and

(4) striking out "training and research" in clause (7) and inserting in lieu thereof "research, extension, and teaching".

(c) Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended by—

(1) in clause (8), inserting "energy production, use, and conservation," immediately after "soil and water conservation and use," and immediately after "range management";

(2) in clause (12), inserting "American Samoa, the Commonwealth of the Northern Mariana Islands," immediately after "Guam,"; and

(3) amending clause (14) to read as follows:

"(14) the term 'teaching' means formal classroom instruction, laboratory instruction, and practicum experience in the food and agricultural sciences and matters relating thereto (such as faculty development, student recruitment and services, curriculum development, instructional materials and equipment, and innovative teaching methodologies) conducted by colleges and universities offering baccalaureate or higher degrees.".

RESPONSIBILITIES OF THE SECRETARY OF AGRICULTURE

SEC. 1502. Section 1405 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121) is amended by—

(1) striking out "Secretary of Health, Education, and Welfare" in clause (1) and inserting in lieu thereof "Secretary of Health and Human Services";

(2) striking out "and" immediately after clause (8), and striking out the period immediately after clause (9) and inserting in lieu thereof a semicolon and "and"; and

(3) adding at the end thereof a new clause (10) as follows:

"(10) coordinate agricultural research, extension, and teaching activities conducted or financed by the Department of Agriculture with the renewable resource assessments and programs prepared under the Forest and Rangeland Renewable Resources Planning Act of 1974 and the appraisals and national soil and water conservation programs prepared under the Soil and Water Resources Conservation Act of 1977.".

JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES

SEC. 1503. Section 1407 of the National Agricultural Research, Extension, and Teach-

ing Policy Act of 1977 (7 U.S.C. 3122) is amended by—

(1) in subsection (a), striking out "of five years" and inserting in lieu thereof "that expires December 31, 1986";

(2) in subsection (b), striking out "research and extension" in the first sentence and inserting in lieu thereof "research, extension, and teaching";

(3) inserting at the end of subsection (c) the following: "The meetings of the Joint Council shall be publicly announced at least one month prior to each meeting and shall be open to the public. Appropriate records of the meetings shall be kept and made available to the public on request.";

(4) amending subsection (d) to read as follows:

"(d)(1) The primary responsibility of the Joint Council shall be to bring about more effective agricultural research, extension, and teaching by improving the planning and coordination of such research, extension, and teaching, whether publicly or privately funded.

"(2) the Joint Council's responsibilities shall also be to—

"(A) assist the Secretary in carrying out the responsibilities assigned to the Secretary under this title for the planning and coordination of agricultural research, extension, and teaching, by operating a system of regional and national planning and coordination, taking into account the programs and responsibilities of, and using the resources of, all participants in the United States agricultural research, extension, and teaching system, for the purposes of—

"(i) improving planning and coordination of agricultural research, extension, and teaching;

"(ii) developing recommendations and reports describing current and long-range needs, priorities, and goals in the food and agricultural sciences:

"(iii) developing mechanisms and timetables for achieving priorities and goals in the food and agricultural sciences;

"(iv) preparing recommendations for short-term and longer-term national and regional plans for agricultural research, extension, and teaching, delineating suggested areas of responsibility for Federal agencies, State institutions, and other organizations in carrying out such activities, and the financial and other support necessary for such activities;

"(v) maintaining an inventory of ongoing agricultural research, extension, and teaching programs conducted by the organizations represented by the members of the Joint Council, and periodically obtaining information on the achievements of these programs; and

"(vi) identifying impediments and obstacles to progress in the food and agricultural sciences and developing strategies to alleviate or overcome them;

"(B) assist agencies, institutions, and persons engaged in agricultural research, extension, and teaching, to the extent practicable, in translating plans to action through budget development processes and program development, coordination, and management within available resources;

"(C) provide forums for the interchange of information among the organizations represented by the members of the Joint Council that will assure improved awareness among these organizations concerning the agricultural research, extension, and teaching programs, results, and directions of each organization;

"(D) encourage and assist organizations represented by the members of the Joint Council in analyzing and evaluating the economic, environmental, and social effects of their agricultural research, extension, and teaching programs;

"(E) develop and review the effectiveness of a system of compiling, maintaining, and disseminating information about publicly supported agricultural research, extension, and teaching, and to the maximum extent possible, do the same for such programs conducted by private colleges and universities, foundations, contract research groups, private industry, and others;

"(F) disseminate information produced by the Joint Council, especially information derived from its regional and national planning and coordination efforts, among those engaged in agricultural research, extension, and teaching in the public and private sectors for their use in planning programs, setting priorities, developing budget requests, and conducting and adjusting programs: and

"(G) prepare, for submission to the President, Congress, the Secretary of Agriculture, and the organizations represented by the members of the Joint Council for use in setting national, regional, and State priorities for agricultural research, extension, and teaching and in identifying levels of support needed for such activities—

"(i) annual reports, to be submitted by not later than June 30 of each year, of (a) the Joint Council's recommendations as to priorities and Federal funding levels for agricultural research, extension, and teaching programs during the two fiscal years beginning in the next succeeding calendar year (which recommendations should include the views of the Joint Council as to suggested areas of responsibilities among governmental, educational, and other organizations for such programs), and (b) the accomplishments and future plans of agricultural research, extension, and teaching programs conducted by the organizations represented by the members of the Joint Council during the fiscal year ending in such year; and

"(ii) a report, to be submitted by not later than June 30, 1983 (and updated every two years thereafter), of the Joint Council's proposals for the advancement of the food and agricultural sciences over the five years beginning October 1, 1983, that reflects the coordinated views of the agricultural research, extension, and teaching community and that includes an estimate of the resources necessary to carry out the proposals. Minority views, if timely submitted, shall be included in each such report. The reports shall also be submitted to the Committee on Food and Renewable Resources of the Federal Coordinating Council on Science, Engineering, and Technology and the Advisory Board."; and

(5) adding at the end thereof a new subsection (e) as follows:

"(e) This title shall constitute the charter under which the Joint Council will operate and no further charter shall be necessary. The Joint Council may develop a set of bylaws or operating procedures for its own use if such are determined to be essential for effective operation. Notwithstanding any other provision of law, the Joint Council shall be exempt from the provisions of the Federal Advisory Committee Act.".

NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY BOARD

SEC. 1504. Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended by—

(1) in subsection (a), striking out "of five years" and inserting in lieu thereof "that expires December 31, 1986"; and

(2) amending subsection (b) by—

(A) striking out "twenty-one" and inserting in lieu thereof "twenty-five";

(B) amending clause (1) to read as follows: "(1) eight producer members representing various geographic regions of the United States and agricultural production interests, including forestry and aquaculture,"; and

(C) adding at the end thereof a new sentence as follows: "The Secretary shall establish a procedure for rotating membership on the Advisory Board.".

AMENDMENTS TO SUBTITLE B OF THE NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

SEC. 1505. (a) Section 1409 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3124) is hereby repealed.

(b) Section 1410 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125) is amended by—

(1) striking out "February 1" and inserting in lieu thereof "January 1"; and

(2) striking out "section 1407(d)(2)(G)" and inserting in lieu thereof "section 1407(d)(2)(H)".

(c) Section 1411 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3126) is amended by—

(1) in subsection (a), (A) striking out "and" immediately after clause (4), (B) striking out the period at the end of clause (5) and inserting in lieu thereof a semicolon and "and", and (C) adding at the end thereof a new clause (6) as follows:

"(6) the Department of Agriculture establish mutually valuable working relationships with international and foreign information and data program agencies."; and

(2) in subsection (b), amending clause (3) to read as follows:

"(3) providing for notification, on a regular basis, to State cooperative extension services, States educational agencies, and other interested persons, with respect to the information and material that is available from the Center.".

(d) Section 1412(a) of the National Agricultural Research Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127(a)) amended to read as follows:

"SEC. 1412. (a) To assist the Joint Council and Advisory Board in the performance of their duties, the Secretary may appoint, after consultation with the chairmen of the Joint Council and the chairman of the Advisory Board—

"(1) a full-time executive director who shall perform such duties as the chairmen of the Joint Council and the chairman of the Advisory Board may direct, and who shall receive compensation at a rate not in excess of the rate for GS-18 in the General Schedule set out in section 5332 of title 5 of the United States Code; and

"(2) a professional staff of not more than five full-time employees qualified in the food and agricultural sciences of which one shall serve as the executive secretary for the Joint Council and one shall serve as the executive secretary for the Advisory Board."

JOINT COORDINATION AND PLANNING ACTIVITIES

SEC. 1506. Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) is amended by adding at the end thereof a new subsection (c) as follows:

"(c) In the performance of the duties assigned to them under this title, the Federal Subcommittee on Food and Renewable Resources of the Federal Coordinating Council for Science, Engineering, and Technology, the Joint Council, and the Advisory Board shall, to the extent practicable, (1) conduct joint meetings and exchange reports, (2) coordinate such meetings with, and distribute such reports to, others in the national agricultural research, extension, and teaching system, and (3) appoint persons to serve as

liaisons with each other and other members of such system.".

HIGHER EDUCATION IN THE FOOD AND AGRICULTURAL SCIENCES

SEC. 1507. (a) Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended to read as follows:

"HIGHER EDUCATION IN THE FOOD AND AGRICULTURAL SCIENCES

"SEC. 1417. In order to promote higher education in the food and agricultural sciences—

"(a) The Secretary may establish, within the Department of Agriculture, an Office of Higher Education. The Office of Higher Education shall be responsible for developing and improving higher education in the food and agricultural sciences, including programs in agriculture, natural resources, forestry, veterinary medicine, and home economics. The Office of Higher Education shall have the specific responsibilities to—

"(1) collect, analyze, and distribute information relating to the needs and productivity of higher education in the food and agricultural sciences; and

"(2) advise the Secretary with respect to the best allocation of funds available for distribution to sustain and strengthen the basic structure of the land-grant educational system in the food and agricultural sciences.

"(b) The Secretary shall conduct a program of grants to further higher education in the food and agricultural sciences and to assure the recruitment and education of professionals needed by the food and agricultural system, as follows:

"(1) Grants to land-grant colleges and universities, and to other colleges and universities that demonstrate a commitment to education in the food and agricultural sciences in the specific area of education covered by the grant, to—

"(A) strengthen the capacities of such institutions to respond to the needs of the food and agricultural sciences at the State, national, or international level;

"(B) attract to such institutions, and educate promising students needed in the food and agricultural sciences;

"(C) attract to such institutions educators needed in the food and agricultural sciences, and provide for the advancement of such educators in their professions;

"(D) support the design and implementation of innovative educational programs in the food and agricultural sciences; and

"(E) facilitate cooperation among such institutions that maximizes the efficient use of faculty and facilities for educational programs in the food and agricultural sciences.

No such grant shall be for a period in excess of five years. Such grants shall be made without regard to the provision of matching funds by the grantee.

"(2) Grants to colleges and universities to support—

"(A) the development or administration of programs to meet unique problems in education in the food and agricultural sciences; and

"(B) the administration and conduct of specialized programs to attract persons to undergraduate or graduate education in the food and agricultural sciences.

No such grant shall be for a period in excess of five years. Such grants shall be made without regard to the provision of matching funds by the grantee. Fellowships awarded under this program may only be made to students who are enrolled in a course of study leading to a postbaccalaureate degree, or postdoctoral study at a college or university, in the food and agricultural sciences.

There are hereby authorized to be appropriated annually such sums as may be necessary to carry out the provisions of this subsection. Four per centum of any funds so appropriated shall be available to the Secretary for the administration of the grants programs.

"(c) Notwithstanding any other provision of law, in order to sustain and strengthen the basic structure of the educational systems for the food and agricultural sciences provided by land-grant colleges and universities—

"(1) there are hereby transferred to and vested in the Secretary all functions, programs, and offices conducted under section 22 of the Act of June 29, 1935 (7 U.S.C. 329), and the Act of August 30, 1890 (7 U.S.C. 321–326 and 328); and

"(2) funds appropriated under such Acts shall be used by the Secretary to support instruction in the food and agricultural sciences at the land-grant colleges and universities.".

(b) The table of contents of the Food and Agriculture Act of 1977 (91 Stat. 913, as amended) is amended by striking out the following:

"SEC. 1417. Grants and fellowships for food and agricultural sciences education."

and inserting in lieu thereof the following:

"SEC. 1417. Higher education in the food and agricultural sciences.".

NATIONAL AGRICULTURAL SCIENCE AWARD

SEC. 1508. (a) Section 1418 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3153) is amended by—

(1) amending the section heading to read as follows:

"NATIONAL AGRICULTURAL SCIENCE AWARD";

(2) amending subsection (a) to read as follows:

"(a) The Secretary shall establish the National Agricultural Science Award for research or advanced studies in the food and agricultural sciences, including the social sciences. Two such awards, one for each of the categories described in subsection (d) of this section, shall be made in each fiscal year.";

(3) redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(4) inserting immediately after subsection (b) a new subsection (c) as follows:

"(c) The awards will be open to persons in agricultural research, extension, teaching, or any combination thereof.".

(b) The table of contents of the Food and Agriculture Act of 1977 (91 Stat. 913, as amended) is amended by striking out the following:

"SEC. 1418. National agricultural research award."

and inserting in lieu thereof the following:

"SEC. 1418. National agricultural science award.".

BIOMASS ENERGY RESEARCH PROJECTS

SEC. 1509. Section 1419(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(a)) is amended by—

(1) striking out "colleges, universities, and Government corporations" both places that phrase appears and inserting in lieu thereof the following: "colleges, universities, Government corporations, and Federal laboratories"; and

(2) inserting immediately before the last sentence of the subsection a new sentence as follows: "Six per centum of the amount appropriated in any fiscal year for research under this subsection shall be made available to the Secretary for coordination of research funded under this subsection with other research on biomass energy conducted under programs of the Department of Agriculture, for peer review of research funded under this subsection, and for monitoring of research projects funded under this subsection.".

EXPANDED FOOD AND NUTRITION EDUCATION PROGRAM

SEC. 1510. The second sentence of section 1425(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(b)) is amended to read as follows: "Funds for carrying out the provisions of this subsection shall be distributed as follows:

"(1) One per centum shall be available to the Secretary for the administration of this subsection; and

"(2) The remainder shall be allocated to the States as follows:

"(A) Ten per centum of the available funds shall be distributed equally among all States; and

"(B) The remainder shall be allocated to each State in an amount that bears the same ratio to the total amount to be allocated as the population of the State living at or below 125 per centum of the income poverty guidelines prescribed by the Office of Management and Budget (adjusted under section 625 of the Economic Opportunity Act of 1964 (86 Stat. 697, as amended; 42 U.S.C. 2971d)), bears to the total population of all the States living at or below 125 per centum of the income poverty guidelines, as determined by the last preceding decennial census at the time each such sum is first appropriated: *Provided*, That, notwithstanding the foregoing, out of funds made available annually to carry out the provisions of this subsection up to the amount of funds last appropriated annually for such purpose prior to the enactment of the Food and Agriculture Act of 1981, each State shall be entitled to an allocation equal in proportion to the amount it received under such appropriations in relation to the amounts received by the other States.".

ANIMAL HEALTH AND DISEASE RESEARCH

SEC. 1511. (a) Section 1430 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3192) is amended by inserting immediately before the semicolon at the end of clause (1) the following: "that has annual expenditures for animal health and disease research in excess of $150,000".

(b) Section 1434 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196) is amended to read as follows:

"APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS

"SEC. 1434. (a) There are hereby authorized to be appropriated such funds, not to exceed $15,000,000 annually, as Congress may determine necessary to support research on specific national or regional animal health or disease problems.

"(b) Funds appropriated under this section shall be awarded to eligible institutions in the form of grants for periods not to exceed five years.

"(c) In order to establish a regional allocation of such funds, the Secretary shall annually establish priority lists of animal health and disease problems of national or regional significance. Such lists shall be prepared after consultation with the Joint Council, the Users Advisory Board, and, as appropriate, the Board, but the recommendations of such advisory bodies shall not be controlling on the Secretary's determination of priorities. In establishing such priorities, the Secretary, and any advisory bodies, shall consider the following factors:

"(1) A health or disease problem shall be one that causes or has potential to cause significant economic losses for the particular element of the livestock production industry affected by it;

"(2) The scientific knowledge necessary to prevent, cure, or abate the health or disease problem is not currently adequate; and

"(3) The status of scientific research is

such that accomplishments may be anticipated through the application of scientific effort to such health or disease problem.

"(d) In the case of multiyear grants, the Secretary may award funds on any basis reasonably related to the timetable required for the orderly conduct of the particular research project.".

RESEARCH, EXTENSION, AND TEACHING AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE INSTITUTE

SEC. 1512. (a) Section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221) is amended by—

(1) in subsection (a)

(A) inserting "and ending with the fiscal year ending September 30, 1981," immediately after "Beginning with the fiscal year ending September 30, 1979," in the second sentence; and (B) inserting immediately after the second sentence a new sentence as follows: "Beginning with the fiscal year ending September 30, 1982, there shall be appropriated under this section for each fiscal year an amount not less than 7 per centum of the total appropriations for such year under the Act of May 8, 1914 (38 Stat. 372–374, as amended; 7 U.S.C. 341–349).";

(2) in subsection (c)—

(A) striking out "administrative head for extension" and inserting in lieu thereof "extension administrator"; and

(B) inserting "and every five years thereafter" immediately before the period at the end thereof; and

(3) in the second sentence of subsection (d), striking out "submitted by the proper officials of each institution" and inserting in lieu thereof "coordinated with and become part of the overall State plan for extension work and shall be submitted, as part of such overall plan, by the State director of the cooperative extension service".

(b) Section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (U.S.C. 3222) is amended by—

(1) in subsection (c), striking out "chief administrative officer" and inserting in lieu thereof "research director"; and

(2) in subsection (d), striking out "chief administrative officer" in both places that phrase appears therein and inserting in lieu thereof "research director".

INTERNATIONAL AGRICULTURAL RESEARCH AND EXTENSION

SEC. 1513. Subtitle I of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291) is amended to read as follows:

"Subtitle I—INTERNATIONAL AGRICULTURAL RESEARCH AND EXTENSION

"SEC. 1458. The Secretary, subject to such coordination with other Federal officials, departments, and agencies as the President may direct, may—

"(1) expand the operational coordination of the Department of Agriculture with institutions and other persons throughout the world performing agricultural and related research and extension activities by exchanging research materials and results with such institutions or persons and by conducting with such institutions or persons joint or coordinated research and extension on problems of significance to food and agriculture in the United States;

"(2) assist the Agency for International Development with agricultural research and extension programs in developing countries;

"(3) work with developed and transitional countries on agricultural and related research and extension, including the stationing of scientists at national and international institutions in such countries;

"(4) assist United States colleges and universities in strengthening their capabilities for agricultural and related research and extension relevant to agricultural development activities in other countries;

"(5) provide specialized or technical services, on an advance of funds or reimbursable basis, to United States colleges and universities carrying out international agricultural and related research and development projects and activities, and funds received in payment for providing such services shall be deposited to the credit of the appropriation from which the cost of providing such services has been paid or is to be charged; and

"(6) further develop within the Department of Agriculture highly qualified and experienced scientists who specialize in international programs, to be available for the activities described in this section.".

FEDERAL-STATE COOPERATION IN THE FOOD AND AGRICULTURAL SCIENCES

SEC. 1514. (a) The National Agricultural Research, Extension and Teaching Policy Act of 1977 (91 Stat. 981, as amended) is amended by redesignating subtitle K as subtitle L and sections 1463 through 1470 as sections 1464 through 1471, respectively, and inserting immediately after subtitle J new subtitle K as follows:

"Subtitle K—FEDERAL-STATE COOPERATION IN THE FOOD AND AGRICULTURAL SCIENCES

"SEC. 1463. In order to insure the further development of cooperation between the States and the Federal Government in agricultural research, extension, and teaching—

"(a) Except as otherwise provided in this title, the Secretary may enter into cooperative agreements or contracts with, and make grants to, land-grant colleges and universities, State agricultural experiment stations, cooperative extension services, and eligible institutions (as defined in section 1430(1) of this title) for the performance of agricultural research, extension, or teaching without regard to any provision of Federal law or regulation requiring competitive selection of the cooperator, non-Federal contractor, or grantee, or to the provisions of section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), or section 3648 of the Revised Statutes (31 U.S.C. 529), whenever the Secretary determines it appropriate in order to insure the furtherance of cooperation between the States and the Federal Government in the performance of such research, extension, or teaching. In addition, notwithstanding any other provision of law, the Secretary of Agriculture may transfer ownership of expendable and nonexpendable equipment, supplies, and other tangible personal property purchased by a cooperator, non-Federal contractor, or grantee with cooperative agreement, contract, or grant funds whenever the Secretary determines that such transfer of ownership will further the programs of the Department of Agriculture.

"(b) The Secretary may establish, at land-grant colleges and universities, State agricultural experiment stations, cooperative extension services, and eligible institutions (as defined in section 1430(1) of this title) that have demonstrable capacity to carry out human nutrition research, extension, or teaching, cooperative human nutrition centers to conduct research, extension, or teaching with respect to high priority nutrition problems, as identified by the Secretary.

"(c) Notwithstanding any other provision of law, State officials carrying out activities provided for under subsection (a) of this section shall have the same opportunity to acquire Federal excess property as Federal officials, and such State officials in outlying locations including, but not limited to, Alaska, Hawaii, the Commonwealth of Puerto Rico, Guam, or the Virgin Islands of the United States shall have preferred opportunities to acquire Federal property declared excess within the boundaries of such State.

"(d) Notwithstanding any other provision of law, officials of State institutions described in subsection (a) of this section shall be eligible to serve on advisory and other committees established by the Secretary or operated by the Department of Agriculture without formal clearance otherwise required for nonfederal members of such committees.".

(b) The table of contents of the Food and Agriculture Act of 1977 (91 Stat. 913, as amended) is amended by—

(1) redesignating sections 1463 through 1470 as sections 1464 through 1471 respectively; and

(2) inserting immediately after "SEC. 1462. Agricultural research facilities study" the following:

"Subtitle K—FEDERAL-STATE COOPERATION IN THE FOOD AND AGRICULTURAL SCIENCES

"SEC. 1463. Federal-State cooperation in the food and agricultural sciences.".

INDIRECT COSTS

SEC. 1515. (a) The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 981, as amended) is amended by adding at the end thereof a new section 1472 as follows:

"INDIRECT COSTS

"SEC. 1472. (a) Funds appropriated under authorizations provided under this title that establish formula allocations shall not be used for payment of indirect costs or tuition remission.

"(b) Negotiated indirect cost rates may not be imposed with respect to funds appropriated under the Act of March 2, 1887 (24 Stat. 440–442, as amended: 7 U.S.C. 361a–361i), the Act of May 8, 1914 (38 Stat. 372–374, as amended; 7 U.S.C. 341–349), and the Act of October 10, 1962 (76 Stat. 806–897, as amended; 16 U.S.C. 582a, 582–1—582–7), or funds received by persons under cooperative agreements with the Department of Agriculture for agricultural research, extension, or teaching.".

(b) The Table of Contents of the Food and Agriculture Act of 1977 (91 Stat. 913, as amended) is amended by inserting immediately before

"TITLE XV—RURAL DEVELOPMENT AND CONSERVATION"

the following:

"SEC. 1472. Indirect Costs.".

FEDERAL SUBCOMMITTEE ON FOOD AND RENEWABLE RESOURCES

SEC. 1516. Section 401(h) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6651(h)) is amended by—

(1) striking out "Department of Health, Education, and Welfare" and inserting in lieu thereof "Department of Health and Human Services"; and

(2) striking out "Energy Research and Development Administration" and inserting in lieu thereof "Department of Energy".

COMPETITIVE AND FACILITY IMPROVEMENT GRANTS

SEC. 1517. Section 2 of Public Law 89–106, as amended (7 U.S.C. 450i), is amended by—

(1) in subsection (a), inserting a comma and "including the social sciences" immediately after "related areas";

(2) in the second sentence of subsection (b), inserting "and the National Agricultural Research and Extension Users Advisory Board" immediately after "the Joint Council on Food and Agricultural Sciences";

(3) amending subsection (c) to read as follows:

"(c) The Secretary of Agriculture may make grants, for periods not to exceed five years in duration—

"(1) to land-grant colleges and universities, State agricultural experiment stations, research foundations established by land-grant colleges and universities, and to all

colleges and universities having a demonstrable capacity in food and agricultural research (including social sciences research), as determined by the Secretary, to carry out research to facilitate or expand promising breakthroughs in areas of the food and agricultural sciences (including the social sciences) of importance to the Nation; and

"(2) to land-grant colleges and universities, State agricultural experimental stations, research foundations established by landgrant colleges and universities, forestry schools eligible to receive funds under the Act of October 10, 1962 (76 Stat. 806–807, as amended; 16 U.S.C. 582a, 582a–1—582a–7), and accredited colleges of veterinary medicine to facilitate or expand on-going State-Federal food and agricultural research programs that (A) promote excellence in research, (B) promote the development of regional research centers, (C) promote the research partnership between the Department of Agriculture and such colleges and universities or State agricultural experiment stations, or (D) facilitate coordination and cooperation in research among States.

These grants shall be made without regard to matching funds."; and

(4) striking out the first sentence in subsection (d) and inserting in lieu thereof the following: The Secretary of Agriculture shall make annual grants to support the renovation or refurbishment (including energy retrofitting) of agricultural research facilities in buildings or facilities to be used for food and agricultural research, and to support the purchase and installation of fixed equipment in such spaces necessary for the conduct of food and agricultural research. The grants may be used for the construction of new facilities only to the extent that such construction is for auxiliary facilities or fixed equipment used in research, such as greenhouses, insectaries, or research farm structures or installations. Such grants shall be made to—

"(1) each State agricultural experiment station in an amount of $100,000 or an amount that is equal to 10 per centum of the funds received by such station under the Act of March 2, 1887 (24 Stat. 440–442, as amended; 7 U.S.C. 361a–361i), and the Act of October 10, 1962 (76 Stat. 806–807, as amended; 16 U.S.C. 582a, 582–1—582a–7), whichever is greater: *Provided*, That of any amount in excess of $50,000 made available under this clause during any year for allotment to a State agricultural experiment station, no payment thereof shall be made in excess of the amount that the station makes available during that year for the purposes for which grants under this clause are made available;

"(2) each accredited college of veterinary medicine and State agricultural experiment station that receives funds from the Federal Government for animal health research, in an amount that is equal to 10 per centum of the animal health research funds received by such college or experiment station from the Federal Government during the previous fiscal year;

"(3) each forestry school not included under paragraph (1) of this sentence, in an amount equal to 10 per centum of the funds received by such school during the previous fiscal year under the Act of October 10, 1962 (76 Stat. 806–807, as amended; 16 U.S.C. 582a, 582a–1—852a–7); and

"(4) each institution eligible to receive funds under the Act of August 30, 1980 (26 Stat. 417–419, as amended; 7 U.S.C. 321–326 and 328), including Tuskegee Institute, in an amount equal to 10 per centum of the funds received by such institution during the previous fiscal year under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977.".

COOPERAIIVE RESEARCH AT FORESTRY SCHOOLS

SEC. 1518. Public Law 87–788, as amended (16 U.S.C. 582a, 582a–1—582a–7) is amended by—

(1) adding at the end of section 1 a new sentence as follows: "It is recognized that assistance under this Act is essential in providing the research background for programs and activities under the Forest and Rangeland Renewable Resources Planning Act of 1974, the Renewable Resources Extension Act of 1978, and the Soil and Water Resources Conservation Act of 1977.";

(2) adding at the end of section 2 a new sentence as follows: "Whenever more than one institution within a State are certified as qualifying for assistance, it shall be the responsibility of such institutions, in cooperation with the Secretary, to develop programs of forestry research that complement one another and provide a unified forestry research plan for the State."; and

(3) amending sections 5 and 6 to read as follows:

"SEC. 5. (a) The Secretary shall prescribe such rules and regulations as may be necessary to carry out the provisions of this Act and to furnish such advice and assistance through a cooperative State forestry research unit in the Department of Agriculture as will best promote the purposes of this Act.

"(b) The Secretary shall appoint a council of not less than sixteen members to assist the Secretary in forestry research planning and coordination. Members of the council shall be selected so as to give representation on the council to—

"(1) Federal and State agencies involved in the development or use of the Nation's forest resources;

"(2) forest resources industries;

"(3) the forestry schools of institutions certified as eligible for assistance under this Act; and

"(4) volunteer public groups concerned with the Nation's forests and related natural resources.

The council shall meet with the Secretary at least once a year to (1) report to the Secretary its views on the status of regional and national planning and coordination of forestry research among Federal and State agencies, forestry schools, and the forest resources industries, and (2) advise the Secretary on the apportionment of funds that may be appropriated to carry out this Act and on any other matter in order to assist the Secretary in accomplishing efficiently the purposes of this Act.

"SEC. 6. Apportionments among participating States shall be determined by the Secretary after consultation with the council established under section 5 of this Act. In making such apportionments, consideration shall be given to pertinent factors including, but not limited to, nonfederal expenditures for forestry research made by eligible institutions and the areas of nonfederal commercial forest land and volume of timber cut annually in the States in which the eligible institutions are located. Three per centum of the funds appropriated for forestry research by eligible institutions under this Act shall be made available to the Secretary for administrative expenses under this Act.".

RURAL DEVELOPMENT AND SMALL FARM RESEARCH AND EXTENSION

SEC. 1519(a). Title V of the Rural Development Act of 1972 (7 U.S.C. 2661–2670) is amended by striking out sections 501 through 508 and inserting in lieu thereof the following:

"SEC. 501. PURPOSES AND GOALS.—(a) The overall purpose of this title is to foster a balanced national development that provides opportunities for increased numbers of the people of the United States to work and enjoy a high quality of life dispersed throughout our Nation by providing the essential knowledge necessary for successful programs of rural development. It is further the purpose of this title to—

"(1) provide multistate regional agencies, States, counties, cities, multicounty planning and development districts, businesses, industries, Indian tribes on Federal and State reservations or other federally-recognized Indian tribal groups, and others involved with public services and investments in rural areas or that provide or may provide employment in these areas the best available scientific, technical, economic, organizational, environmental, and management information and knowledge useful to them, and to assist and encourage them in the interpretation and application of this information to practical problems and needs in rural development;

"(2) provide research and investigations in all fields that have as their purpose the development of useful knowledge and information to assist those planning, carrying out, managing, or investing in facilities, services, businesses, or other enterprises, public and private, that may contribute to rural development;

"(3) increase the capabilities of, and encourage, colleges and universities to perform the vital public service roles of research, and the transfer and practical application of knowledge, in support of rural development;

"(4) expand small farm research and extend training and technical assistance to small farm families in assessing their needs and opportunities and in using the best available knowledge on sound economic approaches to small farm operations and on existing services offered by the Department of Agriculture and other public and private agencies and organizations to improve their incomes and to gain access to essential facilities and services; and

"(5) support activities to supplement and extend programs that address special research and education needs in States experiencing rapid social and economic adjustments or unique problems caused by rural isolation and that address national and regional rural development policies, strategies, issues, and programs.

"(b) The goals of this title are to—

"(1) encourage and support rural United States, in order to help make it a better place to live, work, and enjoy life;

"(2) increase income and improve employment for persons in rural areas, including the owners or operators of small farms, small businesses, and rural youth;

"(3) improve the quality and availability of essential community services and facilities in rural areas;

"(4) improve the quantity and quality of rural housing;

"(5) improve the rural management of natural resources so that the growth and development of rural communities needed to support the family farm may be accommodated with minimum effect on the natural environment and the agricultural land base;

"(6) improve the data base for rural development decisionmaking at local, State, and national levels;

"(7) improve the problem solving and development capacities and effectiveness of rural governments, officials, institutions, communities, community leaders, and citizen groups in—

"(A) improving access to Federal programs;

"(B) improving targeting and delivery of technical assistance;

"(C) improving coordination among Federal agencies, other levels of government, and institutions and private organizations in rural areas; and

"(D) developing and disseminating better information about rural conditions.

"SEC. 502. PROGRAMS AUTHORIZED.—The Secretary of Agriculture may conduct, in cooperation and coordination with colleges and universities, the following programs to carry out the purposes and achieve the goals of this title.

"(a) RURAL DEVELOPMENT EXTENSION PROGRAMS.—Rural development extension programs shall consist of the collection, interpretation, and dissemination of useful information and knowledge from research and other sources to units of multistate regional agencies, State, county, municipal, and other units of government, multicounty planning and development districts, organizations of citizens contributing to community and rural developments, businesses, Indian tribes on Federal or State reservations or other federally-recognized Indian tribal groups, and industries that employ or may employ people in rural areas. These programs also shall include technical services and educational activities, including instruction for persons not enrolled as students in colleges or universities, to facilitate and encourage the use and practical application of this information. These programs may also include feasibility studies and planning assistance.

"(b) RURAL DEVELOPMENT RESEARCH.—Rural development research shall consist of research, investigations, and basic feasibility studies in any field or discipline that may develop principles, facts, scientific and technical knowledge, new technology, and other information that may be useful to agencies of Federal, State, and local government, industries in rural areas, Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, and other organizations involved in community and rural development programs and activities in planning and carrying out such programs and activities or otherwise be practical and useful in achieving the purposes and goals of this title.

"(c) SMALL FARM RESEARCH PROGRAMS.—Small farm research programs shall consist of programs of research to develop new approaches for initiating and upgrading small farm operations through management techniques, agricultural production techniques, farm machinery technology, new products, new marketing techniques, and small farm finance; to develop new enterprises that can use labor, skills, or natural resources available to the small farm family; or that will help to increase the quality and availability of services and facilities needed by the small farm family.

"(d) SMALL FARM EXTENSION PROGRAMS.—Small farm extension programs shall consist of extension programs to improve small farm operations, including management techniques, agricultural production techniques, farm machinery technology, marketing techniques, and small farm finance; to increase use by small farm families of existing services offered by the Department of Agriculture and other public and private agencies and organizations; to assist small farm families in establishing and operating cooperatives for the purpose of improving their family income from farming or other economic activities; to increase the quality and availability of services and facilities needed by small farm families; and to develop new enterprises that can use labor, skills, or natural resources available to the small farm family.

"(e) SPECIAL GRANTS PROGRAMS.—Special grants programs shall consist of extension and research programs to strengthen research and education on national and regional issues in rural development, including the assessment of alternative policies and strategies for rural development and balanced growth; to develop alternative strategies for national and regional investment, and the creation of employment, in rural areas; to develop alternative energy policies to meet rural development needs; and to strengthen rural development programs of agencies of the Department of Agriculture and those in other Federal departments and agencies.

"SEC. 503. APPROPRIATION AND ALLOCATION OF FUNDS.—(a) There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this title.

"(b) Such sums as are appropriated to carry out the provisions of sections 502(a) and 502(b) of this title shall be distributed by the Secretary of Agriculture as follows:

"(1) Four per centum shall be retained by the Secretary for program administration and national coordination of State programs, and program assistance to the States;

"(2) Ten per centum shall be used to finance work serving two or more States in which colleges or universities in two or more States cooperate or that is conducted by one college or university to serve two or more States;

"(3) Twenty per centum shall be allocated equally among the States; and

"(4) Sixty-six per centum shall be allocated to each State as follows: One-half in an amount that bears the same ratio to the total amount to be allotted as the rural population of the State bears to the total rural population of all the States, as determined by the last preceding decennial census; and one-half in an amount that bears the same ratio to the total amount to be allotted as the farm population of the State bears to the total farm population of all the States, as determined by the last preceding decennial census: *Provided*, That, beginning with the fiscal year ending September 30, 1982, no State may receive more until all States have been allotted a minimum of $75,000.

"(c) Such sums as are appropriated to carry out the provisions of section 502(e) of this title shall be distributed by the Secretary of Agriculture to colleges and universities, on a competitive or matching fund basis, according to the Secretary's determination of the projects and manner of funding that show the most promise of fulfilling the objectives of section 502(e) of this title.

"(d) Funds appropriated under this title may be used to pay salaries and other expenses of personnel employed to carry out the functions authorized by this title; to obtain necessary supplies, equipment, and services; and to rent, repair, and maintain facilities needed, but not to purchase or construct buildings.

"(e) Payment of funds to any State for programs authorized under sections 502(a), 502(b), 502(c), and 502(d) of this title shall be contingent upon the approval of the Secretary of Agriculture of a plan of work and budget for such programs and compliance with such regulations as the Secretary may issue under this title. Plans of work shall be jointly developed in each State by the landgrant colleges and universities eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503–505, as amended; 7 U.S.C. 301–305, 307, and 308), and the Act of August 30, 1890 (26 Stat. 417–419, as amended; 7 U.S.C. 321–326 and 328), including Tuskegee Institute. In States in which there is no landgrant institution eligible to receive funds under the Act of August 30, 1890, the landgrant institution eligible to receive funds under the Act of July 2, 1862, shall be responsible for developing plans of work and budgets. In the development of public plans of work and budgets, consideration shall be given to involvement of the resources and expertise of the colleges and universities serving the region in which the plans and budgets are to be applied.

"(f) Funds shall be available for use by each State in the fiscal year for which appropriated and the next fiscal year following the fiscal year for which appropriated. Funds shall be budgeted and accounted for on such forms and at such times as the Secretary shall prescribe.

"(g) Funds provided to each State under this title may be used to finance programs through or at private and publicly supported colleges and universities other than the institutions responsible for administering the programs, as provided under section 504 of this title.

"SEC. 504. COOPERATING COLLEGES AND UNIVERSITIES.—(a) To ensure national coordination with other federally supported agricultural research and extension programs, administration of each State program shall be the responsibility of the colleges and universities eligible to receive funds under the Act of July 2, 1862, and the Act of August 30, 1890, including Tuskegee Institute. In States that contain more than one such institution, such administration shall be the responsibility of the institution designated by mutual agreement of all such institutions, subject to approval by the Secretary of Agriculture. The Secretary shall pay funds available to each State to such institution or university. Such administration shall be coordinated with other federally-supported agricultural research and extension programs conducted in the State.

"(b) All private and publicly supported colleges and universities in a State shall be eligible to participate in programs authorized under this title. Officials at universities or colleges other than those responsible for administering the programs that wish to participate in these programs shall submit program proposals to the college or university officials responsible for administering the programs who shall be responsible for considering such proposals in the process of developing the budgets and plans of work.

"(c) The institution of each State responsible for administering the programs authorized under this title shall designate an official who shall be responsible for the overall coordination of the programs.

"(d) The institution in each State responsible for administering the programs authorized under this title shall name an advisory council to review and approve budgets and plans of work conducted under this title and to advise the chief administrative officer of the institution administering the programs on matters pertaining to the programs. An existing State rural development committee or council may be named to perform this function, or a new council may be appointed by the chief administrative officer or officers. The committee or council named or appointed shall consist of at least 12 members and shall include persons representing farmers, business, labor, banking, local government, multicounty planning and development districts, public and private colleges and universities in the State, and Federal and State agencies involved in rural development.

"SEC. 505. WITHHOLDING FUNDS.—If the Secretary of Agriculture determines that a State is not eligible to receive part or all of the funds to which it is otherwise entitled for programs under sections 502(a) and 502(b) of this title because of a failure to comply with regulations issued by the Secretary under this title, the facts and reasons therefor shall be reported to the President, and the amount involved shall be kept separate in the Treasury until the expiration of the Congress next succeeding the session of the legislature of the State from which funds have been withheld in order that the State may, if it should so desire, appeal to Congress from the determination of the Secretary. If the next Congress shall not direct such sum to be paid, it shall be covered into the Treasury. If any portion of the moneys

that are received by the designated officers of any State for the support and maintenance of programs authorized under this title shall by any action or contingency be diminished or lost, or be misapplied, it shall be replaced by the State.

"SEC. 506. DEFINITIONS.—For the purposes of this title—

"(a) 'rural development' means the planning, financing, and development of facilities and services in rural areas that contribute to making those areas desirable places to which to live and make private and business investments; the planning, development, and expansion of business and industry in rural areas to provide increased employment and income; the planning, development, conservation, and use of land, water, and other natural resources of rural areas to maintain or improve the quality of the environment for people and business in rural areas; and the building or improvement of institutional, organizational, and leadership capacities of rural citizens and leaders to define and resolve their own community problems;

"(b) 'State' means the several States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands; and

"(c) 'small farm' means any farm (1) producing family net income from all sources (farm and nonfarm) below the median nonmetropolitan income of the State; (2) operated by a family dependent on farming for a significant though not necessarily a majority of its income; and (3) on which family members provide most of the labor and management.

"SEC. 507. REGULATIONS.—The Secretary of Agriculture may issue such regulations as the Secretary determines necessary to carry out the provisions of this title.".

(b) Section 509 of the Rural Development Act of 1972 (7 U.S.C. 2669) is redesignated as section 508, and section 510 of the Rural Development Act of 1972 (7 U.S.C. 2670) is hereby repealed.

AUTHORIZATIONS FOR APPROPRIATIONS FOR AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING

SEC. 1520. (a) The sixth sentence of section 1419(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(a)) is amended by striking out all that follows "September 30, 1982" the second time such date appears therein down through the end of the sentence and inserting in lieu thereof a semicolon and the following: "and further there are hereby authorized to be appropriated annually thereafter such sums as may be necessary to carry out the provisions of this subsection.".

(b) Section 1454 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3263) is amended by striking all that follows "September 30, 1981" down through the end of the section and inserting in lieu thereof a semicolon and the following: "and further there are hereby authorized to be appropriated annually thereafter such sums as may be necessary for the establishment of model farms and solar energy project demonstrations under the provisions of this part.".

(c) Subsection (a) of section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a)), and redesignated by section 1514 of this Act, is amended by striking out all that follows "September 30, 1982" down through the end of the subsection and inserting in lieu thereof a semicolon and the following: "and further there are hereby authorized to be appropriated annually thereafter such sums as may be necessary for such purpose.".

(d) Subsection (b) of section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(b)), as redesignated by section 1514 of this Act, is amended by striking out all that follows "September 30, 1982" down through the end of the subsection and inserting in lieu thereof a semicolon and the following: "and further there are hereby authorized to be appropriated annually thereafter such sums as may be necessary for such purpose.".

(e) Section 1465 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C 3312), as redesignated by section 1514 of this Act, is amended by striking out all that follows "September 30, 1982" down through the end of the section and inserting in lieu thereof a semicolon and the following: "and further there are authorized to be appropriated annually thereafter such sums as may be necessary for such purposes.".

(f) Section 2(b) of Public Law 89-106, as amended (7 U.S.C. 450i(b)), is amended by striking out all that follows "September 30, 1982" in the fifth sentence down through the end of the sentence and inserting in lieu thereof a semicolon and the following: "and there are further authorized to be appropriated annually thereafter such sums as may be necessary for such purpose.".

(g) Section 4(a) of Public Law 88-74, as amended (7 U.S.C. 390c(a)), is amended by striking out all that follows "September 30, 1982" down through the end of the subsection and inserting in lieu thereof a semicolon and the following: "and there are further authorized to be appropriated annually thereafter such sums as may be necessary for such purpose.".

TITLE XVI—EFFECTIVE DATE

SEC. 1601. Except as otherwise provided herein, the provisions of this Act shall become effective October 1, 1981.

SUMMARY OF MAJOR PROVISIONS

The Food and Agriculture Act of 1981 extends and updates a number of agricultural commodity programs; extends the Public Law 480 programs; extends the food stamp program and makes changes in the program to reduce costs and improve administration; extends and updates the agricultural research, extension, and teaching programs; and extends the commodity distribution program. The bill will become effective October 1, 1981.

AGRICULTURAL COMMODITY PROGRAMS

Payment limitation.—The bill extends, through the 1985 crops, the $50,000 limitation on the total amount of payments a farmer may receive annually under the wheat, feed grains, upland cotton, and rice programs. As under existing law, price support loans and purchase proceeds, disaster payments (if a program is in effect), and compensation for resource adjustment or public access for recreation are excluded from the limitation. If a disaster payments program is in effect, there would be a $100,000 limitation on the total amount a farmer could receive annually under that program. (Title I.)

Dairy program. The bill—(1) extends through December 31, 1985, the authority for the inclusion of dairy base excess plans, Louisville plans, and class I dairy base plans in milk marketing orders;

(2) provides that, for each of the four years in the period beginning October 1, 1981, and ending September 30, 1985, the price of milk must be supported at a level—between 75 and 90 percent of parity—that will be higher (within the 75 to 90 percent range) to the extent that the estimated net Government purchases of dairy products during the year will be lower. (The bill contains a table that sets out amounts of estimated net Government purchases and corresponding support levels.) The bill also provides that—

(1) in no event may the support price for milk for any such year be less, in dollar amount, than the support price during the previous year; and

(2) the support price will be redetermined whenever dairy product imports into the United States are increased as a result of the relaxation of import restrictions (in redetermining the support price, the estimate of net Government purchases will be reduced by the amount of the increase in imports);

(3) extends, through December 31, 1985, the program under which the Commodity Credit Corporation makes dairy products available to the military and veterans hospitals; and

(4) extends, through September 30, 1985, the dairy indemnity program, under which payments are provided to dairy farmers and manufacturers who sustain losses due to pesticides, nuclear radiation or fallout contamination, or chemical residues. (Title II.)

Wool and Mohair.—The bill extends through December 31, 1985, the requirement that the Secretary of Agriculture support the prices of wool and mohair to producers by means of loans, purchases, payments, and other operations. The required support price for shorn wool would be set at 85 percent of the support price formula provided under section 703(b) of the National Wool Act of 1954; and the support prices for pulled wool and mohair would be based on the support price for shorn wool. (Title III.)

Wheat.—The bill continues, through the 1985 crop, the wheat program for the 1978 through 1981 crops provided under the Food and Agriculture Act of 1977.

Under the program—

(1) price support loans and purchases are made available to producers;

(2) target price payments are made available to producers in any year in which the higher of the market price for wheat or the price support level falls below the target price, and the payment rate (per bushel) is the difference between the target price and the higher of the other two prices;

(3) the Secretary is required each year to proclaim a national wheat program acreage (based on the amount of wheat production needed to meet demand); and individual farm program acreages will be based on the national program acreage. Target price payments are only made for wheat acreage within the farm program acreage;

(4) the Secretary may provide for a set-aside of cropland, as a condition of eligibility for wheat loans, purchases, and payments, if it appears that the total national supply of wheat will be excessive in the absence of a set-aside; and

(5) the Secretary may make land diversion payments, whether or not a set-aside is in effect, if necessary to adjust the total national acreage of wheat to desirable goals.

Under the bill, for the 1982 through 1985 crops, the minimum price support loan level will be $3.70 per bushel and the maximum loan level will be 100 percent of parity. However, if the market price of wheat falls to 105 percent, or less, of the loan level, the Secretary may reduce the loan level for the next marketing year (by not more than 10 percent nor below $3.00 per bushel) as necessary to maintain domestic and export markets for U.S. grain. If loan rates are reduced, the Secretary would be required to provide emergency compensation to farmers by increasing target price payments.

Under the bill, the target price for wheat will be $4.40 per bushel for the 1982 crop, and for the 1983 through 1985 crops, the target price will be the previous year's target price, adjusted to reflect changes in the cost of production.

Under the bill, any set-aside for the 1982 through 1985 crops must be announced by August 1 of the year prior to the year the crop is harvested. (Title IV.)

Feed grains.—The bill continues, through the 1985 crops, the feed grain program for

the 1978 through 1981 crops provided under the Food and Agriculture Act of 1977.

Under the program—(1) price support loans and purchases are made available to producers of corn, barley, oats, rye, and grain sorghum;

(2) target price payments are made available to producers of corn, grain sorghum, and (if designated by the Secretary) oats and barley. Payments for corn are made in any year in which the higher of the market price for corn or the price support level falls below the target price for corn, and the payment rates (per bushel) is the difference between the target price and the higher of the other two prices (the payment rate for each of the other eligible feed grains is the rate the Secretary determines to be fair and reasonable in relation to the payment rate for corn);

(3) the Secretary is required, each year, to proclaim a national feed grain program acreage (base on the amount of production needed to meet demand); and individual farm program acreages will be based on the national program acreage. Target price payments are only made for feed grain acreage within the farm program acreage;

(4) the Secretary may provide for a set-aside of cropland, as a condition of eligibility for feed grain loans, purchases, and payments, if it appears that the total national supply of feed grains will be excessive in the absence of a set-aside; and

(5) the Secretary may make land diversion payments, whether or not a set-aside is in effect, if necessary to adjust the total national acreage of feed grains to desirable goals.

Under the bill, for the 1982 through 1985 crops, the price support loan rate for corn will be set at the level (not less than $2.50 per bushel) that the Secretary determines will encourage the exportation of feed grains and not result in excess stocks of feed grains. However, if the market price for corn falls to 105 percent, or less, of the loan level, the Secretary may reduce the loan level for the next marketing year (by not more than 10 percent nor below $2.25 per bushel) as necessary to maintain domestic and export markets for grain. If loan rates are reduced, the Secretary would be required to provide emergency compensation to farmers by increasing target price payments.

The price support loan rates for barley, oats, rye, and grain sorghum will be set by the Secretary and must be fair and reasonable in relation to the price support loan rate for corn.

Under the bill, the target price for corn will be $2.75 per bushel for the 1982 crop of corn, and for the 1983 through 1985 crops of corn, the target price will be the previous year's target price, adjusted to reflect changes in the cost of production. The target price payment rates for grain sorghum and (if designated by the Secretary) oats and barley will be set by the Secretary and must be fair and reasonable in relation to the target price payment rate for corn.

Under the bill, any set-aside for the 1982 through 1985 crops must be announced by November 1 of the year prior to the year the crop is harvested. (Title V.)

Upland cotton.—The bill continues, through the 1985 crop, the upland cotton program for the 1978 through 1981 crops provided under the Food and Agriculture Act of 1977 and related legislation.

Under the program—(1) price support loans are made available to producers;

(2) target price payments are made available to producers in any year in which the higher of the market price for upland cotton or the price support level falls below the target price, and the payment rate (per pound) is the difference between the target price and the higher of the other two prices;

(3) the Secretary is required, each year, to proclaim a national upland cotton program acreage (based on the amount of production needed to meet demand) of not less than 10 million acres; and individual farm program acreages will be based on the national program acreage. Target price payments are only made for upland cotton acreage within the farm program acreage;

(4) the Secretary may provide for a set-aside of up to 28 percent of the acreage planted to upland cotton for harvest, as a condition of eligibility for upland cotton loans, purchases, and payments, if it appears that the total national supply of upland cotton will be excessive in the absence of a set-aside;

(5) the Secretary may make land diversion payments, whether or not a set-aside is in effect, if necessary to adjust the total national acreage of upland cotton to desirable goals; and

(6) when the Secretary determines that the spot market price of upland cotton for any month exceeds 130 percent of the average spot market prices for the preceding 36 months, the President must proclaim a limited 90-day import quota under which upland cotton (in an amount equal to that needed for 21 days of domestic mill consumption) may enter the United States.

Under the bill, the price support loan level for each of the 1982 through 1985 crops of upland cotton will be the smaller of 85 percent of the average U.S. spot market price for upland cotton over a 5-year period and 90 percent of the average Northern Europe price for upland cotton, as determined under formulas set out in the bill; however in no case may the loan level be less than 55¢ per pound, and the Secretary may adjust the loan level upward, when the level is based on the average Northern Europe price, to not in excess of the level based on the average U.S. spot market price. Loans will be made for a term of 10 months, but could be extended for an additional 8 months at the request of the producer.

Under the bill, the target price for upland cotton will be $.80 per pound for the 1982 crop; and for each of the 1933 through 1985 crops of upland cotton, the target price will be the previous year's target price adjusted to reflect changes in the cost of production (based on normal historical yields). (Title VI.)

Rice.—The bill continues, through the 1935 crop, the price support loan, target price, set-aside, and paid diversion provisions of the rice program for the 1978 through 1931 crops provided under the Food and Agriculture Act of 1977. The bill suspends the rice allotment system for the 1982 through 1935 crops and substitutes therefor a national rice program acreage system similar to the systems for wheat, feed grains, and upland cotton.

Under the bill—(1) price support loans and purchases will be made available to rice producers;

(2) target price payments will be made available to rice producers in any year in which the higher of the market price for rice or the price support level falls below the target price, and the payment rate (per hundredweight) will be the difference between the target price and the higher of the two other prices;

(3) the Secretary will be required each year to proclaim a national rice program acreage (based on the amount of rice production needed to meet demand); and individual farm program acreages will be based on the national program acreage. Target price payments will be made only for the rice acreage within the farm program acreage;

(4) the Secretary may provide for a set-aside of cropland, as a condition of eligibility for rice loans, purchases, and payments, if it appears that the total national supply of rice will be excessive in the absence of a set-aside; and

(5) the Secretary may make land diversion payments, whether or not a set-aside is in effect, if necessary to adjust the total national acreage of rice to desirable goals.

Under the bill, the target price for rice will be $11.01 per hundredweight for the 1982 crop, and for each of the 1983 through 1985 crops of rice, the target price will be the target price for the previous year's crop adjusted to reflect changes in the cost of production.

In each such year, the price support loan level will bear the same ratio to the previous year's loan level as the target price bears to the previous year's target price. However, if the Secretary determines that loans at such level will discourage exports and result in excessive supplies of rice, the Secretary can establish a lower loan level (not less than $8.26 per hundredweight nor more than 100 percent of parity) as needed to avoid such consequences. (Title VII.)

Peanuts.—The bill continues, through the 1985 crop, the peanut program for the 1978 through 1981 crops provided under the Food and Agriculture Act of 1977.

Under the program—(1) the Secretary must establish a national peanut acreage allotment for each year based on the acreage needed to meet domestic and export demand and provide an adequate carryover, but the national allotment cannot be less than 1,614,000 acres;

(2) the national peanut acreage allotment is apportioned among States, and then among peanut producers in a State, on the basis of previous years' allotments, adjusted to reflect allotment acreage assigned to new peanut production acreage and transfers and assignments of allotments;

(3) annual marketing quotas will be in effect for three-year periods if approved by two-thirds of the peanut producers;

(4) the Secretary must establish a national poundage quota each year in an amount that will meet domestic edible use needs and provide a minimum carryover, except that the national poundage quota may not be less than a statutory minimum (for the 1981 crop, the minimum is 1,440,000 tons);

(5) the national poundage quota is distributed among peanut acreage allotments in proportionate shares;

(6) that portion of actual production of peanuts on a farm acreage allotment that exceeds the farm poundage quota is considered as "additional" peanuts, which may be disposed of only by (a) placing them under loan to the Commodity Credit Corporation at the "additional" peanut loan rate and not redeemed, or (b) selling them to handlers for crushing or export under contracts approved by the Secretary;

(7) producers are subject to penalties for marketing peanuts that are not "quota" peanuts (peanuts produced on the peanut allotment that are within the farm poundage quota) nor "additional" peanuts; and

(8) price support loans and purchases are made available for both "quota" and "additional" peanuts, including warehouse storage loans to designated area marketing associations of producers (the associations may be used in administration of the price support program, and the loans to such associations may include amounts covering the costs incurred by the associations in performing administrative and support functions).

Under the bill, for the 1982 through 1985 crops, there will be a minimum national poundage quota for peanuts of 1,440,000 tons, but the Secretary could set the quota at a higher level as necessary to meet domestic edible use requirements and provide a reasonable carryover.

Under the bill, price support will be made

available on each of the 1982 through 1985 crops of "quota" peanuts at a level determined appropriate by the Secretary, taking into consideration supply, prices, and other market factors, the availability of funds, the importance of peanuts to the economy, and changes in production costs, although in no case may the support level be less than $650 per ton. Price support will be made available on each of the 1982 through 1985 crops of "additional" peanuts at a level considering demand factors and the prices of other vegetable oils and protein meals. (Title VIII.)

Soybeans.—The bill continues, through the 1985 crop, the requirement under the Food and Agriculture Act of 1977 (applicable under that Act to the 1978 through 1981 crops of soybeans) that the price of soybeans be supported, through loans and purchases, at the level the Secretary determines appropriate in relation to competing commodities and taking into consideration domestic and foreign supply and demand factors. The bill provides, however, that in no case may the minimum level of price support for any of the 1982 through 1985 crops of soybeans be less than $5.44 per bushel. The bill also extends, through the 1985 crop of soybeans, the provision of the Food and Agriculture Act of 1977 that, notwithstanding any normal crop acreage requirement imposed by the Secretary, the Secretary may not require a set aside of soybean acreage as a condition of eligibility for price support on any commodity. (Title IX.)

Sugar.—The bill will require that the price of each of the 1982 through 1985 crops of sugar beets and sugarcane, respectively, be supported through loans on, and purchases of, processed sugar products. The support price would be set by the Secretary at a level adequate to assure the maintenance of U.S. sugar production capacity. (Title X.)

Standby authority for disaster payments.—The bill will give the Secretary discretionary authority to make prevented planting and reduced yield disaster payments available for producers of wheat, feed grains, upland cotton, and rice participating in the programs for the commodities under the bill for each of the 1982 through 1985 crops. The Secretary may make disaster payments available whenever he determines that—

(1) as a result of a natural disaster or other condition beyond the control of farmers, substantial losses of production of the commodity have resulted (including both prevented planting and reduced yield losses), and such losses have created an economic emergency for the farmers; and

(2) Federal crop insurance indemnities and other forms of Federal disaster assistance together are insufficient to alleviate the economic emergency, so that additional assistance must be made available.

Prevented planting and reduced yield disaster payments would be computed under formulas similar to those provided in the Food and Agriculture Act of 1977 for the 1978 and 1979 crops and later extended to the 1980 and 1981 crops. The Secretary could make adjustments in the amount of payments with respect to individual farms producing the commodity involved so as to assure equitable allotment of the payments among farmers, taking into account other forms of Federal disaster assistance provided them. (Section 1101.)

Set-aside of normally-planted acreage.—The bill provides that, whenever a set-aside is in effect for one or more of the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice, the Secretary may require (as a condition of eligibility for loans, purchases, and payments under commodity programs) that the acreage normally planted to crops designated by the Secretary be reduced by the amount of the set-aside or diversion. Under the bill, the Secretary would determine the normal crop acreage for a farm on the basis of the acreage planted for harvest on the farm during the most recent three years. The Secretary would have clear authority to adjust the normal crop acreage annually, as necessary to provide equity among producers.

In addition, under the bill, whenever a set-aside is in effect for one or more of the 1982 through 1985 crops of wheat, feed grains, upland cotton, or rice, the Secretary may increase the target price for the commodity to compensate producers for participation in the set-aside. If the target price for a commodity is increased, the Secretary will be authorized also to increase the target price for any of the other target price commodities, as necessary for the effective operation of the program. (Section 1102.)

Farm storage facility loans.—The bill extends, through September 30, 1985, the farm storage facility loan provisions of the Food and Agriculture Act of 1977, as amended, effective under existing law only through September 10, 1981. Under these provisions, the Commodity Credit Corporation is required to make secured loans (in amounts not to exceed $100,000 per loan) to farmers for on-farm storage facilities for high-moisture grain, soybeans, rice, and high-moisture forage and silage. (Section 1103.)

Farmer-held reserve.—Under existing law, extended price support loans under the farmer-held reserve program for wheat and feed grains are made available at the price support level provided for under the wheat and feed grain programs. Under the bill, the Secretary could make loans available under the farmer-held reserve program at higher levels of support (but not in excess of 120 percent of the wheat or feed grain program level). The Secretary could make the higher loan available whenever he determines that the increased loan level is necessray to encourage sufficient participation in the farmer-held reserve program to achieve its purposes. (Section 1104.)

PUBLIC LAW 480

Extension of the Public Law 480 programs.—The bill extends through December 31, 1985, the authority for the President to enter into agreements for concessional sales of U.S. agricultural commodities under title I of Public Law 480, and to provide U.S. agricultural commodities for use in programs of assistance in foreign countries under title II of Public Law 480. Under existing law, the President's authorities expire December 31, 1981. (Section 1202.)

Market development under Public Law 480.—The bill extends to representatives of the domestic distilled spirits industry the authority now given to representatives of the domestic wine and beer industries to participate in developing foreign markets for U.S. agricultural commodities using foreign currencies made available from concessional sales under title I of Public Law 480. (Section 1201.)

FOOD STAMP AND COMMODITY DISTRIBUTION PROGRAMS

Amendments to the definition of "thrifty food plan".—The bill amends the definition of the "thrifty food plan" (the cost of which is used as the basis for making allotments to households participating in the food stamp program) by—

(1) revising the procedures by which annual adjustments are made in the cost of the thrifty food plan to reflect changes in food costs. Under the bill, the cost of the plan will be adjusted every January 1 to reflect changes in the costs of food for the 12 months ending the preceding September 30 (under existing law, beginning January 1, 1982, the Secretary would be required to base the annual adjustment on cost changes taking place in the immediately preceding 12 month period, which, because of the time delay involved in obtaining data for October, November, and December, necessitates his estimating cost changes for those months). It is estimated that this change, along with similar changes made by the bill in the procedure for annually adjusting the standard household income deduction and the cap on the excess shelter deduction, will result in a savings to the program of $422 million in fiscal year 1982; and

(2) providing for the separate calculation of the cost of the thrifty food plan for households in rural Alaska, in recognition of that area's significantly higher food costs. (Section 1301.)

Deductions allowed in the computation of household income.—The bill revises the provisions under which household income for purposes of the food stamp program is calculated. Household income is used as the basis for determining whether a household is eligible for participation in the food stamp program. The bill makes the following changes in the provisions for calculating household income:

(a) The bill deletes the requirements (now set to become effective January 1, 1982) that the annual adjustment of—

(1) the standard deduction for household income, and

(2) the cap on the excess shelter expense deduction include changes in the Consumer Price Index over the immediately preceding October, November, and December. Under the bill, the annual adjustments will be based on changes in the Index occurring during the 12 months ending the preceding September 30, and substantial savings will be effected in the cost of the program.

(b) The bill adds a provision that households will not be entitled to dependent care, excess shelter expense, or medical deductions for expenses that are paid on behalf of a household by a third party.

(c) The bill repeals two increases in deductions that are scheduled to take effect October 1, 1981. Under the program now, if both a dependent care deduction and excess shelter expense deduction are claimed, the maximum total deduction that is allowed for both combined cannot exceed the maximum excess shelter care deduction. Beginning with fiscal year 1982, unless the repeal provisions of the bill are enacted, the requirement that the two deductions be combined if both are claimed will be deleted and the maximum allowable dependent care deduction, considered separately, will be increased from $75 to $90. Under the program now, households with a person 60 years of age or older are entitled to an excess medical expense deduction for certain medical expenses in excess of $35 a month. Beginning with fiscal year 1982, unless the repeal provisions of the bill are enacted, the deduction will be allowed for such expenses in excess of $25 per month.

By deleting the provisions of law effecting these changes in the program, it is estimated that the cost of the food stamp program will be reduced by $64 million in fiscal year 1982. (Section 1302.)

Eligibility for participation—work registration.—The bill would require that persons subject to work registration requirements under the food stamp program register for work every 12 months, rather than, as under existing law, every 6 months. In previous years under the work registration reporting system, registrants remained in the system (and efforts to place them in jobs continued) for 6 months. However, the system has been modified, so that once persons are registered, their names are not removed from the system for 12 months. Thus, the bill will eliminate the unnecessary semiannual registration without affecting the work registration requirement or the efforts to place such persons in jobs. (Section 1303.)

Liability of States for certain losses relating to food stamp coupons.—The bill clari-

fies that State agencies will be strictly liable for losses involved in the acceptance, storage, or issuance of food stamp coupons, except that, if a household's authorization for food stamps or allotments is lost or stolen in the mails, the State will only be liable for losses that sound management can prevent. (Section 1304.)

Use of civil money penalties to increase enforcement action.—The bill provides that funds collected as penalties from food stores for violating the Food Stamp Act are to be deposited in a special revolving fund and made available for activities to reduce improper food stamp use and fraud. (Section 1305.)

Incentives for error reduction efforts; plans for corrective action to reduce errors.—Under existing law, the Secretary is authorized to pay a State 5 percent of its food stamp program administrative costs (in addition to the standard 50 percent he is also authorized to pay in any case) if the State agency is reducing its rate of error in making food stamp allotments by at least 25 percent annually. The bill would require that the State agency also have a rate of invalid decisions in denying eligibility that is less than the national standard for such errors, as established by the Secretary, in order for it to remain eligible for the 5 percent additional funding.

The bill would also require State agencies with food stamp allotment error rates in excess of 5 percent to develop corrective action plans to reduce error. (Section 1306.)

Funding for the food stamp program.—The bill (1) deletes the $9,739,276,000 limit on funds that may be appropriated for the food stamp program in fiscal year 1981;

(2) provides general authorizations for appropriations for the program for fiscal years 1981 through 1985; and

(3) in order to eliminate technical difficulties in the administration of the food stamp program, provides that funds collected from claims against households or State agencies under the Food Stamp Act will be credited to the food stamp appropriation account for the fiscal year in which collection occurs, and that incentive payments to States for achieving low error rates will be paid from the current appropriation account. (Section 1307.)

Extension of the commodity distribution programs.—The bill extends, through September 30, 1985, the commodity distribution programs under which the Secretary may make agricultural commodities available to food assistance programs, including the commodity supplemental feeding program. Under existing law, the authority for the commodity distribution programs expires September 30, 1981. (Section 1308(1).)

Penalties for conversion.—The bill adds a provision to the law making persons who criminally convert commodities under the commodity distribution programs and certain other Department of Agriculture commodity donation programs liable for criminal penalties. (Section 1308(2).)

MULTIYEAR SET-ASIDES

The bill extends, through the 1985 crops, the multiyear set-aside program initially authorized under the Agriculture and Consumer Protection Act of 1973. Under the program, the Secretary may enter into long-term agreements with producers, as part of the wheat, feed grains, and cotton programs, for the set-aside of acreage from production. Under existing law, the program only extends through the 1981 crops. (Title XIV.)

AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING

Title XV of the bill amends title XIV of the Food and Agriculture Act of 1977 (the National Agricultural Research, Extension, and Teaching Policy Act of 1977) and related statutes, and extends the authorizations for appropriations for agricultural research, extension, and teaching programs.

Specifically, the major provisions of Title XV would—

(1) extend the terms of the Joint Council on Food and Agricultural Sciences and the National Agricultural Research and Extension Users Advisory Board to December 31, 1985 (sections 1503(1) and 1504(1));

(2) increase the membership of the Users Advisory Board from twenty-one to twenty-five by adding four new positions for members who are producers (section 1504(2));

(3) authorize the Secretary of Agriculture to establish an Office of Higher Education within the Department of Agriculture, to assist the Secretary in strengthening higher education in the food and agricultural sciences (section 1507(a));

(4) transfer to the Secretary all functions, programs, and offices conducted under section 22 of the Bankhead-Jones Act and the Second Morrill Act (section 1507(a));

(5) provide that 10 percent of the funds made available for nutrition education programs for low-income families under section 1425 of title XIV will be distributed equally among the States with the remainder distributed under the formula provided in section 1425 (section 1510);

(6) effective beginning in fiscal year 1982, increase the authorization for annual appropriations to support continuing agricultural and forestry extension at the 1890 colleges eligible for funding under the Second Morrill Act. The annual authorization would be increased from an amount equal to 4 percent of the amount appropriated under the Smith-Lever Act to an amount equal to 7 percent of the amount appropriated under the Smith-Lever Act (section 1512(a)(1));

(7) add a new subtitle K to title XIV containing provisions relating to Federal-State cooperation in the food and agricultural sciences. New subtitle K would—

(a) authorize the Secretary to enter into cooperative agreements or contracts with, and make grants to, land-grant colleges and universities, State agricultural experiment stations, cooperative extension services, and other eligible institutions under title XIV for the performance of agricultural research, extension, and teaching without regard to Federal competitive bidding and certain other procurement requirements when appropriate to further cooperation between the States and the Federal Government in the performance of such research, extension, or teaching;

(b) authorize the Secretary to transfer ownership of equipment and other tangible personal property that is purchased by any such cooperator, nonfederal contractor, or grantee if the transfer of ownership will further the programs of the Department of Agriculture;

(c) authorize the Secretary to establish cooperative human nutrition centers for research, extension, and teaching at such institutions;

(d) give to State officials carrying out cooperative research, extension, or teaching authorized under subtitle K the same opportunity to acquire Federal excess property that Federal officials have; and

(e) provide that such State officials will be eligible for membership on advisory and other committees operated by the Department of Agriculture without the formal clearance requirements otherwise required for nonfederal members of such committees (section 1514);

(8) provide that funds appropriated for agricultural research, extension, and teaching under title XIV may not be used for payment of indirect costs or tuition remission, and that negotiated indirect costs may not be imposed with respect to funds appropriated under the Hatch Act (for State agricultural experiment station activities), the Smith-Lever Act (for extension activities), or the McIntire-Stennis Act (for cooperative forestry research activities), or funds awarded under Department of Agriculture cooperative agreements for agricultural research, extension, or teaching (section 1515);

(9) with respect to research facilities grants under Public Law 89-106—

(a) limit construction grants to projects for (i) renovating or refurbishing research facilities or acquiring equipment, and (ii) new construction only to the extent that the construction is for auxiliary facilities or fixed equipment used in research; and (b) make forestry schools and 1890 colleges eligible for such grants (section 1517);

(10) authorize special grants under the rural development research and extension program. The special grants would be used to strengthen research and education on national and regional issues in rural development and for related purposes (section 1519(a)); and

(11) delete provisions of existing law authorizing appropriations for certain agricultural research, extension, and teaching programs that provide specific annual limits on authorized appropriations; and substitute therefor general authorizations for appropriations. The programs affected include:

(a) the rural development and small farm research and extension programs;

(b) grants and fellowships for food and agricultural sciences education;

(c) the biomass energy research program under section 1419 of title XIV;

(d) the solar energy model farms and demonstration projects under subtitle H of title XIV;

(e) agricultural research programs under the Hatch Act;

(f) agricultural extension programs of the Department of Agriculture;

(g) other agricultural research and teaching programs under title XIV not described above;

(h) the competitive, special, and facilities research grants program under Public Law 89-106; and

(i) programs under the Research Facilities Act. (Sections 1507(a), 1519(a), and 1520).

EFFECTIVE DATE

The provisions of the bill will become effective October 1, 1981, except for provisions that specifically establish different effective dates. (Title XVI.)●

By Mr. THURMOND (for himself, Mr. BAUCUS, Mr. DECONCINI, Mr. HEFLIN, and Mr. LAXALT):

S. 995. A bill to provide for contribution of damages attributable to an agreement by two or more persons to fix, maintain, or stabilize prices under section 4, 4a, or 4c of the Clayton Act; to the Committee on the Judiciary.

ANTITRUST EQUAL ENFORCEMENT ACT OF 1981

● Mr. THURMOND. Mr. President, I am today introducing the Antitrust Equal Enforcement Act of 1981. This bill, which adds a new section 4I to the Clayton Act, is designed to rationalize the process of allocation of damages in antitrust price-fixing suits. The bill assures that the largest and most responsible price fixers do not escape their share of liability, and that smaller and middle-sized businesses are not left responsible for the liability caused by another's wrongdoing.

Subsection (a) of this bill provides that any parties subject to liability as defendants in antitrust price-fixing cases may claim contribution from their coconspirators. The formula for computing each coconspirator's share of the

total liability is based on the damages attributable to its own sales or purchases of the goods or services subject to the price fix. To effectuate its right of contribution, a defendant may utilize the procedural tools of the Federal Rules of Civil Procedure; a claim for contribution may be asserted by crossclaim, counterclaim, third-party claim, or in a separate action, whether or not an action has been brought or a judgment has been rendered against the entity from whom contribution is sought.

The bill also sets forth a process of claim reduction when some, but not all, defendants in a price-fixing case choose to settle rather than proceed to trial. Essentially, subsection (b) of the bill provides that when the plaintiff settles its case with one or more defendants potentially liable to it, the settlements reduce the amount the plaintiff may claim from those defendants who choose to defend their actions at trial. To assist in this process, the bill sets forth clearly delineated alternative formulas under which the amount of such claim reduction may be easily computed.

Under subsection (c) of the bill, good faith settlements entered into by defendants render them immune to contribution claims, provided such settlements are actually consummated.

Finally, it is important to note that subsection (d) of the bill makes clear that the principles of joint and several liability will continue to apply to price-fixing suits.

Mr. President, the Antitrust Equal Enforcement Act of 1981 will introduce a much-needed element of fairness into the process of determining who should be responsible for paying bona fide antitrust damages and in what amount. No longer will a defendant who chooses to defend itself rather than give in to settlement pressure be faced with the possibility of paying for the wrongs committed by others. In short, each member of a price-fixing conspiracy will be required to pay its fair share of the liability incurred and cannot escape the responsibility for its own acts.

Mr. President, I ask unanimous consent that a copy of this bill be printed in the RECORD at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 995

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Clayton Act (15 U.S.C. 12 et seq.) is amended by inserting after section 4H the following new section:

"SEC. 4I. (a) Two or more persons who are subject to liability for damages attributable to an agreement to fix, maintain, or stabilize prices under section 4, 4A, or 4C of this Act may claim contribution among them according to the damages attributable to each such person's sales or purchases of goods or services. A claim for contribution by such person or persons against whom an action has been commenced may be asserted by crossclaim, counterclaim, third-party claim, or in a separate action, whether or not an action has been brought or a judgment has been rendered against the persons from whom contribution is sought.

"(b) A release or a covenant not to sue or not to enforce a judgment received in settlement by one of two or more persons subject to contribution under this section shall not discharge any other persons from liability unless its terms expressly so provide. The court shall reduce the claim of the person giving the release or covenant against other persons subject to liability by the greatest of: (1) any amount stipulated by the release or covenant, (2) the amount of consideration paid for it, or (3) treble the actual damages attributable to the settling person's sales or purchases of goods or services. Under item (3) above, actual damages shall not be trebled in proceedings under section 4A of this Act.

"(c) A release or covenant, or an agreement which provides for a release or covenant, entered into in good faith, relieves the recipient from liability to any other person for contribution, with respect to the claim of the person giving the release or covenant, or agreement, unless the settlement provided for in any such release, covenant, or agreement is not consummated.

"(d) Nothing in this section shall affect the joint and several liability of any person who enters into an agreement to fix, maintain, or stabilize prices.

"(e) This section shall apply only to actions under section 4, 4A, or 4C of this Act commenced after the date of enactment of this section.".●

By Mr. DOMENICI:

S. 996. A bill to remove artificial impediments on the use of natural gas and to facilitate the transportation of natural gas to end users; to the Committee on Energy and Natural Resources.

NATURAL GAS UTILIZATION ACT OF 1981

● Mr. DOMENICI. Mr. President, I do not believe that there are many in this body who would disagree with me when I say that our efforts of the past to legislate energy policy were done with the best intentions and the best interests of our citizens in mind. When those efforts have failed to achieve their goal or that goal becomes meaningless in the context of new circumstances, it is usually because we, the Congress, failed to have all the facts at hand or we tried to see too far into the future. The Powerplant and Industrial Fuel Use Act (FUA) is one of those laws which suffered from these two faults in its drafting. Today I am introducing legislation to correct some of the well intentioned but misguided provisions of that act. I do this not because I have a clearer view of the future or necessarily better facts at hand about the future than did the 95th Congress, but because we have learned more in the intervening years about where our Nation's vulnerability really lies.

My legislation would, Mr. President, modify the Fuel Use Act in those areas where it prohibited existing natural gas burning electric powerplants and other major fuel-burning installations using natural gas from burning gas in the future or restricted its present use. In addition to allowing these existing facilities to continue to use natural gas beyond the present limit of January 1, 1990, my amendments would permit, but not mandate, those electric powerplants and major fuel-burning installations presently using petroleum to convert to natural gas. These amendments would not, however, affect the validity of any pending or final order which has been issued under the Fuel Use Act or its predecessor, the Energy Supply and Environmental Coordination Act of 1974 (ESECA), for the conversion of an electric powerplant or major fuel-burning installation to coal.

I do not wish to send the message to utilities and industry that the Federal Government will be changing a fuel conversion policy in such a way that their plans must now be changed once again. Nothing in this legislation would prevent continued conversion to coal. Lastly, Mr. President, this legislation would facilitate the transportation of natural gas to end users by directing the Federal Energy Regulatory Commission (FERC) to establish procedures for expediting the issuance of transportation certificates. Before issuing these certificates however, the FERC would have to find that sufficient pipeline capacity exists to support these converting facilities. Nothing in this legislation would change the natural gas need rules of higher priority users nor the ability to interrupt gas transportation to these lower priority users.

When the Fuel Use Act was passed during the 95th Congress, the debate raging then was how soon natural gas would no longer be available in a reliable fashion. In fact, my colleagues will remember we faced a severe supply interruptions at that time. With increased drilling and the removal of some restrictions on the interstate transportation of gas, the supply picture for natural gas looks much more positive. The debate now is whether gas will become limited in the year 2000, not 1985.

We have a better understanding of the nature of our energy problem today than we did at the time of the passage of the Fuel Use Act. It is most often posed in terms of national security problems and balance-of-trade deficits resulting from imported oil. It is in this regard that we must ask ourselves if the Fuel Use Act restrictions are relevant. At the end of the 1970's utilities were burning 1½ million barrels of oil per day. The reason, of course, is that utilities in Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas, and California would be allowed to continue to use gas as they presently do while utilities in the Northeast, Florida, and California using petroleum could substitute natural gas for petroleum.

Reducing our petroleum dependence is not the sole benefit of repealing the off gas provisions of the Fuel Use Act for existing utilities and major fuel-burning installations. The use of cheaper natural gas would lower utility bills and fuel costs to industry. Also, using clean natural gas would lower fuel-related costs further by avoiding the use of expensive pollution control equipment necessary for the clean use of coal. Certainly the cost of transporting gas for existing gas users would be reduced because of the balancing of loads throughout the year against the seasonal demand created by solely residential and commercial use.

In summary, Mr. President, what I am proposing is not a massive conversion of utilities and industrial boilers to natural gas based on some unproven prediction

of unbound natural gas supplies in the future. It is a measured step which recognizes our present and near-term natural gas prospects. It deals with existing not new facilities. It would reduce our petroleum dependence as well as prices and it would not halt our equally important conversions to coal.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 996

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Natural Gas Utilization Act of 1981".

TITLE I—FINDINGS AND PURPOSES

SEC. 101. (a) Section 102(a)(2) of the Powerplant and Industrial Fuel Use Act of 1978 is hereby amended by striking out "natural gas or" (42 U.S.C. 8301(a)(2)).

(b) Sections 102(b)(2) and 102(b)(3) of the Powerplant and Industrial Fuel Use Act are hereby amended by striking out "natural gas and" (42 U.S.C. 8301(b)(2) and 8301(b)(3)).

(c) Section 102(b)(6) of the Powerplant and Industrial Fuel Use Act is hereby amended by striking out "natural gas and" and "gas and" (42 U.S.C. 8301(b)(6)).

(d) Section 102(b)(7) of the Powerplant and Industrial Fuel Use Act is hereby amended by striking out "natural gas or" and "natural gas and" (42 U.S.C. 8301(b)(7)).

(e) Section 102(b)(9) of the Powerplant and Industrial Fuel Use Act is hereby amended by striking out "natural gas and" each time such term appears (42 U.S.C. 8301(b)(9)).

PURPOSES

SEC. 102. The purposes of this Act are—

(a) to encourage the use of natural gas in existing electric powerplants and major fuel burning installations presently using petroleum as a primary energy source by removing certain artificial impediments upon natural gas use;

(b) to encourage the conversion of existing electric powerplants and major fuel burning installations using petroleum as a primary energy source from petroleum to natural gas; and

(c) to facilitate the movement of natural gas by interstate pipelines to electric powerplants and major fuel burning installations desiring to burn natural gas.

DEFINITIONS

SEC. 103. (a) Unless expressly defined otherwise in subsection (b) below, terms used herein are defined in accordance with section 103 of the Powerplant and Industrial Fuel Use Act of 1978.

(b) For the purposes of this Act—

(1) "Commission" means the Federal Energy Regulatory Commission;

(2) "Eligible seller" means any person who enters into a gas sales agreement with an eligible buyer:

(3) "Eligible buyer" means any direct-end user using or desiring to use natural gas which has entered into a gas sales agreement with an eligible seller.

TITLE II—PETROLEUM DISPLACEMENT ACT OF 1981

SHORT TITLE

SEC. 201. This title may be cited as the "Petroleum Displacement Act of 1981".

REPEAL OF CERTAIN PROHIBITIONS ON USE OF GAS BY EXISTING POWERPLANTS

SEC. 202. Section 301 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8341–8483) is hereby amended by striking out subsection (a) (42 U.S.C. 834(a)) in its entirety.

REPEAL OF AUTHORITY TO PROHIBIT COAL-CAPABLE FACILITIES USE OF GAS AND AUTHORITY TO PROHIBIT USE OF GAS IN CERTAIN FUELS MIXTURES

SEC. 203. (a) Section 301(b) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8341(b)) is hereby amended by striking out "or natural gas, or both," and by redesignating said section as 301(a) (42 U.S.C. 8341(a)).

(b) Section 301(c) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8341(c)) is hereby amended by striking out "or natural gas" and "or natural gas, or both," each place such terms appear, and by redesignating said section as 301(b) (42 U.S.C. 8341(b)).

(c) Section 302(a) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8342(a)) is hereby amended by striking out "or natural gas, or both,".

(d) Section 302(b)(1) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8342(b)(1) is hereby amended by striking out "or natural gas" and "or natural gas, or both," each place such terms appear.

(e) Subsections (a)(1) and (b) of section 303 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8343(a)(1) and (b)) are hereby amended by striking out "natural gas or".

(f) Subsections (a), (b), (c), (d)(1), (e), (f), and (g)(1) of section 311 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8351 (a), (b), (c), (d)(1), (e), (f), and (g)(1)) are hereby amended by striking out "natural gas or".

(g) Section 311(h) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8351(h)) is hereby amended—

(1) by striking out paragraph (3) and redesignating paragraph (4) as paragraph (3); and

(2) in paragraph (3) (as so redesignated), by striking out "natural gas and".

(h) Subsection (a)(1) of section 312 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8352(a)(1)) is hereby amended by striking out "natural gas or".

(i) Subsection (c)(1) of section 312 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8352(c)(1)) is hereby amended by striking out "petroleum or natural gas, or both, are" and inserting in lieu thereof "petroleum is".

(j) The heading for section 312(d) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8352(d)) is hereby amended by striking out "Natural Gas or"; subsections (d)(1) (A) and (B) of section 312 are hereby amended by striking out "or natural gas"; and subsection (d)(3) is hereby amended by striking out paragraph (3) in its entirety.

(k) Subsection (g)(1)(B)(i) of section 312 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8352(g)(1)(B)(i)) is hereby amended by striking out "natural gas or".

(l) Subsections (h), (i), and (j) of section 312 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8352 (h), (i), and (j)) are hereby amended by striking out those subsections in their entirety, and by redesignating subsections (k) and (l) as subsections (h) and (i), respectively.

(m) Subsection (a)(1) of section 313 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8353(a)(1)) is hereby amended by striking out "natural gas or".

REPEAL OF SYSTEM COMPLIANCE OPINION

SEC. 204. Title V of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8391) is hereby amended by striking out this title in its entirety.

CONFORMING AMENDMENTS

SEC. 205. (a) Section 701(c)(4) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8411(c)(4)) is hereby amended by striking out subsection (c)(4) in its entirety.

(b) Subsections (a)(1) and (g)(3) of section 731 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8441(a)(1) and (g)(3)) are hereby amended by striking out "or Title III".

TITLE III—GAS TRANSPORTATION PROGRAM

APPLICATION PROCEDURE

SEC. 301. (a) Within one hundred twenty days of the date of enactment of this Title, the Commission shall establish by rule procedures for expedited consideration of transportation certificates for the movement of natural gas from an eligible seller to an eligible buyer.

(b) Either an eligible buyer or a transporting pipeline may apply pursuant to the rule established in subsection (a) for a transportation certificate to move natural gas from an eligible seller. Said application shall be deemed approved unless the Commission denies said application within 60 days of the date of filing. The Commission may deny such application only if it determines, after notice and opportunity for written comments and, if requested the oral presentation of data, views, and arguments, and for that—

(1) approval of the application would impair or interfere with the natural gas need rules of higher priority users as those needs may be determined by the Commission, or

(2) the transporting pipeline has, or is likely to have, inadequate capacity to transport the gas.

TERMS AND CONDITIONS

SEC. 302 (a) No transportation certificate granted pursuant to this Title shall be for a period exceeding two years. The term of said certificate may be extended for additional two year periods.

(b) Transportation of natural gas pursuant to this Title shall be subject to interruption to the extent that natural gas is required by the transporting pipeline to provide adequate service to the pipeline's customers.

(c) The Commission may by rule or order impose other terms and conditions as it deems appropriate and in the public interest.

TITLE IV—ADMINISTRATION AND REPORTING REQUIREMENTS

SEC. 401. (a) Except to the extent otherwise provided in this section or other provisions of this Act, rules prescribed under this Act shall be made in accordance with the procedures set forth in section 553 of Title 5, United States Code.

(b) The Commission is authorized to issue such rules and regulations as it may find necessary or appropriate to carry out the functions of this Title.

SEC. 402. Section 762(c) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8472) is hereby amended by striking out subsection (c) (42 U.S.C. 8472(c)) in its entirety and inserting in lieu thereof;

"(c) Validity of pending and final orders.—The preceding provisions of this Act shall not affect the validity of any order issued under subsection (a), or any final order under subsection (c) of section 2 of the Energy Supply and Environmental Coordination Act of 1974; nor shall the repeal of any provisions of this Act affect the validity of any order under subsections (a) or (b) of section 301 of this Act (formerly numbered Sections 301 (b) and (c) prior to the adoption of these amendments) which is final on or before September 30, 1983 or which is proposed on or before September 30, 1983, and becomes final thereafter; and the authority of the Secretary to consider, grant, amend, modify, extend, repeal, rescind, enforce, or make final any such order, or any rules applicable thereto, shall remain in effect notwithstanding any limitation of time otherwise applicable to such authority; and this authority

shall be deemed to have been conferred pursuant to a subsequent enactment which supersedes section 2(a) of Energy Supply and Environmental Coordination Act of 1974.

REPORTS

Sec. 403. One year after the date of enactment of this Act, the Commission shall submit to the Congress a report concerning the effectiveness of the gas transportation program established herein. Said report shall contain certain information, including data concerning the identity of participating eligible sellers, eligible buyers, and transporting pipelines; the volumes of natural gas which are under contract to be transported pursuant to this Act; the transportation rates being charged; and such other information that the Commission may deem to be relevant and material.

EXPIRATION

SEC. 404. The provisions of this Act shall expire twenty years after the date of enactment.●

By Mr. DOLE:

S. 997. A bill to provide a new program for producers of wheat, feed grains, and soybeans for the crop years 1982 through 1985, to amend the Food Stamp Act of 1977, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL ACT OF 1981

● Mr. DOLE. Mr. President, today I am introducing a bill to be considered as a part of the comprehensive farm legislation which Congress will address this year. The bill contains five titles: Title I—Wheat; title II—Feed Grains; title III—Grain reserves; title IV—Soybeans, and title V—Food stamps.

Mr. President, before offering the bill for inclusion in the RECORD, I would like to comment briefly on the conditions which grain and soybean producers in the United States are confronted with in the domestic and international marketplace, and how these conditions relate to the nature and design of our national farm program.

As we all know, American agriculture has demonstrated an unparalleled ability to respond to the needs of our country and of nations around the world for a reliable supply of food and fiber at reasonable prices. During periods of global shortages, many nations have depended on the productive capacity of the U.S. farmer to provide the essential nutritional requirements of their people, and he has unfailingly answered their needs. The growth in agricultural productivity and export earnings over the past three decades is one of the most remarkable success stories in our Nation's economic history.

As the world has increased its reliance on access to U.S. food supplies, so the U.S. producer has increasingly relied on continued access to foreign as well as domestic markets. The United States is one of very few countries—and the only major exporter of agricultural commodities—which allows its products to be sold overseas at prices determined in the free marketplace. Prices for U.S. wheat, feed grains, soybeans, and other basic foodstuffs are subject to sharp and rapid changes resulting not only from fluctuations in our own supply and demand conditions, but on fluctuations in crop production and import requirements around the world. Other factors, including the value of the dollar, interest rates, and international crises also have a significant impact on market prices, and on the farm prices which are determined by them.

In contrast, other countries have for many years chosen to isolate their agricultural industries—and their producers—from the volatility of the free market in recognition of the strategic importance of a healthy and dependable source of food. Wherever we look today, nations are providing their farmers with guaranteed prices often far above those for the same commodities sold in international trade. This practice has required the governments of other exporting countries to subsidize their products from their national treasuries in order to compete in the world market. The most notable example is the European Economic Community, which has paid exporters as much as $3.40 per bushel of wheat in order to sell its surpluses to third-country markets. To varying degrees and through other means, our other principal competitors—Canada, Australia, and Argentina—also back up their national export programs with government payments and incentives. In each case, the world price against which these countries determine their export pricing strategies is based on current prices in the U.S. commodity markets. Thus, in years of global abundance, the United States has become the residual supplier, filling the needs of food-deficit nations after the other exporters have disposed of their excess production at subsidized prices.

I have gone into some detail on this subject, Mr. President, because it relates directly to the role of the U.S. Government in our agricultural economy. No one—and particularly the U.S. farmer—wants the Government to control prices and make marketing decisions. There is a strong belief in the countryside that the less Government regulation and interference in our farm sector, the better. All the producer wants is free access to foreign markets without unfair competition from other exporting countries. Under these conditions, I am sure that we would not need many of the safeguards which have been provided in our national farm program.

There has been considerable discussion on reducing the role of Government in managing production levels of our basic commodities—to let the farmer take his signal directly from the free market. I can assure you, Mr. President, that planting decisions are already made in accordance with the relative market prices of various crops, and with the price outlook for the coming year. As I have explained, however, the external factors which affect prices, and the limitations which the policies of importing and other exporting nations impose on access to world markets, subject our markets to severe and often depressed conditions.

For these reasons, I cannot see how we can alter the balance of Government incentives and production controls until the world market can be made truly "free." If there is a more proper role for Government in assisting agriculture, it would be in negotiating an end to the unfair export policies of our competitors and the highly restrictive import barriers of some of our major customers. Until these practices are liberalized, and until their effect on our domestic market prices can be ended, I could not, in good faith to the American farmer, reduce the modest amount of support which the Government currently provides.

TITLE V—FOOD STAMP PROGRAM

Mr. President, included in the comprehensive measure is a fifth title which not only reflects my support for most of the administration's proposed changes in the food stamp program but also my longstanding commitment to the goals and concept of this program. I think the administration has gone about trying to slow the growth of the program in constructive ways, and I recognize the need for substantial savings in this most expensive Federal social program. However, there are some changes that I cannot support, because of their potential impact.

I am not in favor of reducing a family's food stamp allotment if they have children who are eligible for a free school lunch. Not only would this kind of proposal be extremely complex to administer, but there are even greater arguments on the side of nutritional benefits.

The thrifty food plan on which the food stamp program is based has been proven to be inadequate in terms of providing nutritional benefits to recipients. This plan consists of minimal dietary standards, which are consistent with the supplemental nutritional nature of the program. Other Federal nutrition programs have served to complement the potential shortcomings of the food stamp program by focusing on especially vulnerable segments of our population—pregnant women and infants, the elderly, and school-age children. These programs all work together to fill an existing need among our people. It is the opinion of this Senator that reducing food stamp benefits because of a perceived overlap with free school lunches would primarily hurt low-income families with several children, who are among the poorest of the poor.

For this reason, I think that we should consider substitute measures to achieve a comparable amount of savings. In order to reach this goal, I am looking at other options, such as an increase in the benefit reduction rate. However, I do have some reservations about this kind of proposal to reduce spending. It would be preferable to the Senator from Kansas to consider possibilities other than an increase in the benefit reduction rate, because this would have an impact on program participants across the board.

I have also included in my bill a provision to essentially remove the cap for this program. Given the problems that have occurred in past years and the potential funding crises that have been narrowly avoided due to last minute action on the part of Congress, I think it is simply unwise to impose such an artifi-

cial restraint on program spending. This is not a good way to go about trying to cut back on expenses, because it ultimately necessitates a reduction or suspension of benefits across the board when funds run out.

I think the other provisions in this piece of legislation go about attempting to restrain program growth in a more constructive way. Taking into consideration the uncertain economic factors that exist in our country today, we need to leave as much flexibility as possible to assure that needy individuals within our population receive the assistance they deserve.

Mr. President, aside from the introduction of this comprehensive measure I will be submitting amendments to the administration's proposals for other crops and areas of general farm legislation to be covered under this year's omnibus farm package.●

By Mr. McCLURE (for himself and Mr. WARNER):

S. 998. A bill to amend the Energy Policy and Conservation Act and the Energy Security Act to improve the administration of the Strategic Petroleum Reserve, to provide for transition in fiscal year 1982 to an alternative off-budget funding mechanism for financing the purchase of petroleum for the Strategic Petroleum Reserve, and for other purposes; to the Committee on Energy and Natural Resources.

STRATEGIC PETROLEUM RESERVE AMENDMENTS ACT OF 1981

● Mr. McCLURE. Mr. President, when the budget reconciliation resolution for fiscal year 1981 was approved by the Senate last week, the instruction to the Committee on Energy and Natural Resources assumed an off-budget mechanism would be enacted for fiscal year 1982 for financing $3 billion of the $3.8 billion recommended by President Reagan for strategic petroleum reserve (SPR) petroleum acquisition.

I, as does the committee, support the objective of finding an off-budget funding mechanism. In our March 20 report to the Senate Budget Committee, the Energy and Natural Resources Committee stated:

> The Committee supports President Reagan's budgetary totals for programs within the jurisdiction as contained in the Administration's proposed budget for fiscal year 1982. Further, it is the sense of the Committee, in the case of funding for the Strategic Petroleum Reserve, that the Committee will move expeditiously to consider and report an alternative off-budget funding mechanism. When such an alternative mechanism is developed by the Committee on Energy and Natural Resources, or any other Committee, and is enacted into law, we will support an appropriate reduction in authorizations and appropriations for the Strategic Petroleum Reserve.

The Budget Committee supported the objective of the SPR on economic as well as national security grounds. The Budget Committee did not dispute the fact that the SPR can provide insurance against the economic dislocations, protection against international blackmail, and a source of fuel supplies for our military in the event of wartime mobilization. On these points we are in agreement. Where we were in disagreement was whether an off-budget financing mechanism to raise the necessary funds to purchase petroleum is already known.

Several funding mechanisms are postulated. The committee is currently conducting a review of various proposals. Further hearings will be held the week of April 20 by Senator WARNER's Subcommittee on Energy and Mineral Resources.

In the spirit of the reconciliation resolution, today I introduce for myself and Senator WARNER the Strategic Petroleum Reserve Amendments Act of 1981. The bill would provide for transition in fiscal year 1982 to an off-budget funding mechanism for financing the purchase of petroleum for the strategic petroleum reserve, and for other purposes.

The strategic petroleum reserve was created by the Energy Policy and Conservation Act, Public Law 94-163, and signed into law on December 22, 1975. Motivated by concern for national security, the objective of the strategic petroleum reserve is to reduce the U.S. vulnerability to serve interruptions of petroleum supplies through the acquisition and storage of up to 1 billion barrels of petroleum.

The initial storage target was 500 million barrels by 1982. The Congress subsequently approved the implementation of a Government reserve of 750 million barrels with congressional approval on the timing and method for the fourth 250-million-barrel increment being deferred.

Last year the Congress in the Energy Security Act directed to the President to immediately undertake and continue crude oil acquisition, transportation, and oil injection activities at a minimum annual rate of 100,000 barrels per day during fiscal year 1982 and beyond.

In recognition of the vital role that the strategic petroleum reserve can serve in providing for our national security President Reagan proposed the requisite fiscal year 1982 appropriations to achieve an average annual fill rate of approximately 230,000 barrels per day. At this rate existing reserve capacity of approximately 260 million barrels will essentially be filled by the end of fiscal year 1982.

This measure would continue the current concept of petroleum storage in a Federal strategic reserve until 750 million barrels are available to American consumers in the event of an interdiction of imported energy supplies. The measure also endorses the goal set forth in the fiscal year 1981 Interior Appropriation Act of an annual average fill rate of 300,000 barrels of crude oil per day.

In summary, the bill would establish an interim financing mechanism in fiscal year 1982 for the purchase of petroleum for the strategic petroleum reserve, while an off-budget financing mechanism is being implemented during fiscal year 1982. The proposed interim financing mechanism would—

Establish a subaccount within the Energy Security Reserve appropriation account—established by the fiscal year 1980 Supplemental Appropriation Act. The purposes of the subaccount would be to provide a mechanism for an orderly transition to off-budget financing while insuring a continuing and predictable source of funds for purchase of oil to fill the reserve and to provide a cushion to absorb fluctuations between receipts from the sales of strategic petroleum reserve securities and expenditures for the purchase of petroleum for the reserve;

Authorize an appropriation of $705 million in fiscal year 1982 into the subaccount;

Authorize the transfer of any prior year carryover funds for oil purchases into the subaccount; and

Authorize for fiscal year 1982 a set-aside of borrowing authority—or line of credit—against the existing appropriations within the energy security reserve. The amount of available borrowing authority would be the difference between $3.7 billion and the sum of first, the actual fiscal year 1982 appropriations; second, carryover funds from previous appropriations; and third, the total estimated revenues—or the value of Federal oil—from sources specified in this proposal.

Additionally, the measure would dedicate certain sources of oil, such as royalty oil from Federal lands, for storage in the strategic petroleum reserve. Specifically, the bill would—

Authorize and direct the President to deposit the proceeds—in cash or in-kind—from the sale of Elks Hills oil into, respectively, the strategic petroleum reserve or the appropriation subaccount;

Authorize and direct the President to deposit the proceeds—in cash or in-kind—from the sales of Federal royalty oil—as defined in sec. 805(D)(4) of the Energy Security Act—into the strategic petroleum reserve or the appropriation subaccount; and

Authorize and direct the President to issue by October 1, 1981, a strategic petroleum reserve security for sale in the private securities market. The proposed plan for issuance of the securities would be submitted to the Congress by September 1, 1981, subject to 30-calendar-day-layover. An issuance of $3 billion in energy security reserve securities is authorized in fiscal year 1982.

In addition the bill would:

Authorize the President to enter into contract arrangements with States for the storage of State oil in the SPR.

The measure also directs the President to submit to Congress by October 1, 1981, a study on implementation of an industrial reserve as part of phase III of the strategic petroleum reserve or as additional storage.

Mr. President, I ask unanimous consent that a factsheet and section-by-section analysis of the measure, as well as the text of the Strategic Petroleum Reserve Amendments Act of 1981 be printed in the RECORD.

There being no objection, the bill and the fact sheet were ordered to be printed in the RECORD, as follows:

S. 998

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Strategic Petroleum Reserve Amendments Act of 1981".

DECLARATION OF POLICY

SEC. 2. (a) The Congress declares that in the interest of national security it is the policy of the United States to continue to provide for implementation of the concept of the Strategic Petroleum Reserve established by Part B of Title I of the Energy Policy and Conservation Act.

(b) Section 160 of the Energy Policy and Conservation Act, as amended by section 801 of the Energy Security Act, is amended further by adding at the end of subsection (c) (1) before the period, the following:

"*Provided*, That the President shall immediately seek to undertake, and thereafter continue, crude oil acquisition, transportation, injection activities at a level sufficient to assure that crude oil storage in the Strategic Petroleum Reserve will be increased to an average annual rate of at least 300,000 barrels per day or a sustained average annual daily rate of fill which would fully utilize funds available in the Strategic Petroleum Reserve Account".

(c) Section 160 of the Energy Policy and Conservation Act, as amended by section 801 of the Energy Security Act, is amended further by adding at the end thereof, the following:

"(f) For the purposes of this Part—

"(1) the term 'Strategic Petroleum Reserve Account' means the subaccount of the Energy Security Reserve established pursuant to section 802(c) of the Energy Security Act; and

"(2) the term 'Energy Security Reserve' means the Department of the Treasury Appropriation account established pursuant to the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Law 96–126).".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 3. Section 801 of the Energy Security Act is amended by adding at the end thereof the following new subsections:

"(c) There is hereby established in the Energy Security Reserve a subaccount that is hereinafter referred to as the Strategic Petroleum Reserve Account. Funds deposited in such account shall be available to the President for the purpose of Strategic Petroleum Reserve petroleum acquisition pursuant to Part B of Title I of the Energy Policy and Conservation Act, as amended, and this Title.

"(d) There are authorized to be appropriated to the Strategic Petroleum Reserve Account for the fiscal year ending September 30, 1982, $704,900,000.

"(e) There are authorized to be transferred to the Strategic Petroleum Reserve Account any previously appropriated but unobligated funds for Strategic Petroleum Reserve petroleum acquisition.

"(f) From funds appropriated to the Energy Security Reserve, there is authorized to be made available to the President for Strategic Petroleum Reserve petroleum acquisition borrowing authority in an amount not to exceed $3,704,900,000, less the sum of—

"(1) funds appropriated pursuant to subsection (d);

"(2) funds transferred to such account pursuant to subsection (e);

"(3) proceeds deposited in such account pursuant to—

"(A) section 805(b) of this Act; and

"(B) sections 7430 (k) or (l) of title 10, United States Code;

"(4) the fair market value of any petroleum stored in the Strategic Petroleum Reserve pursuant to—

"(A) section 1430 (k) or (l) of title 10, United States Code;

"(B) section 160(d) of the Energy Policy and Conservation Act; and

"(C) section 805 (b) of the Energy Security Act; and

"(5) proceeds from the sale of securities pursuant to section 807.

"(g) Any borrowing authority from the Energy Security Reserve utilized pursuant to subsection (f) for Strategic Petroleum Reserve petroleum acquisition shall be repaid to the Secretary of the Treasury from funds available in the Strategic Petroleum Reserve Account within a reasonable period of time, as determined by the President, in order to support the objectives established by other law for other programs supported by funds from the Energy Security Reserve.".

USE OF CRUDE OIL FROM ELK HILLS

SEC. 4. (a) Section 160(d)(1) of the Energy Policy and Conservation Act, as added to said Act by the Energy Security Act, is amended to read as follows:

"(d)(1) Notwithstanding any other provision of law, no portion of the United States share of crude oil in Naval Petroleum Reserve Numbered 1, 2, or 3 may be—

"(A)(i) sold, other than by transactions where the proceeds will be deposited in the Strategic Petroleum Reserve Account;

"(ii) exchanged for crude oil, other than crude oil which will be stored in the Strategic Petroleum Reserve; or,

"(iii) otherwise disposed of, other than storage in the Strategic Petroleum Reserve,

during any fiscal year, except as provided in paragraph (2), unless—

"(B)(i) the quantity of crude oil in storage within the Strategic Petroleum Reserve is at least 750,000,000 barrels; or

"(ii) acquisition, transportation, and injection activities for the Strategic Petroleum Reserve are being undertaken for that fiscal year at a level sufficient to assure that crude oil in storage in the Strategic Petroleum Reserve will be increased at an average rate of at least 300,000 barrels per day for that fiscal year.".

USE OF NAVAL PETROLEUM RESERVE OIL

SEC. 5. Section 7430(k)(1) of title 10, United States Code, as amended by Section 804(b) of the Energy Security Act, is amended further to read as follows:

"(k)(1) Except as provided in subsection (2), with respect to all or any part of the United States share of petroleum produced from the Naval Petroleum Reserves, the President shall direct that the Secretary—

"(A) place that petroleum in the Strategic Petroleum Reserve as authorized by sections 151 through 166 of the Energy Policy and Conservation Act (42 U.S.C. 6231–6246); or

"(B) exchange, directly or indirectly, that petroleum for other petroleum to be placed in the Strategic Petroleum Reserve under such terms and conditions and by such methods as the Secretary determines to be appropriate, without regard to otherwise applicable Federal procurement statutes and regulations; or

"(C) sell that petroleum at its fair market value and deposit the proceeds from such sale in the Strategic Petroleum Reserve Account.".

(b) Section 7430 (1) of title 10, United States Code, as added by Section 804(c) of the Energy Security Act, is amended to read as follows:

"(1)(1) Notwithstanding any other provision of this Chapter (but subject to paragraph (2)), during any period in which the production of petroleum is authorized from Naval Petroleum Reserves Numbered 1, 2, or 3, the Secretary, at the request of the Secretary of Defense, may provide any portion of the United States share of petroleum so produced to the Department of Defense for its use, exchange, or sale in order to meet petroleum product requirements of the Department of Defense.

"(2) Petroleum may be provided to the Department of Defense under paragraph (1) either directly or by such exchange as the Secretary deems appropriate. Appropriate reimbursement reasonably reflecting the fair market value shall be provided by the Secretary of Defense for petroleum provided under this subsection. Any proceeds from such reimbursement shall be deposited in the Strategic Petroleum Reserve Account and any such reimbursement as petroleum shall be stored in the Strategic Petroleum Reserve, either directly or by exchange.

"(3) Any exchange made pursuant to this subsection may be made without regard to otherwise applicable Federal procurement statutes and regulations: *Provided*, That any petroleum acquired by the Secretary pursuant to this paragraph shall be subject to the requirements and limitations of subsection (k).

"(4) Paragraph (1) does not apply to any petroleum set aside for small refiners under subsection (d) of this section or placed in the Strategic Petroleum Reserve under subsection (k) of this section.".

(c) Section 804 of the Energy Security Act is amended by adding at the end thereof the following new subsection:

"(d) Section 7430 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"'(m) For the purposes of this chapter—

"'(1) the term 'Strategic Petroleum Reserve Account' means the subaccount of the Energy Security Reserve established pursuant to section 802(c) of the Energy Security Act; and

"'(2) the term 'Energy Security Reserve' means the Department of the Treasury Appropriation account established pursuant to the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Law 96–126).'.".

USE OF FEDERAL ROYALTY OIL

SEC. 6(a) Section 805(b) of the Energy Security Act is amended to read as follows:

"(b) In addition to the requirement under subsection (a), the President shall direct that—

"(1) all or any portion of Federal royalty oil be placed in storage in the Strategic Petroleum Reserve,

"(2) all or any portion of Federal oil be exchanged (directly or indirectly) for other crude oil for storage in the Strategic Petroleum Reserve, or

"(3) Prior to October 1, 1981, all of the proceeds from the sales of Federal royalty oil be transferred to the account established by subsection (c) for use for the purchase of crude oil for the Strategic Petroleum Reserve, as provided in subsection (c): *Provided*, That effective October 1, 1981, (A) any unobligated balances in said account shall be transferred to the Strategic Petroleum Reserve Account; and (B) beginning on October 1, 1981, all of the proceeds from the sales of Federal royalty oil shall be deposited in the Strategic Petroleum Reserve Account.".

(b) Section 805 of the Energy Security Act is amended by adding the following new subsection (d) as follows:

"(d) Notwithstanding any other provision of law, no portion of the Federal royalty oil may be—

"(1)(A) sold, other than by transactions where the proceeds from the sale of Federal royalty oil will be deposited in the Strategic Petroleum Reserve Account;

"(B) exchanged for crude oil, other than crude oil which will be stored in the Strategic Petroleum Reserve; or,

"(C) otherwise disposed of, other than storage in the Strategic Petroleum Reserve,

"during any fiscal year, unless—

"(2)(A) the quantity of crude oil in storage within the Strategic Petroleum Reserve is at least 750,000 barrels; or

"(B) acquisition, transportation, and injection activities for the Strategic Petroleum Reserve are being undertaken for that fiscal year at a level sufficient to assure that crude oil in storage in the Strategic Petroleum Reserve will be increased at an average rate of at least 300,000 barrels per day for that fiscal year.".

(c) The existing Section 805(d) of the

Energy Security Act is amended by redesignating such subsection as subsection "(e)".".

SEC. 7. Title VIII of the Energy Security Act is amended by adding the following new section at the end thereof:

"STORAGE OF STATE ROYALTY OIL

"SEC. 806. The President, acting through the Secretary of Energy, is authorized to contract, upon such terms and conditions necessary to protect the interests of the United States, with any State of the United States to store in the Strategic Petroleum Reserve petroleum the title to which shall remain with such State: *Provided*, That any drawdown and distribution of such State petroleum shall be made in accordance with Distribution Plan contained in the Strategic Petroleum Reserve Plan pursuant to section 159 of the Energy Policy and Conservation Act. Any such contract shall provide that the United States, upon any drawdown and distribution of such oil pursuant to such Distribution Plan, shall pay the State the fair-market value for such State oil, as determined by the President, as of the date of such drawdown and distribution, from proceeds derived from the sale of such oil during the drawdown and distribution.".

CAPITALIZATION AND FINANCE

SEC. 8. Title VIII of the Energy Security Act is amended further by adding the following new section at the end thereof:

"ISSUANCE OF STRATEGIC PETROLEUM RESERVE SECURITIES

"SEC. 807. (a) Not later than October 1, 1981, in accordance with subsection (b), the President is authorized and directed, acting by and for the Secretary of the Treasury, to issue Strategic Petroleum Reserve Securities for sale in the private securities market. Proceeds from the sale of such securities shall be made to the Secretary of the Treasury for deposit to the Strategic Petroleum Reserve Account. Proceeds from such sale shall be used for the purpose of (1) Strategic Petroleum Reserve petroleum acquisition in accordance with Part B of Title I of the Energy Policy and Conservation Act and Title VIII of the Energy Security Act, and (2) repayment of funds borrowed from the Energy Security Reserve pursuant to section 802(f).

"(b)(1) Not later than September 1, 1981, the President shall submit a Strategic Petroleum Reserve Securities Plan to the Congress. Such Plan shall—

"(A) set forth a schedule for the issuance of such securities;

"(B) specify the terms and conditions for the issuance of such securities; and

"(C) include any recommendations regarding any proposed legislation the President considers appropriate.

"(2) Thirty (30) calendar days after the Strategic Petroleum Reserve Securities Plan is transmitted to the Congress, unless withdrawn by the President, such plan shall become effective. At such time the President is directed, acting by and through the Secretary of the Treasury, to issue such securities in accordance with such Plan.

"(c) For purposes of this section, the term "securities" means an instrument of the United States Government representing a financial interest in the Strategic Petroleum Reserve established pursuant to Part B of Title I of the Energy Policy and Conservation Act, as amended.

"(d) Effective October 1, 1981, the issuance of securities pursuant to the section is authorized in an aggregate principal amount of $3,000,000,000 to finance Strategic Petroleum Reserve Petroleum acquisition during Fiscal Year 1982.".

CONFORMING AMENDMENT TO TITLE VIII OF THE ENERGY SECURITY ACT

SEC. 9. Title VIII of the Energy Security Act is amended further by adding at the end thereof:

"DEFINITIONS

"SEC. 808. For the purpose of this title,

"(1) the term 'Strategic Petroleum Reserve Account' means the subaccount of the Energy Security Reserve established pursuant to section 802(c) of the Energy Security Act; and

"(2) the term 'Energy Security Reserve' means the Department of the Treasury Appropriation account established pursuant to the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Law 96-126).".

STUDY

SEC. 10. Title VIII of the Energy Security Act is amended further by adding the following new subsection at the end thereof:

"STUDY ON IMPLEMENTATION OF INDUSTRIAL RESERVE

"SEC. 809. The President shall, not later than September 1, 1981, transmit to the Congress a study on implementation of an Industrial Petroleum Reserve pursuant to section 156 of the Energy Policy and Conservation Act as part of the Strategic Petroleum Reserve, or as additional storage. Such report shall include such recommendations for legislation as the President deems appropriate.".

FACT SHEET—STRATEGIC PETROLEUM RESERVE AMENDMENTS ACT OF 1981

CONCEPT

Continue the current concept of the Strategic Petroleum Reserve (SPR) through Phase III (750 million barrels of storage) with a transition in Fiscal Year 1982 to an alternative off-budget funding mechanism for petroleum acquisition. The SPR program would continue to be managed by the Department of Energy (DOE). The SPR construction activities would remain on-budget. The SPR is authorized by the Energy Policy and Conservation Act (Title I, Part B), as amended by Title VIII of the Energy Security Act.

* * * * *

SPR FILL RATE

Endorses as the goal an annual average SPR fill rate of at least 300.000 barrels of crude oil per day (as earlier enacted in the FY 1981 Interior Appropriations Act).

INTERIM FINANCING MECHANISM

Amends Title III of the Energy Security Act to—

Establish SPR Treasury subaccount within the Energy Security Reserve (created by the FY 1980 Supplemental Appropriations Act). The purpose of the SPR Subaccount would be to a cushion of funds to absorb fluctuations between receipts and expenditures for the purchase of petroleum for the SPR. (The proposed sources of funds are discussed below.)

Authorize an appropriation of $705 million in FY 1981 into the SPR subaccount and transfer of any unobligated prior year appropriations for SPR petroleum purchases into the subaccount.

Authorize for Fiscal Year 1982 a set-aside of borrowing authority (or a line-of-credit) against the existing appropriations within the Energy Security Reserve. The amount of borrowing authority available would be the difference between $3.7 billion and the sum of (a) the FY 1982 appropriation, (b) carryover unobligated funds, and (c) the market value of the oil stored in the SPR (or proceed from the sale thereof deposited in the SPR subaccount) derived from sources established by this proposal.

SOURCES OF REVENUES OR PETROLEUM

Until Phase III of the SPR is completed or at least 300,000 barrels per day of petroleum are being stored in the SPR, the President is—

Authorized and directed to store Elk Hills and other Naval Petroleum Reserve oil in the SPR or deposit the proceeds from the sale of such oil into the SPR subaccount for the acquisition of SPR petroleum.

Authorized and directed to store Federal royalty oil (as defined in Sec. 805(d)(4) of the E.S.A.) into the SPR or the proceed from the sale of such oil into the SPR subaccount.

Authorized and directed to issue by October 1, 1981, an SPR Security for sale in the private securities market. The proposed plan for such issuance would be submitted to the Congress by September 1, 1981, subject to a 30 day layover requirement, after which the President is required to issue the SPR Security. An SPR Security issuance of $3 billion is authorized during Fiscal Year 1982.

Authorized to contract with States for the storage of State royalty oil in the SPR.

STUDY

In addition the President is directed to submit to the Congress by September 1, 1981, a study on implementation of an industrial Petroleum Reserve pursuant to section 156 of the Energy Policy and Conservation Act. Such an industrial reserve could be either as a part of the Strategic Petroleum Reserve or in addition to the Federal reserve.

BACKGROUND

The Strategic Petroleum Reserve was created by the Energy Policy and Conservation Act (P.L. 94-163), signed into law on December 22, 1975. The Congress has approved implementation of the SPR of 750 million barrels.

President Reagan has proposed a Fiscal Year 1982 budget authority of $3,883 billion for the Strategic Petroleum Reserve. The Strategic Petroleum Reserve Amendments Act of 1981 would authorize $3.704 billion in Fiscal Year 1982 for the acquisition of petroleum for the SPR. Funds for the construction of facilities will be authorized separately in the Department of Energy authorization act for FY 1982 in the amount of $178.5 million.

This level of funding is estimated to support a FY 1982 fill rate of 230,000 barrels per day, which is an increase of 23,000 barrels per day over FY 1981. In addition the Strategic Petroleum Reserve Amendments Act of 1981 would make available petroleum from other sources so that this fill rate can be increased.

The Energy Security Act defines—

"Federal royalty oil" to mean crude oil which the United States is entitled to receive in kind as royalties from production on Federal land (as such term is defined in section 3(10) of the Energy Policy and Conservation Act (42 U.S.C. 6202(10)); and

"Proceeds from the sale of Federal royalty oil" to mean that portion of the amounts deposited into the Treasury of the United States from the sale of Federal royalty oil which is not otherwise required to be disposed of (other than as miscellaneous receipts) pursuant to (A) the provisions of Section 35 of the Act of February 25, 1920, as amended (41 Stat. 450; 30 U.S.C. 191), commonly known as the Mineral Lands Leasing Act, or (B) the provisions of any other law.

SECTION-BY-SECTION ANALYSIS

Section 1—This section includes the short title of the bill.

Section 2—Subsection (a) reiterates Congressional policy supporting continuation of the current concept for the Strategic Petroleum Reserve (SPR).

Subsection (b) adds to the Energy Policy and Conservation Act the 300,000-barrel/day average annual fill rate goal adopted by Congress in the FY 1981 Interior Appropriations Act.

Subsection (c) adds to the Energy Policy and Conservation Act definitions for the "Strategic Petroluem Reserve Account" and the "Energy Security Reserve" as used in the bill.

Section 3—This section contains the authorizations necessary to provide a total of $3.7 billion for SPR petroluem acquisition in FY 1982.

Subsection 802(c) establishes the Strategic Petroleum Reserve Account.

Subsection 802(d) authorizes direct appropriations of $704,900,000 into the SPR account.

Subsection 802(e) authorizes transfer of any carry-over SPR funds for petroleum acquisition into the SPR account.

Subsection 802(f) authorizes the use of borrowing authority currently available in the Energy Security Reserve for petroleum acquisition at a level of $3,704,900,000 less funds or oil fair market value placed in the SPR account from other sources available under the bill, including direct appropriations, carry-over appropriations, sales of Naval Petroleum Reserve oil, the sale of SPR securities, sales of the federal share of royalty oil.

Subsection 802(g) establishes the requirement for repayment of any borrowing authority from the Energy Security Reserve which is used for petroleum acquisition from funds available in the SPR account within a reasonable period of time.

Section 4.—This section modifies the Energy Policy and Conservation Act to establish the general requirement that oil produced from Naval Petroleum Reserves 1, 2, or 3 shall be used for the SPR until the fill rate reaches 300,000 barrels a day or the SPR has been filled to a total 750,000,000 barrels.

Section 5.—This section modifies existing law in Title 10, U.S.C. relating to the Naval Petroleum Reserves to implement the policy contained in Section 4. This section also modifies the provisions to incorporate the concept of the SPR account.

Section 6.—This section modifies the Energy Security Act provisions related to federal royalty oil to incorporate the concept of the SPR account and the policy of dedicating the federal royalty oil or the federal share of the proceeds from federal royalty oil (except those proceeds dedicated to the states under other law) to the SPR, until the fill rate reaches 300,000 barrels a day or the SPR has been filled to a total of 750,000,000 barrels.

Section 7.—This section grants the President the authority to enter into contracts with individual States for the storage in the SPR of state royalty oil. The contracts would provide for payment for the oil at the time it is distributed from the SPR with funds derived from the sale at that time. Such payments would be based upon the fair market value of the oil at the time it is distributed.

Section 8.—This section amends the Energy Security Act to provide for the issuance of SPR securities beginning in FY 1982. Funds received from sale of securities will be deposited in the SPR account for petroleum acquisition. The President and the Secretary of the Treasury are directed to prepare a plan for such issuance for transmittal to the Congress no later than September 1, 1981. The plan would be subject to a 30-calendar-day layover before the Congress prior to implementation. The plan would specify all the relevant details associated with the issuance of SPR securities. The section authorizes a total of $3 billion in aggregate principal amounts for such securities in FY 1982.

Section 9.—Section 9 amends the Energy Security Act to add definitions of the SPR account and the Energy Security Reserve to conform to this bill.

Section 10.—This section requires the President to submit prior to September 1, 1981 a study on the implementation of an Industrial Petroleum Reserve as authorized in the Energy Policy and Conservation Act to be a part of the SPR or a supplement to it.●

By Mr. BAKER (for himself and Mr. DIXON):

S.J Res. 69. Joint resolution providing for the designation and adoption of the American marigold as the national floral emblem of the United States; to the Committee on the Judiciary.

THE MARIGOLD AS AMERICA'S NATIONAL FLOWER

● Mr. BAKER. Mr. President, the Senate is a body steeped in history and precedent. There are many who feel, as I do, that reverence for our traditions is one of the characteristics which have made the Senate a unique and enduring institution. Many years ago, my father-in-law, the late Senator Everett McKinley Dirksen of Illinois, started a tradition by introducing a resolution to designate the marigold as our national flower. His support for the marigold was a cause to which he was devoted until the day he died, and his colorful and impassioned oratory on behalf of that flower endeared him to thousands.

After his death in 1969, I have introduced his resolution in each succeeding Congress and am happy to do so today with the distinguished Senator from Illinois, Mr. DIXON.

The United States is one of the few nations of the world which has not adopted a national flower. While I am aware that many flowers have been nominated for this honor, I believe that the marigold, which was brought to our shores in the earliest days of our history and which has flourished in every part of our great country, is uniquely suited to become our floral symbol. I have been delighted, moreover, to learn that the marigold, which is known as the friendship flower, is attracting a growing number of admirers. The legislatures of three States, Georgia, Indiana, and Illinois, have approved resolutions recommending its adoption as our national flower. And the Marigold Society of America, which was founded in 1978 by the late David Burpee of the W. Atlee Burpee Co. in Doylestown, Pa., now is a sizable organization with members in 45 States, the District of Columbia, and Canada. The society's president, Mrs. Charlotte Bass of Stillwell, Ind., continues to serve as one of the marigold's most effective promoters.

Because it is hardy, colorful and very easy to grow, civic groups in hundreds of communities scattered across the United States have used marigolds to beautify public buildings, parks, and monuments. The Marigold Society recently made a gift of marigold seeds to the hometowns of the American hostages released by Iran. Planted this spring, these bright and cheerful yellow flowers will serve as a reminder of the outpouring of joy and the rekindling of the American spirit occasioned by the hostages' release.

Mr. President, I would like to share with my colleagues an eloquent statement of the reasons why the marigold deserves to be adopted as our national flower which was written by the late Mr. Burpee, and I ask uanimous consent that the statement, along with the text of the resolution, be printed at this point in the RECORD.

There being no objection, the joint resolution and the statement were ordered to be printed in the RECORD, as follows:

S.J. RES. 69

Whereas the peoples of the world have from time immemorial adopted emblems—flags, birds, flowers—for their countries, representatives of their national virtues; and

Whereas the people of the United States have similarly adopted emblems—the American flag and the American eagle—to represent the virtues of this country; and

Whereas each of the fifty sovereign States of the United States, in addition to its State flag, has a floral emblem which it cherishes as its own; and

Whereas the United States is the only major "free" country in the world without a floral emblem; and

Whereas the American marigold represents the character of the United States more appropriately as an emblem than does any other flower in that it is an American native and native of nowhere else in the world; grown in abundance in the home gardens of every State in the Union yet not the floral emblem of any State in the Union; grown easily and quickly from seed; already acknowledge as a symbol of religious faith; a flower in its very appearance representing not just beauty but a rugged humility of character; and, like the American eagle and the American flag, an exclusively American emblem, unclaimed by any foreign nation: Therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the flower commonly known as the American marigold is hereby designated and adopted as the national floral emblem of the United States, and the President is requested to declare such fact by proclamation.

REASONS WHY THE AMERICAN MARIGOLD SHOULD BE THE FLORAL EMBLEM OF THE UNITED STATES OF AMERICA

There are many reasons why the American Marigold (Tagetes erecta), the Friendship Flower, should be the Floral Emblem of the United States.

Let me tell you some of them: The Marigold is native to Southwestern United States and to Mexico. It grows well and is popular in every state of our Union from Florida to Maine and from Hawaii to Alaska and also in every civilized country of the world. And it is known as the Friendship Flower.

The Marigold is not the state flower of any one of our states and is not the national flower of any foreign nation and as it is American, it can truly represent the United States of America.

The Rose is the national flower of England and is considered a symbol of warfare—The War of the Roses. The Rose is also the national flower of six other nations, two of which are behind the Iron Curtain. The Rose would not be appropriate as our national flower.

When Cortez conquered ancient Mexico, he found Marigolds growing there. The gorgeous golden Marigolds were so beautiful Cortez took seed with him back to Spain. In Spain the beautiful golden Marigolds became the favorite flower of the devout to place at the altar of the Virgin Mary and because of that they were called Mary's Gold and then became known as Marigolds.

Then seed of Marigolds was taken to every civilized country of the world. They were so easy to grow everywhere and so beautiful, they became popular everywhere.

In India Marigolds became, and still are, the favorite flower to put in leis to place around a person's neck to indicate friendship and because of that they have become known as friendship flowers.

It is my thought that since we are the only great nation in the world that does not have a floral emblem, that especially when world affairs are so troubled, it would be very desirable to name as our National Floral Emblem the American Marigold, the Friendship Flower. It would indicate that we desire to be friends with all the peoples of the world and through friendship, it would perhaps help to deter future wars.

I urge you to support the American Marigold for the National Floral Emblem of the United States of America.●

By Mr. THURMOND (for himself and Mr. SIMPSON):

S.J. Res. 70. Joint resolution proposing an amendment to the Constitution of the United States with respect to the length of the term of office of the President and Vice President and the number of terms a President may serve; to the Committee on the Judiciary.

TIME LIMITATION ON THE OFFICE OF THE PRESIDENT

● Mr. THURMOND. Mr. President, today I am introducing a joint resolution proposing an amendment to the Constitution limiting the tenure of a President to a single 6-year term. This is a measure that has long been needed to insure the office of the President will be one of emphasis on national issues and problems and not one of concern for reelection.

Although the problem is one that affects both Democratic and Republican administrations, the activities in the past administration illustrate clearly the need for this amendment. Almost everything the President did or said was interpreted as being designed to enhance his chances for reelection. Polls which seemingly were taken every week by both private and public groups reflected the President's weathervaning popularity, and all too often they formed the basis for new policies which he felt enhanced his reelection efforts. This inconsistent process placed an undue burden on the President, as he tried to please everyone and hesitated to use, or abandoned totally his independent discretion.

The Presidency is one of three cornerstones in our Federal system, and I am introducing this resolution because I believe we need to rescue it. The tempo, pressures, and problems of these times, which we in the Senate know well, have accumulated to a point at which we cannot be certain that it is possible for a President of the United States to meet the responsibilities which come with his office while he is involved with all the aspects of mounting a national campaign for reelection.

The pressures of the job combined with the pressures of campaigning bend an incumbent President physically, just as they bend his policies. As if it were not enough to preside over the departments and agencies of the executive branch, to be Commander-in-Chief of the Armed Forces and ceremonial head of state, we ask our Presidents to go to the country as candidates, defend their policies in a heavy schedule of State primaries, and exercise their powers of incumbency in a long struggle for renomination and reelection.

The single-term reform was not conceived in the stress of modern politics. The issue of Presidential reeligibility was heavily debated during the Constitutional Convention. Thomas Jefferson was initially inclined to favor a single term of 7 years but he gradually became persuaded that George Washington's precedent of retirement after two terms was preferable.

But the experiences of the early Presidents renewed the advocacy of the single term, and the case was put strongly in 1828 by Virginia Representative Alexander Smyth—

The honor, the welfare, the tranquility of the nation, the fairness of elections require that the President should not be a candidate.

President Andrew Jackson was persistent in urging the reform in each of his annual messages to Congress. He stressed his special concern that Presidents are tempted to abuse their powers in pursuing reelection.

Many leading public figures, including Henry Clay, Benjamin Harrison, Benjamin F. Wade, and Charles Sumner, endorsed the reform in tne 19th century. Rutherford B. Hayes proposed it in his inaugural address and Grover Cleveland, accepting the Presidential nomination in 1886, described a President's eligibility for reelection as a "most serious danger to that calm, deliberate, and intelligent action which must characterize a government by the people." By 1896 the proposal to limit the President to one 6-year term has been introduced in Congress more than 50 times.

In 1912, the Democratic platform advocated a single-term President. After the general election, the Senate, by a vote of 47 to 23, proposed such an amendment on February 1, 1913. However, the House did not adopt the resolution.

In acting to avert a repetition of Franklin D. Roosevelt's four terms, Congress voted in 1947 to adopt the George Washington precedent, amending the Constitution to set a mandatory limit of two 4-year terms. Some Members argued for the single-term alternative, but it stirred no wide enthusiasm.

The lameduck issue is the major argument that is raised against the single, 6-year term. The contention is that a President's power will be seriously diminished if he is obliged to enter the Oval Office as a lameduck. Many insist that a President gains strength from his exertions to be reelected. But in enacting the 22d amendment, Congress committed any President who wins a second term to a lameduck status.

Dwight Eisenhower, the only President who has served a full second term under the limitations of the 22d amendment, did not feel that his inability to run again imposed any handicaps or loss of influence. Eisenhower became, in fact, a strong proponent of the single-term Presidency.

President Carter was a recent convert. The reason, he explained—

Is that no matter what I do as President now, where I am really trying to ignore politics and stay away from any sort of campaign plans and so forth, a lot of the things I do are colored through the news media and in the minds of the American people by, "Is this a campaign ploy or is it genuinely done by the incumbent President in the best interest of our country without any sort of personal advantage involved?" I think that if I had a 6-year term, without any prospect of re-election, it would be an improvement.

The Nation will gain more, it seems to me, from the services of a President who is liberated from reelection pressures than it will lose in sacrificing its right to pass upon a President's performance after 4 years. With the increased pressures of a long string of hard-fought primaries before him and the general election after that, a President's judgment on issues of substance are inevitably colored by his necessity to build a political base for reelection. He is harder and harder pressed to find time and attention to deal with the issues which confront him, but at the same time he is obliged to allocate increasing amounts of time and attention to his political prospects. This lead him to rely on aides whose preoccupation is politics more than on those aides directly concerned with the substance of Government. As he behaves more and more like a candidate, he is viewed as a candidate by the media and the public. As he gains political momentum, his capacity to exert moral leadership is greatly diminished.

The 4-year cycle is being shortened by the pace of events. A newly installed President has only a short time to gear up his administration and get his program started before the Nation's attention turns to the congressional elections. There once was a hiatus between the congressional elections and the start of Presidential campaigning. Presidential candidates now believe in starting early so the incumbent faces challengers when he is barely into his third year. The quadrennial cycle is allocating more and more time to politics, less and less to the serious business of Government.

In closing, Mr. President, let me point out that as we enter our 205th year as a nation, a new President prepares to tackle the prodigious problems now plaguing our Nation. These problems, allowed to continue unchecked for years, are in most part the byproducts of our national evolution. They pose a serious threat to our Nation and demand the President's full attention, as well as our own. It is my opinion that we will serve ourselves well by giving our Presidents more time to govern, and especially more time to face these problems unhindered by the outside pressures created during a reelection campaign. This amendment will provide him with that opportunity.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD at this point.

There being no objection, the joint res-

olution was ordered to be printed in the RECORD, as follows:

S.J. RES. 70

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States:

"ARTICLE —

"SECTION 1. The term of office for the President and the Vice President shall be six years. No person otherwise eligible under this Constitution to be President shall be eligible to be President if he has previously been elected to such office, and no person who has held the office of President, or acted as President, for more than two years of a term to which some other person was elected President shall be eligible to be elected to the office of the President.

"SEC. 2. The term of office provided for the President and Vice President by section 1 of this article shall apply to the terms of office of President and Vice Presidents elected after the date on which this article is ratified.

"SEC. 3. This Article shall be valid only if it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification.".●

By Mr. McCLURE (by request):

S.J. Res. 71. Joint resolution to approve the constitution of the Virgin Islands, and for other purposes; to the Committee on Energy and Natural Resources.

CONSTITUTION OF THE VIRGIN ISLANDS

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a joint resolution to approve the constitution of the Virgin Islands, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the joint resolution and the executive communication which accompanied the proposal from the Under Secretary be printed in the RECORD.

There being no objection, the joint resolution and the letter were ordered to be printed in the RECORD, as follows:

S.J. RES. 71

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Fourth Constitution of the Virgin Islands (1980) is amended as follows:

(1) In Article I, section 2, delete the last comma and the word "and", and insert after the word "assemble," the word "and";

(2) In Article III, section 2(b), delete the words "have been" and insert in lieu thereof the word "are", and delete the words "for at least one year";

(3) In Article V, section 7, last sentence, delete the word "filed" and insert in lieu thereof the word "filled";

(4) In Article VI, section 3, delete the word "fifteen", and insert in lieu thereof the word "ten";

(5) In Article VI, section 4(g), delete "immigent", and insert the word "imminent";

(6) In Article VII, section 3, insert after the word "has", the word "not";

(7) In article VII, section 4, delete the words "Permanent disabilities", and insert in lieu thereof the words "The position of any judge suffering permanent disability";

(8) In Article XI, delete section 2, and redesignate sections 3 and 4 as sections 2 and 3, respectively;

(9) In Article XI, section 3(c), delete the words "by the Government of the United States;" and the words "; by any state, territory, or possession, or any political subdivision thereof, or by the District of Columbia";

(10) In Article XI, section 3(f), delete "(b)" and insert in lieu thereof "(a)";

(11) In Article XI, section 3(g), delete the words "or to meet casual deficits";

(12) In the Transitional Schedule, section 3, insert in the second sentence after the word "requirements" the words "that have been enacted or issued by the legislature of the Virgin Islands or by local executive authorities, respectively"; and

(13) In the Transitional Schedule, section 5, delete the first three sentences, and insert in lieu thereof the following language:

"Until the Senate creates an appellate court as called for in Article VII, section 1, judicial matters shall continue to be handled as provided in the Revised Organic Act of the Virgin Islands.".

SEC. 2. (a) This section shall only take effect upon approval of the Fourth Constitution of the Virgin Islands (1980) by the qualified voters of the Virgin Islands, and the establishment of an appellate court as provided in subsection (b) of this section.

(b) Section 21 of the Revised Organic Act of the Virgin Islands (48 U.S.C. § 1611) is amended to read as follows:

"SEC. 21. The judicial power of the Virgin Islands shall be vested in a court of record to be designated the 'District Court of the Virgin Islands,' and such appellate court and lower court or courts as may have been or may hereafter be established by the local law.".

(c) Sections 22 and 23 of the Revised Organic Act of the Virgin Islands (48 U.S.C. §§ 1612 and 1613) are amended by substituting the words "lower local" for the word "inferior" wherever that word appears in that section.

(d) In the third sentence of section 22 of the Revised Organic Act of the Virgin Islands (48 U.S.C. § 1612) substitute the word "a" for the word "an".

(e) Section 24 of the Revised Organic Act of the Virgin Islands (48 U.S.C. § 1614) is amended by substituting the words "a local" for the words "the Municipal".

(f) Section 27 of the Revised Organic Act of the Virgin Islands (48 U.S.C. § 1617) is amended by substituting the word "local" for the word "inferior" wherever that word appears in that section.

(g) The last sentence of section 22 of the Revised Organic Act of the Virgin Islands (48 U.S.C. § 1612) is repealed. Notwithstanding such repeal, any appeal or other measure of review from the decisions of the lower local courts of the Virgin Islands pending at the time of the repeal in the District Court of the Virgin Islands, the United States Court of Appeals for the Third Circuit or the Supreme Court of the United States shall be prosecuted to final determination.

(h) Section 22 of the Revised Organic Act of the Virgin Islands (48 U.S.C. § 1612) is amended by inserting "(a)" after "Sec. 22" and by adding the following two new subsections:

"(b) The appellate court established under the authority of Sec. 21 shall have jurisdiction to review the judgments and orders of the lower local courts of the Virgin Islands to the extent prescribed by local law.

"(c) The United States Court of Appeals for the Third Circuit shall have jurisdiction to review by appeal the final judgments, decrees, or orders of the highest court of the Virgin Islands from which a decision could be had in cases involving the Constitution, treaties, or laws of the United States, or any authority exercised thereunder. The United States Court of Appeals for the Third Circuit shall have the power to promulgate the rules necessary to carry out the provisions of this paragraph.".

(i) Section 23 of the Revised Organic Act of the Virgin Islands (48 U.S.C. § 1613) is amended by inserting the word "and" after the phrase "oaths and bonds," and by deleting the phrase ", and the procedure for appeal to the district court".

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., March 24, 1981.

Hon. GEORGE P. BUSH,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: By message dated October 25, 1980, a proposed constitution for the Virgin Islands drafted by a popularly elected Virgin Islands Constitutional Convention was transmitted to the Congress. Enclosed with the message was a draft bill designed to rectify substantial discrepancies between the proposed constitution and Federal law.

We recommend that the draft bill be enacted. Section 501 of Public Law 96-597 gives the 97th Congress 60 legislative days, beginning January 5, 1981, in which to consider the proposed constitution.

The draft bill proposed changes involving, among other issues, (1) citizenship provisions that may unconstitutionally disenfranchise certain citizens, (2) a provision requiring 15-years residence in the Virgin Islands for persons holding the offices of Governor and Lieutenant Governor, (3) judicial provisions that differ from Federal law, (4) provisions that purport to authorize the local legislature to enact laws regarding Federal tax provisions applicable to the Virgin Islands, and (5) a transitional schedule that could exceed the authority of the Constitutional Convention if read to affect Federal law.

We urge that the Congress enact the draft bill prior to expiration of the 60 legislative days, in order to clarify the nature of the proposed constitution and avoid probable ambiguity and litigation in the future.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's programs.

Sincerely,

DONALD PAUL HODEL,
Under Secretary.●

ADDITIONAL COSPONSORS

S. 114

At the request of Mr. DECONCINI, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 114, a bill to establish rational criteria for the imposition of the sentence of death, and for other purposes.

S. 164

At the request of Mr. MELCHER, the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 164, a bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related entities and on deferred payments in the case of certain sales of property.

S. 195

At the request of Mr. THURMOND, his name was added as a cosponsor of S. 195, a bill to incorporate the U.S. Submarine Veterans of World War II.

S. 391

At the request of Mr. CHAFEE, the Senator from Alabama (Mr. DENTON), and

the Senator from Iowa (Mr. JEPSEN) were added as cosponsors of S. 391, a bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying agents, informants, and sources and to direct the President to establish procedures to protect the secrecy of these intelligence relationships.

S. 496

At the request of Mr. MELCHER, the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of S. 496, a bill to amend the Federal Mine Safety and Health Act of 1977.

S. 655

At the request of Mr. MATHIAS, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 655, a bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State, or political subdivision, may tax certain income from sources outside the United States.

S. 796

At the request of Mr. ZORINSKY, the Senator from North Dakota (Mr. BURDICK), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of S. 796, a bill entitled the "Rural Telephone Bank Amendment Act of 1981."

SENATE JOINT RESOLUTION 50

At the request of Mr. DECONCINI, the Senator from California (Mr. CRANSTON), the Senator from Rhode Island (Mr. PELL), the Senator from Michigan (Mr. LEVIN), and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of Senate Joint Resolution 50, a joint resolution designating July 17, 1981 as "National POW-MIA Recognition Day."

SENATE JOINT RESOLUTION 60

At the request of Mr. THURMOND, the Senator from West Virginia (Mr. RANDOLPH), and the Senator from New York (Mr. D'AMATO) were added as cosponsors of Senate Joint Resolution 60, a joint resolution to authorize and request the President to designate the week of May 3 through May 9, 1981, as "National Physical Fitness and Sports for All Week."

NOTICE OF HEARINGS

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

Mr. QUAYLE. Mr. President, the Subcommittee on Employment and Productivity will hold hearings on the Farm Labor Contractor Registration Act on June 2 and 3.

During the course of these hearings we intend to explore how the act has been administered over the past few years and whether that administration has been consistent with the congressional intent. We also will be taking testimony on S. 922 introduced by Senator BOREN, as well as on any proposed amendments that may have been introduced by that time.

I am of course aware that a slightly different version of Senator BOREN's bill passed the Senate in the last session. As I was a cosponsor of the companion bill in the House, there is no question in my mind that this bill is a needed attempt to deal with the problems that have arisen under the FLCRA. I hope that during the course of these hearings we will be able to clarify the extent to which these problems can be solved through administrative actions by the Department of Labor and to focus on the detailed language of the bill to insure that we exclude from coverage only those who were never intended to be considered as farm labor contractors while not undermining the needed protection that the migrant workers require to shield them from unscrupulous labor contractors.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public that the following hearings have been scheduled before the Committee on Energy and Natural Resources.

The committee will hold a hearing to consider pending nominations on Monday, April 27, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

The committee will hold a hearing on standby oil controls on Tuesday, May 9 at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding these hearings, you may wish to contact Charles Trabandt at 224–7141.

ADDITIONAL STATEMENTS

ERNEST LEFEVER

● Mr. HAYAKAWA. Mr. President, there has been a great deal of public attention given to the nomination of Dr. Ernest Lefever to be Assistant Secretary of State for Human Rights and Humanitarian Affairs. Unfortunately, much of it has been focused on the groups that oppose his nomination.

What is not so well known, however, is that Dr. Lefever enjoys the support of many religious, academic, and public leaders. These people have sent letters endorsing his nomination to Senator PERCY, myself, and others. They make for interesting reading and I feel it is important that my colleagues are aware of these favorable comments.

Therefore, Mr. President, I ask that excerpts from these letters be printed in the RECORD.

The excerpts follow:

GENERAL COUNSEL, AMNESTY INTERNATIONAL, 1971–PRESENT

I have been a member of the Board of Directors of Amnesty International of the USA, Inc., the American branch of Amnesty International, since 1966. I was General Secretary at that time under Michael Straight, our first Chairman, and succeeded him in that position, from 1968 through 1971. I have been general counsel since 1971. I write to give my—not AI–USA's view on the appointment of Ernest Lefever as Assistant Secretary of State for Human Rights and Humanitarian Affairs. AIUSA has not taken a position on the appointment and it is unlikely that it will do so.

Nevertheless members of our Board have received a communication from one of us, on the letterhead of the International Human Rights Law Group, urging us to write to you to object to Dr. Lefever's appointment. I am instead writing to support him.

Yesterday I interviewed Dr. Lefever and I am now satisfied that he will serve as Assistant Secretary in a manner consistent both with the national interest, and our tradition of respect and support for those ideals of human rights, which were historically among the most important causes for the creation of the United States.

MARK K. BENENSON,
New York, N.Y.

Excerpt from letter March 13, 1981.

ROMAN CATHOLIC PROFESSOR OF PHILOSOPHY

I am addressing the question of the moral principles involved in the position taken by Dr. Ernest W. Lefever with reference to United States foreign policy decisions and human rights.

I express a critique based on the Roman Catholic moral tradition, in which my intellectual development has taken place. I hold a doctorate in philosophy from The Catholic University of America. I am presently professor of philosophy in a Roman Catholic college-seminary, and I also conduct seminars in a Roman Catholic Theologate. I was rector of the theological seminary of my religious order from 1954 to 1960. I was Moderator of Theological Conferences in the Roman Catholic Diocese of Albany, New York, from 1960 to 1970. I have published articles on moral issues in Roman Catholic periodicals and proceedings. Some of these are listed in the Catholic Periodical Index (between the years 1957 and 1978).

I can discover no violation of moral principles in the position taken by Dr. Lefever. On the contrary, I find his position to be in perfect accord with the teaching of the Roman Catholic moral tradition.

Rev. OWENN BENNETT,
St. Hyacinth's Seminary,
Granby, Mass.

Excerpt from letter March 31, 1981.

UNIVERSITY EXECUTIVE AND THEOLOGIAN

In the twenty years I have known Dr. Lefever and his work, his steady, untiring efforts have affirmed the end of human betterment for all the world's people.

Where he differs from some others, and rightly as I would see it, is in the area of means and practical devices to defend and advance human wellbeing. Thus, for example, he has seen clearly, and argued against, the destructive capacity of unachievable promises, and inconsistently enunciated human rights slogans. He has argued that, instead of such counterproductive efforts, the United States must, not just for its own sake but precisely for the welfare of all, ensure first that the beacon it holds out is protected and secure—it is no less a beacon for that.

Given such clear values and underpinnings, and given the tremendous base of experience from which he would proceed, I believe Dr. Lefever is an outstanding candidate for Assistant Secretary of State for Human Rights and Humanitarian Affairs.

Prof. QUENTIN L. QUADE,
Marquette University,
Milwaukee, Wis.

Excerpt from letter March 12, 1981.

PROFESSOR, THEOLOGIAN, AND RESEARCHER

My association with Dr. Lefever dates back to the time he was on the staff of the Division of International Justice and Good Will of the National Council of Churches in New York City and a member of the Executive Council of an organization called Christian Action, which I served as Executive Secretary in 1953 and 1954. From 1961 to 1964, we served together as staff members of the In-

ternational Studies Division of the Institute for Defense Analyses, working on issues of arms control.

During all the time I have known Dr. Lefever, I have found him to be a man of high personal integrity and deep devotion to principles of Christian social ethics as seen through a tradition shaped primarily by Reinhold Niebuhr. Although he has not previously held a position in the U.S. Government, he has been a public servant in all essential respects, devoting his tough scholarship and his tireless energy to public issues, particularly in the foreign policy area, and bringing the insights of his Christian faith and ethics to analyses of these issues.

Dr. Lefever and I have not always agreed on our analyses of public issues, but I have always found his analyses to be fully informed, rich in insight into political relationships, sensitive to human aspirations and rights, and guided by consistent principles of justice and order.

Where he and I have disagreed, I have found our differences to be in nuances and in degree more than in kind. Where others have seen significant change in Dr. Lefever's political and ethical positions over the years, I have seen admirable and well-founded consistency combined with adaptability to significantly changed circumstances, including the regrettable polarization of public debate about foreign policy in general and human rights in particular that has taken place over the past decade or so.

ROBERT A. GESSERT,
Washington, D.C.

Excerpt from letter March 27, 1981.

RELIGIOUS EDUCATOR

I have known Dr. Lefever personally and also professionally in my work at St. Albans School. His broad and deep commitment to the cause of human rights, and his record of compassion and work with people over the world could not be better known, for he has worked after World War II among the poor in Europe and among the Japanese-Americans in this country. His compassion is not selective.

JOHN C. DAVIS,
St. Albans School,
Washington, D.C.

Excerpt from letter March 10, 1981.

PROFESSOR AND RELIGIOUS LEADER

I have known Dr. Lefever for more than thirty years and have the highest regard for him as a Christian thinker and scholar. In spite of a vicious and well-orchestrated attack on him at the present time, his record of devotion to the rights and dignities of the human person is at least equal to that of any of his critics. He has had the good judgment to perceive, however, that moralizing resolutions and pious posturing do not of themselves further human rights.

Dr. Lefever has also had the good judgment to perceive that the most massive threat to the dignity, liberty and integrity of the human person comes today from the Soviet Union and its satellites and fellow-travelers. In this, too, he has aroused the wrath of those who perceive with great clarity the limitations on liberty and self-government imposed by some governments friendly to the USA but seem never able to perceive with equal clarity the debased condition of the human conscience and person under governments friendly to the Soviet Union—or even criminal governments controlled by terrorists.

Rev. Dr. FRANKLIN H. LITTELL,
Temple University,
Philadelphia, Pa.

Excerpt from letter March 11, 1981.

LOCAL RELIGIOUS GROUPS

The Wesley Chapel United Methodist Women of the Ehrhardt Charge, of the Orangeburg District of the South Carolina Conference, at their monthly meeting yesterday voted unanimously to write requesting you and the Senate Foreign Relations Committee to approve the nomination of Dr. Ernest Lefever for Assistant Secretary of State heading the human rights division. We feel his background well equips him for this work and he will make a positive contribution for our country.

Mrs. I. N. RIZER,
United Methodist Church,
Lodge, S.C.

Excerpt from letter March 10, 1981.

LOCAL RELIGIOUS LEADER

We, the ladies group of Andrew Chapel United Methodist Church, would like to express our positive opinion that Dr. Lefever receive his nomination to the State Department. We appreciate Dr. Lefever's views concerning foreign policy, and his desire to see America stay away from any kind of Red aggression and terrorism from the left as well as the right. We feel that he is well-qualified to fill the position to which he has been nominated by President Reagan.

RUTH ALEXANDER,
United Methodist Church,
Americus, Ga.

Excerpt from letter March 9, 1981.

UNIVERSITY RELIGIOUS LEADER

I have read a good deal of what he has recently written, and recommended his visit to a group of my colleagues for a couple of days last month—days during which we quizzed him at length about his views and intentions.

I was well satisfied with his responses, and urge his confirmation.

GILBERT E. DOAN, Jr.,
National Lutheran Campus Ministry,
Philadelphia, Pa.

Excerpt from letter March 11, 1981.

GREEK ORTHODOX PASTOR

As concerns his positions on political rights, moral freedom and cultural vitality between authoritarian and totalitarian regimes, I would agree with him (Dr. Lefever) that the former permits a significantly greater degree of freedom and diversity in all spheres—political, cultural, economic and religious—and that we may be more successful in advancing human rights by nudging forward the cause of human dignity among our wayward friends than by ostracizing them totally from our fold. Finally, I know that Dr. Lefever is a Philhellene in the strictest sense and that he is imbued with those same ideals which made our ancestral homeland historically a shining example for the world.

Rev. THEODORE H. CHELPON.

Excerpt from letter March 11, 1981.

PROFESSOR OF PHILOSOPHY AND POLITICS

. . . one questions concerning human rights, the conditions for a just war, and other ethical concerns that have occupied the minds of men in Western Civilization for centuries. I always noted a finely honed sense of honor and decency in everything Ernest Lefever said.

I can only hope that your committee will act favourably on Doctor Lefever's nomination and I am pleased to be able to submit this testimony of my high regard for him.

FREDERICK D. WILHELMSEN,
University of Dallas.

Excerpt of letter March 13, 1981.

PROFESSOR OF INTERNATIONAL AFFAIRS

I have been personally and professionally acquainted with Dr. Lefever since the mid-1950s, when we both joined in the activities of the Council on Religion and International Affairs. I can attest to his concern for values of the human person in domestic and foreign affairs, which concern, has led him to be an outstanding critic of all forms of Totalitarianism, whether of the Right or the Left.

I know that he has sustained such views to the present, and that he will unreservedly apply them, without prejudice or accommodation, to any special interest.

FRANK N. TRAGER,
National Security Program,
New York University.

Excerpt from letter March 12, 1981.

PROFESSOR FROM MIDWESTERN UNIVERSITY

Dr. Lefever understands the distinction between rigid totalitarianism and an authoritarian government which may move toward normal democratic practices. He should be able to make real progress toward a greater observance of human rights. His appointment to this position is a step forward in the conduct of American foreign policy. The fact that Dr. Lefever refuses to oversimplify the human rights issue is an asset rather than a liability. I strongly support his nomination.

CHESTER L. HUNT,
Department of Sociology,
Western Michigan University.

Excerpt from letter March 15, 1981.

POLITICAL PHILOSOPHER

As my many writings show, the most recent of which is Philosophy and Public Affairs (Southern Illinois University Press), I have been a strong partisan of the policy that concern for human rights should be an integral element in American foreign policy. Because of that, I am writing to you concerning the nomination of Dr. Ernest W. Lefever as Assistant Secretary of State for Human Rights and Humanitarian Affairs.

I have been a close reader of Dr. Lefever's writings on the subject and have found that he is a courageous and intelligent defender of the basic concepts of human rights. I have been appalled by the evidence of a veritable campaign of misrepresentation of his position by those who are more hostile to current American foreign policy than dedicated to the even handed defense of human rights. Dr. Lefever is being criticized because he is not an absolutist about human rights and recognize that sometimes considerations involving the defense of the entire system of human rights must be given priority over the expression of a particular human right in a specific place and time.

It is the logic that has guided Dr. Lefever's reflections and advocacy, and it should be sufficient to expose the unfairness and intellectual dishonesty of those criticisms of him that impugn his dedication to the philosophy enshrined in our Bill of Rights. Dr. Lefever's merit warrants his confirmation.

SIDNEY HOOK,
Department of Philosophy,
New York University.

Excerpt from letter March 23, 1981.

PROFESSOR OF INTERNATIONAL RELATIONS

I know of no one who would be more qualified than Dr. Lefever to clear up the misunderstandings and deliberate misconstructions that have accumulated in the last decade. His concern with human rights in their greatly various contexts is of long standing. In fact, he was among the first to draw national attention to the complexities of the issue. Having followed his work for many years, I am persuaded that his assessments are grounded in thorough knowledge of the political, legal and moral contexts in which human rights problems are apt to arise.

Specifically, I find that Lefever has known all along how to pinpoint the essential difference between totalitarian and authoritarian regimes and how to coordinate the nation's concern for the protection of human rights in non-American jurisdictions with its commitment to respect the domestic jurisdiction of other sovereign state. Thus I can think of no one who would be more

successful than Lefever to communicate and implement the Administration's felicitous decision to view terrorism as the most flagrant violation of human rights.

Lastly, I find Dr. Lefever particularly suited for the post because he has a rare gift for lucid exposition, and that in oral as well as written expositions.

ADDA B. BOZEMAN,
Sarah Lawrence College,
Bronxville, N.Y.

Excerpt from letter March 13, 1981.

PROFESSOR OF INTERNATIONAL POLITICS

I am writing to support the nomination of Dr. Ernest W. LeFever to be Assistant Secretary of State for Human Rights and Humanitarian Affairs. It is extremely important that this country's policies be discussed in an environment free from character assassination, innuendo, misrepresentation, intimidation, and hostility toward diversity of opinion. The recent characterization of Dr. Lefever's (N.Y. Times, Feb. 25, 1981, p. A10) views as "a perversion of internationally recognized human rights values" certainly violates normal accepted scholarly standards against exaggerated charges which may harm the reputation of an individual.

The American tradition, and the predominant Western tradition, is that of ethical realism. The tradition recognizes the relativity of circumstances but postulates the absoluteness of values in a hierarchy derived from a just understanding of natural law. Fundamentum totius juris Deus est. This tradition is not universally shared but it is sensitive to complex circumstances, it is aware that others may hold different values, it is not surprised by the will to power of states, groups or individuals, and it does seek to be guided by the right or just principle appropriate to the factual circumstances in all its complex domestic and international settings. Dr. Lefever is clearly rooted in this tradition which is founded on the traditional understandings in the classical and Christian heritage.

DAVID C. JORDAN,
University of Virginia.

Excerpt from letter March 13, 1981.

PROFESSOR OF INTERNATIONAL POLITICS

For over a quarter of a century, Dr. Lefever has vigorously upheld the vital contribution moral principles make to a sound foreign policy. On the issue of human rights he recently wrote, "We believe our government should uphold the full range of human rights and that peoples everywhere should enjoy them. With freedom under siege throughout the world, we should by precept and example continue to hold high the torch of human dignity."

The other side of Dr. Lefever's untiring emphasis on the importance of morality has been his attack on moralism, i.e., single-factor approaches that do violence to the deepest teachings of the Judeo-Christian tradition. In his writings he develops at length why he sees the "human rights standard", and its oft-fickle application by the Carter Administration, as an expression of moralism rather than morality.

WHITTLE JOHNSTON,
University of Virginia.

Excerpt from letter March 17, 1981.

FORMER U.S. GOVERNMENT OFFICIAL

I am writing to express my support of the nomination by President Reagan of Dr. Ernest W. Lefever as Assistant Secretary of State of Human Rights and Humanitarian Affairs.

As a retired career Foreign Service Officer with extensive experience initially in study, and subsequently through 25 years of personal observation of the policy and tactics of the Soviet Union and its dominions in the field of human rights, I could not help but draw the conclusion that those groups now critical of Dr. Lefever's nomination have ironically themselves exhibited an interesting pattern of selectivity in expounding the virtues of one state and highlighting the violations of another in the field of human rights. Certainly, all freedom loving people share a keen interest in urging the freedom of others to participate in and taste the fruits of a free political system.

R. E. WHITE,
Alexandria, Va.

Excerpt from letter March 9, 1981.

FORMER U.S. GOVERNMENT OFFICIAL

On the human rights issue, there is no more decent, compassionate human being, and with a higher regard for human rights, than Dr. Ernest Lefever.

Before writing this letter, I reviewed several articles by Dr. Lefever on human rights in order to arrive at an independent evaluation of his political philosophy. His writing only reinforces my conviction that he is a man of the highest integrity, and more sincerely devoted to human rights than a lot of self-anointed tribunes of the people.

I am appalled at the irresponsibility of some journalists and religious pressure groups who have suggested that Dr. Lefever favors "repressive dictatorships" or favors "downgrading human rights". These are totally false allegations and constitute a distortion of his fundamental philosophy. What he has maintained is that any genuine effort to persuade authoritarian regimes to allow a greater degree of freedom and diversity must be accomplished through diplomacy and the exercise of the leverage we retain over regimes friendly to the U.S. The extravagant and self-righteous rhetoric of Mr. Carter accomplished nothing but the alienation of our friends and allies. The fact that Dr. Lefever does not intend to imitate Mr. Carter's diplomacy "by loudspeaker" does not imply any lack of concern for human rights.

DAVID S. LICHTENSTEIN,
Rockville, Md.

Excerpt from letter March 19, 1981.

FORMER U.S. AMBASSADOR

I think he (Lefever) would be an excellent choice for Assistant Secretary of State for Human Rights and Humanitarian Affairs, for the following reasons:

1. Excellent grounding in a study of ethics and morals. He has a B.D. and Ph.D. in Christian Ethics from Yale.

2. Concrete demonstration of his devotion to civil rights. For 15 years he was active in the American civil rights movement, with James Farmer and Bayard Rustin.

3. An understanding of the difference between "moralism" and morality in foreign affairs. As defined by him in a seminal article in Orbis (1972), a moralist is someone who approaches a complex moral problem from a single-issue perspective. True moral analysis, on the other hand, requires consideration of all the moral issues involved. (It is not surprising, then, that single-issue "moralists" are up in arms about his prospective appointment.)

4. Demonstrated capacity for the clarification of complex moral issues. We owe to Lefever, among others, the awareness that it is easy to be in favor of peace and against war, in favor of justice and against injustice, in favor of freedom and against tyranny. In practical terms, however, moral dilemmas arise because it may sometime be necessary to sacrifice one of those goods in order to fight a great evil: It would have been easy, for instance, for the United States to have preserved the peace with Nazi Germany—but at the cost of sacrificing freedom and justice for millions in Europe and elsewhere, and ultimately for ourselves as well.

Because he would bring such a moral calculus to his responsible position, Lefever's appointment would be a vast improvement over the incumbency by a simplistic single-issue advocate. Lefever is a moral philosopher with a profoundly humanitarian outlook on foreign affairs. But he is against a double-standard in those affairs. He believes that there are greater evils and lesser evils.

MARTIN F. HERZ,
School of Foreign Service,
Georgetown University.

Excerpt from letter February 7, 1981.

CHAIRMAN, NATIONAL ENDOWMENT FOR THE HUMANITIES, 1971–1977

His Center for Ethics and Public Policy has for a number of years been known for its scrupulous objectivity, for the degree of public interest manifested by its publications, and for the high quality of its governing board. Mr. Lefever's own positions on international relations have been arrived at by painstaking scholarship. He represents academic scholarship at its best and most objective.

I hope that this account of several years of knowledge and observation will help the committee. My own view is that Mr. Lefever will be an excellent addition to the Department of State, and that he should, of course, be confirmed as soon as possible.

RONALD BERMAN,
Department of Literature,
University of California, La Jolla.

Excerpt from letter March 4, 1981.

FORMER DIRECTOR, PEACE CORPS, ECUADOR

I have known Lefever for over 35 years . . . he realized early that Carter's sledgehammer approach to human rights, abroad was not only counterproductive to the United States' policies and image abroad, but more often than not had the opposite effect.

In my frequent travels all over Latin America I have seen again and again the futility of the Carter approach to human rights. Proud nations feel insulted to the extent of rejecting much-needed U.S. aid, without changing their deplorable repressive policies. Surely, a more quiet, diplomatic approach, coupled in certain cases with non-public pressures, would have been more successful. This is part of the approach advocated by Lefever.

To call Lefever a "foe of human rights" is gross slander. Throughout his life, his work, his writings he has demonstrated true concern for human rights throughout the world. It is because of this demonstrated concern that he denounces human rights violations in right-wing dictatorships and authoritarian regimes as well as in Communist regimes. His approach is certainly more evenhanded than his predecessor's.

Lefever deserves the chance to show that his approach is more effective and should receive Senate confirmation promptly.

ERICH HOFMANN,
Bethesda, Md.

Excerpt from letter March 6, 1981.

CENTER FOR CITIZENSHIP EDUCATION

I offer my support of the nomination of Dr. Ernest W. Lefever to be Assistant Secretary of State for Human Rights and Humanitarian Affairs. Dr. Lefever is a fellow colleague in the quest for better citizenship education, and he has been a valuable asset to the Maryland Values Education Commission, the first of its kind in America.

There are no perfect analogies, but promoting human rights and promoting values education in Maryland has to come pretty close.

The velvet-glove, nonthreatening approach has been a catalyst for positive activity in Maryland. It can be the same in other areas of the world where the values of human rights are at issue. It would be a positive thing, indeed, for Dr. Lefever's detractors to open their eyes and really look at his positive approach.

MARY ANN KIRK,
Executive Director,
Washington, D.C.

Excerpt from letter March 13, 1981.

U.S. INDUSTRIAL COUNCIL

Dr. Lefever is not an adherent of dogmatic utopianism. He is a political realist. He knows that America has enemies who do not share our vision of democracy and who exploit every opportunity to subvert our interests . . .

Ernest Lefever is a man of high character and intellectual stature. He is eminently qualified for the position of Assistant Secretary of State for Human Rights and should be confirmed with a minimum of political harangue.

ANTHONY HARRIGAN,
President,
Washington, D.C.

Excerpt from letter March 1981.

VETERANS OF FOREIGN WARS OF THE UNITED STATES

Ernest Lefever, an early fighter for civil rights in this country, will weigh not only ends and means, but also consequences of envisioned human rights policies and pronouncements. He will be a champion of freedom.

He will, I am convinced, be a distriminating and astute policy advisor and advocate.

On behalf of the nearly two million men and women of the Veterans of Foreign Wars of the United States, I proudly and unhesitatingly call, for the confirmation of Mr. Ernest W. Lefever as the Assistant Secretary of State for Human Rights and Humanitarian Affairs.

ARTHUR FELLWOCK,
Commander-in-Chief.

Excerpt from letter February 25, 1981.

FOUNDATION EXECUTIVE

Ernest Lefever differs from his predecessor in his capacity to think in reasonable terms and to function as an integral part of a high quality foreign policy team, which will hopefully re-establish the credibility of the United States with both its friends and adversaries overseas. A balanced and ethically consistent view of human rights in this context is most important, and I believe that Dr. Lefever is extremely competent to provide this input.

CURTIN WINSOR, JR.,
Trustee and Secretary,
Washington, D.C.

Excerpt from letter March 9, 1981.

BIPARTISAN COMMITTEE ENDORSES LEFEVER'S HUMAN RIGHTS POLICY; URGES IMPLEMENTATICN OF ADMINISTRATION POLICY

The Committee for a Balanced Human Rights Policy, a bipartisan, independent group of citizens representing over 20 million Americans, has extended its endorsement and support to Dr. Ernest W. Lefever for the position of Assistant Secretary of Human Rights and Humanitarian Affairs.

In its statement of support, the Committee noted "widespread concern by the American people that human rights considerations had been allowed to influence and even determine policy directed towards Third World and allied countries—often in a manner inconsistent with United States and Free World security interests.

According to the Committee, a substantial segment of the American electorate has been concerned about a "double standard" in the implementation of human rights policy. "While numerous voices were raised . . . in protest of violations in certain pro-Western Latin American, African and Asian countries, little public outcry was heard concerning such outrages as were occurring in Cambodia, Ethiopia, Cuba, Eastern Europe, the Soviet Union and other countries subject to Marxist totalitarian rule."

In providing an analysis of Dr. Lefever's human rights policy, the Committee approvingly quotes Dr. Lefever's position that "the greatest threat to human rights comes from Messianic totalitarian regimes whose brutal grip brooks no opposition." It concludes that opponents of Dr. Lefever believe that Chile, El Salvador and the Republic of the Philippines—not Soviet-backed totalitarianism—are "the greatest threat to peace and freedom in the world today."

In endorsing Dr. Lefever, the Committee, listing dozens of the major organizations representing Americans who trace their ancestry to countries presently under Marxist totalitarian control or subject to subversion by Soviet-backed forces, "urges the Members of the Senate to unanimously confirm Dr. Lefever's appointment."

COMMITTEE FOR THE DEFENSE OF PERSECUTED ORTHODOX CHRISTIANS, INC.

DEAR SENATOR PERCY: On behalf of the Committee for the Defense of Persecuted Orthodox Christians, I would like to express to you our full support of the nomination of Ernest Lefever as Assistant Secretary of State for Human Rights. We are very pleased that someone of his particular experience and commitment has been chosen for this position, and we share his views and deep concern for the violation of human rights—especially religious rights—in the USSR. As an activist for human rights, Mr. Lefever will make an important contribution to this area of vital concern.

We urge you to confirm his nomination.

Yours sincerely,
REV. VICTOR S. POTAPOV,
Chairman.

BUSINESS EXECUTIVE

I speak for a large number of people in this area who enthusiastically support this nomination. Dr. Lefever is a clear headed realist who understands the nature of world politics and can discern the genuine from the immitation.

W. DAN CHANCE,
Carrollton, Ga.

Excerpt from letter March 9, 1981.●

REVENUE PROCEDURE 80–55

● Mr. MOYNIHAN. Mr. President, yesterday's editions of the New York Times and Wall Street Journal carried articles about the decision by the Internal Revenue Service to withdraw Revenue Procedure 80–55. This is good news indeed, for it means that State and local governments will be spared the terrible ordeal of having the costs of borrowing money increase even more.

This decision by the IRS is an important one, though somewhat confusing to many people. We are in the debt of the Times and Journal for doing what they have done for many years—getting to the heart of the matter of difficult and complex issues. Mr. President, I ask that the fine articles on Revenue Procedure 80–55 be printed in full in today's RECORD.

The articles follow:

IRS DROPS RULE BARRING BANK DEDUCTION OF INTEREST ON SAME STATE, LOCAL ACCOUNTS

WASHINGTON.—The Internal Revenue Service has decided to withdraw a controversial ruling that would have prevented banks from deducting the interest paid on state and local accounts secured by tax-exempt bonds.

Meantime, a Treasury tax official told a House Ways and Means subcommittee that the department hasn't finished reviewing the impact of small-issue industrial revenue bonds. John Chapoton, assistant Treasury Secretary for tax policy, added that he didn't expect to make any recommendations on whether to limit use of the state and local bonds until Congress has acted on President Reagan's proposed tax-cut package.

Although the IRS is withdrawing the bank ruling, which would have taken effect May 31, it warned in a statement issued with the Treasury that the agency intends "to study closely the extent to which banks should be treated differently from other taxpayers" on interest related to borrowing for tax-exempt securities. "Depending upon the conclusions of this study, legislation may be proposed," the statement said.

The IRS decision was hailed by the American Bankers Association, which had been fighting the ruling since it was announced last December. "We're glad to see some sanity return to the management at the IRS," said Lee Gunderson, president of the banking trade group. "This ruling never did make any sense."

At issue was the deductibility of the interest banks pay on negotiated time deposit accounts maintained by state, county and local governments. Because the accounts aren't insured by federal authorities, as are most individual savings accounts, the governments require the banks to provide collateral as security for their deposits. More than 30 states require that the collateral be tax-exempt state or local securities.

Under IRS rules, interest generally isn't deductible when it is related to debt for purchasing or holding tax-exempt securities.

Bank industry officials said that if the IRS ruling hadn't been withdrawn, banks might have begun refusing to bid for government deposits or offering lower interest rates. Local government officials and bond market experts warned that the ruling also could have discouraged banks from buying state and local securities.

The IRS had twice delayed the effective date of the ruling before deciding to withdraw it.

The House Ways and Means subcommittee is studying whether limits should be put on small-issue industrial revenue bonds, which are tax-exempt securities that state and local governments issue to finance private business projects. Large issues are already restricted by law.

A congressional Budget Office study released earlier this month found that sales of the bonds soared to $8.4 billion last year from about $1.3 billion in 1975. The study estimated the federal government's tax revenue loss at $1 billion for the fiscal year ended Sept. 30 and said that by 1986, the annual revenue loss could reach $4.4 billion.

The Treasury's Mr. Chapoton noted that some critics of the development bonds believe they are pushing up the interest rates on other government bonds by increasing the supply of tax-exempt issues relative to demand. He added that they "have been used increasingly for commercial, as opposed to industrial or manufacturing, projects."

Mr. Chapoton said the department would consider whether state or local government issuers should be required to provide matching funds "to demonstrate the public purpose of the bond-financed facility." Other "possible modifications" could include re-

quirements that local governments insure or guarantee the bonds or issue them subject to state-by-state limits, he said.

The congressional Budget Office says that 47 states currently issue industrial revenue bonds and that fewer than half have restrictions on the projects that can be financed. As a result, the office says, the bonds are being used to finance "all manner of ventures, from shopping centers to grocery stores to private sports clubs."

[From the New York Times, Apr. 9, 1981]

I.R.S. WITHDRAWS DISPUTED BANK RULE

(By Steven Rattner)

WASHINGTON.—The Internal Revenue Service today withdrew a controversial ruling that could have increased borrowing costs for state and local governments while subjecting banks to millions of dollars of liability for back taxes.

The issue was whether banks could deduct on their tax returns interest paid on deposits by state and local governments if the banks used tax-exempt securities as collateral against these deposits.

In general, the law forbids deducting interest payments when tax-exempt securities are used. However, the application of this doctrine late last year by the Carter Administration prompted a storm of criticism from banks, localities and others.

In a statement today, the I.R.S. emphasized that it stood by the general principle at issue. "The I.R.S. and Treasury intend to study closely the extent to which banks should be treated differently from other taxpayers," the I.R.S. statement said. "Depending upon the conclusions of this study, legislation may be proposed."

The decision was hailed today by critics of the original ruling.

"I'm just delighted that the I.R.S. and the Treasury have seen the error of their ways," said Representative Thomas J. Downey, Democrat of Long Island, who said that New York school districts would have lost $75 million under the aborted plan. "The taxpayers of America won a major victory today."

Lee Gunderson, president of the American Bankers Association, said: "We're glad to see some sanity returned to the management of the I.R.S. This ruling never did make any sense."

The opponents of the initial ruling contended that it would have made holding tax-exempt securities less attractive for banks, which in turn would have led to higher borrowing costs for states and localities.

In addition, losing the tax deduction on the interest paid on the deposits would have resulted in lower interest rates being paid on the deposits, which generally involve money received from tax collections and the like and held in banks for short periods.

The banks were further upset that the initial ruling would have made them liable for taxes going back three years, a sum they contended could reach hundreds of millions of dollars.

The banking system currently holds $145 billion of tax-exempt state and local debt, representing roughly half of such debt outstanding.

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THE RIGHT TO KEEP AND BEAR ARMS

● Mr. HATCH. Mr. President, if anyone is particularly curious as to why such large numbers of Americans feel so strongly about their second amendment right to "keep and bear arms," I would suggest that the following item from yesterday's Washington Star might be of passing interest, and ask that it be printed in the RECORD.

The article follows:

ONE OUT OF THREE HOUSEHOLDS HIT BY CRIME

(By Kenneth R. Walker)

Nearly a third of all U.S. households were touched by crime last year, a Justice Department report disclosed yesterday.

The report compiled by the Justice Department's Bureau of Justice Statistics, disclosed that of the crime that touched 24 million American homes during 1980, 6 percent was violent, including rape, robbery and assault.

Although the report stated that crime has remained relatively stable since 1974, "it shows clearly that (crime) touches all segments of the society to an unacceptable degree," the acting bureau director, Benjamin H. Renshaw, said in a statement.

The findings were based on a new bureau indicator that measures the number of U.S. households that were the site of a burglary or theft, or those in which a member was a victim of theft or a violent crime.

The survey is compiled through two separate interviews each year with 132,000 people.

Fourteen percent of American households experienced crimes of personal larceny including purse snatching and pocket picking, according to the survey.

Nearly 7 percent of all households experienced burglaries last year, and 10 percent experienced household larceny.

Although household crime varied according to income and location, the report showed no significant difference in victimization of black and white households.

Black and white households were victimized by an almost equal number of crimes—32 percent and 30 percent, respectively.

However, urban households—34 percent of which were touched by crime last year—were the site of a higher percentage of crimes than homes in other areas. Thirty-two percent of suburban homes and 23 percent of rural households experienced crime.

Families with incomes over $25,000 were the hardest hit, according to the survey, with 38 percent of those households being victimized. The figure for medium income homes was 31 percent, while 25 percent of the households with incomes of less than $7,500 experienced crime.

Last week, the FBI released its 1980 crime index based on reports submitted by more than 12,000 law enforcement agencies nationwide. That report said crime rose by 10 percent over the previous year and violent crime increased by 13 percent.●

EGYPT RATIFIES THE NONPROLIFERATION TREATY

● Mr. KENNEDY. Mr. President, on February 26 the Arab Republic of Egypt deposited in London its instrument of ratification of the treaty on the Nonproliferation of Nuclear Weapons (NPT). The Egyptian Parliament voted on February 17 to ratify this treaty, which the Egyptian Government had signed on July 1, 1968, when this cornerstone of the multilateral effort to prevent the spread of nuclear weapons was first opened for signature.

This is an important contribution to security in the Middle East, and I welcome this constructive step by our Egyptian friends. The acceptance of full-scope safeguards and of the binding obligation not to acquire nuclear explosives will help to strengthen the present nuclear-free status of the region. I am hopeful that all other Middle Eastern States not presently parties to the Nonproliferation Treaty will take steps to adhere to it, or to develop an agreement permanently excluding nuclear explosives from the area along the lines of the resolution sponsored last year by Israel at the U.N. General Assembly and adopted by consensus.

On the occasion of the deposit of the instrument of ratification, the Ministry of Foreign Affairs of the Egyptian Government issued a thoughtful and powerful statement that reminds the nuclear weapon states of their failure to achieve meaningful steps to reduce offensive nuclear arms and to stop all nuclear tests. These will be necessary steps if the parties to the NPT are to fulfill their solemn undertaking to halt the nuclear arms race. I ask that this statement be printed in the RECORD.

The text of the statement follows:

STATEMENT ISSUED BY THE MINISTRY OF FOREIGN AFFAIRS

The signing by Egypt of the Treaty on the Non-Proliferation of Nuclear Weapons, in 1968, and now its ratification, emanate from Egypt's conviction of the need to put an end to the proliferation of nuclear weapons, which threaten the security of all mankind. Egypt was among the first countries to urgently call for the conclusion of the Treaty, so as to complement the earlier efforts which successfully culminated in the conclusion of the 1963 Treaty banning Nuclear Weapon Tests in the Atmosphere, in Outer Space, and Under Water.

While Egypt is committed in accordance with the provisions of the Non-Proliferation Treaty to refrain, in any way, from the acquisition or the manufacture of nuclear weapons, this, however, should not impair its inalienable right to develop and use nuclear energy for peaceful purposes, in conformity with the provisions of Article IV of the Treaty. The latter affirms the inalienable right of all the Parties to the Treaty to develop research, producion and use of nuclear energy for peaceful purposes without discrimination. The affirmation of that right in the Treaty itself should, in fact, be considered a codification of a basic human right, which cannot be waived or tampered with under any circumstances.

Basing itself on the above, Egypt also pays special importance to the provisions of Article IV of the Treaty calling on the Parties to the Treaty who are in a position to do so to cooperate in contributing to the further development of the application of nuclear energy for peaceful purposes, especially in the territories of non-nuclear-weapon States Party to the Treaty, with due consideration to the needs of the developing areas of the world.

Since Egypt is embarking on a number of projects for the construction of nuclear power reactors for electric generation, in order to meet its increasing energy needs that have now proved necessary for the prosperity and welfare of its people, Egypt expects that the industrial developed countries would whole heartedly render it their assistance and support, and this in conformity with the letter and spirit of Article IV of the Treaty. It, especially, expects this since Egypt has now undertaken to accept the application of the International Atomic Energy Agency safeguards to its peaceful nuclear activities within its territory, in accordance with the provisions of Article III of the Treaty.

Within the framework of the rights provided for in the Treaty for its Parties in the field of peaceful uses of nuclear energy, Egypt wishes to refer to the provisions of

Article V of the Treaty, which affirms that benefits from any peaceful applications of nuclear explosions will be made available to non-nuclear-weapon States Party to this Treaty. Though Egypt admits that these applications are difficult to realize at the present time, particularly in view of their detrimental environmental effects, yet this should not relieve the nuclear-weapon States Party to the Treaty from their responsibilities in investing in the research and development of these applications, in order to overcome all the difficulties encountered at present.

Egypt wishes to express its great dissatisfaction with the nuclear-weapon States, and in particular the two Super Powers, for failing, so far, in taking effective measures relating to the cessation of the nuclear arms race and to nuclear disarmament. Although Egypt welcomes the 1972 and 1979 Strategic Arms Limitation Treaties, the so-called SALT I and SALT II, yet it cannot but stress that the Treaties fail to realize an effective cessation of the nuclear arms race, quantitatively and qualitatively. These Treaties have even permitted the development of a new generation of weapons of mass destruction.

On the other hand, and in spite of the fact that more than 17 years have elapsed since the conclusion of the 1963 Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space, and Under Water, the nuclear-weapon States are still arguing about a variety of difficulties, thus, hampering the conclusion of a permanent ban on all nuclear weapon tests. What lacks, in fact, is the political will to accomplish this.

In the light of the above, Egypt takes the opportunity of depositing its instruments of ratification of the Treaty on the Non-Proliferation of Nuclear Weapons, to appeal to the nuclear-weapon States Party to the Treaty to fulfill their undertakings to halt the nuclear arms race and to achieve nuclear disarmament.

Egypt equally calls upon all nuclear-weapon States to exert all efforts conducive to the permanent banning of all nuclear weapon tests as soon as possible. This would contribute to bring an end to the development and the manufacture of new types of weapons on mass destruction, as much as the cut off of fissionable material for military purposes would contribute to bring to an end the quantitative increase of nuclear weapons.

Within the framework of achieving security for the non-nuclear-weapon States, Egypt believes that Security Council Resolution 255, of 19 June 1968, is still far from providing a real guarantee for the non-nuclear-weapon States against the use or threat of use of nuclear weapons by the nuclear-weapon States. Therefore, Egypt appeals to the nuclear-weapon States to exert their effort to reach an agreement which would prohibit once and for all the use or threat of use of nuclear weapons against any State.

The realization of the previously mentioned steps would be consistent with the letter and spirit of the basic guiding principles formulated by the General Assembly of the United Nations for the conclusion of the Non-Proliferation Treaty, the most relevant of which are the principle of balance of mutual responsibilities and obligations of the nuclear and non-nuclear Powers and the principle prescribing that the Treaty should be a step towards the achievement of general and complete disarmament and, more particularly, nuclear disarmament.

Convinced that the establishment of nuclear-weapon-free zones in different parts of the world is bound to increase the effectiveness of the Non-Proliferation Treaty in the realization of its objectives and aims, Egypt has exerted special effort to establish a nuclear-weapon-free zone in the Middle East, as well as in Africa.

In this respect, Egypt wishes to express its great satisfaction with the United Nations General Assembly Resolution adopted by consensus during its 35th session inviting the countries of the Middle East, pending the establishment of a nuclear-weapon-free zone in the area, to declare solemnly their support for the achievement of this objective, and that they will refrain on a reciprocal basis from producing, acquiring or possessing nuclear weapons, and to deposit their declarations with the United Nations Security Council.

In conclusion, Egypt wishes to point out that its ratification of the Treaty on the Non-Proliferation of Nuclear Weapons emanates from its belief that this step is in conformity with its vital interests as long as the Treaty succeeds in preventing the proliferation of nuclear weapons worldwide, and more particularly in the Middle East, which should remain completely free of nuclear weapons, if it is to play a constructive role in the erection of peace, security and prosperity for its people and the world at large.●

HUMAN LIFE BILL: A LEGAL RATIONALE

● Mr. HATCH. Mr. President, the Senate Judiciary Committee will begin hearings shortly on the issue of abortion. In particular, the committee will focus upon legislation introduced by Senator HELMS (S. 158) and Representatives HYDE and MAZZOLI (H.R. 900) that would employ the enforcement clause of the 14th amendment to define "person" for the purposes of that amendment.

As strongly as I feel about the right-to-life issue and the need for Congress to take strong action in prohibiting abortions, I feel equally strongly about the Constitution. As chairman of the Constitution Subcommittee, I will play no part in reporting to the full Senate any legislation that I believe to be of dubious constitutional merits.

It is with this premise in mind that I would like to outline a tentative legal and constitutional justification for S. 158. I would emphasize that I am not yet endorsing this argument, in part or in whole. My own priority remains a human life constitutional amendment. I will restrict my attention now to those provisions of this measure which deal with the 14th amendment issue, although I recognize that there are equally difficult constitutional issues stemming from other provisions that would limit the jurisdiction of the Federal judiciary.

A LEGAL RATIONALE

Congress' authority under the Constitution to enact S. 158 depends on two questions. First, does Congress have power to investigate and to determine when human life begins? Second, if Congress determines that human life exists from conception, or from some other point, may Congress enforce the 14th amendment in accordance with this determination, by declaring that unborn children are persons for purposes of enforcing the obligation of States under the 14th amendment not to deprive persons of life without due process of law?

The 14th amendment already protects human life from the action of States, by providing—

> Nor shall any State deprive any person of life, liberty, or property without due process of law.

Today, unborn children enjoy no protection under this provision because no branch of the National Government has determined whether they are, in fact, living human beings. So long as their status as human beings remains legally unresolved, the Supreme Court will not protect them as persons.

The Supreme Court has refused to determine whether unborn children are human life on grounds that the issue is "sensitive and difficult," that there is a "wide divergence of thinking" on the issue, and that the judiciary is "not in a position to speculate as to the answer." *Roe* v. *Wade*, 410 U.S. 113, 159–60 (1973).

It makes little sense for our Nation to continue with its present policy toward abortion without seeking an answer to the fundamental question of when human life begins. For difficult questions such as this, concerning which the courts properly do not consider themselves competent to provide an answer, it often falls to the Congress to make a political decision for the country. The courts have traditionally deferred to Congress power to decide questions of policy which are "delicate" and "complex," which are "of a kind for which the judiciary has neither aptitude, facilities nor responsibility," or which are "confided by the Constitution to the political departments of government, the Executive and Legislative." *Chicago & Southern Air Lines, Inc.* v. *Waterman Steamship Corp.*, 333 U.S. 103, 111 (1948). See *Baker* v. *Carr*, 369 U.S. 186, 217 (1962); *Coleman* v. *Miller*, 307 U.S. 433, 454–55 (1939).

Congress has power under the Constitution to investigate and determine when human life begins, just as it has power to decide countless other policy questions involving difficult decisions on unclear facts and conflicting values. Life-and-death decisions of the most difficult nature come before Congress frequently—decisions whether to legalize particular drugs that may save some lives but endanger others; whether to require automobile safety devices that may save the lives of some but at great expense and inconvenience to others; whether, in extreme circumstances of international conflict, to declare war. The list could go on without end. No court is qualified to make such decisions. That task falls to Congress. And that is precisely the case in determining where human life begins.

Congress power to resolve difficult policy questions is especially clear when those questions are related to the enforcement of rights guaranteed by the 14th amendment. Section 5 of the 14th amendment provides:

> The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

When the courts are not capable of resolving a difficult question which is fundamental to the application of a provision of the amendment, that provision can be effectively enforced only if Congress addresses the question.

Although Supreme Court Justices have differed over the proper scope of Congress enforcement power, it is clear that Congress may make findings of fact that are relevant to the application of the amendment's terms to concrete situations. Justice Harlan, who took perhaps the narrowest view of any modern Justice toward Congress power to interpret the 14th amendment, nevertheless, ac-

knowledged a legitimate role for Congress in enforcing the terms of the amendment:

To the extent legislative facts are relevant to a judicial determination, Congress is well equipped to investigate them, and such determinations are, of course, entitled to due respect. *Katzenbach* v. *Morgan*, 384 U.S. 641, 668 (1966) (Harlan, J., dissenting).

The majority opinion in Katzenbach against Morgan gives Congress even broader power to define the meaning of 14th amendment terms. The Supreme Court majority in that case gave an affirmative answer to the following question:

Without regard to whether the judiciary would find that the equal protection clause itself nullifies New York's English literacy requirement as so applied, could Congress prohibit the enforcement of the State law by legislation under § 5 of the Fourteenth Amendment? 384 U.S. at 649; See also *Fullilove* v. *Klutznick* 65 L.Ed.2d 902.

By either view of Congress power, and I would personally reject strongly that of the Katzenbach majority, Congress can appropriately investigate the legislative facts available from scientific evidence on the beginnings of human life. Based on this evidence, in light of Congress beliefs as to the value of human life in all forms and external manifestations, Congress can declare its finding of when human life begins and from what point human begins should be protected under the law.

Congress may declare human life to be protected from a specified point even if some uncertainty exists. President, Reagan, in his press conference of March 6, 1981, expressed the crucial insight that, if we are uncertain whether something is a living human being, we must give the benefit of the doubt to life:

Until we determine and make to the best of our ability, a determination of when life begins. . . . I think that everything in our society calls for opting that [unborn children] might be alive.

Supreme Court procedents support this commonsense view. Congress can use its power to enforce the 14th amendment whenever it perceives a likelihood, a danger, or a risk, that 14th amendment rights might be violated. *City of Rome* v. *United States*, 100 S. Ct. 1548, 1562 (1980): *South Carolina* v. *Katzenbach*, 383 U.S. 301, 326 (1966).

If Congress determines unborn children to be living human beings, it follows from the intent of the framers of the 14th amendment, that Congress has constitutional power to declare unborn children to be persons for purposes of securing and enforcing their rights under the 14th amendment. The author and primary sponsor of section 1 of the 14th amendment, Congressman JONATHAN A. BINGHAM of Ohio, spoke of the right to equal protection and the right to life. liberty, and property for "every human being." (Congressional Globe, 39th Cong. 1st sess. 1089 (1866)). Senator Jacob M. Howard of Michigan, who sponsored the amendment on the floor of the Senate, spoke of its provisions as protecting the rights of "common humanity." (Congressional Globe, 39th Cong., 1st sess. 2766 (1866)).

These statements reflect the intent of the framers to overcome a Supreme Court decision that had created a distinction between human beings and persons entitled to protection under the Constitution. That decision was *Dred Scott* v. *Sandford*, 60 U.S. (19 How.) 393 (1857). The framers of the 14th amendment made it clear that no distinction is to be drawn between "person" and "human being." Since the ratification of the 14th amendment, the term "person" has been expanded to include more than just human beings. *See, e.g., Gulf, C. & S.F. Ry.* v. *Ellis*, 165 U.S. 150, 154 (1897) (holding that corporations are persons for purposes of the 14th amendment). But that term has never been restricted by the Supreme Court to include less than every living human being.

The Supreme Court in Roe against Wade, of course, found that "person" did not include fetuses which the Court did not know, and could not determine, to be human life. 410 U.S. at 157–60. The Court did not, however, find any indication that the 14th amendment was intended to exclude the unborn. The Court did not say whether a determination that life exists from conception would have led it to conclude that unborn children are persons. But it is obvious that such a determination should lead the Court to precisely that conclusion. The intent of the framers of the 14th amendment is compelling justification in itself for Congress to enforce the amendment by declaring every human being to be a person within the scope of the amendment's protection of life.

This justification is further confirmed by the values that formed the basis of our country at its beginning and that guided the leaders who overcame the Dred Scott decision to establish equal rights under the law for all human beings. The Declaration of Independence holds it to be a self-evident truth that "all men are created equal" and that all "are endowed by their Creator with certain inalienable rights," including the right to life. If all human beings are created equal, there can be no doubt that constitutional protections of the right to life must apply equally from the point when they are created.

Opponents of slavery, during and after the War Between the States, emphasized the importance of protecting all human beings under the law. Senator Charles Sumner of Massachusetts said—

In the eye of the Constitution every human being within its sphere . . . is a person. Congressional Globe, 37th Cong., 2d Sess. 1449 (March 31, 1862).

Congressman BINGHAM equated "person" with "human being" for purposes of protecting civil rights. (Congressional Globe, 37th Cong., 2d Sess. 1638–40 April 11, 1862)). And again, Congressman BINGHAM recognized—

[t]he great truth that all men are created equal . . . Id. at 1640–41.

This fundamental principle, repeated time and again at crucial points in our Nation's history, points to only one conclusion: That all human beings are equally entitled to protection of their right to life, under the 14th amendment, from the time they come into being. Under the compelling force of this principle, if Congress finds unborn children to be living human beings, it follows that Congress can declare them to be persons for purposes of enforcing their rights under the 14th amendment.

The only way to avoid this conclusion is to say that some human beings are not equally worthy of legal protection of their lives. But if we begin to divorce the meaning of person from the definition of human life, we will have to decide which human beings are persons. Any attempt to define what is a "meaningful" life, to decide which human beings are wanted or unwanted, to differentiate between a baby in the womb and one already born, will lead to purely arbitrary decisions and also to grave danger for the weakest and most easily neglected members of the human race. Any such attempt to play God by judging the value of innocent human lives is contrary to our fundamental beliefs as a nation and would have to be rejected by this Congress.

It is unreasonable to assume that the Supreme Court's definition of "person" in Roe against Wade is so inflexible that it cannot change in response to a legislative determination that unborn children are human beings. Cf. N.Y. Times, March 21, 1981, p. 22 (editorial). Such an assumption depends on the unacceptable notion that some human beings can be held to be nonpersons under the law. The Supreme Court has never stated that it simply does not care whether unborn children are human beings. Congress should not presume that the Court would refuse to protect all human beings as persons, including those not yet born, if the Court were presented with a congressional determination that life begins at conception.

Because there can be no valid distinction between "person" and "human being," the judicial determination of personhood rests inescapably on the legislative fact question of what is human life. Congress power to determine when human life begins is at the same time a power to inform the judiciary whether unborn children are persons.*

There may be legitimate differences of opinion whether S. 158 will be binding on the Supreme Court, as suggested by the majority opinion in Katzenbach against Morgan, or will only serve to inform the judiciary of a legislative determination which is entitled to due deference but not binding force, under Justice Harlan's dissenting view in Morgan quoted above. Even, however, under Justice Harlan's relatively narrow view of congressional enforcement power, Congress at the very

*A misleading statement concerning the *Roe* v. *Wade* opinion has appeared in Tribe & Ely, "Let There Be Life," *N.Y. Times*, March 17, 1981, p. A17. Professors Tribe and Ely say that "the Government," according to *Roe* v. *Wade*, may not override the rights of a pregnant woman by adopting one theory of life. In fact *Roe* v. *Wade* said only that the State of Texas may not define life. 410 U.S. at 162. No one disagrees that *states* lack power to expand the scope of the 14th amendment right to life. But Congress stands in a different position from the states since Congress has express power to enforce the 14th amendment and the right to life contained therein.

least has authority to make a determination of when life begins, to define "person" accordingly, and to leave it to the Supreme Court to make a judicial determination informed by the legislative facts.

There could hardly be a more appropriate instance than the human life bill for Congress to exercise its power to enforce the 14th amendment. The question of the beginning of life is one which Congress is competent to decide and the courts admittedly are not. The legislative facts on the beginning of life are directly relevant to the judicial determination of personhood. In light of the relative competence of Congress and the courts to determine when life begins, the degree of deference properly due to Congress determination should be great indeed. Far from setting a broad precedent, S. 158 would assert the power of Congress only to influence those few judicial determinations that turn fundamentally on questions of legislative fact which the courts are unable to decide.

No Supreme Court opinion, either majority or dissent, has ever denied that Congress may use its enforcement power under the 14th amendment to determine legislative facts and influence judicial determinations when the factual matter is so closely related to the judicial determination as human life is to personhood. While Congress may well lack power to restrict constitutional rights by defining some human beings as nonpersons, it does have power to expand rights by declaring that all human beings are persons.

Congress declaration that unborn children are human beings and persons will present the Supreme Court with an entirely different question than it faced in defining "person" in Roe against Wade. When the Court gives due deference to Congress determination, it should arrive at a different answer to that question from its answer in Roe against Wade.

Mr. President, I am continuing to examine the constitutional issues related to S. 158. It is my intention that these be the focus of Judiciary Committee hearings in the near future. In the meantime, however, I do feel that it is important to recognize that there is at least a credible case that can be made in behalf of this measure. There has already been too much misstatement and confusion about S. 158. I would hope that proponents and opponents of the right-to-life movement, as well as proponents and opponents of S. 158, would all make an effort at least to understand the arguments of the other.●

A SALUTE TO MAESTRO HOWARD MITCHELL

● Mr. THURMOND. Mr. President, on Tuesday, April 14, the National Symphony Orchestra will celebrate its 50th anniversary with a salute to Maestro Howard Mitchell.

Maestro Mitchell is a remarkable man. He is highly gifted and extremely talented. His talent was visible at an early age. He was playing five instruments at the age of 12, and at 16 had received a scholarship to study the cello.

He joined the National Symphony Orchestra in 1933 and became its conductor in 1949. Since Maestro Mitchell joined the orchestra, its size has increased, more recordings have been made, and new works have been commissioned.

Maestro Mitchell is a creative and innovative man who is respected internationally for his contribution to the music world. Currently, he performs 80 concerts annually and assists various other groups with their music.

I am sure my colleagues will join me in a salute to Maestro Mitchell, who through his musical enrichment of American society, has become a national treasure.●

FEDERAL COURT JURISDICTION

● Mr. HART. Mr. President, a number of bills have been introduced in both Houses of Congress to strip the Supreme Court and the lower Federal courts of their authority to decide cases in several controversial areas. Whether one agrees or disagrees with the Supreme Court's opinions, one should oppose these bills, for the real issue at stake is the independence of the Federal judiciary and the role it plays in our constitutional system of checks and balances.

In a recent statement, Yale Law School Prof. Paul Gewirtz explained why proposed legislation to restrict Federal court jurisdiction is unwise and unconstitutional. I ask that his remarks be printed in the RECORD.

The remarks follow:

WHY PROPOSED LEGISLATION TO RESTRICT FEDERAL COURT JURISDICTION IS UNWISE AND UNCONSTITUTIONAL

(Remarks prepared by Prof. Paul Gewirtz, Yale Law School)

The Congress is currently considering a number of bills which strip both the Supreme Court and the lower federal courts of the power to hear cases involving school prayers, abortion and busing. The announced purpose of these bills it to try to change the results reached in specific Supreme Court decisions over the past 20 years. These bills are unwise as a matter of policy and unconstitutional as a matter of law. They should be opposed whether one is for or against school prayer, for or against abortion, for or against busing. What is at stake is something far more fundamental than any particular issue such as school prayer. What is at stake is a central feature of our democratic political system for two centuries: the essential role played by an independent federal judiciary in our system of checks and balances and separation of powers.

At least since John Marshall's famous decision in *Marbury v. Madison*, 1 Cranch 137 (1803), it has been established that the federal judicial power is supreme over Congress in resolving federal constitutional questions and enforcing federal constitutional guarantees. The federal courts are the ultimate interpreters of the Constitution. In the much quoted words of Chief Justice Marshall, it is "the province and duty of the judicial department to say what the law is." Id. at 177. While most of us can point to some decisions of the Supreme Court with which we disagree, we recognize that, overall, this power of judicial review, exercised by an independent federal judiciary, is a critically important element of our constitutional democracy. Overall, it has served us well—whether it has been to vindicate the rule of law when challenged by a corrupt President, or to protect ordinary citizens against an overreaching government, or to open the way to greater racial equality, or to help mediate conflicts between nation and state or executive and legislature. The reason that the proposed jurisdictional limitations are so dangerous is that they would undercut, in a fundamental and unprecedented way, that essential function of interpreting and enforcing the constitution. Congress, in effect, would be assuming the power to change specific constitutional results by simple majority vote and without a constitutional amendment.

Consider, for example, the effect of the bill that strips jurisdiction from all federal Courts to hear cases involving school prayers. In the early 1960's, the Supreme Court ruled that the First Amendment of the U.S. Constitution, which prohibits the establishment of religion, prohibits the government from requiring the reading or recitation of prayers in public schools. If a public school introduces prayers and a parent sues to enforce those earlier Supreme Court decisions, the state courts might well fail to provide a remedy; but if that happens, under current law the parents could appeal to the United States Supreme Court, a federal court, to enforce their federal constitutional rights. The proposed jurisdictional legislation seeks to prevent the Supreme Court from hearing such a case. The State court decision allowing school prayers would stand. Thus, as its sponsor Senator Helms admits, the proposed legislation seeks to manipulate jurisdiction so as to restore prayer to the schools—in short to change a constitutional result.

Such legislation is nothing less than an assault on the independence of the federal judiciary. Perhaps the Framers of the First Amendment of our constitution were wrong in seeking to prevent the establishment of religion by the government. Perhaps the Supreme Court's decisions interpreting the meaning of the First Amendment should be changed. That is not the issue. The question is whether it is appropriate for Congress, by a simple majority, to try to achieve those ends by means of manipulating the jurisdiction of federal courts to hear cases. The answer is no. The constitution itself provides a method for changing the content of constitutional guarantees: amending the constitution through the procedures specified in Article V. It is a difficult process, requiring approval by a two-thirds vote in each House of Congress and ratification by three-fourths of the states. But it was designed to be difficult. The proposed jurisdictional provisions seek to end-run this constitutional amendment process by asserting Congress' power, by simple majority, to strip away from federal courts the jurisdiction to hear cases enforcing existing constitutional rights.

It is a power that, once unleashed, would be difficult to confine. It would work a fundamental reallocation of power between Congress and the Supreme Court. Recognizing that a constitutional democracy is a delicate thing, and that ours has been a uniquely successful experiment, it would be terribly unwise and terribly risky for Congress to act in a way that surely undercuts the role and function of an independent federal judiciary in our system of separation of powers. No short-runs gain justifies such a long-term risk.

This is not an issue that should divide conservatives and liberals, or Democrats and Republicans. It should not divide those who support or disagree with one or another constitutional decision of the Supreme Court. The issue at stake is one of our basic constitutional structure and institutional ar-

rangements—whether we really want to tamper so fundamentally with the basic allocation of powers in our political system. When the proposed legislation is understood in these terms, the opposition to it should grow.

Significantly, constitutional scholars of all political stripes have concluded that jurisdictional limits of the sort involved here are unconstitutional. The late Alexander Bickel, perhaps the most respected constitutional scholar of his generation, was of this belief, in spite of his sharp criticism of Supreme Court decisions such bills sought to change. Said Professor Bickel: "I deplore as more destructive than the worst of busing the attempt to work such a reallocation of powers between Congress and the Supreme Court." [1] Professor Robert Bork of the Yale Law School, a conservative who served as Solicitor General of the United States under Presidents Nixon and Ford, opposes such congressional restrictions on jurisdiction as a "cure that may set a precedent more damaging than . . . wrong Supreme Court decisions." [2]

The only argument in favor of the constitutionality of Congress' power to regulate the federal court's jurisdiction in this way relies upon Article III of the Constitution itself, the Article which discusses the judicial power. Article III provides that the "judicial Power of the United States, shall be vested in one supreme Court"—thereby specifically mandating the existence of the Supreme Court—"and in such inferior Courts as the Congress may from time to time ordain and establish." Article III also provides that the judicial power of the United States shall extend to various categories of cases, including "all Cases . . . arising under this Constitution." Article III provides that in some of these cases the Supreme Court shall have original jurisdiction, but it then goes on to state that in "all the other Cases . . . , the Supreme Court shall have appellate Jurisdiction, both as to Law and Facts, with such Exceptions, and under such Regulations, as Congress shall make." According to proponents of the legislation being discussed here, this "exceptions and regulations" clause gives Congress unfettered authority to prevent the Supreme Court from hearing on appeal whatever cases Congress sees fit to withhold from the Supreme Court. Moreover, Congress' power to ordain and establish the lower federal courts allegedly gives Congress the plenary authority to withhold from those courts the power to hear such cases as an initial matter.

But neither Article III, nor the history of its interpretation, will sustain such a radical view of Congress' powers. To be sure, Congress does have significant authority to regulate the jurisdiction of the federal courts. But given the status of the Supreme Court as a constitutionally mandated court, and given the distinctive role that the Framers of the Constitution understood the Supreme Court would play in the constitutional plan—to assure the supremacy and uniform application of the Constitution—the "exceptions and regulations" clause should most plausibly be seen as authorizing only neutral "housekeeping" measures (such as the congressional provision for discretionary certiorari jurisdiction), and not the selective exclusion of cases of the sort involved here, which interferes with the Court's central constitutional functions. In short, such legislation violates Article III itself and the requirements of separation of powers that prevade the entire Constitution.

At the very least, Congress may not exercise its powers under Article I.I in a way which violates other provisions of the constitution—just as Congress may not exercise its admittedly broad powers to regulate commerce or to tax in a way which violates other constitutional provisions. Thus, Congress obviously could not "except" from the Supreme Court's appellate jurisdiction cases in which the plaintiff was black. Such a law would deprive blacks of rights to equal protection of the laws guaranteed by provisions of the Constitution other than Article III itself.

More generally, if the purpose and effect of a Congressional restriction on federal court jurisdiction is to interfere with the vindication of substantive constitutional rights, such a restriction on federal jurisdiction is a violation of the substantive constitutional right involved. If Congress sought to restore school prayers to the public schools by means of a substantive statute, that would surely violate the First Amendment. So too does a jurisdictional statute which, its sponsors concede, is designed to have the same effect. Congress is simply trying to achieve indirectly what it could not achieve directly. The bill disadvantages a category of Constitutional rights because of Congress' opposition to those rights. However broad Congress' power to regulate federal court jurisdiction, it does not extend this far. (Obviously, Congress could not claim that its purpose in singling out school prayer cases or abortion cases is to regulate the Supreme Court's workload or to serve some other neutral housekeeping objective.)

It is no answer to assert that the state courts remain open and will fully enforce existing constitutional rights. The sponsors of the bills have obviously made the judgment themselves that many state courts will enforce existing rights with far less vigor and effectiveness than their Federal court counterparts; that is the point of the proposed legislation. (Nor is this Congressional judgment without reasonable foundation. For a variety of reasons, the federal Supreme Court and federal lower courts have traditionally been more favorably disposed to claims of federal rights than state courts, and more effective in implementing those rights.) Congress' action will presumably have the effects that Congress desires.[3] This is particularly apparent with respect to the restrictions of the Supreme Court's appellate jurisdiction. Denying Supreme Court review is not outcome-neutral but, weighted against effectuation of that Court's settled law. For the Court to accept such restrictions on its jurisdiction would not only violate the principles of *Marbury v. Madison* but the substantive rights that Congress seeks to override.

In short, the proposed bills are not truly provisions aimed at regulating jurisdiction, but rather are aimed at achieving a desired result—indeed at changing settled constitutional rules. That such legislation would be unconstitutional is, in the end, the lesson of *United States v. Klein*, 80 U.S. (13 Wall.) 128 (1872). In *Klein*, Congress had passed legislation which prevented certain claimants who had received Presidential pardons from receiving claim awards and which deprived the Supreme Court of jurisdiction to review claims based upon Presidential pardons. While noting that in general Congress had power to regulate the Court's jurisdiction, the Court concluded that the legislation here was unconstitutional since "the language of the proviso shows that it does not intend to withhold appellate jurisdiction except as a means to an end. Its great and controlling purpose is to deny pardons granted by the President the effect which this court had adjudged them to have." 80 U.S. (13 Wall.) at 145.

Finally, a word about the famous Reconstruction case, *Ex parte McCardle*, 74 U.S. (7 Wall.) 506 (1869). In McCardle, the Court upheld Congress' power to repeal the Supreme Court's appellate habeas corpus jurisdiction that had previously been authorized by an 1867 statute. This outcome, along with some language in the Court's opinion, is sometimes read to establish that Congress has very broad power to withhold Supreme Court jurisdiction under the power to make "exceptions." Plainly the case cannot support such a reading. The opinion explicitly and carefully states that the repeal did not affect other jurisdictional statutes giving the Supreme Court power to review habeas corpus decisions. Indeed, in the very same Term as McCardle the Supreme Court held that denial of habeas corpus could be reviewed under those other provisions. *Ex-parte Yerger*, 75 U.S. (8 Wall.) 85 (1869). Far from establishing Congress' broad power to remove access to the Supreme Court's appellate jurisdiction, McCardle actually stands for the proposition that in constitutional cases Congress may withhold one jurisdictional basis for Supreme Court review only if another jurisdictional basis is available.[4] The recent round of legislative proposals restricting the Supreme Court's appellate jurisdiction contains none of McCardle's escape hatches, and for that reason they are patently unconstitutional.

A SALUTE TO SENATE SUPERINTENDENT J. LEWEY CARAWAY

● Mr. THURMOND. Mr. President, for more than one-quarter of the life of the U.S. Senate, one man has served it.

In doing so, he has become an institution himself.

J. Lewey Caraway came to Washington from his native Arkansas at the height of the Great Depression to stay but a short time. That was more than 50 years ago. He never left.

As a youth, he finished high school here and went on to get a law degree. For the past 32 years, he has been Superintendent of the Senate Office Buildings.

During his Senate years he has known hundreds of Senators, and many who became Presidents and Vice Presidents, or candidates for those jobs. Thousands

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[1] "What's Wrong With Nixon's Busing Bills," *The New Republic*, April 22, 1972.

[2] *New York Times*, March 16, 1981; p. A16. The literature on the subject is vast. The starting point is Hart, "The Power of Congress to Limit the Jurisdiction of Federal Courts: An Exercise in Dialectic, 66 Harv. L. Rev. 1362 (1953). See also Theodore Eisenberg, "Congressional Authority to Restrict Lower Federal Court Jurisdiction," 83 Yale L. J. 483 (1974).

[3] In any event, actions "animated by such a purpose have no credentials whatsoever; for '[a]cts generally lawful may become unlawful when done to accomplish an unlawful end . . ., whatever [their] actual effect may be.'" *City of Richmond v. United States*, 422 U.S. 358 (1975).

[4] Professor Bickel thought *Ex Parte McCardle* "aberrational", presumably because of the extraordinary Reconstruction background. In light of current constitutional doctrine which makes legislative motives and purposes one measure of constitutionality, *e.g.*, *Washington v. Davis*, 426 U.S. 229 (1976), *Ex Parte McCardle* is also aberrational in its methodology, for it reflects the outdated view that "We are not at liberty to inquire into the motives of the legislative."●

upon thousands of staffers have come and gone during the past half century. He has seen many of the notables of the world who have visited the Senate.

During that time, he rose from an elevator operator to positions in supply and purchasing, and finally to superintendent.

As the years have gone by, the responsibilities and magnitude of his job have increased tremendously, with the number of employees growing, and several buildings being added, some on a temporary basis pending the completion and occupancy of the Hart Building.

Lewey's style is one of friendly reserve, with a gentle nature, a quick smile, and total willingness to be of assistance. He is specially helpful to new Senators and their staffers in becoming acquainted with the ways of the Senate regarding the everyday needs of heat, power, furniture, changes in office configurations, air-conditioning, and so forth.

As President pro tempore of the Senate, it is a pleasure to salute Lewey Caraway and to bring to the Senate's attention the recognition due to him.

On April 1, I was happy to join with his colleagues, fellow workers, and friends at a party in the Office of the Architect of the Capitol honoring him. The Senate Staff Club is to be congratulated for its part in helping arrange the observance.

Lewey has accomplished what many Senators would like to have—50 years of seniority. Well done. With all that experience, the next 50 should be much easier.●

DEATH OF GEN. OMAR N. BRADLEY

● Mr. THURMOND. Mr. President, Omar Nelson Bradley, a great man and a great American who was the Nation's last five-star general, passed away in New York City on April 8.

I served under General Bradley when he commanded the First Army during the invasion of Normandy in June 1944. He was a fine military strategist and leader. In reflecting on Normandy he later wrote:

> The resoluteness of our fighting men and our allies on the Normandy beaches gives us the opportunity today to build a better America in a better and more bountiful life . . . nourished by sacrifice, devotion and service.

The general always had high praise for his men which, at one point during World War II, consisted of four armies made up of 1.3 million men. In discussing the role of his men at Normandy, he later wrote:

> Had a less experienced division than our First Infantry stumbled into the enemy resistance, it might have easily been thrown back into the channel. The choice of the First to spearhead the invasion probably saved us Omaha Beach and a catastrophe on the landing.

Omar Bradley came from middle American roots. He was born in Clark, Mo., and had a grandfather on each side of the war between the States. He attended the U.S. Military Academy at West Point where he graduated in the class of 1915. Counting his days as a West Point cadet, General Bradley had more than 69 years military service to his credit.

During the 28 years after he left West Point and first challenged America's enemies on the battlefield, he worked hard in training and planning endeavors and attended various staff and command schools.

He was tapped by the late Gen. George C. Marshall to go to northern Africa as a member of the staff of the U.S. II Corps. Shortly after that, Omar Bradley had the chance to serve as deputy corps commander under the great Gen. George Patton.

Because of his developing skills and abilities in the African theater, Marshall and Gen. Dwight Eisenhower chose him to serve in the role which earned him fame: field commander of American forces during the Normandy invasion.

Despite all of the landing difficulties and the fact that the general had to call upon all of his skills and strategies to repel violent German counterattacks, the operation succeeded.

The general went off active duty—five-star generals do not retire—in 1953, but his interest in military and corporate affairs—and his zest for life—did not diminish. At the age of 65, when many men retire, he became an executive of the Bulova Watch Co. and in 1958 assumed the chairmanship of the corporation.

I am extremely proud to have served under this outstanding man. My deepest sympathy is extended to his lovely wife Kitty, relatives, and wide circle of friends. He will be missed, but all can take solace in the service he devoted to his country.

Mr. President, in order that I may share with my colleagues these excellent articles from the Washington Star of April 9 about this man, I ask that they be printed in the RECORD.

The articles follow:

OMAR BRADLEY, 5-STAR GENERAL, IS DEAD AT 88

NEW YORK.—Gen. Omar Bradley, the last of the nation's great World War II commanders and the last of its five-star generals, died last night. He was 88.

Bradley, a lanky, bespectacled Missourian who commanded U.S. invasion forces on D-Day at Normandy and was the first to chair the Joint Chiefs of Staff, suffered a heart attack while attending a dinner at the 21 Club here and was pronounced dead shortly afterward at a hospital.

In Washington, President Reagan issued a statement joining all Americans in mourning his death:

"Nancy and I were honored to have Omar Bradley as our friend and honored that one of his last public appearances was at my inauguration. Both of us extend to . . . [his] family our deepest sympathies," Reagan said.

Bradley, who had come to New York from his Fort Bliss, Texas, home for a dinner of the local chapter of the Association of the United States Army, collapsed in an elevator of the 21 Club.

GEN. OMAR BRADLEY, THE HONEST MECHANIC, IS DEAD AT 88

NEW YORK.—General of the Army Omar N. Bradley, a World War II hero who was the last of the nation's five-star generals, died yesterday in Manhattan. He was 88.

A spokesman for St. Lukes-Roosevelt Hospital said Bradley was pronounced dead on arrival at the hospital after apparently suffering a heart attack. He was accompanied by his wife, Kitty, and aides, the spokesman said.

Bradley, who had served as the first chairman of the Joint Chiefs of Staff, celebrated his last birthday on Feb. 12 at Fort Bliss in El Paso, Texas, where he and his wife had been living since 1977.

Bradley was recovering from a viral infection in February and had earlier been confined to a wheelchair because of knee problems going back to his days as a West Point football player.

He attended President Reagan's inauguration in January in a wheelchair pushed by actor James Stewart.

Making up in competence what he lacked in battlefield glamour, Omar Nelson Bradley won four stars in World War II (a fifth was added later) and the sobriquet of "the honest mechanic."

He commanded, successively, a division, a corps, an army and finally the 12th U.S. Army Group in Europe, which numbered more than 1.3 million combat troops of four armies. In this capacity he was the senior commander of American ground forces in the mid-1944 invasion of Europe and the subsequent defeat of the Nazi forces on the Western Front.

It was Bradley who linked up with Soviet Marshal Ivan Stepanovich Konev on the banks of the Elbe River on April 25, 1945, a dramatic meeting that symbolized the eclipse of German arms.

Earlier, on April 6, with the Germans' doom imminent, Bradley had raised the Stars and Stripes over the frowning fortress of Ehrenbreistein, across the Rhine from Coblenz, and declared that the Germans could have no doubt about the war's outcome.

"This time we shall leave the German people with no illusions about who won the war—and no legends about who lost the war," he said. "They will know that the brutal Nazi creed they adopted has led them ingloriously to total defeat."

In plowing across France from the Normandy landings of June 1944, and through Germany to the Elbe, Bradley achieved a reputation as a brilliant tactician, the foundations of which had been laid in his campaigns in North Africa and Sicily. The essence of his tactics was that the best way to fight a modern battle was "slow and sure."

"Don't let this blitzkrieg business fool you," he once said. "Today we can move our troops into position much faster than ever before. We can throw a whole division (13,000 men) 150 miles a day, instead of 15 as in the last war. And we can exploit our victories with even greater speed.

"But the actual fighting of the battle itself is a different proposition. That's the same old ground battle fought by the soldier on foot, and it takes almost as much time as it ever did."

Tall (just over 6 feet), erect, lanky, bespectacled, bony-faced, Bradley was a commander the G's liked for the care he took with their lives—and because he looked the part of an infantryman.

In the field he wore an old, stained trench coat, his GI trousers were stuffed into paratroop boots, and his field cap was unpretentious. His voice, a Missouri drawl, was rarely raised in anger. He gave the impression of being a plain, homely, stable man, which indeed he was.

The late A. J. Liebling, the writer who covered a number of Bradley's campaigns, described him as "the least dressed-up commander of an American army in the field

since Zachary Taylor, who wore a straw hat." And contrasting him with the flamboyant Gen. George S. Patton Jr., Liebling wrote:

"After the Green Hornet, with his ruddy truculent face and his beefy, leathersheathed calves, the new general, lanky and diffidently amiable, seemed a man of milk."

At the same time, however, he impressed a war correspondent as "a tough, knotty fighter with the tremendous sledge-hammer-persistence of Gen. (U.S.) Grant, the shrewdness of a New England horse trader and the personal dignity of character and integrity that can be compared only to the same spacious qualities shown always by Gen Robert E. Lee."

He also possessed enormous self-confidence. Bradley recounted the following coloquy that took place when, with Maj. Gen. William B. Kean Jr., he was drawing up an officer roster for the Normandy invasion:

" 'What a helluva responsibility this is for you and me to be pulling off the biggest invasion of the war.'

"Kean nodded and stared at the map of Europe on the wall. 'But Bill,' I said frankly. 'Who in the army knows more about it than we?' "

Remarkably, Bradley had entered the war without combat experience. A "book general" and the product of an army establishment that placed a high premium on honesty and honor, he had spent his prewar years in routine professorial assignments.

* * * * *

And by 1940 he was an obscure lieutenant colonel in civilian clothes who rode a bus to work in the old Munitions Building in Washington.

But being a "book general" (and the habit of composure that went with it) paid dividends in the war, for he planned each battle and had confidence in his decisions and in his men. To him war was a series of mathematical problems, and he went about the business of reaching his solutions by methods that had been tried and proved.

Born in the hamlet of Clark, Mo., on Feb. 12, 1893, Omar Nelson Bradley was the son of a schoolteacher, who died when his son was 13. The boy was named Omar for a Missouri newspaper publisher and Nelson for the family doctor. In Moberly, Mo., where the youth grew up, he acquired a love for hunting and fishing and was known for shooting a gun expertly. His high school yearbook described him as "calculative."

He went to West Point because his Sunday school superintendent suggested it as the best choice for a poor boy. His class at the United States Military Academy, that of 1915, has become known as the class the stars fell on. It provided more than 30 generals in World War II, including General of the Army Dwight D. Eisenhower and Gen. George E. Stratemeyer, Air Force commander in the China-India-Burma theater.

Cadet Bradley played football and baseball and was graduated 44th in a class of 164. (Eisenhower's rank was 25th.)

The serious and shy second lieutenant served a tour of duty along the Mexican border in 1916 and received a temporary promotion to major in World War I without seeing service outside the United States.

After the war, he drew duty as a teacher of military science and tactics at South Dakota State College, and in 1920 he was posted to West Point for four years as an instructor in mathematics. These followed the well-worn groove of a professional soldier in peacetime: teaching courses and taking them; duty at the Command and General Staff School and the Army War College. His most glamorous tour was a hitch in Hawaii.

In 1939, Bradley was assigned to the general staff in Washington. Ten years earlier his work at Fort Benning, Ga., had caught the attention of Lt. Col. George C. Marshall, and in 1941 Marshall plucked Bradley out of Washington and sent him to Fort Benning, Ga., to convert the tiny infantry school there into a massive center capable of handling 14,000 officer candidates at a time.

Bradley did the job with commendable dispatch and without raising his voice.

In February 1943, the situation in Tunisia was deteriorating after the Anglo-American landing in Morocco and Algeria in November 1942. The combined forces had narrowly failed to take Tunis by a coup de main to catch Gen. Erwin Rommel's Afrika Korps in the rear as Gen. Bernard Law Montgomery's British army had driven it across Libya.

The British, Americans and French were bogged down in mud, cold and discouragement in Tunisia, and there had been much criticism of the quality of the American command in operation.

Bradley became deputy commander of the U.S. II Corps fighting in the Tebessa area under Patton. His main duty, however, was to act as Eisenhower's eyes and ears along the entire front.

The presence of a senior officer out of the chain of command is always irksome to the responsible commanders, and this occasion was no exception.

But Eisenhower had appraised his men correctly when he wrote of Bradley: "He was a keen judge of men and their capabilities and was absolutely fair and just in his dealings with them. Added to this, he was emotionally stable and possessed a grasp of the larger issues that clearly marked him for high office."

Generals, junior officers and GIs dug in among the hills of Tunisia soon became familiar with the grave, low-voiced officer who peered over his glasses in a fatherly fashion as he made it clear to them that he was not on hand to criticize, but to gather information to prevent another setback such as the Americans suffered at Kasserine Pass.

Bradley was placed in command of II Corps after Patton had received another assignment, and he led it to the capture of the French naval base of Bizerte. He was promoted to lieutenant general.

When Patton's Seventh Army and Montgomery's Eighth Army landed in Sicily, Bradley was in command of the U.S. II Corps, which saw its share of the fighting. Before the campaign was over Marshall, the chief of staff, notified Bradley that has was to proceed to England, where he was to prepare to command the First United States Army, then mustering with British forces for the assault across the English Channel.

When he could spare the time, Bradley was with his troops in field inspections, watching them run obstacle courses and engage in mortar practice. "I will see you on the beaches," he told the G.I.'s.

Although Montgomery was in direct command of the assault landings in Normandy on June 6, 1944, the command of the First Army and ultimately of the 12th Army Group was held by Bradley through the remainder of the fighting in France and Germany. He was ashore less than 24 hours after the first Allied units hit the Normandy beaches.

The First Army, numbering 21 divisions, began its breakout from the coastal regions late in June behind a tremendous carpet of air bombardment.

On Aug. 1, the Allied ground force command changed. Montgomery was given command of the British 21st Army Group, while the 12th Army Group was placed under Bradley, who was responsible only to Eisenhower.

In the Normandy beachhead, Montgomery's British and Canadian force had the primary mission of holding the anchor of the line in the Caen area. Meanwhile, plans were made for the American forces to execute an end run around the German defensive positions.

Patton's Third Army managed a breakthrough at Avranches and fanned southward and finally eastward and northward to close in on the rear of the German Seventh Army at Falaise. Supporters of Montgomery have pointed out that he was facing more formidable opposition, but Bradley felt the British should have made a greater effort to close the narrow Falaise gap through which the greater part of the German Seventh Army managed to squeeze to temporary safety. As it was, more than 70,000 Germans were caught in the trap.

While the British and Canadian armies were pushing north along the English Channel, Paris was recaptured by the Second French Armored Division and other elements of the First French Army, aided by Patton's V Corps and the French Forces of the Interior. As the Germans retreated toward the Rhine, hopes ran high for a quick end to the war in Europe.

September 1944 was, as Bradley put it, "the month of the Big Bust." Paris had fallen, and by Sept. 14 the front line extended from a region north of the channel port of Dunkirk through Antwerp and Aachen, Metz and Nancy down to the Swiss and Italian borders.

On Sept. 3, American tanks broke across the German border near Aachen, and Bradley pulled up stakes at Dreux, a few miles east of Paris, and established his army group command post at Verdun.

But the impetuous Americans had outrun their supply lines and lost their momentum. For the next two months, Bradley and the impatient Patton were to wait at the German border for gasoline and ammunition. The dash for the Rhine had fallen just short of success.

There ensued a lengthy period of tug-of-war between Bradley and Montgomery in the matter of priority for supplies. German resistance had stiffened on the British front as well as in front of Bradley's men, and Eisenhower was called upon to make a decision between the British proposals for operations and those proposed by Bradley. Montgomery wanted to ram a spearhead through to the industrial Ruhr Valley. Bradley favored a broad advance along the line into Germany.

The Germans, however, were massing for a desperate attempt to break through the Ardennes to capture the port of Antwerp. Field Marshal Gerd von Rundstedt had accumulated 600 tanks for this last garrison finish.

"In the face of this astonishing build up, I had greatly underestimated the enemy's offensive capabilities," Bradley recalled in his memoirs. "My embarrassment was not unique, for it was shared not only by the army commanders but by Montgomery and Eisenhower as well.

When the German blow fell on Dec. 16, the 12th Army Group was caught without a division in reserve.

Remnants of four German armies participated in the Battle of the Bulge, but while many units were overrun, Bastogne held and the Germans were too weak to exploit their initial success.

The check administered to the 12th Army

Group in the Battle of the Bulge led to pressure from the British to return Montgomery to his former position as commander of the ground forces. Bradley told Eisenhower flatly that he would not serve under Montgomery and that "you must send me home, for if Montgomery goes in over me, I will have lost the confidence of my command. It was Winston Churchill, British prime minister, who poured oil on the troubled waters.

Bradley's men crossed the Rhine at Remagen on March 7, were across in strength by March 22 and sped on toward the heart of Germany. A total of 325,000 German prisoners were captured in an encircling movement south of Essen and Dortmund.

United States troops joined with the Soviet Union forces at Torgau on April 25, and Bradley paid a courtesy visit to the Russian commander, Marshal Konev, who entertained the American commander with a troupe of women ballet dancers whom he identified as members of the Red Army.

Later Bradley invited Marshal Konev to his headquarters, where Jascha Heifetz entertained them with violin solos.

After Germany's capitulation, Bradley returned to Washington and took over as head of the Veterans Administration from 1945 to 1947. He then became Chief of Staff of the Army and served two terms as chairman of the Joint Chiefs of Staff, departing in 1954. He was made a five-star general in 1950.

After stepping down—he did not retire because Generals of the Army are considered as always available for recall to active duty—he joined the Bulova Research and Development Laboratories. He was later named board chairman of its parent company, the Bulova Watch Company. He was also on the board of the Food Fair Stores and of Metro-Goldwyn-Mayer.

He married Mary Elizabeth Quayle in 1916, a year after his graduation from West Point. They had a daughter, Elizabeth.

Bradley's wife died in 1965, and the next year he married Esther Buhler, who survives.

A memorial service for Bradley was planned at Fort Bliss, although details were incomplete. His body was scheduled to be flown to an El Paso funeral home today and later transferred to the Main Post Chapel at Fort Bliss.

An Army spokesman said burial for the general was expected to be scheduled for Monday at Arlington National Cemetery, with other details to be announced.●

THE CURRENT INTERNAL CONFLICT IN LEBANON

● Mr. RIEGLE. Mr. President, the recent outbreak of hostilities in Lebanon has once again focused international attention on the internal political struggles which beset that nation. The loss of 150 lives and the wounding of over 500 persons during a recent 6-day period are grim reminders of the hostilities which have continued to plague Lebanon since the eruption of the bloody civil war in 1976.

The massive destruction wrought by the war has displaced over 1 million people and caused another 500,000 to leave their country. Reconstruction efforts have raised the question of what kind of Lebanon the conflicting parties want to build.

Despite U.N. and Syrian peacekeeping efforts, Lebanese forces continue to use violence against each other to achieve their own ends. Fighting between the leftist-Moslem alliance and the rightist-Christian forces has thwarted efforts to achieve a peaceful settlement of the issues which divide them.

The persistent internal political problems cry out for a peaceful resolution. We cannot stand by and witness the deterioration of a nation which is a haven of political democracy and economic freedom in the Middle East.

The survival of the country's democratic institutions throughout years of civil strife evidences the strong commitment of all Lebanese citizens, regardless of their political aspirations and beliefs, to their existing form of government.

Similarly, the country's free enterprise system continues to flourish and enjoys the support of all the people. The fact that the economy continues to function at all is an indicator of the resilience of the Lebanese people and the capacity of the economy to grow and overcome the present obstacles.

President Sarkis' government has committed itself to economic reconstruction in the hope that a rebuilt, sound economy will serve as the basis for political stability. Lebanese expertise in commerce and trade will lend itself well to this effort.

However ambitious the government's programs for rebuilding both the political and private sectors might be, any such plans are doomed for failure as long as the internal strife continues. Indeed, whether Lebanon can regain its economic role in the Mideast will depend, in large part, on the measure of political stability which can be achieved.

As an important trade partner, the United States has a special interest in the survival of a free and prosperous Lebanon. Beyond that, a peaceful, prosperous and stable Lebanon is vital in insuring peace and stability in the Middle East.

The United States, along with other free nations, must join together in a sincere international effort to encourage the warring Lebanese factions to lay down their arms and work together toward achieving a peaceful resolution of their differences. Diplomatic efforts must be made to encourage the Lebanese leaders to use the existing governmental mechanisms to realize a lasting resolution of the conflicts.●

END THE MARRIAGE TAX PENALTY

● Mr. PERCY. Mr. President, earlier this year Senator MATHIAS introduced S. 2, a bill which eliminates the marriage tax penalty. I am pleased to be a cosponsor of this legislation as I was in the last Congress.

As April 15 rolls around this year, thousands of families will be mailing in their tax returns. Although I hear from constituents throughout the year about the tax burden, this time of year brings in an especially large volume of comments, as married taxpayers are reminded again of the inequity in the present tax structure.

Mr. President, one of our Chicago radio stations, WFYR, recently presented an editorial on this subject.

This legislation, S. 2, would allow married taxpayers to file their returns as if they were single, using the rate schedule for single taxpayers. It allows couples to choose the tax system that benefits them most and eliminates the penalty they now pay just because they are married. I think this simple, straightforward approach is the best one because it is understandable to the average taxpayer.

Last year the Senate Finance Committee put together tax cut legislation, the Tax Reduction Act of 1980. Although the bill was unfortunately not scheduled for a vote prior to Congress adjournment, this bill was important because it contained a partial rollback of the tax on marriage. I would like to quote a brief passage from the Finance Committee's report on the 1980 Tax Reduction Act which describes the situation under the present law:

> Under present law, a married couple generally is treated as one tax unit which must pay tax on its total taxable income. While couples may elect to file separate returns, the law is structured so that filing separate returns almost always results in a higher tax than filing joint returns. In addition, different tax rate schedules apply to single persons and to single heads of households. Along with other provisions of the law, these rate schedules give rise to a "marriage penalty" when persons with relatively equal incomes marry each other and a "marriage bonus" when persons with relatively unequal incomes marry each other. In general, if two persons' combined income is allocated between them more evenly than 80%–20%, their combined income tax liability will increase when they marry.

I was pleased last year when the Finance Committee adopted this reform and regret that it was not passed and signed into law. It was an important first step, however, and I will encourage my colleagues on the Finance Committee to include the elimination of the marriage tax penalty in omnibus tax legislation when that is considered later this year.

The marriage tax penalty is becoming more acute as more and more families find that both the husband and wife are working. In many cases, wives are entering the job market by choice, as they pursue careers that may have been interrupted during childbearing years. In other cases, women may be working to help keep the bills paid in a time of high inflation.

Just last year, for the first time, over 50 percent of all married American women were working outside the home. This is a major change from just 20 years ago, when the number of working, married women was much lower. It has been estimated that between now and the year 2000, the number of working,

married women will continue to increase, hitting 70 percent in 10 years.

With the increase in the number of two wage-earner families, the marriage penalty has come more and more into play. The family with just one bread winner is no longer the norm and over half of all married couples have two wage earners. As incomes of both the husband and wife approach the same level—with each contributing about 50 percent to the couple's total income—the penalty becomes most severe. The following chart is excerpted from last year's Finance Committee report on the Tax Reduction Act and it shows the discrepancy between taxes paid by a one-wage earner family and the marriage penalty paid by a family in which each spouse earns half of their total income.

MARRIAGE PENALTY

	1 wage-earner couple	2 wage-earner couple[1]
Family income:		
$10,000	−$475	$202
$20,000	−1,092	391
$30,000	−1,929	903
$50,000	−3,344	2,674
$100,000	−3,464	4,394

[1] Assumes each couple earns 50 percent of the total income.

Mr. President, the above table shows quite graphically what happens under the present tax system. As the committee's explanatory note regarding this table states—

The marriage bonus or penalty is the difference between the tax liability of a married couple and the sum of the tax liabilities if the two spouses had each been taxed as a single person on his or her portion of their combined income. Marriage bonuses are negative in the table; marriage penalties are positive.

There is evidence that suggests that a reduction in the marriage tax penalty would have a stimulative effect on the economy and the savings rate, in addition to removing a tax inequity. If this penalty were removed, as we advocate in S. 2, it can be expected that a number of women not now working would enter the labor market. More importantly, however, a reduction in the second earners' marginal tax rates would have a significant impact on their work effort. As the work effort and incomes of second earners rose, so presumably would their savings rate, as more income would be available for savings. Such families would have less reason to borrow and go into debt.

Eliminating the tax on marriage is not only fair, but makes good economic sense. I commend my good friend Senator MATHIAS for his hard work over the years to put forward this legislation. In the House of Representatives, the champion of the bill is also a Republican, Representative MILLICENT FENWICK of New Jersey. It is time to make this important change in the tax laws.

Mr. President, I ask that the editorial by radio station WFYR be printed in the RECORD.

The editorial follows:

[From Radio Station WFYR]

MARRIAGE TAX

With the tax season upon us, a lot of couples are questioning what has been called the "marriage tax". As it exists today, the marriage tax penalizes two-career couples for the privilege of being married. The IRS and accountants agree; there's only one way out; Don't get married! . . . And that's just what some couples are doing. A north suburban accountant has clients who live together to avoid the higher tax.

And how 'bout this quickie tax evasion scheme the IRS has just caught up with. Couples leave the country at the end of the year, get divorced, take a vacation, return, re-marry, throw themselves a party and still come out ahead.

In 1948, joint returns were originally conceived to give the traditional one-income family a tax break. One-income families continue to benefit from this. But with more and more two-income families, the marriage tax has become outdated.

Today, two-career couples have a legitimate complaint. Their combined incomes throw them into a higher tax bracket, forcing them to pay more than one-income marrieds and singles.

As the Reagan Administration launches it campaign for "a new beginning together", it can't overlook the marriage tax that's keeping families apart. I'm Jim Barker.●

RAOUL WALLENBERG

● Mr. RIEGLE. Mr. President, it is my privilege and honor to lend my support as a cosponsor to Senate Joint Resolution 65, which proclaims Raoul Wallenberg an honorary citizen of the United States and requests the President to ascertain from the Soviet Union his exact whereabouts.

We all owe a deep debt of gratitude to Raoul Wallenberg, not only as a friend of America, but as a humanitarian. Wallenberg's efforts to save Hungary's Jewish population during World War II is one of the great acts of valor in the history of mankind. Working at the request of President Roosevelt, Wallenberg single handedly saved the lives of thousands of Hungarian Jews. Our colleague, TOM LANTOS, is a living reminder to us all of the courage, determination, and vigor of this all-too-often forgotten Swedish diplomat.

I find myself particularly moved by these new efforts to discover the truth of Raoul Wallenberg's disappearance after World War II. Raoul Wallenberg holds a special place in the hearts of the people of Michigan. I am proud to say that Raoul Wallenberg attended the University of Michigan from September 1931 to March 1, 1935, and distinguished himself by receiving a B.S. degree in architecture.

Raoul Wallenberg was no ordinary man. Raised in a wealthy and powerful Swedish family, Wallenberg could easily have ignored the pleas of the Roosevelt administration. Approached by Ambassador Johnson, acting for President Roosevelt's War Refugee Board, Wallenberg agreed to undertake a one-man mission to rescue Hungarian Jews from the Nazi regime. Relying on his personal courage, wit, imagination, and diplomatic immunity, Wallenberg would attempt to sidestep protocol and gain the release of as many entrapped Jews as possible.

During the final days of the war, Wallenberg began his efforts to save as many citizens as he possibly could. Between May and June of 1944, for example, over 500,000 Jews were murdered. Wallenberg abandoned all vestiges of protocol as no rules applied for this tumultous period. Resorting to a number of techniques, Wallenberg would pull 5, 10 or, if he was lucky, 100 Jews from trains bound for the concentration camps of Dachau, Auschwitz, or Mauthausen. Wallenberg used every means at his disposal to secure the safety of Hungary's Jews. At one point, Wallenberg rented 32 "safe" houses all over Budapest to protect the Jewish inhabitants. By flying Swedish flags on these "diplomatic residences" and printing Swedish passports freely, Wallenberg was able to protect increasingly more Jewish residents.

Wallenberg's rescue task was made doubly hard because civil order and social administration in Budapest in 1944 were eroding under the pressures of the Allied advance. Wallenberg also had to face and overcome SS leader Adolf Eichmann. In numerous confrontations with Wallenberg, Eichmann promised to personally eradicate the Swedish diplomat.

Wallenberg's string of successes in saving Budapest's Jewish population is unprecedented. In one famous incident, he personally saved over 70,000 Jews huddled in a walled-in Budapest ghetto. Wallenberg's style was direct and often brazen; in order to prevent the impending massacre, Wallenberg threatened German Gen. August Schmidhuber that he would personally see to it that the German would be tried as a war criminal if the upcoming massacre was not stopped. With Allied bombers flying overhead and Wallenberg promising imminent execution, Schmidhuber countermanded the order. This single act saved over 70,000 lives.

Wallenberg's successes also stunned the world community. As many as 100,000 people were alive in large part because of his efforts. In many ways, Wallenberg's success in outsmarting the Nazis became his major liability in dealing with the new occupiers, the Soviets. On January 13, 1945, Raoul Wallenberg presented himself to a Soviet street patrol in Budapest. Even as the Soviets rolled into Eastern Europe. Wallenberg was intent on contacting the Russians about the postwar restoration of property for Hungary's Jews.

After being taken into custody on that January day in 1945, Wallenberg's life and whereabouts become increasingly more confused. Wallenberg had no way of knowing that he had surrendered to the NKVD, the Soviet State Security Service, the forerunner of the KGB.

After the war, it is known that Wallenberg was taken to Moscow and retained in "protective custody." Swedish diplomats attempted to gain the release of one of their most famous amateur ambassadors. Unfortunately, this diplomatic rescue mission failed.

From 1945 to 1947, conflicting and confusing stories circulated about the health and whereabouts of Wallenberg. The only Soviet communication ever issued on Raoul Wallenberg was circulated on February 6, 1957. The statement, issued by then Deputy Foreign Minister Gromyko, claimed that Wallenberg had "fallen victim to the criminal activities" of the Stalinist past. The February 6 document did verify that Wallenberg was imprisoned in Russia, but the Russians claimed Wallenberg had died of heart failure in Lubyanka on July 17, 1947.

For almost 24 years, the Soviet Union has stood by the validity of the Gromyko document. During this postwar period, over 30 personal contacts have been investigated to determine if Wallenberg is, indeed, still alive. The Swedish Government now has an unclear picture from stories gathered around the world, but all evidence points to the unmistakable fact that Wallenberg might still be alive in a Soviet prison.

Raoul Wallenberg's whereabouts deserve to be amatter of public record, not a collection of myths. If he is dead, let us know the full truth. If he is alive, languishing in a Soviet prison, it is our duty to seek freedom for one of the great heroes of World War II. I think it is highly significant and very important that the Congress of the United States embrace Raoul Wallenberg as an honorary citizen. In a way, it is the smallest gesture a grateful country can do for this great humanitarian, and I hope this action will be a stepping stone for our efforts to discover the truth about Raoul Wallenberg.●

BYELORUSSIAN INDEPENDENCE DAY

● Mr. RIEGLE. Mr. President, Wednesday, March 25, marked the 63d anniversary of the Proclamation of the Byelorussian Democratic Republic, which took place in Minsk, the capital of Byelorussia. The proclamation on March 25, 1918, of the Byelorussian Democratic Republic was a high point in the political history of Byelorussia and market a brief period of genuine national freedom and sovereignty for that nation. The Red Army's forceful establishment of the Byelorussian Soviet Socialist Republic was specifically designed to extinguish the idea of a free and independent Byelorussia.

This ideal of freedom, however, still lives on in the hearts of Byelorussians everywhere and this year's celebrations of Byelorussian Independence Day are an expression of the endurance of this goal. Recognizing this ideal, I urge support for all efforts to secure the release of Byelorussian prisoners of conscience from Soviet jails.

U.S. national security interests and world peace are well served when captive nations such as Byelorussia are informed of the nature of Soviet activities and the vitality of their respective cultural heritages in the United States. Indeed, these are major objectives of Voice of America broadcasts.●

SUPPRESSION OF FREEDOM IN THE SOVIET UNION

● Mr. MATHIAS. Mr. President, with the many pressing issues demanding our attention—our troubled economy, the precarious situation in Poland—it is easy to push aside other concerns.

The one issue that we must not forget is the continued suppression of basic freedoms in the Soviet Union. We must not forget the thousands of people who, having been denied exit visas, live in fear of harassment and imprisonment nor the hundreds who are in prison for speaking out against the regime. One such person is Anatoly Shcharansky, who is being held in prison despite his deteriorating physical condition and is being prevented from joining his wife in Israel. As honorary cochairman of the Maryland Committee for Shcharansky, I have long taken an interest in his case. I have met with Dr. Shcharansky in Moscow and with his wife here in Washington.

I am heartened to know that many of my constituents have not forgotten the suffering of Anatoly Shcharansky or the many other Soviet Jews and dissidents. For example, I recently received a letter from Eitan Gorlin expressing his deep concern for these people. I ask that the text of his letter be printed in the RECORD.

The letter follows:

DEAR SENATOR MATHIAS: My name is Eitan Gorlin. I am 12 years old. I'd like to tell you that I really care for Anatoly Scharansky and all the other prisoners of conscience in Russia. It is outrageous and unfair how in Russia there is no freedom of religion. If the KGB sees somebody going to a synagogue on a regular basis, terrible things will happen to him. People are arrested and put into hard labor camps just for being Jewish or asking to go to Israel. For instance Anatoly Scharansky, a full grown man, since being in prison is a fraction of a normal man's weight. They are tortured there. Please, Senator Mathias, help Russian Jewry. Help these innocent men be released from the hard labor camps they are now in and help the Russian Jews leave Russia and come to freedom. Please.

Thank you.

Sincerely yours,

EITAN GORLIN.●

SALE OF AWACS TO SAUDI ARABIA

● Mr. MOYNIHAN. Mr. President, the administration's reported intention to sell AWACS (Airborne Warning and Command System) aircraft to Saudi Arabia is a mistake. Many of us who have found hopeful signs in the new administration's Middle East policy are alarmed by it.

We have been told, after all, that the United States must do what is necessary to protect Saudi security. I agree. Now we are told that we must sell an aircraft that the United States has not found it necessary to sell either to our NATO allies or to Israel—the most sophisticated electronic warfare system flying today. What can justify this?

We have been told that the administration will protect Israel's technological edge over her neighbors. Now we are asked to sell a system that will allow Saudi Arabia to monitor all of Israel's airspace. What will happen then to Israel's edge?

We have been told that the sale of arms to Saudi Arabia will be part of a larger American role designed to stabilize this region. Now the administration proposes, in effect, a smaller role. AWACS planes now manned by Americans in Saudi Arabia will be replaced by systems manned by the Saudi Air Force itself. Does this show American leadership?

We were told that the Saudi request for additional F–15 equipment could be deferred no longer, that the administration was fulfilling its predecessor's commitments. Now the administration has made new commitments of its own. Can it show that it has gained anything in return?

Finally, we have been told that the new administration is committed to showing that the United States can once more act like a great power. Yet we appear unable to say no to Saudi Arabia. How will stability be created in this world if a great power cannot say no to a small one?

I urge the President to reconsider this step. If he proceeds with this sale the bipartisan support that is needed to conduct a successful Middle East policy will be in jeopardy. A decision not to proceed with the sale would be a reassuring signal—to the Congress, to the public, and to our allies—that American policy remains on a sound course.●

COMMENDATION OF CRS

● Mr. RIEGLE. Mr. President, I would like to take this opportunity to extend an expression of gratitude to Gilbert Gude and the professional staff of the Congressional Research Service for the excellent service which they have provided Members of Congress since the Legislative Reorganization Act of 1970. Without the Congressional Research Service, assimilating the masses of information available in today's increasingly complex world would be a formidable task. Under the direction of Gilbert Gude, the Congressional Research Serv-

ice has become an integral force in the work of Congress.

I would especially like to thank the staff of the CRS Office of Member and Committee Relations for coordinating issue seminars on pertinent subjects and legislative institutes for congressional staffers. Over the past weekend, CRS held their third Graduate Legislative Institute at the Federal Executive Institute in Charlottesville, Va. This graduate institute is the final stage in an educational training program for legislative staffers of congressional offices.

By simulating the mechanics of legislative procedure in a comprehensive and realistic manner, the CRS graduate institute is a unique and stimulating method of learning parliamentary procedure. Each participant in the CRS "mock" Congress is assigned a role as either a Senator or Members of Congress and is provided with a working draft of a bill. The two Chambers hold hearings, committee mark ups, and floor debate, ultimately going to conference to reconcile differences. The CRS Office of Member and Committee Relations provides professional support staff, legislative counsel, and parliamentary experts to assist the "Senators" and "Congressmen" in fulfilling their legislative responsibilities. Regardless of whether or not the two Chambers successfully "pass" legislation, each participant returns to Washington with an enhanced understanding of legislative and parliamentary procedure—knowledge invaluable to their respective offices.

Mr. President, I want to commend the Congressional Research Service for the excellent contribution and dedicated service it provides Members of Congress. Unquestionably, the efforts of the Congressional Research Service facilitate and strengthen the work of the legislative branch.

Thank you.●

INDEXING TAXES

● Mr. PERCY. Mr. President, April 15 falls during the congressional recess period when many of us will be in our home States. I am sure we will be hearing a lot from constituents about their tax returns, as they will be fresh on their minds. It is not only during April, of course, that we hear from constituents about taxes. The tax burden is a year-round concern and it should be, because taxes continue to rise at record rates.

This year, President Carter's last budget forecast a rise in revenues of over $100 billion. This gigantic increase in the tax burden follows last year's nearly $90 billion increase and the $54 billion increase the previous year. Moreover, the predictions for future tax years are much like this year: Taxes will rise in the range of $100 billion a year for the foreseeable future.

Looked at in another way, taxes are rising as a percent of our gross national product (GNP).

Mr. President, the following chart shows the budget receipts as a percent of GNP at this point.

TAX BURDEN

[Dollar amounts in billions]

	Gross national product	Budget receipts	
		Amount	Percent of GNP
Fiscal year:			
1979	$2,357.8	$465.9	19.8
1980	2,567.5	520.0	20.3
1981 estimate	2,843.7	607.5	21.4
1982 estimate	3,214.8	711.8	22.1
1983 estimate	3,612.5	809.5	22.4
1984 estimate	4,044.0	922.3	22.8

Source: Fiscal year 1982 Carter budget, January 1981.

Mr. President, I call to my colleagues' attention the last column in this chart, which shows the steady rise in taxes over the next several years, expressed in terms of GNP. Since I came to the Senate in 1967, the tax rate has never been so out of control. In fiscal year 1967, for example, revenues as a percent of GNP were 19.3 percent. Although there is some rise and fall of budget receipts relative to GNP, it has been relatively stable over the past 20 years, breaching 20 percent of GNP only twice during this period. Now we seem to see a pattern in which this relative balance is changing, rising to a higher plateau in the 22- to 23-percent range.

Mr. President, I am very concerned about this rising tax burden and feel it is incumbent on Congress to pass tax reduction legislation this year.

One of the proposals I support and am a cosponsor of is the Tax Equalization Act, S. 1, introduced by my good friend, Senator DOLE.

Indexation is a relatively simple concept. As inflation increases, taxes are adjusted downward to keep taxpayers from paying more and more tax. In so many cases, taxpayers who receive a cost-of-living increase find that they are in a higher tax bracket and must pay more tax than before the cost-of-living increase. The net effect is that workers are worse off than if they had had no increase in income.

Under S. 1, the personal income tax rates, the personal exemption, and the zero bracket amount would be adjusted each year to reflect the cost of living. The basis for determining the cost-of-living increase would be the previous year's Consumer Price Index. Our bill is written to take effect in 1981. It will remain in effect for 4 years. This sunset provision is an important part of the bill, for it will mandate a review by Congress after 4 years.

Who is affected by the present tax system? Of course every taxpayer is harmed by this, but the worst off presently are the low- and moderate-income taxpayers. The Congressional Budget Office has prepared a valuable study, "Indexing the Individual Income Tax for Inflation." This report, sent to Congress last fall, shows the impact of the present tax system on taxpayers.

The CBO chart which I shall place in the RECORD assumes an inflation rate of 13.3 pecent. Fortunately, the 1980 rate of inflation was lower than this—about 12½ percent. But the CBO did use the previous year's inflation rate in computing this table, so it is not unrealistic of them to base their computations on so high a rate. The most relevant column in their chart is (3), which shows the percent increase in tax liability due to inflation. The most seriously affected income group is in the $5,000-a-year group, which experiences an increase of over 100 percent. The average increase for all taxpayers would be 4.5 percent, but this fact would be of little consolation to those low-income taxpayers who earn less than $10,000 a year but who find their tax liability increased by so much.

It is time for our Tax Code to change this bias. Other countries, including Canada, Brazil, Australia, and France, already have some form of tax indexing. We should move now to put it in place in this country.

Mr. President, I ask unanimous consent that the attached chart be printed with my remarks at this point in the RECORD.

The chart follows:

EFFECT OF A 13.3-PERCENT INFLATION RATE ON INDIVIDUAL INCOME TAX LIABILITY BY EXPANDED INCOME CLASS, 1980 [1]

Expanded income class	Average tax liability before inflation (1)	Average increase in tax liability due to inflation [2] (2)	Percent increase in average tax liability due to inflation (3)	Percent change in after-tax income due to inflation (4)
Below $5,000	−$54	$69	[3]	[4]
$5,000 to $10,000	475	82	17.2	[4]
$10,000 to $15,000	1,226	130	10.6	−1.9
$15,000 to $20,000	2,054	194	9.4	−1.4
$20,000 to $30,000	3,350	291	8.7	−1.6
$30,000 to $50,000	6,365	573	9.0	−2.0
$50,000 to $100,000	15,509	1,164	7.5	−2.5
$100,000 to $200,000	41,122	1,753	4.3	−2.2
$200,000 and over	171,849	2,006	1.2	−1.1
All incomes	2,995	135	4.5	[4]

[1] For an explanation of procedures, see description in text footnote 4. Figures may not add to indicated totals because of rounding.
[2] Assumes incomes increase by the rate of inflation.
[3] Over 100 percent, because average tax liability becomes positive.
[4] Cannot be accurately estimated, because data are not available on the before-tax incomes of previous nonfilers who would now have to file returns.

Source: Treasury tax model, 1979 law at 1979 income levels. Congressional Budget Office, "Indexing the Individual Income Tax for Inflation," p. 10.●

AIRLINE EMPLOYEES ATTEMPTING TO BUY THEIR COMPANY

● Mr. LONG. Mr. President, on April 7 I received a letter from an employee association representing the 10,400 employees of Continental Airlines. This employee group is involved in negotiations to acquire a majority interest in their company with an employee stock ownership plan (ESOP).

These employees are hoping to convert the "sweat equity" that they have invested in their company into true equity ownership. The pilots have already negotiated to forego 15 percent of future earnings to fund their portion of the ESOP. Other employee groups are expected to make similar sacrifices in order to insure that they can buy a majority interest in their company.

These employees have an opportunity to create a showcase airline—one in which the employees themselves become the major shareholders in the company. If they are successful in their efforts—and I hope that they will be—they may well become the model airline in the industry—the one to which other carriers will look when seeking a formula for success.

These employees are not seeking Government assistance. This is not a group asking for a Government bail out or for protection from competition. They want to make it on their own in their highly competitive industry. However, they feel that they can best survive as an employee-owned company. I expect that they are right. Several studies have shown that employee-owned companies are more productive and more profitable than their conventionally owned competitors. As this employee group explained it to me, they would not only be willing to make sacrifices in pay, they would also be willing to work harder and to work smarter. Thus, I would expect this already-healthy company not only to survive but to thrive under an arrangement whereby the employees gain a majority of the stock with an ESOP.

Personally, I would prefer to fly with an airline that is employee-owned. I think the service would be better, the maintenance more thorough, and the overall flight far safer.

I hope that my colleagues join me in wishing these employees well. If they are successful in this effort, the success of the company itself will be more widely shared, and its eventual success or failure will be placed in the hands of those upon whom its success or failure will largely depend.

I would like to recite a portion of the text of an advertisement that this employee group has developed. They anticipate utilizing this type of advertising to promote themselves as an employee-owned carrier:

We are no longer just employees of our company—we are the new owners of Continental Airlines—every one of us! Because it is in our best interest, we are working hard—together—to make Continental the number one airline in the world. We even know how to do it! All we have to do is give you the world's best service!

If you have flown with us before, You know there has always been something "special" about Continental, I know it too. It's the pride I feel—we all feel—in our airline. I am proud of Continental's history and its amazing growth from a plucky little one-stop airline to the big international carrier it is today. I am proud of Mr. Bob Six who made it all happen and of Mr. Al Feldman who is now leading our company for us. I am proud of my fellow workers and mostly—proud of myself, my training, and the knowledge I have that I am doing my very best . . . for you . . . for my company . . . and for me!

I ask to have printed in the RECORD the text of a recent advertisement for Eastern Airlines. Although Eastern has only a relatively modest employee stock ownership arrangement, it is clear that they, too, think that the public is far better served when an air carrier is partly employee-owned.

The text follows:

FROM NOW ON, YOUR COFFEE WILL BE SERVED BY A STOCKHOLDER

Now, whenever you fly Eastern Airlines, your reservation will be confirmed by a stockholder, your bags checked by a stockholder, and your plane will be maintained and flown by stockholders.

Because every full-time Eastern employee with us as of January 1 now owns a piece of the airline—ten shares each. The stock is symbolic of the stake each of us has in the future of Eastern Airlines.

We've always said it's service that makes the difference when you choose an airline. Now that difference will be even greater. The service you'll get from us as stockholders—the extra thought and effort you'd expect from a part owner—will be your dividend for flying with us. We'll be trying even harder to earn our wings every day.

In this country, there are a lot of airlines you can call. But there's only one where the stockholders answer the phones.●

VOTING RIGHTS ACT

● Mr. HART. Mr. President, I strongly support the Voting Rights Act Amendments of 1981 and I am pleased to join as a cosponsor of the legislation. Without congressional action, the vitally important Voting Rights Act of 1965 will expire in 1982.

The right to vote in free elections is powerful and precious. It is the foundation of a free society. As Lyndon Johnson said when speaking in support of voting rights legislation in 1957—

This right to vote is the basic right without which all others are meaningless. It gives people—people as individuals—control over their own destinies.

The right to vote is explicitly protected by our Constitution, but it is the Congress that is constitutionally charged with the responsibility to make sure that right is more than a promise.

In 1965, Congress took decisive steps to secure the franchise for all Americans by enacting the Voting Rights Act. These protections have been extended twice since then, in 1970 and 1975. They have also been extended to language minorities, particularly, Hispanic Americans of the Southwest. Now, Congress must once more determine the fate of this historic legislation before its protections expire.

The Voting Rights Act has brought dramatic changes in minority registration and voting. The number of black Americans registered to vote in the southern States, for example, has more than doubled since 1965. In my own State of Colorado, Hispanic voter registration has continually increased, including a 41-percent increase between the 1976 and 1980 Presidential elections, with actual voter turnout up by 23,000. Hispanics are participating in the political process not just as voters but also as successful candidates for office, thanks to the Voting Rights Act.

Despite substantial progress, the protections of the act are still needed. Unfortunately, the potential for abuse of the electoral process is still great. If the Voting Rights Act is not extended, there will be virtually no remedy for discrimination at the voting booth. If it is extended, however, it will assure protection of the basic and fundamental right to vote in three important ways:

First, it will extend for 10 years the section 5 preclearance requirements by which some jurisdictions must obtain Federal approval for any change in voting procedures. These requirements apply to jurisdictions which have historically withheld the ballot from a significant number of their citizens, and prohibits them from changing their election laws without a showing that the changes are not discriminatory. This section, the heart of the Voting Rights Act for the last decade, has been particularly effective in blocking racial gerrymandering—attempts to evade the law through unfair redistricting, at-large elections, annexations, new runoff requirements, and last minute shifts in policy plans. The Voting Rights Act, if extended, will prevent attempts to dilute the power of any individual's vote. Extension is particularly important at this time in view of the upcoming redistricting which will result from our recent census.

Next, it would amend section 2 of the act, to clarify the burden of proof in voting discrimination cases. This amendment would restate Congress intent that violations of the act can be established by proof of discriminatory effect as well as discriminatory intent.

Finally, the legislation would extend for 7 years the language minority protections added in 1975. These provisions mandate bilingual elections in counties with a large non-English speaking population and have played a key role in encouraging those who speak languages other than English to participate in the electoral process. These provisions must be preserved.

The progress we have made in securing free access to the ballot for all our citizens cannot be denied. We can continue this progress if we once again extend the Voting Rights Act.●

HOUSE OF REPRESENTATIVES—*Friday, April 10, 1981*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, our Father, Thou searcher of our hearts, keep as to draw near to Thee in sincerity and truth. Endow us with courage that is born of loyalty to all that is noble and worthy, that scorns to compromise with injustice and knows no fear when truth and right are in jeopardy. Grant us this day new ties of friendship and new opportunities of service. All of which we ask in Thy name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE HOME OWNERSHIP OPPORTUNITY ACT OF 1981

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, the dream of owning one's own home is rapidly vanishing for most young families. This is particularly true in places such as California's San Mateo County where real estate costs have soared beyond the reach of all but the wealthiest.

In order to cope with this problem, I am introducing the Home Ownership Opportunity Act of 1981—a commonsense measure geared to the incomes and aspirations of middle class Americans. This legislation will again open wide the door of realistic hope and practical opportunity for millions of young Americans—both single and married—who want to buy and to live in their own homes, and who are willing to save a significant portion of their income to achieve their individual version of the generations-old American dream of homeownership.

My measure, Mr. Speaker, will revive the severely depressed housing industry. It will put thousands of workers in the construction and related industries back on the job. It will generate a new wave of savings that our economy desperately needs.

Enactment of this legislation is an investment in the future of millions of young Americans who wish to have their own stake in our society. This legislation will trigger the building of hundreds of thousands of new homes for our young families—and that is the best way to build America.

THE GOAL OF BUDGET CUTS: A BALANCED BUDGET

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, I would like to call your attention to yesterday's editorial in the Washington Star—for it reminds those who need to be reminded that Ronald Reagan is President—not JIM JONES, TIP O'NEILL, or DAN ROSTENKOWSKI.

Apparently such reminders are in order, no one has ever suggested that this Congress rubberstamp President Reagan's economic program—but it is completely inappropriate for a handful of powerful committee chairmen to summarily discard the Reagan proposals and ram their own so-called alternative plans through their committees.

I find it intriguing, Mr. Speaker, that chief among their complaints about the President's plan is that the budget deficits would be too big.

This comes from a party that has handed this Nation budget deficits every single year since 1969.

This comes from a party whose majority leader stood before us last spring and insisted that the 1981 budget had a $2 billion surplus, which turned out to be a $60 billion deficit.

Ever since he first outlined his economic proposals, the President has put us on notice that he would propose as many budget cuts as are necessary to balance the budget by fiscal year 1984; so maybe it is about time our friends on the majority side met his challenge. If they want to convince the American people that their sudden concern with budget deficits is more than just political doubletalk, then I suggest we cancel our Easter recess right here and now, roll up our sleeves, and cut the budget some more until it is balanced.

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. Mr. Speaker, the gentleman reads his statement well. Obviously he has not read the budget. If he had, he would know that the budget of the House Budget Committee which was adopted last night contains three-quarters of the administration's spending cuts. It actually spends less and has more cuts than the administration suggests, and the deficit is half the size.

I hope that the gentleman who has spoken against big deficits will join us in supporting the committee document instead of supporting a deficit of $50 billion next year.

Mr. SOLOMON. Mr. Speaker, I appreciate the remarks of the gentleman from Oklahoma (Mr. JONES), and I would like to say that I will join him in more cuts, if he wants me to.

The SPEAKER. The time of the gentleman from New York (Mr. SOLOMON) has expired.

NO RUBBERSTAMP FOR REAGAN BUDGET

(Mr. SIMON asked and was given permission to address the House for 1 minute.)

Mr. SIMON. Mr. Speaker, I had not intended to address the House this morning, but I heard the distinguished gentleman from New York (Mr. SOLOMON) criticize the Budget Committee and use the Washington Star editorial in his statement. Now, the Washington Star frequently has excellent editorials, but to suggest that the Budget Committee simply rubberstamp the budget of the President of the United States, no matter who the President is, just does not make sense. And we did not in the Budget Committee do that on the Democratic side when Jimmy Carter was the President. I do not think we should do it on the Republican side when Ronald Reagan is President.

To the credit of our colleague, the chairman of the Committee on the Budget, we do have a deficit that is appreciably smaller, and if my colleague, the gentleman from New York (Mr. SOLOMON), will look back, he will find that the last two Presidents to have no deficits and a slight surplus were these: One was named Lyndon Johnson, and the other was named Harry Truman. As I recall, neither one was a Republican President. I may be inaccurate on that. The gentleman can correct me if he wishes.

GET WELL, JIM BRADY

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Reserving the right, Mr. Speaker, to enter later into the discussion that was going on here a

moment ago and to vigorously protest the actions of the Democratic Budget Committee yesterday and to support what the President is trying to do and what the people want him to do, I will turn to another subject.

Yesterday the most loved team in baseball, the Chicago Cubs, opened a new baseball season.

As a lifelong Cubs fan, I have listened to and watched many opening day ceremonies, nervous and excited about the beginning of a new season. For it is on this day that all past mistakes are forgotten, and all the frustrations of last season's losses forgiven. And it is on this day that the Chicago Cubs, until proven otherwise, are as good as any team in baseball.

But it is not my purpose today to extol the virtues of the Chicago Cubs, limited as those virtues have been in seasons past. Rather, it is my purpose to place in the RECORD the well wishes of the fans gathered in beautiful Wrigley Field for one of the Cubs best fans, Jim Brady.

On the count of three, nearly 40,000 Cub fans delivered in unison the message, "Get Well, Jim Brady," surely the loudest and longest get well wish ever given.

I want to add my voice, and I know all Americans want to add theirs, to those of the Cub fans in Wrigley Field and say, "Get Well, Jim Brady."

A TRIBUTE TO THE LATE GEN. OMAR N. BRADLEY

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOLDWATER. Mr. Speaker, it was with deep regret that I noted the passing of our country's last remaining five-star general this week, Omar N. Bradley.

General Bradley, fondly known as the G.I.'s General, could just as well have been known as the General's General. This country has not seen a finer military commander, humanitarian and gentleman in this century. We should all mourn the passing of this exceptional individual.

I had the privilege of meeting General Bradley upon a number of occasions and discovered for myself these remarkable qualities. It was no surprise to me that the general could undertake roles as diverse as field commander of U.S. troops in Europe during World War II, first head of the Joint Chiefs of Staff, Administrator of the VA, Chairman of the NATO Military Committee and, in a second career, chairman of the Bulova Watch Co. His keen mind, unassuming nature, unflaging loyalty, patriotism, and integrity represented the finest aspects of American heritage.

I am sure my colleagues recall that the last Congress ordered struck and presented a gold medal to actor John Wayne. General Bradley commented on John Wayne's life and contributions at that time, and I would like to share his words with my colleagues, as I feel they describe his own life as well. He said, "John Wayne represents the fighting spirit that has forged America."

We should all take a moment to reflect upon the death of this great man, whose life was a testimony to the fact that ardent patriotism is the most acceptable demonstration of faith in our great Nation.

INTRODUCTION OF LEGISLATION TO CURB VIOLENT CRIME IN AMERICA

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, the attempted assassination of President Reagan and the shooting of Press Secretary Brady and the two law officers is the most recent and dramatic incident in a long and growing wave of violent crime. Tuesday I introduced legislation intended to lessen violence in our country. It is a three bill package aimed at reducing the availability of handguns, increasing the minimum penalties for violent crimes, and also expanding Federal law to provide the death penalty for murdering a Federal employee or official during an attempted Presidential assassination.

The statistics are staggering. An estimated 20,000 Americans are murdered each year. Of that number half are killed with handguns. Our recent history is marred by assassinations. I need not remind you of the leaders lost. I also need not remind you that another black youth has been found dead in Atlanta, his name added to the victims' list of a senseless and depraved rampage. Violence must be checked. Existing laws must be strengthened and enforced, and the availability of handguns limited.

The Congress clearly has a responsibility to act promptly to curb violent crime—a responsibility that can no longer be shirked. In a special order today I will further describe the scope of my proposed legislation aimed at reducing the violence that burdens our society so heavily.

DEMOCRATIC BUDGET WOULD CUT DEFENSE SPENDING

(Mr. LUNGREN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, it is kind of interesting and exciting to hear the dispute now going on about the budget. We have been waiting here for about 3½ months to have some active consideration and discussion on it, but I would suggest that all is not wonderful with that budget passed out of the Budget Committee.

We have just heard that they will bring us a lesser deficit than that suggested by the President. Of course, we have arrived at that by adjusting some of the economic assumptions that go into that budget; but, most importantly, we have arrived at that by cutting the Defense budget's projected increase by about $4.3 billion.

It is rather ironic that this week this country suffered the loss of General Bradley. In yesterday's Washington Post, they quoted from one of his very eloquent statements made several decades ago about the fact that this country had not realized it was necessary to maintain our military might, that we had shirked our responsibility, and that the ultimate result of all that was the spilling of blood of our young men of this country.

Mr. Speaker, it seems to me that we all ought to keep that in mind as we go about trying to one-up the President on his figures by cutting the Defense budget.

INTRODUCTION OF LEGISLATION FROM SUBCOMMITTEE OF COMMITTEE ON ENERGY AND COMMERCE

(Mr. WIRTH asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. WIRTH. Mr. Speaker, today as chairman of the Subcommittee on Telecommunications, Consumer Protection, and Finance of the Committee on Energy and Commerce, I am introducing four pieces of legislation: First, the Public Telecommunications Financing Act of 1971, second, two pieces of legislation related to authorization of the FCC and the NTIA, and, finally, the Motor Vehicle Safety Amendments Act of 1981. We will have statements placed in the RECORD on each of those pieces of legislation.

I would also like to just urge my colleagues in the House to examine very closely the excellent budget reported out of the House Budget Committee last night. I would point out for everybody's analysis that the level of expenditures found in the House budget are lower than those provided by the President, and, second, that the deficit is more than 50 percent smaller than that suggested by the administration. These are very key elements.

Finally, in the budget we have a level of defense expenditures that is $900 million higher than that found in the President's request submitted to the Congress.

□ 1115

We have been challenged on some of the assumptions in the legislation by our colleagues on the Republican side. The economic assumptions have been challenged by our colleagues here. These are the same economic assumptions that have been accepted by the Republican-controlled Senate Budget Committee.

We have also been challenged on the deficit figures in our budget. We would note last night that the Senate Budget Committee refused to accept the President's budget because they agree with us that the deficit was too high.

I would just urge my colleagues to examine very carefully the fine document presented by the Budget Committee.

COMMUNICATION FROM THE CLERK OF THE HOUSE—SUBPENA FOR DEPOSITION IN UNITED STATES OF AMERICA AGAINST JOSHUA EILBERG

The Speaker laid before the House the following communication from the Clerk of the House:

U.S. HOUSE OF REPRESENTATIVES,
OFFICE OF THE CLERK,
Washington, D.C., April 10, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: This is to notify you, pursuant to Rule L (50), that I have been served with a deposition subpena in an action entitled *United States of America* v. *Joshua Eilberg*. The subpena would also require me to produce certain records maintained by my office.

The subpena is available in my office for inspection by Members.

With kind regards, I am

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, U.S. House of Representatives.
By: W. RAYMOND COLLEY,
Deputy Clerk.

CLARIFICATION ON DEFENSE BUDGET FIGURES

(Mr. FOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOLEY. Mr. Speaker, I am sorry the gentleman from California (Mr. LUNGREN) sought to link the death of General Bradley with the dispute over military budget proposals that has arisen between the administration and the House Budget Committee. General Bradley was one of the most honored of all American heroes and one of the great leaders of our military forces in World War II. All of us in the House share a profound sense of loss with his death and an enormous respect for his contributions to his country in life.

But I think as long as the gentleman from California has made those comments it might be important to note, as the gentleman from Colorado (Mr. WIRTH) just said, that the outlays proposed by the Budget Committee for fiscal 1982 are $900 million greater than the recommendations of the administration.

Second, the chairman of the Budget Committee, the gentleman from Oklahoma (Mr. JONES) has received a letter from the Secretary of Defense indicating that $189 billion, the amount recommended by the Budget Committee, is the maximum the Department of Defense can effectively spend in the next fiscal year.

So I think the important thing we ought to understand is that both political parties are supporting the largest peacetime increases in military outlays and expenditures in the history of our country. It does not serve the public well to imply that one side of this House is opposing adequate military outlays, especially when the committee proposals are, in fact, larger than those proposed by the administration.

All of us, Republicans and Democrats alike, are going to support a strong national security. This is not the time to place before the country information which is incorrect and promotes public misunderstanding.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I would like to inquire of the distinguished majority whip the program scheduled following the Easter recess when we reconvene.

Mr. FOLEY. Mr. Speaker, will the distinguished minority leader yield?

Mr. MICHEL. I yield to the gentleman.

Mr. FOLEY. Mr. Speaker, the House, when it adjourns today will adjourn to meet on Monday, April 27 in accordance with the recess resolution.

On Monday, April 27, it is planned to meet at noon in a pro forma session and no bills are scheduled.

On Tuesday, April 28, the House will meet at noon and it is my intention to ask unanimous consent today that the District of Columbia business usually in order on Monday, the 27th of April, be permitted to be in order on Tuesday, the 28th. If that unanimous consent is agreed to, the leadership intends to schedule H.R. 2819, to increase the Federal payment to the District of Columbia.

On Wednesday, April 29, the House will meet at 3 p.m. in a pro forma session.

On Thursday and the balance of the week the House will meet at 11 a.m. It is our intention at that time to take up, subject to a rule being granted, the fiscal year 1982 budget resolution. It is assumed that that may carry over until Friday.

I would also note that we are concerned, and I know the distinguished Republican leader would agree, that we complete the budget resolution on that week, and so the usual departure times and adjournment times of the House will not be assured in that week, and Members should assume a Friday session.

Mr. MICHEL. I thank the gentleman for his response.

First of all, may I say I will not object to moving the District Day from Monday to Tuesday, recognizing that Members will have that extra day coming off the Easter recess to get adjusted.

But I do question why we would not, for example, begin consideration of the budget resolution on Wednesday rather than simply having a pro forma session. It is a loss of a complete day. The gentleman knows that there will be 10 hours of general debate on the budget resolution, 4 hours on Humphrey-Hawkins.

Admittedly we have to have a rule, but not for general debate, only for the amendments that will be made in order to the budget resolution. I would like to see us get started in a more reasonable pattern, maybe even conceivably on Wednesday. I would have been willing to come in at noon rather than 3 o'clock, getting something out of the way Wednesday and Thursday so that we do not give any indication that we are going to slip on that schedule we have bound ourselves to earlier.

Mr. FOLEY. If the gentleman will yield further, it is the intention of the leadership to maintain that schedule that we have jointly agreed upon. It may be that, subject to a rule being granted on Tuesday, some consultation will be undertaken with the Republican leadership about the possibility of starting on Wednesday. I am not able to assure the gentleman at this time that that will be done, but I certainly assure him that it will be considered, subject to a rule being granted.

Mr. MICHEL. I would urge the majority side to give serious consideration to that, because under the program, as initially outlined, it really results in a loss of a complete day on Wednesday when, frankly, 3, 4, 5 hours could better be used in a general discussion of the budget resolution or on Humphrey-Hawkins, whichever.

Mr. FOLEY. If the gentleman will yield further, we certainly understand the gentleman's concern about the long period of debate that is required under the Budget Act, and the possibility of using Wednesday for some of that debate. Again I assure the gentleman it will be considered as a possible alternative.

Mr. MICHEL. But Members should be alert to be here on Friday?

Mr. FOLEY. Yes. I repeat again, Members should assume a Friday session and should not assume that the House will only be staying late on Wednesday. We might be in a late session on Thursday as well, and we intend to complete the budget resolution in the week of the 27th.

Mr. MICHEL. There is no mention here, however, if there is a Friday session, of that get-away period or usual adjournment time of 3 o'clock.

Mr. FOLEY. Again, I do not think it is possible at this time to give absolute assurance on that. We would hope that the budget would be completed by the usual 3 o'clock adjournment time on Friday, but again, I would have to caution all Members that that is subject to completing our work, and that that will have first priority in the week of the 27th.

Mr. MICHEL. I understand. I think that might be all the more reason for our attempting to begin on Wednesday so that there would be more reasonable assurance for getting out at a good time on Friday for Members who have to have travel plans to go back and forth to their districts.

I thank the majority whip for his response.

MAKING IN ORDER DISTRICT OF COLUMBIA BUSINESS ON TUESDAY, APRIL 28, 1981

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that District of Columbia business under rule XXIV, clause 8, be in order on Tuesday, April 28, 1981.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, APRIL 29, 1981

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, April 29, 1981.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Monday, April 27, 1981, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

INTERNATIONAL FRIENDSHIP MARATHON

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. HUNTER) is recognized for 5 minutes.

● Mr. HUNTER. Mr. Speaker, on Saturday, April 25, 1981, the first International Friendship Marathon will be held. The race will begin in the lovely city of Chula Vista, Calif., which I am proud to represent in Congress.

The race will finish at Rosarito Beach, in the State of Baja California Norte, Republic of Mexico. This will be the first marathon to cross the border between the United States and Mexico.

More than 1,000 world-class participants are expected. The joint sponsors of the event are the Chula Vista and Tijuana Chambers of Commerce.

I will be there on the 25th with several local dignitaries to begin the marathon, prior to a pair of town-hall meetings in Chula Vista and Imperial Beach.

Chula Vista, cohost city of the marathon, is located halfway between San Diego proper and the border with Mexico. Chula Vista's population of 75,000 is served by a fine city government headed by Mayor Will Hyde.

I look forward to the marathon, as do my fellow residents of the South Bay area.●

ADMINISTRATION'S ANNOUNCED ENERGY POLICY

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. FORSYTHE) is recognized for 10 minutes.

● Mr. FORSYTHE. Mr. Speaker, at 10 o'clock this morning there was a press conference at the Department of Energy held by the Secretary of the Interior James Watt and Secretary of Energy James Edwards. In order to put the results of that press conference into proper perspective, I would like to remind everyone of the following:

First, the citizens of this Nation have seen the price of energy almost triple in less than 2½ years;

Second, the United States faces a hydrocarbon fluid energy crisis for the next 20 to 30 years;

Third, while consumption of oil is expected to drop by 1990, the domestic production of oil is expected to drop at a faster rate increasing, or at least maintaining, our current rate of imported oil;

Fourth, the United States is enormously endowed with abundant hydrocarbon fluid resources, since it is estimated that we have as much conventional oil left as we have already produced;

Fifth, at least 85 percent of this Nation's remaining oil is owned by the Federal Government;

Sixth, up to 60 percent of our remaining oil is estimated to be located in the OCS;

Seventh, the OCS oil and gas program has returned to the general Treasury in excess of $10 billion in the past 2 years; and

Eighth, last year the United States paid foreign countries around $80 billion for imported oil.

These are alarming and curious facts.

Our energy problems center around domestic consumption of oil, our low level of domestic production, and therefore, our inordinate dependence on foreign nations for such a high percentage of our oil needs. This negatively impacts upon the value of the dollar abroad, inflation, and national security.

The question arises, however, if we are so abundant in energy resources, why are we so dependent on foreign nations for such a high percentage of our needs? The fact is that domestic production is stagnant and is expected to drop over the next 10 years unless there is a change in the existing policies of the Federal Government.

It has been the land use and leasing policies of past administrations that have been at the root of many of this Nation's energy problems. This has been pointed out in numerous studies, including three studies recently released by the GAO. It is this area that has been impacted by today's press conference.

Secretary of the Interior James Watt, proposed historic revisions in the policies and procedures for leasing OCS oil and gas resources.

The new 5 year OCS leasing schedule, which incorporates the changes, represents a crucial step in our efforts to help ourselves out of our energy problem.

Some of the proposed changes announced today include, but are not limited to, the following:

First, offering of the high potential areas in Alaskan waters and the Atlantic Ocean at earlier dates than the old DOI leasing schedule;

Second, focusing the leasing efforts on areas of highest potential;

Third, conducting areawide EIS's and resources evaluations;

Fourth, areawide lease offerings; and

Fifth, 42 lease sales over the next 5 years instead of 36.

This country lags behind the other nations with active OCS programs, in spite of the fact that we were the leader in OCS drilling, and are cur-

rently the leader in OCS safety and technology.

The United States currently only gets 9.3 percent of its domestic oil, and about 21 percent of its domestic gas production from its OCS. Over 21 percent of total world oil production comes from the OCS. In other words, in spite of enormous hydrocarbon potential, a safety record that is the envy of the world, and the supplies and capital to do the job, the United States is not only lagging behind the rest of the world in OCS production, but is falling further behind.

If the policies that have been announced today are adopted, these trends can be reversed. As was pointed out in an editorial by William Raspberry in the Washington Post last year, it is about time we got the "* * * shelf off the shelf."

Mr. Raspberry's column follows:

GETTING THE SHELF OFF THE SHELF

(By William Raspberry)

Sometimes you get the feeling the country is going stark, raving mad.

America's growing dependence on imported oil is eroding the value of the dollar, skewing the balance of trade, crippling the domestic economy and feeding unemployment.

The problem, astonishingly, is not that we cannot produce virtually all the oil we need domestically. The problem—at least a major part of it—is the rules and regulations that keep us from exploiting our vast domestic resources.

A letter from the Department of Interior's Bureau of Land Management (BLM) to a western oil company illustrates one aspect of the problem:

"This is in response to your request for a variance regarding the sage grouse strutting-nesting complex stipulations attached to the above-mentioned lease and well site.

"At this time, available data suggest that noise from around-the-clock drilling operations tend to suppress sage grouse strutting activities. Combined with the fact that the proposed lease and well site is located within the nesting habitat associated with two strutting grounds, we feel the variance should not be granted in order to protect this resource.

"Since there is a lack of research data on this problem (noise effects on sage grouse strutting, etc.), the Bureau is proposing a research study to determine these effects. However, because of our planning system and budget requirements, we do not anticipate starting the fieldwork for at least three years. After this study has been completed, the data may show that variances of this type may be granted."

Another example: a Chevron oil drilling program in Utah involved several sites that were covered with snow. Under ordinary circumstances, engineers simply would have removed the snow and gone ahead with the drilling.

But BLM procedures required an archeological inspection of each site to determine if Indian artifacts or other archeological materials were present.

Chevron, in order to prevent surface damage, undertook to melt the snow using hot water. But the hot water caused erosion, and BLM ordered a halt. Then Chevron turned to flamethrowers to melt the snow, but this, too, was ruled out by BLM on the ground that an endangered variety of locoweed might have been present.

The result was a delay until warm weather melted the snow.

"As it turned out," Chevron later reported, "no archeological information was found and the locoweed species was not endangered."

Stories of leaving major oil reservoirs unexploited out of deference to sage grouse and locoweed and the California blunt-nosed leopard lizard can be counted on to spark public incredulity and outrage. But endangered species are only part of the picture. Much of the obstruction to development of domestic oil resources stems from federal, state and local laws designed to protect the environment. And a good deal of it is the result of federal procrastination that has no obvious basis in the law.

According to Rep. Edwin B. Forsythe (R-N.J.), one of the major obstacles to fuller exploration is "arbitrary land-use and leasing policies, as well as the publication [by the executive branch] of regulations that go far beyond the intent of statutes."

He cites U.S. Geological Survey reports estimating outer-continental-shelf (OCS) reserves of some 32 billion barrels of oil and 116 trillion cubic feet of natural gas—more oil than in the lower 48 states and Alaska combined.

But only 2.5 percent of the American OCS is currently under lease, as compared with over 40 percent of the world's outer continental shelf. We get only 9 percent of our oil from our OCS, while the rest of the world gets 22 percent of its oil from the worldwide OCS.

Federal officials say these figures don't matter, since many of the oil fields already under lease aren't being exploited.

Forsythe acknowledges as much, but contends that this has "absolutely nothing to do with energy production." What is important, he says, is that areas of high oil and gas potential be made available for development, "and this just has not occurred."

Forsythe and nine other congressmen, mostly Republicans, have introduced a joint resolution that would require the administration to stick to the specific requirements of federal law and court orders in deciding which oil lands to open to exploration, "instead of interpreting statutes and court orders to fit their policies."

That, without the enactment of a single new law, would more than double the OCS production, offsetting $326 billion in the U.S. balance of payments, Forsythe contends.

He insists that he isn't opposed to vital environmental concerns, but he does believe the present safeguards fail to take account of the American energy crisis. He would agree with Mack Wallace, a member of the commission that regulates oil and gas exploration in Texas, the source of a third of our domestic production:

"The boat is sinking, and while some of us are in the bottom, bailing like hell, the Department of the Interior is hanging curtains in the wheelhouse."●

TIME FOR CONGRESS TO ACT TO CURB VIOLENT CRIME

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. PORTER) is recognized for 15 minutes.

Mr. PORTER. Mr. Speaker, on March 20, 1980, shortly after entering Congress, I introduced legislation to control the availability of handguns used for violent crimes. This bill was, H.R. 6892, the Handgun Sale and Transfer Act of 1980.

Since that time this Nation has witnessed another notable upsurge in crimes of violence committed with handguns. The latest and most striking was, of course, the cowardly assassination attempt on President Reagan.

Chief Justice Warren E. Burger, on February 8, 1981, addressing the American Bar Association, has described what he called a reign of terror in American cities. Something obviously must be done and done soon to reduce the incidence of violent crime in our country.

On Tuesday, I introduced a three-bill package aimed at achieving this end. First, I reintroduced legislation which would ban the manufacture, sale, and importation of handguns, except for police and military purposes. Second, I introduced a bill that provides for stiff minimum, mandatory sentencing with no possibility of a suspended sentence or probation for those convicted of committing violent crimes while armed with a handgun or any deadly weapon. The third bill I introduced expands Federal law to provide the death penalty for murdering a Federal employee or official during an attempted Presidential assassination. It is an anomaly of our law that John Hinckley will probably be prosecuted under Federal law for the attempt on the President's life, but will be tried under local District of Columbia law for shooting Press Secretary Brady, Agent McCarthy, and Officer Delahanty. Not only do the jurisdictions differ, but the penalties are not the same. Had Mr. Brady died, under District of Columbia law, the death penalty could not be given. Under my legislation, the President and all members of his entourage would be protected by the same law.

Clearly, the most important approach to solve the heavy burden of violence upon our society, is, as it always has been, enforcement of the law. This depends not only on strong police efforts to identify and apprehend offenders, but on stiff sentencing, once a conviction has been made, after affording to the accused all the substantial individual protections of our Constitution. Generally, in our country, we have experienced the former, but have stumbled badly with respect to the latter.

Congress, on the other hand, can only do so much. Unfortunately, Congress has chosen to do almost nothing. Together with stronger enforcement efforts, the effect of stronger national laws as a statement of our rejection of violence would be salutary.

My remarks a year ago when I introduced H.R. 6892, the Handgun Sale

and Transfer Act of 1980, seem even more relevant in the wake of recent events and I repeat them here:

Mr. Speaker, we profess to be a country dedicated to the rule of law and governed by majority rule. Yet we have the highest level of violent crime of almost any country, and a small, but vocal minority has repeatedly thwarted any action in this area even though it is clearly supported by the majority.

The legislation I have introduced is realistic, practical, and possible of enforcement. My handgun control bill does not seek to register handguns, nor to confiscate those in existence, nor to make handgun ownership unlawful. All of these approaches are, in my judgment, not practical and would result either in another costly and useless bureaucracy or simply place another law on the books impossible of general enforcement. The legislation I have introduced rather seeks to end trafficking in handguns by banning their manufacture, sale, and importation. Exceptions are made for police and military purposes.

Handgun legislation, alone, of course, is not enough. State and Federal laws providing for mandatory additional penalties for crimes committed with handguns or, indeed, with any deadly weapon, are also necessary. In addition, and probably most importantly, it is essential that all levels of government select judges who view the killing or maiming of a human being with a handgun or other deadly weapon as a matter so serious that the perpetrator receives the most serious form of punishment. Each of these approaches is essential.

The legislation I have introduced today is a small, but important part of the whole concept that our society must reject violent crime and embrace the rule of law as the basis of our conduct and interaction.

The time has clearly come for the Congress of the United States to take effective action to check the spread of violence threatening every person in our society. I ask my colleagues to join with me in this effort.

AGE DISCRIMINATION

The SPEAKER pro tempore (Mr. COELHO). Under a previous order of the House, the gentleman from California (Mr. LUNGREN) is recognized for 15 minutes.

Mr. LUNGREN. Mr. Speaker, I would like to bring to the attention of this House the name of an individual, Dr. C. Edward Koop. Dr. Koop was someone who has been very definitely affected by a vote that took place in this House 2 days ago.

Mr. Speaker, it is a wonderful political and governmental system that allows a President of the United States, who is a vigorous 70 years old, to operate as the top-elected official in this country, and that allows you, Mr. Speaker, to be 68 years of age and handle your duties with vigor, that encourages Members of the other side of the aisle in the other body to hire a 64-year-old businessman, without any previous experience, to head up the Democratic Senatorial Campaign Committee to bring them back from the difficulties of November 4. So I find it strangely incongruous when we have a world renowned physician, a professor of pediatric surgery, who made worldwide fame as the first individual in the history of medical science to successfully separate Siamese twins who had been joined at the head, who had been practicing for many years, who is a well-published author and he is not permitted to be the Surgeon General of the United States, despite the fact that the President of the United States has so designated him, merely because he is 65 years of age.

□ 1130

Two days ago this body, following the lead of the majority members of the Subcommittee on Health and the Environment of the Committee on Energy and Commerce, voted not to rescind the statutory age limitation for the position of Surgeon General. Now, this is really quite strange. This gentleman evidently is accomplished enough to spend hours and hours standing by an operating table engaged in the most intricate operations dealing with life and death of young patients. But somehow this body does not feel that he is capable of being the Surgeon General of the United States.

Now, there is one other thing I have not mentioned, Mr. Speaker. This gentleman, as a result of his years and years of experience in working in pediatric surgery, has come to the conclusion that the unborn child is, in fact, a human being. Yes, that is true. He happens to be very much prolife, and evidently that is the mark against him.

The President of the United States had the audacity to appoint an individual who was well qualified in medical science and has one of the most remarkable reputations in the entire medical world with respect to pediatric surgery; yet, because he dares to put his moral convictions forward and is categorized as pro-life, some in this House feel that he is not qualified to be Surgeon General of the United States of America.

How ironic it is that we have a 70-year-old President who displays the vigor of a man in his forties in recovering from a bullet wound in his chest. How ironic it is that the Speaker is not limited by age to make rules that affect all of us in this House. How ironic it is that the Members of the other side of the aisle in the Senate have decided to tie their collective future to a gentleman who approaches that age of 65. How ironic it is that last year in this House we openly considered the question of whether we should raise the age limit that currently affects airline pilots in commercial airline traffic.

Yet this House decided that we dare not have this man as Surgeon General of the United States supposedly because of his age.

We have a Select Committee on Aging in this body where we express our concern about the fact that people, merely because of chronological age, are discriminated against. Fifty-three Members of the House serve on that select committee. That is a larger membership than any other statutory or select committee in the House of Representatives. We constantly talk to our constituents about how we are concerned about the elderly, how we now recognize that those arbitrary age requirements of 65 with respect to mandatory retirement are just that, arbitrary and capricious, and how we should make some changes in the Federal Government's employment practices and, in fact, impose some changes on the private sector. We do that on one hand and what do we do on the other hand? We say you are 65, Professor Koop. Sure, you have outstanding credentials, but we are not going to allow a waiver of that age limitation.

Mr. Speaker, I hope that when we come back from the Easter recess the Members of this House will realize what a mistake we have made, that we should not have prejudice against somebody because of his moral convictions when he is very well qualified to serve in a position that the President of the United States wishes him to serve and that somehow we can allow this waiver to take place.

It seems passing strange, at least, that if we applied the standard implied in this body's recent vote to the committees of the House, we might be denied some of the most vigorous and most well-qualified individuals in this House in their efforts to serve us and give us the benefit of their judgment, their experience, and their wisdom.

Certainly we owe the American people the same with respect to the position of Surgeon General.

Having concluded on that subject, Mr. Speaker, let me just make reference to an article that appeared today in the paper because earlier someone called into question the figures I gave during my 1 minute speech. The Washington Post reports today that the "House committee," referring to the House Budget Committee, "deferred until after the Easter congressional recess a showdown over the Democrat's original proposal for a $4.3 billion bite off the top of Reagan's huge proposed defense spending increase for next year." It reports that—

As an apparent holding action they agreed to accept the administration's estimate of defense spending costs, which differs from their own, thereby obviating for the time being, at least, the controversial cuts that had been proposed, including elimination of the July pay increase for military personnel. But in a vote pitting Reagan's defense proposal against the Democratic alternative,

the Democrats won narrowly, a move to endorse Reagan's proposal failed 14 to 14, then the Democratic proposal was approved 16 to 13.

I hardly believe that that account in the Washington Post suggests that the gentleman from California was in error when he made his previous statements.

I thank the Speaker for the time.

BACKROOM TACTICS OF A SPECIAL INTEREST GROUP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

● Mr. AUCOIN. Mr. Speaker, I want to take a minute here today to describe for you the bald, backroom tactic of a special interest group in my district. Unfortunately, it comes at the expense of the President.

Quite recently, a Portland-based firm, which manages 80 apartment complexes, tacked thousands of copies of a letter onto the doors of its tenants, offering a free boat trip, complete with cocktails, dinner, and music, to the winners of a contest.

To enter the contest, all the tenants were required to do was write elected representatives urging them to support President Reagan's economic package without modification, and to ignore the demands of the special interest groups.

Tenants were told to write early—and often—and to return copies of their letters over to their landlords. "The more letters the better," said the firm. "Use different stationery—change the words—and mail one every few days." Winners of the contest are to be selected today, by a drawing of the copies.

Not surprisingly, I have heard from several outraged tenants. One tenant alerted me that the letters would be "written less from conviction than from a desire to win a contest". Another found the company's tactics "insulting to our intelligence, immoral and maybe even illegal." Yet another was disgusted, and called the ploy "tantamount to buying votes."

The most unfortunate aspect of this incident is not the company's cynical disregard for the political process. What is truly regrettable is its contempt for the personal philosophies and politics of its own tenants, and the belief that its tenants can be bought for 3 hours of fun.

If the firm is at all interested in redeeming itself, it will call off this sham, at once.●

THE SECOND AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WILLIAM J. COYNE) is recognized for 5 minutes.

● Mr. WILLIAM J. COYNE. Mr. Speaker, last week I made a statement on the floor of the House concerning the need to control handguns. In that speech I implied that the right to bear arms was a questionable right.

After I spoke and while I was absent from the floor another Member took to the well and made reference to my statement. He indicated that he did not think any right which appears in the Constitution was questionable.

The gentleman obviously misunderstood my statement. I think that it is questionable whether this right does in fact appear in the Constitution. I include at this point in the RECORD a memorandum prepared by the American Law Division of the Congressional Research Service:

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, D.C., April 6, 1981.

To: Honorable William Coyne
(Attention: Coleman Conroy).
From: American Law Division
Subject: Controversy Over Interpretation of the Second Amendment to the Constitution

This will respond to your request of April 2, 1981, for a brief articulation of the controversy surrounding interpretations of the language of the Second Amendment to the Constitution.

The Second Amendment provides that "[a] well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed." The debate over its meaning today centers on whether such language describes a protection of "individual" rights in regard to the possession and use of firearms or whether it rather describes a "collection" right, intended to preserve the militia system of national self-protection. The protagonists in this constitutional struggle range from those who would argue that the Amendment establishes a near absolute prohibition upon Federal restriction or regulation of firearm matters, to those who see the provision as a largely outmoded vestige of historical fears of standing armies engendered by colonial times. Both camps reach deep into the English experience to find support either for the notion that the right to bear arms has a historical rooting suggesting the fundamental nature of the right sought to be protected by the Framers, or for the notion that history provides a record of various forms of firearm controls which refute the absolutist position.

While judicial rulings have not been dispositive in this area, it seems irrefutable that the Federal courts have to date interpreted the Second Amendment protection as a collective one which does not inhibit gun control measures of the sort in force today. The Supreme Court long ago held that the Amendment does not restrict the States, nor does it actually create the right in question: "This is not a right guaranteed by the Constitution. Neither is it in any manner dependent upon that instrument for its existence. The Second Amendment declares that it shall not be infringed; but this . . . means no more than that it shall not be infringed by Congress. This is one of the amendments that has no other effect than to restrict the powers of the National Government . . ." *United States* v. *Cruikshank*, 92 U.S. 542, 553 (1876).

After national firearms legislation was enacted during the 1930's the Supreme Court handed down what is still its only opinion construing the Second Amendment in the context of a challenge to the constitutionality of a Federal firearm statute. In *United States* v. *Miller*, 307 U.S. 174 (1939), the defendant was charged with interstate transportation of an improperly registered sawed-off shotgun, a violation of the National Firearms Act (Act of June 26, 1934. c. 757, 48 Stat. 1236). The Court upheld the constitutionality of the Act, rejecting the defendant's contention that it violated Second Amendment guarantees. The opinion in *Miller* briefly described the intent of the framers: "The Constitution as originally adopted granted to the Congress power—'To provide for calling forth the Militia to execute the laws of the Union, suppress Insurrections and repel Invasions; To provide for organizing, arming, and disciplining, the Militia, and for governing such Part of them as may be employed in the Service of the United States, reserving to the States respectively, the Appointment of Officers, and the Authority of training the Militia according to the discipline prescribed by Congress.' With obvious purpose to assure the continuation and render possible the effectiveness of such forces the declaration and guarantee of the Second Amendment were made. It must be interpreted and applied with that end in view." (at 178). The conclusion of the Court was that "[i]n the absence of any evidence tending to show that possession or use of a 'shotgun having a barrel of less than eighteen inches in length' at this time has some reasonable relationship to the preservation or efficiency of a well-regulated militia, we cannot say that the Second Amendment guarantees the right to keep and bear such an instrument." (Id.).

While the ruling in *Miller* was arguably a narrow one, the notion that "a reasonable relationship to a well-regulated militia" is essential for invocation of Second Amendment protections has been utilized by most Federal courts in upholding the several firearms control statutes which have been challenged. See, e.g., *United States* v. *Tot*, 131 F. 2d 261 (3rd Cir. 1942), reversed on other grounds, 319 U.S. 463 (1943); *United States* v. *Synnes*, 438 F. 2d 764 (8th Cir. 1971), vacated on other grounds, 404 U.S. 1009 (1972); *Cody* v. *United States*, 460 F. 2d 34 (8th Cir.), cert. denied, 409 U.S. 1010 (1972); *United States* v. *Lauchli*, 444 F. 2d 1037 (7th Cir.), cert. denied, 404 U.S. 868 (1971); *United States* v. *Stevens*, 440 F. 2d 144 (6th Cir. 1971); *United States* v. *Decker*, 446 F. 2d 164 (8th Cir. 1971); *United States* v. *Williams*, 446 F. 2d 486 (5th Cir. 1971); *United States* v. *Birmley*, 529 F. 2d 103 (6th Cir. 1976); *United States* v. *Tomlin*, 454 F. 2d 176 (9th Cir. 1972); *United States* v. *Johnson* 497 F. 2d 548 (4th Cir. 1974). In *United States* v. *Warin*, 530 F. 2d 103 (6th Cir.), cert. denied, 426 U.S. 948 (1976), the Sixth Circuit held that while *Miller* did not lay down a general rule, "[i]t is clear that the Second Amendment guarantees a collective rather than an individual right . . . It is also established that the collective eight of the militia is limited to keeping and bearing arms, the possession or use of which 'at this time has some reasonable relationship to the preservation or efficiency of a well regulated militia.' [citing *Miller*]." (at 106).

Thus Federal courts have consistently rejected efforts to have congressionally imposed firearms restrictions declared unconstitutional on the ground that they are violative of the principle set out in the Second

Amendment. Since the *Miller* decision, the Supreme Court has declined to hear appeals from such cases.

But such denials of writs of certiorari are not properly to be interpreted as tacit approval of lower court holdings. Denial of such writs imports nothing to the merits of the case in question. Justice Frankfurter once articulated the point with a hint of exasperation: "Inasmuch, therefore, as all that a denial of a petition for a writ of certiorary means is that fewer than four members of the Court thought it should be granted, this Court has rigorously insisted that such a denial carries with it no implication whatever regarding the Court's views on the merits of the case which it has declined to review. The Court has said this again and again; again and again the admonition has to be repreated." *Maryland* v. *Baltimore Radio Show, Inc.*, 338 U.S. 912, 919 (1950). Thus lower court cases extending the *Miller* approach which have been denied a writ cannot be cited as demonstrating a Supreme Court position one way or the other.

The controversy over the proper interpretation of Second Amendment protections continues unabated today, despite the pronouncements of Federal courts. Those who challenge these decisions contend either that the *Miller* decision has been misinterpreted or that it was a product of faulty reasoning in the first place. Until the Court decides to examine once again the nature of the Second Amendment's ramifications for Federal firearms control laws, the divergencies of opinion will persist. And those who are firm in the belief that the Amendment was intended to preserve the right to bear arms as an individual liberty are unlikely to discard that view regardless of future judicial pronouncements.

KENT M. RONHOVDE,
Legislative Attorney.●

HOUSING SUBCOMMITTEE TO CONTINUE HEARINGS NEXT WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. Mr. Speaker, notwithstanding the recess of the House next week, the Housing Subcommittee of which I am chairman, will continue its 1981 legislative hearings on Monday, Tuesday, and Wednesday.

There are numerous witnesses who wish to be heard on housing legislation since the Republican budget program calls for making the greatest reduction in the Department of Housing and Urban Development compared to other departments.

The situation confronting us in housing is urgent and the urgency is growing. We must during the decade of the eighties produce no less than 21 million new housing units, which is 3 million units more than this Nation produced even in the great golden age of homebuilding, which was the decade of the fifties.

Even in the clear sight of this startling need for housing, the administration is seeking to radically reduce, if not completely abrogate, the vital Federal role that must be played if we are even to come near meeting this Nation's housing requirements. This is no time to back away from housing.

The Nation has seen through innovative programs how much can be accomplished in community development. Everyone knows that the task of community development is not over and that America's cities and towns do not have and cannot generate the financial resources that they must have to achieve community development objectives. Yet, the Republicans seek to take away even the slender reed that has produced the vital support that has made community development a paying proposition in the last few years.

It is because this Nation stands at the edge of its greatest housing and community development needs and because in the face of those needs the administration proposes to walk away from our Nation's responsibilities that I deem it so urgent for my committee to go forward with its hearings next week, even though the House will be in recess.

I recognize that proceeding with these hearings at a time when the House is not in session is both unusual and difficult. But I submit the problems we are facing are even more unusual and difficult.

I hope the members of my subcommittee can be present for all the hearings scheduled. Our task is urgent and I hope the eyes of the Nation will focus on the task we are confronting. The schedule follows:

TENTATIVE WITNESS LIST FOR 1981 LEGISLATIVE HEARINGS

2 P.M., MONDAY, APRIL 13, 1981, ROOM 2128 RHOB

Mr. William A. Whiteside, Executive Director, Neighborhood Reinvestment Corporation.

Honorable Jean Levesque, Mayor, Salem, Massachusetts.

Mr. Jonathan Lash, Senior Staff Attorney, Energy Conservation Coalition, and Mr. Anthony Maggiore, Associate Director, Milwaukee Community Relations-Social Development Commission.

Mr. Douglas Waun, Director, State of Delaware's Low-Income Weatherization Grant Program (tentative).

Mr. Ronald Froman, Treasurer, National American Indian Housing Council, and Executive Director, Creek Nation Indian Housing Authority, Okla.

Mr. Harold O. Wilson, Executive Director, Housing Assistance Council.

National Rural Housing Coalition.

9:30 A.M., TUESDAY, APRIL 14, 1981, ROOM 2128 RHOB

Mr. Leon Weiner, President, National Housing Conference.

Mortgage Bankers Association.

Mr. Henry Judy, Executive Vice President and General Counsel, Federal Home Loan Mortgage Corporation.

2 P.M., ROOM 2128 RHOB

Mr. John Wood, President, National Association of Realtors.

Mr. Robert Waldo, President, Mortgage Insurance Companies of America.

Ms. Marilyn Cohen, Staff Attorney, Housing Law Project.

Mr. Tom Stitt, Executive Director, National Association of Housing Cooperatives.

Mr. Ronald P. Andrade, Executive Director, National Congress of American Indians.

9 A.M., WEDNESDAY, APRIL 15, ROOM 2222 RHOB

Mr. Herman Smith, President, National Association of Home Builders.

Mr. Jack Willome, Ray Ellison Homes, San Antonio, Texas.

Mr. Donald Hoagland, Executive Director, Illinois Development Agency, and Chairman, Multi-Family Committee, representing the Council of State Housing Agencies.

Mr. Philip J. Kieffer, President, National Leased Housing Association.

2 P.M.

Congressman Wes Watkins (Okla.).

Mr. R. Clayton Jones, Executive Director, Pontiac Housing Commission, Pontiac, Michigan, representing the National Association of Housing Redevelopment Officials.

Mr. John Simon, Executive Director, New York City Housing Authority, and Mr. Apolonio Flores, Executive Director, San Antonio Housing Authority.

Mr. Herbert F. Collins, President, Council for Rural Housing and Development.

North Shores Tenants Association.●

THE REAGAN BUDGET: A PRESCRIPTION FOR DISASTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 5 minutes.

● Mr. WEISS. Mr. Speaker, the economic package President Reagan has proposed will neither cure the ills that now hinder our economy, nor eradicate the full spectrum of waste that may exist. Instead, I believe that the means he has chosen to achieve these worthwhile goals promise even more severe problems than we now face. I believe that the Reagan program is a prescription for disaster.

The President seeks tax cuts that would primarily benefit the wealthiest Americans, and fuel the very inflation he hopes to cure. He seeks budget cuts that are anything but evenhanded, and threaten the survival of the neediest among us without being likely to bring economic improvement. At the same time that he proposes crippling cuts in domestic programs as a way to reduce Government spending, he recommends vast increases in the defense budget. And he justifies these measures with a philosophy that overlooks its own contradictions, and mistakes both the function and the economic importance of Government.

According to President Reagan, Government "must not be used to regulate the economy or bring about social change." As radical as that statement is, it is also untrue when applied to the Reagan economic package.

The President clearly is using his proposals to regulate the economy and to bring about social change, just as virtually every other President has used tax and budget policy. With tax cuts, he hopes to stimulate invest-

ment. With budget cuts, he hopes to slow down inflation. It is the old trickle-down theory dressed up in new language. And it will not work.

Economic experts ranging from the Congressional Budget Office to the late Arthur Okun have estimated that budget cuts of $20 billion a year would reduce the inflation rate by a very slight fraction of 1 percent. Using CBO's figure of one-tenth of 1 percent, it can therefore be predicted that the President's proposed cuts of $48.6 billion in outlays for fiscal year 1982—$67.4 billion in budget authority—would slow inflation by perhaps 0.25 percent, a miniscule figure. It seems clear to me that in proposing these cuts as a means to economic improvement, President Reagan is acting on erroneous assumptions.

Contrary to the President's assertions, Government is not the problem we face today; Government spending is not a major cause of inflation; Government regulation is not the cause of declining productivity. The question we face is not how to limit Government's use. The question is, How can we best use it to help solve our economic crisis?

Budget cuts that helped achieve more efficient government, or eliminated waste of public funds, would have my wholehearted support.

But in too many cases the President's cuts ignore the real value of existing programs and make unbalanced, meat ax slashes instead of fair, reasoned reductions. Too many special interests will continue to receive underserved subsidies, while the neediest of our people will lose critically needed help.

Programs that feed people, for example, will be cut by almost $5 billion, but the budget authority for weapons of war will rise by $32.8 billion above the Carter recommendations for this year and fiscal year 1982. Funds for public service employment would be eliminated to save $4.8 billion; but according to Wharton Econometric Associates, an increase of six-tenths of 1 percent in unemployment will result, which will cost the Federal budget more than the amount saved when unemployment compensation and lost taxes are figured in. College grant and loan programs will be cut by $1.3 billion in 1981 and 1982, but Federal subsidies to the nuclear power industry will continue at virtually the current level, $1.6 billion a year.

The huge slashes the President seeks in domestic spending from the Carter proposals for budget authority would continue in 1983 and 1984, totaling $148 billion in those years, but would be significantly offset by an increase of $68 billion in defense authority over the 2 years. When the $315 billion in revenues lost in the proposed tax cuts is added to the ledger, we find that the President is really proposing the reverse of what he claims: instead of a balanced budget, we will find ourselves with a Federal deficit of $49 billion in 1984, according to the Congressional Budget Office.

The President intends to achieve a balanced budget by that year with the new tax revenues he hopes will be generated by increased investment and productivity resulting from the tax cuts. But experience suggests otherwise—that people will spend their increased income, not invest it. According to economist Walter Heller, 9 out of 10 Americans who have received tax windfalls in the past have spent them promptly. Many other economists agree, including Lester Thurow, who estimates that 93 percent of the tax cut will be spent immediately. Even the wealthy, who would receive the only significant rebates from the tax cut, have behaved in the same way.

It is important to note that after inflation and the rising social security tax are taken into account, 85 percent of the real benefits of the Reagan tax cuts would go to the 5 percent of Americans with incomes over $50,000 a year. Those with incomes under $20,000 would realize no benefit at all, and in fact would pay higher taxes after inflation moved them into higher tax brackets.

Spending of the tax cut will guarantee further inflation all by itself. If the improvements the President expects in productivity, employment, interest rates and tax revenues do not occur, the overall effect will be devastating.

Instead of creating 13 million new jobs, as the President predicts, the AFL–CIO estimates that "Reaganomics" would cause the loss of more than 1 million jobs. The Wharton economic forecasting group predicts that 1.75 million jobs will be lost, with a 1.4-percent increase in the unemployment rate. As a result, the Federal Government would be required to spend an additional $9 to $12 billion in unemployment insurance, and 1.5 million people would be added to the food stamp rolls. How will we pay for those obligations when the increased joblessness itself, and the associated drop in economic activity, will have reduced Treasury revenues by $39 to $41 billion?

Clearly, the cuts President Reagan seeks are inequitable and hurt the neediest persons. Benefits from Aid to Families with Dependent Children and food stamps, for example, have already been eroded by inflation. Real AFDC benefits alone declined 19 percent between 1969 and 1979. Together, the two programs do not now, before any cuts, bring a family of four up to the poverty line.

The food stamp cuts would reduce benefits that now average only 44 cents per meal per person in the average recipient's household with an income of $3,900 a year. This program does not now provide even a subsistence level of nutrition.

The President's cuts in AFDC, food stamps and tax credits would actually reduce the incentive for low-income persons to work, completely contrary to the concept of encouraging people to move from dependency to jobs. A study by the University of Chicago Center for the Study of Welfare Policy shows that the income gap would narrow drastically between those who work and receive public assistance, and those who do not work. In New York State and California, for example, an individual who receives public assistance and works would earn only $15 more a month than the recipient who does not work. In Louisiana there would be no difference at all.

Cutting AFDC, food stamps and tax credits in this way is simply unjustifiable, and not even cost effective.

Despite the administration's claim that no region of the country will suffer unfairly from the economic program, I can show you at least one State that will be hurt disproportionately: my home State of New York. Let me give three examples.

Elimination of public service employment will mean the loss of 25,000 jobs in New York State—11,500 in New York City alone, where unemployment has risen by almost 2 percent, to 10.5 percent, since January.

Second, the President's proposal to allow accelerated recovery of capital costs of new equipment and certain industrial and commercial buildings over 10, 5, and 3 years discriminates against urban centers such as New York by failing to make leased property eligible. Owner-occupied buildings are eligible, however, a provision that favors new construction—an activity occurring disproportionately in the Sunbelt and other areas outside the established cities of the Northeast.

Third, elimination of all operating subsidies for mass transit by 1985 will put a heavy burden on New York City's transit system. Already, New Yorkers pay a higher percentage of operating expenses through the farebox than any other city in the Nation. Losing $175 million a year that the system now receives will make its desperate financing problems more desperate, and will require at least a 15-cent fare increase just to make up for the lost funds.

Some Reagan cuts, such as the proposed cap on medicaid spending, would be a burden for every State according to its population. Reduced spending for health, education, and elderly services, however, will mean that States and localities will simply cut back these valuable programs.

Such programs are among those for which the Reagan administration

would give States more discretion in spending the funds. This is not a virtue, despite what the President says. Increased discretion would be accomplished by combining separate categorical programs, with specific mandates on how money must be spent, into block grants that carry no such guidelines.

For example, the President would replace the present categorical grants for elementary and secondary schools, which total $8.1 billion, with a block grant $1.4 billion smaller. As a block grant, this money could be used as the States wished. Programs which now are funded under Federal mandate would be under State discretion.

This approach amounts to an abandonment of Federal leadership. In his praise of States' rights, President Reagan fails to mention that the States have almost always lagged behind the Federal Government in assisting minorities, the disadvantaged, the elderly, and the infirm. Federal mandates in such areas have brought benefits that far outweigh the financial costs. In health, nutrition, elderly and jobs programs, legal services, sewer construction, and others the President would cut, Federal dollars have made investments critical to our future. To say that Government has failed with these programs is plainly wrong.

The so-called Great Society programs begun in the 1960's, for example, have helped 15 million Americans out of poverty, according to U.S. Census figures. Thousands of black youngsters have attended college after civil rights laws opened higher education to them. Black doctors have increased by almost 50 percent, and black lawyers have risen by 25 percent. Members of families with incomes below $10,000 a year have increased their intake of nutrients, and doubled iron intake for infants, in 12 years, according to a 1977 national survey.

The real savings that can be realized through a small expenditure in this area are illustrated by the WIC—women, infant, and children's—program of prenatal care, to take just one example. A recent Harvard study found that for every dollar spent on WIC prenatal care, an additional $3 is saved by eliminating the need for future medical costs. Yet the President's proposed cuts would eliminate 700,000 needy women, infants, and children from this program which now serves only 30 percent of the eligible population.

Much still remains to be done: One in six children in America today is poor, and a black child has one chance in two of being born into poverty. The Federal Government should be increasing its efforts, not ending them.

Many more appropriate budget reductions can be made to assure an equitable overall cutback. If cuts must be made, they should come from the excessive funding in programs such as defense, water projects, and corporate subsidies, and spare at least the most vital human services.

Contradictions abound in the President's economic policies. He would eliminate operating aid for mass transit, as I have mentioned, despite the fact that mass transit is more energy-efficient than the automobile. Subsidies to the oil companies that provide the automobile's fuel will continue, however.

Similar irony can be found in the proposal to curtail student financial assistance. The guaranteed student loan and the Pell grant programs have been crucial in insuring access to higher education for students from low- and middle-income families. President Reagan argues that these programs are not based on real financial need. Yet he also proposes to institute tuition tax credits, a proposal which would help families pay for a child's private school education regardless of need. At a rate of $500 per child per year, tuition tax credits would cost the Federal Government $3 to $4 billion in revenues.

Energy policy yields another contradiction. The President would abandon solar energy and conservation programs that may hold the key to our future energy independence and economic stability. Yet he has accelerated decontrol of oil prices, adding to inflation even after many oil executives have admitted that this action cannot speed up production or create new jobs. It can only bring more windfall profits.

Foreign cutbacks, I must add, will also damage our economy. Of every dollar spent on such aid, 70 cents returns to the United States, supporting 600,000 jobs here.

Finally, the President's plan to increase defense spending by $194 billion over even President Carter's stepped-up levels in budget authority for the next 5 years threatens to unbalance our economy, not revive it. Contractors will be encouraged to raise prices, adding to inflation. Business not related to military production will suffer as the competition for scarce resources is tilted toward defense work. The potential for jobs creation will also be hurt—more jobs per dollar are generated by nondefense industries than by military production, according to several studies.

I can suggest many alternative cuts, a few of which I will mention here. I can think of no better place to start than in the area of defense.

More waste and inefficiency can be found in the Department of Defense than any other area of Federal spending, according to recently retired Comptroller General Elmer Staats, an absolute minimum of $4 billion a year could be saved by 1985, he noted, and as much as $10 billion annual savings might be realized just in eliminating waste alone, it has been suggested.

Several new weapons systems could be scrapped altogether, I believe. They include the incredibly wasteful MX missile, which is set to cost as much as $108 billion in the years ahead. The XM-1 tank and the F-18 naval fighter plane, both weapons of questionable utility and excessive cost, would save the taxpayers a total of $4 billion if terminated. Better choice of weapons designs could also save huge sums, and would avoid repeating the waste of $3 billion a year for the unwieldy Trident submarine, for example. Other examples abound. According to the House Appropriations Subcommittee on Defense, a review of the 1981 defense budget showed 46 examples of waste in procurement.

Other cuts I would suggest include: ending the depletion allowance for oil and natural gas—savings per year: $1.8 billion—ending the tax-free status of industrial development bonds issues for private companies ($1.2 billion); eliminating tobacco subsidies ($79 million); selling surplus silver owned by the Federal Government ($229 million); repealing the oil drilling allowance for intangible costs ($2.6 billion); requiring increased airport user fees ($510 million); ending favored tax status for "dummy" domestic international sales corporations based in this country ($1.8 billion); cutting nine Army Corps of Engineers water projects, including the Tennessee-Tombigbee Waterway ($857 million); terminating Federal subsidies for road construction in timber-cutting areas owned by the Government ($425 million); eliminating subsidies for nuclear power, including the Clinch River breeder reactor ($1.6 billion), and ending the deferral of income tax for controlled foreign corporations ($500 million).

These are only some of the suggestions of alternate budget cuts and savings which have been made by myself and others in this House. It is obvious that significant cost savings in excess of $50 billion can be achieved in this way, with far less negative social impact than the Reagan proposals.

Certainly waste should be eliminated from Federal programs. But conservative dogma that would cripple social programs must not be allowed to hide behind the banner of efficiency. Programs that have been painstakingly built over the last 50 years, programs that serve a genuine human need, must not be sacrificed to serve the radical political ideology of those who have temporarily been entrusted with the reins of government.●

DEBT COLLECTION BUDGET ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. ENGLISH) is recognized for 5 minutes.

● Mr. ENGLISH. Mr. Speaker, in the last few months, attention has been increasingly focused on the huge volume of debts owed to the Federal Government and on the inadequate debt collection operations of Federal agencies. In the current climate of fiscal restraint, it is especially important that we collect as many of these debts as possible. The revenues can be put to good use by reducing the burden of spending cuts or by financing a tax cut.

On April 27, the Subcommittee on Government Information and Individual Rights, which I chair, will hold a hearing on H.R. 2811, the Debt Collection Act of 1981. This is one of a number of bills dealing with debt collection issues that have already been introduced this session. H.R. 2811 will improve the ability of Federal agencies to report information on delinquent debtors to credit bureaus. I hope that the subcommittee will be able to act on this bill shortly after the hearings have been completed.

Today, I am introducing the Debt Collection Budget Act, a bill designed to assist in congressional oversight of agency debt collection activites. The bill amends the Budget and Accounting Act to require that the President's annual budget contain information about debts owed to the Government and about debt collection effectiveness. This will enable the Congress to judge the adequacy of agency collection programs at the same time that the budget is being considered. Where collections are sufficient, appropriations can be adjusted accordingly. Where collections activities have fallen short, the appropriations process can be used to spur the necessary action.

If enacted, the bill will not by itself collect any of the Government's debts. The debt collection problem is primarily a management problem and it needs a management solution. Legislation can make the task easier, but collection programs will only be successful if agency managers take the necessary steps. The Debt Collection Budget Act will, however, permit the Congress to conduct meaningful and timely oversight of agency debt collection management. This oversight will assure aggressive collection of Government debts.

The text of the bill follows:

H.R. 3213

A bill to amend the Budget and Accounting Act, 1921, to require the President's budget to contain information on debts owed the government, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Debt Collection Budget Act".

SEC. 2. Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended by adding at the end thereof the following new subsection:

"(k)(1) The Budget submitted pursuant to subsection (a) of this section for each fiscal year shall contain, in a form, and prepared in accordance with standards, prescribed by the Director of the Office of Management and Budget—

"(A) an estimate for each major debt program—

"(i) of the total amount of debt outstanding under such program as of the beginning of such fiscal year;

"(ii) of the amount of such debt that will be in default on such date;

"(iii) of the amount of such debt that will be collected during such fiscal year;

"(iv) of the debt that is in default (I) the amount that will be collected, and (II) the amount that will be written off as uncollectable;

"(B) a comparison of—

"(i) the actual amounts that were collected during the preceding fiscal year with any estimate made for such fiscal year under subparagraph (A)(iii); and

"(ii) the actual amount of defaulted debt that was collected with any estimate made for such fiscal year under subparagraph (A)(iv)(I);

"(iii) the actual amount of defaulted debt that was written off with any estimate made for such fiscal year under subparagraph (A)(iv)(II),

together an explanation of the reasons for any significant differences between such estimates and actual amounts.

"(2) For purposes of this section—

"(A) the term 'debt' means—

"(i) any loan (I) made, insured, or guaranteed by the any department or establishment of the Government, and (II) the responsibility for the collection of which is or may be the responsibility of such a department or establishment in the event of default;

"(ii) any amount owed to an agency resulting from (I) an overpayment, extra payment, or erroneous payment, or (II) a tax liability;

"(B) the term 'major debt program' means, for any fiscal year, any program of a department or establishment under which the total amount of debt outstanding during such fiscal year is projected to equal or exceed $10,000,000.".

SEC. 3. The amendment made by the first section of this Act shall apply to any Budget submitted by the President more than 30 days after the date of enactment of this Act.●

AMMUNITION TO FIGHT THE EXPORT CREDIT WAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, today I am introducing the Competitive Export Subsidy Fund Act.

Mr. Speaker, the Subcommittee on International Trade, Investment, and Monetary Policy has been holding an extensive set of hearings on the President's proposed cutbacks in the budget of the Export-Import Bank. From these hearings it has become quite evident that the President's recommended levels for Eximbank lending are woefully inadequate to meet the anticipated, legitimate demand for official export financing. The Congress may, of course, decide to increase those levels somewhat—that has yet to be decided. But even if they are increased somewhat, no one expects Exim's budget to enable it to offset, across the board, the export credit subsidies offered by our principal foreign competitors.

Mr. Speaker, we are presently engaged in an export credit war of massive and rising dimensions. Virtually all of the major industrial countries—the members of the Organization for Economic Cooperation and Development (OECD)—have been increasing, or plan to increase, the official government credit they offer, at highly subsidized interest rates, to finance their exports. All countries, that is, but the United States. Under the President's proposals to reduce the budget of the Export-Import Bank, we would, in effect, indulge in partial unilaterial disarmament in this export credit war. With this reduction we can predict, with absolute certainty, that American industry will lose a significant amount of export sales in the coming year, even though our goods are thoroughly competitive, in terms of price and quality. These sales will be lost solely for want of competitive financing. To be sure, our capital markets are the best, most efficient in the world. They will eagerly finance all the exports our industries can generate—but only at the prevailing market rate of interest. If the other major countries would agree to finance their exports at or near market rates, we would face no difficulties whatever in trade finance. But they insist on offering official financing for a large portion of their exports at rates much below market rates. To neutralize and offset this highly subsidized export credit competition, our exporters, especially those exporting large capital or high-technology goods, must turn to the Eximbank for equivalent financing. Without it, they will surely lose important export sales. The consequences are entirely predictable: workers will be laid off; many small firms throughout the country who are the main subcontractors for the larger exporting industries will suffer serious losses, while the larger U.S. multinational firms will shift production from the United States to those countries offering extensive export credit financing; the U.S. trade balance will deteriorate; and we will lose our leadership in many of the high technology industries that must export to maintain their competitive edge in technological development and productivity.

Clearly, we should not, in a fair and equitable world trading environment, have to subsidize our exports. The administration is quite right in its desire to reduce, even to phase out these subsidies—as long as we can get our competitors to reduce their subsidies. We have been trying to do just that, through extensive negotiations, over the past few years, to reform the arrangement on guidelines for officially supported export credits. That arrangement is an agreement among the OECD countries to regulate the terms on which they offer official export credit. But it is a seriously flawed agreement, since it permits extensive export credit subsidization. It needs a thoroughgoing reform, pitched at reducing these outrageous subsidies. If such a reform could be negotiated within the OECD, the demands on the Export-Import Bank to meet and offset foreign subsidies would be correspondingly reduced, ideally to the point where Exim could shift its operations almost entirely to the issuing of guarantees and insurance for private credit to finance U.S. exports at nonsubsidized market rates. Exim would then have no impact on the Federal budget.

If that is the goal, how do we best move toward it, with minimum damage to our economy in the process? We could simply withdraw from the export credit war, phase down the Export-Import Bank, and tacitly abandon any real hope of inducing our foreign competitors to cease and desist from their export subsidies. That seems to be what the administration has in mind. To be sure, it would keep plugging away at trying to persuade other OECD countries to reform the arrangement. But no one really expects the administration would succeed, with no way to bring any significant pressure to bear on our competitors. Our negotiators must be able to put on the table a credible threat that, absent a truce or peace treaty in the export credit war, we would not permit the predatory financing practices of our competitors to take away our most important export markets.

As things now stand, we have no such credible threat. I think we need a better strategy with which to approach these negotiations, and more effective weapons with which to fight this export credit war. What, precisely, should they be?

Here we confront an apparent dilemma. The President is moving, with wide popular support, to cut back on Government spending in many areas. Substantial budget reductions should, eventually, help lower interest rates, restrain inflation, and revive productivity by stimulating private investment. All these benefits, desirable in their own right, will also help boost U.S. exports. Thus, the argument is widely made that the Export-Import Bank must play its part in the general effort to roll back Government spending and credit programs, even if the immediate impact of the Exim budget reduction is very damaging to U.S. exports. For the longer run good, all sectors of the economy, including the exporting sector, must give up some of the special supports, subsidies, and privileges the Government has granted them too lavishly for too long.

As a practical matter, there is not much point in debating at great length whether Eximbank support for U.S. exports should, on its narrow and immediate merits, be cut back along with other programs. We need, instead, to devise a new, longer term strategy that will not stand or fall with the fate of Exim's budget for fiscal year 1982. We need to give our negotiators credible backing for their efforts to reform the arrangement, but we need to do it in a way that poses no great budgetary problems for fiscal year 1982. And we need to give a new focus to Eximbank lending, at whatever level its budget permits.

This new focus is set out in a resolution I have already introduced, House Concurrent Resolution 95. The important part of that resolution reads:

> The Export-Import Bank, in carrying out its mandate to neutralize foreign competition official export credit, should establish as its first and dominant priority the use of its available resources to counter and offset the subsidies granted by those foreign governments, including the French, who have been most reluctant to negotiate a serious and meaningful reform of the "Arrangement on Guidelines for Officially Supported Export Credits."

With limited resources, Exim cannot satisfy all legitimate requests for subsidized credit to finance U.S. exports. It should adopt an explicit policy for rationing its resources. Many kinds of rationing policies are conceivable. The best, in my judgment, would be to target Exim resources to offset subsidies offered by those governments that stand in the way of a meaningful reform of the arrangement. That means, for the moment, primarily the French Government. Exim should not hesitate to derogate from the arrangement, by offering longer maturities than stipulated in the arrangement, whenever derogation would make it easier for Exim to provide a truly competitive financing package to U.S. exporters in direct competition with French exporters.

This targeting strategy may or may not prove effective in bringing about real progress toward a negotiated reduction of export credit subsidies. It cannot hurt to try, since Exim lending, under present budget constraints, would boost U.S. exports as much under this strategy as under any alternative strategy. And this strategy would, in addition, help achieve an explicit political objective: The strengthening of our negotiating position vis-a-vis those governments that balk at reducing subsidies.

But what if no progress is possible? If the administration can achieve no real progress over the next year, we should give it a new weapon. We should provide Exim with more resources with which to wage this export credit war. But we should also make clear the limited, carefully defined purpose for which these additional resources would be employed. That is the purpose of my legislation to establish a competitive export subsidy fund.

This bill authorizes an appropriation of $1 billion for the competitive export subsidy fund. It represents a novel departure from standard Exim operations. It would be the first appropriation of funds Exim has ever received, and would thus reflect the gravity of the situation Exim confronts. If Exim has to continue offering subsidized credit equivalent to the subsidies offered by the French, and others, Exim will soon suffer serious financial losses. Its entire capital could be eroded in just a few years. To protect the Bank's financial soundness, the Congress would be called upon, sooner or later, to appropriate funds to cover these losses. This bill anticipates that need, provides for it in advance, but does so in the context of a carefully defined strategy.

A billion dollars might not have much impact if it were simply used to increased Exim's own direct lending. To maximize its effectiveness, we need to stretch those funds much further. This legislation stipulates that the money appropriated to the competitive export subsidy fund would be used solely to make direct payments from Exim to private lenders for the subsidization of interest rates on private export credit. Let the private credit market make the loans, at market rates, and let Exim cover the difference between those rates and the lower, subsidized rates charged by our foreign competitors. I would, moreover, urge Exim to maximize the amount of export credit this fund could support by making one single payment at the outset of each loan, calculated to equal the present value of the interest rate subsidy over the life of the loan, discounted at an appropriate rate.

The amount of private export credit that could be supported by this fund would depend, of course, on the degree of subsidy; that is, on the difference between market rates and the rates being offered by our competitors. At present, this subsidy might have to be around 5 or 6 percentage points. Some very rough estimates suggest that, with that degree of subsidy, the $1 billion fund could support about $5 billion in export credit. The entire amount would, under specific policy directives written into the legislation,

be targeted solely against those foreign competitors who refuse to negotiate a meaningful reform of the arrangement. The primary target, at present, would be the French. Five billion dollars of subsidized credit from this fund competing directly, on equal terms, with French subsidized credit, in addition to Exim's normal budget resources, also specifically targeted, might prove quite effective in convincing our competitors that they stand to gain very little from a continuation of this export credit war.

This fund would not be brought into play immediately. It should be established as soon as possible, and the money appropriated as soon as possible, but it would be desirable to minimize its impact on the 1982 budget. The legislation authorizes the Secretary of the Treasury to trigger the fund into existence on or after September 1, 1982, if he determines there has not been satisfactory progress toward reform of the arrangement. Once a satisfactory reform of the arrangement has been achieved, the fund would go out of existence. Its purpose is narrowly defined—to induce our competitors to negotiate seriously—so we want to make it clear that the fund will disappear, and all subsidies from it will cease, once that purpose is achieved.

There are, in addition, other important features of the bill, provisions that set policy guidelines, give the Secretary of the Treasury the power to veto any subsidies from the fund not in conformity with those guidelines, and establish reporting requirements to the Congress.

In essence, the bill is very simple. It gives the administration over a year to persuade our competitors to end this export credit war. During that time, it gives Exim no additional resources. If no progress has been made by the end of fiscal year 1982, it gives the administration a powerful instrument to bring pressure to bear on our competitors. The key is the fund's automaticity: if the Congress authorizes the fund and appropriates the money in timely fashion, it will be a credible bargaining asset, not a bluff. Our negotiating partners would know the money was actually in place, to be used against those who stand in the way of meaningful reform. If our resolve is credible, if we prove we mean business, if our competitors know the fund will automatically be triggered into existence unless there is real progress toward reforming the arrangement by the end of fiscal year 1982, then there is certainly a fair chance the fund would never be needed.●

MOTOR VEHICLE SAFETY

(Mr. WIRTH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. WIRTH. Mr. Speaker, today I am introducing the Motor Vehicle Safety Amendments Act of 1981, which will save hundreds of lives and prevent thousands of serious injuries by requiring timely compliance with Federal motor vehicle safety standard 208—the requirement to install automatic crash restraints in new cars.

For the past decade we have witnessed an unprecedented delay in the implementation of one of the most sensible and cost effective safety standards we have. The Reagan administration has repeatedly outlined a commitment to eliminate regulations where the costs of regulation outweigh the benefits to society. The administration has recently proposed a delay in the implementation of the automatic restraint standard to ease the regulatory burden on the auto industry, but it is clear that this is one safety standard that must be retained on the grounds of cost effectiveness—not to mention that the standard will save lives and prevent thousands of tragic injuries.

Every administration in the past decade has found this standard to be cost effective and to have tremendous public health benefits. Even under the most conservative economic scrutiny, standard 208 has been deemed cost effective with net benefits to society of approximately $10 billion for model years 1982-85. These benefits accrue from a combination of reduced insurance premiums and direct health costs, even when subtracting the direct costs of the safety devices. In its recent decision to delay the standard, the Reagan administration overlooked these huge costs of consumers—payments we unwittingly make each year through higher insurance premiums, increased welfare, unemployment, and social security payments, and rehabilitation costs paid to support the injured and the families of over 50,000 people who die each year on this Nation's highways. A recent economic analysis done by William Nordhaus, a well-known skeptic of regulation and former member of the President's Council of Economic Advisers, shows that the administration's delay of the standard for large cars will cost consumers over $200 million unless the delay is matched with an acceleration of the passive restraint requirements for smaller sized vehicles.

My bill will reconcile the administration's delay of the standard for large cars with public safety objectives and economic considerations by reversing the order of the phase-in schedule of the standard and requiring the most dangerous cars—smaller sized cars—to comply with the standard first.

By doing this, the implementation schedule between large foreign and domestic auto producers is equalized. As deferred by the administration, many domestic manufacturers would have to comply with the standard first, with large- and medium-sized cars, while most foreign manufacturers—who produce mainly small-sized cars—would be given an additional year's time to comply with occupant restraint requirements. Our bill recognizes the limited resources of the smaller auto manufacturers, and therefore targets the reversal of the phase-in schedule to the five largest auto companies only—companies that produce more than 1.6 million passenger cars worldwide and sell more than 200,000 passenger cars in the United States. Three of the five are foreign manufacturers: Datsun, Toyota, and Volkswagen. Smaller manufacturers would continue to adhere to the timetable of the standard as mandated in 1977.

These provisions are nearly identical to last year's House-Senate compromise on the passive restraint issue, but they exclude the controversial provision that manufacturers must tool up and offer for sale air bags on at least one line of cars.

Additionally, my bill requires larger manufacturers to comply with the standard in medium-sized cars beginning in model year 1983, as they have been planning to do since 1977. The bill requires no new Federal expenditures and simply requires the Secretary of Transportation to fine-tune the phase-in schedule of the automatic occupant protection standard to provide the maximum economic and social benefits practicable.

One major reason for this bill is my concern about the American auto industry's continuing loss of competiveness for foreign manufacturers. Foreign manufacturers are currently offering passive restraints as options and as standard equipment in some of their cars, and are advertising their cars as the safest on the road in the national news media. I am concerned that a delay in the standard will only exacerbate the economic troubles of the American auto industry by encouraging them to defer safety improvements while their foreign competitors gain the edge once again by offering increased safety features.

I urge my colleagues to join me in halting the increasing carnage on our streets and highways by supporting one of the most cost-effective regulations we have. With one fatality occuring every 11 minutes, and an injury every 9 seconds each of our lives, and those of our children are at stake.

The text of the bill follows:

H.R. 3237

A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to direct

the Secretary of Transportation to require certain car manufacturers to install passive occupant restraint systems in certain new passenger cars

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Motor Vehicle Safety Amendments Act of 1981".

SEC. 2. Part A of title I of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1391-1410b) is amended by adding at the end of the following new section:

"Sec. 126. (a)(1) Not later than 60 days after the date of the enactment of this section, the Secretary shall, notwithstanding any procedural requirement of subchapter II of chapter 5 of title 5, United States Code, or any other provision of law, amend the passive occupant restraint standard so that it conforms to the requirement specified in paragraph (2). Such amendment shall take effect not later than 75 days after the date of the enactment of this section.

"(2) The amendment made by the Secretary under paragraph (1) shall provide that—

"(A) each manufacturer which manufactured more than 1,600,000 passenger cars in the model year beginning on September 1, 1978, and which sold more than 200,000 passenger cars in the United States in such model year, shall—

"(i) for the model year beginning on September 1, 1982, install a passive occupant restraint system which complies with the requirements of the passive occupant restraint standard in each passenger car it manufactures which has a wheel base that does not exceed 114 inches; and

"(ii) for each model year beginning on or after September 1, 1983, install a passive occupant restraint system which complies with the requirements of the passive occupant restraint standard in each passenger car it manufactures; and

"(B) each manufacturer (other than a manufacturer described in subparagraph (A)) shall be exempt from any provision in the passive occupant restraint standard which requires the installation of any passive occupant restraint system in any passenger car which has a wheel base exceeding 100 inches but not exceeding 114 inches, if the Secretary is satisfied that such passenger car will cease to be produced not later than December 31, 1982.

"(b) The Secretary shall submit to the Congress, not later than July 1, 1985, a report evaluating the effectiveness of the requirements established under subsection (a).

"(c) The Secretary, in carrying out his responsibilities under section 201(c) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1941(c)), shall develop and disseminate information to inform the public regarding the performance and benefits of passive occupant restraint systems.

"(d) For purposes of this section—

"(1) the term 'passenger car' means a motor vehicle with motive power, except a multipurpose passenger vehicle (i.e., a motor vehicle with motive power, except a trailer, designed to carry 10 persons or less which is constructed either on a truck chassis or with special features for occasional off-road operation), motorcycle, or trailer, designed for carrying 10 persons or less, and

"(2) the term 'passive occupant restraint standard' means Federal Motor Vehicle Safety Standard 208 (49 Code of Federal Regulations 571.208) as it read on January 1, 1981. The Secretary may amend the passive occupant restraint standard to provide increased public safety.".●

INTRODUCTION OF THE PUBLIC TELECOMMUNICATIONS FINANCING ACT OF 1981

(Mr. WIRTH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. WIRTH. Mr. Speaker, I am today introducing the Public Telecommunications Financing Act of 1981.

I am firmly committed to seeing that public broadcasting not only endures, but continues to grow, and I am convinced that the Federal Government must be involved in its future. The unique mission of public broadcasting is to meet the entertainment and information needs that either cannot or will not be undertaken by commercial broadcasters, and that mission will remain. It seeks excellence in its programing, not mediocrity; diversity rather than conformity; innovation instead of repetition; creativity rather than mimicry. While it has remained available and responsive to all groups and interests, it has not been required, through commercial or financial interests, to be obligated to any. And it is entirely proper that the Federal Government contribute to this effort to bring the best of our creative talent to the American people.

This challenge cannot be met by local efforts alone. I wholly reject the view that this is not a national responsibility. What has been created during the past decade is a national public broadcasting system that has remained, at the same time, free from national political control and responsive to local needs. This is an experience clearly distinct from that of other nations that have established state television and radio services.

What is really remarkable about public broadcasting, however, is that all this quality programing and public access has been created on an absolute bare-bones budget. The total income for all of public broadcasting—approximately $600 million in 1980—is less than one-half the programing budget of each major commercial network. And 60 million households each week are tuning in to watch and listen.

The continued success of public broadcasting depends on certain fundamental principles:

Freedom from political control or manipulation by the Government;

Sound leadership at the Corporation for Public Broadcasting, to insure that the Federal dollars available will be spent as productively as possible in fulfillment of its congressional mandate;

Maintenance of a national program fund, to insure that public broadcasting's first—and most important—priority-quality programing—is never neglected;

Firm support for every public television and radio station, which are the bedrock of public broadcasting;

Continued accountability by all involved in public broadcasting to the American people;

Generous access by public broadcasting to those, such as independent producers, who have the ability to contribute substantially to its success; and

Unequivocal implementation of equal employment opportunity throughout public broadcasting.

The 1978 Public Telecommunications Financing Act redirected public broadcasting to be more fully responsive to these priorities. That law has worked well. In oversight hearings before my Subcommittee on Telecommunications, Consumer Protection and Finance on March 25 and 26 of this year, there was a general consensus that public broadcasting is substantially in compliance with the 1978 amendments.

The legislation I am submitting today marks another turning point in the development of public broadcasting. It has become apparent during the past months that the Federal commitment to financing the Corporation for Public Broadcasting, in keeping with growing across-the-board austerity, has diminished. It appears that in the future there will be fewer Federal dollars available to fund the Corporation, and that loss of funding will be compounded by continuing inflation, losses to other complementary programs like the National Endowment for the Arts, the National Science Foundation and other groups that have supported public broadcasting in the past. These threatened reductions pose very difficult questions for the future of public broadcasting, but I believe that this legislation begins to explore new and positive directions that will enable noncommercial broadcasting to continue to grow.

The administration's proposed budget cuts for the Corporation for Public Broadcasting have led to a comprehensive reassessment of how funds should be allocated within the CPB. Clearly, the administration is also testing our commitment to the insulation of public broadcasting from political interference by asking us to renege on our pledge to provide advanced authorizations and appropriations. That I refuse to do, and my position has been supported by the House Budget Committee, and the Senate Budget and Appropriations Committees.

Finally, because of the reduced funding, we have sought to consider what additional methods can be used to generate outside revenues for public

broadcasting. The legislation I am introducing today, I believe, constructively addresses these concerns.

This bill will alter the current structure of public broadcasting, or the responsibilities of its component entities. There is no need to choose between funding national programing and supporting local stations. Both are indispensable, and both must be protected. Given the declining Federal commitment, the stations must be provided with new avenues through which they can raise additional revenues. Further steps can also be taken to promote the accountability of public broadcasting and to extend to it the same broadcast freedom enjoyed by commercial licensees. Most importantly, advance funding for the Corporation is fully preserved.

I look forward to a full and careful consideration of this authorization.

I am pleased to attach a summary, as well as a text, of this legislation for the benefit of my colleagues:

PUBLIC TELECOMMUNICATIONS FINANCING ACT OF 1981—SECTION-BY-SECTION EXPLANATION

SUBPART A—NTIA FACILITIES PROGRAM

Sec. 2. Amends Sec. 391 of the 1934 Act, setting the following authorization levels: $25 million for for fiscal year 1982; $20 million for fiscal year 1983; $15 million for fiscal year 1984.

Sec. 3(a). Amends Sec. 392(a)(4) of the 1934 Act, permitting recipients of program monies to use their facilities for purposes other than the broadcast of public telecommunications programs and services provided that such new uses do not interfere with the provision of such public telecommunications programs and services as required by the Act.

Sec. 3(b). Amends Sec. 392(c) of the 1934 Act, reducing from a possible 100 percent to 50 percent the amount of the costs of any planning grants which can be funded by the facilities program.

Sec. 3(c). Amends Sec. 392(g)(2) of the 1934 Act to conform with the change made to Sec. 392(a)(4).

SUBPART B—TELECOMMUNICATIONS DEMONSTRATIONS PROGRAM

Not reauthorized.

SUBPART C—CORPORATION FOR PUBLIC BROADCASTING

Sec. 4(a). Amends Sec. 396(g)(1)(a) of the 1934 Act to emphasize one of the purposes of CPB to facilitate the development of diverse programming to serve diverse audiences.

Sec. 4(b). Amends Sec. 396(g)(1)(B) of the 1934 Act, providing that CPB—beginning in fiscal year 1984—may fund no more than 50 percent of the costs of interconnection.

Sec. 5. Amends Sec. 396(i)(1) of the 1934 Act, changing from February to May, the month in which CPB's annual report is to be submitted to the Congress.

Sec. 6(a). Amends Sec. 396(k)(1)(C) of the 1934 Act, setting the following authorization levels: $160 million for fiscal year 1984; $145 million for fiscal year 1985; $130 million for fiscal year 1986.

Sec. 6(b). Amends Sec. 396(k)(3)(A) of the 1934 Act, requiring that at least 50 percent of CPB's appropriation for any fiscal year (beginning in 1984) be distributed to the stations.

Sec. 6(c). Amends Sec. 396(k)(4) of the 1934 Act, requiring that CPB, acting pursuant to a written complaint or its own initiative, furnish a copy of the complaint to the station and cease distribution of funds to the station if its evaluation of the complaint finds the station in violation of the statutory requirements for open board meetings.

Sec. 6(d). Amends Sec. 396(k)(9) of the 1934 Act, requiring that CPB, acting pursuant to a written complaint or its own initiative, furnish a copy of the complaint to the station and cease distribution of funds to the station if its evaluation of the complaint finds the station in violation of the statutory requirements for community advisory boards.

Sec. 7. Amends Sec. 399 of the 1934 Act, deleting requirements that stations maintain certain records and tapes; permitting noncommercial educational broadcasting stations to editorialize; and ensuring equal treatment between public and commercial broadcasters regarding the FCC's authority to regulate programming content or practices.

Sec. 8. Adds a new section, 399A, to the 1934 Act. Sec. 399A permits stations to use business or institutional logograms to identify the underwriters of a program at the beginning and at the end of the program.

Sec. 9. Adds a new section, 399B, to the 1934 Act. Sec. 399B(a) defines the term "advertisement"; Sec. 399B(b) authorizes stations to engage in income producing activities except that it prohibits stations from advertising; Sec. 399B(c) prohibits stations from using any federal funds for purposes of these income producing activities; and Sec. 399B(d) prohibits the use of funds generated from these activities and generated from the use of logograms for purposes of the match.

Sec. 10. Requires CPB, in consultation with other public telecommunications entities, PBS, and NPR, to conduct a study to ascertain other income producing options available to these entities, and, within 6 months after the date of the enactment of this Act, to submit a report to the Congress which evaluates these options and recommend any legislative or other action which CPB concludes is necessary or appropriate.

H.R. 3238

A bill to amend the Communications Act of 1934, to extend certain authorizations of appropriations contained in such Act relating to public broadcasting, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Public Broadcasting Amendments Act of 1981".

AUTHORIZATION OF APPROPRIATIONS FOR PUBLIC TELECOMMUNICATIONS FACILITIES

SEC. 2. Section 391 of the Communications Act of 1934 (47 U.S.C. 391) is amended by inserting after "1981," the following: "$25,000,000 for fiscal year 1982, $20,000,000 for fiscal year 1983, and $15,000,000 for fiscal year 1984,".

GRANTS FOR CONSTRUCTION AND PLANNING

SEC. 3. (a) Section 392(a)(4) of the Communications Act of 1934 (47 U.S.C. 392 (a)(4)) is amended by striking out "only" and inserting in lieu thereof "primarily", and by inserting before the semicolon at the end thereof the following: ", and that the use of such public telecommunications facilities for purposes other than the provision of public telecommunications services will not interfere with the provision of such public telecommunications services as required in this part".

(b) The first sentence of section 392(c) of the Communications Act of 1934 (47 U.S.C. 392(c)) is amended by inserting before the period at the end thereof the following: ", except that such funds shall not exceed 50 percent of the amount determined by the Secretary to be the reasonable and necessary cost of such planning".

(c) Section 392(g)(2) of the Communications Act of 1934 (47 U.S.C. 392(g)(2)) is amended—

(1) by striking out "only" and inserting in lieu thereof "primarily"; and

(2) by striking out "(unless" and all that follows through "do so)" and inserting in lieu thereof the following: "(or the use of such public telecommunications facilities for purposes other than the provision of public telecommunications services interferes with the provisions of such public telecommunications services as required in this part)".

PURPOSES AND ACTIVITIES OF CORPORATION

SEC. 4. (a) Section 396(g)(1)(A) of the Communications Act of 1934 (47 U.S.C. 396(g)(1)(A)) is amended by inserting "and which are intended to serve diverse audiences," after "sources,".

(b) Section 396(g)(1)(B) of the Communications Act of 1934 (47 U.S.C. 396(g)(1)(B)) is amended by inserting before the semicolon at the end thereof the following: ", except that the Corporation shall not provide amounts which exceed 50 percent of the cost of the operation of such interconnection systems for fiscal year 1984 or any subsequent fiscal year".

REPORT TO CONGRESS

SEC. 5. Section 396(i)(1) of the Communications Act of 1934 (47 U.S.C. 396(i)(1)) is amended by striking out "February" and inserting in lieu thereof "May".

FINANCING; OPEN MEETINGS; COMMUNITY ADVISORY BOARDS

SEC. 6. (a) Section 396(k)(1)(C) of the Communications Act of 1934 (47 U.S.C. 396(k)(1)(C)) is amended by striking out "and" the last place it appears therein, and by inserting before the period at the end thereof the following: ", $160,000,000 for fiscal year 1984, $145,000,000 for fiscal year 1985, and $130,000,000 for fiscal year 1986".

(b) Section 396(k)(3)(A) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(A)) is amended by striking out the dash and all that follows through the end thereof and inserting in lieu thereof the following: "not less than 50 percent of the funds disbursed by the Corporation from the Fund under this section for any fiscal year.".

(c) Section 396(k)(4) of the Communications Act of 1934 (47 U.S.C. 396(k)(4)) is amended by inserting "(A)" after the paragraph designation, and by adding at the end thereof the following new subparagraph:

"(B)(i) Any person may submit a written complaint to the Corporation which alleges that the Public Broadcasting Service or National Public Radio (or any successor organization), or the licensee or permittee of any public broadcast station, is not in compliance with the requirements of subparagraph (A). The Corporation shall furnish the organization or entity involved with a copy of any such complaint.

"(ii) The Corporation shall cease the distribution of funds under this subsection to any such organization or entity if the Corporation determines, acting as a result of the filing of such complaint or acting upon its own initiative, that such organization or entity is not in compliance with the requirements of subparagraph (A).".

(d) Section 396(k)(9) of the Communications Act of 1934 (47 U.S.C. 396(k)(9)) is amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new subparagraph:

"(E)(i) Any person may submit a written complaint to the Corporation which alleges that a public broadcast station is not in compliance with the requirements of this paragraph. The Corporation shall furnish the station involved with a copy of any such complaint.

"(ii) The Corporation shall cease the distribution of funds under this subsection to any public broadcast station if the Corporation determines, acting as a result of the filing of such complaint or acting upon its own initiative, that such station is not in compliance with the requirements of this paragraph.".

EDITORIALIZING; REGULATION OF PROGRAMING CONTENT AND POLICIES

SEC. 7. Section 399 of the Communications Act of 1934 (47 U.S.C. 399) is amended to read as follows:

"EDITORIALIZING; REGULATION OF PROGRAMING CONTENT AND POLICIES

SEC. 399. (a) Each noncommercial educational broadcasting station may engage in editorializing.

"(b) The authority of the Commission to impose any restrictions or requirements upon the content of programing, or upon the programing policies, of noncommercial educational broadcasting stations shall not be construed to be greater than any such authority of the Commission with respect to any other broadcasting licensees or permittees.".

USE OF BUSINESS OR INSTITUTIONAL LOGOGRAMS

SEC. 8. Subpart D of part IV of title III of the Communications Act of 1934 (47 U.S.C. 397 et seq.) is amended by adding at the end thereof the following new section:

"USE OF BUSINESS OR INSTITUTIONAL LOGOGRAMS

"SEC. 399A. (a) For purposes of this section, the term 'business or institutional logogram' means any letters, symbol, or sign which is associated with, or which is used to identify, any corporation, company, or other organization.

"(b) Each public broadcast station shall be authorized to broadcast announcements which include the use of any business or institutional logogram, except that such announcements may be broadcast only at the beginning or at the end of regular programing, and may not interrupt regular programing.".

OFFERING OF CERTAIN SERVICES, FACILITIES, OR PRODUCTS BY PUBLIC BROADCAST STATIONS

SEC. 9. Subpart D of part IV of title III of the Communications Act of 1934, as amended in section 8, is further amended by adding at the end thereof the following new section:

"OFFERING OF CERTAIN SERVICES, FACILITIES, OR PRODUCTS BY PUBLIC BROADCAST STATIONS

"SEC. 399B. (a) For purposes of this section, the term 'advertisement' means any message or other programing material which is intended—

"(1) to promote any service, facility, or product offered by any person who is engaged in such offering for profit; or

"(2) to express the views of any person with respect to any matter of public importance or interest.

"(b)(1) Except as provided in paragraph (2), each public broadcast station shall be authorized to engage in the offering of services, facilities, or products in exchange for remuneration.

"(2) No public broadcast station may make its facilities available to any person for the broadcasting of any advertisement.

"(c) Any public broadcast station which engages in any offering specified in subsection (b)(1) may not use any funds distributed by the Corporation under section 396(k) to defray any costs associated with such offering. Any such offering by a public broadcst station shall not interfere with the provision of public telecommunications services by such station.

"(d)(1) Any remuneration received by a public broadcast station as a result of offerings which are authorized in this section shall not be considered to be non-Federal financial support for purposes of section 396(k)(7).

"(2) For purposes of paragraph (1), the broadcasting of any announcement by a public broadcast station which includes the use of any business or institutional logogram (as defined in section 399A(a)) shall be considered to be the provision of a service for which remuneration is received.".

STUDY REGARDING ADDITIONAL REVENUE SOURCES

SEC. 10. (a) The Corporation for Public Broadcasting (hereinafter in this section referred to as the "Corporation") shall conduct a study regarding options which may be available to public telecommunications entities, the Public Broadcasting Service, and National Public Radio with respect to the development of sources of revenue in addition to the sources of revenue available to such entities and organizations on the date of the enactment of this Act.

(b) The Corporation shall conduct the study required in subsection (a) in consultation with public telecommunications entities, the Public Broadcasting Service, and National Public Radio.

(c) The Corporation shall submit a report to the Congress containing the results of the study required in subsection (a) not later than 6 months after the date of the enactment of this Act. Such report shall include an evaluation of each option with respect to the development of additional sources of revenue, and shall include recommendations for such legislative or other action as the Corporation considers necessary or appropriate.●

INTRODUCTION OF THE FEDERAL COMMUNICATIONS COMMISSION AUTHORIZATION ACT OF 1981 AND THE NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION (NTIA) AUTHORIZATION

(Mr. WIRTH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. WIRTH. Mr. Speaker, I am today introducing two pieces of legislation that I believe will increase the ability of Congress to conduct effective oversight of Government agencies and help reduce the Federal deficit.

The first bill is entitled the Federal Communications Commission Authorization Act of 1981. It will:

Authorize appropriations for the Federal Communications Commission in the amount of $77,351,000 for fiscal year 1982;

Direct the FCC to impose fees on any person regulated by the Commission under the Communications Act of 1934. Fees imposed by the Commission may not exceed 50 percent of the amount appropriated by the Congress and are to be deposited in the general fund of the Treasury of the United States. Fees imposed by the Commission must be based on costs incurred by the Commission as a result of processing licenses and similar applications. Fees may also be based on any costs incurred by the Commission which are directly or indirectly attributable to the regulation it performs;

Enable the FCC to waive fees for governmental entities, public telecommunications entities, and noncommercial users of the spectrum. Fees of less than $100 may also be waived; and

Direct the FCC to develop appropriate fee schedules not later than 90 days after the date of enactment.

I believe that the provision empowering the FCC to collect fees covering the cost of regulation, which will be given to the Treasury Department, is a particularly significant feature of the bill. It is appropriate that beneficiaries of Federal services and regulations assume these costs.

The second bill authorizes appropriations for the National Telecommunications and Information Administration (NTIA) of the Department of Commerce at $16,467,000 for fiscal year 1982.

Both the FCC authorization bill and the NTIA authorization bill provide additional sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for fiscal year 1982.

These two bills provide Congress with new and additional tools to help it carry out its oversight responsibilities, as well as help foster a closer and more responsive relationship with these agencies. I am certain that this cannot help but lead to increasingly sound telecommunications policy development.

Senators PACKWOOD and GOLDWATER have introduced similar measures in the Senate, and so I expect this legislation to move rapidly through the Congress.●

SPEECH OF HON. CARLOS ROMERO-BARCELO, GOVERNOR OF PUERTO RICO BEFORE THE ATLANTIC INSTITUTE FOR INTERNATIONAL RELATIONS

(Mr. CORRADA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. CORRADA. Mr. Speaker, recently the Governor of Puerto Rico, Hon. Carlos Romero-Barceló, traveled to Europe on official business. During a visit to Paris, he spoke before the Atlantic Institute for International Relations.

The theme of his address was an overview of the situation in the Caribbean and Central America in light of the threats posed by Communist activists in the area. In view of the vital interests of the United States in the area and of Puerto Rico's key geographic position as representative of our Nation within the region, I am pleased to include Governor Romero-Barceló remarks and I urge all my colleagues to give them serious consideration:

AN ADDRESS BY HON. CARLOS ROMERO-BARCELO

Members, Friends, and Honored Guests of the Atlantic Institute For International Relations:

It is a pleasure to be in Paris, and it is a privilege to have been invited to address this distinguished audience.

Being here at the time of the upcoming presidential election makes me feel at home.

The reason I feel so much at home is that politics is our principal pastime in Puerto Rico, even though we hold general elections only once every four years.

The topic I have chosen to discuss today is one which poses an enormous challenge to free peoples everywhere.

I refer to what I truly believe can best be characterized as Soviet imperialism, a unique and largely unrecognized war of conquest which began almost before the Second World War had ended, and which has been escalating steadily and sometimes almost imperceptibly ever since.

The Soviet war of conquest is being waged with enormous patience but with fierce determination. It is being waged ruthlessly but cautiously. And thus far, it is a war which the aggressor, despite occasional significant setbacks, is showing no signs of losing.

Much has been said and much has been written about the Soviet Union's quest for world domination. The constraints on her capacity for sustained aggression have been cited again and again: among others, these include social tensions within her own borders; a stumbling economy; the threat of rebellion in her satellite states; the menace of China to the east; and the nuclear arsenals of the United States and her allies to the west.

All of these constraints are real. Together, they account for the bizarre and almost invisible form in which their war of conquest is being conducted.

Overt aggression by Soviet military forces is kept to an absolute minimum. But covert aggresssion and aggression by proxy are going on almost everywhere, in combination with an all-out Soviet drive to achieve clear superiority in the development and deployment of weapons of mass destruction.

In addressing this subject, I cannot speak, and therefore shall not endeavor to speak, as an authority on global conflict, or international security affairs, or the strategic rivalry between the superpowers. I can, however, and shall, speak from my personal experience as a United States citizen, a Latin American, and government official whose island in the Caribbean Sea is one of the coveted prizes.

In passing, I should add here that I am well aware that other such coveted areas include this nation's overseas departments in the Caribbean, namely Guadeloupe and Martinique.

My purpose today, then, will be to review briefly the historical roots of the present hostilities; to examine how and why the Caribbean basin is rapidly becoming a major battleground in the Soviet's imperialist adventures; and to urge your support for measures which can help to prevent Russia and Cuba from achieving their goals in a region of vital importance to the democracies of the free world, and of even more importance to those of us that live there.

At the risk of being accused of exaggeration, I have spoken of a war of conquest in the firm conviction that the term is entirely appropriate: the conflict affects peoples and institutions throughout the planet, and constitutes a systematic attempt to reorder by force, by treachery, and by coercion, the worldwide fabric of social, political, and economic inter-relationships.

Unlike the two world wars, this imperialistic creeping war has been planned and executed during a nuclear age; accordingly, at all times, the avoidance of any action which could provoke the use of thermonuclear weapons has been a paramount consideration.

This consideration, in turn, explains in large part the subtlety with which the war of conquest has been conducted. So subtle has it been, in fact, that it is not even widely perceived that there is a war at all. Nevertheless, as the nuclear capability of the Soviet Union has moved closer to parity with, and indeed approached superiority to, that of the United States, the boldness with which the Soviet Union engages in various forms of aggression has increased commensurately.

Some sixty years ago, Vladimir Ilich Lenin and other party rulers in Soviet Russia were deeply disappointed that the hardships suffered by capitalist nations during World War One did not produce, as Marxist doctrine predicted they would, a series of proletarian revolutions. In his book entitled Imperialism, Lenin attributed this phenomenon to colonialism: he theorized that the capitalist states has been successful in keeping their exploited workers docile, because their access to natural resources and cheap labor, in remote colonial empires, had made it feasible for these capitalist regimes to underwrite domestic tranquility through the payment of artificially high wages. Lenin therefore concluded that the worldwide triumph of Communism could not occur until capitalist societies were cut off from their overseas sources of raw materials, as well as from their overseas markets for domestically produced merchandise. Only then could the inherent weakness of capitalism be depended upon to bring about its inevitable downfall.

The vehicle by which this goal should be achieved, wrote Lenin, was "wars of national liberation."

Lenin's doctrine has remained in force to this day. Although the Soviet Union, whenever possible, "buys time" through superficial gestures of good will toward the West, it remains relentless in its pursuit of Lenin's basic strategy: even during the height of "detente" in the mid-1970's, Leonid Brezhnev made no secret of the Soviet Union's commitment to aid so-called "oppressed peoples" in waging "wars of national liberation." And do not be misled: "wars of national liberation" are not wars against dictatorships, but wars against the free enterprise system, wherever it exists. This is why even in such a truly democratic place like Puerto Rico, you find a Communist-sponsored group which calls itself the Armed Forces of National Liberation.

The virtual disappearance of colonies since World War Two has greatly facilitated Communist intervention in Asia and Africa; indeed, in numerous instances it was Communist intervention that hastened the decolonization process. And more recently, the United States' reticence in the wake of Vietnam has encouraged the Soviet Union to undertake a bold new series of initiatives in the Americas as well, not to mention the rare incursion by its own forces into the traditionally neutral nation of Afghanistan.

Through acts of subversion, the Soviets endeavor to disrupt foreign markets and supplies of raw materials. Exploiting the resulting economic chaos, they then endeavor to provoke revolution and the establishment of puppet governments.

"National liberation" invariably results in national subjugation. The Communists never replace a capitalist dictatorship with a freely elected democratic regime. Nor has any Communist government, once firmly in place, ever been permitted to yield peacefully to a non-Communist regime through an expression of popular will.

The Soviet Union is truly engaged in a worldwide campaign of conquest. Yet because, on virtually every front, the war is fought in disguise, the democratic peoples of the world have been hesitant to intervene, faithful to our idealistic and fundamentally noble commitment to self-determination and to respect for the territorial integrity of other nations.

Meanwhile, of course, the Soviet Union encourages such hesitancy at every opportunity, through incessant propaganda to the effect that it is we, France, Great Britain, the United States, the former colonial powers, who are the "imperialists" of the world—when in reality it is they themselves, the Soviets, who are actually the foremost practitioners of imperialism in the modern era.

Thus far I have been speaking largely in generalities. But before I begin to deal with specifics, there is one more point I wish to re-emphasize. That is the fact that the Soviet's war of conquest is being waged not only with fierce persistence but also with a truly impressive combination of patience and caution: Moscow realizes that to conquer the world without provoking a nuclear war will require a great deal of time.

The Communists are in no hurry. They have dozens of fronts on which to operate, spread across several continents and a broad expanse of islands. When they meet serious, sustained resistance in one target area, they do not hesitate to redeploy their resources to a more fertile target elsewhere, until such time as conditions in the initial target area once more become favorable.

By the same token, Moscow frequently stages small-scale diversionary actions

within Europe, North America, and Japan—even though there is no real prospect of imminent victory in such places—because among other things such actions serve to distract the industrial nations' attention to some extent from the gravity of Soviet aggression in the Third World.

Each step, each hostile act, is carefully calculated, carefully evaluated. And so long as we in the free world continue to perceive this entire process as a kind of nuisance, rather than as a visceral threat to our survival, Moscow's imperialist expansion will fester on, gradually but inexorably eroding away first our prosperity and finally our liberty and our cherished freedom.

Because of its size, its wealth of resources, and the fragility of its governmental institutions, Africa is and will remain a principal target of Soviet subversion. Because of its oil and its strategic location, the Middle East/Persian Gulf region is and will remain the foremost target of Soviet subversion. Korea, Southeast Asia, and the Western Pacific islands are other targets.

But we must not, in our justifiable preoccupation with the security of these regions, allow ourselves the luxury of over-looking Soviet aggression in the Americas. Our allies and friends in Europe have had a tendency to underestimate the dangers lurking in the New World. Perhaps they have felt that historical precedent and geographical proximity were such that the United States alone could handle Western Hemisphere problems without serious difficulty.

I disagree. What we confront is a well planned and carefully executed strategy to overthrow all governments in nations where Communism does not prevail. Only through truly united action can we contain it. Either in the Americas or anywhere else.

The free world must stand united in resisting Soviet aggression on the economic front. Moscow's efforts to foment chaos are multi-faceted and tightly coordinated. At the same time that in-country agitators may be attempting, through labor unrest for example, to close down mines or port facilities, other operatives, working out of elegantly furnished offices in London or New York City, may be investing sizable sums of money in buying and selling specific currencies and commodities on the world futures market, for the sole purpose of further disrupting the economy of the very same nation where the agitators are at work. Such practices may not be illegal in all cases, but they are no less hostile—and often far less costly—than the outfitting and training of guerrilla armies, or the purchase and shipment of tanks and rocket launchers. It is our duty to be on the lookout for such tactics, and to be ready to counter them quickly and effectively.

Equally important is international free-world cooperation to combat the most visible weapon in the Soviet Union's World War Three arsenal: I refer of course to terrorism.

Within the past couple of years, we have at last begun to recognize the pervasive severity of this problem, but we must commit far more of our talent and energy to the task of coping with it.

Several outlaw nations, most notably Libya, have lent themselves to the service of Soviet imperialism as the chief sponsors or terrorist activity of all kinds.

Terrorists are the shock troops of Moscow's war of conquest.

It is they who assassinate the most dedicated and articulate opponents of Communist subversion.

It is they who intimidate less courageous community leaders in all walks of life, and thereby pave the way for infiltration by revolutionary elements.

It is they whose assaults upon established institutions project an international image of internal instability, and thereby accelerate the process of economic dislocation, through the alienation of outside investors, tourists, and traders.

It is the terrorists whose tactics undermine a people's confidence in the ability of their duly constituted government to maintain security and domestic tranquility.

Terrorism lays the foundation for so-called "wars of national liberation."

Before I move on to discuss the nature of the threat posed by Communist aggression in the Americas, allow me to digress for just a moment to illustrate the versatility of the terror weapon, by briefly describing how it has been employed in Puerto Rico.

Due both to its strategic location at the entrance to the Caribbean Sea, and to the fact that its ties to the United States have helped it achieve the Western Hemisphere's highest standard of living south of the continental United States of America, Puerto Rico is both a prime target for Communist domination and also an acute embarrassment to Marxists everywhere: the contrast between Puerto Rico's comparative prosperity and the economic fiasco in Cuba is painfully evident.

However, because the Puerto Rican people are overwhelmingly and intensely anti-Communist, the Island has never been a promising target for internal subversion. Ninety-four percent of our voters oppose independence—indeed, half of our voters, myself included, favor U.S. statehood for Puerto Rico. And even among the six percent who do favor independence, only a tiny fraction—some 10 thousand voters out of a total of 1.6 million—cast ballots for the only Marxist political party.

For this reason, Puerto Rico-related terrorism is conducted with one and only one purpose: to try to alienate the government and people of the United States; that is, to try to make other American citizens hate Puerto Rico and Puerto Ricans, and to try to make them think that Puerto Ricans hate them.

The Communists hope to create conditions under which the United States will act unilaterally to *impose* independence on Puerto Rico.

This explains why terrorism in support of "national liberation" for Puerto Rico is today directed almost exclusively against federal personnel, federal property, and U.S. mainland institutions, and in recent years never against Puerto Ricans of any political persuasion or social status.

In conjunction with this strategy, of course, the Communists lobby continuously among Third World nations and Western intellectuals, to promote the proposition that Puerto Rico is a colonial victim of Yankee imperialism and must therefore be granted its independence without delay, regardless of the will of the Puerto Rican people themselves. Needless to say, the Communists know perfectly well that Puerto Ricans do not want independence, which is why they never endorse our standing invitation to the United Nations, to send representatives to the island to observe, without any constraints whatsoever, the conduct of our election campaigns and balloting process.

Now let us examine what is at stake in the Caribbean basin, and why the Soviet Union has dramatically escalated its involvement there.

Two decades ago, the richest prizes in Latin America appeared to be located in South America: the largest and potentially wealthiest nation—Brazil—and the relatively industrialized and sophisticated nations of the so-called "Southern Cone"—Argentina, Uruguay, and Chile.

The Communists labored mightily to gain control in these countries, and provoked massive social and economic disorder in the process. They destroyed democracy in Uruguay and Chile, and aborted its emergence in Brazil. In all three nations the consequence of conflict has been military rule: Communism was defeated, but at a tremendous cost in terms of the overall human condition and the levels of socio-economic progress which might otherwise have been attained. In Argentina, chronic political instability was exacerbated, and again the final outcome has been a military Government.

It is fashionable to blame right-wing militarists, in all of these lands, for the human rights atrocities which have occurred in this region during the past twenty years, but in every case covert Soviet intervention helped to set the process in motion or to make it worse.

To state this fact, however, is neither to ignore nor to condone past abuses which may have been perpetrated by Western governments or multi-national corporations in any of these nations. The free world is not without faults by any means.

Be that as it may, though, my purpose today is not to weigh the virtues of peoples and institutions, but rather to underscore certain aspects of a clear and present danger to an economic and political system which, as imperfect as it may be, has brought more liberty and more social justice to more human beings than any other system in history.

The Communists have to date met with failure in Brazil and in the Southern Cone of South America. That failure explains in part their shift of emphasis to the north.

A second reason behind this shift in emphasis has been the Soviet Union's consolidation of power in Cuba.

As policy analyst Samuel Francis noted in a Heritage Foundation study published in November 1979, it was not until the 1970's that the Soviet Union began lending its active endorsement to Cuban-sponsored insurgencies in Latin America. Prior to that time, Moscow preferred to use other channels because it had no means by which to exert effective control over Cuban-sponsored adventures.

About ten years ago, however, Raúl Castro, the brother of Fidel, purged all anti-Soviet personnel from Cuba's secret service, known as the Dirección General de Inteligencia, or D-G-I, and from that day forward, Cuba's role as a Soviet surrogate has steadily increased. Today, Cuban personnel are fighting the Soviet Union's battles in numerous trouble spots around the world, and within Cuba itself the Soviet Union has stationed a 3,000-man combat brigade, 133 fighter-bombers, and 80 transport aircraft capable of moving men and equipment anywhere in the Caribbean area in a matter of hours. Cuba today, twenty years after Fidel Castro's revolution, is at last a fully equipped base and staging area for Soviet aggression.

A third explanation for increased Soviet activity in the Caribbean basin involves natural resources. To be sure, Caribbean area mineral deposits, such as bauxite in Jamaica and oil in Venezuela, have been valuable assets to the industrialized nations for many years. But only in the past decade has the energy crisis coincided with the initial ex-

ploitation of truly massive oil deposits in Mexico, to place in an entirely new perspective the importance of Caribbean area raw materials.

Then too, United States foreign policy unfortunately and unwillingly played a part in encouraging the shift in Soviet emphasis:

First there was detente, as the opening to China began to supersede Cold War vigilance as a method for deterring aggression to Moscow.

Then, there were the Panama Canal treaties, setting the stage for an end to United States control over one of the world's most coveted military and commercial assets.

And lastly, there was the Carter Administration's well-intentioned human rights policy, under which Washington reduced or eliminated various forms of military and economic assistance to several regimes endangered by Communist-supported insurgencies.

All of these foreign policy decisions, inevitable and positive in many ways, nevertheless played a part in encouraging an acceleration of Soviet activity in the Caribbean area; activity which has steadily advanced to the point where today the region is finally beginning to be recognized as a true zone of crisis.

This recognition has come not a moment too soon, because the Communists are ignoring no potential Caribbean target, not even the Lesser Antilles, that chain of small islands which lie along a gentle crescent in the Eastern Caribbean, extending toward the southeast from Puerto Rico down to Venezuela.

The Lesser Antilles include Guadeloupe and Martinique, both of which have been afflicted with separatist agitation, principally in the form of terrorist incidents or threats, some of which have occurred right here in Paris. As I suggested earlier, a primary purpose of such acts is to create a diversion: to occupy Westerners, in this case the French, with concern over an internal problem, in the hope that they will devote correspondingly less attention to uniting with their allies in confronting more serious challenges elsewhere; and another purpose is to make French continentals feel that they are hated by their Caribbean fellow citizens and thus stimulate France to divest itself of its Caribbean departments.

Two years ago this month, in the Lesser Antilles, a coup on the island of Grenada installed a leftist government which promptly welcomed Cuban assistance in the construction of a major airfield. This airfield will provide the Communists with a potential base located a full one thousand miles—or 16-hundred kilometers—away from Cuba.

Later, in December 1979, after Marxist candidates suffered a crushing electoral defeat in nearby Saint Vincent, armed terrorists immediately seized control of a tiny island belonging to Saint Vincent but situated close to Grenada.

The Lesser Antilles are comprised for the most part of very small, very poor islands, most of which only in the last few years have become independent nations or dependencies scheduled for independence in the near future. They are acutely vulnerable to subversion, and numerous incidents have made it evident that attempts at such subversion are under way.

Moving to the west and south, the situation appears somewhat less menacing for the moment. As you know, rapidly expanding Cuban intervention in Jamaica was abruptly reversed following the landslide election victory last October of the Jamaica Labor Party led by Prime Minister Edward Seaga. But this turn of events has only heightened the risk of accelerated Cuban intervention on the neighboring island of Hispaniola, where conditions in Haiti are as desperate as ever, and where the Dominican Republic struggles to preserve a hard-won democracy amidst chronic economic difficulties.

Along the northern rim of South America, Venezuela is experiencing a reawakening of traditional social tensions, as its oil-rich government has been unable thus far to substantially increase the standard of living of vast segments of the population. In Colombia, meanwhile, terrorism continues to pose a serious problem, although the government announced last week that it had killed or captured the principal members of the nation's most destructive leftist organization, known as the April 19 Movement.

As vulnerable as much of the Caribbean may be, however, it is in Central America that the crisis is the most severe, and where the stakes are the highest.

Central America is comprised of five nations and the British colony of Belize, which itself is soon to become independent and thus to offer yet another potential target.

Immediately to the north of Central America lies Mexico, whose oil deposits may equal or exceed those of any nation on earth, with the possible exception of Saudi Arabia. Immediately to the south of Central America lies Panama and its canal, from which the United States is committed by treaty to withdraw entirely by the year 2000.

Through that canal flows merchandise bound to and from ports in the United States, Europe and Japan, as well as Canada, Taiwan, Korea and South America. Through that canal moves petroleum from Alaska, Nigeria, Indonesia, and the Middle East, plus copper from Peru and Chile, tungsten and tin from Bolivia, and countless other raw materials, many of them of strategic significance.

The geopolitical stakes which the Soviets see are involved in the struggle for control of the Caribbean and Central America are: nothing less than Mexican petroleum and the Panama Canal.

The sense of urgency with which the new Reagan Administration in Washington has acted to address Central American issues should not be facetiously dismissed as overreaction. Under no circumstances should it be interpreted as just an amusing sympton of conservative nostalgia for the era of United States "gunboat diplomacy" in the region. On the contrary, the Reagan Administration's assessment of the situation, is, in more ways than one, a realistic recognition of a mounting threat to the economic political and military security of the free world.

In July 1979, after many years of systematic assistance from Cuba, a leftist regime took power in Nicaragua. Almost at once there occured a sharp escalation in guerrilla warfare and terrorist incidents in El Salvador, and the United States has since publicly accused Cuba of supplying the leftist forces in El Salvador by way of Nicaragua.

The Communist offensive in El Salvador is designed not only to exploit widespread opposition to the formerly entrenced oligarchy, but also destroy any possibility that a middle of the road junta might achive an acceptable democratic solution to the crisis there.

Moreover, similar tactics are being employed in Guatemala, which, like El Salvador, has a long tradition of autocratic, conservative, military-dominated governments. In Guatemala too, Cuba makes no real pretense of neutrality, as evidenced by the fact that Radio Havana, broadcasting in native Indian dialects, beams powerful propaganda programs into Guatemala in an effort to rally the impoverished Indian masses in revolt against the authorities in Guatemala City.

On other fronts, the rising level of conflict throughout Central America now threatens the scheduled establishment later this year of a democratically elected government in military-ruled Honduras; while Mexico, Panama, and Costa Rica have been pursuing policies which at best can be descibed as passsive.

Costa Rica is a relatively prosperous nation with a strong democratic tradition. Having no army at all, Costa Rica has been unable to take effective action to prevent the use of its territory as a training area for guerrilla armies, nor to prevent its soil from being utilized in the transshipment of weapons to neighboring lands. On the other hand, Panama's response to the Communist threat must be evaluated in light of such episodes as that in which two planes from its own air force were shot down not long age in El Salvador, while both aircraft were reportedly en route to deliver weapons to insurgent forces.

My friends, I do not exaggerate when I assert that Central America and the entire Caribbean basin are being threatened.

Western Europe and Japan, as well as the United States, Canada, France and other free societies, have a tremendous amount at stake here. We must not hesitate and we must not equivocate.

Social conditions in some of the most gravely imperiled Central American nations are such that it may not be immediately possible to foster the establishment of broadly popular democratic governments. But we must not use that as an excuse to stand idly by while these nations fall under the yoke of Communism.

We in Puerto Rico are acutely aware of the turbulent environment around us, and I welcome this opportunity to share our concern with this distinguished audience.

As American citizens who have demonstrated in war and peace our commitment to democracy, individual liberty, and a private enterprise economy, we Puerto Ricans have prepared a blueprint for action; a plan through which we ourselves might help to reinforce the free world's posture throughout the Caribbean region.

In association with the U.S Department of State and other federal agencies, Puerto Rico has hosted international conferences on such urgent topics of mutual interest as energy policy. Puerto Ricans have held key positions in United States delegations to Caribbean area meetings, sponsored by the United Nations and other organizations. I myself have held meetings with leaders of several Caribbean nations.

It is our firm belief that Puerto Rico can play an increasingly significant role in serving the cause of freedom in this area of the world.

Our situation is unique:

We are United States citizens, but we are an Hispanic and Afro-Caribbean people deeply proud of our local heritage.

Ours is an industrialized society, possessing contemporary technology and a comparatively high standard of living and of education; yet our traditions and life-style and bloodlines are very similar to those of

our less economically advanced Caribbean neighbors.

We can relate to Caribbean peoples. We can remember how it was, as recently as forty years ago, when our island was not only as poor as those around us, but poorer.

Puerto Rico remains poor today, by comparison with the United States as a whole. Our per capita income is only about half that of Mississippi, the poorest state in the nation. Thus we suffer no delusions of grandeur; no arrogance; no condescension toward peoples less wealthy than we. Yet, we do possess skills, resources and ideas which can be of great benefit to our neighbors.

It is these points which I have discussed in Washington and with other Caribbean leaders, and the responses I have received have been very encouraging.

In addition to being ready to intervene militarily, if necessary, to prevent the spread of Communist imperialist aggesssion in the Caribbean and Central America, the United States must be equally ready to minister to the economic, social, and educational needs of the peoples of the region. And this is where Puerto Rico can do its part.

Moreover, in assisting our neighbors we would not risk undermining our own economy through the fostering of greater outside competition. Because Puerto Rico's population density is one of the highest in the world—close to 1,000 persons per square mile—we shall never be a net exporter of food. And because our manufacturing sector has long since moved beyond the low-wage, labor-intensive stage which requires a minimum of training, we do not and shall not compete with developing economies, especially since we are within the United States customs zone and hence not subject to tariffs on the manufactured goods which we export to the U.S. mainland.

Thus it is that I propose Puerto Rico as the site for an ambitious project which I envision as a Caribbean Center for Scientific, Technological, and Cultural Interchange and as a Center for trade and commercial exchange in the Caribbean basin.

Because more efficient agricultural production is so basic to the economic development process, I have recommended that the Caribbean Center be part of the University of Puerto Rico's agricultural and engineering complex in the city of Mayaguez.

Ecologically, Puerto Rico is ideally suited to accommodate programs involving all types of tropical agriculture. Rainfall amounts vary widely around the island, ranging from 20 inches to 200 inches per year. Moreover, the island possesses nine of the ten different soil orders recognized in soil taxonomy. And almost all of the major tropical crops are grown in Puerto Rico, under both traditional and also the most modern techniques. In addition, Puerto Rico can serve as a laboratory for the study of land reform and land tenure programs, because we have experimented extensively with both in recent years; and as you no doubt realize, programs of this kind are a political and economic concern of the highest priority throughout Latin America.

Among other courses of study we can offer in Mayaguez, with instruction available in either Spanish or English, are water resource management, food storage and preservation, energy allocation and conservation techniques, industrial management, the formation and expansion of cooperative ventures, rural sociology, community development, marine sciences, and aquaculture.

A major goal of the Caribbean Center would be institution building. Faculty and staff personnel would receive training in preparation for placement at selected cooperating institutions throughout the Caribbean area. Eventually, mutually beneficial interchange could be fostered between islands and nations all over the basin.

Caribbean and Central American peoples will feel comfortable in Puerto Rico, where the climate and food and lifestyle are familiar. Our island can serve as an ideal setting for the sharing of knowledge and the breeding of trust and friendship between the industrialized world and the developing world.

A Caribbean Center for Scientific, Technological, and Cultural Interchange wll not stop Soviet Imperialism, but it will constitute one important step in the right direction.

Puerto Rico is a relatively small island, populated by only three million people. We recognize that we can play only a limited role in the struggle to preserve the way of life which you and I hold dear. But to the extent that our resources permit, and assuming that we receive the backing of the United States government and its allies, we stand ready to do our full share.

During the past 40 years, Puerto Rico's socioeconomic development has been dramatic by any standard. Concomitant to that development has been the rise of a very sophisticated infrastructure including the largest airport and port facilities in the Caribbean area, coupled with a diversified high technology manufacturing base, excellent educational system and communications network.

We have commenced construction of an international free trade zone and distribution center in order to assume a more significant and visible role in the area. By virtue of our geographic location, equidistant to North and South America, we should become the conduit through which 225 million English speaking people can exchange goods and services with over 200 million Spanish speaking people.

We cannot be, and are not, fearful of sharing our knowledge and assisting our fellow Caribbean Islands to acclerate their socioeconomic development. We all have much more to gain than to lose. Many economies of scale and market opportunities exist in utilizing Puerto Rico's physical facilities to redistribute onward to other areas, goods and services that would perhaps otherwise today be uneconomical from the point of view of volume and the usual business risks.

European developed nations can and must also play a more important role. By establishing manufacturing and distribution facilities in Puerto Rico, access to both the U.S. market and Latin American markets is obtained.

Joint projects of a manufacturing and commercial nature must be analyzed in order to link socioeconomically areas that heretofore have had virtually no contact with each other.

The alternative is unacceptable; a fragmented Caribbean and Central America is precisely the best vbehicle for Communist expansion. We cannot, by inaction, do such a disservice to the preservation of our Democratic way of life. We must utilize our resources, our technology and our political leadership to upgrade and enhance the quality of life of the Caribbean basin and Central America. The geopolitical ramifications are obvious, lest we allow Cuba to continue to exercise its disruptive role unabated.

It is the responsibility of developed nations to apply inventiveness, and economic and human resources, to assist further developing and lesser developed areas in order to gain a market, *not* to exploit it. To improve it, *not* to take away raw materials and natural resources. We stand ready to share in that responsibility, both as part of the United States and as Spanish members of the Caribbean community.

This then, is the message I bring you today. Do not underestimate the dangers present in the Caribbean and Central America and do not be misled by propaganda about Puerto Rico. The dangers in the Caribbean are real, and the people of Puerto Rico are prepared to join with you in meeting the challenges they pose. We are proud to be free human beings and we want to remain free. We are proud to be Puerto Ricans. We are proud to be American citizens.

We are determined to preserve our freedom and our liberties and to press ahead with the task of leaving to our children, and to our grandchildren, a better Puerto Rico, a better America, a better world, than that which we inherited from our parents and grandparents.

Thank you very much.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. HARTNETT) to revise and extend their remarks and include extraneous material:

Mr. HUNTER, for 5 minutes, today.
Mr. FORSYTHE, for 10 minutes, today.
Mr. PORTER, for 15 minutes, today.
Mr. LUNGREN, for 15 minutes, today.
Mr. GOLDWATER, for 5 minutes, today.

The following Members (at the request of Mr. BAILEY of Pennsylvania) to revise and extend their remarks and include extraneous material:

Mr. AUCOIN, for 5 minutes, today.
Mr. WILLIAM J. COYNE, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. SOLARZ, for 15 minutes, today.
Mr. ZABLOCKI, for 5 minutes, today.
Mr. WEISS, for 5 minutes, today.
Mr. ENGLISH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. CORRADA, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $2,160.

(The following Members (at the request of Mr. HARTNETT) and to include extraneous matter:)

Mr. HILER.
Mr. CARMAN.
Mr. GREEN.
Mr. MARRIOTT in two instances.
Mr. JEFFORDS.

Mr. PORTER.
Mr. MICHEL.
Mr. BEREUTER.
Mr. MADIGAN in two instances.
Mr. ASHBROOK.
Mr. PETRI.
Mr. GOLDWATER in two instances.
Mr. LEBOUTILLIER.
Mr. VANDER JAGT.
Mr. GOODLING.
Mr. WOLF.
Mr. PHILIP M. CRANE in two instances.
Mr. DOUGHERTY.
Mr. KEMP in two instances.
Mr. GILMAN.
Mr. FIELDS.

(The following Members (at the request of Mr. BAILEY of Pennsylvania) and to include extraneous matter:)

Mr. LEVITAS.
Mr. PEPPER.
Mr. ECKART in two instances.
Mr. BEDELL.
Mr. CORRADA.
Mr. RANGEL.
Mr. FAUNTROY in two instances.
Mr. AUCOIN.
Mr. OBERSTAR.
Mr. PHILLIP BURTON.
Mr. LEHMAN.
Mr. HAWKINS in two instances.
Mr. SOLARZ.
Mr. BAILEY of Pennsylvania in two instances.
Mr. SIMON in three instances.
Mr. WEISS.
Mr. ANDERSON.
Mr. SANTINI.
Mr. ZABLOCKI.
Mr. SEIBERLING.
Mr. GARCIA in three instances.

ADJOURNMENT

Mr. BAILEY of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (11 o'clock and 36 minutes a.m.) pursuant to the provisions of Senate Concurrent Resolution 17, 97th Congress, the House adjourned until Monday, April 27, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1080. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the U.S. Army Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1081. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Army National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1082. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment to Turkey (Transmittal No. 81-30), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

1083. A letter from the Director, Selective Service System, transmitting a report on the comprehensive manpower mobilization plan, pursuant to section 303(a)(1)(2)(3) of Public Law 96-342; to the Committee on Armed Services.

1084. A letter from the Assistant Secretary for Congressional Relations, transmitting the texts of agreements between the American Institute in Taiwan and the Coordination Council for North American Affairs, pursuant to section 12(a) of Public Law 96-8; to the Committee on Foreign Affairs.

1085. A letter from the Acting Assistant Secretary of State for International Organization Affairs, transmitting a United Nations Joint Inspection Unit report, and a program budget for job classification, together with seven other JIU reports, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1086. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment to Turkey (Transmittal No. 81-30), pursuant to section 36(b) of the Arms Export Control Act, together with certification that the sale is consistent with the principles contained in section 620C(b) of the Foreign Assistance Act. pursuant to section 620C(d) of the act; to the Committee on Foreign Affairs.

1087. A letter from the Executive Secretary, National Mediation Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1088. A letter from the Chairman, National Credit Union Administration Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1089. A letter from the Acting Deputy Assistant Secretary of Interior for Indian Affairs, transmitting a proposed plan for the use and distribution of the Yankton Sioux judgment funds in Dockets 332-C-2, and 332-D before the U.S. Court of Claims, pursuant to section 2(a) of Public Law 93-134; to the Committee on Interior and Insular Affairs.

1090. A letter from the Attorney General of the United States, transmitting the annual report of the Department of Justice, pursuant to 28 U.S.C., 552; to the Committee on the Judiciary.

1091. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 5519 of title 5, United States Code, relating to crediting amounts received for certain Reserve or National Guard service; to the Committee on Post Office and Civil Service.

1092. A letter from the Acting Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the construction of a public building (United States Border Station) in Otay Mesa, Calif.; to the Committee on Public Works and Transportation.

1093. A letter from the President, Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc., transmitting the 52d annual report of the Gorgas Memorial Laboratory and the audit report of the Institute for fiscal year 1980, pursuant to section 3 of the act of May 7, 1928, as amended; jointly, to the Committees on Foreign Affairs and Energy and Commerce.

1094. A letter from the Acting Comptroller General of the United States, transmitting a report on the Equal Employment Opportunity Commission's enforcement of title VII of the Civil Rights Act of 1964; jointly, to the Committees on Government Operations and Education and Labor.

1095. A letter from the Secretary of Transportation, transmitting an annual report on administration of the Offshore Oil Pollution Compensation Fund, for fiscal year 1980, pursuant to section 314 of title III of the Outer Continental Shelf Lands Act Amendments of 1978; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROSTENKOWSKI: Committee on Ways and Means H.R. 2540. a bill to authorize appropriations for the United States International Trade Commission, the United States Customs Service, and the Office of the United States Trade Representative for fiscal year 1982, and for other purposes; with an amendment (Rept. No. 97-21). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. UDALL. Committee on Interior and Insular Affairs. H.R. 2330. a bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; with an amendment; referred to the Committee on Energy and Commerce for a period ending not later than June 5, 1981, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(h), rule X (Report No. 97-22 pt. I). And ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON (for himself, Mr. SHUSTER, Mr. HOWARD, and Mr. CLAUSEN):

H.R. 3210. A bill to amend the Surface Transportation Assistance Act of 1978, to establish obligation limitations for fiscal year 1982, and for related purposes; to the Committee on Public Works and Transportation.

By Mr. BRINKLEY:

H.R. 3211. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. PHILLIP BURTON (for himself and Mr. JOHN L. BURTON):

H.R. 3212. A bill to amend the Service Contract Act of 1965; to the Committee on Education and Labor.

By Mr. ENGLISH:

H.R. 3213. A bill to amend the Budget and Accounting Act, 1921, to require the President's budget to contain information on debts owed the Government, and for other purposes; to the Committee on Government Operations.

By Mr. EVANS of Iowa:

H.R. 3214. A bill to limit the size of loans made by the Commodity Credit Corporation; to the Committee on Agriculture.

By Mr. FAZIO:

H.R. 3215. A bill to amend the Internal Revenue Code of 1954 to permit the 10-year averaging of lump-sum distributions from deferred compensation plans of State and local governments; to the Committee on Ways and Means.

By Mr. GRAMM (for himself, Mr. BROYHILL, Mr. MADIGAN, Mr. BROWN of Ohio, Mr. DANNEMEYER, Mr. RITTER, Mr. WHITTAKER, Mr. BLILEY, Mr. BENEDICT, and Mr. SHELBY):

H.R. 3216. A bill to extend the Consumer Product Safety Act and to revise the authority of the Consumer Product Safety Commission under that act, and for other purposes; to the Committee on Energy and Commerce.

By Mr. GREEN:

H.R. 3217. A bill to amend title 28, United States Code, to provide that judicial annuities under sections 375 and 376 of such title shall not terminate by reason of remarriage of an annuitant after attaining 60 years of age, and to provide cost-of-living adjustments for such annuities; to the Committee on the Judiciary.

By Mr. GUARINI:

H.R. 3218. A bill to reestablish the Reconstruction Finance Corporation; to authorize such Corporation, in addition to its traditional lending functions, to provide financial assistance in the form of special rules for determining Federal income tax liability; and to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for certain amounts of employer and employee social security taxes paid in 1981 and an equivalent refundable credit for individuals who do not benefit from the tax credit for social security taxes paid; jointly, to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

By Mr. HAWKINS (for himself, Mr. PERKINS, and Mr. JEFFORDS):

H.R. 3219. A bill to extend the authorization for youth employment and demonstration programs, and for other purposes; to the Committee on Education and Labor.

By Mr. HYDE (for himself, Mr. ANNUNZIO, Mr. PHILIP M. CRANE, Mr. DERWINSKI, Mr. ERLENBORN, Mr. FINDLEY, Mr. MCCLORY, Mr. MADIGAN, Mr. O'BRIEN, Mr. PORTER, and Mr. RAILSBACK):

H.R. 3220. A bill to provide for the conveyance of certain real property to the State of Illinois for National Guard purposes; to the Committee on Armed Services.

By Mr. LANTOS:

H.R. 3221. A bill to amend the Internal Revenue Code of 1954 to provide a credit or deduction for amounts contributed to a home ownership opportunity account; to the Committee on Ways and Means.

By Mr. MADIGAN (for himself and Mr. BROYHILL):

H.R. 3222. A bill to consolidate Federal assistance to States for health promotion and disease prevention, to provide greater flexibility to States in administering health promotion and disease prevention programs, and for other purposes; to the Committee on Energy and Commerce.

H.R. 3223. A bill to eliminate free medical care for merchant seamen, to permit closure of Public Health Service hospitals, and for other purposes; jointly, to the Committees on Energy and Commerce and Merchant Marine and Fisheries.

H.R. 3224. A bill to consolidate Federal assistance to States for health services, to provide greater flexibility to States in administering health services programs, and for other purposes; jointly, to the Committees on Energy and Commerce, Education and Labor, and Ways and Means.

By Mr. MAZZOLI (for himself, Mr. DOUGHERTY, Mr. HYDE, Mr. YOUNG of Missouri, Mr. VOLKMER, Mr. LUNGREN, Mr. EMERSON, Mr. SMITH of New Jersey, Mr. PAUL, Mrs. HOLT, Mr. FIELDS, Mr. BENEDICT, and Mr. PETRI):

H.R. 3225. A bill to provide that in respect to the right to life, human beings shall be deemed to exist from conception, to provide for the enforcement of the 14th amendment, and until such time as an amendment to the Constitution of the United States protecting the right to life is adopted, to provide for the protection of unborn persons under the law; to the Committee on the Judiciary.

By Mr. MOLLOHAN:

H.R. 3226. A bill to amend subparagraph (I) of section 103(b)(6) of the Internal Revenue Code of 1954 and for other purposes; to the Committee on Ways and Means.

By Mr. MURPHY:

H.R. 3227. A bill to amend section 144 of title 23, United States Code, to increase the Federal share payable for highway bridge replacement and rehabilitation projects from 80 percent to 90 percent; to the Committee on Public Works and Transportation.

By Mr. NEAL:

H.R. 3228. A bill to amend the Export-Import Bank Act of 1945 to offset foreign export credit subsidies through the establishment of the Competitive Export Subsidy Fund; to the Committee on Banking, Finance and Urban Affairs.

By Mr. NEAL (by request):

H.R. 3229. A bill to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal years 1982 and 1983; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PATTERSON:

H.R. 3230. A bill to give the Federal Reserve Board authority to impose reserves on money market mutual funds; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

By Mr. SIMON (for himself, Mr. COLEMAN, Mr. PERKINS, Mr. FORD of Michigan, Mr. WEISS, Mr. PEYSER, Mr. ERDAHL, Mr. DENARDIS, Mr. PANETTA, and Mr. OBERSTAR):

H.R. 3231. A bill to further the national security of the United States and the Nation's economy by providing grants for foreign language programs to improve foreign language study for elementary and secondary school students and to provide for per capita grants to reimburse institutions of higher education for part of the costs of providing foreign language instruction; to the Committee on Education and Labor.

By Mr. SIMON (for himself, Mr. FORD of Michigan, Mr. YATES, and Mr. RICHMOND):

H.R. 3232. A bill to incorporate the American Council of Learned Societies; to the Committee on the Judiciary.

By Mrs. SNOWE:

H.R. 3233. A bill to amend chapter 44 of title 18 of the United States Code (relating to firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

By Mr. STARK:

H.R. 3234. A bill to amend the Home Owners' Loan Act of 1933 to provide that State law shall apply to the enforcement of due-on-sale clauses by Federal savings and loan associations; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STRATTON (for himself and Mrs. HOLT):

H.R. 3235. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1982, and for other purposes; to the Committee on Armed Services.

By Mr. UDALL (for himself and Mr. LUJAN):

H.R. 3236. A bill to provide for an expedited and coordinated process for decisions on proposed nonnuclear energy facilities, and for other purposes; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. WIRTH:

H.R. 3237. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to direct the Secretary of Transportation to require certain car manufacturers to install passive occupant restraint systems in certain new passenger cars; to the Committee on Energy and Commerce.

By Mr. WIRTH (for himself and Mr. WAXMAN):

H.R. 3238. A bill to amend the Communications Act of 1934, to extend certain authorizations of appropriations contained in such act relating to public broadcasting, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WIRTH (for himself, Mr. COLLINS of Texas, Mr. MOTTL, Mr. SCHEUER, Mr. MARKEY, Mr. TAUZIN, and Mr. RINALDO):

H.R. 3239. A bill to amend the Communications Act of 1934 to authorize appropriations for the administration of such act, and for other purposes; to the Committee on Energy and Commerce.

H.R. 3240. A bill to authorize appropriations for fiscal year 1982 for the administration of the National Telecommunications and Information Administration; to the Committee on Energy and Commerce.

By Mr. CLINGER (for himself, Mr. BUTLER, Mr. COLEMAN, Mr. DOUGHERTY, Mr. ERTEL, Mr. JEFFRIES, Mr. MCDADE, Mr. MILLER of Ohio, Mr. NELLIGAN, Mr. SOLOMON, Mr. WALGREN, and Mr. YATRON):

H.J. Res. 233. Joint resolution proposing an amendment to the Constitution to provide that the apportionment of Representatives in Congress shall be determined by

counting citizens and aliens legally admitted for permanent residence in the United States; to the Committee on the Judiciary.

By Mr. PEPPER (for himself, Mr. RINALDO, and Mrs. FENWICK):

H.J. Res. 234. Joint resolution designating May 6, 1981, as "National Nursing Home Residents Day"; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

37. By the SPEAKER: Memorial of the Senate of the State of Michigan, relative to Martin Luther King's Birthday; to the Committee on Post Office and Civil Service.

38. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to President Reagan; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 3241. A bill for the relief of Francis K.K. Yeung; to the Committee on the Judiciary.

By Mr. HAWKINS:

H.R. 3242. A bill for the relief of Diagne Mamadou; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R 7: Mr. DAUB.

H.R 58: Mr. CLAUSEN, Mr. GEPHARDT, Mr. LUKEN, Mr. NELLIGAN, and Mr. RINALDO.

H.R 269: Mr. GINGRICH and Mr. GUNDERSON.

H.R 350: Mr. LENT and Mr. EMERSON.

H.R 523: Mr. BAILEY of Pennsylania.

H.R 560: Mr. ROYBAL.

H.R 747: Mr. DWYER, Mr. GRAY, Mr. KOGOVSEK, Mr. MARRIOTT, and Mrs. SNOWE.

H.R 913: Mr. CONTE.

H.R 1138: Mr. BAILEY of Pennsylvania.

H.R 1139: Mr. BAILEY of Pennsylvania.

H.R 1169: Mr. BAILEY of Pennsylvania.

H.R 1294: Mr. BEDELL.

H.R 1378: Mr. COLLINS of Texas and Mr. DAUB.

H.R 1400: Mr. DENARDIS.

H.R 1596: Mr. ERDAHL.

H.R. 1776: Mr. BAILEY of Pennsylvania, Mr. BENNETT, Mr. BETHUNE, Mr. COLLINS of Texas, Mr. CORCORAN, Mr. COUGHLIN, Mr. DANNEMEYER, Mr. DASCHLE, Mr. DAUB, Mr. DREIER, Mr. EVANS of Iowa, Mr. FINDLEY, Mr. FISH, Mr. GILMAN, Mr. GOLDWATER, Mr. HANCE, Mr. HILER, Mr. HOLLAND, Mr. HOPKINS, Mr. HUCKABY, Mr. HUTTO, Mr. HYDE, Mr. JOHNSTON, Mr. JONES of Oklahoma, Mr. LEWIS, Mr. LOWERY of California, Mr. MARLENEE, Mr. MARTIN of North Carolina, Ms. MIKULSKI, Mr. PATTERSON, Mr. PURSELL, Mr. RAHALL, Mr. RITTER, Mr. ROBERTS of South Dakota, Mr. RUDD, Mr. SMITH of Oregon, Mrs. SNOWE, Mr. WATKINS, Mr. WEBER of Minnesota, Mr. WHITLEY, Mr. WON PAT, Mr. FOWLER, Mr. LEATH of Texas, Mr. CHAPPELL, Mr. MATTOX, Mr. SHARP, Mr. RATCHFORD, Mr. O'BRIEN, Mr. EVANS of Delaware, Mr. BURGENER, and Mr. ANDREWS.

H.R. 1799: Mr. KOGOVSEK, Mr. FRENZEL, Mr. LAGOMARSINO, Mr. HOWARD, Mr. GLICKMAN, Mr. SHANNON, Mr. MURPHY, Mr. FRANK, Mr. EDGAR, Mr. BARNARD, Mr. WON PAT, Mr. LONG of Louisiana, Mr. CROCKETT, Mr. CLINGER, Mr. BONIOR of Michigan, Mr. SIMON, Mr. MCHUGH, Mr. PRITCHARD, Mr. DICKS, Mr. HUGHES, Mr. COELHO, Mr. DORNAN of California, Mr. BARNES, Mr. BENJAMIN, Mr. FITHIAN, Mr. OTTINGER, Mr. GIBBONS, Mr. NEAL, Mr. PEPPER, and Mr. SHAMANSKY.

H.R. 1968: Mr. NEAL, Mr. TRAXLER, Mr. BEVILL, Mr. MOTTL, Mr. DAVIS, Mr. EVANS of Delaware, Mr. RINALDO, and Mr. MITCHELL of Maryland.

H.R. 2038: Mr. DUNN.

H.R. 2039: Mr. DUNN.

H.R. 2207: Mr. SHANNON, Mr. DUNCAN, Mr. BEARD, Mr. GUYER, Mr. LAGOMARSINO, Mr. FORSYTHE, Mr. KRAMER, Mr. LAFALCE, Mr. BENJAMIN, Mr. SOLOMON, Mr. ROBERTS of South Dakota, Mr. MADIGAN, Mr. EDWARDS of Oklahoma, Mr. JEFFRIES, and Mr. MARLENEE.

H.R. 2490: Mr. BEILENSON, Mr. WHITEHURST, Mr. WILSON, Mr. FROST, Mr. OTTINGER, Mr. MURPHY, Mr. SCHEUER, Mr. VENTO, Mr. YATRON, and Mr. ERTEL.

H.R. 2506: Mr. BRODHEAD, Mr. BROWN of California, Mrs. CHISHOLM, Mr. CONYERS, Mr. CROCKETT, Mr. DANIELSON, Mr. DELLUMS, Mr. DIXON, Mr. DONNELLY, Mr. DOWNEY, Mr. EDWARDS of California, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FRANK, Mr. GARCIA, Mr. GRAY, Mr. HAWKINS, Mr. LELAND, Mr. MATSUI, Ms. MIKULSKI, Mr. SAVAGE, Mr. STOKES, Mr. WASHINGTON, Mr. WEISS, and Mr. WYDEN.

H.R. 2539: Mr. MCCLOSKEY.

H.R. 2543: Mr. MARRIOTT, Mr. MILLER of Ohio, Mr. DASCHLE, Mr. SEIBERLING, Mr. GINGRICH, Mr. OTTINGER, and Mr. ROBERT W. DANIEL, JR.

H.R. 2775: Mr. ASHBROOK.

H.R. 2921: Mr. IRELAND and Mr. NEAL.

H.R. 2971: Mr. ST GERMAIN.

H.R. 3009: Mr. MATTOX, Mr. LANTOS, Mr. FOGLIETTA, Mr. MITCHELL of Maryland, Mr. NOWAK, and Mr. EDWARDS of California.

H.R. 3154: Mr. MADIGAN, Mr. DORNAN of California, and Mr. SMITH of New Jersey.

H.J. Res. 50: Mr. EVANS of Indiana.

H. Con. Res. 90: Mr. CARMAN.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

54. By the SPEAKER: Petition of Congregation, Worth Baptist Church, Fort Worth, Texas, relative to street violence; to the Committee on the Judiciary.

55. Also, petition of Commission, Southeastern Regional Planning and Economic Development District, Marion, Mass., relative to budget cuts; jointly, to the Committees on Public Works and Transportation, Banking, Finance and Urban Affairs, and Merchant Marine and Fisheries.

EXTENSIONS OF REMARKS

IMPACT OF BUDGET CUTS ON CLEVELAND

HON. DENNIS E. ECKART
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. ECKART. Mr. Speaker, yesterday I inserted into the RECORD an analysis of the administration's proposed budget cuts which had been compiled by Cleveland's Mayor George Voinovich. This analysis accurately detailed the effects of the proposed cuts on Cleveland and other northern Ohio cities.

An article appeared in yesterday's Wall Street Journal that buttresses the points made in the Voinovich analysis. It is quite obvious that the city of Cleveland is coming off as one of the big losers in the administration's economic program, and the figures are there for everyone to see.

Mr. Speaker, I insert the article in its entirety in the RECORD:

U.S. GRANT—FEDERAL MONEY FLOWS IN WIDE, DEEP STREAM ACROSS AMERICAN LIFE

(By Margaret Yao)

CLEVELAND.—In the bowels of this aging metropolis, the antiquated and overloaded sewer system occasionally overflows into lakes, streams and basements. But federal money—$400 million so far—is meeting 75% of the costs of new sewer lines and treatment plants to ease the problem.

In Case Western Reserve University's medical school, the department of surgery is studying the "therapeutic management of stroke" in baboons with a $124,000 grant from the National Institutes of Health.

And in a dilapidated east-side neighborhood, a moderate-income family is using an $18,000 federal loan to renovate its home replacing broken windows, the electrical system, roof, porches and bathroom fixtures. The loan needn't be repaid until the owner moves or dies.

Thus does Uncle Sam's pocketbook shape a community's way of life in myriad ways. Federal largess extends far beyond Social Security pensions, welfare payments, defense outlays and other big, well-known programs. Federal grants, loans, subsidies, pensions and private contracts total some 2,000 to 4,000 spending programs (depending on who's counting) and affect most citizens' lives—often without their realizing it.

HUGE TOTAL

The depth of that spending may be surprising, too. For example, in Cuyahoga County, Ohio, comprising mainly Cleveland and its suburbs, $3.83 billion of federal money accounted for an estimated 60% of all government spending in fiscal 1980. (The federal Community Services Administration provides figures on federal spending, but final state and local totals for fiscal 1980 aren't yet available.)

"Few people have any idea of the magnitude of federal activity and the extent of it in all sectors of society," says Edric A. Weld, an urban-studies professor at Cleveland State University.

Those who do are also aware of how dependent on federal money local institutions have become. Without those funds, "I doubt the city of Cleveland or the county of Cuyahoga could continue to offer anywhere near the basic services that citizens have come to expect," asserts Frederick E. J. Pizzedaz, executive director of Northeast Ohio Areawide Coordinating Agency, a planning and research group that also processes local applications for federal money.

EVERYBODY SCARED

As a result, the Reagan administration's proposed spending "cutbacks have scared the heck out of everybody," says Erwin J. Odeal, deputy director of the Northeast Ohio Sewer District, whose sewer grants from the Environmental Protection Agency are on the budget-cutters' "hit list." "Perhaps the country can't really afford some of its objectives," he adds.

The 1.5 million residents of Cuyahoga County, a center of smokestack industry along Lake Erie, have had plenty of economic headaches lately. Among them are Cleveland's slow recovery from near-bankruptcy and the auto industry's persistent problems. Moreover, a study for a regional group of Congressmen found that Ohio doesn't land many major defense contracts and gets back only 71 cents in federal money for each $1 in federal taxes—48th among the states in this regard. And Prof. Weld thinks that Cuyahoga County is probably worse off than the Ohio average.

In Cleveland alone, the proposed cuts will cost $86.8 million over the next three years, a city report says. Reductions in government-financed employment would hit hardest and fastest, but the city also might have to delay many capital-improvement projects.

JUST THE FIRST ROUND

This year's package of cuts, which sailed through the Senate but is getting much tougher scrutiny in the Democrat-controlled House, is just the President's first annual budget-cutting exercise. He promises to repeat the process three more times.

Although the county isn't completely representative of those around the country, it still is fairly typical of the ways in which federal money seeps into even remote corners of a community's life. A close look at how Uncle Sam spends money in the county gives perspective on the scope and the significance of federal outlays—often distributed on a per-capita basis—to many communities.

Welfare and social services

When federal spending is mentioned, welfare payments—in cash, food stamps and Medicaid—come quickly to mind. In 1980, those services went to about 175,000 people in Cuyahoga County and totaled $344.8 million, of which $191.7 million came from federal coffers. But numerous other services, from hotlines to hot lunches, are offered, too.

Children get school lunches, breakfasts and snacks (no potato chips), plus summer lunches and dinners. About $3.7 million in federal money, combined with $1.2 million in state funds, gives 2,400 children day care. Another $8 million in combined funds buys 700 spaces in children's homes for kids not living at home because of abuse, neglect or other problems. Federal money sends some children to summer camp.

The elderly get recreation centers that offer, besides hot meals, advice on Social Security and Medicare, craft classes, dance lessons and a chance to have a good time socially.

These programs are likely to suffer a 25% budget cut, John P. McGinty, director of the county welfare department, estimates. "They're asking us to make some hard choices—should we provide fewer hot lunches to senior citizens or cut care for a child that might be abused?" he says.

The Veterans Administration spends $91 million to operate two hospitals and other services for the county's 240,000 veterans. The Reagan administration wanted to close the county's two centers set up 16 months ago to offer job and psychological counseling to Vietnam veterans, but those centers won a reprieve on Capitol Hill.

Uncle Sam pays about 65% of the $2.8 million budget of the Legal Aid Society of Cleveland, which handles such cases as poor people's divorces and disputes with landlords and debt collectors. The society, which existed before it got federal money, says it expects to continue, in a limited form, if that aid ends.

Basic services

Federal money helps to rebuild sewer systems, operate old buses and trains and buy new ones. It even helps buy homes near airports and relocate families who hate jet noise.

Since 1974, the local sewer district has used $400 million of Environmental Protection Agency funds to build or expand treatment plants and to install sewer lines to take suburban waste directly to the plants instead of winding it through the overloaded system on the way. The district wants $500 million more to finish the job. Until the district can do so, the system will continue to overflow into people's basements when storm water swells the flow; the storm and waste lines are supposed to be separate but aren't in many areas.

Rapid-transit lines also are being renovated, with federal help, at a cost of $400 million. "We're about two-thirds of the way finished with the program. I think it would be absolutely disastrous and stupid to stop in the middle of it," Leonard Ronis, general manager, says. He is "absolutely convinced" that the federal subsidies, while likely to be slashed now, will flow again "after the economy is turned around." So he intends to keep drawing up renovation plans to be ready when the federal largess resumes.

To hold down transit fares and improve service, the federal government furnishes $16.5 million, about 15% of 1981 operating costs, to the Regional Transit Authority.

Cleveland Hopkins Airport, which is run by the city, has received since 1972 about $16 million in federal airport-development funds to pay for more than half the cost of repaving runways and of buying rescue trucks and navigation aids. About $6 million

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

has been used to buy about 50 homes and relocate families who live as close as 3,000 feet from runways. The Reagan administration wants to cut these funds 20% this fiscal year and 22% next year.

Research

The National Aeronautics and Space Administration operates the 2,800-employee Lewis Research Center her, which takes on space, aircraft and energy projects. For example, the center develops wind machines for the Energy Department, and among its more exotic functions are its solar-cell installations in remote places such as Upper Volta and Tunisia. About $120 million of the center's $500 million annual budget stays in the county, an official says.

The county's other major research center is at Case Western Reserve, whose medical school gets 83% of its current $44.6 million in grants from the National Institutes of Health, National Science Foundation and other federal sources. Of that amount, about $20 million pays for more than a quarter of the university's payroll. Overall, the university is carrying out about 900 research projects, including a $500,000 contract to study rust prevention for the Navy.

The university expects the general reduction of research funds to intensify competition for grants, although it concentrates on basic research that isn't likely to be cut deeply. However, the Carter administration's $75 million program to modernize universities' laboratories might be dropped.

Education

At Case Western, where student expenses are running $8,150 this year, 86% of the 3,000 undergraduates get some type of federal grant or subsidized loan. At Cuyahoga Community College, which charges about $156 a term, some 60% of the 25,000 students get federal help.

President Reagan proposes to eliminate or cut back many student-loan and grant programs, including loans to health-professions students. Case Western would be significantly affected. But the cuts in guaranteed loans, currently available regardless of need, probably will pinch the most students. Donald W. Chenelle, Case Western's director of financial aid, estimates that about half the students currently getting the loans won't qualify next year after the budget cuts.

Cleveland's ailing city schools get $45 million to $50 million of federal money, or 15% to 20% of the district's total spending. The money includes $6.8 million for costs relating to a court-ordered desegregation program. Under other programs, $1.5 million pays for vocational education for handicapped and disadvantaged children, $400,000 for bilingual education and $1.2 million for special adult classes.

Housing and Urban Development

The Department of Housing and Urban Development says it approved $113.3 million in grants, subsidies and insurance in fiscal 1980.

Low- and moderate-income families can qualify for funds for insulation, storm windows and other energy-saving measures, for housing-rehabilitation grants and for loans for general home improvements. Higher-income people can get loans, too, if their homes are in areas such as Ohio City, which has been going through renewal of sorts. The area, on Cleveland's near west side, has attracted artists and young professionals to its old frame houses, and the prospective homeowners have been getting 3% loans averaging $30,000. President Reagan proposes to halt home-rehabilitation loans.

HUD also pays 75% of the rent for poor families in private as well as public housing. This money benefits companies along with tenants.

Urban-development aid also helps theaters. So far, $3.1 million of federal money has rebuilt the lobby, electrical system and seating of the old State Theater in downtown Cleveland. But another $3.5 million to help pay for a new stage hasn't been forthcoming from the Economic Development Administration, which the Reagan people hope to extinguish. The county says it will come up with replacement funds.

Defense

Defense contracts in the county total $1.2 billion, but that figure (which covers contracts' total value rather than spending in a single year) probably understates the amount of subcontract work, according to the defense-contract office here. Also, the total doesn't include contracts let directly by the armed services.

Pensions

These payments, the largest part of federal spending, go to the elderly and disabled. In fiscal 1980, the outlays totaled $1.18 billion; Social Security accounted for 82%. About $66.1 million went to civil service retirement and disability payments, $36.8 million to the railroad retirement account, $21.6 million to black-lung compensation for coal miners and $75 million to veterans' benefits.

Employment

City, county and nonprofit groups employ about 950 workers through the Comprehensive Employment and Training Act program. CETA workers pick up trash, trim bushes and trees, repair streets, and work at the dog pound and in cemeteries. The public-service employment program is set to be phased out by Sept. 30.

Vocational-training funds from CETA and other programs provide high-school students with apprenticeships, laid-off auto workers (who get trade adjustment assistance) a chance to learn a new trade, and unskilled women training in nursing, clerical work and other fields, to name a few. The training is offered through local schools.

Other services

The national endowments for the arts and humanities give grants to the Cleveland Orchestra ($300,000), the art museum ($300,000) and such groups as the Great Lakes Shakespeare Festival and the Fairmount Theater of the Deaf. The local public-television station gets 17% of its budget from the Corporation for Public Broadcasting. The Reagan administration wants to trim all such financing.

The Small Business Administration made 55 direct loans for $3.4 million and guaranteed 103 more for about $14.5 million in fiscal 1980. The Senate voted to stop all direct SBA loans.

Federal installations

Cleveland also has some regional offices, such as the Federal Trade Commisison office (proposed for extinction), the Consumer Product Safety Commission office (a possible candidate for closing) and the Secret Service (which, besides protecting U.S. and foreign VIPs, chases down counterfeiters).●

MUSEUM OPENING IN NEW JERSEY

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. HOLLENBECK. Mr. Speaker, on April 11, a historic reconstruction of a turn-of-the-century print shop will be opening in Englewood, N.J. I would like to take this appropriate opportunity to recognize the achievements of the two remarkable young men, Jon Koons and Jim Brown, who created this exhibit. Jon, a drama student at Fordham University, and Jim, an audiovisual specialist working for the Tenafly public school system, researched, designed, constructed, and financed the museum in their spare time.

Through their research and consultation with professionals in the fields of restoration and museology, they have completed a totally accurate reconstruction centering around an 1890 Chandler & Price platen letterpress. The press, originally owned and operated by Jon's grandfather, is restored to its authentic working condition.

The entreprenuer spirit of the early 1900's has, indeed, been successfully preserved in the Koon's Print Shop through the work of these innovative young men. I offer them my commendation and my thanks for their efforts in the community interest.●

SOVIET UNION MOVES TO CONTROL WORLD'S CRITICAL MINERALS

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. SANTINI. Mr. Speaker, one of the most ominous aspects of the Nation's reliance on foreign sources of strategic minerals continues to be the movements of the Soviet Union toward control of the world's cobalt, manganese, chrome ore and platinum. With our eyes shut, we have, in effect, promoted this reliance on offshore mineral sources.

On September 18, 1980, Gen. Alexander Haig, now the Secretary of State, testified before my House Interior Subcommittee on Mines and Mining that:

Should future trends, especially in Southern Africa, result in alignment with Moscow of this critical resource area, then the USSR would control as much as 90 percent of several key minerals for which no substitutes have been developed and the loss of which could bring the severest consequences to the existing economic and severest consequences to the existing economic and security framework of the free world.

A newspaper editorial recently appeared in the Los Angeles Times which highlights the Soviets movements and goals of controlling the world's strategic minerals. I submit this editorial for the RECORD and urge this Congress to enact legislation which will secure this Nation's mineral resources.

Our country's dependence on foreign sources for critical minerals is a problem that must be corrected.

[From the Los Angeles Times, Feb. 13, 1981]

SOVIET UNION IS ON THE MOVE

IT FIGHTS WESTERN CONTROL OF STRATEGIC RAW MATERIALS

(By Daniel S. Mariaschin)

At the West fixes its attention on oil and the energy crisis, that crisis is serving as a diversion for the Soviets, who are engaged in a two-pronged, two-continent offensive whose goal is to neutralize Western control of, and access to, strategic raw materials.

Viewed in that context, reports that the Soviet Union is planning to back new efforts to destabilize the political status quo in Zaire should be noted by the West with more than passing interest. Controlling that country's Shaba province, which provides the bulk of the free world's cobalt, has been a strategic objective of Moscow's surrogates for nearly two decades. Western military intervention checked the most recent try at wresting this vital territory from Zaire three years ago after an uprising by Angolan- and Cuban-backed "Shaban rebels."

Whether this latest attempt to overthrow the government of Mobutu Sese Seko will succeed remains to be seen. What is clear is that the Kremlin's moves to encircle the West's sources of raw materials, including oil, is well on its way to fruition. Soviet influence in the Middle East and Persian Gulf is growing daily in a ring around the oil fields and vital shipping lanes of the region.

Through its presence in Ethiopia, the Soviet Union has near-control of the Horn of Africa, a foothold on the Red Sea by its backing of the Marxist government in South Yemen, and a solid presence—through arms shipments and the stationing of military "advisers"—in Syria, Iraq and even the supposedly pro-Western regime in North Yemen.

As the Soviets become net importers of oil in the next decade, their geopolitical position will help them intimidate oil producers into favorable arrangements that can only see Western access to petroleum supplies lessen and Western influence diminish in Arab capitals. But more than just oil is at stake.

Instability on the African continent is a real threat to all of us. The Soviets have nothing to lose in these adventures; of 27 major metals and minerals vital to keeping a modern economy in business and maintaining a strong defense posture, the Soviet Union is self-sufficient in 21, and nearly so in the remaining 6. By contrast, the United States is now mineral-poor. According to statistics published by the U.S. Bureau of Mines, the United States imported 90% of its manganese, nearly 99% of chrome ore and 83% of palladium and platinum. Nearly 95% of bauxite, or aluminum ore, was imported, as was most cobalt.

The United States now imports ores and metals to the tune of nearly $20 billion per year. The Bureau of Mines predicts that this amount will more than double by the end of this century. By law, the federal government must maintain up to a three-year stockpile of 93 strategic raw materials as a hedge against instability or embargo. But stocks of a number of minerals—including titanium, cobalt, alumina and beryllium—are not up to the minimum amounts necessary to get the country through any extended interruption of supply.

What makes the future so tenuous are the sources from which we import these vital materials. Some are secure; much of our nickel originates in Canada, we import tin from Mexico, and Brazil provides columbium. But the bulk of the imports are from Africa—more specifically, central and southern Africa—and that is where the Soviets enter the picture.

South Africa alone is the world's largest exporter of manganese ore, platinum metals and chrome ore. Together with the Soviet Union, it controls the world's market in these materials. Zimbabwe is also a major producer of chromium and manganese. Namibia has large deposits of uranium, and Zaire and Zimbabwe have tremendous reserves of cobalt. Without any or all of these nations trading on the raw-materials market, the Soviets could control both price and supply to the West.

The current troubles in southern Africa are a good example of what constitutes a real dilemma for the West. The question of majority rule is one close to the hearts of most Americans. The civil war in Zimbabwe, the effort to bring about an independent Namibia (with the United Nations as midwife) and the increasing racial friction in South Africa are viewed as poignant expressions of a wider human-rights struggle. The Soviets, who have armed and trained anti-Western, "anti-colonialist" liberation movements in each of these areas, have no such higher motives. The raw materials mined in southern Africa—chromium, uranium, the platinum metals group, gold, diamonds—are among the essential ingredients for a strong industrial base. The Russians, by trading on nationalist emotions, are in fact investing in what they see as the West's ultimate economic downfall.

And, while Moscow's hand can be seen at work in the Western Sahara (backing the Polisario guerrillas), in Angola, in Shaba Province and in Chad (rich in uranium), its real objective is the riches of southern Africa. Not only is mineral wealth important there, but fully 70% of Western Europe's raw materials and 80% of its oil pass the Cape of Good Hope each year.

According to some Western observers, the jury is still out on Zimbabwe and on whether Prime Minister Robert Mugabe can maintain a nonaligned course. Mugabe has downplayed his Marxist orientation, and has pledged to attract Western investment to his nation. His ambitious rivals in the government have indicated that they are not so favorably disposed toward the West or to the whites remaining in the country. Should these opponents eventually move into power, the raw-materials equation in southern Africa could be drastically altered.

Not content with its considerable oil and mineral wealth, Russia is seeking to deny or at least control the flow of these essentials to the free world. What has transpired over the last decade is a fine-tuning of the oft-interpreted, oft-misunderstood warning to the West by former Premier Nikita S. Khrushchev that "we will bury you."

Cuba, the Palestine Liberation Organization, East Germany, Bulgaria and others in the Soviet bloc are willing surrogates in the Kremlin's new adventures. With this kind of assistance in Africa and the Middle East, the Soviets can better sustain their losses in Afghanistan while minimizing Third World criticism of "superpower interventionism," a charge increasingly favored by the more powerful of the "nonaligned" nations. So far the approach is working.

Responding to Moscow's oil and mineral dynamic is no easy matter. A good start would be for the Reagan Administration and Congress to establish a workable strategic-minerals policy that would take into account our defense and economic needs as well as environmental considerations. Filling stockpile quotas to assure U.S. freedom from market fluctuations or supply cutoffs should be carried out forthwith.

But foreign policy is another matter. Washington must play "catch-up" in reasserting and reestablishing its influence in regions on which we depend for vital strategic materials. Pro-Soviet and anti-Western inroads in such areas as sub-Saharan Africa (principally Chad), the Persian Gulf and Southeast Asia over the past decade have placed the United States at a distinct geopolitical disadvantage. To cut U.S. losses and roll back Soviet influence, the Reagan Administration must implant selective, efficacious aid programs aimed at winning over mineral producers in the Third World.

Washington must impress on its Western European allies the serious implications of the mineral scramble in Africa. As dependent as Europeans are on oil, they are equally or more dependent on African mineral sources. France seems to have recognized this; it continues to carry on an aggressive foreign policy in Africa, chiefly among its former colonies but recently in East Africa as well.

Most important, however, is the need for Americans to understand the gravity of the crisis as hand. Most Americans realize the importance of oil to our economy. But mention cobalt or tungsten or vanadium and you'll most likely draw a blank.

More straight talk from the experts and officeholders about the need to check the Soviets' drive to deprive the West of strategic mineral and fuel sources is called for. It has taken nearly a decade for many Americans to understand what the energy crisis is all about. We can't afford the same kind of lethargy on the question of a strategic-minerals supply.●

EXTENSION OF CETA YOUTH PROGRAMS SUPPORT

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. JEFFORDS. Mr. Speaker, today, I am please to join my colleagues Mr. HAWKINS and Mr. PERKINS in introducing a bill that extends the Comprehensive Employment and Training Act, title IV-A, youth programs through the end of fiscal year 1982. These programs have enjoyed overwhelming bipartisan support in the House. The authorization for these programs expired in 1980, but was extended through June 5 by the continuing resolution which passed in December.

This extension authorized the youth programs through the same time period as the rest of CETA. Without it, the Congress will not have the opportunity, nor the flexibility, to examine the role of separately funded youth programs in its employment and training policies. By extending the authorization of these programs, during the 97th Congress, we will be able to review as a comprehensive package, CETA adult and youth training programs, the private sector initiative programs, and vocational education programs all of which fall under the jurisdiction of the Education and Labor Committee.

To allow the youth programs to expire is to abandon the Congress leadership role in determining Federal employment and training policies. It also denies the long-standing work of the Congress to try to forge links between education and employment training programs for youth at a time when youth unemployment overall is greater than 19 percent. This Congress I introduced the Youth Education and Work Opportunity Act, H.R. 1992, and it is my hope that we can build upon thc experiences gained through the CETA youth programs and the concepts contained in H.R. 1992 to strengthen and improve Federal employment, training, and vocational education programs.

The question of how we can best resolve the critical issue of youth unemployment is still ahead of us. We must look realistically at what these programs have accomplished and what potential they hold in the resolution of this problem. Without this simple extension of the youth programs, Congress does not have this option.●

WAYS AND MEANS CHAIRMAN DAN ROSTENKOWSKI'S TAX PROPOSAL

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. KEMP. Mr. Speaker, after all the weeping, wailing, and gnashing of teeth over President Reagan's tax plan, we expected something truly extraordinary from the Democratic Party's alternative proposal.

What, we wondered, could be better for the economy than to cut marginal income tax rates—the tax which affects the incentive to work, to save, to invest, to run a small business? It is a program with a track record of success. What could be more fair than to cut everyone's tax rates, permanently and across the board, by the same 30 percent? How could the Democrats hope to improve on President Reagan's plan without going beyond it?

What an anticlimax. What an embarrassment for Democrats who are concerned about the state of our economy. Ways and Means Committee Chairman DAN ROSTENKOWSKI, like Budget Committee Chairman, JIM JONES, has proposed a plan which actually scales down the cuts in personal rates, to give a larger share of the tax cut to big business. Do the Democrats really believe that individuals respond less to incentives than big businesses? And what about the more than 14 million small businesses in this country which are taxed at the personal income tax rates—the growing, dynamic firms which provide almost 90 percent of our new jobs and most of our technological advances?

Chairman ROSTENKOWSKI's tax cut for individuals adopts President Reagan's full 30-percent tax-rate cut only for one group of taxpayers—those in the top tax bracket, the one place where you can't be pushed any higher by inflation. He calls this a tax cut for the middle class.

Chairman ROSTENKOWSKI does not explain why everyone's tax rates should be be reduced by the same 30-percent, as President Reagan proposes. Perhaps he thinks that only the wealthy respond to incentives. They do; but so do all Americans.

What does he offer in place of President Reagan's 30-percent cut in marginal tax rates for everyone else? A Christmas tree of deductions, exemptions, exclusions, and credits which would diminish the tax base without appreciably changing anyone's incentives.

By contrast, President Reagan has wisely proposed to deal with such less essential measures in a future bill. He has asked Congress to confine immediate action to those proposals which are absolutely necessary for economic recovery—across-the-board tax-rate reduction and accelerated business depreciation.

President Reagan has repeatedly pointed out that, even with the spending restraint he proposes, we cannot balance the budget consistently without the economic growth his tax measures would bring. The last administration demonstrated what happens when the Government tries to balance the budget on paper by raising tax rates a contracting economy drives down revenues and jacks up spending, so that the deficit widens. Yet the Democratic leadership proposes to keep raising tax rates so it can enact a Christmas tree of minor provisions.

I welcome the Democratic Party's recognition that excessively high marginal tax rates are counterproductive. Until recently, they called this a free lunch. Now even Democratic members of the Ways and Means Committee say that lowering the top marginal rates will increase revenues. If the Democrats would only extend to all Americans the same 30-percent tax-rate reduction they offer those with taxable incomes over $215,400, they would have a good bill—President Reagan's.●

A TRIBUTE TO AGENT TIM McCARTHY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. ASHBROOK. Mr. Speaker, last week, the Ohio House of Representatives adopted a resolution recognizing Secret Service Agent Tim McCarthy for his act of heroism at the time of the tragic attempt on the life of President Reagan, the resolution was sponsored by State Representative Russ Guerra, a first-year legislator, who prior to being elected to the Ohio General Assembly, served as a police officer for 25 years. Representative Guerra, twice wounded in the line of duty, worked with the Secret Service on a number of Presidential assignments. He is fully qualified to comment on Agent McCarthy's valiant actions.

Mr. Speaker, at this point in the RECORD, I include the text of Representative Guerra's resolution. The tribute of Agent McCarthy is well deserved:

THE OHIO HOUSE OF REPRESENTATIVES

UNDER THE SPONSORSHIP OF REPRESENTATIVE RUSS GUERRA, HOUSE DISTRICT 67

On behalf of the members of the House of Representatives of the 114th General Assembly of Ohio, we extend special and well-deserved recognition to Tim McCarthy, agent of the United States Secret Service, for an exemplary act of heroism.

Displaying the utmost dedication to your responsibility for the safety of the President of the United States, you reacted coolly and capably in a crisis situation. Shielding the President from the line of fire with complete disregard for your safety, your quick thinking and decisive actions very likely saved the President's life.

You are certainly to be commended as a unique individual. Throughout your nine-year tenure with the Secret Service you have distinguished yourself as an outstanding agent and concerned and responsible citizen. Your actions merit the esteem of the entire nation, and we applaud your efforts and wish you a speedy recovery.

Thus, with a great deal of appreciation, we commend you for your meritorious actions and salute you as one of the nation's finest citizens.●

THE PEOPLE RESPOND IV

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. GARCIA. Mr. Speaker, I am inserting into the CONGRESSIONAL RECORD a statement which exemplifies

the concern people are feeling over the proposed budget cuts. President Reagan's economic plan would not affect every segment of this society equally; minorities and the poor would have to shoulder the greatest suffering while businesses and the rich would be favored disproportionately. As part of my continuing crusade against the inequities in the proposed economic plan, I am inserting today's statement to show that there are still citizens who are concerned over the impact of this plan:

WORKING POOR

Most people have, at best, mixed feelings about the welfare population. Helping little children is a clear if sad necessity, but there is substantial suspicion that many of their parents—including the mothers who are usually the only parent still around—really could support them if only they had a little "initiative." Whatever the merits of this view, there can be little quarrel with the idea that when welfare parents do show some get-up-and-go, they should be given a helping hand.

Whether by intention or inadvertence, the cumulative effect of many of the administration's proposed budget cuts will be just the opposite. A recent study by the University of Chicago's Center for the Study of Welfare Policy makes this plain. Sharp cutbacks in welfare supplements and other kinds of help will render working welfare families little better off than they would be if the parent stayed at home. In some cases, they will be no better off or, because of work expenses worse off.

Many welfare families will be affected by these changes. Information taken from welfare case records shows that fewer than 20 percent of welfare parents work. But these records, because they are not updated very often, show the status of many families only at the time they first apply for welfare—usually a low point. Census surveys, on the other hand, provide a different picture. During a typical month, almost 30 percent of heads of welfare families work. Another 16 percent are actively looking for work. Over the course of a year, almost half of all AFDC family heads—most of them women—work. Other family members also work so that about two-thirds of AFDC families have some yearly earnings.

All this work effort may not square with the familiar stereotype of the welfare population as a group made up exclusively of willing idlers. But it isn't really surprising when you remember that, in many states, welfare benefits are so low—$140 a month for a family of four in Texas, for example, and $148 a month in Tennessee—that not working would mean a life of stark necessity. Current law, moreover, provides at least modest financial incentives for work. For example, the University of Chicago estimates that a California welfare mother with typical earnings nets $188 more per month than she would if she quit work. In Utah the gain is $116, in Louisiana it is $64. The administration's proposals would reduce these returns to something between zero and $15 a month.

In judging the likely effect of these sharp benefit reductions there is another important fact to consider. One powerful, though undesirable, incentive for work while on welfare is that, under the current system, a lot of earnings go unreported to welfare offices for many months so that benefits aren't reduced at all. One part of the administration's plan would, properly, tighten up on income-reporting requirements. This is a much-needed change, but it also means that the work disincentives built into the welfare system will become much more apparent to welfare recipients, as well as much sharper.

Cutting back on help to people who want to work—whether or not they can finally manage to earn their way off welfare—is poor policy. It makes some very poor people poorer; it discourages work on the part of the people who most need to be encouraged to work; and it flies in the face of the common-sense notion that people who try to help themselves should be better off than people who don't.●

THE REAGAN PERSONALITY: PERSPECTIVES ON A CRISIS

HON. JOHN LEBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. LEBOUTILLIER. Mr. Speaker, a few years ago, the American public heard a great deal about how the personality and character of an American President could affect his actions in office. Reams of reports, books, and magazine articles were written on the subject.

During the recently completed election campaign and subsequent administration actions to secure freedom in El Salvador, Ronald Reagan was often accused of being all too anxious to push the button, of being a warmonger, and of having a somewhat semistable personality.

Those who knew Ronald Reagan knew those charges by his political and philosophical opposition to be false.

The events of March 30 should, I would hope, put to rest the charges that have been made. Can any person here declare that he or she would have responded to those events with equal calm?

No more personal assault can be made on an individual than a murder attempt. No greater actions can be taken against a human being than to try to extinguish his life. Yet, despite obvious pain, President Reagan came through that crisis with measured coolness and cheerful calm, and set an example to all of us in public life; those here in Congress and those in his own administration.

To be in control of a crisis, one must first be in control of himself. We should feel secure knowing that, in times of crisis, the final decisions will be made by a man of unflappable control.

Mr. Speaker, the Washington Star of April 1 took editorial note of the President's nature, and I would like to take this opportunity to call it to the attention of my colleagues:

LAUGHTER IN THE DARK

Teddy Roosevelt, of course, reacted to a shot in the chest by going on to make a speech. Ronald Reagan, who had finished his speech when the bullet got to him, has been less verbose but funnier.

The one-liners started in the emergency room where the president told his wife he forgot to duck. Greeting the doctors who were about to start a surgical search for the bullet in his lung, he said, "I hope you're all Republicans." They keep coming.

They are neither thigh-slappers nor the kind of epigrams a wounded LaRochefoucauld might have been expected to utter. They are not black comedy.

Mr. Reagan's jokes from the stretcher and the intensive care unit hosptial bed are very much in tune with everything else we know about the man. His is a wry, benign wit. It is touched but faintly by the show-biz idiom and not at all by the cruelty or bitterness or self-depreciation on which a good deal of humor depends for its tang. The Reagan quips express a very good-natured, very American appreciation of life's incongruities.

They also express a capacity for savoring the fullness of experience. The man quoting Winston Churchill on the exhilaration that goes with surviving an assassination attempt is clearly a person who can contemplate his emotions from outside himself as well as feel them directly.

But what the Reagan jokes express even more strongly—and significantly—is a leader's coolness in a crisis. They are assertions of cheerful calm in the midst of known disaster and unmeasured danger. Benjamin Franklin, the man who observed that if the signers of the Declaration of Independence did not hang together they were likely to hang separately, would have understood. He would have liked them.

The spectacle of grace under pressure is rare enough to be exciting wherever it appears. When it appears in circumstances like the Monday shooting, it is a profound reassurance. If anything can put such sudden, chaotic violence into a bearable persepective for the rest of us, it is the knowledge that we have a president whose self-possession is equal to the absurdity of it as well as the horror.●

HUMAN RIGHTS—"QUIET DIPLOMACY?"

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. BONKER. Mr. Speaker, the Reagan administration has made such a fetish out of their "new" policy of using "quiet diplomacy" in human rights advocacy that it would be good to look at the record.

In Argentina, when human rights activists were arrested, the Reagan administration protested quietly. Edward Schumacher, a New York Times reporter, recently interviewed a number of human rights activists. They said "they feared, however, that if arms supplies resumed and relations improve there will be no more carrots with which to influence the Argentine

Government." "I prefer the Carter administration policy," said Jose Federico Westerkamp, a physicist who was also among the arrested six. "It irritated the military, but it saved many lives."

In El Salvador, nothing further is heard about the slaying of the American religious workers. Bishop Arturo Rivera y Damas, the acting head of the Salvadoran Catholic Church, said this week, "he was dissatisfied by the efforts in tracking down the persons responsiole for the slaying of three American nuns and a lay woman social worker last December. Lately there has not been much movement in the investigation," he said. "I personally am not satisfied with the way it is being handled."

In South Korea, the Reagan administration has tried to take credit for the commutation of the death sentence of South Korean dissident Kim Dae Jung, trumpeting that as the great success of their "quiet diplomacy." In the words of a recent New York Times editorial: "The Reagan administration correctly insists that its low-key human rights policy should be judged by its fruits. They have ripened in South Korea, and the taste is bitter."

The much ballyhooed "democratization" in South Korea is not as obvious to Korean politicians as it is to the U.S. State Department. Mr. Kim Young Sam, one of more than 800 politicians banned from public life by President Chun and a leading contender for the presidency until he was confined under house arrest a year ago, dismisses this week's elections as "meaningless." In a March 24 interview with the New York Times, Mr. Kim said:

> The elections are, unfortunately, meaningless under these circumstances because there is no real opposition. Chun decides who comes out to run in these elections, so what difference do the elections make?

Though he views himself as a conservative anti-Communist, Mr. Kim and his party have been barred from political activity in South Korea. Mr. Kim notes that the Government has used the threat of North Korea to ban all political participation and democratic activity at home. He suggested that to base all South Korean political moves and dispositions on the assumption of an overwhelming threat from the North is to subjugate South Korean life to the military. The army "ought to stay right out of politics," he said.

> Even during the Korean War we had relatively free presidential elections. Consider how basically anti-Communist the South is. We understand communism; we know what it means in practice; so let their spies come and 90 percent of our people will automatically turn them in.

It is my hope that the administration will exercise its full range of diplomatic, political, and commercial options in all of the previous mentioned countries to press their governments for real achievement in the area of human rights. I would like to commend to the attention of my colleagues a New York Times editorial of April 8, 1981, entitled "The Worth of a Korean Promise." The editorial follows:

THE WORTH OF A KOREAN PROMISE

The Reagan Administration correctly insists that its low-key human rights policy should be judged by its fruits. They have ripened in South Korea, and the taste is bitter.

Last October, President Chun Doo Hwan proclaimed a new Constitution that, on paper, improved on the repressive Yushin charter devised by his slain predecessor, Park Chung Hee. The new guarantees have now been put to the test in a parliamentary election—and they proved to be paper indeed.

On paper, opposition was permitted, but under conditions that guaranteed a victory for the pro-Government Democratic Justice Party. Having arrested serious challengers, the Chun regime disbanded existing parties, barred 800 politicians from public life and then hand-picked leaders of the "opposition." In any case, the voting was stacked to give the Government party a two-thirds margin in the National Assembly, a weighting device reminiscent of the Park era. President Chun will not be disturbed by legislative noise.

On paper, Chun's Constitution guarantees habeas corpus and affirms the right of privacy. But the plight of Kim Young Sam suggests just how much these fine words mean. Mr. Kim, once considered a likely presidential candidate, has been under house arrest since last May. In a courageous interview with Henry Scott Stokes of The Times, he asked the obvious: "What am I here for? Who decided this? Nobody came here. Nobody from the authorities explained."

The Reagan Administration, following up on President Carter's intercessions, helped to save Kim Dae Jung, an opposition leader sentenced to death after a show trial on charges of sedition. That act of mercy was amply rewarded: President Chun became the first chief of state invited to the Reagan White House. It was a clear signal to an anxious Seoul regime that American officials would not ask the poignant questions put by Kim Young Sam. Other Americans should and will.●

FOREIGN LANGUAGE WEEK

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. SIMON. Mr. Speaker, the Nation recently observed "Foreign Language Week" thanks to a proclamation signed by President Reagan. During that week we took note of the importance of foreign language studies to both our economic recovery and national security. If we are going to compete effectively in the international marketplace and if we hope to understand both our friends and our enemies, we must learn how to speak their languages.

The proclamation that follows was issued by the Governor of Pennsylvania, Dick Thornburgh, in March. He proclaimed the month of March as "Foreign Language and International Studies Month." Most importantly, he has called for the strengthening of existing programs and the creation of new programs to attract students into this vital area.

Unfortunately, the Reagan administration has recommended a sharp reduction if funding for our current Federal programs in foreign language and international studies. I would hope our Republican and Democratic colleagues would take note of Governor Thornburgh's message and consider carefully his recommendations.

The text of the proclamation follows:

PROCLAMATION

FOREIGN LANGUAGE AND INTERNATIONAL STUDIES MONTH

Pennsylvania has a great deal to offer to the world community. In its commerce and agriculture, its educational and cultural institutions, its medicine and technology, as well as its landscape and natural resources, Pennsylvania has products and ideas that are available to the international marketplace.

Economically, the Commonwealth is actively seeking to attract both foreign visitors and foreign businesses. Sociologically, the Commonwealth welcomes immigrants and refugees from all over the world. Politically, the Commonwealth and its citizens must understand world events to assure that government, business and personal policies continue to reflect our varied concerns, interests and needs.

A significant link in achieving these goals is knowledge of other cultures and other languages. Over 80 percent of the world's population does not speak English. Yet, in this country, there has been an alarming decline in classroom enrollment for foreign language and international studies courses at the same time that there is decreasing willingness on the part of much of the rest of the world to conduct business and government affairs in English.

Existing foreign language and international studies programs ought to be strengthened, to provide graduates with the skills and knowledge needed to live in an increasingly complex and interdependent world. New programs ought to be established to attract studies and to encourage them to study in these areas. The business community needs to consider the relevance of foreign language and international studies to its employment practices.

Therefore, I, Dick Thornburgh, Governor of the Commonwealth of Pennsylvania, do hereby proclaim March 1981 as Foreign Language and International Studies Month in Pennsylvania. I encourage the public to realize the importance of these areas to our lives and to examine their status in our schools.●

JOINT RESOLUTION DESIGNATING MAY 6, 1981, NATIONAL NURSING HOME RESIDENTS DAY

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. PEPPER. Mr. Speaker, as chairman of the Select Committee on Aging and its Subcommittee on Health and Long-Term Care, I have worked arm in arm with my colleagues to improve the well-being of all older Americans. Older Americans are the foundation of our great country. May has been designated as "Older Americans Month" in order to honor older citizens for their contributions to our society. This is not only to honor older Americans for their past contributions; it is also a time to emphasize the vital roles that older people continue to play in our society and to develop a greater public awareness of these contributions.

Older Americans Month is even more significant this year because in December, Americans from all parts of the country will gather in Washington to participate in the White House Conference on Aging. It is most appropriate that during Older Americans Month we honor over 1 million Americans who reside in nursing homes. These American citizens are often outside the mainstream of society, isolated from their friends and relatives. Mr. Speaker, for these reasons, I am today introducing a joint resolution designating May 6, 1981, as "National Nursing Home Residents Day."

In calling for National Nursing Home Residents Day I would like especially to recognize a few of those residents whose work has been brought to my attention and who, through their active involvement within their homes and with independent citizen advocacy organizations, have been able to contribute significantly to efforts to improve the long-term care system.

Phyllis Murphy was one of the original members of the Cape Cod Nursing Home Council. She has often served as a spokesperson for the council, and has worked with them to improve citizen access to nursing homes on the cape. A vigorous champion of residents' rights, Ms. Murphy traveled to Washington, D.C. in the summer of 1980 to meet with citizens' groups and Health Care Financing Administration staff to discuss proposed medicaid and medicare conditions of participation. She also participated in the National Citizens' Coalition for Nursing Home Reform's January 1981 Mini White House Conference on Aging and met with new Health and Human Services officials to discuss residents' rights. Although she has recently moved to a congregate living facility after 12 years in nursing homes, Ms. Murphy remains active in her work to improve the quality of life for nursing home residents. Her leadership and awareness of the needs of residents have greatly benefited those who live in Cape Cod nursing homes.

Lucille Hendrick is president of the Northwest Progressive Care Center's Residents' Council and serves as a member of the nursing home's board of directors. She is also a member of the executive committee of the King County Coalition of Nursing Home Residents' Councils, a coalition representing the 76 nursing home residents' councils in King County and Seattle, Wash. Ms. Hendrick represents residents on the board of directors and expresses their needs and desires to the board. She has testified before the State legislature on the ways in which temporary nursing staff affect the quality of care in nursing homes. While working with the pharmacy committee of the King County Coalition, she has met with the county's pharmaceutical consultants and with State Department of Social and Health Services staff to discuss concerns relating to medications in nursing homes.

Ethel Gross, also of Seattle, is another resident who is deeply committed to working with fellow nursing home residents. Ms. Gross is president of the Foss Home Residents' Council and a member of the board of directors of both the King County Coalition of Nursing Home Residents' Councils and the National Citizens' Coalition for Nursing Home Reform. She has testified at a Federal hearing on residents' rights and was elected citizen of the day for Greater Seattle in September 1980.

The Sunset Nursing Home Residents' Council helped to convince voters in Park Rapids, Minn. to defeat a move to sell the county-owned home to a private corporation. The residents' council voted unanimously to oppose the sale, and appointed a committee of residents to make their concerns known to the public. Their campaign slogan was "This is our home. Help us keep it." To tell their story to the community residents designed an ad for local papers and appropriated $500 from the residents' council treasury to buy the advertisement space. Several residents testified before a public meeting at the local courthouse. One resident collected over 200 signatures on a petition opposing the sale. The residents' effort was a successful one—the final vote was 5,403 against the sale with only 1,936 in favor.

In my State of Florida, long-term care facility residents William Short from Jacksonville and William Mills from Orlando have been appointed by the Governor to sit on their District Nursing Home Ombudsman Committees. Working as volunteers, these residents attend monthly committee meetings and investigate, resolve, and report on complaints received from nursing home residents or their families and friends. The efforts of these volunteers have helped to improve the quality of life for the nursing home residents in their counties.

I believe the Congress of the United States wants to tell nursing home residents around the country that we do care about them and acknowledge the work they have done to build this country. I also wish to thank citizen advocates whose work allows residents to continue to contribute, by working now to create a dignified living environment for nursing home residents.

With these thoughts in mind, I offer this resolution, and insert it at this point in the RECORD.

H.J. RES. —

A Joint Resolution designating May 6, 1981 as "National Nursing Home Residents Day"

Whereas, the month of May of each year is proclaimed Older Americans Month;

Whereas, over 1 million older Americans reside in nursing homes and one in five older Americans likely will reside in nursing homes at some time;

Whereas, nursing home residents have contributed to the growth, development, and progress of this Nation and, as elders, offer a wealth of knowledge and experience;

Whereas, Congress recognizes the importance of the continued participation of these institutionalized senior citizens in the life of our Nation;

Whereas, in an effort to foster reintegration of these citizens into their communities Congress encourages community recognition of an involvement in the lives of nursing home residents, and

Whereas, it is appropriate for the American people to join in support of nursing home residents to demonstrate their concern and respect for these citizens; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 6, 1981, is designated as "National Nursing Home Residents Day", a time of renewed recognition, concern, and respect for the Nation's nursing home residents. The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this day with appropriate ceremonies and activities.●

PROFESSIONAL SECRETARIES WEEK

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. ROTH. Mr. Speaker, the week of April 19-25 has been designated Professional Secretaries Week, with April 22 designated as Professional Secretaries Day. Since the enormous contribution that secretaries make to the vitality of our national enterprise is too often overlooked, I am asking my colleagues to join with me in

paying tribute to these hard-working men and women.

As we are all aware, it is the dedication and steadfastness of our secretaries that keeps the Congress and our entire Nation from coming to a grinding halt. They can be justifiably proud of the important role they play in business, industry, government, education and the professions.

Mr. Speaker, I am proud to join with Professional Secretaries, International to celebrate not only this organization's 30th anniversary but the fine work its membership and all secretaries have done, are doing, and will continue to do for our great Nation.●

TIME FOR DECISIONS

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. VANDER JAGT. Mr. Speaker, In the wake of the tragic shooting incident which threatened the life of President Reagan recently, as well as his press secretary Jim Brady, Secret Service Agent Timothy J. McCarthy, and District of Columbia policeman Thomas Delahanty, there has been a great deal said and written relative to gun control. I happen to believe one of the best presentations on this issue has been written by James Q. Wilson and Mark H. Moore, professors at Harvard University. Their joint article, entitled "Enforcing the Laws We Have," was published by the Washington Post in its April 1 edition. I am happy to include the article at this time:

ENFORCING THE LAWS WE HAVE

Every publicized shooting revives the debate about gun control without bringing the debaters closer together. The deaths of Dr. Michael Halberstam and John Lennon, and the attempted assassination of President Reagan, like the death of Robert F. Kennedy and the assault on George Wallace, stir emotions but produce no consensus. When people think an issue important but can make no progress toward resolving it, it is probably time to rethink the way in which they define it.

Essentially three views are in contention. One is to do nothing: Guns do not kill, people kill. A second is that a handgun exists only to kill and its production and possession should be tightly restricted. A third is that certain kinds of violent encounters are more likely to have lethal consequences if guns happen to be readily available and that society ought to devise ways of reducing that availability among people likely to be involved in those encounters.

The first view is correct but misleading. People pull triggers. And some triggers are pulled by people so determined that the gun is merely a tool. But many crimes are committed by persons without clear or strong intentions—persons who are enraged, drunk or looking for trouble. In such cases, people let the means at hand determine what kind of force they will employ and against whom.

The second view is wrong, unfeasible and impolitic. There are handguns in at least one-fifth of all American households. The vast majority of these weapons are never used to threaten or injure anyone. Banning the production of new handguns might prevent that stock from increasing. Buying back existing guns might reduce that stock slightly, but it would be enormously expensive and, without production controls, futile. Larger reductions would require confiscation. And even if all these policies were adopted, and even if the reductions in ownership were great (say, by 50 percent), the remaining guns would easily support current rates of robberies at gunpoint for a decade.

But none of these policies is likely to be adopted, and for reasons having nothing to do with the presumed power of the National Rifle Association. The average legislator simply cannot afford to come before his or her constituents with the following proposal: "Your government, having failed to protect you against crime, now proposes to strip from you what you regard as an effective means of self-defense as well as an enjoyable hobby." Never mind whether the belief about self-defense is true; gun ownership, from the First Lady to the average citizen, is testimony to the unshakeable power of that belief.

The third view is one that we wish policymakers to take more seriously than they have. We should recognize that people have a right to own guns but do not have the right to use them criminally. Moreover, we think that people who are found in possession of guns while committing a crime or participating in a violent dispute should lose both the gun and their freedom. Finally, we think that the police should be more active in intercepting the traffic in contraband guns and apprehending people carrying unlicensed guns in public places and that judges should deal with them more severely.

Federal and state laws now make it unlawful for convicted felons, ex-addicts, and mental defectives to possess a handgun. Moreover, in many states and most big cities, it is illegal to carry a concealed handgun except for a small number of people with police permits. The laws governing possession might usefully be tightened even further—for example, by denying handguns to people convicted of violent misdemeanors (such as assault) or of chronic public drunkenness. The real problem, however, is to motivate the criminal justice system to take these or better laws seriously.

To see what this involves, it is first necessary to understand the different situations in which a weapon affects the outcome of a violent encounter. The first involves disputes—family quarrels, barroom fights, street corner brawls among "friends." The traditional police response to such disputes is to pacify the opponents, perhaps separate them for the night and occasionally make an arrest if the assault seems to be serious, the officer's authority is challenged or the "victim" clearly intends to press charges. (Who is the "victim" and who the assailant in these disputes is often hard to decide. The victim may simply be the person who lost the fight.)

There is strong evidence that the presence of a gun in these situations raises dramatically the chance of a lethal outcome and that people who regularly engage in such disputes are much more likely than others of similar incomes and circumstances to be responsible for, or the victim of, a homicide. Yet there is equally strong evidence that communal disputes are not taken seriously by the criminal justice system. Either no arrest is made or the charges are dropped or the sentence is trivial. This is understandable, given the constraints: If only a simple assault (a misdemeanor) has occurred, the police cannot lawfully make an arrest without a signed complaint. And even if a complaint is forthcoming, the victim is likely to change her (sometimes his) mind the next day. Without an arrest, a search for a seizure of weapons is difficult, if not impossible.

We suggest that state law and police practice be amended so as to take violent disputes more seriously. Following the lead of Minnesota and other states, the police should be empowered to make arrests in these cases if they have probable cause to believe an assault has occurred, even if the assault is not felonious. Following the policy of the New York Police Department, officers should be encouraged to make arrests both to protect the victim and to deter, if possible, future assaults. And incident to these arrests, valid searches should be made for guns improperly in the possession of the disputants. Both the assault and the illegal possession of a weapon in these circumstances should be dealt with more sternly than now is the custom with judges who tend not to regard such matters as "real crime." That attitude may encourage a real crime later because a predisposition to violence is unchecked by sanctions. These sanctions may involve jail or they may involve posting peace bonds, intensive probation or the like. The key is a clear penalty and the removal of the gun.

The second situation is the stranger-to-stranger violent crime—muggings and robberies. The guns used by such criminals are often already possessed in violation of the law. For them the problem is not tightening the laws involving carrying a weapon, but blocking the access these people have to supplies of guns and increasing the risks from carrying weapons. Moore's research indicates that the largest sources of supply of handguns to people who use them for stranger-to-stranger crimes are thefts and the black market. In short, armed robbers usually violate gun laws in two ways: They have stolen their handgun, or bought it from somebody who did, and they are carrying it without a permit.

To reduce the black-market traffic in guns, the police should consider mounting more undercover "buy and bust" operations (much as they now do with respect to heroin and dangerous drugs) in order to make illegal gun dealers wary of dealing with strangers, to raise the price and difficulty of acquiring illegal guns (perhaps beyond the point that, opportunistic, teenage robbers will find it worthwhile) and to deter some people from going into the illegal gun business at all.

To inhibit the carrying of handguns, the police should become more aggressive in stopping suspicious people and, where they have reasonable ground for their suspicions, frisking (i.e., patting down) those stopped to obtain guns. Hand-held magnet meters, of the sort used by airport security guards, might make the street frisks easier and less intrusive. All this can be done without changing the law.

The success of undercover buys and aggressive patrolling depends partly on the extent to which judges will seriously penalize the unauthorized carrying of concealed weapons. Though judges often give more severe sentences to people who commit a crime using a gun, the available data suggest that a person convicted of illegally carrying or possessing a handgun is generally

treated leniently. This is a serious mistake: A person in a public place with a gun and without a permit is often a person looking for trouble.

The Bartley-Fox law in Massachusetts requires a mandatory one-year jail sentence for any unlicensed person who carries a firearm. It was opposed by those who said the law would not be enforced and by those who said it would not have the desired effect. Both criticisms appear to have been wrong—the criminal justice system did not engage in wholesale evasions of the requirements of the law, and three studies that have been done of its effect all point to some decline the proportion of the assaults that were committed with firearms. Assaults as a whole increased; firearm assaults decreased. the effect of Bartley-Fox might have been even greater if the police had been more aggressive in enforcing it (or less if it had not been so heavily publicized).

Note what we are suggesting: not "gun control" in any comprehensive sense, but rather increased pressure on the particular circumstances and people whose illegal behavior is most likely to be affected by the availability of a gun. Note also that to do these things requires action chiefly by state and local, not federal agencies. Bear in mind that motivating police and prosecutors to act in these ways is not easy. And note finally that read progress in reducing gun violence almost certainly requires methods—aggressive patrolling, undercover operations, tougher sentences—that liberals instinctively dislike. We think, however, there is no way around these tough choices, and it is time we face up to them.●

INCENTIVES FOR FOREIGN LANGUAGE PROGRAMS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. SIMON. Mr. Speaker, today I am introducing a bill to further the national security and the Nation's economy by providing incentives for foreign language programs in elementary and secondary schools and to help defray part of the costs of providing language instruction in institutions of higher education. This bill has bipartisan support, is sponsored by Representatives COLEMAN, ERDAHL, DENARDIS, among others.

You might ask how this bill will further the national security. As an example, Adm. Robert Inman, in his Senate confirmation hearings, several times spoke about the serious consequences we are facing as a result of our lack of language capabilities. Adm. Inman summed it up in his testimony by stating:

> I believe this is indeed an area where * * * we need to sponsor foreign language training in the universities.

The last 10 to 15 years have been a steadily declining number of students learning a foreign language and a declining number of universities and colleges requiring language proficiency for graduation. This decline must be reversed in our own national interest.

On the economic side, we only have to look at our trade imbalance and the success of, for example, the Japanese. They come here to sell their products and speak English, they sell factories in Saudi Arabia and speak Arabic, they go to Germany to sell autos and sell them in German. We expect everyone to speak and read English.

We are losing our competitive edge because we cannot even speak the language of the country in which we wish to sell nor can we train repair personnel because all manuals and instructions are in English. Do we expect other countries to buy our durable goods and then when a part fails, throw the good away? They will not do it.

We must turn around our degenerating language capabilities and not only at the university level, but at all levels, so that we develop a fluency in other languages rather than just a passing understanding. We are embarrassed at our lack of capabilities. But we should also be concerned with our waning capabilities in defense and intelligence, our inability to read and hear what other countries are saying in matters critical to our national defense, security, and economic well-being.

I hope we will demonstrate our concern and interest, and turn into a strength our growing weakness in foreign language capability.●

SPECIAL INTERESTS AND OCEAN LAW

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. ZABLOCKI. Mr. Speaker, when the administration announced that it intended to conduct a policy review of the U.S. position in the Third U.N. Conference on the Law of the Sea and then dismissed the professional negotiators from the U.S. delegation, it raised the prospect that the national interest had been subordinated to the special interest of one small group. This is not good government, it is not good politics, and it is not conducive to good relations with the rest of the world.

The current position of the U.S. Government and the Law of the Sea negotiations is confusing and can be interpreted as a clear signal that the administration has no idea what the Law of the Sea negotiations are all about. The draft convention being negotiated is much more than an international regime for ocean mining. It reflects a delicate balance among various interests and its present provisions effectively protect a range of important U.S. interests. Therefore, it would be most unfortunate if the long hard years of negotiations and the present text were to be forever lost due to the loud voice of one special interest.

The U.S. stake in the Conference and the successful conclusion of a treaty is enormous. The full effect of the administration's recent actions on the negotiations go far beyond protecting a single interest. They are likely to disrupt significant and vital interests already agreed on. Charles Maechling in his "Private Interests Jeopardize Treaty on Law of the Sea," in the Baltimore Sun of April 5 provides a particularly cogent discussion of what the United States stands to lose if special interests continue to drive policy decisions. I commend this article to the attention of my colleagues and request that its full text be inserted in the RECORD.

PRIVATE INTERESTS JEOPARDIZE TREATY ON LAW OF THE SEA

(By Charles Maechling, Jr.)

After seven years of negotiations, initiated by President Nixon, endorsed by Henry Kissinger, and at all times conducted on behalf of the United States by Republican chief negotiators, the law of the sea treaty is now in deep trouble.

A relatively small segment of U.S. industry, backed by right-wing ideologues in the Reagan administration, has been allowed to block completion of the United Nations Law of the Sea Conference that would lead to a pact in most respects strongly advantageous to the United States—and to alienate some crucial friends and allies in the process.

The targets of this abrupt policy reversal by the administration just when it appeared that the conference might be able to wrap up its business are provisions that would create an international authority to govern exploitation of the minerals of the seabed—specifically, the grapefruit-size nodules of manganese, copper, nickel, and cobalt that in some areas supposedly carpet the ocean floor at depths of over 3 miles.

Four international syndicates have already invested up to $300 million in the technology of deep-sea mining. The U.S. companies involved—including Kennecott Copper, Lockheed and a U.S. Steel subsidiary—are on record accepting the principle of an international authority under U.N. auspices.

What they object to are some rather open-ended provisions calling for revenue-sharing with less developed and landlocked states, and transfer of technology to the international authority so it could engage in mining operations of its own.

These reservations were supposed to be ironed out in the latest session of the conference and during an investment protection phase scheduled to run for a few years after the signing of the treaty. Instead, the mining interests and their friends in the administration have privately chosen another avenue to get at the nodules.

Virtually all other U.S. maritime interests—defense, oil production and refining, offshore drilling, environmental and shipping—benefit from the treaty and view it as the best alternative to the steady erosion of high seas freedoms at the hands of Third World coastal states. For the United States, the treaty achieves vital strategic objectives.

First and foremost, it rolls back the extravagant territorial sea claims of certain

Third World countries, reversing the disintegration of traditional ocean law that has been going on since 1956. The Latin-American claims in particular run up to 200 miles offshore and have led not only to periodic seizure of U.S. shrimpers and tuna boats (which we supinely accept for the sake of inter-American "solidarity") but also to threats against the free transit of U.S. nuclear submarines and warships through waters that have always been part of the high seas.

The draft treaty would wipe out the chaotic patchwork of extended territorial sea claims and substitute a 200-mile "exclusive economic zone" giving control over fisheries, oil and mineral rights to the coastal state, but without the right to impede navigation and overflight by others.

The draft treaty would fix the actual territorial sea boundary at 12 miles from shore—an extension of the 3-mile limit still adhered to by the United States and 22 other nations, but far short of the extended limits claimed by others. At the same time the treaty would establish a new right of "transit passage" for all vessels, including submerged submarines, coupled with overflight, through the 115 international straits that would otherwise be closed to unimpaired passage.

The draft treaty also would extend the limits of the continental shelf beyond 200 miles to its natural boundary configuration for nations like the United States that have extended shelves containing mineral deposits and possibly oil. It would authorize international standards combined with coastal state enforcement within the 200-mile zone to protect shores from ship pollution. It sets up mechanisms for settling disputes, and would authorize oceanographic research within the 200-mile zone, though subject to coastal state consent.

These provisions would assure rights of passage for U.S. aircraft and naval forces, as well as international shipping, through straits and international waters that would otherwise be strewn with legal obstacles and political minefields. U.S. carrier task forces ply the straits of Malacca, Sunda and Singapore on their way from the Pacific Ocean to the Indian Ocean. So do supertankers running from the Persian Gulf to Japan.

To enter the Mediterranean, vessels must enter the Strait of Gibraltar, to enter the Red Sea or the Persian Gulf, the straits of Bab el-Mandeb or Hormuz—40 percent of the oceans lie with 200 miles off shore. So do all the important seas—among them the Caribbean, the Mediterranean and the Sea of Japan.

To get to every region of strategic importance, ships and aircraft must traverse any number of 200-mile zones. Once these areas come to be regarded as under the sovereignty of coastal states, including island nations, the mobility and freedom of maneuver of U.S. surface-forces, ballistic missile submarines and overseas supply lifts will be gravely imperiled.

Critics of the treaty have been spreading the word that the United States doesn't need to pin down traditional high seas rights—that in time of war or crisis, U.S. ships and aircraft can butt their way through and over straits and coastal waters at will. Such bravado is more appropriate to the 1950s than to the 1980s.

In the typical politico-military crisis of today, the United States needs immediate, unimpeded rights of transit and overflight without having to negotiate with other countries every mile of the way—as we discovered when trying to shuttle aircraft and spare parts to Israel in the 1973 war. If the United States intends to project its military power worldwide, it can ill afford political hassles at critical moments with jumpy allies and hesitant neutrals.

If the strategic advantages of the proposed Law of the Sea treaty are so obvious, a logical question is why not amputate the mining articles and leave the rest intact? The answer is that from the beginning of formal negotiations in 1974, the whole complex cluster of issues embracing both waters and seabed have been treated as a package, and the results united a single treaty text.

At an early stage, the coalition of Third World countries known as the Group of 77 (actually over 120) began making one concession after another on rights of navigation in exchange for internationalization of the resources of the deep seabed. And since 1957, when the phrase was coined in U.S. speeches launching the present treaty effort, most of the world community, including the U.S. government, has accepted the principle that seabed minerals are "the common heritage of mankind."

The common heritage concept now possesses a symbolism for the Group of 77 and its landlocked associates that transcends the problematic value of whatever wealth lies on the deep-ocean floor. If in the course of the administration's "review," the United States reopens the mining provisions, the Group of 77 threatens to reopen the navigation articles. Drop them from the treaty and the whole package will sink to the bottom, leaving a welter of conflicting claims.

None of this seems to concern the Reagan administration, and for good reason. The mining interests now count on another avenue to obtain the nodules—an umbrella of protective legislation by the few industrial nations that control the technology. Each nation would register the mining claims of its own nationals, and by reciprocal agreements set up an orderly system to permit recovery of the nodules without any obligation to the world community.

On this basis, the United States and West Germany have already enacted legislation (ours became law in 1980) and four other industrial nations are about to follow suit. Using its "review" as a weapon, the administration has confronted the rest of the conference with a scarcely veiled ultimatum—revise the mining articles to suit free-enterprise producers or the United States goes the route of reciprocal agreements under its own legislation.

The strategy which underlies this reversal of a 10-year U.S. position—if a wrecking operation by amateurs can be so dignified—is not only reckless and confrontational; it ignores international law and the political realities of the 1980s or rather the decade beyond, since according to industry spokesmen, commercial deep-sea mining cannot under the best circumstances begin before 1990. The Group of 77 is fully aware that national legislation has no legal effect on rights to the high seas and seabed below.

On March 18 the new president of the conference, Ambassador T. T. B. Kohn of Singapore, wrote Secretary of State Alexander M. Haig, Jr., a letter requesting prompt completion of the U.S. review not later than June. 1981. and an authoritative statement from the Reagan administration reaffirming the commitment of the U.S. government to both the treaty process and the common heritage concept.

In cold fact, the mining interests need a treaty as much—or more—than everyone else. They cannot expect to attract the billion dollars in capital that they estimate will be necessary to finance recovery of the nodules in the absence of a stable investment climate. They need a system of claims recognized by the world community, not by a few industrial nations, however powerful.

Quite apart from the political and economic countermeasures that the Group of 77 would bring to bear both bilaterally and in U.N. forums, where they outnumber the industrial and maritime powers 6-1, they have a powerful array of legal weapons to deploy.

As a result of inclusion in various U.N. resolutions and the treaty text itself, the common heritage concept is now firmly embedded in international law. In April, 1979, it was roundly endorsed in a legal opinion signed by leading jurists of 11 Third World countries, including Mexico, Algeria, Thailand and India. Within the next few years the concept will almost certainly be validated by the International Court of Justice.

It takes little imagination to envision the global barrage of writs of attachment and lawsuits that would be filed by the Group of 77 on behalf of the world community against any company or vessel that set out to mine the seabed in the absence of a treaty, whether or not under a regime of reciprocal licensing.

The prospect of interminable litigation and political controversy in every country where cargoes of nodules and their proceeds could be tracked is hardly an incentive to encourage long-term loans from the banking community.

It seems inconceivable that after seven years of hard-fought negotiations, the United States would pull the rug out from under a conference on which the rest of the world relies and allow the almost visionary prospect of deep-sea mining in the uncertain future to take precedence over such tangible, immediate and crucial interests as strategic mobility, the energy lifeline to the Middle East, and a regime of law for fisheries, offshore drilling and international shipping.

Yet the Reagan administration seems not only to have abandoned all sense of strategic priorities in favor of special interests, but has grossly downgraded U.S. representation at the conference by decapitating the U.S. delegation and replacing its traditionally distinguished leadership with ex-lobbyists of questionable qualifications.

Unless the Reagan administration is determined to throw ocean law into a state of anarchy, and bring about a North-South confrontation to boot, it would be well-advised to get the stalled conference back on course as soon as possible and put the U.S. delegation back into professional hands.

There will be time enough in the next session and the follow-up preparatory period to clarify the mining provisions and put them on sounder economic foundations. The long-run stakes for both the United States and the world community are too important to allow the treaty effort to flounder.●

RESULTS OF AGRICULTURAL POLICY QUESTIONNAIRE

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. BEREUTER. Mr. Speaker, recently I mailed 2,200 questionnaires on agricultural policy issues to my farm constituents. The questionnaire was timed to coincide with House consideration of the 1981 farm bill, which will shape our Nation's farm programs for the next 4 years. I surveyed Nebraska farmers on a range of issues and programs, from the grain reserve program and soil and water conservation to funding priorities and the structure of agriculture itself. I also compiled a profile of the 442 farmers who responded. I believe their views are representative of my constituents in general and are a good barometer of the feelings of producers in the Plains States.

I have brought the survey results to the attention of the Agriculture Committee and its distinguished chairman, the Honorable E (KIKA) DE LA GARZA, with the expressed hope that they receive careful consideration. It is essential that as the legislation is drafted, Congress hear from farmers themselves. I believe the survey I conducted is an effective, responsible means of conveying my constituents concerns as directly as possible.

The questionnaire results complete my earlier testimony before the Agriculture Committee, in which I relayed the recommendations made by my agriculture advisers regarding Federal farm programs. Those recommendations are the outcome of a series of meetings I held earlier this year in Nebraska with over 250 constituents who volunteered to advise me on agricultural issues.

Mr. Speaker, at this time I request that the survey results be printed in full for the benefit and consideration of my distinguished colleagues.

STATEMENT TO THE HOUSE AGRICULTURE COMMITTEE ON APRIL 10, 1981

I would like to supplement the testimony I delivered before the House Agriculture Committee on March 10, 1981. At that time I indicated that I had mailed 2200 questionnaires to my farm constituents on agricultural policy issues. I have received 442 replies to those questionnaires to date. The following are the results of that survey:

When asked which they would prefer when the new farm program is written, eight percent opted for an essentially unchanged program. One-third preferred the present farm program with higher loan and target prices, while another 31 percent wanted the present program with higher loan prices and no target price. One-fifth preferred no program at all and seven percent would support stricter production controls. In total, almost three-fourths supported some version of the current farm program.

Over 71 percent felt that loan and target prices should be based upon cost of production, while 23 percent favored the use of parity as the basis.

My constituents are almost evenly divided on whether to continue the present corridor pricing philosophy. Slightly over one-half favor production controls in years when there is a large grain carry over.

When queried about the present $50,000 payment limitation, nine percent favored increasing the limit, 42.6 percent favored a decrease in the level and 48 percent felt it should remain the same.

Over 61 percent favored retaining the Normal Crop Acres (NCA) concept.

In answer to the question, "Do you favor Federal monies being spent for the following purposes?", the respondents strongly favored support of agricultural research (85 percent), agricultural extension (75 percent), and the present agricultural stabilization program (66 percent). Over 58 percent favored use of federal monies to develop ethanol production facilities and 52 percent favored federal subsidies for beginning farmers.

Federal monies for building a veterinary college in Nebraska was supported by 47.4 percent and 45 percent supported federally-funded irrigation development and recharge projects. Federal expenditures were opposed for environmental regulations (71 percent), interbasin transfer of water within a state (74 percent) and protection of animal rights (79 percent).

I asked my constituents whether they agreed or disagreed with several statements related to USDA's Structure of Agriculture debate.

Only seven percent felt that family farms are less efficient than big farms.

Ninety-three percent agreed that difficulties in transferring farms from one generation to the next threatens the family farm.

Three-fourths agreed that farm programs favor big units.

Fifty-six percent agreed that co-ops, Farm Credit banks and the Farmers Home Administration favor big units.

Only 38 percent felt that agricultural research and extension favor big units.

Eighty-one percent agreed that tax concessions allow high-bracket non-farmers to outcompete family farmers. However, 57.6 percent felt that tax concessions help finance the family farmer and are useful to him.

Over 77 percent felt that eligibility of larger-than-family-farms for price support programs should be limited. It should be pointed out that no definition of a family farm was attempted in the questionnaire.

Fifty-two percent agreed that price supports at 90 percent parity would help change the present trends in the structure of agriculture.

Only 32.5 percent would favor any attempts to limit farm size and less than 24 percent would support reduction of tax concessions to farmers.

Over 87 percent would give family farmers a break with OSHA and EPA, while 73 percent felt that helping young farmers get started would help change present trends in the structure of agriculture.

When asked about the present Federal Reserve Bank policy of limiting the supply of money by allowing the interest rate to rise, 58 percent felt it would help slow inflation while 38 percent felt that it would speed the inflation rate. Eighty-eight percent felt that it would increase unemployment and bankruptcies.

When asked about the effect of futures markets on the cash market, 28 percent felt the effect positive, 49 percent negative and 23 percent neutral. Over 95 percent believe that large-volume trading by some brokerage firms enables these firms to significantly influence price movements.

Eighty-six percent believe that pension funds should be prevented from investing in farmland. Only 21 percent feel that the use of low-level antibiotics in animal feeds should be restricted.

I asked for their reaction to some of USDA's recent proposals for soil and water conservation program changes. The most popular change was increased tax deductions for conservation investments supported by 88 percent of the respondents. Increased education and technical assistance programs were supported by 74 percent and low cost loans for conservation investments were favored by 73 percent.

Nearly 60 percent favored increased funding of conservation cost sharing programs while almost 55 percent favored funding conservation practices only when a long-term contract is developed between SCS and the farmer.

A program to provide higher target prices to those who comply with a conservation plan on their farms was favored by 45 percent.

Mandatory conservation regulations were strongly opposed (91 percent) as were soil loss assessments and penalties, with 72 percent opposing.

Based upon their answers to the profile questions, I believe that that 442 people responding to my questionnaire were representative of farmers and those persons closely related to agriculture. The average age was 50.7 years, two-thirds lived on farms, 68 percent operated a farm, 77 percent owned farmland with the average operation being 655 acres and the average land owned by each owner being 387 acres. Thirty-five percent of the respondents worked off the farm more than 30 days a year. Almost one-third of the spouses worked off the farm, about one-half on a full-time basis.●

FEAR OF VIOLENT CRIME MOUNTS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. PORTER. Mr. Speaker, not only are the statistics frightening but so is the reality of citizens stalked by the day-by-day terror of violent crime around them. Reports mount in frequency of armed criminals loosed, terrorizing ordinary citizens preoccupied with their daily lives. Recently, Supreme Court Chief Justice Burger, in remarks before the American Bar Association in Houston said:

We are approaching the status of an impotent society—whose capability of maintaining elementary security on the streets, in schools, and for the homes of our people is in doubt.

I commend to the Members' attention the adapted text from the Washington Star of Chief Justice Warren

Burger's speech asking for basic, immediate reforms in our criminal justice system:

AN IMPOTENT SOCIETY PROTECTS CRIMINALS, NOT CITIZENS

(By Warren Earl Burger)

Today, the proud American boast that we are the most civilized, most prosperous, most peace-loving people leaves a bitter taste. Like it or not, today we are approaching the status of an impotent society—whose capability of maintaining elementary security on the streets, in schools, and for the homes of our people is in doubt.

We have established a system of criminal justice that provides more protection, more safeguards, more guarantees for those accused of crime than any other nation in all history. Is a society redeemed if it provides massive safeguards for accused persons—including pretrial freedom for most crimes; defense lawyers at public expense; trials, and appeals, re-trials and more appeals, almost without end—and yet fails to provide elementary protection for its decent, law-abiding citizens?

The statistics are frightening. Washington, D.C., the capital of our enlightened country, in 1980 had more criminal homicides than Sweden and Denmark combined, with an aggregate population of over 12 million as against 650,000 for Washington, D.C. The United States has 100 times the rate of burglary of Japan. More than one-quarter of all the households in this country are victimized by some kind of criminal activity at least once each year.

The New York Times recently reported that one study estimated that the chances of any person arrested for a felony in New York City being punished were 108 to 1! And it is clear that thousands of felonies go unreported in that city as in all others.

DAY-BY-DAY TERRORISM

For at least 10 years many of our national leaders and those of other countries have spoken of international terrorism, but our rate of casual, day-by-day terrorism in almost any large city exceeds the casualties of all the reported international terrorists in any given year.

Why do we show such indignation over alien terrorists and such tolerance for the domestic variety? Are we not hostages within the borders of our own self-styled enlightened, civilized country? Accurate figures on the cost of home burglar systems, of three locks on each door—and sadly of handgun sales for householders—are not available but they run into hundreds of millions of dollars.

What people want is that crime and criminals be brought under control so that we can be safe on the streets and in our homes and for our children to be safe.

Nothing will bring about swift changes in the terror that stalks our streets and endangers our homes, but I will make a few suggestions.

We must not be misled by cliches and slogans that if we but abolish poverty, crime will also disappear. A far greater factor is the deterrent effect of swift and certain consequences: swift arrest, prompt trial, certain penalty, and—at some point—finality of judgment.

Deterrence is the primary core of any response to the reign of terror in American cities. Deterrence means speedy action by society, but that process runs up against the reality that many large cities have either reduced their police forces or failed to keep them in balance with double-digit crime inflation. A first step to achieve deterrence is to have larger forces of better trained officers.

A second step is to re-examine statutes on pre-trial release. This requires that there be a sufficient number of investigators, prosecutors and defenders—and judges—to bring defendants to trial swiftly. "Bail crime" reflects a great hole in the fabric of speedy law enforcement and the consequent deterrence.

MORE MONEY THAN EVER

To change this melancholy picture will call for spending more money than we have ever before devoted to law enforcement, and even this will be for naught if we do not re-examine our judicial process and philosophy with respect to finality of judgments. The judicial process becomes a mockery if it is forever open to appeals and retrials for errors in the arrest, the search, or the trial.

Governments were instituted and exist chiefly to protect people. If governments fail in this basic duty, they are not excused or redeemed by showing that they have established the most perfect systems to protect the claims of defendants in criminal proceedings. A government that fails to protect both the rights of accused persons and also all other people has failed in its mission. I leave it to you whether the balance has been fairly struck.

Sometimes we speak glibly of a "war on crime." A war is being waged by a small segment of society against the whole of society. It will not be won simply by harsher sentences; not by harsh mandatory minimum sentence statutes; not by abandoning the historic guarantees of the Bill of Rights. It will not be accomplished by roving, self-appointed armed citizen police patrols.

A PLAN OF ACTION

Here are a few steps which ought to be considered immediately:

(1) Restore to all bail release laws the crucial element of future dangerousness based on a combination of the particular crime and past record, to deter crime-while-on-bail;

(2) Provide for trial within weeks of arrest, except for extraordinary cause shown;

(3) Priority for review on appeal within eight weeks of judgment;

(4) Following appelate review, confine all subsequent judicial review to claims of miscarriage of justice; and finally:

Accept the reality that to confine offenders behind walls without trying to change them is an expensive folly with short-term benefits;

Reexamining treatment of first non-violent offenders—intensive supervision and counseling and swift revocation if probation terms are violated;

Physical rehabilitation of all prisons to provide a decent setting for mandatory educational and vocational programs;

Generous family visitation in decent surroundings;

Counseling services after release, aimed at developing respect for self, respect for others, accountability for conduct, appreciation of the value of work, of thrift, of family.●

THE CONTINUING TRAGEDY IN LEBANON

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. SEIBERLING. Mr. Speaker, it is with relief that I note that today's Washington Post reports that the day-old cease-fire in Lebanon appears to be holding. For 8 days now, the Syrian Arab determination force and Lebanese Christian militiamen have been engaged in artillery duels around the city of Zahle, and in Beirut. The renewed violence in Lebanon has left more than 250 civilians and 12 soldiers dead, and many wounded.

The situation in Lebanon is tragic and complex, pitting Moslem against Christian, Syrian against Lebanese. The Palestinian presence in Lebanon, and Israel's understandable determination not to permit the PLO to use Lebanon as a staging area for raids on Israel further complicate efforts to bring lasting peace to this war-torn country. While deploring this latest outbreak of violence, we must do what we can to help Lebanese President Sarkis and the United Nations peacekeeping force defuse the current crisis before it erupts and threatens once again to ignite the entire region.

Since it provides a clear overview of the complexities of the situation in Lebanon, today's Post article follows these remarks.

[From the Washington Post, Apr. 10, 1981]

CEASE-FIRE HOLDS IN LEBANON AS U.S. POLICY ON SYRIA BECOMES ISSUE

(By Jonathan C. Randal)

BEIRUT.—A precarious cease-fire held today between Syrian troops and Lebanese Christian militia after eight days of fighting coinciding with Secretary of State Alexander M. Haig Jr.'s familiarization visit to the Middle East.

As International Red Cross teams evacuated the seriously wounded from the besieged eastern city of Zahle, apparently less damaged than the Christians had claimed, analysts warned against optimism and suggested that Haig, perhaps inadvertently, may have changed crucial perceptions of the U.S. role here during his visit.

The cease-fire, which gave Syrian forces an opportunity to reinforce their tank and artillery positions, held both in Zahle and in Beirut. Red Cross officials said that of the hundreds of wounded in Zahle, only about 60 appeared serious enough to require evacuation.

In the eight days of fighting, Lebanese authorities said, more than 250 civilians and 12 soldiers were killed in the two cities.

Statements made by Haig and other State Department officials in recent days have been interpreted as a marked departure from previous U.S. policy, which avoided singling out for blame any one party in the complicated Lebanese hostilities.

Haig's condemnation of "the brutality of the Syrians' action against the Christian enclave as very, very serious and unacceptable

by any standards of international conduct" was played up by the right-wing Christian militias.

Mordechai Zippori, deputy Israeli defense minister and a strong advocate of Israeli help for Lebanon's Christian militias, underlined this apparent change in U.S. policy.

Near the Lebanese frontier in northern Israel today, Zippori said, "Perhaps for the first time in the history of the Lebanese conflict we succeeded in activating the United States."

He credited that stance—made public by Haig in Israel and repeated in Jordan while the U.S. embassy in Damascus relayed the Israeli threats to the Syrian government—with ending the current round of fighting.

Whether this was Haig's intent was not clear, but two Israeli jets flew over Beirut to show Israel's concern.

The United States has often served as a conduit for Israeli warnings to Syria in the Lebanese conflict that began six years ago, but Haig's visit was the first occasion on which the United States gave the message and the messenger so much publicity.

In what was widely interpreted as a later effort to reestablish an image of American even-handedness, Morris Draper, deputy assistant secretary of state for Near Eastern affairs, was sent here to confer with President Elias Sarkis and other top Lebanese leaders yesterday and today.

The text of a Haig letter to Sarkis was released—a relatively unusual practice—pledging U.S. support for the beleaguered central government.

The letter also mentioned southern Lebanon, where Israeli-backed Christian militias have wreaked havoc recently, and reaffirmed U.S. support for the U.N. peacekeeping operation there, moves apparently designed to balance Haig's criticism of Syria.

Privately U.S. officials underlined Syria's indispensable role in achieving overall Middle East peace to mollify the Damascus authorities, who were so stung by Haig's remarks that they refused to receive Draper as planned.

Tishrin, the Syrian government newspaper, attacked Haig and the United States today, saying that Haig "did not come to the region to seek out views but to impose designs totally contradicting Arab aspirations to liberate occupied territory and recover usurped rights." Tishrin added that "this is why Syria has refused to receive" Draper.

Western diplomatic sources credited countries as varied as the Soviet Union, with its political influence, and Saudi Arabia, with its money, with intervening with Syria.

The long-term repercussions of Haig's visit were difficult to calulate. But combined with national security adviser Richard Allen's recent defense of Israel's controversial preemptive strike policy in Lebanon as "hot pursuit" of Palestinian guerrillas, the visit seemed destined to have raised serious questions for the Syrians, the Christians and the other parties involved, according to analysts.

The immediate problem is finding a solution to the present crisis. The focus is Zahle, 30 miles east of Beirut, where observers fear more fighting unless a compromise is worked out in the next 48 hours by Sarkis, who is conferring with both belligerents.

At stake is Syrian insistence that any Lebanese Army units stationed in Zahle be approved by, and and under the control of, the all-Syrian Arab Deterrent Force set up in late 1976 to end the 21-month-long Lebanese civil war.

In theory at least, Sarkis commands both these armies which, for the first time in three years, found themselves fighting each other.

U.S.-backed effort to rebuild the Lebanese Army, which split into Moslem and Christian parts in the civil war, received a serious setback in the recent fighting. Units stationed in Beirut between the Christian and predominantly Moslem parts of the capital came under Syrian fire and fired back. This de facto alliance with the Christian militias has prompted leftwing and Moslem fears that the rightist Christian militias' hold on the new Army has been accelerated, making its use as a national rallying point even more open to question.

Such distinctions are less important in Zahle, whose 150,000 residents prefer the Lebanese Army to the Christian militias or the Syrians.

Long outside the control of the Phalangists, the main Christian party and militia, Zahle and its predominantly Catholic inhabitants were drawn into the fighting late last year.

The Syrians object to Phalangist efforts to take over the town and build an over-the-mountains road to the Christian heartland on grounds such a presence represents an intolerable danger to their security.

Zahle dominates the Beirut-Damascus highway, which divides the fertile Bekaa Valley, and Syria suspects that the Israeli-backed Christian militias are really operating at Israel's behest.

While Syria may have felt it had a case to attack Phalangist encroachments on Zahle, analysts here are at a loss why the Syrians shelled Christian eastern Beirut at the same time.

This time, Syria was condemned by world public opinion and the United States. In 1978, when Christian provocation played a key role in setting off more than a week of Syrian artillery bombardment of eastern Beirut, both France and the United States refused to publicly condemn Syria.●

OMNIBUS SAVINGS INCENTIVES TAX ACT OF 1981

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. PETRI. Mr. Speaker, one thing we clearly need to do with any tax cut bill is to encourage savings, particularly savings by lower income and middle-income taxpayers. Increased savings are essential to provide investment capital and to allow the Government to finance its debt without driving up interest rates or creating more money. A tax cut can be noninflationary to the extent that it increases work and earnings, which offsets its revenue loss, or to the extent that it increases savings, which finances its revenue loss.

The Reagan administration's proposed cuts in marginal income tax rates seem likely to have both these effects for upper income people, but their effects at the lower end of the income scale are less clear. It is possible that at lower income levels the cuts will simply be consumed without generating new investment or more work effort, which is limited by available opportunities for these people. However, savings can be increased among this segment of our population by a package of direct savings incentives specifically targeted toward lower income taxpayers. I have introduced such an integrated package, the Omnibus Savings Incentives Tax Act of 1981, H.R. 2968, and I intend it as a companion to the Reagan program.

H.R. 2968 contains the following elements:

TITLE I. TAX CREDIT FOR INTEREST AND DIVIDEND INCOME

Twenty-five percent tax credit against up to $1000 of interest and dividends ($2000 on a joint return).

Maximum credit of $250 ($500 on joint return).

Credit is nonrefundable.

TITLE II. INDIVIDUAL RETIREMENT ACCOUNT (IRA) EXPANSION

Makes all workers eligible for IRAs.

Raises the maximum allowable deductible contribution to these accounts from $1500 per year under current law to $2000 per year or the total amount of the taxpayer's earned income, whichever is less.

Allows an additional $2000 deductible contribution for the taxpayer's spouse.

Instead of contributions to a separate IRA, allows an employee to make deductible voluntary contributions to his employer-sponsored retirement plan, if the plan so permits, up to the IRA limits.

For those employees exempt from Social Security, reduces the allowable IRA deduction by the amount of Social Security taxes for which the employee would be liable if he participated in Social Security.

As in current law, all earnings in the IRA are tax-exempt as long as they stay in the account, and all withdrawals are taxable as ordinary income in the year of withdrawal, except as noted below.

Allows total lifetime withdrawals of $15,000 for higher education expenses of children or for purchase of a principal residence. Such withdrawals escape the normal 10 percent penalty for withdrawals from IRAs before age 59½ but are still taxable as ordinary income.

In the case of a withdrawal for purchase of a principal residence, allows the taxable income to be spread over three years.

TITLE III. BONUS INTEREST FOR IRA CONTRIBUTIONS BY LOW INCOME TAXPAYERS

Establishes bonus payments of 14 percent of the original principal for IRA contributions held for 7 years by individuals with gross income (including tax preference items such as the excluded portion of long term capital gains) under $12,000, or by couples with combined gross income under $18,000.

Bonus is paid to the IRA at the end of the 7 years.

Minimum contribution of $500 per year and maximum of $1000 per person or $2000 per couple.

All other IRA rules apply. Contributions are tax-deductible, earnings in the account are tax free, withdrawals are taxed as ordinary income in the year of withdrawal, and withdrawals are subject to additional 10 percent penalty unless made after age 59½ or for higher education or purchase of a principal residence.

Additional contributions to the IRA beyond the amounts eligible for a bonus are allowed up to the normal limits.

Principal amounts eligible for bonus payments are deemed to be the last funds withdrawn from the IRA.

Income in the year contributions are made determines eligibility for bonus. Income limits are not indexed for inflation, so the program will tend to phase out without further Congressional action.

Mr. Speaker, this bill provides an encouragement for all small savers, a stronger encouragement for longer term savings, and a special bonus to make long-term savings more attractive for low-income people who are hardly saving at all at present. While one intent of the bill is to encourage younger workers to tie up more savings for the long term, it also gives a particularly large tax break to older people living on small amounts of investment income. For example, with a 25 percent tax credit against $2,000 of interest and dividends, a poor elderly couple in the 14- to 16-percent marginal tax bracket gets as much of a tax reduction as it would by excluding about $3,500 from its taxable income.

As opposed to an exclusion, the 25-percent tax credit against interest and dividends—title I—gives an equal tax break in actual dollars to all taxpayers regardless of their marginal brackets. Everyone will save $250 in taxes on $1,000 of investment income; whereas with an exclusion, the 70-percent marginal bracket taxpayer saves $700 while the 14-percent bracket taxpayer saves only $140. While the credit does give the lower income person a higher effective yield on his investment, the revenue loss to the Government should be lower than with an exclusion. That is, for the same revenue loss, you can give a break to a larger amount of investment income with a 25-percent credit. In addition, by targeting the break more toward the lower end of the income scale, we should achieve higher new capital formation in relation to the revenue loss. Most higher income taxpayers already have enough investment income, that is, $1,000 to $2,000 worth, to exhaust the full value of this incentive, while lower income taxpayers do not. At the margin, therefore, the high-income people get no incentive to add to their savings while the lower income people do get such an incentive. The 25-percent credit increases that incentive for the lower brackets while diminishing the revenue loss from the higher brackets.

Titles II and III of the bill are intended to turn individual retirement accounts (IRA's) into one of our most important vehicles for long-term savings. Making everyone eligible, eliminating the 15-percent rule, setting the contribution limit at a uniform $2,000 per worker or spouse, and eliminating the separate spousal IRA all should make these accounts simpler to administer and increase their attractiveness to financial institutions. Increasing their flexibility by providing for housing and education withdrawals without penalty should make them more attractive to younger workers, for whom these are two of the most important purposes of long-term savings, aside from retirement. The bonus payments of title III should make these accounts particularly attractive for low-income workers, who would otherwise get relatively less tax benefit from tying up their money because their marginal brackets are so low.

Consider a taxpayer in the 21-percent marginal bracket, which occurs at gross income between $9,500 and $11,800 for a single person and between $13,900 and $18,000 for a couple with no dependents. If he puts $1,000 in an IRA earning 10 percent and keeps it there to qualify for the bonus, at the end of 7 years he will have $2,088. With no savings incentive at all, he would have only $1,345, while with the 25-percent tax credit, he would have $1,570. In these last two cases, he would start with $790 of initial savings after paying his 21-percent tax on the $1,000 he could have put in the IRA. The difference between IRA savings totals and no-incentive savings totals increases as the taxpayer's marginal tax bracket gets higher and decreases as the marginal tax bracket gets lower. In the unlikely event that a 14-percent marginal bracket taxpayer, that is, a single person with gross income from $3,300 to $4,400 or a couple with gross income from $5,400 to $7,500, had $1,000 before-tax income to save, earned 10-percent interest, and remained in that bracket for 7 years, he would have $2,088 in an IRA after 7 years, including the bonus, but he would have $1,532 with no savings incentive or $1,797 using the 25-percent credit. His no-incentive and tax credit savings would each be about $200 higher than those of the 21-percent bracket person, but his IRA total would still be about $300 to $550 higher than the other alternatives.

On the other hand, a 37-percent bracket taxpayer—gross income of $31,900 to $37,200 for a couple—who invested $1,000 before tax at 10 percent would have, after 7 years, $1,948 in an IRA, $1,137 with a 25-percent credit, or $966 with no savings incentives at all. These results are summarized in the following table:

TOTAL SAVINGS AFTER 7 YEARS FROM INVESTING $1,000 OF BEFORE-TAX INCOME AT 10 PERCENT IN AN IRA WITH BONUS, WITHOUT AN IRA BUT WITH A 25 PERCENT TAX CREDIT AGAINST INTEREST, AND WITH NO SAVINGS INCENTIVE AT ALL

	14 percent tax bracket	21 percent tax bracket	37 percent tax bracket
With IRA	$2,088	$2,088	$1,948
25 percent credit	1,797	1,579	1,137
No incentive	1,532	1,345	966

Of course the value of an IRA is most strikingly evident when one considers its effectiveness for accumulating savings over a period of many years. Take our 21-percent-bracket taxpayer, for example, and assume that he stays in that bracket for his entire career. Also assume that he earns an average of 8 percent in his IRA, which is low right now but reasonable if inflation comes down in the future. If he invests $1,000 every year for 40 years, at the end of that time he would have $279,776 in the IRA, whereas without the IRA he would have only $132,546, less than half as much. If the bonus payment of title III remained in effect for the entire period and he remained eligible, that would add an additional $22,206 to the IRA, for a total of $301,978.

I am asking various parties to study the revenue and economic effects of this bill in greater detail. However, one thing we know already is that the low-income people at whom it is targeted, particularly in title III, are saving very little at present. It is highly probable that a large percentage of the IRA savings eligible for the 14-percent bonus will be new savings generated by the bill. If that percentage is at least 50 percent, then of every $1,000 of such savings, at least $500 will be net additions to our capital markets.

The Government's revenue loss from each $1,000 is about $190 to $200 in the first year, since the 21-percent marginal bracket is the highest that qualifies. Second year revenue loss is around $21, 21 percent of $100 interest, and lost taxes on interest in succeeding years are similarly small. After 7 years, the Government incurs a cost of $140. The total cost to the Government after 7 years is still under $500 and the "discounted present value" of that costs taken all in the first year is in the range of $400 or less.

To sum up, $500 of new capital has been generated, of which the Government borrows $200 the first year and lesser amounts thereafter to finance the tax cut. The remaining $300 is an addition to the supply of private capital and tends to reduce its price, that is, interest rates. If the bill is successful in generating large amounts of new capital, it will have two kinds of feedback effect on the Federal budget. First, it will tend to lower slightly the interest rates the Government must pay on its entire debt, and each one-tenth of 1 percent drop in interest rates can save the Government on the order of $700 million. Second, it will stimulate greater economic activity, which will lead to increases in other Federal tax collections and decreases in other expenditures.

Of course, the provision for housing withdrawals, besides making IRA's

more attractive, is intended to stimulate the housing industry directly. The American Supply Administration, the single national organization of plumbing-heating-cooling-piping wholesalers and a leading advocate of incentives for construction and savings, enthusiastically supports this bill. Its 1,200 wholesale distribution member firms, posted in 3,000 locations in 50 States, have unequivocally told me, through their leadership, that this provision, for use of IRA proceeds to purchase a principal residence, will be a significant factor in reversing the economic downtrend in their industry.

Mr. Speaker, I would like to add a few observations on several details of the bill:

First. Title II of this bill is similar in some respects to Congressman MOORE's H.R. 1250. Major differences include the treatment of spouses, allowance of nondeductible contributions, the social security offset, the amount of the total allowable housing and education withdrawals—$15,000 in H.R. 2968 versus $10,000 in H.R. 1250, the provision in H.R. 2968 for spreading the taxable income attributable to a housing withdrawal over 3 years, and the allowance in H.R. 2968 of a housing withdrawal for any purchase of a principal residence versus only the individual's first principal residence in H.R. 1250.

Second. In either bill, a spouse working part time could qualify for a full $2,000 IRA deduction with $2,000 of taxable income. Therefore there does not seem to be any good reason to exclude nonworking spouses, whose value to the family is surely far in excess of $2,000. By allowing every couple $4,000 of IRA deductions, we can enable most people to build up their accounts rapidly enough to make them efficiently manageable without resorting to the allowance of nondeductible contributions, which complicates the accounts and make them less attractive to financial institutions.

Third. Social security taxes are nondeductible and come off the top of most workers' incomes. Exempt workers would have an unfair advantage if they could get a personal retirement savings deduction for funds available to them only by virtue of their exemption. Subtracting the avoided social security taxes from the allowable IRA contribution makes my bill fairer with respect to social security and should help encourage workers to participate in that system. Note that this provision does not exclude anyone from a maximum bonus under title III, since any worker with income low enough to qualify for that will still have plenty of allowable IRA contributions even if he is exempt from social security. The social security provision completely excludes from IRA's only single workers with exempt earned income over $29,200 or couples with exempt earned income over $58,400.

Fourth. Title III is modeled after a very successful program in West Germany. Congressman GREEN has also introduced a bonus plan modeled on the German system, but his proposal is independent of the IRA structure. Tying the bonus idea to the IRA structure, as in my bill, simplifies administration through the IRA trustee and gives the low-income saver a better break, by combining the IRA advantages with the bonus, in exchange for tying up his money more securely for the long term and preventing him from rolling over his capital for an additional 7 years and an additional bonus. Of course, once the money is in the IRA, it is subject to a 10-percent penalty plus ordinary income taxation if it is taken out for other than the three allowable purposes. Since bonuses are paid only for contributions to an IRA, the capital would have to be taken out of the IRA and then put back in to qualify for another bonus, and this would not make sense. Note that linking the IRA concept to the bonus concept only makes sense in the context of the provisions of title II opening IRA eligibility to everyone and increasing the flexibility of these accounts.

Fifth. This bill was written in the context of current law. If the President's tax package is enacted, cutting marginal tax rates up to 30 percent, it would be advisable to change the tax credit of title I to 20 percent from 25 percent. Otherwise the benefits for the lowest income taxpayers would be greater from the credit than from the IRA and bonus.

Sixth. I would argue that for low-income taxpayers, the savings incentives in this bill are largely equivalent to a cut in marginal tax rates, since the money saved is their marginal income and there is an incentive for more annual savings than most of them are going to make.●

THE BARD GOES TO OREGON

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. AuCOIN. Mr. Speaker, I am delighted to offer the following review of one of the most talented Shakespearean companies in the Nation. The Oregon Shakespearean Festival in Ashland, under the direction of William W. Patton, has achieved a reputation of excellence, and I applaud its continued success.

In addition to presenting a rotating sequence of the entire Shakespearean repertoire, the Ashland festival produces with equal quality modern, as well as classic works. I welcome this opportunity to give the Oregon Shakespearean Festival the recognition it proudly deserves.

[From the Washington Post, Sun. Apr. 5, 1981]

THE BARD GOES TO OREGON

(By Richard L. Coe)

ASHLAND, ORE.—Add to the list of distinguished Oregonians the name Will Shakespeare. For it is through its summer Shakespeare festival that this town of 15,000 merits a major spot on the U.S. theatrical map.

The Oregon Shakespearean Festival Association is the site of a remarkable complex, where last year some 265,000 persons saw a dozen plays in three theaters. Its productions are given in rotating repertory, a scheme now regularly employed only by one other American theater, San Francisco's ACT, the American Conservatory Theater, meaning that within a week's stay this summer you'll be able to see at least 10 different plays. (With the opening of its "Carousel" trio of new plays, Arena Stage also is playing on the now-rare rotating repertory scheme.)

Ashland's theatrical beginning was modest indeed: three performances of "The Merchant of Venice" before a total of 500 persons. It was the creation of Angus Bowmer, son and grandson of roaming newspapermen, who in 1935 had come to teach English at Ashland's Southern Oregon Normal School. Noting remnants of the old Chautauqua building in the heart of town, Bowner felt that the 19th-century spot should revert to its old ways, as a center for Rogue River Valley culture.

He conned the town fathers into floating a few hundred dollars for a Fourth of July event. They took the precaution to protect their investment by booking a prize fight as the afternoon attraction. As it turned out, the profits on the repeated Shakespeare performances erased the deficit on the fight.

It's been that way ever since, onward and upward. In 1964 (Shakespeare's 400th birthday year) there were five productions for 58 performances before a total attendance of nearly 61,000. By 1975, there were six productions running concurrently for 366 performances and a total attendance of 211,518. Last summer 12 plays were performed 579 times.

Now the old Chautauqua walls form part of an outdoor theater in Elizabethean design seating 1,200. There is a superbly equipped, 600-seat modern indoor theater named for its owner, who died two years ago. And there is also an adaptable room, named the Black Swan, seating roughly 150, where modern, intimate plays are fittingly accommodated. The season now extends from February into October and an estimated 91 percent of the audiences live outside a 100-mile radius of Ashland.

Clearly, Ashland is doing something right.

Its main attraction is quality. There's a cadre of leading actors who appear through permission of the Actors' Equity Association. Many others have played leading roles for some years and in junior roles are graduates from the country's leading theater schools, selected through Ashland's membership in the League of Regional Theaters, which ranks it in size and budget among its top four. But this remarkable organization never has achieved the national spotlight it so clearly merits because of its distance from the New York art center.

This season's "Wild Oats" is an example of Ashland's quality. John O'Keefe's tangled tale was an 18th-century companion to such classics as "The Rivals" and "The School for Scandal." But it was totally forgotten until the Royal Shakespeare Company revived it five years ago in London. I found it overrated then and very crowded on its small stage when the Folger Theatre Group had the wit to present it in Washington. Ashland's is far the best of my three "Wild Oats."

Further, it's a perilously demanding play to do, for it requires that dashing style not easily achieved by American actors in wigs and fancy dress. Because Ashland has high vocal standards, I got many of the quips that had sailed right over my head in previous exposures. Thanks to the panache developed through performing Shakespeare regularly, this is a gorgeous production, spirited and funny.

A tip-off to the quality: In the tiny orchestra pit was a real harpsichord, not the piano one might have found in many a production. Music, under the direction of Todd Barton, plays a vital role in all Ashland productions.

So do scenic design and the costuming of Jeannie Davidson. Richard L. Hay, resident designer since 1969, achieves stunning effects on the Bowmer's thrust stage, its appearance and shape changing for each of the productions. One of his challenges is to make the same designs suit the outdoor stage, where generally the plays are given without intermission. Germany is the only country where Shakespeare is regularly performed without intermission and the effect on the plays' narrative drive is enriching. You don't have time to think of those plot holes in such works as "Romeo and Juliet" and "Othello."

"Twelfth Night" is having its seventh Ashland production this year and over the summers Ashland has run through the entire Shakespeare canon of 37 plays three times. Hay seems to be the only designer in the world to have created sets for all 37 works.

Some of the locals are inclined to be testy about the expansion beyond Shakespeare, a practice now followed by all the major Shakespeare festivals. This spring, American theater is represented by Arthur Miller's "Death of a Salesman" and Canada's by "Artichoke," a new play by Joanna M. Glass, whose "To Grandmother's House We Go" played recently on Broadway.

Artistic Director Jerry Turner observes that to confine productions to Shakespeare would "risk living in a vacuum," so there are such modern works as Athol Fugard's "Sizwe Banzi Is Dead" and "The Islands" (to be done this summer), Pinter's "The Birthday Party," Albee's "Seascape" and James McLure's "Lone Star."

Executive Director William W. Patton keeps his eyes on both the budget and the future. With annual expenses now reaching $3 million, Patton proudly notes that Ashland takes in over 70 percent of its expenses at the box office, a far higher average than most nonprofit theaters. But he says that "rising costs are a clear worry. Ahead, as with Arena Stage and other LORT theaters, deficits will loom larger."

So, already at work is "The Next Fifty Years" committee, aiming for a $10-million endowment fund by 1985, the group's 59th anniversary. As that year approaches, Ashland can look for visits by now-celebrated alums such as Dick Cavett, William Hurt, Powers Booth, George Peppard, Eric Miller, Le Clanche du Rand, Rick Hamilton (of "Amadeus"), Jean Smart (of "Piaf"), TV's David O'Brien and Fredi Olster.

If you're planning your summer holiday, think of Oregon's Will and the Great Northwest. "Do come," says Ginger Rogers, who has a house near here, "Come, but don't stay! The joy of Oregon is that so far we don't have too many people out here."●

THE AMERICAN COUNCIL OF LEARNED SOCIETIES

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. SIMON. Mr. Speaker, I am today introducing legislation that would grant a Federal charter to the American Council of Learned Societies, the distinguished federation of professional and honorary associations devoted to the advancement of scholarship in the humanities.

The council, which was founded more than 60 years ago, supports individual scholars through fellowships and grants and also frequently represents the United States in formal and informal academic contacts with other nations.

The Nation owes a considerable debt to the ACLS for its efforts in foreign language and international studies. It supervised the Army language program during the Second World War and assisted with the development of our area studies program, which has helped to keep our leaders and future leaders informed about changing conditions in the world.

The council has also published scholarly works of its own, the most well known being the "Dictionary of American Biography," which originated in 1921.

We have, in the past, recognized other scholarly and cultural organizations by granting a Federal charter. Among those organizations is the National Academy of Sciences, which received its charter in 1863.

I am joined by my colleagues the Honorable WILLIAM FORD, chairman of the Committee on Post Office and Civil Service, the Honorable FRED RICHMOND, chairman of the Arts Caucus, and the Honorable SIDNEY YATES, chairman of the House Subcommittee on Interior Appropriations, to offer this legislation to recognize the significant accomplishments of the American Council of Learned Societies. I urge my colleagues to work with me to secure its passage.●

THE OIL COMPANIES' BUYING SPREE

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. BEDELL. Mr. Speaker, last month I used this forum to express my concern over the recent wave of new acquisitions by major oil companies. I noted that, while the oil companies continue to claim they need higher prices for gasoline in order to finance energy exploration, they are using their ever-growing cash flow to go out and buy up whole industries.

Today I would like to bring to my colleagues attention two articles that discuss this recent trend. One article was written by the respected columnist Joseph Kraft and appeared on the op-ed page of the Washington Post last week. The other is a commentary by Malcolm S. Forbes, editor of Forbes magazine, which appears in the current issue of that publication.

The texts of the articles follow:

[From Forbes Magazine, Apr. 13, 1981]

FACT AND COMMENT

(By Malcolm S. Forbes)

It's downright outrageous that those big oil companies are spending billions to take over major mineral companies instead of using their huge cash piles to develop additional energy sources or for refineries able to handle today's far heavier crudes.

They have the gall (and blindness) to pay whopping prices for copper mines and such and at the same time to cry out loud because the Reagan Administration is going to cut back federal funding for synfuel and other energy research and plant development.

It's one thing to go into coal—that's energy related.

But these other acquisitions are about as "justified" as Mobil was in getting into the cardboard box and shirt business, and Atlantic Richfield into the London newspaper business.

While Prudential Insurance, foresightedly, soundly (and, coincidentally, in the national interest), will be investing $400 million as a limited partner in energy exploration projects, the energy companies are "diversifying" out of energy with their present profits from it.

Is it ignorance or arrogance or what could it be that makes Chevron ($4 billion for Amax), Sohio ($1.77 billion for Kennecott), Amoco (Cyprus Mines), Union Oil (Molycorp), Atlantic Richfield (Anaconda), in a time of national capital scarcity and curtailment of government energy subsidies, engage in such extraneous, gluttonous gobbling?

If they're preparing for the day we run out of oil, it's into other energy sources their billions should be going. We're never

going to run out of the need for energy. That's their business—present and future.

[From the Washington Post, Mar. 31, 1981]

THE OIL TEST

(By Joseph Kraft)

Standard Oil is buying the Kennecott Copper company. Standard of California is buying another metal company, Amax. Mobil is still digesting Montgomery Ward, and Exxon is still figuring out what to do with Reliance Electric. Conoco, Gulf and Occidental have all bought major coal companies.

So what? So nothing from this corner in the way of a moralistic blast at the big, bad oil companies. But their acquisitive habit does raise doubts about the supply-side economics so dear to the Reagan administration. It even suggests that, maybe, taxes on the oil companies should be raised.

The economic policies of the administration center on the claim that money moved from the public to the private sector will be invested to improve output and productivity in ways that reduce shortages, diminish inflation and promote full employment. As a test for that theory, the oil companies are first in line.

Thanks to deregulation and the shortages of 1974 and 1979, the oil companies are flush. Texaco, Mobil and Standard of California hold over $3 billion apiece in cash or the equivalent. Standard of Ohio, Standard of Indiana, Gulf and Phillips have nearly $2 billion apiece.

The special competence of the companies bears a close relation to the national interest. What the companies are supposed to do best is find, extract, transport, refine and sell oil and gas. The United States and its allies are so short of petroleum that American foreign policy sometimes gets made in Saudi Arabia, Libya and Nigeria.

Practically to the point of pledging, furthermore, oil company executives said they would plow increased revenues back into discovery. At least that was the line when they were trying to get the Congress to decontrol oil back in 1979, and dilute the windfall profits tax.

Alton Whitehouse, the chairman of Ohio Standard, testified to the Senate Finance Committee on July 12, 1979, that ". . . the surest investment our country can make in the short term . . . is to emphasize traditional oil and gas exploration. We will get the biggest bang for our buck on that program."

J. Dennis Bonney, of Standard of California, when asked what the company would do with windfall profits, told the Senate Judiciary Committee on June 25, 1979, that "our preference, our strong preference, would be to reapply those profits to reinvestment in the oil and gas business. . . ."

Jack Allen, a spokesman for the independent producers, testifying on deregulation, told a House subcommittee on energy and power on May 16, 1979, that "the increased revenue resulting from this program would have been recycled into exploration and drilling, as has occurred all during the history of the petroleum industry. . . ."

Drilling, to be sure, is now at record levels, but the companies have money left over that they are not putting into oil and gas exploration. They are spending tidy sums just to buy off the present stockholders of companies that are in many cases good and efficient and don't need any help.

Nobody can blame the oil companies. They are making sound investments. Metal companies, in particular, have been depressed because of environmental regulations in this country and expropriation dangers abroad. Both perils are now receding, so the oil companies are getting into good things, and assuring bigger returns to their stockholders. But the fact is that making money available for investment to private companies doesn't always work to promote the public good. Sometimes there's a difference between national interest and corporate interest. The difference emerges when the oil companies spend revenues, which the country thought would yield more energy, on mere financial deals.

It is not only the private sector, moreover, that invests for the future. Money spent by government on defense and education and health and highways and housing is also an investment in the future. So is money spent by government on programs that avert civil strife. If the government is short of funds, if it has to pinch in areas that hurt the whole society badly, then it makes sense to look for additional revenues. One place from which the public sector can probably draw more money without doing great harm is the oil industry.

In the present national mood, of course, a rise in oil company taxes isn't likely. But a large point is germane. The play of free market forces does not by itself inevitably promote the national welfare. The market has to be made for the common good—by thoughtful government policy.●

IN HOMAGE TO OMAR BRADLEY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. PORTER. Mr. Speaker, a great American has died. General of the Army Omar N. Bradley served his Nation well through his long life and long military career.

I remember him when, as a small boy, I followed the advance of American troops across Europe. Normandy, St. Lo, the Metz, Remagen, and Aachen are a few of the names I remember and associate with General Bradley.

It was another decade and a half, however, when I truly began to appreciate the the "GI's General" As an American serviceman, I began to grasp the importance of General Bradley's sense of his troops. His care for them and their condition was constantly shown.

A quiet, dignified, humble man in life, General Bradley was a superlative soldier who shared the privations of the field with his troops, formulated innovative strategies for victory, and frequently displayed his personal courage and dedication in battle.

We remember Omar Bradley for his outstanding service to the Nation. We praise him for his courage and the glory of his victories. But first and foremost, we revere and respect him for his qualities as a man: compassionate, humane, and dedicated.

Throughout our history Members of this Chamber have paid tribute to America's military heroes. We have honored and expressed gratitude to those dedicated to the cause of freedom and willing to pay the highest price to insure that our citizens are safe, and that the lamp of freedom continues to shine around the world.

This week one of America's truly great military leaders passed on: General of the Army Omar N. Bradley, the "GI's General," is dead at the age of 88. General Bradley served as a soldier for 69 years, longer than anyone who has worn the American uniform. He was an exceptional officer whose brilliant strategies and distinguished leadership played a crucial role in winning the Second World War.

Above all, General Bradley was a humanitarian, and we should remember him most for the compassion and concern he had for those under his command. He was modest, unassuming, and reticent. He was a warrior totally devoted to saving the lives of his men. His battle plans consistently provided extraordinary results at the cost of relatively few casualties. Unlike many who have worn the stars and given the command to kill and be killed, Omar Bradley was loved by his troops; loved because he was one of them, loved also because he understood their fears and honored their sacrifice.

With General Bradley's passing an era comes to a close. The last of America's World War II commanders has marched into history. General Bradley was the last of the five star generals.

We pray, as Omar Bradley must have, that America will not require the service of another five star general. Omar Bradley's brillance in battle provided us peace, and it is peace we must strive to maintain.●

PEOPLE'S PRODUCTIVITY PROGRAM

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. LEHMAN. Mr. Speaker, one of my constituents, Mr. Bob White, has formed a nonprofit organization known as the people's productivity program. Its purpose is to produce low-cost protein-rich foods from corn and soy. Mr. White hopes to begin production of this food in Haiti, where it would then be available for local consumption as well as for export to other Caribbean islands.

Much of our present foreign aid effort in Haiti is aimed at providing food to the Haitian people, who are the poorest in our hemisphere. The needs there are great, and Mr. White believes that his program can provide low-cost food for the Haitians as well as provide them with jobs in the pro-

duction of the food. He has assured me that his proposal has been reviewed by technical experts who believe the program has merit.

It is commendable that persons in the private sector are interested in development, and I support the idea of more private efforts like this to supplement U.S. Government foreign assistance.●

THE OVERWHELMING CASE FOR SAVINGS AND INVESTMENT INCENTIVES

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. FIELDS. Mr. Speaker, with the lowest savings rate of any industrialized nation and with recent periods of negative productivity, it is incumbent upon this Congress that we enact legislation to encourage savings and investment.

While the President's tax package is a significant step in that direction, I feel it is critical that we implement several additional changes in our tax code to further ease the bias against savings and investment. For this reason, I have introduced the Comprehensive Savings Incentive Act of 1981.

This bill, I feel, will have a very positive impact on our rate of personal savings and in the subsequent growth of capital formation. According to recent Treasury Department figures, an increase of even 1 percentage point in our personal savings rate would represent an increase of approximately $20 billion which could be used by our struggling industries to modernize their facilities, to create jobs, and to improve their overall productivity.

It is absolutely critical that we unlock these sources of capital, for in 1979 the savings rate in this Nation sank to a 30-year low of 4.5 percent for the year as a whole. This record contrasts sharply with that of other industrialized nations, many of which have provided tax incentives for savings. In 1977, the latest year for which United Nations data is available, the savings rate was 25 percent in Japan, 17 percent in Belgium, 13 percent in France, 13 percent in West Germany, 11 percent in the United Kingdom, and 11 percent in Sweden.

With respect to productivity, our Nation's record is equally dismal. From 1947 to 1967, productivity in the private business sector increased to an average annual rate of 3.2 percent. During the past decade, however, productivity grew less than half as fast—at a rate of 1.4 percent a year. In 1979, productivity actually declined and this reduction continued into the second quarter of 1980.

The declining trends in the personal saving rate and in productivity gains have obviously contributed to the inflation problem plaguing our Nation. These trends will not easily be reversed without tax incentives for increased savings and capital formation. Since the household sector in recent years has accounted for 63 to 80 percent of total gross saving in the Nation, specific incentives for personal saving are essential to an effective anti-inflation effort in order to promote long-term economic growth.

Clearly, in the past, our tax policies have resulted in our Government taxing all forms of risk-taking so heavily that the risks are no longer worth taking. As a result, the United States now ranks seventh in productivity, capital investment, and economic growth, after Japan, West Germany, Italy, France, Canada, and Great Britain.

Let me also say, however, that a major concern we all have regarding tax incentives for saving is, of course, the impact on Federal tax revenues. This is an especially important point at this time when the Federal budgetary deficit has been increasing steadily. We must remember, however, that over the long run, an increased level of private and capital formation will provide more than offsetting economic benefits to this Nation, particularly in its anti-inflationary impact.

Mr. Speaker, I would like to urge my colleagues to closely examine the provisions of the Comprehensive Savings Incentive Act of 1981 and to cosponsor this bill, which will complement the President's own economic recovery program.

At this point, I insert in the RECORD the text of my bill, H.R. 2533.

Finally, I would like to submit for the RECORD a recent article written by Sylvia Porter entitled "Investment Tax Policies Hurting U.S." I would recommend that my colleagues take a few moments and read this excellent presentation of the need for savings and investment incentives.

H.R. 2533

A bill to amend the Internal Revenue Code of 1954 to provide incentives for savings by individuals

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Comprehensive Savings Incentive Act of 1981".

SEC. 2. INCREASE IN EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

(a) GENERAL RULE.—Paragraph (1) of section 116(b) of the Internal Revenue Code of 1954 (relating to maximum dollar amount of exclusion of dividends and interest received by individuals) is amended by striking out "$200 ($400" and inserting in lieu thereof "$1,000 ($200".

(b) EXCLUSION MADE PERMANENT.—Subsection (c) of section 404 of the Crude Oil Windfall Profit Tax Act of 1980 is amended by striking out ", and before January 1, 1983".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

SEC. 3. INCREASE IN DOLLAR LIMITATION ON DEDUCTION FOR RETIREMENT SAVINGS.

(a) GENERAL RULE.—

(1) AMENDMENT OF SECTION 219.—Paragraph (1) of section 219(b) of the Internal Revenue Code of 1954 (relating to maximum deduction) is amended by striking out "$1,500" and inserting in lieu thereof "$2,500".

(2) AMENDMENT OF SECTION 220.—Subparagraph (C) of section 220(b)(1) of such Code (relating to maximum deduction) is amended by striking out "$1,750" and inserting in lieu thereof "$3,000".

(b) CONFORMING AMENDMENTS.—

(1) Subclause (II) of section 219(b)(7)(A)(ii) is amended by striking out "$1,500" and inserting in lieu thereof "$2,500".

(2) Subsections (a)(1) and (b) of section 408 of such Code are each amended by striking out "$1,500" each place it appears and inserting in lieu thereof "$2,500".

(3) Subparagraph (A) of paragraph (5) of section 408(d) of such Code is amended by striking out "$1,750" and inserting in lieu thereof "$3,000".

(4) Subsection (j) of section 408 of such Code is amended by striking out "$1,500" and inserting in lieu thereof "$2,500".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

SEC. 4. INCREASE IN CAPITAL GAINS DEDUCTION.

(a) IN GENERAL.—Subsection (a) of section 1202 of the Internal Revenue Code of 1954 (relating to deduction for capital gains) is amended by striking out "60 percent" and inserting in lieu thereof "70 percent".

(b) REDUCTION IN RATE OF ALTERNATIVE MINIMUM TAX.—Subsection (a) of section 55 of such Code (relating to alternative minimum tax imposed) is amended to read as follows:

"(a) ALTERNATIVE MINIMUM TAX IMPOSED.—In the case of a taxpayer other than a corporation, if—

"(1) an amount equal to the sum of—

"(A) 10 percent of so much of the alternative minimum taxable income as exceeds $20,000, but does not exceed $60,000, plus

"(B) 20 percent of so much of the alternative minimum taxable income as exceeds $60,000, exceeds

"(2) the regular tax for the taxable year, then there is imposed (in addition to all other taxes imposed by this title) a tax equal to the amount of such excess.".

(c) CONFORMING AMENDMENT.—Subparagraph (B) of section 170(e)(1) of such Code (relating to charitable deductions for contributions of capital gain property) is amended by striking out "40 percent" and inserting in lieu thereof "30 percent".

(d) Section 1201(a)(2) (relating to alternative tax for corporations) is amended by striking out "28 percent" and inserting in lieu thereof "21 percent".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

[From the Washington Star]

INVESTMENT TAX POLICIES HURTING THE UNITED STATES

(By Sylvia Porter)

It has become a cliche to blame the U.S. tax system for the destructive fact that we

save and invest far less than the citizens of most other industrial nations, particularly those of Japan and West Germany.

It now is generally recognized, too, that our startlingly low levels of savings and investment are the key factors in our failure to produce the capital to finance the real economic growth for which we yearn so deeply and which is imperative to our well-being as individuals and as a nation.

But just how much of a penalty does the U.S. tax system impose on investment?

How does the U.S. compare with seven other major industrial nations in the tax treatment of investment income?

In a dramatic, virtually unnoticed study, "U.S. Performance in a Global Perspective," based on 1980 data developed by the accounting firm of Price Waterhouse & Co., the New York Stock Exchange zeros in on precisely these points.

Consider, for instance, two men—one earning $50,000 a year in salary and the other earning $20,000.

Assume, in addition, that each man has investment income from dividends, interest and capital gains.

How would these men have made out under U.S. tax laws and under those of the seven other countries? The findings actually hurt.

The U.S. citizen with a salary of $50,000 a year plus investment income would have paid 33.5 cents in taxes on every dollar of investment income. This compares with a tax of just 14.4 cents in Japan; 11.8 cents in West Germany; 7.3 cents in France. Even Britain, widely known for its heavy taxes, would have taken a smaller bite—32.5 cents per dollar.

Only Sweden, with its acknowledged welfare state, would have taken more in taxes than the United States—52.7 cents.

For the man earning $20,000 a year, the tax bite is lower, as you would expect—19 cents on each dollar of investment income. But the relative tax rate is still higher in the United States, again with the single exception of Sweden.

A Japanese family in the same circumstances, as an illustration, would pay only 9.7 cents. A French family actually would receive a tax credit of 5.4 cents per additional dollar of investment income.

* * * * *

What would happen to all these figures if the Reagan administration's proposals to cut taxes on investment income were to be adopted? The proposals won't be adopted—certainly not as they have been submitted to Congress. But just for our own information, if the Reagan program to cut taxes on investment income became law, the 33.5 cents tax on investment income for the individual earning $50,000 a year in salary would come down to 25.4 cents.

This tax reduction would shift the U.S. tax burden from second-highest to the fourth-highest among the eight countries: Better than Sweden, the United Kingdom and Canada, but still lagging Japan, West Germany, France and Italy.

For the individual earning $20,000 a year in salary, the investment tax bite would fall to 14.8 cents; better than Sweden and Canada, but still worse than the five other nations studied.

Another sobering note: Between 1974 and 1980, the U.S. came in sixth among the eight nations on a NYSE index showing real economic growth, inflation and unemployment.

Japan was the leader, followed by West Germany, France, Canada, Sweden, the United States, Italy and the United Kingdom.

Had our rate of investment in financing our economic growth grown as fast as Japan's in the span since 1973, U.S. economic expansion would have equalled Japan's.●

NATIONAL SCHOOL GUIDANCE WEEK

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. GOODLING. Mr. Speaker, school guidance programs have long been a growing and vital part of a child's educational experience in America. It has been through the persistant efforts of this professional class that has so contributed to the human aspect of education.

As an organization, the American School Counselors Association has provided the impetus in meeting a longstanding challenge in the educational field. The ASCA has arisen to the occasion to meet this challenge as a communicator between the school and the public. School counselors help parents understand their child's frustrations with school and social problems. They involve members of the community in programs of career education and in general, serve the community as an instrument of understanding.

It is to this end that they have so appropriately called for a National School Guidance Week, May 4–8, 1981. I am excited about the potential that exists in enlightening the public to the quality programs of school guidance and counseling during this time.

I urge all of my colleagues to support this vital element of the educational system by recognizing and supporting National School Guidance Week.●

TO ELIMINATE FREE MEDICAL CARE FOR MERCHANT SEAMEN

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. MADIGAN. Mr. Speaker, today I am pleased to introduce H.R. 3223, an administration bill "to eliminate free medical care for merchant seamen, to permit closure of Public Health Service hospitals, and for other purposes." Mr. BROYHILL, the distinguished ranking minority member of the Energy and Commerce Committee, joins me as a cosponsor. Together we believe the administration makes a compelling case in support of the bill's enactment. The thrust of the administration's rationale is embodied in Secretary Schweiker's April 2, 1981, letter of transmittal to the Speaker. The Secretary's cogent analysis follows:

The entitlement merchant seamen now have to free medical care at Public Health Service hospitals, enacted in 1798, is an anachronism. The original purpose of the entitlement was to protect the Nation from communicable diseases that could be brought into the country from foreign ports at a time when there were few medical facilities in American port cities. Today, those cities have sufficient medical facilities. Moreover, through the years, this entitlement has been expanded from oceangoing seamen to tugboat operators, fishermen, off-shore drilling crewmen, and others. Thus, a program that was originally designed to provide occasional onshore benefits for seamen who spend most of their days at sea has become, in effect, a free Government health delivery program for a selected occupation.

The provision of free Government health care for this one group is unnecessary and unwarranted. Merchant seamen, as is the case for other employee groups, can and do obtain health care through non-Federal providers and health insurance through employer group plans or otherwise.

Moreover, the Public Health Service hospital and clinic system is under-used and all of the hospitals are located in cities with an adequate or excess supply of hospital beds. Thus, the bill would not appreciably affect merchant seamen's access to care.

The bill would repeal the entitlement of merchant seamen to free medical care, and in addition permit us to close down Public Health Service hospitals no longer needed for the care of merchant seamen.

We intend to permit States, local communities, and other governmental agencies that wish to assume responsibility for the continued operation of individual hosptials to submit to us a statement of intent and a plan by July. Upon approval of the plan, the hospital concerned would be permitted to continue to accept patients into fiscal year 1982 under existing facility and resource sharing arrangements, pending completion of the transfer of the hospital.

We estimate that enactment of this bill would eliminate departmental expenditures of $82 million for fiscal year 1982, $150 million for fiscal year 1983, $160 million for fiscal years 1984 through 1986, and comparable savings thereafter.

H.R. 3223

A bill to eliminate free medical care for merchant seamen, to permit closure of Public Health Service hospitals, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Merchant Seamen Health Services Repeal Act".

ELIMINATION OF ENTITLEMENT TO HEALTH SERVICES FOR MERCHANT SEAMEN

SEC. 2. (a)(1) Sections 2(h), 322(a), and 322(b) of the Public Health Service Act are repealed.

(2) Section 322(e) of that Act is amended by striking out "entitled to care and treatment under subsection (a) of this section and persons".

(3) The heading to section 322 of that Act is amended by striking out "SEAMEN" and inserting instead "PERSONS UNDER QUARANTINE".

(4) Section 322(a)(2)(C) of that Act is amended by striking out "seaman" and inserting instead "persons under quarantine".

(b) The amendments made by subsection (a) of this section are effective October 1, 1981.

ELIMINATION OF REQUIREMENT FOR MAINTAINING PUBLIC HEALTH SERVICE HOSPITALS

SEC. 3. Subsections (a) and (b) of section 818 of the Department of Defense Appropriation Authorization Act, 1974 are repealed.●

CETA CUTS HARMFUL TO INDIANS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. HAWKINS. Mr. Speaker, the history of the Federal Government's relationship with native Americans and Indians is a tale of broken promises, mistreatment and malfeasance.

Indian reservations are economic disaster areas. Unemployment averages five and a half time the national rate, job opportunities are all too rare, and children are not receiving adequate educational and vocational training.

In the fact of this ongoing catastrophe, the administration proposes to sharply cutback programs under the Comprehensive Employment and Training Act (CETA). These cuts will cause harm throughout the country but will wreak especially great havoc on the Indian reservation.

The Indian and Native American CETA Coalition has provided a glimpse of the impact of CETA public service employment cuts on Indian communities. Excerpts from this report follow:

In calling for the termination of all CETA PSE programs, the Administration said that PSE workers would have three options: become absorbed on regular state or local government payrolls; be placed in an unsubsidized private sector job; or seek employment elsewhere. In Indian Country, these alternatives don't exist.

Tribal governments have very limited sources of income with which to pay their regular employees. Many tribal staff positions are sustained through other federal programs, some of which are also slated for budget cuts.

There is very little private sector employment on most reservations. This is reflected in unemployment rates of 40 percent, 50 percent, 70 percent and above for many reservation areas. CETA PSE programs have done more than any other single federal effort to directly address the Indian unemployment problem. There are no private sector jobs to replace the loss of these PSE slots.

Off-reservation employment—"seeking employment elsewhere" in the language of the budget cut documents—is hardly an alternative either. Many reservations are hundreds of miles away from the large cities with expanding job markets. Indian workers in the cities suffer from unemployment rates that are as high or higher than those affecting any other minority group.

The inevitable effect of the termination of over 7,000 Indian CETA PSE jobs will be that many of these workers will have to apply for public assistance. Nowhere in the Administration's budget proposals is there any mention of the costs of BIA or other welfare payments that will result from the termination of Indian PSE programs.

On all reservations, Indian PSE programs are used to support a wide variety of economic, community and human resource development efforts. The sudden withdrawal of PSE funding will collapse all of these activities, since tribal governments have no other means to sustain them.

The PSE activities now operated by the Papago Tribe in southern Arizona typify what is happening all over Indian Country.

The Tribe has established a number of enterprises to build an economic base on the reservation. Papago Farms, a tribal enterprise, has 25 percent of its manpower needs provided by CETA . . . Papago Livestock Center, which maintains pens, feed, and provides veterinary services to tribal ranchers and to the tribal herd, has 40 percent of the labor force provided by CETA . . . a community farm has been developed to provide the community with fresh produce. Without CETA funding, it will not be able to support itself and development will be impossible . . . The development of an adobe brickmaking operation is under way. Termination of the CETA funding may mean the termination of this district enterprise . . . Papago Tribal Utility Authority has 10 percent of its staff funded by CETA . . . The CETA program funds 50 percent of the services provided under the direction of the Headstart/Early Childhood agencies . . . The Elderly Program's funding for 50 percent of its staff is from the CETA program . . . CETA participants comprise more than 50 percent of the Public Health Services non-professional staff in the Indian clinics and in the Sells IHS Hospital . . . CETA participants make up more than 50 percent of the staff in the BIA schools on the reservation . . . In many districts on the reservation, CETA provides 100 percent of the manpower providing such services to district residents as home repair, electrical and plumbing maintenance, additions of indoor bathrooms, and the reconstruction of old homes.

The passage of the original CETA Act late in 1973 opened up a major resource for Indian tribes and organizations. It gave them direct access to a meaningful level of resources with which they could address the most serious economic problem facing Indian communities—the lack of job training and employment opportunities. The wholesale reduction in these resources would be tragic, not only in terms of the future of Indian people and Indian communities, but in terms of the loss of the trust which all Americans have pledged to their Indian neighbors."●

EL SALVADOR: CONFUSION AND MISINFORMATION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. McDONALD. Mr. Speaker, last night the Young Americans for Freedom group at American University invited me to speak to them about the misinformation evident in the American media and in some religious circles regarding the issue of El Salvador. The discussion that followed with the students, especially with those attending who were militant supporters of the terrorist Farabundo Marti National Liberation Front and its political arm, the so-called Democratic Revolutionary Front, revealed abysmal ignorance of the broader policy issues.

No American particularly enjoys or approves of authoritarian government. However, the possibility for reform, for liberalization, for the creation of representative government responsive to the wishes of more of its citizens exists under them. If you replace an authoritarian government with a Marxist-Leninist totalitarian regime, a rigid form of government run on command principles, you lose all hope of transformation to representative government.

So that idealistic reformers who impatiently demand instant perfection in solutions may perhaps better understand, I am enclosing the text of my remarks at American University.

EL SALVADOR: CONFUSION AND MISINFORMATION

In the six years I've been serving as a Member of the U.S. House of Representatives on the Armed Services Committee, we have continuously examined Soviet strategy and policy thrusts as well as their hardware and military movements.

To those who have some understanding of the vital strategic interest of the Kremlin leaders in maintaining control over Poland and the other Easter European satellites, and the potential for a cosmic increase in Soviet power over the Free World by advances through Afghanistan into Iran and the Persian Gulf, let alone the Kremlin's chances for winning the resource war for Africa's minerals, the furor over El Salvador has to be something of a secondary priority.

The Communist terrorist insurgency in El Salvador is not merely the result of the takeover of Nicaragua in 1979 by Sandinistas. Generally the Communists prefer to spend several years consolidating their gains before engaging in major acts of aggression from them.

But starting in December 1979, with full Soviet backing, the Nicaraguans and Salvadoran revolutionaries were given all the Soviet Bloc aid they could absorb and even more to bring to a boil a Central American kettle of economic and political chaos, terror, counter-terror, refugees, and near famine in El Salvador.

Why? Why did the Soviet strategists decide to launch so hard a blow at El Salvador? Unlike Nicaragua, tiny El Salvador

does not have a strategic geographic position on two oceans. El Salvador is not the site of a possible alternative canal, and has no strategic minerals.

The answer, I believe, and I am supported by a number of European and American analysts, is that El Salvador's value to the Soviets is as a distraction, an armed leftist insurrection and disturbance close to America, carried out with as much savagery and bloodshed as possible in coordination with an international propaganda campaign.

The next question is from what is it supposed to be distracting us? I think it is intended to take attention away from what the Red Army is doing in Afghanistan and along the borders of Iran where 20,000 new troops have very recently been stationed. And it is also designed to take attention away from events in Poland, especially from the tremendous buildup of Soviet and Warsaw Pact military forces inside and around Poland.

Now there is hard evidence to back this. Last spring, at almost the same time the head of the Salvadoran Communist Party, Shafik Handal, went to Moscow shopping for weapons for the terrorists, his brother Farid, arrived in New York City to start an organizing tour. His purpose was to set up and coordinate local groups in solidarity with the Salvadoran terrorists, and to feed false information on El Salvador to Members of Congress and their staff aides.

As we will discuss in a few minutes, Farid Handal was very successful.

Obviously Farid Handal was not the only agent for the revolutionary terrorists carrying out international organizing. Similar missions were sent to Western Europe and to other Latin American countries.

El Salvador is as prominent in the European headlines as it is here in America. That is a frightening demonstration of the power of the international Soviet propaganda and disinformation machine. The NATO powers, the United States and Latin America have become fixated on El Salvador primarily because the Soviet Union wanted them to.

If you have seen the articles and commentaries by the U.S. left, or heard any of the broadcast by Radio Havana and Radio Moscow, you know there is a unified set of themes regarding El Salvador. They are:

1. That El Salvador is the so-called "next Vietnam." This is designed to raise the spectre of American boys dying in a losing fight against revolutionaries in some distant jungle.

2. Next is the line that the U.S.-supported government of El Salvador is "repressive," and that counterinsurgency operations "violate human rights."

3. Finally, the social and economic structure in El Salvador is morally wrong and that because 2 percent of the population controls 60 percent of the farmland, the country somehow "deserves" to be given over to the Marxist-Leninist forces.

The truth is that El Salvador, a tiny country with a total population of three million people—the same as the Washington Metropolitan area—cannot be compared in any way to Vietnam. El Salvador does not have extensive unpopulated jungles providing insurgents with sanctuary. The poorly trained Salvadoran terrorists are having trouble absorbing the masses of weapons shipped from the Soviet camp via Cuba and Nicaragua, and were handily whipped by the Salvadoran government forces in January's so-called "final offensive."

In Vietnam, the supply lines from the Soviet Union to North Vietnam were relatively short, there were large jungle areas for sanctuary in Cambodia and Laos, and after 1968, the Viet Cong terrorists were replaced by regular North Vietnamese Army forces. And 60 U.S. military advisers in El Salvador cannot rationally be compared to the thousands of American soldiers who served in South Vietnam. The propaganda doesn't hold up to logic.

Now I want to talk about human rights violations. The violence of terrorism and sabotage was started by the Communists, and the Communists have used every atrocity in the book to provoke counter-terrorism. The Communists have resorted to terrorism from the very beginning. The usefulness to the Bolsheviks of seemingly uncontrolled terrorism against civilian community and government leaders made a lasting impression on the Communists.

Every revolutionary terrorist is familiar with Lenin's writings on terrorism. Lenin tried to legitimize terrorism by calling it "guerrilla warfare" and "armed struggle," but he was talking about terrorism. Lenin wrote that "armed struggle * * * in the first place aims at assassinating individuals * * *; in the second place, it aims at the confiscation of monetary funds both from the Government and from private individuals." Remove the rhetoric, and you see this is murder and armed robbery.

Our State Department and the United Nations cannot even come up with a definition of terrorism, but I believe you will agree with the definition I offered five years ago that "Terrorism is a violent attack on a noncombatant community for the purpose of intimidation, to achieve a political or military objective." So any organization which targets the civilians, the non-combatants, the wage earners and businessmen and farmers and magistrates, that burns their crops and homes and businesses, to demoralize them, and make them acquiesce or collaborate with that organization is a terrorist grouping.

In El Salvador, at the insistence of the Cubans, the Marxist-Leninist terrorist factions and the Salvadorean Communist Party have been required to set up a unified directorate, the Farabundo Marti National Liberation Front. It is these terrorists and their backers in Moscow and Havana who have forced El Salvador to experience worst political catastrophe any society can undergo—civil war, anarchy and the breakdown of law and order.

I don't want to bore you all to death with Lenin, but it is essential to have some familiarity with the philosophy of the Communists in order to understand that the leaders of the Soviet Union, Cuba, Sandinista Nicaragua and so on recognize no morality other than Communist expediency. This is what Lenin had to say about that ultimate catastrophe to the social fabric, civil war:

"A Marxist cannot regard civil war, or guerrilla warfare (meaning terrorism) * * * as abnormal and demoralizing in general. A Marxist basis himself on the class struggle, and not social peace. In certain periods * * * the class struggle ripens into a direct civil war, i.e., into an armed struggle * * *. In such periods, a Marxist is obliged to take the stand of civil war. Any moral condemnation of civil war would be absolutely impermissible from the standpoint of marxism." (On Guerrilla Warfare," first published in Proletary in 1906, and found in Vol. II of Lenin's Collected Works.)

When at its most savage last year, we saw terrorism and counter-terror, criminal violence and private vengeance combined with the accidental civilian casualties of a shooting war in which the terrorist forces dress as civilians.

What should we Americans do? Should we say "El Salvador is a mess; let's give it to the Communists?"

No, we should not and we must not. Already, with assistance from the new Reagan Administration, the government of El Salvador has taken effective steps to restore order and maintain control. Civilian casualties during government counterterrorist sweeps have been reduced. Government forces are getting more professional leadership and discipline.

We in the United States should encourage that process to continue, not withdraw support and throw the people of El Salvador to the wolves.

One of the points I want to emphasize is that the very existence of El Salvador as an issue internationally is the work of the Soviet propaganda machine. Certainly there has been criticism of El Salvador for many years, and from Latin American governments who show an almost traditional anti-Americanism such as Mexico, which has no record for boasting in the human rights field.

Now there are people who ask, "How can the revolutionaries in El Salvador be bad when they have the support of so many priests and nuns who say it's the government down there that is the bad guy?"

I believe that to a considerable extent this is due to systematic misinformation about El Salvador that is being distributed to many American religious by radical, pro-Marxist activists among the clergy. For example, one such network based here in Washington, D.C., is called the Religious Task Force on El Salvador—Roman Catholic Steering Committee.

This Religious Task Force shares a mailing address with the Committee in Solidarity with the People of El Salvador, the national terrorist solidarity organization that Farid Handal helped set up, and was a founding member of that Solidarity Committee which adopted a resolution recognizing the terrorist Farabundo Marti National Liberation Front as the "vanguard" of the Salvadorean people and the FMLN's political front group, the FDR or Democratic Revolutionary Front, as the "broad expression" of the FMLN.

Now why is the Religious Task Force significant and who are its leaders? According to its newsletter, it is being produced with direct in-kind assistane from the Quixote Center, a Jesuit social action and litigation organization. Its steering committee includes priests and nuns who work for the U.S. Catholic Mission Council, Thomas Quigley who heads International Justice and Peace programs of the U.S. Catholic Conference and is the USCC's main Latin American Programs officer; officials of an activist nuns' organization called Network; individuals who work for the Conference of Superiors of Men, the Sisters of St. Joseph, the Leadership Conference of Women Religious, the Jesuit Missions, and the Maryknoll Peace and Justice Office.

They claim to have 9,000 religious on their newsletter mailing list to whom they feed diatribes condemning the Salvadoran government and armed forces and praising the terrorists. The Religious Task Force issues calls for its readers to join in lobbying Congress to cut off aid to El Salvador, but doesn't say that it is a member of the Solidarity Group which recognizes the terrorists as the rightful rulers of the country.

Farid Handal's political report on his American tour reveals that when he went to the New York home of one of the highest ranking Cuban intelligence officers in the U.S. a man who has diplomatic cover at the Cuban U.N. Mission, and met with a group of Cuban intelligence men, they gave him two important Washington contacts, one at the Washington Office on Latin America who helped him there and at the National Council of Churches, and another man, an activist priest at Georgetown University who gave him contacts with Salvadoran terrorist organizers already in the Washington area and with radical Salvadoran exiles.

That priest also introduced Farid Handal to one of the centers for coordinating U.S. support efforts in aid of Soviet-backed Third World revolutionaries, the Institute for Policy Studies. Handal also wrote that how five priests from the National Council of Churches turned up to participate in his San Francisco working meetings with Communist Party, Maoist and Trotskyite activists.

Finally Handal held meetings in New York with a Communist Party member and with the secretary of Archbishop Oscar Romero, later assassinated. They planned a conference to set up a national solidarity organization in America at which Archbishop Romero would speak as the representative of the terrorist front organization.

The religious activists taking a leadership role in support activities for the El Salvador Marxist-Leninist terrorists generally are supporters of the radical "liberation theology." Liberation theology makes common cause with the totalitarian Communists in striving to impose a revolutionary utopian "new order" or "economic and social justice" on the world's nations. To achieve this socialist utopia, those who accept "liberation theology" willingly collaborate with the armed Marxist-Leninist terrorist movements.

The collaboration has included priests deserting their profession to take up armed terrorism at the side of the revolutionaries. The most notorious of these was Camilo Torres who joined a terrorist band in Colombia and was killed in 1966. Father Camilo Torres, the terrorist priest, wrote that "Revolution * * * is obligatory for those who see in it the only effective and large-scale way of carrying out works of love for everybody."

So here we have terrorism and savage armed struggle as a way of expressing love for mankind. George Orwell understood this technique very well.

To continue, Torres also said he was "not anit-Communist because the Communists' approach to the problems of poverty, hunger, illiteracy and the shortage of housing, the lack of essential services for the people, provides efficient and scientific answers." He concluded, "I am ready to fight with them for common aims; against the oligarchy and the domination of the United States, to seize power for the people."

While few nuns and priests have gone so far as to pick up the gun as did Torres, his expressions are typical of the "liberation theology" adherents, who perform many kinds of logistical support services for the terrorist bands. These range from aiding propaganda smears of anticommunists and government forces to actively serving as couriers for the terrorists, providing information, hiding places, first aid and food.

It is a documentable fact that there are many supporters of liberation theology in the United States. Several church leaders including Cardinal Ryan in San Francisco and Archbishop James Hickey here in Washington have taken leading roles in the support effort for the Salvadoran terrorist insurgents. So have leaders and funtionaries of the U.S. Catholic Conference, supported by the National Council of Churches and other Protestant groupings.

The reasoning used by the bishops' for their opposition to the government of El Salvador and American aid and support is unusual. They say they are opposed to 2 percent of the population owning 60 percent of the farmland, but they completely ignore the fact that if the Marxist-Leninist forces they support take power, they will be placing control of 100 percent of the land in the hands of far less than 1 percent of the people, namely in the hands of the Central Committee of the Communist Party of El Salvador.

We all deplore the killings of the three American nuns and a lay woman assistant. In passing, individuals familiar with the investigation point to the fact that they were slain by U.S. M-16 bullets as an indication that they may have been shot by a leftist group trying a holdup because the terrorist forces have been equipped with M-16s by Nicaragua, Ethiopia and Vietnam while the Salvadoran armed forces use a different sort of rifle.

We deplore all the violence that took the lives of 9,000 human beings during 1980. But there is something wrong, very wrong with the reporting of that violence. The mass media and religious press constantly quote activists who attribute almost all of the deaths of the 9,000 people killed in El Salvador last year to the government troops and anti-communist groups. They are completely ignoring the fact that the FMLN terrorists boasted that they had killed 6,000 enemies, including campesinos suspected of helping the government, last year. They suppress reporting the number of deaths for which the revolutionaries take responsibility and exaggerate the number killed otherwise.

At present, the Defense Intelligence Agency estimates that between 500 and 600 Cuban military advisers are in Nicaragua training Salvadoran recruits. There are about 3,500 terrorist "regulars," of which between 1,200 and 1,500 cadre and officers have received some regular military training in Cuba. So the military capabilities of the revolutionary forces is limited.

The sensible policy would be now for the United States to encourage the expansion of the present liberal social democratic junta governing in El Salvador to include more conservative anti-communist elements. Such a responsible move to unify opposition to the Marxist insurgents and broaden the base of government support would undoubtedly do a lot to bring the El Salvador problem under control and allow Americans to look further to the existing Soviet threats to Europe, the Middle East and Africa.●

SUBMINIMUM WAGE

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. WEISS. Mr. Speaker, a subminimum wage for young workers is the wrong way to solve our youth employment problem. Instead of creating new jobs, the subminimum wage would throw adults out of work and begin a revolving door for youths hired under it.

There is no doubt that America has a serious youth unemployment problem today. Unemployment among persons 16 to 19 years old is 19.1 percent; among blacks, the rate is a shocking 37.3 percent.

But the benefits of a reduced minimum wage for young people would be miniscule when compared to its negative effects. Youths hired under the new wage, for example, would likely get a job at the expense of workers aged 20-65 who now make up 70 percent of those earning the minimum wage. Many of these workers have families to support. Two-thirds of them are women.

Economists disagree about the extent of this displacement, but unanimously say that teenagers employed at a subminimum wage would replace older workers. In too many cases, this would mean putting family breadwinners out on the street, and onto the welfare rolls. It would mean an additional burden for the taxpayer, and be disastrous social policy.

A study this year by Charles Brown, an economist with the U.S. Minimum Wage Study Commission, concluded that a subminimum wage would result in only 7,000 additional jobs for youth, or a one-tenth of 1 percent reduction in youth unemployment. These jobs would come primarily through replacing older workers, the study found.

The subminimum wage would do nothing to create new jobs in the areas of highest youth unemployment, the inner cities. In these areas, where large numbers of adults earning minimum wage live and work, the lower wages would erode local purchasing power and contribute to lower pay for adults earning more than minimum wage. An already shaky economic base would be further weakened. Increased joblessness, not jobs, could result.

The problem black teenagers face is part discrimination and part distance from where the jobs are, the suburbs. Tinkering with wage levels will not change those fundamental problems.

Some advocates of a subminimum wage argue that it will enable employers to train teenagers they would not hire otherwise. But most minimum wage jobs require little training. Where training is necessary, it is routinely done for new employees.

The psychological effect, and the injustice, of paying a 17-year-old 25 percent less than what a 20-year-old coworker receives for the same job could actually be harmful. This violates the goal of equal pay for equal work that most Americans, I think, agree is a matter of fair play.

The real reason business wants a subminimum wage is simple econom-

ics: It would cut labor costs without hurting production. When a young worker is due for a hike in pay to minimum wage after 6 months, or upon turning 20, he or she could be dismissed and another youngster hired again at the lower rate.

A subminimum youth wage sets a dangerous precedent. It creates a separate class of workers, based on age. In the future, this precedent could be used in misguided attempts to set lower wages for the elderly, or minority groups. Let us avoid that trap.

Jobs programs enacted by Congress, and under fire from President Reagan, have helped increase the percentage of working youth from 38 percent 10 years ago to 45 percent today. These programs are the right way to fight youth joblessness. The subminimum wage would only make our problems worse.●

SUGGESTED RESPONSES TO REAGAN ECONOMIC PROGRAM

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. BONKER. Mr. Speaker, I would like to share with my colleagues two essays which were among those submitted to me by candidates for an LBJ summer internship. The essays are particularly timely because they echo, in the words of two extremely bright and concerned young people, what we Democrats said yesterday in our response to the Republican economic program.

I believe these two fine statements merit your attention and for that reason have requested they be included in today's RECORD:

REAGAN'S ECONOMIC PROPOSAL: HOW SHOULD CONGRESS RESPOND?

(Gretchen Sorensen, student, Evergreen College, Olympia, Wash.)

Because of the sweeping effects of the November 4, 1981, election, it is imperative that Congress be aware that the American people want change. With this premise in mind, the question becomes, what kind of change? For the past 18 months, Ronald Reagan has embraced what is popularly known as the Kemp/Roth economic proposal. The Kemp/Roth proposal has as its basic thrust, an across-the-board tax cut for both individuals and businesses, accompanied by massive cuts in the growth in the federal budget. According to the Reagan economic advisors this is the avenue through which long-term economic viability will be attained. Reagan's administration is offering as innovative, the theory of supply side economics, but this is simply another version of the outdated trickle down economic theory.

How should Congress treat this giant package of economic proposals? On the one hand, to fight the President tooth and nail could be politically self-destructive. Yet, on the other hand, to implement an economic policy which has no precedence of success in this country is potentially devasting to the United States economy.

Given the political climate in the United States Senate, it is easy to see that a vast majority of President Reagan's proposals will be met with open arms and thus will pass with little or no amending.

However, in the House the situation is quite different. It is in the House where the Democrats have the opportunity to continue to offer liberal solutions. The House Ways and Means Committee has historically been the most powerful budgetary committee in Congress. It is here, where the Democrats have a 2-1 margin in voting power, that they must come up with a viable alternative to Kemp/Roth proposal.

A major portion of Reagan's solution includes both significant tax cuts and increased defense spending. In the first place, the tax deferments given to industrial corporations for plant modernization in the early 1970's did not increase productivity nor provide any other solution to the economic chaos then present in our coutry. Therefore, it is unrealistic to believe that tax cuts will succeed at this time. In the second place, vast increases in defense spending change the emphasis in production from consumer goods to defense goods. This, combined with the fact that the economy is just coming out of a recession, is potentially catastrophic. Fear of another recession will not lead to investing. The proposed 150 billion dollars in cuts will be spent on consumer items. With the limited amount of goods on the market and the excess money in the economy, the problem of inflation has not subsided but has increased to horrendous levels.

Instead of across-the-board tax cuts and the abolishment of programs, the Democrats must seek major restructuring of the present tax system and opt for the reformation of federal programs. Major tax restructuring in America is long overdue. For example, if tax loopholes for business and corporate interests were closed, the Treasury would receive 20-25 billion in additional revenue. The Federal programs have the potential for employing, feeding, and furthering the education of those American people in need. To eliminate them would not only be inequitable but would increase the social unrest already present in the United States.

The middle class in the United States has grown accustomed to a comfortable lifestyle. this style of living will no longer be possible if volatile long-term solutions are not offered. Americans must be made aware that our problem are vast, and though long-term economic prosperity is attainable, it is not through the solutions offered by the Reagan Administration. The burden weighs heavily on the Legislative Branch, especially those Democracts in a position to offer viable alternatives.

Congress must address Reagan's economic policies with both deep contemplation and great caution. The dire need for a comprehensive alternative package must be met in a manner that fits within our existing political, social and economic realities. Congress must realize the necessity for rapid action. The economic future of America is at stake. Democrats must take a strong position and the American people must make a choice—economic prosperity for a few or economic justice for all?

RESPONSE TO REAGAN ECONOMIC PROGRAM

(By Christopher Hedrick, student, Stanford University)

Throughout his campaign for the presidency, Ronald Reagan assured the American public that he would take drastic economic measures if he were elected. In his speech to Congress on the budget last month he carried out his promise. It is now up to Congress to decide to what degree the President's proposed policies should be implemented.

Reagan's economic plan is basically a three-pronged attack combining spending cuts, tax reduction and deregulation. The proposal would reduce the federal budget for fiscal year 1982 by $41.4 billion, while allowing for an increase in military spending. On the tax front, he would have Congress cut income tax rates by ten percent in each of the next three years. Finally, the President would like to see a cost/benefit analysis done on any new federal regulation when the cost to business would be $100 million or more.

Congress must react to a proposed federal budget that would eliminate the CETA program by 1983, cut Medicaid, slash sixteen percent from student loans and scholarships, reduce outlays for food stamps by about thirteen percent and lower spending on mass transit. Although everyone would, to some degree, be affected by the spending cuts, the poor and the lower middle class would be most hurt. The President, as the people's choice to be the nation's leader, should be given the chance to have the acceptable portions of his economic program put into action. However, as Speaker O'Neill said, "We're not going to let them tear asunder programs we've built over the years." There is waste in government and there are unnecessary programs, but Congress should not blindly follow President Reagan's and David Stockman's commands.

Congress should examine most closely cuts in aid to the impoverished and to the elderly. Just as Reagan would have a cost/benefit analysis done on each new regulation, so too should Congress compare the costs of cutting aid to the poor and the elderly to the fiscal benefits. Members of Congress should ask themselves if it is worth it to make life a little more miserable for Americans on fixed incomes in order to bring the budget a small percentage closer to being balanced. Spending reductions in other areas, with the goal of a balanced budget in mind, would be more wise.

The proposed increase in armed forces spending of $63.1 billion by fiscal year 1986 is another troublesome aspect of the President's budget. The purpose of military expenditures is presumably to increase national security. Rather than pouring money into the military and perhaps getting involved in an escalated arms race with the Soviet Union, efforts should be renewed in the attempt to enact an equitable arms limitation pact. Such an effort would enhance security more effectively than drastically increasing the military budget.

The ten percent a year, three year tax cut laid out in the new budget also merits careful scrutiny. The effectiveness of such a cut is unknown as similar reductions have not been enacted in like economic conditions. Reagan's frequent analogy to the tax reduction during President Kennedy's term is not truly applicable as inflation was running at

a much lower rate in 1962. If the tax cuts do not produce their anticipated revenues, the effects could be disastrous. The Laffer curve is not gospel. Consideration of such drastic measures should be delayed at least until the budget is balanced.

Finally, a word should be said about deregulation. Some federal regulations are unnecessary and expensive to business. However, any proposed deregulation that would remove environmental safeguards must be examined very closely by Congress. Protection of the environment should take precedence over business expediency.

President Reagan has given the Congress a tremendous responsibility in presenting to them his budget. Some of his proposals are immediately recognizable as valid; others deserve acute scrutiny. Congress should react fairly to the budget, keeping in mind that the American public has elected Reagan as their President, but should carefully avoid becoming a blind follower of his commands.●

ADM. JOHN S. McCAIN, JR: AMERICAN PATRIOT

HON. PHILIP M. CRANE

OF ILLIONIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, last month, on March 22, the United States lost a great asset. Adm. John S. McCain, Jr. died of a heart attack on that day. He was one of our Nation's true patriots. He devoted his life and his naval career to the principles which make this Nation great. He was an eloquent defender of America's best interests. Loyalty to his Nation and its principles were the hallmark of his career.

He represented all that one expects and respects in a truly great military leader. His strength of character, firmness of command, appreciation for the wider view, and devotion to duty served to reinforce his commitment to the principles upon which this Nation was founded. He was ever the courageous and bold proponent of American seapower and effective interservice teamwork. Admiral McCain understood the necessity of a strong defense in the face of "aggressive Communist nations." He worked unceasingly to achieve that defense.

From age 16, when he entered the U.S. Naval Academy at Annapolis, Admiral McCain pursued a fruitful military career. Beginning with tours of duty on both surface ships and submarines, he rose to succeed Adm. John Smith Thach as commander in chief, U.S. Naval Forces, Europe, and was elevated to the rank of full admiral. He won many commendations and was honored with several citations for his outstanding military achievements.

With his understanding of strength, Admiral McCain reflected upon the military occupation which he headed in the Dominican Republic in 1965:

Some people condemned this as an "unwarranted intervention," but the communists were all set to move in and take over. People may not love you for being strong when you have to be, but they respect you for it and learn to behave themselves when you are.

Demonstrating the depth of his military leadership and capabilities, Admiral McCain was named CINCPAC—commander in chief, Pacific—during most of the Vietnam war. He commented in 1972:

Our ultimate goal in the Pacific is the encouragement of strong, viable economies and the right of self-determination for all the peoples of the region.

He continued:

It is absolutely essential for the stability of the free world that the United States remain a Pacific power.

It should be remembered that while the admiral was CINCPAC, his son, John, III, a U.S. Navy bomber pilot, was shot down and imprisoned by the North Vietnamese. It took tremendous courage to deal with that very personal circumstance while he directed the conduct of the war.

It is men such as Admiral McCain who have made this Nation great. His life and naval career stand as an example of excellence to all who seek guidance. He was a true believer in freedom and republican government. I am deeply saddened by his passing. I had the distinct honor and privilege to tour the United States with him during the fight to keep the Panama Canal. He was an impressive man. I will miss him, and so will America.●

MRS. ELAINE D. BLACK

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. RANGEL. Mr. Speaker, I would like to take this opportunity to congratulate Mrs. Elaine D. Black of Washington, D.C., for winning the American School Counselor Association's National Elementary School Counselor of the Year Award for 1980–81. Mrs. Black, the wife of Capitol Hill Police Officer Clarence Black, was given this high honor in recognition of her many innovative contributions in the areas of student, teacher, and parental counseling. Although most of her programs are developed specifically for her employer, West Elementary School, they are emulated by many other counselors who work for the District of Columbia public school system. As you will note from the following article, written by the president of the District of Columbia Elementary School Counselor Association, Mrs. Black is indeed a true asset to her profession and, therefore, highly worthy of this prestigious award:

ELAINE'S LEADERSHIP QUALITIES

Elaine D. Black, counselor at West Elementary School, 14th and Farragut Streets, N.W., Washington, D.C., won the American School Counselor Association National Professional Award as Elementary School Counselor of the Year, 1980–81. Each year the American School Counselor Association presents professional recognition awards to a counselor on each level, supervisors and others for outstanding accomplishments and support in the field of guidance and counseling. The awards will be presented on April 14, 1981 by ASCA in St. Louis, Missouri at the American Personnel and Guidance Association National Convention.

Elaine has demonstrated excellence in her performance and leadership in developing numerous innovative programs for students, teachers, parents and the community. She has developed such programs as effective study skills classes, career education awareness involving the All Volunteer Armed Services personnel, National Junior Honor Society for the seventh and eighth grade students, peer counseling, stamp clubs, parent and Navy volunteer tutors and a tremendous parenting program.

Not only has she organized programs within her school, but she has also shared her ideas with others in Washington, D.C. and vicinity and on the national level. One outstanding contribution was the parenting program utilizing the STEP Program (Systematic Training for Effective Parenting) and many other materials, filmstrips and special activities. Counselors, social workers, interested persons from the community, teachers and others have visited the parenting program at her school. Elaine has done parenting demonstrations and workshops for the new counselors in the D.C. Public Schools, state and local school organizations, Family and Child Services of Washington, D.C. and the Chesapeake and Potomac Telephone Company Community Relations Team. Many D.C. Public School Counselors, agencies, church groups and others have benefited from Mrs. Black's parenting workshops and experiences and are using her parenting program as a model. The Chesapeake and Potomac Telephone Company Community Relations Committee was so impressed with the parenting program concept that it became very supportive of its enhancement and continuation at West Elementary School and its extension into the community and other D.C. Public Schools.

Elaine's leadership qualities are also evident in her involvement with professional organizations at the state, local and national levels. She has received numerous certificates, awards and honors for outstanding services from both the school counselor organizations as well as community groups.

Elaine is a very competent, concerned, compassionate, committed and dedicated counselor. She's very enthusiastic and displays great concern for others. Seldom does she ever turn down any request to do something for anyone. Without a doubt, she's truly a very "special" person.

This national honor is the first for a District of Columbia Public School counselor.●

NICARAGUA IS BEHIND THE GUERRILLA ACTIVITY IN EL SALVADOR

HON. JACK F. KEMP
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. KEMP. Mr. Speaker, recent revelations of Nicaragua's key role in a Communist support and supply network behind the leftist guerrillas in El Salvador has thrown U.S. policy toward Central America and the Caribbean into sharp relief.

Pursuant to congressional legislation, President Reagan has cut off economic assistance to Nicaragua pending evidence that Nicaragua is no longer serving as a conduit and warehouse of weaponry for leftists in El Salvador.

Since the overthrow of Somoza, the United States has obligated over $100 million in economic assistance to Nicaragua, following assurances from the Department of State that the Sandanista coup was "a home grown 'Nicaraguan' revolution", and that the Sandanista government was strongly influenced by moderate elements. The Carter administration argued that providing economic assistance to the Sandanista regime would encourage movements in Nicaragua toward an open, pluralistic society with mixed economy, and greater respect for human rights that was known under Somoza's government.

Experience has shown that this was little more than wishful thinking. Today the Nicaraguan people are ruled by a dictatorship more at home with oppression than with personal liberties, bolstered by a pervasive Cuban presence that endangers the stability of nations throughout the region.

In order to enhance awareness of conditions in Nicaragua—and the future presaged by Communist-backed insurgents in El Salvador and elsewhere in Latin America—I insert the following interview with a high-ranking defector from Nicaragua to be printed in the RECORD.

Senor Nevardo Arguello fought for the Sandanistas out of idealistic hopes for his country; he fled when confronted with the realism of foreign control and internal oppression. He speaks from personal knowledge and with passionate concern, and carries a warning out of Nicaragua that would be costly to ignore.

Interview conducted by the Council for Inter-American Security (CIS) with Nevardo Arguello in Washington, D.C. on February 26, 1981. Mr. Arguello had, less than two weeks earlier, resigned his post with the Sandinista government in Nicaragua and escaped the country.

CIS. What position did you hold in the government of Nicaragua?

ARGUELLO. I was the third-ranking person in the Department of Justice. My office was responsible for enforcing a decree issued by the junta to confiscate the property of the Somoza family, of persons who supported Somoza, and of people who had embezzled public funds.

CIS. Were you against the Somoza government?

ARGUELLO. During all my student life, I fought against the dictatorship. I never held a position in the previous government and fought for the revolution until its ultimate triumph. The Somoza dictatorship was defeated by the people of Nicaragua, who struggled for democracy and for a free country. But we were betrayed by the communists who took over and are now running the country.

CIS. Did the people know who the Sandinistas really were?

ARGUELLO. The people thought that in the Sandinista movement there were communists and non-communist leaders. But we were deceived. Eventually, we realized that all the Sandinista leaders were communists.

CIS. When did you leave Nicaragua?

ARGUELLO. I left the country on February 14.

CIS. Why did you leave Nicaragua?

ARGUELLO. I am a democrat in favor of a free Nicaragua. I was against the previous dictatorship, and I oppose even more the present communist regime.

CIS. How did you manage to leave Nicaragua?

ARGUELLO. [He explained that officials detained him at Managua's International Airport, because he did not have authorization from the junta to leave the country. So he drove with his wife and three small children to the border within Honduras. The soldier at the bridge that divides the two countries refused to let him pass, because he did not have an exit visa.]

I shifted into first gear, and the soldier probably thought that I would turn and go back. But I headed across the bridge. I did not look ahead. I watched the soldiers, who fell on the ground and charged their weapons. I thank God and my three children that they did not fire.

I crossed the border and did not stop. I was afraid that some of the Nicaraguans would follow me or that Sandinistas in Honduras would be waiting and kill us and then blame the ousted Somoza military. So I kept on going until I got to Tegucigalpa, where I contacted the authorities

CIS. You make it sound like you were fleeing from a communist country.

ARGUELLO. I was fleeing from a communist country. I risked the lives of my wife and children, who are more precious to me than anything else in the world. You can imagine how anxious and frightened I felt when I left Nicaragua. It would have been better for all of us to die rather than fall prisoners. Because all of us would have suffered. My wife held a high position in the government, as counselor to the junta. She is a lawyer and, like me, resigned from her post with the government.

CIS. Did you serve in the Sandinista military?

ARGUELLO. Yes, at the time of the revolution I was an officer of a Sandinista unit. At one time everybody was a Sandinista. The people forgot about political parties and at the moment of victory the whole country declared: "I am a Sandinista!"

CIS. Who is in charge of the Ministries and the government activities in Nicaragua?

ARGUELLO. In Nicaragua the junta, which supposedly is the highest authority, does not govern. The highest authority in Nicaragua are the Commanders of the Revolution. They are all communists and Marxist-Leninists. There are three factions, but the strongest faction is led by Daniel Ortega, who takes his orders from Fidel Castro. I would say that Fidel Castro is the power behind the throne in Nicaragua.

There are in my country today thousands of communist internationalists like in Chile during Allende's regime. They say they are technicians but in fact they are guerrillas and military personnel. Cubans train the army, they train the militia, and they are in all the Ministries of the government.

CIS. Who are the communist internationalists in Nicaragua, and how many are there?

ARGUELLO. In addition to the Cubans, there are other internationalists with communist inclinations, for example the Tupamaros, the Spanish group ETA, and the M19 from Colombia.

CIS. And the Revolutionary Leftist Movement (MIR) from Chile?

ARGUELLO. They have training camps in Nicaragua. They collaborate with the communists in my country and also train themselves for their struggle in Chile.

There could be about 10,000 internationalists in Nicaragua in addition to the 10,000 Cubans there. I am speaking of the persons one sees in the cities and towns. I don't know how many are in the forbidden zones in the mountains.

CIS. Forbidden zones?

ARGUELLO. Yes, there are areas of my country that Nicaraguans are not allowed to enter. According to rumors in official circles, there are missiles and submarine bases in the banned areas, specifically in Puerto Cabezas, on the Atlantic coast. There are probably more Russians and Cubans in these areas.

I want to tell you about a very important movement in my country, the Nicaraguan Democratic Union (NDU). This is a political party that includes persons from the private sector and prominent opponents of Somoza who fought for the freedom of Nicaragua. The movement includes labor union representatives and persons from different social classes and is rather prestigious. It is neither Somozista nor communist but, rather, works for freedom and democracy.

The intelligence division of this party in Nicaragua discovered that last Tuesday at 6 pm the International Airport of Managua was closed and that the public and airport personnel were told to leave. Russian planes landed and unloaded tanks, helicopters and boxes which we suppose contained arms and ammunition.

We do not know if these weapons will be used to fight against the Nicaraguan people, who might rise up at any moment, or if they will be sent to Central American guerrillas.

Nicaragua is the trampoline used by communist countries to send arms to Central American countries. For example, El Salvdor. This is a fact, not a rumor.

The coordinator at National Headquarters in charge of sending weapons to Central American countries is Commander Bayardo Arce. The person who carries out his orders is Lenin Cerna, the security chief.

CIS. How many political prisoners are there in Nicaragua?

ARGUELLO. There are at least 8,000. That is what Jose Esteban Gonzalez said in Rome. Now he is detained, and Sandinista commander Tomas Borge told him that if he did not retract what he said in Europe, he would rot in prison.

CIS. Is Esteban Gonzalez still in prison?

ARGUELLO. Yes. Three or four days ago, he went to court and said that he would rather rot in jail than take back what he said.

Esteban Gonzalez is the head of the Human Rights Commission in Nicaragua and, during the Somoza dictatorship, helped the communist leaders who are now running the country. These same people arrested him for having protested against violations of the human rights of persons in prison now.

There are clandestine prisons all over the country, but nobody knows how many inmates they hold. There are thousands of people who have already been executed and buried.

According to Sandinista propaganda, there were no firing squads. But in fact there were firing squads, clandestine firing squads.

CIS. Who controls the television in Nicaragua?

ARGUELLA. The TV is 100 percent state-owned.

CIS. And the radio?

ARGUELLO. 95 percent is state-owned.

CIS. How about the newspapers?

ARGUELLO. The government owns two newspapers, and the only independent one is La Prensa. The editor of the paper was Joaquin Chamorro, and the paper is now in the hands of his family. La Prensa is censured. On the editorial staff, there are several people from the government who edit each article and publish only what they want.

CIS. You mentioned a rumor that there is a submarine base on the Atlantic coast. Could you tell us more about that?

ARGUELLO. I can confirm that there is a base in Puerto Cabezas on the Atlantic coast where no Nicaraguan is allowed. I also know that there are hidden camps. According to rumors in official circles and to foreign newspapers, missiles and submarines are being built in the banned areas.

CIS. How did you come to have personal knowledge of these hidden camps?

ARGUELLO. I can assure you that I am one of the persons who knows most about what is going on in Nicaragua and who is most familiar with the national territory, by virtue of the position I held. Once a month I had to travel all over Nicaragua. I went to the mountains and to military camps. That is why I had access to certain jails and other places, and that is how I discovered that there are zones in the country that are off limits. I was not allowed to enter certain areas that were surrounded by walls or barbed wire fences.

Cis. Are there bases in Nicaragua where guerrillas are being trained?

ARGUELLO. There are many bases, where they are training and preparing for the counter-revolution. The training camps have multiplied like we expected schools to multiply before the triumph of the revolution.

CIS. Are people being trained to fight in other countries like El Salvador?

ARGUELLO. Yes, there is overwhelming proof of that. Guerrillas and weapons are sent to El Salvador from Nicaragua.

CIS. Are those people trained in Nicaragua?

ARGUELLO. Yes. The Salvadorans in Nicaragua say they are training to help us consolidate the revolution and to help us when the counterrevolution comes.

CIS. Who is conducting the training? Who are the instructors?

ARGUELLO. The instructors are Cubans.

CIS. How about the PLO?

ARGUELLO. There are Palestinians as well as nationals from almost all the countries in the communist orbit. Arafat was in Nicaragua and said publicly that he had been cooperating. Most of the Sandinista leaders were trained in Palestine.

CIS. Do you know about torture in Nicaragua?

ARGUELLO. Torture? Yes, there is torture. The Human Rights Commission verified the practice of torture in Nicaragua, and I have personal knowledge of it. Torture takes place in camps and in prisons. I talked to many prisoners, because one of my duties at the Ministry was to visit prisons. I have witnessed torture, but I will not mention the names of the persons who were tortured, because it might cause the authorities to abuse them even more.

CIS. What kind of torture?

ARGUELLO. All kinds. They claim to use methods that are more "advanced" than the practices of the Somoza regime, which left bruises and wounds. But they use all kinds of torture: fists, rifle butts. . .

CIS. Electric shocks?

ARGUELLO. Yes, just like under Somoza. In this respect, nothing has changed.

CIS. Could we talk about the $75 million the United States agreed to loan Nicaragua? I understand the Sandinista government has already received most of it.

ARGUELLO. This loan was very important to the communists in Nicaragua. The loan was significant, not because of its amount, which was relatively small, but rather because it served as a key that prompted European and South American banks and private institutions in the United States to loan millions of dollars to the Sandinista government.

According to the loan agreement, 60% is supposed to go to private enterprise. Ambassador Pezzullo was in charge of enforcing the agreement. The fact is that private enterprise did not receive a cent.

The truth is that the money is used to buy weapons and to maintain the military. The army in Nicaragua is already four times bigger than it was under Somoza.

I know that in Bulgaria, which I visited, in East Germany and in Cuba there are Nicaraguans training. That costs Nicaragua quite a lot of money.

CIS. Could we talk about the Superior Council of Private Enterprise?

ARGUELLO. Not much is left of private enterprise in Nicaragua. It is hard for me to accept, but in a few months private enterprise in my country will disappear altogether.

CIS. What about Jorge Salazar?

ARGUELLO. Jorge Salazar was one of the leaders of the Superior Council of Private Enterprise. He was struggling to maintain a free economy and democracy. the Sandinistas accused him of smuggling weapons. That is why they killed him.

It would be absurd to believe that a man like Jorge Salazar, who knew that he was constantly being watched, would risk himself by smuggling arms. That was just an excuse to kill him. He wasn't even armed.

CIS. Who killed Salazar?

ARGUELLO. State Security, counseled by the Cubans.

CIS. What are the prospects for democracy in Nicaragua?

ARGUELLO. The liberation of Nicaragua can be carried out only by the people of Nicaragua. The only way to do it is the way we eliminated the Somoza tyranny, and that is by arms. The people of Nicaragua will rise up when they receive directions from their leaders. Our movement in Nicaragua, the Democratic Nicaraguan Union (DNU), is already 60% organized. Almost all the people in Nicaragua are Christians and will fight to free our country from the Cubans and communism.●

WATER BANK FUNDING

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. OBERSTAR. Mr. Speaker, the water bank program was established in 1970. Under the program the Secretary of Agriculture is directed to enter into lease agreements with, and make annual payments to, owners and operators of farms and other land containing eligible wetlands which serve as nesting, breeding, and wintering areas for migratory waterfowl. Through the protection of these areas, the public realizes numerous benefits many miles from the preserved areas. Flood control, ground water recharge, pollution abatement, sediment control and habitat conservation are among those benefits derived.

In 1979, I introduced legislation which was enacted in 1980 to extend the water bank program. The bill increases payments to participating farmers by authorizing the Secretary to reexamine the payment at the beginning of the fifth year of the lease to determine if current land crop values warrant increased payments to the landowner. The legislation also increased the annual ceiling on authorizations from $10 million to $30 million annually and extended coverage to wetlands previously not eligible, including flooded swamps and flooded forest areas important as wintering habitat to migratory waterfowl.

In revising the previous administration's already austere fiscal year 1982 budget request, the Reagan administration eliminated funding for the water bank program.

On March 31, I testified before the Subcommittee on Agriculture of the House Committee on Appropriations on behalf of restoring funding for the water bank. I urge my colleagues to support funding for this vital program.

Following is the text of my testimony:

Mr. Chairman, Members of the Subcommittee, for the last two years I have come before this Subcommittee to ask you to restore funding for a program eliminated from the Administration's budget request. Conservation groups, farmers, and sportsmen joined me in asking the Subcommittee to continue funding for the very modest and successful Water Bank program. The Subcommittee has consistently acceded to that request.

In revising the previous Administration's already austere fiscal year 1982 budget re-

quest, the Reagan Administration eliminated funding for the Water Bank program.

I am here today again to ask that the Subcommittee consider the worthy merits of the Water Bank program and take advantage of the yet to be realized authorization which expands the program.

In January 1980, President Carter signed into law the Water Bank legislation which I introduced two years ago and which amends the landmark Water Bank Act authored by our colleague, Mr. Andrews, now the Senator from North Dakota. Mr. Andrews joined with me as cosponsor of H.R. 2043, now Public Law 96-182. I know Mr. Andrews will continue the vigil of working for this program in the Senate.

Public Law 96-182 makes three substantial improvements in Water Bank. It increases the annual authorization from $10 million to $30 million; authorizes the Secretary of Agriculture to review existing contracts and to raise payments to farmers at the beginning of the fifth year to reflect increased land values and rental rates, and, expands eligibility for Water Bank coverage to wetlands type 6 and 7, and other critical wetlands as designated by the Secretary.

The law also directed the Secretary to conduct a one-time review and adjust payments of agrements made earlier than 1977. This has been accomplished.

This legislation passed both Houses of Congress on voice votes. Unfortunately, Public Law 96-182 was enacted too late to permit us to take advantage of the legislation and increase the appropriation for fiscal year 1981. The appropriation, voted by Congress in the Agricultural Appropriations Act of 1980 was $10 million.

Mr. Chairman, Members of the Subcommittee, I have come to you today to ask that you provide the funding necessary to give meaning to this legislation. Since the enactment of this legislation, I intended to ask for the appropriation of the $30 million authorized by Public Law 96-182. However, we are facing substantial budget cuts in almost all areas of federal spending. The goal of a balanced budget is a sound one, which I support. As much as I would like to see a $30 million appropriation for Water Bank, I know the Subcommittee, as well as the entire Congress, faces the restraints of fiscal reform directed at balancing the budget. I have decided against that request, in favor of asking for a $20 million appropriation.

Since its inception, the Water Bank program has been highly successful. Today, there are nearly 6,000 agreements involving over 650,000 acres of land. This highly popular program produces a multitude of benefits to both the public at large and to the individual landowner. The Water Bank preserves crucial wetlands without decreasing private ownership of property. It provides a flexible land use program for the farmer who wishes to integrate habitat protection into his farming enterprise. By protecting critical waterfowl breeding, nesting and wintering areas, other benefits are realized, such as flood control, ground water recharge, pollution abatement, sediment control and habitat conservation. These public benefits are realized many miles from the preserved areas.

Water bank needs an appropriation of $20 million for the following reasons:

(1) The lease agreements that were made at the initiation of the program in 1972 will expire at the end of 1981. Many of these agreements are for areas in the prairie pothole region of the Upper Midwest. These areas are of the greatest value to migratory water fowl production of the nation. Provided the landowner is willing, these areas should continue to be part of the Water Bank. Renewal of these agreements is estimated at $8 million.

(2) Public Law 96-182 requires the Department of Agriculture to review existing agreements made in 1978 and increase payments to farmers where land values have increased. This is equitable considering that adjustments have been made for agreements prior to 1978. Adjustment of those agreements will require an estimated $2 million.

(3) Provisions of the new Act also authorize agreements to protect wetland types 6 and 7 wooded swamps. The Department of Agriculture should undertake protection of these wetland types in those areas where the danger of drainage is greatest. A $20 million appropriation would enable the Department to enter into agreements to protect wooded swamps in the critical Lower Mississippi Flyway in the States of Arkansas, Louisiana, and Mississippi. Similar efforts would be made throughout the Flyway in Illinois, Kentucky, Tennessee and Missouri.

A $20 million appropriation, would also allow the Department to expand the Water Bank to areas of the west coast where wintering habitat has become a critical factor for water fowl.

Even with a $20 million appropriation, the Department will not have sufficient resources to expand into coastal wetlands. It was my hope, when I sponsored Public Law 96-182, that the bill would enable the Department to move to preserve critical coastal wetlands. Because of the restraints imposed by the considerations of a balanced budget, I will not ask the Committee to go beyond $20 million. I, of course, would not object, should the Committee choose to approve a greater amount.

A final factor that adds a sense of urgency to the requested appropriation is the Administration's move to redirect the Land and Water Conservation Fund. Since the 1960's the Fund has been used for habitat preservation. Redirection of these dollars make the Water Bank program all the more important.

I appreciate your consideration of this important and popular conservation program.●

IMPACT OF CETA CUTS ON WASHINGTON, D.C.

HON. AUGUSTUS F. HAWKINS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. HAWKINS. Mr. Speaker, in order to get a firsthand assessment of the impact of the cutback in CETA funding, I recently visited the Office of the Department of Employment Services in Washington, D.C.

I was interested to learn that the District of Columbia Department had received no assistance from the U.S. Department of Labor in placing PSE workers whose jobs were abruptly terminated as a result of cuts in funds for this fiscal year. As of February 1981, a total of 1,020 PSE participants were employed by the city or nonprofit organizations in the city. Because of DOL's abrupt reduction in funds for this year, most of these individuals will be laid off immediately.

Thirty-two agencies of the District government used PSE employees under CETA to help them carry out city services. These range from the Department of Recreation to the District of Columbia General Hospital and Public Library. The loss of these employees is expected to have a significant impact on the internal operations of these agencies and upon their ability to provide services to the public. For example, the Bureau of Parking in the Department of Transportation has used CETA employees in income-generating activities. Seven CETA employees working as meter repairers, booters, and ticket writers generated a total of $955,000 in revenues.

Twenty-two community organizations in the District of Columbia used PSE and youth workers in a range of social service, educational, and arts activities in such organizations as Goodwill Industries, National Urban League, and Washington Area Council on Alcoholism. Thirty percent of the community groups surveyed indicated that the abrupt cutbacks would force them to close down operations altogether.

It is ironic that cuts in CETA funding will directly inhibit the ability to place participants in unsubsidized employment—the stated goal of the administration and the justification given for shutting down public service employment under CETA. For example, the Washington Urban League operates a contract under title II-D of CETA to place CETA PSE participants in unsubsidized employment. This contract will be eliminated entirely by the cutback in II-D funds.

The Department of Employment Services holds out dim prospects that the CETA participants whose jobs or training will be cut off will be able to find unsubsidized training in the District of Columbia area. The job openings that are expected to open up in the expanding service area of the private sector do not generally match up well with the skill levels, education or training of the CETA population, according to a Department analysis.

I am inserting for my colleagues' information the executive summary of the Washington, D.C., Department of Employment Services Special Impact Study of 1981 and 1982 Federal Budget Cuts on Employment Services and Related Programs:

EXECUTIVE SUMMARY

I. IMPACT ON THE DEPARTMENT OF EMPLOYMENT SERVICES

A. Funding levels

1. Overall funding for DOES is expected to drop from 69.9 million in 1980 to 47.5 million in 1981—a decrease of 32 percent.

2. Overall funding for DOES in 1982 is expected to drop to 34.8 million—a decrease of 50 percent from 1980.

3. The programs to experience the most severe budgetary cuts relate to Public Service Employment (PSE). Titles II-D and VI of CETA will be phased down to zero from their combined 1980 level of $19,754,982.

B. CETA and WIN participants

1. The number of CETA and Work Incentive Program (WIN) participants combined is projected to go from 48,615 in 1980 to 24,342 in 1981—a decrease of 50 percent.

2. The number of CETA and WIN participants in 1982 is projected to drop to 18,102—a decrease of 60 percent from 1980.

3. As of February 1981, 409 persons were still enrolled in Title II-D and 611 in Title VI. Both public service employment programs are slated for elimination by September 30. The Mayor has lifted the city's hiring freeze for these employees in an effort to ease their transition to unsubsidized employment.

C. Unemployment insurance (UI)

1. UI claimants are projected to go from 42,000 in 1980 to 44,000 in 1981 back to 42,000 in 1982. The relatively small fluctuation in UI claimants despite rising unemployment is due to the fact that extended benefits is being eliminated and many new claimants such as students will not have sufficient work history to be covered by unemployment compensation.

D. Employment services (ES)

ES participants are projected to go from 91,123 persons in 1980 to 93,000 in 1981 and 96,000 in 1982. The budget for Employment Services is projected to drop 17 percent by 1982—a decrease of $1,434,247 from 1980 levels.

II. PRIMARY IMPACT ON USERS AND VENDORS

A. D.C. agencies

1. Eighteen of thirty-two agencies using Public Service Employees or youth workers were sampled. Fourteen of the respondents (80 percent), who were either agency directors or program coordinators characterized the loss of CETA employees as having a severe or restrictive impact on their level of service.

2. Several agencies that use CETA workers in income producing activities predict a significant loss of revenues. The Bureau of Parking, for example, in the Department of Transportation, estimated that their 7 CETA employees working as meter repairers, booters and ticket writers generated $955,000 in income in 1980. Another agency, the Department of Finance and Revenue anticipates losing $2,393,100 in revenue, during the next six months due to the loss of 30 PSE employees engaged in collections.

B. Community groups

Twelve community groups receiving CETA funds were sampled. Seven of the 12 or 60 percent reported that they would remain operating without their CETA participants but at a reduced level of services. Four respondents (33 percent) said the cutbacks would force them to close down.

C. Vendors

Four vendors were examined. The largest, United Planning Organization (UPO), received 2.7 million in DOL-related money in 1980 to operate four major programs. UPO is projecting a 49 percent cutback in its CETA funding for 1982. Combined with expected losses from other funding sources, and the elimination of its parent federal agency, Community Services Administration (CSA), UPO faces a major retrenchment program in the next few years. The other vendors faced similar prospects to scale down their operation.

D. Individual CETA participants

Five CETA public service employees personal profiles were developed—two former participants and three currently enrolled. One of the former participants has already returned to welfare to support herself and two children; the second may also have to request public assistance if she does not find work by the time her unemployment checks expire. Two of the three current enrollees face dim employment prospects outside CETA.

III. INDIRECT IMPACT OF CUTBACKS

A. Crime

Based on 1980 data from the U.S. Attorney's office, it appears that unemployment may be an important factor in the commission of economic crimes in the District. In 1980, for example, 69.2 percent of burglaries occurring in the District were done by persons who were unemployed compared with 30.8 percent for persons who were employed. Similar differentials exist for the crimes of robbery, larceny-theft, and motor vehicle theft.

B. Revenues

The projected loss of revenues from lost income and sales taxes to the City expected from the elimination of Title VI, II-D and IV funding is projected to be 1.56 million dollars for the years of 1981 and 1982 combined.

C. Future employment prospects

The DOES predicts an unemployment rate of 8 percent for 1981 and 9.3 percent for 1982. The job openings that are expected to open up in the expanding service area of the private sector do not generally match up well with the skill levels, education or training of the CETA population. Overall, the prospects of employment for members of the CETA population in a contracting metropolitan market appear dim.●

INSTITUTE FOR POLICY STUDIES: PART IV

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. McDONALD. Mr. Speaker, in concluding these remarks on the Institute for Policy Studies, it is interesting to note that its international conferences for 1979-80 coincided with major Soviet policy initiatives and themes. For example, its concerns with alleged civil rights violations in Europe turn out to be objections to counterterrorist and internal security measures in Italy, West Germany, and other democratic societies. As demonstrated in repeated seminars and lectures since the invasion by the Soviet Red army of Afghanistan, IPS leaders are working hard to dismiss the real world military threat to peace posed by the U.S.S.R. as a myth, and to generate as much opposition as possible to strengthening NATO.

We attach the conclusion of the overview of IPS/TNI activities written by John Rees:

THE INSTITUTE FOR POLICY STUDIES: TRANSNATIONAL INTRIGUE AND REVOLUTIONARY TERRORISM—PART 4

(By John Rees)

A feature of TNI activities has been its work with European and U.S. support groups for revolutionary terrorist organizations in Southern Africa, with in every case IPS/TNI backing going to the Soviet-supported group rather than an independent or Peking-oriented rival. In Rhodesia/Zimbabwe, this was meant support for the political procedence of Joshua Nkomo's ZAPU rather than Mugabe's Zimbabwe African National Union (ZANU); and in South Africa, it has meant primary support to the African National Congress (ANC) rather than the Pan-Africanist Congress (PAC).

Major conferences have included:

MYTHS AND REALITIES OF THE SOVIET THREAT

March 14-15, 1979, on Capitol Hill, Washington, D.C. Sponsored by IPS/TNI with the Coalition for a New Foreign and Military Policy (CNFMP) and Americans for Democratic Action (ADA). Participants included Richard Barnet and Michael Klare, director of the IPS Militarism and Disarmament Program; David Johnson, Center for Defense Information (CDI), a project of the Fund for Peace closely associated with IPS; Robert Berman, Brookings Institution; Jerry Hough, Duke University; and Christopher Jones, MIT Russian Research Center.

CIVIL LIBERTIES IN EUROPE

September 28-30, 1979, at the TNI in Amsterdam. This primarily was a meeting of "civil liberties" groups protesting anti-terrorist measures and internal security investigations in West Germany, Italy, France and other European countries. The "research" groups present appear to have included quite a number of local copies of Philip Agee's Counter-Spy/State Research, et. al. apparatus which concentrate on exposure of national and NATO intelligence collection programs.

THE SOVIET THREAT

October 18-20, 1979, in West Berlin, sponsored by the TNI and co-sponsored by the Free University of Berlin and the Berghof Foundation. The 30 organizers and anti-military researchers who attended included Stephen Daggett, Fred Halliday and Michael Klare of IPS/TNI; British disarmament activist Mary Kaldor, University of Sussex; Ulrich Albrecht, Free University of Berlin; Claude Bourdet, Paris; and Marek Thee, Peace Research Institute, Oslo, Sweden.

TERRA NOVA CONFERENCE

December 9-14, Kingston, Jamaica. IPS/TNI, with co-sponsors including the Dag Hammarskjold Foundation, the International Foundation for Development Alternatives, the Third World Forum, and the Latin American Institute for Transnational Studies, hosted by the Jamaican Planning Agency of the Manley government. The conference covered strategy for revolutionary governments to avoid International Monetary Fund regulations while still obtaining loans and grants. Michael Moffitt and Harold Wachtel of IPS/TNI participated.

NORTH-SOUTH CONFERENCE ON THE INTERNATIONAL MONETARY SYSTEM AND THE NEW INTERNATIONAL ECONOMIC ORDER

Arusha, Tanzania. Co-sponsors were the same as in the Terra Nova conference. IPS/TNI participants included IPS director Robert Borosage and Michael Moffitt. With some 30 "economists, parliamentarians and labor leaders in an in-depth review of . . . the role of the International Monetary Fund."

The meeting was in preparation for the United States' meetings on the "New International Economic Order" in which the basic idea is to persuade, by various means, the developed countries to give substantial amounts of their money to the impoverished Marxist Third World states—with as few strings as possible.

In addition to the two conferences cosponsored by Swiss, Swedish, Egyptian and Mexican institutions, the themes of the new international economic order were promoted by IPS fellow Moffitt in testimony before the House and Senate Subcommittees on Banking and Finance.

Among the ongoing and long-term activities of the TNI has been the monitoring of the activities of multinational corporations—of transnational corporations [TNCs in IPS terminology]. This has included the gathering of a substantial data base both on companies and on their officers and executives.

TNI boasts that in 1979, it was "instrumental" in the establishment of the Transnational Information Exchange (TIE), "a network of European researchers investigating the structure and activities of TNCs, throughout the continent." In effect, it is a European version of the Corporate Data Exchange (CDE) funded by Rubin, the Weisses and the National Council of Churches (NCC). CDE is run by Michael Locker, a founder and long active member of the pro-Castro North American Congress on Latin American (NACLA). CDE focuses on companies doing business in Southern Africa.

IPS/TNI reports that TIE is "partially financed by grants from the World Council of Churches" and that the "major role in coordinating" TIE is carried out by TNI's London affiliate, Counter-Information Services (CIS). Among TIE's areas of concentration are the electronics and telecommunications industries—areas of minimal interest to revolutionary "national liberation" movements, but of intense interest to the Soviet Bloc.

The "related studies" by Elizabeth Schmidt include her testimony before the United Nations Special Committee on Apartheid* and before the House Foreign Affairs Committee's Subcommittee on Africa, chaired by Rep. Steve Solarz (D-NY). An essay attacking CIA covert action in Africa by Rep. Solarz' Africa subcommittee aide, Stephen Weissman, was reprinted in *Dirty Work 2: The CIA in Africa* by the *Covert Action Information Bulletin* members "with the permission of the author."

IPS/TNI admits that its annual report "does not pretend to describe the scope of the organizing and public education undertaken by Institute fellows." Continuing, the report states:

In the past year, IPS Fellows have been instrumental in organizing the Committee on National Security and the Progressive Alliance, and have been active organizers in The Peacemakers, the Chile Committee for Human Rights, the Coalition for a New Foreign and Military Policy, Americans of Democratic Action, the New Democratic Coalition, Mobilization for Survival, the Riverside Church Disarmament Program, the Urban Bishops of the Episcopal Church, and many more organizations.

"Institute Fellows have appeared on the *Today Show, McNeil-Lehrer Report, Good Morning America, Bill Moyers Presents,* and a range of national television documentaries. Their commentaries are heard regularly over National Public Radio. . . ."

The IPS/TNI Annual report lists a sampling of seminars and lectures during 1979-1980. Lecturers on U.S. political activities included Frances Fox Piven; James Weinstein, editor of IPS's weekly newspaper, *In These Times;* Ned Crosby, president, Center for New Democratic Processes; Lee Benson, History Department, University of Pennsylvania; Harley Shaiken, United Auto Workers consultant; and Robert Cole, Economics Department, University of Massachusetts at Amherst.

Speakers at seminars on U.S. Persian Gulf policy included Dick Barnet and three IPS/TNI fellows also associated with the Middle East Research and Information Project (MERIP), Eqbal Ahmad, Fred Halliday and Feroz Ahmad, former editor of *Pakistan Forum.*

In the series "Human Rights and Latin America," speakers included Rep. Thomas Harkin (D-IA); Bernard Coard, Finance Minister of the pro-Soviet government in Grenada; Israel Marquez, former head of the Coca-Cola Bottler's Union in Guatemala on "repression and labor;" Vieter Husbands, Grenadan Human Rights Council; Arnold Bertram, Minister of Mobilization, Information and Culture of the Manley government in Jamaica. On Nicaragua, speakers included Lea Guide, Minister of Social Welfare of the Sandinista government; Robert Vargas representing the Sandinista National Liberation Front (FSLN) and Stanford political science professor Richard Fagen. At the time of his appearance, Fagen was carrying messages from FSLN leaders to the State Department, National Security Council and Capitol Hill.

The current IPS Board of Trustees includes former U.S. Senator James Abourezk. With his partner Thomas Shack, Abourezk represented Iran in negotiations for the release of the American diplomatic captives. Other trustees are Richard Barnet; Marjorie Benton; Robert Borosage, IPS director and former director of the Center for National Security Studies (CNSS); Diana DeVegh; Dr. James Dixon; Ivanhoe Donaldson, special assistant to D.C. Mayor Marion Shepilov Barry; UAW president Douglas A. Fraser; Christopher Jencks; Rev. James Parks Morton; Marcus Raskin; Rita Sperry; Ralph Stavins; Paul Warnke, head of IPS's Committee on National Security and before his service as the Carter Administration's chief SALT II negotiator and chief of the Arms Control and Disarmament Agency, served on the Advisory Board of the IPS-related Center for Defense Information (CDI); Lee Webb; Peter Weiss; Stanley Weiss and columnist Garry Wills.

Noting that "the Institute community of scholars and activists includes networks of individuals and organizations in the United States and abroad" and that "these continuing relationships with others are central to the Institute's work," the IPS report says such a list would be difficult to manage and therefore lists only the "formal Institute community" for 1980 as follows:

FELLOWS

Eqbal Ahmad, TNI; Richard J. Barnet; John Berger, TNI (critic and author of *Pig Earth*); Robert L. Borosage; Philip Brenner; Susan George, TNI; Fred Halliday, TNI; Helen Hopps; Michael Klare; Saul Landau; Isabel Letelier, TNI; Michael Moffitt; Marcus Raskin; Earl Ravenal; Ralph Stavins and Basker Vashee, TNI.

ASSOCIATE FELLOWS

Feroz Ahmed, TNI; Marcos Arruda, TNI; Anthony Barnett, TNI (a writer for the *New Statesman* (London) and *The Nation* whose articles have urged Western recognition of the Vietnamese puppet regime in Cambodia); Ann Beaudry; Herbert Bernstein; Counter-Information Services, TNI; Carmen Claudin, TNI; Ben Dankbaar, TNI; Alvin Duskin; John Dinges, co-author with Saul Landau of *Assassination on Embassy Row;* Robert Engler; Waldo Fortin, TNI; Carolien Heikens-Boon, TNI; Walter Hopps, former head of the TNI in Amsterdam, now a historian with the National Collection of Fine Arts; Mary Kaldor, TNI, a leader of the British anti-nuclear and disarmament movement; Sidney Lens, co-founder of the Mobilization for Survival (MFS) and one-time Trotskyite who has worked with the U.S. affiliates of the World Peace Council (WPC) for two decades—he was a candidate for the U.S. Senate on the Citizens Party Ticket in Illinois; Lutz Mez, TNI; Sidney Morgenbesser; Prexy Nesbitt, TN Bereket Selassie, TNI; Derek Sheare A. Sivanandan, TNI; Pedro Vilanov TNI; James Weinstein; Haskell Weler; Jack Willis and Alan Wolfe.

(It is noted that in the Annual Report IPS publications list, author Gary Porter, formerly with the Indochina Resource Center, and research associate Eleanor LeCain are mentioned although omitted from the official 1980 fellows listing.)

VISITING FELLOWS AND GUEST SCHOLARS

Alberto Ahrene, a former Cabinet Minister in the El Salvadoran Junta who has been with IPS since his resignation in March 1980; Elizabeth Becker, Washington Post reporter Arthur Macy Cox, a former OSS, CIA and State Department specialist on the Soviet Union, he taught a course in IPS's Spring 1980 term of The Washington School on "the Soviet threat to the U.S. . . . in the context of the U.S. threat to the Soviet Union" and is studying "the arms race and secrecy"; Robert Engler, author of The Politics of Oil and The Brotherhood of Oil involved in studies of "democratic planning"; Michael Parenti, author of Democracy for the Few; Frances Fox Piven, Boston University, co-author of Poor People's Movements; Rostrum Roy and Patricia Weiss Fagen.

Among the IPS/TNI research and staff associates are Cynthia Arnson, Carle Benke, Anita Blount, Stephen Daggett, Kevin Danaher, Tom Devine, Rachel Fershko, Mark Hertsgaard, Kathy Kinsella, Lynn Kitzmiller, Peter Kornbluh, Robert Lawrence, Lynn Liotta, Eliana Loveluck, Delia Miller, Elizabeth Schmidt, Miriam Smalhout, Nena Terrel, Jan-Joost Teunissen, Daniel Volman and Trin Yarborough.

During the past 15 years, while organizing public disorders, manipulating and influencing public opinion and government, and while utilizing its tax-exempt status to subsidize the activities of revolutionary terrorist leaders, the Institute for Policy Studies has evaded public scrutiny. Public investigation of IPS, long overdue, might be a priority most appropriate for the 97th Congress.●

H.R. 1776 HONOR ROLL—SUPPORT GROWS FOR LEGISLATIVE VETO

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. LEVITAS. Mr. Speaker, it is entirely appropriate just before the House adjourns for the Easter/Passover District work period for me to report on the progress of H.R. 1776 providing for congressional or legislative veto of Government regulations. I am pleased to report that support for this important piece of legislation has grown even more in the House.

Today, I am submitting the additional names of 51 of our colleagues who have joined the H.R. 1776 honor roll by cosponsoring this bill which restores control over executive and bureaucratic power by the people through their elected representatives. This brings the number of cosponsors of H.R. 1776 to more than 200 Members of the House, an overwhelming number.

One of the many grievances enumerated against King George in the Declaration of Independence was: "He has erected a Multitude of new Offices, and sent hither Swarms of Officers to harass our People, and eat out their Substance." It is with a bit of irony that we again see the Americn people struggling so with bureaucratic power. Our forefathers would be shocked at the erosion of the principle for which they fought—government by the consent of the governed. Independence was declared by the American colonists so that the laws which governed them, would be made by the persons elected by and accountable to them.

We have moved far from this principle. Today, the vast number of laws which govern this country are, in fact, regulations issued by unelected bureaucrats who are not accountable to the people of this country. There can be no mistake that these regulations are laws, for a person can be fined, imprisoned, or otherwise lose benefits for violating a regulation, just as he could be for violating a law.

H.R. 1776 addresses the principle to which the Declaration of Independence spoke over 200 years ago. It restores to the people their right to govern themselves by giving Congress, their elected representatives, the authority to review and, if necessary, veto in advance any rule or regulation issued by unelected bureaucrats. It provides the accountability which our forefathers declared was essential for a just government.

I am delighted that over 200 of our colleagues have joined the H.R. 1776 honor roll. These Members come from all across the political spectrum. This bill cannot be termed liberal or conservative; it crosses ideological lines. It simply reclaims for ourselves and our citizens the right of rule by the people and not by bureaucracy.

I am pleased once again to present for the RECORD the H.R. 1776 honor roll. I welcome our other colleagues to add their names to this list for congressional control of and accountability for the law/regulations.

H.R. 1776 HONOR ROLL

Mr. Albosta, Mr. Alexander, Mr. Andrews, Mr. Applegate, Mr. Archer, Mr. Atkinson, Mr. AuCoin, Mr. Badham, Mr. Bafalis, Mr. Bailey of Missouri, Mr. Bailey of Pennsylvania, Mr. Barnard, Mr. Beard, Mr. Benjamin, Mr. Bennett, Mr. Bereuter, Mr. Bethune, Mr. Bevill.

Mr. Blanchard, Mr. Boner of Tennessee, Mrs. Bouquard, Mr. Bowen, Mr. Breaux, Mr. Brinkley, Mr. Brown of Ohio, Mr. Burgener, Mr. Butler, Mr. Byron, Mr. Campbell, Mr. Chappell, Mr. Clausen, Mr. Clinger, Mr. Coats, Mr. Coelho, Mr. Coleman, Mr. Collins of Texas.

Mr. Corcoran, Mr. Coughlin, Mr. Courter, Mr. Crane, Daniel B., Mr. D'Amours, Mr. Daniel, Dan, Mr. Daniel, Robert W., Jr., Mr. Dannemeyer, Mr. Daschle, Mr. Daub, Mr. Derwinski, Mr. Dickinson, Mr. Donnelly, Mr. Dougherty, Mr. Dornan, California, Mr. Dreier, Mr. Duncan, Mr. Edwards of Oklahoma.

Mr. English, Mr. Erlenborn, Mr. Evans of Georgia, Mr. Evans of Delaware, Mr. Evans of Indiana, Mr. Evans of Iowa, Mrs. Fenwick, Ms. Ferraro, Mr. Findley, Mr. Fish, Mr. Flippo, Mr. Forsythe, Mr. Fountain, Mr. Fowler, Mr. Frenzel, Mr. Frost, Mr. Gilman, Mr. Gingrich.

Mr. Ginn, Mr. Goldwater, Mr. Gradison, Mr. Gramm, Mr. Gregg, Mr. Grisham, Mr. Guyer, Mr. Hall, Sam B., Jr., Mr. Hamilton, Mr. Hance, Mr. Hansen of Idaho, Mr. Hatcher, Mr. Hefner, Mr. Heftel, Mr. Hendon, Mr. Hightower, Mr. Hiler, Mr. Hinson.

Mr. Holland, Mrs. Holt, Mr. Hopkins, Mr. Horton, Mr. Hubbard, Mr. Huckaby, Mr. Hughes, Mr. Hutto, Mr. Hyde, Mr. Ireland, Mr. Jacobs, Mr. Jeffries, Mr. Jenkins, Mr. Johnston, Mr. Jones of North Carolina, Mr. Jones of Oklahoma, Mr. Jones of Tennessee, Mr. Kazen, Mr. Kemp, Mr. Kildee, Mr. Kindness, Mr. Kogovsek, Mr. Kramer, Mr. Lagomarsino, Mr. Leath of Texas, Mr. LeBoutillier, Mr. Lee, Mr. Lent, Mr. Lewis, Mr. Livingston, Mr. Loeffler, Mr. Lott, Mr. Lowery of California, Mr. Lujan, Mr. Lungren.

Mr. McDonald, Mr. McGrath, Mr. McKinney, Mr. Madigan, Mr. Marlenee, Mr. Marriott, Mr. Martin of North Carolina, Mr. Mattox, Mr. Mazzoli, Ms. Mikulski, Mr. Miller of Ohio, Mr. Mineta, Mr. Mitchell, Mr. Montgomery, Mr. Moore, Mr. Morrison, Mr. Mottl, Mr. Murphy.

Mr. Myers. Mr. Neal, Mr. Nelson, Mr. Nichols, Mr. Nowak, Mr. O'Brien, Mr. Panetta, Mr. Parris, Mr. Pashayan, Mr. Patterson, Mr. Petri, Mr. Price, Mr. Pritchard, Mr. Pursell, Mr. Rahall Mr. Ratchford, Mr. Ritter, Mr. Roberts of South Dakota, Mr. Robinson.

Mr. Roe, Mr. Rose, Mr. Roth, Mr. Rousselot, Mr. Rudd, Mr. Russo, Mr. Santini, Mr. Sawyer, Mrs. Schroeder, Mr. Sensenbrenner, Mr. Sharp, Mr. Shelby, Mr. Shumway, Mr. Smith of New Jersey, Mr. Smith of Oregon, Mrs. Snowe, Mr. Solomon, Mr. Stangeland.

Mr. Stump, Mr. Synar, Mr. Tauke, Mr. Thomas, Mr. Trible, Mr. Volkmer, Mr. Walker, Mr. Watkins, Mr. Weber of Minnesota, Mr. White, Mr. Whitehurst, Mr. Whitely, Mr. Whittaker, Mr. Wilson, Mr. Winn, Mr. Wolf, Mr. Wolpe, Mr. Won Pat, Mr. Yatron, Mr. Young of Missouri, and Mr. Zeferetti.●

REEMPHASIZED AMERICAN SPECIAL FORCES NEEDED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, as the Reagan administration begins to revitalize our Nation's Armed Forces, it is essential that we clearly understand what the nature of warfare in the 1980's will be like. Only then can we undertake the arduous task of preparing for it. First, we must recognize that despite apocalyptic warnings, the decade ahead will probably not witness a nuclear or major conventional war between the superpowers. Instead, there will be conflicts on a lower level of intensity: unconventional wars, limited conventional actions and reactions, and acts of international terrorism.

F. Andy Messing, Jr., in his article, "Preparing for Irregular Warfare," states that America should take better steps to prepare for this type of warfare. Major Messing's credentials for drawing this conclusion are impressive. He serves as a consultant to the American Security Council and is a board member of the National Defense Council. As a combat veteran of the Vietnam war, he was twice wounded while serving with the Army's elite 1st Cavalry Division. Major Messing is a Reserve special forces officer serving the Army Deputy Chief of Staff for Operations' Special Operations Branch Office. This assignment furthers his appreciation for the economy and effectiveness of special operations forces.

Major Messing recognizes the importance of developing our irregular warfare capability to combat terrorism—one of President Reagan's stated foreign policy objectives. The Soviet Union and other Communist countries possess a well developed unconventional warfare capability and utilize it in pursuit of their policy goals. In contrast, under the Carter administration, the United States reduced its special forces organization and funding.

Recently, Major Messing's article was published in the New York Times. The article, reprinted below, provides unique insight into the issue of irregular warfare. In addition, it offers a sound argument for the United States to revitalize its special operations capability.

At a time when America is searching for ways to counter Marxist global ac-

tivities, special operations forces provide a relatively inexpensive force multiplier. I commend Mr. Messing's article to your attention:

[From the New York Times, Mar. 27, 1981]

PREPARING FOR IRREGULAR WARFARE

(By F. Andy Messing, Jr.)

FALLS CHURCH, VA.—In spite of apocalyptic warnings, the decade ahead will not bring a global nuclear or major conventional war between the superpowers. However, there will be conflicts on a lower level of intensity: unconventional wars, limited conventional actions and reactions, and terrorism. They will be started for a variety of social, economic, and political reasons. No matter how they are labeled, they will amount to irregular warfare.

One can envision involuntary or voluntary American involvement because of our immediate need to protect our interests—our citizens abroad, raw-material sources, United States facilities, strategic geographic areas. How President Reagan responded would affect the frequency of these problems and other countries' perceptions of our strength.

World political authority has been diffusing and becoming increasingly volatile. While this may not appear to affect America, the probability of conflict has taken a quantum jump. The "wild card" of terrorists' accessibility to chemical, biological, and nuclear devices, and to other advanced weapons, makes serious conflict-situations an eventuality. Responsible nations must take steps to minimize or prevent potential situations of conflict.

Understanding the nature of warfare in the 80's is important; undertaking the arduous task of preparing for it is essential. But, we must recognize that such preparation is useless without Presidential resolve to act. As Karl von Clausewitz, the Prussian general, pointed out, the battlefield is an extension of politics. Not being able to operate effectively in an irregular-warfare situation limits a President's political options. It forces him into inaction or, worse yet, action at a higher level of intensity: conventional-force and nuclear-force alerts or actions. To have a policy and an organized capability to meet this challenge would increase our latitude in political and military response—responses that could be overt or covert.

The Soviet Union understands the effectiveness and economy of this mode of warfare. It understands that by using irregular warfare it can tiptoe around the nuclear trip-wire. Instead of appreciating this, the United States has reduced its military advisory force to third-world nations to about 700 men. The Soviet Union has more than 8,100 in the Middle East and Africa alone. Furthermore, because of drastic reductions in funding, America has reduced its active-duty irregular-warfare force to about 4,500 men—the Army's Special Forces were reduced, by President Carter's cutback in October, to their lowest level since the 50's. The Soviet Union has an area-oriented, language qualified, active-duty irregular force of nearly 20,000 men. And this figure includes neither the Soviet irregular-warfare specialists in reserve, nor the irregular forces of the Warsaw Pact, nor Cuban irregular forces; nor does it include the coordinated Soviet-bloc intelligence operations that complement its irregular forces. In contrast, the readiness and strength upon mobilization of America's 4,500 irregular-warfare reservists is questionable. Because of fluctuating political circumstances, America cannot even count on allied irregular forces and intelligence assets.

Seeing America dwarfed in this area, Mr. Reagan must revitalize all elements associated with irregular warfare and not just rely on the parochial Rapid Deployment Force to fill the gap. This action, less expensive and faster than enhancing our conventional and nuclear capabilities, would expand our political and military options, and influence. It would give us time to rebuild our conventional and nuclear forces and to accomplish a "technological bypass" that would give—to use Mr. Reagan's phrase—a "margin of safety."

Then Mr. Reagan must correctly use these forces. Ideally, a permanent, career-enhancing organization with a short chain of command should be established and cloaked in secrecy. It should have appropriate military and civil elements, from such agencies as the Defense Department, Central Intelligence Agency, Federal Bureau of Investigation, and the State and Treasury Departments. Its mission would be to plan for, and meet, any low-intensity-conflict situation.

The prevailing national view must be considered in creating this force. America should be able to respond to any crisis, domestic or foreign. There should be a narrow definition of domestic responsibilities; one mission could be to fight certain types of crime—drug-smuggling, for example. With this in mind, Congress must modify laws that exclude the military from fighting crime. In the foreign arena, the force's existence would deter low-intensity conflict, but, more importantly, it would manifest our ability to use the stick when necessary.

Irregular warfare has not been given the degree of attention it merits. The time is now to develop the flexibility America needs to regain respect and ensure peace.●

SERVING THE UNITED STATES

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. WOLF. Mr. Speaker, I would like to bring to the attention of my colleagues an article by Mark Shields of the Washington Post. This article reflects my views that the majority of public employees serve our country in an admirable manner. Secret Service agents who risk their lives to save that of the President are an excellent example.

On March 31, 1981, another colleague brought to your attention an article by George Will entitled "Government: Not a Klutz." I also agree with this commentary that government is valuable, and despite its flaws, serves the people of the United States. These two articles should help us realize that government and its employees are serving the United States and its people. Our mission should not be to criticize but to motivate, insuring that this service is as effective as possible.

The commentaries by Mr. Shields and Mr. Will follow:

VERY SPECIAL AGENTS

(By Mark Shields)

Jerry S. Parr, 50, lives in Gaithersburg and works in Washington. For the past 18 years, he has been a Secret Service agent; for the last two of those years, he has been special agent in charge of presidential protection. That was Jerry Parr on Monday's videotape, thrusting himself into the line of fire so he could shield the president and shove him into the limousine.

Timothy J. McCarthy, nine years in the Secret Service and only 31, was the agent who immediately occupied the position between the president and the gunman. He assumed his post and absorbed a bullet through his liver.

In 17 good years on the Washington police force, Thomas K. Delahanty, 45, has earned a file full of commendations as well as the respect of his colleagues. While protecting the president of the United States, he was hit by a .22 bullet that had to be removed from his neck, not far from his spinal column.

The medical reports are encouraging. Both McCarthy and Delahanty, like press secretary Jim Brady and the president himself, are doing better than was at first expected. Maybe, we have begun to hope, after the suffering they and the rest of us will be able to celebrate their survival and recovery.

That's the way it was last January when 52 Americans returned home after spending two Christmases in cruel captivity. After their suffering, there was a celebration filled with fitting tributes to the patriotism and the guts of those Americans who had persevered. Those deserved testimonials must have been especially welcome to the men and women of the career Foreign Service. Foreign Service personnel have had very little experience in accepting public praise. Ridicule and mockery have been their regular fare; the cookie-pusher and striped-trousers set are not spoken about respectfully.

For some reason, we have overlooked the one demographic characteristic shared by 51 of the 52 repatriated Americans with Jerry Parr, Timothy McCarthy and Thomas Delahanty. It has nothing to do with race, region, religion or reading scores. Most generations and both sexes were represented in this very non-homogeneous group of 54 American heroes. All of them, of course, did their jobs. They fulfilled their responsibilities, and then some. And each and every one of the 54 is—are you ready?—a public employee.

Public employees—that indolent subspecies that candidates and commentators love to attack. You know the mindless public employees: You could line up an office full of them and clean their ears with one long Q-tip. Over and over we have been told that if public employees are not incompetent, they are indifferent and surly. And if they are not mindless sloths, then they have to be zealous meddlers, feverishly regulating American business right out of business. You've read of them, those faceless bureaucrats who've never met a payroll.

It's been a long time since any politician talked publicly the way John Kennedy did in his first State of the Union speech, when he said: "Let the public service be a proud and lively career." Not many of today's winning candidates borrow that line from JFK. In fact, along with WASPs, public employees must be the last remaining group in our society without its own anti-defamation department. Both those groups are attacked with regularity and without fear of reprisal.

If half the things muttered about public employees were spoken about any religious or racial group, the speaker would be dismissed as a hopeless bigot.

So what of the 54? Are they simply rare exceptions? Then so, too, must have been Col. John Glenn, Sen. Arthur Vandenberg and Gen. George Marshall because they were all public employees. Dwight Eisenhower was a public employee and so was Warren Christopher when he negotiated freedom and so was Secret Service agent Larry Buendorf on Sept. 5, 1975, in Sacramento when he took a Colt .45 away from a Charles Manson disciple who was trying to murder President Ford.

Of course, there are indifferent, incompetent and surly public employees. Too many of them in fact. But surliness and incompetence are not entirely alien to our vaunted private sector either.

The next time we see a picture of a fire fighter risking his life to save a child or hear about a government worker's risking her career to blow the whistle, let's remember that both of them are public employees. And the next time someone starts in with the predictable blanket indictment of public employees, simply remind him of three names he should recognize: Jerry Parr, Timothy McCarthy and Thomas Delahanty.

GOVERNMENT: NOT A KLUTZ

(By George F. Will)

Beneath the flesh of political rhetoric there usually is a skeleton of principle. Today there is a dangerous principle—dangerous to conservative objectives, among other things—within some conservative rhetoric. This point was brought to mind by a recent episode in the Senate Budget Committee.

The Committee, like the Senate itself, only even more so, contains a lot of people whose principal experience with the federal government consisted, until recently, of deploring it from afar. Fifty-four of today's 100 senators have served less than five years, and half of the 12 Republicans on the budget committee came to the Senate less than four months ago.

On March 19, the committee was sweeping like a scythe through the budget. Suddenly, Mark Andrews of North Dakota, a Republican rookie zealous about pruning government reached the limit of his zeal. He did not like a Reagan administration idea—a "snake" he called it—for diminishing federal support for rural electrification.

Of the 12 budget committee Republicans, the closest thing to an easterner is Dan Quayle of Indiana. The rest are from North Dakota, New Mexico, Colorado, Wisconsin, Minnesota, Kansas, Washington, Utah, Texas, Iowa and Idaho. Not surprisingly, urban programs have been criticized with special severity. So when Andrews, joined by others, waxed affectionate about a rural program, Daniel Patrick Moynihan (D-N.Y.) would have been forgiven if he had delivered a lecture about sauce for the goose being sauce for the gander. Instead, Moynihan lectured (some sort of lecture was inevitable, and called for) on the good that government does.

He said that if the committee was going to have a consensus (and eventually it was unanimous in endorsing cuts larger than Reagan sought), it must refrain from rhetoric about all government being "somehow bad." Then he said, in effect: Huzzah for the Rural Electrification Administration, which helped better the lives of millions, especially in the Great Plains and Deep South. It was proposed, he noted, by a president from New York (Franklin Roosevelt).

Warming to his theme (Moynihan warms to all his themes), he said, in effect: Behold the Imperial Valley of California. Let us now praise government's role in the most striking transformation of the valley since (Moynihan takes the long view) "the receding of the Ice Age"' Only God can make an artichoke, but it took government to make the valley into such a splendiferous garden. Specifically, it took the Bureau of Reclamation, proposed by a president from—ahem—New York (Teddy Roosevelt).

"We can agree about the budget," Moynihan said. "But we would ask not to be required, in reducing this budget, to repudiate a tradition of intelligent involvement by American government in the problems of American society."

A reasonable request, that.

Although the vast majority of the proposed budget cuts are sensible, and all are arguable, there has crept into some advocacy of them a tone that is unworthy of, and dangerous for, the Reagan administration. It's a tone of dogmatic disparagement of government. It suggests that all cuts are morally easy because government cannot do anything right anyway.

If this conservative administration is to do its most important duty, then eventually—perhaps soon—it must enlist the public's support for strenuous, complex exertions regarding the larger world. This will involve not only procuring complex, expensive military assets, such as the MX missile, but also attempting to change the policies, and perhaps the governments, of nations like Cuba and Libya. At that point, this conservative administration may learn the cost of supporters who labor at infecting the public with indiscriminate skepticism about the competence, even the motives, of government.

This administration may reasonably decide to summon the nation for (figuratively speaking) a charge up some San Juan Hill. But its bugle call may be met by the stony skepticism of a nation that has taken to heart what some conservatives say about government being incorrigibly incompetent. Such skepticism cannot be sealed into one compartment of the public mind; it tends to seep. You cannot tell people over and over that government is a klutz that cannot help Cleveland, and then suddenly say: Oh by the way give the government $1.3 trillion for military assets, and support its attempt to do something about Cuba.

Earlier in this century, some conservatives achieved a kind of consistency. They advocated a domestic policy of minimal government, and a foreign policy of isolationism. Today that is not an acceptable consistency for conservatism.●

FRANK DROZAK "MARITIME MAN OF THE YEAR"

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. ANDERSON. Mr. Speaker, on April 24, the Maritime Trades Department, Southern California Ports Council, AFL-CIO will hold their annual recognition dinner. This year, this fine organization will honor as "Maritime Man of the Year," Mr. Frank Drozak, president of the Seafarers International Union and president of the AFL-CIO Maritime Trades Department which represents 42 unions.

I have known Mr. Drozak for many years. I have seen his fervor and dedication in working on a wide variety of programs and issues aimed at the revitalization of the American maritime industry.

Frank Drozak has experienced all sides of the maritime industry. He came out of his hometown of Coy, Ala., at the age of 16 and worked in a shipyard in Mobile. From there, he got his first job on an American-flag merchant ship during World War II.

He shipped in many capacities on deck, including bosun, the top unlicensed rating on a merchant vessel.

At the urging of his union, the Seafarers International Union (SIU), Frank came ashore to work as an organizer. His hard work and success enabled him to move up rapidly from organizer to port agent for his union in Philadelphia, and then headquarters representative in charge of the west coast in 1965. Shortly thereafter, he was elected vice president of the SIU, and during the Vietnam sealift insured the proper crewing of the Nation's vessels.

During his service in San Francisco, he became familiar with the labor problems on the whole west coast. His work in the seafarers benefited many of us in the Los Angeles area, even in such little recognized areas as legislation for our fishermen's union and cannery workers.

In 1972, Frank moved to SIU headquarters in New York, where he became vice president in charge of contracts. In 1976, he was elected executive vice president of the union. And just last year, he was elected president, succeeding the late Paul Hall.

In addition to his direct union responsibilities, Mr. Drozak gives freely of his time, talent, and energy by participating in many important committees for the benefit of us all including:

The Public Advisory Committee on the Law of the Sea, Labor Subcommittee;

Chairman of the General President's Offshore Committee;

United Way of Tri-State New York;

The National Coordinating Committee on Multiemployer Plans;

The Private Sector Advisory Committee to the United States Special Trade Representative; and

International Labor Organization, Joint Maritime Commission.

This brief outline of Frank Drozak's career demonstrates that he knows all aspects of the maritime industry, and today he is using this knowledge in providing indispensable leadership in the effort to keep all segments of our American maritime industry afloat. He

is equally interested in our merchant marine, our inland waters system, the Great Lakes fleet, our ports and harbors, our fishing industry, and our offshore drilling industry. And they all need his responsible, effective support.

He and his union have also been at the forefront of the great social battles of our time, and I am sure they will continue to be there in the future.

The Nation and the maritime industry is fortunate to have Frank Drozak at the helm of a proven, dedicated organization like the SIU. I am pleased by the very appropriate honor that our ports council will be giving him.

My wife, Lee, joins me in wishing the best of success in the years ahead for this devoted leader of American labor, Frank Drozak.●

A CONSENSUS TAX PACKAGE

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. BAILEY of Pennsylvania. Mr. Speaker, yesterday, Thursday, April 9, 1981, Congressman DAN ROSTENKOWSKI outlined a consensual tax package in response to questions concerning the administration's proposal in that area. I wish to take this opportunity to compliment the chairman of the House Ways and Means Committee for his exceptionally capable and firm leadership.

I draw particular attention to his balance and equity. If forms a theme which permeates all of the chairman's suggestions. His sensitivity and concern for our Nation's problems and the insight he has displayed in bringing together the diverse concerns which motivate all of us lend exceptional credibility to his thoughtful articulation of these problems.

Personally, I am heartened that Mr. ROSTENKOWSKI made a special point of bringing attention to the plight afflicting our basic industries. Among them he mentioned autos and steel. He made a specific point of drawing attention to the large numbers of unused investment tax credits being carried by these industries who, under the administration's proposal, could not take advantage of their relative value due to their current marginally profitable status.

I was also deeply touched by and personally greatly appreciated the fact that the chairman did not totally rule out refundability as an eventual solution, should more preferable alternatives not prove themselves to be available.

I share my chairman's fervent hope that we can work on a tax package which will include a proper appreciation for the difficulties suffered by America's basic industries. I applaud him and wish to state my strong public support for his desire to be fair and balanced, while maintaining a firm grasp of the need for strong and forthright decisions in this area.

I am pleased for our country to have a chairman who is sensitive to the needs of all our people and all of the diverse sections which make it the greatest nation on the Earth. I hope everyone will read the entire group of suggestions contained in Chairman ROSTENKOWSKI's proposal.

I particularly hope that our basic industries—among them automobile, steel, railroads, airlines, and mining—will take particular note of the sensitivity which the chairman of the Ways and Means Committee has to America's needs in this area.

For the sake of national security and for the sake of a strong and vital American future, I hope all of us will join in supporting his capable leadership.

Therefore, Mr. Speaker, I have included as a proper summary of my remarks, the entire text of Chairman ROSTENKOWSKI's statement.

REMARKS OF HON. DAN ROSTENKOWSKI, PREPARED FOR DELIVERY BEFORE THE CHICAGO ASSOCIATION OF COMMERCE AND INDUSTRY, APRIL 9, 1981

Seven weeks ago I said the Ways and Means Committee will pass a bill to cut taxes for both individuals and business. Today I will give some shape to that promise.

I'm not here to define a Democratic alternative to the President's tax proposal. I'm not here to lay out a Rostenkowski alternative. I'm here to define the scope of a bill that preserves the spirit of the President's tax plan—creates a much healthier climate for investment and productivity—and most important, strikes that essential political and economic balance to pass Congress.

Inflation is both the enemy and the measure of any economic package. The President is clear in his promise to slow inflation. It's also clear that the nation will measure the success of the final package by the rise or fall of the inflation rate. The announcement last week that the wholesale price index was up to an annual rate of 16 percent only emphasizes the power of this dragon.

For all the talk about inflation—going all the way back to the "Whip Inflation Now" buttons of the mid-70s—we have not been able to control it. Worst we seem to be learning to live with it. After almost a decade of economic uncertainty we are becoming a nation of hedgers—always looking for safe, if not productive, mattresses for our income.

This anxiety builds on itself as workers fight for higher wages, as business prices chase wages, and interest rates—the most sensitive gauge of our national confidence—ride the top of the spiral.

Inflation has robbed us at the pay window. It has robbed us in the supermarket. It has pushed housing and cars and other durables beyond our reach.

Inflation has driven up the cost of government—whether paying social security benefits or building battleships. Inflation has also distorted the impact of the tax code.

As working Americans try to stay even with inflation, their increasing earnings become the ironic victims of a progressive income tax. As marginal tax rates have risen we have turned savers into spenders—pushed investors into shelters—and driven many taxpayers underground.

When Americans feel that spending is wiser than saving or investing, the productive engine of business and industry is robbed of its fuel. Inflation, high tax rates and low return on investment make a share in Detroit or Pittsburgh far less attractive to most people than running up their Mastercard bill.

When equity investment falls off and debt financing becomes habit, business turns as cautious and pessimistic as the bankers they borrow from. Inflation has outstripped their ability to recover capital investments. Energy costs have rendered yesterday's technology obsolete. The bottom line is a reluctance—born of uncertainty—to commit massive amounts of capital required to finance future productivity and expansion.

Does the economy need a jolt of new investment? Of course it does. President Reagan's instincts are absolutely correct.

Does the country need a large tax cut? Of course it does. But not a tax cut invented in a test tube—but rather a tax cut shaped by the push and pull of real economic and political forces.

That's what the democratic process is all about.

I applaud the President for his drive and his goals. (I also appreciate his commitment to campaign pledges.) Without question, he carries forward the broad demands of the nation. I think Congress will answer those demands with an economic package that he can confidently sign. After all, we too were elected to make economic policy—and every two years this nation judges that policy at the polls.

Work on this year's tax bill began the day the 1978 bill was signed into law. We held extensive tax hearings the following year. Last year we spent much of the summer listening to tax proposals from the private sector. In September the Senate Finance Committee passed a $40 billion tax cut bill that reflected the most visible tax issues of the day. Ronald Reagan—then on the campaign trail—even said he could vote for it.

The Reagan Administration answered the November "mandate" with a new brand of economics—a dramatic increase in defense spending—and the pledge to balance the budget. I think the President has done a terrific job of concentrating pressure to check excess in the federal government. His parallel goals of dramatic economic growth and a sharp decline in inflation and unemployment have deep support in Congress.

What concerns me—and most of the economists that testified on the question of the President's tax plan—is not his ends, but his means. There is broad doubt in the committee and on the House floor that massive, across-the-board individual cuts and depreciation reform will produce the economic results promised.

The supply-siders are the only ones who claim not only to know the true dynamics in the economy—but the inner thinking of the 100 million or so working Americans who shape that economy. The rest of us aren't nearly as sure what $50 billion or so in tax cuts will do to the economic behavior of Mr. and Mrs. Smith.

What we do know is that lower marginal tax rates will give working families more money to spend.

What we don't know is where—and how much—people will save and invest. We don't

know whether a middle-income family will invest their tax cut in U.S. Steel—or a trip to Disneyland.

We have no guarantees that the tens of billions of dollars in additional budget cuts the Administration expects over the next few years will—or should—make it through Congress. We don't have any guarantee that the military budget won't put heavy pressure on inflation—or overrun its budgetary limits. We don't know whether today's ailing industries will regain enough strength to reduce unemployment—or whether the price of imported oil will remain stable.

In short, the future is less than certain.

Yet we are asked to go along with the new supply-side theories and commit hundreds of billions of dollars in tax cuts for the next three years with the promise that if we throw on the automatic pilot that David Stockman will land the plane on a balanced budget in 1984. That demands more trust than I can give. I want at least one hand on the wheel—and so would you.

The tax plan I am outlining today is born of the same economic concerns that move the President. It is a bold plan—strongly guided by the President's economic goals to promote more work, more savings, more investment and more productivity. It truly matches the spirit of the President's plan.

We differ on the size of the overall tax cut.—and the three-year escalation. Congress will no doubt give a greater share of the tax cut to middle-income families—on the faith that they will essentially determine how strong the economic recovery will be. I think we feel a stronger obligation to protect the working poor.

The proposal has three major sections: individual tax cuts, savings and investment incentives and tax cuts to stimulate business growth. I will only dwell on the broadest areas, leaving some of the more narrow provisions for later discussion.

In keeping with the thrust of the President's bill, there is universal support on the committee for cuts in marginal tax rates beginning July 1. Our goal will be to offset payroll tax increases and bracket creep in most income ranges.

I fully endorse a reduction in the maximum rate on investment income from 70 percent to 50 percent—effective July 1—bringing the maximum capital gains rate down from 28 percent to 20 percent. Almost to the man, economists appearing before the committee agreed that this reduction will do more to spur productive investment than any other measure under consideration. They are convinced that investment will be drawn out of tax shelters and funneled into much more productive areas of the economy.

There is near unanimous support on the Committee to ease the marriage tax penalty against working spouses—beginning January 1, 1982. It is an inequity that has become more acute as inflation and social trends have dramatically increased the number of two-earner families. The adjustment is expected to encourage more productivity as well-trained men and women are encouraged to move back into the marketplace as second earners.

The collective effect of these cuts is focused most directly on people earning between $20,000 and $50,000. This segment of the workforce makes up 43 percent of all taxpayers—and pays 50 percent of all individual taxes. These are the people who will make the most critical economic decisions in the coming months. They—not the very poor or the very rich—will be the measure of confidence in the final economic plan. If I—as a Democrat—can be accused of income redistribution, it's to this group. I trust that Congress will vote a greater proportional share to those in this income range than the President's plan.

Without question, the hardest hit by inflation and payroll taxes are the working poor—those whose earned income rarely lifts them above the poverty line. When you combine increased taxes with the reduction of public assistance (both as a result of inflation) workers in this income range have less and less incentive to work.

As a matter of philosophy, I question the benefit of taxing families below the poverty line. It doesn't make much sense to collect just enough income tax to make welfare more attractive than work. To that end I support a modest increase in the level at which the income tax begins to fall on earnings.

There is broad committee support for several tax incentives specially targeted to personal savings and investment. Instead of taking on blind faith the supply-side argument that the taxpayers—especially those in the highest brackets—will generously invest and save, most members on the committee would like more specifically targeted incentives. That way we get a much stronger guarantee that a tax cut dollar is headed toward a productive end.

Highest on the list is a significant expansion of individual retirement accounts (IRAs). From a tax policy point of view, we achieve two critical objectives—forced long-term savings and greater economic security for retiring workers.

The present limit on deductible contributions should be increased from $1,500 to $2,000 of earned income for employees without a qualified pension plan.

We should extend the IRA concept to employees who are already covered by a pension plan—allowing tax deductible contributions of up to $1,000 of earned income. Roughly three-fourths of the tax cut generated by expanding IRAs will benefit taxpayers with incomes below $50,000.

I will also support an increase in the maximum limitation on contributions to a Keogh plan—from $7,500 to $15,000.

And finally, as an additional savings and capital formation incentive, I will support the concept of establishing tax-deferred dividend reinvestment plans to encourage people to purchase new shares in public utilities that are trying to expand capital investment into more efficient plant and equipment.

Last year my colleagues on the committee—Barber Conable and Jim Jones—rallied broad support for accelerated capital cost recovery and a simplified depreciation system. Their concept—known as "10-5-3"—was modified in the President's bill.

The need for depreciation reform is unquestioned. The President's formula, however, contains a series of defects that have been identified by most of the economists and businessmen who have testified before the committee.

We have not arrived at a formula ourselves. We continue to debate and test alternatives. But I will quickly lay out the standards that essentially guide us:

Simplifying the present system by reducing the 130 different classes of assets under the ADR system—and dramatically shortening capital cost recovery periods for personal and real property.

Eliminating the uncertainty of debating "facts and circumstances" with the IRS by making use of the recovery periods mandatory—as well as audit proof.

Preventing the combination of the investment tax credit and a liberalized depreciation formula from yielding back more than a dollar in tax relief for a dollar invested. No investor should get more from Uncle Sam than he would by deducting the full cost of the asset in the year the investment was made.

Maintaining tax neutrality between industries, between short-lived and long-lived assets, between commercial and residential structures, and between owner-occupied and leased structures. We intend to give all capital investment a better cost-recovery formula—without creating any distortions.

Making any revised capital cost recovery system fully effective January 1, 1981. Phasing in any formula simply delays the productive impact of full investments.

I am concerned that the bill developed by the Ways and Means Committee address the critical capital needs of distressed industries such as autos and steel. Many companies in these industries have substantial unused investment tax credits. It is my sincere hope that effective tax relief can be developed for these industries—short of refundability—to improve their cash flow. One possible approach—which needs further review—might be to lengthen the present 3-year carryback period for the investment tax credits—or allow them to be carried back against 100 percent of tax liability.

As a congressman from Chicago I am committed to stimulating the vitality of our cities. I am concerned that tax policy not encourage the migration of business from cities to the suburbs—and from one region of the country to another. To that end, I will actively press for a higher and better targeted rehabilitation tax credit. Specifically, I will support a graduated credit that will encourage renovation of industrial and commercial structures based on the age of the building. In addition, the graduated credit should provide significant incentives for the restoration of historic structures.

I trust the tax bill developed by the Ways and Means Committee will include provisions targeted to small business, research and development, and export promotion through reduced taxes on American citizens who work abroad.

This package is limited not only by the President's economic goals—but also by budget constraints. I will oppose any additional measures that exceed those limits—or substantially escalate revenue losses in the out years.

The sum of the parts add up to about $40 billion in the coming fiscal year. That puts it about $14 billion short of the President's mark—carrying with it a smaller deficit and less inflationary risk—and moving us more quickly toward a balanced budget.

We also move the most productive elements now being readied for the President's second bill up into this bill—but again, maintaining the thrust of the President's overall economic package.

The President has proposed a three-year plan. I understand his concern that we give the country the certainty of extended tax cuts to encourage longer-range investment. In a perfect world, I would vote for a 10-year tax cut. But we're not living in a perfect world.

Rather, I think Congress can give the President the first year of a recovery plan—with the promise that we will be only too ready to increase the cuts next year if

growth is up and inflation is down. Congress has never been shy about stepping up to the tax cut table. And don't forget that the cuts I am proposing today—marginal rate cuts and savings and investment incentives—are permanent—not just one-year "fixes".

This package didn't come to me in the middle of the night. Tax bills don't fall from heaven, they evolve from years of experience and debate. Acute distortions and inequities in the tax code—like the marriage penalty—rise to the surface. Less critical—and often less deserving—appeals don't. By the time an issue is ready for passage into law, it has completed the roughest legislative slalom imaginable.

This is not my package. This is not a Democratic package. This is a consensus package. Components come from all the members of the Ways and Means Committee. Together they comprise an overall design—an overall balance—an overall impact—that we believe is right, given today's economic circumstances.

The package reflects a mood of caution and skepticism prompted by such optimistic "scenarios" from the White House. It is smaller in size than the President's bill. It asks for stricter accounting of the tax cut dollar. I think it is more efficient in speeding economic recovery.

This plan does not have unanimous support on the committee—but it does have enough support among Democrats and Republicans to pass. And that—at least by my training—is the final measure of any proposal.●

THE VOICE OF AMERICA: PART OF OUR NATIONAL SECURITY SYSTEM

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. MICHEL. Mr. Speaker, the U.S. International Communication's Agency's overseas radio station, the Voice of America (VOA) should be seen as part of our national security system. As columnist Nick Thimmesch recently pointed out:

The 1982 operating budget for VOA is $107 million, less than one-fourth the cost for refitting an old battleship. Splendid as battleships look as they steam toward the sunset, those 981 hours of VOA broadcasts each week are a far better bargain.

At this point I wish to insert in the RECORD, "The Federal Budget Slashers Spare the Voice of America," by Nick Thimmesch.

[From the Chicago Tribune, Apr. 9, 1981]

THE FEDERAL BUDGET SLASHERS SPARE THE VOICE OF AMERICA

(By Nick Thimmesch)

WASHINGTON.—The Voice of America escaped the wrath of President Reagan's squinty-eyed, cost-cutting crusaders. It deserved to. The taxpayer gets his money's worth from VOA. Moreover, this national radio voice of the United States takes on new importance as the Reagan administration implements its no-nonsense policy toward the Soviet Union and the rest of the communist world.

A nation should operate from its strengths, and one great American strength is communications. For nearly 40 years, the Voice of America has beamed broadcasts to all parts of the world. It is warmly welcomed, especially by people living in totalitarian lands.

VOA does first-rate work. Its newscasts in 40 languages are delivered straight and with unsurpassed accuracy. Its "softer" programming tells the world what kind of people we are, how we live, what we are doing, and presents our music. It tells the world about our schools, movies, artists, scientists, and working people.

It also lets the world know what our editorial pages and commentators are saying, including their criticisms of the U.S. government and our society. VOA is honest radio. It also fulfills its responsibility to "present the policies of the U.S. clearly and effectively" through commentaries and discussions of U.S. official policy. Again, it's done straight and without the slant or invective characterizing the national radio systems of tolalitarian nations.

Naturally, communist regimes "jam" VOA broadcasts, usually cutting their penetration by around 30 percent. The Chinese Communists stopped "jamming" in late 1978. The Soviets suspended "jamming" from 1973 until last August, when the rumpus in Poland began.

VOA technicians noted that Cuba cut its "jamming" when the news broke on the shooting of President Reagan. The assumption was that Castro and his top officials wanted to learn every detail and that VOA was the most reliable news source.

Cuba and all Latin nations receive five and a half hours of VOA broadcasts daily from a transmitter located at Marathon, in the Florida Keys. Sen. Jesse Helms pushes for a special "Radio Free Cuba" broadcast by VOA. Agency officials point out, however, that such a project is outside the VOA charter, and besides news and information targeted for Cuba alone would not have the credibility of the current Spanish language broadcasts going to all of Latin America. The point is well made.

"We look at broadcasting as a long-range, strategic activity," explains Cliff Groce, VOA's program director. "We can't always get announcers quickly when we add an esoteric language broadcast. We were fortunate in getting some Farsi-speaking radio people because they left Iran quickly in rather hairy circumstances. It's not so easy getting someone who speaks Azeri."

Though news is VOA's main business, music gets the most mail, and programs such as the Breakfast Show are popular favorites.

Indeed, the America which comes out of VOA is a lively, open, joyful society, earnest, and sometimes too honest. No wonder millions want to migrate to the U.S. and only a few stragglers want to leave.

The 1982 operating budget for VOA is $107 million, less than one-fourth the cost of refitting an old battleship. Splendid as battleships look as they steam toward the sunset, those 891 hours of VOA broadcasts each week are a far better bargain.●

LEGAL RATIONALE FOR HUMAN LIFE BILL

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. DOUGHERTY. Mr. Speaker, this week the Congressional Prolife Caucus voted to endorse a revised version of H.R. 900, the human life statute, which is being reintroduced today by Congressman RON MAZZOLI, Congressman, HENRY HYDE, myself, and a number of our distinguished colleagues in the House.

Aware of the intense interest in this legislative initiative, we are submitting for the RECORD a legal analysis of the bill which will provide needed clarification.

We would also invite our colleagues to join us in cosponsoring this interim step to protect the lives of the unborn until such time as we can secure the enactment of a human life amendment to the Constitution.

The analysis follows:

LEGAL RATIONALE FOR HUMAN LIFE BILL

Congress authority under the Constitution to enact a Human Life Bill depends on two questions. First, does Congress have power to investigate and determine when human life begins? Second, if Congress determines that human life exists from conception, may Congress enforce the Fourteenth Amendment in accordance with this determination, by declaring that unborn children are persons for purposes of enforcing the obligation of States under the Fourteenth Amendment not to deprive persons of life without due process of law?

The Fourteenth Amendment already protects human life from the action of States, by providing, "nor shall any State deprive any person of life, liberty or property without due process of law." Today unborn children enjoy no protection under this provision, because no branch of the Federal Government has determined whether they are living human beings. So long as their status as human beings remains unresolved, the Supreme Court will not protect them as persons.

The Supreme Court has refused to determine whether unborn children are human life, on grounds that the issue is "sensitive and difficult," that there is a "wide devergence of thinking" on it, and that the judiciary "is not in a position to speculate as to the answer." *Roe* v. *Wade*, 410 U.S. 113, 159–60 (1973).

It makes no sense for our nation to continue with its present policy toward abortion without seeking an answer to the fundamental question of when human life begins. For difficult questions such as this, for which the courts do not consider themselves competent to provide an answer, it often falls to the Congress to make a political decision for the country. The courts have traditionally deferred to Congress power to decide questions of policy which are "delicate" and "complex," which are "of a kind for which the judiciary has neither aptitude, facilities nor responsibility," which are "confided by the Constitution to the political departments of government, the Execu-

tive and Legislative." *Chicago & Southern Air Lines, Inc.* v. *Waterman Steamship Corp.*, 333 U.S. 103, 111 (1948). *See Baker* v. *Carr*, 369 U.S. 186, 217 (1962); *Coleman* v. *Miller*, 307 U.S. 433, 454–55 (1939).

Congress has power under the Constitution to investigate and determine when human life begins, just as it has power to decide countless other policy questions involving tough decisions on unclear facts and conflicting values. Life-and-death decisions of the most difficult nature come before Congress frequently—decisions whether to legalize particular drugs that may save some lives but endanger others; whether to require automobile safety devices that may save the lives of some but at great expense and inconvenience to others; whether, in extreme circumstances of international conflict, to declare war. The list could go on without end. No court is qualified to make such decisions. That task falls to Congress. And that is precisely the case in determining when human life begins.

Congress power to resolve difficult policy questions is especially clear when those questions are related to the enforcement of rights guaranteed by the Fourteenth Amendment. Section 5 of the Fourteenth Amendment provides: "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article." When the courts are not capable of resolving a difficult question which is fundamental to the application of a provision of the Amendment, that provision can be effectively enforced only if Congress addresses the question.

Although Supreme Court Justices have differed over the proper scope of Congress enforcement power, it is clear that Congress may make findings of fact that are relevant to the application of the Amendment's terms to concrete situations. Justice Harlan, who took perhaps the narrowest view of any modern Justice toward Congress's power to interpret the Fourteenth Amendment, acknowledged a legitimate role for Congress in enforcing the terms of the Amendment:

"To the extent legislative facts are relevant to a judicial determination, Congress is well equipped to investigate them, and such determinations are, of course, entitled to due respect." *Katzenbach* v. *Morgan*, 384 U.S. 641, 668 (1966) (Harlan, J., dissenting).

The majority opinion in *Katzenbach* v. *Morgan* gives Congress even broader power to define the meaning of Fourteenth Amendment terms. The Supreme Court majority in that case gave an affirmative answer to the following question:

"Without regard to whether the judiciary would find that the equal protection clause itself nullifies New York's English literacy requirement as so applied, could Congress prohibit the enforcement of the State law by legislation under § 5 of the Fourteenth Amendment?" 382 U.S. at 649.

By either view of Congress power, Congress can appropriately investigate the legislative facts available from scientific evidence on the beginnings of human life. Based on this evidence, in light of Congress beliefs as the value of human life in all forms and external manifestations, Congress can declare its finding of when human life begins and from what point human beings should be protected under the law.

Congress may declare human life to be protected from a specified point even if some uncertainty exists. President Reagan, in his press conference of March 6, 1981, expressed the crucial insight that if we are uncertain whether something is a living human being, we must give the benefit of the doubt to life;

"Until we determine and make to the best of our ability, a determination of when life begins . . . I think that everything in our society calls for opting that [unborn children] might be alive."

Supreme Court precedents support this common sense view. Congress can use its power to enforce the Fourteenth Amendment whenever it percieves a likelihood, a danger, or a risk, that Fourteenth Amendment rights might be violated. *City of Rome* v. *United States*, 100 S.Ct. 1548, 1562 (1980); *South Carolina* v. *Katzenbach*, 393 U.S. 301, 326 (1966).

If Congress determines unborn children to be living human beings, it follows from the intent of the framers of the Fourteenth Amendment, that Congress has constitutional power to declare unborn children to be persons for purposes of securing and enforcing their rights under the Fourteenth Amendment. The author and primary sponsor of Section 1 of the Fourteenth Amendment, Congressman John A. Bingham of Ohio, spoke of the right to equal protection and the right to life, liberty, and property for "every human being." Congressional Globe, 39th Cong., 1st Sess. 1089 (1866). Senator Jacob M. Howard of Michigan, who sponsored the Amendment on the floor of the Senate, spoke of its provisions as protecting the rights of "common humanity." Congressional Globe, 39th Cong., 1st Sess. 2766 (1866).

These statements reflect the intent of the framers to overcome a Supreme Court decision that had created a distinction between human beings and persons entitled to protection under the Constitution. That decision was *Dred Scott* v. *Sandford*, 60 U.S. (19 How.) 393 (1857). The framers of the Fourteenth Amendment made it clear that no distinction is to be drawn between "person" and "human being." Since the ratification of the Fourteenth Amendment, the term "person" has been expanded to include more than just human beings. See, e.g., *Gulf, C. & S.F. Ry.* v. *Ellis*, 165 U.S. 150, 154 (1897) (holding that corporations are persons for purposes of the Fourteenth Amendment). But that term has never been restricted by the Supreme Court to include less than every living human being.

The Supreme Court in *Roe* v. *Wade*, of course, found that "person" did not include fetuses which the Court did not know, and could not determine, to be human life. 410 U.S. at 157–60. The Court did not, however, find any indication that the Fourteenth Amendment was intended to exclude the unborn. The Court did not say whether a determination that life exists from conception would have led it to conclude that unborn children are persons. But it is obvious that such a determination should lead the Court to precisely that conclusion. The intent of the framers of the Fourteenth Amendment is compelling justification in itself for Congress to enforce the Amendment by declaring every human being to be a person within the scope of the Amendment's protection of life.

This justification is further confirmed by the values that formed the basis of our country at its beginning, and that guided the leaders who overcame the *Dred Scott* decision to establish equal rights under the law for all human beings. The Declaration of Independence holds it to be a self-evident truth that "all men are created equal" and that all "are endowed by their Creator with certain inalienable rights," including the right to life. If all human beings are created equal, there can be no doubt that constitutional protections of the right to life must apply equally from the point when they are created.

Opponents of slavery, during and after the War Between the States, emphasize the importance of protecting all human beings under the law. Senator Charles Sumner of Massachusetts said: "In the eye of the Constitution every human being within its sphere . . . is a person." Congressional Globe, 37th Cong., 2d Sess. 1449 (March 31, 1862). Congressman Bingham equated "person" with "human being" for purposes of protecting civil rights. Congressional Globe, 37th Cong., 2d Sess. 1638–40 (April 11, 1862). And again, Congressman Bingham recognized "[t]he great thruth that all men are created equal . . ." *Id.* at 1640–41. This fundamental principle, repeated time and again at crucial points in our nation's history, points to only one conclusion: that all humans beings are equally entitled to protection of their right to life, under the Fourteenth Amendment, from the time they come into being. Under the compelling force of this principle, if Congress finds unborn children to be living human beings, it follows that Congress can declare them to be persons for purposes of enforcing their rights under the Fourteenth Amendment.

The only way to avoid this conclusion is to say that some human beings are not equally worthy of legal protection of their lives. But if we begin to divorce the meaning of person from the definition of human life, we will have to decide which human beings are persons. Any attempt to define what is a "meaningful" life, to decide which human beings are wanted or unwanted, to differentiate between a baby in the womb and one already born, will lead to purely aribitrary decisions and also to grave danger for the weakest and most easily neglected members of the human race. Any such attempt to play God by judging the value of innocent human lives is contrary to our fundamental beliefs as a nation and would have to be rejected by this Congress.

It is unreasonable to assume that the Supreme Court's definition of "person" in *Roe* v. *Wade* is so inflexible that it cannot change in response to a legislative determination that unborn children are human beings. Cf. N.Y. Times, March 21, 1981, p. 22 (Editorial). Such as assumption depends on the unacceptable notion that some human beings can be held to be non-persons under the law. The Supreme Court has never stated that it simply does not care whether unborn childen are human beings. Congress should not presume that the Court would refuse to protect all human beings as persons, including those not yet born, if the Court were presented with a congressional determination that life begins at conception.

Because there can be no valid distinction between "person" and "human being," the judicial determination of personhood rests inescapably on the legislative fact question of what is human life. Congress's power to determine when human life begins is at the same time a power to inform the judiciary whether unborn children are persons.[1]

[1] A misleading statement concerning the *Roe* v. *Wade* opinion has appeared in Tribe & Ely, "Let There Be Life," *N.Y. Times*, March 17, 1981, p. A17. Professors Tribe and Ely say that "the Government," according to *Roe* v. *Wade*, may not override the rights of a pregnant woman by adopting one theory of life. In fact *Roe* v. *Wade* said only that

There may be legitimate differences of opinion whether the Human Life Bill will be binding on the Supreme Court, as suggested by the majority opinion in *Katzenbach* v. *Morgan*, or will only serve to inform the judiciary of a legislative determination which is entitled to due deference but not binding force, under Justice Harlan's dissenting view in *Morgan* quoted above. Even under Justice Harlan's relatively narrow view of congressional enforcement power, Congress at the very least has authority to make a determination of when life begins, to define "person" accordingly, and to leave it to the Supreme Court to make a judicial determination informed by the legislative facts.

There could hardly be a more appropriate instance than the Human Life Bill for Congress to exercise its power to enforce the Fourteenth Amendment. The question of the beginning of life is one which Congress is competent to decide and the courts admittedly are not. The legislative facts on the beginning of life are directly relevant to the judicial determination of personhood. In light of the relative competence of Congress and the courts to determine when life begins, the degree of deference properly due to Congress's determination should be great indeed. Far from setting a broad precedent, the Human Life Bill would assert the power of Congress only to influence those few judicial determinations that turn fundamentally on questions of legislative fact which the courts are unable to decide.

No Supreme Court opinion, either majority or dissent, has ever denied that Congress may use its enforcement power under the Fourteenth Amendment to determine legislative facts and influence judicial determinations when the factual matter is so closely related to the judicial determination as human life is to personhood. While Congress may well lack power to *restrict* constitutional rights by defining some human beings as non-persons, it certainly has power to *expand* rights by declaring that all human beings *are* persons.

Congress's declaration that unborn children are human beings and persons will present the Supreme Court with an entirely different question than it faced in defining "person" in *Roe* v. *Wade*. When the Court gives due reference to Congress determination, it should arrive at a different answer to that question from its answer in *Roe* v. *Wade*.●

THE HOUSE BUDGET RESOLUTION IS AN ARTFUL PACKAGE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. SOLARZ. Mr. Speaker, an interesting appraisal of the budget resolution reported out yesterday by the House Budget Committee appeared in today's New York Times. For the benefit of my colleagues who might not have seen this article, I ask that it be reprinted in today's CONGRESSIONAL RECORD. Columnist Tom Wicker pays tribute to the effective efforts of Congressman JONES, the able chairman of the House Budget Committee and the members of the committee in reaching agreement on a more constructive approach to reducing Government spending while providing for the continuation of important domestic programs.

AN ARTFUL PACKAGE

(By Tom Wicker)

WASHINGTON, April 9.—Even David Stockman called it "a very artful package." More than that, the 1982 budget proposed by the House Budget Committee Chairman, Jim Jones of Oklahoma, is the first effective Democratic counterattack on the Reagan Administration's controversial economics.

As such, it's put the Republicans at least momentarily on the defensive and it's making a leadership reputation for Mr. Jones—an economic conservative who was once a White House aide to Lyndon Johnson. The Jones budget was hardly on the record, moreover, before the Republican-controlled Senate Budget Committee, in at least two ways, tacitly gave it economic as well as political validity:

By a party-line vote the Senate group said that if the Reagan budget cuts and tax reduction are approved, the 1982 deficit would be $60 billion; that's $15 billion more than the Administration's own estimate of $45 billion and tends to support Mr. Jones's contention that the Reagan plan would produce a deficit of at least $54.6 billion.

In arriving at their estimate of the deficit, the Republicans in the Senate made the same assumption of high interest rates (12 percent as against only 8.9 projected by the Administration) that Mr. Jones made in the House budget proposal—an assumption that the Administration contends is unwarranted.

In more ways than that, Democrats can argue that in Mr. Jones's "artful package" they out-Reagan Reagan and out-supply the supply-siders. The Democratic proposal projects only a $24.6 billion deficit for 1982, an important anti-inflationary signal to the credit markets, since that's less than half the Senate Budget Committee's estimate of the Reagan-proposed deficit. Mr. Jones also proposed to spend $4.3 billion less in fiscal 1982 than he and the Democrats say the Reagan budget proposals would total.

That Democratic spending estimate, too, was lent support by the Republican-controlled Senate Budget Committee. Mr. Reagan estimated that after the budget cuts he demanded, 1982 spending would be $695 billion. The Jones package projected the Reagan spending proposals at $717.8 billion. The Senate committee put the figure between $711 and $714 billion.

Thus, the Democrats can fairly claim that they are proposing less spending and a smaller deficit than a President who was elected to cut the budget and the deficit. As for the so-called supply side, the Jones budget assumes a Democratic tax-reduction plan, now being developed in the Ways and Means Committee, targeted to increase savings and investment—by reducing capital gains taxes, for example, allowing more money to go into tax-sheltered individual retirement accounts, and accelerating business depreciation.

The Democrats' one-year tax cut would be smaller (about $37 billion) than the Reagan proposal, which they estimated at $54.6 billion; but they assert that it is more nearly a supply-side tax cut than the rate reductions Mr. Reagan has proposed, less inflationary than his three-year program, and more favorable to the middle class than his emphasis on high-bracket relief.

The package obviously is aimed at attracting conservative Democratic support and blurring the appearance of opposition to a popular President's proposals. But on the other side of the picture, the Jones package's true art is in its appeal to moderate and liberal Democrats (and perhaps even some Republicans). By granting less tax relief and spending less for the military, though still providing $189 billion for the Pentagon against Mr. Jones' estimate of $194 billion proposed by Mr. Reagan, the Jones budget would provide more spending for social programs within an overall spending reduction.

Child nutrition, food stamps, low income fuel assistance, legal services, job training, educational programs, veterans' health services, even Amtrak—these and others would remain alive or receive more under the Jones budget. But the Democrats, in some cases other than defense, would cut more than Mr. Reagan proposed—for example, revenue sharing by $100 million.

Congress is unlikely, of course, to substitute the Jones budget entirely for the Reagan budget—not with the Senate in Republican hands. And even constructive opposition is still fraught with political danger. If the Democrats substitute their own tax bill, for example, and the economy does not meet the rosy projections Mr. Reagan has offered, he will be sure to claim that the fault is theirs for not giving him everything he wanted.

But for the moment, Jim Jones' "artful package" gives the Democrats a platform of their own, one that roughly meets the mandate of last year's elections and on which moderates and conservatives may possibly stand together. Perhaps more important, it demonstrates that neither the assumptions nor the details of the Reagan economic proposals are sacrosanct and that the President's stated goals can be reached by other—in some cases better—means than those he has so confidently laid out.●

DRUG CRISIS IN NEW YORK STATE

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. ZEFERETTI. Mr. Speaker, yesterday members of the Select Committee on Narcotics Abuse and Control and Members of the New York State Congressional Delegation had the opportunity to meet with representatives of the New York State Division of Substance Abuse Services and with representatives of the Citizens Alliance to Combat Heroin. These concerned public servants and dedicated citizens presented us with a frightening assessment of the heroin epidemic which has been wreaking havoc in New York State for the last 18 months and which threatens to become even worse in the months ahead.

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the State of Texas may not define life. 410 U.S. at 162. No one disagrees that *states* lack power to expand the scope of the Fourteenth Amendment right to life. But Congress stands in a different position from the states since Congress has express power to enforce the Fourteenth Amendment and the right to life contained therein.

I would like to insert their report in the RECORD for the benefit of my colleagues.

I. EXTENT OF DRUG CRISIS IN NEW YORK STATE

OVERVIEW

The New York State Division of Substance Abuse Services was established in 1966 with a mandate to provide treatment and rehabilitation services for narcotic addicts. During the 1970's, there was a tremendous rise in the number of persons abusing nonnarcotic substances. While the Division has had to maintain treatment services for narcotic addicts, the increasing need to provide services to nonnarcotic abusers has placed an additional demand on the state's service delivery network.

Since 1976, the number of substance abusers in New York State, increased by nearly 105,000. In 1980, there were an estimated 1,053,700 active substance abusers (excluding the approximately 1.4 million active users of marijuana and hashish) who used illegal drugs or misused prescription drugs. These substance abusers represent 7 percent of the state's population aged 12 and older. Of the 1,053,700 active substance abusers:

829,500 are abusers of nonnarcotic substances including: cocaine, hallucinogens, inhalents/solvents and nonmedical use of tranquilizers, sedatives, stimulants and cough medicine with codeine; and

224,200 are abusers of narcotic substances.

Nonnarcotic drugs are used extensively throughout the state. In the past few years, the number of abusers of nonnarcotic drugs has been rising steadily—from 725,600 in 1976 to 829,500 in 1980. With the recent influx of heroin, the number of narcotic abusers in 1980 is estimated to be 224,200—an increase of 10,300 from the previous year.

Of particular concern, is the extent of substance abuse among the state's youth. Youths are a critical group because the vast majority of substance abusers begin drug use during their teens. Surveys on drug use among college and secondary school students in New York State reveal the following:

Two of every three or 330,000 of the state's 500,000 full time undergraduate students used illegal drugs—such as cocaine—or misused prescription drugs—such as amphetamines.

18% or approximately 340,600 of the state's nearly 2 million secondary school students were users of nonnarcotic substances including: depressants, stimulants, cocaine and PCP.

The recent heroin epidemic comes at a time when the state's treatment system is already coping with a massive drug problem.

HEROIN EPIDEMIC

New York State is being flooded with heroin. The levels of illicit opium production are higher than ever before. The primary suppliers of this opium are the Golden Crescent in Southwest Asia (Iran, Pakistan, Afghanistan); the Golden Triangle in Southeast Asia (Burma, Laos, Thailand) and Mexico. According to the United States Department of Justice, Drug Enforcement Administration (DEA) illicit opium production in these areas during 1979 reached nearly 1,800 metric tons. This raw opium converts into approximately 180 metric tons of heroin, of which 45 metric tons has or will enter the United States. It is estimated that 22.5 metric tons will be smuggled into New York State, representing 150 bags of heroin for each of the 18,000,000 residents of the State. Production of opium in 1980 is estimated to have equaled or surpassed 1979 levels.

These figures are even more startling when compared to the heroin epidemic of the late 1960's and early 1970's. During that period, Turkey was the prime supplier of opium and the average annual production was only 80 metric tons—less than one-twentieth of 1979 production levels. The estimated amount of heroin reaching the U.S. for that period was 2-4 metric tons, ten to twenty times less than in 1979.

The increased production also means increased availability and usage, which are reflected in numerous indicators of heroin activity. Statistics from health service agencies, the criminal justice system, and drug treatment programs reveal that the rapid rise of heroin activity first evidenced in 1979 has accelerated through the end of 1980. The following data, drawn from regularly monitored data sources, highlights the impact felt by New York State:

HEALTH SYSTEM INFORMATION

Emergency room episodes

Between the last six months of 1978 and the comparable period in 1980, heroin-related emergency room episodes for the New York Standard Metropolitan Statistical Area (New York City, Long Island, Westchester and Rockland Counties) increased 264% from 554 to 2019 episodes.

Heroin-related deaths

Between 1978 and 1979, heroin-related deaths in New York City increased 92%, from 246 to 472.

It is estimated there will be 630 heroin-related deaths in 1980.

The Emergency Medical Service of the New York City Health and Hospitals Corporation treats an estimated 100 heroin overdose victims in the street per month, most of whom never appear in hospital emergency rooms. In most cases, Narcan, a fast-acting narcotic antagonist, is administered. In the absence of this effective drug, the number of heroin emergency room episodes and the number of deaths would be vastly greater.

TREATMENT PROGRAM INFORMATION

New York City

Heroin treatment admissions between 1978 and 1979 increased 26%; from 18,644 to 23,464 clients.

Through the first quarter of 1980 heroin admissions continued to climb until the treatment programs capacity to accept additional clients was reached. As a result, in the second quarter of 1980, total admissions declined as waiting lists were established. At the end of the third quarter, waiting lists existed in methadone maintenance, residential drug-free and ambulatory detoxification programs. Currently, the lists number more than 1,200 persons.

Rest of State

Treatment admissions between 1978 and 1979 increased 27% from 2,243 to 2,855 and by 46% between 1979 and 1980 from 2,855 to 4,155 clients.

CRIMINAL JUSTICE INFORMATION

Reported robberies and burglaries

Reported robberies and burglaries in New York City, while not all drug related, have risen along with other indicators of heroin activity. Between 1978 and 1979, robberies increased 12% from 74,029 to 82,572 and burglaries increased 9%, from 164,447 to 178,780.

Between 1979 and 1980, robberies increased 22% and burglaries increased 19%.

Arrests involving controlled substances

New York City

Between 1978 and 1979, total opiate felony and misdemeanor arrests increased 6%, from 6,429 to 6,800. Although opiate-involved arrest rates have remained relatively stable in recent years, they have increased sharply in the second half of 1980. All opiate arrests increased 21% between the last six months of 1979 and the comparable period in 1980.

Rest of State

Between 1978 and 1979, arrests involving controlled substances—primarily narcotics and cocaine, increased 25%, from 977 to 1,225 arrests. Preliminary data for 1980 indicate a 51% in these arrests over 1979.

Purity of Heroin

The New York City Police Department Laboratory reported the average purity in 1979 was between 3 and 5 percent. From August through October 1980, the purity ranged from 6 to 7 percent.

The increased purity allows heroin to be snorted or smoked which makes it a more attractive drug to young abusers who fear using a needle.

SUMMARY

New York State is currently experiencing the greatest heroin crisis ever. All regularly monitored data sources indicate continued substantial increases in the heroin indicators. Illicit opium production is at the highest levels ever in countries where the United States has little influence. The overproduction in 1979 and 1980 has created a surplus sufficient to support an expanding addict population for the next several years.

II. NEW YORK'S RESPONSE TO THE DRUG CRISIS

New York State has always been in the forefront of developing and providing drug abuse treatment services. State financial support for drug treatment has always been at least two or three times greater than Federal contributions. In the coming year, New York State will provide almost $70 million for drug abuse treatment and prevention.

While between one-third and one-half of the nation's heroin addicts are located in New York, the State receives only 15 percent of total Federal dollars available for community drug treatment programs. Consequently, New York has been forced to assume an increasingly greater share of the burden in the fight against our growing drug problem.

In response to the threat of the heroin epidemic in neighborhoods across the state, Governor Hugh L. Carey announced a comprehensive state plan on September 30, 1980.

As part of the plan, the Governor proposed and the legislature approved an additional $3.9 million over and above the $57 million already committed for drug treatment during the state fiscal year ending March 31, 1981.

Other components of the plan include:

$300,000 to expand prison detoxification programs at the Riker's Island and Ossining facilities.

Doubling the number of State Police investigators assigned to the Joint Narcotic Task Force.

$125,000 in additional matching funds for the Special Narcotics Prosecutor to build a

network of informers and increase the level of "buy money".

Earmarking of $970,000 in Law Enforcement Assistance Administration (LEAA) monies to assist local law enforcement officials to curb street sales of heroin.

$100,000 to fund a media campaign to educate the public about the danger of drug abuse.

In his executive budget for the state fiscal year ending March 31, 1982, the Governor proposed the following:

A $7.9 million increase in drug treatment funding.

$10.4 million to establish "Major Offense Police" programs in partnership with local governments to increase law enforcement efforts in the arrest of violent felons and investigation of narcotic and handgun traffic.

Establish a new $6 million "Major Offense Prosecution" program to focus upon repeat offenders, violent felons and drug and handgun traffickers.

An additional $1 million in state funding for the New York City Special Narcotics Prosecutor.

Develop a joint State/New York City narcotics enforcement program, concentrating on areas near schools and parks.

Increase state commitment of the "State Emergency Felon Program" to help guarantee swift adjudications of cases to be generated by the increase in police and prosecution resources.

In addition to increasing state funding for drug treatment and law enforcement, Governor Carey established the Citizens Alliance to Combat Heroin (CATCH).

The Citizens Alliance to Combat Heroin (CATCH) is a group of representatives from business, labor, educational institutions, religious organizations and other community agencies who are committed to preventing the spread of addiction. A goal of CATCH is to increase private sector participation in the war on drug addiction and coordinate community action with the efforts of the public sector. In a report of New York State's heroin epidemic submitted to Governor Carey on March 17, 1981, the Citizens Alliance developed specific recommendations in response to the problem which can be summarized as follows:

Reduce the availability of heroin through encouragement of multinational agreements, improved coordination at the federal level and increased efficiency of the criminal justice system.

Develop a comprehensive media campaign and drug education program to increase the public's awareness of the heroin epidemic and participation in efforts to stop it.

Conduct a demonstration project to serve as a model for community-wide intervention strategies for solving the heroin problem at the local level.

Establish local CATCH groups across the state that will mobilize community resources and develop local action plans.

Increase and enhance current efforts to provide vocational rehabilitation and employment opportunities for ex-addicts.

The Citizens Alliance has already developed initiatives in several areas including the media campaign, the demonstration project, and the formation of local CATCH groups.

The State of New York has made its commitment. Governor Carey has provided necessary leadership in response to the crisis; however, the war cannot be won alone. Firm and decisive action must be taken by the Federal government.

III. Cost Effectiveness of Drug Treatment Services

The provision and delivery of drug treatment services for persons in need of assistance is a wise and prudent financial investment. Clearly, treatment is the least costly alternative.

TREATMENT

Under the current Statewide Services Grant mechanism, the National Institute on Drug Abuse (NIDA) has established a per slot matrix allowance for each type of treatment service. Under the NIDA matrix, the average cost for providing one year of residential drug-free treatment is approximately $6,000 per person or slot. The average cost of providing one year of day care drug-free treatment is approximately $2,800 per person, and the average cost for one year of outpatient drug-free treatment is approximately $2,050. For all treatment services combined, the average annual cost of treating a substance abuser in New York State is less than $2,000.

Consider the following consequences and fiscal impacts when substance abusers are not in treatment:

SOCIAL COSTS

When a drug abuser is not in treatment, it costs society an average of $5,800 per year, including payments for Medicaid, Welfare and lost tax revenues.

CRIMINAL JUSTICE SYSTEM

When a drug abuser commits a crime and is apprehended, it costs society an average of more than $19,000 for police, court and prison costs.

An additional item to consider is the scope of criminal activity among drug abusers to support their continued drug use. For example, the estimate of the dollar value of thefts committed by an active heroin abuser in New York State is $21,000 per year.

IV. Impact of Proposed Federal Budget Cuts

Under the Administration's FFY 1982 budget proposal, Federal categorical funding for drug abuse treatment services would be incorporated within a Health Service Block Grant to the states with an overall 25 percent cut from FFY 1981 funding levels.

The impact in New York State of proposed reductions from the two major drug treatment funding sources—Drug Abuse Project Grants and Contracts (Statewide Services Grant) and Drug Abuse Formula Grants—are as follows:

NIDA STATEWIDE SERVICES GRANT

Funding Reduction: $6.6 million.

Client Services: Elimination of at least 2,300 community treatment slots, primarily in residential and ambulatory drug-free treatment programs.

NIDA DRUG ABUSE FORMULA GRANT

The latest Administration proposal would rescind FFY 1981 Formula Grant funds. It is unclear, therefore, whether or not this program would be included in the funding base for the proposed FFY 1982 Health Service Block Grant. Assuming total rescission of these funds, the impact would be:

Funding Reduction: $2.8 million.

Client Services: Elimination of prison treatment to 810 inmates per year; vocational rehabilitation services to 1,100 clients; prescription drug seminars to over 250 service groups; local staff and community group training to 8,900 participants; comprehensive program/fiscal reviews and assistance to 65 community programs per year.

Other proposed Federal funding reductions would also negatively impact drug treatment services in New York State. These include:

MEDICAID CAP

Funding Reduction: Up to $1.9 million.

Client Services: Elimination of over 1,100 community treatment slots, primarily in methadone maintenance and detoxification programs.

ELEMENTARY AND SECONDARY EDUCATION CUTS

Funding Reduction: Over $100,000.

Client Services: Elimination of supplemental education services to 250 youthful drug abusers in residential programs.

COMPREHENSIVE EMPLOYMENT AND TRAINING CUTS

Funding Reduction: Over $150,000.

Client Services: Elimination of public service employment jobs for 10 persons per year.

OTHER FUNDING REDUCTIONS

Proposed reductions in the food Stamp, Supplemental Security Income, Title XX and other third party revenue sources will further reduce services for drug abuse clients in New York. An estimated $5 million of additional drug treatment funding will be eliminated through the combined reductions in these Federal programs.

Corresponding impacts on county and municipal drug treatment systems will result in additional reductions of New York's drug treatment capacity. About 1,200 treatment slots, primarily within methadone programs, would be eliminated as the result of reduced local contributions for drug treatment.

Additionally, the 1,200 drug abusers now on waiting lists will have no opportunity to receive needed treatment services if proposed Federal reductions are implemented.

IMPACT SUMMARY

The total impact of proposed Federal budget reductions upon New York's drug treatment system would be:

A funding reduction of almost $17 million;

Elimination of over 4,600 treatment slots (2,300 drug free and 2,300 methadone), now supported with either Federal or local funds;

Denial of needed services to an additional 1,200 drug abusers;

Elimination of special emphasis programs for over 2,100 clients; and

Elimination of support services, training and assistance to over 9,200 persons in local programs and community service agencies.

V. Need for Federal Response to Drug Crisis

HISTORICAL PERSPECTIVE

In 1972, Congress originally mandated the establishment of the National Institute on Drug Abuse (NIDA) in recognition of the magnitude and complexity of the drug abuse problems and a need at the Federal level to "develop a comprehensive, coordinated long-term Federal strategy to combat drug abuse".

These initial Federal efforts intended to:

Provide national leadership,

Stimulate state participation in a coordinated drug abuse service delivery system, and

Coordinate the multi-faceted Federal drug abuse program, including international drug control, drug interdiction and enforcement and drug abuse treatment.

While this Federal-State partnership has been maintained over the past decade, the role of each level of government has shifted dramatically:

Since FFY 1979, the Federal government has reduced, rather than maintained or increased, its share of support for community drug treatment.

State support for the drug treatment system has increased to a level which far exceeds the Federal government's contribution. In New York State, for example, of the total $145 million allocated for drug treatment services in 1980-81, only $28 million or 19% was provided by the Federal government.

From a national perspective, in FY 1980, the States spend $317 million of state revenue for drug abuse treatment and prevention, which exceeded the total NIDA budget for that year by nearly $52 million.

The Federal component has become fragmented in recent years. Failure of the Federal government to maintain and coordinate an effective drug control, drug interdiction and treatment strategy has become increasingly apparent.

Additional Federal support and assistance is essential now that we are confronted with a heroin problem of such alarming magnitude.

ADMINISTRATION'S CURRENT PROPOSALS

The Reagan Administration's FFY 1982 Budget proposal would virtually destroy the already fragile drug abuse service delivery network. Furthermore, information on the extent of proposed Federal budget cuts for drug abuse treatment has been misleading.

Total rescission of funds for Drug Abuse Formula Grants to states in FFY 1981, coupled with a 25% reduction of the remaining Drug Abuse Project Grant funds in FFY 1982, will actually result in a 37% total reduction of the Federal commitment for drug treatment services in FFY 1982.

By 1985, with only a 7% annual inflation rate, the number of Federally-supported drug treatment slots would be reduced by more than 48% from the 1980 level in New York State.

The proposed budget cuts also directly contradict both the previous and current White House policies on drug abuse. In fact on March 6, 1981, President Reagan described the drug situation as "one of the gravest problems facing us internally in the United States" and proposed to launch a campaign nationwide to "take the customers away from the drugs".

OTHER IMPACTS OF BLOCK GRANT

The Administration's assumption that cost savings associated with reduced Federal regulations will balance a 25 percent reduction in funds does not apply to the drug abuse treatment system.

The Statewide Services Grant mechanism, currently utilized for the distribution of community drug treatment funds within states, is essentially a block grant process. Incorporation of drug abuse programs within a larger block grant will not limit the need for states to continue planning, monitoring and evaluation activities to ensure the quality of client services.

Passage of the Health Services Block Grant will not, therefore, affect major regulatory changes and will not provide states with increased flexibility in the administration of Federal drug treatment funds. In fact, reduced Federal funding will actually limit rather than increase the State's ability to effectively administer the drug abuse service delivery network.

RECOMMENDED FEDERAL ACTIONS

The Federal government must reaffirm its commitment to combat drug abuse rather than abnegate its responsibilities in this area.

In order to meet the increased demands for drug treatment, the following actions should immediately be taken:

Congress should approve a multi-year reauthorization of the National Institute on Drug Abuse as well as sufficient appropriations to address the growing need for community treatment services. New York State strongly supports the reauthorization bill for NIDA and NIAAA which has recently been proposed by the House Subcommittee on Health and the Environment.

If Federal drug abuse funding is to be incorporated within the Health Service Block Grant in FFY 1982, an appropriate portion of funds should be earmarked for drug treatment services, demonstrating a continued Federal commitment to the fight against drug abuse.

A mechanism should be established for the allocation of special, emergency funds for those areas hardest hit by the current heroin crisis.

Congress should disapprove the proposed rescission of Drug Abuse Formula Grant funds in FY 1981 and should maintain funding for this needed program in subsequent years.

If any drug abuse funding reductions are to be made, these should be directed at the Federal program areas of research and training, rather than at community treatment programs which are already strained beyond normal capacity.

The Federal government should redefine a coordinated strategy to combat the heroin crisis and the nation's drug abuse problem, relying on the expertise of state and local agencies in the formulation of domestic drug abuse policies.

Mr. Speaker, the sad facts contained in this report are only made more worrisome when we also consider the dramatic rise in violent crime and crimes against property in our Nation. A recent study of addict crime speaks to the tremendous amounts of money lost to feed the monkey on the backs of America's junkies.

As chairman of the Select Committee on Narcotics, as a Member of this Congress, and as an American I am deeply concerned with the horror being perpetrated upon the youth of our Nation by the nightmare of drugs. I am also deeply concerned that the administration's proposal to radically cut drug abuse funding will be a most cost-ineffective and counterproductive action. It is false economy in the extreme to deny addicts the treatment that they need. Putting addicts back onto the streets of our cities and towns will only insure that crime will increase, that welfare roles will swell, that the courts and the prisons will be the final adjudicators of the untreated addict population. Putting addicts onto the street instead of providing them with treatment is indeed pennywise and pound foolish. I urge the administration and my colleagues in the Congress to consider the social costs of untreated addicts on the entire fabric of this society. The Select Committee on Narcotic Abuse and Control is ready and willing to work with the administration in creating a national drug abuse policy which will insure that the greatest treasure of this democracy—its youth—will not be scourged and debilitated by the living hell of substance abuse. That dream of a drug free society is realizable and we seek a partnership among all sectors of our society, both governmental and within the private sector—to move toward a realization of that dream. We do, indeed have many miles to go, but the road is clearly marked. The sign posts are viable and working treatment, prevention, intervention and enforcement policies. The administration's plan to cut funds in the vital area of drug abuse takes us off the road into the wilderness that marks the scrapping of a national drug abuse policy.●

CONGRESSMAN GREEN QUESTIONS HUMAN RIGHTS PRACTICES IN EL SALVADOR

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. GREEN. Mr. Speaker, I am greatly concerned over the violations of human rights occurring in El Salvador. Sentiments from my district indicate that a large number of my constituents are concerned about this problem as well. Recently I wrote the Secretary of State to express my concerns over this problem and suggest that we use U.S. influence to pressure the government of that country to change its policies. I have received a response from the State Department to this letter and for the benefit of my colleagues insert both my letter and the response of the State Department.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 5, 1981.

Hon. ALEXANDER HAIG,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: As you are faced with the difficult options in developing a U.S. response to conditions in El Salvador, I would like you to consider some options which I feel offer us a great opportunity in this region.

I assure you that I understand the complexities of this issue and the sensitive American interests that are at stake. Nonetheless, we can not blindly tolerate the mass executions occurring in this country.

The military and economic aid we are providing to this country provides us the perfect opportunity to press the government of El Salvador on the issues of political violence directed towards Salvadoran and American citizens. There is no question that economic assistance is vital to this country and, as a result, linking our assistance to appropriate responses is plausible.

As you develop policy relating to aid packages, I hope this opportunity will be considered. Certainly, improvements by the current government need to be made. The American public has demanded it, and the recent discussion that we are entering "another Vietnam" indicates the level of public

concern. Public support is critical to developing any sort of aid package, particularly military.

Yet, without changes in Salvadoran government policies, attaining American support will be difficult. Critically, the treatment of American citizens must change. The deaths of three American nuns and a lay missionary are intolerable. What is particularly frustrating is the way the Government of El Salvador has delayed the investigation of these murders. This type of action, coupled with the violence perpetrated by the "death squads," must stop.

Our aid can be a valuable tool to bring about these changes. I appreciate the difficult decisions you are forced to make in Latin America. I hope you will give my suggestions serious consideration as you make these decisions.

Sincerely,

BILL GREEN,
Member of Congress.

DEPARTMENT OF STATE,
Washington, D.C., March 31, 1981.

Hon. BILL GREEN,
House of Representatives.

DEAR MR. GREEN: Thank you for your letter of March 5 to Secretary Haig concerning economic and military aid we have provided to the Government of El Salvador.

Our actions with regard to El Salvador have as their goal the reduction of violence and instability in order to facilitate a peaceful transition to an elected government. This is the goal of the Salvadoran people and of their current government, headed by Christian Democratic President Jose Napoleon Duarte, which we strongly support. The other alternatives in El Salvador—the totalitarian solution offered by the Marxist left or the authoritarianism desired by the extreme right—would serve neither the best interests of the Salvadoran people nor the interests of peace and stability in the region.

The Duarte Government is being challenged by terrorist insurgency supported from the outside. The extreme left has been armed, guided, and financed by Cuba and others in its attempt to overthrow the government and establish a Marxist-Leninist state.

The Salvadoran Government is committed to carrying out basic economic and political reforms, including elections in 1982-83. The US strongly supports these reforms, which include agrarian and banking reforms, promotion of employment, and encouragement of the private sector. During the past 15 months the US has provided over $123 million in economic assistance to help the Duarte Government implement these reform programs.

The successful implementation of these reforms will contribute toward making a more just society and will facilitate a transition to a democratically elected government. Until the violence is controlled, however, such a transition is difficult to make. At the Salvadoran Government's request, and in view of the massive arms assistance to the left by Cuba and others, the US has extended this fiscal year $35.4 million in military aid to provide urgently needed equipment and training.

Violence is the enemy of all democratic change, of individual rights and of economic progress. Those who are responsible for the violence and terrorism, with arms support from Cuba and other countries, are the real obstacle to peace.

In El Salvador, an end to the present suffering and violence would permit that nation to get on with the task of economic reconstruction and progress. The United States, with its long tradition of democratic change, recognizes the need for and supports peaceful and democratic change in El Salvador.

The Department and our Embassy in San Salvador continue to monitor the Salvadoran investigation into the murder of the four American churchwomen. Our Charge has discussed this matter with President Duarte and our FBI is providing technical assistance. President Duarte was recently quoted in U.S. News and World Report as saying, "I, Napoleon Duarte, stress that the investigation is proceeding as quickly as possible. The bullets that killed the four women have been sent to a laboratory in the U.S. for analysis. The autopsies have been finished. We're in the process of checking fingerprints. When guilt is established, I promise the guilty will be punished even if they are members of the security forces, but first we need proof."

As you may know, the Catholic Bishops of El Salvador, including the Apostolic Administrator Bishop Rivera Y Damas, have increasingly spoken out against the terrorism from the left and expressed support for the reforms and political process outlined by the Salvadoran government. In his homily of March 8 (copy enclosed) Bishop Rivera Y Damas noted that ". . . the left groups have maximized violence and their adherence to Marxism, and for this reason the majority of the people have turned their backs on them . . . terrorism is not liberation . . ."

We appreciate your sharing with us your suggestions on this very important matter.

Sincerely,

RICHARD FAIRBANKS,
Assistant Secretary
for Congressional Relations.●

TRIBUTE TO A DEDICATED SON OF ITALY

HON. GREGORY W. CARMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. CARMAN. Mr. Speaker, I would like to call the attention of the House to an outstanding Long Islander and a dedicated son of Italy, Nicholas Viglietta of Massapequa.

Mr. Viglietta is a member of Columbus Lodge No. 2143 of the Order Sons of Italy in America. He is not only a past venerable of that lodge but he currently serves as second assistant grand venerable of the New York Order Sons of Italy. I am pleased to note that he will soon be the first assistant grand venerable. With credentials like those, it is no surprise that Mr. Viglietta was recently honored by his lodge as man of the year.

Mr. Speaker, Nicholas Viglietta has worked hard to make his community a better place. He is a real credit to Massapequa, Long Island and the Nation.●

HUMAN RIGHTS IN ARGENTINA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. BONKER. Mr. Speaker, yesterday I included in the CONGRESSIONAL RECORD, a portion of the testimony presented to the Human Rights and International Organizations and Inter-American Subcommittees of the Foreign Affairs Committee, by my good friend Orville H. Schell. Mr. Schell represented the Lawyers Committee for International Human Rights in presenting testimony about the administration's proposed turn around on military aid to the Government of Argentina.

This part of his statement discusses the phenomena of disappearances, detention of political prisoners, and the treatment of human rights monitors and lawyers. He cautioned the Congress:

As you evaluate future U.S. policy toward Argentina, it is important to consider the underlying responsibility for these actions, specifically whether the disappearances represent a deliberate Government directed policy, and if so, what steps have been taken to curtail the powers of the state security forces.

I commend the remainder of Mr. Schell's testimony to the attention of my distinguished colleagues as we determine the advisibility of resuming military aid to Argentina in the coming months.

It is useful to examine the current situation in Argentina by focusing on three principal problem areas: disappearances, the detention of political prisoners, and the treatment of human rights monitors and lawyers.

DISAPPEARANCES

In the past year the number of new cases of disappearances has certainly declined. Yet, until the Argentine Government provides information on past cases and develops effective procedures to prevent new abductions from taking place, the diminished rate of new disappearances should not be interpreted as a significant improvement.

In examining this problem in its April, 1980 Report, the Inter-American Commission on Human Rights of the Organization of American States (OAS) stated:

"The fundamental question is one of ascertaining and communicating in a timely manner with the family members on the situation of the disappeared. It is necessary to establish beyond any doubt whether these persons are still alive or are dead; if they are not alive, it is necessary (to know) where, when and under what circumstances they lost their lives and where their remains are buried." (IACHR Report at p. 133).

President Viola's statements on this issue in the past several weeks raise very serious doubts as to whether such information will ever be forthcoming.

Soon after our visit to Argentina in 1979, General Viola, then the Commander-in-Chief of the Armed Forces, stated what is

apparently still the position of the Argentine Government on this issue.

"Like all wars, this one left tremendous wounds that only time can heal . . . there are the dead, the wounded, the jailed and those who are absent forever. Don't ask for explanations where there are none." (NY Times, Sept. 17, 1979)

As you evaluate future U.S. policy toward Argentina, it is important to consider the underlying responsibility for these actions, specifically whether the disappearances represent a deliberate government directed policy, and if so, what steps have been taken to curtail the powers of the state security forces.

In its April, 1980 Report, the Inter-American Commission on Human Rights of the OAS addressed this issue and concluded:

"It appears evident that the decision to form the command units that were involved in the disappearance and possible extermination of these thousands of persons, was adopted at the highest level of the Armed Forces, for the purpose of decentralizing the anti-subversion campaign. As a result, each of the command units had unlimited power to eliminate terrorists or those suspected of being terrorists. The Commission is morally convinced that, in general, these authorities could not have been ignorant of the events as they were occurring and did not adopt the necessary measures to terminate them." (IACHR Report at p. 134)

DETENTION

In its testimony here today Amnesty International has discussed the ongoing detention of political prisoners and the conditions of those prisons. At issue are more than 900 people still being detained pursuant to Article 23 of the Argentine Constitution at the disposition of the National Executive Power (PEN). Another 500-600 are being held under various other provisions for their political activities or beliefs.

As noted above, despite General Viola's "formal promise" to us in 1979 that PEN detentions would be virtually ended, substantial numbers of people remain in prison in Argentina as a result of their political beliefs.

We are especially concerned that a number of events in the past few weeks may indicate a disturbing new trend of government violations aimed particularly at human rights monitors.

On March 13, Hector Orlando Pinon, the brother of a trade union leader, "disappeared." As sometimes happens in Argentina, he has "reappeared" to tell an all too familiar story: At home with his family, he was picked up by armed men dressed in civilian clothing, blindfolded and driven to an undisclosed location where over a 24-hour period he was subjected to intense interrogation and unspeakable torture in the presense of uniformed members of the Buenos Aires Provincial Police. His interrogators were trying to determine the whereabouts of his brother who is leading a labor dispute the government finds embarrassing. Jorge Magrino, a trade unionist, disappeared and reappeared at almost the same time under similar circumstances.

On Thursday, March 12, sixty-eight members of the Mothers of the Plaza de Mayo were arrested during a peaceful demonstration in front of the Casa Rosada. These mothers and grandmothers of disappeared young people—many just boys and girls—have gathered in the square facing the home of Argentina's head of state each Thursday for the last four years to dramatize their pleas for information from the government on the fate of their missing loved ones.

On February 27, Emilio Mignone, Augusto Conte MacDonell and Jose Federico Westerkamp, three prominent human rights activists, were arrested, held incommunicado for several days and charged with violating state security laws. At the time of the arrests, police seized records documenting the abduction and disappearance of more than 6,000 people in Argentina over the past five years.

These events of the past few weeks trouble us greatly. It appears that the latest targets of Argentine repression—trade unionists, peaceful demonstrators and human rights activists—may have been carefully chosen to communicate a message: No more strikes . . . no more demonstrations . . . no more human rights.

I would like to say a few words about Emilio Mignone, one of those arrested on February 27, whom I value as a friend and respect very highly as a lawyer of the greatest skill and courage. Mignone was frequently sought out by representatives of the Inter-American Commission on Human Rights and our own State Department for accurate information on human rights conditions in Argentina. As a lawyer, he is also highly regarded by the bar and the bench in his own country.

Mignone was the lead counsel in the Perez de Smith case, the landmark habeas corpus case on behalf of 1,542 disappeared people which I spoke of earlier. Mignone's daughter, who disappeared in 1976, was one of those on whose behalf the action was brought. In April, 1979, when our mission met with the President of Argentina's Supreme Court, he pointed with pride to the Perez de Smith decision as indisputable evidence of the independence of Argentina's judiciary.

But courts cannot exercise their independence unless given the opportunity to do so by an equally independent bar. The arrest of Argentina's leading human rights lawyer is a signal to the bar in Argentina that those who represent the victims of government repression do so at their peril. These lawyers were already a rare breed. As we observed in the report of our mission, the fate of nearly two hundred Argentine lawyers who have disappeared or been detained without charges "has chilled the willingness of lawyers to represent the unpopular and made the process of repression of rights far simpler for the government." (Report of the Mission of Lawyers to Argentina, April 1-7, 1979, at 12).

CONCLUSIONS

Considering this background I would urge this Committee to consider several points as it evaluates U.S.-Argentine relations.

First, a U.S. policy that actively promotes human rights can help reduce human rights violations in other countries. In the case of Argentina, I believe that it has. The concern expressed by Congress in debates and through legislation has contributed to the gradual improvements that have taken place in that country.

Secondly, we should be aware of the symbolic importance of any changes in the laws that form the basis of our human rights policy. In Washington two weeks ago, President Viola noted that while his government is not disturbed by expressions of concern about human rights, they are very much concerned about sanctions. This symbolic importance of sanctions was reflected in a recent statement by General Viola: referring to the possible repeal of Congressionally mandated arms embargo to Argentina, he emphasized "We don't need arms, but it would be a moral reparation . . ." (UPI wire, March 17, 1981).

Finally, I believe that any decisions taken with regard to Argentina or any country must be evaluated in a broader context than bilateral relations. As I noted earlier, in the past several years I have devoted considerable time and energy to the promotion of human rights in Eastern Europe as Vice-Chairman of the Helsinki Watch Committee of the U.S. and as a public member of the U.S. Delegation to the Madrid Conference. At the Madrid meetings, we were frequently reminded that the credibility of the U.S. position in espousing the protection of human rights in Eastern Europe demands consistent advocacy of the same position throughout the world. If the U.S. fails to take strong positions against violations in noncommunist countries it is simply too easy for the Soviet Union and her Eastern European satellites to dismiss our actions as insincere or as manifestations of cold war politics. Our failure to speak out about the violations of basic rights in Latin America or Asia severely undermines our ability to protect those courageous individuals who daily risk their lives and freedom to promote human rights in Eastern Europe.

For all of these reasons I believe that a strong and consistent U.S. human rights policy makes good sense. Last month Judge Thomas Buergenthal of the Inter-American Court on Human Rights articulated an identical belief in a speech entitled "Human Rights and the U.S. National Interest." I would like to conclude with a short excerpt from his poignant remarks:

"A sound human rights policy provides the U.S. with an ideology that distinguishes us most clearly from the Soviet Union and seriously undercuts the ideological appeal of Communism. It is the only ideology, the only dream, if you will, that the people of the U.S. share with the vast majority of the people of the second and third worlds. The quest for human rights and human dignity is a phenomenon of contemporary life of universal dimensions and immense significance in the struggle between East and West. And those who do not grasp its significance do not know much about the world we live in and the forces that shape it."●

IRELAND: HUNGER STRIKE 81

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. GILMAN. Mr. Speaker, last December the world watched tensely while over 300 prisoners in Northern Ireland maintained a hunger strike in order to demand modifications in their prison status and conditions. The British Government, refusing to grant special status for Irish prisoners, continues to this day to seriously violate the human and civil rights of the Irish prisoners.

The demands made by the Northern Irish prisoners in December were fivefold: the right to wear their own clothing, the right to refrain from prison work, the right of free association, the

right to educational facilities, and full remission. These demands are in keeping with the prisoners' views that the situation in Northern Ireland is a state of war, with the presence of British troops, British police, and the continuing seige on Irish rights and property. The British contend that the prisoners deserve nothing more than criminal treatment and have refused to accept their demands for special status.

The prisoners' hunger strike in late 1980 was supposedly resolved: Most independent observers believe that the British Government had given in to the hunger strikers' demands in large part, and hence, the strikers called off their action, believing in good faith that the British had compromised. No sooner were they off the strike than they learned that the British had reneged on their promises.

At the present time the hunger strike has resumed. Four prisoners have embarked on this effort again. In fact, during the last week one of the hunger strikers, Bobby Sands won a seat in the British Parliament in an election in which 29,000 people voted. It is obvious that the populus in that district believes that the H-block issue should be resolved immediately.

Mr. Speaker, political analysts, journalists, average citizens, and some disillusioned British soldiers agree that the state of seige in Northern Ireland is not an internal crisis as the British contend. A former British Army lieutenant stationed in Northern Ireland recently wrote to me stating:

> It is our view that the Northern Ireland conflict is a colonial war, in which the role of the British forces has changed from an initial peace-keeping mission to the traditional imperialist pattern of repression of the aspirations of the nationalist population.

In a comprehensive book on this issue, author Tim Pat Coogan in "On the Blanket: the H-Block Story" says:

> The official reaction to the embarrassment of the H-block issue has varied amongst religious and political leaders affected by it according to their backgrounds. * * * The British have tried to minimize the situation using diplomatic niceties to cloak the situation. Pointing to the degree of self-infliction in the prisoners' plight, they avoid questions about torture and the conveyor-belt system.

These indignities have persisted far too long, forcing the prisoners in Northern Ireland into yet another crisis situation. I would hope that the British Government would act expeditiously to correct this problem as they apparently attempted to do during the last hunger strike; but I would hope that the British on this occasion would abide by any accomodation between themselves and the prisoners.

This prisoner issue is driving a further wedge into the gap that exists between the parties in Northern Ireland. We should be trying to close the gap rather than widening this breach.●

INTERIOR DEPARTMENT URGED TO REPORT ON FOREIGN CONTROL OF U.S. MINERALS

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. MARRIOTT. Mr. Speaker, the recent trend toward acquisition of U.S. mineral companies by foreign-owned corporations has become a matter of great concern to many Members of Congress in light of our increasing dependence on foreign sources for supply of oil and other strategic minerals. On April 7, 1981, a number of my colleagues on the Interior Committee joined me in a letter to Interior Secretary Watt urging him to review and report on our policies regarding foreign control of U.S. minerals. As an example of a number of events which spurred our concern over this issue, in the letter I raised the question of reciprocity with Canada in light of recent actions by the Canadian Government to deny or restrict U.S. investment in Canadian business.

Just yestereday the Wall Street Journal published an excellent article which describes the restrictive nature of Canadian foreign investment policies and which supports in part the need for the policy review and report I have requested. I urge all of my colleagues to examine the issues I have raised and include the text of my letter and the article at this point in the RECORD:

COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
Washington, D.C., April 7, 1981.

Hon. JAMES G. WATT,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: The recent trend toward acquisition of U.S. mineral companies by foreign-owned corporations has become a matter of great concern to many Members of Congress in light of our increasing dependence on foreign sources for supply of oil and other strategic minerals. While you have in recent testimony expressed your appreciation for the benefits of the free-flow of capital in general, you have also indicated that you have not undertaken any formal review of the impact of foreign investment amounting to control over U.S. minerals companies on the United States' economic and strategic positions.

In our view, as Secretary of the Interior, you have the authority and responsibility to review the U.S. policy in this regard in two contexts: first, in the context of the President's review of and report to Congress on U.S. strategic minerals policy pursuant to the National Materials and Minerals Policy, Research and Development Act of 1980 and secondly, in the exercise of the reciprocity provisions of the Mineral Leasing Act of 1920.

With regard to the former authority, we view your review of whether and how the U.S. might be vulnerable to manipulation of domestic mineral resources developed by foreign corporations as of great importance. In addition to the more obvious questions, we suggest that you consider whether there is any difference in impact on the U.S. position (economic, defense, etc.) when the foreign corporation seeking ownership is itself engaged in the minerals industry rather than unrelated enterprises. Also, we are interested in an analysis of whether U.S. policy should more properly be concerned about the impact of the withdrawal of investment, once made, rather than the initial act of investment. With this regard we urge you to give consideration to whether there is sufficient authority for controlling the export of strategic minerals produced by corporations under foreign control in the U.S.

In the exercise of your authority under the Mineral Leasing Act of 1920, we would appreciate your review of the implementation of the reciprocity provisions by your Department. Specifically, we would like to know what the policy of other countries with significant mineral resources is with respect to U.S. mineral investment and what the corresponding policy of the U.S. is on a mineral by mineral, country by country basis.

For example, in 1974 Canada enacted the Foreign Investment Review Act, the implementation of which requires that foreign companies seeking to acquire assets in Canada demonstrate a "significant benefit" to Canada. It is our understanding that American companies are regularly denied permission under this Act to acquire assets of any kind in Canada because of the "significant benefit" test. Does, or should, the U.S. impose a similar test on Canadian companies seeking to acquire assets, including mineral leases, in the U.S.? If not, are we in fact implementing properly the reciprocity provisions of the Mineral Leasing Act of 1920?

Also in the context of the Mineral Leasing Act alien ownership provisions, we would like to know how extensively the Department reviews the chain of ownership (parent-subsidiary) of a company applying for federal mineral leases and whether there is any set policy on the point beyond which inquiry is considered to be unnecessary, i.e., where the link between alien ownership of the parent company and a domestic subsidiary will not significantly impact the management of the mineral company applying for federal leases.

As members of the House Committee on Interior and Insular Affairs, we place great importance on your early review of these policy questions. In light of contemporary trends, we think a thorough review of the impact of foreign investment on U.S. minerals policy is both timely and worthwhile. While not necessarily favoring restrictive policies on the influx of foreign capital into the domestic minerals industry, we are currently inclined to place our confidence in a sound and workable concept of reciprocity as set forth in the first section of the Mineral Leasing Act of 1920.

A preliminary report and recommendations on these policy questions is requested, while we would expect a more thorough review and report from you in due course.

Thank you for your attention to this important matter.

Sincerely,

Dan Marriott, Don Young, Don H. Clausen, Baltasar Corrada, David O'B. Martin, Ron Marlenee, Austin J.

Murphy, Larry Craig, Charles Pashayan, Jr., W. J. Tauzin, David Michael Staton, James V. Hansen, Jerry M. Patterson, Denny Smith.

[From the Wall Street Journal, Apr. 9, 1981]

CANADA'S INFORMAL MINING POLICY BLOCKS FURTHER MAJOR PENETRATION BY FOREIGNERS

(By Norman Peagam)

TORONTO.—Canadian mining companies aren't losing any sleep over the current stampede by U.S. oil companies to acquire mining assets; they are protected by an invisible shield along the U.S.-Canadian border.

While Canada has unveiled elaborate and controversial plans to reduce foreign ownership of its oil and gas industry, the country also quietly is blocking further foreign penetration of its important mining industry.

"They don't want the mining policy spelled out," one analyst says of the Canadian government. "It's much more flexible that way."

With its vast land area, Canada is an Eldorado of rich and varied mineral resources. It is the Western World's largest producer of nickel, zinc and asbestos; the second-ranking producer of gold and uranium, and the third largest producer of copper, lead, molybdenum and silver. In 1980, Canada exported about $13 billion (Canadian) of mineral products, 57% of it to the U.S.

In the past, foreign capital, mainly from Britain and the U.S., played an important role in developing Canada's mining industry, although foreign ownership never reached the levels it attained in the oil and gas industry. Currently, it is estimated that foreigners control about 70% of the country's oil and gas business and about 50% of its mining industry.

RECENT MOVES

But several recent government actions make it clear that Canada isn't about to let foreigners increase their hold on the nation's mineral wealth.

Last year, for example, Superior Oil Co. of Houston said it would offer the equivalent of about $100 million (U.S.) for the shares it didn't already own of McIntyre Mines Ltd., Calgary. Superior and its affiliates held 58% of McIntyre, whose principal asset is its 37% interest in Falconbridge Nickel Mines Ltd., Toronto, the Western world's second-largest nickel producer.

But the Canadian government quietly let Superior know that it didn't approve of the McIntyre bid and wouldn't countenance a Falconbridge takeover by the Texas oil concern. At the same time, in a highly unusual move, the government also encouraged Brascan Ltd., a Toronto investment concern, to make a competing bid for McIntyre. Faced with these initiatives, Superior withdrew its offer, prompting Brascan to do the same.

"Where it involves strategic companies, the Canadian government isn't likely to allow a foreign takeover," says Christopher Thompson, a mining specialist with Gordon Securities Ltd.

POWERFUL REVIEW AGENCY

In most cases, the government imposes its authority through its Foreign Investment Review Agency, which is empowered to review all new foreign investment in Canada. The agency, which routinely doesn't comment on its activities or give reasons for its rulings, can block an investment if it isn't likely to provide "significant benefit to Canada."

In late 1979, Standard Oil Co. (Indiana) acquired Cyprus Mines Corp. of Los Angeles for the equivalent of about $250 million (U.S.). By doing so, it also inherited Cyprus Mines' 63 percent interest in Cyprus Anvil Mining Corp., a Vancouver-based lead, zinc and silver producer. But the Canadian government ruled that Standard's Amoco unit couldn't acquire the Canadian subsidiary.

Amoco appealed the ruling nine months ago, but the government still hasn't issued a final decision, prompting speculation that some form of compromise is being negotiated that would lead to Canadian control of the subsidiary.

Similarly, if Standard Oil Co. of California succeeds in its current $3.89 billion (U.S.) bid for Amax Inc. of Greenwich, Conn., observers say it isn't likely that Socal could retain Amax holdings in Canada, which include tungsten, molybdenum and other interests.

BRINCO MANEUVER

In a variation on this theme, the Canadian government recently obtained commitments from a small Toronto-based company that it would shed its foreign control as the price for being allowed to expand and diversify.

Brinco Ltd. was about 54 percent-owned by Rio Tinto-Zinc Corp., London, about 13 percent by Bethlehem Steel Corp., Bethlehem, Pa., and about 7 percent by Japanese interests. The company wanted to expand by diversifying into the oil and gas business and by acquiring other mineral producers. The Canadian government said it would approve Brinco's acquisition of Conuco Ltd., a Calgary oil and gas exploration and development concern, if Brinco's foreign owners agreed to relinquish control.

As a result, Olympia & York Developments Ltd., a private Toronto real estate developer, late last year acquired about 51% of the company, clearing the way for Brinco's program.

Under Canada's federal system, provincial governments also possess broad powers over local mineral resources. In two recent cases, these have been invoked to reduce foreign ownership. In 1978, Saskatchewan effectively nationalized much of its potash industry. Currently, Quebec is seeking to expropriate the 55% interest in Asbestos Corp. held by General Dynamics Corp., St. Louis.

SOME DISTINCTIONS

But observers say these were special cases, involving mineral deposits that are among the largest and richest of their kind in the world, and they don't expect any trend toward provincial expropriation to develop.

"I regard those cases as highly discriminatory and very upsetting," says David Thomas, president and chief executive officer of Sherritt Gordon Mines Ltd. and president of the Canadian Mining Association. But they were "really unusual," Mr. Thomas says, adding, "I don't think that's going to happen elsewhere."

Mr. Thomas says his association is more concerned that the Canadian government might legislate a policy for the mining sector akin to its recently proposed energy policy, which calls for greater government intervention in the oil and gas business and sharply reduced foreign ownership.

"We're fighting to distinguish ourselves from the oil and gas industry," Mr. Thomas says. "We're working hard to point out the differences in order that there won't be any policy that remotely resembles the energy package."

Most observers believe the Canadian government is likely to continue its oversight of the mining industry on a case-by-case basis, rather than devising a formal policy program. They cite the "fundamental differences" between energy and mineral development and the already-lower level of foreign ownership prevailing in the mining industry. Besides, as one analyst remarks, "They've got so much of themselves tied up as it is in the oil and gas business."

In Ottawa, a spokeswoman for the Canadian government's Department of Energy, Mines and Resources says the government "definitely" is interested in maintaining the current level of Canadian ownership in the mining sector. "The situation is being monitored," she notes, but the government currently doesn't have any plans for a national minerals policy along the lines of its energy program.●

ELECTION OF HENRY CISNEROS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. GARCIA. Mr. Speaker, the recent election of Henry Cisneros to the office of the mayor of San Antonio, Tex., marks an important watershed in Hispanic American history. Politically, Henry Cisneros' victory was a victory for all Texans—white, black, and Hispanic. More importantly, as Henry Cisneros pointed out during his campaign: "My agenda for the last 6 years has not been the standard ethnic agenda of police brutality and other social issues. Instead, it has been economic development."

Economic development is the key to greater prosperity for all Americans. At the heart of the Urban Enterprise Zone Act is a similar belief, a conviction in the possibility of revitalizing our communities and our cities. In short, there is no alternative to trickle-down economics, and the growth potential of economic development in our cities and people. Henry Cisneros' victory in San Antonio's mayorial race is a victory for Hispanics and a victory for all who believe that ideas can make a difference in the revitalization of our economy and country. For the benefit of our colleagues, Mr. Speaker, I insert in the RECORD a copy of an article from the Washington Post regarding this issue.

[From the Washington Post, Apr. 6, 1981]

CANDIDATE PREACHING ECONOMIC GROWTH WINS BIG IN SAN ANTONIO

(By Dan Balz)

SAN ANTONIO, April 5.—It was going on midnight Saturday, and in the back corner of his campaign headquarters in downtown San Antonio, Henry Cisneros, his shirt wet with perspiration and his hands sore from the grip of his supporters, was relaxing over a bowl of Menudo, savoring the Mexican tripe soup and his victory in the city's mayoral race.

Cisneros swept into office with nearly 62 percent of the total vote (better than 40 percent in the three main Anglo districts),

defeating John Steen, 59, a wealthy businessman and civic leader.

Around him, campaign workers celebrated with champagne and tamales, toasting the rise of Mexican-American political power, but Cisneros wanted to talk about something other than ethnic politics.

"The real story tonight is a town that was trying to pull together to find models of innovation for economic development," he said. "We've made economic development an issue that people care about. Government by itself simply cannot do permanent things for people."

At 33, Cisneros is now a national figure, the first Mexican-American mayor of a major American city, sought after by the television networks, a symbol to his own people. But he won the race with the financial support of big developers in the city and calls himself "a city technocrat" and a Scoop Jackson Democrat who supports nuclear power and unlimited economic growth.

What he may be is the first of a new breed of young ethnic candidates seeking to bridge the political gap between the needs of their own people and the realities of the communities in which they serve.

"I'm not the classic ethnic candidate," he said in a recent interview. "My agenda for the last six years has not been the standard ethnic agenda of police brutality and other social issues."

Instead it has been economic development, something he learned studying urban affairs at Harvard and George Washington universities. "I concluded that for San Antonio and South Texas, economic development is the only way to raise the incomes of poor people," he said. "There isn't an alternative to trickle-down economics."

Cisneros was headed for a career in aviation or the military when, in 1967, as a student at Texas A&M, he went East to attend a conference. While in New York, he read a Time magazine article about urbanologists, a group of scholars he knew nothing about. Since then, he has carefully prepared himself for the victory he won Saturday night.

He served as assistant city manager in two cities and worked in the Model Cities program in his hometown. "What I discovered there was that after the money from the government was gone, there was no meaningful change for the people," he said. "The money left no trace."

He worked at the League of Cities in Washington in 1970–71, where he met many big-city mayors. At the time, he was pointing toward a career in city managment, but he concluded that the choices facing America's big cities were fundamentally political.

"I realized that what was needed was a political strategy for economic development," he said. "The Chamber of Commerce was not doing it, nor was the business community. And there was no political pressure for it because minorities were worrying about other issues."

Later he was a White House fellow in the Nixon administration, working for Elliot L. Richardson, then secretary of health, education and welfare. "He pointed me in the direction of a political career," Cisneros said, "and I crossed the Rubicon at that point."

Cisneros came back to San Antonio and in 1975 was elected to the City Council, where he sometimes clashed with other Mexican-Americans who viewed him as too moderate and not loyal to Hispanic issues. But all the while, he kept his sights on a mayoral race, and worked to attract new industry to his city.

"If I had to put myself on a scale, neoconservative would be close," he said. "But I'm a pragmatic person." His "hero of the century," he noted, is Franklin D. Roosevelt, "who was neither a liberal nor a conservative . . . who was a pragmatic person who put together what was needed."

Cisneros faces immediate problems in San Antonio, despite its booming population and economic growth. City officials have projected an $18 million shortfall in city revenues next year, and with cuts in the federal budget, Cisneros may have to cut services and raise taxes. "I'm going to make a lot of enemies," he predicted, and it will be a test of his political skills to make the coalition that elected him come together to govern.

Although he won easily Saturday, Cisneros still has much to prove. He has matured politically in the last six years, but critics say he may still be too temperamental to handle the pressures he may face.

And there is suspicion that his alliance with the developers will come at the expense of his own people. "Is he the messiah of the Mexicans or the tool of the developers?" the saying goes here. "In San Antonio," said an aide, "that may not be mutually exclusive."

Cisneros said he will try to create a governing coalition unique to San Antonio—a coalition that will include blacks, browns, labor and the developers.

"The developers really are prepared to put money behind the goal of unity," he said. "If I can show both sides that we're in this together for the long run and the developers get into the atmosphere of unity and the city get in support of some new programs and bond issues, then we may be able to make it. Short of these kinds of partnerships, I don't see how cities in America are going to survive."●

SENATE—*Monday, April 27, 1981*

The Senate met at 12 noon and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Let us spend a moment in silent prayer remembering Jim Brady and praying for his total healing.

(There was a moment of silent prayer.)

Gracious God, our Heavenly Father, we thank Thee for the opportunities we have enjoyed this past recess. We thank Thee for time with our families and pray that Thou wilt help us always to give them the priority they deserve and which Thy law commands. May Thy blessing abide in our homes as we resume the heavy schedule which legislation demands.

We thank Thee for opportunities to be with the people, to hear them and be advised by their thoughts. Help us never to demean their concerns and grant us patience to represent them adequately and fairly. Strengthen our resistance against selfish interests which violate democratic principles and let Thy peace and blessing be upon the people, especially those in critical need.

We thank Thee for the safe return of those who traveled on Government business. May their efforts prosper to the benefit of all peoples.

Father in heaven, be especially with any in this large Senate family who are hurting at this time. May Thy comfort and care, Thy provision and protection be theirs continually.

We ask this in the name of the Saviour and Lord whose love and care include all and exclude none. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order the Senator from Tennessee is recognized for not to exceed 15 minutes.

Mr. BAKER. Mr. President, I thank the Chair.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, is this the beginning of a new legislative day?

The PRESIDENT pro tempore. It is.

Mr. BAKER. And under the previous order have the formalities, such as reading of the Journal and other proceedings in respect thereto, been disposed of?

The PRESIDENT pro tempore. They have been waived by unanimous consent.

Mr. BAKER. I thank the Chair once more.

Mr. President, is there an order for a period for the transaction of routine morning business already entered?

The PRESIDENT pro tempore. There is.

Mr. BAKER. What is that order?

The PRESIDENT pro tempore. Following the four special orders there will be 1 hour of morning business with statements limited to 10 minutes each.

Mr. BAKER. I thank the Chair.

Mr. President, I say to my colleague, the minority leader, and to any other Senators who may be interested that I will not need most of my time under the special order and I am perfectly happy to yield it to any Senator who may wish to have the time.

WELCOME BACK, MR. PRESIDENT

Mr. BAKER. Mr. President, I am sure every Member of the Senate on both sides of the aisle joins me in welcoming the President back to the resumption of his full activities, most especially as he appears before a joint session of the House of Representatives and Senate in the Hall of the House of Representatives on tomorrow evening.

The President has shown courage, class, and remarkable strength in his recovery from the attempted assassination. He embodies, I believe, the very best of the spirit of American bravery.

THE DEATH OF MOTHER LADD

Mr. BAKER. Mr. President, as some of my colleagues know, and anyone else who has had either the good or the bad fortune to listen to my speeches on many occasions knows, I often include in my remarks anecdotes concerning my maternal grandmother, Lillie Ladd Mauser, or "Mother Ladd," as she is often called.

Mr. President, I must say it is with sadness that I report that my grandmother passed away this past week.

She would have been 102 years old in July. Obviously, her passing was a most sad occasion for me and for so many people in Tennessee who knew her. But it is difficult for me to be overwhelmed with remorse, because she led a long life and a life that was joyous and productive. There was such a flare and vitality in all that she said and did that, rather than be sad, I simply prefer to recall how delightful she was in her life and career.

And with my colleagues' indulgence for just a moment or so longer, I would like to recall some of the more memorable events from Mother Ladd's life, events that I will always treasure.

She was, as many of my colleagues have heard me say, the first woman sheriff in Tennessee. She succeeded her husband who was shot and incapacitated during the jail escape of five prisoners. It was my grandmother who recaptured four of those five escapees, by the simple expedient of driving to their hideout, blowing her automobile horn until they came out and then persuading them to surrender.

I have often thought that her good offices might be of use and value in the Department of State.

She later became the house mother of a University of Tennessee fraternity where she continued with her strong and diligent dedication to service.

I will not recount the entire anecdote of her counsel to me on the eve of my Presidential campaign 2 years ago and on the occasion of her 100th birthday. Suffice it to say that Mother Ladd advised me that I would be better off running for sheriff, and it turned out I would have.

Finally, let me say that Mother Ladd was a wonderful woman, a joy and an inspiration throughout her 101 years. And as the Knoxville News Sentinel wrote in its notice of her passing, Mother Ladd proved that "You can pack a lot of living into 101 years."

I shall miss her greatly.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, the distinguished majority leader and I have discussed on several occasions his maternal grandmother. I am sure that she experienced a great deal of pride in the accomplishments of her illustrious grandson, the distinguished Senator from Tennessee (Mr. BAKER), who is the majority leader of the Senate.

I am sure that he was the source of many conversations that she must have held with her friends, and I am certain he was the fountainhead of tremendous pride and enjoyment as she talked of him and his achievements.

Tennyson said, "I am a part of all that I have met."

I have no doubt that the impressions that were made upon the young mind of HOWARD BAKER when he was a child, his impressions of his grandmother and her stories about being sheriff, were certainly such as to influence his own life and his own outlook as to public service.

I share with him the sadness of her passing, but I also noted and I think very appropriately that he emphasized the good influences that she had had and emphasized the fact that her long life

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

had meant much to him and his family, and I am sure that she had an opportunity through that extraordinary lifetime—not only extraordinary from the point of longevity but extraordinary from the point of the part that she played on life's stage to play a considerable role, I am sure, in fashioning the outlook and attitudes of the thousands of people who were fortunate to know her.

Even I, who never had the privilege of meeting her, have come to know her considerably through my contacts with her grandson.

I admire the majority leader for the respect he has had for his grandmother, and the fact that he has more than once pridefully referred to her in conversations both privately and publicly on this floor.

Mr. BAKER. Mr. President, I thank the minority leader for his characteristically kind and thoughtful remarks.

I may say, in closing, for those of my colleagues who are awestruck by the passage of 101 years of life, they should know there is no danger as far as I am concerned. While the women in my family lived to a ripe old age, the men dropped like flies.

Mr. President, I have no need for the remainder of my time under the order, and I will be happy to yield it back, and I do yield it back at this time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. STEVENS). Under the previous order, the Senator from West Virginia, the distinguished minority leader, is recognized for 15 minutes.

THE UNITED STATES SENATE

GOD IN AMERICAN HISTORY

Mr. ROBERT C. BYRD. Mr. President, if one looks carefully at the face of a penny, he will read there the words, "In God We Trust."

In 1956, those words officially and legally became our National Motto. By Congressional mandate, that motto appears on all our coins and currency.

Over the years, some critics have attacked the motto. They have also attacked the inclusion of the words "under God" in the Pledge of Allegiance. In a broader vein, certain scholars have maintained that the Founding Fathers were essentially areligious—even anti-religious—men, bent on establishing a completely secular state in which God would have no place. These individuals assert that American history is basically atheistic, humanistic, and deterministic.

Nothing could be further from the truth.

Religion and faith in God have been foundational elements of American history. Not incidentally, the Senate, in its long history, has acknowledged this reality, and has contributed significantly to the positive growth of sincere and socially-responsible religious expressions.

Indeed, the Senate, since 1789, has regularly required the services of an ordained clergyman. The Senate Chaplain is the embodiment of a corporate faith in God and the symbol of the effective eternal judgment that Senators have recognized over their legislative and personal actions. Moreover, the institution of the Senate Chaplaincy is itself the result of an interesting historical process that reveals much about the long development of Senate values.

The first prayers offered in Congress were uttered on September 7, 1774. At the initial meeting of the First Continental Congress, Samuel Adams requested that the convention begin with prayer. As the Revolutionary War continued, the Continental Congress issued calls for periodic national days of prayer and fasting, asking the populace "to reverence the Providence of God, and look up to Him as the Supreme Disposer of all events and the arbiter of the fate of nations."

In 1777, again at the urging of Samuel Adams and following the American victory over General Burgoyne at Saratoga, the first national Thanksgiving Day was proclaimed. The proclamation, signed by Henry Laurens, President of the Congress, declared, "Forasmuch as it is the indispensible duty of all men to adore the superintending providence of Almighty God; to acknowledge with gratitude their obligation to him, etc. * * *" and went on to designate December 18 the day of Thanksgiving. Throughout the Colonies, preaching and feasting events were held, and everywhere the American troops observed the day reverently.

These calls for national religious observances were not mere pious gestures to impress the unsophisticated. Prayer and worship were held in high regard by the substantial men who led the Revolution.

The Senate Chaplaincy was, therefore, a consistent step in the evolution of the Senate. The modern Senate Chaplain's position grew directly out of a proposal made by Benjamin Franklin during the rocky sessions of the Constitutional Convention in 1787. The various representatives of the several states were locked in heated disagreements over petty regional prerogatives, many promoting selfish and narrow ends with little concern for the national well-being. For a time, it looked as if the new nation, born of the victory over the Hanoverian Dynasty, was going to break apart from a lack of compromise and vision on domestic issues.

At a crucial moment, the elderly and world-renowned Franklin rose and addressed the Convention. He declared:

> Mr. President: The small progress we have made after four or five weeks close attendance and continual reasonings with each other . . . is methinks a melancholy proof of the imperfection of human understanding. We indeed seem to feel our own want of political wisdom, since we have been running about in search of it. . . .
>
> In this situation of this Assembly, groping as it were in the dark to find political truth, and scarce able to distinguish it when presented us, how has it happened, Sir, that we have not once thought of humbly applying to the Father of Lights to illumine our understanding? In the beginning of the contest with Great Britain, when we were sensible of danger we had daily prayer in this room for divine protection. Our prayers, Sir, were heard, and they were graciously answered . . .
>
> . . . And have we now forgotten that powerful Friend? Or do we imagine that we no longer need His assistance?
>
> I have lived, Sir, a long time, and the longer I live, the more convincing proofs I see of this truth—that God governs in the affairs of men. And if a sparrow cannot fall to the ground without His Notice, is it probable that an empire can rise without His aid?
>
> We have been assured, Sir, in the sacred writings, that "except the Lord build the house they labor in vain that build it." I firmly believe this: and I also believe that without His concurring aid we shall succeed in this political building no better than the builders of Babel. . . .
>
> I, therefore, beg leave to move that, henceforth, prayers imploring the assistance of Heaven, and its blessings on our deliberations, be held in this assembly every morning we proceed to business, and that one or more of the clergy in this city be requested to officiate in that service.

Franklin's request established a tradition that has never lapsed. Among the first officers elected in the Senate after the adoption of the Constitution was the chaplain; and to this day, the first daily order of business in the Senate is a prayer for Divine Guidance by the chaplain.

Once during the past decade, Senate Rule IV, paragraph 2, was invoked when the Senate, being in continuous session from its convening on Friday, October 13, 1978, suspended its deliberations at twelve noon on Friday, October 14, 1978, for prayer by the Chaplain.

Under the policy of the Senate, two guest chaplains may be invited in any one month to offer the opening prayer. Each guest chaplain is honored by a handsome certificate signed by the Vice President, the Secretary of the Senate, and the Chaplain.

A long tradition of exlusively male chaplains was broken when the Rev. Dr. Wilmina Rowland of Philadelphia, a Presbyterian clergywoman, led us in the opening prayer on July 8, 1971. Later, and for the first time in history, a Roman Catholic Nun, Sister Joan Keleher Doyle, of the Sisters of Charity of the Blessed Virgin Mary, offered the prayer on July 17, 1974.

Another legacy of faith bequeathed by the Founding Fathers and fostered by Congress is little understood and sometimes distorted in the modern age. In 1791, Congress passed the first ten amendments to the Constitution, called the Bill of Rights. The very first amendment recognized the importance of religion in American life, stating, "Congress shall make no law respecting an establishment of religion, *or prohibiting the*

free exercise thereof." The purpose of this tenet was to allow religious faith to flourish, not to suppress or hobble it. Even before the passage of the first amendment, Congress had clarified its attitude toward religion when, on August 7, 1789, it officially reenacted the Northwest Ordinance of 1787, which included an explicit endorsement of religion. Article III of the Northwest Ordinance of 1787 stated, "Religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools and the means of learning shall forever be encouraged." At that juncture, most schools were church enterprises, often sectarian in nature. Congress recognized this, and *expected* that the schools would teach religion and morality. Under this article, the government was mandated to help these sectarian institutions and did so, usually with grants of federal land. This practice was completely consistent with the evolving doctrine of separation of Church and State, because such grants and other assistance to churches were *nondiscriminatory aid* to religion in general, and in no way constituted an effort to establish one denomination as a national religion to the exclusion of other religious groups. Both the old Confederation Congress and the Senate and House of Representatives under the new Constitution viewed responsible religion as a social asset and sought to advance it.

Against this background, the First Amendment is especially interesting. James Madison, the principal sponsor of the Bill of Rights and later himself President, was a lifelong Episcopalian and had studied theology at Princeton with plans apparently to enter the ministry. On his return to Virginia after college, however, he was deeply disturbed by the persecution of Baptists and other nonconformists in the Old Dominion, which had an established religion, and he entered politics as an ardent advocate of religious tolerance.

Madison called Christianity a "precious gift" to humanity, but declared that, "The religion of every man must be left to the conviction and conscience of every man." Thus, in consultation with John Leland, the leading Baptist clergyman in Virginia, Madison hammered out the church/state principles that were eventually embodied in the First Amendment. As a result, the institutions of the State and Church were officially separated but the exercise of religion and its influence on society were encouraged.

The wisdom of Congress in this position has been confirmed again and again. Throughout American history, churches have fostered patriotism, civic responsibility, and social justice, while generally avoiding the often debilitatingly narrow partisanship that has sometimes afflicted churches in Europe, causing them to become identified with often discredited political parties and movements, to the detriment of the churches. Quite the contrary, in America, churches have enjoyed continuing growth, prosperity, and general favor.

Over the generations, the Senate has enjoyed the fruits of this enlightened attitude toward religion with the other elements of our national equation. And it is not only in the modern era that the unique position of religion in national life has been recognized. Alexis de Tocqueville, the celebrated French political observer of the nineteenth century, remarked on the condition of religion in the United States in the 1830's. He wrote:

> On my arrival in the United States the religious aspect of the country was the first thing that struck my attention . . . In France I had almost always seen the spirit of religion and the spirit of freedom marching in opposite directions. But in America I found they were intimately united and that they reigned in common over the same country.

De Tocqueville grasped what millions of Americans have known, past and present: God has been and continues to be an intimate and profound participant in the ongoing history of America. Through the decades, most Americans have come to discover the truth of De-Tocqueville's conclusion when he asserted, "Unbelief is an accident, and faith is the only permanent state of mankind."

Indeed, from its inception, America has been gripped by a sense of Divine Purpose. The *Mayflower Compact* of 1620 begins with the invocation "In the name of God, Amen," and proceeds to bind the signers to a civil covenant for "The gloire(sic) of God, and advancements of the Christian faith." But the less-familiar *First Charter of Virginia,* granted in 1606 by King James I, also outlines as one of the principal reasons for the founding of the Virginia colony the spread of religious faith.

The desire for religious freedom directly underlay the establishment of several New England colonies, as well as Pennsylvania and Maryland, and contributed significantly to the settlement of all the Original Thirteen Colonies. Millions of early colonists and later immigrants—Dissenters, Catholics, Quakers, Mennonites, Jews, Moravians, Huguenots, Orthodox, and Lutherans—came to these shores primarily to worship God and live as their consciences dictated, and not as an oppressive state demanded.

In time, the need to provide for the education of their clergy became of paramount importance to the early religious colonists. From this impulse, Harvard, Yale, Princeton, and William and Mary colleges emerged. Later, religious motivations gave birth to Columbia, Dartmouth, the University of Pennsylvania, Notre Dame, Rutgers, Vanderbilt, Emory, Davidson, the University of California, Duke, and scores of other great colleges and universities across this continent.

On the frontier, "circuit riders," apparently first launched by Methodist Bishop Francis Asbury, rode into the deepest recesses of the wilderness to spread their faith. These pioneers usually served a civilizing and educating function as well, for they customarily carried with them the first books, pamphlets, and treaties seen in the earliest English-speaking outposts in the interior. The circuit riders became primitive conduits of communication, feeding the sense of national unity and stirring the hunger for knowledge and information, as well as nurturing the first sparks of culture and civility in a wild and sometimes desperate society.

In both the case of the colleges and frontier missionary work, education, under the aegis of sincere religious understanding and fervor, irreversibly shaped the character, values, and vision of the people of this country. Indeed the force of the Calvinist tradition in America, most strongly expressed through the Presbyterian, Baptist, and Congregationalist communions, persuaded many Americans to revere this nation as a new Promised Land, perceived in an Old Testament framework.

The values cultivated by the earliest religious communities eventually set national standards and contributed significantly to the prosperity and international preëminence that America achieved. Justice Oliver Wendell Holmes remarked, "The Ten Commandments will not budge." The members of the various religious communities knew this and nurtured their sons and daughters in this understanding. In spite of primeval conditions, frontier violence, border warfare, drunkenness, outlawry, and ignorance, gradually the eternal yardsticks of the Judeo-Christian tradition became the instruments by which the morality and laws of the land were measured. The spiritual ancestors of this nation believed in elementary virtues such as sobriety, chastity, and thrift. They viewed work not as a necessary drudgery but as an ennobling activity. They valued honesty and demanded, even of themselves, a day's work for a day's wages. Corollary qualities—precision, utility, and durability—were forged into the products they manufactured. In time, the world was knocking at America's door, wanting to buy its superior goods and services.

But one of the most significant contributions of religious faith to American history appears to have been the American Revolution itself. In spite of the pervasive rationalism of their age, the overwhelming majority of the Founding Fathers were steeped in the Judeo-Christian tradition. Locke, Rousseau, and Montaigne may have whetted the appetite for liberty, but the God of the Founding Fathers was not the retired and complacent Universal Watchmaker of the Deists and the French *philosophes;* He was a Provident and Just Magistrate—among other roles—and He was indignant at the usurpations of the British Crown. When Cornwallis surrendered at Yorktown, every colonel in command of the Continental troops, save one, was an elder of the Presbyterian Church. One of the signers of the Declaration of Independence was the Reverend Doctor John Witherspoon, President of the College of New Jersey

(Princeton), and nine of his former students also affixed their signatures to that national "confession of faith."

In the context of the faith of the Founding Fathers, it is not surprising that the nation that evolved out of the Revolution should be, at root, religious. Nor is it incongruous that the Chief Executive of the government of that nation should evince a sacral aura. And indeed, most of the men who have been President of the United States have been committed Christians. In some cases, the men in question were religious throughout their lives; in others, religious commitment appears to have been spurred by the burdens of the office. Two Presidents beside James Madison—John Adams and Benjamin Harrison—had considered entering the ministry. James Garfield was a lay preacher in the Disciples church. And Theodore Roosevelt, Benjamin Harrison, William McKinley, and James Earl Carter were Sunday School teachers at some time in their lives.

But seven Presidents—Jackson, Polk, Pierce, Buchanan, Grant, Coolidge, and Eisenhower—formally joined churches only after being elevated to the Presidency.

Of all the Presidents, Abraham Lincoln is recognized as being the most theologically astute and Biblically influenced. He also uttered the most profound and devout religious statements in his speeches and published papers. Paradoxically, Lincoln never formally joined any church, though he attended services frequently and sought the counsel of religious leaders.

Moreover, Lincoln seems to have interpreted his presidency from the total perspective of faith, remarking:

> I have desired that all my works and acts be according to His will, and that it might be so, I have sought His aid—but if, after endeavoring to do my best in the light which He affords me, I find my efforts fail, I must believe that for some purposes unknown to me, He wills it otherwise.

Of the Bible, Lincoln said, "It is the best gift God has given to man." Indeed, Lincoln was an avid Bible reader. From the days of his rustic, backwoods boyhood, when the Bible was one of his reading textbooks, he had immersed himself in the Scriptures, and kept a battered old family Bible with him in the White House. His speeches were laced with Biblical quotations, and his delivery reflected the cadences and rhythms of the King James Version of the English Bible.

Because of the pivotal role Lincoln played in American history, subsequent to his assassination he earned a degree of reverence usually reserved only for canonized saints. His passion to correct injustice and hold the Union together obtained for him the designations of "Great Emancipator" and "Great Reconciler." Leo Tolstoy, the monumental Russian author of the nineteenth century, was so impressed with Lincoln that he described him as "a Christ in miniature."

But Lincoln is not alone among the Presidents in making a public witness of his personal faith. Every President, from George Washington through Ronald Reagan, has included some reference to the Deity in his inaugural address. Taken together, the corpus of inaugural addresses confirms the sense of Divine Purpose that runs through American history.

In his First Inaugural, Washington declared, "No people can be bound to acknowledge and adore the Invisible Hand which conducts the affairs of men more than those of the United States." Washington instituted a custom followed by every President since when he proclaimed a national Thanksgiving Day in late November of 1789. He also planted the idea that eventually led to the construction of the National Cathedral, when he expressed the dream of erecting "a great Church" in the capital city that came to bear his name.

Thomas Jefferson was one of the most religiously controversial of our Presidents. Jefferson was a rationalist, as were many of the leading intellectuals of his era; technically, he was a "deist," or a man who believed in God, but not particularly in the orthodox doctrines of the Christian faith.

Though his rationalism confused many conventional believers, Jefferson was clear concerning his own beliefs. He stated, "I am a Christian attached to the doctrines of Jesus." Officially, Jefferson was an Anglican (Episcopalian), and regularly attended Episcopalian services near Capitol Hill during his presidency. He was also a probing Bible scholar, and had a sophisticated comprehension of theology. Indeed, specifically included in his plans for the University of Virginia was the proposal that "proof of the being of God, the Creator, Preserver, and Supreme Ruler of the Universe, the Author of all morality, and the laws and obligations which these infer, will be the province of the professor of ethics."

Nowhere, perhaps, did Jefferson's religious faith have a greater influence than in the words of the Declaration of Independence. At one point, Jefferson wrote, "Religion is the alpha and omega of our moral law." In the Declaration, which he authored, Jefferson made clear that religion was also the root of our political rights. The Declaration of Independence contains five synonyms for the word "God," and maintains that freedom itself is a gift from God as an element of man's creaturehood.

Another religiously-interesting President was Andrew Jackson. Jackson was a rough-hewn man, quick of temper and decisive of action. As a military hero and a champion from the Western frontier, he is not usually thought of in religious terms.

But Jackson's wife Rachel and his parents were devout Presbyterians. These influences apparently had a profound effect on Jackson, for, during his presidency, he regularly attended church, and he confessed that for thirty-five years prior to his election as President, he had faithfully read at least three chapters of the Bible daily. Concerning the Bible, Jackson wrote to a relative, "Go read the Scriptures. The joyful promises it contains will be a balsome (*sic*) to all your troubles."

In his Second Inaugural Address, Jackson revealed his own interpretation of the role of God in national life and in his own public actions, when he declared,

> . . . Finally, it is my fervent prayer to that Almighty Being before whom I now stand, and who has kept us in His hands from the infancy of our Republic to the present day, that He will so everrule all my intentions and actions and inspire the hearts of my fellow-citizens that we may be preserved from dangers of all kinds and continue forever a united and happy people.

He was no less explicit in the personal sentiments he included in his will:

First, I bequeath my body to the dust from whence it came and my soul to God, who gave it, hoping for a happy immortality through the atoning merits of our Lord Jesus Christ, the Saviour of the world.

President Jackson did not join the church until his retirement from the Presidency, but he died a Presbyterian in good standing, following the traditions of his family.

In addition to the emphatic expressions of faith already noted in national documents and charters, the constitutions of all fifty states declare a dependence on Almighty God for their existence, preservation, and strength. More than polite invocations, the preambles of these constitutions set the rationale for all that follows them, for the standards of justice, civil law, and official and individual conduct outlined in each are based on religious presuppositions. Composed and ratified over long decades and in a variety of socio-economic, historical, and geographic settings, the state constitutions bear witness to the universality and endurance of the conviction that the United States is "a nation under God."

Among the primary sources of knowledge concerning such civilizations as Ancient Egypt, Assyria, or Persia are the great public buildings and monuments erected at the pinnacles of their respective power and prosperity. Archaeologists in future millenia will have little difficulty reading the evidence of America's greatness, for successive generations of Americans have also embodied their national pride and values in appropriate public buildings. Unsurprising is the fact that the indelible traces of America's religious faith will also be found in many of these same buildings.

For example, above and behind the Speaker's rostrum in the chamber of the House of Representatives, one reads in golden letters the motto "In God We Trust." Carved into the mantlepiece of the State Dining Room in the White House is a prayer composed by John Adams, the first President to occupy the Executive Mansion, which reads:

> I pray Heaven to bestow the best of Blessings on this White House and all that shall hereafter inhabit it. May none but Honest and Wise men ever rule under this roof.

Inscribed on the walls of the Library of Congress are such verses of Scripture as the following:

The heavens declare the glory of God; and the firmament showeth His handywork (Psalm 19:1).

Wisdom is the principal thing; therefore get wisdom: and with all thy getting, get understanding (Proverbs 4:7).

What doth the Lord require of thee, but to do justly, and to love mercy, and to walk humbly with thy God (Micah 6:8).

In like fashion, the inside walls of the Washington Monument and Lincoln and Jefferson Memorials bear engraved words of faith. Most touching of all, perhaps, is the inscription borne on the face of the Tomb of the Unknown Soldier at Arlington National Cemetery:

HERE RESTS IN HONORED GLORY AN AMERICAN SOLDIER KNOWN ONLY TO GOD

Inscribed on the walls of our own Senate Chamber are the words Novus Ordo Seclorum (A New Order Of The Ages); Annuit Coeptis (He Hath Favored Our Undertakings); and In God We Trust.

Among the cynical, uninformed, and callow these evidences of national faith and conviction too often are dismissed as irrelevant platitudes or pious nonsense. But the American perception that this is "a nation under God" has had a genuine influence on determining the quality of life in the United States. Certainly, this nation has, in the course of its history, made mistakes, and has, from time to time, strayed from its own best lights. But religious faith and commitment have served as never-failing leaven in America's community life, creating conscience and impelling national leaders and the people alike toward higher ideals and standards. In the process, individuals and society in the United States have realized standards of living and decency unknown before in human history.

For instance, prior to the American Revolution, the poor and indebted could be forced into bonded servitude, slaves were sold like cattle, the mentally-ill were thrown into prisons, only the well-to-do could read or write, propertied males alone had political rights, religious noncomformists were publicly whipped and pilloried, legal justice could sometimes be found only for a price, laborers had no rights, children regularly did back-breaking work in mines and artisans' shops, disease was rampant, and sanitation was almost unknown beyond the most meager and sometimes questionable habits of personal grooming and hygiene.

But because so many Americans have believed that men are created in the image of the Divine, there has been a continuing urgency to prove that the philosopher Hobbes was not speaking definitively when he declared that human life was, in the main, "mean, brutish, and nasty." The thrust of American history has been toward reverence for individual rights, fulfillment of human aspiration, and the realization of the eternal dream of justice under law.

The religious vision of human worth has increasingly shaped America's national institutions. The purposes behind the educational system, legal processes, health care program, and community development rest on religious foundations. Faith in America has found concrete expression in progress toward human betterment and legal justice.

But America is an ever-perfecting, never-completed society. Because mankind has freedom, and choices can be made for either good or evil, the function of religious faith and dedication is never rendered outmoded or irrelevant. God has an eternal role to play in the continued unfolding of American history. As a result, faith in God is as relevant today as it was when Benjamin Franklin implored the Constitutional Convention to seek Divine Guidance to its daily deliberations.

In establishing and maintaining a secular government, the American people never intended to foster an atheistic or anti-spiritual society. Senators can take justifiable pride in the spiritual heritage and traditions that extend back through Senatorial history to the early days of the Republic. Indeed, throughout the Senate's history, in times of national crisis and during weeks of routine deliberation, the prayers offered in the Senate have been graciously answered. Divine Guidance has been extended and Providential Wisdom has been shared, for the Senate has again and again acted with more than mere human perception.

In this light, the motto inscribed on America's pennies, dimes, or dollars is a realistic declaration. And perhaps more sincere than ever is the prayer that climaxes one of our greatest national hymns:

Our fathers' God, to Thee,
Author of liberty,
To Thee we sing:
Long may our land be bright
With freedom's holy light;
Protect us by Thy might,
Great God, our King.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from California (Mr. CRANSTON), the minority whip, and, if I may, I promised some time to Mr. PROXMIRE, if the minority whip has some time left, and I hope he will yield it.

NUCLEAR ARMS RACE IN SOUTH ASIA ENDANGERS U.S. SECURITY INTERESTS

Mr. CRANSTON. Mr. President, for many years the specter which has most concerned those trying to stem the proliferation of nuclear weapons is a scenario in which unstable nations in a volatile region of the world, hostile to each other while in varying degrees of cooperation with other radical or Communist nations, might engage in a regional nuclear arms race. This in turn could provoke a direct superpower confrontation in a conflict where the nuclear threshold had already been crossed.

In recent weeks, these fears are beginning to become reality in South Asia. India and Pakistan, long rivals and military opponents, are currently making the final preparations for what very well could be an unrestrained nuclear arms race in this region, a race which could threaten the security of these two free world nations and of other U.S. friends.

Several weeks ago, I make a speech on the floor of the U.S. Senate disclosing in detail information I have received regarding a full-scale drive by the radical Iraqi regime to attain a nuclear weapons capability. I also expressed concern about new developments in the Pakistani nuclear program, including the construction of a small-scale reprocessing plant which could produce weapons-usable nuclear material within 18 months.

In addition, I cited new threats by Indian officials to extract plutonium from U.S.-provided spent nuclear fuel and I called for a termination of U.S. nuclear trade with India under conditions which vigorously defend U.S. rights to approve use of our exported nuclear material and to maintain safeguards on this material.

NEW INFORMATION ON INDIAN-PAKISTANI NUCLEAR PROGRAMS

I have since received information which establishes that even more ominous developments are underway, developments which bode ill for U.S. efforts to bring greater stability to South Asia and the Middle East. I have been assured, and I am satisfied, that none of the information which I am disclosing today would jeopardize any U.S. intelligence sources and I am prepared to give my own assessments, which are based on information I have received from a number of sources within the executive branch. These facts have been thoroughly verified to my satisfaction.

It is now clear that the Governments of both India and Pakistan are undertaking significant construction at sites in their respective countries which are suitable for testing nuclear bombs.

The Indian test site involves surface excavations for burial of a nuclear warhead—for an underground test—and has been under preparation for several months in the Phar Desert at Pokhran. It is alongside the site of India's 1974 bomb test, approximately 100 miles southeast of the Pakistani border. Given the similarity with the 1974 site, the location in the remote Phar Desert, and the nature of the construction underway, U.S. officials have little doubt but that this new work, which apparently began in February 1981, is site preparation for a nuclear bomb test.

The Pakistani site includes a horizontal tunnel into a hillside in the Baluchistan Mountains some 40 miles from the Afghanistan border. While previous concern voiced by U.S. officials in August 1979 about a possible bomb site preparation here had once waned, new construction is underway at this site in recent weeks, justifying renewed concern for observers. This, too, is believed by U.S. officials to be a probable nuclear weapons test site.

There is a high possibility that India, which first tested a nuclear bomb in 1974—but which has refrained under international pressure from further tests—will decide to make another test at the Pokhran site in the next few months. And Pakistan could produce the fissile

materials for a similar test, perhaps by the end of this year, most likely by the end of 1982.

I need not overemphasize the seriousness of the consequences of any such regional nuclear bomb testing competition.

A nuclear bomb explosion by India would be the first known test since renewed global efforts to curb nuclear proliferation, initiated in the U.S. Congress after the Indians' 1974 explosion, and would thus be a severe setback for nonproliferation efforts.

A test of a nuclear bomb by Pakistan would mean that the horror of nuclear weapons had extended to yet another country, this time to an unstable regime ruled by an unpopular military leader.

A Pakistani test would also be the first by an Islamic nation and would raise the danger that the current Pakistani ruler, General Zia, or some even less prudent successor, might yield to pressures from such radical Arab States as Libya to export nuclear bombs to pose a direct threat against Israel. Pakistan currently holds the presidency of the Islamic Conference which, meeting this past January in Saudi Arabia, called for a jihad or "holy war" against the State of Israel.

And perhaps most significantly, dual bomb tests by Pakistan and India would raise the spectre of a regional nuclear war which, given Indian ties with the Soviet Union and Pakistani ties with the United States and China, could well lead to direct superpower involvement in a confrontation where nuclear weapons had already been used.

RECOMMENDATIONS FOR U.S. INITIATIVES

The fundamental challenge confronting the Reagan administration—as with any new administration—is to demonstrate its unrelenting commitment to protect the security interests of the United States. Of the many threats to our national security, few are as serious as the spread of nuclear weapons to nations which do not already possess them. The risk of nuclear conflict between the two superpowers—whether by accident or miscalculation—is a Damocles sword which hangs over the human race. The chances of a nuclear conflict, and the accompanying risk of escalation to the ultimate holocaust, are incomparably greater in a world of many nuclear states, especially when these states include ones locked into bitter regional rivalries.

The Reagan administration has demonstrated a commitment to take a tough line against terrorism and other potential threats to U.S. security interests. The administration has also expressed a desire to reassert America as a leader of the free world and to pursue vigorously our global interests. I believe these worthy goals obligate us to take swift action when our security interests are challenged by such dangers as nuclear proliferation, particularly when such proliferation threatens U.S. allies and other free world nations and threatens to fuel potential conflicts which can only benefit our adversaries.

I believe it is essential for the U.S. Government to do what we can to prevent the danger of an India-Pakistan bomb testing competition. We need to make clear to both the Indian and the Pakistani Governments the seriousness with which we would view any such bomb testing. We must redouble efforts underway with European suppliers of the Pakistani program—including France and Switzerland—to insist that Pakistan accept international inspection and pledge not to divert plutonium or enriched uranium from its facilities for the purpose of making a bomb. Pakistan agreed in 1975 to such International Atomic Energy Agency safeguards on reprocessing plants, but has not yet adhered to this pledge.

We must also stress to the Indians that another test by their Government would not only seal the final termination of United States-Indian nuclear trade, the terms of which are currently being negotiated, but would also cause a cessation of U.S. development assistance, which totaled $241 million in 1981 and for which the Reagan administration has requested $256 million in fiscal year 1982.

NUCLEAR WEAPONS AND PAKISTANI SECURITY

It is important for Reagan administration officials to acknowledge that it was nuclear proliferation—India's diversion of commercial United States and Canadian materials for bomb production in 1974—which sparked Pakistan's nuclear ambitions. India's leaders must bear the lion's share of the blame for the perilous nuclear arms race now moving ahead in South Asia. They abused peaceful United States and Canadian assistance. And they took no remedial actions after international condemnation of their 1974 test which could have reduced the nuclear threat perceived by Pakistan.

But this does not mean that we should acquiesce in Pakistan's "going nuclear." We need to continue diplomatic initiatives to discourage any further Indian testing even as we try to convince Pakistan that its security interests do not lie in developing a nuclear capability.

Nuclear weapons will not help Pakistan. Pakistan does not possess any capability for penetrating Indian air defenses and thus it may be inviting a preemptive strike without any meaningful retaliatory capability. Certainly its attainment of a nuclear capability will insure Indian moves toward developing their own nuclear capability. Nuclear weapons cannot be produced in sufficient quantities by Pakistan to help deter Soviet aggression, if it came. A nuclear-capable Pakistan could be put under extreme pressure from radical Arab States to become embroiled in dangerous Middle East fighting. And were Pakistan to go nuclear, it could well spell the end to the contemplated U.S. program of security assistance to Pakistan's shaky defense forces.

Pakistan's nuclear ambitions have doubtless been fueled by its sense of insecurity. Discussions are currently underway between our two governments for U.S. assistance to Pakistan's conventional forces. This may be the best way to address Pakistan's sense of insecurity and thus a genuine nonproliferation instrument. But we must make clear to Pakistan leaders that any nuclear testing by them would end hopes for any such aid package.

CONGRESSIONAL ACTION

Subsequent to my recent speech on the Iraqi and Pakistani nuclear programs, I have gained agreement for a new congressional investigation of the dangers posed by nuclear proliferation in the Middle East and South Asia. The Congressional Research Service is working with the Arms Control Subcommittee of the Senate Foreign Relations Committee on this investigation, and a CIA briefing for committee members has been set for early next month, to be followed by several days of hearings on nuclear proliferation problems and policy later in May and June.

But I believe Congress must act on the new dangers in South Asia even sooner. The Senate Foreign Relations Committee will vote in early May on an administration proposal to weaken the nonproliferation restraints contained in the Symington amendment—which has the effect of barring military aid to Pakistan.

A House Foreign Affairs subcommittee earlier this month unanimously rejected this administration proposal. I believe the Senate should not consider making any such exception for Pakistan unless and until the administration is able to provide the following:

A Presidential commitment that any nuclear bomb test would cause a termination of U.S. security assistance which would not be waived; such a termination is required by current U.S. law but authority is provided for a Presidential waiver;

An explanation of the details of any agreed United States-Pakistan security assistance package; and

An announcement of a comprehensive administration policy for combating nuclear proliferation.

I believe it is essential that these conditions be met before the Congress even considers making an exception to the Symington amendment so that the Pakistanis—and other nations around the world—appreciate the commitment of the U.S. Government to continued strong nonproliferation efforts. We must also make clear to Pakistan that there will be stiff American opposition to the use of our taxpayer dollars to subsidize its military programs if it is squandering valuable resources on a destabilizing clandestine nuclear bomb program.

NEED FOR A VIGOROUS ADMINISTRATION COMMITMENT TO NUCLEAR NONPROLIFERATION

The bottom line on the Indian-Pakistan nuclear danger is that it is essential for the Reagan administration to make clear its commitment to nuclear nonproliferation as a central component of our national security policy.

I am deeply concerned by the direction the administration's nuclear nonproliferation policy has been heading. So far all we have in the way of a Reagan administration policy statement on non-

proliferation is a transition team report calling for the loosening of export safeguards. This report was authored by James Malone, the administration's nominee for the key State Department nonproliferation post—who, when he wrote this report, was on the payroll of foreign utilities and nuclear exporters who stood to benefit from his recommendations.

The administration absolutely must do more than view nonproliferation as a nuisance which hampers the commercial concerns of U.S. nuclear exporters.

The United States has no direct commercial stake in the Indian and Pakistani nuclear programs because the 1978 Nuclear Nonproliferation Act appropriately bars nuclear commerce with these states since they are pursuing a nuclear weapons capability. Nevertheless the Reagan administration has yet to demonstrate a commitment to addressing these and other nonproliferation dangers as national security issues too important to be shunted aside in deference to other pressing items on our bilateral agenda with key nuclear supplier and recipient nations or to be compromised for U.S. commercial interests. It is of deep concern to me that several Reagan administration officials—including Mr. Malone—have loosely criticized U.S. nonproliferation under the Carter and Ford administrations as allegedly "counterproductive."

Clearly earlier efforts were not a perfect success. If they had been, we would not face the proliferation dangers which confront us today in the Middle East and South Asia.

But U.S. adherence to prudent nuclear export standards and pressure on European suppliers to exercise similar prudence have slowed the rate of proliferation. They have bought us valuable time and have yielded important successes which the Reagan administration should not overlook. These include:

Prevention to date of any known additions to the "nuclear club";

Interruption of the France-Pakistan reprocessing plant sale;

Blocking of the sale by France to South Korea of a similar weapons-usable plant;

Revision of the West German-Brazilian nuclear sale to include important safeguards and to exclude certain sensitive technology;

Agreement by leading nuclear supplier nations on minimum nuclear safeguards requirements;

Articulation of specific U.S. nuclear export licensing criteria in the 1978 Nonproliferation Act;

Establishment of an independent Nuclear Regulatory Commission to license all U.S. commercial nuclear exports;

Convocation of a landmark International Nuclear Fuel Cycle Evaluation Conference (INFCE) to evaluate and promote more safeguardable nuclear technologies and to perform international nonproliferation consciousness raising; and

Development by France of a nonweapons usable "caramel" enriched uranium fuel for developing countries' nuclear programs which will reduce the proliferation danger of legitimate research programs.

None of these efforts would have succeeded without determined U.S. leadership.

Thus it is essential for us to press ahead with similar time-buying measures even as the world community tries to do more to deal with the root causes of nuclear weapons proliferation, to think anew on the problem and to devise more effective long-term remedies.

As we undertake such efforts we must not abandon or back away from the progress we have achieved so far. If Reagan administration officials are to deal effectively with proliferation dangers such as those posed by the Indian and Pakistani programs, they must recognize the centrality of the security aspects of this problem. They must show the same determination in dealing with these nonproliferation security dangers that they demonstrate in opposing potential Soviet adventurism and in combating international terrorism. The Reagan administration must show leadership and must defend vigorously our interests if the grave nonproliferation danger is to be reduced.

Mr. President, at this point I am delighted to yield the remaining time of the minority leader to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank my good friend from California.

LIFTING THE EMBARGO—A DANGEROUS CONCESSION

Mr. PROXMIRE. Mr. President, the Reagan administration's decision Friday to lift the grain embargo against the Soviet Union sets a dangerous precedent for U.S. foreign policy.

For an administration that preaches a hard line against Soviet expansionism, the lifting of the grain embargo because of a "perceived Soviet moderation in Poland"—as Secretary of State Alexander Haig puts it—represents a major, and unfortunate, concession on our part.

Lifting the grain embargo against the Soviets if they do not invade Poland is like rewarding a bandit for not holding up a bank.

Since when did the United States reward countries for not invading other countries? Soviet nonintervention in Poland should be something we expect, not something we reward. In lifting the embargo, the White House seems to be losing sight of the tragic fact that the Soviets still remain in Afghanistan. Instead, the United States is now rewarding the Soviets for not rolling their tanks into Warsaw.

Does this mean that the United States will grant trade concessions to the Soviets if they promise not to march on West Berlin? Do we sell them Cokes and computers as a pat on the back for not sending search and destroy forces into Pakistan to hunt Afghan rebels?

Indeed, in this instance it appears that the Soviets were not even asked to improve their behavior before the grain embargo would be lifted. Commerce Secretary Malcolm Baldrige disclosed in an interview Sunday that the White House received no "quid pro quo" from the U.S.S.R. in return for lifting the grain embargo.

The real victim from lifting the grain embargo will be Afghanistan. The embargo was placed on the Soviets not to keep them out of Poland, but to punish them for their brutal invasion of Afghanistan in December 1979. By lifting the embargo, the United States might be giving the Afghan freedom fighters the mistaken impression we are abandoning them. We are also delivering a clear signal to the Soviets that they can expect no more than a slap on the wrist when they gobble up little fish, like Afghanistan, as long as they do not go for the big fish, like Poland.

Lifting the embargo, in effect, tells the Soviets that their 85,000 troops in Afghanistan may stay as long as they please.

The embargo, which President Carter announced on January 4, 1980, reduced U.S. grain sales to the Soviet Union by about 17 million metric tons. In justifying the lifting of the embargo, the Reagan administration appears to be swallowing the Soviet propaganda that the embargo has had little effect on its food supplies. The fact is, the embargo has hurt the Soviets.

Mr. President, my Banking Committee—I was chairman of the Banking Committee at the time—held hearings last spring on this issue. The testimony was unanimous and overwhelming from the State Department, the Commerce Department, and the Agriculture Department, as well as our intelligence agencies, that this is depriving the Soviets of about 8 million tons of feed grain. Furthermore, we were told at the time it is costing the Soviets a billion dollars more in buying the feed grain they do buy.

The imports that the Soviet Union received last year were 46 million tons. This year they are down to 34 million tons. There have been food riots in the Soviet Union. There have been strikes at the Togliatti plant. There have been strikes also at the Gorky plant. One of the reasons why the difficulty in Poland developed is that the Poles did not have the meat they said they needed and wanted.

Why did they not have the meat? Because they did not get the feedgrain from the Soviet Union.

In summary, Mr. President, while the Soviets have managed to replace some of the grain embargoed by the United States, they have had to pay a premium price for shopping elsewhere. The Defense Intelligence Agency estimates that the Soviets will have about $1 billion extra tacked onto their grain bill because of the U.S. embargo.

A combination of the U.S. embargo, tighter global grain supplies, and Soviet logistical problems will likely keep the 1980–81 Russian grain imports at about 34 million tons, well below the 46 million-ton import requirement needed to maintain present livestock feeding rates.

Unable to meet its grain import needs, the Soviet Union is expected to face declining meat production for the next several years, according to U.S. Department

of Agriculture estimates. Work stoppages in Togliatti and Gorky reportedly have been triggered by meat and dairy product shortages.

The embargo cannot be credited with being the sole cause of the Soviets' grain problems, but it certainly has worsened them. The United States should consider lifting the embargo only when the U.S.S.R. begins extricating itself from Afghanistan.

Mr. President, how can we punish U.S.S.R. aggression? What is the one action we can take short of direct military intervention—which could lead to a worldwide nuclear catastrophe? The action: Stop sending the one vital export this country sends to the U.S.S.R.—feedgrain. We do not kill a Russian soldier. We do not create a military crisis. We do hit the Soviet Union where it hurts—in the breadbasket.

THE MERGERS IN THE SECURITIES INDUSTRY

Mr. PROXMIRE. Mr. President, mergers now taking place in the securities industry raise serious questions concerning concentration of resources, competition in financial markets, and the statutory policies underlying the Glass-Steagall Act and the Bank Holding Company Act.

The Independent Bankers Association representing 7,400 of the Nation's smaller banks has written to the Attorney General setting forth its concerns and calling for an injunction against such mergers.

The mergers pose serious questions for our financial system and I ask unanimous consent that the letter to the Attorney General from the Independent Bankers Association be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INDEPENDENT BANKERS
ASSOCIATION OF AMERICA,
Washington, D.C., April 23, 1981.

Hon. WILLIAM FRENCH SMITH,
Attorney General,
Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: According to press reports of this date, American Express Company and Shearson Loeb Rhoades, Inc., have agreed to a $900 million merger, in which Shearson, the nation's second largest brokerage house, will become a subsidiary of Amex. This was the second merger of this character within the past month, Prudential Insurance Company having announced its plans to spend $385 million to acquire the Bache Group, Inc., the eighth largest brokerage firm in the country. Wall Street observers predict these are the forerunners of a new merger movement which will remove the traditional distinctions between brokerage houses and other forms of financial services companies.

These consolidations of differing forms of financial services companies is reminiscent of the conglomerate merger movement in the industrial sector which occurred in the 1960's with disastrous economic results in the 1970's. Moreover, the kinds of services which are being amalgamated will result in institutions that have not only the power to engage in the functional equivalent of commercial banking but also to engage in such investment banking functions as the sale, underwriting and dealing in equity securities and corporate debt. This is a clear violation of the spirit and intent of the Glass-Steagall Act, for which the Justice Department has criminal enforcement responsibility.

Further, these developments point to the rapid emergence of congeneric firms capable of escaping the statutorily specified regulatory schemes which would govern them as separate entities. One aspect of these Congressionally mandated regulatory plans involve the policies behind the Bank Holding Company Act, the Bank Merger Act, and the Clayton Act, for all of which the Justice Department shares enforcement responsibility.

Because these consolidations have potential anticompetitive effects and raise questions related to the Glass-Steagall Act, we urge the Department of Justice to undertake a thorough investigation of them before this new conglomerate merger movement proceeds any further. Given the speed with which this merger activity is going forward, serious consideration should be given to the Department seeking a preliminary injunction pending a careful Justice Department, SEC and, we hope, Congressional review.

Sincerely,

W. C. BENNETT,
President.

VOICES FROM THE HOLOCAUST

Mr. PROXMIRE. Mr. President, in his forward to the book "Voices From the Holocaust," edited by Sylvia Rothchild, Elie Wiesel tells of the shared truths that all holocaust survivors share. Wiesel gives a brief account of his life before the camps, and the events that lead to his imprisonment. He tells of the terrible rumors that slipped into his still-tranquil community. The death camps, mass executions, torture and starvation—these ideas were too dark to be believed.

It all comes down to that. In the calm before the tempest, Wiesel notes that "the Jews in my town refused to believe that men—even Germans, even Nazis—could commit crimes so odious, so monstrous." There was no way to confront that terror. The chilling scope of the final solution provoked disbelief at first. Many of the witnesses in the book, when first told of the details, exclaimed that "such things can't be."

As they plunged deeper into the horror, most suffered a profound sense of isolation. Though Wiesel notes that there were a few people across Europe willing to speak out against the plight of the victims, "in general the Jews knew that they were alone and abandoned." The common obsession of those who clung to life was to tell all, to set it all down for history. Yet as Wiesel asks, "how could we speak of the unspeakable?"

The book, "'Voices from the Holocaust," allows the silence to be broken in the most direct way: by having the survivors tell their own stories in their own words. They convey the anger, the anguish and the isolation of the tragedy with great power and conviction. It is forceful testimony in the fight against forgetting. As Wiesel states:

What they have to say about their past constitutes the basis of our future; fanaticism leads to racism, racism to hate, hate to murder, murder to the death of the species.

As expected, their testimony also provides powerful support for a declaration that was inspired by the holocaust, a declaration that is long overdue on our part. The Genocide Convention outlaws an act that is still, despite recent history, beyond the imagination of most people. So, to make it conceivable, to make it real, I shall present the stories of some men and women who were victims of a planned, systematic act of genocide.

Their words should stir us to action. Elie Wiesel warns that "the voices in this book must be listened to." I will do my best to see that they are.

NATIONAL COMMANDER OF AMERICAN EX-PRISONERS OF WAR STANLEY G. SOMMERS TESTIFIES BEFORE COMMITTEE ON VETERANS' AFFAIRS

Mr. PROXMIRE. Mr. President, of all the people in our society to whom the Nation owes an incalculable debt, our prisoners of war stand at the top of the list. To be called upon to fight in a national emergency is the duty of all our citizens. But there is something beyond this responsibility when fighting men and women become prisoners of war. Without degrading the memory of those who died for this country, it still can be said that we owe a special obligation to the POW.

For too long the Congress has hid behind the justification of not having the facts as to the health and psychological condition of our POW's. But now Congress and the Veterans' Administration have the facts about the lasting conditions of POW status. We know that there are repressed mental and physical conditions which appear throughout life for the POW even many years after his wartime experience. We know that casual symptoms can lead to more serious health problems years later. And we know that the vital records required by the Veterans' Administration for complete VA care are often missing or inadequate.

To the 94,176 former American prisoners these facts are a self-evident reality. To many others in our society, the private condition of our POW's may not even be a matter of public concern. But it should be.

An eloquent statement in support of American POW's has been presented to the Senate and the House of Representatives by Stanley G. Sommers, Jr., the national commander of American exprisoners of war. Mr. Sommers has campaigned for years for more equitable treatment for POW's and now his resolute determination is having an effect on Congress.

Mr. President, I ask unanimous consent that Mr. Sommers' testimony before the Committee on Veterans' Affairs be printed in the RECORD.

There being no objection, the state-

ment was ordered to be printed in the RECORD as follows:

STATEMENT BEFORE THE COMMITTEE ON VETERANS' AFFAIRS

Mr. Chairman and Members of the Committee: Thank you for the opportunity to appear before this Committee and present the views of the American Ex-Prisoners of War Association on this crucial and long-awaited legislation. I can assure you it is desperately needed by many former POWs who served their country well under the most brutal and inhumane conditions.

My presentation here today will be brief. We have provided detailed comments in letters to the Committee and in our formal statement made only a few short weeks ago to your companion Committee in the House and it is appended. Specific comments to each of the three Senate Bills is also appended.

First, Mr. Chairman, I would like to say we are deeply appreciative of the continuing importance given POW issues by your distinguished predecessor, Senator Alan Cranston. We know that the concern for the plight of POWs he has expressed so eloquently in the past is shared by you and all members of this patriotic Committee.

The excellent VA Study of Former POWs, mandated by Congress in 1978—beyond any reasonabe doubt—answered the basic questions about the enduring consequences of captivity and the inadequacy of existing legislation and regulations to provide for needed services. These same questions were raised more than 30 years ago by other Congressional Committees. Urgency for action was emphasized in the testimony of the War Claims Commission in 1950: "basic humanitarian concepts . . . dictate that every effort should be made to establish facts regarding the long time effects of captivity in order to provide as soon as possible for the alleviation of their suffering." Both Generals Dwight D. Eisenhower and Omar Bradley repeatedly expressed similar concerns.

Mr. Chairman, it has been a long wait—a very long wait. Former POWs have no regrets about the sacrifices they willingly made for their country and they would willingly make the same sacrifies and endure the same hardships again—if their beloved country asked them to do so. POWs have never asked for any special rewards. It is reward enough to live in the United States of America and to be free.

However, they have asked for help to cope with the physical and psychological consequences of captivity. Many POWs, fortunately, have received this help from VA and they appreciate it very much. Unfortunately, many others with the same medical problems who faced the same hardships in the same prison camps are denied this help. They are understandably bitter and disappointed by this fact and feel let down by their country.

The reason this happens was clearly identified in the VA Study. Current VA regulations and the statutory provisions on which they are based act as barriers to well-earned and desperately needed VA benefits and services. These regulations require that POWs prove their claims on an individual case basis. Unfortunately, they cannot, for military records and promised repatriation examinations are non-existent or grossly inadequate to answer questions about casuality of later health problems. In the absence of specific medical evidence, claims are routinely denied even though statistical data on POWs as a group verifies the presence of significantly higher incidence rates among POWs contrasted with other combat veterans. The problem is compounded by the fact that medical knowledge is still inadequate to show the specific ways in which starvation and stress affect specific body organs or increase the probability that more medical problems will occur. The Study data does show that POWs have more medical problems, they are more severe, and require more extensive treatment.

These POWs are also denied VA hospital care—unless they first plead poverty and wait at the end of the line—and they are denied outpatient medical care on the basis of ineligibility as non-service connected veteran. They are forced to use their own limited funds to pay for medical care with little or no help available from VA.

Mr. Chairman, Congress promised POWs in 1950 it would act when the facts became known. It indicated in 1978 it would act if the mandated study validated the need for legislation to correct for long-standing deficiencies. The response of the American public to the Iranian hostage situation, as well as a recent Harris Poll, both indicate the full support of all Americans for any legislation necessary to help those Americans who had been POWs or hostages while serving their country.

The three bills under consideration today all have merit but contain deficiencies. These are identified and discussed in the first attachment to this brief report with specific comments to each of the major provisions. I will not discuss them at this point unless you desire that I do so. However, mindful of the goal of Congress and the White House to reduce expenditures, we urge you to carefully consider the following three points:

The number of POWs not already eligible who need and would benefit by additional legislation is small; at most 30,000 veterans for health care benefits and 10,000 for compensation benefits.

Expanded health care benefits for POWs would not cost VA one additional penny. All they do is give the POW basic eligibility and higher priority for available services. They do not displace other service-connected veterans but would simply give POWs basic eligibility without pleading poverty and would simply place them ahead of non-service-connected veterans, of whom the vast majority never faced combat during their military service.

Provisions to simplify the claims adjudication process by expanding the presumptive list or reducing evidentiary requirements would result in additional veterans on the compensation roles. However, the total adjudication process involving processing, medical examinations, adjudication panels, repeated appeals, and medical-legal reviews or consultations typically takes several years and costs VA an estimated $3,000 per year per POW claim.

By contrast, the average compensation per POW already on the compensation roles is under $2,000. Such off-setting savings should be taken into consideration in assessing the cost of any proposed POW legislation. If this is done, we believe the net cost of even the most liberal proposal would be small if not resulting in an outright saving in total administrative, legal, and medical costs of POW claims.

SPECIFIC COMMENTS ON S. 251, S. 468, AND S. 670

Provision to Establish Advisory Committee on Former POWs:

All three bills propose such a Committee and, in general, we endorse and support its purpose, membership, and functions. We believe that S. 670, by being more explicit in the areas to be covered and by requiring the Administrator to provide Congress with a copy of all reports and recommendations, may result in a more productive and effective Advisory Committee and permit Congress to remain maximally informed on issues and problems confronting POWs.

Provision to Expand Presumption of Psychiatric Disorders Occurring Anytime after Service in POWs:

S. 251 by limiting this only to psychosis is not responsive to the overwhelming evidence contained in the VA Study Report. That evidence shows that anxiety neurosis is the most frequent and significant psychiatric condition. We agree with Senator Cranston's comments that there appears to be no valid reason to treat neurosis differently from psychosis in this regard (particularly since none of the studies show a higher incidence of psychosis).

The comments of the VA to the effect that the post traumatic stress disorder diagnostic category would cover non-psychotic conditions does not seem defensible since each psychiatric disorder, including this one, has very explicit symptoms that must be present before a particular diagnosis can be made. We believe S. 468 permits psychiatrists to exercise the greatest judgment and is consistent with the intent of this provision (to recognize, treat and compensate for the enduring pathological psychological conditions that may be present in former POWs) and would recommend that provision first, with S. 670 a very acceptable second choice.

Provision to Establish an Annual National POW/MIA Recognition Day:

We endorse this concept which is contained only in S. 251 but are reluctant to recommend its approval as a part of a final Senate Bill if it were to delay passage because other Senate Committees would become involved. It is our impression that this is the primary reason no similar provisions are found in S. 468 or S. 670.

Provisions to Authorize Additional Health Care Benefits to all POWs (Eligibility and Priority):

We strongly believe the higher incidence rates of health problems of all types among POWs; the chronic problems in adjudicating claims of POWs; and the limited medical knowledge concerning long range effects of starvation, deprivation, and stress, in the aggregate are of such in order that full access to VA health care services is fully warranted and justified.

We would recommend that Section 610(a) be amended by simply adding a Subsection (5) stating "any veteran of WWI, WWII, Korean Conflict, or the Vietnam Era who had been a prisoner of war". Such a category recognizes the special nature of their service rather than simply includes them with older veterans (S. 468). The inclusion with those entitled to disability compensation is acceptable (S. 251). S. 670 fails to include any amendment to Section 610(a) on the assumption that other proposed amendments would assure such eligibility and priority. If this is so, it would do little harm to include such a provision, but beyond this we doubt that the intended result could in fact occur or would do so in a timely manner. It would take the VA at least several years to accomplish these other proposed amendments, even if passed, an many POWs are in dire straits now.

In regard to Section 612(f) we strongly support the amendments proposed in S. 251 and S. 468 to simply add a new category or the VA proposal to simply add POWs to (2).

In regard to Section 612(1), all three bills add POWs to priority category No. 3 and we would support this although our first preference would be to priority category No. 2 as the VA proposes.

Provision to Remove or Reduce to 60 Days the Minimum Time in POW Status for Preumption of Service-Connected and/or Eligibility for VA Health Care Services:

We strongly endorse the elimination of a minimum time requirement as a POW to qualify for specific benefits as is proposed in S. 670. The VA Study data clearly supports such a change. The provision in S. 468 to reduce this to 60 days would be a second choice since it would at least permit inclusion of the 18,000 living POWs captured during the

Battle of the Bulge and held prisoners only a few weeks short of 6 months.

Provisions to Expand the List of Presumptive Conditions Occurring Anytime After Service in POWs:

This is the only area not adequately addressed in any of the three bills and only S. 670 attempts to deal with it at all. The "Catch-22" POWs are in concerning obtaining service-connection is that, through no fault of their own, medical records are entirely lacking or grossly inadequate, yet they are required to provide evidence to prove their individual case. The use of the presumptive list removes the impossible burden from the POW. In our view, it should be expanded now to include at least chronic gastro-intestinal, neurological, and respiratory conditions as well as residuals of frozen feet. We do agree with the proposal of Senator Cranston that, within guidelines, the VA administrator be authorized to add to the presumptive list as new medical knowledge emerges. We would also urge that the VA be authorized to consider the totality of the individual POW experiences in determining whether any particular medical conditions might be triggered by the extreme physical damage suffered. A recent letter from a POW who lost 100 pounds in 100 days in a German camp is appended to the House Statement and is illustrative of this problem.

CONCLUDING COMMENTS

In summary, we plead with this Committee to consider the following general points in its deliberations on possible legislation:

POWs have sacrificed for their country to a degree unmatched by any other category of living veterans yet they have asked very little and have waited patiently.

They have paid a severe price in physical health and psychological well-being. The full extent of this is not yet known and may never be known due to limitations in medical knowledge. But it is known that POWs are in poorer general health, suffer from more conditions, and require greater health care services.

Many of them, for reasons beyond their control, are denied VA benefits and services that they have clearly earned and desperately need. Only by pleading poverty can they receive any health care services at all.

There is no question that the American public hold POWs in the highest esteem and would support any legislation to help them even in today's difficult times.

It is unwarranted and unfair to continue to face former POWs with the impossible task of proving that their excessive health problems stem from their captive experience. Medical science knows it is possible, even likely, but cannot show specific causality in more than a few conditions.

If the doors of VA's hospitals and outpatient clinics were opened to former POWs, the impact on any single facility would be almost unnoticeable since the number of POWs not now eligible who would use VA facilities, if eligible, is under 30,000 per year.

The burden of the POW proving service-connection should be lifted by expanding the presumptive list and by requiring VA to consider the totality of the hardships suffered rather than rely solely on medical evidence tying health problems to POW experiences. The burden of proof should really shift to the VA to either clearly show the disease to be of intercurrent origin or to resolve claims in favor of the former POW.

While it is possible that a few POWs might receive benefits that are not fully warranted in their case, it is an obvious fact that many more have been denied services to which they are legitimately entitled for a host of purely technical reasons.

We believe that 30 years is long enough to ask POWs to wait to find out what is or is not related to their captive experience and we urge responsive and speedy action of this Committee.

Mr. PROXMIRE. Mr. President, I yield the floor. I yield back the remainder of my time.

Mr. SCHMITT addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the time that the distinguished occupant of the chair holds as a special order be relinquished to my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, I will assure the Senator from California (Mr. HAYAKAWA) that I will not use a great deal of this time and will yield the remainder of it to him.

COLUMBIA: GEM OF THE "NEW" OCEAN

Mr. SCHMITT. Mr. President, on April 12 the space and airship *Columbia* was launched from the Kennedy Space Center in Florida and was recovered at Edwards Air Force Base in California on April 14. In spite of a decade of underfunding, a decade of questionable management decisions on the part of the National Aeronautics and Space Administration, in spite of many other somewhat normal technical problems that one incurs in a major research and development effort of this kind, the flight of the *Columbia* was an outstanding success.

The extraordinary flight of the space and airship *Columbia* has a significance far beyond the technical achievement it represents for Americans. As great as this achievement is, the more important fact is that the edges of the "new ocean" of space are now accessible to our civilization. The services, products, and defenses of this country and of free nations everywhere can now be extended beyond the confines of the atmosphere and the surface of the planet Earth.

The *Columbia* and its crew take their place in the history of America ahead of the marvels of other ages: The Phoenician galleys, the steamship, the Panama Canal, the transcontinental railroad, the airplane, the communications satellite, and other engineering feats that opened new vistas of resources and opportunities for mankind begin to pale somewhat in the accomplishments of the crew and the supporters of the *Columbia*.

As important as these advances of technology were, they were nonetheless limited by geographical boundaries. The new ocean of space has no discernible boundaries.

Although we now have this fantastic new capability in hand, it is still not certain that the United States will reach out and fully grasp the opportunities for services, products, and defense it provides. What is lacking is what has been lacking since the latter years of the Johnson administration, namely, leadership.

The Reagan administration is now presented with the opportunity to articulate a purpose for U.S. activities in space, a purpose that establishes once and for all a permanent commitment to compete continuously and successfully in the development of space. Such a statement of purpose does not need to have dollars attached to it in the short term, however, this statement must carry with it the realization that our public and private investments in space will of necessity increase with time. Without such investments, the opportunities for public and commercial satellite services, for commercial space-made materials, for research and education in space, and, most importantly, for keeping the peace and defending freedom will be lost to others with superior historical perspective.

For the short term, the space budget like most others must bear its share of cuts necessary to commence a national economic recovery. Without such a recovery, the space effort like all others will wreck on the rocks of economic disaster.

However, this restraint in space spending, like that in other science, and technology areas, must not be so great as to undermine essential national capabilities, nor can such budget restraint continue so long as to destroy our ability to sustain an economic recovery through new services and products and increased productivity born of a reinforced national foundation of science, technology, and education.

Among the essential national capabilities that must be maintained for a year or two under reduced space funding levels are the full development of the space shuttle, improved aeronautical and remote sensing technologies, international obligations, and basic space science.

Mr. President, it is my belief that we can maintain these essential national capabilities and still sustain an appropriate reduction in the budget over the next year or so.

In the longer term, the permanence of a U.S. commitment to space could begin to be reflected in the fiscal year 1984 budget with a start on a multipurpose American station in space for use by 1990 for a variety of purposes. Clearly this is the ultimate near-Earth nondefense utility of the Space Shuttle and we should plan to get on with it in the near term.

Also, in the longer term the peacekeeping and defense uses of space will be more obvious to the unduly conservative Pentagon. Defense application of the Space Shuttle, about which the Soviets are logically concerned, includes increased reconnaissance and intelligence capabilities, increased research and development of space defense weapons such as lasers and, possibly, small manned battle observation satellites which can improve command functions in the event of conventional hostilities.

As important as the public, commercial, and defense applications will be, there is an even greater need to be served by the success of the *Columbia*. One could not live through the launch, the flight, and the landing of that remarkable craft without sensing the pride and wonder of those around you. All of us for a shared moment once again stood with John and Crip on the edge of the

universe. Americans need to step beyond the Earth's shores of the new ocean of space and out once again to test heart and soul against the frontier of the unknown.

Mr. President, I yield the remainder of my time to the distinguished Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for 12½ minutes.

Mr. HAYAKAWA. I thank the distinguished Senator from New Mexico.

(The remarks of Mr. HAYAKAWA in connection with the introduction of legislation are printed under "Routine Morning Business.")

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. STEVENS). The Chair, on behalf of the Vice President, pursuant to title 14, section 194(a), of the United States Code, appoints the Senator from Rhode Island (Mr. CHAFEE) to the Board of Visitors to the U.S. Coast Guard Academy, and the Chair announces on behalf of the chairman of the Committee on Commerce, Science, and Transportation (Mr. PACKWOOD) his appointments of the Senator from Alaska (Mr. STEVENS) and the Senator from South Carolina (Mr. HOLLINGS) as members of the same Board of Visitors.

The Chair, on behalf of the Vice President, pursuant to title 46, section 1126 (c), of the United States Code, appoints the Senator from Florida (Mrs. HAWKINS) to the Board of Visitors to the U.S. Merchant Marine Academy, and the Chair announces on behalf of the chairman of the Committee on Commerce, Science, and Transportation (Mr. PACKWOOD) his appointments of the Senator from Washington (Mr. GORTON) and the Senator from Hawaii (Mr. INOUYE) as members of the same Board of Visitors.

The Chair, on behalf of the Vice President, pursuant to Public Law 86-42, appoints the following Senators to the Canada-United States Interparliamentary Conference, to be held in Halifax, Nova Scotia, May 22-26, 1981: The Senator from Alaska (Mr. STEVENS), Chairman; and the Senator from Nebraska (Mr. ZORINSKY), Vice Chairman.

VITIATION OF ORDER FOR RECOGNITION OF SENATOR CRANSTON

The PRESIDING OFFICER. Without objection, the special order entered, under the previous order, for the Senator from California (Mr. CRANSTON) for not to exceed 15 minutes, is rescinded.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. GOLDWATER). Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 1 hour, with statements therein limited to 10 minutes each.

GENERAL ASSEMBLY OF NORTH CAROLINA CALLS ON THE PEOPLE TO REMEMBER THE PRISONERS OF WAR, INCLUDING IRANIAN PRISONERS

Mr. HELMS. Mr. President, I have received from the Honorable Thad Eure, the Secretary of State of the State of North Carolina, a copy of a resolution from the General Assembly of North Carolina, which calls on the people to remember the prisoners of war of past wars and conflicts, including the Iranian prisoners, and urging the North Carolina congressional delegation to introduce legislation to extend benefits to the families of these heroes.

The resolution expresses thanksgiving for the safe return of the Americans held hostage for 444 days in Iran and praises those brave men who gave their lives in the aborted rescue attempt.

Mr. President, there are prisoners and those missing in action in every war, declared or undeclared. Throughout our history, Americans have made supreme sacrifices in one conflict after another, in their service to their country. The story of the suffering of the families of those still missing in action or otherwise unaccounted for is not new to us. The long years of futile hope, of despair, of family disruption calls out to all of us to never forget.

Families of those still missing in Vietnam continue their long ordeal; the families of the men who died at "Desert One" continued to grieve.

I commend the General Assembly of North Carolina for addressing this matter, and for reminding the families of these Americans that the plight of their loved ones is not forgotten.

Mr. President, I ask unanimous consent that this resolution be printed in the RECORD at the conclusion of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION 13—SENATE JOINT RESOLUTION 76

A joint resolution calling for all people to remember the Prisoners of War of past wars and conflicts, including the Iranian Prisoners, and urging the North Carolina congressional delegation to introduce legislation to extend benefits to the families of these heroes.

Whereas, President Reagan declared January 29, 1981, as a day of thanksgiving for the return of the hostages from Iran; and

Whereas, the returned men and women are heroes in the truest sense of the word for having survived 444 days in captivity at the hands of the Iranian outlaws; and

Whereas, the American people through their elected representatives in Washington have rightfully extended certain benefits to the most deserving families of the hostages who also suffered deprivations during the hostages' long captivity; Now, therefore, be it resolved by the Senate, the House of Representatives concurring:

Section 1. We, the members of the General Assembly of the State of North Carolina, do by these presents express our thanksgiving for the safe return of the 52 hostages who represented this country with honor during their long ordeal.

Sec. 2. We, the members of the General Assembly of the State of North Carolina, further, by these presents express our highest regard for and appreciation for the lives of Marine Staff Sergeant Dewey L. Johnson of Jacksonville, North Carolina, Marine Sergeant John David Harvey, Marine Corporal George N. Holmes, Jr., Air Force Captain Richard Bakke, Air Force Captain Harold Lewis, Air Force Captain Lyn D. McIntosh, Air Force Captain Charles T. McMillan, and Air Force Technical Sergeant Joel C. Mayo who gave their lives during a gallant attempt to free the American hostages from captivity in Iran.

Sec. 3. We, the members of the General Assembly of the State of North Carolina, further, by these presents express our highest regards and appreciation to and urge our fellow citizens of this great nation never to forget the many men who sacrificed so much as prisoners of war during World War I, World War II, and especially the survivors of the Bataan Death March, the Korean Conflict, the Vietnam Conflict, and especially the survivors of the seizure of the U.S.S. Pueblo, and those gallant heroes who have not been accounted for and may still be captives in foreign prisons as a result of their service to this nation.

Sec. 4. We, the members of the General Assembly of the State of North Carolina, urge the North Carolina Congressional Delegation to introduce and press for the passage of legislation to extend all benefits, already passed and any that are contemplated, to be afforded to the returned Iran hostages and their families, to the families of these other deserving prisoners of war and the families of the eight brave military men who died in Iran trying to free the hostages.

Sec. 5. A copy of this joint resolution shall be mailed to each member of the United States Congress representing North Carolina.

Sec. 6. This resolution is effective upon ratification.

In the General Assembly read three times and ratified, this the 2nd day of April, 1981.

JAMES C. GREEN,
President of the Senate.
LISTON B. RAMSEY,
Speaker of the House of Representatives.

THE POW/MIA ISSUE

Mr. THURMOND. Mr. President, since the return of the U.S. "Prisoners" from Iran, Americans have been reminded of the many military and civilian personnel who are still either prisoners or missing in action in Southeast Asia.

Our Nation must take stronger action to account for more than 2,800 POW's/MIA's in Southeast Asia, including 2,490 in Vietnam and at least 389 in North Korea. Although these Communist countries claim to have released all POW's and to have been cooperative with the U.S. Government, the facts deny these allegations.

Mr. President, there has been convincing evidence during the past few years that the Vietnamese continue to hold American servicemen in captivity. There has also been evidence that the North Koreans still held American servicemen after the prisoner of war exchange in 1953.

The Defense Intelligence Agency is currently investigating over 900 reports, some 450 of which pertain to sightings of men held captive, according to the National League of Families of American Prisoners and Missing in Southeast Asia. Other reports, which have yet to be substantiated, according to the National League, tell of sightings of larger groups of men thought to be Americans still held as late as 6 months ago.

Mr. President, I have received reports

in my office from reliable sources that American soldiers are still held as prisoners in the countries of Laos, Cambodia, and Vietnam. A former Laotian leader who has come to the United States gives substance to these reports.

Time and again, the Government of Vietnam has denied holding prisoners; yet time and again since 1974, either prisoners, or the remains of a few prisoners, have been released.

The fairly recent release of four French soldiers by the Vietnamese, men who had been listed as "missing in action" by the French some 25 years ago, gives further credibility to charges of false reporting by the Vietnamese.

According to my information, in the Paris Peace Treaty of 1974, which ended American involvement in Vietnam, the Vietnamese committed themselves to the task of specifically helping to account for Americans who disappeared during the war. They have not fulfilled this treaty pledge in spite of the fact that more and more evidence is surfacing that many of our men are still alive and incarcerated in the jungles of Southeast Asia.

Mr. President, the South Carolina State Legislature passed a concurrent resolution on April 21, 1981, urging the President and the Congress of the United States to "renew and intensify their efforts and negotiations for a full accounting and return of all Americans from Southeast Asia." I join my distinguished colleagues in South Carolina in strongly endorsing this concurrent resolution. I also call upon my colleagues in the U.S. Senate to join with the President of the United States to vigorously pursue a resolution of this tragedy.

Mr. President, in a recent article entitled "Some Prisoners Did Not Come Home," published in the March 1981, issue of the American Security Council's Washington Report, Ann Mills Griffiths, executive director of the National League of Families of American Prisoners and Missing in Southeast Asia, presents a factual and enlightening review of this tragedy, including specific sightings of Americans held as prisoners. In the same issue, Maj. Gen. John K. Singlaub, USA (retired), puts this tragedy in the proper foreign policy perspective in his article entitled "A Perspective on the POW/MIA Issue."

In my opinion, our Government has not pursued a solution to this tragedy as vigorously as it should. Our country is not doing enough with the available evidence to bring greater world pressure on Vietnam and North Korea for complete cooperation in accounting for our servicemen. The intransigence of Vietnam and North Korea must be vehemently condemned by the world on this humanitarian issue until they fully cooperate.

Last year, an interagency group (IAG), comprised of representatives from the State and Defense Departments, the National Security Council, the National League of Families and the Congressional POW/MIA Task Force, was established to insure that priority is given to this issue, according to Ann Griffiths' article. I urge President Reagan, in directing the efforts of this group, to give this tragic situation high priority.

Mr. President, I ask unanimous consent for the concurrent resolution passed by the South Carolina Legislature on April 21, 1981, on the POW/MIA tragedy, and also the articles on the same issue by Ann Griffiths and Maj. Gen. John Singlaub, which were published in the March 1981 Washington Report, to be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A CONCURRENT RESOLUTION

Whereas, it is reported that approximately twenty-five hundred Americans remain in Vietnam, that the remains of four hundred United States servicemen are being held, and eyewitnesses indicate that several Americans are still alive in captivity throughout that region; and

Whereas, the State of South Carolina reaffirms its hope and desire that time will not efface the memory of these valiant Americans who have made great sacrifices for their country; and

Whereas, it is the sense of the General Assembly of South Carolina that vigorous efforts should be continued by the government of the United States to obtain the return of all Americans from Vietnam, Laos, Cambodia and other Southeast Asia countries.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

That the President and the Congress are memoralized to renew and intensify their efforts and negotiations for a full accounting and return of all Americans from Southeast Asia.

Be it further resolved that a copy of this resolution be forwarded to the President of the United States, to the President of the United States Senate, to the Speaker of the House of Representatives and to each United States Senator from South Carolina as well as each member of the House of Representatives from South Carolina.

SOME PRISONERS DID NOT COME HOME—ANALYSIS OF DEVELOPMENTS AFFECTING THE NATION'S SECURITY

(By Ann Mills Griffiths)

Evidence from Southeast Asia, unconfirmed and unreliable but increasing, points to American POW's still alive and still being held by the North Vietnamese.

This evidence, along with the advent of the return of the "Prisoners" from Iran, raises the issue again of the propriety of U.S. policy toward military veterans from Vietnam, in general, and POW's and MIA's, in particular.

Ann Mills Griffiths, the Executive Director of the National League of Families of American Prisoners and Missing in Southeast Asia, gives an updated view on this issue.

Major General John K. Singlaub, (USA Ret.) places the issue in a large perspective.—EDITOR.

As I recently watched the return of the 52 American hostages who were held in Iran for 444 days and the joyous celebrations which rightfully accompanied their repatriation, I was reminded of the return of American POWs from Vietnam in 1973. The hostage release conjured up painful memories of my brother, LCDR James Mills, USNR, and some 2,500 other servicemen and civilians who never knew the joy of homecoming. Those men still remain missing and unaccounted for more than eight years after the end of the Vietnam war.

BACKGROUND

After the "Homecoming" in 1973, when almost 600 servicemen and civilians were repatriated, some after being held for over eight years, the North Vietnamese government could not or would not explain what had happened to those who did not return. In time, our government provided the following classifications of our prisoners: Among the military personnel not released, 113 prisoners of war, 1,178 presumed killed in action/body not recovered, and 1,237 missing in action (MIA). Among the civilians, 25 missing and 16 presumed dead. Since then, 74 remains have been returned. Most of the cases of those unaccounted for have been administratively reviewed, and the result has been a presumptive finding of death, based primarily on the passage of time without specific information to indicate the individual is still living. Therefore, as of February 1981, only 13 military personnel are not classified as presumed dead.

The fact that only 13 cases remain technically active does not minimize the need to achieve the fullest possible accounting for the approximately 2,500 men whose fate remains in question. The debt owed to each unaccounted for serviceman, as well as to that individual's family, is beyond estimation. Although this obligation can never be fully satisfied, the United States government can and should make every effort to achieve as extensive an accounting as possible. It should be emphasized that this is not just a humane gesture, but a U.S. government responsibility and obligation, due ever serviceman, past, present, and future.

VIETNAMESE INTRANSIGENCE

Although the Vietnamese claim to have released all POW's and to have been fully cooperative with the U.S. government, the facts deny this allegation. The Socialist Republic of Vietnam (SRV) has returned 72 remains and has allowed Laos to return four remains, two of which were identified as not being American. However, the Vietnamese have refused to account for Americans who were known POWs. Among those unaccounted for were some who the Vietnamese had earlier acknowledged holding at one time or another. Still others are known to have been in captivity. Their families had received letters from them, or they were identified in photographs printed in Vietnamese and Soviet newspapers.

While the SRV claims to be searching for information on the missing, the sincerity of their efforts is questionable. Recent substantiated intelligence information indicates they are secretly holding the remains of some 400 missing Americans in a Hanoi facility once used as a POW camp. After first denying access to the building where the remains were reportedly stored, the Vietnamese, after several months, allowed reporters to visit the complex. As expected, no remains were found; however the Defense Intelligence Agency (DIA) still considers this source valid.

MEN STILL HELD

Of greatest and immediate concern are the recurring reports of nonorientals currently held captive in Indochina. The influx of Southeast Asian refugees into this country over the past few years has brought convincing new evidence that the Vietnamese continue to hold American servicemen in captivity. DIA is currently investigating over 900 reports, some 450 of which pertain to sightings of men held captive. Specifically, one such substantiated report indicates three men were sighted in Hanoi in 1978 and 1979. Other reports, which have yet to be substantiated, tell of sightings of larger groups of men, thought to be Americans, still held as late as 6 months ago.

U.S. GOVERNMENT EFFORTS

Since the end of the Vietnam war, there has been an ebb and flow of government and public interest in accounting for Americans missing as a result of the war. The

Defense Department's POW Policy Committee, which handled the issue prior to the end of U.S. involvement in the war, became inactive shortly after we withdrew our troops from Vietnam. However, last year an Interagency Group (IAG), comprised of representatives from responsible agencies within the State and Defense Departments, the National Security Council, the National League of Families, and the Congressional POW/MIA Task Force, was established to insure that priority is given to this issue and that U.S. efforts are coordinated. Specifically, the group is working to develop an explicit government policy on the POW/MIA issue.

As a result, U.S. government policies and attitudes are becoming more objective. Where previous official statements claimed a lack of credible evidence that men were still held, new U.S. policy reflects increasing reports indicating that some Americans may still be in captivity.

However, in my judgment, government attitudes are not changing quickly enough. In the year since the IAG was formed, the Department of State has yet to develop a strategy to secure the return of the men still held or to obtain Vienamese cooperation in accounting for the missing. Despite 8 years of urging by the families that direct high level negotiations be initiated by the United States in an attempt to resolve this issue, the State Department's efforts have rarely gone beyond occasional diplomatic inquiries. It is important that the U.S. and the Vietnamese discuss this issue and determine precise requirements for cooperation; however, concessions must not be made without simultaneous cooperation to insure the release of all United States personnel, the fullest possible accounting for those not returned, and the repatriation of remains of those who died serving our nation.

Although both the United States and the SRV have tacitly agreed that the POW/MIA issue is humanitarian in nature and should be resolved regardless of political differences, the Vietnamese continue to link the issue to other considerations. History shows that the Vietnamese, in dealing with France on the return and accounting for missing personnel, responded only when it was beneficial to their self interests. Humanitarian ideals were of little significance to them.

Behind the attitudes of the Vietnamese are the complicated political issues which still separate the U.S. and the SRV. Among these issues are: Vietnam's continued occupation and control of Kampuchea, its domination of Laos, the USSR's heavy presence in and support of Vietnam, the Vietnamese threat to Thailand, and the continuing refugee problems. Collectively, these are a severe obstacle to possible U.S.-SRV negotiations.

The importance of resolving these issues is emphasized by recent sightings of American POW's in Indochina. Following is a synopsis of three representative live-sighting reports received directly by the League:

(1) The friend of one source reports that he was sleeping on a broken down bus enroute to Saigon in September 1979, when gun shots were heard and many people approached the bus requesting that all passengers disembark to be checked. The individuals were resistance soldiers, ranging in age from 30 to 40 years; they were bearded and had long hair. Among the eight soldiers were three Americans who wore jeans and spoke fluent Vietnamese. The Americans said that when Saigon fell to the communists they were left behind and had to hide. Originally there were five Americans but two had died. The Americans asked that their names and the fact that they are alive in Vietnam be transmitted to the U.S., but the source's friend had forgotten the names.

(2) This source reported that after the communists took control of the Mekong Delta he was forced to go to a "reeducation" camp at Lo Te Can Tho. The camp was the former Can Tho prison and held about 800 people, from lieutenants to generals, including foreigners. There were three Americans in the camp. The source saw them everyday as they worked with him in janitorial and cleaning tasks. The source did not know their names, but did know their ranks because the communists kept NCOs with NCOs, officers with officers, and so on. The source reports that "the American major died at the camp. He was a tall, white naval officer who was stationed in Chau Doc." The source added that among the three American POW's was a black corporal and a white master sergeant. He also provided details regarding burial of the major and removal of the two remaining Americans to an unknown location.

(3) The source of this report, a former Vietnamese employee of USAID, states that in December 1975 he was stopped while driving his taxi in Thakak, Laos, and arrested when his USAID identification card was discovered. He was transported by truck to Vienxay, Laos, and from there travelled about three and one-half hours to a camp surrounded by bamboo trees. He says that there was a natural cave at the mountain (the source provided explicit detail on the cave area) which was used to hold prisoners. He saw five Caucasian prisoners held in the cave and was told they were American pilots. All five men were white, and approximately 6 feet in height. One prisoner, who was slightly shorter than the others, had mixed white and dark hair. Three of the prisoners had light brown hair and the last prisoner also had whitish dark hair. The source noticed a gold ring on one of the prisoners who had light brown hair and also noted that the men had a red rash around their ankles. The source was held at the camp, tied up a short distance away from the cave, for one month During this time he said there were 12 guards, all armed with AK 47 rifles. In February 1976 he was taken to another camp where he was held until late 1978. This source has provided a sworn affidavit and is willing to talk with DIA and be polygraphed for truthfulness.

Vietnam faces critical problems which we, here in the United States, find difficult to comprehend. Fear of the People's Republic of China (PRC) governs all foreign policy decisions, including cooperation on the POW/MIA issue. There is constant reference to U.S./PRC "collusion" in a hostile policy toward the SRV. In reply to U.S. inquiries the standard Vietnamese response cites their inability to cooperate in search or accounting activities due to full manpower utilization to defend against the threat of attack from the PRC.

Nevertheless, it is my strong conviction that a means can be found to resolve this problem. The answer in Iran was economic Where does the answer lie in Vietnam? The U.S. must approach the problem with an understanding and appreciation of our differences but without a conciliatory attitude of self-recrimination. We must not render invalid our purpose for involvement in Indochina.

There is no question that the SRV wants normal relations with the U.S. to serve as a buffer against alleged PRC "hegemony" and overdependence upon the USSR. However, the U.S. should not even consider normalization of relations with the S.R.V. under the present circumstances. The answer might lie in the area of mutual humanitarian benefit. Difficult as it may be to deal with this longstanding dilemma, it is possible. Realism has been sorely lacking in past efforts, and it needs to be reinstated at the negotiating table. Now is the time to end this tragic holdover from a purposefully forgotten era.

The families of these unaccounted for Americans have waited for many years, most for more than a decade, to receive word on their missing loved ones. The unified support of a concerned America may be the catalyst necessary to help end that uncertainty.

A PERSPECTIVE ON THE POW/MIA ISSUE

(Maj. Gen. John K. Singlaub)

Shortly after the release of the United States hostages from Iran, President Reagan referred to them as "prisoners," emphasizing by that word that the government of Iran, in attacking the U.S. embassy and holding U.S. officials against their will, had conducted a warlike act. The term rejected the idea that a group of "students" had been engaged in extortion.

According to international law, the President was on sound grounds. The criminal act, which continued for fourteen months, was the responsibility of the government of Iran. The government cannot conveniently shift that responsibility to some terrorist group.

To discourage such crimes against international law in the future, President Reagan went on record, saying that it would be the policy of his Administration to take "swift retribution" against the offending power.

It is also of interest to note that Secretary of State Alexander Haig announced that it would be United States policy in the future to give priority to combatting terrorism.

In those first few hours in office, both the President and the Secretary of State had declared that arms limitation agreements with the Soviet Union would be linked to its conduct in the international arena.

At first glance, it may appear that these policy statements have nothing to do with the subject of prisoners of war. But I am confident that the bold statements by the new President and the new Secretary of State went well beyond the breach of international law by the government of Iran. My feeling is that President Reagan and Secretary Haig were both thinking back to the POW problems associated with the Korean and Vietnamese wars.

Since the return of the U.S. "prisoners" from Iran, the newspapers have featured numerous stories reminding us that many U.S. military personnel endured unbelieveable physical and psychological abuse in Vietnamese prison camps, some for over eight years, and that other "civilian" prisoners, such as Frank Emmick, suffered in Cuban prisons for even more years than that—in the case of Emmick, over fourteen years.

There is new evidence that some military personnel are still being held in Vietnam, and some U.S. citizens are still languishing in Castro Gulags.

The professional military man knows that if he is taken as a prisoner of war, he cannot expect his captors to treat him humanely. Many nations are not signatories to the Geneva and Hague Conventions.

More important, new revolutionary governments, especially communist governments, view warfare as an economic and class struggle. These governments see the military efforts of opposing nations as political and ideological crimes, and prisoners of war from enemy armies, therefore, have no claim to protection under international law.

It was within that frame of reference that the North Korean and North Vietnamese governments treated captured U.S. military personnel. Those governments refused to apply any of the international codes that have been devised over the centuries to civilize the treatment of prisoners of war. Quite frequently those governments tried U.S. military personnel in revoluntionary or people's courts for political crimes. In the case of Iran, our prisoners were threatened frequently with such trials, and Mrs. Dwyer was so tried.

The decisionmakers in the new Reagan Administration face many serious military policy problems, several regarding the morale and welfare or armed forces personnel. Few will be more important than those that will relate to military personnel who become prisoners of revolutionary governments.

What rules of warfare should be followed in conflicts with revolutionary governments? What codes of conduct should U.S. military personnel be expected to follow if taken prisoner in such conflicts? What special efforts should be made to free U.S. military personnel held in the prisons of revolutionary governments?

If U.S. military personnel are to accept the obligation to risk imprisonment and to risk their lives in combat against revolutionary governments, what are the obligations of the U.S. government on their behalf?

It is time these questions were answered.

THE U.S. POSTAL SERVICE

Mr. STEVENS. Mr. President, this year we have seen a great deal of discussion not only here on the floor and in the committee rooms, but in the media about the issues facing the U.S. Postal Service. The Subcommittee on Civil Service, Post Office, and General Services has already held three hearings on postal matters and we have another scheduled on April 29 at 8 a.m. in room 3302 to take testimony on the three pieces of legislation (S. Res. 11, S. 539, and S. 678) dealing with the implementation of the proposed "ZIP+4" 9-digit ZIP code.

I cannot remember as much interest in postal matters on a prolonged basis since the Postal Reorganization Act of 1970 and quite frankly I am pleased. There is still a great deal of misunderstanding about the role of Congress in regards to the U.S. Postal Service. Increased congressional attention not only helps to set the record straight regarding the congressional role but will help us focus attention on the needs and successes of the U.S. Postal Service.

I noticed a recent editorial in the Kansas City Times entitled "A Winning, Losing Year" outlining the successes and challenges ahead for the Postal Service. Mr. President, I ask that this excellent editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE POSTMASTER GENERAL,
Washington, D.C., February 23, 1981.

Hon. TED STEVENS,
U.S. Senate,
Washington, D.C.

DEAR TED: At times one who is too close to the scene loses his objectivity in assessing results of his organization. I want to share with you the enclosed copy of an editorial from the February 10 edition of the Kansas City Times which I think tells the Postal Service story for Fiscal Year 1980.

Sincerely,

WILLIAM F. BOLGER.

A WINNING, LOSING YEAR

It is confusing that Postmaster General William F. Bolger should be so elated over a fiscal 1980 in which the Postal Service recorded a bookkeeping loss of $306 million after the 1979 achievement of posting the first surplus in 34 years, $470 million. But for one thing the financial performance of the agency must properly be measured over a longer time span, such as a regular three-year interval between general rate increases which Bolger would like to see established. another factor tilting the scales heavily is the periodic renegotiation of the postal employees' labor contract—which comes up this summer—inasmuch as labor costs amount to more than 85 percent of the postal budget.

One reason why Bolger calls the year ended last Sept. 30 a "banner year," possibly the best since the nation's postoffice was reorganized in 1970, is that the subsidy which Congress regularly provides to the operation was reduced by $92 million, to only 4 percent of the budget, whereas 10 years ago it had to provide 25 percent. Another is that mail volume increased by 6.5 billion pieces to a record 106.3 billion, and even parcel post volume, which had declined for 13 years under inroads by the private United Parcel Service, rose a modest 2.4 percent. The $306 million deficit for the year, moreover, must be measured against a projected loss of twice that amount in a year of business recession.

The record volume of mail handled has to be seen against the near-collapse of the old Postoffice Department before reorganization under the then-prevailing load, and the expectation that electronic communications and fund transfers would cut sharply into postal volume. It may yet in the years ahead. Bolger still hopes for a smooth changeover this summer to the nine-digit ZIP Code—primarily for high-volume mailers who are the mainstay of the service, rather than for individuals—as a device which, by increasing automated mail handling, should cut costs and improve service.

He is also hoping the Postal Rate Commission this spring will grant the full request to raise first-class rates to 20 cents (from 15) with increases for other classes also. This is a steep boost, sure to be unpopular, but Bolger clearly is continuing to pursue the difficult goal of Postal Service self-sufficiency declared in 1970. The question of whether postal patrons might prefer a deficit operation, subsidized by the government as so many transportation and essential services already are, has been set aside at least for now.

THE BRAVERY OF THE SECRET SERVICE AND DISTRICT OF COLUMBIA POLICE DURING THE REAGAN ASSASSINATION ATTEMPT

Mr. THURMOND. Mr. President, there has been much comment about the bravery and courage of the Secret Service and District of Columbia Police personnel who were on the scene during the attempted assassination of President Ronald Reagan on March 30.

Secret Service men Timothy McCarthy, who took a bullet that was meant for the President, and Jerry Parr, who quickly threw himself on the President during the gunfire, deserve special commendation. They are, of course, trained to put themselves between an assailant and the President, but they seemed bigger than life with their presence of mind and quick thinking.

An article in the Washington Star of April 15 further expresses my sentiments concerning Metropolitan Police Sgt. Herbert Granger and Officer Leon Swain, who were assigned to the Presidential detail that day. As the shots were being fired, the two headed straight for the suspect to stop him.

Mr. President, in order to share this excellent news story on these dedicated officers with my colleagues, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNIDENTIFIED OFFICERS ON THE JOB

Third District Police Officer Leon Swain's back was up against the president's limousine. "I heard the first shot," he recalls, "and I ducked. Then I heard the double shot and I ducked lower. I look over my (left) shoulder and see (Secret Service agent Jerry) Parr pick up the president by the seat of the pants and throw him into the limo. I thought, 'the m— f— has shot the president!' "

Swain and six other Third District police officers had been assigned the presidential detail March 30 in front of the Washington Hilton. As the six shots were fired, as the four men—including the president—were wounded, as aides dove for cover and the crowd screamed, Swain and his sergeant, Herbert Granger, headed straight through the volley toward the suspect.

Granger was near the wall outside the VIP entrance to the Washington Hilton, facing Swain. He walked between President Reagan, his canine corps officer Thomas Delahanty, and the crowd. In news photographs of the assassination attempts he is designated as "an unidentified policeman." Swain was crouched between Secret Service agent Timothy McCarthy and White House deputy chief of staff Michael Deaver. Although prominent in photographs taken from the president's left, Swain, the only one of eight men grouped around the limo looking at the assailant, isn't identified even as unidentified. Granger was the first of the president's guard to lay hands on the man that he must—as police officer and one of the few eyewitnesses to the actual gunning—refer to as "the suspect." Swain was right behind him.

The shooting began. Swain, at the limousine, "felt something. I didn't know I took a bullet in the hat. I wasn't sure what it was. There was no pain. So I figured I wasn't hit."

His right forearm moved out violently, a football-blocking move, a forearm shiver. It helped move aide Deaver even faster than he was already moving to crouch behind the limousine.

"I give the arm to Deaver. I didn't think about pulling my gun . . . (to shoot into a civilian crowd) that's not in our training. I see the guy. I know where he's at. He's standing there sort of crouched. I think he's getting off another round. Next thing I know I'm charging off into the crowd.

"It seems like it took forever to move. You could see the gun moving. You could see the cylinder revolve. You tell yourself to move, to move. It seemed like I was in a void. It seemed like nothing was happening. There are odd things like that, where you break time down, where you jump back to slow motion.

"Everything slows down. There is a man walking in front of me. It turns out to be Brady. If Brady hadn't took it in the head, I would have taken it right between the eyes. I didn't know he was shot. I looked back and saw him on the ground." White House press secretary James Brady, as horrified television viewers saw, was gravely wounded, blood pouring from his temple.

"There's no way of describing your reaction (to a gunman). It's a revenge thing. Police are somewhat macho. You want to make sure you get a piece of him. You duck. Then you go after him. You rush him. You push him against the wall."

Then the Secret Service and the civilians piled on.

"I think you scared them," says Granger to Swain. "You were shouting." Granger is not displeased by the idea that two flatfoots without military combat training—"The third

district gives you combat training," he says—were the first to get their hands on the suspect. And also perhaps to scare, with naughty words, the elegant, business-suited, vest-posketed, collapsible-machine-gun-toting Secret Service Agents.

Leon Swain grins. He recalls how he was shouting obscenities. "The louder you yell and the worse language you use," he says, "the more people are startled by it. People hold up momentarily. At 14th and U, that's what works."

Frozen-frame news film shot by NBC cameraman Sheldon Fielman shows, on the right, a hand with a gun. The prone bodies of Brady, Delahanty, and the black-bag carrying presidential military aide, diving for cover, are in the foreground. In the background, agent McCarthy is lifted off his feet by the impact of his gunshot wound. His face is above camera range. There are no faces in this picture. Slightly to the right of the line of fire, there is a baggy wrinkled black raincoat and a hand moving straight toward the still-firing gun. That is Granger. He grabbed the suspect's double-fisted grip upon the pistol. He then forced the gunman's arms down, as Swain grabbed his body from the other side.

Says Swain: "When I got there, Sgt. Granger was already going down his hands."

Granger can only explain how one feels walking straight toward a firing pistol by saying that he did not think it was real. "My honest feeling was that he was shooting a blank gun to scare everybody," says Granger. "It didn't sound like a real gun. My reaction was to get him and subdue him. I wasn't saying reach for your own gun. I wasn't saying he could turn a little and shoot at you. It sounded like a blank. I had never been on the scene when the president was shot at," says Granger, looking back ironically at his own disbelief.

"I thought it was a prank. My concentration was on the gun in his hand. I didn't think it was any threat. I didn't know anybody was shot until after we completed the handcuffing. I had ahold of his right hand. Somebody else had ahold of his left hand. I don't even know whose handcuffs we used.

"My only regret—the only thing I worry about now, or think about, is that I could have moved faster toward him. After the first shot, everything was in slow motion. I'd just come down on my left foot. I had to swing my right foot around to go toward him. It just seemed like it took a long time."

Granger dismisses as "a cheap shot" criticism that security for the president was lax. Asked if the suspect was in the crowd he'd been watching for more than an hour, Granger says only, "Possibly."

The suspect was first hustled to Granger's squad car. The door was locked. It would not open. This has become the subject of jocularity between the two men.

When they could not get the door of Granger's squad car open, the suspect was hustled to Swain's car. Swain drove to police headquarters downtown. There in the homicide squad room, discussion over who got jurisdiction over the prize subject was of some esoteric concern. Swain realized that the metal insert bearing his badge number had fallen out of his badge during the scuffle. The D.C. police Third District role in apprehending the suspect was also somehow lost in the shuffle, they say. But then, and now, there is but one question and one question only: How is Delahanty? Third District buddies visit the wounded officer daily. "He may look grumpy," says Swain. "But he likes to laugh and joke."

That is an essential safety valve on combat duty in the third district, one humane point of contact between the two seemingly disparate officers.

Patrol Support Section supervisor Granger, 34, suburban, married, meticulous, from upstate New York, came to police the big polyglot city because it is not routine work. He supervises the section's canine squad. Criminal warrant service officer Swain, 28, separated ("They say policemen are second only to actors in their divorce rates"), voluble, born and bred in Washington, hornswoggled by a Cardozo High School guidance counselor into taking the police cadet entrance exam. "You don't be a police cadet and be at Cardozo," he laughs. "You get killed."

A sense of where you are, the daily expectation of one's own violent death, is avoided. There are jokes, instead. The ghetto kid twits his boss about the non-functioning car door, calls his incompetent. The country boy twits the officer about his love life. The big yuck, getting into the squad car to go to the Hilton that Monday afternoon, was how injuries sustained on presidential detail are 100 percent paid for by the D.C. and Federal governments.

There is a sense of displacement—to Granger, the gun was not real. Swain went home that night and instead of getting nervous, "ate everything in sight. Peanut butter. Tuna fish. Crackers. Soda." Both men joke about having to see photographs of the assassination attempt to prove that they—and not just the Secret Service—were really there.

Their lives, or the part they'll talk about, are back to standard cop beefs and routines. They "bust their tails off" to get criminals that the courts set free on their own recognizance. There is the purgatory of paperwork. There is the etiquette of being just one of the men.

In January, after four years of requisitions, Swain finally got two new soft caps to replace the dirty old ones. "First time I had one on my head was for the Inauguration," he says. He now has one new soft cap. He keeps it locked up. The one with the bullet hole in it he thinks is in the possession of the FBI.

Today, Granger's regulation clip-on tie keeps falling off. He is filling out forms, straightening out overtime. Every time a police dog bits somebody, Granger has a form to fill out. He had to fill out Delahanty's personal injury form. When Delahanty's uniform was cut off of him by medics, Granger had to fill out a uniform damage form. And Delahanty's police dog, Kirk, whose illness was the reason Delahanty was assigned that Monday to the presidential detail, is still sick. That bothers Granger. Kirk is still on medication, and will be for a long time.

Delahanty is feeling much better, though, and Granger seems to find it unusual that the world outside the Brotherhood does not visit Delahanty daily, that strangers do not understand that cops everywhere were hit by the devastator bullet in Delahanty's neck.

They've gotten little recognition—no raises, no promotions, no identification lines under the pictures in the glossy news magazines. They did get a commendation from City Councilwomen Betty Ann Kane which came down to, as Granger says, deprecation himself, "on so-and-so day you were top dog."

"We're not grabbing for glory," says Swain. "It's just a story."

If they sought glory, the Third District brotherhood would rib them unmercifully. Swain has stopped nicknaming his sergeant "Tall" and started calling him "Splash." Snorts Swain: "His hometown paper called up. Wanted a picture to splash all over the front page." Granger looks at his shiny shoes.

A sense of where you are, and where you could be killed. That is the one obscenity the connoisseurs of junkies, pimps, burglars, hookers, pushers, murderers and child molesters cannot discuss. Modesty, the brotherhood, the sense that next time will be worse—taboo—forbids.

A TRIBUTE TO JOE LOUIS

Mr. THURMOND. Mr. President, today, I rise to pay tribute to the late Joe Louis. America, as a nation, has been moved by the passing of this great man.

Just as the success of the Space Shuttle made us proud and taught us what we can do as an undivided people, Joe Louis lifted the American spirit during the troubled days of the 1930's and 1940's.

Mr. President, there are different perspectives in the life of Joe Louis, but one comment is unchallenged—this man of courage and dignity was a true American hero. He was a hero for all of us, although our reasons may differ. For some, he represented a hope for a better future; for many, he stood for the unlimited strength and indomitable spirit of America; for still others, he portrayed the skilled boxer who, in his prime, was invincible.

However, the one quality that I most admired in Joe Louis was the ability to rise to the occasion. A true hero not only has the skills to perform tremendously, he has the ability to produce those feats at the right moment in history. Joe Louis was always there when America needed him. In the 1930's, he defeated German boxer Max Schmeling, a stunning blow against the highly touted Nazi champion. During the war which followed, when America again shattered Hitler's myth, Joe Louis came forward when his country called. Refusing to dodge his duty to his country, he joined the Army and spent 4 years lifting the morale of his comrades and of our whole Nation. Joe Louis could have avoided this duty, but instead he answered his country in time of need, and through his actions, he gave full definition to the words, "serving one's country."

Mr. President, Joe Louis put his country first, and for that reason he will always be the American champion. It was most appropriate that Joe Louis was buried in Arlington National Cemetery because future generations will now be able to see his grave when they visit the Nation's Capital. It is important for them to know that people like Joe Louis, with his unvanquished spirit and his unswerving loyalty, are the people who have made America great.

Mr. President, I ask unanimous consent that certain articles on Joe Louis follow these comments in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 14, 1981]

JOE LOUIS

Were it merely that Joe Louis was the best heavyweight boxer of all time, those of us who are not nuts about boxing might leave appreciations of the man to the ringside historians. But Joe Louis, who died Sunday in Las Vegas at the age of 66, was not only the best in his business, but also an American folk hero at a time when these ranks were not exactly bursting with Americans of color. The enormous appeal of the "Brown Bomber" was as a symbol of uncomplicated physical and moral strength, honesty and compassion.

From the humble, cotton-field country beginnings of Joseph Louis Barrow in Alabama through the humbling, pathetic final years of a sick man whose fortunes had disappeared, there was always a special dignity to him. Though many of us winced when this great champion was reduced to odd jobs in a sad effort to recover from too many years of financial naivete, those misfortunes never really detracted from the measure of this courageous man.

Today's young Americans may not readily identify with the popularity and respect that Joe Louis enjoyed, since he was not a man of television-age charisma; he was not articulate, nor was he one to throw himself visibly into marches or other demonstrations. "Some folks shout, some holler, some march, and some don't," he once said. "They do it their way, I do it mine."

His way, as an article in Ebony magazine by Chester Higgins noted, was to give inspiration to "down-trodden and despised people. When Joe Louis fought, blacks in ghettos across the land were indoors glued to their radios, and when Louis won, as he nearly always did, they hit the streets . . . in celebration. For Joe's victory was their victory, a means of striking back. . . . Louis was the black Atlas on whose broad shoulders blacks were lifted." And because this skill and popularity crossed the heavy color lines of the day so spectacularly, Joe Louis won much more than 68 out 71 fights—he won a special place among the great Americans of his time.

[From the New York Times, Apr. 14, 1981]

LOUIS HAD STYLE IN AND OUT OF THE RING

(By Ira Berkow)

On a cold night in January 1970, three men rode in a cab to Grand Ceneral Terminal, where they would board a train for Rochester. They happened to be going to the same awards dinner. In the back seat were a baseball player and a sports reporter. In the front seat was Joe Louis, the former heavyweight champion, who stared straight ahead as the lurid city lights flashed on his broad face. He listened to the baseball player making cracks about the young cab driver, who had long hair, which was not yet the vogue among athletes.

The ballplayer said something about "hippies" and "sissies," and then about the unusual music playing on the portable radio on the front seat. Louis said nothing.

"Hey," the ballplayer finally said to the cabbie, "turn that damn hippie music off."

"That's Greek music," Louis said quietly, speaking for the first time. There was a silence, except for the music.

"Oh," the ballplayer said.

Joe Louis made his point as deftly, simply and thoroughly as he had when dispatching opponents in the ring.

Louis died Sunday morning, one month short of his 67th birthday. His death like his life, moved many people.

It was his style as much as his prowess that established Louis as one of the more important figures of his time. "I kept my nose clean," he once said. "And I had to be a gentleman. If I cut the fool, I'd have let my people down."

BREAKING DOWN THE BARRIERS

Blacks in America had few heroes to look up to in the 1930's—in some parts of the United States, blacks still had to get off the streets when the sun went down—and when Joe Louis won the heavyweight championship of the world by knocking out James J. Braddock June 22, 1937, there was rejoicing. "For one night, in all the darktowns of America, the black man was king," wrote Alistair Cooke.

Walt Frazier, the former Knick basketball star, remembers meeting Louis for the first time. They sat at the coffee shop in Caesars Palace in Las Vegas, where Louis worked as a greeter.

"I had formed an impression of him, from all that I had heard all my life about him," said Frazier. "I was kind of nervous. But he stuck out his hand and said, 'Hiya, Clyde,' like he had known me all his life. Gave me a warm feeling."

Frazier asked him about being a black athlete in the 1930's and 1940's. Louis casually told of not being allowed in some hotels. He told, too, of being in New Orleans when he saw a car hit a black man, of how ambulances from white hospitals wouldn't pick up the man.

In time, though, Louis would be admitted to some of those hotels, and he was instrumental in breaking down other racial barriers.

"It's hard for me to relate to his experiences, because I was too young to remember," Frazier said. "But Joe was a pioneer, like Jackie Robinson. He helped the black man to be proud of himself. He was someone we always looked up to.

"Black athletes have it so good today. We're reaping what he paved the way for. We should have given him a percentage of our pay."

It was Robinson, though, who, Louis said, "was my hero."

"Jackie didn't bite his tongue for nothing. I just don't have the guts, you might call it, to say what he says. And I don't talk as good either, that's for sure. But you need a lot of different types to make the world better."

CHARLES A RELUCTANT VICTOR

Louis retired as an undefeated champion in 1949. But in 1950 he decided to try a comeback. Ezzard Charles was the champion.

"I didn't want the fight," Charles would say later. "Joe was my boyhood idol. But my manager, Ray Arcel, said that if I wanted everyone to consider me the champ I'd have to fight Joe. I signed, but I wasn't happy about it."

Charles dominated the fight. "About the eighth or ninth round," Charles said, "Joe began to falter. I started dreaming, 'Could this be the great Joe Louis?' I wanted to win, but I didn't want to knock him out." Charles won on a 15-round decision.

Louis could look back, though, at a remarkable career: He was knocked out by Max Schmeling—Hitler's Aryan hope—then came back to knock him out in the first round; he was losing to Billy Conn after 12 rounds and then knocked him out in the 13th. He was also honored by his country. Once, President Franklin D. Roosevelt invited him to the White House for a visit. Roosevelt squeezed the muscle of his arm. "This is the kind of muscle we need to win a war," Roosevelt said.

"When the President squeezed my arm," Louis once recalled, 'it hurt. He had strong hands from using his wheelchair."

Another time, he was asked his biggest thrill. "I was able to pay for my sister to go to Howard University," said Louis, who was the son of an Alabama sharecropper and had only a sixth-grade education. "My mother and me went down to Washington for the graduation. The three of us walked across the campus. That was the biggest thrill of my life."

In 1942, at a New York boxing writers dinner, former Mayor James J. Walker made a presentation to Louis and, in his flamboyant, sentimental style, said, "Joe Louis, you laid a rose on Abraham Lincoln's grave."

One night in 1968 Louis was again honored by the New York reporters, for his "long and meritorious service" to boxing. He was to receive the James J. Walker Award. Now Louis rose and accepted the plaque. "Thank you for voting me this James J. Walker Award," he said, in the hushed hall at the Waldorf Astoria. "I think it is a great thing. I remember when he said that I laid a rose on Lincoln's grave. I didn't know what he meant then. But I knew he was trying to make me feel good. I thought about it later on, and I understood what it was about. Thank you."

[From the Washington Post, Apr. 14, 1981]

WHEN WE WERE WINNERS WITH THE BROWN BOMBER

(By Richard Cohen)

This was the summer of 1948 and out at the beach where we had gone, a man was building a television set. It was the first one I had seen, a small, hand-made job with no cabinet and its wires spilling out the back. The kids gathered around it wondering if this thing could bring them the event everyone was talking about. This was the summer Louis fought Walcott.

For days the man displayed the set and people came by looking at the thing with awe. There were few sets around, none at the beach, and it was simply amazing that a man could build one. He worked out in the open and he was getting it ready for the big fight. Joe Louis was going to fight Jersey Joe Walcott and we would see it on television.

There was nothing else to talk about but this fight. The man worked on his television set and the people who had fled the heat of the city, entire families in little furnished bungalows, talked of nothing else. Would the television set work? Could he get it to pick up the fight and what would it be like?

It is maybe for this reason that I thought the television news would lead off with Joe Louis Sunday night. Instead, it was the space shuttle. I thought the first item would be that Joe Louis was dead, that they would say something about the great man he was, how he was champion—"chapeen of the world," they used to call it. He was unlettered and unschooled and the words came into his mouth and then came out gnarled and stubby, but he never disgraced himself. He was always a champion.

Some people wanted him to be more than he could be. They wanted him to be a civil rights leader and take positions on great and weighty issues, but he could not do this. He was a man of a different era and instead of ducking the army, as did Muhammed Ali, he went in, went into the segregated United States Army, and played booster. He fought exhibition matches. He wore the flag comfortably, as he had done years earlier when he fought Schmeling, the German and the darling of Hitler.

All this made it possible to see Joe Louis and America as one. We were the champs of the world and he was the heavyweight champ all men could root for—the champ of the champs. He was maybe the last of them, an unparalleled great at a time when there really were greats in sports and they did not yet smoke dope or trade wives or wear mink coats. Joe Louis did not boast and he did not hate. He had his faults, but a kid could believe in him. At least I did.

Years later, I saw a picture of Louis. It hangs in a barbecue place and it shows him well-dressed and wearing an overcoat and a hat, real natty, and walking with a pretty woman down a street in a black neighborhood. He is looking down, frowning, looking like a man who knows that the world is watching because he is a famous and rich black man—a freak in the 1930s and 1940s.

In the days before the Louis-Walcott fight, the man with the television set worked with it, testing it, and word of it spread along the bungalows. More and more people wanted to come and so the day before the fight, the men announced that there would be no

room for women and children. They were banned. That day I brooded and that night my father and my uncle and what seemed like a hundred men gathered in the courtyard. I went up to my room, which was right above them on the second floor.

They brought out the television and set it up on a box. From my window I could see the glow of the small screen and the movements of very small men. I could not tell one fighter from another, and I could not see any of the punches land. The men roared when someone scored a blow but up high I could not tell who had hit whom. It was all very confusing, little men furtively moving around a little screen, me trying to figure out who was who and using the screen, really, just as a place to focus my imagination. To me, Louis was dazzling.

Joe Louis fought for years more. He got mauled by Ezzard Charles and mugged by Rocky Marciano, and he ended his days in the ring as a wrestler—a freak act. He is dead now and the end of his life was sad, but in all those years he was always the champ, somehow letting you know that he could be rented, but never bought, that he was just passing through. I know that the night he fought Walcott, he got decked, but I see him always as I did on a television set that was more imagination than picture tube.

No one ever laid a glove on him.

[From the Washington Star, Apr. 13, 1981]

BOXING'S BEST WENT OUT WAY AHEAD

(By Morris Siegal)

"Green be the turf above thee, friend of my better days."

"None knew thee but to love thee. And named thee but to praise."

I forget who wrote that, but the author must have had Joe Louis or somebody like him in mind. Those lines fit Louis so perfectly.

Joe Louis was one of the sweetest men I have ever known. He was also the most uncomplicated. For him life was simple.

I don't know if he died a bitter man. I hope not. If he did, he had plenty of cause to, but I hope he didn't because he didn't intend to.

About a dozen years ago he was in Washington, promoting a new soft drink. We lunched together and it was there, I believe, that I fell in love with Louis, the man.

It seemed shameful to me that this great champion, the absolute best of all as far as I was concerned, had been reduced to shilling for a soft-drink company to make a buck.

I kept thinking what a pity it was to see Joe Louis acting out the role of a salesman. Where had all that money gone that he had made? Didn't it bother him?

He smiled that small, warm smile he reserved for serious stuff at times "Nah, nah," he said a slight stutter in his speech. "It don't bother me none.

"Funny you should talk about that the other night me and my wife was talking and I said to her that when I die I want only one word on my tombstone—Even. One word—Even—that's all, cause I come in this world even and that's the way I want to go out, even."

He didn't, but I don't think he will mind to know that he went out ahead, way ahead, not in money, which he really didn't care about, but he went out ahead in respect and in adulation, both which he richly earned.

Some civil-rights folks, mainly blacks, felt that Joe Louis had betrayed his race because he wasn't actively active. Where was he at Selma, Montgomery and the other stakeouts that Martin Luther King, Jr. and his followers had earmarked to make their brave and courageous stands for freedom?

He was even called Uncle Tom by some who didn't know this quiet man of unsurpassed dignity and grace or they would not have blasphemed him.

The question of his stand and his activity in behalf of the civil-rights movements of those days was raised at our luncheon.

"Some folks shout, some holler, some march, and some don't, he answered softly, never a trace of outrage from him when the charges were ticked off. "They do it their way; I do it mine. I got nothing to be 'shamed of, I stand for rights and work for it hard 'cause I know what it means not to have the rights what God give us."

One who never questioned Louis' loyalty to human causes is Bundini Brown, the same Bundini Brown who helped work Muhammad Ali's corner, the poet laureate of Ali's "float like a butterfly, sting like a bee."

"Joe Louis," Bundini Brown once said, "was a Martin Luther King with boxing gloves on. He gave us black people hope." This was especially true, giving black people hope, in the fight business. Black fighters were scarce, to say nothing of being unwanted as well, before Louis came along in the mid-'30s. By knocking out Jimmy Braddock in Chicago in 1938, Louis inspired young blacks who were born on the wrong side, as he was to make a career out of boxing. He opened the gates for them.

I listened to the Braddock fight, which ended in the eighth with Louis as the new world's heavyweight champion, on the radio in Atlanta. Louis' victory posed a predicament for Atlanta newspapers, which seldom ran photos of blacks unless they were involved in crime. The morning after Louis' victory over Braddock, the "Cinderella Man," the Atlanta papers published accounts of the fight but with no picture of Joe Louis.

The memory of Louis hustling soft drinks still haunts me. "But Joe," I said at that lunch, "you gotta be mad at the world for having to do something as mental as this for a living. I looked it up in the book before coming down here and learned that you had grossed almost $5 million in your career. Don't tell me you're not bitter. You have a right to be."

Again the smile and again the great honesty and candor of Joe Louis, human being, surfaced.

"No, I ain't bitter," he said. "I ain't got none of that money, but you know something? I never needed much money, only all those folks around me did."

"Those folks" around him did a number on him, all right, took him for almost everything he had except two things—honesty and decency. He took those with him.

[From the Washington Post, Apr. 22, 1981]

JOE LOUIS: THE CHAMP RESTS WITH U.S. HEROES

(By Harry Lorge and Donald Huff)

With tributes from the president of the United States and clergymen of many faiths, with military honors and an eloquent eulogy by his son, former heavyweight boxing champion Joe Louis was given a hero's burial yesterday at Arlington Cemetery.

Nine days after he succumbed to a heart attack in Las Vegas at age 66, Louis was laid to rest in dignified ceremonies attended by public figures and curiosity-seekers, the celebrated and the unknown. In death as in life, he was praised as an enduring champion by the powerful and the powerless alike.

"Our champion changes form, but keeps the crown," said Rev. Jesse Jackson, the civil rights leader, who recounted the social as well as the sporting impact Louis had in his 11-year reign as world champion, the longest in history. "Even today, he stands at center ring, without challenger or peer."

Secretary of Defense Caspar W. Weinberger read a message from President Reagan, who remained at the White House, convalescing from last month's assassination attempt. Reagan last week waived regulations and gave permission for Louis—an Army sergeant during World War II—to be buried at Arlington.

This is a statement . . . which he very much wished to deliver in person today," Weinberger told approximately 600 mourners who attended funeral services in the Memorial Chapel at Fort Myer, before reading the president's remarks.

Reagan said he "was privileged and grateful to have had Joe Louis as my friend," and called him "one of the most unforgettable Americans of our time.

"Out of the ring, he was a considerate and soft-spoken man. Inside the ring, his courage, strength and confident skill wrote a unique and unforgettable chapter in sports history. But Joe Louis was more than a sports legend. His career was an indictment of racial bigotry, and a source of pride and inspiration to millions of white and black people around the world," Reagan's tribute said.

Louis was praised by Protestant, Catholic and Jewish clergymen during the interfaith service. He was lauded for his service during the war, when he fought 96 exhibitions around the world, boosting the morale of 2 million troops, and donated more than $100,000 in purses from two championship fights to Navy and Army relief efforts. He was cited for the dignity with which he held the title and became the first great black idol of a whole generation of Americans, white and black.

Jackson, who delivered the principal eulogy in an earlier funeral service in Las Vegas last week, said, "On April 12, 1945, Franklin D. Roosevelt died. On April 12, 1981, Joe Louis died. Each served his day, two champions of the people who died 36 years apart. Roosevelt was great because he served his day. His challenge was to revive the economy. Joe Louis was great because he served his day. His challenge . . . was to revive our national esteem, our emotional well-being, our self-confidence."

Jackson, a splendid orator, roused the congregation, but it was quiet and reserved Joe Louis Barrow, Jr., the champion's son, who moved mourners most.

Like the other speakers, Barrow emphasized the brilliant light that made his father an authentic folk hero, not the dark shadows that made his illness- and debt-ridden later years the stuff of tragedy.

"We love you because of your grace, your warmth, the loving care which you provided all of us," said Barrow, who insists that his father was not a pitiable figure in his final years, because he chose and enjoyed his role as a greeter in a Las Vegas casino. "You were a champion because you were accessible. People could walk up to Joe Louis . . . they could walk up to you, Dad . . . and they were able to shake your hand and they felt like they had known you many years. No one wanted to be your acquaintance, Dad. Everybody was your friend. They were your friends because you loved them as friends, and always gave them whatever they wanted, whenever they wanted."

Barrow expressed pride that, despite his father's long and unseemly battle with the U.S. government over back taxes he could not pay, he won the last decision from a grateful nation: an eternal resting place at Arlington, among heroes famous and little-known.

"It's wonderful that we're here at the National Cemetery, where you will finally rest, because you were a patriot, you served the country well, you provided it with the guidance and the faith it needed at a time when the country was down and the people needed a lift," Barrow said softly.

Barrow recalled that during the Vietnam War, when he and so many other Americans had doubts deep in their souls, he talked

to his father about that war, and about America.

"You looked at me as you had never looked at me before," he said, glancing down at the flag-draped casket before him, "and you said, 'This is a beautiful country, Son, and it's most important that we stand by it. It may make its mistakes. It may not be exactly right, but we have to stand by it.'"

"We are going to miss you an awful lot," Barrow said, his voice barely a whisper now, "because you were the greatest, truly the greatest."

A few minutes later, the congregation that included political and business leaders, Billy Conn (who lost two title fights to Louis), and former heavyweight champions Jersey Joe Walcott, Muhammad Ali and Joe Frazier, left the modern chapel with its wood-beamed ceiling, where television lights had glared and hundreds of cameras had taken final snapshots of Joe Louis. They went out into the sunshine of an idyllic spring afternoon, and joined a procession to Section 7A of Arlington National Cemetery, just down a slope from the Tomb of the Unknown Soldier.

There, on a tranquil plot shaded by majestic trees, with dogwood, magnolia and cherry blossoms in full bloom as a backdrop, Joe Louis was delivered to his final resting place by six Army pallbearers. At 2:40 p.m., Sgt. Washington James, an Army bugler, sounded "Taps." Maj. James Murray took the folded U.S. flag from the casket team and presented it to Martha Louis, the champion's wife.

Moments before, an Army firing party fired three volleys into the peaceful air, a salute signaling the Brown Bomber's last round.

AMERICA'S SPACE SHUTTLE AND ASTRONAUTS JOHN YOUNG AND ROBERT CRIPPEN

Mr. THURMOND. Mr. President, praise continues to be heard in this country and throughout the world concerning the successful mission of America's first Space Shuttle piloted by two highly trained and courageous men, John W. Young and Robert L. Crippen.

This achievement by astronauts Young and Crippen and the hundreds of scientists and technicians who worked on this project is a milestone in American history. It is almost mind-boggling to consider that no manned mission had ever before been launched utilizing the Shuttle's powerful engines. Fueling the main engines with liquid hydrogen and liquid oxygen, propellants that burn at extremely high temperatures, is an innovation—a tribute to Western science.

Space, after all, is the last frontier. What an exhilarating sight it was to see astronauts Young and Crippen land their craft in such a smooth manner. What an inspiration their accomplishment is to all Americans.

President Reagan indeed spoke for all of his countrymen when he told Young and Crippen: "Through you, today, we all feel as giants once again."

Mr. President, an editorial entitled "Flying Cathedrals," which appeared in the April 15, 1981, edition of the Wall Street Journal, succinctly expresses my sentiments, and those of many Americans, regarding the achievements of the Space Shuttle and its crew. I ask unanimous consent that it be printed in the RECORD following these remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 15, 1981]

FLYING CATHEDRALS

The space shuttle Columbia radiated majesty yesterday as it made its safe, smooth descent to the Mojave Desert landing strip. America had proven once again its ability to develop a sophisticated technology unmatched in the annals of history.

Commander John Young and Captain Robert Crippen demonstrated that brand of quiet, unselfish courage which has become the hallmark of America's manned-space feats—"the right stuff," as Tom Wolfe so aptly put it.

We were made more aware of their bravery over the last two and one-half days by the uniqueness of this flight. American astronauts had not ventured into space for more than six years, and not since the first lunar landing had the risk seemed more immense and the technology so unproven. Never before had American astronauts ascended into space on the back of a new type of rocket that had not been previously test-launched. Never before had Americans been asked to pilot a spacecraft back to earth for later reuse.

That desire to build a reuseable spacecraft placed an unprecedented burden on its designers, technicians, and astronauts. Massive hinged doors, which had to be opened up while in orbit, had to close securely before reentry. Thousands of small, lightweight tiles—some of which fell off during the launch—had to remain in place in order to protect the shuttle's thin hull from the intense heat of re-entry. And then Messrs. Young and Crippen had only one chance to glide their powerless craft to a safe landing.

A case can be made, of course, that a reusable spacecraft is extravagant and unnecessarily risky and costly. The Office of Management and Budget, for one, argued in the 1970s that such tasks as deploying space satellites, telescopes and experimental laboratories could be accomplished more cost effectively by using conventional one-shot rockets. Many of the shuttle's missions could be done more cheaply using existing techniques, and some of the things that only the shuttle can do—such as carrying massive payloads into space for, say, a space station or a large laser—are not even off the drawing board and may not be carried out before the end of this century.

Owing to the high cost of runs of the shuttle and the budget-cutting mood in Washington, too, some scientifically more innovative projects are being delayed and even scrapped. For instance, there is no money available for the relatively inexpensive "Mark Twain" probe of Halley's Comet, which will once again appear in 1986 after a 76-year absence. The Europeans and Soviets are planning to explore the comet, but only the U.S. has the sophisticated technology to make a thorough probe.

By now, of course, economic calculations of the shuttle's value will be dominated by sunk costs. Now that the U.S. has spent over $9 billion and uncounted man hours on the shuttle, it has to make the most of its new technology. It does provide the U.S. with ways to match Soviet manned activities in space, upgrading the nation's defenses and helping to deter war. And since the path of technology is always unpredictable, scientific and commercial ventures using the shuttle may yet reap large benefits for those of us on the ground.

The space shuttle is the realization of a dream of the test pilots and engineers who first formed NASA more than 20 years ago. It was their dream to develop the capability to fly a craft, with a "stick between the legs," into space and back again. Spacecraft that were lobbed into the sky and plunged down to earth on the end of a parachute were seen as only an intermediate step. Who is to say the dreamers were wrong? Ever since the days of the Wright brothers, the dogged presence of such dreams by a few have immeasurably improved all our lot, though rigorous cost-benefit analysis would have branded them as visionary.

Space flights have been called the cathedrals of modern man. Detractors say the money could be better spent on bread and butter rather than on rockets and launch pads or stone and mortar. Yet like cathedrals, space flights are edifices immortalizing man's ingenuity, hard work and sacrifice. How do you quantify an investment in the human spirit?

ORDER OF BUSINESS

Mr. STEVENS. Mr. President, there still is a short time to run on the period pursuant to the previous order for routine morning business. We understand there may be other Senators who wish to come for that purpose, but we are also trying to clear out some other routine business.

I shall ask unanimous consent that the Senate stand in recess until 1:30 p.m. at which time if there are any other Senators wishing time under the routine morning business we will take that up and then following that will be the routine business dealing with the items that will be handled by unanimous consent.

RECESS UNTIL 1:30 P.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:30 p.m. today.

There being no objection, the Senate, at 1:07 p.m., recessed until 1:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GOLDWATER).

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. STEVENS. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

JOINT SESSION OF THE TWO HOUSES TO RECEIVE A MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 116.

The PRESIDING OFFICER (Mr. GOLDWATER) laid before the Senate House Concurrent Resolution 116, providing for a joint session of the House and Senate on Tuesday, April 28, 1981, which reads as follows:

H. CON. RES 116

Resolved by the House of Representatives (the Senate concurring). That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, April 28, at 9 o'clock post meridiem, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 116) was agreed to.

RECORD OPEN UNTIL 5 P.M. TODAY

Mr. STEVENS. Mr. President, I ask unanimous consent that the RECORD be held open today until 5 p.m. for the introduction of bills, resolutions, and the submission of statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of considering nominations on the Executive Calendar commencing with the Department of Justice.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the nominations under Calendar Nos. 102, 104, 105, 106, 107, and the nominations at the Secretary's desk in the Air Force be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations were considered en bloc and confirmed en bloc.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the nominations were considered and confirmed en bloc.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF JUSTICE

Rudolph W. Giuliani, of New York, to be Associate Attorney General.

DEPARTMENT OF DEFENSE

Lawrence J. Korb, of Virginia, to be Assistant Secretary of Defense.

U.S. ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

Lt. Gen. Robert Gibbons Gard, Jr., 449–36–3971 (age 53), Army of the United States (major general, U.S. Army), to be lieutenant general.

U.S. AIR FORCE

The following-named officers under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

Maj. Gen. Lynwood E. Clark, 087–20–7534 FR, U.S. Air Force, to be lieutenant general.

Lt. Gen. George H. Sylvester, U.S. Air Force (age 53), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962, to be lieutenant general.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE

Air Force nominations beginning James K. Wiles, to be lieutenant colonel, and ending Stephanie S. Bishop, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 23, 1981.

Mr. STEVENS. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of those nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, that does confirm all of the items commencing with the Department of Justice, down to and including all of those items on page 3?

The PRESIDING OFFICER. The Senator is correct.

LEGISLATIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR MURKOWSKI TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that my colleague (Mr. MURKOWSKI) be recognized for 15 minutes following the time allocated to the two leaders on Tuesday, April 28.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. SUBMARINE VETERANS OF WORLD WAR II

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate consider S. 195, Calendar Order No. 47.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 195) to incorporate the U.S. Submarine Veterans of World War II.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

● Mr. GOLDWATER. Mr. President, I am delighted the Senate today is about to pass, for the second time, legislation I have introduced granting a Federal charter to the U.S. Submarine War Veterans of World War II. I am privileged to be joined in this effort by 39 of my colleagues.

The submarine veterans have chapters in each of the 50 States and the District of Columbia. The group has more than 5,300 active and associate members and is growing.

It is fitting that we provide national recognition for the activities of submariners. They never failed us in our days of great wartime peril.●

Mr. THURMOND. Mr. President, I would like to express my support for S. 195, a bill to establish a Federal charter for the U.S. Submarine Veterans of World War II. This bill was introduced by Senator GOLDWATER on January 22 of this year and referred to the Committee on the Judiciary, from which it was reported on April 10. A substantially similar bill, S. 2623, passed the Senate on August 18 last year. Hopefully, both Houses will complete action on this charter bill in the near future.

S. 195 enjoys broad bipartisan support, as evidenced by its long list of cosponsors. As my colleagues are probably aware, the Judiciary Committee has established the policy that, prior to consideration of such Federal charter legislation, the sponsor obtain 40 cosponsors, with at least 15 cosponsors from each party. Senator GOLDWATER has complied with that requirement.

The Judiciary Committee evaluates charter proposals in light of a set of standards adopted by the House and Senate Judiciary Committees during the 91st Congress. These standards require, among other things, that the organization being considered for a Federal charter have been "operating under a charter granted by a State or the District of Columbia and that it has so operated for a sufficient length of time to demonstrate its permanence and that its activities are clearly in the public interest." The U.S. Submarine Veterans of World War II easily comply with that particular requirement, having been founded in 1955 and incorporated in the State of New Jersey in 1956. The committee report on S. 195, report No. 97–37, contains a list of all the standards and a more detailed discussion of how U.S. Submarine Veterans of World War II are in compliance with all of them.

Mr. President, this organization has done a great deal of fine work over the years by engaging in activities such as establishing memorials to shipmates who lost their lives in the service of their country and to those still on patrol in submarines. It has also established a scholarship program for descendants of its members, awarding approximately 52 scholarships each year. I would urge my colleagues to support passage of this bill introduced by the distinguished Senator from Arizona.

The bill (S. 195) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 195

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Wilbur L. Meyer, Indianapolis, Indiana; Henry T. Vande Kerkhoff, Elmhurst, Illinois; Edmond Kay, Garden Grove, California; James A. Woodall, Galveston, Texas; Reverend John F. Marshall, O.F.M., Allegany, New York; John Kreis, San Diego, California; Ernst T. Rosing, La Grange Park, Illinois; Fred A. Judd, Baltimore, Maryland; Arthur F. Rawson, Bethesda, Maryland; E. J. Newbould, Alex-

andria, Virginia; Richard C. Cooper, Phoenix, Arizona; Charles A. Hennessey, Sacramento, California; Donald L. Smith, Middletown, Ohio; J. Daniel Lopp, New Albany, Indiana; Edward H. Bland, Cincinnati, Ohio; Rex W. Chenoweth, Brighton, Michigan; Cornelius R. Bartholomew, Miles City, Montana; James L. Kornegay, Centerville, Alabama; J. Allen Mactier, Omaha, Nebraska.

Reverend Jerome Kircher, O.F.M., Carville, Louisiana; Grover S. McLeod, Birmingham, Alabama; Harold A. Ballenger, Los Angeles, California; Frank W. Giehart, Cincinnati, Ohio; William O. Herring, Medford, Oregon; James A. Brillowski, San Diego, California; Donald E. Chauvin, Birmingham, Alabama; Joseph M. Ferrell, Sun City, Arizona; George H. McMinn, Marion, Arkansas.

Raymond A. Tiraschi, San Francisco, California; Edwin Klaver, Denver, Colorado; Clarence A. May, Midway, Texas; William F. Hughes, Camp Nelson, California; LaVerne A. Nordenberg, Rockford, Illinois; Charles F. Crothers, Greenfield, Indiana; David B. Wright, Hardy, Arkansas; Harry E. Howell, Louisville, Kentucky; Ovila J. LaPlante, Waterville, Maine; John K. Mayer, Eufaula, Alabama.

Warren Stien, Ionia, Michigan; Ernest E. Van Deventer, Saint Paul, Minnesota; Harvey G. Joeckle, Overland, Missouri; Joseph E. Federle, Omaha, Nebraska; William D. Beal, Junior, Jackson, New Hampshire; Herbert J. Georgius, Junior, Paramus, New Jersey; Gordon E. Lucht, Hobbs, New Mexico; William P. Bosch, Massapequa, New York.

Vern R. Atha, Portland, Oregon; Wayne I. Miller, Houston, Texas; Lewis H. Barkdoll, Mount Vernon, Washington; Stephen N. Petreshock, Manitowoc, Wisconsin; Charlie R. Ray, Birmingham, Alabama; John O. Bolin, Omaha, Nebraska, and any other person who, on the date of enactment of this Act, is a member in good standing of the United States Submarine Veterans of World War II, a corporation organized and existing under the laws of the State of New Jersey, and their successors, are created, in the District of Columbia, a body corporate by the name of United States Submarine Veterans of World War II (hereinafter in this Act referred to as the "corporation") and by such name shall be known and have perpetual succession of the powers, limitations, and restrictions contained in this Act.

COMPLETION OF ORGANIZATION

SEC. 2. A major of the persons named in the first section of this Act may complete the organization of the corporation by the selection of officers and employees, the adoption, amendment, and revision of a constitution and bylaws not inconsistent with the provisions of this charter, and the doing of such other acts as may be necessary for such purpose.

PURPOSES OF THE CORPORATION

SEC. 3. The objects and purposes of the corporation shall be—

(a) to perpetuate and establish memorials to the memory of those shipmates who served aboard United States submarines and gave their lives in submarine warfare during World War II,

(b) to further promote and keep alive the spirit and unity that existed among the United States Navy submarine crewmen during World War II,

(c) to promote sociability, general welfare, and good fellowship among its members,

(d) to pledge loyalty and patriotism to the United States Government,

(e) to sponsor and award annual college scholarships,

(f) to make the general public aware of life aboard submarines during World War II, by obtaining, restoring, and displaying the submarines that were in service at that time,

(g) to perform such acts of charity as provided for by the constitution and bylaws, and

(h) to promote and support the membership in "Wives of United States Submarine Veterans of World War II" and "The Sons and Daughters of United States Submarine Veterans of World War II".

POWERS OF THE CORPORATION

SEC. 4. Subject to all applicable laws of the United States, and of any State in which the corporation operates, the corporation shall have the power—

(a) to sue, be sued, complain, or defend in any court of competent jurisdiction;

(b) to adopt, alter, and use a corporate seal for the sole and exclusive use of the corporation;

(c) to choose such officers, managers, and agents as may be necessary to carry out the purposes of the corporation;

(d) to charge and collect membership dues;

(e) to adopt, amend, apply, and alter a constitution and bylaws not inconsistent with the laws of the United States of America or of any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(f) to contract and be contracted with as may be necessary to carry out the purposes of the corporation;

(g) to take and hold by lease, gift, purchase, grant, devise, bequest, or otherwise any property, real, personal, or mixed necessary or convenient for attaining the objects of the corporation, subject, however, to applicable provisions of law of any State (1) governing the amount or kind of real and personal property which may be held by, or (2) otherwise limiting or controlling the ownership of real and personal property which may be held by, or (3) otherwise limiting or controlling the ownership of real and personal property by, a corporation operating in such State;

(h) to transfer, lease, or convey real or personal property;

(i) to borrow money for the purposes of the corporation and to issue bonds or other evidences of indebtedness therefor and to secure the same by mortgage or pledge subject to applicable Federal or State laws; and

(j) to do any and all acts necessary and proper to carry out the purposes of the corporation.

PRINCIPAL OFFICE; TERRITORIAL SCOPE OF ACTIVITIES; RESIDENT AGENT

SEC. 5. (a) The principal office of the corporation shall be located in the District of Columbia, or in such other place as may be determined by the board of directors in accordance with the bylaws of the corporation, but the activities of the corporation shall not be confined to that place and may be conducted throughout the United States and in all other locations as may be necessary to carry out the purposes of the corporation.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation, and notice to or service upon such agent or mailed to the business address of such agent shall be deemed as service or notice upon the corporation.

MEMBERSHIP RIGHTS

SEC. 6. (a) Membership shall be restricted to those members of the United States submarine crews and United States submarine relief crews who were on active duty between December 1, 1941, and December 31, 1946.

(b) In addition to the general membership, there shall be special classes of honorary membership, qualification or eligibility for which, and rights and obligations of which, shall be as provided from time to time by the bylaws of the corporation.

(c) All persons who are members of any class of the United States Submarine Veterans of World War II, an association, on the date of enactment of this Act shall retain their membership in such class as members of the corporation.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 7. (a) Upon the enactment of this Act, the membership of the initial board of directors of the corporation shall consist of the present officers of the United States Submarine Veterans of World War II, including the immediate past president of said organization, or such of them as may then be living and are qualified officers of that association, to wit: James L. O'Conner, Baltimore, Maryland; Joseph McGrievy, La Mesa, California; Elroy F. Wilke, Denver, Colorado; Henry T. Vande Kerkhoff, Elmhurst, Illinois; Andrew M. Gasper, North Huntingdon, Pennsylvania.

(b) Thereafter the board of directors of the corporation shall consist of such number (not less than five) as shall be selected in such manner (including the filling of vacancies), and shall serve for such terms as may be prescribed in the constitution and bylaws of the corporation.

(c) The board of directors shall be the governing board of the corporation and shall during the intervals between corporation meetings be responsible for the general policies and program of the corporation. The board of directors shall be responsible for all finances of the corporation.

OFFICERS

SEC. 8. (a) The corporation shall have such officers as may be provided for in the bylaws.

(b) The officers shall have such powers consistent with this charter, as may be determined by the bylaws.

(c) The officers of the corporation shall be elected in such manner and have such terms and duties as may be prescribed in the bylaws of the corporation.

DISTRIBUTION OF INCOME OR ASSETS TO MEMBERS; LOANS

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director as such, or be distributed to any of them during the life of the corporation, or upon its dissolution or final liquidation, nor shall any member or private individual be liable for the obligations of the corporation. Nothing in this section, however, shall be construed to prevent—

(1) the payment of bona fide expenses of officers of the corporation in amounts approved by the board of directors; or

(2) the support of scholarships to descendants of submarine veterans or other scholarships and works of charity as may be deemed appropriate by the directors and controlled by the constitution and bylaws of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any officer or director who votes for or assents to the making of a loan to any officer, director, or employee of the corporation and any officer who participates in the making of such loan shall be jointly and severally liable to the corporation for the amount of such loan until the payment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation, and its officers and directors as such, shall not contribute to or otherwise support or assist any political party or candidate for elective public office.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or declare or pay dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its membership and of the board of directors. It shall also keep at its principal office a record giving the names and addresses of its members, directors, and officers. All books and records of the corporation may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (78 Stat. 635; 36 U.S.C. 1101 et seq.) is amended by adding at the end thereof:

"(5) United States Submarine Veterans of World War II.".

USE OF ASSETS UPON DISSOLUTION OR LIQUIDATION

SEC. 15. Upon final dissolution or liquidation of the corporation, and after discharge or satisfaction of any outstanding obligation or liability the remaining assets of the corporation may be distributed in accordance with the determination of the board of directors of the corporation and in compliance with this Act, the constitution, the bylaws of the corporation, and all other applicable Federal and State laws.

TRANSFER OF ASSETS

SEC. 16. The corporation may acquire the assets of the United States Submarine Veterans of World War II, a corporation, organized under the laws of the State of New Jersey, upon discharging or satisfactorily providing for the payment and discharge of all the liabilities of such corporation and upon complying with any applicable Federal or State law.

EXCLUSIVE RIGHT TO NAME, CORPORATE SALES, EMBLEMS, AND BADGES

SEC. 17. The corporation and its duly authorized State groups and other local subdivisions shall have the sole and exclusive right to have and use in carrying out its purposes the name "United States Submarine Veterans of World War II", and to have and use such seals, emblems, and badges as the corporation may lawfully adopt.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHAPTER

SEC. 18. The right of the Congress to alter, amend, or repeal this Act is expressly reserved.

Mr. STEVENS. I move to reconsider the vote by which the bill passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL PHYSICAL FITNESS AND SPORTS FOR ALL WEEK

Mr. STEVENS. Mr. President, I ask unanimous consent for immediate consideration of Senate Joint Resolution 60, Calendar Order No. 48.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A Senate joint resolution (S.J. Res. 60) to authorize and request the President to designate the week of May 3 through 9, 1981, as "National Physical Fitness and Sports for All Week."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. THURMOND. Mr. President, I am pleased that the Senate is taking up today Senate Joint Resolution 60, a resolution which I introduced, authorizing and requesting the President to proclaim May 3 through 9, 1981, as "National Physical Fitness and Sports For All Week." I am also pleased to note that 37 of my distinguished colleagues have joined me as cosponsors of this resolution.

As many of you are already aware, I have a strong personal belief that regular exercise is an essential part of an active, full life. I try to exercise everyday and have always encouraged others to do the same. The benefits which accrue from participating in sports and establishing a program of regular exercise are so significant that I believe it is important to highlight them by declaring May 3 through 9 of this year as "National Physical Fitness and Sports For All Week."

As I mentioned in my statement when introducing Senate Joint Resolution 60, our attitudes toward physical activity have changed significantly in recent years. We have evolved from a time when young men and boys were the main participants in sports to a time where we recognize that regular physical exercise is important to persons of both sexes and of all ages. Consequently, the number of physically active men and women has doubled in the last 10 years and continues to climb upward. A third of American adults swim; a fourth ride bicycles; and a fifth of us play racquet sports. Running or jogging claims at least 20 million adherents, including this Senator from South Carolina.

The physical benefits of participation in sports and engaging in regular physical exercise are relatively obvious. I would, however, like to take a moment to note that such activity is helpful in keeping one active and alert mentally. Also, as Senate Joint Resolution 60 points out, physical activity is a source of great pleasure and personal satisfaction as well as being one of the primary ways in which we refresh our spirits.

Mr. President, I urge all of my colleagues to support passage of Senate Joint Resolution 60, which has the active support of the President's Council on Physical Fitness and Sports.

The PRESIDING OFFICER. The question is on agreeing to the joint resolution.

The joint resolution (S.J. Res. 60) was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

S.J. RES. 60

Whereas one of every two adults in our country is a regular participant in exercise and sports;

Whereas the number of physically active men and women has doubled in ten years and continues to grow rapidly;

Whereas today we recognize that physical activity is an important part of daily life for people of both sexes and of all ages;

Whereas physical activity is vital to good health and is a rich source of pleasure and personal satisfaction;

Whereas our physical fitness and sports programs are one of the primary means by which we strengthen our bodies and refresh our spirits; and

Whereas it is essential that we make fitness and sports programs increasingly available so that all of our citizens will be able to experience the joys and benefits they offer: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the week of May 3 through 9, 1981, as "National Physical Fitness and Sports for All Week", and to call upon Federal, State, and local government agencies, and the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JEWISH HERITAGE WEEK

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate turn to consideration of Calendar Order No. 49.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 155) to authorize and request the President to issue a proclamation designating May 3 through May 10, 1981, as "Jewish Heritage Week."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. THURMOND. Mr. President, I am pleased to offer my support for a resolution requesting the President to designate the week of May 3 through 10 as "Jewish Heritage Week." This legislation passed the House of Representatives on March 26 of this year.

As the language of this resolution points out, an understanding of all ethnic groups in America contributes to the unity of our Nation. The culture, history, and traditions of the Jewish community are particularly rich and have contributed a great deal to our country's heritage. Also, this time of year is of particular importance to those of the Jewish faith, with a number of major events listed in the resolution being celebrated in the Jewish community.

Mr. President, as I stated, the contribution of the Jewish culture to our Nation has been significant. The Jewish faith emphasizes precisely those values which I believe are of central importance to the strength of this Nation—values such as a strong belief in God, a recognition of the importance of the family, and a strong

sense of service toward one's fellow man. I strongly urge my colleagues to join me in supporting this worthwhile legislation.

Mr. MOYNIHAN. Mr. President, many of our fellow Americans have just concluded their celebration of one of the most ancient, most significant, and most beautiful religious observances that we have. I speak of Passover, an occasion that marks the triumphal and miraculous liberation of the Jewish nation from the slavery imposed on it by the Egyptian Pharaoh.

With the events and meaning of that great holiday still fresh in our minds, I think it is quite fitting that the week of May 3 through May 10 has been chosen as "Jewish Heritage Week." Not only is that week close to the time of Passover, it is also near to the days when millions of Americans commemorate the victims of the holocaust and celebrate Israeli Independence Day. With this in mind, I rise to support Senate Joint Resolution 155, which requests President Reagan to designate the week of May 3 through May 10 as "Jewish Heritage Week." I wish to congratulate my friend, Representative ADDABBO for introducing this resolution in the House.

From the earliest days of this Nation, the Jewish community has been a vital and creative part of our pluralistic society. Like so many other nationality and religious groups that came to the shores of America, the Jewish people came because they believed that this land of ours offered an opportunity to earn a decent living, to preserve one's own traditions, and to worship God in freedom.

Since 1654, when the first Jewish people, refugees from the Inquisition, arrived in what was then called New Amsterdam, they have enriched immeasurably our culture, giving it some of its finest and most brilliant scholars, musicians, and writers. In politics and public service, the Jewish community has given us giants like Cardozo, Brandeis, Frankfurter, and, to this distinguished body, our esteemed former colleagues, Senator Javits and Senator Ribicoff. At the State and local levels, there are scores of other fine men and women, too numerous to mention, but important nonetheless. The Jewish contribution also has been enormous in other fields. One immediately thinks of medicine, business, entertainment, and the labor movement, all of them beneficiaries of Jewish talent and dedication.

Jewish people have done something else as well. In many regards, they have been a social conscience for this Nation, forever reminding us that human rights and civil rights are precious things. Whenever or wherever the freedom of any group or individual, no matter how insignificant, appears to be threatened, the Jewish community has spoken out for fairness, for decency, for compassion. Their concern transcends narrow and immediate interests, rooted as it is in a commitment to freedom and justice for all peoples.

We would do well to set aside a week in which to study, appreciate, and pay tribute to the Jewish community of this land of ours. It is an indispensable part of this country. Without it, our society would be much diminished.

Mr. President, it was my intention to introduce this measure on the Senate side. However, it will be more expeditious if we consider the House resolution which mine would merely duplicate. I would though like to announce that the following Senators wished to cosponsor this measure and would have done so had it been a Senate resolution: Senators BAUCUS, BENTSEN, BOREN, BRADLEY, BURDICK, CANNON, D'AMATO, DANFORTH, DODD, HATFIELD, HAWKINS, HEINZ, JACKSON, JOHNSTON, KENNEDY, LEVIN, LUGAR, MELCHER, METZENBAUM, PACKWOOD, PELL, RANDOLPH, RIEGLE, SCHMITT, SPECTER, TSONGAS, and WILLIAMS.

The joint resolution (H.J. Res. 155) was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

H.J. RES. 155

Whereas the Congress recognizes that an understanding of the heritage of all American ethnic groups contributes to the unity of our country; and

Whereas intergroup understanding can be further fostered through an appreciation of the culture, history, and traditions of the Jewish community and the contributions of Jews to our country and society; and

Whereas the months of April and May contain events of major significance in the Jewish calendar—Passover, the anniversary of the Warsaw Ghetto Uprising, Israeli Independence Day, Solidarity Sunday for Soviet Jewry, and Jerusalem Day: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating May 3 through May 10, 1981, as "Jewish Heritage Week" and calling upon the people of the United States, State and local government agencies, and interested organizations to observe that week with appropriate ceremonies, activities, and programs.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR STAR PRINT OF S. 507

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. BOREN, I ask unanimous consent that there be a star print of S. 507 and that the complete text of S. 507 and a factsheet explaining its provisions be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The material ordered printed in the RECORD is as follows:

FACT SHEET: PROVISIONS OF S. 507 INTRODUCED BY SENATORS BOREN AND HEINZ

(1) Elimination of national trigger for extended benefits.

Under current law, extended benefits are triggered on in every State when the national insured unemployment rate (IUR) reaches 4.5 percent. As a result of the national trigger, extended benefits are paid even in States where the unemployment rate is very low. Under the provisions of S. 507, extended benefits would be targeted to laid-off workers in high unemployment States by eliminating the national trigger while not modifying State triggers.

(2) State discretion to raise optional state trigger.

This provision would allow individual States to opt to trigger into extended benefits at a higher level of insured unemployment than the optional State trigger set by Federal law.

(3) Redefinition of insured unemployment rate.

Under the provisions of S. 507, current recipients of extended benefits would be excluded from the computation of the insured unemployment rate. This change would correct the current method of computation, which tends to overstate the length and severity of recessions in determining whether extended benefits will be paid.

(4) Extended benefits targeted to workers with strong labor force attachment.

Under current law, workers with minimal attachment to the labor force can often qualify for extended benefits, with the result that individuals can receive benefits for a longer period or in a greater amount than their qualifying employment. This provision of S. 507 would target benefits to individuals with long-term attachment to the labor force while not discriminating against low-wage earners. Extended benefits would be targeted to individuals having had earnings during their base period equal to or greater than the weekly benefit amount for which they would be eligible multiplied by 40, with the added stipulation that at least half these earnings had been accrued outside the high quarter of earnings.

(5) Repayment of outstanding State debt from State trust funds.

States in default on loans from the Federal account could avoid the .3 percent annual loss of Federal Unemployment Tax Act (FUTA) tax credit—commonly referred to as the escalating Federal "penalty tax"—by repaying an equivalent amount out of State trust funds, which are financed by experience-rated taxes.

(6) Penalty tax freeze at .6 percent as inducement for State solvency.

Under current law, States in default on loans from the Federal account are continuing to borrow, in many instances at a rate greater than the rate of loan recoupment provided by the loss of the FUTA tax credit. As an inducement for State solvency and to provide a loan repayment mechanism that does not unduly disrupt State economies, States meeting stringent solvency criteria could qualify for a "freeze" on the loss of the FUTA tax credit at .6 percent (rather than escalating by .3 percent each year to 2.7 percent, as provided under current law). To qualify for the freeze on the loss of the FUTA tax credit (or the equivalent amount to be repaid out of State trust funds), the State would have to meet Labor Department certification that it had engaged in no additional net borrowing, that it had taken no action that represented a net relaxation of tax effort, and that it had taken no action that represented a net reduction in fund solvency.

(7) Escalation of penalty tax freeze as economic conditions improve.

If economic conditions improved markedly, the rate of repayment would accelerate to reflect the increased tax revenues flowing into State unemployment compensation funds and the reduced benefit payments. Thus, if a State's insured unemployment rate dropped 20 percent below its average over the preceding two years, the loss of FUTA tax credit (or the equivalent amount to be repaid out of State trust funds) would escalate by .3 percent.

(8) Interest on new borrowing as inducement for State solvency.

As is the loss of the FUTA tax credit now specified in current law, the interest provision is not meant to be punitive but is meant to induce States to maintain solvent unemployment compensation funds. The interest on new borrowing provision of S. 507 applies to borrowing other than for cash flow purposes, at a rate equal to that specified by the Internal Revenue Code for tax delinquencies. States not in default on loans from the Federal account at the time new borrowing was undertaken would not be liable for interest on that new borrowing until such time as the State was in default. States already in default at the time new borrowing was undertaken would be liable for interest on that new borrowing if not repaid within six months. Any interest charged would not be added to the State's outstanding loan balance but would be paid directly to the Federal account during the quarter in which the Department of Labor determined it was due. Regardless of whether a State was in default at the time of any new borrowing, it would be eligible for a 50 percent reduction in its interest rate if, over the five years preceding the year in which the borrowing subject to interest was undertaken, at least 75 percent of the benefits paid in that State were effectively experience-rated.

(9) Greater return on State trust fund investments.

Because State trust funds are currently held by the U.S. Treasury and invested by the Treasury, States receive a relatively low rate of return on their moneys held in trust. This provision of S. 507 would allow States to invest up to half the funds in their account, potentially increasing their investment income substantially.

(10) Temporary waiver of solvency criteria for penalty tax freeze.

Borrowing undertaken during 1981 before passage of S. 507 or while a State met recessionary criteria set forth in the legislation could receive a temporary waiver from the solvency criteria without losing eligibility for the penalty tax freeze. The recessionary criteria are a State extended benefits trigger having been on for at least 26 weeks during the year and an average tax rate (based on total wages) at least 150 percent of the national average tax rate (based on total wages). The waiver does require that within two years after the recession ends, the State repay any new net borrowing. In no instance could a State qualify for a recessionary waiver for more than two consecutive years.

S. 507

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ELIMINATION OF "NATIONAL TRIGGER" UNDER THE EXTENDED BENEFITS PROGRAM

SECTION 1. (a)(1) Paragraphs (1) and (2) of section 203(a) of the Federal-State Extended Unemployment Compensation Act of 1970 are amended to read as follows:

"(1) shall begin with the third week after the week for which there is a State 'on' indicator; and

"(2) shall end with the third week after the first week for which there is a State 'off' indicator.".

(2) Section 203(b)(2) of such Act is amended by striking out "(or all the States)".

(3) Section 203(d) of such Act is repealed.

(4) Section 203(f) of such Act is amended—

(A) in paragraph (1), by—

(i) striking out "subsections (d) and (e)" and inserting in lieu thereof "subsection (e)", and

(ii) striking out "all State agencies (or, in the case of subsection (e), by the State agency)" and inserting in lieu thereof "the State agency",

(B) by striking out paragraph (2), and

(C) by redesignating paragraph (3) as paragraph (2).

(b) Section 204(a) of such Act is amended—

(1) by striking out paragraph (3), and

(2) by redesignating paragraph (4) as paragraph (3).

(c) the amendments made by this section shall become effective on October 1, 1981.

STATE OPTION AS TO CRITERIA FOR STATE "ON" AND "OFF" INDICATORS

SEC. 2. (a) Section 203(e) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended, in the first sentence following paragraph (2) thereof, by striking out the matter beginning with "(i)" and ending with "exception", and inserting in lieu thereof the following: "(ii) the percentage contained in subparagraph (B) thereof were a percentage equal to or greater than the percentage contained in such subparagraph plus one percent, as is specified by the State law; except".

(b) The amendment made by this section shall be effective with respect to weeks of unemployment beginning on or after October 1, 1981.

EMPLOYMENT REQUIREMENT

SEC. 3. (a) Section 202(a) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by redesignating paragraph (5) as paragraph (6) and inserting after paragraph (4) the following new paragraph:

"(5) Notwithstanding the provisions of paragraph (2), payment of extended compensation under this Act shall not be made to any individual for any week of unemployment in his eligibility period unless—

"(A) such individual had earnings in covered employment during his base period equal to or greater than the amount of the weekly extended compensation for which such individual is, or would be but for this paragraph, eligible for such week, multiplied by 40; and

"(B) such individual had earnings in covered employment, during those three calendar quarters of his base period in which such earnings were lowest, equal to or greater than the amount of the weekly extended compensation for which such individual is, or would be but for this paragraph, eligible for such week, multiplied by 20.".

(b) Section 202(a)(6) of such Act (as redesignated by subsection (a)) is amended by striking out "paragraphs (3) and (4)" and inserting in lieu thereof "paragraphs (3), (4), and (5)".

(c) The amendments made by this section shall apply with respect to weeks of unemployment beginning on or after October 1, 1981.

AMENDMENTS RELATING TO FUTA TAX

SEC. 4. (a) Section 3302 of the Internal Revenue Code of 1954 (relating to credits against unemployment tax) is amended by adding at the end thereof the following new subsections:

"(f) CREDIT REDUCTION NOT TO APPLY WHEN STATE MAKES CERTAIN REPAYMENTS.—

"(1) IN GENERAL.—In the case of any State which meets the requirements of paragraph (2) with respect to any taxable year, subsection (c)(2) shall not apply to such taxable year; except that such taxable year (and January 1 of such taxable year) shall be taken into account for purposes of applying subsection (c)(2) to succeeding taxable years.

"(2) REQUIREMENTS.—The requirements of this paragraph are met by any State with respect to any taxable year if the Secretary of Labor determines that the repayments during the 1-year period ending on November 9 of such taxable year made by such State of advances under title XII of the Social Security Act are not less than the sum of—

"(A) the potential additional taxes for such taxable year, and

"(B) any advances made to such State during such 1-year period under such title XII.

"(3) DEFINITIONS.—For purposes of paragraph (2)—

"(A) POTENTIAL ADDITIONAL TAXES.—The term 'potential additional taxes' means, with respect to any State for any taxable year, the aggregate amount of the additional tax which would be payable under this chapter (subject to the cap provisions of subsection (g)) for such taxable year by all taxpayers subject to the unemployment compensation law of such State for such taxable year if paragraph (2) of subsection (c) had applied to such taxable year and any preceding taxable year without regard to this subsection.

"(B) TREATMENT OF CERTAIN REDUCTIONS.—Any reduction in the State's balance under section 901(d)(1) of the Social Security Act shall not be treated as a repayment made by such State.

"(4) REPORTS.—The Secretary of Labor may, by regulations, require a State to furnish such information at such time and in such manner as may be necessary for purposes of paragraph (2).

"(g) CAP ON CREDIT REDUCTION.—

"(1) IN GENERAL.—In the case of any State which meets the requirements of paragraph (2) with respect to any taxable year, the reduction in credits otherwise applicable to taxpayers subject to the unemployment compensation law of such State under subsection (c)(2) shall not exceed the greater of—

"(A) the sum of—

"(i) the percentage reduction of such credits which was in effect with respect to such State under subsection (c)(2) for the preceding taxable year; and

"(ii) in the case of a State which, for such taxable year, has a rate of insured unemployment (as determined under subsections (e) and (f) of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 as in effect for taxable year 1980) which is equal to or less than 80 percent of such State's average of such rates for the two preceding taxable years, 10 percent of the tax imposed under section 3301 with respect to the wages paid by such taxpayer during such taxable year which are attributable to such State; or

"(B) the sum of—

"(i) 20 percent of the tax imposed under section 3301 with respect to the wages paid by such taxpayer during such taxable year which are attributable to such State; and

"(ii) in the case of a State which, for such taxable year, has a rate of insured unemployment (as determined under subsections (e) and (f) of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 as in effect for taxable year 1980) which is equal to or less than 80 percent of such State's average of such rates for the two preceding taxable years, 10 percent of the tax imposed under section 3301 with respect to the wages paid by such taxpayer during such taxable year which are attributable to such State.

"(2) SOLVENCY REQUIREMENTS.—The requirements of this paragraph are met by any State with respect to any taxable year if the Secretary of Labor determines on November 10 of such taxable year that—

"(A) the outstanding balance for such State of advances under title XII of the Social Security Act on the preceding September 30 was not greater than the outstanding balance for such State of such advances on the second preceding September 30;

"(B) no State action was taken during the 12-month period ending on the preceding September 30 (excluding any action required under State law as in effect prior to the date of the enactment of this subsection) which has resulted or will result in a

reduction in such State's unemployment tax effort (as defined by the Secretary of Labor in regulations); and

"(C) no State action was taken during the 12-month period ending on the preceding September 30 (excluding any action required under State law as in effect prior to the date of the enactment of this subsection) which has resulted or will result in a net decrease in the solvency of the State unemployment compensation system (as defined by the Secretary of Labor in regulations).

"(3) SECRETARIAL AUTHORITY TO ALTER DETERMINATION.—Any determination by the Secretary of Labor under subparagraph (B) or (C) of paragraph (2) may be altered or reversed by the Secretary of labor if he determines that such action is warranted on the basis of the failure by such State to make available timely information with respect to State actions.

"(4) CREDIT REDUCTION FOR SUBSEQUENT YEARS.—In making determinations under subsection (c)(2) with respect to taxable years for which a State is not subject to the cap under this subsection, any taxable year, and January 1, of such taxable year, for which a State was subject to such cap shall not be taken into account in determining consecutive taxable years (or January 1 thereof).

"(5) DEFINITIONS AND SPECIAL RULES.—The definitions and special rules set forth in subsection (d) shall apply to this subsection in the same manner as they apply to subsection (c).

"(h) WAIVER OF NEW BORROWING PROVISIONS IN PERIODS OF RECESSION AND FOR CERTAIN BORROWING IN TAXABLE YEAR 1981.—

"(1) REPAYMENTS IN LIEU OF CREDIT REDUCTION.—Notwithstanding subsection (f)(2)(B), advances made to a State during a 1-year period under title XII of the Social Security Act shall not be counted, at the option of the State, in determining eligibility for the State payment in lieu of credit reduction under subsection (f)(2) if such State, during the Federal fiscal year ending on the September 30 falling within such 1-year period, meets the requirements of paragraph (3) or paragraph (4)(A) of this subsection.

"(2) CAP ON CREDIT REDUCTION.—The requirement of subsection (g)(2)(A) shall not be applicable to a State, at the option of the State, for a taxable year if such State, during the Federal fiscal year ending on the preceding September 30 referred to in such subsection, meets the requirements of paragraph (3) or paragraph (4)(B) of this subsection.

"(3) REQUIREMENTS.—The requirements of this paragraph are met by a State during any Federal fiscal year if—

"(A) there is a State 'on' indicator for such State for 26 or more weeks during such fiscal year, as determined under section 203(e) of the Federal-State Extended Unemployment Compensation Act of 1970 or any State option provided for under a State law enacted pursuant to such subsection; and

"(B) the average employer contribution rate under such State's unemployment compensation law (approved under section 3304) based upon the total wages (as defined in section 3306(b) without regard to the limitation contained in paragraph (1) of such section 3306(b)) paid by employers during such fiscal year with respect to employment (as defined in section 3306(c)) is equal to or greater than a rate equal to 150 percent of such average employer contribution rate for all the States for such fiscal year, based upon such total wages.

"(4) REQUIREMENTS RELATING TO BORROWING IN FISCAL YEAR 1981.—

"(A) The requirements of this subparagraph are met by a State during any Federal fiscal year prior to fiscal year 1983 if such State would meet the requirements of subsection (f)(2) if advances made to such State under title XII of the Social Security Act during the fiscal year ending on September 30, 1981, but prior to the date of the enactment of this subsection, were not included.

"(B) The requirements of this subparagraph are met by a State during any Federal fiscal year if such State would meet the requirements of subsection (g)(2) if advances made to such State under title XII of the Social Security Act during the fiscal year ending on September 30, 1981, but prior to the date of the enactment of this subsection, were not included in determining such State's outstanding balance of advances under such title XII on September 30, 1981, and September 30, 1982.

"(5) REPAYMENT REQUIREMENTS.—

"(A) Any State which avails itself of a waiver allowed by paragraph (1) must, within 24 months after the beginning of any subsequent Federal fiscal year during which such State did not meet the requirements of paragraph (3) or paragraph (4)(A), repay so much of its outstanding balance of advances under title XII of the Social Security Act as exceeds its balance of such advances as of November 9 of the taxable year preceding the first taxable year in the most recent period of consecutive taxable years with respect to which such State availed itself of such waiver.

"(B) Any State which avails itself of a waiver allowed by paragraph (2) must, within 24 months after the beginning of any subsequent Federal fiscal year during which such State did not meet the requirements of paragraph (3) or paragraph (4)(B), repay so much of its outstanding balance of advances under title XII of the Social Security Act as exceeds its balance of such advances as of the September 30 second preceding the November 10 of the first taxable year in the most recent period of consecutive taxable years with respect to which such State availed itself of such waiver.

"(C) Any State which fails to meet the requirements of subparagraph (A) or (B) shall cease to be eligible under subsections (f) and (g) for taxable years beginning with the taxable year in which such 24-month period ends, and shall remain ineligible under such subsections until the taxable year which begins in the Federal fiscal year in which the repayments required under this paragraph have been made.

"(6) LIMITATION ON WAIVER.—Notwithstanding any other provision of this subsection, no State may avail itself of a waiver under paragraph (1) or (2), or both for more than two consecutive Federal fiscal years.".

(b) The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1980.

INTEREST ON ADVANCES TO STATES

SEC. 5. (a)(1) Section 1201(a)(1) of the Social Security Act is amended by inserting "(except as otherwise provided in subsection (c))" after "without interests".

(2) Section 1201 of such Act is amended by adding at the end thereof the following new subsection:

"(c)(1) In the case of any advance made under this section to a State which, at the time of such advance, is subject to a reduction in credits under section 3302(c)(2) of the Internal Revenue Code of 1954 (or would be subject to such reduction but for the provisions of subsections (f), (g), and (h) of section 3302 of such Code), any unpaid portion of such advance shall be repayable at a rate of interest determined under paragraph (3) beginning 180 days after the date of such advance.

"(2) In the case of any advance made under this section to a State, other than an advance described in paragraph (1), any unpaid portion of such advance shall be repayable at a rate of interest determined under paragraph (3) beginning on October 1 of the second taxable year following the taxable year in which such advance was made.

"(3)(A) Except as provided in subparagraph (B), the rate of interest for purposes of paragraphs (1) and (2) shall be the adjusted annual rate, in effect at the time such advance is made, established by the Secretary of the Treasury under section 6621 of the Internal Revenue Code of 1954.

"(B) The rate of interest for purposes of paragraphs (1) and (2) shall be equal to one-half of the rate determined under subparagraph (A) in the case of a State in which, during the five-year period preceding the year in which the advance (subject to interest under paragraph (1) or (2)) was made, 75 percent or more of the compensation paid under the State unemployment compensation law, was paid under an experience rating system (as determined by the Secretary of Labor).

"(4) In determining the amount of any outstanding balance of advances made to States under this section for purposes of this Act and chapter 23 of the Internal Revenue Code of 1954 (Federal Unemployment Tax Act) any interest owed on such advances shall not be included, and such interest shall be paid by the State on a quarterly basis as the Secretary of the Treasury determines such interest to be due.".

(3) Section 1203 of such Act is amended—

(A) by inserting "(a)" after "1203";

(B) by inserting ", except as provided in subsection (b)" after "without interest"; and

(C) by adding at the end thereof the following new subsection:

"(b) Interest owed by States on advances under section 1201 shall be repayable under this section into the Federal unemployment account on a quarterly basis as the Secretary of the Treasury determines such interest to be due.".

(b) The amendments made by subsection (a) shall be effective with respect to advances made under title XII of the Social Security Act after the date of the enactment of this Act.

INVESTMENT OF STATE UNEMPLOYMENT FUNDS

SEC. 6. (a) Section 904(b) of the Social Security Act is amended—

(1) by inserting "(1)" after "(b)";

(2) by striking out "Such investments may be made" and inserting in lieu thereof "Except as otherwise provided in paragraph (2), such investments may be made";

(3) by striking out "(1) on original issue" and inserting in lieu thereof "(A) on original issue";

(4) by striking out "(2) by purchase" and inserting in lieu thereof "(B) by purchase"; and

(5) by adding at the end thereof the following new paragraph:

"(2) The Secretary of the Treasury shall determine the available portion of the funds credited to the book account of each State agency which is not, in his judgment, required to meet current withdrawals. Each State may direct the Secretary of the Treasury to invest any part of such available portion, up to an amount equal to 50 percent of such available portion, in such manner as the State determines to be appropriate.".

(b) Section 904(e) of such Act is amended to read as follows:

"SEPARATE BOOK ACCOUNTS

"(e)(1) The Fund shall be invested as a single fund except as provided under subsection (b)(2), but the Secretary of the Treasury shall maintain a separate book account for each State agency, the employment security administration account, the Federal unemployment account, the railroad unemployment insurance account, and the rail-

road unemployment insurance administration fund.

"(2) The Secretary of the Treasury shall credit quarterly (on March 31, June 30, September 30, and December 31 of each year) to each State agency account, the earnings of the Fund for the quarter ending on such date which are attributable to the investments made by the Secretary of the Treasury at the direction of such State as provided in subsection (b)(2)

"(3) The Secretary of the Treasury shall credit quarterly (on March 31, June 30, September 30, and December 31 of each year) to each separate book account established under paragraph (1), on the basis of the average daily balance of such account, a proportionate part of the earnings of the Fund for the quarter ending on such date which are attributable to investments made by the Secretary of the Treasury, other than those investments made at the direction of a State as provided in subsection (b)(2).

"(4) For the purpose of paragraph (3), the average daily balance shall be computed—

"(A) in the case of any State account and the total of all accounts, by reducing the amount in such account and such total by an amount equal to the amount invested from such State account at the direction of the State as provided in subsection (b)(2);

"(B) in the case of any State account, by reducing (but not below zero) the amount in the account by the balance of the advances made to the State under section 1201; and

"(C) in the case of the Federal Unemployment account—

"(i) by adding to the amount in the account the aggregate of the reductions under paragraph (2), and

"(ii) by substracting from the sum so obtained the balance of the advances made under section 1203 to the account.".

(c) The amendments made by this section shall become effective on the date of the enactment of this Act.

CERTIFICATION OF STATE UNEMPLOYMENT LAWS

SEC. 7. On October 31 of any taxable year after 1980, the Secretary of Labor shall not certify any State, as provided in section 3304 (c) of the Internal Revenue Code of 1954, which, after reasonable notice and opportunity for a hearing to the State agency, the Secretary of Labor finds has failed to amend its law so that it contains each of the provisions required by reason of the enactment of the preceding provisions of this Act to be included therein, or has with respect to the 12-month period ending on such October 31, failed to comply substantially with any such provision.

RATE OF INSURED UNEMPLOYMENT

SEC. 8. Section 203(f)(1)(A) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by inserting ", other than claims filed for benefits under this Act," after "filing claims."

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business in which Senators may speak.

The PRESIDING OFFICER (Mr. QUAYLE). Without objection, it is so ordered.

LIFTING THE GRAIN EMBARGO

Mr. MOYNIHAN. Mr. President, I welcome this opportunity to speak to a matter that is both pressing and, at this moment, painful, which is the decision of the administration to lift the grain embargo that had been in effect against the Soviet Union since January 1980.

This decision was announced on Friday, and though it is, perhaps, a small matter to some, I wish to offer the judgment that this is a large mistake and it will not be long before the administration regrets that it made it.

The grain embargo was imposed by President Carter as the United States mustered its first responses to the Soviet invasion of Afghanistan. It was in many ways, ours were in many ways, an unimpressive set of measures, and certainly not a massive set, and certainly they did not dissuade the Soviet Union from continuing its military occupation.

Yet the grain embargo was a symbol of our continuing seriousness in opposing Soviet policy. Alas, we cannot boycott the Moscow Olympics every year, but the continuing dependence of the Soviet Union on grain from the United States and other parts of the world, and all that signifies for the success of their own society, is a permanent asset, if you will, in this relationship, and the President was right to exercise it in 1980.

It seems to me much to be regretted that the administration has now abandoned the most visible and, in some aspects, the only remaining sanction that has followed from the Soviet invasion of Afghanistan. As it does so, Soviet forces in Afghanistan, are preparing for a spring offensive against the freedom fighters.

Now, Mr. President, there has been a substantial discussion of whether the lifting of the embargo would make any significant difference in costs to be borne by the Soviet Union. Certainly the embargo appeared to be less than wholly effective, but this is not the right question. To my mind the reasoning provided by administration spokesmen in explaining the President's action was at least as disturbing as the action itself, and the effects of this reasoning will continue even when the material consequences have faded.

To explain the President's action, we heard that he made a pledge to the Nation's farmers to end what they regarded as a discriminatory burden borne by them alone. May I observe that no one ever asked the Seafarers' International Union, the seamen of this Nation, what they thought of the burden or the railroad workers what they thought of the burden and, indeed, they did not complain.

The pledge was made to the farmers, and if they were the ones who would benefit, the costs of this action in foreign policy will be borne by all of us. It is fair enough to keep a campaign pledge, but one wonders why the President has not remembered his pledge, for example, not to sell weapons that would jeopardize Israel's security.

But there is a more important point here. The administration is making an effort to rally countries around the world to form a consensus in opposition to Soviet expansionism. We know that central to that difficulty is the tangle of economic relationships which Dr. Kissinger and others sought to establish in the 1970's as a way of inhibiting Soviet behavior which, in the end, has turned out to be much more of an inhibition on American behavior and behavior of democracies generally.

It is we who owe the money, we who seek the exports, we who find ourselves able to effect the behavior of our own Government such that détente has turned out to be a much greater restraint on us in this respect than otherwise, and in nothing more particularly than the export of goods and services to the Soviet Union. We have tried to form this consensus.

Changing directions of foreign policy will always arouse resistance in some quarters. And this is, in fact, precisely what we have done, and in a rather schoolmasterly tone, telling our European allies that we must develop common policies to tighten up on East-West trade. In our view, we cannot allow narrow advantage for one segment of one Western economy to obscure the harm that can be done to Western interests as a whole by allowing the transfer of high technology.

But it is not hard to imagine what European leaders will now tell President Reagan. They will say that they would like to have cooperated but, regrettably, they have made pledges which keep them from doing so. Chancellor Schmidt will arrive in the United States in a few weeks. He will know what to say when we urge him to discipline the left wing of his coalition; he will say: "If you cannot deal with the affluent farmers of the Middle West, am I to take on the trade unions of the Ruhr."

Mr. President, this is not just a matter of repartee among leaders. Our allies in Europe need to be able to believe that stricter controls on East-West trade will be supported by the Congress—this Congress. But, an article in this morning's Financial Times published in London, the second most important publication of its kind in the world, by Mr. David Buchan, a distinguished correspondent here in Washington, is headlined "Reagan Trades the Russian Grain Embargo for Senate Votes."

He reports that his judgment—and it will be shared in Europe—is that the administration decided to barter the grain embargo in exchange for support in the Budget Committee and elsewhere for its domestic programs. They in Europe may also be concluding that restrictions on their own exports to the Soviet Union will be even easier to elude.

In short, the foreign policies for which the administration wants allied support will be inconvenient to many, especially in Europe. And the administration must demonstrate its own willingness to accept such inconveniences or no one else will do the same.

There was a second line for reasoning behind the lifting of the embargo, Mr. President. We have heard that it was made possible by Soviet restraint toward Poland; made possible, in short. by wishful thinking. For no serious student of Soviet policy believes that the Soviet confrontation with Poland has eased for more than a moment. The Soviet Union is

struggling to retain dictatorial rule over its empire. And there is every reason to believe that there will be fresh pressures on the Poles in the very near future. The Soviets, for example, have no wish to allow the next Congress of the Polish Communist Party to meet in July, for it will almost certainly be dominated by reformers.

The visit of Suslov to Warsaw 3 days ago, followed by the assertion in Pravda over the weekend of revisionism in the Soviet Party is as ominous an event as has yet occurred. If you take the least effort to acquaint yourself with the procedures by which the Soviet system comes to conclusions, you will realize just how ominous. When Mikhail Suslov, the principal theoretical authority of the Politburo, a man who had been there 14 years, goes to Warsaw and meets with Kania, then returns to Moscow and declares that revisionism is rampant in the Polish Party, he is setting up a situation in which for the Soviet Union not to act would be an even more egregious departure from its practices and principles than for it to do so. And for us to say, in effect, that we are withdrawing the embargo not because the Soviets have withdrawn from their invasion of Afghanistan but because they have not invaded Poland is a curious set of incentives to provide to the world.

What country has rewarded the United States for not invading Canada lately, or Canada for not invading the United States? Are the Soviets only to threaten some brutal behavior and then be rewarded for postponing it?

In any event, in the judgment of this Senator, nothing could be more perilous to us than to underestimate the situation in Poland. The Soviets at the highest level of their theoretical ideological structure, in the person of Mr. Suslov and the article that followed in Pravda, have said that the situation is unacceptable. Because of their good behavior, we withdraw the one remaining sanction and the world will certainly have the judgment that this was done to win votes on this floor. That is what is being read all over Europe. In every European capital, the Financial Times is being read and it is said that for the purpose of winning three votes in the Budget Committee, or elsewhere, this extraordinarily unfortunate example in foreign policy is being made.

If the richest country in the world cannot endure the mild inconvenience of this solemnly imposed sanction, then will not the world ask what kind of people are we? I hope we can give a better answer than over the weekend, Mr. President. I do not think it is impossible that the administration will come to see this from a very different point of view.

Will the administration be unembarrassed in reimposing the grain embargo as soon as the Poles are suppressed by Soviet tank columns? To be sure, Secretary Haig had an answer to this question on Saturday: There will be a total cessation of trade if Poland is invaded. This may or may not happen, but surely we would like the Soviet Union to believe that it would. But one must work hard to be believed. As we observe the Soviet Union's pressures on Poland, we must wish that our response to Afghanistan had been more serious. It was not. The President, in lifting the embargo while pressures on Poland continue, has made it still harder for the American warnings to be believed.

I do not wish to be hostile. It is a new administration. It is learning. But, surely, before it made so large a decision, it might have consulted with the Senate and heard our views. We were here when that embargo was imposed. We sustained it on several occasions. We had something to say that would well be listened to. Because, let there be no mistake, the worst possible impression of American seriousness with respect to the Soviet Union has been given and the worst possible impression of our understanding of the gravity of the situation in Poland.

Mr. President, I ask unanimous consent that the article by Mr. David Buchan in the Financial Times of April 27, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REAGAN TRADES THE RUSSIAN GRAIN EMBARGO FOR SENATE VOTES

(By David Buchan)

President Reagan has taken one of his most important foreign policy decisions so far scrapping the grain sales restrictions his predecessor imposed on the Soviet Union in January, 1980, for essentially domestic political reasons.

The controversial move shows the overriding importance the President attaches to winning votes for his domestic economic programs, and his willingness in that cause, to override Mr. Alex Haig, the Secretary of State, who opposed lifting the grain ban right to the very end.

Mr. Reagan said he had delayed redeeming his 1980 campaign promise to American farmers to remove the embargo in order to make sure that the Soviet Union and other countries would not misinterpret the action as a weakening in American policy.

Not surprisingly the Soviet press immediately read it as just that—and so have a number of United States politicians, some of them inside the President's own Republican Party.

A key question is how Europe will read the U.S. move. Although the embargo has been credited with relief there, it remains to be seen whether European allies will view the U.S. Administration any longer as in a position to lecture them about restraining sensitive industrial exports to the Soviet Union. Mr. Ed Meese, the White House counselor who played a central role in the grain decision, went out of his way to say that lifting the embargo was not supposed to convey any kind of a signal to the Kremlin. It was not a gesture towards future arms control talks, nor a truce to Afghanistan, nor a reward for not intervening in Poland.

Since the lifting of the grain embargo was not intended as a gesture, no reciprocal move was sought from the Soviet Union, White House officials said.

The only diplomatic window dressing the White House attempted was to say that lifting the grain ban had been made possible in part by the recent easing of tension in Poland.

More mundane and domestic factors determined why Mr. Reagan—after three months of stalling—acted when he did. American farmers are now planning their spring crops, and lifting the grain ban now would give them the green light to sow more.

That, together with U.S. government reports this month of improved prospects for the 1981 harvest, would offset any rise in prices from removing the grain ban on the Soviet Union.

The Chicago and New York markets took the news in their stride on Friday. In fact, imposition and lifting of the grain embargo had coincided harmoniously with market developments. Partial loss of the Soviet market during 1980 mattered less because the United States feed grain harvest was hard hit by drought and demand from other countries rose.

Likewise, the Russians are now fully back as buyers in a year that looks set for a bumper crop in the American farm belt.

More compelling than this, however, was Mr. Reagan's need to rally support for his economic program and farm price legislation which has been flagging on Capitol Hill.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator for the remarks that he has just made.

We were told that the grain embargo was not hurting the Soviets anyhow, but yet we are told that if they go into Poland, the embargo will be reinstituted. I cannot reconcile the two statements. If it was not hurting the Soviets anyhow, what good would it do to reinstitute the embargo if they should go into Poland?

I do not believe it enhances, in the slightest degree, the security of Poland that the grain embargo has been lifted. The Soviets were drawing down their foreign currency. They had drawn down their grain reserves, and portions of meat for the Soviet people were less than the portions of meat for the people of Poland and other Warsaw Pact countries. Mr. Brezhnev himself had said that the agricultural economy of the Soviet Union was in a sad state of affairs. So the embargo was hurting the Soviet Union.

After all, the grain that would have otherwise gone to the Soviet Union, as I understood it, was going to Japan, Mexico, the People's Republic of China, and Taiwan. I think it sent a very bad signal to lift the embargo. I realize that campaign promises are sometimes made, but an ill-advised promise need not be kept, in my judgment.

Mr. MOYNIHAN. Mr. President, if the minority leader will allow me, I wish to observe that that campaign promise was made well before the ominous situation in Poland developed. And it is certainly a principle of law, as the minority leader well knows, and it is certainly a principle of government that circumstances change commitments.

Mr. ROBERT C. BYRD. Mr. President, the people of Afghanistan have sacrificed. They continue to sacrifice. Hundreds of thousands of Afghans have been driven from their homes, driven from their country. Scores of Afghans have been slaughtered. Even boys and girls in Afghanistan, students, have had the courage to stand before the Soviet rifles and be shot down for their courage. What a sacrifice those people are making and will continue to make. I am afraid that the signal we send is one of wishy-washiness, a lack of fortitude and forbearance, a lack of resolve, a weakness, and it will not do us well in history or in our own time.

Mr. MOYNIHAN. I take the liberty of fully agreeing with the minority leader who understands the matter with such great knowledge because he has taken the trouble to learn it.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints to the Board of Regents, Smithsonian Institution, in accordance with Public Law 91-551, the following Senators: BARRY GOLDWATER and JAKE GARN.

The Chair, on behalf of the Vice President, appoints to the Board of Trustees, John F. Kennedy Center for the Performing Arts, in accordance with Public Law 85-874, the following Senator: JAMES A. MCCLURE (vice HARRISON WILLIAMS, resigned).

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT

Under the authority of the order of the Senate of April 8, 1981, the Secretary of the Senate on April 13, 17, 21, 22, 23, and 27, 1981, received messages from the President of the United States submitting sundry nominat'ons; which were referred to the appropriate committees.

(The nominations received on April 13, 17, 21, 22, 23, and 27, 1981, are printed at the end of the Senate proceedings.)

ELEVENTH REPORT OF THE UNITED STATES SINAI SUPPORT MISSION—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT—PM 43

Under the authority of the order of the Senate of April 8, 1981, the Secretary of the Senate, on April 15, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit herewith the Eleventh Report of the United States Sinai Support Mission. It covers the Mission's activities during the six-month period ending April 1, 1981. This report is provided in accordance with Section 4 of Public Law 94-110 of October 13, 1975.

The Sinai Support Mission was established in January 1976 to implement the United States Proposal in the September 1975 Second Sinai Disengagement Agreement to install and operate a tactical early warning system in the Sinai Peninsula. The United States continued to operate the early warning system until January 25, 1980, under the 1979 Egyptian-Israeli Peace Treaty.

Because it was not possible to gain United Nations Security Council agreement to assume responsibility for supervising the security arrangements called for by the Peace Treaty, the United States agreed during September 1979 talks with Egypt and Israel to monitor adherence to the Treaty's military limitations. Verification inspections, conducted by the Sinai Field Mission, began in April 1980 and will continue until April 25, 1982, the scheduled date for total Israeli withdrawal from the Sinai.

My Administration has initiated bilateral discussions with both Parties on the security arrangements to be implemented in the Sinai following Israel's final withdrawal. The United States intends to carry out its commitment to ensure the establishment and maintenance of an acceptable alternative multinational force if it proves impossible for the United Nations to support the security arrangements under the Treaty. We share the desire of both Parties to move forward expeditiously on this question. We will keep the Congress fully informed and will consult as our discussions of this matter progress.

Funding of the Sinai Support Mission for Fiscal Year 1981 is authorized under Chapter 6, Part II of the Foreign Assistance Act, "Peacekeeping Operations," at $16 million. For Fiscal Year 1982, only $10 million is being requested, a level that will fund both the Mission's operations during its final months and the projected costs of its phaseout after April 25, 1982.

Our nation has contributed substantially to the promotion of peace in this critical part of the Middle East, and the Congress can be proud of the accomplishments of the Sinai Support and Field Missions. I am counting on your continued support for this aspect of our efforts to achieve a lasting peace in the Middle East.

RONALD REAGAN.

THE WHITE HOUSE, *April 15, 1981.*

ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE ARTS AND NATIONAL COUNCIL ON THE ARTS—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT—PM 44

Under the authority of the order of the Senate of April 8, 1981, the Secretary of the Senate, on April 27, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and Humanities Act of 1965, as amended, I transmit herewith the Annual Report of the National Endowment for the Arts and the National Council on the Arts for the Fiscal Year 1980. The period covered by the report precedes my term of office.

RONALD REAGAN.

THE WHITE HOUSE, *April 27, 1981.*

ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT—PM 45

Under the authority of the order of the Senate of April 8, 1981, the Secretary of the Senate, on April 27, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and Humanities Act of 1965, as amended, I transmit herewith the 15th Annual Report of the National Endowment for the Humanities covering Fiscal Year 1980. The period covered by the report precedes my term of office.

RONALD REAGAN.

THE WHITE HOUSE, *April 27, 1981.*

NINTH SPECIAL MESSAGE FOR FISCAL YEAR 1981 UNDER THE IMPOUNDMENT AND CONTROL ACT—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT—PM 46

Under the authority of the order of the Senate of April 8, 1981, the Secretary of the Senate, on April 27, 1981, received the following message from the President of the United States, together with accompanying materials; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Energy and Natural Resources, the Committee on Foreign Relations, the Committee on Labor and Human Resources, the Committee on Commerce, Science, and Transportation, and the Committee on Environment and Public Works:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report six revisions to previously transmitted rescission proposals. Three of the revisions decrease the total amount proposed for rescission by $3.7 million. The other revisions to proposed rescissions make technical changes to appropriation language which do not affect the amounts proposed for rescission. In addition, I am reporting two new deferrals totaling $6.4 million and revisions to five previously reported deferrals.

The revisions to rescission proposals affect programs in the Departments of Agriculture and Energy, as well as ACTION and the National Science Foundation. The new deferrals and revisions to existing deferrals involve programs in the Departments of Agriculture, Commerce, Energy, Health and Human Services, and Transportation, as well as the Board for International Broadcasting and the International Communication Agency.

The details of each rescission proposal and deferral are contained in the attached reports.

RONALD REAGAN.

THE WHITE HOUSE, *April 27, 1981.*

79-059 O - 84 - 21 Pt.6

REQUEST FOR RETURN OF AGREEMENT BETWEEN THE UNITED STATES AND CANADA ON EAST COAST FISHERIES RESOURCES—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of April 8, 1981, the Secretary of the Senate, on April 21, 1981, received the following message from the President of the United States; which was referred to the Committee on Foreign Relations:

To the Senate of the United States:

On March 6, 1981, I asked the Chairman of the Committee on Foreign Relations to uncouple two pending treaties, signed March 29, 1979, relating to East Coast fishery and maritime boundary matters. I made this request after members of the Senate leadership advised me the treaties could not be ratified as they were.

My goal, as I am sure is yours, is to resolve the fishery problem and at the same time fortify our strong and close relationship with Canada.

Our two nations have built a friendship based on good will and mutual respect, recognizing that we both have independent, national interests to pursue. I believe that the proposed course of action will ensure the settlement of the maritime boundary by an impartial and binding procedure, and that it will allow a future fisheries relationship with Canada to be based on better known facts and circumstances.

Therefore, I recommend that the Senate give advice and consent to ratification of the Treaty Between the Government of the United States of America and the Government of Canada to Submit to Binding Dispute Settlement the Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979, subject to technical amendments including an amendment which would allow it to be brought into force without the entry into force of the accompanying fishery agreement. And, I request that the Senate return to me without further action the Agreement Between the Government of the United States of America and the Government of Canada on East Coast Fishery Resources, signed at Washington, March 29, 1979.

I believe that the course of action outlined above is in the best interest of the United States and will contribute to the close and cooperative relationship with Canada that we seek.

RONALD REAGAN.

THE WHITE HOUSE, *April 21, 1981.*

MESSAGE FROM THE HOUSE

At 1:06 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 116. A concurrent resolution providing for a joint session of the two Houses on Tuesday, April 28, 1981, to receive a message from the President of the United States.

The message also announced that the House has agreed to the following resolution:

H. Res. 128. A resolution relative to the death of the Honorable Tennyson Guyer, a Representative from the State of Ohio.

The message further announced that pursuant to section 18 of Public Law 96–180, the Speaker appoints as members of the National Commission on Alcoholism and Other Alcohol-Related Problems, the following Members on the part of the House: Mr. SEIBERLING, Mr. WYDEN, Mr. MARTIN of North Carolina, and Mr. BENEDICT.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–932. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Department of Agriculture Can Minimize the Risk of Potential Crop Failures"; to the Committee on Agriculture, Nutrition, and Forestry.

EC–933. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on the President's sixth special message for fiscal year 1981; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations and the Committee on the Budget.

EC–934. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the cumulative report on budget rescissions and deferrals for April 1981; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations and the Committee on the Budget.

EC–935. A communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on the transfer of certain funds appropriated to the Department of Defense; to the Committee on Appropriations.

EC–936. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Air Force's proposed letter of offer to Turkey for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–937. A communication from the Director of the Federal Emergency Management Agency, transmitting, pursuant to law, the stockpile report for the period April–September 1980; to the Committee on Armed Services.

EC–938. A communication from the Assistant Secretary of the Air Force, transmitting, pursuant to law, a report on a study with respect to converting the commissary shelf-stocking and custodial services function at Norton Air Force Base, California, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–939. A communication from the Acting Associate Director of the Office of Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report on the summary of revenues derived from recovered materials for fiscal year 1980; to the Committee on Armed Services.

EC–940. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for implementation of the Export Administration Act of 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC–941. A communication from the President of the National Railroad Passenger Corporation, transmitting, pursuant to law, the results of the asssesment of emerging corridors jointly undertaken by Amtrak and the Department of Transportation; to the Committee on Commerce, Science, and Transportation.

EC–942. A communication from the Secretary of Transportation and the President of the National Railroad Passenger Corporation, transmitting, pursuant to law, a final evaluation of rail passenger corridors; to the Committee on Commerce, Science, and Transportation.

EC–943. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on a number of passenger transportation markets which have been reviewed for potential rail corridor service; to the Committee on Commerce, Science, and Transportation.

EC–944. A communication from the Acting Deputy Assistant Secretary of the Interior (Operations, Territorial, and International Affairs), transmitting, pursuant to law, audits reports of the U.S. Government Comptrollers for the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, the Northern Marianna Islands, and American Samoa; to the Committee on Energy and Natural Resources.

EC–945. A communication from the Acting Deputy Assistant Secretary of the Interior (Operations, Territorial, and International Affairs), transmitting, pursuant to law, the annual report of the fiscal condition of the American Samoa Government for fiscal year 1979; to the Committee on Energy and Natural Resources.

EC–946. A communication from the Acting Commissioner of Social Security, transmitting, pursuant to law, a report on a matching system for the Social Security System; to the Committee on Finance.

EC–947. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Revising Social Security Benefit Formula Which Favors Short-Term Workers Could Save Billions"; to the Committee on Finance.

EC–948. A communication from the Assistant Secretary of the Treasury transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development, special studies prepared by the External Review and Evaluation Office of the Inter-American Development Bank, and project performance audit reports or project completion reports prepared by the Asian Development Bank; to the Committee on Foreign Relations.

EC–949. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on March 24, 1981; to the Committee on Governmental Affairs.

EC–950. A communication from the Chairman of the Federal Home Loan Bank Board, transmitting, pursuant to law, the annual report of the Board under the Government in the Sunshine Act for calendar year 1980; to the Committee on Governmental Affairs.

EC–951. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on March 24, 1981; to the Committee on Governmental Affairs.

EC–952. A communication from the Secretary of the United States Consumer Product Safety Commission, transmitting, pursuant to law, a report on a new system of records for the Commission for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–953. A communication from the Deputy Director of the Central Intelligence Agency

(Administration), transmitting, pursuant to law, a proposed amendment to a system of records of the Agency for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–954. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on an altered system of records for the Department of Defense for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–955. A communication from the Chairman of the Advisory Commission on Intergovernmental Relations, transmitting, pursuant to law, the twenty-second annual report of the Commission covering activities during calendar year 1980; to the Committee on Governmental Affairs.

EC–956. A communication from the Director of Central Intelligence, transmitting a draft of proposed legislation to authorize appropriations for fiscal year 1982 for intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Select Committee on Intelligence.

EC–957. A communication from the Secretary of Transportation, transmitting, pursuant to law, the annual report of the Department on activities under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–958. A communication from the Attorney General of the United States, transmitting, pursuant to law, the annual report of the Attorney General on activities of the Department of Justice for fiscal year 1980; to the Committee on the Judiciary.

EC–959. A communication from the Acting Inspector General of the Department of Health and Human Services, transmitting, pursuant to law, the first annual report on the efforts of the Department to strengthen management control over the procurement of consultant services; to the Committee on Labor and Human Resources.

EC–960. A communication from the Acting Administrator of the Veterans' Administration, transmitting, pursuant to law, a study to determine how and why veterans use—or do not use—the variety of benefits available to them as a result of their military service; to the Committee on Veterans' Affairs.

EC–961. A communication from the Secretary of Transportation, transmitting, pursuant to law, the sixth annual report on the activities of the Department of Transportation related to the administration of the Deepwater Port Act for fiscal year 1979; by unanimous consent, referred jointly to the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources and the Committee on Environment and Public Works.

REPORTS OF COMMITTEES RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of April 8, 1981, the following reports of committees were submitted on April 23, 1981:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 999. An original bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and for other purposes (Rept. No. 97–39).

S. 1000. An original bill to amend the Independent Safety Board Act of 1974 to provide authorizations for appropriations, and for other purposes (Rept. No. 97–41).

S. 1001. An original bill to amend the Earthquake Hazards Reduction Act of 1977, to extend authorization for appropriations for fiscal year 1982, and for other purposes (Rept. No. 97–42).

S. 1002. An original bill to amend the National Climate Program Act to extend the authorization for appropriations for fiscal year 1982, and for other purposes (Rept. No. 97–43).

S. 1003. An original bill to amend Title III of the Marine Protection Research and Sanctuaries Act of 1972, as amended, to authorize appropriations for such title for fiscal years 1982 and 1983 (Rept. No. 97–44).

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, with an amendment (in the nature of a substitute):

S. 831. A bill to authorize appropriations for the Coast Guard for fiscal year 1982, and for other purposes (Rept. No. 97–45).

By Mr. DOMEN CI, from the Committee on the Budget, without amendment:

S. Res. 107. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 786.

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, without amendment:

S. Res. 113. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1000. Referred to the Committee on the Budget.

S. Res. 114. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 831. Referred to the Committee on the Budget.

By Mr. McCLURE, from the Committee on Energy and Natural Resources:

Special Report on Legislative Activities of the Committee on Energy and Natural Resources (Rept. No. 97–40).

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under the authority of the order of the Senate of April 8, 1981, the following executive reports of committees were submitted:

By Mr. TOWER, from the Committee on Armed Services:

Lawrence J. Korb, of Virginia, to be an Assistant Secretary of Defense.

BIOGRAPHICAL SKETCH OF LAWRENCE J. KORB

On March 30, 1981, President Reagan nominated Dr. Lawrence J. Korb to be Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics).

Dr. Korb was born in New York City in 1939. He was awarded a Ph. D. Degree from the State University of New York at Albany (1969); a M.A. Degree from St. John's University (1962); and a B.A. from Athenaeum of Ohio (1961).

Prior to assuming his present position as Assistant Secretary of Defense, Dr. Korb was Resident Director of Defense Policy Studies at the American Enterprise Institute for Public Policy Research and co-editor of the AEI Foreign Policy and Defense Review. He also has been a member of the faculties of the U.S. Naval War College (1975–1980); the U.S. Coast Guard Academy 1971–1975). and the University of Dayton (1969–1971). Dr. Korb has served as a consultant to the Office of the Secretary of Defense; Office of Education; National Security Council; and was a member of President Reagan's Defense Advisory Council.

Dr. Korb spent four years on active duty as a Naval Flight Officer and has remained active in the Naval Reserve (presently holding the rank of Commander).

He is the author of "The Joint Chiefs of Staff: The First Twenty Five Years"; "The Fall and Rise of the Pentagon: Defense Policies of the 1970s"; "The Price of Preparedness: The FY 1978–1982 Defense Program"; "The FY 1978–1983 Defense Program: Issues and Trends"; "The FY 1980–1984 Defense Program: Issues and Trends"; and "The FY 1981–1985 Defense Program: Issues and Trends," and co-authored "The Problem of Military Readiness." In addition, he has contributed some sixty articles on national security affairs to books and journals, and is the recipient of several awards for scholarship and teaching proficiency.

A native of New York City, Dr. Korb now resides in Northern Virginia.

Also from the Committee on Armed Services, the following nominations were reported favorably; Lt. Gen. Robert Gibbons Gard, Jr., (age 53) Army of the United States (major general, U.S. Army) to be placed on the retired list in the grade of lieutenant general; Maj. Gen. Lynwood E. Clark, U.S. Air Force, to be lieutenant general, and Lt. Gen. George H. Sylvester, U.S. Air Force, (age 53) for appointment to the grade of lieutenant general on the retired list. The names were placed on the Executive Calendar.

In addition, in the Air Force there are 1,594 appointments/promotion to the grade of colonel and below (list beginning w/James K. Wiles). Since these names have already appeared in the Congressional Record and to save the expense of printing again. The nominations were placed on the Secretary's desk.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOLE:

S. 1004. A bill for the relief of Roman Enriquez, Andrietta Enriquez, and their son Sol Allan Enriquez; to the Committee on the Judiciary.

By Mr. HELMS:

S. 1005. A bill to amend the Civil Rights Act of 1964 to provide for freedom of choice in student assignments in public schools; to the Committee on the Judiciary.

S. 1006. A bill to amend the Food Stamp Act of 1977 to eliminate certain abuses under such Act and to improve the administration of such Act; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HELMS (by request):

S. 1007. A bill to amend the Food Stamp Act of 1977 to restrain food stamp program spending, to increase States agency flexibility, to focus benefits toward the most needy, to extend appropriations authority, to amend the Agriculture and Consumer Protection Act of 1973, and to extend and improve the commodity distribution programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. THURMOND:

S. 1008. A bill to provide that retired officers of the Armed Services recalled to active duty and detailed to duty with the American Battle Monuments Commission shall not be charged against the authorized and strengths and grade limitations prescribed for the Department of Defense or the military departments concerned; to the Committee on Veterans Affairs.

By Mr. BAUCUS:

S. 1009. A bill to amend the Internal Revenue Code of 1954 to provide that the Secretary of the Treasury shall adjust the annual interest rate, if necessary, every six months; to the Committee on Finance.

By Mr. NUNN (for himself, Mr. CHILES, Mr. DECONCINI, Mr. COHEN, Mr. BENTSEN, Mr. DOMENICI, Mr. LONG, Mr. ROTH, Mr. RUDMAN, Mr. JACKSON, and Mr. SCHMITT):

S. 1010. A bill to protect taxpayers' privacy regarding third-party recordkeepers summoned to produce records of taxpayers and at the same time to insure effective, efficient enforcement of Internal Revenue Service third-party summons; to the Committee on Finance.

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 1011. A bill to provide for the issuance of a postage stamp to commemorate the late Joe Louis, the longest reigning Heavyweight Boxing Champion of the World; to the Committee on Governmental Affairs.

By Mr. LEVIN:

S. 1012. A bill to amend the Internal Revenue Code of 1954 to permit certain deductions for interest payments on automobile indebtedness to be used in determining adjusted gross income; to the Committee on Finance.

S. 1013. A bill to amend the Internal Revenue Code of 1954 to provide for full depreciation in one year of certain tools used in manufacturing motor vehicles; to the Committee on Finance.

S. 1014. A bill to amend the Internal Revenue Code of 1954 to increase the carryback period for the investment credit and net operating loss deduction to 6 years; to the Committee on Finance.

By Mr. CRANSTON (for himself, Mr. PELL, Mr. MATHIAS, Mr. BIDEN, Mr. SARBANES, Mr. TSONGAS, Mr. BAUCUS, and Mr. KENNEDY):

S. 1015. A bill to separate the Peace Corps from the ACTION agency; to the Committee on Foreign Relations.

By Mr. DOLE (for himself, Mr. LEAHY, Mr. COCHRAN, Mrs. HAWKINS, Mr. MELCHER, Mr. PRYOR, and Mr. ZORINSKY):

S. 1016. A bill to amend the Food Stamp Act of 1977 to reduce the fraud and abuse, strengthen enforcement actions, and increase recovery of overpayments; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HAYAKAWA:

S.J. Res. 72 Joint resolution proposing an amendment to the Constitution of the United States with respect to proceedings and documents in the English language; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HELMS:

S. 1005. A bill to amend the Civil Rights Act of 1964 to provide for freedom of choice in student assignments in public schools; to the Committee on the Judiciary.

STUDENT FREEDOM OF CHOICE ACT

Mr. HELMS. Mr. President, the uppermost question in the minds of most Americans today is whether or not they have control over the basic decisions of their lives. There is a feeling that too many basic questions are being decided by impersonal forces beyond their reach—such questions as to how they will earn their livelihood, how much of the money they earn the Government will allow them to keep, whether that money will retain its value into their old age, how their children will be raised and educated, and what kind of values will be handed down to their children. Too often in Washington, we are concerned over technical solutions to problems, and we ignore the human dimension of how the lives of ordinary Americans are being torn apart through increasing Federal control and manipulation of the institutions which we have created.

The field of education is one of the most important areas where this is happening. Most parents look upon their children as an extension of their own lives and interests. They want to hand down the values they themselves have received from their forefathers and which they have strengthened through the self-building of their own character. Yet when the Federal Government or an educational establishment fattened on Federal funds takes the right to determine a child's education away from his parents, that basic human right is thwarted.

Often these complex problems are telescoped into simple phrases such as "forced busing" and "textbook controversies." But we know that more than that is at stake. Today hundreds of people have come to the U.S. Capitol to talk about these issues with their Senators and Representatives. That is why I am introducing this bill today, to highlight that effort. This is a bill designed to speed the day when those of our public schools which are under Federal jurisdiction can be returned to community control.

We have had so much hostility bred in my State and in States across this Nation because a handful of bureaucrats and pressure groups have pushed something upon the citizens, both black and white, as this Senator has emphasized, that they do not want and which, in fact, is destructive to quality education.

We need to release the administrators of our school systems across this country from having to deal with a Washington bureaucracy that is constantly trying to push something upon the local communities that is not good for the local communities and which, in fact, is destroying confidence in the public education system.

Mr. President, the vast majority of the American people agree that it is unacceptable. Every poll I have seen shows that the vast majority of Americans, black and white, minority and majority, are fed up with seeing their children hauled right past a neighborhood school, in some cases hauled as far as 15 or 20 miles away, consuming gasoline, spending tax dollars, lowering the quality of education, creating hostility, and diminishing the capability of the teachers to educate our children.

Mr. President, today I am reintroducing the Student Freedom of Choice Act to bring to an end the promotion of forced school busing by agencies and courts of the United States. This legislation was originally introduced in the Senate by our former colleagues the distinguished senior Senator from North Carolina Sam J. Ervin, Jr., and the late Senator from Alabama James Allen. I was honored during my first year of work as a Senator to support this legislation and it remains as timely and wise as it was when first introduced in 1973.

The goal of this legislation is a simple one: It would promote the establishment by school officials of attendance plans in which the students would be free to choose the school they wished to attend without interference from the Federal Government.

The bill defines such a "freedom of choice system" as a system in which—

The public schools and the classes it operates are open to students of all races and in which the students are granted the freedom to attend public schools and classes chosen by their respective parents from among the public schools and classes available for the instruction of students of their ages and educational standing.

When such a system is established then—

No department, agency, offices or employee of the United States empowered to extend Federal financial assistance . . . shall withhold or threaten to withhold, any such Federal financial assistance . . . (1) on account of the racial composition of the student body, or (2) to coerce or induce the school board operating such public school to transport students, or (3) to coerce or induce any school board to close any public school, or (4) to coerce or induce any school board to transfer any member of any public school faculty.

In addition, the bill provides a legal remedy in Federal court should an agency or employee of the Federal Government attempt to undermine a school district's freedom of choice plan by providing that a civil action may be brought in Federal court seeking appropriate relief to end such Federal interference.

Finally, the bill provides that once a school district has adopted and implemented a freedom of choice plan—

No court of the United States shall have jurisdiction to (1) order any school board to make any change in the social composition of the student body, (2) transport any students from one public school to another public school, (3) to close any school . . . or (4) to specify the public school where the member of the faculty is to perform his or her duties.

Mr. President, our former colleague Sam Ervin recently sent me a detailed and comprehensive analysis of the history and legal issues involved in court ordered busing and school desegregation. It is the product of a life time of scholarship and reflection by a man so rightly recognized across the Nation for his wisdom on constitutional issues.

Mr. President, I ask unanimous consent that former Senator Ervin's letter dated March 16, 1981 and his complete statement be printed at this point in the RECORD and that the text of the Student Freedom of Choice Act be reprinted following Mr. Ervin's statement.

There being no objection, the bill and statement were ordered to be printed in the RECORD, as follows:

S. 1005

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Student Freedom of Choice Act".

SEC. 2. The Civil Rights Act of 1964 (42 U.S.C. 1971–1975a–1975d, 2000a–2000h–6) is amended by adding at the end thereof the following new title:

"TITLE XII—PUBLIC SCHOOL—FREEDOM OF CHOICE

"SEC. 1201. As used in this title—

"(a) 'State' means any State, district, Commonwealth, territory, or possession of the United States.

"(b) 'Public school' means any elementary or secondary educational institution, which is operated by a State, subdivision of a State, or governmental agency within a State, or any elementary or secondary educational institution which is operated, in whole or in part, from or through the use of governmental funds or property, or funds or property derived from a governmental source.

"(c) 'School board' means any agency which administers a system of one or more public schools and any other agency which is responsible for the assignment of students to or within such system.

"(d) 'Student' means any person required or permitted by State law to attend a public school for the purpose of receiving instruction.

"(e) 'Parent' means any parent, adoptive parent, guardian, or legal or actual custodian of a student.

"(f) 'Faculty' means the administrative and teaching force of a public school system or a public school.

"(g) 'Freedom of choice system' means a system for the assignment of students to public schools and within public schools maintained by a school board operating a system of public schools in which the public schools and the classes it operates are open to students of all races and in which the students are granted the freedom to attend public schools and classes chosen by their respective parents from among the public schools and classes available for the instruction of students of their ages and educational standings.

"SEC. 1202. No department, agency, officer, or employee of the United States empowered to extend Federal financial assistance to any program or activity at any public school by way of grant, loan, or otherwise shall withhold, or threaten to withhold, such financial assistance from any such program or activity on account of the racial composition of the student body at any public school or in any class at any public school in any case whatever where the school board operating such public school or class maintains, in respect to such public school and class, a freedom of choice system.

"SEC. 1203. No department, agency, officer, or employee of the United States empowered to extend Federal financial assistance to any program or activity at any public school by way of grant, loan, or otherwise shall withhold, or threaten to withhold, any such Federal financial assistance from any such program or activity at such public school to coerce or induce the school board operating such public school to transport students from such public school to any other public school for the purpose of altering in any way the racial composition of the student body at such public school or any other public school.

"SEC. 1204. No department, agency, officer, or employee of the United States empowered to extend Federal financial assistance to any program or activity of any public school in any public school system by way of grant, loan, or otherwise shall withhold or threaten to withhold any such Federal financial assistance from any such program or activity at such public school to coerce or induce any school board operating such public school system to close any public school, and transfer the students from it to another public school for the purpose of altering in any way the racial composition of the student body at any public school.

"SEC. 1205. No department, agency, officer, or employee of the United States empowered to extend Federal financial assistance to any program or activity at any public school in any public school system by way of grant, loan, or otherwise shall withhold or threaten to withhold any such Federal financial assistance from any such program or activity at such public school to coerce or induce the school board operating such public school system to transfer any member of any public school faculty from the public school in which the member of the faculty contracts to serve to some other public school for the purpose of altering the racial composition of the faculty at any public school.

"SEC. 1206. Whenever any department, agency, officer, or employee of the United States violates or threatens to violate section 1202, section 1203, section 1204, or section 1205 of this Act, the school board aggrieved by the violation or threatened violation, or the parent of any student affected or to be affected by the violation or threatened violation, or any student affected or to be affected by the violation or threatened violation, or any member of any faculty affected or to be affected by the violation or threatened violation may bring a civil action against the United States in a district court of the United States complaining of the violation or threatened violation. The district courts of the United States shall have jurisdiction to try and determine a civil action brought under this section irrespective of the amount in controversy and enter such judgment or issue such order as may be necessary or appropriate to redress the violation or prevent the threatened violation. Any civil action against the United States under this section may be brought in the judicial district in which the school board aggrieved by the violation or threatened violation has its principal office, or in the judicial district in which any school affected or to be affected by the violation or threatened violation is located, or in the judicial district in which a parent of a student affected or to be affected by the violation or threatened violation resides, or in the judicial district in which a student affected or to be affected by the violation or threatened violation resides, or in the judicial district in which a member of a faculty affected or to be affected by the violation or threatened violation resides, or in the judicial district encompassing the District of Columbia. The United States hereby expressly consents to be sued in any civil action authorized by this section, and expressly agrees that any judgment entered or order issued in any such civil action shall be binding on the United States and its offending department, agency, officer, or employee, subject to the right of the United States to secure an appellate review of the judgment or order by appeal or certiorari as is provided by law with respect to judgments or orders entered against the United States in other civil actions in which the United States is a defendant.

"SEC. 1207. No court of the United States shall have jurisdiction to make any decision, enter any judgment, or issue any order requiring any school board to make any change in the racial composition of the student body at any public school or in any class at any public school to which students are assigned in conformity with a freedom of choice system, or requiring any school board to transport any students from one public school to another public school or from one place to another place or from one school district to another school district in order to effect a change in the racial composition of the student body at any school or place or in any school district, or denying to any student the right or privilege of attending any public school or class at any public school chosen by the parent of such student in conformity with a freedom of choice system, or requiring any school board to close any school and transfer the students from the closed school to any other school for the purpose of altering the racial composition of the student body at any public school, or precluding any school board from carrying into effect any provision of any contract between it and any member of the faculty of any public school it operates specifying the public school where the member of the faculty is to perform his or her duties under the contract.".

MORGANTON, N.C.,
March 16, 1981.

Hon. JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR JESSE: It seems to me that the time has come for Congress to put an end to one of the most aggravated forms of tyranny now being practiced upon the people of the United States by the federal courts and the federal bureaucrats—the forced busing of school children for integration purposes.

While I was serving in the Senate, I prepared a bill with great care which was designed to end such busing in any school district which adopted a freedom of choice plan as described in my bill. This bill is referred to in the enclosed article and is also set forth on pages 19–25 of the hearings held by the Senate Subcommittee on Constitutional Rights on February 19, 20, and 21, 1974.

The article enclosed is a lengthy but complete one which demonstrates that under proper decisions of the Supreme Court and the exact wording of the Equal Protection Clause, the busing for integration purposes is unconstitutional as well as foolish, wasteful, and tyrannical.

I notice that efforts are afoot to renew the Voting Rights Act of 1965, which is perhaps the most devious piece of legislation ever enacted by the Congress. I discuss this act in the enclosed article. The act holds in effect that states condemned by it and their state officials and their people in their corporate capacities are denied the benefit of the prohibition on bills of attainder, notwithstanding that the Supreme Court has formally adjudged that federal officials and even members of the communist party are entitled to this protection. Under this act, a number of states cannot even exercise powers reserved and granted to them by the Constitution of the United States and change their election laws in any respect without going to Washington hat in hand and securing the prior permission of the Attorney General of the United States or the District Court of the District of Columbia.

With all good wishes, I am

Sincerely yours,

SAM J. ERVIN, Jr.

EXCLUSION FROM NEIGHBORHOOD SCHOOLS OF CHILDREN AND THEIR FORCED BUSING FOR INTEGRATION: UNCONSTITUTIONAL FEDERAL TYRANNIES

(Statement of Sam J. Ervin, Jr.)

The exclusion from their neighborhood schools and the forced busing of school children for integration purposes is a foolish, wasteful, and useless tyranny, which is outlawed by the very provision of the Constitution invoked by the Supreme Court to justify it, namely, the equal protection clause of the Fourteenth Amendment.[1]

MY ABIDING CONVICTIONS RESPECTING THE CONSTITUTION

Before explaining why this is so, I deem it not amiss to make certain observations. I have lived about four score and five years; I have spent a substantial part of my energy and time during these years in studying the Constitution, its history, and its objectives; I have acquired by my study abiding convictions respecting these matters; and I note

Footnotes at end of article.

that many Americans far wiser than I have entertained like convictions.

The Constitution is our most precious heritage as Americans. When it is interpreted and applied aright, the Constitution protects all human beings within our borders from anarchy on the one hand and tyranny on the other.

The wise British statesman, William Ewart Gladstone, rightly described the American Constitution as the most wonderful work ever struck off at a given time by the brain and purpose of man.[2]

WHY THE CONSTITUTION WAS WRITTEN AND ADOPTED

For ease of expression, I use the term Founding Fathers to designate those who framed and ratified the Constitution submitted by the Convention of 1787, and those who framed and ratified the amendments which have been added to it.

The Founding Fathers knew the history of the frustrating struggle of the people against arbitrary governmental power during countless generations for the right to self rule and to be free from tyranny, and understood the tragic lessons taught by that history.

As a consequence they comprehended these eternal truths: First, that "whatever government is not a government of laws is a despotism, let it be called what it may"; [3] second, that the "occupants of public office love power and are prone to abuse it"; [4] and, third, that what autocratic rulers of the people had done in the past was likely to be attempted by their new rulers in the future unless they were restrained by laws which they alone could neither alter nor nullify.[5]

The Founding Fathers desired above all things to secure to the people in a written Constitution every right they had wrested from autocratic rulers while they were struggling for the right to self rule and freedom from tyranny.

Their knowledge of history gave them the wisdom to know that this objective could be accomplished only in a government of laws, i.e., a government which rules by certain, constant, and uniform laws rather than by the arbitrary, uncertain, and inconstant wills of impatient men who happen to occupy for a fleeting moment of time legislative, executive, or judicial offices.

For these reasons, the Founding Fathers framed and ratified the Constitution, which they intended to last for the ages, to constitute a law for both rulers and people in peace and in war, and to cover with the shield of its protection all classes of men with impartiality at all times and under all circumstances.[6]

While they intended it to endure for the ages as the nation's basic instrument of government, the Founding Fathers realized that useful alterations would be suggested by experience.[7]

Consequently, they made provision for its amendment in one way and one way only, i.e., by combined action of Congress and the states as set forth in Article V. By so doing, they ordained that "nothing new can be put into the Constitution except through the amendatory process" and "nothing old can be taken out without the same process"; [8] and thereby forbade Supreme Court Justices to attempt to revise the Constitution while professing to interrupt it.[9]

THE CONSTITUTIONAL SEPARATION OF POWERS

In framing and ratifying the Constitution, the Founding Fathers recognized and applied an everlasting truth embodied by the British philosopher, Thomas Hobbes in this phrase: "Freedom is political power divided into small fragments."

They divided governmental powers between the federal government and the states by delegating to the former the governmental powers necessary to enable it to operate as a national government for all the states, and by reserving to the states all other government powers.[10]

They divided among the Congress, the President, and the Federal judiciary the powers given to the federal government by giving to Congress the power to make federal laws, imposing on the President the duty to enforce federal laws, and assigning to the federal judiciary the power to interpret federal laws for all purposes and state laws for the limited purpose of determining their constitutional validity.[11]

In making this division of powers, the Founding Fathers vested in the Supreme Court as the head of the federal judiciary the awesome authority to determine with finality whether governmental action, federal or state, harmonizes with the Constitution as the supreme law of the land, and mandated that all federal and state officers, including Supreme Court Justices, should be bound by oath or affirmation to support the Constitution.[12]

THE DUTY OF SUPREME COURT JUSTICES

No question is more crucial to America than this: What obligation does the Constitution impose on Supreme Court Justices?

America's greatest jurist of all time, Chief Justice John Marshall answered this question with candor, clarity, and finality by his opinion in *Marbury* v. *Madison* and *Gibbons* v. *Ogden*. In these indisputably sound decisions, Chief Justice Marshall declared:

1. That the principles of the Constitution are fundamental, and are designed to be permanent.

2. That the words of the Constitution must be understood to mean what they say.

3. That the Constitution constitutes an absolute rule for the government of Supreme Court Justices in their official action.

4. That the oath or affirmation of a Supreme Court Justice to support the Constitution "is worse than solemn mockery" if he does not "discharge his duties agreeably to the Constitution of the United States." [13]

In elaborating his second declaration, Chief Justice Marshall said:

"As men whose intentions require no concealment generally employ the words which most directly and aptly express the ideas they intend to convey, the enlightened patriots who framed our Constitution, and the people who adopted it, must be understood to have used words in the natural sense, and have intended what they have said." [14]

This being true, Supreme Court Justices are forbidden to commit verbicide on the words of the Constitution while they are pretending to interpret them. I am indebted to Dr. Oliver Wendell Holmes for the expressive term verbicide. He declared in his Auotcrat of the Breakfast Table:

"Life and language are alike sacred. Homicide and verbicide—that is, violent treatment of a word with fatal results to its legitimate meaning, which is its life—are alike forbidden." [15]

The Founding Fathers undertook to immunize Supreme Court Justices against temptation to violate their oaths or affirmations to support the Constitution by making them independent of everything except the Constitution itself. To this end, they stipulated in Article III that Supreme Court Justices "shall hold their offices during good behaviour * * * and receive for their services a compensation, which shall not be diminished during their continuance in office."

In commenting upon the awesome power vested by the Constitution in Supreme Court Justices, Justice (afterwards Chief Justice) Stone made this cogent comment: "While unconstitutional exercise of power by the executive and legislative branches of government is subject to judicial restraint, the only check on our own exercise of power is our own sense of self-restraint." [16]

Many years after the adoption of the Constitution, Daniel Webster, one of the wisest of statesmen, made a caustic and correct comment upon public officials who undertake to substitute their personal notions for rules of law.

He said:

"Good intensions will always be pleaded for every assumption of authority. It is hardly too strong to say that the Constitution was made to guard the people against the dangers of good intentions. There are men in all ages who mean to govern well, but they mean to govern. They promise to be good masters, but they mean to be masters." [17]

By this comment, Webster portrayed the judicial activist with accuracy. A judicial activist is a judge who interprets the Constitution to mean what it would have said if he instead of the Founding Fathers had written it.

The Constitution does not suffice, however, to check the unconstitutional exercise of power by Supreme Court Justices who are judicial activists because they are either unable or unwilling to subject themselves to the requisite self-restraint. As a consequence, they substitute their personal notions for constitutional precepts while pretending to interpret that instrument.

JUDICIAL ACTIVISM IS DESTRUCTIVE OF CONSTITUTIONAL GOVERNMENT

Many disinguished Americans, who understood and revered the Constitution, have rightly declared that judicial activism is destructive of the Constitution because it tends to substitute government by the personal notions of judges for the government of laws that instrument was ordained to established. I quote three of the most famous of them.

George Washington, who served as President of the Convention which framed the Constitution before becoming the first President of our country under it, made this assertion in this Farewell Address:

"If in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always over-balance in permanent evil any partial or transient benefit which the use can at any time yield."

Judge Thomas M. Cooley, author of Constitutional Limitations, declared:

"1. The meaning of the constitution is fixed when it is adopted, and it is not different at any subsequent time when a court has occasion to pass upon it.

"2. A court * * * which should allow a change in public sentiment to influence it in giving to a written constitution a construction not warranted by the inention of its founders would be justly chargeable with reckless disregard of official oath and public duty; and if its course could become a precedent, these instruments would be of little avail. * * * What a court is to do, therefore, is to declare the law as written, leaving it to the people themselves to make such changes as new circumstances may required." [18]

Benjamin N. Cardozo, Chief Judge of the New York Court of Appeals and Justice of the United States Supreme Court, stated in his enlightening treatise The Nature of the Judicial Process that "judges are not commissioned to make and unmake rules at pleasure in accordance with changing views of expediency or wisdom" and that "it would put an end to the reign of law" if judges adopted the practice of substituting their

Footnote at end of article.

personal notions of justice for rules established by a government of law.[19]

NO JUDICIAL DECISION MERITS RESPECT IF IT IS REPUGNANT TO THE CONSTITUTION

Some of those who condone judicial activism and verbicide assert that all decisions of the Supreme Court ought to be deemed sacrosanct, and that patriotism commands all citizens to refrain from criticizing them because criticism diminishes the respect of the people for the Court.

This assertion is intellectual rubbish. No judicial decision merits respect unless it is respectable, and no judicial decision is respectable if it flouts the Constitution which the judges participating in it are bound by oath or affirmation to support.

As Justice Frankfurter has so well declared, "judges as persons or courts as institutions are entitled to no greater immunity from criticism than other persons or institutions * * * Judges must be kept mindful of their limitations and of their ultimate public responsibility by a vigorous stream of criticism expressed with candor however blunt."[20]

Chief Justice Stone concurred with Justice Frankfurter's views by stating that "where the courts deal, as ours do, with great public questions, the only protection against unwise decisions, and even judicial usurpation, is careful scrutiny of their action, and fearless comment upon it."[21]

The most vigorous denunciation of judicial activism and verbicide by Supreme Court Justices is to be found in opinions of their Brethren. For example, Justice Jackson had this to say in his concurring opinion in *Brown* v. *Allen*, 344 U.S. 443, 535:

"Rightly or wrongly, the belief is widely held by the practicing profession that this Court no longer respects impersonal rules of law but is guided in these matters by personal impressions which from time to time may be shared by a majority of the Justices. Whatever has been intended, this Court also has generated an impression in much of the judiciary that regard for precedents and authorities is obsolete, that words no longer mean what they have always meant to the profession, that the law knows no fixed principles."

Justice Jackson added this scathing observation to his concurring opinion: "But I know of no way that we can have equal justice under law except we have some law." (344 U.S. at page 546)

Since Justice Jackson wrote his concurring opinion in 1952, the Supreme Court has vastly stepped up its judicial activism and verbicide. By so doing, it has made plain a truth which James Madison expressed as a belief to the Virginia Convention on June 16, 1788. At that time Madison said:

"Since the general civilization of mankind, I believe that there are more instances of the abridgment of the freedom of the people by gradual and silent encroachments of those in power than by violence and sudden usurpations."

By constantly increasing judicial activism and verbicide, Supreme Court Justices have expanded for practical purposes the powers of the federal government in general and their own powers in particular far beyond the bounds to such powers set by the Constitution, and have converted the Supreme Court itself in large measure from a judicial tribunal in a government of laws into a judicial oligarchy whose decisions are controlled by the personal notions of its members.

As a consequence, the states have been largely reduced to meaningless zeros on the nation's map and virtually all the public activities of the people and many of their private activities, private preferences, and private thoughts have been directly or indirectly subjected to federal regulation.

Time and space preclude a statement of the impact of all their judicial activism and verbicide on constitutional government in America and the freedom of Americans. I shall, therefore, confine what I have to say on the subject to the decrees of the Supreme Court which sanction the exclusion from neighborhood schools and forced busing of school children for integration purposes. The Supreme Court asserts that these decrees are justified by the equal protection clause of the Fourteenth Amendment. The words and objective of this clause contradict this claim.

By practicing judicial activism and verbicide on this constitutional provision, the Supreme Court distorts it into conferring upon itself, inferior federal courts, and unelected federal bureaucrats the arbitrary power to deny school children of all races the right to attend schools in their neighborhoods and to order them to be bused to distant schools elsewhere to mix them in racial proportions pleasing to judges and bureaucrats, and thus makes innocent school children of all races the helpless and hapless pawns of judicial and bureaucratic tyranny.

The stark nature of this tyranny was revealed to a limited degree by news items of recent days emanating in Louisiana. According to these news items, a federal judge sitting in that state threatened to adjudge three white teen-aged high school girls guilty of contempt of his court and to punish them accordingly.

Their offense was that they had continued to seek their education at their familiar neighborhood school instead of journeying by bus to an unfamiliar distant school elsewhere. In so doing they had allegedly disobeyed an order issued by the federal district judge commanding the state board to deny them admittance to their neighborhood school and to bus them to the distant school elsewhere for integration purposes.

In a very real sense, all judges of inferior federal courts are servants of the federal judicial hierarchy headed by the Supreme Court. The federal district judge sitting in Louisiana undoubtedly acted under the conviction that his action was required by the forced busing decrees of Supreme Court Justices.

THE TRUE MEANING AND OBJECTIVE OF THE EQUAL PROTECTION CLAUSE

The Fourteenth Amendment became a part of the Constitution on July 21, 1868. When it is interpreted and applied aright, its equal protection clause is one of the simplest and most salutary of the provisions of the Constitution.

The clause extends its protection to all persons of all races, colors, or classes who are similarly situated within the boundaries of any state. Its objective is to secure equality to such persons under the laws of the state.[22] The clause specifies that no state "shall deny to any person within its jurisdiction the equal protection of the laws."[23]

By this phrase, the equal protection clause requires the laws of the state to treat all persons within its jurisdiction alike under like circumstances, both in the rights conferred and the responsibilities imposed.[24]

The clause applies only to states and to state officials acting under state law. Further than that, the clause does not go. It does not apply in any way to private individuals, or confer upon the federal government any power to control their conduct.[25]

Since all federal officers, including Supreme Court Justices, are bound by oath or affirmation to support the Constitution, no court, department, or agency of the federal government has any power to require a state or any state officer acting in its behalf to violate the equal protection clause. The Supreme Court has expressly ruled that Congress cannot do so.[26]

THE BROWN CASE

During the 86 years following the ratification of the Fourteenth Amendment, presidents, governors of states, Congress, state legislatures, and federal and state courts interpreted the equal protection clause to permit a state to segregate by law persons within its jurisdiction on the basis of race as long as the facilities which served them were equal.

The interpretation was known as "the separate but equal doctrine." This doctrine did not originate in any Southern state. It had its genesis in Massachusetts. In 1849, the Supreme Judicial Court of Massachusetts created and applied it in *Roberts* v. *City of Boston*, 59 Mass. (5 Cush.) 198, when it rejected the plea of Senator Charles Sumner that the City of Boston be compelled to admit black children to a racially segregated school for whites.

By a 7 to 1 vote, the Supreme Court applied "the separate but equal doctrine" to the segregation of passengers on the basis of race in transportation in 1896 in *Plessy* v. *Ferguson*, 163 U.S. 537; and by a unanimous vote, the Supreme Court applied "the separate but equal doctrine" to the segregation of children in public schools on the basis of race in 1927 in *Cong Lum* v. *Rice*, 275 U.S. 78.

Justice Brown of Michigan wrote the opinion in *Plessy* v. *Ferguson* for a court composed of himself and Chief Justice Fuller of Illinois, and Justices Field of California, Harlan of Kentucky, Gray of Massachusetts, Brewer of Kansas, Shiras of Pennsylvania, White of Louisiana, and Peckham of New York. Harlan dissented, and Brewer did not participate. Harlan based his dissent on the proposition that "our Constitution is color blind."

Chief Justice Taft wrote the opinion in *Cong Lum* v. *Rice* for a unanimous Supreme Court composed of himself and Justices Holmes and Brandeis of Massachusetts, Van Devanter of Wyoming, McReynolds and Sanford of Tennessee, Sutherland of Utah, Butler of Minnesota, and Stone of New York.

On May 17, 1954, the Supreme Court handed down its unanimous decision in *Brown* v. *Board of Education of Topeka*, 347 U.S. 483. By this ruling the Supreme Court adjudged "that in the field of public education the doctrine of separate but equal has no place." In its final analysis, the decision in the Brown Case is based upon the proposition that the equal protection clause of the Fourteenth Amendment forbids a state to consider race in assigning children to its public schools, and in consequence a state violates the clause if it excludes a child from any of its schools because of the child's race. Hence, the decision accepts as valid Justice Harlan's assertion in *Plessy* v. *Ferguson* that "our Constitution is color blind."

At the time the decision in the Brown Case was announced 17 states and the District of Columbia were maintaining segregated schools for black and white children.

It is no exaggeration to say that the decision of the Supreme Court in the Brown Case shocked the nation. In common with multitudes of other Americans, I doubted its validity and wisdom. Such a drastic change in the interpretation of the equal protection clause, I thought, ought to have been made by a constitutional amendment and not by judicial fiat.

Since the Supreme Court handed down its decision in the Brown Case, I have spent much energy and much time studying the origin, the history, the language, and the objective of the equal protection clause of the Fourteenth Amendment.

My study has constrained me to accept as valid these deliberate and definite conclusions:

The "separate but equal doctrine" is consistent with the origin and history of the equal protection clause.

Nevertheless, the "separate but equal doctrine" is inconsistent with the words and manifest purpose of the equal protection clause.

The equal protection clause requires the

Footnotes at end of article.

laws of a state to treat alike all persons in like circumstances within its borders both in respect to rights conferred and responsibilities imposed.

The objective of the equal protection clause is to insure equality under state law of all persons similarly situated within the borders of the state.

A state frustrates the equal protection clause and its objectives if it makes the legal right or legal responsibility of persons within its borders depend upon their race.

The Brown case requires a state to assign its children to its public schools without regard to their race and invalidates any state law to the contrary.

Despite my original misgivings respecting it, the Brown case constitutes a proper interpretation of the equal protection clause.

The equal protection clause governs state action only, and does not apply in any way to the conduct, dealings, associations, social activities, or racial preferences of individuals.

Finally, the equal protection clause contemplates that all persons shall enjoy equal civil liberties under state law, but does not entitle any persons of any race to any special privileges or preferences superior to those accorded to persons of other races by state law.

JUDGE PARKER'S EXPLANATION OF THE BROWN CASE AND THE EQUAL PROTECTION CLAUSE

When the Supreme Court made its decision in the Brown case, it decided four separate cases which it had combined for the purpose of hearing and decision. After its decision, the Supreme Court remanded the four separate cases to the courts in which they had originated for further appropriate proceedings.

One of the four cases, Briggs against Elliott, involved a challenge to the constitutionality under the equal protection clause of the public schools of Clarendon County, South Carolina. This case had originated in the United States District Court for the Eastern District of South Carolina and had been decided in the first instance by a three-judge district court composed of Circuit Judge Parker, and District Judges Waring and Timmerman.[27]

Circuit Judge John F. Parker, who afterwards served as Chief Judge of the United States Court of Appeals for the Fourth Circuit, was deemed by the bench and bar to be one of America's greatest jurists of all times.

After the Briggs case was remanded to the United States District Court for the Eastern District of South Carolina by the Supreme Court for further proceedings, Judge Parker wrote what he called a per curiam opinion for the three judge court, which was then composed of himself, Circuit Judge Dobie, and District Judge Timmerman.

In this illuminating opinion, Judge Parker explained the Brown Case and the equal protection clause with correctness and clarity. In so doing, he said:

"This Court in its prior decisions in this case, 98 F.Supp. 529; 103 F.Supp. 920, followed what it conceived to be the law as laid down in prior decisions of the Supreme Court, *Plessy* v. *Ferguson*, 163 U.S. 537, 16 S.Ct. 1138, 41 L.Ed. 256; *Gong Lum* v. *Rice*, 275 U.S. 78, 48 S.Ct. 91, 72 L.Ed. 172, that nothing in the Fourteenth Amendment to the Constitution of the United States forbids segregation of the races in the public schools provided equal facilities are accorded the children of all races. Our decision has been reversed by the Supreme Court, *Brown* v. *Board of Education of Topeka*, 349 U.S. 294, 75 S. Ct. 753, 757, which has remanded the case to us with direction 'to take such proceedings and enter such orders and decrees consistent with this opinion as are necessary and proper to admit to public schools on a racially non-discriminatory basis with all deliberate speed the parties to these cases.'

"Whatever may have been the views of this court as to the law when the case was originally before us, it is our duty now to accept the law as declared by the Supreme Court.

"(1–4) Having said this, it is important that we point out exactly what the Supreme Court has decided and what it has not decided in this case. It has not decided that the federal courts are to take over or regulate the public schools of the states. It has not decided that the states must mix persons of different races in the schools or must require them to attend schools or must deprive them of the right of choosing the schools they attend. What it has decided, and all that it has decided, is that a state may not deny to any person on account of race the right to attend any school that it maintains. This, under the decision of the Supreme Court, the state may not do directly or indirectly; but if the schools which it maintains are open to children of all races, no violation of the Constitution is involved even though the children of different races voluntarily attend different schools, as they attend different churches. Nothing in the Constitution or in the decision of the Supreme Court takes away from the people freedom to choose the schools they attend. The Constitution, in other words, does not require integration. It merely forbids discrimination. It does not forbid such segregation as occurs as the result of voluntary action. It merely forbids the use of governmental power to enforce segregation. The Fourteenth Amendment is a limitation upon the exercise of power by the state or state agencies, not a limitation upon the freedom of individuals.

"The Supreme Court has pointed out that the solution of the problem in accord with its decisions is the primary responsibility of school authorities and that the function of the courts is to determine whether action of the school authorities constitutes 'good faith implementation of the governing constitutional principles'." [28]

Judge Parker's sound explanation of the Brown Case and the equal protection clause was subsequently rejected by the judicial activists on the Supreme Court.

DE JURE AND DE FACTO SEGREGATION

The Brown Case rightly held that the federal government has no power whatever in respect to the assignment of students to the public schools of a state unless the state discriminates against a child by denying him admission to one of its schools solely because of his race.

Subsequent decisions correctly accept this principle as valid. Under it, segregation of the races in public schools is either de jure or de facto.

De jure segregation, which is subject to federal authority, is an existing condition of segregation in a public school resulting from intentionally segregative action on the part of the school board acting as a state agency, and de facto segregation, which lies outside the bounds of federal authority, is an existing condition of segregation arising out of the custom of American families of different races to establish their homes in communities inhabited by other families of their respective races.[29]

THE COMPULSORY INTEGRATIONISTS AND THE DIE-HARD SEGREGATIONISTS

It is necessary to describe the political climate which prevailed in the United States during the years of the civil rights revolution. As I stated on occasions during that time, the constant preoccupation and agitation respecting race impaired our national sanity.

The spirit of moderation, tolerance, and mutual understanding ordinarily characteristic of Americans of all races and all walks of life was largely lacking. People of diverse views respecting racial matters engaged in furious, intolerant, and uncompromising controversies concerning them. These controversies erupted in political and legal battles, and sometimes in physical encounters.

For ease of expression, I call the extremists among one group compulsory integrationists, and those among the other die-hard segregationists. I was not happy with either the compulsory integrationists or the die-hard segregationists, and they were not happy with me. Some of the compulsory integrationists applied to me their most opprobrious epithet "racist", and some of the die-hard segregationists called me a "flaming liberal."

Despite their violent disagreements in general, both the compulsory integrationists and the die-hard segregationists spurned my abiding conviction that the Constitution commands that men of all races shall enjoy equality under the law and forbids the grant of special legal rights and special legal privileges to men of one race denied to men of other races.

The thinking of the compulsory integrationists on this score was twisted awry. They had convinced themselves that members of the minority race were entitled to legal rights superior to those of members of the majority race, and their goal was to induce, if not to coerce, Congress and the federal judiciary and agencies to grant members of minority races such superior legal rights.

The die-hard segregationists were equally wrong. They were convinced that the legal status of members of the minority race ought to be inferior to that of members of the majority race, and they acted accordingly.

The compulsory integrationists claimed that they were merely seeking to eradicate from the hearts of all Americans the attitudes and inclinations they deemed to be racial prejudices or racial preferences. They were bent on accomplishing their objectives by the coercive power of law rather than by the persuasive power of reason or religion. The laws they sought, and in some instances secured, convert innocent external acts into illegal conduct upon the conclusion or supposition of fallible Federal officers that the innocent external acts were done with racial discrimination or racial preference.

I strongly disagreed with the compulsory integrationists in this respect. I believed that the true function of law is to outlaw external acts which are evil, and not to regulate the thoughts of men, no matter how erroneous their thoughts may be.

Laws which make innocent external acts illegal solely on the basis of the internal thoughts which may accompany them are dangerous. They are, indeed, the stuff of which tyranny is made.

This is true because the administrators of such laws do not possess the clairvoyant power to determine what is in the human heart. As the Old Testament so well says in I Samuel, Chapter 16, verse 7, "The Lord seeth not as man seeth; for man looketh upon the outward appearance; but the Lord looketh on the heart."

I deemed the demands of the compulsory integrationists unwise for other reasons.

While I abhorred racial prejudice in all its aspects, I entertained the earnest belief that racial prejudice can be effectively removed from the human heart only by reason or religion. Furthermore, I rejected the notion that racial preference is synonymous with racial prejudice. In my judgment, racial preference is inseparable from liberty in some of the most intimate relationships and some of the most significant activities of men of all races.

I also entertained the earnest belief that the means by which the compulsory integrationists sought to impose their objectives on the people of our nation were incompatible with the purpose of the Founding

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Fathers in drafting and ratifying a written Constitution which divides governmental powers between the Federal Government and the states.

This purpose was explained with complete fidelity to truth by Chief Justice Salmon P. Chase in *Texas* v. *White*, 1 Wallace (U.S.) 725, when he said: "The Constitution, in all its provisions, looks to an indissoluble union composed of indestructible states."

The ultimate goal of the compulsory integrationists, I believe, was to reduce the states to meaningless and impotent zeros insofar as the regulation of inter-racial relationships was concerned. Their immediate goal was undoubtedly to persuade federal courts and agencies by specious interpretations of the equal protection clause to compel the states to integrate all their schools racially and thus deny children of all races any liberty to choose the schools they attended.

I deplored the attitude and response of some die-hard segregationists toward peaceful demonstrations by members of the minority races who were seeking to obtain equality of rights under the law.

The First Amendment, which I revere, gives to both the wise and the foolish a constitutional right to engage in peaceable demonstrations to present their grievances, real or imaginary, to government or the public. Peaceable demonstrations have therapeutic value in all cases.

If the grievances are real, the peaceable demonstrations may persuade government to grant appropriate relief; and if they are imaginary they may relieve the demonstrators of their tensions, in whole or in part.

I abhorred the brutality which die-hard segregationists sometimes visited upon peaceful demonstrators during the civil rights revolution. I was outraged by the attack some die-hard segregationists made upon the demonstrators who were marching from Selma to Montgomery, and publicly stated that they were the most effective allies the compulsory integrationists had.

Both the compulsory integrationists and the die-hard segregationists disliked the Brown Case. The former did so because it adjudged that the equal protection clause forbade racial discrimination, but did not mandate racial integration; and the latter because it prohibited segregation in the future similar to that of the past.

THE CIVIL RIGHTS ACT OF 1964

Section 5 of the Fourteenth Amendment provides that "the Congress shall have the power to enforce, by appropriate legislation, the provisions of this article."

Ten years after the Brown Case, Congress exercised its power to enforce the equal protection clause insofar as it relates to the assignment of students to state educational institutions. It enacted Title IV of the Civil Rights Act of 1964.[50] Its purpose in so doing was to clarify the role of the federal government in the assignment of students to state schools and bring peace to an America troubled by the bitter controversies between the compulsory integrationists and the die-hard segregationists.

The Title rightly recognized as sound the ruling of the Brown Case that the equal protection clause forbids a state to practice racial discrimination in assigning students to its educational institutions, but does not empower federal courts or officials to compel states to integrate such institutions in racial proportions pleasing to them. Both the words of the Title and its legislative history are as clear as sunlight in a cloudless day.

Since it was in rapport with the equal protection clause, the Title was well designed to win the approbation of all Americans other than those who are wedded to the obsession that the Constitution should be construed to satisfy their personal notions rather than its own objectives.

By Title IV, Congress regulated what had become known as "desegregation" in public education.

By provisions of Sections 401(a) and 407 (a), which were incorporated in the Title as it was originally proposed and retained in the Title in its final formulation, Congress specified with exactness and completeness what the equal protection clause requires of the state in assigning children or students to its educational institutions, and the role, i.e., the function, of federal courts and federal officers in respect to this state activity.

Section 401(a) in its original and final form expressly declares that "'desegregation' means the assignment of students to public schools and within such schools without regard to their race, color, religion, or national origin."

Section 407(a) in its original and final form explicitly denies the Attorney General power to bring legal proceedings to desegregate the educational institutions of a state unless children "as members of a class of persons similarly situated are being deprived by a school board of the equal protection of the laws", or an individual "has been denied admission to or not permitted to continue at a public college by reason of race, color, religion, or national origin."

Congress could not have found plainer words to enforce the equal protection clause and establish these principles as law for people and rulers alike:

1. The state's obligation in assigning students to its educational institutions is simply to make the assignment "without regard to their race, color, religion, or national origin."

2. The role, i.e., the function, of federal courts and federal officers is simply to enforce that obligation in case the state fails to perform it.

3. Federal courts and officers have no power in any event to order the state to assign students to its educational institutions on the basis of their "race, color, religion, or national origin."

While Congress was debating and formulating Title IV, many Senators and Representatives expressed concern with the increasing tendency of inferior federal courts and federal officers to order state school boards to assign students to their schools on a racial basis and thus compel them to integrate their schools racially instead of merely preventing racial discrimination.

To allay this concern, Congress added amendments to Title IV as originally proposed to make it doubly certain the Title would prohibit racial integration by the fiat of federal courts and federal officers as well as racial discrimination by the state in the assignment of students to state educational institutions.

One of these amendments was incorporated in Section 401(a) immediately after the Title's original and final definition of what constitutes "desegregation", and consisted of these words: "but 'desegregation' shall not mean the assignment of students to public schools to overcome racial imbalance."

The other amendment was incorporated in Section 407(a), and was expressed in this unmistakable language: "Provided that nothing herein shall empower any official or court of the United States to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another or one school district to another in order to achieve such racial balance, or otherwise enlarge the existing power of the court to insure compliance with constitutional standards."

The proviso did not contain any exception or create any limitation to its applicability. Hence, it applied to all racial imbalances, regardless of whether they resulted from de jure or de facto segregation. Since "all legislative power granted to the United States" is vested in Congress by Article 1, Section 1 of the Constitution, the subsequent nullification of the proviso by federal courts and federal executive officers constituted a gross usurpation of power denied them by the Constitution and statutes they were professing to interpret.

An illuminating colloquy concerning the proviso occurred between Senator Hubert H. Humphrey, the floor manager of the Civil Rights Act of 1964 in the Senate, and Senator Robert C. Byrd, on the floor of the Senate on June 4, 1964 during consideration of the Civil Rights Act of 1964.

Senator Byrd was distressed by the possibility that Title VI of the Act, which primarily governed state programs receiving federal financial assistance, might be utilized by federal courts or federal officers to coerce state school boards to engage in the forced busing of students.

Senator Byrd put this question to Senator Humphrey: "Can the Senator from Minnesota assure the Senator from West Virginia that under Title VI school children may not be bused from one end of the community to another end of the community at the taxpayers' expense to relieve so-called racial imbalance in the schools?"

Senator Humphrey replied: "I do."

The colloquy continued as follows:

Senator Byrd: "Will the Senator from Minnesota cite the language in Title VI which would give the Senator from West Virginia such assurance?"

Senator Humphrey: 'That language is to be found in another title of the bill, in addition to the assurances to be gained from a careful reading of Title VI itself."

Senator Byrd: "In Title IV?"

Senator Humphrey: "In Title IV of the bill."

Senator Byrd: "Will the Senator from Minnesota read that language in Title IV?"

Senator Humphrey: "Yes, I would be happy to do so. The provision merely quotes the substance of a recent court decision—the so-called Gary Case."

Senator Humphrey thereupon stated that the language under consideration was embodied in the proviso in Section 407(a), and read to Senator Byrd and the other members of the Senate the proviso verbatim in its entirety. The colloquy continued:

Senator Byrd: "What does the word 'herein' mean?"

Senator Humphrey: "It means within the Act."

Senator Byrd: "Does it mean the act or the title?"

Senator Humphrey: "It means the act. If the Senator would like to offer an amendment, if he believes we have not been sufficiently precise, I wish he would do so. As Senator in charge of the bill, I would entertain such an amendment."

Senator Byrd: "But would the Senator from Minnesota also indicate whether the words 'provided that nothing herein shall empower any official or court of the United States to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another or one school district to another in order to achieve such racial balance' would preclude the Office of Education (of the Department of HEW), under Section 602 or Title VI from establishing a requirement that school boards and school districts shall take action to relieve racial imbalance wherever it may be deemed to exist?"

Senator Humphrey. "Yes. I do not believe in duplicity. I believe that if we include the language in Title IV, it must apply throughout the act."

After elaborating the fact that the drafters

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of the proviso had modeled it on the language of Judge Beamer's opinion in *Bell* v. *School Board of Gary*, (D.C. Indiana, 1963), 213 F. Supp. 819, Senator Humphrey assured Senator Byrd in particular and the Senate in general that the proviso forbade federal courts and federal executive officers to require state school boards to bus students to effect the racial integration of schools. He did so by assertions which are intellectually indisputable. He said:

"I should like to make one further reference to the *Gary Case*. This case makes it clear that while the Constitution prohibits discrimination, it does not require integration. The busing of children to achieve racial balance would be an act to effect the integration of schools. In fact, if the bill were to compel it, it would be a violation, because it would be handling the matter on the basis of race and we would be transporting children because of race. The bill does not attempt to integrate the schools, but it does attempt to eliminate segregation in the school systems." [31]

THE GREEN CASE

While the "separate but equal doctrine" was deemed constitutional, New Kent County in rural Virginia maintained two racially segregated schools, one a combined elementary and high school for blacks known as Watkins School and the other a combined elementary and high school for whites known as New Kent School.

In 1965, the County School Board of New Kent County adopted a freedom-of-choice plan for the assignment of children to its schools. This plan permitted every child, regardless of his race, to attend whichever school he chose, and provided him free transportation to enable him to do so.

In exercising their freedom of choice, all of the white students and 15 percent of the black children decided to attend New Kent School, and 85 percent of the black children elected to attend the Watkins School.

The Supreme Court repudiated the freedom-of-choice plan of New Kent County as unconstitutional under the equal protection clause in *Green* v. *County School Board of New Kent County* (1968), 391 U.S. 430.

Although Title IV of the Civil Rights Act of 1964 had been the supreme law of the land for almost four years, the Green Case totally ignored its provisions, and dismissed the Act as a whole with the nonchalant remark that it simply indicated that Congress was "concerned with the lack of progress in school desegregation." [32]

When I was a small boy, my father, who revered the rule of law, took me to the old Supreme Court room in the Capitol at Washington and told me: "Here is where the Supreme Court sits. The Supreme Court will be faithful to the Constitution though the heavens fall." As a result of this childhood experience, I do not find it easy or pleasant to be critical of the Supreme Court, even when it practices verbicide on the words of the Constitution.

I have scrutinized the opinion in the *Green Case* on many occasions, and will reluctantly comment on it with complete candor.

The opinion reflects anger rather than calm reasoning, and illustrates judicial activism and verbicide run riot. It is replete with specious arguments which bear virtually no relationship to the constitutional provision it undertakes to construe and apply.

It ignores the plain words of that provision which expressly restrict their coverage to the states, and applies them to those individuals who happen to be school children in assignment cases. It does this by adjudging that the equal protection clause denies these individuals the freedom to choose the schools they attend.

Its language reveals why the Justices impose this limitation upon the freedom of the children. The Justices apprehend their natural inclination to have daily associates who are members of their own race will deter both black and white children from voluntarily mixing themselves in the schools in racial proportions pleasing to the Justices.

The opinion claims that the Court is merely applying the *Brown Case* and its implementing decision, *Brown II* (1955), 349 U.S. 483. The *Green Case* does recognize these rulings of the *Brown Case*: First, the equal protection clause does make racial discrimination in public education unconstitutional; and second, that the equal protection clause confers no power whatever on the federal government to take any action in respect to the assignment of children to state schools unless the state discriminates against a child by excluding him from one of its schools on account of his race.

Otherwise the *Green Case* is totally repugnant to the *Brown Case*. It rejects the ruling of the Brown Case that the equal protection clause requires the state to ignore race in assigning children to its schools and to make such assignments solely on a nonracial basis, and adjudges that the clause compels the state to give priority to the race of children in assigning them to its schools and to make such assignments on a racial basis.

It also rejects the ruling of the *Brown Case* that the equal protection clause merely empowers the federal government to prohibit an offending state from practicing further racial discrimination, and adjudges that the clause imposes upon an offending state the affirmative obligation to integrate all its schools racially.

The Green Case creates a special rule for the 11 states of the Old Confederacy and the six nearby border states which were maintaining dual systems of racially segregated schools on May 17, 1954. These states, it declares, must destroy "root and branch" all vestiges of past racial discrimination by converting their former dual systems into unitary school systems. This obligation is consummated, it further declares, only when the racial mixture in its schools renders them unidentifiable as "white schools" or "negro schools" and makes them identifiable solely as "just schools."

The Supreme Court has subsequently defined a unitary school in less lucid terms as one in "which no person is to be effectively excluded from any school because of race or color." [33]

The Supreme Court's invalidation of freedom-of-choice in the Green Case cannot be reconciled with this definition. After all, however, judicial aberrations can never be reconciled with constitutional government.

The Green Case illustrates in graphic fashion the tragic truth that many men of good intentions entertain an insatiable desire to impose their personal notions on others, and cannot be safely trusted with unlimited and unsupervised governmental power.

The subseqeunt non-busing decisions of the Supreme Court followed the Green Case. They accepted its philosophy that the Constitution is color conscious rather than color blind, and its ruling that the equal protection clause obligates an offending state school board to take affirmative action to mix the races in its schools if both black and white children reside within its jurisdiction.

Inasmuch as they follow the Green Case, a detailed analysis of those subsequent cases would not increase an understanding of the problems arising out of the forced busing of school children for integration purposes. Hence, further reference to them is omitted.

CHASTISING THE SOUTH

I use the term South to embrace the States of the Old Confederacy and the nearby border states having similar school laws. These states did not possess sufficient prophetic power to know in advance that the Brown Case was going to invalidate as unconstitutional under the equal protection clause the "separate but equal" doctrine which had been held valid in all governmental circles, federal and state, during the preceding 86 years. Consequently, they were still operating legally segregated dual systems of schools on May 17, 1954, the day of the Brown decision.

The compulsory integrationists initiated their activities by concentrating on the segregated schools of the South and disregarding segregation in schools elsewhere. By so doing, they enlisted the aid of politicians in other parts of the nation who found it politically profitable to chastise the distant South for its actual or supposed sins, and to ignore the similar shortcomings of those exercising governmental power in their own states.

The compulsory integrationists and their allies were delighted with the *Green Case* because it gave the Supreme Court's blessing to the chastisement of the South. In it, the Supreme Court Justices invented drastic new rules applicable to the South only, and ordered inferior federal courts sitting in the South to abandon the "deliberate speed approach" of *Brown II*, and compel state school boards in the South to obey the new rules at once.

Acting under the *Green Case* and subsequent Supreme Court decisions following it, federal courts sitting in the South and federal agencies, notably HEW, required state school boards to take various actions, some quite artificial and some quite expensive to state taxpayers, which they deemed likely to speed racial integration in their schools.[34]

I enumerate some of their requirements. They compelled state school boards to deny hundreds of thousands of children, black and white, admittance to their nearest schools, and to attend what they called satellite schools which they "clustered, grouped, or paired" with their neighborhood schools, often in distant and non-contiguous areas; to restructure the boundaries of districts and attendance zones to secure the maximum amount of racial mixing, often in ways incompatible with the terrain and customary routes of travel; to close existing schools in communities inhabited by families of one race, and to consolidate their student bodies with those of student bodies in schools in communities populated by families of the other race; and to build new schools in or adjacent to areas where families of both races resided.

All too often the interests and well-being of children, parents, taxpayers, and education were sacrificed to accomplish integration.

While the South was being treated in this fashion, the Supreme Court, inferior federal courts sitting in other parts of the land, and federal agencies virtually ignored racial segregation in the schools of the North, the East, and the West, notwithstanding such segregation in schools of their inner cities was usually far more pronounced than in Southern communities.

Even after they abandoned "the separate but equal" doctrine in good faith and opened their schools without discrimination to students of all races, school boards in the South found little surcease from chastisement. This was true because racial imbalances in Southern schools were presumed to result from de jure segregation, while racial imbalances in Northern, Eastern or Western schools were either ignored or presumed to be caused by de facto segregation.

The disparity of treatment of the various areas of our country justifies this caustic comment. While the American Creed was proclaiming that our land was "one nation under God", the Supreme Court and federal

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agencies were ruling that the South and other parts were not one nation under the Constitution.

The disparity of treatment prompted Senator John C. Stennis and me to offer two amendments, which passed the Senate. My amendment decreed that rules of evidence in school desegregation cases in all federal courts should be uniform. The Stennis Amendment commanded federal courts and agencies to apply to school segregation throughout the country identical regulations.

The Stennis Amendment provoked an indignant outcry from a few Northern Senators. Thereupon Senator Abraham Ribicoff, of Connecticut, as just a man as ever sat in the Senate, arose in support of the amendment. He declared, in essence, with much eloquence that the Stennis Amendment placed a mirror before Senators who favored integration in the South and disfavored it in the North, and enabled them to see their hypocrisy.

FORCED BUSING

I digress momentarily to emphasize a relevant psychological truth.

When contending groups who entertain different views and seek different ends use the same words to express their contradictory ideas and aims, they produce a lack of public understanding of their differences and the impact which the triumph of one group or the other will have on the way of life of our country.

Advocates and opponents of compulsory integration of schools have used the same word, "desegregation", to express their irreconcilable ideas and incompatible goals. The federal judiciary has added to the lack of public understanding by using the same word, "desegregation", as if it had a single definite meaning.

Opponents of compulsory integration habitually attribute to the word "desegregation" a meaning identical with that given to it by the Supreme Court in the Brown Case and Congress in Title 4 of the Civil Rights Act of 1964. To them, "desegregation" means the assignment of pupils to state schools without regard to their race. To the compulsory integrationists, on the contrary, "desegregation" means the assignment of students to state schools because of their race.

The differences between the two groups are not mere matters of semantics. They reflect a most serious conflict of ideas and demands in respect to the governmental powers delegated to the federal government and reserved to the states by the Constitution, and with respect to whether the Constitution forbids or countenances federal tyrannies which rob innocent children and their inoffending parents of freedom.

The contending groups agree on only one proposition, i.e., that the equal protection clause confers no power upon the federal government to take any action concerning the assignment of students to state schools unless the state commits racial discrimination by denying a child admittance to one of its schools solely on account of his race.

The contending groups insist, however, that the equal protection clause confers on the federal government totally divergent powers in respect to a state school board if it is guilty of racial discrimination in the manner specified.

According to the opponents of compulsory integration, the equal protection clause directs the federal government to require the offending state school board to remedy the consequences of its racial discrimination and to refrain from racial discrimination in the future; and according to the advocates of compulsory integration, the equal protection clause compels the federal government to assume complete control of the assignment of students to schools subject to the jurisdiction of the offending school board, and to compel the board to assign students to its school in racial proportions to the maximum extent feasible.

I return to the narration of events.

Notwithstanding its drastic nature, the Green Case was not calculated to produce integration in the schools of the South to a degree pleasing to compulsory integregationists.

Their desire was frustrated by two factors. One, which had its genesis in what seems to be an inborn human characteristic, was the custom of American families of all races to establish their homes in communities inhabited by families of their respective races; and the other, which had its origin in a dislike for compulsory integration, was the tendency of American white families to flee from the inner cities to the suburbs.

Segregation in public schools resulting from these factors is obviously de facto segregation. It is caused by the exercise of free choice by individuals and not by segregative acts of state school boards.

Nevertheless, the origin of segregation in the public schools of these racially segregated residential communities has not usually exempted their schools from federal regulation under the principle that *de facto* segregation in state schools is not subject to federal jurisdiction. This has been true because these schools have ordinarily been located in state school districts larger than the residential communities they serve. As a consequence, the federal government has usually been able to assume jurisdiction over them either on the basis of evidence of racial discrimination in other schools of their district or on the basis of the assumption that the segregation in them represented racial imbalances presumed to result from the segregative acts of school boards.

The only practicable way for the federal government to integrate state schools in residential communities racially segregated by the voluntary choices of their places of abode by their inhabitants is to resort to forced busing of students.

The forced busing of students for these purposes involves these two successive acts of compulsion: First, denying school children admittance to their neighborhood schools; and, second, assigning and transporting them to schools elsewhere.

Although various reasons are given for it, the real objective of forced busing is to integrate the bodies rather than to enlighten the minds of school children.

Ordinarily forced busing involves an exchange of black and white children. Black students are barred from their neighborhood schools, and compelled to attend schools in communities inhabited by whites; and white children are barred from their neighborhood schools and compelled to attend schools in communities populated by blacks.

On April 20, 1971, the Supreme Court handed down its decision in *Swann* v. *Charlotte-Mecklenburg Board of Education*, 402 U.S. 1. By this decision, the Supreme Court adjudged for the first time that the federal judiciary may constitutionally employ forced busing as a tool of school desegregation.

The *Swann Case* was originally heard by Chief Judge J. Braxton Craven, Jr., in 1965. He ruled that the geographic zoning plan of the Charlotte-Mecklenburg Board of Education satisfied the equal protection clause as it had been interpreted in the *Brown Case*. In so ruling, he made this observation:

"This is another school case. Our adversary system of justice is not well-adapted for the disposition of such controversies. It is to be hoped that with the implementation of the 1964 Civil Rights Act the incidence of such cases will diminish. Administrators, especially if they have some competence and experience in school administration, can more likely work out with School Superintendents the problem of pupil and teacher assignment in the best interests of all concerned better than any District Judge operating within the adversary system. The question before this court, even within its equitable jurisdiction, is *not* what is best for all concerned but simply what are plaintiffs entitled to have as a matter of constitutional law. What *can* be done in a school district is different from what *must* be done." [35]

After Judge Craven's sound ruling, the Supreme Court handed down its decision in the Green case and similar decisions in *Monroe* v. *Board of Commissioners*, (1968) 391 U.S. 430; *Alexander* v. *Holmes County Board of Education*, (1969) 396 U.S. 19; and *Carter* v. *West Feliciana Parish School Board*, (1970) 396 U.S. 1032. These cases ruled that state school boards in the South had an affirmative duty to eradicate at once "root" and "branch" all vestiges of segregation resulting from their former dual systems of schools and that they could do this only by mixing the races in their schools without delay to the maximum degree feasible.[36]

The Constitution had not been changed since Brown, but the Supreme Court Justices had altered their notions as to what was constitutional or desirable.

The Supreme Court did not spell out the rationale underlying its new decisions or the reason why the Constitution now covered the South in a different way from the North, East, and West.

The inference concerning the rationale underlying the new judicial fiat was nevertheless inescapable. It was that the South had been practicing racial discrimination during all the times it had relied upon the "separate but equal doctrine," even though Supreme Court Justices had not been smart enough to know it until May 17, 1954, the day of the Brown case.

Despite the humor in it, this rationale was legally sound. As Dean Samuel F. Mordecai, of the old Trinity (now Duke University) Law School, was wont to say: "The law makes queer distinctions between the obligations it imposes on different categories of men. It requires the layman to know all the law, and the lawyer to know a reasonable amount of the law. But it doesn't require the judge to know a damned thing."

After the Supreme Court handed down the *Green*, the *Monroe*, the *Alexander*, and the *Carter Cases*, the *Swann Case* was reinstituted, and James B. McMillan, a conscientious and erudite United States District Judge, heard it.

As one of the inferior members of the federal judicial hierarchy, Judge McMillan was required to follow and apply in the reinstituted *Swann Case* the new rulings of the head of the federal judicial hierarchy, the Supreme Court.

The defendant in the *Swann Case*, the Charlotte-Mecklenburg Board of Education, had administrative jurisdiction of the Charlotte-Mecklenburg School system, which encompassed the City of Charlotte and Mecklenburg County, N.C., served the educational needs of the more than 600,000 people residing in them, and was the 43rd largest public school system in the United States.

The area allotted to the system was large, comprising 550 square miles and extending 22 miles east-west and 36 miles north-south. Seventy one percent of the people inhabiting the area were white and the other 29 percent were black.

The Charlotte-Mecklenburg School system operated 109 schools, and served more than 84,000 pupils. Of the 24,000 black children attending these schools, 21,000 attended schools within the City of Charlotte, and two-thirds of those 21,000—about 14,000—attended 21 schools, where the student bodies were either totally or more than 99 percent black.

Footnotes at end of article.

After protracted hearings, Judge McMillan ruled that the Charlotte-Mecklenburg Board of Education was impermissibly operating a dual system of schools in violation of the *Green Case* and like decisions, and entered a "desegregation order" requiring it to assign administrators, teachers, and students to the schools throughout the system as nearly as practicable in racial proportions corresponding to the population of the area, i.e., 71 percent white and 29 percent black.

By Judge McMillan's order, the Charlotte-Mecklenburg Board of Education was mandated to bus thousands of students an average "daily roundtrip" approximately "15 miles through central city and suburban traffic" to mix the races in its schools. Many of them were little tots.[37]

By the desegregation order, the Charlotte-Mecklenburg Board of Education was specifically commanded to do these things:

1. To deny thousands of students, both black and white, admission to their neighborhood schools.

2. To assign these children to clustered, grouped, paired, or satellite schools throughout the area in the racial percentages specified insofar as that was practicable.

The order expressly commanded that the Charlotte-Mecklenburg Board of Education transport to the schools to which they were assigned all students who did not live within walking distance of such schools.

The defendant appealed from the order to the United States Court of Appeals for the Fourth Circuit, which vacated the order and remanded the case to the District Court for further proceedings conforming to its opinion.

Although it deemed the order to be required in most respects by the decisions in the *Green Case* and those following it, the Circuit Court's ruling was based on its conviction that the busing it mandated was excessive, and for that reason not required to make the Charlotte-Mecklenburg system a "unitary" system within the purview of the *Green* and kindred cases. As the Circuit Court pointed out, the order increased by 39 percent for integration purposes the busing being used by the school board for educational purposes, and necessitated an increase of 32 percent in the school board's fleet of buses.[38]

The Supreme Court reversed the case on certiorari, and upheld Judge McMillan's order in its entirety.

Before discussing the constitutional infirmities in its ruling respecting the forced busing of school children for integration purposes, it is advisable to note what the Supreme Court adjudged in the *Swann Case* in respect to the other questions presented to it.

Like the opinions in the *Green, Monroe, Alexander,* and *Carter Cases,* the Supreme Court opinion in the *Swann Case* pays lip service to the *Brown Case* by asserting that it is following the decision in it. It does quite rightly assert that the federal judiciary acquires no power under the equal protection clause unless the state school board violates the clause (page 15); that its power in such case is limited to correcting the condition that offends the clause (page 15); and that its function in exercising its power is merely "to see that school authorities exclude no pupil of a racial minority from any school, directly or indirectly, on account of race" (page 23).

After making these assertions, the Supreme Court repudiated the *Brown Case,* and adjudged that when a state school board violates the equal protection clause its constitutional obligation to assign students to its schools without regard to race is forthwith converted into a constitutional obligation to assign all students to its schools on the basis of race and in so doing to mix them racially to the maximum extent feasible.

To decree this metamorphosis of the equal protection clause, the Supreme Court perverted the words and objective of the equal protection clause and nullified section 401 (a) of the Civil Rights Act of 1964 (42 U.S.C. section 2000c).

It perverted the words and objective of the equal protection clause by converting its prohibition of racial discrimination to separate the races into a requirement of racial discrimination to mix them.[39]

Section 5 of the Fourteenth Amendment provides that the Congress shall have the power to enforce, by appropriate legislation, the provisions of the Amendment.

When Congress enacted Title IV of the Civil Rights Act of 1964, it exercised this power insofar as it relates to the assignment of students to state schools. Its purpose in so doing was to define the role of the federal government in what had become known as "desegregation" of the schools, and restore a measure of racial peace to an America troubled by the bitter controversies between compulsory integrationists and die-hard segregationists in respect to public school systems.

Section 401(a) of Title IV of the Civil Rights Act of 1964 (42 U.S.C. section 2000c) was in perfect rapport with the equal protection clause when it described desegregation as the assignment of students to state schools without regard to race. Consequently, it constituted the supreme law of the land under Article VI of the Constitution.

Hence the Supreme Court unconstitutionally nullified the supreme law of the land and thwarted the effort of Congress to bring some peace to a troubled America when it repudiated the definition of "desegregation" set out in section 401(a) of the Civil Rights Act of 1964 (42 U.S.C. section 2000c), and decreed that "desegregation" is the assignment of students to state schools on a racial basis.

Inasmuch as it holds that the forced busing of students is a constitutionally permissible way to integrate state schools, the Supreme Court decision in the *Swann Case* has other infirmities.

Two of its additional constitutional infirmities may be epitomized as follows:

1. The *Swann Case* adjudges that the federal judiciary has power to compel state school boards to violate the equal protection clause.

2. The *Swann Case* rules that the federal judiciary has power to apply the equal protection clause to individuals, notwithstanding its coverage is expressly restricted to states and state officials.

When it enters a forced busing decree, the federal district court initially commands the school board to divide the students in a particular district or attendance zone into two groups; to permit the students of the first group to attend their neighborhood schools in the district or zone; and to deny the students in the second group admission to such neighborhood schools.

The most sophisticated sophistry cannot wash out the plain truth that this initial command requires the school board to treat the students in the two groups, who are similarly situated because of their residences in the same district or zone, in a different manner, and that is exactly what the equal protection clause was put in the Constitution to prevent.

The forced busing decree secondarily commands the state school board to assign the students in the second group to schools in other areas and to transport them by buses to the schools to which it assigns them in order either to decrease the number of children of their race in their neighborhood schools or to increase the number of children of their race in the schools elsewhere.

Again, the most sophisticated sophistry cannot wash out the plain truth that the second command of the forced busing decree requires the state school board to deny the students in the second group admission to their neighborhood school solely on account of their race, and that is exactly what the Supreme Court rightly ruled in the *Brown Case* is a violation of the equal protection clause.

A sound rule of constitutional and statutory construction is embodied in the Latin phrase *expressio unius est exclusio alterius,* meaning the expression of one thing is the exclusion of another. The equal protection clause provides that no state shall "deny to any person within its jurisdiction the equal protection of the laws." Manifestly the clause applies exclusively to states and public officers acting for them, and excludes individuals from its coverage.

Nothwithstanding this, the forced busing decrees of federal district courts apply the equal protection clause as it is now interpreted by the Supreme Court to hundreds of thousands, perhaps millions, of public school students and their parents each school day. To maintain otherwise is to deny and defy obvious truth.

When it enters a forced busing decree, the federal district court orders the state school board to integrate its schools by the twofold process of denying selected groups of students admission to their neighborhood schools and by busing them to other schools elsewhere. These decrees clearly apply to these students and their parents because they subject them to punishment for contempt of court if they disobey them or obstruct their execution.

The direct application to the students of the first step in forced busing, i.e., their exclusion from their neighborhood schools, is too obvious to require any explanation. The application to students and parents of the second step, i.e., the busing itself, is more intricate, and is made more understandable by some elaboration.

While the judges responsible for the forced busing decrees are still snug in their beds, the parents of the students to whom the decrees apply are compelled to arise from their beds, and to arouse their children from their slumbers, prepare and serve them breakfasts, and send them outdoors, no matter how inclement the weather may be, to await the arrival of the buses. The students, who are often small tots, are compelled to take round trips, which are often long and wearisome, each school day between their homes and often to distant schools in other communities. All of this is done to mix the bodies of the students in racial proportions the federal judiciary deems desirable.

Such unrestrained exercise of judicial power, I submit, has no rightful place in an America, which boasts in its national anthem that it is the land of the free, unless it is indispenable to the nation's well-being.

No such case can be made for forced busing of students for integration purposes.

Let us examine the reasons advanced by the advocates of forced busing to justify it.

In the ultimate analysis, they are two in number. The first one, which is untrue as well as a rank insult to blacks, is that black children cannot possibly acquire an adequate education unless they have the coerced companionship of white children while they are attending school.

The second reason is that schools in communities predominantly inhabited by whites are academically superior to the schools in communities predominantly populated by blacks; that black children are, therefore, denied educational opportunities equal to those of white children; and that the only way to remedy past deficiencies in the education of black children and to secure them educational opportunities equal to those of white children is forced busing, which trans-

Footnotes at end of article.

fers some black children from inferior schools in black communities to superior schools in white communities, and some white children from superior schools in white communities to inferior schools in black communities. Advocates of forced busing exhibit no concern for the plight of the white children who are transferred by it from superior schools in white communities to inferior schools in black communities. They are indifferent to the inescapable conclusion that on the basis of their own premise this forced busing denies these children equal educational opportunities.

The reasons assigned by the advocates of forced busing are serious and not authentic. The only intelligent remedy for past deficiencies in education is remedial education; and the only intelligent way to secure equal educational opportunities for all children, black and white, is to establish adequate schools in all areas.

The substitution of forced busing for intelligent solutions of educational problems calls to mind the remark of Pope Julius III to the Portuguese monk: "Learn, my son, with how little wisdom the earth is governed."

In an effort to make forced busing more acceptable, the opinion of the Supreme Court in the *Swann Case* observed that the District Court had found that the forced busing trips of most elementary school students would take "not over 35 minutes at the most", and that about 39 percent of the nation's public school children were "transported to their schools by bus in 1969–1970 in all parts of the country."

The District Court's finding respecting the time required for the forced busing trips of elementary school students, it seems, was applicable to one way rather than round trips. Be this as it may, it did not embrace the time spent by such students at both ends of their journeys waiting for buses. The time expended in waiting for buses and traveling on them, I submit, is wasted, and ought to be utilized to enlighten their minds in classrooms in schools nearest their homes.

To be sure, state school boards necessarily bus multitudes of students from distant homes to the nearest schools available to them for educational purposes. The distinction between necessary busing for educational purposes and the unnecessary and wasteful forced busing sanctioned by the Supreme Court in the *Swann Case* is as wide as the gulf which yawns between Lazarus in Abraham's bosom and Dives in hell. The untold millions of dollars wasted in financing forced busing ought to be spent to improve school facilities, enlarge the teaching skills of teachers, and to provide students with learning aids.

The opinion of the Supreme Court in the *Swann Case* stamps with its approval the judicial discrimination of applying different rules of evidence to desegregation cases in the South and those in other parts of the nation. It does so by this ingenious observation: "In a system with a history of segregation the need for remedial criteria of sufficient specificity to assure a school authority's compliance with its constitutional duty warrants a presumption against schools that are substantially disproportionate in their racial composition."

A case can be made for the proposition that the Supreme Court's decision in the *Swann Case* also violated the supremacy clause of Article VI of the Constitution when it nullified the proviso of Section 407(a) of the Civil Rights Act of 1974 (42 U.S.C. section 2000c–6). This proviso forbids federal officers and courts to order transportation of students to achieve a racial balance in any school.

The defendant in the Swann Case had invoked this proviso as a prohibition on forced busing for integration purposes.

As the colloquy of June 6, 1964, between Senator Humphrey, the Senator in charge of the legislation in the Senate, and Senator Byrd, of West Virginia, and all the other legislative history of the legislation, reveals, Congress actually intended this proviso to outlaw forced busing for integration purposes. Moreover, a case can be made for the proposition that the words of the proviso, properly interpreted, sufficed to achieve this congressional purpose.

Be this as it may, the Supreme Court nullified the proviso of Section 407(a) as it had the rightful definition of desegregation of Section 401(a) by arguments totally incompatible with both the words and the legislative history of these sections.

The first of these arguments was self-contradictory. It was that Congress enacted these sections "not to limit but to define the role of the Federal Government in the implementation of the Brown I decision." How Congress can define the role, i.e., the function, of the Federal Government in a particular activity without defining the limits of its powers in respect to that role is a linguistic impossibility.

The second of these arguments is equally as baffling. It was that Congress inserted the proviso in Section 407(a) "to foreclose any interpretation of the Act as expanding the existing powers of federal courts to enforce the Equal Protection Clause." After stating this argument, the Supreme Court promptly expanded the powers of the federal judiciary in this respect by nullifying the limitation the proviso imposed on federal officers and federal courts.

In the final analysis of its confusing words, the third of these arguments was that in enacting the nullified sections, Congress was a bunch of legislative fools attempting to regulate something it had no constitutional authority to regulate, i.e., de facto segregation.[40]

During the times when the Supreme Court was concerned about racial segregation in public schools in the South and was ignoring racial segregation in public schools in other regions, I offered amendments to an education bill to outlaw forced busing for integration purposes.

In arguing unsuccessfully for the adoption of these amendments, I stated, in substance, that I wanted to warn Northern, Eastern, and Western Senators that when the compulsory integrationists had reduced the South to a state of total vassalage, they would not emulate Alexander the Great and weep because there were no more worlds for them to conquer; but that, on the contrary, they would direct their efforts to the public schools of the North, East, and West.

My prophecy proved true. The Supreme Court finally realized that the equal protection clause applies to other parts of the country as well as to the South, and that forced busing constituted the only practical way of mixing the races in the public schools of the North, East, and West.

After the federal courts in these areas began to assume jurisdiction of suits for forced busing, a highly respected Northern Senator, who had spoken and voted against my amendments, offered a proposal to amend the Constitution to prohibit the forced busing of students to integrate public schools. I thereupon went to him and made this private comment: "I'm glad you've seen the light." He made this private response to me: "Yes. It's just as you predicted. They're goring my ox now."

After it announced its decision in the *Swann Case*, the Supreme Court rendered a number of other rulings upholding federal district court orders requiring the forced busing of public students to integrate school systems in virtually all sections of the country where people of different races reside. These rulings are subject to the same infirmities as the *Swann Case*, and require no analysis in detail.[41]

The federal district courts, which are compelled to implement the Supreme Court's perversion of the equal protection clause, have not monopolized forced busing as an integrating tool. On the contrary, some federal officers have employed it on a massive scale.

From time to time, Congress has enacted laws authorizing grants of federal funds to state school boards to aid them in educating public school students, and has entrusted to federal executive agencies, such as HEW and the newly-created Department of Education, the power to administer these grants in conformity with the congressional intent.

Congress enacted Section 601 of Title VI of the Civil Rights Act of 1964 (42 U.S.C. Section 2000d) to prevent discrimination in federal assisted programs, and not to achieve the integration of state schools. In so doing, it acted in harmony with the true meaning and real objective of the equal protection clause. This section provides:

"No person in the United States shall, on account of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance."

Unfortunately for constitutional government and freedom, federal executive agencies sometimes delegate the power to administer the grants Congress makes for educational purposes to officers employed by them who are, in reality, crusading bureaucrats. A crusading bureaucrat may be defined as a non-elected federal officer who exercises a mile of power for every inch of authority bestowed on him.

All too often the crusading bureaucrats to whom federal executive agencies delegate their power to administer congressional educational grants are, in reality, compulsory integrationists. They pervert the statutory prohibition of racial discrimination by state school boards receiving federal financial assistance into a positive command that all state school boards applying for or receiving such assistance must be racially integrated to the maximum extent feasible or at least in racial proportions pleasing to them.

They make their perversion of the Act of Congress effective by exploiting in alternative ways the financial needs of state school boards. They make grants without delay to school boards which willingly yield to their integrating objective and withhold or threaten to withhold grants from those which refuse or are reluctant to do so.

THE OBLIGATION OF THE PRESIDENT AND CONGRESS

Federal courts and federal officers are perpetrating these tyrannies on people of all races in all parts of our country where substantial numbers of children of diverse races live. Despite their pretenses to the contrary, they are seeking to compel racial integration, and not to prevent racial discrimination.

The tyrannies have no rightful place in an America which claims to be the land of the free. They are unconstitutional, wasteful, and useless. They ought to be ended. Those by them cannot end them. But the President and Congress can.

The President and the members of Congress are bound by their oaths to support constitutional government and protect freedom. For this reason, they have the positive duty to end these tyrannies.

They ought not to be deterred from doing their duty because these tyrannies have been sanctioned by Supreme Court decisions.

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On the contrary, this fact should impel them to act without delay to end the tyrannies. They are the only beings on earth who possess the lawful power to do so.

Supreme Court decisions are the handiwork of fallible men. There is nothing sacrosanct in them. Supreme Court decisions merit respect only if they are respectable, and they are not respectable when they flout the true meaning and real objective of the equal protection clause.

The power of the President, acting alone, to end these tyrannies is more limited than that of the Congress. He has undoubted power, however, to end the tyrannies of the officers of the executive branch of the federal government. They are merely assisting him in performing his constitutional duty to take care that the laws of the nation are faithfully executed, and he can stop them from perverting those laws by annexing to them conditions repugnant to the congressional intent.

The power of Congress to end these tyrannies is virtually unlimited. The Founding Fathers knew the tragic truth that some public officials love power and are prone to abuse it, and inserted in the Constitution provisions adequate to prevent such abuse.

Article I, section 1, of the Constitution vests in Congress "all legislative powers" of the federal government. Hence, Congress may enact new laws sufficient to compel officers of the executive branch of the federal government to stop perverting old laws.

The Constitution confers upon the federal judiciary authority to restrain unconstitutional exercise of power by Congress, and upon Congress authority to restrain the unconstitutional exercise of power by the federal judiciary.

This assertion is undoubtedly shocking to some, especially compulsory integrationists, who believe the federal judiciary to be omnipotent and Congress to be impotent in the area under consideration.

Section 5 of the Fourteenth Amendment authorizes Congress to enforce, by appropriate legislation, the provisions of the equal protection clause, and Article III of the Constitution empowers Congress to regulate the jurisdiction of all federal courts inferior to the Supreme Court and the appellate jurisdiction of the Supreme Court itself.[42]

By virtue of these constitutional provisions, Congress has virtually complete power to enact laws specifying how the equal protection clause is to be enforced in accordance with its true meaning and real objective, and defining the jurisdiction of the federal courts in a manner requiring them to act accordingly.

By implementing these constitutional provisions in this way, Congress can put a virtual end to the judicial and bureaucratic tyrannies under consideration.

While I was serving in the Senate, I made remarks explaining these constitutional provisions, and introduced a bill which was aptly designed to use them to end these judicial and bureaucratic tyrannies. My remarks and bill are set out in pages 33,033 to 33,041 of the Congressional Record for November 5, 1969. I reintroduced the bill on other occasions with the co-sponsorship of Senator James B. Allen, of Alabama, one of the nation's wisest and most courageous Senators of all time.

In closing, I pray that the President and the Congress will prove their devotion to constitutional government and the freedom of Americans by ending the judicial and bureaucratic tyrannies I have been discussing. They cannot perform a more important task. When all is said, tyranny in a Republic is far more reprehensible than tyranny in a Monarchy.

FOOTNOTES

[1] The Constitution, Fourteenth Amendment, Section 1.

[2] William Ewart Gladstone: *Kin Beyond The Sea*, North American Review, September–October, 1878.

[3] The Writings and Speeches of Daniel Webster, National Edition, Vol. 2, page 165.

[4] George Washington: Farewell Address.

[5] *Ex Parte Milligan*, (1866) 4 Wall. (U.S.) 2, 120–121.

[6] Ibid.

[7] James Madison: *The Federalist* No. 43.

[8] Frankfurter, J.: *Ullman v. United States*, (1956) 350 U.S. 422, 428.

[9] Cardozo, C.J.: *Sun Printing and Publishing Association v. Remington Paper and Power Company*, 235 U.S. 338, 139 N.E. 470. See, also, *West Coast Hotel Co. v. Parrish*, (1937) 300 U.S. 379, where Justice Sutherland stated in a dissent: "The Judicial function is that of interpretation; it does not include the power of amendment under the guise of interpretation. To miss the point of difference between the two is to miss all that the phrase 'Supreme law of the land' stands for and to convert what was intended as inescapable and enduring mandates into mere moral reflections. If the Constitution, intelligently and reasonably construed in the light of these principles, stands in the way of desirable legislation, the blame must rest upon that instrument, and not upon the court for enforcing it according to its terms. The remedy in that situation—the only true remedy—is to amend the Constitution."

[10] The Constitution, in its entirety, and Amendment X.

[11] The Constitution, Articles I, II, and III.

[12] The Constitution, Articles III and VI.

[13] *Marbury* v. *Madison*, (1803) 1 Cr. (5 U.S.) 137, 176–180.

[14] *Gibbons* v. *Ogden*, (1924) 9 Wheat (22 U.S.) 1, 188.

[15] Dr. Oliver Wendell Holmes: *Autocrat of the Breakfast Table*, (The Limited Editions Club 1955) Chapter I, page 9.

[16] *United States* v. *Butler*, (1936) 297 U.S. 1, 78.

[17] I cannot provide a citation for Daniel Webster's comment. I found it many years ago among his papers. I copied it, but did not note at the time where I discovered it. After seeking in vain to discover the occasion of its making, I requested the Library of Congress to research the question. The Library advised me that it was unable to solve the problem because Webster's papers are so inadequately indexed.

[18] Judge Thomas M. Cooley: *Constitutional Limitations*, 8th ed., page 124.

[19] Benjamin N. Cardozo: *The Nature of the Judicial Process*, pp. 68, 136.

[20] Justice Frankfurter: *Bridges* v. *California*, (1941) 314 U.S. 252, 289.

[21] Alpheus Thomas Mason: *Harlan Fiske Stone, Pillar of the Law*, (1968 edition) page 398.

[22] What I say is the true meaning and real objectives of the equal protection clause has been established by indisputable sound decisions of the Supreme Court, the inferior federal courts, and state courts. These decisions are virtually past numbering. I cite only a few of the sound Supreme Court cases: *Hernandez v. Texas*, (1954) 347 U.S. 475; *Truax v. Corrigan*, (1921) 257 U.S. 312; *Buchanan v. Warley*, (1917) 245 U.S. 60; *Kentucky v. Powers*, (1906) 163 U.S. 228; *Yick Wo v. Hopkins*, (1896) 118 U.S. 356; and *Civil Rights Cases*, (1883) 109 U.S. 3. See, also, *Banks v. Housing Authority of San Francisco*, 120 Cal. App. 2d 1, 260 P. 2d 668, cert, den. 347 U.S. 974.

[23] Constitution, Fourteenth Amendment, Section 1.

[24] It is rightly stated in footnote 57 on page 775 of 16A *American Jurisprudence*, 2d Series, that "the decisions supporting this proposition are virtually limitless in number." It is also rightly stated in the same footnote that the following decisions "is a small sampling of them": *Hartford Steam Boiler Inspection and Insurance Co. v. Harrison*, (1937) 301 U.S. 459; *Old Dearborn Distributing Co. v. Seagram Distillers Corp.*, (1936) 299 U.S. 183; *Colgate v. Harvey*, (1935) 296 U.S. 404; *State Board of Tax Commissioners v. Jackson*, 283 U.S. 527; and *Corporation Commission of Oklahoma v. Lowe*, (1930) 281 U.S. 431.

[25] *District of Columbia v. Carter*, 409 U.S. 418; *Moose Lodge No. 107 v. Irvis*, 407 U.S. 162; *United States v. Price*, 383 U.S. 787; *Burton v. Wilmington Parking Authority*, 365 U.S. 715; *Shelly v. Kraemar*, 334 U.S. 1; *United States v. Classic*, 313 U.S. 299; *Nixon v. Condon*, 286 U.S. 73; *Iowa-Des Moines National Bank*, 284 U.S. 239; *Corrigan v. Buckley*, 271 U.S. 323, *Truax v. Corrigan*, 257 U.S. 254; *Civil Rights Cases*, 109 U.S. 3; *Ex Parte Virginia*, 100 U.S. 339; *Virginia v. Rives* 100 U.S. 313; and *United States v. Cruikshank*, 92 U.S. 542.

[26] *Townsend v. Shank*, 404 U.S. 282; *Graham v. Richardson*, 403 U.S. 365; and *Shapiro v. Thompson*, 394 U.S. 618. Indeed, the equal protection clause can not be used as a bludgeon to compel a state to violate any provision of the Constitution. *Sloan v. Lemon*, 413 U.S. 825.

[27] 98 F. Supp. 529, and 103 F. Supp. 920.

[28] 132 F. Supp. 776,777.

[29] *Keyes v. School District No. 1*, (1973) 413 U.S. 189, 205; *Washington v. Davis*, (1976) 426 U.S. 229, 240; *Dayton Board of Education v. Brinkman*, (1977) 433 U.S. 406, 413.

[30] 42 U.S.C. Sections 2000a–2000h–6.

[31] *Congressional Record*, Vol. 110, Part 10, pp 12,713–12,717. Although the provisions of Title IV of the Civil Rights Act of 1964 were in rapport with the true meaning and real objective of the equal protection clause, I voted against the Act for reasons stated by me in detail while the legislation was under Senate consideration. Some of these reasons had their origin in provisions of the Act, and others were prompted by apprehensions as to how it would be applied by courts and executive agencies.

While many of them are not germane to my specific subject, I deem it not altogher amiss to epitomize some of them in this note.

The Act is in irreconcilable conflict with the principle that all Americans of all races are entitled to equal rights under both federal and state laws. It deprives all Americans of precious rights for the supposed benefit of members of minority races, and it subordinates other precious rights of all Americans to demands made by or in the name of members of minority races.

To be sure, the Act pays some lip service to the concept of equality. In so doing, however, it is reminiscent of Anatole France's assertion: "The law, in its majestic equality, forbids the rich as well as the poor to sleep under bridges, to beg in the streets, and to steal bread."

The Act was devised with the understanding that in its practical adminstration it would be employed to extend to members of minority races special privileges not accorded to others. It is being so administered.

The Act violates with vengeance the doctrine of the separation of powers, which wisely discountenances the merger of powers to make, enforce, and interpret laws in a single public official or single public body.

It does this by combining in the federal agencies charged with its administration and enforcement these discordant powers: (1) legislative power to write regulations having the force of law; (2) the executive power to administer and enforce its provisions and these regulations, and to prosecute violations of them; and (3) the judicial power to judge and punish these violations.

The combination of these discordant powers in the federal agencies make them, in reality, judges in their own causes. As a consequence, they cannot act with the cold neutrality of the impartial judge, and those

subjected to their jurisdiction are denied due process and fair play.

These provisions of the Civil Rights Act of 1964 are repugnant to my philosophy of government and my enduring conviction that freedom is the most precious value of civilization.

Apart from other considerations, they determined me to vote against the Act. There were other considerations. But they strongly reinforced my determination.

I had grave apprehensions as to how HEW, EEOC, and other federal executive agencies would interpret and apply the Act, and as to how the Supreme Court would react to the effort of its Title IV to put restraints on judicial and bureaucratic abuse of the equal protection clause in the assignment of students to state schools.

Another consideration arose out of my realization that the enactment of the Civil Rights Act was another step in the process by which the power-hungry federal government was undertaking to destroy the states as viable instruments of government and concentrate in itself the power to dominate the lives of Americans in virtually all respects.

This consideration has long been of profound concern to me. It ought to be of similar concern to every American who does not relish the prospect of having his status reduced to that of a galley-slave pulling an oar in the ship of state.

My gravest apprehensions have materialized since the passage of the Act. HEW, EEOC, and other federal executive agencies have stretched the drastic provisions of the Act far beyond the intent of Congress, and converted what it intended to be a prohibition of racial discrimination into a mandate for racial integration.

By so doing, HEW, EEOC, and other federal executive agencies have abrogated to themselves dictatorial powers, and are exercising them daily throughout our nation to impose their notions on states, subdivisions of states, educational institutions, industries, labor organizations, and individuals.

[32] 391 U.S. 430, p. 433, footnote 2. The *Green Case* is analyzed with candor, courage, and correctness by Lino A. Graglia in his *Disaster By Decree, The Supreme Court Decisions On Race And The Schools* (Chapter 5), which was published by the Cornell University Press and merits reading by all Americans who abhor judicial tyranny.

[33] *Alexander* v. *Holmes County Board of Education*, (1969) 396 U.S. 19. See, especially, headnote 1 of the report of this case in 24 L. Ed. 2d, pp. 19, 20.

[34] Lino A. Graglia: *Disaster By Decree*, Chapters 1–6, pp. 1–103.

[35] *Swann* v. *Charlotte-Mecklenburg Board of Education*, (1965) 243 F. Supp. 667, affirmed 369 F. ed 29 (1966).

[36] *Monroe* v. *Board of Commissioners*, (1968) 391 U.S. 450, which adjudged a "free transfer" plan to be invalidated by the equal protection clause, reinforces the holding of the *Green Case* that the desegregation of public schools demands that school children be robbed of their freedom, and demonstrates the falsity of any claim that federal courts which enter desegregation orders are not applying the clause to individuals in violation of its express declaration. In it, the Court declares: "We do not hold that 'free transfer' has no place in a desegregation plan. But like 'freedom of choice', if it cannot be shown that such a plan will further rather than delay conversion to a unitary, nonracial, nondiscriminatory school system, it must be held unacceptable." By these words, the Court makes a mockery of "freedom." No human being has any "freedom" if he has to exercise it according to the dictates of government.

[37] *Swann* v. *Charlotte-Mecklenburg Board of Education*, (1970) 431 F. 2d. 138, 147.

[38] Judge McMillan's ruling in the *Swann Case* is reported in 311 F. Supp. 265 (1970), and the ruling of the Circuit Court vacating it in 431 F. 2d 138 (1970).

[39] Lino A. Graglia: *Disaster By Decree*, Chapter 5, p. 59.

[40] In enacting Title IV of the Civil Rights Act, Congress was exercising its constitutional power to regulate *de jure* segregation in state schools. It was not usurping the power to regulate *de facto* integration in them. These assertions, I maintain, are establishd by both the language and legislative history of the Title. As a member of the Senate, I spent virtually every minute in that body while it was considering Title IV and heard virtually every word spoken by any Senator concerning it. By so doing, I acquired knowledge of the Act's legislative history first hand. After the Supreme Court granted certiorari to review the *Swann Case*, I joined Senator Ernest F. Hollings, of South Carolina, and Representative Charles R. Jonas, of North Carolina, in filing with it as *amici curiae* a brief in behalf of the Charlotte-Mecklenburg Classroom Teachers. As uncompensated attorneys for them, we insisted that the exclusion of students from their neighborhood schools and their forced busing for integration violated the equal protection clause. In preparing the brief I made a meticulous study of the legislative history of Title IV. I was shocked by the Supreme Court's use of the *de facto* argument to invalidate a valid act of Congress, and made a second meticulous study of the legislative history of the Title IV to determine whether the Supreme Court's insupportable argument had any basis whatever.

[41] By ignoring Title IV of the Act in the *Green Case* and nullifying it in the *Swann Case*, the Supreme Court exhibited its determination to impose the personal notions of its members in respect to matters having racial implications upon the people of our country, anything in the Constitution and laws of the United States to the contrary notwithstanding.

This is undoubtedly a drastic assertion. Its truthfulness is fully corroborated, however, by these additional decisions of the Supreme Court:

a. *South Carolina* v. *Katzenbach*, (1966) 383 U.S. 301.

b. *Katzenbach* v. *Morgan*, (1966) 384 U.S. 641.

c. *Jones* v. *Alfred H. Mayer Co.*, (1968) 292 U.S. 409; *Sullivan* v. *Little Hunting Park, Inc.*, (1969) 396 U.S. 229; *District of Columbia* v. *Carter*, (1973) 409 U.S. 418 (dicta); and *Tillman* v. *Wheaton-Haven Recreation Association*, (1973) 410 U.S. 431.

d. *Johnson* v. *Railway Express Agency*, (1975) 421 U.S. 454; *Runyon* v. *McCrary*, (1976) 427 U.S. 160; *McDonald* v. *Santa Fe Trail Transportation Company*, (1976) 427 U.S. 160.

e. *United States Steel Workers of America v. Weber*, (1979) 443 U.S. 193.

These decisions have been hailed in some quarters as enlightened judicial achievements. It would be more consonant with truth to call them amazing judicial performances. In each of them the Supreme Court committed linguistic mayhem or judicial verbicide on words of the Constitution, or words of an Act of Congress, or on words of both to reach their amazing rulings.

The explanation of these rulings is to be found in a story which may be apocryphal. Representative Timothy J. Campbell, who had been sent to the House by Tammany, sought to persuade President Grover Cleveland to sign into law a pet bill which he had induced Congress to pass. The President demurred on the ground the bill was unconstitutional. Congressman Campbell responded to the President's objection with this rhetorical question: "What's the Constitution between friends?"

When all is said, the Supreme Court did constitutional evil in these rulings to achieve ends it deemed beneficial to blacks and the country. These decisions were not concerned with the assignment of students to state schools. For this reason, I hold my comments on them to a minimum.

To understand the drastic impact of two of them, *South Carolina v. Katzenbach*, and *Katzenbach v. Morgan*, upon constitutional government in America, it is necessary to understand what the Constitution decrees concerning the power to prescribe qualifications for voting.

The power to prescribe qualifications for voting for state officers is reserved to the state by the Tenth Amendment. The power to prescribe qualifications for voting for federal officers is conferred upon the state and denied to Congress by these provisions of the Constitution: Article I, Section II, Clause 1; Article II, Section I, Clause 2; and the Seventeenth Amendment.

The constitutionality of the highly praised, but completely devious, Voting Rights Act of 1965 was upheld in *South Carolina v. Katzenbach*. In reaching this astonishing decision, the Supreme Court was compelled to make and did make these rulings.

a. That the absolute prohibition of congressional bills of attainder embodied in Article I, Section IX, Clause 3, and the due process clause of the Fifth Amendment afford no protection to a state, or its officers, or its citizens in their corporate or collective capacity.

b. That the power of Congress to enforce by appropriate legislation the Fifteenth Amendment's prohibition of racial discrimination in voting confers upon that body the autocratic authority to suspend for at least 5 years the constitutionally guaranteed powers of politically selected Southern States to prescribe qualifications for voting for both state and federal officers.

c. That the constitutional doctrine of the equality of the states is a worthless shibboleth which is effective only at the precise moment of a State's admission to the Union, and does not prevent Congress from robbing a state thereafter of constitutional powers other states exercise and thus reducing it to the status of an inferior state.

d. That Article III, Section II, Clause 2, empowers Congress to close to the politically selected Southern States condemned by the bill of attainder violative of due process all federal courts in the land except the United States District Court for the District of Columbia, and to vest in that faraway court exclusive jurisdiction of all cases in which the condemned states seek relief from the autocratic provisions of the Act.

South Carolina v. Katzenbach is irreconcilable with *United States v. Lovett*, (1946) 328 U.S. 303, and Ex Parte Milligan, (1866) 4 Wall. (U.S.) 2, 120–121.

The *Lovett Case* rightly invalidated a congressional bill of attainder applying to federal executive officers suspected of subversive leanings. The *Milligan Case* rightly ruled that the Constitution is an unalterable law for rulers and people alike at all times and under all circumstances, and that no notion involving more pernicious consequences was ever invented by the wit of man than that any of its provisions can ever be suspended.

Consistency may be either a jewel or the hobgoblin of little minds and fools. But it is neither to Supreme Court Justices.

The Supreme Court adjudged in *Katzenbach* v. *Morgan* that the power vested in Congress by Section 5 of the Fourteenth Amendment to enforce the equal protection clause by appropriate legislation confers on Congress the contradictory power to nullify the equal protection clause. In that case, the

Supreme Court made a ruling irreconcilable with the provisions of the Constitution governing the power to prescribe qualifications for voting, and its own sound interpretation of equal protection clause in *Lassiter* v. *Board of Education of Northampton County,* (1959) 360 U.S. 35. It declared that Section 5 of the Fourteenth Amendment empowered Congress to do these things:

a. To nullify a New York law which established a qualification for voting, namely, literacy in the English language, which was in harmony with the equal protection clause.

b. To substitute for the nullified New York law a federal qualification for voting, which Congress was forbidden to establish by all of the provisions of the Constitution governing the power to prescribe qualifications for voting.

The opinion which undertakes to rationalize this linguistic mayhem or judicial verbicide is intriguing, despite the disconsolation it gives to those who, like Chief Justice Marshall, believe the Supreme Court ought to interpret the Constitution to mean what it says.

It is simply this: When Congress exercises its power to legislate under Section 5 of the Fourteenth Amendment, the Supreme Court cannot inquire whether the congressional legislation offends the equal protection clause. It is limited to determining whether the legislation is calculated to prevent the state from violating the equal protection clause in the future.

Americans who cherish local government ought to pray that Congress will not carry the illogical ruling in *Katzenbach* v. *Morgan* to its logical conclusion. If it did, Congress would prevent all future violations of the equal protection clause by enacting legislation denying states the power to make, enforce, and interpret laws.

The Supreme Court ruled in *United States Steel Workers v. Weber* that an employer in an industry covered by Title VIII of the Civil Rights Act of 1964 is authorized by it to discriminate in favor of black employees and against more senior white employees, notwithstanding Title VII expressly forbids all racial discrimination in all industries covered by the Title.

Jones v. Alfred H. Mayer Company may be described as the bellwether of the decisions cited in subdivisions 3 and 4. It was decided in 1968, and the other decisions merely follow its indefensible lead.

Undoubtedly the decision in the *Mayer Case* and the decisions which follow it have committed the most monstrous linguistic mayhem or judicial verbicide on the Constitution and Acts of Congress in the annals of America.

By these forbidden processes, the Supreme Court Justices have arrogated to Congress and themselves virtually unlimited power to punish every individual who refuses to make a contract with or to sell property to another individual anywhere in America if his refusal is motivated by racial discrimination or racial preference. In so doing, they reflect their purpose to eradicate by constitutional and legal perversions racial prejudice and racial preferences from the minds and hearts of Americans.

To confer their newly invented power on Congress and themselves, the Justices revamp the history and objectives of the Thirteenth Amendment and the Civil Rights Act of 1866 (42 U.S.C. Sections 1981, 1982); place upon that Amendment and that Act constructions totally repugnant to every word in them; and repudiate sound Supreme Court decisions of the past which span a period of 100 years and demonstrate the invalidity of the new construction.

It is worthy of note that some of the litigants argued for the same distorted construction of the Constitution in the Civil Rights Cases of 1883. The Supreme Court wisely rejected their argument by observing that these litigants were "running the slavery argument into the ground."

The Supreme Court further declared in those cases: "When a man has emerged from slavery, and by the aid of beneficient legislation has shaken off the inseparable concomitants of that state, there must be some stage in the progress of his elevation when he takes the rank of a mere citizen, and ceases to be the special favorite of the laws, and when his rights, as a citizen or a man, are to be protected in the ordinary modes by which other men's rights are protected." (109 U.S. 3, 27 L.Ed. 835, 844.)

One of America's most profound constitutional scholars, Charles Fairman, makes some cogent comments on the Mayer Case in his illuminating book "Reconstruction And Reunion 1864–88, Part I." This book is Volume VI of the *History of the Supreme Court of the United States,* which is being financed by the Oliver Wendell Holmes Devise.

Fairman states that in the Mayer Case, the Supreme Court "appears to have had no feeling for the truth of history" and "allowed itself to believe impossible things." (p. 1258)

To illustrate what "believing impossible things" is, Fairman invokes Chapter 5 of "Through the Looking Glass" by Lewis Carroll, the creator of Alice in Wonderland, and recounts the colloquy which occurs between Alice and the Queen after the Queen had been telling Alice how to remember "things that happened the week after next."

"I can't believe it," said Alice.

"Can't you?" the Queen said with a pitying tone. "Try again: draw a long breath, and shut your eyes."

Alice laughed. "There's no use trying," she said, "one can't believe impossible things."

"I daresay you haven't had much practice," said the Queen. (pp. 1298–1299, footnote 160.)

I cite and quote these observations of Fairman by the permission of The MacMillan Company, which holds the copyright of his book.

Disciples of linguistic mayhem or judicial verbicide glibly assert it proves that the Constitution is a living document. Not so. It proves that the Constitution is dead, and that Americans are being governed by the personal notions of Supreme Court Justices rather than by constitutional precepts.

Nobody denies the good intentions of the Justices. They undoubtedly believe their linguistic mayhems or judicial verbicides are superior to the handiwork of the Founding Fathers.

[42] Among the multitude of decisions adjudging that Congress has the power under Article III to define the jurisdiction of federal courts inferior to the Supreme Court are these: *Palmore* v. *United States,* (1973) 411 U.S. 389; *South Carolina* v. *Katzenbach,* (1966) 383 U.S. 301; *Sears, Roebuck & Co.* v. *Mackey,* (1956) 351 U.S. 427; *Lockarty* v. *Phillips,* (1943) 319 U.S. 183; *Plaquemines Tropical Fruit Co.* v. *Henderson,* (1898) 170 U.S. 511; *Ames* v. *Kansas ex rel Johnston,* (1884) 111 U.S. 449; and *Cary* v. *Curtis,* (1845) 3 How. (44 U.S.) 236. Among the many cases holding that Congress has the power under Article III to regulate the appellate jurisdiction of the Supreme Court are these: *United States* v. *Klain,* (1872) 13 Wall. (80 U.S.) 128; *Re Yerger* (1869) 8 Wall. (75 U.S.) 85; *Ex Parte McCardle,* (1868) 7 Wall. (74 U.S.) 506; *Daniels* v. *Chicago R.I.R. Co.,* (1865) 3 Wall (70 U.S. 250; *Ex Parte Vallendigham,* (1864) 1 Wall. (68 U.S.) 243; and *Durousseau,* (1810) 6 Cr. (10 U.S.) 307.

By Mr. HELMS:

S. 1006. A bill to amend the Food Stamp Act of 1977 to eliminate certain abuses under such act and to improve the administration of such act; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP REFORM ACT OF 1981

Mr. HELMS. Mr. President, I am today introducing additional legislation to reform the food stamp program. These reform proposals are based largely on suggestions which were brought to the Agriculture Committees attention during recent hearings and in response to communications which I have had with numerous citizens concerned with the operation of the food stamp program.

Our committee will be considering food stamp reauthorizing legislation within the next few days. These reforms proposals are ones which I intend to urge our committee to accept to eliminate certain abuses and administrative problems.

I believe that our committee has a twofold objective during our consideration of this program. We must achieve the budget savings already announced by President Reagan. Additionally, I believe that it is crucial that we improve the program's operational integrity in the mind of the public.

Several of the reforms which our committee has been urged to adopt are fairly minor, and have little budgetary impact. However, the abuses which these reforms would correct are well known to many Americans who have voiced their concerns about observed abuses. Other suggestions have come from workers directly connected with the food stamp program who witness firsthand inequities in the present system.

Neither these proposals nor earlier ones which I have introduced are all-inclusive. I do feel that these reforms set forth some constructive ideas of how we can both save money in the food stamp program by restricting the program to those most in need and simultaneously improve the public image of this massive program.

These objectives will continue to govern my views on this program and and additional suggestions which I may offer in the future.

I ask unanimous consent that the text of the bill and a short summary of its provisions be printed at this point in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1006

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Stamp Reform Act of 1981".

PROHIBITION AGAINST INCREASE IN HOUSEHOLD ALLOTMENT AS RESULT OF DISQUALIFICATION OF HOUSEHOLD MEMBER FOR CERTAIN FRAUDULENT ACTIONS

SEC. 2. Section 6(b) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)) is amended by inserting after the first sentence the following new sentence: "In no case may a household receive increased benefits under this Act as a result of a member of such household having been disqualified under clause (1) or (2) of the first sentence of this subsection.".

EXTENDING THE PERIOD OF INELIGIBILITY FOR QUITTING A JOB WITHOUT GOOD CAUSE

SEC. 3. Section 6(d)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(1)) is amended by striking out "sixty days" in the proviso in clause (iii) and inserting in lieu thereof "six months".

DISASTERS

SEC. 4. (a) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by striking out subsection (h).

(b) Section 11(e) of such Act (7 U.S.C. 2020(e)) is amended by striking out clause (16) and redesignating clauses (17), (18), and (19) as clause (16), (17), and (18), respectively.

(c) Section 409 of the Disaster Relief Act of 1974 (42 U.S.C. 5179) is amended—

(1) by striking out "to distribute through the Secretary of Agriculture or other appropriate agencies coupon allotments to such households pursuant to the provisions of the Food Stamp Act of 1964 (P.L. 91-671; 84 Stat. 2048) and" in subsection (a);

(2) by striking out "coupon allotments and" in subsection (b); and

(3) by striking out "except as they relate to the availability of food stamps in an area affected by a major disaster" in subsection (c).

ELIMINATION OF CASH CHANGE

SEC. 5. Section 7 (b) of the Food Stamp Act of 1977 (7 U.S.C. 2016 (b)) is amended by striking out the colon at the end of the first proviso and all that follows down through the word "issued".

DISCLOSURE OF INFORMATION

SEC. 6. Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended by striking out the semicolon at the end and inserting in lieu thereof a comma and the following: "except that, notwithstanding any other provision of law (A) the foregoing provisions of this clause shall not be construed to prohibit the disclosure of the name and address of any member of a household receiving a coupon allotment under this Act and the amount of such household's coupon allotment, and (B) all information obtained under this Act from an applicant household shall be made available, upon request, to local, State, or Federal law enforcement officials for the purpose of investigating a possible or alleged violation of this Act or any regulation issued under this Act;".

VERIFICATION REQUIREMENTS FOR ISSUANCE OF EXPEDITED COUPON ALLOTMENT

SEC. 7. Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended by striking out the semicolon at the end and inserting in lieu thereof the following: "after the State agency has verified at least the size and income of the applicant households;".

USE OF UNEMPLOYMENT AND SOCIAL SECURITY INFORMATION

SEC. 8. (a) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) by striking out the period at the end of paragraph (18), as redesignated by section 4(d), and inserting in lieu thereof a semicolon and "and"; and

(2) by adding at the end thereof the following new paragraph:

"(19) that information available from the Social Security Administration under the provisions of section 6103(l)(7) of the Internal Revenue Code of 1954, and information available from agencies administering State unemployment compensation laws under the provisions of section 303(d) of the Social Security Act, shall be requested and utilized by the State agency (described in section 3(n)(1) of this Act) to the extent permitted under the provisions of such sections; except that the State agency shall not be required to request such information from the Social Security Administration if such information is available from the agency administering the State unemployment compensation laws.".

(b) Section 127(b)(3) of the Food Stamp Act Amendments of 1980 is amended by striking out "1983" and inserting in lieu thereof "1982".

ISSUANCE OF FOOD STAMPS BY MAIL

SEC. 9. Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) is amended by adding at the end thereof the following new subsection:

"(g) The Secretary shall discontinue the issuance of food stamps through the United States mail in any part of a State in which, during any six-month period specified by the Secretary, coupon allotments in an amount equal to or greater than 1 percent of the total value of the coupon allotments issued by mail to households in such part of the State during such period were reported not received by the intended recipients.".

REPAYMENT FOR INELIGIBLE RECEIPT OF BENEFITS

SEC. 10. (a) Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by striking out "Sec. 13." and inserting in lieu thereof "(b)" and inserting above such section the following new subsection:

"SEC. 13. (a)(1) In any case in which the member of a household has been determined to be ineligible under section 6(b) to participate in the food stamp program the household of which such ineligible individual is a member shall be required to agree to (A) a reduction in the coupon allotment of the household, or (B) payment in cash, in accordance with a schedule determined by the Secretary that will be sufficient to reimburse the Federal Government for any overissuance of coupons resulting from the activity that was the basis of the ineligibility determination. If a household refuses to make an election, or elects to make payment in cash and fails to do so, the household shall be subject to an allotment reduction.

"(2) Any claim against a household arising from the overissuance of coupons other than a claim the collection of which is provided for in paragraph (1) or a claim arising from an error of the State agency, shall be collected by reducing the monthly allotments of the household, but only in such an amount as is reasonable taking into consideration the income and resources of the household, as determined under regulations prescribed by the Secretary.".

(b) The heading of section 13 of such Act is amended to read as follows:

"COLLECTION AND DISPOSITION OF CLAIMS".

(c) The first sentence of section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025 (a)) is amended by striking out "through prosecutions" and all that follows down through the end of the sentence and inserting in lieu thereof "pursuant to section 13 (a) (1) and (2) of this Act.".

SOCIAL SECURITY ACCOUNT NUMBERS

SEC. 11. The first sentence of section 16(f) of the Food Stamp Act of 1977 (7 U.S.C. 2025 (f)) is amended by striking out "may" and inserting in lieu thereof "shall".

EFFECTIVE DATE

SEC. 12. The amendments made by this Act shall become effective January 1, 1982.

FOOD STAMP REFORM ACT OF 1981—SUMMARY OF PROVISIONS

Section 2. Fraud Disqualification.—Prohibits households from receiving increased benefits when a member disqualified for fraud is removed from household participation.

Section 3. Quitting.—Increases from 60 days to six months the disqualification period from participation in the food stamp program when an applicant voluntarily quits his job.

Section 4. Disasters.—Eliminates the requirements that the Secretary establish emergency food stamp assistance for victims of disasters. (Commodities for mass feeding situations following disasters would continue to be available.)

Section 5. Cash Change.—Eliminates provision which permits participating stores to give cash as change when food stamps are used. Would restore pre-1979 credit voucher (or scrip) system.

Section 6. Access to Information.—Removes the prohibition on disclosure of name, address, and benefit amount of recipients and removes altogether prohibition on disclosure of any information to Federal, State, and local law enforcement officials.

Section 7. Expedited Services.—Requires States to verify size and income of households applying under expedited procedures before coupons are issued; other areas of verification would be handled under current procedures.

Section 8. Cross-Checking with Wage Information.—Requires States to obtain and use wage data from state unemployment compensation agencies or the Social Security Administration to verify earnings of its participants for eligibility purposes. Parallels existing requirement in Aid to Families with Dependent Children program.

Section 9. Mail Issuance.—Limits mail issuance to areas in which reported losses are under one percent of the value of mailed allotments in six month period.

Section 10. Non-Fraud Overissuances.—Requires States to initiate pro-rata reductions to recover the value of overissued benefits which are not the result of fraud (or State error), and permits the States to retain 50 percent of the value of such recovered benefits. These parallel existing treatment for overissuances due to fraud.

Section 11. Social Security Numbers.—Social Security numbers would be required for all household members. Currently, by regulation, the Secretary has require numbers for those 18 and over and those with earned income. This mandate parallels existing requirement in Aid to Families with Department Children program.

By Mr. HELMS (by request):

S. 1007. A bill to amend the Food Stamp Act of 1977 to restrain food stamp program spending, to increase States agency flexibility, to focus benefits toward the most needy, to extend appropriations authority, to amend the Agriculture and Consumer Protection Act of 1973, and to extend and improve the commodity distribution programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP AND COMMODITY DISTRIBUTION AMENDMENTS OF 1981

Mr. HELMS. Mr. President, today I introduce, at the request of the administration, the Department of Agriculture's recommended reforms in the food stamp program.

Our Committee on Agriculture, Nutrition, and Forestry recently heard testimony from a number of witnesses on suggestions for improving the integrity and manageability of this program.

Indeed, I would ask unanimous consent that Deputy Secretary Richard Lyng's testimony before our committee on April 6 be inserted in the RECORD at the conclusion of these remarks, as well as the transmittal letter from Secretary John Block, the text of the administration's bill, and a section-by-section anal-

ysis of the bill. Our committee will be considering this and other legislation regarding the food stamp program within the next few days, and I feel certain my colleagues will be interested in this informative material.

I ask unanimous consent that the bill, the Department's transmitted letter, and a section-by-section analysis be inserted in the RECORD.

There being no objection, the bill, letter, analysis, and testimony were ordered to be printed in the RECORD, as follows:

S. 1007

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Stamp and Commodity Distribution Amendments of 1981".

TITLE I—MAJOR FOOD STAMP REVISIONS

REVISIONS IN FOOD STAMP AND SCHOOL LUNCH DUPLICATE BENEFITS

SEC. 101. (a) Section 3 of the Food Stamp Act of 1977 is amended by designating (l) through (q) as (m) through (r) and adding the following new definition:

"(1) "School Age Child" means a household member of at least six years of age but less than 18 years of age at the beginning of the school year and any other household member attending elementary or secondary school.".

(b) Section 8(a) of the Food Stamp Act of 1977 is amended by—

(1) redesignating subsection 8(a) as paragraph 8(a)(1);

(2) amending the new paragraph 8(a)(1) to read:

"(1) The value of the allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be equal to—

(i) the cost to such households of the thrift food plan reduced by an amount equal to 30 per centum of the household's income, as determined in accordance with section 5 of this Act, rounded to the nearest whole dollar; or

(ii) in the case of one and two person households, the amount calculated under subparagraph (i) or $10, whichever is greater;

reduced as prescribed in paragraph (2) of this subsection."

(3) adding at the end a new paragraph as follows:

"(2) The value of the allotment which State agencies shall be authorized to issue to a household under paragraph (1) of this subsection shall be reduced each month for each school age child eligible for meals provided under the national school lunch program, up to a maximum of four children. The Secretary shall determine the amount of the reduction per school year per school age child by multiplying an amount equal to the per person, per meal value of the thrifty food plan for a household consisting of six persons in effect at the beginning of the school year by the National Average Number of Days Attended as determined by the Secretary based on the latest available data provided by the National Center for Education Statistics. Each State shall determine the amount of the monthly reduction per school age child by prorating this per school year reduction amount evenly over the total number of months in the school year or in proportion to the actual number of school days in each month of the school year. The State may delegate the determination of the method of proration to local counterpart offices or establish a single method statewide. A household's total monthly allotment reduction shall be the product of the monthly per school age child reduction amount multiplied by the number, up to a maximum of four, of school age children in the household. No reduction shall be made for any school age child if the household demonstrates that: (A) the school lunch program is not available in the school or session of school the school age child attends, (B) the school age child is unable to participate in the school lunch program because of religious belief or medical condition requiring a special diet, or (C) the school age child satisfies additional exception criteria as determined by the Secretary.".

ADJUSTMENT OF THE THRIFTY FOOD PLAN

SEC. 102. Section 3(p) of the Food Stamp Act of 1977, as redesignated by section 101 of this Act, is amended by—

(1) striking "through January 1, 1980,", "and July 1", "and March 31, respectively" in clause (4);

(2) striking "six" and inserting in lieu thereof "twelve" in clause (4); and

(3) striking clause (5) and (6), and inserting a period in lieu of the semicolon at the end of clause (4).

GROSS INCOME ELIGIBILITY STANDARD

SEC. 103. (a) Section 5 of the Food Stamp Act of 1977 is amended by—

(1) striking "subsections (c) and (e)" from subsection (b) and inserting in lieu thereof "subsection (c)";

(2) inserting in subsection (c) "130 percent of" after "standards of eligibility shall be"; and

(3) striking from the first sentence of subsection (e) "In" and inserting in lieu thereof "Further, in", and inserting "for purposes of determining the household's benefit level only," after "household income".

(b) Section 8(a) of the Food Stamp Act of 1977 is amended by inserting "(d) and (e)" after "Section 5" in the first sentence.

(c) Section 17 of the Food Stamp Act of 1977 is amended by striking subsections (d) and (e).

ADJUSTMENTS OF DEDUCTIONS

SEC. 104. Section 5(e) of the Food Stamp Act of 1977 is amended by—

(1) striking "$60" and inserting in lieu thereof "$85" in the first sentence;

(2) inserting after "a standard deduction" the second time it appears in the first sentence, "of $145, $120, $170, $50 and $75 respectively," and striking out the remainder of the first sentence;

(3) striking the second sentence;

(4) striking "$75" in the proviso and inserting in lieu thereof "$115"; and

(5) striking out everything after "of the United States" in the proviso and inserting in lieu thereof "$200, $165, $140, $40 and $85 respectively.".

REPEAL OF INCREASES IN DEPENDENT CARE DEDUCTIONS FOR WORKING ADULTS AND MEDICAL DEDUCTIONS FOR THE ELDERLY AND DISABLED

SEC. 105. Sections 104 and 105 of Public Law 96-249 are repealed.

RETROSPECTIVE ACCOUNTING

SEC. 106. (a) Section 5(f) of the Food Stamp Act of 1977 is amended to read:

"(f)(1)(A) Household income for those households that, by contract for other than an hourly or piecework basis or by self-employment, derive their annual income in a period of time shorter than one year, shall be calculated by averaging such income over a twelve-month period.

"(B) Household income for those households that received nonexcluded income of the type described in subsection (d)(3) of this section, shall be calculated by averaging such income over the period for which it is received.

"(2)(A) Household income for migrant farmworker households shall be calculated on a prospective basis, as provided in paragraph (3)(A).

"(B) Household income for all other households shall be calculated either on a prospective basis as provided in paragraph (3)(A) or on a retrospective basis as provided in paragraph (3)(B), as elected by the State agency under regulations prescribed by the Secretary.

"(3)(A) Calculation of household income on a prospective basis is the calculation of income on the basis of the income reasonably anticipated to be received by the household during the period for which eligibility or benefits are being determined. Such calculation shall be made in accordance with regulations prescribed by the Secretary which shall provide for taking into account both the income reasonably anticipated to be received by the household during the period for which eligibility or benefits are being determined and the income received by the household during the preceding thirty days.

"(B) Calculation of household income on a retrospective basis is the calculation of income for the period for which eligibility or benefits are being determined on the basis of income received in a previous period. Such calculation shall be made in accordance with regulations prescribed by the Secretary which may provide for the determination of eligibility on a prospective basis in some or all cases in which benefits are calculated under this paragraph. Such regulations shall provide for supplementing the initial allotments of newly applying households in those cases in which the determination of income under this paragraph causes serious hardship.

"(4) In promulgating regulations under this subsection, the Secretary shall consult with the Secretary of Health and Human Services in order to assure that, to the extent feasible and consistent with the purposes of this Act and the Social Security Act, the income of households receiving benefits under this Act and Title IV-A of the Social Security Act, is calculated on a comparable basis under the two Acts. The Secretary is authorized, upon the request of a State agency, to waive any of the provisions of this subsection to the extent necessary to permit the State agency to calculate income for purposes of this Act on the same basis that income is calculated under Title IV-A of the Social Security Act in that State."

(b) Effective October 1, 1983, paragraph (2)(B) of section 5(f) of the Food Stamp Act of 1977, as amended by subsection (a), is amended to read:

"(B) Household income for all other households shall be calculated on a retrospective basis as provided in paragraph (3)(B).".

PERIODIC REPORTING

SEC. 107. (a) Section 3(c) of the Food Stamp Act of 1977 is amended by inserting before the period at the end of the second sentence "except that the limit of twelve months may be waived by the Secretary to improve the administration of the program".

(b) Section 6(c) of the Food Stamp Act of 1977 is amended by—

(1) inserting after "households" in the first sentence of paragraph (1) ", including all households with earned income, except migrant farmworker households, all households with potential earners, including individuals receiving unemployment compensation benefits and individuals required by section 6(d) of this Act to register for work, and all households required to file a similar report under Title IV-A of the Social Security Act";

(2) striking "5(f)(2)" in paragraph (1) and inserting "5(f)" in lieu thereof; and

(3) inserting after paragraph (3) the following new paragraph:

"(4) Any household which fails to submit periodic reports required by paragraph (1) shall not receive an allotment for the payment period to which the unsubmitted report applies until such report is submitted."

(c) Effective October 1, 1983, section 6(c)(1) of the Food Stamp Act of 1977 is further amended by—

(1) striking in the first sentence "elect to"; and

(2) striking the second sentence.

EFFECTIVE DATE

SEC. 108. Except as otherwise specifically provided, the amendments made by this title shall be effective upon such dates as the Secretary may prescribe, taking into account the need for orderly implementation of these provisions.

TITLE II—OTHER FOOD STAMP COST REDUCTIONS

BOARDERS

SEC. 201. Section 3(i) of the Food Stamp Act of 1977 is amended by—

(1) striking in clause (1) of the first sentence "or else pays compensation to the others for such meals,";

(2) striking everything in the first sentence after "consumption" in clause (2) and inserting a period in lieu thereof; and

(3) adding before the period at the end of the second sentence ", or else live with others and pay compensation to the others for meals".

INSTITUTIONS

SEC. 202. (a) Section 3 of the Food Stamp Act of 1977, as amended by section 101 of this Act, is amended by—

(1) striking subsection (f), the definition for "Drug addiction or alcoholic treatment and rehabilitation program";

(2) in subsection (g)(1), striking "(5), (7), and (8)" and inserting in lieu thereof "and (5)";

(3) in subsection (g), striking clauses (5), (7), and (8), redesignating clause (6) as clause (5), and inserting a period in lieu of the comma at the end of that clause;

(4) in the third sentence of subsection (i) striking everything after "elderly" and inserting in lieu thereof "shall not be considered residents of institutions and shall be considered individual households.";

(5) in subsection (k)(2) striking "(5), (7), and (8)", and inserting in lieu thereof "and (5)";

(6) in subsection (k)(3) striking "(g)(6)" and inserting in lieu thereof "(g)(5)"; and

(7) redesignating subsections (g) through (r) as subsections (f) through (q).

(b) Section 6(d)(2) of the Food Stamp Act of 1977 is amended by—

(1) striking clause (E); and

(2) redesignating clause (F) as clause (E).

(c) Section 10 of the Food Stamp Act of 1977 is amended by striking the comma after "purchased" and inserting a period in lieu thereof and deleting the rest of the section.

ENERGY ASSISTANCE PAYMENTS; EXCLUDED PAYMENTS OF OTHER PROGRAMS

SEC. 203. Section 5(d) of the Food Stamp Act of 1977 is amended by—

(1) striking clauses (10) and (11) and inserting in lieu thereof "(10) any income that any other Federal law specifically excludes from consideration as income for purposes of determining eligibility for the food stamp program, and (11) any payments or allowances specifically designated for energy assistance by Federal law.".

(2) striking "5(f)(2)" in clause (2) and inserting "5(f)" in lieu thereof.

OUTREACH

SEC. 204. Section 11(e) of the Food Stamp Act of 1977 is amended by—

(1) revising clause (1)(A) to read as follows: "(A) inform applicants and participants of their rights and responsibilities under this Act and program regulations;"; and

(2) striking clause (B) and striking "and (C)" and inserting "and (B)" in lieu thereof.

EXPEDITED SERVICE

SEC. 205. Section 11(e)(9) of the Food Stamp Act of 1977 is amended by striking "in immediate need because of no income as defined in sections 5 (d) and (e)" and inserting in lieu thereof "whose income as defined in section 5(d) of this Act does not exceed $50 per month and which also meet any additional criteria which may be established by the Secretary for purposes of determining immediate need.".

EFFECTIVE DATE

SEC. 206. The amendments made by this title shall be effective upon such dates as the Secretary may prescribe, taking into account the need for orderly implementation of these provisions.

TITLE III—IMPROVING ADMINISTRATIVE PROCEDURES FOR THE FOOD STAMP PROGRAM

RETAIL FOOD STORES

SEC. 301. (a) Section 3(j) of the Food Stamp Act of 1977, as redesignated by section 202 of this Act, is amended by—

(1) revising clause (1) to read as follows: "(1) an establishment or house-to-house trade route whose gross sales volume consists of more than 50 percent eligible food items and in which over 50 percent of eligible food sales volume consists of staple food items, such as meat, poultry, fish, bread, cereals, vegetables, fruits, dairy products, and the like, but not including accessory food items, such as coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments, spices, snack foods such as potato chips, pretzels, and popcorn, and dessert items such as cakes, pies, cookies, and pastries;";

(2) redesignating clauses (2), (3), and (4) as clauses (4), (5), and (6) respectively; and

(3) inserting after clause (1) new clauses (2) and (3) to read as follows: "(2) an establishment which contains a clearly identifiable grocery department with a full line of grocery items and in which over 50 percent of eligible food sales volume consists of staple food items, (3) an establishment which sells staple food items and is the only source for households to obtain such staple food items in an immediate area, and which meets such other criteria as the Secretary may prescribe,";

(b) Section 9(a) of the Food Stamp Act of 1977 is amended by—

(1) striking "(1) the nature and extent of the food business conducted by the applicant;" and inserting in lieu thereof "(1) whether the applicant meets the definition in section 3(j) of this Act of a retail food store; and";

(2) striking clause (2); and

(3) redesignating clause (3) as (2).

HOUSEHOLD DEFINITION

SEC. 302. Section 3(h) of the Food Stamp Act of 1977, as redesignated and amended by sections 201 and 202 of this Act, is amended by—

(1) inserting before the period at the end of the first sentence "; except that parents and children who live together shall be treated as a group of individuals who customarily purchase and prepare meals together for home consumption even if they do not do so, unless one of the parents is 60 years of age or older"; and

(2) striking "neither" in the second sentence and inserting "no" in lieu thereof.

ALASKA'S THRIFTY FOOD PLAN

SEC. 303. Section 3(o) of the Food Stamp Act of 1977, as redesignated by section 202, is amended by revising clause (2) to read as follows: "(2) make cost adjustments in the thrifty food plan for Hawaii and the urban and rural parts of Alaska to reflect the cost of food in Hawaii and urban and rural Alaska,".

DISALLOWANCE OF DEDUCTIONS FOR EXPENSES PAID BY VENDOR PAYMENTS; ATTRIBUTION OF INCOME AND RESOURCES TO SPONSORED ALIENS

SEC. 304. (a) Section 5(e) of the Food Stamp Act of 1977 is amended by adding in the fourth and fifth sentences after "entitled" the following: ", with respect to expenses other than expenses paid on behalf of the household by a third party,".

(b) Section 5 of the Food Stamp Act of 1977 is amended by adding a new subsection 5(j) to read:

"(j)(1) For purposes of determining eligibility for and the amount of benefits under this Act for an individual who is an alien as described in subsection 6(f)(2)(B) of this Act, the income and resources of any person who as a sponsor of such individual's entry into the United States executed an affidavit of support or similar agreement with respect to such individual, and the income and resources of the sponsor's spouse if such spouse is living with the sponsor, shall be deemed to be the income and resources of such individual for a period of three years after the individual's entry into the United States. Any such income deemed to be income of such individual shall be treated as unearned income of such individual.

"(2)(A) The amount of income of a sponsor, and the sponsor's spouse if living with the sponsor, which shall be deemed to be the unearned income of an alien for any year shall be determined as follows:

"(i) The total yearly rate of earned and unearned income of such sponsor, and such sponsor's spouse if such spouse is living with the sponsor, shall be determined for such year under rules prescribed by the Secretary.

"(ii) The amount determined under subparagraph (i) shall be reduced by an amount equal to the income eligibility standard as determined under subsection 5(c) of this Act for a household equal in size to the sponsor, the sponsor's spouse if living with the sponsor, and any persons dependent upon or receiving support from the sponsor or the sponsor's spouse if the spouse is living with the sponsor.

"(iii) The monthly income attributed to such alien shall be one-twelfth of the amount calculated under subparagraph (ii).

"(B) The amount of resources of a sponsor, and the sponsor's spouse if living with the sponsor, which shall be deemed to be the resources of an alien of any year shall be determined as follows:

"(i) The total amount of the resources of such sponsor and such sponsor's spouse if such spouse is living with the sponsor shall be determined under rules prescribed by the Secretary.

"(ii) The amount determined under subparagraph (i) shall be reduced by $1,500.

"(iii) The resources determined under subparagraph (ii) shall be deemed to be resources of such alien in addition to any resources of such alien.

"(C)(i) Any individual who is an alien shall, during the period of three years after entry into the United States, in order to be an eligible individual or eligible spouse for purposes of this Act, be required to provide to the State agency such information and documentation with respect to his sponsor and sponsor's spouse as may be necessary in order for the State agency to make any determination required under this section, and to obtain any cooperation from such sponsor necessary for any such determination. Such alien shall also be required to provide such information and documentation which such alien or the sponsor provided in support of such alien's immigration application as the State agency may request.

"(ii) The Secretary shall enter into agreements with the Secretary of State and the Attorney General whereby any information available to such persons and required in order to make any determination under this

section will be provided by such persons to the Secretary, and whereby such persons shall inform any sponsor of an alien, at the time such sponsor executes an affidavit of support or similar agreement, of the requirements imposed by this section.

"(D) Any sponsor of an alien, and such alien, shall be jointly and severably liable for an amount equal to any overpayment made to such alien during the period of three years after such alien's entry into the United States, on account of such sponsor's failure to proved correct information under the provisions of this section, except where such sponsor was without fault, or where good cause for such failure existed. Any such overpayment which is not repaid shall be recovered in accordance with the provisions of subsection 13(a)(2) of this Act.

"(E) The provisions of this subsection shall not apply with respect to any alien who is a member of the sponsor's household, as defined in subsection 3(i) of this Act.".

RESOURCES

SEC. 305. Section 5(g) of the Food Stamp Act of 1977 is amended by—

(1) striking in the second sentence ", in prescribing inclusions in, and exclusions from, financial resources, follow the regulations in force as of June 1, 1977, and shall, in addition, (1)"; and

(2) striking everything after "exceeds $4,500" and inserting a period in lieu thereof.

ELIGIBILITY DISQUALIFICATIONS AND CLAIMS COLLECTIONS

SEC. 306. (a) Section 6(b) of the Food Stamp Act of 1977 is amended to read as follows:

"(b) No individual who is a member of a household which is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program for (1) a period of three months after the date on which such individual has been found by a State agency after notice and opportunity for hearing at the State level, or after failure to appeal a local hearing to the State level, to have intentionally made a false or misleading statement or misrepresented, concealed or withheld facts for the purpose of using, presenting, transferring, acquiring, receiving or possessing coupons or authorization cards in violation of this Act or the regulations issued thereunder, or to have fraudulently used, presented, transferred, acquired, received, possessed or altered coupons or authorization cards; or (2) a period of not less than six and not more than twenty-four months, as determined by the court, after such individual has been found by a court of appropriate jurisdiction, with a State or a political subdivision thereof or the United States as prosecutor or plaintiff, to have committed criminal or civil fraud in the use, presentation, transfer, acquisition, receipt, possession or alteration of coupons or authorization cards; or (3) both of the periods specified in clauses (1) and (2) of this subsection. Each State agency shall proceed against an individual alleged to have engaged in such activity either by way of administrative hearings in accordance with clause (1) of this subsection, or by referring such matters to appropriate legal authorities for civil or criminal action in accordance with clause (2) of this subsection, or both. Each period of ineligibility shall take effect immediately upon the relevant administrative or judicial finding and shall remain in effect, without possibility of administrative stay, unless and until the finding on which the ineligibility is based is subsequently reversed by a court of appropriate jurisdiction, but in no event shall the period of ineligibility be subject to judicial review."

(b)(1) Section 13 of the Food Stamp Act of 1977 is amended by redesignating current section 13 as subsection (b) and inserting before it the following new subsection:

"SEC. 13. (a)(1) In the case of any ineligibility determination under section 6(b), the household of which such ineligible individual is a member is required to agree to (A) a reduction in the allotment of the household of which such individual is a member, or (B) payment in cash, in accordance with a schedule determined by the Secretary that will be sufficient to reimburse the Federal government for any overissuance of coupons resulting from the activity that was the basis of the ineligibility determination. If a household refuses to make an election, or elects to make a payment in cash under the provisions of the preceding sentence and fails to do so, the household shall be subject to an allotment reduction.

"(2) Any claim against a household arising from the overissuance of coupons, other than claims the collection of which is provided for in paragraph (1) and claims arising from an error of the State agency, may be collected by reducing the monthly allotments of the household, but only in such cases and in such amounts as are reasonable considering the income and resources of the household, as determined under regulations prescribed by the Secretary.".

(b)(2) The heading of section 13 of that Act is amended to read "COLLECTION AND DISPOSITION OF CLAIMS".

(c) Section 16(a) of the Food Stamp Act of 1977 is amended by—

(1) striking out everything in the first sentence after "recovered or collected" and inserting in lieu thereof "pursuant to section 13(a)(1).''; and

(2) inserting in the second sentence after "determinations of" the word "ineligibility" in lieu of "fraud".

WORK REQUIREMENTS

SEC. 307. Section 6(d) of the Food Stamp Act of 1977 is amended by—

(1) striking out ", unless the household was certified for benefits under this Act immediately prior to such unemployment" in clause (iii) of paragraph (1); and

(2) inserting before the semicolon at the end of clause (A) of paragraph (2) ", in which case, failure by such person to comply with any work requirement to which such person is subject that is comparable to a requirement of paragraph (1) shall be the same as failure to comply with that requirement of paragraph (1)";

(3) Redesignating paragraphs (3) and (4) as paragraphs (4) and (5) and inserting a new paragraph (3) to read as follows:

"(3) In states which have elected to operate a Community Work Experience Program under section 409 of the Social Security Act (42 U.S.C. 609), persons required to register for work under paragraph (1) of this subsection may, at the option of the state agency, be referred for participation in such program. Persons participating in a Community Work Experience Program shall, during such participation be exempt from the requirements of clause (d)(1)(ii) of this subsection."

ANNUALIZATION OF WORK REGISTRATION

SEC. 308. Section 6(d)(1)(i) of the Food Stamp Act of 1977 is amended by striking "six" and inserting in lieu thereof "twelve".

RESTRICTION OF CASH CHANGE

SEC. 309. Section 7(b) of the Food Stamp Act of 1977 is amended by—

(1) striking out the colon at the end of the first proviso and everything thereafter and inserting a period in lieu thereof; and

(2) adding at the end thereof the following: "Eligible households using coupons to purchase food costing in excess of $5 in a single transaction may receive cash in change so long as the cash received is less than the value of the lowest coupon denomination issued. Eligible households using coupons to purchase food costing $5 or less in a single transaction shall receive credit for so much of the change as cannot be paid with the lowest coupon denomination issued.".

STATE ISSUANCE LIABILITY

SEC. 310. Section 7(f) of the Food Stamp Act of 1977 is amended to read as follows:

"(f) Notwithstanding any other provision of this Act, the State agency shall be strictly liable to the Secretary for any financial losses involved in the acceptance, storage and issuance of coupons, except that in the case of losses resulting from the issuance and replacement of authorizations for coupons and allotments which are sent through the mail, the State agency shall be liable to the Secretary to the extent prescribed in the regulations promulgated by the Secretary.".

RESTORATION OF LOST BENEFITS

SEC. 311. (a) Section 11(e)(11) of the Food Stamp Act of 1977 is amended to read as follows:

"(11) upon receipt of a request from a household, for the prompt restoration in the form of coupons to a household of any allotment or portion thereof which has been wrongfully denied or terminated, except that allotments for any period of time more than one year prior to the date such request is received by the State agency shall not be restored;".

(b) Section 14 of the Food Stamp Act of 1977 is redesignated as section 14(a), and a new section 14(b) is added to read as follows:

"(b) In any judicial action arising under this Act any food stamp allotments found to have been wrongfully withheld shall be restored only for periods of not more than one year prior to the date of the commencement of such action, or in the case of an action seeking review of a final State agency determination, not more than one year prior to the date of the filing of a request with the State for the restoration of such allotments."

RECERTIFICATION

SEC. 312. Section 11(e)(4) of the Food Stamp Act of 1977 is amended by striking "immediately".

NUTRITION EDUCATION PROGRAM

SEC. 313. Section 11(f) of the Food Stamp Act of 1977 is amended to read as follows:

"(f) To encourage the purchase of nutritious foods, the Secretary is authorized to extend food and nutrition education to reach food stamp program participants, using the methods and techniques developed in the expanded food and nutrition education and other programs.".

SIXTY-DAY TRANSFER OF CERTIFICATION

SEC. 314. Section 11 of the Food Stamp Act of 1977 is amended by striking subsection (b) and redesignating subsections (c) through (l) as (b) through (k).

DISPOSITION OF CLAIMS

SEC. 315. Section 13(b) of the Food Stamp Act of 1977, as redesignated by section 306, is amended by—

(1) inserting before the period at the end of the first sentence ", including the power to waive claims if the Secretary determines that to do so would serve the purposes of this Act"; and

(2) adding the following new sentence at the end thereof: "The Secretary shall have the power to reduce amounts otherwise due to a State agency under section 16 of this Act to collect unpaid claims assessed against the State agency if the State agency has declined or exhausted its appeal rights under section 14."

INCENTIVES FOR ERROR REDUCTION EFFORTS AND CORRECTIVE ACTION PLANS

SEC. 316. Section 16 of the Food Stamp Act of 1977 is amended by—

(1) inserting before the period at the end of the first sentence of subsection (c) the following: ", and, effective October 1, 1981,

which also meets the standard contained in paragraph (1)(B) of this subsection"; and

(2) in subsection (d), striking "October 1, 1978" and inserting in lieu thereof "October 1, 1981", and by inserting "(2)" after "subsection (c)".

STAFFING

SEC. 317. Section 16(b)(1) of the Food Stamp Act of 1977 is amended by striking out ", including, but not limited to, staffing standards such as caseload per certification worker limitations,".

INCENTIVES, SANCTIONS, AND CLAIMS

SEC. 318. Section 18 of the Food Stamp Act of 1977 is amended by adding a new subsection (e) to read as follows:

"(e) Funds collected from claims against households or State agencies, including claims collected pursuant to sections 7(f), 11(h), and 16(g) of this Act, claims resulting from resolution of audit findings, and claims collected from households receiving overissuances, shall be credited to the food stamp program appropriation account for the fiscal year in which the collection occurs. Funds provided to State agencies under section 16(c) of this Act shall be paid from the appropriation account for the fiscal year in which the funds are provided.".

EFFECTIVE DATE

SEC. 319. The amendments made by this title shall be effective upon such dates as the Secretary may prescribe, taking into account the need for orderly implementation of these provisions.

TITLE IV—FOOD STAMP FUNDING

AUTHORIZATION FOR APPROPRIATIONS

SEC. 401. The first sentence of Section 18 (a)(1) of the Food Stamp Act of 1977 is amended by—

(1) striking "and" after "September 30, 1980;"; and

(2) striking "$9,739,276,000" and inserting in lieu thereof "$10,945,000,000" and

(3) inserting before the period at the end thereof the following:

"; not in excess of $10,010,000,000 for the fiscal year ending September 30, 1982; not in excess of $10,345,000,000 for the fiscal year ending September 30, 1983; not in excess of $10,290,000,000 for the fiscal year ending September 30, 1984; and not in excess of $10,480,000,000 for the fiscal year ending September 30, 1985".

TITLE V—COMMODITY DISTRIBUTION PROGRAM

EXTENSION OF AUTHORITIES, PENALTIES FOR FRAUD, AND MISCELLANEOUS PROVISIONS

SEC. 501. (a) Effective October 1, 1981, section 4 of the Agricultural Consumer Protection Act of 1973 is amended by—

(1) striking "1978, 1979, 1980, and 1981", in the first sentence of subsection (a) and inserting in lieu thereof: "1982, 1983, 1984 and 1985"; and

(2) adding a new subsection (c) to read as follows:

"(c) Whoever embezzles, willfully misapplies, steals or obtains by fraud any agricultural commodity or its products (or any funds, assets, or property deriving from donation of such commodities) provided under this section, or under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), or section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a–1), whether received directly or indirectly from the United States Department of Agriculture, or whoever receives, conceals, or retains such commodities, products, funds, assets, or property for personal use or gain, knowing such commodities, products, funds, assets, or property have been embezzled, willfully misapplied, stolen, or obtained by fraud shall, if such commodities, products, funds, assets, or property are of a value of $100 or more, be fined not more than $10,000 or imprisoned not more than five years, or both, or if such commodities, products, funds, assets, or property are of value of less than $100, shall be fined not more than $1,000 or imprisoned for not more than one year, or both.".

(b) Effective October 1, 1981, section 5(a) of that Act is amended to read as follows:

"(a) In carrying out the supplemental feeding program (hereinafter referred to as the 'commodity supplemental food program') to which reference is made in section 4 of this Act, the Secretary of Agriculture shall provide to State agencies administering the program, for each of the fiscal years 1982 through 1985, funds appropriated from the general fund of the Treasury in amounts equal to the administrative costs of State and local agencies in operating the program, except that the funds provided to State agencies each fiscal year may not exceed 15 per centum of the amount appropriated for the provision of commodities to State agencies.".

TITLE VI—FOOD STAMP CASH-OUT OF SSI RECIPIENTS

MODIFICATION OF CASH-OUT STATUS

SEC. 601. Effective July 1, 1981, section 8 (d) of Public Law 93–233 is amended to read as follows:

"(d) Upon the request of a State, the Secretary shall find, for purposes of the provisions specified in subsection (c), that the level of such State's supplementary payments of the type described in 1616(a) of the Social Security Act has been specifically increased for any month after June 1976 so as to include the bonus value of food stamps if: (1) the Secretary has found that such State's supplementary payments in June 1976 were increased to include the bonus value of food stamps; and (2) such State continues to meet the requirements of section 1618 of such Act for each month after June 1976 and up to and including the month for which the Secretary is making the determination.".

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., April 16, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Congress is a bill to amend the Food Stamp Act of 1977, as amended; the Agriculture and Consumer Protection Act of 1973; and P.L. 93–233. Also enclosed is a section-by-section analysis explaining the provisions of the bill.

The bill has six titles. The provisions of Title I are amendments to the Food Stamp Act of 1977, as amended, which would save over $1.3 billion in Fiscal Year 1982 by targeting program benefits to households most in need of food assistance. The provisions of Title II would effect other, smaller cost reductions. Title III would make management and monitoring improvements as well as reduce expenditures. Title IV would extend the Food Stamp Program through Fiscal Year 1985 with specific dollar authorization ceilings. Title V would amend several provisions of the Agriculture and Consumer Protection Act of 1973 which pertain to the Commodity Distribution Programs. Title VI would amend P.L. 93–233, a statute related to the Social Security Act, to avoid a potential problem with Supplemental Security Income recipients. Summaries of these titles follow.

In order to effect program savings, the provisions of Title I would:

Reduce allotments for households with children eligible for free school lunches. Households whose children are on special diets for religious or medical reasons or who have no access to free school lunches would be exempt. The amount of the reduction would be a product of the per person, per meal value of the Thrifty Food Plan for a six-person household, the number of children in the household eligible for free lunches to a maximum of four, and a National Average Number of Days attended per child. This procedure would avoid such administrative complexities as verifying school attendance. States would have some flexibility of the methods of prorating the reduction over the school year. Savings are estimated at $522 million in Fiscal Year 1982.

Repeal the provision of P.L. 96–249 which states that, effective January 1, 1982, the annual January 1 adjustments in the Thrifty Food Plan and standard deduction would be based on both actual prices through September and projected prices through December of the preceding year. Under our bill, the adjustment would be based on actual prices through the previous September. This would save an estimated $375 million in Fiscal Year 1982 and smaller amounts in succeeding years.

Establish a gross income eligibility criterion of 130 percent of the poverty guidelines. A gross income limit would make ineligible higher income households who now participate because their deductions put them under the current income eligibility standard, which is a net income figure. A net income figure would still be calculated to determine benefit levels. For example, using the eligibility standards effective July 1, 1981, a family of four could participate under the present program with an annual income of nearly $14,000. This proposal would lower that to about $11,000. We estimate that participation would be reduced by 5.5 percent of current households for a savings of about $273 million in Fiscal Year 1982.

Eliminate the annual adjustments to the standard deduction and to the maximum amount allowed on the combined dependent care/excess shelter expense deduction. These adjustments are based on increases in the Consumer Price Index (CPI). Benefits would continue to reflect inflation since the gross income ceiling and the Thrifty Food Plan would be indexed. Savings are estimated at about $123 million for Fiscal Year 1982.

Repeal two other provisions of Public Law 96–249 that would increase food stamp costs, effective in Fiscal Year 1982. Public Law 96–249 provides for a separate dependent care deduction of up to $90 per month for participants who incur dependent care expenses in order to work. Public Law 96–249 also expands the medical deduction for the elderly and disabled by including the expenses of spouses and raising the amount of deductible expenses from expenses exceeding $35 a month to expenses exceeding $25 a month. The repeal of the two provisions would save $60 million in Fiscal Year 1982 and larger amounts in succeeding years.

Require use of currently optional retrospective accounting and periodic reporting systems. Retrospective accounting would increase the accuracy of food stamp allotments by basing them on known information. This accounting method would be used to compute initial, as well as ongoing benefits for all households, except migrant workers. However, the Secretary would be given authority to develop a method to supplement the initial benefits for those households for whom retrospective accounting, at the point of application, would cause serious hardship. This supplementation permits the use of retrospective accounting to improve the accuracy of eligibility determinations without imposing a waiting period on those households who can demonstrate a genuine, immediate need.

The periodic reporting system, which requires households to submit regular reports of their circumstances, would be used to update food stamp benefits. Households with earned income; households containing potential earners, such as individuals registered for work or receiving unemployment compensation; and public assistance households

required to file a periodic report for the Aid to Families with Dependent Children Program would be required to file periodic reports. Migrant households would be exempt from this requirement and would instead be required to report changes in their circumstances as they occur.

Because of the cost and lead time required for development and installation of automated support, there would be no net savings from this proposal in Fiscal Year 1982. (The Fiscal Year 1982 cost increase has been subtracted in estimating overall savings from all Title I provisions.) Savings in Fiscal Year 1983 would be approximately $39 million and in Fiscal Year 1984, the first year of full implementation, the savings would be approximately $283 million.

Title II would effect other cost reductions and simplify some State administrative procedures. These provisions would make ineligible those who have access to other sources of food assistance, and would refocus the program on home food assistance. For example, because boarders are unable to use food stamps for most of their meals, they would become ineligible. Also ineligible would be residents of drug addict and alcoholic treatment centers, group homes for the blind and disabled, and shelters for battered women and children. Other proposals would limit special, expedited service to only the most needy households. Finally, Title II would replace the current outreach requirements with a requirement that State agencies inform applicants and participants of their rights and responsibilities under the Food Stamp Program. This should help reduce misunderstanding and delay.

The provisions of Title III would make changes to improve administration in several areas of the program and save approximately $130 million. Several aspects of funds management would be changed to facilitate accountability and budgetary process. To simplify State administration and prevent program abuse, children living with parents would no longer be permitted to file as separate households; the restoration of lost benefits provision would be changed; the 60-day continuation of eligibility for households which relocate would be eliminated. Firms whose primary business is other than food sales would no longer be authorized as retail food stores, and cash change would be given only where purchases exceed $5. The treatment of income and resources of sponsors of immigrant aliens would be changed to conform to treatment in related programs. Several other technical and clarifying changes are also proposed to improve the program's administration.

Title IV would extend the Food Stamp Program through Fiscal Year 1985 with the following authorization ceilings: $10 billion for Fiscal Year 1982; $10.3 billion for Fiscal Year 1983; $10.3 billion for Fiscal Year 1984; and $10.5 billion for Fiscal Year 1985. The authorization ceiling for Fiscal Year 1981 would be increased to $10.9 billion.

Title V of the bill would amend the Agriculture and Consumer Protection Act of 1973 to extend the Secretary's authority to purchase and distribute commodities for various commodity distribution programs and extend the authorization for administrative funds for the Commodity Supplemental Food Program through Fiscal Year 1985. This Title also provides Federal penalties for fraudulent misuse of commodities donated by the Department as well as other technical improvements.

Title VI would amend P.L. 93-233, a law related to the Social Security Act. The amendment would avoid a potential shift of a large number of Supplemental Security Income recipients to the Food Stamp Program in California, with an attendant increase in expenditures, administrative burden, errors, and confusion on the part of recipients.

In accordance with the President's Program for Economic Recovery, this Administration is committed to reducing overall Federal costs, including Food Stamp Program expenditures. Savings from this bill would be approximately $1.5 billion in Fiscal Year 1982. Additional savings of $210 million will result from a regulatory change which will provide a half rather than a whole month's allotment to households which apply in the last half of the month. We are reviewing other parts of current Food Stamp Program Regulations to identify other changes which can be made without legislation to reduce program costs.

These changes are designed to have minimal impact on households constituting the most needy segment of the population. They would significantly reduce waste, fraud and abuse, and would also simplify several aspects of State agency administration. We believe that these changes would help establish and maintain public support for a needed and beneficial program. To enable us to meet these goals, I urge favorable consideration of this bill.

A similar letter is being sent to the Speaker of the House.

The Office of Management and Budget advises that the enactment of this proposed legislation would be in accord with the President's program.

Sincerely,

JOHN R. BLOCK.

SECTION-BY-SECTION ANALYSIS

TITLE I—MAJOR FOOD STAMP REVISIONS

Revisions in food stamp and school lunch duplicate benefits

Section 101 would amend Section 8 of the Food Stamp Act of 1977 to reduce duplicate benefits from the National School Lunch Program and the Food Stamp Program. Most households with school age children who are participating in the Food Stamp Program are eligible, under current and proposed rules, for a free lunch under the National School Lunch Program. These school meals are intended to meet one-third of a student's daily nutritional needs. For students who receive both food stamps and free school meals, the Federal government partially subsidizes four rather than three meals each school day. To eliminate providing duplicate benefits, food stamp allotments would be reduced for households with students in elementary and secondary schools. Section 101 would also amend Section 3 to provide a definition for school age child as those household members attending elementary and secondary schools.

To establish a method for reducing food stamp benefits without a severe increase in administrative expense and burden, a national formula for the reduction is essential. The formula provided by Section 101 would simplify the administrative process by avoiding the need for verifying school attendance records for each child or calculating reductions on an attendance basis which would necessitate monthly household adjustments or certification on a monthly basis. As with all general formulas applied to a nationwide program, some inequities would be created. This formula would reduce benefits for all school age children having access to the program regardless of the actual number of days the child was in school.

The use of the standard formula for reducing benefits would provide a reduction amount which could be divided over the household's allotments during the school year. The State agency would determine the amount of the monthly reduction per school age child by prorating the per school year reduction amount evenly over the total number of months in the school year or in proportion to the actual number of school days in each month of the school year. The State could require the method of proration be standard throughout the state or delegate this decision to each local office based on variations in school calendars.

The formula for determining the reduction contains two figures. The first is the amount equal to the per person, per meal value of the Thrifty Food Plan for a household consisting of six persons in effect at the beginning of the school year. Use of a particular household size would avoid the complexity of having to compute a per person, per meal factor for each household size and applying the varying amounts on a case-by-case basis. The six person household size was chosen because, for the purpose of this reduction, no household will be assumed to have more than four school age children participating in the school lunch program and each household is assumed to have two other members. Also, use of the six person household assures that a large family will not have a greater deduction amount than their average per person, per meal benefit.

The second factor in the formula is the National Average Number of Days Attended. This figure is published and revised by the National Center for Education Statistics. Already included in this figure is the average school year length and absentee rate. Again, use of a national average would avoid each State and locality having to compute the reduction amount based on circumstances peculiar to that locale. Since the average child does not attend summer school, no reduction would be made for free meals available in schools or other programs during the summer months.

The formula gives a school year per person reduction amount. This amount would be prorated across months in a school year by the State and then, on a case-by-case basis, multiplied by the number of household members attending elementary and secondary school, not to exceed four. All household members would be counted as participating if they are of school age (between the ages of six and seventeen) or known to be attending an elementary or secondary school. The definition of school age child was developed to specifically exclude children participating in day care programs. The only exceptions to school lunch adjustment factor would be for members who can demonstrate that they are not participating in the school lunch program because of religious or medical/dietary reasons, because the school or school session which they attend does not offer the school lunch program, or because of other exceptions determined by the Secretary. Requiring the household to prove that it qualifies for one of the exceptions is not an unreasonable burden as documentation can readily be obtained from school officials, their physicians or other sources. The cap of four participating household members would balance the Government's need to reduce duplicate benefits with that of alleviating hardship caused to large families.

As this proposal would be implemented for the 1981 school year, the reduction amount would be as follows for households with members attending elementary and secondary schools. The per person, per meal value for the Thrifty Food Plan in 1981 for a household consisting of six persons is $.60. The National Average Number of Days Attended is 161.1 days per year per student. Thus, the actual reduction amount is $97. In a State opting to divide this amount evenly over a ten-month school year, the per person, per meal monthly reduction would be $10. Thus, in 1981 a household with one member in school would have its monthly allotment reduced by $10 and a household with four or more members in school would have the maximum reduction of $40 a month over the 10-month school year. The estimate of the per person, per meal value for the Thrifty Food Plan in 1982 for a household consisting

of six persons is $.67. The National Average Number of Days Attended is anticipated to remain the same, so that the annual reduction amount would be $108. In a State opting to divide the reduction amount evenly over a ten-month school year, the household with one member in school would have their monthly allotment reduced by $11 and, a household with four or more members in school would have a maximum reduction of $44.

It would be advantageous to implement this amendment as quickly as possible, preferably with the beginning of the 1981 school year. In proposing this amendment, it is realized that the reduction of benefits for households with school age children may in a few cases reduce the value of some households' allotments to $0, including one or two person households that normally receive a $10 minimum allotment.

If implemented by the beginning of the 1981 school year, estimated savings would be $522 million for Fiscal Year 1982 and $558 million for Fiscal Year 1983. This amendment would affect in an average school month about 35 percent of households currently on the program (approximately 2.5 million households).

Section 101 would also amend Section 8 of the Food Stamp Act of 1977 to delete the requirement that the Secretary provide annual reports to Congress on the effect on food stamp participation and cost of the elimination of the purchase requirement. The food stamp purchase requirement was eliminated in all States by January 1, 1979 and therefore the reporting requirement is no longer necessary.

Adjustment of the thrifty food plan

Section 102 would amend Section 3 of the Food Stamp Act of 1977 to base annual adjustments in the cost of the Thrifty Food Plan on data obtained from a twelve-month period ending each preceding September 30. P.L. 96-249 required that, as of January 1, 1982, the annual adjustments be based on data reflecting the period through the preceding December 31. The Congress believed this change would make food stamp benefit levels closer to expected changes in food prices when an annual adjustment replaced the former semi-annual adjustment. In so doing, however, P.L. 96-249 required the Secretary to project three months of estimated data (October 1-December 31). It is difficult to forecast food price changes. Other programs, Social Security for example, that make indexed payments to individuals rely on actual data with a lag so that administrative actions can be taken to deliver new benefit levels rather than estimating future price levels. Using the same procedures by deleting the three-month projection will also result in considerable savings. Estimated savings would be $375 million in Fiscal Year 1982 and smaller amounts in succeeding years. (Not all of these savings would result from the proposed change in the method of adjusting the cost of the Thrifty Food Plan. Part of it, $16 million, would result from the same change applied to the adjustment of the standard deduction. Under the Department's proposal, this change would not be implemented, since Section 104 would eliminate any adjustment of the standard deduction. Nonetheless, there is a real savings which is not accounted for elsewhere, and so it is included in the figure of $375 million just cited.)

Gross income eligibility standard

Section 103 would amend section 5 of the Food Stamp Act of 1977 to restrict program eligibility to households with gross monthly income (the households' total income less only the exclusions specified in Section 5(d) of the Act) at or below 130 percent of the poverty line. Other relevant sections of the Act which will require technical amendments as a result of this proposed change would also be amended. Currently, program eligibility is based on the household's net monthly income which is determined by applying a series of deductions to the household's nonexcludable gross monthly income. After calculations, the net figure is compared to the income eligibility standard for that household size. The eligibility standard is based on the annual nonfarm income poverty guideline. Under this proposed change, the current procedure of using net monthly income to determine the benefit level would remain the same.

This proposed change serves to target program benefits to those who are most in need and, in terms of the present law, to those whose incomes are determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet. Households with high gross income who pyramid deductions and are currently eligible only as a result of low *net* income would be eliminated. High income households or households with higher living standards would no longer be able to take disproportionate advantage of the deductions to gain eligibility. Further, the use of a gross income eligibility standard would help to lessen the administrative burden on a State agency by decreasing the frequency of performing the deduction calculations.

This proposed change sets the eligibility standard at 130 percent, not 100 percent, of the poverty line. At 130 percent, the income eligibility standard for each household size would be as follows if the change is implemented July 1, 1981–June 30, 1982:

	Maximum gross income	
	Annual	Monthly
Household size:		
1	$5,603	$467
2	7,397	616
3	9,191	766
4	10,985	915
5	12,779	1,065
6	14,573	1,214
7	16,367	1,364
8	18,161	1,513

It is estimated that this proposed change would reduce the number of participating households by 5.5 percent and would not affect benefits for remaining households. Estimated savings from the proposed change are $273 million in Fiscal Year 1982 and $282 million in Fiscal Year 1983.

Adjustments of deductions

Section 104 would amend Section 5 of the Food Stamp Act of 1977 to eliminate the indexing of the standard deduction and the dependent care/excess shelter expense deduction cap, and "freeze" them at their current amounts. Presently, both deductions are indexed with the Consumer Price Index (CPI); the standard deduction is based on the CPI for all items less food, while the dependent care/shelter expense cap is indexed by the CPI for shelter, fuel and utilities. Both indexes are heavily influenced by homeownership costs. During 1980, over 30% of the CPI for all items less food consisted of homeownership costs, while these identical costs totaled 67% of the CPI for shelter, fuel and utilities. In general, these particular deductions serve as a mechanism for using the program to indirectly subsidize consumption of these other items. We believe the program's subsidy should be targeted to the greatest extent possible on food, not non-food items.

There would be minimal adverse effects on food stamp households by mandating that the standard deduction remain at $85 and the dependent care/excess shelter expense cap be constant at $115 for the 48 States and the District of Columbia. Moreover, deductions would no longer impact on eligibility because a gross rather than a net income test is also being proposed. Even though the standard deduction and the dependent care shelter expense cap would be stable, benefits would continue to change in accordance with the inflation rate since the gross income ceiling as well as the Thrifty Food Plan would be annually indexed.

This amendment would result in budgetary savings of $123 million in Fiscal Year 1982 and $352 million in Fiscal Year 1983.

Repeal of increases in deductions

Section 105 would repeal two increases in deductions that were enacted into law by P.L. 96-249 and that are scheduled to take effect in Fiscal Year 1982. The provision creating a separate dependent care deduction up to $90 per month (or $1,080 annually) which would add administrative complexities to the program would be repealed. The provision providing that elderly and disabled persons' medical expenses in excess of $25 a month be deducted (rather than medical expenses over $35 per month, as is currently the case) would be repealed, along with another new deduction from gross income for medical expenses from spouses who are not themselves elderly or disabled. The deduction for medical expenses over $35 a month for elderly and disabled persons, as originally established by P.L. 96-58 in 1979, would remain unchanged. Section 105 would result in savings of $60 million in Fiscal Year 1982 and higher savings in following years.

Retrospective accounting

Section 106 would amend Section 5 of the Food Stamp Act of 1977 to require all State agencies to determine ongoing eligibility and compute allotments of Food Stamp Program participants according to retrospective accounting. Currently, the Act permits State agencies to choose between a prospective, anticipatory system and a retrospective system which reflects actual events. While the Department will be publishing final regulations for food stamp retrospective accounting, the system is in place at State option for the Aid to Families with Dependent Children Program. The advantages of the system lie in the more accurate computations of households' food stamp allotments and in the budgetary savings which would result. All State agencies would have to implement retrospective accounting by October 1, 1983. This long implementation period is required by the demands on data processing which this Section and the related Section on monthly reporting place on State agencies.

This Section would require State agencies to use retrospective accounting when computing benefits for both applicants and recipients. Using the same basic system for both groups would simplify the certification procedure and eliminate the need for a transition between the two systems for each household. This transition would likely be confusing for households and State agencies alike, and could contribute to errors. However, it is recognized that the strict use of retrospective accounting for applicants might impose a waiting period of up to three months before loss of income would be recognized. Therefore, this Section would require the Secretary to devise a system to avoid imposing a serious hardship on applicants which have experienced sudden losses of income. Under this system, retrospectively determined benefits would be supplemented during the initial month or months of some households' eligibility. However, the system would not permit households experiencing only a temporary decline in income to take advantage of the program, as current prospective income rules allow. It would also ban from supplementation those households which contributed to their own income decline by quitting a job without good cause, going on strike, or suffering a loss of welfare payments for past infractions.

The current Act requires modification of the retrospective accounting system when a household suddenly losses income or gains a new member. This Section would eliminate that modification. Under the supplemental system previously proposed by the Department, households would be entitled to higher benefits as soon as their incomes dropped. However, since the converse was not true, households whose incomes rose would not necessarily receive reduced benefits until several months after the increase in income. Eliminating payments in these circumstances would not only reduce the cost of food stamp benefits, but would also eliminate an administratively confusing procedure. It is fully expected that State agencies would rapidly take changed circumstances into account by minimizing the time between a household's reporting and its receipt of food stamps.

Section 106 would also require State agencies to apply retrospective accounting to all participating food stamp households except for those of migrant farmworkers. It is proposed that the exception for migrant farmworkers would be retained for two reasons. First, the mobility of migrant farmworkers makes it extremely difficult to verify their income and circumstances from a past period when they were not residing in the project area. Second, as discussed in the next Section, their circumstances make it practically impossible for them to comply with a monthly reporting requirement. Therefore, to avoid the complications and errors of a retrospective accounting system for migrants, the law would permit them to be certified under a prospective system.

The current legislative provision of a one month accounting period would be retained. One month does not impose an undue hardship on households, yet does attain the goals of retrospective accounting. As current legislation requires, the Secretary will consult with the Secretary of Health and Human Services in developing regulations in the area of restrospective accounting.

Periodic reporting

Section 107 would also amend Section 6 of the Food Stamp Act of 1977 to account for the nationwide implementation of retrospective accounting. As explained in Section 106, all households except migrant farmworkers would be placed on retrospective accounting by October 1, 1983.

Currently, the Act does not specify which households must submit periodic reports and which are not required to do so. It is proposed that all households with earnings be required to report monthly. Such frequent reporting of this key, often changeable factor of eligibility would result in more accurate benefit determinations. In addition, potential earners, such as individuals receiving unemployment compensation or those required to register for work, must file monthly reports to facilitate prompt reporting of any change in their job status. It is also proposed that migrant farmworker households would not be required to submit periodic reports. These households, by virtue of their mobility, make a system of notices and reports an impractical one. Instead, migrants would report changes in their circumstances as they occur. Other households, such as those consisting of elderly and disabled members, would report according to the schedule State agencies consider to be most effective in issuing accurate, timely benefits. To maintain consistency with reporting requirements under Title IV–A of the Social Security Act, all public assistance households which must file periodic reports must do so for food stamp purposes also.

Section 107 would also amend Section 6 to accommodate the operational requirements of the retrospective accounting and periodic reporting systems.

It is probable that under periodic reporting some households will not file the required reports and that reports from other households will go astray. It is proposed that for whatever reason a State agency does not have a household's report, to receive the benefits which the missing report would have generated, the household would have to submit or resubmit the report. Currently a household which objects to a State agency action, such as a reduction or termination of benefits, can request a fair hearing. Under periodic reporting such a hearing is pointless since the issue is not the correctness of benefits but the lack of the information on which benefits could be based. Therefore, it is the intent of this Section that a household would not be granted a hearing for such action. Consequently, regulations would provide that households which timely file missing reports, if otherwise eligible, will receive uninterrupted benefits.

This Section would require State agencies to use retrospective accounting in the determination of eligibility and the computation of benefits. Thus, a household would be eligible based upon the income and household composition in a previous month. There are, however, reasons for determining eligibility prospectively.

Households who report information which makes them ineligible would not remain in need of food stamps. If a system could be devised to take their changed circumstances into account, program costs would be lowered. The principal difficulty in using a prospective determination of eligibility is that it would require two reporting systems for handling the same cases. Rather than proposing legislation which would require such a prospective determination, the Secretary is seeking authorization to implement it if a feasible system can be devised.

This section would also amend Section 3 of the Food Stamp Act of 1977. Currently the Act places a limit of twelve months on the length of a certification period. Limited certification periods guarantee that a household would periodically inform a State agency of its household circumstances. Section 107 would authorize the Secretary to waive this maximum for households who file periodic reports. This waiver would be done for three reasons. First, by filing regular reports, a household would be providing much of the information which the certification procedure would gather. Second, allowing longer certification periods would make the Food Stamp and Aid to Families with Dependent Children Programs more consistent and their administration simpler. Third, the waiver would facilitate the processing of certain food stamp households jointly with actions on their Supplemental Security Income recertifications.

It is assumed that ten States could implement Sections 106 and 107, that half of the remaining States would begin implementation in Fiscal Year 1982, and that all States will have implemented these Sections by the end of Fiscal Year 1983. Because of the administrative costs associated with implementing these Sections, their implementation will cost $23.5 million in Fiscal Year 1982 ($7 million in benefit savings, but $30.5 million in administrative costs). In Fiscal Year 1983 net savings will be about $39 million and in Fiscal Year 1984, the first year of full implementation, savings would be about $283 million. All State agencies would have to implement these Sections by the end of Fiscal Year 1983.

Effective date

Section 108 would provide for effective dates for the provisions in Title I to be prescribed by the Secretary, taking into account the need for orderly implementation.

TITLE II—OTHER FOOD STAMP REVISIONS

Boarders

Section 201 would amend Section 3 of the Food Stamp Act of 1977 to exclude all boarders from participation in the program. Currently, those individuals for whom lodging and meals are furnished in return for monetary compensation, who are not residents of commercial boarding houses, are eligible to participate in the Food Stamp Program while residents of commercial boarding houses are not. This group of boarders was allowed to participate based on the assumption that not all of their meals would be provided by the households with whom they reside.

By allowing eligibility for this particular class of boarders, it has been discovered that program abuse occurs as a result of making it advantageous for one large household to apply as many smaller ones. Since economies of scale provide small (1, 2, or 3 persons) households more food stamps per person than larger households and since each household, regardless of size, receives the same standard deduction and separate dependent care/excess shelter deduction cap, the option of large households fragmenting into separate "broader" status households may be encouraged by present policy.

A noncommercial boarding house does not provide a more legitimate outlet for food stamps than does a commercial boarding house, as a resident may not use food stamps to purchase meals from either. Thus, there is no real distinction between noncommercial and commercial boarders. Prohibiting boarders in noncommercial boarding houses from participation would be consistent with the intent to prohibit boarders in commercial boarding houses from participation and would serve to simplify administration of this provision.

In addition, program costs would be reduced an estimated $50 million in Fiscal Year 1982.

Institutions

Section 202 would amend Sections 3, 6 and 10 of the Food Stamp Act of 1977 to eliminate from the program residents of drug addict and alcoholic treatment and rehabilitation programs, residents of group living arrangements for the blind and disabled, and residents of shelters for battered women and children. In Section 3, the definitions of "drug addiction or alcoholic treatment and rehabilitation program" would be deleted. Also, "food", "household" and "retail food store" would be redefined for purposes of the Food Stamp Program. Section 6 would be amended to eliminate the work registration exemption allowed for residents of drug addiction and alcoholic treatment programs. Section 10 would be changed to eliminate the redemption of food stamps by institutions.

The definition of those eligible for food stamps has expanded over the years moving from families and households to include groups of people residing in institutions. The effect of this has been indirect subsidies for institutions. The purposes or effectiveness of the various institutions are not being disputed. We merely seek to point out that over time the Food Stamp Program has been looked to as an additional source of funds for these institutions. If additional funds are necessary for these institutions and their residents, such fiscal relief should come through their own funding channels.

Making these residents of institutions ineligible would restore equity to the program's treatment of all residents of institutions. Further, administrative burdens to certification offices in establishing eligibility, including verifying residence, would be eliminated.

Also eliminated would be the opportunity for abuse by the institutions which serve as authorized representatives for, and control the food stamps of, the residents, most of whom are present on a short-term basis.

Finally, the proposed change would reduce program costs an estimated $12 million in Fiscal Year 1982.

Energy assistance/excluded payments of other programs

Section 203 would amend Section 5 of the Food Stamp Act of 1977 to provide an income exclusion for only Federal energy assistance payments or allowances. Currently the Act also provides an exclusion for State and local energy assistance payments. This Section would also specify that payments made under other programs must be designated for exclusion under another Federal law in order to be excluded as income for food stamp purposes. Current legislation does not restrict such exclusions to Federal statutes. In restricting income exclusions in general to those in Federal statutes, we would prevent any State or local jurisdiction from modifying national eligibility and benefit standards.

Federal energy assistance payments are provided in recognition of the burden placed on low-income households by rapidly increasing energy costs. When the income exclusion was added by the Food Stamp Act Amendments of 1980, State and local energy assistance payments were also excluded on the basis that they were being provided for the same purpose as Federal payments.

However, experience has shown that the provision for excluding State and local payments is subject to manipulation which results in State and local governments shifting costs they have traditionally borne to the Federal government. As an example, some States are currently designating a portion of their public assistance (PA) grants as energy assistance payments which in turn increases certain households' food stamp benefit levels. This increase results because the PA payment designated for energy assistance is excluded from consideration as income for food stamp purposes. Thus, the State does not provide an increase in the PA payment and may in fact effectuate a decrease, knowing that the loss will be compensated, at least in part, by the increase in food stamps. Eliminating the income exclusion for State and local energy assistance payments would resolve this problem and curtail the additional and unintended drain on program funds.

Households who have high shelter expenses may have a portion of these costs deducted if they qualify for an excess shelter expense deduction which partially offsets counting this additional income. Households receiving Federal payments (or assistance which is truly intended to aid the household in meeting energy costs) will not be adversely affected.

Outreach

Section 204 would amend Section II of the Food Stamp Act of 1977 to delete the mandatory requirement for various outreach activities and to instead refocus these activities on informing applicants and participants of their rights and responsibilities under the Food Stamp Program.

In the last two fiscal years, State agencies have spent more than $17 million on outreach activities. These activities have been directed to inform low-income households of the benefits and availability of the program. In the past few years. State agencies have developed a great deal of expertise in distributing information about the Food Stamp Program. Despite this continued investment of time and money, economic fluctuations continue to be the most significant cause for increased participation rather than the nature and extent of outreach activities.

The proposed change would remove the requirement for outreach to nonparticipants, but it would mandate instead that State agencies advise applying or participating households of their rights and responsibilities under the program. Such a requirement should help reduce client errors caused by misunderstandings or delays in compliance.

The above mentioned changes do not prohibit Federal reimbursement to State agencies for the administrative costs of their outreach programs, and, thus, any or all State agencies which desire to continue at their present level of outreach activity may choose to do so without any negative effect on this Federal funding.

Expedited service

Section 205 would amend Section 11 of the Food Stamp Act of 1977 to provide expedited service to households with $50 or less in nonexcluded gross income rather than to households with no net income as the Act currently requires. Under the current provision, various deductions are applied to the household's gross income to determine net income before determining eligibility for expedited service. Deductions result in some households which actually have available income (households which may not actually be in immediate need) being provided with expedited service. Allowing the household $50 in gross income acknowledges that the household will likely need money to meet other immediate expenses and continue to function daily, money which could not be diverted to purchasing food without placing an undue and undesired hardship on the household. For example, setting a $50 limit would allow the household to meet such expenses as transportation to seek employment. An amount of $50 applied equally to all households for determining eligibility for expedited service would not result in the current problem of a household with sufficient income to purchase food and meet other expenses receiving expedited service.

Further, requiring that the State agency determine net income before providing expedited service would complicate the procedure and increase the likelihood of error. A gross income test of $50 for expedited service is consistent with the provision of Section 103 of this bill which would change the general income eligibility test from a net income test to a gross income test and would therefore help to ease administration of the expedited service provision.

Section 205 would also clarify that the change from a net income test to a gross income test of $50 would not preclude the Secretary from establishing through regulation additional screens or criteria to be used in evaluating eligibility for expedited service. Such additional criteria might include a check on liquid resources or a check on the household's immediate access to food. Ensuring the Secretary's option to establish additional criteria would provide the flexibility necessary to further guarantee that only households in immediate need receive expedited service.

Effective date

Section 206 would provide for effective dates for the provisions in Title II to be prescribed by the Secretary, taking into account the need for orderly implementation.

TITLE III—IMPROVING ADMINISTRATIVE PROCEDURES FOR THE FOOD STAMP PROGRAM

Retail food stores

Section 301 would amend Sections 3 and 9 of the Food Stamp Act of 1977 to tighten the retail food store definition to eliminate from the Food Stamp Program certain establishments which do only a marginal food business. Currently, there are over 230,000 authorized retailers, including some whose food business is marginal such as bars, gas stations, party stores, carryout shops, etc. These establishments were authorized because they have small sections in which food is sold thereby technically meeting the Act's definition of a retail food store. Many of these firms are not needed to effectuate the purpose of the program because there are full line grocery stores located in the immediate area. Such stores unnecessarily increase Federal administrative costs, and may create a negative image of the program.

It is proposed that retail food store be redefined to limit participation to full line grocery stores, or other businesses whose food sales are at least half their total gross sales. An exception would be made for those firms whose food business, no matter how small, provides the only source of staple food items in the immediate area and if such establishments meet all other criteria the Secretary may prescribe.

It is also proposed that the listing of accessory foods be modified to provide more definitive language on what items constitute accessory food items. Experience has proven it is difficult to administer the 50 percent staple foods provision without more specific language.

Household definition

Section 302 would amend Section 3 of the Food Stamp Act of 1977 to include in the definition of household parents and children who are living together unless at least one parent is 60 years of age or older. The effect of this change would be to require nonelderly parents and children who live together to apply for food stamps as a single household. Currently, the program definition of household states, in part, that a household may consist of an individual or group of individuals who, while living with others, customarily purchase food and prepare meals for home consumption separate and apart from others. The current provision results in some individuals claiming separate household status for purposes of obtaining food stamp benefits to which they would not otherwise be entitled. For example, an individual over 18 years old, who is living with his parents and has no visible means of support could be eligible to participate even though his parents would not be eligible. This results when the individual claims separate household status and indicates he has zero gross income. The individual could be certified as a separate household although in fact he is being supported by his parents.

A further example is that of unmarried parents living with their children. The parents do not hold themselves out in the community as man and wife and therefore may apply separately. The primary wage earner can decline to apply for benefits leaving the other parent with the children as a food stamp household with no income of its own. In reality there is no reason not to regard this unit as one household for food stamp purposes as the household is, in fact, supported by the primary wage earner. The proposed change would serve to eliminate this type of program abuse.

By allowing an exception for parents 60 and older, those parents most likely to reside with their children, but who truly maintain separate household status, will not be barred from participation as separate households.

Alaska's thrifty food plan

Section 303 would amend Section 3 of the Food Stamp Act of 1977 to provide for a separate allotment for rural Alaska to recognize its significantly higher food costs. Within Alaska, food costs vary widely from one geographic region to another. Generally, food costs in rural areas are noticeably greater than in urban ones. However, Alaska's Thrifty Food Plan is based on food prices in urban areas since cost data is only available for those locations. Since January 1980, Alaska's Thrifty Food Plan has been adjusted annually to reflect food cost increases in urban areas and then increased 9.3 percent to partially defray the higher costs of food in rural Alaska. As with other indexes this percentage is reviewed periodically. and will be updated when needed. While this 9.3 percent adjustment does help compensate for higher rural food prices, it actually raises Alaska's Thrifty Food Plan higher that it should be in urban areas, but not high enough for rural areas. It is proposed that this inequity be eliminated by again making urban Alaska residents eligible

for benefits based on the Thrifty Food Plan adjusted for the cost of food in Alaska, which is higher than for residents of the 48 States and the District of Columbia, and making residents of rural Alaska eligible for a still larger issuance of food stamps based on the higher cost of food in rural Alaska. The Alaskan situation is unique and represents the only State in the country where a separate allotment for a sub-State area would be justified.

Disallowance of deductions for expenses paid by vendor payments

Section 304(a) would amend Section 5 of the Food Stamp Act of 1977 to clarify in law that households are not entitled to receive deductions from gross income for expenses that are paid on the household's behalf by a third party. Thus, if a household's winter fuel bill is paid directly by an energy assistance program, i.e., the program pays money to the fuel provider directly, the household is not to be given a deduction from income (excess shelter expense) for the amount of the fuel bill. If a household itself pays a portion of a utility expense, that part would be included in their shelter deduction. This provision would maintain current regulatory practice and codify it in law.

Attribution of income and resources to sponsored aliens

Section 304(b) would amend Section 5 of the Act to provide that, above certain limits, the income and resources of sponsors of certain aliens would be deemed available to those aliens for food stamp purposes. Income and resources of spouses of such sponsors would be included if the spouse is living with the sponsor. The sponsor's income deemed available would be any income amounts above 130 percent of the poverty line for the household equal in size to the sponsor, spouse if living with the sponsor and any dependents. Resources deemed available would be any resources above $1,500. The provision would apply only to those aliens applying for permanent immigrant status and would not affect the treatment of those seeking political asylum or refugees. Furthermore it would apply only during the first three years after admission to this country which is the length of the sponsor's support obligation. This proposal parallels similar provisions in the Supplemental Security Income Program and legislation proposed for the AFDC program.

Resources

Section 305 would amend Section 5 of the Food Stamp Act of 1977 to delete the restrictive wording that forces the Department to follow the regulations which were in effect as of June 1, 1977, governing financial resources, and instead, delegate to the Secretary authority to define resources. The language in the Act prohibits the Department from clarifying resource inclusions and exclusions, as regulated in 1977, without risk of court challenge. The Department is also limited in its ability to respond to new asset situations not previously addressed by the 1977 regulations. This proposed change is necessary to unfetter the Department from this restrictive language so that the program can be improved by needed amendments within this area. The primary target of simplification would be in the area of counting vehicles as resources. The current law, due to the carry-forward of 1977 regulations, imposes a complicated treatment of vehicles, evaluating both their fair market value and equity value, and maintaining two separate but parallel sets of exemptions from these tests. Removal of this language in the law would permit the Department, through regulations, to simplify the manner in which vehicles are evaluated, while providing flexibility to the Department to determine the resource definitions which would best serve to protect program integrity.

Eligibility disqualifications and claims collection

Section 306 would amend Sections 6, 13, and 16 of the Food Stamp Stamp Act of 1977 to increase the use of the disqualification method of penalizing individuals who violate program rules by easing the criteria needed for State agencies to conduct hearings, allowing State agencies to use allotment reduction as a collection method alternative, and expanding the Secretary's authority to permit State agencies to retain 50 percent of all claims collected except for State-caused errors.

Presently, the Act states that persons who have been found guilty of committing fraud through an administrative hearing are disqualified from participating in the program for three months. It is proposed that "the making of false or misleading statements, misrepresentations, or the concealment or withholding of facts" be substituted for the term "fraud" in the Act. This change may encourage more administrative hearings as the State no longer has to prove fraud, but only misrepresentation by the household. Currently, States have been reluctant to pursue administrative fraud hearings because findings of fraud are considered to be the jurisdiction of the legal system. Increased use of administrative disqualifications may serve to deter program abuse if participants perceive that abuse will be swiftly punished. Allotment reduction is presently used only in fraud disqualification cases as a last resort for collection after the household is first given the opportunity to make restitution in cash, as specified in a signed repayment agreement, and has failed to honor that contract. The proposed change would expand the use of this collection procedure to nonfraud as well as fraud overissuance collection. This procedure of allotment reduction is often favored over cash repayment by its users because a special monthly trip to the food stamp office to pay on "the account" is eliminated and, as with payroll deductions for saving bonds, insurance policies, etc., the payment is taken care of automatically. Some restrictions on using allotment reduction for purely nonfraud cases would be included in the implementing regulations. These restrictions would limit reductions to amounts which are reasonable considering the income and resources of the household. Persons found guilty of willful misrepresentation in an administrative hearing, however, would be subject to allotment reduction without taking resources and income into consideration. Repayment by cash or allotment reduction would not be delayed until after the disqualification period has ended as is currently done. Strict enforcement of repayments is proposed to deter abuse of the program.

Section 306 would also expand the authority of the Secretary to allow the State to retain 50 percent of all claims collected, except for State-caused errors, instead of only fraud claim repayments, as is currently the law. The Department would encourage States to use these additional moneys to strengthen their collection efforts directed at nonparticipating households. These households, which may be no longer eligible for the program due to available income or resources, are beyond the scope of the disqualification and allotment reduction measures proposed here.

With these three amendments added to the Act and the corresponding regulations, the program would function more efficiently and equitably since more administrative hearings could be held to disqualify participants that violate food stamp regulations, a widely accepted and effective method of collection would be an option for most overissuances, and the States would retain more funds as an incentive and reward for collecting nonfraud as well as fraud claims.

Work requirements

Section 307 would amend Section 6 of the Food Stamp Act of 1977 to expand the voluntary quit provision and to alter eligibility requirements for participants who are exempt from work registration because of participation in other work programs but have failed to comply with the substitute program's work requirements. Currently, only a household that applies for food stamps in the 60 days after the primary wage earner voluntarily quits a job is denied participation. Legislative history on the 1977 Act clearly states that the purpose of this provision is to remove the inequity between participants and applicants. A participant must continue employment to which he has been referred by the employment service or the participant's entire household is subject to disqualification. The voluntary quiter provision provides a similar deterrent for applicants. However, a participant who finds employment without the help of the employment service may quit those jobs as often as desired with no adverse effects on food stamp benefits. In fact, food stamp benefits will increase due to the loss of income. Section 307 would amend the Act to delete the exemption for voluntary quit disqualifications for households that are currently program participants so that this provision would include all primary wage earners who are otherwise required to register for work. These households would be disqualified for two months.

The second work requirement change addressed in Section 307 is to specify that participants who fail to satisfy a work requirement of the special programs for which they are receiving exemptions from food stamp work registration (e.g., WIN, unemployment compensation) are also failing to meet the Food Stamp Program's work criteria. Presently if a participant is disqualified from AFDC or unemployment compensation for failure to comply with the alternate program's work requirements (which are similar to the Food Stamp Program's requirements), the participant loses food stamp exemption and is able to simply complete the Food Stamp Program's work registration form and avoid any adverse effects on food stamp benefits. However, if a non-exempt participant who is work-registered with the Food Stamp Program fails to comply with food stamp work criteria, this participant and his household would be disqualified. The current policy has been criticized as unfair and inequitable to all participants in the program. The noncomplier who was formerly exempt from food stamp work requirements because of participation in an acceptable substitute program should be considered and treated like a noncomplier of food stamp work registration requirements, not like a new applicant. WIN administrators support this proposal because it would strengthen their own compliance efforts in this area. Their cooperation is necessary to identify individuals receiving food stamps but registered only under the WIN program, and to notify the food stamp office of any WIN noncompliance for prompt food stamp disqualification action.

With these amendments to the Act, the work requirements provision would be stronger and more equitable, and may result in a decrease in food stamp participation since more individuals may remain on their jobs longer.

Section 307 would also allow states which have elected to operate a Community Work Experience Program under a proposed amendment to Section 409 of the Social Security Act to refer persons required to work register under the Food Stamp Program for

participation in such program. Persons participating in a Community Work Experience Program would be exempt from the job search requirements of clause 6(d)(1)(ii) of the Food Stamp Act.

Annualization of work registration

Section 308 would amend Section 6 of the Food Stamp Act of 1977 by requiring that individuals subject to the work registration requirements reregister every twelve months rather than every six months. The current statutory requirement that participants reregister at six-month intervals results in persons registering even though previous registration is still current. Persons are required to fill out unnecessary forms and welfare offices and employment service offices are required to process them. The amendment contained in this Section would remedy this situation by eliminating the superfluous paperwork activity now required. No diminution whatsoever in work registration activity or enforcement would result.

Restriction of cash change

Section 309 would amend Section 7 of the Food Stamp Act of 1977 to limit cash change to purchases exceeding $5 (continuing the 99-cent limit on cash change). The 1977 Act provision, which permits the giving of up to 99 cents in cash in a food stamp transaction, has been the most controversial legislative change in the retailer area of the program. The Department has received numerous complaints of abuse of this provision (e.g., purchasing a 2-cent eligible food stamp item and using the cash change to purchase alcoholic beverages or cigarettes), and there has been much media publicity damaging to the program image. However, credit slips (which preceded the cash change provision) were also criticized. Credit slips had to be used only in the firm which issued them and were often lost by participants. Stores profited from accumulated unredeemed credit slips.

It is recommended that this portion of the Act be modified to provide for cash change (along with the necessary number of $1 food stamps) only in transactions in which the total food stamp purchase exceeds $5 and for credit slips not to exceed 99 cents (along with the necessary number of $1 food stamps) in transactions where the food stamp purchase is less than $5. This would satisfy both objections to the previous systems. Legitimate food stamp shoppers would receive few if any credit slips during a month, while the incentive to convert food stamps to cash to abuse the cash change provision would be eliminated by requiring credit slips for transactions under $5.

State issuance liability

Section 310 would revise Section 7 of the Food Stamp Act of 1977 for two purposes. First, the revision would place into the statute the clear statement that State agencies are strictly liable for issuance losses. The Act currently establishes State agency responsibility for losses and the Department has held State agencies strictly liable for most issuance losses for some time. Legislative history on Public Law 96-249 explicitly states that the Secretary has the authority to make issuance losses a strict State agency liability. Second, the revision recognizes that there are areas of State agency administrative responsibility that fall between certification, where the State agency is liable only if negligent, and issuance. Two examples are preparation of authorization to participate documents and replacement of coupons lost in the mail. The revision makes an exception to the State agency's strict liability for losses in these areas. Losses can occur if a household's authorization document or an allotment is stolen or lost in the mail prior to reaching the household, and the household is issued a replacement. It would be inequitable to hold the State agency liable for every mail loss situation since the security of the mails is beyond the State's control. At the same time, however, State agencies can take actions to reduce and control these losses, for example, using certified mail or over-the-counter issuance when warranted.

Section 310 establishes that State agency liability for these losses shall be in accordance with regulations promulgated by the Secretary. Such regulations would establish a liability that is not a strict or absolute liability, but that holds States accountable for losses that sound management should be able to prevent. This is also in accordance with current regulatory practice.

Restoration of lost benefits

Section 311 would amend Sections 11 and 14 of the Food Stamp Act of 1977 to limit the Department's liability for losses sustained by households because of errors by the State agency.

Currently, the Act requires the Department to restore in food stamps any household benefits which the State agency has wrongfully denied or terminated. This provision would legislate the current one-year limit in regulations. Benefits lost more than a year prior to a request for restoration would not be restored. This limitation would require households to take responsibility, in regard to receiving restored benefits, for prompt requests when they believe they have been wrongfully denied benefits.

The Food Stamp Program is designed as a nutritional assistance program. Payments of large amounts of coupon benefits after long periods of time have elapsed does not effectively improve the nutrition of the household, and may result simply in the reallocation of household funds until the excess stamps are fully used. Limiting the period of time for which retroactive benefits can be paid would help concentrate coupon benefits on those households in more current need of food assistance.

Recertification

Section 312 would amend Section 11 of the Food Stamp Act of 1977 to provide more flexibility in notifying households of expiration of certification periods. Currently, the State agency is required to provide households with a notice of expiration immediately prior to or at the start of the last month of the certification period. The household then has until the fifteenth day of the month of expiration to file for recertification and receive uninterrupted benefits, if otherwise eligible.

Specifically, the proposed change would remove the statutory requirements on timing to permit State agencies to function more efficiently by notifying households at the point in the certification period which is most convenient and economical. If a State agency is currently adhering to the regulations without any undue complications, that State agency may continue to follow the same timeframes. However, the present time restrictions have caused severe problems for some State agencies. This provision has been in effect since 1978, and in that time the Administration has discovered that the period specified in the Act as the time the State agencies must send notices of expiration is an unreasonable requirement which is unachievable by some State agencies. One State agency in particular has stated it would have to hire a great many more employees to be in compliance with this procedural requirement, which, with the budgetary crunch that is being felt nationwide, is economically impossible. This requirement also differs significantly from the procedures in the AFDC program, and it is the Department's intention to simplify the program's administration by promoting consistency between the Food Stamp Program and AFDC.

Since each household is already notified of its certification period at its initial certification, notification at the end of the certification is basically a reminder notice. Therefore, to require States to hire extra personnel for the sole purpose of attaining compliance with this regulation is an inefficient and ineffective use of our funds. This proposed change would merely place more of the burden for timely reapplication on the household by requiring that the household be more aware of when its certification expires and when reapplication is necessary.

Nutrition education program

Section 313 would amend Section 11 of the Food Stamp Act of 1977 to delete the current requirement that the Secretary extend the Expanded Food and Nutrition Education Program (EFNEP) to reach food stamp participants. This would be replaced with language authorizing the Secretary to extend food and nutrition education programs to food stamp participants using methods and techniques which have proven successful under EFNEP as a basis for determining the form and content of such programs. The proposed change continues to acknowledge the importance of providing food and nutrition education to food stamp recipients. However, amending the language to allow the Secretary discretion in setting the form and content of such programs would provide the Secretary with the flexibility necessary to determine where and how such programs may best be used. This would also provide more flexibility for the Secretary to determine how to avoid duplication of effort in areas where other food and nutrition education programs may be available.

Sixty-day transfer of certification

Section 314 would amend Section 11 of the Food Stamp Act of 1977 to eliminate the sixty-day transfer of household benefits from one project area to another. This transfer allows food stamp households to maintain uninterrupted benefits during a relocation. The originating project area prepares the transfer, listing the allotment, resources, and household members, which the household presents in the new project area. Benefits are continued unless the household has changed membership; changes in income or resources are acted on for future allotments, not the first allotment issued under the continuation document.

The transfer form entails administrative costs as an accountable document requiring control and security. It also presents an opportunity for fraud or abuse, as it could be altered while in the household's possession. The potential for abuse necessitates the verification of all data on the form with the originating project area.

Frequently, income and resources change drastically in the relocation of a household. In this situation, the transfer does not accurately assess the household's eligibility or allotment level because it does not reflect the changes in resources or income. Elimination of the transfer would have its greatest impact on migrant households. However, problems for migrants and other households may be resolved through application of the provision for expedited service for households in immediate need. In fact, an application filed in the new project area will reflect the household's circumstances with greater accuracy. For reasons of administrative expense, potential for abuse, and accuracy in reporting the household's situation, the transfer of certification should be eliminated.

Disposition of claims

Section 315 would amend Section 13 of the Food Stamp Act of 1977 to clarify that the Seretary has the authority to determine the amount, settle or adjust any claim, in particular, claims filed against State agencies for issuance losses. As is stated in Section 7 of the Act, the State agencies are strictly liable for issuance losses. However, there are areas of exception. An example is an issuance office

that is robbed of its food stamps during business hours. If all required security precautions were followed and the robbery still occurred, it may pose a hardship to hold the State agency responsible. However, if there were no guards on duty, or there was some other break in security, it would be assumed that the State agency could have prevented the robbery and therefore would be held strictly liable for the losses. This Section would extend the Secretary's power to decide after a claim is established whether or not to pursue it, even if it is a claim against a State agency based on strict liability for issuance losses.

Section 315 would further amend Section 13 to include the collection of State agency liabilities to the Secretary through offset against the State's Letter of Credit. This amendment is consistent with current policy of collecting claims assessed against State agencies for program losses. The State may contest the claim assessed by the Food and Nutrition Service, but once the claim is legally established, the State must pay the claim. In cases where the State refuses to pay the claim, legal authority is essential to allow the offset of these claims against funding provided to the State agency.

Incentives for error reduction efforts and corrective action plans

Section 316 would amend Section 16 of the Food Stamp Act of 1977 to make two modifications in the provisions added by Public Law 96-249 on incentives for State error reduction. States currently eligible for 55 percent Federal funding of administrative costs, unlike those eligible for 60 and 65 percent Federal funding, are not required to have rates of improper denials and terminations below the Secretary's standard. This amendment would rectify this inconsistency; moreover, it would mandate that standard also be used in determining eligibility for 55 percent funding. Such a modification would help ensure that States do not receive special cost sharing benefits without first having their rate of improper denials and terminations below the Secretary's standard.

Section 316 would also restore the original intent of the Food Stamp Act of 1977, that States with error rates over 5 percent would be required to develop corrective action plans for reducing errors. Public Law 96-249, the 1980 Amendments, also exempted States with error rates between 5 and 8 percent and States who have achieved a 25 percent annual reduction in their error rates (no matter how high the error rates remain) from the requirement to prepare corrective action plans. Since every effort should be made to bring error rates below the 5 percent level, Section 316 would require all States except those with error rates below 5 percent to prepare these plans.

Staffing

Section 317 would amend Section 16 of the Food Stamp Act of 1977 to delete the requirement that the Secretary set staffing standards for the State agencies. As of this time, the Secretary's standard is a general one which requires State agencies to employ sufficient staff to administer the program efficiently and effectively.

It is believed that the Secretary need not set specific staffing standards to ensure competent administration of the program. Research indicates that uniform national standards would not be adequate to account for the widely varying circumstances of the States. On the other hand, standards which take these circumstances into account would be difficult to develop and complicated to administer. Compliance with the Food Stamp Act requires State agencies to perform specific functions within specific time limits at specific levels of quality. States would be given the flexibility they want to administer the program in the most efficient manner to meet these performance standards without inhibiting their actions by specific staffing requirements. In the event that a State agency failed to perform any required actions in a timely manner, the Secretary would still be authorized to impose sanctions against the State.

The results of a State's staffing policy are more important than the policy itself. A State agency would be able to use its own best judgment on how to meet its required goals. The State would be free to experiment, to move staff, and to respond to local emergencies without worrying about standards developed using national criteria. This section would not change the requirement that the States use merit systems of administration.

Incentives, sanctions, and claims

Section 318 amends Section 18 of the Food Stamp Act of 1977 to provide that claims would be credited to the food stamp account for the fiscal year in which collection occurs, and that incentive payments to State agencies for achieving low error rates would be paid from the account for the fiscal year in which the payments are earned.

Current law is silent on which fiscal year's fund these payments should be made from and deposited in. The use of a year other than the current fiscal year creates various problems.

Claims payments are generally based on overissuances; incentive payments are based on low error rates that occurred during a prior fiscal year. (The lag time is caused by relevant data, such as quality control data, generally not being available in the same fiscal year, and by claims taking some time to collect.) If a State earns an incentive payment but it must be paid from a prior year account, there might be insufficient funds remaining in the account to honor the legal obligation to the State. If incentive payments were made in the current year, but claims and sanctions were deposited into prior year accounts, this would result in the Department overestimating each fiscal year's cost during that fiscal year. Section 318 resolves this problem by requiring that all claims and incentive payments shall be deposited into and paid from the current year's account. However, nothing in this Section should be understood to alter the Department's obligation to provide enhanced funding to States with low error rates.

Effective date

Section 319 would provide for effective dates for the provisions of Title III to be prescribed by the Secretary, taking into account the need for orderly implementation.

TITLE IV—FOOD STAMP FUNDING

Authorization for appropriation

Section 401 amends Section 18 of the Food Stamp Act of 1977 to provide appropriation authority through Fiscal Year 1985, thus extending the Food Stamp Program for four years. The supplemental appropriation amount of $1.2 billion for 1981 already requested by the Department is also included by raising the Fiscal Year 1981 authorization limit to $10,945,000,000. Estimated program costs for the extension period are as follows: $10,010,000,000 for Fiscal Year 1982, $10,345,000,000 for Fiscal Year 1983, $10,290,000,000 for Fiscal Year 1984, and $10,480,000,000 for Fiscal Year 1985. Although it is difficult to accurately assess how much money will be needed to sufficiently administer this program in future years, these figures are consistent with and are supportive of the Administration's goals of eliminating excess spending and balancing the Federal budget in the upcoming years. Moreover, the language of Section 18, which places a Congressional limitation on food stamp benefits and which makes food stamps a non-entitlement program, would be retained. This language provides that if in any year sufficient funds are not available to provide the established benefit levels to all eligible households who apply, benefits shall be reduced. By retaining this language, Section 401 maintains the non-entitlement status of the program and preserves Congress' ability to control food stamp costs through the normal appropriation process.

TITLE V—COMMODITY DISTRIBUTION PROGRAMS

Extension of authorities, penalties for fraud, and miscellaneous provisions

Section 501 contains three provisions. First, it would amend Section 4 of the Agriculture and Consumer Protection Act of 1973 to extend through Fiscal Year 1985 the Secretary's authority to purchase and distribute commodities to institutions, the commodity supplemental food program, disaster relief, summer camps for needy children, and needy families on Indian reservations and in the U.S. Trust Territory of the Pacific Islands.

Second, it would add a new subsection to Section 4 of the Agriculture and Consumer Protection Act of 1973 to provide for penalties for fraudulent misuse of commodities. This provision is similar to Section 12(g) of the National School Lunch Act, which prescribes penalties for fraudulent misuse of commodities or other assistance provided under that Act or the Child Nutrition Act of 1966.

Third, it would amend Section 5 of the Agriculture and Consumer Protection Act of 1973 to extend through Fiscal Year 1985 the authorization for administrative funds for the the commodity supplemental food program. This provision also contains technical improvements in Section 5(a) of the Act. It clarifies that while administrative funds are for both State and local agencies, the Secretary provides the funds to the State agencies. It adds language to clarify that the funds shall come from annual appropriations (rather than, for example, Section 32). Finally, it clarifies that the administrative funds shall be provided in amounts not in excess of the reasonable administrative costs of the State and local agencies in operating the program, except that the total funds provided to all State and local agencies for administration in any fiscal year may not exceed an amount equal to 15 percent of the funds appropriated that year for commodities under the program. All of these clarifications are consistent with current practice, do not represent any change from current practice, and have no cost impact.

TITLE VI—FOOD STAMP CASH-OUT OF SSI RECIPIENTS

Modification of cash-out status

Section 601 would amend Section 8 of P.L. 93-233, a law related to the Social Security Act, by changing the procedures for determining the level of the State Supplementary Payment (SSP) to Title XVI Supplemental Security Income (SSI) recipients in California. A portion of their SSP is being paid in lieu of food stamps and, as provided for in Section 6(g) of the Food Stamp Act of 1977, such recipients are "cashed-out" of the Food Stamp Program. This amendment would permit California to retain its cash-out status without the continual reference to past annual adjustments to the SSP payments which the current law requires. The amendment would simplify the determination of cash-out status and remove the uncertainty facing the State each year as to the food stamp eligibility of a significant portion of its population.

The amendment to P.L. 93-233 would avoid placing the State of California in a position of potential noncompliance with the requirements governing cash-out in their State on July 1, 1981, when the Department of Health and Human Services

again reviews the benefit levels to determine if the levels meet all necessary requirements.

Otherwise, as of July 1, 1981, all SSI recipients currently prohibited from receiving food stamps as a result of their cash-out status would likely be eligible for the Food Stamp Program, resulting in the California State agency potentially having to process over 600,000 SSI/SSP recipients for food stamps. Returning these recipients to the Food Stamp Program could substantially increase both the cost of the program in the State and the administrative burden on the State agency. Such increases would be inconsistent with the Administration's efforts to reduce Federal expenditures in general, to reduce food stamp expenditures in particular, and to lessen the burden on States of administering Federal programs. The increase in administrative burden would be especially hard felt in this instance as the large number of SSI/SSP recipients would potentially have to be assimilated into the Food Stamp Program at the same time (on or near July 1, 1981).

It would be more efficient, and probably more effective, for these recipients to continue to be cashed-out regardless of how the State chose to index its SSP payments for future cost-of-living changes. Transferring a large number of SSI/SSP recipients from one program to another in a minimum of time is likely to result in both errors and confusion for both the recipient and the administering agency. In addition, requiring these recipients to participate in the Food Stamp Program would undermine the main purposes of cash-out: 1) to simplify the process involved in receiving assistance for a group which requires such special consideration, by allowing them to receive assistance from one agent instead of two and 2) to eliminate the "welfare stigma" which is perceived to be associated with use of food stamps for a group which is strongly aware of this perceived stigma. Finally, this proposed change would allow California to continue use of an efficient cash-out system.

UNITED STATES DEPARTMENT OF AGRICULTURE
FOOD AND NUTRITION SERVICE

(Statement of Richard Lyng)

INTRODUCTION

Mr. Chairman and Members of the Committee, I am Richard Lyng, Deputy Secretary of the Department of Agriculture. I am pleased to be before you today to discuss reauthorization of the food stamp program and commodity distribution programs. I particularly want to share with you our proposals to improve the operations of the food stamp program.

I appreciate the support that this Committee has extended to these nutritional assistance programs in the past.

The President's economic recovery program

The proposals that I will discuss with you today must be examined as a part of the President's comprehensive Program for Economic Recovery. That plan consisted of four major components: (1) a substantial reduction in the growth of Federal expenditures; (2) a significant reduction in Federal taxes; (3) prudent relief of Federal regulatory burdens; and (4) a monetary policy on the part of the independent Federal Reserve System that is consistent with these policies.

The actions we will discuss today address most immediately the first point of the President's plan—decreasing the growth of Federal spending. The rapid and excessive increase in Federal expenditures has disrupted our economy, resulted in both unemployment and high inflation, decreased productivity, and discouraged investments. In the past two years the Consumer Price Index for all items went up over 24 percent. Unemployment rose from nearly 6 percent to over 7 percent. Borrowing to finance the growing Federal deficits has hurt sustained economic growth. A vicious circle has been created where by sluggish economic growth and rising unemployment leads to additional budget spending, higher budget deficits, and still less growth.

Efforts to control Federal spending and balance the budget have been thwarted by economic recessions as external economic forces reversed planned policy of Congress and the Executive Branch. Economic recovery can only be achieved by restraining the growth of Federal spending.

I think it is very important to stress that an improved economy under the President's Program for Economic Recovery will directly equate to a reduced need for program benefits. Food stamp allotments are based on the level of food prices in the retail markets and the rate of unemployment affects the number of program participants. Every increase of 1 percent in the price of food adds $150 million to the cost of the program. Every increase of 1 percent in the unemployment rate adds 1.25 million participants, adding $557 million to issued benefits each year. Improving economic conditions will result in a concurrent reduction in program costs. In fact, our budget request for Fiscal Year 1982 is reduced $380 million from the prior Administration's estimate, reflecting our overall program for reducing unemployment.

Mr. Chairman, the average American will be greatly benefited by the President's economic program. As was pointed out in the President's Fiscal Year 1982 budget revisions, current double digit inflation can be cut in half by 1986. Reduced tax burdens and increased private saving will result in productive investment. The economy will revive, showing a steady and sustained year to year growth. We expect high unemployment rates will be reduced, and to see the creation of some 13 million new jobs by 1986. The bottom line effect of reducing Federal spending is an improved living standard for all Americans.

Growth in the food stamp program

The growth of the food stamp program is a good case study in examining the overall growth in Federal expenditures. Chart 1, (not included) displays the total Federal and State share of administrative costs of the program during the last 10 years. In Fiscal Year 1971, total program costs were $1.6 billion, representing bonus stamps of $1.5 billion. In Fiscal Year 1981, we expect costs to exceed $11.4 billion with bonus costs of about $10.3 billion.

In real dollars, the program has grown from $1.6 billion to $5 billion for a total of $3.4 billion, representing an average annual increase of about 12 percent. During the last decade the total Federal budget outlays have grown from $197 billion in Fiscal Year 1970 to $580 billion in Fiscal Year 1980, an average annual increase of over 11 percent; corrected for inflation this represents a growth of about 3 percent annually. Therefore, in real terms, the food stamp program budget has grown much faster than the overall budget, four times as fast even after adjusting for inflation.

It is important to keep in mind that economic conditions characterized by recession and increasing inflation have strongly influenced the current program's costs and number of participants, as well as significant program changes I will review shortly. In Fiscal Year 1971, the program was benefiting an average of 9.4 million persons. Preliminary data on current participation shows an average of nearly 23 million persons monthly.

BACKGROUND

Another very important factor in the growth of the program has been the rapidly changing program coverage brought about by extensive legislative changes over the last decade. Chart 2 [not included] highlights economic and participation changes in the past decade and the legislative adjustments that were intended to tighten program requirements and improve and simplify administration.

The original Food Stamp Act of 1964 allowed States to define the program's financial eligibility limits consistent with their varying standards for welfare assistance. Public Law No. 91-671 in 1971 substantially modified eligibility rules from State-set to Federally-set. The impetus behind the major change was Congressional concern over what was viewed as low participation in the program.

In 1973, Public Law No. 93-86 required all areas of the country to operate the program by July 1974. This law also mandated that food stamp allotments were to be adjusted according to food-price changes semiannually. This provision had an indirect impact on eligibility requirements because the income eligibility standards were tied to the allotment levels.

Congress substantially changed the program in enacting the Food Stamp Act of 1977. Perhaps the most significant change in that legislation was the elimination of the purchase requirement (EPR). While the eligibility restrictions removed 500,000 to 700,000 people from the program, EPR was the Act's major factor leading to increased participation of an estimated 4.0 to 5.2 million persons, a net gain of at least 3.5 to 4.5 million persons.

When Congress amended the 1977 Act in 1979, it tightened detection. The 1979 amendments required applicants to provide Social Security Numbers, required persons disqualified for fraud to repay benefits prior to further participation, and increased State incentives for fraud recoveries. However, the 1979 amendments greatly expanded program costs by broadening eligibility and benefits with additional deductions for medical expenses and excess shelter costs for elderly and disabled households. All were implemented by States in early 1980.

Later in 1980, a third piece of legislation was enacted. The amendments reduced net income limits, lowered the resource limits for most households, cut back on college student participation and provided for annual adjustments of allotments. These amendments also initiated an error rate sanction system which will penalize States that fail to make progress in reducing error rates.

Verification procedures were also expanded so States would have additional tools to use in confirming a household's circumstances. While preliminary regulations were issued in January to carry out the verification changes, many of the 1980 law changes have complicated the administration of the program and clearly directed it to become much more than a food program, but an indirect subsidy program for medical, housing, and shelter costs. While we believe these are critical concerns, the food stamp program should not be used to be the cure for these other social problems. Changes since 1977 have added on more specialized deductions and complicated the administration of the program. These have resulted in increased charges of fraud, abuse, and error.

Therefore, over the years subtle changes in eligibility standards have caused the program to expand its coverage to the extent that we believe it has seriously drifted from its original goal. It has evolved into a program not clearly targeted for the nutritional assistance of low-income households. Rather, middle income households have been able to use it as an income subsidy program. Duplication of benefits to families from many Federal programs has not been focused on and eliminated. Unnecessary program costs which strain our resources cannot be allowed if we intend to substantially reduce Federal expenditures.

As you will see from the specific proposals I will present today, we intend to continue program reform which has prevented fraud. At the same time we intend to reverse the trend of broadening eligibility to middle income households and duplication between Federal assistance programs. We believe our plan will bring the program back on its original course, continuing the work of Congress in targeting benefits and easing the administrative burden on States. We will continue to place our emphasis on tools to return the food stamp program to its original purpose of supplementing the food needs of needy households.

ADMINISTRATION PROPOSALS

The amendments we are proposing will have several recurrent themes. We want to reduce costs by providing benefits only to those most in need. We are simplifying certain provisions to reduce errors. We are improving the delivery of services and the effectiveness of the program in meeting nutritional goals. Finally, we want to reduce the program's administrative burden placed on the States. In addition to the legislative proposals, we have been actively seeking State and public input into ways to modify existing regulations to similarly achieve these broad program reform goals. Proposals to modify existing regulations are well underway, and some should be implemented by early July. Overall, we believe the combined legislative and regulatory proposals are designed to be equitable to States and those households the program is intended to serve.

We estimate our proposal will save about $2 billion in Fiscal Years 1982 (Table 1) and 1983. This would represent a 16 percent decrease in program costs in Fiscal Year 1982. Savings would grow to $3 billion in Fiscal Years 1984 and 1985. This totals budget savings of $10 billion during the next four fiscal years.

Targeting benefits

Let me now turn to the specific proposals we have in mind. We intend to protect benefits for households, following the original purpose of the program, and also significantly reduce spending.

Our first measure would restrict eligibility to households with gross monthly income at or below 130 percent of the poverty line.

The current program uses net monthly income after allowable deductions to determine eligibility and benefit level. A family of four with no elderly member could qualify in July 1981 with an annual gross income of up to $14,000 per year or approximately 160 percent of the poverty level. Given there is no limit on shelter and medical expense deductions for households containing an elderly and disabled member, these households can have even higher gross incomes and still be eligible depending on their deduction levels and household size. The proposed eligibility standard, set at 130 percent of the annual nonfarm income poverty guideline, would set the income eligibility standard for a family of four at approximately $11,000 a year. The limits for other household sizes are shown on Chart 3. The current procedure of using net monthly income to determine the benefit level would remain the same. These limits would remove households with high gross incomes who take advantage of current deductions in order to gain entry into the program.

We believe setting the standard at 130 percent rather than 100 percent of the poverty guideline represents a reasonable income limit to be used as a measure for determining eligibility. It targets benefits to low-income households at a limit which is approximately the same as the income eligibility standard for the National School Lunch Program. We believe it allows those who are just over the poverty level to obtain benefits but does not extend the limit to those who have sufficient income to manage.

Using a gross income eligibility standard of 130% of the poverty level rather than a net income eligibility screen will target benefits to those most in need, saving approximately $273 million in Fiscal Year 1982.

We also propose to reduce food stamp benefits received by families with students eligible to receive free school lunches.

Currently, most school age children whose families participate in the program are eligible for a free lunch under the National School Lunch Program. This means the Federal government subsidizes these students' lunch twice each school day. The legislation would eliminate these duplicate benefits.

Previous arguments against this position have centered on administrative expense and burden. The procedure we propose uses a national formula that eliminates the need for verifying school attendance records for each child or calculating monthly reductions on an attendance basis. The formula provides a school year per person reduction amount, calculated from the per person/per meal value for the Thrifty Food Plan for a household consisting of six persons in effect at the beginning of the school year and a national average of school day attendance. In 1982, this will mean a 67 cent per person/per meal guarantee in food stamps, approximately half the subsidy of a school lunch—$1.28.

To avoid unduly hurting families with a large number of school age children, the maximum number of household members counted as students for reduction purposes will be 4. Using our 67 cent figure, this means a food stamp household would not have its annual food stamp benefits reduced more than $432. Students who do not participate in school lunch programs because of religious or medical reasons, or because the School Lunch Program is not offered, qualify for an exception from this rule.

The Department would work to ensure this amendment would be enacted rapidly by State officials so budget savings can be quickly realized, preferably with the beginning of the 1981 school year. If implemented on schedule, estimated savings would be $522 million for Fiscal Year 1982. Approximately 2.5 million households in an average school month would be affected.

Our third step intended to target program benefits to the most needy will eliminate residents of drug addict and alcoholic treatment and rehabilitation programs, residents of group living arrangements for the blind and disabled, and residents of homes for battered women and children. We would also exclude commercial boarders.

The food stamp program was always intended to serve households. Expanding the program to the institutionalized has changed its original goals, complicated administration, and jeopardized program integrity. Residents of these institutions could be better served through existing programs of commodity assistance to institutions.

We estimate the proposed changes would reduce program costs an estimated $12 million from eliminating institutions and $50 million from eliminating boarders in Fiscal Year 1982.

Addressing unnecessary complications in administration and inflationary factors

We are proposing further technical changes to streamline the program and address inflationary factors.

We would propose that annual adjustments in the cost of the Thrifty Food Plan be based on data for the 12-month period ending each preceding September rather than December.

This eliminates the uncertain projection of food prices for the last three months of the calendar year and is much more practicable to implement. A similar proposal was included in the last Carter budget proposal. This will also result in savings of $359 million in Fiscal Year 1982 and smaller amounts in succeeding years.

Another important proposed change is to eliminate the indexing of the standard deduction and the dependent care/excess shelter expense deduction cap and "freeze" them at their current amounts.

In general, these particular deductions serve as a mechanism for using the program to indirectly subsidize consumption of these other items. We believe the program's subsidy should be targeted to the greatest extent possible on food, not non-food items.

An additional problem includes the method of indexing these deductions. At present, the level of these deductions is based on the Consumer Price Index (CPI) less food which is heavily influenced by homeownership costs. During 1980 over 30 percent of this index consisted of homeownership costs.

Use of the gross income test I spoke about earlier will remove the impact of these deductions on eligibility. Freezing the amounts will allow the amounts to reflect more representative household costs. The gross income eligibility standard and the Thrifty Food Plan will continue to be indexed on an annual basis.

This change will result in considerable cost savings of $123 million in Fiscal Year 1982.

In another step affecting deductions, we would repeal the two increases in dependent care and medical expense deductions enacted under the 1980 amendments.

In essence, this means current rules would remain in effect—a separate dependent care deduction would not be established and the medical deduction would not be expanded. Again, a similar proposal was included in the Carter budget submission.

Both changes under the 1980 amendments create problems in administrative complexity. Moreover, an increased medical deduction, with expanded household coverage, could duplicate benefits available from programs like Medicare or Medicaid. Repeal would tighten the program and remove an unnecessary complication in managing the program.

We estimate this proposal will result in savings of $60 million in Fiscal Year 1982 and more in following years.

Increased precision in calculation of and delivery of benefits

The administration's proposals sets forth several procedures to increase the precision of benefit calculation and improve the delivery of benefits.

We propose that the retrospective accounting period and periodic reporting system enacted under the 1980 amendments be strengthened.

Under our proposal, States could no longer choose between a prospective, anticipatory system and a retrospective system to determine eligibility and compute allotments. A retrospective accounting system and periodic reporting would be made mandatory except for certain groups. The current one month accounting period would be retained.

This provision has several advantages. It provides for a more accurate computation of benefits since actual household circumstances would be used. It will simplify certification procedures and reduce errors since only one accounting system will be used for both applicants and recipients. Households who file periodic reports could be certified longer than 12 months. It will remove prospective accounting inequities which allowed immediate supplementation of benefits when a household lost income or gained a new member but, on the other hand, did not immediately reduce benefits when household circumstances improved.

The Department would be allowed to devise a procedure within this system to avoid

imposing a serious hardship on applicants who have experienced sudden losses of income through no fault of their own. Lastly, the retrospective accounting and periodic reporting is consistent with AFDC rules and should facilitate the processing of households receiving benefits under food stamp and public assistance programs.

We would require all States to implement this system by October, 1983, allowing for necessary time to adjust data processing and institute a monthly reporting system. This system will more than pay for itself by Fiscal Year 1984. We believe it is an important tool in achieving equity in the program.

Increase program accountability and control

Our final measures will increase program accountability and control. We have built on provisions currently in the Act to close gaps and encourage efforts to reduce abuse and error rates.

We see a need to increase the use of the disqualification method of penalizing individuals who violate program rules by easing the criteria needed for State officials to conduct administrative hearings.

This plan would replace the term "fraud" with "willful misrepresentation" as an action subject to a hearing and disqualification penalties. States will no longer be constrained due to the difficulty of proving fraud prior to imposition of program penalties.

We would expand the use of allotment recovery to collect overpayments. Nonfraud recoveries would be limited to households which have the ability or resources to pay. In other words, a nonfraud household would have to have money available to meet its food needs before States could actually recover overpayments. Persons found guilty of willful misrepresentation would, in addition to disqualification, be subject to having all benefits recovered without taking resources and income into consideration.

We would expand the authority of the Secretary to allow State retention of 50 percent of all claims collected with the exception of State-caused errors. This strengthens the provisions of the 1979 Amendments which allowed States to keep half of the money they recovered through fraud collection efforts. States would be urged to use these additional funds to improve collection efforts directed at nonparticipating households, now beyond the program penalties of disqualification and recovery of overpayments.

Through these changes, States will have further tools, greater authority, and additional incentives to collect. Overall, these amendments will serve as a stronger deterrent to program abuse.

Another sensitive program area is the participation of retail food stores in the program.

Our proposal tightens the retail food store definition to eliminate firms which do only a marginal food business. Current legislation authorizes bars, gas stations, carryout shops, and others who have small food sections to be a retailer. We want to close that loophole and concentrate on limiting our definition of a retail food store to a full line grocery store or other businesses whose food sales are at least half the total gross sales. The only exception will be for firms which are the only source of staple food items in an area.

In addition, another proposal will provide more specific language on what items constitute staple food and accessory food items.

Another part of our proposal responds to abuse of the 1977 Act provision which permits the giving of up to 99 cents in cash in a food stamp transaction. This policy has resulted in some incidents of manipulation by individuals to get cash to buy ineligible food items. For example, households may purchase a five-cent eligible food item and use the cash change to purchase alcoholic beverages.

Rather than strictly return to the old credit slip system, also criticized, it is more workable to provide for cash change only in transactions in which the total food stamp purchase exceeds five dollars. Credit slips not to exceed 99 cents would be used in transactions where the food stamp purchase is less than five dollars.

The legislation makes certain modifications in current law regarding State issuance losses, liability, incentives for error reduction, and corrective action planning.

These are intended to remove gaps in the law and emphasize the importance of corrective measures and sound management to achieve low error standards and control issuance losses. We cannot accept any lessening of efforts in this area.

These are only some of the measures we are proposing in management and monitoring improvements.

There are a good many others as well which address program inequities, simplify administration and focus on State flexibility. For example, States administering workfare under Aid to Families with Dependent Children will be allowed to expand their workfare program to cover non-public assistance food stamp households. Moreover, the Department is fully committed to identifying where the program can be strengthened under current legislative authority. A good example is regulations we will propose soon to tie the benefit level during the month of application to the time of the month the household applies. Those households that apply in the latter half of the month would receive one-half month's benefits. We expect this to both respond to the actual food need of the household and have significant cost savings—$210 million in Fiscal Year 1982 and similar amounts in succeeding years.

BLOCK NUTRITION GRANTS

This proposal would block grant the administration of the food assistance programs in Puerto Rico, and authorize this to be extended later to the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands and the Commonwealth of the Northern Marianas. Instead of providing assistance via categorical programs—food stamps and child feeding programs—Federal assistance would be consolidated into a block grant for area authorities to administer.

The unique characteristics of these areas necessitated a re-examination of the Federal role in providing nutritional assistance there. Programs designed for the continental United States are not necessarily compatible with local needs. We feel State authorities are in the best position to formulate, establish, and administer food and nutrition programs in these areas to respond to the needs of their citizens. A block grant provides the greatest latitude possible for State administration.

The block grant would be an amount equal to 75 percent of the total Federal amount that would have been received under the categorical programs in Puerto Rico in Fiscal Year 1982. We anticipate that the block grant in Puerto Rico alone would save close to $300 million in Fiscal Year 1982.

IMPACT ON RECIPIENTS

Reducing government spending will result in benefits to all Americans, especially the low-income and those on fixed incomes which are plagued with the dual problems of high inflation and unemployment. Reducing government dependency, for those who are not in severe need of assistance, means that some current recipients will have reduced benefits.

Overall, we anticipate that our proposals will result in 363,000 households or 1 million persons made ineligible by setting a gross income limit at 130 percent of poverty. These households fall outside what we believe to be an appropriate income level for eligibility in this program. Of those households remaining eligible, 35 percent will see reduced benefits of $6 or more per month. This results primarily from eliminating duplicate benefits provided through the school lunch and food stamp program.

REAUTHORIZATION

Food stamp program

We are requesting appropriation authority through Fiscal Year 1985 for the Food Stamp Program, continuing the fixed dollar authorization ceilings. If sufficient funds are not available to provide the established benefit levels to all participating households, then benefits may be reduced to ensure we remain within the appropriation.

Commodity distribution programs

Mr. Chairman, we are proposing to amend the Agriculture and Consumer Protection Act of 1973 to extend the Secretary's authority to purchase and distribute commodities through Fiscal Year 1985. Our proposal adds an amendment to provide penalties for the fraudulent misuse of commodities, similar to penalties under the National School Lunch and Child Nutrition Acts.

We are requesting an extension through Fiscal Year 1985 in the authorization for administrative funds for the commodity supplemental food program. Certain technical improvements regarding this funding will also be proposed.

SUMMARY

I should like to close by summarizing the goals we have set in preparing our legislative package for the Food Stamp Program, the largest domestic food assistance program in terms of total program benefits.

It is the result of a thorough examination of the program. The proposal enhances measures Congress already has enacted. We believe its provisions directly design benefits to meet the food needs of low income households. Our language expressly eliminates the subsidization or duplication of other programs which meet non-food household expenditures. It will control administrative costs, further reduce fraud, error and abuse, and improve program efficiency in meeting the nutritional needs of eligible Americans. The bill's provisions will create, we believe, minimum disruption to State operations as the new rules are implemented.

This proposal fully supports the President's objectives in attacking inflation and other economic ills. It tailors the program to the overall recovery process to result in targeted nutrition assistance for needy households. As we look forward to the next few years, we want to ensure that the program is an affordable, efficient one which clearly meets the needs of those households requiring food assistance. The outside influences on the program—inflation and unemployment—ultimately must be controlled.

I appreciate the opportunity to appear before the Committee and would like to respond to any questions you might have.

TABLE 1.—ADMINISTRATION'S PROPOSED SAVINGS, FISCAL YEAR 1982

[In millions of dollars]

Set gross income limit of 130 percent of poverty line	−273.0	−270.3
Eliminate school lunch duplication	−522.0	−516.8
Delete 3-mo. projection of price index, delete increases in dependent care/medical expense deductions	−435.2	−430.8
Freeze deductions	−123.0	−121.8
Mandate retrospective accounting/periodic reporting	+22.5	+20.8
Block grants	−274.7	−259.7
Prorate first month's benefits	−210.0	−207.9
Other program improvements	−176.7	−171.7
Total	−1,992.1	−1,958.2

Gross eligibility standard 130 percent of poverty line—July 1981–June 1982

	Maximum gross income	
	Annual	Monthly
Household size:		
1	$5,603	$467
2	7,397	616
3	9,191	766
4	10,985	915
5	12,779	1,065
6	14,573	1,214
7	16,367	1,364
8	18,161	1,513

By Mr. THURMOND:

S. 1008. A bill to provide that retired officers of the armed services recalled to active duty and detailed to duty with the American Battle Monuments Commission shall not be charged against the authorized end strengths and grade limitations prescribed for the Department of Defense or the military departments concerned; to the Committee on Veterans' Affairs.

LEGISLATION RELATING TO THE AMERICAN BATTLE MONUMENTS COMMISSION

Mr. THURMOND. Mr. President, several years ago, an effort was made by the Department of Defense to withdraw its support of the military officer positions assigned to the American Battle Monuments Commission under the provisions of its enabling legislation. At the time, I supported legislation that had been passed by the House, H.R. 7678, which would have corrected the problem.

This bill, however, was not brought to a vote. Instead, continued authorization of these few military personnel to the Commission was addressed in Senate Armed Services Committee Report No. 95–826, May 15, 1978, which stated that such support "should be maintained," concluded that "the Defense Department does benefit from the activities of the Commission", and directed "the Secretary of Defense to maintain * * * military officers to assist the Commission in carrying out its functions under the provisions of 36 U.S.C. 121."

Mr. President, the question of support surfaced again early this year when the Department of Defense initiated action to withdraw support of the full-time administrator of Commission activities. This administrator has the title of Secretary of the American Battle Monuments Commission. It is a general officer position appointed by the President.

Although the Secretary of Defense recently agreed to continue the support of the position at the general officer level into 1982, pending a complete review of general/flag officer positions, I am convinced that this small, but uniquely important agency will continue to have problems until the Congress removes its military positions from the strength and grade limitations of the Defense Department.

The American Battle Monuments Commission was created by the Congress in 1923. President Harding designated General of the Armies John J. Pershing as its Chairman, and he served in that capacity until his death in 1948. The principal functions of the Commission are to commemorate the achievements and sacrifices of the U.S. Armed Forces where they have served since April 6, 1917, through the erection and maintenance of suitable memorial shrines; to design, construct, administer, and maintain permanent American military burial grounds in foreign countries; and to control the design and construction on foreign soil of U.S. military monuments and markers by other U.S. citizens and organizations, both public and private.

Because of the nature of the Commission's solemn mission, it was considered desirable for it to be administered by an active duty military officer with the title of Secretary. This was provided in the legislation establishing the Commission. The legislation also provided for recall of other armed services retired personnel to assist in carrying out the Commission's functions. The Commission reimburses the military for all the pay and allowances for these recalled military personnel.

Mr. President, the American Battle Monuments Commission currently has six military officers assigned to key positions involving command, control, and technical expertise. These officers were recalled from retirement to active duty, with their consent, for an indefinite period of service with the Commission. All have completed statutory active military service requirements and earned the maximum retirement annuity for their grade. Their assignment to the Commission is on a completely reimbursable basis at, I might add, considerable savings in cost to the Government. Under such circumstances, they should not be counted against the active duty strength and grade authorizations of the military department tasked to support the Commission.

The best permanent solution to this problem would be exemption by law of the retired-recalled military personnel assigned to the Commission from the end strengths and grade limitations that are authorized to the military departments which furnish them. At the present time, this would restore to the Army one major general and five colonel spaces, while at the same time providing the necessary military, executive, and technical expertise to the Commission.

Mr. President, all of us are concerned with the need to limit growth of the Federal payroll. In this respect, not only do these retired-recalled officers provide requisite expertise to this unique agency, but they do so for the small difference between their retired pay and their active duty pay and allowances. The resultant saving to the Government at today's pay rates is $191,000 annually. Should it become necessary to replace these officers with civilian employees, this significant saving as well as the expertise involved would be lost, not to mention the recognized selfless dedication of those who presently occupy these positions.

Withdrawal of these few military positions from the Commission, I am convinced, would be a gross error in management and fiscal responsibility. I believe that this is recognized by the Department of Defense; however, it is understandable that the Department of Defense would wish to reserve these six spaces for its own use. During the last few years, the constant threat of their withdrawal has caused an enormous amount of executive effort not only in the Commission, but also in the Congress, the Defense Department, and the Office of Management and Budget in an effort to insure that this small agency is provided the few key military personnel needed to accomplish its mission.

For these reasons, I am recommending legislation which will provide that any retired member of the Armed Forces recalled to active duty for full-time service with the American Battle Monuments Commission shall not be chargeable against the authorized end strengths and grade limitations of the military departments. This may seem a small matter as it addresses the accounting of only six military spaces, but it is most important to our country, and those who have died for it, that the necessary professional supervision be provided to care for and maintain our 24 permanent military cemeteries and 12 separate monuments on foreign soil and our 4 memorials in the United States.

Mr. President, the American Battle Monuments Commission has earned a reputation in the Office of Management and Budget and in the Appropriation Committees of the Congress for efficiency and economy, an achievement due in no small measure to the careful selection of its few military professional staff members. This legislation will insure the continuation of this winning team. I urge my distinguished colleagues to act favorably on this important measure.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1008

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third paragraph of the first section of the Act entitled "An Act for the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes", approved March 4, 1923 (42 Stat. 1509; 36 U.S.C. 121), is amended by inserting immediately after the first sentence thereof the following new sentence: "Notwithstanding any other provision of law, any retired member of the Armed Forces recalled to active duty and detailed to full-time duty with the Commission shall not be chargeable against the authorized end strengths and grade limitations for the Department of Defense or the military departments concerned as prescribed by law or by rule or regulation of the Secretary of Defense.".

By Mr. BAUCUS:

S. 1009. A bill to amend the Internal Revenue Code of 1954 to provide that the Secretary of the Treasury shall adjust the annual interest rate, if necessary, every 6 months; to the Committee on Finance.

ADJUSTMENT OF INTEREST RATES BY INTERNAL REVENUE SERVICE

Mr. BAUCUS. Mr. President, the junior Senator from Iowa and I have expressed our concerns about the cuts in the budget for the Internal Revenue Service. One of the major reasons for our concerns is the growing inventory of delinquent tax accounts, which reached $15.8 billion at the end of 1980. A principal cause for the alarming increase in the number of unpaid accounts is the lack of sufficient staffing to handle the workload. However, another reason is the fact that the rate of interest charged on delinquent taxes is currently only 12 percent.

At the present time, the Internal Revenue Code provides that the rate of interest on tax obligations owed to and by the United States can only be adjusted every 2 years. This current interest rate of 12 percent is considerably less than the going rate of interest, making it attractive for many businesses and others to drag out paying their tax obligations or agreeing to changes in their tax liabilities. The Government's money has become "cheap."

It seems unreasonable to me that the Government must pay much more than 12 percent to borrow money and then only receive 12 percent for money owed to it. I am, therefore, today introducing a bill which would allow the Secretary of the Treasury to adjust the annual interest rate for tax obligations every 6 months, if necessary.

This bill would provide that on October 15 and April 15 of each year the Secretary of the Treasury could adjust the rate of interest charged or paid by the Internal Revenue Service on tax obligations if the adjusted prime rate charged by banks during the preceding month is at least a full percentage point more or less than the interest rate which is then in effect. If adjusted, the new rate would go into effect on January 1 and July 1.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1009

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 6621 of the Internal Revenue Code of 1954 (relating to determination of rate of interest) is amended to read as follows:

(b) ADJUSTMENT OF INTEREST RATE.—For purposes of subsection (a), on October 15 and April 15 of each year, the Secretary shall establish an adjusted rate of interest if the adjusted prime rate charged by banks during the immediately preceding month, rounded to the nearest full percent, is at least a full percentage point more or less than the interest rate which is then in effect. Any such adjusted rate of interest shall be equal to the adjusted prime rate charged by banks rounded to the nearest full percent. An adjusted rate of interest established on October 15 shall become effective on January 1 of the immediately succeeding year, and an adjusted rate of interest established on April 15 shall become effective on July 1 of the year in which such adjusted rate is established.

By Mr. NUNN (for himself, Mr. CHILES, Mr. DECONCINI, Mr. COHEN, Mr. BENTSEN, Mr. DOMENICI, Mr. LONG, Mr. ROTH, Mr. RUDMAN, Mr. JACKSON, and Mr. SCHMITT):

S. 1010. A bill to protect taxpayers' privacy regarding third-party recordkeepers summoned to produce records of taxpayers and at the same time to insure effective, efficient enforcement of Internal Revenue Service third-party summons; to the Committee on Finance.

SUMMONS PROCEDURE OF THE INTERNAL REVENUE SERVICE

● Mr. NUNN. Mr. President, on behalf of myself and Senators CHILES, DECONCINI, COHEN, BENTSEN, DOMENICI, LONG, ROTH, RUDMAN, JACKSON, and SCHMITT, I am today introducing a bill to revise the procedures under which the Internal Revenue Service obtains a taxpayer's records from third parties, such as banks and other financial institutions.

This bill is identical to S. 2403, which I introduced in the last Congress as part of a package of legislation designed to restore the IRS to its once effective role in cooperative Federal law enforcement efforts, especially those aimed at narcotics traffickers and organized criminals.

Earlier this year I introduced the other part of the package, S. 732, which would amend the disclosure provisions of the Tax Reform Act of 1976. That bill would create a more workable balance between the privacy of tax information and the need for more cooperation between the IRS and other Federal law enforcement agencies, such as the FBI and the Drug Enforcement Administration.

These bills grew out of extensive hearings conducted under my chairmanship by the Permanent Subcommittee on Investigations. We examined thoroughly the Federal efforts to combat the tremendous illegal narcotics industry, and we issued a report last August (S. Rept. 96–887) in which we recommended several changes in the Tax Reform Act of 1976 and the IRS summons procedure.

That report, and our December 1979 hearings upon which it was based, dealt extensively with IRS' efforts to trace the flow of illegal narcotics money and to tax the huge profits that derive from that illicit business. We found that IRS had withdrawn from the fray, partially as a result of the Tax Reform Act of 1976 and partially because of the policies and strict interpretations adopted by the IRS leadership over the past decade.

There was one thing that most of our witnesses—including those from the IRS—agreed on, however, and that was the need to amend the summons provisions of 26 U.S.C. 7609.

Under that section, IRS is required to notify a taxpayer whenever it issues a summons to a third party—such as a bank—to get access to a taxpayer's records. The taxpayer then has a right to stay automatically the performance of that summons simply by notifying the recordkeeper. IRS must then take the issue to court. To obtain this stay, the taxpayer does not have to establish any legal reason why IRS should not see his records. It is all automatic once he notifies the recordkeeper.

Let us say a person reports a modest income on his tax return for 1979, but it comes to the attention of IRS that he lives a very extravagant lifestyle. Maybe he has reported an income of $23,000—but during the year he bought a house costing $230,000 and two cars costing $19,000 apiece.

Suspecting that he is not reporting all of his income, IRS issues a summons to his bank to have a look at his account records, which may very well show that he has made a number of large cash deposits—one of the telltale signs of drug pushing.

Under the existing summons provision, the suspected narcotics dealer can automatically stay the enforcement of that summons, and the IRS is stymied until it can go to court and establish why it needs to see those records. In the meantime, the pusher keeps on dealing drugs.

We heard testimony that this automatic stay provision resulted in delays of more than a year. One automatic stay lasted 33 months. The average length of such stays was 9 months.

In addition, there is no limit to the number of automatic stays a tax evader can initiate.

All investigators know that one set of records often creates the need for a second set. Consequently, after a year's delay, IRS may find from the originally-summoned records that additional documents must be obtained. IRS then issues another summons, the tax evader invokes another automatic stay, and another year goes by. In the meantime, witnesses may die, evidence becomes stale, and the Government's case may be seriously weakened.

An IRS study of this problem revealed that in more than 200 automatic stays, over 80 percent of the protesting taxpayers failed to show up in court. Our subcommittee concluded from this statistic that delay—and not a legal issue—was the purpose of most automatic stays.

In another survey, the General Accounting Office found that over 75 percent of all persons who took advantage of the automatic stay were known organized crime members, narcotics dealers, or persons who habitually protest paying their taxes.

Our bill proposes to change the automatic stay provision to make the summons procedure similar to the one Congress applied to every Federal investigative agency other than the IRS in the Right to Financial Privacy Act of 1978.

Under our proposal, a taxpayer still would be given notice whenever his records have been summoned by the IRS, just as under existing law.

He would be able to contest the summons in court before IRS can see his bank or other records held by a third party. In keeping with the policy of the Right to Financial Privacy Act, however, the taxpayer would have to assert a legal argument and convince the court that IRS has no right to see his records. It would not be an automatic stay.

Ordinary taxpayers with good legal arguments would have no fear of indiscriminate access to their records by the IRS. But criminals and tax evaders would

find it much more difficult to delay, interrupt and impede a serious investigation for years on end.

In addition, under our proposal, the Government could present to the court, for in-camera inspection, evidence indicating that a notice to the taxpayer could result in the destruction of records, obstruction of justice, threats to witnesses, or other similar acts. If the court agreed, an order could be issued postponing the advance notice requirement.

We believe that by enacting our proposal and applying the same summons procedure to the IRS that already is applied to all other Federal agencies, Congress will be improving law enforcement while continuing to provide adequate privacy safeguards for everyone's records.

I might add that our proposal would not be detrimental to third-party recordkeepers, such as banks, savings and loans, and insurance companies. On the contrary, it would have a salutary effect in a number of ways.

First, it would bring the IRS summons procedure in line with all other Federal agency summons procedures under the Right to Financial Privacy Act. This would save the third party recordkeeper time, money, and legal fees in trying to interpret different standards and legal obligations that apply to various summons procedures of Federal agencies.

Second, and most important, it would take the third party recordkeeper out of any conflict between the IRS and the person whose records are summoned. Under our amendment, IRS would have to notify the taxpayer, and it would then be up to that person or entity to go to Federal court to object to the summons. The third party recordkeeper would be under no obligation to join this legal battle. Moreover, since there would be strict time limits on the return of the summons and the decision to be made by the courts, the third party recordkeeper would not be involved in a continuing and costly legal dispute.

There would be a quick legal determination which would obligate the third party recordkeeper to respond in an appropriate fashion.

This speedy legal determination by the courts would accomplish two things: First, it would resolve a simple legal issue which, as testimony before our subcommittee showed, can drag on for years on end because of the peculiar wording of the present statute. Second, it would leave the legal dispute to be resolved between the appropriate parties—that is, between the IRS and the person or entity whose records are being sought. The third party recordkeeper would be removed from this legal battle and would have certain well-defined obligations.

In short, our bill would protect the recordkeeper's neutrality and limit its exposure to criticism both by the customer whose records are being sought and by IRS, which is seeking the records.

Mr. President, I ask unanimous consent that the text of our bill and a table comparing it to existing law be printed in the RECORD at this point.

There being no objection, the bill and table were ordered to be printed in the RECORD, as follows:

S. 1010

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of subsection (a)(1) of section 7609 of title 26, United States Code, is amended to read as follows: "Such notice shall be accompanied by a copy of the summons which has been served and shall contain directions for filing a motion to quash the summons under subsection (b)(2).".

SEC. 2. Subsection (a)(3) of section 7609 of title 26, United States Code, is amended to read as follows:

"(3) DEFINITIONS.—

"(A) 'Third-party recordkeeping' means—

"(i) any mutual savings bank, cooperative bank, domestic building and loan association, or other savings institution chartered and supervised as a savings and loan or similar association under Federal or State law, any bank (as defined in section 581), or any credit union (within the meaning of section 501(c)(14)(A));

"(ii) any consumer reporting agency (as defined under section 603(d) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)));

"(iii) any person extending credit through the use of credit cards or similar devices;

"(iv) any broker (as defined in section 3(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4)));

"(v) any attorney; and

"(vi) any accountant.

"(B) 'Persons entitled to notice' means any individual or partnership of not more than five individuals."

SEC. 3. The subtitle of subsection (b) of section 7609 of title 26, United States Code, is amended to read as follows:

"(b) RIGHT TO INTERVENE; CHALLENGE TO SUMMONS.—".

SEC. 4. Subsection (b)(2) of section 7609 of title 26, United States Code, is amended to read as follows:

"(2) CHALLENGE TO SUMMONS.—Within 14 days after the day notice is given in the manner provided in subsection (a)(2), a person entitled to notice of a summons under subsection (a) may file a motion to quash the summons with copies served upon the person summoned and upon such person and to such office as the Secretary may direct in the notice referred to in subsection (a)(1). Service shall be made under this subsection by delivering or mailing by registered or certified mail. A motion to quash a summons shall be filed in the United States district court in which the person entitled to notice resides. Such motion shall contain an affidavit or sworn statement stating—

"(A) that the movant is the person to whom the records sought by the summons relate; and

"(B) the reasons that the records sought are not relevant to a legitimate tax inquiry or any other legal basis for quashing the summons.

The United States shall file its response within 10 days from receipt of the motion to quash. A district court judge or United States magistrate shall enter an order on the motion within 10 days of the filing of the response of the United States.

"A court ruling denying a motion to quash under this section shall not be deemed a final order and no interlocutory appeal may be taken therefrom by the person to whom the records pertain. An appeal of a ruling denying a motion under this section may be taken by said person within such period of time as provided by law as part of any appeal from a final order in any legal proceeding initiated against him arising out of or based upon the records summoned.

"The Challenge procedures of this section constitute the sole judicial remedy available to a person entitled to notice under subsection (a) to oppose disclosure of records summoned pursuant to this section.

"Nothing in this section shall enlarge or restrict any rights of a third-party recordkeeper to challenge a summons for records. Nothing in this title shall entitle a person entitled to notice under subsection (a) to assert the rights of a third party.".

SEC. 5. Subsection (d) of section 7609 of title 26, United States Code, is amended to read as follows:

"(d) RESTRICTION ON EXAMINATION OF RECORDS.—No examination of any records required to be produced under a summons as to which notice is required under subsection (a) may be made—

"(1) before the expiration of the 14-day period allowed for the motion to quash under subsection (b)(2), or

"(2) upon the filing of a motion to quash pursuant to subsection (b)(2) except in accordance with an order of the court.".

SEC. 6. Subsection (e) of section 7609 of title 26, United States Code, is amended to read as follows:

"(e) SUSPENSION OF STATUTE OF LIMITATIONS.—If any person takes any action as provided in subsection (b) and such person is the person with respect to whose liability the summons is issued (or is the agent, nominee, or other person acting under the direction or control of such person), then the running of any period of limitations under section 6501 (relating to the assessment and collection of tax) or under section 6531 (relating to criminal prosecutions) with respect to such person shall be suspended for the period during which a proceeding, and appeals therein, with respect to any litigation relating to such summons is pending.".

SEC. 7. Subsection (h)(2) of section 7609 of title 26, United States Code, is hereby repealed and subsection (h)(1) of said section is renumbered accordingly.

SEC. 8. Section 7609 of title 26, United States Code, shall be amended by adding thereto a new subsection as follows:

"(i) DUTY OF THIRD PARTY.—Upon receipt of a summons for records under this section, the third party shall, unless otherwise provided by law, proceed to assemble the records requested and must be prepared to deliver the records pursuant to the summons on the day upon which the records are to be examined or, in the event a motion to quash has been filed, within 10 days of the entry of the court's order.".

SUMMONS PROVISIONS: COMPARISON OF 26 U.S.C. 7609 TO NUNN PROPOSAL

§ 7609 EXISTING LAW	§ 7609 NUNN PROPOSAL	COMMENTS
(a) Notice	(a) Notice	
(1) In General: Requires IRS to serve notice on person whose records have been summoned from third party recordkeeper with copy of summons and directions for staying compliance. Notice to be served within 3 days of service of summons, but not later than 14 days before day fixed in summons for examination of records.	(1) In General: Same notice requirement however, in lieu of directions for staying compliance provides for directions for filing motion to quash the summons under subsection (b)(2); provision for staying compliance covered under subsection (d).	Change necessary to conform with change in subsection (b)(2). [Note: Procedures in the Nunn proposal are similar to those in the Right to Financial Privacy Act which applies to all federal agencies except IRS.]
(2) Sufficiency of Notice	(2) Sufficiency of Notice—No change.	
(3) Third Party Recordkeeper defined	(3) Definitions:	
	(A) Third Party Recordkeeper—No Change.	
	(B) "Person Entitled to Notice"—Individual or partnership of not more than 5 individuals.	Definition limits protection of section to individuals and small partnerships.
(4) Exceptions	(4) Exceptions—No Change.	
(5) Nature of Summons:	(5) Nature of Summons—No Change.	
(b) Right to intervene; Right to stay compliance.	(b) Right to intervene; Challenge to summons	
(1) Intervention.	(1) Intervention—No Change.	
(2) Right to stay compliance—Person entitled to notice of summons under subsection (a) has right to stay compliance if not later than 14 days after notice is given as provided in subsection (a)(2);	(2) Challenge to summons—Within 14 days after notice, person entitled to notice under subsection (a) may file motion to quash summons with copies served on person summoned and on person and office Secretary directs in the notice. Service made by delivering or mailing by registered or certified mail. Motion filed in United States district court where person entitled to notice resides. Motion shall contain affidavit or sworn statement (1) that movant is person to whom records sought relate; and (2) legal basis for quashing summons. United States shall respond within 10 days and district court judge or U.S. magistrate will enter order within 10 days of United States' response. Court ruling denying motion to quash is not appealable but may be appealed after a final order in legal proceeding against person entitled to notice arising out of or based upon records summoned. Challenge procedures of the section are the sole judicial remedy to person entitled to notice to oppose disclosure of summoned records.	Under existing law person entitled to notice could stay compliance with summons merely by serving notice not to comply on person summoned with copy to IRS. Experience of IRS has been that tax evaders abused the statute and used it as a means of delaying and obstructing IRS examinations. When IRS sought to enforce the summons, individual would not respond to court pleadings. When IRS finally obtained records, it would determine other records were necessary. Taxpayer would again be notified and would again file notice to stay compliance, etc. Proposed change would require individual to state to U.S. district court reasons for objecting to compliance with the summons. Subsection (d) provides that compliance is stayed pending determination of the motion to quash. To avoid inordinate delays which approached 9 months under existing law, time limitations are provided.
(A) Notice in writing not to comply with summons is given to person summoned; and		
(B) Copy of notice not to comply with summons is mailed by registered or certified mail to person and office as Secretary directs in notice referred to in subsection (a)(1).		
(c) Summons to which section applies.	(c) Summons to which section applies—No Change.	
(d) Restriction on examination of records.	(d) Restriction on examination of records.	
No examination of records required to be produced under summons as to which notice is required under subsection (a) may be made:	No examination of records:	Change in language made to conform with change in procedure to challenge summons. No provision for consent of challenging party as consent would be accomplished by withdrawal of motion to quash.
(1) before expiration of 14 day period allowed for notice not to comply under subsection (b)(2), or	(1) before expiration of 14 day period allowed for motion to quash under subsection (a)(2), or	
(2) when requirements of subsection (b)(2) met, except in accordance with court order authorizing examination or with consent of person staying compliance.	(2) upon filing of motion to quash except in accordance with court order.	
(e) Suspension of statute of limitation—	(e) Suspension of statute of limitation—	Change made to conform language of subsection (e) to change in subsection (b).
Provides for the suspension of any period of limitations under section 6501 (relating to assessment and collection of tax) or under section 6531 (relating to criminal prosecutions) during which a proceeding or appeal therein with respect to the enforcement of a summons is pending.	Provides for the same suspension as in existing law during pendency of litigation relating to the summons.	
(f) Additional requirement in the case of a John Doe summons	(f) Additional requirement in the case of a John Doe summons—No Change.	
(g) Special exception for certain summons.	(g) Special exception for certain summons—No Change.	
(h) Jurisdiction of district court.	(h) Jurisdiction of district court.	
(1) U.S. district court for district within which person summoned resides or is found shall have jurisdiction to hear and determine proceedings under subsection (f) and (g) which determinations shall be made ex parte and upon petition and affidavits. Order denying petition is final order which may be appealed.	(1) No change except renumbering.	Repeal of subsection (h)(2) is to insure expeditious disposition of motions which delay investigations.
(2) Except as to cases court considers of greater importance, proceedings brought to enforce a summons, or proceeding under this section, and appeals, take precedence on docket over all cases and shall be heard and decided at earliest practicable date.	(2) Repealed.	Now covered under subsection (b)(2).●

● Mr. ROTH. Mr. President, I am pleased to join with Senator NUNN and Senators CHILES, DECONCINI, COHEN, BENTSEN, DOMENICI, LONG, SCHMITT, RUDMAN, JACKSON, and BOREN in introducing a bill to amend the methods by which the Internal Revenue Service may issue an administrative summons for a taxpayer's books and records which are in the hands of a third party, for example, a bank, an attorney, or an accountant.

The proposed legislation is a companion bill to S. 732, which I cosponsored earlier this year when it was introduced by Senator NUNN. S. 732 would amend the disclosure provisions of the Tax Reform Act of 1976. The proposed bill is designed to to eliminate an unwarranted source of delay in the summons provision of the act, 76 U.S.C. 7609. Together these legislative initiatives would make possible critical IRS cooperation with law enforcement agencies in narcotics trafficking and organized crime cases.

In December of 1979, the Permanent Subcommittee on Investigations held a hearing, chaired by Senator NUNN, which revealed that the IRS has been handcuffed by the Tax Reform Act of 1976 from assisting law enforcement agencies in investigations of big-time narcotics traffickers and organized crime figures. The only source of compelling evidence against these upper echelon criminals is often their financial records. S. 732 would go a long way to correct this problem.

Of equal importance in ongoing investigations of this kind is expeditious compliance with third part summonses. Under present law, when IRS agents issue a third party summons, the taxpayer receives advance notice. He can then automatically stay compliance of that order. The IRS is forced to go to court to inforce the summons. In testimony presented at the 1979 hearings, it was learned that the average delay in these cases is 9 months, and often the delay is as long as 2 to 3 years. In the meantime, investigations are delayed and key witnesses and evidence lost. Of those who stay compliance, 80 percent do not even appear in court to fight enforcement of the order. In these instances there is clearly no legal basis for staying compliance; the taxpayers under investigation are merely "buying time".

The proposed bill will not jeopardize an individual's right to privacy. The terms of the legislation still require that the taxpayer receive advance notification of the summons. The major change is that it becomes the responsibility of the taxpayer to legally challenge the order. The argument is presented in writing to the appropriate court official in the district in which the taxpayer resides. Law-abiding citizens need not fear such an arrangement because they are given a judicious opportunity to present their case. Those with no legal basis for arguing against an order—principally drug traffickers and organized crime officials—are the ones who will suffer.

In accordance with S. 732, this bill would serve to restore the IRS to an active role as law enforcement partner with other agencies. I commend Senator NUNN and his fine staff for their work in this area and I support this legislation because I believe it would effectively balance law enforcement needs with individual rights.●

By Mr. LEVIN:

S. 1012. A bill to amend the Internal Revenue Code of 1954 to permit certain deductions for interest payments on automobile indebtedness to be used in determining adjusted gross income; to the Committee on Finance.

S. 1013. A bill to amend the Internal Revenue Code of 1954 to provide for full depreciation in 1 year of certain tools used in manufacturing motor vehicles; to the Committee on Finance.

S. 1014. A bill to amend the Internal Revenue Code of 1954 to increase the carryback period for the investment credit and net operating loss deduction to 6 years; to the Committee on Finance.

LEGISLATION RELATING TO THE AUTO INDUSTRY

● Mr. LEVIN. Mr. President, the legislative package I am introducing today along with Senator RIEGLE provides much needed relief for auto suppliers, auto manufacturers, and auto dealers. Capital investments represent the cornerstone of a revitalized auto industry. The Tax Code, its treatment of capital goods, and the incentives conferred upon different investments, can be an important ally in this effort to strengthen the auto segment of our industrial base.

Various tax credit proposals for the purchase of an American built automobile have been introduced. While this tax credit could be utilized by all taxpayers, current law restricts the number of individuals who may deduct the interest cost of a car loan. My first proposal would permit taxpayers to deduct from gross income interest incurred on a car loan for the first 2 years of the loan. Taxpayers who do not itemize may nevertheless deduct the initial 2-year cost of the loan from gross income. This deduction applies to loans used for the purchase of an American built automobile that exceeds the average fuel economy standard for the year. Interest payable on such loan would be determined in the same manner—under normal business practices—as interest on indebtedness incurred on consumer goods.

Auto manufacturers and auto suppliers are faced with significant capital investment needs over the next 5 years. Several changes in the Tax Code should make it easier and less costly for these companies to rebuild their capital stock. The second piece of legislation extends the carryback periods for recapture of taxes from the present 3 years to 6. Unused investment tax credits and net operating losses could be carried back to 6 years enabling companies to realize refunds of taxes paid in previous years.

This legislative package also includes a provision covering the category of special tools, representing a high proportion of the capital outlays needed to produce new model cars. Under this proposal, special tools—dies, jigs, and fixtures used in auto manufacturing—would be expensed in 1 year. Special tools under current law qualify for special depreciation of 3 years. Under a 10–5–3 depreciation format, the useful lives of these tools would increase to 5 years.

I recognize that this legislation is not a solution to the problems facing the industry. But I do believe it is a step in the right direction. Other steps will be needed and I intend to continue to work on additional proposals. But as that work continues, I believe action ought to begin. I hope that Congress will give prompt and serious consideration to the proposals I introduce today.

By Mr. CRANSTON (for himself, Mr. PELL, Mr. MATHIAS, Mr. BIDEN, Mr. SARBANES, Mr. TSONGAS, Mr. BAUCUS and Mr. KENNEDY):

S. 1015. A bill to separate the Peace Corps from the ACTION Agency; to the Committee on Foreign Relations.

PEACE CORPS AUTONOMY ACT

Mr. CRANSTON. Mr. President, I am today introducing S. 1015, the proposed Peace Corps Autonomy Act. I am joined in sponsoring this legislation by the Senator from Rhode Island (Mr. PELL), the ranking minority member of the Committee on Foreign Relations and several of our committee colleagues, the Senator from Maryland (Mr. MATHIAS), the Senator from Delaware (Mr. BIDEN), the Senator from Maryland (Mr. SARBANES), and the Senator from Massachusetts (Mr. TSONGAS) as well as the Senator from Montana (Mr. BAUCUS), and the Senator from Massachusetts (Mr. KENNEDY).

NECESSITY FOR SEPARATION OF THE PEACE CORPS FROM THE ACTION AGENCY

Mr. President, as my colleagues know, the move to separate the Peace Corps from the ACTION Agency has been precipitated in large part by the nomination of Thomas Pauken, a former Army intelligence officer, to serve as the head of the ACTION Agency—the Agency of which the Peace Corps is presently a part. I and a number of my colleagues on the Foreign Relations Committee have had very grave concerns about the adverse impact this nomination could have upon the Peace Corps and its ability to perform its mission overseas free from any implication that it is connected with our intelligence-gathering activities. For these reasons, we have urged that the Senate withhold its advice and consent on the Pauken nomination as long as the Peace Corps continues as a part of the ACTION Agency. The legislation we are introducing today would accomplish that separation and would restore the Peace Corps to a status similar to the operational autonomy it enjoyed prior to 1971 when it was transferred into the ACTION Agency.

LONGSTANDING PROBLEMS REGARDING THE PEACE CORPS' STATUS WITHIN THE ACTION AGENCY

Mr. President, although the Pauken nomination is the compelling factor which triggered the move at this particular time toward separating the Peace Corps from the ACTION Agency, momentum toward separation has been building over the past several years. As chairman in the five preceding Congresses of the subcommittee which had jurisdiction over the ACTION Agency, I

have been aware of persistent dissatisfaction with the Peace Corps' status in the ACTION Agency on the part of many in Congress, the executive branch, and the public. Since the establishment of the ACTION Agency in 1971, administrative, personnel, and budgetary problems have persisted as a result of the location of the Peace Corps there. For example, the Peace Corps budget underwrites 60 percent of the ACTION Agency's administrative costs, a proportion of continuing concern to the Foreign Relations Committee, and the separate Peace Corps personnel system derived from the Foreign Service system has repeatedly been the source of major labor/management controversies and has made it very difficult for personnel to be transferred between domestic and international volunteer program activities. These problems have never been resolved in a fully satisfactory way.

Moreover, there has been concern that the Peace Corps, as a result of its status within the ACTION Agency has lost much of its unique vitality. A 1977 article, "The Ambitious Task"—new approaches to Peace Corps and private voluntary organization efforts to promote Third World development, authored by Warren Wiggins, former Peace Corps Deputy Director, and issued through the Transcentury Corp., summarized the problem:

> Clearly, the experiment of joining the Peace Corps with domestic volunteer programs under the ACTION umbrella has failed to produce the advantages hoped for by its sponsors . . . instead of helping, the actual way that ACTION was led and organized submerged the Peace Corps in an overlay of staff and leadership that did not contribute to its vitality, its experimental nature, or its image in America as an operation somewhat apart from the mainstream of the U.S. Government. For example, it was hoped that a unified program of recruitment for both domestic and overseas volunteers would produce larger numbers of well-qualified applicants. The fact is, however, that the dependence of the Peace Corps on other parts of ACTION for recruitment is a clear disadvantage.

Another 1977 report entitled the "Future of the Peace Corps," prepared under a contract for the ACTION agency by the Aspen Institute for Humanistic Studies, concluded that as the holding company for the Peace Corps, the ACTION Agency drastically reduced the Peace Corps visibility, subordinated its recruitment functions, kept the number of volunteers low, allowed the unit cost of a volunteer to rise, operated with very high rates of attrition, and "in general, made the Peace Corps a somewhat more routine, less exciting adjunct to the foreign aid function rather than a uniquely valid vibrant expression of 'the best that is in us.'"

Mr. President, these problems led the House in 1979 to pass legislation removing the Peace Corps from the ACTION agency. Similar legislation was offered in the Senate as an amendment to the 1979 Peace Corps reauthorization bill but was rejected by a voice vote. Unfortunately, both the House-passed measure and the amendment considered by the Senate would have moved the Peace Corps into the then newly forming International Development Cooperation Agency—IDCA. I opposed that move because I felt then, and continue to feel, that placement of the Peace Corps within IDCA might make it appear to be simply another part of our foreign aid programs and thus deprive it of its uniqueness as a people-to-people program, outside of our Government bureaucracy. At the time this transfer was being considered, the Carter administration attempted to resolve the issue by providing the Peace Corps with a semiautonomous status within the ACTION agency through the issuance of Executive Order 12137 on May 16, 1979.

Although the 1979 Executive order provided the Peace Corps Director with certain autonomy within the ACTION agency, it also provided that the Director of the ACTION Agency would be responsible for the general direction of those ACTION Agency functions that continued to jointly service the ACTION domestic volunteer components and the Peace Corps. Those services provided by the ACTION agency to the Peace Corps include:

First, recruitment of volunteers and processing of applications;

Second, general administration—for example, space management, accounting, data processing, procurement, and contracting;

Third, performance of internal auditing and inspections;

Fourth, investigation of equal employment opportunity complaints;

Fifth, limited legal services—for example, monitoring staff compliance with the Ethics in Government Act, Freedom of Information and Privacy Acts, and monitoring legal requirements of contracting procedures;

Sixth, communication services;

Seventh, providing health services to Peace Corps volunteers;

Eighth, supervision of the Peace Corps partnership program;

Ninth, services for former volunteers; and

Tenth, conducting security investigations to provide required clearances for Peace Corps staff and some volunteers.

The ACTION Agency also is responsible for applying the intelligence separation policy to ACTION Agency employees providing services to the Peace Corps.

Moreover, the Director of the ACTION Agency was given the responsibility, under section 1–605 of the Executive order, "for advising the Director of the Peace Corps to insure that the functions delegated under this Executive order to the Director of the Peace Corps are carried out." The Director of the ACTION Agency thus has the responsibility to advise the Director of the Peace Corps with respect to the overall operation of the Peace Corps.

It is clear that even under the 1979 Executive order, there continues to be a substantial interrelationship between the Peace Corps and the ACTION Agency, particularly in the critical areas of recruitment and communications. Indeed, the ACTION Agency's public information activities have continued to stress the Peace Corps' status as a part of the ACTION Agency. For example, the ACTION Agency's official announcement of Thomas Pauken's nomination stated:

> In his new position, Pauken will direct the activities of nearly 300,000 Americans who currently serve as volunteers in ACTION programs. These include the Peace Corps, an autonomous part of ACTION, VISTA (Volunteers in Service to America), Foster Grandparent Program, Senior Companion Program, RSVP (Retired Senior Volunteer Program) and the National Center for Service Learning." Similarly, the New York Times, in an April 5, 1981, story describing the nomination of Winifred Ann Pizzano as Deputy Director of the ACTION Agency describe, ACTION as "the Federal agency that oversees the Peace Corps and Volunteers in Service to America.

In addition to resolving the various administrative, personnel, and budgetary problems that the merger of the Peace Corps into the ACTION Agency have created, there are three important reasons why the Peace Corps should be separated from the ACTION Agency. First, restoring the Peace Corps' separate identity will enhance recruitment of volunteers; now all applicants apply to ACTION and not directly to the Peace Corps, which dilutes the positive recruitment value that derives from the Peace Corps' strong public image and identity.

Second, generally in this country, association with the ACTION Agency in no way benefits the Peace Corps programs; if anything, it is a detriment since the Peace Corps' reputation substantially exceeds that of the ACTION Agency.

Third, insofar as the Peace Corps' reputation overseas is concerned, identification with the ACTION Agency does not enhance and can serve only to subtract from the Peace Corps' effectiveness and integrity. This point is most graphically illustrated by the controversy surrounding the Pauken nomination.

In sum, Mr. President, the present semiautonomous status of the Peace Corps within the ACTION Agency produces more burdens than demonstrable benefits for the Peace Corps. There is simply no compelling reason to continue to deny full autonomy to the Peace Corps; indeed, the Pauken nomination creates a compelling reason to sever the program's last links to the ACTION Agency.

CREATION OF AN AUTONOMOUS PEACE CORPS

Mr. President, the legislation we are introducing today is quite simple. It would establish the Peace Corps as an independent agency.

The Peace Corps Act, enacted in 1961, authorized the President of the United States to carry out the programs authorized under that act and to exercise the functions vested in him by it through such agency or officer of the U.S. Government as he shall direct. The Peace Corps initially operated as an agency technically within the Department of State, and in Executive Order 11041, of August 6, 1962, the President delegated the basic operational authorities under the act to the Secretary of State. The Secretary, in turn, delegated those authorities to the Director of the Peace Corps in State Department Delegation 35–11A, dated August 29, 1962.

The Peace Corps was transferred to the ACTION Agency in 1971 when that agency was created.

Specifically, this bill would provide that the Peace Corps shall be an independent agency in the executive branch. It also would amend section 4(b) of the Peace Corps Act to provide that the functions relating to the operation of the Peace Corps can be delegated only to the Director of the Peace Corps. To provide for the transitional disengagement of the Peace Corps from the ACTION Agency, the bill would provide that a reference in any statute, reorganization plan, executive order, or other official document or proceeding to the ACTION Agency or the Director of the ACTION Agency with respect to Peace Corps function or activities shall be deemed to refer to the Peace Corps or the Director of the Peace Corps. Also, no later than 60 days after the date of enactment, the Directors of the Peace Corps, of the ACTION Agency, and of the Office of Management and Budget would be required to report to the appropriate committees of the Congress on the disposition of various administrative matters, such as matters relating to personnel, property, records, and unexpended funds, that may be involved in the separating of the Peace Corps from the ACTION Agency.

Under this legislation, the President would, of course, continue to have direct control of the Peace Corps through the ability to select and fire the Director of the Peace Corps. Congress, through its authorization, appropriations, and general oversight activities would maintain its authority over the program. Additionally, the Secretary of State would continue to have the responsibilities, which the Secretary has had since the enactment of the Peace Corps Act, under section 4 (c)(4) and (d) for assuring that Peace Corps programs are effectively integrated with and are not unduly duplicative of the overseas programs of other U.S. Government agencies.

Mr. President, I think this approach—making the Peace Corps independent—is far preferable to the two other alternatives that have recently been considered in the Congress—attaching it to IDCA or the creation of an independent foundation governed by a board of directors. The bill would essentially restore the Peace Corps to the operational autonomy that it enjoyed during its first 10 years prior to its transfer in 1971 to the ACTION Agency and free it from entanglements with other Federal agencies. Prior to that transfer, the Peace Corps technically functioned, as I have noted, as an agency within the Department of State. However, aside from the Secretary's role under sections 4 (c)(4) and (d), which the Secretary would continue to perform under this legislation, the Peace Corps operated virtually independently, with full responsibility and authority for the conduct of nearly all of its own support functions both here and overseas and without direction or supervision from State Department officials. Then, as now, Peace Corps offices were physically separate from State Department offices and facilities, both here and overseas.

PAUKEN NOMINATION

Mr. President, at the outset, I indicated that the precipitating factor for introduction of this legislation is the nomination of Thomas Pauken to serve as the Director of the ACTION Agency. My concerns about this nomination are set forth in detail in the Foreign Relations Committee report—Executive Report 97–6—on the Pauken nomination, and I will not reiterate these views here again. I want to make it clear, however, that my concerns about the nomination of Mr. Pauken arise from the problems that his background in military intelligence pose for the Peace Corps and its ability to carry out its mission free from any basis for allegations that it is involved in any way with the intelligence activities of the United States. Once the Peace Corps is separated from the ACTION Agency, I would raise no objection to Mr. Pauken's confirmation.

Mr. President, I ask unanimous consent that the text of my April 16, 1981, letter to other Senators on the nomination and this legislation be reprinted in the RECORD at this point along with excerpts from the report of the Foreign Relations Committee on the nomination of Thomas Pauken, the text of a letter date April 9, 1981, from Robert McNamara, General Counsel of the Peace Corps, statements from returned Peace Corps volunteers relating to problems they have encountered dealing with allegations that the Peace Corps is involved in intelligence activities, an article by Mary McGory which appeared on April 16, 1981, in the Washington Star, and the text of the legislation we are introducing today.

There being no objection, the bill and other materials ordered to be printed in the RECORD, as follows:

S. 1015

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Peace Corps Autonomy Act".

SEC. 2. Effective on the date of the enactment of this Act, the Peace Corps shall be an independent agency within the executive branch and shall not be an agency within the ACTION Agency or any other department or agency of the United States.

SEC. 3. (a) Section 3 of the Peace Corps Act (22 U.S.C. 2502) is amended by—

(1) repealing subsections (d), (e), and (f); and

(2) redesignating subsection (g) as subsection (d).

(b) The amendments made by subsection (a) of this section shall not affect (1) the validity of any action taken under the repealed provisions before the date of the enactment of this Act, or (2) the liability of any person for any payment described in such subsection (f).

SEC. 4. Section 4(b) of the Peace Corps Act (22 U.S.C. 2503(b)) is amended by striking out "such agency or officer of the United States Government as he shall direct. The head of any such agency or any such officer" and inserting in lieu thereof "the Director of the Peace Corps. The Director of the Peace Corps".

SEC. 5. (a) References in any statute, reorganization plan, executive order, regulation, or other official document or proceeding to the ACTION Agency or the Director of the ACTION Agency with respect to functions or activities relating to the Peace Corps shall be deemed to refer to the Peace Corps or the Director of the Peace Corps, respectively.

(b) Not later than the sixtieth day after the date of the enactment of this Act, the Directors of the Peace Corps, the ACTION Agency, and the Office of Management and Budget shall submit to the appropriate committees of the Congress a joint report or separate reports regarding the steps taken in implementation of the provisions of this Act, including descriptions of the manner in which various administrative matters are disposed of, such as matters relating to personnel, property, records, and unexpended balances or appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with Peace Corps functions or activities.

COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., April 16, 1981.

DEAR COLLEAGUE: I am writing to share with you the very grave concerns that I, and a number of other members of the Foreign Relations Committee, have regarding the nomination of Thomas Pauken to be Director of the ACTION Agency and to seek your support for legislation that I intend to introduce on April 27 to separate the Peace Corps from the ACTION Agency.

Since the earliest days of the Peace Corps, there has been a policy of complete and total separation of the Peace Corps from intelligence agencies and activities. In order to dispel any false charges of any intelligence connection, a companion policy was established barring persons with certain intelligence backgrounds from serving as Peace Corps volunteers or staff. These policies have been strongly supported since 1961 by each successive Administration, Republican and Democratic alike, and have been a cornerstone of the Peace Corps' effectiveness. With the nomination of Mr. Pauken, that tradition has been broken.

The record is clear that Mr. Pauken has had substantial intelligence training and experience. He received six months of intelligence training at Fort Holabird, Maryland, the Army Intelligence Training School. He served in the Army in Vietnam from January to August 1969 as the chief of a team engaged in intelligence operations in the Mekong Delta that were described in his military records as "clandestine" and "covert" activities. He subsequently served, through December of 1969, as a senior analyst in Saigon in the Strategic Research and Analysis Division of the Directorate of Intelligence Production in Headquarters, U.S. Military Command, Vietnam, where his reports, according to his military records, were utilized throughout the intelligence community in Vietnam.

A detailed summary of the factual records relating to Mr. Pauken's military intelligence experience, with citations to the hearing record and his military records indicating the extent and depth of his intelligence activities, is set forth in my letter of March 30, 1981, to members of the Foreign Relations Committee, and was appended to the Minority Views which I, along with Senators Sarbanes, Dodd, and Tsongas, filed as part of the Committee report on this nomination. These Minority Views and the individual views of Senators Boschwitz, Pell, and Biden, are enclosed.

Also enclosed is a letter to me from the Peace Corps General Counsel rendering the independent legal judgment Senator Pell and I requested on whether Mr. Pauken would be eligible to serve as a Peace Corps volunteer or on the Peace Corps staff. The conclusion of the Peace Corps General Counsel is that Mr. Pauken would be disqualified for volunteer service and, except for certain non-policy positions in the United States, from service on the Peace Corps staff.

The dangers that confirmation of an individual with Mr. Pauken's background could create for the thousands of Peace Corps volunteers and staff residing throughout the world are very real and grave. I have

been contacted by many former volunteers, as well as the ACTION Employees Union, expressing these concerns to me. I am enclosing a series of statements by former Peace Corps volunteers documenting in very vivid terms the programs volunteers have faced in refuting charges that they and the Peace Corps were connected with intelligence activities. A recently returned Peace Corps volunteer who served in the Philippines put the problem very succintly:

"Given the problems in the developing world press with grasping and interpreting the subtleties of internal American politics, even the most tenuous link between the Peace Corps and the intelligence community could seriously, perhaps irreparably, damage the credibility of the Peace Corps and the Peace Corps concept."

I strongly urge that, as long as the Peace Corps continues as a part of the ACTION Agency, the Senate withhold its advice and consent with respect to Mr. Pauken's nomination. In that regard, I intend on April 27 to introduce legislation to separate the Peace Corps from the ACTION Agency, and I will offer this legislation as an amendment during the Foreign Relations Committee's forthcoming consideration of the Peace Corps' reauthorization legislation.

Although the nomination of Mr. Pauken has been the precipitating factor for this action at this particular time, momentum towards separation of the Peace Corps has been building over the past several years. As chairman in the five preceding Congresses of the Subcommittee which had jurisdiction over the ACTION Agency, I have been aware of persistent dissatisfaction on the part of many in Congress, the Executive Branch, and the public with the Peace Corps' status in the ACTION Agency. Since the establishment of the ACTION Agency in 1971, administrative, personnel, and budgetary problems have persisted as a result of the location of the Peace Corps there. (For example, the Peace Corps budget underwrites 60 percent of the Agency's administrative costs, a proportion of continuing concern to the Foreign Relations Committee, and the separate Peace Corps personnel system derived from the Foreign Service System has repeatedly been the source of major labor/management controversies and has made it very difficult for personnel to be transferred between domestic and international volunteer program activities.) These problems have never been resolved in a fully satisfactory way.

In 1979, the House passed legislation to remove the Peace Corps from the ACTION Agency and place it within the International Development Cooperation Agency (IDCA). A number of members of the Senate urged similar action. The Carter Administration attempted to resolve the issue by providing the Peace Corps with a semi-autonomous status within the ACTION Agency through the issuance of Executive Order 12137 on May 16, 1979. I supported that action and urged that the Executive Order be given an opportunity to work. For that reason and because I was concerned that placing the Peace Corps in IDCA might make it appear to be simply another part of our foreign aid programs and thus deprive it of its uniqueness as a people-to-people program, outside our government bureaucracy, I reluctantly opposed the 1979 legislative efforts to remove the Peace Corps from the ACTION Agency.

In addition to the unresolved administrative personnel and budgetary problems, there are three reasons why the Peace Corps should be separated from the ACTION Agency. First, restoring the Peace Corps' separate identity will enhance recruitment of volunteers; now all applicants apply to ACTION and not directly to the Peace Corps, which dilutes the positive recruitment value that derives from the Peace Corps' strong public image and identity.

Second, generally in this country association with the ACTION Agency in no way benefits the Peace Corps' program; if anything, it is a detriment since the Peace Corps' reputation substantially exceeds that of the ACTION Agency.

Third, insofar as the Peace Corps' reputation overseas is concerned, identification with the ACTION Agency does not enhance and can serve only to subtract from the Peace Corps' effectiveness and integrity. This point is most graphically illustrated by the controversy surrounding the Pauken nomination. In sum, the present semi-autonomous status of the Peace Corps within the ACTION Agency produces more burdens than demonstrable benefits for the Peace Corps. There is simply no compelling reason to continue to deny full autonomy to the Peace Corps; indeed, the Pauken nomination creates a compelling reason to sever the program's last links to the ACTION Agency. It is totally unnecessary to jeopardize the continued success of the Peace Corps or to add to the risks already faced by the dedicated Americans who are willing to devote a period of their lives to help promote mutual understanding between ourselves and the peoples of the developing nations.

I hope that you will join me in cosponsoring legislation to separate the Peace Corps from the ACTION Agency and in opposing action on the Pauken nomination as long as the Peace Corps remains a part of that Agency. The measure I intend to introduce will give the Peace Corps an independence from any other Federal agency similar to the operational autonomy it had prior to 1971. If you have any questions regarding the nomination and the Peace Corps autonomy legislation, or if you would like to join in cosponsoring the bill, please have your staff contact Susanne Martinez of my staff at 4–3553.

With warm regards,

Cordially,

ALAN CRANSTON.

Enclosures.

NOMINATION OF THOMAS PAUKEN—ADDITIONAL VIEWS

MINORITY VIEWS OF SENATORS CRANSTON, SARBANES, TSONGAS, AND DODD

The nomination of Thomas Pauken to serve as the Director of the ACTION Agency (approved in the Committee by a narrow 10–7 vote) is a matter of grave concern to us. His service as Director could have a serious adverse impact on the ability of the Peace Corps—which is presently a part of the ACTION Agency—to carry out its mission overseas free of any suspicion that it is part of United States intelligence operations. This nomination thus creates a very real, serious, and unnecessary risk to the lives and safety of Peace Corps workers overseas.

Since its earliest days, the Peace Corps has had a policy of complete and total separation from intelligence agencies and activities. In order to dispel any false charges of any intelligence connection, a companion policy was established barring persons with certain intelligence backgrounds from serving as Peace Corps volunteers or staff. These policies have been strongly supported since 1961 by each successive Administration, Republican and Democratic alike, and have been a cornerstone of the Peace Corps' effectiveness. With the nomination of Mr. Pauken, that tradition has been broken.

The record is clear that Mr. Pauken has had substantial intelligence training and experience. He received six months of intelligence training at Fort Holabird, Maryland, the Army intelligence training school. He served in the Army in Vietnam between January and August 1969 as the chief of a team engaged in "clandestine" and "covert" intelligence operations in the Mekong Delta. He subsequently served as a senior analyst in Saigon in the Strategic Research and Analysis Division of the Directorate of Intelligence Production in Headquarters, U.S. Military Command, Vietnam, where his work, according to his military records, was utilized throughout the intelligence community in Vietnam. A detailed summary of the factual record relating to Mr. Pauken's military intelligence experience, with citations to the hearing record and the military records of the nominee indicating the extent and depth of his intelligence activities, is set forth in the March 30, 1981, letter of Senator Alan Cranston to Committee members, which is included in the appendix to these minority views.

Impact upon peace corps volunteers and staff overseas

Although considerable attention has been focused upon the question of whether Mr. Pauken is legally qualified to serve as the Director of the ACTION Agency, that has never been the central issue raised by this nomination. No contention has been made that the internal policies of the Peace Corps or the ACTION Agency are binding upon the President in nominating an individual to serve as the Director of the ACTION Agency.[1] The essential issue is the wisdom of this nomination in light of the intelligence experience, training, and association of the nominee and the adverse impact this background can have upon the Peace Corps' ability to carry out its mission. What is at stake is well summed up in the testimony of the Former Peace Corps General Counsel, William Josephson. He stated:

"If the Senate gives its advice and consent to Mr. Pauken's nomination, and if the President appoints him Director of ACTION, for the first time to my knowledge the United States will have acted, however unintentionally, to lend credence to the false charge that the Peace Corps is an arm of States intelligence."

Two former Peace Corps volunteers who now serve in the United States Senate and as members of this Committee stated the problem as follows based on their first-hand experiences:

"When I was in the Peace Corps, we were always viewed somewhat suspiciously, though I think over time we managed to dispel that. The fact is that Mr. Pauken's background, however innocent, is going to be distorted, and the damage already has been done. . . .

"But I think the major issue is the physical security of Peace Corps volunteers. . . . [I]f the Committee members could consider themselves living in a village in a Third World nation, totally at the mercy, in terms of physical security, on how the people felt about you, they might reconsider . . . [Y]our life hangs on whether people think you are there for good or for ill.

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[1] Nevertheless, it is relevant that the nominee's background would, under current ACTION Agency/Peace Corps policy and practice as we understand it, disqualify him from service as a Peace Corps volunteer as well as from employment on the Peace Corps staff, and it probably would disqualify him from employment in the ACTION Agency in a position relating to the Peace Corps if his discharge date eight years ago is construed to bring him within the 10-years disqualification period for ACTION Agency staff. A letter dated March 18, 1981, from William G. Sykes, Acting Director of the Peace Corps, and Loret M. Ruppe, Director-designate, outlining the intelligence-separation policy and practice pertaining to volunteers and staff of both the ACTION Agency and the Peace Corps is included in the appendix to these minority views.

". . . I would hate to have the Peace Corps blow up in our faces, at the potential risk of the physical security of an American Peace Corps volunteer. I would hate to know I was a part of that. . . . I don't think that people's lives potentially should be put into the balance . . ."

Senator PAUL TSONGAS,
Peace Corps Volunteer,
Ethiopia, 1962 to 1964.

"I served in the Dominican Republic right after the revolution in that country in 1966. The Peace Corps held a unique position in that country in that we were able to travel between the so-called "revolutionary zone" and the government held zones unencumbered, without any harassment by either the so-called leftists or the military. We were able to go about our business and perform our functions as Peace Corps volunteers.

"In fact, prior to my arrival in that country, the U.S. Mission was asked to leave the Dominican Republic, including our Ambassador, but with the exception of the Peace Corps. The Peace Corps was allowed to remain on in the Dominican Republic because there was the strong sense by everyone in that nation that the Peace Corps was something different, that it was not associated in any way whatsoever with normal U.S. Government foreign policy decisions.

"I think if we accept this nomination, we are going to do what every single other Administration for twenty years had cautiously avoided doing. . . ."

Senator CHRISTOPHER DODD,
Peace Corps Volunteer,
Dominican Republic, 1966 to 1968.

We stress that, in opopsing Mr. Pauken's nomination to serve as the Director of the ACTION Agency, we do not intend any negative connotations with respect to the contributions or patriotism of those who serve this Nation in intelligence agencies or activities. They provide highly important valuable, and patriotic service to their country. Nevertheless, it would be impossible for the Peace Corps to operate effectively overseas if it were viewed as a part of our intelligence operations. The long-standing policy of barring from association with the Peace Corps individuals with intelligence experience is essential to maintaining that effectiveness, and to assuring the safety of Peace Corps volunteers and staff overseas.

Likewise, we do not intend in any way to demean the nominee's or anyone's military service to his country in Vietnam.

RELATIONSHIP OF THE PEACE CORPS TO THE ACTION AGENCY

It has been suggested that the problem with respect to Mr. Pauken's intelligence background is minimized by the semi-autonomous status of the Peace Corps within the ACTION Agency. We disagree.

The Peace Corps was initially established pursuant to Executive Order 10924 on March 1, 1961, as an agency in the Department of State. Pursuant to Executive Order 11603 of July 1, 1971, the Peace Corps was transferred to the ACTION Agency, which was created by Reorganization Plan No. 1 of 1971 and was later established by law under title IV of the Domestic Volunteer Service Act of 1973 (Public Law 93-113). Executive Order 12137 of May 16, 1979, superseded Executive Order 11603 but continued the policy of the Peace Corps' operating as an agency within the ACTION Agency. The 1979 Executive Order granted the Peace Corps and its Director semiautonomous status within the ACTION Agency, but provided that the Director of the ACTION Agency shall be responsible for the general direction of those ACTION Agency functions that jointly serve ACTION domestic volunteer components and the Peace Corps and, in section 1-605, for advising the Director of the Peace Corps to ensure that the functions delegated under this Executive Order to the Director of the Peace Corps are carried out." The functions delegated under that Order to the Director of the Peace Corps include directing the operations of the Peace Corps.

Presently, the ACTION Agency provides the following services to the Peace Corps:

(1) recruitment of volunteers and processing of applications;

(2) general administration (*e.g.* space management, accounting, data processing, procurement, and contracting);

(3) performance of internal auditing and inspections;

(4) investigation of equal employment opportunity complaints;

(5) limited legal services (*e.g.* monitoring staff compliance with the Ethics in Government Act, Freedom of Information and Privacy Acts, and monitoring legal requirements of contracting procedures);

(6) communication services;

(7) providing health services to Peace Corps volunteers;

(8) supervision of the Peace Corps Partnership Program;

(9) services for former volunteers; and

(10) conducting security investigations to provide required clearances for Peace Corps staff and some volunteers.

This list indicates a substantial interrelationship between the Peace Corps and the ACTION Agency.[2] Moreover, it is doubtful that those overseas will appreciate any fine distinction between the semiautonomous status of the Peace Corps within the ACTION Agency pursuant to the 1979 Executive Order and its previous status within the Agency; indeed, the ACTION Agency's own public information activities have continued to stress the Peace Corps' status as part of the Agency. In our view, the Peace Corps, irrespective of its autonomy in certain areas, is perceived of as a program within the ACTION Agency. Legalistic and rational distinctions are not the stock in trade of those who would wish to damage the Peace Corps and the United States overseas by leveling false charges against the Peace Corps—nor of those who might be influenced by such charges.

Conclusion

The policy of absolute and total separation of the Peace Corps from intelligence activities and from the appearance of association with intelligence activities—a policy which has been observed for the past 20 years—is essential to maintain the integrity of the Peace Corps and safeguard the lives and safety of its volunteers and staff. It is a policy which is violated by the nomination of Mr. Pauken.

We strongly feel that the risk that this nomination poses to the effectiveness of the Peace Corps and to its thousands of selfless, dedicated volunteers and staff serving in underdeveloped nations throughout the world is very real and totally unnecessary. Those overseas who are hostile to the Peace Corps or desirous of undermining the interests of the United States wherever they are given the opportunity would be handed a golden opportunity by Mr. Pauken's nomination—a factual nexus on which to base attacks on the Peace Corps' integrity.

Therefore, we urge that the Senate withhold its advice and consent with respect to this nomination as long as the Peace Corps continues as a part of the ACTION Agency. Our concern over this nomination derives from the intelligence question and should not be interpreted as raising other objections with respect to the qualifications of this nominee.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., March 30, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR CHUCK: Tomorrow the Foreign Relations Committee will vote on the nomination of Thomas Pauken to serve as Director of the ACTION Agency. As you know, because of the relationship between the Peace Corps and the ACTION Agency, the nomination was referred to the Committee which last week held a hearing on it. I intend to vote against confirming Mr. Pauken and wanted to take this opportunity to tell you why I am so gravely concerned about this nomination.

Summary

Here is a summary of my concerns and Mr. Pauken's position, as best I can understand it.

1. Mr. Pauken has not been candid about the extent of his intelligence work and connection from 1967 to 1973, although he himself has widely publicized the fact of his military intelligence background.

2. The nature of his intelligence activity, as revealed in his military records and brought out at the hearings, would disqualify him from Peace Corps service, although probably not from a position on the ACTION Agency staff (unless his discharge date 8 years ago would be construed to bring him within the 10-year disqualification period.)

3. Legalistic distinctions aside, the reasons for the Peace Corps intelligence-separation policy apply fully to his intelligence background and service as head of the agency of which the Peace Corps is a part. The risks to the program and individual Peace Corps is an arm of U.S. intelligence.

4. Mr. Pauken's testimony as a whole reveals substantial indifference and insensitivity toward the importance of this policy.

5. He has refused to commit himself firmly to maintaining the Peace Corps' quasi-autonomous status under the 1979 executive order or to taking steps to separate himself from certain functions vis-a-vis the Peace Corps.

To this, Mr. Pauken essentially responds as follows: What he did in Vietnam is not very relevant since he did it more than 10 years ago and legally it would not bar him from an ACTION Agency staff position. (I've stressed that no one contends that there is policy legally applicable to Presidential appointments.) Thus, he asserts, his service would be fully in accordance with the policy as written. Anyway, he contends, military intelligence is different from civilian, career-type intelligence activity, and his background has been distorted in press reports. He believes that false charges will be made against the Peace Corps in any event, he's "comfortable" with the policy as written. He will consult with the Committee if he plans to change the relationship between the Peace Corps and the ACTION Agency and has no present plan to propose such a change.

The following discussion presents my concerns in more detail in the context of the available evidence.

Discussion

Since the earliest days of the Peace Corps, there has been a policy of complete and total separation of the Peace Corps from intelligence agencies and activities. In order to dispel any false charges of any intelligence connection, a companion policy was established barring persons with certain intelligence

[2] We note in this regard that Mr. Pauken has refused, on the record, to (1) commit himself not to make any overseas visits to Peace Corps sites; (2) delegate to the Director of the Peace Corps responsibility for application of the intelligence-separation policy to ACTION Agency employees providing support services to the Peace Corps; or (3) separate the recruitment of Peace Corps volunteers from ACTION Agency recruitment activities.

backgrounds from serving as Peace Corps volunteers or staff. This policy has been strongly supported since 1961 by each successive Administration and has been a cornerstone of the Peace Corps' effectiveness. With the nomination of Mr. Pauken, that tradition and policy has been broken.

The record is clear that Mr. Pauken served in military intelligence and according to his military records, was actively involved in "covert" and "clandestine" intelligence-gathering activities during his 1968–1969 service in Vietnam. Before that, he received intelligence training for six months at Ft. Holabird, Maryland, which is widely and publicly known as the Army Intelligence Training School. According to the testimony of the former Peace Corps General Counsel who was responsible for establishing and applying the intelligence-separation policy in the mid-1960's, the extent and degree of his covert intelligence activities would have barred him from ever serving as a Peace Corps volunteer or from being employed by the Peace Corps. In fact, his training at Ft. Holabird alone would have been sufficient justification for such a bar (it can be generally assumed that the names of persons trained at Ft. Holabird are known to Soviet intelligence). Attached is a letter dated March 18, 1981, from William G. Sykes, Acting Director of the Peace Corps, and Loret M. Ruppe, Director-designee, outlining the policies which have applied over the past twenty years. Under policies discussed there it is clear that Mr. Pauken would today be disqualified from service as a Peace Corps volunteer (page 2) and most likely would be disqualified from employment on the Peace Corps staff (page 3).

Mr. Pauken has sought to minimize his intelligence background in his conversation with me and in his public testimony. At my request, the Committee was provided access to Mr. Pauken's military records. Based upon the material contained in those records, I believe that Mr. Pauken has been less than candid in his representations and dealings with the Committee in several respects.

First, although Mr. Pauken persistently insisted that he just "happened" to have been assigned to military intelligence, his enlistment records (according to Defense Department sources) indicate that he requested this assignment. Specifically, he was promised an assignment as a "special agent, intelligence." His explanation of this discrepancy between what his records show and his characterization of having been "assigned" to military intelligence—that he believed he was requesting some sort of assignment to an "international affairs" or "area studies" program—is, in my opinion, not credible in the face of the notation on the last page of his enlistment form, signed by him, that he had been promised an assignment in "spec. int.".

Second, Mr. Pauken has been less than candid in describing the extent of his actual intelligence-gathering training and experience. At the outset of the hearing when requested to describe his intelligence experience, Mr. Pauken characterized his activities as:

"Mr. PAUKEN. Senator, back in 1967, during the Vietnam War, I volunteered for military service. After basic training, I was assigned to military intelligence. That is where they happened to assign me.

"I spent a total of almost three years in military service, getting out in December 1969. Most of that time, with the exception of the year I spent in Vietnam, was in Vietnamese language schools and in a variety of Army training schools.

"I served one year in Vietnam. I served as a Province Intelligence Officer in the delta, and I served as a Senior Analyst for Strategic Research Analysis. My principal work there was in research and analysis. I wrote a number of reports but I don't know, Senator, if anybody bothered to read them.

"That was my principal assignment." (Transcript, March 25, 1981, p. 9.)

Subsequently, in an exchange with Senator Percy, Mr. Pauken asserted he had made a full disclosure of his activities in Vietnam:

"The CHAIRMAN. At any point have you put on the record, Mr. Pauken, for this Committee exactly what you did in Vietnam?

"Mr. PAUKEN. Yes, Senator, before you got here we went over that.

"The CHAIRMAN. Was it in sufficient detail to satisfy the record.

"Mr. PAUKEN. Yes, with both Committees.

"The CHAIRMAN. I was not here when it was done. So it is on the record?

"Mr. PAUKEN. Yes.

"The CHAIRMAN. A full description of what you did?

"Mr. PAUKEN. Yes, Senator." (Transcript at p. 35.)

Mr. Pauken's DOD records (officer efficiency reports routinely made available to the officer in question) describe his activities as follows:

"Team chief in a *unilateral clandestine intelligence collection* operation. . . ." (Nov. 1, 1968–May 31, 1969 (emphasis added).)

"Team chief of an *intelligence collection team engaged in covert intelligence operations*. Directly responsible for developing and directing team operations in direct support of the counterinsurgency effort. . . ." (June 1, 1969–Aug. 22, 1969 (emphasis added).)

". . . dealt with situations concerning the subversive threat to SVN, including the political, economic, psychological and sociological situation of the enemy political apparatus from COSVN level to hamlet. . . ." (Aug. 23, 1969–Dec. 27, 1969.)

In a signed statement Mr. Pauken submitted for his military records, he himself characterized his duties as follows:

"Simultaneously, I continued to develop the *covert intelligence program* of the team I headed." (Document dated October 11, 1969, signed by Thomas Pauken (emphasis added).)

In response to questions as to what made certain of his intelligence activities "covert" or "clandestine", he claimed that those terms simply mean that an activity is classified and that since all intelligence activities are classified, the terms "covert" and clandestine" apply across the board to military intelligence. Anyone with the slightest knowledge of the security information classication system and covert or clandestine intelligence activities knows that Mr. Pauken's assertions are without foundation in this regard.

Third, Mr. Pauken indicated to the Committee that he did not, to his knowledge, communicate with other intelligence agencies while in Vietnam. In fact, the military records (officer efficiency report) of his service in Saigon as an analyst in the Division of Strategic Research and Analysis, Directorate of Intelligence Production, Military Assistance Command, Vietnam, indicate that—

"He contributed to the success of several joint classified projects undertaken *with other intelligence agencies* in the Saigon area." (Aug. 23, 1969–Dec. 27, 1969 (emphasis added).)

He received a Joint Service Commendation Medal which states:

". . . your analysis provided the commander, United States Military Assistance Command, Vietnam, the United States Embassy and *other agencies throughout the intelligence community* with intelligence information of great value in the counterinsurgency effort in Vietnam."

Fourth, Mr. Pauken testified that he was discharged from military service in December of 1969 and at the outset of the hearing stated that he had "never been involved since then [December 1969] with military intelligence *in any capacity*." (Transcript at pp. 47; 9 (emphasis added).) In fact, his records show that he was discharged from military service on February 28, 1973. Although he was separated from active duty on January 4, 1970, he was in the standby reserve (information which he withheld from me when we spoke in our meeting before the hearing) until February 28, 1973, carrying a top secret security clearance until November 6, 1972, and military intelligence military occupation specialty (MOS) throughout this period. His effort to minimize his awareness of his actual discharge date is refuted by documents in his DOD records:

Dec. 29, 1969: Special Orders assigned him to the following Reserve grade, basic branch, and component: "2d Lt., MI. USAR".

Dec. 29, 1969: Notification, effective Jan. 5, 1970, of promotion to 1st Lt., in the Reserves.

Jan. 4, 1970: DD214 Form: states "revert to USAR Control Group".

Mar. 10, 1972: Mr. Pauken signed an election "to be transferred to the USAR Control Group (Standby) upon expiration of my Ready Reserve obligation".

Nov. 6, 1972: Notice that top secret clearance was being withdrawn.

Jan. 17, 1973: Mr. Pauken signed an election to be discharged.

Feb. 14, 1973: Notice of discharge from Standby Reserve—effective Feb. 28, 1973.

The significance of the 1973 date must be viewed in the context of the application of the intelligence-separation policy with respect to intelligence activity within a ten-year period, as set forth in the attached Sykes/Ruppe letter.

Although the present status of the Peace Corps as an autonomous agency within the ACTION Agency does not, in my opinion, eliminate the problem with respect to Mr. Pauken's background, it does provide some insulation. Mr. Pauken, however, would not commit himself to seek continuation of the present executive order or memorandum of understanding regarding the separation of the Peace Corps from the ACTION Agency. In response to my repeated efforts to obtain a commitment from Mr. Pauken to support the policy of autonomy of the Peace Corps within the ACTION Agency, Mr. Pauken declined to make such a commitment and simply asserted he was "comfortable" with the present arrangement. He also refused to commit himself to agree to limit his involvement with the Peace Corps in certain specific ways.[1]

In addition, Mr. Pauken in his testimony before the Committee repeatedly demonstrated a lack of sensitivity with respect to the issues underlying the policy of barring individuals with certain intelligence backgrounds from association with the Peace Corps. He indicated, in response to my questions, that he saw no difficulty with respect to his background had he been nominated to be the Director of the Peace Corps itself and that he did not feel the "appearance" of a connection of the Peace Corps with intelligence activities could be as serious a problem as an actual connection. (Transcript at p. 38.)

Conclusion

The case against Mr. Pauken is succinctly summed up in the testimony of the former Peace Corps General Counsel, William Josephson:

"If the Senate gives its advice and consent to Mr. Pauken's nomination, and if the

[1] For example, he refused to agree that he would: (1) commit himself not to make any overseas visits to Peace Corps sites; (2) delegate to the Director of the Peace Corps responsibility for application of the intelligence-separation policy to ACTION Agency employees providing support services to the Peace Corps; or (3) separate the recruitment of Peace Corps volunteers from ACTION Agency recruitment activities. (Transcript at pp. 62–64.)

President appoints him Director of ACTION, for the first time to my knowledge the United States will have acted, however unintentionally, to lend credence to the false charge that the Peace Corps is an arm of United States intelligence." (Transcript at p. 74.)

I most strongly believe that confirmation of Mr. Pauken would seriously undermine the ability of the Peace Corps to fulfill its mission and could, as contended by the ACTION Agency Employees Union, jeopardize the safety of Peace Corps volunteers and staff overseas.

For these reasons, I am compelled to vote against Mr. Pauken, and I urge you to join me in doing so.

With best wishes,

Cordially,

ALAN CRANSTON.

PEACE CORPS,
Washington, D.C., March 18, 1981.

Hon. ALAN CRANSTON,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR CRANSTON: I have received your letter concerning Peace Corps' policy of maintaining separation between the agency and the intelligence gathering functions of the government.

The current policy evolved from the original rule adopted by former Director Sargent Shriver. This rule barred any former CIA employee from ever working for the Peace Corps in any staff or volunteer capacity. It also barred former employees of other intelligence agencies from Peace Corps employment or volunteer service if their intelligence work occurred within the previous 15 years. With minor modifications, the basic concepts of separation between the Peace Corps and the intelligence community have been successfully applied for 20 years. In 1970, former Director Blatchford extended the prohibition to anyone who had ever had "any CIA connection". This was presumed to include persons who had engaged in contract work or other activities with the CIA, but who were not formally employed by that agency. At the same time, the 15-year quarantine for persons who had received intelligence training or engaged in non-CIA intelligence activities was modified to 10 years.

Volunteers

The intelligence policy as it applies to volunteers is codified in Peace Corps Manual Section 201 which was most recently revised in May, 1973. Manual Section 201 states that to be eligible for Peace Corps service, an applicant must:

"5. Have no connection with the Central Intelligence Agency;

"a. Any person who has ever had any Central Intelligence (CIA) connection is automatically disqualified from Peace Corps service.

"b. Any person with other intelligence training or who has done intelligence work within the past ten years is also disqualified from Peace Corps service. A person who was involved in intelligence activity (other than CIA) more than 10 years ago will be referred to GC which will determine if the nature of that activity was sufficient to warrant disqualification.

"c. Any question as to whether an activity constituted an intelligence activity under these guidelines will be referred to GC."

The criteria used to determine whether the 10-year bar should be extended in a particular case are:

(1) Was applicant's involvement sufficiently extensive to create the impression of career service which may not have been terminated?

(2) Was the applicant's previous position in the intelligence field a prominent one (i.e., would he or she be likely to be known as an intelligence official)?

(3) Did the applicant serve overseas while in the intelligence field?

(4) What was the nature of the individual's involvement? (e.g. persons involved in covert action would probably be permanently barred).

Peace Corps Staff

In July 1975, the intelligence policy as it applies to *staff* positions was codified for the first time in an internal regulation, Manual Section 643, which remains in effect today.

Manual Section 643 was intended to carry forward the then existing policies and to clarify their application to positions with ACTION which related to both domestic and international programs. The regulation contains an absolute prohibition applicable to persons with previous CIA employment. It continues the 10-year quarantine for persons having non-CIA intelligence backgrounds and who seeking employment in the Peace Corps. Unlike the regulation applicable to volunteer service, Manual Section 643 makes employee applicants automatically eligible upon the expiration of 10 years following their last intelligence involvement. However, as a matter of practice the Peace Corps would look beyond the 10-year bar if an applicant's intelligence background was particularly extensive or involved covert activities.

ACTION staff

At the time of the merger of Peace Corps and domestic volunteer programs under the ACTION umbrella, an attempt was made to apply the intelligence policy to all ACTION positions. It was quickly realized that this was unnecessary because most domestic positions had no relationship to the Peace Corps mission. Its application was then limited to Peace Corps positions and to positions in ACTION offices having a direct and important relationship to operations under the Peace Corps Act. Manual Section 643 applied the policy to ACTION positions as follows:

"d. Any person whose application to a position within ACTION reveals a CIA employment or intelligence activity within the past ten years, and whose application refers to a position other than a position in ACTION's Office of International Operations, but which position nevertheless has a direct and important relationship with operations under the Peace Corps Act may be barred from consideration for that position."

With respect to paragraph d., any such application shall be referred to the General Counsel on a case-by-case basis.

A committee was established by the regulation consisting of representatives from the General Counsel's Office, the Peace Corps and the domestic programs. The criteria for determining eligibility in such cases is the extent and nature of the non-CIA activity or training and the identification with Peace Corps operations of the ACTION position being sought.

Under Executive Order 12137, while the Peace Corps enjoys autonomy from ACTION, the latter still performs many support services such as recruitment and public affairs, for the Peace Corps. Thus, the policy contained in Manual Section 643 with respect to ACTION positions continues to be relevant.

I hope this information fully answers your concerns about the Peace Corps intelligence policy. I believe the continued separation of Peace Corps and the intelligence functions of our government is critical to the success, credibility and safety of our overseas volunteers. If confirmed as Director, I intend to enforce the policy strictly, as has been done for the past two decades. It would be premature for me to suggest any modifications to the existing policy at this time. However, before considering any changes in the policy, we would seek the advice of a wide range of people, including members of the Congressional Committees with oversight responsibility for the Peace Corps.

Sincerely,

LORET M. RUPPE,
Director-Designate.
WILLIAM G. SYKES,
Acting Director.

SUPPLEMENTAL VIEWS BY SENATOR BOSCHWITZ

Mr. Pauken has the qualities to serve at a high level in the government.

While his civilian background does not appear to particularly disqualify him from heading ACTION (the agency that deals with volunteerism in the United States), on the other hand his background does not particularly qualify him for this job and this job alone in government.

While he has been involved with volunteer agencies, this has not been the prime or overwhelming part of his experience.

One element in his background clearly disqualifies him from heading ACTION, in my judgment. That is, his service in military intelligence work during the Viet Nam conflict.

Unfortunately, and unfairly, U.S. Peace Corps volunteers overseas have been accused of working for the CIA, which often puts them in personal jeopardy.

Because of ACTION's working relationship with the Peace Corps, great care has been taken to reduce the jeopardy Peace Corps volunteers are subjected to when they serve in the more rural and inaccessible parts of the world.

While I hope that another position will be found in the government for Mr. Pauken's considerable abilities, I think that his association with the Peace Corps as Director of ACTION would be clearly inappropriate. His appointment would unnecessarily endanger our Peace Corps volunteers overseas.

RUDY BOSCHWITZ.

ADDITIONAL VIEWS OF CLAIBORNE PELL

Thomas Pauken is a man of good character, intelligence and ability. However, as an original supporter and cosponsor of the Peace Corps legislation, I believe it is of vital importance to the well-being and safety of the volunteers in the field that the original idea of no possible connection or, just as important, no possible perception of a relationship with the Central Intelligence Agency or other intelligence activities should attach itself to anybody connected with the Peace Corps.

For this reason, I must reluctantly vote against recommending the confirmation of Mr. Pauken. I would add that I would be glad to vote for him for any position not connected with the Peace Corps.

ADDITIONAL VIEWS OF SENATOR JOSEPH R. BIDEN, JR.

Regretfully, I am casting a negative vote on the nomination of Thomas W. Pauken to be the Director of the ACTION agency. Mr. Pauken appears to me to be an able and talented man who might serve this government in any number of valuable positions. His nomination to serve as the ACTION Director, however, poses some troubling questions for me.

The Senate Committee on Foreign Relations sought and received sequential referral on this nomination because of its jurisdictional concern with the Peace Corps. Prior to President Carter's April 1979, Executive Order No. 12137, Peace Corps was the international operation of the ACTION agency. Subsequent to the executive order, Peace Corps became an autonomous agency sharing several administrative functions with ACTION. The Committee on Foreign Relations has always provided strong support for the goals and ideals of the twenty-year-old Peace Corps program. Included in these goals was the explicit mandate to preserve Peace Corps' complete separation from U.S. intelligence activities overseas. I believed that this explicit

policy was a wise one when it was formulated twenty years ago, and I remain convinced it serves an important and necessary function today. This wise policy has been applied consistently and even-handedly, forbidding former Peace Corps volunteers from serving in military intelligence assignments as well as prohibiting intelligence personnel from joining the Peace Corps. There are 5,400 Peace Corps volunteers working overseas. Any change in the long-standing policy barring individuals with intelligence backgrounds from serving on Peace Corps staff, or as volunteers, might jeopardize the safety, and even the lives of some of these volunteers.

It is in this context that the Pauken nomination raises some vexing problems. From 1967 until 1970 Mr. Pauken served in the U.S. military. Upon his enlistment in the army, Mr. Pauken was assigned to military intelligence. After six months of training at Fort Holabird, Mr. Pauken was sent to Vietnam where, according to his military records which were made available to the Committee, he was engaged in intelligence gathering activities, first in the Delta, and later in Saigon. I wish to make clear my view that Mr. Pauken's military record is without blemish. He served his country in a difficult period with dedication and distinction. The activity in which Mr. Pauken was involved is *not* the issue confronting me or my colleagues. What is at issue is the foreign perception of Mr. Pauken's present role and function as the head of the agency in which the Peace Corps is located. The Committee has received numerous letters, phone calls and personal testimony from former officials and Peace Corps volunteers expressing the legitimate concern that by virtue of his intelligence background, Mr. Pauken's confirmation would damage the credibility, and potentially threaten the personal security of 5,400 volunteers who are living and working overseas. The distinction between a civilian intelligence careerist and a military intelligence officer is not clear to many of the nations and peoples among whom Peace Corps is working.

The Committee on Foreign Relations has jurisdictional responsibility for the Peace Corps, and I therefore feel it is incumbent upon me to weigh the benefits of Mr. Pauken's talents and abilities against the evident risks, by virtue of his intelligence background, to the Peace Corps program. I have come to the conclusion, with much regret, that the risks are real, and therefore oppose this nomination.

JOE BIDEN.

PEACE CORPS,
Washington, D.C., April 9, 1981.

Hon. ALAN CRANSTON,
Committee on Foreign Relations,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: On Friday, April 3, 1981, I was informed that you had sent a letter to Mr. Fred Fielding, Counsel to the President, in which you asked us to expand our responses to the questions submitted by the Chairman of the Committee to include whether "Under the present Peace Corps policy and practice regarding persons with intelligence backgrounds and taking into account Mr. Pauken's previous military experience and association he would be eligible to hold a position on the Peace Corps staff or to serve as a Peace Corps volunteer." My response to this question has been delayed because I wished to see a copy of the letter itself.

As I am sure you are well aware, the application of the Peace Corps intelligence policy to those wishing to serve either as volunteers or as Peace Corps staff members is much stricter than those wishing to serve in certain staff positions in the ACTION Agency. The primary reason for this dichotomy is the heightened concern for the safety and security of the volunteers and staff overseas, especially in countries where even the suspicion—albeit totally unfounded—of participation in intelligence activities could seriously jeopardize not only the lives of these persons but also the credibility and vitality of our programs.

Our concern in this area has increased in recent years as terrorist and guerrilla organizations have looked upon hostage-taking as a standard operating procedure to effect short-term domestic and international political gains. The possibility and the fear that our volunteers or staff could be used as pawns in such a situation is not speculative. In recent times two of our volunteers have been held hostage: one for three years and another for ten days. Consequently, since most of our volunteers operate outside of capital cities oftentimes at great distances in rural villages, the Peace Corps has strictly applied the intelligence policy and has, if at all, erred on the side of extreme caution.

For these reasons I respectfully question the relevancy of the following discussion of the application of the intelligence policy to volunteers and staff of the Peace Corps to an individual who has not applied to serve in either category.

As a preface to the discussion which follows, I wish to point out that I am relying solely on the transcript of the hearing on Mr. Pauken's nomination to be Director of the ACTION Agency, which the Committee held on Wednesday, March 25, 1981, for the factual predicate for my opinion. I assume that the information contained in that transcript is not only accurate, but also complete. I have not had access to any other documents, such as Mr. Pauken's military record (Tr. 48). I assume information in that record neither contradicts nor qualifies the information contained in the transcript.

The hearing transcript provides the following information regarding Mr. Pauken's military service:

1. Upon enlisting in the Army, he requested an assignment to international affairs and was assigned to Special Intelligence (Tr. 54–56);

2. From June 1967 to December 1968, he received intelligence and language training (Tr. 9, 41);

3. His first assignment in Vietnam was a Province Intelligence Officer in the Delta (Tr. 9, 41). He described his primary duties as "nothing other than low-level order of battle collection of information" (Tr. 42), and he was primarily involved "with analyzing a particular religious sect that is in the Delta known as Hoa Hao, which is an off-shoot of the Buddhist sect." (Tr. 43–50).

4. An efficiency evaluation report covering the period of June 1, 1969 to August 22, 1969 1969 described his principal duties as "team chief in a unilateral clandestine intelligence collection operation" (Tr. 49).

5. An efficiency evaluation report covering the period of June 1, 1969 to August 22, 1969 described his principal duties as "team chief of an intelligence collection team engaged in covert intelligence operations, directly responsible for developing and directing team operations in direct support of the counter-insurgency effort in the Four Cord (?) (sic) tactical zone in the Republic of Vietnam" (Tr. 49).

6. In conjunction with the report mentioned in No. 5 above, Mr. Pauken commented "simultaneously I continued to develop the covert intelligence programs of the team I headed" (Tr. 50).

7. His work did not include the knowing interrogation of North Vietnamese, Viet Cong soldiers or civilians (Tr. 43–44).

8. He carried out these activities in the Delta at times in civilian clothes and at other times in uniform. He did not, however, have any type of cover (Tr. 45).

9. He later served as a Senior Analyst for the Office of Strategic Research and Analysis in Saigon. In this capacity he "prepared a number of studies on everything from communist revolutionary strategy towards South Vietnam and did a major study on Truong Chinh, who was a leading North Vietnamese revolutionary theorist" (Tr. 45–46). He also conducted "studies on the relationship between the North Vietnamese and the Viet Cong" (Tr. 46).

10. He testified that, to his knowledge, he did not communicate with intelligence personnel from any other intelligence agency, including the CIA (Tr. 47).

11. The citation accompanying the Joint Service Commendation Medal that he was awarded stated that his "analyses provided the Commander, United States Military Assistance Command, Vietnam, of the United States Embassy and other agencies throughout the intelligence community with intelligence informmation of great value in the counter-insurgency effort in Vietnam" (Tr. 51). Mr. Pauken testified, however, that he was unaware that the reports were passed on to other agencies (Tr. 44, 46, 51–52).

12. An efficiency report covering the period of August 23, 1969 to December 27, 1969, indicates he "contributed to the success of several joint classified projects undertaken with other intelligence agencies in the Saigon area" (Tr. 53).

13. On December 29, 1969, he received special orders assigning him to a reserve unit; on January 4, 1970, he was separated from active duty; on March 10, 1972, he signed an election to be transferred to the USAR Control Group Standby upon expiration of the Ready Reserve obligation; and on February 14, 1973, he received a notice of discharge from Standby Service effective February 28, 1973 (Tr. 57, 59; see also Tr. 47–48).

During this period of time, Department of Army records show Mr. Pauken's military intelligence MOS was continued as a military intelligence officer (Tr. 57).

14. Regarding the nature of this inactive reserve status, Mr. Pauken has testified that after his discharge he in fact had no connection or involvement with the military or intelligence (Tr. 9, 32–33, 58, 60–61). At the Committee's hearing on his nomination, he testified:

". . . I never went to a meeting, never talked with anyone from the military, never had any connection with military intelligence after the day I discharged or got out in Oakland." (Tr. 58).

Eligibility for Service as a Peace Corps Volunteer:

The intelligence policy as it applies to volunteers is codified in Peace Corps Manual Section 201.II.B., which was most recently revised in May 1973. Manual Section 201.II.B. states that to be eligible for Peace Corps service, an applicant must:

5. Have no connection with the Central Intelligence Agency;

a. Any person who has ever had a Central Intelligence Agency connection is automatically disqualified from Peace Corps service.

b. Any person with other intelligence training or who has done intelligence work within the past ten years is also disqualified from Peace Corps service. A person who was involved in intelligence activity (other than CIA) more than 10 years ago will be referred to General Counsel which will determine if the nature of that activity was sufficient to warrant disqualification.

c. Any question as to whether an activity constituted an intelligence activity under these guidelines will be referred to General Counsel.

In determining whether the nature of intelligence activity was sufficient to warrant disqualification under the provisions of Manual Section 201.II.B.5.b., the Office of General Counsel uses the following criteria

to determine whether the 10-year bar should be extended in a particular case:

1. Was the applicant's involvement sufficiently extensive to create the impression of career service which may not have been terminated?

2. Was the applicant's previous position in the intelligence field a prominent one (i.e., would he or she be likely to be known as an intelligence official)?

3. Did the applicant serve overseas while in the intelligence field?

4. What was the nature of the individual's involvement (e.g., was the person involved in covert action, which would probably be a permanent bar)?

The first issue to be resolved is whether Mr. Pauken falls within the 10-year bar by virtue of the fact that he was on inactive reserve status as a military intelligence officer until 1973. As I indicated in my letter to the Chairman dated April 3, 1981, this Office has never specifically ruled on the issue of whether inactive reserve status should be included for purposes of the 10-year rule. Manual Section 201.II.B.5.b. requires that the individual not have been involved in intelligence training or in intelligence work for 10 years prior to his acceptance to the Peace Corps. Mr. Pauken's uncontradicted statement (see No. 14 above) clearly indicates that he was involved in no military intelligence training or activities during the period of time which would have fallen within the 10-year provision. The circumstances surrounding his inactive reserve status also clearly indicate that this status was an administrative classification evidencing a continuing legal obligation without any actual involvement with the military. Consequently, he would not be barred automatically by the 10-year rule.

The second and more important question was whether his activities as a military intelligence officer in Vietnam were sufficient to warrant disqualification as a Peace Corps volunteer, despite the fact that it occurred more than ten years ago. Regarding the first criterion, it is my opinion that Mr. Pauken's military service was not sufficiently extensive to create the impression of career service. Although he technically served for a period of six years, two of those years were in training in the States prior to going to Vietnam and only approximately eleven months were served as an intelligence officer. Although he was on inactive reserve status as a military intelligence officer, once he was discharged in Oakland, he had no further connection with the military or with any intelligence agency. In fact, it is clear from his biographical data that Mr. Pauken again became a private citizen and engaged in activities totally unrelated to the military or to the intelligence fields.

With respect to the second criterion, it is my opinion that Mr. Pauken—even absent the intense publicity which has surrounded his nomination—would likely be known as an intelligence official. As a Province Intelligence Officer and as a Senior Analyst with the Strategic Research Analysis, it is not only likely but certain that he was known to the North Vietnamese intelligence and counter-intelligence divisions and that this information could have been routinely passed on at least to Soviet intelligence if not also to other sympathetic hostile intelligence services. For this reason, not only is there a strong possibility that the credibility of the Peace Corps program in the country to which he might be assigned would be jeopardized, but also, and more importantly, his own safety as a volunteer could be threatened—especially in those countries undergoing a degree of political instability—should he be accepted as a volunteer.

Regarding the third criterion, he did serve overseas, albeit in a military capacity, and in a country where the U.S. military forces were engaged. His presence overseas and his contact with host country nationals in his capacity as an intelligence officer increases the likelihood of his notoriety.

With respect to the fourth criterion, the exact nature of Mr. Pauken's intelligence activity in Vietnam is unclear at best. Mr. Pauken's testimony regarding his primary responsibilities are contradicted by the evaluation reports which indicate that he was involved in and responsible for clandestine and covert operations. Without attempting to reconcile the apparent contradictions, even the remote possibility that such information would surface could be devastating to virtually any Peace Corps program. Consequently, in my opinion, he should be disqualified from serving as a volunteer under this criterion as well.

Conclusions drawn from the application of these criteria must of necessity rest to a certain degree on speculation. It is very possible that no one would remember or learn that he was a military intelligence officer or that, at least according to Department of Army records, he was involved in clandestine and covert intelligence operations. However, the genuine risk to the safety of Mr. Pauken as a volunteer, to other volunteers, and to the viability of Peace Corps country programs far out-weighs the equally speculative gain of accepting him for volunteer service.

Eligibility for a Position on the Peace Corps Staff:

The intelligence policy as it applies to Peace Corps staff positions is codified in Manual Section 643, para. 4 which states in part:

b. Any person who has ever had any Central Intelligence Agency (CIA) employment shall be barred from consideration for positions in Peace Corps operations overseas and in ACTION's Office of International Operations (now Peace Corps/Washington).

c. Any person whose application reveals intelligence activity (other than CIA) within the past 10 years shall be barred from consideration for positions in Peace Corps operations overseas and in ACTION's Office of International Operations (now Peace Corps/Washington).

You will note that, unlike the regulations applicable to volunteer service, Manual Section 643 appears to make employee applicants automatically eligible for Peace Corps staff positions upon the expiration of 10 years following their last intelligence involvement. However, as a matter of practice, the Peace Corps looks behind the 10-year bar if an applicant's intelligence background was particularly extensive or involved covert activities. Because the same concerns regarding the health and safety of volunteers and Peace Corps programs apply equally to a staff position, there is no logical reason to differentiate between volunteers and staff. While this is currently the policy and practice of the Office of General Counsel and has been since I became the General Counsel, in candor I must admit that, in the three years prior to my accepting this appointment, the application of this policy and practice has been inconsistent.

In my opinion, for the reasons set forth above where I discuss the application of the various criteria used to determine the eligibility of applicants for Peace Corps volunteer service, Mr. Pauken would be barred from serving in a position as a Peace Corps staff member in any overseas position, in any Peace Corps/Washington policy position, in any country desk officer position, and in any position which would likely require him to travel overseas as part of his official responsibilities.

He would be clearly barred from any overseas position since any allegation arising from the fact that he had been a high level intelligence officer in Vietnam and allegedly conducted clandestine covert operations in that country would be the death knell to any Peace Corps program in which he served and would jeopardize the safety of volunteers in that country. Similarly, were he to serve in a policymaking position, a country desk position, or a position requiring overseas travel, such allegations could have the same impact on the Peace Corps' credibility and integrity. I would again point out that this analysis rests on a highly speculative set of prohabilities, but the grave risks to the individuals who serve in the Peace Corps and to the Peace Corps itself warrant a high degree of caution in the application of this policy.

I have attempted to apply the policy without reference to the publicity which has surrounded Mr. Pauken's nomination. However, because of the extensive publicity which his nomination has received, the perception of Mr. Pauken's intelligence involvement has taken on a substance of its own. Thus, unfair as it might appear, we would be forced to take this publicity into account were Mr. Pauken to apply for a position with the Peace Corps in the near future.

Sincerely,

ROBERT M. MCNAMARA, Jr.,
General Counsel.

AFGHANISTAN

A fellow Volunteer in Kabul, Afghanistan was held at gunpoint for several hours and threatened with his life if he did not admit to being a CIA agent. He was charged with disseminating pictures of the former King of Afghanistan, Zaher Shah, presumably in opposition to the "7th Saur Revolution" (the April 1978 Coup d'Etat that toppled the former King's brother, President Daud). This case is well-documented since the Volunteer in question was forced by considerations for his own safety to leave his teaching site and was sent to Washington for consultation with the Office of Special Services and with the Afghanistan/Nepal/Oman Desk. I knew this Volunteer personally and respected him highly: he did nothing to arouse suspicion and was a conscientious, capable individual who would not likely have drawn attention to himself for any reason.

I knew him to be a stable, mature person who left Afghanistan with some regret although he was also understandably relieved by and in agreement with the Embassy's decision to send him home for his own safety.

It was commonplace that one or the other of us were called "CIA" by Afghans—on the street, at school, in the bazaar—but most of us never took it seriously, especially since few Afghans really even knew what the CIA was. Unfortunately, the case of the Volunteer mentioned above cannot be put in the same category: I cannot be certain if I remember it correctly or not, but it seems to me that he was held in the Ministry of the Interior. In any case, there was some involvement of at least the police and possibly a few overzealous politicos.

Anyone who wished to make a case against Peace Corps as an organization within ACTION could easily do so if Mr. Pauken becomes Director; capable as he may be, both he and the Agency could be put in a difficult position.—Ann Seleny, CDA/Guatemala, Honduras, Nicaragua, El Salvador, RPCV Afghanistan 1/78–4/79; 3/25/81.

ANGOLA

I was asked time and again by students, teachers and community leaders if Peace Corps was involved with the CIA and if indeed I was a CIA agent. During the Angolan crisis of 1976, a PCV, who was posted near the border, was held by local police being accused of CIA involvement. Records are available to substantiate. This happens time and again and I believe our leadership needs to have a

clean record to reflect that Peace Corps has no involvement with the CIA.—Melanie Williams, Gandajika, Zaire 1974–77.

BELIZE, CENTRAL AMERICA

"Are you with the CIA?" was one of the first questions asked of me as a Peace Corps Volunteer and one which cropped up again and again. I was able to answer truthfully that the Peace Corps is in no way connected with any intelligence agency and that none in the Peace Corps has had a history of intelligence activity. To jeopardize this is to jeopardize the Peace Corps—Helen Parson, Peace Corps Volunteer 1978–80, Belize, Central America.

DOMINICAN REPUBLIC

As a Peace Corps Volunteer in the Dominican Republic, I was, on a number of occasions, informed second-hand that townspeople in the town where we worked and lived believed that we were connected to the CIA. We were even asked to give classes in karate, since the youth were convinced that we must be skilled in martial arts. Working, admittedly, for the U.S. government seemed to lend even more credence to the belief. Those who were a bit braver, especially young adults, occasionally would ask us directly what our connection with the CIA was, or talk more generally about the subject.

With time and as relationships and trust developed, we were able to prove our intentions were other than to spy on their town. It is, on the personal level, an obstacle that can be overcome, but it is an obstacle. There are quite probably still people in our little Dominican town who think that we truly were CIA agents.—Gail L. Garland, Returned Peace Corps Volunteer, Villa Riva, Dominican Republic, 1976–78.

KENYA

During my 3½ years as a PCV the topic of Peace Corps connection with the CIA was raised numerous times. Usually the issue was only addressed once a friendship or work relationship was established with a host country national and they felt free enough to inquire.

However I was approached twice in Kisumu, Kenya and accused by Kenyans of being a CIA agent. A very heated and uncomfortable conversation followed, which easily could have become a violent confrontation if I hadn't remained passive. Kisumu was approximately 2 hours from my post and I went there about once a month to shop and buy supplies for my school. These men were strangers to me but apparently they knew I was a PCV and where I was living.

I heard of numerous similar incidents involving fellow PCV's in Kenya.—Pamela Richardson, Kenya 1976–19—, Seychelles 1978–80.

PHILIPPINES

I served as a Peace Corps Volunteer in the Republic of the Philippines from September of 1978 to November of 1980. During that time I worked on a small island in the central Visayas region as a community organizer involved in potable water development. My work brought me into contact with all parts of the political spectrum, from wealthy landowners on the extreme political right to radical college students and Catholic clergy on the left. It seemed to me ironic that the only common ground shared by these two political extremes was their suspicion of me as a CIA agent. Among the moderates, while willing to concede that the average Volunteer was a humanitarian or what they referred to as a "good American" (as opposed to a bad American—G.I.s, businessmen, and conservatives in general), they could not be dissuaded from the conviction that it was our superiors, then, who must be the intelligence gatherers and that we were pawns. Many Volunteers grew to share that viewpoint.

Reference to and discussion of our possible involvement with the CIA was a daily problem. The very worst encounter I had occurred one afternoon at a community assembly I was attending at my site. The provincial governor, the delegate to the national interim parliament, the town council, the village leaders and most of the prominent citizens of the community had gathered to witness the change of power between the old mayor (recently removed by martial law decree) and the new mayor (a "reform" mayor appointed by the president and attached to the presidential security command). As is the custom each prominent visitor was asked to give a brief talk, and I being the American assumed, correctly, that I would be called on to speak. The Governor introduced me by saying, "I would like to introduce you all to our local CIA agent, and challenge him to explain just what it is that he is doing in our country." His remark was not made in jest. It was surly and in the cultural context unthinkably rude. I gave my well practiced talk about the three goals of Peace Corps and explained that by law Peace Corps Volunteers were not allowed to be CIA agents. At the time I was aware that the people assembled there could make or break the projects I was involved in. For the duration of my stay even the best of friends were to, each in their turn, ask what for them was an extremely embarrassing but necessary question, 'Are you really . . ." Although more dramatic than most, this experience was by no means unique, and I can say confidently that every Volunteer I served with could relate similar experiences. Given the problems in the developing world press with grasping and interpreting the subtleties of internal American politics, even the most tenuous link between the Peace Corps and the Intelligence community could seriously, perhaps irreparably, damage the credibility of the Peace Corps and the Peace Corps concept.

On the wall surrounding the Peace Corps compound in Manila you can see a recently whitewashed section concealing a spray painted sign. On closer inspection you can still make out the words and they read, if my memory serves me correctly, 'Peace Corps CIA Go Home". These words and their presence speak sharply and to the heart of our credibility problem, and this sign itself serves as a perhaps unsubtle, metaphor for the issue. The words and feeling are there just below the surface, and will continue to be there despite our hasty and embarrassed efforts to cover them up. By willfully ignoring this message it is my sincere feeling that we can only subvert our best efforts, and the best efforts of tens of thousands of "good Americans" who have committed two years of their lives to bring the best of America to the desperate poor of the world.—Larry Koskinen, RPCV, Philippines 133.

THAILAND

Being a Peace Corps Volunteer is for most people a rewarding, enlightening experience. There are occasions, however, when a Volunteer's life is made unnecessarily difficult. Being questioned about or accused of being involved with the CIA are such occasions.

While a PCV in Thailand I was often questioned by villagers, particularly in the border areas, about whether or not I was supplying the CIA with information. The fact that I could speak Thai and was in a rural area made me and others suspect in some people's minds. Villagers would tell me that during the Vietnam War they often saw Americans in rural areas asking questions who were with the CIA. I was ususally able to explain that Peace Corps was in no way associated with intelligence activities and that I was in Thailand as volunteer at the request of their government. Most of the villagers believed me. Some volunteers weren't so lucky. Bill Ward, a Volunteer in Yemen, was beaten by local men who mistook his curiosity about their country and culture to be signs of intelligence involvement.—Debby Thomas, Thailand RPCV, Served in Thailand (Pra-Tu-Nam-Pra-In and Bangkok) from 1976–79.

TURKEY

MARCH 25, 1981.

To Whom it May Concern:

I was in the original group of Peace Corps Volunteers to Turkey, serving as a volunteer from 1962–64. Circumstances then took me back to Turkey for an additional six years, 1968–74, so that I was present at both the birth and demise of the Peace Corps program in Turkey. My long residency in the country also enabled me to gain an understanding of Turkish life and thought through extensive contacts with Turkish friends of varying educational backgrounds and political beliefs.

As is strikingly evident from the fact that Peace Corps was rather unceremoniously forced to leave Turkey in 1969, the extreme sensitivity of Turks—rightist, leftist, and centrist—to any thought of American intelligence activities cannot be overemphasized. At the time that I was a volunteer (long before any mobilization of anti-Americanism in Turkey) such innocuous activities as volunteers writing home criticizing Turkish government policies (and quoting the popular Cumhuriyet newspaper in doing so) were enough grist for the Leftist mill to create a national furor, with average, non-political Turks agreeing that volunteers must be up to something. (I have heard this story quoted as long as ten years after it took place.) Suspicion of American motives runs deep; Turks find it very difficult to believe that the U.S. government could be willing to provide humanitarian, personalized assistance without any intelligence strings attached. I have spent many hours trying to convince them that such is indeed the case, and that volunteers have no ulterior purposes in working in other countries.

I think it would be disastrous for any link, public or private, to be forged between Peace Corps and U.S. intelligence activities. No matter what sterling qualifications a person with an intelligence background may in fact have, he/she will not be given a chance to prove anything in the eyes of the Third World arena where Peace Corps works.

This could be a mortal blow to the Peace Corps.

Sincerely,

MARGARET GALL.

[From the Washington Star, Apr. 16, 1981]

ALL IS NOT SO PEACEFUL IN PEACE CORPS RANKS

(By Mary McGrory)

Life is a bit sticky—and due to get stickier—at ACTION, the agency which helps the poor at home with VISTA and the poor abroad with the Peace Corps.

That's because Ronald Reagan has chosen as its new boss a person who could not under the rules even get a job at the Peace Corps, much less direct it.

Manual Section 643 is quite specific: Anybody who has served in the CIA or intelligence activity within the past ten years is automatically barred. Applications from people whose intelligence service is more than ten years old must be reviewed on a case-by-case basis.

According to Peace Corps General Counsel Robert McNamara, Thomas W. Pauken, Reagan's choice, would not be eligible.

A secret poll conducted by the ACTION Employees Union shows that by a margin of

two to one, the workers favor opposition to the man they undoubtedly will have to live with.

FILIBUSTER HINTED

They realize how little ice their views cut in the Senate, which will vote on the confirmation upon return from recess. Several Democratic liberal senators, including Peace Corps alumni Paul Tsongas and Christopher Dodd, have joined Minority Whip Alan Cranston in hinting at a filibuster, but little hope is held out for any kind of a show.

The Senate, after choking, swallowed alarming Alexander Haig and his know-nothing deputy, William Clark.

And the Republicans are claiming that Ernest Lefever, the enemy of human rights for head of the department by that name, is a sure thing. Only one Republican has spoken out against Pauken: Rudy Boschwitz of Minnesota, which is second to California as a source of Peace Corps volunteers.

Chairman Charles Percy of the Senate Foreign Relations Committee sought escape from the turmoil by inquiring of the White House if plans were afoot to divorce the Peace Corps from ACTION, whose employees would not be endangered by having a former intelligence officer in charge.

Percy received a crisp letter from the president's people informing him that not even a trial separation was under consideration.

Pauken made no secret of his past as a military intelligence officer in Vietnam when he was a three-time, unsuccessful candidate for public office in Texas.

"I was not a spy," he told the Foreign Relations Committee, which voted his nomination out by eight to seven.

But the character of his service is disputed by Cranston, who charges that Pauken was "less than candid" about how he "happened" to be assigned to intelligence.

Cranston says that a study of the military records shows that Pauken requested intelligence in his preinduction application. And he was not the "analyst" he now represents himself to be. The records show that he was engaged in "covert intelligence operations . . . directly responsible for developing and directing team operations in direct support of the counter-insurgency effort . . ."

Pauken complains that his service to his country is being held against him.

To conservative Republicans, of course, such stalwart efforts in a cause that so many of Pauken's contemporaries refused to join, are admirable . . . For them, there is an appealing symmetry in replacing Sam Brown, the leader of Vietnam resistance, with someone who volunteered for the fray.

For Peace Corps volunteers, however, it is something else. They have labored from the beginning under the shadow of suspicion that under the guise of digging sewers, teaching English and planting fields, they were doing the work of the CIA.

At the request of Cranston, volunteers submitted instances where they had been held at gunpoint, thrown in jail or threatened with beating, by exercised locals. The Employees Union has taken the position that the "wall of separation" between spying and the Peace Corps has been breached by the appointment, and that the health and safety of the volunteers is imperiled.

A minority at ACTION favors Pauken all the same, on grounds that the agency needs a full-time advocate, and that Pauken proved his clout at the White House by talking Deputy Chief of Staff James Baker out of chopping off the domestic arm of ACTION entirely. Pauken emerged from a widely publicized meeting in mid-March as the rescuer of the doomed program.

OTHERS SKEPTICAL

Others are skeptical and suspect a bit of stagecraft. Pauken, a conservative, former leader of Young Republicans, was getting a boost from Baker, who is said to be mending fences with the right through the odd nomination.

Pauken told the senators that he did not feel that the "appearance" of a connection of the Peace Corps with intelligence activities could be as serious a problem as an actual connection.

But the volunteers are a special fervent lot and they feel that the Peace Corps will wither and die with him at the helm. They brood that this is exactly what Ronald Reagan has in mind.

● Mr. KENNEDY. Mr. President, I am pleased to join today with the distinguished Senator from California, Mr. CRANSTON, and other colleagues to introduce legislation reestablishing the independence of the Peace Corps.

Many of us questioned the original decision to submerge Peace Corps within ACTION because we believed that there were serious questions about the impact of that action on the integrity of the Peace Corps.

During these past years, we have not been convinced that presumed savings in combining recruitment, selection, and other logistic functions justified the possible threat to the vitality of the Peace Corps.

This spring, we are celebrating the 20th anniversary of the Peace Corps. I believe that throughout the world there is a recognition that this organization has been a unique and valuable contribution to international understanding and an aid to the development process.

More than 80,000 volunteers have served in some 88 countries since the time when President John Kennedy sent the legislation creating the Peace Corps to the Congress with this message:

Life in the Peace Corps will not be easy. There will be no salary, and allowances will be at a level sufficient to maintain health and basic needs. Men and women will be expected to work and live alongside the national of the country in which they are stationed—doing the same work—eating the same food—talking the same language.

But if the life will not be easy, it will be rich and satisfying. For every young American who participates in the Peace Corps—who works in a foreign land—will feel that he or she is sharing in the great common task of bringing to man that decent way of life which is the foundation of freedom and the condition of peace.

Beyond the benefit to others, the experience of those 80,000 volunteers has enriched the understanding and awareness of this Nation. Those men and women have served in rural villages in Africa, worked amidst the poverty of urban barrios in Latin America, and lived with the poor in Asia. Many have returned to the United States to become active in public service and private endeavors. Two returned volunteers now serve in the U.S. Senate, both serving on the Senate Foreign Relations Committee. Others serve in the House of Representatives.

Today some 6,000 volunteers in 60 countries are engaged in carrying the legacy forward. They are living and working in poverty communities around the globe. Yet their ability to maintain the work of the Peace Corps depends on their ability to maintain a separateness from other aspects of the U.S. presence abroad.

The Peace Corps volunteers are not instruments of U.S. foreign policy and never have been.

All of the benefits in furthering the national purpose and interest would be lost if it ever were to be shown that the Peace Corps was engaged in any way with intelligence activities. For that reason, there has been a 20-year-old policy of totally and completely separating the Peace Corps from any taint of involvement in intelligence activities.

That separation, mandated first by President Kennedy, has been maintained and continued by every President since, Republican and Democrat alike.

It is for that reason that the separation of Peace Corps from ACTION, at this time, has acquired new urgency.

The current nominee for ACTION has been shown to have a background in military intelligence. If Peace Corps were not part of ACTION, this element of his background would not be relevant. If anything, it would be a factor in his favor. However, while the Peace Corps remains part of ACTION, these facts of his background endanger the integrity of the Peace Corps and the safety of volunteers. If he is confirmed, it would, as former Peace Corps General Counsel William Josephson said, "lend credence to the false charge that the Peace Corps is an arm of U.S. intelligence."

To avoid that consequence, and also avoid any unfortunate misinterpretation of the nominee's background, expeditious action on this bill would be most desirable.●

By Mr. DOLE (for himself, Mr. LEAHY, Mr. COCHRAN, Mrs. HAWKINS, Mr. MELCHER, Mr. PRYOR, and Mr. ZORINSKY):

S. 1016. A bill to amend the Food Stamp Act of 1977 to reduce the fraud and abuse, strengthen enforcement actions, and increase recovery of overpayments; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP ACCOUNTABILITY ACT OF 1981

● Mr. DOLE. Mr. President, today, along with my colleague, Senator COCHRAN, and the ranking minority member of the Senate Subcommittee on Nutrition, Senator LEAHY, I am pleased to announce the introduction of the "Food Stamp Accountability Act of 1981," legislation we have developed to deal with the most frequently cited problems of fraud and abuse in the food stamp program.

As most of my colleagues in the Senate are aware, I have always been a strong supporter of the goals and concept of the food stamp program. Over the years, it has satisfied a valuable need within our society by helping to decrease the incidence of domestic hunger and malnutrition among low-income Americans. This is not to say that this program has been without its problems. Perhaps more than any other Federal social program, this one has come under heavy fire for its price tag and its perceived image of being rife with fraud and abuse. Maybe we are more conscious of complaints about this program, because people come into everyday contact with food stamp recipients in the grocery store. This program is more open to

public perception, whereas in many other areas, actual program administration is not so visible to the public.

RESTORING INTEGRITY TO PROGRAM

Given the worthwhile goals achieved by this program, we must make every effort to see that potential abuses are kept at a minimum. Therefore, it is my desire to close loopholes in the present law that invite abuse and thereby insure to the greatest extent possible that the program is well run from an administrative standpoint.

In this legislation, we attempt to address most of the complaints that have come to our attention through testimony in committee. During a time when there is a scarcity of Federal fiscal resources, it is to the advantage of our entire society—and the taxpayer, in particular—to see that program benefits are targeted to those who are most needy within our population. We can do this by attempting to restore an image of integrity and dignity to the food stamp program, so that those who are really in need of food stamps are not ashamed to participate in the program.

Mr. President, the bill which we are introducing contains approximately 14 substantive changes in food stamp accountability procedures and eligibility requirements. I will not take the time now to articulate each of those changes.

SPECIFIC PROVISIONS

There are, however, a few provisions which I would like to call to your attention. One of the principal problems in the program has been the use of food stamps to purchase nonfood items. During the course of testimony before the committee, we learned that food stamps have been used to purchase everything from television sets to automobiles and drugs. One reason the stamps have been available for blackmarket activities is that current policy allows easy and frequent replacement of lost or stolen stamps. Our bill deals with this problem by limiting the number of times that lost or stolen food stamps can be replaced.

Another problem has been persons who obtain multiple benefits by claiming as an individual and also as a member of a household. We attack this problem by changing the definition of household in order to prevent a family from artificially splitting into two or more food stamp households in order to receive a greater amount of benefits.

Finally, and perhaps most important, there are new directives contained in this law which will result in a permanent termination of benefits to individuals who are found to have engaged in repetitive fraud or misuse of stamps. The bill provides that any adjudication of fraud or abuse with respect to the use of stamps or authorization cards by either an administrative agency or a court will result in suspension from the program for a period of 6 months for the first offense, 1 year for the second offense, and permanent exclusion from the program of persons who have committed three such offenses. We hope and believe that this will stop the "revolving door" which allows individuals who abuse the program to continue receiving benefits. Conservative estimates by experts from the congressional budget office are that these changes would save $100 million a year in program costs.

CONCLUDING REMARKS

It is important to remember, however, that no matter how many improved procedures are developed to control fraud, those procedures cannot be effectively implemented without adequate personnel to supervise the administration of the program. Therefore, I will support expansion of the investigative resources of the Department of Agriculture to enable that Department to more aggressively ferret out fraud. Currently, there are approximately 75 investigators allotted nationwide to food stamp program cases. This number must be increased if we are to have effective supervision of this program.

Mr. President, in evaluating this program during the past few weeks, it has become apparent to me that there is no magic cure, no quick fix. Controlling abuse in this program requires the kind of comprehensive approach that is incorporated into our bill.

Mr. President, I ask that a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

FOOD STAMP ACCOUNTANT ACT OF 1981

This proposed legislation represents a comprehensive approach to enhance program management, combat fraud, and close loopholes in the food stamp program. Altogether its provisions would reduce federal food stamp costs by about $100 million a year. It includes various proposals made by the Reagan administration and a series of other suggestions provided by witnesses before the Senate Committee on Agriculture, Nutrition, and Forestry. It addresses the serious program concerns identified by the Investigations Staff of the Senate Committee on Appropriations and various state and local food stamp administrators and law enforcement personnel. The bill includes the following provisions:

TITLE I—ELIGIBILITY RESTRICTIONS AND PENALTIES FOR RECIPIENT ABUSE

Section 101—Elimination of Persons Who Pay Board for their Meals: This section would eliminate all boarders from the program. Since they receive meals as part of their living arrangements they generally have little need for food stamps.

Section 102—Household Consolidation: This section would modify the household definition to require that all parents and children who live together be considered as one household only. This would prevent a family from artificially splitting into two or more food stamp households in order to receive a greater amount of benefits.

Section 103—Disqualification Penalties for Fraud and Misrepresentation: This section would ease the criteria for states to penalize participants who violate program rules since it would allow states to disqualify participants for internal misrepresentation as well as fraud. Presently, it is thought that states may be deterred from pursuing certain violations because the burden of proving outright fraud is too great.

This section would also stiffen penalties for participants found guilty of fraud or misrepresentation in a hearing. The current disqualification of three months would be lengthened to six months on the first violation, twelve months on the second violation, and would be made permanent after a third violation. These disqualification penalties would also be extended to any participant who violates any other provisions of the Food Stamp Act or any state laws which affect the food stamp program, such as anti-theft statutes.

Section 104—Restrictions on Expedited Service: This section would tighten the income and assets tests governing expedited service. Current eligibility guidelines are too broad, allowing certain non-destitute households to qualify for expedited service. By limiting the number of persons who will pass through the initial screening for expedited service, this provision will allow for greater verification of household circumstances prior to the issuance of benefits to needy families.

Section 105—Collection of Social Security Numbers: This section would require, as a condition of eligibility, that each household member aged 18 and over and each member under age 18 who has income must furnish his social security number to the State agency. It would also allow states to require social security numbers from household members under age 18. The use of social security numbers has assisted efforts in states to verify the identity of household members and enhanced other efforts to maximize program integrity.

TITLE II—IMPROVED ACTIONS TO CURB ABUSE, RECOVER OVERPAYMENTS, AND TIGHTEN PROGRAM MANAGEMENT

Section 201—Retail Food Stores: This section would limit the participation of retail food stores that sell few food items and whose primary business is the sale of non-food items. This provision would limit the potential for food stamps to be used to purchase items prohibited by the law.

Section 202—State Liability for Losses: This section would clarify the law to hold states strictly liable for losses incurred in the issuance of food stamps.

Section 203—Reporting of Abuses by the Public: This section would require that each participating retail food store display signs which inform the public how to report observed program abuse.

Section 204—Prompt Action to Reduce or Terminate Benefits: This section would allow states to immediately reduce or terminate benefits in certain instances where a household member has reported a change in household circumstances. Under current law, a ten-day advance notice is required before any adverse action can be taken. This has resulted in some instances where unnecessary benefits have been provided to households who have reported changes late in a month that would make them ineligible for certain benefits in the following month.

Section 205—Limitations on Restoration of Lost Benefits: This section would not allow benefits to be restored to a participant if the participant files a claim for the benefits more than one year after they were wrongfully withheld. This constitutes a reasonable change for administrative convenience and should not result in hardship to participants.

Section 206—Restrictions on the Replacements of Coupons: This section would limit both the amount of and the frequency with which stolen or destroyed coupons can be replaced. This would curtail the potential for fraudulent claims for coupon replacements.

Section 207—Restrictions on Mail Issuance: This section would provide authority to the Secretary to restrict mail issuance in high crime or other appropriate areas. The Secretary would also have authority to sanction states which utilize mail issuance imprudently. This would assure that states would not take advantage of the administrative convenience of mail issuance when it results in an unacceptably high level of federal benefit dollar losses.

Section 208—Use of Civil Money Penalties

to Increase Enforcement Actions: This section would allow the Secretary to directly apply funds collected as civil money penalties under this act to further actions to combat fraud and abuse. This should increase overall efforts to insure program integrity.

Section 209—Improved Recovery of Overpayments: This section would improve the recovery of overpayments by allowing the Secretary to reduce the allotments of participating households in non-fraud situations. While the Secretary currently has this recoupment capability in cases where fraud is involved, he does not have it in non-fraud situations. This should significantly enhance the collection of these claims, resulting in appreciable savings to the federal government.

Section 210—Incentives for State Actions to Recover Overpayments and Development of State Anti-fraud Plans: This section would require states to develop a comprehensive anti-fraud plan as a condition for receiving 75 percent federal matching funds for anti-fraud activities. This would assure greater effectiveness in the use of this funding.●

● Mr. LEAHY. Mr. President, I believe that our bill, the Food Stamp Accountability Act of 1981, represents a thorough and thoughtful effort to address the existing problems of waste, fraud, and abuse in the food stamp program. It takes the very best ideas of experts from around the country, including my home State of Vermont, and combines them into one comprehensive bill through which we hope to demonstrate our responsiveness to public concern about the accountability of the food stamp program. I believe it is incumbent upon all Members of Congress, and particularly those of us who have been its supporters, to be vigilant in our oversight of this program to insure that it is worthy of full public support. When the food stamp program is abused, it is only the poor who pay, and I will not stand for it.

Both Senator DOLE and I, as leaders of the Nutrition Subcommittee, feel strongly about meeting the needs of hungry fellow citizens. In light of the severe budget reductions in this program, we have a responsibility to make this program run as well as humanly possible. We can do no less to meet our commitments to both the American taxpayer and the truly needy in this country.

It is important to remember that this bill would build upon the already impressive list of actions taken by Congress in recent years to assure program integrity. In fact, many of the most knowledgeable witnesses before the Agriculture Committee stated that the most important tools to combat fraud and abuse already exist in the law. What is needed is more aggressive utilization of these tools.

In recent years, we are authorized:

Computer matching of food stamp records against other programs like social security and unemployment insurance in order to verify income and other eligibility factors;

The use of photo identification cards in abuse prone areas;

The requirement that all participants furnish social security numbers as a means to enhance proper identification;

Financial incentives for greater anti-fraud activity by State and local government; and

The use of a sanction system which penalizes States with high error rates any many other initiatives.

In this bill, we go even further. We incorporate many commendable proposals put forth by the Carter and Reagan administrations:

We would close potentially costly program loopholes by tightening the household definition, eliminating boarders, and restricting expedited services;

We would limit the participation of stores where nonfood items are sold;

We would empower States to recoup benefit overissuances from households even where there has been no fraudulent activity; and

We would make it easier to disqualify dishonest participants from the program.

In addition to these and other ideas, we have added important new measures of our own. Among them:

Our bill would explicitly authorize the Secretary to limit mail issuance and sanction States who are irresponsible in its use;

We would establish guidelines to limit the replacement of lost or stolen coupons and authorization documents;

We would lengthen disqualification periods for fraud and willful misrepresentation;

We would require States to develop comprehensive antifraud strategies as a condition of receiving enhanced funding for antifraud activities; and

We would require actual food stores to post signs indicating where observed program abuse can be reported.

We are hopeful that these measures, in combination with the effective use of already existing tools, will enhance the overall accountability of the food stamp program. We urge our colleagues to support our efforts toward prompt enactment of this legislation.●

By Mr. HAYAKAWA:

S.J. Res. 72. Joint resolution proposing an amendment to the Constitution of the United States with respect to proceedings and documents in the English language; to the Committee on the Judiciary.

PROPOSED CONSTITUTIONAL AMENDMENT WITH RESPECT TO PROCEEDINGS AND DOCUMENTS IN THE ENGLISH LANGUAGE

Mr. HAYAKAWA. Mr. President, language is a powerful tool. A common language can unify; separate languages can fracture and fragment a society. The American "melting pot" has succeeded in creating a vibrant new culture among peoples of many different cultural backgrounds largely because of the widespread use of a common language, English.

Learning English has been the primary task of every immigrant group for two centuries. Participation in the common language has rapidly made available to each new group the political and economic benefits of American society. Those who have mastered English have overcome the major hurdle to full participation in our democracy.

Today I am introducing a constitutional amendment declaring as the law of the land what is already a political and social reality: That English is the official language of the United States.

This amendment is needed to clarify the confusing signals we have given in recent years to immigrant groups. For example, the requirements for naturalization as a U.S. citizen say you must be able to "read, write, and speak words in ordinary usage in the English language." And though you must be a citizen to vote, some recent legislation has required bilingual ballots in some areas. This amendment would end that contradictory, logically conflicting, situation.

Bilingual education programs were originally designed to help non-English-speaking children learn English quickly so they could join the mainstream of education and of our society. The Carter administration attempted to substantially broaden this mandate by proposing requirements for schools to teach other academic subjects entirely in students' native language.

I am proposing this amendment because I believe that we are being dishonest with linguistic minority groups if we tell them they can take full part in American life without learning the English language. We may wish it were otherwise, but it simply is not so. As the son of an immigrant to an English-speaking country, I know this from personal experience. If I spoke no English, my world would be limited to the Japanese-speaking community, and no matter how talented I was, I could never do business, seek employment, or take part in public affairs outside that community.

Let me explain what the amendment will do, upon its passage by Congress and ratification by three-fourths of the States:

It will establish English as the official language of State, Federal, and local government business;

It will abolish requirements for bilingual election materials;

It will allow transitional instruction in English for non-English-speaking students, but do away with requirements for foreign-language instruction in other academic subjects;

It will end the false promise being made to new immigrants that English is unnecessary for them.

On the other hand, and this is important, there are things the amendment will not do:

It will not prevent the use of any other language within communities, churches, or cultural schools.

That is, Yiddish schools, Hispanic schools, Japanese, and Chinese schools are perfectly all right insofar as their support by local communities, but not by the taxpayer.

It will not prevent the use of second languages for the purpose of public convenience and safety, for example on signs in public places, but it will not allow governments to require multilingual postings or publications.

I am thinking, Mr. President, of such signs as you see in the street sometimes, "Danger, construction area." If this sign

is put up in a building lot in Chinatown, let us say, there is certainly no objection whatsoever to putting signs to that effect in Chinese or any other language that is appropriate for the passerby. So, for purposes of public convenience and safety, other languages may be used wherever necessary. I think that what we have, in Washington, Los Angeles, and San Francisco, street signs in Chinese or Japanese, are perfectly acceptable, because they are also accompanied by street signs in English. They are also acceptable because they give a cosmopolitan flavor to those cities that have them and we are proud of the fact that we are a cosmopolitan culture.

My amendment, Mr. President, will not prevent public schools from offering instruction in other languages, nor will it prevent schools and colleges from requiring some study of a foreign language.

Incidentally, Mr. President, we are crippled in international relations because of our imperfect command not only of the wellknown languages like Spanish, French, German, or Italian, but we have very few speakers of Chinese, Japanese, Russian, Hungarian, Arabic, Thai—some languages some people here ought to know so they can serve our Nation intelligently in diplomatic service or in trade. If we have a huge trade deficit vis-a-vis Japan, for example, it is because they have some Japanese salesmen speaking English in New York, Chicago, Los Angeles, and elsewhere, but we have very, very few Japanese-speaking Americans doing a selling job in Tokyo or Osaka.

So, at the same time that I declare English to be the official language of the United States, I am not trying to discourage foreign language studies.

The ability to forge unity from diversity makes our society strong. We need all the elements, Germans, Hispanics, Hellenes, Italians, Chinese, all the cultures that make our Nation unique. Unless we have a common basis for communicating and sharing ideas, we all lose. The purpose of this proposal is to insure that American democracy always strives to include in its mainstream everyone who aspires to citizenship, to insure that no one gets locked out by permanent language barriers.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 72

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States:

"ARTICLE

"SECTION 1. The English language shall be the official language of the United States.

"SEC. 2. Neither the United States nor any State shall make or enforce any law which requires the use of any language other than English.

"SEC. 3. This article shall apply to laws, ordinances, regulations, orders, programs, and policies.

"SEC. 4. No order or decree shall be issued by any court of the United States or of any State requiring that any proceedings, or matters to which this article applies be in any language other than English.

"SEC. 5. This article shall not prohibit educational instruction in a language other than English as required as a transitional method of making students who use a language other than English proficient in English.

"SEC. 6. The Congress and the States shall have power to enforce this article by appropriate legislation.".

ADDITIONAL COSPONSORS

S. 54

At the request of Mr. HAYAKAWA, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 54, a bill to repeal the provisions of title 23, United States Code, requiring a national maximum speed limit of 55 miles per hour.

S. 259

At the request of Mr. GOLDWATER, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 259, a bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 and older.

S. 441

At the request of Mr. NUNN, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 441, a bill to provide limited assistance by the armed services to civilian drug enforcement agencies.

S. 507

At the request of Mr. BOREN, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 507, a bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to eliminate the national trigger, to provide for an optional State trigger, and to require 20 weeks of employment (or the wage equivalent) in order to qualify for benefits.

S. 568

At the request of Mr. ARMSTRONG, the Senator from New York (Mr. D'AMATO) was added as a cosponsor of S. 568, a bill to amend the Federal Mine Safety and Health Act of 1977.

S. 611

At the request of Mr. THURMOND, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 611, a bill to amend section 5 of the Uniformed Survivors Benefits Amendments of 1980 to provide the same annuity benefits to the surviving spouses of certain former members of the uniformed services who died before September 21, 1972, but after their discharge or release from active duty, as are provided under such section to the surviving spouses of certain former members who died before such date while serving on active duty.

S. 636

At the request of Mr. CRANSTON, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 636, a bill to clarify the Veterans' Administration's authority to recover certain health-care costs, to extend the period of availability of funds committed under the Veterans' Administration program of assistance to new State medical schools, to authorize expansion of the scope of and epidemiological study regarding veterans exposed to agent orange, and for other purposes.

S. 643

At the request of Mr. JEPSEN, the Senator from Montana (Mr. MELCHER), the Senator from New York (Mr. MOYNIHAN), and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 643, a bill to amend the Internal Revenue Code of 1954 to provide explicitly for the exclusion of social security benefits from taxable income.

S. 842

At the request of Mr. HAYAKAWA, the Senator from Utah (Mr. HATCH), and the Senator from North Carolina (Mr. EAST) were added as cosponsors of S. 842, a bill to provide for stability and certainty in planning and management of certain national forest lands.

S. 862

At the request of Mr. ARMSTRONG, the Senator from Delaware (Mr. ROTH), and the Senator from Idaho (Mr. SYMMS) were added as cosponsors of S. 862, a bill to amend the Potato Research and Promotion Act.

S. 884

At the request of Mr. HELMS, the Senator from Florida (Mrs. HAWKINS), and the Senator from Iowa (Mr. JEPSEN) were added as cosponsors of S. 884, a bill to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

S. 941

At the request of Mr. THURMOND, the Senator from New York (Mr. D'AMATO) was added as a cosponsor of S. 941, a bill to authorize the construction and maintenance of the General Draza Mihailovich Monument in Washington, District of Columbia, in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II.

S. 987

At the request of Mr. NUNN, the Senator from North Dakota (Mr. BURDICK) and the Senator from Tennessee (Mr. SASSER) were added as cosponsors of S. 987, a bill to amend the Small Business Act.

SENATE JOINT RESOLUTION 4

At the request of Mr. BURDICK, the Senator from New York (Mr. D'AMATO) was added as a cosponsor of Senate Joint Resolution 4, a joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

At the request of Mr. QUAYLE, his name was added as a cosponsor of Senate Joint Resolution 4, supra.

SENATE CONCURRENT RESOLUTION 18—CONCURRENT RESOLUTION RELATING TO RELIGIOUS FREEDOM IN THE UKRAINE

Mr. GOLDWATER (for himself, Mr. DECONCINI, Mr. DOLE, Mr. HEINZ, Mr.

HUMPHREY, Mr. JEPSEN, Mr. LUGAR, Mr. METZENBAUM, Mr. WILLIAMS, Mr. HATFIELD, and Mr. ZORINSKY) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 18

Whereas the Charter of the United Nations, as well as its Declaration of Human Rights, sets forth the objective of international cooperation "in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion . . ."; and

Whereas in the so-called Brezhnev Constitution of the Union of Soviet Socialist Republics article 52 unequivocally provides that "Freedom of conscience, that is, the right to profess any religion and perform religious rites or not profess any religion . . . shall be recognized for all citizens of the United Soviet Socialist Republic. Incitement of hostility and hatred on religious grounds shall be prohibited;" and

Whereas not just religious or civil repression but the attempted genocide—the absolute physical extermination—of both the Ukrainian Orthodox and Catholic Churches, and all other truly independent religions, in a nation of forty-five million persons brutally violates the basic civilized rights enunciated above: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the President of the United States of America shall take in the name of human rights immediate and determined steps to—

(1) call upon the Government of the Union of Soviet Socialist Republics to permit the concrete resurrection of both the Ukrainian Orthodox and Catholic Churches and other independent religions in the largest non-Russian nation both within the Union of Soviet Socialist Republics and in Eastern Europe; and

(2) utilize formal and informal contacts with Union of Soviet Socialist Republics officials in an effort to secure the freedom of religious worship in places of both churches and all other independent religions as their own constitution provides for; and

(3) bring to the attention of all national and international religious councils the nature of this Stalinist crime and perpetuated violation of basic human rights, with an appropriate appeal to the commitment of their resources toward achieving the objective of this resolution.

● Mr. GOLDWATER. Mr. President, I am today submitting a resolution for myself and several other Senators condemning Soviet persecution of religious believers in Ukraine and asking our Government to assist the right to believe. This fundamental democratic right of all mankind in the case of the Ukrainian nation can be best assured by permitting the resurrection of the Ukrainian Autocephalous Orthodox Church and of the Ukrainian Catholic Church, as well as of other religious bodies in the largest non-Russian republic in the U.S.S.R.

I regret the necessity of offering such legislation, but the fact is that Russian attempts to annihilate religious activity in areas subjugated by the Soviet Union are on the increase, particularly in Ukraine where the spirit of independent thought and religious belief has never been extinguished.

In recent years the Soviet slave masters have tightened restrictions on religious practices, spied on churchgoers, and ruthlessly enforced the official atheism of the Communist government.

Yet through all these persistent attacks on religion, the Ukrainian Orthodox, Catholic, Baptist, Pentacostalist, and other churches have managed to survive, sometimes by literally meeting underground in modern catacombs.

The Soviet struggle against the churches in Ukraine has been particularly brutal because it involves a simultaneous campaign against two pillars of modern Western society—religion and nationality. In Ukrainian experience these forces have been entwined in a centuries-old struggle for survival, and it is for this reason that Soviet persecution of religion in Ukraine contains a genocidal aspect. This is readily apparent from a glance at the fate of the two historical churches of the Ukrainian people, Kiev-centered orthodoxy and Ukrainian Byzantine-rite Catholicism.

The Ukrainian Autocephalous Orthodox Church, which was reborn out of the ashes of the tsarist empire and the demise of official Russian orthodoxy at the time of the creation of an independent Ukrainian state in 1917–20, was subjected to total annihilation by the new Communist masters of the former Russian empire, who in 1922 established an allegedly federalist state known as the Union of Soviet Socialist Republics.

In 1926 the Kremlin-directed persecution of religion intensified an already strong antireligious policy with the arrest of bishops and clergy of the Ukrianian Autocephalous Orthodox Church. In 1930 that church was administratively dissolved by the Soviet Government and incorporated into the official Soviet Russian orthodox church centered in Moscow. Clerical losses included 3 metropolitans, over 20 archbishops and bishops, and over 1,000 priests.

The second historical church of the Ukrainian people, the Byzantine-rite or Uniate Catholic Church, which survived in Ukrainian ethnographic areas outside of the Soviet Union prior to the end of World War II, was forcibly liquidated by Soviet Government authorities in 1945, after the Red Army occupied, and joined to the U.S.S.R. areas in East Europe previously under Polish, Czechoslovak, and Romanian rule. Soviet organs applied traditional police methods in their effort to liquidate this church.

Steps taken by the Government included the arrest in 1945 of the entire Ukrainian Catholic hierarchy in Galicia, nationalization of church property, and registration of all clergy still free. Next followed a Government-controlled campaign to force the Ukrainian Catholic Church into the official Communist-controlled Russian Orthodox Church headquartered in Moscow.

Similar police methods were used in Carpatho-Ukraine, culminating in 1948 in the forced "reunion" of the Ukrainian Catholic Church in that formed Czechoslovak province with the official Soviet Russian Orthodox Church. The losses suffered by Ukrainian Catholics because of the Kremlin's antireligious and antinational policies included the trampling of the natural rights of more than 4 million Christians, liquidation of four dioceses, imprisonment and exile of eight bishops, liquidation of 2,772 parishes, and the seizure of over 4,000 churches and chapels and of 142 monasteries and convents.

Imprisonment and harassment of Catholics continues to this day. It has been recorded that in 1979 alone over 25 Uniates in Ukraine were imprisoned because of their religious convictions and activities.

Today other Christian denominations are also being systematically suppressed. In particular Baptists are penalized for organizing local Sunday school classes for children, and for permitting children to attend religious services. Several Baptists have been imprisoned for such behavior in the past 4 years, as have many Pentecostalists and Seventh-day Adventists.

Amnesty International has documented the criminal sentencing of at least 68 believers of these three Protestant groups from June 1975 to June 1979. Numerous other believers have been imprisoned for several months without trial, sentenced administratively to jail terms of 10 to 15 days, and confined forcibly to psychiatric hospitals. One form of official oppression especially reprehensible is Soviet deprivation of parental rights. Under Soviet law, government courts can take children away from their families if it can be established that parents "neglected their duties" in bringing up children. As the Communists see it, parents have a state duty to educate children in atheism. Thus religious believers, being at odds with this policy, are vulnerable under the law both to imprisonment and removal of their children.

In 1977 and 1978, a Baptist pastor in Ukraine was arrested for simply conducting services in the yard of a believer. The pastor was sentenced to 2½ years of imprisonment for violating public order. Such cases illustrate the dangers faced by religious believers in Ukraine. They may not only be imprisoned explicitly for their religious activity; they often are prosecuted under broader laws relating to so-called "anti-Soviet agitation" and "slander." Moreover, it is common for believers to be confined to psychiatric hospitals under government doctrine that religious belief is a symptom of mental illness.

Harassment of believers includes the common practice of shutting off electricity and water supplies to believers' homes. Singing of hymns in public places is prohibited. Prayer meetings cannot be held in parks or open spaces. Hundreds of prayer houses built with a congregation's own funds and labor have been demolished. And churches are denied almost all attempts to publish religious literature.

Yet the seeds of a religious revival survive in Ukraine and many people persist against all odds in practicing their faith. I believe we, who live in freedom, should applaud this individual courage and recognize the brutal assault against religious expression that is taking place in Ukraine.

We must urge our Government to use every opportunity for raising the state

of religion in Ukraine at international forums and to call upon the Soviet Union to cease its persecution of the universal right of religious belief. It is in line with this conviction that I submit a resolution calling for the resurrection of the historical churches of the Ukrainian people.

I would hope that by adopting the resolution we offer today, we can help move the day forward when religious freedom may once again flourish in Ukraine.●

SENATE RESOLUTION 115—RESOLUTION RELATING TO THE COLLISION OF A UNITED STATES SUBMARINE AND A JAPANESE FREIGHTER

Mr. HAYAKAWA (for himself, Mr. PERCY, Mr. PELL, Mr. GLENN, Mr. SASSER, Mr. GORTON, Mr. CRANSTON, and Mr. STEVENS) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 115

Whereas the United States and Japan are longtime friends and close allies under the Treaty of Mutual Cooperation and Security of 1960;

Whereas the American people have great affection and respect for the Japanese people;

Whereas a tragic collision in the East China Sea on April 9, 1981, between a United States submarine and a Japanese freighter resulted in the loss of two Japanese lives, serious danger to many others, and costly damage to Japanese property;

Whereas serious questions have been raised regarding the cause of this accident and subsequent actions of American personnel; and

Whereas a thorough investigation is being conducted into the causes of the accident which will result in a full accounting as soon as possible to both the Congress of the United States and the government of Japan: Now therefore, be it

Resolved, That it is the sense of the Senate that the United States Senate and the American people express their profound regret for the loss of Japanese life and property, send deepest sympathy to the families of those men who lost their lives, and assure the Japanese people and their government that a complete investigation will be conducted and a full explanation provided regarding this tragedy.

Mr. HAYAKAWA. Mr. President, I am submitting a sense of the Senate resolution expressing our profound regret for the loss of Japanese life and property resulting from the April 9 collision between a U.S. submarine and a Japanese freighter. Senators PERCY, PELL, GLENN, SASSER, GORTON, and CRANSTON are cosponsors of this resolution. I will work for early consideration of the resolution in the Senate Foreign Relations Committee and on the floor. This resolution is intended to let the Japanese know of our deep concern and sympathy and I know it will receive overwhelming support from my colleagues.

SENATE RESOLUTION 116—RESOLUTION RELATING TO PROPOSED MERGER BETWEEN TEXAS INTERNATIONAL AIRLINES AND CONTINENTAL AIRLINES

Mr. LONG (for himself, Mr. DECONCINI, Mr. DOMENICI, Mr. LAXALT, Mr. HAYAKAWA, Mr. INOUYE, Mr. SIMPSON, Mr. JOHNSTON, and Mr. CRANSTON) submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 116

Whereas, Texas International Airlines is attempting to acquire control of Continental Airlines;

Whereas, the empoyees of Continental Airlines have overwhelmingy voted to forego a portion of their future wage increases in order to acquire majority control of their company with an employee stock ownership plan;

Whereas, the issue of whether Texas International or the Continental Airline employees should prevail in this matter is already the subject of Federal District Court litigation in California;

Whereas, such litigation should be protective of the ownership rights and interests of both parties after receiving relevant testimony and hearing legal arguments; and

Whereas, the Civil Aeronautics Board is scheduled to conclude its consideration of Texas International's merger proposal, following full evidentiary hearings. In August 1981: Now, therefore, be it

Resolved, That the Senate of the United States of America urges (1) the Civil Aeronautics Board and other Federal agencies to refrain from any extraordinary action with regard to the proposed merger between Texas International Airlines and Continental Airlines in order to permit the Federal courts to make such determinations as are appropriate for the protection of shareholders, and (2) the Civil Aeronautics Board to proceed with consideration of such proposed merger under its regular procedures which are scheduled to be concluded in August 1981.

● Mr. LONG. Mr. President, I am pleased to join several of my colleagues today in introducing a resolution urging the Civil Aeronautics Board (CAB) to carefully consider proposals concerning the future of Continental Airlines. Two competing groups are currently attempting to acquire a controlling interest in this air carrier. The first is Texas International Airlines; the second is the employees of Continental Airlines.

The issue of the merger of Texas International Airlines and Continental Airlines is presently scheduled to be the subject of full evidentiary hearings before the CAB. In addition, a case is pending in the Federal district court in California concerning which party should prevail in this matter.

On Wednesday, April 29, the CAB has scheduled an extraordinary proceeding to hear oral arguments concerning the protection of Texas International Airlines as stockholders in Continental Airlines. Texas International currently owns 48.5 percent of Continental's outstanding shares. CAB resolution of this issue at this time may determine whether the Continental Airlines employees will be able to go forward with their plan to establish an employee stock ownership plan to acquire a majority interest in their company.

This resolution does not suggest that employee ownership is preferable to the alternative proposed by Texas International Airlines. Instead, this resolution urges the CAB to follow its normal procedures and proceed with its scheduled evidentiary hearings on this matter, which will be concluded in August of this year.

I would like to express my personal support for this courageous group of Continental Airlines employees who are attempting to buy their company. Federal law encourages companies to form employee stock ownership plans (ESOP's) to finance their operations in such a way that employees will own a stake in the company for which they work. This law is the result of more than a dozen pieces of legislation which I have authored over the past 8 years. These employees have given that idea a new twist. They are offering to forgo a portion of their future pay raises—many of which have already been negotiated—to invest in company stock. With that pledge, and with commitments from the company, their ESOP should be able to borrow the money now to buy the necessary shares.

This sale of new stock would bring the company a new infusion of equity, allowing it to draw down existing bank loans and reduce its interest payments. At the same time, unlike proposals to slash wages, the ESOP does not penalize employees. Instead, it gives them an ownership stake in their company, and insures them a larger share in the fruits of their labor.

These employees may also have shown us a new method for revitalizing the American economy. We need to stimulate investment by "supply side" tax policies. The U.S. savings rate, however, is the lowest of any major industrialized nation. To stimulate investment, we also need to spend less now on consumer goods and invest more in capital goods. By taking part of their future wage hikes in stock, these employees are showing us a way to help break the inflationary spiral which is making income gains increasingly less valuable.

Their hope is to use their ESOP to convert the "sweat equity" that they have invested in their company into true equity ownership. These employees have an opportunity to create a showcase airline—one in which the employees themselves become the major shareholders. If they are successful in their efforts—and I hope that they will be—they may well become a model airline—one to which other carriers will look when seeking a formula for success.

In today's deregulated environment, air carriers are struggling to overcome the risks and seize the opportunities created by this new environment. These employees are not asking for protection from competition; nor are they seeking a Government handout. What these employees want is a chance to make it on their own. They feel that they would be best prepared for their fiercely competitive and challenging future if they were to face it as a 51-percent employee-owned company. I expect that they are right. Several studies have shown that companies with substantial employee ownership tend to be more productive and more profitable than those without.

Personally, I would prefer to deal with a company that is substantially employee owned. I think the service would be better. In addition, as any manager can attest, it is the motivated, on-line employee who generally comes forth with the new idea, the new approach, or the new system that can better deliver the product or service.

Airlines are extremely labor-intensive;

in fact, it is the Continental Airlines employees themselves who have largely borne the burden in building this fine company. This highly trained employee group realizes that productivity has very little to do with how hard they work, at least in the sense of physical effort. What counts is how well they work. These employees recognize that ownership can make a substantial difference; thus, they are proposing an employee stock ownership plan to make their company stronger. They feel that their ESOP will create an environment more conducive to productivity and growth. They anticipate an improved interest in work, in work quality, and in job satisfaction.

It is my hope that employee-owned airlines will become a viable alternative to mergers. Whenever the Federal Government is involved in assessing competing plans for providing air carrier service, employee stock ownership arrangements should be viewed as a preferred alternative.

I applaud the Continental Airlines employees on their imaginative and courageous efforts to acquire their company. I hope that they are successful and that their success will be an inspiration not only to other airlines but to other industries as well.●

AMENDMENTS SUBMITTED FOR PRINTING

PARTICIPATION IN SURVIVORS BENEFIT PLAN

AMENDMENT NO. 35

(Ordered to be printed and referred to the Committee on Veterans' Affairs.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill (S. 897) to permit members and former members of the uniformed services who are entitled to retired or retainer pay and who have not elected to participate in the survivor benefit plan under subchapter II of chapter 73 of title 10, United States Code, to elect, for a limited period, to participate in such plan, and for other purposes.

Mr. THURMOND. Mr. President, on April 7, 1981, I introduced S. 897 which provided an open-enrollment period for the military retiree's survivor benefit plan (SBP).

My remarks at that time contained an explanation of one provision which was omitted from S. 897. This provision allows those currently enrolled in the SBP to decrease their level of participation with a corresponding decrease in retired pay reductions. In view of this omission, I am introducing an amendment to S. 897 to include this provision.

Mr. President, I ask unanimous consent for this amendment to be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 4, beginning with line 21, strike out all down through line 2 on page 5 and insert in lieu thereof the following:

(c)(1) Any member or former member of the uniformed services who is participating in the Plan may, within two hundred and seventy days after the effective date of this Act and subject to the provisions of this Act (A) elect to reduce the amount of the annuity previously elected under the Plan by such member or former member, or (B) elect to terminate participation in the Plan if the beneficiary under the Plan on the date of the enactment of this Act agrees in writing to the proposed decrease or termination, as the case may be.

On page 5, line 3, insert "to decrease the amount of an annuity or" before "to terminate".

On page 5, strike out lines 14 through 18 and insert in lieu thereof the following:

(3) The monthly retired pay of a member of the uniformed services who makes an election under paragraph (1) to decrease the amount of the annuity under the Plan or to terminate participation in the Plan shall continue to be reduced under section 1552 of title 10, United States Code, in the same amount such pay was being reduced on the day before the day on which the election was made until such time as the election becomes final. After the election becomes final the Secretary concerned shall appropriately adjust the amount of the reduction being made in the retired or retainer pay of such member or discontinue the reduction, as appropriate.

PRICE SUPPORT AND PRODUCTION INCENTIVES FOR FARMERS

AMENDMENT NO. 36

(Ordered to be printed and referred to the Committee on Agriculture, Nutrition, and Forestry.)

Mr. MATTINGLY submitted an amendment intended to be proposed by him to the bill (S. 884) to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

PRICE SUPPORT AND PRODUCTION INCENTIVES FOR FARMERS

AMENDMENT NO. 37

(Ordered to be printed and referred to the Committee on Agriculture, Nutrition, and Forestry.)

Mr. MATTINGLY submitted an amendment intended to be proposed by him to the bill (S. 943) to provide support and production adjustment incentives for farmers in order to assure the availability of an abundance of food and fiber, and for other purposes.

● Mr. MATTINGLY. Mr. President, today I am introducing an amendment regarding the peanut programs contained in farm legislation previously offered by the administration (S. 943) and Senator HELMS (S. 884). My proposal, different from those previously introduced, realistically reflects the production needs of the peanut farmer, and is consistent with the November 4 mandate for Federal spending restraint.

The present peanut program is a good example of crisis-oriented policymaking which generally results in creating more problems for producers than it solves. Unless we can introduce and pass an effective, long-range program, peanut producers will continue to suffer from uncertainty and instability in financing and marketing their crops.

Specifically, my proposal would:

1982

Retain acreage allotments.

National poundage quota at 1,400,000 tons.

100 percent loan at 520/ton.

Changes in unintentional marketing and weight violations as per Peanut Commission request, etc.

1983

Acreage allotments discontinued.

National poundage quota at 1,260,000 tons (1982—10 percent).

Poundage quota to be allocated among states, counties and individual farms on historical production basis.

Loan level to be determined by Secretary of Agriculture at 100 percent of production cost after taking into consideration diminished cost of production due to discontinuation of allotments.

Assignment of county poundage quotas to be allocated by county Committee giving preference to prior allotment owners who have had owner-grown production on allotment acreage within preceding three years and to rental producers.

1984

National poundage quota at 1,134,000 tons (10 percent less than 1983).

Continue poundage quota allocation among states, counties and individual farms on same basis set forth in the third and fifth items under 1983.

Loan level to be determined by Secretary of Agriculture at 100 percent of production cost.

1985

National poundage quota at 963,900 tons (15 percent less than 1984).

Continue poundage allocations as above.

Loan level as above at 100 percent cost of production.

While I firmly believe my legislation will benefit the peanut farmer, I am convinced that quick enactment of President Reagan's program for economic recovery will be of equal, if not more, importance to the farmer, as well as to all Americans.

Our economy, as everyone knows, is currently in an ailing state. American workers, specifically the farmer, are saddled with unnecessary economic burdens. Inflation has driven the cost of producing crops and the price of food at the marketplace to an intolerant level.

Americans know "that the harder they work the behinder they get." We must depart from the "business as usual" approach to government, for such an approach has proven in the past to be a failure. Congress can help all Americans by quick enactment of the President's proposal. The economic package, which includes budget and tax cuts in addition to a reduction in Federal regulations, will reduce inflation and thereby create economic growth, restore integrity to the paycheck, and create jobs for those who are unemployed.

Mr. President, I offer my proposal and solicit support from my colleagues for both this measure and the President's program for economic recovery.

AUTHORIZATION OF APPROPRIATIONS FOR THE PEACE CORPS

AMENDMENT NO. 38

(Ordered to be printed and to be referred to the Committee on Foreign Relations.)

Mr. CRANSTON (for himself, Mr. PELL, Mr. MATHIAS, Mr. BIDEN, Mr. SAR-

BANES, Mr. TSONGAS, Mr. BAUCUS, and Mr. KENNEDY) submitted an amendment intended to be proposed by them to the bill (S. 848) to authorize appropriations for the Peace Corps, and for other purposes.

Mr. CRANSTON. Mr. President, I am submitting for printing today an amendment to S. 848, the administration's proposed Peace Corps reauthorization measure. The amendment is identical to the text of S. 1015, the proposed Peace Corps Autonomy Act, which I am also introducing today. Hearings on S. 848 are occurring this Wednesday in the Foreign Relations Committee at 10 a.m. I plan to raise the issue posed by this legislation at both Wednesday's hearing and tomorrow's on the nomination of Loret Ruppe to be Director of the Peace Corps.

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Budget Committee will meet to resume markup of the first concurrent budget resolution on Tuesday, April 28, 1981, at 2 p.m. in room 6202 of the Dirksen Senate Office Building. For further information, contact Mr. Bill Stringer of the Budget Committee staff at 224–0538.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will hold a meeting on Wednesday, April 29, 1981, at 9:30 a.m. in room 301, Russell Senate Office Building. The committee will consider the Federal Election Commission's 1982 budget authorization request and other legislative and administrative business.

SUBCOMMITTEE ON WATER AND POWER

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public an additional item to be considered during the Subcommittee on Water and Power's hearing which is scheduled for Tuesday, April 28, at 2 p.m. in room 3110 of the Dirksen Senate Office Building.

Testimony will be received on S. 875, a bill to authorize the generation of electrical power at Palos Verdes irrigation district diversion dam in California.

For further information regarding the hearing, you may wish to contact Mr. Russ Brown at 224–5726.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public that the full committee nominations hearing scheduled for Monday, April 27, before the Committee on Energy and Natural Resources has been postponed until Thursday, April 30, beginning at 2 p.m. in room 3110 of the Dirksen Senate Office Building. The committee will consider the nominations of Robert C. Odle, Jr., of Virginia, to be Assistant Secretary of Energy for Congressional, Intergovernmental, and Public Affairs; R. Tenney Johnson, of Maryland, to be General Counsel, Department of Energy; and William Stewart Heffelfinger, of Virginia, to be Assistant Secretary of Energy for Management and Administration.

For further information regarding this hearing, you may wish to contract Mr. Charles Trabandt at 224–7141.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of public hearings before the Subcommittee on Energy Research and Development on the Department of Energy Authorization for fiscal year 1982.

On Wednesday, April 29, beginning at 2 p.m. in room 3110 of the Dirksen Senate Office Building, Department of Energy witnesses will testify with regard to magnetic fusion and basic energy programs.

On Thursday, April 30, beginning at 9 a.m. in room 6202 of the Dirksen Senate Office Building, testimony will be received from nongovernmental witnesses. Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy Research and Development, room 3104 Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding these hearings, you may wish to contact Mr. Paul Gilman at 224–4431.

SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH, AND RULES

Mr. DANFORTH. Mr. President, the Subcommittee on Federal Expenditures, Research, and Rules of the Senate Committee on Governmental Affairs will hold a hearing Thursday, April 30, at 2 p.m. in room 3302 of the Dirksen Senate Office Building. This hearing is intended to identify current major concerns respecting the operation of the procurement system. It will be a general oversight hearing and will not focus on specific problems; issues raised at this hearing may be addressed in greater depth in future hearings of the subcommittee. The subcommittee will hear from the public contract law section of the American Bar Association, and from member companies of the National Security Industrial Association. This hearing was previously announced in the RECORD.

On May 2, the subcommittee will hold a field hearing in St. Louis, Mo., to investigate problems encountered by contractors in doing business with the Federal Government. At that time, the subcommittee will receive testimony from Fred Weber, Inc., and J. S. Alberici Construction Co., construction contractors; the Gilbert Brass & Aluminum Foundry Co., Union-Sarah Construction Products, and Essex Cryogenics Industries, small business contractors; and the McDonnell Douglas Corp., and the Emerson Electric Co., defense contractors. The subcommittee will seek these contractors' observations on the operation of the Federal procurement system and their suggestions for improving the system. This hearing will be held at the Old Courthouse, Broadway and Market, St. Louis, Mo., in the West Courtroom on the second floor. The hearing will begin at 8:30 a.m. and will conclude at approximately 10 a.m.

On May 13, the subcommittee will hold a hearing in room 5110 of the Dirksen Senate Office Building, beginning at 9:30 a.m., to consider S. 30, the Late Payments Act of 1981, and related measures intended to improve the Federal Government's bill payment performance. Among the measures to be considered will be the Delinquent Payments Act of 1981, a bill which I intend to introduce in the near future with Senator LOWELL WEICKER and others.

Persons interested in any of these hearings should contact Patricia Otto, chief clerk, at 224–0211. Persons wishing to submit testimony for the record concerning the issues addressed in any of these hearings should send such testimony to the Senate Subcommittee on Federal Expenditures, Research, and Rules at 44 Capitol Hill Apartments, Washington, D.C. 20510.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Monday, April 27, through Friday, May 1, for the purpose of marking up the farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN AFFAIRS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to hold hearings this afternoon on the nomination of John Holdrige to be Assistant Secretary of State for East Asia and Pacific Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be permitted to meet during the session of the Senate tomorrow, April 28, for the purpose of holding a hearing on S. 10, a bill to establish a citizens commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SEPARATION OF POWERS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on the Separation of Powers of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Monday, May 4, to hold hearings on S. 823, a bill to provide for payment of losses incurred as a result of the ban on the use of the chemical Tris in apparel, fabric, yarn, or fiber.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON WATER AND POWER

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power of the Energy Committee be authorized to meet during

the session of the Senate on Tuesday, April 28, to consider S. 306 and S. 875.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development of the Committee on Energy be authorized to meet during the session of the Senate on Wednesday, April 29, to hold hearings on the fiscal year 1982 Energy Department authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Energy be authorized to meet during the session of the Senate on Thursday, April 30 to hold hearings for the following nominations:

Robert C. Odle, Jr. for Assistant Secretary for Congressional Intergovernmental Affairs.

R. Tenny Johnson for General Counsel of the Energy Department.

William S. Heffelfinger for Assistant Secretary for Management and Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE OF FEDERAL EXPENDITURES, RESEARCH, AND RULES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Federal Expenditures, Research, and Rules of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Thursday, April 30, to hold hearings on the Federal Procurement System.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TAX CUT ALTERNATIVE—RAISE THE $1,000 PERSONAL EXEMPTION

● Mr. KENNEDY. Mr. President, in the current search for effective methods of tax reduction that, in contrast to the administration's proposal, provides fair share of tax relief for middle-income Americans, one of the most appealing alternatives is to increase the personal exemption from its current level of $1,000.

Recently, Prof. Alan L. Feld of the Boston University School of Law testified before the House Ways and Means Committee in favor of this proposal. In his testimony, Professor Feld provides an excellent analysis of the tax rationale for the personal exemption. He points out that, for equivalent revenue cost, the benefit to middle-income taxpayers is twice as great as under the administration's proposal.

Mr. President, I believe that Professor Feld's testimony will be of interest to all of us in Congress as we consider the forthcoming tax reduction legislation. I ask that the testimony may be printed in the RECORD, together with an op-ed article by Professor Feld on the subject that appeared recently in the Washington Post.

The material follows:

THE VANISHING EXEMPTION

(By Alan L. Feld)

In 1946, when a pound of bread cost about 10 cents, the Internal Revenue Code allowed every person to treat $500 of income as applied to necessities and exempt from income tax. In 1981, when inflation has increased the general price level for all consumer products more than four times the post-World War II level, this income tax allowance for necessities has only doubled, to $1,000 per person. In effect, inflation has cut the tax allowance for necessities by half.

Better known as the personal exemption, the deduction for basic household needs applies to every taxpayer and every dependent. Its function is fundamental in a tax system based on ability to pay. By excluding basic household needs from the tax base, the personal exemption limits the reach of the tax to discretionary income. In operation, the personal exemption provides a bracket below the tax rates stated in the tables, taxing at a zero rate an amount related to family size.

As might be expected, most of the personal exemption claimed do not benefit wealthy people. In 1976, 91.9 percent of all the personal exemptions claimed appeared on returns reporting less than $30,000 in adjusted gross income.

Not surprisingly, the personal exemption no longer hits the mark in sparing necessaries from the income tax. The Labor Department's urban budget for a four-person family for autumn 1979 gives as its "low" budget an average annual expense figure of $12,585. By comparison, a family of four deducts $4,000 in personal exemptions. It can claim another $3,400 deductions for the zero bracket amount, the old standard deduction, but only by giving up an equivalent amount in itemized deductions such as medical expenses and state taxes. The total of $7,400 is about 60 percent of the "low" 1979 budget for necessaries.

Current proposals for tax reduction virtually ignore the personal exemption. The administration's proposals for across-the-board tax rate reduction do not include any adjustment in the personal exemption. Yet an important justification for those cuts lies in the effects of inflation.

Assuming an income earner can obtain the same real income by increasing dollar income just enough to adjust for inflation, the graduated tax rates will push the income up into higher brackets and increase the proportion of a household's income taxed by the federal government. To prevent an inflation-caused tax increase, the brackets need to be adjusted. As we have seen, the argument applies with equal force to the personal exemption. In fact, the present $1,000 level is exactly the same dollar amount for the personal exemption as prevailed from 1932 to 1939.

The personal exemption allocates deductions roughly on a per capita basis. An increase in the personal exemption provides a more even-handed tax reduction than bracket adjustments. For a family of four earning $25,000 in wage income, the administration's proposal would cut taxes by $153 in 1981. If, instead, all the revenue cost went to enlarge the personal exemption, the net benefit to this family rises to $179.

Some purists have criticized the personal exemption as not going far enough because a deduction gives net benefits to high-bracket taxpayers that are greater than those for lower-bracket taxpayers. But, to paraphrase Lincoln, the Lord must have loved lower-bracket taxpayers, for he made so many of them. The personal exemption affects everyone who pays taxes: perhaps for this reason it has no special-interest constituency. To get taxes off the backs of the people, rather than just off the backs of the well-to-do, an increase in the personal exemption is both sound and compassionate.

TESTIMONY OF PROF. ALAN L. FELD

Mr. Chairman and Members of the Committee: My name is Alan L. Feld. I am a Professor of Law at Boston University Law School, specializing in Federal income tax matters. I am appearing on my own behalf and represent no clients in this matter.

I appreciate the opportunity to testify concerning the President's tax proposals. I limit my remarks to an important element omitted from the President's plan for individual income tax cuts. If the Congress adopts reductions in income tax brackets, it also should increase the personal exemption substantially.

In 1946, when a pound of bread cost about ten cents, the Internal Revenue Code allowed every person to treat $500 of income as applied to necessities and exempt from income tax. In 1981, when inflation has increased the general price level for all consumer products more than four times the post-World War II level, this income tax allowance for necessities has only doubled, to $1,000 per person. In effect, inflation has cut the tax allowance for necessities by half.

This deduction for basic household needs, the personal exemption, applies to every taxpayer and every dependent. Its function is fundamental in a tax system based on ability to pay. By excluding basic household needs from the tax base, the personal exemption limits the reach of the income tax to discretionary income. In operation, the personal exemption provides a bracket below the tax rates stated in the tables, taxing at a zero rate an amount related to family size. Many economists have described the deduction in just these terms, as a zero-rate bracket.

Not surprisingly, the personal exemption no longer hits the mark in sparing necessaries from the income tax. The Labor Department's urban budget for a four-person family for autumn 1979 gives as its "low" budget an average annual expense figure of $12,585. In comparison, a family of four deducts $4,000 in personal exemptions. It can claim another $3,400 deduction for the zero bracket amount, the old standard deduction, but only by giving up an equivalent amount in itemized deductions such as medical expenses and state taxes. The total of $7,400 is about 60% of the "low" 1979 budget for necessaries.

The personal exemption also provides special assistance to the blind, the elderly, and students. The blind and the elderly may claim extra exemptions; the benefit for a student derives from allowing him to claim a personal exemption even when a parent claims him as a dependent. These extra benefits accounted for about 10% of the personal exemptions claimed.

Current proposals for tax reduction virtually ignore the personal exemption. The President's proposal for across-the-board tax rate reduction does not include any adjustment in the personal exemption. Yet an important justification for those cuts lies in the effects of inflation. Assuming an income earner can obtain the same real income by increasing dollar income just enough to adjust for inflation, the graduated tax rates will push the income up into higher brackets and increase the proportion of a household's income taxed by the Federal government. To prevent an inflation-caused tax increase, the brackets need to be adjusted. As we have seen, the argument applies with equal force to the personal exemption. In fact, the present $1,000 level is exactly the same dollar amount for the personal exemption as prevailed from 1932 to 1939.

Any increase in the personal exemption carries a substantial revenue cost. A recent estimate put the cost to the Treasury of a $100 increase in the personal exemption at $4.8 billion. But Congress now contemplates tax cuts in far larger magnitudes. In carrying out that task it must choose among different ways to reduce projected tax revenues; it can modify rates, credits or provisions to define taxable income. Mysteriously, the personal exemption rarely emerges as a contender in these choices.

The personal exemption allocates deductions roughly on a per capita basis. An increase in the personal exemption provides a more even-handed tax reduction than bracket adjustments. For a family of four earning $25,000 in wage income, the President's proposal would cut taxes by $153 in 1981. If instead, all the revenue cost went to enlarge the personal exemption, the net benefit to this family rises to $279.

Why has the importance of the personal exemption declined? I believe three misperceptions have contributed to its neglect: income variance, underinclusion and overinclusion.

1. INCOME VARIANCE: THE "PERVERSE" NATURE OF A DEDUCTION

In a progressive income tax a benefit cast as a deduction or exclusion generally favors the well-to-do over other taxpayers. The arithmetic effect of the graduated rate schedule on a deduction produces more dollars saved in tax liability the higher the tax bracket—and the income—of the taxpayer. The same $100 increase in a deduction produces a tax saving for a taxpayer at the 14 percent marginal rate of $14 and a saving of $70 for the taxpayer at a 70 percent marginal rate.

But this observation, without more, oversimplifies consideration of the personal exemption. Not every tax benefit in the Code constitutes a disguised subsidy to a particular group. The income tax levies its progressive rates on a net income base reflecting the taxpayer's ability to pay. The personal exemption appropriately takes the form of a deduction to modify the base and exclude from it the income applied to household necessities, declaring that income unavailable for payment of tax. The personal exemption should not be confused with subsidies like the investment tax credit that are "cleared" through the tax system. In short, any disparate benefit based on different taxpayer marginal rates reflects a proper application of the income tax.

Moreover, whatever the variation in the net benefit per taxpayer by income class, we also should examine the number of taxpayers in each class. As it happens, the number of taxpayers whose marginal rates are relatively low or middling swamps the number of taxpayers in higher brackets. For 1976, 91.9 percent of all the personal exemption deductions claimed appeared in tax returns with less than $30,000 adjusted gross income. An increase in the personal exemption thus turns out to be a relatively good (although imperfect) method for targeting tax relief toward the lower end and middle of the tax bracket scale. Some analysts would prefer a credit against tax instead of a deduction. But in view of the recent repeal of the general tax credit and the small likelihood of a restoration, the personal exemption should be addressed more seriously.

2. UNDERINCLUSION

Tax relief targeted at the poorest members of society will not reach them through changes in the personal exemption. The very poor generally file no tax returns and incur no tax liability. Any increase in the personal exemption would have no effect on these people since it cannot reduce tax liability below zero.

This argument demonstrates the limitations inherent in any adjustment in taxable income, such as a deduction or exclusion, as a means for relieving poverty generally. Direct aid programs may be better instruments for relief of the very poor than changes in the income tax. Of the weapons in the tax arsenal, only a credit against tax, refundable when greater than tax liability, can serve this function. No exclusion or deduction would have the effect of reaching this excluded class. The Code now contains an earned income credit that provides for refundability and in fact seeks to provide limited "negative income tax" relief of this kind.

For all other people, especially low and moderate income taxpayers, the failure of adjustments in tax liability to reach nontaxpayers is irrelevant to choosing between increases in the personal exemption and other provisions for adjusting taxable income or tax rates.

3. OVERINCLUSION

Some households benefit from more than one deduction per person and some analysts may not wish to enhance these extra benefits. The beneficiaries of this special treatment are not easily recognized as the well-to-do, however; they are the blind, the elderly, and students. Although some beneficiaries of these deductions earn substantial incomes, most do not. In 1976, when 5.7 percent of all returns filed reported adjusted gross income of $30,000 or more, 4 percent of the extra personal exemptions for blindness went to taxpayers in this income class, and 6.3 percent of the extra personal exemptions for the elderly.

As for students, a tax benefit for them may strike some as unwarranted, but the considerable public interest in tuition tax credits suggests another view. Without addressing the particulars of those proposals, it hardly seems consistent to reject an increase in the personal exemption because a relatively small part of it may shelter student summer earnings or interest and dividend income.

The role of the personal exemption has declined from inflation and inattention, lulled by misunderstandings of its purposes. It provides far more equal across-the-board tax reductions than the President's proposal. It insulates from tax an amount that covers basic living costs at the same level for all and thereby contributes to a perception of fairness about the income tax. It may be no accident that the failure of the personal exemption to keep pace with the cost of basic household needs correlates with rising suspicion and distrust of the income tax as the nation's central revenue raiser.

The personal exemption affects everyone who pays taxes: perhaps for this reason it has no special interest constituency. To get taxes off the backs of the people, as the President promised, rather than just off the backs of the well-to-do, an increase in the personal exemption is both sound and compassionate.●

VIETNAM VETERANS RECOGNITION DAY

● Mr. DOLE. Mr. President, yesterday, April 26, was National Recognition Day for Veterans of the Vietnam Era. I would like to express my own gratitude to those patriots who gave so much for their country but got so little in return.

As a veteran myself, I can appreciate the needs of this Nation's veterans—and one of those needs is the recognition of the tremendous sacrifice given in the defense of the free world. The Vietnam veteran in this respect has been set apart from all others. After risking life, limb, and in some cases mental health, in a cruel, relentless guerrilla war half way across the world, the Vietnam vet came home to a thankless nation—he returned to a reception that was little more than neutral, one which was knit with resentment of our very involvement in that war. The Vietnam veteran had virtually no choice in his involvement in that war, let alone the involvement of his Nation. Yet he served his duty, despite the great physical danger and mental anguish it cost him. Both during that period of combat and the years following, he was often plagued with the guilt of participating in an unpopular war. His Nation did little to relieve that sense of guilt, and in fact encouraged it.

Mr. President, I feel it is time we truly welcome our Vietnam veteran home, especially in the wake of the resounding welcome that met the American hostages upon their return. It is high time that we recognize the tremendous sacrifices made by the veterans of the unpopular war. Let us hope and pray that future generations of servicemen will take as an example the selfless performance of this unthanked hero.●

OMB DIRECTOR STOCKMAN'S PERSISTENT VIOLATIONS OF THE LAW REGARDING VA HEALTH-CARE STAFFING

● Mr. CRANSTON. Mr. President, Office of Management and Budget Director Stockman has repeatedly and persistently refused to obey the law—section 5010(a)(4) of title 38, United States Code—requiring that he make available to the Veterans' Administration the authority to employ under certain VA health-care accounts not less than the numbers of employees for which Congress has appropriated funds. The VA accounts identified in section 5010(a)(4) are the medical care account, the medical and prosthetic research account, and the medical administration and miscellaneous operating expenses account.

As a result of Director Stockman's apparent unwillingness to comply with this important law by providing the employment authority with respect to the medical care and research accounts, I decided to take the step, unprecedented for me, of suing another governmental official in my official capacity as a Member of this body. Thus, last Thursday, April 23, together with seven Members of the House of Representatives and others, I filed suit against Mr. Stockman in the U.S. District Court for the District of Columbia.

The preliminary statement in the complaint summarizes the substance of this case. It states—

Defendant David A. Stockman has unlawfully prevented the Veterans' Administration from hiring certain health-care personnel, including additional staffing for the readjustment counseling centers established to aid Vietnam-era veterans. Congress has appropriated funds specifically for the hiring of such personnel in Public Law 96-526 and has specifically required the Director of the Office of Management and Budget in 38 U.S.C. § 5010(a)(4) to provide to the Veter-

ans' Administration both the authority to hire them and the funds appropriated therefor. The defendant has frustrated the intent of Congress and nullified the votes of certain of its members, including certain plaintiffs herein, by improperly refusing to exempt such personnel from the hiring freeze imposed by the President on January 20, 1981, and by refusing to provide the authority and release the funds for the employment of such personnel in reliance upon defendant's unauthorized use of impoundment procedures.

Plaintiffs seek to have these actions declared to be in violation of defendant's duty under 38 U.S.C. § 5010(a)(4) to provide to the Veterans' Administration authority for the employment of such personnel and the expenditure of funds therefor no more than thirty days after December 15, 1980, when the appropriation referred to above was enacted, and to have the defendant compelled to fulfill his continuing obligation under that statute to authorize and fund such hiring by the Veterans' Administration.

Mr. President, as the complaint in this suit alleges, Mr. Stockman's violations of section 5010 (a)(4) began in January of this year and continue until today. First, under the strict freeze on Federal Government hiring that President Reagan ordered on January 20, Mr. Stockman failed to exempt—and thus prevented the VA from employing—the numbers of personnel for which Congress had appropriated funds for the three accounts in fiscal year 1981, including approximately 150 of the 176 personnel positions specifically funded to enhance and expand the readjustment counseling program for Vietnam-era veterans.

In a February 19 letter to me—which I discussed and inserted in the RECORD on March 3, 1981, at pages 3432 through 3437—the Comptroller General concluded that so applying the freeze to the VA violated section 5010(a)(4).

Second, when the freeze was lifted in March, Mr. Stockman reduced the VA's personnel ceilings for the medical care and the research accounts to levels below those for which the Congress has appropriated funds. The Acting Comptroller General—in an April 13, 1981, report to the Congress (OGC-81-7), pursuant to the provisions of section 1014 (b) of the Impoundment Control Act of 1974 requiring the Comptroller General to inform the Congress as to whether in his judgment each proposed deferral is in accordance with existing statutory authority—concluded that those ceilings are 1,280 positions below the level mandated under section 5010(a)(4) for the medical care account and 49 positions below the mandated level for the research account.

The reduction in the medical care account ceiling, according to the April 8, 1981, testimony of the VA's Acting General Counsel and the readjustment counseling program director before the House Veterans' Affairs Committee, permits the VA to employ only 62 of the 176 personnel positions originally provided for the readjustment counseling program expansion mentioned above.

Third, on March 10, 1981, in deferral message D81-95 and D81-96, Mr. Stockman has proposed to defer $29.4 million in budget authority in the medical care account, an action which deferral message D81-95 describes as "(reflecting) a decision to defer funds for . . . 1,280 full-time equivalents until the fourth quarter," and $1.7 million in budget authority in the medical and prosthetic research account, an action similarly described in message D81-96 as deferring funds for a certain number of "full-time equivalents until the fourth quarter."

However, Mr. President, as the Acting Comptroller General noted in his April 13 report:

Agency officials told us, and we agree, that these statements are misleading because they imply that the positions will be funded in the fourth quarter. However, these funds are planned to help offset pay increases and reduce the agency's need for a supplemental appropriation. Consequently, it is likely that the deferrals will result in all or part of these positions going unfunded for the rest of fiscal year 1981.

Earlier, in an April 10, 1981, letter to the Chairman of the House Veterans' Affairs Committee, Mr. Stockman made essentially the same statement with respect to OMB's actual intensions both to prevent the VA permanently from employing the levels of personnel for which Congress appropriated funds for the current fiscal year for "medical care staffing" and to use the deferred funds "to partially offset supplemental funds necessary for the October 1, 1980, pay raise."

In light of the effect that the proposed deferrals would have—preventing the VA from employing personnel at levels no less than the mandated ceilings under the medical care and the research accounts—the Acting Comptroller General concluded in this impoundment report that those proposals are unauthorized under the Impoundment Control Act of 1974, and he recommended the adoption of an impoundment resolution disapproving the proposed deferrals as unauthorized. In that regard, Mr. President, I plan to join in the introduction of such a resolution this week, making clear in that resolution that the proposed deferral is improperly submitted under the Impoundment Control Act of 1974.

In an April 27 letter—in response to an April 8 letter that the chairman, SONNY MONTGOMERY, and ranking minority member, JOHN PAUL HAMMERSCHMIDT, of the House Veterans' Affairs Committee, and I, as ranking minority member of the Senate Veterans' Affairs Committee, wrote to the Acting Comptroller General to inquire whether the Director of the Office of Management and Budget was then currently in compliance with section 5010(a)(4)—the Acting General Counsel of the General Accounting Office replied, quoting from the report to the Congress, the conclusions that the deferrals for the medical care and the research accounts are unauthorized.

Mr. President, I ask that the complaint in the lawsuit against OMB Director Stockman and the letters that I have discussed be inserted in the RECORD.

The material follows:

[In the U.S. District Court for the District of Columbia]

CIVIL ACTION No. 81-0979

Congressman David E. Bonior, 1130 Longworth Building, Washington, D.C. 20515, Tel.: (202) 225-2106, and

Congressman Don Edwards, 2307 Rayburn Building, Washington, D.C. 20515, Tel.: (202) 225-3072, and

Congressman Ronald M. Mottl, 2459 Rayburn Building, Washington, D.C. 20515, Tel.: (202) 225-5731, and

Congressman Leon E. Panetta, 431 Cannon Building, Washington, D.C. 20515, Tel.: (202) 225-2861, and

Congressman Thomas A. Daschle, 429 Cannon Building, Washington, D.C. 20515, Tel.: (202) 225-2801, and

Congressman Tony L. Coelho, 216 Cannon Building, Washington, D.C. 20515, Tel.: (202) 225-6131, and

Congressman Byron L. Dorgan, 427 Cannon Building, Washington, D.C. 20515, Tel.: (202) 225-2611, and

Senator Alan Cranston, 229 Russell Building, Washington, D.C. 20510, Tel.: (202) 224-3553, and

Vietnam Veterans of America, Inc., 212 Fifth Avenue, New York, New York 10010, Tel.: (212) 685-3152, and

Robert O. Muller, Executive Director, Vietnam Veterans of America, Inc., 212 Fifth Avenue, New York, New York, 10010, Tel.: (212) 685-3152, Plaintiffs, v. David A. Stockman, Director, Office of Management and Budget, Room 252, Old Executive Office Building, 17th and Pennsylvania Aves., N.W., Washington, D.C. 20503, Tel.: (202) 395-4840, Defendant.

COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

Preliminary statement

1. Defendant David A. Stockman has unlawfully prevented the Veterans' Administration from hiring certain health-care personnel, including additional staffing for the readjustment counseling centers established to aid Vietnam-era veterans. Congress has appropriated funds specifically for the hiring of such personnel in Public Law 96-526 and has specifically required the Director of the Office of Management and Budget in 38 U.S.C. § 5010(a)(4) to provide to the Veterans' Administration both the authority to hire them and the funds appropriated therefor. The defendant has frustrated the intent of Congress and nullified the votes of certain of its members, including certain plaintiffs herein, by improperly refusing to exempt such personnel from the hiring freeze imposed by the President on January 20, 1981, and by refusing to provide the authority and release the funds for the employment of such personnel in reliance upon defendant's unauthorized use of impoundment procedures. Plaintiffs seek to have these actions declared to be in violation of defendant's duty under 38 U.S.C. § 5010(a)(4) to provide to the Veterans' Administration authority for the employment of such personnel and the expenditure of funds therefor no more than thirty days after December 15, 1980, when the appropriation referred to above was enacted, and to have the defendant compelled to fulfill his continuing obligation under that statute to authorize and fund such hiring by the Veterans' Administration.

Jurisdiction

2. This action arises under the Constitution of the United States, Article 1, Section 9, Clause 7, and the Veterans' Health Programs Extension and Improvement Act of 1979, Pub. L. No. 96-151, § 301, 38 U.S.C. § 5010(a)(4) (hereinafter called the "VA Staffing Act"), as will more fully appear below. The matter in controversy exceeds, exclusive of interests and costs, the sum of ten thousand dollars. This

Court has jurisdiction with respect to this action pursuant to 28 U.S.C. § 1331.

Parties

3. Plaintiff David E. Bonior is suing in his official capacity as a United States Congressman who represents the 12th District of Michigan, who is a member of the House Rules Committee, who voted in favor of establishing readjustment counseling centers for Vietnam-era veterans (hereinafter called the "Outreach Centers") and who is a member (and was the first Chairman) of the 31-member Caucus of Vietnam-era Veterans in the Congress (hereinafter called the "VVIC"). He is also suing in his personal capacity as a Vietnam-era veteran.

4. Plaintiff Don Edwards is suing in his official capacity as a United States Congressman who represents the 10th District of California, who is the ranking majority member of the House Committee on Veterans' Affairs and its Subcommittee on Hospitals and Health Care, who is Chairman of the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary and who voted in favor of establishing the Outreach Centers.

5. Plaintiff Ronald M. Motti is suing in his official capacity as a United States Congressman who represents the 23rd District of Ohio, who is Chairman of the Subcommittee on Hospitals and Health Care of the House Committee on Veterans' Affairs and who voted in favor of establishing the Outreach Centers.

6. Plaintiff Leon E. Panetta is suing in his official capacity as a United States Congressman who represents the 16th District of California, who is a member of the House Budget Committee, who voted in favor of establishing the Outreach Centers and who is the Vice Chairman of VVIC. He is also suing in his personal capacity as a Vietnam-era veteran.

7. Plaintiff Thomas A. Daschle is suing in his official capacity as a United States Congressman who represents the 1st District of South Dakota, who is a member of the Subcommittee on Hospitals and Health Care of the House Committee on Veterans' Affairs, who voted in favor of establishing the Outreach Centers and who is the current Chairman of VVIC. He is also suing in his personal capacity as a Vietnam-era veteran.

8. Plaintiff Tony L. Coelho is suing in his official capacity as a United States Congressman who represents the 15th District of California who was a member of the Subcommittee of Medical Facilities and Benefits (now called Hospitals and Health Care) of the House Committee on Veterans' Affairs and who voted in favor of establishing the Outreach Centers.

9. Plaintiff Byron L. Dorgan is suing in his official capacity as a United States Congressman who represents the District of North Dakota and who is a member of the Subcommittee on Hospitals and Health Care of the House Committee on Veterans' Affairs.

10. Plaintiff Alan Cranston is suing in his official capacity as a United States Senator who represents the State of California, who is the ranking minority member on the Senate Veterans' Affairs Committee, and who was Chairman of that Committee during the 96th Congress, was the author and floor manager in the Senate, and voted in favor of, the VA Staffing Act and the legislation establishing the Outreach Centers, and voted in favor of the appropriation measure calling for the employment of the health-care personnel and the funding therefor, the authority for which defendant has unlawfully refused to provide to the Veterans' Administration.

11. Plaintiff Vietnam Veterans of America, Inc., is a not-for-profit corporation (hereinafter called "VVA") organized under the laws of the State of New York. VVA is a national membership organization composed of approximately 6,000 Vietnam-era veterans. The purposes for which VVA is organized include improving the condition of Vietnam-era veterans and assisting disabled and needy war veterans.

12. Plaintiff Robert O. Muller is suing in his official capacity as the Executive Director of VVA. He is responsible for the general supervision of all activities of VVA and was the lead witness to testify in the House of Representatives in support of establishing the Outreach Centers, see Hearings Before the Subcomm. on Medical Facilities and Benefits of the House Comm. on Veterans' Affairs, 96th Cong., 1st Sess. 54–85 (1979). He is also suing in his personal capacity as a Vietnam-era veteran.

13. Defendant David A. Stockman is the Director of the Office of Management and Budget, and is sued solely in his official capacity, provided for by 31 U.S.C. § 16, for failing to discharge the ministerial duty imposed specifically upon him by the VA Staffing Act to provide to the Veterans' Administration both the authority to employ the personnel for whose hiring appropriations have been made for this fiscal year and the funds for such employment.

COUNT I (REFUSAL TO EXEMPT)

14. Preceding paragraphs 1 through 13 inclusive are incorporated herein by reference.

15. The Outreach Centers were established by the Veterans' Administration under the authority of the Veterans' Health Care Amendments of 1979, Pub. L. No. 96–22, § 103, 38 U.S.C. § 612A (hereinafter called the "Vietnam-era Veterans Counseling Act").

16. The VA Staffing Act was enacted subsequent to the Vietnam-era Veterans Counseling Act and provides in part:

"With respect to each law making appropriations for the Veterans' Administration, *there shall be provided to the Veterans' Administration* the funded personnel ceiling defined in subparagraph (D) of this paragraph and the funds appropriated therefor." (Emphasis added.) 38 U.S.C. § 5010(a)(4)(A).

The term "funded personnel ceiling" is defined to mean, "with respect to any fiscal year, *the authorization by the Director of the Office of Management and Budget to employ* (under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operation expenses) *not less than the number of employees for the employment of which appropriations have been made for such fiscal year.*" (Emphasis added.) 38 U.S.C. § 5010(a)(4)(D).

The VA Staffing Act further provides that *"the Director of the Office of Management and Budget shall,* with respect to each [law making appropriations for the Veterans' Administration] (I) *provide to the Veterans [sic] Administration for the fiscal year concerned such funded personnel ceiling and the funds necessary to achieve such ceiling,* and (II) [certify] that [he] has so provided such ceiling . . . not later than the thirtieth day after the enactment of such a law. . . ." (Emphasis added.) 38 U.S.C. § 5010(a)(4)(B).

17. For fiscal year 1981, which commenced on October 1, 1980, Congress appropriated funds, to include funds to support specified personnel ceilings for the three appropriation accounts set forth in the VA Staffing Act at 38 U.S.C. § 5010(a)(4)(D). Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, Pub. L. No. 96–526, Title II, 94 Stat. 3059 (1980) (hereinafter called the "1981 Appropriation Act"). As specified in the joint explanatory statement in the Conference Report accompanying the bill, this appropriation included $6 million for 176 additional staff years for the Outreach Centers. H.R. Rep. No. 1476, 96th Cong., 2d Sess. 17 (1980).

18. Defendant's predecessor complied with the VA Staffing Act by certifying on January 15, 1981, that he had provided to the Veterans' Administration the personnel ceilings, and the funds appropriated therefor, as set forth in the 1981 Appropriation Act.

19. The VA Staffing Act imposes a continuing obligation on defendant with respect to the 1981 Appropriation Act to provide to the Veterans' Administration the "funded personnel ceiling" and the funds appropriated therefor in the latter enactment.

20. On January 20, 1981, the President ordered a "strict freeze" on hiring throughout the Executive Branch. Presidential Memorandum of January 20, 1981, 46 Fed. Reg. 9907 (1981).

21. In implementing the freeze described in the preceding paragraph, defendant created twelve categories of exemptions therefrom, none of which expressly included the health-care personnel to which the VA Staffing Act applies. OMB Bulletin No. 81–6 ¶ 6 (January 24, 1981).

22. In addition to the freeze exemptions described in the preceding paragraph, defendant created three grounds for appeal for additional exemptions, which included exemptions "necessary to assure that . . . applicable provisions of law are carried out." Id., ¶ 7. Despite this provision and the requirements of the VA Staffing Act, defendant refused to exempt health-care personnel, such as those to be hired for the Outreach Centers, whose employment was provided for by the 1981 Appropriation Act. Letter from Dr. Donald L. Custis, Chief Medical Director of the Veterans' Administration, to Plaintiff Don Edwards (February 26, 1981), reprinted in 127 Cong. Rec. 3437 (March 3, 1981).

23. Defendant's actions and omissions set forth in the two preceding paragraphs vitiated the compliance with the VA Staffing Act achieved by defendant's predecessor as described in paragraph 18 hereof, thereby violating defendant's continuing obligations under the VA Staffing Act.

24. Defendant's statutory violation set forth in the preceding paragraph has caused irreparable injury to, among others,

(a) certain members of the Congress, including certain plaintiffs herein, by nullifying their votes in favor of the Vietnam-era Veterans Counseling Act, the VA Staffing Act and the 1981 Appropriation Act, and

(b) certain Vietnam-era veterans and those seeking to promote their welfare, including certain plaintiffs herein, by preventing the establishment of additional Outreach Centers in areas where existing Outreach Centers are geographically inaccessible to veterans eligible to use them, and by preventing the hiring of additional personnel for existing Outreach Centers whose excessive caseload diminishes the quality of the counseling services provided to eligible veterans who use them.

25. Defendant has persisted in his statutory violation set forth in paragraph 23 hereof despite the formal opinion of the Comptroller General of the United States—the official charged by the VA Staffing Act with reporting to the Congress his opinion whether defendant has complied with that Act, 38 U.S.C. § 5010(4)(B)—that defendant's actions as set forth in paragraphs 22 and 23 hereof violated and continue to violate the VA Staffing Act. Op. of Comp. Gen. B–198102 (February 19, 1981), reprinted in 127 Cong. Rec. 3433 (March 3, 1981).

COUNT II (PURPORTED DEFERRAL)

26. Preceding paragraphs 1 through 25 inclusive are incorporated herein by reference.

27. Following the substantial impoundment of funds by the Executive Branch during the second administration of President Nixon, Congress enacted the Congressional Budget and Impoundment Control Act of 1974, Pub. L. No. 93–344, 88 Stat. 297 (codified in scattered sections of 2 and 31 U.S.C.). Title X of the Act, §§ 1001–1017, 31 U.S.C. §§ 665(c)(2) and 1401–1407 (hereinafter

called the "Impoundment Control Act") confers upon the Executive Branch the power, with respect to the ordinary appropriation of funds, to propose to the Congress a deferral of the obligation or expenditure of those funds, during the pendency of which proposal such funds need not be obligated or expended by the Executive Branch.

Whenever the Executive Branch so proposes, the President must transmit to the Congress a special message setting forth the details of the proposal. 31 U.S.C. §§ 1403(a) and 1404(a). The President has designated and empowered the defendant to exercise the function of transmitting such special messages. Exec. Order No. 11,845, 40 Fed. Reg. 13,299 (1975). If either House of Congress passes a resolution of disapproval with respect to such a proposal, the impoundment (i.e., the postponement of the obligation or expenditure of the funds during the pendency of the proposal) must immediately cease, 31 U.S.C. § 1403(b); if neither House passes such a resolution, the impoundment continues as proposed for the fiscal year in question.

28. With respect to appropriations covered by the VA Staffing Act, however, the power set forth in the preceding paragraph to propose a deferral, and therefore the power to postpone the expenditure of funds during its pendency, does not exist.

(a) The Impoundment Control Act itself provides that it shall not be construed as "superseding any provision of law which requires the obligation of budget authority or the making of outlays thereunder." Impoundment Control Act § 1001(4). The VA Staffing Act is such a provision of law.

(b) When considering enactment of the VA Staffing Act, Congress had in mind the provisions of the Impoundment Control Act, which was enacted more than five years before the VA Staffing Act was enacted. S. Rep. No. 177, 96th Cong. 1st Sess. 26 (1979).

(c) The VA Staffing Act requires the defendant to certify that he has provided to the Veterans' Administration the authority for the employment of, and the funds appropriated for, the personnel for which appropriations have been made and to which the VA Staffing Act applies, within thirty days of enactment of the appropriation. 38 U.S.C. § 5010(a)(4)(B). This requirement serves the objective that defendant provide to the Veterans' Administration such authority and funds "immediately upon the enactment of the appropriations act." 125 Cong. Rec. 34985 (December 6, 1979).

The VA Staffing Act's stringent timing requirement for the defendant's certification and the continuing obligation on defendant to maintain the status to which he certifies are completely inconsistent with the power of the defendant under the Impoundment Control Act to postpone (by transmitting to the Congress a special message proposing a deferral) the provision of such authority and funds until the unspecified time when "either House of Congress passes an impoundment resolution disapproving [a] proposed deferral." 31 U.S.C. § 1403(b).

(d) The later enacted and more specific VA Staffing Act controls over the earlier enacted, more general and directly conflicting Impoundment Control Act.

29. Acting purportedly pursuant to his authority under the Impoundment Control Act as described in paragraph 27 hereof, defendant has transmitted a message to the Congress in which he proposes to defer the expenditure of funds for the employment of 1,280 health-care personnel by the Veterans' Administration, including additional staffing for the Outreach Centers, and 74 medical research personnel, for which provision was made in the 1981 Appropriation Act and to which the VA Staffing Act applies. President's Message to Congress Transmitting Rescissions and Deferrals, Deferral Nos. D81-95 and D81-96 (March 10, 1981), 46 Fed. Reg. 16,855 (March 13, 1981).

30. The foregoing action was taken by defendant in conjunction with his withdrawing from the Veterans' Administration the authority for the employment of those personnel and his directing that the funds for their employment be diverted to offsetting partially the necessity of supplemental appropriations for defraying the applicable costs of the October, 1980, federal civilian pay raise. Presidential Message to Congress Transmitting Additional Details on Budget Savings (April, 1981), 17 Week. Comp. Pres. Docs. 406 (April 6, 1981); Letter from defendant to Congressman G. V. Montgomery, Chairman of the House Veterans' Affairs Committee (April 10, 1981).

31. Defendant's action to propose deferrals as set forth in paragraph 29 hereof with respect to all 1,280 personnel for the medical care account and 49 of the 74 personnel with respect to the medical research account is not authorized under the Impoundment Control Act because of the controlling provisions of the VA Staffing Act. Since such action nevertheless has been used by defendant to justify avoidance of fulfilling his obligation under the VA Staffing Act to provide the hiring authority and the funds therefor to the Veterans' Administration, it therefore constitutes a second and separate violation of the VA Staffing Act.

32. Paragraph 24 is incorporated herein by reference.

33. Defendant has persisted in his statutory violation set forth in paragraph 31 hereof despite the formal report to the Congress by the Comptroller General—the official charged by the Impoundment Control Act with reporting to the Congress whether deferrals proposed by defendant are in accordance with existing statutory authority, 31 U.S.C. § 1404(b)—that defendant's deferral actions as set forth in paragraph 29 hereof are unauthorized to the extent that they result in a reduction in the employment authority provided by the 1981 Appropriation Act. Rept. of Comp. Gen. B-200685 (April 13, 1981).

DEMAND FOR RELIEF

Plaintiffs ask that this Court:

(a) declare that defendant's failure expressly to exempt from the hiring freeze those health-care personnel for the employment of whom appropriations were made in the 1981 Appropriation Act, to authorize the Veterans' Administration to employ such personnel and to provide the funds necessary to accomplish such employment, violate the VA Staffing Act;

(b) declare that the defendant's purported deferral proposal under the Impoundment Control Act with respect to such personnel and funds and the withdrawal of employment authority based on such proposal, is not authorized thereunder and violates the VA Staffing Act;

(c) mandatorily enjoin the defendant to provide to the Veterans' Administration the authorization to employ those health-care personnel, including additional staff for the Outreach Centers, and the funds to accomplish such employment, as set forth in the 1981 Appropriation Act; and

(d) provide such other and further relief as this Court may deem just and proper.

Respectfully submitted,

JOSEPH C. ZENGERLE,
Counsel for Plaintiffs.

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., April 27, 1981.

Hon. ALAN CRANSTON,
Banking Minority Member,
Committee on Veterans Affairs,

DEAR SENATOR CRANSTON: Together with Representatives Hammerschmidt and Montgomery, you have requested our opinion as to whether the Director of the Office of Management and Budget is currently in compliance with section 5010(a)(4) of Title 38 of the United States Code. That section requires the Director to provide authority and funds to the Veterans Administration to employ the number of personnel for which the Congress has appropriated funds under the appropriations "medical care," "medical and prosthetic research," and "medical administration and miscellaneous operating expenses." In your letter you indicate that the current hiring ceilings for the Veterans Administration are below those for which the Congress has appropriated funds in the specified accounts.

On April 13, 1981, we sent a rescission and impoundment report to the Congress pursuant to the Impoundment Control Act of 1974 (OGC-81-7, B-200685). In that report we discussed the Administration's proposed deferrals D81-95, D81-96, and D81-97, which deal with the three accounts in question. The report concludes with respect to these accounts on pages 9 and 10:

"In the first two cases, deferrals D81-95 and D81-96 would reduce the funded personnel levels 1,280 and 49 below the mandated levels established by Congress. The level resulting from deferral D81-97 still would be above the mandated level of 832 ***. Consequently, we believe that deferrals D81-95 and D81-96 are unauthorized to the extent they result in a reduction in the personnel levels below those mandated by Congress. In the case of D81-95, the entire reduction is unauthorized, and in the case of D81-96, the reduction of 49 positions of the 74 proposed by the President is unauthorized. No similar problems exists with regard to D81-97."

In the report, we recommended that the Congress adopt an impoundment resolution disapproving deferrals D81-95 and D81-96.

A copy of our report and enclosure, including our February 19, 1981 letter to the Chairman of the Senate Committee on Veterans Affairs, is enclosed.

Sincerely yours,

HARRY R. VAN CLEVE,
Acting General Counsel.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., April 13, 1981.

TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES:

On March 10, 1981, the President's sixth special message for fiscal year 1981 was transmitted to the Congress pursuant to the Impoundment Control Act of 1974. The special message proposes three new rescissions of budget authority totaling $128.0 million; 24 new deferrals totaling $825.5 million and revisions to five previously reported deferrals increasing the amount deferred by $876.4 million as follows:

* * * * *

VETERANS ADMINISTRATION

D81-95: Medical Care, 3610160;

D81-96: Medical and Prosthetic Research, 360/10161, 361/20161, 36X0161;

D81-97: Medical Administration and Miscellaneous Operating Expenses, 3610152.

The deferral message D81-95 states that "this deferral action reflects a decision to defer funds for non-direct case staffing of 1,280 full-time equivalents until the fourth quarter." Similar statements are made in deferral messages D81-96 and D81-97 concerning 74 and 14 full-time equivalents, respectively. Agency officials told us, and we agree, that these statements are misleading because they imply that the positions will be funded in the fourth quarter. However, these funds are planned to help offset pay increases and reduce the agency's need for a supplemental appropriation. Consequently, it is likely that the deferrals will result in

all or part of these positions going unfunded for the rest of fiscal year 1981.

These deferrals pose a legal issue which GAO addressed in a letter to the Chairman of the Senate Committee on Veterans' Affairs, dated February 19, 1981 (Enclosure III). We concluded that 38 U.S.C. 5010(a)(4) requires the Director of the Office of Management and Budget, in each fiscal year, to provide to the Veterans Administration the full funded personnel ceiling for which the Congress has appropriated funds for the year in three specified accounts. Consequently, we concluded that the funds needed to fill these positions could not be deferred or otherwise withheld during fiscal year 1981 even on the basis of a Government-wide hiring freeze.

Deferrals D81-95, D81-96, and D81-97 involve the accounts covered by 38 U.S.C. 5010(a)(4). In the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, Pub. L. No. 96-524, 94 Stat. 3045, 3059, the Congress appropriated approximately $6 billion, $132 million, and $51 million, respectively, for "Medical Care," "Medical and Prosthetic Research," and Medical Administration and Miscellaneous Operating Expenses." The committee reports accompanying the Act, when read with President Carter's budget requests, indicate the following mandated health-care positions under the three accounts:

Medical Care	185,848
Medical and Prosthetic Research	4,418
Medical Administration and Miscellaneous Operating Expenses	832
Medical and Prosthetic Research	4,418
Medical Administration and Miscellaneous Operating Expenses	832

[1] Deferral message D81-95 states that 185,869 positions are involved. The additional 21 positions are funded from sources other than the appropriation involved here. Because our discussion concerns the use of funds appropriated to the Medical Care account, the number of positions relevant to our analysis is 185,848. As required by 31 U.S.C. 5010(a)(4)(C), we reported in letters to the Chairmen of the House and Senate Appropriations and Veterans' Affairs Committees that the Director of OMB had complied with 31 U.S.C. 5010(a)(4) by releasing at least the required number of positions to VA. B-198103, February 3, 1981. However, the letter cautioned that any determination that the Director was in compliance with the law would turn on the application of the presidential hiring freeze to such positions.

As required by law, the Director of OMB certified in letters to the Chairman of the House and Senate Veterans' Affairs Committees, dated January 15, 1981, that the following health care positions had been made available:

Medical Care	[1] 185,848
Medical and Prosthetic Research	4,443
Medical Administration and Miscellaneous Operating Expenses	853

The effect of the President's deferrals would be to reduce the funded positions from the levels previously released by OMB to the following levels:

Medical Care	184,568
Medical and Prosthetic Research	4,369
Medical Administration and Miscellaneous Operating Expenses	839

In the first two cases, deferrals D81-95 and D81-96 would reduce the funded personnel levels 1,280 and 49 below the mandated levels established by Congress. The level resulting from deferral D81-97 still would be above the mandated level of 832 for Medical Administration . . . by Congress. Consequently, we believe that deferrals D81-95 and D81-96 are unauthorized to the extent they result in a reduction in the personnel levels below those mandated by Congress. In the case of D81-95, the entire reduction is unauthorized, and in the case of D81-96, the reduction of 49 positions of the 74 proposed by the President is unauthorized. No similar problem exists with regard to D81-97.

In our February 19, 1981, decision, we noted that OMB officials informally advised us of their view that the required certification did not limit application to these positions of a Government-wide hiring freeze and that a deferral report would satisfy the certification requirement. Subsequently, OMB informally advised us that section 5010(a)(4) is not a mandate which limits the President's authority to propose a deferral under the Impoundment Control Act. Our decision is to the contrary.

Based on the foregoing, we recommend the adoption of an impoundment resolution disapproving deferrals D81-95 and D81-96 on the basis that they are unauthorized under the Impoundment Control Act. This action would require the Administration to make the funds available to fund the positions mandated by the Congress.

* * * * *

We have reviewed the sixth special message. Except as noted above, we have identified no additional information that would be useful to the Congress in its consideration of the President's proposals and we believe that the proposed deferrals are in accordance with existing authority.

MILTON J. SOCOLAR,
Acting Comptroller General.

CONGRESS OF THE UNITED STATES,
Washington, D.C., April 8, 1981.

MILTON J. SOCOLAR, ESQUIRE,
Acting Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR MR. SOCOLAR: We are writing to ask your opinion as to whether the Director of the Office of Management and Budget is currently in compliance with section 5010(a)(4) of title 38, United States Code. The provisions of that section require him to provide the Veterans' Administration with the authority to employ the numbers of personnel for which Congress has appropriated funds in the VA's medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses accounts.

Previously, in a letter dated February 19, 1981, then Comptroller General Staats concluded that section 5010(a)(4) "precludes the administration from using the President's hiring freeze . . . to reduce congressionally funded VA employment levels in those accounts."

On or about March 10 that freeze was terminated, and the VA has now been provided with reduced fiscal year 1981 ceilings for the three accounts involved as follows: medical care—183,188 FTEE's; medical and prosthetic research—4,354 FTEE's; and MAMOE—828 FTEE's. Each ceiling is below the level, as determined in Mr. Staats' February 19 letter, for which Congress has appropriated funds in the account involved.

Moreover, it clearly appears from the VA's revised FY 1982 budget documents that funds appropriated for employment of the numbers of employees intended by the Congress is now being applied to offset a substantial part of the need for a supplemental appropriation to pay for the costs of the October 1980 Federal civilian pay raise. It would be most ironic for the Administration to consider such action to be consistent with the provisions of section 5010(a)(4) because, as the legislative history (set forth, in part, in Mr. Staats' letter, pages 2-3) clearly shows, it was precisely that type of action—the divergence of funds appropriated for certain numbers of VA health-care personnel to help defray the costs of the October 1978 civilian pay raise—that led to the enactment of section 5010(a)(4).

We would greatly appreciate your responding to our request as expeditiously as possible.

Sincerely,

(Signed): G. V. MONTGOMERY, Chairman; JOHN PAUL HAMMERSCHMIDT, Ranking Minority Member; House Committee on Veterans' Affairs.

(Signed): ALAN CRANSTON, Ranking Minority Member, Senate Committee on Veterans' Affairs.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., April 10, 1981.

Hon. G. V. MONTGOMERY,
Chairman, Committee on Veterans' Affairs, U.S. House of Representatives, Washington, D.C.

DEAR SONNY: This is in response to your letter of February 24, 1981, with respect to the imposition of the hiring freeze on employees of the Department of Medicine and Surgery (DM&S).

The freeze was ordered by President Reagan in his memorandum of January 20, 1981, to the heads of executive departments and agencies; that memorandum designated OMB the agency responsible for implementation of the freeze. As stated in the implementing OMB Bulletin (81-6), the general authority under which OMB acted is contained in the Budget and Accounting Act of 1921, as amended.

The hiring freeze has now been lifted since new personnel ceilings have been established for executive branch agencies in the course of arriving at the revisions to the Carter budget for FY 1982 which were announced on March 10.

We believe that a temporary hiring freeze is not inconsistent with the full-time equivalent (FTE) employment certification, since the agency would be able to use all available staff years after the freeze is lifted. Further, we do not believe that there is legal justification for interpreting the certification required of the OMB Director as imposing a limitation on the President's authorities with respect to a Government-wide directive of the nature involved in this instance. In the case of staffing reductions, recently proposed, we believe that the provisions of the Budget and Impoundment Control Act and the certification requirement would be satisfied with a deferral report to the Congress delaying availability of some funds appropriated for medical care staffing, and used to partially offset supplemental funds necessary for the October 1, 1980, pay raise.

In view of the fact that the VA is second only to the Department of Defense in employment, and is the sixth highest Federal agency in expenditures, any overall reduction of Federal spending and employment cannot, equitably, leave the agency untouched. We believe that the reductions proposed in the Reagan budget revisions are reasonable. Thank you for the support you have given to President Reagan in his efforts to control Federal spending.

Sincerely,

DAVID A. STOCKMAN,
Director.●

THE WILDERNESS IDEA IN AMERICAN HISTORY

● Mr. KENNEDY. Mr. President, the current issue of the Idaho Law Review contains an excellent article by Brock Evans, entitled "The Wilderness Idea as a Moving Force in American Cultural and Political History."

Mr. Evans is the associate executive director of the Sierra Club and the director of its Washington office. This ar-

ticle is especially significant at this time, when the environmental movement is under increasing attack by an active coalition of narrow interest groups who are attempting to portray the supporters of wilderness values as zealots far from the center of American political life.

For example, John B. Crowell, the administration's nominee for Director of the Forest Service, has referred to those who hold such values as—

A small band of devotees who over the years preached their cause . . . with unremitting fervor and zeal. They have won an impressive number of converts for reasons best left to explanations of sociologists, psychologists, and theologians.

As Mr. Evans' article eloquently demonstrates, the wilderness idea has been a moving force in our history since the founding of the Republic. In the writings of Washington Irving, James Kirk Paulding, James Fenimore Cooper, and William Cullent Bryant, the wilderness appears as a central theme. A conviction that the wilderness must be preserved for future generations has also been at the heart of our political system. It helped to guide the administrations of Abraham Lincoln, of Theodore Roosevelt, and Franklin Roosevelt, and of every President in recent years.

Mr. President, I commend this fascinating article to my colleagues and to all who care about America's magnificent environment.

The article follows:

[From 16 Idaho Law Review 389 (1980)]

THE WILDERNESS IDEA AS A MOVING FORCE IN AMERICAN CULTURAL AND POLITICAL HISTORY

(By Brock Evans*)

The word "wilderness" has, in the last quarter of the twentieth century, become enshrined with a special magic and aura in America. The term, in the minds of most of us, evokes mental vistas of great jagged mountains soaring into the sky; wild rivers dancing in the sun; vast expanses of cool, green forest; and the last home of those animals which symbolize our mythology about ourselves—the eagle, the mountain lion and the grizzly bear.

The word also evokes many memories of the romantic past of the American Frontier: Kit Carson; Jim Bridger; Lewis and Clark; the Mountain Men. . . . "Wilderness" is what the land was like when they passed this way for the first time.[1]

The word "wilderness" in our culture has a distinct political and legal meaning that is unique throughout the world. Ever since the passage of The Wilderness Act in 1964,[2] "Wilderness" has meant specific geographic areas, with specific characteristics and specific boundaries drawn around them by an Act of Congress. Wilderness with a small 'w' has acquired its own specific legal meaning: those areas which meet the criteria set forth in The Wilderness Act[3] (and are thus "wild" in the commonly understood sense of the word) but are not legally protected by statute. As of January 1, 1980, a total of 19.3 million acres (0.84% of the United States, including Alaska) were part of the Wilderness Preservation System. The best available inventories indicate that approximately 137.9 million more acres could possibly qualify under the terms of the act.

In large part, the special emotional and political reverence for wilderness in our society has much to do with our history and evolution as a people. Our three hundred year contact with the frontier, a wild and awesome sort of frontier not known in Europe for over a thousand years, became the single most powerful factor which transformed us as a people and made us no longer Europeans, Asians or Africans, but something consciously and distinctly different and new—Americans.

The theme of wilderness, the theme of our relationship with it, our effort to subdue it and eventually our admiration for it, became one of the major sources and inspirations of much of our native art and literature. Washington Irving, while in England, wrote of the benefits of "my own country" in his *Sketch Book* (1819–1820) and remembered "her valleys, teaming with wild fertility . . . her boundless plains . . . her trackless forests."[4] William Cullen Bryant, in such poems as "Thanotopsis" (1811), "A Forest Hymn" (1825) and "The Prairies" (1833), spoke of the beauties of wild nature, and suggested retreat into wild places for reassurance and an end to "the sorrows, crimes and cares" of civilized life.[5] In 1872, Bryant edited and wrote the introduction for a *Picturesque America*,[6] a scenery album, one of the forerunners of the thousands of large picture books about the American wilderness that graced coffee tables throughout America a century later.

Novelists also responded. As early as 1818, James Kirke Paulding in *The Backwoodsman* has his protagonist leave the Hudson Valley to "roam in western wilds."[7] James Fenimore Cooper, beginning with *The Pioneers* (1832), the first native American bestseller, discovered and amplified the literary possibilities of wilderness in his highly popular *Leatherstocking Tales*[8] that followed in the next eighteen years. "The *Leatherstocking* stories and other early 'backwoods' novels of Robert Montgomery Byrd, Timothy Flint, and William Gilmore Simms were preeminently American fiction because they bore the stamp of the unique (the wilderness) in the American environment."[9]

The poets and novelists were not alone. Artists picked up the theme. The first and most noteworthy artist of the period was Thomas Cole, an English immigrant who settled with his family in the upper Ohio valley, and was so moved by the wild forests of that region that he determined to translate his feelings into pictures. In 1825 he moved to New York, and his early paintings of the Catskill Mountains, "Mountain Sunrise", "Landscape with Treetrunks", and "View Near Ticonderoga" excited the artistic community. Cole's writings, as well as his paintings, inspired others, and by the time of his death in 1848, a whole new school of painting had sprung up. Ashur Durand, who with Cole co-founded the Hudson River School of painting, directly encouraged an American art form emphasizing the wilderness: "Go not abroad then in search of material for the exercise of your pencil, while the virgin charms of our native land have claims on your deepest affections."[10] America's "untrodden wilds, yet spared from the pollutions of civilization, afford a guarantee for a reputation of originality that you may elsewhere long seek and find not."[11]

Other painters followed. Frederick E. Church, a student of Cole's, produced "Sunset" as a result of an 1856 camping trip in the wilds of northern Maine. Four years later he painted "Twilight in the Wilderness", one of the most magnificent expressions of the feelings of sublimity, vastness and awe felt by the past two generations of writers, poets, and painters who experienced the immensity of the virgin continent spread out before them.

In the latter half of the nineteenth century, a new generation of landscape painters crossed the Mississippi and found a wilderness even more mightly and awesome. Albert Bierstadt, beginning in the early 1860's, painted many famous wild places: Yosemite, Yellowstone, the Grand Canyon. Thomas Moran used huge canvasses and dazzling colors to express his emotions upon contemplating the immense American wilderness. Moran, also an explorer who participated in the first Yellowstone expedition of 1871, painted Wyoming's Teton Range, California's Sierra, and the Mountains of the Holy Cross in Colorado.

These literary and artistic expressions of a growing feeling, at least among the American intelligentsia and literati, about the unique wilderness of their country, was finally given a philosophical framework in the writings of Henry David Thoreau.

On April 23rd, 1851, Henry David Thoreau, slight and stooped, ascended a lecture platform before the Concord Lyceum, "I wish", he began, "to speak a word for nature, for absolute freedom and wilderness". Thoreau promised his statement would be extreme in an effort to answer the numerous champions of civilization. "Let me live where I will", he declared, "on this side is the city, on that the wilderness, and ever I am leaving the city more and more and withdrawing into the wilderness." Near the end of the address he concentrated his message in eight words: "In Wilderness is the preservation of the World".

Americans had not heard the like before. Previous discussion of the wilderness had mostly been in terms of romantic or nationalistic cliches. Thoreau tossed these aside in an effort to approach the significance of the wild more closely. In so doing he came to grips with issues which others had only faintly discerned. At the same time, he cut the channels in which a large portion of thought about wilderness subsequently flowed.[12]

It was thus, in the first half of the nineteenth century, that the concept of wilderness as something to be valued and not feared, as something beautiful and sublime, the ultimate expression of God's creation, and perhaps above all, as the one single fact about the new nation that made it different and therefore superior to the tired, settled lands of the old world, was of great force among the leaders of American thought and culture.

Along with this growing sentiment extolling the beauty and value of wilderness came an increasing lament that it was fast vanishing. John James Audubon in his *Birds of America* (1827–28), traveling through the Ohio Valley, wrote about the "destruction of the forest", and concluded that "the greedy mills told the sad tale that in a century the noble forests . . . should exist no more."[13]

James Fenimore Cooper expressed similar sentiments in *The Prairie*,[14] and William Cullen Bryant was equally pessimistic. After a visit to the Great Lakes in 1846, he became convinced that soon the "wild and lonely woods" would vanish.[15] Francis Parkman, Jr., a Bostonian, emphasized the key role of the wilderness in American history and lamented the "final doom" of both the American forest and the wild Indian.[16]

A few began to advocate specific governmental protection of wild areas. In an article in *Atlantic Monthly* in 1958, Thoreau defended wilderness and said, "[w]hy should not we . . . have our national preserves in which the bear and the panther, and some even of the hunter race may still exist, and not be 'civilized off the face of the earth',—our forests . . . not for idle sport or food, but for inspiration and our own true recreation"?[17]

In 1859, he advocated reserving wild areas,

contending that each Massachusetts township should have a park or primitive forest of 500 to 1,000 acres.[18] An Albany lawyer, Samuel H. Hammond, took up the theme, and starting in the 1840's, when writing about his trips to the Adirondack region, repeatedly advocated protecting a large part of that wild region to be "a forest forever", in which "the old woods would stand . . . always as God made them." [19]

Given this rising chorus of artistic, literary, and philosophical expression, political expression was not far behind. As early as 1832, a natural object, the Arkansas Hot Springs, had been set aside as a natural reservation.[20] This was followed in 1864 when President Abraham Lincoln signed a law granting the federal lands of Yosemite valley to the state of California as a Park "for public use, resort and recreation." [21] The stage was thus set for the creation of the great national park and wilderness systems as a final and most dramatic expression of this powerful ideal which had been nearly a century in the making.

It happened in 1872, after a party of explorers came back from an expedition into the half-mythical region of the Yellowstone (in what is now northwest Wyoming) bearing wonderous tales of geysers and hot springs and streams too hot to touch bubbling through the trackless forest. Sitting around a campfire in this strange wilderness during the expedition, the explorers discussed how such splendor should be dealt with. Most wanted to lay claim to various parts of it for private speculation, but a few, led by Cornelius Hedges, an easterner serving as U.S. District Attorney in Montana, advocated instead that it should be set aside as a great national park. This idea gained support as it excited the public imagination. On March 1, 1872, President Ulysses Grant signed an act designating over two million acres of the region as Yellowstone National Park. The key words of the statute are worth repeating here:

"The (Yellowstone) region is hereby reserved and withdrawn from settlement, occupancy or sale . . . and set aside as a *public park and pleasuring ground* for the enjoyment of the people . . . (the Secretary of the Interior) shall provide for the preservation . . . of all timber, mineral deposits, natural curiosities, or wonders within such park in their *natural conditions*." [22]

The emphasized phrases say something very important about our natural character. They seems to crystalize and focus the natural attitudes about the American wilderness that had been growing and spreading during the early years of the century. Here, for the first time in the history of the planet, a whole people had made a conscious decision to set aside and refrain from developing an immense tract of wilderness. More important was a specific expression, "pleasuring ground", meaning the lands so set aside would give pleasure just as they were, just *because* they were. These lands were many miles from the nearest settlement railroad—far more remote than anything in Alaska is for us today.

To be sure, the focal point of the debate which led to the creation of the park was that its hot springs and geysers would eventually become a great tourist attraction: but the wilderness idea was there, plainly enshrined in law.

The first test of whether Congress and the American people were truly committed to wilderness did not come until some years later, when in 1886, a railroad company attempted to secure a right-of-way across the park, to reach a mine. The arguments used by the proponents of the railroad have a familiar ring today: "I cannot understand the sentiment", said Representative Lewis Payson of Illinois, "which favors the retention of a few buffalos to the development of mining interests amounting to millions of dollars." [23]

The reply, although in more flowery language than we are accustomed to, also has a familiar ring in today's battles over wilderness. Representative William McAdoo of New Jersey stated: "The glory of this territory is its sublime solitude. Civilization is so universal that man can only see nature in her majesty and primal glory, as it were, in these as yet virgin regions." McAdoo urged his colleagues to "prefer the beautiful and more sublime . . . to heartless mammon and greed of capital." [24] The final vote, turning down the railroad's application for right-of-way, was 107 to 65. Thus, the battle over the remaining American wilderness had begun and the tenor and character of all debates to follow on the subject had been set.

Just the year before, Governor David B. Hill of New York State signed into law a bill establishing "a forest preserve" in the Adirondack mountain region of 715,000 acres that was to remain permanently as "wild forest lands." [25] The wilderness movement was now in full swing and from these two great political expressions there poured forth in the following century: the creation of the National Park System in 1916; the establishment of the first wilderness-type area on the national forests in 1924 (then called the Gila Primitive Area); the beginnings of the Fish and Wildlife Refuge System in the 1930's; and the creation of the National Wild and Scenic River System in 1968. To each of these systems have been added millions and millions of acres of the wildest, most beautiful, and most sublime places remaining on the continent. If and when the Alaska reservations now under consideration by Congress are passed, each of the systems mentioned will more than double. President Carter has already taken executive actions which, if left standing by Congress, will assure this result. It is an awesome and outstanding record, but it is more than that. It is a concept uniquely American, shaped and created by a melange of scientists, philosophers, explorers, literati, novelists and painters—shaped by them and then given political force by the representatives of all the people. From these beginnings, the idea that wildlands give pleasure to humans, that they are valuable in and of themselves, has spread and been exported to the whole world. Most countries now have National Park Systems or something resembling them. And so it seems that as our growing numbers transform the earth from an object which less and less resembles its appearance as our ancient home, some places shall always retain their virgin beauty.

This narrative brings us to the state of the wilderness movement today and to some discussion of its grassroots and political nature. But first it is necessary to turn back once more, because we have only discussed the development of the wilderness idea in our country, as if it were something quite natural and easy. Quite the opposite is true. Before we can hope to understand the situation today we must understand the extremely deep and powerful strain in our culture that existed then and is very much with us now—the urge to develop and to exploit and, concomitantly, the idea that wilderness is something repugnant, to be avoided, to be conquered. This ideology is a powerful part of our national character.

The beginning of this attitude goes back at least to the time of the first North American settlements. William Bradford, stepping off of the Mayflower, expressed his feelings of contempt and disgust at the "hideous and desolate wilderness" into which he was entering.[26] With few exceptions, nearly all the written expressions of pioneers or those who must make their living from the wilderness, continue this tradition. Cotton Mather wrote in 1702 about the "difficulties of a rough and hard wilderness",[27] a sentiment supported a hundred years later with equal vigor by the Chillicothe Supporter. "Looking only a few years through the vista of futurity, what a sublime spectacle presents itself! Wilderness, once the chosen residence of solitude and savageness, converted into populous cities, smiling villages, beautiful farms and plantations!" [28]

This constant struggle of American pioneers engaged in the daily, back-breaking work of cutting down the immense forests of giant trees to create farms, struggling with the vagaries of a severe climate, and beset often by attacks from the Indians who resided there and whose lands they were dispossessing, gave rise to a military vocabulary when referring to the wilderness.

Countless diaries, addresses, and memorials of the frontier represented wilderness as an "enemy" which had to be "conquered", "subdued" and "vanquished" by a "pioneer army". The same phraseology persisted into the present century. An old Michigan pioneer recalled how, as a youth, he had engaged in a "struggle with nature" for the purpose of "converting a wilderness into a rich and properous civilization." Historians of the westward expansion chose the same figure: "they conquered the wilderness, they subdued the forest, they reduced the land to fruitful subjection".[29]

The work of this army of "civilizers and conquerors" was, looking back on it, incredibly efficient and powerful. In the short space of less than three centuries the immense wilderness that was a whole continent had vanished and been subdued. The visions of the early writers and pioneers had been realized beyond their dreams for they have created the mightiest nation on earth, a land of growing cities and powerful industries, fed by a bounteous agriculture that was the envy of the world. While there was still much "wilderness" left, even by the middle of the twentieth century, what was there had by and large been reduced to arid or mountainous highlands in the most remote and inaccessible places, by-passed because there were few resources worth exploiting.

Nevertheless, so great had been the impact of three hundred years of constant strife and conflict with the wilderness on our national psyche that the rhetoric of the struggle persists strongly even to this day, and offers a direct contrast to that whole other body of thought and philosophy, the feelings and reverence previously described. Every public hearing on the subject of creation of a new wilderness area or national park in the past two decades is replete with the same statements of contempt and disgust for the wilderness and a strong expression that it is in the best interest of the nation that it be quickly subdued and developed for the economic benefit of the nation. The long and bitter struggles of the late 1950's and early 1960's that led to the creation of the Three Sisters Wilderness, Oregon (1957); the Glacier Peak Wilderness, Washington (1960); the Selway-Bitterroot Wilderness, Idaho and Montana (1963); and the North Cascades National Park, Washington (1968) are full of testimony from the lumbermen that God put those trees there to be used, not wasted in a wilderness; that to "lock up" those wild, mountainous tracts would result ultimately in the atrophy of the national economy. There were even suggestions during the North Cascades hearings that environmentalists seeking to create that park were perhaps agents of an unnamed foreign power who sought, through the device of parks and wilderness, to weaken national security.

This theme, echoed continuously in the years of public hearings around the country preceeding the creation of the National Wilderness Preservation System Act of 1964, continues up to the present day. Representatives of nearly every construction-oriented labor union and Chamber of Commerce in

Footnotes at end of article.

Washington, Oregon and Idaho appeared at hearings conducted by the Federal Power Commission on the subject of dams in Hells Canyon (in September of 1968) to argue that if the dams were not built thousands of people would be out of work. Power company brochures promoting the two dams in the deep gorges of Hells Canyon on the Snake River referred to the Snake as "the river that wants to work", and described that spectacular region as a barren and lifeless place where nobody wants to go anyhow.

One of the most succinct expressions of the nineteenth century frontier philosophy manifested during the turbulent years of controversy that resulted finally in the statutory creation of the 668,000 acre Hells Canyon National Recreation Area in 1975, prohibiting the dams forever, was in the following personal letter:

"I wonder if it would do you some good to go to the library and read a little history regarding the need for the passage of the Homestead Act. Then study a little history regarding how the West was settled and the relationship between homesteaders and the growth and civilization of the West. Then you might try to imagine yourself as one who settled in the Snake River area, who struggled with blood and sweat and tears to survive, and who now finds the benevolent federal government telling him he has to sell the land at a price set by a benevolent federal government appraiser.

"All this so that a few motorists will be able to camp amid the snakes." [30]

These powerful emotions, resulting from deeply felt convictions that designations of wilderness areas and parks are not only somehow destructive of the national and local economies, but also are somehow morally "wrong" persists to this day. Most newspapers in the state of Alaska have editorialized regularly against efforts by national conservationists to reserve up to 120 million acres of unallocated federal land in the state.[31]

The Alaskan legislature, in 1979, appropriated a total of 2.5 million dollars of public funds to hire the best lobbyists money could buy to oppose the legislation; and unknown, but presumably equally large sums have been spent on the issue by the other traditional opponents of wilderness legislation—the timber, mining, and oil industries.

Thus, we have traced the evolution and development of two opposite and contradictory, yet equally powerful, strains of our national character regarding wilderness: a love and reverence for it and a desire to protect it; and a dislike and contempt of it manifested in an equally strong desire to conquer or subdue it. It can be seen from this analysis, that although arguments over whether or not to protect wilderness are usually couched in economic terms by its opponents on one hand, and on the benefit to future generations by its supporters, the differences are in essence truly ideological. In the author's experience, it has been quite rare that any actual or long-sustained economic hardship has ever resulted, even to local communities, by the creation of wilderness areas—generally for the reason that the areas so created are usually only marginally exploitable at best.

Nowhere in the lower 48 states have these values clashed as prominently and over such long periods of time as in the American Northwest, the states of Washington, Oregon, Idaho, Montana, and Wyoming. This is probably due not only to the fact that the largest blocks of wilderness to be found in the lower 48 states remain in these states as we enter the last quarter of the twentieth century, but also because a relatively large proportion of the local population has made its living directly or indirectly from the extraction of primary resources, some of which could be had from the remaining wild lands.

Footnotes at end of article.

It is the author's admittedly biased opinion, that the wilderness resource in these states most clearly and magnificently represents the classic American idea of the term: huge mountains, vast expanses of uncut forest, large untamed rivers, and that sense of immense space and vastness which still permits travelers from elsewhere to experience, recapture or recreate the sense of awe, majesty, and reverence of the sublime that fired the imaginations of the early writers, explorers, artists and scientists of the nineteenth century when the concept was born.

THE WILDERNESS CONTROVERSY IN THE NORTHWEST

Perhaps the first observation to make about the creation of wilderness areas or national parks in the Northwest has been the generally long period of time, from the beginning of an active campaign to final establishment by Congress. The campaign to create a North Cascades National Park took eleven years from its beginning in 1957; an equally long time was taken in the campaign to add the famous Minam River Valley to the Eagle Cap Wilderness in eastern Oregon (1961–72). It took twenty-five years to save the little valley of French Pete Creek in western Oregon from the time the campaign began in 1953; and eight years to save Hells Canyon as a federal preserve (1967–75). Prolonged struggle over the Magruder Corridor additions to the Selway-Bitterroot Wilderness in Idaho and Montana began in 1963 and it will likely not be resolved until this year; [32] and a host of other well-known places, now a part of the Wilderness System—Lincoln Scapegoat, Absaroka, and Middle Fork Flathead in Montana; Sawtooth in Idaho; Alpine Lake in Washington; and Kalmiopsis in Oregon—all have taken nearly as long.

Although this phenomenon, of long struggles to create protected wilderness, is quite typical of the Pacific Northwest, it is by no means restricted to that region. Campaigns to protect the Big Cypress region of the Everglades in Florida, the Big Thicket in Texas, the wild gorges of the Grand Canyon in Arizona, the Golden Trout region of the southern Sierra in California, and the Boundary Waters Canoe Area of northern Minnesota all have their own long history. But it is also a fact that the creation of many other similar areas in other parts of the country have also been accomplished in a relatively short period of time, e.g., Congaree Swamp National Monument, a 15,000 acre virgin hardwood forest (1973–76). In most situations Northwest lands are set aside only after many years. Why is this so? The answer invariably goes to the heart of the politics of wilderness and the clash between conflicting value systems which are reflected more intensely in the Northwest than perhaps anywhere else in the United States.

The essence of the politics of the creation of wilderness is local—the grassroots. Wilderness can only be finally protected by the passage of an Act of Congress, a law. By the obvious fact of its locality, all wilderness and park issues are matters of specific jurisdictional locales. The politics of wilderness are therefore quite different from the politics of, say, civil rights, health care, or new weapons systems. As we have seen, the ideological debates about the future and direction of wilderness policy in this country are every bit as fierce and intense as those over any of the subjects mentioned above or dozens of others that occupy our national life. The big difference in the case of wilderness/parks politics is that a new area can rarely be created unless there is substantial local support for it in the Congressional district, or at least in the state where the area is to be found. It is this fact alone that accounts for the extreme length of time necessary to achieve protection of wild areas in the American system. In the case of the North Cascades, duplicated in all other wilderness struggles, the campaign was launched by a small band of conservationists facing either active antipathy from most of the media and politcians of the state and district involved, or at best, public apathy. In the case of Hells Canyon, the only issue for twelve years prior to the launching of the conservationists' campaign to save it, had been which entity, private or public, was going to build the dams—not whether any were going to be built at all.

Thus, what public and media sentiment there was had always been in favor of building at least some dams, and the concept of actually protecting this deepest gorge on the North American continent, Hells Canyon, had rarely been discussed.

The fundamental requirement then for creation of a wilderness or park area in the United States has had to be the existence of a strong local organization or at least leadership, in the state and districts involved. Because it is also true that most wilderness areas are to be found in relatively remote regions, often heavily dependent upon the local extractive industry for the basis of its economy, the creation of a political climate in which the local Congressman or Senator can feel comfortable in supporting a wilderness area is a long and arduous task. It is not often, at least in the Northwest, that a Senator or Congressman is willing to go the front on a crusade as did Senator Robert Packwood (R–OR) in the case of Hells Canyon and Senator Frank Church (D–ID) in the case of the Wilderness System Act, in 1964.

It should be noted that active public support by the Congressman or Representative, while desirable, is not finally necessary to the actual creation of the area; neutrality is often sufficient, at least in the early stages of the battle. The expression of neutrality on the part of a local Congressman will at least often permit the Chairman of the relevant subcommittee in the House and Senate to conduct hearings on the area, something they would ordinarily not do if they had received expressions of opposition. The reason of this intense local focus is due to the great strength of the principle in the U.S. Congress of "comity"; that is, a feeling, often verbally expressed, that each Senator or Congressman knows what is best for his or her district or state, and a Representative from outside will not interfere even if they would like to, because of the fear that later on they might be in a similar situation and desirous of similar support from their colleagues.

This principle of comity operates in spite of the fact that, almost without exception, the lands involved are federal lands, generally parts of the National Forest System or the public domain administered by the Bureau of Land Management. All the people of the United States pay taxes to maintain and operate the agencies which administer the land, and often the actual financial contribution of the states or districts in which the areas are found is quite a bit less. Nevertheless, the old principle expressed so often during the religious wars of the sixteenth century in Europe: "Cuius regio eius religio" (whose the kingdom, his the religion) seems to apply in American wilderness politics, almost with the same axiomatic tendency: "whose the district, his the wilderness position."

This principle has been somewhat weakened in recent years. Conservationists in the heavily populated areas of western Washington and Oregon have succeeded in convincing their local Representatives that even though their Congressional districts do not extend into specific wilderness areas, their constituents in those areas are heavy users of the wilderness areas, and that therefore the Congressman ought to represent the de-

sires of the constituents to protect those federal lands.

This strong need to win the support of the local Congressman means that the burden of all wilderness issues form the very outlet based upon local leadership and organizations. In the north Cascades, it was the North Cascades Conservation Council; in Oregon it was the Save French Pete Creek Committee and Save the Minam, Inc. The Hells Canyon Preservation Council based in Idaho Falls was the mainstay of that effort; the River of No Return Wilderness Council works on the Idaho Primitive Area; the Spokane Group of the Sierra Club on the Salmon River in northwest Washington; the Inland Empire Big Game Council was the main force behind the creation of the Wenaha-Tucannon Wilderness in 1978. The same phenomenon of local organizations with the single purpose aim, i.e., the protection of a specific place, is found elsewhere in the country; the Boundary Waters Coalition in Minnesota, Tennessee Citizens for Wilderness Planning, Arizonans for Water Without Waste (Grand Canyon), and the Congaree Swamp National Preserve Association in South Carolina.

Simple creation of an organization is not enough. In the politics of wilderness, nearly everything depends upon the presence, devotion, dynamism and character of local leadership. Because most disputes take such a long time to be resolved, it is essential that the local leadership either be willing to stay with the cause for its entire duration or that the organization have a built-in mechanism for finding and training new leaders.

Reaching out to build larger coalitions is also an essential part of the politics of wilderness. It is rare that a local organization, however effective, can hope to persuade the politicians on the strength of their own numbers or their own arguments. Public opinion polls have been very consistent, both regionally and throughout the United States, since the mid 1960's. Overwhelming numbers of people have expressed themselves in favor of preserving more wilderness.[33]

Thus, successful efforts to protect wilderness have usually succeeded in tapping this latent well spring of public support by including within their reach many more types and kinds of organizations than simply environmental. The Oregon Wilderness Coalition, the Alaska Coalition, and the Boundary Waters Coalition, are all typical of this process. Each claims members from other segments of society such as labor, retired persons, teachers and consumer groups.[34]

Once the local organizations have been built and the coalitions extended, and once the local politicians are persuaded that there is sufficient support in their own state or district for wilderness, the issue then most often moves to the national scene. Bills are prepared and introduced, often by the local Representative or Senator, but sometimes by others as well.

An increasing tendency in recent years is for the local Senator or Representative to introduce bills "by request"; that is, by request of the major opponents or proponents of the legislation. This was the case for the proposed River of No Return Wilderness in central Idaho, where Senator Frank Church introduced by request three different proposals: that of the conservationists for 2.3 million acres, that of the Administration for 2.1 million acres, and that of the timber industry for 1.3 million acres. This practice serves the purpose of focusing attention on the parameters of the issue, without necessarily committing the politician to supporting any one proposal until the hearings have been held.

With few exceptions, the creation of new wilderness areas and parks is rarely controversial in the whole Congress and votes are rarely close, either on the floor of the House or Senate. This is due to two factors: first, operation of the principles of "comity"; that is, that bills rarely reach the floor unless the local Congressman is at least neutral on the subject and therefore other members feel safe to vote for it; and second, the deeply ingrained popularity of the wilderness idea now among the American people, as the "wild islands" remaining in the nation become scarcer and scarcer and therefore more precious.[35]

Battles over the protection of wilderness have therefore been most intensely fought in the respective committees which have jurisdiction; the Senate Energy and Natural Resources Committee and the House Interior Committee and their respective subcommittees. Because such committees tend to be dominated by western and rural interests which are proportionately much more hostile to the wilderness idea than the Congress as a whole, the votes are often extremely close, and wilderness measures often pass by the margin of just one or two votes. The lobbying and pressures brought to bear to influence such votes are very intense and complex and are best left as the subject of other articles. But once again, the support, or at least the neutrality, of the local Congressman, unless the issue somehow has become "national" in the sense of the Redwoods, Grand Canyon, Alaska or the Boundary Waters, is absolutely crucial.

THE FUTURE OF WILDERNESS PROTECTION

We have traced the evolution of the two distinct and conflicting strains in our culture, one in favor of protecting the remaining wilderness, and the other in favor of developing it. If the evidence of the past twenty years of struggle is any indication, the forces in favor of protecting it are clearly in the ascendency, even in the areas closest to wilderness, even in regions of the Pacific Northwest where the primary extractive industries are still very strong. The great advantage, of course, of statutorily protected wilderness over other forms of "wilderness management" is that once created, it takes an Act of Congress to change it. This makes it far superior to notions of "backcountry", "pioneer areas", "scenic areas" or the like, because each of these or other areas can be changed by the administering agency. Past experience with the U.S. Forest Service in such areas has revealed, in the minds of most conservationists, a distinct bias against giving meaningful and long term protection to areas which have large trees desired by the timber industry.

Therefore, the author makes the prediction that the drive to create more *statutorily-protected* wilderness in the Northwest and elsewhere will only intensify during the 1980's. It will intensify as pressure to develop the remaining roadless parts of the country by civilization and the desires of the extractive industries increase. Areas that were once thought to be inviolate without protection will need to be protected because it will become apparent that they will not exist otherwise.

But in the end, because of the peculiar site-specific nature of wilderness politics, whether such areas thought to be threatened are actually protected, will depend upon the strength, drive and determination of local grassroots leaders. It was the grassroots of America that produced the long string of wilderness victories in the 1960's and the 1970's and it is in this direction that we must look for future leaders if more wilderness is to be made safe.

Scene: The living room of old Caroll Noble, fourth generation Wyoming rancher. The picture window frames a magnificent view of the great Wind River mountain range in northwest Wyoming, great granite peaks rearing high above a long green train of uncut forest sweeping down to the prairies. Noble says to me, with an ache in his voice, "If they ever cut those trees, I never want to look out of that window again." Noble led the fight against proposals to clearcut the forests in 1969 and they have not been touched since.

Scene: Mort Brigham, sawmill designer and consultant, Lewiston, Idaho. The scene can be any hearing in any battle over wilderness in north Idaho in the past twenty years: Dworshak Dam, Hells Canyon, Mallard Larkin, Magruder Corridor, River of No Return. . . . He has been in all of them, sacrificing time and money, even his career. Mort Brigham, a native Idahoan, senses instinctively the reverence for the wild country, its animals, and its essential rhythms that were first felt by the founders of the movement.

Scene: Doris Milner, housewife in Hamilton, Montana, since 1963, leader in the fight to save the 175,000 acre Magruder Corridor, the last remaining unprotected large block of wilderness, connecting a magnificent expanse of the Idaho Primitive Area in the south and the Selway River Wilderness in the north. Doris, together with her colleague, the late Guy Brandborg of Hamilton, a former U.S. Forest Service supervisor, not only have led the battle for the Magruder for the past nineteen years, but also dared to take on the all-powerful timber industry in their own valley over excessive clearcutting in the Bitterroot National Forest, an effort which led to substantial reforms in Forest Service practices nationally.

Scene: Ray Kreseck, fireman, Spokane, Washington. Ray's favorite place to hunt is in the wild valley of the Salmo River, tucked away in the northeast corner of Washington, between British Columbia and Idaho. When he learns, in early 1968, that the Forest Service plans to log it, Ray devotes the next two years of his life organizing conservationists and media in his city, deluging the Forest Service with thousands of letters and petitions, arousing the people in that conservative region as never before. The Salmo becomes "Spokane's own wilderness" and is now marked by the Forest Service for protection.

These scenes could be duplicated countless other times, not only throughout the Northwest, but around the entire country, over the past twenty years. It is because of people like this, ordinary Americans, who cared for the land and were willing to fight for it, that parks and wilderness exist today in this country. It is essential to understand that in the over one hundred years since our nation began to set aside wild areas in a protected state, not one place, not one river, one park or one wilderness has ever been made safe—except that some people, often a small band or even just one individual, loved it and cared enough to stand up and fight for it, loved it and cared enough for it to organize, to sacrifice their personal lives and careers, if necessary, and even to face physical abuse. It is the devotion, passion and courage of these unknown and unsung individuals across the nation that is the genius of the wilderness movement in America. Such people are the direct heirs of Thoreau and William Cullen Bryant, of John James Audubon and Frank Cole, and of all the others who lamented the passage of the once great America wilderness and resolved to do something about it. The grassroots of America have done something about it, and as wilderness continues to vanish, the author ventures to predict that much more will be done to rescue what is left while there is still time, in the 1980's.

FOOTNOTES

* B.A., 1959, Princeton University; J.D., 1963, University of Michigan. Private Law Practice, Seattle, Washington, 1963–67. Northwest Field Representative, Sierra Club, 1967–1973; Director of Washington Office of

the Sierra Club, 1973–1980; Associate Executive Director of the Sierra Club, 1980.

[1] Since the passage of the Wilderness Act of 1964, Congress has recognized that many other types of areas qualify as "wilderness" and have also been added to the system—including southwest deserts, southern bayous, northeast marshes and beaches, midwest woodlands, and even a 3,000 acre swamp in New Jersey (Great Swamp).

[2] 16 U.S.C. §§ 1131–1136 (1976).

[3] 16 U.S.C. § 1131(c) defines wilderness as an area in contrast to those areas where man and his own works dominate the landscape, is hereby recognized as an area where the earth and its community of life are untrammeled by man, where man himself is a visitor who does not remain. An area of wilderness is further defined to mean in this Act an area of undeveloped federal land retaining its primeval character and influence, without permanent improvements or human habitation, which is protected and managed so as to preserve its natural conditions and which (1) generally appears to have been affected primarily unnoticeable; (2) has outstanding opportunities for solitude or a primitive and unconfirmed type of recreation; (3) has at least 5,000 acres of land or is of sufficient size as to make practicable its preservation and use in an unimpaired condition; and (4) also contains ecological, geological or other features of scientific, educational, scenic or historical value.

[4] RODERICK NASH; WILDERNESS AND THE AMERICAN MIND 72 (rev. ed. 1973), *quoting from* WASHINGTON IRVING, THE SKETCH BOOK 2 (Geoffery Crayon ed. 1880).

[5] *Id.* at 74, 75, *quoting from* I WILLIAM CULLEN BRYANT, THE POETICAL WORKS OF WILLIAM CULLEN BRYANT 19 (Parke Godwin ed. 1883).

[6] *Id.* at 75, *referring to* I WILLIAM CULLEN BRYANT, PICTURESQUE AMERICA (1872).

[7] *Id.* at 75, *quoting from* JAMES KIRKE PAULDING, THE BACKWOODSMAN 7 (1898).

[8] *Id.* at 76, *referring to* JAMES FENIMORE COOPER, THE PIONEERS (Mohawk ed. 1912); and JAMES D. HART, THE POPULAR BOOK: A HISTORY OF AMERICA'S LITERATURE TASTE 80–82 (1961).

[9] *Id.* at 76 *quoting from* ASHUR DURAND, LETTERS ON LANDSCAPE PAINTING: LETTER II IN CRAYON I 34–35 (1855).

[10] *Id.* at 82.

[11] *Id.*

[12] *Id.* at 84, *quoting from* THOREAU, "WALKING" IN EXCURSIONS, THE WRITINGS OF HENRY DAVID THOREAU 9, 251, 267, 275 (Riverside ed. 1893).

[13] *Id.* at 97, *quoting from* JOHN JAMES AUDUBON, DELINEATIONS OF AMERICAN SCENERY AND CHARACTER 4, 9, 10 (Francis Hobart Herrick ed. 1926).

[14] JAMES FENIMORE COOPER. THE PRAIRIE (Rinehart ed. 1950).

[15] WILLIAM CULLEN BRYANT, LETTERS OF A TRAVELER: OR NOTES OF THINGS SEEN IN EUROPE AND AMERICA 302 (1850).

[16] RODERICK NASH. WILDERNESS AND THE AMERICAN MIND 100 (revised ed. 1973) *referring to* FRANCIS PARKMAN, THE OREGON TRAIL: SKETCHES OF PRAIRIE AND ROCKY MOUNTAIN LIFE vii, viii (1873).

[17] *Id.* at 102 *quoting from* THOREAU, *Main woods*, IN EXCURSIONS, THE WRITINGS OF HENRY DAVID THOREAU 3, 208 (Riverside ed. 1893).

[18] THOREAU, THE JOURNAL OF HENRY DAVID THOREAU, 12,387 (Torrey and Allen ed. 1906).

[19] RODERICK NASH, WILDERNESS AND THE AMERICAN MIND 104 (revised ed. 1973). *quoting from* SAMUEL HAMMOND. HUNTING AND ADVENTURES IN THE NORTHERN WINDS 83 (1865).

[20] *Id.* at 105, *referring to* JOHN ISE, OUR NATIONAL PARK POLICY: A CRITICAL HISTORY 13 (1961).

[21] An Act authorizing a Grant to the State of California of the "Yo-Semite Valley" and of the Land Embracing the "Mariposa Big Tree Grove", 13 STAT. 325 (1864).

[22] An Act to set apart a certain tract of land lying near the headwaters of the Yellowstone River as a public Park., 17 STAT. 32 (1872) (emphasis added).

[23] 84 CONG. REC. 150 (1886).

[24] Id. at 152-154.

[25] 1885 N.Y. Laws 238, Page 482.

[26] (20) WILLIAM BRADFORD, OF PLYMOUTH PLANTATION, 1620 1647 62 (Samuel Eliot Morison ed. 1952).

[27] I COTTON MATHER, MAGNALIA CHRISTI AMERICANA 77 (1853; original edition, 1702).

[28] CHILLICOTHE SUPPORTER (Ohio, 1817).

[29] RODERICK NASH, WILDERNESS AND THE AMERICAN MIND 27 (rev. ed. 1973), *quoting from* Cutcheon, *Log Cabin Times and Log Cabin People*, MICHIGAN PIONEER HISTORICAL SOCIETY COLLECTIONS 39, 611 (1901); and *quoting* GEORGE CARY EGGLESTON, OUR FIRST CENTURY 255 (1905).

[30] Personal letter, December 6, 1972, from S. J. "Judge" Farris, Enterprise, Oregon, to the author. "Judge" Farris was perhaps the leading Oregon exponent of large dams in Hells Canyon during the years 1967–75. The land purchase issue to which he refers was the effort by the U.S. Forest Service to purchase several inholdings inside the Canyon owned by local ranchers who were attempting to subdivide and sell the land to speculators and developers from Texas and other states.

[31] Under the terms of the Alaska Native Claims Settlement Act of 1971, Alaska natives receive the right to select 44 million acres of the most economically productive lands in the state for their private use; the state of Alaska was confirmed in its right to select a total of 105 million acres, again of the best lands, for its disposal and potential sale. The overwhelming acreage of the land sought by conservationists for national reserves comes from the remaining acreage of lands still remaining in federal ownership after the first two parties have made their choices.

[32] Since this article was written, Public Law 96–312, creating a 2.3 million acre River of No Return Wilderness in central Idaho, was passed into law. One provision of the statute added 100,000 acres of the Magruder Corridor to the Selway-Bitterroot Wilderness Area.

[33] Poll of the American Forest Institute (published September 1977) where 62% of Americans asked, responded that they would prefer to see no more trees cut on the national forests if they had a choice.

[34] Minority group representatives in inner cities have also often testified in favor of wilderness, often to the surprise of those not familiar with the broad support of wilderness in the American political system, e.g., testimony of numerous inner city community associations in Seattle in favor of wilderness at hearings conducted by the Forest Service in 1971–72; a resolution passed at the national convention of the NAACP in St. Louis in 1977 supporting the efforts of the Sierra Club for wilderness preservation. In fact, the voting record of the Black Caucus in favor of wilderness protection is one of the best of any block in the Congress.

[35] The few exceptions point out the rule. The key vote on the Boundary Waters Canoe Area legislation (Minnesota) occurred on the House floor in June, 1978, between the differing proposals of the local Congressman, Rep. Oberstar (D-MN), and the House Interior Committee, led by Rep. Phillip Burton (D-CA). The Burton version won by over one hundred votes, which is close for such issues. Interestingly, this was the first time in recent wilderness political history that the Congress voted to create a wilderness area over the opposition of the local Congressman who was of the majority party. Successive votes on the creation of wilderness and parks in Alaska on the House floor in May 1978, and May 1979 both passed by heavy majorities. The Wilderness Act itself passed on floor of the House with only one dissenting vote.

U.S. POPULATION

● Mr. PACKWOOD. Mr. President, I would like to report that, according to the latest U.S. Census Bureau approximations, the total population of the United States on April 1, 1981, was 228,735,717. This represents an increase of 139,145 since March 1, 1981. During the past month we have added enough people to our population to more than fill the city of Raleigh, N.C.

The final count of the 1980 census was 5 million more than what was anticipated. This means there were 4 million more people in the United States in April 1980 than the census figures indicated. Therefore, any comparison between the April 1, 1981, figures and the April 1, 1980, figures would be meaningless at this time. I should be able to resume the yearly comparison within 6 months.●

TRIBUTE TO LORENZO GOODWIN SMITH

● Mr. PRYOR. Mr. President, it is appropriate that we take time to honor those Americans who have given their lives in the defense of this country. Their sacrifice is one that touches us all.

On April 19, 1945, 2d Lt. Lorenzo Goodwin Smith gave his life while copiloting an American B–17 over Czechoslovakia. This past Easter Sunday marked the 36th anniversary of his death.

I ask my colleagues to join me in expressing to the son and family of Lieutenant Smith the Senate's recognition of his ultimate sacrifice. We must not forget that the price of freedom is great.●

WATER WONDERLAND

● Mr. LEVIN. Mr. President, I am proud to represent the State of Michigan in the U.S. Senate. I am proud to represent a State that has the most fresh water resources of any of the United States, perhaps unsurpassed in the world. A State with the longest coastline, countless lakes, truly the Water Wonderland.

But I am also proud of another Michigan resource, the goodness and generosity of our people. The combination of these two resources will soon benefit Michigan's retarded children.

Three Michigan men—Jerry Harris, a member of the planning council for the 1981 United Nations' Year of the Disabled Persons; Donald E. Large and Harlan Moore—have written a lovely song to sing the praises of our State. The Detroit Edison Glee Club has recorded this song, and royalties from record sales will go toward helping retarded children through the International Order of the Alhambra, Barcelona Caravan No. 143 of Dearborn, Mich.

The value of Michigan's fresh water resources are already recognized in our

successful agriculture, tourism—including fishing—also in shipping on the Great Lakes. I call attention to this other great resource and praise the efforts of all those involved.

DEATH OF ROBERT PENN KEMBLE

● Mr. KENNEDY. Mr. President, the death of Robert Penn Kemble last February has deprived Massachusetts of an outstanding physician and psychiatrist, an outstanding expert and practitioner in the field of public mental health, and an outstanding human being.

Shortly after his death, Dr. Kemble's son, Penn, delivered an eloquent eulogy to his father at a memorial service in the Mount Holyoke College Chapel. The eulogy is an impressive tribute to Dr. Kemble's life and work, and I ask that it may be printed in the RECORD.

The eulogy follows:

ROBERT PENN KEMBLE, A EULOGY (DELIVERED BY HIS SON PENN KEMBLE)

I want to thank all of you, on behalf of my mother and our family, for the kindness and affection you showed my father during his life, and for that you have shown us since his death.

A son, or daughter, must always see his father in an unusual and complicated light. But Robert Penn Kemble was, as even those who had but a modest acquaintance with him quickly recognized, an unusual and complicated man.

He was born in 1905 in Mount Carmel, Pennsylvania, a small but colorful coal-mining town in eastern Pennsylvania, the son of a newspaperman and a nurse. He went on to prestigious schools: Princeton University and the Jefferson Medical College in Philadelphia. Yet throughout his life anything which suggested social pretension made him uncomfortable.

As did money. While he could question prospective employers inquisitively about any limits on his authority to practice his profession as he saw fit, mother sometimes worried that he would come home without having remembered to ask them about the salary.

When coal was king, music and the theatre flourished in the mining towns of Pennsylvania. My father had a fine baritone voice, and first prepared for a career in music—even the opera. (Those of you who knew him in later life may have found him spare with words and modest in manner, but he could still upstage them when he occasionally joined the musical productions of the Mount Holyoke Laboratory Theatre. My brother Grover has come into that inheritance.)

A fine voice, he often jokingly explained to us, is not a great voice. Disappointed in music, he turned to medicine, and, in time, the specialty of psychiatry.

Although his training was in the liberal arts, in medicine—even in psychiatry—he firmly insisted on the virtues of the scientific method. His life membership in the American Association for the Advancement of Science was his proudest professional affiliation, and he was a devoted reader of Science magazine.

He felt strongly that the practice of psychiatry rested on an insufficiently scientific foundation: too much of its energies were spent on grand, imaginative theories, too little on careful observation and empirical testing. This judgment led him to an early interest in data processing and to work in devising simplified and exact systems for keeping psychiatric records. This desire to "expand the universe of data" led him to become a founder of the organization, Psychiatric Outpatient Clinics of America.

But his commitment to the methods of science did not mean that he was cold or deterministic in his work with patients. Quite the opposite He shared Albert Einstein's view that mystery is the source of all true science.

The greatest satisfaction he could get in his work was in finding some way to strike a spark of humor, clarity or will in a deeply troubled patient. He insisted that all those whom we think of as "disturbed" retain some crucial measure of a free, creative and responsible human nature—and that the challenge of psychiatry is to seek this out and to encourage it.

In a gentle polemic which appeared in the quarterly journal of the Otto Rank Association in the Summer of 1974 he described his view of psychiatry as one which

". . . offers more optimism, more hope that a soul can rise above his wounds and let them heal. For it gives a place to free choice, nay more, clarifies for the patient where those choices lie when he has been blind to them. Here is a sharp contrast with the dogma of determinism, which sees freedom of choice as mere illusion."

Most of his life's work was in public mental health—in Army hospitals during the war; then in a host of clinics near Lancaster, Pennsylvania; then at the Morris County Guidance Clinic in New Jersey; and finally here at the Veterans Administration Hospital in Northampton. (He loved the staff and the girls at Mount Holyoke, but people here, you may be reassured to know, just weren't sick enough for him.)

At the public institutions you got the hard cases; the helpless, the dangerous, the lost and the bewildered. These, one often suspected, were his favorite people, and because of his naive, direct and obviously interested approach to them, they too seem to have liked him.

It is hard, when reflecting on my father's work, to comprehend the undiscriminating virulence with which public spending and government itself are opposed by some today. He was a man of the public sector. But certainly not because that was where a well-trained psychiatrist could best find financial reward. Rather it was because the public institutions were the places where there was serious work to be done.

But he also knew very well how mindless and annoying public bureaucracy could sometimes be. Indeed in these last years, free from any concern about where his career might be going, he found an impish delight in resisting the bureaucracy at the V.A. Fighting the "red tapeworm", as he called it.

Last Christmas, when we all assembled in South Hadley, he gleefully reported on his latest exploit. (It's a story that also gives something of the earthy coal-country spirit that he liked to bring to situations which might otherwise grow too solemn.)

He had, as I recall it, just assigned a patient to work on the hospital farm. But the man was kept dangling by bureaucrats who insisted that at least three doctors certify that the patient had received a tetanus shot, or that the exact location of the shot be marked in green—or some other excessive and professionally insulting bureaucratic triviality be paid its homage.

Finally, he told us, he completed the specified routine, and dispatched the man and his papers to the hospital farm. On the papers he appended this comment:

"I can understand your concern about the tetanus shot, as he is sure to be working around a lot of horse manure over there."

Finally, not least, he was an affectionate husband and a steadfast, devoted father. He met my mother Luella North while she was in the Pennsylvania School of Social Work and, one gathers, found her Mt. Holyoke ways a welcome relief from the Main Line debutante manner. There are four of us children, and now two grandchildren in whom he took great satisfaction. But the Kemble and the North families—and several others who, in conventional ways or not, have joined us—make up an extended clan that some might mistakenly call old-fashioned.

He was, as a father, never the chummy sort. To an outsider, he might even have seemed distant, or detached. But each of us knew that he followed what we did with a keen interest, and that he would be close by if ever we needed help. He always let us choose our own ways, and such freedom could sometimes be trying—on both sides. But whatever any of us did, we knew he expected us to do it well—according to his own example.

Last Friday morning, on his way to his job, he was suddenly stricken by a heart attack. It was a possibility he well understood. His life had been a full one. He could perhaps have stretched it out a bit if he had been more timid. But he gladly had continued working.

He died quickly; there was no red tape.

While those of us in the family are saddened by his death, I know that all of us would hope that this meeting would include in a spirit of gratitude for what he gave us all, and pride in what he was.

Thank you all.●

ORDER OF BUSINESS

Mr. BAKER. Mr. President, in a few moments I will have a series of housekeeping matters to attend to. I understand there is a resolution to be offered by the distinguished Senator from Arkansas on behalf of another Senator.

Before we turn to that detail may I say that it had been the hope of the leadership on this side to proceed to the consideration of the first concurrent budget resolution today or early this week.

In view of the fact that the Budget Committee is meeting I believe on tomorrow afternoon to consider the form of a budget resolution, it is, therefore, not possible to reach that measure until later this week or perhaps early next week. That leaves the Senate with very little to do since the Calendar is virtually clear.

ORDER FOR RECESS UNTIL 8 P.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8 p.m. tomorrow.

The PRESIDING OFFICER (Mr. SPECTER). Without objection, it is so ordered.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow following the recognition of the two

leaders under the standing order, there be a period for the transaction of routine morning business to extend not longer than 10 minutes in which Senators may be permitted to speak for not more than 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW

Mr. BAKER. Mr. President, is there an order for the Senate to proceed as a body to the Hall of the House of Representatives tomorrow evening to receive a message from the President of the United States?

The PRESIDING OFFICER. There is no order to that effect at this moment.

Mr. BAKER. I thank the Chair.

Mr. President, might I inquire if the resolution previously passed by the Senate provides for the hour of 9 p.m. to receive message from the President of the United States in joint session assembled.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, it is the intention of the leadership to proceed as a body to the Hall of the House of Representatives at 8:40 p.m. on tomorrow evening to receive a message from the President of the United States.

ORDER FOR THE CONVENING OF THE SENATE ON WEDNESDAY AT 8:45 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that following the conclusion of the joint session the Senate then stand in recess until Wednesday at 8:45 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF CERTAIN SENATORS ON WEDNESDAY, APRIL 29, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Wednesday, April 29, there be a special order in favor of the distinguished Senator from West Virginia, the minority leader (Mr. ROBERT C. BYRD) for not to exceed 15 minutes in length; that following on after the special order for the Senator from West Virginia there be a special order for the Senator from Tennessee (Mr. BAKER) for not to exceed 15 minutes; and that there then be a special order in favor of the Senator from Arkansas (Mr. BUMPERS) for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Earlier the following order was entered:)

Mr. STEVENS. Mr. President, I ask unanimous consent that there be a special order for the recognition of the Senator from Massachusetts (Mr. TSONGAS) and the Senator from Nebraska (Mr. ZORINSKY) on Wednesday, April 29, for 15 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SENATE AGENDA

Mr. BAKER. Mr. President, it is the hope of the leadership that when the Senate reconvenes on Wednesday we may have other legislative business cleared and ready for action and executive business as well.

The outlook at this time is the possibility that the Senate could turn to the consideration of the crop insurance bill perhaps this week if reported and qualified, the reauthorization for the Federal Election Commission, and other matters that may be cleared on both sides for action on either the Calendar of General Orders or the Calendar of Executive Orders for the remainder of this week. It is anticipated that the Senate will be in session each day this week through Friday.

Mr. President, I now yield the floor.

THE DEATH OF REPRESENTATIVE TENNYSON GUYER OF OHIO

Mr. BUMPERS. Mr. President, on behalf of the Senator from Ohio (Mr. GLENN) for himself and Senator METZENBAUM, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 117) relative to the death of Representative Tennyson Guyer of Ohio.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the clerk read the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the resolution.

The legislative clerk read as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable Tennyson Guyer, late a Representative from the State of Ohio.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representative.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

● Mr. GLENN. Mr. President, the United States, the State of Ohio, and, in particular, Ohio's Fourth Congressional District, have lost a champion with the unexpected and premature death of Congressman TENNYSON GUYER.

Mr. GUYER, who so ably combined service to his Maker with service to the public he represented, was taken from us unexpectedly 3 years short of the Biblical allotment of three score years and ten.

I shall always recall that among the last public statements I recall Congressman GUYER making was one which expressed a deep concern for the plight of older Americans in these days of spiraling costs. It was typical of Mr. GUYER, whose concern and love for people was well known. Over the years, his concerns and his effusive good will had brought a number of honors to Mr. GUYER, who was both an honorary chieftain of the Cherokee Indians and an "Ambassador of Good Will" for the State of Ohio.

An ordained minister, Mr. GUYER served as pastor of the Celina, Ohio, Church of God for 10 years, coupling that service with service as mayor and council member for the city of Celina, as well as service in the State senate, prior to his election to the House of Representatives in the 93d and succeeding Congresses.

Mr. GUYER'S special talent was in public speaking, a facility he exercised as a minister, public relations representative for the Cooper Tire and Rubber Co. of Findlay, Ohio, and as politician and public servant at the local, State, and national levels.

It is most unfortunate that his voice has been prematurely stilled. I know my colleagues will join me in putting Mr. GUYER'S wife, Mae, and his two daughters, Sharon and Rosetta, in their thoughts and prayers.●

Mr. BUMPERS. Mr. President, I move adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 117) was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I thank the distinguished Senator from Arkansas.

SPECIAL ORDERS FOR WEDNESDAY

Mr. BAKER. Mr. President, do I understand now there are special orders on Wednesday for Senators ZORINSKY, TSONGAS, ROBERT C. BYRD, BAKER, BUMPERS, and MURKOWSKI?

The PRESIDING OFFICER. With the exception of the Senator from Alaska, there are orders as read.

Mr. BAKER. Mr. President, I ask unanimous consent that the special order on tomorrow for Senator MURKOWSKI be vacated and placed at the end of

the sequence of Senators provided special orders.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, is there further business to transpire on the minority side of the aisle?

Mr. BUMPERS. Mr. President, there is no further business on this side.

Mr. BAKER. I thank the Senator.

Mr. President, I know of no further business to be transacted by the Senate today. I might inquire of the distinguished acting minority leader if he is aware of any further need for the Senate to remain in session.

Mr. BUMPERS. Mr. President, so far as I know, and I have not had any communication from the minority leader otherwise, there is no further business on this side.

Mr. BAKER. I thank the Senator.

RECESS UNTIL 8 P.M. TOMORROW

Mr. BAKER. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered and pursuant to the provisions of Senate Resolution 117, as a further mark of respect to the memory of deceased Honorable TENNYSON GUYER, late a Representative from the State of Ohio, that the Senate stand in recess until the hour of 8 p.m. tomorrow.

The motion was agreed to; and the Senate, at 3:11 p.m., recessed until Tuesday, April 28, 1981, at 8 p.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate April 13, 1981, under authority of the order of the Senate of April 8, 1981:

DEPARTMENT OF THE TREASURY

Marc E. Leland, of California, to be a Deputy Under Secretary of the Treasury, vice C. Fred Bergsten, resigned.

DEPARTMENT OF THE INTERIOR

Kenneth L. Smith, of Oregon, to be an Assistant Secretary of the Interior, vice Thomas W. Fredericks, resigned.

DEPARTMENT OF AGRICULTURE

A. James Barnes, of the District of Columbia, to be General Counsel of the Department of Agriculture, vice Daniel Marcus, resigned.

INTERNATIONAL COMMUNICATION AGENCY

Charles Z. Wick, of California, to be Director of the International Communication Agency, vice John E. Reinhardt, resigned.

DEPARTMENT OF STATE

Joan M. Clark, of New York, to be a Career Member of the Senior Foreign Service, Class of Minister-Counselor.

IN THE AIR FORCE

Lt. Gen. James D. Hughes, U.S. Air Force, (age 58), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Lt. Gen. Charles C. Pattillo, U.S. Air Force, (age 56), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Lt. Gen. Gerald J. Post, U.S. Air Force, (age 55), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. James R. Brickel, xxx-xx-xxxx FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Robert M. Bond, xxx-xx-xxxx FR, U.S. Air Force.

IN THE MARINE CORPS

Gen. Kenneth McLennan, U.S. Marine Corps, age 56, for appointment to the grade of general on the retired list.

Lt. Gen. Andrew W. Odonnell, U.S. Marine Corps, age 56, for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

IN THE AIR FORCE

The following named officers for promotion as a Reserve of the Air Force, under the appropriate provisions of chapters 35 and 837, title 10, United States Code.

Lieutenant colonel to colonel

LINE OF THE AIR FORCE

Adame, Omar R., xxx-xx-xxxx.
Allen, Russell E., xxx-xx-xxxx.
Armstrong, Donald L., xxx-xx-xxxx.
Biggerstaff, Dean T., xxx-xx-xxxx.
Cranford, Boyce O., xxx-xx-xxxx.
Dye, Albert J., xxx-xx-xxxx.
Eddins, Fred B., xxx-xx-xxxx.
Egide, Dale F., xxx-xx-xxxx.
Gleason, William E., xxx-xx-xxxx.
Hertsgaard, Thor A., xxx-xx-xxxx.
Hood, Stanley V., xxx-xx-xxxx.
Humphries, Homer H., Jr., xxx-xx-xxxx.
Jordan, Michael C., xxx-xx-xxxx.
Magill, Raymond W., xxx-xx-xxxx.
Martin, Roy C., Jr., xxx-xx-xxxx.
Meade, Ralph E., xxx-xx-xxxx.
Murphy, John B., xxx-xx-xxxx.
Naddeo, Joseph, xxx-xx-xxxx.
Nichols, Billy J., xxx-xx-xxxx.
Nichols, Walton C., xxx-xx-xxxx.
Olinger, David E., xxx-xx-xxxx.
Roark, John J., xxx-xx-xxxx.
Schindler, Harold S., xxx-xx-xxxx.
Timmerman, Stewart W., xxx-xx-xxxx.
Verdi, Theodore R., xxx-xx-xxxx.
Weaver, Morris A., xxx-xx-xxxx.
Womack, James E., xxx-xx-xxxx.
Yoshizumi, Robert T., xxx-xx-xxxx.

CHAPLAIN CORPS

Conlon, Philip J., xxx-xx-xxxx.
Hoops, Victor J., xxx-xx-xxxx.
Omalley, John J., xxx-xx-xxxx.

JUDGE ADVOCATE GENERAL

Carson, Wallace P., Jr., xxx-xx-xxxx.
Curet, Leroy R., xxx-xx-xxxx.

MEDICAL CORPS

Brath, William F., xxx-xx-xxxx.
Massey, Samuel O., Jr., xxx-xx-xxxx.
Nuttall, Frank Q., xxx-xx-xxxx.
Shields, John A., xxx-xx-xxxx.

BIOMEDICAL SCIENCES CORPS

Heinemann, Jack M., xxx-xx-xxxx.

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force, in grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force.

MEDICAL CORPS

To be captain

Crawford, Raymond S., III, xxx-xx-xxxx.
O'Neil, Terrence J., xxx-xx-xxxx.

To be first lieutenant

Dunn, Luckey M., xxx-xx-xxxx.
Jewell, Gary S., xxx-xx-xxxx.

DENTAL CORPS

To be captain

Dasher, David R., xxx-xx-xxxx.
Mandel, Edward B., xxx-xx-xxxx.

To be first lieutenant

Beehner, Mark E., xxx-xx-xxxx.
Newland, Timothy B., xxx-xx-xxxx.

The following persons for appointment as Reserve of the Air Force, in grades indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be colonel

Becker, Ernest L., xxx-xx-xxxx.
Hartley, John H., Jr., xxx-xx-xxxx.

To be lieutenant colonel

Abdou, Fathy A., xxx-xx-xxxx.
Baker, John Q., xxx-xx-xxxx.
Baum, Joseph J., xxx-xx-xxxx.
Bice, Clarence M., xxx-xx-xxxx.
Branch, James W., Jr., xxx-xx-xxxx.
Clarkson, James E., xxx-xx-xxxx.
Darling, David H., xxx-xx-xxxx.
Driggers, David A., xxx-xx-xxxx.
Finn, Thomas C., Jr., xxx-xx-xxxx.
Fitzpatrick, Frederick, W., Jr., xxx-xx-xxxx.
Heffron, Charles H., Jr., xxx-xx-xxxx.
Johnson, Tom L., xxx-xx-xxxx.
Lovoll, Kaare, xxx-xx-xxxx.
Minyard, A. E., xxx-xx-xxxx.
Moore, Richard B., xxx-xx-xxxx.
Petersburg, Harlan R., xxx-xx-xxxx.
Roddy, Stephen R., xxx-xx-xxxx.
Rogers, Ronald A., xxx-xx-xxxx.
Szpak, Michael W., xxx-xx-xxxx.
Theisen, Nikolaus J., xxx-xx-xxxx.
Toon, Richard S., xxx-xx-xxxx.
Wehr, Robert, xxx-xx-xxxx.
Williamson, Roston M., xxx-xx-xxxx.
Wolf, Mark J., xxx-xx-xxxx.
Yoon, Hee R., xxx-xx-xxxx.
Yunes, Earl L., xxx-xx-xxxx.

DENTAL CORPS

To be lieutenant colonel

Rothstein, Sanford S. xxx-xx-xxxx.
Thomas, Lloyd G., Jr. xxx-xx-xxxx.

The following-named officer for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, title 10, United States Code, as amended. Officer is subject to physical examination required by law.

LINE OF THE AIR FORCE

Captain to major

Pino, Christobal xxx-xx-xxxx.

The following officers for promotion in the Air Force Reserve, under the provisions of sections 593 and 8376, title 10, United States Code.

MEDICAL CORPS

Lieutenant colonel to colonel

Liest, Edward J. xxx-xx-xxxx.

LINE OF THE AIR FORCE

Major to lieutenant colonel

Bradford, Gregory H. xxx-xx-xxxx.
Byrd, Henry C., Jr. xxx-xx-xxxx.
Kelly, John H. xxx-xx-xxxx.
Knox, Michael R. xxx-xx-xxxx.
Malvaso, Patrick J. xxx-xx-xxxx.

CHAPLAIN CORPS

Weiss, Everett L. xxx-xx-xxxx.

MEDICAL CORPS

Chaves, Ignacio A. xxx-xx-xxxx.
Kabo, Robert D. xxx-xx-xxxx.
Maden, Larry G. xxx-xx-xxxx.
Naval, Icarangal A. xxx-xx-xxxx.
Pettit, John W., Jr. xxx-xx-xxxx.
Raines, Milton R. xxx-xx-xxxx.
Randall, Eugene H. xxx-xx-xxxx.
Smith, Gary L. xxx-xx-xxxx.
Yu, Percy P. C. xxx-xx-xxxx.
Zaayer, Dolph W. xxx-xx-xxxx.

NURSE CORPS

Reilly, Joanna D. xxx-xx-xxxx.

MEDICAL SERVICE CORPS

Eckrem, Jack L. xxx-xx-xxxx.

BIOMEDICAL SCIENCES CORPS

Schwarz, James G. xxx-xx-xxxx.

The following-named officer for promotion in the U.S. Air Force, under the appropriate provisions of chapter 839, title 10, United States Code, as amended.

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Roeder, David M. xxx-xx-xxxx.

The following-named Air Force officer for reappointment to the Active List of the Regular Air Force in the grade of major, Regular Air Force, under the provisions of sections 1210 and 1211, title 10, United States Code. Officer is designated to perform professional functions in accordance with section 8067, title 10, United States Code.

JUDGE ADVOCATE

Engebretson, David H. xxx-xx-xxxx.

The following-named Air Force officer for reappointment to the Active List of the Regular Air Force, in the grade of lieutenant colonel, Regular Air Force, under the provisions of sections 1210 and 1211, title 10, United States Code, with active duty grade of colonel, in accordance with sections 8442 and 8447, title 10, United States Code.

LINE OF THE AIR FORCE

Copperthite, Harry S. xxx-xx-xxxx.

Executive nominations received by the Secretary of the Senate April 17, 1981, under authority of the order of the Senate of April 8, 1981:

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Larry D. Welch, xxx-xx-xxxx FR, U.S. Air Force.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. Raymond E. Hebrank, xxx-xx-xxxx xx... FG, Air National Guard of the United States.

Brig. Gen. Billie G. Hollowell, xxx-xx-xxxx xx... FG, Air National Guard of the United States.

Brig. Gen. Curtis D. Roberts xxx-xx-xxxx FG, Air National Guard of the United States.

To be brigadier general

Col. Frank C. Crooks, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Marinus Flux xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Joseph O. Martin, Jr. xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Donald T. McGinley xxx-xx-xxxx FG, Air National Guard of the United States.

IN THE U.S. ARMY

The following officers for appointment as Reserve Commissioned officers in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, under the provisons of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. George Eugene Coates, xxx-xx-xxxx xxx-...

To be brigadier general

Col. James William Duffy xxx-xx-xxxx.
Col. Charles Mercier Kiefner xxx-xx-xxxx.
Col. Joseph Milton Lank xxx-xx-xxxx.
Col. Clifton Bernard Wingate xxx-xx-xxxx.

IN THE NAVY

The following-named Naval Reserve Officers Training Corps candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, subject to qualification therefor as provided by law:

Arnold, Gerald P.	Bailey, Richard W., Jr.
Balsinger, David T., Jr.	Baumstarck, Joan
Bechtel, Patricia L.	Bergey, Christopher R.
Castagna, Richard P.	Clark, Cynthia R.
Dale, Mervin W.	Daniel, Richard W.
DeVoyd, Jeffrey A.	Dorman, Brent A.
Ellis, Richard A.	Field, John E., II
Franken, Michael T.	Janisch, James K.
Kaufmann, Jon W.	Kelley, Tommy D.
Kiers, John, III	Kitchen, Bruce R.
Leach, David L.	Luchs, George H.
Meisenbacher, Raymond F.	Mellin, Stephanie A. Nathe, Wayne J.
Minor, Donald A., II	Palmore, Carlyle C.
O'Dea, Joseph F.	Porter, Stephen R.
Pitts, Pamela D.	Short, Randall G.
Semeia, Edward P.	Stack, Jerome D., Jr.
Sibal, Victor L.	Strong, Joseph M.
Steward, Richard L.	Tibbits, Timothy S.
Thompson, Bruce E.	Ylimaki, Robert J.
Ward, Kathleen M.	

Clyde S. Gatton, enlisted commissioning program candidate, to be appointed a permanent ensign in the line or staff corps in the U.S. Navy, subject to qualification therefor as provided by law.

The following-named Navy enlisted candidates to be appointed ensign in the U.S. Navy, for limited duty, for temporary service, subject to qualification therefor as provided by law:

Grubbs, John F.	Young, Ricky L.
McNally, Stephen	

The following-named Navy enlisted candidates to be appointed permanent chief warrant officer, W–2, in the U.S. Navy subject to qualification therefor as provided by law:

Alexander, Lewis M.	Sands, Norman B.
Bunker, George M.	

Lorenz F. Lassen, civilian college graduate, to be appointed a permanent lieutenant in the Medical Corps of the U.S. Navy, subject to qualification therefor as provided by law.

Thomas G. Doneker, ex-U.S. Navy officer, to be appointed a permanent captain in the Medical Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Maynard H. Mires, Jr., a civilian college graduate to be appointed a permanent captain in the Medical Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

The following-named civilians to be appointed permanent commander and temporary captain, Special Duty (Merchant Marine, Deck) of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Hosey, Richard B.
Worsley, George D.
Jennings, Adrian H.

The following named ex-Reserve officers, to be appointed permanent commander and temporary captain, Special Duty (Merchant Marine, Deck) of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Coburn, Harold W.	Coplin, Paul H.
Gibbons, John M.	Kavanagh, Edward, Jr.
Orcutt, Kenneth R.	Pedersen, Kenneth E.

Patrick E. Buttner, U.S. Naval Reserve, to be appointed a permanent commander and temporary captain, Special Duty (Merchant Marine, Deck) of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Robert E. Brooks, U.S. Naval Reserve, Retired, to be appointed permanent commander and temporary captain, Special Duty (Merchant Marine Deck) of the Reserve of the US. Navy, subject to qualification therefor as provided by law.

The following named civilian college graduates, to be appointed temporary commander, Special Duty (Merchant Marine, Deck) of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Green, Kenneth R.	McCaffrey, Thomas E.
Paynter, Ivan W.	Sie, Anthony K.

Roger E. Nelson, ex-Reserve officer, to be appointed a temporary commander, Special Duty (Merchant Marine, Deck) in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

The following named Naval Reserve officers to be appointed temporary commander, Special Duty (Merchant Marine, Deck) in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Frey, David R.
Silva, Edward J., Jr.

James O. Finnegan, ex-Reserve officer, to be appointed temporary commander in the medical Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Frederick D. Lewis, ex-U.S. Navy officer, to

be appointed a permanent commander in the Medical Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

The following named civilian college graduates to be appointed permanent commander in the Medical Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Armstrong, Don W.
Becka, Edward A.
Moyes, Martin K.
Tanner, William D.

The following named civilian college graduates to be appointed temporary commander in the Medical Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Carroll, Charles P.
Cruz, Anatolio B., Jr.

Gabriel P. N. Lombard, ex-U.S. Navy officer to be appointed a permanent commander in the Medical Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

John W. McReynolds, ex-U.S. Navy officer to be appointed a temporary commander in the Medical Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

The following named enlisted candidates to be appointed ensigns in the Medical Service Corps of the U.S. Navy, for temporary service, subject to qualification therefor as provided by law:

Alexander, William A.
Barron, Danny M.
Carpenter, Jerry L.
Benton, Earnest E.
Earley, Jerry D.
Davis, David R.
Foss, Geoffrey W.
Forsha, Joseph D.
Hines, William E.
Hansen, Christian W., III
Jenkins, Samuel P., Jr.
Hood, Barry F.
Lawson, Frank G.
Kollasch, Douglas J.
Mavridogiou, Theodoros A.
Lazzaro, Gregory W.
Molnar, Dennis J.
Nichols, Steven M.
Randall, Arthur E.
Sparks, Johnny R.
Stoops, Dennis E.
Webb, Benjamin F.

The following named enlisted candidates to be appointed permanent ensign, Medical Service Corps in the U.S. Navy, subject to qualification therefor as provided by law:

Chapman, Georgiann E.
Shadrach, Suzanne M.
Hockensmith, Sybil L.

IN THE MARINE CORPS

The following named U.S. Naval Academy graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, United States Code, section 5573, subject to the qualifications therefor as provided by law:

Akana, William T.
Dixon, Robert M.
Ameng, Ernie M.
Douglas, Brent A.
Anoll, Robert K.
Fish, Dean E.
Antonino, Phillip J.
Foreman, Bradley V.
Asher, Jeffrey W.
Fuquea, David C.
Bailey, Patrick E.
Gainer, Curtis
Baker, Stephen C.
Gallagher, Curtis S.
Ball, Randy J.
Giosa, Paul
Basil, George J.
Green, Donell J.
Bender, James E.
Grenseman, Paul D.
Beydler, William D.
Gross, Keith J.
Bingham, Eldon W.
Guinn, Michael L.
Bitman, John
Hagen, Richard K.
Bolen, Michael J.
Harrington, Daniel F.
Brannigan, Patrick J.
Harris, Richard A.
Burgess, Timothy L.
Hasegawa, Ralph K.
Callahan, Stephen L. A.
Hein, Matthew A.
Henry, Terrell S.
Ciccarelli, David A.
Herrod, Anthony L.
Coker, Todd
Hubbard, Claude S.
Crenshaw, William F.
Jarvis, Michael R.
Dauplaise, Joseph D.
Kanewske, Patrick J.
Davis, Michael R.
Kennedy, Michael A.
Dean, John R.
Knapp, Bruce G.
Komlo, Stephen B.
Quinn, Joseph T.
Kroupa, David L.
Quintero, Thomas A.
Kula, Michael G.
Racine, Richard J.
Kuran, Christopher G.
Ratliff, Andrew W.
Redden, Shelton D., II
Lesko, Charles J., Jr.
Rhodes, Gregory J.
Loughlin, Peter J.
Ring, Scott A.
Maguire, Vincent D.
Romero, Anthony G.
Manning, David W.
Ross, Forrest D.
McCallister, Franklin F.
Rourke, Charles F.
Salmon, Bradley P.
McClary, Michael B.
Schehl, Steven A.
McCroary, Matthew S.
Schwan, Mark E.
McDowell, Roger H.
Sikora, Steven J.
McLarney, Timothy C.
Slyman, Gary Eugene
Metheny, Richard L., Jr.
Snyder, Christopher J
Soto, Alfred C.
Morrison, Craig T.
Spataro, Carl L., Jr.
Murtha, Robert C., Jr.
Stagliano, Eric J.
Myers, Jens P.
Stankus, Michael A.
Myers, Laurence M.
Stanton, Paul D.
Mykityshyn, Mark G.
Stolzenberg, Mark P.
Nairn, David J.
Suggs, Joseph A.
Nixon, Moriyoshi R.
Tate, William S.
Orourke, Michael G.
Taylor, Ronald L., Jr.
Ortiz, Ismael, Jr.
Waidelich, Kenneth R.
Owens, Christopher J.
Weber, Thomas A., Jr.
Pace, Gregory H.
Welch, Richard M., Jr.
Parker, Hank A.
Parkinson, John B., Jr.
Wencl, Marshall A.
Perry, Clarence R.
Wessing, David G.
Pillot-Olive, Ildefonso II
Zitterkopf, Gregory H.
Piontek, David J.
Zurlo, Joseph M.
Porter, Michael D.

The following-named U.S. Naval Academy graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, United States Code, section 5590, subject to the qualifications therefor as provided by law:

Butler, Robin A.
Hinds, Sandra L.
Cicchini, Lisa M.
Mines, Gwendolyn D.
Fox, Shelia A.
Tuohey, Mary K.
Gomez, Ina M.
Young, Jolene L.
Hewitt, Mary F.

The following-named U.S. Air Force Academy graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 5585/541, subject to the qualifications therefor as provided by law:

Beaves, Gregory A.
Phillips, Charles E., Jr.
Bermudez, Michael
Breault, Randy L.
Suski, Louis R.

The following-named Naval Reserve Officers Training Corps graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 2107, subject to the qualifications therefor as provided by law:

Fitzwater, Kevin L.
Martin, Jonathan W.

IN THE MARINE CORPS

The following named male officers of the Marine Corps for permanent appointment to the grade of colonel under the provisions of title 10, United States Code, sections 5769 and 5780:

Joseph H. Alexander
Walter E. Boomer
Ray D. Ammon
David M. Brahms
Edward V. Badolato
Frank J. Breth
William W. Bahnmaier
James V. Bronson
Bruce G. Brown
Clarence L. Baker
James R. Brown, Jr.
Robert M. Balch
Francis M. Burke
Larry L. Baldwin
Bobby G. Butcher
Ernest F. Baulch
Frank L. Capin
Ernest B. Beall, Jr.
Robert A. Carnes
Donald D. Bergman
George L. Cates
Alphonse A. Bernotas
Francis X. Chambers, Jr.
Edward O. Bierman
Robert N. Bogard
Bobby D. Chambless
John L. Clark, Jr.
James R. McElroy, Jr.
William B. Clark
Robert C. McInteer
Robin W. Cobble
Samuel K. McKee III
Bobby F. Cole
Thomas F. Meehan
Daniel B. Cone
Ben A. Meharg
Michael H. Conner
Roland S. Merrill
Wayne A. Coomes
Frank E. Milliner
William J. Cooper
Larry G. Mitchell
Robert S. Coulter
Joseph F. Nardo
Jimmie A. Creech
Robert L. Neff
Charles A. Cushman
Robert V. Nicoli
John J. Czerwinski
Edmund P. Noll
William H. Dabney
Leon E. Obenhaus
Thomas J. Dalzell
David E. Obuhanych
Christian F. Defries, Jr.
Hugh P. Pate
Jeremiah W. Pearson III
Robert H. Dietrich
Roy C. Peterson
Gerald L. Diffee
Billy G. Phillips
Chris G. Dokos, Jr.
Charles M. Pisanchin
Richard J. Dove
Lloyd G. Pool
David S. Drum
David A. Quinlan
Philip C. English
Albert J. Ransom
Gerald A. Enos
Robert M. Reed
William P. Eshelman
James E. Reilly
Timothy J. Fallon
George K. Robinson, Jr.
James P. Faulkner
Torrence W. Rogers
Angelo Fernandez
Paul E. Roush
Donald Festa
Joseph D. Ruane
Steven E. Field
James R. Ruffini
Raymond F. Findlay, Jr.
Roger K. Ryman
Walter M. Fitts
Jaime Sabater, Jr.
Joseph F. Flynn
Joseph R. Sales
Charles H. Frazier, Jr.
Joaquin E. Santos, Jr.
Phillip E. Gardner
Robert B. Savage, Jr.
Frederick L. Gatz
Richard B. Scibeck
Timothy J. Geraghty
Herbert L. Seay
Michael S. Gering
James T. Sehulster
Charles J. Goode, Jr.
William D. Seymour
James H. Granger
James P. Sheehan
Jimmie L. Green
David V. Shuter
Ronald R. Grega
William T. Sinnott
James A. Gress
Winfield W. Sisson
George R. Griggs
Malcolm E. Smith, Jr.
Robert E. Hamilton
William J. Smith
Jack B. Hammond
Thomas J. Solak
John J. Hilgers
Harry L. Solter, Jr.
Phillip M. Hinkle
James E. Stanton
Frank J. Horak, Jr.
Donald R. Stanton
Richard H. Huckaby
David R. Stefansson
Norman W. Huddy, Jr.
James J. Stewart
Frank A. Huey
Donald L. Stiegman
Donald W. Johnson
Donald L. Stoner
Warren D. Kalas
John A. Studds
Michael F. Keane, Jr.
James V. Sullivan
Gordon W. Keiser
Wayne R. Swenson
Reginald C. Kelley, Jr.
Lawrence A. Taylor
William M. Keys
John Telles, Jr.
Raymond G. Leidich
William A. Tilley, Jr.
Gerland E. Lindgren
James H. Tinsley
Kimball Listonwakefiel
Kenneth A. Town
Wesley A. Lokken
Henry L. Trimble III
Ronald M. Losee
John M. Tuttle
Gary N. Loveland
Charles R. Upshaw
Francis L. Loving
Robert C. Watson
John O. Marsh
Faustin E. Wirkus, Jr.
James S. May
William E. Wright
Albert J. McCarthy, Jr.
Richard K. Young

The following named male officer of the Marine Corps Reserve for permanent appointment to the grade of colonel under the provisions of title 10, United States Code, sections 5769 and 5780:

John T. Garcia

The following named woman officer of the Marine Corps for permanent appointment to the grade of colonel under the provisions of title 10, United States Code, section 5771:

Barbara J. Roy

The following named male officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel under the provisions of title 10, United States Code, section 5769:

John F. Adinolfi
David P. Allen
Travis M. Alton
James P. Allen, Jr.

Richard S. Alvarez
James A. Amendolia
George A. Ampagoomian
William D. Armstrong, Jr.
Raymond P. Ayres, Jr.
Russell F. Bailes, Jr.
Thomas C. Bailey, Jr.
Bradley E. Barriteau
David E. Belatti
Charles S. Bentley
Stephen R. Berkheiser
Maurice F. Bernier
Floyd A. Best
Lee H. Bettis
John A. Bicknas
Jerry C. Black
Frank S. Blair, III
Gary A. Blair
Marvin S. Blair, Jr.
Charles D. Breme
John L. Brennan
Edward C. Brown
Ross A. Brown
Randolph D. Brunell
Clarence C. Bryant
Kenneth R. Burns
Larry E. Campbell
Nicholas F. Carlucci, Jr.
Hugh T. Carter
James A. Cathcart
James M. Chapin
Clarence B. Cheatham Jr.
Clayton C. Christensen
John C. Church
Clovis C. Coffman, Jr.
Brascal B. Cole, Jr.
Robert W. Coop
Dillard W. Copeland
Kermit C. Corcoran
John O. Cotton
William V. Cowan, III
David E. Crais
Fred R. Crowley
Terry M. Curtis
Robert J. Dalton
Michael A. Davis
Pleas E. Davis
Thomas E. Davis
William J. Davis
Thomas R. Delux
John F. Dennis
Richard E. Dennis
Wilbur C. Dishman
Robert J. Eisenlohr
Michael W. Emmett
George J. I. Eschenfelder
David P. Evans
Dennis L. Faust
Louis J. Ferracane, Jr.
Thomas M. Fine, III
Andrew R. Finlayson
Augustus Fitch, III
Ronald D. Fleming
Morris O. Fletcher
Norman R. Ford
Wesley L. Fox
Robert L. Frantz
James E. French
John B. Fretwell
Barton J. Friebolin
Carlton W. Fulford, Jr.
James P. Gardner
Larry T. Garrett
Michael H. Gavlick
Howard L. Gerlach
Perry H. Gesell
Graydon F. Geske
Henry P. Giedzinski
John P. Glasgow, Jr.
John B. Goody
Joaquin C. Gracida
Michael J. Graf
James C. Hajduk
Dennis M. Harke
William F. Harvey
Charles E. Hatch
James M. Hayes
Robert B. Haynes
Donald R. Head
Gale E. Heaivilin
Ronald A. Hellbusch
Richard Herberg, Jr.
David F. Herr
Peter M. Hesser
Robert Hickerson
Larry T. Higbee
Robert G. Hill
Judson D. Hilton, Jr.
Marshall G. Hodges
Richard W. Hodory
George R. Hofmann, Jr.
Franklin D. Holder
Nathaniel R. Hoskot, Jr.
James L. Hurlburt
Larry M. Hutson
Frank M. Izenour, Jr.
Marvin L. Jackson
Michael R. Janay
Jack D. Jewell
James E. Johnson
Melford M. Johnson
William F. Johnson
Walter F. Jones
Harry K. Jowers, Jr.
Luis A. Juarez
Thomas A. Kahl
Lawrence G. Karch
Cary Kelly
Michael S. Kelly
Novatus N. Kirby
George W. Kralovec, III
John J. Krauer
Coleman D. Kuhn, Jr.
David J. Laboissiere
Robert K. Lange
Timothy L. Laplaunt
Jacob L. LaRue
Joseph A. Lavigne
Francis X. Lawler, Jr.
William S. Lawrence
Sean K. Leach
Frank Libutti
Jasper C. Lilly, Jr.
Achim W. Lind
Frank E. Littlebury
John S. Lowery, Jr.
James W. Lucy
Freddie M. Luckie
Gary W. MacLeod
Bruce A. Major
William R. J. Masciangelo
John B. Matthews
Herman L. May, Jr.
Jeffrey B. McAnally
John C. McAnnally
Robert M. McBride
William G. McBride, Jr.
Jimmy W. McClung
James B. McKenney
Gary S. McKissock
Robert J. McLaughlin
Warren R. McPherson
John W. Moffett
John W. Mohr
Rex B. Moody
Kenneth W. Moore
Paul Moore, Jr.
Walter H. Moos
Richard J. Muller
William A. Murphy
Joseph A. Murry
James S. Needham
Thomas S. Nelson III
David E. Niederhaus
Ernest G. Noll, Jr.
Robert M. Nye, Jr.
Mark D. O'Connor
John P. Oppenhuizen
Theodore D. Owens
Nelson Paler
Julian W. Parrish
William T. Pedersen, Jr.
James A Pelli, Jr.
Peter L. Perkins, Jr.
Guy, A. Pete, Jr.
William C. Peters
Daniel R. Phipps
Gordon L. Pirtle
William W. Pollock
John R. Pope
Paul J. Prinster
James M. Rapp
Geoffrey K. Rasmussen
Jimmy M. Ray
Philip H. Ray
Charles Rechtenbach
Robert K. Redlin
Albert A. Reed
Lawrence C. Reifsnider
Richard M. Reilly
Wayne H. Rice
Clarence E. Richards, Jr.
Charles E. Richardson
Manfred A. Rietsch
Jack W. Rippy
Frederick M. Rivers, Jr.
Clifford R. Robinson
John M. Rodosta
Richard D. Rodriguez
Hugh A. Ronalds
Daryl L. Russell
Woodson A. Sadler
Kenneth R. Sandstrom
Klaus D. Schagat
Bernard D. Schmidt
Klaus D. Schreiber
Russell W. Schumacher, Jr.
Rudy T. Schwanda
Gene D. Schwartzlow
James E. Scoggins
T. D. Seder
Michael N. Shahan
William G. Sheldon III
William B. Shively
Hurman R. Sims
Alexander G. Smith III
Larry E. Smith
Edward A. Smyth
James L. Spence
Robert L. Spooner
Larry J. Springer
Craig R. Steinmetz
Myles C. Still
James E. Stoll
Terry W. Stone
Thomas D. Stouffer
Richard A. Strickland
John M. Suhy
John J. Sullivan
Terry P. Swanger
William G. Swarens
Bronson W. Sweeney
Robert E. Swete
William P. Symolon
Stephen A. Tace
Monty J. Tennes
Joseph G. Thomas
Ky L. Thompson
William F. Thompson
Thomas A. Toth
Edward L. Trainor
Ellsworth J. Turse, Jr.
William P. Vacca
Jay H. Vandyne
Russell D. Verbael
Eric P. Visser
Richard L. Vogel
Thomas U. Wall
Loren A. Wasson
David J. Watson
John Wegl
Roger V. Wellbrook
Alfred M. West
Buddy P. Westmoreland
John K. Wetter
Michael C. Wholley
Frank G. Wickersham III
James R. Wiliams
John F. Williams, Jr.
Joseph H. Wiliams
Lester H. Williams, Jr.
Roger L. Williams
Lynn W. Wilson
William D. Wischmeyer
William C. Wolfe
Larry L. Woodruff
Clyde E. Woods
Dale F. Wyrauch, Jr.
John S. Zdanowski

The following named male officers of the Marine Corps Reserve for temporary appointment to the grade of lieutenant colonel under the provisions of title 10, United States Code, section 5769:

Ralph S. Bates
Paul G. Brown
Umphis L. Brown
Harry E. Burton
Vincent D. Diloreto
Carolos D. Espinoza
Louis Garcia
Leroy A. Garrett
Kenneth J. Hebert
John M. Kelly
Richard J. Lovelace
Arthur Warnack

The following named women officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel under the provisions of title 10, United State Code, section 5771:

Marguerite J. Campbell
Eileen M. Albertson
Charlene S. Itchkawich
Ellen T. Laws
Brandy D. James
Alice B. Marshall
Carol A. Mutter
Lorraine M. Sadler
Adelaide A. Quebodeaux
Barbara Weinberger

Executive nominations received by the Secretary of the Senate April 22, 1981, under the authority of the order of the Senate of April 8, 1981:

DEPARTMENT OF STATE

Ernest W. Lefever, of Maryland, to be Assistant Secretary of State for Human Rights and Humanitarian Affairs, vice Patricia M. Derian, resigned.

Robert Dean Nesen, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Nauru.

DEPARTMENT OF DEFENSE

Henry E. Catto, Jr., of Virginia, to be an Assistant Secretary of Defense, vice Thomas B. Ross, resigned.

Russell A. Rourke, of Maryland, to be an Assistant Secretary of Defense, vice Russell Murray 2nd, resigned.

FEDERAL GRAIN INSPECTION SERVICE

Kenneth A. Gilles, of North Dakota, to be Administrator of the Federal Grain Inspection Service, vice Earl Leland Bartelt, resigned.

DEPARTMENT OF COMMERCE

Sherman E. Unger, of Ohio, to be General Counsel of the Department of Commerce, vice Homer E. Moyer, Jr., resigned.

OFFICE OF PATENTS AND TRADEMARKS

Gerald J. Mossinghoff, of Virginia, to be Commissioner of Patents and Trademarks, vice Sidney A. Diamond, resigned.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Antonio Monroig, of Puerto Rico, to be an Assistant Secretary of Housing and Urban Development, vice Sterling Tucker, resigned.

DEPARTMENT OF ENERGY

Joseph J. Tribble, of Georgia, to be an Assistant Secretary of Energy (Conservation and Renewable Energy), vice Thomas Eugene Stelson, resigned.

OFFICE OF MINORITY ECONOMIC IMPACT

Rosslee Green Douglas, of South Carolina, to be Director of the Office of Minority Economic Impact, vice Louis F. Moret, resigned.

DEPARTMENT OF EDUCATION

Vincent E. Reed, of the District of Columbia, to be Assistant Secretary for Elementary and Secondary Education, Department of Education, vice Thomas Kendall Minter, resigned.

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

Loren A. Smith, of Delaware, to be Chairman of the Administrative Conference of the United States for the term of 5 years, vice Reuben B. Robertson, resigned.

IN THE AIR FORCE

Lt. Gen. Marion L. Boswell, U.S. Air Force (age 57), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. George M. Browning, Jr., xxx-... xxx-xx-... FR, U.S. Air Force.

IN THE NAVY

The following temporary flag officers of the U.S. Navy for permanent promotion to the grade of rear admiral, pursuant to title

10, United States Code, sections 5780, 5781 and 5791.

LINE

William A. Williams, III	Edward A. Wilkinson, Jr.
John L. Butts	James S. Elfelt
William E. Ramsey	James K. Nunneley
Paul T. Gillcrist	David G. Ramsey
Glen W. Lenox	John D. Beecher
Charles F. Horne, III	Lawrence Layman
Richard C. Avrit	Paul J. Mulloy
Kleber S. Masterson, Jr.	Charles B. Hunter
	Albert A. Gallotta, Jr.
William A. Cockell, Jr.	Austin B. Scott, Jr.
	Lee E. Levenson
Henry C. Mustin	Paul W. Dillingham,
Stephen J. Hostettler	Jr.
George A. Aitcheson, Jr.	David L. Harlow
	Jerry O. Tuttle
Byron B. Newell, Jr.	James R. Hogg
Ralph G. Bird	James W. Austin
Richard C. Berry	Robert R. Fountain,
Thomas F. Brown, III	Jr.
	Charles R. Larson

MEDICAL CORPS

Melvin Museles
John R. Lukas
Stephen Barchet

SUPPLY CORPS

Bruno A. Pomponio
Scott W. Ebert
Niel P. Ferraro

CIVIL ENGINEER CORPS

James T. Taylor
Howard H. Haynes
John P. Jones, Jr.

DENTAL CORPS

Thomas W. McKean

IN THE ARMY

The following named cadets, graduating class of 1981, U.S. Military Academy, for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3284 and 4353:

Adams, Douglas S., xxx-xx-xxxx.
Adams, Randy L., xxx-xx-xxxx.
Adams, William F., xxx-xx-xxxx.
Adams, William P., xxx-xx-xxxx.
Ager, Christopher, xxx-xx-xxxx.
Agron, Gary Alfred, xxx-xx-xxxx.
Ahlbrand, Bruce A., xxx-xx-xxxx.
Ahn, James K., xxx-xx-xxxx.
Aldrich, Gregory A., xxx-xx-xxxx.
Alegre, David Max, xxx-xx-xxxx.
Alexander, Blair C., xxx-xx-xxxx.
Alexander, Curtis, xxx-xx-xxxx.
Allard, Donald, xxx-xx-xxxx.
Allyn, Daniel B., xxx-xx-xxxx.
Altmire, Jeffrey J., xxx-xx-xxxx.
Alty, James E., xxx-xx-xxxx.
Anderson, Bruce C., xxx-xx-xxxx.
Anderson, Jeffry L., xxx-xx-xxxx.
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Antanies, John, xxx-xx-xxxx.
Anthony, Michael D., xxx-xx-xxxx.
Apgar, Edward J., xxx-xx-xxxx.
Armstrong, Edward, xxx-xx-xxxx.
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Avalle, Robert J., xxx-xx-xxxx.
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Azzarita, Alan J., xxx-xx-xxxx.
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Balogh, William, xxx-xx-xxxx.
Barry, Paul P., xxx-xx-xxxx.
Barthel, Kurt C., xxx-xx-xxxx.
Bauder, Joel D., xxx-xx-xxxx.
Bauer, Terrance J., xxx-xx-xxxx.
Baum, Franklin R., xxx-xx-xxxx.
Bazemore, Barry E., xxx-xx-xxxx.
Bechard, Gary A., xxx-xx-xxxx.
Beck, Adele Marie, xxx-xx-xxxx.
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Beery, Michael D., xxx-xx-xxxx.
Begeman, Paul J., xxx-xx-xxxx.
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Berrios, Fernando, xxx-xx-xxxx.
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Billig, Eric D., xxx-xx-xxxx.
Bird, Victor M., xxx-xx-xxxx.
Birk, John Elmer, xxx-xx-xxxx.
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McGillin, Howard O., xxx-xx-xxxx
McGrath, Michael F., xxx-xx-xxxx
McGuire, Stephen E., xxx-xx-xxxx
McKearn, Mark J., xxx-xx-xxxx
McMahon, Michael J., xxx-xx-xxxx
McMaster, Shawn S., xxx-xx-xxxx
McMullin, James D., xxx-xx-xxxx
McNulty, James W., xxx-xx-xxxx
Mead, Warne D., xxx-xx-xxxx
Meade, Timothy K., xxx-xx-xxxx
Meehan, John P., xxx-xx-xxxx
Meese, Michael J., xxx-xx-xxxx
Meredith, James A., xxx-xx-xxxx
Mertz, Michael A., xxx-xx-xxxx
Messer, James L., xxx-xx-xxxx
Metivier, Timothy, xxx-xx-xxxx
Miklancic, Daniel, xxx-xx-xxxx
Miles, Melinda, xxx-xx-xxxx
Miles, Melissa, xxx-xx-xxxx
Miller, Cliff, xxx-xx-xxxx
Minahan, John R., xxx-xx-xxxx
Minchew, Morris D., xxx-xx-xxxx
Miner, Michael D., xxx-xx-xxxx
Mirisola, Matthew, xxx-xx-xxxx
Mitchell, Charles, xxx-xx-xxxx
Moentmann, James E., xxx-xx-xxxx
Moore, Robert A., xxx-xx-xxxx
Moosman, Christopher, xxx-xx-xxxx
Moravec, Daniel J., xxx-xx-xxxx
Mosinski, David A., xxx-xx-xxxx
Moskal, John A., xxx-xx-xxxx
Mudlo, John T., xxx-xx-xxxx
Mueller, Patrick J., xxx-xx-xxxx
Muilenburg, Gregory, xxx-xx-xxxx
Munson, Hugh P., xxx-xx-xxxx
Murray, Neil F., xxx-xx-xxxx
Musser, Eric S., xxx-xx-xxxx
Muth, Barry W., xxx-xx-xxxx
Myers, Joseph C., xxx-xx-xxxx
Naessens, Edward P., xxx-xx-xxxx
Neblett, Karl B., xxx-xx-xxxx
Nelson, Paul M., xxx-xx-xxxx
Nesset, Duane R., xxx-xx-xxxx
Nevarre, Daniel R., xxx-xx-xxxx
Newcomb, Michael A., xxx-xx-xxxx
Newman, Robert B., xxx-xx-xxxx
Newsome, Tracy L., xxx-xx-xxxx
Newton, Robert A., xxx-xx-xxxx
Nichol, James M., xxx-xx-xxxx
Nichols, Brian J., xxx-xx-xxxx
Nichols, Camille M., xxx-xx-xxxx
Nipper, Mark A., xxx-xx-xxxx
Nishimura, Duke N., xxx-xx-xxxx
Nowak, George A., xxx-xx-xxxx
Nozuka, Robert M., xxx-xx-xxxx
Nutt, Jesse R., xxx-xx-xxxx
O'Brien, Robert D., xxx-xx-xxxx
Ochs, David C., xxx-xx-xxxx
O'Connell, Christopher, xxx-xx-xxxx
O'Connor, Edwin S., xxx-xx-xxxx
O'Connor, Francis G., xxx-xx-xxxx
Ogara, Mark, xxx-xx-xxxx
O'Keefe, Gerald B., xxx-xx-xxxx
Olker, Walter J., xxx-xx-xxxx
Ondarza, Frederick, xxx-xx-xxxx
O'Neil, Cynthia A., xxx-xx-xxxx
Orton, Gary G., xxx-xx-xxxx
Osborne, William D., xxx-xx-xxxx
O'Shaughnessy, Thomas, xxx-xx-xxxx
O'Such, Alisande C., xxx-xx-xxxx
O'Sullivan, Gail M., xxx-xx-xxxx
Owen, Scott D., xxx-xx-xxxx
Pagentine, Louis J., xxx-xx-xxxx
Palmer, Mark A., xxx-xx-xxxx
Palmiero, Ralph M., xxx-xx-xxxx
Palumbo, Raymond P., xxx-xx-xxxx
Parker, William S., xxx-xx-xxxx
Parrish, William H., xxx-xx-xxxx
Paslawsky, Markian, xxx-xx-xxxx
Patton, Bonnie E., xxx-xx-xxxx
Pauley, Ross D., xxx-xx-xxxx
Paulo, Eugene P., xxx-xx-xxxx
Paulson, John C., xxx-xx-xxxx
Pawlak, James M., xxx-xx-xxxx
Payne, Robert A., xxx-xx-xxxx
Pearson, Ronald L., xxx-xx-xxxx
Peck, William C., xxx-xx-xxxx
Pelicano, Stephen, xxx-xx-xxxx
Pelizzon, David R., xxx-xx-xxxx
Pellette, Philip W., xxx-xx-xxxx
Perry, Steven P., xxx-xx-xxxx
Perry, Thomas J., xxx-xx-xxxx
Peters, Scott C., xxx-xx-xxxx
Peterson, Darryl W., xxx-xx-xxxx
Peterson, Jeffrey, xxx-xx-xxxx
Petro, Janet E., xxx-xx-xxxx
Petty, James E., xxx-xx-xxxx
Phillips, Charles, xxx-xx-xxxx
Phillips, John T., xxx-xx-xxxx
Pittard, Dana J., xxx-xx-xxxx
Pittman, Debra L., xxx-xx-xxxx
Plaisted, Brian D., xxx-xx-xxxx
Pliakos, Mark B., xxx-xx-xxxx
Ploompuu, Andres H., xxx-xx-xxxx
Poling, Russell L., xxx-xx-xxxx
Polite, Anita M., xxx-xx-xxxx
Ponder, Randolph W., xxx-xx-xxxx
Poniatowski, Edward, xxx-xx-xxxx
Porter, Ronald A., xxx-xx-xxxx
Potter, Elizabeth, xxx-xx-xxxx
Powell, Kenneth W., xxx-xx-xxxx
Pozsonyi, Robert H., xxx-xx-xxxx
Prantl, William J., xxx-xx-xxxx
Pridgen, Richard B., xxx-xx-xxxx
Prusiecki, John J., xxx-xx-xxxx
Pullen, Harvey L., xxx-xx-xxxx
Pursell, David P., xxx-xx-xxxx
Rader, Tommy E., xxx-xx-xxxx
Ragsdale, Daniel J., xxx-xx-xxxx
Rappold, Jack K., xxx-xx-xxxx
Rassatt, Gregory S., xxx-xx-xxxx
Ray, Roy T., xxx-xx-xxxx
Raymond, Charles L., xxx-xx-xxxx
Raymond, Walter R., xxx-xx-xxxx
Raynes, William C., xxx-xx-xxxx
Reardon, Myles, Jr., xxx-xx-xxxx
Reck, Keith F., xxx-xx-xxxx

Reese, Grady G. xxx-xx-xxxx
Reese, Timothy R. xxx-xx-xxxx
Reeves, Garon L. xxx-xx-xxxx
Rehm, Thomas A. xxx-xx-xxxx
Reid, Carlton B. xxx-xx-xxxx
Reisweber, Mark A. xxx-xx-xxxx
Resty, Michael, Jr. xxx-xx-xxxx
Reverie, Manuel J. xxx-xx-xxxx
Rhinesmith, Frank xxx-xx-xxxx
Rice, William B. xxx-xx-xxxx
Rich, Charles R. xxx-xx-xxxx
Richardson, Bryan xxx-xx-xxxx
Richardson, Scott, xxx-xx-xxxx
Richbourg, Thomas xxx-xx-xxxx
Riddle, Kyle M. xxx-xx-xxxx
Riedler, Kevin R. xxx-xx-xxxx
Riera, Ricardo R. xxx-xx-xxxx
Rigg, Michael A. xxx-xx-xxxx
Riker, William E. xxx-xx-xxxx
Riseling, Lisa D. xxx-xx-xxxx
Ritter, Mark L. xxx-xx-xxxx
Rizzio, Michael, xxx-xx-xxxx
Roberts, Ricky J. xxx-xx-xxxx
Robertson, Steven xxx-xx-xxxx
Robie, Daniel K. xxx-xx-xxxx
Robinson, Timothy xxx-xx-xxxx
Rodriguez, Humbert xxx-xx-xxxx
Rogers, William D. xxx-xx-xxxx
Roth, Jerry Harold xxx-xx-xxxx
Rounds, Michael E. xxx-xx-xxxx
Russell, Steven E. xxx-xx-xxxx
Ryan, Douglas E. xxx-xx-xxxx
Sager, Robert J. xxx-xx-xxxx
Sajo, James R. xxx-xx-xxxx
Salazar, Eugene xxx-xx-xxxx
Salvador, Elizabeth xxx-xx-xxxx
Salyer, Ronald F. xxx-xx-xxxx
Samec, David Wayne xxx-xx-xxxx
Sampson, Bryan D. xxx-xx-xxxx
Sanchez, Joe B. xxx-xx-xxxx
Sando, Donald Mark xxx-xx-xxxx
Sankovitch, John P. xxx-xx-xxxx
Santilli, David T. xxx-xx-xxxx
Sauer, Wayne Allen xxx-xx-xxxx
Savage, David M., xxx-xx-xxxx
Savold, Patricia A. xxx-xx-xxxx
Sawicki, Walter M. xxx-xx-xxxx
Sbrocco, Leonard J. xxx-xx-xxxx
Schaefer, Richard xxx-xx-xxxx
Schellhorn, Eric P. xxx-xx-xxxx
Schlatter, Philip xxx-xx-xxxx
Schleyer, Gregory xxx-xx-xxxx
Schmidt, Mark R. xxx-xx-xxxx
Schneider, William xxx-xx-xxxx
Schober, Andrew K. xxx-xx-xxxx
Schoewe, David D. xxx-xx-xxxx
Schreder, Mark A. xxx-xx-xxxx
Schroeder, Mark J. xxx-xx-xxxx
Schwartz, Thomas J. xxx-xx-xxxx
Schwelnus, Tauno B. xxx-xx-xxxx
Scott, Braddock B. xxx-xx-xxxx
Scott, Michael P. xxx-xx-xxxx
Seastrom, Mark P. xxx-xx-xxxx
Sellner, Richard W. xxx-xx-xxxx
Sheely, David Mark xxx-xx-xxxx
Sherman, Matthew L. xxx-xx-xxxx
Sherrill, Peter K. xxx-xx-xxxx
Sherwood, Timothy xxx-xx-xxxx
Shields, Robert L. xxx-xx-xxxx
Shinego, Ronald P. xxx-xx-xxxx
Shuba, Kevin J. xxx-xx-xxxx
Shultis, John S. xxx-xx-xxxx
Siegrist, Ralph S. xxx-xx-xxxx
Simmerer, Stephen xxx-xx-xxxx
Simonson, Keith D. xxx-xx-xxxx
Slagle, Kurt E. xxx-xx-xxxx
Smart, Jon P. xxx-xx-xxxx
Smith, Clark L. xxx-xx-xxxx
Smith, Jack F. xxx-xx-xxxx
Smith, Jeffrey P. xxx-xx-xxxx
Smith, Kevin B. xxx-xx-xxxx
Smith, Stephen T. xxx-xx-xxxx
Snyder, David W. xxx-xx-xxxx
Snyder, Robert D. xxx-xx-xxxx
Sobotik, Richard D. xxx-xx-xxxx
Sofia, Mark C. xxx-xx-xxxx
Solveson, Keith D. xxx-xx-xxxx
Somersall, Paul O. xxx-xx-xxxx
Sonnier, David L. xxx-xx-xxxx
Soriano, Derek A. xxx-xx-xxxx
Spurgeon, William xxx-xx-xxxx
Stackpole, Patrick xxx-xx-xxxx
Stafford, Charles xxx-xx-xxxx
Stahley, Scott R. xxx-xx-xxxx
Stanfield, Ronald xxx-xx-xxxx
Stangle, Scott A. xxx-xx-xxxx
Stearns, Amy E. xxx-xx-xxxx
Steffan, Grant D. xxx-xx-xxxx
Stevens, Dirk E. xxx-xx-xxxx
Stewart, Kevin S. xxx-xx-xxxx
Stiegler, James K. xxx-xx-xxxx
Stiles, Bruce M. xxx-xx-xxxx
Stine, John A. xxx-xx-xxxx
Stoy, Timothy R. xxx-xx-xxxx
Streets, Kevin A. xxx-xx-xxxx
Stroud, Andrew B. xxx-xx-xxxx
Stuteville, James xxx-xx-xxxx
Suddarth, John B. xxx-xx-xxxx
Sukovich, Steven xxx-xx-xxxx
Sullenberger, Will xxx-xx-xxxx
Sullivan Christopher xxx-xx-xxxx
Susie, Allen M., xxx-xx-xxxx
Sutherland, Everet xxx-xx-xxxx
Svoboda, Nancy A. xxx-xx-xxxx
Swanson, Sherrill xxx-xx-xxxx
Swaren, Thomas L. xxx-xx-xxxx
Swope, Mark D., xxx-xx-xxxx
Sydenstricker, Paul xxx-xx-xxxx
Syslo, Rand W. xxx-xx-xxxx
Takatori, Eric F. xxx-xx-xxxx
Tarantino, William xxx-xx-xxxx
Tartala, John A. xxx-xx-xxxx
Tata, Anthony J. xxx-xx-xxxx
Tatu, Robert J. xxx-xx-xxxx
Taylor, Dean C. xxx-xx-xxxx
Taylor, John J. xxx-xx-xxxx
Teifer, Patrick J. xxx-xx-xxxx
Thames, Bruce A. xxx-xx-xxxx
Thie, Gary E. xxx-xx-xxxx
Thiel, John S. xxx-xx-xxxx
Thomas, Anthony S. xxx-xx-xxxx
Thomas, Michael C. xxx-xx-xxxx
Thomas, Vernon, xxx-xx-xxxx
Tidd, John P. xxx-xx-xxxx
Tierney, Jeffrey J. xxx-xx-xxxx
Todd, Jeffrey S. xxx-xx-xxxx
Todd, Maurice L. xxx-xx-xxxx
Toomey, Christopher xxx-xx-xxxx
Topping, Kenneth L. xxx-xx-xxxx
Tosi, David G. xxx-xx-xxxx
Toth, David M. xxx-xx-xxxx
Tousley, Bradford xxx-xx-xxxx
Towey, James V. xxx-xx-xxxx
Trainor, James P. xxx-xx-xxxx
Travis, Michael E. xxx-xx-xxxx
Trevino, Raymond A. xxx-xx-xxxx
Trotter, Chris M. xxx-xx-xxxx
Troy, G. Kent xxx-xx-xxxx
Trudo, Edward W. xxx-xx-xxxx
Tucci, Michael J. xxx-xx-xxxx
Turner, Rodney D. xxx-xx-xxxx
Turner, William B. xxx-xx-xxxx
Turrentine, Larry xxx-xx-xxxx
Utchel, Lori A. xxx-xx-xxxx
Vahle, Francis J. xxx-xx-xxxx
Vanslager, Christopher xxx-xx-xxxx
Vasta, Robert J. xxx-xx-xxxx
Vaughn, James M. xxx-xx-xxxx
Vavrin, John L. xxx-xx-xxxx
Viana, Alfred, xxx-xx-xxxx
Vicci, Robert F. xxx-xx-xxxx
Visser, Malcolm H. xxx-xx-xxxx
Vydra, Darrell G. xxx-xx-xxxx
Wade, Roderick K. xxx-xx-xxxx
Wadley, William J. xxx-xx-xxxx
Wagner, Mark R. xxx-xx-xxxx
Wagner, Scott D. xxx-xx-xxxx
Wait, Mark F. xxx-xx-xxxx
Walborn, Chet G. xxx-xx-xxxx
Waldeck, James J. xxx-xx-xxxx
Walk, William A. xxx-xx-xxxx
Walker, Anthony K. xxx-xx-xxxx
Walker, Kyle E. xxx-xx-xxxx
Wall, Robert S. xxx-xx-xxxx
Walter, Robert C. xxx-xx-xxxx
Walter, Rodney W. xxx-xx-xxxx
Walters, Stephen xxx-xx-xxxx
Ward, George D. xxx-xx-xxxx
Washuta, John F. xxx-xx-xxxx
Watson, James L. xxx-xx-xxxx
Wawrzyniak, Michael xxx-xx-xxxx
Weafer, Robert E. xxx-xx-xxxx
Weatherford, John xxx-xx-xxxx
Webb, Anthony V. xxx-xx-xxxx
Weber, James R. xxx-xx-xxxx
Wedmark, Kevin A. xxx-xx-xxxx
Weitekamp, Mark R. xxx-xx-xxxx
West, Linda M. xxx-xx-xxxx
Westbay, Stephen W. xxx-xx-xxxx
Westlund, Kenneth xxx-xx-xxxx
Wharton, John F. xxx-xx-xxxx
Wheeler, Daisie D. xxx-xx-xxxx
Whitaker, Malcolm xxx-xx-xxxx
White, Stephen L. xxx-xx-xxxx
Whitehead, Leonard xxx-xx-xxxx
Wickstrom, Steven xxx-xx-xxxx
Widick, Deborah A. xxx-xx-xxxx
Wiese, Paul A. xxx-xx-xxxx
Wiggins, David K. xxx-xx-xxxx
Wilhelm, John D. xxx-xx-xxxx
Wilhelm, William G. xxx-xx-xxxx
Wilkins, Stephen M. xxx-xx-xxxx
Will, David A. xxx-xx-xxxx
Williams, David C. xxx-xx-xxxx
Williams, Eddie E. xxx-xx-xxxx
Williams, James M. xxx-xx-xxxx
Williams, Jeffrey xxx-xx-xxxx
Williams, Michael xxx-xx-xxxx
Wilson, Duane K. xxx-xx-xxxx
Wilson, John P. xxx-xx-xxxx
Wirth, Walter M. xxx-xx-xxxx
Wise, Daniel V. xxx-xx-xxxx
Woloson, Peter A. xxx-xx-xxxx
Wood, John K. xxx-xx-xxxx
Wood, Kevin B. xxx-xx-xxxx
Woods, Kent T. xxx-xx-xxxx
Woolen, Edward M. xxx-xx-xxxx
Woolfolk, Edmund W. xxx-xx-xxxx
Woolridge, Eugene xxx-xx-xxxx
Wright, Frederick xxx-xx-xxxx
Wright, James E. xxx-xx-xxxx
Wright, Jerry V. xxx-xx-xxxx
Wu, Victor Peter xxx-xx-xxxx
Yahn, Timothy W. xxx-xx-xxxx
Yarmie, Michael S. xxx-xx-xxxx
Yates, Michael L. xxx-xx-xxxx
York, Daniel L. xxx-xx-xxxx
York, James F. xxx-xx-xxxx
York, Wiliam H. xxx-xx-xxxx
Young, Wayne E. xxx-xx-xxxx
Youst, Gregory F. xxx-xx-xxxx
Yuengert, Louis G. xxx-xx-xxxx
Zachary, Brenda A. xxx-xx-xxxx
Zajac, Daniel L. xxx-xx-xxxx
Zamberlan, Mark A. xxx-xx-xxxx
Zappalla, Stephen xxx-xx-xxxx
Zarfoss, Holly L. xxx-xx-xxxx
Ziccarello, Jess V. xxx-xx-xxxx
Zimmer, Paul J. xxx-xx-xxxx
Zorn, Burkhardt H. xxx-xx-xxxx

The following named officers for appointment in the Regular Army of the United States, in the grade specified. under the provisions of title 10, United States Code, sections 3284 through 3294:

To be first lieutenant

Aronson, Naomi Elspeth xxx-xx-xxxx
Benjamin, Sabrina A. xxx-xx-xxxx
Bernstein, Wendy Beth xxx-xx-xxxx
Bradshaw, Donald Matthew xxx-xx-xxxx
Connor, Walter C. xxx-xx-xxxx
Ducey, Julie Ann xxx-xx-xxxx
Dyer, Philip D. xxx-xx-xxxx
Erpelding, Joseph M. xxx-xx-xxxx
Flannery, Frank T. xxx-xx-xxxx
Fowler, John M., Jr. xxx-xx-xxxx
Fox, Charles W., Jr. xxx-xx-xxxx
Franklin, Kenneth J. xxx-xx-xxxx
Fuller, George F. xxx-xx-xxxx
Getts, Alan G. xxx-xx-xxxx
Goldberg, David I. xxx-xx-xxxx
Jack, David B. xxx-xx-xxxx
Keenan, Kevin N. xxx-xx-xxxx

Longer, Charles F. [redacted]
McFadden, William F. [redacted]
Mengel, Mark B., [redacted]
Murdock, Edwin A., [redacted]
Norwood, Anne E., [redacted]
Robert, John P. [redacted]
Snyder, Robert J. [redacted]
Spaulding, Stephen A. [redacted]
Strand, Linda L. [redacted]
Weston, Lawrence T. [redacted]
Young, John S., III [redacted]

Executive nominations received by the Secretary of the Senate April 23, 1981, under authority of the order of the Senate of April 8, 1981:

U.S. SYNTHETIC FUELS CORPORATION

Edward E. Noble, of Oklahoma, to be Chairman of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 7 years, vice John C. Sawhill, resigned.

DEPARTMENT OF COMMERCE

Lawrence J. Brady, of New Hampshire, to be an Assistant Secretary of Commerce, vice Frank Alan Weil, resigned.

Arlene Triplett, of Virginia, to be an Assistant Secretary of Commerce, vice Elsa Allgood Porter, resigned.

Paul A. Vander Myde, of Virginia, to be an Assistant Secretary of Commerce, vice Andrew E. Manatos, resigned.

DEPARTMENT OF DEFENSE

Richard D. DeLauer, of California, to be Under Secretary of Defense for Research and Engineering, vice William J. Perry, resigned.

IN THE AIR FORCE

Lt. Gen. Kenneth L. Tallman, U.S. Air Force (age 56), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Executive nominations received by the Secretary of the Senate April 27, 1981, under authority of the order of the Senate of April 8, 1981:

DEPARTMENT OF STATE

Robert Gerhard Neumann, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia.

DEPARTMENT OF AGRICULTURE

Frank W. Naylor, Jr., of California, to be Under Secretary of Agriculture for Small Community and Rural Development, vice Alex P. Mercure, resigned.

DEPARTMENT OF ENERGY

W. Kenneth Davis, of California, to be Deputy Secretary of Energy, vice Lynn R. Coleman, resigned.

DEPARTMENT OF EDUCATION

William C. Clohan, Jr., of West Virginia, to be Under Secretary of Education, vice Steven A. Minter, resigned.

Daniel Oliver, of Connecticut, to be General Counsel, Department of Education, vice Betsy Levin, resigned.

FEDERAL COMMUNICATIONS COMMISSION

Mark S. Fowler, of Virginia, to be a member of the Federal Communications Commission for the unexpired term of 7 years from July 1, 1979, vice Tyrone Brown, resigned.

MERIT SYSTEMS PROTECTION BOARD

Alex Kozinski, of California, to be Special Counsel of the Merit Systems Protection Board for a term of 5 years, vice Haywood Patrick Swygert, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 27, 1981:

DEPARTMENT OF JUSTICE

Rudolph W. Giuliani, of New York, to be Associate Attorney General, vice John H. Shenefield, resigned.

DEPARTMENT OF DEFENSE

Lawrence J. Korb, of Virginia, to be Assistant Secretary of Defense, vice Robert Burns Pirie, Jr., resigned.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Lynwood E. Clark, [redacted] USAFR, U.S. Air Force.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Robert Gibbons Gard, Jr., [redacted], (age 53), Army of the United States (major general, U.S. Army).

IN THE AIR FORCE

Lt. Gen. George H. Sylvester, U.S. Air Force, (age 53), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

IN THE AIR FORCE

Air Force nominations beginning James K. Wiles, to be lieutenant colonel, and ending Stephanie S. Bishop, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 23, 1981.

HOUSE OF REPRESENTATIVES—*Monday, April 27, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, may we open our eyes and ears to Your constant call, the call to righteousness and justice and peace. Even as we admit we have missed the mark and not acted as we ought, yet we celebrate this day for You still call us above the noise of a clamoring world. Though we have scorned You, You continue to offer us grace; though we have looked at our world with selfish eyes, You accept us with forgiveness and patience. Send Your Spirit to encourage us to reach out to others in reconciliation that together we may build Your kingdom with dignity and with truth. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 734. An act to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally.

JUDGE REYNALDO G. GARZA DAY

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker, 20 years ago Wednesday, April 29, I had the honor of attending the ceremony where the Honorable Reynaldo G. Garza took office as a U.S. district judge for the Southern District of Texas, beginning a very distinguished career as a jurist.

Today Judge Garza serves as a U.S. circuit court judge for the Fifth Circuit Court of Appeals, which covers the States of Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, and the Canal Zone.

Judge Garza was named to the Federal bench during the administration of the late President John F. Kennedy through the efforts of my predecessor, Joe Kilgore, and the recommendations of Senators Ralph Yarborough and William A. Blakely and the Vice President at that time, our late President Lyndon B. Johnson.

The judge is the first Spanish surnamed attorney appointed to the Federal bench in Texas and the second Hispanic in the U.S. federal system as a whole.

Born in Brownsville, Tex., in 1915 on the coast of my 15th Congressional District, the judge is a true son of the Lone Star State. He received his law degree from the University of Texas in 1939. He was a city commissioner for the city of Brownsville and a member of the Brownsville Independent School District board of trustees. He served on the Texas Good Neighbor Commission and the State Committee on Education Beyond High School. He was also the Texas State deputy for the Knights of Columbus and has long been active in civic and church affairs.

On the Federal district bench, Judge Garza conducts court proceedings when necessary in both English and Spanish—an invaluable asset in a State which has nearly 3 million persons of Hispanic origin. He is known by his fellow jurists and by those who have dealt with him in the judicial chambers to be a tenderly tough guy who metes out justice firmly and fairly, yet tempers the balancing of the scales with an understanding of the imperfections of human nature.

This mixture makes Judge Garza a fine human being as well as a distinguished jurist. As a fellow south Texan I am proud to honor him this day in the House of Representatives.

RESOLUTION OF DISAPPROVAL INTRODUCED ON SALE TO SAUDI ARABIA OF AWACS AIRCRAFT

(Mr. LONG of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LONG of Maryland. Mr. Speaker, I am today introducing my resolution of disapproval of the Reagan administration's plan to sell to Saudi Arabia five airborne warning and control (AWACS) aircraft and offensive equipment for F-15 fighter to demonstrate our opposition to the sale before it is submitted for congressional review. The sale of additional fuel tanks and air-to-air missiles for F-15's and highly sophisticated AWACS radar reconnaissance planes jeopardizes Middle East stability and Israel's security.

The sale directly threatens the security of Israel. Equipped with the additional fuel tanks, Saudi F-15's could accurately and with little warning strike any target in Israel from any base in Saudi Arabia. The AWACS aircraft would permit the Saudis to survey Israel's defenses, convey tactical information to Israel's other enemies, and coordinate attacks with precision.

Israel's fears are scarcely imaginary. Saudi forces have played an active role in three out of four wars against Israel in the past 32 years. The Saudis currently fund the PLO with hundreds of millions of dollars a year. They have condemned the Camp David agreements, breaking diplomatic relations with and cutting off assistance to Egypt. Just last month, the Saudi Government renewed its call for a Jihad (holy war) to eliminate the Jewish State.

The proposed sale would not solve Saudi internal security problems, would not enable the Saudis to defend against Soviet incursions in the Persian Gulf, would not mitigate Soviet actions in Afghanistan, would not affect the Iran-Iraq war, would directly threaten the security of Israel, and would not contribute to American interests in Middle East stability.

OPPORTUNITY FOR MEMBERS TO DISCUSS REACTION OF PEOPLE BACK HOME

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, I want to second the resolution that has just been offered in the House by the gentleman from Maryland (Mr. LONG). I too am totally in opposition to the sale of military equipment to the Saudis.

Mr. Speaker, the purpose of my taking the floor is to announce that immediately following our proceedings here and other special orders, I do have a special order on the floor this afternoon to give the Members an opportunity of discussing the reaction of

the people back home during the recent district work period.

I know that I have never had a busier period in the nearly 10 years that I have been in the Congress, nor have I ever had more concern expressed. So, I am looking forward, and I hope Members will join me this afternoon in discussing this in a special order.

THINK NOW, BUY LATER

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PETRI. Mr. Speaker, last week, Tuesday, the Washington Post carried a column by our distinguished colleague from Georgia (Mr. GINGRICH). Now that we are apparently embarking on a major defense buildup, the gentleman from Georgia has most cogently expressed the need for a thorough review of our strategic concepts and organization as well. Calling for an organic rather than mechanical approach, the gentleman stated—

> Historically, victory is based on leadership, the power of strategic ideas, and the ability of a well-organized team to use available weapons to heighten its advantages over its opponent, and to lower its opponent's ability to respond.

I wish to associate myself most strongly with my colleague's remarks and to add that even in the mechanical area, we need better organization. As I travel around the Sixth District of Wisconsin, I find that many businesses no longer wish to bid on defense contracts because of the many problems and uncertainties involved. Nationwide, we are losing too many defense contractors. To continue with the gentleman's terminology, we could use an organic approach toward even the provision of equipment.

Mr. Speaker, for the benefit of the rest of our colleagues, I include the column of the gentleman from Georgia to be inserted in the RECORD at this time.

[From the Washington Post, Apr. 21, 1981]

THINK NOW, BUY LATER

(By NEWT GINGRICH)

It's clear the the American people will spend much more on defense in the 1980s. It is not clear that they will be better defended.

An effective American military policy must be based on a thorough revision of our strategy, doctrine and officer education before we purchase massive quantities of equipment. Such a revision hasn't taken place since the end of World War II.

If spending money were the primary requirement for a successful defense, then André Maginot would have been the most successful defense minister in modern history. Instead, because Maginot focused first on concrete and equipment rather than on strategy and doctrine, his name became synonymous with failure in defense policy.

Contrast this with the legacy of Elihu Root, the American secretary of war in 1899. Root searched for solutions to the military's inefficiencies and created the American General Staff system, which proved effective during World War I and, according to Trever Dupuy, the military historian, was the major ingredient in the rapid expansion of the U.S. Army in World War II.

Historically, victory is based on leadership, the power of strategic ideas, and the ability of a well-organized team to use available weapons to heighten its advantages over its opponent, and to lower its opponent's ability to respond. Root knew that.

But our present defense establishment rests its hope for a secure America on more things, just as Maginot did, rather than on the power and guidance of better ideas.

Military leaders lack a sense of the organic wholeness of their task. And the military's masters—Congress, the White House and the people—intensify the problem by sharing in and encouraging that misconception.

Congressmen normally debate weapons systems, or the parts, as though they were fundamental: this tank versus that tank, this plane versus that plane, etc. But the central question is not what kind of equipment you give the troops but what you expect them to accomplish with it.

Understanding that the military problem is organic rather than mechanical allows you to see how the parts interrelate, and how they support the overall purpose that brings them together. The organic approach also permits the military to coherently grow over time and gives it a self-sustaining sense of purpose that helps it adapt flexibly to a changing environment.

The most important contribution of the organic approach is its emphasis on people and ideas rather than machines. Trained men with the right strategy can readily and more rapidly shape and adapt to a changing environment.

It takes 10 years or more to create a field grade officer who can command in battle. And it takes years of practice and training to group soldiers into a cohesive fighting force. The keys to success in war are the quality of the leaders and the skill of the troops, particularly the skill of the NCOs.

History is replete with examples of small, well-trained armies that used the right doctrine to defeat huge forces that were less cohesive and used the wrong doctrine. The best examples are the Mongols under Genghis Khan, the Wehrmacht under Guderian in 1940, and the Israeli army in 1967 and 1973.

The grave danger we face is not that the Soviet Union has more men under arms, or that they spend more than we do, or that they have more equipment. The danger is that the Soviet officer corps has begun to be better trained intellectually, more deeply steeped in history, and is asking the right questions about war.

The Reagan administration and Congress are about to make decisions that will shape the military well into the next century. You buy military hardware for a lifetime, not for one congressional term. And that is why now is the moment to begin our doctrinal reexamination.

Across-the-board programs to remedy the obsolescence of our military hardware are not yet in full swing. Therefore, we can rethink what we expect to do in war before we are locked into new systems that are supported by and support old concepts. Five years from now, it will be too late to rethink what we expect to do in future wars.

Those of us who are conservative and frightened for America's survival understand the danger of underspending. We have shouted from the rooftops that America is in danger, and America has heard and understands.

But there is grave and even greater danger that America must now see with equal clarity. If we buy the wrong weapons systems because we have an inadequate strategy, and we attempt to use those systems with an ill-prepared officer corps, we may think that we are safe when, in fact, we aren't. As the French learned in 1940, there can be no greater delusion.

CONGRESSIONAL ACTION ON ECONOMIC RECOVERY PROGRAM CALLED FOR

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, I would like to call my colleagues' attention to the various polls that came out over the weekend showing overwhelming support for the President of the United States. They ranged anywhere from 77 percent on his overall approval record, and I just want my colleagues to know that in my travels back home over this past week my polls were even higher for the President. They reached 85 percent in support of all his actions, and especially his economic recovery program.

Mr. Speaker, I think the American people are waiting for action from those people on that side of the aisle and on this side of the aisle. I hope we get moving and enact that economic recovery program, and let us make America strong again.

WILLIAM L. BEERMAN, JR.

(Mr. JOHNSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSTON. Mr. Speaker, as the need for cooperation between Government and business becomes increasingly evident, I wish to share with my colleagues remarks about a man who began to force bonds between the two sectors long before the gap between them was apparent to most. I speak of Mr. William L. Beerman, Jr., of Greensboro, N.C., whose contributions have been many.

Bill Beerman began his career as a journalist, writing about the concerns of business and Government. When World War II began, he put aside his journalistic endeavors to become a Marine Corps fighter pilot. After the war, he resumed his goal of bringing about mutual understanding and cooperation between Government and business, and served with distinction as public relations director of the North

Carolina region of the Veterans' Administration and as director of public relations and executive vice president of the Greensboro Chamber of Commerce. In 1953, he joined Burlington Industries, where he continued to pursue his goals, first as director of public relations and later as director of public affairs.

Many of my colleagues have been able to appreciate Bill Beerman's efforts firsthand, since he was so actively involved in trying to improve communication between local employees and the community with Congress. Bill Beerman also initiated, with success, similar communication with State level representatives.

Aware that much can be accomplished through group action, Bill joined and contributed greatly to professional organizations, including the North Carolina Textile Manufacturers Association and the American Textile Manufacturers Institute. He also served as a director of the Greensboro Chamber of Commerce and as chairman of its governmental liaison council. Bill's professional endeavors did not exclude making time for humanitarian activities on the community level. He has long been active in the Greensboro Kiwanis Club and served on the board of the United Day Care Centers and the board of the Guilford Technical Institute.

Few of us can point to such an outstanding record of involvement, and this is why I wish to honor William Beerman on the occasion of his retirement from Burlington Industries after 28 years of invaluable service.

Fortunately, his plans include government affairs and public relations consulting work—so we will continue to benefit from his knowledge and experience. I salute William Beerman, and on behalf of the citizens of North Carolina, I use this public forum to express my best wishes to him on his retirement.

THE PEOPLE WANT CONGRESS TO PASS PRESIDENT REAGAN'S ECONOMIC RECOVERY PROGRAM

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, I have just returned from the district and there is no question about it: The people support President Reagan and they want us to pass his economic recovery program.

A poll published in the Los Angeles Times over the weekend shows that people are aware of what the program does—that is involves belt tightening and some sacrifice—but they nonetheless support it overwhelmingly. They realize that we have to reduce inflation, and they do not want another short-term, quick-fix solution that just puts off that day of reckoning.

Mr. Speaker, our President has presented his program; now it is up to us to act. Congress must not become the obstacle to recovery.

LEGISLATION INTRODUCED TO PROMOTE SAVINGS

(Mr. LUJAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUJAN. Mr. Speaker, today I am introducing two bills that I believe will promote savings, an essential ingredient in supply side economics.

My first bill would exclude life insurance proceeds from the gross estate for the purpose of determining the Federal estate tax. Many people purchase life insurance simply to have enough money to pay estate taxes. To tax this money increases the burden and the individual may find it necessary to purchase more insurance; the process becomes circular with the main beneficiaries being insurance salesmen. I do not believe this is the intention of the estate tax law and I hope to see this part of it repealed.

My real concern, however, is with the concept of estate and gift taxes themselves. I consider them to be antisavings. If we are to take seriously the goal of renewing our economy and providing more jobs, we must find ways of accumulating the capital needed to renew our industries. If individuals are permitted to accumulate estates, knowing that while they are saving and investing this money, it will not be lost to their families, I think that the incentive to save and invest is increased. And with increased incentive comes increased savings and investment so necessary to our economic growth.

Just one facet of this is the farm industry; it is one of the most efficient industries we have and supplies us with our main sources of exports. Efficient farms are large farms, and they are, by and large, family owned. If we wish to preserve the family owned farms, then we must encourage their growth, and this can be done through a change in taxation of them. If a father knows he can hand his farm down to his children, everyone including us, benefits.

Therefore, I am also introducing a bill to repeal the estate and gift taxes and the tax on generation-skipping transfers now in existence. Such a repeal, I am convinced, can only harvest benefits and I call for support of it. Thank you.

THE LATE HON. TENNYSON GUYER

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, it is with a heavy heart that I announce to the House today the death of one of our esteemed colleagues during the Easter recess. TENNYSON GUYER, of the Fourth District of Ohio, passed away in his sleep on April 12.

TENNY was elected to the Congress on November 7, 1972, and has been reelected overwhelmingly by his constituents for each succeeding Congress. Before TENNY was elected to Congress, he served as a State senator in the Ohio Senate for 12 years. People here in the Congress know that TENNY was a friend of all of us. He was an individual who took tough assignments, and he served on the Foreign Affairs Committee, the Select Committee on Narcotics Abuse and Control, the Veterans' Affairs Committee; and he served on the House Task Force on Missing Persons in Vietnam.

TENNY was a graduate of Findlay College in Findlay, Ohio, and was an ordained minister of the Church of God of North America.

TENNY was a Member who was a friend of all Members on both sides of the aisle, and he will be sorely missed by all of us.

I would just like to summarize my remarks at this time by saying that TENNYSON GUYER was a real American, a real family man, and a real Christian. At a later time I will request a special order so that all Members can pay their respects to TENNYSON GUYER.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I will be happy to yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, as the gentleman knows, I attended TENNY GUYER's funeral in Findlay, Ohio. I want the House to know that the gentleman in the well delivered the eulogy, and it was one of the best, most moving eulogies I have ever had the privilege of hearing.

I think all of us Members of the House who were friends of TENNY GUYER can be proud of the job that the gentleman in the well did on all of our behalfs at that funeral.

Mr. LATTA. I thank the gentleman for his kind remarks.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. DANIELSON. Mr. Speaker, I thank the gentleman for bringing this matter up this morning. I regarded TENNY GUYER as a close personal friend as well as a colleague.

Mrs. HECKLER. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I will be happy to yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. Mr. Speaker, I would like to commend my colleague in the well for his voice and for his taking the time for a special order in behalf of our beloved colleague, TENNY GUYER. I served with TENNYSON GUYER on the Veterans' Affairs Committee for many, many years, and no one brought a greater wit or more sensitivity to the workings of the Congress. He will be sorely missed.

Mr. Speaker, I extend at this time my deepest sympathy to his family, for the loss to the Congress is a great one, but the personal loss to those close to him has to be the greatest of all, and I feel for them at this moment.

Mr. LATTA. Mr. Speaker, on behalf of all the Congress, we certainly extend our sympathy to Mae, to Sharon, and Rosetta, and the other members of TENNY'S family.

THE LATE HON. TENNYSON GUYER

Mr. LATTA. Mr. Speaker, I offer a privileged resolution (H. Res. 128) on the death of the Honorable TENNYSON GUYER.

The Clerk read the resolution, as follows:

H. RES. 128

Resolved, That the House has heard with profound sorrow of the death of the Honorable Tennyson Guyer, a Representative from the State of Ohio.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That when the House adjourns today, it adjourn as a further mark of respect to the memory of the deceased.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1215

HOW TO CURE DEMOCRATIC PARTY PROBLEMS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I know all our colleagues join me in congratulating the Speaker on the very laudatory article about him that appeared today in the Wall Street Journal.

But it would seem from the article that there is dissension in the ranks of the Speaker's party. The Speaker is quoted as saying:

In any other country but the United States, we'd be five splinter parties.

There is a reference to "the Democrat's general gloom."

That news saddens me, since I believe in a strong two-party system. May I therefore offer a suggestion as to how Democrats may get their party—not to mention their act—together?

A recent Associated Press-NBC poll shows that the public is giving the Congress the highest popularity rating it has received in almost 4 years.

The pollsters give two reasons for this change:

A Republican majority in the Senate and a born-again commitment to cutting Government spending.

In other words, the way to congressional popularity is to adopt Republican policies and principles.

Therefore, in the spirit of true bipartisanship that has always marked the Republican leadership, I hereby offer to give free lessons in basic Republican policy to any Democrat willing to learn.

The first lesson begins tomorrow night with the President's speech. Students will be expected to take notes.

NEW YORK'S 32D DISTRICT SUPPORTS WHITE HOUSE ECONOMIC PLAN

(Mr. WORTLEY asked and was given permission to address the House for 1 minute.)

Mr. WORTLEY. Mr. Speaker, move over Gallup and Harris. This past week was the most thorough examination of the American people by Members and the media to determine their response to the $44 billion question: Do Americans accept the President's plan for economic recovery?

I held five town meetings during the district work period, and from New York 32 the answer is a resounding "Yes." Yes from the dairy farmers, yes from the workingman, yes from the housewife, and yes from middle-income America.

At my North Syracuse town meeting, which was packed with interest groups, a man came up to me and said:

I felt as if I were the only working man at this meeting. I don't feel that I can shoulder the burden of supporting everyone for very much longer.

And, indeed, that man's spending power probably peaked in 1973. From then on it's been downhill.

No; we are not better off now than we were 4 years ago, said the chorus of townspeople. For these people, inflation eats their hopes and dreams and casts their reality in a bleak light.

My constituents believe the President when he says there is hope; they support the President's budget cuts. They want a new beginning. And I, more than ever, am foursquare behind the President.

CLOSURE OF SAN ANTONIO OFFICE WOULD THREATEN VETERANS' SERVICES

(Mr. KAZEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KAZEN. Mr. Speaker, I rise today to issue my strong personal objection to plans underway by the administration which may transfer vital veterans' services from San Antonio to Houston, Tex. The San Antonio offices serve a vast, 60-county district which is one of the most highly concentrated areas of veterans in the Nation. Only San Diego and Norfolk, Va., have a larger concentration of seriously disabled veterans than San Antonio. I think all of America is in agreement that we should cut the fat out of the budget, but only the most insensitive bureaucrat would seek to cut the heart out of our programs for veterans.

I consider it nothing less than a disgrace that the Veterans' Administration would even consider diminishing veterans' services at a time when an ever-increasing number of veterans are in need of aid and assistance from the Veterans' Administration. For many of our veterans, a transfer of the Veterans' Service Division, vocational rehabilitation counseling, and the loan guarantee program to distant Houston would effectively eliminate the benefits veterans have paid for in service to our country.

I would urge in the strongest possible language that the Veterans' Administration reevaluate these plans and that no service to veterans should be displaced or cut in any way.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. KAZEN. I would be delighted to yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, as chairman of the Committee on Veterans' Affairs, I certainly will look into this particular case that the gentleman has brought to our attention. There has been some talk about closing some of these contact offices of the Veterans' Administration around the country. We hope that we have a hold right now from the Office of Management and Budget and also from the Veterans' Administration so that we can take a better look at this and see what we can try to do about cutting back on these contact offices and personnel in San Antonio.

I would be glad to follow up on this and look into the gentleman's situation.

Mr. KAZEN. Mr. Speaker, I appreciate the attitude of the gentleman from Mississippi (Mr. MONTGOMERY), and I know that he always does whatever he can for our veterans.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE CONCERNING APPOINTMENT OF MEMBERS ATTENDING THE FUNERAL OF THE LATE HONORABLE TENNYSON GUYER

The SPEAKER pro tempore (Mr. FOLEY). The Speaker desires to announce that pursuant to the provisions of title 2, United States Code, section 124, and the order of the House of April 10, 1981, empowering him to appoint commissions, boards, and committees authorized by law or by the House, he did on April 15, 1981, appoint the following Members of the House of Representatives as a committee to attend the funeral of the late TENNYSON GUYER of Ohio:

Mr. LATTA of Ohio;
Mr. MICHEL of Illinois;
Mr. ASHBROOK of Ohio;
Mr. STANTON of Ohio;
Mr. BROWN of Ohio;
Mr. MILLER of Ohio;
Mr. WYLIE of Ohio;
Mr. STOKES of Ohio;
Mr. SEIBERLING of Ohio;
Mr. GRADISON of Ohio;
Mr. KINDNESS of Ohio;
Mr. MOTTL of Ohio;
Mr. LUKEN of Ohio;
Mr. APPLEGATE of Ohio;
Ms. OAKAR of Ohio;
Mr. PEASE of Ohio;
Mr. HALL of Ohio;
Mr. WILLIAMS of Ohio;
Mr. ECKART of Ohio;
Mr. MCEWEN of Ohio;
Mr. SHAMANSKY of Ohio;
Mr. WEBER of Ohio;
Mr. ZABLOCKI of Wisconsin;
Mr. BROOMFIELD of Michigan;
Mr. FINDLEY of Illinois;
Mr. HAMMERSCHMIDT of Arkansas;
Mr. MYERS of Indiana;
Mr. GILMAN of New York;
Mr. LAGOMARSINO of California;
Mr. MINETA of California; and
Mr. LIVINGSTON of Louisiana.

PROVIDING FOR JOINT SESSION ON TUESDAY, APRIL 28, 1981, TO RECEIVE MESSAGE FROM THE PRESIDENT

Mr. DANIELSON. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 116) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 116

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, April 28, at 9 o'clock post meridiem, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE SPEAKER TO DECLARE RECESS AT ANY TIME TOMORROW

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the Chair be authorized to declare a recess at any time tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to make an announcement. After consultation with the majority and minority leaders, and with their consent and approval, the Chair announces that tomorrow when the Houses meet in joint session to hear an address by the President of the United States, only the doors immediately opposite the Speaker and those on his left and right will be open.

No one will be allowed on the floor of the House who does not have the privilege of the floor of the House.

Children of Members will not be permitted on the floor and the cooperation of all the Members is requested.

Members will remember that the first three rows are reserved for the Senate and will request all Members to adhere to the traditional middle aisle separation of parties during the joint session.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *April 27, 1981.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit sealed envelopes received from the White House as follows:

(1) At 2:30 p.m. on Wednesday, April 15, 1981 and said to contain a message from the President wherein he transmits the eleventh semi-annual report of the U.S. Sinai Support Mission.

(2) At 9:50 a.m. on Monday, April 27, 1981 and said to contain a message from the President wherein he transmits the Ninth Special Message for Fiscal Year 1981 under the Impoundment and Control Act of 1974.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

SIX REVISIONS TO PREVIOUSLY TRANSMITTED RESCISSIONS AND TWO NEW DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-47)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed.

(For message, see proceedings of the Senate of today, Monday, April 27, 1981.)

ELEVENTH REPORT OF U.S. SINAI SUPPORT MISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. MONTGOMERY) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs.

(For message, see proceedings of the Senate of today, Monday, April 27, 1981.)

FIFTEENTH ANNUAL REPORT OF NATIONAL ENDOWMENT FOR THE HUMANITIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor.

(For message, see proceedings of the Senate of today, Monday, April 27, 1981.)

ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE ARTS AND THE NATIONAL COUNCIL ON THE ARTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor.

(For message, see proceedings of the Senate of today, Monday, April 27, 1981.)

□ 1230

VIETNAM VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. BAILEY) will be recognized for 60 minutes.

GENERAL LEAVE

Mr. BAILEY of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BAILEY of Pennsylvania. I also ask unanimous consent, Mr. Speaker, that two additional statements which I have given to the Clerk be included at the conclusion of my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BAILEY of Pennsylvania. Yesterday, Sunday, April 26, 1981, the United States of America officially recognized her Vietnam veterans. I have requested this special order today to commemorate the deeds and sacrifices of these sometimes forgotten Americans. I have a specific desire here today—I wish to draw particular attention to those who actually did the fighting—the combat veterans—although I in no way wish to exclude the contribution of any Vietnam-era veteran who likewise gave to our country during this difficult period in American history.

I do not speak for those that organized, participated in, or even blithely followed or acquiesced in the antiwar movement in this country.

My purpose in doing so is to accentuate crucial differences in the perceptions that Americans have of what occurred in Southeast Asia and what occurred in our country and around the world during that war. My purpose is to point at the pain, the pressures, the anxieties, the bitterness, the haunting horrible memories, the fears, the frustrations, the feelings of injustice suffered by those that bore the brunt of the myths, the dishonesties, the perversions of truth about that war. The errors which created the public misunderstandings of what was at issue in Southeast Asia and misinterpretations about the feelings, the goals, the purposes of the men who actually did the fighting, should be rectified. To do so, one burning issue—inescapable and everpresent—must of necessity be disposed of.

It is an issue which shall be at the core of any dialog concerning that conflict until this Nation finally resolves the opinions that form its thoughts on why we were there. No amount of rationalization, no desire to sweep history under the rug, no amount of embarrassment as the tables turn on those who resisted our presence, whether out of good intent or bad, will change the gnawing presence of this ultimate issue.

Did the United States of America fight for a good and proper end? That is the question. That is the question which is at the core of all the psychological pain and suffering that especially Vietnam combat veterans feel.

The supposed answer was the one that justified all the statements in the past, and still does in greatly muted fashion—for all the activities and statements of opponents of the war—so they thought—so now they are beginning to doubt.

Who was right—who did what was right? Wars are not small and petty endeavors. They are much too final for that. They do not lend themselves easily to minor justifications. One cannot kill others or subject oneself to mortal danger for subtle or paltry motivations—and no degree of cynicism can divert the crucial truth that the finality of war is based upon mankind's most deeply held convictions—no matter how explained. We shall never be able to forget this one without responding to the question as to whether it was so derived.

That question and its resolution is the one that tears at the very heart and mind of the person who went overseas, who was under the peculiar pressures of that type of fighting—who returned to a nation that by and large was either embarrassed to face him, or did not wish to try and understand the implications of his role. For to understand might have meant not just to agree but to sacrifice the blood and money to insure success. The totalitarian bloc supplied their money; they supplied their blood, and they succeeded.

At home, stripped of rationalizations and excuses, the Nation's leaders did not have the courage to admit that we lacked the commitment to see the conflict through. To tell that to the combat veteran was too much, was too painful, was too humiliating—so they simply avoided him.

To every combat veteran who gave of his time, who gave of his blood, who sacrificed his friends, who lost them to the war, and especially to those who died there—I want to pay this tribute.

You are the people who, unlike every armchair philosopher in this country, had the courage to maintain your discipline in the face of irrational criticisms—suffered at the hand of many of those in the media who forgot what the words responsibility, balance and objectivity meant, a media who went from reporters to pure editorialists—who in abject foolishness became tools for manipulation of events, rather than observers and reporters of them—of some politicians who had neither the fortitude nor the perseverance to study the issues at hand, who could not face the sacrifices and who—unlike you on the front lines—could not bear the responsibilities of a truly proper desire to see that some better degree of freedom was brought to a group of human beings to whom that word really meant something.

As a group of courageous and unselfish people, I ask you to accept one final burden. I ask you to extend the same sense of sacrifice for duty and responsibility one step further. Let the vociferous and violent opponents of that war—let the heroes of resistance in Canada—let the Walter Cronkites and the George McGoverns—let the Wayne Morses and others—let them bear the guilt for millions of displaced refugees—of attempted genocide against the Meo Tribesmen in Laos, for atrocities committed against brother Vietnamese, Cambodians, Thai and ethnic Chinese, systematically shot, starved, tortured and imprisoned—because they did not agree with the policies of the North Vietnamese Government—let them accept the responsibility for interfering with your desire to do what was right—let them accept the responsibility for this twisted, sick, attempt to deprive these people of their rights and privileges and happiness.

It is they whom history will judge as the fools. It is they whom history will judge as lacking courage. It is they, when the emotions of this period dissolve in history, as history moves on, will be looked upon as lacking in vision, lacking perspective, lacking concern, lacking humility, lacking courage to sacrifice for the rights of a small group of people in a small corner of this Earth.

They are the people who have told you that you were part of a Hitler-like movement, that oppressed the innocents of Southeast Asia. Not only is that a lie now, but it was a lie then. And history as it moves along will judge it even more firmly and strongly an untruth. Millions of dead Cambodians, many summarily executed, millions of displaced and torn families, hungry and starving children, boats awash in the sea, people drowning, people who cannot speak their mind, people that have no freedom of movement, people that cannot criticize their government—all those people—all those souls—all that terrible, horrible oppression is not your legacy. It is theirs.

It is a cross that will be borne by those already mentioned. You have done right by what is right for mankind. You are not guilty of tyranny or selfishness or indifference. You were

not the ones who ran in the face of difficult choices.

Let no one tell you that you were driven from the battlefield—this Nation's leaders brought you home long before South Vietnam fell. This Nation's leaders cut our aid to South Vietnam in half—in the face of an opposite decision by the totalitarian bloc to increase substantially their aid to the North. You performed your task well—in light of the opposition to your efforts while you were there and the limitations placed upon your desire to succeed—you fought under the harshest of conditions and you fought well. You were successful in achieving the severely hampered task that you were assigned.

You did not have the social support that a soldier needs—you did not have the political support at home that a soldier badly wants—the strata of opinionmakers—who form the officialdom that constitutes the class of people who attempt to guide opinion in this country—simply did not support you—now, if they care at all, they will be made cowards by their own consciences—they will always be explaining their actions.

They cannot understand the nuances of political strategy that dominate the way wars are now being fought on this globe—small politically oriented conflagrations that mock patience—that bleed persistence. Conflicts that test whether any democracy can truly survive in the face of persistent tyrannical authoritative goals. That means that a premium is placed on the concept of individual responsibility, and their answer to that concept was rationalization where it was not outright fear or indifference.

You had to become the scapegoat—you had to become the reason for failure—not their actions but yours—not your fears but theirs. The policy needed to fail—or else they were wrong and you were right—that was the rationalization—somehow the good guys became bad guys and vice versa—to suit the ends of the opponents of the Vietnam war.

The North had to win and you were one of the victims—you had to be made the losers because the real causes of failure needed to be explained. Please do not ever, as long as you live, feel compelled to believe or accept such dishonest and unfair things. You do not need to subvert the truth for the sake of a welcome home. It was a test. But I assure each and every one of you that it is a test which you have passed and that when those individuals, most of whom were decent, sincere and well-intentioned people take the next step and say that they were wrong and you were right—when that happens I am hopeful that this Nation and this Government will take the proper steps to insure that the psychological counseling that you so badly need—that the employment opportunities which you so badly need—that the social acceptance and recognition that you so badly need—will finally be given to you.

You may not realize this, but at this time you are probably the most troubled class of Americans in this society. I can stand before you here today and still feel the stress, the anxiety, the mental torture, the bitterness, that many of you share with me. You cannot—you must not—and for the sake of this Nation's future—you should not suppress those feelings. You were not wrong.

But you must make one final sacrifice—you must first of all extend a hand to those combat Vietnam veterans who, like you, do not regret and refuse to admit, simply for the sake of being accepted here, that you somehow were part of a wrong thing. You must never let the opponents of the Vietnam war win that battle. But at the same time you must understand and you must accept the fact that many of those opponents, even when you cut through the rationalizations and excuses that they used to justify and oppose your efforts out of fear and selfishness, some at least did so probably because they sincerely believed they were right.

No one knows better than us—no one feels more strongly than us—the revulsion and fear of war. But never let that be an excuse to avoid the truth. In their hearts they also thought they were doing what was right. So our task is not only to discuss these matters with a sincere desire to correct the record, but to go beyond the unintentional selfishness, the unintentional lack of loyalty and the unintentional cruelty imposed upon the Vietnam veterans by the opponents of that conflict and say that we would very much like to be welcomed home. But when we cross that threshold we must never forget that it must be with our head held high, with our self-respect and dignity intact—there must be no false supplication for the sake of being comfortably taken in.

□ 1245

Let me digress with a request to this administration, to the people of this Nation. This new President was criticized when he publicly stated that the Vietnam war was fought for a noble cause. I applaud him for that statement. I think that he was right.

Although unintentionally, he also pointed out the basic and still unresolved issue—that causes the psychological pangs suffered by the veterans who fought in Southeast Asia. By exposing the dishonest rationalizations still being perpetrated by those same opponents, now embarrassed by the facts of recent history, he has taken the first step. I applaud the President because the question really is—was it a proper and justifiable cause?

But I also ask the administration not to eliminate those programs so desperately needed by, not just our Vietnam veterans, but by that whole class of veterans who have suffered and sacrificed, not just for this Nation, but for the basic rights of mankind everywhere. They must never be deserted—they must never be forgotten. President Reagan must not allow those in his administration who are striving to reduce veterans' benefits, some of whom were outspoken critics of the war and who now hope to avoid the embarrassment of the truths we mentioned—he must not allow them to reduce veterans' benefits.

Many case histories bring to light the poor acceptance that this maligned class of people has suffered upon coming home. That poor acceptance based upon foolhardy policies and mistreatment and selfishness and indifference, is at the root of many veterans' problems. We must not augment these difficulties.

I represent the 21st Congressional District in the Commonwealth of Pennsylvania—no more striking example of the problems and pressures faced by Vietnam combat veterans could be better found than the story of Larry Hall.

Larry Hall is a Vietnam combat veteran presently in a mental institution, who does not understand why he is there. He shot and killed a friend of his. His friend was a man with five children, who was a distinguished and honorable Korean war veteran. Larry came home to the United States, was unhappy, and then volunteered for another tour in Vietnam. That is how strong his feelings were. But when he came home he could not understand why people could not see—why people did not understand what happened in Southeast Asia. He could not understand it when many groups and many people in this country, many news commentators, many politicians—many entertainers in Hollywood—who clapped when Saigon fell—Larry could not understand what they were doing or why. So Larry's mind began to seek an explanation. And in its search Larry Hall's troubled, pained, and confused mind also found a scapegoat, because Larry Hall could not understand or rationalize indifference to him, embarrassment of him, could not understand the stereotypes of Vietnam veterans presented in television stories, news reports that always seemed to work in some form of quote like "disgruntled" or "unemployed" or "angry" or something "bad" Vietnam veteran into the story's lead. He could not understand the headlines and stories in many of our great newspapers like the New York Times and the Christian Science Monitor and the Washington

Post that portrayed the fall of Saigon as a blessing for those people who were being oppressed in Southeast Asia by the Larry Halls of the United States of America.

So Larry in his mind, incapable of blaming his country, began to blame the failure of the war somehow on the black soldiers that fought there. Larry was taken by his father to a VA hospital. Larry was treated there. He was given a partial service-connected disability award. But Larry grew worse. He was taken back to that hospital where a doctor told his father that he needed commitment immediately. His father, Warren Hall, requested help for the boy, but Larry was turned away. Anyone who has been concerned with the problems of veterans in this country knows that the resources to help our returned soldiers with these problems are strained—and they would not be surprised.

Shortly after this incident, Larry killed a black man, a decent good hard-working, honest American, to him part of a nameless, faceless problem that he could not identify. The man was a Korean war veteran who fought for this country and who, incidentally, was a friend of Larry's. We now have five fatherless children and a wife has lost a husband and father to her children because of the convulsed, distorted, and twisted pressures that altered reality for a brave, young soldier who fought for the very principles that have made this country the greatest place on Earth.

If I could commemorate April 26, Larry, to anyone, it would be to you, and a soldier named Brown. Somehow I just cannot accept the fact—I just cannot believe in my heart that we have done right by you. We hope and pray for your recovery. We are terribly and painfully hurt by the loss that the Brown family has suffered. And were it not for the facts in this case which so clearly demonstrate the pressures of the war, and the terrible homecoming which clearly played such a huge part in the mental disabilities which you have suffered, I would not make this appeal on your behalf—that all Americans reevaluate our role in Southeast Asia, and, if possible, join with me in admitting that at least it was a proper cause, fought to advance a proper end—that the tyrannies of the Hitlers and the Ho Chi Minhs shall never dominate the rights of mankind, and that no degree of rationalization shall deter us from at least admitting our responsibility even when we lack the courage to do something about it.

Mr. PEYSER. Mr. Speaker, will the gentleman yield for a comment?

Mr. BAILEY of Pennsylvania. I yield to the gentleman from New York.

Mr. PEYSER. First of all, I want to congratulate the gentleman for taking this time and for speaking so eloquently on behalf of the Vietnam veterans.

I had the opportunity yesterday of attending the day honoring Vietnam veterans here in Washington at the site of their new proposed memorial. I listened to a number of speeches that were being made. The one thing that—and the gentleman mentioned it—certainly came through to me was that in the speeches there was a great deal of talk of our indebtedness to these veterans and the recognition, long overdue recognition, by the American public, that these were not people to be ignored or to be disrespected, but to be respected and loved for what they had done. But when we get down to the bottom line, as the gentleman knows, we still have a tremendous number of these people in need of things like counseling, as the gentleman mentioned.

Yet the program and the funds for counseling have been removed from the program that is being projected by the administration. The fact that there are so many of these veterans who are out of jobs and out of jobs because of lack of training and lack of opportunity, and so while I join very fully with the gentleman in what he has said, I am hopeful that we in the Congress are going to find a way of addressing this issue to these Americans who have done so much for all of us and reach out and not receive a cutback at this time on the idea that this cutback is going to solve the problems of our country.

Now we have said that we all must make sacrifices. I think these men and women have made the sacrifices. I would like to see us stand very firm in the area of protection for these people. I am sure the gentleman in the well would share that thought with me.

I thank the gentleman for yielding.

Mr. BAILEY of Pennsylvania. I thank the gentleman very much.

Before I recognize the gentleman from Texas, I would add that one of the things that is very difficult to understand about the many issues that are still unresolved, which swirl around our involvement in Southeast Asia, is that many of the combat veterans who fought there suffer lingering, painful psychological injuries largely because problems either were not shared at home or the homecoming failed to recognize and deal with many of the stresses that they needed to readjust.

Unlike veterans of past wars, it has been very difficult for them to become assimilated, not because the Nation does not care for them and love them, I know that is not the case, but because of a misunderstanding of why they were there. That is the core issue. We can object to the end of time about whether or not the Nation should have become involved and whether or not we should have fought the war the way we did. But what those veterans need is some recognition of the fact that it was a proper purpose. That psychologically is what tears at many of them.

The Nation, because it is truly a great and open and honest Nation that we are a part of here, will continue to discuss it. History will go over it until that final question is resolved because that is the one that really raises all the others.

I want to thank the gentleman. I know that he and many of the Congressmen here do care very, very much. I know the Nation does. I just hope we recognize that the injuries are more, in many cases, mental than they are physical, that they persist, and that we try to help those people.

I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the distinguished gentleman from Pennsylvania for yielding.

I, too, rise to compliment him, thank him very much for his eloquence in a very noble and worthwhile struggle and that is the sustained need to realize the very special and acute and continuing needs of the veteran who served in Vietnam.

I think the record clearly shows that the type of war, not only because of the peculiar environment of the war, but all that was involved in fighting that war, the nature of the terrain, the nature of the weapons and all, made this Vietnam encounter unique in two ways: First, I think that the record of the service medical divisions was outstanding. In proportion to the lives saved in the field by a very special modernized physical equipment to take care of the wounds and the physical damage, the rate of recovery was outstanding, unbelievable, almost 90 percent. Compared to World War II where you had tremendous carnage and death, that would have been prevented with the techniques that were finally evolved in Vietnam. Compared to Korea, even, it was phenomenal.

However, what the gentleman stresses today is the other phenomena and that is the lingering residual psychological detriment suffered by the veteran. We have not recognized, as we did in the case of the physical, the need for updating and upgrading and paying the money that it takes to provide the level of service that is needed.

The gentleman's example, poignant as it is, I can repeat in my district. Especially at this time where we are fighting a rear guard action in behalf of these programs and in behalf of reality and justice against a backdrop of an emergency labeled as a fiscal emergency, as a budgetary emergency and sacrifice this lingering and lasting responsibility we have to the GI veteran of Vietnam on the altar of computer targets.

So we have a great debt to you and I think we ought to recognize it and of course I for one am solidly in support of the gentleman's position and thank him for what he is doing.

Mr. BAILEY of Pennsylvania. I thank the gentleman very much. I do not think there are any other Members to speak. So I will just conclude by perhaps expounding on some of the remarks that the gentleman made.

A great many myths and misunderstandings about the nature and conduct of the war, first of all at its height when our manpower commitments to Southeast Asia were at their height we had in the vicinity of half a million people there. At that time we fielded no more than about 50,000 soldiers. Most of those troops were there in support functions and of course the media that existed there with them existed also in that environment.

So in many ways perhaps we cannot be unfair because it is difficult for a country to adjust to new changing political conditions and a new kind of war. But many of the myths that have followed the soldiers home have really been at the root of the problem. Most people are still under the misconception that we were militarily pushed out of the country. That is not true. The North Vietnamese knew very well they could not take the country as long as we were there. We were gone for quite a while, our military presence had been removed for quite a while before they came in.

Given the limited objectives of fighting the war, limited in terms of territory since it was an areawide conflict, the limitations against invading or going to the source of the problem which was in the north, the soldiers performed their task quite well.

□ 1300

They came as the result of just the failure of the policy to be unwitting and unfortunate victims of a policy failure, but one that failed by virtue of choices made here, of strategy, as opposed to how they fought the war or how well they did. The North Vietnamese would admit that quite well, I am sure, if they were so inclined, but those are the things which have hurt, combined with the homecoming, coming back, and seeing the movies, the stereotypes, the images they have had to confront. It has all combined to cause a great deal of pain and discomfort for some innocent people.

Mr. Speaker, the gentleman from Pennsylvania (Mr. MURTHA), to whom I will be glad to yield, submitted some excellent remarks for the RECORD. He does have a number of these now, and I very much hope that the Members and the public will take the time to read those remarks. They are excellent.

I now yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Speaker, I just want to commend the gentleman from Westmoreland County, Pa., for taking this time to commend the Vietnam veterans; for all the work he has done on their behalf, because nobody has had more influence in Congress than the gentleman from Pennsylvania, and of course the distinguished gentleman who is chairing this House today, the general from Mississippi (Mr. MONTGOMERY).

But, I know that the gentleman from Pennsylvania is the highest decorated combat veteran of Vietnam who is in the Congress today. He served with distinction, and has followed those precepts he learned in Vietnam very well. All of us appreciate the work he has done in the last 2 years that he has been here. We know that he will continue to work in working for the men and women who served in Vietnam, and who have had such a difficult time since they came back.

Mr. Speaker, I would like to begin by repeating a letter which I received recently from a man who resides in the area I represent. I have altered only names and locations, and I believe what this gentleman has to say is very important.

> The reason for this letter is the terrible injustice the Vietnam veteran is suffering.
>
> My son went to a V.A. Hospital because of health problems he has suffered with the past several years.
>
> This was yesterday and the Doctor told him as a Vietnam veteran he had no benefits under the present law but said he could be screened for Agent Orange. An appointment was made for next week.
>
> He is really feeling bad about this after having fought in a real war for his country and then being treated so bad.
>
> All other veterans have benefits. Is the country down on the Vietnam veteran because seemingly it is down on the Vietnam War?
>
> I landed on the beaches of Normandy (Omaha Beach) on D-Day many years ago and I feel the Vietnam veteran suffered the effects of combat just as much or more.
>
> Something needs to be done and done quickly on behalf of the Vietnam veteran. These men are feeling the country has let them down and rightly so.
>
> If you will please write my son a letter and let him know that somebody cares.

In the closing words of that letter are the key to what we must remember during this debate: "Let him know that somebody cares." I am sure my colleagues in this debate will discuss all the numbers and studies and tests that show the problems Vietnam veterans are still having in readjusting to society. At the base of those problems, though, rests the fact the Vietnam veteran thinks nobody cares or remembers the contribution he or she made. Unfortunately, in many ways that is correct.

Another veteran of Vietnam wrote to me about proposed budget cuts affecting Vietnam veterans. In one paragraph of his letter he wrote:

> Haven't they taken enough from us? Are we doomed to forever be the bastards of a country that refuses to acknowledge our needs, not our wants, as veterans. Because what we need is indeed a far cry from what we may also want. We know that we can never get what we want—acknowledgement and respect as veterans who served their country—but for God's sake can they keep denying us the basic programs that we need?

I served for 1 year with marines in Vietnam, so I know the devastation of the war and the impact on the people who fought in it. In 1974 when I was first elected to Congress, the very first speech I made on the floor of Congress dealt with the need to continue the Vietnam effort. As part of those remarks I said:

> I spent a year on the ground and I was out in the field every day. I saw the results of the criticisms of certain Members of Congress. It was devastating to the war effort. I do not agree it shortened the war. * * * Congress sat here in its air-conditioned offices and argued over this while the men who served there were in mud up to their knees and water up to their waists.

Now, 7 years later, we do the same thing. The Government proposes budget cuts to reduce the few programs helping the Vietnam veteran; the VA refuses to budge a single inch on the treatment of men who may be affected with agent orange so their medical problems go unattended; we see unemployment rise with the Vietnam veterans history of often being the last one hired and the first one fired, yet we propose to eliminate jobs programs.

Is it any wonder the Vietnam veteran thinks he has been forgotten? Is it any wonder the Vietnam veteran wonders now why he or she bothered to take time out of their lives to defend the country's principles and fight for what its leaders told them was right?

I congratulate Congressman DON BAILEY for promoting this special order to talk about the Vietnam veteran. It is a step in a long process of recognizing the Vietnam veteran and the job he did, and the needs he still has. As the father wrote to me, today is a step in letting the Vietnam veteran know that somebody cares.

Mr. BAILEY of Pennsylvania. Mr. Speaker, I thank the gentleman very much.

Mr. Speaker, although I received the following letter nearly 2 months ago, I would like to share it with you and our colleagues at this time when we recognize and honor Vietnam veterans. The words of Mr. Palochik are quite sincere and heartfelt:

> DEAR SIR: I am a Vietnam veteran, and the reason I am writing you is because of all the past, present, and probably future coverage given the 52 American Hostages. I as an American, am glad that the 52 Americans have returned from being held captive in a foreign country, and that is it. I have never mentioned anything regarding Vietnam for eleven years. I was there from November 21,

1967 until November 20, 1968. During that time Nha Trang Air Base was under constant mortar, small arms attack every day for 365 days. I was assigned duty with the K-9 Sentry Dog Division of the 5th Special Forces, 101st Airborne Division. We covered a 2,500 bed Viet-Cong hospital on Hon-Tre Island, lost 25 American Soldiers, wounded over 50 Americans. That hospital which was buried deep into the mountains, was responsible for the wounded Viet-Cong from Phu-Cat to Saigon. This is only a brief narrative on some events during my year in Vietnam and this includes the Tet offensive.

I volunteered for the service, I volunteered for the Special Forces training, I volunteered for hazardous duty at Hon-Tre Island, I volunteered for Aerial Long Range Reconnaissance, and I was honorably discharged.

Vietnam and the Vietnam veteran are sleeping giants. The past events regarding the hostages have awakened us. When I returned home on November 20, 1968 at 12:30 a.m., the only people to greet me were my loving family. Two distinguished businessmen literally knocked me over at O'Hare International Airport en route to catch a plane for a two week stay in Daytona Beach, Florida. I was bumped from my military stand-by in California (that was the only way a serviceman could afford to travel) by a man my age, 19, so he could fly to Colorado to ski. My records were lost and I could not get paid during my 45 days home, before returning to duty.

After discharge I was respected as much as Ayatollah Khomeni for being a Veteran. Old officers probably were treated differently. I couldn't afford to go to college full time and support a wife and new baby. I had to work from 8 to 5:00 p.m. and go to college 6:30 p.m. to 10:30 p.m. Under different circumstances many veterans or others could handle it with no problems. But I didn't just come off a four year vacation. It was, to quote an old cliche "hard to adjust".

How many movies, and books have been made or written about a 19-year-old returning Vietnam veteran, gets married, goes back and completes college, gets up and goes to work, and is normal? Zero. That nonsense doesn't sell. We are all depicted as dope addicts, killers, rapists, child and wife beaters, etc.

I just recently bought a home. I tried to get a V.A. Loan; not one Savings and Loan (even the one from the Veterans Administration) would give me any consideration. College is another story. A man can't survive, meet bills, etc. on their money. I have a service connected disability, which I should have made a claim and did not do so. But with all the hassle I got, and my friends received the same treatment, why should I put myself through more humilation? So I just said I can live with Jungle Rot of the feet.

I don't want a lifetime pass to the Pittsburgh Pirates Games, Pittsburgh Steeler Games, a shopping spree at a mall, month free travel on any airline to anywhere in the United States, a Ticker Tape Parade in Arnold, Pa., or a street named after me, but only a fair shake for serving a Country I love with all my heart and soul.

Thank you for listening.

ROBERT PALOCHIK.

P.S.—If my country needed me again I and probably 90 percent of the Vietnam veterans would return; ask the 52 hostages if they would go back to Tehran.

Mr. Speaker, I have waited until this very appropriate time, when we honor Vietnam veterans, to include in our Nation's CONGRESSIONAL RECORD a beautifully written article that appeared in the Greensburg Tribune-Review on March 29, 1981. It was written by a particularly exceptional journalist named Ruth W. Love.

Mrs. Love has captured many of the feelings and connoted many of the hypocrisies that represent the Vietnam thorn in America's historical side. That these views can be shared with the rest of our Nation, and will remain a part of our historical record forever, I should like to include them in the RECORD today:

THOUGHTS ON THE VIETNAM WAR

(By Ruth W. Love)

We are in the season of Lent preceding Easter morn with its glorious promise of Resurrection, of life after death.

There can be no better time for resolving the burden of guilt this country has borne ever since the Vietnam debacle when the United States government abandoned our fighting men missing in action in Korea and those being held prisoners of war in Vietnam.

For the first time in American history, this country has failed to write an honorable end to hostilities in which it was involved.

From the Korean "police action," there remain 389 prisoners of war for whom there has been no accountability.

From the Vietnam conflict, the Department of Defense officially lists 2,546 Americans missing in action.

There should be a full scale investigation to determine answers to these questions: Are these men missing or dead? Are they being held in bondage by an enemy making a mockery of the strength and power of the United States? Are these missing men languishing in some prison stockade with all hope gone and faith in their government dissipated?

As long as these questions remain unanswered, so long will this country be forced to bear the burden of guilt that, for over 20 years, has left us mentally and morally crippled with a sickness that can find a cure only in facing up to the consequences of our criminal negligence.

In that Korean War, 1950-1953, there were 5,720,000 in uniform, 33,629 battle deaths, 157,530 total casualties from all causes.

In Southeast Asia (Vietnam), 1961 through 1977, there were 8,744,000 in uniform, 46,572 battle deaths, 303,704 wounded and total casualties of 360,666.

Those in the Armed Forces met the challenge of loyalty with the same patriotic fervor and dedication that had motivated American fighting men since the Revolution.

The tragedy, the shame, of the Vietnam debacle was written when, for the first time in American history, those in the uniform of our country found themselves abandoned by their own government, forced to wage a losing war, and retire from the field of battle with doubts as to the cause for which they were willing to give their blood and their lives.

Assuming the presidency January 20, 1969, Richard M. Nixon faced growing opposition to the Vietnam war he had inherited from his predecessor, Lyndon Baines Johnson. So Nixon became obsessed with finding only an "honorable" or at least a face-saving compromise with the enemy. He was caught between the intransigence of the North Vietnamese and the demands of the peace movement at home for immediate withdrawal from Vietnam.

Ruling out a military solution, Nixon dismissed Lt. Gen. Lewis B. Hershey as a draft director, pledged to make conscription less burdensome on American youth and labored to beat the timetable for getting out of Vietnam.

Thus was established the pattern of weakness that failed to take into account the sacrifices already made by those fighting the war.

Nothing was accomplished by Gerald Ford, as Nixon's successor.

Throughout another four years, James Earl Carter mouthed a human rights philosophy that was never expanded to demand an accountability for those missing in action but still carrying the brunt of hostilities no one wanted to remember or credit with legitimacy.

The United States moved steadily downhill.

Through the last two decades, the American people remained silent spectators to events aimed at the erosion of their constitutional rights and a rejection of the Judeo-Christian precepts of faith.

Employing the color and hoopla of a Mardi Gras, minorities demanded and received special privileges; an Equal Rights movement that began as a dream in theory became a nightmare in practice spawning evils debasing womanhood and striking at the basic concept of the family as the backbone of the nation; homosexuals sought public recognition of their unnatural lifestyles as teachers in the classroom and as ministers in the pulpit; the public school system became a national disgrace with children as guinea pigs for liberal experimentation leaving them less than fulfilled in educational pursuits; the courts weakened the foundation of law and order.

For more than two decades, the American people have been forced to carry the burden of guilt imposed by those leaders lacking foresight and courage.

We failed our fighting men in Vietnam. And, somehow, we have never been able to overcome the consequences that have left us open to all the evils spawned by irresponsible conduct.

Today, Ronald Reagan occupies the White House. His strength may be the catalyst now stinging the conscience of the silent majority into action.

From it may come a public demand that can dispel the sickness of guilt and force from the enemy an accountability.

Vietnam can be laid to rest.

Or it can remain a ghost forever attesting to the cowardice of those who had been charged with guiding and directing the destiny of our nation.

Easter draws near—symbolizing hope in the Resurrection.

Let us pray that it will also mark some effort by our government to resolve the terrible burden of more than 20 years for those still "missing in action," for the families who wait and hope.

Only then can we be cured of the sickness that has overshadowed our national life and has taken heavy toll of our mental and moral capacity for meeting the challenges of our times.

● Mr. LEBOUTILLIER. Mr. Speaker, I rise today with mixed feelings to par-

ticipate in this special order on behalf of veterans of the Vietnam era.

I am angered by the woeful lack of recognition extended to these brave individuals. Whatever extenuating circumstances, one fact remains irrefutable—nearly 2.6 million Americans served in Vietnam, 1.6 million in combat—at the call of their country.

The past failure of this Nation to afford Vietnam veterans the support and praise they so painfully earned, and now so desperately need, has been a source of national embarrassment bordering on disgrace. We have rarely acknowledged their gallant efforts. Many Vietnam veterans rightfully feel their problems have been ignored. It is not only a time to say, "Thank you," but to address the serious problems many of these people now face.

There were no parades or heroes' welcome when the Vietnam veterans came home. It is probably true that the Vietnam war was the most unpopular war our Nation ever waged. But even after the Civil War—which claimed a heavier toll in dead and wounded—towns and cities throughout the North and South erected monuments in tribute to those who fought and died.

It is with great anticipation and rejoicing then, that the American people are now acknowledging—and giving comfort—to the Vietnam-era veteran.

On March 26, 1981, the U.S. House of Representatives unanimously passed House Joint Resolution 182 which designated April 26, 1981, as National Day of Recognition for Veterans of the Vietnam Era.

I believe I can speak for all Americans when I say that this recognition is fitting and proper—though regretfully overdue. Through our actions in the House of Representatives, and through similar expressions of appreciation from millions of American citizens, we can begin the sometimes difficult task of reaching out to one who courageously served, and say, "Thank you."

We should do more.

Recent studies reveal that Vietnam veterans have suffered greatly. Vietnam veterans deserve a solid assessment by Federal, State, and local governments of their struggles in the areas of unemployment, education, health care, and social adaptability. In conscience, we can do no less.

The American Nation is embarking on a great new beginning. We are, today, witnessing the rebirth of national pride, enterprise, and hope for the future.

It is good then, as a part of this renaissance, that we make a special effort to acknowledge the Vietnam-era veteran. "Greater love hath no man than this, that a man lay down his life for his friends."

This is the sacrifice—potential and actual—made by every Vietnam veteran. To each and every one of them, I extend my sincerest gratitude in recognition of their willingness to make the ultimate sacrifice so that others might live.

I ask all Americans to join me in expressing appropriate thanks.●

● Mr. SHAW. Mr. Speaker, I rise today, 1 day after the National Day of Recognition for Veterans of the Vietnam Era, on behalf of the 2.7 million service men and women who served their country in Vietnam.

I am hopeful that yesterday's belated tribute heralds a time of recognition and acknowledgment for the suffering these forgotten warriors have experienced here at home.

I am hopeful the Veterans' Administration will not trim their budget by $31 million at the expense of these veterans, whose storefront counseling centers are threatened with extinction.

We must extend the funding for these 91 counseling centers.

If we allow the centers to be closed, we are risking the psychological health and mental well-being of all those veterans who have faced difficulties adjusting to life in a country that seems to have ignored them.

A recent Government study reported that between 500,000 and 1 million veterans still suffer the effects of psychological battle wounds, and may develop such symptoms as flashbacks, nightmares, insomnia, guilt about war events, depression, withdrawal from normal activities, and difficulty in concentration.

The study predicted that the delayed stress syndrome already exhibited by thousands of combat veterans will get worse and worse in the years ahead.

We must not dismantle this program at the time it is needed the most.●

● Mr. DASCHLE. Mr. Speaker, I am most pleased that we are today honoring Vietnam veterans. Though a week was set aside in their honor almost 2 years ago, I believe it is important to again honor these men who gave so much, yet received so little recognition for their sacrifices. This is especially true in light of the return of the hostages from Iran, who have been showered with affection and goodwill by the America people.

I hope that our efforts to honor and assist these men do not end here. Vietnam veterans have legitimate and pressing needs that must be addressed. As evidenced by a recent study commissioned by the VA, entitled "Legacies of Vietnam: Comparative Adjustment of Veterans and Their Peers," Vietnam veterans are having significant problems readjusting from their wartime experiences. I would like to take this opportunity to summarize the findings of the study:

Volume I, Findings (overall): "Years after war-related issues have ceased to be everyday preoccupations, they continue to evoke confusion, pain, resentment, and mistrust among veterans and nonveterans alike."

"A decade after the peak years of the war, those who actually served in Vietnam are plagued by significantly more problems than their peers."

Volume II, Education and Work Careers: ". . . shows that Vietnam veterans have not achieved as high a level of education as their peers and hold jobs that are, on the average, of lower levels than those held by veterans who served outside the war zone and by nonveterans."

Volume III, Post-War Trauma: ". . . exposure to combat bears a direct and significant relation to current alcohol and drug use, arrests, medical problems, and stress-related symptoms."

Volume IV, Long Term Stress Reactions: Those who served after 1968, when political opposition and domestic pressure intensified are more prone to stress-related problems, as are those with low educational attainment, of minority status, or unemployed.

Volume V, Dealing with the War: ". . . the majority of Vietnam veterans we interviewed have not made substantial headway in working through their war experiences."

The study made the following recommendations:

First, extend the period of eligibility for GI educational and training benefits;

Second, targeting manpower training programs to reach the chronically unemployed veteran;

Third, involve private sector employers and organizations in an effort to assist Vietnam veterans;

Fourth, continue outreach by well-trained veteran peer counselors; and

Fifth, expertise should be developed in the area of post-traumatic disorders through focusing research, training, and treatment innovations.

These recommendations have all at one time or another been introduced as legislation by the Vietnam Veterans in Congress Caucus. Some have been successfully passed in the Congress—such as with the Vietnam veterans outreach centers—others have not.

Our efforts have not subsided, however. I have introduced legislation which will this week be considered by the Veterans Affairs Subcommittee on Hospitals and Health Care. This legislation will provide for an extension of the veterans outreach centers, authorize both inpatient and outpatient care for veterans affected by conditions they feel are as a result of exposure to agent orange, and also provide additional on-the-job training benefits to Vietnam veterans in need of employment assistance. Though this legislation is not a panacea, I do feel that it will help those veterans seeking to sort out their lives and return to the mainstream of society.

In conclusion, Mr. Speaker, I would like to mention some of the activities which occurred this past weekend in South Dakota in commemoration of Vietnam Veterans Day. The Vietnam Veterans of South Dakota had a grand

opening of their new headquarters in Rapid City. I was able to meet with this dedicated and spirited group that is making tremendous strides in helping Vietnam veterans in South Dakota suffering from delayed stress in the absence of a veterans outreach center in western South Dakota. Additionally, I was privileged to address a rally of Vietnam veterans in Sioux Falls, who also sponsored a march, and later a dance party for their fellow Vietnam veterans. These and other activities which occurred in South Dakota and elsewhere demonstrate the cohesiveness and self-support ability Vietnam veterans and their organizations now display. In the event that the Reagan administration prevails in its efforts to dismantle those few Government programs which now exist for Vietnam veterans, this self-help ability will be invaluable.●

● Mr. CORRADA. Mr. Speaker, I feel very honored to join our colleagues today in paying tribute to the veterans of the Vietnam war. As a society we have not paid enough in the enormous debt we owe to the Vietnam veterans after their great war efforts and sacrifices for this country.

The men and women who served in that conflict deserve better than they have received. They deserve to feel proud that they answered their country's call to duty; they deserve to feel that their sacrifice and loss is recognized; they do not deserve to feel as a pariah merely because the war in which they fought was an unpopular war. But we have not allowed them to feel that their actions mattered, and if any group of veterans deserve our full support and acknowledgement it is the Vietnam veteran.

As a watershed in our recent histroy, the Vietnam war stands as a reminder that we as a nation must make a commitment to achieve our goals before placing ourselves in an introlerable position. We cannot play with the lives and future of our young men and women while deciding what the policy of our Nation ought to be.

There have been innumerable studies about the Vietnam war and its effects on the over 9 million persons that served in it. These studies show that the lingering effects on those persons years after they served are serious and deep. War is always a horrible and harrowing experience that can be fully comprehended only by those that have gone through it. And when veterans feel that their sacrifices have been for naught, their sense of futility in what they have had to endure is increased.

We should remember to honor the Vietnam war veteran not only with our words but also with our actions and support. We must insure that the medical, educational, and financial help they need continues to be made available to them. The Congress can do no less and the American people expect no less. I am sure all my colleagues will join me in pledging our continuous support to the Vietnam veteran.●

● Mr. MILLER of Ohio. Mr. Speaker, Washington is a city of monuments: Marble buildings, wide streets, shrines, museums, and monuments. Monuments, monuments everywhere. Each appropriately honoring an individual or a worthy cause or a crusader. Each monument or memorial in its proper place in a city which is, itself, a thriving monument to the strength of democracy. Venezuela's Simon Bolivar stands at 18th and C Streets. Joan of Arc is in Meridian Park. General Lafayette, Marconi, Adm. Richard Byrd are immortalized in steel and stone and stand like palace guards while the freshest pages of American history are written in the bureaucracy surrounding them.

Many monuments were gifts to the Nation, of course. Others gracing the city were erected at taxpayers' expense. They stand as reminders, as well they should, of wars long past, great deeds, and contributions perhaps overlooked or since forgotten. They stand as reminders, lest we forget.

I stand here today to remind my colleagues of yet another monument for Washington—one yet to be completed. One in which we can personally invest. Last July, the House and Senate approved legislation authorizing the Secretary of the Interior to select an appropriate site in the District of Columbia upon which the Vietnam Veterans Memorial would be constructed. That same bill authorized the creation of the Vietnam veterans memorial fund which has served to coordinate the collection of funds to establish a monument to the 2.7 million Americans who served in Vietnam, and particularly to the 57,000 who died there.

According to the fund, the total cost of the project will be approximately $7 million. To date, over $1 million has been raised by donations and contributions from those supporting the memorial and all it represents. I am sure the funds necessary to erect the Vietnam Veterans Memorial will be raised. Not one Federal dollar has been allocated for the memorial, nor will there be. It will be built by the public. It will be erected by those of us who appreciate the Vietnam veteran and understand that the serviceman who went to Southeast Asia, fought in Southeast Asia, and died in Southeast Asia did so honorably for a country that asked them to serve in America's most difficult war, during America's most turbulent times.

Do you know these young people? I mean really know them? Do you remember John Kennedy's cavalier call to "protect any friend * * * oppose any foe?" Let me remind you that the Vietnam veteran did not ask what his country could do for him during the dark days of Vietnam, but he, instead, demonstrated what he was willing to do for his country.

How often are we in the Congress asked to approve legislation authorizing a project without expecting the Federal Government to financially prop it up? Very rarely. I again stress: the Vietnam Veterans Memorial will be built by gifts and donations. That is particularly noteworthy while the Congress approves billions for defense, but not 1 cent for tribute.

I am not going to pass the hat today. But neither am I going to ignore my responsibility to remind you, and all Americans, that the veteran of Vietnam and his brothers-in-arms who died in Vietnam deserve nothing less than a memorial built by those of us who are truly grateful for their service—not so long ago, not so far away.●

● Mr. MONTGOMERY. Mr. Speaker, this past month the Congress enacted House Joint Resolution 182 designating April 26 as "National Recognition Day for Veterans of the Vietnam Era," honoring those veterans who served in the Armed Forces during that conflict. With the enactment of this resolution, the men and women who served their country during the Vietnam war will be conspicuously on people's minds on this day, which was celebrated yesterday. As chairman of the Committee on Veterans' Affairs, I want these dedicated people to know that my committee, as well as the entire Congress, has had their needs foremost in our minds since this conflict began over 16 years ago.

At the beginning of this fiscal year there were over 9 million Vietnam-era veterans, comprising 30 percent of the total veteran population of over 30 million. Of the 9 million Vietnam veterans, 2.9 million served "in country" in Vietnam; 57,002 deaths are associated with this conflict, with 47,244 dying from action by hostile forces. At the initiative of my committee and the action of the Congress, several major benefit programs and services have been enacted especially for these deserving men and women. These laws encompass the entire spectrum of veterans' benefits and services—from medical care, including readjustment counseling, to increases in the months of training under the GI bill from 36 to 45 months and 10 rather than 8 years from date of discharge in which to utilize educational benefits.

Fourteen percent of all patients in VA hospitals last year were Vietnam veterans and 21 percent of all outpatient visits were veterans who served during that conflict; 50,000 Vietnam veterans have received medical screening and counseling for exposure to the herbicide, agent orange. Over 663,000 Vietnam veterans are receiving compensation or pension benefits. As of

September 1980 more than 2,767,000 guaranteed home loans were made to Vietnam veterans in an amount in excess of $63 billion. Seventy percent of Vietnam-era veterans have taken advantages of GI bill education and training assistance, compared to 50.5 percent of World War II veterans and 43.4 percent of Korean conflict veterans. VA expenditures for benefits and services for Vietnam veterans to date total more than $51 billion. It is estimated that this Nation has spent $258 billion in veterans benefits in the 204 years of our existence, which certainly indicates that the Vietnam-era veterans have received a generous portion of the total veteran expenditures.

Our committee is presently considering important legislation which will significantly enhance benefits for Vietnam veterans including:

H.R. 2157 to expand the scope of the agent orange study;

H.R. 2415 to extend the Vietnam veterans psychological readjustment counseling program;

H.R. 2953 to authorize medical care for Vietnam veterans claiming exposure to agent orange; and proposed legislation to extend the veterans readjustment authority appointments, establish a veterans small business loan program within the Veterans' Administration, and legislation to provide additional employment assistance to certain Vietnam veterans. I am confident that the committee will act expeditiously to report this legislation to the House, and I am convinced that it deserves the support of my colleagues.

I am certain that we will never forget these veterans, especially those who incurred service-connected disabilities while serving their country. I am also certain that while we, as a Nation, have provided billions of dollars to Vietnam-era veterans for medical treatment and readjustment benefits, something other than money is required to fully recognize the service and sacrifice of Vietnam veterans. As the distinguished veteran CBS commentator Eric Sevareid observed on Veterans' Day several years ago: "The moral casualties of the Vietnam war cannot be repaired by the Federal Government alone; family, friends, and neighbors must do that if it can be done."

Let us hope that the recognition day we celebrated yesterday provides the impetus to begin the repairs.●

● Mr. FROST. Mr. Speaker, I appreciate having the opportunity to add my sentiments to those already expressed by my colleagues. I am pleased to see that many Members are participating in this special order and that many of them come from outside the ranks of the Vietnam Veterans in Congress Caucus.

I am not especially proud of the fact that this body has waited so long to recognize a very special group of veterans in this country. Vietnam veterans are the victims of a painful period in the history of the United States. The American Government and people have essentially closed the book on this chapter of our national experience by ignoring Vietnam veterans, simply because they symbolize things that Americans would prefer to forget about their country.

But today, the Congress pays tribute to these veterans—through words and ideas. These are symbolic gestures, and they represent with only a few exceptions the sum total of gratitude this country has been able to offer these men who once served us in war.

We now have ample evidence of the toll our neglect is taking on the Vietnam veterans. We have studies that show that Vietnam veterans, particularly those that saw fighting, are plagued by measurably more emotional, social, educational, and job-related problems than are their peers.

Approximately 480,000 Vietnam veterans between the ages of 25 and 39 are unemployed. Unemployment among black veterans of the Indochinese war is three times as high as unemployment for white veterans of the same war; 70 percent of our Vietnam veterans returned to school after their enlistments were up, but only 20 percent of those completed their educational programs.

One out of three who actually fought in Vietnam now have readjustment problems serious enough to impair their day-to-day functioning; 700,000 suffer from delayed stress reaction.

This is tangible proof of the plight of the average Vietnam veteran, yet up to this point, we have been able to do little to alleviate that plight. One very successful effort was instituted under legislation passed during the 96th Congress. That bill authorized a network of readjustment centers to be set up around the country, centers where Vietnam veterans could go to get employment information, benefits referrals, and social counseling. These are centers where veterans could go to share experiences they had not been previously able to share. We have evidence that these centers are not only used extensively by Vietnam veterans, but that they are also very successful in opening up opportunities for veterans that had before been forgotten by their society.

And this year was to have been a landmark year for the Vietnam veterans' cause. Authorization to continue funding for the Outreach program was to have been approved. More important, other issues of relevance were to have been addressed, including the somewhat notorious agent orange controversy. Many of us in the V.V.I.C. feel strongly that a presumption of service connection must be established in relation to herbicide-related complaints. Until that connection is established, we do not believe the Vietnam veterans will ever receive adequate medical care for this condition which is unique to their veterans group. That issue and others were to be addressed in an omnibus bill, to have been passed in the 97th Congress.

But this may not be a landmark year after all. If the Reagan administration has its way, this will be a year of distress for Vietnam veterans. The administration has proposed that the period of eligibility for readjustment services not be extended for many of the services now provided under the outreach program.

I submit that the 97th Congress cannot let this happen. Vietnam veterans have waited long enough for the recognition and the service they deserve. Commemorative activities like the one we are engaged in here today serve a good purpose, as they call to the public's attention the real story behind the Vietnam veterans' syndrome. But commemorative activities alone will not suffice. They do not translate into job opportunities for these men and women. They do not form the basis for readjustment counseling. They do not enable veterans to qualify for special loans. They do not address the medical problems unique to Vietnam veterans. In short, we have been long on words but short on results, and it is time that we began delivering for the Vietnam veterans.

I urge all my colleagues to oppose attempts to cut funding for readjustment programs. I also urge that we look favorably on legislation that seeks to resolve the many other problems these veterans face. We would do not less for our veterans of other wars. It is time this Congress and this country appreciate that all our veterans are entitled to recognition and assistance, regardless of the time or place or circumstances of service.

Thank you.●

● Mr. MARTIN of New York. Mr. Speaker, as one who served in Vietnam, I take special pleasure in joining this tribute to the Vietnam veterans whose courage and sacrifices I witnessed at firsthand on many occasions.

And yet, I approach this subject with a deep sense of humility. As Abraham Lincoln pointed out with his immortal words of honor for the men who fought at Gettysburg, our words here today pale in comparison to the deeds of those who answered their country's call.

At Gettysburg, Lincoln also spoke of the great task remaining before the Union. We face a different task today, Mr. Speaker, but one that is just as great—the task of giving our Vietnam veterans the recognition and the help that is so long overdue.

The need for that recognition and help was documented most recently by

the study done for the Veterans' Administration by the Center for Policy Research. That study, and others like it, clearly show that those who served this Nation in Vietnam are suffering from an array of social and psychological problems.

I believe all Americans can help overcome those problems by showing our Vietnam veterans the gratitude they so richly deserve. In that regard, yesterday's National Day of Recognition for Veterans of the Vietnam Era was long overdue. Admittedly, yesterday's efforts were modest and served as much to illustrate the amount of work remaining as to honor those who served. Nevertheless, in the words of a Vietnam veteran from my district with whom I spoke, "It's a start."

The work we started yesterday, Mr. Speaker, will be complete when those who served in Vietnam can fully participate in the society they fought to protect and in the hallowed traditions and institutions of all those who have fought for this Nation.●

● Mr. DERWINSKI. Mr. Speaker, it has been over 8 years since we ended our involvement in the Vietnam war—the longest, and certainly the most controversial war in our history. For the over 2.5 million Americans who served in Southeast Asia during the Vietnam era, we pay a special tribute to them today.

We must not forget these brave men and women, and we must recognize and honor their patriotism and express how grateful and proud we are of them. The Vietnam Veterans Week offers us a timely opportunity to convey our appreciation.

The Vietnam-era veteran must be fully reintegrated into the economic mainstream of American life. This Nation's moral debt to the Vietnam veterans remains outstanding. We must focus attention on the needs of our Vietnam veterans and help provide an opportunity to obtain employment, training, educational and social assistance programs.

I join with my colleagues today in remembering the courage and sacrifice of those Americans who served our country in our Armed Forces in Southeast Asia and appropriately salute them for their valor and service.●

● Mr. LAFALCE. Mr. Speaker, in recognition of April 26, 1981, Vietnam Veterans' Day, I wish to draw my colleagues' attention to a letter I recently received from a western New York veteran. I want to share this letter with you as an example of the outrage and frustration expressed by many, many Vietnam veterans who contact me.

I hope this young man's words will remain with each of us as we focus on the need for improved readjustment counseling and recognition of the impact of delayed stress syndrome, redress for victims of agent orange and their families, and a modernized GI bill benefit and training package:

I am appalled at the lack of sensitivity that the government has shown us Vietnam veterans. The insensitivity is the result of the reaction of the general public to the massive media-induced campaign of "shame" and "pain" concerning our involvement in Southeast Asia.

We served with pride, dignity, honor, and the realization that we were helping a poor people retain some form of freedom, thereby advancing our American ideals. Those who did not support us should be the only ones to feel shame.

The efforts of the media to present a fair picture of the Vietnam war have been feeble. The war was very individualistic: Each had to deal with it on his own terms; the war was restrained; permission was required to return fire; the war was everywhere; no safe rear areas free from rockets or mortars. No amount of single-dimension celluloid could impart the psychological stress we felt. This lack of John Wayne-type raw material in an Asiatic content confused many; misunderstanding resulted in rejection.

The graphic portrayal of American casualties in American living rooms on a daily basis also fueled the rejection of the war. Unfortunately, all wars have had such goriness; would the public support for the Korean and Second World Wars been as complete had such material been presented, instead of the manufactured stories that came out of Hollywood? It's too late for a parade or a hero medal for us. We had a job to do, and we did it quite well. But how much longer are we going to have to make sacrifices?

I urge you to sponsor and support legislation affecting veterans; for full accounting of POW's and MIA's; for increased educational benefits; for increased housing benefits; for increased quality and quantity of medical assistance in the VA hospitals; for impartial and complete health studies and evaluations of the effects of exposure to Agent Orange; for compensation for problems due to exposure to Agent Orange; for increased reductions in property taxes for residential properties; for bonuses.

We are not going to disappear because we have been ignored; or is that the unacknowledged aim of the government?●

● Mr. SAWYER. Mr. Speaker, it is my privilege, as well as my honor today to recognize the sacrifices and efforts of those veterans who served our country in the Vietnam conflict. Yesterday, this country had its opportunity to honor our Vietnam-era veterans, by participating in the activities of the National Day of Recognition for Veterans of the Vietnam Era. I was pleased to have been one of the cosponsors of the legislation to proclaim April 26 as the national day of recognition. I have today asked the Architect to fly a flag over our Nation's Capitol in special recognition of the contributions made by Vietnam veterans in our district, who have recently formed the Kent County chapter of the Vietnam Veterans of America. I sincerely hope that this chapter will become an important voice for the 17,000 Vietnam-era veterans of Kent County.

Unfortunately, the service and sacrifices of Vietnam veterans have never been appropriately recognized. More than 55,000 Americans lost their lives in that struggle, 300,000 were wounded, and another 50,000 were permanently disabled. In addition, the resulting aftereffects of the war experience have left 280,000 Vietnam veterans with psychological problems, and 480,000 individuals between the ages of 25 and 39 currently find themselves unemployed. These personal costs for veterans of the conflict, to say the least, have not been cheap.

As a member of the Veterans Affairs Committee, I am continually working to insure that the needs of Vietnam veterans in the areas of unemployment, education, health care, and social adaptability are not ignored. I hope that this day of recognition for Vietnam vets will cause all Americans to recognize these needs, and the sacrifices which these veterans have made.●

● Mr. DOUGHERTY. Mr. Speaker, it is with great honor that I rise today in commemoration of the loyal veterans who served our Nation in the Vietnam conflict.

A day of recognition for these veterans comes several years too late, in my opinion. However, it is an important step for America, because our citizens are beginning to realize the bravery and valor of the men and women who traveled halfway across the world to fight for the freedom of the Vietnamese. Perhaps we as a Nation can finally eliminate the feelings of alienation experienced by many of these vets since their return from Southeast Asia.

We cannot ever let our citizens forget that these veterans were performing their duties as soldiers of the U.S. military, and deserve the same credit and acclamation as the American veterans of previous struggles for freedom. If we continue to ignore the Vietnam experience, we are guilty of a great disservice to the thousands of Americans who died in battle in Southeast Asia, as well as the many others who returned to the United States wounded, both physically and emotionally.

In 1973, as the Vietnam vets were returning home, a Harris poll found that many Americans thought of them as losers, or suckers. This is incomprehensible to me. The majority of these men and women have adapted readily into our society, and many are now in positions of leadership across the country at various levels of business and government. These people, Mr. Speaker, are not losers. They are dignified citizens who gave themselves to help their country in a battle against communism, the same communism that has meanwhile forced many Vietnamese people to flee their own homeland.

A day of recognition alone cannot properly thank the millions of men

and women who served in the military during the Vietnam war. We must accord them our respect as well. Although our Nation did not welcome back these veterans in a fitting way several years ago, we can belatedly praise them now for their sacrifices and efforts on behalf of freedom.●

● Mr. McCLORY. Mr. Speaker, whatever history may say about the role of the United States in the Vietnam war, it will surely say that our soldiers performed their duties with the same amount of courage, perseverance, and self-sacrifice as American soldiers showed in previous wars.

Indeed, history will record that American soldiers in Vietnam labored under the special disadvantage of a badly divided public opinion about the war. As a result, they were deprived of that sense of patriotic support for the troops which is necessary to the maintenance of morale.

But the bitter division of opinion over the war caused many of our soldiers even more anguish after they returned home than when they were overseas. There were few welcoming parades or other demonstrations of national pride.

It is time for us now, as political passions have cooled, to make it clear, both as a nation and individually, that we value the sacrifices made on our behalf by the Vietnam veterans, just as we value the sacrifices made for us by the soldiers of the Korean war, World War II, and previous wars.

For this reason, I joined with other Members of Congress in cosponsoring, and recently passing, House Joint Resolution 182, calling for a "National Day of Recognition for Veterans of the Vietnam Era" on April 26, 1981. It is to be hoped that citizens all across America will join together in giving overdue tribute to those who fought so bravely for them in a faraway land.

In this spirit, also, it would be right for us to consider again, and hopefully lay to rest forever, the question of whether there are American soldiers still held captive in prison camps in Indochina. Our late and highly respected colleague, TENNYSON GUYER, was working on this problem before his death. It would be a fitting tribute to his memory, as well as the memory of all who served as soldiers in the Vietnam war, to clear up this question once and for all.●

● Mr. CONYERS. Mr. Speaker, may I commend the gentleman from Pennsylvania (Mr. BAILEY) for this very important special order. There can be no doubt that our country should give proper recognition to its sons and daughters who so bravely fought in the Vietnam war and to those who served during the Vietnam war era. Although we have long since come to know that the war was one that we cannot justify, we, nonetheless, should recognize those who served. Their service should be considered just as noble as that of those who defended our country in the first two world wars. Therefore, I want to join with the many millions of Americans and my colleagues in the Congress in extending to our veterans of the Vietnam war era a special note of appreciation for their service to their country.

This is a very appropriate time for us to be considering the sacrifices made by the men and women who served this Nation during the Vietnam war era. As we do, we should remember their mothers and fathers who suffered along with them. Their sacrifices are many. More than 55,000 of them gave their most precious possession, their lives, and one-third of a million were wounded, with half that many being permanently disabled. If this were not enough, we do know that unemployment is a very serious problem among Vietnam war era veterans, and that more than one-half of a million of them suffer from some type of psychological problems that are attributable to their service in Vietnam.

This brief characteriazation of the Vietnam war era veteran indicates that they not only need our recognition, but also our financial commitment to programs that will service their needs. It is somewhat of a contradiction to be recognizing their contributions as you are cutting Federal support for programs—Vietnam War Veterans Service Centers—that they desperately require.

We do need to step back at selected intervals and give thought and thanks to those who have fought our wars, but we also need to bring into relief those foreign policy lessons that come from our experiences with war. Such lessons should be applied to our contemporary foreign policy deliberations. In this context, the Vietnam war experience is most instructive. Some still ask was it necessary. As we recognize and speak to our veterans, we should ponder the question, should we again send our sons and daughters into such a situation? Is there a lesson to be learned from them that can instruct us on El Salvador, the Middle East, and other points of possible U.S. intervention? Do we want to again ask them, or those who have now taken their places, to give their lives to support weak, brutal, and unpopular regimes halfway around the world? Do we send them to places around the world where we have no mission? It is only by asking and rationally answering these types of questions, and financially supporting the programs that they need, that we can give substance to our recognition of them. H.J. Res. 182, which designates April 26, 1981, as "National Recognition Day for Vietnam War Era Veterans" should indicate our resolve to address the employment, physical, and psychological needs of these veterans, and to strive for a more sane and rational foreign policy that will preclude future Vietnams.

I want to again commend the gentleman from Pennsylvania for providing me the opportunity to recognize and comment on Vietnam war era veterans.●

● Mr. BEREUTER. Mr. Speaker, the Vietnam veteran did not come home to parades and fireworks. His sacrifices were, in fact, largely overlooked, or even condemned by many of his fellow Americans. The men and women who fought in that war, in the end, became its casualties. A recent study confirms that Vietnam veterans as a group are plagued by personal problems to an unusual degree. The study, an 8-year investigation sponsored by the Veterans' Administration, indicates that exposure to combat in Vietnam has a direct relationship to current alcohol and drug abuse, in addition to arrests, medical problems, and stress-related emotional problems.

A total of 2.8 million Americans served in Vietnam. More than 55,000 died. Another 300,000 were wounded, with 150,000 permanently disabled. In any other era, these men and women, and those who returned home safely, would have been honored as heroes. But the Vietnam era was a turbulent time in this Nation's history.

National Day of Recognition for Vietnam Veterans, observed April 26, was an opportunity to pay tribute to those brave men and women and to focus public attention on their special problems and needs. I hope that day marks the beginning of a new awareness and appreciation for the Vietnam veteran. As a member of the Vietnam-era Members of Congress, I am committed to seeing that our Nation does not forget.●

● Mr. RAHALL. Mr. Speaker, today we return from 2 weeks at home with the people who elected us to serve in this distinguished body. During this period of time, I had the opportunity to meet with a number of different groups from all over my district, but, the meeting which had the deepest impact on me was one I had last Friday, at the vet center in Huntington, W. Va.

Thirty young men, all of whom served in Southeast Asia came to discuss with me a number of concerns they had. The most prominent being, the substantial cut proposed by the Reagan administration in programs aiding Vietnam veterans.

Frustration does not adequately describe their feelings.

The meeting, as I said, was held at a center dedicated less than a year ago. In that period of time, priceless benefits have been provided to them and other veterans seeking help in finding a job, or just to have someone with

whom to talk about the difficulties they face in adjusting to civilian life.

The administration wants to close the vet center in Huntington, along with 90 others located all over America. The savings would be minimal, but the negative impact on these individuals could not be determined in dollars and cents.

Last year in a speech before the American Legion, President Reagan said, "We have been shabby in our treatment of those who returned from Vietnam."

I agree with the President on this count, but since taking office, he has been shabby in his treatment of the Vietnam vet.

Studies show that this is the time of greatest need for those who served in Vietnam, and it is for this reason that Congress cannot continue the mistreatment of these fine Americans.

The first concurrent budget resolution contains $600 million more than the President wants in veteran programs. I plan to support this effort, and I hope others do likewise.

Partisan politics should not, and must not, play a role in this debate. The Vietnam war will not go away like a bad dream, and neither will the veterans of that conflict.

I remind my colleagues on the other side of the aisle what President Theodore Roosevelt once said,

> A man who is good enough to shed his blood for his country is good enough to be given a square deal afterwards. More than that no man is entitled to, and less than that no man shall have.

I suggest that we do not retreat from this belief.●

● Mr. DWYER. Mr. Speaker, yesterday, Vietnam veterans across the Nation were the honorees in a long-overdue National Day of Recognition for their service. I want to thank my colleague, Mr. BAILEY, for calling this special order, realizing that our tribute to the veterans of that bitter war must be a continual one, not limited to one commemorative day.

Those who participated in the Vietnam conflict risked their lives for our country, yet we have rarely acknowledged their effort. In fact, many of our Vietnam veterans feel their problems have been ignored.

Vietnam was unlike any other war this country has fought. Territory was not gained or lost and strongholds were not taken. There were no battle lines and few clear victories.

Studies reveal that about 20 percent of Vietnam veterans—some 700,000 people—are markedly impaired by the after-effects of their war experiences.

So, as local communities and veterans groups nationwide salute the profound contribution made by these brave soldiers, it is important that, despite the present need for fiscal restraint, we not forget those who fought so gallantly.

Funds for Vietnam veterans' programs mark a relatively minute portion of the Federal budget. A case in point is the Veterans' Administration's Operation Outreach program that funds 91 storefront readjustment counseling centers across the country. These centers have proven quite effective in dealing with the special problems of Vietnam veterans.

Retaining this program would maintain vital services for people who need them badly at a minimal cost. It is my sincere hope that our efforts here in the Congress will not only help save the program, but strenthen it by extending the deadline for participation in it through passage of H.R. 747, sponsored by my colleague, Mr. EDWARDS of California.

The National Day of Recognition for Veterans of the Vietnam Era is a mandate for all of us to not only pay heed to the Vietnam veteran's struggle, but, moreover, to do something about it.●

● Mr. FORD of Michigan. Mr. Speaker, regardless of our views on the morality or immorality of the Vietnam war, there is no question in my mind that the men and women who served our country in Southeast Asia should be appropriately acknowledged. For Vietnam veterans, this special order will help stand as testimony that the American people care about them and respect their service and their sacrifice.

For many, Vietnam is a rapidly fading memory, but for a good number of the veterans who served in that conflict, the wounds are still open and festering. These men and women never received the welcome we bestowed upon returning veterans of other wars, and in many instances they were discredited and disgraced.

We are here today to let these servicemen and servicewomen know what concern the American people have for them and the regard we all have for their service and their sacrifice. Although our words are important and significant, there are certain actions this Congress must take to show our appreciation. The problems of delayed stress—a disorder that was first recognized in veterans of the Vietnam conflict—have been treated successfully through a VA program known as Operation Outreach. I know that when I speak to people back in the 15th District of Michigan who work in the veterans' centers created by Operation Outreach, that they are reaching out to the Vietnam population most in need. These storefront veterans centers are designed specifically to address the readjustment difficulties faced by many Vietnam era veterans and the program is working. I have cosponsored legislation to extend this highly successful and cost-effective program which is scheduled to expire this year unless the Congress acts to extend it. It seems impossible that we would turn down this request.

Although I cosponsored and the Congress passed House Joint Resolution 182, which calls for a "National Day of Recognition for Veterans of the Vietnam Era", we must affirm this action by passing legislation to waive the 1-year time limitation on veterans' claims for compensation for disabilities and diseases due to exposure to agent orange and other herbicides used in Vietnam. Vietnam veterans must be encouraged to retrieve all military records and medical histories and they should be informed about agent orange. As VA law now stands, service-connected benefits can only be granted for a chronic disease which manifests itself within 1 year of the veteran's date of discharge. Unfortunately, exposure to agent orange rarely shows up immediately. I am also proud to have cosponsored a bill to waive this 1-year time limitation. With the legal right to file a claim, veterans would be encouraged to seek medical advice and be counseled on the genetic alterations they might have to face.

To millions of Americans, the Vietnam war has been costly in a very personal way. Many families were destroyed by the war and it alienated individuals across this land. The time has come to heal the wounds. Today's speeches and yesterday's day of recognition are small tributes when compared to the debt we owe to those who served so courageously in Vietnam.●

● Mr. JEFFORDS. Mr. Speaker, in response to my colleague, Congressman BAILEY'S, request, I am submitting a statement about the treatment of Vietnam veterans in this country. This statement, however, is not written by me although it adequately reflects my feelings about the lack of recognition our Vietnam veterans are given for their service to this country. The author's name is Jeri Martinez and she is from Montpelier, Vt. I feel that she has more insight into the problems than most of us do because of her close association with a person suffering from delayed stress reaction, a condition inherent to Vietnam veterans.

The statistics on what has happened to Vietnam veterans since they came home are nothing less than appalling. A little publicized fact, and one which desperately needs to be known, is that more men have died since coming home from Vietnam than died in Vietnam. And considering what they came home to and the burdens they carried home from Vietnam, it is not surprising. The horrendous response of a war-weary populace to the returning soldiers has never been adequately recognized nor dealt with by the Government which sent them to Vietnam.

When the soldiers of World War II returned, they were given parades,

medical, educational, and financial benefits and the thanks of the country. I would imagine that coming hme to that kind of recognition and gratitude must have gone a long way to allieviate the stresses imposed on them by the horrors of war. But Vietnam veterans who were forced to fight in an unpopular war under extraordinarily terrible conditions came home to a people who wanted to forget we ever fought a war in Vietnam. The veterans were, as individuals, frequently blamed and castigated for the Vietnam war and the actions of the Government that required them to perform in that war. The Government just let that happen and never took responsibility for its own actions. The men who fought in Vietnam bore the awful burden of Government policies in Vietnam and were left to continue being the Government's scapegoats when they came home by a Government which, by its actions, has proved it did not care.

A suicide rate 33 percent higher than the national average is not the only result of Government negligence toward Vietnam veterans. The number of Vietnam veterans hospitalized for alcoholism or drinking problems has more than doubled in the last 7 years. In addition, it is estimated that between 40 percent and 60 percent of the vets have persistent problems with emotional readjustment. The responsibility for this outrageous situation is to be laid, I think, squarely on the shoulders of the U.S. Government.

So now the question arises, what is the Government going to do about it? President Reagan's initial response was to propose budget cuts that would destroy the Vietnam Veterans Outreach program. With Government benefits for Vietnam vets virtually nonexistent, the vet centers provide the only place to which a Vietnam veteran can go with his problems. The understanding and support that can be offered by a fellow Vietnam veteran cannot be overestimated. From the little that is known about the delayed stress reaction, it would seem that discussion with and counseling from their peers in suffering are the only ways to help these on-going victims of the Vietnam war. The people who work out of the vet centers do tremendous work helping vets with emotional and other service-related problems. I venture to say that the death rate of Vietnam vets would be a lot higher without the support of these dedicated people.

What we must not forget is that the Vietnam war is not over. It goes on every day for these men. We who sat at home and viewed that war on our television screens, and who have not had to deal directly with the horror, owe an incredible debt to those men who not only gave their lives in Vietnam, but who are daily paying the price.

We cannot, as a country, continue to ignore the sacrifices these men made and are making. We owe it to these men to do whatever we possibly can—to reach out with love and understanding. Not only should funding for the vet centers be continued, but it should be increased. In Vermont, a rural State with very limited public transportation, we have only one vet center for the entire State. As a taxpayer, I feel very strongly that our tax money is better spent on humanitarian programs like the vet centers than on an increased military budget to enable the Government to do to our young men of today what they did to the young men of the 1960's. How can we demand military service from our young people when they know from example that the Government will use them as it sees fit and then forget them completely when they have completed their service?

Finally, I want to remind you that although we cannot change our veterans' past, we can and must change their future.●

● Mr. WEBER of Minnesota. Mr. Speaker, who are the victims of the Vietnam war?

The heroic American men and women who served in this unpopular war are the victims as surely as the natives of the country where the battles were waged.

Just who were these American men and women who served in Vietnam? Their numbers were not large—2.6 million men and women served in the combat zone during the Vietnam years. They were not dropouts and misfits. It is important to remember that Vietnam veterans at the time of their induction, had on the average more than 12 years of education, as opposed to World War II veterans with 9 years. Yet these same Vietnam combat vets suffered from delayed stress syndrome at a much higher rate than veterans of any other American conflict. Dr. John Wilson, a psychologist at Cleveland State University, studied this phenomenon and came up with some amazing results:

First, among black combat veterans, unemployment was 48 percent; second, among white combat veterans, unemployment was 39 percent; third, 31 percent of black and 22 percent of white combat veterans were divorced; fourth, 41 percent of all Vietnam combat veterans had alcohol problems; fifth, 37 percent of black combat veterans, and 28 percent of the white combat veterans, had negative attitudes about themselves; and sixth, over 25 percent of those in combat in Vietnam have been arrested following their return to the United States.

What caused these men and women this trauma? Certainly the horrors of war are partially responsible, but in this case the trauma of returning to civilian life seems to be the real culprit. These vets were heavily affected by a return marked by jeering, hostile fellow countrymen, instead of the parades, bands, and cheers that greeted returnees from other wars.

Yesterday, April 26, 1981, was declared a "National Day of Recognition for Veterans of the Vietnam Era." That was a long overdue tribute. But one day set aside in their honor is not enough to compensate those Americans who gave so generously of their lives for us. It is our responsibility to do all in our power to help these veterans return to a normal productive way of life.

Offer a Vietnam vet a helping hand.●

● Mr. FOGLIETTA. Mr. Speaker, how does one survey the toll of a divisive, prolonged, and unnecessary conflict, like the experience that our Nation endured throughout the 1960's and 1970's, as we struggled, both militarily and emotionally, with American involvement in Vietnam? Do we consider domestic terrorists, who took the illogical route of countering violence with violence, by destroying people and property, in defiance of what they believed to be an immoral war? How about the six students murdered on the campuses of Kent State and Jackson State Universities, as they exercised their constitutional rights to freedom of speech and assembly? And what of our national defense effort, which came to be viewed with distrust, then disgust, and consequently was dangerously neglected in the years immediately following the cessation of hostilities in Southeast Asia.

The above examples are but the tip of a bitter iceberg of domestic turmoil, the likes of which our Nation had not experienced since the Civil War. However, this unrest pales in comparison to the intense personal tragedies of the millions of brave young Americans who left family and friends behind, to face the horrors of this jungle war. Consider the cold numerical facts: Almost 3 million men engaged in combat over the course of our involvement, 57,692 of whom made the supreme sacrifice by dying for their flag; over 300,000 wounded, of which about 75,000 are permanently disabled and will bear physical and mental scars for the rest of their lives; and, finally, approximately 1,600 men still listed as missing in action.

Unfortunately, when the survivors of this national nightmare returned home, they were not greeted as heroes, with marching bands and ticker tape parades, Rather, they were, somehow, unreasonably blamed for the entire conflict and found a collective cold shoulder, both from their fellow Americans on the street and prospective employers in the work-

place. Combine this with the various psychological scars, the potential time bomb of agent orange and now, the proposed reductions, by the Reagan administration, of programs primarily utilized by veterans of the Vietnam era, and the effect is devastating. We, as a Congress and a nation, should be ashamed of ourselves.

One of my constituents, Dr. Thomas Dimitry, is a prime example of how we have abused these modern day heroes. After already having served his country once, Tom enlisted to aid our efforts in Vietnam. Tom Dimitry never fired a shot, for he decided to help his fellow GI's in the most altruistic of manners—he became a combat medic. He worked in this life-saving capacity until he, himself, received severe wounds of the legs and back. His indomitable spirit led him to fight this permanent disability and continue his education. After receiving several undergraduate and graduate degrees, Tom achieved the academic distinction of being awarded his doctorate in adult/continuing education. This situation should be the ultimate veterans' success story, except for one detail—Tom Dimitry cannot find a job. Even the Department of Defense, through which Dimitry risked his life and ruined his health, has refused him a job for which he is eminently qualified.

Yesterday's "Vietnam Veterans National Day of Recognition" is a reasonable first step to repay these victims of our ignorance. But it is not enough. I salute my colleague from Pennsylvania, Mr. BAILEY, for sponsoring this special order honoring his fellow vets. I strongly urge my colleagues to cosponsor, as I have and will, resolutions dealing with problems unique to these former soldiers, sailors, and airmen; to cosponsor, as I have and will, resolutions addressing the devastating effect of the defoliant, agent orange; to encourage constituent employers, as I have and will, to actively recruit qualified veterans; and to oppose, as I will, many of the massive cutbacks in veterans' programs proposed by President Reagan.

I believe that we owe the Vietnam veteran a great deal and I fervently hope that we display the courage to reverse the heartless policy of discompassionate neglect.●

● Ms. FIEDLER. Mr. Speaker, over 7 years have passed since the last American combat units left Vietnam. We soon afterwards left behind the divisions in American life that this hard-fought war created. We must not let those of our fellow citizens who fought the war be left behind us as well.

Today, we of the House of Representatives are met to give recognition to the veterans of the Vietnam war. It is easy to be cynical about our words today, for words are far too often bloodless substitutes for action. I have not come here today for empty gestures. I speak today because every man and woman of spirit has a natural desire for recognition, for respect. We have helped our veterans with well-considered and necessary programs, programs for education, health benefits, outreach centers, programs that shall and must continue even in an era of fiscal conservatism. We would be worse than foolish if, while providing Vietnam veterans these well-earned benefits, we withheld our equally well earned respect.

It was not for programs or for money that these people fought. It was for America, for honor, for words like these. Our words summoned them from their homes to the mountains and jungles of Southeast Asia, to battles no less fierce than those their fathers and grandfathers faced. Now it is time for the same words to tell them that they have earned our respect and admiration.

The Vietnam war is over. Our national division is over. Today, let us show that our recognition of Vietnam veterans has just begun. The Congress cannot enact respect. It falls on each of us, veterans or not, to honor the people that fought the war. Honor means a great deal to those who cherish freedom. Let this honor become a great unifying force for us all.

Today, we recognize the Vietnam veteran as a valued member of the community, one to be valued all the more for his past actions. We are saying to these veterans that they may tell their families, their friends, and above all, themselves, that they have the recognition and respect of their fellow citizens and that is one thing that neither time nor the politics of the moment, shall ever diminish.●

● Mr. BROYHILL. Mr. Speaker, I was pleased to join with a bipartisan group of my colleagues in the House earlier this year to sponsor legislation—House Resolution 182—designating April 26, 1981, as National Recognition Day for Veterans of the Vietnam Era. This resolution was easily approved by the Congress and signed into law by President Reagan.

I do not believe that there has been a family untouched by the Vietnam conflict. Each one of us knows someone who lost their life in battle there, or someone who returned with physical and psychological aftereffects. Mothers lost their sons—wives their young husbands—and children their fathers. We fought that undeclared war at a time of great turmoil in this country. There were protests all across this Nation—on our college campuses, in our streets, in our convention halls. During all of this, our veterans continued to fight and dodge bullets in the rice paddies of that foreign land, attempting to preserve our freedom and uphold their duty to their country. Later, when they returned home, they found hostility and were scorned by their peers. Then, they were "rewarded" for risking their lives by watching those who ran away to avoid the war be allowed to return. And those who unlawfully left the military in lieu of going to Vietnam were granted the same discharge for which the Vietnam veteran fought so hard and honorably. Yes; we certainly owe these men a great deal. When the hostages returned from Iran earlier this year, this sparked renewed patriotism in this country and reminded us of our respect for the Vietnam veteran. The national mood of good feeling and patriotism rekindled in our hearts the appreciation we as a nation felt for those brave men and women who served so honorably in that unpopular war in Southeast Asia. It is not too late to say "thank you."

Last year, I was also one of the many bipartisan sponsors of legislation that approved a site in this Nation's Capital for a Vietnam veterans memorial. This having been passed by Congress, plans are now being reviewed for the construction and design of this monument that will pay tribute to the more than 55,000 brave Americans who lost their lives in the war.

Nor can we forget the 600 or so prisoners of war—most of whom were incarcerated for several years in less than humane conditions. To those men, I also want to express my appreciation.

Then, there were those who we thought were POW's but they never came home. We know of few words that can ease the loss or the grief that their families have suffered but we salute them.

I spent my early years in Congress during the Vietnam era. I watched the protests, I listened to the unrest. These memories reflect the times that I will never forget.

I want to join today with my colleagues in the House to pay special tribute to the more than 2,500,000 men and women who served their country honorably and bravely during the Vietnam conflict.

Again, let me say, thank you.●

● Mr. BINGHAM. Mr. Speaker, yesterday was the "National Day of Recognition for Veterans of the Vietnam Era." It was a day in which the country was called upon to participate in various programs, ceremonies, and activities to recognize those veterans.

Our Vietnam veterans risked their lives in an unpopular war. Yet they were rarely recognized for their sacrifices. There were no parades or warm welcomes for these veterans when they returned home from the war. Their homecomings were marked by loneliness and resentment, as if those who fought in Vietnam had been re-

sponsible for the war and our losses there. Many feel that this country has failed them, that we have ignored their problems. They feel as though they were left to struggle alone to readjust to civilian life, rehabilitate shattered bodies or minds, try to find decent jobs or finish interrupted educations. They certainly did not expect to be treated as second class citizens. It is time for us to correct this injustice. We must insure that Congress provides the benefits and services to which they are entitled.

I have long been concerned with the special needs of our Vietnam veterans and I will continue to do whatever I can to see that those needs are met.●

● Mr. RODINO. Mr. Speaker, I join my colleagues in paying tribute to a courageous yet often forgotten segment of our society, veterans of the Vietnam war.

On Sunday, April 19, Congress called upon Americans throughout the country to observe the "National Day of Recognition for Veterans of the Vietnam Era." One day of tribute, however, is not enough. This recognition should grow into a greater national awareness of the plight of Vietnam veterans and a willingness to be more helpful to them.

An 8-year study conducted for the Veterans' Administration recently documented the tragedy and despair that have pierced the lives of the veterans in the aftermath of the Vietnam war. These brave men and women are still haunted by the horrors of that tragic era. Young Americans, once strong in mind and body, are now suffering severe phychological and readjustment problems. Disheartening emotional, social, educational, and job-related problems are just a few of the lingering difficulties that still plague their lives.

The Vietnam war had a particularly profound effect on those men and women who were directly exposed to death. The study found that Vietnam veterans who endured combat duty had unfortunately turned to alcohol and drugs at a higher rate than other Americans. Although women were not on the front lines, they too bore a major brunt of the battle. The continuous flow of wounded and lifeless bodies in military hospitals imprinted too great an impression to be easily erased. Flashbacks, depression, alienation, and guilt torment their lives.

Although the homecoming of the Vietnam veterans was largely neglected by our Nation, the serious problems that afflict these heroic veterans must not be ignored. Our Vietnam veterans deserve a solid assessment by the Federal, State and local governments, and the public, of their struggles to obtain jobs, education, health care, and social acceptance.

Eight years after the end of the Vietnam conflict, it is time that we, as a nation, uphold our obligation to aid those who were called upon to defend our country and fight for its cause—and who performed courageously in that task.●

● Mr. ECKART. Mr. Speaker, 2.6 million Americans served their country in Vietnam. They fought in an unpopular war and instead of the admiration and respect Americans have given to our soldiers for 200 years, those who fought in Vietnam were the object of much scorn, ridicule, and contempt.

The soldiers who served in Vietnam were not necessarily like those portrayed in the movie "Apocalypse Now." Many did not ask to fight. Many who were drafted performed their duties capably. They were kind, carrying individuals with families who had to adjust not only to the trauma of war, but to the possibly greater trauma upon their return.

What kind of hero's welcome did we give our soldiers? They came home to record a suicide rate 33 percent higher than the national average. Half a million to a million of them have permanent psychological scars; 150,000 are crippled for life and nearly half a million are unemployed. Vietnam veterans are more likely to be divorced, more likely to drop out of school, more likely to be drug addicts, and more likely to be alcoholics. This homecoming is hardly a ticker tape parade.

Our recognition of the sacrifices Vietnam veterans made is long overdue. But even as we honor our veterans, President Reagan proposes an $831 million spending cut in veterans' programs. To those Vietnam veterans who are already frustrated and bitter about the way we have treated them, a slash in counseling, hospital, and job programs is just one more slap.

The proper way to honor our Vietnam veterans is to maintaining these services. The House Budget Committee supports funding for these crucial programs in its budget proposal. I will work for its passage.

Vietnam veterans fought for us. Now it is time we did some fighting for them.●

GENERAL LEAVE

Mrs. HECKLER. Mr. Speaker, at the outset, because of widespread interest and concern for the life of Ida Nudel, and because many Members of this House were not able to be present today, I ask unanimous consent that the RECORD be open for their remarks and that they be able to revise and extend their remarks for 5 legislative days following my special order of today.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

THE 50TH BIRTHDAY OF IDA NUDEL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 60 minutes.

Mrs. HECKLER. Mr. Speaker, I have taken this special order today to mark the 50th birthday of a single brave woman: Ida Nudel, prisoner of conscience in the Soviet Union.

Today marks the third year that Ida Nudel, the only woman held as a prisoner of conscience, has had to mark this anniversary in Siberian exile. It is the third year since she was sent to Krivosheino in Siberia, to start a 4-year sentence for "malicious hooliganism"—the peculiar phrase in Soviet doubletalk that is reserved for those who speak out for freedom and truth.

Ida Nudel's crime was an unspeakable offense in the Soviet Union: She was born a Jew.

She compounded her felony by living her life with pride—pride in her Jewish faith, pride in her worth as an individual, and pride in the nation of Israel, the homeland to which she hoped to emigrate.

Pride, faith, and a sense of individual worth—they seem to be dangerous traits in the Soviet Union, because they all lead to a common goal, the freedom of the spirit. In the Soviet Union the spirit is seen as an agent of treason, and freedom is a crime against the state.

Ida Nudel realized that. All she wanted was to leave. In 1971, she applied for an exit visa, to emigrate to Israel. The Soviet Government refused her request, on the grounds that as an economist she was too valuable, and knew too much, to leave.

That is why Ida Nudel began her crimes against the state. She began caring for the sick and lonely men who had been imprisoned by the Soviet Union because they, too, had asked to leave, and had asked too loudly. She spent 7 years caring for them, and became known as the angel of the prisoners of conscience—someone who would provide them the basic humane care that the Soviet Government refused to give.

Stories of Ida Nudel's compassion and dedication fill the accounts of those few prisoners of conscience who have completed their ordeals, and been allowed to leave. She became a symbol to these men, giving them a reason to live and hope. And that is why she was so dangerous to a government that cannot afford to let its people hope.

For those 7 years Ida Nudel was harassed by the Soviet KGB: frequently arrested and interrogated, and constantly followed. She was branded in the local press as a lunatic, a dangerous counterrevolutionary, and a criminal; many of those who read the press

reports threatened her with violence. But she would not stop her work.

In 1978, she hung a banner outside her apartment window that read: "KGB give me my visa." That banner—visible to visitors and journalists from the West—was a message to the rest of the world that the Soviet Government could not tolerate. It was a message of individuality and defiance, neither of which is supposed to exist in the so-called worker's paradise.

Ida Nudel received a trial, of course. And she was convicted, of course. Her trial was a mockery of justice, and her imprisonment remains a mockery to all the standards of civilized life that the Soviet Union pretends to uphold.

But the Soviet Government made a grave mistake in thinking it could rid itself of Ida Nudel simply by sending her off to exile. Ida Nudel remains free, at large, in the most important sense: She has not been intimidated, she will not recant her crimes, and she will not stop thinking as a free human being.

The French writer Voltaire once wrote "Liberty of thought is the life of the spirit." Ida Nudel's case proves that: She will not surrender her liberty of thought, and her spirit will not be imprisoned.

We in the Congress, and across America, have a special responsibility to Ida Nudel. She is, after all, what we once were: Someone who struggles for freedom against oppression. And she is what we will become once again, if we do not live up to our responsibility as the most persuasive voice for freedom in the world.

There are many reasons why Ida Nudel has a special importance for all of us. As a woman, as a fighter for religious freedom, and as one who has dedicated herself to caring for others, she reminds us all that freedom and equality must be fought hard for, and carefully guarded. She has sent us out a message, and it is vital that we answer it.

Today, on Ida Nudel's 50th birthday, we have the chance to answer that message. Across the country those who know of her plight are marking the occasion: here in Washington the National Conference on Soviet Jewry has organized a vigil and a day of remembrance. I think it is appropriate that we in the Congress join them.

That we let the Soviet Government know that we have not forgotten Ida Nudel, and the thousands like her.

And that we let them know that they cannot forever imprison the conscience of their own nation, and ignore the dignity of their own people.

Mr. Speaker, it is time for the Soviet Government to free Ida Nudel; to allow her to leave for Israel; and to end its ruthless oppression of religious beliefs.

And it is time for us to be heard on her behalf, defending the basic liberties that are our heritage.

● Mr. FRANK. Mr. Speaker, I join my colleagues today in commemorating the 50th birthday of exiled Soviet refusenik Ida Nudel. Of all those who have been sent to prison or placed in exile as a result of their desire to emigrate, Ida Nudel stands out for her courage and her vigilance in the face of harassment, intimidation, and imprisonment. Since her arrest on June 21, 1978, she has persevered the harsh conditions of her incarceration.

It is entirely fitting that Members of the House of Representatives join together to remind the American people and the Soviet Union that we have not forgotten about the plight of Ida Nudel. The struggle of this brave woman is the struggle of all peoples to secure and exercise their fundamental human rights. These rights are guaranteed by the Helsinki Final Act signed by the Soviet Union, the United States, Canada, and 32 other European States in 1975. These rights are guaranteed by the Universal Declaration of Human Rights. And most importantly, these rights, particularly the right to emigrate, is guaranteed under the Constitution of the Union of Soviet Socialist Republics.

For nearly 10 years, Ida Nudel has longed for only one wish—an exit visa so that she may leave the U.S.S.R. and live in Israel. Her sister, Elana Friedman anxiously awaits her arrival there. Ms. Friedman's tireless efforts on her sister's behalf are a source of strength and inspiration, I am sure, for Ida Nudel as she endures long months alone. Most recently, Elana Friedman traveled to Madrid where she appealed to the participants of the Helsinki Review Conference to raise Ida Nudel's case.

The release of Ida Nudel would be a significant gesture on the part of the Soviet Union. At a time when East-West relations are at their lowest point in years, a Soviet willingness to extend to her and others exit visas would be a hopeful sign.

Ida Nudel's arrest and subsequent exile for her attempts to obtain an exit visa are indicative of a blatantly repressive policy against Jews who wish to emigrate. I call on all those concerned about human rights to protest Ida Nudel's continued incarceration.●

● Mr. OTTINGER. Mr. Speaker, I rise to strongly condemn the Soviet Union for its hideous treatment of Ida Nudel, the only Jewish woman now held in the U.S.S.R. as a prisoner of conscience. Ida Nudel is now in internal exile in Siberia, a victim of Moscow's official policy of systematic repression and its continued violation of human rights.

Ida Nudel first applied for a visa to leave the Sovet Union for Israel in 1973. Her application was denied, and she undertook a major effort to care for and support Jewish prisoners who were jailed for their beliefs. Her unwaivering commitment to these individuals earned her the title "guardian angel of the prisoners of conscience."

After she was rebuffed in applying to emigrate, and as a result of her devotion to Jewish dissidents, Ida Nudel was subject to the most vicious harassment by Soviet officials. Finally, on June 1, 1978, in utter desperation, she placed a banner outside her apartment window stating: "KGB, Give Me a Visa to Israel." She was arrested for "malicious hooliganism" and sentenced to 4 years of internal exile.

Ida Nudel now languishes in the far off wastes of Siberia. She has serious medical problems, yet she has been denied permission to travel to Moscow for medical tests. I deplore this treatment, which contradicts Soviet promises made as part of the Helsinki accords. The Soviet violation of the Helsinki accords is yet another reason for maintaining the grain embargo which regrettably has been lifted.

During her trial, Ida Nudel demonstrated her indominable spirit and magnificent character with a message that should be heard by everyone:

> During these years I learned to hold my head high with pride as a human being and as a Jewish woman. These years were filled with continuous struggle for myself and for others. And every time I succeeded in saving the life of another victim, my heart was filled with an incomparable uplifting feeling. * * * Even if all the rest of my life will be grey and monotonous, these seven years will warm my soul and vouchsafe that my life was not in vain. Not one of you, my judges, can pass a sentence that will erase the triumph and victory of these years.

Ida Nudel is a courageous woman who has withstood the heinous crimes of the Soviet system. We in Congress must do everything in our power to press Soviet authorities to grant her immediate release and free emigration to Israel.●

● Mr. LEBOUTILLIER. Mr. Speaker, today marks the 50th birthday of the "guardian angel of the prisoners of conscience" in the Soviet Union, Ida Nudel. The only Jewish woman held in the Soviet Union as a prisoner of conscience, Ida Nudel stands as a dual reminder that: First, the Soviet Union continues to be one of the most perverse political systems ever to darken and stain the pages of human history; and second, the fear and torture on which it thrives cannot destroy the spirit of man.

The plight of Ida Nudel began 10 years ago which she first applied for a visa to emigrate to Israel. With her request refused, she began her efforts to care for and support Jewish prisoners who had been jailed for their beliefs. Subjected to continuous harassments, interrogations, and a malicious press

campaign, she was finally arrested on June 1, 1978, and charged with "malicious hooliganism." After trial in which she was allowed no representation, nor any witnesses to testify on her behalf, she began her sentence of 4 years in internal exile.

On a tape smuggled out of Siberia in 1979, she described her situation:

I do live now as a human being, but it's a life alone, without friends or people to speak with. Without anyone to help when I am ill. * * * The first days of my life here were so terrible that there aren't enough words even in Russian to express it. * * * Not even the imagination can create a situation like that.

People are afraid to have contact. Even children who play with my dog, they are questioned. * * * Only the knowledge that maybe my suffering will give ground to people of good will to understand * * * will bring to me some sort of satisfaction.

Those who torture Ida Nudel—and other prisoners of conscience—also signed the Helsinki accords on August 1, 1975. In signing this document, the Soviet Union pledged to abide by the purposes and principles of the Charter of the United Nations and the Universal Declaration of Human Rights.

And yet, in Soviet society, these principles continue to have no meaning. Despite all the rhetoric, the Soviet leadership continues to set loose throughout the entire fabric of society a wickedness which finds no equal in scale or intensity in the history of man. Fear is the sole bond of unity in the U.S.S.R. and it has created a system that grows evermore dehumanizing.

As thoroughly destructive as Soviet Marxism is, however, it cannot destroy the spirit of man. As Ida Nudel says:

No matter how I am tormented by the chastisers or after I cried out of weakness, loneliness and seemingly senselessness of my present life, I do not regret and I do not renounce any of my actions.

The spirit of man cannot and will not be destroyed and, eventually, the good, the true, and the just will conquer all. Ida Nudel's life has made this clear for all to see.●

● Mr. BLANCHARD. Mr. Speaker, I would like to take this opportunity to join the special order taken by my distinguished colleague from Massachusetts, Congresswoman HECKLER, to honor Ida Nudel.

Today marks the 50th birthday of the only Jewish woman still held in the Soviet Union as a prisoner of conscience, Ida Nudel. It has been 10 years since she first applied for a visa to leave the Soviet Union for Israel. For the past decade she has been the guardian angel of the prisoners of conscience inside the Soviet Union, caring for them and supporting them in the plight. As a consequence of her efforts on behalf of the Jewish prisoners and as a consequence of her efforts to emigrate, she was convicted of "malicious hooliganism" and sent into Siberian exile.

Ida Nudel's plight is one that all of us in Congress must deplore. The treatment she and here fellow prisoners of conscience have endured at the hands of the repressive Soviet regime is unacceptable. She must be released from prison and allowed to emigrate to Israel now. As someone committed to the cause of human rights and to the cause of Soviet Jewry, I am honored to join in today's tribute to Ida Nudel, and to be a part of the ever growing number of voices demanding her freedom.●

● Mr. ADDABBO. Mr. Speaker, it is indeed an honor to rise today to pay tribute to Ida Nudel, a courageous and utterly unselfish woman who is observing her 50th birthday in exile somewhere in Siberia. Before I continue, however, I would like to take this moment to commend my distinguished colleague from the State of Massachusetts, MARGARET HECKLER, for her work in having this special order for so special a human being as Ida Nudel. Time and time again MARGARET HECKLER has shown her concern for Jewish prisoners of conscience who are held against their will in the Soviet Union.

You will notice that I omitted the word "celebrated" when I acknowledged Ida Nudel's birthday. While we here in the United States are celebrating birthdays today safe and secure in the freedoms afforded us by a Government entrusted with protecting the rights of the people, Ida Nudel's lot is a different story. Her 50th birthday is devoid of happiness, devoid of loved ones she so desperately seeks to rejoin, and devoid of the basic human rights all human beings are entitled to cherish.

Ida Nudel is imprisoned in Siberia because she dared to speak out and tell the world of the Soviet Government's unrelenting and systematic harassment of Jewish prisoners of conscience who languish and suffer in Soviet prison camps, jails, and psychiatric hospitals. She was sent to Siberia as punishment for her humanitarian efforts on behalf of Jewish prisoners by sending packages of medicine, food, and clothing to them. She was punished because she dared to ask the Soviet Union to grant her an exit visa, an exit visa she had waited 7 long and harassed years for. Her world today is one of primitive living conditions and improper medical care.

Ida Nudel should serve as a reminder to us that we must never take for granted the joys of spending time with our loved ones. We must never take for granted our freedom from religious persecution by the Government, and we must never take for granted the freedom from harassment for speaking out against injustices. Ida Nudel, the only Jewish woman now held in the Soviet Union as a prisoner of conscience, and untold men who are, too, prisoners, whether they be in jails or cities, deserve their freedom and the dignity which comes to anyone when afforded human rights. The holiday of Passover, which commemorates the deliverance of the Israelites from Egypt, and is known as the Season of our Freedom was recently celebrated by Jewish men and women around the world. Let us hope and pray that someday, before its too late, Ida Nudel and the rest of the prisoners of conscience will too, be delivered to their promised land.●

● Mr. FASCELL. Mr. Speaker, I am pleased to join our colleague, Representative HECKLER, in commemorating the 50th birthday of a noble and courageous woman, Ida Nudel. As we all know, Ida Nudel, known as the guardian angel of Jewish prisoners of conscience because of her selfless activities in behalf of those imprisoned, is herself a tragic victim of Soviet repression. Sentenced in 1978 to 4 years of internal exile, Ida has spent the last 2½ years in a remote Siberian village, amid hostile neighbors and under primitive conditions. Her health has deteriorated and her spirits have lagged as a result of the nearly 3 years of isolation she has endured, virtually cut off from her family in Israel and her many friends in the Soviet Union and the West.

At the now-recessed Madrid review meeting of the Conference on Security and Cooperation in Europe, Ida Nudel's plight was cited by the U.S. delegation to demonstrate Soviet disregard for the human rights commitments it undertook in 1975. As Chairman of the U.S. Commission on Security and Cooperation in Europe and as a vice chairman of the U.S. delegation to the Madrid meeting, I am gratified by the widespread support the United States received for its strong human rights stand by the other Western nations. I sincerely hope that this pressure will have some effect on Soviet policies and result in the eventual release of Ida Nudel and the many others suffering similar fates in the U.S.S.R.

Mr. Speaker, a birthday celebration customarily includes a party, a cake, champagne, and lots of good cheer. While, this year, there is no shortage of well-wishers for Ida Nudel, I hope that she will be able to celebrate her 51st birthday—with all the trimmings—among her family and friends in Israel. Let us commit ourselves to working together toward that end. Thank you.●

● Mr. ROSENTHAL. Mr. Speaker, 10 years ago, Ida Nudel made her first request for an exit visa to leave the Soviet Union for Israel. As happens with exit visa applicants, Ida Nudel lost her job as an economist almost immediately thereafter. She was then

labeled as "an enemy of the Soviet State," a "malicious hooligan," and a common criminal. The constant harassment, KGB interrogations, and a smear campaign in the press, did not dissuade Ida Nudel from her determination to obtain emigration rights for her fellow Jews. Acting on behalf of those seeking exit visas, she became known as the "guardian angel," providing material and emotional support to Jews imprisoned in Soviet labor camps. In 1973, shortly after appealing directly to Chairman Brezhnev for an exit visa, Ms. Nudel was arrested, tortured, and sexually assaulted by her captors.

Ida Nudel married in January of 1975. In April of the same year, her husband and sister received permission to leave for Israel; Ms. Nudel did not. Her efforts to bolster the spirits of her fellow Jews were not dampened in spite of continual arrests and KGB harassment. In June of 1978, Ida Nudel was again charged with being a "malicious hooligan" and sentenced to 4 years in "internal exile." She has been in a Siberian labor camp over since.

This is a glaring Soviet violation of the Helsinki human rights agreement. Mr. Speaker, I have corresponded regularly with Ms. Nudel's sister, Elena Fridman, who now resides in Israel. This past week, Ms. Fridman wrote saying that the volume of mail reaching her sister in Siberia has recently dropped off considerably. We cannot be sure whether or not this is due to diminished efforts on the part of concerned citizens worldwide or to Soviet interference with the mail's delivery whichever is the case, it is crucial for us to reassure Ida Nudel—and equally importantly the Soviet authorities—that public opinion is still active, concerned, and keeping a close watch on Ida Nudel's well-being.

Today Ida Nudel marks her 51st birthday, and the end of nearly 3 full years in Siberian exile. Her "crime against the Soviet state" consists of her desire to leave the Soviet Union and live a free life in Israel. This fundamental right is supposedly guaranteed by the Helsinki accords. By marking this occasion, I salute Ida Nudel's courage and tenacity, and at the same time I renew my pledge to help effect her release and her reunion with her husband and sister in Israel.●

● Mr. McGRATH. Mr. Speaker, once again we rise to protest the wanton disregard of the Soviet Union for human rights. For 10 years, Ida Nudel has fearlessly spoken out against the vicious and brutal policies of the Soviet Union, which refuses to allow her to emigrate. In spite of the degradation of a public trial, a campaign of libelous press statements against her, and numerous other official forms of persecution, Ida Nudel has persevered in her quest for freedom from the totalitarian regime of the U.S.S.R.

It is difficult for us to imagine the dreadful conditions this brave woman has endured in her effort. As Americans enjoying our constitutional freedoms, we must continue to bring the message of Ida Nudel to our own citizens and to all men who cherish the dignity of the individual. Her dauntless courage and irrepressible spirit stand firm in the midst of a nation where terror and oppression have crushed the hopes and dreams of millions.

Today, I ask that we all pause for a moment and reflect on our own good fortune as citizens of this great Nation. I also ask that we pray that some day Ida Nudel and the people she stands for might share in our blessings.●

● Mrs. SCHNEIDER. Mr. Speaker, while a 51st birthday is usually an occasion for celebration, Ida Nudel is spending her birthday today in isolation in Siberia. She is presently serving 4 years of internal exile for the crime of "malicious hooliganism." In reality, Ida Nudel's only crimes were her fervent desire to emigrate to Israel and her work on behalf of other Jewish "prisoners of conscience," which earned her the name of "guardian angel."

During the years prior to her exile, Ida Nudel devoted her efforts to alleviating the plight of the Jewish "prisoners of conscience," serving as a one-woman support system through letters and packages. Since her arrest, Ida Nudel has suffered under the inhuman conditions of her exile; yet her spirit remains unbroken.

As the only woman "prisoner of conscience," Ida Nudel plays a special role in the history of the Jewish resistance in the Soviet Union. She has earned the respect and devotion of many of her fellow dissidents for her courage and perseverance. This truly amazing woman deserves our support and recognition and I urge my colleagues to work on her behalf to insure religious freedom for all Soviet Jews.●

● Mr. HOLLENBECK. Mr. Speaker, I rise to join my distinguished colleagues in protesting the continued imprisonment of Ida Nudel by Soviet authorities. After repeatedly denying Ida an exit visa and subjecting her to various forms of harassment, the Soviet Union found her guilty on charges of "malicious hooliganism" and sentenced her to 4 years of Siberian exile. Despite her failing health and the harsh Siberian environment, she remains a pillar of courage in the face of religious oppression. She continues to function as a rallying point and a beacon of hope for the hundreds of Jewish dissidents suffering similar plights.

Ida Nudel's sentence represents a travesty of justice which, unfortunately, is becoming all too familiar. Hardly a week passes without a similar plight coming to my attention. Despite the fact that the Soviets are voluntary cosigners of the Helsinki accords, they have failed to extend guaranteed liberties to thousands of Soviet Jews. Instead, they have pursued a course of discrimination and forced assimilation. Increased emphasis on anti-Semitic propoganda and substantial declines in the numbers of Jews allowed to pursue higher education are just two examples of this policy.

With the lifting of the grain embargo, it is now more important than ever that we work in behalf of all the Ida Nudels throughout the Soviet Union so that we do not convey the false impression that the United States is willing to overlook human rights violations. I, for one, will continue to remind the Soviet Union of its human rights commitments and to urge the easing of repressive measures directed against its Jewish population.

Finally, as a Nation, we must not relent in our efforts until the Soviet Union sees fit to honor its international commitments which today remain unfulfilled.●

● Mr. LENT. Mr. Speaker, it is a privilege and an honor to join my colleagues in this tribute to a most remarkable woman, Ida Nudel. Her courage, eloquence, and determination in challenging the brutal Soviet tactics of religious persecution and oppression have won worldwide admiration and respect. I commend my colleague, the gentlewoman from Massachusetts (Mrs. HECKLER) for making possible this recognition of Ida Nudel. It is greatly encouraging to see so many Members taking part. We can be sure our voices will be heard in the Kremlin.

April 17, 1981, marks a milestone in Ida Nudel's life—her 50th birthday. She is spending this day, as she has each day for more than 2 years, in lonely exile in the isolated primitive wastelands of Siberia. She was sentenced to exile for just one reason and one alone: As a Jewish citizen of the Soviet Union she sought the freedom to practice her religion in the country of her choice—Israel. Like so many Soviet Jews, her attempts to secure permission to leave the Soviet Union brought on the crudest forms of harassment, persecution, and, finally, arrest and exile. Ida Nudel's harsh fate should make clear to every thinking person in the world that the Soviet Union's blatant suppression of human rights is applied as harshly to women as to men.

Two years ago, Ida Nudel was adopted as my Fourth Congressional District's "prisoner of conscience." Each week since then, I have written to her, informing her of efforts being made in this country to secure her freedom

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and offering what encouragement and support I could. Each week, too, I have written to Soviet leader Leonid Brezhnev, calling attention to the outrageous violation of the Helsinki accords on human rights he was committing and demanding he release Ida Nudel, a demand in which many Members of Congress have joined.

Earlier today, a strong demonstration of support for Ida Nudel was made by a strong delegation of Members of Congress and a number of distinguished Americans in a special birthday ceremony on Capitol Hill. As one of the hosts of this ceremony, I was heartened by this outpouring of support for Ida Hudel. At this ceremony, we all joined in signing a birthday greeting to Ida promising her we would intensify our campaign for her freedom.

I call upon my colleagues assembled here this afternoon to join in that pledge. Let Ida Nudel know that we will not rest until she is able to join her family in freedom in Israel. Every effort we make here in the Congress adds to the pressure on the cruel leaders in the Kremlin to grant her freedom.

Make no mistake about it, Ida Nudel is aware of our efforts. I treasure a postcard I received from Ida Nudel—sent from the Siberian village where she being held in exile. She expressed thanks for the letters she has received from me, and for the other efforts being made in America on her behalf and on behalf of other Soviet Jews. She concluded her message by urging everyone interested in her fate to continue every effort to secure her freedom. "Don't give up," she wrote. "Be stubborn and you will succeed."

On this, Ida Nudel's 50th birthday, let her words inspire us to redouble our efforts to help her realize her fondest dream—freedom in Israel.●

● Mrs. FENWICK. Mr. Speaker, this is the birthday of a brave women, exiled in Siberia for her work in behalf of dissidents in the Soviet Union, and the families of those dissidents who are often in desperate circumstances.

For speaking in their behalf, for exercising the rights promised in the Final Act signed at Helsinki by the Soviet Union and 34 other countries, Ida Nudel, aged 50 today, has been arrested, tried, convicted, and exiled. Her message to us follows:

IDA NUDEL'S STATEMENT OF GRATITUDE TO HER FRIENDS

(Translated From Russian)

DEAR FRIENDS: I would like to express my deep gratitude to each and every one of you, who has been showing his concern for my fate during these painful years of my exile, those who appealed to Soviet authorities for my release, went out to hold demonstrations on my behalf, wrote letters and postcards, sent me parcels with food and clothing, etc. I would like to thank all for what you have been doing for me.

I have been awarded the honor of feeling and experiencing the great force and significance of human solidarity. Your daily and hourly care and intervention on my behalf are protecting me as the authorities realize that they are being held responsible by you for my fate.

Your solidarity is not only providing me with additional strength, thus enabling me to bear the psychological situation in which I have been living, but it is also influencing the people surrounding me. Your solidarity has shocked many people; it also made those of them who are capable of judgment, those who can see the difference between justice and injustice and those who have a dignity of their own and can respect the dignity of others, think.

It seems to me that an individual's opposition to social injustice acquire meaning and significance only when it is supported and encouraged by the men of good will all over the world.

I. NUDEL.

MARCH 27, 1981.

It is fitting that in this free country, Ida Nudel should be remembered.●

● Mr. FORD of Michigan. Mr. Speaker, this, Ida Nudel's 50th birthday, is a solemn time for all of us. Our "guardian angel" who has watched over so many other "prisoners of conscience" and "refuseniks" is celebrating her birthday alone in Krivosheino among hostile townspeople who often accuse her of outrageous acts such as poisoning the local water supply.

Mr. Speaker, a courageous woman may be silenced temporarily, but while she is, there will be many of us to help with the cause. While Ida's struggle for freedom has been halted for the moment, we in this Congress will continue to call attention to her plight and we will remind civilized nations around the world that she, and countless others have been continually harassed and denied the right to emigrate from the Soviet Union as guaranteed by the Helsinki accords.

Ida Nudel's sentence of 4 years in Siberia for the dubious crime of displaying a banner from her balcony that read: "KGB, give me my visa" should be terminated. This woman, whose only crime was to ask that a basic human right be respected, will receive my deepest commitment to help her and others who are being held against their will in the Soviet Union.●

● Mr. DERWINSKI. Mr. Speaker, today marks the 50th birthday of Ida Nudel, the "guardian angel" of Soviet prisoners of conscience. Ida Nudel remains a symbol of hope for the over 3½ million Jews in the Soviet Union who wish to emigrate to Israel to rejoin their loved ones.

This strong-willed, soft-spoken woman has devoted her life to helping ease the conditions of other prisoners of conscience, and has fought against the Kremlin's unrelenting persecution and oppression of Soviet Jews. Her desperation to leave for Israel in the face of continued Soviet refusal to grant her exit permission led her to hang a banner outside of her Moscow apartment in June 1978, with a simple plea "KGB, Give Me My Visa." Soviet authorities responded by giving her 4 years of exile in Siberia, for her humanitarian request which they labeled as "malicious hooliganism." Still serving her term in prison, Ida's health continues to deteriorate as she has been unable to receive the proper medical treatment.

Ida Nudel, the only Jewish woman now held in the Soviet Union as a "prisoner of conscience," is one of the most courageous fighters for freedom from the heartless Soviet regime. She has gained worldwide recognition and admiration as she continues to speak out against the injustices and inhumanities that the U.S.S.R. is perpetrating against its own people. The case of Ida Nudel, whose only request is to live where she wishes, is just one example of the harsh actions by the Kremlin. Although Ida has never stopped fighting for the freedom to practice her religion in the country of her choice, the Soviet authorities continue to persecute this brave woman. As we salute Ida Nudel today, we let the Soviet Union know that their persecution of this woman must not be allowed to continue. We must unite in protesting this brutal treatment of a most heroic woman, whose only crime is her desire for freedom. If we allow this type of inhumane persecution to continue without protest, it will simply encourage the Soviets to increase their persecution of the thousands of Soviet Jews who seek to leave the Soviet Union.

I join my colleagues in wishing Ida Nudel a happy birthday under the painful circumstances and in sharing her hopes for freedom for herself and her fellow citizens.●

● Ms. MIKULSKI. Mr. Speaker, I am participating in this special order with a sense of pride and a sense of sadness. Today marks the 50th birthday of a truly remarkable crusader for human rights—Ida Nudel, the only Jewish woman now held in the Soviet Union as a "prisoner of conscience."

Ida Nudel's only crime was to request the basic freedoms of living where she desired and practicing the religion of her choice. These are rights that we as U.S. citizens cherish and respect. These are rights that must be upheld worldwide.

Ida Nudel serves as an inspiration to all who fight for human and civil rights. We who live in a democracy and can speak out for what we believe in, must do just that. I urge the Reagan administration to raise Ida Nudel's case in representations with Soviet officials. The U.S.S.R. must be held accountable for its actions and it must live up to its international human rights obligations as a signatory to the Helsinki accords.

I ardently hope and believe that there will come a day when all human liberties will be upheld by each and every nation of the world. The Ida Nudels of the world will not suffer in vain. We hear her and our undying support is with her.●

● Mrs. HOLT. Mr. Speaker, today is the 50th birthday of Ida Nudel. Miss Nudel is currently serving a 4-year sentence of internal exile in Siberia. While charged with "malicious hooliganism," her only crime is to be Jewish in Communist Russia.

Ida Nudel is a martyred example of the personal and inhuman reprisal inflicted by the Communist leadership on those who would dare to choose their own religion, or to seek a voice in their own government, or even as she now desires, to flee the tyranny of a regime based in military domination and the power of secret police.

Ida wants only to join her sister in Israel. When I was in Moscow, in March of 1978, she asked me for help in gaining a visa for this same purpose. Now as then, the KGB refuses to allow this woman to leave the country. Her case serves as a vivid example of the fear possessing Soviet leaders; fear of free thought, fear of expression, and even fear of a solitary woman seeking to escape the wasteland of communism. Such is the nature of a government steeped in paranoia and intrigue.

Miss Nudel's birthday is a fine occasion for the Russians to exhibit an enlightenment and humanism we have not seen from them since the people's revolution was usurped by Communist demagogs. Surely the millions entrapped by the empty promises of a better life under communism are enough for the dictators of Soviet Russia, and the continued imprisonment of Ida Nudel serves no further purpose.

I urge that she be released.●

● Mr. BONKER. Mr. Speaker, today marks the 50th birthday of Ida Nudel, another "prisoner of conscience" in the Soviet Union.

For 10 years, she has been trying to leave that country and emigrate to Israel, and for 10 years, the Soviets have rebuffed her efforts. After years of harassment and intimidation, finally, in June of 1978, Ida Nudel was arrested on the charge of "malicious hooliganism." Her crime was that she hung a banner from the balcony of her Moscow apartment that read: "KGB Give Me My Visa!" She was sentenced to 4 years of internal exile and is now living under very harsh conditions. I appeal to the Soviets to end this outrageous injustice and let her go.

As chairman of the only subcommittee of the Congress that has jurisdiction over human rights, I want to add my voice to those of my distinguished colleagues so that the Soviet authorities can hear us loud and clear. I want them to know that Ida Nudel has not been silenced.

I commend my distinguished colleague, MARGARET HECKLER, for offering this special order, and want to recall for everyone Ida Nudel's words of last March, when she said: "It seems to me that an individual's opposition to social injustice acquires meaning and significance only when it is supported and encouraged by the men of good will all over the world."●

● Mr. WAXMAN. Mr. Speaker, earlier today, I was privileged to sponsor, along with Representative MIKE BARNES of Maryland, other Members of Congress, and the Union of Councils for Soviet Jews, a reception honoring Ida Nudel on this, her 50th birthday. Our gathering was a celebration of her life and her commitment to freedom. It served to renew our dedication to securing her liberation from brutal exile in Siberia through her redemption in Israel, and to assisting the thousands of Soviet refuseniks whose only wish is to emigrate. Although Ida Nudel's birthday falls on the day after the last day of Passover, Rabbi Stephen Listfield of Adas Israel Congregation nevertheless chose to invoke a prayer over matzah—the bread of affliction and the bread of hope. Messages were read from Ida's sister in Israel, Elana Friedman. Lev Rouitburd, who emigrated a short time ago, spoke of Ida as the "Guardian Angel" of the refusenik movement, and voiced his certainty that we would, one day, be able to celebrate together with Ida in freedom. All who have met her—and I spoke with Ida in Moscow in 1978—know that she is an extraordinary woman whose spirit can never be imprisoned. She has done more for Soviet Jewry than any other person, and she has been sentenced to Siberia for her courage. Today, we honor Ida Nudel, and pay tribute to the cause that has united us. Word of our gathering is being taken to Ida in the Soviet labor camp.

I am pleased to attach Ida's final statement to the court, before she was sentenced, and her message of appreciation to all her friends, throughout the world, who are marking this day in special ceremonies:

IDA NUDEL'S "FINAL WORDS" AT HER MOSCOW TRIAL, JUNE 21, 1978

These will be my final words, or else my words will have no meaning.

Out of despair, I carried out an act on June 1st by which I claimed my right to express my protest openly. Although "malicious hooliganism" is the formal charge, I am not being tried for this. Neither my June 1st protest on my balcony (from which she hung a banner, "KGB, Give Me a Visa to Israel") nor my participation in the June 4th demonstration at Trubny Square (at which she and eight other refuseniks held aloft signs, "Give Us Visas to Israel") is the real reason for my trial today.

I am standing trial for the entire past seven years of my life. Moreover, if in a few years I will have to make a final statement again, I am absolutely certain I will say then, as I say now, that the past seven years of my life for which I sit in the dock today were the most difficult and yet at the same time the happiest years of my life.

During the past seven years I have learned to walk proudly with my head high as a human being and as a Jewish woman.

These seven years have been filled with a daily battle for myself and others. Every time I was about to help another friend, my heart filled with an extraordinary feeling unlike any other. Perhaps the closest such feeling is that which a woman feels when giving a new life.

If the remaining years of my life will be gray and monotonous, these seven years will warm my heart with the knowledge that my life has not been without purpose. None of you, my judges, is capable of finding a punishment that would take revenge and deprive me of the triumph and victory of these seven years.

IDA NUDEL'S STATEMENT OF GRATITUDE TO HER FRIENDS

(Translated From Russian)

DEAR FRIENDS: I would like to express my deep gratitude to each and every one of you, who has been showing his concern for my fate during these painful years of my exile, those who appealed to Soviet authorities for my release, went out to hold demonstrations on my behalf, wrote letters and postcards, sent me parcels with food and clothing, etc. I would like to thank all for what you have been doing for me.

I have been awarded the honor of feeling and experiencing the great force and significance of human solidarity. Your daily and hourly care and intervention on my behalf are protecting me as the authorities realize that they are being held responsible by you for my fate.

Your solidarity is not only providing me with additional strength thus enabling me to bear the psychological situation in which I have been living, but it is also influencing the people surrounding me. Your solidarity has shocked many people; it also made those of them who are capable of judgement, those who can see the difference between justice and injustice and those who have a dignity of their own and can respect the dignity of others, think.

It seems to me that an individual's opposition to social injustice acquires meaning and significance only when it is supported and encouraged by the men of good will all over the world.

I. NUDEL.

MARCH 27, 1981.●

● Mr. DOUGHERTY. Mr. Speaker, I would like to thank my colleague, Congresswoman HECKLER, for offering this special order to recognize the extraordinary courage of Ida Nudel, a Soviet prisoner of conscience since June 1978. Ms. Nudel is another of the many thousands of Soviet Jews who are not permitted to leave the country. Her bravery, however, is unique in a group where courage abounds. Despite her small stature, Ida Nudel stands tall among the many courageous people who have dared to question authority.

Before becoming imprisoned, Ida Nudel helped care for the many Jewish prisoners who were jailed for their religious beliefs. Her efforts con-

tinue despite the fact that she is under constant surveillance from government authorities in Siberia. Even today, on her birthday, I am certain Ida Nudel will keep giving the gift of hope to many other refuseniks. Through this special order it is my hope that we will be giving Ida Nudel the chance to fulfill her dream of emigrating to Israel.●

● Ms. FERRARO. Mr. Speaker, today marks the 50th birthday of Ida Nudel, presently being held in the Soviet Union as a "prisoner of conscience" and widely known as the guardian angel of other Soviet Jewish prisoners of conscience. While her story is one of misfortune, her spirit has offered strength to hundreds of others in her position and her achievements have brought relief to many.

In May of 1971, Ida Nudel applied for an exit visa to Israel along with her sister Elena. While Elena was allowed to leave for Israel, Ida was denied permission. During the years following the rejection of her application, Ida reapplied several times to join her sister, who is her only living relative. Refusals of her applications have been based on unfounded allegations that she was exposed to secrets while employed at the Moscow Institute of Hydrology and Microbiological Synthesis for Planning and Production where she performed routine duties.

Ida's anguish over Soviet emigration policies soon lead to her involvement as an active figure in the Jewish emigration movement. Her acts of charity and assistance to prisoners of conscience brought on repeated harassments from Soviet officials. Her efforts to publicly expose illegal actions taken by authorities in violation of prisoners' rights and her public demonstrations in defense of the right of Jews to leave Russia and live in the country of their choice, led to Ida's arrest on charges of malicious hooliganism in 1978. She was sentenced to 4 years of internal exile in Siberia. While her living conditions in exile have led to deterioration of her health, Ida's spirit has remained strong. She continues to offer encouragement to prisoners and their families through letters and her protests are still heard from Siberia. In rebuttal to slanderous allegations by Soviet authorities in a campaign to brand her as a criminal, Ida sent this letter to her sister in Israel:

I am not a delinquent. I did not kill or rob, I did not slander anyone. But I dared to go out and demonstrate in defense of the right of Jews to leave Russia. I dared to write and sign open letters in defense of the persecuted and the condemned. I dared to turn to the Soviet leaders and to political and intellectual leaders in other countries with the call and request to carry out the obligation that they took upon themselves voluntarily—the obligation to honor the values of others and their right to live where they want.

Today, I call on my colleagues to join me in protesting the case of Ida Nudel. Her unjust sentence to internal exile by Soviet officials and their refusals of her requests to emigrate are in gross violation of the Helsinki agreements. We must continue to confront Soviet authorities with this breach of commitment—We must continue to offer hope and encouragement to those who have the courage to demand their human rights.●

The SPEAKER pro tempore (Mr. BAILEY of Pennsylvania). The gentleman from Texas (Mr. GONZALEZ) will be allowed to speak out of order for 1 minute.

FIESTA FLAMBEAU—AMERICA'S GREATEST PARADE

Mr. GONZALEZ. Mr. Speaker, my home city of San Antonio is universally acknowledged as unique; San Antonio has a special quality that makes it at once exciting and relaxing, a place of truly unique appeal. Part of this quality, this "ambiente," as we say in Spanish, is that each April we have a grand fiesta to celebrate Texas independence. One reason for the fiesta is that the Alamo is, after all, right in the heart of downtown in my district. The other reason is that we love a party.

Our fiesta is a time for street dancing, for the creation of imaginary royalty, a time for carnivals, but most of all a time for parades. There is a waterborne parade that floats down the San Antonio River. There is a daytime parade that is reminiscent of the Tournament of Roses, except that it is much less pretentious, and much more filled with the spirit of fun and festival. But best, and greatest of all is the grand night parade, the Fiesta Flambeau. There is nothing quite like the Flambeau, anywhere in the world. It is America's greatest parade.

The Fiesta Flambeau is a great parade in size. It is a great parade in its bands and floats, and in its spectacle. The Fiesta Flambeau is at the same time a great party; there is a special magic, an interaction between the people in the parade and the people who are watching it. What causes this magic may be the fact that fiesta week itself is so special; it may be the fact that everyone is filled with the joy of the moment; and it may be the fact that the lights and torches cause the feeling of a parade, a fiesta, and the Fourth of July all combined into one gigantic event. Truly, there is nothing like Fiesta Flambeau. The 300,000 people who attended this year's parade can attest to that.

Fiesta Flambeau has taken place for many years under the guidance and inspiration of Reynolds Andricks. If anyone can claim the credit for creating the magic of Fiesta Flambeau, it is Reynolds Andricks. I think it was he who discovered how to put the ingredients together. Reynolds Andricks is the kind of person who makes San Antonio unique. He understands that being successful is important, all right, but that being happy and helping other people feel happy is important, too. He understands what it is to love a parade.

Reynolds Andricks is one of those people who understands the mystery of what makes San Antonio unique. He understands the things that make people come to love San Antonio. One of those things is that while we are true patriots in our city, and yield to no one in our love of country, we celebrate our State's most solemn moments not just with oratory and wreaths, but with a weeklong festival. Reynolds Andricks is one of the people who created that festival, through his unique, indispensable work on Fiesta Flambeau.

Next April there will be another fiesta week in San Antonio. There will be pageantry and there will be entertainment. Most of all, there will be parades, including Fiesta Flambeau. For that, we have to thank Reynolds Andricks, a great San Antonian, a great American, a great innovator. All of us in San Antonio are proud of Fiesta Flambeau and grateful to its genius, Reynolds Andricks.

JONES' BUDGET COMMITTEE RECONCILIATION SECTION AN UNMITIGATED DISASTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 5 minutes.

● Mr. MICHEL. Mr. Speaker, the most important part of the budget resolution we will be considering later this week is the reconciliation section, because that section represents the teeth needed to insure that the spending reductions contained in the resolution are in fact achieved. Without strong reconciliation instructions, the committees are not going to make the legislative changes needed to produce the reductions, and the budget resolution will be worth little more than the paper it is written on.

In this regard, the Jones' Budget Committee reconciliation section is an unmitigated disaster. It requires the committee to produce reductions of only $13 billion in budget authority in 1982, and less than $9 billion when an accounting adjustment relating to the Federal pay increase is excluded. This compares with $52.8 billion in instructions approved by the Senate as the amount of legislative changes needed to achieve the reductions proposed by President Reagan.

Clearly this shows that the Jones' Budget Committee resolution, despite claims to the contrary, in reality represents little more than business as usual. Because most Members are not aware of what the Budget Committee did in terms of reconciliation, I am inserting in the RECORD a table at this point comparing, for the House committees, the House Budget Committee reconciliation instructions with those approved by the Senate. The Senate reductions basically represent the savings needed to achieve the cuts proposed by President Reagan. The House instructions allow $40 billion in more spending in 1982, and the differences grow ever greater in the outyears.

RECONCILIATION REDUCTIONS FOR HOUSE COMMITTEES (HOUSE AND SENATE VERSIONS)

[In millions of dollars]

House committee	1981		1982				1983				1984			
	Senate		House		Senate		House		Senate		House		Senate	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Agriculture	645	166	48	374	3,475	3,893	48	357	4,411	4,323	274	486	5,133	5,042
Armed Services	233	233	1,029	1,029	966	966	1,056	1,056	899	899	686	686	511	511
Banking, Finance and Urban Affairs	7,146	143			14,139	808			16,534	1,669			18,789	2,632
District of Columbia					39	40			56	64			72	69
Education and Labor	2,282	372	2,020	1,810	9,386	7,458	2,414	2,408	11,716	10,500	3,331	3,116	15,109	13,462
Energy and Commerce	940	129	949	829	5,580	5,625	1,200	1,070	6,154	6,383	1,610	1,480	5,461	7,157
Foreign Affairs				5	1,050	301		4	600	367		3	435	531
Government Operations			340	255			340	340			340	340		
Interior	331	84	200	200	815	369	200	200	796	564	300	300	774	654
Judiciary					116	13			133	81			144	124
Merchant Marine and Fisheries	39	39	99	99	389	257	150	150	539	511	160	160	712	701
Post Office and Civil Service			5,430	5,524	4,737	5,163	7,869	8,026	6,304	6,738	9,496	9,742	7,390	7,728
Public Works and Transportation	2,350	68	123	31	6,446	1,218		31	5,122	3,597		31	6,241	5,746
Science and Technology	82	35	200	200	78	39	200	200	90	59	300	300	102	83
Small Business	97	67	118	71	526	390	152	144	564	541	211	192	554	533
Veterans	14	14	110	110	446	407	108	108	425	432	106	106	546	544
Ways and Means	36	195	2,885	5,785	4,637	9,377	2,240	7,140	4,885	10,685	1,825	8,625	5,101	11,420
Grand total	14,667	2,353	13,052	15,823	52,825	36,945	15,427	20,684	59,228	47,694	17,879	24,808	68,074	56,937
Appropriations	13,300	1,500				3,200				1,800				1,100

GENERAL LEAVE

Mr. PEYSER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and also that my colleagues may have 5 legislative days to enter their remarks in the RECORD on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

A DISCUSSION OF CONCERNS AND FEELING OF AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PEYSER) is recognized for 60 minutes.

Mr. PEYSER. Mr. Speaker, we in the Congress have just returned from a work period that has gone, really, 10 days now. And, Mr. Speaker, I would like to say—and I am speaking now for my own district where I have spent that 10-day period—that in the five terms that I have been in the Congress I have never had a period that has been busier, a period that the people I represent have expressed a greater concern over what is happening in this country today.

It is for that reason, Mr. Speaker, that I wanted to take a few minutes today to discuss some of those concerns, some of the feelings that exist out there, and at least have it as a matter of record.

Tomorrow night, we are going to have the opportunity of having President Reagan join us here in the Congress, and I know that I speak for all of the Members in saying that we are delighted that he is in physical shape to be back here, and having made a remarkable recovery from the recent assassination attempt.

So, we start off applauding him for being here, and thanking the Good Lord, really, that our prayers and the prayers of the American people have been answered in keeping the President in such a way that he can continue fulfilling the job that he has been elected to do.

I think, Mr. Speaker, it is important to note what the job of a Member of Congress is as well, who was also elected. Many people have said in the last couple of months, "Support the President; vote for the President's program."

It is my hope that I can as an individual support the President in most of his programs, and I think in many of the things he is trying to do I can be supportive. However, I was not elected, nor my colleagues in the Congress, simply to be a rubberstamp that says, "Yes, Mr. President," because if that is what people expect the Congress to do, then we do not really need a legislative branch.

But, what the people expect, I believe, is for their Representatives to study the programs and to analyze them, to listen to the people that they represent, and then to reach a conclusion on what they should be doing.

□ 1315

Well, in this recent work period I have had number of concerns expressed to me, and the interesting thing is that these concerns have not come from the extremes of the right or the left politically but have really come from the people, that great middle section of our country which is not on either extreme. And that is why I listened so carefully to what was being said.

It seemed that, No. 1, there is a great feeling in the country today in support of the President as a popular individual, as someone whom the public is pleased to have there as President and who rightfully has a strong following as far as his personal popularity is concerned. But it is also interesting to note that that popularity as a person is not carrying over in the sense of popular support for the program that is being announced by this administration.

In other words, there are many people out there who feel that much of what has been happening and what is being proposed to happen is going to create many more problems than it is apt to solve, and that is what we in the Congress will have to face and what we will be facing, starting this Thursday, as to what we are going to do about it. Let me touch for a minute on some of these programs that, during this last period back home, the people have expressed a great concern to me about.

One program that I have been closely identified with is the student financial aid program and the proposed cuts in education that are being offered by the administration. I have found that middle-income families, poor families, and lower-middle-income families are deeply disturbed at the proposals of the administration on postsecondary education, in other words, the pro-

grams that have been developed over the years to help college students, students seeking higher education. These are programs that have been proven to be valid and successful, and without these programs, it has been projected that in 1982 nearly 1 million students will have to leave college.

Now, the President has said that this country of ours has got to get more skillful, must gain more in technology, and must become more productive, and I agree with every one of those aims. However, I must say I find it hard to understand how we can achieve those goals and be losing nearly 1 million students who are now seeking higher education. Yet that is what will happen if the House budget that is being proposed by the gentleman from Oklahoma (Mr. Jones) is not passed here in the coming week.

So there is a great concern out there. Families which have one or two children in school and which are earning $40,000 a year are concerned. Now, these are certainly not poor families, but in order to send their children to college today, with the average cost of private, independent education in this country at $6,300 a year, they just do not have $6,000 or $12,000 left out of that $40,000 income. And yet, under the proposed regulations, they would not be eligible even to borrow the money. I am not talking about giving them the money now; we are talking about borrowing $2,500 a year. So this is one item that is of great concern.

There is another item on which I had comments expressed to me, and this was always addressed by people who were representing mental health centers, people who were representing senior citizens, people who were representing the schools, and people who were representing job programs. They said, "Whatever you do in the Congress on the budget, don't lump all the money together in what is known as a block grant and simply give it to the States and tell the States to work it all out and see that the money gets into these programs." They express this concern because it is practically the universal opinion of the people that if we do that, these programs that the Congress has worked so hard to develop—and these are programs that have reached the people successfully—will not continue to reach the people.

We hear a great deal about unsuccessful programs and we hear a great deal about abuses, but we do not hear much about programs that have continually reached out to help those people whom we do have an obligation to help in this country. These programs that have reached out to the handicapped, these programs that have reached out to poor children in school to provide school lunches, and these programs that have reached out to the educationally disadvantaged to teach remedial reading and remedial math are programs that have worked, and yet if we in the Congress really abdicate our authority and simply, instead of indicating where these moneys will go, say to the States, "Well, here is x millions of dollars; you work it out," I think the taxpayers are really being done in, because it seems to me the taxpayers want to know that their money is going for programs that are needed, for programs that are targeting the money, and is not just going to a State legislature which will then vote and decide what to do with the money.

Anyone who thinks that a State legislature is going to eliminate all the administrative problems and is going to get rid of all the redtape that everyone says is troubling the people in dealing with the Federal Government is sadly mistaken. We are simply going to have a new bureaucracy, a new level of redtape, to deal with, and the real thing is that the money—your money, the taxpayers' money—is not going to go where it was suppose to go. And so there is that concern.

I have spoken, incidentally, to businesses, to builders' institutes, and to top executives in private industry on this matter, and these are people who are very much involved in the Private Industry Council, which is a program aimed at placing unemployed people in private industry. These men and women, who are executives themselves of major corporations, have said, "While we support much of what the President has done, don't put the money for these programs into block grants." And yet block grants are one of the very basic premises of the administration's program.

Mr. Speaker, another area that has come in for considerable discussion during my work period is the area of foreign affairs, and here is a place where I found less support on any issue for the administration than anything else. The discussion came in three major areas, and in meetings that I held throughout my district we had the biggest turnouts I have ever seen. The people were really involved, and that is what we want. They spoke on these three issues repeatedly, and they are as follows:

The first issue was the question of the grain embargo; the second was the question of the military equipment, the AWACS, for the Saudis; and the third issue was El Salvador.

Very briefly, the concerns that were voiced on the grain embargo, which as we know, the President lifted this last Friday, centered on this question: How could we justify lifting the grain embargo when the reason we put the grain embargo in was because the Soviets invaded Afghanistan, and how could we justify giving them the grain because they have not invaded Poland?

That just does not seem to make any sense to the public, and it certainly makes no sense to me. If we follow that train of thinking, I wonder what we will give the Soviets next year if they do not invade West Berlin. We can keep that kind of program going on, I guess, for years.

But I think the real question is, What does the Soviet Union think of this? Well, the Soviet Union's immediate response in its local newspapers was that they have just won a great victory, and that the United States was suffering and could not withstand the pressure of the embargo. That is ridiculous. Yet, that is what they think, and this is what those of us who were opposed to lifting the embargo said would be the outcome. And certainly when the Secretary of Commerce made the statement a week ago that there was some sort of an understanding, which nobody else in the administration seems to agree on, that the Soviet Union would not move into Poland because we are going to lift the grain embargo, that would run counter to what everbody who favored the embargo's being lifted was saying, because they were saying the embargo was not having any impact at all and it was actually of no importance, so why not lift it? If it was of no importance, why would the Soviets agree not to do something if we lifted it?

So there is a genuine concern there. But that now has been accomplished, and the embargo is lifted.

The next question was the AWACS, the very sophisticated equipment that is being proposed that we give to Saudi Arabia, and the reason advanced by the administration was that this would be used to help stop the Soviet Union in the Mideast. And we heard earlier today, when the gentleman from Maryland (Mr. Long) was here on the floor, in the Committee on Foreign Affairs a resolution is being introduced to stop the proposed sale of the AWACS to the Saudis.

It is interesting to note that the day after the statement on the proposed sale to the Saudis was made the Foreign Minister of Saudi Arabia stated in New York that the Communists were not the real threat to the Saudis but the Israeli Government was. Well, this has been exactly the argument as to why we have refused to sell this kind of equipment to Saudi Arabia.

Others have said, "Well, if we do not sell it to them, they might not give us any oil." Well, I would like to suggest and I think many of the people in my district, from what they have been telling me, would like to suggest, that if this country is going to be governed by blackmail by an Arab country, we really do have a problem that is far worse than anything we anticipated to this point, because if we are right in our beliefs that Israel is a strength for

our country, and that the presence of a democratic Israel, an independent Israel, is important to the United States—which has been our stated foreign policy—then the giving in to blackmail for oil is certainly going to be a very short-range program that, in all likelihood, is going to do us no good at all.

The third question that has come up from my constituents dealing with foreign policy is the question of El Salvador. They asked me repeatedly, "What is the story on El Salvador? Where does the administration truly stand?"

□ 1330

It is interesting to note that a month ago the administration's stand in El Salvador was quite clear because at that time they said that the leftist Communist inspired and supplied guerrillas were the ones who were causing the trouble and the problem, and we had to produce a great deal of military support for the Government, running into the millions and millions of dollars. And this was a clear-cut issue.

Now, just a week ago the Department of State veered a little from the extreme left and said it was also concerned about the extreme right who now seem to be creating a major problem in El Salvador.

Today the FBI has announced that the murder and rape of four American nuns was attributable to the Government, to the national guard, and that now we have a situation where we have the left, the right, and the center hardly representing any American point of view.

If the gentlewoman would like to have me yield on this subject I would be glad to.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my colleague for yielding.

I think we ought to be a little more fair and introduce a slightly different perspective. It is true that President Carter sent on the 14th of January $5 million worth of lethal military aid, the first since 1977, accompanied by some 19 military advisers.

I think many of us felt at the time that there was an emergency, but I think many of us worry whenever military aid is sent to a place that is in trouble.

This was followed by a request from President Duarte for more military aid, which was provided—I believe $25 million—and more military advisers, rising to a total of 52.

There has always been trouble from the left and from the right. On the left we have the Farabundo Marti Marxist-Leninist group, extreme left, combining with the Democratic Revolutionary Front, and both unwilling to condemn violence and both committing violence.

In the middle we have Mr. Duarte and Mr. Morales Ehrlich and two generals combining in the junta with the army, which by and large is not the one that is responsible for the extreme cruelties and equal violence of the right. Those are the national guard and the treasury police which are to some extent quite clearly not under the control of President Duarte and the junta, although he has, according to the New York Times, punished, tried, and convicted some 450 of these extreme rightists, you might say, unofficial guards and police.

According to the reports that I read, I am, indeed, happy that the investigation has proceeded as finally to arrive at establishing blame. As I understand it, it is attributed to the national guard which, like the treasury police, is not the Government, is not the army; it is a semiautonomous group. The treasury police are widely believed to be financed by those people who left Duarte, extreme rightists, large landowners—many of them who have taken refuge in another country. I regret to say that many of them are in Miami and that their money is the money that is furnishing the equipment for these extreme right guerrillas—no better than the left and in some cases perhaps even more to be condemned.

But I think it is clear the the Government is trying to strengthen the hands of the one element which has promised elections, which has already set up a council to make a system for the elections which is willing to negotiate with anybody, and which has condemned violence in all its forms, and that is President Duarte and the central government.

I thank my colleague for his patience in his yielding, but that is the way I have been reading the Post, the Baltimore Sun, the Los Angeles Times, the New York Times, and various accounts. I thank my colleague, the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. If the gentlewoman would stay for a minute because she does serve on the Committee on Foreign Affairs, my understanding today has been that our Government, the United States, is asking Duarte to move against the guard on this issue because he has moved against the guard on other issues, and if he has the power to move on other issues, then it would seem very strange, based on the evidence the FBI says that they have produced for him, that at this point he has been reluctant to move on the case dealing with the four nuns.

Perhaps the gentlewoman would like to comment on that.

Mrs. FENWICK. The only thing I can say is that maybe he learned about it when we did. As I understand it, the FBI announced that yesterday, and I have seen no statement on his part that he is not going to move. Perhaps he is moving at this very instant. I certainly hope so.

Mr. PEYSER. I would certainly hope so, too. We can wait and see what happens there.

Incidentally, the one thing that the people, I believe, are very much in support of, as I am, is providing economic aid for that Government and to do what we can in the economic sense to get that country back on its feet. But I find—and I do not know about the gentlewoman's constituents—that there is not a great enthusiasm for our loading military supplies and people in that country.

I will be glad to yield to the gentlewoman.

Mrs. FENWICK. I do concur in my colleague's judgment on that point. I was happy to see that it has been announced by the administration that the military advisers are going to be replaced by civilian volunteers. I think that is a very good move.

I agree with the gentleman from New York (Mr. PEYSER), and it is very interesting.

I listened to three Communists, representatives of the Farabundo Marti Front, who were here in Washington. And what did they most object to? Economic aid. I said, "Why? Why do you object to economic aid?"

Because it is going to implement the land reform for the first time in the history of that country, or at least in many, many years. All the large properties have been taken over, and they have been handed to cooperatives belonging to the peasants and farmers who used to work on them. Now they are going to try to move to the smaller farms. Everything above 1,250 acres has been taken over, and that money is going to implement land reforms, which is the main reason that the left gives just to justify its insurrection.

This was a more revealing thing to me.

I agree with the gentleman from New York. My constituents, like his, are not against economic aid and certainly not if it is going to do some land reform. But the Communists are.

Mr. PEYSER. Very good. I hope that the administration will continue moving in that area, because that is the right track I believe to be on.

Finally, I want to touch on one other subject that did not come up really, and that is what I felt was worthwhile reporting that did not come up in the meetings that I had with my constituents. That subject was the proposed tax cuts, the individual tax cuts. I must admit I had on my agenda each night when I was speaking before a group, or each luncheon, or breakfast, the Kemp-Roth tax proposal of the administration, thinking

that this was something that was really going to be on the people's minds. As I say, the interesting thing is it never came up unless I introduced it, which to me is a clear message that the people are far more concerned with trying to reduce the deficit in this country than they are in getting back $300 or $200, which would be the average refund, and having the opportunity of feeding inflation at a very rapid rate by having that money back in their hands to spend.

As I say, the issue never came up unless I brought it up. To me it shows the very native intelligence of the people saying, Look, instead of giving us a couple hundred dollars, why do we not utilize that money that we are already putting out to reduce the deficit, which it certainly would do because that money represents many, many billions of dollars.

In the first year perhaps we should give a token kind of a tax reduction for 1 year, and then let us wait and see what happens. But to make this commitment is something, it is obvious, the public is not crying out for. They are looking for the judgment of Congress, who will be studying and looking at this proposal as to what to do.

There was an interesting editorial, lead editorial, in the New York Times today, and that editorial stated that the proposed tax cut was too little to accomplish what the administration would be hoping for and was enough to bring about increased inflation, all of which meant that there was nothing really positive in having such a cut at this time.

Basically, that covers the main areas of the report that I have from people that I have been talking to over the last 10 days. I think it represents a great deal of the concern of people in the country, a great deal of concern for senior citizens who see themselves again being moved down a peg at a time when they are obviously the greatest victims of inflation that we are having today.

I think a request of the people of the United States to Members of this Congress is to look carefully, to study the programs, not to be a rubber stamp, and then to use their best judgment in acting on what they believe are the best interests of the United States.

● Mr. GEJDENSON. Mr. Speaker, during the district work period, I held several town meetings in my district and talked with numerous groups and individual constituents about their reservations with the administration budget proposals.

Many were worried about the effect of budget cuts on our cities, towns, and rail systems. A businessman from Portland told me what would happen to his manufacturing firm if Conrail stopped service to his town: He said he would have to move his business out of Connecticut, incurring great expense, or else go out of business.

In another town meeting, a school superintendent told me what he thought would happen to education in our district if the budget cuts in impact aid funds were passed. In my district, these funds reimburse communities with military bases for the funds they spend on services for military personnel and their children. The superintendent pointed out that, since local governments collect no taxes from military families, the loss of impact aid funds could force many of these schools to close. We have eight such communities in the Second District alone.

At many Connecticut colleges, parents and students worry that if the budget cuts in student loans are passed, only the wealthy will be able to afford the rising costs of higher education. They argue that a college education provides a vital avenue to success that may no longer be available to middle and lower income Americans. They also point out that providing student loans makes good economic sense, since college-educated citizens contribute more in taxes than any other segment of society.

Wherever I went last week, citizens expressed their concern over the abolition of the Legal Services Corporation and the women's, infants', and children's food supplement program. Many thought it unjust to deprive the least advantaged segment of our society of legal access, and they thought that supplementing a poor, pregnant woman's diet was a good investment to make for a healthy child.

While visiting several campuses, I talked with students concerned about the prospect of increased military aid to El Salvador. In fact, students at the University of Connecticut held a rally this last week to protest the administration stance on military aid to this Latin American country. Other constituents said they were displeased with the administration's call for increased defense spending, saying that though they wanted a strong America, they doubted our Nation could be strengthened by questionable military expenditures.

A senior citizen from East Lyme asked me whether the Reagan administration had forgotten the needs of the elderly. She said she had worked hard all of her life, had saved what she could but now was worried about how she would pay her rent and her fuel bills without some Federal assistance. She was truly concerned that the budget cuts might leave her destitute.

Almost everyone seemed to be concerned about inflation, but only a few said they believed the administration's proposals would do much to bring inflation under control. Most seemed to feel that some budget cutting is necessary, but they questioned the equity of the administration's program. They believed that waste and inefficiency could be eliminated while still retaining many programs which provide vital services. They also wondered why when the administration went after the welfare mothers, the senior citizens, and the working poor, it ignored the loopholes, the cheaters, and the "three-martini" lunch.●

● Mr. KASTENMEIER. Mr. Speaker, I am glad to have this opportunity today to discuss the public reaction to President Reagan's budget proposals.

During the Easter recess, I held 1 day of public hearings in Madison, Wis., to explore how programs and individuals in my congressional district would be affected by the spending reductions advocated by the White House. I heard from over 50 witnesses representing various segments of the community, and over 400 people attended the sessions.

Mr. Speaker, I found that the people are becoming aware of how the Reagan budget cuts will impact on their private lives, their jobs, and their neighborhoods, and they are very alarmed. They cannot understand why some of our most important domestic programs are targeted for extinction, while the military establishment, despite heavily documented waste and abuse, is slated to receive huge budgetary increases.

If the administration's budget passes intact, local elected officials see no alternative to slashing important Government services and raising local taxes. Low-income employees see a loss of Federal assistance which will force them below the poverty level. The unemployed see the destruction of training and public jobs programs which currently are their only avenue to productive lives. The elderly, handicapped, and destitute are completely at a loss. There would be no way for them to obtain the basic necessities of life.

We have seen many fancy statistics from the Office of Management and Budget to demonstrate the supposed benefits of the Reagan economic program. But when I go back to Wisconsin, I see the destruction of human potential as the end result of the administration's proposals. We cannot build a sound economy unless we are willing to invest in our most important resource—people.

I would like to share with my colleagues some of the things I learned about the Reagan budget at the hearings.

The city of Madison will lose about $1 million in direct Federal aid in 1982, and $3 to $4 million in 1983. The city's bus system alone will lose $700,000 in assistance in 1982.

In Dane County, 1,000 low-income families will lose aid through the

women's, infant's, and children's nutrition program. About 1,200 families will be denied fuel assistance during the severe Wisconsin winters. A special program in the county helping over 3,000 low-income individuals become financially independent will be eliminated.

Wisconsin's Department of Public Instruction estimated that under the White House proposals for the child nutrition programs, 80 percent of the State's schools would drop their school lunch programs. In 8 out of 10 Wisconsin schools, needy children would be denied nutrition assistance.

Mr. Speaker, this is only a small sampling of the knowledge I gathered from my constituents. However, I would like to quote a statement from Beverly Davis, who represented the Wisconsin Conference of Churches. She made a very important point about the general approach of the Reagan budget.

We are especially concerned about the effect of the cuts in these programs on families, as programs of child care, nutrition supplements for the elderly and children, preventive health care, mental health services, and subsidized housing, are seriously reduced, and efforts to fight child abuse and domestic violence are practically cut off.

As a society we must do everything possible to enable families to stay together and to give them every possible support in raising the next generation into strong, healthy, whole citizens. This is a responsibility we all share, both voluntary and governmental agencies. The federal government is retreating from that responsibility and our whole society will suffer as a result.

Mr. Speaker, I wholeheartedly support the sentiments expressed by Ms. Davis. At this time, I would like to submit to the RECORD two newspaper articles discussing the hearings, along with a few of the statements submitted by witnesses.

[From the Wisconsin State Journal, Apr. 18, 1981]

KASTENMEIER FINDS OPPOSITION TO BUDGET CUTS IS UNANIMOUS

(By Patricia Simms)

From welfare mothers to the mayor, U.S. Rep. Robert Kastenmeier, D-Wis., heard strong opposition late last week to the proposed cuts contained in President Reagan's 1981-83 federal budget.

"How much pain, how much suffering before this President is convinced that he is making a mistake and doing the wrong thing?" asked William Benisch, executive director of the Dane County Community Action Commission.

Benisch, who assembled a panel of clients to testify to the negative impacts of cutting specific programs, said block grants, which are not ear-marked for specific programs, would only cause confusion and prevent money from reaching the "grass roots."

"Block grants are not the answer," he said.

Kastenmeier held a full day of hearings in Madison on the impact of Reagan's proposed budget cuts on local programs.

Ernestine Moss, a West Side AFDC recipient, testified that she had been discouraged from working because of lack of adequate reimbursement for transportation costs during last year's bus strike.

Now, she said, budget cuts could force AFDC mothers into a search for work that would be more costly to the taxpayers than the full range of AFDC and related grants. "Who's going to take care of our children when we're out looking for a job 20 hours a week?" she said. "I just ask you—what does it all mean?"

Another recipient, who lives in a West Side low-income housing project, said cutting back on federal nutrition programs would prevent low-income children from growing properly.

"I feel like I'm a criminal, guilty of poverty," Dolores Tomashevska told Kastenmeier.

Madison Mayor Joel Skornicka said the proposed budget cuts would mean a loss of about $1 million in direct federal aid to the city in 1982 and from $3 million to $4 million the year after, in addition to another $1 million a year in increased local costs.

He specifically cited the $700,000 planned reduction in federal aid to the city's bus system in 1982.

"It seems to me to make no sense to cut back on transit aid at a time when we are importing oil and suffering from a large balance of payments deficit," Skornicka said. "The federal government should be doing everything possible to encourage wider use of means transit."

Skornicka added, "The effects of the federal cutbacks will not be any overall reduction in government spending, but rather a shift from a federal cost to a local cost."

Skornicka said the proposed budget reductions would probably force the city to reduce its general welfare assistance levels or restrict eligibility for the general relief program.

Ron Domini, representing the American Federation of State, County and Municipal Employees, AFL-CIO, argued that the federal government should be forced to balance its budget merely because state and local governments are required by law to avoid a deficit.

"State and local governments are required by law to balance their budgets, and this often forces major layoffs and service cuts in many states and cities during recessions," he told Kastenmeier. "There is no reason for the federal government to follow this bad example.

"During recessions, increased federal spending on social programs like welfare and unemployment compensation is essential to assist people thrown out of work through no fault of their own."

[From the Capital Times]

HELD BY KASTENMEIER—ADC RECIPIENTS TESTIFY AT HEARING

(By Kaye Schultz)

President Ronald Reagan's budget cuts will have the effect of treating the poor like criminals, a mother who receives federal Aid to Families with Dependent Children told U.S. Rep. Robert Kastenmeier today.

"I feel like I'm a criminal, guilty of the crime of poverty in this country," Dolores Tomashevska said at a Madison hearing called by Kastenmeier.

Tomashevska said cuts in Legal Aid services to the poor, reductions in food stamps and proposals for "workfare" programs "are just the beginning. It's a slow death for the poor."

The Sun Prairie congressman said he organized the hearing to discuss Reagan's proposed $44 billion in 1982 budget cuts "on a more human level."

He said the "crucial test" of Congress' ability to restore some of the cuts will come at House Budget Committee deliberations beginning April 29. Although the proposed budget cuts will eliminate $54 billion in tax revenue, Kastenmeier said federal spending will still rise $40 billion in the 1982 budget, and the burden of the cuts will be shifted to local governments.

"There's no net saving. It's just a question of who is spending it," he said.

Mayor Joel Skornicka said the City of Madison stands to lose between $3 and $4 million a year in federal funds if Reagan's proposals go through. The largest cuts would come in human services, adding $900,000 to welfare costs, and a $1.4 million cut in transit aid by 1983.

Skornicka said the reduction in federal aid will be made up in 1982 by "select cutting of low priority programs, and some property tax increases—after that, things may get more drastic."

Eleanor Fitch, state president of the League of Women Voters, said federal human services programs have succeeded in meeting the War on Poverty objective of reducing the percentage of people below the poverty line from 12 percent in 1965 to 4 percent in 1980. "Under the Reagan budget, that objective will no longer be met," she said.

Fitch suggested alternative budget cuts, including $275 million in synfuel subsidies and $76 billion for completion of the interstate highway system, already 94 percent built.

Ernestine Moss, an Aid to Families with Dependent Children recipient who is attending school, said Reagan's cuts would punish single-parent families and force their children to "grow up different."

"We are in training in America; the rich are learning to become richer, and the poor are learning to live with less . . ." she said.

The hearing was scheduled to continue this afternoon at the University of Wisconsin campus, with a focus on cuts to education and public broadcasting.

TESTIMONY BY MAYOR JOEL SKORNICKA

I want to thank you, Congressman Kastenmeier, for the opportunity to appear before you today. I believe it is both appropriate and necessary to conduct local hearings like this on the President's budget proposals. It is important to bring the budget debate "to the people" so that the full impacts of the suggested program cuts are understood at this end before too many decisions are made at the other end—in Washington.

What is the impact of the proposed cutbacks on the City of Madison and on the citizens of the City of Madison?

As far as we can now determine the impact, it appears that Madison will receive about $1 million less in direct federal aid in 1982 and $3-4 million less thereafter. In addition, the cuts could lead to as much as $1 million a year in increased local costs.

In some cases, the proposed cuts will have a direct, immediate impact on Madison. For example, the President proposed a three-year phaseout of federal support for mass transit operating assistance. This would have meant about $700,000 less in federal aid for our bus system in 1982 and another $700,000 in 1983.

Since we cannot expect much in the way of additional operating assistance from the

state government, and since fuel and other costs are rising rapidly, we would have no choice but to raise fares or property taxes or both or to drastically reduce bus service. Fortunately, it appears Congress may delay the phaseout of aid for one year, until FY 1983, but the long term impact will be the same.

It seems to me to make no sense to cut back on transit aid at a time when we are importing oil and suffering from a huge balance of payments deficit. The federal government should be doing everything possible to encourage wider use of mass transit. The effects of the federal cutbacks will not be any overall reduction in government spending, but rather a shift from a federal cost to a local cost.

Madison will also be seriously affected by proposed cuts in the human services area. Reductions in federal support for AFDC, food stamps and CETA and medical assistance will put additional pressure on Madison's welfare budget. Our expenditure for general assistance is now $2.7 million a year and the proposed federal cuts could mean $900,000 in added welfare costs. Since we probably cannot afford all these additional costs, we will have no choice except to reduce assistance levels or restrict eligibility. What's the impact going to be in Madison? Well, we've already acted in the past two years to tighten up eligibility standards to make certain that only those deserving help get it. When the poor, the disabled, the chronically mentally ill, the people suffering from alcoholism or other illnesses, the young runaways, the abused wives and children fall through the federal government's "safety net" and the state government's "safety net," they land right in the laps of local government. And it's a lot harder to turn your back on a person with problems—a "truly needy" person—when they're right there in front of you.

They're no longer a statistic or a social problem—they're real people. And it's these real people at the bottom end of the economic ladder who have already suffered disproportionately because of inflation. When we have made cuts in city government programs recently, we have tried to spare the poor whenever possible. It can be done if you're willing to be selective.

The cuts in the CETA program are perhaps illustrative of the negative, shortsighted effects of some of the administration's proposals. In the Madison-Dane County Consortium, 190 CETA employees will lose their federally-funded jobs—which in many cases would get them on the road to meaningful, private sector employment—and slip back onto the welfare rolls. Instead of providing assistance through one program, the federal (or state or local) government will provide assistance through another. And they'll be less able to move out of the welfare cycle.

Madison will also feel the effects of the federal cuts in other areas. We lose $210,000 in Section 312 Housing Rehabilitation Funds. In 1983, we will lose $391,000, and in 1984 and thereafter, Madison will lose over $1 million a year in federal highway assistance funds.

These funds go for basic street repair and construction, another area where it is very difficult to drastically reduce funding.

Overall, Madison will lose $3-4 million a year in federal funds once the proposed cuts go through, if they go through. We can absorb some of these losses in aid. We can and will cut some programs and services. But some portion of these cuts, primarily those affecting transit, streets and welfare, will have to be made up at the local level.

I accept the need to restrict the growth of government spending at all levels. Even before the federal cutbacks hit us, we have been cutting back on spending in the City of Madison. Our budget increases the last two years have averaged 5½ percent, which is about the same as the federal government will achieve if all of the proposed cuts go through. In Madison, we have reduced the number of public employees. In short, we heard the message to reduce government growth—direct from our own property taxpayers—long before the federal government. The difference is: we have been more selective and careful about what programs we cut and which people we try to protect.

The debate on these proposed cuts is a necessary one, and I hope the Congress will examine the administration's budget carefully to make sure these cuts are borne equitably.

STATEMENT BY BEVERLY C. DAVISON, WISCONSIN IMPACT AND WISCONSIN CONFERENCE OF CHURCHES

I am speaking on behalf of the Wisconsin Conference of Churches and the IMPACT Legislative Network.

The major Protestant denominations take seriously the many Biblical injunctions to seek justice, to free the oppressed, to care for the widow and child, to feed the hungry, and to call the leaders of the nation to do justice in human affairs. In the words of the book of Proverbs: "Speak up for the people who can not speak for themselves. Protect the rights of all who are helpless. Speak for them and be a righteous judge. Protect the rights of the poor and needy." (Proverbs 31: 8, 9)

Karl Barth, prominent theologian of this century, whose thought is widely respected in both conservative and liberal theological circles, has said: "The poor, the socially and economically weak and threatened will always be the object of the Church's primary and particular concern, and it will always insist on the State's special responsibility for these weaker members of society." Karl Barth in Against the Stream.

While religious organizations engage in works of corporate benevolence and encourage their members in acts of personal caring and service, such benevolence can never be sufficient to meet the vast human needs in our nation. The institution of government is the means by which our obligations to social and economic justice are to be fulfilled. We see the present administration retreating from that social obligation, denying justice to millions of Americans, and abdicating any responsibility for the protection of our common environmental life and for the promoting of the general welfare of all of our citizens.

As an expression of our concern for these social programs the Wisconsin Conference of Churches was one of the early supporters of the Public Assistance Coalition in Wisconsin. And this past year we have had a Task Force on Welfare Reform. That task force set forth principles on which any governmental social program should be judged.

First, respect the dignity and integrity of the individual;

Second, contribute to the strengthening of the family;

Third, provide all persons with an adequate minimum income or provide the means to earn that income; and

Fourth, provide useful employment and job training, both in the public and private sectors.

We are convinced after serious study of the proposed budget cuts in human services that these principles are being flagrantly denied. The testimony of this morning will give specific evidence of this. We are especially concerned about the effect of the cuts in these programs on families, as programs of child care, nutrition supplements for the elderly and children, preventive health care, mental health services, and subsidized housing, are seriously reduced, and efforts to fight child abuse and domestic violence are practically cut off. We are also concerned about the disproportionate burden that women and minorities will bear in these cut backs.

As a society we must do everything possible to enable families to stay together and to give them every possible support in raising the next generation into strong, healthy, whole citizens. This is a responsibility we all share; both voluntary and governmental agencies. The Federal Government is retreating from that responsibility and our whole society will suffer as a result.

The member denominations of the Wisconsin Conference of Churches are also concerned about the protection of our environment and the conservation of natural resources. We are stewards of God's great gift of creation and decisions on energy, land use, waste disposal, and water and air use must be made in the light of that stewardship and that sense of corporate responsibility. The resources and the authority of the Federal Government are the vehicle through which we as a society protect those resources for the use of the total society and not just for the benefit of the few. We would speak against the decrease in funding for water resources programs, and the elimination of funds for land purchases and historical preservation. We are appalled at the virtual giving away of mineral rights on public lands. We are very uneasy about the lack of support for research in renewable energy resources in favor of development of nuclear energy.

Finally, we are dismayed that these programs of environmental protection, and programs to meet human need and strengthen the family are being sacrificed on the altar of military spending. We are being told that programs must be cut to balance the budget and to fight inflation, yet the national debt is actually being increased to allow for a 24.8-percent increase in defense spending. We are cutting $380 million from the solar energy program, yet can spend $372 million to reactivate an aircraft carrier. We are cutting $65 million from mental health and drug abuse programs which would serve thousands of our citizens, to spend it on one cargo aircraft. We can eliminate over one billion dollars in child nutrition programs, but then buy 18 fighter planes for NATO.

We are not simply speaking against cuts in some worthwhile social programs to aid the families of our nation. We are protesting the revolution that is taking place in our land, for this budget represents a complete reversal of our priorities and values. We spend for instruments of death rather than bread for life.●

Mr. PEYSER. Mr. Speaker, having no further request for time, I yield back the remainder of my time.

STATEMENT OF CHAIRMAN FORD ON GOVERNMENT EXECUTIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, evidence is mounting that this Government is heading for serious trouble unless we in Congress face up to the problem of executive pay.

Last month the Committee on Post Office and Civil Service heard disturbing testimony from top-level managers of several departments and agencies in the executive branch. They painted a bleak picture of low morale, a rush for early retirement and serious difficulties in recruiting people to fill key executive positions within the Government.

More recently, the Merit Systems Protection Board had completed a special study on the Senior Executive Service, which was created under the Civil Service Reform Act of 1978 to provide managers with flexibility in assigning and removing senior executives from Government.

Last November the Merit Systems Review Board, whose job is to monitor SES performance and activities, sent questionnaires to 1,500 SES members selected at random. Nearly 1,000 executives have responded. Their comments have to have a chilling effect on anyone who is concerned about the future quality of our governmental institutions.

According to the study:

Eight out of ten felt there were insufficent incentives in SES to retain highly competent executives.

More than 1 in 4 indicated it is unlikely they will be working for the Federal Government 2 years from now if they have their own way. Another 20 percent said there is an even chance they will leave Federal employment within 2 years.

SES positions perhaps are becoming less attractive to potential candidates. Overall, only about 3 in 10 GS-13 to GS-15 employees say they would be willing to join the SES if the job they would like was offered to them.

Among these already in SES, many seem to be having second thoughts about having joined. One in ten surveyed said they would seriously consider leaving the SES to accept a GS-15 position in the same kind of work if the opportunity arose. Another 15 percent said while they are not sure, they would consider it.

The majority surveyed do not believe a real opportunity for monetary reward exists. In spite of the fact that 7 out 10 SES members indicated that their supervisors rated their performance highly, less than 3 out 10 felt it likely they would receive a bonus during the next 12 months.

There is a strong suggestion that nonpay benefits alone will not continue to be sufficient to attract and retain a high quality, committed work force.

Mr. Speaker, the evidence is compelling. We are losing our ability to compete with the private sector both in recruiting and retaining the best people. As soon as they are eligibile, top-flight executives are retiring and filling the vacancies is growing increasingly more difficult. When a veteran Government executive opts for early retirement, it imposes a double financial burden on the Government; the cost of retirement benefits plus the cost of replacement.

We are not talking about the loss of second-rate people whose departure is of little consequence. We are speaking, if you will, of the best and the brightest.

It is not an alarmist position to say that unless something is done we are going to suffer severe consequences.

How long are we going to wait? Until our inaction has drained away our very best managers? If this happens, and it is inevitable if we continue to do nothing, the cost to the American people in inefficiency, progress and esteem will be many times the costs of taking corrective action before it is too late.

In his 1981 budget proposals on Federal executive, legislative and judicial pay, President Carter recommended an increase of 16.8 percent, in effect lifting the pay cap. At first this position was endorsed by President Reagan, who last February switched positions. At that time, in a letter to me, OMB Director David Stockman explained that the President changed his mind because—

> The status of the economy requires that we concentrate our resources on achieving substantial budget reductions.

In testimony before the Subcommittee on Civil Service in the House this week, Office of Personnel Management Director Donald Devine sought to have this body believe otherwise. Mr. Devine testified that President Reagan had second thoughts because leaders in both houses of Congress told him they could not get approval of the pay increase.

I believe that with the President's support we could have passed an executive pay bill. And I think it would be helpful if Mr. Devine would get his facts straight regarding the President's position.●

COMMENDATION FOR THE WASHINGTON POST CONDEMNATION OF CBS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, over the years I have had my share of disagreements with the Washington Post; there have been times when I felt the newspaper was unfair to me, times when I have been disappointed in its work, and times when I have felt the newspaper arrogant and insensitive. Yet there is no denying the high quality and standards of the Post; anyone who compares newspapers will readily put the Post at the top, or close to the top, of the list.

I am tremendously impressed by the responsibility of the Post in its unprecedented act of giving up the Pulitzer Prize awarded for a story that turned out to be false. Any lesser organization would have dismissed the doubters, refused to investigate, and stood by its story. It has to be said that the Post did dismiss the first doubts. It also has to be said that they did not fail to listen to those who continued to raise questions. What is most important, the newspaper took the correct and courageous course of admitting the truth on its own free will and not when forced against the wall. That was not easy to do, but it was right, responsible and correct. I commend the Post for its actions.

The reaction of the Post stands in great contrast to other media. I recall that on May 21, 1968, the CBS network broadcast what has since become known as a great landmark in broadcast journalism, its widely acclaimed "Hunger in America" show. The trouble was that the story was not true. The greater trouble is that CBS not only never corrected its story, but never even acknowledged that some of its most dramatic moments were not true, and that its portrayals of local attitudes were grossly distorted. These are things that CBS never admitted, either because they felt it unimportant, or because they did not want to suffer the penalty of admitting error. In either case their action was irresponsible.

The "Hunger in America" show opened with a memorable, dramatic moment showing a dying infant. The narrator claimed that the infant was dying of starvation in a San Antonio hospital. Before a horrified audience, the baby died, "of hunger," the script said. But a reputable San Antonio reporter, Kemper Diehl, who incidentally has written for the Post, and whose son is making his mark on that same newspaper, investigated and found that the infant had not died of hunger at all. In point of fact, the infant shown on CBS was born prematurely. Its parents were healthy and well norished. But CBS never admitted the truth of this, never corrected the story, never retracted it, and to this day still shows that program as one of its greatest achievements.

That was not all. When CBS portrayed the attitudes of local officials toward hunger, they showed only film of aging, reactionary politicians who

displayed complete indifference to the problems of the poor. The real community attitude in San Antonio was different. The city government of San Antonio was the first in Texas to start the food stamp program, and that program had been committed to well before CBS came on the scene. The truth was that to get food stamps for our citizens, local agencies had to pay for the State of Texas' share of the administrative expenses. This was not easy for a locality as strapped for cash and resources as San Antonio. The food stamp program proved a great success. It would have been impossible to start and carry out that program if local officials had been anything like as callous and indifferent as those CBS presented on its show. But these facts did not fit with the story that the network wanted to put together, and again CBS never modified its story to reflect what was really happening in San Antonio.

It is not easy to do a responsible job of journalism. Deadlines are short, resources are short, the demands of editors are enormous, the facts not always clear, and always there is the problem of separating personal feelings from objective evaluation. It is never easy to admit that you are wrong. The Post has done so, in the case of its "Jimmy" story. That reflects credit and integrity, and I commend the Post. At the same time I am disappointed that CBS never showed the same kind of integrity or concern for the truth in its "Hunger in America" report. "Hunger in America" was a story that needed to be told, but it needed to be told truthfully.

□ 1345

AMERICA'S GOVERNMENT AND ECONOMY—SOME STRUCTURAL PROBLEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 20 minutes.

● Mr. REUSS. Mr. Speaker, on April 21, 1981, I gave a talk at Marquette University, Milwaukee, on "America's Government and Economy—Some Structural Problems." The text of my remarks follows:

Those here who love fishing know well that the secret of success is proper structure—a waterlogged stump, a pile of rocks, a steep drop-off. If the structure is appropriate, you catch fish.

As in fishing, so in life. Particularly in politics and economics, good structure makes for happiness.

Until very recently, our political and economic structure was a source of strength. Our constitutional system of checks and balances, of divided sovereignty and separated powers, worked. So did our economic system of free enterprise tempered by concern for human welfare and by a governmental undertaking to assure sufficient demand to buy what could be produced.

Now we are in the doldrums. In Government, for more than a decade, President and Congress have not pleased the American people. Back in 1966, 41 to 42 percent of the American people said they had a great deal of confidence in the Congress and the President; by 1979, only 17 to 18 percent felt such confidence (survey of Louis Harris and Associates). And participation in elections has been dropping off over the same period.

In economics, nearly fully employment without inflation has given way to a disastrous bout of escalating prices, increasing joblessness, and impossibly high interest rates.

A leading reason for these miseries, I shall argue, is deterioriated structure. If the passing of the years rearranges the rock piles on your favorite fishing lake, it may cease to be a good fishing lake. And if the ravages of time and man have caused malfunctions in our political and economic structure, this may contribute to our present discontents.

I propose to ask how the structure deteriorated, and what can be done to restore it. Let us look first at our governmental problems, then at our economy.

The big fissure in our political structure lies in the relationship between President and Congress. The Constitution, with its checks and balances, built tension into this relationship. But for most of our history, Governmental seemed to work because of the existence of an institution not even mentioned in the Constitution—the political party. The party came to act as a bridge between executive and legislature. When stalemate loomed, the party could always be relied upon to come to the rescue.

But in the last decades, the influence of the parties, and particularly the Democratic Party, has greatly declined. Parties that once recruited their stalwarts from the political spoils system found themselves increasingly out in the cold as a result of civil science. Parties that maintained constituent loyalty by the provision of welfare in the form of favors at City Hall and baskets of Christmas found themselves rendered redundant by governmental welfare programs. Parties that used to reinvigorate themselves every four years by presenting leaders capable of choosing presidents, frequently in a smoke-filled room, found themselves bypassed by the open primary and by the post-McGovern super-democratization of it.

Along with the decline of party came the rise of the freelance governmental offical. Jimmy Carter is the leading example of an outsider who gloried in his outsidedness to master the nominating machinery. Congress is increasingly filled with freelancers rather than party people, political entrepreneurs whose use of television and computerized mailings and unlimited special interest campaign contributions makes them impervious to any party and its discipline.

So party discipline, the cement which used to hold the structure together, has all but disappeared.

We have just celebrated, in 1976, the 200th anniversary of the Declaration of Independence. Just ahead of us, in 1987, is the bicentennial of our Constitution. This gives us an opportunity, perhaps an obligation, to ask whether constitutional changes are need to repair the rickety condition of our governmental structure.

Whenever constitutional change is proposed, one hears pleas for the parliamentary system, in which legislative-executive cooperation is assured because legislature and executive are in effect one. Under the parliamentary system, the parliament picks the prime minister and the cabinet from its own members. Legislature and executive can each topple the other and call an election. The head of government (prime minister) and the head of state (king or president) are different people.

I do not view a full adoption of the parliamentary system as a realistic option for the United States. Our presidential system, for all its flaws, has worked. It is very difficult to imagine two-thirds of the Congress and three-fourths of the state legislatures junking the American presidential system.

But short of a complete change in our constitutional system, there are amendments to the Constitution of a considerably milder nature which might contribute to curing the structural defects which beset us. Over the last years, I and others have put forward for discussion several proposed amendments designed to remedy some of the defects. Let us have a look at them.

Back in 1974, I proposed a constitutional amendment authorizing the Congress at any time to adopt, by a three-fifths vote, a resolution of no-confidence in the President, which would cause the immediate removal of the President and mandate a prompt new Presidential and congressional election. The requirement of simultaneous congressional and Presidential elections was meant to deter impetuous action by Congress to remove a president.

1974, it will be remembered, was that historic moment when Congress was struggling with the question of whether Richard Nixon was impeachable by reason of that vague constitutional phrase—"high crimes and misdemeanors." It was an extremely debatable question, which fortunately never had to be resolved because of Mr. Nixon's resignation. That may have been a good thing at the time, but it has left us with a major unsettled constitutional issue. Establishing a new procedure for a vote of no-confidence would make it possible for Congress to act before the country reaches the brink of crisis, before a stalemate occurs. Congress would know its powers clearly, and could act expeditiously. I suspect that had such a constitutional amendment been in effect during the Watergate period, it would have occasioned the removal of Mr. Nixon earlier, and with less trauma, than occurred as a result of agonizing impeachment proceedings.

A second proposed constitutional amendment, one I introduced in 1979, was intended to create a bridge between the executive and legislative branches by allowing the President to select some of his top cabinet and other officers from the Congress. This would be accomplished by repealing the proscription contained in Article I, Section 6, against Members of Congress serving as so-called "officers" of the United States. Such a change would conform with the practice of practically every other major democracy—West Germany, Great Britain, Japan, Canada, France, Italy, the Low Countries, the Scandinavian countries—all of which regularly create government from the ranks of leading legislators.

U.S. Senators and Congressmen thus selected by the President should have no more difficulty wearing two hats than do their counterparts abroad. Congressional voting procedures could be simplified, clustered, or indeed made eligible for remote electronic voting by someone who was not on the floor. Congressional staffs could handle the legislator's constituency ombudsman function. And the drain on the time of

a senator or congressman appointed to an executive branch leadership post could be lessened by allowing him to put his committee assignment into deep freeze, with his seniority on the committee retained.

Thus allowing legislators to serve in executive branch jobs would have a number of advantages. It would permit the President wider choice for his cabinet than he enjoys now. It would make service in the Congress more attractive, since it would permit members to hold posts of executive responsibility without the necessity of interrupting their congressional careers and giving up their congressional committee seniority. Most important, it would place a new emphasis on communication and cooperation between the branches of Government—a new link between the president and the Congress.

My third amendment, introduced back in 1975, and much less important than the others, would attempt to separate the political functions of the President from the more ceremonial functions he performs. This would be accomplished by providing for the direct election of both a chief executive and a chief of state. Such an arrangement is a functional division one observes widely in the constitutional monarchies—such as Great Britain, Japan, the Netherlands, and the Scandinavian countries—as well as in a number of nonmonarchical democracies—such as France, West Germany, Italy and Israel. In these cases, the King or the President is quite distinct from the Prime Minister, and tends to the more ceremonial tasks, such as accepting diplomatic credentials and entertaining foreign dignitaries.

Having a second person assume these tasks would go a long way toward relieving the President from chores that have become enormously time-consuming. Ronald Reagan has the right idea that a lot of the President's chores can indeed be delegated. But it would be unfortunate if he delegated the more important functions, while leaving the ribbon-cutting and dinner-hosting to himself.

A fourth possible amendment to improve the functioning of government would be one that enabled Congress to place some reasonable limits on what candidates for President and Congress can spend on their campaigns. The reason this requires a Constitutional amendment, rather than being amendable to legislation, is that the Supreme Court ruled, in the 1976 case of *Buckley* v. *Valeo*, that Congress could place spending limits only on candidates who elected to accept public financing of their campaigns. The court held that any further proscription would violate the constitutional guarantee of free speech. In the meantime, Congress has been unwilling to pass legislation providing for the public financing of congressional elections, and, therefore, no limits on spending apply at all to candidates for the House or Senate.

In the 1980 election, the record for spending in a House race seems to have been set by Republican Robert Dornan of Los Angeles, who spent $2 million in a successful, though close, race against Carey Peck, the son of actor Gregory Peck, who spent $0.5 million. In the Senate, Democrat Alan Cranston felt obliged to spend almost $3 million to beat back a bid by Paul Gann, the coauthor of California's proposition 13.

Placing reasonable limits on campaign spending seems no more a violation of freedom of speech than to forbid movie patrons to yell "fire" in a crowded theater. The capacity of seat-buying to ruin a democracy is surely one that the Court ought to weigh in a freedom-of-speech decision. Perhaps the Supreme Court should be given a chance to reverse itself—this certainly is simpler than the amendment process.

Another constitutional amendment—one regularly advocated by Lyndon Johnson, among others—would extend the present 2-year congressional term to 4 years. Its proponents believe that Congressmen would exhibit greater courage in standing up to special interests if their electoral exposure is only once every 4 years.

Admittedly, such an amendment would have made life easier during my 14 terms in Congress. On balance, nevertheless, I am not persuaded. The Founding Fathers had a purpose in subjecting members of "the popular branch of the legislature" to the public will every 2 years. Moreover, I would have some fear that were Congressmen given a free ride for 4 years, their off-years might see not so much a heightened interest in legislation as a marked increase in absenteeism and overseas travel.

Its merits or demerits to one side, the 4-year term is not likely to be enacted. Senators perceive the amendment's obvious effects would be to allow Congressmen the leisure in their off-years to run for their Senate seats. Objectivity under such circumstances is a lot to ask.

Can useful improvements in our governmental structure be achieved short of formal constitutional amendments? The answer, surely, is "Yes."

For one thing, we can attempt to strengthen the parties—particularly mine, the Democratic Party—by internal organization. The Republican Party today illustrates a considerable degree of Presidential-congressional cooperation. Not so the Democrats, whose national structure all but ignores the Congress.

Accordingly, I have proposed the establishment of a Democratic Advisory Council to try to revitalize the party. Under the proposal, the Democratic National Committee would constitute such a council, with heavy representation from Congress, from state and local government, and from policy-concerned leaders.

The tasks of the council would be ones which are not being performed well by the present party institutions: to prepare party positions, to devise a better method of selecting Presidential candidates, and to revitalize the party generally. Setting up a Democratic Advisory Council could help revive the party of Jefferson and FDR. A revived, strong party could in turn provide a needed bridge between Congress and the President should the nation at some future time turn again to the Democrats.

A second non-constitutional reform we might consider making is in the nominating process for President.

As it stands now, the system of 30 or more state primaries tests stamina, financial resources, and political strategizing more than it tests the skills a successful President will need to possess, such as knowledge of issues, experience in the ways of Washington, skill at making important decisions, and fashioning coalitions to support them. The premium is on shaking the most hands, raising the most dollars, buying the most TV time, and saying things fuzzy enough to exercise the broadest appeal. This system elevates to the nomination people who may or may not know the leaders around the country whom they will have to deal with if they are elected President; who may or may not know a great deal about the complicated national and international issues they will have to face; and who may or may not know much or care much about the role that negotiation and compromise play in the American political system. Jimmy Carter stands as the classic example of someone who did much better in the primaries than he did in the Presidency. A troubled nation like ours cannot afford many more Presidents who require such extensive on-the-job training.

The existing situation could be improved if party legislative leaders, as well as those elected in primaries, were included in the national conventions; and if the primaries themselves were fewer in number and shorter in duration.

For instance, the national party could adopt a rule providing that at least a third of the convention delegates not be pledged to any candidate. These unpledged delegates would be Congressmen or other party leaders who would have to work with the new President. This would permit a majority of delegates to be selected by primary, but it would make it unlikely that a candidate would have gained enough to assure a first-ballot convention nomination, as is so possible today. As a result, it would be necessary for a successful candidate to pull together a broad party consensus at the convention.

In addition to more unpledged delegates, the time of our primaries ought also to be changed: they are at present too many, too long, and too arduous. Almost the only people who can compete successfully any more are those who are independently wealthy, and have no other job to preoccupy their time. Jimmy Carter and Ronald Reagan were, not surprisingly, unemployed millionaires when they undertook to run for President. So were George Bush and John Connally. Those from the Congress who made a serious effort were required to forsake many of their official duties. Such a stringent requirement of time, money, and patience effectively deters from running a lot of people who would make good Presidents. Legislating a shorter period of campaigning, or consolidating some of the state primaries into regional ones, might make running for President a more manageable and attractive enterprise, and might widen the range and quality of men and women who want to compete.

Senator Packwood of Oregon has introduced legislation which would provide for a system of five regional primaries, in the Northeast, South, Midwest, Plains, and the West. Under Senator Packwood's scheme, states would participate voluntarily, and the order of the primaries would be determined by the Federal Elections Commission by lottery. The first one would be held on the second Tuesday of March, and in each successive month another would be held. The regional primary would prevent small states like New Hampshire and Iowa from exerting a disproportionate influence on the electoral process, and eliminate the drawn-out efforts that are required today of Presidential candidates conducting their primary campaigns. An alterative, proposed by Senator Baker of Tennessee, would use the four time zones rather than the regions.

A third "easy" reform we might make would be to back up a bit on some of the measures by which Congress has redressed what it regarded as its just grievances against the President. In fact, we have gone too far, and a prudent pause may be in order.

Rambunctious military activities by Presidents Johnson and Nixon led Congress to

enact the War Powers Act, letting Congress in the nick of time into the war-making process. But Congress should think twice before it again impinges on executive control of our foreign policy, as it did on the Greek-Cyprus issue and on the question of Soviet emigration.

Again, Congress was right to dethrone the tyrannical seniority system in the 1970's. But getting rid of imperious committee chairmen is no excuse for the excessive proliferation of subcommittees the Congress has permitted. Swollen staffs, frequently working at cross purposes, are the result. The number of subcommittees should be sharply curtailed.

Still another example: Mr. Nixon's impounding of congressional appropriations led to the Budget Control and Impoundment Act. That was a well-justified congressional intrusion, but the same cannot be said for congressional second-guessing of administrative decisions, and its one-House vetoes of executive action.

By exercising a little self-control, Congress can help relieve executive-legislative tension without a constitutional amendment.

Let us now turn to our economic structure. Here, too, the old-time religion seems not to be working.

The world of John Maynard Keynes in which we have been living for the last half century held that assuring adequate demand by consumers, investors, and government would make the economy operate at close to full employment, and without unacceptable inflation. The means of insuring this adequate demand included supporting labor unions, the progressive income tax, and the subsidization of food, housing, and medical care. The welfare state encouraged keeping up demand, while letting supply take care of itself.

But in the last 15 years the traditional demand economics has brought upon us an unparalleled bout of stagnation and inflation.

We have fallen into the trap of macroeconomic policy: if we fight unemployment by easing fiscal and monetary policy, we end up adding to inflation; if we fight inflation by tight fiscal and monetary policy, we end up increasing unemployment.

Why do we find ourselves in this tantalizing position, where nothing seems to work? I believe, again, that our economic structure has grown so creaky that normal economic signals have lost their effect. Let me give you some examples of creaky structure.

It used to be that management had a built-in resistance to outsized wage increases because it would be unable to sell its goods if it agreed to such increases. Today, in the major sectors of our industry and trade, it is easier to pass on wage increases than to fight them and risk a strike.

It used to be that physicians were restrained from overcharging by the unwillingness of patients to pay. Today, medicare pays the bills for the elderly, so there is little incentive to bargain.

It used to be that outrageous restaurant prices scared away the diners. Today the deduction of entertainment expenses removes what used to be a bargaining factor.

It used to be that lenders would extract from their borrowers only a reasonable rate of interest. Today the interest rate is tax deductible, and the wealthier the borrower the less he is bothered by high interest rates.

I could go on to list the rigidities and wrong-headed incentives which now clutter our economy. Railroads and trucks and banks are still discouraged by regulatory agencies from sloughing off inefficient operations. The losers in American industry—obsolete shipyards, improvident automakers, undercapitalized steel mills—are increasingly kept alive by governmental subsidy. Protectionists—and not just in this country—demand and get tariffs and quotas and marketing agreements that assure inflationary price rises for everyone.

We bewail the lack of capital to build much-needed new plant and equipment. Yet we continue tax incentives which induce people to put their money, not into productivity-increasing equipment, but into vacation homes, new energy-wasting suburban shopping centers, or into consumer purchases on credit by the affluent.

We are just now as a nation starting to get rid of some of these rigidities and disincentives. Even the most sensible and moderate monetary and fiscal policies, designed to combat both recession and inflation, cannot work until we do.

To work, our new economic policy must contain not only a monetary and fiscal component, but a structural reform component. Structural decay must be fought on both the supply and the demand sides.

To get our structural reform moving on the supply side, the focus must be on both capital and labor. More capital savings and investment must be sought by both tax incentives and lower interest rates. Fixed capital in plant and equipment must be supplemented by research and development, both public and private, and by the building up of infrastructure, both public (bridges, ports, streets) and private (utilities, railroads). More clearly focused education and job training is needed.

On the price side, the campaign against inflation must be conducted on a wide variety of fronts—energy, food, regulatory. Some sort of an incomes policy to keep wages and prices in line, involving cooperation between labor, business, and government, is also necessary.

Just as checks and balances alone cannot make politics work, monetary and fiscal policy alone cannot make economics work. In economics as in politics, structure is crucial.●

THE NATIONAL CONSUMER COOPERATIVE BANK ONE STEP CLOSER TO FULFILLMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 15 minutes.

● Mr. ST GERMAIN. Mr. Speaker, earlier this year, a series of pronouncements coming out of the Office of Management and Budget cast a cloud over the National Consumer Coopertive Bank, but I am happy to report that there have been some encouraging developments in recent days.

First, the Comptroller General, who is given a mandatory review function under the Budget and Impoundment Control Act, ruled on April 13 that the administration had exceeded its authority in impounding funds previously appropriated for the purchase of stock in the bank. Following the language of the act creating the bank, the GAO found that such purchases of stock by the Treasury are mandatory if the funds have been appropriated.

After the GAO opinion, the $60 million previously appropriated for stock purchases was released to the bank last week—a giant step toward assuring that the institution will be able to meet its purposes of providing loans to consumer cooperatives across the Nation.

While the transfer of the funds by Treasury to the bank is indeed good news, there is still need to free up funds which have been appropriated for fiscal year 1981 for the self-help development fund and technical assistance program. The GAO did not question the administration's power to impound these funds, but it is important that the Congress see that this part of the program continues. The self-help fund provides loans primarily for newly developing cooperatives whose membership must be predominantly low-income. This is a particularly cost-efficient means of developing economic activity in inner-city and depressed rural areas and should not be curtailed. The funds in dispute for fiscal year 1981 are $29 million—a sum not calculated to upset the budget calculations.

Mr. Speaker, I hope that the transfer of the $60 million to the bank will help clear the air and allow this institution to proceed with its primary functions as a lending institution. It was the intent of Congress that the bank move as rapidly as possible with efforts to raise funds in the private market. This can be done only if the bank is allowed to operate as its charter specifies and free from unnecessary interference and unsupported attacks on its performance.

Before the budget excercises began, the bank's management had approached Wall Street investors and received very favorable responses. This reflects well on the management of the bank and on the market's judgment of the institution's viability.

Mr. Speaker, I am hopeful that this administration will eventually support efforts to meet the original commitment to the bank for its full capital—all of which will be repaid with interest to the Treasury. Frankly, I think it is time to let the bank get on with its business. It needs stability, not threats.

In this regard, Mr. Speaker, I was happy to receive a response from OMB Director Dave Stockman on April 3, assuring me that OMB was using only legislative approaches and had not attempted to interfere with the management of the bank.

I realize there are some who cannot accept the cooperative structure as part of our economy despite the fact that such institutions have been around as long as we have been a Nation. Some oppose all types of coop-

eratives—baby-sitting cooperatives, farm co-ops, senior citizen cooperatives,—the whole range of self-help entities.

This is regrettable because I am convinced that cooperatives can be important tools for consumers, a chance to create mechanisms that can help people shape decisions of choice and price in the marketplace. Our economy is strong and this Nation is strong because we do allow freedom of choice, and there is no reason why anyone should try to dictate what types of businesses are created, whether they be stock companies, partnerships, family enterprises, or cooperatives. Some of the budget-cutting efforts are designed to limit and dictate choices in the marketplace.

Mr. Speaker, I am convinced that there is bipartisan support for cooperatives. I am also hopeful that there are those within the administration who do support self-help programs and will not allow the administration to impose an "anti co-op" label on itself.

As a former high White House staffer in the Ford administration stated:

Cooperative action is as American as the the Boston Tea Party, the winning of the West and rural electrification. . . . As one who grew up around co-ops, I can attest to their ability to aid the development of communities ignored by commercial banks, to keep prices competitive and to give consumer-members more bargaining power in the marketplace.

Mr. Speaker, again it is encouraging that part of the immediate struggle to assure continuation of the program has ended happily with the stock purchases by Treasury. While I know this administration holds to its original positions on the bank, it is an excellent sign that the fiscal year 1981 funds, already duly appropriated, have been allowed to be transferred to the bank in keeping with the mandatory nature of the statute governing the stock purchases. While we may continue to debate the merits of the bank and other funding, we must commend the recognition of the law and congressional intent in regard to these funds.

Mr. Speaker, I want to place in the RECORD a copy of my letter of April 16 to Secretary of the Treasury Donald Regan concerning the opinion of the Comptroller General and the release of title I moneys:

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS,
Washington, D.C., April 16, 1981.

Hon. DONALD REGAN,
Secretary, Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: I trust immediate steps will be taken to release funds for the National Consumer Cooperative Bank in keeping with the opinion of the Comptroller General of April 18, 1981.

As you know, this opinion stated, among other things, that:

". . . the Federal funds available to finance the Bank come from the Bank's sale of class A stock to the Treasury. Sections 3014(a) and (c) of title 12 use the term "shall" in reference to the Bank's issuance of stock to the Treasury. We believe that use of the term "shall" coupled with the general statutory scheme here involved connotes a mandate to engage in the action described. Consequently, the Secretary of the Treasury has no discretion to refuse to purchase class A stock issued by the Bank within the limits of appropriations made for this purpose.

"This conclusion is evident from the legislative history of Consumer Cooperative Bank Act. Senate Report 95-795 states on page 17 that there are to be three classes of stock in the Bank, including 'class A nonvoting, cumulative preferred stock for *required* purchase by the Secretary * * *.' (Emphasis added.) On page 18 of that report, it states that "with respect to government investment, the bill *directs* the Secretary of the Treasury to purchase class A stock * * *." (Italics added.)

"If the Congress had wanted the Secretary to have discretion in the purchase of stock, it clearly could have done so . . ."

I am sure you will take all the steps necessary to release these funds.

Sincerely,

FERNAND J. ST GERMAIN,
Chairman.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PETRI) to revise and extend their remarks and include extraneous material:)

Mrs. HECKLER, for 60 minutes, today.
Mr. SHAW, for 5 minutes, today.
Mr. MICHEL, for 5 minutes, today.
Ms. FIEDLER, for 5 minutes, April 28.

(The following Members (at the request of Mr. BAILEY of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. PEYSER, for 60 minutes, today.
Mr. SOLARZ, for 10 minutes, today.
Mr. AUCOIN, for 5 minutes, today.
Ms. MIKULSKI, for 5 minutes, today.
Mr. FORD of Michigan, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. REUSS, for 20 minutes, today.
Mr. ST GERMAIN, for 15 minutes, today.
Mr. WILLIAM J. COYNE, for 15 minutes, today.
Mr. REUSS, for 20 minutes, April 28.
Mr. SOLARZ, for 60 minutes, May 1.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PETRI) and to include extraneous matter:)

Mr. MCKINNEY.
Mr. NELLIGAN.
Mr. LEBOUTILLIER.
Mr. COURTER.
Mr. LENT.
Mr. LAGOMARSINO.
Mr. GUNDERSON.
Mr. DERWINSKI.
Mr. HOLLENBECK.
Mr. FIELDS.
Mr. MICHEL in seven instances.
Mr. SCHULZE.
Mr. RUDD.
Mr. DOUGHERTY in two instances.
Mr. ERDAHL.

(The following Members (at the request of Mr. BAILEY of Pennsylvania) and to include extraneous matter:)

Mr. MAVROULES.
Mr. SCHEUER.
Mr. STARK in two instances.
Mr. GARCIA.
Mr. ASPIN.
Mr. TRAXLER.
Mr. KASTENMEIER.
Mr. BEDELL.
Mr. ECKART.
Mr. PEPPER in two instances.
Mr. LEVITAS.
Ms. MIKULSKI in two instances.
Mr. HANCE.
Mr. DYSON in two instances.
Mr. CLAY.
Mr. HAMILTON in three instances.
Mr. DAN DANIEL.
Mr. OTTINGER.
Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. HAWKINS.
Mr. HUBBARD.
Mr. LONG of Maryland.
Mr. SIMON in three instances.
Mr. GUARINI.
Mr. RAHALL.
Mr. CONYERS in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 734. An act to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally; to the Committee on Banking, Finance and Urban Affairs; to the Committee on Foreign Affairs; and to the Committee on the Judiciary.

ADJOURNMENT

Mr. PEYSER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 50 minutes p.m.) pursuant to House Resolution 128, the House adjourned until tomorrow, Tuesday, April 28, 1981, at 12 noon in memory of the late TENNYSON GUYER of Ohio.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1980, TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the CONGRESSIONAL RECORD pursuant to section 4(b) of Public Law 85-804:

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., April 15, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: In compliance with Section 4(a) of Public Law 85-804, the calendar year 1980 report on "Extraordinary Contractual Actions to Facilitate the National Defense" is enclosed.

Table I shows that 127 contractual actions amounting to $4,854,882 were aproved and that 21 actions amounting to $12,530,976 were disapproved. Included in the number of actions approved are 66 actions for which a potential Government liability cannot be estimated.

Table II lists the actions which have an actual or potential cost to the Government of $50,000 or more. Table II also contains a list of those actions for which a potential Government liability cannot be estimated.

Sincerely,

D. O. COOKE,
Deputy Assistant Secretary of Defense.

TABLE I.—SUMMARY REPORT OF CONTRACTUAL ACTIONS TAKEN PURSUANT TO PUBLIC LAW 85-804 TO FACILITATE THE NATIONAL DEFENSE

[January to December 1980]

Department and type of Action	Actions approved			Actions denied	
	Number	Amount requested	Amount approved	Number	Amount
Department of Defense—total	127	$12,308,647	$4,854,882	21	$12,530,976
Amendments without consideration	4	6,178,836	1,898,525	8	10,432,185
Correction of mistakes	5	6,874	6,858	10	593,172
Formalization of informal commitments	51	663,458	549,499	2	1,505,619
Contingent liabilities	66				
Other	1	5,459,479	2,400,000	1	N/A
Army—total	42	535,356	538,733	8	1,634,767
Amendments without consideration	1	400,000	400,000	1	37,919
Correction of mistakes	4			6	259,649
Formalization of informal commitments	37	135,356	138,733	1	1,337,199
Contingent liabilities					
Other					
Navy—total	65	5,800,009	1,547,108	1	29,604
Amendments without consideration	1	5,291,399	1,149,293	1	29,604
Correction of mistakes					
Formalization of informal commitments	13	508,610	397,815		
Contingent liabilities	51				
Other					
Air Force—total	20	5,973,282	2,769,041	10	927,262
Amendments without consideration	2	487,437	349,232	4	425,319
Correction of mistakes	1	6,874	6,858	4	333,523
Formalization of informal commitments	1	19,492	12,951	1	168,420
Contingent liabilities	15				
Other (residual powers)	1	5,459,479	2,400,000	[1] 1	N/A
DLA—total				2	9,939,343
Amendments without consideration				2	9,939,343
Correction of mistakes					
Formalization of informal commitments					
Contingent liabilities					
Other					

[1] Contract modification.

TABLE II.—LIST OF CONTRACTUAL ACTIONS WITH ACTUAL OR POTENTIAL COST OF $50,000 OR MORE TAKEN PURSUANT TO PUBLIC LAW 85-804 TO FACILITATE THE NATIONAL DEFENSE

[January to December 1980]

Type of action, service, and name of contractor	Actual or estimated potential cost	Description of product or service	Justification
AMENDMENTS WITHOUT CONSIDERATION			
Army: Waltham Precision Instruments, Inc., Waltham, Mass..	$40,000	Aircraft clocks	Waltham Precision Instruments is a small business which primarly manufacturers mechanical clocks for aircraft and is currently the only active U.S. producer using U.S.-produced parts. The company has been established as a mobilization base producer of critical precision parts. A memorandum of understanding was concluded between the United States and Switzerland whereby DOD requirements in excess of an estimated quantity necessary to sustain Waltham were open for competition and awarded to Swiss firms. OSD determined that the minimum sustaining rate for Waltham was 300 clocks per month, but later found that 500 clocks per month was a more realistic figure. As a result of operating difficulties which led to losses in the last 3 years, attributable to errors in pricing, imprudent business ventures, and an inadequate accounting system, Waltham filed for bankruptcy in December 1978. As a result, an advance payment of $150,000 was authorized. The Army recognized, however, that more extensive relief to make the company viable was necessary under Pub. Law 85-804. Waltham, working with DOD and the Army, effected changes in top management, improved the accounting system, and reduced overhead and G. & A. rates. The sustaining rate was increased to a profitable level of 700 units per month. Based on the information submitted, the Board found that the continued viability of Waltham as a source of mechanical aircraft clocks is essential to the national defense, and granted monetary relief not to exceed $400,000, notwithstanding the recommendation of ARRCOM and DCAA for a lesser amount ($314,500).

TABLE II.—LIST OF CONTRACTUAL ACTIONS WITH ACTUAL OR POTENTIAL COST OF $50,000 OR MORE TAKEN PURSUANT TO PUBLIC LAW 85–804 TO FACILITATE THE NATIONAL DEFENSE—Continued

[January to December 1980]

Type of action, service, and name of contractor	Actual or estimated potential cost	Description of product or service	Justification
Navy: Applied Devices Corp. (ADC)	1,149,293	Multiband, surface-to-air-missile (SAM) radar system training devices.	The Naval Training Equipment Center (NTEC) awarded a fixed-price incentive contract to Applied Devices Corp. (ADC) at a ceiling price of $3,123,728 for surface-to-air-missile radar system training devices. ADC requested extraordinary relief because they had run out of time and money without completing the contract. An estimate of an additional $2 million was made by ADC. NTEC recommended that relief be granted because of a mutual mistake as to a material fact as described in the DAR and sought approval from the Naval Supply Systems Command to increase the ceiling by $4,142,106 to $7,250,707. The clearance was approved and ADC notified. A Navy review team investigated the facts leading to the new ceiling and did not conclude that a mutual mistake of material fact occurred, but that ADC could not complete the contract without additional funds because ADC's financial condition was so severe that a work stoppage was imminent. The Navy Contract Adjustment Board authorized an amendment without consideration to raise the contract ceiling price by $1,976,351 in order to satisfy ADC's incurred costs and to insure performance under the contract. ADC claimed this was a breach of contract since the contracting officer had legally raised the ceiling to $7,250,707. The Office of the General Counsel advised that the Navy would not be able to repudiate the contracting officer's agreement because he had authority to make the agreement and obtained the necessary clearance from higher authority. In addition, ADC relied on the contracting officer's representation that agreement had been reached. The Board rescinded its decision authorizing $1,976,351 and directed NTEC to settle ADC claims for breach of contract by increasing the ceiling price to $7,250,707. Based on technical and financial reviews of ADC's overall business base, the Board found that the eventual cost of the contract would reach an estimated $8.4 million and authorized an immediate award of the difference, or $1,149,193, thereby facilitating the national defense.
Air Force: Cartwright Engineering, Inc.	348,008	AN/DSQ–24A (Digidop scoring sensors)	Cartwright Engineering, Inc., received 3 sole source contracts for the manufacture, test, and delivery of AN/DSQ–24A Digidops scoring sensors which are an integral part of the missile scoring system for all Air Force aerial target drones. Cartwright based its request for relief on performance problems by its subcontractors. Cartwright subcontracted for a hybrid circuit with the MTS Corp. on a sole-source basis. When MTS failed to meet delivery schedules and quality standards, Cartwright selected Environmental Communications, Inc. (ECI), as the new source for 100 units of the hybrid circuits, at the same price as MTS. ECI also failed to meet performance criteria and Cartwright terminated the contract. However, Cartwright renegotiated the contract with ECI for the needed unit at a considerably higher price. Cartwright sought relief of $486,213 based on ECI price increases which were caused by unanticipated technical and production difficulties. In the interim, Cartwright stopped performance under the 3 contracts, alleging that further performance would increase its losses to $531,743. The Air Force Logistics Command (AFLC) sustained that Cartwright's continued operation and performance under these contracts was essential to the national defense. The AN/DSQ–24A scoring sensor is an essential element of the missile scoring system and Cartwright is the only manufacturer and holder of proprietary rights to the AN/DSQ–24A. Development of a new source would cost an estimated $2 to $3.5 million and take at least 2 years. Based on the above recommendations by the Air Force and AFLC, the Board considered the scoring sensors and Cartwright, as the sole producer, to be essential to the national defense and that granting extraordinary contractual relief to Cartwright would facilitate the national defense. The Board authorized the amendment of the existing contracts to provide for an increase in the unit price of the sensors of $1,665.11, and that Cartwright be paid a lump sum of $348,008 for 209 units already delivered, with future payments of remaining units upon delivery.
FORMALIZATION OF INFORMAL COMMITMENTS			
Navy: Todd Shipyards Corp.	310,850	Floating drydock (YFD–9)	The Naval Sea Systems Command (NAVSEA) contracted with Todd Shipyards Corp. (TODD) to lease 3 drydocks to them, including the YFD–9, with options for renewal. In 1976, TODD notified the Navy that it did not intend to exercise the option for the YFD–9 and requested that it be removed from their premises. Because of the vessel's poor condition and other cost factors, it remained at TODD for 3½ years before it was sold and removed. NAVSEA and TODD agreed that berthing charges for the YFD–9 would be offset by the leasing charges of the remaining drydocks. It was later discovered that the statutory authority for the lease, 10 U.S.C. 2667, did not authorize such offsets; therefore, NAVSEA requested that the Board formalize what had become an informal commitment. The Board decided that NAVSEA be authorized to formalize the commitments in an amount not to exceed $310,850, the schedule of charges agreed to in the offsetting arrangement.
RESIDUAL POWERS			
Air Force: E-Systems	2,400,000	Aircraft maintenance	E-Systems and its wholly owned subsidiary and subcontractor, Air Asia Co., Ltd., of Taiwan, were under contract to the Air Force to provide defense-related aircraft maintenance in Taiwan. The Air Force informed E-Systems of its decision to discontinue the maintenance because of the termination of diplomatic relations between the United States and the Republic of Taiwan. E-Systems sought relief under 2 theories; first, E-Systems contended that the Air Force's decision to discontinue the contract would cause them to suffer a loss of a significant portion of Air Asia's business base. This would result in a reduction in their work force and associated employee separation and retirement costs approximating $5.5 million. Second, E-Systems maintained that a mutual mistake as to a material fact was made during contract negotiations when E-Systems and the Air Force both assumed complete amortization of certain past service costs because of Air Asia's eligibility for aircraft maintenance contracts in the Far East. E-Systems contended that approximately $4.7 million of past service costs would have been negotiated into the contract if the parties had recognized the possibility that contractors in Taiwan would not be acceptable to the Air Force. The Board ruled that relief could not be granted under either theory since the Government, in its contractual capacity, could not be responsible for decisions related to diplomatic relations. Furthermore, an erroneous expectation of a continuing contractual relationship does not provide a basis for the mutual mistake theory. Pursuant to the Board's residual powers, it determined that E-Systems request warranted relief because it would be unfair for E-Systems to bear risks of unforseeable changes in foreign policy. The Board determined that granting relief under such unique circumstances will facilitate the national defense by demonstrating that the Government will deal fairly with defense contractors. E-Systems and the Air Force could not take into account the change in foreign policy and negotiate what the increase in price might have been. Accordingly, there was no way to determine that amount, and the Board awarded relief of $2.4 million, the amount it felt was equitable.

Contingent liabilities:

Provisions to idemnify contractors against liabilities because of claims for death, injury, or property damage arising from nuclear radiation, use of high-energy propellants, or other risks not covered by the contractor's insurance program were included in 66 contracts (the potential cost of these liabilities cannot be estimated inasmuch as the liability to the Government, if any, will depend upon the occurrence of an incident as described in the indemnification clause). Items procured are generally those associated with nuclear-powered vessels, nuclear-armed guided missiles, experimental work with nuclear energy, handling of explosives, or performance in hazardous areas.

Name of contractor	Number of contracts		Name of contractor	Number of contracts	
	Navy	Air Force		Navy	Air Force
Aerojet General Co		5	Lockhead Missiles & Space Co., Inc	2	
Automation Industries	1		Newport News Shipbuilding & Drydock	1	
Boeing Co		7	Raytheon Co	1	
Boeing Aerospace Co		1	Rockwell International Corp	1	
General Dynamics	30		Singer Co	1	
General Electric	7	2	Westinghouse Electric Corp	2	
Hercules Inc	1				
Honeywell Inc	1		Total	51	15
Hughes Aircraft Co	3				

In addition to these, indemnification clauses will be inserted in all transportation contracts entered into by the Military Airlift Command for transportation services to be performed by air carriers which own or control aircraft which have been allocated by the Department of Transportation to the Civil Reserve Air Fleet.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, and pursuant to the order of the House of April 7, 1981, executive communications were taken from the Speaker's table on the dates indicated and referred as follows:

[Apr. 13, 1981]

1096. A letter from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting various project performance audit reports received from the International Bank for Reconstruction and Development and the Asian Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

[Apr. 14, 1981]

1097. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of April 1, 1981, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 97-44); to the Committee on Appropriations and ordered to be printed.

1098. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a proposed third-country transfer of certain U.S.-origin military equipment, pursuant to section 3(d) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1099. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for implementation of the Export Administration Act of 1979; to the Committee on Foreign Affairs.

1100. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense services to Saudi Arabia (Transmittal No. 81-31), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1101. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to Greece (Transmittal No. 81-32), pursuant to section 36(b) of the Arms Export Control Act, together with certification that the sale is consistent with the principles contained in section 620C(b) of the Foreign Assistance Act, pursuant to section 620C(d) of the act; to the Committee on Foreign Affairs.

1102. A letter from the Secretary of Transportation, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1103. A letter from the President, American Academy and Institute of Arts and Letters, transmitting the annual report of the Academy and Institute for calendar year 1980, pursuant to section 4 of its charter; to the Committee on House Administration.

[Apr. 15, 1981]

1104. A letter from the Acting Comptroller General of the United States, transmitting his review of the proposed recissions, deferrals, and revised deferrals of budget authority contained in the message from the President dated March 10, 1981 (H. Doc. No. 97-28), pursuant to section 1014 (b) and (c) of Public Law 93-344 (H. Doc. No. 97-45); to the Committee on Appropriations and ordered to be printed.

1105. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at Norton Air Force Base, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

1106. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-18, "To amend the District of Columbia Government Comprehensive Merit Personnel Act of 1978 to establish pay limitations on salaries for District of Columbia employees for fiscal year 1981 and clarify provisions relating to adverse actions and grievances of certain employees of the Council of the District of Columbia, and to amend the District of Columbia Income and Franchise Tax Act of 1947 to allow for tax deductions for compensation waived by District of Columbia government employees," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1107. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-17, "To order the closing of portions of Van Ness Street, NW, abutting square 2055, between Connecticut Avenue, NW, and Reno Road, NW, (S.O. 79-173) (Ward 3); and to make a clarifying amendment to the Rental Housing Act of 1980," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1108. A letter from the Secretary of Transportation, transmitting a report covering calendar year 1980 on the use of authority to designate and rent inadequate quarters, lease family housing and hire quarters at or near Coast Guard installations, pursuant to 14 U.S.C. 475(f); to the Committee on Merchant Marine and Fisheries.

1109. A letter from the Comptroller General of the United States, transmitting a report on the need for improved management of plant genetic resources to minimize crop damage (CED-81-75, Apr. 10, 1981); jointly, to the Committees on Government Operations and Agriculture.

1110. A letter from the Comptroller General of the United States, transmitting a report on revising formulas for computing social security benefits (HRD-81-53, Apr. 14, 1981); jointly, to the Committees on Government Operations and Ways and Means.

[Apr. 16, 1981]

1111. A letter from Assistant Secretary of Defense (Comptroller), transmitting notice of transfer of funds within the Department of Defense, pursuant to section 734 of Public Law 96-527; to the Committee on Appropriations.

1112. A letter from the Acting Inspector General, Department of Health and Human Services, transmitting the annual report on improving the Department's management of consultant services, pursuant to section 307 of the Supplemental Appropriations and Recission Act of 1980; to the Committee on Appropriations.

1113. A letter from the Assistant Secretary of the Navy (Logistics), transmitting notice of the Navy's plans to study the conversion from in-house operation to commercial contract of the Defense Metropolitan Area Telephone System in the Norfolk area, pursuant to section 502 of Public Law 96-342; to the Committee on Armed Services.

1114. A letter from the Director, Federal Emergency Management Agency, transmitting the stockpile report for the report ended April to September 1980, pursuant section 11 of the Strategic and Critical Materials Stock Piling Act, as amended; to the Committee on Armed Services.

1115. A letter from the Deputy Director, Central Intelligence Agency for Administration, transmitting notice of proposed changes in an existing record system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1116. A letter from the Chairman, Federal Home Loan Bank Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1117. A letter from the Secretary, Consumer Product Safety Commission, transmitting notice of a proposed new record system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1118. A letter from the Secretary of the Interior, transmitting the annual report for calendar year 1980 on the anthracite mine water control and mine sealing and filling program, pursuant to section 5 of the act of July 15, 1955, as amended (76 Stat. 935; to the Committee on Interior and Insular Affairs.

1119. A letter from the Director, U.S. Commission on Civil Rights, transmitting a draft of proposed legislation to amend section 106 of the Civil Rights Act of 1964 (42 U.S.C. 1975e) to raise the limitation on appropriations for the U.S. Commission on Civil Rights; to the Committee on the Judiciary.

1120. A letter from the U.S. Trade Representative, Executive Office of the President, transmitting notice that increased duties on ethyl alcohol, pursuant to Public Law 96-499, require the United States to enter negotiations under Article XXVIII of the General Agreement on Tariffs and Trade; to the Committee on Ways and Means.

1121. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Food Stamp Act of 1977 to restrain food stamp program spending, to increase State agency flexibility, to focus benefits toward the most needy, to extend appropriations authority, to amend the Agriculture and Consumer Protection Act of 1973, and to extend and improve the commodity distribution programs, and for other purposes; jointly, to the Committees on Agriculture and Ways and Means.

1122. A letter from the Comptroller General of the United States, transmitting a report on the review of financing of certain marketing and regulatory services provided by agencies of the Department of Agriculture; jointly, to the Committees on Government Operations and Agriculture.

1123. A letter from the Comptroller General of the United States, transmitting a report evaluating alternative methods of measuring changes in homeownership costs in the consumer price index (PAD-81-12, Apr. 16, 1981); jointly, to the Committees on Government Operations and Education and Labor.

1124. A letter from the Acting Comptroller General of the United States, transmitting a report on the examination of financial statements of the Overseas Private Investment Corporation for fiscal years 1980 and 1979, pursuant to section 106 of the Government Corporation Control Act, as amended (H. Doc. No. 97-46); jointly, to the

Committees on Government Operations, and Foreign Affairs and ordered to be printed.

1125. A letter from the Director, Central Intelligence Agency, transmitting a draft of proposed legislation to authorize appropriations for fiscal year 1982 for intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes; jointly, to the Committees on Permanent Select Committee on Intelligence, Armed Services, and the Judiciary.

[*Apr. 20, 1981*]

1126. A letter from the Executive Associate Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the U.S. Secret Service for "Salaries and expenses" for fiscal year 1981, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

1127. A letter from the Acting Associate Director of Legislative Liaison, Department of the Air Force, transmitting the annual report for fiscal year 1980 on revenues derived by the Air Force from recovered materials, pursuant to section 612 of Public Law 93-552; to the Committee on Armed Services.

1128. A letter from the Secretary of Health and Human Services, transmitting the second annual report on implementation of the Age Discrimination Act of 1975, pursuant to section 308(b) of the act; to the Committee on Education and Labor.

1129. A letter from the Secretary of Health and Human Services, transmitting the eighth report of the Director of the National Heart, Lung, and Blood Institute, pursuant to section 413(b)(2) of the Public Health Service Act; to the Committee on Energy and Commerce.

1130. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of February 1981 on the average number of passengers per day on board each train operated, and the ontime performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Energy and Commerce.

1131. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by John J. Louis, Jr., Ambassador-designate to the United Kingdom of Great Britain and Northern Ireland, and by members of his family, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

1132. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Julia V. Taft, nominee as Ambassador-at-Large and Coordinator for Refugee Affairs, and by members of her family, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

1133. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of various international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1134. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Japan (Transmittal No. 81-34), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1135. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to Japan (Transmittal No. 81-36), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1136. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense services to Saudi Arabia (Transmittal No. 81-37), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1137. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense services to Saudi Arabia (Transmittal No. 81-38), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1138. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of proposed changes in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1139. A letter from the Executive Secretary, Federal Deposit Insurance Corporation, transmitting notice of two proposed new records systems, and of changes in various existing systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1140. A letter from the Staff Director, U.S. Commission on Civil Rights, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1141. A letter from the Chairman, National Transportation Safety Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1142. A letter from the Acting Deputy Assistant Secretary of the Interior, transmitting the annual report of the U.S. Government Comptroller for American Samoa for fiscal year 1979 on the fiscal condition of the American Samoa Government, pursuant to section 2(d) of Secretarial Order 3009 of September 13, 1977; to the Committee on Interior and Insular Affairs.

1143. A letter from the Acting Deputy Assistant Secretary of the Interior, transmitting various audit reports from the U.S. Government Comptrollers for the Virgin Islands, Guam/TTPI/NMI, and American Samoa; to the Committee on Interior and Insular Affairs.

1144. A letter from the Director, Federal Judicial Center, transmitting the 1980 annual report of the Center, pursuant to 28 U.S.C. 623(b); to the Committee on the Judiciary.

1145. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting the annual report for calendar year 1979 on administration of ocean dumping, pursuant to section 112 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended; to the Committee on Merchant Marine and Fisheries.

1146. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend the Intergovernmental Personnel Act of 1970 as amended; to the Committee on Post Office and Civil Service.

[*Apr. 21, 1981*]

1147. A letter from the Secretary of Education, transmitting a draft of proposed legislation to revise provisions of the Morrill Act of 1890 and the Nelson Amendment of 1907 which make permanent annual appropriations; to the Committee on Agriculture.

1148. A letter from the Secretary of Health and Human Services, transmitting the annual report for fiscal year 1980 on emergency medical services programs, pursuant to section 1208(c)(1) of the Public Health Service Act; to the Committee on Energy and Commerce.

1149. A letter from the Under Secretary of the Interior, transmitting a draft of proposed legislation to amend the act of August 18, 1970; to the Committee on Interior and Insular Affairs.

[*Apr. 22, 1981*]

1150. A letter from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at Holloman Air Force, N. Mex., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

1151. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-19, "To terminate the Environmental Litter Containers Franchise due to ongoing violations of franchise provisions by Pride Environmental Services, Inc.," pursuant to section 602(c) of Public Law 93-198; to the Committee on District of Columbia.

1152. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to Australia (Transmittal No. 81-33) pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1153. A letter from the Under Secretary of the Interior, transmitting a draft of proposed legislation authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Public Works and Transportation.

1154. A letter from the Acting Comptroller General of the United States, transmitting the second report on the Department of the Interior's methodology for monitoring and reporting on Outer Continental Shelf wells that are shut in or flaring (EMD-81-63, April 17, 1981), pursuant to section 601(b) of Public Law 95-372; jointly, to the Committees on Government Operations and Interior and Insular Affairs.

[*Apr. 23, 1981*]

1155. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting the annual report for calendar year 1980 on extraordinary contractual actions to facilitate the national defense, pursuant to section 4(a) of Public Law 85-804; to the Committee on Armed Services.

1156. A letter from the Acting Assistant Secretary of the Army (Installation, Logistics and Financial Management), transmit-

ting notice of the proposed conversion to contractor performance of the total installation support activities at Sacramento Army Depot, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

1157. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the vehicle operations and maintenance function at Kelly Air Force Base, Tex., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

1158. A letter from the Acting Director, Federal Emergency Management Agency, transmitting a report that the Agency acquired no real or personal property during the quarter ended March 31, 1981, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

1159. A letter from the Secretary of Housing and Urban Development, transmitting a report on the economic analysis of due-on-sale clauses, requested by the Conference Report on the Housing and Community Development Act of 1980; to the Committee on Banking, Finance and Urban Affairs.

1160. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to amend and extend certain Federal laws relating to housing, community and economic development, and related programs, to provide an improved and expedited mortgage foreclosure procedure with respect to multifamily mortgages held by the Secretary of Housing and Urban Development pursuant to title II of the National Housing Act or section 312 of the Housing Act of 1964, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

1161. A letter from the Mayor of the District of Columbia, transmitting the annual report of the Office of Emergency Preparedness of the District of Columbia for fiscal year 1980, pursuant to section 6 of Public Law 81-686; to the Committee on the District of Columbia.

1162. A letter from the Chairman of the Board, Student Loan Marketing Association, transmitting the annual report of the Association for calendar year 1980, pursuant to section 439(n) of the Higher Education Act of 1965, as amended; to the Committee on Education and Labor.

1163. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to provide for more equitable treatment of health maintenance organizations, and for other purposes; to the Committee on Energy and Commerce.

1164. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of the Commission's inability of render a final decision in docket No. 37507, *Rates on Iron Ore, Randville to Escanaba via Iron Mountain*, within the statutory time limit, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Energy and Commerce.

1165. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations to carry out the purposes of the International Investment Survey Act of 1976; to the Committee on Foreign Affairs.

1166. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a revision to the 1980 human rights report for Albania; to the Committee on Foreign Affairs.

1167. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1168. A letter from the President and Chief Executive Officer, United States Railway Association, transmitting a report on the Association's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1169. A letter from the President and Chief Executive Officer, United States Railway Association, transmitting a report on the Association's activities under the Government in the Sunshine Act during calendar 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1170. A letter from the Chairman, National Park Foundation, transmitting the 1980 annual report of the Foundation, pursuant to section 10 of Public Law 90-209; to the Committee on Interior and Insular Affairs.

1171. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to authorize appropriations for such title for fiscal years 1982 and 1983 and for other purposes; to the Committee on Merchant Marine and Fisheries.

1172. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to further amend the Marine Mammal Protection Act of 1972 to authorize appropriations for fiscal year 1982, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1173. A letter from the Administrator-designate, Federal Aviation Administration, Department of Transportation, transmitting the semiannual report on the effectiveness of the civil aviation security program, covering the period ended December 31, 1980, pursuant to section 315(a) of the Federal Aviation Act; to the Committee on Public Works and Transportation.

1174. A letter from the Deputy U.S. Trade Representative, Executive Office of the President, transmitting the biennal report on the operation and effect of the International Sugar Agreement, pursuant to section 5 of Public Law 96-236; jointly, to the Committees on Agriculture and Ways and Means.

1175. A letter from the Comptroller General of the United States, transmitting a report on improving independent evaluation systems in the multilateral development banks (ID-81-30, Apr. 21, 1981); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

1176. A letter from the Secretary of Transportation, transmitting the sixth annual report on the Department's activities under the Deepwater Port Act of 1974, covering fiscal year 1980, pursuant to section 20 of the act; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

[*April 27, 1981*]

1177. A letter from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting an airport master plan and facility marketing study for the former Richards-Gebaur Air Force Base, Kansas City, Mo., pursuant to section 610(b) of Public Law 94-431; to the Committee on Armed Services.

1178. A letter from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting the final environmental impact statement on the disposition and use of Federal surplus property at Hamilton Air Force Base, Novato, Calif., pursuant to section 610(b) of Public Law 94-431; to the Committee on Armed Services.

1179. A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend section 511(d) of title 10, United States Code, to eliminate the requirement for all persons to perform an initial period of active duty of not less than 12 weeks and to extend to 270 days the period within which persons enlisted under this section shall commence an initial period of active duty for training, and for other purposes; to the Committee on Armed Services.

1180. A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend section 4349(a) of title 10, United States Code, to provide that the companies of the corps of cadets at the U.S. Military Academy may be commanded by commissioned officers of the Army, Navy, Air Force, or Marine Corps; to the Committee on Armed Services.

1181. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking function at McGuire Air Force Base, N.J., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

1182. A letter from the Director, Administrative Office of the U.S. Courts, transmitting the second report on applications for delays of notice and customer challenges under provisions of the Right to Financial Privacy Act of 1978, pursuant to 12 U.S.C. 3421(a); to the Committee on Banking, Finance and Urban Affairs.

1183. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-21, "To permit commercial advertising on the side and rear exterior of Metrobuses," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1184. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-22, "To amend the Uniform Disposition of Unclaimed Property Act of 1980, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1185. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-23, "To order the closing of a public alley abutting lots 115 and 91 in Square 207 bounded by R Street, N.W., S Street, N.W., Johnson Avenue, N.W., and 15th Street, N.W. (S.O. 77-164) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1186. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-24, "To order the closing of a portion of Nannie Helen Burroughs Avenue, N.E., and a portion of a public alley abutting lots 10, 11, 25, 26, 91, 96, 102, 103, 104, 105, 106, and 107 in Square 5127, bounded by Hunt Place and 46th Street, N.E. (S.O. 78-372) (Ward 7)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1187. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 4-25, "To order the closing of a portion of a north-south public

alley abutting lots 267, 805, and 806 in Square 5359, bounded by Hilltop Terrace, S.E., and 46th Street, S.E. (S.O. 79-388) (Ward 7)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1188. A letter from the Acting General Counsel, Department of Energy, transmitting notice of a meeting relating to the international energy program to be held on April 27 and 28 in London; to the Committee on Energy and Commerce.

1189. A letter from the Acting Administrator, Energy Information Administration, Department of Energy, transmitting reports covering the month of January 1981 on changes in market shares for refined petroleum products and retail gasoline, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Energy and Commerce.

1190. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Denmark for permission to transfer temporarily by lease certain U.S.-origin military equipment to General Dynamics Corp., pursuant to section 3(d) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1191. A letter from the Executive Officer, U.S. Environmental Protection Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1192. A letter from the Chairman, Board of Directors, Tennessee Valley Authority; transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1193. A letter from the Sergeant at Arms, U.S. House of Representatives, transmitting his annual report of funds drawn by him, the application and disbursement of the sums, and balances remaining in his hands as of January 2, 1981, pursuant to section 7 of the act of October 1, 1980 (26 Stat. 646); to the Committee on House Administration.

1194. A letter from the Director, Administrative Office of the U.S. Courts, transmitting his annual report for calendar year 1980 on applications for court orders made to Federal and State judges to permit the interception of wire or oral communications, pursuant to 18 U.S.C. 2519(3); to the Committee on the Judiciary.

1195. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1196. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the act of August 11, 1939, as amended, to provide that funds to be expended under the act must first be approved through an appropriations act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1197. A letter from the Secretrary of Commerce, transmitting a draft of proposed legislation to amend section 9 of the National Climate Program Act to extend the authorization for appropriations for fiscal years 1982 and 1983, and for other purposes; to the Committee on Science and Technology.

1198. A letter from the Acting Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize funds to the Republic of the Philippines to assure the effective care and treatment of patients in the Veterans Memorial Medical Center; to the Committee on Veterans' Affairs.

1199. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to consolidate and improve Federal grants to States for home energy and emergency assistance to low-income households, to eliminate unnecessary restrictions on those programs and increase flexibility in a State's exercise of its responsibility for program administration, and for other purposes; jointly to the Committees on Education and Labor, Ways and Means, Energy and Commerce, and Banking, Finance and Urban Affairs.

1200. A letter from the Acting Comptroller General of the United States, transmitting a report on alternative field structures for conducting examinations of financial institutions (GGD-81-21, Apr. 24, 1981); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

1201. A letter from the Acting Comptroller General of the United States, transmitting a report on the role of the Federal payment in financing the budget of the District of Columbia (GGD-81-67, Apr. 23, 1981); jointly, to the Committees on Government Operations and the District of Columbia.

1202. A letter from the Acting Comptroller General of the United States, transmitting a report on the U.S. Customs Service's procedures for classifying merchandise under the Tariff Schedules of the United States Annotated (GGD-81-46, Apr. 23, 1981); jointly, to the Committees on Government Operations and Ways and Means.

1203. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to implement the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment To Be Used for Such Carriage (ATP), and for other purposes; to the Committee on Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Submitted Apr. 16, 1981*]

[*Pursuant to the order of the House on Apr. 7, 1981, the following report was filed on Apr. 16, 1981*]

Mr. JONES of Oklahoma: Committee on the Budget. House Concurrent Resolution 115. Concurrent resolution revising the congressional budget for the U.S. Government for the fiscal year 1981 and setting forth the congressional budget for the U.S. Government for the fiscal years 1982, 1983, and 1984 (Rept. No. 97-23). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted Apr. 27, 1981*]

Mr. FUQUA: Committee on Science and Technology. H.R. 2643. A bill to provide for the improvement of the Nation's airport and airway system, and for other purposes (Rept. No. 97-24, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 3243. A bill to establish a grant program for the acquisition of medical equipment and supplies for the treatment of aircraft accident burn victims; to the Committee on Public Works and Transportation.

H.R. 3244. A bill to amend the Hazardous Materials Transportation Act of 1974 to prohibit the transportation of radioactive materials in densely populated areas; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. CARMAN:

H.R. 3245. A bill to provide mandatory social security coverage for Members of Congress and for the President and Vice President; to the Committee on Ways and Means.

By Mr. COLLINS of Texas:

H.R. 3246. A bill to amend the Natural Gas Policy Act of 1978 to remove the price controls on certain natural gas produced after April 1981; to the Committee on Energy and Commerce.

H.R. 3247. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to remove the fuel use prohibitions applicable to existing powerplants and major fuel-burning installations; to the Committee on Energy and Commerce.

H.R. 3248. A bill to amend the Internal Revenue Code of 1954 to exempt newly discovered oil from the windfall profit tax; to the Committee on Ways and Means.

H.R. 3249. A bill to amend the Internal Revenue Code of 1954 to provide that intangible drilling and development costs will not be treated as an item of tax preference for purposes of the minimum tax; to the Committee on Ways and Means.

H.R. 3250. A bill to amend the Internal Revenue Code of 1954 to provide that the rate used in computing percentage depletion for oil and natural gas will continue to be 22 percent; to the Committee on Ways and Means.

By Mr. CORRADA:

H.R. 3251. A bill to authorize the Secretary of the Interior to provide financial assistance to the territories of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EVANS of Delaware:

H.R. 3252. A bill to establish the Coastal Barrier Resources System, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GUNDERSON:

H.R. 3253. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment for purposes of the unemployment tax of certain services performed by students; to the Committee on Ways and Means.

By Mr. LONG of Maryland:

H.R. 3254. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 3255. A bill to amend title 39 of the United States Code relating to the mailing free of postage of bills by nonprofit health clinics receiving Federal financial assistance; to the Committee on Post Office and Civil Service.

H.R. 3256. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Ways and Means.

H.R 3257. A bill to amend the Internal Revenue Code of 1954 to exclude life insurance proceeds from the gross estate for purposes of the Federal estate tax; to the Committee on Ways and Means.

By Mr. McGRATH:

H.R. 3258. A bill to amend the Internal Revenue Code of 1954 to provide individuals a limited exclusion from gross income for interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. MONTGOMERY (by request):

H.R. 3259. A bill to amend title 38, United States Code, to authorize funds to the Republic of the Philippines to assure the effective care and treatment of patients in the Veterans Memorial Medical Center; to the Committee on Veterans' Affairs.

By Mr. SCHEUER (for himself and Mr. CARNEY):

H.R. 3260. A bill to establish a mechanism with the Department of Health and Human Services to maximize the availability of new compassionate drug treatments; to the Committee on Energy and Commerce.

By Mr. STANTON of Ohio (by request):

H.R. 3261. A bill to amend and extend certain Federal laws relating to housing, community and economic development, and related programs, to provide an improved and expedited mortgage foreclosure procedure with respect to multifamily mortgages held by the Secretary of Housing and Urban Development pursuant to title II of the National Housing Act or section 312 of the Housing Act of 1964, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STARK:

H.R. 3262. A bill to amend the Internal Revenue Code of 1954 to provide for the awarding of reasonable court costs and certain fees to prevailing parties in civil tax actions, and for other purposes; to the Committee on Ways and Means.

By Mr. WALGREN (for himself and Mrs. HECKLER):

H.R. 3263. A bill to amend the Earthquake Hazards Reduction Act of 1977 and the Federal Fire Prevention and Control Act of 1974 to authorize the appropriation of funds to the Director of the Federal Emergency Management Agency to carry out the earthquake hazards reduction programs and the fire prevention and control program, and for other purposes; to the Committee on Science and Technology.

By Mr. ADDABBO:

H. J. Res. 235. Joint resolution to provide that certain regulations issued by the Secretary of Transportation relating to highway routing of radioactive materials shall not be effective; to the Committee on Public Works and Transportation.

By Mr. FITHIAN:

H. J. Res. 236. Joint resolution providing for the designation and adoption of the American marigold as the national floral emblem of the United States; to the Committee on Post Office and Civil Service.

By Mr. HAMMERSCHMIDT:

H. J. Res. 237. Joint resolution designating May 6, 1981, as "National Nursing Home Residents Day"; to the Committee on Post Office and Civil Service.

By Mr. LENT:

H. Con. Res. 117. Concurrent resolution disapproving the proposed sale to Saudi Arabia of AIM-9L air-to-air missiles, the FAST auxiliary fuel and equipment pods for the F-15 fighter, and the five airborne warning and control aircraft (AWACS) ordered by Saudi Arabia; to the Committee on Foreign Affairs.

By Mr. LONG of Maryland:

H. Con. Res. 118. Concurrent resolution disapproving the proposed sale to Saudi Arabia of five airborne warning and control aircraft (AWACS) and conformal fuel tanks and air-to-air missiles for 62 F-15 fighter aircraft; to the Committee on Foreign Affairs.

H. Con. Res. 119. Concurrent resolution expressing the sense of Congress that the age of retirement under the social security program should remain at 65, and that the Congress will not enact legislation to raise such age; to the Committee on Ways and Means.

By Mr. COELHO:

H. Res. 129. Resolution to request the Secretary of the Interior to restore the name "Bureau of Reclamation" to the bureau of the Department of the Interior charged with administering the Federal reclamation program; to the Committee on Interior and Insular Affairs.

MEMORIALS

Under clause 4 of rule XXII, and pursuant to the order of the House of April 7, 1981, memorials were presented and referred, on the dates indicated, as follows:

[Apr. 20, 1981]

39. By the SPEAKER: A memorial of the Legislature of the Senate of Nevada, relative to resumption of mulitple use of public lands found unsuitable for designation as wilderness by the Bureau of Land Management; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

40. Also, memorial of the House of Representatives of the State of New Mexico, relative to disabled military retirees, disability compensation, and earned retirement pay; jointly, to the Committees on Armed Services and Veterans' Affairs.

[Apr. 27, 1981]

41. Also, memorial of the Legislature of the State of Idaho, relative to undesirable plant species, including noxious plants, on lands administered by Federal agencies; to the Committee on Agriculture.

42. Also, memorial of the Legislature of the State of Utah, relative to alcohol abuse; to the Committee on Energy and Commerce.

43. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to budget cuts; to the Committee on Interior and Insular Affairs.

44. Also, memorial of the House of Representatives of the State of Hawaii, relative to immigrant assistance; to the Committee on the Judiciary.

45. Also, memorial of the Legislature of the State of North Dakota, relative to right to life amendment; to the Committee on the Judiciary.

46. Also, memorial of the House of Representatives of the State of Hawaii, relative to reinstatement of funding for the sea grant college program and the ocean thermal energy conversion program; to the Committee on Merchant Marine and Fisheries.

47. Also, memorial of the Legislature of the State of Mississippi, relative to Tennessee-Tombigbee Waterway; to the Committee on Public Works and Transportation.

48. Also, memorial of the House of Representatives of the State of Pennsylvania, relative to the Tomb of the Unknown Soldier; to the Committee on Veterans' Affairs.

49. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to section 936 of the Federal Internal Revenue Act; to the Committee on Ways and Means.

50. Also, memorial of the Legislature of the State of Idaho, relative to local control; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

51. Also, memorial of the Legislature of the State of Arizona, relative to enactment of economic legislation proposed by the President of the United States; jointly, to the Committees on Government Operations and Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. D'AMOURS:

H.R. 3264. A bill for the relief of Michael Chan; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 3265. A bill for the relief of Dr. Ida Zafra Villanueva; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 44: Mr. DREIER.

H.R. 70: Mr. SAVAGE.

H.R. 182: Mr. STANGELAND and Mr. STUDDS.

H.R. 269: Mr. EVANS of Delaware, Mr. MARRIOTT, and Mr. GOODLING.

H.R. 374: Mr. RINALDO, Mr. BENNETT, Mr. BRODHEAD, Mr. FRANK, Mr. MOTTL, Mr. GUARINI, and Mr. BONER of Tennessee.

H.R. 375: Mr. DOWNEY and Mr. SIMON.

H.R. 378: Mr. DWYER.

H.R. 484: Mr. WHITLEY.

H.R. 501: Mr. APPLEGATE, Mr. BAFALIS, Mr. BAILEY of Pennsylvania, Mr. CONYERS, Mr. CORRADA, Mr. D'AMOURS, Mr. DICKS, Mr. ERLENBORN, Mr. EVANS of Delaware, Mr. FARY, Mr. HUBBARD, Mr. LEWIS, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. MILLER of California, Mr. MOLINARI, Mr. MOTTL, Mr. MURTHA, Mr. PEPPER, Mr. RAHALL, Mr. ROBERTS of Kansas, Mr. SAVAGE, Mr. SCHUMER, Mr. SOLARZ, Mr. STANTON of Ohio, Mr. TRIBLE, Mr. WORTLEY, Mr. WYDEN, and Mr. YOUNG of Missouri.

H.R. 560: Mr. LEBOUTILLIER and Mr. HOWARD.

H.R. 644: Mr. ROBERT W. DANIEL, JR.

H.R. 907: Mr. CONYERS.

H.R. 911: Mr. MOORHEAD and Mrs. BOGGS.

H.R. 1005: Mr. PRITCHARD, Mr. ROBINSON, and Mr. BROOMFIELD.

H.R. 1100: Mr. LENT and Mr. DYSON.

H.R. 1554: Mr. MCKINNEY and Mr. BINGHAM.

H.R. 1576: Mr. ALBOSTA, Mr. SCHUMER, Mr. BONER of Tennessee, Mr. KOGOVSEK, Mr. WILLIAMS of Montana, Mr. ERDAHL, Mr.

RICHMOND, Mr. ATKINSON, Mr. KILDEE, and Mr. CROCKETT.

H.R. 1711: Mr. MATSUI.

H.R. 1765: Ms. FIEDLER.

H.R. 1851: Mr. BEDELL, Mr. BONIOR of Michigan, Mr. BROWN of California, Mr. D'AMOURS, Mr. DANIELSON, Ms. FERRARO, Mr. FORD of Michigan, Mr. GRAY, Mr. KILDEE, Mr. LAFALCE, Mr. SCHEUER, Mr. SOLARZ, Mr. STOKES, Mr. VENTO, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. WOLPE, and Mr. YATES.

H.R. 2352: Mr. SCHUMER and Mr. JEFFRIES.

H.R. 2389: Mr. EVANS of Georgia, Mr. DANIEL B. CRANE, Mr. WON PAT, Mr. WILLIAMS of Ohio, Mr. STOKES, Mr. SHELBY, Mr. LAGOMARSINO, Mr. DUNCAN, Mr. SAVAGE, Mr. EVANS of Delaware, Mr. DE LA GARZA, Mr. GOLDWATER, JR., Mr. LEBOUTILLIER, Mr. ROBINSON, Mr. DORNAN of California, Mr. MCGRATH, Mr. SUNIA, Mr. ROBERT W. DANIEL, JR., Mr. DANNEMEYER, and Mr. GINGRICH.

H.R. 2414: Mr. STOKES, Mr. DAVIS, Mr. SCHEUER, Mr. ANNUNZIO, Mrs. CHISHOLM, Mr. LOTT, Mr. HOWARD, Mr. STANGELAND, Mr. MURPHY, and Mr. CORRADA.

H.R. 2445: Mr. ATKINSON.

H.R. 2506: Mr. WILLIAM J. COYNE, Mr. EDGAR, Mr. LOWRY of Washington, Mr. MOFFETT, and Mr. OBERSTAR.

H.R. 2640: Mr. SEIBERLING.

H.R. 2859: Mr. MITCHELL of Maryland, Mr. FROST, Mr. BAFALIS, Mr. PORTER, Mr. JENKINS, Mr. STOKES, Mr. OTTINGER, Mr. DE LUGO, Mr. RICHMOND, and Mr. DORNAN of California.

H.R. 2888: Mr. BONER of Tennessee.

H.R. 2921: Mr. BUTLER and Mr. CHENEY.

H.R. 3006: Mr. FRENZEL, Mr. BUTLER, Mr. COLLINS of Texas, Mr. LOTT, and Mr. LAGOMARSINO.

H.R. 3070: Mr. MCDADE, Mr. WEBER of Minnesota, and Mr. COELHO.

H.R. 3184: Mr. DANNEMEYER.

H.J. Res. 128: Mrs. BOUQUARD, Mr. BRODHEAD, Mr. BROYHILL, Mr. CHENEY, Mr. FORSYTHE, Mr. GEJDENSON, Mr. GINN, Mr. MCCLORY, Mr. MCCURDY, Mr. QUILLEN, Mr. SANTINI, Mr. STENHOLM, and Mr. WILLIAMS of Ohio.

H.J. Res. 131: Ms. OAKAR, Mr. LEATH of Texas, Mr. EVANS of Georgia, Mr. MCDADE, Mr. SANTINI, Mr. FOLEY, Mr. BRODHEAD, Mr. PICKLE, Mr. PHILLIP BURTON, Mr. GOLDWATER, Mr. BROWN of California, and Mr. PANETTA.

H.J. Res. 203: Mr. SCHEUER, Mr. PEPPER, Mr. GIBBONS, Mr. FOGLIETTA, Mr. PURSELL, Mr. CORRADA, Mr. PERKINS, Mr. FISH, Mrs. CHISHOLM, Mr. MATSUI, Mr. FORD of Michigan, Mr. KILDEE, Ms. MIKULSKI, Mr. RICHMOND, Mr. LAFALCE, and Mr. ST GERMAIN.

H. Res. 125: Mr. KILDEE, Mr. WEBER of Minnesota, and Mr. COELHO.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

56. By the SPEAKER: Petition of the mayor and board of aldermen, Crosby, Miss., relative to community health centers; to the Committee on Energy and Commerce.

57. Also, petition of the Portuguese-American Federation, Inc., Bristol, R.I., relative to appointment of Joseph E. Fernandes as Ambassador to Portugal; to the Committee on Foreign Affairs.

58. Also, petition of the trustees, Temple Isaiah, Los Angeles, Calif., relative to budget cuts; to the Committee on Government Operations.

59. Also, petition of the board of trustees, State of Hawaii, Office of Hawaiian Affairs, Honolulu, Hawaii, relative to the Native American Hawaiian Study Commission; to the Committee on Interior and Insular Affairs.

60. Also, petition of the city council, Cambridge, Mass., relative to the Atlanta murders; to the Committee on the Judiciary.

61. Also, petition of the executive board South Middlesex Bar Association, Framingham, Mass., relative to the Legal Services Corporation; to the Committee on the Judiciary.

62. Also, petition of the National Capital Union Presbytery, Washington, D.C., relative to a day of mourning for Atlanta; to the Committee on Post Office and Civil Service.

63. Also, petition of the Hawaii Association of Soil and Water Conservation Districts, Maui, Hawaii, relative to taxes on agricultural lands; to the Committee on Ways and Means.

64. Also, petition of the city council, Cambridge, Mass., relative to nuclear weapons; jointly, to the Committees on Armed Services and Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. CON. RES. 115

Page 7, line 4, strike out "$219,600,000,000" and insert in lieu thereof "$215,800,000,000".

Page 7, line 5, strike out "$189,750,000,000" and insert in lieu thereof "$185,950,000,000".

Page 7, line 13, strike out "$6,300,000,000" and insert in lieu thereof "$6,689,000,000."

Page 7, line 14, strike out "$6,850,000,000" and insert in lieu thereof "$7,239,000,000."

Page 7, line 16, strike out "$8,050,000,000" and insert in lieu thereof "$7,550,000,000.".

Page 7, line 17, strike out "$12,350,000,000" and insert in lieu thereof "$11,850,000,000."

Page 7, line 25, strike out "$21,350,000,000" and insert in lieu thereof "$21,550,000,000."

Page 8, line 1, strike out "$21,100,000,000" and insert in lieu thereof "$21,300,000,000."

Page 8, line 7, strike out "$28,150,000,000" and insert in lieu thereof "$28,321,000,000."

Page 8, line 8, strike out "$29,400,000,000" and insert in lieu thereof "$29,571,000,000."

Page 8, line 10, strike out "$84,650,000,000" and insert in lieu thereof "$85,850,000,000."

Page 8, line 11, strike out "$74,450,000,000" and insert in lieu thereof "$75,650,000,000."

Page 8, line 13, strike out "$278,400,000,000" and insert in lieu thereof "$280,393,000,000."

Page 8, line 14, strike out "$247,650,000,000" and insert in lieu thereof "$248,643,000,000."

Page 8, line 19, strike out "$4,350,000,000" and insert in lieu thereof "$4,697,000,000."

Page 8, line 20, strike out "$4,550,000,000" and insert in lieu thereof "$4,897,000,000."

EXTENSIONS OF REMARKS

WHAT DOES SCHOLARSHIP TELL US?

HON. ROBERT H. MICHEL
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. MICHEL. Mr. Speaker, the Wall Street Journal and the New York Times have both editorially addressed the subject of what is now being called the new Coleman report. Oddly enough, both editorials reached approximately the same conclusion although they start from radically different premises. The Wall Street Journal, which is sympathetic to the idea of tuition tax credits for parents who send children to nonpublic schools, says public schools would improve if public school officials had "authority and the same parental involvement" as those who manage private schools. The Times, which is opposed to tuition tax credits, ends its editorial with almost the same thought. It says we must "struggle to reinstill discipline, accountability and parental interest" in public education.

I am glad to see at least some agreement on the sensitive issue of what we must do to reinvigorate our public educational system.

What puzzles me, however, is the New York Times uncharacteristically dismissive attitude toward scholarship in the field of public policy. The Times states that since scholars disagree about Dr. Coleman's findings the only attitude we can take toward his scholarship is "so what?"

I find this attitude strange particularly coming from the Times, a newspaper which devotes quite a bit of editorial and news columns to scholarly findings and quite often cites such findings if they support the Times views on public policy. Surely the Times would not say "so what" to the sociological studies used to support the 1954 Supreme Court decision on segregation, studies which were also subjected to scholarly attacks.

I am reminded that 2 years ago I asked the Library of Congress to put together a list for me of all the major surveys that have been done on the title I educational programs, aimed at very young children. The Library reported to me that if we take a look at the best overall surveys that have been done, over a period of years, the consensus is that gains in the title I program are, at best, minimal and we do not even know if these small gains last.

This is what scholarship tells us. But who listens? If the scholarship showed different results I am certain the Times would be quoting it in defense of more Federal funding on education.

But for the moment, it would seem that Dr. Coleman has at the very least opened up an interesting chapter in the long story for the fight for quality education.

At this time I insert in the RECORD "Private Schools, Public Duty" from the New York Times, April 10, 1981, and "Coleman Report II" from the Wall Street Journal, April 10, 1981:

PRIVATE SCHOOLS, PUBLIC DUTY

Advocates of tuition tax credits for parochial and private schools now find new ammunition in yet another "Coleman Report."

The original such report, issued 15 years ago, was named for the sociologist James Coleman, who was its principal author. It concluded that school desegregation could improve the achievement levels of disadvantaged students. Professor Coleman's newest study concludes that pupils in nonpublic high schools exceed public school students in achievement, perhaps even in meaningful desegregation.

Predictably, the report has already aroused supporters of public education, and some social scientists are challenging the research methods. But even assuming Dr. Coleman's conclusions to be sound, the issue now is what will be done with them.

The findings are based on tests of students and interviews with administrators. Students in parochial and private schools scored higher than public school pupils, even after ethnic and economic differences were discounted. Parochial schools come closest to the "common school" ideal, Dr. Coleman says, since their pupils' achievements are most nearly the same regardless of socio-economic status.

There is reason to wonder how sound the study is. Students in the surveyed public and nonpublic schools were not drawn randomly from the same sample. Self-selection was not taken into account. So the superior achievement of private school students may be at least partly attributable to the fact that they came from more educated or interested parents willing to pay for schooling. If public schools could hand-pick their pupils and reject those who act up or fail, the performance gap might vanish.

Methodology aside, objective scholarship does not easily mix with the frankly subjective politics of public policy. Experts of opposite persuasions leap to defend or discredit any findings, and sometimes they're right. Professor Coleman says of his first report that "what once appeared to be fact is now known to be fiction." In the new study, he attributes the superiority of parochial and private schools to their stiffer academic demands and more orderly environments. Experts on public education long ago discovered that inner-city schools with the same characteristics also did better than the rest.

But in any case, the new report comes down to a blunt policy question: so what? Should society now abandon public schools and open the Treasury to help parents pay private tuition? Or will it instead struggle to reinstill discipline, accountablity and parental interest in public education? Nonpublic schools can and do proudly provide fine education, working with select students. The test is whether society has the courage to provide the resources and authority to make public education work.

COLEMAN REPORT II

James S. Coleman, the sociologist of education, has shattered conventional wisdom once again with another massive statistical study of the nation's schools. But once again, the most significant contributions of his research are in danger of being ignored.

Back in 1966, when Mr. Coleman issued his report on "Equality of Educational Opportunity," public attention focused mostly on his findings about the advantages of desegregation—particularly his contention that the test scores of lower-income black children improved when they attended predominantly middle-class white schools.

The use of this one finding to justify busing blurred and even distorted other parts of Coleman Report I. For example, he concluded that test score performance depends very little on factors then and still highly rated by educators, such as low student-teacher ratios, the quality of school facilities or per-student expenditures. Mr. Coleman even later qualified his findings that black performance was improved by desegregation and that didn't win him high praise from his peers either.

This week Mr. Coleman issued another report. It too will be controversial and may be employed for political purposes, such as to support tuition tax credit legislation. The new report is more optimistic, in a way, than the first one. The central finding of Coleman I, lost in the political shuffle, was that the principal determinant of academic success was a student's family and class background, not schools. The basic implication of Coleman II is that schools can make a big difference after all.

Coleman II offers impressive evidence that students in Catholic and other private high schools outperform their counterparts in public schools, even after statistically controlling for family and class background. This doesn't shock us much, even though some people might wonder why schools normally run on lower budgets with lower teacher pay could do so well. If parents shell out the money for private schools they must feel they are getting something in return and they can't be all wrong.

Private school students work harder and present fewer discipline problems, Mr. Coleman found. For example, sophomores devote nearly 6 hours a day to homework compared with 3.7 for public school sophs. They take more advanced courses. There is less absenteeism and there are fewer disciplinary disruptions.

In short, Coleman II shows that education need not be a hopeless enterprise, as some school administrators have come to think. We urge educators who played fast and loose with Coleman I to look at Coleman II more seriously even if it contradicts some of their cherished beliefs. Public schools could do much better if the people who are supposed to run them had the same scope of

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

authority, and the same parental involvement, as the people who manage private schools.●

"IT'LL COST EXTRA FUNDS JUST TO HIRE MORE POLICE"

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. DYSON. Mr. Speaker, at the request of Mr. Rudy Cane of Salisbury, Md., I am inserting a poem by Ms. Betty Barlow of Millington, Md., which she read at an open forum.

First of all, it's degrading to admit you can't make it.
You swallow your pride, ask for help, and you take it.
You're regarded as trash at the grocery store,
As you give them your food stamps and wish you had more.
My entire grocery budget to last us a week,
Is $32, now isn't that bleak?
Our medical cards for the doctor is great!
But without gas to get there, the kids have to wait.
My son wants to get his new school shoes today.
Maybe next month, is all I can say.
Poor grandma, this winter, she hasn't much luck,
She can't pay her fuel bill or turn her heat up.
Some of her meals are brought in, I'm aware,
But what if they're stopped, I hope someone cares.
"Do you work?" I get angry when rude people ask me.
I do work alot, I just don't get a salary.
Helping the elderly, the Fire Company and Title I at school,
Besides being a single parent for two!
Head Start and the Cub Scouts, the Church, P.T.A.,
They all use my help but have no funds to pay.
If I were paid for what I undertake,
I wouldn't need help, not federal or state.
But these things don't warrant much government thought,
And apparently our families and friends are forgot.
If you take all the good-needed funding away,
We'll be out on the street like cats and dog strays.
There'll be looting and stealing, not any release.
It'll cost extra funds just to hire more police.
The billions you spend on bringing Mars near,
Could be used to help all of the people down here.
Your rockets and missiles don't mean much to me,
Food, clothing and shelter are the problems I see.
You can say you understand, that you've heard it from many,
But you can't walk in my shoes, if I haven't got any.●

AID TO NICARAGUA

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Ms. MIKULSKI. Mr. Speaker, I rise in opposition to the administration's actions in cutting off all economic aid to Nicaragua. The administration has justified this action by charging that Nicaragua is responsible for allowing Salvadoran guerrillas to receive arms and supplies. Such a charge is questionable at best—and certainly not clearly supported by the evidence. The administration has sponsored various briefings—both secret and public—to justify its actions and attempt to prove that Nicaragua has been committing acts in support of the guerrillas. However, participants at the briefings are frequently prohibited from asking questions about the evidence being shown.

Nicaragua is now in the process of rebuilding after its long and devastating civil war—a war which unseated the American supported dictator Anastasio Somoza. The civil war destroyed much of Nicaragua's economy and our aid is critical in helping to put Nicaragua back on its feet. I was interested to note last week in Nicaragua that the American community, both business and religious representatives, carried out a public demonstration in opposition to U.S. policy in Nicaragua. Tragically, our Government's action in cutting off funds gives Nicaragua no alternative but to turn away from the West and turn to others. This is a result the administration certainly opposes.

The humanitarian and political ramifications of this decision are far reaching and very disturbing. I hope that the administration reconsiders its decision.●

THE IMPACT OF PROPOSED BUDGET CUTS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. HAWKINS. Mr. Speaker, James Russell Lowell aptly stated the moral question in another crisis in the year 1844 when he suggested that:

Once to every man and nation comes the moment to decide, In the strife of Truth with falsehood, for the good or evil side.

The soundness of that admonition struck me recently during official hearings of an Education and Labor Subcommittee in Kentucky, headed by Congressman PERKINS.

What we were told in this typical American commonwealth, about the impact of budget cuts on such programs as vocational education, school lunch, WIC, and CETA dramatically differed from the information being circulated by administration propagandists here in Washington.

In particular, I am inserting into the RECORD the effects the proposed slashing of CETA will have on individual jobs and valuable programs that refute the unsubstantiated charges so profusely orchestrated by those seeking a cheap, docile, and unorganized labor pool of the unemployed.

Representative of the views expressed was that of Dr. John C. Wells, commissioner, bureau for manpower services, Kentucky Department for Human Resources. His statement follows:

Mr. Chairman, the President proposes to eliminate CETA Title VI Public Service Employment funds by the end of fiscal year 1981. This will cost our program $9,100,000 and will put 1,481 Kentuckians out of work. He likewise proposes to end Title IID Public Service Employment. This will cost us $17,389,000 and 2,377 jobs.

These participants perform vital services for Kentucky's counties and communities. For example, 47 of our 91 counties fund their emergency medical services by public service employment positions. The elimination of Title VI and Title IID will abolish some 200 emergency medical technician positions. For many of our counties this means total dismantlement of ambulance and dispatcher services. This action will cost lives in Kentucky.

Additionally, home health aides, nurse aides, and senior citizen aides services will be cut drastically leaving many of our elderly citizens without the necessary services that have allowed them to remain in their homes and out of state or private institutions.

PSE funds also support law enforcement personnel in 30 of our 91 counties. These law enforcement officers will be lost in a time of rising crime. Teacher aides, weatherization workers, equipment operators, and bus drivers are just a random sampling of the positions funded by CETA.

The President also proposes to eliminate CETA Title VIII. The Youth Conservation Corps (YCC) and Young Adult Conservation Corps (YACC) provide conservation jobs and educational experience for our young people. In Kentucky, participants are working with the Fish and Wildlife Department, trapping and transporting deer in areas of overpopulation, capturing and banding waterfowl for research purposes, tilling the soil and planting food plots for wildlife, and constructing fish attractors. These valuable conservation services will be lost, costing $1,055,152 and 1,055 jobs.

The proposed elimination of CETA's Title IID, VI and VIII will cost the Bureau For Manpower Services' 91 counties $27,544,162 and 4,916 jobs. Comparable figures for Kentucky's other four prime sponsors amount to approximately $17,992,762 and 3,830 jobs. In aggregate, the President's proposal will cost Kentucky $44,708,986 in job training and 8,746 jobs.

This action comes at a time when Kentucky's unemployment is already at the highest point in memory. Kentucky ranked 9th in unemployment in the nation for 1980, with 8.1 percent unemployed. January's un-

employment jumped to 10.5 percent and placed Kentucky 5th in the nation.

The addition of 8,746 PSE participants to the rolls of the unemployed will raise Kentucky's rate from 10.5 percent to 11 percent. The present slow pace of job growth, and the low skill levels of PSE participants, almost ensures that these individuals will be unemployed upon termination of CETA. They will then flood the welfare, food stamp and unemployment lines of Kentucky's Department For Human Resources. Thus, Mr. Reagan's proposed CETA cuts will transform the PSE participant from a productive member of society, learning a skill and performing an essential service, into a dependent claimant, subsidized by various social welfare programs, and performing no useful societal service.

Vocational education will share in these cuts. This comes at a time when vocational education is beginning to fully address the skill training needs of the chronically unemployed adult.

Mr. Chairman, the President has promised the American people that his proposed budget cuts will spur our economy to new levels of growth and prosperity and will drastically reduce unemployment. It is mystifying to me how this may be expected when one considers that the consequences of the proposed CETA cuts alone will achieve precisely the converse.

Mr. Edward Pritchard, a notable, fellow Kentuckian, makes four points about the real implications of Mr. Reagan's budget cuts.

First, it represents a massive redistribution of income at the expense of the poor and working poor in favor of the rich and affluent. The middle class is left mostly untouched.

Second, it represents and massive redistribution of responsibility and functions away from the Federal government, to state and local governments, but without adequate resources for state and local governments to finance these new responsibilities.

Third, it represents a massive shift away from programs for people to programs for the military—away from civilians to the military-industrial complex. And the military-industrial complex is not being subjected to the same scrutiny for waste, fraud and abuse that social programs are being subjected to.

Fourth, it represents a massive assault upon the life support system of society—medical research, health care, education, job training and the environment.

Mr. Chairman, I am of the opinion that if enacted, Mr. Reagan's budget will have a disastrous impact upon this nation. The poor working poor will be reduced to pauperdom. Welfare rolls will swell, unemployment lines will lenghten, and an even greater burden will be placed upon taxpayers to pay for the expanding subsidy programs.

I hope the United States Congress will have the courage to challenge the Administration, to expose their faulty reasoning, their simplistic ideas and their ruinous policies.

Under your Chairmanship, Mr. Perkins, the House Education and Labor Committee has led the fight in Congress for progressive social policy and programming. I am pleased to see that it is rising up to stand against the Reagan assault. I am pleased to stand with you.●

MIAMI'S MUSICAL MATRIARCH

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. PEPPER. Mr. Speaker, I was deeply saddened to note the passing of the woman who had come to be known as Miami's musical matriarch, Mana-Zucca. Highly esteemed as an able musician, her compositions were a source of delight and satisfaction to innumerable music lovers.

Mana-Zucca was a rare woman with an exceptional dedication to her music. Her inspirational zest for life that is so evident in her most famous composition, "I Love Life," has left an enduring affection in the hearts of music lovers everywhere. Although her passing is an incalculable loss to our community and our country, her name and her vivacious and delightful work will live on.

Mana-Zucca was a gracious and beautiful woman in her own right. It had been a joy for my dear late wife Mildred and me to enjoy her close companionship for many years. I will remember Mana-Zucca always for the warmth of her friendship, her gracious and gentle manner, her kindness of spirit, and the zest for life that made her a great American lady. The name of Mana-Zucca will always be on the tongues of her many admirers, and the glow of Mana-Zucca, cherished friend and musical legacy, shall never fade from our memory.●

THE ECONOMY AND THE BUDGET

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, April 22, 1981, into the CONGRESSIONAL RECORD.

THE ECONOMY AND THE BUDGET

What should be the immediate objectives of Congress this session?

Many important items compete for the attention of Congress, but this year (more than most) so much depends on the economy. The heart of the congressional agenda should be the health of the economy, and the bulk of Congress' efforts should be focused on economic matters.

Our approach to the economy should be marked by an emphasis on the free market, a skepticism of the advantages of government intervention, and a simple candor which acknowledges that the economy is not working well and that major changes are needed. Our economic policy should be directed away from short-term solutions toward long-term ones.

For the immediate future, I would suggest these objectives for Congress:

1. Reduced Deficits: Foremost among our economic objectives must be an all-out effort to halt inflation in its tracks. We must attack inflation vigorously and systematically across a broad front, but a substantial reduction of the federal deficit is an absolutely essential element of anti-inflation policy. Economists do not worry too much about the deficit, but its size has become a symbol to financial markets, as well as to ordinary Americans, of the seriousness of any attempt to control inflation.

The large deficits called for by President Reagan concern me. Almost every President proposes budgets that show large surpluses several years down the road even though there are large deficits immediately ahead. The problem is, that the surpluses nearly always evaporate, with the deficits staying stubbornly in place when the actual performance of the economy is finally in. It is my hope that Mr. Reagan's deficits can be sharply reduced. As I understand the American people, they are tired of big deficits year after year and they want Congress to put a stop to deficit spending. A balanced budget may not be achieved this year without severe dislocations in the economy, but a realistic budget with a much smaller deficit is certainly one that would be compelling to me.

2. Spending Restraint: Although it must take care not to hurt those Americans who need help through no fault of their own, Congress should begin this year by setting itself firmly on a path of permanent spending restraint which will eventually limit federal spending to 20% of the nation's total wealth. The target of 20% probably cannot be hit this year, but total federal spending (relative to the size of the economy) should come down. President Reagan's budget for next year proposes a program of fiscal stimulus (a tax cut of $54 billion and a one-year increase in military outlays of $28 billion) that far exceeds the fiscal restraint embodied in his $44-billion spending cut, but fiscal restraint is the only thing that will allow the President to reach the goal he so rightly advocates: less government influence in the economy.

3. Tax Cuts: When it comes to cutting taxes, Congress must proceed with great care. First, federal spending should be restrained before taxes are cut. We should not enact a tax cut on the basis of prejudgments about a cut in spending. Although I favor a tax cut, I will not vote for it unless a spending cut of similar size is in place. If significant cuts in spending are made, some reductions in taxes would be appropriate. Any tax cuts for future years should be tied to spending cuts of similar size. Second, the tax cut should be designed to increase saving, investment, and productivity. An increase in productivity remains the single most potent weapon we have in the fight against inflation. A truly anti-inflationary tax cut must help us improve both our capital and human resources. Studies show and experience confirms that good health, good education, and good training make people more productive. Studies and experience also make it clear that a worker's productivity is enhanced if he is given better equipment and know-how.

4. Defense: One of the most significant developments in recent years is the emergence of a strong public consensus in favor of increased defense spending. Thus consensus grown out of the steady and impressive expansion of Soviet military might. Our defense forces must be second to none in power, and they must have more than

enough strength to support our basic strategy of deterrence. The American military must have the demonstrated ability and determination either to deny an aggressor its objective or to retaliate so forcefully that the aggressor would suffer unacceptable losses.

This year Congress will approve the largest increase in peacetime defense spending in the history of the country. It is imperative that the added funds be spent wisely and without waste. Careless or frivolous spending could erode the consensus in support of stronger defense. Concern for the national security must not be expressed only, or even primarily, in the call for increased military spending. The best defense for the dollar should be our watchword.

When the important votes occur in the House this year, my eye will be on the objectives of a smaller deficit, spending restraint (leading to a smaller role for government in the economy), tax cuts to increase productivity, and stronger and more efficient defense forces.●

PHOENIXVILLE PHANTOMS

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. SCHULZE. Mr. Speaker, I would like to share with my colleagues an example of what American youth can accomplish when their energies and abilities are channeled in a positive direction.

This year the Phoenixville area high school wrestling team has become the first team in any sport from that area to win a district championship. In addition their coach, Lonny Moore has been named "the district 1 double A Coach of the Year". They are to be commended for their efforts.

The team achieved an overall record of 16 wins and 1 loss on their way to the championship and, within the Ches-Mont League they finished in second place with 9 wins and 1 loss. The full measure of success of the program at Phoenixville cannot be realized unless we look at the 48 wins and 21 losses record compiled by the school over the last 5 years. This is truly remarkable in light of the caliber of competition present in the Ches-Mont League, as well as the southeastern Pennsylvania area.

I am hopeful the seniors on the team—Mark Cote, Tim Debolt, Tim Harper, Vince Heck, Brett Lehman, Bruce Mitchell, John Tornetts, Kip Volkman, and Don Wickward—will continued to participate in the sport of wrestling when they go on to college. The juniors—Tom Beardon, Paul Ribble, Tim Smoyer, Dean Trevelino, and Dick Vodantis, and the sophomores: Pat Dixon, Derrick Harper, Chip Kronmuller, Jamie Richards, and Joe Tornetta—will have the task next season to match the achievements of this year's fine team. With the guidance of Coach Lonny Moore, and Assistant Coach Matt Gordon, I am positive they will again emerge at the top of the league. Recognition for the success of the team should also go to their parents, teachers and classmates for their steadfast support.

We all too often dwell on the segments of our society which create problems and we should be proud of this team. But these young men represent all that is good with the youth of America. Phoenixville has every right to take pride in the accomplishments of the Phantoms. They have earned the title of champions and I join everyone in southeastern Pennsylvania in recognizing their achievements.

Well done, Phantoms.●

OBJECTIONS TO THE PALESTINE LIBERATION ORGANIZATION

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. DOUGHERTY. Mr. Speaker, I would like to address today a problem that was brought to my attention by several constituents of mine, and has troubled me greatly. As you may or may not know, the United Nations recently issued a series of stamps commemorating the "inalienable rights of the Palestinian people." One of these stamps came out on January 30 of this year, and was printed with the 15-cent American postal rate. Mr. Speaker, I feel this action of the U.N. is highly irresponsible, given the past practices of th Palestine Liberation Organization, and I voice my strong objection to the move.

The Palestinian stamps were issued because U.N. General Assembly Resolution 34/65D passed on December 12, 1979. Although the United States and 14 other nations voted against the measure, it passed by a vote of 117 to 15, with 9 abstentions. Among other things, the resolution called for increasing the stature of the Special Unit on Palestinian Rights in the U.N., proclaiming an annual "International Day of Solidarity With the Palestinian People," and issuing a series of commemorative postage stamps to publicize the "grave situation and inalienable rights of the Palestinian people."

Mr. Speaker, the issuance of these postage stamps honoring the Palestinians, who are led by the Palestine Liberation Organization, imputes legitimacy to the latter group, and I find this totally unacceptable. As you know, one of the fundamental aims of the PLO is to destroy the State of Israel, our closet ally in the Middle East. I have often spoken before my colleagues of the strong bonds which tie Israel and America, and I will continue to support and believe in America's deep commitment to that country. For that reason alone, we must take steps at the U.N. to make sure similar actions do not occur again.

Obviously, it is too late to prevent this stamp from being issued. However, I am deeply concerned about the long series of anti-Israel actions at the U.N. which have distorted and devalued the organization, and have undermined the security of Israel. In that regard, I contacted Secretary of State Alexander Haig and United Nations Ambassador Jeane Kirkpatrick, to ask them to combat such moves as the U.N. Palestinian stamp. I have received assurances from both that the United States will oppose such initiatives vigorously.

One may ask why my disdain for the Palestine Liberation Organization is so great. Well, for one, I am very upset with the fact that the PLO has had many of its members trained in the Soviet Union. The Soviets have taught the Palestinians about small arms, explosive devices, military tactics, radio communications, topography, and political matters. Vietnam and North Korea are two other nations that have performed these functions. Apparently these sessions provided an opportunity for the several ideologically different Palestinian terrorist groups to forget their differences and work together toward a common goal. That goal, as I mentioned earlier, is to destroy Israel, but now aided by the guns, money, and training of the Soviet Union.

It is imperative that the United States keep a particularly close eye on this matter of Soviets training the Palestine Liberation Organization. Through this method, the Soviet policies are spread violently throughout the Middle East without the expense of engaging in warfare themselves. In addition, the Israelis must ultimately bear the brunt of this violence.

The Palestinians seem to learn their lessons well from the Soviets, for they also train guerrillas in the art of terrorism, spreading elements of turbulence around the world. The PLO has reportedly trained the violent Irish Republican Army in Ireland, as well as many of the revolutionaries that overthrew the Shah of Iran 2 years ago. Equally interesting were the news reports indicating that Palestinians were among the so-called students holding the American hostages in Teheran, and helped the Iranians with the security of the compound.

I do not suppose we will ever get the full story of how involved the PLO was in the taking of the hostages in Iran. What we do know, however, is the story of the Palestinian National Covenant, the basic charter of the PLO. Formulated by the Palestine National Council, it states that "the partitioning of Palestine in 1947 and the

establishment of Israel" is "fundamentally null and void. . ." and that the Palestinians "reject every solution that is a substitute for a complete liberation of Palestine and reject all plans that aim at the settlement of the Palestine issue or its internationalization."

It seems obvious from these statements that the heart of the problem in the Middle East is not the creation of a Palestinian state, but the repudiation of Israel's right to existence by the PLO. If the Arab States would accept the right of Israel to live within a secure boundary, a major stumbling block to peace in the region would be cleared. Until that time, not even the issuance of Palestinian postage stamps by a United Nations General Assembly dominated by Third World countries will legitimize this organization committed to terrorism, extortion, and murder.●

COST OF A POSTAGE STAMP

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. CLAY. Mr. Speaker, over the past several weeks, the Subcommittee on Postal Operations and Services, which I am privileged to chair, has been inundated with communications from the public and Members of Congress expressing shock and dismay about the recent increases in postal rates. All too often, because the Postal Service is a labor intensive industry, there is an erroneous tendency to attribute any increase in postal rates to the salaries of postal employees.

But how many of us really appreciate that in 1940 a 3-cent letter traveled in a $700 truck which used 19-cent-a-gallon gasoline. In 1960, a 10-cent letter traveled in a $3,500 truck which used 39-cent-a-gallon gasoline. In 1980, a 15-cent letter traveled in a $6,900 truck which used $1.20-a-gallon gasoline—and in $10 million airplanes whose pilots earned $73,000 annually.

I urge my colleagues to consider postal rate increases within the context of rising costs of goods and services throughout our great Nation, rather than blaming unfortunate victims of this situation—postal employees.●

FOOD STAMPS AND WORKING PEOPLE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. MICHEL. Mr. Speaker, a recent issue of U.S. News & World Report carried an article that gives a fresh and provocative perspective on the food stamp issue. In a sense, this article says quite a bit about the reasons for President Reagan's desire to do something for hard-working, taxpaying Americans. When you hear the word "compassion" you very rarely hear it for these Americans.

At this point I insert in the RECORD, "A Worker: 'I Begrudge Living Less Well Than The Poor Do'" from U.S. News & World Report, March 30, 1981:

A WORKER: "I BEGRUDGE LIVING LESS WELL THAN THE POOR DO"

It's not just the lifestyles of the well-to-do that irk struggling middleclass Americans. Many are upset over government benefits for the needy that are denied them.

In the following article, which appeared in the New York Times, Kathleen Kroll, mother of a 6-year-old daughter and a columnist for a newspaper in Quincy, Mass., describes her own mixed feelings about welfare families.

PEMBROKE, MASS.—There's something disconcerting about standing in line at the checkout counter behind someone using food stamps—especially when one is paying for one's own order with the family's mortgage money.

Breathes there a soul so liberal that comparisons do not arise upon watching such purchases? My thought processes work this way: "Hamburger, I'm buying hamburger. She's buying a roast. Potato chips, candy—will food stamps really pay for those?" Then I watch as the cashier rings them through with nary a word.

My basket is full of generic nonames with their depressingly obvious black-and-white labels. Hers, my God, rivals the rainbow—not a cheapie to be found in that order.

I find myself thinking that there must be something terribly wrong with a system which causes me to, even for a moment, consider the advantages of being a food-stamp recipient.

"God help me," says my conscience, "the poor soul probably needs them." "God help me," says the rest of me, "so do I!"

The rumors fly fast. And I ignore them. I really do. Third-party stories are just that—stories.

It is personal experience that rankles me. A friend who delivers takeout dinners assured me unabashedly that his best customers pay him with food stamps. I was aghast, but he seemed to take it for granted. According to him, it's legal.

While window-shopping at a lobster pound and bemoaning the astronomical prices, I spoke to the owner. "See this?" he said while fanning food stamps. "The only lobster sales I've had today were paid for by these. Sad commentary, huh?"

Huh, indeed. I left, half-heartedly clutching a small package of frozen fish.

All the way home, I wondered: "Where did I go wrong? Does this really bother me? Should it bother me? Does it bother anyone else?" It was a long way home, believe me.

It is not that I begrudge the needy. It is just that I begrudge living less well than they do. Three doctors in a week have refused to process my insurance forms. "Sorry," said one receptionist, "pay now. We no longer submit insurance forms." I had to pay $90 for my daughter's ears, $50 for mine, $30 for bronchitis—all out of pocket. "I do not carry that kind of money around," I said. "What would you do if I had medicaid or medicare?"

"Many of our patients do," came the reply. "We would have to submit them for you then. Those are the only forms we do process."

Great. Tell that to the bank when my mortgage payment is due.

As I looked about the waiting room, I tried to single out even one medicaid patient. No luck. They look like everyone else. And they get treated like everyone else—better, when it comes to payment forms. Ah, then I saw a man fingering a medicaid card. Mesmerized, I watched the receptionist, who had not kept her voice down when we were talking about paying my bill. She was suddenly transformed into an understanding protector of the medicaid patient's privacy, of his sense of dignity.

My jealousy knew no bounds. Indignation gave way to something else: Longing. Longing to own such a magic card, to be one of the accepted, to be one of the true participators in society, to, for once, be a taker instead of a giver.

"Oh," a friend once said, "you are too proud to withstand the humiliation of public assistance, of food stamps, of medicaid. It is degrading."

That may have been so at one time. But what could be more degrading than struggling to move to a nicer home, a better neighborhood, trying "to keep up with the Joneses" who just happen to be setting the pace with your tax money?

And where is the incentive for the Joneses to get off welfare, to "live the good life?" They already live it.

Sure, he is employed. So is she. They are not married, but it seems that one or the other of them qualifies for Section 8 housing, medicaid, low-interest farmers' loans, free college tuition—plus expenses—free child care, as well as food stamps.

Another neighbor summed it up for many of us when she said: "Why should my husband and I have to work 70-odd hours a week to earn $30,000 a year, to live equal to, or sub-standard to, a welfare family? Ridiculous!"

What could I say to that?

I could not argue with it. After all, while I was feeding a wood stove and living in one room of my house all winter, the Joneses lived it up in warmth and applied for fuel assistance.

Where is my piece of the American pie? I finally figured it out. Yup, it seems the system has placed it on someone else's table.●

SCHOOL LUNCH PROGRAM

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. HUBBARD. Mr. Speaker, Helen A. Davis, the food service director for the Todd County Board of Education in Todd County, Ky., a county that I represent in Congress, has written a very comprehensive letter to me that presents considerable evidence on why a Congressman should not vote for the Reagan budget proposals. I feel that my constituent's letter is one which should be shared with my colleagues and I wish to do so at this time. The letter follows:

DEAR CONGRESSMAN HUBBARD: With the House Budget Committee busy setting spending priorities for fiscal year 1982, I feel that it is urgent that you be aware of the results of a recent survey made of parents of students who pay for their meals at school in Todd County.

The survey asked for response to the question—"If school lunches were $1.25 or more in the next school year, would your child:

(1) Bring lunch from home?

(2) Have no lunch?

(3) Pay the $1.25 or more at school?

We had about 60 percent return of survey forms with the response showing the following:

Eighty-one percent to bring lunch from home.

Eight percent would have no lunch.

Eleven percent would pay the anticipated price.

If the 89 percent potential loss of paying customers becomes a reality in our seven schools where there is a current enrollment of 2,165 students of which 875 (average) pay for meals, we will reduce the size of four of our schools to serving less than 100 meals daily. It will be impossible to serve a meal in these schools at a price the parents can afford—cost is inverse to size of operation.

Every child should have the right to choose a balanced meal at school. The reality of the survey indicates some children will not have lunch at school in Todd County unless there is continuation of a subsidy to the program. The state and the school board budgets indicate this is not available from these sources. Your help is needed to assure the continuance of at least 32 cents federal subsidy for each paid meal at school.

Thank you for sharing your time with us last month when we were in Washington in support of the school food service programs.

Sincerely,

HELEN A. DAVIS,
Foodservice Director.●

FIGHTING THE WRONG WAR AGAIN

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. GINGRICH. Mr. Speaker, America refuses to accept the lesson of Vietnam. That lesson, taught at an incredible price, is that an army with a realistic combat philosophy will defeat an army with a misconceived one, even if the side with the wrong philosophy has the incredible physical resources of the United States.

Richard Gabriel's essay, which follows below, shows why our combat philosophy in Vietnam was wrong. But even more shockingly, he shows that we have not corrected its inadequacy so the next time we are challenged with a guerrila war we will win.

That is a sobering thought, especially given the increased tensions in Central America.

But even more unsettling is what Gabriel's essay says indirectly, namely: How good is our combat philosophy for those types of wars we have not yet fought?

Before America is tested in those areas, we need to thoroughly and critically examine the combat philosophy of our military, and we need to do it quickly.

Other nations at other times have attended to the first principles of combat. Hajo Holborn in the Makers of Modern Strategy writes of Prussia,

The superiority of the Prussian army in the 1860's was made possible only by its organization, by its peacetime training, and by the theoretical study of war which had been brought to perfection in the half-century before Sadowa and Sedan.

It should be remembered that that superiority was provoked by Napoleon's defeat of Prussia at Jena.

The Prussians learned a costly lesson from Jena. But at least they learned. How well has America learned from Vietnam? Richard Gabriel's essay suggests that we have learned very little.

We need to correct that oversight.

[From the Washington Star, Apr. 7, 1981]

FIGHTING THE WRONG WAR AGAIN

(By Richard A. Gabriel)

El Salvador, Poland, the Middle East, Angola: The crisis machine seems to be working overtime. At some point we may have to employ our military forces in response to elevated tensions and perceived threats.

A key to successful foreign policy is to ensure that its goals are in line with existing military capabilities. Especially with regard to the use of military force as a response in Central America, the congruence between military capabilities and foreign policy objectives seems seriously out of joint.

Any American military involvement in El Salvador or elsewhere in Central America would necessarily be of the counter-insurgency type. This kind of war demands very special military skills rooted in accurate doctrines and characterized by a very special mix of military force (in minor element) and political expertise (the major element).

The notion that all types of war are amenable to the same military solution, merely killing the enemy, is a mistake of the first magnitude and one that clearly characterized the American effort in Vietnam.

NO RELEVANT DOCTRINES

The point is that American forces today lack the doctrines, tactics, experience and even the manpower to fight a successful counter-insurgency war in El Salvador or anywhere else for that matter.

The war in Vietnam failed to produce any American counter-insurgency doctrine or tactical approach worth its salt. Even the senior officers who ran that war admit that. The consensus of the generals is that we never understood the character or counter-insurgency operations in Vietnam, nor did we develop successful doctrines and tactics. What we did was deploy a World War II conventional army and try to use its doctrines and tactics. Neither the political character of the war nor the special techniques for dealing with it were ever understood or dealt with.

Our battlefield techniques were no better. We never gave much credence to the idea that in a political war the "hearts and minds" of the people count very much. As a consequence we never developed the structures for integrating programs that would reach and deal with the political and social problems that underpinned the war. We failed to develop a coherent application of technique to reach the people; we repeated our mistakes over and over again. John Paul Vann summed it up well when he said, "We have not been in Vietnam 10 years. We have been there one year ten times!"

SAME OLD APPROACH

The problem is that nothing has changed in terms of the American capability to deal with counter-insurgency warfare. After ten years of "experience" in Vietnam, the Army's response was to produce a "new" manual of land warfare, FM 22-100 that placed the Army back on a conventional war footing virtually ignoring counter-insurgency war. At the same time, counter-insurgency forces have been scaled down to a hollow shell, less than nine understrength batallions scattered throughout the world.

Almost comically, the new doctrines of counter-insurgency warfare stress the killing aspects of such forces relegating the political functions to truly second place when they are addressed at all. Indeed, most of the political functions have been transferred to the Reserve and National Guard forces, thus doing away with any capability to employ them at all.

The officer corps shies away from counter-insurgency units as the kiss of career death. Once a tour with the Green Berets was a necessary "ticket punch" to the top. Now it is a dead end. Most officers have not even studied counter-insurgency warfare in the classroom.

The result is we are ill-trained and ill-prepared to engage in counter-insurgency war as we were in 1963.

REAGAN MISLED

The danger is that Mr. Reagan may believe that the U.S. has the capability to engage in counter-insurgency operations if necessary. His stated belief that the American military was not beaten in the political war in Vietnam (the stab in the back legend) but was not allowed (by politicians) to win it suggests that he has a clouded view of what happened in those jungles. It also indicates that he is unaware of the lack of trained manpower, inadequate doctrines, tactics and political techniques available to the Army to carry out the counter-insurgency role.

The responsiblity of the military is clear in these circumstances. It must truthfully and accurately inform the president as to the limits on our capabilities. They also have the responsibility to tell him that as a historical rule, political wars are not amenable to quick military fixes. If Mr. Reagan is uninformed as to our true capability, he may miscalculate in El Salvador or somewhere else with serious consequences. That is how Vietnam got started.●

WALTER J. McCLOUD

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. STARK. Mr. Speaker, On Friday, May 1, 1981, Walter J. McCloud will retire as the police chief of the city of Pleasanton, Calif. I would like to note here the apprecia-

tion and admiration I, and the residents of Pleasanton, extend to him.

In his 30 years of dedicated service Police Chief McCloud watched the Pleasanton Police Department grow from a small, 3-man operation to a large, complex department employing over 50 people. And Chief McCloud was an integral member, and certainly the driving force behind the successful growth, organization and commitment of the Pleasanton Police Department.

It is with some sadness that we see Chief McCloud go. When he began, Pleasanton was a small town with only about 4,000 people. Not too many people now in Pleasanton remember a time when Walter McCloud was not chief of police. I would like to wish every success to the next chief of police, and also thank Chief McCloud for all he has done for every member of his community. I know I share everyone's feelings when I say he will be missed.●

TRIBUTE TO ANTHONY F. BIELAWSKI

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. TRAXLER. Mr. Speaker, I rise to pay tribute to a distinguished patriot and citizen of Bay City, Mich., Mr. Anthony F. Bielawski.

On Friday, May 1, 1981, friends of Tony Bielawski will host a dinner honoring his many years of service and commitment to the betterment of Bay County. The applause will be well-deserved.

Tony is often called Mr. Democrat in Bay County because of his service for over a quarter of a century as Bay County's Democratic chairman. During his reign as chairman, the county party has grown into a strong and united party. Tony stepped down as chairman a few months ago when he was elected to the Democratic National Committee.

Tony's activism in politics stems from a patriotic and fundamental belief in the American system. This is not surprising because his parents immigrated from Poland seeking the opportunity of a newer world. Tony was born on September 6, 1913, in Grand Rapids and moved to Bay City in 1940.

Tony's father was a factory worker, but like many immigrant families, the Bielawski's worked hard to provide opportunities to their son in the land of opportunity. Tony received his high school education at St. Joseph Seminary in Grand Rapids and then continued his education at the University of Michigan, where he received his bachelor of arts, and later, in 1937, his law degree. Tony has practiced law since that time, and he is well recognized in the State of Michigan in the field of workers' compensation law.

America did well for Tony Bielawski, and in return he has devoted his career to active and dedicated citizenship. Tony is a member of the Bay County and Michigan Bar Associations, the American and Michigan Trial Associations, a member of the Elks Club, St. Stanislaus Ushers' and Athletic Clubs, St. Hyacinth Athletic Club, Pulaski Association, St. George's Society, Polish Circle, Knights of Columbus, South Bay City Business Association, and Columbus Avenue Business Association. He is past president of the Workers' Compensation Section of the Michigan State Bar Association, Bay County Bar Association, St. Stanislaus Athletic Club, and Ushers' Club.

Tony is active in his church and is a devoted husband and father. On June 24, 1939, he married Sophie H. Schnerch of Grand Rapids. They have three children: Jerry, Larry, and Mary Kay.

Mr. Speaker, Tony Bielawski has served his country and this Nation with years of dedicated commitment to the American democratic system. It is fitting that his achievements should be noted and honored by us today.●

TRIBUTE TO PETER J. BURKHART

HON. JAMES A. COURTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. COURTER. Mr. Speaker, throughout my career, I have served in many areas of public service and have worked with many competent, dedicated individuals. However, there is one person I am privileged to know as an individual whose career has been committed to the betterment of Morris County government for the benefit of local residents. That person is the Honorable Peter J. Burkhart.

Since 1973, Peter Burkhart served as a member of the Morris County Board of Chosen Freeholders and as director of the board from 1977-78. He served as freeholder liaison to the department on aging, education, employment and training administration. In addition, Peter chaired many freeholder committees, including the important committee on administration and finance. In this position, Peter Burkhart worked diligently to establish programs and projects designed to benefit Morris County and its residents. He believes that county government has an important function to perform in eliminating duplication of municipal services.

His efforts in this area included streamlining the freeholder committee assignment. Using his mastery of business and finance, Peter championed the county-municipal investment program, the new bonding procedures as part of the county financial system, and encouraged the use of modern data processing to enable government administrative functions to work efficiently and at a lower cost to the taxpayers.

Peter J. Burkhart retires as freeholder on May 1, 1981. He will be remembered by his fellow workers in the county government and by the residents of Morris County as an outstanding citizen and loyal American. I am honored to have this opportunity to express the gratitude and appreciation of the residents of Morris County to Peter Burkhart. His many years of selfless dedication will serve as an inspiration to those of us in public office and to all who know him. Thank you, Peter J. Burkhart.●

SAUDI ARABIA MUST BE DENIED ADDITIONAL ARMS

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. LENT. Mr. Speaker, it is with the gravest concern that I rise to object in the strongest terms to President Reagan's newest decision to increase Saudi Arabia's military capabilities. I refer to the announcement that the Reagan administration proposes to sell to the Saudis five of the most sophisticated electronics surveillance planes ever developed, the AWACS E-3C sentry planes. This latest decision, announced this past week, compounds the administration's original grievous error in agreeing to sell Saudi Arabia weapons to greatly increase the offensive capability of its U.S.-supplied F-15 fighter planes.

As one who totally opposed the original sale of the F-15's 3 years ago, I intend to redouble my efforts to block these additional moves to build up Saudi Arabia's military capabilities. With each succeeding addition, the United States moves farther down the road to a most serious foreign policy debacle. In the best interests of our country, we in the Congress must halt this drift toward disaster.

If the postwar history of events in the Middle East teaches us anything, it should show us with total clarity the folly of relying on a Moslem regime for friendship, or for protection of U.S. interests. In Africa, in Iran, in South Yemen, leaders have professed friendship to the United States. In country after country those leaders have been toppled from power, or have switched allegiance with the ease of a chameleon.

But despite the clear record of the past three decades, President Reagan and his foreign policy advisers have

now decided to put their trust in the shaky sheikdom of Saudi Arabia. We are told we must supply the Saudis with a tremendous new offensive weapons capability and with the most secret and sophisticated electronics surveillance equipment we possess because "it is essential to protect our interests in the region."

With all due respect, Mr. President, that is absolutely wrong.

Equipping Saudi Arabia with weapons and combat equipment which will give its F-15 fighter planes the capability of attacking Israel, Egypt, Iraq, and Iran contributes nothing to the protection of American interests there. Loading up the Saudi arsenal with electronic surveillance equipment capable of detecting ground and air military movements throughout Israel contributes nothing to the protection of American interests there.

With these moves, the United States will only breed suspicion, tension, and distrust among the Saudis neighbors. And the last thing we need in the Middle East is increased tension. That does not constitute protection of American interests in my book.

In truth, Mr. Speaker, there is only one nation in the Middle East offering the stability of government and the reliability as an ally which truly contributes to American strategic interests in the Middle East. That nation is Israel. The best way to protect American interests in the Middle East is to make certain Israel is strong. Supplying a declared enemy of Israel with a tremendous new offensive capability does not contribute to Israel's strength, it simply puts unneeded new strain on Israel's already overburdened defenses and economy.

Because of my great concerns over the potentially serious effects of this proposed sale, Mr. Speaker, I am today introducing a new resolution of disapproval. This supersedes an earlier resolution I introduced on March 10, 1981 (H. Con. Res. 90), which did not address the sale of the five AWACS planes. The resolution I introduce today specifically disapproves the sale of those highly sophisticated aircraft, as well as the proposed sale of AIM-9L air-to-air missiles, and the auxiliary fuel tanks which had been identified in the earlier resolution.

I call upon my colleagues to join me in support of this resolution. I am convinced it is in the best interests of the United States, of Israel, and, indeed, of Saudi Arabia to block this ill-advised sale of weapons. Please join me in preventing the President and his foreign policy advisers from making a most serious error.●

GARDEN DAYS AT FRIENDS HOSPITAL

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. DOUGHERTY. Mr. Speaker, I would like to bring to the attention of my colleagues and the Nation an event which takes place each spring in Philadelphia. This event is Garden Days at Friends Hospital. Friends Hospital is the Nation's first nonprofit psychiatric hospital. The hospital grounds cover 100 acres in northeast Philadelphia and form a beautiful rural contrast to an urban area.

Friends Hospital was founded in 1813 on the current site of 100 acres. In its early beginning the land was farmed to help produce the food needed for the patients and staff. Today the grounds of Friends Hospital are widely known in the Philadelphia area for well-groomed lawns, a wide assortment of trees and shrubs, and 14 acre azalea gardens. The hospital has won several national and local awards for these finely maintained grounds, including the 1978 Professional Grounds Maintenance Society Grand Award for Hospital Groundkeeping.

More than 10,000 azaleas adorn the hospital grounds. There are at least 43 varieties of azaleas on 14 acres of hospital property giving a display each spring that is nothing less than spectacular. Since 1938 Friends Hospital has opened its grounds to the public each spring for three consecutive weekends.

Friends Hospital Garden Days is enjoyed each spring by thousands of people. It is a never-ending job to prepare for such an event and maintain the plants in a healthy state. The grounds of Friends Hospital come under the direct supervision of the director of maintenance and grounds, Mr. David F. Liddle. The grounds crew is made up of Mark Deussing, grounds supervisor; Dave Rutkowski, assistant supervisor; Mark Adami, Jim Biederman, Michael Dann, and Dale Nemec.

Mr. Speaker, Friends Hospital deserves our congratulations for its garden days. I would also like to salute the men who take care of the grounds for a job well done.●

COASTAL ZONE MANAGEMENT

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. DYSON. Mr. Speaker, I have supported the concept of coastal zone management for many years now and I am still a proponent of proper management of our vital natural resources. I submit the following resolution by the St. Mary's County commissioners as an indication of the support that exists in all sectors of Maryland's coastal regions:

RESOLUTION

Whereas, St. Mary's County is bordered by the Potomac River to the south; the Patuxent River to the north; and the great Bay of the Chesapeake to the east; and

Whereas, St. Mary's County is at the mercy of the water quality affected by the inter-State and intra-State development policies proferred by public jurisdictions and private institutions outside the control of local powers; and

Whereas, the Coastal Zone Management Program provides an effective forum through which environmental issues can be addressed and resolved across the State and throughout the nation; and

Whereas, because of St. Mary's County, historical dependency on its surrounding watershed for both economic vitality and for environmental attributes; and

Whereas, the Coastal Zone Management Program in St. Mary's County has provided for the awareness and protection of coastal areas through the growth of economic and residential development; and

Whereas, without funding for the Coastal Zone Management Program, St. Mary's County would suffer the loss of the public education program and the development review process which has been implemented for the protection and enhancement of the environment: Now, therefore, be it

Resolved, That the Board of County Commissioners of St. Mary's County, Maryland, requests Congress to zealously strive for continued Federal support for the Coastal Zone Management Program for the benefit of St. Mary's County, the State of Maryland, and for the people of these United States.●

PRODUCTIVITY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, April 15, 1981, into the CONGRESSIONAL RECORD:

PRODUCTIVITY

In recent weeks I have toured several manufacturing facilities in southern Indiana. These plants make a great variety of items: baseball bats, naval guns, food products, shoes, electrical components, plastic moldings, and so on. Although the manufacturing process varies enormously from plant to plant, I am impressed by the common effort at each to improve productivity. The problem of boosting productivity in these plants is but a small part of a national problem.

Productivity, the rate at which goods and services are produced by workers, has risen rapidly in the United States since the early days of this century. Our workers are 4.5 times more productive today than they were in 1910. Growth in productivity was very rapid after World War II, averaging 3.2% per year between 1948 and 1965. Steadily increasing productivity has made the American worker the envy of the world.

The American worker is still the most productive in the world, but there are some ominous trends. Recent statistics show that he is losing ground to his counterparts in Japan, West Germany, and France. Productivity actually declined by 1% in 1979. Unless we get it growing again, we may expect little rise in our standard of living. Higher productivity is a basic source of improvement in our economic well-being.

Because productivity is a complex phenomenon, there are many reasons for its slow growth. One is demographics. About 20 million workers, the majority of them inexperienced women and young people, have been added to the work force during the last decade, half again as many as were added during the 1960's. These newcomers to the job market have been less productive precisely because of their inexperience. Another part of the demographic picture is the changed trend in migration of workers from less productive agricultural jobs in rural areas to more productive manufacturing jobs in cities. When the migration fell off in the mid-1960's, so did the gains in productivity attributable to it. The escalating cost of energy has held productivity down after 1973, both by making energy-intensive equipment unprofitable to run and by making it necessary to hire workers for programs of conservation. Regulation has had an adverse effect on productivity because it has diverted funds and personnel away from more productive investment. Another cause of lagging productivity may be the slow growth of investment. Whether on account of tax policies that favor consumption or fear about the future, capital spending for new plant and equipment has been inadequate during the last decade. Expenditures for research and development dropped from 2.8% of the gross national product in 1964 to 2.2% of it in 1979.

The actions of government can affect the growth of productivity, but there should be no attempt by Congress or the President to influence all private decisions that push productivity up or hold it down. Because many of the causes of lagging productivity will cancel themselves out over time, a better plan is to have the government create a climate in which business can get down to the task of boosting productivity without undue interference from the government. The government should concentrate on a few initiatives whose effects on productivity would be fairly predictable and whose goals would not conflict directly with other goals of public policy. I suggest these:

Savings and investment: The physical capital the worker has at his disposal makes him productive. To increase investment in such capital, we should allow a much faster write-off of capital expenditures, a cut in corporate tax rates, or a cut in taxes on capital gains where such gains are promptly reinvested. To enlarge the pool of money available for investment, we should encourage personal savings by cutting taxes on interest and permitting the greater use of tax-deferred savings accounts.

Innovation, research, and development: One-half of our economic growth between the 1920's and 1960's resulted from scientific advances. To help business defray the cost of making such advances, the government should allow a tax credit for the cost of research equipment. Another option is direct government funding where research and development carry high risks. Innovation in the management and organization of production also needs to be encouraged. We must seek out and eliminate behavior which reduces competition or delays increases in productivity, and we should encourage cooperative efforts among the firms in each industry to increase productivity.

Regulation: Business pays more than $100 billion a year to comply with regulations. While such regulations are intended to serve a useful function, their effect on productivity is often negative. By recasting our regulatory policy more in terms of economic incentives and less in terms of direct interventions, we can achieve worthy regulatory goals without harming productivity.

Employment and training: Better trained workers help raise production, so the training of workers is another area where the government can help. In general, programs of employment should emphasize training in marketable skills, not public service or income maintenance. Educational programs should aim to create basic skills in students so as to ease their transition from school to work. We might give consideration to the expanded use of tax credits for employers who hire and train the chronically jobless.●

NICOLE MAYER: VOLUNTEER OF THE YEAR

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. OTTINGER. Mr. Speaker, I would like to take this opportunity to congratulate Nichole Mayer of Goldens Bridge, N.Y., for being named Westchester County Volunteer of the Year, 1981, by the Volunteer Service Bureau of Westchester County.

Mrs. Mayer has made an outstanding contribution to her community, and I would like to share with my colleagues some of the tributes from members of the Westchester community who nominated her for this honor:

As a result of Mrs. Mayer's unflagging efforts, the polling places in Lewisboro are now accessible to all voters; there is a place for seniors to gather, to eat a nutritious meal, and enjoy one another's company; in Northern Westchester, countless parking places for the disabled have been established; and perhaps most important, Mrs. Mayer's efforts have greatly expanded the public's awareness of and sensitivity toward the needs of the handicapped.

Mrs. Mayer started an information file at the Town Hall of services available to disabled at all government levels. She was able to make a marked change and develop services in the community without a great expenditure of tax dollars.

In this year that pays tribute to the disabled, it would be so appropriate to honor Nicole Mayer. The honor would be two-fold for it would also, in my opinion, honor those who would see fit to honor this beautifully unselfish young mother we have in our midst.

I would like to echo the sentiments of these people who nominated Mrs. Mayer to be Westchester County's Volunteer of the Year. She is truly an amazing individual. I wish her success in all her future endeavors to attain full citizenship for the disabled population of Westchester County.●

ODESSA, TEX., CENTENNIAL

HON. KENT HANCE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. HANCE. Mr. Speaker, I wish to take the floor this morning to discuss with the Members an upcoming celebration in my 19th Congressional District. It will be the 100th anniversary of Odessa, Tex.

I am proud to represent Odessa, the thriving hub of the west Texas petroleum industry. This fine city will celebrate its 100th birthday this year and a delegation of prominent Odessans are in the Nation's Capital this week to deliver personal invitations to join in their centennial celebration.

The Texas & Pacific Railroad, the first southern transcontinental transportation link, reached Odessa in July 1881 and opened settlement of the area. The arrival of hardy pioneers established Odessa and Ector County as a cattle ranching and shipping point. The county was created in 1887 and formally organized in 1890 when the census showed 224 citizens, including children. Odessa became an incorporated city in 1927.

The basis for their modern economy—oil and gas—was discovered in 1926, a 20-barrel producer, 20 miles southwest of town. In addition, because of its roads and location on the railroad, Odessa became a major supply, service, and manufacturing, distribution and transportation center for the petroleum-rich, 100,000-square mile Permian basin which includes most of western Texas and portions of eastern New Mexico.

The following 60 years firmly established Odessa as the hub of the petroleum industry. Ector County is the State's third leading oil producing county and is also the site of the Nation's largest inland petrochemical complex. The energy-related service and manufacturing business extends worldwide with an annual payroll in excess of $35 million.

With more than 100,000 citizens, Odessa now prospers with six banks holding deposits of more than $670 million. There are more than 2,000 retail establishments with total sales of $700 million. More than 96 percent of the labor force is gainfully employed.

Odessa's school system is one of the best in the country, teaching 23,805 pupils. Excellence in upper level education is provided by the community-supported Odessa College and also a branch of the University of Texas. Odessa is noted for its cultural attractions—the world's most authentic rep-

lica of Shakespeare's Globe Theatre, outstanding community theater in the Permian Playhouse, renowned symphony and chorale, one of the Nation's best collections of Chief Executive artifacts at the Presidential Museum and libraries containing more than 1 million volumes.

Citizens worship in 146 churches representing 30 faiths and denominations. In addition, the city is a regional medical health center with two hospitals, a teaching hospital on the drawing board and more than 100 doctors in most areas of specialization.

To round out Odessa's image, they have adopted the purple sage as official flower and the world's largest jackrabbit as mascot, both of which are indigenous to the area.

Odessa's 100 years of progress is to be saluted and its builders commended. A century of hard-working, individualistic citizens have forged the independent, can-do character of Odessa. People who believed in opportunity and free enterprise settled a barren country and transformed it into an energetic, industrial, cultural, medical and educational center.

Happy Birthday, Odessa.

Thank you.●

HOW A BILL BECOMES LAW

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. MAVROULES. Mr. Speaker, sometimes those of us in Congress forget that the way in which a bill becomes law is not clearly understood by many of our fellow Americans. As the legislative process is somewhat of a mystery, I have received numerous inquiries about this question. As a result, I have prepared a brief summary of the process, and I hope that it will be helpful to everyone interested in how Government works.

How a Bill Becomes Law

Ours is a Government of the people, by the people, for the people. It is not a pure democracy. It is a republic in a democracy. It is a representative democracy.

Our laws are the embodiment of the wishes and wants, the ideas and ideals of the American people as experessed through their Representatives in the Congress: 435 in the House of Representatives and 100 in the Senate. Any Member of the House or Senate may introduce a bill embodying a proposed law or revision of existing laws, at any time when his respective House is in session. When introduced, the bill will be entered in the Journal of the House, and the title and sponsors of it printed in the CONGRESSIONAL RECORD of that day.

EACH BILL NUMBERED

Each bill introduced is assigned a number by the clerk of each House and referred to the committee having jurisdiction over the subject matter by the presiding officer, that is, the Speaker of the House or the President of the Senate. Copies of the bill are printed by the Government Printing Office and made publicly available from the congressional document rooms.

Acting through its chairman, the committee decides whether a bill should be taken up by the full committee or referred to a subcommittee for its initial consideration.

THE DELIBERATIVE STAGE

The committee's deliberations are the most important stage of the legislative process. It is here that detailed study of the proposed legislation is made and where people are given the right to present their views in public hearings. When the chairman has set a date for public hearings it is generally announced by publication in the CONGRESSIONAL RECORD.

Copies of the bill under consideration by the committee are customarily sent to the executive departments or agencies concerned with the subject matter for their official views to be presented in writing or by oral testimony before the committee. The number of witnesses, pro and con, heard by the committee is largely dictated by the importance of the proposed legislation and degree of public interest in it.

TESTIMONY HEARD

The transcript of the testimony taken is available for inspection in the individual committee offices. Quite frequently, dependent on the importance of the subject matter, the committee hearings on a bill are printed and copies made available to the public.

After conclusion of the hearings the committee proceeds to meet in executive sessions—sometimes referred to as "markup" sessions—to discuss the bill in detail and to consider such amendments as any member of the committee may wish to offer. Each committee has its own rules of procedure but they generally conform to the rules of the House itself.

THE COMMITTEE VOTE

By a formal vote of the committee, it decides whether to report favorably to the House the bill with or without committee amendments. A committee report must accompany the bill, setting forth the nature of the bill and reasons for the committee's reommended approval. The report sets forth specifically the committee amendments and, in compliance with the rules of each House, indicates all changes the bill would make in existing law. Any committee member, individually or jointly, may file additional supplemental or minority views to accompany the majority committee report. The committee report, accompanying the bill, is viewed by the courts and the administrative agencies as the most important document as to the intent of the Congress in the proposed legislation.

AFTER REPORTING

When a bill is reported by the committee it is placed on the appropriate calendar. The majority leadership decides how and when the bill will be considered on the floor. In general the bill is allowed to remain on the calendar for several days to enable members to become acquainted with its provisions.

In both the House and the Senate innumerable measures of relatively minor importance are disposed of by unanimous consent. In the Senate, where debate is unlimited, major bills are brought up on motion of the majority leader and in the House are called up under a privileged resolution reported from the Rules Committee which fixes the limits of debate and whether amendments may be offered from the floor. The Rules Committee resolution is called a rule for consideration of a bill; a closed rule if no amendments are allowed, as is generally the case in tax bills, and an open rule if amendments can be offered.

REACHING CONSENSUS

While there are distant differences between the House and Senate procedures, in general a bill is debated at length with the proponents and opponents presenting their views to acquaint the membership, as well as the general public, with the issues in volved, and all with a view to arriving at the consensus. Amendments are frequently offered to make the measure more in conformity with the judgment of the majority. In the course of consideration of the bill there are various parliamentary motions, in both the House and the Senate, which may be offered to determine the sentiment of the members with respect to the pending legislation. The measure may be postponed to some future date or referred back to the committee which reported it.

At the conclusion of general debate and the reading of the bill for amendments, the question becomes whether the House or Senate, as the case may be, will pass the bill in its final form. The CONGRESSIONAL RECORD of the day the bill was under consideration will set forth the verbatim debate on the bill and the disposition made of such amendments as were offered.

AFTER PASSAGE

With the passage of a bill by either body it is messaged to the other with the request that they concur. If no action has been taken on the like measure by the body receiving the message the bill is usually referred to the appropriate committee of that body for consideration. Hearings are again held and the bill reported for floor action. On relatively minor or noncontroversial matters the Senate or the House accepts the measure as messaged to it by the other body.

If there are substantial differences between the House and Senate versions of a given bill, the measure is sent to a conference committee which is appointed by the Speaker and the President of the Senate from the ranking committee members of each body having original jurisdiction over the bill. The object of the conference committee is to adjust the differences between the two bodies, and to report back to each its agreement. The report of the conference committee must be in writing and signed by those agreeing thereto and must have the signature of the majority of the conferees of each House.

CONFERENCE REPORT

The report of the conference committee cannot be amended and must be accepted or rejected by each House as it stands. If either House finds itself unable to accept the conference committee report a further conference is usually requested.

When the bill has been agreed to in identical form by both bodies a copy of the bill is enrolled, signed by the Speaker and by the President of the Senate, for presentation to the President. The bill becomes law with the President's signature of approval, or it may become law without his signature if he does not return it, with his objections, to the Congress within 10 days of its presentation to him.

If the President should return the bill, with his objections, to the originating body of the Congress, his veto may be overridden

by two-thirds of both the House and Senate respectively voting to have the measure become law the President's objections to the contrary notwithstanding. Both the President's veto message and a record of the vote of the individual Members in the motion to override are required by the Constitution and set forth in the CONGRESSIONAL RECORD.●

REMARKS ON THE 25TH ANNIVERSARY OF THE ST. PAUL OF THE CROSS CATHOLIC CHURCH

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. GRISHAM. Mr. Speaker, it is my pleasure to take this time to congratulate the clergymen and parishioners of the St. Paul of the Cross Catholic Church in La Mirada, Calif., on the occasion of their church's 25th anniversary.

On April 26, 1956, the St. Paul of the Cross Catholic Church held its first service under Pastor Owen Patrick Jinks. The church held its services in the Moose Hall then, and it wasn't until 2 years later that a church building was built.

Since that time, the church has grown to include over 10,000 parishioners who make up the church's "family of faith."

Under the guidance of Father Mike Baker, the St. Paul of the Cross Church has enriched the community of La Mirada through involvement in community programs and dedication to the principles of their faith. Further still, Father Mike himself has brought to the community that rare combination of spirituality and active involvement that leaves a mark on all who come in contact with him.

Words like love and brotherhood are used all too often these days by individuals who rarely practice those attributes. But through the activities and the faith of the clergy and parishioners of the St. Paul of the Cross Catholic Church, those attributes have come to life in the community of La Mirada. And for that, we as Americans, owe them a debt of gratitude.●

FINANCIAL REPORT OF THE CONGRESSIONAL STEEL CAUCUS, QUARTERLY STATEMENT OF EXPENSES AND FUND BALANCE, STATEMENT FOR PERIOD ENDING DECEMBER 31, 1980

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Ms. MIKULSKI. Mr. Speaker, in accordance with Executive Committee Order No. 1, I am respectfully submitting herewith the quarterly financial report of the Congressional Steel Caucus for insertion into the RECORD. The report is as follows:

Quarterly report, cumulative statement of expenses, U.S. House of Representatives, Congressional Steel Caucus

Salaries	$37,357.24
Travel	0
Stationery:	
Office expenses	239.97
Donations—Mr. Bevill	458.35
Postage	75.00
Telephone	553.28
Publications	296.40
Equipment	2,047.15
Printing	218.10
Miscellaneous	7,247.78
Total expenses for 1980	48,493.27

Quarterly report, fund balance statement, U.S. House of Representatives, Congressional Steel Caucus

Balance forward (as of Sept. 30, 1980)	$433.92
Total revenues (clerk hire and donations)	10,875.15
Subtotal	11,309.07
Less expenses:	
October 1980	5,444.32
November 1980	2,739.32
December 1980	3,383.85
Subtotal	11,567.49
Remainder	−258.42
Plus interest deposit	28.31
Balance (as of Dec. 31, 1980)	−230.11

CONGRESSIONAL STEEL CAUCUS, DUES PAID AS OF DECEMBER 31, 1980

Bob Edgar, Allen Ertel, Robert Mollohan, E. Thomas Coleman, Robert Roe, Dan Quayle, Elwood Hillis, Melvin Price, Charles Wilson, Douglas Applegate, Ralph Regula, Clarence Miller, Henry Nowak, William Natcher, Austin Murphy, Louis Stokes, Richard White, Ray Kogovsek, William Moorhead, John Duncan, William Clinger, Joseph McDade, John Seiberling, George O'Brien, William Ford, James Santini, John Jenrette, James Oberstar, Paul Simon, Gene Taylor, Leo Zeferetti, Richard Shelby, Jim Lloyd, Christopher Dodd.

Robert Giaimo, Gary Lee, Ronald Mottl, Joseph Addabbo, Robert Walker, James Hanley, Robert Michel, George Brown, Clement Zablocki, Clarence Long, J. William Stanton, William Clay, George Miller, Donald Bailey, James Quillen, Mary Rose Oakar, Vic Fazio, Samuel Stratton, Eugene Atkinson, Marc Marks, Dan Marriott, Sam B. Hall, James Scheuer, E. G. Shuster, Martin Russo, Doug Walgren, Robert Duncan, Jerry Lewis, John Conyers, Stanley Lundine, Adam Benjamin, Jr., J. M. Murphy, William Brodhead, Lawrence Coughlin.

Robert Davis, Gunn McKay, Carl Pursell, Don Ritter, John Murtha, Thomas Kindness, Edward Patten, Tom Bevill, John Buchanan, Ray Lederer, Thomas Luken, David Evans, Morgan Murphy, Michael Myers, G. V. Montgomery, Thomas P. O'Neill, William Harsha, Barbara Mikulski, James Martin, Don Clausen, Benjamin Gilman, Bill Nichols, Richard Ichord, John Dingell, Gus Yatron, Peter Kostmayer, Bruce Vento, Lyle Williams, Robert McEwen, Donald Mitchell, Joseph Gaydos, Clarence J. Brown, Nick Joe Rahall.●

RIDERWOOD ELEMENTARY SCHOOL TRIP

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. LONG of Maryland. Mr. Speaker, on Tuesday, April 28, 1981, 26 young men and women from the sixth grade class at Riderwood Elementary School in Ruxton, Md., will journey to Washington to augment their studies of American Government with a first-hand look at their Nation's Capital.

These students, led by their teacher Mary Ann Mikulka, their student teacher Meg Baer, and parents Lillian Noel, Mary Mayer, and Doris Cameron, will visit the House of the Americas at the Organization of American States, the Smithsonian National Air and Space Museum, the Capitol Building, and will observe the House and Senate in session, as part of their day's activities.

I look forward to meeting with these students, their teachers, and parents to discuss with them the legislative process, their studies of our Government, and their questions about national issues. I am delighted they are taking the opportunity to expand on their classroom learning.

Students who will visit us Tuesday include:

Justin Baldwin, Andrew Cameron, Brett Dudek, Doug Fambrough, Josh Freeman, Robert Gamrath, Will Gould, Joey Harris, Trippy Holston, Robert Isaacs, Mark Lee, David Mayer, Stuart McCaughey, Nicholas McGowan, Mark Schleifer, David Sowa, Paul Trumbore, Heather Coburn, Lisa Esposito, Jenny Gaintner, Alison Gillespie, Carey Griffin, Katie Pescrille, Beth Ryan, Charlene Tag, and Susan Walcher.●

THE ADMINISTRATION'S FOREIGN POLICY ZIGZAGS

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. ECKART. Mr. Speaker, earlier this year, the Reagan administration's chief budget cutter, David Stockman, authored an article entitled "How to Avoid an Economic Dunkirk." He wanted an economic emergency declared, to get public opinion behind

the recovery plans of the Reagan administration. His idea was rejected.

However, in the past few days, and indeed as each day goes by, we find the administration floundering in another Dunkirk. And the importance of their thrashing around is certainly equal to what they were doing regarding the Stockman plan.

The administration is zigging and zagging so unpredictably on foreign policy I wonder if they know who comes first in their foreign policy manpower chart? Is it Haig, Bush—Weinberger, or the President himself, or any one of a host of others?

Where, I ask, is the administration's promise of a "national, and unified front, in foreign policy."? Where is the promise of a foreign policy which would "speak with one voice."?

I applauded the promise of more centralized and predictable foreign policy during the Presidential campaign. But what has surfaced are the flailing voices of numerous spokesmen, and likely as not the next day or so we find out the speaker did not know what the first spokesperson was talking about.

The administration's latest zigzag is on proposals to add new equipment to the already committed F-15 jets to Saudi Arabia.

As a candidate for President on the 28th of October, President Reagan said his administration, through legislative and executive initiatives, would bolster Israel's security against all forms of aggression.

His administration, he said, would not continue to ship massive quantities of sophisticated armaments to the so-called moderate Arab States. He said he knew such shipments might directly threaten Israel's existence. Further, on September 3, 1980, President Reagan said in his campaign speech to the B'nai B'rith and I quote:

> • • • most important, we must build our lost reputation for trustworthiness. We must again become a nation that can be relied upon to live up to its commitments.

So what do we have now from the President who promised there would be no shipments of sophisticated armaments to moderate Arab States? The administration continues to commit itself to sales of new weapons to Saudi Arabia.

First there was word that air-to-air missiles and long-range fuel tanks would go with the F-15 aircraft promised to Saudi Arabia by President Carter. Now we are told that our Defense and State Departments approved the shipment of several airborne warning and control system, or AWACS, planes to Saudi Arabia. These planes, flying over Saudi Arabian airspace, will be able to detect any flying object, high or low, as much as 350 miles away. Equipment on these planes, which the administration proposes to sell to Saudi Arabia, can also figure out what ground fortifications and weapons exist, and relay command information to armies below.

In short, sale of these planes means Israel's troop deployments, tank deployments, and artillery arrangements will be vulnerable. Their deliver is a direct threat to Israel's existence and to stability in the Middle East.

Are we perhaps to believe that one of Secretary Haig's foreign policy zigzags is that Saudi Arabia is neither moderate nor warlike, and is truly peaceful? Maybe that is it, but I hardly think so. Crown Prince Fahd, after all, was the one who called for a "jihad," or Holy War, against Israel, just last year. And it is Crown Prince Fahd's country which will receive the fuel tanks, missiles, and detection planes.

Secretary of State Haig said in testimony to the House Foreign Affairs Committee of which I am a member, that we had another reason for our proposed sale. We should sell the equipment, he said, because the Saudis could go elsewhere and buy the same thing. Our refusal, he said, would not save Israel.

I do not believe such a naive statement, and I cannot understand how Secretary of State Haig can. The Saudi's will have F-15's. Where else will they buy fuel tanks for F-15's, but from the F-15's manufacturer. Who else in the world can supply the AIM-9L version of the American Sidewinder missile, the most advanced in the world? And there is no other plane in the world like the AWACS plane, dubbed the Sentry, and capable of being a command platform in the air for attack.

The simple fact of the matter remains that such advanced air detection equipment is not available anywhere else. The failure of this administration to obtain any concessions, the failure to secure any commitments to peace, and the failure to live up to its preelection statements supporting the integrity and freedom of Israel, breaks faith totally with the voters who switched from President Jimmy Carter over Arab-Israeli matters. This equipment must not go to the Arabs.

The administrations wavering in this situation is mirrored in a number of other cases as well.

El Salvador is one. Senior State Department official John Bushnell attacked the press for allegedly overplaying the El Salvador story. The White House and Secretary of State Haig rebuffed Bushnell's comments, and said that was not the administration's view.

The SALT II agreement is another. Secretary of the Navy John Lehman said the United States did not have to live up to the terms of the unratified treaty. The State Department corrected him, and said his statement was not the administration's view.

The neutron bomb is another one. Secretary of Defense Weinberger talks about deploying the neutron bomb in Europe. Our allies were shocked. The State Department next announced that was not the administration's view.

Secretary Haig told a congressional hearing the Communists have completed the seizure of Nicaragua. The next day the State Department corrected the Secretary of State, that the situation is not hopeless, the seizure is not complete.

Richard Pikes of the National Security Council told an interviewer one day that détente is dead. The State Department and the White House announced later that day Mr. Pikes' statements were not the administration's view.

The President decided to put Vice President GEORGE BUSH in control of a crisis management team. Secretary of State Haig carried his distrubance over the designation to Congress. The Secretary of State will remain just part of the team working on response plans to international crises.

Secretary of State Haig told the House Foreign Affairs Committee that pieces of the windshield found in the body of one of the American missionaries murdered in El Salvador, indicated to some that they may have been running a roadblock. The next day he backtracked, in the words of the Washington Post, saying he only had suggested such a scenario. It took the brother of slain missionary Jean Donovan, Michael Donovan, to point out that the pieces of glass in his sister were found in her wounds, and she had been killed by gunshots into the back of her head. Salvadorean officials confirm all four were shot in the head, at close range.

The U.S. delegate to the U.N., Jeane Kirkpatrick, met with top military leaders from South Africa, in a change in U.S. attitudes toward official contacts with that nation. Afterward, she said she had not been aware of the positions of the men with whom whe had met.

I repeat, this country's foreign policy is zigzagging around like the small boats and fishing vessels escaping Dunkirk. This time the threatening fire coming from all around is from the same side, from inside the administration, not from enemies without.

What this country needs in foreign policy is a straight course, a straight and steady policy.

These seemingly irreconcilable conflicts in position by our State Department have resulted in new damage to the credibility of the United States, a weakening of our Nation's bargaining position, and an erosion of the trust others have in our Nation's ability to act responsibly, firmly, and with commitment in the world arena.

The rest of the world listens closely to the voices emanating from the United States various agencies and individuals concerned with foreign policy. The Secretary of State, the Secretary of Defense, the Secretary of the Navy, members of the National Security Council, and senior State Department officials, all represent American foreign policy. Secretary Haig, our self-avowed vicar of foreign policy, would do well to begin coordinating our foreign policy, making it more predictable and unified, as the American people were promised during the 1980 Presidential campaign.●

RADIO LIBERTY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. MICHEL. Mr. Speaker, on Tuesday, April 14, 1981, the Washington Post carried a disturbing column by Jack Anderson. The column concerned charges of incompetence—and worse—leveled against Radio Liberty by a planning and research officer of the Board for International Broadcasting (BIB) which oversees the station.

Since the allegations contained in the column were quite serious and since I am a supporter of Radio Liberty (and its sister station Radio Free Europe) I asked Charles Ablard, Acting Chairman of BIB, to respond to the Anderson column.

I think you will find both the Jack Anderson column and Mr. Ablard's letter of interest.

At this point I insert in the RECORD "Radio Liberty Making Static on the Air" by Jack Anderson, published in the Washington Post, April 14, 1981 and a letter to me from Charles D. Ablard, Acting Chairman of the Board for International Broadcasting.

The article and letter follow:

RADIO LIBERTY MAKING STATIC ON THE AIR

In a curious confusion of tongues, the Reagan administration and Radio Liberty have been broadcasting conflicting views on Poland. The federally funded broadcasters not only have echoed the Soviet line on Russian rights to Polish territory but also have criticized the popular Polish prelate, Pope John Paul II.

Radio Liberty is the Munich-based U.S. government broadcasting station which, with Radio Free Europe, is responsible for beaming "straight" news reports and cultural programs to the brainwashed masses behind the Iron Curtain.

Yet incredibly, Radio Liberty has been airing religious and historical programs in the Russian language that parrot Radio Moscow. The U.S. station has even sided with the Kremlin on Polish issues.

Whether these broadcasts are the result of sabotage or merely stupidity is not clear. But an eyes-only memo charges that the station's Russian-language broadcasts "are damaging not only to Radio Liberty's reputation but also to the U.S. interest as a whole."

The memo, titled bluntly "Radio Liberty Russian Service Broadcasts Damaging to the United States," was preprared for the Board for International Broadcasting, which oversees the station.

My associate Indy Badhwar has obtained a copy of the astonishing memo, written by James Critchlow, a planning and research officer for the board who visited Radio Liberty in January. The memo alleges:

"Some broadcasts are openly anti-democratic and anti-western, such as several criticizing the 'political freedom' of Western Europe as responsible for the persistence of terrorism. Others are peculiarly in harmony with Soviet expansionism, as one containing the statement that the 1939 Soviet invasion of Poland 'extended Russia's borders to their natural limits.' "

The station carried a historical program that reflected "anti-Polish positions which are current in Soviet historiography."

"Another broadcast in which Radio Liberty's position coincided with Soviet interests upbraided Pope John Paul II personally for his support of the Uniate [Catholic church of the Eastern Rite] clergy in the Ukraine."

A Russian Christmas broadcast, aired repeatedly for 48 hours, contained a reference to a Ukrainian as a "fanatical Catholic"—a slur that would offend the many Soviet Catholics who heard the Broadcast.

Much of the Anti-Catholic material, Critchlow found, was contained in the increasing number of Russian Orthodox religious broadcasts. One weekly series, he noted, "is now almost exclusively a vehicle for sermons by Russian Orthodox clergy and for commentaries expressing a Russian Orthodox viewpoint," including attacks on other religions.

The Washington research officer found that "American management has lost effective control." He recommended that an American "with the requisite linguistic, political and historical background" be named director of Radio Liberty, a post that has been vacant for 34 of the last 44 months.

Even with the station's content back in Americans hands, Radio Liberty would still have problems. Critchlow found "serious anomalies"—irregularites—such as "broadcasting the wrong language at the wrong time on the wrong frequency."

BOARD FOR INTERNATIONAL BROADCASTING,

Washington, D.C., April 16, 1981.

Hon. ROBERT H. MICHEL,

House Republican Leader, Capitol H-232, Washington, D.C.

DEAR CONGRESSMAN MICHEL: Thank you for the telephone call from your office yesterday morning expressing concern over Jack Anderson's column headed "Radio Liberty Making Static Over the Air". May I take this opportunity to clarify the situation.

Mr. Anderson quotes accurately from a preliminary memorandum addressed on January 23, 1981 to the members of the Board for International Broadcasting by our planning and research officer, James Critchlow, calling attention to certain violations of RFE/RL policy guidelines in a number of religious and historical programs broadcast by the Radio Liberty Russian Service. The purpose of the memo was to prompt discussion of and, as necessary, action on the matter at our Board meeting scheduled for January 30, 1981.

At that meeting, in fact, there was a thoroughgoing discussion of the problems raised by the memo, and the Board instructed RFE/RL management in Munich by telex that same day to take remedial action—namely, to require pre-broadcast review of Russian language historical and religious programs by linguistically-qualified American management personnel. Since then, all evidence suggests that these measures have proved effective in preventing the broadcast of further dubious material along the lines noted earlier by Mr. Critchlow.

At the same January 30 meeting, the Presidentially-appointed members of our Board also urged RFE/RL management and the chairman of the Board of directors of RFE/RL, Inc., John S. Hayes, to intensify their efforts to recruit a fully-qualified American, "with the requisite linguistic, political and historical background," to serve as director of Radio Liberty. We intend to review management's progress toward this end at our next B.I.B. meeting on May 1.

To put the incident in perspective, may I offer two further obervations:

First, historical and religious programs constitute a minute proportion of the total broadcasts of the RL Russian service, which generates nearly seven hours of fresh material daily—most of it news, news analysis, reviews of the world press, and readings from censored Soviet samizdat publications. A subsequent, more comprehensive memorandum by Mr. Critchlow made clear (as had been shown in previous evaluations conducted for the Board by Professors Maurice Friedberg of the University of Illinois and Robert V. Daniels of the University of Vermont) that the overwhelming majority of Russian programs are fully consistent with the B.I.B. Mission Statement and the RFE/RL Program Policy Guidelines, as well as U.S. foreign policy objectives.

Second, the episode illustrates the value of independent evaluation of the quality, effectiveness and professional integrity of RFE/RL broadcasting by the Board, its staff and distinguished consultants. There are bound to be occasional problems of this sort with a network broadcasting 1,000 hours weekly in 21 Soviet and East European languages, principally staffed by emigrants of varying political and ideological backgrounds. We believe that frequent evaluations by our staff and qualified academic consultants have minimized the problem. The prompt remedial action taken by the Board in response to Mr. Critchlow's findings demonstrates, in our view, both the need for and the efficacy of the oversight arrangements created by the Board for International Broadcasting Act.

Sincerely your,

CHARLES D. ABLARD,

Acting Chairman.●

RURAL HOSPITALS HELPED BY CO-OP

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. KASTENMEIER. Mr. Speaker, I was very interested in an article that appeared on March 30 in the Capital Times, a Madison newspaper. Entitled "Co-op of Hospitals Reaping Rewards," the story tells of 11 rural hospitals that formed a cooperative in order to solve their mutual problems

and to save money. Through the Rural Wisconsin Hospital Cooperative, participating organizations buy specialized services together and mass-buy universally used products, at great savings.

The article, written by Ann C. Boyer, may serve as an inspriration to rural communities through the country that are interested in dispensing good health services at a minimum of cost.

CO-OP OF HOSPITALS REAPING REWARDS

Although the Rural Wisconsin Hospital Cooperative got underway just one year ago, membership is beginning to reap rewards for the 11 participating hospitals.

Located in southern and central Wisconsin, the member hospitals serve the communities of Baraboo, Boscobel, Cuba City, Dodgeville, Sauk City, Prairie du Sac, Edgerton, Lancaster, Mauston, Platteville, Reedsburg and Stoughton.

As a group, these hospitals are responsible for 1,000 medical beds, 1,500 employees and a 1979 expense budget of approximately 30 million dollars.

And while it's hardly small or rural, University of Wisconsin Hospital and Clinics is also a member of equal footing, due to its assistance in helping the organization get started.

Operated in much the same fashion as an agricultural cooperative, it nonetheless has different goals; while its agricultural prototype might exist to obtain the best prices for the members' product, or increase group buying power, this organization works to insure the ability of its member hospitals to offer an adequate range of services to rural users.

The motive is not financial returns, but increased strength. Expenses, says Executive Director Tim Size, who shares the Cooperative's small office in Dodgeville with a student assistant, are shared equally among all the member hospitals. Each hospital has an equal voice in decision-making.

Some new service arrangements have been set up to improve the delivery of various specialized medical services. Physical and respiratory therapy especially are in need, due to a recruitment shortage experienced by rural hospitals.

Since no two facilities have the same strengths and weaknesses, each arrangement has different participants. "I'd be real surprised if we ever design any program that everyone buys into," says Size. "That's the way we work."

During the last year, the Cooperative has employed five physical therapists to work in Platteville and Cuba City (Southwest Health Center), Dodgeville and Stoughton. Each professional is based primarily at one site, to insure continuity of care.

Similarly, Sauk-Prairie Hospital buys respiratory therapist services through the Cooperative; at present there are only two. But several other member hospitals are eager for the services, so four to six more professionals are being sought.

Printing services, graphics design and dietary consultations also are available through the Cooperative, with several hospitals taking advantage of each.

The dietary consultant, as Gary Demi, administrator of Dodgeville's Memorial Hospital, explains, fills an advisory capacity. "We have our own dietitian, but she's not registered, so we need a consulting dietitian."

Financial consulting, involving the use of computer hardware programs, is commonplace in large urban hospitals, but it's a service rural hospitals usually can't afford. Through the Cooperative, explains Demi, "We've purchased a mini-computer service and programs which saved us hundreds of hours in our Medicare cost reports."

Using the service "has been a cost saving of approximately $5,000 to $10,000 for us."

Legal services also are available to member hospitals by contractual agreement. "We can provide these less expensively than another contractor because we're not making money on it," explains Size.

The rural Cooperative now is negotiating with a group of regional pathologists to allow for more efficient delivery of their crucial services.

Logical as such an arrangement might sound, it is surprisingly rare to find. Size knows of only one or two other rural hospital cooperatives in the entire nation; a similar group exists in Arizona.

Here, the strong local tradition of agricultural cooperatives has created a favorable climate for development.

While many urban hospitals share certain services with each other, the groups usually are small and dominated by one institution. Services shared are relatively narrow in scope. In this rural setting, the partners—with the exception of UW hospital—are small and rurally based.

Even with the trend toward urban medical centers with highly-developed health technologies, Size says small rural hospitals continue to play a unique role.

"These are not little 'big hospitals'—they provide immediate, basic medical care where people live. As a patient, you're not a nameless person or face. People go into a rural hospital and know a lot of the people who work there."

In the economic arena, many small community hospitals are the largest employers in town.

"Small hospitals are well able to do a good job for a great number of medical procedures. Rural hospitals have to encounter a blind belief that bigger is better," says Size.

Hospital ownership is undergoing a dramatic change as well, he says. "Corporate America is getting into hospital ownership—not just suppliers, but as providers of hospital care, and through external management contracts. Although so far Wisconsin has experienced less buying up of community hospitals than other sections of the country, it could happen here.

"The greater strength in numbers provided by a cooperative protects against such a situation, encouraging local control.

"Member hospitals share in other intangible benefits. New ideas in health care can spread rapidly through the cooperative grapevine. Needed changes can come about more quickly."

The relative isolation of a rural setting need not create a corresponding sense of professional isolation for a hospital's personnel. One of the group's next aims is shared in-service training programs for member administrators and staff.

The very size of the Cooperative guarantees much higher visibility for the issue of rural health care in state-level planning bodies and hospital associations. Lobbying is a basic, although secondary role of the organization, says William Beach, Sauk-Prairie hospital administrator. "We have more bargaining power all down the line."

Future directions will include developing community health education and computer software—a rural health maintenance organization is being explored. This could save rural subscribers the expense of traveling to Madison or Dubuque, where costs of prepaid treatment are substantially higher.

It is the "something special" about the cooperative concept that keeps Tim Size going. "It's a belief that we're doing something that transcends health care—we're helping support an important part of Wisconsin life."●

POLAND MAY DEFAULT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. McDONALD. Mr. Speaker, all the "wise men" used to tell us that one of the reasons we should all be for East-West trade was that the credit record of the Communist nations was so good. Well, what are we going to do about Communist Poland? She is broke. Technically, she has already declared bankruptcy. Even if her debts due are postponed and renegotiated, where is she ever going to get Western currency to pay her debts? Certainly not from the Soviet Union. Poland almost reached the point of default last year when she owed an estimated $18.5 billion to the West, and the situation grows worse. The London Daily Telegraph reported just how serious this matter is on April 9, 1981. I commend the item to the serious attention of my colleagues.

POLAND MAY DEFAULT

In a development with far-reaching implications for Western banks, Poland has just informed its 420 international bank creditors that it will not be able to pay them the $1,800 million of debts which fall due between March 26 and the end of June.

Bankers fear this could be a prelude to the most serious case of default the international banking community has ever had to face. Another $3,000 million of bank loans to Poland is due to be repaid in the second half ot the year. Altogether, the banks have more than $13,000 million at risk.

In a massive telex operation, the Poles earlier this week promised to maintain all interest payments and put in a plea for "understanding." But for the 18 major Western banks leading a specially constituted "International Bank Task Force," aimed at resolving the Polish debt crisis, the main problem is that Poland has no visible means of meeting interest.

Poland is expected to run a trade deficit of at least $700 million this year and interest payments could top the $2,000 million figure.

Banks admit that some interest payments have already fallen behind, though they still hope the reasons are purely "technical." Poland's financial plight has been obvious for some time now and the 18-bank task force has already had several meetings with Polish government officials in an effort to hammer out a mutually acceptable solution.

The fact that the Poles have been unable to keep their end up at least while discussions are continuing has come as a severe blow to the banks who are deeply concerned at the knock-on effect of a visible default.

The last major default in international banking occurred in 1977 when the Turks found themselves incapable of repaying some $3,000 million of international bank debt. But even the Turkish crisis pales into insignificance against the potential magnitude of the burgeoning Polish crisis.●

A TRIBUTE TO GIOVANNI DA VERRAZANO

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. HOLLENBECK. Mr. Speaker, I would like to take this opportunity to commemorate Verrazano Day which, as we all know, recalls the discovery of New York Harbor by the Italian navigator Giovanni da Verrazano.

In the service of Francis I of France, Verrazano led an expedition in 1524 which explored much of the North American coast. In 1528, this courageous Florentine set sail once again on a transatlantic voyage in the hope of finding a passage to Asia. While the success of this voyage remains a mystery since his expedition never did return, Giovanni da Verrazano will be remembered as the first European to explore the New Jersey coastline and the first to enter New York Bay. The Verrazano-Narrows Bridge across the bay has been named in his honor.

I believe it is fitting that a nation discovered by an Italian, named after an Italian, and which has grown and prospered through the determination of its citizenry—over 5 million of which are Italian—should honor those citizens and their descendants. I am proud to join the Italian American citizenry of this Nation in celebrating the pioneering endeavors of yet another great Italian, Giovanni da Verrazano.●

NATIONAL COMPREHENSIVE HEALTH INSURANCE BILL

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. SABO. Mr. Speaker, On March 31, 1981, I introduced H.R. 2937, a bill to offer all Americans access to comprehensive health insurance. The proposal is based upon a comprehensive health insurance and catastrophic health coverage bill passed into law in Minnesota in 1975. I was speaker of the Minnesota House at the time, participated in the passage of the bill, and followed the results of the law after enactment.

The proposal consists of three major parts: Title I makes comprehensive health insurance available to all persons; title II assists low-income individuals in purchasing comprehensive insurance; and title III provides catastrophic health coverage for all persons if their health costs should exceed their insurance coverage.

The bill places its major stress upon encouraging private businesses and individuals to provide comprehensive health insurance for their employees and for themselves. The bill also provides for State administration and cost sharing of programs to assist low-income individuals in purchasing comprehensive insurance and in providing last-resort public payment for the costs of truly catastrophic health costs which exceed insurance coverage. Due to the stress on the private provision of comprehensive insurance and the provisions for State administration and cost sharing, this bill requires much less Federal outlay than do those calling for a federally financed health insurance system and even costs less than most proposals for a federally financed catastrophic health insurance program.

Title I aims at the rationalization of the current system of private health insurance. It establishes a standard of qualified health insurance and requires that all health insurance plans be plainly labeled "qualified" or "nonqualified". There are four types of qualified plans. A qualified type A plan provides minimum benefits of 80 percent of medical costs, limits the 20-percent copayment to no more than $3,000 a year, sets a maximum benefit of not less than $250,000, and a deductible of not more than $150.

A type B plan is the same with a maximum deductible of not more than $500 and a type C plan is the same with a deductible of not more than $1,000. Health Maintenance Organization plans are defined as equivalent to a type A plan. The bill also defines qualified medicare supplement plans as those with benefits equal to at least 50 percent of costs not covered by medicare, a maximum copayment of $1,000 a year, and a maximum benefit of not less than $100,000 a year.

These standard qualified plans will allow consumers to shop around for coverage by easily comparing premiums of plans of the same qualified level. It will discourage the offering and purchase of substandard plans which do not meet the minimum qualification levels.

H.R. 2937 provides that HHS should delegate certification of insurance plan qualification to State insurance regulatory bodies whenever possible.

All business firms which employ 10 or more persons are required to offer type A or B plans to its employees. There is no requirement that a firm pay for an offered plan, nor is there a requirement that employees accept and pay for a plan. What does occur is that employees will have an opportunity to get qualified comprehensive health insurance at group insurance rates. Group rates are, in almost all cases, much less costly than individual insurance policies. These plans must also cover dependents and must be convertible if the individual leaves the group.

Under the bill, States are required to establish a statewide pool of all health insurance companies. This pool will offer qualified health insurance to any individual at group rates. In effect, this provision establishes a group out of all persons not eligible for a regular group plan—the self-employed, employees of firms with less than 10 workers. It also allows firms to pay all or part of the premiums of the pool insurance so that small firms not eligible for group insurance can assist their employees with insurance premiums.

Title II of the bill establishes a program to assist low-income persons in purchasing the insurance made available in title I. Most employed Americans have the financial ability to purchase adequate health insurance or have it purchased for them as a fringe benefit of employment. Title I insures that all persons will have the opportunity to purchase qualified plans. Those on medicare and under medicaid already have access to health coverage. This still leaves a number of families who are not covered by medicare, medicaid, or an employer-paid group plan whose economic circumstances make it difficult to purchase health insurance. Title II establishes a Federal-State program to assist low-income individuals in purchasing type A, type B, or medicare supplement plans.

Under the program the Federal Government would pay 50 percent of the cost up to a maximum of $5 times a State's total population. Thus the maximum Federal liability would be about $1.2 billion matched by at least $1.2 billion in State funds for a $2.4 billion program of health insurance for low-income persons. This would be in addition to medicare and medicaid programs. States would not be required to establish a program and would have wide flexibility in designing the program to suit their own needs. Each State has a different pattern of need because of varying medicaid coverage, different demographic patterns, and varying patterns for existing private health insurance. States would be able to target the low-income program toward those most in need and States would be able to experiment with total subsidy of purchase, cost sharing, or sliding fee schedules.

Title II also has a provision for senior citizen couples where one spouse requires long-term nursing home care. Current medicaid income and asset standards often leave the healthy spouse with too little income to remain economically independent. The bill would allow States to set

more liberal income and asset requirements in those cases so that the healthy spouse need not be forced to drastically cut his or her living standard.

Title III of the bill establishes a State-Federal program of catastrophic health coverage. State participation would be optional. After an individual had exhausted existing private insurance or medicare/medicaid, the State would pay 90 percent of medical costs exceeding $2,500 or 30 percent of household income up to $15,000, 40 percent of income over $15,000 and less than $25,000, and 50 percent of income over $25,000, whichever is higher. Claimants would not be required to sell their homes, businesses or other assets to receive benefits.

Title III insures that any citizen no matter what his condition, will not be devastated by a severely expensive illness. It will insure that a person will not face liquidation of the bulk of his assets to pay for a catastrophic illness. Yet the standards of coverage of $2,500 or the 30 percent plus of income threshold for payment will insure that only truly catastrophic illnesses are covered and that adequate incentive for purchases of comprehensive insurance remains.

The Federal Government would pay 50 percent of the costs of the catastrophic program, with a maximum of $1 times the population of the State involved. The maximum Federal cost would be about $226 million with a minimum State match of a like amount. This amount would be more than adequate to pay for the program because title I and title II would have already provided most individuals with adequate health insurance and only truly catastrophic cases would be paid for by the program. The funding level is in excess of the actual experience of the State-administered catastrophic program in Minnesota, which has benefit levels higher than those provided in this bill.

The bill seeks to rationalize and build upon the existing system of private health insurance, medicaid, and medicare. It attempts to make the existing system comprehensive by filling in gaps in the existing system. It does not require a massive change in existing programs or a large governmental organization or financial contribution. Even if every State were to establish low-income assistance and catastrophic coverage programs and to use the maximum amount of Federal funds, the Federal costs would be about $1.4 billion. This would be matched by an equal State contribution, but one that most States are in a better position to afford than is the Federal Government under current circumstances.

In offering this bill I do not feel it is in competition with some of the other national health insurance plans being considered. The generosity of benefits provided by these plans is, unfortunately, matched with a cost that I fear will preclude enactment. I have sought to design a bill which can be accommodated within the Federal budget limits we now face.●

PRESERVING TEACHER INTERNSHIP PROGRAMS

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. GUNDERSON. Mr. Speaker, teacher internship programs at our colleges and universities are presently in jeopardy because of a quirk in the Internal Revenue Code as it relates to unemployment compensation.

Under the existing language of section 3306(c)(10)(C) of the Internal Revenue Code, students age 22 and older who participate in teacher internship programs are eligible to receive unemployment compensation benefits at the expense of their host school district after completion of their internship. Only students under the age of 22 are prohibited from collecting unemployment compensation benefits from governmental units. By definition, a school district is a governmental unit.

Because 90 percent of students who participate in teacher internship programs are age 22 or older, many school districts have terminated their participation in the programs rather than risk the additional expense associated with the payment of unemployment benefits.

There can be no doubt that filing for unemployment benefits at the close of an educational experience such as an internship is an abuse of our unemployment compensation system. If this abuse is allowed to continue, the real losers will be our children and grandchildren as new teachers assume their jobs without the benefit of a classroom experience under the guidance of an experienced teacher.

I am today introducing a bill that will simply remove the under age 22 clause from section 3306(c)(10)(C) of the Internal Revenue Code to remedy this problem. Both the Internal Revenue Service and the Labor Department are at a loss to explain the rationale behind this age distinction.

Mr. Speaker, in this age of cuts in Government spending, it is nice to be able to point to a cut that will, indeed, enhance a program. This is just such a cut.

By striking the under age 22 clause, we can both put an end to improper expenditures on unemployment compensation and insure the availability of teacher internship programs to future generations of student teachers.●

SPRINGFIELD STUDENT-ATHLETE RAISES $2,200 FOR SCHOOL SPORTS

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. BROWN of Ohio. Mr. Speaker, during these difficult budgetary times, many schools throughout my home State of Ohio are experiencing tremendous financial difficulties, threatening the continued existence of some worthwhile programs, including athletics.

As a recent newspaper article pointed out, the 80,000 residents of Springfield, Ohio, which I represent, take their sports seriously. Among those who take sports most seriously is George D. Loukoumidis, a senior at Springfield North High School. I would like to share with my colleagues in the U.S. House of Representatives an illustration of what this fine student has done on behalf of athletics at his school.

Last year, George singlehandedly raised $2,200 for his school's athletic program in a "lift-a-thon." In a lift-a-thon, participants solicit donation pledges based on the number of pounds they lift. A dime a pound from one sponsor can mean $20 for a 200-pound lift. George was able to lift 325 pounds, enough to earn $1,924 and set a record for any high school student in Ohio for the raising of money for athletics last year. His sponsors were so impressed they donated a few extra dollars and George ended up bringing in $2,200 into the North High School athletic program coffers.

George has been honored for this fundraising effort by the mayor and City Commission of Springfield and the Springfield Area Chamber of Commerce. In an editorial which appeared in the Springfield Daily News, George was cited as "an outstanding example of what can be done on behalf of athletics in the public schools." Various other national publications recognized this remarkable achievement.

Looking at George's background, we can see that his efforts to excel on behalf of his school, his church, and his community are indeed commendable. George was born on December 7, 1962, one of five children to James and Despina Loukoumidis, his parents who had just migrated to the United States and settled in Springfield's Greek community. George speaks and writes Greek fluently and has returned to Greece twice by himself to visit the homeland of his mother and father.

George attended Simon Kenton High School where he participated in football and baseball. He attended Roosevelt Junior High School where he played football all 3 years. In 1977, George attended the National Order of Ahepa Olympiad track meet in New Orleans where he placed first in the discus competition and second in the javelin and shotput events. George has played 3 years of football for North High School, receiving the Second Year Starter Athletic Award, the Western Ohio League Football Award, Top Defensive Award, and others. He has wrestled at North for 3 years, having winning seasons, and is presently captain under the tutorship of Coach William Harris. Mike Larson, football coach at North High School, summed up George's outstanding athletic abilities by saying:

There is something inside that kid that makes him want to excel. He is the best lineman to come down the pike at North since Eric Bauer.

George served 7 years as an altar boy in the Greek Orthodox Church. In 1975, he was elevated to the highest honor the church can bestow a youth, acolyte leader, by the Very Reverend Theodore Dymek. In 1977, George attended the 23d Congress of the Greek Orthodox Church held in Philadelphia where he served as an ecclesiastical page during the sessions. George is presently an officer of the G.O.Y.A., a youth organization of the Greek Orthodox Church. He is in the top fourth of his senior class scholastically and plans to major in conservation.

George started working in hunting and safety in 1978 and was appointed to help at the Clark County Fair in traffic and safety for that year. In 1980, Ohio Gov. James Rhodes appointed George to his Youth Traffic Council for the Clark County area. George was honored for this appointment at Disney World in March 1980.

George Loukoumidis is truly an outstanding young Ohioan and American of whom we can all be proud. On behalf of my colleagues in the U.S. House of Representatives, I commend George for a job well done on behalf of high school athletics in Springfield and wish him every success in future years.●

COMMEMORATION OF AUSTRIAN REPUBLIC DAY

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. NELLIGAN. Mr. Speaker, I rise to commemorate Austrian Republic Day, which is celebrated each year on April 27. For those who may not be familiar with Austrian history, let me briefly recount what Republic Day means.

On March 12, 1938, Nazi troops occupied Austria, and set up a puppet regime which was loyal to Germany, and not to the Austrian people. As a result of the German occupation, Austria suffered terribly during the Second World War.

In 1943, the Allies met to lay the groundwork for reestablishing an independent Austrian republic. In April 1945, Allied troops succeeded in retaking Vienna—putting an end forever to the German occupation.

On April 27, 1945, a provisional government was established in Austria, based on the democratic constitution of 1920. The light of liberty, which was all but extinguised under the fascist regime, was rekindled in Austria.

That is why 7 million Austrians, and their American brethren in Pennsylvania's 11th District and across the Nation, continue to celebrate Austrian Republic Day on April 27.

I salute the Austrians on this, their day. By saluting them, I honor the memory of those who have struggled for liberty throughout the world.●

BLACK AMERICANS ATTITUDES TOWARD CANCER AND CANCER TESTS

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mrs. COLLINS of Illinois. Mr. Speaker, the American Cancer Society is a voluntary organization dedicated to the control and eradication of cancer. Their immediate goal is to save more lives and to diminish suffering from cancer to the fullest extent possible. Over 420,000 people die each year of cancer in the United States. More than 134,000 could have been saved by earlier detection.

The immediate goal of saving lives is accomplished largely through education of the public to the dangers of cancer and possibilities of cure. Along that line, I would like to share with my colleagues the findings of an historic and penetrating national survey of the attitudes of black Americans toward cancer as released by Dr. LaSalle D. Leffall, Jr., chairman, National Advisory Committee on Cancer in Minorities, American Cancer Society, Inc., in New York City. The findings grew out of the society's 1979 National Conference on Meeting the Challenge of Cancer Among Black Americans, and was conducted by a black-owned polling firm, Evaxx, Inc.:

HIGHLIGHTS

BLACKS UNDERESTIMATE THE PREVALENCE OF CANCER

A majority of both black Americans and white Americans underestimate the prevalence of cancer, but blacks are even less aware of the prevalence of cancer. Medical statistics indicate that 1 out of 4 people will get cancer. 73% of blacks, compared with 63% of whites, think that less than 1 out of 4 people will get cancer.

Blacks are less likely than whites to think that they themselves will get cancer. 69% of blacks, compared with 55% of whites, think that they are not likely to get cancer.

17% of blacks think that whites are more likely than blacks to get cancer. This belief is at variance with medical statistics which indicate that (across all sites of cancer combined) blacks are just as likely as whites—or even somewhat more likely than whites—to get cancer.

Blacks think that cancer is the main preoccupation of white people and high blood pressure and sickle cell anemia are primary preoccupations of black people. This probably reflects the fact that there have been high visibility programs concerning high blood pressure and sickle cell anemia directed at black Americans, while cancer programs have not been specifically directed at that population segment.

BLACKS ARE PESSIMISTIC ABOUT THE CURABILITY OF CANCER

A majority of both black Americans and white Americans underestimate the curability of cancer, but blacks are even more pessimistic about the curability of cancer. Medical statistics indicate that about 1 out of 3 cancer victims get cured (defining cure as surviving 5 or more years after the onset of cancer). 77% of blacks, compared with 65% of whites, believe that fewer than 1 out of 3 cancer victims survive it.

Blacks are twice as likely as whites to think that, even if cancer is detected early, there is little chance of curing it. 22% of blacks, compared with 9% of whites, think that, even with early detection, there is "not much chance" or "no chance at all" of curing cancer.

Blacks are far more apt than whites to believe that cancer is generally fatal. 59% of blacks, compared with 36% of whites, feel that "getting cancer is a death sentence for most people."

Blacks are twice as likely as whites to want to avoid knowing they had cancer if they got it (probably reflecting blacks' greater pessimism about the curability of cancer). 33% of blacks, compared with 16% of whites, report that "if I got cancer, I'd rather not know about it."

Blacks are much less likely than whites to regard surgery, chemotherapy and radiation as effective cancer treatments. For example, 41% of blacks vs. 57% of whites regard radiation as an effective cancer treatment. This is probably one reason why blacks are pessimistic about the survival rate for cancer.

BLACKS ARE LESS AWARE OF CANCER'S WARNING SIGNALS

Blacks are less aware than whites of cancer's warning signals. This holds true for all 7 of cancer's warning signals. For example, only 40% of blacks, compared with 65% of whites, identify "persistent cough or continuing hoarseness" as a cancer warning signal.

Blacks are only half as likely as whites to recognize 5 or more of cancer's 7 warning signals. Only 1 out of 4 blacks (25%), compared with about 1 out of 2 whites (54%), are able to correctly identify 5 or more of cancer's 7 warning signals.

In keeping with black's lower recognition of cancer's warning signals, blacks are less likely than whites to see a doctor if they experienced such symptoms. For example, 50% of blacks vs. 59% of whites report that

they would go see a doctor if they experienced "a change in bowel or bladder habits." If blacks delay going to a doctor when they experience these symptoms, this probably helps account for the fact that there is a greater mortality rate among black cancer victims than among white cancer victims.

BLACKS GET CHECK-UPS AND CANCER TESTS

Although blacks are less aware than whites of cancer's warning signals, blacks are almost as likely as whites to go for regular physical check-ups. 45% of blacks, compared with 50% of whites, report they go for regular physical check-ups.

Black women are as likely as white women to get Pap tests and to do breast self-examination. 63% of black women and 62% of white women report that they get regular Pap tests. 25% of black women and 27% of white women report that they do regular monthly breast self-examination.

While blacks are responsive to some of the more well-known cancer diagnostic tests (e.g., the Pap test), blacks are less familiar with some of the less well known or newer cancer diagnostic tests. Only 26% of blacks, compared with 47% of whites, have heard of proctoscopic examinations for colon and rectum cancer. Only 30% of black women, compared with 53% of white women, have heard of mammographic examinations for breast cancer.

BLACKS HAVE MIXED AWARENESS OF SITES OF CANCER

When they think of cancer, both blacks and whites think about breast cancer most often and about lung cancer next most often.

Neither blacks or whites have a particularly high awareness of colon and rectum cancer, despite the fact that colorectal cancer is actually one of the most prevalent forms of cancer.

Blacks (as well as whites) exhibit little awareness of prostate cancer and esophageal cancer—two forms of cancer that have been rising significantly among black Americans.

Blacks are much less conscious than whites of skin cancer (reflecting the lower incidence of skin cancer among black Americans).

BLACKS ARE LESS "HOOKED" ON CIGARETTE HABIT

Cigarette smoking is about equally common among black Americans (39%) and white Americans (38%). However, black smokers are more apt to fall into the light smoker segment, while white smokers are more likely to fall into the heavy smoker segment.

Black smokers are more interested than white smokers in giving up smoking and black smokers are also more likely to feel that it would not be too hard to give up the habit. 30% of black smokers, compared with 24% of white smokers, indicate that they would be "very interested" in giving up the smoking habit. Moreover, 36% of black smokers, compared with 22% of white smokers, feel that giving up smoking would be "not too hard" or "not hard at all."

BLACKS HAVE SOME FALSE "MYTHS" ABOUT CANCER

About 1 out of 2 blacks (51%) believe (incorrectly) that "surgery can expose cancer to the air and cause the spread of cancer." This incorrect belief might be partly responsible for blacks' questioning the effectiveness of surgery as a cancer treatment.

About 1 out of 4 blacks (25%)—and 1 out of 3 whites (31%)—believe (incorrectly) that "a bump or hard knock can cause cancer."

About 1 out of 4 blacks (23%) report that "I'd feel uncomfortable working next to someone who had cancer." By comparison, only 1 out of 10 whites (9%) express that sentiment. This suggests that blacks, more than whites, might feel that cancer is a contagious disease—another of the false "myths" about cancer.

BLACKS ARE LESS EXPOSED TO CANCER INFORMATION

Black Americans get exposed to much less cancer information than white Americans.

19% of blacks, compared with only 2% of whites, report that they did not hear anything about cancer in the past year.

Moreover, blacks are much less likely than whites to hear about cancer in the mass media, through doctors or hospitals, or through relatives or friends.

Of particular interest is the finding that blacks are less than half as likely as whites to discuss cancer with relatives and friends—a finding which further confirms the lower salience of cancer for black Americans. It may also be a sign that black Americans are more "private" than white Americans.

BLACKS ARE INTERESTED IN CANCER INFORMATION

Blacks are just as interested as whites in obtaining information about cancer. 52% of blacks vs. 51% of whites would be interested in lung cancer education programs. 48% of blacks vs. 48% of whites would be interested in breast cancer education programs.

Moreover, blacks belong to various groups and organizations where they would welcome cancer education programs.

A large majority of blacks (84%) have heard of the American Cancer Society and an almost equally large majority of blacks (81%) feel that the work of the ACS is important.

These findings indicate that ACS informational and educational efforts would be well received by black Americans.

LOWER INCOME BLACKS KNOW LESS AND DO LESS ABOUT CANCER

Lower income black Americans are much less knowledgeable about cancer and do less to protect themselves from cancer than higher income black Americans.

Lower income blacks are less knowledgeable about cancer's 7 warning signals and, accordingly, are less apt to see a doctor when they experience those symptoms.

Lower income blacks are less likely to have specific cancer tests and are less familiar with specific cancer tests. Lower income blacks, compared with higher income blacks, are less likely to get regular Pap tests (52% vs. 76%); are less than half as likely to do regular monthly breast self-examination; are less than half as likely to have heard of proctoscopic examinations for colon and rectum cancer (17% vs. 43%); and are only one-third as likely to have heard of mammographic examinations for breast cancer (18% vs. 55%).

Higher income blacks, unlike lower income blacks, are about as knowledgeable about cancer as the general white population. This suggests that income, not race, is largely responsible for black Americans knowing less and doing less about cancer than white Americans.

SUMMARY AND IMPLICATIONS

1. Black Americans underestimate the prevalence of cancer and are less likely than whites to think that they will get cancer. Blacks need to be made more aware of the prevalence of cancer and the fact that cancer is as likely (if not somewhat more likely) to strike black Americans as white Americans.

2. Black Americans are pessimistic about the curability of cancer. A majority of blacks feel that "getting cancer is a death sentence for most people." Blacks need to be persuaded that cancer can be cured and informed of the progress being made in developing effective cancer treatments.

3. Blacks are much less knowledgeable than whites about cancer's warning signals. And, accordingly, blacks are less apt to see a doctor if they experienced such symptoms. More needs to be done to inform blacks about cancer's warning signals so they can be alerted to the need for taking appropriate actions.

4. Blacks are almost as likely as whites to get general physical check-ups. And black women are just as likely as white women to get Pap tests and to do breast self-examination. These positive findings indicate that blacks can be reached and persuaded to participate in cancer detection tests.

5. The incidence of cigarette smoking is similar among black Americans and white Americans, but blacks tend to be lighter smokers and they exhibit more interest in giving up the habit. Blacks would be responsive to quit smoking clinics or other smoking intervention efforts.

6. Blacks are less exposed than whites to cancer information. Blacks are not as likely as whites to hear about cancer in the mass media, in groups or organizations, or from relatives or friends. But blacks can be reached and they want cancer information. In addition to the general media, many blacks read black magazines and black newspapers and listen to black radio stations. Moreover, blacks are just as likely as whites to belong to groups and organizations and they indicate that they would welcome cancer information through these organizations.

7. Lower income black Americans know much less and do much less about cancer than higher income black Americans. It is particularly important to provide lower income blacks with cancer information and to encourage them to take appropriate protective actions.

8. Most blacks know about the American Cancer Society and feel that the ACS's work is important. The ACS has an opportunity to develop and direct educational and informational programs at black Americans to enable blacks to better protect themselves from cancer.●

TRIBUTE TO FRANK COBB—CALIFORNIA SMALL BUSINESS PERSON OF THE YEAR 1980

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I wish to bring to the attention of my colleagues a recent honor bestowed upon an outstanding citizen. Frank Cobb, an independent nurseryman from the city of Carpinteria, has been selected as the California small busi-

ness person for the year 1980 by the Small Business Administration.

At the age of 14, Frank began a hobby of growing orchids and his love of floriculture has earned him national and international recognition.

After graduation from Claremont Men's College and service to his country in the Korean war, Frank returned to Santa Barbara and purchased a modest greenhouse with small second-floor living quarters for his family. His orchid-growing business expanded to include commercial production of potted chrysanthemums. Through perseverance, hard work, and the helping hand of his wife, Shirley, Frank's modest flower business evolved from 200 plants per week in 1966 to nearly $7 million in annual gross sales.

As an active member in his community, Frank has served as president of the Ventura Production Credit Association, president of the Santa Barbara County Flower Grower's Association, a director of the Federal Intermediate Credit Bank, and for 17 years, has served as a national judge for the Cymbidium Society of America.

Mr. Cobb has successfully turned his philosophy of living into a profitable business for himself, his family, his employees, and his community.

Frank Cobb personifies the small business person who can succeed in business today. Knowledge, dedication, and hard work cause this type of person to represent the business backbone of this great Nation.

I know you join with me in extending congratulations to Frank Cobb.●

NATURAL RESOURCES RESEARCH NEEDS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1981

● Mr. BROWN of California. Mr. Speaker, on Monday, April 6, the National Agricultural Research, Extension, and Teaching Policy Amendments of 1981 was approved by the House Agriculture Subcommittee on Department Operations, Research, and Foreign Agriculture. H.R. 2561 was sponsored by Representative WILLIAM C. WAMPLER, Republican of Virginia, ranking minority member of both the subcommittee and the full Agriculture Committee, and by myself. The bill was approved with amendments by the subcommittee and forwarded to the Agriculture Committee for consideration as part of the 1981 omnibus farm bill.

I want to draw the attention of my colleagues to the strong bipartisan support for this bill. This support, I feel, reflects a growing consensus that agricultural research is a vital and strategic activity that will help assure the continued strength and growth of U.S. agriculture. Few programs receiving public funds are more clearly and directly in the public's interest. Each dollar invested in agricultural research pays handsome dividends. The most recent studies by USDA agricultural economists on the subject have shown that each dollar invested in research and extension returns over $3 even when the future benefits from current research investments are discounted.

I am encouraged by the positive record of agricultural research, yet I am also alarmed by the warnings and concern voiced by leading agricultural scientists. Dr. Sylvan Wittwer, director of the Agricultural Experiment Station at Michigan State University, is one of the most well-known and optimistic leaders in the field of agricultural research. In an editorial in the January 27, 1978 issue of Science magazine, Dr. Wittwer wrote:

THE NEXT GENERATION OF AGRICULTURAL RESEARCH

Productivity of the major food crops plateaued. Yields of wheat, maize, sorghum, soybeans, and potatoes in the United States have not increased since 1970. This is true of maize, potatoes, wheat, and cassava in Latin America. World grain yields have declined. Increased production has been achieved largely be cropping more land.

This phenomenon needs careful analysis. Farm yields rose rapidly in the United States following World War II. These were accompanied by technologies requiring massive inputs of fossil energy channeled to the farm as fertilizer, pesticides, irrigation, mechanization, and new seeds. Greater production efficiency was the goal. The result was plentiful food at low cost. All of these external inputs, with the possible exception of genetic improvements, are becoming increasingly costly, subject to more constraints, and less available. Some come from nonrenewable resources. Meanwhile, soil erosion continues unabated nationally and globally. After 40 years of a U.S. soil conservation program no more than 25 percent of our farmlands are under approved conservation practices. Topsoil continues to be lost at an enormous rate. Soil organic matter is being reduced. There is greater compaction from excess and untimely tillage. Air pollution is becoming more severe. Additional land areas brought into cultivation may be less productive. With increasingly greater pressures on the productive land resource base, the options for use of water, fertilizer, pesticides, and mechanization become progressively less.

Some would credit the recent plateauing of crop yields to adverse and fluctuating climate and weather. Season-to-season variations, however, are far more significant than any identifiable long-term trends. Regulatory and financial constraints on the use of labor, chemicals, water, and energy are increasingly costly and stifle production. Finally, there has been a 12-year erosion of the federal investment in agricultural research, not only in manpower but in new equipment and facilities. Enrollments in the colleges of agricultural in the land-grant universities have tripled in 10 years with little if any increase in faculty. Scientist years in support of agricultural research have not changed since 1966. Teaching needs had to be met. Research was left behind.

This brings us to the next generation of agricultural research. There are technologies that will result in stable food and fiber production at high levels, are nonpolluting, will add to rather than diminish the earth's resources, be sparing of capital, management, and nonrenewable resources, and are scale neutral. The time strategy, however, requires more that a 3- to 5-year plan. These technologies depend on mission oriented basic research relating to the biological processes that control and now limit crop and livestock productivity. It is research that will address the problems of enabling plants and animals to more effectively utilize present environmental resources, through (i) greater photosynthetic efficiency; (ii) improved biological nitrogen fixation; (iii) new techniques for genetic improvement; (iv) more efficient nutrient and water uptake and utilization, reduced losses of nitrogen fertilizer from nitrification and denitrification; and (v) more resistance to competing biological systems and environmental stresses. These are the areas identified in recent National Academy of Sciences-National Research Council reports and elsewhere as grossly underfunded; where we no longer exercise world leadership, and where the United States with its vast human, financial, and natural resources could make its greatest contribution to the agricultural development of Third World nations. Such technologies would be economically, socially, and ecologically sound. They could ease the inevitable transition we must make for nonrenewable to renewable resources. We must address ourselves to them.

I concur with Dr. Wittwer's commentary, and feel that H.R. 2561 will contribute toward a sound institutional foundation for agricultural research. It is noteworthy that H.R. 2561 addresses the need for more long-range planning activities within the USDA by specifically supporting in a number of instances longer term planning and coordination functions.

The basic challenges facing agricultural researchers have remained the same since the first agricultural colleges and experiment stations were founded. Their mission was to improve the prosperity and productivity of U.S. agriculture so that both American farmers and consumers would benefit from the applications of modern science to one of mankind's oldest professions—farming. In carrying out this mission, agricultural researchers have demonstrated remarkable creativity and devotion. In recent decades, the agricultural research establishment has, in addition, acquired new and increasingly vital traits—the ability to adapt its research priorities and programs to the economic realities of a rapidly changing industry, and the foresight to anticipate the future needs of U.S. agriculture so that answers and new technologies are available when needed.

Yesterday, two leading agricultural scientists visited my office. Their message was both clear and disturbing. They spoke of mounting scientific evi-

dence showing that soil erosion and problems related to irrigated agriculture are threatening the long-run productivity of U.S. agriculture. They explained that the conservation of agricultural resources should no longer be viewed by Congress, farmers, or the public as an optional activity which can be forgone in times of fiscal austerity or economic strain in the farm sector. These gentlemen also clearly outlined how an expanded effort in conservation research could contribute to overcoming our historic problems in getting, and keeping, conservation practices on the ground.

One of their basic points was particularly persuasive to me. In light of the broad support in Congress and the farming community for voluntary conservation programs, and in conjunction with our Nation's current economic problems which all but preclude major new spending initiatives outside the area of national defense, an effective means to enhance both public and private conservation efforts is by improving the on-the-ground benefits to farmers and economic return from the adoption of conservation practices. And the key to developing better conservation technologies is a carefully planned and administered conservation research program which builds upon our current knowledge base and meets head on the new generation of resource management problems facing U.S. agriculture.

I strongly support an expanded emphasis on conservation research in the Department of Agriculture. I also urge my colleagues, and the public, to view conservation research and other agricultural research projects as a vital strategic activity which protects domestic prosperity and national security in much the same way that defense expenditures protect America against external threats.

This past week I also was given a copy of the executive summary of a workshop entitled, "Soil and Water Resources: Research Priorities for the Nation." This timely report summarizes the positions and conclusions agreed upon at a week-long gathering of leaders in a host of agricultural sciences. The meeting was held in Madison, Wis., during the week of February 23-27, 1981. I would like to applaud this group for the clarity of purpose and expression evident throughout this report. I would like to conclude my remarks with the following excerpts drawn from the workshop executive summary:

PREFACE

This publication represents the best collective judgment on research priorities by a group of informed and dedicated people concerned with the future role of our soil and water resources in meeting human needs. More than 100 scientists and leaders were invited to a National Workshop held February 23-27, 1981 in Madison, Wisconsin. The goal was to identify national research priorities regarding the uses, management, and conservation of our soil and water resources.

SOIL AND WATER RESEARCH IN TRANSITION

Can we sustain the productivity of America's soil and water resources into the next century?

This question preoccupies the minds of many scientists and agricultural leaders today. It should be of concern to all Americans.

Most Americans take soil and water resources for granted. Near phenomenal advances in agricultural science and technology have produced a seemingly unending supply of food and fiber for domestic and export uses. First there was hybrid corn, and then improved management of crops and animals, increased use of agricultural chemicals, and use of more efficient machines. Not unrelated to agriculture's enormous growth in productivity were cheap energy and favorable weather.

But the realities of American food and fiber production changed in the 1970's. What had been an era of abundance in the 1960's suddenly took on the appearance of an era of scarcity. Export demand for food and fiber crops rose dramatically, energy almost overnight became less accessible and much more expensive, and weather seemed to be more variable. . . .

Knowing that public funds for research are limited, knowing that enhanced productivity is the watchword of the day throughout the nation, and knowing that most Americans think of agriculture almost solely in terms of their food supply and its cost, the charge given to participants was twofold. First, what research is needed to ensure the care and maintenance of the nation's soil and water resources into the next century? Second, how will this research make a difference in the lives of people?

Research, of course, is an integral part of efficient food and fiber production. It is inextricably linked with education, extension, and action programs. Fortunately, America's farmers, ranchers, and foresters show a remarkable penchant for innovation and using new technology.

Past efforts have concentrated on production-oriented research, and we can be proud of these achievements. This research reduces food costs at home, provides for exports to help with our balance of payments, and gives the world a few more years to bring food needs and production into balance. Furthermore, the payoff has been substantial—on the order of a 50% annual return on research expenditure.

In some respects, however, agricultural research has been a victim of its success. Society's preoccupation with the technological aspects of agriculture, coupled with the crop surpluses of the 1960's, tended to dampen the public's enthusiasm for funding research—and those factors led to an insensitivity to the exploitation of soil and water resources. Federal support for soil and water research has remained nearly constant since 1966. Agricultural productivity, which grew at an annual rate of 2.1 percent between 1939 and 1965, has since fallen to 1.7 percent. For some crops, officials in the U.S. Department of Agriculture contend that productivity has reached a plateau.

Production-oriented research must and will continue in both the public and private sectors, particularly the latter, where the short-term payoff sells well. In the case of soil and water protection, however, public research must do what private research cannot undertake because of the uncertainty in payoff. But it is precisely this type of research that no nation, including the United States, can ignore. Prolonged strength in the national economy cannot rely on a public policy of resource exhaustion.●

TRIBUTE TO RECENTLY APPOINTED JUDGE RICARDO MANUEL URBINA

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. GARCIA. Mr. Speaker, I rise today to honor Judge Ricardo Manuel Urbina who was sworn in as an associate judge of the District of Columbia Superior Court on April 20, 1981.

Richardo Urbina was born on the East Side of Manhattan, N.Y., in 1946 to Luis and Ramona Urbina who had come to the United States from Honduras and Puerto Rico respectively.

In high school Mr. Urbina distinguished himself as a track athlete and won national recognition as an All American and national champion in his middle-distance specialty. He then attended Georgetown University where he studied English and Latin American Affairs. As a national collegiate champion and three-time All American athlete, he graduated with honors and received a bachelor of arts degree in 1967, whereupon he began his law studies at Georgetown Law Center.

While in law school he worked for the District of Columbia law firm of Hogan & Hartson and with the District of Columbia Public Defender Service. Upon graduation in 1970 he continued with the Public Defender Service, and 1972 started a private law practice. Several years later, Mr. Urbina became director of the criminal justice program at Howard University Law School where he earned eight teaching service awards including the 1979 award as professor of the year.

In addition to having served on the board of directors of the Bar Association of the District of Columbia, Professor Urbina has drafted and translated into Spanish commercial provisions for the Federal Trade Commission and has served with the the National Center for Administrative Justice as a project director for the establishing of disciplinary procedures for child abuse complaints in the District of Columbia youth correction facilities.

President Jimmy Carter originally nominated Mr. Urbina as an associate judge of the District Superior Court at the close of his administration, and President Ronald Reagan subsequently renominated him during the 97th Congress.

The members of the Congressional Hispanic Caucus, Congressmen HENRY B. GONZALEZ, EDWARD R. ROYBAL, E "KIKA" DE LA GARZA, MANUEL LUJAN, JR., and BALTASAR CORRADA, Resident Commissioner of Puerto Rico, join me in this tribute to an outstanding young man. We feel Judge Urbina brings with him experience, understanding, and a special sensitivity to the community which he has served with distinction.●

THE ISSUE THAT WILL NOT DIE—THE AMERICAN MIA'S

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. McDONALD. Mr. Speaker, the evidence is growing that a number of Americans are still alive in Southeast Asia. Communist nations are known to keep prisoners of war for decades. The Soviet Union is said to still be holding Axis prisoners from World War II. So it should cause no surprise among students of communism to learn that there have been sightings of our men in Southeast Asia. One very positive sighting occurred in North Vietnam and was reported in the London Daily Telegraph of December 5, 1980. At the same time as I place this item in the RECORD, I also wish to place Resolution No. 333 of the Georgia House of Representatives on the MIA issue in the RECORD. The resolution of the Georgia Legislature is a gentle reminder of our permanent obligation to our fighting men, as set against the transitory emotions of the Iranian hostage crisis. I commend both items to the serious attention of my colleagues.

U.S. PRISONERS "SEEN IN VIETNAM LABOUR GANG"

(By Ian Ball in New York)

A road gang of American prisoners has been seen in Vietnam by Scandinavian construction workers, it was reported yesterday.

In all its dealings with Washington since the last American troops were pulled out of Vietnam in April 1975, Hanoi has said that no American Servicemen were still being held in Vietnam and that all known dead had been returned.

But there have been occasional reports over the years from refugees and Western visitors of small groups of Americans still being held.

The report yesterday came from a Norwegian, Stein Gudding, who said in an interview in Bangkok that the Americans were seen by other workers he met while helping to build a paper mill north of Hanoi. As part of its development aid for Vietnam, the Swedish Government is underwriting the cost of a large paper plant.

"TELL THE WORLD"

Mr. Gudding said in an interview broadcast by KIRO radio station in Seattle that the other Scandinavian workers were riding motor-cycles in a rural area about 55 miles from Hanoi when they came across a road gang made up of Americans.

Local Vietnamese police told the Scandinavians to leave immediately. But members of the road gang, according to Mr. Gudding, shouted in English with American accents: "Tell the world about us."

The families of some 500 Americans originally listed as "missing in action" continue to lobby energetically in Washington to keep the issue alive, theorising that Hanoi may be holding on to some of its prisoners as possible bargaining chips in any future negotiations with the United States.

H.R. No. 333

Whereas, since the Paris peace accords were signed eight years ago, progress in accounting for approximately 2,500 American military personnel who remain missing in action and as prisoners of war has been painfully slow; and

Whereas, in celebrating the return of the 52 Americans who were held hostage in Iran, it is important that the American public not forget that the nightmare of these earlier military conflicts lives on for the American families of military personnel who remain reported as missing in action and as prisoners of war; and

Whereas, this country must insist that the government of the Socialist Republic of Vietnam live up to its legal and humanitarian responsibilities by satisfactorily accounting for these missing servicemen.

Now, therefore, be it resolved by the House of Representatives that this body does hereby urge the Congress to demand that the Socialist Republic of Vietnam promptly account to the government of the United States for all Americans missing in Indochina and return any American remains which are in its possession or which may be subsequently discovered.

Be it further resolved that the Clerk of the House of Representatives is hereby authorized and directed to forward an appropriate copy of this resolution to each member of the Georgia Congressional Delegation.●

AGEISM

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. PEPPER. Mr. Speaker, as the American population grows older and as health care costs continue to skyrocket, we must seek measures that both control these costs and improve the lives of Americans at the same time. To this end, I would like to draw your attention to an outstanding article entitled "Ageism," by one of the most noted and respected scientists in the field of aging research, Dr. Robert N. Butler, Director of the National Institute on Aging.

In this article Dr. Butler eloquently describes how ageism, a destructive fiction in our society, is an expensive practice. It results in untold millions of dollars in lost productivity and unnecessary health care costs.

For example, Dr. Butler makes the point that although biological changes associated with aging tend to have little if any practical relevance in most jobs, many employers erroneously view older workers as useless, simply because they are old. Frequently, older workers are encouraged or forced to retire early or are discriminated against when they look for jobs. As a result, the country bears the costs of lost productivity and rising retirement income obligations, largely because of ageism.

We see the same forces at work in the medical field. According to Dr. Butler, many of the mental and physical problems of the elderly seem less the result of aging than of diseases which often can be treated. Despite new knowledge from clinical research, many doctors still misdiagnose the elderly as senile and cast them off into nursing homes. This practice is extremely costly to families of elderly persons as well as to the working people of America who must support these elderly nursing home residents.

Cost containment can be accomplished in health services to the elderly by supporting aging research. Dr. Butler points out that last year alone we spent $18 billion on nursing home care for the elderly, many of whom have mental impairments such as Alzheimer's disease. It makes good sense, therefore, to invest research dollars in a concerted effort to cure Alzheimer's and other diseases which occur in the aged. If successful, we can not only cut costs but improve the well-being of our elderly.

This brief summary touches upon only a few of the important points raised by Dr. Butler in this article. So that our colleagues can benefit from reading its major points, I submit a condensation for publication in the RECORD.

[From Across the Board (Published by the Conference Board), November 1980]

AGEISM

(By Robert N. Butler)

As a society, we pay dearly for our fictions about aging. Since, at birth, everyone in our country stands a better than 50-50 chance of reaching conventional retirement age, our fictions turn out not to involve someone else. They turn out to be self-communications about our worth in later life and the worth of later life. If we believe in our youth and in our middle age that the older ages are a time of unalloyed depletion and imminent, if not actual, incapacity, then we are painting a dour prospect for our own futures.

Much of it need not come true, unless we insist on making it come true. Scientific research offers evidence to refute our fictions, including the view that old workers are in the same class as worn-out, obsolete machinery. The notion that the older worker is necessarily less efficient than the younger worker cannot casually be allowed to pass, unless one already has the attitude that old people don't count. The notion won't pass muster scientifically unless one is talking about feats of strength and endurance, which occupy little of the work force in our highly mechanized society. It is a most significant aspect of prejudice against the old—ageism.

It is becoming a more and more expensive notion to maintain. The costs of a nonworking elderly population—including many who are able and would like to continue working for the sake of money and emotional satisfaction—are astronomical. Just imagine the value of the population resource our society dismisses because of prejudice or poor planning and lack of imagination in both the public and private sectors. An estimated 2 to 4 million retirees over age 65 show interest in going back to work, full- or part-time, paid or voluntary, according to the national Committee on Careers for Older Americans. (Not included in the estimate are individuals aged 55–65, many of whom retire early in good health when unable to find employment.)

An observation was made not long ago by octogenarian George Burns that people can convince themselves to act according to stereotype—to think of themselves as unproductive, decrepit, and passive. In this instance the comedian wasn't kidding. A lot of people, he said, practice getting old. "They start to walk slower and they hold onto things. They start practicing when they're 70, and when they're 75 they're a hit. They've made it. They are now old."

The stereotype is too often fostered by the medical profession, as I, a physician, have observed. Many treatable medical problems in the elderly are assumed to be the inevitable consequences of aging, for which nothing can be done. A prime example is that of the confused older person who is brought into a hospital emergency room in the middle of the night, whose confusion prompts a casual diagnosis of "senility," and returns home in the care of a relative, who is advised to watch the old one carefully. There are scores of treatable causes of confusion. One is infection. The knowing physician will look for it in the confused elderly person. Antibiotics will clear up the infection—and the confusion. In my view, the origin of so-called senility often is not in the elderly patient but in the ageist physician. True organic brain diseases, such as Alzheimer's Disease, indeed exist; they are not inevitable results of the aging process, but diseases distinct from normal aging. A tragedy is that these devastating diseases are considered synonymous with old age by many. And also tragic is that, once labeled "senile," a patient can become, irretrievably, by persistent treatment as a sick incompetent, the image of senility.

Among major costs of our fictions is the load placed on our retirement systems and the employers, employees and taxpayers who support them now and in the future. Pressure on people to retire early or at least "on time" and job conditions that make retirement even at a low income preferable to continued work have enlarged the load. Denying people the option to continue working also denies the contributions they could make to their own retirement resources.

At the same time our society has cut people off from major earnings simply because of age, it has extended the vigorous years of life through biomedical and other improvements. The conflict in deliberate and unwitting policy is painfully obvious in current debate over the financing of the Social Security system, a debate that rarely looks beyond the dollar and population statistics to see the new nature of old age in our country.

Gerontology, the study of aging and the aged, has some realities to share about what we are like, individually and as a population, when we become old. One in nine Americans is over age 65. Of the 25 million elderly, about 62 percent are under age 75; many do not resemble in appearance, educational background, and feebleness the elderly of past generations. The "very old" 38 percent of the elderly population cover a large age span, from 75 and up, including 2.3 million persons aged 85 or more. Among these are 12,000 centenarians.

Because women outlive men, the segment aged 75 and over is predominantly female. This group is far more likely to have disabling chronic disease. While relatively few elderly people are in nursing homes (1.1 million), most of their residents (81 percent) are above age 75. The nursing-home population is largely female (74 percent) and widowed or single (83 percent), lacking families to care for them at home.

The key fact is that 20 percent of the elderly population have no chronic condition at all and about 6 percent have at least one such condition—but it does not interfere with mobility and activities of daily living. As modern society has extended life expectancy at birth from the 48 years in 1900 to the 73.3 years in 1978, the additional years have largely been healthy ones. This result would have confounded the expectations of late 19th century Germany, where age 65 was selected as the retirement age under public programs. Why 65? The belief that few people would survive to collect on contributions.

Does the ability to learn decline with age? Does the capacity to recognize, remember, and solve problems change in important ways as people age? An analysis of scientific findings about cognitive abilities was made recently by Iseli Krauss of the Andrus Gerontology Center at the University of Southern California, Los Angeles. "Though it would be misleading to say that there is no decline with age, it appears that significant decline is present in fewer individuals and in fewer abilities than had been thought. Furthermore, those abilities that do decline do so later in life than had been indicated by earlier studies," she observes.

In terms of reductions in peak capacity, various organ systems within the body "age" at different rates. The output of the heart at rest declines steadily by about 1 percent per decade in healthy men aged 20 through 90. At any age, however, the range of individual values is large. As shown by the NIA Gerontology Research Center, some 70-year-old individuals have cardiac outputs at about the average of 50-year-old persons. Similarly, there are statistically significant age-related deficiencies, such as declines in blood flow through the kidney, lung capacity, nerve conduction velocity, muscle strength, and auditory and visual acuity. But the trends must be interpreted in the light of variations among individual performances that are quite broad. According to Dr. Nathan Shock, NIA scientist emeritus, there is no evidence that a general factor of "physiological age" exists. Scientists find many physiological ages within an individual, each related to a specific performance.

My own research convinces me that disease is the pacemaker for incapacity far more than any aging process so far discerned. It may be that subtle bodily changes over long periods of time set the stage for diseases. If so, these changes are, so far, too subtle to be identified as clear heralds or symptoms of disease. A possibility is that a pattern of disease may be the manifestation of aging in one or more body systems or some central mechanism. The clearest support we have for such a speculation comes from the observation that with age the likelihood of fatal disease increases at an accelerating pace.

The disease-oriented biologist looks for disruptions in normal functioning, such as those caused by an outside chemical or infective agent. The gerontologist looks for changes in the organism that occur normally with time and in its environmental interactions. A product of disease-oriented research may be a vaccine or antibiotic against a specific agent. Aging research would concentrate on ways of preserving the immune system so the old organism is at less risk of succumbing to a wide variety of assaults.

While the main thrust of the National Institutes of Health has been in disease-oriented research, the NIH commitment to the study of aging goes back 40 years to the establishment of a small unit under Dr. Shock. In the early 1960s, Congress created the National Institute of Child Health and Human Development, to which the aging program was attached. In 1974 the National Institute on Aging was created by Congress. The objective: to give prominence and further organization to Federally conducted and supported research in aging. The NIA mandate extends beyond biomedical investigations. It includes study of social and behavioral problems of the elderly. Thus, NIA supports studies in epidemiology (patterns of disease in populations), demography, and research economics (including an attempt to project the macroeconomic consequences of the nation's growing elderly population).

The studies NIA conducts itself or supports at universities, hospitals, and communities provide facts for policy-makers, including those in the business world, for physicians, and for individuals to apply in understanding self and society. Besides genetic, cellular, and organ-system investigations, NIA's range of study includes: physical fitness and aging; sleep disturbances in old age; medical and emotional consequences of retirement; methods useful in a flexible retirement system for determining an individual's ability to function; nutritional needs of the aged; organic brain diseases, especially senile dementia; differences in life expectancy between the sexes and among racial and ethnic groups; development of prosthetic devices for persons with sensory and motor impairment; environmental influences on aging; and preventive medicine for older persons.

What is the actual or potential practical value of this research effort? Gerontology has shown relevance to criteria for retirement and to medical diagnosis, treatment, and preventive medicine. I expect aging research, in addition, to produce strategies for cost containment and cost effectiveness.

For example, the nation spent about $18 billion last year for nursing-home care. Much of it was financed from Federal-state Medicaid funds, which means taxes paid by individuals and businesses. Individuals who do not meet income-based criteria for eligibility for Medicaid assistance pay out-of-pocket. There is next to no private insurance for long-term care in nursing homes. For some individuals and families, nursing-home expenses are a major cause of indigency. (Medicare, directed at hospital and doctor expenses, does not cover long-term nursing-home care.)

Nursing-home spending by the nation has grown by about 17 or 18 percent annually since 1976, while spending for personal

health care in toto has risen between 12 and 14 percent. Mental impairments reputedly are largely responsible for admissions to nursing homes. Senile dementia of the Alzheimer's type is among these impairments. Because the individual is confused or disoriented much of the time, he or she needs constant supervision. Of the 1 million residents of nursing homes, perhaps as many as 500,000 are there because of these impairments. If this estimate is correct, there are billion dollar reasons for focusing research resources on senile dementia of the Alzheimer's type and other causes of mental impairment.

I do not think it is overly optimistic to believe that research will furnish a basis for preventing, ameliorating, and curing some of these cases. Some individuals may be restored to their homes at considerable savings to themselves and to public and private third parties.

Considering the potential payoffs, this nation has only lightly invested in aging research. I am told that a criterion of adequate research investment in the industrial sector is 2. to 3 percent of sales. Applying such a criterion to the $35 billion in Federal spending on health benefits in fiscal 1980 for the elderly (construing benefits as "sales"), one would expect an investment of $700 million or more in aging research. The actual fiscal 1980 outlay by the Federal government, the prime funder of aging research, is $57 million. That's 0.16 percent of benefit outlays. This is not to say that the aging research field seeks or could justifiably absorb an enormous increase in funding through public and private sectors. However, when opportunities are recognized, further investment should merit careful consideration.

In addition to possible cost-containment strategies, aging research may produce greater spending obligations—by raising the chances of survival to the oldest ages. With more people living longer and in better health, social policy decisions affecting pensions and other income maintenance programs will be necessary. Will these decisions be made in the context of added years of survival being a "burden" to be paid for grudgingly or a benefit to be paid for willingly? The answer to this question depends on how well our society grasps the new realities of old age and casts off damaging fictions.

Can we cope with the job-creation and job-adaptations issues in the context of changing demography, needs to raise productivity, and pressure to economize on natural resources, and contain inflation? It is and will be extremely important for public and private sectors to share information on successes and failures in dealing with the new demographics.

The time to work on creating choices is now. The growth of the elderly population is more than a problem: It also is a solution, once we remove the blinders of ageism and deal with realities.●

PRIVATE EDUCATION; A THREAT OR A PROMISE?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. MICHEL. Mr. Speaker, one of the chief characteristics of an educated human being is the ability and willingness to calmly, objectively, and reasonably discuss complex matters. But when it comes to the question of tuition tax credits, reason seems to go out the window insofar as critics of this approach are concerned. Instead of joining in a dialog in an attempt to understand exactly why tuition tax credits are deemed desirable by many parents, these critics—in and out of Congress—are content to repeat the myths about destroying the public schools and segregation and all the rest of the false charges made against the tuition tax credit idea.

Newsweek recently published an article showing why parents all over the country are turning away from these critics and choosing to send their children to private schools. This exodus from the public schools, contrary to the prevailing myth, will not destroy the public school system. Rather, this desire for quality education on the part of parents and children should inspire those in charge of public education to provide the kind of quality education we all know public schools are capable of.

Tuition tax credits will not destroy the public school system. This great system can be destroyed, however, by the arrogance and stubbornness and ignorance of those ideologically and philosophically opposed to recognition of the fact that we need a strong private school system as well as a strong public school system. There is work to be done on both sides.

At this point I insert in the RECORD, "The Bright Flight" from Newsweek, April 20, 1981.

THE BRIGHT FLIGHT

There are no drugs, no jeans and not much adolescent sass at the Sheridan Road Christian School outside Saginaw, Mich. Most classes begin and end with a prayer. Students attend chapel once a week, and those who misbehave are not spared the rod. They learn, in no uncertain terms, that God created man and that history is really his story. Sheridan Road teachers believe that they were called to a special mission, and in a way so do Sheridan Road parents. "In my job I see the violence and the result of drugs in public schools," says James Cross, a police officer and father of a senior. "I just don't want my kids involved with that. I'm trying to do the best I can for them, so they'll grow up to be Christians and raise Christian kids themselves."

It used to be that private schools were luxuries for the rich or the Roman Catholic. But now middle-class families that can barely meet their mortgage payments are helping to turn the academies into educational necessities. Some parents, like the Crosses, want a clear moral framework for their children. Others are fleeing declining academic standards and disciplinary problems in the public schools. The exodus cuts across political lines to include conservatives who oppose busing and liberals who support integration. And despite tuition that can top $6,000 a year, the applications keep coming. Some private academies have bought empty public-school buildings to teach the overflow; all seem to be profiting from the panic—from venerable Phillips Academy in Andover, Mass., which turned 203 years old this year, to the Jesus Only Tabernacle, a fundamentalist school that began seven months ago in a Nashville, Tenn., basement. Says Gerald Grant of Syracuse University: "Only private schools now have a public."

Worried public-school officials have coined a new term to define the phenomenon: bright flight. The private-school boom is skimming off many of the nation's most gifted and motivated students—and what's even worse, the drain is occurring during one of the biggest baby-busts of this century. In the last ten years public enrollment dipped 11 per cent in the West while private enrollment climbed 19 per cent. In the South the number of students in public schools declined by 6 per cent while private enrollment increased by 31 per cent. Some educators are afraid that if the defections continue unchecked, they could erode financial and political support for public education. The Newsweek Poll seems to support their fear: 54 per cent of parents with children in public school say they have considered the private alternative; 23 per cent say they would be likely to switch to private schools if Congress approved tuition tax credits of $250 to $500 a year.

James Coleman's new study argues that minority students may have the most to gain if the government helps foot the private-school bill. And the Rev. Andrew Greeley, a sociologist and Catholic priest, made common cause with Coleman by releasing his own study showing that blacks and Hispanics perform better in Catholic schools than in public schools. A lot of parents already know that. Blacks and Hispanics together make up one-sixth of Catholic-school enrollment today, up from one-tenth a decade ago; California Catholic schools enroll a higher percentage of minorities than do the public schools. And if Catholic schools are the biggest draw for minorities, they are not the only alternative. There are all-black Christian academies too, and a relative handful of minorities manage to infiltrate the main-line prep schools. Moerenike Irvin, girls' senior class president at Choate, is one of 6,000 black kids recruited for prep schools by a Boston-based program called "A Better Chance." "When you have a commitment to doing the best for your child, you want to go with the best choice," says her mother—a Los Angeles public-school teacher.

What private schools offer that public schools don't is control. Parents who have complaints do not need to fight city hall, the state capital or Washington; if they are dissatisfied, they can take their money and their children elsewhere. Administrators can handpick students who meet their standards and whose parents can pay the freight. Teachers can order their pupils to behave and, if they don't, throw them out without worrying about court-ordered due process. "Show me a private school that will accept students on a first-come, first-served basis, excluding none, and I will show you a private school that won't exist," says Terry Herndon of the National Education Association.

For all their advantages, private schools are not immune to the troubles that stalk the public schools. Courses are sometimes skimpy and facilities even skimpier; many private schools have no labs or gyms. Student test scores have begun to drop in a few Southern California schools. At the Dallas Christian School in Selma, Ala., where salaries average $8,000, the whole staff moon-

lights. Dedicated teachers may not mind the heavy duties, but not all teachers are dedicated. Not all are certified either, and some private-school teachers would not qualify for work in the public system. Parents desperate to escape the problems of public schools must also be on the lookout for shady operators who charge for unnecessary tutors, fail to refund deposits or bump a student when a richer one comes along.

America's best private schools have priced themselves out of the worst problems. Schools like Andover, Groton and Choate train the country's elite in the prep tradition, providing top education for the top dollar. Median tuition at the secondary level for the 894 member institutions of the National Association of Independent Schools is $3,196 for day students and $6,159 for boarders. Not that money is never an object. Tuition still doesn't cover all expenses and many prep schools run habitually in the red. Not long ago, they had the same drug problems as any suburban high school, and they came under further attack for not admitting enough non-white and non-rich students. But for the most part, those crises are past; today the prep schools seem as solid and self-assured as ever.

The real transformation in American private education has been in the Catholic schools. In 1965 they accounted for nearly 87 per cent of private enrollment; by 1979 they had lost more than 2 million students and kept only 67 per cent of the market. Their urban white constituents fled the inner city; state governments cut aid for parochial schools, and the number of lay teachers in the classroom persuaded many parents that the schools weren't all that Catholic anyway. None of that has changed, but the Catholic schools still have something to cheer about: blacks and Hispanics are moving into the classroom almost as fast as whites are moving out. At an average of $217 for elementary students and $803 for high schoolers, the education comes relatively cheap, and the worst public-school problems are kept in check.

In his recent study, Andrew Greeley argues that the parochial newcomers get their money's worth. Minority students, he says, do better academically and have fewer disciplinary problems if they go to parochial schools. Greeley concedes that blacks and Hispanics who attend Catholic schools come from smaller, better-educated, higher-income families than their public-school counterparts, advantages that might lead to better scholastic performance. Still, he told Newsweek, "Something seems to be happening in the Catholic schools that is not happening in the public schools. It leads me to conclude that the Catholic schools, which were set up to help poor immigrants, now do the same for minorities."

Perhaps as a result, blacks and Hispanics are bidding to replace the Irish and Italians as a parochial-school clientele—at least in some places. Eight years ago less than a third of Chicago's Catholic pupils were nonwhite; now more than 40 per cent are, and most of the blacks are not even Catholic. Holy Angels, the nation's largest black Catholic school, squats amid one of Chicago's sorriest slums. Like many others, it had fallen on hard times. But then George Clements, a black priest, became pastor of the Holy Angels parish and began to make things happen. He expanded the school year to eleven months, assigned plenty of homework and punished the students who didn't do it. He demanded just as much of their parents. They must attend Mass each Sunday even if they aren't Catholic, or their children face dismissal. Non-Catholic parents are required to take ten weeks of instruction in the faith. Some critics says this is asking too much—but the school gets 1,000 more applicants a year than if can accept.

Ironically, the same pressures that persuaded Catholics to establish their own schools in the nineteenth century are behind today's Christian fundamentalist boom. If Catholics shied away from the public system because it was too Protestant, the fundamentalists are seceding because they find it too secular. They don't like the ban on prayer in school. They are unhappy about library books that reflect the less-than-chaste realities of contemporary society. Drugs dismay them and sex education horrifies them. "Most of the people drawn to these schools are reacting to the social and cultural changes that we've gone through in the last fifteen years," says sociologist Peter Skerry in explaining the new Protestant Reformation.

The popularity of the fundamentalist schools inevitably begs the question of racism. In the South most of the sure-enough segregation academies were established ten or more years ago, when the Justice Department began to get serious about desegregation. The new Christian schools do not necessarily serve that purpose, if only because the deed has already been done. There are a few clear signs of prejudice, however. Last month a white teen-age girl who had been expelled from Marumsco Christian School in Woodbridge, Va., for associating with a black classmate won an $18,000 out-of-court settlement from the principal, who had told her that interracial dating was banned by Scripture.

Elsewhere in the country, where desegregation foes did not have such a head start, the urge to get righteous is not so easily distinguished from the urge to get away. In Boston, half the white students have left the public schools since court-ordered integration began in 1974. And it is no accident that Los Angeles County is home to more than half the private schools in California, many of them Christian; court-ordered busing began here in 1978. Another court ruling invalidated the busing plan earlier this year, however, and many students are expected back in public shool next year.

Nobody knows for sure just how many Christian schools there are because not being public, they don't have to tell. "If someone wants to have a school in his backyard, he can do it," says a state education official in Louisiana, where 400 private schools are accredited and any number of others operate without state knowledge or approval. By some estimates, there are more than 10,000 Christian-fundamentalist schools around the country, and some observers say they are currently appearing at the rate of three a day. Most are elementary shools. Some erect new buildings and landscape spacious campuses, while others do their duty with a handful of children in Sunday-school classrooms. But the smaller the quarters, the more likely parents are to participate by doing volunteer work around the school or helping to raise funds. "The one thing that really works for these schools," says Andover headmaster Theodore Sizer, "is that the parents have opted in. That totally changes the transaction."

In the classroom, religion is all-pervasive. Everything from grammar to geography is taught by Biblical example, and parents more concerned with morals that SAT's seem satisfied. "I sent my children over there for the Christian part, but they are really getting a good education," says the mother of Billy Sue Clark, a senior at Dallas Christian in Selma. Not everyone rates the schools so highly. The Accelerated Christian Education (ACE) curriculum used in many Christian schools is particularly quirky. Students are left on their own to learn from workbooks, with only a supervisor to oversee the results and a few monitors to handle discipline. One former teacher at a Birmingham Christian school found the ACE program baffling for students and instructors alike, dotted with errors because it was prepared so hastily and difficult for poor readers. "It was the most frustrating thing I have ever been associated with," she says.

A typical example of the new Christian schools is the Jesus Only Tabernacle School in Nashville. It opened last September in a building adjacent to the church and now has three instructors and 55 pupils in kindergarten through twelfth grade. The Rev. C. M. Baggett, the school principal and the preacher at the Jesus Only Tabernacle, is plainly proud of what he has wrought. "There has not been no dope, there has been no policemen out here, and there has been no swearing or cursing," he says. The students learn individually from the ACE curriculum. "We do not put nothing on the blackboard," says Baggett. "A child learns at his own speed, and if he does not learn in our school, he will not learn in none of them."

Not all Christian schools fit that mold. Whittier Christian High in California began in a local church 23 years ago. Now, with an enrollment of 720, it it trying to rent a nearby junior high school—its third public-school take-over. The Whittier campus looks like a television model of a suburban high school, filled with well-scrubbed, hard-working kids. "We are not a brain factory," says principal Frank Mercer. "Some kids have four-cylinder brains, and some have eight-cylinder brains. Our commitment is to the Christian home, so if the four-cylinder kids operate on all four cylinders we accept them." Most seem to be hitting on eight, a tribute to a competitive atmosphere. "It is acceptable to do better here," says algebra teacher Lois Freeman. "There's no not doing your assignments to be cool. Everybody's working because everybody's doing it." Students ask for extra work to bring their grades up and call attention to undesirable reading material that somehow slips past the censors.

The Christian academies, particularly the ones that got their start during the battle over desegregation, have an uneasy relationship with the Federal government. Given their choice, the schools would treat government regulations the same way that they treat wayward textbooks: ban them. But church-state relations are rarely so neat. In 1978 the Internal Revenue Service proposed stripping church-related schools of their tax-exempt status if they had less than 20 per cent minority enrollment and could not prove a good-faith effort to recruit black students. The Christian schools stopped the proposal with a fierce letter-writing campaign. The following year the IRS tried again, proposing that private schools show "affirmative steps" to recruit blacks, such as offering scholarships or race-sensitive courses. That time, the schools got Congress to cut off IRS funding for the proposal. "The government agencies are just trying to get us to repeat the same mistakes that

caused them to fail," says Jack Clayton of the American Association of Christian Schools.

The battles continue at the state level. Although church schools go along with fire, health and safety regulations, they bristle at government attempts to control curricula or teacher certification. Kentucky's Supreme Court has upheld the independence of religious schools, but courts in Ohio, Nebraska and North Dakota have ruled in favor of the state's right to regulate them. Another case is pending in Michigan, where the state sued Christian schools that refused to comply with teacher-certification requirements because they wanted to force a court test. "We don't desire their approval, and there's no way for us to get their approval," says Bill Owen, executive director of Christian Schools of Michigan. "Our first criterion for choosing a teacher is whether he is a Christian."

The issue of government regulation is complicated by the tar baby of tuition tax credits. If the government is subsidizing private schools, even indirectly, some public officials believe it should be supervising these schools as well. Tax credits would provide an estimated $4 to $6 billion Federal bonanza for private schools, many of them church-related. One such measure was narrowly defeated in Congress three years ago and three others have been introduced this year. The most popular, drafted by Senators Daniel Patrick Moynihan of New York and Robert Packwood of Oregon, would offer a tax credit for half of private-school tuition up to $250 ($500 in the second year of the program). Unlike Jimmy Carter, who helped defeat the last proposal, President Reagan supports the tax credit and several of its key Senate foes are no longer in office. Christian schools, which formerly opposed the measure for fear of government interference, may be more likely to climb aboard, too; a provision has been added stating that the tax credit does not constitute a Federal grant, thus closing a potential window for government regulators.

Tax-credit supporters argue that the measure would make schools more competitive and diverse, and give parents a bigger voice in the education of their children. "You should give back to the family its own resources so it can make its own choices as to the kind of education it wants to provide," says Onalee McGraw of Heritage Foundation, a conservative think tank. The new Coleman report touting private-school advantages promises to provide ammunition for that view. David Breneman, an economist at the Brookings Institution, suggests that Moynihan will soon "be standing on the Senate floor waving this report."

On the other side of the argument, public-school supporters are waving a few flags of their own. They worry that tax credits would dangerously undermine the public system and create an educational schism. Albert Shanker, of the American Federation of Teachers, believes that $500 would be just a "foot in the door," prompting state legislatures to offer more credits. Already there is a movement to place a $1,200 tuition-tax credit proposal on the November ballot in Washington, D.C. Ernest Boyer, of the Carnegie Foundation for the Advancement of Teaching, contends that underwriting private tuition at a time when Federal aid to education is declining constitutes "a powerfully important public policy statement" that is none too encouraging for public education.

Private schools have been around for a long time, of course—some longer than the public-school system—and they've been there for good reason. They do some things that public schools can't and others that public schools shouldn't. The difference today is that private education is no longer just a high-priced alternative for parents who care; it is a standing challenge to the public system. The education may not always make "B" minds work in "A" ways. "There's been no miraculous change," says Ellen Lippman, a Malibu housewife who recently put all three of her children in private schools. "The older one is still shy and the middle one is still a ding-a-ling about homework. But they all like to go to school and they are learning." Unless the public schools can inspire that sort of confidence, they face the prospect of a lot more empty seats.●

DEFENSE PRIORITIES

HON. JOHN J. LaFALCE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. LaFALCE. Mr. Speaker, I suspect that there is wide-ranging, bipartisan support for the administration's proposal to increase defense spending, in order to be able to meet threats from the Soviet Union and its Warsaw Pact allies.

The actions of the Soviet Union and its surrogates throughout the world in recent years have demonstrated that the Kremlin is not really interested in promoting the cause of world peace. In addition, the rapid pace of Soviet spending on its military has shown no signs of dissipating. The Soviet Navy continues to expand far beyond its defensive needs, and the Red Army continues its relentless buildup of offensive weaponry.

Although there is wide agreement on the need for increased defense spending, there should be more focusing on exactly what those hefty increases should buy. One of the key weaknesses in the U.S. defense posture is the quality of U.S. military personnel. All too often, excellent technological systems cannot function because of shortages in maintenance personnel or because of deficiencies in operating personnel. The United States can put the most advanced equipment in the field, but that is little consolation if the equipment cannot be used or maintained.

That point has been made quite eloquently in an editorial in the April 13 edition of Forbes, entitled "Now, To Look at the $222.2 Billion Military Proposal." The editorial also raises some fundamental questions about the utility and effectiveness of the proposed MX missile system, recommending the alternative sea-based mode, because it would be a better deterrent and would not focus Soviet missiles on a few Western States. I hope that my colleagues will carefully consider the arguments in this thought-provoking editorial.

The editorial follows:

[From Forbes, Apr. 13, 1981]

NOW, TO LOOK AT THE $222.2 BILLION MILITARY PROPOSAL

We're talking really big additional bucks. The current defense budget is $171.2 billion. The new one is $25.8 billion higher than Carter reluctantly called for.

Indisputably essential are the added moneys for increased training, for such things as protective masks, desert camouflage uniforms, and especially for spare parts, ammunition and fuel. To have our military hardware paucities compounded by the lack of spare parts and ammo as a result of the military's own past budgetary flimflam is inexcusable. Those responsible should have their heads rolled into swift retirement.

Indisputably prompt sizable jumps in technicians' pay (unrelated to across-the-board hikes) are essential, such as for the computer operators of the Avionics computer required to locate problems on the F-15 fighter. According to the Spinney Report (publicized over the near-dead bodies of Pentagonians by Georgia Senator Nunn), these superb-when-operating fighters are "non-mission capable" 44 percent of the time. The computer to locate the problems was "non-mission capable" 20 percent of the time last year, 50 percent of the time the year before.

Yet in 1980 not one of the 33 technicians able to operate these computers reenlisted.

As for the billions proposed for specific new systems, that's subject to discussion just so long as decisions are made.

Obviously the $40 billion-to-$100 billion honeycombing of Nevada and Utah for MX missile sites should be axed for being the near-pure buncombe it is. Putting those super MX atomic missile equalizers into some new and/or converted ships from which they can be rolled and fired by remote control is the swiftest, cheapest and most sensible way for the MX to go.

As Admiral Thomas Moorer, former Chief of Naval Operations, told Forbes: "Several ships widely dispersed could never be successfully attacked simultaneously and they'd function as an early warning system if that were tried. But most important, the impact of a nuclear weapon out in the middle of the ocean wouldn't jeopardize our people. Remember, we're trying to keep enemies from attacking our country, not inviting them to do just that."

Ordering up more F-14s, F-15s, F-16s and F-18s and other now-in-production planes lessens the unit cost and will result in shortening delivery times.

The economies of scale that result from ordering enough long enough ahead—with a real freeze on changes—should get us more military stuff in hand instead of stuck along constantly interrupted production lines—all at far lower cost.●

FINANCIAL STATEMENT OF F. JAMES SENSENBRENNER, JR.

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. SENSENBRENNER. Mr. Speaker, through the following statement, I am making my financial net

worth as of March 31, 1981, a matter of public record.

ASSETS

	Value
Real property:	
Single family residence at 701 Kings Court, Alexandria, Va., at assessed valuation. (Assessed at $190,800. Ratio of assessed to market value—100 percent.) (Encumbered)	$190,800.00
Two family residence at 1601 East Lake Bluff Boulevard and 4330 North Newhall Street, in the village of Shorewood, Milwaukee County, Wis., at equalized assessed valuation. (Assessed at $54,700. Ratio of assessed to equalized value—66.42 percent.) (Unencumbered)	82,354.71
Total real property	273,154.71
Personal property: Common and preferred stocks (number of shares and company):	
450, Western Bancorp., at $38.125	17,156.25
237.027, American Telephone & Telegraph, at $51.50	12,206.69
100, Idaho Power Co., at $20.625	2,062.50
314.491, Tenneco Corp., at $47.625	14,977.63
102, Nevada Power Co., at $19.375	1,976.25
300, Anchor Hocking Corp., at $20	6,000.00
360, General Mills, Inc., at $33.375	12,015.00
400, Kellogg Corp., at $24	9,600.00
500, Dun & Bradstreet, at $64.375	32,187.50
1000, Halliburton Co., at $76	76,000.00
1708, Kimberly-Clark Corp., at $65.875	112,514.50
350, Insilco Corp., at $22.50	7,875.00
100, Minnesota Mining & Manufacturing, at $63.125	6,312.50
100, Rank Organisation ADR, at $4.45	445.00
208, Exxon Corp., at $68.625	14,274.00
480, Standard Oil Co., (Indiana), at $73.75	35,400.00
170, Dart & Kraft, Inc., at $50.25	8,542.50
380, Eastman Kodak Co., at $81.50	30,970.00
100, General Electric Co., at $67	6,700.00
104, General Motors Corp., at $52.875	5,499.00
400, Merck & Co., at $84.625	33,850.00
200, Warner Lambert Co., at $22.375	4,475.00
177.214, Sperry Rand Co., at $57.875	10,256.26
260, Allied Maintenance Corp., at $20.875	5,427.50
287, International Business Machines Co., at $61.375	17,614.83
53, Pasco Corp. Liquidating Trust, at $3.52	185.56
900, Inland Steel Co., at $34.75	31,275.00
168, Monsanto Corp., at $72.25	12,138.00
800, Santa Fe International Corp., at $24.25	19,400.00
26, Wisconsin Securities Corp. of Delaware, at $166	4,316.00
333, Benton County Mining Co. (no value)	
Total common and preferred stocks	551,652.47
Bonds and notes (par value $50,000):	
U.S. Treasury bills due Aug. 13, 1981	43,935
Life insurance policies:	
Face amount, company, number and cash surrender value:	
$12,000—Northwestern Mutual, No. 4378000	7,360.07
$30,000—Northwestern Mutual, No. 4574061	17,526.62
$10,000—Massachusetts Mutual, No. 4116575	1,914.90
$100,000—Massachusetts Mutual, No. 4228344	26,905.27
$25,000—Old Line Life Insurance Co., No. 515950	11,494.18
Total life insurance policies	65,181.04
Bank and savings and loan accounts:	
Marine National Exchange Bank of Milwaukee savings account No. 4000-9368	500.49
Marine National Exchange Bank of Milwaukee checking account No. 0046-2366	398.80
Marine National Exchange Bank of Milwaukee savings account No. 418-986	7,589.14
Marine National Exchange Bank of Milwaukee savings account No. 497.525	231.11
North Shore Savings & Loan Association of Milwaukee savings account No. 001-0624244-01	1,005.83
Mutual Savings & Loan of Wisconsin savings account No. 033161	10,333.03
North Shore Savings & Loan Association of Milwaukee savings account No. 001.0647856-01	428.37
Sergeant at Arms, U.S. House of Representatives checking account No. 748	30.91
Burke & Herbert Bank of Alexandria, Va., checking account No. 601-301-5	703.58
Total bank and savings and loan accounts	21,222.26
Miscellaneous:	
1978 Ford LTD automobile (at Blue Book value)	2,125.00
Office furniture and equipment	1,000.00
Furniture, clothing and personal property (estimated)	90,000.00
Stamp collection (estimated)	13,500.00
Interest in Wisconsin retirement fund	10,381.36
Deposits in congressional retirement fund	10,299.52
Total miscellaneous	127,305.88
Total assets	1,082,451.36
Liabilities:	
Mortage on Alexandria, Va., residence	141,075.79

ASSETS—Continued

	Value
Miscellaneous 30 day charge accounts (estimated)	1,500.00
Total liabilities	142,575.79
Net worth	939,875.57
Statement of taxes paid:	
Federal income tax	23,651.67
Wisconsin income tax	6,176.86
Shorewood, Wis., property tax	1,709.48
Alexandria, Va., property tax	2,492.27

I further declare that I am a direct beneficiary of two trusts and a contingent beneficiary of one trust. I have no control over the assets of any trust of which I am a direct beneficiary and am a cotrustee of the other trust.

Also, I am neither an officer nor a director of any corporation organized under the laws of the State of Wisconsin or of any other State or foreign country.●

A SPECIAL WEEK FOR THE YEAR-ROUND PROFESSIONAL—THE SECRETARY

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. LEBOUTILLIER. Mr. Speaker, I rise today to pay special tribute to a group of dedicated professionals whose ongoing contributions to the effective functioning of countless organizations, businesses, governments, and enterprises is invaluable, and often taken for granted.

I speak, of course, of the professional secretary.

Often the unsung hero of the office's daily regime, the secretary has earned special praise and is deserving of appropriate recognition.

Indeed, I would be remiss were I not to cite the efforts and abilities of my personal secretary, Nancy Kishanuk. Her professionalism and acumen are exemplary of the highest standards of her position, as is her ability to insure that my schedule of appointments and meetings is always up-to-date and accurate.

One of the first lessons I learned in politics is that every good elected official has a "black book" of vital contacts and leaders. Next to those names are the names of secretaries so that you can find out what is really going on.

Today's secretaries are constantly striving to broaden their knowledge by continuing their education in order to render greater assistance to their employers. Each year, in a most fitting acknowledgment, a day and accompanying week in April are set aside to focus attention on the activities of secretaries.

Given that the secretary's role is particularly vital in the Washington, D.C., area, it is most fitting that we recognize their important contributions by designating a week in honor of all our secretaries.

Therefore, in conjunction with the National Secretaries Association (International), let us resolve that the last full week of April 1981—April 19-25 be designated "Professional Secretaries Week," and let us further resolve that April 22, 1981, be designated as "Secretaries Day" throughout the Nation.

On behalf of all employers and those who benefit from the expertise of their secretaries, I extend sincerest gratitude for a job well done.●

COMPASSIONATE DRUGS FOR SUFFERING AMERICANS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. SCHEUER. Mr. Speaker, I am today introducing legislation which, if enacted, will go a long way toward aiding thousands of suffering Americans who are deprived of the latest advances in pharmacology because of inappropriate regulatory requirements.

The specific objectives of my bill are threefold: First, to make the most appropriate drug available to those individuals who have a rare disease or who do not respond to treatment with conventional drugs; second, to allow physicians treating such people the opportunity to prescribe such drugs for their patients, if appropriate; and, third, to enable U.S. pharmaceutical companies to export the most advanced drugs to countries requesting them even if the drugs have limited use in this country.

The bill proposes to ease the burden of FDA regulations in two clearly defined narrow areas: orphan drugs and compassionate individual drug treatment.

Orphan drugs are those drugs which affect only a small segment of the population. A drug that treats perhaps only a few hundred people is indeed an orphan—no one wants to adopt it or develop it. FDA regulations are such that it now takes some 6 years of time and $20 million to get FDA approval of an already developed drug. This substantial commitment of time and money will be undertaken usually by a pharmaceutical company if it has an opportunity to recover its development costs by commerical sales. A drug required by only a few hundred or a few thousand people can never generate sufficient sales revenue to offset drug development costs and hence will not be developed by a pharmaceutical company, except for com-

passionate reasons. While many such drugs are so developed, a more streamlined regulating approach is needed to create more incentive for development.

This bill will require the Secretary of Health and Human Services to promulgate regulations exempting orphan drugs from certain FDA requirements applicable to the more widely used drugs. This narrow exception will allow an orphan drug to be developed and used in spite of its limited utility.

The bill also allows orphan drugs to be exported if a foreign country wishes to receive them. The reasons for this amendment are sound. Foreign nations, particularly developing countries, frequently have been unable to develop drugs that already exist in the United States. It is absurd to deny those drugs to foreign nations requesting them because the drugs are not commercially viable or needed in this country. If orphan drugs discovered in the United States cannot be exported, patients in foreign lands will go untreated even though there is an effective remedy available from this country, as for example the treatment of shistsomiasis. Thus, the export provisions in this bill allow the health benefits of American pharmaceutical research to be made available internationally if requested by foreign governments.

This bill also extends a similar exemption for physicians wishing to use drugs in compassionate individual drug treatment. This exemption makes new drugs available to those patients for whom conventional treatment has not been successful. This use of new drugs, or new indications for drugs approved by the FDA for other purposes, carries some element of risk but is applicable only in those relatively rare situations where there is no other effective treatment available in the United States and the individual's physician feels such new drug is appropriate in that individual case. Furthermore the use of new drugs for compassionate individual drug treatment must be done under the FDA requirements pertaining to the investigational use of drugs. This requirement insures that any compassionate use of drugs is done under conditions whereby the patient must be fully informed and must knowingly consent to such use.

The major thrust of this entire bill is to assure, for compassionate reasons, that pharmaceuticals will be made available to small, medically needy populations for whom present treatment modalities are either not working or not available in the United States. This bill does not attempt to alter FDA requirements for drug approval except to provide some sorely needed narrow exemptions in exceptional circumstances. At the same time, it allows the benefits of American pharmacological innovation to be extended to all the people of the world, when so requested.

A section-by-section analysis and the text of the bill follows:

SECTION-BY-SECTION ANALYSIS

FINDINGS AND DECLARATIONS

Section 1: This section notes the need for new therapeutic drugs in both the United States and abroad, declares the ability of the pharmaceutical community to develop new therapeutic entities and cites the delay and excessive regulation in the drug approval process.

DEFINITIONS

Section 2: Paragraph (aa) defines "orphan drug" to mean a drug effective in treating a disease or condition but one of limited commercial value due to the small number of individuals needing it or the unavailability of exclusive rights to develop the drug.

Paragraph (bb) defines "individual compassionate or drug treatment investigation" to mean investigations involving humans suffering from a disease or condition which cannot be satisfactorily served by alternative methods of treatment and which investigations are intended to provide such treatment rather than to assess the risks and effectiveness of the drug.

INDIVIDUAL COMPASSIONATE OR DRUG TREATMENT INVESTIGATIONS

Section 3: This section amends that provision in the Food, Drug and Cosmetic Act concerning the need to acquire FDA approval before using a drug in interstate commerce. This amendment requires the Secretary of the Department of Health and Human Services to promulgate new regulations exempting both new orphan drugs and new drugs intended for use in individual compassionate drug treatment from certain requirements of the Act. The exemption allows drugs intended for use in individual compassionate drug treatment to be subject to lesser recordkeeping requirements than those normally required. Under this exemption the administering physician must keep a case record as maintained in the ordinary course of treatment and must report all adverse reactions. The exemption also requires that the use of orphan drugs conform to the already established requirements applicable to the investigational use of drugs.

Section 4: This section provides the same exemptions for orphan drugs and drugs intended for use in individual compassionate drug treatment from the certification, labeling, and recordkeeping requirements for antibiotics.

EXPORT OF INTERNATIONAL ORPHAN DRUGS

Section 5: This section amends the provisions of the Food, Drug and Cosmetic Act which restricts export of pharmaceuticals. The amendment allows exportation of orphan drugs which have not been approved by the Food and Drug Administration if the Secretary of Health and Human Services has determined that the export of the orphan drug is not contrary to public health and safety and has the approval of the country for which it is destined.

H.R. —

A bill to establish a mechanism with the Department of Health and Human Services to maximize the availability of new compassionate drug treatments

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That this Act may be cited as the "Compassionate Drug Availability Act of 1981".

FINDINGS AND DECLARATIONS

SEC. 2. Congress makes the following declarations and findings:

(1) The fullest availability for the American people of new therapeutic advances of the pharmaceutical sciences is a matter of highest priority.

(2) The pharmaceutical sciences are building a knowledge base which will increasingly permit the discovery and development of important drug entities with vast potential for protecting and promoting the health of the American people.

(3) The regulatory apparatus of the United States Food and Drug Administration has contributed to the creation of a "drug lag" in which important new drug entities have awaited regulatory approval for months or years, denying American patients access to such drugs while patients in other countries have obtained the benefits therefrom.

(4) Delays and expense of the U.S. drug approval process have contributed to the commercial non-viability of potential drug treatment breakthroughs for small, affected populations resulting in the unavailability of such treatment causing needless suffering and pain.

(5) Restrictions on the export of unapproved drugs have discouraged or eliminated the ability of U.S. drug manufacturers to apply their technological expertise to health problems and diseases principally or uniquely associated with foreign peoples.

DEFINITIONS

SEC. 3. Section 201 of the Federal Food, Drug and Cosmetic Act is amended by adding the following subsections:

(aa) The term "orphan drug" means a drug that—

(A) is or may be unique or provide an advance in the diagnosis, prevention or treatment of a human disease or condition of low incidence; and

(B) has little or no projected commercial value due to the small numbers of potential users of the drug or due to the unavailability of exclusive rights to the development of the drug.

(bb) The term "individual compassionate drug treatment" refers to those uses involving humans with a serious or significant disease or condition who cannot be satisfactorily served by alternative methods of diagnosis, treatment or prevention, which uses are primarily intended to provide diagnosis, treatment or prevention for such participants rather than to assess the risks and effectiveness of the drug product.

INDIVIDUAL COMPASSIONATE OR DRUG TREATMENT INVESTIGATIONS

SEC. 4. Section 505(i) of the Federal Food, Drug and Cosmetic Act is amended by adding the following after the last sentence thereof:

"The Secretary shall promulgate promptly additional regulations under this subsection exempting from the operation of the foregoing subsections of this section—

"(1) new drugs intended for use in individual compassionate drug investigations, under which exemption the only recordkeeping requirement for the administering practitioner shall be that case record maintained in the ordinary course of medical treatment and the only reporting, or other requirement of any kind, for the administering practitioner, shall be reports on adverse effects; and

"(2) new drugs qualifying as orphan drugs, under which exemption any patient with the corresponding orphan disease or condition shall have access to such new drug through the licensed practitioner or his or her choice under the condition that such practitioner conform to all applicable rules and regulations pertaining to investigational use.".

SEC. 5. Section 507(d) of the Federal Food, Drug and Cosmetic Act is amended by adding the following after the last sentence thereof:

"The Secretary shall promulate promptly additional regulations exempting from any requirement of this section and of section 352(l) of this title—

"(1) drugs intended for use in individual compassionate drugs investigations, under which exemption the only record-keeping requirement for the administering practitioner shall be that case record maintained in the ordinary course of medical treatment and the only reporting, or other requirement of any kind, for the administering practitioner, shall be reports on adverse effects; and

"(2) drugs qualifying as orphan drugs, under which exemption any patient with the corresponding orphan disease or condition shall have access to such new drug through the licensed practitioner or his or her choice under the condition that such practitioner conform to all applicable rules and regulations pertaining to investigational use."

EXPORT OF INTERNATIONAL ORPHAN DRUGS

SEC. 6. Section 801 of the Federal Food, Drug and Cosmetic Act is amended by adding subsection (e) as follows:

"(e) Notwithstanding section 505(a) of this chapter, a drug may be exported if, in addition to meeting the requirements of subsection (d)(1) of this section, the Secretary has determined that the exportation of the new drug is not contrary to public health and safety and has the approval of the country or countries to which it is intended for export.".●

SENATOR KASSEBAUM TALKS COMMONSENSE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. SIMON. Mr. Speaker, one of the Members of the Senate who shows uncommon courage and an unusual amount of plain old commonsense is Senator NANCY KASSEBAUM of Kansas.

She had an article in the Washington Star recently about tax expenditures which is a frank appraisal of a major problem this Congress and its predecessors have been ducking.

I commend her for her good sense, and I urge my colleagues to read her article:

PLUGGING THE "TAX EXPENDITURE" DRAIN

(By NANCY L. KASSEBAUM)

Today's tax day. It's the day when Justice Oliver Wendell Holmes' words ("Taxes are the price we pay for civilized society") are to ring truest. You probably feel civilization has just cost you a 10 per cent down payment on your soul.

It's not the best time to bring up the subject of tax expenditures. But if you are rattled by the amount of your tax payment, and if you pin the blame on government spending and inflation, then tax expenditures are part of the problem.

On Schedule A of your Form 1040 there were a few lines that made you feel better. They represented money being kept, not sent to Uncle Sam. Lines 1-10 claimed deductions for medical and dental expenses. Lines 11-16 claimed deductions for state and local taxes, real estate taxes, property taxes, etc. For all of us combined, Line 17 was worth about $20 billion in deductions for interest payments on our homes. Line 18 cost about $5 billion for those interest charges we paid for our credit and charge card spending.

CORPORATIONS NOT FORGOTTEN.

These are exemptions for the individual. We all know that corporations have not been left in the cold. They will claim a huge amount in exemptions this year, i.e., expense account deductions, equipment deductions, etc. And aren't corporations also the beneficiaries of most deductions for individuals? (Banks and construction companies are big fans of the home mortgage deduction.)

Tax expenditures. Deductions. Loopholes. Incentives. Tax breaks. Depending on your perspective, and your tax return, these are the names given to provisions in the tax code that will "cost" the Treasury an amount equivalent to the defense budget. Something over $200 billion. Nobody is certain of the exact figure.

That's the rub. No one is certain. There will be no congressional oversight. No hearings. No authorizations. No control.

There are 92 tax expenditure provisions in the tax code. Admittedly, some have greater economic and social value than others. Most of these listed above serve a valuable purpose. But we must understand that what benefits us each as individuals has a massive cumulative effect.

From my vantage point on the Senate Budget Committee, I have spied no encouraging signals on the tax expenditure front. The aggregate revenue loss from these provisions has grown at a rate of 14 per cent annually since 1975. Over 25 per cent of revenue authorized to be collected slips through those legal loopholes. Without a glance, we forego $1 for every $3 we collect.

TAKING CHARGE

If these federal subsidies are ever to be brought within even the loose control of the budget process, we must do something. There are three steps we could take to restore a modicum of accountability to these "negative spending" provisions:

First, place a statutory limit on the amount of revenue loss from tax expenditures at a figure not to exceed 30 per cent of net revenues collected. The 30 per cent figure is approximately the level of present tax subsidies. At least, we can avoid next year's 14 per cent tax expenditure increase.

Second, require that any legislation providing a new tax expenditure be authorized by the congressional committee having jurisdiction over the subject matter addressed by the new proposal. At present, the committees with responsibility for programs supported through tax expenditures neither authorize nor oversee their effectiveness. Once enacted, most tax breaks outlive Methuselah, regardless of their tendency to advance or obstruct the public good.

Third, new proposals should be formally examined by the Senate and House Budget Committees before being sent to their respective bodies.

What these three proposals argue is for control . . . for the discipline needed to bring the complete federal spending equation into full public view. If a particular need is important enough to merit an exemption, then the exemption will stand the test of a yearly budgetary review.

RUNNING AWAY FROM US

A report by the Joint Committee on Taxation estimates that by 1986 tax expenditures will have doubled to $465.3 billion from $228 billion in 1981. This is a 104 percent increase. Is it likely that we will find that much more dispensable in the budget to compensate for this revenue loss? Can we really expect the budget ever to be balanced under these conditions? Aren't we leaning a bit heavily on the expected windfall of supply-side economics?

When 70-75 percent of our budget is given a reprieve from Mr. Stockman's ax and the remaining 30 percent has been cut to the bone; when the administration in addition plans for tax cuts over three years of almost $200 billion; when the administration and the Republican Party wager their political capital on a balanced budget; what's going to give?

We all like our tax deductions. But it is time we recognize this spending for what it is and take action to keep things from getting worse.●

ABC'S OF HMO'S

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. McDONALD. Mr. Speaker, in 1971 the Federal Government was persuaded that health maintenance organizations were a viable new revolution in health care delivery and deserved support from the Federal Government. Since that time this mode of care has proven to be quite a bit less effective than it was potentially supposed to be. Private Practice magazine, April 1981, had an excellent article explaining why this has been the case and why, in fact, the Government should stay out of the health care business. I commend it to the attention of my colleagues:

ABC's OF HMO's

(By Hans F. Sennholz, Ph. D.)

In 1973, when Ronald Reagan was living in the Governor's Mansion in Sacramento, the State of California enrolled some 240,000 Medicaid recipients in 53 healthcare organizations. With Reagan in the White House the danger of congressional adoption of a national health insurance plan in any form has probably passed. But the idea of health through health maintenance organizations (HMOs) is very much alive and may gather strength and support in the coming years.

Prepaid health plans have been with us a long time. In 1929, the Ross-Loos Clinic in Los Angeles offered the first known plan. By 1973, when Congress passed the HMO Act, some 30 plans were in existence. Today, some 236 offer health services to about 9 million Americans. They may be "closed-

panel types" in which a few doctors are hired to give care to health-plan patients. Usually, no other doctors are involved unless the patient chooses to seek outside help and pays the costs out of his own pocket. The other type is the so-called IPA, or individual practitioner model, which usually involves a large number of doctors—sometimes all the doctors of a community. Both types of HMO are built on payment by annual capitation, i.e. on the number of patients signed up with the organization. The closed-panel type pays its staff physicians fixed salaries that may be supplemented by end-of-year bonuses, provided the organization's revenue exceeds its cost. An IPA may pay its physicians a fixed amount, or a variable amount depending on the relative contributions they make to the joint effort.

Both types require separate analyses of their inevitable effects and consequences for the medical profession. But it is also appropriate, although less popular, to view some effects they may have on the patient they are supposed to serve.

UNLIMITED DEMAND

The essential point about patient reaction to HMOs is the same made about all other schemes that directly or indirectly remove many restraints on demand. Whenever individual demand for a valuable good or service is no longer limited directly by individual cost and sacrifice, the demand tends to be unlimited. Economists speak of "free goods" that are not subject to man's economizing efforts. The phenomenal rise in the costs of medical services in recent years must be attributed primarily to this removal of restraints on demand and the appearance of third parties, especially government, that carry the costs.

Fortunately, one important factor is moderating this trend—the waiting time and opportunity costs to the patients. It roughly divides the demand for medical services into two distinct categories. One class consists of patients whose costs are practically negligible. Without employment of any other productive activity they must forego during times of illness, their demand for medical services tends to be pertinacious and practically unlimited.

The other class consists of highly productive individuals who may forego considerable income or suffer other repercussions when they fall sick. Although the medical service itself may be free, the opportunity costs are high and therefore, exert a powerful restraint on their demand for medical attention. When they nevertheless, must seek help they are shocked to find the waiting rooms crowded with patients who are "no-cost" patients. They may find the doctor exhausted and barely able to render minimal services. In dismay about the healthcare system or the physician himself, the "opportunity-cost" patient then turns to those physicians who, for one reason or another, do not attract no-cost patients. To him, these physicians may render the best health-care services at the most economical rates.

This distinction between patients is most important to HMOs. If the membership consists primarily of "no-cost" patients the demands on the organization doctors would be intense and exhausting. No fee or salary, no matter how generous, compensates the physicians for the time and effort they would be expected to expend. No matter how many doctors would be added to the system the demand would probably exceed the supply. The expenses would be exhorbitant and the doctor's compensation per hour of labor meager. Under such conditions the HMO is likely to be dissolved quickly for lack of sufficient funds, departure of doctors, or both.

NO-COST PATIENTS

Facing the exhausting demands of "no-cost" patients some physicians probably react in a kind of self-defense by doing as little as possible for the members. Patients are hospitalized only in extreme emergencies, surgery done only when life is at stake. They are made to wait many weeks or months for an appointment. The "no-cost" patients thus are forced to pay the "time cost" of waiting, which does not cost the doctor a penny. In short, they may encounter poor service and few doctors who can adjust to the anomalous situation.

If the membership consists primarily of "opportunity-cost" patients the HMO could be rather profitable to the physicians. If the capitation is based on average cost, but the members make few demands on physicians, the organization will be viable and economical. This is why HMO sponsors and organizers are searching far and wide for such a membership. But it is rather difficult to find because these patients usually prefer the fee-for-service doctor who is readily available and giving his best on the rare occasion he is really needed.

This classification of patients according to their motivation and behavior explains many disquieting symptoms of the healthcare profession. A similar classification of doctors and their organizations, especially HMOs, may shed additional light on the profession.

Closed-panel HMOs with a limited number of salaried staff physicians are creating a new image of doctors. They form labor unions, engage in acrimonious collective bargaining and actually call strikes, reacting to "intolerable" pay and working conditions. When the 86-member Group Health Association in Washington, D.C. (GHA) walked off the job for 11 days, in April 1978, it reacted to grievous abuses: the management alone set the working hours and working conditions: it determined the doctors' pay and fringe benefits, and worst of all, stipulated the number of patients who had to be treated every day. The internist was expected to see 90–105 patients per week during a 30 to 35 hours of office work. The surgeon, depending on his hospital hours, was supposed to see between 45 and 150 patients, the dermatologists 150, and the allergists 70, in 35 hours a week.

While the doctors' hours are light when compared with those of their colleagues in private practice, the fringe benefits are exceptional. The GHA physician enjoys generous disability and retirement benefits, and annual paid vacation of 20–25 days, 10 paid holidays, plus his birthday, 15 days of sick leave, eight days of study leave plus study expenses, and, after seven years, he is eligible for nine months of sabbatical leave at 75 percent of his salary.

PRODUCING LESS

If teamsters, coal miners, steel workers and teachers are organizing and calling strikes, why should HMO physicians be denied this right? After all, under present law they all are sanctioned to inflict harm on the public so that their employers make economic concessions. They all want to reap by force what they cannot obtain in freedom. The HMO that is racked by conflict and strife is hurting its patients; where the doctors have a direct stake in the operation and earn shares of the HMO revenue, they are tempted to do as little as possible for patients. They try to achieve "savings" by reducing medical costs below the capitation so that they can divide the savings among themselves in end-of-year bonuses. To hospitalize a patient or conduct an expensive operation is like taking money out of their own pockets. When in doubt, the HMO physician does as little as possible, which is most profitable.

The Individual Practitioner Association (IPA) suffers from similar tensions and antinomies. Physicians continue to work on what looks like a fee-for-service basis. But the IPA adheres to a fixed fee schedule and examines the services performed. If total billings exceed the initial capitation, payment will be made in proportion of the billing to the available funds, so that all physicians may receive only 80 or 90 percent of their billings.

TWO SETS OF CONFLICTS

This arrangement tends to breed two distinct sets of conflicts: between doctors and patients as described above, and between the doctors themselves. Only a fixed amount is available for distribution to the physicians, who soon tend to fight among themselves about the share each one is earning. To increase his portion, a GP, for instance, would be tempted to do everything for his patient rather than refer him to a specialist who may be more competent in a particular area. If a referral is unavoidable, the patient would be persuaded to seek help outside the HMO, which would not reduce the GP's income.

To avoid a nasty war among themselves, the IPA physicians may agree beforehand on how the total income shall be distributed. But such as arrangement badly shortchanges the patients, as physician income is no longer determined by how much or how little each one does for his patients. The IPA physician, like his salaried colleague in the closed-panel group, receives a fixed income and possibly a bonus from the savings that flow from services not rendered and expenses not incurred.

And yet, HMOs are enjoying a remarkable popularity, especially among young doctors. A beginner who lacks the initial capital needed for a private practice may seek employment with an HMO until he is ready to find his own way. Some actually prefer the safety and security offered by an employment contract with an HMO to the hustle and bustle of an independent practice. And others are tempted to supplement their meager incomes from their private practices with the fees paid by an IPA. Even "no cost" patients belonging to an HMO are preferable to none at all.

Some physicians who have been fighting valiantly against the socialization of medicine in any form are willing to give the HMO system a chance. They are the pragmatists who are willing to listen to a voice of experience. If there is merit to the system, they proclaim, we will adopt it. If not, we will discard it. They are eager to convince the federal government that the private sector is willing to cooperate with the public sector, and that it is willing to experiment with new approaches to health care. In a way, they are seeking to stall national health insurance.

ATTRACTIVE COSTS

Life insurance companies are the natural allies of HMO's. Their profitability depends entirely on the sale of policies and the control of expenses. They are forever concocting and testing new approaches and angles

to their sales campaigns—the HMO is one of them. And they are forever devising new cost-cutting techniques, of which the HMO is just one. Surely, it is very tempting for insurance companies to support institutions that promise and actually deliver fewer hospital admissions, shorter stays and less expensive treatments. HMO's may even make the point that they are practicing more "preventive medicine." This is probably true because it is less expensive than the treatment of serious diseases. It can be practiced most easily with "no-cost" patients who are always waiting eagerly to be treated. It can hardly be surprising, therefore, that some life insurance companies are willing to experiment with HMO's.

Some HMO support may occasionally come from corporations that, in paternalistic fashion, offer comprehensive health care to all their employees. For corporations, the offer of HMO care is a competitive device that distinguishes them from other employers. Hopefully, it attracts capable and productive labor and makes employees a happy and contented family that works together and is healed together in an HMO clinic. Such togetherness is said to promote high labor productivity and, last but not least, company profit. The Kaiser Corporation operated in-house HMOs for decades. Kaiser and Prudential as partners are sponsoring the new Dallas HMO and supporting others.

Most HMO programs to date have been federally funded. In 1971, President Nixon was persuaded that HMOs were the "industrial revolution" in medical care and a brilliant answer to the country's "massive health-care crisis." Between 1971 and 1973 Nixon received vocal support from labor leaders and liberal senators and congressmen who labored strenuously to establish HMOs as the dominant system of medical care. When the Health Maintenance Organization Act became law on December 27, 1973, then-Secretary of Health, Education, and Welfare, Elliot L. Richardson, confidently predicted that by 1976, 1,700 HMOs would be serving 40 million Americans.

A ROSE IS A ROSE

For the obvious reasons discussed above, the HMO success record has been less than pristine. The critics usually lay the blame on government bungling while they continue to defend the HMO idea. But it is obvious that HMOs are what they are by their very nature—no matter how brilliant government management and how generous government support may be.

A government that is mindful of its fundamental function of protecting life and property and maintaining the peace does not disrupt the people's health-care system. It does not interfere with the people's choices even though the president states his preference. But above all, it does not use its awesome power of coercion to favor one at the expense of others.●

ARIZONA REACTION TO PULITZER

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. RUDD. Mr. Speaker, Tom Fitzpatrick of the Arizona Republic is a very perceptive journalist. He had some observations about the recent tragedy in his profession involving the Washington Post and the Pulitzer Prize. There are lessons here for everyone, Mr. Speaker. I ask permission to include Mr. Fitzpatrick's column in the RECORD.

[From the Arizona Republic, Apr. 19, 1981]

POST'S HIGHLY PAID EDITORS SHARE RESPONSIBILITY FOR PULITZER FIASCO

(By Tom Fitzpatrick)

I find this very hard to write. Most of you who will read this probably find it difficult to understand why we place such a premium on the Pulitzer Prize.

In our business, it's the top prize. There are others that are good to win, too, but nothing comes close to winning a Pulitzer for a newspaperman.

That doesn't mean that winning a Pulitzer automatically makes you the best in the business. In my time, I have known many great reporters and editors who didn't win one.

There are so many variables that go into the winning of one. You have to be working on a dynamite story. You must have editors backing you up who make sure it gets into the paper in the best possible shape. And you have to be entered in a year when your story strikes the judges as being truly significant.

So it's not only a question of one writer going out and demonstrating superior ability. It's everyone back in the newsroom doing a professional job, too.

This is what astounds me about the Washington Post and Janet Cooke's fabrication of the story of an 8-year-old heroin addict.

Miss Cooke is 26 years old and has only a few years experience in the business. She joined the Post after submitting a resume riddled with lies about her background.

And within a very short time she was assigned to do a story about the use of heroin by children.

The Wall Street Journal did what appears to be thorough examination of the case this week. It found that the editor who finally passed on Miss Cooke's story was none other than Bob Woodward, the Post's assistant managing editor in charge of the metropolitan desk. That's the same Woodward who was part of Woodward and Bernstein of Watergate and Pulitzer-winning fame.

Miss Cooke told Woodward she did not use the real name of "Jimmy," the 8-year-old boy who was being injected daily with heroin by his mother's lover, because her life had been threatened.

Woodward told the Wall Street Journal, "I should have caught it."

But Woodward didn't. Instead, he passed the story on to Ben Bradlee, the Post's executive editor, with his recommendation that it be given big play on the front page.

The uproar the story caused in Washington was considerable. Everyone wanted to know who Jimmy was. They wanted to help him.

Here is where I have some real difficulty. Shouldn't the Washington Post have had enough concern for Jimmy, if he existed—and they insist they believe he did—as city and police officals? Whoever said it was the job of a newspaper to find someone being victimized by a murderous drug, write about it and then leave him to his fate? Up until now, I always thought that we were the guys wearing the white hats.

Bradlee now admits those who fought against the story were right.

"But there was no way to prove it," Bradlee says. "She insisted it was true."

I find that hard to believe. The truth lies somewhere else. Simply put, the Post had a sensational story and they didn't want to give it up.

It was Woodward who says he chose to nominate the story for the Pulitzer Prize.

This is where the whole thing comes tumbling down. If we had all been writing about the Academy Awards or the Nobel Prize this week and a similar set of circumstances arose, every big paper in the country would have been screaming fraud.

Janet Cooke's story was entered by the Post in the general local reporting category.

Osborn Elliott is the dean of the Columbia School of Journalism, which administers the prizes. He also used to be a top editor at Newsweek magazine, which is owned by the Washington Post.

Elliott told the Wall Street Journal this week that the Pulitzer board moved the "Jimmy" story to the feature category after it lost out in the general local reporting to the Longview (Wash.) Daily News for its coverage of the eruption of Mount St. Helens.

Clayton Kirkpatrick, editor of the Chicago Tribune, is another member of the board. He explained to the Wall Street Journal that the decision to award the prize to Miss Cooke was made with the knowledge that it was controversial.

"You assume the credibility of the person nominating it, in this case, the Washington Post," he said.

When I worked as reporter for the Chicago Tribune, Kirkpatrick was my city editor. He is a stern, reserved man who does not find much to smile about during the course of an ordinary working day. I cannot see something like the "Jimmy" story getting past Kirkpatrick. If it did get past him, you can bet he never would have nominated it for a Pulitzer.

Several years ago, he fired his top columnist for doing essentially the same thing that Miss Cooke did, describing events that never really occurred. The columnist was married to a young woman Kirkpatrick considered his top reporter. She quit and went to work for the Tribune's chief competitor, so at one time, he lost two valuable people. He has paid his dues.

Looking at it from the outside, it would appear that the decision to switch the "Jimmy" story from a category where it had already lost was, at best, arbitrary.

But the move to grant it the Pulitzer without even considering the opinion of the feature panel, which had not even seen the "Jimmy" story, is something worse than arbitrary. Put bluntly, it's on the same level as all the high-rolling tricks and chicanery that we in this profession scream and stamp our feet about when we catch government officials doing it.

Robert C. Maynard, editor of the Oakland Tribune, was one of the five members of that feature jury. He is angry.

Contacted by the Wall Street Journal, Maynard, who formerly worked at the Post, said, "There were two journalists sitting (on the feature-writing jury) who had long exposure to the controversy surrounding that story . . . and we would have resisted recommending it for the Pulitzer."

There you have it. Miss Cooke's story may not have been voted for a Pulitzer had the jury that had been chosen to pick the winner been granted the power to do so.

We all are left wondering how these things can happen. It's always the most obvious fraud that gets by. Tell no small lies.

Make them big enough and you'll win. Shoot for the moon.

And yet, the whole thing would never have come to the surface if Miss Cooke had not chosen to exaggerate her educational background when she applied for a job at the Post.

The Post used it in her Pulitzer biography and that was her undoing. People from Vassar College called to say she wasn't a graduate. The University of Toledo called to say she hadn't earned a master's degree.

The questions began. Finally, the Post and Woodward began checking the "Jimmy" story the way they should have from the start.

The rest is history. There was no "Jimmy." He was only a composite. That brings to mind something from the past. Who was "Deep Throat," that shadowy figure who helped Woodward and Bernstein in the Watergate investigation? Was he too what the Post editors call a "composite?"

The ultimate seriousness of this Washington Post fiasco is that it gives press critics and thieves who have been exposed by the press the right to cast doubt on all the really first-rate work any reporter anywhere in this country has done in the past.

The Washington Post has shamed us all.

Miss Cooke has been punished severely. In a way, she has become a sort of victim. She was not in the business long enough. She was over her head. She got into something she really knew nothing about, the politics of big-time journalism.

She has resigned and probably faces severe career difficulties. But Miss Cooke is no more culpable for what happened—and probably far less so—than all the famous editors who passed the story along, put it on page one and then submitted it for the Pulitzer Prize.

If Janet Cooke's journalistic sins were serious enough to call for her resignation, what about the highly paid editors who are supposed to keep things like this out of the papers?

When the Watergate offices were burglarized, the Post was not satisfied merely to see the burglars go to prison. They didn't stop until they went all the way to the top and forced the resignation of President Nixon.

I wonder what Ben Bradlee thinks about that philosophy of ultimate responsibility now?●

AFRICAN REFUGEE CONFERENCE IN GENEVA, SWITZERLAND

HON. ARLEN ERDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. ERDAHL. Mr. Speaker, earlier this month I had the opportunity to participate in the International Conference on African refugees. The United States clearly demonstrated its continuing tradition of humanitarian concern by promising to contribute $285 million of the $470 million Western aid package. We further promised to help settle 8,300 African refugees and displaced persons over the next 2 years. This degree of American assistance clearly demonstrates our determination to participate in resolving the very serious problems on the African Continent.

I was pleased to learn that the Reagan administration will further enhance our commitment by asking Congress for a 30-percent increase in funds for aid to Africa. As a member of the Africa Subcommittee of the House Foreign Affairs Committee, I stand ready to lend my support for the administration's request.

In no continent is the political atmosphere as volatile as in Africa. As the recent conflict in Chad clearly demonstrated, we will be hard pressed to accurately anticipate crises that precipitate the movement of refugees and displaced persons. We will need to strengthen our ties with developing Africa through increased multilateral and bilateral economic assistance if we are ever going to bring political and economic stability to that part of the world. Strong internal economic systems administered by popularly elected governments will prove to be our most effective defense against the intrusion of terrorist and totalitarian governments unfriendly to the United States. The governments of Africa welcome economic development because they know it is the key to stability.

I was disappointed that the Soviet Eastern European bloc chose not to participate in this international conference but humanitarian aid and economic development do not have the same priority in their system as in ours: The dichotomy between our two philosophies of participation in the Third World will, I am certain, prove to our advantage as we increase our role in African development.●

LESTER THUROW ON THE ECONOMIC DANGERS OF THE DEFENSE BUDGET

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. CONYERS. Mr. Speaker, the Reagan administration is proposing for fiscal year 1982 to increase obligational authority for defense by $44 billion. This represents a 24.8-percent 1-year increase. The effects of this on national security are questionable, but the impact on the economy and inflation clearly will be damaging. Last year defense-sector inflation reached 20 percent, or double the inflation rate in the economy overall. The inflationary pressures of military spending result from a shortage of highly skilled workers in the defense sector, material and supply bottlenecks in defense industries, and the macroeconomic impact of raising spending and income in a sector of the economy that produces no additional consumer goods to meet public demand.

Dr. Lester Thurow examines the economic impact of the administration's defense budget in a recent article (May 14, 1981, issue), "How To Wreck the Economy," that appeared in the New York Review of Books. Dr. Thurow is professor of economics and management at M.I.T., a former staff member of the Council of Economic Advisors, and author of "Zero-Sum Society" and "Generating Inequality." I urge my colleagues to take a look at his analysis before they sign off on the Reagan defense budget.

The article follows:

HOW TO WRECK THE ECONOMY

(By Lester Thurow)

The recent discussion of President Reagan's budget has largely overlooked its most alarming feature, so far as the U.S. economy is concerned. Reagan is proposing to increase defense expenditures by $142 billion, from $162 billion for the fiscal year 1981 in the current budget to $304 billion in fiscal year 1985, the last budget of his first term. If re-elected he is planning a further $39 billion increase, to $343 billion in fiscal 1986.

This $181 billion increase over five years can be understood only if it is compared with the build-up of military spending during the Vietnam War. In the five years between 1965 and 1970 military spending rose by $24.2 billion, and soon after rose to a peak of $26.9 billion. After correcting for inflation, a $26.9 billion increase then would be equivalent to a $59 billion increase now.

As a result the military build-up that is currently being contemplated is three times as large as the one that took place during the Vietnam War. Whether an increase of this magnitude is really necessary depends on an analysis of foreign affairs and military readiness that is beyond this review. Some defense experts and legislators are questioning whether many items in the new military budget are actually needed and whether some of them endanger national security more than they protect it. Such questions are certainly important and must be raised. But if such a build-up is necessary, then it is important that it be done in such a way that it does the least possible damage to the economy.

The Reagan budget has not been clearly understood because, perhaps deliberately, it has been presented as a set of subtractions from or additions to the Carter budget. The policies of President Carter are now irrelevant. It makes no difference what he proposed. Everything that is in the budget is now a Reagan proposal. The only questions to be resolved turn on what President Reagan wants.

In addition to the increase in the military budget, civilian expenditures are scheduled to rise by $76 billion—from $493 billion to $569 billion. After correcting for inflation, we can see that civilian expenditures are down substantially by 16 percent, although they rise in money terms. As a result the total budget increases from $655 billion in fiscal 1981 to $912 billion in fiscal 1986. In addition, President Reagan is proposing a 16 percent reduction in federal tax collections—$196 billion in fiscal 1986—in order to stimulate savings and investment.

President Johnson's refusal to raise taxes to pay for the Vietnam War is legitimately remembered as one of the key factors leading us into our current economic mess. He wanted both the Great Society and the war. But if he was to have both and not wreck the economy, his only option was to raise

taxes sharply. He chose not to do so, and he wrecked the economy.

President Reagan wants both dramatic tax cuts to encourage investment and an even more extensive military buildup. But he cannot have both without wrecking the economy further unless he is willing to raise taxes dramatically on private consumption. He has chosen not to do so. If his current program is carried out, he too will wreck the economy.

Military spending is a form of consumption. It does not increase our ability to produce more goods and services in the future. While it may be necessary, it is consumption nonetheless. And as in any private budget, if you allocate more to one form of consumption, you must allocate less to some other form of consumption.

This means equivalent cuts must be made in other forms of consumption. The proposed military increase is so large that it cannot be fully paid for with cuts in civilian expenditures unless the president is willing to abolish major social programs such as Social Security. If he is not willing to do this, taxes must be raised to cut private consumption.

While President Reagan is only preparing for war and not actively engaging in one, the economic problems of military spending spring from the rapid production of weapons, not from their use. The capacity to produce capital goods and equipment, skilled manpower, and raw materials must all be quickly redirected to military production. In shifting both human and capital resources from civilian to military activities tremendous strains are placed on the domestic economy, unless measures are taken to restrain private consumption. Without tax increases the military can get only the necessary capital capacity, skilled manpower, and raw materials by paying more than the civilian economy is willing to pay. This drives up prices and creates civilian shortages.

The problem is compounded if tax breaks are to be given for investment, as is contemplated by Reagan's economic plan. The capital goods industries cannot produce enough equipment to build both military factories and civilian factories. The investment tax reductions therefore encourage private investors to get into a bidding war with the military for the industrial equipment that is available. The result would be a rapid rate of inflation in capital goods that would eventually lead to inflation in consumer goods. Inflation would break out, as it did during the Vietnam War, but this time the US would be adding inflation to an economic system that already has an 11 percent rate of infation rather than to a system that had an inflation rate of less than 2 percent.

Unfortunately the negative effects of such a military budget and such a tax policy do not emerge quickly. Remember the acceleration in inflation during the Vietnam period. It was very slow but very persistent. During 1965 inflation stood at 1.7 percent per year. From there it rose to 2.9 percent in 1966-1967, to 4.2 percent in 1968, to 5.4 percent in 1969, and to 5.9 percent in 1970. President Nixon temporarily stopped inflation with wage and price controls in 1971, but when those controls were lifted inflation broke out in an even more virulent form, and has continued to this day.

As with President Johnson, the mistakes of President Reagan will only become obvious long after they have been made. By the time they are obvious, it will be too late to correct them. If the mistakes are to be corrected and the undesirable effects avoided, the correction must be made now—not two to three years from now.

President Reagan talks as if his cuts in civilian government comsumption are going to pay for the extra military spending. But he also talks as if those civilian budget cuts are going to pay for the loss in revenue from business tax cuts and from the 30 percent cut in personal income taxes called for by the Kemp-Roth plan. But the sums that will be spent and saved do not match. A $138 billion cut ($43 billion of which has not yet been announced) in civilian expenditures—not an absolute cut but one relative to the Carter budget—simply does not counterbalance a $196 billion tax cut and a $181 billion increase in military spending.

If the Reagan administration were to carry out its current plans, it would have no rational alternative to a large tax increase on private consumption. If we were actually to fight World War III, we would instantly increase taxes to pay for it. If we want quickly to buy the equipment the administration claims is necessary to fight World War III, we have to be willing to do the same.

If the administration is unwilling to raise taxes on private consumption, it will repeat the Vietnam experience. Initially output will rise and unemployment will fall. But eventually a sustained inflation will result from the economy's inability to produce both the civilian and military goods that are being demanded of it. But the economic problems of a large increase in military spending go far beyond that of simply keeping total consumption under control. The defense department does not demand exactly the same commodities that civilians give up when their after-tax income goes down. Even if taxes are raised by the requisite amount, essential supplies will have to be directed to military uses without completely disrupting the civilian economy.

To do this, most countries when they decide to wage war or prepare for war traditionally impose controls over production, wages and prices, raw materials, and capital equipment. In this respect, the Korean War is a model of what to do. The Vietnam War is a model of what not to do.

During the Korean War America raised taxes dramatically at the beginning of the war and imposed a full range of wartime controls. When the war proved to be smaller than was first expected, those controls could be gradually eased with no disruption to the civilian economy. Instead of rising during the war, inflation fell from 6.6 percent in the first year of the war to 1.6 percent in the last year of the war.

By contrast, during the 1960s the US did none of the things that would have been necessary to fight the Vietnam War without economic damage. Military spending reached a peak of 13 percent of the gross national product during the Korean War and only 9 percent in the Vietnam War, but the economic damage was far greater during the Vietnam War. The economics of war production calls for planning for the worst possible economic effects and then being pleasantly surprised if the worst does not occur. Perhaps our economy will be able to take the current build-up without being wrenched out of shape, but no one should count on it.

The economic problems of the military build-up planned to take place between 1981 and 1988 are complicated by the current weakness of the American economy and the economic strength of the countries that are our military allies but our economic adversaries. When a nation such as the US sharply increases its military forces, it generally does so at a time when its industrial competitors are also attempting to increase their own military establishments, and are experiencing comparable economic strains. But the Reagan build-up is to take place in a time when our allies are not raising their military expenditures at anything like our pace. Germany has just announced plans to cut back on its defense budget.

This difference poses the problem of how the US can maintain the industrial strength to compete with other countries in civilian production and sales. The basic problem here is not so much one of obtaining critical raw materials and equipment, although there may be shortages of both, but is one of skilled workers—craftsmen, engineers, and scientists. Such people will tend to be attracted to military production. Defense contractors will entice workers away from civilian firms by paying higher salaries as they build up their work forces on a crash basis. But even if the salaries were identical there would be a tendency for the most highly qualified people to move into defense. For most engineers, such work is simply more exciting.

Would the typical engineer rather work on designing a new missile with a laser guidance system or on designing a new toaster? To ask the question is to answer it. Military research and development are more interesting since they are usually closer to the frontiers of scientific knowledge and are not limited by economic considerations such as whether the product can be sold in the market. The military is willing to pay almost any premium to have a superior product. The civilian economy is not. As a result the most skilled technicians and scientists move into defense.

But suppose you own a civilian computer firm in Boston and many of your best people leave to work in Boston's higher paying and more exciting aerospace firms. How do you compete with Japanese computer firms that will not be losing their most brilliant employees? The Japanese engineer might also like to work on missiles but he does not have the opportunity to do so. The result is that you cannot compete; the Japanese computer industry could well drive the American computer industry out of business.

A military build-up of the magnitude proposed by President Reagan almost demands that the U.S. insist that its military allies, who are also its economic competitors, engage in a similar military build-up. From the point of view of equity, the American taxpayer cannot be expected to accept a large reduction in his standard of living while taxpayers abroad continue to improve their standards of living. But even more importantly, America cannot afford to destroy the competitive strength of its none-too-strong domestic economy. If the skilled workers and funds that are used for defense here are used for civilian production abroad, it should not come as a great surprise if we are driven out of civilian markets. What will happen to the United States if the industries that manufacture semiconductors, micro-processors, and computers are forced out of business while the nation is busy rearming itself? What good does it do us to dominate the world in missile production if we are at the same time being defeated in toasters? In the long run, a civilian economy that consistently fails in competition abroad will be unable to produce missiles for an effective military economy.

According to the Reagan economic scenario, the burden of total government spending will shrink not because of a decrease in that spending, but because there will be an explosion of economic output. After we correct for inflation, output is supposed to grow 23 percent during the next five years.

This explosion in output is predicted for an economy where growth in productivity has been gradually slowing down since 1965 and has in fact been negative during the last three years. The Reagan administration assumes that productivity is going to return to a 3 percent rate of growth almost instantly, but what will make this happen? Such an increase in productivity has never happened before in our history, and there are good technical reasons for believing that it will not happen now.

Our slowdown in productivity is caused by many factors, including an increasing movement toward services, and sharp declines in construction and mining productivity. These are not going to end suddenly. And the same slow transition will occur in the part of the economy on which the Reagan administration is focusing most of its attention—investment. New investment takes time. Major new industrial facilities typically take from five to ten years to complete, so we will have no output from them for five to ten years. Consequently they will not be raising productivity for five to ten years.

If a little extra investment would cure our productivity problem we would not have such a problem at all. When productivity was growing at more than 3 percent per year, from 1948 to 1965, Americans invested 9.5 percent of their GNP in industrial plant and equipment. While productivity was falling 0.5 percent a year from 1977 to 1980, Americans invested 11.3 percent of their GNP in industrial plant and equipment. We need more investment, but investment cannot cure the productivity problem in the short run.

But in planning a major military build-up, a wise economic general does not argue about whether there will, or will not, be a dramatic rebound in the growth of productivity. He plans such a rapid increase on the conservative assumption that there will not be a sharp change in productivity and hopes to be pleasantly surprised if productivity does in fact dramatically improve. No permanent damage occurs if he plans for slow productivity and finds that productivity is actually growing rapidly. He can always easily cut taxes if the economy has extra unused productive capacity. But if he plans for rapid growth in productivity and it does not occur, the economic damage will be great. Taxes can be raised later on, but as the Vietnam War demonstrated, a tax increase in 1969 does not substitute for a tax increase that should have occurred in 1965.

If vigorous growth resumes, as the Reagan administration assumes it will, the defense budget will generate the kinds of economic stress that we experienced during the Vietnam War. Under Reagan's assumptions about economic growth, the military budget will consume an extra 1.5 percent of the Gross National Product. Vietnam consumed an extra 1.7 percent. But if vigorous growth does not resume, the strains will be far more serious. The military will be absorbing an extra 2.4 percent of the GNP. As a result we should plan for those larger stresses but hope for the smaller ones.●

THE PEOPLE RESPOND

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. GARCIA. Mr. Speaker, I am inserting into the CONGRESSIONAL RECORD a statement which exemplifies the concern people are feeling over the proposed budget cuts. President Reagan's economic plan would not affect every segment of this society equally; minorities and the poor would have to shoulder the greatest suffering while businesses and the rich would be favored disproportionately. As part of my continuing crusade against the inequities in the proposed economic plan, I am inserting today's statement to show that there are still citizens who are concerned over the impact of this plan.

NEW YORK ASSOCIATION
OF HOMES FOR THE AGING,
Albany, N.Y., March 18, 1981.

Hon. ROBERT GARCIA,
House of Representatives, Longworth Building, Washington, D.C.

DEAR MR. GARCIA: Among the most important of the proposed budget revisions recommended by President Reagan in his program for economic recovery are limits on the Medicaid program. Stringent restrictions on Medicaid expenditures might undermine efforts to improve the quality of life of older persons.

The President's recommendations involve three significant changes:

Imposition of a ceiling on total Federal expenditures for Medicaid at a level to reduce Federal expenditures by $100 million below the current base estimate in 1981;

Maintenance of such a ceiling on expenditures permitting expenditure increases of only 5 percent in 1982, and adjustments during subsequent years by a percentage rate of inflation as measured by the Gross National Product deflator;

Eventual development of comprehensive legislation to promote market competition in health care services.

This Association opposes the proposed revisions in Medicaid. While supportive of the President's promised efforts to revitalize the economy, NYAHA questions whether the "social safety net" for the elderly, unemployed and poor can be secured without vigorous Federal support of Medicaid.

Medicaid is a cooperative program in which the Federal government provides to states to manage a medical assistance program to individuals meeting a state's eligibility standards. The Federal government has established minimum plan requirements for states participating in Medicaid.

During the past decade, Medicaid expenditures have escalated at both the Federal and state levels. Data suggest that cost increases cannot be attributed primarily to increased utilization; rather, they are the result of increases in the number of recipients and in medical care prices. The number of recipients nationwide rose by 108 percent in the eight years following 1968; prices rose by 74 percent and utilization by only 12 percent.

Approximately one out of every five older Americans are Medicaid recipients. Over one-third of all Medicaid expenditures during the past year were made to meet the needs of these poor, older persons. Another third of the expenditures went for services to the permanently disabled and blind. Of older persons eligible for Medicaid, most are over the age of 75 and receive limited income support from the Supplemental Security Income program. Most are women. Medicaid meets the coinsurance and deductible requirements of the Medicare program, ensuring participation by these persons in the Federal health benefit. Medicaid payments cover a significant share of their costs for nursing home services, drugs and drug sundries, eyeglasses and appliances and other health services.

The pending cutbacks in the Medicaid program may be particularly disruptive to older persons seeking long term care services. Nearly 60 percent of daily expenditures for nursing home services nationwide are secured through the Medicaid program. Such services constitute the largest health care liability for persons age 65 and over. It is estimated that 20 to 25 percent of the elderly population will spend some time in a nursing home, even though only 5 percent are residents on a given day. During the past few years. States have sharply curtailed Medicaid expenditures to nursing homes. New York, in particular, has been in the forefront of cost containment. Shortfalls in operating revenues have been passed on to the private income resident, where possible, to subsidize care for those receiving public support. However, New York has mostly Medicaid recipients in its nursing homes (80 percent), and private income residents cannot possibly make up the signficiant differentials which could be created by the President's proposal. Further significant reductions in Medicaid will have a great impact on the availability of quality services and could lead to financial insolvency of some of this State's finest nonprofit facilities.

There is a false economy in advocating reductions in Medicaid without considering the eventual impact upon Medicare. Demand for long term care services already has created a tremendous backlog in hospitals. Medicaid reductions will further encourage some providers not to serve the poor, thereby putting greater strain on the acute care system. There also will be an increased strain upon the social services system to support individuals not being assisted otherwise. Health policy should not suggest that Medicare meets the needs of the elderly and Medicaid does not. Both programs are complementary components of the "social safety net."

We strongly urge you to carefully review the President's proposal for Medicaid, and not be rushed into acting hastily. The lives of many frail elderly individuals are at stake.

Sincerely yours,

LLOYD T. NURICK,
Executive Director.

COMMUNITY BOARD NO. 5,
BRONX COMMUNITY COLLEGE,
Bronx, N.Y., March 9, 1981.

Hon. ROBERT GARCIA,
Cannon House Office Building, Washington, D.C.

DEAR REPRESENTATIVE GARCIA: It is my understanding that the Administration's

budget proposal package will include a request for heavy cuts for HSA. I must say I find this surprising in light of President Reagan's stressing, in his campaign and since, his belief that "Big" government does not work effectively in many areas. Although HSA is a federally funded agency, it is one whose very essence insures local citizen input into health planning decisions, thus removing a critical area from the ranks of those decided upon and imposed solely by "Big" government. As the system operates now, we have benefit of service by local residents on a volunteer basis at no cost to the taxpayer. The agency provides the technical expertise and support framework within which this volunteer service is possible.

During my years on my local HSA subarea board, it has been my experience that both HSA staff and membership are acutely concerned with judicious review of proposed health care expenditures and the avoidance of extravagance or duplication of services. Given the unfortunately massive costs of health care delivery, it seems especially important to continue to include a meaningful evaluative and decision making role in this area to those most familiar with local situations: local citizens.

Although Bronx Community Board No. 5 and the constituency it represents realize that budget trimming is essential, the prospect of crippling or dismantling an agency like HSA seems classically "penny wise, pound foolish." I hope we may count on your support in maintaining HSA's budget at a level which permits it to remain effective.

Sincerely yours,
CLAIRE HOLLISTER SINGER,
Chairman, Health Committee.

EAST WEST CONCOURSE
PRESERVATION CO.,
Bronx, N.Y., March 13, 1981.

Mr. ROBERT GARCIA,
House of Representatives,
Washington, D.C.

DEAR MR. GARCIA: We strongly urge you to support full and continued funding of the Neighborhood Self-Help Development Program (Department of Housing and Urban Development) for 1981 and 1982. This program provides direct seed money to neighborhood self-help organizations in our state (or city). It promotes and assists self-help efforts and the leveraging of private funds.

This program is very small ($15 million) but it has leveraged private funds at a rate of 14:1. It is critical to neighborhood self-help development groups and has the support of mayors. This program conforms to the Administration's announced desire to support locally-initiated self-help efforts which assist the truly needy. Programs such as the Neighborhood Self-Help Development Program should be promoted, not cut.

We hope that you will work to ensure that the Neighborhood Self-Help Development Program is not cut or removed from the 1981 and 1982 budgets.

Yours truly,
CHARLES N. HENDERSON, Jr.,
Director of East West.●

PRESIDENT REAGAN'S ECONOMIC RECOVERY PROGRAM: OUR LAST, BEST HOPE

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. FIELDS. Mr. Speaker, later this week, this legislative body is scheduled to begin debate on the President's budget and tax recommendations for fiscal year 1982.

While I recognize there is a natural temptation to debate this legislation in a partisan manner, I urge my colleagues to put aside partisan politics and to work together to restore economic vitality to this great Nation.

I believe the Reagan economic recovery program is our last, best hope to avoid economic calamity in our Nation. That program deserves our wholehearted support.

I am pleased to advise my colleagues that my constituent mail has been, like most public opinion polls, overwhelmingly in favor of the President's program.

I believe this broad-based support for the President's economic policies reflects the fact that the American public firmly believes enactment of the President's program will encourage more employment, fewer lives wasted on welfare, and a rekindling of the work ethic and entrepreneurial spirit. Instead of working nearly 6 months a year to pay their taxes, passage of the Reagan package would permit individuals to work for themselves and their families once again, to restore upward mobility to American life.

Let me also urge my colleagues to spend a few moments in the next several days, as I have, to analyze the effects of the President's multiyear marginal tax cuts on your communities.

For I must say that I was very excited to learn that, based on one study which I have seen, the Reagan individual tax cuts would create an infusion of several billion dollars into the economy of Houston, Tex.

I am certain similar amounts of money would be returned to many other communities in this Nation.

It is my firm belief that failure to pass the President's program will result in a continuation of the current economic conditions which have brought untold misery to millions of Americans in the form of persistent double-digit inflation, high unemployment, and a destruction of the American way of life.

Finally, Mr. Speaker, I would like to submit for the RECORD an article written by Assistant Secretary of the Treasury Dr. Paul Craig Roberts entitled "For Supply-Siders, the Focus Is Incentives." I would strongly encourage each Member of this body to read this excellent presentation on the benefits of the Reagan tax plan.

The text of this article follows:

[From the Washington Post, Apr. 13, 1981]

FOR SUPPLY-SIDERS, THE FOCUS IS INCENTIVES

(By Paul Craig Roberts)

For the past 15 years, Keynesian demand-management policies have been applied to the U.S. economy. They have left an empirical track record—one of progressively worsening economic performance with rising rates of inflation, and unemployment. Keynesians have attributed the failure of their policy to Arab oil lords, unions, big business and to a mystical and worsening "underlying rate of inflation," which they believe is independent of fiscal and monetary policies.

The culprit, however, is demand-management itself, which puts monetary policy on the roller coaster and pushes taxpayers higher in the progressive income tax system.

Keynesian economics uses the government's budget as its tool for managing the economy. Unemployment requires a budget deficit to increase total demand or spending in the economy. Inflation requires a budget surplus to reduce total demand in order to relieve pressures on the price level. In practice, this approach produced deficits every year for the past decade.

In an unemployment year, the policymakers would calculate the size of the "fiscal stimulus" or budget deficit required to bring spending up to the full employment level. For the deficit to actually add to spending, the Federal Reserve had to accommodate it with a monetary expansion. Otherwise, the government's borrowing would drive up interest rates and choke off the demand it was trying to stimulate. In effect, it was a policy of fighting unemployment by printing money.

The monetary expansion would push up the inflation rate, and soon the Federal Reserve would be under pressure to cool down the economy by tightening up on the money supply and raising the interest rate. The government's revenues (but not spending) would decline as the economy soured, and this time the budget would unintentionally go into deficit.

Recession would push inflation concerns aside. The policymakers would calculate the size of the budget deficit necessary to restore full employment, and the "business cycle" would be off and running again. As the chart shows, each round of the roller coaster left a larger residue of unemployment on the upside and successively higher inflation rates on the downside. Soon policymakers were talking about worsening tradeoffs between inflation and unemployment.

The demand-managers didn't realize it, but their problems were created by mixing together demand stimulus with supply disincentives. The inflation that accompanies the demand stimulus eroded the real value of business' depreciation allowances and pushed taxpayers into higher marginal tax brackets.

In 1965, the highest tax bracket encountered by a median income family of four was 17 percent. That means the family got to keep 83 cents of an additional dollar earned. A family with twice the median income encountered a top bracket of 22 percent.

Unless tax rates are cut, in 1981 the median income family will encounter the 28 percent bracket—a 65 percent increase in

the tax rate applied to additional earnings. A family with twice the median income has been pushed from the 22 percent bracket into the 43 percent bracket—a doubling of the marginal tax rate.

Unless President Reagan's tax proposals become law, by 1984 the median income family will be in the 32 percent bracket—which was, as recently as 1975, the highest bracket encountered by a family with twice the median income. A family with twice the median income will face the 49 percent bracket.

When Social Security and state income taxes are added in, the disincentives are even harsher. Today a median income family that resides in Maryland is in the 40 percent marginal tax bracket; one that resides in New York is in the 44 percent bracket. After 15 years of demand-management, ordinary people are now in tax brackets that once applied only to the rich. Little wonder output has stagnated while inflation has roared.

Under President Reagan's proposals, the median income family will be in the 23 percent federal bracket in 1984. That doesn't turn the tax clock all the way back to 1965, but it is a big step in the right direction.

Demand-side economists don't understand the importance of this step. To them, the function of a tax cut is not to restructure incentives but to increase demand. Thus, over the last decade when they cut taxes, they focused on lowering the average tax rate on existing earnings (through such means as larger personal exemptions and standard deductions) and allowed the marginal tax rate on additional or new income to rise. As a consequence, today for the majority of the population the incentive to produce additional income is the lowest in our history, and the personal saving rate is the lowest in anyone's memory.

The failure of demand-side economists to take into account supply-side economics explains the pessimistic analysis of President Reagan's economic program published by the Congressional Budget Office on March 25. They see the personal income tax rate reduction as a fiscal stimulus, but its effect on demand is offset by the budget cuts and the tight monetary policy, both of which reduce demand. In the Keynesian view, the administration's policies cancel out, leaving the economy essentially unaffected. Without an improved economy, the budget can't be balanced—thus CBO's projection of a $49 billion deficit in 1984.

The president's economic program looks radically different when viewed through supply-side eyes. The purpose of the tax cut is to increase incentives, not demand. Therefore, the Federal Reserve is not under pressure to accommodate a fiscal stimulus with an expansionary monetary policy, so there is no source of inflation. The purpose of the budget cut is to prevent private savings from being diverted from private capital formation and used instead to finance spending growth. The purpose of the regulatory cuts is to reduce production costs.

The expansion of the economy that the administration foresees results from better incentives and higher after-tax rates of return, not from higher demand. We agree with CBO that our program will not provide a direct stimulus to demand, but we disagree that the economy will not respond to improved incentives. It is the focus on incentives that makes the tax cut the centerpiece of the president's program.●

THE FIGHT FOR QUALITY EDUCATION

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. MICHEL. Mr. Speaker, Newsweek magazine is publishing a series of articles on the subject of education in the United States. These articles confirm that we have reached a critical stage in the development of American education. Suspicion, distrust, and even animosity exist among parents, children, and taxpayers concerning the documented, tragic failure of certain parts of our public school system.

This is not to say the public school system has totally failed and should be abandoned—far from it. What is needed is the will to break away from the myths of the past 10 or 15 years that have led to harmful educational gimmicks and bizarre educational theories, all in the name of innovation.

Now is the time to save our public schools and, at the same time, to recognize that a strong private school system should not be seen as a threat to public schools but as a legitimate and necessary part of our American educational system.

At this time I wish to insert in the RECORD, "Why Public Schools Fail" from Newsweek, April 20, 1981.

WHY PUBLIC SCHOOLS FAIL

The odd thing is that the public schools are probably getting better. But try telling that to Dorothy Tillman, whose son Jimmy marched off to kindergarten in Chicago already reading at second-grade level and, after seven years, now reads at fourth-grade level. Mention it to Basil Huffman, the San Jose high-school principal who had to fire half his teachers in a fiscal pinch—including all but one of his math teachers. Tell Jody Krieger, who was driven from her Maryland classroom by abusive 13-year-olds and is now in real estate. Or pass the word to all the parents who have given up on public education and begun paying private schools to give their kids a better chance.

There are good schools, even model schools: Little Rock's Central High, a paradigm of racial confrontation in 1957, now lures students back from the private sector. The long slide in SAT scores that started in 1963 shows signs of slowing down. The trendy pendulum that swung toward "relevant" classes and open classrooms in the 1960s and '70s is swinging back toward basics these days. Best of all, more kids than ever are making it through school. As recently as 1950, less than 60 percent of the nation's children graduated from high school. The figure is now 75 percent, and nearly half of the graduates go on to college—including unprecedented numbers of blacks and Hispanics.

Never mind. In the sweeping public verdict of 1981, the schools are failing. In a Newsweek Poll conducted by The Gallup Organization, nearly half the respondents say schools are doing a poor or only fair job—a verdict that would have been unthinkable just seven years ago, when two-thirds in a similar poll rated schools excellent or good. Fifty-nine percent believe teachers should be better trained; more than 60 percent want their children taught in a more orderly atmosphere; almost 70 percent call for more stress on academic basics.

That public verdict is increasingly shared by professional educators. Last week, in a comprehensive study of public and private high schools made for the National Center for Education Statistics, sociologist James S. Coleman concluded that the private schools not only give better academic training, but are in some respects less segregated than public schools. He argued that there is a good case for public support in the form of tuition tax credits or vouchers for parents who choose private education. Even without it, private schools are the healthiest segment of the educational system these days. In an era of dwindling enrollments, demographers predict a 12 percent increase in private pupils by 1988 (following story).

The roll call of problems is almost as familiar as the ABC's. Academic standards seem to get flimsier by the year. Costs per pupil are rising at the same time enrollments are falling and budgets shrinking. Administrators are overwhelmed with paperwork; teachers have to contend with drugs and alcohol, truancy and vandalism, apathy and ignorance. Some have plainly given up, victims of a classroom epidemic called teacher burnout. Others are plainly incompetent, unable to cope with their problem students or teach their normal ones. Schools sometimes seem more like detention halls than the groves of academe. Back talk is routine and felonious assault more common than anyone wants to admit. "There are things going on in my class that I can't seem to control," says Martha DeSue, who teaches at the Rainbow Park Elementary School in North Miami. "How can you teach when students won't sit down long enough to listen?"

Big-city schools have been trying—unsuccessfully—to answer such questions for years. What gives the current crisis urgency is that the inner-city blues now echo across suburban communities and rural glens as well. Highly regarded New Trier High School, which educates the affluent children of Chicago's North Shore suburbs, faces many of the same economic pressures and disciplinary problems that the blackboard jungles do downtown. Students in the farm community of Mt. Orab, Ohio, unconvinced that book learning will help buy a Grand Prix, are smoking pot, playing hooky, dropping out. When Robert Kitchen asked one of his sophomore English students why he hadn't read the four-page homework assignment, the student responded matter-of-factly: "I don't think we're going to need this stuff."

In growing numbers, parents in turn are yanking their kids out. The elite private schools are turning away applicants despite collegelike tuition. After a long decline, Roman Catholic schools are returning to health. Christian fundamentalist schools are spreading like kudzu from Atlanta to Anaheim. What concerns public-school educators even more than the number of defections is who's leaving: the middle-class backbone of the system, kids whose parents once would never have considered private schools. The danger is that the public schools could eventually become the last resort—an educational scrapheap for the poorest and least motivated children of the nation's underclass.

The American way of education is, in some respects, a victim of a more general loss of faith in the American way itself. In his first major address as Secretary of Education earlier this year, Terrel H. Bell suggested that pessimism about the public schools is inevitable, given the national mood. "When we lack confidence in ourselves, when we are troubled and when we are not prospering," he said, "it reflects in the nation's attitude, respect and support for schools."

But U.S. schools have chronically been in crisis, whether they were struggling to teach the three R's to pioneers or American ways to immigrant children. The problem now is also a very real increase in the need for education. In a culture that constantly demands more sophisticated knowledge just to hold a job, an educational system that isn't getting better fast is by definition getting worse. "What passed for competency in 1960 wouldn't pass for it in 1980 and cannot hope to pass for it in the year 2000," says Graham Down of the Council for Basic Education.

And until recently, the trend in U.S. schools has been to undercut, not enrich, the academic menu—in large part because the schools are expected to provide so many nonacademic services. They are asked to feed, inoculate, integrate, baby-sit and counsel the young. They are expected to teach driver ed, sex ed, phys ed and special ed, and still find time for regular ed besides. To be sure, the need is real. Twenty per cent of all students now have only one parent at home, and that number is growing by more than 300,000 each year. Half have no one at home during the day. Miami art teacher Peggy Rudolph was so moved by the sight of her students wearing house keys around their necks and waiting for school to open in the morning that she began showing up at 6:45. "My class has become home to them," she says. "I have to force myself not to go in on weekends." But the result is an educational tragedy, says former Chicago school superintendent Angeline Caruso. "We've gotten so far afield from education that we have little time or energy left to do what we're supposed to do."

Much of the pressure on the schools comes from Washington. The predominant symbol of Federal interference is the school bus; after years of forced busing, even families committed to integration have ambivalent feelings about the value of busing—and opponents consider it tantamount to abducting their children into hostile territory. But judicially mandated integration was only a beginning. The Elementary and Secondary Education Act of 1965 marked the government's first major effort to target Federal aid to needy students. Public Law 94-142, passed in 1975, provided for the education of all handicapped students, and Texas is under court order to expand its bilingual education programs.

Although the government's intentions are generally honorable (in 1978 nearly 5 million disadvantaged students received Federal aid), the paperwork is suffocating—and the regulations are often counterproductive when put into effect. Mildred Thompson, who teaches in a suburb of Birmingham, Ala., complains that placing handicapped children in the same classroom with normal children—a technique known as mainstreaming—can create serious problems. "We are putting handicapped children in classrooms without asking whether it's the best thing," she says. "Normal kids are suffering from the teacher's absorption in the problems of those least able to learn. In effect, we're handicapping the normal children."

On top of their other problems, public schools have fallen on financial hard times. Inflation is partly to blame, but an even bigger villain is demography. The baby-boom generation has finally outgrown a system that had stretched to meet its needs. Public-school enrollment peaked at 45.9 million in 1970, and has fallen by 10 per cent since. An equally significant demographic trend can be found in the Hispanic and black school-age populations—which are still growing. In 1954, the year of the Supreme Court's school-desegregation ruling, all but one of the nation's twenty largest cities had a white majority in the schools. Today seventeen of the top twenty have non-white majorities. In harshest terms, that means that the middle-class whites who bear most of the burden of school support may be less willing to maintain a system that benefits others.

Budget restrictions have become a fact of life for most schools. Classes that draw less than peak enrollment—in languages, arts, advanced math and science—are often sacrificed, and so are the teachers who give them. Chicago's more than 70 high schools have only 45 French teachers and nine German teachers. It costs the Seattle suburb of Highline about $250,000 to reduce its average class size, 28, by one or two, but $500,000 could be saved by adding one student; so much for smaller classes. In California even the school day has been cut, so that a high-school graduate there now spends a full year less in class over twelve years of school than does his New Hampshire counterpart. But there's no room for maneuver; in San Jose, for instance, cash reserves are almost gone. "Maybe we should take the outstanding cash balance and put it on the line in Las Vegas," says associate superintendent James Anderson. "Got any other suggestions?"

Still another major symbol of failure is the discipline problem. According to the Newsweek Poll, discipline is the single most important beef about public schools today. Teachers and kids complain of being cursed out, ripped off, beaten up—and the young muggers sometimes do a lot more than extort lunch money in the bathroom. Five black children in a Burbank school forced a white kid to steal money from his family for them and weren't caught until they collected $1,000 from a bank account filled with his bar mitzvah money. The Los Angeles schools now have the third largest police force in the county, and instead of confiscating zip guns, the cops collect the real thing.

Former California teacher Jan Harmon believes that "most of the contemptuous attitudes students bring to the classroom come straight from home, from parents who tell their kids, 'If the teacher gives you any trouble just walk out or tell them you'll take them to court'." That's just what has been happening since the U.S. Supreme Court ruled in 1969 that students do not "shed their constitutional rights . . . at the schoolhouse gate." The upshot is that it has become a measurable risk to boot an unruly student out of school. And if a teacher does crack down, it may not do much good. In Prince Georges County, Md., a junior-high-school kid yelled, "F--- you, bitch," at Jody Krieger, so she packed him off to the principal's office. By the end of the day he still hadn't been sent home. "The rest of the class sees that," says Krieger, "and it really affects your control."

Teachers, understandably, feel trapped. Besides dealing with the stress caused by problem kids and their problem parents, they must contend with unsympathetic administrators and an unappreciative public. As the people on the front lines of education, they are being attacked on all sides for the failure of the schools. Their body count is high and going higher. Like Jody Krieger, many have quit to take better paying, less stressful jobs; others have taken early retirement. A poll last year by the National Education Association showed that more than one-third of all teachers were dissatisfied with their jobs and 41 per cent regretted having become teachers in the first place. "To have an extremely difficult situation to cope with every day, to look for support and find only hostility and then on payday to find a check that eases none of the pain—that just creates a general depressing environment," says NEA executive director Terry Herndon.

But teachers certainly deserve some of the blame they get. Too many teachers are bad spellers and worse writers, and their own education is a national disgrace. "We don't kick anybody out," Lorrin Kennamer, dean of the College of Education at the University of Texas, says of students who do poorly on that school's assessment tests. "We tell them they'll be lousy models for their students if they misspell words on the board." A year ago, when Florida gave a trial competency test with eighth-grade math to 1,200 education majors, one-third of them failed. Strong unions make it so difficult to fire an incompetent teacher that many are simply transferred to another school. The unions have also provided teachers with bigger paychecks but there have been serious tradeoffs. A public that once respected teachers for their long-suffering devotion now regards them as uppity assembly-line workers.

For all these visible signs of failure, there are also real tokens of turnaround—dedicated teachers and principals, solid schools, bright children and hopeful experiments. There are some indications that the failure itself has been exaggerated by gloomy statistics; the National Assessment of Educational Progress, for instance, found no appreciable decline in writing scores between 1969 and 1979. Perhaps best of all, the changing educational climate has prompted another about-face in curricular fashions.

Education has always been prone to fads, and schools in the past two decades reflected the times—often to the bewilderment of pupils and teachers alike. Open classrooms proved more chaotic than creative; new math mystified parents and poorly prepared teachers; "relevant" courses became a refuge from hard thought. (One California student applied to Stanford with a straight-A average in such courses as student leadership, yearbook, school paper and recreation; he was rejected.) Now the pendulum is swinging back again, and the emphasis in many schools is on meatier fare: basic math, basic English, basic science and, occasionally, even some basic history. Parents are insisting that schools pay more attention to average kids, who often felt left out in the rush to excite gifted children and encourage slow ones. Thirty-eight states now require minimum-competence tests for students. "It developed primarily as a consumer-protection issue," says Joan Baratz, of the Education Policy Research Institute. "It's an effort at accountability, to certify kids because a high-school diploma doesn't mean they can read and write any more."

Parents have also begun to demand a renewed voice in the operation of their schools—an influence that was taken for granted in the days of local school districts but has dwindled in recent years. Chicago's Dorothy Tillman won election to a local parents' advisory council last December and sparked a rebellion against Dorothy Stevens, the principal of the Mollison School. Using sit-ins and boycotts, Tillman and other black parents charged Stevens, who is white, with "miseducation" of the students. Stevens requested a five-month sick leave, describing herself as "the victim of hatred and bigotry." The parents seem satisfied that they have accomplished something, but say it's too early to tell whether Stevens' black successor can make a difference.

If the public schools have become less responsive to the people who have the most invested in them, former Harvard president James Bryant Conant is at least partly responsible. In 1959 he wrote a book called "The American High School Today" that literally changed the face of education. Conant argued in favor of consolidated, comprehensive schools where more kids could be taught more things; convinced, perhaps, that a Harvard man could not be wrong, the country went along. In 1945 there were 101,400 local school systems with an average of 230 students each; by 1979 there were 15,900, with 2,600 students each.

Several researchers, including another Harvard man, Stephen Bailey, are studying how to remake schools to suit the needs of the 1980s. The Reagan Administration, meanwhile, has promised to do its bit for local control by consolidating most Federal aid into block grants to state and local authorities. Some fear that such an approach, combined with a proposed 25 percent cut in Federal education spending, will hurt those who need help the most, but Terrel Bell insists not. "We're still targeting our money on that population," he told NEWSWEEK, "but we're allowing more flexibility."

It is unlikely that administrative experiments alone will make for grade-A schools. And no matter what happens, there will always be dreamers and grumblers who want something else. "We speak in idealistic, almost sentimental terms about what schooling can do," says Ernest Boyer, president of the Carnegie Foundation for the Advancement of Teaching. "We want it all." But American's schools have been oversold from the beginning; no institution can satisfactorily accomplish all they have been asked to do. As Will Rogers said a half century ago, "The schools aren't as good as they used to be, but they never were." The key difference now is that so many people believe the schools are in fact dangerous—that they have the capacity to make smart children stupid. The challenge is to undo that conviction.●

THE RELATIONSHIP OF DRUGS TO ROCK 'N' ROLL—PART I

HON. LARRY P. McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. McDONALD. Mr. Speaker, the following quotes are a continuing example of the legacy and disastrous effect the Beatles/John Lennon years have had on our attitudes and habits in our society. They were compiled by Dr. David A. Noebel of Summit Ministries in Manitou Springs, Colo. I commend the first part of this two-part series to the attention of my colleagues.

(1) "Not only is the United States the most pervasive drug-abusing nation in history, but drug abuse among our children has risen, in the past two years, from epidemic to pandemic proportions. It has grown so large that neither this nation—nor any nation in history—has ever before faced a problem that is so insidious and so dangerous. And if we don't recognize the importance of this problem, it will have disastrous effects upon our society." (Congressman Lester Wolff (D. N.Y.) Family Weekly, Nov. 25, 1979, p. 6.)

(2) "If the present adolescent drug-abuse trends continue, we could soon acquire an unmanageable number of emotionally, intellectually and socially handicapped young people. We could have a 'diminished generation' unable to function effectively, if at all, in an increasingly complex and demanding world. In the area of adolescent drug abuse, therefore, we have neither the luxury of time nor the opportunity for esoteric debate." (Lee Dogoloff, White House Drug Policy Adviser, Family Weekly, Nov. 25, 1979, p. 6.)

(3) "Rock musicians use drugs frequently and openly, and their compositions are riddled with references to drugs." (Time, Sept. 26, 1969, p. 69.)

(4) "I had an insatiable cocaine habit. Genevieve and I were doing a quarter ounce or half ounce a day. We were also taking 60 Dilaudid (a depressant) a day, 160 milligrams of morphine, heroin and everything else. The only other person I ever heard about who took as many drugs as we did was Elvis." (John Phillips, Mamas and Papas, People, March 2, 1981, p. 22.)

(5) "The average rock musician likes to perform [in an environment] of stomping, cheering crowd, typically well dosed with alcohol and marijuana." (TV Guide, July 29, 1978, p. 21.)

(6) "We know that Elvis Presley, the greatest rock 'n' roller of his time, was a drug-bedeviled addict. We know that Paul McCartney, 37—is a user of marijuana. . . . We know that guitarist Keith Richards of the Rolling Stones and his common law wife, Anita Pallenberg, used to shoot heroin. We know that punk rock musician Sid Vicious stabbed his sweetheart to death, then 'mainlined' his own life away via heroin. We know that Gregg Allman, Mick Jagger, the late Jimi Hendrix and Janis Joplin. . . all the rock stars on pot, cocaine, heroin, uppers, downers and in-betweeners." (Parade Magazine, March 2, 1980, p. 16.)

(7) "LSD made its debut in rock in 1962 in a single by the Gamblers. By 1965, Eric Burden and The Animals were crooning their love song, 'To Sandoz' (the discoverer of LSD); The Rolling Stones were singing about how 'Something Happened to Me Yesterday,' The Byrds were harmonizing about how they were 'Eight Miles High' and The Beatles had long been advising everyone to 'Turn off your mind, relax and float downstream. . . This is not dying." (High Times, Oct. 1977, p. 46.)

(8) "One of the vignettes (in Lou Reed's *Street Hassle*) advises a fellow junkie how to dispose of his ODed girlfriend: Grab your old lady by the feet/And just lay her out in the darkened street/And by morning she's just another hit and run. (Time, April 24, 1978.)

(9) "It's hard to keep an eye on the kid while you're hallucinating." (Grace Slick, Jefferson Starship, People, Aug. 28, 1978, p. 72.)

(10) "Fleetwood Mac's John McVie busted . . . the McVies were both charged with possession of cocaine, a class B felony with a maximum penalty of $10,000 and/or ten years in jail. Still pending are possible charges of gun possession." (Rolling Stone Feb. 19, 1981, p. 52.)

(11) " 'Drugs, sex and rock 'n' roll,' shouts Bette Midler as The Rose, a rock superstar of the '60's. Rose is clearly based on the late Janis Joplin, although the makers of the movie will contend that she's really an amalgam of several of the self-destructing deities of the cultural revolution, such as Jimi Hendrix and Jim Morrison." (Newsweek, Nov. 12, 1979, p. 107.)

(12) "The battle lines involved much more than music. The Lennon-led Beatles brought to the American youth culture—a new drug culture—political awareness, as conservative groups quickly identified the Beatles' music—and many of Lennon's views—as Communist. They considered him anti-God, anti-American, pro-drugs and pro-revolution. They asked, 'This is a hero?' Lennon never performed in Tulsa, but Tulsa produced at least one chapter in his life. The Rev. David Noebel often preached and wrote about the evils of rock music, singling out the Beatles, recognizing early that Lennon was more than a musician . . . Noebel gained national notoriety when he said the same thing about Lennon's views years ago. But at that time, much of America laughed at him, or considered him a rightwing radical who saw a 'Red under every bed.' " (Tulsa World, Dec. 12, 1980, p. 2C.)

(13) "If people can't face up to the fact of the other people being naked or smoking pot, or whatever they want to do, then we're never going to get anywhere." (John Lennon, Penthouse, Oct. 1969, p. 29.)

(14) "So LSD started for you (John Lennon) in 1964; how long did it go on? It went on for years, I must of had a thousand trips . . . a thousand, I used to just eat it all the time." (John Lennon, Rolling Stone, Jan. 7, 1971, p. 39.)

(15) "There's a lot of obvious LSD things you did in the music." "Yes." (John Lennon, Rolling Stone, Jan. 7, 1971, p. 39.)

(16) "The Beatle thing had just gone beyond comprehension. We were smoking marijuana for breakfast. We were into marijuana and nobody could communicate with us, because we were all just glazed eyes, giggling all the time." (John Lennon, Playboy, Jan. 1981, p. 112.)

(17) Playboy: "Do you use any drugs now?" Lennon: "Not really. If somebody gives me a joint, I might smoke it, but I don't go after it."

Playboy: "Cocaine?" Lennon: "I've had cocaine, but I don't like it. The Beatles had lots of it in their day, but it's a dumb drug, because you have to have another one 20 minutes later. Your whole concentration goes on getting the next fix."

Playboy: "Acid?" Lennon: "Not in years. A little mushroom or peyote is not beyond my scope, you know, maybe twice a year or something. . . . And I've never met anybody who's had a flashback in my life and I took millions of trips in the Sixties." (John Lennon, Playboy, Jan. 1981, p. 112.)

(18) *Sgt. Pepper* "In each three months, it has sold a staggering 2,500,000 copies—each a guaranteed package of physics shivers . . . Considering that the Beatles' trade-

mark is offbeat irreverence, their effect on mature audiences is oddly amusing. . . . Thus their flirtation with drugs and the dropout attitude behind songs like a Day in the Life disturbs many fans, not to mention worried parents. The whole *Sgt. Pepper* Album is 'drenched in drugs,' as the editor of a London music magazine puts it. One track features Drummer Ringo Starr quavering, 'I get high with a little help from my friends.' Another number, Lucy in the Sky with Diamonds, evokes a drug-induced hallucination, and even the initials of the title spell out LSD, though the Beatles plead sheer coincidence. . . . All four Beatles have admitted taking LSD at least occasionally. Yet it is not clear whether their songs are meant to proselytize in behalf of drugs or simply to deal with them as a subject of the moment." (Time, Sept. 22, 1967, p. 60).

(19) "It was the mid-sixties and everyone was smoking grass. Rock groups seemed to be expanding their consciousness as well as their bank books with songs about drugs. Certain groups seemed to exude the smell of marijuana—The Grateful Dead, The Jefferson Airplane, Big Brother, The Rolling Stones . . . . Paul revealed that the Beatles had experimented with drugs—pills, pot—even acid!" (Steve Stone, Publisher, John Lennon All You Need Is Love, p. 63.)

(20) 1969: "Cold Turkey" by John Lennon. "The drug-based lyrics sung in the wrenching, 'ax-blade' style that was to become his solo trademark. . . ." (Ron Smith, Editor, John Lennon: A Tribute Yesterday And Today, p. 32.)

(21) "After *Sgt. Pepper* drug-usage themes in rock and roll visibly increased, and there was progressively less outcry against them, presumably because there were scores of such songs now; indeed, it is difficult to think of a contemporary pop group that has not explored the subject to some degree. White Rabbit (Jefferson Airplane); Get Off On My Cloud (The Rolling Stones)." (Bulletin On Narcotics, Vol. XXI, No. 4. Oct.-Dec. 1969, p. 29.)

(22) "If they had chosen to ignore the drug trend or to remain discreet about it, the course of the trend might have been somewhat different. The *Sgt. Pepper* album however, was a green light of sorts to their vast following, and indicated that the drug experience was indeed 'in' as songwriter's material." (Bulletin On Narcotics, Vol. XXI, No. 4, Oct.-Dec. 1969, p. 29.)

(23) "Drug usage is a very real part of the rock and roll world, the frankness of many pop personalities when speaking on the subject, and the many arrests of major and minor pop figures for drug offenses are testimony to this. And anyone who has lived, even for a short time, in rock and roll society can dispel any lingering doubts. Many artists quite sincerely believe in the pro-drug lyrics of their songs and feel that the drug experience is a meaningful and valuable one.

"The industry became something of an 'audio junk lot', and after one or two companies went on the line with drug-centered material, the rest of the industry had to follow or be left out in the cold. The larger companies were plagued by the fact that if they did not get on the bandwagon with 'underground' material, the dozens of smaller companies with no such pangs of conscience would snatch a large percentage of sales away from them." (Bulletin On Narcotics, Vol. XXI, No. 4, Oct.-Dec. 1969, p 29.)

(24) "Today when Beatle John Lennon is arrested for a drug offense, none of this shock is in evidence, and his career rolls cheerfully along. Being arrested for a drug violation is almost fashionable, and certainly nothing unusual." (Bulletin On Narcotics, Vol. XXI, No. 4, Oct.-Dec. 1969, p. 29.)●

BAD NEWS FOR U.S. COLLEGE STUDENTS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. SIMON. Mr. Speaker, the U.S. News & World Report headed a story aptly: "For College Students, Double Dose of Bad News."

The double dose of bad news is that their college education is going to become more expensive and aid to get to college is being cut back by this administration.

I am in favor of fiscal restraint, but I do not favor actions which hurt this country in the long run, and cutting back on our greatest resource, our human resource, is not prudent national policy.

I hope my colleagues in the House and Senate will take a good look at this article and reflect on what this means for the future of the country.

If we build up all the plant and equipment and do not have the personnel to operate it and do not have the personnel to invent the new equipment which we need to keep up in the world of the 1980's, we will have made a great mistake.

Who knows who the future Jonas Salk or George Washington Carver is? If we deny people the opportunity to go to college, ultimately we are denying ourselves.

The article follows:

[From U.S. News & World Report, Apr. 20, 1981]

FOR COLLEGE STUDENTS, DOUBLE DOSE OF BAD NEWS

As federal aid falls, college costs will outpace inflation at most campuses next fall. Upshot: Easier entry to some schools, but bigger bills, too.

Collegians and their parents will be facing twin blows in the autumn: Big cuts in federal aid, along with record increases in tuition bills.

At both public and private colleges, the cost of pursuing a four-year degree will go up an average of 12 to 15 percent in September, according to a nationwide survey by U.S. News & World Report. That is even faster than the overall rate of inflation.

Charges for a year of undergraduate study will exceed the $10,000 mark for the first time at some schools. At Harvard University, the total for tuition, room and board will be $10,540—up nearly 15 percent in a year—while Stanford's fees will be $10,105. Others planning $10,000-plus annual tuitions are Yale, Brown, Massachusetts Institute of Technology and Bennington. One study found that such charges amount to a rate of $51 per school day.

Despite steadily rising costs, many admissions officials have been buoyed by increases in freshman applications averaging 13 percent or more for the coming year. The surge is attributed largely to the teen-age jobless rate.

"An economic downturn with high unemployment leaves young people fewer choices," comments John Aragon, president of New Mexico Highlands University. "Often, the only respectable option open to a high schooler is college."

At the same time, climbing costs may make it easier for students to get into some of the highly regarded private schools. Reason: More high-school graduates are choosing to attend less expensive public universities and community colleges.

At the private Occidental College in Los Angeles, applications for the freshman class of 425 students next fall fell to 1,400 from 1,500 last year. At Harvard, Yale and Dartmouth, this year's crop of applicants remained roughly level with last year's—in contrast with a normally expending number of applications in the past.

In defense of rising fees, college administrators say they are trapped in a spiral of uncontrollable expenses, including "explosive" energy prices, cost-of-living wage increases for faculties and steeper Social Security taxes.

"Salaries must go up if we are to stay competitive and maintain our academic standards," explains Lloyd Goggin, vice president for finance and business affairs at Miami University in Oxford, Ohio. "There's no way around it."

Double-digit increases are particularly painful for students threatened by cuts in federal loans and grants as a result of budget reductions sought by the Reagan administration. About 60 percent of college enrollees now get some kind of federal aid.

Both the public and private colleges worry about the double-barreled effects of hikes and a falloff in federal aid.

"Making commitments to students for next year is frustrating when we don't know what the federal situation will be," says Occidental's President Richard C. Gilman. Adds University of Denver's Chancellor Ross Pritchard: "The entire field of higher education is in limbo right now."

Some schools are trying to soften the impact of the projected cuts. Texas Christian University in Fort Worth has set aside $400,000 for loans to those students whose schooling is jeopardized by the budget squeeze.

Kalamazoo College in Michigan is putting 23 percent more of its funds into financial aid next year. Roger J. Fecher, vice president for business and finance at Kalamazoo, explains that schools are taking money away from other programs and increasing tuition to cover aid for needy students.

SAME ROLE

Fecher adds: "Just as the government makes transfer payments from the productive to the nonproductive sector of the economy, colleges have found themselves in the same screwy business. They're soaking the full-pay students more and transferring it to the needy students."

At several campuses, tuition hikes have sparked disruptive protests. Cornell University students, angry about a proposed 18 percent tuition increase, occupied the offices of the president and provost and stayed behind chained doors until they were evicted. Several other Cornell students, clad in T-shirts printed with checks made out to the school, stripped the shirts from their backs and presented them to the college bursar.

OTHER PROTESTS

At the State University of New York, students on its nine campuses brought press attention to a planned tuition boost by symbolically seceding from SUNY and joining the California university system because that state "has a real commitment to higher education," according to one protest leader.

Students at the University of Pennsylvania began an "Operation Golden Fleece" effort to examine how cutting waste and inefficiency at the school can help hold down student fees.

Another concern is the high number of "ghost applications" from high-school seniors who are applying to more colleges than in the past. Eliott Baker, admissions director at Slippery Rock State College in Pennsylvania, points out that the number of students making tuition deposits to insure a place in the freshman class has declined since last year. He speculates that the drop "may indicate parents and students are unsure of financial aid in light of the proposed Reagan cuts and are playing a waiting game as far as a commitment to one college."

Although the Census Bureau estimates that the number of 18-year-olds has declined by 3.4 percent since the peak of 4.3 million was reached in 1979, nearly all schools anticipated enrollment gains next year.

But Richard F. Rosser, president of DePauw University in Greencastle, Ind., predicts that "some students will be forced out of the system completely. We're also going to see a marked increase in enrollment in public schools because a number of students will be forced out of private schools."

That already appears to be occuring in the Southwest, where enrollment gains have been nothing short of spectacular. Arizona State University and the University of Nevada have record numbers of enrollees, and growth at San Diego State University has been so rapid that the school closed off applications for some students last December.

Perhaps the most serious consequence of the inflation squeeze for colleges is the deterioration taking place in campus buildings and grounds. One recent study charges that higher education was "mortgaging its future" by failing to repair roofs and sidewalks and postponing work on landscaping, painting and streets.

"It's not the glamorous part of higher education," observes Paul Knapp of Washington, D.C., executive director of the Association of Physical Plant Administrators of Universities and Colleges. "You don't get endowment money to replace electrical wiring and underground steam systems."

The association estimates it would cost 55 billion dollars to make all the necessary repairs and replacements at the nation's colleges.

PINCHING PENNIES

Most schools say they have had to defer maintenance of capital assets because of pressing energy and salary costs. At Montana State University in Bozeman, spending priorities are "faculty and staff first, maintenance second," says spokesman Ken Nicholson. He compares the university's situation with that of many families: "If you spend all your money feeding the kid's, you have to put off painting your house."

Engineering schools and others teaching sciences have particular cost problems in keeping up-to-date. "Equipment and laboratory modernization in engineering is particularly costly, especially in fields such as computers where we have revolutions every 10 years," says Edmund T. Cranch, president of Worcester Polytechnic Institute in Masachusetts.

Will the tuition spiral ease anytime soon? Not likely, says Joe Paul Case of the College Board in New York.

"Student expenses will rise by 90 percent in the next 10 years—and that's a conservative estimate," he says. "We'll reach the $20,000-a-year mark by 1990."

TUITION BOOSTS ON THE WAY—SOME EXAMPLES

Changes Planned for the Academic Year Beginning Next Fall

New England

Colby College, *Waterville, Me.*—up $820 to $6,210.

Worcester Polytechnic Institute, *Worcester, Mass.*—up $900 to $5,850.

Harvard University, *Cambridge, Mass.*—up $930 to $6,930.

University of Connecticut, *Starrs*—up $184 to $1,114.

Mid-Atlantic

Glassboro State College, *Glassboro, N.J.*—up $14 to $784.

New York University—up $758 to $5,820.

George Washington University, *Washington, D.C.*—up $700 to $4,100.

Swarthmore College, *Swarthmore, Pa.*—up $850 to $6,250.

Southeast

Rollins College, *Winter Park, Fla.*—up $690 to $5,230.

Millsaps College, *Jackson, Miss.*—up $500 to $3,500.

Western Kentucky University, *Bowling Green*—up $80 to $600.

Southern University, *Baton Rouge, La.*—$269 (no change).

Southwest

Texas Christian University, *Fort Worth*—up $150 to $1,650.

New Mexico Highlands University, *Las Vegas*—up $13 to $467.

Arizona State University, *Tempe*—up $50 to $650.

University of Albuquerque—$2,790 (no change).

Pacific Coast

University of Oregon, *Eugene*—up $41 to $1,110.

University of Santa Clara, *Santa Clara, Calif.*—up $603 to $4,593.

Gonzaga University, *Spokane, Wash.*—up $530 to $4,040.

Scripps College, *Claremont, Calif.*—up $924 to $6,100.

Mountain States

University of Denver—up $600 to $5,130.

University of Wyoming, *Laramie*—$592 (no change).

Montana State University, *Bozeman*—up $102 to $674.

University of Colorado, *Boulder*—up $69 to $831.

Central Plains

Grinnell College, *Grinnell, Iowa*—up $645 to $5,785.

Creighton University, *Omaha*—up $400 to $3,700.

Oklahoma State University, *Stillwater*—$248 (no change).

Iowa State University, *Ames*—up $134 to $950.

Great Lakes States

DePauw University, *Greencastle, Ind.*—up $374 to $3,182.

Miami University, *Oxford, Ohio*—up $290 to $1,350.

Wabash College, *Crawfordsville, Ind.*—up $600 to $4,700.

Kalamazoo College, *Kalamazoo, Mich.*—up $735 to $5,529.

Note: Basic full-time tuition rate—not including room and board—for entering freshmen. For public colleges, rates are those for state residents.

LEGAL SERVICES IN WEST VIRGINIA

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. RAHALL. Mr. Speaker, recently I had the opportunity to meet with Mr. Ken Eigenbrod, who is deputy director of the West Virginia Legal Services Plan, Inc. Mr. Eigenbrod shared with me the impacts of the administration's proposals to dismantle the Legal Services Corporation in the State of West Virginia.

Following our meeting, the Charleston Gazette, published a news story outlining many of these impacts, and I would like to share this report with my colleagues. I also submit an editorial, which appeared in the same newspaper, concerning legal services.

As we review and debate the budget proposals advanced by the administration, I believe it is not only important for us to be fully aware of what these budget cutbacks will do to the poor in our own individual districts, but in other regions of the country as well.

The articles follow:

[From the Charleston Gazette, Mar. 24, 1981.]

LEGAL AID CUTS WILL HURT STATE RESIDENTS, DIRECTORS FEEL

Leaders of publicly funded law firms that work for poor people think West Virginians will suffer if President Reagan succeeds in cutting off the money that keeps them going. There are four of the firms. They cover all 55 counties. Last year, they closed about 15,000 cases. Most of the cases involved personal complaints made by people too poor to employ private lawyers. A few cases brought on behalf of poor people had much wider impact in that they affected West Virginians regardless of economic class.

Each of the firms—or legal assistance plans—are primarily funded by the federal government through the Legal Services Corp. The state programs are funded under a formula that provides them about $8 for each federally defined poor person living in the area they serve. The parent corporation has a budget of about $321 million. Reagan has recommended that funding be stopped. If that happens, odds are that the following state programs would end by Jan. 1:

The West Virginia Legal Services Plan: With headquarters in Charleston, it covers 35 counties. It has a staff of about 70, including 29 lawyers. It also uses private attorneys on a contractual basis in some counties. Its budget is about $1,550,000.

Director Jim Martin said that last year, it closed about 7,500 cases. Among the

"impact" cases, which affect the public as a whole, as opposed to "service" cases, which affect only individuals, were those involving rental assistance, housing in Lincoln County, and the rights of fathers in paternity cases.

Appalachian Research and Defense Fund: From its headquarters in Charleston, Appalred covers 10 Southern West Virginia counties. It has a budget of about $975,000 and a staff of about 52, including 21 lawyers.

Appalred has a history of "impact" cases. Director Milton Ogle said current ones include a pending case that will decide what the Constitution means when it calls for a "thorough and efficient" public education. Appalred also has been involved in cases saying that private citizens have the right to complain in court about taxes applied to corporate landowners and has participated in many utility rate, welfare rights and consumer protection cases.

Legal Aid Society of Charleston: It covers Kanawha, Clay, Putnam and Boone countries. It has a budget of $422,000 and a staff of 23, including nine lawyers. Its impact cases include protecting the rights of poor people to continue to receive state Medicaid assistance.

Gary Barkus, executive director, said the Legal Aid Society is currently handling a case that will clarify procedures for transferring young people charged with serious crimes from juvenile to adult courts.

North Central West Virginia Legal Aid Society: It serves Monongalia and five adjacent counties. It has a staff of about eight lawyers and has been involved in impact housing and black lung programs.

Ogle, the Appalred director, said he believes Reagan's desire to end funding is based on philosophy and not economy. He said that the president had made it clear that he opposed social changes brought about by publicly funded legal programs. "But you can't deal with the rights of poor people without causing social change," Ogle said.

Martin, director of West Virginia Legal Services, said the president might be disturbed by the prospect of public-interest lawyers serving as a check on federal budget cutting. "There seems to be a great deal of confusion about exactly who and what the cuts will impact. Perhaps Reagan doesn't want groups like ours asking the courts to review his programs."

Martin also noted that the government subsidizes corporate legal representation by allowing legal fees to be deducted as a business expense.

Barkus, the legal aid director, said the average cost of closing a case last year was about $225. He said salaries for lawyers in the various programs ranged from $13,200 to $27,000 a year. Most earn between $15,000 and $17,000. "So it isn't a case of us trying to protect jobs. I think any of our lawyers could make more money by going into private practice."

Barkus also said that Reagan's proposal to supply states with block grants to offset cuts in program funding held little hope for legal aid plans. The primary reason, he said, was the omission of legal service from recommended funding. "If we tried for part of the block grant, we would be in the position of competing against groups of our own clients."

The directors said there was doubt that Congress would adopt Reagan's proposal. They said they were encouraged because groups like the American Bar Association and the West Virginia State Bar had recommended continued funding and because many congressmen, including conservative Republicans, had endorsed their program.

Legal service plans basically provide lawyers for poor people involved in civil cases. In criminal cases, the Supreme Court has ruled that as a constitutional right the state must provide a lawyer to people too poor to hire their own. Therefore, the State will continue to provide lawyers to criminal defendants. The large majority of civil cases concern such things as divorce, landlord-tenant relations and allegations that sellers took illegal advantage of buyers.

[From the Charleston Gazette, Mar. 25, 1981]

A RIGHT, NOT A PRIVILEGE

Congress authorized the federal government to underwrite legal aid for the poor as a part of President Lyndon Johnson's war on poverty. The program was instituted because it was thought that it would add a degree of fairness to the legal system.

The program has been administered since 1974 by the Legal Services Corp., which employs about 6,000 lawyers in 1,200 offices around the country. The starting salaries of legal aid lawyers averages $15,000, less than most lawyers could expect to earn in private practice. Most legal aid lawyers tend to be young and liberal.

Last week, the Reagan administration's proposal to dismantle the $321 million Legal Services program was submitted to Congress. It masquerades as a budget-cutting measure and its advocates contend that the federal government cannot afford to provide free lawyers to poor people in noncriminal cases, such as disputes with landlords, divorce proceedings, and individual consumer actions.

We suspect, however, that it is not divorce actions, proceedings against landlords, or consumer suits that disturb the Reagan camp. The establishment has been made uncomfortable by the class action suits brought by legal aid lawyers which have forced government to produce the benefits mandated by social legislation. In a careful analysis of the Reagan animosity toward legal aid, Stuart Taylor of The New York Times points out that powerful business and farming interests have been offended by verdicts requiring them to comply with law regarding wages, hours and working conditions.

In its comment on the administration proposal, The *Nation* observes that the attack on legal aid could have little to do with eliminating waste since it costs only 1 percent of the cost of Medicaid. Legal aid lawyers do not get rich. What bothers Reagan, the Magazine suggests, is the fact that the Legal Services Corp. works very well in asserting the rights of those who are not privileged and secure.

Even if we are apprehensive about some of the budget cuts proposed by Reagan, we acknowledge that a reaction to government spending was inevitable. We believe the president should be given a chance to show that he can reduce the terrible burden of government and we are moved to applaud his assaults upon some of the more absurd spending projects.

We cannot view legal service to the poor in non-criminal cases as absurd or wasteful, however. Although it is not held to be a constitutional right, as is representation in criminal cases, it should be. We think every American, whatever his circumstances, should have completely unobstructed access to the judicial system. The program that now permits that access may be flawed but it is vastly better than what *The Nation* calls "trickle-down justice for the poor."

We suggest to West Virginia's representatives in Congress that in this case they resist the administration's proposals. In our view, legal service to the poor is not a privilege but a right.●

DETROIT DESPAIRS OF REGAINING JOBS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. CONYERS. Mr. Speaker, as the House deliberates on the first budget resolution for fiscal year 1982, we should consider carefully the statement of the economy that this resolution is supposed to address.

The New York Times today published a page 1 story on Detroit's economy entitled, "Detroit Despairs of Regaining Jobs." Iver Peterson, the author, describes in the most concrete terms the crisis that faces the families of some 200,000 auto workers who have been laid off as long as 2 years, as their social insurance payments end.

What is happening today in Detroit may be more pronounced than in other places, but Detroit's economic crisis is far from unique. The effects of the economic crisis will be all the more devastating as the economic supports that Government has in the past provided to workers and their communities are eliminated, are proposed by the Reagan administration.

Is it not appropriate to ask the administration what it proposes to reverse the economic slide? Does the administration's budget offer any program of assisting workers who obviously need to be retrained, if not relocated? Does it offer any programs for aiding local communities that are experiencing massive unemployment? Is the Reagan administration's safety-net for the truly needy and disadvantaged adequate to address the very widespread economic dislocation of the chronic unemployed as well as the recent unemployed. What does the administration propose to do about the Detroits of the Nation for the short and near term, other than hope for a national economic recovery, the effects of which at best will be long delayed.

I urge my colleagues to read the following article of Detroit's 200,000 unemployed auto workers and reflect on what is being proposed by the administration and what ought to be done:

DETROIT DESPAIRS OF REGAINING JOBS

DETROIT, April 26.—Time and the money have run out for Steve Ristoski and for tens of thousands of other jobless automobile workers here.

The generous unemployment benefits paid out by the state, the auto companies and the Federal Government were not designed for two years of depressed car making and widespread layoffs.

Men and women who had learned patience from the cycles of the industry are learning that, this time, the jobs may never come back to the Detroit area. Automation and the shrinking size of cars mean that far fewer workers than before are needed to make each vehicle. And the growing dispersal of the auto industry to the Sun Belt and overseas has already left this city the "Motor City" in name only.

At last, union officials, social welfare experts and even politicians are beginning to talk openly about a subject that the auto makers have known about for some time: the likelihood that more than half of the 200,000 jobs on layoff status, most of them in the Detroit region, will never reopen, and that the best advice to the displaced workers is to give up, leave town and try to find work in some other city.

For Mr. Ristoski and others like him, however, that advice is already too late.

"Sure, I would move if I could find a job, but with what?" he asked as he shuffled a litter of overdue bills and the smudged receipts for unemployment payments, the last one dated Feb. 9, 1981.

"Where are we going to go with no money?" he asked. "You want to sell your home to go someplace else, you can't sell it because nobody's got a job, nobody's got the money." With no money for gasoline, he said, "I can't even leave the house to look for work."

Mr. Ristoski, who is 42 years old, started work at Chrysler's Mack Avenue plant on May 14, 1973, a date that comes to his lips instantly, as though he recalls it daily. But he has to fumble a bit to remember Oct. 8, 1979, the day he was put on indefinite layoff as the auto slump, now beginning its third year, bit into the ranks of the working.

His wife, Angelina, who worked for a small parts manufacturer, has not worked since last spring.

The Ristoskis and their two sons were able to get by on the extensive unemployment benefits available to auto workers: unemployment compensation, and then extended benefits, then Trade Readjustment Assistance from the Federal Government, a recompense for jobs lost to imports, then supplemental unemployment benefits from Chrysler, as provided for in the United Automobile Workers contract, when regular unemployment ran out.

NOBODY THOUGHT IT WOULD LAST

In all, Mr. Ristoski alone drew more than $14,000 in unemployment compensation from various sources. Like many others, he expected the upturn to come soon. But it did not.

"The problem is that nobody thought it would last," said Richard F. Heugli, executive vice president of Detroit's United Community Services, an umbrella civic group that is active in helping the destitute.

"When some plants laid off," Mr. Heugli said, "they offered jobs in other parts of the country and people said, "Well I'll be getting 85 percent of my pay and I'll be getting my S.U.B. and my T.R.A., I'll stick around and take my chances on something turning up, because things always got better in the past.

"But this time it isn't going to be the same, and there aren't going to be those other jobs."

In 1980 and the first two months of 1981, those benefits ran out for more than 152,000 workers and their families in the Detroit area alone. If past trends hold, that number is increasing by more than 10,000 a month.

According to Mayor Coleman A. Young, 60 percent of the 1.2 million people in Detroit receive some kind of public aid, including Social Security. Enrollments in welfare programs in the Detroit region have grown by 64,000 people in the last year, all of them seeking the benefits of social aid programs that face sharp reductions by the Reagan Administration.

"What we are dealing with here are the new poor." said Berkely Watterson, who operates the auto union's Community Services Department, "people who were once productive, middle-class people who have been out of work for so long they're no longer even statistics."

ONE WHO HAS LEARNED

Paul Robinson, 37 years old, a Ford trim plant worker for 12 years before he was laid off 18 months ago, is a statistic on the welfare rolls, and it hurts him.

"I'm one of those guys who was gonna die before I put my family on welfare, right?" he said with a try at a smile. "Well, I learned some things since those days, like you don't give a shoot what you got to do when you wake up some morning and the kids are hungry and you can't even buy a loaf of bread."

Jacqueline Scherer, a sociology professor at Oakland University in Pontiac, has followed the experiences of laid-off workers and heard their words of shock.

"I find an incredible ignorance about the way the welfare system works," she said. "We've built up all these myths about welfare cheaters and people on welfare living high on the hog, and when these workers go to qualify for welfare themselves they really hit the stark reality of how strict the rules for qualification are. They find out they're not eligible until they really get down on their knees."

Even then things can go wrong, as they did for Mrs. Ristoski when she applied for welfare. The welfare department declared that the old house the Ristoskis once occupied in Detroit, and which they have repeatedly tried to sell since moving to a new home outside the city, was an asset that disqualified the family for aid, although the house has been empty for five months, since the last renter moved out.

"They say, 'You got two houses, you don't need nothing,'" Mrs. Ristoski said, her voice rich with indignation and the tones of her native Slovenian. "Am I supposed to eat my house?"

Now all $2,400 the Ristoskis had saved is gone, the $60 gas bill and $17 for the telephone are overdue, and Mr. Ristoski owes his sister $500 he borrwed to make the April house payment. In their spotless suburban home they live on pancakes.

"Why should this happen to me?" Mr. Ristoski exclaimed. "I work seven and a half years in one place, never late, never a complaint. The boss wants overtime, I work it—10, 12 hours, I don't care, I like to work. People who want to work should have a job."

Asked why he waited so long to look for other work, Mr. Ristoski replied, "I thought they would call me back." In fact, when he was laid off for several months in the auto slump of 1974 and 1975, he was duly called back.

Union officials concede that the hard facts have not been put clearly to their rank and file, but time and the running out of the money are forcing a reluctant change.

"Who's going to admit that the jobs will never be there again?" Mr. Watterson said. "It goes against all the images of growth and recovery that the Mayor and everyone wants to project. They're so used to those cycles in the auto industry, and when we tell them they're not going back, it's like committing political suicide."●

OPPOSITION TO AWACS

HON. PAUL S. TRIBLE, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. TRIBLE. Mr. Speaker, Congress will soon be asked to consider whether the United States should sell Saudi Arabia enhancement equipment for the F-15 jet fighter aircraft scheduled for delivery at the end of this year and an early warning system—in all likelihood AWACS. I must express my deep concern and vigorous opposition to this sale.

In 1978 the United States agreed to provide Saudi Arabia 60 F-15 aircraft. I was opposed to that sale because I believed that Saudi Arabia had failed to demonstrate adequate support for America's security interests. Congress approved the sale but only upon the express representation by the Carter administration that enhancement equipment would not be provided to Saudi Arabia.

Now the Reagan administration has proposed to sell conformal fuel tanks (CFT) to increase the range of the F-15 and AIM-9L air-to-air missiles. In Middle East geopolitics, this means that a more capable F-15 could take off from a coastal Saudi airbase, make a run into the Israeli heartland, and land at the Saudi's forward airbase at Tabok on the return.

Even more importantly, the administration has tentatively agreed to provide Saudi Arabia an airborne early warning aircraft system—reportedly AWACS—which would allow radar surveillance of areas of 200 statute miles or more.

I do not believe the United States should sell AWACS—to any country. We cannot permit this sophisticated system to fall into the wrong hands. There are already two AWACS in Saudi Arabia, but they are controlled and flown by U.S. personnel. It seems to me that if there are going to be any more AWACS in the Middle East, they too should be controlled by U.S. personnel.

I do not propose that we turn our back on Saudi Arabia, but rather suggest that the sale of this equipment to Saudi Arabia must fit into overall U.S. strategic objectives in the Persian Gulf. I am concerned, Mr. Speaker, that the timing and content of the

proposed sale is not in our best interests.

I believe that two pervasive considerations must govern the development of our strategy regarding the Middle East and the Persian Gulf.

First, Israel's value as a strategic and reliable democratic asset to the United States and the free world is beyond dispute. For this reason, our commitment to Israel's security must be unwavering and we should take no action which would weaken Israel's position.

AWACS in Saudi airspace can take a deep look into unfriendly territory, detect and assess the significance of military movements, and direct an attack against them. Although territory unfriendly to Saudi Arabia could mean Iran or Iraq, it could also mean Israel, against whom King Khalid declared a jihad, or holy war, in January.

A second stretegic consideration is the Soviet threat to the security of the Middle East region. Today, Soviet troops occupy nearby Afghanistan, Soviet arms supplies enable Iraqi troops to wage war on Iran, Soviet bases have been established in Syria and the horn of Africa, and Cuban and East German troops provide support for the Communist government of South Yemen

One would think that the Government of Saudi Arabia would want to coordinate efforts with the United States to provide a regional defense against this growing Soviet threat. But to date, the Saudis have given no such indication.

Indeed, we have seen the Saudis time and time again oppose rather than support our interests. We cannot condone the bankrolling of PLO terrorist activities. We cannot allow ourselves to remain vulnerable to an interruption in oil supply, despite Saudi Arabia's opposition to our establishment of a strategic petroleum reserve. We cannot fail to project American power into the Persian Gulf region in spite of Saudi Arabia's opposition to the establishment of American bases in the area.

Mr. Speaker, until Saudi Arabia is prepared to give a clear demonstration of its commitment to peace and to mutual security interests, and until we are satisfied that the armaments we supply will be dedicated to regional defense and not to an anti-Israeli offensive, we should not consummate this sale.●

THE PEOPLE RESPOND—VI

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. GARCIA. Mr. Speaker, I am inserting into the CONGRESSIONAL RECORD a statement which exemplifies the concern people are feeling over the proposed budget cuts. President Reagan's economic plan would not affect every segment of this society equally; minorities and the poor would have to shoulder the greatest suffering while businesses and the rich would be favored disproportionately. As part of my continuing crusade against the inequities in the proposed economic plan, I am inserting today's statement to show that there are still citizens who are concerned over the impact of this plan.

ALBERT EINSTEIN COLLEGE
OF MEDICINE,
Bronx, N.Y., March 23, 1981.

Congressman ROBERT GARCIA,
Cannon Building,
Washington, D.C.

DEAR CONGRESSMAN GARCIA: In the past you have been a very strong supporter of programs for the handicapped and, when we have met, you have always been completely understanding of the problems of handicapped children and offered your help.

At this time we need your help more than ever. As you are aware, our programs, which serve children in the Bronx including your constituents, are threatened with extremely serious cuts by the latest budget prescribed by President Reagan. Our Children's Evaluation and Rehabilitation Center (CERC), the major clincial and training arm of the Rose F. Kennedy Center, currently serves 4,600 children annually. It provides training for professionals to help the mentally retarded. Our trainees in all fields have left here and become local, regional and national leaders in the field. In fact, I know you have met with Dr. Lilia Evangelista, the excellent current Director of the Lincoln CERC program. Not only was that, now independent, South Bronx program initiated by us as a satellite of the Kennedy CERC program, but Dr. Evangelista is one of our former trainees.

Another important component of our activities is research on how to apply the latest technology to deliver modern and effective services throughout our region and in the United States. This is done in conjunction with the national network of University Affiliated Programs (UAPs). Since we are part of this national network, our programs are important resources that help localities, the States and the country deliver more effective services for the developmentally disabled and to train needed personnel (and every survey in the country still indicates that such personnel are still very much in demand).

Our probelm with the budget is as follows:

1. Our program receives $150,000 as part of $7 million Human Developmental Services allocation to UAPs, through the Developmental Disability Act. The administration has proposed to link our program with generally unrelated, but important, "Social Service Research Programs" which are now funded * * *. These programs, as a group, are recommended for reduction to $61 million. This 25 percent cut would damage all of the programs in that category including ours. We urge restoration of the cuts and renewal of the Developmental Disability Act which funds UAFs and other components serving the handicapped at a national level.

2. For the past 15 years, we have received funds for model service delivery and training from the Health Services Administration, Bureau of Community Health Services, Maternal and Child Health Program. The funds we receive are authorized under Title V of the Social Security Act. Funds for our own local program and some others come from Sections 503 and 504 of the Act, and funds for some other UAPs come from Sections 511 and 512 of the Act.

The administration has announced that it intends to implement a 27-percent recision of current MCH research and training and related services funding and to subsequently eliminate the Title V program, while block granting other existing funds for services to the States with a 25-percent reduction in funding level and eliminating all research and training funds for UAPs and other related programs.

These two actions would have the net effect of reducing services we now offer by 25 percent this year, with no "safety net" in place for over 1,000 of the 4,600 handicapped children we now care for. Next year, if the full MCH cut is granted, we would have to reduce services to 35-40 percent of the children now served. A total of about 1,800 children would then lose these services. On a national level, these cuts affecting many other centers will be multiplied many fold.

The title V Maternal and Child Health and Crippled Children's (MCH-CC) programs have been very successful ones in raising the level of care nationally and stimulating innovative research, training or clinical activities as our program has demonstrated. We urge that the MCH-CC program be kept as a national program with no reduction in funds. In fact, since the research and training activities are so cost effective, they merit an increase. In the long run, they are anti-inflationary.

Clearly, we are threatened with serious cuts which endanger our ability to provide direct services to Bronx constituents and to help other service providers through our training activities.

We, and the clients we serve, deeply appreciate any support you can offer us and encourage you to contact your colleagues in Congress to voice your support for the program.

Sincerely yours,

HERBERT J. COHEN, M.D.,
Director, Children's Evaluation and Rehabilitation Center, University Affiliated Facility, Professor of Pediatrics and Rehabilitation Medicine.

WHAT REAGAN BUDGET CUTS WOULD DO TO POOR

Although the Reagan administration insists that the poor will not be seriously hurt by its proposed budget cuts, several recent statistical studies cast doubt on that claim.

The studies will be key weapons in efforts by lobbyists for the poor to resist the proposed cuts.

The administration contends that its spending reductions are designed to protect the "truly needy" by means of a "safety net" of social programs that were spared from cuts. The seven safety net programs, ranging from Social Security retirement payments to summer jobs for teen-agers, cost about $200 billion a year.

Administration officials also argue that proposed changes in such programs as welfare, and food stamps will encourage people to work and become self-sufficient.

But studies by the Congressional Budget Office (CBO), the University of Chicago's Center for the Study of Welfare Policy and the Field Foundation's Project on Food As-

sistance and Poverty attack both of the administration's contentions.

According to the study by the Project on Food Assistance and Poverty, most of the safety net programs serve mainly middle-income people. Only 21 percent of the benefits go to people with incomes below the poverty line. By contrast, 17 major programs for the poor are targeted for $25 billion in cuts.

CBO has estimated that up to 25 million people, most of them poor, would lose some benefits because of proposed cuts in just four of those programs; welfare, food stamps, public service jobs and school lunches.

President Reagan also wants to reduce welfare costs in the long run by getting the poor into private-sector jobs, ending their dependence on government. But the Center for the Study of Welfare Policy says his budget proposals actually would discourage welfare recipients from working; in many states recipients would gain little more income, if any, from working at typical low-paying jobs than they would by remaining idle.

The administration also seeks to reduce spending for social programs through the use of block grants to states. It claims states will be able to save enough money through streamlined administration to continue necessary services to the poor.

LEAKY SAFETY NET

Reagan repeatedly has stressed his determination to protect people who cannot help being poor—those who "rely on government for their very existence"—from being left destitute.

The safety net programs, as contained in his March 10 budget, and their fiscal 1981 budget authority, are:

Old-age and survivors' insurance, the core Social Security program, $119.8 billion.

Medicare health insurance, $44.9 billion.

Veterans' pension and compensation benefits, $13.3 billion.

Supplemental Security Income (SSI) for the aged, blind and disabled, $7.3 billion.

Head Start preschool education, $1.1 billion.

Summer jobs for disadvantaged youths, $800 million.

Free school lunches and breakfasts, $2.2 billion.

The first three programs, which make up more than 90 percent of the spending for the seven, do form a safety net protecting large numbers from destitution. But it is a safety net for the elderly, not for the poor.

With their massive numbers of recipients—31.3 million for Social Security, 28 million for Medicare, 4.6 million for veterans' pensions and compensation—the three programs lift many elderly people out of poverty. According to a study by former CBO analyst G. William Hoagland, Social Security alone reduces the incidence of poverty among white men aged 65 and over to 6 percent, from 46 percent without the benefits.

But the programs are not targeted to the poor. The Project on Food Assistance and Poverty estimated that 85 percent of their recipients have incomes above the poverty level.

The other four programs are limited to poor people. However, their funding levels are only a small fraction—one-seventeenth—of the total for the three programs for the elderly.

Overall, the safety net programs provide little help to much of the poverty population. The food project study estimated that 16 million poor people—64 percent of America's estimated 25 million poor (the Census Bureau's count)—either received no help at all from the programs or got only a free school meal.

Moreover, three of the four programs reserved for the poor would experience some cuts under Reagan's budget. SSI benefits would be reduced by $110 million in 1982 through changes in accounting procedures. Summer youth job funds would be merged with other job training grants beginning in 1983. While subsidies for free school meals would be continued, federal payments for "reduced-price" and "full-price" meals would be reduced or eliminated; defenders of the program fear those cuts would force as many as 40,000 schools to drop their breakfast and lunch programs leaving up to 4 million poor children without meal service.

OVERLAPPING CUTS

While the "safety net" programs were more or less protected in the budget, the core anti-poverty programs—Aid to Families with Dependent Children (AFDC), food stamps, Medicaid, housing assistance, energy assistance and social services—were targeted for substantial reductions.

Various studies have estimated these effects:

AFDC, benefits reduced for 258,528 families and eliminated for 400,836 families.

Food stamps, benefits eliminated for 1 million people.

Comprehensive Employment and Training Act (CETA), public service jobs eliminated for 300,000 people.

Supplemental feeding for women, infants and children (WIC), benefits eliminated for 700,000 people.

Housing programs, construction of 140,000 subsidized units canceled, rental payments increased for nearly 10 million people.

The overall effects of the cuts on individual poor people are difficult to predict accurately, however.

Because of a lack of data, CBO was able to estimate the effects of cuts in only four programs. Even then, the estimates do not reflect all the proposed changes in the four programs. But even with its limited sample, CBO found that under Reagan's proposals:

Half of all low-income families would lose some spendable income, although most of the losses would be relatively small.

A small segment of the poor—4 percent of all low-income families—would experience severe losses of income, averaging 16 percent.

Welfare recipients who work would be more seriously hurt than those who do not work.

CBO stressed that its estimates "should be interpreted with extreme caution" because the cuts included in the study represented only about one-third of the total reductions in programs for the poor proposed by the administration.

The effects of converting programs into block grants or capping the federal contribution—as proposed for Medicaid, social services, compensatory education, CETA training, energy assistance and legal services—cannot be accurately predicted. They will depend on future spending decisions by state governments.

Then, since many poor people get more than one benefit, various cuts would have to be added together to determine the exact effect on an individual or family. While each separate reduction—a loss of $12 a month in food stamps for a family with a child getting a free lunch at school, for instance—might be small enough for a family to handle, the combination of cuts could have a devastating impact, critics argue.

The Center for Welfare Policy studied the combined effects of the cuts on typical welfare families in each state. It found that in Oklahoma, for example, a welfare mother of two working at a typical low-paying job, would have her disposable income reduced to $459 a month, from $508. After four months, her income would fall to $391—66 percent of the federal poverty level, compared with 86 percent under existing law.

The losses would be even greater in high-benefit states like New York. There a working mother of two would lose $171 a month after four months—25 percent of her income. She would fall from $704, a month, well above the poverty line, to $533, only 90 percent of poverty.

Recipients also would face undetermined reductions in benefits from programs being converted to block grants. In some states, such as Texas, working welfare recipients could lose eligibility for Medicaid.

WELFARE AND WORK

The Reagan budget calls for major changes in the relationship between welfare, primarily AFDC, and employment. The President's proposals would substantially reduce aid to the working poor, while requiring some other welfare recipients to work for the government.

The cost-saving measures would reduce or eliminate AFDC benefits to some 658,000 families—one-sixth of the total caseload—by tightening the rules under which the earned income of recipients is included in the calculations that determine eligibility and benefits. About 15 percent of AFDC family heads are working at any one time; about a third of AFDC families have some earned income in a year.

At the same time, the administration would require about 800,000 welfare recipients to work at community service jobs, such as day-care attendant or school crossing-guard, in return for their benefits, under its proposed "workfare" program.

Critics claim the benefit reductions would discourage recipients from seeking private-sector jobs, since they would lose in benefits almost all of what they earned from a job.

Recipients already lose a substantial part of their welfare benefits when they have work income. For each dollar earned, an average AFDC recipient now loses over 60 cents in benefits. According to Reagan domestic policy adviser Martin C. Anderson, the "marginal tax rate" for welfare recipients—the rate at which their earned income is "taxed" through benefit reductions—is higher than the income tax rate on people earning over $100,000 a year.

The University of Chicago welfare policy center found that the Reagan proposals would "undermine the already weak work incentives in the current welfare system" by violating the principle that "those who work should be better off than those who do not."

In Louisiana, for example, a welfare mother who works and earns $150 a month now has $64 more in disposable income each month than one who does not work. Under the Reagan proposals, the center found, the working mother would have the same disposable income ($306) as the non-worker.

In California, the state with the largest welfare population, the difference between the disposable income of working and non-working welfare mothers would fall to $15 a month, from $188 under existing law.

The study also found that larger earnings would result in lower disposable income. In Illinois, a welfare recipient earning $433 a month would have $39 less in disposable monthly income ($437) than a recipient with only $328 in wages ($476).

Administration officials respond that welfare should be a safety net helping those who cannot help themselves—not a supplement for those with jobs.

"I just don't accept the assumption that the federal government has a responsibility to supplement the income of the working poor through a whole series of transfer payments," Office of Mangement and Budget Director David A. Stockman said on ABC News' "Issues and Answers."

"We believe that the guy who takes two jobs and makes $26,000 a year shouldn't be obligated to transfer part of his income and taxes to the guy who's making $10,000," he said.

Stockman said at a news conference April 16 that the CBO study showed the budget cuts would have, at worst, only "marginal" impact on a comparatively small number of poor families, and that most families studied would either experience no income loss or a slight gain.

Moreover, administration officials argue, the workfare program will encourage many recipients to find private sector jobs. If they are required to work at a community service job, they will be more likely to seek a regular job even if it means only a few extra dollars in income each month.●

ECONOMIC IMPACT OF DEFENSE SPENDING

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. ASPIN. Mr. Speaker, for decades we have looked at the economic impact of defense spending in terms of generating jobs. Hitler brought Germany out of the Depression very quickly by devoting Germany's energies to a military buildup. Despite the New Deal in this country, we didn't really emerge from the Depression until we geared up in 1940 to supply Britain's military needs. In a sense we have not disagreed with the Marxist view that capitalism needs militarism to keep the economic system afloat.

Even today we look at defense production in job-creating terms. This is indicated by repeated congressional efforts to reserve a proportion of defense outlays for areas of high unemployment, by the sales pitch of the military-industrial complex which always makes jobs a major focus, and by the economic studies that emerge from academe and commonly measure defense spending in terms of jobs.

To adopt the new terminology, defense spending is demand-side economics; it is keyed to creating jobs. But the new administration has been elected on a platform of supply-side economics, one keyed to investment, incentives, and productivity. Under the supply-side philosophy, Government should not spend with a view to creating jobs directly. Rather, it should adjust its taxing and spending policies to encourage investment of the Nation's minds and moneys in improved productivity, which will in the end generate more jobs. It is time to look at defense from this supply-side view of the world.

If we look at the gross numbers, we see that countries with a higher investment in defense have been growing at a slower pace. As table I shows, Japan, with by far the lowest outlays for defense, has enjoyed by far the most rapid total growth and manufacturing growth of the major developed countries in the last decade. Britain and the United States, with the highest commitments to defense, have trailed in the growth sweepstakes while Germany and France are in the middle, in terms of both defense and growth.

TABLE I.—DEFENSE OUTLAYS AND ECONOMIC GROWTH OF MAJOR OECD NATIONS

Country	Defense [1] percent of GNP	Yearly [2] growth	Manufacturing [3] growth
Japan	0.9	6.9	7.2
Germany	3.5	3.1	3.5
France	3.9	4.4	4.4
Britain	4.9	2.3	0.6
United States	5.8	3.0	2.4

[1] 9-year average, 1970–79. Source: CIA Handbook on Econ. Stats., 1980.
[2] Annual growth in GDP, 1969–78. Source: National Accounts of OECD Countries, 1961–78.
[3] Annual growth, 1969–78. Source: National Accounts of OECD Countries.

These are very gross numbers. Growth and economic well-being cannot be explained solely in terms of defense outlays. Obviously, other factors are involved, such as the proportion of skilled workers in the labor force, the amount of worktime lost to strikes, the attitude of workers toward their jobs, among others. But clearly one of the most important elements is the amount of capital available for investment. And as table II shows, defense diverts unbelievable quantities of investment capital. If the major OECD states reallocated their defense spending to investment, the funds available for investment in Japan would grow only 3 percent, but the funds available to the United States would grow at 10 times that rate.

TABLE II.—*Increase in GNP share devoted to civilian investment if defense spending diverted to capital formation*

Country:	*Percent increase*
Japan	3
Germany	15
France	18
Britain	26
United States	29

This shows dramatically how much more capital is consumed by defense in the United States than in our major allies and competitors.

This is one indicator of the drag defense spending places on our economy. A second indicator is the diversion of R. & D. resources to defense. Germany and the United States devote the highest proportions of their GNP to R. & D. among the five countries as shown in table III. But the military share of R. & D. in the United States is five times the military share in Germany and 14 times the military share in Japan. As a result, the share available for civilian R. & D., sometimes considered responsible for as much as half of labor productivity growth since 1928, barely exceeds that available in France.

TABLE III.—EXPENDITURES ON R. & D. AS PERCENT OF GNP, 1975

Country	Total R. & D.	Civilian R. & D.	Military R. & D.
Germany	2.39	2.20	.19
Japan (1974)	1.95	1.91	.04
Britain	2.05	1.50	.55
United States	2.30	1.42	.88
France	1.82	1.41	.41

These are gross indicators of defense spending's economic impact. A more detailed look reveals just how severe the impact has been.

INVESTMENT—STEEL EXAMPLE

Steel is a declining industry in the United States. For decades the U.S. industry dominated the world steel market. In 1960 it was still exporting. But since then the United States has become a net importer. The problem is not a lack of brains to devise the technology. Our industry has mastery of the same modern processes Japan has used to become the world's principal exporter. but we do not have many modern furnaces actually producing steel. As table IV shows, we have the slowest rate of replacement of our steelmaking capacity of any of the major states. And the key reason that the steel industry has harped on for years is that we have the lowest investment in new steelmaking capacity.

TABLE IV.—INVESTMENT AND MODERNIZATION IN STEEL, 1969–77

Country	Replacement cycle (years) [1]	Average annual capital expenditures [2]
United States	36	$18.10
France	28	22.70
Germany	28	22.90
Japan	27	24.20
Canada	26	25.00
Britain	22	29.00

[1] Raw steel base.
[2] Per ton of production.

The steel industry argues that lack of capital in the 1970's slowed its replacement rate, accounting for the increased share of the U.S. market taken by the Japanese and accelerating the closing of plants without replacement. An industry economist calculated that during the 1970's, steel spent about $2 billion annually on investments, excluding those for environmental pur-

poses. He calculated that in the 1980's the industry would need to invest $4.2 billion a year to bring the industry up to the world average turnover rate of 25 years. But even then the United States would still trail the world in terms of the proportion of steelmaking capacity in modern plants.

The United States has substantial natural advantages in steel. A new mill located in the United States and operating at 90 percent of capacity can compete with the most efficient existing plants in Japan and can overwhelm the most efficient existing plants in Europe, as table V show.

TABLE V.—LABOR AND RAW MATERIAL COSTS FOR UNITED STATES, JAPAN, AND GERMANY/BENELUX STEEL PRODUCTION, MOST EFFICIENT EXISTING PLANT VERSUS EFFICIENT NEW PLANT

Cost/ton (90 percent utilization)	U.S. efficient new plant	Japan's most efficient	Germany/ Benelux existing plant
Labor	$108	$74	$108
Raw material and miscellaneous	190	200	230
Total variable costs	298	274	338

What would it take to reach this position? An investment significantly lower than 1 year's defense budget would suffice to make the U.S. steel industry once again the world's leader.

An integrated steel plant of economic size produces 4 million tons of steel a year and costs about $5 billion; 25 such plants would entirely replace the portion of U.S. steel capacity that competes on the world market. And we would not have to replace our entire capacity since some U.S. capacity is quite new. About $100 billion would suffice to make the U.S. steel industry the world's most modern. The budget request for national defense for fiscal year 1982 is $226 billion. Of that, $100 billion is roughly the portion the United States devotes to the defense of Europe and Japan. In other words, our outlays for their defense in just 1 year free sufficient funds for them to buy up 20 percent of our steel market.

A logical reaction is that steel is a guns business, not a butter business. That was certainly true in World War I, when Krupp fought Vickers. But that is no longer true; electronics is now the key defense industry.

What is true of steel is true of other industries as well. Just a portion of 1 year's defense budget would completely overhaul a number of industries. The auto industry, for example, is hampered right now by the competition from Japanese imports. The firms badly need to retool to be able to turn our smaller, more fuel-efficient cars. For that they need about $56 billion—1981 dollars—between now and 1995.

Table VI shows a sampling of needed investments in industry, infrastructure, and energy that would greatly enhance the competitiveness of American industry. These examples total $224 billion or virtually the same as President Reagan's fiscal year 1982 request of $226 billion for national defense.

Some of the items in table VI may look mundane, but they are fundamental. The dredging of six Atlantic and gulf coast harbors would permit the Ports of Baltimore, Hampton Roads, Mobile, New Orleans, Baton Rouge, and Houston to take cargo ships of up to 150,000 tons, thus improving the export competitiveness of U.S. grain and coal, both of which are hindered by current port capacity limitations.

These investments would have synergistic effects. Conrail's inability to generate capital for reinvestment is largely the result of declines in freight it carries, which is in large measure a result of the decline in the auto and steel industries. Reinvestment in railroads would generate sales for steel rails. Reconversion of the oil fired plants to coal would slow the growth of energy costs that hamper the expansion of the steel and auto businesses, as well as provide more business for the railroads in hauling coal. Dredging the harbors would promote the export of grains and coal, which in turn means more business for the railroads that would haul those goods to the ports.

TABLE VI.—AN ALTERNATE EXPENDITURE OF $224 BILLION 1981 DOLLARS ON IMPROVING PRODUCTIVITY

[In billions of dollars]

Industry:	
Refurbishing steel industry to lead world standards	$100.0
Capital investment to switch auto industry over to smaller cars, 1980–95	56.0
Infrastructure:	
Meet non-Conrail railroad industry capital shortfall	14.7
Make Conrail self-supporting	5.7
Restore highways to 1975 pavement conditions:	
Interstate	4.1
Arterial	24.8
Collector	11.0
Dredge 6 Atlantic and gulf coast harbors to take 100,000 to 150,000 ton cargo vessels	2.0
Energy: Reconvert 77 oil-fired plants to coal for savings of 350,000 bbl of oil daily	5.8
Total cost	224.1
Reagan defense budget for fiscal year 1982	226.0

In sum, with just 1 year's defense budget we could fundamentally alter our competitive posture in the world. Obviously, we are not about to abolish the defense budget for a year. Also obviously, these investments in our economy would not be made in a single year but spread over a good part of a decade. In other words, the diversion of only about 10 percent of our annual defense budget to capital investment in civilian industry would soon reinvigorate our economy.

PEOPLE—THE SHORTAGE OF TECHNICAL PERSONNEL

The United States has the largest proportion of scientists and engineers in the work force of any major nation. We have almost 20 percent more than even the Japanese as shown in table VII.

TABLE VII.—*Scientists and engineers per 10,000 workers, 1976*

United States	57.4
Japan	48.4
Germany	40.0
Britain (1975)	30.6
France	29.9

Why, then, are we behind the power curve when it comes to technological competition with Japan? It is not that our scientists and engineers are less intelligent or poorly trained. The key is the tasks technical talent is engaged in. When arms are produced at the leading edge of technology, they consume vast quantities of technical talent. Conservative estimates hold that defense and space employ 20 percent of all the American scientists and engineers engaged in research and development work. Other estimates put the figure at 30 percent, 40 percent—even as high as 50 percent.

A glance at table VII shows that if we use the conservative estimate, the withdrawal of American technical talent from economic R. & D. would push the United States down to a par with Japan—where there is hardly any military R. & D.—while use of the highest estimate would push the United States down to the level of France—where there is some military R. & D. although much less than in the United States.

Earlier I mentioned that electronics had replaced steel as the heart of the guns business. In the electronics and electrical fields, the United States devoted $7.3 billion and 119,000 technical people to R. & D. in 1975 while Japan devoted $1.3 billion and 44,000 technical people. But in the United States, 40 percent of that R. & D. was Government funded, which means essentially defense and space related, while in Japan only 2 percent was Government funded.

Thus the huge American lead in technical talent dwindles from 71,000 to 43,000. The gap narrows further when it is realized that so much of the American effort is concentrated in computers and photocopiers, where we are the world leaders and IBM and Xerox have provided the capital. Our success in the computer and photocopier areas is directly attributable to the mass of talent those firms have devoted to maintaining their competitive edge.

On the other hand, the engineering talent that was devoted to television in this country after World War II is now devoted to developing precision-guided munitions, stand-off target acquisition systems and related weapons. The equivalent technicians in Japan, meanwhile, have been working for Sony on television and stereo equipment. The result: we no longer produce any black and white television sets in this country, we import about a third of our color televisions from Japan, and even the Air Force uses a Sony television in

its Maverick television-guided missile system.

While our television R. & D. was waning, Sony made such innovations as the three-gun color tube, which provides a clearer and more reliable picture than the one-gun tubes devised earlier in the United States.

The military argues that there is feedback from military R. & D. to civilian products. Without a doubt, there is some. But a dollar invested in military R. & D. does not produce anything like a dollar in economic benefit.

The video cassette recorder is a good example of the fate that has befallen U.S. industry. The VCR was first developed in the United States by Ampex, which restricted itself to the professional market, producing large, expensive short-run orders. After the VCR was developed, the United States devoted considerable attention and talent to miniaturization. Without it, we would not have put a man on the Moon or devised the MIRV—multiple, independently targetable reentry vehicles—warhead guidance system for our missiles. We are often told that defense miniaturization has a salutory feedback on the domestic economy. But no American firm applied miniaturization to VCR's; that talent was tied up with military programs. The Japanese, however, spent years devising and refining VCR's until they were able to produce a small, reliable, and relatively inexpensive product for the commercial market. Two million VCR's were sold in the United States in the 1978-80 period—all the consumer sales were imports from Japan.

The one industry where the feedback is clear is aerospace. The United States is unquestionably dominant. In 1975 we devoted $5.7 billion and 67,000 scientists and engineers to aerospace R. & D. versus negligible numbers in Japan and $1.9 billion and 20,000 technical people in Europe. Note how Japan has virtually abandoned this field to the United States, recognizing the tremendous Government commitment. Nearly 80 percent of U.S. aerospace R. & D. is Government-funded. And the feedback is obvious: the Boeing 747 jumbo jet is based on the losing design for the Air Force C-5 cargo plane, a contract that Lockheed probably wishes it had lost. But a key reason for the problems of the C-5 is that the Air Force wanted to push the limits on R. & D. Armies of scientists and engineers were deployed to try to make the C-5 do things no plane that size had ever done before, like land on grassy runways and drop multiton loads out the rear. These had no civilian applications; Boeing dropped the unapplicable and costly items to which the Air Force devoted so much money and talent and stuck with the basic airframe design to swamp its competitors. There was a feedback, but it involved the cheaper and simpler advance in technology.

This illustrates another key problem of defense R. & D. The standard is to design to specifications laid down by someone in the Pentagon—a someone usually derided as a "faceless bureaucrat" if he or she doesn't wear a uniform. In contrast, civilian industry must design to cost in order to remain competitive.

The result of design-to-specs is to force greater and greater quantities of R. & D. money and talent into the defense maw. By definition, that diverts taking money for civilian R. & D. Some analysts also argue that the design-to-specs mentality has infected commercial industry, making some of our commercial designs less cost competitive. That is a feedback from defense spending the Pentagon prefers not to address. The damage is not easily measured. Engineering schools do, however, adapt their curricula to the availability of jobs for their graduates. They are, in other words, market oriented. Consequently, as defense R. & D. boomed in the 1950's and 1960's, the schools put less emphasis on designing to cost and more on the advance of technology. That philosophy would be passed on to all students regardless of whether they ended up in the defense industry or the toy industry.

One civilian industry executive testified before Congress in 1974 that his firm, which emphasized design-to-cost, repeatedly had bad experiences hiring engineers who were being laid off by the defense industry after the Vietnam war because they simply could not adapt their thinking to take costs into account.

The recognition of this problem has now led the academic accrediting groups to check the emphasis on economical design in accrediting engineering schools. Whether that will hold with the new emphasis on military expansion remains to be seen.

The defense industry's voracious appetite for technical talent is perhaps best illustrated by looking at the proportion of workers in industry devoted to production and to nonproduction work, including R. & D. As table VIII shows, 90 percent of the employment in U.S. industry overall produces the product. The other 10 percent designs it, sells it, and administers the firm.

TABLE VIII.—*Production workers as percentage of employment in selected industries*

Industry:	
U.S. industry average	90
Complete guided missiles	28
Electronic computing equipment	34
Ordinance and accessories	47
Communications equipment	50
Aircraft and parts	54

But when it comes to guided missiles, for example, less than 30 percent of the employees produce the missiles. The other 70 percent designs, sells, and administers. That is seven times the percentage in industry as a whole. Of course, defense firms usually have more administrators than private firms because of the bureaucratic requirements laid down by the Pentagon, but they have fewer salesmen since they have but one customer. The bulk of the nonproduction employment is technical talent.

Given those numbers, there is no way the feedback from defense R. & D. can even approach the value that would be gained by devoting that research talent and money directly to programs with commercial applications designed to cost.

Technical talent is not the only area where the defense emphasis strains our economy. One of the key skills in American industry—both military and civilian—is the machinist. There are 300,000 machinists in the United States today, with from one-fourth to one-third working defense goods.

The machinist's craft is demanding. A journeyman machinist must know how to set up and operate some 15 different machine tools. He receives almost 600 hours of classroom work over an apprenticeship that lasts 4 years on average. The military end of the craft is even more demanding than the civilian end. Military machinery needs to meet much closer tolerances than civilian machinery. It takes some 9 additional months of training to prepare a machinist from the auto indusry to meet defense industry standards. Their productivity is thus lower and more of them are required for a given volume of output.

The average age of these 300,000 machinists is 58. Large numbers are thus about to retire. The training programs are not graduating enough new machinists to replace all these retirees. Yet the demand for machinists can be expected to grow. A University of Illinois economist calculated in 1975 that a 30 percent boost in defense spending would increase the demand for machinists by more than 8 percent. President Reagan proposes a 30 percent increase in the defense budget this coming year alone.

Defense plants can hire machinists away from civilian employers because the U.S. Government essentially buys weapons on a cost-plus-fee basis. Whatever wage industry must pay, the Government will meet. This is contrary to economic practice where a surge in labor costs will mean a decline in demand and a consequent decline in employment. The defense industry, therefore, can be expected to get all the machinists it needs. But the increasing demand of defense and the slackening supply also means fewer machinists for civilian applications.

The result: U.S. machine tools, one of our top export articles, will become

less competitive on the world market. Exports will fall and imports will rise.

CONCLUSION

Supply side thinking guides the new administration's economic policies. However, Reagan's $51 billion defense increase in 1982 over Carter's 1981 budget effectively negates Reagan's $51 billion in cuts from the Carter 1981 budget level in the nondefense area. Supply side economics in the domestic sphere is wiped out by demand side economics in the military sphere.

Taking the supply side view espoused by the administration, the defense budget is a disaster. We are undermining our own competitive position in the world. When we desperately need to revitalize our industry, we are instead pouring our investment money into defense and drawing off more scientists, engineers, and machinists who are sorely needed to reestablish our competitive position.

Obviously we cannot do away with defense spending. Defense is a burden, and some level of defense is an essential burden. Similarly we cannot abolish all sophistication from defense weaponry and expect the armed services to live by the feedback from the automotive and computer games industries. The issue is the size and share of the burden that the United States and the other Western democracies should bear.

It is nothing short of inane, not to mention economic suicide, for the United States to take upon itself an even greater share of the Western burden while Japan and, to a lesser extent, Western Europe, enjoy the safety provided by our military umbrella as a free good while they pump their capital into industries that are starved in the United States because of that defense umbrella. The money Japan and others save on defense is being used to whip us in the free market that our defense is preserving for them. Our taxpayers are funding their economic boom. And the Reagan defense proposals are geared to make what is bad worse.

The trend line is even more horrifying. If we continue to escalate our share of the burden, we will not see any increase in our allies' share. We will see our competitive position continue to shrivel until we will be unable to bear the defense burden, at which point Japan and Europe will have to carry the full load, not to mention launching a Marshall Plan in reverse.

The message is obvious. Rather than proudly shouldering the Western defense burden, the Reagan administration must emphasize burden sharing with our allies. It is in their interest as well as ours that all our economies thrive. To share the blessings of a healthy Western economy, we must also share the burden of defending it.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, April 28, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 29

8:00 a.m.
*Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To resume hearings on S.J. Res. 11, S. 539, and S. 678, proposals to expand the present ZIP code system to a 9-digit ZIP code.
5110 Dirksen Building

8:45 a.m.
Labor and Human Resources
To hold hearings on the nomination of Edward N. Brandt. Jr., of Texas, to be an Assistant Secretary of Health and Human Services.
4232 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business; to be followed by hearings on the nominations of Arlene Triplett, of Virginia, to be Assistant Secretary of Commerce for Administration, and Paul Vander Myde, of Virginia, to be Assistant Secretary of Commerce for Congressional Affairs.
235 Russell Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to continue markup of S. 480, 884, 902, 943, and 994, bills to provide basic stability in the agricultural sector so that farmers may establish efficient and effective planting and marketing strategies.
324 Russell Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building

Approriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission on Security and Cooperation in Europe, Small Business Administration, and the Federal Maritime Commission.
S-146, Capitol

Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

Rules and Administration
Business meeting, to mark up proposed legislation authorizing funds for fiscal year 1982 for the Federal Elections Commission, and to consider other legislative and administrative business.
301 Russell Building

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Middle East/rapid deployment force (RDF) construction programs.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Department of the Treasury, U.S. Postal Service, and general Government programs.
Room S-126, Capitol

Armed Services
Business meeting, to hear and consider the nominations of Russell A. Rourke, of Maryland, to be Assistant Secretary of Defense for Legislative Affairs, and Henry E. Catto, Jr., of Virginia, to be Assistant Secretary of Defense for Public Affairs.
212 Russell Building

Foreign Relations
To hold hearings on S. 848, authorizing funds for fiscal year 1982 for the Peace Corps.
4221 Dirksen Building

Governmental Affairs
To hold hearings on pending nominations.
3302 Dirksen Building

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold joint hearings with the House Subcommittee on Human Resources of the Committee on Post Office and Civil Service on the use of consultants by the Federal Government.
311 Cannon Building

Judiciary
To hold oversight hearings on the implementation of the Copyright Act of 1976, focusing on provisions relating to cable television.
2228 Dirksen Building

10:15 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal years 1982 and 1983 for the Nuclear Regulatory Commission, and on NRC research programs.
4200 Dirksen Building

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and solar energy programs of the Department of Energy.
1114 Dirksen Building
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for Middle East/rapid deployment force (RDF) construction programs.
1224 Dirksen Building
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the Department of Energy, focusing on magnetic fusion and basic energy programs.
3110 Dirksen Building
Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 841, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways, and on other related measures.
4200 Dirksen Building
Foreign Relations
To hold hearings on the nomination of Lawrence S. Eagleberger, of Florida, to be Assistant Secretary of State for European Affairs.
4221 Dirksen Building

APRIL 30

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Navy research and development programs.
1223 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the scope of repairing and renovating Union Station in Washington, D.C.
235 Russell Building
Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the Department of Energy.
6202 Dirksen Building
Veterans' Affairs
To hold hearings on legislative proposals to provide readjustment counseling to veterans.
412 Russell Building
Select on Intelligence
Closed business meeting, to markup proposed legislation authorizing funds for fiscal year 1982 for the intelligence community.
S-407, Capitol

9:30 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to continue markup of S. 480, 884, 902, 943, and 994, bills to provide certain incentives in the agricultural sector so that farmers may establish efficient and effective planting and marketing strategies.
324 Russell Building
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on proposed authorizations for fiscal years 1982 and 1983 for the Export Administration Act, and proposed authorizations for fiscal year 1982 for the international affairs programs of the Treasury Department.
5302 Dirksen Building
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume hearings on S. 707 and 998, bills providing alternative financing mechanisms to fund the strategic petroleum reserve.
3110 Dirksen Building
Judiciary
To hold hearings on S. 255, to encourage American innovation by restoring the patent system as it affects certain products subject to premarket testing by the Federal Government.
2228 Dirksen Building
Labor and Human Resources
Handicapped Subcommittee
To hold hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
Transportation Subcommittee
To continue hearings on S. 841, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways, and on other related measures.
4200 Dirksen Building
Foreign Relations
To hold hearings on S. 993, authorizing funds for fiscal year 1982 for the Overseas Private Investment Corporation (OPIC).
4221 Dirksen Building

2:00 p.m
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the multilateral development banks of the Department of the Treasury.
S-126, Capitol
Energy and Natural Resources
To hold hearings on the nominations of Robert C. Odle, Jr., of Virginia, to be Assistant Secretary of Energy for Congressional, Intergovernmental and Public Affairs, R. Tenney Johnson, of Maryland, to be General Counsel of the Department of Energy, and William Stewart Heffelfinger, of Virginia, to be Assistant Secretary of Energy for Management and Administration.
3110 Dirksen Building
Foreign Relations
To hold hearings on the nominations of Charles Z. Wick, of California, to be Director of the International Communication Agency, and Nicholas A. Veliotes, of California, to be Assistant Secretary of State for Near Eastern and South Asian Affairs.
4221 Dirksen Building
Governmental Affairs
*Federal Expenditures, Research, and Rules Subcommittee
To hold oversight hearings to identify current problems concerning the Federal procurement system.
3302 Dirksen Building
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

MAY 1

9:00 a.m.
Finance
Estate and Gift Taxation Subcommittee
To hold hearings on S. 404, S. 395, S. 858, and S. 574, proposals to revise the estate and gift tax laws and minimize the burden on small and moderate-size estates.
2221 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to continue markup of S. 480, 884, 902, 943, and 994, bills to provide certain incentives in the agricultural sector so that farmers may establish efficient and effective planting and marketing strategies.
324 Russell Building
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Secretary of State, and for the administration of foreign affairs.
S-146, Capitol
Foreign Relations
International Economic Policy Subcommittee
To hold oversight hearings on the international issues affecting the well-being of children worldwide.
4221 Dirksen Building
Judiciary
To resume hearings on S. 114, establishing criteria for the imposition of the death penalty for Federal crimes.
2228 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 821, authorizing funds through fiscal year 1984 for the Federal Communications Commission.
235 Russell Building
Environment and Public Works
To hold hearings on the nomination of Ann McGill Gorsuch, of Colorado, to be Administrator of the Environmental Protection Agency.
4200 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Government Processes Subcommittee
To hold hearings on community energy conservation programs.
3302 Dirksen Building
Joint Economic
To hold hearings on the effect of business/management practices on productivity of the American economy.
6226 Dirksen Building

1:00 p.m.
Foreign Relations
Business meeting, to mark up S. 784, authorizing funds for fiscal years 1982 and 1983 for the Department of State.
4221 Dirksen Building

2:00 p.m.
Environment and Public Works
To continue hearings on the nomination of Ann McGill Gorsuch, of Colorado, to be Administrator of the Environmental Protection Agency.
4200 Dirksen Building

MAY 4

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force posture programs.
1223 Dirksen Building

9:00 a.m.
Armed Services
Military Construction Subcommittee
To resume hearings on S. 846, authorizing funds for fiscal year 1982 for military construction programs of the Department of Defense.
212 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold oversight hearings on the activities of the Civil Aeronautics Board.
6226 Dirksen Building
Finance
Savings, Pensions, and Investment Policy Subcommittee
To hold hearings on various proposals directed at reducing tax disincentives for savings and investment, including S. 75, S. 145, S. 936, S. 155, S. 819, S. 142, S. 330, S. 492, S. 141, and S. 457.
2221 Dirksen Building
Judiciary
Constitution Subcommittee
To hold hearings on Senate Joint Resolution 41, proposed constitutional amendment relating to affirmative action.
2228 Dirksen Building
Labor and Human Resources
*Handicapped Subcommittee
To hold hearings on the effect of rescissions and block grants on special education programs (Public Law 94-142).
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Business, Trade and Tourism Subcommittee
To hold hearings to examine the Federal role in international tourism promotion.
235 Russell Building
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building
Environment and Public Works
Nuclear Regulation Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for fiscal years 1982 and 1983 for the Nuclear Regulatory Commission.
4200 Dirksen Building
Foreign Relations
To hold hearings on S. 976, authorizing funds for fiscal year 1982 for foreign assistance programs, focusing on assistance to Latin America.
4221 Dirksen Building

2:00 p.m.
Banking, Housing, and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building
Foreign Relations
To resume markup of S. 784, authorizing funds for fiscal years 1982 and 1983 for the Department of State.
4221 Dirksen Building

2:30 p.m.
Environment and Public Works
To hold hearings on the prospective nomination of John Hernandez, of New Mexico, to be Deputy Administrator of the Environmental Protection Agency; to be followed by a business meeting, to consider the nomination of Ann McGill Gorsuch, of Colorado, to be Administrator of the Environmental Protection Agency, and the prospective nomination of John Hernandez, of New Mexico, to be Deputy Administrator of the Environmental Protection Agency.
4200 Dirksen Building

3:00 p.m.
Judiciary
Separation of Powers Subcommittee
To hold hearings on S. 823, providing for the payment of losses incurred as a result of the ban on the use of the chemical Tris in certain fabrics.
424 Russell Building

MAY 5

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on Title II, proposed highway safety amendments of S. 841, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways.
235 Russell Building
Small Business
To hold hearings on the Small Business Administration's size standards proposals.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building
Environment and Public Works
To hold hearings on the nomination of G. Ray Arnett, of California, to be Assistant Secretary for Fish and Wildlife, Department of the Interior; to be followed by an Environmental Pollution Subcommittee business meeting, to markup S. 736, making it illegal to import or trade in live fish or wildlife or animal products which are taken, transported or sold in violation of state or foreign laws.
4200 Dirksen Building
Foreign Relations
Business meeting, to consider pending nominations.
4221 Dirksen Building
Rules and Administration
To resume hearings on S. Res. 20, providing for television and radio broadcasting of Senate Chamber proceedings.
301 Russell Building

11:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Navy and Marine Corps construction programs.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.
S-126, Capitol
Banking, Housing and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
235 Russell Building

MAY 6

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1224 Dirksen Building

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force procurement programs.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings to review major banking and consumer protection laws, focusing on banking industry and financial services representatives.
5302 Dirksen Building
Foreign Relations
To begin markup of S. 976, authorizing funds for fiscal year 1982 for foreign assistance programs.
4221 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Business meeting on pending calendar business.
235 Russell Building

Environment and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development.
S-126, Capitol

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

3:00 p.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimate for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 7

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force research and development programs.
1223 Dirksen Building

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for fossil energy programs, domestic energy, supply programs, and Federal leasing policies, Department of Energy.
1224 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to review major banking and consumer protection laws, focusing on thrift industry representatives and State financial institution regulators.
5302 Dirksen Building.

Commerce, Science, and Transportation
Aviation Subcommittee
To resume oversight hearings on the activities of the Civil Aeronautics Board.
235 Russell Building

Labor and Human Resources
*Handicapped Subcommittee
Business meeting, to markup proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building.

Small Business
To hold hearings on S. 580, to establish program levels for the Small Business Administration Pollution Control Bond Guarantee program.
424 Russell Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building.

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold hearings on proposed authorizations for fiscal year 1982 for programs which fall under the subcommittee's legislative jurisdiction, including research and development programs of the Environmental Protection Agency.
4200 Dirksen Building.

Labor and Human Resources
Education Subcommittee
To hold hearings on efforts to consolidate elementary and secondary educational programs.
357 Russell Building

Rules and Administration
To hold hearings on S. 55, S. 56, S. 57, and S. 58, providing for a uniform election poll closing time, change of the day of voting, and election night media projections.
301 Russell Building

11:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Air Force construction programs.
1318 Dirksen Building.

2:00 p.m.
Appropriations
*Foreign Operations Subcommittee
To continue hearings of proposed budget estimates for fiscal year 1982 for the Agency for International Development.
S-126, Capitol

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building.

Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building.

MAY 8

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building

Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 639, relating to the income tax treatment of incentive stock options, S. 702, to allow an income deduction for certain motor carrier operating authorities, and S. 738, to benefit the Port Authority of St. Paul, Minn., by permitting certain advance refunding issues of industrial revenue bonds to qualify under section 103 of the Internal Revenue Code.
2221 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for fiscal year 1982 for the Water Resources Council, and the Office of Water Research and Technology.
4200 Dirksen Building

Labor and Human Resources
Education Subcommittee
To continue hearings on efforts to consolidate elementary and secondary educational programs.
4232 Dirksen Building

MAY 11

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Labor Human Resources
Business meeting, to consider proposed legislation authorizing funds for the Developmental Services and Facilities Construction Act. (Public Law 95-602).
4232 Dirksen Building

2:00 p.m.
Banking, Housing, and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

MAY 12

9:30 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Labor and Human Resources
Education Subcommittee
To hold hearings on proposed reconciliations for higher education programs.
4232 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126, Capitol

Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
457 Russell Building

MAY 13

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National Gallery of Art, and the Bureau of Mines, Department of the Interior.
1224 Dirksen Building

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testi-

mony on Air Force manpower and Reserve programs.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings to review major banking and consumer protection laws, focusing on money market mutual fund and securities regulators.
5302 Dirksen Building

Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on S. 30, requiring each Federal agency to pay interest on contract payments more than 30 days overdue, and related measures intended to improve the Federal Government's bill payment performance.
5110 Dirksen Building

Small Business
*Innovation and Technology Subcommittee
To hold hearings on S. 881, proposed Small Business Innovation Research Act.
424 Russell Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Finance
To hold hearings on the tax reduction proposals in the administration's program for economic recovery.
2221 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain international programs of the Department of State.
S-126, Capitol

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to review major banking and consumer protection laws, focusing on money market mutual funds and financial industry representatives.
5302 Dirksen Building

Judiciary
Constitution Subcommittee
To hold oversight hearings to explore the state of the law with respect to school busing.
5110 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

Finance
To continue hearings on the tax reduction proposals in the administration's program for economic recovery.
2221 Dirksen Building

2:00 p.m.
Appropriations
*Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for foreign operation programs, receiving testimony from congressional and public witnesses.
S-126, Capitol

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

MAY 15

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

MAY 18

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Air Force operations and maintenance programs.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings to review major banking and consumer protection laws, focusing on consumer credit regulators and consumer group and industry representatives.
5302 Dirksen Building

Labor and Human Resources
Business meeting, to mark up proposed reconciliations of those programs which fall under the committee's legislative jurisdiction.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to mark up proposed reconciliations of those programs which fall under the committee's legislative jurisdiction, and other pending calendar business.
4200 Dirksen Building

MAY 19

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to review major banking and consumer protection laws, focusing on former thrift industry regulators and academicians.
5302 Dirksen Building

Labor and Human Resources
Business meeting, to continue markup of proposed reconciliations of those programs which fall under the committee's legislative jurisdiction.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

Energy and Natural Resources
To hold hearings on standby oil controls.
3110 Dirksen Building

Environment and Public Works
Business meeting, to continue markup of proposed reconciliations of those programs which fall under the committee's legislative jurisdiction, and other pending calendar business.
4200 Dirksen Building

Finance
To resume hearings on the tax reduction proposals in the administration's program for economic recovery.
2221 Dirksen Building

MAY 20

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Finance
To continue hearings on the tax reduction proposals in the administration's program for economic recovery.
2221 Dirksen Building.

MAY 21

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

Environment and Public Works
Business meeting, to resume markup of proposed reconciliations of those programs which fall under the committee's legislative jurisdiction, and other pending calendar business.
4200 Dirksen Building

Finance
To continue hearings on the tax reduction proposals in the administration's program for economic recovery.
2221 Dirksen Building.

MAY 22

9:00 a.m.
Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings to review the special prosecutor provisions of the Ethics in Government Act.
3302 Dirksen Building.

JUNE 1

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on overall intelligence matters.
1223 Dirksen Building

JUNE 2

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building
Labor and Human Resources
Employment and Productivity Subcommittee
To hold oversight hearings on the implementation of the Farm Labor Contractor Registration Act, and to hold hearings on S. 922, clarifying the meaning of "migrant worker", and to insure the proper administration and enforcement of the Farm Labor Contractor Registration Act.
4232 Dirksen Building

JUNE 3

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on programs of the Central Intelligence Agency.
1223 Dirksen Building

9:30 a.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To continue oversight hearings on the implementation of the Farm Labor Contractor Registration Act, and to hold hearings on S. 922, clarifying the meaning of "migrant worker" and to insure the proper administration and enforcement of the Farm Labor Contractor Registration Act.
4232 Dirksen Building

JUNE 4

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on programs of the National Security Agency.
1223 Dirksen Building

JUNE 8

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on defense intelligence programs.
1223 Dirksen Building

JUNE 9

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of family planning programs.
5110 Dirksen Building

Labor and Human Resources
*Labor Subcommittee
To hold oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

JUNE 10

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on special programs of the Air Force.
1223 Dirksen Building

9:30 a.m.
Labor and Human Resources
*Labor Subcommittee
To continue oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

JUNE 11

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on command, control and communication programs and intelligence related activities of the Department of Defense.
1223 Dirksen Building

JUNE 16

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To resume hearings on efforts to consolidate elementary and secondary educational programs.
4232 Dirksen Building

JUNE 17

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To continue hearings on efforts to consolidate elementary and secondary educational programs.
4232 Dirksen Building

CANCELLATIONS

APRIL 29

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of the Economic Opportunity Act.
457 Russell Building

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To continue hearings to review certain educational programs.
6226 Dirksen Building

APRIL 30

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

SENATE—*Tuesday, April 28, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 8 p.m. and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Gracious Father in heaven, we are unspeakably grateful this evening that the President is strong enough to address the joint session of Congress. We pray that Thou wilt help him to be patient and not to overdo so that recovery will be complete. We pray that Thou wilt protect him from physical and emotional exhaustion and make him wise in his expenditure of time and energy.

Let Thy blessing rest upon the joint session. Lift our thoughts above the mundane and help us to see as Thou dost see. Deliver us from paltry and parochial interests. Inspire us with Thy vision for our Nation and enable us to fulfill the heavy duties of legislation in ways that will conform to the highest and best for all peoples.

Dear God, make Thy presence felt as we meet and Thy will be done on Earth as it is in heaven. Through Jesus Christ our Lord, we pray. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, April 27, 1981, be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR APPOINTMENT OF COMMITTEE TO ESCORT THE PRESIDENT

Mr. BAKER. Mr. President, the Senate has agreed to House Concurrent Resolution 116 providing for a joint session of the two Houses at 9 p.m. this evening to receive a message from the President of the United States. In preparation for that, I now ask unanimous consent that the Vice President be authorized to appoint a committee of Senators on the part of the Senate to join with a like committee on the part of the House of Representatives to escort the President of the United States into the House Chamber.

The PRESIDING OFFICER (Mr. MURKOWSKI). Without objection, it is so ordered.

VITIATION OF SPECIAL ORDERS FOR SENATORS ZORINSKY AND TSONGAS AND GRANTING OF SPECIAL ORDER FOR SENATOR THURMOND FOR TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that the special order for the Senator from Nebraska (Mr. ZORINSKY) for tomorrow morning be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I make the same request on behalf of the Senator from Massachusetts (Mr. TSONGAS).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I ask unanimous consent, as well, Mr. President, that the senior Senator from South Carolina, Senator THURMOND, be granted a special order not to exceed 15 minutes in length for tomorrow morning following the special order previously granted to the Senator from Alaska (Mr. MURKOWSKI).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, might I inquire if there is an order for the convening of the Senate on tomorrow?

The PRESIDING OFFICER. There is, at 8:45 a.m.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. BAKER. Mr. President, in view of these readjustments and rearrangements in the schedule of special orders for tomorrow, I ask unanimous consent that the Senate convene tomorrow morning at 9 o'clock instead of 8:45 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I trust that the official reporters will note that there was a unanimous cheer that went up from our colleagues at that request.

LEGISLATIVE PROGRAM

Mr. BAKER. Mr. President, I might take a brief moment to outline the program for the Senate, the legislative program, as I see it at the present time.

I might point out that following the disposition of the time allocated to the two leaders under the standing order on tomorrow, other housekeeping details that are ordinarily attended to at the beginning of a session, and the disposition of the special orders that have now been provided for, the Senate will go into executive session, pursuant to a unanimous-consent agreement heretofore entered, for the purpose of considering the Maritime Boundary Settlement Treaty with Canada, on which there is already a time limitation of 2 hours, to be equally divided and controlled respectively by the distinguished chairman of the Foreign Relations Committee, Mr. PERCY, and the distinguished Senator from Rhode Island, the ranking minority member, Mr. PELL.

Mr. President, it is the present intention of the leadership to proceed to the consideration of Calendar Order No. 45, S. 786, the so-called IDA replenishment, the sixth replenishment of IDA, if time permits, after the Senate has worked its will in connection with the disposition of the Maritime Boundary Settlement Treaty with Canada.

It is not anticipated that other matters, other than routine matters, will be disposed of on tomorrow, other than the matters that I have just identified.

On Thursday, Mr. President, it would be the hope of the leadership that we could proceed into executive session to consider the nomination of Thomas W. Pauken, of Texas, to be Director of ACTION.

Mr. President, I understand that certain Senators have expressed opposition to this nomination. It is not the intention of the leadership on this side to preclude whatever debate may be necessary prior to the disposition of this nomination.

However, I feel compelled to say that at some point it is my intention to proceed to the consideration of that nomination, and Thursday appears to be an appropriate time. So I would invite the attention of all Senators to the fact that it is likely that the leadership will ask consent to proceed and if there is an objection will move to proceed to the consideration of that item on the executive calendar.

Of course, all Members will recall that Thursdays are our potential late evenings. So it will be my intention to proceed with the consideration of Mr. Pauken for a reasonably long time, if there is some prospect that we can dispose of that nomination by doing so.

I, frankly, express the hope that by a good, serious debate of this nomination on Thursday, and perhaps into the evening Thursday, that it might be possible to avoid a session of the Senate on Friday. If we do dispose of the Pauken nomination, I would expect, absent other circumstances, to ask that the Senate stand in recess over until Monday next.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The view of the legislative situation for next week is not quite as clear. I will withhold a further statement on that until we have more information. It is expected that we will proceed to the consideration of the first concurrent budget resolution next week, as soon as that becomes available.

There are other matters that will no doubt be qualified for action next week and, as I stated previously, I will have a further announcement to make at that time. I intend to confer with the distinguished minority leader at the first opportunity, perhaps tomorrow, on these matters, but I thought that I would spread on the record my desires and aspirations in respect to the legislative calendar for the remainder of the week.

Mr. President, I have no further need for my time if any is remaining under the standing order. I am prepared to yield it back or to yield it to the distinguished acting minority leader if he has any need for additional time.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, before I do that, is there presently an order for a period for the transaction of routine morning business this evening?

The PRESIDING OFFICER. There is an order following the majority leader's recognition.

Mr. BAKER. I thank the Chair.

Mr. President, I inquire of the distinguished acting minority leader if he has any need for my time under the standing order. If he has, I will be glad to yield it to his control or to yield it back as he prefers.

Mr. MATSUNAGA. Mr. President, if the distinguished majority leader will yield, we have no request for time on this side.

Mr. BAKER. I thank the distinguished Senator.

Mr. President, in view of that statement, I yield back the remainder of my time if any remains under the standing order.

The PRESIDING OFFICER. Will the Senator from Tennessee allow an appointment to be made?

Mr. BAKER. I am happy to.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Executive Order No. 12169, dated October 26, 1979, appoints the Senator from Kansas (Mr. DOLE) to the U.S. Holocaust Memorial Council, in lieu of the Senator from Ohio (Mr. METZENBAUM).

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 10 minutes with statements therein limited to 2 minutes each.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by him.

MESSAGE ON INFLATION—MESSAGE FROM THE PRESIDENT—PM 47

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was ordered to lie on the table:

To the Congress of the United States:

Mr. Speaker, Mr. President, distinguished Members of the Congress, honored guests, and fellow citizens.

I have come to speak to you tonight about our economic recovery program and why I believe it is essential that the Congress approve this package which I believe will lift the crushing burden of inflation off of our citizens and restore the vitality to our industrial machine.

First, however, and due to events of the past few weeks, will you permit me to digress for a moment from the all-important subject of why we must bring Government spending under control and reduce tax rates. I would like to say a few words directly to all of you and to those who are watching and listening tonight.

This is the only way I know to express to you on behalf of Nancy and myself our appreciation for your messages, your flowers, and, most of all, your prayers—not only for me but for those others who fell beside me.

The warmth of your words, the expression of friendship and, yes, love, meant more to us than you can ever know. You have given us a memory we'll treasure forever. And you've provided the answer to those few voices that were raised saying that what happened was evidence that ours is a sick society.

The society we heard from is made up of millions of compassionate Americans and their children, from college age to kindergarten.

Sick societies don't produce men like the two who recently returned from outer space. Sick societies don't produce young men like Secret Service Agent Tim McCarthy who placed his body between mine and the man with the gun simply because he felt that's what his duty called for him to do.

Sick societies don't produce dedicated police officers like Tom Delahanty or able and devoted public servants like Jim Brady. Sick societies don't make people like us so proud to be Americans and so very proud of all of our citizens.

Now, let's talk about getting spending and inflation under control and cutting your tax rates.

Mr. Speaker and Senator Baker, I want to thank you for your cooperation in helping to arrange this Joint Session of the Congress. I won't be speaking to you very long tonight, but I asked for this meeting because the urgency of our joint mission has not changed.

Thanks to some very fine people, my health is much improved. I'd like to be able to say that with regard to the health of our economy. But the fundamental nature of our economic mess has not changed.

It has been half a year since the election that charged all of us in this Government with the task of restoring our economy. Where have we come in these 6 months?

Inflation, as measured by the Consumer Price Index, has continued at a double-digit rate.

Mortgage interest rates have averaged almost 15 percent for these 6 months, preventing families across America from buying homes.

There are still almost 8 million people unemployed.

The average worker's hourly earnings, after adjusting for inflation, are lower today than they were 6 months ago and there have been over 6,000 business failures.

Six months is long enough. The American people now want us to act, and not in half measures. They demand—and they have earned—a full and comprehensive effort to clean up our economic mess.

Because of the extent of our economy's sickness, we know that the cure will not come quickly, and that even with our package, progress will come in inches and feet, not miles. But to fail to act will delay even longer—and more painfully—the cure which must come.

That cure begins with the Federal budget. And the budgetary actions taken by the Congress over the next few days will determine how we respond to the message of last November 4.

That message was very simple. Our Government is too big and it spends too much.

For the last few months, you and I have enjoyed a relationship based on extraordinary cooperation. Because of this cooperation we have come a long distance in less than 3 months. I want to thank the leadership of the Congress for helping in setting a fair timetable for consideration of my recommendations. And committee chairmen on both sides of the aisle have called prompt and thorough hearings.

We have also communicated in a spirit of candor, openness, and mutual respect. Tonight, as our decision day nears, and as the House of Representatives weighs its alternatives, I wish to address you in that same spirit. The Senate Budget Committee, under the leadership of Chairman Pete Domenici, has just today voted out a budget resolution, supported by Republicans and Democrats alike,

that is in all major respects consistent with the program we have proposed. Now we look forward to favorable action on the Senate floor. But, an equally crucial test involves the House of Representatives.

The House will soon be choosing between two different measures to deal with the economy. One is the measure offered by the House Budget Committee. The other is a bipartisan measure—a substitute introduced by Congressman Phil Gramm of Texas and Del Latta of Ohio.

On behalf of the Administration, let me say we embrace and fully support that bipartisan substitute. It will achieve all the essential aims of controlling Government spending and reducing the tax burden, building a national defense second to none, and stimulating economic growth and creating millions of new jobs.

At the same time, however, I must state our opposition to the measure offered by the House Budget Committee.

It may appear that we have two alternatives. In reality, however, there are no more alternatives left. The Committee measure quite simply falls far too short of the essential actions that we must take. For example, in the next 3 years:

—The Committee measure projects spending $141 billion more than does the bipartisan substitute.

—It regrettably cuts over $14 billion in essential defense funding—funding required to restore America's national security.

—It adheres to the failed policy of trying to balance the budget on the taxpayer's back. It would increase tax payments by over a third—adding up to a staggering *quarter trillion dollars*. Federal taxes would increase 12 percent each year. Taxpayers would be paying a larger share of their income to Government in 1984 than at present.

—In short, the Committee measure reflects an echo of the past rather than a benchmark for the future. High taxes and excess spending growth created our present economic mess; more of the same will not cure the hardship, anxiety, and discouragement it has imposed on the American people.

Let us cut through the fog for a moment. The answer to a government that's too big is to stop feeding its growth. Government spending has been growing faster than the economy itself. The massive national debt which we accumulated is the result of the Government's rich spending diet. Well, it's time to change the diet and to change it in the right way.

I know the tax portion of our package is of concern to some of you. Let me make a few points I feel have been overlooked. First of all, it should be looked at as an integral part of the entire package, not something separate and apart from the budget reductions, the regulatory relief, and the monetary restraints.

Probably the most common misconception is that we are proposing to reduce Government revenues to less than what Government has been receiving. This is not true. Actually, the discussion has to do with how much a tax increase should be imposed on the taxpayer in 1982. A gigantic tax increase has been built into the system. We are proposing nothing more than a reduction of that increase.

The people have a right to know that even with our plan they will be paying more in taxes, but not as much more.

The option offered by the House Budget Committee will leave spending too high and tax rates too high. At the same time it cuts the defense budget too much. And, by attempting to reduce the deficit through higher taxes, it will not create the kind of strong economic growth and the new jobs we must have. Let us not overlook the fact that the small, independent business man or woman creates more than 80 percent of all the new jobs and employs more than half our work force. Our across-the-board cut in tax rates for a 3-year period will give them much of the incentive and promise of stability they need to go forward with expansion plans calling for additional employees.

Tonight I renew my call for us to work as a team—to join in cooperation so that we find answers which will begin to solve all our economic problems and not just some.

The economic recovery package that I have outlined to you over the past few weeks is, I deeply believe, the only answer we have left. Reducing the growth of spending, cutting marginal tax rates, providing relief from overregulation, and following a non-inflationary and predictable monetary policy are interwoven measures which will ensure that we have addressed each of the severe dislocations which threaten our economic future.

These policies will make our economy stronger, and the stronger economy will balance the budget—which we are committed to do by 1984.

When I took the oath of office, I pledged loyalty to only one special interest group—"We the People." Those people—neighbors and friends; shopkeepers and laborers; farmers and craftsmen—do not have infinite patience. Some 80 years ago, Teddy Roosevelt wrote these instructive words in his first message to the Congress: "The American people," he said, "are slow to wrath, but when their wrath is once kindled, it burns like a consuming flame."

Perhaps that kind of wrath will be deserved if our answer to these serious problems is to repeat the mistakes of the past. The old and comfortable way is to shave a little here and add a little there. Well, that's not acceptable any more. I think this great and historic Congress knows that that way is no longer acceptable.

The one sure way to continue the inflationary spiral is to fall back into the predictable patterns of old economic practices.

Isn't it time that we tried something new?

When you allowed me to speak to you here in these Chambers before, I told you I wanted this program for economic recovery to be ours—yours and mine. I think the bipartisan substitute bill has achieved that purpose. It moves us toward restored economic vitality.

Just two weeks ago, I joined millions of my fellow Americans in marveling at the magic historical moment that John Young and Bob Crippen created in their Space Shuttle Columbia.

The last manned effort was almost 6 years ago, and I remembered how, over the years, we had all come to expect technological precision of our men and machines. Each amazing achievement became commonplace, until the next new challenge was raised.

With the Space Shuttle, we tested our ingenuity once again—moving beyond the accomplishments of the past into the promise and uncertainty of the future. Thus, we not only planned to send up a 122-foot aircraft, 170 miles into space, but also intended to make it maneuverable and return it to Earth—landing 98 tons of exotic metals delicately on a remote dry lake bed.

The Space Shuttle did more than prove our technological abilities, it raised our expectations once more; it started us dreaming again. "The republic is a dream," wrote Carl Sandburg. "Nothing happens unless first a dream."

That's what makes us Americans different. We have always reached for a new spirit and aimed at a higher goal. We've been courageous and determined, unafraid and bold. Who among us wants to be first to say we no longer have those qualities? That we must limp along doing the same things that have brought us our present misery. I believe the people you and I represent are ready to chart a new course. They look to us to meet the great challenge—to reach beyond the commonplace and not fall short for lack of creativity or courage. Someone has said: He who would have nothing to do with thorns must never attempt to gather flowers.

We have much greatness before us. We can restore our economic strength and build opportunities like none we've ever had before.

As Carl Sandburg said, all we need to begin with is a dream that we can do better than before.

All we need to have is faith, and that dream will come true.

All we need to do is act, and the time for action is now.

Thank you and goodnight.

RONALD REAGAN.

THE WHITE HOUSE, *April 28, 1981.*

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Donald Allan Derman, of the District of Columbia, to be an Assistant Secretary of Transportation.

Sherman E. Unger, of Ohio, to be General Counsel of the Department of Commerce.

(The above nominations from the Committee on Commerce, Science, and Transportation were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GORTON (for himself, Mr. STEVENS, and Mr. KASTEN):

S. 1017. A bill to authorize appropriations for fiscal year 1982 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CHAFEE:

S. 1018. A bill to protect and conserve fish and wildlife resources, and for other purposes; to the Committee on Environment and Public Works.

By Mr. TOWER:

S. 1019. A bill to prohibit the use, possession, or delivery of drug paraphernalia for certain purposes, to provide severe penalties for delivery of drug paraphernalia to minors, to provide for the forfeiture of drug paraphernalia, and for other purposes; to the Committee on the Judiciary.

By Mr. ARMSTRONG:

S. 1020. A bill to amend the Constitution to require a balanced budget; to the Committee on the Judiciary.

By Mr. McCLURE (by request):

S. 1021. A bill to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1982 and fiscal year 1983, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LUGAR (for himself and Mr. GARN) (by request):

S. 1022. A bill to amend and extend the Federal laws relating to housing, community and economic development, and related programs, to provide an improved and expedited mortgage foreclosure procedure with respect to multifamily mortgages held by the Secretary of Housing and Urban Development pursuant to title II of the National Housing Act or section 312 of the Housing Act of 1964, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHAFEE:

S. 1018. A bill to protect and conserve fish and wildlife resources, and for other purposes; to the Committee on Environment and Public Works.

COASTAL BARRIER RESOURCES ACT

● Mr. CHAFEE. Mr. President, millions of Americans who have visited the undeveloped barrier beaches and islands along the Atlantic and gulf coasts have seen their unique natural treasures. The plentiful fish and wildlife and stunning natural beauty of these barriers are truly national resources which should be conserved for the use and enjoyment of future generations.

The Department of the Interior has estimated that there are presently about 1.5 million acres of barrier islands and beaches with a shoreline of 2,700 miles stretching from Maine to Mexico.

These areas are generally characterized as elongated, narrow landforms made of unconsolidated and shifting sands. They are dynamic beach systems of offshore bars, crashing surf, a sand beach, dune ridges just behind the beach, interior lowlands and bayside wetlands. Barrier islands and beaches are so named because they create a barrier to protect the mainland and its wildlife-rich associated aquatic systems—such as lagoons, marshes, estuarine systems—from the direct attack of ocean waves, storms, and hurricanes.

These landforms are among the most unstable on Earth. Beaches and dunes migrate as the shoreline currents, wind and waves undermine their stability. Storms can wipe out whole sections of beach and can just as easily close inlets as sediments are redeposited when the islands are overwashed. The sands of the beaches move, redistribute, and replenish regularly and, in fact, these beaches expand in the summer and contract in the winter.

Despite the highly unstable nature of these areas and their vulnerability to storms and hurricanes, they are being developed at an alarming rate of what some estimate to be 5,000 to 6,000 acres per year.

Federal, State, and local governments, and private organizations have recognized the importance of these areas for their high fish and wildlife values. The U.S. Fish and Wildlife Service has established 31 refuges on barrier lands and waters because they provide key habitat for fish, waterfowl, and other wildlife species. The Merritt Island Wildlife Refuge in Florida, for example, provides shelter for more endangered and threatened species than any other refuge outside Hawaii—including manatee, alligator, bald eagle, brown pelican, peregrine falcon, and several species of sea turtles. The Federal Government has also acquired many barriers as national seashores and national recreation areas.

Yet, these areas under Federal, State, local, and private protection represent a little less than one-half of the barrier beach length along the eastern seaboard and gulf coasts. About one-third has been altered by man from their natural state. Heavily impacted areas such as Galveston, Tex.; Miami Beach; Nags Head, N.C.; Ocean City, Md.; and the New Jersey coast are only a few examples of development on barriers. The remaining pieces of beach length—a little less than one-third—are still, for the most part, in their natural state.

Mr. President, I believe the Congress should make every effort to conserve these areas for two reasons. First, as I have mentioned earlier, these barriers provide essential habitat for fish and wildlife. Their beaches and associated aquatic systems are resting places for millions of migratory waterfowl, shorebirds, raptors, reptiles, amphibians, and small mammals. If we are to continue to have healthy wildlife populations in this country, we must protect the areas where they can find food, shelter, and a place to raise their young.

Second, it just does not make economic sense for the Federal Government to be in the business of subsidizing development in these fragile areas. Any coastal geologist will tell you that these barriers are highly unstable and highly susceptible to hurricanes and other storms of great force. Geologic processes are constantly eroding the physical composition of these areas, and man's efforts to stabilize the islands' movements to protect what he has built are almost hopeless—and, I might add, very costly.

We have only to look at the massive Federal effort to save the historic lighthouse on Cape Hatteras, N.C., from the forces of the sea and sand to realize the futility of trying to tame nature in these areas. Since 1966, the Federal Government has spent almost $3 million to prevent the lighthouse from falling into the sea. But today, beach erosion has brought waves to within 50 feet of the building. It could cost up to $66 million to save the lighthouse and even after these funds are expended, there will be no guarantee that the structure will be protected from beach erosion.

Besides their highly volatile nature, barrier islands and beaches are the first landforms to bear the brunt of hurricanes and winter storms. Billions of dollars—not to mention the number of lives—have been lost in major hurricanes along the eastern and southern coasts. We have only to look at the facts to recognize the impropriety of the Federal Government subsidizing the development of these areas through subsidies and financial assistance.

The exact outlays by the Federal Government on barrier islands and beaches are not precisely known. It has been estimated by the Department of the Interior, however, that nearly $500 million in Federal funds was spent for barrier island development between 1976 and 1978.

A glaring example of the Federal Government's archaic policy toward subsidizing construction on barrier areas is the national flood insurance program. Insurance policies in the so-called V-zones or velocity zones, which are the most hazardous areas on barrier areas, cost the U.S. taxpayers about $279 per policy, or about $14 million annually. That means the Federal Government is paying to insure homes and other build-

ings in highly volatile areas—areas that will eventually be hit by hurricanes and storms. When a storm hits and the homes are destroyed, the Federal Government will step in and rebuild them, only to have a storm destroy them again—and again. And what is Uncle Sam doing about this? Writing out check after check to cover the cost of reconstruction.

But, the flood insurance program is only the tip of the iceberg. When Hurricane Frederick slammed the Alabama coast 2 years ago, it caused $2.3 billion of damage. One area particularly hard hit was Dauphin Island. Aside from the great number of homes destroyed, the island's bridge to mainland was knocked out. The Department of Transportation has granted a $32 million nonmatching grant to the State of Alabama to reconstruct the bridge—at a cost of about $20,000 per resident. And that is only part of the cost. Figures are not yet available for the tax dollars contributed by Federal agencies to rebuild the island. The rebuilding goes on, despite the fact that Dauphin Island still lies in a hurricane track.

Other examples of wasteful Federal spending include a $65 million plan to replenish sand on Miami Beach and an estimated $26 million to do the same at Ocean City, Md., despite warnings of geologists that the sand will disappear again.

Mr. President, I can go on and on citing examples in which the Federal Government has spent millions of dollars to rebuild structures on barrier beaches and islands that have already been developed, but I think I have made my point.

If the Nation were enjoying better economic times, and there were a Federal surplus instead of a Federal deficit, I would be introducing legislation to acquire undeveloped barrier areas as national wildlife refuges. But, our current economic situation does not permit that kind of spending, so we must look at alternative methods to afford these undeveloped barrier lands some measure of protection from future degradation.

Today, I am introducing legislation that will prohibit the Federal Government from providing financial assistance for commercial and residential growth on undeveloped barriers. Such a policy can save the Federal taxpayers millions of dollars and can indirectly discourage man-induced alteration of these wildlife natural areas.

My bill would establish a coastal barrier resources system and deny new Federal expenditures on those undeveloped areas for almost every purpose, including the new construction of sewers and roads; new loans for home construction and economic development; new shoreline erosion and stabilization projects—except in cases where emergency assistance is required; and the sale of new Federal flood insurance policies for new construction or substantial improvements.

There are, however, exceptions to these prohibitions. Federal assistance for coastal water-dependent energy activities and exploration would be permitted, as well as the maintenance of existing channel improvements, and dredge and fill activities. Federal funds would also be available for air and water navigation aids and devices; fish and wildlife protection and enhancement programs; and national security activities.

Within 3 years, the Secretary would be required to report on those areas which are especially significant because of their high fish and wildlife values or because of the potential for habitat alterations by man. A final report on all the areas in the system would be due within 5 years.

The reports will include an inventory of the fish and wildlife resources within the barrier system and recommendations for the conservation of those natural resources. Different management alternatives, including State and local initiatives and acquisition for the areas, shall be considered. The report shall also include recommendations on whether the funding prohibitions in the act should be deleted, modified, or expanded.

It is important to note that the Secretary of the Interior must prepare the reports in consultation with the Governors of the affected States and political subdivisions, and the general public will also be given the full opportunity to comment.

Mr. President, in no way is this legislation a Federal "land grab." Although, the bill requires that acquisition be considered by the Secretary in his report as a tool for conservation of these areas, not a penny is authorized for acquisition.

Nor is this legislation a Federal land-use planning scheme. It will not require one written regulation telling private landowners what they can or cannot do within the areas of proposed barrier beach and island system. It does not prohibit any kind of activity. Rather, it forces the Federal Government to get out of the business of assisting and subsidizing the cost of residential and commercial growth in these fragile areas. Those who own or live in the barrier system have the option to build and develop as they wish—but at their own financial risk—not at the financial risk of the U.S. taxpayers.

The bill does not cut off Federal flood insurance policies to those who already have policies in effect or who have built structures they wish to insure. For new construction or substantial improvement, however, the builder must go to the private market to obtain all forms of insurance.

Finally, the bill does not alter the authority of the Federal Government to issue permits, such as section 404 or section 10 dredge and fill permits. For these permits to be issued, an environmental assessment must be conducted which takes into account the impact of dredge and fill activities on these barrier ecosystems. During our hearings on this legislation, however, we will ask if environmental quality of the barrier areas is being protected through the permit process.

Mr. President, the legislation authorizes $1 million a year over 5 years for the Secretary to prepare his final report. This cost is negligible when compared with the hundreds of millions of dollars the Federal Government will save by prohibiting funds from going to these areas. As I mentioned earlier, it was estimated that the Federal Government spent $500 million on barrier islands between 1976 and 1978. If this is any indication of the amount of money we will be spending in these undeveloped areas in the future, this legislation will pay for itself many times over.

In conclusion, I would like to quote President Teddy Roosevelt, who in 1908, spoke these words which will still ring true:

> The prosperity of our people depends on the energy and intelligence with which our natural resources are used. It is equally clear that these resources are the final basis of national power and perpetuity.●

By Mr. TOWER:

S. 1019. A bill to prohibit the use, possession, or delivery of drug paraphernalia for certain purposes, to provide severe penalties for delivery of drug paraphernalia to minors, to provide for the forfeiture of drug paraphernalia, and for other purposes; to the Committee on the Judiciary.

DRUG PARAPHERNALIA PROHIBITIONS ACT OF 1981

● Mr. TOWER. Mr. President, today I am introducing the Drug Paraphernalia Prohibitions Act of 1981.

The drug paraphernalia industry is a multimillion dollar big business that facilitates and glamorizes drug use. It preys upon the drug fantasies, real and imagined, of our youth.

The paraphernalia industry is one which panders to youth, one which sends messages to them that run counter to everything else that we have taught them about drugs. The unrestricted, blatant sale of all types of drug paraphernalia is confusing to our youth. They must contend with the paradox that the devices to administer the controlled substances are legal, but the controlled substances themselves are not.

By its very existence, the paraphernalia industry, by selling a variety of implements designed for use with controlled substances, is condoning—even advocating—the use of illegal controlled substances which have been deemed by the Department of Health and Human Services to be harmful to the user.

Early State laws aimed at controlling drug paraphernalia were very ineffective. They dealt with the problem on a piecemeal basis, and were so vaguely worded they could not withstand constant attack. In contrast, this bill which I introduce today is both clear and comprehensive. It is based in principal part on the Maryland statute whose constitutionality has been upheld by U.S. District Court for the District of Maryland. It contains a detailed definition of "drug paraphernalia," including descriptions of the most common forms, and even lists the kinds of evidence a court should consider to determine if an object is paraphernalia.

This bill makes the possession of paraphernalia, when accompanied by an in-

tent to use it with illicit drugs, a crime. Manufacturing and delivering paraphernalia under circumstances which clearly indicate it will be used with illicit drugs is also made a crime. The delivery of paraphernalia to a child by an adult is made a special offense.

Innocent citizens with no intent to violate the drug laws have nothing to fear from this bill; but drug devotees and merchants with guilty knowledge will be penalized. There are between 15,000–30,000 head shops nationwide, in addition to the many stores selling paraphernalia as a part of its stock, and the myriad of tables and booths we see set up on our city streets. Paraphernalia dealers will be especially hard hit. For years, they have studied the statutes, determined to violate the spirit, if not the letter, of this country's drug laws. They have dared perilously close to the line separating legal from illegal conduct just to fill their pockets with extra dollars. For these merchants, this bill provides for the seizure and condemnation of their inventories. The civil forfeiture of drug paraphernalia will, by itself, have a major impact on this parasitic industry.

If we are serious about the availability of illegal drugs, then our efforts should not simply remain with the drug producing countries overseas or focused on the illegal drug distributors of the product itself. We must also recognize the need for preventive education. Furthermore, we must control devices designed primarily for use with illegal drugs. We need to reinforce the message that the drug paraphernalia industry should be controlled.

This industry cannot be allowed to continue to thrive, to flourish, and to fan the fire of the growing drug abuse problem. The need for restriction on the availability of the merchandise is clear.

I urge my colleagues to join with me in this effort to curb the problem, and ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1019

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Drug Paraphernalia Prohibitions Act of 1981".

STATEMENT OF FINDINGS

SEC. 2. The Congress finds and declares that:

(1) The illegal manufacture, possession, and distribution and improper use of drug paraphernalia have a substantial and detrimental effect on the health and general welfare of the American people.

(2) A major portion of the traffic in drug paraphernalia flows through interstate and foreign commerce. Incidents of the traffic which are not an integral part of the interstate or foreign flow, such as manufacture, local distribution, and possession, nonetheless have a substantial and direct effect upon interstate commerce because—

(A) after manufacture, much drug paraphernalia is transported in interstate commerce,

(B) drug paraphernalia distributed locally usually has been transported in interstate commerce immediately before its distribution, and

(C) drug paraphernalia commonly flows through interstate commerce immediately prior to possession by an individual.

(3) Local distribution and possession of drug paraphernalia contribute to swelling the interstate traffic in such paraphernalia.

(4) Drug paraphernalia distributed intrastate cannot be differentiated from drug paraphernalia distributed interstate. Thus, it is not feasible to distinguish, in terms of controls, between drug paraphernalia manufactured and distributed interstate and drug paraphernalia manufactured and distributed intrastate.

(5) Federal control of the interstate incidents of the traffic in drug paraphernalia is essential to the effective control of the interstate incidents of such traffic.

DEFINITIONS

SEC. 3. (a) As used in this Act—

(1) the term "drug paraphernalia" means any equipment, product, or material of any kind which is used, intended for use, or designed for use, in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance in violation of this Act. Such term includes—

(A) any kit used, intended for use, or designed for use in planting, propagating, cultivating, growing, or harvesting of any species of plant which is a controlled substance or from which a controlled substance can be derived;

(B) any kit used, intended for use, or designed for use in manufacturing, compounding, converting, producing, processing, or preparing a controlled substance;

(C) any isomerization device used, intended for use, or designed for use in increasing the potency of any species of plant which is a controlled substance;

(D) any testing equipment used, intended for use, or designed for use in identifying, or analyzing the strength, effectiveness, or purity of a controlled substance;

(E) any scale or balance used, intended for use, or designed for use in weighing or measuring a controlled substance;

(F) any diluent or adulterant, such as quinine, hydrochloride, mannitol, mannite, dextrose and lactose, used, intended for use, or designed for use in cutting a controlled substance;

(G) any separation gin or sifter used, intended for use, or designed for use in removing twigs and seeds from, or in otherwise cleaning or refining, marihuana;

(H) any blender, bowl, container, spoon, or mixing device used, intended for use, or designed for use in compounding a controlled substance;

(I) any capsule, balloon, envelope, or other container used, intended for use, or designed for use in packaging small quantities of a controlled substance;

(J) any container or other object used, intended for use, or designed for use in storing or concealing a controlled substance;

(K) any hypodermic syringe, needle, or other object used, intended for use, or designed for use in parenterally injecting a controlled substance into the human body;

(L) any object used, intended for use, or designed for use in ingesting, inhaling, or otherwise introducing marihuana, cocaine, hashish, or hashish oil into the human body, such as—

(i) a metal, wood, acrylic, glass, stone, plastic, or ceramic pipe with or without a screen, permanent screen, hashish head, or a punctured metal bowl;

(ii) a water pipe;

(iii) a carburetion tube or device;

(iv) a smoking or carburetion mask;

(v) an object used to hold burning material, such as a marihuana cigarette, that has become too small or too short to be held in the hand, such as a roach clip;

(vi) a miniature cocaine spoon or a cocaine vial;

(vii) a chamber pipe;

(viii) a carburetor pipe;

(ix) an electric pipe;

(x) an air-driven pipe;

(xi) a chillum;

(xii) a bong; or

(xiii) an ice pipe or chiller; and

(2) the term "controlled substance" has the same meaning as in section 102(6) of the Controlled Substances Act.

(b) In determining whether an object is drug paraphernalia under subsection (a)(1), the Attorney General, a court, or other authority shall consider, in addition to all other logically relevant factors, the following:

(1) statements by an owner or by anyone in control of the object concerning its use;

(2) prior convictions, if any, of an owner, or of anyone in control of the object, under any State or Federal law relating to any controlled substances;

(3) the proximity of the object, in time and space, to a direct violation of this Act or to a controlled substance;

(4) the existence of any residue of a controlled substance on the object;

(5) direct or circumstantial evidence of the intent of an owner of the object, or a person in control of the object, to deliver the object to any person who the owner or person in control of the object knows, or should reasonably know, intends to use the object to facilitate a violation of this Act;

(6) any oral or written instructions provided with the object concerning its use;

(7) any descriptive materials accompanying the object which explain or depict its use;

(8) any national or local advertising concerning the use of the object;

(9) the manner in which the object is displayed for sale;

(10) whether the owner, or anyone in control of the object, is a legitimate supplier of like or related items to the community, such as a licensed distributor or dealer of tobacco products;

(11) any direct or circumstantial evidence of the ratio of sales of the object to the total sales of the business enterprise;

(12) the existence and scope of legitimate uses for the object in the community; and

(13) any expert testimony concerning the use of the object.

(c) If the Attorney General, a court, or other authority finds that the owner or a person in control of an object has not violated the provisions of this Act, the court or other authority is not precluded from considering the intent of the owner or person under subsection (b)(5) in order to determine whether the object is intended for use as drug paraphernalia.

PROHIBITED ACTS

SEC. 4. (a) It shall be unlawful knowingly to use, or to possess with intent to use, drug paraphernalia to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain or conceal a controlled substance. Any person who violates this subsection is guilty of a misdemeanor and shall be fined not more than $500. Any person who violates this subsection after one or more prior convictions under this subsection or subsection (b) or (c) shall be sentenced to a term of imprisonment of not more than 2 years, or a fine of not more than $2,000, or both.

(b) It shall be unlawful to deliver or sell, possess with intent to deliver or sell, or

manufacture with intent to deliver or sell drug paraphernalia, knowing, or under circumstances where one reasonably should know, that such drug paraphernalia will be used to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body a controlled substance. Except as provided in subsection (c), any person who violates this subsection is guilty of a misdemeanor and shall be fined not more than $500. Any person who violates this subsection after one or more convictions under this subsection or subsection (a) or (c) shall be sentenced to a term of imprisonment of not more than 2 years, fined not more than $2,000, or both.

(c) Any person 18 years of age or over who violates subsection (b) by delivering drug paraphernalia to a person under 18 years of age who is at least 3 years his junior is guilty of a felony and shall be sentenced to a term of imprisonment of not more than 8 years, fined not more than $15,000, or both.

FORFEITURE OF DRUG PARAPHERNALIA

SEC. 5. (a) The following shall be subject to forfeiture to the United States and no property right shall exist in them:

(1) all drug paraphernalia of any kind which are used, or intended for use, in manufacturing, compounding, processing, delivering, importing, or exporting any controlled substance in violation of the provisions of this Act;

(2) all property which is used, or intended for use, as a container for property described in clause (1);

(3) all conveyances including aircraft, vehicles or vessels, which are used, or intended for use, to transport, or in any manner to facilitate the transportation, sale, receipt, possession, or concealment of drug paraphernalia described in clause (1), except that—

(A) no conveyance used by any person as a common carrier or vehicle for hire in the transaction of business as a common carrier or vehicle for hire shall be seized or forfeited under this section unless it appears that the owner or other person in charge of the conveyance was a consenting party or privy to a violation of this Act; and

(B) no conveyance shall be forfeited under the provisions of this section by reason of any act or omission established by the owner thereof to have been committed or omitted by any person other than such owner while such conveyance was unlawfully in the possession of a person other than the owner in violation of the criminal laws of the United States, or of any State;

(4) all books, records, and research, including formulas, microfilm, tapes, and data which are used, or intended for use, in violation of this Act; and

(5) all money or currency which shall be found in close proximity to controlled substances or drug paraphernalia or which otherwise has been used or intended for use in connection with the illegal manufacture, distribution, dispensing, or possession of controlled substances or drug paraphernalia.

(b) Any property subject to forfeiture to the United States under this Act may be seized by the Attorney General upon process issued pursuant to the Supplemental Rules for Certain Admiralty and Martime Claims by any district court of the United States having jurisdiction over the property, except that seizure without such process may be made when—

(1) the seizure is incident to an arrest or a search under a search warrant or an inspection under an administrative inspection warrant;

(2) the property subject to seizure has been the subject of a prior judgment in favor of the United States in a criminal injunction or forfeiture proceeding under this subchapter;

(3) the Attorney General has probable cause to believe that the property is directly or indirectly dangerous to health or safety; or

(4) the Attorney General has probable cause to believe that the property has been used or is intended to be used in violation of this Act.

In the event of seizure pursuant to paragraph (3) or (4) of this subsection, proceedings under subsection (d) of this section shall be instituted promptly.

(c) Property taken or detained under this section shall not be repleviable, but shall be deemed to be in the custody of the Attorney General, subject only to the orders and decrees of the court or the official having jurisdiction thereof. Whenever property is seized under the provisions of this Act, the Attorney General may—

(1) place the property under seal;

(2) remove the property to a place designated by him; or

(3) require that the Administrator of General Services take custody of the property and remove it to an appropriate location for disposition in accordance with law.

(d) All provisions of law relating to the seizure, summary and judicial forfeiture, and condemnation of property for violation of the customs laws; the disposition of such property or the proceeds from the sale thereof; the remission or mitigation of such forfeitures; and the compromise of claims and the award of compensation to informers in respect of such forfeitures shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this Act, insofar as applicable and not inconsistent with the provisions hereof; except that such duties as are imposed upon the customs officer or any other person with respect to the seizure and forfeiture of property under the customs laws shall be performed with respect to seizures and forfeitures of property under this Act by such officers, agents, or other persons as may be authorized or designated for that purpose by the Attorney General, except to the extent that such duties arise from seizures and forfeitures effected by any customs officer.

(e) Whenever property is forfeited under this Act the Attorney General may—

(1) retain the property for official use;

(2) sell any forfeited property which is not required to be destroyed by law and which is not harmful to the public, but the proceeds from any such sale shall be used to pay all proper expenses of the proceedings for forfeiture and sale including expenses of seizure, maintenance of custody, advertising and court costs;

(3) require that the Administrator of General Services take custody of the property and remove it for disposition in accordance with law; or

(4) forward it to the Bureau of Narcotics and Dangerous Drugs for disposition (including delivery for medical or scientific use to any Federal or State agency under regulations of the Attorney General).●

By Mr. ARMSTRONG:

S. 1020. A bill to amend the Constitution to require a balanced budget; to the Committee on the Judiciary.

CONSTITUTIONAL AMENDMENT FOR A BALANCED BUDGET

● Mr. ARMSTRONG. Mr. President, 200 years ago a balanced Federal budget was the presumption and general agreement of our Founding Fathers. It was an unwritten doctrine that the Government should not and would not spend more than it collected in revenues.

In recent decades this doctrine has changed. Where temporary deficits once were used in emergency situations, they are now commonplace. In 8 years the debt ceiling has been increased 20 times, and each time the same tired arguments have been trotted out to justify doing something which in our hearts we knew was not good for the future of this country. Clearly, it is time that we renew the unwritten doctrine of our forefathers and establish a constitutional constraint on the budget.

Today I am introducing in the Senate a proposal which was suggested by the distinguished Representative JOHN ROUSSELOT. This legislation addresses the issue of balancing the Federal budget along with reducing taxes to offset the effects of inflation.

In particular, this amendment:

Requires a balanced Federal budget except when the Nation is at war or when the amendment is suspended by a three-fifths vote in both Houses and signed by the President, or, if not signed by the President, a vote of two-thirds of both Houses.

Reduces the rates of taxes, duties, imports, and excises to offset the effects of inflation.

Establishes a procedure whereby any bill or joint resolution having the effect of increasing taxes must be approved by a three-fifths vote of both Houses and signed by the President, or, if not signed by the President, a two-thirds vote in both Houses.

Requires a majority vote in both Houses and the President's signature to reduce taxes, or, failing the President's signature, a two-thirds vote in both Houses.

By requiring a supermajority of both Houses it is harder to raise taxes and unbalance the budget. Tax rate reductions are encouraged by needing the approval of only a simple majority to be enacted, and the effects of inflation on taxes are overcome by requiring Congress to reduce the tax rates.

The time has indeed come to recognize the necessity of a balanced budget. We can no longer yield to an increasing national debt. No better example can be given than that of the 30 States that have now joined in support of a constitutional convention to draft a balanced budget amendment. The legislation I am offering today is an idea worthy of consideration, and I compliment my good friend JOHN ROUSSELOT for this legislative inspiration. I agree with him that it is important that Congress act to more firmly establish the unwritten budget discipline of our forefathers as a constitutional amendment.●

By Mr. McCLURE (by request):

S. 1021. A bill to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1982 and fiscal year 1983, and for other purposes; to the Committee on Energy and Natural Resources.

DEPARTMENT OF ENERGY CIVILIAN PROGRAMS AUTHORIZATION ACT, FISCAL YEARS 1982 AND 1983

● Mr. McCLURE. Mr. President, today I am introducing by request legislation which will authorize appropriations to

the Department of Energy for civilian programs for fiscal years 1982 and 1983 in accordance with section 660 of the Department of Energy Organization Act (Public Law 95-91).

I ask unanimous consent that the text of the bill as well as the letter of transmittal and a section-by-section analysis be reprinted in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1021

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Energy Civilian Programs Authorization Act for Fiscal Years 1982 and 1983."

TITLE I—RESEARCH AND DEVELOPMENT

SEC. 101. Funds are authorized to be appropriated for fiscal year 1982 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following energy programs:

(A) Fossil Energy Coal, $358,960,000;

(B) Fossil Energy Oil, $41,670,000;

(C) Fossil Energy Enhanced Gas Recovery, $10,460,000;

(D) Conservation Research and Development, $75,932,000;

(E) Solar Energy Research and Development, $172,350,000;

(F) Nuclear Fission, $937,948,000;

(G) Magnetic Fusion, $310,700,000;

(H) Geothermal Energy, $43,636,000;

(I) Electric Energy Systems, $9,500,000;

(J) Energy Storage Systems, $37,900,000;

(K) Supporting Research and Technical Analysis, $272,411,000;

(L) Life Sciences Research and Nuclear Medicine Applications, $48,300,000;

(M) High Energy Physics, $290,400,000;

(N) Nuclear Physics, $99,100,000;

(O) High Energy and Nuclear Physics Program Administration, $1,360,000;

(P) Uranium Enrichment Process Development, $93,075,000;

(Q) Uranium Enrichment Advanced Isotope Separation Technology, $80,292,000; and

(R) Environmental Research and Development, $213,100,000.

SEC. 102. Funds are authorized to be appropriated for fiscal year 1982 in accordance with section 660 of the Department of Energy Organization Act for capital equipment expenses not related to construction for the following programs:

(A) Fossil, $6,250,000;

(B) Conservation Research and Development, $1,003,000;

(C) Solar Energy Research and Development, $10,250,000;

(D) Nuclear Fission, $44,343,000;

(E) Magnetic Fusion, $42,000,000;

(F) Geothermal Energy, $863,000;

(G) Electric Energy Systems, $400,000;

(H) Energy Storage Systems, $1,100,000;

(I) Supporting Research and Technical Analysis, $16,900,000;

(J) Life Sciences and Nuclear Medicine Applications, $2,200,000;

(K) High Energy Physics, $41,700,000;

(L) Nuclear Physics, $10,500,000;

(M) Uranium Enrichment Process Development, $4,100,000;

(N) Uranium Enrichment Advanced Isotope Separation Technology, $5,500,000; and

(O) Environmental Research and Development, $13,700,000.

SEC. 103. Funds are authorized to be appropriated for fiscal year 1982 in accordance with section 660 of the Department of Energy Organization Act for supply research and development plant and capital equipment including planning, construction, acquisition, or modification of facilities, including land acquisition, for the following energy programs:

(A) Fossil Energy

(1) Project 82-F-506, Surface Water Containment and Waste Water Treatment Facility, Pittsburgh Energy Technology Center, Bruceton, Pa., $1,000,000;

(2) Project 82-F-505, General plant projects for technology centers, six locations, $6,000,000; and

(3) Project 80-FE-11, Pressurized Fluidized Bed Combined Cycle Pilot Plant, Wood Ridge, New Jersey, an additional sum of $11,000,000 for a total project authorization of $40,700,000.

(B) Nuclear Fission

(1) Project 82-N-315, General plant projects, Richland, Washington and other sites, $1,100,000;

(2) Project 78-6-c, Safety research experiment facilities, Argonne National Laboratory-West, Idaho National Engineering Laboratory, Idaho, an additional sum of $8,000,000 for a total project authorization of $34,200,000;

(3) Project 78-6-e, Energy Technology Engineering Center facility modification, Energy Technology Engineering Center, Santa Susana, California, an additional sum of $4,900,000 for a total project authorization of $22,800,000;

(4) Project 78-6-f, Fuels and Materials Examination Facility, Richland, Washington, an additional sum of $24,200,000 for a total project authorization of $159,400,000;

(5) Project 82-N-310, Modification to reactors, various locations, $2,000,000; and

(6) Project 82-6-312, General plant projects, $11,000,000.

(C) Magnetic Fusion.

(1) Project 80-MF-4, Large Coil Test Facility, Oak Ridge National Laboratory, Oak Ridge, Tennessee, an additional sum of $3,000,000 for a total project authorization of $22,950,000;

(2) Project 76-5-a, Tokamak Fusion Test Reactor, Princeton Plasma Physics Laboratory, Plainsboro, New Jersey, an additional sum of $40,100,000 for a total project authorization of $313,600,000;

(3) Project 78-3-a, Mirror Fusion Test Facility—B, Lawrence Livermore Laboratory, Livermore, California, an additional sum of $41,500,000 for a total project authorization of $148,700,000;

(4) Project 80-MF-3, Elmo Bumpy Torus, proof-of-principle, Oak Ridge, Tennessee, an additional sum of $14,000,000 for a total project authorization of $21,400,000; and

(5) Project GPP-82, General plant projects, two locations, $5,700,000.

(D) Geothermal Energy.

(1) Project 80-G-1, Geothermal Demonstration Power Plant Project, Valles Caldera, New Mexico, an additional sum of $3,875,000 for a total project authorization of $54,216,000.

(E) Supporting Research and Technical Analysis.

(1) Project 82-E-322, High Temperature Materials Laboratory, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $3,500,000;

(2) Project 82-E-321, Accelerator Improvements and Modifications, various locations, $300,000;

(3) Project 82-E-320, General plant projects, various locations, $300,000;

(4) Project 80-ES-11, Idaho Laboratory Facility, Idaho National Engineering Laboratory, Idaho, an additional sum of $5,000,000 for a total project authorization of $11,000,000;

(5) Project 81-E-309, Rehabilitation of general purpose physical plant—Phase I, Argonne National Laboratory, Argonne, Illinois, an additional sum of $4,000,000 for a total project authorization of $5,400,000;

(6) Project 81-E-310, Transmission and distribution systems upgrading, Hanford Engineering Development Laboratory, Richland, Washington, an additional sum of $5,050,000 for a total project authorization of $6,050,000;

(7) Project 81-E-317, INEL roof replacement, Idaho National Engineering Laboratory, Idaho, an additional sum of $1,000,000 for a total project authorization of $4,300,000;

(8) Project 81-E-318, Upgrade primary substation, Oak Ridge National Laboratory, Tennessee, an additional sum of $2,800,000 for a total project authorization of $3,500,000;

(9) Project 81-E-321, Site utilities project, Lawrence, Livermore National Laboratory, California, an additional sum of $5,550,000 for a total project authorization of $6,250,000;

(10) Project 81-E-323, Fire safety improvements, Argonne National Laboratory, Argonne, Illinois, an additional sum of $1,800,000 for a total project authorization of $2,500,000;

(11) Project 81-E-324, Fire safety and protection improvements, Idaho National Engineering Laboratory, Idaho, an additional sum of $1,000,000 for a total project authorization of $4,400,000;

(12) Project 81-E-325, Energy Technology Laboratory, Sandia National Laboratories, Albuquerque, New Mexico, an additional sum of $5,500,000 for a total project authorization of $6,500,000;

(13) Project 82-E-301, 300 area critical utilities upgrading, Richland, Washington, $1,000,000;

(14) Project 82-E-302, Security Facility, Argonne National Laboratory, Argonne, Illinois, $1,500,000;

(15) Project 82-E-305, Traffic safety improvements, Richland, Washington, $3,800,000; and

(16) Project 82-E-306, Railroad modifications, Idaho National Engineering Laboratory, Idaho, $2,000,000.

(F) High Energy Physics

(1) Project 78-10-b, Intersecting Storage Accelerator, ISABELLE (400 x 400) GeV, Brookhaven National Laboratory, Upton, New York, an additional sum of $21,000,000 for a total project authorization of $125,000,000;

(2) Project 81-E-218, Tevatron I, Fermi National Accelerator Laboratory, Batavia, Illinois, an additional sum of $18,000,000 for a total project authorization of $20,000,000;

(3) Project 82-E-206, Tevatron II, Fermi National Accelerator Laboratory, Batavia, Illinois, $6,000,000;

(4) Project 79-9-b, Energy Saver, Fermi National Accelerator Laboratory, Batavia, Illinois, an additional sum of $2,600,000 for a total project authorization of $46,900,000;

(5) Project 82-E-205, Accelerator improvements and modifications, various locations, $7,000,000; and

(6) Project 82-E-204, General plant projects, various locations $6,000,000.

(G) Nuclear Physics

(1) Project 82-E-223, Argonne Tandem-Linac Accelerator System (ATLAS), Argonne National Laboratory, Argonne, Illinois, $4,000,000;

(2) Project 80-GS-5, National Superconducting Cyclotron Laboratory, Michigan State University, East Lansing, Michigan, an additional sum of $4,500,000 for a total project authorization of $16,400,000;

(3) Project 82-E-221, Accelerator improvements and modifications, various locations, $2,000,000; and

(4) Project 82-E-222, General plant projects, various locations, $2,800,000.

(H) Uranium Enrichment Process Development

(1) Project 82-R-418, Advanced Centrifuge Test Facilities, Oak Ridge, Tennessee, $6,000,000.

(I) Uranium Enrichment Advanced Isotope Separation Technology

(1) Project 82-N-402, General plant projects, various locations $650,000.

(J) Environmental Research and Development

(1) Project 82-GPP-1, General plant projects, $3,000,000; and

(2) Project 82-V-305, Modifications and additions to biomedical and environmental research facilities, various locations, $1,000,000.

TITLE II—CONSERVATION COMMERCIALIZATION, AND RELATED ACTIVITIES

SEC. 201. Funds are authorized to be appropriated for fiscal year 1982 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following conservation, commercialization, and related activities programs:

(A) Renewable Resources

(1) Solar Information Systems, $6,700,000.

(B) Conservation Activities

(1) Buildings and Community Systems, $1,000,000;

(2) Transportation, $1,000,000; and

(3) State and Local, $106,965,000.

TITLE III—REGULATORY AND RELATED FUNCTIONS

SEC. 301. Funds are authorized to be appropriated for fiscal year 1982 in accordance with section 660 of the Department of Energy Organization Act for the following regulatory and related functions:

(A) Economic Regulatory Administration, $24,000,000;

(B) Office of Hearings and Appeals, $4,500,000;

(C) Federal Energy Regulatory Commission, $82,173,000;

(D) Energy Information Administration, $56,523,000; and

(E) Strategic Petroleum Reserve, $3,883,408,000.

TITLE IV—POWER MARKETING AND FEDERAL LEASING

SEC. 401. Funds are authorized to be appropriated for fiscal year 1982 in accordance with Section 660 of the Department of Energy Organization Act for expenses for the following power marketing programs:

(A) Alaska Power Administration, including expenses for engineering and economic investigation to promote the development and utilization of the water, power, and related resources of Alaska, $3,538,000;

(B) Southeastern Power Administration, including continuing fund, $7,237,000;

(C) Southwestern Power Administration, including continuing fund, $21,569,000;

(D) Western Area Power Administration, for construction, rehabilitation, operation, and maintenance of electric power transmission facilities, and power marketing activities, $210,774,000, of which $138,374,000 shall be derived from the Department of Interior Reclamation Fund and $680,000 shall be derived from the Colorado River Dam Fund; and

(E) Western Area Power Administration, for the emergency fund established pursuant to the Act of June 26, 1948 (42 U.S.C. § 502), to assure continuous operations during unusual or emergency conditions, $500,000, all of which shall be derived from the Department of Interior Reclamation Fund.

SEC. 402. Funds are authorized to be appropriated for fiscal year 1982 in accordance with section 660 of the Department of Energy Organization Act for expenses for the following fuel data gathering and analysis programs:

(A) Mineral Fuels and Petroleum and Natural Gas Data, $23,477,000.

TITLE V—NUCLEAR ASSESSMENT, INTERIM SPENT NUCLEAR FUEL MANAGEMENT, AND COMMERCIAL WASTE REMEDIAL ACTION

SEC. 501. Funds are authorized to be appropriated for fiscal year 1982 in accordance with section 660 of the Department of Energy Organization Act for:

(A) Operating expenses for uranium resource assessment, $9,700,000;

(B) Capital equipment not related to construction for uranium resource assessment, $200,000;

(C) Plant and capital equipment including planning, construction, acquisition, or modification of facilities, including land acquisition for the following uranium resource assessment program:

(1) Project 82-R-410, General plant projects, Grand Juncton, Colorado, $100,000;

(D) Operating expenses for interim spent nuclear fuel management and remedial action:

(1) Interim spent nuclear fuel management expenses, $6,417,000; and

(2) Remedial action program expenses, $55,070,000; and

(E) Capital equipment not related to construction for interim spent nuclear fuel management and remedial action, $1,775,000.

TITLE VI—OTHER RENEWABLE RESOURCES AND CONSERVATION ACTIVITIES

SEC. 601. Funds are authorized to be appropriated for fiscal year 1982 in accordance with section 660 of the Department of Energy Organization Act for the following fossil energy, solar energy, and conservation programs:

(A) Operating expenses for fossil energy program administration, $2,500,000;

(B) Operating expenses for International Applications of Solar Technology, $4,000,000;

(C) Operating expenses for conservation activities, Buildings and Community Systems, $9,000,000; and

(D) Capital equipment not related to construction for conservation activities, Buildings and Community Systems, $100,000.

TITLE VII—URANIUM ENRICHMENT, OTHER COMMERCIAL WASTE MANAGEMENT ACTIVITIES, WEST VALLEY DEMONSTRATION PROJECT ACTIVITIES, AND THREE MILE ISLAND ACTIVITIES

SEC. 701. Funds are authorized to be appropriated for fiscal year 1982 in accordance with section 660 of the Department of Energy Organization Act for:

(A) Operating expenses for uranium enrichment:

(1) Gaseous Diffusion Operations and Support, $961,825,000;

(2) Gas Centrifuge Operations and Support, $5,200,000; and

(3) Program Administration, $3,100,000.

(B) Uranium enrichment activities plant and capital equipment, including planning, construction, acquisition, or modification of facilities, including land acquisition, as follows:

(1) Project 82-R-410, General plant projects, varous locations, $17,500,00;

(2) Project 82-R-411, UF_6 cylinders and storage yards, gaseous diffusion plants, $11,000,000;

(3) Project 82-R-412, Cooling tower modifications, Oak Ridge, Tennessee and Portsmouth, Ohio, gaseous diffusion plants, $8,000,000;

(4) Project 82-R-413, Improved UF_6 containment and gaseous diffusion plants, $7,100.000:

(5) Project 82-R-414, Purge and cascade withdrawal modification, gaseous diffusion plant, Paducah, Kentucky, $9,000,000;

(6) Project 82-R-415, Fire alarm system replacement, gaseous diffusion plants, $4,700,000;

(7) Project 82-R-416, Environmental protection and safety modifications, Phase II, gaseous diffusion plants, $2,000,000;

(8) Project 82-R-417, Air distribution system upgrading, gaseous diffusion plant, Paducah, Kentucky, $2,700,000;

(9) Project 81-R-503, Utilities upgrading, gaseous diffusion plants, an additional sum of $17,000,000 for a total project authorization of $27,000,000;

(10) Project 81-R-504, Supervisory control and data acquisition systems, Paducah, Kentucky and Portsmouth, Ohio, gaseous diffusion plants, an additional sum of $7,000,000 for a total project authorization of $13,000,000;

(11) Project 81-R-506, Environmental protection and safety improvements, Phase I, gaseous diffusion plants, $7,000,000;

(12) Project 80-UE-2, Control of water pollution, gaseous diffusion plants, an additional sum of $4,000,000 for a total project authorization of $17,000,000;

(13) Project 80-UE-3, Plant facilities security improvements, gaseous diffusion plants, an additional sum of $4,000,000 for a total project authorization of $17,000,000;

(14) Project 80-UE-5, Motor and switchgear upgrading, gaseous diffusion plants, an additional sum of $6,600,000 for a total project authorization of $26,500,000; and

(15) Project 76-8-g, Enriched uranium production facilities Portsmouth, Ohio, an additional sum of $669,000,000 for a total project authorization of $1,620,845,000.

(C) Capital equipment not related to construction for uranium enrichment, $23,100,000.

SEC. 702. Funds are authorized to be appropriated for fiscal year 1982 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for other commercial waste management activities:

(A) Repository licensing activities in the terminal isolation program, $2,000,000;

(B) Assistance to States in the waste system evaluation and public interaction program, $1,000,000; and

(C) Assistance to States for low-level waste management, $1,000,000.

SEC. 703. Funds are authorized to be appropriated for fiscal year 1982 in accordance with section 660 of the Department of Energy Organization Act for the following West Valley Demonstration Project activities:

(A) Operating expenses for the West Valley Demonstration Project, $12,800,000; and

(B) Capital equipment not related to construction for the West Valley Demonstration Project, $200,000.

SEC. 704. Funds are authorized to be appropriated for fiscal year 1982 in accordance with section 660 of the Department of Energy Organization Act for the following Three Mile Island activities:

(A) Operating expenses for Three Mile Island activities, $29,000,000; and

(B) Capital equipment not related to construction for Three Mile Island activities, $8,000,000.

TITLE VIII—DEPARTMENTAL ADMINISTRATION

SEC. 801. Funds are authorized to be appropriated for fiscal year 1982 in accordance with section 660 of the Department of Energy Organization Act for:

(A) Operating expenses for departmental administration activities:

(1) Office of the Secretary, $3,616,000;

(2) General management, $70,054,000;

(3) Program administration, $6,249,000;

(4) Field offices, $64,738,000;

(5) Other salary expenses, travel, and services, $150,406,000;

(6) Policy analysis and systems studies, $10.678,000;

(7) International policy studies, $250,000;

(8) Intergovernmental affairs, $9,365,000;

(9) Public affairs, $900,000;

(10) In-house energy management, $5,400,000;

(11) Cost of work for others, and changes in inventories, $55.214,000;

(12) Consumer affairs, $168,000; and

(13) Technical information services, $14,830,000.

(B) Departmental administration activities plant and capital equipment, including planning, construction, acquisition, or modification of facilities, including land acquisition, as follows:

(1) Project 82-A-601, Modifications for energy management, various locations, $22,200,000;

(2) Project 82-A-602, Advanced Test Reactor (ATR) waste heat recovery, Idaho National Engineering Laboratory, Idaho, $4,900,000;

(3) Project 82-A-603, High temperature water distribution system, Los Alamos Scientific Laboratory, New Mexico, $5,000,000;

(4) Project 81-A-602, Energy monitoring and control system, Y-12 Plant, Oak Ridge, Tennessee, an additional sum of $2,500,000 for a total project authorization of $5,000,000;

(5) Project 81-A-603, Energy monitoring and control system, Oak Ridge National Laboratory, an additional sum of $2,000,000 for a total project authorization of $4,000,000;

(6) Project 81-A-605, Automated energy management system, Argonne National Laboratory, Argonne, Illinois, an additional sum of $1,900,000 for a total project authorization of $3,800,000;

(7) Project 80-DA-06, Alternate energy source, Pantex Plant, Amarillo, Texas, an additional sum of $3,000,000 for a total project authorization of $6,000,000; and

(8) Project 82-C-601, Plant engineering and design, various locations, $2,000,000.

(C) Capital equipment not related to construction for departmental administration activities, $5,563,000.

TITLE IX—AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1983

SEC. 901. There is authorized to be appropriated to the Department of Energy to be available no earlier than October 1, 1982, such sums as may be necessary for fiscal year 1983 for programs set forth in this Act.

TITLE X.—U.S. ENERGY PROJECTIONS (SEC. 1001, U.S. ENERGY PROJECTIONS)

[Quads per year]

	Actual 1979	Projected 1985 Low	1985 High	1990 Low	1990 High	1995 Low	1995 High	2000 Low	2000 High
Domestic production:									
Oil and NGL	20.5	16.0	20.0	15.0	21.0	15.0	21	15.0	21
Natural gas	19.9	17.0	19.0	16.0	19.0	15.0	18	14.0	17
Coal	17.5	20.0	24.0	24.0	32.0	29.0	41	35.0	53
Nuclear	2.8	5.0	5.5	7.0	8.0	7.0	10	7.0	12
Hydro/geothermal	3.1	3.3	3.6	3.4	4.3	4.0	5	4.0	6
Renewables and other	1.8	1.9	2.7	2.4	4.0	3.5	6	4.0	9
Subtotal	65.7	63-74		69-87		75-99		82-113	
Imports:									
Oil	16.9	20.0	15.0	18.0	8.0	16.0	3	15.0	0
Natural gas	1.2	2.0	2.0	3.0	3.0	3.0	3	2.0	2
Coal	(1.7)	(1.8)	(3.0)	(2.2)	(4.0)	(3.0)	(6)	(4.0)	(8)
Subtotal	16.4	20.0	14.0	19.0	7.0	16.0	0	13.0	(6)
Total supply	82.1	84-87		88-93		92-99		95-107	
End-use consumption:									
Petroleum liquids	33.5	33.0	32	31.0	28.0	30.0	26	30.0	25
Natural gas	17.2	16.0	18	16.0	19.0	16.0	19	16.0	20
Direct coal	3.8	4.0	5	5.0	7.0	5.0	8	5.0	9
Electricity	7.0	8.0	9	10.0	11.0	11.0	12	12.0	13
Decentralized Renewables	1.8	1.8	2.6	2.3	3.9	3.0	5	3.5	8
Subtotal	63.3	63-65		65-67		66-69		67-72	
Conversion losses	17.4	20-22		24-26		26-30		28-35	
Stock increase	1.4								
Total consumption	82.1	84-87		88-93		92-99		95-107	

Note: Sec. 1002 title III of the Energy Security Act (42 U.S.C. §§ 7361-4) is repealed.

DEPARTMENT OF ENERGY,
Washington, D.C., April 28, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is proposed legislation "[t]o authorize appropriations to the Department of Energy for civilian programs for fiscal year 1982 and fiscal year 1983, and for other purposes." The bill (Enclosure 1) would authorize specific appropriations for FY 1982 and such sums as may be necessary for FY 1983. The total amount proposed for FY 1982 is $10,393,911,000. A section-by-section analysis of the proposed legislation is also enclosed (Enclosure 2). The Office of Management and Budget advises that the enactment of this proposed legislation would be in accord with the program of the President.

Title III of the Energy Security Act states that "the President shall transmit to the Congress energy targets for net imports, domestic production and end-use consumption for the calendar years 1985, 1990, 1995 and 2000" as a part of this authorization proposal. In order to be as responsive as possible to this requirement, a set of energy projections is included in title X. Consistent with the uncertainty inherent in projections of this kind, however, outcomes beyond the range shown in these projections are certainly possible. These projections were developed in November 1980 and represented the Department's estimates of future energy supply and demand at that time. However, the Department's energy projections are not "targets" except insofar as they reflect possible outcomes resulting from incentives in the marketplace.

This Administration is committed to an energy policy that will rely on the marketplace to stimulate efficient energy production and cost-effective conservation. Numerous private decisions over many years will determine the exact amounts and type of energy produced and consumed in 1990, 2000, and beyond. With the removal of unwarranted regulations and restrictions on energy markets and the support of long-term research and development, market forces will take us in the direction of appropriate energy production and wise use and ensure that supply and demand remain in balance.

The projections of title X should not be seen as a description of what the Federal Government believes energy markets should do. Government energy forecasts cannot reflect all the information that private consumers, workers, managers, inventors, and investors will have and use in shaping our energy future. The Federal Government has an important goal to fulfill in assuring that the market signals facing these groups are clear, consistent, and realistic. We frankly have no adequate ability to anticipate unexpected technological change, for example, which has made past Government energy projections obsolete. The most that the projections can do is show a range of possible values for energy supply and demand, given a set of assumptions about the energy market.

Finally, title X would repeal title III of the Energy Security Act. We certainly agree with the intentions that inspired title III: that it is important that the country face up to energy issues in a realistic way. However, we believe that this objective is hampered rather than helped by the energy target-setting process, since that process can divert Congressional attention every two years into lengthy deliberations on targets that are inherently uncertain and away from other issues that require Congressional attention.

Sincerely,

ERIC J. FYCI,
Acting General Counsel.

Enclosures.

FISCAL YEAR 1982 DOE AUTHORIZATION BILL FOR CIVILIAN APPLICATIONS—SECTION-BY-SECTION ANALYSIS

TITLES I—VII

Secs. 101 through 801. These sections comprise the first eight titles of the bill. They would authorize the appropriations necessary to support the Department's civilian activities during fiscal year 1982. The respective titles are:

I—Research and Development;

II—Conservation, Commercialization, and Related Activities;

III—Regulatory and Related Functions;

IV—Power Marketing and Federal Leasing;

V—Nuclear Assessment, Interim Spent Nuclear Fuel Management, and Commercial Waste Remedial Action;

VI—Other Renewable Resources and Conservation Activities;

VII—Uranium Enrichment, Other Commercial Waste Management Activities, West Valley Demonstration Project Activities, and Three Mile Island Activities; and

VIII—Departmental Administration

Detailed justifications of the amounts to be authorized are contained in the Department of Energy FY 1982 Revised Congressional Budget Request.

TITLE IX

Section 607 of the Congressional Budget and Impoundment Control Act of 1974, Pub. L. No. 93-344, states that ". . . any request for the enactment of legislation authorizing the enactment of new budget authority to continue a program or activity for a fiscal year . . . shall be submitted to the Congress not later than May 15 of the year preceding the year in which such fiscal year begins . . ." Accordingly, section 901 requests authorization of appropriations for FY 1983.

TITLE X

Title III of the Energy Security Act, Pub. L. No. 96-294, states that "the President shall transmit to the Congress energy targets for net imports, domestic production, and end-use consumption of energy for the calendar years 1985, 1990, 1995, and 2000".

Section 1001 fulfills this requirement by using a range of projections completed in November 1980 by the Office of Analytical Services under the Assistant Secretary for Policy and Evaluation and updated to reflect the Interagency Coal Export Task Force projections of January 1981. The ranges reflect low and high assumptions about domestic production and the projected range of supply and demand that result. To balance supply with demand, a low domestic production subtotal requires higher energy imports than a high domestic production subtotal. Accordingly, for the imported fuels, the high import figure appears in the "low" column.

On the demand side, the levels of end-use consumption are projected to be consistent with the projected range of supplies by fuel. Also the amounts shown for end-use consumption of specific fuels are consistent with those shown for production, as adjusted to account for the conversion of one fuel form to another.

Several totals that are shown are different than the sum of the applicable columns because of rounding. Under "Domestic Production", the figures for "Oil and NGL" include oil shale but not coal liquids; the figures for "Natural gas" do not include synthetic gas from coal; and the figures for "Solar and Other" include 1.8 quads of biomass not currently included in DOE statistics.

Section 1002 repeals title III of the Energy Security Act.●

By Mr. LUGAR (for himself and Mr. GARN) (by request):

S. 1022. A bill to amend and extend the Federal laws relating to housing, community and economic development, and related programs, to provide an improved and expedited mortgage foreclosure procedure with respect to multifamily mortgages held by the Secretary of Housing and Urban Development pursuant to title II of the National Housing Act or section 312 of the Housing Act of 1964, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1981

● Mr. LUGAR. Mr. President, by request, I am introducing, along with the Senator from Utah (Mr. GARN), the Housing and Community Development Amendments of 1981.

I ask unanimous consent that the transmittal letter from Secretary Pierce to the President of the Senate be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT,
Washington, D.C., April 21, 1981.

Subject: Proposed "Housing and Community Development Amendments of 1981."

Hon. GEORGE H. W. BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am enclosing proposed legislation to provide funding authorizations for fiscal years 1982 and 1983 for the community development, housing and related programs of the Department of Housing and Urban Development.

In my letter of April 7, I explained that we were in the process of preparing legislation to restructure the Community Development Block Grant and related programs contained in title I of the Housing and Community Development Act of 1974. We have completed our work on that proposed legislation and have included it in the enclosed package. Since my April 7 letter provided a summary of the contents of the proposed housing and related legislation, this letter will briefly describe our proposed title I revisions.

The restructured title I would provide a single funding source to support block grant eligible activities and a revised UDAG program. The overall authorization for this expanded program would be $4.166 billion in each of fiscal years 1982 and 1983. This would increase current CDBG funding authorizations by $206 million in fiscal year 1982 and $56 million in fiscal year 1983.

The new title I would contain four elements: a revised Action Grant program, a scaled-down Secretary's Discretionary Fund, an entitlement program for large cities and urban counties, and a new State Block Grant program to be administered by the States.

The revised UDAG program would be funded as a new account in section 107 of the 1974 Act, at $500 million for fiscal year 1982. We have already begun a study of UDAG's effectiveness, and the results of this study will be given careful consideration in the Administration's future proposals concerning community and economic development activities. The proposed program would continue the essential features of the current UDAG authority, but would include several changes designed to trim down the program to its primary objectives, clear it of unnecessary requirements and Federal red tape, and emphasize rigorous program administration. These changes would minimize the amount of Federal dollars needed to stimulate private investment in individual projects.

The bill proposes a funding authorization for the Secretary's Discretionary Fund of not more than $60 million for each of fiscal years 1982 and 1983. This would represent a reduction from the current levels of $104 million for fiscal year 1982 and $107 million for fiscal year 1983. The reduction would be attributable to a narrowing of the uses of the Discretionary Fund. Under the revised program, amounts in the Fund could be used only for grants to Indian Tribes and territories, for the New Communities Program, and for a technical assistance category expanded to include special projects.

After providing funds for the revised Action Grant program and the Discretionary Fund, remaining funds would be divided 70 percent for entitlement communities and 30 percent for States, to be used for the new State Block Grant program.

The entitlement program would remain unchanged. Metropolitan cities and urban counties would continue to receive amounts determined by the existing dual formula.

In the new State Block Grant program, each State would receive an allocation based on the dual formula contained in existing law. States would distribute funds to their units of general local government to carry out eligible community and economic development activities. States would be free to design fund distribution systems tailored to their individual needs and preferences, and would be responsible for overall administration of distributed funds. HUD's role would be limited to reviews and audits. Because some States may not be ready to take over the program immediately, we propose to make the State program optional for fiscal year 1982. HUD would continue to administer the Block Grant program under the existing statute in those States which choose to wait until 1983 to operate the new program.

The revision to title I also would simplify current administrative requirements. For entitlement cities and urban counties, the complex application would be replaced by a statement of community development objectives and a description of the projected use of funds. For States, a similar statement would be required, which would also describe the system by which the State intends to distribute funds to localities.

These statements would have to be accompanied by certifications regarding compliance with the requirements of the Civil Rights Acts of 1964 and 1968, the existing primary CDBG objectives, and other applicable laws. Proposed statements would be published to allow citizens and localities an opportunity to comment. The final statement would be published and sent to HUD, but would not be subject to HUD approval.

Although the proposal would eliminate current application requirements, it would still require, as a condition of receiving Block Grant assistance, that entitlement communities submit and follow a housing assistance plan approved by HUD. This would maintain the status quo pending completion of the Administration's reexamination of the future of federally assisted housing.

As in the current law, grantees would be required to submit annual performance reports. The Secretary would undertake annual reviews of the performance of entitlement cities and counties, and of the States. For entitlement grantees, this review would be limited to assuring timely performance and compliance with program requirements and other applicable laws. For the States, the review would be conducted for these purposes, as well as to determine whether the State had distributed the funds in accordance with its statement. The review would also determine whether the State had conducted reviews of its localities comparable to those performed by HUD for entitlement grantees. As in existing law, where the review indicated that performance did not conform to these requirements, the Secretary would be authorized to adjust or reduce grant amounts.

The bill would also propose as a new Block Grant eligible activity the provision of assistance to private, for-profit entities to carry out economic development projects. This would enhance the ability of grant recipients to perform "Action Grant"-type activities using Block Grant funds.

Timely enactment of the enclosed proposal would provide the Department with the necessary authority to carry out effectively its responsibilities in fiscal year 1982. The Department requests that the bill be referred to the appropriate committee and urges its early enactment.

The Office of Management and Budget has advised that there is no objection to the presentation of this legislation to the Congress, and its enactment would be in accord with the program of the President.

Very sincerely yours,

SAMUEL R. PIERCE, Jr.●

ADDITIONAL COSPONSORS

S. 28

At the request of Mr. LUGAR, the Senator from Indiana (Mr. QUAYLE) was added as a cosponsor of S. 28, to terminate the authorization for Lafayette Dam and Reservoir, Big Pine Dam and Reservoir, Clifty Creek Dam and Reservoir, and the Big Blue Dam and Reservoir in the State of Indiana.

S. 181

At the request of Mr. CRANSTON, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 181, a bill to provide for the extension of the authorization of appropriations for the Head Start program.

S. 560

At the request of Mr. CRANSTON, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 560, a bill to extend the authorization of appropriations for the sudden infant death program under part B of title XI of the Public Health Service Act.

S. 777

At the request of Mr. TOWER, the Senator from North Dakota (Mr. ANDREWS) and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 777, a bill to amend the Federal Water Pollution Control Act to restrict the jurisdiction of the United States over the discharge of dredged or fill material to those discharges which are into navigable waters, and for other purposes.

S. 857

At the request of Mr. TOWER, the Senator from South Dakota (Mr. ABDNOR) was added as cosponsors of S. 857, a bill to impose quantitative restrictions on the importation of lamb meat.

S. 1015

At the request of Mr. CRANSTON, the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 1015, a bill to separate the Peace Corps from the ACTION Agency.

SENATE RESOLUTION 116

At the request of Mr. LONG, the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Georgia (Mr. MATTINGLY), and the Senator from Washington (Mr. JACKSON) were added as cosponsors of Senate Resolution 116, a resolution relating to proposed merger between Texas International Airlines and Continental Airlines.

SENATE CONCURRENT RESOLUTION 4

At the request of Mr. DOLE, the Senator from Montana (Mr. MELCHER) and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of Senate Concurrent Resolution 4, concerning the "International Year of Disabled Persons."

AMENDMENT NO. 38

At the request of Mr. CRANSTON, the Senator from Connecticut (Mr. DODD) was added as a cosponsor of amendment No. 38, to separate the Peace Corps from the ACTION agency, intended to be proposed to the bill S. 848 to authorize appropriations for the Peace Corps, and for other purposes.

NOTICES OF HEARINGS

COMMITTEE ON THE JUDICIARY

Mr. MATHIAS. Mr. President, I would like to announce that the Judiciary Committee will hold a hearing on the Patent Term Restoration Act of 1981, S. 255, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

The hearing will be held at 9:30 a.m., in room 2228 of the Dirksen Senate Office Building, on April 30, 1981. For further information on the hearing, you may contact Ralph Oman at 202–224–9493.

ADDITIONAL STATEMENTS

SENATOR GOLDWATER PROPOSES STRONG NATIONAL MINERALS POLICY

● Mr. DOMENICI. Mr. President, one of the most pressing needs of our Nation is establishment of a strong minerals policy. Yet the crisis of critical materials in the United States has grown almost unnoticed by the public.

Fortunately, there are some public leaders with foresight and understanding of the terrible consequences of our minerals vulnerability, who are calling attention to the Nation's predicament and urging specific actions to resolve it. Among them is my good friend, the senior Senator from Arizona (Mr. GOLDWATER).

On April 22, in a major address to the Wings Club in New York City, an aviation oriented group, Senator GOLDWATER discussed the shortage of critical materials in relation to our Nation's defense base.

He warned that there have been few times in our history when the United States has been so vulnerable to forces outside our control as we are now because of our dependence on unfriendly or unstable foreign sources for strategic minerals vital to our defense industry.

In his address, Senator GOLDWATER pointed out that the Reagan administration already has begun a total national commitment to redress this dangerous situation and urged that we in Congress help the President rebuild our defense capability.

To insure the success of this goal, Senator GOLDWATER proposed a specific 10-point set of reforms that will unchain our country's great industrial and mining machines and solve our strategic minerals shortage, including greater access for exploration and mining in public lands, focusing responsibility for developing and implementing a national nonfuel minerals policy, revising environmental and safety regulations, and improving relations with mineral-rich countries of southern Africa, among other points.

Mr. President, so that all of my colleagues may read and study this important message by the Senator from Arizona, I ask that the complete text of his address may appear in the RECORD.

The address follows:

EIGHTEENTH SIGHT LECTURE TO THE WINGS CLUB

(By Senator BARRY GOLDWATER)

I am honored to present the Eighteenth Sight Lecture to the Wings Club. I'm told that I should review with "hindsight, insight and foresight" some aspect of aviation. I have chosen to write on a subject that affects military aviation, but involves all of our defense industry. Indeed, it affects the security of our nation. That is the state of our industry and raw materials in relation to defense.

I am deeply troubled about the alarming deterioration of our defense industrial base, and by our dependence on uncertain foreign sources for critical raw materials that are vital to our defense industry and the top industry of the U.S.

Our defense plants and equipment are aged, and thousands of defense-related companies have gone out of business in the past decade. Why? Mostly because of haphazard government procurement policies, unreasonable government regulation and taxation, and shortages of skilled labor.

The Reagan Administration has taken initial steps to correct some of these problems. But, there is much work to do, and the American people must be made aware of the necessity for action.

Too few Americans are aware of the dangers facing this nation as a result of our shortage of critical materials, and our overwhelming dependence on unfriendly or unstable foreign sources for strategic minerals vital to our defense industry.

In my judgment, the present situation of the United States in the area of critical materials is a truly national disgrace. Many of our own government's policies—and lack of policies—have contributed heavily to our predicament.

How bad is it?

Well, OPEC controls 52 percent of the world's oil supply. With that, it has changed the nature of international economic relations.

But we are much more dependent on southern Africa for critical raw materials for defense. One hundred percent of the titanium we used last year was imported; 100 percent of the columbium we used was imported; 98 percent of the manganese; 96 percent of the tantalum; 90 percent of the cobalt; and 90 percent of the chromium. Without these there cannot be an aircraft industry.

There is a very real danger that the countries of southern Africa will form an OPEC-style mineral cartel to manipulate price and supply of vital minerals. They control most of the world's supply of many essential minerals. Much of the remaining supplies come from Siberia.

So we have the unstable and unfriendly governments of southern Africa on one hand, and the Soviet Union on the other. And

make no mistake: the Soviets are doing everything in their power to further manipulate the market.

Meanwhile, here in the United States we are more than 50 percent dependent on foreign sources for 23 of the 40 critical materials most essential to our $2.3 trillion economy. In 1980 alone, we imported more than $29 billion worth of non-fuel minerals.

Our stockpile of critical materials has deteriorated shamefully in both quantity and quality. It is incapable of meeting the requirements of our defense industrial base.

The Soviets have worked feverishly with Cuba over the past decade to impose its will on southern Africa. They have strong influence in Angola, Madagascar, Mozambique and, to the north, Ethiopia.

I can't state too strongly the importance of avoiding the spread of Soviet influence in Africa.

If the Soviet Union were to gain control of the nations of southern Africa, it could effectively cut off our supplies of essential minerals and metals. This would devastate our defense industry and, ultimately, our armed forces. Soviet hegemony in southern Africa is more of a threat to our national security than even in the Persian Gulf.

Until recently, our government has ignored pleas to open up the mineral rich public lands in this country to exploration and mining. It has crippled the mining industry with overzealous government regulation and with a tax system that actually discourages capital investment in the mining industry.

Predicatably, the shortage of critical materials in western industrial nations, has resulted in enormous price increases. Zaire is the world's largest supplier of cobalt. When its Shaba Province was invaded by rebels two years ago, Zaire cut production sharply. The price of cobalt rose from $7.22 a pound in May 1978 to $25 a pound in February 1979, an increase of 246 percent in less than one year. In the past two years, the price of tantalum has risen 300 percent and that of columbite ore has increased by 250 percent.

In the United States, we are sitting on what many have estimated to be vast sources of essential minerals and metals on land owned by the federal government. Interior Secretary James Watt has expressed his intention to open public lands to exploration and mining of critical materials. I applaud his statement, it is long overdue. The U.S. government owns 750 million acres of land on which there are significant deposits of copper, gold, iron, lead, molybdenum, silver, titanium, tungsten, uranium and many other vital minerals.

The Defense Industrial Panel of the House Armed Service Committee noted in a report last December that mining uses fewer than 6 million acres of land in the United States compared to 1.3 billion acres used for farming, 24 million acres for highways and 6.5 million acres for airports and railroads.

The House Mines and Mining Subcommittee said recently that "over the past 10 years the United States has made grave, fundamental errors in administering the public lands with respect to minerals . . ." I put it more bluntly: the neglect, shortsightedness, misguided policies, and missed opportunities by the United State government regarding crucial materials represents a national disgrace.

The biggest hindrance to the domestic mining industry is government regulation. According to General Alton D. Slay, there are now "80 different laws administered by 20 different federal agencies which directly or indirectly affect the domestic non-fuel minerals industry."

The crippling of the domestic mining industry is just one more example of how unrestrained regulation, however well intentioned, can in the long run hurt more than it helps.

Between the years 1973 and 1977, the mining industry in the United States suffered a negative growth rate of minus 6.1 percent, worse than any other major U.S. industry. We must revitalize this industry if we are to ease the crisis of critical materials in the '80s. This goes beyond partisan politics: It is a matter of national survival and security.

We must also make a similar commitment to our tax policies. I endorse the recommendations contained in the final report of the House Mines and Mining Subcommittee last year: The main points are:

Percentage depletion allowances and expensing of exploration and development costs should be continued.

The investment tax credit should be extended to include all buildings used in mining and manufacturing and should be made refundable (or at least fully creditable against a company's entire tax liability).

Realistic, flexible capital cost recovery allowances for plant and equipment investments should be adopted in lieu of present depreciation allowances.

The costs of environmental and similar government-mandated requirement should be written off over any period selected by the taxpayer.

Tax-exempt municipal bond financing should be available for nonproductive pollution control abatement equipment and for other government mandated expenditures.

Another problem area is our stockpile of critical materials. President Reagan ordered the purchase of 5.2 million pounds of cobalt for the stockpile two weeks ago. He also called for $11 million to be spent on the stockpile. That's just the beginning of what we need.

Sadly, it has taken a long time to recognize the need to keep the stockpile adequate in quality and quantity. Supplies are far below what they should be; and they are not of high quality.

We are below the established goals in 37 of the 62 materials managed by the Federal Emergency Management Administration.

The inventory contains 48 percent of the cobalt; 35 percent of the platinum, 33 percent of the tantalum. Estimates of the dollar value of the stortages range from $7 billion, or 39 percent of $11 billion, or 61 percent.

In the budget proposals for fiscal year 1981, the Carter Administration originally called for $170 million to be spent on the stockpile. The administration later cut that figure to $140 million. The House cut it to $100 million. My brilliant colleagues in the Senate cut it to $50 million. As expenditures equal to $50 million a year, it has been estimated that it would take 120 years to bring the stockpile up to national goals. The government must make a strong commitment over the next 15 to 20 years—and stick to it—to build the stockpile up to acceptable levels. Again, this is not a matter of partisan politics; it is a matter of national survival.

Critical raw materials aren't the only shortage we face: Our industrial base can no longer produce what we need when we need it.

During World War II, American industrial production was a major factor in winning the war. We produced, among other things, 310,000 aircraft, 88,000 tanks, 10 battleships, 358 destroyers, 211 submarines, 27 aircraft carriers, 411,000 artillery tubes and howitzers, 12.5 million rifles and carbines, and some 900,000 trucks and motorized weapons carriers. During a single month, March of 1944, the U.S. built 9,117 military aircraft.

The war was undoubtedly a triumph for our industrial capacity. It gave Americans the feeling that, given sufficient incentive, the United States could gear up on short notice to meet any military and industrial challenge. This attitude still prevails among many Americans.

Since Vietnam, however, our defense industrial base has deteriorated at an alarming rate. This has coincided with a general slowdown in productivity growth and capital investment in the general economy. That slowdown, coupled with unprecedented inflation, has toppled the United States from the greatest industrial nation in the world to something quite less than that.

We simply don't have the capability any longer to surge military production the way we did during World War II. Much of the blame for this decline must be placed upon the government itself.

There are three main reasons for the decline of the defense industrial base: reduction in the growth of productivity and capital investment in industry accompanied by severe increases in costs; reduction in the number of manufacturers for essential materials; and reduction of the supply of skilled labor.

Japan's productivity rate has increased 10 percent in the past six years while that of the U.S. has risen less than 2 percent. The average U.S. plant is 20 years old; the average Japanese plant is 10 years old. The Japanese portion of the U.S. market for semiconductors—used extensively in defense production and also in commercial electronics—rose from 1.6 percent in 1976 to more than 7 percent in 1980. Japan far surpasses the U.S. in the vital area of capital investment by industry. In fact, with only half the gross national product of the United States, Japan almost equalled us in investment in 1978—$144 billion to our $148 billion.

The defense industry has been hit even harder than general industry by this economic decline. Prices and lead times on most defense items have increased dramatically in recent years. For example, from 1976 to 1978, the typical delivery span of aluminum forgings increased from 20 to 120 weeks.

Harry J. Gray testified recently that "If there were a national emergency today, I seriously doubt that our Nation could mobilize its industrial base in time to make an appreciable difference in sustaining a war effort. It might take us as much as 2 years before we would see any real increase in production of war materials. And that is an optimistic estimate."

The defense industry has to contend with all the problems facing all U.S. industry—high interest rates, low capital formation, aging physical plant, and competition from imports on certain items. But, it also has problems specific to its industry that are driving many companies out of business. Among these problems in recent years:

Interest on working capital is not considered an allowable cost in defense contracts—not a big problem when interest rates hovered around 5 percent but one hell of a problem when they are close to 20.

Contracts have to be negotiated annually, removing the contractors incentive to make long-term capital investments. They can't plan for facilities or materials for long-term construction of aircraft, weapons or parts, because the chances are good that the government will pull the rug out from under them at any time.

Besides the environmental, safety, energy, employment and other government regulations with which the rest of American industry must contend, defense contractors have to comply with government-mandated accounting procedures, and with whatever wage restraints or other socially desirable regulations are in vogue at the moment.

Major disincentives for capital investment are built into our tax laws, particularly our system of depreciation allowances. It is estimated that the Japanese can write off in 3 to 5 years what it takes American companies 15 years to depreciate.

Equally important are the smaller subcontractors who supply parts and materials to

the prime contractors. They are even harder hit. They do not have the big companies' ability to handle the flow of useless paperwork required by government; they find it harder to handle the reduced profit caused by unrealistic financial requirements. They can't swallow the losses that accompany shifts in defense production requirements; and it is tougher for them to generate the necessary capital in a declining economy.

As a result, many subcontractors are simply giving up—either going out of business entirely or switching to production of materials for commercial production. It used to be desirable to bid on defense contracts. It just isn't so anymore.

The other major factor in the decline of the defense industry is the critical shortage of human resources. We are dangerously short of engineers, technicians and skilled laborers.

Despite the sluggish economy, the tooling and precision machine industry could hire 60,000 journeyman machinists right now if they were available.

Consider these additional factors:

The maximum capacity for our educational institutions is 50,000 engineers a year, far below what we need.

Japan, with half our population, graduates more mechanical engineers each year than we do—and 50 percent more electrical engineers.

In Japan, 20 percent of all bachelor's degrees and 40 percent of all master's degrees are in engineering; in the U.S., only 5 percent of each category are engineering degrees.

In U.S. universities, foreign students make up 40 percent of the total enrollment in engineering at the masters level and 47 percent at the doctorate level.

Last year, 45 percent of the doctoral degrees awarded for engineering in this country went to foreign schools.

As a result, competition for skilled labor and trained technicians is driving salaries up, which escalates prices even further.

The companies can't get the skilled workers they need and they can't afford the machines needed to replace these workers.

In summary, ladies and gentlemen, the state of our industry and raw materials in relation to defense is bad, real bad. There have been few times in our nation's glorious history when we were so vulnerable to forces outside our control as we are now. The present situation demands concerted action by the White House, the Department of Defense and the Congress to unchain this country's great industrial machine and to help, rather than hinder, the recovery of our defense industrial base.

A tragic trinity has devastated our defense capability—declining industrial capacity, shortage of critical materials, and shortage of human resources. But it can be turned around. In spite of the events of the past decade, I feel strongly that there is no challenge the American people cannot meet.

But sacrifice is unavoidable. A total national commitment is necessary. The Reagan Administration already has begun. The President has made clear that he intends to rebuild U.S. defense to once again make our country the strongest nation on Earth. Strong leadership will be needed to truly rebuild American strength, and that leadership must be accompanied by a strong public philosophy that leaves no doubt about the importance of national defense.

Reagan and Secretary of State Haig have given clear messages to the Soviets that their imperialism in Africa and South America will not be tolerated. My point made earlier bears repeating: It is absolutely essential that we prevent the spread of Soviet dominance in Africa. If the Russians gain control of southern Africa, we will be at their mercy for supplies of raw materials, and the quality of mercy is quite strained in the USSR.

The Reagan Administration also is committed to opening some of the vast public lands that hold the key to a partial solution of our critical materials shortage. The President has called for spending $100 million on our critical material stockpile, and has ordered the purchase of a big supply of cobalt. But all these steps have served only to whet my appetite for more reforms. These are, after all, only the first small steps—in a long journey back from the road to oblivion.

We must help President Reagan and his administration build momentum for this journey. We must be there to pick them up when they stumble, as they are bound to do; we must keep their mandate clearly focused when they detour away from it, as they might now and then; and most important, we must marshal public opinion behind them. We must make clear to the American people that the very survival of this proud and mighty nation is at stake, nothing less.

To ensure that survival, we need a comprehensive set of reforms, including all or most of the following 10 points:

(1) A coherent, consistent policy on relations with South Africa and the other mineral-rich countries of southern Africa.

(2) Opening up much of the 750 million acres of public lands, particularly in the West and Midwest, to exploration and mining critical minerals and metals. This should be accompanied by reform of environmental and safety regulations that now stifle mining companies, including the Clean Air Act, Federal Water Pollution Control Act, Wilderness Act, Federal Land Policy and Management Act, and the Surface Mining Control and Reclamation Act.

(3) A commitment to build up our stockpile of critical materials over the next 15 to 20 years to at least the levels recommended last year by the Federal Emergency Management Administration.

(4) Focusing responsibility for developing and implementing a national non-fuel minerals policy. One of the most appalling aspects of our present situation is that no one person or agency has been accountable for the blunders in the past.

(5) Revision of our tax laws to restore incentives for capital investment and reduce the overall burden on industry. It is essential as a matter of national security to restore healthy economic environments for the defense and mining industries. The first step should be to ease restrictions on depreciation allowances for building and equipment.

(6) Eliminate the required paperwork that is strangling industry in bureaucratic red tape.

(7) Changing the complex cost accounting procedures now governing all defense contracts.

(8) Flexibility in defense procurement procedures, particularly regarding multi-year contracts.

(9) Funding educational and training programs to provide more engineers, technicians and skilled craftsmen for the defense industry. This should include programs run by the Department of Defense or the Department of Labor to finance training programs for specific jobs needed in the defense industry, as well as incentives to colleges and universities to increase the number of engineers and technicians coming into the job market.

(10) Encouraging the expansion of the defense industrial base, through direct loans, loan guarantees and other incentives. In short, to make it worthwhile again to bid on defense contracts.

This list could go on and on, but the important point to make at this stage is that some progress must be made quickly to keep the United States in its rightful status as the strongest nation on Earth, both militarily and economically.

There is no more important function for government than the national defense, don't forget that. In fact, except for the preservation of domestic law and order and certain other limited functions, it can be argued that there is almost no other legitimate function for government. Over the past three decades, policymakers have lost sight of this fact in their zealous quest for utopian social programs.

This is not Utopia, it never has been, it never will be. But it is, as President Reagan says, the last best hope on Earth. If we do not turn around the frightening trends in defense over the last decade, that hope may soon begin to fade.●

TRIBUTE AND FAREWELL TO MAX CLELAND

● Mr. CRANSTON. Mr. President, on March 18, along with Senator SIMPSON, chairman of the Veterans' Affairs Committee, and Congressman SONNY MONTGOMERY and JOHN PAUL HAMMERSCHMIDT, the chairman and ranking minority member, respectively, of the House Committee on Veterans' Affairs, I hosted a congressional reception to say farewell to Max Cleland who served as Administrator of Veterans' Affairs for the past 4 years. During this reception, attended by more than 200 of Max's friends in Congress, the VA, and veterans' service organizations, we paid our respects to Max in a variety of ways—including remarks by each of the congressional sponsors, to which Max replied.

Mr. President, in order that my colleagues and the public may share in this occasion and gain an appreciation of the great admiration expressed for Max Cleland's truly exceptional talents and achievements as the head of the Federal Government's third largest agency, I ask that the transcript of these remarks at the reception be printed in the RECORD.

The material follows:

TRIBUTES TO MAX CLELAND

Senator CRANSTON. I welcome each and all of you to this gathering. We're going to have just a few remarks. First let me note that there is a guest book, many of you signed it on the way in, if you didn't please sign it on the way out so that Max will have a memento of your presence at this affair. On behalf of the Congressional sponsors of this reception, Senators Simpson, and Congressman Montgomery and Hammerschmidt, I welcome each of you on this Saint Patrick's Day for Max Cleland.

As first speaker, I want to recognize the first Republican Chairman of the Senate Veterans' Affairs Committee and a close personal friend of mine for the last two years, during which time we have worked very closely together. One of the reasons I know that he's very well prepared to be Chairman of this very important Committee is that he's a very experienced decisionmaker. Every morning he has to decide, like I do, where to stop washing his face. As I yield the rostrum to him now for a few words, just as I've yielded the Chairman's gavel to him on the Committee, for a few years, anyway. Back to our Committee, I can't help but paraphrase General MacArthur, "Old Chairmen never die, they just become Ranking Minority Members and they host receptions." I give you a new and a very, very fine chairman, Senator Alan Simpson.

Senator SIMPSON. Thank you, Alan, that was very nice. That's actually a lot better than the introduction I had in Cheyenne a couple of weeks ago where the guy got up and said, "Now for the latest dope from Washington, here's Al Simpson."

Al spoke about our particular hairline and I always just say to people, "Look, we're all given just the same number of hormones, and if you want to waste yours raising hair, go ahead."

It's a time of cynicism in our country, but there should be none of that here tonight. But let me tell you what happened the other day in a penitentiary in another state and one turned to the other and said "The food was better here when you were Governor." I'll leave it at that. You liked that, didn't you? All right—enough of that.

I'm very pleased to be here this evening to share a moment with you to let you know my feelings for you, Max, and for the job you did as Administrator of the Veterans Administration. I don't know whether you will agree, although I'm sure there were several days during the past four years when you might have agreed, but I believe that the job of running the VA is the most thankless job in this town. The job of Administrator of the VA is the very clearest distillation of the old phrase, "You can't please all of the people all of the time."—certainly the clearest type of job in Washington that illustrates that fact. If the Administrator becomes too great a cheerleader advocate for veterans and it looks as if he is going to unhinge the doors on Fort Knox to get it done, or if he should refuse to work with the President for the rest of the Administration, the immediate result for that individual is that he will be shown the back door. Conversely, that very visible official, if he is perceived as being too much of an advocate for the President, or a huckster for the OMB or the CBO without apparent regard to the needs of the veterans or the interests of the natural constituency of some 30 million members, you can be certain that then the Administrator will be the subject of abuse reserved in my part of the country for some dog-dirty rustler at a cattlemen's convention. I have heard the job referred to as being rougher than a stuck old bathtub, and that's it.

But I just want to say to you, Max, that I have come to know you and I want to tell you that I think you did a spendid job as Administrator. I fought you tooth and fang on certain things; on those issues, you came right back, always. And even though I was only directly involved with your work for the past two years of your tenure, and that was a period long after the memory of your honeymoon had faded into the mist, I'm sure, I was always impressed by your class and your style and your grace, even under the most intense pressure, and you always maintained that marvelous sense of humor in the process and you achieved much in your tenure as the Administrator, and I'm confident that my views in that regard will be more than widely shared as time allows for a very sober and unbiased reflection of these accomplishments. You did your job, you were at it. I remember the one phrase of my grandfather; he said, "I can't tell you how to succeed, but I can sure as hell tell you how to fail, and that's try to please everybody."

I wish you every success, Max, in your future endeavors, and I trust you will always stay in contact. It has been a great privilege to work with you.

It was a great honor and privilege for me to become Chairman of the Senate Veterans Affairs Committee and it is my job to fill the vacant seat created by Al Cranston, who left me some large shoes to fill, even though those are 14b's. I thank him for his courtesies to me, he's been tremendous, and helpful in the learning process of this job. If I do capably, it will be largely due to his good guidance.

And, in performing this new task, I will be asking for your counsel, Max, your assistance, your advice, information, and I know that you will always be willing to provide that to me, and that great storehouse of knowledge which you have obtained in this job I will be drawing upon I promise you that. You have my admiration; I salute you for your obvious administrative abilities, and the manner in which you have conducted yourself on behalf of the government to which you personally gave so very, very much.

I wish you well, Max, it is a treat for me to be here, thanks for a job well done; I'm very appreciative.

Senator CRANSTON. Thank you, Al, you're truly a great guy. I appreciate those generous but undeserved remarks about me, and I appreciate those generous and well deserved remarks about Max Cleland.

Next, I'd like to introduce another freshman Chairman, this time, from what we call the other body. Although a newcomer as Chairman, Sonny Montgomery was a leader on numerous veterans issues long before I came to the Senate in 1969. Now he's got the title that goes along with the hard work and the responsibility. Sonny, I urge you onward in your remarkably fine work in this field. Now give us some Mississippi perspectives on Max Cleland on his night.

Congressman MONTGOMERY. Thank you, Senator Cranston, Max Cleland, ladies and gentlemen. Thank you, Senator Cranston, for setting up so that we could honor Max Cleland tonight.

As you know, Alan Simpson and I are new Chairmen of the Veterans' Affairs Committees. Now, we don't know what kind of Chairmen we will be, or what will happen, but we do know we're probably the two tallest Chairmen in the Congress, so I hope that will lead us on to better things.

Max, Dave Broder, the columnist, in his book about changing of the guard, said that Max Cleland is one person in public life that understands the agonies, the hopes, and the successes in life. And certainly, Max, you've had the agonies of being severely wounded in Vietnam, but having the handicaps has not affected you in any way.

You came to Washington with a smile on your face to accept the responsibility of Administrator, and I, like Alan, think you have done an excellent job as Administrator. No, you can't satisfy everyone when you come to this town and take the responsible jobs. But you did it with a lot of class and you worked very hard, and I think you're one of the better Administrators that I have known since I have been in Washington. Max if Jimmy Carter would have had more Max Clelands on his staff probably Jimmy Carter would not be back in Plains, Georgia, tonight having supper with Miss Lillian and with Billy.

Max, I am very sincere when I say thanks for your service to your country not only in war, but also in peace God bless you, Max.

Senator CRANSTON. Thank you very much, Sonny. And now I'd like to recognize the Ranking Minority of the House Veterans' Affairs Committee, himself a great and effective champion of veterans causes for longer than he'd probably like to remember. John Paul Hammerschmidt of Arkansas.

Congressman HAMMERSCHMIDT. Thank you, Senator Cranston. I'm very delighted to join my colleagues and your many friends, Max, as we honor and salute an outstanding American. I'm pleased to have this chance to again state publicly how much I admire Max and how I appreciate his tremendous contribution to veterans in the United States of America. Max, you are certainly one of the most inspirational, top-level officials to arrive in Washington for many generations. With your proven leadership abilities and strength of character, I have no doubt that we will be seeing you back here in the future if that should be one of your goals.

You know, we've heard it said all of our lives that you can't keep a good man down, and you have demonstrated the truth of that old quote. One can only imagine the enormous impact your success in a conspicuous administrative office has had on handicapped individuals everywhere. Those who might have despaired have been strengthened by your example. There could be no doubt of it. And those who needed an extra amount of determination to prevail, or, yes, to survive, have been able to draw it from your accomplishments, Max.

One can only surmise the qualities of character required to overcome the severe burden that war dealt you, but I'm sure that thousands of handicapped people found within themselves qualities they didn't know they had until you showed them.

Your example has also shed light on the problems of Vietnam veterans. On occasion there has been perceived to be an indifference to the special difficulties of many of these veterans and what they are going through, and your continued insistence on giving them top priority has finally aroused widespread recognition and sympathy.

So you can look back, Max with satisfaction on your record as Administrator of Veterans' Affairs, and I know you can look forward toward reaching the goals that lie ahead. I hope that you will set your sights high: I have no doubt but what you have, because we know Max Cleland can achieve just about anything he sets out to do.

So I thank you for your service to veterans, Max, we bid you an affectionate goodbye, and Godspeed.

Senator CRANSTON. Thank you very much, John Paul. Now it's my turn.

Let me say what we all know first, that we're here to pay tribute to the man who's been steward for the past four years of the third largest agency in our government. It is perhaps no exaggeration to say that the Veterans Administration has faced no greater challenge nor undergone greater changes during any similar period since the aftermath of World War II when Omar Bradley was Administrator. Certainly, no Administrator since Omar Bradley has been better know by the American veteran and the American public than Max Cleland. As the youngest Administrator in the VA's history, he was faced with three enormous challenges which he characteristically met head-on with seemingly inexhaustable energy and enthusiasm and dedication.

His first major challenge was in facilitating the reentry of Vietnam veterans into our society by calling attention to the contribution they have made and continue to make to our society, and by devising and implementing long overdue programs for those veterans who continue to have problems.

Second, he has refocused the attention of the Veterans Administration on the needs and the problems of our service disabled veterans and those veterans who need our assistance the most.

Third, he has worked diligently, often against enormous obstacles given the great size of the agency, to transform VA offices around the nation into caring, compassionate, and competent public servants—truly sensitive to the needs of all veterans—and to improve management operations here in Washington. Let me provide just a few details on Max Cleland's very impressive record of achievements and major changes at the VA.

First, Max has truly made a difference in the area of programs to help Vietnam-era veterans. With respect to the legislation to establish the readjustment counseling program, although this provision had been before the Congress for almost a decade, and had been passed by the Senate numerous times, all prior VA Administrators had opposed it. Max Cleland supported it strongly. In June 1979, we enacted that law, and the

VA then vigorously implemented this vitally important program, setting up 91 VA Centers across the country in low-key storefront facilities.

Efforts to help disabled, minority group, educationally and financially disadvantaged, and incarcerated Vietnam veterans markedly increased.

Public information programs such as Operation BOOST have reminded Vietnam-era veterans all across the country of their GI Bill educational opportunities. Toll-free phone service to the VA is now available to veterans in every state.

To help Vietnam veterans with their educational needs, Max strongly advocated, and the Carter Administration proposed, a 10-percent GI Bill rate increase which we enacted last year, and, at Max's insistence, the Administration also proposed legislation to extend the delimiting period for GI Bill eligibility specifically targeted on helping Vietnam Era veterans who most need to use their GI Bill benefits. Although we've not been able to get that proposal all the way through yet, the VA support of it was another Cleland first.

Max has also shown sensitivity and common sense with respect to the very volatile issue of Agent Orange, and its possible health effect on veterans who were exposed to it during their Vietnam service, as Max himself was. The VA has attempted to get at the facts through a special advisory committee and scientific research both within and without the agency. VA medical facilities have been directed to make full examinations available to all Vietnam veterans who believe they may be suffering adverse effects from Agent Orange exposure, and more than 40,000 individual examinations have been provided.

Max has done much to sensitize the public and the VA itself to the contributions to our society that Vietnam Era veterans can make and are making. More than 40,000 Vietnam-era veterans have been hired by the VA since '76—many in key management positions. All told, they now comprise 17.5 per cent of the VA's total workforce. The VA, the government leader in utilizing the Veterans' Readjustment Appointment Authority, has appointed more than 26,000 Vietnam Era veterans under the VRA program since 1976, a remarkable record.

In addition to his concern for disabled and Vietnam Era veterans, Max has given much attention to the special problems of older veterans. The percentage of veterans 65 or older will almost double by '85, and more than triple in 20 years. The VA is pressing hard to keep abreast of the tremendous challenges of meeting the needs of aging veterans. Max as Administrator called for increased emphasis on the specific diseases and conditions related to aging. The VA now offers special gerontological fellowships to train health care professionals and is operating eight regional geriatric research, education, and clinical centers. Increased construction of nursing homes and domiciliaries is a high VA priority, and last June, the VA submitted to Congress a $4 billion construction plan for the next five years. The VA is also aggressively examining alternatives to institutionalization, such as hospital-based home care, personal care home placement, and geriatric day care centers. Further, the VA worked very closely with the 95th Congress in the development and the enactment of pension reform legislation, to provide more equitable assistance to truly needy older veterans and survivors.

Another Max Cleland first was support for the concept of judicial review of VA determinations denying claims for veterans benefits. This change in the agency's historic position typifies his vision and his willingness to take a fresh look at problems in order to help the veteran. Legislation providing this opportunity was passed by the Senate in the last Congress, and we'll keep trying to convince the House to act on a judicial review bill.

The VA's ability to provide treatment for alcohol and drug dependence, one of the most serious problems facing veterans, has been a top priority for Max. Since '76 the VA has added 37 new alcohol and drug treatment units, and now has the new authority it sought, enacted in 1979, to contract for this kind of care in community-based treatment facilities.

Regarding Max's very special dedication to meeting the needs of service-connected veterans, there are many more firsts. An identification system has been developed in all VA health care facilities so that service-connected veterans receive priority for hospital and medical services. Another innovation is having annual increases in disability comp. benefits consistently proposed in the President's budget.

Due to Max's deep personal concern, rehabilitation, too often slighted by the medical profession, is receiving increased emphasis within the VA. Two new rehab. engineering research and development centers were established. There, engineering and medical expertise are drawing to enable those with spinal cord injuries, amputations, and other severe disabilities to become more functional and to lead more fulfilling, richer lives. A National Conference on Rehabilitation, a first for the VA, was held to bring the best thinking to bear on this subject. After a delay of many years of repeated requests from the Congress, the VA, under Max, proposed a long overdue major legislative revision of the mission and authority regarding vocational rehabilitation, and Congress responded last vear with a truly comprehensive revision of that program, the first since 1944.

On the management front, Max pressed hard for use of more modern technology, better organization, more efficient operation. He persevered with the TARGET system, despite a lot of negative pressures, supported greater use of computers in DM&S, installed a VA Inspector General, and greatly increased VA audit staff and frequency. He accelerated efforts to collect overdue debts, created an Office of Planning and Evaluation, increased opportunities for veterans' input in policy development, and improved construction planning, and thereby reduced cost overruns. He urged and achieved zero growth in energy consumption throughout the agency, established a Leadership VA program to train young talent for top management, and created an Office of Human Goals to step up the VA's monitoring of equal rights and affirmative action in hiring.

Max firmly believes in people-to-people communication—pressing the flesh. He's tested his program in management innovations by getting out into the field himself at every opportunity to talk to program managers and veterans themselves.

His VA—May I Help You? campaign sums up Max's philosophy, spirit, and deep humanistic emphasis. It is for all these reasons, for all these accomplishments, and many more, that we join together here tonight to honor this truly distinguished American and dedicated public servant. It's an enormous tribute to Max Cleland that numerous Senators and Congressmen will be with us, along with almost every top official of the VA and the veterans service organizations.

At this point, I want to recognize the great generosity of the DAV and express my deep appreciation to them for making it possible for all of us to celebrate this special evening in such an enjoyable fashion.

I think you'll agree that Max has compiled a great record, one that he and all of you here tonight who played such a major part in these achievements can be enormously proud of. Given the great complexity of the problems facing the agency, the budgetary reality, and the very high goals he set for himself and for all of us, and for our obligations to veterans, Max will be the first to admit that he did not succeed in accomplishing all that he set out to do, and the fact is that nobody could have—he set out to do so very, very much.

What is amazing, however, I'm sure you'll agree, is the vast amount that has been accomplished over a short four-year period. The legacy Max leaves his successor will be the challenge of a high standard of commitment and achievement on behalf of America's veterans, particularly the service disabled and those who served in Vietnam.

I close with a line that Jimmy Carter used in August 1976 when he spoke about the possibility of his making a startling bold appointment as VA Administrator. Then candidate Jimmy Carter said to me that day in Los Angeles, and I say to you tonight four-and-a-half years later, "I love Max Cleland." We all love you, Max.

MAX CLELAND. Thank you very much, Senator Cranston. As I heard your voice, it reminded me of the very first time I testified before your Committee some 12 years ago, at a time when we were talking about the country's obligation towards veterans, particularly those coming back from Vietnam. And I want all of you to know that without the help of Alan Cranston I would have never had the chance to be mentioned to candidate Jimmy Carter in Los Angeles and ultimately be supported for that position as head of the VA and ultimately get a chance to serve the last four years with you. So, Senator Cranston, I want everyone here to know that you have been a key part, not only of my personal life, but my political life as well, and I thank you from the bottom of my heart.

Let me just say that every time I think about being head of the VA, I think of the antidote about how Truman picked his head of the VA. When things were just going haywire at the VA with literally 13 to 15 million veterans from World War II coming back, and there were hundreds of thousands of letters unanswered, there was tremendous work to be done. There was just a great turmoil over veterans' affairs, and Truman received various nominees from many quarters, but ultimately chose General Omar Bradley, which was kind of a unique appointment at the time, especially since Bradley wore his uniform to work every day. Someone afterwards asked Truman how he arrived at that decision and one of the State Democratic Chairman says "Mr. President, you should have given that job to a good Democrat." To which Truman blithely replied, "I wouldn't do that to a good Democrat." And after four years as head of the VA, I fully understand why he wouldn't do that. I think President Reagan might be reluctant to do it to a good Republican, as a matter of fact.

Let me just say that the record that Senator Cranston refers to obviously is one that I'm very proud of, but one that I, above all, know was not created by my own hand or by my own time or by my own work. Were it not for gentlemen like Senator Cranston, and Senator Simpson, and John Paul and Sonny on the House side, and many of you out there working diligently night and day over the last four years particularly, I know that personally both in the VA, and in the veterans service organizations, we wouldn't be able to talk about a record, and my name would not be attached to good things that were done.

I feel very much like Churchill after the Battle of Britain when he was given sole credit for defeating Germany there and turning the tide of war. And he simply said that the British people were the lion and he was just the roar. And that's exactly the way I feel. You all have been the lion, those of

you in the Congress, and those of you in the VA, those of you in the veterans' service organizations, you've been the lion. I've been privileged to be the roar, and as I go back to one of the great centers of culture and influence in this country, just like Cheyenne and Biloxi, I want all of you to know that I'm not gonna stop roaring. Thank you very much.

Senator CRANSTON. Thank you all very much, and remember the guestbook. That's all folks. Thank you.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDER FOR THE RECOGNITION OF SENATOR ZORINSKY ON THURSDAY, APRIL 30, 1981

Mr. BAKER. Mr. President, a moment ago I vitiated a special order for the distinguished Senator from Nebraska (Mr. ZORINSKY) for tomorrow. I now renew that request for a 15-minute special order for Thursday of this week and I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT SESSION OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97–48)

The PRESIDING OFFICER. Under the previous order, the hour of 8:40 p.m. having arrived, the Senate will now proceed in a body to the Hall of the House of Representatives to hear an address by the President of the United States and following the joint session will stand in recess until 9 a.m. tomorrow morning.

At 8:40 p.m., the Senate, preceded by the Sergeant at Arms, Howard Liebengood; the Secretary of the Senate, William F. Hildenbrand; and the President pro tempore (STROM THURMOND), proceeded to the Hall of the House of Representatives to hear the address by the President of the United States, Ronald W. Reagan.

(The address delivered by the President of the United States to the joint session of the two Houses of Congress, is printed in the proceedings of the House of Representatives in today's RECORD.)

RECESS UNTIL 9 A.M. TOMORROW

At the conclusion of the joint session of the two Houses, and in accordance with the order previously entered into, at 9:33 p.m., the Senate recessed until Wednesday, April 29, 1981, at 9 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, April 28, 1981*

The House met at 12 o'clock noon.

His Eminence, Archbishop Vatché Hovsepian, primate of the Armenian Church of North America, Western Diocese, Los Angeles, Calif., offered the following prayer:

O Lord, our loving Father, through the mouth of the prophet Hosea, You proclaimed:

For I desired mercy, and not sacrifice.—Hosea 6: 6.

Again, through Your only begotten Son, our Lord Jesus Christ, You said:

Blessed are those who hunger and thirst for righteousness, for they shall be satisfied.—Matthew 5: 6.

Thereby, Your voice resounded for all people in all ages and places that mercy and justice are Your standards.

Today, O Lord, as we commemorate the martyrdom of our people, we ask Your mercy to remember with Your loving kindness, the souls of over 1½ million of our Armenian people, who were martyred in the holocaust of 1915, and all victims of oppression, who have suffered and died at the ruthless hands of consciousless and godless aggression. O Lord, teach us all, that it is only as we live according to Your love for us, and our love for one another, that suffering and injustice will pass from this world.

We humbly thank you, O Lord, for shielding Ronald Reagan, our President, under Your provident care. We ask Your everlasting blessings upon the President of the United States, the honorable Members of this Congress, the members of the Supreme Court, and all the servants of this Nation. Protect them and all of us, from the visible and invisible enemies. Bestow Your divine wisdom upon them and upon all those unto whose judgment the destiny of the United States and the world have been trusted.

We ask this, O Lord, to the praise and glory of Your holy name, and in the name of our Lord and Savior, Jesus Christ. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. WALKER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 321, nays 7, answered "present" 4, not voting 98, as follows:

[Roll No. 24]

YEAS—321

Addabbo	Crane, Philip	Gray
Albosta	D'Amours	Green
Alexander	Daniel, Dan	Gregg
Anderson	Daniel, R. W.	Guarini
Andrews	Danielson	Gunderson
Annunzio	Dannemeyer	Hall (OH)
Applegate	Daschle	Hall, Sam
Archer	Davis	Hamilton
Ashbrook	de la Garza	Hammerschmidt
Aspin	Deckard	Hance
Atkinson	Derrick	Hansen (ID)
AuCoin	Dickinson	Hawkins
Badham	Dicks	Heckler
Bafalis	Dingell	Hefner
Bailey (PA)	Dixon	Heftel
Barnard	Donnelly	Hendon
Barnes	Dorgan	Hertel
Beard	Dougherty	Hiler
Bedell	Downey	Holland
Beilenson	Dreier	Hollenbeck
Benedict	Duncan	Holt
Benjamin	Dunn	Hopkins
Bennett	Dwyer	Horton
Bereuter	Dymally	Howard
Bethune	Dyson	Hubbard
Bevill	Early	Huckaby
Biaggi	Eckart	Hughes
Bingham	Edwards (AL)	Hunter
Boggs	Emerson	Hyde
Boland	English	Ireland
Bolling	Erdahl	Jeffords
Bonior	Erlenborn	Jeffries
Bonker	Ertel	Jenkins
Bouquard	Evans (DE)	Jones (OK)
Bowen	Evans (IA)	Jones (TN)
Brinkley	Fary	Kazen
Brodhead	Fenwick	Kemp
Brooks	Ferraro	Kildee
Broomfield	Fields	Kindness
Brown (CA)	Findley	Kogovsek
Brown (CO)	Fish	Kramer
Brown (OH)	Fithian	Lagomarsino
Broyhill	Florio	Lantos
Burgener	Foley	Latta
Butler	Fountain	Leath
Byron	Fowler	LeBoutillier
Campbell	Frank	Lee
Carney	Frenzel	Lehman
Chappell	Frost	Lent
Clinger	Fuqua	Levitas
Coelho	Gaydos	Lewis
Coleman	Gejdenson	Livingston
Collins (TX)	Gephardt	Loeffler
Conable	Gibbons	Long (LA)
Conte	Gilman	Long (MD)
Corcoran	Gingrich	Lott
Coughlin	Ginn	Lowry
Courter	Gonzalez	Lujan
Coyne, William	Gore	Madigan
Craig	Gradison	Markey
Crane, Daniel	Gramm	Marks
Marlenee	Peyser	Solomon
Marriott	Pickle	Spence
Martin (NC)	Porter	St Germain
Martin (NY)	Price	Stangeland
Matsui	Pursell	Stark
Mavroules	Rahall	Staton
Mazzoli	Rangel	Stenholm
McCollum	Ratchford	Stokes
McCurdy	Regula	Stratton
McDade	Reuss	Studds
McDonald	Rhodes	Stump
McEwen	Richmond	Swift
McGrath	Rinaldo	Synar
McHugh	Ritter	Tauke
Mica	Roberts (SD)	Taylor
Michel	Robinson	Thomas
Mikulski	Roemer	Traxler
Miller (CA)	Rogers	Trible
Miller (OH)	Rose	Vander Jagt
Mineta	Roth	Vento
Minish	Rousselot	Volkmer
Molinari	Roybal	Walgren
Mollohan	Rudd	Waxman
Montgomery	Russo	Weaver
Moore	Savage	Weber (MN)
Moorhead	Sawyer	Weber (OH)
Morrison	Scheuer	Weiss
Mottl	Schneider	White
Murphy	Schulze	Whitley
Murtha	Schumer	Whittaker
Natcher	Seiberling	Whitten
Neal	Sensenbrenner	Williams (MT)
Nelligan	Shamansky	Winn
Nichols	Shannon	Wirth
Nowak	Sharp	Wolf
O'Brien	Shaw	Wolpe
Oberstar	Shelby	Wortley
Obey	Shumway	Wright
Panetta	Shuster	Wyden
Patman	Simon	Yates
Patterson	Skeen	Yatron
Paul	Smith (NE)	Young (AK)
Pease	Smith (NJ)	Young (FL)
Pepper	Smith (OR)	Young (MO)
Perkins	Snowe	Zablocki
Petri	Solarz	Zeferetti

NAYS—7

Edgar	Goodling	Walker
Edwards (OK)	Harkin	
Forsythe	Jacobs	

ANSWERED "PRESENT"—4

Johnston	Ottinger
Lundine	Udall

NOT VOTING—98

Akaka	Evans (GA)	Luken
Anthony	Evans (IN)	Lungren
Bailey (MO)	Fascell	Martin (IL)
Blanchard	Fazio	Mattox
Bliley	Fiedler	McClory
Boner	Flippo	McCloskey
Breaux	Foglietta	McKinney
Burton, John	Ford (MI)	Mitchell (MD)
Burton, Phillip	Ford (TN)	Mitchell (NY)
Carman	Garcia	Moakley
Chappie	Glickman	Moffett
Cheney	Goldwater	Myers
Chisholm	Grisham	Napier
Clausen	Hagedorn	Nelson
Clay	Hall, Ralph	Oakar
Coats	Hansen (UT)	Parris
Collins (IL)	Hartnett	Pashayan
Conyers	Hatcher	Pritchard
Cotter	Hightower	Quillen
Coyne, James	Hillis	Railsback
Crockett	Hutto	Roberts (KS)
Daub	Jones (NC)	Rodino
Dellums	Kastenmeier	Roe
DeNardis	LaFalce	Rosenthal
Derwinski	Leach	Rostenkowski
Dornan	Lederer	Roukema
Edwards (CA)	Leland	Sabo
Emery	Lowery	Santini

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Schroeder	Stanton	Whitehurst
Skelton	Tauzin	Williams (OH)
Smith (AL)	Wampler	Wilson
Smith (IA)	Washington	Wylie
Snyder	Watkins	

□ 1215

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution and a concurrent resolution of the House of the following titles:

H.J. Res. 155. Joint resolution to authorize and request the President to issue a proclamation designating May 3 through May 10, 1981, as "Jewish Heritage Week"; and

H. Con. Res. 116. Concurrent resolution providing for a joint session of the two Houses on Tuesday, April 28, 1981, to receive a message from the President of the United States.

The message also announced that the Senate agreed to the following resolution:

S. Res. 117

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable Tennyson Guyer, late a Representative from the State of Ohio.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representative.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 60. Joint resolution to authorize and request the President to designate the week of May 3 through 9, 1981, as "National Physical Fitness and Sports for All Week."

The message also announced that the Vice President, pursuant to Public Law 85-874, appointed Mr. McCLURE as a member, on the part of the Senate, of the Board of Trustees to the John F. Kennedy Center for the Performing Arts, vice Mr. WILLIAMS, resigned.

The message also announced that the Vice President, pursuant to Public Law 91-551, appointed Mr. GOLDWATER and Mr. GARN as members, on the part of the Senate, of the Board of Regents to the Smithsonian Institution.

The message also announced that the Vice President, pursuant to section 194(a) of title 14, United States Code, appointed Mr. CHAFEE as a member, on the part of the Senate, of the Board of Visitors to the U.S. Coast Guard Academy.

The chairman of the Committee on Commerce, Science, and Transportation, under the above cited law, appointed Mr. STEVENS and Mr. HOLLINGS as members of the same Board of Visitors.

The message also announced that the Vice President, pursuant to section 1126(c) of title 46, United States Code, appointed Mrs. HAWKINS as a member, on the part of the Senate, of the Board of Visitors to the U.S. Merchant Marine Academy.

The chairman of the Committee on Commerce, Science, and Transportation, under the above cited law, appointed Mr. GORTON and Mr. INOUYE as members of the same Board of Visitors.

The message also announced that the Vice President, pursuant to Public Law 86-42, appointed Mr. STEVENS (chairman) and Mr. ZORINSKY (vice chairman) as members, on the part of the Senate, of the Canada-United States Interparliamentary Conference, to be held in Halifax, Nova Scotia, May 22-26, 1981.

ARCHBISHOP VATCHE HOVSEPIAN

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, it is a great pleasure and personal privilege for me today to present as our guest chaplain, Archbishop Vatché Hovsepian, who is primate of the western diocese of the Armenian Church of North America.

His Eminence, Archbishop Hovsepian, was born on June 11, 1930 in Beirut, Lebanon. After his early schooling, he entered the Armenian Theological Seminary in Antelias, Lebanon, to study for the priesthood and was ordained as a celibate priest in 1951. After serving as the assistant dean and instructor at the seminary for 2 years, he was sent to England to continue his theological education and studied at the College of the Resurrection near Manchester, England, for 1 year and thereafter continued his religious studies at the University of Edinburgh in Scotland. He completed his formal theological educational training at New Brunswick Theological Seminary at New Brunswick, N.J.

In 1956 Archbishop Hovsepian was appointed as pastor of the Holy Cross Armenian Church of Union City, N.J., and served as the head of that church until October of 1967. While pastor of Holy Cross Church, he took the lead in causing the construction of new church buildings, a new Sunday school headquarters was built, and he caused the tripling of the number of children enrolled in the Armenian schools of that community.

In October 1967 His Holiness Vasken I, appointed him as the vicar general of Canada, consecrated him as bishop and designated him to be the bishop of Canada. As such, he was the first bishop of Canada and he was responsible for the organization of that completely new diocese. His mastery of the English and French languages was a great help to him in his work in Canada and under his leadership several new parishes were organized, a cathedral was purchased for the diocese, and school facilities were organized in several parishes. In the spring of 1971, his eminence was elected primate of the western diocese of the Armenian Church of North America with his headquarters in Los Angeles. In 1976 he was elevated to the rank of archbishop by His Holiness Vasken I. Archbishop Hovsepian's service as primate of the western diocese of North America is exemplified by the rapid growth and vigorous spiritual and cultural life of his community. He is responsible for the building of several new churches and schools, for organizing new parishes, parish retreats and regional conferences and the important establishment of an endowment fund, thus making the western diocese one of the strongest and fastest growing in his church.

Again, I state I am most pleased to have a chance to sponsor Archbishop Hovsepian's appearance as our guest chaplain today, and I know that you, Mr. Speaker, and all of our Members join in wishing him continued blessing in his work.

ARCHBISHOP VATCHÉ HOVSEPIAN

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, it gives me great pleasure today to join my distinguished colleague, GEORGE DANIELSON, of California, in welcoming His Eminence Archbishop Vatché Hovsepian, primate of the Armenian Church of North America, western diocese.

On behalf of my constituents from the 11th Congressional District of Illinois, many of whom are of Armenian descent, I want to say I know how happy they are that Archbishop Hovsepian delivered the invocation.

Prior to assuming his present responsibility as primate of the western diocese of the Armenian Church of North America, Archbishop Hovsepian had served as bishop of Canada and as vicar general of Canada. He had also served as pastor of the Holy Cross Armenian Church of Union City, N.J., and over the years has established a distinguished reputation as a theologian, administrator, author, scholar, and teacher. His inspired leadership was instrumental in revitalizing the western diocese, and it is in large part

due to his dedicated efforts that the St. John Armenian Cathedral of Hollywood was established.

It is especially fitting that Archbishop Hovsepian offered the opening prayer in the House of Representatives, for today we are observing the 66th anniversary of the genocide in 1915 by the Turks of more than 1,500,000 Armenians.

Mr. Speaker, I want to thank Bishop Hovsepian for being with us and for delivering the invocation today. I also want to add that the sad fate of those innocent victims of the Armenian holocaust is very much in mind today as we pay tribute to their blessed memory and martyrdom.

SWEARING IN OF THE HONORABLE MARK D. SILJANDER, OF MICHIGAN, AS A MEMBER OF THE HOUSE

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan, Mr. MARK D. SILJANDER, be permitted to take the oath of office today. His certificate of election has not arrived, but there is no contest, and no question has been raised with regard to his election.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. Will the Members of the Michigan delegation please escort the gentleman to the rostrum?

Mr. SILJANDER appeared at the bar of the House and took the oath of office.

□ 1230

APPOINTMENT AS MEMBERS OF COMMISSION ON NATIONAL DEVELOPMENT IN POSTSECONDARY EDUCATION

The SPEAKER. Pursuant to the provisions of section 101(a), Public Law 96-374, the Chair appoints as members of the Commission on National Development in Postsecondary Education the following Members on the part of the House: Mr. BIAGGI of New York; Mr. COLEMAN of Missouri; and the following from private life: Mr. J. Donald Monan, Chestnut Hill, Mass.; Mr. David M. Bartley, Holyoke, Mass.; Mr. Richard A. Fulton, Washington, D.C.; Mr. Aubrey Lucas, Hattiesburg, Miss.; Mr. John Corbally, Urbana, Ill.; and Mr. Martin Abegg, Peoria, Ill.

THE OUTRAGEOUS ATROCITIES IN EL SALVADOR

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, this morning it was announced that after 5 days in El Salvador, Father Roy Bourgeois has been abducted. Father Bourgeois has served at Our Lady of Mount Carmel Church in my district in Elmsford, N.Y.

Mr. Speaker, I hope a clear message will be sent to President Duarte that after the murder of four American nuns, American businessmen, and now this abduction, that we in this Government have had enough and that further American aid will be dependent on how quickly and properly the Government of El Salvador responds to these outrageous atrocities.

I think we have had enough, and I think the American people have had enough of this type of action.

INTRODUCING LEGISLATION TO EXTEND REORGANIZATION ACT

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, today I have introduced a bill to renew the authority of the President to reorganize the executive branch. This authority has been granted to Presidents, with some interruptions, since 1932. The most recent extension expired April 6.

My bill would extend the authority for 2 years from the date of enactment. It would also make a number of other changes in the procedures that have been followed in the past.

The most significant change is in the method of approval of the plans by Congress. Previously, Congress could vote only to disapprove a plan, a confusing procedure that required one to vote "no" in favor of a plan, and "yes" against it. My bill would bring the plans to the floor in a straightforward manner for a vote of approval rather than disapproval.

I am also proposing an extension of the time Congress would have to consider a plan before it went into effect. In the past, 60 days after a plan was submitted to Congress it took effect, unless disapproved by either the House or Senate. I am extending that time to 90 days, after which a plan would go into effect unless an approval resolution was defeated by either the House or Senate.

I am also extending from 30 to 60 days the time in which a plan could be amended by the President after its submission.

I think these changes, along with some of a technical nature that are included in my bill, will provide for a more rational procedure and permit Congress to act in a more responsible manner on reorganization plans.

REQUIEM FOR A HEAVYWEIGHT

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYMALLY. Mr. Speaker, the Nation put to rest, while Congress was in recess, a great American, and I think it is fitting that we pay tribute to this fallen giant.

Joe Louis was the "Champ," the "Brown Bomber," an athlete whose accomplishments are unparalleled. He was the man who, long before the civil rights movement, instilled pride and dignity in the minds and hearts of black Americans. He vindicated us. But he transcended the lines of race and class to become, during World War II, the American hero. In one of history's most poignant moments, this descendant of an enslaved people became the symbol of resistance to the sordid racism of Hitler's Nazi Germany when he defeated Germany's heavyweight boxing champion, Max Schmeling, in 1938. And so he redeemed us.

A simple, humble man, born 66 years ago in the wretched poverty of Alabama, Joe Louis rose to the heights of fame and glory, only to meet again in his last years the trials of economic adversity and debilitating illness. Yet, he retained a sweetness of spirit and an innocent gentleness that might continue to inspire us all in moments of discouragement and despair.

Joe Louis was truly a universal man. What he did, he did often in spite of the obstacles that this country set before him. Yet, he gave to us love, and not bitterness. He gave generously, without selfishness. We are indebted to him, perhaps more than we can ever know. We cannot repay him, except to hold his memory dear.

SMALL ROYALTY HOLDERS AND THE WINDFALL PROFITS TAX

(Mr. ANDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON. Mr. Speaker, I am introducing legislation today to give some relief to small royalty holders from the windfall profit tax. My bill would extend for the life of the tax the 1-year tax credit of the first $1,000 which would have to be paid on oil production which we enacted in the reconciliation bill at the end of the last Congress. My bill also includes an inflation factor so that that $1,000 can be increased automatically if inflation continues.

Most of us have received letters indicating the plight of small royalty holders who are not wealthy, who could desperately use the additional money from decontrolled oil prices, and who are turning most of their increased revenue over to the Government under the windfall profit tax. Most of the proposals I have seen to correct this problem, however, deal with a completely different scale.

They call for exemptions from the tax of anywhere from 10 to 1,000 barrels per day of production. For each one barrel exempted, there may be as much as $5,000 per year in unpaid tax. So, 10 barrels per day equates to $50,000 per year; and 1,000 barrels means $5 million per year. With those amounts, we are clearly no longer talking about some retired couple on social security with a small well on their property. Those solutions strike me as shooting rabbits with gold-plated cannon balls.

I believe that my bill, Mr. Speaker, directly addresses the problem which concerns many of us. It will give adequate relief to the small royalty holders. It will not be making the fat cats fatter at the expense of the American public. And it will not make such a large dent in the revenues of the windfall profit tax that we are taking incentive revenue away from those who are making decisions about the finding of new domestic oil sources.

AMENDMENT TO BE OFFERED TO FARM BILL TO PROHIBIT SALE OF GRAIN TO SOVIET UNION AT BELOW COST OF PRODUCTION

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, by lifting the grain embargo to the Soviet Union, the Reagan administration has in effect allowed a vast subsidy to the Soviet Union, for we sell our grain at below the cost of production and the taxpayer subsidizes that grain and the farmer loses money on it. This loss is a subsidy to the Soviet Union. At the very time that we vote billions of dollars in defense against the Soviet Union, we are subsidizing the Soviet Union by these cheap grain sales.

Mr. Speaker, I will offer an amendment to the farm bill to prohibit the sale of grain to the Soviet Union at below the cost of production.

REAGAN'S DEFENSE SPENDING COULD TURN INTO ECONOMIC NIGHTMARE

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the Washington Post for Saturday, April 25, contains an outstanding article by Robert G. Kaiser concerning the potential for economic disaster in the huge increase in the defense program requested by President Reagan.

On the basis of interviews with leading economists, Mr. Kaiser points out that if Congress enacts this enormous defense program, as seems likely, and if the national economy fails to perform as well as the administration predicts, what is supposed to be a balanced budget in 1984 could be a $100 billion deficit. He also points out that every major economic forecasting firm, as well as the Congressional Budget Office, says that the promised Reagan boom will not materialize.

The article notes that the Reagan administration proposes to increase defense spending in the next 3 years by an amount greater than the entire defense budget of 1978. Further, in constant dollars, this buildup will be three times larger than the Vietnam buildup, which was the strain on our economy that provoked America's current inflation.

Mr. Kaiser's article mentions that the Congressional Budget Office believes that the administration underestimates the rate at which the prices of defense-related products are rising. The Congressional Budget Office estimates that to complete the programs in the Reagan budget could cost $50 billion more in 1984 than the administration expects. In general, prices for military goods, according to the article, are rising 50 percent faster than the underlying rate of inflation.

Our distinguished colleague, LES ASPIN, has recently brought out a study showing the tremendous economic disadvantage that the United States suffers in competition with Japan and Western Europe because of the fact that the United States spends a far greater proportion of its GNP on military programs than Japan and most of the Western European countries. The Robert Kaiser article quotes economist, Lester C. Thurow of MIT, who points out that one of the reasons for this is that American defense industries draw off the best engineers and skilled labor. Professor Thurow is quoted as saying:

> If the skilled personnel and funds that are used for defense here are used for civilian production abroad, it should not come as a great surprise when we are driven out of the civilian markets. What happens to us if we are driven out of semiconductors, microprocessors and computers while we are busy rearming ourselves?

Before the Congress makes the long-range commitment to costly new military programs that is implicit in the Reagan budget, we had better do a cost benefit analysis of these programs. A bankrupt America or one racked by mounting social unrest from civilian budget cuts is not likely to be a very impressive military power.

The full text of the Robert Kaiser article follows:

REAGAN'S DEFENSE SPENDING COULD TURN INTO ECONOMIC NIGHTMARE

(By Robert G. Kaiser)

There is a potential Republican nightmare for 1984 buried in the Reagan administration's "Program for Economic Recovery." It can be found under "D"—for defense.

If Congress enacts the enormous Reagan defense program, as it now seems eager to do, and if the national economy fails to perform as well as the administration predicts it will, that nightmare could become reality. If a tax cut is passed and the promised Reagan boom fails to materialize, what is supposed to be a balanced budget in 1984 could have a $50 billion to $100 billion deficit.

Every major economic forecasting firm and the Congressional Budget Office say that the boom won't materialize.

The significance of the administration's proposals can be stated in simple numbers. This year the Pentagon will spend about $168 billion. By 1984, according to the administration's optimistic calculation, that figure will rise to $256 billion. By the Congressional Budget Office's reckoning (the CBO is more pessimistic than the administration's Office of Management and Budget about the prospects for reducing inflation), the 1984 figure actually will be $267 billion, or a 64 percent increase in just three years.

Stated another way, the Reagan administration proposes to increase defense spending in the next three years by an amount greater than the entire defense budget of 1978. In constant dollars, this buildup would be three times larger than the Vietnam war buildup; as a percentage of gross national product the Reagan increase would equal the Vietnam experience. It was that late-1960s strain on the economy, numerous economists say, that provoked America's current economic problems.

Conditions have changed since the late '60s, and there are economists who believe that the economy and the federal budget can absorb the huge defense increases that President Reagan favors (in real terms, an 11.5 percent increase in budget authority this year, a 14.8 percent increase next year). Several administration economists pointed out, that even if the Reagan buildup is fully approved by Congress, defense spending will represent a smaller portion of GNP than it did in the late '60s—about 7 percent compared to 10 percent then. But the proposed increases are unprecedented in size and there is great political momentum now behind them, a combination that makes this potential nightmare at least worth considering.

Few politicians in Washington seem to be considering it just yet. Congress is rushing into the new defense program with enthusiasm and, thus far, very little scrutiny.

Theoretically, nothing would prevent the administration from cutting back on defense spending if it saw the economy falling behind its optimistic predictions. Lawrence Kudlow, chief economist at the Office of Management and Budget, made this point in an interview, saying: "If any overall budgetary adjustments are necessary [in the future], then they'll be made . . . . Defense expenditures are always considered as part of the overall budget picture."

But defense spending is not so easy to alter, particularly in the midst of a multiyear buildup like the one now beginning. For example, if the Reagan administration were to decide in January 1983 that excessive defense spending jeopardized any chance at a balanced budget in 1984, it would find that it had already lost control of all but about 16 percent of the procurement outlays scheduled for the 1984 defense budget.

This is because money appropriated for defense programs in one year actually is spent over the next several years. According

to figures compiled by the CBO, $72 billion will be spent on procurement of weapons and equipment in 1984 under the Reagan budget. But in January 1983, $61 billion of that amount already would be appropriated (most of it in the '82 and '83 budgets), so it would be locked in and beyond the reach of any sudden effort to cut defense spending. Only about $11 billion of the '84 outlays would remain to be appropriated after January 1983.

The nonprocurement sections of the budget would be equally hard to reduce suddenly, because they represent money spent to support and maintain forces in being.

Moreover, defense spending is more than just another item in the Reagan budget. The new administration has made a stronger national defense its top spending priority, and has treated funds for the Pentagon as a unique budget category. While the Office of Management and Budget has been slicing away at almost every department in the government, the Reagan White House actually gave the Pentagon more than it asked for in its 1982 budget.

According to sources inside OMB, the usual staff work was dispensed with this winter as the new administration rushed to pump more dollars into defense.

The administration has further committed itself to huge defense outlays by promising to stick to the program it has outlined, even if its price goes up. Defense Secretary Caspar W. Weinberger has testified at least twice that if inflation pushes up costs, he'll return to Congress to ask for more money.

That prospect raises fears among some economists of a repetition of the Vietnam experience. Lyndon B. Johnson refused to raise taxes to pay for his Vietnam buildup, insisting that the Great Society could have both guns and butter. Instead, he set off the inflation that still plagues the United States.

Now President Reagan proposes a much bigger buildup in absolute terms.

Not all economists agree that the defense buildup Reagan proposes is inherently dangerous. Some economists believe the economy now has enough slack to cope with this buildup relatively easily, perhaps at the cost of about an additional one percent added to the inflation rate. That was the consensus among several of the nation's best-known economic forecasters at a Pentagon-sponsored seminar last fall.

But those economists all assumed that a big military buildup would be financed either by a tax increase or by cuts in other forms of government spending. The Reagan budget proposes to balance increased defense spending with a new boom in the domestic economy.

As calculated by Prof. Lester C. Thurow of the Massachusetts Institute of Technology (an adviser to Democratic politicians who is unabashedly critical of the Reagan program), Reagan proposes to offset a $196 billion tax cut and a $181 billion increase in defense spending with $138 billion in civilian spending cuts. Then new revenue generated by vigorous economic growth hypothetically would balance the Reagan budget by 1984.

Thurow is one of the economists who has argued that the Reagan defense program could create serious new economic difficulties. Another is Wassily Leontief, Nobel Prize-winning economist now at New York University, who said in a recent interview: "If handled improperly, these huge jumps in military spending will mean higher inflation, a worsening balance-of-payments gap, a drain on productive investment, soaring interest rates, increasing taxes, a debased currency and, in the longer term, more unemployment."

Leontief disputes the administration's optimism.

"Reagan hopes our gross national product will expand so much that we will be able to pay for higher defense spending without raising taxes," he told U.S. News and World Report. "This is not likely to happen. In fact, I personally guarantee that it will not happen."

Administration economists argue otherwise. Kudlow of OMB contends that the administration's budgetary and monetary policies will bring down the inflation rate, thus in effect holding down the real cost of defense spending. He disputed any suggestion that high defense spending might itself aggravate inflation.

"We've done a study on that," Kudlow said. It concluded that when defense spending was high in the 1960s, inflation was low, he said, but when defense spending fell dramatically as a percentage of GNP in the '70s, inflation rates soared.

There are numerous unanswered questions about the potential economic impact of the Reagan defense budget, but few of them have yet been raised in any congressional committee or other official forum.

First of all, the simple budgetary facts have been obscured, largely by rhetoric about the President's "budget-cutting" crusade. In fact, Reagan is not proposing to cut the federal budget. He is proposing to slow the rate at which it will grow. Instead of reducing the budget, the administration wants to transfer billions previously earmarked for social programs into defense.

If the Reagan budget were adopted by Congress, and OMB's optimistic forecasts for the economy came true, this is what would happen to the federal budget and the national economy:

Gross national product would grow 41 percent, from $2.9 trillion in 1981 to $4.1 trillion in 1984. Civilian expenditures in the federal budget would grow from $493.1 billion to $614.6 billion, a 25 percent increase. And outlays for defense would rise 60 percent from $162 billion to $260 billion in 1984—and continue growing to $343 billion in 1986. (All of these figures are in current dollars, unadjusted for inflation.)

Using the CBO's less optimistic economic assumptions, the 1984 defense budget might be 10 percent higher than Reagan predicts. But the CBO also believes that the administration underestimates the rate at which the prices of defense-related goods are rising. To complete the programs in the Reagan budget could cost $50 billion more by 1984 than the administration expects, CBO has estimated.

Defense-sector inflation is another area that has received almost no public attention in the discussion so far over Reagan's defense proposals. In fact, prices for military goods are rising 50 pecent faster than the underlying rate of inflation.

Some weapons systems have more than doubled in cost just in the last two years. The unit cost of the Army's new, advanced armored personnel carrier, for example, rose 94.8 percent in 1979 and another 65 percent in 1980. A modified version of the C130 air transport equipped with advanced electronics went up in price 75.9 percent in 1979 and another 26 percent last year. The price of an F18 jet fighter, in which the Reagan administration plans to invest heavily, went up 25 percent in 1979 and 44 percent in 1980.

Overall, the costs of the 47 major weapons systems now being purchased by the Pentagon rose more than 20 percent in 1980. According to a CBO calculation, while the underlying rate of inflation in the economy as a whole last year was 9.3 percent, costs of defense purchases went up 14.9 percent. For four years up to 1980, the same index shows, defense-sector inflation was less than a point higher than inflation generally; the sudden jump last year hints at a new explosion in defense costs.

This is another area that has received relatively little public attention, although a number of gloomy (and prolix) official reports have been written on the subject. During the 1970s, when defense spending fell to the lowest levels (as a percentage of GNP) of the postwar era, what has been called the military-industrial complex changed radically. Thousands of small firms that were subcontractors to the giant defense firms in the 1960s—providing 50 to 60 percent of the components of most major weapons systems—went out of business, or out of the defense business.

In many critical areas, there are only one or two firms in the United States that can provide key parts. According to the Pentagon's Defense Science Board, only two companies make the titanium wing skins crucial to advanced aircraft; only three firms make aircraft landing gear; just one manufactures special ball bearings for air frames. Only two shipyards in the country—both of them already working at full capacity—can build many of the ships in the new Navy budget.

As a result of real or potential bottlenecks such as these, the waiting times for the Pentagon to take delivery on major weapons systems after they are ordered have stretched into years. According to the Defense Science Board, the waiting time for an F15 jet fighter is 41 months; for an A10, 49 months. Numerous experts have testified that the U.S. defense industry does not have the capacity to sustain a surge in production to meet the needs, for example, of an unexpected military conflict, and the surge called for in the Reagan budget will be difficult to satisfy.

Bottlenecks in domestic defense industries and a sudden intensification of defense orders contribute to another little-discussed repercussion from a new defense buildup: the stimulation of an increase in imports. Last fall, the major economic forecasters met in a seminar sponsored by the Pentagon to discuss the possible impact of a surge in defense spending. Althouth they all differed in their predictions, all agreed that increased imports would be one consequence.

Thurow of MIT argues that a defense buildup could prove more profitable to West Germany and Japan than to the United States, partly because of the new sales it will mean for firms in that country, partly because American defense industries draw off the best engineers and skilled labor.

"Would you rather work on designing a new missile with a laser guidance system, or on designing a new toaster?" Thurow has written. "To ask the question is to answer it. Military research and development is more exciting . . . The military is willing to pay almost any premium to have a better product. The civilian economy is not. As a result, the very best brains move into defense."

"If the skilled personnel and funds that are used for defense here are used for civilian production abroad," Thurow added, "it should not come as a great surprise when we are driven out of civilian markets. What happens to us if we are driven out of semi-

conductors, microprocessors and computers while we are busy rearming ourselves?"

None of these questions about the potential impact of the Reagan defense program have been raised very loudly in Congress. Critics can be found, particularly on the liberal end of the political spectrum, but few of them volunteer their views before they are solicited.

"You're going to spend more, get less, and ultimately put yourself in a far more dangerous position," according to Rep. Thomas J. Downey (D-N.Y.). Downey, a member of the House Budget Committee, then was asked if he would try to delete any of the defense program from the budget resolution. No, he said. "It's no use."

DEBATE AND DECISION ON BUDGET MUST BE BASED ON FACT

(Mr. DONNELLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DONNELLY. Mr. Speaker, this week's debate and decision on the budget must be based on fact. And the fact is that the President's budget contains the makings of the highest series of budget deficits in peacetime history.

The spending and revenue estimates in the House Budget Committee's recommendations are based on a cautious forecast of the economy's performance. These projections were made after we listened to the country's most distinguished economists.

The President would have us gamble on his administration's guesses and hopes that the growth rate of the economy will be 80 percent higher than most economists predict. The administration wants us to gamble that inflation and interest rates will decline twice as fast as we can reasonably expect.

I wonder how many of my friends on the Republican side of the aisle would be up here denouncing these rosy economic forecasts if they had been proposed by a Democratic President.

And I wonder how many of my colleagues in the minority would support such huge deficits if they were not camouflaged by phony economic assumptions.

INTRODUCTION OF THE ORGANIZED CRIME ACT OF 1981

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT. Mr. Speaker, I am today introducing the Organized Crime Act of 1981. This legislation comes as a result of extensive hearings held last year by the Senate Permanent Subcommittee on Investigations chaired by my distinguished colleague from Georgia, SAM NUNN.

This legislation will greatly expand the Federal Government's ability to fight a network of organized violence which the FBI estimates generates an underground economy of $120 to $160 billion each year. When compared to the $50 billion gross annual income of Exxon, the extent of organized crime in America is staggering. In Florida alone, organized criminal activity has risen over a third in the past 12 months as the infusion of narcotics has turned Florida into a battleground. Law enforcement authorities in Dade County alone reported over 40 gangland executions in a recent 10-month period. The time for action is now.

Today, over 20 percent of FBI investigative units are involved in attacking mob violence. Organized crime knows no ethnic boundaries and encompasses the entire spectrum from the Hell's Angels to the massive and infamous La Cosa Nostra. Despite this diversity, all of organized crime has a single common denominator: violence.

Testimony before PSI painted a terrifying picture of organized violence in this country. Horror stories of bombings in Kansas City and Rochester, the brutal murders of innocent bystanders in Chicago, and an eerie recounting of a Mafia initiation ceremony in New York seem more from the pages of trashy novels than the pages of Senate hearings. Yet the assassination of a Federal judge in Texas and the gangland executions of south Florida are graphic reminders that mob violence is all too real. According to Senator PERCY:

> Shakedowns and threats remain the standard mob business tool, with bombings, arson, and murder the necessary back-up. To insure its success, the mob bankrolls political corruption so that eyes are diverted and backs conveniently turned, leaving the victims helpless and utterly alone.

We can afford to turn our backs no longer. The growth of this cancer known as organized crime must be arrested before it eats away the foundation of law and order on which our Nation rests. We can wait no longer.

The Organized Crime Act of 1981 seeks to engage all the resources of the Federal Government in the war against mob violence. First, it would allow the Federal and local governments to work hand in hand in the investigation and prosecution of organized crime, including the area of professional contract murders. Second, it will make it a Federal offense to harm or threaten law enforcement officials, witnesses and potential witnesses, informants, and their families. It will also expand the court's authority to protect the confidentiality—and the lives—of informants. Third, it will allow Federal judges to dramatically increase the penalty for crimes committed through the use of violence. Finally, this legislation would provide flexibility in denying bail to those who could be proved to be a threat to the community. All too often, major drug smugglers look upon bail as "simply the cost of doing business." Violence, narcotics, and organized crime are inseparable. This legislation would help insure that the highest echelons of the organized crime/drug cartel are brought to trial.

Mr. Speaker, organized crime becomes stronger each day. We can wait no longer. I urge the Congress to move quickly in enacting this urgent legislation.

NEWEST MEMBER OF HOUSE OF REPRESENTATIVES—MARK SILJANDER OF FOURTH DISTRICT OF MICHIGAN

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, today we welcome the newest Member of the House of Representatives, MARK SILJANDER of the Fourth District of Michigan.

The gentleman from Michigan comes to this House on the wave of an impressive landslide victory. He is the 190th Republican Member. Believe me when I say I am happy to have his vote added to that of his 189 colleagues on this side of the aisle. His timing could not have been better.

The gentleman, I am sure, knows full well the challenges that lie ahead for him. But in my conversations with him, I have come to believe that he will meet those challenges expertly. Mr. SILJANDER brings to the House his experience as a State representative in Michigan, he is no stranger to the legislative process.

We are very happy to have him among us and pledge our cooperation and assistance in the weeks and months ahead.

When we leave the floor today, we intend to give the gentleman from Michigan a crash course in matters pertaining to the Federal budget. He will have a test on the subject matter within a very few days. I can assure you he will be well prepared, and I am confident he will pass with flying colors.

VETERANS' CENTERS SHOULD NOT BE CLOSED

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, during the Easter recess I visited the Veterans' Administration Office in Wilkes-Barre, Pa.

This office is staffed by only four people. But it serves 11 counties and conducts over 1,800 interviews each month.

If OMB guidelines are followed, the Wilkes-Barre Center will be closed. In addition, a service officer located at the VA hospital in Wilkes-Barre may lose his job.

In my opinion, these actions would be penny wise and pound foolish. The Wilkes-Barre Center provides invaluable service to hundreds of thousands of veterans in northeastern Pennsylvania. And the service officer assigned to Wilkes-Barre has provided over 30 years of dedicated assistance. This man is also a recipient of the Congressional Medal of Honor.

Mr. Speaker, it is my hope that these OMB guidelines are just that—guidelines and not a directive. I urge the OMB to withdraw these guidelines immediately so that veterans throughout the Nation can continue to receive the service they so richly deserve.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. NELLIGAN. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, being on the Veterans' Affairs Committee, I think I can assure the gentleman today that we think there is a hold on cutting back on these regional offices on personnel and also on the Outreach facilities, and I think the gentleman's position on this facility that there should not be a reduction in personnel at this time, we have gotten that commitment from the OMB, and this pertains to all of the regional offices and some of the hospital-bed personnel around the country. So there is a hold on cutting back on VA personnel at this time in the VA administration personnel.

Mr. NELLIGAN. I thank the chairman for that good news.

PRESIDENT REAGAN'S ECONOMIC RECOVERY PLAN SHOULD BE IMPLEMENTED

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, for the past 2 weeks I have been traveling throughout my district in Idaho listening to people's concerns and thoughts. From senior citizens to union members, farmers to loggers, and miners to businessmen—I came away with the same message.

My farmers are hurting. My homebuilders are sitting idle. My loggers are not cutting. Small businesses are going under. Economic stagnation has dug its claws into the State of Idaho.

The people of Idaho asked me to return with a message for you, Mr. Speaker. They wanted me to tell you and the other Members of the House that they are waiting on the implementation of President Reagan's economic recovery program. They want this House to work with the Senate and the President to reduce our inflation, to reduce our taxes, and to restore the American dream of hope and prosperity.

The people back home realize some hurt will be felt with reductions to Government programs. They are willing to accept the hurt today in order to have a better tomorrow. Those miners, farmers, loggers, union members, and businessmen will do their part to make America great again—strong again. It is time we do ours.

Mr. Speaker, there is no more time. The need is now. The choice is clear. An economic idea has been planted. It is now time to harvest. Let us put President Reagan's economic recovery plan into action now.

□ 1245

A VOTE FOR ECONOMIC RECOVERY

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, the support I found at home last week for President Reagan's economic program was overwhelming, from Democrats and Republicans alike.

The President has my support and I would like to share just one example of why the President's program is so vital to the economic survival of this Nation.

The local board of realtors in Pomona, Calif., delivered a letter with thousands of signatures for me to bring back to President Reagan. The point of the letter was simply this: Too many Americans can no longer afford to buy a home. With the median cost of a house at $64,000, at today's interest rates the average family of four would require nearly $38,000 in income to qualify for purchase. With such statistics, nearly 68 million Americans are shut out of the housing market.

If business as usual is allowed to continue, by 1984 that family would need an income of $60,000 to afford a new home.

Vote "no" for business as usual, vote "no" for inflation and high-interest rates, vote "yes" for the Reagan bipartisan budget resolution.

CONSTITUENTS OF REPRESENTATIVE HILER SUPPORT PRESIDENT'S ECONOMIC PACKAGE

(Mr. HILER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILER. Mr. Speaker, 2 weeks ago, I mailed a questionnaire out to the people of the Third Congressional District of the State of Indiana. One of the questions dealt with the President's program for economic recovery; whether the people support the President's approach to solving our Nation's economic problems.

At the beginning of last week the responses began to arrive.

Well, those responses support President Reagan by a wide margin of 7 to 1—84 percent of the people in my district support the President's economic policies.

Like many of my colleagues, I was elected on a promise to support the proposals that are now the essential parts of President Reagan's economic package.

I urge all Members of the House to listen to their constituents—the people want the whole package. They want the tax cuts across the board. They want the spending cuts, which will reduce the Federal role in the economy. They want the opportunity to be able to keep their hard-earned dollars without being penalized by taxation.

On November 4 the people voted for Ronald Reagan; I think it is about time the Congress voted for Ronald Reagan.

I hope when President Reagan comes before Congress tonight in this Chamber, the Members will give him the warm reception he deserves, reflecting the overwhelming popular support for his economic proposals.

CONGRESSMAN BADHAM IN TOTAL SUPPORT OF PRESIDENT'S ECONOMIC RECOVERY PLAN

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BADHAM. Mr. Speaker, tonight our President will address a joint session of Congress in an effort to drum up support for his economic plan for this Nation.

Unfortunately, there is a three-letter word being used among many of my colleagues that will have the net effect of tearing the administration's plan into little pieces. That word is the conjunction, "but."

On a daily basis I hear such utterances as: "I support the President's economic recover plan, but * * * ," or, "I support the administration in its efforts to cut the cost and size of Government, but * * * ".

There are just too many "buts" being used today in conjunction with the President's program. If we are serious about getting this country back on track, and have taken note of the mandate of November 4, then we ought to stop this nitpicking and support our President.

I believe the administration's philosophy was made clear when our former colleague, Dave Stockman, remarked:

I don't believe that there is any entitlement, any basic right to . . . services; and the idea that's been established over the last ten years that almost any service that someone might need in life ought to be provided, financed by the government as a matter of basic right, is wrong. We (the Administration) challenge that. We reject that notion.

I plan to support the President's economic recovery plan—no ifs, ands or buts.

KANSAS CITY ROYALS URGE PRESIDENT TO COME OUT SWINGING

(Mr. JEFFRIES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JEFFRIES. Mr. Speaker, in the last 2 weeks I have put over 1,900 miles on my car, traveling the length and breadth of the Second District of Kansas to hear the people's views.

In my travels, I repeatedly heard one thing—support the President's program of budget cuts and tax rate reduction.

Today I was proud to present to President Reagan a baseball bat, symbol of the people's message to "go to bat for the President's program." I fully intend to be a pinchhitter for our President in the budget battle that faces us.

The bat that I will be presenting personally to the White House later this week has a special significance for us Kansans. It has been signed by the team members of our own Kansas City Royals. The Royals have asked me to urge the President to come out swinging in his fight against inflation and an unbalanced budget.

I am happy to oblige.

CONGRESS SHOULD RESIST EFFORTS TO DISMANTLE PRESIDENT'S BUDGET PACKAGE

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, I rise in support of the President's economic recovery program and I look forward to working with my colleagues on both sides of the aisle to act now to reduce Federal spending and taxes. Only if the President and Congress can work together will we reduce inflation which continues to sap the economic strength of our country. Twenty years ago, America enjoyed the premier economy of the world. Now, the signs of decay are everywhere.

Young people cannot buy a home; parents cannot educate their children; people on fixed incomes can no longer make ends meet. Inflation is devastating and it is our No. 1 problem.

Within 30 days of taking office, President Reagan proposed a sweeping, four-part program for economic recovery for the United States. The program is squarely based upon the campaign promises of the President and thus reflects the overwhelming mandate on which he was elected. During my own campaign for Congress I espoused the key elements of this plan: Spending cuts; tax rate cuts; regulatory relief; and a stable monetary policy.

I am committed to President Reagan's economic program—a program which offers vision for the future and hope at long last for fulfillment of our economic goals. I urge my colleagues to resist any efforts to dismantle the President's budget package.

ADMINISTRATION'S FOOD STAMP LEGISLATION

(Mr. COLEMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN. Mr. Speaker, today I am proud to introduce the administration's food stamp legislation. As ranking minority member of the House Agriculture Committee's Domestic Marketing, Consumer Relations and Nutrition Subcommittee, I am committted to the goal of reducing the level of spending for food stamps while retaining a program adequate to serve the needs of those Americans truly dependent on nutrition assistance.

Latest Government statistics show that nearly 23 million Americans—1 out of every 10 of our citizens—receive food stamp benefits. In fiscal year 1981, outlays could reach as high as $11.45 billion—some $1.75 billion above the 1981 cap.

Clearly this program is out of control. The voters have told us as much by sending us a clear message that they want the food stamp program streamlined and restored to its traditional role as a food program for needy Americans—not an income maintenance program.

The administration has put forth a plan to reduce fiscal year 1982 spending by $1.8 billion. I believe the suggestions are worthy of support by all Members of this body who believe, as I do, that Federal spending must be reduced through careful reconsideration of our budget process.

Let me take a few moments to outline the major provisions of this legislation and the intended savings:

First. Set income eligibility limit at 130 percent of the poverty level. The administration estimates that less than 400,000 households would be excluded from the food stamp program by instituting this procedure. No family with an annual income below $11,000 would be dropped from food stamps. Under current law, a family of four with an income of nearly $14,000—over $1,100 per month—could receive food stamp benefits in fiscal year 1982. By raising the income eligibility to 130 percent of the poverty level we could reduce outlays by $270 million.

Second. Offset food stamp allotments for school lunch benefits. This procedure of eliminating one benefit per day per school age child during the school year would save about $522 million in fiscal year 1982, according to administration estimates. Under current law, food stamp allotments are calculated on the assumption that all family members eat all meals at home. However, many students eat free school lunches. As a result, Federal nutrition subsidies are duplicated for about 2.5 million households. By instituting a school lunch offset, the average monthly food stamp allotment for a household would be reduced by $11 per student per month in fiscal year 1982. As a comparison, the average monthly free lunch subsidy in 1982 for each student will be about $23.

Third. The administration seeks a $460 million savings by instituting a recommendation by the previous administration to repeal liberalized deductions scheduled for fiscal year 1982. The last administration, and the current one, see the need to bring the food stamp deduction procedures into line with other Government programs.

Fourth. Further savings, in the neighborhood of $310 million would be realized by maintaining other deductions at fiscal year 1981 levels and by improving management procedures in order to reduce the error rate in food stamp issuance.

Fifth. And, finally, by calculating food stamp benefits on past income rather than estimated income in the future, we can save a significant amount in future years.

Mr. Speaker, it is readily apparent that the administration is committed to improving the administration of the food stamp program through tighter cost controls and management procedures. The spending reductions being sought in this legislation have been carefully determined. They are designed to bring the food stamp program back to its original purpose.

Without these cost-saving measures I fear a growing public anger against the entire program and its worthy goal of providing nutrition assistance to the truly needy. We must, therefore, approve these reasonable improvements which will not take food out of the mouths of those in need, but which will bring fiscal restraint to one of the fastest-growing and unrestrained Federal spending progams in our Nation's history.

IT IS TIME FOR A CHANGE

(Mr. WEBER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEBER of Ohio. Mr. Speaker, today I wish to reaffirm my support for President Reagan's program for economic recovery and for the vision he has for America. I say this not just for myself but for the citizens of the Ninth District of Ohio whom I have the privilege to represent. Like all of us, I have just returned from our district work period. What the people back home told me is very simple—it is time for a change.

Today we have a President who has offered us a new beginning, a solid program which requires "our best efforts and our willingness to believe in ourselves and our capacity to perform great deeds." President Reagan has won the support of the American people. A recent poll conducted in my district shows support for President Reagan's programs running 8 to 1. Time, however, is running out. We may not get another chance. As a constituent who recently wrote me stated: "America can't afford to drop the ball on this one."

THE MOMENT OF TRUTH

(Mr. LOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, today the House Rules Committee began consideration of the first budget resolution for fiscal year 1982. Tonight the President will address a joint session of Congress in this Chamber on the importance of our decision on that budget resolution to the success of his program for economic recovery. This Thursday we will begin debate on that budget resolution in the House.

Mr. Speaker, we are rapidly approaching a moment of truth in this House, a critical test of whether we are serious about cutting back on Government spending, giving the American people a real tax break and putting this country back on the road to economic prosperity.

If there is one truth which was impressed I think on the Members during our district work period, it is that last fall's election results were no fluke. They were a genuine mandate from the American people for the kind of economic recovery program the President has proposed.

I would appeal to my colleagues on both sides of the aisle here today as we approach this moment of truth to support the Latta-Gramm substitute which will implement the will and the mandate of the American people and to reject the O'Neill-Jones resolution which ignores that mandate by increasing spending and taxes while reducing defense spending.

THE PEOPLE SUPPORT THE PRESIDENT

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAW. Mr. Speaker, I have returned from Easter recess in my hometown of Fort Lauderdale, Fla., with one clear message ringing in my mind: The people support the President.

I made many speeches and the response of the audience was always the same; overwhelming support of the President's proposed budget.

I spoke to senior citizens in the condominiums, to working men and women in an electronics plant; I spoke to Cuban Americans, The Broward County League of Cities representing every city in my district; I spoke to chambers of commerce, to building contractors; I spoke to Jewish groups, and to church groups.

At a meeting of senior citizens, one man stood up to speak against the President. When I asked him if he wanted more of what we have had for the last 4 years, he emphatically responded, "No."

Because the Fort Lauderdale area is a retirement community, and the home of retirees from all corners of the country, I consider our community to be a representative cross-section.

Our community is overwhelmingly in favor of President Reagan's budget.

I am proud to support the President's budget.

LET'S GET WITH IT

(Mr. BLILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, later this week as we begin consideration of the first concurrent budget resolution for fiscal year 1982, we will be confronted with a clear choice. We can choose to continue down the same road of tax and spend and tax and spend that we have been on for the last 30 years and adopt the Budget Committee's recommendation; or we choose to adopt the President's "program for economic recovery" as embodied in the Gramm-Latta alternative.

What will the difference be if we choose the committee's budget instead of the President's? The difference is quite clear. The Federal Government will spend an extra $25.3 billion, and the American people will be forced to pay an additional $38.6 billion of their hard-earned money in taxes under Mr. JONES' committee plan.

This, Mr. Speaker, is exactly what the American people said they were sick and tired of on November 4. The American people voted for lower spending, lower taxes, and responsible fiscal policy.

The choice is ours. We can support the committee's recommended budget of more spending, more taxes, more inflation, and continued economic stagnation. Or we can support the President's program of lower Government spending, lower taxes, lower inflation, lower interest rates, lower unemployment, and long-term economic growth.

Which road will we choose? I for one intend to vote for the President's program. A program to get Government off the backs and out of the pockets of the American people. A program to restore real growth and prosperity to the American economy. A program of renewed opportunity for all Americans. Mr. Speaker, distinguished colleagues, we are charged with representing the people. Let us get on with it.

□ 1300

AMERICANS ARE WILLING TO BE RESPONSIBLE FOR THEIR OWN MONEY

(Mr. KINDNESS asked and was given premission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINDNESS. Mr. Speaker, before leaving Washington for the recent district work period, we read and heard a great deal about public opinion with regard to the President's program for economic recovery, and I have to admit that I was more than a little confused to hear that there was increasing support for fiscal retrenchment, but skepticism about the need for a tax cut.

You can imagine my relief after spending about 12 days in southwestern Ohio and learning that the people of my district, and I suspect many others, are willing to shoulder the responsibility of keeping a little more of their money each year if we are willing to let them.

Most of the people I talked with seemed to think that inflation was hitting them twice: at the cash register and in their tax bills. And most of them seemed to think that taxes would continue to increase, I am told at a rate of about 16 percent a year, if we do not do something.

I know my constituents are being told that tax cuts would be inflationary—that it is inflationary for people to spend their money when their Government could be spending it—but you should see what these people would do with their money if they could count on a tax cut being phased in over a 3-year period, and they could plan ahead.

Why, they would reduce their debt, or save it. Some of them would salt some money away in the hope of

making a down payment on a home. Some would invest their money. Is that so bad?

But they know that a one-shot tax cut would increase consumption and be inflationary.

We have got to help restore confidence in our economy and in the Congress. What better way than to tell the American people that we are going to let them have the tools they need to rebuild our economy. And that they can depend on it.

GOING TO BAT FOR PRESIDENT REAGAN

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, I was very proud and honored today to be asked to put on a pin to indicate that I am going to be at bat for President Reagan, for the American people and for the President's economic recovery program.

I think that we have a vital opportunity to turn this country around, to cut spending, to cut taxes, to have an opportunity to fight inflation and to create permanent jobs in the private sector.

With this pin, I am indicating my support for the President's economic recovery program. I hope every Member of the House in a bipartisan effort will join us in voting to change the way things have been going.

JOINT RESOLUTION SUPPORTING PROPOSED CONSTITUTION FOR U.S. VIRGIN ISLANDS

(Mr. DE LUGO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LUGO. Mr. Speaker, in September 1975 I introduced H.R. 9460 which authorized the people of the Virgin Islands to call a Constitutional Convention for the purpose of drafting a constitution providing a republican form of government and a Bill of Rights. This bill received tremendous support in the House, with 102 bipartisan cosponsors; it was passed on a unanimous vote by the Interior Committee; and it passed on a unanimous vote of the entire House on October 6, 1975. The bill became Public Law 94-584 on October 21, 1975.

Today, I am pleased to introduce this joint resolution supporting the proposed constitution for the U.S. Virgin Islands. Joining me as cosponsors are Hon. ANTONIO WON PAT, chairman of the Subcommittee on Insular Affairs; Hon. ROBERT LAGOMARSINO, ranking minority member; and Hon. PHILLIP BURTON, previous chairman of the Subcommittee on Insular Affairs and longtime friend of the territory. The constitution reflects the efforts of the delegates elected to the Fourth Constitutional Convention, who have worked diligently to create a document which provides the greatest opportunity for self-government while recognizing our position as part of these United States.

The people of the Virgin Islands have not taken the opportunity to demonstrate their political maturity lightly. This is evidenced by the fact that this is the fourth constitution drafted. The delegates, ever aware of their responsibility, have presented a document reflecting major concerns of the people.

Approval of this joint resolution, as submitted, would be consistent with established congressional policy to provide ever-increasing self-government for the territory and to allow the people of the Virgin Islands to exercise their basic right to self-determination. Upon approval, the constitution will be returned to the people of the Virgin Islands for them to complete this process by exercising their judgment in referendum.

THE DEMORALIZED NEEDY

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, I, too, have spent a great deal of my time during the course of the last 2 weeks talking to my constituent groups. Dozens and dozens of organizations and individuals have come to my office, or I have seen them in their own areas, talking about the programs which they have depended upon for survival. They come to me demoralized and they leave depressed because I would tell them what they have been reading about the Reagan proposals is, in fact, true; that there will, indeed, be between $40 billion and $50 billion of those programs, child nutrition, education, aid for senior citizens, transportation, and health, and you name it, that are going to be cut back. They cannot understand it. They look at a President who seems to be a nice guy and they say, "How can he be doing this to us?"

I tell them, indeed, he is doing it to them. The saving grace, Mr. Speaker, is that after a year and a half or two perhaps the pendulum will swing back. I do not believe that the American people will stand for the kind of radical retreat which is being sounded by the Reagan administration.

TIME FOR CONGRESS TO GIVE THE AMERICAN PEOPLE A BALANCED BUDGET

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, with all of the interest we are hearing around the Nation on the economy, I believe that it is time for the Congress to give the American people a balanced budget.

On April 20, the Commerce Department announced the economic growth figures for the first quarter of this calendar year. Those figures that reflect an annual growth rate of 6.5 percent—the highest growth rate in nearly 3 years.

On the following day, the cost price index for March reflected an annual rate of inflation of 7.5 percent—the lowest in many years.

These data are a clear signal that the economy is not staggering poised to plummet. Instead, it is making a strong recovery from the energy price increases inflicted during the past year and a half.

The economy, in my view, does not need inflationary stimulation imposed by a tax cut. It needs a balanced budget which will get the Government out of financial markets and ease high interest rates to allow productivity growth to create jobs, increase revenues, and make a tax cut possible next year.

REMEMBERING THE ARMENIAN MASSACRE

The SPEAKER pro tempore (Mr. MURTHA). Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 60 minutes.

Mr. DANIELSON. Mr. Speaker, last Friday, April 24, 1981, marked the 66th anniversary of the beginning of the first genocide of the 20th century, the first holocaust. I refer to the infamous Armenian genocide which began shortly after midnight on the morning of April 24, 1915.

At that time agents of the Ottoman Turkish Government commenced that genocide by the sudden rounding up of the leaders of the Armenian community in Turkey as the first step of a planned, vicious, highly organized genocide, which to that time was without precedent in human history.

This is the 11th year in which I have reserved a special order in order to remind the world of the historic facts of the Armenian genocide and to give my colleagues an opportunity to join with me in expressing their remembrance for those events.

This year, because of the Easter recess which resulted in the Congress not being in session on April 24, I am holding this special order on Tuesday, April 28, in order to conform to the congressional schedule. You will remember that today we were honored by the appearance of Archbishop Vatché Hovsepian as our guest chaplain. Archbishop Hovsepian is the pri-

mate of the Western Diocese of the Armenian Church in North America with headquarters in Los Angeles, Calif. He made his trip from California today for the express purpose of appearing before us.

There are those who would ask, "Why remind us again of the facts of the Armenian genocide which took place so long ago; this particularly since the events have been gone over by you so many times in the past?"

There are those who would say, "Why bring this matter up again? What can be accomplished, particularly since the facts are so well known and since it seems that repetition will produce no results?"

Well, to them I reply that we will always remember, that we may never forget, the martyrdom of those who were put to death simply because of their religious beliefs and because of the incredible policy of genocide which was conceived and carried out by the Ottoman Turkish Government against those helpless people.

There is probably no Armenian-American family today which did not have one or more members who lost their lives in that first genocide.

Let us remember, Mr. Speaker, that at that time, 66 years ago, there were only about 3 million Armenians alive in the entire world; about 1 million of them, half of all the Armenians then alive, were put to death by cruel and unusual means, by being buried alive, by being trampled to death by charging cavalry horses, by being beheaded and cut apart, by hanging, by being driven out into the desert, there to die of thirst and starvation, by death in whatever form; 1.5 million people, half of that race the first genocide, the first holocaust of the 20th century.

You will remember that His Eminance Archbishop Hovsepian, who prayed for us today, the primate of the church, was here to be our guest chaplain. I know that his own family was gravely touched. His mother was with us today. His mother was one of the surviving victims of the genocide. Her parents, her brothers, and sisters, perished in the genocide. Somehow she escaped. Somehow she was able to get away through the help of friends into Egpyt or some other such place and finally was transported into Lebanon where she found refuge. That is a common story among Armenians. I know, because I represent one of the largest Armenian communities in America.

I can tell you, Mr. Speaker, that there is not a family in that group that did not lose someone, a mother, a father, a brother, a sister, children, someone died, sometimes all of them perished. They will never forget and because of the fact that their descendants here in America have never forgotten, and because now these facts are recorded in history, no one is ever going to forget.

I can only regret one thing. For some incomprehensible reason the present Government of Turkey does not seem to want to make amends. Most of us are old enough to remember the second great genocide of the 20th century, the genocide of the Jews in Hitler's Nazi Germany. While it was terrible beyond description, at least the German Government after the war, those who replaced the evil Hitler, acknowledged the wrong, took whatever steps it could to make amends and have tried to heal this horrible breach in human relations. And the good results are clear for all to see.

On the other hand, the present Turkish Government denies to this day that there ever was such a thing as a genocide. What a ridiculous and untenable position. Our own U.S. Ambassador to Turkey at the time reported to the American people on the details of the genocide and those records are a part of the Archives of the United States today.

□ 1315

They can be found in the Archives of the U.S. Department of State.

The U.S. Ambassador, the Honorable Henry Morgenthau, Sr., of New York, a very distinguished member of a most distinguished American family, wrote a book reflecting those facts which he, as our Ambassador, saw, and which he tried to prevent. Yet for some reason the present Turkish Government does not even admit that these horrible facts of history took place.

That is a grave and offensive mistake which adds grievous insult to the prior crime. In the affairs of man, and under the laws of God, there is always room for repentance and repentance can heal the wounds of human relations even so great as these.

I thank God, I thank the framers of our Constitution for the privilege of free speech, that we have been able to put into the records of this Congress, we have been able to put into the records of the United States for all of the world to know that these facts, the Armenian genocide, did take place and that we shall never forget those who were its victims.

History shows that when Hitler commenced his genocide of the Jews some 40 years ago, 45 years ago, some people protested to him that this was something the world would not tolerate, and history shows that Hitler replied, "Well, who today remembers the Armenians?" That was his justification for going ahead with his genocide, and that is a good reason for us to remember that we must not forget, because it is through forgetting that we permit these things to happen again.

I am most pleased to note that these efforts of the past 11 years have not been in vain. I am happy to report that on last Friday, April 24, 1981, our President, Ronald Reagan, issued Presidential Proclamation 4838 of April 22, 1981, to commemorate days of remembrance of the victims of the holocaust as required by legislation this Congress passed last year.

While that proclamation is directed to the Jewish holocaust carried out under the regime of Adolph Hitler, I am proud to report that President Reagan did include within the proclamation this language:

> Like the genocide of the Armenians before it—and the genocide of the Cambodians which followed it and like too many other such persecutions of too many other peoples—the lessons of the holocaust must never be forgotten.

And so, Mr. Speaker, we will never forget, and the world will never forget, the first genocide of the 20th century, the Armenian genocide of 1915.

Mr. ANNUNZIO. Mr. Speaker, 66 years ago, on April 24, 1915, the Turks set out to exterminate the whole Armenian Christian population within the Ottoman borders.

Systematically, and with cold callousness, the Turks first killed the writers, teachers, clergymen, and leaders of the Armenian people. Then the able-bodied men were brutally murdered and the young women enslaved. The remaining women, children, and old people were forced to march barefooted, under the blazing Sun, without food or water, toward their ultimate destruction in the remote desert of Der-el-Zor.

The Honorable Henry Morgenthau, our country's Ambassador to Turkey when the Armenian massacres took place, was a personal witness to this unprecedented effort to destory an entire peope. At the time he declared:

> Whatever crimes the most perverted instincts of the human mind can devise, and whatever refinements of persecutions and injustice the most debased imagination can conceive, became the daily misfortunes of this devoted people. I am confident that the whole history of the human race contains no such horrible episode as this. The great massacres and persecutions of the past seem almost insignificant when compared to the sufferings of the Armenian race in 1915.

When the carnage was over, more than 1.5 million innocent men, women, and children had been brutally murdered. This past Sunday, April 26, a memorial service was held in Lafayette Park across from the White House in remembrance of these brave martyrs who died in the Armenian genocide. Bishop Mesrob Ashjian, of the Eastern Prelacy of the Armenian Apostolic Church of America, officiated at the service, and I am pleased to include at this point in the RECORD excerpts from the inspirational remarks he made at

the memorial service. His remarks follow:

I would like to express my deep and sincere thanks to all of you who associated yourselves this morning in prayers, thoughts and words, with this requiem liturgy and public commemoration. By doing so, you have venerated the Armenian martyrs' sacred memory; and have enhanced our hopes for our future. Because unique in comparison to other holocaust memorials, this liturgy and requiem service not only commemorates the first genocide of the 20th century, but also the heightened awareness and loyalty of the Armenian people who have survived and prospered for 66 years since the aftermath.

We are here today to remember and to rededicate ourselves. We are here to remember the Genocide of 1915. The Genocide . . . the Holocaust . . . I know that these words impose silence; but at the same time demand speech, demand expression! I fully realize that we still have not learned how to talk about the horror of the Genocide. We all know the purpose behind it very well; and the reasons for the perpetration of that most horrendous crime against humanity. However, we should be reminded from time to time of the Genocide's purpose:

Here are the words of Talaat, Turkish Minister of the Interior, in a cable dated September 15, 1915:

"It has recently been communicated that the government, following the order of the Committee, has decided to exterminate all the Armenians living in Turkey . . . It is necessary to put an end to their existence without regard to women, children and invalids, however tragic the means of extermination."

But even so, Armenians live! Armenians survive! Armenia lives! And a people who refused to die, lives on! Out of the ashes of a three year long holocaust, the free and independent Armenia was born. The Armenians built scores of monuments in memory of the martyrs, but the most vital memorial is not in Montebello, in Montevideo, in Marseilles, but in Armenia. Armenia herself is the living, thriving memorial for all our martyrs; and the beacon for the rosy future.

But here we are: The other half of Armenia in the Diaspora. We are scattered all over the world. In sixty countries, sharing sixty different fates. Yet we reject that fate; we reject the Diaspora as our tomb. We cling tenaciously to our claims, fully realizing that we constitute the very essence of the Armenian entity. We vow to rediscover our common language, to recreate our common religion and to reclaim our common culture, awaiting the day when all our lands will be ours once more, because we firmly believe, that a particular culture flourishes best on its land!

Now we are told that a people has no right to claim a particular land as its own. No law exists that binds a people to a specific land. It is solely our consciousness of an Armenian selfhood that gives us the right to claim our ancestral lands. Locations and places do not retain the memory of passing events; but rather, it is the spirit that remembers these things. Since history lives on only in the mind, then it is the mind that finally creates the place, the land, the nation.

The first Roman soldier who viewed the bodies of 960 warriors who committed mass suicide in Masada to avoid being taken as slaves, had apparently understood this concept, when he exclaimed, "The rock and men have become one." It is our belief that the land of Armenia, from Vartan to Tavit Beg, from Antranig to the heroes of Sardarabad, have become one with its people. This land of rocks, and all its men, have indeed become one. We are moved to look to our land as belonging to us; we are moved to claim her always.

But here, we find ourselves in the Diaspora; and in our lives bear the consequences of the Armenian massacres. The injustice committed against our nation remains unpunished. We have responsibilities that we can not shun. We must see to it that never again such a crime be committed against any nation. But we Armenians are not separate from other peoples. We Armenians are also part of God's creation. We share the one and the same human destiny. Therefore, it is our responsibility to look around us and to be sympathetic to the plight of any other nation to the suffering of any other people.

Massacres? Our own time is full of stories of atrocities: Uganda, Biafra, the Khmer Rouge, Equatorial Guyana, East Timor, El Salvador, Lebanon, the boat-people in the China Sea. And here we observe our own people who appear so uninformed, so indifferent; as though there were two humanities. We, with the memory of our lives, of our suffering; and they with theirs. We watch television, and, between commercials we see the sad images of human horror and suffering; and say, "too bad." Should we not be observing all this with different eyes, perhaps with fuller hearts? These people are not strangers to us after all. The vivid reality is not in our peaceful homes, but over there, where men are still being tortured and massacred.

It is about time to understand that there are not two humanities, but one, and that we are part of it. Last April, the then Assistant Secretary of State for East Asian and Pacific affairs, Richard Holbrooke, was congratulating himself for the fact that there isn't a single nation facing extinction, except . . . Cambodia. The columnist of the New York Times who was quoting him commented, "None of us would want to face the question: where were you when Cambodia died?"

We Armenians have the right to ask, "Where were you when Armenia was dying?" But this fact does not give us the right to play the role of Pontius Pilate, to wash our hands of the matter, and to say, "Who cares, anyway. Who cared for us that we should be compelled to care for others? Let them die."

We, as Christians, have the responsibility of fighting justice and oppression whenever and wherever its occurs. As Christians we have the moral responsibility to be committed to action to insure justice, peace and freedom for all people. The Genocide of our own people makes it imperative for us to commit ourselves to the infusion of the values of love and compassion into the powers and principalities of all governments. If we were allowed to paraphrase the late Jean Paul Sartre's famous words addressed to a gathering of intellectuals, we would say, "The task of the Christian is not to decide where there are battles but to join them wherever and whenever the people wage them. Commitment is an act, not a word."

Commitment is an act, not a word. And we, the Armenians, especially living in our Diaspora situation, should be ready for this: to commit ourselves and to act: to keep the spirit of the Armenian alive, to learn our language, to be in communication with the saints of our church, the heroes of our nation. Be faithful to the tradition, to the history, to the very blood. And never to forget! But to remember always; so that never again a holocaust similar to the Armenian massacres would ever happen. Remember and look around us; help people who fight for human rights, for human dignity.

Avedis Aharonian, the renowned Armenian poet says, "If this much blood can be forgiven by our children, let the whole world rightfully insult us all . . ." There comes a time for forgiving, for who can live and not forget? Now and then, however, we should always remember and proclaim:

In the presence of eyes
Which witnessed the slaughter,
Which saw the oppression
the heart could not bear,
and as witness the heart
that once taught compassion
until the days came to pass
that crushed human feeling,
I have taken an oath:
To remember it all
To remember, not once to forget.

Mr. Speaker, a just solution for the Armenian grievance must be achieved, for to ignore the injustice done to them will only encourage others in such lawless and inhuman crimes. It is the hope of Armenians everywhere that the United Nations will take decisive action to provide a peaceful redress for their legitimate grievance.

As Members of Congress, let each of us examine our conscience and let us do our utmost to alleviate the memory of this unjustified crime against the Armenian people, the scars of which are carried in the hearts and minds of every surviving Armenian.

● Mr. HOWARD. Mr. Speaker, with pervasive remorse and a burning desire to be heard, Armenians in the United States and throughout the world commemorate on April 24 the wholesale slaughter of 1.5 million of their people by the forces of the Ottoman Empire in 1915. It is essential that a candid world note the occurrence of this odious tragedy, and remember with opprobrium the atrocious conduct of the malefactors in question. Persecuted mainly for their Christian fervor and implacable resistance to religious oppression, the Armenians of the Empire were subject to mass butchering until 1922, resulting in horrific total losses of over 2.5 million souls.

Mr. Speaker, I ask that my colleagues afford these persecuted millions the honor and prayers they deserve, and appeal to the conscience of the Turkish nation to take note of this repugnant and grossly inhumane chapter in their 20th-century history.●

● Mr. BOLAND. Mr. Speaker, 66 years ago this month the world witnessed the first planned genocide of the 20th century.

The tragic and brutal events that began on April 24, 1915, in historic Armenia and other parts of the Ottoman Empire decimated the Armenian people. More than 2 million Armenian

men, women, and children either lost their lives or were deported by an Ottoman Turkish Government bent on destroying the Armenian nation and any trace of the Armenian civilization. By the middle of 1916, the Armenian population of Turkey had quite literally ceased to exist, their ancestral lands had been taken, and a few thousand survivors had been scattered over the face of the Earth.

The Armenian tragedy would have been an unspeakable horror even if it had been the only act of genocide to disgrace the world's history in this century. As we know only too well, however, the Armenian genocide, and the silence with which it was greeted by other nations, only served as a precursor of similar events in Nazi Germany, the Soviet Union, Uganda, and Cambodia. One of the best ways to prevent future acts such as these is to make sure that the record which describes them is accurate and well publicized. It is therefore indeed unfortunate that in spite of the weight of evidence which has been compiled concerning the Armenian genocide, no Turkish Government since 1915 has acknowledged the role of its predecessors in those events. Without such an acknowledgement, in my judgment, no real progress on the resolution of the issues which divide Armenians and Turks will even be possible.

The commemoration of Armenian Martyrs Day provides an opportunity to reflect on some of the consequences of unchecked racial or religious hatred. It also, however, provides an opportunity to reflect on the special qualities of the Armenian people. Through tenacity, persistence, dedication, and hard work, the Armenian people have rebuilt their race. No group can surpass the record of the Armenians for triumph in the face of adversity. Eloquent testaments of the Armenian heritage can be seen in every community in this Nation and others, in which Armenians have settled. It is a heritage of which Armenians have every right to be proud.●

● Mr. HOLLENBECK. Mr. Speaker, I rise to join my colleagues in recognizing the 66th anniversary of the genocide carried out against over 2 million Armenians by the Turks. Each year we should pause and reflect on the tragic and brutal events that began on April 24, 1915. On this day, the intellectual and spiritual leaders of the Armenian community were arrested and later sent into exile that most were destined not to survive.

With the removal of these leaders, a massive program for uprooting and deporting nearly all of the 2 million Armenians in Turkey began. Over the next year more than 1 million Armenians lost their lives either at the hands of the Turks and Kurds, or through famine in exile. In addition, reports indicated that several hundred thousand Armenian women and children were sold into slavery. Only a small fraction of the Armenian population survived by emigrating to other countries. As a result, the first planned genocide of the 20th century nearly exterminated the Armenian population in Turkey.

On April 24 of each year we are provided with an opportunity to deplore man's inhumanity to man and to reflect on the strength of the Armenian people who, despite all odds, have maintained their identity. The Armenian people have demonstrated throughout history their fortitude, stamina, and tenacity in maintaining their culture, church, and language. I believe that the existence of this spirit is the foundation that will lead to the ultimate restoration of a free Armenian nation.

In recalling the severe injustices suffered by the Armenian people, we remind ourselves that crimes of this nature must never be repeated and pledge to remain vigilant in opposing all such atrocities.●

● Mr. FRANK. Mr. Speaker, I join my colleagues today in commemorating the Armenian genocide. Sixty-six years ago, a million and a half Armenian men, women, and children were senselessly massacred.

I deplore the brutal killings that took place and extend my heartfelt sense of remorse to the survivors. Today, we pause for a moment to contemplate the inhumanity of this tragedy, and to rededicate ourselves to a future free of needless deaths. Mr. Speaker, it is my hope that through continued recognition of the genocide of 1915 we can affirm that those who perished did not die in vain.

I commend the gentleman from California (Mr. DANIELSON) for arranging this special order.●

● Mr. DERWINSKI. Mr. Speaker, I appreciate the opportunity to join with my colleagues in drawing special recognition to the 66th anniversary of the first deliberate genocide in the 20th century—the savage slaughter of the Armenian people by the Ottoman Turkish Empire in 1915. By recalling this tragic event, we affirm anew our resolve to prevent such brutalities from occurring in the future. We should also recognize the commitment of the Armenian people throughout the world to the cause of justice and human rights and the terrible price they have paid in pursuit of these principles.

This instance remains one of the most shocking and deplorable acts ever perpetrated by one people against another. However, this historic event not only threatened the Armenian people with extinction which was the goal of the tyrants of the Ottoman Government; but also produced an unfortunate precedent, that of world inaction.

Traditionally, Armenian Americans and their kin throughout the world have observed April 24 as a day of mourning. It was on the night of that day 65 years ago that 200 intellectuals, community leaders, and prominent citizens of the Armenian community were herded into the desert and executed. This event marked the beginning of the Ottoman Empire's systematic plan to exterminate the whole Armenian Christian population within its borders.

Over the next 3 years, 1915 to 1918, some 2 million Armenians were massacred. The entire population was uprooted from their ancestral homeland in what is now the eastern region of Turkey. The able-bodied men were murdered, and the remaining women, children, and elderly were forced to leave their belongings and march to the remote deserts of Der-el-Zor. Along the way, these helpless people were subjected to torture, rape, and slaughter by roving bands of Ottoman soldiers. Any survivors of these brutalities died from exhaustion, starvation, and disease.

Beyond the brutal deportations and heinous murders, the Ottoman Government attempted to obliterate all traces of the 3,000-year-old Armenian civilization. Libraries, churches, and schools were destroyed. Books, paintings, and irreplaceable historical treasures were burned. Every possible attempt was made to wipe out any trace of the Armenian people who are perhaps the oldest of the civilized races in western Asia and were the first nation in the world to accept Christianity as its state religion.

Nevertheless, despite the odious crimes of the Ottoman Government, the Armenian people survived. In 1918, through the efforts of President Woodrow Wilson, the boundaries for a free and independent Armenia were established. The little republic was formally recognized by the United States. However, weakened and demoralized by the genocide, the Republic of Armenia fell 2 years later—this time to the Soviet Union. Today, the historic Armenian area, in what is now Turkey, is totally devoid of Armenian people, while the Soviet Union holds the Armenian people captive in the area known as Soviet Armenia.

Today, there are tens of thousands of Americans of Armenian descent living in the United States, upholding the principles of liberty and justice we all cherish so dearly. But the scars of the crimes committed against their ancestors still remain.

The Armenian people have demonstrated, throughout history, their fortitude, stamina, and tenacity in maintaining their church, culture, and language. The existence today of the Armenian spirit is the foundation that

will lead to the ultimate restoration of a free Armenian nation.

In remembering the severe injustices suffered by the Armenian people, we remind ourselves that crimes of this kind must not be repeated, and pledge to remain vigilant in opposing all such atrocities.●

● Mr. WAXMAN. Mr. Speaker, April 24 was the 66th anniversary of one of the most horrendous crimes against humanity. Every year on this day we recognize the beginning of the Ottoman Turkish Government's annihilation of 1.5 million Armenians between 1915 and 1918. It was the first genocide of the 20th century, and set the precedent for the destruction of European Jewery and other ethnic minorities by Adolph Hitler.

Even as we are preoccupied with the affairs of the present, it is important that we reflect upon the events of the past, for such tragedies can only be prevented in the future if they are remembered.

In early 1915 the Ottoman Turkish Government perpetrated the senseless killing of over 1,500,000 Armenian people. They began by rounding up, arresting, and then exterminating 200 leaders of the Armenian community. In the years that followed, more than half of the entire Armenian population suffered the same fate. All who remained, including women, children, and the elderly, were deported to the remote deserts of Der-el-Zor. They were forced to travel in the wilderness without any provisions, eventually dying, one by one, from starvation, exposure, disease, or from sheer physical exhaustion. Hundreds of thousands of innocent people were heartlessly murdered, simply because of their ethnic heritage.

Virtually every Armenian lives with the memory of the loved ones that were slaughtered. The scars of that evil will forever be within the minds of the survivors, who are residing in areas throughout the world. Over 500,000 Armenian people live here in the United States of America. They have transcended the past, and have become leaders of their communities. It is these people that we honor today, and it is to their relatives and friends that we pay tribute.

It was the world community's ignorance of the Armenian genocide in the early part of this century, and our inability to learn from past experience, that forced us to become witnesses to a series of crimes throughout the century—Hitler's Germany, Amin's Uganda, Pol Pot's Cambodia, and more.

The 66th anniversary of the Armenian genocide of 1915 affords us the opportunity to reaffirm our commitment to justice and human rights—to renew our commitment to prevent such brutalities from occurring in the future. But to speak of such a firm commitment is meaningless unless we are sincerely determined not to ignore the tragic events that still occur with such regularity in so many countries of the world. Only when our pursuit of justice and human rights is evident in our deeds, and not merely in our words, will we and the survivors of genocide—whether they be Armenians, Jews, Ugandans, or Cambodians—be satisfied that their friends, relatives, and fellow men did not die in vain.●

● Mr. MICHEL. Mr. Speaker, one of the most chilling and coldblooded sentences ever uttered in this century was said by Adolf Hitler as he prepared his campaign of genocide against European Jewry. Asked if world opinion would not be against him, he replied, "Who still talks nowadays about the extermination of the Armenians?"

Hitler was unfortunately correct in his assessment of Western civilization's inability—or unwillingness—to remember the first genocide of this century. April 24 marks the 66th anniversary of the planned and systematic massacre of Armenians of the Ottoman Turkish Empire.

This is how the Encyclopedia Britannica describes that terrible moment in world history:

The greatest single disaster in the history of the Armenians came with the outbreak of World War I. In 1915 the Young Turk government, regarding the Turkish Armenians, despite pledges of loyalty, as a dangerous foreign element with friends among the enemies who had launched the Dardanelles campaign and with cousins in the Russian army on their eastern front, resolved to deport the whole Armenian population of about 1,750,000 to Syria and Mesopotamia.

The chances of survival in these ill-prepared desert regions were slight: it was a death sentence, a "final solution" that Adolf Hitler was to emulate consciously in Germany.

This summary does not, of course, even hint at the documented atrocities committed against innocent human beings during this extermination. "Starving Armenians" became a phrase that was on everyone's lips for a few years. But, as Hitler later pointed out, people forget. The attempt to eliminate the entire Armenian populatin of Turkey was forgotten. Hitler was betting on the same kind of historic amnesia, brought about by ignorance and laziness, when he went about his own campaign of calculated slaughter of innocent civilians against the Jews and the Poles and others.

Today the ideological fanaticism that led to the slaughter of the Armenians and the Jews still exists in the world. Ask the Cambodians; and the boat people; ask the survivors of the Soviet gulag.

We owe it not only to the memory of the Armenians but to our children and to their children to make certain we never forget that such things have happened, and that such things can happen again unless we are vigilant.●

● Mr. COELHO. Mr. Speaker, I thank my distinguished colleague, Mr. DANIELSON, who has been so kind as to help commemorate this event. I would like to share with my colleagues my remarks which were made at a concert in Fresno, commemorating Armenian Martyrs Day, on Friday, April 24:

It is certainly not a pleasant task to be called upon to recall the Armenian Massacre. As we remember that dark day on April 24, 1915, when the first intellectuals, community leaders, and prominent citizens of the Armenian community were brutally executed; which marked the beginning of one of the world's first and most devastating genocides—when some 2 million Armenians were driven from their homeland and massacred by the ruthless Turkish Ottoman regime. We all know the tragic details of the slaughter of over half the Armenian people—the oldest of the world's civilized people in Western Asia and the first nation in the world to accept Christianity as its religion. Yet strange as it sound, there is something to celebrate out of this horrendous deed of some sixty-six years ago.

The simple fact that the Armenian spirit still lives and provides such a strong foundation for its people is amazing, and truly worthy of celebration and commendation from the other free peoples of the world. A lesser people would long since have given up all hope and their National identity would have been lost. However, despite their terrible deprivation, suffering, persecution, and injustice, the Armenian people have endured, and retained their historical identity, Christian faith, their courage, their culture, and their honorable traditions. This occasion, Armenian Martyrs Day, which we are commemorating today, provides us the opportunity to mourn the loss of those before us, and to deplore man's inhumanity to man, and it provides us the opportunity to praise the strength and courage of the Armenian people who have surmounted the most grave difficulties to preserve their identity.

As most of you probably know, I am Portuguese. My ancestors like many of yours, came to the United States many years ago to begin a new life. Yet my parents and grandparents, like yours and those of many other ethnic groups who settled here, realized the importance of instilling in us a sense of our cultural, historical, and religious identity to preserve the heritage of their native land. My Congressional District is made up almost entirely of dozens of ethnic groups whose roots are spread all over the world. In light of this fact, I am particularly appreciative of the fine example which the Armenian community has set for other ethnic groups—being a full participant in the community—and at the same time retaining for their children and grandchildren those things which are unique to their culture. For this I applaud them.

This year marks the Centennial Celebration of the first Armenian settlers in Fresno, California. I think this would be a good time to recognize the great contribution of the Armenian Community to Fresno and the surrounding communities. Armenians have always been honest, industrious, cooperative, good neighbors and citizens in this community. Armenians are prominent business, civic, professional, and educational leaders; artists, entertainers, and farmers. A list of the leaders of virtually any field will include many, many individuals of Arme-

nian heritage. The Armenian settlers in Central California were among the first to till the soil, irrigate the land, and are in large part responsible for the development of this fertile region.

In closing, let me say that the successes of the survivors and descendants of the Armenian holocaust, and the culture and heritage of the "Armenian Spirit" which still lives, stands as a living memorial to all of those who lost their lives some sixty-six years ago.●

● Ms. FIEDLER. Mr. Speaker, genocide forgotten is genocide condoned. That we speak today in reverent and respectful memory of the suffering of the Armenian people is important. It is important to show that no deed so horrible as the Turkish genocide of Armenians in 1915 shall ever fade from the collective memory of civilized men and women. If we forget, we have ourselves completed the tyrant's task.

I feel strongly that to remember the Armenians, the first victims of 20th-century genocide, is also to remember the millions who suffered in the holocaust of a generation later. The most lasting shrine to any of the victims of genocide is to remember all of the victims of genocide, and to tell the world what happened, so that it may never happen again, to any people.

If we are looking for a date to give to the start of the modern age, the age of genocide, the age of hatred, then the night of April 24, 1915, seems fitting. The sheer enormity of what happended to the Armenian people, starting on that night, should not make those tragic events less immediate to us; 1915 was not a long time ago, life was much as it was today. But from 1915 on, genocide has snaked its way through human history. It did not stop at Auschwitz, nor in Kampuchea. The world is still far from cleansed from the obscene horror that claimed 1½ million Armenians, 6 million Jews, or 3 million Cambodians. Words by themselves may be weak shields against tyranny, but today we must show by our words that what happened in Armenia must never be forgotten, as much as the holocaust must never be forgotten.

No genocide could kill the spirit of the Armenian people. Proud, independent, and creative, 6 million Armenians are now scattered throughout the world, nearly 500,000 of them in the United States. Their spiritual homeland—Armenia—is not marked on the map, for it remains divided between Turkey and the Soviet Union. Yet Armenia still lives in the hearts and the souls of Armenia and stands for us all as both a beacon and a warning. It stands for all those who believe in the dignity and worth of human life, in the richness and diversity of human culture, for freedom and hope and ideas that do not die as people die. It stands for the ultimate futility of the tyrants and their creed of death and hatred. Long and terrible though the list of the slain may be, genocide could no more destroy the Armenian people than it could the Jewish people.

To those Armenians who survived and their families, we today say that their sufferings are remembered, as are all those who did not survive. To the rest of us, let us remind ourselves that we, too, must remember.●

● Mr. BENJAMIN. Mr. Speaker, Armenians throughout the world observed a solemn and tragic moment in their history on April 24—the 66th anniversary of the Armenian Holocaust of 1915-17. Agents of the Ottoman Turkish Empire commenced the systematic massacre of more than 1,500,000 Armenian people on that regrettable day.

In the early morning hours 200 leaders of the Armenian community in Constantinople were taken from their homes, arrested, and put to death. During the next 2 years, hundreds of thousands of Armenians were either killed or deported in an attempt by the Ottoman Turks to find a lasting solution to the "Armenian Question."

There are few Armenian families that did not lose at least one of their loved ones during this genocidal campaign. This memorial day still captures the unimaginable horror permeating the minds of those who only wanted freedom and identity but lost both at the whim of the Ottomans. The concept of genocide is not fathomable to most Americans, but to the Armenian people living in this country and around the world, it is a horror never to be forgotten.

The United States has historically attempted to work out a solution to the Armenian Question only to see these attempts foiled by a want to forget. But the Armenian Question still exists and the Ottoman genocide remains as a reminder to the free world that genocide is not the answer.

Attempts are still made to deny the Armenian people their human rights to exist culturally and politically. America must provide the moral leadership to defend the Armenian people's right to self-determination by persuading a cooperative settlement to the issues. As champion of the free world, the United States must vigorously urge justice under international law.

Lasting solutions can only come from peaceful deliberations, not by shedding blood.

Forgetting that this type of mass killing baptized the 20th century may not have directly been responsible for what happened to our Jewish brethren who were genocidal victims of World War II, but the statement by Adolf Hitler as to "Who remembered the Armenians," in both cases does cause concern. We cannot live on as if nothing happened.

I urge my colleagues to join me in commemoration of this solemn occasion with a new understanding of the lessons of history to assure a permanent end of the denial of self-determination. Hopefully, Mr. Speaker, the blood of the Armenian martyrs has not been shed in vain.●

● Mr. PASHAYAN. Mr. Speaker, I thank my distinguished colleague from California (Mr. DANIELSON) for giving me this opportunity to comment on an event in history that is indelibly imprinted in the memories of the Armenian people, both in this Nation and the world.

Each year on April 24 the Armenian people observe Armenian Martyrs Day in recognition of the dignity and rights of every human being.

In particular they and all people remember the genocide of 1½ million people between 1915 and 1918 that began with the arrest and murder of Armenian community leaders and members of the national parliament. It forced uprooting of families and set into motion an exodus from an ancestral homeland.

History has recorded most vividly that the Ottoman Turkish Empire had planned the elimination of the Armenian people, and the implementation of that plan and others which followed are those which all people must forever guard against. Indeed, this Armenian Martyrs Day, and all that follow, must and will serve as a reminder to all governments that man's inhumanity to man must cease forever.●

● Mr. MOAKLEY. Mr. Speaker, I join with my colleagues today to commemorate the Armenian genocides of 1915, but also to celebrate the continued strength and vitality of the Armenian people.

Nearly 2 million Armenians were martyred by the ruthless Ottoman Turks during and following World War I in the first ever attempt to exterminate a people of the human race. The world's first genocide almost succeeded, for it left less than one-quarter of the entire Armenian population living. Hundreds of individuals at a time were systematically and brutally murdered, merely for being Armenians. Those who escaped death were forced to flee their homeland and separated from family and friends. The Armenians became few and scattered, yet never giving up hope that their persecutors would be punished for their atrocious crime.

Today the Armenian people remain scattered around the globe, still hoping that someday justice might be delivered for their great suffering. Today the Members of this great House ask that the Armenians receive justice, and their grievances be brought before the General Assembly of the United Nations for resolution

and redress. We also ask that the Presidential Commission on the Holocaust recognize the historical precedent set by the Armenian genocide and study the Armenian genocide as a powerful reminder of the horror and terrible evil of such a crime unpunished.

It is heartwarming to see such a strong show of support for a people so victimized. I believe our efforts today reflect the respect and friendship we all have for Armenian Americans and Armenians abroad. There is no other people so deserving of justice and no other people so denied. I am proud to be associated with the continuing determination the Armenian people have shown to right one of the world's greatest wrongs. We must all unite against the evil of genocide and assure its banishment from the annals of the future.●

GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks with respect to the subject matter of this special order.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from California?

There was no objection.

BENJAMIN BOGOMOLNY: THE EIGHTH YEAR ANNIVERSARY OF A SOVIET REFUSENIK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WILLIAM J. COYNE) is recognized for 15 minutes.

● Mr. WILLIAM J. COYNE. Mr. Speaker, the month of April marks the eighth year since Benjamin Bogomolny was first refused a visa by the Soviet Union. He is one of the longest term Soviet refuseniks on record in Russia.

In 1966, the Bogomolny family received affidavits to emigrate to Israel. His mother, father, and four sisters were given permission and forced to leave the Soviet Union, while Mr. Bogomolny was drafted in the army. Completing his service in the army, Benjamin Bogomolny applied in November 1972, for permission to emigrate. His application was denied in April 1973, on the grounds that he may have learned state secrets while in the army and that he constituted a threat to national security.

Benjamin Bogomolny has been under constant harassment since he first sought a visa. His telephone has been disconnected, his apartment ransacked, Hebrew books stolen, and his life threatened during this period. The Soviet police have made no attempt to investigate his complaints.

An example of this treatment was reported in the May 1975 Jerusalem Post. It was stated that he was a victim of a minipogrom as the KGB stepped up its campaign to crush the Jewish activists in the Soviet Union. The paper wrote that he was manhandled by two drunks. Returning home later, he found the same two drunks, now fully sober, and 12 other men wielding clubs and shovels and breaking things in his apartment. Benjamin Bogomolny, whom the men threatened to hang, escaped through a back window and immediately complained to the police. On visiting the police precinct the following day, he discovered that there was no record of his complaint. The police denied any knowledge of the incident. In addition, the Jerusalem Post reported that a student who rents a room from Mr. Bogomolny was warned by the police that he should not sublet a room from a man who wished to emigrate.

The treatment of Mr. Bogomolny is appalling. There is no reason why he has been restricted from leaving the Soviet Union these last 8 years. The actions of the Soviet Union are in direct violation of the Helsinki accords. I urge the Soviet Union to allow Mr. Bogomolny and his wife, Tatina, permission to join his parents and four sisters who have been anxiously waiting 11 long years to see each other.●

BEYOND REAGANOMICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 20 minutes.

● Mr. REUSS. Mr. Speaker, on April 22, 1981, I gave a talk at Loyola University, Los Angeles, on "Beyond Reaganomics." The text of my remarks follows:

The administration's economic program consists of supertight money; a fiscal 1982 expenditure cut of around $50 billion, in which military increases are offset by cuts in the social budget; and a $148 billion a year income tax reduction when fully effective in 1984, heavily weighted toward personal income tax cuts for the affluent.

Is the program equitable? Will it work? Is there an alternative?

Neither the proposed budget cuts nor the proposed tax cuts are equitable.

No doubt, cuts in budgetary expenditures are needed. They are needed because the mandate of the November, 1980 election is quite clear: cut expenditures, reduce the present federal take of some 23 percent of gross national product.

Budget cuts are desirable, too, because of the need to get the deficit under control. Only a budget deficit which is under control can eliminate the Treasury's need to borrow heavily to meet the deficit. With a lowered deficit, the Nation's savings could get through to the needed ultimate investment in plant and equipment.

So the question is not whether there should be budgetary retrenchment. The question, rather, is on whom the burden should fall. And here, even a cursory look at the Reagan budget shows that a disproportionate part of the cuts falls upon those in the dawn of life, the children; those in the twilight of life, the elderly; and those in the shadows of life, the disadvantaged, the handicapped, and the poor.

Health programs are ruthlessly cut. Medicaid is slashed $1.2 billion, which means not only less medical care for the needy but a greater burden thrust upon state and local governments whose principal fiscal reliance is on regressive taxes like the real estate tax on the homeowner. The $78 million pneumonia immunization program for the elderly is completely abandoned. The 91 Vietnam Veterans Outreach Centers, providing psychological, drug, and alcoholic help for Vietnam veterans, are to be abandoned. Nutrition programs, such as food stamps and school lunches, are severely curtailed.

Likewise hard hit are programs to make jobs. The CETA program, which was scheduled to provide jobs for 500,000 men and women, mostly young, by next October 1, is to be entirely phased out. Useful programs such as security guards for senior citizens, and volunteer helpers for private charities such as Goodwill Industries, will be seen no more. Likewise sharply curtailed are programs of economic and neighborhood development and providing infrastructure for America's industries and cities—roads, bridges, ports, railroads, utilities.

Primary and secondary school education aids are to be cut 22 percent.

Neighborhoods, the crowning glory of the Reagan program, are to be abandoned. Completely repealed would be the section 312 home rehabilitation program, under which moderate-income families have been getting reasonable interest loans with which to upgrade their homes. The Cooperative Bank, which provides capital for neighborhood efforts in food, pharmaceuticals, health, and housing, is to be terminated. Maintenance funds to repair the leaky roofs of public housing are curtailed, and public housing tenants have their rent raised from 25 percent of their income to 30 percent. The Legal Services Corporation, which has provided help for so many of the storm-tossed who cannot afford a private lawyer, is to be ended. Mass transit is drastically curtailed.

All these cuts could have saved some $50 billion, and I have no quarrel with the idea of a $50 billion deficit-narrowing measure. But it would have been entirely possible to save that same $50 billion without shortchanging really needy people, and without eviscerating programs which foster economic development. For example, billions could have been saved by cutting down the federal tax deduction subsidy for interest paid on vacation homes, sometimes the third and fourth such home; and on interest paid, largely by the top one-fifth of income receivers, on loans to carry consumer purchases. In addition to putting needed funds into the budget-balancing column, such measures would at least partially remove an incentive which now induces people to overconsume, and thus have fewer savings to make available for productivity-enhancing, inflationary-fighting industrial plant and equipment.

Huge savings could also have been achieved by doing something about tax-exempt industrial revenue bonds for unnecessary shopping centers (and in some cases porno bookstores); uneconomic power projects like Clinch River in Tennessee, or Corps of Engineers and Bureau of Reclamation water projects, bonanzas to the oil industry such as the depletion allowance,

which make no sense in a world where oil brings $40 a barrel.

But, equity aside, will the program work? Will it produce the victory over unemployment and inflation and budget deficits which Reaganomics proclaims it will?

Faith over and beyond the call of duty is required to make one believe that it will. The theory is that the super-tight money will fight inflation, and the super-heavy tax cut will stimulate growth. Much more likely, the tight money and high interest rates will retard growth, increase unemployment, and bring about bankruptcies. And the tax cut will simply stimulate higher interest rates.

If patterns in the current inflationary period are projected, only about 5 percent of the total reduction will be saved by the beneficiaries of the reduction, with the other 95 percent, as a present, spent. Indeed, since much of it will be spent by the wealthy, it is likely to be spent on expensive imported consumer goods ranging from Mercedes's to claret, thus worsening our trade balance and the international dollar, and, in the next round, inflation. Moreover, even the little bit theoretically "saved" from current consumption may in today's inflation be spent by speculating in corporate takeovers or in commodities, such as Bunker Hunt and his billion-dollar silver manipulations.

The Administration projects the 1984 workout of its policies as producing a balanced budget, and inflation, unemployment, and interest rates all hovering around the 6 percent level. The Administration disdains econometric studies, and derived its euphoric results, largely by hoping, or guessing, that everyone would conclude from the Reagan program that hard times were over, businessmen should reduce their prices, labor lower its wages, and banks make available their money for lower interest rates.

A number of economic forecasters who still hold the view that logical prediction is possible—among them the Congressional Budget Office, Data Resources, The Wharton School, and Chase Econometrics—come up with vastly gloomier 1984 scenarios. But these economic think-tanks, in programming their computers, all assumed that the Reagan program in all its brute severity would not actually be carried out. Hence, they softened the assumptions. The Federal Reserve would actually not keep money as tight as the Administration is ordaining. Congress would not, by its spending and taxing measures, allow the kind of budget deficits that Reagan arithmetic postulates.

So all of these projections fail to take Reaganomics at its word, however forbidding the word might be. So I asked the Joint Economic Committee staff to put into the computer the Reagan program, without "improving" a line of it.

And out came the result: unemployment no better than today; inflation down to 8 percent but "underlying" inflation—the general trend of wage rates—still at its present 9 percent-plus level; and a budget deficit of $111 billion, the greatest in history, rather than a budget in balance. What would be happening, the computers were telling us, was that the reductions in social spending would be more than outweighed by the increases in military spending and the reductions in income tax revenue. The added deficits, coupled with a very stringent monetary policy, would bring about high interest rates and slow growth. These in turn would further increase the deficit.

In short, the Republicans, far from learning by the mistakes of the Democrats, seem doomed to repeat them. In 1967 the Democratic administration combined guns and butter—guns for a major war in Vietnam, butter for a whole gamut of new social programs; and the result was years of stagflation. Now, fourteen years later, along come the Republicans and want to repeat the same mistake—guns for the greatest peacetime increase in military spending in history, and butter in the form of outsized tax reductions for the affluent, with a resulting renewed bout of stagflation and budgetary deficits.

A particularly unfortunate element in Reaganomics is what it will do to income distribution.

It is too much perhaps to hope for the moment that America can achieve a fairer income distribution, a diminution of the gap between rich and poor, and a closer approximation to the situation which prevails in countries like Germany and Japan.

But income distribution in the United States has been getting worse for the last 15 years, and now is certainly no time to accelerate the worsening. During 1965-1978, the share in the national income earned by the lowest quintile of American families, the poor, remained about even, but only because of the tremendous increase in transfer payments such as health, welfare, education, food and housing benefits. As to the second and third quintiles—those making $10,000-20,000 a year and $20,000-30,000 a year today, respectively—they definitely lost. Their share of the national income declined from 28 percent to 26 percent. The fourth quintile, those in the $30,000-40,000 bracket, just about kept even. And the top quintile, not surprisingly, absorbed what the lower-middle income second and third quintiles were losing; it raised its share of the national income from 42 percent to 44 percent—a total of many billions of dollars.

Under Reaganomics, the people in the lowest 60 percent are going to lose more. The poor will have their transfer payments shorn. The second and third quintiles don't have those transfer payments to lose, but they will get piddling income tax cut benefits—the reductions from Kemp-Roth will be swallowed by the increases in the payroll tax and in inflationary bracket creep. Being borrowers rather than lenders, they will be hurt by a perpetual high interest rate regime. And the tax loopholes that gladden the hearts of the upper income brackets—itemized deductions, oil and real estate shelters, investment credits—are simply not available to them.

The top ten percent of American families will profit mightily from Reaganomics, with the lowest 60 percent taking it on the chin. This does not sound like a good way to keep up the demand necessary to take off the market what the economy can produce, and thus avoid a recession. Nor does it seem a good way to make for social peace, either in the central city or in the lower middle-class suburbs.

The view that Reaganomics is not likely to work is not held just by Congressional Democrats. Reaganomics is also viewed with some private skepticism by a good many Congressional Republicans, ranging from those on the moderate wing who see super-tight money as a real barrier to the necessary growth, to those on the conservative wing, like the three conservative Republican Senators who outraged the White house by voting against the budget on the Senate Budget Committee just before the April recess, who fear, with considerable reason, a huge Reagan budget deficit down the road. And many a market letter from many a respectable Wall Street firm nowadays is pointing out that the markets are not exactly prophesying success for Reaganomics, as indicated by the fact that long-term interest rates, auguries of inflation, have been steadily rising since the inaugural.

The President in his State of the Economy address on February 18 asked anybody with a better alternative to step forward and present it. Very recently, the Democrats, led by Chairman Jones of the House Budget Committee and Chairman Rostenkowski of the House Ways and Means Committee, have done just that. Mr. Jones proposes a slightly gentler hand on social program budget cuts than Mr. Reagan—somewhat on the order of 10 percent rather than 25 percent cuts for economic development, mass transit, food stamps, school lunches, legal aid, and so on. By cracking down on military "waste", and by mandating a somewhat smaller tax cut, Mr. Jones is also able to reduce the 1982 Reagan budget deficit of $40 billion to $25 billion. Mr. Rostenkowski would cut 1982 taxes by only $40 billion, rather than by Mr. Reagan's $52 billion, and would shift the benefits very modestly from those at the top of the income scale to those in the middle.

The Democratic alternative represents, as does the Democratic Party nowadays, a pale and somewhat more human imitation of the Republican program—a little tougher on fatcats, a little easier on thincats, and a bit more responsible about the deficit. In short, an improvement, if hardly a call to the barricades.

While the two great parties of the middle square off on the minutia of macroeconomics, nothing much is being done about the structural problems of our economy. Yet it is in improving our economic structure that the game will be won or lost. For even the most admirable monetary and fiscal policies are insufficient to bring both steady jobs and stable prices at the same time.

The structural aspects of cost-push inflation, productivity, energy and national defense must be addressed:

1. Against inflation, our only "policy" is super-tight money. By itself, as Thatcher's England is proving, it cannot lay a glove on inflation without creating unacceptable stagflation, recession, and unemployment. Yet the Administration's free-market mythology immobilizes it from addressing the wage-price spiral in steel, in automobiles, in coal, and in a score of other major sectors.

There are overseas examples of what to do about cost-push inflation that we seem intent on ignoring. In Austria, the government has for years successfully worked a social contract in which labor and management agree on a compact which puts a productivity-related ceiling on the spiral. In Holland, the government has had a comprehensive system of wage and price controls in place for the last couple of years, and inflation is today less than 7 percent.

2. In productivity, we have only a fragmentary policy, though accelerated productivity increases are one of the best inflation-fighters going. Republicans and Democrats are generally agreed on the need for liberalized depreciation for business investments, and on the simplification and reform of regulatory excesses.

But labor-management-government cooperation for productivity improvement is still frowned on, despite the splendid results of cooperation in the two postwar miracle-workers, Germany and Japan. In both these countries labor has been weaned away from

inefficient work-rules, and management from concentration on short-term and financial fetishism. Why not in America?

Nor does the Reagan budget do anything noticeable for productivity. Infrastructure programs—rebuilding America's ruined streets and bridges and sewer systems and waterworks and railroads and utilities and mass transit—is badly short-changed. So is manpower training, and industrial research and development, both public and private.

3. The Administration is considering killing the Department of Energy, but there is precious little of an energy policy to kill. To stand up to OPEC—and in the process make ourself the hero of the non-oil-producing world—we need to build up a strategic petroleum reserve. We need to conserve gasoline, but instead of discussing an increase in the present 4-cents-a-gallon gasoline tax, with a built-in rebate for workers who need it to get to work and other essential uses, we talk of abandoning the present national gasoline-saving 55-miles-per-hour speed limit. We lavish billions of windfall profits on our oil industry, but from solar research we are about to remove the little that it hath.

4. Finally, there are the economic and geographical implications of our shift of emphasis toward the military. With our drastically increased military spending, we may be in fact weakening our security by weakening our economy. Military hyper-spending hits the most inflationary spots in the economy, where skilled manpower and materials are scarcest. Military production, unlike the production of civilian goods, creates no purchasable commodity to satisfy the money demand of the workers and entrepreneurs who make the military goods.

We had better find a way out of the arms race with the Kremlin which we are now accelerating. The political and economic unrest in Poland brought us very close to the brink: the Soviet Union must have come very near intervening, and heaven knows what sort of reaction that might have produced from the White House, the Pentagon, the State Department, and the Congress.

But as our recent Joint Economic Committee study showed, throughout Eastern Europe—in Czechoslovakia, in Hungary, in Romania, in East Germany—economic stagnation is producing situations which may well duplicate on a large scale the Polish tinderbox. Russia is curtailing her oil supplies to Eastern Europe, and her COMECON economic aid.

Trouble surely lies ahead, unless we privately and publicly urge the Kremlin to begin with us now, not just talks on nuclear weapons, but meaningful talks on an across-the-board reduction in the level of all our armaments. Only by such a return to sanity can both sides of the Cold War address the problems of the less-developed countries, including those of Eastern Europe, before they explode in our face.

There is a lot more involved in world peace than economics, but economics might be a foot in the door.

Will someone willing to tackle the real problems of the age please come forward.●

ANTI-JUNKETING ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, I am introducing legislation today along with our colleague, Congressman GARY LEE, that would curb unnecessary travel to foreign countries by Members of the House of Representatives. My bill would eliminate travel by Members who are retiring or who have been defeated in their primary elections. This is a loophole by which Members of the House who are not returning to Government service globetrot at taxpayers' expense.

In addition, my bill contains a sunshine provision that would require any foreign travel by Members or staff to be authorized by a public rollcall vote of the full committee after formal consideration of a travel proposal. The travel proposal would have to include the legislative objectives of the proposed travel and the projected cost of that travel.

If we were given an opportunity to consider the benefits of travel relative to cost and purpose, we might find that some foreign travel is not a cost effective exercise of our oversight responsibilities. I realize that there are legitimate reasons for some congressional travel, and this legislation would not affect legitimate foreign travel by Members of Congress. It would create an atmosphere of responsible decisionmaking, however, and discourage unnecessary travel. Furthermore, it would provide a source for further savings in committee budgets.

Junkets discredit the U.S. Congress and shake the already tenuous confidence of the American people in their Government representatives. I urge my colleagues to support continuing reform of our system of travel authorization.●

THE 1981 DANTE AWARD GOES TO DAVID CONDON

The SPEAKER pro tempore. Under a previous order of the House, the gentlemen from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I would like to call to the attention of my colleagues that David Condon, sports columnist for the Chicago Tribune, will receive the Tenth Annual Dante Award of the Joint Civic Committee of Italian Americans on May 8, 1981, at a luncheon in his honor at the Como Inn of Chicago. Mr. Condon writes in the Tribune's "In the Wake of the News" column, which is the Nation's oldest continuous sports column.

Since 1944 when he began his career with the Chicago Tribune, David Condon has shown his devotion to the city of Chicago and its people and has upheld the highest standards of integrity in his presentations to Tribune readers. He has made significant and innovative contributions to journalism in our country, and he richly deserves the Dante Award, because it was Dante Alighieri, in his "Divine Comedy," who said, "Men should never be timid about the truth."

The Dante Award was established by the Joint Civic Committee of Italian Americans, an umbrella organization comprised of more than 40 civil organizations in the Chicago area, to extend recognition annually to an individual in the mass media communication field who has made positive contributions to the profession of journalism.

David Condon was born in Las Vegas, shoveled coal in the family coal business, and was once a cemetery caretaker. He graduated from the University of Notre Dame, and during his attendance there he was the editor of the Notre Dame Scholastic. He has also seen service with the Las Vegas, N. Mex., Daily Optic, the South Bend, Ind., Tribune, and the 8th Service Command, U.S. Army.

Mr. Condon's "Wake of the News" columns are wide ranging and he writes on subjects as diverse as Yankee Don Larsen's perfect game in the 1956 World Series, Casey Stengel, Philip K. Wrigley, owner of the Chicago Cubs; activities in the stables at a race track, a boxing champion's training camp, President Eisenhower's caddy, the death of Samuel Cardinal Stritch, or a retarded children's home.

He won the American Bowling Congress Award for the year's best feature story in 1955 for the only bowling column he wrote during that year, is the author of "the Go-Go White Sox," a 1960 publication by Bobbs-Merrill, and was represented in Prentice-Hall's annual anthology of the Nation's best sports stories for 4 consecutive years. He also covered the coronation of Queen Elizabeth II, the late Samuel Cardinal Stritch's visit through New Mexico's Indian country, vice conditions in a central Illinois city, and has done an intimate personality profile of Rev. Theodore Hesburgh, longtime president of Notre Dame University.

David Condon's accomplishments are many, but special attention should be given to the awards he has received for his assistance of inmate sports programs at the Cook County Jail, the Illinois State Penitentiary at Pontiac, and the Federal prison at Terre Haute. In 1972, he became the second sports writer in history to be honored by the National Confederation of Eagles for his outstanding contributions and work with retarded children.

The Tenth Annual Dante Award luncheon to honor David Condon will be held at the Como Inn and many political dignitaries, civic leaders, and leaders of the communications industry will be in attendance.

Jerome N. Zurla is the chairman of the luncheon, Bill and Mary Frances Veeck will jointly serve as master of ceremonies, and the invocation will be offered by the Rev. Lawrence Cozzi, C.S. Chairman Zurla and JCCIA Presi-

dent James L. Coli will present the Dante Award to Mr. Condon.

The John Fischetti Scholarship was established by the JCCIA to further the study of Italian American students in communications and is named after the Pulitzer Prize-winning political cartoonist. This year's award goes to Mr. Miles Messina, 3253 North Oconto Avenue, in Chicago, located in the 11th District which I am honored to represent.

Mr. Speaker, I extend my warmest congratulations to David Condon on this honor, and for the strong and constructive impact he has made on our community. His career, his character, and his splendid record of achievement prove that he is, indeed, a "friend of truth."●

COMMUNICATION FROM THE CHAIRMAN OF COMMITTEE ON FOREIGN AFFAIRS—SUBPENA FOR TESTIMONY IN THE MATTER OF UNITED STATES OF AMERICA VERSUS LAURENCE JOHN LAYTON

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Foreign Affairs:

COMMITTEE ON FOREIGN AFFAIRS,
Washington, D.C., April 15, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: In accordance with the provisions of Rule L of the Rules of the House of Representatives, I am hereby notifying you of my receipt today of a subpoena duces tecum in the matter of the *United States of America* v. *Laurence John Layton.* Mr. Layton has been charged with a four count indictment of Murder, Conspiracy to Murder, Aiding and Abetting in the Murder of Congressman Leo Ryan and Conspiracy and Attempted Murder of Richard Dwyer in the United States District Court for the Northern District of California (Criminal No. CR-80-416-RFP).

The subpoena commands my appearance in the courtroom of the Honorable Robert F. Peckham, Chief United States District Judge for the Northern District of California, on July 9, 1981 at 9:30 a.m., with classified section III(F) of the report issued by the Committee on Foreign Affairs on the Jonestown, Guyana tragedy. (*See* "The Assassination of Representative Leo J. Ryan in the Jonestown, Guyana Tragedy" Report of a Staff Investigative Group to the Committee on Foreign Affairs, U.S. House of Representatives, May 15, 1979, House Document No. 96-233, 96th Congress, 1st Session). The subject matter of this subpoena relates to the Committee on Foreign Affairs' investigation into the Jonestown, Guyana tragedy, conducted pursuant to the provisions of clause 1(h)(10) and clause 2 of Rule X of the Rules of the House of Representatives and of House Resolution 981 of the 95th Congress.

I have requested legal representation in this matter from the Clerk's general counsel since the custody of the documents in question falls under the jurisdiction of the Clerk's office.

I am examining the subpoena and, pursuant to my responsibility under Rule L, will notify you of my determination as to whether the subpoena is a proper exercise of the court's jurisdiction, is material and relevant and is consistent with my privileges and rights as a Member of the U.S. House of Representatives.

With best wishes, I am,

Sincerely yours,

CLEMENT J. ZABLOCKI,
Chairman.

[U.S. District Court for the Northern District of California—No. CR-80-416-RFP]

UNITED STATES OF AMERICA *v.* LAURENCE JOHN LAYTON, TO CLEMENT J. ZABLOCKI, CHAIRMAN, COMMITTEE ON FOREIGN AFFAIRS, HOUSE OF REPRESENTATIVES, WASHINGTON, D.C.

IN FORMA PAUPERIS

Subpoena to Produce

You are hereby commanded to appear in the United States District Court for the Northern District of California, at 450 Golden Gate Avenue in the Courtroom of the Hon. Robert F. Peckham, 19th Floor, in the city of San Francisco, on the 9th day of July, 1981 at 9:30 o'clock A.M. to testify in the above case and bring with you Classified section of report entitled "The Assassination of Representative Leo J. Ryan and the Jonestown, Guyana Tragedy." Report of the Staff Investigative Group to the Committee on Foreign Affairs, House of Representatives, Dated: May 15, 1979, § III(F), which section is entitled "Conspiracy to Kill Rep. Leo Ryan?"

This subpoena is issued upon application of the [1] defendant.

April 7, 1981.

James F. Hewitt, Federal Public Defender. Attorney for defendant Layton, 450 Golden Gate Avenue, San Franciso, CA 94102, Phone: (415) 556-7712.

WILLIAM L. WHITTAKER,
U.S. Magistrate [2] *or Clerk.*
By CORINNE A. ORTEGA,
Deputy Clerk.

[In the U.S. District Court for the Northern District of California—CR-80-416-RFP]

UNITED STATES OF AMERICA, PLAINTIFF, *v.* LAURENCE JOHN LAYTON, DEFENDANT

ORDER

On Motion of the defendant under the provisions of Rule 17 (b) and (c), and good cause appearing therefor.

It is hereby ordered that subpoenas duces tecum be issued to the named witnesses for the production of the described books, papers, documents or other objects in the possession or subject to the custody and control of the witness, and that the fees and costs of said subpoena and witness be paid in the same manner in which similar costs and fees are paid in case of a witness subpoenaed in behalf of the government.

It is further ordered that the custodian of the subpoenaed materials may, in lieu of personal appearance prior to trial, deposit said materials with the Clerk of this Court no later than April 20, 1981, for examination and copying by both parties and this Court.

Party to whom subpoena directed:

Clement J. Zablocki, Chairman, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

Date of Trial: July 9, 1981.

Materials subject to subpoena:

Classified section of report entitled, "The Assassination of Representative Leo J. Ryan and the Jonestown, Guyana Tragedy." Report of the Staff Investigative Group to the Committee on Foreign Affairs, House of Representatives, dated: May 15, 1979, § III(F), which section is entitled "Conspiracy to Kill Rep. Leo Ryan?"

Dated: April 6, 1981.

ROBERT F. PECKHAM,
Chief U.S. District Judge.

[In the U.S. District Court for the Northern District of California—CR-80-0416-RFP]

UNITED STATES OF AMERICA, PLAINTIFF, *v.* LAURENCE JOHN LAYTON, DEFENDANT

ORDER

This court has today ordered that subpoenas duces tecum be served on the Secretary of State, the Chairman of the Committee on Foreign Affairs of the United States House of Representatives, and the Custodian of Records of the Federal Communications Commission. Those subpoenas order that the materials requested be turned over to the Clerk of this court no later than April 20, 1981.

In the event that any of the persons so served wish to file motions to quash, such motions shall be filed no later than April 20, 1981. Any opposition to such motions made shall be due no later than April 27, 1981. Hearing on any such motions to quash will be held on May 5, 1981, at 10:00 a.m., at the United States Courthouse, 450 Golden Gate Avenue, San Francisco, California.

In order to expedite the disposition of any issues raised by these subpoenas, this court will conduct a conference, via telephone, with counsel for the parties to this action, and with counsel for the persons served with these subpoenas. That conference shall commence at 11:00 a.m., Pacific time, on April 13, 1981. At that conference, the court will wish to discuss the anticipated extent of compliance with the subpoenas, the anticipated extent of and grounds for any motions to quash, and any possibilities of informal agreements which would resolve any disputes over the subpoenaed material.

The court orders that counsel for the defendant provide the court, prior to the scheduled time for this conference, the names and telephone numbers of the counsel who will be representing the recipients of the subpoenas at this conference. The court will initiate the telephone conference call. The court asks that the counsel for the recipients of the subpoenas be available at these telephone numbers at the time set for this conference.

Counsel for the defendant is further ordered to have a copy of this Order served on each of those receiving a subpoena duces tecum. The copy of this Order shall accompany and be served at the same time as the subpoenas.

So ordered.

Dated: April 6, 1981.

ROBERT F. PECKHAM,
Chief U.S. District Judge.

[1] Insert "United States," or "defendant" as the case may be.

[2] A subpoena shall be issued by a Magistrate in a proceeding before him, but need not be under the seal of the court. (Rule 17(a), Federal Rules of Criminal Procedure.)

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special

orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WALKER) to revise and extend their remarks and include extraneous material:)

Mr. CORCORAN, for 5 minutes, today.

(The following Members (at the request of Mr. DONNELLY) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ALEXANDER, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WALKER) and to include extraneous matter:)

Mr. LEBOUTILLIER in two instances.

Mr. WEBER of Minnesota in two instances.

Mr. ARCHER.

Mr. GREEN in two instances.

Mr. JEFFRIES.

Mr. MICHEL in two instances.

Mr. SCHULZE.

Mr. PURSELL in two instances.

Mr. MCKINNEY.

Mr. PHILIP M. CRANE.

Mr. CORCORAN.

Mr. RAILSBACK.

Mr. EVANS, of Delaware.

Mr. GOODLING.

(The following Members (at the request of Mr. DONNELLY) to revise and extend their remarks and include extraneous matter:)

Mr. REUSS.

Mr. SCHEUER.

Mr. STOKES in four instances.

Mr. ASPIN.

Mr. FAUNTROY in three instances.

Mr. MINETA.

Mr. MOAKLEY.

Mr. HAMILTON.

Mr. LEHMAN.

Mr. LONG of Louisiana.

Mr. FOGLIETTA.

Mr. WYDEN.

Mr. MILLER of California in two instances.

Mr. RODINO in two instances.

Mr. RANGEL.

Mr. CONYERS in two instances.

Mr. EDWARDS of California.

Mr. GUARINI.

Mr. NOWAK.

Mr. HUBBARD.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 60. Joint resolution to authorize and request the President to designate the week of May 3 through 9, 1981, as "National Physical Fitness and Sports for All Week"; to the Committee on Post Office and Civil Service.

ENROLLED JOINT RESOLUTION SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 155. Joint resolution to authorize and request the President to issue a proclamation designating May 3 through May 10, 1981, as "Jewish Heritage Week."

RECESS

The SPEAKER pro tempore. Pursuant to the order of the House of Monday, April 27, 1981, the Chair declares that the House will recess until approximately 8:40 p.m.

Accordingly (at 1 o'clock and 20 minutes p.m.), the House stood in recess until 8:40 p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 8 o'clock and 44 minutes p.m.

JOINT SESSION OF THE HOUSE AND SENATE HELD PURSUANT TO THE PROVISIONS OF HOUSE CONCURRENT RESOLUTION 116 TO HEAR AN ADDRESS BY THE PRESIDENT OF THE UNITED STATES

The SPEAKER of the House presiding.

The Doorkeeper, Hon. James T. Molloy, announced the Vice President and Members of the U.S. Senate, who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and Members of the Senate the seats reserved for them.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to escort the President of the United States into the Chamber the gentleman from Texas (Mr. WRIGHT); the gentleman from Washington (Mr. FOLEY); the gentleman from Louisiana (Mr. LONG); the gentleman from Arkansas (Mr. ALEXANDER); the gentleman from California (Mr. EDWARDS); the gentleman from Illinois (Mr. MICHEL); the gentleman from Mississippi (Mr. LOTT); the gentleman from New York (Mr. KEMP); the gentleman from Arizona (Mr. RHODES); and the gentleman from California (Mr. CLAUSEN).

The VICE PRESIDENT. On behalf of the Senate, pursuant to the order previously entered into, the Chair appoints the following Senators on the part of the Senate to escort the President of the United States into the House Chamber:

The Senator from Tennessee (Mr. BAKER); the Senator from Alaska (Mr. STEVENS); the Senator from South Carolina (Mr. THURMOND); the Senator from Idaho (Mr. MCCLURE); the Senator from Texas (Mr. TOWER); the Senator from Utah (Mr. GARN); the Senator from Oregon (Mr. PACKWOOD); the Senator from West Virginia (Mr. ROBERT C. BYRD); the Senator from California (Mr. CRANSTON); the Senator from Hawaii (Mr. INOUYE); the Senator from Maine (Mr. MITCHELL); the Senator from Ohio (Mr. METZENBAUM); and the Senator from New York (Mr. MOYNIHAN).

The Doorkeeper announced the Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments entered the Hall of the House of Representatives and took the seats reserved for them.

The Doorkeeper announced the Chief Justice of the United States and the Associate Justices of the Supreme Court.

The Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 9 o'clock and 1 minute p.m., the Doorkeeper announced the President of the United States.

The President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk.

[Applause, the Members rising.]

The SPEAKER. Members of the Congress, I have the high privilege and the distinct honor of presenting to you the President of the United States.

[Applause, the Members rising.]

A PROGRAM FOR ECONOMIC RECOVERY—ADDRESS BY THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-48)

The PRESIDENT. Mr. Speaker, Mr. President, distinguished Members of the Congress, honored guests and fellow citizens.

I have no words to express my appreciation for that greeting.

[Applause.]

I have come to speak to you tonight about our economic recovery program and why I believe it is essential that the Congress approve this package which I believe will lift the crushing burden of inflation off of our citizens

and restore the vitality to our economy, and our industrial machine.

First, however, and due to events of the past few weeks, will you permit me to digress for a moment from the all important subject of why we must bring Government spending under control and reduce tax rates. I would like to say a few words directly to all of you and to those who are watching and listening tonight. Because this is the only way I know to express to all of you on behalf of Nancy and myself our appreciation for your messages, your flowers, and most of all, your prayers, not only for me, but for those others who fell beside me.

The warmth of your words, the expression of friendship and, yes, love, meant more to us than you can ever know. You have given us a memory that we will treasure forever. And you have provided an answer to those few voices that were raised saying that what happened was evidence that ours is a sick society.

The society we heard from is made up of millions of compassionate Americans and their children from college age to kindergarten.

As a matter of fact, as evidence of that I have a letter with me. The letter came from Peter Sweeney. He is in the second grade in the Riverside School in Rockville Center. And he said, "I hope you get well quick or you might have to make a speech in your pajamas."

He added a postscript. "P.S. If you have to make a speech in your pajamas, I warned you."

Well, sick societies do not produce men like the two who recently returned from outer space. Sick societies do not produce young men like Secret Service Agent Tim McCarthy—who placed his body between mine and the man with the gun simply because he felt that is what his duty called for him to do. Sick societies do not produce dedicated police officers like Tom Delahanty—or able and devoted public servants like Jim Brady.

[Applause.]

Sick societies do not make people like us so proud to be Americans and so very proud of our fellow citizens.

Now, let us talk about getting spending and inflation under control and cutting your tax rates.

Mr. Speaker and Senator BAKER, I want to thank you for your cooperation in helping to arrange this joint session of the Congress. I won't be speaking to you very long tonight, but I asked for this meeting because the urgency of our joint mission has not changed.

Thanks to some very fine people, my health is much improved. I would like to be able to say that with regard to the health of the economy. It has been half a year since the election that charged all of us in this Government with the task of restoring our economy. Where have we come in these 6 months? Inflation as measured by the Consumer Price Index has continued at a double-digit rate. Mortgage interest rates have averaged almost 15 percent for these 6 months, preventing families across America from buying homes. There are still almost 8 million unemployed. The average worker's hourly earnings after adjusting for inflation are lower today than they were 6 months ago, and there have been over 6,000 business failures.

Six months is long enough. The American people now want us to act, and not in half measures. They demand, and they have earned, a full and comprehensive effort to clean up our economic mess.

Because of the extent of our economy's sickness, we know that the cure will not come quickly, and that even with our package, progress will come in inches and feet, not in miles. But to fail to act will delay even longer, and more painfully, the cure which must come.

And that cure begins with the Federal budget. And the budgetary actions taken by the Congress over the next few days will determine how we respond to the message of last November 4.

That message was very simple. Our Government is too big and it spends too much.

For the last few months you and I have enjoyed a relationship based on extraordinary cooperation. Because of this cooperation we have come a long distance in less than 3 months. I want to thank the leadership of the Congress for helping in setting a fair timetable for consideration of our recommendations, and committee chairmen on both sides of the aisle have called prompt and thorough hearings.

We have also communicated in a spirit of candor, openness, and mutual respect. Tonight, as our decision day nears, and as the House of Representatives weighs its alternatives, I wish to address you in that same spirit.

The Senate Budget Committee, under the leadership of PETE DOMENICI, has just today voted out a budget resolution supported by Democrats and Republicans alike that is in all major respects consistent with the program that we have proposed.

Now we look forward to favorable action on the Senate floor. But an equally crucial test involves the House of Representatives.

The House will soon be choosing between two different versions or measures to deal with the economy. One is the measure offered by the House Budget Committee. The other is a bipartisan measure, a substitute introduced by Congressmen PHIL GRAMM of Texas and DEL LATTA of Ohio.

On behalf of the Administration, let me say that we embrace and fully support that bipartisan substitute.

It will achieve all the essential aims of controlling Government spending, reducing the tax burden, building a national defense second to none, and stimulating economic growth and creating millions of new jobs.

At the same time, however, I must state our opposition to the measure offered by the House Budget Committee.

It may appear that we have two alternatives. In reality, however, there are no more alternatives left. The committee measure quite simply falls far too short of the essential actions that we must take. For example, in the next 3 years:

The Committee measure projects spending $141 billion more than does the bipartisan substitute.

It regrettably cuts over $14 billion in essential defense funding—funding required to restore America's national security.

It adheres to the failed policy of trying to balance the budget on the taxpayers' back. It would increase tax payments by over a third—adding up to a staggering quarter of a trillion dollars. Federal taxes would increase 12 percent each year. Taxpayers would be paying a larger share of their income to Government in 1984 than they do at present.

In short, that measure reflects an echo of the past rather than a benchmark for the future. High taxes and excess spending growth created our present economic mess; more of the same will not cure the hardship, anxiety, and discouragement it has imposed on the American people.

Let us cut through the fog for a moment. The answer to a Government that is too big is to stop feeding its growth. Government spending has been growing faster than the economy itself. The massive national debt which we accumulated is the result of the Government's high spending diet. Well, it is time to change the diet and to change it in the right way.

I know the tax portion of our package is of concern to some of you. Let me make a few points that I feel have been overlooked. First of all, it should be looked at as an integral part of the entire package, not something separate and apart from the budget reductions, the regulatory relief, and the monetary restraints.

Probably the most common misconception is that we are proposing to reduce Government revenues to less than what the Government has been receiving. This is not true. Actually, the discussion has to do with how much of a tax increase should be imposed on the taxpayer in 1982.

Now, I know that over the recess in some informal polling some of your

constituents have been asked which they would rather have, a balanced budget or a tax cut. And with the common sense that characterizes the people of this country, the answer of course has been a balanced budget. But may I suggest with no inference that there was wrong intent on the part of those who asked the question, the question was inappropriate to the situation. Our choice is not between a balanced budget and a tax cut. Properly asked, the question is, do you want a great big raise in your taxes this coming year, or at the worst a very little increase with the prospect of tax reduction and a balanced budget down the road a ways.

With the common sense that the people have already shown, I am sure we all know what the answer to that question would be. A gigantic tax increase has been built into the system. We propose nothing more than a reduction of that increase. The people have a right to know that even with our plan they will be paying more in taxes, but not as much more as they will without it.

The option I believe offered by the House Budget Committee will leave spending too high and tax rates too high. At the same time, I think it cuts the defense budget too much. And by attempting to reduce the deficit through higher taxes, it will not create the kind of strong economic growth and the new jobs that we must have.

Let us not overlook the fact that the small, independent business man or woman creates more than 80 percent of all the new jobs and employs more than half of our total work force. Our across-the-board cut in tax rates for a 3-year period will give them much of the incentive and promise of stability they need to go forward with expansion plans calling for additional employees.

Tonight I renew my call for us to work as a team, to join in cooperation so that we find answers which will begin to solve all our economic problems and not just some of them. The economic recovery package that I have outlined to you over the past few weeks is, I deeply believe, the only answer that we have left. Reducing the growth of spending, cutting marginal tax rates, providing relief from over-regulation, and following a noninflationary and predictable monetary policy are interwoven measures which will insure that we have addressed each of the severe dislocations which threaten our economic future. These policies will make our economy stronger and the stronger economy will balance the budget which we are committed to do by 1984.

When I took the oath of office, I pledged loyalty to only one special interest group—"We the people." Those people—neighbors and friends, shopkeepers and laborers, farmers and craftsmen—do not have infinite patience. As a matter of fact, some 80 years ago Teddy Roosevelt wrote these instructive words in his first message to the Congress: "The American people are slow to wrath, but when their wrath is once kindled, it burns like a consuming flame."

Well, perhaps that kind of wrath will be deserved if our answer to these serious problems is to repeat the mistakes of the past. The old and comfortable way is to shave a little here and add a little there. Well, that is not acceptable any more. I think this great and historic Congress knows that way is no longer acceptable.

Thank you very much. Thank you.

I think you have shown that you know the one sure way to continue the inflationary spiral is to fall back into the predictable patterns of old economic practices.

Isn't it time that we tried something new?

When you allowed me to speak to you here in these Chambers a little earlier, I told you that I wanted this program for economic recovery to be ours, yours and mine. I think the bipartisan substitute bill has achieved that purpose. It moves us toward an economic vitality.

Just 2 weeks ago you and I joined millions of our fellow Americans in marveling at the magical historical moment that John Young and Bob Crippen created in their space shuttle Columbia.

The last manned effort was almost 6 years ago, and I remembered on this more recent day over the years how we had all come to expect technological precision of our men and machines. And each amazing achievement became commonplace, until the next new challenge was raised.

With the Space Shuttle, we tested our ingenuity once again, moving beyond the accomplishments of the past into the promise and uncertainty of the future. Thus we not only planned to send up a 122-foot aircraft, 170 miles into space, but we also intended to make it maneuverable and return it to Earth landing 98 tons of exotic metals delicately on a remote dry lake bed.

The Space Shuttle did more than prove our technological abilities. It raised our expectations once more. It started us dreaming again. The poet Carl Sandburg wrote, "The Republic is a dream. Nothing happens unless first a dream."

And that is what makes us as Americans different. We have always reached for a new spirit and aimed at a higher goal. We have been courageous and determined, unafraid and bold. Who among us wants to be first to say we no longer have those qualities, that we must limp along doing the same things that have brought us our present misery?

I believe that the people you and I represent are ready to chart a new course. They look to us to meet the great challenge, to reach beyond the commonplace and not fall short for lack of creativity or courage.

Someone, you know, has said that he who would have nothing to do with thorns must never attempt to gather flowers.

But we have much greatness before us. We can restore our economic strength and build opportunities like none we have ever had before.

As Carl Sandburg said, all we need to begin with is a dream that we can do better than before.

All we need to have is faith, and that dream will come true.

All we need to do is act, and the time for action is now.

Thank you and goodnight.

[Applause.]

At 9 o'clock and 28 minutes p.m., the President of the United States, accompanied by the Committee of Escort, retired from the Hall of the House of Representatives.

The Doorkeeper escorted the invited guests from the Chamber in the following order: The members of the President's Cabinet.

The Ambassadors, Ministers, and Charge d'Affaires of foreign governments.

JOINT SESSION DISSOLVED

The SPEAKER, The Chair declares the joint session of the two Houses now dissolved.

Accordingly, at 9 o'clock and 33 minutes p.m., the joint session of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

REFERENCE OF PRESIDENT'S MESSAGE

Mr. DANIELSON. Mr. Speaker, I move that the message of the President be referred to the Committee of the Whole House on the State of the Union and ordered printed.

The motion was agreed to.

ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 34 minutes p.m.), the House adjourned until tomorrow, Wednesday, April 29, 1981, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of the rule XXIV, executive communications were taken

from the Speaker's table and referred as follows:

1204. A letter from the Acting Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Insecticide, Fungicide, and Rodenticide Act; to the Committee on Agriculture.

1205. A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for more efficient and expeditious disposal of lost, abandoned, or unclaimed property in the custody of the military departments; to the Committee on Armed Services.

1206. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 313 of title 32, United States Code, to permit the appointment of noncitizen medical and dental officers in the National Guard; to the Committee on Armed Services.

1207. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to establish a nutritionally adequate, consumer-acceptable ration for the Armed Forces, to authorize the issuance and sale of rations, to prescribe special rations, and for other purposes; to the Committee on Armed Services.

1208. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Saudi Arabia (Transmittal No. 81-43), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

1209. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment and services to Korea (Transmittal No. 81-40), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

1210. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal years 1982 and 1983; to the Committee on Banking, Finance and Urban Affairs.

1211. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend and amend programs under the Older Americans Act of 1965, and for other purposes; to the Committee on Education and Labor.

1212. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend the Head Start and Native American programs, and for other purposes; to the Committee on Education and Labor.

1213. A letter from the Secretary of Education, transmitting a draft of proposed legislation to consolidate and simplify the administration of Federal aid for elementary and secondary education and to restore control over education to States and local educational agencies; to the Committee on Education and Labor.

1214. A letter from the Secretary of Health and Human Services, transmitting notice of a delay until June 15, 1981, in the submission of the annual report of the Public Health Service for fiscal year 1980, required by section 511 of the Public Health Service Act; to the Committee on Energy and Commerce.

1215. A letter from the Secretary of Health and Human Services, transmitting a report on State compliance with medicaid utilization control requirements, pursuant to section 1903(g)(6) of the Social Security Act, as amended; to the Committee on Energy and Commerce.

1216. A letter from the Director, Defense Security Assistance Agency, transmitting a report covering the quarter ended March 31, 1981, listing the price and availability estimates provided to countries and the requests for issuance of letters of offer received, pursuant to section 28 of the Arms Export Control Act; to the Committee on Foreign Affairs.

1217. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to the Netherlands (Transmittal No. 81-39), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1218. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Korea (Transmittal No. 81-40), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1219. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense services to the Federal Republic of Germany (Transmittal No. 81-42), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1220. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Saudi Arabia (Transmittal No. 81-43), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1221. A letter from the Acting President, Overseas Private Investment Corporation, transmitting the Corporation's 1980 development report, assessing the economic and social development impact and benefits of OPIC-supported projects during fiscal year 1980, pursuant to section 240A of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1222. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system for the Navy, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1223. A letter from the Acting Assistant Attorney General for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1224. A letter from the Acting Chairman, U.S. Consumer Product Safety Commission, transmitting a report on the Commission's administration of the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1225. A letter from the Secretary of Energy, transmitting the third annual report on various bidding options used in fiscal year 1980 lease sales on the Outer Continental Shelf, pursuant to section 8(a)(9) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

1226. A letter from the Secretary of Energy, transmitting the 1980 annual report of the Bonneville Power Administration, containing a consolidated financial statement for the Federal Columbia River Power System, pursuant to section 3(a) of Public Law 89-448; to the Committee on Interior and Insular Affairs.

1227. A letter from the Special Assistant, Office of the Secretary of Defense, transmitting a report on Department of Defense procurement from small and other business firms for October 1980, pursuant to section 10(d) of the Small Business Act as amended; to the Committee on Small Business.

1228. A letter from the Administrator, U.S. Small Business Administration, transmitting volume II of the Small Business Administration's annual report for fiscal year 1980, pursuant to section 10 of the Small Business Act, as amended; to the Committee on Small Business.

1229. A letter from the Acting General Counsel, Department of Energy, transmitting a draft of proposed legislation to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1982 and fiscal year 1983, and for other purposes; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Science and Technology.

1230. A letter from the Acting Chairman, Interstate Commerce Commission, transmitting the 94th annual report of the Commission, covering fiscal year 1980, pursuant to section 10311 and 10327(j) of title 49, United States Code; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON:

H.R. 3266. A bill to amend the Internal Revenue Code of 1954 to provide royalty holders a credit against the windfall profit tax; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 3267. A bill to amend the Older Americans Act of 1965 to extend certain authorizations of appropriations made in such act, and to make certain revisions in the provisions of such act; to the Committee on Education and Labor.

By Mr. BENNETT:

H.R. 3268. A bill to improve the administration of criminal justice with respect to organized crime and the use of violence; to the Committee on the Judiciary.

By Mr. BROOKS:

H.R. 3269. A bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws; to the Committee on the Judiciary.

By BROOKS (for himself and Mr. HORTON):

H.R. 3270. A bill to extend and amend the authority of the President to reorganize the executive branch of the Government under chapter 9 of title 5, United States Code; to the Committee on Government Operations.

By Mr. BROWN of California:

H.R. 3271. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 1 year; to the Committee on Agriculture.

By Mr. COELHO:

H.R. 3272. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of gains from dispositions of patents or similar property for purposes of applying the limitation on the foreign tax credit; to the Committee on Ways and Means.

By Mr. COLEMAN:

H.R. 3273. A bill to amend the Food Stamp Act of 1977 to restrain food stamp program spending, to increase State agency flexibility, to focus benefits toward the most needy, to extend appropriations authority, to amend the Agriculture and Consumer Protection Act of 1973, and to extend and improve the commodity distribution programs and for other purposes; to the Committee on Agriculture.

By Mr. COLLINS of Texas:

H.R. 3274. A bill to amend title II of the Social Security Act to terminate the payment of benefits thereunder to inmates of penal institutions; to the Committee on Ways and Means.

By Mr. EDWARDS of California:

H.R. 3275. A bill to amend the Civil Rights Act of 1957 to authorize appropriations for the Civil Rights Commission; to the Committee on the Judiciary.

By Mr. GUARINI:

H.R. 3276. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income up to $1,000 of interest and dividends; to the Committee on Ways and Means.

By Mrs. HOLT:

H.R. 3277. A bill to amend section 320 of the Agricultural Adjustment Act of 1938; to the Committee on Agriculture.

H.R. 3278. A bill to amend title 10, United States Code, to provide additional standards for determining the amount of space to be programed for military retirees and their dependents in medical facilities of the uniformed services, and for other purposes; to the Committee on Armed Services.

By Mr. MURTHA:

H.R. 3279. A bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes; to the Committee on Ways and Means.

H.R. 3280. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. PURSELL:

H.R. 3281. A bill to assure that job skills training and employment opportunities are furnished through Opportunities Industrialization Centers and other community-based organizations of demonstrated effectiveness in certain block grant programs involving the creation of urban jobs in enterprise zones, and for other purposes; to the Committee on Education and Labor.

By Mr. PURSELL (for himself, Mr. KRAMER, Mr. HOLLENBECK, Mr. BROWN of Colorado, Mr. WINN, Mr. CORCORAN, Mr. KINDNESS, Mr. COUGHLIN, Mr. BENEDICT, Mr. GOLDWATER, Mr. DAVIS, Mr. DAUB, Mr. BARNARD, Mr. JAMES K. COYNE, Mr. HANSEN of Idaho, Mr. JOHNSTON, Mr. MARRIOTT, Mr. PRITCHARD, and Mr. ROBINSON):

H.R. 3282. A bill to provide for permanent tax rate reductions for individuals; to the Committee on Ways and Means.

By Mr. RODINO (by request):

H.R. 3283. A bill to repeal certain provisions applicable to compensation for the overtime inspectional services of employees of the Immigration and Naturalization Service, and for other purposes; jointly, to the Committees on the Judiciary and Post Office and Civil Service.

By Mr. ROE:

H.R. 3284. A bill to designate the birthday of Martin Luther King, Jr., a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. ROSE:

H.R. 3285. A bill to amend title 18, United States Code, to regulate polygraph and other detection of deception examinations and prohibit certain practices with respect thereto for the purpose of protecting the privacy rights of employees and individuals seeking employment with employers engaged in any business or activity in or affecting interstate commerce while permitting such employers to use such examinations to protect their businesses and control property losses attributable to employee theft and other acts of misconduct; to the Committee on the Judiciary.

By Mr. ROSE (for himself, Mr. BRINKLEY, Mr. ROBERT W. DANIEL, JR., Mr. DICKINSON, Mr. ENGLISH, Mr. EVANS of Georgia, Mr. FOUNTAIN, Mr. GINN, Mr. RALPH M. HALL, Mr. HATCHER, Mr. JONES of North Carolina, Mr. KAZEN, Mr. LUJAN, Mr. NAPIER, Mr. SKEEN, Mr. STENHOLM, Mr. WATKINS, Mr. WHITLEY, Mr. MCCURDY, Mr. WILSON, and Mr. LOEFFLER):

H.R. 3286. A bill to assure adequate supplies of peanuts and the products thereof to meet the food needs of consumers at reasonable prices; to the Committee on Agriculture.

By Mr. SEIBERLING (for himself, Mr. DIXON, Mr. BEILENSON, Mrs. COLLINS of Illinois, Mr. CROCKETT, Mr. DYMALLY, Mr. GARCIA, Mr. MITCHELL of Maryland, Mr. ROYBAL, Mr. STOKES, and Mr. WAXMAN):

H.R. 3287. A bill to repeal baseball's antitrust exemption, to prohibit certain territorial restrictions in professional sports, and for other purposes; to the Committee on the Judiciary.

By Mr. SHANNON (for himself and Mr. ROUSSELOT):

H.R. 3288. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives for research and development expenditures; to the Committee on Ways and Means.

By Mr. ZABLOCKI (for himself and Mr. BROOMFIELD) (by request):

H.R. 3289. A bill to authorize appropriations under the Arms Control and Disarmament Act, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ASPIN:

H.R. 3290. A bill to amend the Internal Revenue Code of 1954 with respect to the definition of a cooperative housing corporation; to the Committee on Ways and Means.

By Mr. GOODLING:

H.R. 3291. A bill to provide for the gradual reduction in payments for certain types of children under the impact aid program of Public Law 874; to the Committee on Education and Labor.

By Mr. MURPHY:

H.R. 3292. A bill to amend the Domestic Volunteer Service Act of 1973 to extend certain authorizations of appropriations contained in such act, and for other purposes; to the Committee on Education and Labor.

By Mr. DE LUGO (for himself, Mr. WON PAT, Mr. LAGOMARSINO, and Mr. PHILLIP BURTON):

H.J. Res. 238. Joint resolution to approve a constitution for the U.S. Virgin Islands; to the Committee on Interior and Insular Affairs.

By Mr. CRAIG:

H.J. Res. 239. Joint resolution authorizing and requesting the President to designate the week beginning June 21, 1981, as "National Oldtime Fiddlers Week"; to the Committee on Post Office and Civil Service.

By Mr. DUNCAN:

H.J. Res. 240. Joint resolution to proclaim June 4, 1981, as "Jack Jouett Day"; to the Committee on Post Office and Civil Service.

By Mr. RITTER:

H.J. Res. 241. Joint resolution to designate the week commencing with the first Sunday in October of each year as "National Hawk Watching Week"; to the Committee on Post Office and Civil Service.

By Mr. ROE:

H.J. Res. 242. Joint resolution to provide for the issuance of a commemorative postage stamp in honor of Patience Lovell Wright; to the Committee on Post Office and Civil Service.

By Mr. SIMON (for himself and Mr. GILMAN):

H.J. Res. 243. Joint resolution to authorize and request the President to issue a proclamation designating October 16, 1981 as "World Food Day"; to the Committee on Post Office and Civil Service.

By Mr. MICHEL:

H.J. Res. 244. Joint resolution to authorize and request the President to issue a proclamation designating May 10, 1981, as "Taxpayers Independence Day"; to the Committee on Post Office and Civil Service.

By Mr. MURTHA:

H.J. Res. 245. Joint resolution to authorize the President to proclaim the 22d day of April of each year as Queen Isabella Day; to the Committee on Post Office and Civil Service.

By Mr. CORCORAN (for himself and Mr. LEE):

H. Res. 130. Resolution amending the Rules of the House of Representatives with respect to use of committee funds for travel; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

52. The SPEAKER presented a memorial of the Legislature of the State of Nebraska, relative to deregulation of the price of natural gas; to the Committee on Energy and Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California:

H.R. 3293. A bill for the relief of Mrs.Viola P. Warbis; to the Committee on the Judiciary.

By Mr. CORRADA:

H.R. 3294. A bill for the relief of Mireille Laffite; to the Committee on the Judiciary.

By Mr. DANIELSON:

H.R. 3295. A bill for the relief of Mrs. Ruth Mitchell; to the Committee on the Judiciary.

By Mr. FRENZEL:

H.R. 3296. A bill for the relief of Simon Marriott; to the Committee on the Judiciary.

By Mr. SHAW:

H.R. 3297. A bill for the relief of Maria de Lourdes Tipan de Brewer; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 27: Mr. BLANCHARD, Mrs. BOUQUARD, Mr. COUGHLIN, Mr. DAN DANIEL, Mr. DOUGHERTY, Mr. FRENZEL, Mr. HANSEN of Utah, Mr. JONES of Tennessee, Mr. LEHMAN, Mr. LUJAN, Ms. MIKULSKI, Mr. MOLINARI, Mr. SANTINI, Mr. SHAW, Mr. SOLARZ, Mr. THOMAS, and Mr. WILLIAMS of Ohio.

H.R. 116: Mr. BADHAM, Mr. BARNARD, Mrs. CHISHOLM, Mr. DAN DANIEL, Mr. DE LUGO, Mr. EVANS of Georgia, Mr. LEATH of Texas, Mr. LOTT, Mr. MCDONALD, Mr. MITCHELL of New York, Mr. PANETTA, Mr. ROE, Mr. PARRIS, and Mr. WHITEHURST.

H.R. 119: Mr. MCCLORY.

H.R. 131: Mr. PARRIS.

H.R. 134: Mr. BEVILL and Mr. NICHOLS.

H.R. 135: Mr. CLAUSEN.

H.R. 148: Mr. DASCHLE.

H.R. 149: Mr. TRAXLER.

H.R. 151: Mr. TRAXLER

H.R. 182: Mr. CONABLE.

H.R. 248: Mr. CHENEY, Mr. TRAXLER, and Mr. FORSYTHE.

H.R. 412: Mr. BAILEY of Pennsylvania and Mr. FRANK.

H.R. 654: Mr. FRANK, Mr. HAGEDORN, Mr. WHITTAKER, and Mr. MINETA.

H.R. 741: Mr. GINGRICH.

H.R. 822: Mr. WIRTH.

H.R. 878: Mrs. SCHNEIDER.

H.R. 879: Mr. BUTLER.

H.R. 1177: Mr. CROCKETT, Mr. MICA, Mr. RICHMOND, Mr. DAUB, and Mr. JEFFRIES.

H.R. 1294: Mr. SIMON.

H.R. 1297: Mr. IRELAND, Mr. ARCHER, and Mr. SAM B. HALL, JR.

H.R. 1298: Mr. IRELAND, Mr. ARCHER, and Mr. SAM B. HALL, JR.

H.R. 1300: Mr. JEFFRIES and Mr. HALL of Ohio.

H.R. 1304: Mr. DICKINSON, Mr. ROUSSELOT, Mr. DORNAN of California, Mr. COLLINS of Texas, Mr. GREGG, Mr. LOTT, Mr. PORTER, Mr. CHAPPIE, Mr. BADHAM, and Mr. LAGOMARSINO.

H.R. 1353: Mr. BLANCHARD, Mr. GILMAN, Mr. JACOBS, Mr. LEBOUTILLIER, Mr. MCGRATH, Mr. SIMON, and Mr. WEAVER.

H.R. 1362: Mr. BENEDICT, Mr. JONES of North Carolina, Mr. EDWARDS of California, Mr. PHILLIP BURTON, and Mr. DUNCAN.

H.R. 1507: Mr. CORCORAN, Mr. WEBER of Minnesota, Mr. TAYLOR, Mr. WHITEHURST, Mr. DORGAN of North Dakota, Mr. SCHEUER, Mr. SAWYER, Mr. GLICKMAN, Mrs. BYRON, Mr. EVANS of Georgia, Mr. STANGELAND, Mr. COELHO, Mrs. MARTIN of Illinois, Mr. BARNARD, Mr. BEDELL, Mr. PORTER, Mr. DASCHLE, Mr. TAUKE, Mr. ERDAHL, Mr. GILMAN, Mr. EMERSON, Mr. DAUB, Mr. JAMES K. COYNE, Mr. TRAXLER, Mr. KOGOVSEK, and Mr. WOLPE.

H.R. 1509: Mr. FORD of Michigan, Mr. WIRTH, Mr. FARY, Mr. WILLIAM J. COYNE, and Mr. NEAL.

H.R. 1541: Mr. BOWEN.

H.R. 1720: Mr. WOLPE and Mr. RINALDO.

H.R. 1723: Mr. NEAL.

H.R. 1725: Mr. HAMILTON and Mr. SIMON.

H.R. 1743: Mr. BEDELL and Mr. ROBINSON.

H.R. 1805: Mr. STOKES, Mr. FRANK, Mr. EDGAR, Ms. MIKULSKI, Mr. DOWNEY, Mr. ROYBAL, and Mr. GINGRICH.

H.R. 1817: Mr. SAVAGE, Mr RUSSO, and Mr. OBERSTAR.

H.R. 1852: Mr. COELHO, Mr. GOLDWATER, Mr. WATKINS, and Mr. CHAPPIE.

H.R. 1861: Mr. SCHUMER.

H.R. 1864: Mr. BROWN of California, Mr. GLICKMAN, Mr. MADIGAN, Mr. GOLDWATER, Mr. EVANS of Delaware, Mr. FORD of Michigan, Mr. BENJAMIN, Mr. FRANK, Mr. DORNAN of California, and Mr. SIMON.

H.R. 1918: Mr. BONER of Tennessee, Mr. LEBOUTILLIER, Mr. DECKARD, Mr. MURTHA, Mr. SHAW, Mr. SIMON, Mr. SMITH of New Jersey, and Mr. WALGREN.

H.R. 1978: Mr. BIAGGI, Mr. HIGHTOWER, Mr. NEAL, Mr. PATTERSON, and Mr. GARCIA.

H.R. 2052: Ms. MIKULSKI and Mr. BREAUX.

H.R. 2112: Mr. STARK, Mr. SUNIA, Mr. MILLER of California, Mr. BIAGGI, and Mr. PEPPER.

H.R. 2113: Mr. BEILENSON, Mr. MURPHY, Mr. BARNARD, Mr. PEPPER, Mr. LEHMAN, Mr. FORSYTHE, Mr. GREEN, Mrs. SCHNEIDER, Mr. ANTHONY, and Mr. SIMON.

H.R. 2244: Mr. ENGLISH, Mr. FASCELL, Mr. OBERSTAR, Mr. BEREUTER, Mr. WEBER of Minnesota, Mr. AKAKA, and Mr. CONYERS.

H.R. 2262: Mr. KOGOVSEK and Mr. WOLPE.

H.R. 2384: Mr. BEILENSON, Mr. EDGAR, and Mr. VENTO.

H.R. 2385: Mr. MAZZOLI, Mrs. HECKLER, and Mrs. BOGGS.

H.R. 2390: Mr. BEREUTER.

H.R. 2456: Mr. ROBERT W. DANIEL, JR., Mr. ADDABBO, Mr. YOUNG of Alaska, Mr. HUBBARD, Mr. ZEFERETTI, Mr. DORNAN of California, and Mr. MAVROULES.

H.R. 2472: Mr. OTTINGER, Mr. KILDEE, Mr. FORD of Michigan, and Mr. CONYERS.

H.R. 2474; Mr. SEIBERLING and Mr. CONYERS.

H.R. 2567: Mr. RAILSBACK.

H.R. 2643: Mr. NELSON.

H.R. 2776: Mr. BONIOR of Michigan, Mr. COLLINS of Texas, and Mr. SAVAGE.

H.R. 2879: Mr. TAUZIN.

H.R. 2949: Mr. FORD of Tennessee, Mr. MARRIOTT, Mrs. SNOWE, Mr. MOTTL, Mr. FORSYTHE, Mr. SAWYER, Mr. FIELDS, Mr. FRENZEL, Mr. COLLINS of Texas, Mr. DE LUGO, Mr. LAGOMARSINO, Mr. PASHAYAN, Mr. WYDEN, Mr. GUARINI, Mr. LEBOUTILLIER, Mr. AKAKA, Mr. IRELAND, Mr. ROTH, Mr. HUTTO, Mr. EDGAR, Mr. KRAMER, Mr. GUNDERSON, Mr. SAVAGE, Mr. KOGOVSEK, Mr. SMITH of New Jersey, Mr. COELHO, Mr. ROE, Mr. RICHMOND, and Mr. BENJAMIN.

H.R. 3045: Mr. PERKINS, Mr. FISH, Mr. DAVIS, Mr. FRANK, Mrs. CHISHOLM, Mr. DIXON, Mr. HUBBARD, Mr. SOLARZ, Mr. CORRADA, Mr. AKAKA, Mr. DYMALLY, Mr. WILLIAMS of Montana, Mr. WASHINGTON, Mr. PEPPER, Mr. JAMES K. COYNE, Mr. OTTINGER, Mr. BONIOR of Michigan, Mr. STUDDS, Mr. YATES, Mr. EDWARDS of California, Mr. KOGOVSEK, Mr. SAVAGE, Mr. RODINO, Mr. RAHALL, Mr. BIAGGI, Mr. RATCHFORD, Mr. OBERSTAR, Mr. FORD of Michigan, Mr. BINGHAM, and Mr. KILDEE.

H.R. 3046: Mr. PERKINS, Mr. BEVILL, Mr. MARKEY, Mrs. CHISHOLM, Mr. DIXON, Mr. FISH, Mr. SOLARZ, Mr. YATES, Mr. CORRADA, Mr. DYMALLY, Mr. HORTON, Mr. LUJAN, Mr. EDGAR, Mr. WASHINGTON, Mr. STUDDS, Ms. OAKAR, Mr. MATSUI, Mr. FORD of Michigan, Mr. FRANK, Mr. COELHO, Mr. PEPPER, Mr. SAVAGE, Mr. RODINO, Mr. WILLIAMS of Montana, Mr. ROE, Mr. MOFFETT, Mr. ERDAHL, Mr. BINGHAM, Mr. SUNIA, Mr. CONYERS, Mr. HAMMERSCHMIDT, Mr. KAZEN, Mr. LEHMAN, Mr. MURTHA, Mr. HARKIN, Ms. MIKULSKI, and Mr. ECKHART.

H.R. 3210: Ms. MARTIN of Illinois.

H.R. 3218: Mr. BRODHEAD.

H.J. Res. 227: Mr. RICHMOND.

H.J. Res. 230: Mr. WALGREN and Mr. WOLPE.

H.J. Res. 234: Mr. FRANK, Mr. VENTO, and Ms. FERRARO.

H. Con. Res. 27: Mr. REGULA, Mr. WOLPE, and Mr. LEBOUTILLIER.

H. Res. 126: Mr. FOGLIETTA, Mr. CLAY, Mr. LOWRY of Washington, Mr. EDGAR, and Mr. LELAND.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

65. By Mr. KAZEN: Petition of George T. Knoblauch, San Antonio, Tex., relative to redress of grievances; to the Committee on the Judiciary.

66. By the SPEAKER: Petition of the Erie County Legislature, New York relative to petroleum pricing; to the Committee on Energy and Commerce.

67. Also, petition of the Board of Directors, American Association of Meat Processors, Elizabethtown, Pa., relative to support of the Reagan administration's economic program; jointly, to the Committees on Government Operations and Ways and Means.

68. Also, petition of the board of directors, Health Industry Manufacturers Association, Washington, D.C., relative to support of the President's economic, regulatory, and defense programs; jointly, to the Committees on Government Operations, Ways and Means, and Armed Services.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. CON. RES. 115

By Mr. OTTINGER:

—Page 6, line 4, strike out "$688,950,000,000" and insert in lieu thereof "$691,860,000,000".

Page 6, line 6, strike out "$30,450,000,000" and insert in lieu thereof "$27,540,000,000".

Page 6, line 13, strike out "—$25,600,000,000" and insert in lieu thereof "—$22,690,000,000".

Page 6, line 15, strike out "$1,060,000,000,000" and insert in lieu thereof "$1,057,090,000,000".

Page 6, line 17, strike out "$65,900,000,000" and insert in lieu thereof "$62,990,000,000".

Page 15, line 12, strike out "$778,250,000,000" and insert in lieu thereof "$781,556,000,000".

Page 15, line 13, strike out "$864,850,000,000" and insert in lieu thereof "$868,552,000,000".

Page 15, line 15, strike out "or decreased".

Page 15, line 17, strike out "$000,000,000,000" and insert in lieu thereof "$3,306,000,000".

Page 15, line 18, strike out "$000,000,000,000" and insert in lieu thereof "$3,702,000,000".

Page 16, line 2, strike out "or deficit".

Page 16, line 5, strike out "—$1,250,000,000" and insert in lieu thereof "$2,056,000,000".

Page 16, line 6, strike out "+$25,800,000,000" and insert in lieu thereof "$29,502,000,000".

Page 16, line 9, strike out "$1,094,850,000,000" and insert in lieu thereof "$1,091,544,000,000".

Page 16, line 10, strike out "$1,096,650,000,000" and insert in lieu thereof "$1,092,948,000,000".

Page 16, line 14, strike out "$34,850,000,000" and insert in lieu thereof "$31,544,000,000".

Page 16, line 15, strike out "$1,800,000,000" and insert in lieu thereof "$000,000,000,000".

EXTENSIONS OF REMARKS

THE PERIPHERAL CANAL: A SUBSTITUTE FOR COVERAGE

HON. GEORGE MILLER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. MILLER of California. Mr. Speaker, a great debate about water policy is currently raging through the State of California. The subject of the debate is the highly controversial proposal to construct a 43-mile-long Peripheral Canal at a cost of $1.1 billion.

Despite a tremendous campaign by big water users, opinion in the State—both north and south—is beginning to turn against this very unwise project, which will be the subject of a referendum within the next year.

I was recently asked to address the water section of the Commonwealth Club of California on the subject of the Peripheral Canal and the future of the California water program. This is not simply a California issue, I should point out. Although there is absolutely no authorization for the Federal Government to participate in the planning, construction, or operation of the Peripheral Canal, and despite the Governor's declarations that the people of California alone will carry the enormous financial burden of its development, I do not doubt that efforts will be made to have the taxpayers of the United States assume a substantial amount of the cost of this supremely unwise project.

As a result, I hope that every Member of Congress reviews this speech.

THE PERIPHERAL CANAL AND THE FUTURE OF THE CALIFORNIA WATER PROGRAM

(By Congressman GEORGE MILLER)

The people of California stand today at a moment of truth in the long water policy debate in this State. Within the next few months, voters will have to make a decision which will have the most profound impact on the future of California—whether to build the 43 mile, billion dollar Peripheral Canal.

It is also a moment of truth for those who would presume to lead the people of California. I consider it an outrage that the State's two highest elected officials, Governor Brown and Lieutenant Governor Curb—both of whom are seeking even higher office—have refused to take a stand on the most critical resource and fiscal issue to come before this State during the remainder of this century.

And I consider it unbelievable that the people of this State or the press would allow anyone with pretensions to high office to remain silent on this question.

If these "leaders" withdraw from the public debate, then I believe that they forfeit their claim to political leadership in California.

But I think we know why Mr. Brown and Mr. Curb have decided to sit this one out. It is because they have studied the Peripheral Canal proposal, its enormous cost and its great destructive potential, and they know that it is an unacceptable idea. They know that their continued public advocacy of such a flawed plan would undermine their credibility throughout this state—north, south, and Central Valley.

In my own mind, the choice is clear. We can build the canal and in doing so, perpetuate the mistakes of the past and establish them as the policy of the future.

Or we can reject the canal and use our past errors to build a new water policy free of those mistakes and that greed.

We must discard the myths of the 1930's and the 1940's, when the water project was conceived.

We must reject the errors of the 1950's and 1960's, when it was constructed.

We must abandon the operational abuse and fiscal mis-management which have beset the project in the 1970's and 1980's.

And we must have the courage to ask some very tough questions which have been avoided for so many years.

Twenty years ago when the State began planning its water project, Harvey O. Banks, the chief advocate of the plan used to say, "We must build [now] and ask questions later."

Well, later is now, and the questions must be asked before we begin a new round of building which will cost taxpayers billions of dollars but still not solve the real water crisis in this State.

(1) Why should millions of people in the Bay Area yield to the demands of water users in the south who have never controlled their water consumption?

(2) Why have the people of California spent $2 billion on projects to correct groundwater overdrafting only to find the groundwater problem worse today than ever?

(3) Why is our dwindling water being used to irrigate tens of thousands of acres of marginal land, much of it lying outside authorized water service areas?

(4) Why are we using taxpayer-subsidized water to grow oranges and other crops which are systematically destroyed in order to drive up food prices to consumers?

(5) Why should we expand the water delivery system, at a cost of perhaps $20 billion or more, when the major water beneficiaries, the agricultural interests who consume 85 percent of our water, stubbornly refuse to conserve?

(6) How can we pretend to "build for the future" by expanding an inefficient water system based on cheap energy and cheap water, neither of which exists any longer?

(7) And finally, why should northern Californians, who voluntarily conserved 25 percent to 30 percent of their water during the 1977 drought, jeopardize their own fresh water to accommodate Los Angeles, where a court order was required to achieve a modest 10 percent reduction?

We are forced to ask these embarrassing questions at this late date not because of the physical inadequacy of the project, but because of the poor planning, exorbitant subsidies, and chaotic management which have been the cornerstones of water policy. And the Peripheral Canal will not solve those problems. In fact the Rand Corporation recently concluded that the canal will magnify the misuse of water in California. Even its supporters admit that the canal would be obsolete almost as soon as it was built.

We can never really answer those questions, and we can never change that misguided policy, unless we stop running our water program as we have for the past 50 years and instead adopt sound management practices which serve the best interests of all the people of California.

We all know that there are special interests who don't want those questions asked and who fear the answers.

And what is their answer to our water problem? Build the billion-dollar Peripheral Canal, which could reduce delta outflow from 18 million to less than 1½ million acre-feet a year. The result would be even more water for special interests, for the agribusinesses and the oil companies which already use billions of dollars of taxpayer-subsidized water.

But the answer would be disaster for the rest of our State.

Disaster for Bay Area industry, which already must periodically shut down and lay off thousands of workers because vital water supplies are polluted.

Disaster for fish and wildlife, which are beginning to return after years of effort to clean up the bay.

Disaster for our cities, which have spent billions of dollars to upgrade their sewage treatment plants only to face the cutoff of outflow which is essential to flush out the bay.

Disaster for millions of people who have no other source for their drinking water.

Disaster for agriculture in the delta which produces hundreds of millions of dollars in food every year.

Now, supporters of the canal shake their heads and say, "That won't happen."

They say, "We will protect the delta." But we recall 40 years of actions which have betrayed those promises.

They point to "protections" in proposition 8 and the Delta Protection Act. But as the son of the author of that landmark law, I have spent a lifetime watching the powerful water interests of California chip away at those protections. Those same interests have already introduced legislation and filed lawsuits to overturn proposition 8 and the protection of the northern rivers.

They refused to include conservation mandates or groundwater controls in the Peripheral Canal legislation. And today, there is nothing in that law which would require an irrigator to save a glassful of water, or to reduce groundwater overpumping by a bucketful, even in the worst of droughts.

I don't call those very good protections. We would do far better to heed the prediction of the metropolitan water district official who has confessed that "if the water was really needed, the votes could be easily obtained" to discard delta protections and

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

to discard conservation mandates and wild river guarantees.

We have an administration in Washington which likes to measure "benefits" and "costs." Let us apply that criteria to the Peripheral Canal proposal.

We know who will benefit from the Peripheral Canal: The same interests who have long abused the water program

Those who refuse to conserve;

Those who refuse to pay their fair share;

Those who pass along the costs to the taxpayers;

Those who have failed to utilize state-of-the-art technology to manage their resources;

The banking interests, the railroads, the agribusinesses, and the oil companies.

They are the same groups who regularly file into my office to lobby for deregulation of industry while, at the same time, they wallow in billions of dollars in Federal subsidies courtesy of the taxpayer.

And who must endure the costs of this project?

The costs will be paid by the power users, whose electricity bills are skyrocketing. When the water project was designed, it cost $10 to pump an acre-foot of water to Los Angeles; today, it costs $200.

The costs will be paid by Bay Area industry, which will be crippled by the worsening of water quality, and by the air pollution from new power plants which will be built to pump our water to southern California.

The costs will be paid by the construction workers and the wishful homeowners when the housing bond market is halted because of the drain of financing the canal. Just a few months ago, $100 million in water bonds were withdrawn from the market because they were undermining housing bonds, and the Peripheral Canal would require more than ten times that much financing.

The costs will be paid by the fishing and recreational industries of northern California whose resources will be sucked away into the Peripheral Canal. We should remember the warning of the regional director of the U.S. Fish and Wildlife Service who predicted, "On the day that construction is started for a Peripheral Canal, that's the day you can say goodbye to the Upper Sacramento and Eel Rivers."

And a tremendous burden of the cost will be paid, ironically, by the very people whose alleged representatives are lobbying hardest for the canal—the water users of southern California's cities whose water costs will increase by 900 percent.

Even the deputy director of the State department of water resources has admitted that "The financing of it is almost solely upon the urban sector," not on the agricultural users who consume most of the water. They know that urban users consume only 7 percent of the Met's water, but pay 33 percent of its costs in order to underwrite the subsidized water showered on agribusinesses.

We have long argued that the Peripheral Canal makes no sense for northern California. But the fact is that the Peripheral Canal makes no sense for southern California either. Building the canal in the face of these problems would not provide a solution. Instead, it would be a substitute for the political courage we must exercise in order to do what is rational, feasible, and fiscally sound. There are cheaper and less controversial alternatives available:

(1) Relocate the Contra Costa Canal intake at a cost of about $50 million, producing 200,000 acre-feet of water—the equivalent of the canal—with no negative effects and at 29 times less cost. My bill to begin planning this relocation became law last year.

(2) Begin feasibility studies of additional storage facilities which will not destroy the northern rivers or the delta. My bill also authorized studies of an enlarged Shasta Dam and the Los Vaqueros Reservoir. Together, these projects would not only provide for L.A.'s expected needs, but those of East Bay M.U.D., delta users, and valley growers.

(3) Mandate serious water conservation as a precondition for new projects and additional water sales.

The U.S. General Accounting Office advised Congress to withhold approval of new projects "until a report is made on the prospects . . . of satisfying existing shortages . . . by water-saving practices." We should recall that efforts to include serious conservation mandates in S.B. 200 were vehemently resisted by the water fraternity and quickly dropped despite the Governor's promise to oppose any legislation which did not include these provisions.

The conservation potential in California is fantastic. The Federal Western Water System loses the equivalent of the total yield of California's rivers and streams each year—32 million acre-feet—due to unlined facilities. Five years ago, the Interior Department recommended that water transportation facilities be lined or enclosed to reduce waste; but the $1.1 billion Peripheral Canal would be unlined, the most inefficient water transportation method ever devised. Even D.W.R. admits there is 500,000 to 800,000 acre-feet of water wasted every year in the Central Valley, and another 1 or 2 million acre-feet could be saved in urban areas.

Other water-short countries do require efficient irrigation methods. Israel grows as much produce per acre on worse quality land as we in California with half as much water. We should emulate that example, not just admire it.

(4) Control of groundwater pumping. The $3.5 billion water project was designed to relieve groundwater depletion. Yet, forty years later, California was overdrafting more groundwater than before the project was built—2½ million acre-feet in 1980 alone. The General Accounting Office has predicted that continued overdrafting will result in "local recession [and] economic and social dislocation."

Other States including Florida, New Mexico, Colorado and Arizona have passed laws to correct groundwater basin depletion. But California's valley irrigators rule out such a law, calling it "the equivalent of World War IV."

(5) Restrict the irrigation of marginal land which uses large volumes of water for cultivation and leaching. Valley growers want to bring an additional 200,000 acres of admittedly "marginal and mediocre" land into irrigation with water from the Peripheral Canal. They also want to build a billion dollar drain to pour the valley's salt and chemical wastes back into the delta and bay.

(6) Perhaps most importantly, we must eliminate many billions of dollars in agricultural water subsidies which encourage the profligate misuse of our limited water resources. Many of the recipients of this water are not small, struggling family farmers, but some of the wealthiest corporations, oil companies, and agribusinesses in this country, and they can afford to pay a fair price to the taxpayer for the water.

Studies have shown that many farmers repay far less than half the cost of their water, and that some repay as little as 15 percent. The General Accounting Office recently revealed that some new, extremely expensive water projects will provide irrigators with water at less than 5 percent of the real cost! The rest is paid by utility users, municipal and industrial customers, and the taxpayer.

One example best illustrates the case. The Westlands Water District, the biggest reclamation unit in the country, has a contract for nearly 1 million acre-feet of Federal water at a price of $7.50 an acre-foot. The price was calculated in 1955, and the contract runs out in 2007! The minimum subsidy to that very profitable district just from 1981 through 2007 is a minimum of a quarter of a billion dollars, and probably much more.

Would we sell any other public resource so irresponsibly? If market price is good policy for the oil companies when they sell us gas, why isn't full pricing a sound idea for the water we sell to the oil companies and other large consumers?

Like energy, water is responsive to price. At $1 to $3 an acre-foot, water is used at only 40 percent efficiency. Efficient use increases by 50 percent at a price of $10. Realistic water pricing would not impose an undue hardship on farmers. In fact, State water project customers pay triple the amount their neighbors pay for C.V.P. water. But they both get the same price when they take their crop to market.

In fact, according to a recent report by the Department of Agriculture, higher prices mean not only a better return to the public for its resources, but higher efficiency and bigger profits for farmers, too.

I have introduced the Water Pricing Reform Act, H.R. 2606, which will end the unreasonable water subsidies which encourage this misuse and will require the kind of sound management practices any responsible businessman would insist upon in selling a product. Enactment of my bill will not only mean more income to the public; it will mean more water for all potential users in this State.

Remember the water planner's word in 1960: "Ask questions later."

Later is now, except in the world of water politics.

Later is now, for power users and industry, for construction workers and homeseekers, for workers and fishermen, for our Bay Area cities, for the delta farmers, for the fish and wildlife and for future generations who should be able to enjoy this heritage.

Properly managed and efficiently used, California's water resources are plentiful and will nourish our continued growth. If our water is selfishly abused, the agricultural, industrial and recreational needs of our State will wither and stagnate, with or without the Peripheral Canal.

There is a real choice and the time to choose is now. Californians must reject the scare tactics and the greed of the past and insist on the realistic pricing, sound management and efficient use of our water resources. We must reject the enormous financial cost, the regional antagonism and the waste of our resources which will surely result from the Peripheral Canal.●

ENOUGH IS ENOUGH

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. STOKES. Mr. Speaker, the budget slashing fever literally has engulfed Capitol Hill to the point where numbers have become the most important thing to many of my colleagues and the people those numbers affect are now irrelevant.

Concern for the quality of life of Americans from every corner and class of this Nation is passé. Instead, obsession with budget slashing and ending actual or contrived waste, fraud, and abuse in Federal agencies, particularly in those that administer social programs, with one giant swing of the pen is the most "in" and politically safest thing to do.

When the poor and disadvantaged ask why this abandonment has taken place, inadequate and nebulous phrases like "the buck stops here" or "enough is enough" are substituted for the lack of rational answers. These phrases have become the anthem for the budget slashing hysteria. Accordingly, administration officials, in general, and David Stockman, in particular, recklessly use these phrases as an argument in favor of their massive budget cuts to programs for the poor and disadvantaged in this Nation.

As you and my colleagues well know, Mr. Speaker, I am drastically and vehemently opposed to this callous approach to the budget. I have always subscribed to the philosophy that people are the most important resource that we have. Our Government is here to serve the people and not to become subservient to numbers and twisted priorities.

But, Mr. Speaker, let us go past my objections to the actual budget cuts and focus on the inequities embedded in the ever surfacing administration line that "enough is enough."

You hear this form response when questions are asked about cuts to social programs. The same response is almost deafening when the 25-percent cut to public education is mentioned. The excuse is used to rationalize devastating cuts to the CETA program, to the Community Services Administration and to the Economic Development Administration. In other words, Mr. Speaker, "enough is enough" is the lead phrase when programs for the poor and always politically voiceless are raised above a whisper.

Now, I pause at this juncture to ask if we should assume the continual usage of the phrase means that the poor and those served by social programs have been helped enough? Or, Mr. Speaker, can we safely assume that the battle cry for the Reagan administration "enough is enough" pertains to other programs just as it does to social programs.

Well, from my vantagepoint, the administration seems to be saying that the poor have been helped enough. Second, Mr. Speaker, they seem to imply that the battle cry does not apply to programs which affect others higher on the economic ladder.

For example, Mr. Speaker, the battle cry, "enough is enough" vanishes when programs like the one to reimburse expenses in addition to pensions to former Presidents comes up. There are obvious cases of waste of Federal funds in this category. But, Mr. Stockman has not chosen to make drastic cuts in this area. This is one of only many such examples.

Mr. Speaker, it seems that we have a double standard when it comes to waste and spending cuts for the political giants versus the political dwarfs. It needs to be corrected. It also is certainly something we need to think about especially before many of my colleagues grasp the phrase for inclusion in their floor speeches about the need to cut various programs because of waste, fraud and abuse.

Mr. Speaker, I have come across an exceptional article which appeared in the Cleveland Plain Dealer on this issue. At this time, I would like to insert it in the RECORD.

ENOUGH IS ENOUGH, RIGHT MR. STOCKMAN?

(By Don Bauer)

Hey, Mr. Stockman! I saw you on TV and I'm impressed. You mean it, don't you? You're going to cut government spending and you don't care whom it hurts, or how much it hurts.

Are you taking suggestions? If so, I know where you can cut the federal budget by over a million dollars per year without taking food out of anyone's mouth or inviting the wrath of environmentalists, militarists or veterans' groups. Sen. Metzenbaum will love you for it, and some of your detractors will get the idea that you really ARE interested in cutting waste—even if it affects rich people.

My suggestion: Take away the pads of blank checks now in the hands of our former presidents—the three millionaires who will each bill us over $340,000 in expenses in 1981.

You've read about some of the things they spend our money on, I'm sure: $1,500 for duplicating photos of Richard Nixon; $525 for the rental of a Thunderbird so Ford's staff could get to Vail, Colo., in comfort; $480 for newspaper and magazine subscriptions for Nixon; $100 per month for watering plants in Ford's private office. Things like that.

Not a lot of money by federal standards maybe, but to a guy making $500 per week—which comes to $26,000 a year—it could be a mite discouraging to learn that Ford's telephone budget equals about 1¼ times that: $35,000! And Ford doesn't even work for the Government. He retired over five years ago.

What would he cost us if he worked?

I'm glad you came along, Mr. Stockman, to stop such foolishness. I am confident that as you cut subsidies for public transportation you will insist that Ford find another way to pay for the transportation of his aides to a ski resort. There is no doubt in my mind that as you reduce welfare payments you are going to inform our former presidents that they will have to pay for their own car washes from now on.

You will probably even tell Nixon that he'll have to pay for his own golf cart repairs too, 'cause you're serious. You mean business!

Fortunately, you are not alone in your struggle for fiscal responsibility. Rep. Andrew Jacobs, D-Ind., is on your side. He recently introduced a bill that would end the worst excesses of our ex-presidents.

H.R. Bill 878 is titled the Former Presidential Enough Is Enough and Taxpayer's Relief Act of 1981. It is a model of simplicity. You'll love it. It reads—in full:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the total annual government expenditures for the care and feeding of a former president, excepting reasonable Secret Service protection, shall not exceed 10 times the poverty level income for one urban family of four."

By current standards, Mr. Stockman, that would come to about $74,000 per year—or $1,423 a week. If our three ex-presidents actually did any work, this would mean they would be paid about $35.57 an hour for a 40-hour week. But they do no work, so the computation must be adjusted accordingly.

Since they do no work 24 hours per day, 365 days per year, Jacobs' bill would permit them to earn $8.47 for every hour that they exist!

If you don't think our ex-presidents can survive on that, Mr. Stockman, there is something drastically wrong with your other cuts.●

YOUTH SKILLS ACT

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. PURSELL. Mr. Speaker, I am pleased to introduce a bill that, while cognizant of the new emphasis of fiscal integrity of the Federal Government and greater local and State responsibilities, stresses the old values of hard work and skill development for individual success in today's marketplace.

This bill, to be known as the Youth Skills Act of 1981, will provide traditionally hard to employ youth the opportunity to acquire the proper motivation and abilities for contribution to the economic well-being of their local communities and the Nation. This legislation would make use of such organizations as the opportunities industrialization centers (OIC) and other worthy organizations which have already proved their effectiveness by bringing together young people and the business community to create and fill jobs with a future.

The Youth Skills Act proposes that OIC and other community based organizations with a national scope be eligible for equal consideration under the block grant system and urban industrial zone concepts if and when they are

implemented. Further, the legislation stipulates that OIC, along with other worthy groups, also be eligible for subcontracts from contractors receiving Federal funds and/or tax incentives for the expansion of jobs in the private sector through the Departments of Energy, Transportation, Commerce, HUD, Argiculture, and Defense.

Mr. Speaker, OIC, under the superb leadership and vision of Dr. Leon Sullivan, is a shining example of the good these sort of programs can consistantly accomplish. Operating in over 40 States with a staff of 5,000 professionally trained men and women thoroughly familiar with their environments, OIC applies the guiding principle of self-help. In approximately 16 years of existence it has trained 640,000 persons and nearly 80 percent of them have gotten jobs.

Why have OIC and other viable service groups accomplished so much? There are, of course, many good reasons, but prominent among them is the crucial realization that the catalyst for reshaping the attitude of wayward youth and also helping to remedy our present economic woes are not found in larger welfare benefits but in expanding employment situations that promises a career to the individual and a desired service or commodity to the consumer. It is for that reason that the community based associations referred to in the youth act before us sees business as a necessary partner in a common endeavor.

The task to turn the tide of the economy around by lowering inflation and raising the employment percentage is a complex one; one that we must act on soon. Organizations like OIC have been and, with our help, continue to be one of our strongest assets in the attempt. OIC and other groups with a common mission can and will succeed because it can breathe life into statistics, create hope in our children, bring skills to our communities, and add strength to our Nation. Let us make their commitment ours.●

CHIEF ALFRED CORMANN HONORED FOR SERVICE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. HOLLENBECK. Mr. Speaker, on May 2, American Legion Post 165 is honoring our Secaucus, N.J., police chief. I wish to join the membership of post 165, the Secaucus Police Department, and area residents in paying much-deserved tribute to Chief Alfred Cormann for a job well done.

Chief Cormann joined the Secaucus Police Department in 1965 and rose through the ranks to his present position in February 1980. He has completed Federal, State, and county police administration programs, and he is the recipient of numerous awards for outstanding achievement, including 15 commendations from the town he serves.

He has carried out the tremendous responsibility of protecting the citizens of his community with unwavering commitment and steadfast belief in the dignity of the law. In his career, he has realized the tremendously high standards expected of law enforcement officials by their fellow officers and their communities. And for this dedication, he has earned our sincere gratitude and affection.

I am proud to offer Chief Cormann my congratulations and my very best wishes for continued success in his endeavors on behalf of the town of Secaucus.●

THE REAGAN ENERGY CUTS UNDERMINE NATIONAL SECURITY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. BROWN of California. Mr. Speaker, my comments today are critical of President Reagan's energy budget. It is unfortunate that the budget presented to the Congress is as unacceptable as the one submitted by the Reagan administration, because in spite of its obvious failings, misguided loyalty to the President may actually result in the enactment of this disastrous program.

I will have more to say about specific energy programs later. Today, I simply wish to draw my colleagues' attention to a thoughtful position statement by the National Council of the Federation of American Scientists. I would like to associate myself with this statement, and urge my colleagues to review this material and do likewise.

The statement, "Energy Conservation Cuts Lack Economic and Security Rationale," follows:

[From the F.A.S. Public Interest Report, April 1981]

ENERGY CONSERVATION CUTS LACK ECONOMIC AND SECURITY RATIONALE

A major Achilles heel of this country continues to be our vulnerability to disruptions in supply of foreign oil, which still accounts for 40 percent of our total oil use. Conservation of energy remains a critical element of our security against such disruptions. Indeed, there could be no greater budgetary irony than increasing spending for military efforts to protect Middle Eastern oil supplies while cutting back on domestic conservation efforts to reduce oil dependence on that same area.

In addition, at home, the still-growing share of our Nation's wealth that goes to pay for energy has important implications for our inflation and for our decline in productivity. In both of these matters, using energy more efficiently, and thus using less energy overall, can help.

Under these circumstances, it is a tragic surprise to discover that the proposed federal conservation budget has been cut a whopping 78 percent from about $1 billion to about $200 million—thus to only about $1 per citizen. The Reagan Administration appears to believe that higher energy prices and the invisible hand of the market make federal conservation programs wholly unnecessary. But will they? Will the higher energy prices brought on by decontrol of oil and the anticipated deregulation of natural gas be enough in themselves to stimulate all sectors of the energy-conserving public to conserve as effectively and quickly as our Nation's interests demand? We do not believe they will.

ENERGY MORE VALUABLE THAN ITS PRICE

In the first place, as indicated above, there are national security reasons for valuing energy still more highly than its price and, consequently, for federal encouragement of energy conservation efforts.

Second, even if the true cost of energy were reflected in its price, there are instances in which the market will not work anywhere near as effectively as it might without such encouragement:

In rental housing, which makes up one third of all residential housing, response to rising energy prices is bedeviled by a variety of external factors, including low vacancy rates, rent control laws, lack of information, and, above all, the disjunction between tenants (who generally end up paying the fuel bills and therefore receive the message to conserve) and landlords (who make the capital expenditures for conservation). High energy prices, by themselves, do not solve these problems.

In residential housing and small commercial establishments, many traditional lending institutions are reluctant to make loans for conservation (quite apart from current high interest rates) because the loans are small in size and therefore it is difficult to recover their transaction costs, and because such lending institutions are unfamiliar with the process by which such improvements can be appraised.

In industry many firms will not, by themselves, undertake the research and development they really need to take advantage of new opportunities to reduce energy inefficiencies because, as with R&D generally, their financial interests in the basic research are not sufficiently great to justify its cost.

CONSERVATION NOT INSTANTANEOUS

In the third place, even when the market does succeed in delivering the message to conserve, the response to that message will not be instantaneous. It takes time for energy conservation industries to discover that a market exists for their products and to expand accordingly. And it takes time for the consuming public to find out how best to conserve and to act accordingly. Indeed, it can take years for our economic system to adjust to new market forces. But because a disruption in oil supply from abroad may occur at any time, and because the high price of energy is exacerbating the unhealthy state of our domestic economy, it is very much in our national interest to expedite the adjustment of the market to new circumstances.

Now how can this be done? First, impartial and accurate information should be put into the market place to educate the public about the energy efficiency of its equip-

ment, buildings, and motor vehicles so that it will be able to respond as precisely as possible to energy costs. Such information can only improve the workings of the market and its more rapid adjustment.

Second, for the medium and longer run, there must be sustained federal support for research and development in conservation in order to tap new means of reducing energy waste. The federal government has long supported basic and applied research because the focus of most business and industy is too short-term to concern itself with unpatentable efforts that will bear fruit only years later; research and development in the energy conservation industry is no exception. Indeed, since this latter industry is itself in a State of infancy and thus understandably has very short term preoccupations, it is all the more important for conservation research to be federally supported.

Third, there must an effort to remove the current logjam in financing energy conservation which is impeding its penetration into the marketplace. Traditional lending institutions must be encouraged to offer conservation loans, and at attractive enough terms to make them cost-effective to potential borrowers. And barring success in this area, new, more sympathetic lenders must be encouraged to enter the marketplace. Federal efforts along these lines, which include the Residential Conservation Service and the Solar Energy and Energy Conservation Bank, cannot be abandoned.

SERIOUS SOCIAL DISLOCATION

Fourth, the government must play a role in encouraging energy conservation to mitigate the severe social dislocation that is resulting from rising energy prices. With decontrol of oil and gas, the percentage of income going to pay for energy in low income households is estimated to rise to 30 percent on the average, and to higher than 50 percent in some regions of the country. Such households, which are already finding it difficult just to meet housing and food costs, will not be able to find the capital to invest in conservation improvements to mitigate their rising fuel bills.

Of course, some Reagan strategists have decried a federal role in encouraging energy conservation, even along the lines that have just been outlined, because they believe energy should not be federally subsidized. But the fact is that, with the exception of conservation, the Reagan Administration is subsidizing energy. The nuclear fission budget has been increased 47% to include funding of the Clinch River Breeder Reactor. And unlike the Solar Energy and Energy Conservation Bank, the Administration is not proposing to cut the funding previously appropriated to the Synthetic Fuels Corporation.

There is something about conservation that has drawn special contempt from the Administration, as if it really believed the President's off-hand remark that conservation means "being hot in the summer and cold in the winter." But, in fact, conservation is every bit as worthy of special national efforts—and as relevant to our national security—as the defense budget (increased by 12% or $25.8 billion) or the filling of the strategic oil reserve. It has taken years to develop a national consensus on energy conservation, and to imbed in law methods of complementing the market. It would be both misguided and constitutionally inappropriate to repeal this now-legislated commitment in a three-week budget-cutting review.●

THE 50TH ANNIVERSARY OF THE PARAMOUNT ARTS CENTRE OF AURORA

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. CORCORAN. Mr. Speaker, tomorrow, the Paramount Arts Centre of Aurora, Ill., will achieve a significant milestone in its history when it unveils its fourth season of live entertainment.

In addition, the Paramount in 1981 is marking its 50th anniversary—a celebration that will continue throughout the year.

The Paramount first opened its doors on September 3, 1931 as one of America's great movie palaces. Constructed on a promenade overlooking the Fox River in downtown Aurora, the Paramount's architects incorporated into the building's Art Deco design the style and features of the architectural wonders of Venice. The sheer opulence and grandeur of this theater soon caused people to proclaim it to be "Aurora's most precious jewel."

However, years of neglect left the theater in a serious state of disrepair at the start of the 1970's. It was feared the Paramount would be demolished. But a group of forward looking Aurorans were determined to save this vital piece of the city's heritage. The Aurora Redevelopment Commission purchased the Paramount in 1976 with the intention of completely restoring it to its original appearance to serve as a center for the performing arts. Furthermore, it would be a bold attempt to spark downtown revitalization through the arts.

Under the auspices of the Aurora Civic Center Authority, the Paramount Arts Centre began its new life as a nonprofit theater for live entertainment in April of 1978.

Nearly $3 million was spent to restore the Paramount. Magnificent murals depicting romantic Venetian scenes again graced the walls of the theater. Glittering gold columns reached to the atmospheric blue sky ceiling, surrounding the stylized starburst. From the middle was suspended an Art Deco frosted-glass petal chandelier.

The importance of the Paramount Arts Centre and the restoration effort was recently underscored by its placement on the National Register of Historic Places. Its total restoration serves as an inspiration to other cities throughout the Nation. And it is helping to breathe new life into downtown Aurora.

Today, the Paramount Arts Centre features outstanding live entertainment in the form of Broadway shows, symphonic orchestras, opera, dance, and concerts suited to every taste. And it is making live theater available to the widest number of people through its moderate pricing structure and by working closely with schools, charitable organizations, and community groups.

The Paramount Arts Centre officers and staff under the leadership of executive director Gregory L. Gilmore and the Aurora Civic Center Authority under the leadership of chairman Vernon L. Croxen should be applauded and commended for their commitment to excellence in live entertainment and for their work in restoring the Paramount to a true "living legend."●

DRUG ABUSE AND ALCOHOLISM

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. MOAKLEY. Mr. Speaker, the alarming proportion of budgetary cutbacks proposed by the Reagan administration has compelled me to speak out on an issue of social and medical concern which should not need a spokesman; namely drug abuse and alcoholism. The fact that these issues fade into the background in the presence of world affairs does not diminish the severity nor the prevalence of these diseases upon society.

Drug addiction and alcoholism destroy a human being as effectively as any cancer, leaving behind ruined people bereft of soul and personality. These social diseases can be combated successfully, as has been pointed out to us in countless and invaluable programs and studies. I strongly feel that a rescission of necessary funding to the drug abuse and alcoholism programs will cause needless and irreparable damage to society at large, as well as to the individuals directly effected. During these times of economic duress, can we afford to burden ourselves down by allowing more people to become an uncontributable factor of society? These people afflicted by alcoholism and drug addiction are beyond the point of being able to help themselves. Consequently, in abdicating all responsibility to this minority, the proportion of people stricken by these social diseases will increase to a precipitous level.

One cannot decide the value of a program merely on the point of immediate cost-effectiveness. The people aided by drug abuse and alcoholism programs are given the initiative to participate once again in society and therefore will no longer be dependent on society. The redirection on life that these people are given is a commend-

able asset to these programs. With undeniable success in these areas, I do not comprehend the philosophy behind disbanding such programs.

Massachusetts is one of the leading States in treating drug abuse and alcoholism. Many excellent programs that have proven their effectiveness will be seriously damaged by reductions, or worse yet, elimination of these vital Federal funds. I do not believe that it can be justified that those people designated to be effected by a rescission of funds are those individuals who have already relinquished so much. I would greatly appreciate your reconsideration of some of these valuable programs that are now being placed in such a precarious position.

The most important facet of this entire issue is the personal element involved. I would like to share with you a letter sent to me by a young woman in my district and her appeal for alcohol and drug abuse treatment centers based on her own personal experience.

DEAR CONGRESSMAN MOAKLEY: The drastic cutbacks in funding for community and social services has prompted me to write to you.

I am a drug addict and alcoholic and a client of the Outreach Program of Women, Incorporated, a halfway house for the treatment of women recovering from alcohol and drug addiction.

I came into their recently-developed Outreach Program at the end of October of last year and I feel they are responsible for helping me to save my life. My life as a drug addict and alcoholic had led me to total despair and isolation and had brought me very close to seriously harming myself and others. I had put my life and the lives of others in jeopardy many times. Through my addictions and my self-hate and my twisted struggle to survive I had done many things I would not do today. I had lost almost all hope by the time I reached the doors of Women, Inc.

I have seen many psychiatrists, psychologists and therapists in my life but none had been able to help me. The issue of drugs and alcohol had never been mentioned and was never dealt with. When I got to Women, Inc., I thought they would send me away, would tell me I was crazy and to go see a psychiatrist.

But they didn't do this. They told me there was hope for me, they told me and showed me I am a worthwhile human being with a life to really live. They explained to me that an addictive personality is, what addictions do to a person and make that person do. They told me that overcoming my addictions will be the hardest thing I've ever done but that others have done it and I can do it, too. They did not reject me, and most and best of all they understand me as no one else in my entire life ever has.

The women there—the staff and the residents—are tremendous powers of example to me. The counselors I see there are daily, living proof to me that I can make it in this life without drugs and alcohol. I have regular appointments there three times a week and am in constant communication with them. They are always there for me in some way when I am in crisis and need them. The program is helping me to accept who I am, to be free from shame, to be free from dependencies on drugs, alcohol, people, places and thing. They are helping me overcome my panic at my feelings which used to lead me to a drink or a drug. My counsellor had me go to Alcoholics Anonymous and I am now a member and that helps me tremendously.

But my main strength comes from the women and the program of Women, Inc. Right now, they mean the difference between life and death to me. If this program were to close I would look for another drug program. But if none were available to me due to closing or lack of funds to provide space for me there is no doubt in my mind that I would be in serious trouble, perhaps back where I was, virtually on the streets and using drugs.

Being an addict and an alcoholic was never something I had planned for myself. I had a lot of advantages in my life, including a year of college. I am intelligent and now have a desire to be a useful member of society intead of an outcast and a renegade. I need Women, Inc. to help me and show me how. I do not have the words to say how important they are to me, both for myself and for others like me who are there now and who will follow.

Please do all you can to see that Women, Inc. and other programs like it are able to remain open and functioning at their fullest capacity. The abuse of alcohol and other drugs has reached proportions it has never before, and it is on the rise. We need these programs more than ever before and I believe if they suffer, so will society at large. More people will become lifelong victims of addiction and will thereby make victims of non-addicts as well. It is really a life-threatening situation in every sense of the phrase.

Very Sincerely Yours,

LINDA J.,
Jamaica Plain, Mass.●

IN MEMORY OF JOE LOUIS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. RODINO. Mr. Speaker, I want to pay tribute to America's beloved Joe Louis who died on April 12, 1981. Joe Louis, one of the greatest boxing champions of all time, was much more than the master of the boxing ring. He was a champion of his people, the American people of every color and race. He was a champion of the American dream.

The son of a poor Alabama sharecropper, he triumphed over poverty and oppression to become an American folk hero. The "Brown Bomber", as Joe Louis was affectionately known, played a prominent role in 20th century social history. His rise to the top of the boxing world gave encouragement and hope to all disadvantaged and minority Americans, especially blacks. With every victory, Joe Louis lifted their morale and spirit.

Louis once remarked, "some folks shout, some holler, some march, and some don't. They do it their way. I do it mine." And so he did. Using his legendary power, Louis shattered stereotypes and oppressive social barriers. His courage and candor opened the door for future pioneers like Jackie Robinson and Arthur Ashe.

This giant of a man instilled pride in all Americans at a crucial time in our history. As tensions mounted between the United States and Nazi Germany in 1938, Joe Louis dispelled in one round the myth of Hitler's "paragon of Teutonic manhood"—knocking out Max Schmeling.

When America needed him most, Joe Louis gave generously of his physical and moral strength. By the end of his military service he had fought 96 boxing exhibitions, entertaining some 2 million American troops all over the world. "I ain't fighting for nothing," he once said. "I'm fighting for my country."

Mr. Speaker, I will remember Joe Louis' simple dignity, honesty, and compassion. His life remains an example for us and for our children. As one prominent sportswriter of Joe Louis' era once wrote of him, "He is a credit to his race—the human race."●

AN ALTERNATIVE INDIVIDUAL AND BUSINESS TAX AND REINDUSTRIALIZATION PLAN

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. GUARINI. Mr. Speaker, on April 10 I introduced H.R. 3218, legislation to begin the task of revitalizing our economy and providing for long-term economic stabilization. The bill, which is cosponsored by Representative BRODHEAD, is a $30 billion program targeting $14 billion in tax and nontax relief to the business sector and $16 billion in tax relief to individuals. This two part plan is an alternative individual and business tax cut which would be more fair, less costly, and less inflationary than that advanced by the administration.

Title I of H.R. 3218 established a Reconstruction Finance Corporation to invest both public and private funds and guaranteed loans to help strengthen the Nation's industrial base. Title II contains an alternative to the proposed cuts in Federal income taxes. Under this bill workers would have 20 percent of their social security tax refunded to them through a tax credit. Employers would benefit by receiving a 5-percent credit for their share of the payroll tax.

The idea for a Reconstruction Finance Corporation is not a new one. We have turned to a Reconstruction Finance Corporation in the past. During our darkest period, the Great Depression, legislation creating a RFC was signed into law. The RFC helped boost American productivity and employment for nearly two decades. Its

service in helping industries convert to a war footing at the beginning of the 1940's is well documented.

The original RFC was created to help reduce unemployment, stabilize prices, and encourage economic growth. I am not going to argue that this Nation is in a Great Depression such as we saw in the 1930's. However, no amount of technical statistical data can convince those in our society who are facing economic troubles—whether they be individuals about to lose their jobs or homes, businesses about to go under, or cities on the verge of bankruptcy—that the situation is not every bit as grim as what we faced in the 1930's. As a nation we are faced with high inflation and high unemployment at the same time. On top of this there have been no clear growth signs in productivity, gross national product, and capital formation.

The above are recognizable categories describing our economic standing. However, we have begun to understand that our present economic plight cannot be understood simply by looking at statistics. There has been a serious deterioration of our cities, particularly those in the Northeast and Midwest, our industrial society is losing ground to a service oriented economy, and the loss of basic industrial strength bodes poorly for our future defense needs.

To confront these U.S. problems of the 1980's we need to create a Reconstruction Finance Corporation. A Reconstruction Finance Corporation could be geared toward the need of creating a stable economy, with an emphasis on private sector employment, and the need to have all areas of the country to participate in this growth. Basic U.S. industries must be bolstered by an industrial policy committed to making the United States competitive in world markets, and that policy must also have the purpose of advancing all sectors of our economy.

The first goal can be met only if we change our thinking toward our current economic situation. The notion of simply catering to those parts of the economy which are the strongest is shortsighted. Presently, several industries which have been important to our past economic and military defense strength have faced difficult economic circumstances. When these industries are examined in light of our future economic and defense needs, one must ask if our Nation can endure the long-term effects of the present laissez faire governmental philosophy.

The second goal of advancing all sectors of the economy through a restructuring of our industrial policy is endemic to more immediate concerns of our society. We are in a period that has seen great damage done to the American cities—our centers of communications, culture, transportation, finance, and employment. Our cities have faced a decade of outmigration. Population loss has decreased urban tax bases, weakened service delivery infrastructure, and made vast urban areas unattractive to industry. During this same period many urban-based industries began to face the reality of changing economic circumstances without the resources necessary to adapt with the times.

These two developments have created an economic circle of decline that must be broken in a way that addresses long-term American needs. Under these present conditions, establishment of a Reconstruction Finance Corporation would serve as a needed catalyst in reversing present economic trends and spurring economic development. An RFC would provide the equity capital that our older industries need. It would also target investment funds to those areas in serious need of economic revitalization.

Title I of H.R. 3218 creates a Reconstruction Finance Corporation as an independent entity with powers to make investments in industries and in areas that the RFC deems in the national interest. The broad discretionary powers given to the Board of Directors would include both tax subsidies and nontax tools. Tax subsidies at the Board's disposal include investment tax credits, accelerated depreciation, first year present value depreciation, and carry back-carry forward devices. The nontax tools would include the use of loans, loan guarantees, and interest subsidies.

The Corporation is to be administered by a Board consisting of the Secretary of Commerce, the Secretary of Labor, two representatives of business and two representatives of labor organizations. The Board would have a first year authority to allocate $5 billion in tax expenditures, and an additional $5 billion to assist industries that have difficulty in obtaining financing. This would include older industries in need of capital for modernization or expansion, new industries that have difficulty obtaining financing, high-risk industries with growth potential, firms competing with subsidized foreign firms, and industries vital to the United States on national security grounds.

In each case where a firm seeks financing, the RFC staff would have to realistically assess its chances to survive. RFC involvement would not be extended if the industry was found to be in terminal condition. In other cases, RFC involvement would not be extended unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies. The RFC would also try to target benefits to firms in areas that are economically distressed, based on criteria such as unemployment, poverty, or pending economic instability due to plant closings.

Title II of my bill would provide alternative individual and business tax cuts to those proposed by the administration. For individuals I am proposing a refundable credit equal to 20 percent of a worker's social security payroll tax. This tax relief would also be extended to public and railroad employees not covered by social security through an equalization credit.

I am convinced that this approach targets tax relief more readily to low- and middle-income families who are having extreme difficulty dealing with double-digit inflation. Families with incomes up to $30,000 would receive 60 percent of the benefits under this proposal, while 15 million low-income workers who do not stand to benefit under President Reagan's tax package would also gain some relief.

This tax credit would be worth more to the majority of workers than the Reagan proposal. However, it would cost less because the tax credit would top off at $395 for an individual and $790 for a working couple while the administration's income tax plan would give substantially larger payments to the very affluent and less to the hard pressed low- and middle-income taxpayers.

This Congress has come to realize the importance and the depth of the economic realities facing the United States as we enter the decade of the 1980's. Reindustrialization and capital formation are vital to our Nation's future, and this Congress has the opportunity to begin this revitalization process.

By supporting a Reconstruction Finance Corporation we can offer the businesses of America a flexible tool to foster a fair and efficient growth of our private sector predicated on our own national interests. The AFL-CIO stands firmly behind this legislation, and I am asking you to join with me in sponsoring H.R. 3218 to establish a Reconstruction Finance Corporation and fair and equitable tax relief measures for both individuals and the business community.●

A JOURNEY BACK 250 YEARS INTO THE HISTORY OF BLACK SLAVES

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. STOKES. Mr. Speaker, last year, I brought the achievements of nine young black men and women from Oberlin College who traced the underground railroad route used by slaves 420 miles from Kentucky to Oberlin, Ohio, to the attention of my colleagues. The group was reliving the painful but unswerving quest for free-

dom of their ancestors, black slaves, during the early days of this Nation.

That experience won them accolades from not only every sector of the State of Ohio but from across this Nation.

At that time, Mr. Speaker, I proudly brought their achievement to the attention of this body. In doing so, Mr. Speaker, I noted that young black people like the nine were our greatest resource and our beacon of hope for a better future.

Mr. Speaker, I am proud today to relay to my colleagues that three of the same Oberlin students, Adrian Banks, Lester Barclay, and David Hoard are not resting on their laurels. With the same perseverance that aided them through the 420 mile trek last year, these young people are planning to take another giant step in recapturing the experiences of black slaves in this Nation.

Mr. Speaker, in the summer of 1984, these young people will join 75 students and teachers from around the world who will sail, chained together, in the hulls of two 17th century clipper ships, from Ghana, West Africa. It is estimated that the ships, which will be bound for Brazil and New Orleans, will take about 12 weeks to arrive.

Although the actual trip is a 12-week voyage, it also will be a journey of over 250 years back in time. It will be a memorable as well as mind-boggling experience for the three young people and for Americans as we relive, in vivid terms, the cruelty of slavery. It was this cruelty, Mr. Speaker, which simultaneously physically placed human beings in unmerciful servitude and shackled the human decency and compassion of slave masters and traders. It is an unforgettable part of our history.

When the plans for this journey were first brought to my attention, I reflected on my trip last summer to Gori Island, just off the coast of Senegal in West Africa. The island was one of the major points of departure for the Atlantic slave trade from the early 1600's to the mid-1800's.

As I toured the old passageways to the slave ships, the conflicting emotions of suffering and triumph came to my mind. Mr. Speaker, historians estimate that between one-third and one-half of the slaves who boarded the slave ships bound for America died during the journey. But, regardless of this disturbing statistic, black people survived the animalistic cruelties of slavery, gained freedom and have gone on to make an indelible mark on the history of this Nation.

Therein, Mr. Speaker, lies the significance of the trip of Adrian Banks, David Hoard, Lester Barclay, and their comrades. Last year, in their journey tracing the underground railroad, they rediscovered the bittersweet taste of freedom black slaves dreamed of and were willing to die for.

In 1984, by submitting to similar conditions of bondage, these courageous young people will rediscover the extraordinary foritude and determination to survive that helped the black slaves and descendents through the years in America.

When I think about these young people, I have no doubt that the lessons and virtues of the black slaves in America have been passed down through generations of black Americans. For, Mr. Speaker, the light of courage and respect for freedom that black slaves displayed over 250 years ago today shines as bright as ever in young people like Adrian Banks, David Hoard, and Lester Barclay. I join with the many well-wishers in the State of Ohio and across the Nation as these young people begin to plan their journey.

At this time, I would like to enter an article in the RECORD about the planned trip of these young people.

CLIPPER TO BRING AFRICAN "SLAVES" TO U.S.

(By Jane M. Littleton)

Three Oberlin College students, descendants of African slaves, plan to relive their ancestors' captivity and journey to America.

David Hoard, Lester Barclay and Adrian Banks, who traveled the Underground Railroad with six Oberlin students last year, will join 75 students and teachers from around the world. Sailing from Ghana in West Africa, chained together in the hulls of two 17th century clipper ships. The project is planned for summer 1984.

The journey will take each ship about 12 weeks, with one bound for Brazil and the other for New Orleans.

In January 1980, the Oberlin students walked 420 miles from Kentucky to Oberlin, as had runaway slaves in the 1820's. The group was funded with a $9,378 National Endowment for the Humanities grant. They plan to apply for another grant for the next project.

Hoard, Barclay and Banks have formed a non-profit company, Black Resources Operations Inc., to plan and research the journey and to raise the estimated $1.6 million needed to refurbish the ships and buy equipment.

They said the 1984 project extends the Underground Railroad effort, with a similar purpose—reliving black history.

"We want to emphasize the atrocities of African slave trade. The lowest estimate of slaves dying is 15 million, and the highest is 150 million. It was a black holocaust," said Hoard, a history and government major.

"For those slaves who came to the United States, we are the survivors and descendants and we must understand the tribulations they went through to better understand our situation today."

The plan is for the group to fly to Elmina on the Ghana coast. There they will spend the night in a castle used to hold slaves before they were loaded onto ships bound for the American colonies. The journey begins the next day.

For this crew, the journey will not be as full of pain as it was for the real slaves, but it will be filled with stress and boredom and without 20th-century conveniences. Once a day they will eat a watery mush of oatmeal and grains. They will be unchained one hour a day for exercise, Barclay said. Those who become ill will be removed from the hull, considered dead.

A film crew will be on each ship to record the experience. Each ship will have several psychologists and doctors.

"We want to understand the psychological aspects of being confined and see what happens to the group," Hoard explained.

Barclay said the journey will be as authentic as possible, but there will be no beatings or torture on board. But, he said, "It will still be a test of our courage."●

CETA CUTS MEAN MORE UNEMPLOYMENT

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mrs. CHISHOLM. Mr. Speaker, the proposed cutbacks and terminations in CETA programs threaten New Yorkers, and especially black New Yorkers, with a virtual avalanche of unemployment.

Eight percent of the city's black labor force would face joblessness; according to the 1981 report—status of black New York—prepared by the New York Urban League.

The report's specifics and statistics are an alarming review of the impact of the President's plans for CETA, and they demonstrate the high cost of abandoning what has been a productive investment in our Nation's human capital.

I urge my colleagues to consider the following excerpt from the report prior to voting on CETA's fate:

There are 140,000 New York citizens enrolled in programs under sponsorship of the Comprehensive Employment and Training Act. Approximately 73,000 of these participants (56%) are black. Forty-eight percent are black adults above the age of 21 and 52 percent are black youth, ages 16 to 21.

The Bureau of Labor Statistics estimates New York City's black labor force as 906,000 persons. If the CETA program is removed from the City, the immediate impact would result in the unemployment of 8 percent of the City's black work force. CETA programs are the largest employers of black youth in New York City, providing 70,000 jobs and training slots.

There is no other program which can fill the void that will be created by the CETA demise. CETA funds the overwhelming majority of the on-the-job training, vocational education, in/out school programs, stipended high school equivalency diploma programs and the classroom training programs in New York City. CETA is also the major funding source for the Skill Training improvement Program, Youth Community Conservation and Improvement Programs and Youth Employment and Training Programs.

Fifty-nine percent of the disadvantaged youth enrolled in youth training programs are black. Given the school dropout rate of 45 to 50 percent, the loss of CETA would virtually eliminate our communities' capacity to absorb, train and redirect a large seg-

ment of our youth. New York City's Department of Employment reports that of the 72,947 blacks enrolled in all CETA programs, from October 1, 1979 to September 30, 1980, 9,328 or 44 percent entered unsubsidized employment. The Vice President's Task Force Report on Youth Employment (January 1980), described the CETA Program, as it relates to blacks, in the following way:

"Black unemployment is primarily due to unavailability of jobs rather than unsuitability for jobs. The lack of jobs is mainly due to racial discrimination, persistent recession and ineffective targeting of federal jobs." The report continues • • • "According to the Labor Department's continuous longitudinal national manpower survey, 50 percent of all blacks were employed one year after CETA; 64 percent almost two-thirds of whites were still working after CETA."

New York City's rate for blacks, employed one-year after CETA, is 65 percent as compared to the national rate for blacks of 50 percent.

In the previous program year, October 1, 1979 to September 30, 1980, the two CETA programs most vulnerable to the Reagan cuts, Title IID and Title VI, served some 30,145 persons. Of this number, 17,740 (59 percent) were black.

Fifty-nine percent or 6,785 of the 11,500 public service employees and 85 percent or 425 of the 500 administrative staff scheduled for termination are black.

Former black CETA participants will find no compensating public or private sponsored vehicle for help once the proposed Reagan CETA cutbacks are accomplished. Because the CETA Program was targeted to disadvantaged poor, the cuts in Medicaid, Food Stamps and more stringent regulations in public welfare will all negatively impact the CETA population.

The immediate resource for the unemployed, the Unemployment Compensation Insurance Program, which is also subject to proposed cuts by the new federal administration, will only provide beneifts for a 13-week period. The basic impact of the Reagan CETA cuts will be to compound the disillusionment of the persons affected and generate more applicants for welfare benefits.●

THE SPORTS ANTITRUST REFORM ACT

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. SEIBERLING. Mr. Speaker, I am introducing today the Sports Antitrust Reform Act. This bill has a two-fold purpose: To bring professional baseball under the antitrust laws to the same extent that other professional team sports are now subject to those laws, and to prohibit exclusive franchises for most professional team sports except in a home territory containing less than 2 million residents.

The concept of competiton is central to our most basic social and political values. Our economic freedom has always depended on the twin concepts of individual enterprise and the decentralization of economic power, and these require a healthy, competitive market environment. That is why it is difficult to understand why the goals of the Sports Antitrust Reform Act have not been enacted long before now.

The business of professional sports is an aggressive enterprise which generates many millions of dollars of profits for its owners. Does it therefore make any sense to treat professional sports any differently from the way other big business is treated? Of course not, and for that reason I have introduced the Sports Antitrust Reform Act. It would eliminate the special, undeserved treatment which has been afforded professional sports by removing the ability of team owners to exercise some unreasonable monopoly powers.

The first provision has to do with professional baseball. Since 1922, baseball has been given special privilege of an antitrust exemption. But even the originator of that exemption, the Supreme Court, has called it a legal aberration and has repudiated the reasoning behind its 1922 decision. However, resting upon the principle of stare decisis, the Court has refused to overrule the decision, and has called upon Congress to correct this inconsistency.

In 1977, the House Select Committee on Professional Sports made the same recommendation. And the Justice Department, under both President Ford and President Carter, endorsed the idea of removing the exemption. Congress should now take the opportunity to do that. Other pro sports teams beneficially coexist with the antitrust laws, and so can baseball. The beauty of the antitrust laws is that they are sufficiently flexible to account for facts peculiar to specific industries, including the professional sports industry. If certain of pro baseball's features or activities have anticompetitive effects, but on balance do more to promote competition, then a rational application of the antitrust laws under the rule of reason would not disallow such activities.

In addition, the Sports Antitrust Reform Act addresses another monopolistic, anticompetitive practice in professional team sports—the division of markets. Current law enables team owners to veto the entry of a competitive team in the same sport into the same geographic area. To correct this anticompetitive situation, the bill would bar professional sports organizations from claiming exclusive territorial rights within a 75-mile radius except where less than 2 million people reside. This prohibition would facilitate the entry of new teams into professional sports in major urban areas.

There are many cities and regions of the country which are fully capable of supporting more than one team franchise, as a study by economist Roger Noll of the Brookings Institute pointed out. For instance, the Washington-Baltimore area could comfortably support a baseball team in addition to the Orioles, but the owners of the Orioles have the right, pursuant to an agreement with all the other owners of American League baseball teams, to prevent any other American League owner from locating a team here and playing in Washington, D.C. The Sports Antitrust Reform Act would not force a league to grant a second franchise, because important criteria other than city size must be met, for example, existence of a suitable stadium, a strong financial base, a suitable market for expansion and a squad of players. But if the Sports Antitrust Reform Act were passed, and assuming the other criteria were met, Washington would be free to actively seek a baseball franchise, despite the objections of the Orioles. That's what competition is all about.

Passage of the Sports Antitrust Reform Act is desirable for many reasons. It would increase job opportunities for athletes, give rise to more teams for fans to watch, and generate more money for and investment in local communities.●

A REMARKABLE MAN

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. SCHULZE. Mr. Speaker, as the President continues his full recovery, the American public can now fully appreciate the giant who is our leader. During his 10-year race for the Presidency, Ronald Reagan did not cower from the fight. Instead, he pursued with ardor his goal, and as a result emerged victorious from the battle.

Yet the struggle for righteousness did not wane with victory, but rather is continued with even more fervor than before. His first 100 days have confirmed his commitment to reducing the Federal budget while at the same time eliminating the burden of overtaxation. Although the assassination attempt has impeded his physical capabilities, his philosophical dedication remains unscathed.

And so, as the House begins the first major debate on Mr. Reagan's program, I submit to the RECORD and article recently published in the Wall Street Journal by Mr. Vermont Royster, in which he praises the courage of President Reagan. In the closing statement of this testimonial, Mr. Royster applauds the humanity of this man who, through recent trials and tribulations, has been transformed into a true hero.

He is indeed a President to make us all proud.

[From the Wall Street Journal]

PRESIDENT REAGAN: A REMARKABLE MAN

(By Vermont Royster)

Ronald Reagan continues to confound all who watch him, friends or critics.

The events of Monday were but the latest example, impressive though that was. Here was a 70-year-old man with a bullet in his lung, walking under his own steam from car to hospital emergency room. There he underwent more than two hours of emergency surgery and emerged from it in a condition that would have been remarkable for one half his age. Even the doctors who attended him were astonished at the stability of his vital functions, presaging a rapid recovery. One of them noted that his "physiological age" belied the calendar.

So much for those who feared he might be too old for the presidency. His foes tried to make his age a major issue in the campaign, his friends and supporters were nervous that he might not be physically up to the demands of the presidency. We are not likely to hear of that again any time soon.

Mr. Reagan is the fifth U.S. President to be the target of an assassination attempt in this century, beginning with McKinley in 1901 and running through the two attempts on Gerald Ford. Just why this should be so in this country, of all countries, must remain a puzzle. The targeted Presidents have been both Democratic and Republican; except for the Puerto Rican gang attempt on President Truman, all the attempts seem to have been the work of isolated gunmen. Not organized terrorists, just individual madmen.

What is unusual in the Reagan case is that he is the first President-in-office to be actually shot and to recover. Teddy Roosevelt, who was wounded in 1912 and also recovered, was then several years out of office. McKinley died within a few days of being shot, John Kennedy within a matter of minutes. All the others escaped.

That Mr. Reagan survived is due both to his own efforts to keep his body in good shape and to sheer luck that the bullet didn't hit three inches closer to his heart. In many ways that's the story of his life, a combination of foresight and fortune.

Ronald Reagan was elected President in 1980 because, in large measure, the times were right for him. He had been standing in the presidential wings since 1966 when to everyone's surprise he was elected governor of California. But not until last year had disillusionment with a generation of liberal Democratic policies shifted the public mood enough to make Reagan a strong presidential possibility. Before that he couldn't even win the Republican nomination.

But when the tide of fortune turned Mr. Reagan was ready to greet it. What the voters had come to feel about the state of the country, and what ought to be done about it, he had felt for a long time and he was able to articulate the people's feelings.

Indeed, for a politician, President Reagan has been remarkably consistent in his political advocacy. Ten years ago while still governor of California, he would express to any visiting journalist essentially the same thoughts, frequently using the same words and homely parables, that he used so skillfully in his successful campaign. He did not have to change his rhetoric to fit a new political mood. He waited patiently until the public mood matched his own.

Since his election his consistency of thought and action have been equally remarkable. Every new President in the past quarter century, seeking the office, has talked of reducing government spending with a balanced budget promised in the near future, and of cutting the people's taxes. To everyone's astonishment President Reagan from his first day in office actually set out to do what he said he would do.

What's more, he seems to have thus far carried the people with him, in defiance of the conventional wisdom that cutting the government's budget is politically impossible. At least, his friends have been surprised, his foes confounded.

President Reagan is no deep philosopher or intellectual giant. What President of our times has been? But he has proved more than a match for the intellectual snobs who have sneered because he was once a movie actor and scoffed at his use of the copybook maxims. What has been overlooked is that this man has lived a long and varied life, and somewhere along the way found out who he is, what he thinks and why he thinks it. That's a rare thing for any man.

Two small incidents from Monday: When Mrs. Reagan rushed to the hospital and asked him what had happened, he replied, "I forgot to duck." And as he was wheeled into the operating room he looked up at the surgical team and remarked, "I hope you are all Republicans."

One-liners, to be sure, and not even too original. But not lines fed by any gag-writers, to whom his scorners attribute his wry humor. These are the words of a man a little frightened by what he faces but determined to face it with grace, a man who has come to terms with death as well as life, which is the measure of true courage. Such a man is not easily bent with every wind.

So the suspicion grows that there is more to Ronald Reagan than has met anyone's eye. I will no longer be surprised if he proves to be both a strong and successful President, one who in the end captures the country's imagination and turns its direction around as no President has done since Franklin Roosevelt.●

WILL LAND REFORM SAVE EL SALVADOR—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. McDONALD. Mr. Speaker, very few Americans are at all familiar with the so-called land reform plan the United States imposed in El Salvador. It was not a plan designed for El Salvador, but a warmed over version on one used in Vietnam years ago. It was imposed in a brutal and unthinking fashion, and thus, set the stage for some of the violence that now takes place in that unhappy land. The situation is not nearly so clear cut as our popular press has led the public to believe. Virginia Prewett is a real expert on Central America and her analysis of the background to the present crisis in El Salvador recently appeared in Human Events of March 28, 1981. I am inserting part I of this item in the RECORD today which gives many useful insights into the situation that have heretofore been unpublished:

WILL LAND REFORM SAVE EL SALVADOR?

Scratch a glaring paradox in our foreign relations and you'll find underlying contradictions of fact. That is a sober description of political legerdemain, deceptions, distortions and disinformation.

U.S. policy is today locked in an amazing paradox in Central America's little El Salvador. The U.S. free-enterprise system is the world's greatest provider of the most for many. Yet in El Salvador, Washington is subsidizing a system of ultra-state control that Carter diplomats pressed on Salvadorans, most notably land socialization that has failed in Peru, in Allende's Chile and in Castro's Cuba.

The failed system was urged on El Salvador to replace a free-market economy troubled politically but making the best of it economically in a densely populated country whose only resource is land.

When the Carter Administration in March 1980 created the paradox underpinned by land reform, its officials said this would beat out the Marxists. At the end of Carter's term, however, he acknowledged the need for increased military aid against Marxism's guerillas in El Salvador.

Under President Reagan, the paradox is acquiring new dimensions. While denouncing Soviet-style revolutionary aid to El Salvador's guerrillas, his Administration has been pressured into increasing economic subsidies for El Salvador's state control system even as the President de-statizes the economy here.

A prop helping hold up the multidimensional paradox is insistence, especially by our national news media, that the Salvadoran junta leader, Jose Napoleon Duarte, is a "political moderate."

Yet Duarte himself emphasizes his radical position. In a March Miami radio interview, he declared:

"[My] government's revolutionary program is much more profundo [profound, far-reaching, deep-cutting] than those presented by the DRU and the FDR themselves . . . or by the Communist party's Democratic Revolutionary Front, the MNR or any leftist party here.

"Our revolutionary process has shattered all the models not only advocated here but in all Latin America. For example, there's not a single country in Latin America where all the foreign commerce and the banking system have been totally nationalized, as in ours. Nor is there a single other country in Latin America, and that includes Cuba, where the wealth that is the land has been given directly to the peasants. . . ."

No amount of word manipulation can make this into political moderation. Nor into a democracy or a free system, as the terms are used in non-Marxist vocabularies.

The DRU and the FDR which Duarte mentioned are described in the State Department February 23 report, "Communist Interference in El Salvador," as, respectively, a Havana-subsidized Salvadoran unified revolutionary directorate and a companion propaganda front including some non-Marxist-Leninists "for appearances' sake."

The MNR is a political party allied with the International Socialists.

Thus we have Duarte's assurance that his government's position is more radical than those of the Salvadoran Marxist-Leninist forces and the Socialists.

The foundation-stone on which El Salvador's land-reform centerpost rests is the myth that the 8,000-square-mile country was long ruled by 14 families hand-in-glove

with a corrupt military, both dedicated to grinding down the poor. Yet in 1977, before destabilization advanced here, the overpopulated country was self-sufficient in food—something Mexico has not achieved today after 66 years of revolutionary land reform.

World Bank, Inter-American Development Bank and United Nations figures to be cited later show that, in 1977, the distribution of wealth there compared well with Latin American countries considered liberal democracies. El Salvador that year spent 32 per cent of its government income on social programs, says the IADB, as compared with revolutionary Mexico's 18.5 per cent and oil-rich, liberal Venezuela's 18.8 per cent.

El Salvador had corruption in government (also found in Mexico and Venezuela). But it also had a hard-working, reinvestment-minded entrepreneurial class and a growing middle class. Income tax rolls said that rather than 14 families monopolizing higher tax brackets, there were in fact over 30,000 in a nation then counting under 4.3 million inhabitants.

But in 1979 the Marxist tide rose high in Nicaragua. And the huge Marxist machine turned to El Salvador, before hitting Guatemala. The Carter Administration, copycatting Marxism, encouraged the October 1979 military coup. A hundred top Salvadoran military officers were dismissed as the military accused of maintaining the mythical 14 families were presto-changed into reformers. Christian Democrats at length came out on top among the new junta's civilians.

The junta prepared for land reform with two important steps. It nationalized the overseas marketing of major exports: coffee, cotton and sugar. Early in 1980, it issued Decree No. 114, in which the Salvadoran constitution was declared null when it ran counter to the junta's objectives.

In early March, the staff of the Salvadoran land reform institute (ISTA) was kept incommunicado in a downtown San Salvador hotel for three days to be indoctrinated in the changes designed in Washington. The military high commend also issued secret, unprecedented orders.●

LIMIT JAPANESE IMPORTS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. HUBBARD. Mr. Speaker, Mr. Stuart J. Bohne, president of Lester Motors, Inc., Central City Ky., a city that I represent in Congress, has written a very comprehensive letter to me concerning the fact that U.S. automakers are manufacturing cars and trucks as fuel-efficent as Japanese models. I feel that Mr. Bohne's letter is one which should be shared with my colleagues and I wish to do so at this time. The letter follows:

DEAR CARROLL: I am enclosing a copy of an article from the April 1981, issue of Moneysworth. In this article, Milton Brum of the U.S. General Services Administration says that he had to purchase Datsun pickups because no U.S. automaker had a fuel-efficient truck.

You will also find enclosed a copy of the comparable mileage ratings of the Ford Courier and Datsun pickups which show Courier to have ratings equal to or higher than Datsun. Although Couriers are also made in Japan, the purchase of Ford Couriers would at least help Ford Motor Company, a U.S. taxpayer and employer of U.S. taxpayers.

I am very concerned about the U.S. Government's failure to limit Japanese imports. I urge the United States to impose import restrictions on Japanese vehicles similar to the restriction they impose on American vehicles. If Japanese small cars were priced at $11,000.00, like the Chevette is in Japan, I doubt if many Japanese cars would be sold.

The Japanese have a history of lulling the Americans to sleep. No one in Washington seems concerned any longer. Please do not let them continue to unfairly take jobs and profits from American citizens and companies.

Sincerely,

STUART J. BOHNE,
Lester Motors, Inc.●

APPOINTMENT OF ROBERT BROADBENT

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. SANTINI. Mr. Speaker, I would like to enter into the RECORD a few remarks about the appointment of Robert Broadbent to the post of Commissioner of Water and Power Resources Service in the Department of the Interior. I am particularly pleased with Secretary Watt's appointment of Commissioner Broadbent since he is a native son of my own State, Nevada.

Bob Broadbent comes to Washington from Boulder City, Nev., and he brings with him a grassroots knowledge of the West and its water problems. Bob has served as a businessman in southern Nevada and as a member of the county commission for our State's most populous county. In addition, Commissioner Broadbent was director of the Las Vegas Valley Water District, a trustee of the Clark County Sanitation District, and a member of the regional planning council. Bob Broadbent knows business, he knows the needs of local areas and he knows the direct and critical impact of water issues which westerners face everyday.

It is with pride and pleasure that I warmly welcome Bob Broadbent to the important position of Commissioner of Water and Power Resources. Bob is a true friend of the West, and I know he will make an intelligent and just administrator in the Department of the Interior.

Thank you.●

COUNCILWOMAN JOAN SPECTER, CHAIRMAN OF TAY-SACHS MONTH

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. DOUGHERTY. Mr. Speaker, in the coming weeks the people of Philadelphia will have a heightened awareness of the dread genetic disease Tay-Sachs due to the efforts of an outstanding new member of the city council, Councilwoman Joan Specter.

Councilwoman Joan Specter has been named general chairman of Tay-Sachs Month, which will be observed in May.

In making the announcement, Sedra Schiffman, president of the National Tay-Sachs and Allied Diseases Association of Delaware Valley, said that Tay-Sachs Month is "designed to increase public awareness to the genetic disease which strikes and kills young children."

Mrs. Specter, who is presently serving her first term as a Philadelphia councilwoman at large, said that "free testing will be offered throughout the month of May to identify carriers of the inherited disorder."

Mrs. Specter pointed out that there is no cure for the disease that is caused by an enzyme deficiency, but said that it can be prevented.

"A single blood test can identify carriers and with professional genetic counseling, even 'high-risk' couples can have healthy families," Mrs. Specter noted.

Mrs. Specter pointed out that there would be a number of other activities throughout the month, many of which will be carried out by neighborhood chapters. The month-long campaign will be culminated on June 2 with an evening of recognition dinner at the Franklin Plaza Hotel.

Mrs. Specter presently serves on the Finance, Legislative Oversight and Transportation Committees in city council.

In 1977, Joan Specter established Joan Specter's Desserts, a business which markets frozen desserts in 10 States. For 8 years, until taking office, Joan wrote a weekly feature food column.

Councilwoman Specter serves on the board of the American Jewish Committee Energy Task Force, Women Against Domestic Abuse and Gaudenzia House, a drug rehabilitation center. Joan is the chairwoman of the Day Care Coalition for Central Philadelphia.

Arlen Specter, Joan's husband, was elected to the U.S. Senate in November 1980. The Specters have two sons.

Mr. Speaker, to Councilwoman Joan Specter we offer our gratitude for her

efforts on behalf of the young children who fall victim to Tay-Sachs and their parents, and we extend to her our best wishes for a successful campaign to educate our citizens about this genetic killer.●

TREASURE IN BERMUDA SHORTS

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mrs. BOGGS. Mr. Speaker, there was a charming article recently published in the Blue and Grey entitled "Treasure in Bermuda Shorts," by Susan Laird and Chabella Pruyn. The treasure, the Reverend Joseph F. Thorning, is well known to many Members. Excerpts from the article follow:

A treasure remarkably valuable to us all is hidden among the cobbled sidewalks and clustered spires of historic Frederick.

The Rev. Dr. Joseph Francis Thorning, author, educator, and lecturer is most widely known for his ministeries and contributions to United States diplomacy as "El Padre de la Americas."

The 83-year-old "padre," in a series of interviews, said his one major accomplishment was to have been four times an ambassador of the United States on special diplomatic missions to foreign countries. Because Dr. Thorning fluently speaks the four languages of the world, he was chosen for the first mission by order of Harry S. Truman to Rio de Janeiro in 1951. The purpose of the mission was to consolidate the friendship between the United States and Brazil. The mission was so successful that he was asked to accept the rank of "special ambassador" on three later occasions. All four missions were extraordinary successes.

Joseph Thorning, Ph.D., D.D., began his extensive education at Marquette Academy and continued at Holy Cross College, St. Louis University, Oxford University, Catholic University, and Gregorian University. He taught sociology, and foreign languages in many colleges of which Mt. Saint Mary's, Marymount, and Loyola are three. He was the acting dean of the Graduate School at Georgetown University for three years.

"I didn't always want to become a priest," said Thorning, "because I was such a good debator in school." "For that reason, I wanted to be a trial lawyer for a while."

It was not until a priest named John M. Fox, a teacher of languages at Holy Cross in Massachusetts, served as a mentor that Dr. Thorning decided to become a priest, he explained.

The final decision came, Thorning recalled, when he read a short passage from the Bible: "He that shall lose his life for me, shall find it, and live the life with a hundred fold of blessings." He was ordained in 1928 in the Roman Catholic Church.

The high point of Thorning's life came unexpectedly in 1973 at the U.S. Embassy in Buenos Aires, Argentina. United States Ambassador John D. Lodge hosted "A Feast of the Annunciation" where Dr. Thorning, acting chaplain of the U.S. House of Representatives for 30 consecutive years, was the guest of honor.

Thorning explained that Lodge presented the following toast during the evening: "To the most brilliant Jesuit priest I've ever known. I ask you all to rise and give a standing ovation to his continued health, loving nature, and happiness, here and in eternity—let that not happen soon."●

A TRIBUTE TO THE HEROISM OF CHRISTOPHER DOZIER

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. FAUNTROY. Mr. Speaker, this month the American Automobile Association is presenting three young people the highest award given to the members of school safety patrols throughout the United States, the AAA School Safety Patrol Lifesaving Medal.

The lifesaving medal program was initiated in 1949 by the American Automobile Association to recognize and honor selected school patrol members for their heroic lifesaving contribution to their communities.

Since its inception, there have been more than 200 boys and girls from 27 States and the District of Columbia who have been honored with the lifesaving medal.

An award review board composed of representatives from active national organizations in the fields of education, law enforcement, and safety selects deserving medal recipients from those candidates who have been officially nominated for consideration.

This year one of the recipients of the 1981 award is from my district. He is Christopher R. Dozier, 11 years old, from Bancroft Elementary School, Washington, D.C. On two separate occasions, Christopher performed acts of heroism. In November 1980, he saved a 6-year-old's life by pulling him from the path of an oncoming car.

Two months later, Christopher rescued two non-English-speaking children. As they stepped off the curb in front of a rapidly approaching car, Christopher, realizing they did not understand English, quickly grabbed them and pulled them to safety.

I am very proud to join the American Automobile Association in saluating Christopher for his exceptional, quick judgment and courage in dangerous traffic situations.●

THE FELTSMANS SHOULD BE ALLOWED TO LEAVE THE SOVIET UNION

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. GREEN. Mr. Speaker, 2 years ago Mr. Vladimir Feltsman was one of the most promising pianists in the world. It was 2 years ago when Mr. Feltsman let Soviet officials know that he and his wife wanted to emigrate to Israel. Since that time Mr. Feltsman has been stripped of his ability to demonstrate his superb talents and has continually been denied his requests to leave for Israel. This deprivation of both freedom and talent is typical of the Soviet Union and is to be expected. Nonetheless the outrage it stirs within me is not lessened. So that my colleagues can become familiar with Mr. Feltsman's plight I am inserting this article from the New York Times.

SOVIET EXPUNGES PIANIST'S MUSIC AFTER HE SEEKS EXIT VISA

(By Anthony Austin)

Moscow, March 19.—Until 10 A.M. on May 23, 1979, Vladimir Feltsman, a pianist, was a rising star on Soviet and international concert stages, with critical acclaim lavished on him in the Moscow press. Then, as far as Soviet audiences were concerned, he ceased to exist.

"Ten o'clock that morning was when I made known my decision to apply to emigrate to Israel," Mr. Feltsman, who is 29 years old, said the other day in an interview.

"I went into the office of the assistant manager of the Moscow State Philharmonic, where I was employed as a soloist, and asked him for the references I needed to apply for an exit visa.

"At 12:30 that afternoon, there was a phone call from a friend at the State Television and Radio studios. He said, 'What happened? We've just been ordered to remove all your tape recordings from the racks and never play them again.' "

Two weeks later, Mr. Feltsman was to appear as a soloist with the Moscow Philharmonic in the Great Hall of the Moscow Conservatory. The concert was advertised on posters all over Moscow.

YOUR APPEARANCE IS CANCELED

"At 3 o'clock on the day of the concert," Mr. Feltsman recounted, "my name on the posters was blotted out with black ink. At 5 o'clock, two hours before the concert, the assistant manager called me. He said, 'Your appearance is canceled.' "

In quick order, all Soviet tapes and video recordings of Mr. Feltsman's performances were erased and all records of his music were removed from Soviet stores. Except for one invitation in December 1979 to Tbilisi—"a fluke", he said, "that only goes to show that almost anything can happen in Georgia"—he has not been heard in public again.

And in the intervening 20 months, he has been turned down three times on his request for a visa to emigrate to Israel.

Mr. Feltsman's fall into limbo illustrates what often happens to Soviet Jews who apply to emigrate—how abruptly they lose their professional positions and how uncertain are their chances of getting out. In Mr. Feltsman's case, both these factors may have been accentuated by special considerations.

His father, Oskar Feltsman, is a renowned Soviet composer of popular songs, operettas and musicals. It would not be out of character for Soviet officials to prevent the son from tarnishing the father's name by what is regarded here as the traitorous act of emigration.

The young pianist's own career as a Soviet virtuoso may make it all the more difficult for the authorities to allow him to leave. When he was 15, he won first prize at the Concertina International Competition in Prague. When he was 19, he won first prize at the Margaret Long International Competition in Paris. The music critic of Le Figaro called him "extraordinary, brilliant." L'Aurore wrote: "He must be counted among the great musicians of the world."

Mr. Feltsman, a graduate of the Moscow State Conservatory, proceeded to give piano recitals and appear as soloist with the best orchestras in the country. Tikhon N. Khrennikov, first secretary of the Union of Soviet Composers and the reigning oracle of Soviet music, wrote in the newspaper Sovetskaya Kultura of his "freshness and depth" and called him a "pianist of extraordinarily vivid gifts, with a big future."

He made a name for himself with tours in the Soviet Union and Eastern Europe and with recordings of Chopin, Schumann, Shubert and Brahms that were reissued in France, West Germany, Japan and the United States. But from 1973 to 1977 he was not allowed to accept engagements outside the Soviet bloc.

TRAVEL BAN LIFTED AFTER MARRIAGE

In 1977, two things happened. Mr. Feltsman was married and the ban on his travel to the West was lifted. Whether the two events were connected is not known. His wife, Anna, a biologist from Leningrad, had to remain behind in Moscow when he toured Japan in 1977 and France in 1978, where he won critical acclaim.

Then Vladimir and Anna decided to emigrate.

"It was not a political act in any way," Mr. Feltsman said. "What I was seeking was more artistic independence. I wanted to decide for myself what to play and where. Here, all these things are decided for you. Every tour abroad presents fearful complications. You never know until the last minute whether you will be allowed to leave."

Obtaining their parents' consent, as required by Soviet regulations, they applied for an exit visa on the strength of invitations from Anna's aunt and brother in Israel.

In May 1980, after waiting almost a year, they were told their visa applications had been turned down. The explanation was that it would be wrong for Mr. Feltsman to leave his parents.

After a wait of six months, as required by administrative procedure, the Feltsmans reapplied and were told in December 1980 they could not go because their case did not provide for "reuniting of families," the only basis on which emigration is allowed. This appeared to be a strict application of a new ruling, sometimes followed and sometimes not, that the only valid "reuniting" is between husbands and wives and parents and children.

Mr. Feltsman had been sending appeals to the Communist Party's Central Committee, the visa office and other organizations. Now, in accordance with Soviet custom, he wrote to the 26th Communist Party Congress, which met in Moscow last month.

"The only reply we got was a third refusal from the visa office," he said. "The explanation this time was that my departure was inexpedient for reasons of state."

Early this month, in response to a letter from Mr. Feltsman complaining that he had not played in public for 18 months and that hibernation was fatal to a musician's art, the trade union to which he still belonged arranged for a series of solo recitals in six of the smaller cities in the Ukraine.

In Sumy, the first stop, the director of the local booking office met him with apologies.

"He said he had not been able to make arrangements for my recital without posters advertising my appearance," Mr. Feltsman recounted. "All such posters are sent out from Moscow. The posters had not arrived.

"I took the first train back to Moscow and asked what had happened. They said they did not know. But they said my Ukrainian tour was indefinitely postponed."●

TAX RATE CUTS

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. WEBER of Minnesota. Mr. Speaker, cutting marginal tax rates to produce savings, investment and economic growth is a relatively new idea in Washington. Just a few years ago, Prof. Arthur Laffer and a small group of supply-siders sounded like the proverbial voice crying in the wilderness. Today that voice has risen to a clamor.

The relation of tax rates to economic growth is a concept that has caught the imagination and won the support of millions of Americans.

Today I would like to insert in the RECORD a transcript of an editorial delivered by Andy Hilger of WJON radio in St. Cloud, Minn. Mr. Hilger's statement, in my opinion, reflects the position of a majority of my constituents, if not the Nation.

TAX RATE CUTS

One of the primary challenges of the Reagan administration is to try and turn around our ailing national economy.

Among the tools President Reagan will employ are a reduction in Federal spending, cutting income tax rates, pruning at the maze of regulation, and asking the Federal Reserve to hold the line on the money supply.

It is interesting to note that most arguments regarding the Reagan economic recovery plan are in the tax cut area.

Various national polls have shown that most Americans, when given the choice between tax cuts and a balanced budget choose the balanced budget. We assume that kind of citizen response is based on the idea that if you cut taxes, in other words, cut the money Government takes in, then how can you balance the budget. Especially, when most Americans want more spending for a stronger national defense?

Even the experts disagree on cutting tax rates. For example, Walter Heller of the University of Minnesota, who was a top economic advisor to Presidents Lyndon Johnson and John F. Kennedy, says that cutting tax rates, would only spur inflation. Paul Volcker, head of the Federal Reserve Board, has advised that spending cuts should come before tax cuts.

Yet, the other side of the argument we think is compelling. Reagan wants tax cuts and spending cuts at once. The President feels that high tax rates do not bring in more money. Instead, high tax rates, rates that are punitive, tend to slow or stop-cold economic activity, drive it underground into the cash or barter economy where income is not reported, or cause people to put their money into legal but tax-free shelters. Other folks just look at the way Uncle Sam feeds on their productive efforts and decide not to work, to take nice, long vacations, or to live off the welfare state.

So, what happens when punitive tax rates are reduced? Then, as economist Craig Roberts says, the "price" of leisure goes up, and the "price" of work goes down. Economist Milton Friedman has said that if the top income tax bracket of 70 percent were reduced to 25 percent it could increase Government revenues because people would immediately report higher taxable earnings. Folks would switch out of tax shelters and to some extent out of the underground economy.

Further, there is ample evidence that major tax-rate reductions in this century, in the United States, and in other countries, have resulted in increased Government revenues.

Victor Hugo once said, "There is nothing more powerful than an idea whose time has come." Putting incentive back into the American system by cutting tax rates is such an idea.●

OLDER AMERICANS ACT EXTENSION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. BIAGGI. Mr. Speaker, today I am introducing legislation to reauthorize the Older Americans Act for a 3-year period. The act expires at the end of this fiscal year.

My bill will extend all six titles of the act for 3 years. It will eliminate the existing priority service requirement under title III-B of the act. It will substantially upgrade the position of the Commissioner on Aging by making him directly responsible to the Secretary of the Department of Health and Human Services instead of the Assistant Secretary for Human Development Services to whom he must now report.

In addition my bill proposes to establish a national toll-free information hotline for senior citizens operated by the National Clearinghouse for the Aging.

My bill proposes modest authorization levels aimed at insuring the effective workings of the various programs in the act. It includes a $300 million sum for title III-B for fiscal year 1982 with such sums as may be necessary for fiscal years 1983 and 1984. It provides $350 million for title III-C—congregate meals—with such sums for fiscal years 1983 and 1984. It provides $80 million for title III-C-ii—home-delivered meals—with such sums for fiscal years 1983 and 1984. It provides $45 million for title IV with such sums for fiscal years 1983 and 1984. Finally, it provides $350 million for title V for

fiscal year 1982 with such sums for fiscal years 1983 and 1984.

I insert into the RECORD the full text of my legislation for the consideration of my colleagues.

H.R. 3267

A bill to amend the Older Americans Act of 1965 to extend certain authorizations of appropriations made in such Act, and to make certain revisions in the provisions of such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Comprehensive Older Americans Act Amendments of 1981".

DECLARATION OF OBJECTIVES

SEC. 2. Section 101 of the Older Americans Act of 1965 (42 U.S.C. 3001) is amended—

(1) in paragraph (4) thereof, by inserting "and supportive" after "restorative", by inserting ", including assistance in avoiding institutionalization, with maximum independence" after "services", and by inserting "do" after "who";

(2) in paragraph (5) thereof, by inserting ", and with maximum opportunity to select full-time, part-time, flexible, or other appropriate employment" before the period at the end thereof; and

(3) by adding at the end thereof the following new paragraphs:

"(11) Education and training opportunities which assist older persons to obtain or retain gainful employment, cope with legal, financial, and health needs, to contribute to their communities, and to maintain full and meaningful lives.

"(12) Freedom from the threat of domestic violence and from the fear of violence and crime.".

ADMINISTRATION ON AGING

SEC. 3. (a) The third sentence of section 201(a) of the Older Americans Act of 1965 (42 U.S.C. 3011(a)) is amended by striking out "the Office of".

(b) The last sentence of section 201(a) of the Older Americans Act of 1965 (42 U.S.C. 3011(a)) is amended by inserting after "Commissioner" the first place it appears therein the following: "under section 202 (including policymaking, programmatic, regional, fiscal, administrative, and personnel responsibilities)".

FUNCTIONS OF COMMISSIONER

SEC. 4. (a) The heading for section 202 of the Older Americans Act of 1965 (42 U.S.C. 3012) is amended by striking out "ADMINISTRATION" and inserting in lieu thereof "COMMISSIONER".

(b) Section 202(a) of the Older Americans Act of 1965 (42 U.S.C. 3012(a)) is amended—

(1) by striking out "Administration" and inserting in lieu thereof "Commissioner";

(2) in paragraph (5) thereof, by inserting "education and training services (including" after "hospitalization,", by inserting "and" after "training,", and by inserting a closing parenthetical mark after "education";

(3) in paragraph (15) thereof, by inserting "programs under title XX of the Social Security Act," after "medicaid,"; and

(4) in paragraph (17) thereof, by inserting "Federal and State" after "other".

FEDERAL AGENCY CONSULTATION

SEC. 5. Section 203(b) of the Older Americans Act of 1965 (42 U.S.C. 3013(b)) is amended by striking out "and" at the end of paragraph (9), by striking out the period at the end of paragraph (10) and inserting in lieu thereof a comma, and by adding at the end thereof the following new paragraphs:

"(11) title I of the Higher Education Act of 1965,

"(12) the Adult Education Act, and

"(13) the Vocational Education Act of 1963.".

NATIONAL INFORMATION AND RESOURCE CLEARING HOUSE FOR THE AGING

SEC. 6. (a) Section 204(a)(1) of the Older Americans Act of 1965 (42 U.S.C. 3014(a)(1)) is amended by inserting "quickly" after "and" the first place it appears therein.

(b) Section 204 of the Older Americans Act of 1965 (42 U.S.C. 3014) is amended by redesignating subsection (b) and subsection (c) as subsection (c) and subsection (d), respectively, and by inserting after subsection (a) the following new subsection:

"(b) The National Information and Resource Clearing House for the Aging, in connection with carrying out its functions under paragraph (2) and paragraph (3) of subsection (a), shall—

"(1) make available through a national toll-free telephone line information concerning federally administered programs, services, and benefits for which older persons may be eligible; and

"(2) cooperate with other Federal, State, and local information and referral services to ensure that information is available concerning any programs, services, and benefits, both public and private, which are not federally administered and for which older persons may be eligible.".

(c) Section 204(d) of the Older Americans Act of 1965, as so redesignated in subsection (b), is amended by striking out "and 1981" and inserting in lieu thereof "1981, 1982, 1983, and 1984".

FEDERAL COUNCIL ON THE AGING

SEC. 7. (a) Section 205(a) of the Older Americans Act of 1965 (42 U.S.C. 3015(a)) is amended by inserting after the third sentence thereof the following new sentence: "At least one of the members shall be an official of a State agency designated under section 305(a)(1), and at least one of the members shall by an official of an area agency on aging designated under section 305(a)(2)(A).".

(b) Section 205(h) of the Older Americans Act of 1965 (42 U.S.C. 3015(h)) is amended by striking out "and 1981" and inserting in lieu thereof "1981, 1982, 1983, and 1984".

ADMINISTRATION

SEC. 8. Section 206(d) of the Older Americans Act of 1965 (42 U.S.C. 3016(d)) is amended by inserting "to the Commissioner" after "appropriated".

TECHNICAL ASSISTANCE AND COOPERATION

SEC. 9. Section 301(b)(2) of the Older Americans Act of 1965 (42 U.S.C. 3021(b)(2)) is amended by inserting "the Department of Education," after "cooperation of ".

DEFINITIONS

SEC. 10. Section 302 of the Older Americans Act of 1965 (42 U.S.C. 3022) is amended—

(1) in paragraph (2)(A) thereof, by inserting ", including education and training services," after "services" in the first place it appears therein;

(2) in paragraph (4) thereof, by adding at the end thereof the following new sentence: "Such term includes services designed to prevent domestic violence, either through furnishing assistance to victims of domestic violence or through efforts to improve the reporting of incidents of domestic violence.";

(3) by adding at the end thereof the following new paragraph:

"(9) The term 'education and training service' means a social service designed to assist older individuals to better cope with their economic, health, and personal needs through services such as consumer education, continuing education, health education, preretirement education, financial planning, and other education and training services which will advance the objectives of this Act.".

AUTHORIZATION OF APPROPRIATIONS FOR TITLE III

SEC. 11. (a) Section 303(a) of the Older Americans Act of 1965 (42 U.S.C. 3023(a)) is amended by striking out "and", and by inserting after "1981" the following ", $300,000,000 for fiscal year 1982, and such sums as may be necessary for each of the fiscal years 1983 and 1984,".

(b) Section 303(b)(1) of the Older Americans Act of 1965 (42 U.S.C. 3023(b)(1)) is amended by striking out "and", and by inserting after "1981" the following ", $350,000,000 for fiscal year 1982, and such sums as may be necessary for each of the fiscal years 1983 and 1984,".

(c) Section 303(b)(2) of the Older Americans Act of 1965 (42 U.S.C. 3023(b)(2)) is amended by striking out "and", and by inserting after "1981" the following ", $80,000,000 for fiscal year 1982, and such sums as may be necessary for each of the fiscal years 1983 and 1984,".

ALLOTMENTS

SEC. 12. (a) Section 304(a)(1) of the Older Americans Act of 1965 (42 U.S.C. 3024(a)(1)) is amended by striking out "fiscal years 1979, 1980, and 1981" and inserting in lieu thereof "any fiscal year".

(b) Section 304(d)(1)(B) of the Older Americans Act of 1965 (42 U.S.C. 3024(d)(1)(B)) is amended by striking out "fiscal year 1981" and inserting in lieu thereof "each of the fiscal years 1981, 1982, 1983, and 1984".

AREA PLANS

SEC. 13. Section 306(a) of the Older Americans Act of 1965 (42 U.S.C. 3026(a)) is amended—

(1) in paragraph (1) thereof, by inserting "(including legal services)" after "social services" each place it appears therein;

(2) by striking out paragraph (2) thereof, and by redesignating paragraph (3) through paragraph (6) as paragraph (2) through paragraph (5), respectively;

(3) in paragraph (5) thereof, as so redesignated in paragraph (2)—

(A) by striking out subparagraph (H);

(B) by inserting "and" at the end of subparagraph (G), and by redesignating such subparagraph as subparagraph (H); and

(C) by inserting after subparagraph (F) the following new subparagraph:

"(G) where possible, enter into arrangements with local legal service providers, including law schools, to use services mandated for older individuals under the Legal Services Corporation Act;".

STATE PLANS

SEC. 14. Section 307(a)(16) of the Older Americans Act of 1965 (42 U.S.C. 3027(a)(16)) is amended by striking out "$20,000" and inserting in lieu thereof "$50,000".

AVAILABILITY OF FUNDS FOR SOCIAL SERVICES AND NUTRITION SERVICES

SEC. 15. (a) Section 308(b)(5) of the Older Americans Act of 1965 (42 U.S.C. 3028(b)(5))

is amended by striking out "to meet the needs of the area served".

(b) Section 308(b) of the Older Americans Act of 1965 (42 U.S.C. 3028(b)) is amended by adding at the end thereof the following new paragraph:

"(6) Notwithstanding any other provision of this title, with respect to funds received under subsection (a) and subsection (b) of section 303, a State may elect to transfer not more than 20 percent of the funds appropriated for any fiscal year between programs under part B and part C of this title, for use as the State considers appropriate. The State shall notify the Commissioner of any such election."

HOME DELIVERED NUTRITION SERVICES

SEC. 16. Section 336 of the Older Americans Act of 1965 (42 U.S.C. 3030f) is amended by adding at the end thereof the following new sentence: "Such projects shall give priority to the provision of meals during weekend periods.".

TRAINING PROGRAMS FOR CERTAIN PERSONNEL

SEC. 17. Section 404(a) of the Older Americans Act of 1965 (42 U.S.C. 3034(a)) is amended—

(1) in paragraph (8) thereof, by striking out "and" at the end thereof;

(2) in paragraph (9) thereof, by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(10) to assist persons involved in the provisions of nutrition services under section 336 in also providing other related social and human services (including regular assessments of the needs of older individuals).".

SPECIAL PROJECTS IN MENTAL HEALTH CARE

SEC. 18. Part C of title IV of the Older Americans Act of 1965 (42 U.S.C. 3035b et seq.) is amended by redesignating section 423 through section 425 as section 424 through section 426, respectively, and by inserting after section 422 the following new section:

"SPECIAL PROJECTS IN MENTAL HEALTH CARE

"SEC. 423. (a) The Commissioner, after consultation with the Director of the National Institute of Mental Health and the Center for Studies of the Mental Health of the Aging, may make grants to, and enter into contracts with, any public or private nonprofit entity for projects under this section. Each such project shall include—

"(1) the location of older individuals who are in need of mental health services;

"(2) the provision of, or arrangement for the provision of, medical differential diagnoses of older individuals to distinguish between their need for mental health services and other medical care;

"(3) the specification of the mental health needs of older individuals, and the mental health and support services required to meet such needs; and

"(4) the provision of—

"(A) the mental health and support services specified in paragraph (3) in the communities; or

"(B) such services for older individuals in nursing homes and intermediate care facilities, and training of the employees of such homes and facilities in the provision of such services.

"(b) For purposes of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1982, 1983, and 1984.".

DEMONSTRATION PROJECTS RELATING TO LEGAL SERVICES

SEC. 19. (a) Section 424(a) of the Older Americans Act of 1965, as so redesignated in section 18, is amended by striking out "public and private nonprofit agencies or organizations" and inserting in lieu thereof "State agencies designated under section 305(a)(1)".

(b) Section 424(c) of the Older Americans Act of 1965, as so redesignated in section 18, is amended to read as follows:

"(c) From the sums appropriated under section 451, there shall be reserved to carry out the provisions of this section $20,000,000 for fiscal year 1982, and such sums as may be necessary for each of the fiscal years 1983 and 1984.".

AUTHORIZATION OF APPROPRIATIONS FOR TITLE IV

SEC. 20. Section 451(a) of the Older Americans Act of 1965 (42 U.S.C. 3037(a)) is amended by inserting before the period at the end thereof the following: ", $45,000,000 for fiscal year 1982, and such sums as may be necessary for each of the fiscal years 1983 and 1984".

AUTHORIZATION OF APPROPRIATIONS FOR TITLE V

SEC. 21. Section 508 of the Older Americans Act of 1965 (42 U.S.C. 3056f) is amended by striking out "and" the last place it appears therein, and by inserting before the period at the end thereof the following: ", $350,000,000 for fiscal year 1982, and such sums as may be necessary for each of the fiscal years 1983 and 1984".●

PRESIDENT'S ECONOMIC AND TAX PROPOSALS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. ARCHER. Mr. Speaker, as we begin the deliberations on the President's economic and tax proposals, I would like to share a letter recently sent to me by one of my constituents in Houston, Mr. John Beck. I hope you will seriously consider the points Mr. Beck raises in support of this important package of proposals. We need to put aside party differences on this critical issue and show the American public that the Congress shares the President's concern for the economic future of our Nation, and I believe Mr. Beck's comments are well worth sharing with you.

The letter follows:

TO THE CONGRESS OF THE UNITED STATES OF AMERICA.

GENTLEMEN: I was truly overwhelmed by the President's economic message. It would appear that at last the middle class working citizen, who comprises the majority of your constituency, is being considered.

However, I fully understand that your moral responsibility is to represent the majority of your individual constituency. I appreciate the separation of power in our government. I sympathize with your responsibility to your individual party platforms.

I am comforted though by the knowledge that you are concerned with the present economic situation. It would be inconceivable for such great leadership to deal with our national problems from a standpoint of emotion or political considerations.

Therefore, I realize that you will consider all the facts, that these facts will be verifiable, and finally that a logical conclusion and solution will be arrived at.

As a concerned middle class citizen, I would like to offer you a middle class view point on the present national crisis.

My definition of middle class is any family earning between $15,000 to $150,000 annually. It includes management and unions, blue collar and white collar laborers; it covers all backgrounds of education and social environment.

The bulk of the tax burden falls squarely on our shoulders—either through direct tax payments or indirectly through the purchases of goods and services. We, therefore, should have more say on how our money is being spent.

It irritates me to hear some of you talk about obscene profits and excessive salaries. Free enterprise rewards incentive; and we the consumers determine what profits will be made. Now that free enterprise is threatened and could face extinction in the future—we must ask ourselves why.

Simply put, free enterprise depends heavily on the middle class. It depends on us to work and produce goods. It depends on us to purchase those goods in our role as consumers. And, finally, since the middle class owns the majority of stock in corporations—it depends on us to provide the capital needed to purchase new machinery and equipment (which in turn creates new jobs and more goods).

Why is this system starting to fail? Government, in my opinion, is the main culprit. Granted those same dollars are being spent—but they are unproductive dollars. When the worker finds himself or herself taking home less wages because of taxes, two things happen: one—he or she is less likely to be as productive in producing goods and secondly, less likely to save and invest. This means that there are less goods available for consumption. Because there are less goods available, we are forced into a situation where we are competing for fewer goods or lesser quality goods—and those who are willing to pay the higher price will get the goods. Hence, inflation.

It would appear to me that we are slowly but surely killing free enterprise by redistributing the wealth of our nation. This is socialism.

I do not believe that this is the objective of our citizens and your constituents.

In order to save our economic system, we must increase productivity (More goods and better quality goods). Government spending has to be cut consistently in real terms (after adjusting for inflation). Tax dollars should then be refunded to the middle class—giving them more buying power. This will not be inflationary if we save those dollars until increased productivity puts more goods into the market place.

This can be done. We want it; and, we charge you, our representatives, with the responsibility of getting the job done. If you cannot—then, at least, step down so that we may charge someone else who can.

I have to admit that the majority of us do not understand our economic environment. If we did, we would have strongly voiced our objections to the windfall profits tax. The oil companies simply pass the increased tax on to us by way of higher gasoline prices. So in effect—it is really an excise tax on the consumers.

We are tired of tricks—such as back door taxes. We want a real tax relief program. We do not want political double talk and excuses.

As middle class citizens—we expect our federal government to provide us with the means to defend ourselves, to provide us with a real foreign diplomacy program in our dealings with other peoples, and to set national goals and policies. We expect our state government to provide us with those things that should be closer to our own control. We recognize our social responsibilities; however, we should set the rules locally based on real needs and as to what we can reasonably afford. We do not wish to reward sloth and laziness and penalize our own productivity.

We wish to preserve our nation as our forefathers envisioned her—a free country with an economic system that rewards us for our own incentives.

I firmly believe and humbly submit that this is the will of the American people. I do not think that we, the middle class, will continue to be apathetic. We cannot afford to be. We will write letters to our representatives, we will involve ourselves in campaigns, and we will vote.

Sincerely,

An American middle class citizen.

John Beck.●

A CONSTRUCTIVE ALTERNATIVE

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. PURSELL. Mr. Speaker, in the spirit of reaching a bipartisan compromise on the important issue of tax relief for individual American taxpayers, I have reintroduced a bill that I originally submitted last year with the support of 84 of my fellow Members. The House Ways and Means Committee has been holding hearings on this subject, during which I have presented testimony on my bill—comments I would like to share with the rest of my colleagues at this time.

STATEMENT OF HON. CARL D. PURSELL

A CONSTRUCTIVE ALTERNATIVE

Mr. Chairman, I want to take this opportunity to commend you and the other Members of your Committee for holding these early hearings aimed at producing meaningful tax relief. Of course, there exists substantial disagreement over specific proposals, and the next task will be to write legislation on which majorities in both houses of Congress can agree.

With respect to individual tax relief, the most difficult decisions undoubtedly involve the magnitude and timing of the reductions. For example, I noted with interest last week an exchange between Senate Budget Committee Chairman Pete Domenici and Treasury Secretary Donald Regan. Senator Domenici raised the possibility of spreading the administration's proposed 30 percent cut in personal income tax rates over more than the recommended three years. He specifically asked if there is any economic reason why such an approach would not work since it would provide the same predictability and consistency for taxpayers as the President's proposal. The Secretary replied, "That's entirely possible, Senator, that the scenario would work."

That exchange seems to sum up the feeling of a great many of the people with whom I have talked over the past two years. Accordingly, last Spring I prepared a bill based on the basic 30 percent tax reduction approach, but one that would be phased in over a 5-year period, so as to, in part alleviate the fears of some that the quicker 3-year implementation period would add unduly to the Federal deficit.

Along with 84 cosponsors, I introduced this legislation (then H.R. 7730) in July. Many of my colleagues have indicated that the time is now right to resubmit this legislation with the hope that it could serve as a catalyst for reaching agreement on much needed tax relief.

Let me at this point briefly describe the bill and then relate its main objectives: It simply would provide for a 30 percent reduction in personal income taxes over a 5-year period, followed by "indexation" of the tax rates and personal exemptions starting in 1987. The indexation provisions are identical to those proposed by the President, where adjustments would be made each year to reduce tax rates and increase exemptions in direct proportion to inflation, as measured by the Consumer Price Index.

Among the primary goals sought by the bill are:

STABILITY

It would encourage long-range stability in the economy by ensuring a series of tax cuts people can count on. It is not a quick fix concept, but a simple, straightforward, balanced tax reduction package.

PRESERVATION OF PURCHASING POWER

Without "indexing" taxpayers are continually faced with what is often called "taxflation"—the interaction of inflation and taxes. They are climbing a greased pole, getting pay raises designed to "catch-up" with the cost of living, but then finding they have no more (or even less) purchasing power due to inflation, while at the same time being pushed into higher tax brackets, so that Uncle Sam gets a higher percentage of their income in taxes. It is my understanding that by the time taxpayers finish paying their 1980 taxes next week, they will have coughed up almost $23 billion only because of being pushed up into higher tax brackets. That is, inflation alone will, on the average, have accounted for over a 20% tax increase.

JOBS

Taxes are now at almost 22 percent of our Gross National Product (GNP), the highest level since 1944, at the height of World War II. Despite the deep concerns about the prices of food, clothing and housing, it is taxes, not consumer products, which are the most rapidly rising factors in the budget of the average American family.

Reducing taxes would leave billions of dollars in the pay checks of working men and women; money in the hands of our people to spend for these necessities, while providing increased demand for goods and services. That means more jobs.

INCENTIVES FOR INVESTMENT AND PRODUCTIVITY

Our Nation is suffering from a decline in personal saving and in capital investment—both compared to the past and to other industrial countries. Again, reducing taxes would free billions of dollars for these vital activities.

I might also add that time and again I have talked to workers who won't increase their work hours or output because they feel the extra income is eaten up by taxes.

More than anything else, it is my desire that Congress take action to help restore increased confidence in our Nation and its economic system. People are tired of working until mid-May just to pay off their government tax bill every year. Poll after poll indicates support for reduced taxes (including "indexation"). Elected representatives must respond—it is the very essence of our democratic system. However, let us respond in as statesmenlike way as possible—in a bipartisan, forward-looking and workable manner.

I hope very much that our bill can contribute to such a response by offering a constructive alternative. Thank you very much.●

FOR YOUR LENTEN PENANCE, LISTEN

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, at this crucial time in our history when it is imperative that we not be swept away by the rising tide of disenchantment nor deafened by the clamor of disagreement, I wish to share with you the keen insight of distinguished theologian, Walter J. Burghardt, S.J., who recently celebrated his golden jubilee in the Society of Jesus.

His latest address to a Georgetown congregation clearly transcends religious boundaries and gently whispers uncommon wisdom to anyone who cares to listen:

FOR YOUR LENTEN PENANCE, LISTEN

Today's Transfiguration scene (Mt 17:1-9) is packed with majesty and mystery. There is so much to fill the homilist, like the disciples, with awe. Do you remember the experience of Moses on Mount Sinai (Exod 24: 15-18; 34: 29-35)? Well, the events of Sinai are re-enacted in the experience of the new Moses. Like the first Moses, Jesus too goes up a mountain. His face too shines unbearably. A cloud covers this mountain too, a luminous cloud, the symbol of God's presence. Here too God speaks from the cloud. Even the three booths or tents Peter wants to set up recall the Feast of Tabernacles or Booths that commemorated the sojourn of the Israelites on Sinai while they received the revelation of the law through Moses.

And here we go beyond Sinai. Here Moses and Elias represent the law and the prophets; their presence bears witness that in Jesus the law and the prophets are fulfilled. And here we meet that astounding paradox: to be Messiah meant to suffer, and still Jesus was the glorious Son of Man.

There is just too much—even for three points! And so I shall focus on one facet of that majestic mystery. I shall concentrate on a single word spoken by the Father to Peter, James, and John: "Listen" (Mt 17:5). I shall ask you to listen in three directions: listen to one another; listen to Jesus; listen to the world around you.

I

I suggest you begin by listening to one another. It's not at all easy. Listening is an arduous art. You see, most conversations are not conversations at all. Either they are monologues: I wait patiently until you have finished—since civility demands it—and then I say exactly what I would have said if you had not spoken. Or they are debates: I do indeed listen, but only for that inept word or false phrase at which I proceed to intercept and destroy. No, to listen is to give yourself totally, for that moment or that day, to another, to put yourself into the other's mind, yes the other's heart. It means that you hear not naked words but a human person.

Some of the most remarkable people in history have been great listeners. Remember the mother of Jesus? Luke tells us that she "kept all these things, pondering them in her heart" (Lk. 2: 19; see 2:51): she had listened to shepherds telling of angels. Recall Helen Keller, blind, deaf, mute, "listening" to Annie Sullivan as if her life depended on it (it did indeed). Think of St. John Vianney, the famous parish priest of Ars in France: twelve hours a day in the confessional, he listened—not simply to sins but to fractured hearts. And I shall never forget a remarkable scholar of early Christianity at Catholic University, Johannes Quasten. He used to say to us with quite sincerity: "I learn as much from my students as my students learn from me."

The problem is, to listen is to risk. It takes your precious time, often when you can least afford it. You take on other people's problems, when you have enough of your own. It means getting involved. For if you listen, you open yourself: to your children or "the help," to subordinates or (God save the mark!) students. If you're a good listener, people "dump" on you. If you listen, someone may fall in love with you—and that can be a burden you do not care to bear.

But the risk will be matched by a matchless joy. For listening, really listening, is an act of love; and so it is wonderfully human, splendidly Christian. Love far more than knowledge, I assure you. I used to think, in my youthful arrogance, that what I had to offer the Catholic world was a hatful of answers. No, I come to others as I am, with my own ignorance, my own weakness, my own sinfulness, my own fears and tears. I share not words but myself; I am there. Not my ear or my tongue; simply I. And that, dear friends, is my Christian mission and yours: to be where another can reach out to us.

II

Second, listen to Jesus. This is the command of the Father from the cloud: "Listen to him" (Mt 17:5). This is what the favored three were ordered to do. Why? Because here is at once God's Son and God's Revelation. Here is the prophet par excellence. He himself is the Word, the Word enfleshed, the Word God speaks, the Word beyond compare.

This is not pious poetry; it is profound truth. The breath-taking "new thing" in God's self-disclosure is the opening sentence in the Epistle to the Hebrews: "In many and various ways God spoke of old to our fathers by the prophets; but in these last days He has spoken to us by a Son" (Heb 1: 1-2). In the new covenant God expresses Himself in a Word that is itself a Person. The personal Word God utters from eternity, He uttered on a midnight clear—to us. Jesus is God's revelation to us; he is the point of personal contact between God and us.

How does Jesus speak to us? Vatican II rings loud and clear: "[Christ] is present in his word, since it is he himself who speaks when the holy Scriptures are read in the church." Do you believe that? Do you really believe "This is the word of the Lord"? If you do, how do you listen to him? As breathlessly as Moses listened to the Lord on Sinai? As open to God's word as was the teen-age virgin of Nazareth? Do you "marvel," like his townspeople, "at the words of grace" that fall from Jesus' lips (Lk 4: 22)? Or has repetition dulled your appetite, and Christ is less charismatic than Kotter, J.C. less exciting that J.R.?

The thrilling fact is, this Jesus who speaks to you is not a character out of a dead past. Listening to Scripture in the liturgy is not the same as reading Augustine's Confessions or Gibran's Prophet, not the same as hearing a Shakespeare sonnet or Handel's Messiah. When the New Testament is read to you, Jesus himself speaks to you. Now. Here is the risen Christ, incomparably alive, opening up to you the meaning of what you are hearing, as he did to the desolate disciples on the road to Emmaus. And as you listen, you too can exclaim as they exclaimed: "Did not our hearts burn within us while he talked to us. . ., while he opened to us the Scriptures?" (Lk 24:32). But for that, your hearts have to be open. you have to say, with Samuel of old, "Speak, Lord, for thy servant heareth" (1 Sam 3:9, 10).

But again, there is something distinctive here. Listening to Jesus is not the same as listening to others. The same intensity, yes, the same openness; but a greater risk. When the Father told Peter, James, and John "Listen to him," he was saying "Obey him; do what he tells you; follow him." To listen to Jesus is to be his disciple. Is this how you let Scripture speak to you? Are you saying "Speak, Lord, for thy servant heareth," or do you really mean, as the Protestant ethicist Paul Ramsey rephrased it, "Speak, Lord, and thy servant will think it over"?

If you really listen to Jesus in the proclaimed word, you have a fair chance of hearing him in your everyday life. Not a vision, I assure you; but Jesus speaking in your heart as truly as anyone you love profoundly speaks to your heart.

III

Let me develop this a bit in my third point: listen to the world around you. I have insisted that when the Scriptures are read to you, God speaks to you; and that is a thrilling truth. More thrilling still is that our God is not imprisoned in a book, even in a book of His own inspiring. God is ceaselessly speaking to us. The problem is, we are dreadfully deaf to His voice.

To begin with, God speaks to me through things, the things He has shaped. The Psalmist was right: "The heavens are telling the glory of God, and the firmament proclaims His handiwork. Day to day pours forth speech, and night to night declares knowledge" (Ps 19: 1-2). For God could fashion nothing unless it imaged some perfection of His. There is no blade of grass that does not speak of Him. The whirlwinds reflect His power, the mountains mirror His majesty, surging waves His irresistibleness, a star-flecked sky His breath-taking loveliness. And if I miss their message, it is because I am not tuned into God, am not listening.

God speaks to me through history, through human events. The cry of the blacks for freedom was a cry of God, a cry to "let [His] people go." From the ovens and gas chambers of Dachau, the God of Abraham, Isaac, and Jacob is talking to a world that would like to forget its inhumanity to Jewish man. (Last year a Georgetown student declared that the Holocaust never happened.) From Appalachia to Calcutta it is the voice of Jesus that begs for bread and human dignity. But I need him to put his fingers into my ears and murmur "Be opened" (Mk 7: 33-34).

Very importantly, God speaks to me through my history. Yesterday, in Boston, I buried a young friend half my age. Seven years ago I presided at his wedding; yesterday I consigned his cancerous flesh to the earth. For three days I have been tempted to complain with Martha, "Lord, if you had [really] been here, [our] brother would not have died" (Jn 11: 21). I cannot understand it. "Here," I said in my homily, "here is a young man . . . highly intelligent, good in the strong sense of the word, shaped in equal parts of humor and love. In a world bent by anger and hate, by ambition and suspicion, he is remarkably open and friendly, generous and trusting, a wonderful welding of karate and gentleness. And he loves—loves God and people, loves wife and life—dear God, how passionately in love he is with life! And without warning life is stolen from him. Not swiftly and painlessly; no, slowly and cruelly. So once again, as with my brother wasting away at 27, as with a score of black Atlanta lads, I cannot help asking: Lord, where were you? When he whom you loved was dying, where were you?

Only by listening, almost in desperation, do I hear God speaking. Not explaining, not defending, not justifying. Only, "Do you love me? Then trust me. I do care. I was never closer to Joe than in those last agonizing months. For every Gethsemane is my garden, and every Calvary is my cross."

Dear friends in Christ: If you want to "do" something for Lent, if you want to share in the dying/rising of Jesus, skip the Scarsdale diet; forget the carrots and the cottage cheese, the fresh apple and the Tab. Simply listen: listen to one another, listen to Jesus in the proclaimed word, listen to the word of God in the world around you. For your Lenten penance, please . . . listen.●

THE COURAGEOUS IDA NUDEL

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. GREEN. Mr. Speaker, April 27 marks the 50th birthday of Ida Nudel, a courageous Soviet prisoner of conscience. Her story is well known in the United States, yet it is important that we continue to bring it to the forefront.

Ida Nudel is a very special woman. Not only has she shown great bravery by standing up to Soviet officials in her own defense, she has risked her freedom on behalf of others desiring to emigrate. As an activist in the Soviet Union she has done all she can to bring the problems of other prisoners to the public's attention. She has contacted the West about these cases, put these prisoners in touch with their families and personally protested to

Soviet officials on their behalf. David Chernoglaz, who served for 5 years in a Soviet labor camp, spoke of her after his release:

> The one person above all others who helped to keep up morale and who constantly helped with letters and parcels, the person rated by all to be a super-human angel, is Ida Nudel.

All these actions were taken at great risk to herself and have been met with harsh treatment from Soviet officials. Ida Nudel has been constantly harassed, has been denied her wish to emigrate to Israel to live with her sister and has been forced to live in exile for the last 3 years. Yet, her spirit has not been broken. Her defiance persists and her work continues.

Of course there have been numerous pleas from the West. This is not the first time I have spoken on her behalf, and Members from both bodies have been equally active. Sadly, our demands for her release have not been met. The result is that this tremendous person continues to live a lonely life in exile and reports indicate that her health continues to deteriorate.

It is critically important that our efforts continue. These efforts not only put pressure on the Soviets, but they are also a source of inspiration to Ida Nudel. She wrote recently:

> Your solidarity is not only providing me with additional strength thus enabling me to bear the psychological situation in which I have been living, but it is also influencing the people surrounding me. Your solidarity has shocked many people; it also made those of them who are capable of judgement, those who can see the difference between justice and injustice and those who have a dignity of their own and can respect the dignity of others, think.

Mr. Speaker, I urge my colleagues to continue pressing for the release of Ida Nudel. It saddens me that this outstanding person is spending her 50th birthday in exile. It is my hope that our work will allow her to spend her 51st birthday in freedom.●

MX HEARINGS NOT RESPONSIVE

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. SANTINI. Mr. Speaker, I would like to take this opportunity to enter a short editorial on local MX hearings into the record. The article is from the Reno Evening Gazette and summarizes some of the complaints Nevadans have about the public comment forum on the draft environmental impact statement (DEIS) for the MX missile.

In my view, the DEIS for MX is probably the most significant environmental impact statement this Nation has produced; unfortunately, this document is extremely deficient both as a decisionmaking tool for the siting of MX and as the yardstick by which mitigation measures will be applied if we get this project. The citizens of Nevada share some of my concerns and are disturbed that the public hearing process will allow precious little time—300 seconds per person—to voice objections and criticisms. Fortunately, since this editorial was published, the Air Force at least broadened the geographical scope of the hearings. We are grateful for this small concession, but we are concerned that we have to plead and protest to be properly heard on this issue of profound importance to our State.

The editorial follows:

MX HEARINGS NOT RESPONSIVE

The Air Force has repeatedly said it wants to hear how Nevadans feel about the MX, and that it will give them ample opportunity to voice their opinions. But looking at the MX hearing sites and the hearing format, one has to believe the Air Force is mostly interested in its own propaganda.

The MX system, if built, would be the largest construction project ever undertaken.

Not by the United States, you understand, or by 20th century man, but by all of mankind going back as far as history will take us. You could probably lump the seven wonders of the ancient world together, including the pyramids, and not equal the construction effort demanded for the MX.

This project would force tremendous changes on Nevada. The effect on our environment, our economy, our lifestyle can hardly be imagined, even after reading the Air Force's draft impact statement. The state would never be the same.

And how much comment is Nevada to be permitted on this incredibly massive project? Only eight hours of hearings in each of five cities—not including Reno. But wait. It's worse that that. In each city, this amounts to a four-hour afternoon and a four-hour evening session—but at each session the Air Force presents a half-hour briefing, with another hour scheduled for questions and answers on the briefing itself, and half an hour for breaks, introduction and closing. Then, in its benevolence, the Air Force grants Nevadans two hours to speak.

But they will not speak long. Representative of groups are given five minutes, individual speakers three—to discuss a nine-volume, 1,800 page document.

And not many will speak. If each person takes three minutes, a maximum of 40 persons will speak in each hearing. That adds up to 80 persons per city, and 400 persons in all. Four hundred out of a population of 797,899. That's .05 percent of the population.

But don't go away. In northwestern Nevada there is one hearing site only, at Carson City. Eighty persons at most will be allowed to speak. That amounts to less than .03 percent of the area's 272,338 people. That's not 3 percent, mind you, but three-tenths of 1 percent.

The Air Force will forgive us if we grovel in absolute ecstacy at such magnanimous generosity, such overwhelming concern with the welfare of our state.

We are told that we can write, of course. But writing is difficult for many persons; they will never set pen to paper. The Air Force must know that. It also must know that the more restrictive the hearings and the farther they are from population centers, the smaller the turnout. If you wished to discourage persons from attending, you would of course choose Carson City over Reno as the site for the only northwestern hearing. The only major population center scheduled for a hearing was Las Vegas, where there is much support for the MX because southern Nevada would bear little of the impact. That hearing was held Monday. The other hearings will be held in such huge population centers as Pioche, Tonopah, and Ely.

These rural areas deserve hearings, of course, because they would be greatly affected by the MX. But why is the rest of the state, which would also be affected, given so little opportunity? Why no hearing in Reno? Why none in Elko? Why, indeed, unless the Air Force does not really care what Nevada thinks.

Sen. Paul Laxalt has written to the Air Force secretary, asking for hearings in Reno and Elko, and also for Austin-Eureka, which would be directly affected by employment. That request should be honored.

But more than that. The Air Force should sit and listen to the people of Nevada for as long as they want to speak. With so huge a project, that is little enough to ask. But we do not merely ask; we demand it, as citizens of a nation in which government may not trample the people's rights. We will not be still until we are heard.●

MORE ON EL SALVADOR—DEMOCRACY AND FREE ENTERPRISE

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. WEBER of Minnesota. Mr. Speaker, over the past months much discussion has focused on whether the United States should continue sending economic and military aid to El Salvador. During that period, I have received many letters from constituents asking me to insure that some policy of human rights is followed in that Central American country. I responded to each one explaining that while human rights have suffered in El Salvador, they would surely be nonexistent under a Marxist regime. The Centrist Government, I believe, holds the best chance for democracy and free enterprise for that developing nation.

To continue the learning process on this issue, I am inserting an interview of El Salvador's President, Jose Napolean Duarte. As you may know, Mr. Duarte was educated in the United States, so he is quite familiar with democratic institutions. I believe this article, which appeared in the Catholic Star Herald on March 27, 1981, best explains the motives of the moderate government. I think it also shows the firm commitment which exists in the country for a peaceful solution to the problem—and the establishment of a

democratic society based upon free enterprise.

While we read this article about El Salvador, let us keep in mind the other alternative offered by the rebels, a planned economy which means scarcity and economic misery. I do not believe that we can support such a disasterous policy.

Thank you.

[From the Catholic Star Herald, Mar. 27, 1981]

PRESIDENT DUARTE HAS HOPE

EL SALVADOR LEADER SEES FREE ELECTIONS IN 1982

OAKLAND, CALIF.—Jose Napolean Duarte, Head of El Salvador's government, said in a telephone interview with the Catholic Voice that he sees the light at the end of the tunnel in his country's long bloody struggle toward democracy. The government hopes to hold elections in 1982, he said.

Duarte, president of the civilian-military junta which rules the Massachusetts-sized nation, appointed a team to organize a year-long effort to hold the "first free elections in the history of El Salvador."

It is, he said in a March telephone interview from his home, "A major step in the restoration of democracy in El Salvador."

The elections tentatively planned for early 1982 would involve choosing a constitution, a congress, and, a little later, the man or group who will hold executive office, Duarte told The Voice, Oakland diocesan newspaper.

Duarte has come under heavy domestic and international criticism over his government's human rights record.

"I'm a Christian," he said. "I am opposed to violence. I've worked for peace for the last 20 years and will always be dedicated to non-violent solutions."

Yet, he said, there is a place for violence "when necessary."

"St. Thomas Aquinas says we must exhaust all means of peaceful solutions," he said. "And after having done that, if the problem is still not solved, then one may consider arms."

According to Duarte, the Thomistic exception can be applied to the current situation in El Salvador.

"In this country we have a problem of structural violence. The problem is deeply rooted and has invaded the thinking of every level of society. It is not simply a problem of isolated violence. There is an underlying problem of values—or rather, the lack of values. The radicalization (of leftist guerillas and the extreme right) has created conditions in El Salvador that have destroyed all respect for authority and have produced the abuse of all power and authority," he said.

About 10,000 people were killed in the country in 1980. Duarte said the military is responsible for some of the deaths but most were the work of extremists on the right and left.

Duarte said he has hopes for a political solution in El Salvador though no one on the left has agreed to talk to him yet. "I've tried over and over again to talk to the left. For years I have called for discussion, for dialog, but they refuse to cooperate."

Guillermo Ungo, head of the Democratic Revolutionary Front (FDR), a coalition of non-guerrilla opposition groups, was his vice presidential candidate in 1972, but the two are opposed to each other today. Duarte and Ungo lost the 1972 elections to a military candidate, but many Salvadorans believe this was due to fraud.

Ungo is also a former member of the junta who resigned in protest against government policies.

Attaining agreement among the rightist, leftist and moderate factions is no easy task. Duarte said. He emphasized he wanted direct talks with no outside intermediary. The West German government and several international socialist organizations have offered to mediate.

Duarte was quoted recently as saying there would still be civil strife in El Salvador if there was no interference by the Soviet Union and the United States. The war would be waged between the rich who have been dispossessed of their property and the poor who have for many years been fighting to take land from the rich, he added.

Duarte still stands by that statement but adds that communism is so entrenched in El Salvador that it cannot be taken lightly. A staunch Christian Democrat, Duarte has been described as being more anti-Soviet than U.S. Secretary of State Alexander Haig.

The Salvadoran government, Duarte said, recently supplied the United States and other nations with information on the smuggling of arms by the Soviet Union through Nicaragua.

If he can help it, Duarte said, there will be no communist foothold after the 1982 elections. Referring to the leftist guerrillas, he stated that "everyone will be free to vote except those committed to violent solutions."

Because of his dedication to combatting communism. Duarte said he does not mind the United States using El Salvador as an East-West point of confrontation.

"The whole world is looking to El Salvador right now," he said, "because we serve as an example for other countries being threatened by communism. How they fare later will depend on how El Salvador fares today in its fight for democracy."

In the midst of conflicting reports on El Salvador Duarte said he would like to reassure the American people of his and the junta's intentions.

"We realize we are only a temporary government. The free elections will establish a permanent one. I think it is very important for the American people to understand that we are fighting for democracy. We need the faith of the people not only of this country but of the world in order to succeed in our attempt at establishing a democratic society in El Salvador," he said.

"Therefore we are asking for a chance to obtain our dream. Our situation here is not a simple situation. It is very complex. Above all, we need all the Christian people of the world to pray for us," Duarte said.●

LT. COL. HARRY FLOWERS

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. PURSELL. Mr. Speaker, a few days ago, a group of very appreciative people joined to honor Lt. Col. Harry Flowers, the longtime West Point liaison officer for southeastern Michigan. Knowledge of his outstanding work, however, should not be limited only to those of us from that area, because it can serve as an inspiration to many throughout the Nation.

Colonel Flowers' official functions are to assist in recruiting and helping prospective candidates for the Military Academy. While performing these important tasks in an exemplary manner, he has continually gone beyond the call of duty and personally touched the lives of hundreds of young people and their families in very meaningful ways. Late hours, missed meals, and personal sacrifices have been routine as he has always made himself available at anytime, day or night.

I believe that his qualities were best summed up in a letter from a cadet, which was read at his testimonial dinner. It read, in part:

The personal interest you took in each of us will not be forgotten, but will be an example to us as we pursue careers as officers. With an officer such as yourself as an example, the Army's future looks bright.●

PERSPECTIVE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. DERWINSKI. Mr. Speaker, as we prepare to welcome President Reagan tonight, I wish to direct to the Members a very spirited editorial commentary by Ann Bradley, the editor of the Christian Citizen, which is published in Lansing, Ill. Mrs. Bradley's comments appeared in the March 1981 edition of that publication, and I believe that they are well worth reading:

PERSPECTIVE

(By Ann Bradley)

Freedom—that often illusive dream sought by every American, spoken of from podiums and pulpits, cherished by all and abused by most. In a sprawling land of more than two hundred million people our Constitution provides the umbrella of protection necessary to serve such inherent diversity. Though perhaps tattered in recent months, the United States Constitution continues to shine as a beacon of hope to all people who seek to be free. It is still possible to have freedom of expression, freedom to make choices, freedom to live useful lives while holding fast to that belief which is the "American dream."

Government was intended to serve the people, not the converse. That means that every citizen has the right and the responsibility to preserve the principles upon which our Constitution is based. When individuals ignore God's laws, the consequences must be suffered. So it is with a nation that refuses to honor those laws. Individual as well as national freedom is threatened when those guidelines are ignored. In a republic where the power to control rests with the people, therefore, preservation of freedom becomes the responsibility of all. And that is the other side of the freedom coin—responsibility.

We, the American people, have been offered a new beginning. It is our responsibility to work through appropriate channels to restore confidence in our system of government. The moral fiber of our nation has weakened at the hands of secular Humanists—that element of society which believes that moral values are self-determined and situational. Initative must be taken by responsible citizens to reclaim those standards which are Biblically centered.

President Reagan seemed to catch the spirit of many Americans when he spoke of the need to restore confidence in our government: "So with all the creative energy at our command, let us begin an era of national renewal. . . . I believe we, the Americans of today, are ready to act worthy of ourselves. As we renew ourselves here in our own land, we will be seen as having greater strength throughout the world."

The very fact of new leadership presupposes renewed interest in government, but that is not enough. Those of us who believe strongly in the power of prayer must continually pray for insight and wisdom for our leaders that they, in turn, will make choices which guarantee that government will be representative of the majority. If those who are called by His name will accept the challenge, "national renewal" will be evident.

The preening of America . . . must start with purging apathetic attitudes toward government. It must be strengthened to include a commitment by responsible people to be informed, particularly concerning family and ethical issues. And it must develop to the point of an action-oriented determination that secular Humanism not be allowed to erode those principles upon which our national freedom is built.●

OREGON SHAKESPEAREAN FESTIVAL

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. WYDEN. Mr. Speaker, the Oregon Shakespearean Festival is one of our State treasures. Founded in 1934, this unique festival located in the picturesque town of Ashland in the southern Cascades draws large numbers of families to its annual summer performances.

I would like to commend the Oregon Shakespearean Festival Association for the excellent job they have done to keep ticket prices at an affordable level.

I would like to point out, however, that one of the reasons they have managed to maintain their standing as a "people's program," has been assistance they have received over the years from the National Endowment for the Arts.

Not only is direct funding from NEA important, but recognition achieved through receipt of an NEA grant encourages private donations. Since NEA was established in 1965, private giving has increased 1,200 percent. I find this figure to be fairly astounding.

I would like to share with my colleagues a letter I recently received from the Oregon Shakespearean Festival Association in support of funding for the National Endowment for the Arts funding. It is a persuasive argument.

The letter follows:

OREGON SHAKESPEAREAN FESTIVAL ASSOCIATION,
Ashland, Oreg., March 17, 1981.

Hon. RON WYDEN,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN WYDEN: This is written in response to the Reagan administration's announced intention to reduce the budgets of the National Endowment for the Arts and the National Endowment for the Humanities by 50 percent for Fiscal Year 1982. The President himself, in announcing such a proposal, declared that this particular pull-back by the Federal Government would be more than offset by increased private sector, especially corporate, contributions.

We believe that most Americans identify sympathetically with the goal of getting this nation's economy back on the right track. Most would even support, apparently, across-the-board expenditure reductions that are mindful, equitable and not unduly burdensome on any one or few constituencies. We submit that this particular proposed reduction is neither mindful nor equitable, nor is it in tune with known facts about the present capacities of the private/corporate sector. One is tempted to say that it even verges on someone's notion of the punitive.

As countless articles and news media reports have shown, the downturn of the economy together with incredible inflation are putting the brakes on the recent increases in private/corporate largesse. Except mainly for large oil companies, the story from all sectors of the country is the same: Depressed retail sales, too high interest rates, company lay-offs and cutbacks are all conjoining to cause a pull-back in corporate and foundation gift planning. In short, the President's assumption may be correct for the long-haul, but it could be disastrous for the near-term haul. Many arts organizations simply cannot survive those near-term years on the expectation of extensive increased private/corporate support.

The Oregon Shakespearean Festival Association completed its 46th season in 1980, and is one of the oldest and largest not-for-profit repertory theatres in North America. In 1980, we attracted 265,000 persons to 579 performances of 12 plays in our three theatres. When one considers that only 9 percent of these patrons live within 150 miles of Ashland, and that only 40 percent of all of our patrons come from within Oregon, one can begin to see that, along with Crater Lake, the Festival is one of the largest generators of tourism in Oregon. And tourism is Oregon's third largest industry after timber and agriculture, both of which are having problems. Using the State of Oregon's own conservative multiplier, the Festival has a 1980 economic impact of over $41 million.

Yet we are scrambling to stay alive! Our annual earnings gap has now reached $700,000, or 23 percent of our $3 million 1981 budget, and it is growing. Our "gap" is small compared to the 40 percent to 70 percent plus gaps of other major arts groups. But because of the dispersed character of our audience and our geographic remoteness from major urban centers, we face relatively greater difficulty in meeting this annual need. We have priced our tickets over the years to recognize the travel costs our patrons must bear to see our plays. We have been consciously aware of the needs of senior citizens on small fixed incomes, and of more than 70,000 school students whose contacts with the Festival in 1980 were heavily subsidized by us. Even so, you will note from the enclosed chart that our top ticket prices have increased 50 percent in the last five years. Further increases, together with inflated costs of travel, could make serious inroads on our future sustenance.

In a day when the Federal Government is spending $52 million on military bands, but only $13.5 million on the arts and humanities, such a cutback as that proposed by Reagan, Stockman and company is, to us, unthinkable.

We hope to receive a reaction from you at your earliest convenience.

Most cordially,

JAMES K. SOURS, Ph. D.,
Director, Resource Development.●

FIFTH ANNUAL "SWEET POTATO AFFAIR"

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. LONG of Louisiana. Mr. Speaker, I want to prepare my colleagues and their staffs for a taste of extraordinary tomorrow, April 30.

On that day, the Louisiana Sweet Potato Commission will be providing a complimentary serving of Louisiana yams at lunch in the House dining room. As you enjoy this treat, I hope you will consider these facts about the savory, versatile—and extraordinary—golden Louisiana yam.

A Louisiana yam is technically a sweet potato, but it is different from any other sweet potato in the world. Unlike the dry-fleshed sweet potato, it was scientifically developed to have golden, moist flesh; a copper-toned skin; and rich, sugary taste.

Yams are certainly among the world's most versatile foods. They are available fresh, frozen or canned. They can be baked, french-fried, boiled, stuffed, candied, or escalloped. They can be eaten by themselves or in casseroles, baked into pies and puddings or served as a menu complement to almost any meat.

Do not tell your kids, but yams are good for them. Developers of the Louisiana yam took great pains to give each golden tuber 150 percent of the recommended daily dietary allowance of vitamin A—essential for healthy bones, teeth and skin and crucial for good night vision.

Sweet potatoes have a colorful history. Christopher Columbus thought so much of sweet potatoes that he took some back to Spain with him. DeSoto found sweet potatoes growing in what is now Louisiana.

The word yam, by the way, is thought to come from the Senegalese

word "nyami," meaning "to eat"—which is precisely what I invite you to do with us April 30. Bon appetit.●

SUPPORT FOR COMMUNITY MENTAL HEALTH REFORMS

HON. STEWART B. McKINNEY
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. McKINNEY. Mr. Speaker, on April 14, I testified before the U.S. Senate Subcommittee on the Handicapped in Hartford, Conn., on the problems surrounding the national policy of deinstitutionalization. I include this statement in today's RECORD for the attention and consideration of my colleagues.

STATEMENT OF HON. STEWART B. McKINNEY

Mr. Chairman, I appreciate the opportunity to appear before the Subcommittee on the Handicapped to express my views on the current level of care and services for the mentally retarded in Connecticut.

Over the past two decades, the policy of institutional custody for the mentally retarded in this nation has been virtually eliminated in favor of complete treatment and rehabilitation in the community. As you know this transition has occurred with the goal of universal community care in mind. Today, however, it is clear that this noble goal has produced a fragmented, uncoordinated, and even harmful mental health delivery system which mandates placement of many patients in community settings and encourages frustration and anger on the part of all those affected. In the next decade, therefore, it is my hope that we can bring about a moderation of the emotional rhetoric on this matter and provide retarded citizens the option of choosing the most appropriate and beneficial form of treatment.

In 1963, President John F. Kennedy presented what was to become a national objective for the treatment of our nation's retarded citizens: the transfer of the mentally disabled from large state institutions to small community treatment centers. This approach has been applied primarily in four areas of public social policy: adult criminal justice, juvenile delinquency, mental health and mental retardation. In all four areas policies and programs are carried out at federal, state, and local levels.

Treatment of the mentally retarded as designed by the Kennedy Administration was a massive reform in the delivery of services. The Kennedy goals were threefold: to move treatment centers from state hospitals and training schools to community facilities; to prevent the causes of mental retardation; and intensify efforts to discover the causes of mental retardation. Upon the recommendation of the Joint Commission on Mental Illness and Health, the core of that plan became the Community Mental Health Center (CMHC). The CMHC was designed to provide a broad range of services intended to replace state institutions. Specifically, the CMHC goals were: prevention of unnecessary hospitalization; curtailment of the length of hospital stays when it was required and the assimilation of patients into the community for rehabilitation. Both the representation of social reform and the realization of budgetary savings earned Kennedy's program swift, bipartisan support in Congress.

The refinement and expansion of the Kennedy plan has continued in a rapid yet uncoordinated manner since the enactment of the Community Mental Health Centers Act seventeen years ago. In subsequent years five presidents have endorsed the concept and goals of the program. Federal initiatives helped solidify this approach as the dominant theme in the care of the retarded. In later years, other federal programs, such as Medicaid, Supplemental Security Income, Vocational Rehabilitation, and Development Disabilities, have been enacted or amended to allow more mentally disabled persons to live and be treated in their communities. In addition, Federal District Court decisions have mandated that states direct their rehabilitation effort into the community treatment centers and away from state institutions. In *Wyatt* v. *Stickney* a federal District Court in Alabama ruled that the mentally retarded had a "constitutional right to treatment in the least restrictive setting necessary" and in *O'Connor* v. *Donaldson* the Supreme Court ruled that "a state cannot constitutionally confine a nondangerous person who is capable of surviving safely in freedom without offering treatment to that individual."

I wholeheartedly endorse the aspirations and objectives of the community mental health center movement. I do so in the belief that, where feasible and appropriate, community care is the most proper and humane form of treatment for the retarded. However, upon examination of the current status of community care facilities and programs nationwide, it is clear that the implementation of these original goals has verged upon disaster. This serious lack of progress in attaining national objectives for the retarded is causing hardship, injury, and in some extreme cases, even death.

There are three basic faults with the current treatment delivery system for the retarded. First, there is a critical shortage of community treatment centers. Second, discharged patients are not being rehabilitated in the community thereby causing unnaturally high readmission rates to state hospitals. Finally, the use of nursing homes as a substitute for community care facilities or hospitals is highly unsatisfactory.

The appalling shortage of community rehabilitative facilities is the primary shortcoming of the current community treatment of the retarded. As a result of federal initiatives, rapid discharges of patients from state hospitals into the community took place from 1955 to 1975, causing a 65-percent reduction in the census of residents at state hospitals. Unfortunately, Mr. Chairman, the broad spectrum of community services needed to suitably care for the newly discharged patients was not established. As a result patients were abandoned to a neglected, uncertain existence. A 1977 General Accounting Office report on the Mentally Disabled (defined therein as the mentally ill and the mentally retarded combined) stated "many mentally disabled persons have been released from institutions before sufficient community services and facilities were available and without adequate planning and followup. Others, enter, remain in, or reenter institutions unnecessarily."

While many mentally disabled persons have been released from institutions and placed in group homes, foster care homes, and supervised apartments, with a satisfactory range of services, others have not fared as well. The GAO report described many community residences as "overcrowded, substandard, and dirty facilities, without provision being made for needed services." Importantly, the GAO report found that these problems occurred in "all of the states we reviewed. Studies done by others identified this problem in other states." In extreme cases, Mr. Chairman, the poor condition of a boarding home due to a lack of Federal and State minimum standards, and inadequate support staff has led to death for some residents. In 1980 and early 1981 a total of sixty-four residents of several New Jersey boarding homes perished in fires. According to preliminary reports of the U.S. House of Representatives Committee on Aging "most victims appeared to have been recent residents of state institutions for the mentally impaired or retarded." We cannot allow patients to be discharged to facilities of such poor quality which may endanger their health and well being.

The second glaring weakness of the current method of community care is the significant increase in readmissions to state hospitals. According to a 1978 Scientific American, article, "admissions to state hospitals increased from 178,000 in 1955 to a peak of 390,000 in 1972 and had declined to only 375,000 by 1974. Moreover, a growing proportion of these admissions were readmissions with about one-half of the released patients readmitted within a year of discharge." While the Department of Health and Human Services no longer collect admissions data from state institutions, a study conducted by the National Association of Superintendents of Public Facilities for the Mentally Retarded stated "the primary reason for the readmission was a lack of community services such as living accommodations, comprehensive services, and followup. The failure to adjust to community living and community rejection were also cited as factors." This readmission syndrome reached the absurd in Nebraska where twelve patients have been released and readmitted a total of 127 times and one patient has been readmitted 27 times. I point this out only to present the lack of a comprehensive, coordinated, and effective nationwide community rehabilitation system. Finally, the use of nursing homes has in effect transferred patients, not to a community setting, but from one institutional setting to another. The National Center for Health Statistics showed a 48-percent increase in the number of nursing home residents with mental disabilities from 1969 to 1977. One of the prime goals of the Kennedy reforms was to place patients in small, community-based homes. However, a study by the Department of Health and Human Services concluded that "more than fifty percent of the nursing homes residents were in facilities with 100 beds or more and about fifteen percent were in facilities of 200 beds or more." In addition numerous incidents of questionable practices have emerged concerning the unsupervised care received in Skilled Nursing Facilities and Intermediate Nursing Facilities. The 1977 GAO report stated "many of these are not staffed or prepared to handle the developmental or pyschiatric needs of the mentally disabled. Some did not meet safety or patient care standards. Some were so large in effect, that persons were moved from one institution to another." The net effect of this policy is not a community environment conducive to rehabilitation, as President Kennedy outlined but another form of an institutional environment with substandard levels of care.

Clearly the appalling lack of necessary community services, the extraordinarily high hospital readmission rates, and the extensive use of improperly administered nursing homes, indicates that the goal of rehabilitation in the community has not been accomplished. Because the responsibility for the mentally disabled is generally fragmented and unclear many have suffered needlessly. I am very concerned that under the guise of community care many states are using a poorly written federal policy and the potential for budgetary savings to clear institutions of patients and "dump" them in the community where they are without even minimal services. In short, we have moved from institutional "warehousing" to community "warehousing". Since this policy can no longer be tolerated we must act to restore the use of state hospitals when community facilities are unavailable. This option, if not the most desirable, is certainly more humane than allowing the mentally disabled to be released to a life of uncertainty, unspeakable squalor, and possible death.

Mr. Chairman, I want to reiterate my conceptual support for the community mental health center reforms. Where appropriate and feasible they represent the best possible care for the retarded. However, premature implementation of total deinstitutionalization is irresponsible, immoral, and a disservice to those retarded citizens it intends to serve. While analyzing this issue my goal will be to allow specific treatment for an individual to be determined, not on the basis of ideology, but according to that individual's need for services. While individuals should not be placed inappropriately in institutions, neither must they be dumped indiscriminately onto the streets. The states should maintain a full range of high quality comprehensive community and institutional services in order to best meet the needs of the mentally disabled. With this in mind, I have solicited comments from mental health directors, professional associations, parents groups, and other interested parties to determine what is necessary to achieve this solution, in an equitable manner.

My statements today are not for the purpose of criticizing any group or organization, but to point out how far we have strayed from our original intentions. Nor is it my purpose to suggest a radical deviation in our national policy for the mentally disabled. Rather it is my hope that the community mental health system can continue in a more rational and reasonable manner, providing the greatest possible alternatives for mental health care and services. While it cannot be said that we have failed completely, it can be suggested that the way we are proceeding is unsatisfactory. We can do better and for the sake of those served, we must.●

ALBERT H. KRAMER—A DEDICATED PUBLIC SERVANT

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. SCHEUER. Mr. Speaker, it is a fact of political life that, when a new administration takes office, a large number of dedicated executive level public servants are required to take leave of their positions so that the policies of the new administration can be effectively carried out. That is as it should be.

Nevertheless, it is inevitable that this transition often leads to the loss of highly dedicated and capable civil servants who have endeavored in the course of their duties, not to promote the interests of any one party, but rather to serve the public. While it has become fashionable to decry the control that faceless bureaucrats have over our lives, the fact is that we all depend on these men and women to carry out the important day-to-day activities of our Government and that, for the most part, they are capably doing the difficult jobs that we in Congress or in the White House have asked them to do.

Most of our civil servants never get our thanks when they have done their jobs well. From time to time, however, it is appropriate to recognize the accomplishments of a few individuals who have performed their jobs in an outstanding fashion.

One such individual is Albert H. Kramer, who, for the last 3½ years, has been the Director of the Bureau of Consumer Protection at the Federal Trade Commission. Anyone familiar, as I am, with the enormous storm of controversy over that agency during the last several years, knows that his job has been a most difficult one. Members of Congress have been besieged by an army of powerful special interest groups, all seeking exemptions from FTC actions designed to do no more than give consumers a fair break in the marketplace. We have heard from funeral directors, who do not want to tell consumers about options and prices; used car dealers, who do not want to tell consumers about their lemons; dentists and doctors, who do not think the rules of fair competition should apply to them, and countless other special pleaders.

Throughout this unparalleled attack by a powerful coalition of special interest groups, Al Kramer has set a clear and steady course. He came to the Hill time and again to explain, calmly and cogently, the purpose behind the various FTC actions under attack. He avoided rhetoric and focused on the real issues, rejecting staff proposals or consumer group proposals which went too far, and supporting proposals which had a sound basis.

Within the Bureau, Al Kramer was instrumental in bringing a sound policy and economic analysis to all major consumer protection actions to be certain that the benefits of those actions outweighed their costs. That type of tough analysis did not always win him friends within the FTC, or indeed, with some consumer groups. But I believe that it has brought a significant measure of integrity to the FTC which will, in the long run, be to the benefit of the agency and to all American consumers.

Mr. Kramer was also responsible for refocusing the attention of the Commission on an issue which really affects consumers, particularly our elderly and less affluent citizens; the ever-increasing menace of inflation with respect to health care, transportation, energy, and other unavoidable essentials—even the high cost of dying. His solution to this problem was a healthy dose of fair competition * * * hardly a radical response. Other important problems were also addressed, such as the declining quality of many of our consumer products, the ability of sellers to avoid fair competiton by not disclosing critical information about their products, self-imposed voluntary restrictions on competition by many professional groups, such as lawyers and doctors; and others, too numerous to list.

The consumers of America owe Mr. Kramer a debt of gratitude. In a time when consumer protection has become a synonym for overregulation, Mr. Kramer has maintained the momentum of the consumer protection mission of the FTC by carefully tailoring the activites of the agency to those areas where consumer harm is the greatest and where FTC action is most likely to have the greatest benefit.

Mr. Kramer's hard work—his legendary late nights and frequent weekends at his desk—may well go unnoticed by most of the Americans who will most benefit from that work. But for those of us who have had the privilege of working with him, it is only appropriate for us to stop, in the midst of this transition to another administration, to simply state our appreciation for a job well done.●

A TRIBUTE TO OMAR BRADLEY

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. JEFFRIES. Mr. Speaker, on Wednesday, April 15, 1981, America lost the last of her five-star generals, Omar Bradley. General Bradley was known by his troops as the "GI General," and for good reason; he took them through the trials and conflicts of World War II with care and compassion, with a true concern for the well-being of the men under his command. He ate, slept, and marched with the guys who had to face the hardest tasks—the average GI whose job it was to spearhead a drive into the Nazi lines. He did this because he knew, as a good leader should know, that the men under him were his most valuable resource.

Like many of my colleagues, I fought in the Second World War, and I know firsthand of the dedication of the men who fought under General

Bradley, as well as his own dedication to American ideals and causes. There can be no doubt, in these days when we must question the strength of our national defense, that America will sorely miss the proud leadership and caring of Gen. Omar Bradley.●

SPENDER MOURNS BYGONE ERA

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. LEBOUTILLIER. Mr. Speaker, as the majority and minority parties in the 97th Congress begin to sharpen their arguments and line up votes in anticipation of a showdown over President Reagan's budget cut proposals, I feel it necessary to bring to your attention, and the attention of my distinguished colleagues, an analysis of where we stand at this point in the legislative process and our Nation's history.

The political pendulum swings slowly, but surely. Over the years, we have witnessed an ebb and flow of opinion and policy, and acted, more or less, in accordance with the mandate of the American people.

I submit to you, Mr. Speaker, that the pendulum has swung away from the policies of the recent past. That is a fact transcending political considerations.

This is a time for badly needed change. The observations contained in the following article are not partisan. Rather, they reflect the learned experiences of a distinguished member of the Capitol Hill press corps.

There is no greater critic, no greater skeptic than a member of the free press—and rightly so. It is their responsibility to report facts and relate, as best possible, the impact of an event or trend.

I believe this reporter has fulfilled that responsibility well. I also believe he speaks the truth when he suggests that the days of big Federal spending are gone.

Mr. Speaker, as the great debate over the President's budget cuts continues, I hope you will keep the sentiments of this thoughtful work in mind.

The article follows:

[From Newsday, April 8, 1981]

SPENDER BEMOANS CHANGES

(By Myron S. Waldman)

WASHINGTON—One of the last of the big-time spenders sat in front of bacon and eggs yesterday and mourned the twilight of the dwarfs.

"I remember when a doctor came in and told us the average dwarf was 26 inches high," House Speaker Thomas (Tip) O'Neill (D-Mass.) told a group of reporters at a breakfast meeting. "He said he could increase that to 52 inches. He brought in six dwarfs. Magnuson [former Washington Sen. Warren Magnuson] put in $45 million [for research].

"I remember putting in $18 million for knock knees. I put in $160 million for research on cancer of the breast. I put in money for research on spinal injuries. Whales can fuse [their spines]. China and the Soviet Union were doing research, and the greatest nation on earth wasn't. There are thousands of veterans who need it.

"We used to be able to sneak them [the money bills] in. Nobody knew. Nobody is going to be able to do that anymore.

"There are 150,000 dwarfs in America."

The silver-haired six-footer continued his reverie. "Does anyone have an obligation?" O'Neill demanded. "Is that the obligation of federal government? I think it is."

He kept talking. "I'm just giving my philosophy of government," the nation's most powerful elected Democrat said, as he dwelt on past government efforts to help people. "That day is gone now. The people are more interested in a second home, better recreation, more education."

"It's a combination of many things. Fifty-seven per cent of America was impoverished when Roosevelt was in. Now it's 8 per cent. I don't want to say people have changed. I don't want to say people are selfish. With affluency, people change."

At a moment in history when the word "spend" is political death for a member of Congress, O'Neill grinned and said without being asked: "I've been one of the big spenders of all time. The southern press has been murdering me. Ah, I've been a big spender."

There is pride in his words as he remembers the spending of the in-power Democrats. "During the last 50 years, we built America," O'Neill said. "The record is out there for proof of that. Middle-class America was developed."

But then, O'Neill acknowledged, the Democratic Party became tangled in what it had wrought. "Too much red tape," he said. "Too much idealism. Too many people from the academic world. Not enough from the business world."

"In many instances, we went too far."

Examples? "Clean air. Clean water," O'Neill said. "The '80s are a different era. We appreciate our mistakes."

Now, he predicted, the Democrats will rescue President Reagan from what the speaker says is another mistake. The administration, O'Neill said, will get only a one-year, 10 per cent cut, not the longer-term 30 per cent tax cut it is so ardently seeking. "There are only three members of the Ways and Means Committee willing to vote for Kemp-Roth," O'Neill said.

As for the budget cuts, O'Neill said that in the dollar figures they will come out pretty much the way Reagan wants them, pretty much the way the Republican-controlled Senate passed them. But those cuts, he said, will be made in somewhat different programs. He said they will be more along the lines outlined by House Budget Chairman James Jones (D-Okla.). Despite the fears that Reagan has a mandate from the people, O'Neill went on, the divided Democrats "have been able to put a coalition together" on the budget cuts.

His strategy of ordering his committee chairmen to hold hearings on the cuts, with the witnesses not being academics but those who are affected by the proposed slashes, is starting to have effect—at least according to the speaker. Conservatives in the House, he said, are starting to tell him about the howls from local officials over proposed cuts in money for school lunches.

Other programs, he admitted, are finished, "CETA is gone," he said of that public jobs hiring program. "We'll stay with the training programs."

O'Neill also had a confession. He really likes Reagan. "He has more charisma, more class, more 'duende'—That's a Boston expression [for class]. He's got political smarts. He's hip. He's tremendously disarming. As an individual, I think he's terrific."

Two weeks ago, O'Neill said, his mail finally began to swing against Reagan. But then came the assassination attempt. When he visited Reagan in the hospital, O'Neill said, he had to tell the wounded President the truth—that since the shooting he had received 1,400 letters in favor of Reagan's programs; 450 against. Reagan, O'Neill said, responded from his hospital bed with: "That's the greatest news I've heard today."

The Speaker of the House was done. Sadly remembering the nearly filled plate that the waiter had taken, he said: "I want to thank you for that one piece of bacon."●

NO CONSTITUTIONAL SHORTCUTS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. EDWARDS of California. Mr. Speaker, opponents of the Supreme Court's decision setting forth the right of women to choose abortion apparently have come to the conclusion that they lack the two-thirds vote necessary to propose an amendment to the Constitution overruling that interpretation of the 14th amendment. Unfortunately, they have set upon a course calculated to bypass the law of the land—a statutory proposal that would dramatically alter the meaning of the Constitution. Such an approach is dangerous and foolish, for it would create a precedent devastating to the very fabric of our form of government. The Los Angeles Times, in a recent editorial, stated this problem well:

BAD, BAD, BAD

The 14th Amendment to the U.S. Constitution denies the deprivation of "life, liberty or property without due process of law." Some members of Congress would like to redefine when a person's life begins so that abortion would be illegal. They are seeking to throw out legislatively a Supreme Court decision that they lack the valid constitutional arguments to have overturned judicially or the political strength to change through the normal process of amending the Constitution.

On Thursday and Friday, a Senate subcommittee on the separation of powers will hold hearings on a bill sponsored by Sen. Jesse Helms (R-N.C.) and Rep. Henry J. Hyde (R-Ill.). It seeks to resolve a question left open in the Supreme Court's 1973 Roe v. Wade decision that legalized abortion. The question: When does life begin? The Helms-Hyde measure says life begins at conception. If passed, the bill would allow states to pass laws abolishing both abortion and some birth-control techniques that work after conception.

This attempt to redefine the Constitution is bad law and bad public policy, not to mention bad news to women in general. From the viewpoint of some anti-abortion forces, the bill is even bad politics. They disagree among themselves on what tactics would best achieve their ends—whether to reach for legislation that might well prove unconstitutional and would be unwieldly to implement, or for a constitutional amendment.

Doctors invited to testify this week must limit their comments to the immediate question of when life begins. There can be no discussion of the constitutional issues or of enforcement if such a simple-minded law were passed. Is this any way to write legislation?

If the Helms-Hyde bill passes, the damage to the Constitution and the tested methods of revising it could be irreparable. Those able to command a simple majority could then redefine anything, without having to submit fundamental changes to state legislatures as required now for constitutional changes.

And, if the Helms-Hyde bill passes, it will raise many more questions: Will an abortion after a rape be murder? Will there be a bureaucracy—a Federal Bureau of Pregnancy Investigation, perhaps—created to check on the termination of each pregnancy?

It is ironic that many of the same groups determined to get government off people's backs are trying to give government a new role in one of the most personal of all decisions—whether or not to bear a child.●

SENATOR GLENN ADDRESSES GODDARD MEMORIAL DINNER

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. FUQUA. Mr. Speaker, recently Senator JOHN GLENN gave a very thoughtful address to the Goddard Memorial Dinner of the National Space Club. In his remarks Senator GLENN argued forcefully that the United States now stands at a critical crossroad with respect to the exploration of space and indeed all research and development. While we do have to deal with the problems of inflation that we face today, we also must look ahead and make sure that we do the research now that will provide for tomorrow's innovation and productivity growth.

The Senator's remarks are timely and cogent, and for that reason I am inserting them in the RECORD, to make them available to all Members.

REMARKS OF SENATOR JOHN GLENN

Thank you, Jim (Hart) for that most gracious and generous introduction. You know, I find it almost unbelievable that we are fast approaching the 20th anniversary of my flight in Friendship 7. Twenty years! Although I was reminded tonight that my own adventure in space is now almost two decades old, I am delighted to be here and am deeply honored that the National Space Club asked me to participate in this year's Goddard Memorial Dinner. Tonight's dinner is particularly special, since we are standing on the thresh-hold of the Space Shuttle launching. It is altogether fitting that the calendar has brought these two events together. For just as Robert Goddard's rocket experiments in 1926 ushered in the Space Age, so the launching of the Space Shuttle will open a whole new era—an era in which man will probe ever deeper into this Last Frontier.

With the Space Shuttle, the possibilities are as exciting as they are unlimited. It is the largest, most powerful and most complicated space vehicle ever launched. Because it is reusable and can return from space to land like an airplane, it is both versatile and economical. It will dramatically increase our knowledge of Earth and its resources—and perhaps even provide us with clues as to how we can someday become independent of the Earth's environment. In 1983, the Shuttle will launch the Space Telescope, a 22 thousand-pound piece of equipment that will enlarge our view of space seven-fold and bring us closer to answering age-old questions concerning the origins and nature of life, matter and energy. And as important as these cosmic questions are, the principal justification of our space program lies in the benefits it provides not just to us in the future alone, but to us in the here and now—benefits which will enhance the lives of each and everyone of us. And, although estimates vary, some experts have suggeted that the space program has had a cost-benefit ratio as high as 8 to one.

But, perhaps equally inportant, the Space Shuttle will signal America's return to space after an absence of almost six years—an absence that has not gone unnoticed in the world community.

Let us reflect for a moment on the theme of this evening's program: "A Time for Decision." In the Spring of 1981, that theme is particularly appropriate. It is appropriate because America today truly stands at a critical crossroad—not only with respect to space, but also with regard to the broader issue of all U.S. research and development. And like the traveller in Robert Frost's immortal poem, the road we choose will have enormous impact on our future—and that of our children today.

Today, man's most fundamental tool in the quest for knowledge—basic research—is under sharp attack. Evidence of this hostility is all around us. It manifests itself in the shrinking number of research grants available to our universities. It is apparent in the devastating slashes that have been proposed in the NASA and National Science Foundation budgets. And it shows up even in the halls of Congress where important basic research is often cynically disparaged and presented with facetious "awards" which imply that it is little more than a clever rip-off.

Similarly, many Americans greet our return to space with something less than enthusiasm. For these people, space exploration is too costly, too visionary and too far removed from such "real world" problems as hunger, disease and poverty.

Does research sometimes seem unrealistic? To those enmeshed in the complexities of the "real world", it is bound to seem that way at first—just as it always has in every historical epoch. But let us remember that we ourselves live in a "real world" created by previous generations of emigrants who set sail from another "real world" in pursuit of a dream.

Is exploration of the unknown merely an "escape" that we can no longer afford? Was our first human ancestor who rose on two legs to discover new horizons "escaping" the problems of his age? We could go back in our minds to see a group of cavemen. Perhaps we could see one adventurous caveman in the group who is sitting with his peers, wondering what's over that nearby hill. And his fellow cavemen are telling him he's crazy to think about going beyond the hill. "We have enough food here, and only 15 percent of our people died in the cave last year. Why go over there?" they're asking him. Well, he goes over the hill anyway, and he finds some different types of food; there's even more sun than he had in his own valley. He returns home with his treasures, finding years later that his people are living longer, becoming more healthy because of the treasures he brought them.

Did Columbus, Vespucci and Cabot "escape" the problems of their age or contribute to their resolution by going beyond that next hill or ocean? Again and again history demonstrates that when solutions at hand don't solve the problem, it is time to reopen the quest. Only by doing so can we reap those marvelous by-products of the inquisitive, innovative and inventive mind and discover the unexpected possiblities that emerge when we encounter unknown worlds either at the end of a telescope or a microscope.

Does research and development seem a fanciful extravagance unlikely to produce tangible results? Let us remember that the one thing we know about research is that it is not amenable to the rigors of cost accounting. How can we know in advance what we're looking for? Or, what we'll find? Rarely can we see at the outset what ultimate benefits research will bring us. If you doubt that, listen to what the astronomer, William Pickering, said about air flight after the invention of the airplane:

". . . the popular mind often pictures gigantic flying machines speeding across the Atlantic carrying innumerable passengers . . . It seems safe to say that such ideas (are) wholly visionary, and even if a machine could get across with one or two passengers, the expense would be prohibitive."

Or, let us recall that the Edison Power Company once offered Henry Ford a managerial job, but only, as Ford put it, "on the condition that I give up my gas engine and devote myself to something really useful." And before we condemn specific scientific undertakings as foolish, let us recall that in 1945, Admiral William Leahy chided the development of the atom bomb by telling President Truman:

"That is the biggest fool thing we have ever done . . . The bomb will never go off, and I speak as an expert in explosives."

Or, we could go back and look at the technologists' record at forecasting the future. Their long-range record is even worse than that of today's economists. Technology forecasters in the 1930's, for example, missed the development of the computer, atomic energy, antibiotics, radar, and the jet engine.

I'm also reminded of a statement Daniel Webster made in the U.S. Senate when the Senate was trying to decide whether to spend more money to get west of the Mississippi River. His statement was to the effect that he could see no reason why to go out into this area of prairie dogs and wild savages, of howling winds and blowing sands. He finished his remarks by saying.

"Mr. President, I would not devote one cent from the U.S. Treasury to bring the West Coast one inch closer to Boston."

It will be twelve years ago this summer that Neil Armstrong and Buzz Aldrin first walked the cratered barrens of the moon. Many people assumed that the sole practi-

cal value of our space program lay in the political victory we achieved in beating the Soviets to the lunar surface. Many regarded our space effort as a cosmic drag race with the Soviets. And, if the moon was the finish line in the minds of those Americans, then we won the race and could quit our space efforts.

But, there was a significance to our landing on the moon that goes far beyond the satisfaction which comes from a dramatic and spectacular victory in international competition.

The success of the Apollo program gave mankind initial access to the literally infinite resources of the universe. Few Americans fully realize the extent to which the uses of space have already affected our daily lives since we achieved that initial success. Consider the following:

We now make quick, clear intercontinental telephone calls at half of what it cost 10 years ago, thanks to the ever more versatile and reliable communications satellites pioneered through our space program.

Satellite technology also permits us to transmit sharp, full-color television coverage of events transpiring anywhere on the globe having a mammoth impact on how man relates to man around the world. I think it would be fair to say that we've lived in a time when television stopped the first war—as we found in Vietnam.

Countless thousands of human lives and many millions of dollars have been saved through satellite warning of hurricanes, typhoons and other severe storms. The increased knowledge of Sun-Earth relationships acquired through such efforts as the Space Shuttle will permit far more accurate weather forecasts in the future and perhaps even the ability to modify weather and climate. We have found, for example, that during times of high solar activity, the Van Allen Belts moved, changing the hearing of the upper atmosphere as well as the flow of the jet-streams. The result was a change in our weather here on Earth.

Our digital watches, hand-held calculators and desk-top computers are direct derivatives from the integrated circuit technology developed for the Apollo spacecraft.

We can now navigate ships and aircraft to within yards. This equipment is even available for pleasure craft on the Chesapeake Bay, providing navigational fixes with the help of satellites.

Aircraft, automobiles, ships and even buildings are now more structurally sound and thus safer, due to the use of a computerized structural analysis technique developed for the construction of spacecraft.

And, worth every penny spent on the entire space program, is the increased security our nation has because reconnaissance and early warning satellites make a surprise attack on the United States more costly, less feasible and, therefore, much less likely.

And yet, despite these life-enhancing spinoffs, despite the fact that space research and development, even in its infancy, has provided the cutting edge of our technological superiority for almost 20 years, we are not pressing our advantage in space. We are all but abandoning portions of our civilian space program. The Administration's proposed NASA budgets for 1981 and 1982 will provide even less money, given inflation, than that agency had in 1969, the year Apollo 11 landed on the moon. The depressing result is that, except for the shuttle, the only new space missions that will be undertaken between now and 1986 are two that had been planned but previously deferred.

This is expecially disturbing in light of the stepped-up space activities of other nations. Since the last manned American Flight in 1975, there have been 21 manned Soviet flights. During that period, America remained earthbound while Soviet cosmonauts accumulated two years of spaceflight time.

The Soviet Union plans to orbit a permanent, 12-man space station by 1985. And some observers believe that the U.S.S.R. will soon announce its intention to send a man to Mars by the end of the decade. In addition, France and West Germany are hard at work on a low-cost booster that could corner the launch business. In a joint venture, China and Japan hope to orbit two astronauts for a full week by the end of 1986.

The loss of our once commanding lead in space should both embarrass and frighten us. We should be embarrassed because we are consciously choosing to default rather than to compete. We are consciously choosing that we will let other nations be the "first to know, to discover the new, to have available to them, first, the new information on potential energy sources, of earth resources analysis, of space weightless manufacturing, and of so many other things.

And we should be frightened because that default could some day prove literally fatal. Many experts are convinced that much Russian work aboard Salyut has been directed toward military applications of space research—applications such as electronic surveillance and satellite interception. Although I'm not one who sees a threatening Soviet behind every lamp post, but, given what we see going on in the world, God help us should we ever reach a decidedly inferior position in space while the Soviets develop not only "eyes and ears" in space but weaponry systems as well.

Currently, the Soviets are believed to devote 2 to 3 percent of their GNP on space—six times more than we spend. If we allow these trends to continue, we may soon find ourselves worrying about far more than balanced budgets or the relative wisdom of supply-side economics.

But a crucial point I wish to emphasize tonight is that the challenge confronting America in the areas of research and development is by no means confined to our space program. On the contrary. Whether we speak of national defense, industrial strength or energy independence, research and development is an indispensable tool for realizing our objectives.

Historically, America's willingness to facilitate and invest in research has been the touchstone of her pre-eminence. This point is well-understood by our international neighbors. In 1969, for example, Jean Jacques Servan-Schreiber, the French author and politician, wrote a book entitled, "The American Challenge." One of his central themes was that the United States surpassed the rest of the world economically and industrially not simply because of our waving fields of grain or purple mountains' majesties but because from our inception as a nation we had always promoted and financed inquiry into the unknown. We had devoted a larger part of our GNP to research than any other nation in history.

Piece by piece, increment by increment, new advances in knowledge multiplied—until, finally, a quantum leap forward was made possible. Research, and the technology we developed to exploit the fruits of that research, made America the wealthiest, most powerful and most productive nation on Earth in a tiny time frame in history.

In the 12 years since the publication of The American Challenge, however, there is mounting evidence that we are killing the proverbial goose that laid the golden egg. Over the past 15 years, the proportion of America's GNP invested in research has steadily declined, dropping over 20 percent between 1965 and 1979. During that same period, West Germany's investment in R & D climbed by 41 percent of her GNP, Japan's rose 27 percent and the Soviet Union's increased by 21 percent. These figures take on added economic significance when it is recognized that 50 percent of all U.S. research is defense-related, while less than 1 percent of Japan's and only 8 percent of Germany's is spent in the same fashion.

It is, therefore, hardly an accident that since the close of World War II, other nations have become alternative sources of industrial innovation. We're seeing employment leave our nation far too often. Nor is it coincidental that U.S. productivity and economic growth have lately been falling. Studies by such renowned economists as Edward Denison have shown that "advances in knowledge" constitute the single most important source of productivity gain, as well as of overall economic expansion. So while the U.S. economy may still be the world's largest, it is no longer the most efficient or the fastest growing.

Fortunately, American industry has recognized the danger and has been moving to meet it. According to a recent study by the National Science Foundation, industrial research and development has been rising in real terms since 1972. In January, Battelle's Columbus Laboratories forecast a continuation of this trend in 1981 and predicted that industrial R & D funding would climb 13 percent over last year's level.

Welcome as this news is, we must not be lulled into a false sense of security. For one thing, much of our industrial R & D is devoted simply to meeting the requirements of government regulation, rather than to the kind of risk-taking research that promises true technological breakthroughs. Historically, American industries have concentrated their efforts on applied R & D, leaving basic research mostly to the government and academia.

Each side works in relative isolation and collaborative research is often studiously avoided. In constrast, our competitors in Europe and Japan link industrial research to government and academic science. The result is that they are now surpassing us in a growing number of fields, perhaps the most conspicuous of which is the production of new scientific instruments. In my view, America can simply no longer afford a continuation of our traditionally "arms-length" research relationships. If we are to meet the challenges ahead, it is vital that we begin to encourage cooperative research ventures between the public and private sectors.

But even that will not be enough. We must also recognize that expanding industrial R & D does not mean that the federal government can now begin to reduce its own commitment to research. Much of the basic research needed to achieve energy independence, for example, is of so large a scale and requires so long a development period that it is simply unrealistic to expect the private sector to shoulder the burden alone.

American's dependence on foreign energy sources cost us about $100 billion last year—and it is estimated by some economists to account for between 40 and 60 percent of

the increased inflation we have suffered over the past four years. Because our energy dilemma threatens both our national security and our national economy, involvement by the federal government is, to my way of thinking, clearly appropriate.

So, I am appalled that under the Administration's latest budget proposals, energy R & D has been mercilessly slashed. If these proposals are adopted, by 1982 conservation programs will be cut by 79 percent and solar energy development by 66 percent. Similarly, research on electrical energy storage—which could make solar, wind, geothermal and other alternative energy sources practical and usable—is being cut by 28 percent in 1981 and by almost 33 percent in 1982.

If I had one energy wish tonight, it might surprise you what it would be. My wish would be for better electrical energy storage that would enable us to take the power generated by wind, wave, tidal and solar power and store it for later use. If we could store this electricity, and bring it back when needed, as some research indicates we could do in the near future, we would have one of the biggest breakthroughs we've had for some time.

Electrical energy storage would also enhance development of the electrical automobile which could take care of 92 percent of the non-commercial driving we do within 20 miles of our homes. If we let the Japanese and the Germans beat us to the world's first practical electrical automobile, we will have nobody to blame but ourselves. And if that happens, we won't be bailing out Chrysler, we'll be asking for money to make Detroit a great national park on a scenic river.

Now, I fully recognize the need for budgetary restraint in these inflationary times and I support these efforts. But let us not be penny-wise and pound-foolish to what is going to happen to this country in 1985. Let us not seek fiscal frugality by mortgaging our future. And let us recognize that if the energy crisis constitutes the moral equivalent of war, as Jimmy Carter called it, failing to develop alternative energy sources could well be the economic equivalent of suicide. There are many areas today in which it is desirable and necessary to reduce federal involvement. But surely research and development is one area where even greater government support is clearly justified.

In today's world, failing to meet the R & D challenge is the surest way to forfeit our claim to world leadership. It's just that simple.

Let me close this evening with one final thought. In 1962, just before Wally Schirra's Mercury flight in Sigma 7, President Kennedy declared that:

"The exploration of space will go ahead, whether we join it or not . . . It is one of the great adventures of all time, and no nation that expects to be the leader of other nations can expect to stay behind in the race for space."

I submit that those words are equally applicable today—not just with respect to the space race, but also with respect to the global competition in research and development. For that competition may be the most compelling challenge of our age. History has shown that missing or retreating from such challenges almost inevitably leads to a loss of national eminence. Perhaps that is what the Immortal Bard, William Shakespeare, sensed nearly 400 years ago when he wrote:

"There is a tide in the affairs of men which, taken at the flood, leads on to fortune; omitted, all the voyages of their life is bound in shallows and in miseries. On such a full sea we are now afloat, and we must take the current when it serves or lose our ventures."

Thank you very much.●

THE SOVIET UNION AND UNITED STATES-SOVIET RELATIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. HAMILTON. Mr. Speaker, I want to share with my colleagues correspondence I have had with the Department of State regarding the Soviet Union's international role and our relations with the Soviet Union.

I wrote Secretary of State Haig on February 27, 1981, to solicit his perspective on a series of questions relating to broad policy issues to seek clarification of our policies toward the Soviet Union and to acquire any accurate assessment of Soviet domestic and international policies.

In the State Department April 6, 1981, response, there is some interesting discussion of the linkage between Soviet international behavior and U.S. participation in arms control negotiations and of the lack of internal domestic restraints on Soviet military spending and military expansionism with the consequent need for United States and international sanctions.

The correspondence follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 27, 1981.

Hon. ALEXANDER HAIG, Jr.,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: I am interested in your views on the Soviet Union, and I would like to ask you the following questions.

1. Is the Soviet Union dedicated to world revolution?

Is Soviet rhetoric in support of world revolution the expression of an ideal or is it a consistent foreign policy carried out routinely?

What is the record of the Soviet Union in promoting Third World revolutions, and do its successes outweigh its failures?

2. Is the Soviet Union an expansionist power?

If so, in what ways is the Soviet Union expansionist?

What constraints on those expansionist tendencies exist within the Soviet Union and which international and American constraints are most effective in stopping Soviet expansionism?

3. What is the record of the Soviet Union on respecting international agreements?

Have there been any written international obligations to the United States that the Soviet Union has not fulfilled or violated? If so, which cases, and in what specific way have they been violated?

Overall, do you consider the Soviet Union as reliable or unreliable in respecting their agreements?

What is our policy regarding future international agreements with the Soviet Union?

4. Is cooperation with the Soviet Union possible?

If so, in what areas and under what circumstances?

What will be the policy criteria used to make judgments on cooperation with the Soviet Union?

Is balance between cooperation and competition with the Soviet Union still an objective of our policy?

I appreciate your consideration of these questions, and I look forward to your response.

Sincerely yours,

LEE H. HAMILTON.

DEPARTMENT OF STATE,
Washington, D.C., March 31, 1981.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and Middle East, House of Representatives.

DEAR MR. CHAIRMAN: You will recall that on March 12, I acknowledged receipt of your inquiry of February 27, which contained a number of broader questions concerning the Soviet Union. I will address your questions in the order in which you posed them. I want to stress, however, that we are currently undertaking a comprehensive review of our overall policy toward the Soviet Union. The comments provided in this letter should therefore be considered preliminary, pending completion of that review.

To begin with your question concerning the Soviet Union's dedication to world revolution, the official Soviet ideology views international relations as a dynamic process governed by a long-term competition between international communism (led by the USSR) and "world imperialism" (led by the US). Soviet theoreticians and ideological pronouncements often assert that the world "correlation of forces" is already shifting in favor of communism, although there is no attempt to predict exactly when the world communist millenium will dawn. Soviet leaders retain a strong commitment to this ideological vision of the world's future and of the indispensable role of the USSR in bringing it about. But Soviet foreign policy actions are often decisively influenced by pragmatic concerns involving Soviet state interests, and taken after a careful evaluation of both the risks and opportunities of specific Soviet actions.

The Soviet record in promoting "revolution" is mixed. In some areas, such as Eastern Europe, where a Communist system was installed as a result of the physical introduction of Soviet armed forces at the end of World War II, the USSR thus far has been successful in maintaining its hegemony, although it has used military force on several occasions to do so. In cases where "revolution" has taken place largely as a result of indigenous and independent forces (Yugoslavia, Peoples Republic of China), the assumed Soviet gains have often proven ephemeral. Soviet support for "revolution" in the developing world has been largely a function of whether the Soviets believe that a particular "national liberation movement" can be made to serve Soviet State interests. In general, if a "revolutionary" movement or regime in a developing country depends on Soviet security assistance for its success or even survival, its freedom of maneuver is likely to become severely limited; in some cases, such as Cuba, it may eventually become a Soviet surrogate in promoting further regional destabilization. However, the expulsions of Soviet influence from Egypt and Somalia are evidence that Soviet attempts to exploit a security assistance rela-

tionship to establish a strong and lasting presence have not always been successful.

You have also asked whether the Soviet Union is an expansionist power and, if so, in what ways. Historically such actions as the consolidation of Soviet power in the Central Asian republics and the occupation of the Baltic states can only be viewed as expansionist. In more recent years, the Soviets have pursued a military build-up far in excess of their legitimate needs for self defense. The invasion of Afghanistan is clear evidence that Moscow is willing to use those military capabilities in ways which are in violation of established norms of international behavior. Soviet actions in Angola and the Horn of Africa, and Soviet backing for insurrection in El Salvador, are other examples of Soviet lack of restraint in the developing world. These actions reflect expansionist tendencies which threaten our interests and those of our allies and which require a firm and consistent U.S. and Allied response. The existence of a strong NATO Alliance has served well to check any Soviet expansionism in the treaty area itself. To cope with contemporary challenges outside the treaty area, we need an urgent restoration of military forces adequate to protect Western interests and to redress the imbalances created in recent years by an across-the-board Soviet military build-up which has exceeded any legitimate Soviet defense needs. To this end, the Administration has proposed increases in the military budget which we hope will receive full Congressional support.

The increasingly inefficient Soviet economy undoubtedly constrains Soviet expansionism. However, the Soviet regime has demonstrated the ability to concentrate very substantial resources on its military and foreign policy activities to the detriment of the Soviet consumer and other sectors of the Soviet economy. The only reliable constraint on Soviet behavior is in the international arena. Only a firm and unified response by the U.S. and its allies to resist Soviet efforts can provide a reliable constraint on Soviet expansionism. An important role in this is played by the Administration's current efforts to build a new domestic and international consenseus regarding the need to judge Soviet intentions by Soviet actions, and to make clear to the Soviets that there will be no comprehensive improvement of East/West relations unless Moscow demonstrates a sustained pattern of restraint in its international behavior.

Regarding respect for international agreements, the Soviet Union's past record on economic and commercial agreements has been good. In other areas where agreements are not subject to precise verification, especially where ambiguities prevail, its record is less satisfactory. The Administration currently is conducting a thorough review of arms control policy, including compliance issues. It would therefore be inappropriate to form judgments at this time on compliance in the national security area.

As to the policy toward negotiating future international agreements with the Soviet Union, the Administration has made clear its intention to develop areas of mutual interest with the Soviet Union to the extent this is made possible by demonstrated Soviet restraint in the international area and concrete movement toward military balance. Any future agreements concluded with the Soviet Union in any area would have to be balanced, verifiable and contribute to the national interest.

As to your final question of whether cooperation with the Soviet Union is possible, it is our view that cooperation with the USSR should not be viewed as an end in itself. Rather, it is but one element in a relationship which must be considered essentially adversary. The U.S. is open to the possibility of cooperation with the Soviet Union when the benefits of such cooperation are fully reciprocal and cooperation is warranted in light of Soviet international behavior.

I hope that the above will be useful to you. If we can be of any further assistance, please do not hesitate to let us know.

Sincerely,

RICHARD FAIRBANKS,
Assistant Secretary for Congressional Relations.●

NEVER TO BE FORGOTTEN

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. HOLLENBECK. Mr. Speaker, I would like to take this opportunity to commemorate the 38th anniversary of the Warsaw Ghetto uprising. As we know, this event marks the extraordinary courage displayed by the small Jewish community of eastern Poland in resisting Nazi occupation.

On April 19, 1943 the Jews of Muranow, Poland, revolted against their Nazi oppressors in a desperate struggle for their freedom, their dignity, and their lives. These heroic efforts ended in tragedy when the community was completely destroyed and its survivors sent to concentration camps where certain death awaited them.

Mr. Speaker, the Warsaw Ghetto uprising stands as a tribute to every man and woman who died senselessly during one of the most deplorable chapters in human history. We should never forget the depths of human cruelty as revealed to us by the holocaust. I believe that the fierce pride and determination displayed by the Jews of Warsaw as they strove to overcome this terror should also never be forgotten. Their strength and fortitude will serve as an inspiration for free men everywhere.●

NATIONAL CONSUMER COOPERATIVE BANK

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. REUSS. Mr. Speaker, I want to place in the CONGRESSIONAL RECORD the excellent article which appeared in the March 1981 issue of Challenge, the newsletter of the Wisconsin Federation of Cooperatives. The article, by the federation's executive secretary, Mr. Rod Nilsestuen, is a forceful argument for retaining the National Consumer Cooperative Bank. The text of the article follows:

[From the Challenge, March 1981]

CO-OP BANK

(By Rod Nilsestuen)

"We must remember a simple truth. The creativity and ambition of the American people are the vital forces of economic growth. The motivation and incentive of our people—to supply new goods and services and earn additional income for their families—are the most precious resources of our Nation's economy. The goal of this Administration is to nurture the strength and vitality of the American people by reducing the burdensome, intrusive role of the Federal Government; by lowering tax rates and cutting spending; and by providing incentives for individuals to work, to save, and to invest. It is our basic belief that only by reducing the growth of government can we increase the growth of the economy."

With these words, President Reagan on February 18th presented his "Program for Economic Recovery" to the American people. Although few segments of our society will escape the discomfort of this necessary belt tightening, it is clear that most Americans support the goal of economic renewal and are willing to do their fair share to see it accomplished.

I doubt that there are very many groups that share this sentiment as strongly as cooperatives. Cooperatives are owned and run by people who believe in doing it themselves; that hard work, a little pluck and initiative, and working with one's neighbor can achieve more than any amount of well intended governmental action. This may be the reason that, despite major impacts the proposed budget cutbacks will have on many cooperative activities, cooperatives have generally not been shrilly protecting themselves. However, cooperatives would not be acting responsibly if they sat silently by and watched the total destruction of one of the most important cooperative advances in decades.

Perhaps it was inevitable that in the tidal wave of changes put together and proposed in the first several weeks of the new Administration, that some excellent, but relatively small programs would be marked to be swept away, too. It would seem that this is what has happened with the new Consumer Cooperative Bank. Unless some long-time enemies of cooperatives have somehow found their way into the seats of power in the new Administration, it is hard to conceive of any other rational reason why a model project like the Co-op Bank—which was over 20 years in the planning and already running well, only one year into its existence—would be marked for elimination.

Indeed, it is hard to imagine anything which is more in line with the President's goals of:

1. decreasing the role of government in American lives/business;
2. increasing savings and equity investment;
3. reducing government outlays for social services;
4. increasing economic development and creating jobs.

If this is the case, then why the recommended elimination? Clues can be found in the text of the economic message prepared by the GAO. Several quotes are indicative of the lack of understanding of either cooperatives or the role of the Bank.

"Cooperatives in general already enjoy special Federal tax treatment. Those that provide services to their members economically, and have expectations of continued

good earnings and strong management, should be able to obtain adequate credit privately. The use of budgetary resources to subsidize inefficient cooperatives can no longer be justified." "There is no need for yet another Federal agency to provide housing credit."

The complete lack of a factual basis for these assertions is obvious to anyone knowledgeable about cooperatives. It is the sort of ill-founded, anti-cooperative rhetoric that co-op opponents like the National Tax Equality Association have been throwing around for years. However, it's very troubling that, for whatever reasons—whether it be a lack of understanding cooperatives, or bad advice—the White House is now using these spacious arguments as its rationale for totally dismantling the Co-op Bank. The allegation that all sound co-ops have ready access to private commercial credit is disputed by decades of co-op history. The Bank for Cooperatives would not exist as a major part of the Farm Credit System if this was true. Today, not only do local farm cooperatives depend heavily upon the Bank for Cooperatives, but so do major regionals such as Midland, Cennex, Growmark and Farmland, as do even the huge inter-regional cooperatives such as Agri-Trans, Farmers Export and E.C.I. The same holds true for consumer co-ops and the Co-op Bank. Congress intended no "subsidy for inefficient co-operatives." The Co-op Bank makes prudent, market-rate loans to cooperatives that are required to meet all of the standard tests for credit and repayment ability.

Nor is the Co-op Bank a "federal agency." It is a private cooperative institution, modeled almost in complete detail after the Bank for Cooperatives. It was funded with seed money that will be repaid with interest to the federal government. There is no "subsidy." The Co-op Bank is really a model program in which a very small federal investment is used as seed capital to launch an institution which will soon become a private stockholder-owned cooperative institution, required to succeed or fail without further federal guarantee of assistance. It is not welfare; it is not handouts; it is not government bureaucracy. It is really: self-help, local control, local initiative, local people. It is hard to conceive of anything more free enterprise and non-governmental than the Co-op Bank! Cooperatives are private, tax-paying business enterprises. They offer an excellent mechanism for involving greater numbers of people, particularly those of low, moderate and middle incomes, in the free enterprise system. The false premises and misconceptions that have led to the proposed bank cut are not only tragic, but ironic, in light of the Administration's announced goals of reduced governmental intervention and greater reliance on the free enterprise system.

Co-ops offer a proven alternative to more government. And, as is proven every day in the marketplace, cooperatives improve the functioning of free markets. Co-ops provide a chance for people to exert greater control over their own lives, their futures, their pocketbooks.

Let's remember that inflation is the basic reason for all the controversy in Washington and the dramatic actions proposed. We—and our government—would do well to also recall that cooperatives are among the best inflation fighters available.

President Reagan's own Housing and Neighborhoods Task Force recognized this key role played by housing cooperatives: ". . . The most obvious form for low income ownership is the cooperative. . ." ". . . New and existing projects . . . public housing . . . could be made eligible for cooperative ownership . . ." ". . . recommend that HUD promptly design and implement a program . . . to convert selected public housing projects to . . . cooperative ownership . . ."

If the federal government is really serious about fighting inflation, it should be promoting the expansion of cooperatives, not their elimination. Decades of experience by farmer cooperatives with the Bank for Cooperatives have proven beyond question the key and vital role of a cooperative lending institution in the growth and development of cooperatives. Many of our co-ops throughout Wisconsin would not exist today, if it were not for the Bank for Cooperatives. However, the Bank for Cooperatives is not designed to serve all cooperatives, and hence the need for the new Co-op Bank.

It is essential that the Co-op Bank be saved. Cooperatives around the nation are contacting their congressmen, senators, and the White House. The WFC Board of Directors at its February meeting established this as a top priority.

It is vital that you make your voice heard on behalf of the Bank. Only if all cooperatives join together for the common good, can we be successful. We urge you to contact your representative immediately. Should you have any questions or desire more detailed information, please contact WFC and ask about the "Save-the-Bank" effort.●

OUTRAGEOUS OIL COMPANIES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. LaFALCE. Mr. Speaker, hardly a week goes by without another story about a major oil company buying another new subsidiary from a non-energy-related field. First, Atlantic Richfield bought Anaconda; then Sohio felt it had to buy Anaconda's major rival, Kennecott.

All of this is rather interesting in light of the chief argument supporting the decontrol of oil prices. Advocates of that decontrol argued that it would allow the oil companies to sink their increased profits back into intensified exploration and development of new and existing sources of oil.

That argument did turn out to be true in a sense; the oil companies are devoting their increased profits into exploration and development—of shirt companies, electric motor companies, newspapers, copper companies, and simplistic advertisements in the media. All this is deeply disturbing because it distorts capital markets and hinders the development of coal resources and new forms of alternative energy supplies.

In a very forceful editorial in the April 13 edition of Forbes, a damning indictment is registered concerning certain investment practices of the major oil companies. I believe that this editorial in a very reputable business magazine is one of the best analyses of the oil companies' behavior, and I want to share it with all of my colleagues.

The editorial follows:

EDITORIAL

It's downright outrageous that those big oil companies are spending billions to take over major mineral companies instead of using their huge cash piles to develop additional energy sources or for refineries able to handle today's far heavier crudes.

They have the gall (and blindness) to pay whopping prices for copper mines and such and at the same time to cry out loud because the Reagan Administration is going to cut back federal funding for synfuel and other energy research and plant development.

It's one thing to go into coal—that's energy related.

But these other acquisitions are about as "justified" as Mobil was in getting into the cardboard box and shirt business, and Atlantic Richfield into the London newspaper business.

While Prudential Insurance, foresightedly, soundly (and, coincidentally, in the national interest), will be investing $400 million as a limited partner in energy exploration projects, the energy companies are "diversifying" out of energy with their present profits from it.

Is it ignorance or arrogance or what could it be that makes Chevron ($4 billion for Amax), Sohio ($1.77 billion for Kennecott), Amoco (Cyprus Mines), Union Oil (Molycorp), Atlantic Richfield (Anaconda), in a time of national capital scarcity and curtailment of government energy subsidies, engage in such extraneous, gluttonous gobbling?

If they're preparing for the day we run out of oil, it's into other energy sources their billions should be going. We're never going to run out of the need for energy. That's their business—present and future.●

WHO REALLY LOBBIES AGAINST AID TO EL SALVADOR

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. FIELDS. Mr. Speaker, as we all are aware, an increasing amount of attention is being focused on American involvement in the troubled Central American nation of El Salvador.

I, and, I suspect, many of my colleagues, are receiving much mail opposing any American involvement as that democracy seeks to repel Soviet- and Cuban-backed aggression. I feel Members of Congress should know exactly what groups—and what kinds of groups—are mounting extensive and expensive letter-writing campaigns designed to weaken our resolve to defend freedom in El Salvador.

The central issue in El Salvador is not, as many would suggest, America's involvement there. The real issue is whether or not Soviet and Cuban aggression around the world is to be

matched by American resolve to keep men and women free.

For the benefit of my colleagues who will be asked to vote on a variety of issues related to El Salvador over the coming months, I submit into the RECORD an article that will, I hope, reveal the philosophy of those groups seeking to dissuade America from helping give freedom a chance in El Salvador.

[From Human Events, Apr. 25, 1981]

HOW SALVADORAN RED AGENT INFLUENCED U.S. GROUPS

Many of the "solidarity committees" that merged to form the U.S. Committee in Solidarity with the People of El Salvador (CISPES), the national network organizing teach-ins, rallies and protests against U.S. policy in El Salvador, were initiated by Farid Handal, brother of Salvadoran Communist party chief Shafik Handal, in cooperation with members of the Moscow-controlled Communist party (CPUSA) during a visit to the U.S. last year.

This is the major revelation contained in a document that was among those captured last year from the Salvadoran guerrillas and recently made available to reporters by the State Department. The 20-page document, apparently delivered to the Salvadoran Communist party (SCP), records the itinerary of Farid Handal, who visited the U.S. in February and March 1980 as a representative of the Nationalist Democratic Union, the political front of the Salvadoran Communist party.

The document strongly supports charges by Administration officials, including President Reagan, that protests against U.S. policy in El Salvador, at home and abroad, are the result of a "well-orchestrated effort" by international communism. In a recent interview with the Washington *Post*, President Reagan noted that the Communist propaganda compaign "has confused a great many people and many well-meaning people."

Although the purpose of Handal's trip was to organize Marxist revolutionaries across the country into a national solidarity movement, he also met with officials of the National Council of Churches, Rep. Ronald Dellums (D.-Calif.) and members of the Congressional Black Caucus, officials of the United Electrical Workers and West Coast Longshoremen's Union, Amnesty International, the Cuban mission to the U.N., and a group at the Institute for Policy Studies.

Largely as a result of Handal's organizing efforts, CISPES, which openly supports the guerrilla cause in El Salvador, has emerged as the major grass-roots organization opposing U.S. efforts to prevent a Communist takeover of that country. Some of those who have been drawn into CISPES activities include Bishop Joseph Francis, Diocese of Newark, N.J.; Rev. William Wipfler of the National Council of Churches; Sarah Nelson of the National Organization for Women; and Chauncey Alexander, the executive director of the National Association of Social Workers and chairman of the Council on Hemispheric Affairs (COHA).

The Religious Task Force on El Salvador, a member of CISPES, includes Ann Gormly of the U.S. Catholic Mission Council, Tom Quigley of the U.S. Catholic Conference, and other major religious figures.

In New York, San Francisco and Los Angeles, Handal reported that he formed organizations to "coordinate" the activities of existing solidarity committees. In Washington one committee was already in existence. But Handal organized another "with the help of the CPUSA after three talks with different groups backed by them, mostly within the youth movement of the CPUSA." In Chicago Handal helped the existing solidarity group to understand that "the main task is the formation of favorable public opinion."

The document shows that Handal's organizing efforts, though ultimately successful, didn't always go smoothly. In New York, for example, he met with CPUSA members, "independent" Marxist activists, and Trotskyite Communists.

They questioned Handal about the SCP's participation in the first Salvadoran junta. But Handal said they "represented a mix of political ignorance with calculated roguery (malice) with a lot of personal vanity in all of them."

In Los Angeles Handal met with "independent" Marxist activists, CPUSA members, and Maoists who represented three different Salvadoran solidarity groups. "Some of the participants took the attitude of great Marxist-Leninist philosophers," Handal reported. "These philosophers accused as hypocrisy any attitude to not identify the solidarity movements as true Marxist-Leninist movements. They discussed whether this was what was of interest to the population of Los Angeles."

The document shows that during meetings in New York with Kathy Andrade, education director of Local 23-25, International Ladies Garment Workers Union (ILGWU), and later with Sandy Pollack, solidarity coordinator of the Soviet-front U.S. Peace Council, Handal discussed a plan for a national solidarity conference.

Handal said that Pollack suggested that the conference be held under the auspices of the U.S. Peace Council, the National Council of Churches, Amnesty International, the Washington Office on Latin America, "and various important unions of the U.S." Handal said, "The objective of the conference would be to establish a support mechanism for the solidarity committees in those states where it does not already exist."

In New York Handal stayed at the home of "Cecilia," a member of the Central Committee of the CPUSA, and met with four party leaders, including Sandy Pollack, who is also identified as a member of the Central Committee of the CPUSA. They discussed the make-up of "political forces" in the U.S. and El Salvador. "In the end," Handal reported, "they let me know that they did not have all of this information and that they would use it to inform the CC [Central Committee]. And with them fix their position in regard to the solidarity movement in the U.S.A. The meeting lasted several hours."

The national solidarity movement discussed by Handal was founded in two conferences—one in Los Angeles, the other in Washington, D.C.—in October. It emerged as the U.S. Committee in Solidarity with the People of El Salvador and received a favorable write-up in the U.S. Peace Council newsletter of September-December 1980.

The newsletter identified four programs of CISPES: "(1) Stopping all U.S. military aid to the fascist junta and supporting a policy of non-intervention, (2) People-to-people aid in the form of sales of solidarity bonds, (3) Exposing the maneuvers of the American Institute for Free Labor Development, a creature of the CIA. . . . (4) Demanding an end to the news media blackout and full coverage of the regime's repressive offensive."

Actually, the idea of "solidarity bonds" was Handal's. In the report on his meeting with Sandy Pollack, where the idea of a national "support mechanism" was discussed, Handal said, "they agreed to the idea of issuing a series of coupons worth one dollar that they would call credit bonds from the North American people to the Salvadoran people, as a counterpart to the credits given by the U.S. Government to the junta of El Salvador."

CISPES claims that money from the sale of bonds, which are now sold in denominations of 1, 5, 10 and 25 dollars, is used for "humanitarian aid" channeled through churches in Mexico and El Salvador to "the Salvadoran people." However, it's also known that Farid Handal and the Revolutionary Democratic Front (FDR), the propaganda arm of the guerrillas, maintain a bank account in Mexico for receipt of U.S. dollars intended for the guerrillas.

At a Washington news conference on April 9, called by associates of CIA defector Philip Agee for the purposes of "exposing" the captured Salvadoran guerrilla documents as CIA forgeries, Rev. Philip Wheaton, a member of the advisory committee of CISPES, admitted in response to questions that "We met with him [Handal] on two or three occasions and he has participated in some solidarity meetings around this country." Wheaton said that Handal also visited the U.S. in October when CISPES was founded.

However, Wheaton, who was obviously unaware that a detailed report of Handal's trip had fallen into the hands of American reporters, said with a straight face that Handal had no connection to CISPES. "He didn't have any role in forming CISPES," claimed Wheaton. Asked if Handal was in the U.S. to form solidarity committees, Wheaton said, "No. He had no official task with solidarity. He's not on the solidarity committee. That's not his function. He gave us information about what was going on in El Salvador and with the FDR." Wheaton said he thought Handal usually operated as a fundraiser for the FDR, but that he was in the U.S. "on an unofficial basis" and not representing the FDR.

Wheaton's talk about an "unofficial" visit and his denial of a Handal-CISPES link are understandable, say internal security and intelligence experts, because CISPES wants to appear as a U.S. movement not connected with any foreign power. However, these observers also say that the Handal document is prima facie evidence that CISPES has been operating as an unregistered agent of the Salvadoran Communist party, or its front group.

Questions about Handal's mission have also been raised because it is revealed in the document that he met with members of the den of spies known as the Cuban Mission to the U.N. in New York. Handal reported that he met with them at the home of Counselor Alfredo Garcia Almeida, the fourth-ranking diplomat at the mission.

The Cubans suggested that he mask his lobbying activities in order to avoid interference from U.S. law enforcement authorities. "They recommended that I should carry out work of an informational nature about the situation in El Salvador, with progressive congressmen for the purpose of making the rest of my work appear more natural, and in that way to protect my visa," Handal said.

Handal took their advice. He proceeded from New York to Washington, where he

met with Rep. Ronald Dellums, described as "very progressive." Handal said that comrades "Morris" and "Veronica" of the CPUSA "played an important role" in arranging the meeting.

An aide to Dellums "made known that my visit could not have been made at a better moment," Handal reported. "They were interested in better understanding the situation in El Salvador because they were ready to do battle against the hawks who have already strengthened their position and influence in the Senate and Congress of the U.S.A."

Handal reported that Dellums arranged a meeting with the Congressional Black Caucus. It "took place in the liver of the monster itself," Handal said, referring to the House Foreign Affairs Committee room. He reported that the Caucus agreed to come out publicly against aid to El Salvador. "This they did two days later," he said. Handal said that the Caucus also proposed another meeting that would include "those congressmen who represented Latin minorities," i.e., the Hispanic Caucus. "It's good to point out that these people have influence and prestige," Handal said. "In reality, they are able to collaborate even in special promotions where their prestige could mean an effective support."

The document shows that the Cubans advised Handal to contract "Juan Ferreira from Uruguay." Handal said, "I contacted him at WOLA. He helped me at WOLA and the National Council of Churches." Handal also reported that Chencho Alas, a radical Salvadoran priest at Georgetown University, "was another important support" who directed him to Isabel Letelier of the Institute for Policy Studies (IPS). Letelier arranged for Handal to speak at IPS.

Also in Washington, Handal met with officials of the Inter-American Development Bank, including Jorge Sol Costellanos, a consultant. Handal described the bank as "a privately managed group which is very important. This group is well-connected with different organizations of peace, solidarity, the churches, WOLA, etc." He then met with a representative of the PLO. Handal reported. "He said that they could give us very valuable help. The truth is he seemed strange to me and I thought it more prudent to listen only. It was very tiring because the guy talks more than I do."

A number of far-left unions were on the Handal itinerary. He reported a meeting with the United Electrical Workers and the West Coast Longshoremen's Union. Handal identified his contact at the Longshoremen's Union as "Humberto Camacho," who "showed a desire for broad collaboration." Handal said that Camacho proposed that a delegation of Salvadoran trade unionists visit the U.S. "The longshoremen made clear that if the labor union comrades in El Salvador would bring them lists of raw materials or products for import that are vital to the economy of El Salvador, they would make sure that in the ports of the U.S. ships would not be loaded with cargoes for El Salvador."

In San Francisco, Handal reported that he met with "Mrs. Janet" of Amnesty International. This is, in fact, Janet Johnstone, who was then director of Amnesty International's Western regional office. He also met with representatives of the National Council of Churches. They expressed a "desire to collaborate."

The Handal networks have not faded away, of course, and are still operational. In fact, many of the elements contacted by Handal during his visit—labor and religious leaders, "human rights" activists, members of the CPUSA, the U.S. Peace Council, and members of the Black Caucus such as Rep. Dellums and Rep. Mickey Leland (D.-Tex.)—are officially endorsing the planned May 3 "March on the Pentagon" protest against U.S. policy in El Salvador. CISPES is also strongly backing that protest.

Those who participate in the May 3 action should go under no illusions. No matter what their intentions, the result will be aid and comfort to the cause of communism in El Salvador.●

BILLIONS DOWN THE PENTAGON DRAIN

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. CONYERS. Mr. Speaker, politics is filled with ironies. Imagine the case of a large Federal agency that has a long history of mismanagement, waste, and duplication, anticompetitive practices, and that throws money away on projects as if there were no tomorrow. Such an agency would be a prime target for cleanup and reform by an administration and President committed to eliminating waste, fraud, and abuse in Government. True or false? The answer is, remarkably, wrong. While the Reagan administration won office by promising the public it would bring efficiency and austerity to big government, for unexplainable reasons it does not seem interested in going after those agencies that are most culpable.

What agency do I have in mind? The Department of Education or Health and Human Resources? No. The Community Services Administration? No. The Employment Training Administration at Labor? No. The Federal agency that far and away leads the rest in public mismanagement and extent of waste is the Department of Defense.

U.S. News & World Report, April 27, 1981, has published an eye-opening analysis entitled, "Billions Down the Pentagon Drain." Were this analysis undertaken by a more liberal journal, it would be dismissed. The fact that the case of Pentagon waste is made by this particular journal, well known for its respectable analyses and unimpeachable conservative credentials, makes the issue of Defense mismanagement all the more engaging. I urge my colleagues to read the following analysis, as they consider decisions on the fiscal year 1982 budget resolution:

BILLIONS DOWN THE PENTAGON DRAIN

The Pentagon—the only government department immune to President Reagan's budget-cutting ax—is under pressure to clean up its act.

Even the most ardent supporters of greatly increased spending to strengthen the nation's defenses are turning their guns on massive waste, fraud and mismanagement that send billions of taxpayer dollars down the military drain every year.

They warn that the Reagan administration's proposal to allocate 1.5 trillion dollars for new ships, planes, tanks, missile systems and other programs over the next five years will feed the Pentagon's apparent penchant for squandering money on a staggering scale.

The scope and magnitude of the excesses attributed to the Defense Department are underscored by a random sampling of allegations documented by official investigators—

Failure to equip Navy missiles with a $2 firing circuit leaves millions of dollars' worth of these weapons unusable.

Fraud and incompetent accounting in one Army military office resulted in a loss of 531 million dollars.

Inefficient operation and support of the Navy's new F-18 warplane threaten unnecessary spending estimated at 4.1 billion dollars.

Military reservists pocket some 744 million dollars in payments for exercises they never attend.

Upkeep of marginally useful military bases eats up about 443 million dollars annually.

Slipshod billing practices have forced the Pentagon to pick up the tab for 1 billion dollars in foreign arms-sales costs which should have been billed to customers abroad.

A minimum estimate of the cost of military waste is put at 15 billion dollars a year in a study issued by congressional Republicans, who are noted for their staunch advocacy of a strong military posture. Others say the loss is billions higher.

Some congressional leaders, preparing to vote billions of additional defense dollars, are fighting mad over the waste issue. Asks House Speaker Thomas P. O'Neill (D-Mass.): "Should we be expected to rubberstamp [Reagan's] defense budget . . . while the Pentagon leases computers for 1 billion dollars a year that it could have purchased for $200,000?"

The challenges are coming from both the conservatives and the liberals. Senators Barry Goldwater (R-Ariz.) and Howard Metzenbaum (D-Ohio), in a joint letter to Secretary of Defense Caspar Weinberger, complain that "waste and inefficiency have, over the years, become a way of life for too many in the [Defense] department. The nation cannot afford to permit this situation to perpetuate itself any longer."

What is the Pentagon's defense against these charges? For one thing, Defense officials argue, a measure of waste is unavoidable in an enterprise of such gargantuan size and sweep. They note that the proposed U.S. military budget for the fiscal year starting October 1—some 222 billion dollars—is more than double the gross national product of India.

Further, Pentagon officials maintain that political pressures exerted by Congress lead to multibillion-dollar excesses beyond the control of military managers—for example, demands to keep superfluous military bases open and to produce unnecessary weapons for the benefit of local defense contractors.

Whatever the validity of the explanations, Defense Secretary Weinberger, whose budget-cutting propensities earned him the nickname "Cap the Knife" during the Nixon administration, acknowledges the severity of the waste problem at the Pentagon. And he insists that he is mounting an

attack that will result in billions of dollars of savings—a claim that veterans Pentagon observers say must be treated skeptically on the basis of the past record.

WHITE-COLLAR CRIME IN THE MILITARY

The most clear-cut abuses of defense funds stem from fraud, embezzlement and theft. Experts estimate that chiselers skim millions of dollars off the Pentagon budget each year, though no one knows the magnitude of the problem.

One well-established target for ripoff artists: Post exchanges on military bases that function as general stores for uniformed personnel. According to a recent report from the General Accounting Office, Congress's investigative arm, some procurement officers are known to have received kickbacks of up to $150,000 from suppliers in return for inflating orders. Federal courts in Texas last year convicted 15 military men and civilians in a military-exchange fraud case. Six more individuals are under investigation.

These are not isolated cases. A probe of questionable purchasing practices within the Air Force's retail exchange system covered 66 of the system's 372 procurement officers, according to one government report. Abuses of varying degree have been confirmed in 23 cases to date.

Investigators admit they probably detect only a fraction of the embezzlement that goes on—and just as worrisome, they say, is the outright theft of merchandise, hardware and even cash, made easier by lax Pentagon bookkeeping. Inspectors estimate that thieves make off with millions of gallons of military fuel each year, taking advantage of accounting loopholes. A recent spot check of 118 company-size Army units found that 30 million dollars in supplies was missing, some of it presumably stolen.

Careless handling of funds is cited as an open invitation to thieves. For example: During a surprise visit to offices of the Army's Military District of Washington, auditors discovered about 500 checks worth $300,000 lying around on desk tops.

Overseas, too, auditors find scams at U.S. military installations. One case cited in an official report: "Widespread collusion and bribery" riddling the supply system at the Navy's vast shipyard in Yokosuka, Japan. Estimated losses: Millions of dollars.

MISMANAGEMENT

Costly as such activities are, they pale in comparison with the sums squandered by profligate spending and mismanagement. Officials estimate that billions' worth of materials, equipment and fuel are wasted each year through needless purchases, unnecessary operations and inept supervision.

Investigators say the Navy is among the worst offenders. According to the House Appropriations Committee, for instance, the Pearl Harbor Naval Shipyard buys 40 percent more material than it needs for ship repairs—and then throws much of it away. In the Navy's eight shipyards, the overbuying runs to 35.5 million dollars, or about 16 percent of all orders. In one case, government auditors found that the Navy approved the purchase of 5.3 million dollars in parts for ship overhauls at the Philadelphia Navy Yard—even though the yard already had 11 million dollars in identical items on hand.

Elsewhere, the Navy simply permits costly equipment to deteriorate for lack of shelter. Example: Despite plentiful inside storage space, 240 propellers, shafts and components at the Oakland Naval Supply Center had to be junked because they had been left uncovered. Cost: Eight million dollars.

The other services come in for their share of criticism, too. The Air Force, for instance, still bases many of its giant C-5A transport aircraft in California even though they are used primarily on transatlantic hauls. Result: Empty planes crisscross the U.S., gobbling up 73 million gallons of fuel and 40 million dollars a year in the process.

On a wider scale, some 6.9 billion dollars' worth of aircraft are being used for unjustified, noncombat purposes, GAO estimate. The investigative agency notes, for example, that Air National Guard aircraft were used to haul military personnel to a bowling tournament in Tennessee—at a cost of $109,000. Another example is the Navy's use of sophisticated antisubmarine-warfare planes for such routine missions as ferrying parts to repair shops. As one exasperated officer says: "This is like using a Cadillac to deliver mail."

Investigative reports are crammed with citations of logistical waste. One Army facility employs five people full time to maintain and manage 17 vehicles, which are driven less than 100 miles per month. The Air Force is spending 1 billion dollars to outfit 105 bases with extra computers, even though the need for them has been questioned. The military, for lack of proper inventory control, wastes 18 million dollars each year repairing inexpensive parts already in stock. The Pentagon forfiets millions of dollars through failure to recover gold, silver, platinum and other precious metals from property being junked.

Then, there is controversy over the prices the military agrees to pay for some supply items. One former Pentagon official sums it up this way: "There are still 50-cent screws that cost 50 dollars."

THE HIGH COST OF POLITICS

Congress, too, emerges as a prime instigator of military waste, pursuing its desire to satisfy the voters and look after local economies. Military men, in fact, claim Pentagon spending could be cut by 5 billion dollars a year if the lawmakers would put the nation's interests before political considerations.

One classic problem is the legislators' habit of forcing the military to buy weapons it does not want. Congress, for example, lays out millions of dollars each year for A-7 warplanes, built in Texas, even though the Pentagon has not requested these planes for years. Critics assert that at least one factor in the A-7 appropriations is the desire of Texas legislators to protect 2,200 assembly-line jobs.

Congress's hand is most apparent in the stifling of Pentagon efforts to trim the military-base system, which far exceeds peacetime requirements. Over the past five years alone, the Defense Department has suggested 634 base closings or reductions in activity. These moves would have eliminated 30,500 military and civilian jobs and chopped expenditures by 443 million dollars annually. Thus far, most of the facilities are still open, protected by congressmen who see them as vital sources of employment for constituents, rather than as examples of military extravagance.

This vignette underscores the point: One retired general recalls that his first assignment as a junior officer was to draw up a plan to close a particular facility. It was still operating when he left active service decades later. In fact, it was the general's last command.

Still, the Pentagon keeps trying to reduce its sprawling base complex. Weinberger's aides are working on a plan to make cuts of between 750 million and 1 billion dollars in the system. The political outlook: Grim. Says a Senate insider: "Base closings are not a good place to start with these congressmen. They'll clobber him."

INTERSERVICE RIVALRIES

In addition, bureaucratic infighting within the armed services has created a convoluted, overlapping management system worthy of Rube Goldberg.

The Army, Navy, Air Force and Marines all strive to maintain their own logistics and training systems, even though consolidation clearly would produce dramatic savings. Some results of this crazy-quilt arrangement, as uncovered by federal investigators:

The Army and the Navy each run helicopter-training schools, costing the Pentagon 63 million dollars a year more than the expense of a combined school.

There are four separate air forces to maintain—one for each major service. Excess repair-depot costs are estimated at between 250 and 400 million dollars annually.

Ground-repair gear for maintenance of military aircraft is not standardized. Excess cost: 300 million dollars.

The services each insist on independent supply functions, which management experts say could be consolidated to provide common services to all. The cost of overlapping: Some 100 million dollars a year and 4,000 superfluous jobs.

The inefficiency is well illustrated by a situation in California, where seven major military bases operate within a 60-mile radius. Each has its own support systems for police, fire, maintenance, transportation and food service. Consolidation, according to the GAO, would trim costs by millions of dollars.

The mismanagement goes beyond duplicated effort. Defense analysts claim the Navy will waste 350 million dollars on spare parts for its F-18 warplanes by purchasing them years from now, rather than at the time the aircraft are produced. Similarly, congressional investigators assert that the Pentagon incurs pointless transportation costs by shipping fatigues and other battle clothing to sites hundreds of miles from the bases where they are used.

Bad personnel-management techniques are another target of Defense Department critics. The GAO maintains that 57 million dollars could be saved each year by substituting civilians for military personnel in various welfare and recreation jobs. Other analysts say the Pentagon could save 41.5 million dollars in payroll and other personnel costs just by processing bad-conduct discharges expeditiously.

COSTLY WEAPONS

Far and away the biggest money burner comes in buying weapons, where waste and inefficiencies are assuming mind-boggling proportions. If the Pentagon could achieve even modest improvements in this field, says the Congressional Budget Office, it could save some 16 billion dollars over the next five years. Few in the Department of Defense dispute this estimate.

The problem is evident in the spiraling cost of new weaponry. In one report to Congress, the Pentagon concedes that the price tag for 47 major programs soared by 47 billion dollars during the last three months of 1980 alone. Examples: Costs for the F-18 fighter rose by 8.1 billion dollars; for the M1 tank, 5.9 billion dollars; for the Army's new infantry carrier, 5.3 billion dollars; for the Trident submarine, 2.9 billion dollars.

A chronic tendency to underestimate the impact of inflation is a major factor in the increases—but it is only one. Another reason, according to defense analysts: The Pentagon's habit of "stretching out" the completion of a weapons system—creating lower rates of construction that cancel out the economies of mass production. This alone pads the price of weaponry by an estimated 10 to 30 percent.

For example, the Air Force estimates that, by cutting production rates for its F-16 fighter from 15 to 8 per month, the Pentagon increased the total costs for the plane by 1.4 billion dollars. Such production "stretchout" are taking an even greater toll on the Air Force's new TR-1 spy plane, whose price has nearly doubled from 9.3 million to 17.2 million apiece.

Compounding the effect of inefficiency are wasteful industrial practices, spawned largely by political indecision in Washington. Contractors are reluctant to commit billions for cost-saving mass purchases of materials and equipment because they're afraid some sudden switch in Pentagon priorities might leave them holding the bag. Such delays and administrative flip-flops seem certain to boost the cost of the Marine AV-8B Harrier jump jet by 1 billion dollars. The story is the same in many other weapons programs.

How much is lost each year through such inefficiencies? No one can hazard a guess. "It would be too frightening," says Gen. Alton Slay, former head of the Air Force Systems Command. "I am sure it is an astronomical figure."

Another major hemorrhage of Pentagon funds stems from faulty management of giant weapons programs. A classic example: The Trident submarine, an enormous missile-firing ship that was supposed to cost 900 million dollars.

Today, the price of the first Trident vessel has hit 1.2 billion, and it is more than two years behind schedule. The cost overrun and delay are chalked up to extensive repair and reworking necessary to make the sub seaworthy, but there is sharp disagreement as to who is at fault. The Navy blames the shipbuilder, General Dynamics Corporation. But company officials insist that the Navy furnished defective equipment and issued numerous design changes—more than 2,900 in the past three months alone.

Another example: The Army's new main battle tank. It has taken 18 years and three separate designs to produce a tank that was considered urgently needed in 1963. In the end, the entire project—including the false starts—will cost more than 21 billion dollars. That works out to 3 million for each of the 7,058 Abrams tanks that eventually will be produced—compared with the estimate of $420,000 for the version of the tank designed in 1963.

In store may be another program-management controversy, this one involving the Air Force's proposed CX transport—a giant workhorse the Pentagon wants for hauling troops and cargo to Persian Gulf hot spots. The GAO reports that the military has begun awarding contracts for the project, even though its own mobility-design studies are not yet completed. This, the GAO asserts, "could bring about a repeat of the cost-growth and performance problems of the C-5"—an earlier aircraft that ran millions of dollars over budget and requires extensive repairs to its flimsy wings.

Beyond production waste, there is mounting concern over the sheer cost of the Pentagon's love affair with high-technology equipment. Even some Pentagon officials profess to be worried about a practice known as "gold plating"—that is, paying extravagant amounts for small improvements in weapon capability.

Critics point to the Army's new infantry fighting vehicle. They saw that while it packs more firepower than an older model, it costs six times as much and carries 50 percent fewer troops. Then there is the Air Force's hot F-15 interceptor: It is a complex, computerized marvel, but its operation and maintenance costs are twice those of the older, yet still highly capable, F-4 warplane.

Increasingly sophisticated weapons also generate higher training and support costs, one problem that may become critical in the years ahead. "Our philosophy of using emerging technology has generated a cost structure that is growing at a much faster rate than our budget," warns one unofficial Air Force study.

A sore spot. The record of waste is seen by some defense experts as the Pentagon's Achilles' heel when talk turns to vast new spending authority, and Defense Secretary Weinberger is well aware of it.

Politics, economic conditions, interservice rivalries, incompetence, greed, dishonesty—all have stymied attempts to crack down. Weinberger, with his reputation for wielding the budgetary knife, is determined to prove that he can beat the system and effectively combat waste in Pentagon spending. His success—or failure—could well determine future popular support for the big boosts in defense spending he claims are essential in the years ahead.●

COUNTIES' POSITION ON AIRPORT LEGISLATION

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. MINETA. Mr. Speaker, the Aviation Subcommittee recently held hearings on H.R. 2643, to reauthorize the airport and airway programs. The National Association of Counties has submitted a statement for our hearings. Because this bill will soon be before this House, and because NACo's statement provides such a concise and thorough review of the major issues involved in this legislation, I am taking this opportunity to make the NACo statement a part of the RECORD.

The statement follows:

STATEMENT OF BERNARD F. HILLENBRAND, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF COUNTIES

I want to express the National Association of Counties' support for H.R. 2643, the Airport and Airway Improvement Act of 1982.

Its major provisions are similar to those supported by the National Association of Counties (NACo) during the 96th Congress and we commend the Aviation Subcommittee of the Public Works and Transportation Committee for continuing along the wise course it followed in drafting H.R. 6721.

There is a significant change, however, in your bill, Mr. Chairman, which we at NACo heartily endorse in light of our nation's need to balance the budget and control inflation through cuts in federal spending. The $1.6 billion spending reduction in this year's bill shows an awareness of the need for fiscal restraint as well as a commitment to provide adequate funding for the future safety and capacity needs of our country's airport and airway system. In view of the size of FAA projected increases in overall air traffic from 1979 to 1991, the $4.3 billion ADAP funding level proposed in your bill is justified. We are particularly struck at the county level by the FAA forecasts of substantial increases in the hours to be flown by general aviation and a potential 170% increase in commuter carrier enplanements which will directly affect most county airports. As you know, Mr. Chairman, just to keep pace with the added safety, capacity, and productivity requirements generated by such air traffic increases, the FAA has projected the need for federal investment levels of $6 billion in airport development alone, with an additional $8.5 billion for facilities and equipment and $3 billion for supporting Research and Development programs by 1991. The levels of $2.4 billion for facilities and equipment and $4.5 billion for operations and maintenance in H.R. 2643 represent a restrained but adequate response to addressing these needs and preventing serious deterioration in airport system performance.

We also commend you for taking a more balanced approach to funding competing program priorities such as airport construction, facilities and equipment and operations and maintenance requirements. Rather than starving safety and construction needs at airports in order to fund 85% of FAA's operating expenses as the Administration proposes, you have chosen to divide user revenues in an equitable fashion. This approach is consistent with NACo's recently adopted Resolution on Cutbacks in Airport and Airways Programs that user taxes be primarily directed to support airport development and safety improvements rather than concentrating revenues on funding the operations of agencies like FAA which are essentially regulatory in nature.

Though you have not proposed a specific tax package for H.R. 2643, NACo is reassured by your comments that a 5% ticket tax and an increase in aviation fuel taxes to 8½¢ a gallon would be sufficient for the program levels in the introduced bill. Increases in non-commercial avaiation gasoline and jet fuel such as those proposed in the Administration's bill would be difficult for the general aviation community and NACo to accept.

As you know, Mr. Chairman, NACo continues to oppose defederalization. It is inequitable to collect ticket taxes from passengers using large airports like Milwaukee County's and yet deny the airport access to the Aviation Trust Fund financed by these taxes. NACo also feels that excluding airports from federal funding needlessly eliminates a stable and reliable source of funds which enables communities to build local matching financial support for airport improvements. In addition, defederalization will frustrate efforts to develop a truly national airport system based on common minimum safety and development standards. Finally, elimination of the largest airports from ADAP could further weaken support for a federally assisted airport development and safety program and result in its total elimination when ADAP reauthorization is again considered by Congress. This would be a serious prospect for many counties serving growing communities which will

place greater strains on county airports with limited safety and capacity resources.

NACo has not yet taken a position on passenger facility charges. While we would not want to deprive defederalized airports of a way of recouping lost revenues, we find the provision described in S. 508 an intrusive and cumbersome method for replacing the passenger ticket tax, the existing and effective way of collecting current revenues. Though the sponsors of defederalization proclaim it is a start in efforts to move funds and decisionmaking back to the local level, in S. 508 it is the Secretary of Transportation not airport operators who would determine the amount of a passenger facility charge that airports can impose. This seems to us the opposite of what defederalization was intended to do. The federal government would still be involved in dictating how much revenue a defederalized airport could collect without affording it any of the benefits of the revenues generated by its own passengers. Therefore, we commend you, Mr. Chairman, for resisting this approach in H.R. 2643.

Finally, I would like to comment on increased state participation in the airport grant program. During the last Congress, NACo opposed state participation in this program. While NACo's transportation steering committee has not yet taken a position on the state role provisions of either the Senate or Administration bills, we continue to have reservations on this issue. Though some states have taken an active and progressive approach to aviation, almost half, by FAA estimates, do not have the resources or personnel to run the types of programs described in the Administration's bill.

We further question the thrust in both pieces of legislation towards placing even greater administrative burdens on state departments of transportation when budget cuts and legislative proposals in other modes will further strain the budgets and staff of these agencies. Should these changes be approved by Congress, states would not only be called upon to administer a new airport grant program but fund and administer highway programs to replace the Federal Aid Secondary and Urban Systems, and to assume a much greater financial share of the rail freight and passenger costs of the Local Rail Assistance program, Conrail, and Amtrak as well as sizeable increases in the operating expenses for public transportation in both rural and urban areas. This is a tall order for any governmental body to fill and one which deserves much more careful scrutiny from Congress. We are pleased, Mr. Chairman, that you and the subcommittee have resisted efforts to burden states with unnecessary, additional transportation responsibilities in the aviation area.

We are also concerned that an increased state role will create added regulatory burdens for local governments. Despite Administration assertions that federal regulations can be eliminated at defederalized airports, a recent FAA decision on a nonfederally funded project at Atlanta airport indicates that such projects would still have to comply with federal environmental standards. Couple these regulatory restrictions with state generated standards as proposed in the Administration's bill and local governments could be faced with even greater regulatory red tape than now exists.

Finally, Mr. Chairman, the cumulative impact of the airport policy changes proposed in the Administration and Senate bills, in defederalizing major airports and increasing the state aviation role, needs to be carefully examined. It could lead to a further fragmentation of an emerging system of needed national airport safety and development standards and a long term lessening of airport capacity and efficiency. As you pointed out, congestion and delays are already costing $500 million in 1979 at large hub airports. These could spread to smaller county airports if the capital and safety investments necessary to maintain an adequate level of system performance are not made. The funding levels proposed in your bill represent an adequate and restrained response to these development needs and an appropriate balance in the funding of needed aviation safety improvements and the operations of the FAA. We appreciate the opportunity to comment on H.R. 2643 and support your legislative efforts to create an improved national airport and airway system.●

TIME IS RUNNING OUT FOR THE TRULY NEEDY BECAUSE OF THE REAGAN BUDGET

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. STOKES. Mr. Speaker, the President's budget proposal is, in my opinion, no more than a hodgepodge of unsupportable myths, false indictments, and callous disregard for social programs and the millions of Americans who depend on them, in many cases, for survival. The euphemistic suggestions of Mr. Reagan about economic recovery and the truly needy are mere codes for economic disaster and abandonment of the disadvantaged and the poor by this Nation.

And, Mr. Speaker, as Members of this body lean closer to supporting these unfair cuts, so too does the American dream lead closer to an unforgettable nightmare for the poor.

The charge is before us. What we have to do is strip the decoration and fancy oratory from the Reagan budget cuts and look at them with unjaundiced eyes. By doing so, Mr. Speaker, we will face the harsh reality of what it is like to be needy in this Nation of so much abundance.

Mr. Speaker, few of my colleagues have firsthand knowledge of the frustrations and atrocities of the needy in America in 1981. Few really know what it is to depend on food stamps, welfare or other Federal ássistance to survive. Until we know the turmoil of the needy, we cannot fool ourselves into thinking that we know what is best for them and what they can bear.

I submit that it might do us good to spend some time in the households of needy families and especially in those households which will be victimized by the President's budget cuts.

Some years ago, my family participated in a program in which we ate for 1 week on the income and staples of a typical welfare family. It was a humbling experience. But more importantly, Mr. Speaker, it was an experience that opened my eyes wider to the inequities in this Nation, the need of Federal assistance to correct them and the determination of the poor to help themselves.

Taking into account the still abominable situation of the poor on welfare, we need to take a long and hard look at the President's plans to cut social programs.

Mr. Speaker, the fact is that time is running out on the poor in this Nation and conceivably on the fight to save them from the Reagan budget ax. I would like to share an article with my colleagues that addresses the subject of what it means to be needy.

The article was written by Coleman McCarthy and is appropriately entitled, "The Family That Starves Together, Stays Together." Mr. Speaker, at this time, I would like to have the article entered in the RECORD.

[From the Washington Post, Mar. 15, 1981]

THE FAMILY THAT STARVES TOGETHER, STAYS TOGETHER

(By Coleman McCarthy)

As the destitute tremble with fear that their food assistance programs may be cut, Ronald Reagan continues to charm the country into accepting his plans for "economic recovery." But something is missing. In all the talk about "the truly needy," there is little knowledge of what neediness truly is.

I think back to 1969. It was the Nixon welfare plan then, one which insulted the poor not only with offerings of niggardly welfare benefits but also a scheme for requiring imagined millions of "shiftless poor" to find jobs. A group called the National Welfare Rights Organization persuaded 100 middle- and upper-class families in the capital to live a week "on welfare."

This meant seven days of spending 15 cents per meal per person. After lavishing 45 cents a day on food, 75 cents would be left over for a week's worth of household supplies and personal care.

Thanks to a pair of senatorial wives who put themselves and their families on this budget—Mrs. Joan Mondale and Mrs. Jane Hart—the public was told something about life at the bottom. The payments were so low that it was either incredibly difficult or outright impossible to live on them.

It's true this experiment was only a dramatization of poverty. No doubt also, it was a chance for a few of the overfed affluent to get in some crash dieting in the name of a good cause.

But the reality was there for anyone wanting to see it. If it's different now, it is because, as even Reagan acknowledged in his first economic address, "we're very much worse off" today than in the 1960s.

The 15 cents a meal 12 years ago is now 44 cents, the average per meal food-stamp benefit. That's about one-tenth of just the tip that any group of self-respecting businessmen leave after their business lunch—the cost of the meal to be deducted at tax time. It is also less than half the $2.51 needed daily to assure a nutritionally adequate diet, as outlined in the federal recommended dietary allowances.

Some other figures are worth thinking about, too. More than three-fourths of the 22 million citizens on food stamps have no earned taxable income. The average household income of food-stamps users is $300 a month. A family of four with a gross earned income of $10,000 receives about $35 a week. All of this while food prices soar. Peanut butter, once the sirloin of the poor, is now well over $2 a pound.

The selling point in the proposed $1.8 billion cuts in the program is that what the government takes away in food-stamp money it will give back in tax relief.

Forgetting for a moment that the majority of the families in the food-stamp program have no taxable income, the cuts are still much larger than any promised relief. The Food Research and Action Center, one of the groups working hard to persuade Congress to resist the Reagan-Stockman attacks, offers some figures.

A family of four with an income of $10,000 would be cut over $400 a year in food allotments, with tax relief of $52.

A family of three with one wage earner receiving the minimum wage now is given $1,704 a year for food. The proposed cuts would lower it to $1,212, a loss of $492. The tax relief would be $10.

Nancy Amidei of the center and one of the country's most reliable analysts of the food-stamp program, points out still another unfairness about to be inflicted on the poor: "The President has said he will not cut the free school lunches that poor children can get in most schools, while David Stockman says that about $500 million will be saved by reducing the food-stamp allotments of families whose children go to a school that provides a free lunch. In other words, if the kids eat at noon, the parents—and other children—eat less at night."

This is the proposal of a pro-family President elected, we are told, by supporters who champion "family values." Presumably the family that goes hungry together, stays together.

On the merits, the Reagan proposals have no claim to be taken seriously. At 44 cents a meal, this is no give-away program. Eligibility requirements are already tight and strictly enforced. But in the new climate, Reagan may well get away with taking food from the poor.

It's a nasty way to fight inflation, by fighting the hungry.●

ON LOSING THE OPPORTUNITY FOR A BALANCED ENERGY PROGRAM

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. FUQUA. Mr. Speaker, earlier this month, the distinguished chairman of our Science and Technology Subcommittee on Energy Research and Production, the Honorable MARILYN LLOYD BOUQUARD, delivered an important speech to the American Nuclear Society. In it she points our very incisively the dilemma which the Congress faces on the energy budget in terms of the Reagan request.

Mrs. BOUQUARD suggests that the Director of the Office of Management and Budget has played a numbers game with energy funding. She says that such an approach, when coupled with an inconsistent application of the free market approach, may make it exceedingly difficult to achieve a balanced energy strategy.

I recommend Mrs. BOUQUARD's speech to all of my colleagues, from the strong advocates of central station power to those who feel that distributed technologies will prove the main solution for our energy supply problems.

ON LOSING THE OPPORTUNITY FOR A BALANCED ENERGY PROGRAM

I deeply appreciate this opportunity to meet with the members of the American Nuclear Society to discuss with you some of the concerns which I have about the future of energy production in America. Of course, as this group well knows, I am primarily involved in those issues which relate to nuclear power. But for both substantive and political reasons, I am also deeply concerned to see that the administration and the Congress work together to develop a balanced energy supply program.

I am dismayed that we seem to be letting the opportunity for a balanced energy strategy slip from our grasp. I and many other members of our committee in the Congress who have solid energy supply credentials were looking forward hopefully to this administration's shift in energy policy and, while so far I have been gratified in general with their positive nuclear emphasis, even in these nuclear programs the rough handiwork of the Office of Management and Budget is clearly visible.

Let me first outline what I expected in terms of a constructive shift in energy policy. I hoped for near-term regulatory changes which would produce utility confidence and provide a climate which would lead to a more attractive capital investment situation for new nuclear plants. I expected a solid Federal Government partnership to be sustained with various segments of the energy industry to continue in areas where significant risk remained so as to prohibit private sector financing. I hoped that the "corporate memory" for developing advanced technology which this country has so amply shown in the past would be retained by prudent funding and cost-sharing for R. & D. projects as they moved nearer to the marketplace. I also presumed the DOE would be constructively shaped into a solid R. & D. organization with strong, experienced management at the controls. Finally, I expected that a lot of unnecessary and unproductive regulatory and allocation activity of the Department of Energy could be reduced or terminated as the Department moved toward becoming a solid R. & D. organization. In embracing all these fond hopes, however, I didn't count on the apparent influence which the Office of Management and Budget would have over substantive energy policy decisions.

I am disappointed that the generally prudent encouragement provided to nuclear energy development by the White House does not include the need for a Federal role in a technology demonstration of reprocessing at full-scale or of the advanced concept high temperature gas-cooled reactor (HTGR). It seems to me that this is a case where the OMB has arbitarily ruled out critically needed Federal involvement based on a misunderstanding of the scale at which technologies must be demonstrated to make commercial deployment appear attractive to the private sector. We are all interested in responsible budget cuts but this is carrying the numbers game too far. I am very pleased that the administration has managed to convince the OMB of the merits of breeder reactor technology demonstration, although OMB Director Stockman has apparently had to change many of his previous written words on the subject.

I am most concerned that the administration's perception of what is needed to build a national security reserve from synthetic fuels is so much different from the House and Senate in the 96th Congress. I might remind you that Mr. Stockman was one of only 25 House Members who voted against, while 368 Members voted for the House's version of the synthetic fuels bill. I am puzzled that such a devout apostle of the free market approach would choose to retain the Synthetic Fuels Corporation while terminating all of the DOE fossil demonstration projects. Perhaps I am naive about economic philosophy but I thought the proper Government role was to fund the riskier projects and have the private sector carry the ball in "commercialization" activity. Unfortunately, we now have the opposite situation and this inconsistent application of the free market philosophy is not good for the country, the synfuels industries or this administration's presumed energy supply strategy. I hope the Congress will maintain the courage to continue Federal support of key elements of the major synfuels demonstration program which we have authorized over the years. I am also afraid that many companies are acting very naively about their propects for funding from the Synthetic Fuels Corporation.

An unfortunate byproduct of the administration's imbalanced approach has been to make the nuclear programs a target for the disenfranchised energy advocates in the Congress. I believe that very significant but more modest reductions then proposed by the Reagan administration would have made more sense in both solar and conservation programs. There seems to have been no careful scrutiny of these programs to protect Federal investment where valuable data could be salvaged with modest additional funding nor does the administration seemed to have understood what the private sector could, indeed, do on their own. I think it should be pointed out that for many of these technologies, including synthetic fuels development, most of the players are not the major oil companies, and not only is decontrol not a significant factor in stimulating their participation in large R. & D. projects but it may well impact companies negatively in terms of soaring R. & D. costs.

As a result of this drastic shift in policy driven by Mr. Stockman's arbitrary approach, the ERP Subcommittee which I chair has been put in the position of having to restore some balance to the overall DOE R. & D. budget. We have done this by identifying certain fission programs which simply do not offer commercial promise. This requirement has drawn the fire of some major personages, such as Admiral Rickover, whose program had to be cut by $19 million and there is much sentiment in the committee for terminating it after fiscal year 1982. I admire the admiral greatly but we simply cannot find any industrial interest in making this scheme commercial. In this tight budget climate we are looking at further cuts at full committee to reach a solid middle ground between Carter and Reagan while maintaining a strong pronuclear emphasis to enhance industry confi-

dence. I should point out that our nuclear votes at full committee are considerably complicated by the fact we do not have the overwhelming Republican majority which we possessed in the 95th and 96th Congresses. I think that this is ironic now that we have a nuclear advocate in the White House, we may have difficulty getting the kind of support we need within the committee which carried the CRBR for 4 years.

As for the Department of Energy, I have met with Secretary Edwards and found him to be agreeable and capable; however, I feel that the administration has done him a disservice by their approach to reorganize the DOE. One can only speculate whether the slow pace of sub-cabinet appointments in the DOE is due to a preconceived administration policy of "malignant neglect" toward the Department of Energy or simply because the appointments process broke down in the morass of ideological choices and Capitol Hill sign-off's. In any event, it seems tragic that the worthwhile R. & D. programs were not given the support of some advocates with political clout who at least might have been able to aid the Secretary in arguing the merits of certain programs with the OMB and the White House. In this vacuum, many constructive gains in energy policy and programs on alternative sources over the last 7 years have been lost. Only nuclear remains healthy and, as I said before, is highlighted as a target for those who have suffered massive Reagan cuts. I also have a keen interest in the doings of the Nuclear Regulatory Commission and remain puzzled over why the administration cannot act on the Commissioner appointments.

Another concern in the fiscal year 1982 budget centers on the administration's lack of direction for the fusion energy program. Last year the Congress passed legislation with extraordinary bipartisan support. This legislation—the magnetic fusion bill—promised the American public an aggressive fusion energy program regardless of which political candidate won the election. Unfortunately, and apparently in spite of support by the Office of Management and Budget, the Department of Energy has steadfastly refused to meet the congressional mandate for development of fusion energy. Again it has fallen to my Subcommittee on Energy Research and Production to piece together a cohesive fusion program which build upon the existing technological base. I believe we have been successful in developing such a program with only a very minimal increase over the Reagan request. In fact, my subcommittee recommendation of $474.9 million is identical to the OMB projected level for fiscal year 1982.

I have spent the past 2 months working closely with our chairman, Mr. Fuqua, and other members of our committee in arriving at responsible funding of the nuclear programs while assuring protection of major projects where a Government role is warranted. I hope this cooperation will continue to the extent we can arrive at a consensus in our full committee markup a few weeks from now, that will be very close to the Reagan budget submissions across the board while preserving committee initiatives. I am disappointed that the Budget Committee in the House has suggested such a large cut in the gas centrifuge program and adopted double the cut in fission R. & D. which I believe acceptable. However, I am hoping that the budget reconciliation process will lead to improved levels in both of these programs. I would encourage the administration and the Republicans in both Houses to not simply continue to seek drastic cuts and force legislative showdowns but rather strike a compromise on some of these key programs that is more in line with a real view of the need for Federal involvement in energy R. & D. I am not sure if this is possible, given the constraints we are under and the White House's concern that any leak in the dike means a flood in budget levels. I do think in this way we could have a major budget reduction and clear the way for at least modest tax cuts without simply wasting Federal investment in areas where it has proved constructive and productive.

A little while ago I mentioned synthetic fuels production as a route to national security. Although no expert on defense matters, I am also puzzled by Mr. Stockman's ambivalence on the question of the strategic petroleum reserve. Just as with uranium enrichment, the compulsion to get programs off budget seems to be paramount to the critical need for these programs. I have seen no convincing evidence that private financing mechanisms can work for the SPR in the near term, and it seems to me that this is a major issue of national security which cannot be submerged in the budget cutting exercise.

Let me summarize briefly my concerns. Simple support for the Stockman priorities in budget cutting will be detrimental to our energy well-being and ultimately, national security. The continual neglect of the DOE can only result in a demoralized agency incapable of doing any significant R. & D., ultimately even in the nuclear area. The administration should rethink its view of what constitutes commercialization of energy technologies and adopt a constructive approach to turning the DOE into an R. & D. entity. I am afraid the present situation can only lead to wars between advocates of different energy technologies throughout the life of the Reagan administration. I believe the stakes are too great to allow this to happen in the Congress.●

TAX TREATMENT OF CO-OP TENANT STOCKHOLDERS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. ASPIN. Mr. Speaker, I am today introducing legislation designed to put co-op—cooperative housing corporation—owners on the same tax footing as all other homeowners.

I am reintroducing this bill hoping that we will be able to get speedy action on it. For purposes of the record, I would like to recapitulate my earlier remarks concerning my proposal.

Section 216 of the Internal Revenue Code now requires that at least 80 percent of the gross income of a co-op corporation be derived from individuals who are tenants as well as stockholders. If for any reason, a co-op gets less than 80 percent of its gross income from individuals, then all the other tenants lose their income tax deductions for their shares of interest payments on the mortgage and real estate taxes.

There are no similar restrictions for condominium dwellers.

Section 216 has created a situation where the tail is wagging the dog. If a tenant-stockholder dies and his estate then makes payments to the co-op's corporation, it works to the detriment of the other tenants.

The statute as written has led to serious, perverse economic effects. For example, co-op's having commercial spaces are forced to rent them at artifically low rents or else the tenants lose their income tax deductions. It is a subsidy for commercial ventures. The U.S. Treasury isn't making a penny from this. The real losers are co-op apartment dwellers.

My bill lowers from 80 percent to 50 percent the minimum level of tenant derived gross income required for a co-op to keep its tax deduction. This change will constitute an improvement in the present situation. Let me explain why.

BACKGROUND

Under section 216 of the Internal Revenue Code, a tenant-stockholder in a cooperative housing corporation may deduct the amount paid to the corporation constituting his or her proportionate share of allowable real estate taxes and interest relating to the corporation's land and buildings. In addition, to the extent a tenant-stockholder uses property leased from the co-op for business purposes, that is, for income production, he or she may take depreciation deductions with respect to his or her share of the cost.

An organization qualifies as a co-op, so that the tenant-stockholders can claim these deductions, when 80 percent or more of the corporation's gross income derives from the tenant-stockholders. Also, only individuals qualify as tenant-stockholders. Hence, if banks or other corporations, trusts, estates, and other nonindividual taxpayers own a significant portion of the stock, the organization is disqualified. Consequently, the other individual qualified tenant-stockholders lose their income tax deductions.

This rule has been part of the Internal Revenue Code since the first provisions relating to cooperative housing corporations were enacted in 1942. Since then four changes have been made.

In 1969, a provisions was added to section 216 of the code providing that, for purposes of the 80-percent test, Government stock ownership or unit leasing to provide housing not be taken into account.

In 1976, section 216 was amended to allow banks and other lending institutions obtaining stock in co-op through foreclosure to be treated as tenant-stockholders for up to 3 years after such acquisition.

In 1978, the section was amended to allow an original seller, for example, a

corporate promoter who acquires co-op stock either by purchase or foreclosure, to be treated as a tenant-stockholder for up to 3 years after the stock's acquisition.

The Technical Corrections Act of 1979, enacted in 1980, refined the 1978 change to include stock acquisitions by exchange. I note that, except for foreclosures, the law does require that in exchanges the original seller's stock must be turned over no later than 1 year after the date on which the housing units—or leaseholds therein—are transferred by the seller to the corporation. Furthermore, the 1979 act extends this same tax treatment to a deceased original seller's estate.

THE PRESENT RULE HAS SERIOUS PROBLEMS

The four changes made since 1969 were specifically designed to address problems resulting from the application of the 80-percent test. But there are yet other problems with the test which, when properly examined, deny the validity of any justification whatsoever for the rule. Let us just take a couple of examples.

The requirement that only an individual can be a tenant-stockholder creates obvious problems, because it fails to include corporations, most trusts or, except for original sellers, estates. Also, the rule is unclear with relation to the treatment of estates and the corporations themselves; an estate may qualify as a tenant-stockholder for tax purposes but the rent it pays may be unqualified in the hands of the corporation. Consequently, if due to death or bankruptcy an individual tenant-stockholder's stock is held by an estate, his and all of the co-op's other tenant-stockholders tax deductions may be denied.

In just these two examples, it is easily seen that a relatively small number of stockowners could voluntarily or involuntarily disqualify everyone's otherwise legal tax deduction. The same small number of persons whose actions cause the loss of tax benefits to the others are not themselves adversely affected since they usually obtain tax deductions for the amounts as business or investment expenses; to emphasize; only those who are otherwise qualified tenant-stockholders lose their tax deductions.

NO REASON FOR THE RULE

I have looked, in view of the problems, at the legislative history of the 80-percent requirement to see if there is a reason for keeping it on the books. I have been unsuccessful. The legislative history does not set forth the reasons for the 80-percent requirement. I can, as everyone else, hypothesize a couple of reasons. Perhaps Congress believed it important to restrict the benefits of section 216 to primarily residential properties, and not to make them available to commercial operations. Maybe Congress was concerned that some sort of tax avoidance could be created where a substantial commercial interest was involved—such as, using portions of the operating expenses incurred by the corporation to cover otherwise nondeductible personal expenses. It could have been the worry that if a corporation anticipated reportable profits from its commercial properties, it might reduce the rent collected from its tenant-stockholders by an amount sufficient to produce a loss for tax purposes equal to the commercial profits, the corporation would thus report no taxable income. The 80-percent test may have been thought to limit such potential abuses. Strawmen in view of the facts.

First of all, several judicial decisions limit the ability of co-ops to take tax deductions generated by the type of hypothetical activities I just described. Second, elsewhere in the IRS Code this very problem is addressed. The point I am making is that it is not necessary to rely on the 80-percent test to limit potential tax abuses. Both the courts and the Congress have already addressed the problem.

In brief, I fail to discover the reason for the existence of the 80-percent rule in section 216 of the Internal Revenue Code. Even hypothesizing a couple of reasons, I do find that the judicial and legislative history relevant to the rule invalidates whatever realistic albeit conjectural justification may exist for the rule.

Since the city of New York has a sizable proportion of cooperatives, I asked members of the real estate community to comment on the need for change. A special subcommittee of the real property section of the New York State Bar Association put things this way:

REASONS FOR CHANGE

The 80 percent requirement in subsection 216 (b)(1)(D), combined with the limitations on the kinds of taxpayers who can qualify as a tenant-stockholder, impose certain restrictions on cooperative housing corporations which appear to be unwarranted and counterproductive and result in unintended hardships. Condominiums are similar to cooperative housing corporations in purpose and function, but no such restrictions are imposed on condominiums. The decision to use a condominium format, rather than a cooperative housing corporation, depends on a number of factors, including local real estate conditions and the need to obtain financing, but these factors should not be relevant with respect to federal income tax consequences, and do not justify divergent tax treatment. Moreover, experience with condominiums confirms that there is no real need for the 80 percent requirement for cooperative housing corporations.

The requirement limits the flexibility and utility of the cooperative housing corporation in several ways. For example, in a building with a number of elderly or handicapped tenants, it may be very useful to have a substantial number of commercial occupants, including laundries, pharmacies, and groceries, in the building itself. However, the presence of such tenants in the building could well disqualify the corporation under § 216.

Moreover, if a cooperative housing corporation is disqualified under § 216 because of its failure to meet the 80 percent test, the deductions are usually disallowed only to those individuals who do qualify as tenant-stockholders and, hence, should be entitled to the deduction anyway. In most cases, the tenants who do not qualify as tenant-stockbrokers (e.g., commercial or corporate tenants) and whose payments to the corporation cause the disqualifications will nevertheless be entitled to claim as ordinary and necessary business expenses under § 162 or as expenses incurred for the production of income under § 212 all or almost all of the deductions otherwise lost under § 216. Thus, the persons who should as a matter of policy be entitled to the deductions lose them, and the persons who cause the disqualification get them anyway.

To avoid disqualification, some cooperative housing corporations have leased the commercial spaces at less than fair market value. Often, the lessee is the original sponsor or transferor. The result is that the economic structure of the building has been distorted, to the detriment of the tenant-stockholders, just to qualify under § 216.

Possibly, when the predecessor of § 216 (§ 23(z) of the 1939 code) was first enacted in 1942, it may have been believed that the 80 percent requirement was necessary to limit the ability of a cooperative housing corporation to derive large amounts of commercial income and apply such income to the personal housing costs of the tenant-stockholders, without either the corporation or the tenant-stockholders paying tax on that income. For several reasons, this concern is no longer justified. Among other things, it is now clear that § 277 requires the cooperative housing corporation to pay tax on the proper amount of commercial income, and the lack of such a requirement for condominiums has not created any serious administrative problem for the Government. Accordingly, no serious tax abuse is prevented by the 80 percent rule.

Finally, the 20 percent limitation on nonqualified income has proven to be overly restrictive in practice, and resulted in inadvertent disqualifications, often as a result of events beyond the control of the taxpayers. For example, in a building which derives close to 20 percent of its gross income from stores, the death of a tenant-stockholder will result in disqualification, if the income from that unit, combined with the commercial rent, will then exceed 20 percent, because the decedent estate does not qualify as a tenant-stockholder. Also, if the rent for a store space is in any way contingent (e.g., based on sales, or adjusted for cost-of-living factors), the rent in some years may unexpectedly increase beyond the 20 percent limit, again resulting in inadvertent disqualification. Problems may also arise, even where the nonqualified income is normally less then 20 percent if the corporation uses the cash method of accounting and tenants pay rent at irregular intervals.

THE SOLUTION: AT LEAST CHANGE THE TEST IF NOT ELIMINATE IT COMPLETELY

The bill I am introducing today would lower the 80-percent requirement to 50 percent, that is, to qualify as a cooperative housing corporation, an organization would need to derive only 50 percent of its income from individual tenant-stockholders. This change should reduce the problems that many co-ops have in improving

the income tax protection for their eligible tenant-stockholders relative to that now afforded to condominium and other housing dwellers. It also deals with the problems of co-op tenant-stockholders on a more comprehensive and I think thoughtful basis than the patchwork enactments of 1969, 1976, and 1978, and earlier this year. Finally, it eliminates the need for continued erratic legislative hodgepodge in the future.

FINAL COMMENT

I hope that this bill can be scheduled for hearings at an early date. I urge interested witnesses to comment on the desirability of eliminating the percentage requirement entirely and on any other problems of section 216, as well as on the merits of this bill. This is only a beginning as there are still other provisions of section 216, which may be unduly burdensome and unnecessary. For example, the ambiguous requirement that a tenant-stockholder's shares be "fully paid up," or the similarly ambiguous requirement that only individuals qualify as tenant-stockholders might be reconsidered.

Finally, a question may be raised whether a person can qualify as a tenant-stockholder if the apartments are subject to local rent control laws preventing the eviction of existing tenants; this issue, also, should be considered.

Mr. Speaker, at a time when there is a lot of good will being expressed about the use of tax incentives to promote the Nation's economic well-being, here is one way to contribute to the effort. The tax laws need to be equitable in their treatment of homeowners, whether they reside in cooperative housing or not.

The text of the bill follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subparagraph (D) of section 216(b)(1) of the Internal Revenue Code of 1954 (defining cooperative housing corporation) is amended by striking out "80 percent" and inserting in lieu thereof "50 percent".

(b) The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.●

COMMEMORATING NIKOLA TESLA

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. NOWAK, Mr. Speaker, I have had the privilege of working with the Nikola Tesla commemorative group which was formed to coordinate and promote the observance of the 125th anniversary of the birth of this prolific scientist. The cochairmen of the group are: Nicholas Kosanovich, from my own 37th Congressional District of New York; and Dr. Vladislav A. Tomovic. The Washington coordinator is my friend and former colleague, Hon. John A. Blatnik, former chairman of the House Public Works Committee, on which I presently serve. The honorary chairman is William H. Terbo, the grandnephew of Nikola Tesla.

Among the commemorative events scheduled are: An exhibit in the city of Buffalo May 18-22; a symposium in Yugoslavia; and exhibit and film showing in Washington, D.C. during the month of September; and a major symposium at Brock University during December.

In addition, this group has been successful, with the assistance of my predecessor, Hon. Thaddeus J. Dulski of Buffalo, former chairman of the House Post Office and Civil Service Committee, in receiving a commitment for the Postmaster General William F. Bolger that a Nilola Tesla commemorative stamp will be issued in 1983.

To lend my assistance to this commemorative effort, I include in the RECORD excerpts from a speech given by Dr. Michael B. Petrovich, Professor of History, University of Wisconsin—Madison, before the Tesla Memorial Society, in Niagara Falls, July 12, 1980.

The excerpts follow:

TESLA: THE KNOWN, UNKNOWN, AND UNKNOWABLE

It would be difficult to find any important historical figure about whom so much is known, and yet who is as unknown as the American scientific discoverer Nikola Tesla (1856-1943). On the one hand here is an extraordinary man whose achievements have literally changed the face of the earth and who has received honors and recognition from all sides, from those, that is, who know and value his works. On the other hand, there is a discouraging and even shocking ignorance of Tesla and his discoveries by the vast majority of people today, including millions whose own lives have been profoundly affected by Tesla's discoveries. He has been called the Forgotten Genius. There is not only the known and the unknown Tesla, but the unknowable—called by some an eccentric, by others a mystic, a visionary, and a person of extraordinary powers of perception . . . And so Nikola Tesla's memory is virtually venerated by some and utterly neglected by many more. Tesla deserves to be known better.

It is not my purpose today to describe Tesla's life and works. This has already been done by dozens of biographers and historians of science. Perhaps it is enough merely to cite a readily available source such as the Encyclopaedia Britannica, whose 1969 edition states that Nikola Tesla was a "U.S. inventor of electrical devices and equipment who introduced the first practical application of alternating current. . . ." After some biographical details the article continues, "Tesla conceived the rotating magnetic field principle as an effective method of utilizing alternating current for power. He patented the induction, synchronous and split-phase motors, and new forms of generators and transformers; this equipment formed the system for the generation and use of power from Niagara Falls. By means of lectures in Europe and the United States beginning in 1891, he announced discoveries and applications of high frequency alternating current, including the high-frequency resonant transformer, or 'Tesla coil.' "

Behind this drily objective language there is a dramatic story, of a Serbian immigrant from Croatia, in Austria-Hungary, who came to this land of opportunity with four cents in his pocket, and who gave to it far more than it gave to him—except freedom and opportunity, which he valued above all. The importance of Nikola Tesla's discoveries was described quite graphically by the American electrical engineer Bernard Arthur Behrend (1875-1932), himself of Swiss birth and a designer of electrical machinery and inventor: "Were we to eliminate from our industrial world the results of Tesla's work, the wheels of industry would cease to turn, our electric trains and cars would stop, our towns would be dark, our mills and factories dead and idle. So far-reaching is his work that it has become the warp and woof of industry."

Let us turn, first, to the known Tesla, indeed, the renowned Tesla. Though forgotten by many today, Tesla was honored greatly and many times, during his lifetime and after, by those who knew his worth. Let me give some examples.

In 1892 the Royal Institute in London invited Tesla to lecture there. So did the Institute of Electrical Engineering in London and the Physics Society of Paris. In 1893 he lectured before the Franklin Institute in Philadelphia. This august body presented him with the Certificate of the Elliott Cresson Gold Medal Award.

A dozen institutions of higher learning conferred honorary degrees on him: Columbia and Yale in 1894, the High Technical School in Vienna in 1908, the Universities of Belgrade and Zagreb in 1926, the High Technical School in Prague in 1936, the High Technical School in Brno in 1937, the Universities of Paris and Graz and the Polytechnical School in Bucharest in 1937, the University of Grenoble in 1938, and the University of Sofia in 1939.

Tesla was made a member or honorary fellow of various academic and professional societies: the American Association for the Advancement of Science in 1895, the American Electro-Therapeutic Association in 1903, the New York Academy of Sciences in 1907, the American Institute of Electrical Engineers in 1917, the Serbian Academy of Sciences in Belgrade in 1937, and many others.

The medals and other honors which he received were many. Among the first was the Montenegrin Medal of Prince Danilo I, awarded by Prince Nicholas of Montenegro in 1895. In 1917 the American Institute of Electrical Engineers gave Tesla the Edison Gold medal Award. He almost did not make it for the award. One story is that he skipped out during the banquet to feed his beloved pigeons in Bryant Park, behind the New York Public Library. Luckily a colleague knew of his custom and was able to bring him back in time. In 1926 Tesla received the Yugoslav Order of St. Sava, and ten years later the Yugoslav Order of the White Eagle. In 1934 the City of Philadelphia awarded him the John Scott Medal Award. In 1938 the National Institute of Immigrant Welfare presented Tesla with a scroll of honor as a foreign-born citizen whose influence was national and international in scope, constructive in character,

and purposeful in objective. Tesla shared this honor with Justice Felix Frankfurter.

On his 75th birthday Tesla was given a yearly pension of $7,000 from the Tesla Institute in Yugoslavia. This annual stipend saved him from dying penniless in a New York City hotel room.

Perhaps none of these honors and others during his lifetime would have given him as much satisfaction as a decision of the United States Supreme Court nine months after Tesla's death which recognized that some discoveries attributed to Marconi had actually been Tesla's previously and protected by patent. It should be noted that Tesla was not himself involved in the suit but rather companies that were using his patents. Tesla cared little for money or honors. Yet after Tesla's death, in 1943, there were more honors to come. One can hardly enumerate them here.

Of special interest is the fact that the word "Tesla" became part of the language of electrical science—not only in the name of the Tesla Coil, but in the term "tesla" for the unit of magnetic flux density. Thus the word tesla, with a small letter "t", is in the same class with terms such as ampere, ohm, volt, and watt—all of which have become so much a part of our language that we scarcely remember that they were all the names of great men. Tesla shares this honor with two other Americans—Joseph Henry (1797-1878) and the Italian American physicist Enrico Fermi (1901-1954), after whom the henry and the particle fermion have been named.

In 1952 a bronze replica of a bust of Tesla was unveiled at the Technical Museum in Vienna. It is a copy of the original by the famed Croatian and Yugoslav sculptor Ivan Mestrović, which is in the Yugoslav Academy of Arts and Sciences in Zagreb.

In 1952 there was also established the Nikola Tesla Museum in Belgrade, Yugoslavia. It was opened to the public in 1956, on the 100th anniversary of Tesla's birth. It is a magnificient monument to Tesla's memory and a fitting resting place for his ashes. The Tesla Museum contains not only various exhibits and mementoes of Tesla's life but a library and archives arranged in six groups: (1) personal and biographical data; (2) correspondence; (3) scientific papers; (4) diplomas, testimonials, honors, news articles; (5) technical drawings and plans; and (6) photographs. The director, Dr. Veljko Korać and his staff, deserve praise and gratitude for their work. In 1956 the Tesla Museum, under the auspices of a National Yugoslav Committee and the Society for the Promotion of Science and Technology, organized a round of commemorative activities celebrating the 100th anniversary of Tesla's birth. Among the distinguished guests who gathered in Belgrade for the occasion were Niels Bohr of Denmark, Arthur Fleming of Great Britain, Frederik Dahlgren of Sweden, and Carl Chambers and Richard Sogg of the United States. The last two came as the representatives of the American Institute of Electrical Engineers and brought a special citation with them.

The 1956 observance had a very tangible and useful result when the Tesla Museum of Belgrade published a mammoth volume, in English, entitled "Nikola Tesla: Lectures, Patents, Articles." Much of the volume reproduces in their original form various patents and other documents. In 1961 the Tesla Museum published a second significant work: "Tribute to Tesla," which contains reviews and evaluations of Tesla's achievements by noted scientists and specialists from all over the world.

In October 1956 the American Institute of Electrical Engineers held its own commemorative session in Tesla's honor. The Chicago section of that organization held a similar session, on October 1, 1956, which was designated by Mayor Richard Daly as Nikola Tesla Day. Similar tribute was paid to Tesla on his centennary by the city of Philadelphia. President Tito of Yugoslavia was informed of these American festivities by the then United States Secretary of State John Foster Dulles. In his reply of thanks, President Tito wrote, "I would especially like to stress my accordance with your statement that scientists of Tesla's genius are the symbol of the universality of science and human endeavor for progress in peace."

In 1976 there was another series of commemorative festivities in honor of Tesla, all the more impressive because the 120th anniversary of Tesla's birth coincided with the 200th anniversary of the birth of the United States—the Bicentennial. A joint Yugoslav-American committee of some twenty-five members was formed in 1975 to coordinate activities. Again there were several noteworthy results. In January 1975 Tesla was included in Washington's Hall of Fame. A year later a Nikola Tesla Prize was instituted by the IEEE, the leading society of electrical engineers in the United States. The first prize was awarded to Leon T. Rosenberg, to whom the Yugoslav Nikola Tesla Society also awarded a gold plaque. In July 1976 a tablet was unveiled at Shoreham, Long Island, on the site where Tesla's wireless tower used to stand. The tablet reads:

"In this building designed by Stanford White, architect, Nikola Tesla, born Smiljan, Yugoslavia 1856—died New York, U.S.A. 1943—constructed in 1901-1905 Wardenclyffe, huge radio station with antenna tower 187 feet high (destroyed 1917), which was to have serve as his first world communication system.

"In memory of 120th anniversary of Tesla's birth and 200th anniversary of the U.S.A. Independence July 10, 1976."

Peggy McKinnon Clark of Shoreham deserves special thanks for her tireless efforts on behalf of this project.

On July 23, 1976, there took place the unveiling of the heroic-sized monument to Nikola Tesla, by the eminent Yugoslav sculptor Frano Krsinic, in Niagara Falls, on Goat Island, in the picturesque courtyard of the old Edward Dean Adams Hydro-Electric Power Station Number One of the Niagara Falls Power Company. The event commemorated Tesla's successful use of alternating current to provide electrical power at long distances from the source.

Meanwhile in Yugoslavia a whole series of cultural events marked Tesla's 120th anniversary. Chief among these was the Symposium held on July 7-10, 1976, in Zagreb and in Tesla's birthplace, the village of Smiljan, Lika. President Tito attended the festivities in Smiljan on July 10. The Symposium brought together some four hundred participants, including noted scientists from the whole world. In honor of the event, the Niagara-Mohawk Power Corporation of Syracuse, N.Y. presented the Tesla Museum in Belgrade with some artifacts from the Edward Dean Adams Generating Station at Niagara Falls. The certificate of presentation reads: "This corporation takes pride in the fact that its predecessor, the Niagara Falls Power Company, pioneered the use of the polyphase alternating current system invented by Dr. Tesla. That principle, proved in operation at the Adams Station in 1895, made modern electric power systems possible."

Several important publications resulted from these meetings. A bi-lingual volume of Tesla's writings—Moji pronalasci: My Inventions—was published in Zagreb in 1977 by the Yugoslav Academy of Arts and Sciences, the Nikola Tesla Museum in Belgrade, and the Skolska Knjiga Publishing House of Zagreb. More recently, in 1977, the Nikola Tesla Museum had the Belgrade publishing house NOLIT put out a luxurious edition, all in English, called Nikola Tesla: Colorado Springs Notes 1899-1900. This is Tesla's research diary which he kept during his daring experiment of transmitting high frequency electrical energy without wires on a global scale.

There are today many books and articles concerning Tesla, in English and in other languages, including several biographies. Though there is much yet that can be written about Tesla and his work, no one can plead ignorance of Tesla on the grounds that there is no information about him. There is, indeed.

It is precisely because the known Tesla has been so honored and recognized in the world of science, and because there is material available about him today that the general ignorance on the part of most Americans that he ever existed is so astonishing and bewildering.

And how are Americans ever to learn about Tesla if their schools and textbooks and libraries do not teach them? For example, the excellent World Book Encyclopedia, which is used extensively in our public schools, contains four inches on Tesla, and only up to 1900, with nothing on the last thirty-four years of his life. The justly noted Encyclopaedia Britannica publishes an annual Yearbook as well as a special Yearbook of Science and the Future. These are big, thick volumes that are supposed to incorporate all that occurred of any importance in the scientific world. Yet one looks in vain in them for any mention of Tesla or the Tesla Prize in the volumes for the 1970's.

And so we have this strange paradox. On the one hand Tesla is unknown to millions of Americans today though they know the name of Edison, Telsa's first American employer and later competitor. On the other hand, Tesla is the object of veneration by cultists who see in him a kind of Superman, even from another planet. But between this unknown Tesla of the uninformed and the unknowable Tesla of the cultists there is the known Tesla, whose works are daily manifested in our lives. Even as we sit here, in Niagara Falls, next to the electric station which his motors powered, we are literally basking in Tesla's light. When, in 1917, Tesla was awarded the Edison Medal of the American Institute of Electrical Engineers, his close associate B. A. Behrend paraphrased Alexander Pope's famous line on Sir Isaac Newton, when he said:

"Nature and Nature's laws lay hid in the night; God said, Let Tesla be! and all was light."

It is to make him the known Tesla that we are here today to honor this extraordinary man, this truly immortal scientist.●

THE RELATIONSHIP OF DRUGS TO ROCK 'N ROLL—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. McDONALD. Mr. Speaker, the following quotes are the second part of a two-part series demonstrating the disastrous effect the Beatles/John Lennon years had on the habits and attitudes in our society. They were compiled by Dr. David A. Noebel of Summit Ministries in Manitou Springs, Colo. I commend them to the attention of my colleagues.

(25) "Former Beatle Paul McCartney was taken into custody for alleged possession of about a half-pound of marijuana after arriving at Tokyo International Airport today, Japanese customs officials said."

"In 1972, McCartney, his wife and Wings drummer Denny Seiwell were fined the equivalent of about $1,800 after pleading guilty to smuggling six ounces of marijuana into Sweden. Their Swedish hotel had been raided during a Wings concert tour."

"In 1973, he was fined some $240 after pleading guilty to growing five marijuana plants on his Scottish Highland farm. The plants were discovered in a police raid on the farm."

"In 1975, Linda was arrested in Los Angeles for marijuana possession, but the charges were later dropped." (Gazette Telegraph, Jan. 16, 1980, p. 2-A)

(26) "The Rev. Jesse Jackson ripped into the drug culture, easy sex and 'pornographic music' during a speech to 14,000 high school students who gave him a frenzied, gospel-like standing ovation." (The Tulsa Tribune, Nov. 17, 1978, p. 7-A.)

(27) "They (Black Sabbath) sang about the occult, death, and drugs, and their music blasted through the arena at incredibly high sound levels. (Tulsa World, Sept. 19, 1978.)

(28) "Keith Moon (of The Who) died of drug overdose at 31." (Time, Dec. 17, 1979 p. 86.)

(29) "The band's music (The Greateful Dead) has been described as intimate, cosmic, spacey, laid back, obviously drug-influenced. . . . The group started as a hippy band, a product of the drug environment. Their music was at first basic rock 'n' roll, but soon it reflected the drug influences." (Tulsa World, Feb. 2, 1979, p. B-1.)

(30) "As the parents of three teenagers I have a concern for the effect and influence of rock concerts. Therefore, my husband and I decided to attend the recent Ted Nugent Concert and see for ourselves."

"Marijuana smokers were everywhere. If you were not smoking you were in the minority.

"Everyone milled and visited and passed around roaches and smoked a little more. The police ignored the fact that the use of pot is illegal."

"After intermission the audience was greeted by Ted Nugent saying, 'Are you high?' To which the audience replied. 'Yea.' His next statement was, 'We'er going to have a —— free for all.' There were more screams of delight by the audience. It was plain to see almost everyone was high by that time." (Tulsa World, Feb. 18, 1979, p. 8-B.)

(31) "What can parents expect during this decade as rock music advocates sadism, masochism, incest, necrophilia, homosexuality, bestiality, rape and violence in addition to the ever present rebellion, drug abuse and promiscuity? The obvious answer is stupifying." (Seattle Post-Intelligencer, Apr. 12 1980, p. B8. Kingsbury Smith, National Editor, The Hearst Newspapers.)

(32) " 'The real trick is to get people dancing to the next record before thay even realize they're doing it.' " says Jim Burgess, 25, a former student of operatic singing and classical piano who earns nearly $300 a night as a top New York deejay. Through a haze of laughing gas, pills, amyl nitrite and marijuana in his booth above the floor. . . . 'Drugs really make the experience almost spiritual,' he says, 'A feeling of musical unity, of love in the room.' " (Newsweek, Apr. 2, 1979, p. 56.)

(33) "According to the Manhattan fuzz, the late star of the former British 'punk rock' band 'Sex Pistols'—John Simon Ritchie—admitted killing his live-in American girlfriend with a hunting knife. A tipoff on Ritchie's personality, character, and overall outlook on life is the state name he dreamed up for himself: Sid Vicious."

"Sgt. Thomas Kilroy, the arresting officer, said various drug implements were found in the pigsty which the couple had made out of their hotel room. Ritchie (or Vicious), he remarked, was still as high as a space probe when he was arrested." (The Pensacola News Journal, Apr. 1, 1979, p. 21A.)

(34) "Elvis Presley had already been in the detox tank twice to reverse the effects of his gluttonous consumption of drugs and now. . ."

"Elvis was going to take drugs no matter what. Dr. Nick had his hands full just keeping track of and controlling the dope that Elvis put in his mouth."

"Witness after witness described Elvis as a man who spent the last ten years with a monkey on his back the size of King Kong."

"Attributed the cause of death to a fatal combination of drugs."

"The charges of the medical board were listed on a 59-page complaint and included over 12,000 pills prescribed to Presley alone in the 18 months before he died. It took eight full-size legal pages to list the prescriptions. Among them: Quaaludes, Dilaudid, Dexedrine, Leritine, Parest, Amytal, Biphetamine, Tuinal, Demerol, Percodan, Dexamyl, Carbrital, Vallium, Ionamin, Placidyl, Hycomine, Lomotil, and cocaine. But this was, according to several sources, a short accounting." (High Times, Nov. 1980, p. 63.)

(35) "There are an awful lot of rock people who would find it hard to start the day without the adrenalin-provoking, rocket-fuel burst of a quick snort of about $30 worth of coke." (Tony Sanchez, "Up and Down With The Rolling Stones," p. 12.)

(36) "Working in the rock world and refusing to use cocaine are rather like joining a rugby club and preaching total abstinence." (Ibid., p. 212.)

(37) "Drugs were everywhere on this tour—jars of cocaine, uppers and downers. Jagger snorted quantities of coke before every show; he felt he couldn't get up there to dance and scream without the high of the drug tearing through his body. Keith fixed so much heroin, that on stage he was an eerie, shambling wreck—everyone's idea of a freaked-out, druggie rock superstar—and the kids loved him for it." (Ibid., p. 257.)

(38) "We avoid all hard drugs like cocaine although we do smoke marijuana now and again." (Bee Gees, Circus, Aug. 3, 1973, p. 38.)

(39) "I'm in the music business for the sex and narcotics." (Glenn Fry, Eagles, People, June 30, 1975, p. 60.)

(40) "We were sitting, passing around a joint—a doobie—so we called ourselves the Doobie Brothers." (Tom Johnston, Doobie Brothers, Rolling Stone, Jan. 4, 1973, p. 16.)

(41) "I can sing better after shooting smack (heroin) in both arms." (Linda Rondstadt, Rolling Stone, Mar. 27, 1975.)

(42) "The rock scene is permeated by the values and practices of the drug culture. Many rock stars have become cult heroes, and many of them take drugs. Children can often identify the current rock stars, and may identify with their lifestyles. When popular musicians are arrested for drug possession, some of the popular media—especially the rock-music radio stations—portray them sympathetically and mock the enforcers of the drug law. Since the middle of the last decade, many rock lyrics have had drug overtones. . . . Rock concerts pose an additional problem . . . drugs are sold and used openly at these concerts." (Parents, Peers, and Pot, U.S. Department of Health, Education, and Welfare, 1979. HEW 79-812.)

(43) "Drugs are a necessary ingredient for many rock musicians." (Robert Forbes, Circus, Apr. 17, 1979, p. 16.)

(44) Jimi Hendrix, Jim Morrison (The Doors), Elvis Presley, Janis Joplin, Brian Jones (Rolling Stones), Al Wilson (Canned Heat), Gram Parsons (Uriah Heep), Gary Thain (Urain Heep), Vinnie Taylor (Sha Na Na), Keith Moon (The Who), Lowell George (Little Feat), Tommy Bolin (Deep Purple), Sid Vicious (Sex Pistols), Rubbie McIntosh (Average White Band), Mama Cass Elliott (Mamas and Papas), Bon Scott (AC/DC), John Bonerman (Led Zeppelin) etc. etc. etc.

R.I.P.—DRUGS●

MILITARY AID TO EL SALVADOR SHOULD BE STOPPED

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. CONYERS. Mr. Speaker, I oppose military assistance to the Government of El Salvador. I take this view because there are fundamental truths that should guide the foreign policy of our Nation, that El Salvadoran aid contradicts.

It is against our national interest to support a government that engages in a consistent pattern of violation of the human rights of its own people. The record indicates the Government of El Salvador has consistently and grossly violated the basic human rights of its people. We violate the spirit, if not the letter, of U.S. law when we provide military assistance to that country because of its violations of internationally recognized human rights. In El Salvador the Government has shut down universities, gunned down students, teachers, and religious leaders, banned labor activities, and murdered countless peasants.

It is horrendous enough that these acts of official violence have taken place. It is equally unthinkable that the Government of El Salvador has made no effort to bring to justice the perpetrators of this violence. That government still has not fully investigated and taken action to apprehend those who were responsible for the murder in El Salvador last year of six American citizens.

We should learn from history. Our present policy toward El Salvador indicates we have forgotten the lessons we should have learned from our experience in Vietnam, where we supported a government that was rejected by its own people. There are too many similarities between the two situations. We are not only risking our own sense of humanity in providing military aid to El Salvador; we also are risking the loss of American lives, who may someday be involved in armed conflict in that country.

I am committed to the view that U.S. foreign aid should reflect and reinforce our constitutional tradition and our own concern for safeguarding human rights. If we follow this principle, there can be no ground for providing the El Salvadoran regime with military assistance.

Many of my constituents have been enraged by our present policy toward El Salvador, and I want to share some of their comments, which follow, with my colleagues.

ASSOCIATION OF BLACK COMMUNICATORS,
Detroit, Mich., March 9, 1981.

Representative JOHN CONYERS,
First Congressional District,
Detroit, Mich.

DEAR REPRESENTATIVE CONYERS: We, of the Association of Black Communicators here at Wayne State University, are sending this letter to urge you to support and co-sponsor House bill HR 1509 when it comes to the House floor for debate. HR 1509, if passed, would prevent further "economic" aid from being sent to El Salvador. This aid is one of the primary forces being used to further subjugate the people of El Salvador, and in doing so, it ensures that the poor and oppressed in that land will remain that way forever.

El Salvador, which is in the midst of a civil war, has the potential to become another Viet Nam if U.S. intervention is not halted. This also is one of the prime objectives of HR 1509. By this country continously sending in "advisors" and aid, we are heightening that potential; by this country repeatedly sending "non-lethal" weaponry despite world-wide objections, we are moving one step further towards war—a war which in turn has the potential to escalate into a third world war.

Opponents of the bill say that the $90 million in aid is necessary to help stop the soviet backed aggression on El Salvador's junta government and her people. But as countless facts arise to contradict their statements, we see who the real oppressors are: the junta government to whom the aid is being sent.

In short, this country which supposedly supports democracy and human rights, finances and supports a government which controls its citizens through torture and murder; a government which is reminiscent of the government of Nazi Germany.

In conclusion Rep. Conyers, we of the Association of Black Communicators emphatically urge you to lend your name and conscience to H.R. 1509 which would halt the aid being sent to the fascist government of El Salvador.

The humanity and dignity of the people of El Salvador are being gambled with, and it is most surely a gamble they will lose unless this aid is halted.

Sincerely yours,
FRANK EDWARD CORN, Jr.,
Acting Secretary, the Association of Black Communicators.

COORDINATING COUNCIL ON HUMAN RELATIONS,
Detroit, Mich., March 9, 1981.

Hon. JOHN CONYERS, Jr.,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CONYERS: The Coordinating Council on Human Relations urges you to support House Resolution No. 1509 in opposition to military assistance to El Salvador.

We believe any military aid to that government will merely contribute to the violence which is decimating the Salvadoran people. Military aid to the government was opposed by the late Archbishop Romero, which is apparently the reason he was assassinated. The present Archbishop, Rivera Damas, blames the Security Forces for much of the violence which is directed against Church personnel.

It is clear that only political and economic adjustments are able to bring about a resolution to the conflicts in El Salvador. Our government should lend assistance to these efforts in addition to assisting the United Nations' humanitarian relief efforts.

Our own history as a free nation should make it very clear that military imposition of an unjust and unpopular regime will not work. Thus, in being true to the principles in our Declaration of Independence and Constitution we make our greatest contribution to the peace and well-being of Central America.

Thank you for any effort you make on behalf of a rational, forward-looking, humanitarian U.S. policy in Central America.

Respectfully,
JOSEPH RADELET,
Chairperson.

GESU CHURCH,
Detroit. Mich. 48221

Mr. JOHN CONYERS, Jr.,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. CONYERS: I am writing to voice my support of any proposed House bill to discontinue military aid to El Salvador. It seems that urgent opposition to the recent increase in military advisors and equipment to the ruling junta is called for both from citizens and their representatives.

Thank you for your consideration of this matter.

Sincerely,
DANIEL F. SINNOTT, n. S.J.●

THE MEDICAID CAP PROPOSAL: A DISASTER FOR THE POOR AND ELDERLY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. STOKES. Mr. Speaker, I would like to address my colleagues in the House on an important issue that is becoming increasingly clear—the administration's proposal to cap Federal medicaid expenditures will cause unnecessary harship on State governments, the poor, the elderly, and the unemployed.

This is a serious issue that each Member must consider at that important time when we cast our votes on the administration's program for economic recovery. One of the outcomes we can expect from this program is that thousands of individuals working on jobs that are funded by the Comprehensive Employment and Training Act (CETA) will be terminated, along with other public service employees. While the central question that will remain due to the affects of the medicaid cap will be: How will the poor and unemployed purchase medical care when Federal expenditures for medicaid are capped?

The medicaid cap on Federal expenditures as proposed by the President will increase the annual deficits for many hospitals, community health centers, and local governments. Many States which have expanded their medicaid plans in recent years in terms of eligibility—for example, medically needy categories—and scope of benefits have made medicaid an expensive but necessary program. In light of this issue, many State governments will no longer feel the need to be responsive as the impact of President Reagan's budget cuts reduces medical and social service programs. I believe that the administration is pursuing the wrong course to combat inflation—by reducing access to medical care for the elderly, pregnant women, children, and the unemployed.

Mr. Speaker, the proposed cap on medicaid expenditures will undoubtedly alter existing State financing and support for needed health care to the poor, by reducing recent progress to guarantee equal access to the most needy in our society. Since State medicaid expenditures have been increasing at an alarming rate, and Federal matching funds are based upon an outdated formula which fails to consider inflation, unemployment, and uncompensation care costs this penalizes many States and urban communities such as my own district, Cleveland, Ohio. Consequently, the medicaid cap will eventually require more States to alter their State medicaid

plans to reduce access to medicaid benefits, to reduce eligibility for the poor, or to further limit reimbursement rates to providers which will curtail any hope at assuring access to mainstream medical care for the poor.

The medicaid program has required each of the 54 State and territorial medicaid plans to provide benefits to AFDC, SSI, blind, disabled, and poor members of their populations who are considered the medically needy. The proposed cap will encourage States to decide among two alternative cost containment strategies to reduce the cost of the program: First, reduce access to medical services for the elderly who are the largest group that are served by medicaid in hospitals and skilled nursing facilities; or second, remove adolescent youths ages 18 to 21 from the AFDC medicaid eligibility population who are served by clinics, physicians in private practice and community health centers.

One should be aware that there is a high rate of adolescent pregnancy among women of the ages of 18 and 21 who would no longer be eligible for medicaid if eligibility were restricted from this age group. If a reduction in current income eligibility should occur, it is possible that a large volume of truly needy elderly persons would be without resources for basic health care.

Under current law, States are restricted to pay inpatient costs and nursing home costs, based on reasonable costs of providing care. Little or no reductions in payment can be anticipated on such care unless alternative methodology is approved by the Department of Health and Human Services (HHS).

However, outpatient reimbursement is not so rigidly defined under the medicaid program. It can be expected that some States will use the medicaid cap as a means to reduce millions of dollars for outpatient and primary care. This can easily be accomplished by changing from an encounter rate in hospital outpatient clinics and community health centers to the private physician compensation rates. The effect of these reductions in reimbursements will result in reduced access to medical care for the medicaid beneficiary. Consequently, more hospitals and community health centers will receive less funds for a primary care visit, which will increase the number of closures and institutions will have less financial resources. Urban areas with large medicaid populations such as New York, Los Angeles, Houston, Philadelphia, and Cleveland will feel the reductions in reimbursement for medical care, as States will begin to react to the Federal medicaid cap.

Many hospitals will be forced to close hospital based primary care clinics or reduce patient hours for outpatient visits. Other health facilities that receive large Federal subsidies will also face closure due to the proposed Federal 25-percent reduction in funds allocated by the health services block grant. Those institutions that have not organized themselves as fee-for-service business operations and limited the number of services within the encounters rate will face the added burden of extensive bad debts. This will require health facilities to reorganize and improve their management and fiscal operations to deal with the problem of reduced revenue for services. Some facilities that serve the poor may survive during this interim period as we move toward a procompetitive health care system.

A number of health facilities may explore the possibility of developing health maintenance organizations (HMO's) contracts for the provision of care to their client population. This viable option, too, is filled with numerous pitfalls. HMO's are staffed to meet a stable and healthy population mix. Medicaid patients who are known to be the least healthiest patients are very unpredictable as they bounce in and out of eligibility. The number of persons eligible for medicaid fluctuates considerably each month and especially during times of stagnated economic growth, high unemployment, and inflation. Historically, HMO's have not been capable of adapting to: First, major changes in patient loads; second, long periods of patient hospitalization; and third, large segments of their subscribers requiring skilled nursing care and other forms of long-term care. Each of these factors cause HMO's to be concerned about an unstable revenue base. Furthermore, a major issue of concern would involve restricting the elderly patients's freedom to choose a provider, particularly if the medicaid beneficiary is assigned to a health care setting like an HMO.

Mr. Speaker, as just described, the medicaid cap represents an attempt to encourage State medicaid agencies to control their expenditures and allow greater flexibility in the provision of care for the Nation's most needy health consumer. However, this proposal represents reducing access to the most needy in our society, as financially distressed State governments will have to operate more prudent medicaid programs. Consequently, the poor, elderly, and children will bear the greatest burden of this attempt to reduce Federal expenditures in the health care sector.

Mr. Speaker, I hope that each of my colleagues will consider the impact of this proposal when the President's budget comes to the House floor.●

INDUSTRY SEEKS REVIEW OF MARKETING ORDERS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. MILLER of California. Mr. Speaker, I recently introduced H.R. 3022 to reform the marketing order program in order to eliminate the special interest control which dominates marketing boards currently. My legislation would provide consumers, who pay higher food costs because of these orders, with greater substantive participation in the deliberations of the boards, and would mandate that food which is withheld from the market in the future be used in domestic and international food assistance programs instead of being left to rot or used as supplemental cattle feed.

There is substantial interest within the agriculture community for these kinds of reforms. The marketing order program has been roundly criticized not only by consumer groups and, with some frequency, the General Accounting Office, but by the fruit producing industry itself. Independent growers have told my office that the program serves narrow special interests and discriminates against the hard-working farmers while protecting the speculator. The effect is a marginal farming operation for the true farmer, higher prices for consumers, an unnatural and indefensible interference in the much lauded free market system—all resulting in unjustified market control by a single special interest.

I want to share with my colleagues a recent column from the industry publication, The Packer, which calls for a thorough review of the marketing order program. I also want to share a recent editorial from the Fresno Bee, the major newspaper of the Central Valley—where most of California's oranges, and thus the Nation's oranges, are grown—and also editorials from the San Francisco Examiner, the New York Times, and the Contra Costa Times on this same subject.

[From the Packer, April 4, 1981]

(By Tim Linden)

PRORATE PLAN NEEDS DEBATE

The time has come to reexamine the federal marketing order that governs California and Arizona Navel oranges.

With the exception of one year in the early 1950s, the number of California and Arizona Navel oranges that can be shipped domestically each year has been controlled by a federal marketing order. The Agricultural Marketing Agreement Act of 1937 authorized the secretary of agriculture to establish such orders that would aid growers and shippers in marketing their produce.

Soon thereafter, the California-Arizona Navel Orange Marketing Order, with the

overwhelming support of the industry, was established.

Until 1961, the marketing order had a "sunset clause," which required growers to affirm their support for the order at periodic intervals of time determined by the secretary of agriculture.

Though controversy about the order existed, each time there was a vote, the industry members who voted usually cast about 98 percent of their ballots in favor of the order. During one year in the early 1950s, because of the continuing controversy, the order was suspended.

According to longtime industry members, chaos followed as shippers, used to marketing their fruit under the restraints of the marketing order, flooded the market with fruit at inopportune times and caused a depressed market for most of the season. The following year, the order was put back into operation, and the next few times it came up for a vote it passed, again with virtually total support of the industry.

In 1961, after the vote on continuation of the order received 98.9 percent "aye" votes, the secretary of agriculture, on the advice of the industry leaders, removed the provision in the order that required periodic voting on the order itself. Since 1961, there has been no such vote on the merits of the Navel Orange Marketing Order, although there was an industry-wide vote in 1970 on some amendments to the order.

For most of the last 20 years, the Navel-orange industry has gone about its business, living under the restraints of the marketing order, with little fuss. Through most of the 1960s, growers and shippers alike made money.

The main job of the ruling group of marketing order—the Navel Orange Administrative Committee, Los Angeles—was to prorate the crop over the entire season so each packer was given an equal chance to market his fruit at all times during the season.

The committee, than as it does now, gave each packer a limit on how much fruit could be sold domestically (including Canada) for the shipping week that began Friday and ended Thursday. The packer's prorate was directly proportional to the percentage of the total crop that he controlled.

This system worked well for years and still is defended by much of the citrus industry. The theory behind this system revolved around the fact that Navel oranges can be stored on the tree well after they reach maturity. So, the industry reasoned that to make sure the crop is marketed in an orderly fashion over an extended period of time, each packer's shipments would be limited each week.

During much of the last 40 years, this system has worked well. Faced with a limited volume of oranges, the prorate system has helped the industry move the crop in an orderly fashion. Proponents of the system claim that shippers have been able to avoid the fluctuations in volume and price that are common with many other fresh commodities. The proponents say this leads to stability in the marketplace, which leads to increased sales and increased returns to the grower as well as the shipper.

But in recent years many say this prorate system has gotten out of hand. No longer does it market the entire crop orderly over the length of the season, but instead it restricts the number of packages shippers are allowed to sell.

For the 1980–81 season, faced with the largest crop in its history, the Navel Orange Administrative Committee has worked out a prorate that will allow shippers to market only about 50 percent of their crop through fresh domestic channels. The number of packages designated for the domestic market is more than ever before, but still it is only 50 percent of the crop.

Growers are forced to dump most of the other 50 percent of the crop, although there is a limited market for export sales, which are not controlled by the prorate system.

The 1979–80 season also brought a huge crop, all of which was not marketed. Faced with back-to-back seasons in which growers were not allowed to market a very high percentage of their crop, the prorate system once again has come under attack.

Proponents of the system say it is the only way to market the fruit orderly and to allow each grower an equal chance for return on his investment.

Opponents argue that the prorate system is largely to blame for the overproduction that plagues the industry today. They claim the system allows the marginal grower to compete on an equal basis with an excellent grower.

Each can sell only a certain percentage of his crop each week, and the total crop marketed each week is supposed to equal the demand. Once the excellent packer has used up his prorate, the customers must turn to the marginal packers. Even proponents of this system agree it tends to keep the less-than-successful grower in the business much longer than if a totally free marketing system prevailed.

Many of these proponents, however, argue that the less-than-successful grower, more times than not, has been in the industry for years and in fact helped to build the industry to its present status. The proponents claim these growers deserve to be protected.

The proponents also argue the consumer is better off because there is little price or supply fluctuation. Given a free marketing system, they argue, the industry would be in a state of chaos as everyone tried to market his fruit during the traditionally high-demand times of the year.

They also claim that weather forecasts and other factors would affect the market, causing growers to strip their trees and to flood the market in times when freezes or adverse conditions were expected.

Opponents of the system, many of whom are marketers of other fresh commodities, argue that the free enterprise system must reign supreme. They claim that the prorate system, especially in years where volume is high, dictates that every grower must lose. They say all it does is limit losses but allows no one to prosper.

Most agree that a free marketing system would result in marketing problems for a few years but claim that in the long run, marginal growers would get out of the business and the industry would be better off.

Opponents argue that the marketplace should determine what the supply and demand is, not a committee of industry representatives.

Although there are many issues involved in this question (more than possibly could be covered here), it is obvious that open debate is necessary. Growers have not voted on this system in 20 years, and clearly, an examination of the issue is needed. The free marketing system may not be the answer. But, it is clear the prorate system also has its faults.

If the prorate system is a godsend for growers, shippers and consumers alike, it should be able to withstand a public debate and a vote by the industry.

[From the San Francisco Examiner, Apr. 15, 1981]

INDEFENSIBLE DUMPING OF FOOD

Rep. George Miller, D-Contra Costa, has moved to break up a bureaucratic squeeze play dating back to 1937 with his bill to reform a federal agriculture program that shouldn't exist.

The object of Miller's attention is the marketing order program directed by the Department of Agriculture, which in substance, as the congressman claims, "artificially inflates food prices, undermines the competitive market system, injures consumers and encourages the squandering of vital national resources."

A case in point: The Navel Orange Administrative Committee controls the sale of oranges. It forces growers to trash, give away or use for cattle feed part of their crop in order to stabilize supplies and prices.

In California this year, there is a record orange crop. This does not mean that prices are lower for consumers. A marketing order by the NOAC has required growers to get rid of hundreds of thousands of pounds of the citrus.

The resulting piles of dumped oranges are straight from "The Grapes of Wrath."

"The works of the roots of the vines, of the trees," wrote John Steinbeck, "must be destroyed to keep up the price, and this is the saddest, bitterest thing of all. Carloads of oranges dumped on the ground."

What's been happening indeed is a dismal commentary. The regulations run counter to common sense or to that which does the most good for the most people. They provide an excellent example of what President Reagan means when he speaks of government grown too large in its power.

[From the Fresno Bee, Mar. 18, 1981]

LET THEM EAT VITAMINS

As many as 500,000 tons of sweet, healthy California and Arizona oranges will be buried, fed to cattle or otherwise destroyed this year. The Federal Marketing Order for Navel Oranges is trying to keep prices up in the face of a bumper crop. So it has raised its size standards: Oranges that would have passed muster last year are this year deemed too small for fresh fruit sales. And it has lowered to less than 50 percent the proportion of each farmer's crop that can be sold. The oranges that will be thrown away as a result could have supplied four to five pounds of fresh fruit to every man, woman and child in America.

The marketing order allows farmers to give away to charity any oranges that have been ruled unsellable. But when Skip Pescosolido, a Tulare County orange grower, gave his oranges free to several Bay area poor people's cooperatives, the marketing order threatened to fine him. Since the co-ops themselves sold the oranges (to cover shipping and handling costs), though at far less than the going price, the marketing order administrators say Pescosolido may be in violation of their price supporting rules. A fine of as much as $10,000 could be imposed, and the threat, as one might imagine has had a chilling effect on other growers' charity.

Thus, mountains of oranges are piling up at a disposal site outside Fresno, while marketing order administrators argue that most customers wouldn't buy small oranges even if they could get them cheap. When a stu-

dent reporter from the University of California's Daily California asked a U.S. Department of Agriculture official why the small fruit couldn't at least be sold to poor people, the official answered, "Oranges are not an essential food. People don't need oranges; they can take vitamins."

Among the growers, who themselves determine the marketing order standards, which the Department of Agriculture then enforces, the debate centers on "demand elasticity": Does it do farmers more good to jack up prices by holding oranges back, or would lower prices and larger supplies attract new customers and new market, which would continue to order oranges in future, lower-yield years? But while this is far from settled, the more important question for the general public is whether there is any justification at all for the marketing orders any more.

When marketing orders were first established during the Depression, fruit and vegetable farmers were at the mercy of auction centers to which they shipped their fruit without even knowing what they'd be paid of when. Transportation and communication among the famers was so poor that the market was subject to wild fluctuations—gluts that left farmers without income, followed by shortages that left consumers with no fruits and vegetables. There were good reasons to give the farmers the tools and the anti-trust exemptions necessary to organize themselves and stabilize the market.

None of that applies anymore, however. About 90 percent of fresh fruit shipments are now made directly to buyers under firm price contracts. Growers have access to minute-by-minute information via telex about each other and the market, and improvements in transportation and refrigeration—as well as the growth of antitrust-exempt grower cooperatives—would seem to have eliminated the need for further special privileges.

Indeed, the special privileges thus far have been of least help to the small, family farmers they were originally designed to protect. Over the years, the number of orange farmers has dwindled, while the size of the remaining farms has increased dramatically. Many working farmers are now complaining that their protected market is attracting speculators and tax-shelter farmers, as well as supporting farm inefficiency and encouraging the misuse of agricultural land.

Pescosolido, the farmer in trouble for giving away his oranges, has petitioned the Agriculture Department to eliminate marketing orders, or at least to exempt him from the restrictions of the navel orange marketing order. He says he'd rather take his chance on a free market. So would the Consumers Union, which has taken up the cudgel on behalf of orange eaters. It quotes from John Steinbeck, who once looked at the "carloads of oranges dumped on the ground," and wondered why "men who have created new fruits in the world cannot create a system whereby their fruits may be eaten . . . There is a failure here," Steinbeck wrote, "that topples all our success."

[From the New York Times, Apr. 11, 1981]

ROTTEN ORANGES, CRUDE PRICING

The scene evokes memories of the Great Depression: tens of millions of navel oranges rotting in the sun, abandoned so that growers can get a higher price for the fruit they do send to market.

This conspiracy to restrain trade does not violate any law. In fact, one California grower who, rather than wasting food, sent 115 tons of eating oranges to a consumer co-op for sale to the poor at cost, is now subject to a hefty fine. Nor are oranges an isolated case. Federal agricultural marketing orders limit shipments of 33 different commodities from milk to walnuts, which sell for about $12 billion a year.

Budget Director Stockman worries, with good reason, that such marketing rules are an expensive and unwarranted intrusion in a free economy. While there may be a good case for continuing the system for some highly perishable commodities, the burden of proof ought to rest on producers.

Federal marketing orders are a holdover from the 1930's when thousands of farmers faced ruin from low prices. Producers form committees to set shipping quotas for individual farmers. The Agriculture Department must give its blessing but the committees are left mostly to run their own affairs.

Most farmers say they need marketing orders to survive in a world of rapidly fluctuating prices. Without the Federal backstop, fewer producers would be willing to compete and prices, on the average, would be higher. Consumer groups argue that the Government is supporting OPEC-style cartels that serve only the farmers' interests.

Who is right? Both viewpoints are plausible; the impact of marketing orders, and the case for allowing them to continue, probably varies from crop to crop.

For perishables like navel oranges, consumers may benefit from shipping quotas. It's true that rotting fruit is wasted food. However, without the marketing order, far fewer oranges might have been produced in the first place. But it is hard to see any case for protecting nonperishable commodities like powdered milk or walnuts. When prices are low such foods can be stored by processors or by farmers themselves, to be sold when market conditions improve.

As a practical matter, the problem is complicated by divisions among producers. Marketing decisions must be made by majority rule, but minority interests are not necessarily protected. For example, one marketer of naval oranges, the Sunkist cooperative, is so big that it can easily override the objections of other producers. The industry ought not to set the quotas alone.

A possible check on the system would be to shift supervision away from the Agriculture Department, which tends to treat farmers as clients. Other agencies, like the White House Regulatory Analysis Group created by the Carter Administration, have a broader perspective. Another check might be advance publication of marketing orders, with a mandatory analysis of their impact on production and prices.

It is unrealistic to expect that any shuffling of responsibility can neutralize the power of the farm lobbies. But exposing the marketing order system to public scrutiny just might give the rest of us a say in how much we pay at the checkout counter.

[From the Contra Costa Times, April 10, 1981]

YOU CAN'T GIVE IT AWAY

American Society is a long way from the free-wheeling capitalism of the 19th century and even further removed from the hand-in-hand approach practiced today by government and business in Japan and Europe.

Instead, what we have is a contorted hand-in-pocket method that offers the worst of all possible worlds.

Consider the plights of California's bountiful crop of naval oranges and of consumers who'd like a little relief at the supermarket checkout stand.

In classical economic theory, the abundance of this year's crop—one of the largest on record—would force down prices. Growers would thus sell more oranges and employ more harvest hands and truckers, while consumers would pay lower prices.

Everyone would come out a winner.

Look again. The Naval Orange Administration—a government-appointed committee of 11 growers and one consumer representative—has decided that this year's oranges are too small for the market and hence a half-million tons must be destroyed.

Imagine that. Board members read our minds and decided we wouldn't like the size or quality of the oranges, so they spared us the burden of refusing to buy the feeble little things and instead ordained to dump them.

Grower Skip Pescosolido had the audacity to challenge such a sagacious bit of insight and gave part of his crop to cooperative markets, where they were sold in bins for 8 cents a pound. For his attempt to relieve the consumers' burden, the NOA is harassing him with subpoenas and threats of fines. "It is legal for me to take the oranges and dump them on a drag strip, but it is illegal to give them to a nonprofit organization," he told the Associated Press.

The NOA was founded during the Depression when thousands of American farmers were ruined by drought. Congress created the administration to allow regulation of farm markets.

But the system's gone amok when oranges are dumped in the desert to rot while consumers are paying 12 percent more than last year for what's left of a bumper crop. And it leaves a sour taste in the public's mouth when people remember the hue and cry that was raised when Florida's orange crop was ruined by frost.

It's particularly galling when you note, as Rep. George Miller did this week, that the NOA's growers are using taxpayer-subsidized water delivered through taxpayer-subsidized irrigation systems to grow taxpayer-subsidized crops which are destroyed in order to inflate the taxpayers' food bill.

The public is getting it both ways: It's paying for the water that's pumped in to grow the crops, then paying again at the checkout stand because of the artificially created shortage.

Miller has introduced legislation to end the waste inherent in marketing boards that determine how much of a particular commodity reaches the public. For starters, under his bill, H.R. 3022, at least half the marketing board members would have to represent consumer interests.

We agree. The government should not delegate to private interests such awesome control of the food chain—if, in fact, there's even justification for government involvement in the chain. The boards' decisions affect millions of consumers, not just the handfuls of growers. It's a classic case of the fox guarding the chicken house.

Miller's proposal contains other reforms for the nearly 40-year-old system of marketing boards, all aimed at wresting control from those whose profits rise in geometric proportion to the consumers' bill.

There's a message in the madness that's perpetuated by boards like the Navel Orange Administration, who use the public's money to help grow their crops, then

withhold those crops in order to reach even deeper into the public's pocket.

The public has gotten the word. The government had better catch on soon.●

THE HANDGUN BODY COUNT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. LEHMAN. Mr. Speaker, today I am inserting into the RECORD a list of persons in this country who have been killed by handguns during the month of February. There are 617 names on this list, which contains only those reported by the media or supplied by certain medical examiner's offices.

I am particularly disheartened by the fact that 103 of the reported handgun deaths occurred in the State of Florida. Such tragic news does not surprise me, however, since there has been a tremendous increase in the sale of handguns in Florida during the past year.

I hope my colleagues will take a close look at this list, which has been published by the Michael J. Halberstam Handgun Control Memorial Fund, and reflect on what needs to be done to stop such senseless killing.

The list follows:

HANDGUN BODY COUNT, FEBRUARY 1981

ALABAMA (4)

Maia Evans, MacArthur Freeman, Jackie Hobbs, Tommy Squares.

ARIZONA (3)

Bruce Allen, James Rector, Jorge Romero.

CALIFORNIA (74)

Jack Anderson, Armando Armenta, Mary Avery, Ralph Avery, Porfirio Barragan, Alfredo Bautista, Chris Bjorn, Raymond Blacksher, Chiang Boi, Raul Bolones, Helen Bucky, Thomas Bush, Rudy Camarena, Miguel Campos, Michael Carr.

Damian Castille, Alfred Chavez, Clifton L. Covert, George Cozakos, Thomas Cruz, Daniel Diaz, Donuel Dohr, Donna Eckard, Alfredo Bautista, Antonio Fernandez, Debra Galban, James Galvan, Deborah Hadley, Roswell Hahn, Ramiro Hernandez.

Kathleen Hilton, Albert Hohl, Eugene Jorgensen, MD, Tony Jones, Randall Kaestner, Eugene Kelly, Eva Lane, Arturo Lopez, Paul Lorriva, Victor Ma, Winfred McGee, Pablo Mendoza, James Michaels, Joe Miranda, Robert Natividad.

Hong Nguyen, Alexander Palahnuk, Giovanni Paz, Cathy Perez, Dung Pham, Randy Johnson, Jaime Placencia, Eddie Williams, Henry Williams III, Abdul Zakariyya, Maria Diaz, Donna Eckard.

Unidentified females (7).

Unidentified males (10).

CONNECTICUT (2)

Douglas Kozman, Jim Revering.

COLORADO (14)

Vernon Brink, Robert Fresquez, Carlos Garza, Enrique Garza, Glen Greening, James Ihm, Delbert Ritchart, Ron Surratt, Grant Tolvo, Richard Valdez, Roy Williamson, unidentified male (2), Charles Parker.

D.C. (6)

Milton Anderson, Jr., Marquis Copeland, Darold R. Gray, Randy Hamilton, William Nolan, William Walker.

FLORIDA (103)

Miguel Alfonso, Curtis Allen, David Allen, Larry Allen, John Arant, Linda Banks, John Bayly, Philip Coachman, Patrick Brown, Fred Card, Susan Card, William Clinton, Gerardo Demula MD, Julian Diaz, Christopher Drake, Sylvia Drake, Andres Dorueit, Antonio Fernandez, Larry Finney, F. G. Forbes.

Gary Fournier, Everald Freeman, Reinero Fuentes, Jose Garcia, Laudelina Garcia, Phil Glanzer, Guy Gohier, Armando Gomez, Jose Gonzalez, Raimundo Gonzales, Tony Gonzalez, Lester Goodman, Alfredo Gomez, Bert Gross, Russell Hawkins, Willie Henry, Jr., Marta Hernandez, Thomas Hollywood, Adolfo Ibarra.

Curtis Inman, Bienvenido Jaramillo, Louis Jinks, Arthur Kissel, Caonabo Morales, Leonard Morgan, Mark Morgan, Jorge Marrero, Elwood Mathis, Jr., Verna Milligan, Ralph Moreno, Lemmie Nelson, Greville Nesbeth, Ramon Oviedo, Catlina Rizo, Thomas Pittman, Ulysses Putts, Lazako Quintana, Julian Rastrelli, and Catlina Rizo.

Anthony Rotham, Dennis Sadler, Elvira Sanchez, David Smith, Yolando Smith, Steven Smith, Robert Soll, Jesse Stuckey, Maria Tabruae, Azerine Thompson, Harold Timmons, Rogelio Torres, Edward Ward, Edna Washington, Reggie Washington, Terrance Washington, Walter Washington, Wash Williams, James York, and Amos Brown.

Carlton Culliver, Armando Gomez, Otis Hale, Tscwanda Leacock, Caonabo Morales, Andres Pena, Armando Perez, unidentified males (15), unidentified females (2).

GEORGIA (4)

Amber Barnes, Joyce Barnes, Stephanie Barnes, and Ray Frady.

HAWAII (3)

Barbara Mower, Danny Shin, unidentified male.

IDAHO (1)

Byron Kleinkopf.

ILLINOIS (62)

Kevin Anderson, Melan Androvich, Janice Ballard, Joseph Brenner, Alice Calloway, Martha Carter, Diego Castillo, John Castro, Mi Cieply, and Jeffy Cunningham.

Lance Davis, Fred Demkov, Georgia Dobine, Donale Elmore, Millie Felton, Jack Frigate, John Geever, Julias Gerlach, Ollie Glover, and Donale Haygood.

Juan Herrara, Alvis Hill, Ronald Hrabe, Israel Irrazary, Louis Jones, Steppa Junkovic, Zefa Junkovic, Stanley Kamosa, James Kimbrought, Scott Klinker, and Candace Lang.

Edward Latson, Luis Lozano, Dennis Manifeld, Virgil Marshall Jr., Lawrence Martin, Michael McFadden, Walter McKibbin, Earl Mixon, Jr., Kal Mosly, Robert Mumbower, Ester Paynes.

Timothy Petty, Lorenzo Reed, Arthur Roberts, Sean Shields, Candace Shreeves, Marie Slapak, Charles Smith, Thomas Smith, Johnnie Spann, Robert Taylor.

Raymond Thomas, Delroi Washington, Steven Watts, Leslie Whitmarsh, James Williams, Colby Wills, Norman Wade, Nabil Zaia, unidentified males (2).

INDIANA (4)

Vernon Albert Cassady, Vernon Allen Cassady, Michael Medlen, Wilbert Renner.

KANSAS (9)

Alice Henry, Terry Collins, John Gaston, Mattie Jones, Dennis Murphy, Michael Ross, Sandra Rumpf, Robert Tubbs, unidentified male.

KENTUCKY (4)

James Brock, Bobby Mollett, Mary Stubblefield, Bernard Vaught.

LOUISIANA (16)

Robert Bailey, Ella Boston, Sherman Chapman, Katherine Davis, Tyronne Dillon, Nathaniel Frances, Betty Greer, Sandra James, Herbert Jones, Theodore Marston, David Miley, Anne Musgrove, Robert Page, Joseph Perique, Harold Raymond, Ernest Rodriguez.

MAINE (1)

Laura Dow.

MARYLAND (9)

Phyllis Clark, David Clifton, Richard Dishman, Peter Dixon, Reginald Dunnock, Antonio Harison, Joseph Hruska, Juana Requena, Sebastian Russo MD.

MASSACHUSETTS (2)

John Fontaine, Edward Zinman.

MICHIGAN (49)

Charles Alexander, Whitney Alexander, Amir Ali, John Anthony, George Asbell, Dalton Bobino Jr., Jeri Bowerman, Maurice Brown, Robert Bush, Teresa Cummings, Tyronza Davidson, Roosevelt Dawson, Frank Deruyck, Lilliam Donaldson, Vincent Dorsey.

Earl Doster, Karen Downs, Paul Eddings, William Faust, William Foltz, Keith Harvey, Alvester Hunt, Jr., Nathaniel Kellum, Raymond Kokowicz, Derek Lewis, Wade Love, Patrick Lozon, Floyd Lucas, Guiseppe Mastrogiovanni.

Sidney Moore, David Mosley, Matthey Newberry, Edward Norwitzke, Daniel O'Neill, James Pigford, James Richburg, Cleve Rue, Leslie Shark, Ramon Shaw, Bernard Siggers, Theartis Sloss, Kurt Spikes, Eric Spires, Charles Stamps, Karen Starkey, Denny Thompson, Roger Walton, Edward Welch, Arthur Williams.

MINNESOTA (1)

Dennis Clanton.

MISSISSIPPI (3)

Irwin Garlotte, Rebeca Garlotte, Josie Jones.

MISSOURI (32)

Janet Anderson, Scott Anderson, John Barnes Jr., Mark Berryhill, Christopher Carlisle, Rene Daley, Billy Davis, Mark Griffin, Ely Holt, Sr., Tommie Isom, Arthur Jeffery, Norvell Jones, Orion Jones, Tammy Lacy, Francis Lyons, Kathleen McClelland.

Robert Monger, Thomas Moseley, George Pauley, Rhonda Penny, Larry Pratt, Charles Sims, Kristi Smith, Adrian Steckey, Charles Thomason, Kenneth Brown, Rene Brown, Ronald Walker, Roy Walsh, Ann Weible, Janice Womack, Russell Young.

MONTANA (2)

Richard Matye, Dennis Winterhalter.

NEBRASKA (2)

Joan Moravec, Patrick Raiter.

NEVADA (3)

Mark Cuellar, Jesse Flores, unidentified male.

NEW JERSEY (4)

Donna Candon, William Candon, Karen Costello, Olga Tipton.

NEW MEXICO (5)

Guadalupe Gurule, Regina Harris, James Martin, Delmar McDonald, Linda Montoya, unidentified male.

NEW YORK (14)

Joseph Adams, Joseph Adams, Sr., Thomas Bush, Joseph Chan, Elliott Hyman, Iris Jiminez, Frank McIntyre, Walter Montgomery, Raymond Prioara, Cecil Sledge, Albaro Tobon, Americo Torvino, unidentified male (2).

NORTH CAROLINA (8)

Dennis Clanton, Pamela Durham, Annie Pettiford, Hubert Russell, Karen Russell, Patricia Russell, Robert Russell, Tommy Stroud.

OHIO (32)

Ted Bates, Anthony Batista, Anthony Batista, Jr., Charlene Batista, Charles Batista, Shirley Berger, Sonny Bivens, Sharon Burke, Minnie Cameron, Gary Clapacs, Arlanders Dungey, Thomas Featzka, Robert Flanik, Charles Fraley, Donald Gibson, Edward Highley.

Terry Jeremy, Raymond Leach, Leonard Mancini, Timothy McCarthy, Ronald Parmer, Silas Davis, James Payne, John Pruitt, Michael Robinson, Michael Scully, Greg Small, David Tingler, Patrick Verdone, George Walker, Robert Walker, unidentified male.

OKLAHOMA (18)

Miguel Alvarez, William Biege, Lindia Briggs, Paul Cotton, Ray Courtemanche, Curtis Cummings, Sean Denton, John Johnson, Edward King.

John Portwood Jr., Pat Price, Vernon Prince, James Salyer, Guadalupe Sandoval, Irvin Slutzky, Floyd Talbot, Billie Thomas, Deborah Vaughns.

OREGON (3)

Michael Evans, Sesilili Ika, Julie Reitz.

PENNSYLVANIA (13)

Joseph Baynham, Thomas Boneck, Rhea Foster, Kim Georg, Michael Hanly, Willie McLean, William Metz, Billy Merriwether, John Morgan, Robert Proper, Jr., Lee Schuyler, John Weiss, Glen Zell.

RHODE ISLAND (1)

Warren Flinkfelt.

SOUTH CAROLINA (2)

Johnny Smith, David Spencer.

TENNESSEE (12)

Oliver Boles, Jr., Tommy Byerley, Ruby Clark, Rogers Davis, Gayin Duckworth, Ruth Eaves, Herman Evans, Jr., Joyce Gold, Levi Green, Donald Hall, Sylvia Phillips, Sherman Wright.

TEXAS (59)

Carlos Almarez, Oscar Alvarado, Eugene Barrera, Gavino Barrera, Charles Basquez, Irma Cruz, Eugene Dickerson, Donuel Dohr, Tommy Driver, Demetrio Elizondo, Vivian Fair, Leland Faubus, David Frederico, Doug Ferguson, Eva Garay.

Elias Guerra, Gloria Gonzalez, Chester Hartin, Kathleen Heatley, Cassandra Jackson, Cecil Jackson, Stephanie Kain, Timothy Kain, Omer Kelton, Patrick Kelly, Jr., Gary Kunz, Walter Lawhon, Robert Loper, Daniel Liepold, Bernabe Lopez.

Ellen Mack, J. T. McCarthy, Lena McLarty, Edward Meeks, Rodolfo Mendoza, Jimmy Milo, Anthony Montano, Bruno Muniz, Robert Nelson, Jerry Pearson, Kenneth Pierce, Jose Renteria, Raythell Robinson, Ricardo Robles.

Reynaldo Rodriguez, Pat Runyon, Rodolfo Sanchez, Nola Shotwell, L. E. Silas, Brenda Smith, Herlinda Smith, Mark Summers, Roy Soto, Alireza Tavakolshoar, Dalton Usleton, Victor Vallair, David Vigil, John Zeno, unidentified male.

UTAH (3)

Samuel Eaquinta, Darrell Jarvie, Steve Valdez.

VIRGINIA (9)

Albert Allred, William Davis, Earl Derryberry, Jr., Leonard Haymaker, Jessie Hunter, Wayne Milchin, Kenneth Matherly, Samuel Rahman, Otis Webb.

WASHINGTON (10)

Terry Dolan, Emery Buford, John Fletcher, Anthony Glover, Vanessa Kelley, Michael Palmer, Jeffrey Prather, Douglas Prottengeier, Robert Scott, Donald Waring.

WEST VIRGINIA (4)

Jackie Grubb, Billy Hall, Floyd Johnson, James Osburn.

WISCONSIN (7)

Michelle Bearnes, Richard Boeck, Juan Gamilla, Randy Johnson, Dennis Mouzakis, Robert Munbower, Donald Rains.

SUPPORT FOR MARTIN LUTHER KING HOLIDAY

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. LELAND. Mr. Speaker, the Lockhart Elementary School, in the 18th Congressional District of Houston, is in support of making Dr. Martin Luther King's birthday, January 15, a national holiday.

Dr. King was one of our foremost advocates of human rights and certainly, in my opinion, deserves this national recognition. Therefore, I am very proud to have these following names inserted in the CONGRESSIONAL RECORD in support of a national holiday:

Teacher—Ms. Cole

Tanaya Bishop	Javier Tajada
Monashlee Brown	Jeane Taylor
Gregory Carroll	Joe Whylie
Thomas McGarity	Gregory Woods
Stephen Stevenson	

Teacher—Ms. Blair

Reginald Andrews	Shonda Jenkins
Philesia Blain	Eugene Johnson
Remus Brown	Tracy Parker
Vanessa Bruton	Charla Payton
Marcus Carpenter	Charles Terry
Bernard Carston	Shante Walker
Raynold Dudley	Theodore Watson
Derrick Gatlin	Cedric Ennett
Roshonda Glover	Fransha Chambers
Anthony James	Eyvonne Lewis

Teacher—Ms. Jones

Kirk Chappel	Jeanine Lewis
Frank Cooper	Chreris Murphy
Richard Davis	Gus Paige
Danny Doss	Tonya Phillip
Earnest Garner	Aubrey Rhodes
Richard Harleston	Nicky Sowell
La Tonya Hilliard	Felicia Spencer
Joseph Jackson	Sedrick Starks
Toni Jackson	Donnie Tealer
Barri Johnson	Marcus Shelby
Eric Knox	Latacia Haves

Teacher—Ms. Coleman

Robert Briscoe	Alice Jones
Jeral Clark	Leonard Murphy
Larry Ganey	Anthony Nichols
Shonda Godfrey	Larissa Smith
Antwain Harps	Sycina Townsend
Everett Haven	Charles High

Teacher—Ms. Crystal

Royneil Bishop	Sean Robertson
Willie Coleman	Carlos Rodgers
Gregory Hightower	Latasha Rogers
Deandra Holland	Ignatious Shelby
Donna Huff	Lareisha Terry
Theordora McDowell	Toby Thomas
Angela Moore	Hyman Walker
Veronica Moore	Lafonda White
Rodney Nichols	Patricie Williams
Richard Norman	Calvin Lewis
Cornell Porter	

Teacher—Ms. Hughes

Norma Ammon	Ronald Jones
Courtney Boutte	Edward Lee
Joseph Cezar	Marc Manuel
Sedrick Collins	Shang Matthews
Kirk Fisher	Anthony Moore
Rhonda Godfrey	Scessell Paige
Kayla Hamilton	Demetrius Perry
Keita Hargrove	Keidra Pines
Derek Hemanes	Michael Randall
Qualin Holden	Vernis Scott
Zella Howard	Gloria Terrell
Bubba James	Verlina Washington

Teacher—Ms. McCowen

Timothy Alexander	Dartagnan Hill
Albert Bass	Shemetra Jenkins
Michelle Butler	Lakisha Johnson
Roysi Byrd	Fenyang Lowe
Eric Chizer	John Mattox
Lashonda Clemons	Kahn McCowan
Stevie Davis	Dishia Porter
Jimmy Dixon	La Donna Rc ette
Leah Evans	Bridgett Sharpe
Rodney Faulwell	Roshanda Story
Geno Freeman	Monique Thompson
Kechier Glenn	Monica West
Tamera Grant	Daemon White
Ivory Harris	Curtis Williams

Teacher—Ms. Green

Broderick Barrett	John Jones
Dwayne Busby	Winfred Kerr
Kent Chaplee	Donaletty Mims
Zelda Coleman	Cynthia Pennamon
Jacquelin Cooper	Kedrich Randolph
Jeranine Fulton	Jacquelyn Rogers
Christopher Glover	Patrice Sims
Ronnie Harris	Kerstie Spears
Mark Holliday	Lanetrice Webb
Anthony Hunter	Steffanie Hamilton
Angela Jackson	Charles Fields
Felecia James	Kevin Williams

Teacher—Ms. Henry

Cecil Adams	Frederick Noland
O. Carpenter	Osby Phillips
Kimberly Chappell	Wendell Raven
Suwan Clemons	Melinda Sergent
Prytrail Davis	Toi Shelton
Ned Evans	Kevin Staves
Tiffanie Foster	Anthony Tillis
Deray Harleston	Tonya Walker
Darrell Jackson	Jesse Watson
Kijanna Jackson	Michelle Williams
Felicia Jenkins	Trimetra Williams
Elbert Martin	Brannon Nealy
Sonya Ward	Belinda Powell

Teacher—Ms. Lydiard

Patricia Boone	Cedric Greene
Carey Briscoe	Dannie Hemanes
Ulysses Galloway	Johnathan Hudson

Thaddeus Keeley
Kenneth Sanders
Taurrance Wheeler
Robert Williams
Syretta Anderson
Derrick Petty
Nickie Jackson

Teacher—Ms. Simon

Tisha Benjamin
Shandra Byrd
Titus Harris
Jerry Johnson
Kendra Jones
Brian LaFleur
Jason Proctor
Latisha Rhone
Leroy Sykes
Sandra Washington
Joseph Wilkerson
Riley Mey

Teacher—Ms. Niemier

Christohper Anderson
Barry Barefield
Michelle Bell
Edward Byrd
Bobbie Davis
Carl Davis
Bobby Galloway
Tracy Hackett
Robert Harps
Tina Holden
Gregory Jackson
Jerald Jackson
Kennell Jacob
Macus Kirksy
Robin Leonard
Brodrick Milburn
Stanely Moore
Wiley Oakley
Belinda Richardson
Warren Richardson
Wilbert Roberson
Ja Saucier
Naeshauna Semiens
Aubreae Swanson

Teacher—Ms. Osborn

Romonica Acklin
Olevia Brown
Lameka Hamilton
Chammond Hayes
Latecha Jones
Leroy Lewis
Taurus Moon
Michael Moore
Lynette Muchison
Treava Paul
Tarsha Roberson
Neketha Robinson
Michael Rogers
Shalla Sanderson
Katrina Smith
Ronald Thornton
Kimberly Williams
Willie Moore
Kobie Jackson
Dangel Flanigan

Teacher—Ms. Aldridge

Derrick Bishop
Lawrence Bryant
Otis Howard
Timothy James
Betty Jones
Randy Jones
Kimberly Kelso
Erick Lee
Willie Lewis
Melvin Parker
Patricia Robinson
Lachia Sanders
Rickey Sharpe
Debra Lewis
Chinyere Akuchie

Teacher—Ms. Catchings

Mark Banks
Lisa Bledsoe
Erick Busby
Quetina Collins
Elliottio Doze
Anitra Edwards
Angela Evans
Daron Evans
Troy Galloway
Thomas Tronown
Terrance Williams
Lisa Wright
Denita Betty

Teacher—Ms. Brown

Earl Callis
Ronald Campbell
Cherry Coleman
Tom Doze
Virgina Gardner
Clarence Green
Ruby Hightower
Jetry Holland
Jeffery Jackson
Robert Jackson
Reginald Jones
Dennis McDowell
Kimberly Mitchell
Robert Mitchell
Lokitia Oliver
Terina Renfro
Shawn Savant
Cassandra Smith
Kimberly Sykes
Marlon Titus
Teresa Tone
Yolanda Wheeler
Angela Fields
Derrick Powell

Teacher—Ms. Murtaugh

Arlonda Anderson
Jeremy Bass
Anthony Benjamin
Alesha Booker
Angela Brown
Tommie Clay
Kenneth Davis
Anissa Fisher
Roderick Harrell
Kevin Harris
Marvin Johnson
Shermanrion Lopes
Yolanda Madria
Chad Moore
Ernest Moore
Poudoo Randolph
Marcus Rhodes
Byron Roberson
Andraea Semiens
Marcus Simmons
Brodrick Smith
Tracy Spender

Natasha Vinson
Altha Wade
Tayna Walker
Reginald Wallace
Demika Warren
Derrick Williams
Tangela Williams
Dokie Jackson
Dorothy Levin

Teacher—Ms. Revere

Kelli Black
Demod Blackman
Dana Colson
Sybongile Cook
Cedric Nichols
Timothy Dickson
Alpha Evans
Josette Gallow
Chris Gatlin
Shirlene Grant
Devona Green
September Henderson
Rolanda Holland
Christopher Jackson
Sandra Jackson
Tiffany Jenkins
Gus Jones
Lloyd King
Carmen Minick
Nicole Pelrean
Shashena Polk
Shawn Richardson
Gregory Smith
Tajuana Thibodeaux
Marcia Thomas
Katrina Williams
Bridgett Carrell
Dassen Cook

Teacher—Ms. Wuebker

Catherine Benjamin
Edward Brooks
Roderick Carlisle
Twanda Carlisle
Torrence Clark
Andre Creswell
Cherylett Frazier
Tambra Galloway
Trina Ganey
Nico Gardner
Rodrick Hannon
Derrick Jackson
Rachel Jackson
Angelia Kirksey
Sammie Lott
Angela Martin
Rachi Mayes
Shannon Meullion
Phyllis Mosley
Anthony Norris
Louis Norris
Carey Phennamon
Deshavnda Roberts
Troy Taylor
Alecia Terrell
Linda Watson
Mario White
Byron Chambers

Teacher—Ms. Hearne

John Houston
Rodriguez Johnson
Ronald Johnson
Shalanda Johnson
Stacy Johnson
Sherman McClinton
Thomas Morrison
James Navarro
Lorenzo Norman

Teacher—Ms. Jones

Artura Garcia
Kings Manjos
Bobby McCray
Marvin Noland
Andria Moore
David Bleichert

Teacher—Ms. Daily

Steven Acklin
Donnetta Anderson
Korotha Brown
Alicia Clay
Alivia Coleman
Cedrena Deslandes
Carrie Dixon
Marcus Elmore
Kelvin Foster
Tina Goodman
Keysha Green
Evelyn Hale
Beverly Harris
Eric Henry
Aaron Holden
Andrei Kizzie
Leon Laday
Bernard Plummer
Jarrel Rawls
Kelley Smith
Rodney Smith
Robert Turner
Samantha Webb
Lloyd White
James Williams
Yuseth Wright
Lamonica Wynne
Felicia Young
Byron Hayton
Brian Harris
Jenifer Brumfield

Teacher—Ms. Mason

Georgette Banks
Fannie Beckwith
Anthony Blackshear
Tresondri Blain
Eric Brooks
James Brooks
Shelia Coleman
Shawn Davis
Lakeesha Decker
Alonzo Galloway
Kelly Glenn
Kelvin Hinton
Lametria Jackson
Felecia Johnson
Trenell Johnson
Calvin Martin
Troy Matthews
Carl Muchinson
James Rhodes
Howard Richardson
Tameica Rose
Yaku Rylander
Tara Scott
Cynthia Scott
Towanna Tillis
Antoinete Washington
Raymond Washington
John Webb
Terry White
Sylvetter Wilkerson

Teacher—Ms. Miller

Dwayne Adams
Jeffrey Bryant
Angie Ellis
Regina Foster
Burnette Garner
Tina Harper
Carter Hunt
Edward O'Neal
Kennan Proctor
Anitra Richmond
Calvin Smith
Thomas Taylor
Charles Thornton
Evelyn Williams

Teacher—Ms. Sweitzer

Brenda Antoine
Michael Edwards
Richie Hayes
Christopher Jackson
Kimberly Jordan
Cedric Nelson
Shedrick Nelson
Treavor Pervis
Harold Roberson
Clarke Rodgers
Sabrina Sowell
Vance Wilson
Kedrick Young

Teacher—Ms. Rowl

Jacob Black
James Bobino
Sharon Briscoe
Barry Brooks
Helence Bryant
Earletha Callis
Donald Davis
Olivia Hawkins
Sherman Hill
Alex Holliday
Sonya Johnson
Cornelius Jones
Jeffrey Lara
Adrian Moore
Stacy Moore
Veronica Nixon
Linda Oveal
Robert Scott
Monica Stewart
Mia Waller
Pamela Wheeler
Monique Wilson
Narva Wilson
Andrea Woods
Roderick Woodworth
Marlyn Fields
Theresa Sowell

Teacher—Ms. Allen

Carol Baisy
Angelo Barclay
Sederick Barrett
David Bledsoe
Ronald Bledsoe
Lisa Bookman
Donald Brown
Charlotte Davis
Karen Davis
Clarence Evans
Anthony Harris
Dovie Harris
Louis Harris
Janine Jacko
Bobby Jackson
Cheryl Jackson
Helesea Jefferson
Yolanda Jordan
Johnathan LeBlanc
John Lemon
Shannon Marcel
James Mitchell
Derek Nichols
Roy Pemberton
Latrice Pickens
Wanda Pervis
Derrick Smith
Veolett Spell
Anthony Sykes
Luther Turner
Shelley Wade
Jessie Hill

Teacher—Ms. Drayden

Delshon Barrett
Charlotte Brisby
Josette Brister
Tracey Butler
Howard Coleman
Erich Davis
Etois Davis
Arezella Durden
Sheree Elmore
Carl Harris
Lester Jackson
Randle James
Johnny Johnson
Dania Kiangs
Lionel Lewis
Loretta Lott
Marlin Lovejoy
Ronald Marshall
Lena Melton
Sequina Moore
Shavillar Polk
Myron Roberson
Renita Rylander
Howard Scott
Tiffany Semiens
Chris Thomas
Christine Tone
Pamela Williams
Sharonda Williams
Marilyn Fields

Teacher—Ms. Hensley

Mark Acklin
Anthony Baker
Darrilyn Bartlow
Leshon Burley
Angela Carter
Anthony Evans
Vertice Fulton
Joseph Gallow
Latricia Gilbert
Roderick Glass
Karen Grimes
Rosalyn Grimes
Tony Heflin
Rhodesia Johnson
Christopher Joseph
Samuel Lamb
Angelia London
Reginald Lovejoy
Treveia Miller
Itheca Murray
Ebony Phillips
Ronell Panky
Patrick Robertson
Tobman Robinson

Keith Rogers
Marjorie Roy
Donya Smith
Kristi Wade
Tonya Ware
Patricia Western
Diantha Young
Ingrid Carroll
Chinyire Akuchie
Latanya Durham

Teacher—Ms. Allen

Eric Anderson
Keith Baldwin
Sharon Cook
Patricia Evans
Rachell Gibbs
Jeannie Honore
Sabrina Jackson
Deborah Johnson
Michael Johnson
Chavarria Knox
Stephanie McDowell
Delton Oveal
Clarence Pruitt
Shirley Radford
Bryan Scales
Vanessa Smith
Dana Terry
Nathaniel Walker
Frederick Winbush
Bridgett Ausbie

Teacher—Ms. Foster

Ron Brooks
Henry Brown
Tonya Byrd
Alvin Carter
Falecia Foreman
Fletcher Galloway
Tiska Harper
Phillip Haven
Terrance Hawkins
Cynthia LaFleur
Cyntare LeBlanc
Diana Lipscomb
Hoy McBride
Eleania Moore
Rhonda Murchison
Francine Nickerson
Janice Noland
Tyronia Oliver
Charlotte Pervis
Edward Scott
Sonya Thornton
Arthur Tone
Rufus Warren
Alvin Wilrich
Tonya Wilkerson
Marcus Durham

Teacher—Ms. Ricard

Deanna Aikens
Leroy Allen
Anita Anderson
Lisa Banks
Cleopatra Barnes
Kimberly Barnes
Sabrina Binion
Charles Blanchard
Shenita Farr
Terry Flanngan
Kim Gardner
Robert Gardner
Renita Harding
Bridgette Henderson
Jonathan Hinton
Shawn Jackson
Willie Johnson
J. Jones
April Jordan
Tracey Mallory
Carol Mapps
Drieca Matthewis
Dena Moore
Melvin Moore
Tracy Moore
Renata Norris
Clarence Richardson
Sarita Titus
Alicia Tyson
Jarvis Cook

Teacher—Ms. Ryfa

Ralph Allen
Tina Banks
David Barboza
Jaime Briscoe
Christopher Rodgers
Avis Terry
Yolanda Young
Mark Yaasmon
Richard Tieley
Roquel Tieley

Teacher—Ms. Blair

Danielle White

Teacher—Ms. Jones

Kirk Chappel
Frank Cooper
Richard Davis
Danny Doss
Earnest Garner
Richard Harleston
La Tonya Hilliard
Joseph Jackson
Toni Jackson
Barri Johnson
Eric Knox
Jeanine Lewis
Chreris Murphy
Gus Piage
Tonya Phillip
Aubrey Rhodes
Nicky Sowell
Felicia Spenser
Sedrick Starks
Donnie Tealer
Marcus Shelby
Latacia Hayes

Teacher—Ms. Lively

Yughlette Baker
Leonard Ganey
James Gilmore
Deshonda Hamilton
Elcuiana Hawkins
Demetrius Hollins
Femikie Kirksey
Dwayne McBride
Varick Piper
Telisha Powell
Timothy Richardson
Lekeith Smitherell
Tyrone West
Bryant Wilson
Sabrina Wilson
Dianett Bass
Fransha Chambers
Clara Wells
Roland Westbrook

Teacher—Ms. Thompson

Yolando Adams
Quinten Burks
April Cezar
Christopher Clemons
Jada Cook
Starr Cook
Pearlynn Crane
Georgina Davis
Nicole Davis
Tiorre Franklin
Jeanette Henderson
Joseph Horton
Terrae Johnson
Jerald Moore
Deshanna Myers
Crispian Newberry
Roscoe Rhone
Michael Scott
Moniquica Waddles
Jumarion Walker
Rodney Washington
Charles Williams
Shaquita Williams
Yvette Wilson
Terral Reese

Teacher—Ms. Barnes

Allen Akens
Deandrali Banks
Hannibal Brown
Lee Burns
Kendra Caleb
Tiwana Erwin
Ladonna Hale
Fredrick Johnson
Bendell Lewis
Chaquita McDowell
Santiago McShon
Trina Norris
Nichole Phillips
Patrick Robinson
Laverne Thomas
Nelse Tillis
Cassandra Vinson
John Walker
Leroycia Walker
Dannettie Willhite
Natasha Williams
Pearline Williams
Simon Crawford
Ericka Watson
Keyna Kirkwood

Teacher—Ms. Cohen

Amos Bass
Christopher Buckner
Micheal Hendrix
George Johnson
Jimmy Jones
Keysheer Jones
Ericca Lott
Edward Pickett
Tammie Thomas
Joseph Williams
Tarounda Simon
Christopher House
La Fonda White●

IDA NUDEL

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. FISH. Mr. Speaker, it is with deep regret for her plight that I join my colleagues today in extending birthday wishes to Ida Nudel, who must celebrate in prison, guilty only of expressing her wishes to exercise her rights as a free individual.

Ida, who is known as the guardian angel of Soviet prisoners of conscience, has always been a special woman in the hearts of souls of those Jews in the Soviet Union who have struggled against tyranny and oppression for many years in order to reach their holy land of Israel or simply to escape persecution. She is a woman of great courage and convictions whose sacrifices over the years she was free were a great inspiration of prisoners of conscience. Her efforts led to freedom for thousands of Jews.

Ida Nudel devoted herself to supporting and comforting those whose fate she now shares in a lonely existence in Siberia. Ida is the only female among Soviet prisoners of conscience, and her health is questionable under the rigors of Siberian winters. Her will, however, remains strong. She does not regret any of her actions, and we can only hope she will endure her hardships until she is set free.

As one of my own adopted prisoners of conscience, I have spoken out on behalf of Ida Nudel many times in the past. I know that she will somehow survive until she can reach Israel. Since there is no easy road to Ida's freedom, we all must continue to speak out on her behalf so that she can be reunited with her family and her people. I urge the Reagan administration to pursue this goal as well and to continue its commitment to human rights in the Soviet Union so that emigration can become available as a realistic choice for all Soviet citizens.●

THE RESEARCH AND DEVELOPMENT INCENTIVE TAX ACT OF 1981

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. SHANNON. Mr. Speaker, U.S. industry has a productivity problem. The Reagan administration believes it has a solution: The Capital Cost Recovery Act, a tax cut that will stimulate investment. Increased capital investment is a major element in an improved productivity rate, and the administration's tax cut proposal addresses it directly, with a revised depreciation schedule. There are, however, two additional elements that determine productivity growth: the skill level of the work force, and development of new technologies. In order to affect all three elements, we need a program that will complement the administration's proposal.

Today, I am introducing the Research and Development Incentive Tax Act of 1981, which contains provisions to prepare workers for skilled jobs, and to fund research in new technologies. Our older, capital-intensive industries require the benefits offered by the Capital Cost Recovery Act. Our new, innovative industries require a different approach. The Research and Development Incentive Act complements the administration's tax proposal. Together, they would affect all three elements necessary for productivity growth.

The Research and Development Act is composed of five provisions:

The first proposal would establish a 25-percent tax credit for increases in a company's research and development spending in excess of its research and development expenditures for the previous 3 years. This has the effect, not of subsidizing ongoing projects, but of providing an incentive to increase new research commitments.

Under this proposal, small firms would incur a greatly reduced tax liability during their startup period.

We can do a lot more to encourage the kind of cooperation between business and universities that will benefit them both, and create jobs. Business can provide expanded research and development opportunities for education, and education can provide new ideas and trained personnel for business.

The second part of the Research and Development Incentive Tax Act would offer tax breaks for businesses that support university research. The corporate donor would agree to supply research funds to universities in return for a 25-percent tax credit on an amount deposited in the credit reserve. The money in the fund would not be taxed, and a 10-percent deduction would be allowed when the funds were withdrawn.

The third provision of the act would amend the Internal Revenue Code to increase the tax deduction that is presently allowed for corporate donations of newly manufactured equipment to universities, colleges, and vocational schools. The equipment donations proposal is intended to accomplish two objectives: First, it would assist universities in expanding research programs, and, second, it would help reduce the current shortage of trained technical personnel.

The fourth provision entitles businesses to offer incentive stock options to their employees. This would enable employees to share financially in their company's growth, while their investment provides funds for the company's expansion.

And, unlike bonuses, incentive stock options would provide long-term productivity increases rather than short-term profits. This provision would help insure that once technological innovations are developed, they will be put to productive uses. Stock options would particularly benefit employees of small technological firms with large growth potential.

The fifth provision would insure that domestic corporations not move their research and development facilities overseas in search of more favorable tax treatment. U.S. companies would be allowed to deduct domestic research and development expenses from their domestic income, rather than having to allocate a portion of these expenses to their foreign income, as they are required to do under current law.

These five provisions offer a coordinated approach to training personnel for skilled jobs, and to stimulate research and development. The cost is minimal. In fiscal 1982, the total revenue loss estimate for the entire package would be $728 million. By fiscal 1985, the estimate total would be $1.039 billion. The 25-percent tax credit for research and development expenditures is the most expensive component; in fiscal 1982, it would cost $522 million. Deduction of research and development expenditures from domestic income would account for $108 million of the total. The tax-exempt reserve, along with its corresponding tax credit and deduction, would account for $86 million of the fiscal 1982 revenue loss. The equipment donations section would cost less than $10 million. Incentive stock options would cost less than $2.5 million in fiscal 1982; by fiscal 1985 however, this provision is expected to raise $30 million in net revenues.

A decade ago, the United States had the highest living standard of any country in the world. We now rank 10th among industrialized nations in per capita income. American productivity has declined in each of the last 3 years. From 1970 to 1978, manufacturing productivity in West Germany rose 73.3 percent faster than in the United States; in Japan, it rose 71.2 percent faster; and in France, 42.2 percent faster. Those countries actively support industrial research and development; the United States does not. Japan, for instance, targets high-potential industries and provides developmental subsidies, accelerated depreciation, and soft loans for research and development. All Japanese businesses are allowed a 20-percent tax credit for research and development, and special depreciation for research and development plant and equipment expenditures. Although approximately three-quarters of the U.S. gross national product in this century can be attributed directly to innovations made possible by research and development, the United States now offers no research and development incentives.

The administration has included a special 3-year depreciation category for research and development in the Capital Cost Recovery Act. This provision does not, however, go far enough. Equipment purchases constitute only a small portion of the total research and development expenses; the predominant expenditures are for salaries and overhead.

Depreciation changes would stimulate capital investment, but in order to resolve the problems of acquiring a skilled work force and promoting innovative research, a complementary program of tax incentives is necessary. The Research and Development Incentive Tax Act of 1981 can, at minimal cost, complete the administration's program for restored U.S. productivity.

The Congress of the United States must, in addition to providing a business tax cut, initiate a comprehensive industrial policy for economic recovery.●

INTRODUCTION OF THE COASTAL BARRIER RESOURCES ACT

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. EVANS of Delaware. Mr. Speaker, from Maine to Texas most of our coast is fronted by barrier islands and related structures. These low-lying, storm-prone areas, in their natural state, are the mainland's first line of defense against the full fury of storms and hurricanes and they create and maintain the estuaries which nurture vital fish stocks so important for commercial and recreational fishing. These "geologic banana peels," as they are sometimes called, are victims of a rising sea level and the combined effects of waves, tides, and wind, and they are exceptionally hazardous places for permanent human habitation.

Mr. Speaker, the Federal Government has played a significant role in encouraging and perpetuating development of coastal barrier structures. This fact has lead me to introduce the Coastal Barrier Resources Act, a bill which withdraws Federal expenditures and financial assistance for development on undeveloped barrier structures on the Atlantic and gulf coasts. I am pleased to note that the distinguished Senator from Rhode Island, JOHN H. CHAFEE, has introduced similar legislation in the Senate. Before describing in detail the rationale and content of this bill, let me note that it does not dictate land use decisions for private property owners, nor does it prevent State and local governments from allocating their resources as they see fit.

COASTAL BARRIER RESOURCES

There are more than 400 barrier islands and related structures such as tombolos, barrier spits and beaches, and bay mouth on our Atlantic and gulf coasts. For ease of reference, I will call them coastal barriers or barrier structures. These geologic features consist of unconsolidated sedimentary materials which are subject to wave, tidal, and wind energies and protect landward aquatic habitats from direct wave attack. This last characteristic is especially important, as barrier structures are so named because in their natural state they protect lagoons, marshes, and estuaries—as well as adjacent mainland areas—from the direct attack of ocean waves and storm surges. From Long Island south, over 75 percent of the general shoreline of the Atlantic and gulf coasts is fronted by barrier structures.

Coastal barriers and adjacent wetlands serving as wintering and staging areas for migratory waterfowl and shore birds, and as breeding grounds

for shore and wading birds. It is estimated that during some stage of their life history, up to 90 percent of all fish caught on the coast are dependent upon estuaries created and maintained by barrier structures. Sea turtles, most of which are listed as endangered, are totally dependent upon the beaches as nesting sites.

Millions of people live, work, and recreate on our coastal barriers. In fact, over 25 percent of the Nation's population lives within 100 miles of our Atlantic and Gulf coasts. It is important to note at the outset that the legislation I have introduced concerns only those coastal barriers, or portions of coastal barriers, which are presently undeveloped. Undeveloped barrier structures are those which have few manmade structures relative to the total area of the barrier and on which man's structures and activities do not significantly impede geomorphic and ecological processes. Because this is sometimes a difficult task, Senator CHAFEE and I are asking the Department of the Interior, the agency which has inventoried our coastal barriers, to send copies of the maps used in this legislation to affected State and local governments for comment. This procedure will enable the Department and the Congress to refine the maps prior to passage of any legislation.

We also exclude from this legislation coastal barriers which are protected by a Federal, State, local, or private conservation designation such as a wildlife refuge or sanctuary. Thus, out of a total of more than 400 barrier structures totaling 2,700 miles of beach front and about 750,000 acres of fast land, this legislation would affect about 125 barrier structures, or clusters of structures, with roughly 600 miles of beach front and 200,000 acres of fast land.

HAZARDS TO LIFE AND PROPERTY

Permanent human habitation of many coastal barriers is hazardous for several reasons. First, sea level is rising at a rate of about 1 foot per century on the mid-Atlantic coast. Second, the unconsolidated sand of which these structures are made routinely moves about while the works of man require stability. Erosion, or migration rates are high. Lands now considered safe for building may be extremely hazardous or simply disappear within a few years. For example, there is one island in South Carolina where the Army Corps of Engineers predicts that within 50 years, 40 percent of the houses will be in the sea. Another island in Florida has lost 700 feet to the sea in the last 30 years. Testimony before the House last year indicated that construction is now taking place on what only a few years ago were inlets open to the sea.

The third uncontrollable factor making coastal barrier development so risky is their vulnerability to hurricanes and other storms. Storm waves breach and overwash the dunes and entire sections of an island can be inundated or severely eroded. These storms are a fact of life on the coast; for example, between 1585 and 1966 at least 150 hurricanes have affected North Carolina alone. The destructive power of such storms is obvious, yet it seems that we do not learn from the past. For example, West Hampton Beach on Long Island was hit by a hurricane in 1938; it destroyed all but 12 of 179 homes. In 1980, that very same location had 900 homes.

On the Atlantic coast we have been fortunate in recent years to have not had a major destructive hurricane. In fact, it is estimated that 80 percent of the current coastal residents have not experienced a true hurricane, and development of our coastal zone is proceeding as rapidly as ever. When the inevitable disaster strikes—and it is only a matter of time—the price tag in terms of life and property could be exceedingly high.

FEDERAL AID TO DEVELOPMENT

It is difficult to quantify the extent to which Federal dollars subsidize and encourage development on storm-prone coastal barriers, and there is something of a "chicken or egg" argument about which comes first, Federal or private investment. But there can be no question that the Federal Government has invested heavily in developing barrier structures, and that those costs are recurring expenditures from the U.S. Treasury.

Federal assistance comes in a variety of forms ranging from direct expenditures for disaster assistance and highway, bridge, and beach stabilization projects to indirect assistance in the form of loans for home construction, loan guarantees, and flood insurance. A few examples will illustrate the magnitude of Government expenditures to aid development on barrier structures.

From fiscal years 1976 through 1980, the Farmers Home Administration committed better than $45 million to barrier island development in the form of insured and guaranteed loans and grants.

As of March 28, 1980, the Economic Development Administration had 156 projects located on barrier islands, totaling more than $92 million in the form of grants, loans, or loan guarantees.

In 1978 and 1979, claims and expenses for Federal flood insurance policies in coastal high hazard zones, which included barrier structures, exceeded premium by a ratio of more than 3 to 1 ($20.6 to $6.6 million).

In the wake of Hurricane Frederic in 1979, Federal expenditures related to the Presidential disaster declaration in three States total an estimated $456 million, not including expenditures by the Federal Highway Administration, Environmental Protection Agency, and the Department of Housing and Urban Development.

One could go on and on with such a listing, but the best estimate that we have is that in the period including fiscal years 1976 through 1978, the Federal Government spent about half a billion dollars to aid development on coastal barriers. If present policies continue projections of the amount of money which the Federal Government would spend to develop only half those areas presently not yet developed, range from $4 to $11 billion over the next 20 years. While there is a lot of ground between those numbers, there is no question that the Federal contribution to coastal barrier development is staggering and that many such expenditures are not one-time costs. The taxpayer's dollars subsidize development, a hurricane wipes an area clean, the Government provides disaster assistance to rebuild, and the cycle begins again. In essence, the purpose of the Coastal Barrier Resources Act is to stop the taxpayer's dollars from being thrown down a bottomless rathole.

PROHIBITIONS ON FEDERAL SPENDING

Mr. Speaker, this legislation prohibits new Federal expenditures and Federal financial assistance on undeveloped barrier islands on the Atlantic and Gulf coasts. The term "financial assistance" means any form of loan, grant, guaranty, insurance, etc., but it specifically does not include revenue sharing grants to the States, nor does it include deposit or account insurance for customers of banks and other lending institutions. The target of this legislation is those expenditures and forms of assistance, such as grants for road or sewer construction, or loans or insurance for homes, which tend to encourage and perpetuate development of these storm-prone areas. Those Federal projects for which construction moneys have been appropriated, or in the case of loans, where a legally binding commitment has been made, would not be affected by this legislation.

As a practical matter, and as a matter of national security, there are certain Federal expenditures which should not be cut off on coastal barriers. This legislation exempts energy facilities, the maintenance of existing channel improvements (including disposal of dredge spoils) and public facilities such as roads, military activities, air and water navigation aids and devices, projects for fish, wildlife, and habitat protection, scientific research, and assistance for emergency actions essential to the saving of lives and property and public health and safety.

The matter of Federal flood insurance warrants specific mention here. This legislation prohibits the sale of

policies with respect to structures the construction or substantial improvement of which commenced after the date of enactment. Existing policies are not affected by this legislation. By prohibiting the sale of flood insurance on coastal barrier structures, this act also eliminated the requirement that an individual seeking a loan have flood insurance as a precondition of securing a loan from a federally-insured lending institution. The decision to issue a loan is properly one between the individual and the lending institution—not the Federal Government. That was the case prior to enactment of the Federal flood insurance program, and if this legislation passes, it will again be the case in these hazardous areas.

REPORTS TO CONGRESS

The effect of this legislation will vary from place to place. In some cases it will serve to deter development of hazardous and ecologically sensitive areas; in other cases, it will not.

I think it is important that in several years time the Congress have an opportunity to review the effect of this legislation and to consider whether the Coastal Barrier Resources Act needs modification in some fashion. For that reason, my legislation requires the Secretary of the Interior to report to Congress in 3, and again in 5 years. These reports, which are to be prepared in consultation with the Governors of affected States and after public hearings, are to include recommendations on whether there should be additions to, or deletions from, the system, whether the prohibitions on Federal expenditures and financial assistance should be continued, or whether additional, alternative, or modified actions should be taken to meet the objectives of this act.

A sum of $1 million in each of 5 fiscal years is authorized to be appropriated to the Department of the Interior for purposes of conducting these studies. This modest authorization level pales in comparison to the savings which the taxpayer will realize from passage of this legislation.

WHAT THIS ACT DOES NOT DO

Before closing, I would like to highlight several things this bill does not do. This act does not give the Federal Government any new acquisition authority, nor does it authorize any appropriations for acquisition purposes. This act does not limit the issuance of Federal permits for development projects such as dredging or bridge construction on coastal barriers. This act does not prevent the maintenance of existing channel improvements or publically owned or operated structures or facilities such as roads. Finally, this act does not dictate land use decisions for private property owners, nor does it preempt State and local government planning and permitting authorities.

CONCLUSION

The essence of this legislation is that the U.S. taxpayer should not subsidize and bear the risk for private development on coastal barrier structures. Private property owners may develop their property as they see fit, so long as it is done without expenditures by the Federal Government. Indirectly, this legislation will also contribute to the protection of lives and property and valuable natural resources. In the long run, the Coastal Barrier Resources Act will make a significant contribution to the saving of Federal dollars and to keeping our coast an attractive, safe, and productive place to work and recreate.

I look forward to the interest and cooperation of my colleagues as this bill moves through the legislative process, and I invite their support.●

HONORING THE 50TH BIRTHDAY OF IDA NUDEL

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. ROE. Mr. Speaker, I rise today to salute a woman for whom the word "bravery" does not do justice. I am of course referring to Ida Nudel, the only Jewish woman now being held illegally in a Soviet prison camp as a political prisoner.

This week marks this extraordinary woman's 50th birthday. It is only proper that the House of Representatives, a symbol of freedom of expression, honor her today.

Mr. Speaker, Ida Nudel's only crime was her desire to help other Jewish "prisoners of conscience" and to leave the dreaded Soviet Union for a life of freedom in Israel.

Ida Nudel first applied for a visa to leave Russia in 1971 but was rejected time and time again. It was during this time that she became acquainted with the hundreds of other Jewish prisoners who had been jailed because of their outspokenness in the cause of basic human rights.

Her unselfish care for them earned her the title, "Guardian Angel of the Prisoners of Conscience," but also brought on the wrath of the Soviet Secret Police.

For many years Ida Nudel suffered punishments and humiliation at the hands of the KGB which attempted to brand her as a criminal. She was finally arrested on June 1, 1978, on a charge of "malicious hooliganism" for hanging a banner outside her Moscow apartment that read, "KGB Give Me My Visa."

Following a sham of a trial she was sentenced to 4 years in Siberia.

Mr. Speaker, I pray that this 50th year of Ida Nudel's life will find her released from her bondage and into the Promised Land of Israel. The world must never be allowed to forget Ida Nudel and her fellow prisoners of conscience.●

JOE LOUIS "THE GREATEST CHAMPION OF ALL TIME"

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. CONYERS. Mr. Speaker, for a black man who would achieve greatness in his own lifetime, his life had, for then, a very unpromising start. Joe Louis was the son of an Alabama sharecropper and one of eight children. When he was 2 years old, his father was committed to a mental institution. His family eventually moved to Detroit.

Joe's mother, a strong and highly principled person, wanted the youth to take violin lessons, but he would sneak off to a gym instead, carrying his boxing gloves in his violin case.

As a teenager, Joe quit school to help support a hungry family. He probably would have stayed at the Ford plant, one of thousands of anonymous gifted young blacks who never got the opportunity to develop, had he not possessed such marvelous and clearly superior boxing ability. Joe Louis could simply outbox anybody or anything on two feet.

After capturing the AAU title in 1934, Joe Louis amazed fight experts by winning 34 fights and taking the heavyweight championship from James J. Braddock, all in a mere 3 years time. The record is awesome: World heavyweight champion from 1937 to 1949, he defended his title a record 25 times. Of the 71 professional fights, he lost only 3, recording an incredible 54 knockouts. He is recognized as the greatest boxer in history. But beyond the impressive statistics and fight game opinions, Joe Louis grew to almost mythical proportions, beloved by millions who knew nothing about boxing and idolized by some who never saw him fight.

Several unique things contributed heavily to the legend of Joe Louis. Joe Louis was a symbol of the great American dream—a sharecropper's son who conquered poverty, illiteracy, and bigotry to win a fortune in the ring and give a new pride to his people. A decade before Jackie Robinson broke baseball's color barrier, radios in the Nation's inner cities recorded Joe Louis' fights and spontaneous celebration followed his victories.

He became a black hero at a time when there were few others. Movies of the time usually showed black men rolling their eyes and shivering with fear. But here was the Brown Bomber,

an impassive individual who revealed neither hatred nor benevolence. An invincible champion, who refused to pose for photos eating watermelon on his first trip to New York, he said of his opponents in a no-nonsense way, "as soon as I catch 'em, I put 'em to sleep." He was the rare black personality who was easily loved and admired. His rematch with the former champion Max Schmeling, at a time when Nazi Germany was forcing the world into war, was more than a simple heavyweight title fight. Never before and probably never again will American people feel so deeply involved in an athletic contest. What Joe Louis did for American pride was incalculable. His devotion to his country and his wartime military service only intensified the Nation's gratitude. But Joe Louis was uncomfortable in the role of symbol. When New York Mayor James Walker proclaimed, "you laid a rose on Abraham Lincoln's grave," Louis asked, "Jesus Christ, am I all that?" The true strength of Joe Louis' greatness was rooted in simple honesty and generosity. A man who earned nearly $5 million in prize fights during his career and lost much of it to the greed of his associates he never complained or expressed malice toward anyone. He was a patriot who never wavered, despite being hounded by IRS over back taxes and penalties after he had donated the purses from two of his fights to the Army and Navy relief funds and fought numerous exhibitions while in the Army.

In his last years, some felt Joe lost his dignity, that set him apart from other former champions, by working as a greeter at a casino. But the simple goodness of the man raised him above pity and embarassment and maintained a genuine dignity that mere circumstances could not tarnish. For Joe Louis, a days' work was an honorable thing, be it a million dollar prize fight gate, an exhausting wrestling match, when past prime, to pay off tax debts, or greeting guests at Caesar's Palace. Once, when criticized for stooping to theatrical wrestling for employment, Joe philosophized, "it beats stealing." Joe Louis was the greatest because he worked hard and played hard, giving generously and demanding nothing. He walked among kings and never lost his common touch.

The essence of his greatness was best summed up by his younger sister, Eulalia Barrow Bobo:

His personality and behavior reflected the training that his mother gave him. She taught him to live by principles, and to do unto others as he would have them do unto him. He was a great fighter and a very patriotic individual. But, these were not the greatest aspects of the life of Joe. His greatest trait was that he was kind to people. There have been other great fighters and other people who have been patriotic. He never hit below the belt. He was a man of God.

Joe Louis had an ear for small and big things, the powerful as well as the powerless. Everyone was a friend. Anyone who asked for help received it. For these reasons, we will remember his as the greatest champion of all time.●

LETTER OPPOSING ELIMINATION OF ECONOMIC DEVELOPMENT ADMINISTRATION

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. FOUNTAIN. Mr. Speaker, I would like to call the attention of my colleagues to the following letter from Mr. George M. Harris, Jr., a constituent of mine, who is director of the Northampton County Economic Development Commission in Jackson, N.C. This is an example of letters I am getting in opposition to the elimination of the Economic Development Administration—an agency which unquestionably has been a very valuable source of help to many economically distressed areas of the country. Mr. Harris' letter is as follows:

NORTHAMPTON COUNTY
ECONOMIC DEVELOPMENT COMMISSION,
Jackson, N.C., April 7, 1981.

Mr. L. H. FOUNTAIN,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. FOUNTAIN: I have read with great distress, the news articles that point to the complete elimination of the Economic Development Administration by the current Administration. Needless to say we are most disappointed with the possible elimination of this agency (EDA) and one that has been most beneficial to our economically distressed county. I will have to admit, however, that reduction of federal spending is a necessity for our economic future; but at the same time, request that you vigorously pursue budgetary cuts for EDA as opposed to the elimination of the program.

Even though you are aware of the financial assistance our county has received from EDA, I would like to briefly remind you of their recent activities. These are as follows:

(1) EDA grant in the amount of $250,000 matched by other sources for the construction of a medical center. This has now grown to three physicians, two dentists, a pharmacy and an Emergency Medical Service. Without the initial funding for the center from EDA, our county would be virtually without any medical services.

(2) EDA grant for $30,000 for Industrial Park Survey. The study has been completed; however, without a source such as EDA, our rural county will never be able to implement this plan that would undoubtedly have a profound and beneficial impact upon our economy.

(3) EDA grant for $800,000 for establishment of sewer lines in Garysburg that now serves a population of 1,500 (95 percent minority) and an excellent industrial area in the vicinity of Interstate 95. This area heretofore did not have a sewer collection system of any kind. The EDA funds were utilized with state and local funds for the project completion.

Let me say that I do appreciate your assistance in these projects and others that we have been involved in. Our economic situation can only improve with financial assistance that EDA has and could in the future provide. There are no other agencies state or federal including FmHA that is available for assistance to an area such as ours.

Please allow me to cite just a few factors that vividly point out the economic distress of our county. Briefly, these items are:

Labor force	7,910
Employment	7,030
Unemployment	880
Rate (percent)	11.1

DISTRESS STATISTICS

Per Capita Income (1978 latest available figure) $4,726. This is one of the lowest in the state, ranking 88th out of 100 counties.

Average hourly productive earnings for 1979—$3.95

37.9 percent of all families have incomes below poverty level. This is the highest in the state.

46 percent of all persons below poverty level (highest in state)

25 percent of families in the county receive public assistance.

Median family income $4,782 (only three counties in state have lower figures)

Over 65 percent of population is black

63.2 percent of the county tax filers have incomes less than $8,000 and 38.6 percent have less than $5,000 incomes.

Net worker commuting loss of 2,141 (daily)

25 percent of population receives food stamps

Northampton County is designated by the Economic Development Administration as a distressed county.

Again, let me thank you for the services you have rendered in the past and hopefully you will lend support the retention of the Economic Development Administration.

Yours truly,

GEORGE M. HARRIS, Jr.,
Director.●

THE VINSON-TRAMMELL ACT

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. ASPIN. Mr. Speaker, profit limitations on defense contracts are an important issue in a year of sharply higher defense spending. I am concerned that the Vinson-Trammell Act of 1934, which is the profit-limiting statute now on the books, will be modified or repealed without an adequate reexamination of its merits.

At issue here is a statute which many believe is outmoded and others consider to be a vital check on runaway defense industry profits. On the one side, the Vinson-Trammell Act is technically obsolete, particulary its floor, set in 1934, of $10,000 per contract for a military ship or plane. Vinson-Trammell is also discriminatory in that it limits profits on contracts for military ships and aircraft but not

for tanks and other land vehicles, or for installations. As evidence of the act's obsolescence, the Government has not enforced the statute since 1976 and in the 1981 Defense Appropriations Act this House waived its implementation.

One can also argue in principle that the act has no place among our statutes in peacetime. In time of declared war or national emergency, it is reasonable that the Government claim to itself special powers and protections that can prevent defense industries from profiteering from the national distress. But in peacetime, the national need is not urgent and the Government should not shield itself behind special protections and powers. The presumption in peacetime should be that the Government, like any private contractor, is responsible for and capable of looking after its own interests when it negotiates to buy military equipment. It should not encourage incompetent administration by shielding its negotiators with special profit-limiting laws like the Vinson-Trammell Act.

Those in a nutshell are the main arguments against the Vinson-Trammell Act. There is another side, however. The case for the act argues that a profit limitation of 10 percent on military ships and 12 percent on military aircraft, as the act provides, is entirely reasonable whether in peacetime or in wartime.

Those who support the act argue that these profit levels are adequate. They argue that purchases for the Nation's defense are inherently different from other Government purchases and therefore warrant a special legal framework to curtail profiteering. They argue further that the present act's coverage is too narrow and should be amended to include land vehicles, such as our very expensive tanks and armored fighting vehicles, and of course missiles, especially the proposed MX.

Mr. Speaker, I present both sides of the issue to demonstrate that honest men and women can disagree on it. I do not argue for one position, but this House must collectively take a position—especially at this time when we are approaching massive increases in defense appropriations.

We have five possible courses of action here:

Repeal Vinson-Trammel, voiding the statute;

Reaffirm Vinson-Trammel and require the Government to enforce its terms, which is not now being done;

Amend Vinson-Trammel, changing its terms;

Replace Vinson-Trammel with a new profit-limiting statute; or

Do nothing.

Of these five alternatives, I would submit to you that the fifth—to do nothing—is unacceptable. I suggest that a statute, which even its supporters agree is obsolete and discriminatory and which the executive branch deems unworthy of enforcement, should not be left standing like a relic to discredit the Congress and the executive branch.

Almost equally unacceptable is the second alternative—to reaffirm Vinson-Trammell in its present form. No one in Government or in the affected industries is on record as believing that the act's 1934 language, with its $10,000 floor on covered contracts, is rational in the 1980's. The administration of such a statute would be a nightmare.

We are left therefore with three possible courses of action—repeal, amend, or replace Vinson-Trammell with an updated statute. Through these courses we either give Vinson-Trammell a decent burial, or renew our concern over profit limitations in a viable statutory form. We should do one of these three.

Mr. Speaker, this job cannot be done properly if it does not engage the wisdom of this House. We need hearings on the issue. It is no trivial issue, any more than excess profits drawn from our fiscal year 1982 defense appropriation would be trivial if our carelessness permitted such profits. We are talking of tens of billions of dollars over the next few years.

There is a movement afoot to ram repeal of the Vinson-Trammell Act through the House. I oppose such a move. The issue is too important to be handled by shortcut.

New hearings on the future of Vinson-Trammell are needed. I support such hearings.

An attempt to railroad a modification or repeal of the Vinson-Trammell Act through this House in the form of an obscure amendment or rider, with no opportunity given to explore the issue in hearings, would be a disservice to the Government and to the taxpayers who elected us.●

THE U.S. AUTOWORKER IN TODAY'S ECONOMY

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. OBERSTAR. Mr. Speaker, Douglas Fraser is one of the Nation's most effective and respected labor leaders. He is also a dedicated and articulate spokesman for progressivism in the United States. As president of the United Autoworkers, he has continued the tradition established by Walter Reuther and Leonard Woodcock.

In the Wall Street Journal of April 27, 1981, Douglas Fraser discussed "The Myth of the Over-Privileged Auto Worker." I include Mr. Fraser's column in today's RECORD. I urge my colleagues to read it carefully.

[From the Wall Street Journal, Apr. 27, 1981]

THE MYTH OF THE OVER-PRIVILEGED AUTO WORKER

(By Douglas A. Fraser)

As he reviewed the annual May Day parade, Soviet President Brezhnev is said to have asked an aide who the well-dressed civilians were who marched alongside the soldiers. Told they were economists, Brezhnev demanded to know why economists were in ranks with the military. "You would be surprised at the damage they can do," the aide responded.

One group in America that can attest to the damage at least some economists can do is the nearly 200,000 auto workers who have been laid off for months with little hope of returning to work soon.

Having suffered an import invasion and a regional and sectoral depression caused by economic policies designed to battle inflation with high unemployment, auto workers lately have endured attack after attack from certain economists who want to blame wages for the U.S. auto industry's slump.

You cannot pick up a newspaper or turn on the tube without being subjected to the handwringing of a Peter Drucker or a Paul McCracken. Their message: Auto workers are gluttons whose greed has brought about the decline and fall of the Big Three.

40 PERCENT OF AMERICANS EARN MORE

Before accepting the myth of the over-privileged auto worker, consider the following:

An average auto worker at General Motors who worked a standard 40-hour week in 1980 earned $21,456, about $1,700 less than the $23,180 the federal government said was required for a modest standard of living for an urban family of four. Nearly 40% of working Americans earn more than the average auto worker.

Despite cost-of-living increases, the auto worker, like most other workers, suffered a decrease in real purchasing power last year because of inflation.

Where the U.S. Big Three auto workers hourly labor cost in 56% above his or her Japanese counterpart's, the typical U.S. auto manager outearns his Japanese colleague by some 700%.

The percentage of the corporate dollar going to labor costs has remained essentially the same for many years, as have auto workers' wages as a percentage of sales.

None of this is to argue that auto workers have failed to negotiate good labor agreements over the years. Their success in winning a decent standard of living—now under such direct attack—is an accomplishment of which they can be proud.

The UAW's bargaining gains in the auto sector occurred because it is a high productivity and high profit industry. The auto worker's slice of the economic pie has been decent, because his or her labor helped bake a pie that has been large. Despite six cyclical downturns, productivity increases in the auto industry have averaged 3.4% since the 1950s—outstripping by far the manufacturing sector average. The slippage since 1978 can be traced to low capacity utilization. Those who cite the gap between auto wages and manufacturing wages conveniently ignore the fact that over any 10-year period one chooses, productivity and profitability

in the auto sector have also run ahead of the manufacturing sector average.

The UAW over the years has not opposed the introduction of new technology into the workplace, because we understand that decent labor settlements depend on that productivity growth. The union believes that the benefits of higher productivity should not accrue just to Big Three executives and shareholders, but to the workers (through improved wages and benefits) and consumers (through price moderation and higher quality).

The productivity of the U.S. auto sector continues to remain among the highest in the world. Despite the closing of the gap between the U.S. and Japan due largely to our industry operating at under 60% of capacity, the U.S. economy can produce a small car in just about the same number of labor hours as the Japanese economy.

At the same time that gap has narrowed auto workers' wages in other countries have been increasing more rapidly than in this country. The Bureau of Labor Statistics calculates that hourly compensation from 1975 to 1980 in the motor vehicles and equipment industry increased 101% in Japan and West Germany, and a far lower 68% in the U.S., despite higher U.S. inflation.

Hourly compensation today of U.S. auto workers no longer significantly exceeds that of our industrial trading partners, except Japan. In several cases, such as West Germany and Belgium, real labor costs per hour actually exceed those paid here. And in many countries, auto workers' job security and input into corporate decision making far exceed what U.S. auto workers enjoy.

Japan's tremendous gains in the auto export sector can be attributed in large part to the lower wages paid auto workers. Companies such as Nissan and Toyota currently reap the benefits of high productivity, while they pay wages as if those workers were employed in an auto industry with the productivity level of Mexico, Spain or at best Italy.

High productivity, in other words, doesn't earn auto workers decent purchasing power in Japan. Where it takes a U.S. worker the equivalent of 600 hours of straight time pay to buy a Dodge Omni, a Japanese auto worker must labor for 1,100 hours to buy a comparably equipped Toyota.

Much of our country's economic growth has come because workers' wages have been sufficient to enable them to buy products which in turn have created jobs and prosperity. One has only to go to the new Ford plant in Valencia, Spain, with its postage-stamp size parking lot, to recall our own early days when no one earned enough to afford to buy the cars they built. No one has a bigger stake in the fight to remain competitive with foreign producers than the worker. Yet the answer does not lie with rolling back workers' wages to the levels paid in Japan or Korea or Brazil.

The ripple effect of that would be devastating for the American people. Decent wages don't benefit just the worker. They benefit the small merchants where the worker shops, the real estate agent who sells him a house, the company that builds the TV set he buys, the insurance agent who sells him a policy, the dentist who treats his kids' teeth, the school district where his taxes pay the bills and on and on.

Competing on wages with countries that share only minimally the benefits of productivity with their workers can hardly be an appropriate national goal for America.

Still the economists and pundits clamor for wage cuts in a climate that must be the worst for the auto industry since the Great Depression. Quick to demand a sharing of sacrifice, they remained silent when the issue was a sharing of abundance.

The chairman of GM recently urged auto workers to "come to the party" by reopening labor agreements and, presumably, forgoing gains previously agreed to by the company. No one at GM, however, suggested auto workers come to the party in mid-contract when GM posted 1978 profits of $3.5 billion.

DISSERVICE TO THE WORKERS

Those who have attempted to depict wage levels as the cause of the auto crisis do a disservice not only to the workers who are suffering from the downturn, but to the broader public, because attention is diverted from the real causes of the industry's problems.

To get the auto industry moving again, the government must abandon the discredited strategy of purposefully engineering recession to attack inflation. Interest rates in the 16% to 20% range absolutely devastate auto sales as loan money dries up and dealers become unable to carry cars in inventory.

The Reagan administration should take actions that would stimulate the industry, such as tax credits for individuals who buy more fuel-efficient domestically produced vehicles and replace their older, less safe and more polluting gas guzzlers.

President Reagan must achieve meaningful and binding short-term restraints on Japanese auto exports during the immediate period in which the U.S. converts to compete in the small car sector. Equally important, the UAW has been arguing for many years that Japanese auto companies must be required to open plants in the U.S. where they currently have an $11 billion market.

Attacking these very real causes of the auto depression offers the best hope for rebuilding this crucial segment of our economy. While wages are not the real villain the Druckers and McCrackens make them out to be, labor-management relations may very well have to change as part of this process.

Rather than seeking to lower workers' already-eroding standard of living, why shouldn't we seek changes that will result in a bigger economic pie being baked through higher productivity, economic stimulus and fair trade and investment policies?●

MENTAL HEALTH

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. MINISH. Mr. Speaker, I would like to share with my colleagues and the public the remarks made by a distinguished New Jerseyite, Vincent Visceglia, on the subject of mental health. Mr. Visceglia has distinguished himself by his work on behalf of mental health, work which has been recognized by such organizations as UNICO National and the Columbian Foundation. Last November, the Mental Health Association of Essex County paid its own tribute to Mr. Visceglia's tireless concern for the well-being of people everywhere, honoring him at its Crystall Ball, the 11th annual fundraising gala of that worthy organization. On that occasion, Mr. Visceglia put his own efforts into perspective by sketching the progress which society has made in coming to cope with mental illness and to foster mental hygiene. I congratulate this fine American on his good work, which has benefited many people, and I insert here in the RECORD the text of his address:

ADDRESS DELIVERED BY VINCENT VISCEGLIA

I am grateful for this award, which I accept in the name of all of you present and the ladies and gentlemen working for the Mental Health Association of Essex County.

Above life itself, God gave human beings the beauty of the mind, a gift of an immeasurable great value and truly divine.

Of all man's natural faculties, the power of the mind is the most important. With our intellect we have the faculty of thinking and acquiring knowledge, especially that of a high order.

With a glance of our mind we can quickly review any period of time, any sequence of events, or see all those dear to us, all in an instant.

The capacity of our mind is limitless; one can study all the millions of books in the world if one had the time to do it, and would only begin to fill the capacity of the mind. No other living being on this earth is endowed with the power of intelligence, memory, imagination, and mental ability as man.

With our ideas, our aspirations, our mental study, creativity, and application, yes, and also with our dreams. We can accomplish almost anything. How else could we enjoy the miracles of science and technology, succeed in writing beautiful poetry, or creating a symphony, or a masterpiece in painting, sculpture, architecture, literature, or be able to go to the moon, create computers, or make progress and succeed in so many ways, if it were not for the infinite capabilities of our mind.

The condition of our mind is part of our health, which is a state of complete physical, mental, and social well-being, and not merely the absence of disease or infirmity. In other words, a healthy person is one that not only is well physically, but also mentally. The health of our body is highly important, and physical pain makes us suffer, but consider, ladies and gentlemen, how much more distressing is the suffering of those who have mental disorder, mental weakness, emotional instability.

While for thousands of years we paid attention to alleviate pain and diseases of the body, with medicines and other remedies, and we also medicated wounds and even did surgery, rudimentary as it might have been, we did practically nothing for mental health.

We called the insane, crazy, we isolated them or put them in state institutions and we practically ignored all those who had mental weakness, or low intelligence, or were suffering with excessive anxiety, due to bad home environment, poverty or other reasons.

Throughout the ages, they were viewed with a mixture of fear and revulsion. Their fate generally was on of rejection and neglect. In London and in Paris, they were shackled and put in jails with common criminals, to isolate them from ordinary society. In British Colonial America mentally deranged persons frequently were auctioned

off to be exploited by farmers. Even one hundred years ago, when this country tended to improve conditions, with state-supported facilities, called mental hospitals, we increasingly had maltreatment and neglect for the mentally disturbed.

Only in this century, the attitude to mental disorders by national, state, and county governments, as well as people in general, finally changed, thanks to the first energetic impetus of a former mental patient in Connecticut, Clifford Beers, who in 1908 published his book. "A Mind That Found Itself." This book was translated into many languages, inspiring students and mental workers to promote improved conditions in schools, hospitals, and in institutions.

Beers' public agitation began a mental health movement by forming an international committee of mental hygiene and, gradually, progress was made to the present day, not only in understanding mental disorders and its causes and remedies in adults, but also in developing children.

Our national Mental Health Association during the last fifty years has grown so that now we have more than one million volunteers in the mental health movement and over 1,000 state and local associations like the one in Essex County.

Numerous studies have shown personality defects and delinquent behavior patterns to be especially common among deprived youth.

Such children tend to receive little intellectual stimulation at home, often barely motivated to attend school and are living in neighborhoods which aid in opportunity for trouble. Many of these children become premature and inadequate parents themselves, and impose similar lives of deprivation on a succeeding generation.

But we are making progress. During the last 25 years there was more socioeconomic and technological exchange in the mental world than there had been in the previous century and a half, and during those 150 years more change occurred than in the preceding 2,000 years.●

OPPOSITION TO THE REDUCED VETERANS' PROGRAMS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. FLORIO. Mr. Speaker, today at my invitation a large delegation of New Jersey veterans and representatives of national veteran service organizations met in Washington to plan strategy to oppose the administration's intentions to eliminate or substantially reduce veteran programs. I am pleased that my New Jersey colleague, Congressman CHRISTOPHER SMITH, a member of the House Veterans' Affairs Committee, joined me at the meeting; as well as Ms. Martha Grundmann of the House Budget Committee office.

I regret that the White House and the Office of Management and Budget declined my invitation to participate at today's meeting. Without further explanation from the administration, however, I believe that it is clear that the President's budget retreats from the commitment our Nation has given to veterans that their needs should not fall victim to indiscriminate budget cutting.

I urge my colleagues to be receptive to these concerns and join me in opposing the President's budget recommendations which unfairly impact veteran programs.

Mr. Speaker, for the benefit of our colleagues I wish to include the statement I presented to the veterans who assembled today. The statement follows:

STATEMENT OF JAMES J. FLORIO

The administration has proposed a budget which is a retreat from the commitment given to veterans that programs which recognize and benefit those that serve would not fall to indiscriminate budget reductions.

Programs long fought for to serve those who served whenever our Nation called; programs which recognize and aid the veterans of World War II, Korea and Vietnam, have been targeted by the President for elimination or substantial reduction.

These program reductions were formulated by the Office of Management and Budget without any participation or input by Veterans Administration officals or veteran organizations. As such, these decisions callously disregard learned opinion that our growing population of older veterans require additional V.A. hospital beds and our young veterans are in need of employment and other forms of help.

The administration's decision to cancel the construction of the Camden V.A. Hospital was carelessly made by the Office of Management and Budget without any consideration given to where New Jersey veterans will receive extended hospital and medical care. Camden V.A. Hospital will provide intermediate and long-term care beds to fill an urgent need for these services in the greater Philadelphia area. Veterans and their families should not have to be put on waiting lists for medical attention, as they are now subjected to at Philadelphia V.A., East Orange and Lyons. Camden V.A. Hospital is designed to correct this problem, and provide much needed medical training and research of the medical conditions prevalent among older veterans.

Cancellation of the Camden and Baltimore V.A. hospitals is just a portion of the large reduction the administration has proposed for the V.A. medical network. Other administration requests before the Congress include:

Indefinite postponement of improvement projects of existing V.A. medical facilities.

Elimination of 5,500 V.A. medical personnel. The administration has proposed that the number of V.A. physicians and other health professionals be frozen at its 1979 level through 1986. Thus, the administration has proposed to prohibit the V.A. medical system from enlarging just at the time when veterans will constitute almost 60 percent of our population over age 65. If this proposal is approved by the Congress, the V.A. medical system will be inadequate to provide sufficient inpatient and outpatient care.

Overall, the administration is seeking a $350 million reduction in V.A. health care by next year.

Other indiscriminate administration budget cuts propose to eliminate every program designed to aid Vietnam veterans. While most of these programs are not large or expensive, they have been successful in addressing some of the immediate problems affecting Vietnam veterans. These problems include staggering unemployment, severe psychological problems, and the attitude of many Americans about the war itself. The administration intends to attack these problems by curtailing G.I. bill educational benefits, eliminating on-campus veteran affairs offices which provide career counseling services, and terminating the disabled veterans outreach program which assists disabled veterans to achieve self sufficiency.

Most distressing is the administration's intention to eliminate the 91 "storefront" vet centers which are reaching out to the mentally shocked men and women still haunted by the horrors of Vietnam.

These vet centers do not require large amounts of public monies for support, but at times they are the only type of facility capable of helping many troubled veterans. In only their second year of operation, vet counseling centers have provided readjustment and employment services to 50,000 veterans. Our Nation needs to continue and expand the number of vet centers so that more veterans may have access to their services.

The President's budget should be opposed. By its elimination of veteran medical beds, health care personnel, and medical research, it insures that growing numbers of aging veterans will remain medically underserved and susceptable to chronic disability.

Elimination of programs conceived by and for Vietnam veterans cannot be supported according to merit, and is morally indefensible while one-half million Vietnam veterans are unemployed and others suffer from stress, depression and alienation.

Thank you.●

IDA NUDEL

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Ms. FIEDLER. Mr. Speaker, today is Ida Nudel's 50th birthday, and we wish her well on the occasion. Ida Nudel cannot celebrate her birthday in the company of her family and friends for she remains a Jewish "prisoner of conscience" in the Soviet Union. The only woman amongst the Jewish activists who are enduring terrible hardship in Siberia, Ida Nudel's birthday serves as a reminder to us who can speak freely that we must not forget those who only dream of such freedom and of the Jewish community of the Soviet Union, who live and work and pray in the face of mounting and more insidious repression by the Soviet state.

In the United States, Ida Nudel's actions would have made her a concerned citizen; in the Soviet Union, they made her a criminal—a "malicious hooligan" in the surreal "Newspeak" of totalitarianism. Her crimes were asking for a visa to emigrate to Israel and acting as friend, supporter, and guardian angel to Jewish activists

and other prisoners of conscience who have suffered in Soviet captivity.

When Ida Nudel put a banner outside her window asking for a visa, the Soviet Government—ruler of the world's largest nation and commander of powerful weapons—saw itself threatened. Arrested in June 1978, Ida Nudel was in short order tried, convicted, and sentenced to Siberia—4 years of "internal exile."

Despite the inhuman conditions suffered by prisoners and exiles in Siberia—to which the writings of Alexandr Solzhenitsyn serve as eloquent testimony—Ida Nudel continues her struggle for freedom. She remains an inspiration not only to Soviet Jewry but to all friends of freedom of conscience throughout the world. Freed Jewish prisoners of conscience, now safely in the West, say: "There are prisoners of conscience who quite literally owe her their lives."

David Chernoglaz, a former Jewish prisoner of conscience who convalesced in Ida Nudel's apartment after his release from captivity has said:

A person who has not been in prison cannot envisage what Ida Nudel meant to the prisoners. No woman on earth merits more help than she does, for there is no person in this world who has done more for Jewish prisoners. Her constant care and attention is the only factor that keeps their morale high. There is no woman on earth whom we value more.

Clearly, Ida Nudel is an extraordinary person.

Unfortunately, Ida Nudel is not in good health. The Siberian climate, poor diet, and lack of medical care takes a terrible toll of prisoners and exiles. She suffers from ulcers and heart and kidney problems, but she has not been allowed to travel to Moscow for thorough medical care. She has not even been allowed to enter a hospital in Siberia for diagnosis and treatment. Her condition makes efforts on her behalf the more urgent.

We call upon the Soviet Government to show that it is strong enough not to fear one woman, whose only wish is to rejoin her relatives in Israel. To continue to hold Ida Nudel as a prisoner of conscience is not only a violation of Soviet law and the rights guaranteed under the Soviet Constitution, but of simple humanity as well. We call upon the Soviet Government to honor the family reunification provisions of the Helsinki accords in the case of Ida Nudel. We call upon the Soviet Government to end this brutal, inhuman, unconscionable captivity. Ida Nudel has friends and admirers throughout the world. She has received over 4,000 registered letters in Siberia, doubtlessly only a fraction of those sent. They will all join us in rejoicing the day she receives the freedom and the exit visa that today they—and she—can only dream of.

Ida Nudel brings into bold relief the sufferings of Soviet Jewry. Her imprisonment is a threat and warning to the entire Jewish community at a time when things are becoming much worse for them. The number of Jews permitted to emigrate from the Soviet Union in 1980 was 58 percent lower than in 1979. In March 1981, the number of exit visas granted Jews plummeted by nearly 50 percent over even the preceding month's reduced figures. Daily, our newspapers carry reports of further anti-Semitic outbursts in some element of the Soviet press. Discrimination and outright bigotry flourish in professional life, in education, in employment. Ida Nudel's fellow Jewish prisoners of conscience—people such as Anatoly Shcharansky and Viktor Brasilovsky—continue to suffer. "Refuseniks"—Jews who have applied for exit visas and been refused, usually on imaginary grounds—now live the shadow lives of nonpersons in a totalitarian state. We must make sure that our outrage over the treatment of Soviet Jewry and our call for the freedom of all prisoners of conscience become an integral part of our foreign policy toward the Soviet Union. With people such as Ida Nudel still in Siberia, the issue of human rights for Soviet Jewry must receive the highest possible priority. Our American heritage of freedom and concern mandates no less.●

IMPACT AID

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. GOODLING. Mr. Speaker, this Congress should not squander a golden opportunity to propose reasonable legislative savings in the impact aid program. Let me explain. Initiated in 1950, impact aid was the first major Federal elementary and secondary education program. The impact aid program provides funds to compensate school districts for the cost of educating children when enrollment and availability of revenues from local sources are adversely affected by Federal activities. Over the years the impact aid program has been the object of much debate, several major studies, and numerous legislative proposals and amendments.

Even the strongest critics of impact aid acknowledge that "A" children whose parents live and work on nontaxable Federal property are associated with a clear tax loss to the school districts. However, no such consensus exists regarding "B" payments for children whose parents live or work on Federal property.

Since much attention on Capitol Hill lately has focused on fiscal responsibility, I thought it might be useful to explore the justification for a certain category of impact aid payments.

It might be useful to recall that in 1974, Congress eliminated or reduced entitlements for some "B" children. For example, "B" children whose parents work outside the State in which the local education agency is located were eliminated as eligible federally connected children, although the 90 percent hold harmless provision effectively limited this reform. Similarly, entitlements were lowered for "B" children whose parents work outside the county in which the local education agency is located. These changes were based on the argument that because the parents of these children pay residential property taxes, and because the tax loss from the nonresidential property occurs outside the county or State of the local education agency receiving the impact aid money, there is little or no burden on the local school district. In many instances, the Federal presence has stimulated more economic activity and has led to the creation of more taxable property than otherwise would have existed. The argument has been made that in a majority of cases, the Federal presence resulted in an expansion of commercial activities, employment, and the local private residential tax base.

Another longstanding criticism of the impact aid "B" payments is that it results in the distribution of large payments to affluent school districts which may have actually benefited from Federal activity and which could easily support a high level of educational expenditure without impact aid. If one agrees that a major purpose of the impact aid program is to provide an in-lieu-of-tax payment for school districts which have suffered some tax revenue loss through Federal presence, logic alone leads one to question the appropriateness of providing payments for "B" children whose parents work outside the jurisdiction of the school system in which the child attends school. This is especially true in light of the fact that residential property values are often inflated as a result of the demand for property created by the Federal presence. Those people who argue that the tax loss created by the nontaxable status of the Federal installation in their area usually display their ambivalence when anyone threatens to remove that Federal activity to another area of the Nation.

We must have the courage to recognize that there is absolutely no way to accomplish meaningful reform and simultaneously maintain these open-ended payments. We should not lose sight of the fact that the impact aid Federal payment is, in reality, an euphemism for the redistribution of citi-

zens' tax dollars from one geographic area to another. The irony is that in many instances, money is taken from poorer areas and redistributed to wealthier ones. How can this be justified?

This is why I am introducing legislation similar to that which I offered for consideration during the last Congress. This legislation offers a reasonable approach to phasing in a more justifiable and equitable system of impact aid distribution. As a former school administrator I recognize the need for reasonable continuity for effective planning and budgeting. Therefore, my proposal is a reasonable reform which would permit Congress to eliminate certain aspects of the current inequitable distribution formula. This could be done without unduly penalizing those districts in which elimination of Federal impact aid would create an undue hardship. Specifically, I am proposing a gradual 5-year phaseout of the "B" payments—one-fifth per year until complete—to school districts in which "B" category children represent less than 25 percent of the total student population. This compromise solution permits heavily impacted school districts—where "B" students constitute 25 percent or more of the student body—to receive funding. In addition, the gradual one-fifth per year absorption of "B" students by the lightly impacted school districts will permit us to phaseout the inequitable portion of this program without undue disruption for local administrators.

As the Battelle study concluded some years ago, "there is no feasible way to design a perfect procedure for impact aid that accurately measures the net burden of Federal installations." However imperfect our attempts, we must have the courage to cut money that flows into our congressional districts if the rationale underpinning that process is no longer valid.●

CENTRAL NERVOUS DISORDERS: A PROMISING DIAGNOSTIC PROGRAM

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. LEBOUTILLIER. Mr. Speaker, thousands of people face the deeply debilitating diseases of the central nervous system that take the form of strokes, sensory disorders, and multiple sclerosis, to name but a few. These illnesses have severe musculoskeletal and mental effects, and cause a great deal of anguish. Rehabilitation and treatment is trying at best.

Early and effective diagnoses of illnesses such as these can lead to minimized disorders and improved rehabilitation. This is a major part of the success story of New York's North Shore University Hospital, located in the Long Island community of Manhasset. North Shore is a trailblazer of a hospital; it is in the forefront of diagnostic and treatment developments that are used with great success all over the world. I recently read of the latest work at North Shore's Evoked Potential Laboratory. Under the expert guidance of Dr. S. Murthy Vishnubhakat, this program will become yet another of North Shore's valuable contributions to the field of science, and to humankind as well. I would like to bring to the attention of my colleagues a recent description of this program which appeared in the February 1981 edition of the North Shore University Hospital's newsletter:

EVOKED POTENTIALS REVEAL NEUROLOGICAL PROBLEMS

Patients with diseases of suspected disorders of the central nervous system—strokes, multiple sclerosis, sensory disorders—have a new dimension of clinical diagnosis and monitoring at North Shore—the Evoked Potential Laboratory. Located in the Department of Neurology, it is headed by S. Murthy Vishnubhakat, M.D., Associate Attending and Assistant Clinical Professor of Neurology at Cornell University Medical College.

"We can actually see how the nervous system functions in health and disease," he said. We can stimulate the eye, ear and nerves of the body—the sensory pathways of the nervous system—and measure their responsiveness and how well they function." Electrical activity, the "evoked potentials" in the areas of the brain responsible for mental and body functions, perception and behavior, is measured through highly advanced computer technology that make these delicate measurements possible.

The North Shore neurologist observed that the cerebral evoked potentials are most useful in diagnosing multiple sclerosis, formerly a "diagnosis by exclusion" of other diseases that closely resemble MS. While the examinations are done to measure function, they pinpoint the position of the lesion or tumor in the brain or spinal cord that causes symptoms. The series of three tests can be performed as cost-effective outpatient procedures, and are painless and noninvasive.

The first test in the series is called "visual evoked responses". Wearing three electrodes on the scalp, a patient is seated about a yard away from a television screen, focusing on the midpoint of a reversing checkerboard pattern. One eye is tested at a time with a patch over the other eye. This test takes about 30 minutes.

Since one hallmark sign of multiple sclerosis is visual difficulties, the examination is a particularly important diagnostic tool, and is "highly accurate and effective even when the disease is in remission," Dr. Vishnubhakat commented. The visual tests also provide important information from non-verbal patients of any age, and can further be used to prescribe proper new eyeglasses, to detect tumors of the eye and optic nerve, and to predict visual function following certain types of surgery.

The causes of many hearing problems can be found by tracing the acoustic nerve pathways that affect our ability to preceive sound. In this test the patient lies down in a semi-darkened room, wearing earphones and three scalp electrodes. Once the patient's basic hearing level is determined, louder clicking stimulates the auditory evoked responses that are measured by the computer. Total testing time is about 45 minutes.

While any nerve near the surface of the body can be stimulated, the neurologist stimulates electrically the median nerve in the wrist, causing the hand muscles to twitch. In this "somatosensory" test, the patient has five recoding electrodes placed along the arm, collarbone and neck. This test, again in a darkened room with the patient resting, lasts about one hour.

Based on his experience with nearly 600 patients at North Shore, Dr. Vishnubhakat thinks these tests have an exciting future for neurological and neuophsiological specialists.

Evoked potential tests are now used also to help determine "brain death" in legal cases.●

UNITED NATIONS FINANCES: BELT-TIGHTENING AND BENEFITS TO THE UNITED STATES

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. BONKER. Mr. Speaker, the two articles I wish to submit for the record, one from the Christian Science Monitor and one from the Tucson Daily Star, concern a topic of continuing controversy: U.N. finances. These articles clearly point out that not only is the United Nations closely scrutinizing its budget but that the U.S. profits economically from its contributions to the United Nations.

The world organization's budget for the 1982-83 biennium, based on zero growth, does not provide for the creation of any new programs or any new positions. In fact, the $1.5 billion budgeted for this 2-year period represents only 13 percent of the nearly $11 billion requested by the administration for the single 1982 fiscal year in U.S. foreign aid.

The article by Louis Wiznitzer of the Christian Science Monitor notes that while the United States continues to be the United Nations' largest donor in dollar terms, we rank behind such countries as Qatar, Denmark, and Mongolia in per capita contributions. Each citizen in Qatar, for example, yearly pays $33.50 to the United Nations; every American contributes $2.66 yearly.

Pat Orvis writes in the Tucson Daily Star of March 3, that 41 percent of the U.N.'s budget is spent here in the United States, and much of the U.N.'s money is kept in American banks. Two organizations affiliated with the United Nations, UNICEF and the U.N. development program, annually spend more on the purchase of American

goods and services than the amount we contribute to them.

Mr. Speaker, it is my hope that these articles will be useful to my distinguished colleagues in addressing matters related to U.N. finances.

The articles follow:

WALDHEIM TIGHTENS U.N. BELT WITH NEW BUDGET FOR 1982-83

(By Louis Wimitzer)

UNITED NATIONS, N.Y.-The United Nations is tightening its belt.

UN Secretary-General Kurt Waldheim has made an all-out effort to use its money more wisely.

The new and dramatic budgetary restraints have been distributed evenly throughout the organization and all UN departments have been asked to make sacrifices. Mr. Waldheim's efforts to keep UN expenditures down reflect his concern over the UN's financial credibility.

At the same time, Mr. Waldheim has been careful not to diminish the humane role that the United Nations is playing in the developing nations—often in the most crucial areas of food, shelter, education, and health of people simply struggling to survive.

For 1982-83 he has approved an overall budget of $1.5 billion, a 14.9 percent hike in relation to the $1.3 billion budget for 1980-81. This increase, however, is related only to the built-in inflationary costs. Not a single new program has been added, not a single new post has been created.

The 1982-83 budget is based on zero growth. The previous budget for 1980-81 still projected a modest 0.8 percent growth.

A dozen states contribute almost 90 percent of the UN budget and for this reason they are worried about the UN's budget performance. Last fall, nine major donor countries in the General Assembly voted against a small supplementary budget for 1980-81.

At the same time, however, many third-world countries are clamoring for new and increased programs, particularly in the social and economic fields.

"This is, after all, what the UN is all about," they say. Keeping expenditures down is made the more difficult since the UN is a large international organization. Eighty percent of its costs are related to staff and subject to inflation. Salary adjustments in many countries are laid down by law. In many instances UN spending is also subject to currency fluctuations.

The Secretary General cannot reduce programs that have been approved by the General Assembly. The UN is not a corporation, and has no return on its investments. Forty percent of its expenses are in non-dollar currencies and immediately affected by inflation.

The United States remains, in absolute figures, the major contributor to UN funds. But in per capita efforts, the United States ranks only 17th with every American contributing $2.66 each year.

Qatar ranks first with a yearly $33.50 per capita contribution. Norway, Sweden, and Denmark rank second, third, and fourth in per capita efforts. Every Norwegian spends $27.27, every Swede $23.40, every Dane $19.65 per year for the UN.

HAVING THE UNITED NATIONS ON U.S. SOIL IS A CAPITAL IDEA

(By Pat Orvis)

UNITED NATIONS.—Globe-watchers here often say these days that Washington either does not understand how U.S. foreign aid works in the global picture, or "just doesn't care" about two-thirds of humanity.

Either way they assert, slashing economic assistance to Third World countries while increasing defense spending here and abroad, as President Reagan has proposed, would mean losses rather than gains to the United States on both fronts: profit and national security.

It is widely known that the United States makes more money from the United Nations than it lays out in contributions.

And any Third World leader will point out—as El Salvador's President Jose Napoleon Duarte did to President Reagan just last week—that his best defense against the Russians is a well-fed, contented populace.

On the economic side of the foreign aid argument, the United States has, indeed, long paid 25 percent—$143 million in 1979, for example—of the United Nation's regular budget.

But 41 percent of that budget is spent by the United Nations, in turn, right here in New York, and much of the U.N.'s money is kept in American banks.

Indeed, on the basis of national income (from which each of the 154 member-countries' assessment is calculated), the United States should pay 30 percent of the U.N. budget. The General Assembly, however, has set 25 percent as the top contribution required from any one country—a level so far affecting only the United States.

Details of U.N. funding are spelled out in a little blue book, "Image & Reality," available on request from the U.N. department of public information. In addition to its assessed sum, explains the booklet, each country gives additional contributions, some fixed and others voluntary, to individual U.N. organizations. And here again, the United States consistently turns a profit.

In 1979, for example, the U.S. Government gave $126 million in voluntary contributions to the United Nations Development Program, according to UNDP spokesmen, but the UNDP spent $135 million on American experts, equipment and technology, and on administrative costs as its headquarters here.

The UNDP is the largest U.N. body, and its primary function is to provide technical experts and assistance to do pre-investment feasibility studies for proposed development programs. It is generally understood that when American consultants do the feasibility study, the project proposal they write will lead to contracts for American firms. The United States ranks first at UNDP among all participating nations as a source of equipment, contract services and fellowship placements, according to spokesmen, and is second as a provider of experts.

Programs found feasible by the UNDP are carried out by one or more of several "executing" agencies, such as the United Nations Children's Fund (UNICEF). In 1979, Washington gave $34 million to UNICEF, which also has its headquarters in New York and spent $40 million in this country that year, more than half on supplies for child welfare programs in developing countries. These supplies include such things as vaccines, nutritional supplements and educational materials.

Though it is one of the smallest specialized agencies, UNICEF is thought to be among the most efficient and effective, for it brings basic services such as primary education and clean water to the grassroots level in more than 100 countries and has won the Nobel Peace Prize for its work.

As with other U.N. bodies, the United States has long been UNICEF's largest single contributor. In 1980, however, tiny Sweden pulled head with a pledge of $35 million, compared to this country's $34.6 million. With only 8 million people (compared to 222 million here), Sweden now gives $4.23 per citizen to UNICEF, compared to 15 cents per U.S. inhabitant.

In 1978, the most recent year for which complete figures are available, the United States gave an impressive total of $590.9 million in fixed and voluntary contributions to all U.N. bodies, followed by West Germany with $227.3 million and Sweden with $204.2 million.

Yet the United States ranks only 17th in per-citizen donations at $2.66, and rates just 66th when contributions are figured as percentages of gross national products.

The little oil-producing—but still developing—Arab state of Qatar was first in per-capita contributions, at $33.50. The Maldives—an island country in the Indian Ocean and one of the smallest and poorest countries on earth—was first by percentage of GNP, at .72 percent.

The U.N.-affiliated World Bank, described along with the United Nations as "low priority" items in President Reagan's proposed budget cuts, is considered by Third World countries to be entirely a U.S.-dominated western institution. Based in Washington, the World Bank was created at the end of World War II to help rebuild war-torn Europe, and the United States played the dominant role at its founding, during a meeting of 44 nations at Bretten Woods, N.H., in 1944.

After the Marshall Plan came into effect, the bank turned its attentions to developing countries, but it is still controlled by, and gets most of its capital from, the industrialized nations. Its interest rates are slightly higher than commercial market rates, because it borrows from private capital markets and then lends to developing countries for projects that have development potential but would be considered poor risks by commercial banks.

Its lending, however, is limited to projects that will be able to repay loan and interest charges, and the loan money is controlled right down to the purchase of goods and services at the project level. According to figures from 1978, procurements in the United States financed by the World Bank between 1946 and 1976 totaled $5 billion. In addition to these direct procurements during the same 30-year period the bank spent $800 million on operations in this country, compared with $781 million paid into the bank by the United States during that time.

It is through a specialized World Bank affiliate, the International Development Association, that the world's poorest nations get some of their basic aid. The IDA makes loans on very easy terms with long repayment periods to nations which probably could not get any other loans. This agency would be hardest-hit by major U.S. aid cutbacks. A compromise decision between Reagan budget-cutting chief David Stockman and Secretary of State Alexander Haig has at least temporarily delayed any immediate major cutback for the IDA * * *.●

TAX RETURN STATEMENT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. DOWNEY. Mr. Speaker, I would like to publish my tax return statement for 1980. I believe that public officials have an obligation to make a full disclosure in order to have on the public record the sources of all taxes paid so that no question as to self-enrichment or conflict of interest can ever arise.

Salary—U.S. House of Representatives	$60,663
Interest income	39
State and local income tax refunds	811
Capital gain—sale of personal automobile	2,611
Rental loss	−1,252
Other income—honorariums (net of expenses)	7,900
Total income	70,772
Less: Nonreimbursed employee business expenses	−7,431
Adjusted gross income	63,341
Itemized deductions:	
Medical	150
Taxes	7,267
Interest expense	3,234
Contributions	140
Miscellaneous deductions	753
Total itemized deductions	11,544
Less: Zero bracket amount	−3,400
Excess itemized deductions	8,144
Tax table income	55,197
Less: Personal exemptions	−3,000
1980 taxable income	52,197
Federal income tax	16,442
New York State income tax	5,204
Illinois income tax	24
Indiana income tax	18●

PROJECT ENERGYCARE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. RANGEL. Mr. Speaker, the National Council of Senior Citizens, in conjunction with several other national aging, religious, and labor organizations, has undertaken a nationwide campaign to identify and assist low-income senior citizens gain access to public and private programs that help meet rising energy costs. This Outreach program, called Project EnergyCare, operates through some 85 local sponsors around the country. These groups—community action agencies, senior citizen organizations, church groups, and other community-based organizations have hired Outreach workers and recruited volunteers to go out into communities to find needy older persons and put them in touch with available assistance programs.

Through this project many thousands of older people have been informed of programs, such as low-income energy assistance and weatherization who had not previously been aware of their existence. In my district many senior citizens have been helped through the Outreach services provided by the Salem Methodist Church under the auspices of this program. Nevertheless, there remain today many more thousands of needy Americans who are not being helped by these programs because of the limited resources available.

Recently, Dave Stockman testified that he felt the low-income energy assistance program was quite adequate to meet the needs of low-income Americans; that with better targeting of limited dollars all who are truly in need of aid would be served.

I insert into the RECORD excerpts from some of the letters sent by older Americans to Project EnergyCare which I believe provide graphic evidence refuting Mr. Stockman's statement.

FROM ARIZONA—72-YEAR-OLD MAN

"Having no family to depend on, I find myself desperately in need of financial aid. My monthly income from Social Security is $190. . . . Due to a situation beyond my control, I find myself losing all I have worked so hard for."

FROM ARIZONA

"I am 72 years old and am handicapped from arthritis. I am not on welfare—I do not want or intend to be, but I need help to pay my gas and electric bill. . . . I live on Social Security with a bit of help from friends, like gifts of money at Christmas, birthday, etc. I've lived in Arizona since 1948, and never asked for help before."

FROM ARKANSAS

"I am a widow and have been for 12 years. I am unable to work. . . . I was getting Medicare but they cut me off because I am getting $249 from the Veteran' Administration. They say that is the guideline. . . . I don't see how I can pay next month's gas bill since I have to buy $65 worth of medicine . . . I owe $500 at (the hospital) and $249 at (another hospital). I try to pay $5 or $10 when I can. . . . I also haven't paid my last year's (house) taxes. . . . I am very depressed on what to do. . . . It has been real cold here. . . . Please help me if you can. I am going to lose my home if I don't watch out. . . . Even though I am only one person, I still have to have gas and a home so I won't freeze."

FROM FLORIDA

"I am a senior citizen with an income of $319.64—a widow trying to keep up payments on my house—$98—living alone, no family, and under the doctor's care. I filled out a form and sent it to get help for my electric bill and just because I was two dollars over they would not help me. By the time I pay my insurance, water, and refrigerator, I only have about $20 left to eat on. I can't see how they are talking about having so much money to pay the senior citizens and don't do it. I have never asked for help before. But I sure need it now."

"My husband is on a breathing machine . . . . We have never gotten anything. Our medical bills are terrible. Our monthly bills (rent, electric, phone) are $339.86, which leaves us a balance of $69.54 a month . . . The only thing good out of this is we get some food stamps, but it's so embarrassing. . . ."

FROM MARYLAND

"My disabled brother who is 75 lives in a house with no water and no electric . . . My husband is blind. We are both on a very small Social Security income and there's no way we can help my brother. I have always been so proud of my country, but I'm losing faith. We can always help others in other countries—why not at home? Charity begins at home, I've always heard. I hope I don't find my brother frozen some day. I am very concerned about all of these dear people."

FROM MASSACHUSETTS—68 YEAR-OLD WOMAN

"I've been without oil . . . . I am careful—don't use the oil wastefully. I turn it down at night and wear sweaters. . . . I feel the elderly like me should not have to worry about their heat. . . . I hate the hospital and I'm freezing. Can't something be done? Today and yesterday was cold. Please let me know if you can help. I am on a special diet and it's hard to live and pay bills on my income. . . ."

FROM NEW JERSEY

"I taught 40 years to help purchase our home and educate our child. Now at 78 years of age. I, alone, am very appreciative of this home, but with the unbelievable advance in the cost of heating oil, plus all other advances, I am concerned. Is there funding that can help with our position that the terrible increase in the cost of oil has put us in, as we try to keep our homes? I hoped that writing to Washington, I might receive more understanding."

"I hope you can help me. I'm 80 years old, retired, living on $313 a month, have a trailer home. . . . I can't afford to buy fuel. I have to go over to people's houses to keep warm . . . . I can't live this way. I have to have heat. I'm not asking too much. Please help me."

"I'm an 80 year old man, widowed and trying desperately to live on retirement income, but I find inflation, particularly heating, very expensive. Many times I don't have enough to eat because of the high price of electric heating. . . ."

FROM NEW YORK

"My income is $327.40 a month. I am a widow, age 70, living alone. I keep a record of fuel oil used. I am stating the figures from 1968 and 1980:

1980 used 998 gallons	$1,003.80
1968 used 965 gallons	147.34

The difference in the cost is $856.46 more than it was 12 years ago . . ."

"I am 80 years of age with an income of $276.90 a month. I pay $100 rent and I pay for fuel and electricity. I just can't make ends meet. I am in need of fuel so bad. My church paid one of my bills, but they can't help me any more because there are others in the same predicament that I am in . . . I owe a bill to my oil company for the last shipment they sent me. It is due to be paid and I can't pay it. If I do not pay it, they will not send me any fuel . . . I am very low on fuel. I got the last Feb. 2—only 150 gallons. I owe them $188.60. Please help me if you can."

"Help please. I'm a widow, 75 years of age, living alone on Social Security income only—no other income . . . This past year, up to Feb. 25, I owe my oil company a total of $705.12 plus penalties. I borrowed $100 to pay part of my bill so they will deliver oil as I have arthritis and can't stand it too cold, even though I wear sweaters and extra foot socks. This last statement I got said they will not deliver any oil until my bill was

paid. I called and pleaded and sent them a check of $200 dated against my March Social Security check. I did get oil, thank God. I still owe them $405.12 plus penalties. I need assistance—not for luxury. I filled out a HEAP form which was returned and denied as they said I'm getting too much money from Social Security. All I got extra was the increase in July 1980 and the inflation ate it up plus. I called "Senior Citizens Assistance" and they advised me to go on welfare. Well, I don't want welfare. All I ask is some help to pay my oil bill and pull through. During the summertime, when I don't get oil, I can try to get myself up to date and pray if God gives me more added years to live, I can live with dignity."

FROM NORTH DAKOTA

"I am 68 years old, a single female, and my only income is a Social Security check of $151 per month. It just does not cover fuel at $1.14 per gallon, plus electricity at $17.50 per month, plus living expenses. . . ."

FROM OHIO

"My husband passed away in June 1979. I am on disability. I get $315.40 a month. In the cold months, my fuel bill runs $200 or more and I am behind on my fuel bill. I just don't have enough to pay everything. I own my home—if I didn't, I sure couldn't make it. I sure feel sorry for those who do not have a home of their own. . . ."

"I'm writing after hearing Mr. Cagney on the radio say that people on fixed incomes could write to your people in Washington if one perceives a serious problem in meeting one's future energy costs. Well, I'm one of the many. I'm 70 years old, a widow. I own my own home. I'm on Social Security. My monthly check is for $280.50, or a yearly income of $3,474. The price of my heating oil as of this writing is $1.18 a gallon. My oil receipts from the past 15 months show a total of 1,538 gallons of oil ordered from my dealer. With the going rate now, my projected costs will be $2,867.40. As you can see, $2,867.40 from an annual income of $3,474 does not leave much to live on . . . I don't want to give up my home. Twenty-four years of my life have been spent in this home. I realize that there are many more people less fortunate than I, and I pray for them. I don't know the answer and I, like many other Americans of upper years, fear the future."

FROM PENNSYLVANIA

"I'm on SSI. 68° is too cold for me. I burn two baseboard electric heaters to keep warm. I've had three strokes and also have arthritis. When I called to inquire about assistance, I was told that it was being held up for debate as to whether subsidized renters qualify. . . . Those who are debating it are not cold nor do they have to beg. I begged the two heaters from the private sector. Must I also beg the money from them to pay the electric bills? I think we should have been told if we did not qualify. I for one would not have burned the electricity . . ."

FROM TEXAS

"We low-income people sure need some help on utilities, gas, and lights. I hate to see the bill I'll get for February and no help on it. I get $208 Social Security and $50 from SSI . . . I heard the President last night. I get $24 in food stamps—I don't know what my future will be. He said food stamps will be cut. I'm 77 years of age, a widow . . ."

"We have tried to get help on our lights and gas. They told us we were entitled to it, but they have given us the run around about it. Now we are behind on our electric bill and have not been able to get gas for our butane tank. I know the money is up there to help low-income elderly and handicapped. I am not able to work and my wife is not either. I am retired and drawing Social Security and a disabled VA pension and it is not enough to live on and pay our medical bills and buy our gas and heating . . ."

FROM VIRGINIA

"My parents are in great need. I am in no position to help them in any way . . . My father is 76 years old. He has emphysema and angina. His only income is Social Security and SSI. My grandmother lives with my parents. She is 80 years old and is also in bad health . . . Her income is her Social Security and SSI. My mother is 58 years old and cannot hold a public job because of having to take care of my father and grandmother. She is paid $4 per day by the state for taking care of her mother. They do not receive any welfare aid . . . At the beginning of winter, they borrowed money for fuel and to pay off an old fuel bill. Because of paying back that money, they are behind in all their bills and their taxes are past due. As of now, they are three months behind in their house payments, which are a little over $90 a month. Their electric bill is past due and they have received a cut-off notice. In order to catch that up, it would take over $200. They also have water bills and phone bills . . . They received no food stamps and they really don't get the proper diet. I'm afraid they will lose their home or that their electricity will be cut off or both.

"P.S. My grandmother was in the hospital for seven days last month. That will mean a decrease of $28 in my mother's next check."

"I am a widow, 62 years old. My salary is around $67 a week. I work for a senior community employment program. I am not eligible for the Social Services Program—It's a shame, but that's the way it is . . . There are a lot of people in the same fix that I am. We need someone who's really interested in people and serious about informing them of their rights. I have a handicapped man living in my house and he is not being considered either. Please don't refer me to welfare department—they are so messed up. It's terrible . . ."

FROM WISCONSIN

"When my husband was alive, we received over $650 a month and our oil was $600 a year in 1976. Now I receive $357.70 a month, have all the same house bills we had then, but oil for heat last year was close to $1400, even though I do keep the temperature 4° to 10° lower than we did then . . . I'm a disabled widow, 66 years old, living in my own home. Please help!"●

THE PRESIDENT'S BUDGET—WILL IT LICK INFLATION? WILL IT INCREASE PRODUCTIVITY? IS IT FAIR?

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 28, 1981

● Mr. OBEY. Mr. Speaker, the President has proposed a new economic program which would cut spending by $48 billion in the first year, raise annual spending levels for defense over 4 years by 90 percent ($158 billion), cut taxes largely to high-income individuals and businesses by $222 billion a year, phased in over 3 years. What is likely to happen to it?

The only way the President can fail to get most of what he wants is if significant numbers of Republicans themselves decide that his program is unsafe. How can I say that when the Democrats control the House of Representatives? I say that because in philosophical terms the President has effective control of both Houses. He has an absolute majority in the Senate. In the House, while Republicans are 26 votes short of a formal majority, there are between 40 and 50 Democrats who on most occasions vote with Republicans on economic issues. That means that if the President can retain the support of economic conservatives, he will get most of what he wants.

Democrats are in a mood to cooperate. How much support they give to the administration's package in the end will be determined by two factors: First, how fair analysis of the administration's package show it to be to various income groups and regions of the country and, second, how effective it is expected to be in controlling inflation. But, in the end, the President will get $30 to $40 billion of what he is seeking in budget cuts and the biggest part of his tax package unless Republicans begin to worry that it is too inflationary, too optimistic, and too unfair to be politically sustainable.

To understand how the administration is cutting the budget we need to divide it up in the right ways.

President Carter presented a budget for fiscal year 1982 of $740 billion—a $76 billion increase over the previous budget of $663 billion. Let us analyze how he allocated resources in that budget and how President Reagan changed that allocation:

DEFENSE

The current year's defense budget is $161 billion. It was up $25 billion from the previous year and represented the biggest peacetime increase in defense spending in history. President Carter raised that to $184 billion for the coming year, a 14 percent increase. President Reagan increased that by another $10 billion. That $10 billion represents a small down payment on additional items that will cost many times that amount in future years. Under the President's recommendations, defense spending will double in 5 years.

RETIREMENT PROGRAMS

President Carter's budget for elderly and retirement programs was $195 billion. That is up by $28 billion from last year's budget and more than $50 billion from the year before that. President Reagan cut that by about $3 billion and made no basic changes in

major entitlement programs, although they have been among the fastest growing items in the budget.

INTEREST

President Carter's budget estimated $90 billion for interest payments on the national debt. That figure is a simple estimate of what Government will have to pay to finance its debt and is directly dependent on interest rates. President Reagan's estimate for interest is about $8 billion lower because he is betting on much lower interest rates, but there is no programmatic change and most economists believe that that is a simple gimmick to reduce the deficit by that amount. In fact, the President is financing much of his tax cut through increased Federal borrowing. That will mean more debt for the Government to pay interest on and more pressure on money markets, which leads to high interest rates. That is why both the House and the Republican-controlled Senate Budget Committees believe interest payments under the Reagan budget will be higher, not lower, than President Carter's estimates.

So to sum up so far: Defense next year is expected to be about between $192 to $195 billion. Retirement programs are expected to cost the same. Interest will probably cost between $90 to $95 billion. These three portions of the budget, therefore, total roughly $470 to $480 billion. That is about 62 percent of the budget. It represents almost 80 percent of the dollar growth in the Carter budget from this year to the next. And spending in this portion of the budget will be higher under Reagan than it was under Carter.

NONELDERLY POOR

Then we get to the portion of the budget which most dramatically separates the two political parties.

Most people I know believe that if we simply get rid of waste, fraud, and abuse in welfare programs we will balance the budget. The problem is that that just is not so.

The total amount in the budget for direct Federal support for the nonelderly poor is about $40 billion—about 6 percent of the budget. That is primarily for six programs: Medicaid, SSI, AFDC, low-income housing, food stamps, and child nutrition. More than 1.3 of that amount is for the blind and disabled which, unless you are going to gouge them, leaves us with a base of about $22 to $25 billion.

If you take the President's definition of what constitutes waste, fraud, excess, and abuse, you could cut $5 to $6 billion and that is what he does. That means there is about a 25 percent reduction in direct Federal assistance to the nonelderly poor despite the administration's claim that a safety net was being provided for the truly needy.

This year we will go after the double-dipping third graders, for instance, who are seen to be ripping off the Government for a dime a day because some of them are receiving food stamps while they are also receiving extra subsidies for their school milk and school lunch.

It is also in this portion of the budget that we will eliminate Treasury Secretary Regan's problems. The Secretary asserted recently that one of the main reasons he wanted to slash the food stamp program is because students were ripping the program off for beer and booze purchases.

Just a few reminders to put the Secretary's allegations in perspective. The Congress in the last 2 years has eliminated 1½ million people from food stamps. There are only 47,000 students remaining on food stamps and in the main they are students under 18, over 60, or supporting dependents. Students make up only two-tenths of 1 percent of the present food stamp caseload and they are not eligible to legally use food stamps for beer or booze purchases.

Any sane public official wants waste and fraud in this or any other program to be eliminated. That is why the Congress added new penalties for food stamp law violations last year, and why we provided significant financial incentives for States who administer the program to tighten up their administrative practices.

Keep in mind in evaluation, this program and the administration's suggestion for transferring additional authority to State governments that this program is administered not by the Federal Government but by the State government and its local agents. Keep in mind also that of the total amount estimated by HEW's Inspector General over 50 percent of that amount occurred in programs which were administered by the States, not Uncle Sam.

But those issues aside, if we tear a 25-percent hole in the safety net that the administration suggests that it has provided for the nonelderly poor who are not disabled or blind, that leaves us with $34 billion, less than 6 percent of the budget.

Two other programs should be mentioned at this point: veterans and unemployment compensation; $5 billion of the $25 billion a year we spend on veterans has already been counted under programs for the elderly. The remaining $20 billion is very difficult to cut substantially. The President proposed less than $1 billion in cuts but only 3 of 12 Republicans on the House Budget Committee supported him when that proposal came to a vote.

The controlling factor on unemployment compensation is the performance of the economy. The President has recommended some far-reaching changes in the system which would save a little over $1 billion a year out of a program he expects to cost $22 billion next year. If unemployment is only 1 percent higher than expected, however, unemployment payments will swell by more than $5 billion above the request.

So, recapitulating, we have covered seven areas of the budget: Defense, elderly, interest on the debt, payments to nonelderly poor, veterans, and unemployment compensation. Altogether President Carter asked to spend a little over $550 billion in these seven areas which made up three-quarters of his entire budget. The Reagan budget comes in about the same or a little higher for these seven areas than does President Carter if you accept the reestimates of either the House or Senate Budget Committees on the actual cost of the Reagan proposals.

This has been where the real growth in the Federal budget has been, in the last year, in the last several years, in the last decade. Budget growth has not come from the creation of new programs but rather because we spend so much more on this same set of programs.

In 1970 we spent $29 billion on social security; under either Carter or Reagan we would spend almost $160 billion, a 450-percent increase.

During the Vietnam war we were spending $78 billion a year on defense—$116 billion less than the President is requesting for next year.

Medicare and medicaid cost us $11 billion in 1970; both Reagan and Carter ask for about $60 billion.

These programs are very important to our day-to-day life in ways many of us never stop to think about. They secure us from foreign enemies; they secure minimal necessities in our old age or in the event we might become disabled; they secure medical care in the event of catastrophic illness; and they secure us from economic disaster in the event we might be laid off or if we have a business located in an area suffering temporary economic problems. But there is one thing that these programs do not do. They make no direct investment in the economic future of the country. That is what the other 25 percent of President Carter's budget was about. And that is where the Reagan administration concentrates its cuts.

INVESTMENT PROGRAMS

President Carter asked for about $187 billion for programs outside the seven areas we have already covered—25 percent of his total budget. This $187 billion covers a myriad of areas from research on the nature and composition of the ocean floor to highway construction. They include programs you never heard of and programs you encounter every day. They are there because someone convinced the President and the Congress that they rep-

resented a worthwhile investment in the Nation's economic future. We can legitimately debate whether they are good investments or bad investments. I happen to think a number of them are poor or marginal investments. But nonetheless, this is the part of the budget which is made up of items which fit someone's definitions of a good investment. And this is where 75 percent of the Reagan cuts are concentrated. The President is asking that we reduce this $187 billion investment package by about $31 billion.

Anybody with an ounce of sense knows that most investment decisions in an economy like ours are best left to the private sector; but there are certain investments which the private sector simply will not make on their own. The private sector, for instance, will not build highways that the country's economy requires. Most corporations will invest significant sums in items which have a short-term profit payoff, but I do not know of many corporate managers who can go before their annual stockholders meeting and say "Gee boys and girls, I want this targeted $200 million research item in the budget this year and it will not pay off in the short run but 20 or 25 years from now I think it will do great things for us." Those stockholders will not be interested in 20 or 25 years from now. They want a return on their investment now.

So without Government involvement, long-term research and development, whether in science or in health care or in energy simply will not be made. Yet the particular pattern of budget cuts is forcing most of them to come out of the investment portion of the budget.

It is here that we find the programs to expand the physical plants and equipment base of the country and programs to develop the economic base of the country. It is here that we find the $3 billion for the strategic petroleum research. It is here that we find the $9 billion for highway construction and modernization, the $4½ billion for water projects, the $2½ billion for the Export-Import Bank. It is here that we find the money for the Economic Development Administration and the UDAG grants to encourage rejuvenation of our downtown areas. It is here that we find the investments in the technological future of the country—basic science research, medical research, and the like.

It is also here that we find investments in the form of grants for college students, job training funds, student loan funds, and the like.

HUMAN CAPITAL AND PRODUCTIVITY

At a time when we are so dedicated to improving the productivity of our plants and our machinery, would it not be nice if we paid as much attention to increasing the productivity of human beings who will be working in those plants and running those machines. Americans spend less per worker on job training than any other Western society. I suspect that that has as much to do with the declining productivity lead America has over its European competitors as does the shrinking portion of our resources which have gone into plant and equipment for the past 20 years.

In talking about the need to stimulate productivity, is it not about time we quit using a tunnel vision definition of capital investment? True, capital investment represents resources we put in machinery and buildings; but we also make a capital investment when we educate a child, retrain a working mother or train a new worker.

There is no question that at a time when the Nation is demanding fiscal austerity significant reductions can be made in the budget. But some of these budget cuts steal from the future and many of them are not cuts at all but are merely a transfer of burdens to the property tax. And they fall in such a way that they most hurt the part of the country in most serious trouble, the Northeast and upper Midwest. Coupled with the energy decisions and the tax cuts proposed by the administration, they will drain the Northeast and upper Midwest of more than $300 billion in the next 5 years.

REAGAN TAX CUTS AND INFLATION

And because of the nature and timing of those tax cuts, they run the risk of rampant inflation and prolonged gargantuan deficits. Let us examine the tax side of the administration's package for just a moment.

The tax cuts come in two parts. One is a series of recommendations to accelerate depreciation in order to stimulate plant and equipment modernization. The second is a 30-percent Kemp-Roth across-the-board tax cut on individual taxpayers—tax cuts which will go in large measure to high income taxpayers. Let us examine each of those tax provisions.

The administration says that large Kemp-Roth type tax cuts on high-income individuals will not be inflationary because upwards of 50 percent of those tax cuts will be saved rather than be spent and those savings will then be available for investment. The problem with that is that in modern times there has not been a tax cut of more than 20 to 25 percent. And within a year or so the portion of that tax cut which went into savings has been far less than 10 percent. That means that the Kemp-Roth 30-percent tax cut carries a substantial inflation risk. It will pour $200 billion in tax cuts into the economy on top of additional defense spending over the next 5 years of $191 billion.

The Budget Committee has been warned that if we pass that program without change, the 4-year cumulative deficit for President Reagan will be much larger than they were for President Carter and that the projected deficit for 1984 could be as high as $68 billion. Those deficits do not seem to bother the supply side zealot advisers of the President who seem to suggest that deficits which result from lower revenues will not be inflationary over the long haul. The trouble is that Mr. Volcker at the Federal Reserve does not believe that. So we will see a long string of decisions by the Fed to keep interest rates high. That will continue to choke off the housing and auto industries. It will artificially inflate the cost of doing business for virtually everyone in America.

REAGAN LEAVES SOME BUSINESSES OUT

The business tax cuts recommended by the administration constitute an endorsement of a modified version of the 10–5–3 proposal which will provide a 10-year writeoff for the construction of buildings used by their owners (15-year writeoff for nonresidential leased buildings; and 18-year writeoff for residential rental structures), a 5-year writeoff for business equipment and machinery, and a 3-year writeoff for automobiles and light trucks. But that proposal provides little help for high technology industries which have the greatest potential for job growth and the greatest ability to help us compete internationally. And you can be sure those sectors will come under increasing pressure from other competitors such as the Japanese who are starting to do to us in those fields what they were doing to us in autos 10 years ago.

It also does not provide much help to the sector of our economy in the most trouble, the heavy industry sector, such as steel. Analysis shows that of the $4 billion annual investment gap in the steel industry—a gap which must be closed if that industry is to modernize and remain competitive—almost none of it will be closed by the kind of relief provided in the administration's plan.

UNFAIR REGIONAL IMPACT

And the regional affect of the business tax cuts if they are not changed will be devastating to the upper Midwest and Northeast. The combined effect of the administration's energy decisions, budget cuts and tax policies was summed up in a chilling way recently by Felix Rohatyn. Here's what he said:

From 1980 to 1990, decontrol of oil and gas prices will generate about $120 billion of revenues to the energy-producing regions of this country. This is a tax which will be paid by the consuming regions of the Northeast and the Midwest in the form of royalties and severance taxes. At the same time, a program of heavy tax cuts intended to shore up the "supply side" of the economy is bound to accelerate the trend of manufacturing businesses away from the northern part of the country. The Federal budget cutbacks that will have a heavy impact in the Northeast and Midwest will be more than made up in the Sun Belt by increases

in revenues resulting from energy pricing as well as sharp increases in defense spending. With these revenues local taxes in the Sun Belt states can be reduced, services maintained, all kinds of incentives provided for industry. The drain of businesses away from the Northeast and the Midwest will obviously increase, with the inevitable deterioration of the regional tax base.

We will then be faced with a situation in which one city after another in the north of the country will be less and less able to support a larger and larger proportion of its population in need of public assistance. The industries which formerly provided employment and support will continue to decline. Many of those taxpayers who are able to leave will migrate to the Sun Belt, leaving behind a growing mass of unemployed or unemployable people unable to move or too afraid to try. Not even a country as large as ours can maintain its democratic institutions half rich and half poor, especially when the economic trends will make it very apparent that for the "have nots" things will get worse and not better.

In addition to questions of regional survival, there are other serious problems with the President's package.

First, the President has no energy policy. As Felix Rohatyn said recently "decontrol of energy prices is no energy policy." It could be part of one but the only action of the President besides taking the lid off energy prices has been to slash Federal programs for energy research items which we badly need.

To put in perspective what the damage that imported energy does to our economy, let us compare the cost of that imported energy with the size of the Federal budget deficit for the last 8 years.

From 1973 to 1977 the cumulative Federal deficit amounted to $140 billion. The cost of imported fossil fuel to our economy was $95 billion.

From 1971 to 1981 the total cumulative Federal deficit was $149 billion. The cost of imported fossil fuel was $225 billion.

If Federal deficits rob us of the ability to invest in our future, does this huge drain of dollars out of the country not also rob us of investment dollars for future productive enterprises?

Second, the administration's tax cut plan is so unfair that the American public will not swallow it. Under the administration's plan, a family making $100,000 a year will get a tax cut 23 times greater than a family making $10,000 a year, even though his income is only 10 times greater. Let us analyze what kind of resource transfer the administration's package really provides.

While the administration talks about a safety net for the poor, it proposed to use cuts in programs for the poor to finance significant tax cuts for the rich.

House Majority Leader JIM WRIGHT has given us some dramatic examples:

First, the President will cut off unemployment benefits to those out of work more than 3 months unless they take jobs far below the level of their job skills and employment history, but it would provide a $52,000 a year tax cut to a family of 4 earning $200,000 a year in property income.

Second, it would slash by one-third to one-half the funds going to poor mothers and their unborn or very young children to provide them with adequate nutrition during this critical period of human development. At the same time it would give over $8 billion in tax reductions to families earning between $80,000 and $100,000.

Third, it would eliminate 400,000 poor families from food stamp benefits while giving 546,000 affluent families tax reductions averaging $27,000 apiece. Those losing food stamps would be the working poor and the elderly living on Social Security. Those receiving the high tax reductions would be families earning $100,000 a year.

The administration's package is apparently based on the assumption that there has been a tremendous transfer of resources in this Nation from the rich to the poor in the last 40 years, but the fact is that 40 years ago families in the lowest 20 percent income bracket were receiving precisely the same share as they were then.

THE REAL DEBT PICTURE

The administration's budget cuts are based on the assumption that Federal debt has grown so fast that it has squeezed out everyone else's ability to borrow. But the fact is that the Federal debt has increased three times since 1950. During that same period, consumer installment debt has increased 14 times, corporate debt has increased 13 times, State and local debt 14 times and mortgage debt 16 times. Our Federal debt as a percentage of GNP or the overall size of the economy has declined from 58 percent in 1960 to 33 percent this year.

So what needs doing? Do all of these facts mean that we should throw out the administration's program and start over? Of course not. We do need to trim items out of the budget which have outlived their usefulness or which have simply not worked the way we had intended. We do need to aggressively reduce waste, fraud, and abuse and this administration has the administrative tools to try.

But we do not have to steal from the future. We should not concentrate those budget cuts to the degree the administration has in the investment portion of the Federal budget while leaving other portions relatively untouched.

It makes no sense to cut investment programs by 16 percent when we are barely laying a glove on entitlement programs. It makes no sense to focus our attention on direct budget subsidies when we ignore other subsidies provided through the Tax Code which are in many instances much larger and much more economically indefensible in a debate of sensible targeting of scarce resources. We do need business tax cuts to stimulate productivity but we should change those cuts so that they impact more fairly on all regions of the country and are better targeted to the sectors of our economy that most need it and represent the greatest opportunity for job growth. Individual tax cuts could be provided as well, but to avoid the risk of generating new inflation they should not be nearly as large as the administration is suggesting and they should be distributed among income groups in a much fairer manner. So should budget cuts.

THE TRULY NEEDY

Would a fair and disciplined budget provide a 70-percent subsidy for corporate jet owners while the average citizen who purchases his plane ticket has to pay the lion's share of his own travel expenses? Would a fair and disciplined budget allow water projects built with Federal money to charge 0 percent interest rates to growers and other users while the REA's are asked to pay 8½ percent interest rates? Would a fair and disciplined budget allow 15,000 military officers to receive more in take-home pay than the Secretary of Defense while we are being asked to cut back on disability benefits for veterans and impose additional restrictions on the access of poor people to health care and adequate diet? Would a fair and disciplined budget find it necessary to spend over $100 million on military bands—the Navy alone has 155 of them—while programs to train foreign language specialists are being sharply reduced? Why should we be in a position of having no one at the Voice of America, for instance, who was able to broadcast programs in the language that most Afghani's speak at the time the Russians invaded Afghanistan last year? Would a fair and disciplined budget make no effort at all to reduce the 46 percent subsidy which is provided in the business lunch deduction while we are making hugh reductions in the 43 cent per meal subsidy provided in the food stamp program for the working poor? Would a fair and disciplined budget allow oil companies to avoid taxes on their overseas operations while we are cutting back on the assistance given to senior citizens who cannot pay their fuel bills because they are on a fixed income? Would a fair and disciplined budget reduce dairy price support programs and gut target prices for feed grains but leave the tobacco support program relatively untouched?

The question is not whether to go down the road to economic reform. The question is how we make that reform fair enough, comprehensive enough, and disciplined enough so that we may all go down that road together. If we are going to seriously attack inflation, we need a much broader attack on all of its causes. We cannot successfully attack inflation with a selective and narrow effort which ignores many of the structural

weaknesses that have crept into the economy over the last 20 years. If the only thing we do is cut the budget and cut taxes those structural weaknesses will still be with us. If we do not deal with these problems and if we do not deal with some of the decisionmaking weaknesses in the private sector as well, we will be where we are today 4 years from now. No one wants that, but that is the subject of a whole different speech.●

SENATE—*Wednesday, April 29, 1981*

(Legislative day of Monday, April 27, 1981)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

O give thanks to the Lord, for He is good, for His steadfast love endures forever.—Psalms 136: 1.

Loving God, let Thy love be shed abroad in our hearts. Thy word declares that love is the fulfilling of the law. Help us to love Thee with all our hearts and our neighbors as ourselves.

As the Congress settles down to the demanding work of legislation, energize them mentally and physically and emotionally. Deliver them from discouragement and frustration. Help them in their deliberations and debate to distinguish between substance and semantics—between rhetoric and reality. Free them from personal and partisan preoccupation that would defeat their aspirations and deprive the people of just and equitable solutions.

Lead us, O God of Love, in the way of peace and unity. Bind us together that we may be strong as a nation and provide for the world the leadership which the divine economy intends. Guide us in Thy way and in Thy will.

We ask this for Thy glory in the name of Thy son whose love and sacrifice encompasses all people. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. Under the standing order, the acting majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE PRESIDENT'S MESSAGE

Mr. STEVENS. Mr. President, last evening the President delivered to the joint session of Congress a strong message, one which was candid but courteous, and rightfully told the Congress that the people of this country demand action, that this is the time for action on the part of the Congress to attempt to solve the perplexing problems of our economy.

The President rightfully singled out for recognition the leadership of Senator PETER DOMENICI of New Mexico and the work he has done as chairman of the Budget Committee, and commended the Senate Committee for its prompt response to the President's request on the budget.

He also spoke, as I indicated, very candidly about the options in the House, and has thrown the support of the administration behind the proposed bipartisan bill in the House of Representatives.

Mr. President, as I pointed out to the press earlier this morning, it should be no surprise for anyone that the people who represent the Republican Party in the Congress are united in this approach that has been articulated by President Reagan. We joined with the President on the steps of the Capitol on September 15 of last year and pledged that if the President were elected and Republicans were allowed to control the Congress, we would energetically attempt to reduce taxes, control inflation, right the economy, and eliminate the ever-growing burden of Government regulation on the American public.

The program that the President has articulated is one that is totally consistent with that to which we committed ourselves in September, and, as one Senator, I intend to live up to that commitment.

I feel certain that those who supported the President and those who campaigned with the President will also support his budget package. It is time to act, and it is time for us—even those of us for whom these votes are difficult because they mean that we are voting to restrict programs we have supported in the past—to recognize that this action is absolutely necessary in order to preserve our monetary and fiscal systems.

Mr. President, I hope that we can proceed as we have proceeded to date, in the spirit of some disagreement but with the strong spirit that we are united in our goals. It is a question, as I understand it in the Senate, of whether or not the means that have been laid out by the President will best achieve that goal or whether the means articulated by others might better achieve it. In the Senate there does not appear to be the same disagreement as there is in the House as far as the three options available under the budget process in the House.

I am hopeful that we will adhere to our schedule, that we will proceed, and that we will accomplish the passage of the budget resolution and see it become the first step toward fulfilling the pledge we made last September to the American people.

ORDER DESIGNATING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that upon the conclusion of a series of special orders which have been entered for this morning there be a period for the transaction of routine morning business not to extend beyond 10 a.m. and that Senators be permitted to speak therein.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, is there further time left of the leader's time?

The PRESIDING OFFICER. The time of the majority leader has expired. The minority leader has 10 minutes.

Mr. BURDICK. Mr. President, I yield back the 10 minutes.

The PRESIDING OFFICER. All time has been yielded back.

Mr. STEVENS. Mr. President, I ask unanimous consent that the 15-minute special order for Senator BAKER be the last item under special orders and that the special order in behalf of the distinguished minority leader (Mr. ROBERT C. BYRD) be transferred to the control of the Senator from Wisconsin (Mr. PROXMIRE).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I ask unanimous consent to yield back the time for the special order for Senator BUMPERS.

The PRESIDING OFFICER. Without objection. it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the special order for Senator THURMOND be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, as I understand it, the minority leader graciously yielded me some of his time.

The PRESIDING OFFICER. And the Senator from Wisconsin has his own 15 minutes.

Mr. PROXMIRE. Mr. President, I shall take only a small part of that time.

COMMON VOICES

Mr. PROXMIRE. Mr. President, Sylvia Rothchild, in the book "Voices From the Holocaust," tells how the stories of the survivors offers "a human view of an inhuman time." Rothchild notes that whether the Nazi extermination plan is termed the "Final Solution," or the "Holocaust," one is allowed to speak of unspeakable events without referring to living men and women. The testimony of the survivors makes it clear, however, that the terror affected millions of individual human beings.

Yet she "wasn't prepared for the flashes of exhilaration, for the strength and pride of a life-obsessed people who had lived through the worst of times." They share no formula for survival; luck was the common element. Obtaining false papers, finding refuge in a Christian household, being smuggled to a safe country—through whatever means, they were delivered back to a world that was often unable to cope with the harsh facts of their experience.

As Rothchild points out:

> Books that claimed the Holocaust never happened were an affront to the sanity of the people who experienced it; the presence of men in Nazi uniform . . . parading in front of their homes still made some of them hysterical.

Yet ordinary survivors were expected to keep their bad dreams to themselves. Many were concerned about the "whitewashing" of the holocaust—making it an event that could be ignored and then erased.

Most of the 500,000 survivors of the holocaust live in Israel, and about 50,000 came to America in the late forties and fifties. For this book, 250 people living in 62 American cities were willing to have their recollections taped for the archives of the William E. Wiener Oral History Library.

Rothchild notes:

> When they pondered the mystery of their survival, the storytellers responded in terms of their private experiences. Some survivors responded to questions as if they had been privately rehearsing the answers all the years they had been waiting to be asked. Most felt a need to speak not only for themselves, but also for the friends and relatives that were lost.

Rothchild explains that while memory may have softened the hard facts of their experience in some cases, the many confirmations of particular details makes it difficult to doubt the truth of the testimony and the terror. Rothchild also notes that:

> A collection as compelling as this one could be created from the transcriptions that are not included.

This illustrates a common need of all survivors to set their insights down in history. As one put it—

> The only thing that kept me going is the burning desire to tell, to bear witness . . .

We will hear his testament, and others, in the days to come. The holocaust is one of many mass slaughters that defile our history. We can choose to accept their occurrence as the occasional product of human hate, or we can choose to say no to that madness. The Genocide Convention has long offered us a way to do the latter. The time is long overdue for our positive action on this vital issue.

ORDER OF BUSINESS

Mr. STEVENS. Mr. President, are we in routine morning business?

The PRESIDING OFFICER. Not yet.

Mr. STEVENS. Are there further special orders?

The PRESIDING OFFICER. There are.

ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent at this time that there be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION OF APPROPRIATIONS FOR FEDERAL FIRE PREVENTION AND CONTROL ACT OF 1974

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 51, S. 999.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 999) to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and for other purposes.

Mr. PROXMIRE. Mr. President, S. 999 has been cleared on the minority side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska?

There being no objection, the Senate proceeded to consider the bill (S. 999).

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2216), as amended, is further amended by adding at the end thereof the following:

"(d) There are authorized to be appropriated to carry out the provisions of this Act, except as otherwise specifically provided with respect to the payment of claims under section 11 of this Act, an amount not to exceed—

"(1) $21,100,000 for the fiscal year ending September 30, 1982, which amount includes not less than $4,009,000 for research and development for the activities under section 18 of this Act at the Fire Research Center of the National Bureau of Standards;

"(2) $23,632,000 for the fiscal year ending September 30, 1983, which amount includes not less than $4,490,080 for research and development for the activities under section 18 of this Act at the Fire Research Center of the National Bureau of Standards; and

"(3) $26,467,840 for the fiscal year ending September 30, 1984, which amount includes not less than $5,028,890 for research and development for the activities under section 18 of this Act at the Fire Research Center of the National Bureau of Standards.

The funds authorized under section 18 shall be in addition to funds authorized in any other law for research and development at the Fire Research Center of the National Bureau of Standards.".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PROXMIRE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EARTHQUAKE HAZARDS REDUCTION ACT AMENDMENT

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 53, S. 1001.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1001) to amend the Earthquake Hazards Reduction Act of 1977 to extend authorization for appropriations for fiscal year 1982, and for other purposes.

Mr. PROXMIRE. Mr. President, the bill, S. 1001, has been cleared on the minority side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7(a) of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7706(a)) is amended—

(1) by striking paragraph (1);

(2) by redesignating paragraph (2) as paragraph (1), and by inserting "GENERAL.—" immediately before the first word therein; and

(3) by adding at the end thereof the following new paragraph:

"(2) There are authorized to be appropriated to the Director to carry out the provisions of sections 5 and 6 of this Act not to exceed $5,300,000 for the fiscal year ending September 30, 1982.".

SEC. 2. Section 7(b) of such Act (42 U.S.C. 7706(b)) is amended—

(1) by striking all from "$27,500,000" through "1980; and"; and

(2) by inserting immediately before the period at the end thereof the following:

"; and not to exceed $34,425,000 for the fiscal year ending September 30, 1982".

SEC. 3. Section 7(c) of such Act (42 U.S.C. 7706(c)) is amended—

(1) by striking all from "$27,500,000" through "1980; and"; and

(2) by inserting immediately before the period at the end thereof the following: "; and not to exceed $27,050,000 for the fiscal year ending September 30, 1982".

SEC. 4. Section 7(d) of such Act (42 U.S.C. 7706(d)) is amended by inserting immediately before the period at the end thereof the following: ", and not to exceed $425,000 for the fiscal year ending September 30, 1982".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PROXMIRE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONCLUSION OF MORNING BUSINESS

Mr. STEVENS. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, there still is one special order, or are there two?

The PRESIDING OFFICER. There are still two special orders.

Mr. STEVENS. Mr. President, I ask unanimous consent that the time for the majority leader's special order be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

I believe the other one is the special order for the Senator from Alaska (Mr. MURKOWSKI).

Mr. STEVENS. Yes.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR MURKOWSKI

The PRESIDING OFFICER. Under the previous order, the Senator from Alaska (Mr. MURKOWSKI) is recognized.

THE NEED FOR AN ARCTIC RESEARCH POLICY

Mr. MURKOWSKI. Mr. President, I very much appreciate the opportunity to address our assembled body this morning on the Arctic research policy and the needs therein.

Mr. President, the Nation's dependence on insecure sources of expensive foreign oil is now declining because of reductions in domestic demand. At the same time, our dependence on the energy resources of Alaska's North Slope is growing.

The President of one of America's major oil companies, Arco Alaska, recently stated that he expects "half of future U.S. domestic oil supply to come from Alaska and its offshore fields." The major portion of America's new found energy resources will come from areas in Alaska north of the Arctic Circle. The Prudhoe Bay oil fields, located on the North Slope of Alaska, will soon be sending nearly 2 million barrels of oil per day through the Trans-Alaska pipeline across Alaska to Valdez and by tanker to the lower 48 States. Those fields are being expanded with development of the Kuparuk Field. Arco alone plans to spend some $19 billion over the life of the fields. And Prudhoe Bay is just the beginning of this Nation's efforts to develop Alaska's energy resources.

Among the energy projects planned for Alaska over the next decade include: The Alaska natural gas transportation system, which will carry Prudhoe Bay gas to the lower 48 States with a cost rapidly approaching $30 billion; the 23 million acre National Petroleum Reserve—Alaska, located entirely within the North Slope of Alaska, which will for the first time be open to private leasing by the end of this year; offshore drilling in the Beaufort Sea, with plans to accelerate dramatically further leasing in both the Beaufort and Chukchi Seas of the Arctic Ocean; preliminary investigation of the oil and gas potential of the Arctic National Wildlife Refuge, which was authorized last year in the Alaska National Interest Lands Conservation Act; proposals for a petrochemical industry to use Prudhoe Bay natural gas liquids; and extensive private exploration taking place on State- and Native-owned land on the North Slope.

Mr. President, it is thus apparent that the level of oil and gas developmental activity in Alaska's Arctic is increasing dramatically. Moreover, this same kind of activity is occurring in our neighbor Arctic-rim nations—Canada and the Soviet Union—where there is also substantial activity to find and develop the energy and mineral resources of the Arctic.

A major, unavoidable impact of this energy development is the introduction of new technology, environmental disruption, large work forces, and many unanticipated and unintended problems. A wide variety of wildlife, marine mammals, birds, and fish, as well as the complex plant life of the tundra, combined with the low temperatures, harsh winds, and long dark Arctic winters, make this environment extremely sensitive and subject to damage unless properly protected during resource development. Yet, because our reliance on the Arctic for the Nation's energy needs is such a recent event, we know much less than we should about how the people, the wildlife and the environment will be affected by development and how we can prevent and mitigate those adverse effects.

It is essential—and it is good economics and good government—that a key element of our Nation's energy program be a comprehensive, coordinated, and well-funded policy of basic and applied Arctic research. Unfortunately, the U.S. Government has no such policy today. Although some applied research is being conducted by oil companies, by the University of Alaska, and by the Federal Government, the level of research is far, far below that which is necessary. As just one indication of the low priority that the Federal Government is giving Arctic research, the Department of the Navy is phasing out operations at the Naval Arctic Research Laboratory at Point Barrow, Alaska, intending to place the facility on a caretaker status toward the end of this year. This is the only, yes, the only, Federal facility for Arctic research now available in the United States.

Other nations recognize the critical need for continuing Arctic research. There are active, expanding research programs in Canada, the Soviet Union, and even in smaller nations such as Denmark. These nations recognize their own self interest. They have acted to maximize energy development in the Arctic. They have acted to insure that they do not make unnecessary and costly mistakes. They are pursuing their short- and long-term interest intelligently. We, however, are not.

Of particular interest to me is the ongoing Arctic research the Soviet Union is engaged in. As some of the additional materials I will insert in the RECORD clearly show, we are frightfully behind the Soviets in this area. In the Soviet Union, a large Arctic research effort involving 20,000 scientists is coordinated through the Arctic and Antarctic Institute of Leningrad.

I support wholeheartedly the exploration and development of our Arctic energy resources to help sustain this Nation's national defense, its economy, and our way of life. At the same time, I support, and I urge the support of my colleagues for, the development and implementation of an intelligent national Arctic research policy which will put us on a par with Denmark, Canada, and the Soviet Union. We cannot afford less.

The Arctic research issues that should be examined by our scientists and engineers are numerous and wide ranging. The impact of expedited oil and gas developmental activities on the breeding grounds for water fowl, marine mammals, and wildlife remains uncertain. Of particular importance to the Native people of the North Slope is the impact of offshore development on the populations and migratory habits of the bowhead whale, an animal still vital to the sub-

sistence and cultural lifestyle of Alaska's Natives. The ability of wildlife to coexist with the modern technology of oil and gas development, particularly in pristine areas such as the Arctic National Wildlife Refuge, deserve greater examination.

Technological problems of operating in the Arctic require further study. The Arctic environment is extremely sensitive and unique. Transportation—whatever the mode—is very expensive. Since so little is known about Arctic operations, many activities that are simple and routine in the lower 48 become exceedingly complex and difficult in the Arctic. For example, no satisfactory method of permanent waste disposal of nonorganic materials in the Arctic has yet been developed. Acceptable construction techniques are in their infancy and are still being tested and developed. Ice conditions and the threat they post to offshore drilling activities are poorly understood and little tested. Pollution control—whether air emissions, water discharges, or oilspills—requires a different approach in the Arctic than in moderate climates.

The Alaskan Arctic is strategically important to our national defense. The strategic interest of the Arctic grows as energy production in that area increases. In the not too distant future, the strategic importance of the Arctic will rival that of the Persian Gulf.

Not only does the Arctic contain critical energy and mineral resources and military bases, but the Arctic represents our only common border with the Soviet Union. Little is known of seaborne movements in the Arctic, whether on the surface of the seas or in submarines beneath the waters and ice of the Arctic Ocean. Our understanding of communication in the unique atmospheric conditions of the Arctic is minimal. Our national defense requires a more complete understanding of the Arctic and its effects on our military capabilities.

Obviously, there is no shortage of issues for applied Arctic research. What is lacking to date is a national commitment to this research and a coordinated, comprehensive, long-range research program involving the various interested public and private organizations. The costs, by any measure, are insignificant. The danger, on the other hand, of failing to do what is proper and prudent carries large costs. These costs may be measured in terms of delay, needless litigation, and expensive development efforts that fail for lack of required information.

I plan to make the development of a national Arctic research policy one of my priorities in this session of the 97th Congress. I will be asking many of you to contribute to this important task, because it has significance for your States and for all parts of this country that are relying more and more on Alaska's energy resources. My colleague, the senior Senator from Alaska, shares my concerns about the need for a coordinated, comprehensive Arctic research policy.

The Federal Government needs to designate an agency that wants the responsibility for Arctic research—if the U.S. Navy does not want the job, perhaps it should be given to the Coast Guard. The Coast Guard, with its long history of service throughout Alaska, may be the logical Federal agency to take over the extremely valuable laboratory and other facilities at Point Barrow that will soon fall into disrepair and, thereafter, be available for a vital mission only at great cost. Until a permanent designation of the Federal agency best able to maintain these facilities is made, the Arctic Research Lab might be turned over to the University of Alaska, which would be provided funds to maintain the lab as its caretaker. Finally, a final decision on the laboratory's scientific value must be made as soon as the Federal agency has been designated.

In the Alaska Lands legislation, the Congress directed the Secretaries of Energy, Interior, and Defense to study carefully the implications of closing down NARL, including the impact of that closing on our Arctic research program, and to maintain the facility until such time as the Congress could consider the results of that study. It is my expectation that these departments and the administration will respond to this directive and will make every effort to maintain the facility in a caretaker status until we are better able to evaluate its role in this Nation's Arctic research program.

Mr. President, I will review the issue of Arctic research policy with other interested groups to identify the best organization structure to develop, fund, and implement research projects that are crucial to our understanding of the Arctic. In particular, I want to focus on those Arctic research projects that will be cost effective; that will enable us to understand and avoid potential adverse effects; and that will lead to the development of better alternatives and improved mitigative measures. Among those who should be involved in this process are the oil companies active in the Arctic, the State of Alaska, the University of Alaska, other Arctic-rim nations, the Departments of Energy, Defense, Interior, Transportation, Coast Guard, the National Petroleum Council, the National Science Foundation, the National Academy of Sciences, the scientific community, conservation organizations, and private groups such as the National Geographic Society and the American Association for the Advancement of Science.

Alaska's energy resources are vital to this Nation's future. Development of those resources will have a positive effect on our balance of payments. They can, properly managed, strengthen our overall energy independence and our national security.

Mr. President, I will ask unanimous consent to have printed at the end of my remarks a chronology of energy development and Arctic research developments in my State. This chronology demonstrates the Nation's growing reliance upon Alaska's energy resources and the dramatic expansion of activity in recent years.

Given the extreme importance of Alaska's energy resources and the inescapable fact of their continued development, we must include as part of our national energy policy a serious, major program of applied Arctic research. Over the next several months, my office will be reviewing the major elements of such a policy and the most appropriate organizational and financial structures necessary to expand and energize our Arctic research to the levels that they deserve.

Mr. President, I ask unanimous consent that the chronology of energy development and arctic research developments and excerpts from a new February 1981 report on U.S. Arctic science policy by the Alaska Division of the American Association for the Advancement of Science be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHRONOLOGY OF ARCTIC RESEARCH EFFORTS AND DEVELOPMENT OF U.S. ARCTIC POLICY*

1923—President Warren G. Harding establishes Naval Petroleum Reserve No. 4 (NPR-4).

1946-53—Exploration of NPR-4.

1947—Naval Arctic Research Laboratory (NARL) established at Pt. Barrow, Alaska.

1958—Passage of Alaska Statehood Act.

1960's—Increased national attention and Congressional action with respect to environmental, ocean and space sciences.

1964—Good Friday earthquake in Alaska. Following this, significant economic recovery and oil industry exploration activities take place. These activities place new demands on arctic science and technology.

1964-65—(1) Alaskan Senator Bob Bartlett commissions Legislative Reference Service of the Library of Congress to prepare report on scope of U.S. arctic research.

(2) Bartlett also requests Joseph Fitzgerald, Chairman of the Federal Field Committee for Development Planning in Alaska, to implement a process within the federal executive branch to develop arctic policy.

1965—Fitzgerald prepares initial broad statement of U.S. arctic policy and initiates discussions with heads of departments and agencies in Washington, D.C.

Policy statement emphasizes need for conduct of coherent arctic scientific programs prior to commencement of exploration and production.

1965-1968—Ongoing discussions regarding contents of policy statement between Federal Field Committee and National Science Foundation.

1968—Governor Walter Hickel brings need for a U.S. arctic policy to Republican Convention; for first time, arctic interests included in a major political platform.

1968—U.S. policy statement agreed to by all concerned agencies and forwarded to President Johnson; statement not signed by Johnson prior to his leaving office.

*Based on "United States Arctic Science Policy," prepared under auspices of Alaska Division, American Association for the Advancement of Science, 1981.

1968—Establishment of Interagency Arctic Research Coordinating Committee (IARCC), at request of State Department, Office of Science and Technology and Federal Council for Science and Technology.

Primary purpose of IARCC was to issue sound and rational development of arctic research, through coordination of federal research programs and development of cooperative research projects with other nations. (Disappointingly, IARCC in its 10-year existence did not play a strong role.)

1968–1969—Other events bring new focus to arctic science:

(1) Implementation of National Oceanographic Program in executive branch (pursuant to Marine Resources and Engineering Development Act of 1966).

(2) Discovery of nation's largest oil field on arctic coast at Prudhoe Bay, Alaska.

(3) Congress giving greater attention to Federal Field Committee's reports on ways to resolve aboriginal land claims of Alaska Natives.

(4) Problems associated with construction of Trans-Alaska pipeline and tanker traffic from ice-free port at terminus of pipeline become evident; lack of persons knowledgeable about arctic environment becomes apparent.

May 1969—Initial plans for Trans-Alaska pipeline presented to U.S. Senate Committee on Interior and Insular Affairs.

Plans called for a buried pipeline along entire length except for 12 miles. Problems with plans quickly pointed out.

October 1969—Now Secretary of the Interior Hickel convenes "Skyline Conference" to define role that federal government should take to ensure a balance between exploitation of arctic resources and protection of land and people of the Arctic.

Late 1969—President sends report to Congress: Marine Science Affairs—A Year of Broadened Participation, 1969.

Report sets forth recommendation for a national arctic policy report and is still clearest expression articulated of U.S. arctic objectives.

December 1969—National Environmental Policy Act (NEPA) adopted.

1970—Pipeline project becomes first test under NEPA.

1970—Three major arctic science programs begun in and near Alaska:

(1) Alaska Sea Grant Program—research efforts in arctic marine and coastal resources and environments.

(2) Tundra Biome Program, sponsored by National Science Foundation—to study tundra ecosystems (part of U.S. participation in International Biological Program).

(3) Arctic Ice Dynamics Joint Experiments—study of ice movements, forces, and effects in Arctic Basin.

Unfortunately, programs were not coordinated.

1971—Renewed statement of U.S. arctic policy forwarded to President by Under Secretary of State Irwin.

December 1971—Statement not signed by President, due to issuance of National Security Division Memorandum 144 by National Security Council.

Memorandum called for establishment of an Interagency Arctic Policy Group and development of a coordinated plan for scientific research in and on the Arctic. (No record that policy group ever met.)

1972—Publication by IARCC of Five-Year Coordinated Plan for Arctic Research.

Report had many weaknesses and was not considered to meet the mandate of NSC Memorandum 144.

1972—Under aegis of National Academy of Science, group headed by Dr. Walter O. Roberts, then director of National Center for Atmospheric Research, examined and published recommendations on potential environmental effects of development of the North Slope.

No significant results from this effort.

1972—After eight years of effort, no successful development of U.S. arctic policy.

1974—Workshop sponsored by Alaska Sea Grant Program and National Science Foundation.

Purpose was to coordinate activities and develop an "Arctic Offshore Program."

1974—While plans were being formulated for above workshop, the Bureau of Land Management of the Interior Department entered into an agreement with National Oceanographic and Atmospheric Administration for assessment of the outer-continental shelf environs, prior to leasing of the OCS for oil and gas.

Effort included studies in Gulf Alaska, Bering Sea, Beaufort and Chukchic basins. Unfortunately, results were poorly synthesized and research activities were often aborted prior to completion.

1976—Studies of environment of National Petroleum Reserve in Alaska, mandated by Naval Petroleum Reserves Production Act of 1976.

Studies added little to existing environmental knowledge.

EXCERPTS FROM U.S. ARCTIC SCIENCE POLICY

(By David M. Hickok, Gunter Weller, T. Neil Davis, Vera Alexander, and Robert Elsnor)

In the long run, a well-thought-out and integrated arctic science policy will guarantee the best management and use of the Arctic's diverse resources—natural, strategic, and human. During the past three decades government basically has paid "lip service" to this concept with token and procedural programs in arctic science. Governmental coordination, priority determinations, and sporadic pronouncements concerning arctic science have, in effect, been a farce in every sense. The nation simply cannot afford any longer to be complacent in its approaches to the acquisition of arctic knowledge. Clearly, the time for a renaissance in arctic science is now. We need a strong and cohesive U.S. arctic science policy to guide national program effort in resource development, international relations, defense, environmental protection, and human health.

Offshore, exploration and future production facility design in all basis north of the Aleutians is severely hampered by lack of data on ice characteristics and dynamics, information on currents and sediment transport, knowledge of the occurrence of subsea permafrost, and data on superstructure icing and storm occurrence. Operating offshore drill rigs in the ice-covered waters of the Arctic in a safe and environmentally acceptable fashion is difficult and costly. The numerous natural hazards in the Arctic, particularly sea ice, make a cautious approach, in which technologies and environmental procedures are continually being tested and improved, mandatory. Petroleum companies operating on arctic continental shelves have found accurate forecasting of sea ice behavior to be indispensable. The normal hazards of offshore drilling are magnified many times by the wide variations in weather and ice conditions. Pipelines from drilling platforms to shore are subject to rupture by the scouring action of massive pressure ridges and ice islands, and enormous forces can build up on the drilling platforms as the moving ice piles up against it. Without such information the construction of offshore, year-round production facilities is impossible.

To be able to exploit arctic resources, legally, economically, and in an environmentally acceptable fashion; to conduct military operations in the area; and to represent its interests in the Arctic intelligently and from an informed basis, the United States must have a substantial and well-coordinated scientific research program in the Arctic. Such a program does not presently exist, neither does a coherent policy on arctic research nor any priority sense of purpose. Consequently, the United States has only very limited arctic scientific and technological expertise and capability. Only a strong, stable, long-term science effort can supply the answers needed now and to train a generation of future arctic scientists.

Various jurisdictional problems in the Arctic also have strategic as well as political and economic implication. There is disagreement, for example, about the extent of coastal state jurisdiction over the arctic seas and on Norway's claim to exclusive control of the resources of Svalbard's continental shelf. Controversy also marks the effort to establish a Norwegian-Soviet continental shelf boundary in the Barents Sea, and the continental shelf boundary between Canada and Alaska has not yet been agreed upon. The possibility of arctic tanker traffic, the advent of the nuclear-powered submarine, and the massive buildup of the USSR fleet along the Barents Sea have enhanced the importance of the Arctic Ocean as transit areas, particularly to the USSR and to such an extent that some observers have begun to refer to the Arctic Ocean as a "Soviet lake." The Soviet Union's scientific effort in the Arctic Ocean and along margins exceeds the combined efforts of all the other littoral countries.

Dr. Tore Gjelsvik, director of the Norwegian Polar Institute in Oslo, wrote recently:

"In contrast to Antarctica, the international scientific cooperation in the Arctic is rather poorly developed and organized. On the national level, arctic science is differently developed. The Soviet-Russian organization and institutes charged with exploration and scientific studies are larger than the biggest in the west, and they carry out a large and systematic study of not only the Soviet arctic coasts and islands, but over the whole central arctic. The Soviet arctic technology is well developed, and the transportation system—consisting of powerful icebreakers and aircraft—is superior to that of the west. The Arctic and Antarctic Institute of Leningrad is the central polar organization, but in addition, many specialized agencies or institutes have been established. More than 20,000 scientists must be involved in arctic studies on the Soviet side.

"In the biggest arctic nations in the west, their polar research, although increasing in size and quality, is rather poorly coordinated. Neither USA nor Canada has established a central organization for arctic science. This also makes international cooperation and coordination difficult. Arctic science in the west has grown considerably since the discovery of oil and gas in the American Arctic but is still lagging behind the Soviet one. If the gap is not bridged, or at least diminished, there is a danger of unwanted consequences of future political and legal arrangements within the central Arctic."

Dr. Gjelsvik concluded by urging the Western governments to increase funds for arctic science and to coordinate their efforts on an international level. We heartily concur.

These brief examples illustrate the uniqueness and diversity in structure, dynamics, and behavior of the arctic region as an important part of the whole Earth. Other nations are expending great efforts in the study of the Arctic because they understand that the keys to many of our planet's present and future problems may lie in this region. If the United States is to participate in this process in any meaningful way, it must begin to involve itself in arctic research now.

EXECUTIVE SESSION

MARITIME BOUNDARY SETTLEMENT TREATY WITH CANADA

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session and proceed to

the consideration of the resolution of ratification of Ex. U (96–1), which pursuant to the unanimous consent agreement previously ordered is considered to have been amended with the amendments contained in the resolution. On the question of agreeing to the resolution there shall be 2 hours debate, to be equally divided and controlled, respectively, by the Senator from Illinois (Mr. PERCY) and the Senator from Rhode Island (Mr. PELL).

The clerk will state the resolution of ratification.

The assistant legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty between the Government of the United States of America and the Government of Canada to Submit to Binding Dispute Settlement the Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979 (Executive U, 96th Congress, 1st session), subject to the following amendments:

1. That the second sentence of Article I of this treaty shall be amended as follows:

"The Chamber of the International Court of Justice shall be deemed to have been constituted when the Registrar of the Court has been notified of the name or names of the judge or judges ad hoc."

2. That Article IV of this treaty shall be amended as follows:

"This Treaty shall be ratified in accordance with the domestic requirements of the policies and shall enter into force on the date instruments of ratification are exchanged and shall remain in force until terminated by agreement of the Parties."

3. That Article I of the Special Agreement Between the Government of the United States of America and the Government of Canada to Submit to a Chamber of the International Court of Justice the Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979, shall be amended as follows:

"The Parties shall submit the question posed in Article II to a Chamber of the International Court of Justice, composed of five persons, to be constituted after consultation with the Parties, pursuant to Article 26(2) and Article 31 of the Statute of the Court and in accordance with this Special Agreement."

4. That Article VI, paragraph 1.(a) of the Special Agreement Between the Government of the United States of America and the Government of Canada to Submit to a Chamber of the International Court of Justice the Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979, shall be amended as follows:

"(a) a Memorial to be submitted by each Party not later than seven months after the Registrar shall have received the notification of the name or names of the judge or judges ad hoc;"

5. That paragraph 1 of Article XIII of the Agreement Between the Government of the United States of America and the Government of Canada to Submit to a Court of Arbitration the Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979, shall be amended as follows:

"1. Following the rendering of the decision of the Court or of the Chamber of the International Court of Justice constituted pursuant to the Special Agreement Between the Government of the United States of America and the Government of Canada to Submit to a Chamber of the International Court of Justice the Delimitation of the Maritime Boundary in the Gulf of Maine Area, either party may request negotiations directed toward reaching agreement on extension of the maritime boundary as far seaward as the Parties may consider desirable."

6. That paragraph 4 of Article XIII of the Agreement Between the Government of the United States of America and the Government of Canada to Submit to a Court of Arbitration the Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979, shall be amended as follows:

"4. If Agreement pursuant to paragraph 1 or paragraph 2 is not reached, and the matter cannot be submitted to the Court in accordance with paragraph 3, either Party may call upon the President of the International Court of Justice to select, after consultation with the Parties, five persons to constitute a Court of Arbitration."

7. That paragraph 5 of Article XIII of the Agreement Between the Government of the United States of America and the Government of Canada to Submit to a Court of Arbitration the Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979, be renumbered paragraph 6.

8. That a new paragraph 5 be added to Article XIII of the Agreement Between the Government of the United States of America and the Government of Canada to Submit to a Court of Arbitration the Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979, as follows:

"5. If the decision referred to in paragraph 1 was rendered by a Chamber of the International Court of Justice, and this Agreement subsequently enters into force, a Court of Arbitration shall be established, in accordance with Article I of this Agreement, for the purposes of deciding the question referred to in paragraph 2 of this Article."

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, with the time to be equally charged to both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRASSLEY). Without objection, it is so ordered.

Mr. PERCY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the resolution of ratification on which there are 2 hours, equally divided.

Mr. PERCY. Mr. President, today the Senate has before it for advice and consent the East Coast Boundary Treaty with Canada.

This agreement will establish a procedure by which a special chamber of the World Court or a third-party arbitration panel will resolve the controversy concerning the Atlantic maritime boundary by imposing a binding settlement.

The eventual ratification of this treaty will, I hope, place both our nations on the road to a final solution to this obstinate problem which has adversely affected the normally good relations between our countries.

As you all know, United States-Canadian east coast maritime boundary differences were intensely magnified when, in 1977, both countries extended their fisheries jurisdictions to 200 miles. Recognizing the potential gravity of the dispute, both nations appointed special negotiators to seek a resolution of the boundary and related issues involving fisheries and mineral resources. However, Canada was reluctant to agree to a solution of the boundary question until the fishery issues were settled on a permanent basis. Therefore, the agreement to submit the boundary issue to third-party arbitration was conditioned on the acceptance by the United States of a permanent fisheries treaty.

This fisheries treaty was the subject of great controversy. During the Foreign Relations Committee hearings of April 1980, strong opposition to the treaty was expressed by a number of fishery industry spokesmen and the New England congressional delegation.

Opponents of the United States-Canadian fisheries treaty argued that there were three fundamental defects in the agreement:

First, it would have permanently injured U.S. fishermen by unfairly dividing Northwest Atlantic catches between the United States and Canada.

Second, it would have damaged the American fishing effort permanently by guaranteeing Canada access to sizable new areas of the U.S. zone and by granting that country substantial rights to participate in managing the fisheries in these same areas.

Third, it would have impeded sound conseravtion and management of the valuable Georges Bank and Gulf of Maine fishing grounds, by circumventing the regional management councils, creating unwieldly decisionmaking procedures, and deterring the use of new management techniques.

In an act of solidarity within the fisheries community, the gulf coast shrimp, west coast salmon, the west coast tuna industries, a large portion of the U.S. fish processing industry and the House Merchant Marine and Fisheries Committee formally expressed support for the New England opposition.

On April 15, 1980, the New England Senate delegation formally introduced an amendment to the fisheries treaty which would have:

First, terminated the treaty 3 years from the date of its entry into force;

Second, restricted Canadian scallop fishermen to an area east of a line drawn through the disputed zone; and

Third, accorded the United States exclusive management authority over the scallops fishery west of this line.

However, the New England amendment was stated to be unacceptable by the Canadian Government and the boundary and fishery treaties were held in committee for almost 2 years.

The failure of the Senate to take formal action on these agreements was stated by their Minister of External Affairs to be Canada's most serious bilateral issue. The consequent deterioration of United States-Canadian relations was the subject of great personal concern to me. From the outset of my tenure as

the chairman of the Foreign Relations Committee, I have, through various channels, urged the President, the Canadian Government, and my colleagues to find an equitable solution to the impasse on these treaties.

I might say to my distinguished colleague from Rhode Island, who knows of my concern, and I have been acquainted through the years with his own particular concern and his own constituent interest, at Blair House in the first meeting we had with President-elect Reagan I raised this issue as the principal issue that I felt must be resolved, and urged that the first visitation to be made by President Reagan as President—or I suggested as possibly President-elect—should be a trip to Ottawa to meet with the Canadian Government.

In the 4-year tenure of President Carter's term in office, he had found it impossible to visit Ottawa, or did not visit Ottawa.

I felt that our nearest neighbor, with the kind of disputes we have with them—here we have a neighbor with which we have a long border that is probably the most open border in the world today. We have a neighbor who has a common defense establishment with us. We have so much in common—our language, our background, so many things. Yet this is posed by them as the primary problem they have, and it should be resolved, and it must be elevated, I felt, to a Presidential level.

However, after considerable efforts were made by the executive branch, Canadian officials, and various congressional Members to find a compromise to the fisheries problem, it was finally concluded that the only solution which could be reluctantly accepted by all parties was a delinkage of the boundary treaty from the fishery treaty.

On March 5 and 6 of this year, 14 Senators, including 8 members of the Committee on Foreign Relations, and the President exchanged correspondence announcing this solution. In his letter, President Reagan stated:

> After examining the matter, it is clear to me that the fishery treaty cannot be ratified in a form that would be acceptable to Canada. There seems to be no controversy in relation to the boundary settlement treaty. Therefore, I believe that it would be best to uncouple the two treaties and proceed with the ratification of the boundary settlement treaty.

In addition, he announced that he would:

> Order the Coast Guard to forbear from the enforcement of U.S. laws against Canadian fishing vessels in all maritime areas now claimed by Canada.

The President also suggested:

> That the Secretary of Commerce work closely with the New England Regional Fishery Management Council to institute as soon as possible a fishery management plan for scallops on Georges Bank.

The delinkage of the boundary and fishery issues should facilitate an equitable resolution of the overall problem. I believe that this course of action will enable us to place one of these difficult issues behind us. The ratification of this treaty should be a major step toward reestablishing the close cooperation and mutual respect which has characterized the relationship of our two countries.

In conclusion, Mr. President, I recognize that this treaty may not be the most acceptable solution to Canada nor to all of the east coast U.S. fishing interests, but I believe that, over the long term, it will provide an equitable resolution of the maritime boundary problem. Therefore, I urge my colleagues to vote in favor of the resolution of ratification for this treaty.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, today the Senate is considering the Maritime Boundary Settlement Treaty with Canada (Ex. U. 96–1), a treaty to resolve the east coast boundary dispute with Canada, with the assistance of the International Court of Justice. This treaty, together with the Agreement on East Coast Fishery Resources with Canada, was transmitted to the Senate for its advice and consent to ratification on May 3, 1979, nearly 2 years ago. The treaties were inextricably linked so that neither treaty would go into effect without the other. As my colleagues are all well aware, it was the second document which proved so controversial.

It became clear last year during Foreign Relations Committee consideration of this package that while the Boundary Settlement Treaty was noncontroversial and provided a useful mechanism for settling our east coast boundary dispute with Canada, this was not the case with the fishing agreement. In my judgment, the fishing agreement as constituted suffered from three fatal flaws:

First, it unfairly divided Northwest Atlantic catches between United States and Canadian fishermen and provided only minimal possibilities for changes; second, it damaged long-term U.S. fishing interests by guaranteeing Canada access to new areas in the U.S. zone as well as granting for the first time, substantial rights to Canada in the management of these areas; and third, it would have established an unnecessarily cumbersome structure for the purpose of the management and conservation of the valuable Georges Bank and Gulf of Maine fishing grounds. The importance of these flaws was heightened by the fact that the treaty had no termination date. Thus, a permanent cap would have been placed on the growth of the U.S. east coast fishing industry.

I commend President Reagan for recognizing the futility of attempting to link ratification of the East Coast Boundary Treaty and fisheries agreement and for requesting that the two be "delinked" and the latter returned to him.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point the correspondence of a group of Senators with President Reagan and the reply from President Reagan.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 5, 1981.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: We are writing to you concerning the Maritime Boundary Settlement Treaty and the Agreement on East Coast Fishery Resources with Canada (Execs. U & V, 96-1).

Since May 1979, the fishery treaty has been the subject of a long and arduous debate. After careful consideration utilizing a national perspective, with equal concern not only for the future of U.S. fishery interests but for the maintenance of good U.S.-Canadian relations, we believe that the new Administration should move to address the issue at the heart of the dispute—the boundary. It is our opinion that these treaties should be delinked prior to your visit to Canada, and that the Senate should move ahead with its approval of the boundary agreement. The establishment of an East Coast boundary should greatly facilitate an equitable resolution of the fishery problem.

Therefore, we urge you to withdraw the fishery treaty and to recommend that the Senate give its advice and consent to the ratification of the boundary treaty.

Sincerely,

Claiborne Pell, Paul E. Tsongas, Edward M. Kennedy, Edward Zorinsky, John H. Chafee, Gordon J. Humphrey, William S. Cohen, Charles H. Percy, Jesse Helms, Richard G. Lugar, Lowell P. Weicker, Jr., Nancy Landon Kassebaum, George J. Mitchell, Larry Pressler.

THE WHITE HOUSE,
Washington, D.C., March 6, 1981.

Hon. CHARLES PERCY,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: You and I have both been concerned about the treaties with Canada, signed March 29, 1979, dealing with East Coast fishery and maritime boundary matters, which have been before the Committee for two years.

At the heart of our concern, and the concern of your colleagues, has been a shared desire to solve the fishery problem and, at the same time, build a strong and close relationship with Canada, based upon good will and mutual respect, recognizing that both countries have independent national interests to pursue.

After examining the matter, it is clear to me that the fishery treaty cannot be ratified in a form that would be acceptable to Canada. There seems to be no controversy in relation to the boundary settlement treaty. Therefore, I believe that it would be best to uncouple the two treaties and proceed with the ratification of the boundary settlement treaty.

I request that the Committee meet on an urgent basis to recommend Senate advice and consent to ratification of the Treaty Between the Government of the United States of America and the Government of Canada to Submit to Binding Dispute Settlement and Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979, subject to an amendment which would allow that treaty to be brought into force without the entry into force of the accompanying fishery agreement.

This course of action will ensure the settlement of the maritime boundary by an impartial and binding third party dispute settlement procedure. It will allow a future fisheries relationship between the United States and Canada to be built upon known facts and circumstances. I ask that the Senate return to me without further action the Agreement Between the Government of the United States of America and the Government of Canada on East Coast Fishery Re-

sources, signed at Washington, March 29, 1979.

In connection with the exchange of instruments of ratification of the boundary settlement treaty it is my intention to take two other actions. The first would be to order the Coast Guard to forebear from the enforcement of US laws against Canadian fishing vessels in all maritime areas now claimed by Canada. While I firmly believe that there is no basis in international law for the claims that Canada has made, I also believe that if there is to be a peaceful resolution of the maritime boundary dispute, I must exercise this discretion in law enforcement. I also intend to suggest that the Secretary of Commerce work closely with the New England Regional Fishery Management Council to institute as soon as possible a fishery management plan for scallops on Georges Bank. I know the Secretary also intends to continue the fine technical cooperation we have had with Canada in the field of fisheries.

I believe that the course of action outlined above is in the best interest of the United States and will contribute to the close and cooperative relationship with Canada that we seek.

Sincerely,

RONALD REAGAN.

Mr. PELL. Mr. President, let me say a word about the compromise amendments introduced last April 15 by Senator KENNEDY. These amendments, reluctantly supported by me when the former administration refused to delink the treaties, were a second-best solution. I have always thought and have stated publicly on a number of occasions that the preferred solution was to go forward with the East Coast Boundary Treaty, confident that once the boundary dispute was resolved an equitable solution to the fishing controversy would be more easily reached.

I know that our Canadian friends are not entirely pleased by President Reagan's decision. I do want to reassure our Canadian allies that this action in no way diminishes the value which the U.S. Senate and the entire Nation place upon our strong ties with Canada. In this regard, Mr. President, I wish to pay special tribute to Ambassador Peter Towe of Canada who worked so diligently and vigorously in attempting to find a solution to this impasse short of delinkage. He did a first-rate job, and he is certainly not to be blamed that no solution short of delinkage proved to be satisfactory.

Mr. President, I am satisfied that the East Coast Boundary Treaty, as it now stands, serves the interests of both the United States and Canada and is worthy of Senate support. I urge my colleagues to give their advice and consent to ratification.

THE PRESIDING OFFICER. Who yields time?

Mr. PERCY. Mr. President, I shall suggest the absence of a quorum. First, I should like to notify the Senators who wish to speak on this issue that they should come to the floor to speak on it.

A parliamentary inquiry: Is this Senator correct that there is to be a vote on this issue no later than 12 o'clock, but that the vote could occur at any time between now and 12 o'clock when we have finished consideration of the treaty?

The PRESIDING OFFICER. The Senator from Illinois is correct.

Mr. PERCY. I again ask Senators who are eager to speak on this subject to come and speak at this time.

The PRESIDING OFFICER. Does the Senator from Illinois suggest the absence of a quorum?

Mr. PERCY. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, I yield the Senator from Maine such time as he may desire.

Mr. COHEN. I thank the Senator.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. COHEN. Mr. President, I rise today to speak on behalf of the Maritime Boundary Settlement Treaty with Canada and to urge its passage. This treaty is intended to resolve differences between the United States and Canada over the boundary which separates their economic zones in the Gulf of Maine. I would like to preface my discussion of the boundary agreement with a brief description of the negotiations between Canada and the United States which led to its submission to the Senate. I do so not simply to provide a backdrop for this treaty's consideration but because I believe that process yielded lessons which must be heeded now, lest they be repeated in another context.

When the Maritime Boundary Settlement Treaty was first submitted to the Senate in March of 1979, it was accompanied by another proposed treaty, the East Coast Fishery Resources Agreement, a plan for joint Canadian-American management of the living resources of the Georges Bank. The treaties were submitted together as complementary portions of a comprehensive resolution of the differences between the United States and Canada in the Gulf of Maine. They had been drafted to be inseparable—the effectiveness of each was contingent on the ratification of the other. While the process for resolving the maritime boundary of the two countries has never engendered significant controversy, the East Coast Fishery Resources Agreement virtually bristled with provisions that were unfavorable and, indeed, unfair, to American fishermen from New England.

The first failing of the fisheries management agreement was that it was legally entwined with the boundary delimitation treaty. At a hearing before the Foreign Relations Committee, we were informed by the American negotiators that the two had been linked because the Canadians had insisted that they be linked. Little other than this rationale was offered even though this arrangement, by instituting a permanent resources management plan before the delimitation of the maritime boundary, placed the settlement of differences between the United States and Canada grossly outside of a logical sequence of resolution.

Another defect of the management agreement was that, once enacted, it was to remain in force in perpetuity. This provision for the limitless effectiveness of the agreement was highly unusual in international agreements generally and in American-Canadian agreements specifically. In fact, research revealed that of more than 230 agreements between the United States and Canada, none was permanent.

As a matter of general practice, the only international agreements that are given perpetual effect are boundary agreements. Any departure from this practice in other fields would require a compelling argument to sustain it. In this agreement, however, where the management of a complex mix of living resources over an enormous area was to be conducted under a fixed regime for all time, no such argument was forthcoming.

The allocation of the species that were comprehended by the management agreement was, quite simply, unfair to American fishermen. The percentages of fish to which each nation's fishermen were entitled had been determined with reference to a period of time in which Canadian fishermen had been their most successful. Indeed, the success of the Canadian fishermen during this period of time had been attended by a sharp increase in assistance from the Canadian Government, assistance that found no equivalent on the American side of the border.

And this is something that has been of interest to me for some years now, the almost calculated neglect of the American fishermen in this country by succeeding administrations.

Finally, the treaty was deficient in that it undercut the congressional intent embodied in the Fisheries Conservation and Management Act of 1976, or FCMA, which extended the American economic zone to 200 miles. This was accomplished through the creation of the Joint Canadian-American Fisheries Management Council which would have preempted the management authority of the New England Regional Fisheries Management Council.

Now, when I and other members of the New England delegation raised these objections to the treaty, we were characterized as being provincial. They had Canadian officials who descended upon Washington and, in closed sessions, indicated that somehow we in the New England delegation were acting out of a narrow, partisan, provincial, parochial interest, while Canada was concerned about a national resource; that it is of national importance to the Canadians but only of a narrow New England provincialism as far as the United States was concerned. I do not mean this by way of criticism of the Canadians for describing the issue this way. On the contrary, I think it illustrates their skill in framing the issue. What was most

disturbing to me was the fact that our own State Department met these very legitimate concerns about the fisheries agreement with the same objection; that I and the other members of the New England delegation were being narrow, provincial, and unduly restrictive in our focus.

The State Department's use of this characterization indicated that the interests of this industry had been subordinated to some greater, undefined goal. This is a practice which is only too familiar to me. I had first encountered it when, as a Member of the House of Representatives serving on the Merchant Marine and Fisheries Committee, I participated in the drafting of a bill to declare the lobster to be a "creature of the shelf." When this proposal was first made, the State Department opposed it on the grounds that other countries would retaliate against the United States for taking such action. Similarly, it opposed the enactment of the 200-mile fisheries limit on the grounds that it would upset the international coastal order. In both these instances, the State Department recommended that a real and pressing national interest be subordinated to an international concern that was more imagined than real.

Given this background, the action of the Reagan administration in withdrawing the fisheries management agreement is doubly heartening to me. It is heartening not simply because it was done but, also, for how it was done. In his letter to Senator PERCY, explaining his decision, President Reagan said that he wished to "build a strong and close relationship with Canada," while at the same time acknowledging the "independent national interests" of each country. This is, in my view, the proper framework for the United States to work within in reaching international agreements of every type.

The economic strength of this country is, in a very real sense, the sum of its parts. And those parts, whether they be a regional fishing industry or some other concern, should not be placed at competitive disadvantage with foreign industries to vindicate some vague foreign policy goal. In other words, insuring that our industries retain the opportunity to compete with foreign industries on an equal footing and do not have their strength artificially drained away by international agreements of convenience should be a prime foreign policy objective of the United States.

The Maritime Boundary Settlement Treaty establishes a process for the resolution of the differences between the United States and Canada that I believe is fair. It bears emphasis that the two countries have turned to this third party for the resolution of this boundary dispute only after a long period of negotiation during which good faith attempts to construct a resolution were made.

The treaty, by its terms, refers the conflicting claims to a Chamber of the International Court of Justice. It also sets forth, with particularity, the issues which the Chamber is to consider and terms of reference which it is to use. Finally, it provides that the final decision of the Chamber will be binding on both parties.

It should be made plain that the case we are sending to the International Court of Justice is, in many respects, a case of the first impression. Although the International Court has made some decisions that may provide guidance, the theories and principles which govern this kind of question are still in a state of flux. The final outcome of the Chamber's deliberations, therefore, can not be predicted with certainty. On the other hand, the State Department assured the Foreign Relations Committee that, notwithstanding the novelty of many of the issues that are to be argued, the United States has a very strong case.

Having described the terms of the boundary settlement agreement, I think it is important to note its limits. It does not provide for the resolution of the disputed status of Machias Seal Island. This island, which lies in the Gulf of Maine just to the west of the Bay of Fundy, is claimed by both Canada and the United States and has been for many years. A rich and valuable lobster fishery, used by both Canadian and American lobstermen, is located in the immediate vicinity of the island.

Although a small and barren rock, Machias Seal Island is important to the United States. Its status has been sidestepped in the treaty before us by reference to agreed-upon coordinates. The resolution of this question will have to await the press of another day's events.

It is also important to note that, according to the legal counsel for the State Department, the arguments which the United States will raise before the Chamber of the International Court of Justice will not implicate the other unresolved maritime boundary disputes between Canada and the United States.

Finally, I think we have to be aware that, in ratifying this treaty, we have only begun the process by which this maritime boundary will be delimited. Estimates on the time it will take the Chamber to reach its decision run from 2 to 5 years. Given the length of time necessary for a careful consideration of this matter, interim arrangements for access to the living resources of the Georges Bank must be considered.

President Reagan, in his letter withdrawing the fisheries management agreement, provided for one element of such an interim arrangement: He permitted the Canadian fishermen to fish the entire disputed zone until the final court decision was issued. President Reagan made this decision, he explained, to insure a "peaceful solution" of the dispute. He emphasized, moreover, that this action was a "discretion in law enforcement" and that it was taken even though the President firmly believes that the Canadian claims have "no basis in international law."

The Canadian presence in the disputed zone during the resolution of the boundary dispute, therefore, is by the grace of the President. It does not cloak their claims in legitimacy nor should anyone find in it the slightest acknowledgement of the validity of the Canadian claims. And this point, I think, has to be made as strongly as we possibly can during this discussion and deliberation. We do not wish to convey to the court or to the Chamber any indication whatsoever that we think the Canadians have a valid and legitimate claim to that part of the disputed zone that remains in conflict.

Another facet of the interim arrangement is the question of the management of the resources in the Gulf of Maine. One of the arguments that was made to justify the establishment of a comprehensive Canadian-American fisheries management plan before the boundary line was set was that, left to themselves, the Canadian and American fishermen would fish the living resources of the Georges Bank into extinction. This argument is deficient in at least two respects.

To begin with, neither the Canadians nor the Americans would pursue a course which would destroy the very foundation on which their livelihood is based. Furthermore, both the New England Regional Fisheries Management Council and the Canadian fisheries management agencies continue in effect and will regulate the activities of their nationals.

President Reagan referred to the role of the New England Council in instituting a responsible interim management program when he suggested that it develop a scallop management plan. Recently, the council proposed its plan and included within it a special provision for Canadian intervention and comment. The Canadians, on their part, have continued the enforcement of their strict scallop regulations.

Early predictions of governmental and commercial strife between the United States and Canada in the wake of the withdrawal of the fisheries management agreement have now given way to the prudent and conciliatory counsel of the officials of both countries. I believe the United States and Canada will weather this storm. I think they will be able to work out the differences that have existed over the past few years while the Chamber reaches its decision and that the mutual good will and good sense of these countries are going to prompt sensible resolutions.

Before concluding, Mr. President, let me say I want to commend the Senator from Rhode Island (Mr. PELL), who took a leading role in opposing the initial set of agreements that was sent to the U.S. Senate. He raised the question of perpetuity and he raised the question of linkage between the two agreements which, in his judgment and in ours, were fundamental flaws, and he was very instrumental in seeing to it that this proposed agreement was not brought to the U.S. Senate floor for full consideration until the objections of the New England Senators had been met.

Finally, let me just reiterate the point that a time has come in this country when we should look upon the fishing industry as something vital to our country. It is an industry which ought to be supported and not undermined. It is of vital importance to the Canadians and, I believe it to be so. It should be of equally vital importance to this country.

I believe the President, in his letter to

the Senate and in his messages to the Canadians, has indicated that for the first time since I have been a Member of Congress, which is now going on some 9 years, we finally have in turn an attitude on the part of the administration—that the fishing industry is indeed worthy of our protection and worthy of our promotion, and I look forward to working with the administration in achieving those ends.

Mr. President, I support the ratification of this Boundary Settlement Treaty and urge its expeditious consideration.

The PRESIDING OFFICER. The Chair recognizes the Senator from Rhode Island.

Mr. PELL. Mr. President, I thank the senior Senator from Maine for his kind words. I also commend him for his work in holding off consideration of this treaty for an indefinite period until it had been successfully decoupled.

I yield as much time as he may desire to the junior Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MITCHELL. Mr. President, I rise in support of the Maritime Boundary Settlement Treaty with Canada. At this time, I also wish to compliment Senator PERCY and Senator PELL, who, as chairman and ranking minority member respectively, have surmounted substantial obstacles in their effort to present an acceptable treaty to the Senate for approval.

I would first like to join my colleague, Senator COHEN, in making clear that the grace which the President has extended to Canadian fishermen to permit fishing in the full disputed zone is not and cannot be a basis for any subsequent assertion in the proceedings before the World Court that the claim is therefore justified.

Second, I want to commend Senator PELL, as did Senator COHEN—and I want to include Senator COHEN in these remarks—for the outstanding manner in which they, along with other New England Senators, combined to block ratification of an earlier proposal which was unjust and inequitable from the standpoint of New England fishermen.

Mr. President, I think it is clear that this treaty will be approved and, therefore, I would like to make a few points going beyond the treaty.

This treaty was submitted by President Carter on March 29, 1979. Until early last month, it was tied to an East Coast Fisheries Resources Agreement. Under the original arrangement reached by representatives of the United States and Canada, the two pacts were to be linked. They were to enter into force simultaneously and neither would take effect without the other being approved and implemented.

As many Members of the Senate are aware, a substantial majority of fishermen in the Northeast believed the fisheries treaty to be contrary to their best interests. It was inequitable in its allocation of valuable stocks, unfair in its distribution of management authority, and virtually unenforceable, given the limited budgets of the Coast Guard and the Fisheries Service.

I studied the industry's complaints and the State Department's arguments supporting the fisheries treaty; I met with Maine's ground fishermen and lobstermen who opposed it; I met with the redfish industry spokesmen who felt the pact was the only available mechanism to give the redfish fleet access to its traditional grounds off Nova Scotia.

I reached several conclusions:

First and most importantly, I decided that the resolution of the boundary dispute should not be tied to a permanent fisheries management arrangement.

Both our countries have agreed to arbitrate the boundary dispute which has caused considerable friction since we each extended our maritime economic zones in 1977. Both countries recognize the need to move expeditiously toward that resolution. There was no compelling need to link that resolution with a controversial fisheries management agreement. No persuasive substantive argument exists to delay resolving the boundary dispute, and reach an agreement on the sharing and management of fishing resources independently.

Second, I determined that the fisheries treaty's permanence was unjustified and unwise. Even the U.S. negotiator, Lloyd Cutler, in hearings before the committee last April, conceded that few bilateral agreements—other than peace treaties and those establishing boundary lines—are permanent. Of the 232 bilateral agreements the United States and Canada have reached since 1950, not one is permanent.

Periodic policy reviews and renegotiations are essential, in fact, to let governments better serve the people they represent. Such reviews permit States to take into account enforcement experience, changing economic circumstances, and more sophisticated scientific data as it becomes available. The permanence of the proposed fisheries treaty would have precluded both a broad scale review at a later date and any subsequent renegotiations. This would have locked both nations permanently into a management regime based on today's knowledge and expertise, with no opportunities for revisions to accommodate better techniques, more accurate data or more effective enforcement as our abilities to do so permit.

Last, I reached the conclusion that a fisheries plan for the Georges Bank and Gulf of Maine ought not be so complex that officials of the Coast Guard and the National Marine Fisheries Service are unable to enforce it. In Maine, fishermen are among the most respected citizens in our coastal communities. They want to obey the laws of the State and the Nation; and they are willing to abide by the rules of the New England Fisheries Management Council. But if these laws and rules are too complex, if they are excessive in number, and if their purposes are unclear, we will witness widespread violations. In the process, our national commitment to rebuild our fishing industry will be undermined.

On March 6, President Reagan decided to separate the Boundary Treaty from the fishery treaty. The following week during his visit to Ottawa, he explained to Canadian Prime Minister Trudeau the reasons for his action. With the separation of the two treaties accomplished, the concerns of the Senators from New England were alleviated, and we turned our attention to the major source of our troubles: the uncertain boundary.

Mr. President, when I testified before the Foreign Relations Committee, I made a point which I would like to reiterate here: I hope that our Department of State will consider discussing with the Canadian External Affairs Ministry the possibility of once again reaching an interim agreement, similar to the one which was in effect in 1977 and 1978. Such an arrangement would permit fishermen of the United States and Canada to harvest in each other's exclusive waters according to each other's rules while the boundary line question is being arbitrated. Recently, at a statewide meeting of Maine fishermen, this possibility was discussed, and it met with widespread enthusiasm.

I want to make it clear that my constituents in Maine have minimal reservations about the dispute settlement procedure embodied in the boundary agreement. They believe the U.S. claim is a good one. They are anxious to have it brought to an appropriate judicial body for resolution.

The chamber of the World Court, which the Boundary Treaty charges with the responsibility of hearing the arguments, is such a body.

According to the terms in the treaty's annexed special agreement, the chamber will be composed of five persons, three chosen by the full Court from its membership, and one each chosen by the United States and Canada. The chamber, after hearing the arguments, will establish where the boundary line is to be; and both the United States and Canada will be bound to respect the chamber's determination.

If, for some reason it becomes impossible to enpanel the members envisioned in the special agreement within 6 months, either the United States or Canada may terminate the special agreement procedure in favor of an alternative settlement arrangement. This alternative arrangement requires both countries to agree on the membership of a five-member Court of Arbitration to which the boundary question would be referred.

Mr. President, it is my sincere hope that we can use the World Court chamber mechanism to resolve our boundary problem. As Mr. Mark Feldman of the State Department's legal adviser's office told the Foreign Relations Committee, international legal authorities around the world are waiting to see if the chamber procedure will actually work. As I am sure my colleagues are aware, this case will be the first referred to the World Court for a chamber arbitration since the chamber mechanism was authorized in 1972. A successful resolution of this case would be grounds for hope that the World Court may at long last become an effective and frequently utilized dispute settlement panel.

Mr. President, before I conclude my remarks on the Boundary Treaty, I

want to emphasize how important it is that the Congress and the President give their full support to the team of legal experts who will argue our Nation's case before the Court. Accordingly, I will urge the Foreign Relations Committee to maintain frequent contact with the legal team assigned to this case.

Moreover, Mr. President, I will also continue to encourage the Department of State to involve industry representatives as fully as possible in the Department's preparation efforts. New England's fishermen and processors have a great stake in the outcome of the World Court's deliberations. They deserve the right to be informed of their Government's efforts on their behalf, and the opportunity to assist the legal experts when the special knowledge they possess may prove helpful.

Mr. President, I ask unanimous consent to have printed in the RECORD and to bring to the Senate's attention an excerpt from an excellent article which explains the legal questions and arguments which the World Court panel will consider as it seeks to resolve the boundary dispute. I am proud to note that this well-written piece was authored by Mr. Jeffrey Kaelin, a fisherman aboard the Maine fishing vessel *Calvin L. Stinson*. The article appeared in the May 1981 issue of Commercial Fisheries News, a Maine publication which serves the fishing industry throughout New England.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE "WHYS" AND "WHEREFORES" OF THE CANADIAN BOUNDARY DISPUTE

The Gulf of Maine is an elliptical basin which is elongated toward the northeast and separated from the deep ocean basin by Georges Bank. It is bounded on the northeast by the Canadian Maritime Provinces of Nova Scotia and New Brunswick, as well as by the Bay of Fundy, and on the north and west by the American states of Maine, New Hampshire, and Massachusetts. The distance across the entrance from Cape Cod to Cape Sable Island is approximately 300 nautical miles. The ratio between the lengths of the United States and Canadian coastlines bordering the Gulf of Maine area is approximately 4 to 1 in favor of the United States. The main seafloor feature of the Gulf is Georges Bank which covers approximately 25,000 square miles, is of an average depth of 15 meters, and extends more than halfway across the expanse of the Gulf of Maine before it is terminated by the Northeast or Fundian Channel, separating Georges from Browns Bank and Nova Scotia. The channel is a U-shaped depression with an average depth of 280 meters.

The banks of the Gulf of Maine are some of the richest fishing grounds in the world and may also contain significant oil and gas resources. The overlapping claims of the United States and Canada create a disputed area of approximately 9,000 square miles, therefore it is not surprising that the attempt to delimit (determine or settle) a boundary separating the two nations' jurisdictions has been contentious.

CANADA—2 CLAIMED LINES

Canada has proposed two boundary lines establishing the lateral limit of that country's 200-mile fishery zone. The geographical coordinates of the first line were published by an Order-in-Council on November 1, 1976, and were based upon the principle of equidistance established in Article 6 of the 1958 Convention on the Continental Shelf. In 1978, in its "*Gazette*" of September 15, Canada published an expanded claim to maritime jurisdiction in the Gulf of Maine. This proposed international boundary provided for a more "equitable" line of equidistance by discounting the coasts of Cape Cod and Nantucket and giving full effect to the coast of Nova Scotia.

The Canadian boundary line proposals are virtually identical until they meet the Northern Edge of Georges Bank. Extending southwest from the middle of Grand Manan Channel, the Canadian line skirts the shoals west of Machias Seal Island to a point equidistant between Libby Island, Maine and Machias Seal Island. From there, the line extends generally south to a point approximately fifty miles northeast of Cape Code, Massachusetts and fifty miles southwest of Seal Island, Nova Scotia. From there, the two Canadian claims delineate two separate boundary lines. The first line, published in October 1976, trends southeast from the equidistant point mentioned above to a point approximately 200 miles south of Cape Sable. The second Canadian line, proposed in September 1978, regards Cape Cod's eastward extension into the Atlantic as insignificant and ranges from 20–30 nautical miles southwest of the first Canadian line. This claim adds about 2,900 nautical square miles to the already 9,000 miles in dispute. The position of the United States, throughout the boundary negotiations, has been to disregard this extreme Canadian claim.

U.S.—CLAIMED LINE

The United States published the coordinates establishing the extent of its 200-mile fishery zone in the Federal Register on November 4, 1976. The line is based on the consideration of special circumstances established in Article 6 of the Convention on the Continental Shelf and establishes Georges Bank as a natural prolongation of the United States continental shelf.

The United States' proposed boundary line departs from the Canadian claim at a point in the middle of Grand Manan Channel; extends through the channel east of Machias Seal Island and then southwest for about 75 miles through Jordan Basin at its deepest points. From there, the line trends towards the southeast through Crowell Basin to a point 15 miles north of the 100 fathom curve of the northern edge of Georges Bank. At that point, the line travels east by south through the Northeast Channel to a point 200 miles east of Cape Cod. Throughout its extent, the American line follows the deepest contours of the Gulf of Maine and maintains a position equally distant from the 100 fathom curves of the Canadian and United States continental shelves. This track is consistent with the American natural prolongation claim mentioned above.

MACHIAS SEAL—ANOTHER QUESTION

Regardless of what method may be used to delimit the Gulf of Maine, another unresolved controversy centers around which nation has sovereign jurisdiction over Machias Seal Island and its associated North Rock located off the coast of Maine, southwest of Grand Manan Island. The Canadian government operates an unmanned navigational light on the island and would thereby be expected to claim title to the island by prescription. The eventual settlement of this dispute would dictate the direction that the international boundary would trend; if the United States owns the island, the equidistant line boundary would pass to the east, separating Machias Seal Island from Canada's Grand Manan Island—but if Machias Seal Island is found to belong to Canada, the maritime boundary would pass between the island and the coast of Maine. The area between the two boundary lines is approximately 450 square nautical miles, and constitutes an important fishing ground.

To date, only the northernmost portion of the Gulf of Maine area has been delimited by international agreement. Beginning at the mouth of the St. Croix River which separates Maine and New Brunswick, the boundary extends southeast through Passamaquoddy Bay, passing between Quoddy Head and Campobello Island, and then southwest through the middle of Grand Manan Channel.

THE LEGAL ASPECTS OF THE DELIMITATION OF CONTINENTAL SHELF JURISDICTION

The basis for the seaward delimitation of the continental shelf stems from the sovereign rights of the coastal state. This customary notion of international law was codified by the 1958 Convention on the Continental Shelf to which both Canada and the United States are party.

At Article 2 the Convention states: "The coastal state exercises over the continental shelf sovereign rights for the purpose of exploring it and exploiting its natural resources."

A definition of the seaward extent of the continental shelf was attempted in the Continental Shelf Convention at Article 1 where it is stated that: ". . . the term 'continental shelf' is used as referring (a) to the seabed and subsoil of the submarine areas adjacent to the coast but outside the area of the territorial sea, to a depth of 200 meters or, beyond that limit, to where the depth of the superjacent waters admits to the exploitation of the natural resources of the said areas; (b) to the seabed and subsoil of similar submarine areas adjacent to the coasts of the islands."

There are however, sufficient gaps within these articles which along with numerous interpretations of their wording, permit a variety of national practices even among states who are signatories to the Convention. Evidence of this can be found by looking briefly at United States and Canadian law pertaining to ocean resource jurisdiction.

The Canadian Territorial Sea and Fishing Zone Act of July 1964 permitted the delimitation of the outer limits of exclusive fishery zones along the Canadian coasts by straight baselines. This act was amended in June of 1970 to extend the Canadian territorial sea from three out to twelve nautical miles. At the same time, the Arctic Waters Pollution Prevention Act extended Canadian pollution control jurisdiction out to one hundred miles offshore. A November 1976 Order in Council announced the establishment of a 200-mile exclusive fisheries zone off the Canadian coast. The zone became effective January 1, 1977.

On the other side of the issue, the Fisheries Zone or Bartlett Act of October 1966 established a fisheries zone contiguous to the three mile territorial sea of the United States. The zone "has as its outer boundary the outer limits of the territorial sea and as its seaward boundary a line drawn so that each point on the line is nine nautical miles from the nearest point in the inner boundary. On March 1, 1977 the Fisheries Conservation and Management Act became effective. This act extended United States fisheries jurisdiction throughout an exclusive fisheries zone extending 200 miles offshore.

GUIDES—EQUIDISTANCE AND SPECIAL CIRCUMSTANCES

Because the United States and Canadian continental shelf jurisdictional claims overlap, both countries recognize the need to delimit their international boundary in the Gulf of Maine in order to establish the rights to any available fisheries and hydrocarbon resources. In fact, in January 1976, the United States State Department announced that "In terms of mineral and living resources potential (sic) the Gulf of Maine boundary is the most immediate problem for both Canada and the U.S."

Article 6 of the Continental Shelf Convention offers some guidance to the considerations to be applied to shelf delimitation where it states:

1. Where the same continental shelf is adjacent to the territories of two or more states whose coasts are opposite each other, the boundary of the continental shelf appertaining to such states shall be determined by agreement between them. In the absence of agreement, and unless another boundary line is justified by special circumstances, the boundary is the median line, every point of which is equidistant from the nearest points of the baselines from which the breadth of the territorial sea of each state is measured.

2. Where the same continental shelf is adjacent to the territories of two adjacent states, the boundary of the continental shelf shall be determined by agreement between them. In the absence of agreement, and unless another boundary line is justified by special circumstances, the boundary shall be determined by application of the principle of equidistance from the nearest points of the baselines from which the breadth of the territorial sea of each state is measured.

It should be noted that a question remains regarding the geographical relationship between the United States and Canadian coast lines. The two states are adjacent to each other in the northern area of the Gulf of Maine and opposite to each other in the southern reaches of the Gulf. The real question pertaining to the boundary dispute lies with the differences between a maritime boundary delimited by the equidistant principle or on the basis of special circumstances.

Controversy has arisen over the Continental Shelf Convention article because it does not provide a definitive rule. However, in 1977 the Court of Arbitration, established by the United Kingdom-France continental shelf arbitration, "found that Article 6 does not establish two rules—an equidistance rule and a special circumstances rule. Instead the Court found that Article 6 provides a combined equidistance-special circumstances rule." Further, the Court noted that "the role of special circumstances . . . is to ensure an equitable delimitation and that the combined equidistance-special circumstances rule in effect provides for the general norm of customary law that the continental shelf boundary is to be determined in accordance with equitable principles."

The trend in continental shelf delimitation is evidently towards the consideration of such equitable principles. In fact, the Draft Convention of the United Nations Conference on the Law of the Sea at Article 83 states:

The delimitation of the continental shelf between states with opposite or adjacent coasts shall be effected by agreement in conformity with international law. Such an agreement shall be in accordance with equitable principles employing the median or equidistance line where appropriate and taking account of all circumstances prevailing in the area concerned.

Although the draft convention has not yet become international law, it is indicative of the view which an arbitral body can be expected to entertain when examining the United States-Canadian boundary dispute.

A final consideration involves the baselines from which a boundary line would ultimately be drawn. As indicated above, the Canadian Territorial Sea and Fishing Zone Act authorized the use of straight baselines in delimiting Canada's territorial sea. The United States, however, employs normal baselines which are determined from tidal datum indicating the level of mean low water particular to the various sinuosities of the coast. The use of straight baselines was codified in the 1958 Convention on the Territorial Sea and the Contiguous Zone at Article 4 where it is stated that:

1. In localities where the coast line is deeply indented and cut into, or if there is a fringe of islands along the coast in its immediate vicinity, the method of straight baselines joining appropriate points may be employed in drawing the baseline from which the breadth of the territorial sea is measured.

Canada is not a party to the Territorial Sea Convention but the United States has signed it, therefore the use of straight baselines by Canada cannot be effectively disputed by the United States. The effect of Canada's 12-mile territorial sea, delimited from straight baselines, is to increase considerably the extent of waters under that country's sovereign jurisdiction regardless of where the international boundary line will ultimately be drawn.

THE UNITED STATES' POSITION

The United States claims that all of Georges from the Nova Scotian shelf, and that the lateral boundary should follow the geographical features of the continental shelf trending through the center of the Northeast Channel which separates Georges from the Nova Scotian shelf. This claim is based on the fact that the channel is deeper than 200 meters and on the relevant circumstance that the bank is the natural prolongation of the United States territory.

The United States also maintains that the concavity of the New England coastline and the convexity of the Nova Scotian coastline would cause an equidistance line to be distorted towards the United States coastline thereby establishing a boundary that is not in accordance with equitable principles. Further, the United States government believes that the 4 to 1 ratio of the lengths of the United States coastline to the Canadian coastline in the Gulf of Maine favors the United States and that this proportional relationship should be reflected in the delimitation of the Gulf.

Finally, the United States believes that the International Court of Justice in the North Sea Case gave credence to the consideration of unity of resource deposits in its 1969 opinion on the delimitation of maritime borders in the North Sea. Although the hydrocarbon potential is not well known on the northeastern part of Georges Bank, an analogy could be drawn between the delimitation of the shelf itself and of the superjacent waters thereby giving consideration to the unity of living resources. A majority of the fish stocks of Georges Bank are associated with the Virginia faunal grouping while those on Browns Bank are associated with the Boreal faunal grouping. As long as it is necessary to draw any boundary, the United States maintains that rational fishery management would suggest the Northeast Channel.

THE CANADIAN POSITION

Canada bases its claims on the principle of equidistance and has proposed two lines that cut through Georges Bank such that Canada would gain jurisdiction over the eastern one-third of that area.

In 1964, the Canadian government began issuing oil and gas exploration permits on Georges Bank. Canada claims that it informed the United States in 1965 of its intentions to sell permits up to the equidistance line in the disputed area and had received written acknowledgement of this notification from Washington. Not until 1969, in a diplomatic note did the United States dispute Canada's claim to the northeast section of Georges. Stronger objection was made by the State Department in 1970. Canada maintains that this four-year absence of objection constituted American acquiescence and believes that this fact adds weight to its claims.

The second boundary line proposed by Canada also reflects the equidistance principle but is a result of deteriorating Canadian and American relations stemming from disagreements over fishing rights in the disputed area of Georges Bank. In June of 1978, Canada terminated a Reciprocal Fisheries Agreement with the United States which eventually caused the closure of the disputed area to fishermen from both nations. To add insult to injury, in September of 1978 Canada announced the coordinates of its newest boundary proposal which discounted the existence of Nantucket and Cape Cod by utilizing the mainland of Massachusetts as a reference point from which to delimit the Gulf of Maine.

TWO ALTERNATIVES—FIGHT OR SETTLE

As indicated earlier, there is no single definitive role in international law that allows for an uncomplicated delimitation of continental shelf jurisdictional boundaries. Nations which are unable to agree amongst themselves on the configuration which a boundary line will take have two alternatives. The first is to allow relations between each other to deteriorate until, ultimately, a violent conflict arises over the distribution of shelf resources as was the case between Great Britain and Iceland in the well known "Cod Wars" in the North Sea. The second and more rational approach is to submit the dispute to binding third party arbitration so that some equitable arrangement may be worked out that would allow for cooperation rather than confrontation between the parties involved.

Canada and the United States have, sensibly, taken the latter approach to the settlement of their differences over the disputed area of Georges Bank in the Gulf of Maine.

Mr. MITCHELL. Mr. President, that concludes my remarks, and I yield the floor.

Mr. PELL. Mr. President, I yield as much time as he may desire to the junior Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. TSONGAS. I thank the Senator from Rhode Island and I commend him for his many years of watchdogging this issue which is now happily resolved.

Mr. President, I rise in support of the Maritime Boundary Settlement Treaty with Canada, and urge its ratification by the Senate.

For over a decade, our two countries have pursued agreement on the maritime boundary in the Gulf of Maine area. The problems associated with that effort have threatened the long history of reciprocal fishing which dates back over 200 years, to the Treaty of Paris.

This issue has caused grave divisions within the fishing industry in Massachusetts; at a time when unity of spirit and purpose is needed to face the multiple threats of fuel costs, increased energy development, marine pollution, import injury, and depletion of fisheries resources.

Supporters of the boundary treaty and the fisheries treaty are strongly opposed to the President's proposal to separate the two. Opponents of the fisheries treaty have worked actively to promote ratification of a boundary treaty prior to development of a management scheme. Given the unalterable views on both sides, I offer my support to the President's proposal convinced that it is the wisest, but not the ideal course of action.

Many of my colleagues have presented

excellent background on this issue, and I would simply like to make a few brief observations about where we go from here, if the Senate today ratifies the boundary treaty.

If we and the Canadians proceed with binding third-party arbitration, a number of related actions will be critical to the fishing industry.

First, the fishing industry must continue to play a role in this issue. Massachusetts and other fishermen have been active participants in the treaty and agreement process throughout the years. They have played an invaluable role in educating both the executive and legislative branch on the issue, both on a formal and informal basis. I am personally impressed by the quality of their contribution, and grateful for it. I thank them for their assistance, and exhort them to continue to help. In the Senate Foreign Relations Committee hearing on this matter last month I warned a group from New Bedford, Chatham, and Point Judith that legal process, like sausage making, is best appreciated if the methods are not scrutinized too closely. I do, however, think that the fishermen must be used in every appropriate way. My brief experience with Ambassador Ridgeway and her team leads me to believe that she will take advantage of their services because there is a great deal of mutual respect there.

Second, the fisheries resources must be protected during the settlement process. I believe that I speak for every legitimate participant on all sides of this issue when I express this view. The potential damage from extended overfishing of the disputed zones will far outweigh any gains which we make at the bargaining table. Protection of our resources is in the best interests of both countries, and I hope that those interests will be pursued with great diligence. If we choose, acting in good faith, to delay development of a management scheme until such time as we resolve our boundary dispute, we must provide every possible avenue to deal with the interim period.

Again, we have received assurances from the administration on this point, but it will require tremendous effort to see through.

Third, we must prepare for the day when, having settled the boundary, we once again take up the issue of long-term resource management. In taking action to return the current fisheries agreement with no action, the Senate Foreign Relations Committee has stressed that this agreement should not be the basis for future negotiations. Those negotiations will begin de novo. In addition, it is important to stress that in future negotiations we must never lose sight of the fact that fisheries are the focus of our efforts. Fisheries must not become a dispensable consideration in discussions between our two countries on trade, energy or other matters of concern.

Finally, Mr. President, I would like to submit for the record a letter from my colleague from the 12th Congressional District in Massachusetts, who along with my distinguished senior colleague from Massachusetts should be congratulated for the knowledge, insight and perseverance they have brought to bear on this very important and difficult issue. The success of both our long-term and short-term endeavors on behalf of the fishing industry in our Commonwealth can be clearly attributed to their commitment.

Mr. President, I ask unanimous consent that that letter from GERRY STUDDS be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., March 18, 1981.

DEAR MR. CHAIRMAN: I strongly endorse the course of action recommended by the administration and urge the Senate Committee on Foreign Relations to recommend Senate advice and consent to ratification of the Treaty Between the Government of the United States of America and the Government of Canada to Submit to Binding Dispute Settlement and Delimitation of the Maritime Boundary in the Gulf of Maine Area, subject to an amendment which would allow the treaty to be brought into force without the entry into force of the accompanying fishery agreement.

In the House Committee on Merchant Marine and Fisheries Oversight Report on the Treaties, we recommend that, "fisheries issues should be resolved following, and should fully reflect, settlement of the boundary dispute," so by effectively delinking the two treaties I believe you will find considerable support from our Committee.

In connection with the ratification of the boundary settlement treaty, I sincerely hope that the President's directive to the Coast Guard not to enforce U.S. laws in maritime areas claimed by Canada is not interpreted as a recognition of the validity of their claims, but instead, as an expression of friendship to our northern neighbors.

Because of this gesture, which allows Canadian fishermen to now harvest their catch closer to our shores, I hope the Canadian government will be able to act in less than the six months allowed in Article II, to execute their responsibilities in forming a Chamber of the International Court of Justice and will, with the full cooperation of the United States, seek an expeditious settlement to the boundary dispute. If the Committee agrees with these views I would urge them to explicitly express these concerns in their report accompanying the treaty.

Finally, I understand that the President has requested that the Senate return to him without further action the Agreement Between the Government of the United States of America and the Government of Canada on East Coast Fishery Resources.

With this action I believe it should be made abundantly clear that the fishery agreement and the proposed reservations to that agreement will not serve as a basis for an eventual fisheries agreement, but, rather, that new negotiations will commence after the boundary dispute is settled which take into consideration the outcome of that dispute. Because I earnestly believe that Canada, like the United States, is committed to the effective conservation and management of East Coast fish stocks, I trust that both countries will fulfill their responsibilities in ensuring that these stocks are not overfished, prior to a new fisheries agreement.

With kind regards.

Sincerely,

GERRY E. STUDDS,
Chairman, Subcommittee on Coast Guard and Navigation.

Mr. TSONGAS. Mr. President, I thank the Senator from Rhode Island for the time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Rhode Island.

Mr. PELL. Mr. President, I yield as much time as he may desire to the senior Senator from Massachusetts (Mr. KENNEDY).

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, today we are considering the Maritime Boundary Settlement Treaty with Canada. For those of us in the Senate who have been actively involved both in the development of this treaty and its passage through the U.S. Senate, this is a welcome day indeed. And for our two countries—the United States and Canada—we must hope that today signals the approach to the end of a prolonged controversy which has affected our vital relationship.

The history of this treaty is a long one. Ten years ago, the United States and Canada initiated negotiations on the continental shelf boundary in the Gulf of Maine. These negotiations were broadened in 1975 to include a full exposition of the legal issues relating to the boundary determination, and once again in 1976 when both countries extended continental shelf jurisdiction in establishing 200-mile zones.

In extending jurisdiction, we each asserted maritime claims which intersected in the prime fishing grounds of Georges Bank. At issue therefore, since 1976, has been the northeastern third of Georges Bank, an area of approximately 12,000 square miles, encompassing fishing grounds of substantial economic importance to both of our nations, and as yet unknown mineral and hydrocarbon reserves.

In 1976 we began discussions with Canada on reciprocal fishing rights in this area. But these talks quickly reached an impasse over the absence of a boundary line between the United States and Canada. Our negotiators found that valuable resources could neither be properly nor rationally divided between our nations without a clear understanding of our respective maritime jurisdiction.

Nevertheless, we agreed in 1977 to an interim fishing regime governing the disputed area. For we recognized that the health of the fishery depends on sound managemnt. Under that agreement the United States was permitted to fish in undisputed Canadian waters, and Canada, in our undisputed waters, each at existing levels of effort. Both countries were entitled to fish in the disputed area under flag State enforcement, and third countries were excluded from this area altogether. In 1978, this agreement expired and an attempt to extend it proved unsuccessful.

In order to resolve finally the fisheries and boundary issues, each nation appointed special negotiators in 1977. At that time, I met with President Carter's appointee, Lloyd Cutler, to discuss the upcoming negotiations. I expressed the view that we should first reach an agree-

ment on the boundary line and then proceed to the negotiations on the fisheries resource. I felt, as did many of the fishermen in Massachusetts and New England, that because the boundary line would ultimately determine our relative access to and management of various species, it had to be resolved first.

Unfortunately, the Canadian Government insisted that negotiations on the fisheries resources could not wait until the completion of the boundary determination process. Given their intransigence on this matter, I and others in turn insisted that whatever the outcome of the resource negotiations, it should be temporary in nature. We believed that any agreement allocating shares of fish stocks should be completely renegotiated once a boundary line was reached.

Up until the final weeks of the negotiations, many of us in the Senate and in the New England fishing industry were under the impression that the agreement on shares would be renegotiated from scratch after the boundary was arbitrated. So it came as a severe shock to all of us when it became apparent that the agreement would be essentially permanent. Despite the fact that all of Georges Bank might be found to be within the exclusive jurisdiction of the United States, this agreement would have forever limited us to taking only a small percentage of some of the species there.

This fundamental inequity was perhaps no better illustrated than with respect to scallops, a species of substantial importance to New Bedford in my my own State of Massachusetts. Over the last 25 years, scallopers from the New England coast have taken approximately 50 percent of the catch on Georges Bank. The fisheries agreement however, limited our fleet to a mere 26.6 percent of the catch. Even if the boundary determination were to later conclude that all of Georges Bank was within our jurisdiction—as our claim has asserted—Canada would still have been entitled to 49 percent of the scallops in exclusive U.S. waters.

Under these circumstances, a number of us in the Senate were forced to register our strong opposition to certain elements of the fisheries agreement. I believe that all of us here have worked to reach an agreement with Canada on the boundary matter as well as the fishery questions. However, the fisheries agreement, as negotiated, had several very serious flaws which demanded modification.

In that regard, in April 1980, I introduced, along with a number of my colleagues from New England, three reservations to the fisheries agreement. The first reservation was designed to remedy what I believed was its most egregious flaw—its permanence. That reservation would have limited the fisheries agreement to 3 years—long enough according to the noted expert on international law, Louis Sohn, for the International Court of Justice to reach a boundary determination, at which time share allocations could be renegotiated. The second reservation would have preserved for our smaller scallop fleet an area rich in scallops exclusively in U.S. waters. And finally the third reservation would have given management authority for scallops in that area of the United States.

In introducing these reservations, New England Senators were virtually unanimous in expressing their desire to modify the negotiated agreements. Senators PELL, TSONGAS, CHAFEE, WEICKER, RIBICOFF, DURKIN, and HUMPHREY all rose in opposition to the fundamental problems in this treaty. Senator COHEN also recognized these flaws but felt that the reservations, as drafted, did not go far enough. And although Senator MITCHELL was not in the Senate then, he has since joined in advocating basic changes to the agreements.

Unfortunately our desire to modify the fisheries agreement was not matched by Canada, which soon thereafter announced that the reservations were unacceptable. Since then, no formal action has been taken by the Senate. But communication on the matter has continued between our two countries in an attempt to find a compromise. In that effort, many of my distinguished colleagues and others have worked tirelessly to find an agreement mutually acceptable to each nation.

In the Senate, few have worked harder and spoken with more understanding of the complex issues embodied in the agreements than Senator PELL. As the ranking member of the Foreign Relations Committee, he has sought a fair and equitable treatment of this matter while always representing the concerns of the New England fishing industry.

Chairman PERCY also deserves much praise. Since assuming the chairmanship of the Foreign Relations Committee just a few months ago, he has helped fashion a compromise out of an impasse. And he has demonstrated a high level of fairness in insuring that all voices on this matter were heard.

And of course, all of the Senators from New England should be recognized for speaking out over the last 2 years against fundamentally unfair provisions in the fisheries agreement.

Outside the Senate, many others have contributed to the effort to bring this controversy to a resolution: Lloyd Cutler, who offered his considerable skills as a lawyer and negotiator; former Ambassador to Canada, Ken Curtis, who did much to keep the avenues of communication open when negotiations would otherwise have broken down; and of course, Ambassador Ridgeway, who in the relatively short time she has been involved in this matter has been masterful in bringing together divergent viewpoints.

Several others also must be mentioned. Throughout the years that we have been involved with this matter, Congressman STUDDS of the 12th District in Massachusetts has made available to us his expertise and considerable understanding of the difficult issues involved. He has been of great assistance to me and, I believe, to every Member of the Senate in carrying out our responsibility to give advice and consent to the President.

Both President Carter and President Reagan must also be mentioned for their efforts. Because of the manner in which each of them conducted this process, the debate on the agreements never became a partisan issue. Each of them recognized the fundamental importance of these matters to both the United States and Canada and worked diligently toward their resolution.

Finally, a few words must be said about the fishing industry in Massachusetts and New England. Few people in our society embody the rugged individualism which built this great Nation over the last 200 years than those who go out to the sea for their livelihood. Their constant determination and resolve was illustrated repeatedly throughout the last several years. Though sometimes there seemed to be few people listening in Washington, they pinpointed the serious defects in the agreements and made sure that we understood them. They were able advisers to Lloyd Cutler during the negotiations and to us in the Senate during our deliberations. Perhaps their contribution is best illustrated in the fact that it is their initial advice that we proceed with the negotiations on the boundary first, that is embodied in the proposal that we are acting on today.

The treaty which we are considering today, would ratify an agreement between the United States and Canada to submit the maritime boundary dispute in the Gulf of Maine to the International Court of Justice for binding arbitration.

In general, I am pleased with this treaty. I applaud President Reagan for withdrawing the agreement on fisheries resources. As crafted it could not have operated fairly and equitably to the United States without substantial modifications. And with those modifications, it would have been unacceptable to Canada. Under these circumstances, withdrawal appears to have been the best course of action.

I am hopeful that Canada will accept this treaty. It offers the opportunity to achieve a resolution of the boundary dispute. And once resolved we will finally have the basis on which to negotiate a rational fisheries resource agreement that is fair to the United States and fair to Canada.

Nevertheless, there are several concerns which must be raised at this time.

The nature of today's fishing industry requires that at some point, a management scheme should be instituted for the protection of the fishery. An area as rich and valuable as Georges Bank cannot be left indefinitely unprotected from unrestricted and competing fishing fleets. To do so could result in permanent damage to important stocks and irrevocable harm to the United States, Canada, and people all over the world who depend on the area for nutrition. Therefore, it is imperative that while the International Court is deliberating the boundary question, both of our nations show restraint and prudence in our levels of fishing. The health of the fishery in the disputed zone must be monitored by the United States and Canada. And we must proceed in a spirit of cooperation borne of mutual interest, so that if some restrictions on fishing levels become necessary, we can institute them expeditiously.

In this regard, it is also important that the International Court of Justice pro-

ceed with the binding arbitration process as quickly as possible. For the longer the deliberations take, the longer Georges Bank will be without a comprehensive management scheme that can evolve only once the boundary is determined. In this effort, the United States and Canada must pledge to avoid all possible delays and offer whatever assistance the court requires necessary for an expeditious deliberation of the case.

Finally, I remain concerned that the decision of the President to order the Coast Guard to forbear from enforcement of our maritime laws up to the second Canadian claim could prejudice the arbitration process. I am pleased that during the recent hearings on this matter the State Department stated that the United States does not recognize the extended Canadian claim. And I hope that the legislative history will indicate that the President, in his letter withdrawing the fisheries agreement was not indicating any official recognition of that claim.

As I said earlier, I am hopeful that Canada will accept this treaty. For her it is perhaps not the ideal conclusion to this chapter in our relationship. I know that for some in the United States this result is not entirely satisfactory. In my own State of Massachusetts, there are many who would prefer a treaty somewhat different than this one. But under the circumstances, I believe we have achieved a useful and productive agreement.

The controversy between this Nation and Canada over the east coast boundary and fisheries matters has gone on too long and has affected our relationship too deeply. Now it is time to put aside our differences and move on. For though we may not always agree, we remain in the end the best of neighbors, the strongest of allies and the closest of friends. In voting for ratification of this treaty, let us be mindful of our special bond. And let us resolve that in the future, this bond will grow stronger still.

● Mr. HELMS. Mr. President, I am pleased that the Reagan administration has presented the Senate with this proposal to submit our boundary dispute with Canada to arbitration in the World Court, and to withdraw the agreement dealing with joint United States-Canadian fisheries management. It is clearly the logical and sensible course of action. To my way of thinking, there is no way the United States and Canada could come to any equitable agreement dealing with fisheries management without knowing exactly which waters are under whose control. The almost unanimous displeasure with the terms of the joint management plan in the treaty to be returned to the President, indicates that reaching such an agreement without first settling the boundary issue would be impossible.

Now, we are finally in a position to present our boundary case to the World Court. After the Court reaches its decision, then our Government and our fishermen can determine the need for management of fish stocks in areas of joint United States and Canadian concern.

The administration decision to refrain from enforcing U.S. rights in waters claimed by the Canadians pending a decision by the Court, indicates a willingness to compromise, and an understanding of the situation in Canada. Moreover, I have been assured that this decision will in no way prejudice our case before the World Court.

In addition, the Reagan decision to have the Secretary of Commerce work with the New England Regional Fishery Management Council to institute a scallops management plan on Georges Bank indicates to me that this administration has a real concern for the responsible management of our fishery resources.

I am encouraged by the support of the fishing industry for this approach, both in my State, where there was real concern about the impact the management agreement would have had on our squid fishery, and in New England, where the greatest impact of this agreement will be felt.

Mr. President, therefore, I support our favorable action on this treaty. I also encourage the Reagan administration to work with our Canadian friends to do everything possible to expedite proceedings in the World Court.●

● Mr. CHAFEE. Mr. President, I rise in support of the East Coast Boundary Treaty between the United States and Canada, now being considered by the Senate.

As many Members of this body—and the Foreign Relations Committee—are aware, the issues that this treaty addresses have been a subject of concern between Canada and the United States for a number of years. What is involved is a twofold problem. One, the establishment of a maritime boundary between the United States and Canada necessitated by the adoption of 200-mile limits by both countries. Two, a management structure for conserving the valuable fishery resources off both of our coasts.

The solution proposed by the previous administration was to link the arbitration of the boundary dispute with the adoption of a complex, inflexible, and permanent management system for fish stocks in this region. Senators representing fishing communities affected by this agreement had serious concern about this management system. Management procedures appeared cumbersome and bureaucratic. The method for adjusting catch levels for each country was limited. The permanent status of the treaty was a cause for concern to some.

In testimony before the Foreign Relations Committee in April of last year, I stated my belief that the best way to proceed was to consider the boundary treaty first. Once that issue was resolved, we could then go ahead and decide on a management program for the fishery resources.

Such an approach did not seem likely at that time. Fortunately, we have a new administration in place that has seen fit to take a fresh approach to this issue, and such a solution is now at hand.

Separating these two treaties—as President Reagan requested and the Foreign Relations Committee recommended—makes sense. Negotiating a management treaty without firm knowledge of each country's proper boundaries is putting the cart before the horse. When the boundary question is resolved, the United States and Canada can then consider a management treaty with a solid understanding of each other's concerns and interests.

Mr. President, the fishing industry is an important and often overlooked business in this country. In Rhode Island alone in 1979, over $30 million worth of fish was landed. When you consider the processing and distributing of this product, we are talking about an industry with an economic volume of over $100 million just in Rhode Island.

The passage of the 200-mile limit was a boon to America's fishermen—especially those in the Northeast. Since the adoption of that limit, herring catch has increased 30 percent, cod and scallop catches are up 50 percent, and pollock catch doubled. Clearly, resolving our differences with Canada on this issue is in our best interest.

Approving this boundary treaty is an important first step in resolving this long and arduous debate. Once this is done, the United States and Canada can then sit down and consider a management plan for east coast fisheries that is equitable to both American and Canadian fishermen.

This treaty has my full support, and I urge its ratification by the Senate.●

● Mr. WEICKER. Mr. President, I am pleased that the complex problem surrounding the maritime boundary between the United States and Canada is finally on its way to a settlement. I hope that this action today by the Senate to ratify the Maritime Boundary Settlement Treaty with Canada will set the stage for a fair and equitable fisheries agreement in the near future.

The previous agreement that my New England colleagues and I opposed was not in the best interest of this country. It would have permanently guaranteed inequitable allocations of certain species on Georges Bank, particularly scallops. It would have guaranteed Canada substantial rights to participate in managing species exclusively within U.S. waters no matter what the final position of the boundary between the two countries. It would have circumvented the New England Regional Fisheries Management Council jurisdiction in the Gulf of Maine and Georges Bank.

Regardless of my high esteem for our great northern neighbor, I found these provisions unacceptable and therefore cosponsored the three reservations to the treaty. The resultant 2-year hold-up of the treaty was unfortunate, but necessary.

On March 5 and 6, my colleagues and I exchanged correspondence with President Reagan which resulted in the uncoupling of the fisheries and boundary treaties and instructed the Coast Guard not to enforce U.S. laws in maritime areas claimed by Canada. We also suggested that the Secretary of Commerce and the New England Regional Fisheries Man-

agement Council institute a management plan for scallops on Georges Bank.

I commend the President and the Committee on Foreign Relations for working so diligently to bring this arbitration treaty before us today.●

Mr. PERCY. Mr. President, I ask unanimous consent that the vote on the Canadian border treaty occur at 12 noon.

Mr. PELL. Reserving the right to object, Mr. President.

Mr. PERCY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MATTINGLY). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I yield back the remainder of my time.

Mr. PELL. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Chair asks the Senator from Illinois if he insists upon the request for unanimous consent to vote at 12 noon?

Mr. PERCY. No, Mr. President, the Senator from Illinois withdraws the unanimous-consent request. As I understand it, we are ready for a vote now. The yeas and nays have been ordered.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the resolution of ratification. On this question, the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN), the Senator from North Carolina (Mr. EAST), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Texas (Mr. TOWER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Colorado (Mr. HART), the Senator from Ohio (Mr. METZENBAUM), the Senator from New York (Mr. MOYNIHAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 91, nays 0, as follows:

[Rollcall Vote No. 84 Ex.]

YEAS—91

Abdnor	Chafee	Glenn
Andrews	Chiles	Goldwater
Armstrong	Cohen	Gorton
Baker	Cranston	Grassley
Baucus	D'Amato	Hatch
Bentsen	Danforth	Hatfield
Biden	DeConcini	Hawkins
Boren	Denton	Hayakawa
Boschwitz	Dixon	Heflin
Bradley	Dodd	Heinz
Bumpers	Dole	Helms
Burdick	Domenici	Hollings
Byrd, Harry F., Jr.	Durenberger	Huddleston
	Evon	Humphrey
Byrd, Robert C.	Ford	Inouye
Cannon	Garn	Jackson
Jepsen	Mitchell	Sasser
Johnston	Murkowski	Schmitt
Kassebaum	Nickles	Simpson
Kasten	Nunn	Specter
Kennedy	Packwood	Stafford
Laxalt	Pell	Stennis
Leahy	Percy	Stevens
Levin	Proxmire	Symms
Long	Pryor	Thurmond
Lugar	Quayle	Tsongas
Mathias	Randolph	Wallop
Matsunaga	Riegle	Warner
Mattingly	Roth	Weicker
McClure	Rudman	Zorinsky
Melcher	Sarbanes	

NOT VOTING—9

Cochran	Hart	Pressler
Eagleton	Metzenbaum	Tower
East	Moynihan	Williams

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. PERCY. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

Mr. PERCY. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER (Mr. MATTINGLY). Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. PERCY. Mr. President, I ask unanimous consent that the Senate consider S. 786.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I would like to ask the distinguished majority leader——

Mr. BAKER. Mr. President, if the distinguished minority leader will permit me, will the distinguished chairman of the Committee on Foreign Relations permit me to make certain requests before he proceeds to the next item of business?

Mr. PERCY. I would certainly be glad to do so.

Mr. BAKER. I thank the Senator.

I understand these have all been cleared with the distinguished minority leader and that there is no objection on his side. If that is not correct, of course, I will be glad to withdraw the request.

AMENDMENT OF TRUTH IN LENDING ACT

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 31.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House disagree to the amendment of the Senate to the bill (H.R. 31) entitled "An Act to amend the Truth in Lending Act to encourage cash discounts, and for other purposes", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. St Germain, Mr. Annunzio, Mr. Gonzalez, Mr. Minish, Mr. Stanton of Ohio, Mr. Evans of Delaware, and Mr. Wylie be the managers of the conference on the part of the House solely for consideration of all provisions of the Senate amendment except section 303, and modifications thereof committed to conference; and Mr. Dingell, Mr. Waxman, Mr. Scheuer, Mr. Broyhill, and Mr. Madigan be the managers of the conference on the part of the House solely for consideration of section 303 of the Senate amendment and modifications thereof committed to conference.

Mr. BAKER. Mr. President, I move that the Senate insist on its amendment and agree to the request of the House for a conference on the disagreeing votes of the two houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GARN, Mr. TOWER, Mr. CHAFEE, Mr. WILLIAMS, and Mr. DODD solely for the consideration of all provisions of the Senate amendment except section 303 and modifications thereof committed to conference; and Mr. HATCH, Mr. QUAYLE, Mrs. HAWKINS, Mr. KENNEDY, and Mr. METZENBAUM solely for the consideration of section 303 of the Senate amendment and modifications thereof committed to conference as conferees on the part of the Senate.

Mr. BAKER. Mr. President, I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield to me?

Mr. BAKER. Yes, I would be happy to yield.

LEGISLATIVE SCHEDULE

Mr. ROBERT C. BYRD. Mr. President, I would like to inquire of the majority leader what the outlook is for the rest of the day and the rest of the week, if he might say so at this time.

Mr. BAKER. Mr. President, I thank the distinguished minority leader.

I asked leave of the distinguished chairman of the Foreign Relations Committee to permit me to make the requests that have just been granted by the Chair rather than lay down the next item of business, which is S. 786. That will, I hope and trust, be disposed of this afternoon, perhaps even without a rollcall vote. But, in any event, I would expect that the Senate can and should complete action on IDA this afternoon.

Mr. President, either this afternoon or tomorrow, I would like to proceed to the consideration of an item on the Executive Calendar. I am speaking of the nomination of Mr. Pauken, to be Director of ACTION. There is some negotiations underway now, I believe, on a time certain to consider and dispose of that nomination other than this week. If those negotiations ripen into an agreement, then I would not propose to try to proceed to the consideration of that nomination today.

Mr. President, if we are not faced with the debate on the Pauken nomination today, tomorrow, or Friday, then the outlook for tomorrow is uncertain and I would like to confer with the minority

leader on how we might construct a schedule for tomorrow and for the first days of next week.

I am afraid that is as good a view as I can give of the situation at this moment.

Mr. ROBERT C. BYRD. Mr. President, may I say to the distinguished majority leader that there is no objection to proceeding to the consideration of Calendar Order No. 45 on this side of the aisle.

Mr. BAKER. Mr. President, I thank the distinguished minority leader. I apologize for not inquiring of that in the first instance. I was under the impression it had already been cleared and I had already notified the chairman of the Foreign Relations Committee to that effect. I am grateful to the minority leader for that piece of advice.

Mr. ROBERT C. BYRD. Mr. President, within 5 minutes I would hope to be in a position to tell the majority leader whether or not there is any problem with getting an agreement on the nomination to which he referred.

Mr. BAKER. Mr. President, I thank the minority leader. I am sure the distinguished Senator from Illinois would permit us to interrupt momentarily if that agreement does ripen and put it down yet this afternoon so Senators can plan for the remainder of this week.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader for stating the program.

Several Senators addressed the Chair.

Mr. PERCY. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

CONTINUED U.S. PARTICIPATION IN INTERNATIONAL DEVELOPMENT ASSOCIATION AND AFRICAN DEVELOPMENT BANK

Mr. PERCY. Mr. President, I ask unanimous-consent request that the Senate proceed to the consideration of S. 786.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 786) to provide for continuing United States participation in the International Development Association, to provide for United States participation in the African Development Bank, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with an amendment to strike out all after the enacting clause and insert the following:

TITLE I—INTERNATIONAL DEVELOPMENT ASSOCIATION

PAYMENT OF CONTRIBUTION

SEC. 101. The International Development Association Act (22 U.S.C. 284 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 17. (a) The United States Governor is authorized to agree on behalf of the United States to pay to the Association $3,240,000,000 as the United States contribution to the sixth replenishment of the resources of the Association: *Provided, however,* That any commitment to make such contributions shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contributions provided for in this section, there are authorized to be appropriated, without fiscal year limitation, $3,240,000,000 for payment by the Secretary of the Treasury."

TITLE II—AFRICAN DEVELOPMENT BANK

SHORT TITLE

SEC. 201. This title may be cited as the "African Development Bank Act".

ACCEPTANCE OF MEMBERSHIP

SEC. 202. The President is authorized to accept membership for the United States in the African Development Bank (hereafter in this Act referred to as the "Bank") provided for by the agreement establishing the Bank (hereafter in this Act referred to as the "agreement") deposited in the archives of the United Nations.

GOVERNOR; ALTERNATE GOVERNOR

SEC. 203. (a) The President, by and with the advice and consent of the Senate, shall appoint a Governor and an Alternate Governor of the Bank. The term of office for the Governor and the Alternate Governor shall be five years, subject at any time to termination of appointment or to reappointment. The Governor and Alternate Governor shall remain in office until a successor has been appointed.

(b) No person shall be entitled to receive any salary or other compensation from the United States for services as a Governor or Alternate Governor, except for reasonable expenses to attend meetings of the Board of Governors.

DIRECTOR; ALTERNATE DIRECTOR

SEC. 204. (a) The Governor or, in the Governor's absence, the Alternate Governor, on the instructions of the President, shall cast the votes of the United States for the Director to represent the United States in the Bank.

(b) The Director or Alternate Director representing the United States, if citizens of the United States, may, in the discretion of the President, receive such compensation, allowances, and other benefits as, together with those received from the Bank and from the African Development Fund, will not exceed the aggregate of the compensation, allowances, and other benefits authorized for a chief of mission, under the Foreign Service Act of 1980.

NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL POLICIES

SEC. 205. The National Advisory Council on International Monetary and Financial Policies, established by Executive Order Numbered 11269, shall carry out the provisions of section 4 of the Bretton Woods Agreements Act (22 U.S.C. 286b) and section 31 of Public Law 91-599 (84 Stat. 1658) with respect to the Bank to the same extent and in the same manner as such Council carries out such provisions with respect to the International Bank for Reconstruction and Development and the International Monetary Fund on the date of enactment of this Act.

CERTAIN ACTS NOT TO BE TAKEN WITHOUT AUTHORIZATION

SEC. 206. (a) Unless authorized by law, neither the President, nor any person or agency, shall, on behalf of the United States—

(1) subscribe to additional shares of stock of the Bank;

(2) vote for or agree to any amendment of the agreement which increases the obligations of the United States, or which changes the purpose or functions of the Bank; or

(3) make a loan or provide other financing to the Bank, except that funds for technical assistance may be provided to the Bank by a United States agency created pursuant to an Act of Congress which is authorized by law to provide funds to international organizations.

DEPOSITORIES

SEC. 207. Any Federal Reserve bank which is requested to do so by the Bank shall act as its depository or as its fiscal agent, and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

PAYMENT OF SUBSCRIPTIONS

SEC. 208. (a) The President is authorized to agree to subscribe on behalf of the United States to twenty-nine thousand eight hundred and twenty shares of the capital stock of the Bank: *Provided, however,* That the subscription shall be effective only to such extent or in such amounts as are provided in advance in appropriations acts.

(b) There are authorized to be appropriated, without fiscal year limitation, for payment by the Secretary of the Treasury of the initial United States subscription to twenty-nine thousand eight hundred and twenty shares of the capital stock of the African Development Bank, $359,733,570.

(c) Any payment or distributions of moneys from the Bank to the United States shall be covered into the Treasury as a miscellaneous receipt.

JURISDICTION AND VENUE OF ACTIONS

SEC. 209. For the purposes of any civil action which may be brought within the United States, its territories or possessions, or the Commonwealth of Puerto Rico, by or against the Bank in accordance with the agreement, the Bank shall be deemed to be an inhabitant of the Federal judicial district in which its principal office within the United States or its agent appointed for the purpose of accepting service or notice of service is located, and any such action to which the Bank shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States, including the courts enumerated in section 460 of title 28, United States Code, shall have original jurisdiction of any such action. When the Bank is defendant in any action in a State court, it may, at any time before the trial thereof, remove such action into the appropriate district court of the United States by following the procedure for removal provided in section 1446 of title 28, United States Code.

STATUS, IMMUNITIES, AND PRIVILEGES

SEC. 210. The agreement, and particularly paragraph 5 of article 49 and articles 50 through 59, shall have full force and effect in the United States, its territories and possessions, and the Commonwealth of Puerto Rico, upon acceptance of membership by the United States in the Bank. The President, at the time of deposit of the instrument of acceptance of membership by the United States in the Bank, shall also deposit a declaration as provided in paragraph 3 of article 64 of the agreement that the United States retains for itself and its political subdivisions the right to tax salaries and emoluments paid by the Bank to United States citizens or nationals.

SECURITIES ISSUED BY BANK AS INVESTMENT SECURITIES FOR NATIONAL BANKS

SEC. 211. The seventh sentence of paragraph 7 of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24), is amended by inserting ", the African Development Bank" after "Inter-American Development Bank".

SECURITIES ISSUED BY BANK AS EXEMPT SECURITIES; REPORT FILED WITH SECURITIES AND EXCHANGE COMMISSION

SEC. 212. (a) Any securities issued by the Bank (including any guarantee by the Bank, whether or not limited in scope) in con-

nection with raising of funds for inclusion in the Bank's ordinary capital resources as defined in article 9 of the agreement and any securities guaranteed by the Bank as to both principal and interest to which the commitment in paragraph 4(a) of article 7 of the agreement is expressly applicable, shall be deemed to be exempted securities within the meaning of paragraph (a)(2) of section 3 of the Act of May 27, 1933 (15 U.S.C. 77c) and paragraph (a)(12) of section 3 of the Act of June 6, 1934 (15 U.S.C. 78c). The Bank shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Bank and its operations and necessary in the public interest or for the protection of investors.

(b) The Securities and Exchange Commission, acting in consultation with such agency or officer as the President shall designate, is authorized to suspend the provisions of subsection (a) at any time as to any or all securities issued or guaranteed by the Bank during the period of such suspension. The Commission shall include in its annual reports to the Congress such information as it shall deem advisable with regard to the operations and effect of this section and in connection therewith shall include any views submitted for such purpose by any association of dealers registered with the Commission.

CONFORMING AMENDMENTS

SEC. 213. (a) Section 701(a) of Public Law 95–118 (22 U.S.C. 262d) is amended in the text above paragraph (1) by inserting "the African Development Bank," after "African Development Fund,".

(b) Section 801(a) of Public Law 95–118 (22 U.S.C. 262f) is amended by inserting "the African Development Bank,' 'after "African Development Fund,".

(c) Section 51 of Public Law 91–599 (22 U.S.C. 276c–2) is amended by inserting "the African Development Bank," after "Asian Development Bank".

TITLE III—INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND ASIAN DEVELOPMENT BANK

TECHNICAL AMENDMENTS

SEC. 301. (a) Section 27(a)(2) of the Bretton Woods Agreements Act (22 U.S.C. 286e–1f) is amended by striking out "shall be made only after the amount required for such subscription has been appropriated" and inserting in lieu thereof "shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts".

(b) Section 22(a) of the Asian Development Bank Act (22 U.S.C. 285s) is amended by striking out "shall be made only after the amount required for such subscription has been appropriated" and inserting in lieu thereof "shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts".

Mr. BAKER. Mr. President, will the Senator yield to me for just a moment?

Mr. PERCY. Yes.

Mr. BAKER. Mr. President, it has been brought to my attention that there is a budget waiver on the calendar that goes with this measure. I believe we ought to dispose of that as soon as we can so we can proceed to the consideration of the underlying legislation.

Mr. President, I believe the minority leader is aware of this, as well.

BUDGET ACT WAIVER

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order No. 57 on the Calendar of General Orders, the resolution waiving section 402(a) of the Congressional Budget Act with respect to this measure.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 107) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 786.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 107) was agreed to as follows.

S. RES. 107

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 786, a bill authorizing United States participation in the Sixth Replenishment of the Resources of the International Development Association ("IDA"), authorizing United States participation in the African Development Bank ("AFDB"), and for other purposes. Such waiver is necessary to allow the authorization of appropriations for fiscal year 1981 for the first installment of the United States contribution to the Sixth Replenishment of the Resources of the International Development Association and the first portion of the United States subscription to the capital stock of the African Development Bank.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was accomplished prior to May 15, 1980, by the action of the Committee on Foreign Relations in reporting S. 2422, a bill containing authorization language identical to that contained in S. 786. S. 2422 was passed by the Senate on June 16, 1980, by a vote of 53 to 24, but due to the failure of the House of Representatives to take final action on S. 2422, the legislation has had to be reintroduced in the 97th Congress and reconsidered by the Committee on Foreign Relations and the Senate. The Committee on Foreign Relations reaffirmed its decision taken in 1980 by ordering S. 786 reported favorably with amendments conforming the bill to S. 2422 as passed by the Senate on June 16, 1980. In order for the Senate to proceed to consider S. 786, it is necessary to waive the requirement that S. 786 have been reported prior to May 15, 1980.

Authorization of appropriations for fiscal year 1981 is necessary in order for the United States to participate in the Sixth Replenishment of IDA prior to the commencement of fiscal year 1982. The internationally negotiated replenishment of IDA cannot become effective without congressional authorization of the full United States contribution and appropriation of the first installment of the United States contribution. Fourteen other donor nations provided temporary advance contributions to IDA pending completion of United States legislative action on IDA–VI, enabling IDA to continue lending through March 1981. Other donors have stated that they will provide no additional "bridge financing" until United States legislative action is completed. Administration testimony states that prompt congressional action is necessary in order to avoid a lapse in IDA lending and potentially severe impacts on United States foreign policy and the international economy.

Authorization of appropriations for fiscal year 1981 is also necessary in order for the United States to join the African Development Bank when other non-African countries join, which is expected to occur in May. If the United States is not prepared to join when other non-African countries are admitted to membership, the United States will be unable to name a United States citizen to the Board of the AFDB and United States companies, which currently win about 9 per centum of AFDB financed procurement, will lose the opportunity to bid for procurement financed by AFDB, until after the United States joins the Bank.

Mr. BAKER. Mr. President, I thank the Senator for yielding.

CONTINUED U.S. PARTICIPATION IN INTERNATIONAL DEVELOPMENT ASSOCIATION AND AFRICAN DEVELOPMENT BANK

The Senate resumed consideration of the bill.

Mr. SYMMS. Mr. President, will the distinguished chairman yield?

Mr. PERCY. I am happy to yield.

Mr. SYMMS. Mr. President, I ask for the yeas and nays on S. 786.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. SYMMS). The Senator from Illinois.

Mr. PERCY. Mr. President, S. 786 would first, authorize U.S. participation in the sixth replenishment of the resources of the International Development Association; second, authorize U.S. membership in the African Development Bank; and third, change the budgetary treatment of callable capital subscribed to the World Bank and the Asian Development Bank.

Title I of the bill authorizes appropriation of $3.24 billion for the U.S. contribution to the sixth replenishment of the resources of the International Development Association, which is the soft loan window of the World Bank. The IDA replenishment is scheduled to be completed over a 3-year period between July 1980 and July 1983.

The replenishment is already behind schedule because the United States has not completed legislative action on its contribution. The U.S. share of the replenishment is 27 percent, and 80 percent of all shares must be approved before the replenishment can take effect.

Further delay in approving U.S. participation would leave IDA without new funds to lend to poor countries for projects which help relieve poverty among the world's poorest people. Other donor countries have provided advance payments—"bridge financing"—while awaiting action by the U.S. Congress, but those funds have been exhausted and other donors have stated they will not advance any more money to IDA until the United States joins the sixth replenishment. IDA has ceased making new loan commitments until we approve this legislation and the necessary appropriations measures promptly.

The Senate passed this legislation last year by a vote of 53 to 24, but the House of Representatives did not complete action on the legislation before adjournment. The House has begun work on the

companion measure—it has already been reported from subcommittee—and if the Senate passes S. 786 today, I am hopeful that the House will very shortly follow our example.

The Reagan administration strongly supports this legislation. Both Secretary of Treasury Regan and Secretary of State Haig have testified in favor of fulfilling the U.S. commitment to the IDA replenishment. The sixth replenishment represents an agreement reached after 19 months of negotiations among 32 donor countries. To renege now on what the United States has agreed to contribute to IDA–VI would undercut the credibility of other U.S. international commitments and be deeply resented by our allies and other member nations.

Only the Soviet Union and its puppets would rejoice—we would play right into their hands. The Russians would love to see us abandon our commitments to the multilateral development banks. Terrorism and communism thrive on poverty and human misery, the very conditions the International Development Association attacks.

IDA is the principal source of external assistance for some of the poorest countries in the world, many of whom are important to the United States for security and foreign policy reasons. Nearly three-fourths of IDA loans go to countries with per capita income under $360. IDA loans help the poorest people in the poorest countries, especially through IDA's emphasis on agriculture and rural development—one-half of IDA loans. Major IDA borrowers—many of whom ring the Indian Ocean and have been subject to Soviet efforts to expand influence—include Pakistan, India, Bangladesh, Sri Lanka, Indonesia, Kenya, Sudan, and Egypt.

IDA is especially important now—in a world economy facing difficult adjustments to higher oil prices, high inflation and interest rates and slower economic growth. IDA helps keep the development process going in the poorest countries.

IDA stretches U.S. aid dollars, because other countries contribute $3 for every dollar the United States contributes.

Other countries have increased their share of IDA contributions. The U.S. share of the sixth replenishment is 27 percent, compared to 42 percent when IDA was formed in 1960 and 31 percent in the fifth replenishment. The member countries of the European Community will provide 39 percent, and Japan 15 percent, of the sixth replenishment.

The Reagan administration has proposed to further reduce the immediate budgetary impact of U.S. participation in the sixth replenishment of IDA by phasing the 3 years of appropriations so that the largest amount would be paid in the final year. The amounts to be appropriated are $540 million in fiscal year 1981—which would be included in a supplemental appropriations bill to be considered shortly; $850 million in fiscal year 1982; and $1,850 million in fiscal year 1983.

Title II of the bill authorizes U.S. membership in the African Development Bank. This measure was also included in the legislation which passed the Senate last year, and as in the case of IDA–VI, U.S. membership in the AFDB is strongly supported by the Reagan administration and must be enacted promptly to avoid damaging U.S. interests.

United States relations with African countries will be strengthened by joining the AFDB, which is an African organization, developed and run by Africans. AFDB was formed in 1964 by 33 newly independent African nations and now has 50 independent African states as members. The Bank decided to invite non-African states to join in order to increase the Bank's access to private capital markets and its resources. Twenty other non-African states are now prepared to join the Bank.

The AFDB provides loans to African member states for development purposes consistent with U.S. objectives. AFDB makes loans on near market terms primarily to strengthen the agricultural sector and to finance critically needed infrastructure projects. AFDB gives priority to projects involving cooperation between two or more African member states.

The proposed U.S. share is modest compared with the shares of other countries. The total U.S. subscription of $360 million, including $90 million in paid-in capital, constitutes 5.7 percent of the Bank's capital and 17 percent of the subscriptions to be made by non-African contributors.

The United States will lose procurement opportunities if it does not join; U.S. procurement currently exceeds the proposed U.S. paid-in capital subscription to the AFDB. Once non-African members are formally admitted, nations not joining will lose the right for their nationals to bid on AFDB-financed procurement. United States firms currently win about 9 percent of AFDB-financed procurement. AFDB will extend $300 million in loans this year, of which about $27 million would flow to U.S. firms based on the historical average; the U.S. paid-in capital subscription for this year, by contrast, would be $18 million. An expanded AFDB will yield larger procurement opportunities for U.S. business in the future, if the United States joins the Bank.

The United States will be unable to name a U.S. citizen to the Board of Directors of the AFDB if it does not join when other non-African states join. Should the United States join later, it could be required to wait up to 3 years until a vacancy occurs among the six non-African directors.

Finally, I would point out to my colleagues that both the African Development Bank and the International Development Association help to promote market economies in developing countries.

Deputy Assistant Secretary of State Johnston testified before the Foreign Relations Committee on March 25 as follows:

IDA and the African Development Bank are the principal economic institutions that further our security interests indirectly in Africa and in the poorer countries of the rest of the world. The recent colonial experience of most of these countries seems to have predisposed many of them towards statist and interventionist development policies. Their poverty makes commercial borrowing extremely difficult and their suspicion of Western patterns of international trade and investment reduces their openness to private market forces that could benefit them enormously. IDA and the African Development Bank and Fund are major forces in these countries operating to counter these tendencies and to promote market-oriented development policies and economic efficiency.

The third title of S. 786 contains language which would alter the manner in which U.S. contributions of callable capital to multilateral development banks is treated in appropriations acts. Callable capital is used by the multilateral development banks to back up paid-in subscriptions. Callable capital would be used only to meet obligations to bondholders in the highly unlikely event that the banks' other resources are insufficient to meet those obligations. The banks have nearly perfect repayment records, as well as large cash reserves. Therefore, we are unlikely to need to provide callable capital to the banks.

Nevertheless, until recently Congress had been fully appropriating callable capital as if it were an ordinary expenditure instead of a contingent liability. The Congress changed the treatment of callable capital for the Inter-American Development Bank last year. This bill would complete the process by revising treatment of callable capital for the World Bank and Asian Development Bank.

Mr. President, the Committee on Foreign Relations has given the strongest endorsement to this legislation, as it did last year. This is a matter of high priority for the United States. I urge my colleagues to support S. 786, as they supported similar legislation last year.

Mr. President, at this time I should like to read the letter from Secretaries Haig and Regan.

THE SECRETARY OF THE TREASURY,
Washington, April 28, 1981.

Hon. THEODORE F. STEVENS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEVENS: You will soon be considering S. 786, a bill to authorize U.S. participation in the Sixth Replenishment of the International Development Association (IDA VI) and membership in the African Development Bank (AFDB). This legislation is the same as S. 2422, which passed the Senate by a vote of 53 to 24 in May 1980 but which died for lack of House action at the end of the last Congress.

We need your support for prompt passage of this legislation, which is vital to U.S. foreign policy and to international economic relations. Activation of IDA VI has been delayed almost one year. IDA is out of funds and all new lending is being made on a contingent basis. U.S. credibility with our allies and with developing countries around the world is suffering. Other donors, who have already made advance contributions of $1.9 billion in anticipation of the U.S. contribution, will not provide more of these funds until the United States comes up with its share.

Seven of the top ten recipients of IDA are on the periphery of the Indian Ocean and all have been subject to efforts by the Soviet Union to expand its influence. IDA

offers a substantial reason to these countries to maintain a Western orientation and a free market economic system. The $3.24 billion U.S. share of the $12 billion replenishment will be provided over three years beginning in fiscal year 1981.

U.S. membership in the African Development Bank will be a politically visible affirmation of U.S. interest in economic stability in Africa and is essential to ensure U.S. influence in the policies of the institution. The $360 million subscription will require $90 million in budget authority, which will be provided in equal installments over five years beginning in fiscal year 1981. The remainder will be subject to program limitations and not require outlay of funds.

S. 786 merits your strong support when it is brought to the floor.

Sincerely,

ALEXANDER M. HAIG, Jr.
DONALD T. REGAN.

Mr. President, I have just been advised by the Treasury that IDA has already had to stop all new lending. There will be no IDA loans until the United States approves the Sixth Replenishment.

Mr. President, I cannot imagine a more irresponsible action by the Senate of the United States if we fail to honor this agreement reached among 32 countries over 19 months of negotiating. There was some concern at the beginning of the Reagan administration as to whether this should be cut back. It was thoroughly analyzed and appraised at that time by Secretary Regan and by Director of OMB David Stockman. During this period of time, the payment schedule, heavily loading the third year, was worked out. This gives us 2 years of breathing space. These are the two critical years.

This in no way would abrogate our agreement and our responsibility. It would not inhibit the work of the bank. As of now, IDA and the Development Bank activities are entirely and solely dependent upon the United States of America. They are, therefore, the responsibility of every single Senator in this body.

The Soviet Union, as I have said in my statement, as an adversary of the United States and certainly in areas of world propaganda, could have no better opportunity offered to them, if they wish to exploit it and take advantage of it, than to point out this beginning for the Reagan administration to have a request, a firm request of the President of the United States, made and then to have it turned down by the Senate of the United States. This is a Republican Reagan administration. This IDA Bank analysis has been made by the top levels in the administration, over a period of months. What has been worked out is totally and entirely satisfactory with David Stockman, who cannot be looked upon as a spendthrift, and Donald Regan, whose reputation for fiscal responsibility is paramount, well known, and is supported wholeheartedly by President Reagan. There is no if, and, or but about that.

The reputation of the United States of America is on the line. It is in the budget. Full provision has been made for it. It has been supported by the Budget Committee in this regard. I think it would be a disaster for the Senate to send a signal to the rest of the world that we are going to turn our back on them, particularly when the signal would be one of utter folly.

As a businessman, I cannot find a major businessman in this country who would oppose this. It is good business when we put $1 in and the other $3 are put in by the rest of the world. In bilateral assistance, it is all from the United States of America and we take all of the blame for it. As we found out in India, billions of dollars of credits have to be forgiven, because a poor country, as India certainly was in that condition years ago—with drought, hunger, and all kinds of problems—the United States worked out a forgiveness of debt. The World Bank has never had a default on any of its debts. The countries of the world pay back the World Bank. They do not always pay back another country, a rich country, that lends them money.

Mr. President, this is the way for us to carry on this kind of work. We put in $1, they put in $3. Then, for every dollar loaned by IDA, $3 ends up being spent here in the United States of America.

How can we do better than that, Mr. President? What businessman would say that this is not an utter fiscal responsibility and turn this down, turn our back on 32 countries, walk out on the poorest when all other countries have been willing to put in their fair share? Our fair share has gradually declined from 42 to 27 percent over a period of years, since the early sixties.

Mr. President, that record of gradually adjusting our contribution level has been worked out by Republican and Democratic administrations and supported by Congress year after year. It is fair, it is equitable. But for us to vote no on this today. I do not see how a Senator could live with his conscience, if he backs off of the President of the United States, turns his back on the poor people of the world, turns his back on a good deal for the United States of America, far better than any bilateral assistance programs, in the judgment of the Senator from Illinois.

If I have some strong feeling on this matter, it is because the feeling has been imparted to me by the Reagan administration that this would be a disastrous course for the Senate of the United States to follow and for the United States to follow.

I am happy to yield now to the ranking minority member of the Committee on Foreign Relations, whose record has long proved him to be a friend of development assistance when it has the kind of solid background and foundation that this program has.

Mr. PELL. Mr. President, the chairman of the committee is absolutely correct. I have long believed in multilateral assistance and have supported U.S. participation in the International Development Association and the World Bank.

Mr. President, we begin consideration of this year's foreign aid legislation with S. 786, a bill authorizing continued U.S. participation in the International Development Association (IDA) and authorizing U.S. membership in the African Development Bank. The bill also changes the budgetary treatment of callable capital for multilateral banks.

As many of my colleagues will recall, this is not new business for the Senate. Last year on June 16, the Senate considered and passed by a vote of 53 to 24, a virtually identical bill—S. 2422. Because the House failed to take comparable action before time ran out; the Senate, at the request of the Reagan administration, must once again consider U.S. participation in the sixth replenishment of the International Development Association (IDA VI) and U.S. membership in the African Development Bank (AFDB). On March 25, 1981, the Senate Foreign Relations Committee once again reported this measure favorably to the Senate by a vote of 14 to 1.

Mr. President, U.S. participation in IDA VI will require an authorization of $3.24 billion to be made available over a 3-year period, 1981–83. These funds will be provided to IDA in three unequal installments—$540 million in fiscal year 1981, $850 million in fiscal year 1982, and $1,850 million in fiscal year 1983. The U.S. contribution represents only 27 percent of the total $12 billion replenishment—a share significantly below past participation.

In addition to authorizing U.S. participation in the latest IDA replenishment, S. 786 would also authorize the President to accept membership for the United States in the African Development Bank and to authorize appropriations of $359.7 million as the U.S. share of the subscribed capital stock of the Bank. However, only $90 million of these funds constitutes paid-in capital and will actually become outlays—this to be spaced over a 5-year period beginning with $18 million in fiscal year 1981. The remaining $269 million will be used to subscribe to the callable capital portion of the capital subscription. As is the case with other multilateral development banks, the callable capital portion is unlikely ever to be needed by the AFDB and, therefore, will never be disbursed by the U.S. Treasury.

A decision by the United States not to participate in the most important Pan-African development institution would be a severe blow to U.S. foreign policy and security interests in the region. Important African member countries such as Nigeria, Kenya, and Somalia place a priority on U.S. participation in this institution, and would react strongly should the United States decide against joining.

Mr. President, there are several sound economic reasons for continued U.S. support of the multilateral development banks:

The banks contribute to the growth and development of nations which are increasingly important to us as trading partners and allies: U.S. trade with the developing world is greater than our trade with Europe and Japan combined.

The banks are efficient and cost effective.

The banks provide direct economic benents to the United States: the Treasury Department has estimated that for every $1 we contribute to the banks,

$1.57 is injected directly into our domestic economy.

The International Development Association, the African Development Bank, and other multilateral institutions are important links between the developing world and the Western democracies. These institutions are a means by which we exert positive, global leadership and, as such, are important elements in the conduct of the foreign relations of the United States.

Mr. President, the Committee on Foreign Relations has twice considered this bill, and each time has recommended that the Senate consider favorably. I urge my colleagues to support passage of S. 786.

Mr. PERCY. Mr. President, the manager of the bill understands that the Senator from Arizona (Mr. DECONCINI) wishes to offer an amendment, and he will be ready to do so in a few minutes. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. PERCY assumed the chair.)

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. I thank the distinguished chairman of the Committee on Foreign Relations for his graciousness in making it possible for me to speak at this time.

Mr. President, after listening to the remarks of the chairman and the ranking minority member, I should like to observe that these are the same arguments we have heard before.

I point out to my colleagues that this is a $3.24 billion bill. It was negotiated by the past administration. If there ever were a mandate for a change in our policy of papering the world with American tax dollars, it occurred in November of 1980.

IDA has the same story of most of our sad tales of foreign aid programs: The United States puts up 27 percent of the money, but the United States has only 21 percent of the vote. We only get 15 percent of the contracts.

When I think about how money could be used to generate growth, and I know the chairman made some comments to the effect that we spent $1 and we get back $3, if that is the case, I would rather see this money spent in a program where we can direct it and the money would all come back here. It would not go to contracts that would go to other countries, and there are foreign countries that get a lot of these programs.

India, a country that is renown for its poverty, recently built a nuclear weapon. India is a good example of trying to help a foreign country and then they are building nuclear weaponry with some of these dollars.

Where do they get those dollars or those foreign moneys, or did they produce them themselves? It is very questionable. It is hard to tell. I will agree.

I think that IDA does not necessarily contribute to growth. The people of the World Bank staff are still from the school of economics that put this country into such an economic mess that we are now in. They believe in redistribution of the wealth schemes, which have hurt growth, hindered investment, taken away and discouraged people from taking risks, and try to come up with Government solutions to these programs.

So I personally, as one Senator, would feel very uncomfortable in trying to keep up a commitment that was made in a past administration. I know that the present administration is for this, and I do not like to be in a position to be opposing what this administration wants, but the past administration negotiated this, and we are now cutting domestic programs. People are coming in every day calling on Members of the House of Representatives and Members of the Senate to talk to them about, "We want to cut here, we want to cut there, we want to balance the budget, but do not cut my program."

Here we are with $3.24 billion that is going to be pumped on down the pipeline of this bad story in the history of America's foreign aid program. I think it would be a good time for us just to put a hold on this and we could renegotiate this later after a thorough review and appraisal, which is presently underway, of the World Bank. Why is it the United States only gets 15 percent of the contracts? Why is it we put up over a fourth of the money but get less than a fourth of the votes? Why is it that India gets 41 percent of the loans from IDA? Why is it that there are still people in the World Bank who are still promoting the tired old ideas of Keynesian economics and redistribution of the wealth schemes which have hindered growth, and so forth?

So I think that it would be much better to keep this money here in the hands of the private entrepreneurial people in the United States, build our own economic system, get the 8 million Americans who are not employed in this country today working here and producing and set that kind of an example across the world.

That is why I intend to oppose this resolution today and vote no, and I hope that many of my colleagues will join with me and vote this down and send a message out there to the tired taxpayer of the United States who has been taxed and taxed to death and at the same time he or she has seen Congress just borrow some more and paper walls with greenbacks. They see the value of their money depreciating daily with high inflation rates, just because of programs like this.

So, I hope that this will be defeated today and we will start on a new track of what the people voted for November 4, 1980, and that is to stop throwing American taxpayer dollars around the world for problems that could much better be solved by exporting the ideas that made America great.

If we want to do some good for foreign policy we need to get some people working at the State Department who will be out promoting capitalism, promoting the ideas that built America, promoting the ways for the people to have economc growth, and not just try to send money somewhere to promote some kind of a socialistic government which ends up redistributing the wealth rather than producing new economic resources.

So I will once again say that I think this would be a good time for my colleagues just to join in voting this down, and we will start this country on a track that we are going to balance our own budget, get our own house in order, get our own economic system generating, set an example for other people in the world that we can outproduce them and then we can send out some ideas.

I have often said, and I have heard President Reagan say this when he has been out on the stump in the past, that what we need to do is to export the likes of Sears Roebuck catalogs so they will see what we produce over here and then export the ideas that made the economic system possible. Then we will go a long way toward solving these problems around the world, but not by just blanketing the world with money when our own taxpayers are tired of having their taxes raised. We are talking about tax increases of bigger proportions, if there are not some major tax reforms, in this country than made at any other time in our history in order to try to stay within a balanced budget.

I yield back the remainder of my time and, Mr. President, thank you.

Mr. BRADLEY. Mr. President, the United States has an ever growing stake in the countries of the developing world. Accordingly, we have a strong interest in the future of the International Development Agency, or IDA, the soft-loan window of the World Bank, and in the future of the African Development Bank, a bank created in 1964 which now serves all 50 independent African nations and which for the first time is inviting non-African nations to become members.

We have a strong interest in the success of these institutions in promoting development, a strong interest in continuing to participate positively and visibly in institutions dedicated to development, and a strong interest in influencing the character and activities of such development institutions.

Mr. President, we will dangerously undermine these important interests if the United States again fails to enact legislation authorizing U.S. participation in these institutions for the coming years. To fail to enact this legislation would be a reckless act, throwing away so much for so little gain. I am proud that the Members of this body, my distinguished colleagues in the Senate last year voted 53 to 24 to enact this same legislation. But the legislation died because our colleagues in the House failed to act on a comparable bill. Let us this year again send to our colleagues the message of strong support for protecting U.S. influence in these institutions, thereby encouraging them to take timely, positive action in concord with the Senate and in accord with American global interests.

Mr. President, there is a growing temptation these days to try to reduce our problems, including our budget accounts, by cutting our ties to the world. Mr. President, this temptation will only lead us astray. Not only is it infeasible to walk away from the rest of the world—

the structural relations that link our economy, national security, and culture to the world will remain—but walking away is not the course toward solving our problems. Quite the contrary, what will is to manage our relations with the rest of the world in ways designed to maximize our benefits from them.

If we count ourselves out, we will be counted out by others. If we are petty in our transactions, then we will reduce our image to that of a minor power, a power that has become small minded and unable to command the vision required of true leadership. And if we think parochially, we will leave ourselves outside the circle of dynamic growth in the world whose center will more and more veer toward countries of the developing world.

U.S. economic growth in the future will be based on positive interaction with world markets. Sales abroad can spur our high growth, technologically sophisticated industries. Foreign source minerals and other resources will be needed to feed our industries, particularly our basic ones. And decisions made abroad will determine the structure of international investment and the strength of the American dollar. If we handle our economic relations skillfully, these interactions will stimulate U.S. growth and prosperity.

Our economic relations with countries of the developing world will play a larger role in determining our prospects for growth. Markets in the developing world have been the most dynamic source of growth for U.S. exports. Our exports to these countries grew at an average annual rate of 18 percent in the 1970's, compared with only 15-percent growth in our exports to other industrialized countries. Developing countries now take nearly 40 percent of U.S. exports, purchases which account for more than one-half million jobs in the United States. U.S. sales to these nations exceed our combined sales to the European community and Japan. Further the United States has enjoyed large surpluses in its balance of trade in manufactured goods with developing countries. They also are important customers for U.S. services, accounting for some $17 billion of the United States' $25 billion surplus in services in 1978.

This is just trade. U.S. industry relies heavily on imports of minerals from developing countries, and many of these minerals are critical to our economy and defense capability. Further, U.S. foreign direct investment in these countries amounts to about $50 billion; outstanding loans to them by U.S. private banks total some $86 billion.

Our political relations with developing countries are no less important. These emerging countries are, and will continue to be, major arenas of competition between the United States and the Soviet Union. Many of these countries are now in the delicate situation of consolidating their statehood, stabilizing their domestic political structures, and establishing the foundation of viable economies. Their leaders are looking for friends in the world and for profitable political and economic ties upon which to base a secure nation. They are strongly influenced by U.S. behavior in multilateral undertakings. The skill with which we handle our relations with them will affect our political strength in the world. And many of these countries, particularly African countries, are situated so as to make them of considerable strategic significance of the United States.

Mr. President, this is the economic and geopolitical background to the decision we will make today about participating in IDA and the African Development Bank. Of course, the nations who benefit from IDA loans are not the same ones who now rapidly consume U.S. products, and not all IDA beneficiaries are politically or strategically significant to the United States.

But investment in IDA is a long-term, broad-reaching investment. IDA beneficiaries are, indeed, the poorest of the world—that is what qualifies them for concessionary loan terms—but they can become the success stories of tomorrow, joining the Taiwan, Brazil, and South Koreas of today in their surging demand for the capital goods that constitute a comparative advantage of the United States. In this vein, it is worth noting that Mexico, Brazil, Argentina, Korea, and Venezuela, countries who as developing countries, have benefited from development loans will take on the role of donors to IDA under this new replenishment.

Further, the rest of the developing world is watching what we do with regard to IDA, and with regard to the African Development Bank, a bank that will serve a region embracing many of the world's poorest countries and people. The developing world will not be encouraged to bind their economies with ours, or to rest their political futures on confidence in our leadership, if we show insensitivity toward the world's poorest. They will not be encouraged if we ignore our commitments to participate in the development institutions that are critical to their survival. We will in no uncertain terms be sending the signal that we are not a power with whom developing countries confidently can deal, that we are not a power who will work with them for mutual benefit in a strong world economy and stable world order.

Let us not compound the embarrassment of having failed on our IDA commitment last year. Our failure to make good on our commitment forced our allies to provide a financial bridge for IDA to permit its continued operation. Without this legislation this year, even that tenuous bridge will collapse.

Let us not ignore the invitation of African countries to play a role in their national aspirations by taking up a significant share in their development bank. If we let the invitation lapse, others will take our place. We will lose the opportunity to appoint one of the Bank's six Directors. We will also lose for U.S. firms the chance to bid on those procurements financed by the Bank. But worst of all, we will lose the trust of Africa's people, whose trust we will need more and more to help us face the economic and political challenges of the future.

The world's development institutions are not perfect. There is room for improvement to make them more cost effective and better targeted. But our voice on these matters will not be heard unless we participate. Let this be a strong voice, one that speaks with conviction about the pursuit of human betterment and with confidence that we are doing the best we can to achieve it. I urge my colleagues to show a well of support for those institutions which link us to people throughout the world, most of whom are less fortunate than we. I urge them to show support to those institutions which we helped found in order to nourish those important links in the world we share.

UNANIMOUS-CONSENT AGREEMENT

Mr. BAKER. Mr. President, I wonder if the distinguished chairman of the committee and the ranking minority member will permit me at this point to address an inquiry to the minority leader about a unanimous-consent agreement for another matter out of the Foreign Relations Committee to be disposed of later?

Mr. PERCY. The Senator from Illinois is more than pleased to yield for the purpose of agreements that have been worked out.

Mr. BAKER. Mr. President, I thank the Senator from Illinois, the chairman of the Foreign Relations Committee.

Mr. President, as I indicated earlier in a colloquy with the distinguished minority leader, who is in the Chamber, negotiations were underway between the two sides looking toward the possibility of an arrangement for the disposition of two nominations, that is the Pauken nomination for ACTION and the Ruppe nomination for the Peace Corps.

I am advised that an arrangement has been worked out and I wish now to propound a unanimous-consent request. I have supplied a copy of this request to the distinguished minority leader, and I understand that both our cloakrooms have checked this item extensively. Let me propose this request now.

Mr. President, I ask unanimous consent that on Thursday, May 7, 1981, at the hour of 9 a.m., the Senate go into executive session for the purpose of considering the nomination of Thomas W. Pauken to be Director of the ACTION agency, and that on that nomination there be a time limitation of 2 hours for debate equally divided between the majority and minority leaders or their designees, with a vote on the nomination to occur at 11 a.m., and further, that upon the disposition of the Pauken nomination, the Senate proceed immediately, and without intervening motion, to the consideration of the nomination of Loret M. Ruppe to be Director of the Peace Corps, with a time limitation thereon of 1 hour equally divided between the majority and minority leaders or their designees, with a vote on that nomination to occur at 12:15 p.m.

The PRESIDING OFFICER (Mr. KASTEN). Is there objection?

Mr. ROBERT C. BYRD. Mr. President, that request has been cleared on this side of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the distinguished minority leader and I thank the distinguished chairman and ranking minority member for permitting me to interrupt their debate at this point in order to gain this agreement.

Mr. President, I hope now that this item is disposed of that later in the day I can make another announcement, after consulting with the minority leader about the schedule of legislative and executive activities of the Senate on tomorrow and Friday and perhaps the early part of next week.

CONTINUED U.S. PARTICIPATION IN INTERNATIONAL DEVELOPMENT ASSOCIATION AND AFRICAN DEVELOPMENT BANK

The Senate resumed consideration of the bill.

Mr. DECONCINI addressed the Chair.

Mr. PERCY. Mr. President, will the distinguished Senator withhold offering an amendment until we propound a unanimous-consent request? It is my understanding that the distinguished Senator from Arizona will be offering an amendment. It is my understanding that he has agreed to a time limitation of 30 minutes for each side and 15 minutes for each side for any substitute that may be offered.

Mr. President, I make such a unanimous-consent request at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 64

Mr. DECONCINI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes an unprinted amendment numbered 64:

On page 11, line 20 strike "3,240,000,000" and insert in lieu thereof "2,430,000,000.".

Mr. DECONCINI. Mr. President, the total administration request for the multilateral development banks is $4,119,309,873. This includes $1,478,375,832 in budget authority for direct contributions which must be appropriated and $2,640,934,041 in so-called callable capital. Callable capital, by the way, is now proposed to be treated as a program limitation rather than appropriated as it was previously.

Thus, the revised Reagan budget for the MDB's in fiscal year 1982 envisions an increase of $2,554,474,265 over existing levels of funding for fiscal year 1981. This represents a modest increase of 163 percent above the 1981 base, excluding pending supplementals.

I understand the administration, having talked with the Secretary of Treasury and others, felt a commitment based on the past administation's commitment.

The current level of budget authority for the MDB's in fiscal year 1981 (exclusive of supplementals) is $485,614,265. The administration's 1982 request for new budget authority is $1,478,375,832, an increase of $992,761,567 or 204 percent. The administration also proposes to increase callable capital from $1,079,221,343 to $2,640,934,041—an increase of $1,561,712,698 or 144.7 percent.

Let it be stressed that this is the administration's revised budget. The bill before us authorizes funding for two elements of the total MDB package: The International Development Association, the concessional or soft loan window of the World Bank, and the African Development Bank, which is, incidently, a new initiative for the United States, which has not heretofore been a member. The administration's request for the IDA VI replenishment, which this bill authorizes, assumes a ballooned schedule of disbursements; that is, $540 million in fiscal year 1981, $850 million in fiscal year 1982, and $1,850,000,000 in fiscal year 1983. The current level of funding for IDA is $20 million. This the administration proposes to increase in fiscal year 1981 by $540 million to a total of $560 million. Thus the increase in fiscal year 1981 alone is 2,700 percent over existing levels. The increase for fiscal year 1982 from $20 million to $850 million is $830 million or 4,150 percent. Or if you take the administration's request for fiscal year 1981 as a base, the fiscal year 1982 increase is $290 million or a mere 51.8 percent.

Whatever figure you look at, Mr. President, it is a hefty one.

My amendment, Mr. President, would reduce the total authorization for the IDA VI replenishment by 25 percent or $810 million. I congratulate the President on his stellar performance before the joint session of Congress last night. He is absolutely right that the time to act is now. We must begin to get Federal spending under control. And to make substantial headway in doing so will require significant sacrifices by every sector, group, and, indeed, every constituency in our society. But if we are going to get a package of cuts of the magnitude necessary to support a realistic and workable economic recovery program, it is imperative that the costs and deprivations associated with those cuts be—to the maximum extent possible—equally shared. Equitable burden sharing is the indispensable ingredient of the kind of economic adjustments that will be required to restore fiscal discipline in the public sector and enhanced performance and productivity in the American economic system.

Now, Mr. President, President Reagan and Mr. Stockman have proposed a budget plan which I think represents a good beginning. They recommend a broad range of reductions across the entire spectrum of domestic economic policy. Many, if not most, of those cuts I expect to support and have just 3½ weeks ago. But it must be underscored that those cuts are going to hurt. They are going to have an adverse impact on the economic, social, and educational opportunities of millions of American citizens, many of whom are by any fair standard victimized by serious disadvantages and handicaps.

Let me just give you a few examples of the kind of reductions I have in mind.

With respect to housing, the Reagan plan cuts the number of additional section 8 units in fiscal year 1982 from 260,000 to 175,000 and $8.7 billion, rescinds $4.6 billion in fiscal year 1981 housing assistance, increases tenant rent contribution from 25 to 30 percent of adjusted income over the next 5 years, terminates HUD Indian housing program, and rescinds $2 billion in fiscal year 1981 funds.

If there is a time not to cut American Indians, particularly in their housing—and my colleagues who would like to visit a reservation and see exactly what we are talking about, can do so—I think we ought to find someplace else to make the cut or if we are going to cut Indian housing and public housing we ought to cut the IDA fund as well.

In terms of community development, the Reagan plan combines community development block grants and urban development action grant programs and cuts $0.5 billion from fiscal year 1982 request of $4.6 billion, halves fiscal year 1982 farmers home waste water and disposal loan program, from $0.6 billion to $0.3 billion, and rescinds $0.2 billion of farmers home water and waste funds for fiscal year 1981.

For employment and training, the Reagan plan severely cuts certain portions of the Comprehensive Employment and Training Act (CETA) or in some cases, terminates them.

The Reagan plan eliminates funds for the Legal Services Corporation.

For food stamps and nutrition programs, the Reagan plan cuts food stamps by $1.8 billion and eliminates 400,000 families from food stamp rolls, and cuts child nutrition programs by $1.6 billion or approximately 40 percent. For social and health services, under the Reagan plan the States would receive, approximately 75 percent of the total categorical funds it received in fiscal year 1981.

For aging programs, the Reagan plan cuts funding from fiscal year 1981 levels by $14 million, from $758 to $744 million and would include no maintenance of effort or matching requirements.

In the veterans' area the Reagan plan called for in excess of an $800 million reduction for veterans' medical care and, as we know, we cast a vote on that in this body on the reconciliation resolution. An effort to restore less than half of that, $300 million, was defeated 44 in favor of restoring and only 56 or a grand total of 56 opposed to it, and so we did not restore anything to the veterans. Yet we are asked here to make a modest 100 and some percent increase.

Now, Mr. President, I do not believe it is fair to require the American people to bear these sacrifices while providing these enormous increases in foreign aid. If this country cannot afford to continue providing support at existing levels programs that directly benefit Americans, then we cannot afford to continue year after year to augment our contribution to these institutions over which we, as the Congress, have virtually no control. I think the American people would agree with this position, I think it is consistent

with President Reagan's economic recovery plan which he so forcefully articulated last night and I urge the adoption of my amendment.

I think the Senator from Idaho put it very well. There certainly was a message and there has been a message for some time, and that is to reduce our contribution in foreign assistance.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, I send to the desk a substitute for the DeConcini amendment.

The PRESIDING OFFICER. The Chair informs the Senator from Illinois that the amendment is not in order at this time until the time of the Senator from Arizona has expired.

Mr. DECONCINI. Mr. President, I yield the floor and not the remainder of my time.

The PRESIDING OFFICER. Does the Senator yield the remainder of his time?

Mr. DECONCINI. No, I just yield the floor.

Mr. PERCY. Mr. President, it is the intention of the floor managers of the bill, Senator PELL and I, to offer a substitute after the time has expired, though we may well be prepared to yield back the balance of our time after we have completed our comments.

I wonder if we are all aware what the consequences of the DeConcini amendment to cut the U.S. contribution to IDA by 25 percent would be.

Obviously there is a certain appeal to doing this, because, after all, we have cut a great many other domestic programs and we have cut foreign aid programs. Why not cut the World Bank? It sounds like an appealing thing. But when we look at it, we are really cutting the heart out of this program. And in a sense we would have to say, and I will repeat it many times if necessary, a vote to cut is really a vote to kill, because this is an agreement that has been reached between 33 countries over a period of 19 months in this sixth replenishment negotiation.

Any reduction that we make in the total U.S. contribution of $3.24 billion would force a complete renegotiation of the sixth replenishment of IDA. U.S. participation at the negotiated level is necessary for the agreement to come into effect, because 80 percent must be approved and the U.S. share is 27 percent of the total.

Without U.S. participation, there would be no chance for any IDA loans to be made. The window has shut; it has slammed; it has been closed now.

Now what are the consequences? What would happen in Arizona if a major Arizona bank just closed its doors for an indefinite period of time? What would happen if the United Bank on which the whole growth of Arizona depends, or those banks in Tucson and all around the State, would just close their doors to go back for an indefinite negotiation on what their capitalization should be?

Well, you might be able to negotiate that in a week, a month, or a year, if it were in the private sector. Or you might be able even to renegotiate the fisheries treaty with Canada. It just involves two countries. But we have been negotiating that treaty for a number of years and we have just today decided to separate it out because we cannot come to an agreement on it.

What would be the cost to this country? What would be the cost, the actual outlays for the expenses of personnel to explain all over the world what the United States has done when no one in good conscience could explain it in any way that would make sense to anyone? The United States has suddenly walked out. It has closed the door of the World Bank's IDA window. The same thing that would happen in the world as would happen in Arizona if the Arizona Bank closed and United Bank closed. There would simply be no loans made. Would Arizona's progress continue? They are dependent upon those great growth institutions.

I am very happy to say I believe enough in the growth of Arizona, as my financial disclosure would reveal, that I own stock in both of those great banks. But what would happen if they closed their doors?

Mr. DECONCINI. Mr. President, will the chairman yield?

Mr. PERCY. I am very happy to yield to the distinguished Senator from Arizona.

Mr. DECONCINI. Mr. President, if the chairman owns stock in those banks, we welcome that ownership. Believe me, it is very important to the development of our State.

But if the chairman read those annual reports and looked at the management of those banks, I think the chairman would agree that they will not work on a deficit basis. They will not continue to expand if they cannot pay their bills and if they are bankrupt. And that is what this Nation is and that is what this is all about.

But my question, really, to the chairman is, is it correct that in the negotiations to fund these particular items, that congressional approval is part of the written agreement or the verbal negotiations; that when the U.S. commitments are made to participate in a monetary basis with these funds, is it subject to any congressional approval? Is there any notice given to the Allies or our friends or the other nations who are dealing here that the U.S. executive branch does not have the authority to just commit? Is there any kind of condition?

Mr. PERCY. Mr. President, I wonder if the distinguished Senator from Arizona, when he talks about the bankruptcy of the United States of America—as the Senator from Illinois understands bankruptcy, it is when you cannot pay your bills. Is there any bill not being paid by the U.S. Government today? The U.S. Government has one of the greatest credit ratings in the world.

Mr. DECONCINI. Mr. President, if the Senator will yield, I would suggest that when we had to raise the national debt limit $50 some billion just a couple of months ago, that would certainly indicate to me that we are not in very good financial condition.

Mr. PERCY. Mr. President, I wonder if the Senator could tell me how all the commercial organizations rate the U.S. savings bonds? Is there any safer investment in the world? Is there any investment that has a lower interest cost?

Mr. DECONCINI. I can only respond to the distinguished chairman that if he sees what I see in this country, inflation is eating away at those dollars. The people of this country do not feel so sure about the American financial system when they see us add on another $50 billion debt—almost a trillion dollars we are in debt, no effort to reduce that and we are, for the first time—and I applaud the administration—coming in here and asking us to reduce some expenditures, but not in this area. They are asking for an increase.

But I would like to ask the chairman if he could answer my question, because I do not know: Is there a condition when these negotiations are put together that is subject to congressional appropriation or approval?

Mr. PERCY. Mr. President, there is no way that we can reduce the amount and not place it back into full renegotiation with 32 other countries. That is why the administration so thoughtfully and carefully worked this out, so that it would take into account the very condition my distinguished colleague from Arizona has pointed out, the perilous financial condition, not bankruptcy, but the perilous financial condition that we face if we continue this kind of activity.

They have very carefully worked it out so that the outlays and the authorizations in the first 2 years are minimized and the loading is in the third year, at which point their own projections show the U.S. economy could be in much healthier shape than it is today.

Everything is relative. The American economy is a healthy economy compared to most other countries in the world. The credit standing of this Nation is unparalleled. The credit standing of this Nation enables it to borrow money cheaper than any corporation in the country can.

As a matter of fact, many times a Government guarantee brings down the cost of those loans, whether they are made to farmers in Arizona or whether they are made anyplace else. This is an important factor.

I wonder if the Senator would yield further.

Mr. DECONCINI. I do not have the floor.

Mr. PERCY. The Senator from Illinois apparently has the floor.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. PERCY. Mr. President, will the Senator answer this question, because it has been proposed that the Senator's amendment would help save this country from bankruptcy, a financial condition the Senator from Illinois denies exists and does not, in fact, exist. But the Senator from Illinois would quickly concede that we do have a necessity to cut the budget and cut unnecessary expenditures. How much in outlays would the Senator's amendment save the taxpayers of this country?

Mr. DECONCINI. Over the period of this replenishment, through 1983, it is our estimate the savings would be close to $800 million if we did not go through with it.

Mr. PERCY. The Senator from Illinois asked the question, How much in outlays?

Mr. DECONCINI. That is it, over the full period of the replenishment, several years.

Mr. PERCY. The figures given to the Senator from Illinois at my request by the staff of the Foreign Relations Committee indicate that in fiscal year 1981, the outlays saved would be $2.5 million; in fiscal year 1982, $18 million.

Mr. DECONCINI. I will not dispute that as to 1981, but let me say that this country cannot afford to spend $6 million on the immunization program, which is what we voted down 3½ months ago, adding $6 million to the immunization program to bring it up to last year's level, with no increase. Yet at $18 million, the Senator is asking us to spend that much more. It seems to me the Senator has his priorities mixed up.

Can the chairman answer my question: In the negotiations, is there notice to other countries when we negotiate that it is subject to approval by Congress, or is it a commitment that must be met as far as the chairman is concerned?

Mr. PERCY. I would like to read language from the report:

> Three years ago the Congress expressed its belief in a sense-of-the-Congress resolution that the U.S. share in each of the multilateral banks should decline from its previous level. The administration has been responsive to this viewpoint in subsequent negotiations of U.S. shares in capital increases and in replenishments. In each of the MDB's, the U.S. share of subsequent replenishment has declined from its previous level, with other countries, including OPEC and a number of more advanced developing countries increasing their relative contributions to these institutions. In the case of the IDA sixth replenishment included in this bill, the U.S. share for the first time is smaller than the combined share of Germany and Japan. Thus, we have succeeded in assuring equitable participation by other countries in the international development effort managed by the multilateral banks.

What has actually happened is that since the sixties, the participation of the United States in this development fund has decreased from 42 percent to 27 percent, a steady decline, while other countries, commensurate with their increasing ability, have picked up a greater share.

Furthermore, I would like to mention, because the Senator from Arizona did imply that this Bank is different from the standpoint of not making a profit, there was a profit of about $588 million this past year in the World Bank itself.

Mr. DECONCINI. Will the Senator yield for a question?

Mr. PERCY. I am happy to yield.

Mr. DECONCINI. Did the United States receive any of that profit or did that stay in the World Bank?

Mr. PERCY. The United States by its ownership of shares in the Bank obviously does. They may not have been paid out in dividends, the way the Arizona banks pay out in dividends or the United Bank. But it does not matter. The appreciation is there. Those profits are plowed back in and they then decrease the necessity for increased capital, if they retain their earnings. Year after year after year the World Bank has been a solvent bank with a very high credit standing and earned a profit every single year. No country has defaulted to the World Bank. Many countries have defaulted on bilateral loans.

This is a far better way for us to do it.

As the Senator from Illinois said, take into account that for every dollar that the United States puts in, $3 are spent in the United States for U.S. products because the United States is the best market for the World Bank to buy products for other countries, whether grain or manufactured goods.

Mr. DECONCINI. Will the Senator yield?

Mr. PERCY. I am happy to yield.

Mr. DECONCINI. Does IDA receive any return on its investments in the World Bank? If the World Bank makes a profit, does IDA get anything back?

Mr. PERCY. That is like saying does any particular division of General Motors make a profit or not. Some do and some do not.

Mr. DOMENICI. Is there any division of profits from the World Bank?

Mr. PERCY. The World Bank, as a practice through the years, has taken its undistributed profit as a group and then contributed a part of that profit to IDA by a vote of the United States of America and every other member of the Bank. All the other stockholders decide to vote to plow back into the developing world, through IDA, a certain portion of its profits.

Mr. DECONCINI. If the chairman will again yield, as I understand it is not like a division but it is more like a stockholder interest that IDA has or the U.S. Government has in the World Bank. Is that correct? In other words, it is like owning shares. It is like owning a share of stock. Would the chairman equate that to the relationship?

Mr. PERCY. We own capital shares in the World Bank.

Mr. DECONCINI. My question is this: Is there any distribution of those earnings in the World Bank back to the shareholders? Do they actually receive some money back? If so, does the chairman know how much?

Mr. PERCY. The Bank does not pay dividends back because the Bank has been a growing institution through the years. The world is getting bigger, the needs are getting bigger, and as the Bank continues to grow and the world population increases, and the problems continue to mount, there is need for a bank.

I happened to have been with a company that, for many years, preferred not to pay much in dividends to its stockholders. We plowed it back in. The shareholders liked that idea. They did not like the idea of having dividends paid out on which they would pay a very high tax, up to 70 percent. They much preferred to have it plowed back into the organization. So it is true of the World Bank. It has continued to plow back its profits and they are distributed proportionately, obviously, and enrich the holdings, in a sense, of the individual countries who are shareholders.

Mr. DECONCINI. Will the chairman yield?

Mr. PERCY. I am happy to yield.

Mr. DECONCINI. Is it not true that the shareholders of the company that the Senator used to be with had an equity interest where the shares of stock increased during the time they were plowing the profits back, and, in fact, did they not eventually get stock splits and, in fact, receive dividends ultimately? When is the United States, IDA, or anyone else, going to receive a dividend in return for some of the money which has been invested?

Mr. PERCY. I think the benefit and the dividend to the United States is a more stable world. The question is, what kind of a world do we live in? We happen to live in a world where, in a few years, just a few years, 80 percent of all of our raw materials consumed in factories all over this country will come from other parts of the world, a large part from the developing world.

The question is, do we want stability in these countries?

Let us take Jamaica. We get a lot of our bauxite from Jamaica. What would happen to the aluminum industry in this country, or to the aircraft industry which benefits from the aluminum industry, if we had a condition in Jamaica where there was no chance for people to gain, no chance for them to get ahead? Those conditions are what breeds terrorism all over the world.

Mr. President, a parliamentary inquiry. How much time remains to the Senator from Illinois?

The PRESIDING OFFICER (Mr. STEVENS). The Senator from Illinois has 10 minutes and the Senator from Rhode Island has 19 minutes remaining.

Mr. DECONCINI. Mr. President, I still would like to get one question answered, because I do not know. In the process of negotiations, where the previous administration apparently made some commitment in their negotiations, is there notice to the other countries that the negotiated amount of participation by the United States—is it in writing or it is verbal—is subject to the congressional process of approving that? My concern, Mr. President, is with the ability of the previous administration and now this administration to come in and tell us we have to do it, we made a commitment, and we are spending taxpayers' dollars. It seems to me the commitment has to be in Congress and not merely from the administration, no matter who sits in the White House. I wonder if the chairman could address that and explain to me for the record exactly what the negotiations are and whether or not commitments are made and if they are subject to congressional approval.

Mr. PERCY. Mr. President, the negotiations took 19 months. The negotiation, obviously, among 33 countries was over how much should the capitalization be, what should be the proportionate share for each country? The Senator from Arizona can well imagine what kind of negotiation that was. It was tough, it was hardheaded. Every country supports the principle.

Every country, however, also supports the principle that it should have its share as small as possible. Therefore, the negotiation is a protracted, difficult negotiation, carried on over many, many months in many, many languages.

If we point out the fact that we will only save in outlays $2.5 million in 1981 and $18 million in 1982, the Senator from Arizona can well imagine the cost to the U.S. Government, our own bare cost of renegotiating this thing, much less trying to explain what we have done to a principle and a program that has been supported by President after President and Congress after Congress for years. During the renegotiation, which could take many months in view of the 19 months required to reach the present agreement, IDA would have no funds whatsoever. IDA could make no loans. The poor countries who are the recipients of IDA loans would suffer and the poorest people in these countries would suffer most.

The administration has already achieved maximum savings in the current year by phasing the U.S. payments: $540 million for fiscal year 1981, $850 million for fiscal year 1982, and $1.85 billion for fiscal year 1983.

I think the administration has done an outstanding job. U.S. allies who contribute the vast majority of IDA funds would be extremely upset by any renegotiating on the U.S. commitment to IDA VI. They are doing their share. They expect the United States to live up to its promise. The Reagan administration is determined to do so, as has every administration that has preceded it.

Mr. President, this was one of the earliest measures to have a complete and thorough review by the President of the United States, the Secretary of State, the Secretary of the Treasury, and the Director of OMB. They have, without any equivocation, supported the present program that they have offered to the Congress, as has the Committee on the Budget.

Mr. President, I reserve the remainder of my time.

Mr. DECONCINI. Mr. President, I did not get an answer to my question, so it is very difficult to assume what conditions, if any, are on the negotiations. I appreciate the chairman's eloquent argument that commitments have been made here year after year and it might be interpreted that we are reneging. But, Mr. President, we are talking about spending and obligating hundreds of millions of dollars.

True, the outlays may be very small the first year or two. That is what has happened to the economy of this country. That is what has happened to the Federal budget: We have talked ourselves into a little bitty program to begin with because it is good. Let us say that it is good; I have some reservations about this. But let us assume that. What we are talking about, ultimately, is an increase of some $810 million in obligation for the U.S. taxpayer.

If there is any time to reduce, even if it necessitates going back to our partners or shareholders or governments and saying, look, folks, we are not too proud to admit that we have some economic problems in this country and we are prepared to address them, both at home and, obviously, in contributions to international development funds, that is what I think this is all about.

Mr. President, if we take a look at the proposed substitute amendment that I know is not at the desk yet, it is interesting to look at the substitute that will be put in, which is really not an effort to accomplish anything near what the Senator from Arizona wants. It merely says that, in lieu of certain language, $3,240,000,000, of which not more than $540 million shall be available in fiscal year 1981 and not more than $850 million shall be available in fiscal year 1982.

Mr. President, I think that is a far cry from a 25-percent reduction, which is exactly what the amendment of the Senator from Arizona calls for. I think the times call for it. I think the President, last night, called for it and I think it is important that we respond. If we are going to bite those strong bullets that many of us bite in this Chamber and if we are going to support the President in his budget cuts, here is a place that maybe they overlooked. Maybe they ought to go back to the drawing boards and maybe they ought to do something about reducing this.

Yesterday, in the Appropriations Subcommittee on Foreign Operations, Secretary of the Treasury Regan was present. He indicated to us that negotiations and any agreement on participation by IDA and, thus, our Government, were subject to and conditioned upon congressional approval. I cannot find any document that shows that, and I really am interested to know, from the standpoint of this whole process, just what happens when our representatives sit down with the other representatives and negotiate. Are we telling these other partners in these banks or shareholders in these banks or contributors in these banks that we have a process in this country and thereby it cannot be assumed that we are just going to cough in the money? It has to be on condition. If not, I certainly hope the administration would do something about it as, quite frankly, I asked the previous administration, on a couple of occasions, why they continuously made commitments in the foreign assistance area, not just the IDA area, then come to Congress, to the Foreign Relations Committee and, ultimately, the Appropriations Committee and say, "Guess what? We have to pay this bill." I doubt that is what this country wants today and I doubt if it ever wanted it.

Mr. President, may I inquire how much time is remaining to the Senator from Arizona?

The PRESIDING OFFICER. The Senator from Arizona has 14 minutes.

Mr. DECONCINI. Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. Mr. President, I have an inquiry of my distinguished colleague from Arizona. The Senator from Illinois and the distinguished Senator from Connecticut could use up time, but I think we have aired the issue enough. We would be willing to yield back our time if the Senator from Arizona wishes to yield back his time and offer our substitute. The Senator from Illinois would be happy to reduce the time on the substitute.

A parliamentary inquiry, Mr. President: How much time is reserved for the substitute?

The PRESIDING OFFICER. There are 30 minutes equally divided.

Mr. PERCY. Mr. President, I should think 20 minutes equally divided would be adequate.

Mr. DECONCINI. I am agreeable, if I understand the chairman's unanimous-consent request. Is it that all time be yielded back here and that his substitute would be offered and there be a 20-minute time limitation?

Mr. PERCY. Yes.

The PRESIDING OFFICER. Is that the Senator's request, that the time on the amendment to the DeConcini amendment be limited to 20 minutes equally divided?

Mr. PERCY. Equally divided and that both sides yield back all time on the DeConcini amendment.

The PRESIDING OFFICER. That would be, on the Percy amendment to the DeConcini amendment, 20 minutes equally divided.

Mr. PERCY. Yes; we will offer the Percy-Pell substitute at this time.

The PRESIDING OFFICER. Is it the Senator's intent to yield back now the time that remains to the Senator from Illinois and the Senator from Arizona on the DeConcini amendment?

Mr. PERCY. That is correct.

Mr. DECONCINI. That is correct.

The PRESIDING OFFICER. All time is yielded back.

Is there objection to the unanimous-consent request to limit the time on the Percy amendment to the DeConcini amendment to 20 minutes?

The Chair hears none, and it is so ordered.

The amendment will be stated.

UP AMENDMENT NO. 65

The legislative clerk read as follows:

The Senator from Illinois (Mr. PERCY), for himself and Mr. PELL, proposes an unprinted amendment numbered 65:

In lieu of the language proposed to be inserted, insert the following:

"$3,240,000,000 of which, not more than $540,000,000 shall be available in fiscal year 1981 and not more than $850,000,000 shall be available in fiscal year 1982,".

Mr. PERCY. Mr. President, I wish to indicate, first, to my distinguished colleague from Arizona that I respect his desire to cut this budget in every way we possibly can. As the Senator from Arizona knows, the Senator from Illinois has voted fairly consistently and steadily, with the one exception of the Chafee amendment, to cut the budget, and I voted essentially against amendments offered by the minority.

However, I felt that holding this budget was absolutely right and necessary. There could be no one more dedicated to the proposition of having a fiscally responsible country than the President of the United States. He campaigned on that principle, he was elected on that principle, and last night we had

a dramatic illustration of his desire to present to the country and Congress the depth of his feelings about the necessity of cutting spending. No one can question his desire for fiscal responsibility.

However, the President of the United States has determined that the fiscally responsible thing to do is to honor the sixth replenishment. He has asked the Congress of the United States, through two Secretaries and through the Director of the Office of Management and Budget, to approve and support the sixth replenishment, which was negotiated over almost 2 years by a Democrat administration.

So when we have the concurrence of two Presidents and when this body already has approved overwhelmingly the sixth replenishment, it would seem unwise to adopt the DeConcini amendment, because a vote for the DeConcini amendment would be a vote to kill the sixth replenishment.

What the present substitute does is to set legislative ceilings for the U.S. contribution to IDA VI in fiscal years 1981 and 1982. This procedure assures a total saving of $770 million in fiscal years 1981 and 1982 from the amount that would be appropriate if the $3.2 billion 3-year bill were allocated evenly over fiscal years 1981 to 1983.

This even distribution was considered originally by the Carter administration. The amendment, however, is consistent with the President's budget request and with the Budget Committee assumptions.

As the Senator from Illinois pointed out earlier, the cost would be great if we backed off in any way from the agreement entered into by the executive branch and supported by the Senate of the United States last year.

For those reasons, I urge my colleagues to support the substitute.

I respect the intentions of the Senator from Arizona to cut the budget in every way possible, but I cannot think of a way that would cost this country more in prestige and more in money terms. Not just taking into account the humanitarian effort, but also what it would cost us in prestige. It would hand a weapon to our adversaries that they would love to have in their hands to chop us up.

Mr. DODD. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield to the distinguished Senator from Connecticut, the manager of the bill on the minority side.

Mr. DODD. I thank the distinguished chairman for yielding. I commend him and the Senator from Arizona for this very useful debate.

Mr. President, it is important that we have this kind of discussion, particularly in view of the President's speech last night and the concern on both sides of the aisle with the level of Federal spending and the kind of financial commitments we make globally.

The easiest target in town in situations such as this—the easiest thing to pick off when we get into these debates—is foreign aid. There is no constituency in this country for foreign aid; perhaps there should be.

In my State of Connecticut, we need a lot of things. We have a great deal of unemployment. People are worried about various things. They hear about the United States providing international assistance to some country in Africa or Latin America or Asia.

The general response I get when I go home—and I know my colleagues do—is this—

> What in the Lord's name are you doing, providing hard-earned tax dollars to some little country we've never heard of, when we have problems in the United States? This is a terrible thing to be doing with our tax dollars.

It is not an easy question to answer when you see your own constituency faced with economic troubles.

The important point is that our willingness to provide some small amount—and that is what we are talking about here—of economic assistance to the poorest of the poor countries really contributes to our overall well-being in this country.

My State of Connecticut is the second or third most dependent State in the country on exports. Thirty-six percent of our exports go to some of the poorest countries in the world.

The ability of some of these countries to be able to function economically would be eliminated. I have constituents in Connecticut, as I know the Senator from Illinois and the Senator from Arizona have, whose jobs depend upon the economies of some of these countries being able to purchase their goods, in order to accommodate the kinds of benefits which flow from good trade relations because these countries have sound economies.

I am not a member of the majority in this body, but I spent 5 days in January, as a member of the Foreign Relations Committee, listening to Alexander Haig—the then nominee-designate to be our Secretary of State—define what he believed was important in terms of this country's foreign policy.

He said that he would like to see our Nation's foreign policy stand on three strong legs. The legs, he said, were balance, reliability, and predictability; and that those things had been absent in our foreign policy over the past several years.

Whether one agrees that it has been missing over the past years or not is really irrelevant. The fact is that our foreign policy should be a balanced one, it should be a reliable one, and it certainly should be predictable. That is vitally important, if we are going to be able to have any credibility whatsoever, not only with poor countries, but also with our major allies around the globe. Our allies, during the past year and a half, have been extremely tough with us, though this body, last June, as the distinguished chairman of the Foreign Relations Committee has pointed out, passed this very measure by a vote of 53 to 24. I was a Member of the other body at that time and, unfortunately, the House of Representatives did not bring up this matter on the floor. But the Senate of the United States expressed its will and expressed its desire to support the results of a 19-month negotiation.

Let me highlight what I see as the major points, which I think my colleagues should take into consideration before casting their votes.

Fourteen of our allies, including Japan, Germany, France, Canada, and the United Kingdom, a country not without its own economic difficulties, have been carrying the burden of providing IDA with temporary funds of almost $2 billion in order to keep IDA operating. They are certainly not prepared to continue to carry the total responsibility of our commitment to IDA, and they let it be known in no uncertain terms.

A 25-percent reduction in our IDA contribution, as has been suggested by the distinguished Senator from Arizona, would not only seriously damage the ability of the World Bank to continue lending to the poorest of these countries, but I believe it would make it virtually impossible.

What a great irony that would be in a sense, because it was the United States that really initiated the idea of IDA. And why? One of the reasons was because the taxpayers in this country said:

> We are tired of doing everything on our own. The United States is the one country that seems to be providing all of the foreign assistance and all of the foreign aid.

We said:

> Maybe you are making good sense. Why don't we see if we cannot bring in some of these economically stronger countries, some of our industrial allies and say, "You have to contribute as well."

It was as a result of that desire expressed by people across this country that IDA really was created back many years ago.

So we find ourselves today in the somewhat ironic position that as to the very institution that we helped create because we felt other people should be doing more than they were doing in terms of assisting the poorest of the poor, we may very well today destroy the very institution that we created and asked other countries to support and participate in.

We find ourselves today in a unique situation where the sixth replenishment of IDA is concerned, because for the first time seven of the higher income developing countries, including Brazil, Mexico, and Argentina, are participating and contributing to the concessional window at the World Bank.

The PRESIDING OFFICER. The Senator's time has expired.

The proponents' time has expired. There is only time remaining to the opponents to the Percy amendment and DeConcini amendment.

Mr. DODD. Mr. President, I ask the Senator to yield 30 additional seconds to complete my argument.

Mr. DECONCINI. I yield.

Mr. DODD. I appreciate the Senator yielding.

Mr. President, the last point here I wish to make is that these seven higher income developing countries have really been extremely constructive and productive economically, and they are now willing to participate in this program.

That is extremely important because we really have to try and bring in more of these nations that have the ability to participate in such a program so the burden does not fall as heavily as it has on this country.

Let me just conclude by reiterating the first point I made. All of us in this body and other places know how easy it is to take a shot at foreign assistance, foreign aid, and contributions to multilateral development banks. That is the easiest target in town politically. The question is whether or not we are going to have that kind of balanced and predictable foreign policy that our Secretary of State has sought, that he insisted upon as a nominee for the high post of Secretary of State.

Our adoption of the amendment of the distinguished Senator from Arizona I think would make those goals impossible to achieve.

I thank the Senator from Arizona for yielding.

Mr. DECONCINI. Mr. President, let me make a couple of observations at least.

It seems to me when the argument is made it is now time for the United States to once again come forward and participate with the other nations that are agreeing to involve themselves in these World Bank and international funds, some of the nations, as I observed, at least some of our allies, the British, certainly the Japanese, I have seen no great commitment on their part to increase defense expenditures and yet we are making that commitment. When we are asked to contribute $810 million additional funds for the sixth replenishment, I wonder if that is part of the negotiations of whether or not we are going to get any credit for the amount of defense umbrella we place over the Pacific or our participation in the NATO forces.

We are going to spend in the area of defense 10 or 12 percent more in real dollars and yet most of our allies are not even going to go the miserly 2 or 3 percent.

I think that that should be part of the negotiations if indeed we are going to be carrying this burden.

Second, the justification offered for these appropriations before the Committee on Foreign Relations: I wish to read what I think the amendment of the Senator from Illinois, the distinguished chairman, really does. It does not do anything to reduce the amount. It just sets some ceilings. Are we to say hurrah, these are the ceilings, we are not going to spend more than $3,240,000,000? This is what the administration said in its last paragraph of its justification:

> The Administration has carefully reviewed the U.S. contribution to the Sixth replenishment in the context of its tightly disciplined national budget. A decision has been taken to stair-step the U.S. contribution ($540, $850 and $1,850 million in FY 1981–83 respectively) instead of $1,080 million each year. Thus for FY 1982, the Administration is requesting an appropriation of $850 million for the second tranche of the U.S. contribution to the sixth replenishment. For FY 1983, the Administration will request an appropriation of $1,850 million for the third tranche. The Administration will also seek a supplemental budget request for FY 1981 of $540 million to provide for the initial installment.

What we are doing here is that this substitute amendment is branding, placing in concrete I believe, the $3,240,000,000 and sets forth exactly what the administration wants, and that is not a reduction.

(Mrs. HAWKINS assumed the chair.)

Mr. DECONCINI. Madam President, I hope that our colleagues in this body will address the IDA contributions, the tax dollars that the American public is going to put out for loans by the World Bank and other international monetary systems, will scrutinize those dollars and be willing to take a cut there, and if the chairman is correct and if the distinguished ranking minority member from Connecticut is correct, it would necessitate some renegotiations.

Just how bad is that? This body was prepared, I believe, to turn down the SALT II treaty because it was a bad treaty, not because I do not believe a majority of Senators in this body would not favor some strategic arms limitation agreement. The same thing goes true here.

Why get railroaded, why spend deficit dollars when we have an opportunity to tell our allies, to tell our friends or fellow stockholders that we cannot afford it? And that is what it is today. We cannot afford to continue these generous contributions.

Madam President, I move to table the substitute amendment and ask for the yeas and nays, and yield back the remainder of my time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Illinois to the amendment of the Senator from Arizona.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. PRESSLER) and the Senator from Texas (Mr. TOWER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Oklahoma (Mr. BOREN), the Senator from Florida (Mr. CHILES), the Senator from Missouri (Mr. EAGLETON), the Senator from Colorado (Mr. HART), the Senator from Ohio (Mr. METZENBAUM), the Senator from New York (Mr. MOYNIHAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

The PRESIDING OFFICER (Mr. HATFIELD). Have all the Senators in the Chamber voted?

The result was announced—yeas 30, nays 61, as follows:

[Rollcall Vote No. 85 Leg.]

YEAS—30

Abdnor	Heflin	Nunn
Burdick	Helms	Proxmire
Byrd, Harry F., Jr.	Hollings	Pryor
	Huddleston	Randolph
Byrd, Robert C.	Jackson	Riegle
Cannon	Johnston	Sasser
DeConcini	Long	Stennis
East	McClure	Symms
Exon	Melcher	Zorinsky
Goldwater	Mitchell	
Hatch	Nickles	

NAYS—61

Andrews	Ford	Mattingly
Armstrong	Garn	Murkowski
Baker	Glenn	Packwood
Baucus	Gorton	Pell
Bentsen	Grassley	Percy
Biden	Hatfield	Quayle
Boschwitz	Hawkins	Roth
Bradley	Hayakawa	Rudman
Bumpers	Heinz	Sarbanes
Chafee	Humphrey	Schmitt
Cochran	Inouye	Simpson
Cohen	Jepsen	Specter
Cranston	Kassebaum	Stafford
D'Amato	Kasten	Stevens
Danforth	Kennedy	Thurmond
Denton	Laxalt	Tsongas
Dixon	Leahy	Wallop
Dodd	Levin	Warner
Dole	Lugar	Weicker
Domenici	Mathias	
Durenberger	Matsunaga	

NOT VOTING—9

Boren	Hart	Pressler
Chiles	Metzenbaum	Tower
Eagleton	Moynihan	Williams

So Mr. DECONCINI's motion to lay on the table Mr. PERCY's amendment was rejected.

Mr. DECONCINI. Mr. President, I ask for the yeas and nays on the substitute.

The PRESIDING OFFICER. Is there a sufficient second?

Is the Senator asking for the yeas and nays on the Percy substitute amendment?

Mr. DECONCINI. On the Percy substitute amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois in the nature of a substitute. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. PRESSLER) and the Senator from Texas (Mr. TOWER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), the Senator from Ohio (Mr. METZENBAUM), the Senator from New York (Mr. MOYNIHAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 58, nays 33, as follows:

[Rollcall Vote No. 86 Leg.]

YEAS—58

Andrews	Dole	Mattingly
Armstrong	Durenberger	Murkowski
Baker	Ford	Nunn
Baucus	Garn	Packwood
Bentsen	Gorton	Pell
Biden	Hatfield	Percy
Boschwitz	Hawkins	Riegle
Bradley	Hayakawa	Roth
Bumpers	Heinz	Rudman
Byrd, Robert C.	Inouye	Sarbanes
Cannon	Jackson	Schmitt
Chafee	Jepsen	Specter
Cochran	Kassebaum	Stafford
Cohen	Kennedy	Stevens
Cranston	Laxalt	Thurmond
D'Amato	Leahy	Tsongas
Danforth	Levin	Wallop
Denton	Lugar	Weicker
Dixon	Mathias	
Dodd	Matsunaga	

NAYS—33

Abdnor	Heflin	Proxmire
Boren	Helms	Pryor
Burdick	Hollings	Quayle
Byrd, Harry F., Jr.	Huddleston	Randolph
DeConcini	Humphrey	Sasser
Domenici	Johnston	Simpson
East	Kasten	Stennis
Exon	Long	Symms
Goldwater	McClure	Warner
Grassley	Melcher	Zorinsky
Hatch	Mitchell	
	Nickles	

NOT VOTING—9

Chiles	Hart	Pressler
Eagleton	Metzenbaum	Tower
Glenn	Moynihan	Williams

So Mr. PERCY's amendment (UP No. 65) was agreed to.

Mr. PERCY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOSCHWITZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona (UP No. 64), as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee substitute.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. HELMS. Mr. President, the time is inopportune to approve sending $3.24 billion replenishment for the International Development Association. We must recognize that this commitment to IDA was a commitment to the Carter administration, based upon the failed policies of that administration. Since that commitment was made, a much more important commitment was made to the voters of this Nation to turn our economic policy around. The central question is: Do we keep faith with the voters of the United States or do we not?

The President of the United States has taken strong action on the domestic front to reorganize our national economic policies. He has shown strong leadership in cutting back unnecessary spending and in cutting taxes to alleviate the burden of the taxpayers. But, in my judgment, the Treasury Department has jumped the gun on this issue. The whole issue of U.S. participation in the IDA and in the multilateral development banks generally is at this very moment under review by a senior-level multiagency committee.

This issue is still under review, Mr. President. The Treasury itself has not yet completed its study of this matter. Yet, Treasury officials came down to the Foreign Relations Committee and asked for this action to take place. I was dubious about it at the time, Mr. President; but I have found subsequently that Treasury itself is dubious too, and has set up a review committee, even though they want us to go ahead and pass the measure in the meantime.

Mr. President, I fail to see why the Reagan administration should rubberstamp Carter administration initiatives, particularly when those initiatives are contrary to everything the Reagan administration stands for. The IDA is the soft-loan window at the World Bank. If ever there were a Federal rathole, a soft-loan window of a multilateral development bank meets the specifications. By definition, a soft-loan window is one that makes loans which cannot be justified economically; yet we have consistently failed to insure that we at least get some foreign policy benefits from such loans.

Nor is there any urgency that this replenishment be made now. The advocates of this legislation have said that the replenishment will fail if the United States does not act now. It seems to me, Mr. President, that the thrust of that argument goes exactly in the opposite direction. The United States is contributing 27 percent of the funds in that replenishment; if the United States does not contribute its funds, the only thing that will happen is that the IDA must postpone its own decisions. I am sure that the IDA is willing to wait for U.S. funding. No one has made the slightest case that the IDA projects are of extreme urgency—or at least of such urgency that they cannot wait upon the measured deliberation of the representatives of U.S. taxpayers.

II. UNITED STATES CONTRIBUTIONS TO IDA

Let us not forget that we are talking about $3.2 billion over 3 years. It is $540 million for fiscal year 1981, $850 million for fiscal year 1982, and $1.85 billion in fiscal year 1983. Here we are, trying to balance the budget by fiscal year 1984; yet we are building in increasing payments to IDA when a full study of the situation may very well result in a decision or a desire to withdraw from so large a participation in the IDA.

The proponents of this legislation argue that U.S. participation has been reduced from 31 percent to 27 percent. But if we look at our participation in absolute terms, the story is quite different.

The United States first contributed to IDA in 1960 with $320 million. Within 20 years, our contribution has multiplied 10 times to the level of the proposed replenishment of $3.24 billion. In this regard, in early 1980, the IDA Board of Governors voted to recommend a $12 billion replenishment of IDA's resources to provide funds for lending over IDA fiscal years 1981–83—July 1, 1980 to June 30, 1983.

It should be noted that under the IDA VI replenishment, all 13 OPEC countries are contributing less than $700 million, compared to the U.S. $3.24 billion. At the very least, the replenishment should be renegotiated so as to raise OPEC's contribution.

Mr. President, despite our overly generous contributions to IDA, we do not reap either a proportionate voting power in IDA, nor do we get back-door benefits through contract procurement that are proportional.

Voting within IDA is based on the subscriptions of the various member countries. The United States has about 21.49 percent of the voting power, followed by the United Kingdom with 7.37 percent, West Germany with 6.62 percent, and Japan with 5.63 percent.

Mr. President, I ask unanimous consent that a chart which contains a complete breakdown of subscriptions and voting power of each member be printed at this point in the RECORD.

As to the case with the International Bank for Reconstruction and Development, the United States is the largest financial supporter of this institution. The U.S. contribution to IDA totals $6,405.6 million, which does not include the pending IDA IV replenishment. At the $6.4 billion level, the United States accounts for 32.88 percent of all IDA resources.

While the United States provides 32.9 percent of IDA's resources, we receive 15.5 percent of all IDA procurement contracts. This is substantially below the level of procurement under IBRD, and appears to be an area requiring substantial improvement. It is worth noting that by comparison, Japan provides 9.9 percent of IDA's resources, yet receives 16 percent of the procurement. Similarly, West Germany provides 11.9 percent of IDA's resources and receives 14.1 percent of its procurement.

IDA has made a total of $20,569.8 million in cumulative credits as of June 30, 1980. South Asia is the region which has clearly dominated IDA lending. In fact one country, India, has received more than 40 percent of IDA resources. I ask unanimous consent that a table which shows IDA credits by borrowers by region be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cumulative IDA lending as of June 30, 1980

Region	
Eastern Africa	$3,164,000,000
Western Africa	1,652,200,000
East Asia and Pacific	1,490,800,000
South Asia	11,955,800,000
Europe, Middle East and North Africa	1,744,500,000
Latin America and the Caribbean	562,500,000
Total	20,569,800,000

Mr. HELMS. Mr. President, in terms of IDA lending to specific countries, India stands out as enjoying an enviable status. Since IDA's creation in 1960, India has received a total of 126 loans amounting to $8,285.2 million, approximately 41 percent of all IDA lending. Bangladesh, Pakistan, and Indonesia come the closest to India in terms of receiving IDA resources. These three countries have received a total of $3.6 billion from IDA. Other significant users of IDA are: Egypt, Tanzania, Sudan, Kenya, Sri Lanka, and Burma. These 10 countries account for nearly 73 percent of all IDA lending.

Mr. President, I ask unanimous consent that a table which shows a complete breakdown by country of IDA cumulative lending be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

BANK AND IDA CUMULATIVE LENDING OPERATIONS, BY COUNTRY, JUNE 30, 1980

[Expressed in U.S. dollars (in millions)]

Country	Bank loans		IDA credits		Total	
	Number[1]	Amount	Number[1]	Amount	Number[1]	Amount
Afghanistan			20	$230.1	20	$230.1
Algeria	24	$1,091.0			24	1,091.0
Argentina	17	1,350.3			17	1,350.3
Australia	7	417.7			7	417.7
Austria	9	106.4			9	106.4
Bahamas	1	10.0			1	10.0
Bangladesh[2]	1	46.1	64	1,454.2	65	1,500.3
Barbados	3	27.0			3	27.0
Belgium	4	76.0			4	76.0
Benin			10	86.1	10	86.1
Bolivia	14	299.3	14	104.8	28	404.1
Botswana	10	106.7	6	15.8	16	122.5
Brazil	96	5,313.7			96	5,313.7
Burma	3	33.4	15	363.0	18	396.4
Burundi	1	4.8	14	85.2	15	90.0
Cameroon	22	310.3	14	230.5	36	540.8
Caribbean Region[3]	2	43.0		7.0	2	50.0
Central African Republic			5	30.4	5	30.4
Chad[4]			13	78.5	13	78.5
Chile	24	399.2		19.0	24	418.2
Colombia	87	2,761.4		19.5	87	2,780.9
Comoros			2	10.2	2	10.2
Congo, People's Republic of the	3	76.0	7	57.6	10	133.6
Costa Rica	25	353.2		5.5	25	358.7
Cyprus	17	143.6			17	143.6
Denmark	3	85.0			3	85.0
Dominican Republic	11	236.0	3	22.0	14	258.0
East African Community[5]	10	244.8			10	244.8
Ecuador	26	405.1	5	36.9	31	442.0
Egypt, Arab Republic of	24	1,125.0	21	783.6	45	1,908.6
Equatorial Guinea			1	2.0	1	2.0
El Salvador	18	216.1	2	25.6	20	241.7
Ethiopia	12	108.6	24	368.1	36	476.7
Fiji	7	65.7			7	65.7
Finland	18	316.8			18	316.8
France	1	250.0			1	250.0
Gabon[6]	6	69.3			6	69.3
Gambia, The			8	27.4	8	27.4
Ghana[7]	9	207.0	14	179.0	23	386.0
Greece	17	490.8			17	490.8
Guatemala	12	277.5			12	277.5
Guinea	3	75.2	7	66.0	10	141.2
Guinea-Bissau			1	9.0	1	9.0
Guyana	9	56.5	3	28.5	12	85.0
Haiti	1	2.6	10	110.0	11	112.6
Honduras	23	381.0	5	83.2	28	464.2
Iceland	10	47.1			10	47.1
India	59	2,770.6	126	8,285.2	185	11,055.8
Indonesia	50	3,056.0	46	931.8	96	3,987.8
Iran	33	1,210.7			33	1,210.7
Iraq	6	156.2			6	156.2
Ireland	8	152.5			8	152.5
Israel	11	284.5			11	284.5
Italy	8	399.6			8	399.6
Ivory Coast[7 8]	32	548.6	1	7.5	33	556.1
Jamaica	23	299.5			23	299.5
Japan	31	862.9			31	862.9
Jordan	4	79.0	15	85.3	19	164.3
Kenya	35	789.3	24	408.3	59	1,197.6
Korea, Republic of	51	2,948.5	6	110.8	57	3,059.3
Lao People's Democratic Republic			3	32.0	3	32.0
Lebanon	4	116.6			4	116.6
Lesotho			11	60.2	11	60.2
Liberia	19	$131.0	6	$44.0	25	$175.0
Luxembourg	1	12.0			1	12.0
Madagascar	5	32.9	16	255.2	21	288.1
Malawi	3	29.2	20	183.8	23	213.0
Malaysia	47	1,132.6			47	1,132.6
Maldives			1	3.2	1	3.2
Mali[4 8]		1.9	18	173.2	18	175.1
Malta	1	7.5			1	7.5
Mauritania[4]	2	126.0	10	46.5	12	172.5
Mauritius	10	80.3	4	20.2	14	100.5
Mexico	62	4,113.6			62	4,113.6
Morocco	42	1,437.3	3	50.8	45	1,488.1
Nepal			21	235.7	21	235.7
Netherlands	8	244.0			8	244.0
New Zeland	6	126.8			6	126.8
Nicaragua	24	183.9	3	55.0	27	238.9
Niger[3]			15	136.9	15	136.9
Nigeria	41	1,380.7	2	35.5	43	1,416.2
Norway	6	145.0			6	145.0
Oman	5	47.0			5	47.0
Pakistan[2]	38	884.0	46	1,244.9	84	2,128.9
Panama	20	316.2			20	316.2
Papua New Guinea	8	88.0	7	81.2	15	169.2
Paraguay	18	229.9	6	45.5	24	275.4
Peru	35	808.0			39	808.0
Philippines	70	2,389.9	3	122.2	73	2,512.1
Portugal	17	575.5			17	575.5
Romania	26	1,502.8			26	1,502.8
Rwanda			13	109.7	13	109.7
Senegal[4 8]	16	109.1	21	187.7	37	296.8
Sierra Leone	4	18.7	5	33.8	9	52.5
Singapore	14	181.3			14	181.3
Somalia			21	147.2	21	147.2
South Africa	11	241.8			11	241.8
Spain	12	478.7			12	478.7
Sri Lanka	8	93.9	23	369.6	31	463.5
Sudan	8	166.0	22	522.5	30	688.5
Swaziland	9	51.6	2	7.8	11	59.4
Syrian Arab Republic	12	468.1	3	47.3	15	515.4
Tanzania	18	318.2	40	538.7	58	856.9
Thailand	59	1,960.4	6	125.1	65	2,085.5
Togo[7]	1	20.0	10	84.9	11	104.9
Trinidad and Tobago	13	124.8			13	124.8
Tunisia	40	749.8	5	74.6	45	824.4
Turkey	48	2,407.4	10	178.5	58	2,585.9
Uganda	1	8.4	8	116.8	9	125.2
Upper Volta[4 8]		1.9	17	132.7	17	134.6
Uruguay	18	341.4			18	341.4
Venezuela	13	383.3			13	383.3
Vietnam			1	60.0	1	60.0
Western Africa Region[10]			1	3.0	1	3.0
Western Samoa			2	12.4	2	12.4
Yemen Arab Republic			22	208.3	22	208.3
Yemen, People's Democratic Republic of			14	86.0	14	86.0
Yugoslavia	59	2,684.1			59	2,684.1
Zaire	6	220.0	20	277.0	26	497.0
Zambia[11]	23	566.4	2	37.3	25	603.7
Zimbabwe[11]	5	87.0			5	87.0
Taiwan[12]	14	329.4	4	15.3	18	344.7
Total	1,875	59,341.4	973	20,569.8	2,848	79,911.2

[1] Joint Bank/IDA operations are counted only once, as Bank operations. When more than one loan is made for a single project, the operation is counted only once.

[2] Includes $46.1 million in Bank amount and one Bank loan, as well as $175.8 million in IDA amount and 19 IDA credits, which replace commitments originally made to Pakistan.

[3] The loans were made for the benefit of the following Bank members—Bahamas, Barbados, Grenada, Guyana, and Jamaica—and for the benefit of the territories of the United Kingdom's Associated States and Dependencies in the Caribbean Region. The members will be severally liable as guarantors to the extent of subloans made in their territories.

[4] One IDA project, in fiscal year 1974, for Drought Relief, is shared by the following countries: Chad—$2 million; Mali—$2.5 million; Mauritania—$2.5 million; Niger—$2 million; Senegal—$3 million; Upper Volta—$2 million. The amounts are included in each country's total, but the operation is counted only once, against Senegal.

[5] Jointly guaranteed by Kenya, Tanzania, and Uganda.

[6] One Bank loan of $35 million, in fiscal year 1959, is jointly guaranteed by People's Republic of the Congo, France, and Gabon.

[7] One Bank project of $60 million, in fiscal year 1976, has been assigned in equal shares to Ghana, Ivory Coast, and Togo, but the operation is counted only once, against Togo. Of the $60 million, an amount of $49.5 million was lent to Ciments de l'Afrique de l'Quest (CIMAO) and is jointly guaranteed by the three countries

[8] One Bank loan of $7.5 million, in fiscal year 1954, is shared in amounts of $1.875 million each by Ivory Coast, Mali, Senegal, and Upper Volta, but is counted as one operation, against Ivory Coast. One Bank loan of $23 million, in fiscal year 1978, is guaranteed by Ivory Coast and Upper Volta, but is counted as one operation, against Ivory Coast.

[9] Excludes $46.1 million in Bank amount and one Bank loan, as well as $175.8 million in IDA amount and 19 IDA credits, which were replaced by commitments made to Bangladesh.

[10] The credit is to the Banque Quest Africaine de Developpement (BOAD), the regional development bank of the Union Monetaire Quest Africaine (UMOA), which is a monetary union of six francophone states—Benin, Ivory Coast, Niger, Senegal, Togo, and Upper Volta.

[11] Two Bank loans—of $80 million in fiscal year 1956, and $7.7 million in fiscal year 1965, respectively—have been assigned in equal shares to Zambia and Zimbabwe, but are counted only once, against Zimbabwe.

[12] Represents loans and credits made at a time when the authorities on Taiwan represented China in the World Bank.

SUMMARY STATEMENT OF DEVELOPMENT CREDITS, JUNE 30, 1980 AND JUNE 30, 1979

[Expressed in U.S. dollars (in thousands)—See notes to financial statements, appendix F]

Members in whose territories development credits have been made	June 30, 1980				
	Effective development credits held by Association			Development credits approved but not yet effective [3]	Percent of total effective and non-effective development credits
	Disbursed portion [1]	Undisbursed portion [2]	Total		
Afghanistan	$81,228	$111,997	$193,225	$34,100	1.10
Bangladesh	858,768	415,647	1,274,415	192,000	7.08
Benin	42,775	25,876	68,651	10,000	.38
Bolivia	63,058	29,278	92,336	16,000	.52
Botswana	15,654	53	15,707		.08
Burma	132,831	139,487	272,318	90,000	1.75
Burundi	30,647	24,466	55,113	30,000	.41
Cameroon	133,910	62,742	196,652	31,000	1.10
Central African Republic	25,297	3,532	28,829	2,500	.15
Chad	35,961	17,892	53,853	19,100	.35
Chile	20,877		20,877		.10
Colombia	21,426		21,426		.10
Comoros	3,553	1,447	5,000	5,200	.05
Congo, People's Republic of the	20,979	1,224	22,203	35,000	.28
Costa Rica	5,000		5,000		.02
Dominican Republic	17,641	4,441	22,082		.11
Ecuador	36,410	1,603	38,013		.18
Egypt, Arab Republic of	284,576	283,296	567,872	215,000	3.78
El Salvador	26,108	1,119	27,227		.13
Ethiopia	231,647	119,512	351,159		1.69
Gambia, The	13,273	14,220	27,493		.13
Ghana	96,320	28,881	125,201	54,500	.87
Guinea	26,259	39,771	66,030		.32
Guinea-Bissau	1,914	7,086	9,000		.04
Guyana	16,939	11,640	28,579		.14
Haiti	62,880	47,109	109,989		.53
Honduras	49,717	9,234	58,951	25,000	.41
India	4,665,922	3,004,595	7,670,517	779,000	40.78
Indonesia	549,097	275,175	824,272	117,000	4.54
Ivory Coast	7,500		7,500		.04
Jordan	71,764	13,667	85,431		.41
Kenya	159,627	191,948	351,575	60,500	1.99
Korea, Republic of	113,628		113,628		.55
Lao People's Democratic Republic	3,080	15,520	18,600	13,400	.15
Lesotho	21,979	22,799	44,778	16,000	.29
Liberia	20,319	23,645	43,964		.21
Madagascar	107,582	94,953	202,535	48,000	1.21
Malawi	124,361	63,640	188,001		.91
Maldives	23	3,177	3,200		.02
Mali	110,212	57,439	167,651	8,000	.85
Mauritania	36,324	10,951	47,275		.23
Mauritius	19,991	428	20,419		.10
Morocco	39,072	12,969	52,041		.25
Nepal	65,068	136,363	201,431	33,000	1.13
Nicaragua	30,066	25,261	55,327		.27
Niger	55,277	46,184	101,461	36,700	.67
Nigeria	37,659		37,659		.18
Pakistan	788,717	299,953	1,088,670	144,000	5.95
Papua New Guinea	44,603	25,178	69,781	13,000	.40
Paraguay	44,755	3,693	48,448		.23
Philippines	33,199	89,017	122,216		.59
Rwanda	52,941	35,747	88,688	21,000	.53
Senegal	93,699	52,833	146,532	42,300	.91
Sierra Leone	27,708	6,260	33,968		.16
Somalia	67,276	52,257	119,533	28,500	.71
Sri Lanka	88,632	121,690	210,322	151,500	1.75
Sudan	174,893	237,256	412,149	105,000	2.50
Swaziland	7,214	878	8,092		.04
Syrian Arab Republic	41,860	6,181	48,041		.23
Tanzania	221,933	187,032	408,965	130,000	2.60
Thailand	29,984	92,007	121,991		.59
Togo	36,816	22,793	59,609	25,000	.41
Tunisia	68,098	1,145	69,243		.33
Turkey	190,091	795	190,886		.92
Uganda	45,995	73,812	119,807		.58
Upper Volta	72,048	22,744	94,792	35,000	.63
Vietnam	24,486	35,514	60,000		.29
Western Samoa	5,270	7,130	12,400		.06
Yemen Arab Republic	87,911	78,839	166,750	34,500	.97
Yemen, People's Democratic Republic of	32,325	20,966	53,291	32,200	.41
Zaire	148,413	45,461	193,874	84,500	1.34
Zambia	1,190	21,060	22,250	15,000	.18
Subtotal members	11,024,256	6,940,508	17,964,764	2,732,500	99.89
Regional development banks:					
Banque Quest Africaine de Developpement [4]		3,000	3,000		.10
Caribbean Development Bank [5]		7,000	7,000		.03
Subtotal regional development banks		10,000	10,000		.04
Taiwan [6]	14,476		14,476		.07
Total—June 30, 1980	11,038,732	6,950,508	17,989,240	2,732,500	100.00
Total—June 30, 1979	9,664,951	5,575,027	15,239,978	1,697,300	

[1] The disbursed portion includes adjustments to reflect the devaluations of the United States dollar in 1972 and 1973 except in respect of a credit for $9,000,000 which is expressed and is repayable in legal tender dollars.

[2] These amounts do not include $13,012,000 ($15,232,000—1979) of grant participations. The grant participations represent participations on a grant basis taken in a number of development credits under the terms of an aid cooperation agreement between a member country and the Association. Of the undisbursed balance at June 30, 1980 the Association has entered into irrevocable commitments to disburse $4,209,000 ($12,926,000—1979).

[3] Development credit agreements totaling $1,831,600,000 ($1,465,850,000—1979) have been signed, but the credits do not become effective and disbursements thereunder do not start until the borrowers take certain actions and furnish certain documents to the Association; and agreements providing for credits totaling $900,900,000 ($231,450,000—1979) have been approved by the Association but have not been signed.

[4] This development credit is for the benefit of Benin, Ivory Coast, Niger, Senegal, Togo and Upper Volta.

[5] This development credit is for the benefit of Grenada and the territories of the United Kingdom (in the case of the United Kingdom, the territories are those of its Associated States and Dependencies in the Caribbean Region).

[6] Represents development credits made at a time when the authorities on Taiwan represented China in the Association.

MATURITY STRUCTURE OF EFFECTIVE DEVELOPMENT CREDITS

Periods	June 30, 1980	Periods	June 30, 1979
July 1, 1980 to June 30, 1981	$33,466	July 1, 1979 to June 30, 1980	$27,066
July 1, 1981 to June 30, 1982	44,407	July 1, 1980 to June 30, 1981	33,469
July 1, 1982 to June 30, 1983	58,635	July 1, 1981 to June 30, 1982	44,000
July 1, 1983 to June 30, 1984	78,500	July 1, 1982 to June 30, 1983	58,378
July 1, 1984 to June 30, 1985	100,771	July 1, 1983 to June 30, 1984	78,298
July 1, 1985 to June 30, 1990	846,833	July 1, 1984 to June 30, 1989	714,823
July 1, 1990 to June 30, 1995	1,420,832	July 1, 1989 to June 30, 1994	1,191,973
July 1, 1995 to June 30, 2000	2,197,020	July 1, 1994 to June 30, 1999	1,876,122
July 1, 2000 to June 30, 2005	2,671,391	July 1, 1999 to June 40, 2004	2,301,082
July 1, 2005 to June 30, 2010	2,671,811	July 1, 2004 to June 30, 2009	2,301,262
July 1, 2010 to June 30, 2015	2,607,163	July 1, 2009 to June 30, 2014	2,267,055
July 1, 2015 to June 30, 2020	2,386,331	July 1, 2014 to June 30, 2019	2,065,215
July 1, 2020 to June 30, 2025	1,876,420	July 1, 2019 to June 30, 2024	1,653,318
July 1, 2025 to June 30, 2030	995,660	July 1, 2024 to June 30, 2029	617,927
Total	17,989,240	Total	15,239,978

STATEMENT OF VOTING POWER, AND SUBSCRIPTIONS AND SUPPLEMENTARY RESOURCES
[June 30, 1980 and June 30, 1979—Expressed in thousands of units of currency]

Members[1]	Voting power		Amounts of subscriptions and supplementary resources through the third replenishment		Amount of subscriptions and supplementary resources under the 4th and 5th replenishments	Total subscriptions and supplementary resources[2]	
	Number of votes	Percent of total	Expressed in special drawing rights[3]	Expressed in current U.S. dollars	Expressed in current U.S. dollars	Expressed in current U.S. dollars	Percent of total
PART I MEMBERS							
Australia	52,652	1.47 SDR	111,980	$135,521	$234,617	$370,138	1.90
Austria	21,822	.61	34,560	41,848	105,222	147,070	.75
Belgium	42,397	1.18	77,700	93,876	250,246	344,122	1.77
Canada	137,025	3.83	304,530	368,224	659,127	1,027,351	5.27
Denmark	34,353	.96	70,840	85,889	149,378	235,267	1.21
Finland	18,404	.51	22,448	27,165	66,966	94,131	.48
France	138,669	3.88	362,032	437,687	746,033	1,183,720	6.08
Germany, Federal Republic of	236,831	6.62	476,560	575,868	1,738,173	2,314,041	11.88
Iceland	7,802	.22	550	667	1,323	1,990	.01
Ireland	10,393	.29	7,030	8,526	18,568	27,094	.14
Italy	69,910	1.95	193,240	235,836	124,009	359,845	1.85
Japan	201,476	5.63	285,320	344,802	1,579,382	1,924,184	9.88
Kuwait	37,613	1.05	22,920	27,731	243,614	271,345	1.39
Luxembourg	8,363	.23	2,550	3,079	7,334	10,413	.05
Netherlands	70,182	1.96	141,080	170,705	443,892	614,597	3.16
New Zealand	10,413	.29	----------	----------	22,752	22,752	.12
Norway	30,464	.85	49,320	59,584	145,730	205,314	1.05
South Africa	12,445	.35	20,080	24,270	18,296	42,566	.22
Sweden	93,315	2.61	206,225	249,856	473,862	723,718	3.71
United Kingdom	263,576	7.37	694,300	839,995	1,543,062	2,383,057	12.23
United States	769,139	21.49	2,072,290	2,505,633	3,900,000	6,405,633	32.88
Total	2,267,244	63.36 SDR	5,155,555	$6,236,762	$12,471,586	$18,708,348	96.03
PART II MEMBERS							
Afghanistan	10,084	.28 SDR	1,049	1,377	67	1,444	.01
Algeria	18,481	.52	4,186	5,497	216	5,713	.03
Argentina	59,655	1.67	19,720	25,910	356	26,266	.13
Bangladesh	22,239	.62	5,589	7,339	193	7,532	.04
Benin	600	.02	500	656	----------	656	(4)
Bolivia	10,230	.29	1,101	1,445	45	1,490	.01
Botswana	7,747	.22	166	218	8	226	(4)
Brazil	59,655	1.67	19,720	25,895	190	26,085	.13
Burma	12,922	.36	2,099	2,756	92	2,848	.01
Burundi	9,407	.26	790	1,037	36	1,073	.01
Cameroon	7,771	.22	1,049	1,373	38	1,411	.01
Cape Verdi	516	.01	80	105	----------	105	(4)
Central African Republic	6,685	.19	519	682	19	701	(4)
Chad	2,093	.06	519	682	----------	682	(4)
Chile	17,113	.48	3,667	4,817	25	4,842	.02
China	91,311	2.55	31,436	41,276	1,582	42,858	.22
Colombia	17,132	.48	3,717	4,880	160	5,040	.03
Comoros	5,774	.16	83	109	3	112	(4)
Congo, People's Republic of the	6,685	.19	519	682	19	701	(4)
Costa Rica	7,844	.22	208	272	10	282	(4)
Cyprus	9,407	.26	790	1,037	42	1,079	.01
Dominican Republic	8,426	.24	436	569	66	635	(4)
Ecuador	2,200	.06	676	877	----------	877	(4)
Egypt, Arab Republic of	21,403	.60	5,277	6,929	184	7,077	.04
El Salvador	6,244	.17	331	435	11	446	(4)
Equatorial Guinea	1,967	.06	332	436	----------	436	(4)
Ethiopia	8,691	.24	539	708	26	734	(4)
Fiji	2,130	.06	581	763	----------	763	(4)
Gabon	2,093	.06	519	680	----------	680	(4)
Gambia, The	8,044	.22	277	364	15	379	(4)
Ghana	10,711	.30	2,452	3,219	37	3,256	.02
Greece	14,288	.40	2,618	3,220	98	3,318	.02
Grenada	7,537	.21	94	123	4	127	(4)
Guatemala	8,417	.24	415	545	21	566	(4)
Guinea	10,084	.28	1,049	1,379	53	1,432	.01
Guinea-Bissau	528	.01	140	184	----------	184	(4)
Guyana	9,553	.27	842	1,105	38	1,143	.01
Haiti	9,407	.26	790	1,037	39	1,076	.01
Honduras	8,124	.23	311	409	18	427	(4)
India	119,375	3.34	41,919	53,320	2,171	55,491	.29
Indonesia	38,128	1.07	11,531	15,141	385	15,526	.08
Iran	15,455	.43	4,717	5,690	154	5,844	.03
Iraq	9,407	.26	790	1,037	40	1,077	.01
Israel	9,386	.26	1,745	2,113	302	2,415	.01
Ivory Coast	7,771	.22	1,049	1,377	38	1,415	.01
Jordan	6,242	.17	311	377	12	389	(4)
Kampuchea, Democratic	7,826	.22	1,050	1,391	6	1,397	.01
Kenya	11,960	.33	1,745	2,284	88	2,372	.01
Korea, Republic of	10,932	.31	1,309	1,719	853	2,572	.01
Lao People's Democratic Republic	8,688	.24	519	682	207	889	(4)
Labanon	8,562	.24	467	613	19	632	(4)
Lesotho	7,747	.22	166	218	8	226	(4)
Liberia	9,407	.26	790	1,037	40	1,077	.01
Libya	7,771	.22	1,049	1,377	37	1,414	.01
Madagascar	702	.02	1,010	1,326	----------	1,326	.01
Malawi	9,407	.26	790	1,037	42	1 079	.01
Malaysia	14,288	.40	2,618	3,438	142	2,580	.02
Maldives	7,382	.21	31	40	2	42	(4)
Mali	7,479	.21	904	1,187	33	1,220	.01
Mauritania	6,685	.19	519	681	17	698	(4)
Mauritius	9,702	.27	924	1,209	35	1,244	.01
Mexico	9,253	.26	8,740	11,132	132	11,264	.06
Morocco	17,113	48	3,667	4,815	209	5,024	.03
Nepal	8,688	.24	519	682	24	706	(4)
Nicaragua	8,124	.23	311	376	14	390	(4)

STATEMENT OF VOTING POWER, AND SUBSCRIPTIONS AND SUPPLEMENTARY RESOURCES—Continued
[June 30, 1980 and June 30, 1979—Expressed in thousands of units of currency]

Members[1]	Voting power		Amounts of subscriptions and supplementary resources through the third replenishment		Amounts of subscriptions and supplementary resources under the 4th and 5th replenishments	Total subscriptions and supplementary resources[5]	
	Number of votes	Percent of total	Expressed in special drawing rights[3]	Expressed in current U.S. dollars	Expressed in current U.S. dollars	Expressed in current U.S. dollars	Percent of total
Niger	6,685	.19	519	680	19	699	(4)
Nigeria	4,057	.11	3,491	4,532		4,532	.02
Oman	6,244	.17	331	433	11	444	(4)
Pakistan	35,355	.99	10,582	13,895	529	14,424	.08
Panama	5,657	.16	21	26	1	27	(4)
Papua New Guinea	9,698	.27	894	1,173	49	1,222	.01
Paraguay	8,124	.23	311	409	15	424	(4)
Peru	854	.02	1,770	2,323		2,323	.01
Philippines	16,583	.46	5,296	6,952	268	7,220	.04
Rwanda	9,407	.26	790	1,037	37	1,074	.01
Sao Tome and Principe	514	.01	70	92		92	(4)
Saudi Arabia	46,843	1.31	3,700	4,856	350,000	354,856	1.82
Senegal	11,960	.33	1,745	2,292	95	2,387	.01
Sierra Leone	9,407	.26	790	1,033	33	1,066	.01
Somalia	7,246	.20	790	1,037	28	1,065	.01
Spain	40,084	1.12	12,590	15,198	31,159	46,357	.24
Sri Lanka	15,705	.44	3,148	4,133	66	4,199	.02
Sudan	10,084	.28	1,049	1,373	38	1,411	.01
Swaziland	8,193	.23	332	436	16	452	(4)
Syrian Arab Republic	7,651	.21	987	1,296	34	1,330	.01
Tanzania	11,960	.33	1,745	2,292	78	2,370	.01
Thailand	15,705	.44	3,148	4,133	156	4,289	.02
Togo	7,246	.20	790	1,037	29	1,066	.01
Trinidad and Tobago	770	.02	1,350	1,772		1,772	.01
Tunisia	2,793	.08	1,569	2,061		2,061	.01
Turkey	23,450	.66	6,086	7,991	78	8,069	.04
Uganda	11,960	.33	1,745	2,292	88	2,380	.01
Upper Volta	6,685	.19	519	682	19	701	(4)
Viet Nam	8,889	.25	1,569	2,061	28	2,089	.01
Western Samoa	7,537	.21	94	123	3	126	(4)
Yemen Arab Republic	8,494	.24	446	586	23	609	(4)
Yemen, People's Democratic Republic of	10,591	.30	1,226	1,610	62	1,672	.01
Yugoslavia	20,711	.58	8,080	9,766	9,319	19,085	.10
Zaire	12,164	.34	3,138	4,119	20	4,139	.02
Zambia	1,038	.03	2,690	3,531		3,531	.02
Total	1,311,022	36.64 SDR	287,787	372,588	400,986	773,574	3.97
Grand total—June 30, 1980	3,578,266	100.00 SDR	5,443,342	6,609,350	12,872,572	19,481,992	100.00
Grand total—June 30, 1979	3,509,383	SDR	5,443,342	6,601,046	11,824,438	18,425,544	

[1] See appendix F—Note A, for an explanation of the 2 categories of members.
[2] The Association has expressed its subscriptions and supplementary resources in special drawing rights with effect from Apr. 1, 1978.
[3] Includes amounts aggregating $101,403,000 ($2,503,320,000—1979) equivalent in current U.S. dollars receivable from members, of which at June 30, 1980 $79,183,000 ($538,096,000—1979) equivalent was past due and the balance, $22,220,000 ($1,965,224,000—1979) equivalent, was not yet due.
[4] Less than 0.005 percent.
General: The equivalent of $5,536,000 has been received from United Arab Emirates on account of its subscription pending admission to membership.

Mr. HELMS. Mr. President, before concluding, we should look at the role of IDA in the whole spectrum of multilateral lending institutions, and ask ourselves whether or not the MDB's constitute an effective way to channel assistance to other nations. At the very minimum, we ought to go back to the Republican platform, and ask ourselves, as the platform did, whether or not multilateral lending really serves the national interest. In the opinion of the Senator from North Carolina, all foreign aid—except for truly humanitarian emergencies created by drought or disaster—is fundamentally suspect. In the extensive studies of distinguished economists such as P. T. Bauer and Karl Brunner, it is shown that foreign assistance undermines development, and creates economic pathology, fostering disincentives to creative action, and instilling divisions among Third World people.

But in any case, certainly we ought to think twice about any multilateral aid program, where our control over the results and our influence in decisionmaking is fundamentally diluted. If we look at the figures for 1971 and 1981, we observe significant trends. Ten years ago, we gave $989 million in development assistance and $455 million to the international banks. In 1980, the figure for development assistance had increased by a little less than $1 billion to $1.95 billion, but the amounts contributed to the international banks had risen by almost $3 billion of a total of $3.34 billion.

The trend toward providing assistance through the multilateral framework is now very well established. The Carter administration by its assent to the various replenishment schemes, clearly expects it to continue. It is curious to me why the Reagan administration should follow suit without careful examination of the consequences.

Leaving aside for the moment the question of the wisdom of this shift, there are at a minimum certain bureaucratic considerations which have flowed from it. The actual conduct of American relations with the World Bank and its affiliates—including the regional banks—has been a responsibility of the Treasury Department. Yet, when the system was put in place, it was not contemplated that these institutions would become the principal vehicle for U.S. assistance to developing countries. Put another way, it was not contemplated that the Treasury Department would be burdened with the foreign aid business to the degree it has been in recent years. In fact, the Treasury Department officials seem concerned chiefly with economic issues, as opposed to foreign policy considerations, as if there is or should be a logical dichotomy. What is needed is not just a policy review of IDA, but a policy review of the multilateral banks as a group.

SUMMARY AND ANALYSIS OF MULTILATERAL BANKING ISSUES

Mr. President, a policy review of the multilateral banks can be done as a whole since they are essentially set up for the same purpose, operate in similar ways, and are based upon the single assumption that there exist flaws in the world capital markets which impede the necessary flow of capital to the lesser developed countries. They are specifically aimed at endangering development projects which would not be undertaken in a timely or appropriate way, if at all, without the MDB's participation. The prevalence of this animating assumption is reflected in the shift of the share of U.S. foreign economic aid going to multilateral banks from 16 percent in 1970 to 25 percent in 1979. One would suppose from this growth that during this period the inability of the world capital markets to cope with the Third World had become demonstrably apparent.

In fact, the opposite has been the case. There has been dramatic growth in private lending to lesser developed nations. If anything, what has become demonstrably apparent is that anyone who can use capital productively can borrow at home or abroad, including members of the Third World. If it is the contention of those who support the multilateral bank-

ing approach that the lesser developed countries cannot use capital as productively as it might be used elsewhere, then a very fundamental question arises concerning their humanitarian objectives: What could be more inhumane than the misallocation of resources? And how can one tell whether capital is being misallocated or not if that allocation process is removed from the markets or distorted with subsidies of various kinds?

The answer is that one cannot. The MDB's are presuming to a knowledge superior to that of the market. It is as if, somehow, these institutions have more information available to them as to what is good for the growth of the lesser developed countries. The source of this superior knowledge is obscure, but it seems to have emerged from the highly questionable and thoroughly speculative developmental economics of the past two decades. Such theories began by emphasizing hard-headed investment in infrastructure—transportation networks, communications, water projects, and so forth—but have now taken up the cause of growth with equity. MDB policy has responded accordingly, thus casting into doubt the certitude with which these theoreticians have advanced their proposals.

Mr. President, there are no reliable studies demonstrating that MDB's are a more efficient means of allocating scarce resources for human needs than would have taken place without the activity of these banks.

In fact, it is easier to argue the opposite: That the market is the cheapest planning instrument. The MDB supporters can, of course, point to soft-loan projects which would not have attracted private capital and they can cite at least some benefits from such projects. The Bank's annual reports are covered with pictures of healthy children, irrigation projects, farmers at work, et cetera. But as truly appealing as these benefits are, the price of their purchase has been the benefits forgone had the resources devoted to them been allocated by the market. Not only in economic terms, but also in human terms, these costs may be substantial.

The inability to ascertain the true costs of resource allocations by the MBD's is, in fact, a growing problem. Principally at the instigation of the United States, more MBD's resources are being channeled into projects for social development. In 1976, for instance, the MDB's charter was amended to make social development coequal with economic development as one of the agency's goals. Also during the fifth replenishment period (1979–82), the Bank will devote at least 50 percent of its lending to projects which benefit low-income groups.

A laudable enough objective at first glance, but signs of trouble emerge when the IDCR report mentions in the same paragraph that:

> The IDB staff devoted a great deal of time and effort to developing methodologies for . . . measuring the flow of benefits to low income groups.

With no intention of impugning their integrity, it must be said that the staff's labor will be mostly on the creative side. Unless one knows what results in income distribution the market would produce in the absence of MDB interventions, one cannot judge the effects of the intervention. But the market-produced results cannot be known precisely because of MBD intervention. There is simply no way to gage the results of these social development efforts without utilizing the standard of the market and therefore no way to appraise economically the efficiency of the capital investment in them.

The end result is that, despite all honest efforts at evaluation, MDB projects of this kind work by definition. Their effects are prejudged by the methodologies employed to measure them, or, to state it economically, their benefits are equated with their costs. Once one accepts this fallacy, it becomes understandably difficult to review and evaluate MBD programs. An indication of the magnitude of this problem is reflected in 1 study of 17 World Bank projects which attempted to discern the spread between the rates of return measured in efficiency prices and the social rate of return measured in shadow prices. The study found that the difference amounted to over 40 percent in a third of the projects. Bettina S. Hurni, "The Lending Policy of the World Bank in the 1970s," (Westview Press, 1980, p. 75.)

How is market standard lost in the operation of the MDB's?

The MDB's receive from donor countries paid-in capital and callable capital. With the guarantee provided by the callable capital, they are able to enter the world bond markets and borrow funds. They can then by charter lend an amount of money no greater than the total of their paid in, callable capital and reserves. (Mr. McNamara has suggested a change in the World Bank Charter that would allow them to lend more than this amount.) The majority of this money goes through the hard loan windows of the MDB's which offer the funds at near-market rates. The rest is offered through the soft loan windows at concessionary terms, and so forth, .075 percent rate, 40-year pay-back, 10-year period of grace.

Supposedly, the projects financed by the near-market term loans are able to come very close to the terms of the commercial market. If this is so, what purpose do the MDB's serve? The element of risk is often mentioned as a reason for their existence, that is, the private capital market would shy away from these loans unless they were insured by the member governments' callable capital. At the same time, the MDB's proudly point to the fact that they have never had a default. The risk has therefore been minimal, and it is hard to believe that most of the loans could not be met by the private capital market, without the underwriting of U.S. taxpayers. Indeed, in the middle 1970's there was a great deal of borrowing by the LDC's from commercial banks even though development finance was readily available. Even the harder terms of commercial borrowing were preferred to the administrative complications and appraisal procedures of the MDB's. (Hurni, page 106.) In fact, for IDA:

> Disbursements decreased by 18 percent in fiscal 1978, due to—among other reasons—the complexity of "new style" projects.

The question may be asked why there should be any objection to U.S. loan guarantees since there has never been a loan default. Is this not a cost-free way of diverting funds to the LDC's? This assumption second-guesses the market by supposing that a large transfer of resources to the LDC's is a good thing. It also ignores the fact that capital raised by these bonds in the U.S. market is capital no longer available for use here. What would have been the return on alternate uses of this capital? What are the effects on our exchange rate from this shift of capital out of the United States? Thirty-three percent of MDB bonds are purchased in U.S. dollars.

The highly concessional terms of the soft loan windows present an even clearer case of the transfer of resources from more productive to less productive uses. While encouraging the kinds of projects on which it is impossible to measure the rate of return, these concessional loans also face major obstacles in reaching their objective of helping the poorest of the poor.

It should first of all be kept in mind that the maximum contribution these loans make to the LDC's is no greater than the avoided cost of borrowing, a relatively insignificant sum when averaged out over the number of poor people these loans are intended to benefit. Second of all, these loans are made to the recipient governments, and the poorest of the poor are precisely those people who are unlikely to have access to their governments. Aid of the kind needed by the desperately poor might be better disbursed at a lower cost of the donor in the form of grants given on a bilateral basis. Concessional loans also lessen the pressure on the LDC's to put their economic house in order to attract long-term private capital investments.

Another point often made in respect to MDB loans is that great care should be exercised that the absorptive capacities of the host country not be overwhelmed. But without the standard provided by the market, it is at best a guess on the part of the MDB staffs as to when this point is reached since the desire for dollars in the LDC's is insatiable. It would be more appropriate to question the absorptive capacities of the MDB's, themselves, especially the World Bank group.

It has already been noted that IDA disbursements decreased in 1978. Delays in project preparation have also increased during the 1970's from 3 to 3½ years. (Hurni, p. 107.) Bettina S. Hurni has raised a serious question about the World Bank group's future plans for huge capital increases:

> Paradoxically, it remains to be seen if, after the capital increase, the Bank might not have too much money to be effectively processed

through the project pipeline because the additional staff needed to manage such lending amounts might enlarge the institution to the point where Parkinsonian efficiency losses cannot be avoided. (Page 105.)

Another concern about the MDB's is that they now encourage the production of commodities already in surplus on the world market. To this end various amendments have been passed by the U.S. Congress to our appropriation bills for the MDB's. Again, this is a poor substitute for market discipline. World market conditions should set the priorities for commodity production, not the MDB's or the U.S. Congress. Their determination of the existence of a surplus is obviously subject to the political pressures of existing producers. Regular commercial lending procedures for the commodity production are much more reliable in determining if a specific need exists or not.

The market is the only means by which enough information is supplied to make intelligent economic decisions. If the MDB's case is that they are doing what the market would otherwise do, then their existence is superfluous. On the other hand, if they are not doing what the market would do, they are wasting their resources by divesting them to noneconomic purposes. What are these purposes? The MDB's have been moving, and at the instigation of the United States, to adopt policies for the approval of loans based on the noneconomic considerations of "growth with equity" ("Development Issues," IDCA, p. 264) meaning an increased emphasis on redistribution as against production.

The new modes of social cost-benefit analysis that this orientation has spawned naturally encourages decisions in favor of loan projects and slower rates of real growth, thus impairing the general welfare of the recipient country. (Hurni, page 72.) This cost of equality is too high for countries with so little to share in the first place. It might be best kept in mind that income distribution improves with economic growth and not the other way around. In fact, the two approaches are inimical to each other. The continued pursuit of these redistributive policies will ultimately result in a reduction of total world income, hardly an effective way to help the poor.

As bad as these new style policies are, they at least serve the useful purpose of interring the cherished notion that the MDB's operate by some objective economic criteria that hold them above the petty squabbles of the political world, as well as outside the realm of our own foreign policy considerations.

But these economic criteria are only supposedly objective and were so even before the political drift of the MDB's became more explicit. The reason for this is fairly elementary. The MDB's express their objectives in terms of making things better. Any expression of better or worse is ultimately measured against some idea of what is good. Since the MDB's desire is to improve the societies of the lesser developed countries, they must have an idea of what the good society is. The very existence of multinational development banks goes very far in assuming that there is a consensus among member nations as to the nature of that good society. To say that such a consensus does not exist is to belabor the obvious. One might retort that all would agree that it is better to have food than to starve, but any number of hungry Indians who forgo an ample supply of beef protein in the form of sacred cows would disagree.

The harm that this illusion has caused was trenchantly remarked upon by Lucian W. Pye as early as 1960:

We have allowed the center stage to be taken over by supposedly technical economic considerations. As a consequence we have made techniques into the molders of doctrine rather than treating them as the servants of doctrine. We have built our ideology by pushing beyond the realm of its relevance the analytical reasoning of economics. In so moving from technique to doctrine we have been easily captivated by a false sense of realism. (Soviet and American Styles in Foreign Aid, Orbis, vol. IV:2, 196, pp. 171–72.)

We have, in other words, denied the sovereignty of politics by subordinating political ends to supposedly technical economic considerations.

It is not surprising within this context that Bettina S. Hurni, after several years of study of the World Bank's recent loan policies, would conclude that:

The shift in emphasis from economic growth to welfare and distributive justice is not based on a coherent development theory.

Though lacking in coherence, the new style bank loan polices do derive from a general philosophical perspective about which several things should be said. The redistributive mentality basically equates inequities with injustices. Therefore inequalities are seen as a result of exploitation rather than as a reflection of scarcity as the basic fact of human life. This mentality encourages the recipient countries to look upon MDB loans as entitlements, and disposes the donors to give in ways that are less productive since their primary motive is to redress injustices, rather than to promote growth.

It is ironic that while the access of LDC's to private capital markets has grown tremendously over the last 10 years, the World Bank projections for the next 10 years show a substantial diminution in the percentage share of capital provided by the private markets. This forecast is very much in the way of a self-fulfilling prophecy, as the MDB's would like to see a greater share of world capital flow through their windows in order to meet the social and other-than-economic criteria for the new world order their assumptions embrace. This new world order is neither in the interest of the United States nor of our intended beneficiaries.

Mr. MATHIAS. Mr. President, this is essential legislation which has the full support of the administration and the Senate Foreign Relations Committee.

The International Development Association is a major factor in relieving hardship and promoting economic development among the world's poorest peoples. About 90 percent of IDA loans go to nations with per capita GNP's of $360 or less.

IDA is important to U.S. security as well. The countries on the rim of the Indian Ocean are the major recipients of IDA loans, and I need not remind my colleagues of the importance of the Indian Ocean to U.S. strategic interests.

Senate passage of the IDA legislation today will be a major step toward fulfilling U.S. commitments to the multilateral development banks. In the case of IDA, 19 other nations, including our most important allies, have contributed $1.9 billion in advance payments to the sixth replenishment of IDA. They will not provide any more advance payments until they are certain that the United States will agree to its full $3.24 billion share of the $12 billion replenishment.

IDA is out of money as of today. IDA lending and the entire Sixth Replenishment hinge on approval of the legislation before the Senate today.

I would ask my colleagues to consider the far-reaching implications if the Congress fails to approve the IDA replenishment. The poorest countries in the world would be deprived of an essential part of their economic development funding. Future cooperation with our allies in providing economic assistance would be undermined. The stability of the world economic system could be jeopardized.

At hearings on this legislation before the Foreign Relations Committee I asked Deputy Secretary of Treasury R. T. McNamar his opinion of the effect on the world economic community if the United States were to abandon its role in the international financial institutions such as IDA. He said:

There is no question that it would have a major financial shock. I suggest there would not only be profound, long-term consequences on the less-developed countries because of the energy crunch . . . but, indeed . . . I would be concerned about the flow-through effect in the international financial markets not only in the United States but in other institutions around the world.

Secretary of the Treasury Donald Regan recently testified before the Senate Appropriations Committee that:

A withdrawal of U.S. support would be irresponsible and damaging to our national interest.

The letter all Senators have received from Secretary Regan and Secretary of State Haig makes the same point.

Mr. President, I would also like to call attention to the urgency of enacting the authority for the United States to join the African Development Bank. Other nations are now ready to join. Unless the United States joins now, our businesses will lose procurement opportunities, we will miss a chance to appoint an American to the Bank's board and most important, U.S. relations with the 50 African states who belong to the African Development Bank would be seriously damaged.

I had the pleasure of meeting with the President of the African Development Bank, Mr. Wila D. Mung'omba, during his visit to Washington a few weeks ago. President Mung'omba and the other officials of the Bank are determined to focus the Bank's programs on agricultural development programs which will help African nations feed their people. They

are concentrating on projects which will help African nations cooperate on basic projects to improve health and transportation and increase food production.

President Mung'omba is hopeful that the United States will join the Bank very soon. In his recent letter to me he mentioned the tight deadline the Bank has for admitting new members:

We strongly hope that this legislation might be passed prior to the date of our annual meeting (May 11–15) but in any case by mid summer so as to permit the U.S. to fill a seat on the new and enlarged board of directors which will be formed at the time the Bank's membership is opened to non-regional membership.

Mr. President, in view of all the considerations which support passage of this legislation, I hope the Senate will act promptly and positively.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. PRESSLER) and the Senator from Texas (Mr. TOWER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Ohio (Mr. METZENBAUM), the Senator from New York (Mr. MOYNIHAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 58, nays 32, as follows:

[Rollcall Vote No. 87 Leg.]

YEAS—58

Armstrong	Ford	Nunn
Baker	Garn	Packwood
Baucus	Gorton	Pell
Bentsen	Hatch	Percy
Biden	Hatfield	Pryor
Boschwitz	Hayakawa	Riegle
Bradley	Heinz	Rudman
Bumpers	Hollings	Sarbanes
Cannon	Inouye	Sasser
Chafee	Jepsen	Schmitt
Cochran	Kassebaum	Simpson
Cohen	Laxalt	Specter
Cranston	Leahy	Stafford
D'Amato	Levin	Stevens
Danforth	Lugar	Thurmond
Denton	Mathias	Tsongas
Dixon	Matsunaga	Wallop
Dodd	Mattingly	Weicker
Dole	Mitchell	
Durenberger	Murkowski	

NAYS—32

Abdnor	Goldwater	McClure
Andrews	Grassley	Melcher
Boren	Hawkins	Nickles
Burdick	Heflin	Proxmire
Byrd, Harry F., Jr.	Helms	Quayle
	Huddleston	Randolph
Byrd, Robert C.	Humphrey	Roth
DeConcini	Jackson	Stennis
Domenici	Johnston	Symms
East	Kasten	Warner
Exon	Long	Zorinsky

NOT VOTING—10

Chiles	Kennedy	Tower
Eagleton	Metzenbaum	Williams
Glenn	Moynihan	
Hart	Pressler	

So the bill (S. 786), as amended, was passed, as follows:

S. 786

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—INTERNATIONAL DEVELOPMENT ASSOCIATION

PAYMENT OF CONTRIBUTION

SEC. 101. The International Development Association Act (22 U.S.C. 284 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 17. (a) The United States Governor is authorized to agree on behalf of the United States to pay to the Association $3,240,000,000, of which not more than $540,000,000 shall be available in fiscal year 1981 and not more than $850,000,000 shall be available in fiscal year 1982, as the United States contribution to the sixth replenishment of the resources of the Association: *Provided, however,* That any commitment to make such contributions shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contributions provided for in this section, there are authorized to be appropriated, without fiscal year limitation, $3,240,000,000 for payment by the Secretary of the Treasury.".

TITLE II—AFRICAN DEVELOPMENT BANK

SHORT TITLE

SEC. 201. This title may be cited as the "African Development Bank Act".

ACCEPTANCE OF MEMBERSHIP

SEC. 202. The President is authorized to accept membership for the United States in the African Development Bank (hereafter in this Act referred to as the "Bank") provided for by the agreement establishing the Bank (hereafter in this Act referred to as the "agreement") deposited in the archives of the United Nations.

GOVERNOR; ALTERNATE GOVERNOR

SEC. 203. (a) The President, by and with the advice and consent of the Senate, shall appoint a Governor and an Alternate Governor of the Bank. The term of office for the Governor and the Alternate Governor shall be five years, subject at any time to termination of appointment or to reappointment. The Governor and Alternate Governor shall remain in office until a successor has been appointed.

(b) No person shall be entitled to receive any salary or other compensation from the United States for services as a Governor or Alternate Governor, except for reasonable expenses to attend meetings of the Board of Governors.

DIRECTOR; ALTERNATE DIRECTOR

SEC. 204. (a) The Governor or, in the Governor's absence, the Alternate Governor, on the instructions of the President, shall cast the votes of the United States for the Director to represent the United States in the Bank.

(b) The Director or Alternate Director representing the United States, if citizens of the United States, may, in the discretion of the President, receive such compensation, allowances, and other benefits as, together with those received from the Bank and from the African Development Fund, will not exceed the aggregate of the compensation, allowances, and other benefits authorized for a chief of mission, under the Foreign Service Act of 1980.

NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL POLICIES

SEC. 205. The National Advisory Council on International Monetary and Financial Policies, established by Executive Order Numbered 11269, shall carry out the provisions of section 4 of the Bretton Woods Agreements Act (22 U.S.C. 286b) and section 31 of Public Law 91–599 (84 Stat. 1658) with respect to the Bank to the same extent and in the same manner as such Council carries out such provisions with respect to the International Bank for Reconstruction and Development and the International Monetary Fund on the date of enactment of this Act.

CERTAIN ACTS NOT TO BE TAKEN WITHOUT AUTHORIZATION

SEC. 206. (a) Unless authorized by law, neither the President, nor any person or agency, shall, on behalf of the United States—

(1) subscribe to additional shares of stock of the Bank;

(2) vote for or agree to any amendment of the agreement which increases the obligations of the United States, or which changes the purpose or functions of the Bank; or

(3) make a loan or provide other financing to the Bank, except that funds for technical assistance may be provided to the Bank by a United States agency created pursuant to an Act of Congress which is authorized by law to provide funds to international organizations.

DEPOSITORIES

SEC. 207. Any Federal Reserve bank which is requested to do so by the Bank shall act as its depository or as its fiscal agent, and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

PAYMENT OF SUBSCRIPTIONS

SEC. 208. (a) The President is authorized to agree to subscribe on behalf of the United States to twenty-nine thousand eight hundred and twenty shares of the capital stock of the Bank: *Provided, however,* That the subscription shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

(b) There are authorized to be appropriated, without fiscal year limitation, for payment by the Secretary of the Treasury of the initial United States subscription to twenty-nine thousand eight hundred and twenty shares of the capital stock of the African Development Bank, $359,733,570.

(c) Any payment or distributions of moneys from the Bank to the United States shall be covered into the Treasury as a miscellaneous receipt.

JURISDICTION AND VENUE OF ACTIONS

SEC. 209. For the purposes of any civil action which may be brought within the United States, its territories or possessions, or the Commonwealth of Puerto Rico, by or against the Bank in accordance with the agreement, the Bank shall be deemed to be an inhabitant of the Federal judicial district in which its principal office within the United States or its agent appointed for the purpose of accepting service or notice of service is located, and any such action to which the Bank shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States, including the courts enumerated in section 460 of title 28, United States Code, shall have original jurisdiction of any such action. When the Bank is defendant in any action in a State court, it may, at any time before the trial thereof, remove such action into the appropriate district court of the United States by following the procedure for removal provided in section 1446 of title 28, United States Code.

STATUS, IMMUNITIES AND PRIVILEGES

SEC. 210. The agreement, and particularly paragraph 5 of article 49 and articles 50 through 59, shall have full force and effect in the United States, its territories and pos-

sessions, and the Commonwealth of Puerto Rico, upon acceptance of membership by the United States in the Bank. The President, at the time of deposit of the instrument of acceptance of membership by the United States in the Bank, shall also deposit a declaration as provided in paragraph 3 of article 64 of the agreement that the United States retains for itself and its political subdivisions the right to tax salaries and emoluments paid by the Bank to United States citizens or nationals.

SECURITIES ISSUED BY BANK AS INVESTMENT SECURITIES FOR NATIONAL BANK

SEC. 211. The seventh sentence of paragraph 7 of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24), is amended by inserting ", the African Development Bank" after "Inter-American Development Bank".

SECURITIES ISSUED BY BANK AS EXEMPT SECURITIES; REPORT FILED WITH SECURITIES AND EXCHANGE COMMISSION

SEC. 212. (a) Any securities issued by the Bank (including any guarantee by the Bank, whether or not limited in scope) in connection with raising of funds for inclusion in the Bank's ordinary capital resources as defined in article 9 of the agreement and any securities guaranteed by the Bank as to both principal and interest to which the commitment in paragraph 4(a) of article 7 of the agreement is expressly applicable, shall be deemed to be exempted securities within the meaning of paragraph (a)(2) of section 3 of the Act of May 27, 1933 (15 U.S.C. 77c) and paragraph (a)(12) of section 3 of the Act of June 6, 1934 (15 U.S.C. 78c). The Bank shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Bank and its operations and necessary in the public interest or for the protection of investors.

(b) The Securities and Exchange Commission, acting in consultation with such agency or officer as the President shall designate, is authorized to suspend the provisions of subsection (a) at any time as to any or all securities issued or guaranteed by the Bank during the period of such suspension. The Commission shall include in its annual reports to the Congress such information as it shall deem advisable with regard to the operations and effect of this section and in connection therewith shall include any views submitted for such purpose by any association of dealers registered with the Commission.

CONFORMING AMENDMENTS

SEC. 213. (a) Section 701(a) of Public Law 95-118 (22 U.S.C. 262d) is amended in the text above paragraph (1) by inserting "the African Development Bank," after "African Development Fund,".

(b) Section 801(a) of Public Law 95-118 (22 U.S.C. 262f) is amended by inserting "the African Development Bank," after "African Development Fund,".

(c) Section 51 of Public Law 91-599 (22 U.S.C. 276c-2) is amended by inserting "the African Development Bank," after "Asian Development Bank".

TITLE III—INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND ASIAN DEVELOPMENT BANK

TECHNICAL AMENDMENTS

SEC. 301. (a) Section 27(a)(2) of the Bretton Woods Agreements Act (22 U.S.C. 286e-1f) is amended by striking out "shall be made only after the amount required for such subscription has been appropriated" and inserting in lieu thereof "shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts".

(b) Section 22(a) of the Asian Development Bank Act (22 U.S.C. 285s) is amended by striking out "shall be made only after the amount required for such subscription has been appropriated" and inserting in lieu thereof "shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts".

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. HATFIELD). The Chair, on behalf of the Vice President, pursuant to Executive Order 12131, dated May 4, 1979, appoints the Senator from Illinois (Mr. PERCY) and the Senator from Delaware (Mr. ROTH) to the President's Export Council.

ORDER OF BUSINESS

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, it will be my purpose in a few moments to explore the possibility of obtaining a time limitation on a sense-of-the-Senate resolution regarding the maritime accident involving a Japanese vessel. The distinguished minority leader is necessarily absent from the floor for a few moments, so while we await his arrival I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—SENATE RESOLUTION 115

Mr. BAKER. Mr. President, I inquire of the distinguished minority leader if the request I am about to propound would be perhaps satisfactory to the minority.

Mr. President, I ask unanimous consent that when the Senate turns to consideration of Senate Resolution 115, a sense-of-the-Senate resolution regarding a maritime accident involving a Japanese vessel, it be subject to the following time agreement: 30 minutes total time for debate on the resolution, divided in the following fashion: 15 minutes under the control of the distinguished Senator from California, Mr. HAYAKAWA; 15 minutes under the control of the distinguished Senator from Rhode Island, the ranking minority member of the Foreign Relations Committee, Mr. PELL; and further that no amendments, motions, appeals, or points of order be in order to the resolution.

Mr. ROBERT C. BYRD. Mr. President, that request has been cleared on this side and there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, while we arrange the further business of the Senate this afternoon and determine whether or not we will proceed now to the consideration of Senate Resolution 115 or another matter, in order to gain a little time for consultation, I would ask if there are special orders for the recognition of Senators on tomorrow.

The PRESIDING OFFICER. There is one for the Senator from Nebraska, Mr. ZORINSKY.

Mr. BAKER. Mr. President, I thank the Chair.

Mr. President, I ask unanimous consent that following on after the disposition of the special order—Mr. President, I withhold my request in respect to the special order and I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL BETA SIGMA PHI WEEK

Mr. BAKER. Mr. President, the request I am about to make has been cleared on the other side. The distinguished minority leader is present and I have just spoken to him on the matter, as well.

Mr. President, on behalf of Mr. DOLE, I send to the desk a joint resolution and ask for its immediate consideration. The joint resolution is cosponsored by Senators ABDNOR, BOREN, BUMPERS, COCHRAN, CRANSTON, D'AMATO, EAST, GLENN, GOLDWATER, GORTON, GRASSLEY, HAWKINS, HEFLIN, INOUYE, JACKSON, KASSEBAUM, LAXALT, LEVIN, LUGAR, METZENBAUM, MOYNIHAN, NUNN, RIEGLE, ROTH, THURMOND, and WILLIAMS.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 75) authorizing and requesting the President to issue a proclamation designating the 7 calendar days commencing on April 30 of 1981 as "National Beta Sigma Phi Week".

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

● Mr. DOLE. Mr. President, on April 30 of this year, Beta Sigma Phi—the world's largest Greek-letter women's organization—will celebrate the golden anniversary of its founding in my home State of Kansas.

Fifty years ago, the late Walter W. Ross originated the first Beta Sigma Phi chapter with seven members. It was then conceived to be a social and cultural organization dedicated to the ideals of life, learning, and friendship.

Today, Beta Sigma Phi has grown into

an organization of 250,000 active members in 12,000 chapters in 33 countries and jurisdictions. While it has remained true to the purpose for which it was founded, it has become much more. Beta Sigma Phi is now a unique organization of women who perform a major role in providing service to others. Beta Sigma Phi is a nonacademic sorority based upon civic, cultural, and humanitarian ideals of which our Nation can be proud.

In 1947, Beta Sigma Phi originated the International Endowment Fund, which is devoted to the advancement of medical research projects. The fund supports the Sidney Farber Cancer Institute whose goals are to research the cause and cure of cancer and to treat victims of the disease. The fund also supports research to discover effective ways of dealing with cystic fibrosis, kidney disease, arthritis, and burns. It supports St. Jude's Children's Research Hospital, which is dedicated to the treatment of catastrophic children's diseases, and Girlstown, U.S.A.

Beta Sigma Phi members have developed the International Exemplar Fund to support the education of women in underdeveloped countries and to seek the improvement of social and economic conditions for women in rural areas of Asia, Latin America, the Caribbean, and Africa.

Mr. President, I think it is highly appropriate to extend recognition to this fine organization, which provides inspiration and guidance to women the world over, on the occasion of its 50th anniversary. I am pleased to introduce this resolution to proclaim the week beginning on April 30 as "National Beta Sigma Phi Week" and it is my sincere hope that my distinguished colleagues will support this resolution with me.●

The PRESIDING OFFICER. Without objection, the joint resolution will be considered to have been read the second time at length.

The joint resolution (S.J. Res. 75) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 75

Whereas the United States of America has played a leadership role in advancing the status of women throughout the world;

Whereas Beta Sigma Phi sorority, the world's largest international Greek-letter women's organization, was founded on April 30, 1931, by Walter W. Ross to establish a new organization to enhance women's social opportunities and to enrich mind and personality;

Whereas Beta Sigma Phi, since its inception, has been deeply and consistently dedicated to following "only the Good, only the True, only the Beautiful";

Whereas Beta Sigma Phi, with more than two hundred and fifty thousand members from twelve thousand two hundred and forty-one active chapters in twenty-six countries, has been pursuing the organization's goals since its inception, and shall be observing its golden anniversary in 1981;

Whereas the Beta Sigma Phi International Endowment Fund promotes the additional aim of "service free from self and selfishness" through the support of research projects in cancer cystic fibrosis arthritis and burn treatment; and education scholarships;

Whereas the Beta Sigma Phi International Exemplar Fund contributes substantially toward the education of women in underdeveloped countries and for the improvement of social and economic conditions of rural women in Asia, Latin America, the Caribbean, and Africa;

Whereas Beta Sigma Phi's social, cultural, and service programs have a significant impact on the lives of its members as well as their communities and local, State, and National governmental officials around the world: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the seven-day period commencing on April 30 of 1981 as "National Beta Sigma Phi Week", and calling upon the people of the United States and interested groups and organizations to observe that week with appropriate ceremonies and activities to recognize the National Beta Sigma Phi sorority and its social, cultural, and service programs and the high ideals for which the sorority stands.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I am trying to ascertain whether or not there is business to be transacted by the Senate tomorrow. We have good prospects, I believe, for transacting worthwhile business on at least one and perhaps two other measures this afternoon. While we explore that a little further and in order to gain a little time, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DENTON). Without objection, it is so ordered.

Mr. BAKER. Mr. President, as I indicated earlier, the time gained by the quorum call which has just been terminated has permitted us to try to arrange an orderly series of activities for the Senate for the next few days.

As our colleagues know, we disposed of very controversial issues today in, frankly, less time than the leadership on both sides had thought was likely to be consumed.

In any event Mr. President, I would expect this afternoon that at least one other measure will be taken up and disposed of, most likely the Japanese vessel resolution, on which there is a time limitation by agreement entered into just a little while ago.

There is a possibility that there will be another matter to dispose of this afternoon dealing with crop insurance. That matter is still under negotiation by the principals, by the committee chairmen involved. another announcement can be made about that later in the afternoon.

After we dispose of one or both of those measures, Mr. President, it appears unlikely that any significant progress in the legislative schedule of the Senate could be made on Thursday, tomorrow, or on Friday.

Therefore, I am prepared and I do now make these requests, which I have shown to the distinguished minority leader, who is presently on the floor.

ORDER FOR RECESS UNTIL THURSDAY, APRIL 30, 1981, AT 11 A.M., AND FROM THURSDAY UNTIL MONDAY, MAY 4, 1981, AT 11 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in recess until the hour of 11 a.m. on Thursday, April 30, 1981, and that immediately upon convening on said day the Presiding Officer, without the transaction of any business or debate, declare the Senate in recess until 11 a.m. on Monday, May 4, 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR CERTAIN ACTION DURING RECESS

Mr. BAKER. Mr. President, in order to provide for certain other housekeeping details during that time, I have the following requests:

I ask unanimous consent that during the recess of the Senate over on Thursday, April 30, 1981, and Friday, May 1, 1981, that messages from the President of the United States and the House of Representatives may be received by the Secretary of the Senate and appropriately referred, and that the Vice President, the President pro tempore, and the acting President pro tempore be permitted to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR SENATORS TO INTRODUCE BILLS, RESOLUTIONS AND STATEMENTS, AND COMMITTEES TO FILE REPORTS ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that on Thursday, April 30, 1981, between the hours of 9 a.m. and 4 p.m., Senators be permitted to introduce bills, resolutions and statements, and that committees be authorized to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR BUDGET COMMITTEE TO FILE REPORT ON FRIDAY

Mr. BAKER. I ask unanimous consent that the Budget Committee be granted permission to file its report until 7 p.m. on Friday, May 1, 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ZORINSKY ON MONDAY, MAY 4, 1981

Mr. BAKER. Mr. President, I observe the distinguished Senator from California (Mr. HAYAKAWA) is on the floor. Be-

fore I yield the floor so that he may proceed with his resolution as he wishes, I have been notified that the distinguished Senator from Nebraska (Mr. ZORINSKY) desires a special order for not to exceed 15 minutes on Monday, May 4. I now make that request on his behalf.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I thank the distinguished minority leader. I especially thank him for his extensive consultation with me and others during the course of this day in arriving at arrangements for a number of matters. I might call to the attention of our colleagues that not only have we disposed of significant legislative business today, and executive business as well, but we have made arrangements for the disposition of two nominees on the Executive Calendar, more accurately one on the Executive Calendar and one soon to come to the Executive Calendar, both of which might have consumed days and might have required an effort to invoke cloture had we not arrived at these agreements.

I am talking, of course, of the Pauken nomination for ACTION and the Ruppe nomination for Peace Corps. The fact that we were able to negotiate time limitations on those nominations and a time certain for the disposition of them has saved the Senate not just hours but, maybe, days of deliberation. So while it may not appear that a great deal of business has been transacted on the floor, although we have now had three—could the Chair tell me how many rollcalls we have had?

The PRESIDING OFFICER. The Parliamentarian advises me there were four.

Mr. BAKER. Although we have had four rollcall votes today, the volume of business transacted and the number of problems that have been dealt with and reconciled today is little short of prodigious. So I wish to express again my appreciation to the minority leader and his staff and to all Senators for cooperating.

Mr. President, I am now prepared to yield the floor.

Mr. HAYAKAWA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COLLISION OF UNITED STATES SUBMARINE AND JAPANESE FREIGHTER—SENATE RESOLUTION 115

Mr. HAYAKAWA. Mr. President, I send a resolution to the desk relating to the collision of a United States submarine and a Japanese freighter, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 115) relating to the collision of a United States submarine and a Japanese freighter.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. HAYAKAWA. Mr. President, this resolution is cosponsored, so far, by Senators PERCY, PELL, GLENN, SASSER, LUGAR, SARBANES, DODD, CRANSTON, GORTON, D'AMATO, STEVENS, and DENTON; and I invite any other Senators who wish to do so to have their names added as cosponsors.

The resolution expresses our profound regret for the loss of Japanese life and property resulting from the April 9 collision between a U.S. submarine and a Japanese freighter. This tragic accident is currently under investigation by the Navy and we hope to have a report soon. The resolution will not prejudice the outcome of that investigation. In action separate from the investigation, the Navy has accepted financial liability for the accident and is already accepting claims and negotiating compensation.

Mr. President, I was shocked by the accident. As my colleagues can well imagine, the Japanese people were also shocked and confused by the actions of the U.S. personnel aboard the submarine. The submarine did not render assistance to those Japanese sailors who survived the collision, and the accident was not reported to the Japanese Government for more than 24 hours. The American personnel have stated that inclement weather hampered observation. The accident has raised serious questions which both the Congress and the Japanese people expect to be answered.

The loss of lives and property and the unexplained actions of the American crew have caused an outcry in Japan, where the accident is labeled a "hit and run" by the Japanese press. This accident must not be allowed to undermine the mutual trust that the Japanese and American people have developed over many years of friendship. A thorough investigation and explanation as well as our sincere efforts to communicate our own dismay at the tragedy can go a long way in preventing this incident from affecting our overall relationship. The importance of Japan to the United States and the value that we place on the friendship of the Japanese people cannot be overstated.

Our hearts go out to the families of those men who lost their lives. No expression of sorrow or financial settlement can compensate for their loss. The families will be remembered in our thoughts and prayers.

Mr. President, I hope that we will receive the overwhelming support of the Senate for this resolution. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HAYAKAWA. Mr. President, the Committee on Foreign Relations has approved this resolution by a vote of 14 to 0; and Mr. Armacost, a Deputy Assistant Secretary of State for East Asian Affairs, has given his approval, on behalf of the Secretary of State, Alexander Haig.

Mr. President, I ask unanimous consent to have printed in the RECORD several newspaper articles in connection with this matter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post]

HIT AND RUN

On a foggy morning in a shipping lane off Japan, the USS George Washington, a nuclear-powered Polaris submarine, somehow while surfacing rammed and sank a Japanese freighter. The collision, taking the lives of the freighter captain and a crewman, might have been put down merely as a regrettable accident, but for one thing. The skipper of the sub, and a patrol plane overhead, left the scene without picking up the survivors, who drifted for 19 hours. The Japanese government was not notified for 35 hours. This hit-and-run aspect has since provoked a storm in Japan.

As well it might. The tradition of the sea and international law alike dictated a rescue effort. The Navy tentatively suggests that the George Washington surfaced briefly, saw nothing in the soup, and figured whatever it had struck was okay. Other observers, including but not limited to Japanese in the opposition and press, ask whether the skipper either lacked a proper concern for the freighter or calculated that on balance it would be best to clear the area, given the likely hot reaction in Japan to an accident involving a nuclear-powered, nuclear-weapon-carrying submarine.

Yesterday, 11 days after the fact, a reluctant Navy assumed financial liability and agreed to work out Japanese claims, even while its investigation of the American captain's personal responsibility goes on. Just how successful this will be in limiting the political damage is unclear, however. The Japanese have an extraordinary continuing sensitivity to anything having to do with nuclear weapons or nuclear power plants, especially in circumstances of accident. In this instance, the damage was compounded by neglect of the survivors. This offended the Japanese sense of propriety and courtesy, and produced comparisons of American behavior with the harassment commonly practiced by the Soviet navy.

Other things being equal, all this might be set aside after a period of recrimination and regret. But other things are not equal. Japan is recalibrating its defense posture in the light of changing perceptions of American and Soviet power. What would be most helpful to this process is a sense that the United States is a reliable and steady patron, as careful of Japan's requirements, military and psychological, as of its own. This is where the hit-and-run character of the submarine incident will hurt most.

[From the Washington Post, Apr. 14, 1981]

JAPANESE OFFICIAL SKEPTICAL OF U.S. DETAILS OF COLLISION

(By William Chapman)

TOKYO, April 13.—Japanese Foreign Minister Masayoshi Ito today said U.S. explanations of how a U.S. nuclear submarine rammed and sank a Japanese freighter last week were unconvincing.

He made his remarks as a chorus of politicians and press editorials also deplored the accident.

Sharp questions from opposition and government party members in the parliament and strong newspaper editorials accused the U.S. submarine's crew of failing to attempt

to rescue the surviving Japanese crew members, whose ship sank in international waters 110 miles from Japan Thursday.

Under questioning, Ito said he had doubts about the U.S. explanations and said he had asked U.S. Ambassador Mike Mansfield about them.

Ito said international law clearly required the American submarine crew to make a rescue attempt, and he added that the U.S. explanations of this so far were not convincing.

But he said, "We should await the result of the investigation" planned by the United States.

That inquiry gets underway Tuesday when a veteran Navy submarine commander, Capt. Willis Rich, arrives here from Pearl Harbor. He will question officers of the submarine, which has been ordered in from sea to an undisclosed port to facilitate the investigation, U.S. officials said. Japanese surviving crewmen also will be questioned, they added.

Mansfield, in a news conference, said, "I feel very distressed about this." He said the investigation should be conducted "the quicker the better, but it must be thorough and justice must be even-handed."

Mansfield added, however, that the accident should not affect the overall U.S.-Japanese security relationship.

The fleet ballistic missile submarine USS George Washington rammed the keel of a 2,300-ton freighter, the Nissho Maru, Thursday morning. The captain and a crewman apparently drowned, and 13 survivors drifted in lifeboats for 19 hours.

The U.S. Navy said the sub, which suffered only minimal damage, surfaced to give assistance but saw no vessel or survivors in distress and then submerged. There has been no explanation for a 35-hour delay in notifying the Japanese government definitely of the accident.

The sinking and accounts of surviving crewmen have become a major public issue and have provided some of the sharpest anti-American press commentary in several years. It has given critics of the U.S.-Japanese security relationship a new platform. The extent of political damage, Japanese officials said, would depend on the results of the U.S. investigation and the resulting explanations.

The accident also provided a new cause for Japan's vociferous antinuclear organizations, which staged a protest march to the American Embassy here.

There was still no explanation of why the submarine was operating near the surface—at periscope depth—in foggy weather in a busy shipping lane. Capt. John F. O'Connell, naval attaché at the U.S. Embassy, said it may have been surfacing for a navigational reading, to receive radio messages or to make contact with a plane involved in its operations.

Press criticism centered on the alleged failure to save lives and the long delay in reporting the accident to Japanese authorities.

There was considerable press speculation that the sub had avoided picking up survivors intentionally to avoid revealing military secrets.

Similar charges came from opposition members of parliament, led by the Japan Socialist Party, but a member of the ruling Liberal-Democratic Party, Shintaro Ishihara, also raised skeptical questions.

Ishihara asked for a fuller explanation of why the American submarine was operating in those waters and said the accident, if not more completely explained, would affect adversely the U.S.-Japanese security relationship.

Questions were also raised about the statements of surviving seamen that, after nearly five hours in lifeboats, they saw two submarine periscopes emerge from the water and seemingly circle them for some time. U.S. officials said today they had no information on which to base a reply to those assertions.

[From the New York Times, Apr. 23, 1981]

SUBMARINE SAID TO HAVE LEFT CRASH AREA BECAUSE SKIPPER SAW NOTHING AMISS

(By Richard Halloran)

WASHINGTON, April 22.—Naval and diplomatic reports on the collision of an American submarine and a Japanese freighter two weeks ago show that the submarine left the scene shortly after the accident because the American captain saw nothing amiss, Pentagon officials said today.

These officials said that the submarine George Washington had surfaced immediately after striking the freighter Nissho Maru. The submarine's crew determined that the damage to their vessel was minor and they saw the Japanese ship steaming away apparently unharmed, the officials said.

The captain of the submarine, which carries nuclear ballistic missiles, then ordered his craft to submerge and to clear the area in accord with standard operating procedures intended to avoid detection by Soviet satellites, ships or aircraft.

Not until nearly 24 hours later, the officials said, did the submarine captain learn that the Japanese ship had sunk 20 minutes after the collision with the loss of two lives or that the rest of the 15-man crew had drifted in life rafts for 18 hours before being rescued by a Japanese warship.

ANTI-AMERICAN FEELING AROUSED

The incident has aroused anti-American sentiment in Japan despite apologies from President Reagan and other senior United States officials and the Navy's acceptance of legal liability to compensate the Japanese involved for their losses.

The Navy has started an investigation in Japan, where the Japanese survivors were taken; in Guam, where the submarine went; and in Hawaii, where the submarine's home port and the Pacific Command headquarters are situated. The United States has promised a full disclosure as quickly as possible.

Officials here cautioned, however, that the investigation might not be completed before Prime Minister Zenko Suzuki visits President Reagan on May 7 and 8.

Details of the investigation have been closely held, the officials said, because it may lead to disciplinary action and because the legal rights of potential defendants must be protected. Even so, an outline of the incident has been pieced together from several officials informed on the episode. Each emphasized that the information was tentative, pending the outcome of the investigation.

About 10:30 A.M. on April 9, the George Washington, the oldest of the United States submarines to carry ballistic missiles, was cruising not far below the surface of the East China Sea about 110 miles south-southwest of the Japanese port of Sasebo.

VESSEL NOT ON USUAL MISSION

The submarine, however, was not on its usual mission, which is to move in deep water with its 16 Polaris ballistic missiles ready to fire at targets in the Soviet Union.

The George Washington, under the command of Comd. Robert D. Woehl, was instead engaged in a training exercise with an American P-3C Orion aircraft from a base in Japan flying low overhead. The Orion is a four-engine antisubmarine plane capable of carrying conventional or nuclear weapons to attack submarines.

The submarine was taking the role of an enemy submarine to give the Orion's 10-man crew practice in detecting and attacking the undersea craft. The ship was not, as some accounts have speculated, using the Japanese freighter as a target for a practice torpedo run.

During the drill, the submarine rose close to the surface either to take a navigational fix or to communicate with the plane, neither of which it could do at greater depth. But the submarine crew members were unaware of the Nissho Maru almost directly above them.

The 2,350-ton Japanese ship, loaded with cotton, apparently was too small and moving too slowly to be picked up by the submarine's listening devices, according to reports. Moreover, the submarine was not using its active sonar, which sends out a "ping" that bounces off objects in the sea and returns to give range and bearing. The device was not being used because it could give the Orion an indicator of the submarine's position.

PERISCOPE WAS DOWN

Another reason why those controlling the submarine were not aware of the Japanese ship was that the periscope was down. Why it was not used is unclear, except that perhaps it too could have disclosed the position of the submarine.

In any event, the crew of the submarine felt a bump and a slight shudder as the conning tower hit the bottom of the freighter.

The submarine's captain immediately ordered the ship to surface. The crew checked the conning tower for damage and reported it to be minor. The submarine's officers also saw no sign of distress from the Japanese ship, which was close enough for them to read its name.

The freighter soon disappeared into the murky weather, apparently steaming away undamaged. The submarine, which had been on the surface for about five minutes, then submerged and moved away so as to regain its concealment.

Naval officers said that good seamanship under those circumstances should have led the submarine captain to pursue the freighter to ask whether it was seaworthy. Why he did not is a vital point of the investigation.

OPERATING INSTRUCTIONS CITED

Pentagon officials said the evidence so far showed that the submarine captain, whose experience has been mostly in deep water isolated from other ships, might not have reacted in the way of a surface sailor accustomed to having many other vessels around.

The officials emphasized that, contrary to press speculation, nothing in naval regulations would prevent a nuclear-powered vessel or a nuclear-armed vessel from standing by to rescue sailors in distress.

On the other hand, some naval officers expressed resentment over the charge heard from some Japanese officials and commentators that the George Washington was guilty of a "hit and run" accident. They pointed out that many Vietnamese "boat people" had reported spending many days at sea while Japanese merchant vessels passed them by.

Pentagon officials said they did not know whether the Nissho Maru, in the 20 minutes that it remained afloat, had sent out a distress signal.

CHECK BY PLANE REQUESTED

After the George Washington submerged to a shallow depth, the submarine radioed the Orion above to look for the freighter and check for damage. The plane did so and radioed back that it could see nothing wrong. The captain of the submarine then sent an operational report on the accident to higher headquarters.

Because he reported no serious damage to the submarine or to the freighter, the Navy felt no urgency in informing the Japanese Government of the accident.

A Navy spokesman said that the Navy had accepted liability for the collision not only in an effort to dampen emotions in Japan but also because a Federal court ruled in 1974 that submarines must "give way" in circumstances like those in this incident.

U.S. OFFICER QUESTIONS SURVIVORS

TOKYO, April 22 (Reuters).—A senior United States Naval officer today questioned 13 survivors of the Japanese freighter that sank after a collision with an American submarine.

Capt. Willis Rich, who is investigating the collision, met the survivors after arriving here from Guam where the submarine, the George Washington is being repaired. He was accompanied by Capt. John O'Connell, a United States military attaché in Japan, who is a former submarine commander.

[From the New York Times, Apr. 16, 1981]

SUZUKI TO PRESS REAGAN ON SINKING

(By Henry Scott Stokes)

TOKYO, April 15.—Prime Minister Zenko Suzuki told Parliament today that he would ask President Reagan about the collision between an American submarine and a Japanese freighter at their meeting in Washington next month.

Mr. Suzuki described the accident last Thursday, which resulted in the sinking of the freighter and the deaths of two of its crew, as "very regrettable and a big shock to me."

The Japanese have said that the nuclear submarine, the George Washington, failed to pick up the 13 survivors of the collision and that the United States Navy did not report the incident promptly. The dispute over the collision comes at a time when the United States is trying hard to obtain an increased Japanese military commitment.

The main topic at the Reagan-Suzuki meeting is expected here to be defense and American requests for Japan to assume a greater part of the burden of protecting itself.

The United States, according to Ambassador Mike Mansfield, wants Japan to protect sea lanes close to home, to spend much more on antisubmarine and surveillance aircraft supplied by the United States and to increase military spending to substantially higher levels.

SPEECH BY MANSFIELD NOTED

"At the time of the accident, Ambassador Mike Mansfield was addressing a meeting, appealing to the audience on the importance of Japan's defense capability," said the mass-circulation newspaper Yomiuri. "His appeal could have little effect when such an accident takes place in waters around Japan," it commented.

"I am not convinced yet by the statement that the visibility was insufficient or that they lost sight of the ship," said Foreign Minister Masayoshi Ito in Parliament Monday, referring to a United States Navy account of the accident, which occurred some 110 miles south-southeast of Sasebo in western Japan.

The United States has apologized to Japan through Mr. Mansfield. But there were no further explanations of what happened when the ballistic-missile submarine struck the 2,350-ton freighter.

Mr. Ito said today that he expected the United States to provide an "interim account" of the accident following a United States Navy inquiry that started yesterday at Seventh Fleet headquarters in Yokosuka.

Japanese survivors said that visibility at the time of the collision was close to 2,000 yards and that they had seen the submarine about 500 yards away on the surface after the crash.

The United States Navy said that the submarine saw no survivors and no sign of a ship going down, that it called for an aircraft to check the area, and that it left the scene after the plane found nothing to report.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, I support the resolution, and I compliment the Senator from California.

I ask unanimous consent that my name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. I urge the adoption of the resolution.

The PRESIDING OFFICER. Is all time yielded back?

Mr. HAYAKAWA. Mr. President, I yield back the remainder of my time.

Mr. DECONCINI. Mr. President, I yield back the remainder of the time on this side.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the resolution. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Texas (Mr. TOWER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

The result was announced—yeas 92, nays 0, as follows:

[Rollcall Vote No. 88 Leg.]

YEAS—92

Abdnor	Garn	Metzenbaum
Andrews	Goldwater	Mitchell
Armstrong	Gorton	Moynihan
Baucus	Grassley	Murkowski
Bentsen	Hatch	Nickles
Biden	Hatfield	Nunn
Boren	Hawkins	Packwood
Boschwitz	Hayakawa	Pell
Bradley	Heflin	Percy
Bumpers	Heinz	Pro-mire
Burdick	Helms	Pryor
Byrd, Harry F., Jr.	Hollings	Quayle
	Huddleston	Randolph
Byrd, Robert C.	Humphrey	Riegle
Cannon	Inouye	Roth
Chafee	Jackson	Rudman
Cochran	Jepsen	Sarbanes
Cohen	Johnston	Sasser
Cranston	Kassebaum	Schmitt
D'Amato	Kasten	Simpson
Danforth	Kennedy	Specter
DeConcini	Lavalt	Stafford
Denton	Leahy	Stennis
Dixon	Levin	Stevens
Dodd	Long	Symms
Dole	Lugar	Thurmond
Domenici	Mathias	Tsongas
Durenberger	Matsunaga	Wallop
East	Mattingly	Warner
Exon	McClure	Weicker
Ford	Melcher	Zorinsky

NOT VOTING—8

Baker	Glenn	Tower
Chiles	Hart	Williams
Eagleton	Pressler	

So the resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 115), with its preamble is as follows:

S. RES. 115

Whereas the United States and Japan are longtime friends and close allies under the Treaty of Mutual Cooperation and Security of 1960;

Whereas the American people have great affection and respect for the Japanese people;

Whereas a tragic collision in the East China Sea on April 9, 1981, between a United States submarine and a Japanese freighter resulted in the loss of two Japanese lives, serious danger to many others, and costly damage to Japanese property;

Whereas serious questions have been raised regarding the cause of this accident and subsequent actions of American personnel; and

Whereas a thorough investigation is being conducted into the causes of the accident which will result in a full accounting as soon as possible to both the Congress of the United States and the Government of Japan: Now, therefore, be it

Resolved, That it is the sense of the Senate that the United States Senate and the American people express their profound regret for the loss of Japanese life and property, send deepest sympathy to the families of those men who lost their lives, and assure the Japanese people and their Government that a complete investigation will be conducted and a full explanation provided regarding this tragedy.

Mr. HAYAKAWA. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. HUDDLESTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the distinguished Senator from Hawaii (Mr. MATSUNAGA) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HAYAKAWA). Without objection, it is so ordered.

REPORT ON THE AUTOMOBILE INDUSTRY

Mr. DANFORTH. Mr. President, statistics released yesterday by the Department of Commerce tell an alarming story. Imports of automobiles from Japan reached 180,103 units in March, up 31.1 percent from February and up 10.5 percent from March of 1980. Imports in the first quarter reached 521,425 units, well over the 450,000-unit projection by the Japanese and over 2.1 million on an annual basis.

Yesterday also marked the final set of industry profit-and-loss statistics for the first quarter of 1981. While I am encouraged by GM's first quarter profit of $190 million, Ford, Chrysler, and AMC continue to show huge losses totaling almost $80 million.

IMPROVING THE ADMINISTRATION OF JUSTICE

Mr. THURMOND. Mr. President, the operations of the courts of the United States and improvements therein have always been of great interest to me. I have attempted to work closely with the Chief Justice, the Judicial Conference, and the Administrative Office of the U.S. Courts toward this end. Although, at times, we have taken different routes.

I believe that we have shared the same goal. Clearly, this is not a concern solely for the judiciary.

In this light, I offer for the RECORD a very interesting article in the winter 1981, issue of the Washington & Lee Law Review by Dr. Mark W. Cannon, administrative assistant to Chief Justice Burger, and Mr. Warren Cikins. Entitled "Interbranch Corporation in Improving the Administration of Justice: A Major Innovation," this article outlines some of the cooperative efforts that have occurred.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

INTERBRANCH COOPERATION IN IMPROVING THE ADMINISTRATION OF JUSTICE: A MAJOR INNOVATION

(By Mark W. Cannon* and Warren I. Cikins**)

In January of 1978, March of 1979, and January of 1980, small informal conferences devoted to problems of the administration of justice were held in Colonial Williamsburg under the sponsorship of The Brookings Institution's Advanced Study Program. Leaders of the three branches of the federal government attended, including the Chief Justice of the United States, the Attorney General and the Chairmen and Ranking Minority Members of the House and Senate Judiciary Committees. The holding of these meetings signified an innovative and radical departure from the pattern that dominated treatment of the problems of the courts at the federal level through two centuries—that of compartmentalization, bickering, inertia, and drift. These meetings established new channels of communication for the informal exchange of information, ideas, and differing perspectives on questions of common interest. The Brookings Conferences have helped to break down extra-constitutional barriers between the branches, barriers arising out of misunderstanding and lack of information. The conferences have also provided a block of time and an ideal setting in which leaders of the three branches can give their undivided attention to improving the administration of justice in the courts of the nation.

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Communication among the branches is especially necessary with respect to the administration of justice. Under the Constitution, Congress has vast powers relevant to the federal court system. Congress has the power to "ordain and establish" inferior courts in which the "judicial power" is vested. Congress is also responsible for the creation of judgeships, for setting the salaries of judges,[1] and for the appropriation of funds for the operation of the federal courts. Congress has delegated to the courts the central role in the federal rulemaking process, but has retained a veto. Further, Congress has the significant but little used power of impeachment and removal. With the legislatures of the several states, it also shares the power of initiation of the process to alter the effect of decisions of the Supreme Court by constitutional amendment.

The executive branch also has significant responsibilities connected with the operation of the courts. For example, the President formally names judges, subject to the advice and consent of the Senate. Also, as the largest litigator by far in the federal courts, the Department of Justice has a deep interest in the quality of justice in those courts. Until 1939, the Department of Justice was responsible for day-to-day management of the court system, a role then assumed by the Administrative Office of the United States Courts. The Administration, of course, has the authority to propose legislation affecting the organization, jurisdiction, and procedure in the federal courts. In 1977, the Office for Improvements in the Administration of Justice was created with the mission of making justice more effective and accessible, improving research in the field, and reducing those problems resulting from separation of powers and the federal system. The Department thus revived its historic (if not passionate) commitment to concern itself with the administration of the courts.[2]

Questions affecting the administration of justice have often been at the bottom of the agenda of the political branches. Congressional concern with the problems of the judiciary has proven sporadic and tenuous throughout American history. Generally, Congress has acted in the field of judicial administration only when the needs of the courts have gone unremedied for so long as to gather compelling momentum for action. For example, Congress did not create the U.S. Courts of Appeals until a century after the use of intermediate appellate courts to relieve the Supreme Court was first considered, and thirty-five years after they were demonstrably necessary.

Prior inertia is underscored by the developments in American government from the late 1930's until recently. During this period, the executive and congressional branches grew dramatically as the federal government expanded its involvement in international as well as domestic affairs. Yet, although the federal court caseload was rapidly expanding at the same time as courts became more actively involved in traditional legislative areas and in promoting individual rights, none of the growth and necessary reorganization which was occurring in the executive and congressional branches was extended to the judicial branch.

Chief Justice Warren Burger has pressed consistently the need for extensive modernization of federal court procedures since he assumed office in 1969. His efforts at improvement were substantially facilitated by the 1976 Pound Conference on the Popular Causes of Dissatisfaction with the Administration of Justice (organized principally by this article's co-author Dr. Mark Cannon, and Professor Leo Levin) which brought together members of the judiciary (including the Chief Justice and the state chief justices), prominent lawyers, and legal scholars to propose and consider needed changes in judicial administration. Nothing, however, has taken place similar to the Brookings Seminars.

Questions of judicial administration simply lack political salience:

"The problems of the courts do not have high visibility. They reach the attention of other branches and the public only if they are pressed forward by someone—and often not even then. The good citizen or the busy Congressman can be excused if he is not very familiar with the need to expand the United States Magistrates' jurisdiction, for example, or to abolish diversity jurisdiction, the need for court administrators, or the need for more judges or changes in the court structure or rules of procedure. . . . Someone must make these problems real to the busy members of Congress overwhelmed as they are with a host of other more visible problems—pressed on them by skillful lobbyists."[3]

The time and attention of members of Congress are occupied by a huge and increasing workload—servicing constituents, responding to mail, overseeing the burgeoning executive bureaucracy, overseeing their own staffs, and the process of consideration of legislation. This increasing workload contributed, until recent years, in congressional inattention to "technical legislation" regarding the federal courts.[4]

Congress has made the problem more complex by accelerating the use of the federal courts for the achievement of substantive policy goals. This has added to the overall quantity of cases in the courts and to their complexity. Since 1969, Congress has passed seventy-two statutes conferring jurisdiction on the federal courts. Congress has sometimes failed to consult the Judicial Conference on this legislation even when it directly affects the operation of the court system. While adding to the work with this legislation, Congress has greatly delayed in providing the tools to the courts to handle the increase in cases.

All of the responsibility for the apathy toward the administration of justice, however, does not rest with the Congress. Judges have not been visible enough in focusing attention on the problems of the courts. The American tradition of keeping judges out of regular political participation has deterred some judges from speaking out on behalf of the needs of the courts.

While judges should not be involved in the legislative process with respect to substantive legislation, there is a compelling need for their involvement in more technical questions of judicial administration—such as revision of procedures and court management—which come before the Congress. These questions are technical and, on the surface, seem mechanical. In fact, however, their successful resolution can have a profound effect on the judicial system's ability to do substantive justice. There is a

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* B.A., University of Utah; M.A., M.P.A., Ph.D., Harvard. Dr. Cannon served as an Administrative Assistant to Congressman Henry Aldous Dixon from 1956 to 1960, and as Legislative Assistant in Utah for Senator Wallace F. Bennett from 1961 to 1963. He was Chairman of the Political Science Department of Brigham Young University from 1961 to 1964.

In 1964, Dr. Cannon joined the prestigious Institute of Public Administration in New York. He served as Director of the Venezuelan Urban Development Project and then as Director of International Programs. From 1968 to 1972, Dr. Cannon was Director of the Institute.

In 1972, Dr. Cannon was selected to be the first incumbent of the newly created position of Administrative Assistant to the Chief Justice, where he works with the Chief Justice on an array of projects designed to improve the functioning of the judiciary. Dr. Cannon is a member of the National Academy of Public Administration.

**B.A., Harvard; M.P.A., Harvard John F. Kennedy School of Public Administration; Joint Graduate Degree, Universities of Alabama, Tennessee, and Kentucky. Mr. Cikins served the Federal Government as Legislative Assistant to Congressman Brooks Hays of Arkansas, Legislative Assistant and Press Secretary to Senator Clair Engle, Staff Director of Senator Muskie's Intergovernmental Relations Subcommittee, White House Executive Assistant for liaison with state and local governments, Senior Liaison Officer for the Department of State, and Director of Congressional Relations for the Equal Employment Opportunity Commission. In 1975 he joined Brookings and is now *Senior Staff Member in the Advanced Study Program of The Brookings Institution*. He has also been Fairfax County Supervisor from Mt. Vernon (1975–1980).

The authors would like to thank Jeffrey Morris, Michael Luttig, Ashby Boyle, Daniel Richmond, and James Cohen for their most valuable assistance in preparing this article. The authors would also like to point out that neither the Supreme Court nor The Brookings Institution is responsible for the views expressed herein.

Footnotes at end of article.

statutory directive that the Chief Justice report annually to the Congress on the work of the Judicial Conference, including its views on legislation (28 U.S.C. 331, last paragraph). This directive has been seen by all as a broad mandate for the Conference to communicate recommendations and comments to the Congress, as do executive agencies when legislation affecting them is being considered. The Conference sometimes supplies its views in advance of congressional request. It develops proposals for legislative activity. Members of its committees confer with congressmen and staff on issues affecting the courts. Nonetheless, the Conference is not, in and of itself, an effective vehicle for cooperation between the branches. This ineffectiveness results from the Conference's infrequent meetings and its lack of a permanent staff.

From time to time Chief Justices have taken an active role in giving voice to the concerns of the courts. William Howard Taft, for example, lobbied Congress for passage of the legislation establishing the Conference of Senior Judges (now the Judicial Conference of the United States), the Judges Bill creating the present certiorari jurisdiction of the Supreme Court, and for appropriation of funds for a building to house the Supreme Court. Indeed, the 1948 legislation revising the Judicial Code mandates that the Chief Justice submit to Congress an annual report of the proceedings of the Judicial Conference and its recommendation for legislation.

In recent years other judges have shown increasing awareness that "[i]t is not only appropriate for judges to comment upon issues which affect the courts but absolutely necessary." [5] Chief Justice Warren Burger holds that participation in legislative and executive issues which affect the judicial system is an absolute obligation of judges.[6] As Chief Judge Harold Stephens wrote, why any congressman "should expect the bill to pass if the judges are not interested in it, I do not know."

One broad problem is that judges—with life tenure and independence—and congressmen—directly responsive to the people—approach problems from different perspectives. That is, the interests of the two branches differ and are not always compatible. For example, from the standpoint of judges, new judgeships are necessary when the caseload is too heavy. Congressmen, aware of the significance of creating new positions whose occupants will have life tenure, are more sensitive to the political ramifications of such action. Congress therefore rarely creates judgeships in a presidential election year. Also, Congress is reluctant to act when the President is not of the prevailing party of the Congress. Thus, Congress passed the Omnibus Judgeship law in 1978, eight years after statistics had documented the need for such legislation.

Further, congressmen, leading a frenetic political life, are skeptical of the "soft" life of tenured federal judges. They see that federal judges can retire at full pay, but do not seem to realize that most judges continue to work with full or substantial workloads. Congressmen, forced to maintain two residences, wonder at the complaints of district court judges trying to live within the same salary. This wonder seemingly ignores the impropriety of judges generating extra income the way congressmen can, and the high incomes most practitoners gave up to become judges.

All of these factors—the heavy congressional workload, lack of judicial involvement, and the sometimes incompatible perspectives of Congress and the judiciary—have combined to create the inaction regarding judicial administration. It is against this backdrop that the idea for the Brookings Conferences was conceived and implemented.

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II

The Brookings Conferences were a departure from settled ways of doing (or not doing) business and from the more traditional model of the separation of powers. As there might be some who would question the appropriateness of such meetings under the United States Constitution, because of the close interaction between all three branches of government, it is important to lay such concerns to rest before turning to detailed consideration of which actually happened at those meetings.

The Constitution does not bar cooperation between the branches of government. A central objective of the Framers of the Constitution was to build a government which would work. The Framers turned away from the weak Articles of Confederation. Concerned as they were with preventing a dangerous concentration of power in the new government, this concern was at least equaled by the desire to achieve an effective government. As Charles Evans Hughes said in his great speech commemorating the sesquicentennial of the Congress:

"[I]n the great enterprise of making democracy workable we are all partners. One member of our body politic cannot say to another—'I have no need of thee'. We work in successful cooperation by being true, each department to its own function and all to the spirit which pervades our institutions—exalting the processes of reason, seeking through the very limitations of power, and finding the ultimate security of life, liberty and the pursuit of happiness, and the promise of continued stability and a rational progress in the good sense of the American people." [7]

The Framers intended the branches of government to be co-equal and strong but not totally separate. The branches do not "hibernate in solitary isolation or logic-tight compartments." [8] What the Constitution provided was not complete separation, but rather the diffusion, the fragmentation, of power. The primary functions of the three branches were separated so that no one branch would be responsible by itself for making, enforcing, and interpreting the laws. Governmental powers, however, are not so rigidly divided. These powers often overlap with two or three branches sharing power in a given area. As Justice Robert H. Jackson wrote, "While the Constitution diffuses power the better to secure liberty, it also contemplates that practice will integrate the dispersed powers into a workable government. It enjoins upon its branches separateness but interdependence, autonomy but reciprocity." [9]

It is clear that the Framers contemplated that there would be coordination and consultation in areas of shared responsibility. One of those areas is the administration of justice where power—to make new judges and to run the courts—is split among the three branches. Problems of coordination and cooperation are overcome in Great Britain by the Office of Lord Chancellor—the highest judicial officer, Speaker of the House of Lords, and member of the Cabinet. The United States has no counterpart to a high official with access, communication, and indeed, participation in all three branches of government. Thus, the achievement of cooperation between the branches must be by informal, not structural means. As the Chief Justice stated, "[B]y statutes, history and tradition—and simple common sense—the federal judiciary must work constantly with Congress and the Presidency for improved methods of providing justice." [10]

Historically, cooperation among the branches of government has resulted in the most valuable improvements in judicial machinery. During the nineteenth century, judges were constantly involved with the legislative and executive branches in trying to alter the federal court system. Congress passed the 1801 Judiciary Act, which history regards more fondly than contemporary Jeffersonians, at the urging of President Adams who was responsive to the distaste of justices for circuit riding. Also, creation of the new Tenth Circuit for the inter-mountain western states came after twenty-five years of effort, culminating in the support of all three branches. Consider further the cooperation exhibited in the creation of the Courts of Appeals. The judiciary was particularly anxious for the creation of a separate, intermediate appellate court. The effort to create such a court began as early as 1853 with the support of Attorney General Caleb Cushing and numerous congressmen. The effort ultimately succeeded after two decades because of the vigorous support of presidents (such as Benjamin Harrison), justices (such as Chief Justices Waite and Fuller and Justices Miller and Field), and many congressmen.

The twentieth century has also seen some periods of cooperation. The great period of administrative reform in the early 1920's, which resulted in the creation of the Conference of Senior Circuit Judges, the 1925 Judiciary Act, and the Supreme Court Building, was a product of the efforts of Chief Justice Taft, Presidents Harding and Coolidge, Attorney General Daugherty, and the Congress. Taft testified in person before the Senate Judiciary Committee, as did three associate justices who were chosen by Taft for their appeal to the Congress.[11] In fact, three justices actually drafted the Judges Bill, which became the 1925 Judiciary Act.

Members of all three branches, at one time or another, have proposed devices to overcome barriers so as to gain and keep congressional attention. In 1921, Benjamin Cardozo proposed a Ministry of Justice to bridge gaps and facilitate law reform. Variations of Cardozo's proposal underlie more recent proposals for a National Institute of Justice made by the American Bar Association and by Jimmy Carter (before he became President). As early as 1955, members of Congress proposed that the Chief Justice (then Earl Warren) address a joint session of the Congress in order to provide information to the Congress and to attract public attention to the issues. In 1970, Chief Justice Burger urged the creation of a permanent Federal Judicial Council. It would act as a coordinating body and report to Congress, the President, and the Judicial Conference on the impact of proposed legislation likely to enlarge federal jurisdiction, develop and submit to Congress a proposal for creating temporary judgeships to meet urgent needs, and examine the structure of the federal courts and the allocation of judicial functions between state and federal courts. The main purpose of such a council would be to establish three-way communication. Various ideas for a three-branch council have been put forward in recent years by the Commission on Revision of the Federal Court Appellate System and by the Justice Department Committee on the needs of the Federal Courts. Cooperation between the branches on questions of judicial administration, however, has too often given way to an attitude of drift and crisis management, and none of these proposals have been implemented.

III

Consideration of these proposals to bridge the differences between the branches created the intellectual climate in which the first Brookings Conference was conceived. With none of these solutions immediately practical, a less grandiose channel of communications was devised. The idea first occurred in 1977, during conversations between the authors of this article. One of them, Warren Cikins, a staff member at the Brookings Institution, had been responsible for a four-day seminar for some thirty freshmen House

and Senate members on issues pending before the 95th Congress. The success of that seminar stimulated Dr. Mark W. Cannon, Administrative Assistant to the Chief Justice of the United States, to suggest that Brookings might serve as both the catalyst and the neutral ground to bring together the three branches of government. The idea was to give those policymakers whose decisions affect the administration of justice a chance to reflect upon the needs of the courts. It was hoped that such a meeting would gain the attention of members of Congress and heighten their sensitivity to the problems of judicial administration.[12]

The timing was propitious for such a gathering. The Chief Justice was well known for his leadership efforts at judicial modernization. In addition, perhaps no Attorney General in American history had come to office as interested in and knowledgeable about judicial administration as Griffin Bell. Bell had appointed other judges—such as Wade McCree and William Webster—to high positions. He had fostered the creation of the Office for Improvements in the Administration of Justice, appointing Daniel J. Meador to head it. There was also a growing interest in the problems of the federal courts on the part of a number of members of the House and the Senate Judiciary Committees.

On June 9, 1977, Cikins, Walter Held, and Brad Patterson (all of Brookings), Alan Parker (then and again now Chief Counsel of the House Judiciary Committee), and Mark W. Cannon met to review a working paper prepared by Cikins. The planners aimed for a gathering that would be small, so that informality and free expression could flourish. The group decided to limit participation to those groups in each branch that were directly concerned with the administration of justice. This "Core Planning Group" agreed that the principals of the first conference should be the Chief Justice, Attorney General, and Chairman of the House Judiciary Committee. All three of these people enthusiastically supported the concept of holding such a meeting.

The primary focus of the first conference was on the House Judiciary Committee. Its Chief Counsel, Alan Parker, played a leading role in the planning and implementation of the Conference.[13] Fifteen Representatives, including Chairman Peter Rodino and ranking minority member Robert McClory, attended the conference. Though intended to be evaluators rather than actors, the participation of House members in discussions was both welcome and eagerly solicited.

Attorney General Griffin Bell and his top assistants represented the Department of Justice. The Chief Justice, key members of the Judicial Conference, and selected officers of the Federal Judicial Center and the Administrative Office of the United States Court came from the judicial branch. The few other participants included leading legal scholars as well as members of the staff at Brookings.

IV

Perhaps the dominating issue in the 1978 session was the congestion within the federal court system and what to do about it. One way to help lessen that congestion is to add judges. With passage of an Omnibus Judgeship Bill imminent, there was much discussion about the selection of new judges. Attorney General Bell stressed the commitment of the Carter Administration to merit selection. There was recognition of the need to establish standards for evaluating judicial performance so as to facilitate merit selection. Concern was expressed about the difficulty of absorbing so many judges—152—into the judicial system at one time, and of the need to supply the new judges with courtrooms, staffs, and supporting facilities. The participants realized that while passage of the Omnibus Judgeship Bill would significantly ease the burden on the courts for a few years, it was not a long-run answer. The Chief Justice, for one, emphasized the need for a permanent mechanism for ascertaining and satisfying judgeship needs.

One of the most stimulating discussions occurred over proposals to divide the circuit courts of appeals. Professor Maurice Rosenberg of Columbia University School of Law advocated administrative division of several circuits.[14] Rosenberg argued that administrative division of the circuits would lighten the appellate burden, permit flexible use of judicial manpower, and minimize intercircuit conflict. Others, however, were worried about the problem of *en banc* hearings and about diluting collegiality. The participants also considered the alternative of permanent circuit division.

The purpose of the conference was not to force consensus where it was unlikely. Disagreement, aired with good will, served to further educate participants as to a broad range of views. Six months after the conference, a compromise provision permitting circuit courts of more than fifteen judges to reorganize into "administrative units" was inserted into the Omnibus Judgeship Act. Such legislation was consistent with viewpoints expressed in the long and somewhat emotional debate at the Williamsburg Conference.

There was considerable support at the conference for legislation which would curtail or eliminate federal diversity jurisdiction. Judge Elmo Hunter of Missouri answered traditional arguments against turning diversity cases over to state courts. Hunter, a former state judge who had become a federal district judge, minimized qualitative differences between federal and state judges, defended the fairness and sensitivity of state courts, and emphasized their ability to adjudicate such disputes. He stressed the tremendous burden which diversity cases impose upon the limited judge-power of the federal courts. Federal courts, according to Judge Hunter, should be kept free for cases that most need the special skills and resources of the federal judiciary and present federal questions. Judge Hunter indicated that the Judicial Conference, the Attorney General, the American Bar Association, and the Conference of Chief Justices all supported elimination of federal diversity jurisdiction. Chief Justice Sheran of the Minnesota Supreme Court, Chairman of the Conference of State Chief Justices, stated that the state chief justices had gone on record favoring transfer of diversity jurisdiction.

While there was general agreement that Congress should curtail diversity jurisdiction, there were participants who did not agree that it was necessary to abolish or even substantially lessen such jurisdiction. Still, it is very possible to trace House passage in 1978 of H.R. 9622, to abolish the general diversity of citizenship jurisdiction in the district courts, to the impact of the discussion at the Williamsburg Conference upon members of the House Judiciary Committee.[15]

One of the areas of discussion that aroused considerable interest at the conference was minor dispute resolution. In the two years after the 1976 Pound Revisited Conference in St. Paul, considerable strides were made in improving existing forums and creating new alternatives to litigation. Then Assistant Attorney General Daniel Meador presented plans for a comprehensive minor dispute resolution bill to encourage the use of arbitration. The bill, which became law in 1980, provided for the creation of a minor dispute resolution center to serve as a resource center and clearing house for further research. The legislation, still unfunded, allows for the establishment of neighborhood justice centers under state authority with federal "seed money."

The 1978 Conference stimulated interest in the abolition of the obligatory jurisdiction of the Supreme Court. Solicitor General Wade McCree supported abolition of such jurisdiction, arguing that the Supreme Court should have control over its own docket. The issue aroused little controversy but stimulated interest among congressmen.[16]

A contributing factor to the success of the 1978 Conference was its location. The planners sought to remove those participating from the pressures of Washington, permitting them to concentrate upon the business of the seminar. After consideration of a variety of sites, Colonial Williamsburg was selected. The relatively small size of the group generated frankness and informality. The fact that participants were away from their telephones and their staffs, and the special sense of history generated by Williamsburg itself, were also conducive to frank and informal discussion. The few days together may in some way have replicated that bygone time of the early nineteenth century when congressmen and judges lived together, worked together, and socialized in boarding houses on Capitol Hill. Although impossible to measure, this spirit was probably the most valuable achievement of the 1978 Brookings Seminar.

There were other results of that first conference. Discussion generated increased familiarity with important issues that had been, or would later be, brought to the floor of the Congress. Speakers at the conference were later called upon to testify at congressional hearings. The knowledge and rapport which resulted from the first Williamsburg Conference surely led to improvements in legislative consideration of court-oriented questions.

There was a consensus that the 1978 Conference was successful. Its objectives were realized. Chairman Rodino captured the enthusiasm of all the participants when at the close of the conference he said, "This is not just an experiment; it is an experience." Maurice Rosenberg wrote, "[T]he overworked word 'historic' is exactly right in estimating the impact of the session."[17] The personal relationships formed at the conference led to the expectation that informal contacts among members of the three branches would lead to future cooperation, or at least to more of a dialogue, on issues of judicial reform.

V

Planning a second conference for the following year began at once. The planners again selected Williamsburg as the conference site. A grant from the Florence V. Burden Foundation provided support. Several hours were added to the length of the seminar to provide more time to consider a broader agenda and generally to ease the pressures upon the participants. The major difference from the first conference was the decision to invite the members of the Senate Judiciary Committee.

The 1979 Brookings Conference was held from March 9 to March 11. Fifteen Congressmen attended, including Senators Kennedy, Thurmond, Heflin, and Simpson. As in 1978, Brookings staff members welcomed the participants. Then came remarks by the Chief Justice, the Attorney General and the two Judiciary Committee Chairmen. Representative Kastenmeier, who was keenly interested in court legislation as Chairman of the Subcommittee on Courts, Civil Liberties and the Administration of Justice, however, spoke in place of Chairman Rodino, who was unable to attend.

One of the most significant subjects discussed was the restructuring of the federal appellate system. Then Attorney General

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Meador spoke in support of a Justice Department proposal intended to reduce congestion and imbalance in the administration of the law. That proposal provided in part for creation of a new United States Court of Appeals for the Federal Circuit. This court would combine the jurisdiction of the existing Court of Claims and the Court of Customs and Patent Appeals with a new U.S. Claims Court to assume the trial functions of the present Court of Claims. Judge Robert Ainsworth, Jr., the United States Court of Appeals for the Fifth Circuit, applauded the Justice Department bill, but cautioned against further specialization going beyond the terms of the proposal. Chief Justice Burger stressed the need for a balance between specialized and general jurisdiction courts. He supported the proposed reorganization on a trial basis. Conference consideration of this issue helped to give the Federal Courts Improvement Act, introduced by Senator Edward Kennedy the week after the Williamsburg meeting, a more thoughtful reception.

Judicial tenure and discipline, the subject of several pending bills in the Congress, received a thorough airing. Chief Judge James Browning of the United States Court of Appeals for the Ninth Circuit spoke of the successes of more informal proceedings, successes which are unheralded. He spoke of the unanimous passing the previous day of the Judicial Conference resolution advocating strengthening of the Circuit Judicial Councils. Aware that public and congressional dissatisfaction with the existing situation might require some legislative response, Browning minimized the need for legislative sanctions in almost all cases of improper conduct. He opposed the approach embodied in the proposals of Senators Nunn and DeConcini for a special commission to deal with complaints lodged against judges. There was also discussion of some of the alternative legislative proposals. Though there was no consensus, the participants gained a new appreciation of the effectiveness of the self-policing of the judiciary by the Judicial Councils.

Minor dispute resolution generated special interest at the 1979 Conference. Judge Jon Newman spoke about the court-annexed arbitration in the District of Connecticut, one of three federal courts working with the Department of Justice and Federal Judicial Center in evaluating this innovation for handling certain civil cases; the Eastern District of Pennsylvania and the Northern District of California are the other two districts.

The participants discussed the Administration's efforts to provide federal assistance for states, localities, and private agencies in order to improve, or create, institutions that deal with minor disputes. The then pending Minor Dispute Resolution Act would encourage the creation of neighborhood justice centers. The three prototype centers funded by the Law Enforcement Assistance Administration (LEAA) were the subject of a presentation of Atlanta Superior Court Judge Jack Ethridge. Ethridge discussed the center in his city using a television film to show how it functioned. He also discussed the other two neighborhood justice centers supported by LEAA—those in Los Angeles and Kansas City. According to Ethridge, the concept had succeeded because of broad acceptance by the courts and by the citizenry.

Consideration of the Speedy Trial Act of 1974 at the 1979 Conference occurred less than four months before the expiration of the four-year delay allowed for formulating compliance plans. Then Deputy Attorney General Benjamin Civiletti,[18] Maryland District Judge Alexander Harvey II, and Ronald Gainer,[19] led the discussion on this law. Judge Harvey, speaking from the standpoint of a trial judge, talked about the knowledge gained during the four-year "dry run." He hailed the Act for raising to general consciousness the need for a speedy trial, but delineated the burdens imposed by that legislation upon the judicial system. He maintained that experience under the law demonstrated that in its present form it could not achieve its objectives. As a consequence of the law, judges must dangerously neglect their civil case loads as they are forced to expedite criminal proceedings. Judge Harvey echoed the Judicial Conference recommendation of the need for more flexibility in the time requirements under the Act. Civiletti spoke out against "assembly line justice," indicating some of the indirect and often negative consequences of the law, as then written, including the Act's adverse effects upon the preparation of a proper case by the defense.

The 1979 Conference thus served as a valuable opportunity for congressmen to receive feedback regarding the Speedy Trial Act. Members of the judicial and executive branches, on the basis of their experiences during the trial period, were united in advising that there should be more flexibility built into the legislation. Several months after the conference, the Congress passed S. 961 which amended the Speedy Trial Act by establishing a one-year period during which Congress placed a 180-day (rather than a 100-day) time limit on the processing of federal criminal cases. It is fair to say that the 1979 meeting facilitated Congress' ability to explore the consequences of a far-reaching law, permitting it to consider modification from greater knowledge.

There was also discussion of the revision of the Criminal Code. Professor Louis Schwartz of the University of Pennsylvania Law School emphasized that reform in the criminal law was necessary in order to enhance public respect for law. Since it is unrealistic, however, to expect perfection in reform of the Code, Schwartz advised implementation of the new Code. Implementation now would allow amendment, where necessary, based on experience.

Norval Morris, then Dean of the University of Chicago Law School, and Judge Charles Joiner of Michigan, addressed the subject of sentencing. Morris stressed the need to retain judicial discretion. He advocated the employment of sentencing commissions which could provide guidance in minimizing disparities in sentencing without compromising judicial independence.[20]

As one can discern from this brief outline of the agenda of the 1979 Conference, the topics discussed touched upon many of the issues presently important in the administration of justice. This conference, like its predecessor, was deemed a success. Congressman Romano Mazzoli of Kentucky said he had never attended a conference where he used more of the information he had obtained than the First Williamsburg Conference; but that the Second Conference was even better. The discussion generated by bringing representatives from all three branches of government together was proving to be quite productive.

VI

The 1980 Williamsburg Conference was held from January 18 to January 20. The eight representatives and the two senators (Strom Thurmond and Dennis DeConcini) present represented fewer congressmen than were present in 1979. This was possibly due to the fact that the time of the conference, earlier in the year than the 1978 and 1979 conferences, was less convenient—Congress was out of session and some legislators were heavily involved with political campaigns—and possible because the agenda contained a greater concentration upon long-run perspectives at the expense of focusing upon immediate legislative issues.

As with the first two conferences, the sessions began with statements by the principals from each branch—in this case, Chief Justice Burger, Attorney General Civiletti, Senator DeConcini (substituting for Senator Edward Kennedy), and Father Robert Drinan (who read a statement from Chairman Rodino, who was absent). Once again, the opening statements touched upon a broad range of subjects. The areas of progress since the First Williamsburg Conference were visible. These areas included the passage of the Omnibus Judgeship Bill and appointment of 135 judges, experiments with court-annexed arbitration and neighborhood justice centers, expansion of magistrate's jurisdiction, and amendments to the Speedy Trial Act. Since 1978, the Senate had passed the Criminal Code and the House had passed a bill curtailing diversity jurisdiction.

The opening statements also touched upon areas of current controversy such as judicial discipline and tenure and the question of specialized courts versus courts of general jurisdiction. They touched as well upon less controversial legislation which had not yet cleared the Congress, such as elimination of the obligatory jurisdiction of the Supreme Court. There were new issues such as the Bumpers Amendment, and new ideas, such as revision of the Civil Code, mentioned for discussion. Old "housekeeping items," such as the need for district court administrators and an increase in the per diem of judges, were also discussed in the opening statements.

Of the presentations at the conference offered to broaden perspectives, two were of special interest—those of Maurice Rosenberg and Judge Alvin Rubin. Rosenberg addressed the issue of the legal explosion. The Assistant Attorney General for Improvements in the Administration of Justice believes that the appellate courts are now bearing the heavier burdens—"the trouble has moved upstairs." Since 1960, there has been an increase of 419 percent in filings in the federal appellate courts. The causes are not easy to discern. The increase is surely not only due to the growing resort to the courts to solve social problems. There are a number of other causes, including the economic incentives to attorneys to appeal.

Just as the causes are not easy to discern, the solutions to the problem are not easy to formulate or implement. Trade-offs are terribly difficult and complicated. Increasing support personnel tends to make the judicial process faceless and alters the role of the judge from adjudicator to manager. Aiming for greater efficiency—"more judicial bang for the buck"—could jeopardize values resting at the core of due process, and also inadvertently detract from adequate reflection by judges. Strict application of the final judgment rule might prove counterproductive. Revamping of the federal court structure may solve some problems but will certainly also create others. In short, the problem of increasing litigation is evident but there is presently no adequate solution.

Judge Rubin of the United States Court of Appeals for the Fifth Circuit reflected upon the growing bureaucratization of the Federal courts. This is occurring because of the heavy workload. In his circuit, the average judge participates in one and one-half opinions per day. If he read all of the briefs and records before him, he would have to read one and one-half records and three or more briefs each working day, in addition to research and writing. To cope with this workload, federal judges run "a small judicial organization." The average district judge has a secretary, law clerks, docket clerk, court reporter, the services of a probation staff, and the assistance of a magistrate and a magistrate's staff. He reviews the work of magistrates and bankruptcy judges. A judge cannot, no matter how hard he works, review completely what his law clerks do, or learn all that they know. Law clerks are assisting judges not

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only in routine tasks but there is the risk that an increasing number are perhaps involved in the work of judging itself.

The workload of courts thus is changing their nature from deliberative institutions to processing institutions. Judges have much less time, if any at all, for reflection. They have less time to communicate with each other, to harmonize opinions, and to reach collegial decisions. Judge Rubin reflected on the impact of this workload—"too much work, too little time to do it, the necessity for delegation, inefficient management and ultimately the dilution of responsibility."

Judge Rubin said that there are few easy answers. Among the constructive possibilities are relieving judges from their administrative duties, leaving the setting of priorities for hearing cases to the courts, deinstitutionalizing the demand for scholarly opinions, and consideration by Congress of the judicial impact of statutes. He called for a redefinition of the most important roles for the federal judiciary followed by the pruning of federal jurisdiction so that it would only include those cases which Article III judges should decide.

Among the more specific attracting interest at the Conference were restructuring several federal courts, judicial discipline and tenure, and a proposal for a State Justice Institute. Major legislative activity formed the background for consideration of restructuring of the federal court system. The 96th Congress considereed the Federal Court Improvements Act and amendments to the Customs Court Act of 1974. The Congress also considered, but did not enact, the Tax Court Improvement Act of 1979.

S. 1477 (the original Federal Courts Improvements Act) contained a provision that would have created the United States Court of Appeals for the Federal Circuit by merging the Court of Claims and the Court of Customs and Patent Appeals into a single appellate court with expanded jurisdictions, especially over patent appeals. The Senate adopted the bill but it failed of final passage. S. 1654, designed to expand and define more precisely the jurisdiction of the Customs Court to create a comprehensive system of judicial review of civil actions arising from important transactions, became law. This legislation changed the name and expanded the jurisdiction of the Customs Court to the United States Court of International Trade. S. 1691, which would have created a new United States Court of Tax Appeals with exclusive intermediate appellate jurisdiction of all decisions of the United States Tax Court and civil tax decisions of the United States District Courts, did not obtain favorable congressional action.

Daniel J. Meador, who has returned to his professorship at the University of Virginia School of Law, introduced the subject by stating that while wholesale restructuring of the judiciary is rightly a rare step, the time is ripe for some "judicial architecture" because of the inability of the system to provide definitive resolutions to questions of federal law. What Maurice Rosenberg humorously called "a glitter of Chief Judges" then reacted to the proposed legislation by focusing on the effect it would have on their courts. Chief Judge Daniel J. Friedman of the Court of Claims indicated the support of his court for S. 1477. That legislation would significantly upgrade both courts, producing "a court stronger than the sum of its parts." Judge Friedman warned, however, about eliminating from the jurisdiction of the new court the appellate tax jurisdiction of the Court of Claims. While Chief Judge Howard Markey of the Court of Customs and Patent Appeals took no stand on S. 1477, he indicated that the two courts would "make the marriage work." He stated that the "young couple are good friends," sharing a building and sitting on each others' courts. Markey warned against "shoehorning" the new combined court into the circuit mold rather than treating it as a national court. Chief Judge Edward Re of the United States Customs Court stated that his court supported S. 1654, that it would cure existing anomalies, and permit the implementation of full justice in important transactions. Chief Judge C. Moxley Featherstone of the United States Tax Court stated that tax cases come next to criminal cases in terms of maintaining public confidence in the fairness of the court system. Featherstone did not take a stand on S. 1691 but carefully discussed the views of its proponents and opponents.

Chief Judge James R. Browning of the United States Court of Appeals for the Ninth Circuit reviewed developments in the area of judicial accountability. Since the last Williamsburg meeting, in response to the Nunn-DeConcini bill and a March 1979 Judicial Conference resolution, all eleven circuits had published procedures for use by the Judicial Councils to deal with complaints against judges. The rules, widely disseminated, are short and simple.

Browning stated his belief that the Judicial Councils had done an outstanding job in handling complaints. He referred to his own experience in the Ninth Circuit to indicate the paucity and triviality of complaints so far. Browning was concerned by the potential for abuse of the complaint procedures by cranks, by prisoners, by the anonymous, and by attorneys using it as an adjunct to litigation. In one year, in both the Ninth Circuit and nationally, complaints have been fewer in number and less serious in nature than anticipated. While Browning did not believe that there was a need for elaborate procedures, given what he saw as the small number of insignificant complaints, he did support some kind of legislation—the Judicial Conference Bill as amended somewhat by certain provisions of the original S. 1873—in order to fix the role of the Judicial Councils in the area of discipline to settle the doubts of a few judges, and to take heed of public concern. Congress eventually passed a bill very close to the proposal of the Judicial Conference and, in effect, statutorily created, to a degree, what Judge Browning outlined. This bill, unlike the original S. 1873, provided for a review of complaints by existing judicial bodies, rather than a newly created court.

Chief Justice Robert F. Utter of the Supreme Court of Washington, Chairman of the Conference of Chief Justices, and Professor Frank Remington of the University of Wisconsin Law School, argued the case for a State Justice Institute, an umbrella organization which would accommodate and treat the needs and concerns of state court systems. The State Justice Institute would be an independent organization, chartered in the District of Columbia, whose goal would be direct a national program for improving the administration of justice in state courts and fostering better state-federal communication. Its functions would include funding research, judicial education, and training programs.

Remington contended that there is a persuasive basis for federal funding of state court systems. State courts are responsible under the Supremacy Clause of the United States Constitution for applying federal laws. Congress has relied upon state courts for the enforcement of some federal laws. Cases have been diverted to state courts to protect the quality of the federal courts. Moreover, federal government actions, especially Supreme Court decisions in the area of due process, have greatly increased the demands for expertise and judicial skills and temperament from state judges faced with more complex and difficult tasks.

If the reaction of the congressmen present is any measure, the proposal for a State Justice Institute might well run into "tough sledding." In a lively discussion, members of Congress wondered about whether there is a federal interest in this area, expressed their concerns about cost, suggested that existing entities could perform the job, and argued that maintaining financial independence best protects the independence of the states.

This discussion was brought to a close by Attorney General Civiletti who stated that while few doubted the wisdom of creating a State Justice Institute, the cost, control, and imposition on the federal bureaucracy represented a formidable set of hurdles. Civiletti suggested a possible compromise—the creation of a modest group designed to draw upon the expertise of existing entities. This organization could approach the federal government only with specific, acute problems where there might be assistance without federal control. Later consideration of the proposal by both House and Senate did indicate that the concept had considerable support.[21]

Once again, a great deal was achieved in the informal discussions among Williamsburg Conference participants—discussions held over meals at Cascades II, coffee breaks, at the reception in the new home of the National Center for State Courts, and over Saturday night dinner in the historic Christiana Campbell Tavern. For the third year, participants reacted enthusiastically. Chief Judge Featherstone called the Third Conference "one of the most exhilarating experiences I have had in a long time." [22] The head of the National Center for State Courts, Edward B. McConnell, wrote, "From every standpoint, it must be considered one of the most significant seminars that anyone conducts." [23] Senator Thurmond wrote, "The sessions were interesting and challenging. I came away with a much better appreciation of problems facing the federal judicial system." [24] Maurice Rosenberg called the sessions "a fair substitute for a justice council."

VII

The first three Williamsburg Conferences have been successful. The experimental stage has been surmounted. The new attorney general, William French Smith, shortly after taking office, committed to participate in, and support, a new conference in 1981. The existence of the seminars is in itself a major achievement. Without compromising the integrity of any branch, The conferences have brought representatives from the branches together and established new channels of communication. In the recent past, informal exchange of information, ideas, and differing perspectives among the representatives of the three branches had been virtually nonexistent. The conferences have provided constructive off-the-record consideration of significant problems and issues. The meetings have increased the understanding of influential leaders on specific legislative proposals and on broader questions of the administration of justice. They have helped to reduce or eliminate misunderstandings regarding proposed and past legislation. After the meetings, the new channels of communication have been employed to facilitate formulation and implementation of policy. Different approaches and perspectives to problems are inevitable under the Constitution, which makes such conflicts a dynamic force for better government. The bridging of these differences is easier, however, with the barriers between the branches lowered. The Williamsburg Conferences, where the free exchange of views has permitted the clash and reconciliation of differences, have reduced the needless conflicts arising from misunderstandings or inadequate or insufficient information—conflicts which are not essential to the working out of the constitutional scheme. Thus, the Brookings Conferences on the Administration of Justice have helped to break down barriers impeding free exchange and

Footnotes at end of article.

may well have initiated a new era of harmonious interbranch relations.

FOOTNOTES

[1] Under the Constitution, Congress cannot diminish judicial salaries. *See* U.S. CONST. art. III, § 1.

[2] In addition, if the moral suasion of the courts fails in achieving compliance with particularly volatile decisions, the judiciary must rely on the Executive to enforce the decision.

[3] Warren E. Burger, Remarks Accepting the Forham-Stein Award, New York City, Oct. 25, 1979, p. 4 [hereinafter cited as Fordham-Stein Remarks].

[4] Occasionally, unusually visible litigation has interrupted the apathy toward the administration of justice in the federal courts. Sometimes this interruption takes the from of rage at the Supreme Court or consideration of legislation to hamstring that Court. Conflicts between Congress and the Supreme Court over substantive issues, however, have complicated efficient administration of the court system. James Emmett Hagerty and Thomas Robert Napton, An Empirical Perspective on the Composition of the Committees on the Judiciary in the U.S. House of Representatives and the U.S. Senate and their Relationship with the Federal Courts (Washington, D.C., Dec. 1, 1972) (unpublished internship project in fulfillment or requirement of fellowship program of the Institute of Court Management).

[5] Fordham-Stein Remarks, *supra* note 3, at 2.

[6] *Id.*

[7] Address by Charles Evans Hughes, Proceedings at the Ceremony in Commemoration of the One Hundred and Fiftieth Anniversary of the Commencement of the First Congress of the United States under the Constitution, Joint Session of Congress, 76th Cong., 1st Sess., March 4, 1930, H.R. Doc. No. 212, p. 33.

[8] Fordham-Stein Remarks, *supra* note 3, at 3.

[9] Youngstown Sheet and Tube v. Sawyer, 343 U.S. 579, 634–35 (1952).

[10] Fordham-Stein Remarks, *supra* note 3, at 3.

[11] The three were McReynolds, a Democrat who knew many Senators, Sutherland, who had been a Senator, and VanDevanter, one of the most forceful justices and learned in questions of jurisdiction.

[12] The Chief Justice explained some time earlier (in 1975) that "members of Congress are overwhelmed with a multitude of problems, and to reach them we've first got to get their attention. Then we've got to try to focus that attention long enough so they can deal with a particular problem and that's where the difficulty comes in."

[13] Alan Parker was Assistant Attorney General for Legislation under the Carter Administration. He has returned to the House Judiciary Committee as Chief Counsel.

[14] Rosenberg has since succeeded Daniel Meador as Assistant Attorney General for Improvements in the Administration of Justice.

[15] The bill did not reach the Senate floor.

[16] Among the other topics discussed at the first conference were jury reform, federal magistrates, justice research, impact statements, class actions, the work of the Judicial Conference, and the proposed Federal Justice Council.

[17] Letter from Maurice Rosenberg to Mark W. Cannon (Feb. 1, 1978).

[18] Mr. Civiletti served as the Attorney General under President Carter, following Griffin Bell. He has returned to his former law practice.

[19] Mr. Gainer is the Deputy Assistant General for Improvements in the Administration of Justice.

[20] Among the other subjects discussed at the Second Williamsburg Conference were the future of the Office of Chief Justice, diversity jurisdiction, discovery, magistrates and obligatory jurisdiction.

[21] Among the other subjects discussed at the Third Williamsburg Conference were regulatory reform and the courts (including the Bumpers Amendment), sentencing reform, the final judgment rule and appealability, and the protracted case.

[22] Letter from Chief Judge Moxley Featherstone to Warren Cikins (Jan. 21, 1980)

[23] Letter from Edward B McConnell to Warren Cikins (Jan. 23, 1980)

[24] Letter from Senator Thurmond to Warren Cikins (Jan. 21, 1980)

POLICE OFFICERS—OUR FIRST LINE OF DEFENSE

Mr. PELL. Mr. President, let us remember that our police officers are truly our first line of defense, and let us honor them and pay them as we should, in view of the risks they take and the responsibilities they bear.

I know that all my colleagues share my concern about the unprecedented crime wave which is engulfing our country. The Justice Department recently released statistics showing that nearly one out of every three households in America was touched by some form of crime last year. Violent crime in 1980 showed its largest increase in a dozen years, and no region was spared from the spreading crime epidemic.

Crime statistics are like the inflation indicators we use—they tell us only the stark figures, and not the underlying human suffering which is the real story. During a period such as this, when crime is rampant, we turn as we always have to our first line of defense—our local police. And yet it is clear that at a time when we are asking our local law enforcement people to do more and more, we are giving the police fewer resources with which to protect our security.

At the Federal level, because of the necessity of spending cuts, many worthwhile programs assisting local law enforcement agencies have been either eliminated or drastically reduced in scope. This is happening at the same time when local budgets are stretched to the breaking point and financial pressures are increasing because of cutbacks in other Federal programs. The severity of the problem was driven home to me recently in my own community of Newport, R.I., where our first-rate police force is facing a budget cut that is expected to reduce the size of the force. This situation is being repeated in countless cities and towns across the country, and is beginning to have a serious impact on law enforcement.

I certainly sympathize with the dilemma of local officials, trying to manage the increasingly difficult task of municipal financing in an uncertain economic environment. The lack of adequate resources for law enforcement is a concern every community must face as the budget process is confronted. It must be a very real consideration for the Congress as we continue to decide the appropriate level of Federal assistance to local law enforcement, in areas like juvenile justice and programs to combat drug trafficking and narcotics abuse.

There is no more important task of Government than to provide for the personal security of its citizens. This is a responsibility that is growing increasingly difficult every day. In every community the crime rate is increasing, exceeded only by the public's demand for better crime prevention and control. The men and women serving on our local police today are on the frontline of the battle against crime, often lacking the resources and public understanding necessary to carry out their work. It will be to no one's advantage if the next time the alarm bell sounds, the distress call comes from the police themselves.

REMARKS OF WILLIAM C. BATTLE AND SENATOR THURMOND AT ATMI 32D ANNUAL MEETING

Mr. THURMOND. Mr. President, recently I had the pleasure of participating in the 32d annual meeting of the American Textile Manufacturers Institute, which is the central trade association for an industry employing 900,000 people nationally and 137,000 in my home State of South Carolina.

The theme of the meeting was "Keeping America First In Textiles." The American textile industry is the best in the world today, and a number of the speakers talked about what needs to be done to keep our textile industry first. My colleagues, Senators LAXALT and JACKSON, and Congressman KEN HOLLAND, also spoke at the meeting and underscored the importance of textiles to our national defense and economic strength.

The textile industry leadership also heard from two of the top officials of the administration who are involved in international trade, the U.S. Trade Representative William E. Brock and Robert D. Hormats, Assistant Secretary-designate for Economic and Business Affairs of the Department of State. They discussed the Reagan administration's efforts to develop sound international trade policies.

William C. Battle, chief executive officer of Fieldcrest Mills, Inc., of Eden, N.C., and president of the American Textile Manufacturers Institute, outlined some of the accomplishments of this vital and essential industry and what the industry and the Government can do, cooperatively, to make sure it remains strong.

Because of the importance of his message, I ask unanimous consent that Mr. Battle's keynote speech, as well as a statement made by me at the meeting, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS OF WILLIAM C. BATTLE

The theme that we have adopted for our meeting here in San Francisco is "Keeping America First in Textiles." Having made that choice, I suppose it is reasonable to assume that that should be the topic of my talk to you today. It is in part, but not entirely.

When I first saw the theme I was struck with the thought that maybe it was a little too long.

Shouldn't it just be "Keeping America First"?

Perhaps that thought was inspired by my

reaction to the current administration's effort to face up to realities and to do the tough things that have needed doing for so long, and by my realization that it is incumbent upon all of us to support this effort.

If we are successful then surely we will have no problem keeping America first in textiles. For the first time in recent memory, we have a president who is seriously attempting to reduce campaign oratory to action, to remove the oppressive burden of Government interference and unreasonable regulation from American business, to cut inflationary Government spending, and to reduce onerous taxes on both individuals and businesses.

How important it is now for all of us to stand up and say "Mr. President, you are right and I support you. "I may not agree with all of your programs, "but I surely agree with your overall objective, "and I am willing to accept those that cut into my special interests for the overall superior interest of the country. "And I just hope it isn't too late."

In the 200-odd years of our nation, we have grown from infancy to maturity, and then indeed started the downhill slide.

We seem to have come down through the decades with the light-hearted assurance that all would be well.

The free enterprise system and the work ethic of our citizens, who, in the past, have demanded a free and independent life supported by their own endeavors, have served us well.

However, when a large segment of the population comes to expect the Government, and therefore the producers, to support them for doing nothing, when idleness and indolence result in drugs, alcohol and crime, it is not surprising that the economy should begin to decay and the will of the American people to falter.

* * * * *

Simply stated, this means tax reforms, regulatory reforms, and renewed and strengthened international trade agreements.

Over the past several years, your association, its officers and committee chairmen have articulated the industry's position on each of these matters many times.

Of primary importance is the enactment of tax legislation to encourage capital formation.

The textile industry strongly supports continuing and, indeed, increasing the investment tax credit, as well as legislation known as "10–5–3", providing for accelerated depreciation on plant, equipment and rolling stock.

The United States Government is the most niggardly of all governments, of both developed and undeveloped nations, with respect to incentives for industry to encourage job or capital formation.

This puts us at a very real competitive disadvantage in the world markets.

We are not asking to be given anything; we are just saying—don't take so much from us.

It is not just a matter of one country's industry competing against that of another.

It is a matter of the cooperation between government and industry in one country competing against the cooperation of government and industry in another.

In America, the relationship between government and industry has often been too adversarial, and the American consumer and job seeker have had to pay the price in inflation and unemployment.

To complicate matters further, it is estimated that compliance with the currently proposed regulation for cotton dust control will cost the industry two billion dollars, and will not achieve as much in the way of employee health protection as does a competent medical surveillance program.

Compliance with the noise abatement regulations will add an additional three billion dollars, and will not accomplish as much as simple, unburdensome protection devices.

Waste water treatment will cost an additional half billion dollars.

McGraw Hill recently estimated that even now 20 percent of the capital spending of the textile industry goes for water quality preservation, safety and health regulations, and energy conservation facilities.

Obviously these costs cannot nor should they be totally eliminated, but a cost effective program would release many millions of dollars to go back into modernization of plant and equipment for productive purposes.

The final item on our agenda is international trade.

In addition to the burdens of government regulations we have the further problem of staggering and increasing textile and apparel imports.

Last year the textile and apparel trade deficit was 4.1 billion dollars.

The volume of imports in square yards increased by 5.3 percent over 1979.

At the same time, domestic textile production was down 5.4 percent.

A recent study by ATMI shows that the present level of imports is equivalent to 614,000 textile and apparel jobs.

Even more frightening is the fact that textile and apparel imports for January, 1981 increased 18 percent over 1980.

Textiles were up 45 percent and cotton textiles up 74 percent.

Developing a realistic and aggressive trade policy, in addition to implementing tax and regulatory reforms, will be our challenge to the Reagan administration.

We believe we have an exceptionally strong case.

We know we will be confronted by the doctrinaire free traders and those who take the simplistic view that any type of trade barrier is bad and that we should allow each industry to stand or fall on its own merits.

Whereas this may sound great in theory, it just won't work in practice.

Our task will be made more difficult by the current plight of the steel industry, the automobile industry and to some extent the electronics industry, all of whom are clamoring for protection against foreign imports.

Whereas it can be said with some degree of merit that the steel and automobile industries and, to some extent, the electronics industry, allowed themselves to be outdistanced in the international market because of obsolete plant and equipment, lack of efficiency, high wage structure, etc.

The same cannot be said about the textile industry.

Let me make a brief comparison between the textile industry and the automobile industry which is presently so vocal.

I will use material developed by Peter Peterson, chairman of the board of Lehman Brothers Kuhn Loeb, for a talk he made to the Center for International Business.

In comparing the Japanese and American automobile industries, Mr. Peterson found that the Japanese quality was better; that rent-a-car firms' experience was that the number of breakdowns and the cost of servicing American cars were two times or more greater than on well-known Japanese imported cars.

The retail resale of Japanese cars was substantially higher than the American counterpart, sometimes as much as 10 percent higher than the original cost to the rent-a-car firm.

In comparing Toyota to Ford on the question of efficiency, Mr. Peterson found that Toyota produced an equivalent number of cars with many fewer plant people and also many fewer salaried and staff people.

Toyota, compared to Ford Europe, produced twice the number of cars with less than half the number of organizational levels.

Engines per day per employee: Toyota produced 9, Ford 2.

Back up in-plant inventory: Toyota one hour, Ford up to 3 weeks.

Square feet of plant space per engine: Toyota 454, Ford 777.

Labor classifications: Toyota 7, Ford over 200.

Mr. Peterson, in this same address, presented similar figures concerning efficiency and performance of American and Japanese color television sets.

How does this experience compare with the U.S. textile industry?

Granted, at one point in time, our industry may not have been the most modern and efficient.

However, in the past 15 years, we have spent annually more than 80 percent of our retained cash flow for capital improvements, an average annual expenditure of one billion dollars.

Today we are the most modern and efficient textile industry in the world.

A study by Werner Associates developed the fact that our industry is more productive than that of any European country, in some cases as much as twice as productive.

We are 33 percent more productive than Japan.

Even more startling are the figures for Hong Kong, Korea and Taiwan, our major international competitors.

Computing man hours of labor per pound of production, in spinning, it takes Hong Kong 93 percent more man hours per pound of production, and it takes Korea and Taiwan more than 100 percent more man hours.

In weaving, it takes Hong Kong 104 percent more man hours, and it takes Korea and Taiwan 130 percent more.

In addition, when these comparisons are viewed in the environment in which we live, that is the U.S. economy, our case for productivity and efficiency is startingly good.

The inflation rate in textiles has been markedly below that of industry generally.

Prices for textile products have increased 30 percent since 1975.

Prices for industrial commodities have increased 60 percent.

And certainly the average wage in the textile industry is considerably less than manufacturing generally—$5.07 for textiles; $7.27 for manufacturing generally.

Profit margins are significantly less for textile companies than for other manufacturing companies.

In 1980, margin as a percent to sales for textiles was 2.1 percent; for manufacturing generally, 4.8 percent. Return on assets for textiles was 4.1 percent; manufacturing generally, 6.6 percent. Return on equity 8.1 percent for textiles and 13.7 percent for manufacturing generally.

On the other hand, our productivity gains have averaged 4 percent per year for the past twenty years, double that of all manufacturing.

Since the base period of 1972, energy conservation has resulted in a reduction in usage of 17 percent per pound of production.

To me it is readily apparent that, in today's inflated economy, textile and apparel products produced by the U.S. manufacturers constitute the best value for the consumer dollar on the market.

Why then are these other industries able to compete in our market?

The answer is simple: government assistance that they enjoy and we do not; government regulations that we suffer and they do not.

None of these industries is burdened with the excessive costs of OSHA, EPA, EEOC, and

the myriad of other costly and burdensome government regulations.

In some countries such as China, the whole industry is nationalized with little or no profit requirement.

Most all of the other industries competing in the world marketplace have infinitely more attractive incentives from their respective governments than do we—grants toward new plant and equipment; subsidies for jobs provided; tax incentives for exports; accelerated depreciation; and the list goes on.

The only thing we are asking is to be put on a fair trading basis with these government supported producers who are now trying to exploit the market that our industry has spent millions of dollars in developing.

Since World War II, the general agreement on tariffs and trade (GATT) at Geneva has provided the basic rules of international trade.

It has given only one world industry a special quota arrangement—the textile/apparel industry.

That special status has been confirmed repeatedly by votes of GATT member countries, both developed and developing, over the past 20 years.

The basic purpose of these GATT special textile/apparel trade controls has been to increase access to developed country markets by the developing countries, while avoiding market disruption in the former.

Although the concept of the multifiber arrangement, or MFA, is laudable, it is not working as we had hoped.

There are inherent defects in the agreement which completely contradict its basic purpose.

Provisions such as carry-over, carry-forward and swing, which permit too much uncertainty for good planning, cause dramatic import surges and make the impact on the domestic market significantly worse.

In addition, the growth factor written into the MFA allows for an automatic 6 percent quota growth each year for the exporting countries.

With the textile/apparel market of the United States growing at a rate of little more than one percent a year, it is apparent how devastating a 6 percent growth rate in imports can be.

Furthermore, countries that may have qualified as undeveloped then have long since passed that status and are, in fact, industrialized nations: Hong Kong, Korea, Taiwan.

Annually, these three ship almost half of all textile and apparel imports into the United States and 60 percent of all apparel imports.

Meanwhile, the real emerging nations, such as Sri Lanka, Bangladesh, Indonesia and others—for whom the MFA was really intended—cannot receive the assistance and quotas they need.

The advent of China into our trading order has further complicated the import problem.

We now have a separate bilateral agreement with China with 10 categories presently under quota, and three more ticketed for the establishment of quotas.

In the short period of time that trade has been renewed with that country, China has become the second largest exporter of cotton goods to the United States.

When you consider the economy of China, its political structure and the nationalization of the industry, it is easy to see the tremendous threat that country poses to the textile industry of the United States.

The MFA expires in December, and it is our position and the position of most trading countries, developed and undeveloped, that it be renewed.

During the fall campaign, President Reagan said that he supports its renewal and strengthening.

We have told the government that the following need to be reflected in a renewed multifiber arrangement: the carry-over, carry-forward and swing provisions should be eliminated in order to reduce the threat of violent fluctuations in categories.

The growth factor should not be 6 percent but rather should be limited to the growth of the domestic market.

And the total import quota should be set on a global basis rather than country by country.

These, then, are the basics of our agenda for the '80's: tax reform, regulatory reform, and a stronger and improved international trade policy.

STATEMENT BY SENATOR STROM THURMOND

President Battle, Mr. Shockley, Mr. Coleman, Mr. Klopman, Senator Laxalt, Senator Jackson, Ambassador Brock, Members of the American Textile Manufacturers Institute, other distinguished guests, ladies and gentlemen:

It is a very real honor and pleasure for me to be here with you today. I can think of no group that I enjoy being with more than the American Textile Manufacturers Institute. Your Association and the many individual business firms that you represent are extremely important to the free enterprise system and the economic well-being of our Nation.

Your past achievements demonstrate that the people who manage the textile and related industries have the leadership, the intellect, the talent, and the capabilities to not only succeed, but to excel in a free enterprise system.

You have proven this. I commend you for your accomplishments; and, I am confident that if the free enterprise system is allowed to function without excessive governmental interference, your future accomplishments will greatly strengthen the Nation's economy and lead to further advances in the standard of living for all Americans.

Although the textile industry has committed heavily over the past thirty years for new plants and equipment, much more needs to be done. There is equipment available which can boost productivity even further. But, this alone will not do the job. The industry will have to allocate more of its funds for new buildings because the higher speeds of new machinery requires redesigned structures. However, I feel certain that given the proper tax incentives—such as faster depreciation schedule, lower corporate income tax rates, and elimination of the double taxation of dividends—you will be most willing to make the capital investments necessary to retain the industry's competitive position.

I would also like to take this opportunity to commend the Reagan Administration for its understanding and support of the free enterprise system. I share the President's commitment to get the Federal government "off your backs", so that you as dedicated business managers may proceed to do what you do so well—to produce goods and services for the consumer at the least possible cost.

Ladies and gentlemen, I am especially pleased with President Reagan's understanding of the problems facing the American business community, in general, and the textile industry in particular. As we approach the 1981 GATT negotiations to renew the Multi-Fiber Arrangement (MFA), I am heartened by the President's knowledge of, and commitment to this program.

In his letter to me last fall, President Reagan said, "The MFA expires at the end of 1981 and needs to be strengthened by relating import growth from all sources to domestic market growth. I shall work to achieve that goal". This is most important. In the words of the President, "The fiber/textile/apparel manufacturing complex provides 2.3 million vitally needed American jobs, including a high percentage of female and minority employees. As President, I shall make sure that these jobs remain in this Country". I plan to lend my full support to the Administration's efforts to accomplish this goal.

We are fortunate to have with us here today the United States Trade Representative, Ambassador Bill Brock, the man who will be responsible for negotiating the new MHA in behalf of the President. He, too, is a fine, capable leader, a very successful businessman in his own right, and a man with an understanding of the problems peculiar to the textile industry. I intend to work closely with him in his efforts to negotiate the most favorable MFA possible.

Currently, and for years past, imports under the MFA and our bilateral quota agreements have been growing much more rapidly than our domestic market, which is expanding at a rate of only about one percent per year. This dangerous trend should not be allowed to continue.

My friends, far too often in the past, we have witnessed a reluctance on the part of elected officials to follow through with the commitments and pledges made during their campaign. However, the Reagan Administration has moved early to fulfill its commitments, and thereby demonstrate to the American public its dedication to the ideals and philosophy espoused by President Reagan during his campaign.

A prime example of this is the recent announcement of a review of the Occupational Safety and Health Administration's Cotton Dust Standards to determine if they are economically feasible. I feel that this is a major step forward. In my opinion, all government regulations should not only be proven necessary and desirable to protect the health of the workers, but also must be economically feasible and cost-effective. Otherwise, we will not only destroy the industry being regulated, but the jobs of workers whom the regulations are designed to protect.

The textile industry, for example, will this year allocate about twenty percent of its capital outlays for environmental, safety and health, and energy conservation projects. At the same time it must increase its capital outlays for improvements to maintain its productivity and competitiveness throughout the world.

We are also fortunate to have with us here Senator Paul Laxalt, Chairman of the Regulatory Reform Subcommittee of the Senate Judiciary Committee, of which I have the honor of being Chairman. Senator Laxalt is a man who recognizes the need for regulatory reform, and a man who has the courage and determination to bring it about.

Regulatory reform and relief are, as you know, one of the most important aspects of the bold, much-needed economic recovery program which President Reagan has proposed. He has also requested the most far-reaching spending reductions ever proposed by any President, in a determined effort to pare back government spending and balance, as soon as practicable a Federal Budget that has run a deficit in all but one of the last twenty years. I fully support the President in this effort, and am pleased to report that the Senate this week, after a number of tough votes, remained firmly on the course set by the President by adopting a Budget Reconciliation Resolution that will help us save billions of dollars in years ahead.

You may be assured, ladies and gentlemen, that we intend to press forward, as well, on the tax reduction program proposed by the President, which is designed to encourage individual savings and business investment. With a determined effort to reduce regulatory burdens, excessive spending, and high taxes—

coupled with a sound monetary policy—I am confident that we can turn this Nation around and regain our competitive position in the world economy.

DRINKING AND DRIVING

Mr. PELL. Mr. President, I should like to share with my colleagues an excellent editorial which appeared in the Boston Sunday Globe on April 26. This editorial, entitled "Drinking and Driving," is as fine a statement as I have seen on the need for strong deterrent legislation to combat drunken drivers. It drives home the point that the certainty of facing an embarrassing penalty—such as five weekends in jail, or an equivalent period of community service—is what is needed to reverse the total acceptance of drinking and driving which pervades our society today.

Last month, along with Senators GLENN, GOLDWATER, and HUDDLESTON, I introduced S. 671, a bill which would provide mandatory penalties for convicted drunken drivers. Persons convicted of this offense for the first time would face a minimum penalty of 10 days of community service, in addition to a restricted driving privilege and other sanctions which may be imposed under State law. I am pleased that the Globe has endorsed the concepts underlying my legislation, and I would like to commend this discussion of the problem to my colleagues.

Mr. President, I ask unanimous consent that the text of the Globe editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DRINKING AND DRIVING

Some announce themselves by the way they go for speed, rumbling and jockeying through a pack. Others have a telltale, lazy drift . . . now in this lane . . . now in the other. Sometimes one will take the wrong ramp onto an expressway, and that's when the killing's nearly certain: screaming head-on pileups, north in the southbound lane. Other times, though, they do it solo—just to themselves—around a tree or a phone pole deep in the country. Drivers under-the-influence.

For random death and destruction nothing beats drunken driving, nothing even comes close. There were 208 murders in Massachusetts in 1979. In that same year there were 920 deaths on the highway, of which about three quarters—say 700—were the work of drunks. These are stupid deaths, cause for anger as much as grief among the survivors.

Drunken driving flourishes here because we tolerate it. In Norway and Sweden if a blood test indicates more than a trace of alcohol in the blood stream, the driver knows he's going to jail. The jail term for a first offender is not long, but it's as certain as the cold north wind. Fancy lawyers and fashionable addresses don't help, and as a result people pay attention to the law. Scandinavians drive and many drink, plenty, but they very rarely do both at the same time, instead, by habit and without apparent difficulty, most simply make other arrangements—car-pooling, a taxi or whatever—so that after serious drinking, there's no need to get behind the wheel.

In Massachusetts and most of the rest of the United States it's a different story. There are over 25,000 "driving under" arrests in the commonwealth each year. In theory, conviction under current Massachusetts law brings automatic revocation of a driver's license for at least a year, but since 1975 for virtually all first offenses—and frequently for subsequent offenses—most District Court judges have "continued without a finding," assigning (or reassigning) defendants to 10-week, one-evening-a-week "re-education" programs. The Registrar of Motor Vehicles, Richard E. McLaughlin, dismisses these programs as a "standing joke." Even Dr. Edward Blacker, who heads the state division of alcohol and is a main defender of the programs, acknowledges that nearly half of those arrested are too deeply involved with alcohol to be reached with the resources at hand.

Fuzzy thinking abounds on drunken driving, among the public, among lawmakers and on the bench. One common line begins, "Let's face it, we all take a drink now and then." Yet, properly administered tests give an objective measurement of alcohol content in the bloodstream, and 0.1 percent, the widely accepted threshold for flunking such a test, is sufficiently high so that a 160-pound person has to put away five drinks in an hour to become legally under the influence. Moderate drinkers simply don't exceed the 0.1 percent threshold, nor is anything short of ostentatious drunkenness or involvement in a wreck likely to prompt a policeman to order an alcohol test. It takes certain effort to be charged with "driving under."

It's clear that many judges and lawmakers believe that because a drunken driver doesn't fit the stereotyped image of a "criminal," it's not appropriate to invoke serious penalties. Hence even drunks who have killed frequently get nominal, suspended sentences. The issue, though, should not be the suitability of the arbitrary label "criminal," but rather the capacity of the law to deter a specific life-threatening behavior that is common among otherwise solid citizens. As the Scandinavian experience shows, the certainty of facing an embarrassing penalty gives special pause to people who are not accustomed to severe treatment by the law.

Other than the isolated case of the East Norfolk District Court in Quincy, where judges, prosecutors and probation officers instituted a tough three-weekends-in-jail sentencing program a year ago (and have since seen it bog down because other officials and other courts have not cooperated), most public officials in Massachusetts have not shown that they're serious about drunken driving. If they ever do, a first step should be to study both the Quincy experience and the Pell-Barnes bill recently introduced in the U.S. Senate by Sen. Claiborne Pell (D-R.I.). Both approaches stress the use of the law as a deterrent, and both illustrate common-sense measures that are feasible and effective.

The key to rebuilding the deterrent potential of the law is to create certainty that even a first offense will bring down real and unpleasant sanctions. The punishment prescribed by law does not have to be severe for a first offender—indeed if it's too severe judges and prosecutors won't invoke it—but the sanction must sting and embarrass.

Strange as it may seem, yanking the driver's license as a first step is not necessarily the answer. This is a car-bound society in which many people are genuinely dependent on the automobile for their livelihood, or at least for the essentials of everyday life. If a guilty finding automatically triggers a lengthy loss of license which could cost a defendant his job, judges and juries will balk. This reality helps explain the current Massachusetts practice of "continuing without a finding" and prescribing slap-on-the-wrist "re-education."

But there are alternatives, and the Pell-Barnes bill suggests a good one. Pell proposes that in lieu of outright revocation, first offenders have licenses "restricted" to essential travel. Such restrictions could be made enforceable by the issuance of readily identifiable special marker plates. The public embarrassment of having to drive with such plates would be a powerful incentive not to run the risk of being caught.

Some argue that the whole question of license suspensions or restrictions should be left to separate administrative hearings at the Registry. If that were the case, sanctions freely invoked by judges should include (1) stiff fines—up to, say, the equivalent of a month's wages—and (2) brief jail terms—perhaps served on weekends between Friday nights and Monday mornings so as not to disrupt livelihoods. Causing a defendant to miss his standing golf or poker game because he's weekending in the house of correction is just the kind of sanction judges need: light enough to be readily invoked, real enough to make an impression. And appropriate, because nice guy though he may otherwise be, a drunken driver is as much a public menace as a hophead with a sawed-off shotgun.

Whether or not Gov. King and the Legislature accept their responsibilities to deal more seriously with drunken driving, the 150 District Court judges, who heard 25,875 "driving under" complaints last year, have work of their own to do to catch up with their colleagues in Quincy. The courts need a record-keeping system that keeps track of defendants' prior offenses state-wide, so that revolving door "re-education" rulings are plainly visible. Moreover, in dialogue among themselves, judges must face up to the inevitable trade-off between leniency and inconsistency in sentencing, and the law's capacity to deter.

If bench, bar and State House did what should be done on this issue, it's likely that hundreds of Massachusetts lives could be saved each year, and without any important loss of personal freedom. True, there would be an added reason for those of us who both drink and drive to arrange our lives—like the Scandinavians—so we didn't do both at the same time.

But, surely that would be a modest price to pay, considering the alternative.

SITUATION IN EAST TIMOR

Mr. TSONGAS. Mr. President, last October, nine of my colleagues joined me in expressing concern over the tragic situation in the former Portuguese colony of East Timor. In a letter to then Secretary of State Muskie, we spoke of the need to maintain and expand an independent international presence in that territory, in light of continuing reports of armed conflict and the jailing of large numbers of political prisoners.

Our letter also emphasized the plight of families that have been separated by the conflict as well as those who wish to leave East Timor but have not been allowed to do so. Our concern over human rights conditions in East Timor was heightened by Amnesty International's 1980 testimony before Congress and the United Nations of this situation.

A December 9, 1981, article in the New York Times by Henry Kamm provided graphic confirmation of the need to maintain an independent presence on the island. I have continued to follow the situation closely, and read with great interest a February 15, 1981, article on this subject in the New York Times Magazine, also by Henry Kamm. In a letter to the editor in response to the article, I called for American diplomatic efforts to achieve a solution to the conflict.

Recently, I have received a copy of a letter sent by a Roman Catholic priest living in East Timor, detailing conditions on the island as of late last year. If anything, the letter underscores the need to maintain and expand an independent international presence in East Timor, to open the island to additional nongovernmental organizations and the news media, and to find diplomatic means to bring this tragedy to an end.

Mr. President, for the benefit of my colleagues I ask unanimous consent that the following excerpts from the priest's letter be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

SITUATION IN EAST TIMOR

(From a letter by a Roman Catholic priest)

The military struggle between the FRETILIN guerrillas and the Indonesia Army still continues in East Timor, but the presence of the International Committee of the Red Cross has apparently had a moderating influence on the level of violence: the Indonesian Air Force has stopped its policy of heavy bombardments of areas where FRETILIN is active.

From June 10, 1980 to the present, the prisons have been overflowing. The island of Atauro, in particular, has been turned into a penal colony for political prisoners. Almost all the teachers from Baucau-Fatumaca have been imprisoned. Dozens of prisoners are reported to have disappeared.

Despite five years of Indonesian occupation, the Timorese people have not lost their determination to be a free people. Nevertheless, their material situation is little short of desperate. Hunger and disease continue to decimate the population. Several villages have been burned to the ground and their inhabitants sent to concentration camps.

In the resettlement camps people do not have the freedom to cultivate their crops or take care of their livestock. In these camps, the Indonesian military authorities sell food, clothing and medicines at high prices instead of freely distributing these supplies which had been donated to Indonesia for use in East Timor by the ICRC and Catholic Relief Service, CRS.

All public employees in East Timor have been forced to accept naturalization as Indonesian citizens. Those unwilling to do so have lost their jobs and cannot find new ones because the government has forbidden any employer to hire them. Since emigration from East Timor is forbidden by the Indonesian authorities, these people will pay dearly for their acts of defiance. The vast majority have accepted naturalization as Indonesian citizens, but only because they were forced to accept it.

Traveling in the interior of East Timor is strictly controlled by the Indonesian military. Prohibitive tolls are levied on all travelers—rich and poor alike. Because of corruption and exploitation, life in Timor is very expensive. Only the rich can emigrate, due to the large bribes that are demanded by the Indonesian authorities.

Freedom of speech and association do not exist in East Timor. All mail is censored. The torture in the prisons is indescribable, especially for women and children. The confiscation of property belonging to prisoners is commonplace.

The Indonesians appear determined to destroy the educated class in East Timor. Almost all the educated Timorese have been killed or are in constant danger. All high schools are closed. After five years of Indonesian occupation, the highest level of education does not surpass the primary school level. Students are allowed to study abroad, but there are no scholarships available to them.

NATIONAL DRAFTING WEEK

Mr. PELL. Mr. President, the week of April 27 through May 1 has been designated as National Drafting Week by the American Institute for Design and Drafting. This is the ninth year that a week has been set aside so that we may honor the over 360,000 designers and draftsmen in America.

Within 40 years, the equivalent of another America will be built in this country, but before a single building can be built, there must be precise, accurate plans and drawings. Builders need highly skilled drafters before they can turn dreams into solid reality.

This week, we honor the men and women who enable the lines, arrows, and circles on paper to be transformed into new homes for our citizens, new schools for our children, and new commercial structures to help us sustain economic growth. The foundation for the highly skilled and important field of drafting is the quality of education provided by the various professional institutes in this area. In Rhode Island, we are fortunate to have one of the Nation's foremost drafting schools, the Hall Institute of Pawtucket, R.I. The Hall Institute has given hundreds of New Englanders the opportunity to discover their capabilities in drafting, and assume positions in a challenging and important field.

I am pleased to have this opportunity to commend the dedicated professionals in the drafting field, as well as their mentors at places like the Hall Institute.

COASTAL BARRIERS RESOURCES ACT

Mr. CHAFEE. Mr. President, yesterday I introduced S. 1018, the Coastal Barriers Resources Act, which serves to protect and conserve fish and wildlife resources.

I ask unanimous consent that the entire text of this legislation be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

S. 1018

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Coastal Barrier Resources Act."

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) habitats which are essential spawning, nursery, nesting, and feeding areas for migratory birds, aquatic organisms, and other wildlife are provided within the coastal barriers along the Atlantic and Gulf coasts of the United States and the adjacent wetlands, marshes, estuaries, inlets and nearshore waters;

(2) these fish and wildlife resources and their habitats are being irretrievably damaged and lost due to development on, among, and adjacent to, such coastal barriers;

(3) certain actions and programs of the Federal Government have subsidized and encouraged such development; and

(4) a program of coordinated action by Federal, State, and local governments is critical to the more appropriate use and conservation of fish and wildlife resources and habitats within the coastal barriers.

(b) PURPOSE.—The Congress declares that it is the purpose of this Act to minimize the damage to fish, wildlife and other natural resources associated with the coastal barriers along the Atlantic and Gulf coasts by restricting future Federal expenditures and financial assistance which have the effect of encouraging development of coastal barriers, by establishing a Coastal Barrier Resources System, and by considering the means and measures by which the long-term conservation of these fish, wildlife and other natural resources may be achieved.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) The term "coastal barrier" means—

(A) a depositional geologic feature (such as a bay barrier, tombolo, barrier spit, or barrier island) that—

(i) consists of unconsolidated sedimentary materials,

(ii) is subject to wave, tidal, and wind energies, and

(iii) protects landward aquatic habitats from direct wave attack; and

(B) all associated aquatic habitats, including the adjacent wetlands, marshes, estuaries, inlets, and nearshore waters.

(2) The term "Committees" refers to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on the Environment and Public Works of the Senate.

(3) The term "financial assistance" means any form of loan, grant, guaranty, insurance, payment, rebate, subsidy, or any other form of direct or indirect Federal assistance other than deposit or account insurance for customers of banks savings and loan associations, credit unions, or similar institutions.

(4) The term "Secretary" means the Secretary of the Interior.

(5) The term "System unit" means any coastal barrier, or combination of closely-related coastal barriers, included within the Coastal Barrier Resources System established by section 4 of this Act.

SEC. 4. THE COASTAL BARRIER RESOURCES SYSTEM.

(a) ESTABLISHMENT.—(1) There is established the Coastal Barrier Resources System which shall consist of those undeveloped coastal barrier located on the Atlantic and Gulf coasts of the United States that are identified and generally depicted on the maps that are entitled "Coastal Barrier Resources System", consecutively numbered 001 and through 125, and dated ————.

(2) A coastal barrier was treated as an undeveloped coastal barrier for purposes of paragraph (1) only if there were few man-made structures on the barrier and these structures, and man's activities on the barrier, did not significantly impede geomorphic and ecological processes.

(3) A coastal barrier which was included within the boundaries of an area established under Federal, State, or local law or held by a qualified organization (as defined in paragraph (3) of section 170(h) of the Internal Revenue Code of 1954), primarily for wildlife refuge, sanctuary, or natural resource conservation purposes was not included within the Coastal Barrier Resources System.

(b) AVAILABILITY OF MAPS.—(1) The maps referred to in paragraph (1) of subsection (a) shall be available for public inspection at the offices of the United States Fish and Wildlife Service in the District of Columbia and in other appropriate offices of the Service.

(2) Within 60 days after the date of the enactment of this Act, the Secretary shall provide copies of the maps referred to in paragraph (1) of subsection (a) to the chief executive officer of (A) each State and political subdivision in which a System unit is located, and (B) each affected Federal agency.

(c) BOUNDARY MODIFICATIONS.—Within 120 days after the date of the enactment of this Act, the Secretary shall make such minor modifications to the boundaries of System units as depicted on the maps referred to in paragraph (1) of subsection (a) as are necessary to bring them into conformity with actual property boundaries of the areas concerned as of the enactment of this Act. The Secretary shall submit written notice of all boundary modifications made under this subsection to (A) each of the Committees, and (B) the appropriate officers referred to in paragraph (2) of subsection (b).

SEC. 5. LIMITATIONS ON FEDERAL EXPENDITURES AFFECTING THE SYSTEM.

(a) Except as provided in section 5 of this Act, no new expenditures or new financial assistance may be made available under authority of any Federal law for any purpose within the Coastal Barrier Resources System, including, but not limited to—

(1) the construction or purchase of any structure, appurtenance, facility, or related infrastructure;

(2) the construction or purchase of any road, airport, boat landing facility, or other facility on, or bridge or causeway to, any System unit;

(3) the carrying out of any project to prevent the erosion of, or to otherwise stabilize, any inlet or shoreline, except in cases where an emergency threatens life and property on lands and waters immediately adjacent to that unit; and

(4) the sale of flood insurance policies under the National Flood Insurance Act of 1968 (42 U.S.C. et seq.) with respect to structures the construction or substantial improvement of which is commenced after the date of the enactment of this Act.

(b) An expenditure or financial assistance made available under authority of Federal law shall, for the purposes of this Act, be a new expenditure or new financial assistance if—

(1) in any case with respect to which specific appropriations are required, no money for construction or purchase purposes was appropriated before the date of the enactment of this Act; or

(2) no legally binding commitment for the expenditure or financial assistance was made before such date of enactment.

SEC. 6. EXCEPTIONS.

(a) Notwithstanding section 5 of this Act, the appropriate Federal officer, after consultation with the Secretary, may make Federal expenditures or financial assistance available for the following purposes within the Coastal Barrier Resources System—

(1) the exploration, development, production, or transportation of energy resources which can only be carried out on, in, or adjacent to coastal water areas;

(2) the maintenance of existing channel improvements and related structures, such as jetties, and including the disposal of dredge spoils related to such improvements;

(3) military activities essential to national security; and

(4) any of the following actions or projects, but only if the making available of expenditures or assistance therefor is consistent with the purposes of this Act:

(i) The establishment, operation, and maintenance of air and water navigation aids and devices, and for access thereto.

(ii) Projects under the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-8).

(iii) Projects for fish and wildlife protection and enhancement, including the acquisition of fish and wildlife habitat and related lands.

(iv) Scientific research, including but not limited to aeronautical, atmospheric, space, geologic, marine, fish and wildlife and other research, development, and applications.

(v) Assistance for emergency actions essential to the saving of lives or the protection of property and the public health and safety, if such actions are performed pursuant to sections 305 and 306 of the Disaster Relief Act of 1974 (42 U.S.C. 5145 and 5146) and section 1362 of the National Flood Insurance Act of 1968 (42 U.S.C. 4103).

(vi) The maintenance, replacement, reconstruction, or repair, but not the expansion, of publicly-owned or publicly-operated roads, structures, or facilities.

(b) For purposes of paragraph (2) of subsection (a), a channel improvement or a related structure shall be treated as an existing improvement or an existing related structure only if all, or a portion, of the moneys for such improvement or structure were appropriated before the date of the enactment of this Act.

SEC. 7. CERTIFICATION OF COMPLIANCE.

The Director of the Office of Management and Budget shall, on behalf of each Federal agency concerned, make written certification that each such agency has complied with the provisions of this Act during each fiscal year beginning after September 30, 1981. Such certification shall be submitted on an annual basis to the House of Representatives and the Senate pursuant to the schedule required under the Congressional Budget and Impoundment Control Act of 1974.

SEC. 8. PRIORITY OF STATE LAWS.

Nothing contained in this Act shall be construed as indicating an intent on the part of the Congress to occupy the field in which the Act operates to the exclusion of the law of a State, or a political subdivision of a State, on the same subject matter, or to relieve any person of any obligation imposed by any law of any State, or political subdivision of a State. No provision of this Act shall be construed to invalidate any provision of State or local law unless there is a direct and positive conflict between such provision and the law of the State, or political subdivision of the State, so that the two cannot be reconciled or consistently stand together.

SEC. 9. SEPARABILITY.

If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to other persons not similarly situated or to other circumstances shall not be affected thereby.

SEC. 10. REPORTS TO CONGRESS.

(a) IN GENERAL.—(1) Before the close of the 3-year period beginning on the date of the enactment of this Act, the Secretary shall prepare and submit to the Committees a report regarding not less than one-third of the System units and such one-third shall include all System units that the Secretary considers to be especially significant because of fish, wildlife, or other natural resource values or because of the potential for habitat alterations induced by man.

(2) Before the close of the 5-year period beginning on the date of the enactment of this Act, the Secretary shall prepare and submit to the Committees a final report regarding all System units.

(b) CONSULTATION IN PREPARING REPORTS.—The Secretary shall prepare the reports required under subsection (a) in consultation with the Governors of the States in which System units are located and after providing opportunity for, and considering, public comment.

(c) REPORT CONTENT.—Each report required under subsection (a) shall contain, with respect to each System unit covered in the report—

(1) a summary of the fish and wildlife and other resources of the unit and of the natural hazards to human life and property that would likely arise if such unit were to be developed;

(2) recommendations for the conservation of the fish, wildlife and other natural resources of the unit based on an evaluation and comparison of all management alternatives, and combinations thereof, such as State and local actions (including management plans approved under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.), Federal actions (including acquisition for administration as part of the National Wildlife Refuge System) and initiatives by private organizations and individuals;

(3) an evaluation of the effect of this Act on the use and development of lands that are not included in the Coastal Barrier Resources System, but are adjacent to System units; and

(4) recommendations regarding whether the prohibitions on new Federal expenditures and financial assistance contained in section 5(a) of this Act should be continued or whether additional, alternative, or modified actions should be taken to achieve the objectives of this Act.

Nothing in paragraph (2) shall be construed as prohibiting the Secretary from proposing recommendations treating two or more System units as a single entity for conservation purposes if the Secretary considers that the protection, enhancement, and management of the fish, wildlife and other natural resources of the System units could be carried out more effectively or efficiently through such treatment.

(d) ADDITIONAL REPORT REQUIREMENTS.—Each report required under subsection (a) shall also contain—

(1) recommendations for additions to, or deletions from, the Coastal Barrier Resources System, and for modifications to the boundaries of System units; and

(2) a summary of the comments received from the Governors of the States, other government officials, and the public regarding the System units covered in the report.

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Department of the Interior $1,000,000 for each of fiscal years 1982, 1983, 1984, 1985, and 1986 for purposes of carrying out section 10, and such sums shall remain available until expended.

EFFECT OF FEDERAL GOVERNMENT INTERVENTION IN STATE AND LOCAL AFFAIRS

Mr. THURMOND. Mr. President, during my years in the Senate, I have often voiced my opposition to the Federal Government s encroachment on the affairs of States and localities. The Federal Government has grown in power and size far beyond anything I believe the framers of our Constitution could have possibly imagined.

Mr. President, the 10th amendment clearly states that—

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

The meaning of this amendment is easily understood. All powers not specifi-

cally delegated to the Federal Government by the Constitution are reserved to the States and to the people.

Nevertheless, Mr. President, those desirous of expanding the power of the Federal Government beyond that granted to it by the Constitution have found a mechanism for doing this. Almost every tax dollar returned to States and localities by the Federal Government is returned with strings attached. Thus, in order to receive Federal funds, States, and localities must often submit to a form of bribery.

Mr. President, a March 23, 1981, U.S. News & World Report article entitled "A Nation of Thieves" draws an interesting parallel between this Federal Government practice, and moral corruption and inflation. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NATION OF THIEVES?

(By Marvin Stone)

"Are we becoming a nation of thieves?"

This is a question, phrased in various forms, that has been put to us with worrisome frequency in recent years. It is obviously a question about which many people are becoming genuinely concerned.

One such person is William M. Werber of Naples, Fla. Many baseball fans remember him as an outstanding third baseman and shortstop for 12 years with the New York Yankees, Boston Red Sox, Philadelphia Athletics, Cincinnati Reds and New York Giants.

After leaving baseball in 1942, Bill Werber became a highly successful business executive. Now, at 72, he lives in comfortable but active retirement. One way he keeps busy is maintaining a close watch on our government and our national life. There is much he sees that he doesn't like.

One major concern of Werber's is the revelation of business crimes that, as he says, "pop up at you from every issue of the daily press." He cites one example after another of companies convicted on charges of bribery, fraud and paying kickbacks. When companies are fined, he complains, they just count the fines as part of the cost of doing business and add them to the prices they charge, so "the consumer winds up paying the cost of the bribe and the fine."

It's not only business, Werber adds, but employes as well who are dishonest—at public expense. Thefts and slipshod work by employes, he argues, add billions of dollars to the cost of merchandise and services.

"There is little doubt about it," Werber declares. "We have become a nation of thieves."

Why? Werber has an interesting theory. He puts much of the blame on government. "The biggest thief is our federal government," he says. "The pattern is established there."

How? Werber's explanation: "Our federal government has long practiced bribery on an enormous scale to accomplish its political purposes." As bribery, he lists such things as federal grants that require recipients to follow Washington directives if they want the money, and some welfare programs that take tax money from people who work and give it to people who won't work—but can vote.

An alumnus of Duke University, Werber is appalled at the federal government's growing control over education through federal grants. He says: "The nation's universities have been bribed to dance to the tune of social theorists in government at a cost to the taxpayers of billions of wasted dollars."

State and local governments also come in for Werber criticism: "The mayors of cities trade political support for taxpayer dollars, and states cheat on population counts to obtain taxpayer handouts not deserved."

All this leads Werber to the conclusion that economists are on the wrong track in treating inflation as an economic problem. He says: "Inflation is more a basic moral issue than one of economics. And it all begins with the moral corruption in government."

Werber insists that inflation cannot be controlled by controlling the money supply. He says: "You could raise the interest rate to 40 percent, but this would not get the job done. Money continues to be hired at whatever the price, and the increased cost is passed on to the consumers."

How would Werber halt inflation? His answer: "The only way we are going to get a handle on ballooning prices is through a complete change in national attitudes. And this change must begin with government. When our leadership is honest, intelligent, frugal, fair and acts indiscriminately, with guts, you'll see some changes. Until then, it makes no difference how you manipulate money."

Economists surely will quarrel with Werber's prescription for halting inflation. But it is hard to quarrel with his plea for more honesty—from the government on down.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 2:49 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that pursuant to the provisions of section 101(a) of Public Law 96-374, the Speaker appoints as members of the Commission on National Development in Postsecondary Education the following Members on the part of the House: Mr. BIAGGI and Mr. COLEMAN; and the following from private life: Mr. J. Donald Monan, Mr. David M. Bartley, Mr. Richard A. Fulton, Mr. Aubrey Lucas, Mr. John Corbally, and Mr. Martin Abegg.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following joint resolution:

H.J. Res. 155. Joint resolution to authorize and request the President to issue a proclamation designating May 3 through May 10, 1981, as "Jewish Heritage Week."

The joint resolution was subsequently signed by the President pro tempore (Mr. THURMOND).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-962. A communication from the Acting Administrator of the U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Insecticide, Fungicide, and Rodenticide Act; to the Committee on Agriculture, Nutrition, and Forestry.

EC-963. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation amending the Food Stamp Act, the Agriculture and Consumer Protection Act, and Public Law 93-233; to the Committee on Agriculture, Nutrition, and Forestry.

EC-964. A communication from the Assistant Secretary of Defense (Comptroller) transmitting, pursuant to law, a report on certain obligations incurred by the Department for which the pending supplemental appropriation request (fiscal year 1980) was submitted to the Congress; to the Committee on Appropriations.

EC-965. A communication from the Assistant Secretary of the Air Force for Research, Development, and Logistics, transmitting, pursuant to law, a report on a decision made to convert the commissary shelf-stocking and custodial services functions at Holloman Air Force Base, N. Mex., to performance under contract; to the Committee on Armed Services.

EC-966. A communication from the Acting Assistant Secretary of the Air Force for Research, Development, and Logistics, transmitting, pursuant to law a report on a decision made to convert the vehicle operations and maintenance function at Kelly Air Force Base, Texas, to performance under contract; to the Committee on Armed Services.

EC-967. A communication from the Acting Assistant Secretary of the Army for Installations, Logistics, and Financial Management, transmitting, pursuant to law, a report on a decision made to convert the total installation support activities at Sacramento, California to performance under contract; to the Committee on Armed Services.

EC-968. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation relative to rations for the armed forces; to the Committee on Armed Services.

EC-969. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on a proposed foreign military sale to Saudi Arabia; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following report of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations, without amendment:

S. Res. 115. A resolution relating to the collision of a United States submarine and a Japanese freighter.

By Mr. QUAYLE, from the Committee on Labor and Human Resources, without amendment:

S. 648. A bill to extend the authorization for youth employment and demonstration programs, and for other purposes (Rept. No. 97-46).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

Leonore Annenberg, of Pennsylvania, for the rank of Ambassador during her tenure of service as Chief of Protocol for the White House.

FEDERAL CAMPAIGN CONTRIBUTION STATEMENT

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Leonore Annenberg.

Post: U.S. Chief of Protocol, rank of Ambassador.

Nominated: February 11, 1981.

Contributions, amount, date, and donee.

1. Self (see attached sheet).

2. Spouse (see attached sheet).

3. Children and spouses names (see attached sheet).

4. Parents names (deceased).

5. Grandparents names (deceased).

6. Brothers and spouses names (no brothers).

7. Sisters and spouses names (see attached sheet).

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

FEDERAL CAMPAIGN CONTRIBUTION STATEMENT OF LEONORE ANNENBERG

Contributor, amount, date, and donee:

Leonore Annenberg:

$100, 1–18–77, Century Club (Republican Finance Committee of Pennsylvania).

$100, 10–12–77, Republican Committee of Lower Mer and Narberth.

$100, 1–19–78, Century Club (Republican Finance Committee of Pennsylvania).

$1,000, 8–29–79, Reagan for President.

$100, 1–25–80, Century Club (Republican Finance Committee of Pennsylvania).

$1,000, 8–16–80, Reagan-Bush Compliance Fund.

$1,000, 9–9–80, "Prelude to Victory" (fund raising dinner).

$25, 9–28–80, Republican Women of PA, Inc.

$10,000, 10–7–80, Republican National Committee.

$100, 10–20–80, Republican Committee of Lower Mer and Narberth.

Spouse: Walter H. Annenberg: $2,500, 12–8–77, Robin Duke (seeking nomination as Congresswoman from New York).

Children and Spouses:

Diane Deshong, daughter, $1,000, Jan. 1980, Reagan campaign.

Howard Deshong, spouse, none.

Elizabeth Kabler, daughter, none.

James H. Kabler III, spouse, $100, late 1980, Reagan campaign.

Sisters and spouses:

Judith Wolf, sister, none.

Frank G. Wolf, spouse, none.

John J. Louis, Jr., of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination

Nominee: John L. Louis, Jr.

Post: Ambassador to Great Britain and Northern Ireland.

Contributions, amount, date, and donee:

1. Self (see attached).

2. Spouse (none).

3. Children and spouses names (none).

4. Parents names Henrietta J. Louis—Mother—(see attached).

5. Grandparents names (none).

6. Brothers and spouses names: Herbert J. Louis (brother), Michael W. Louis (brother) (see attached).

7. Sisters and spouses names (none).

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

POLITICAL CONTRIBUTIONS OF JOHN J. LOUIS, JR.

1977

Gerald Ford, $1,000.
Charles Percy, $1,000.
Illinois Republicans, $1,000.

1978

Charles Percy, $1,000.
Jennings Randolph, $50.
John Porter, $500.
Illinois Republicans, $1,000.

1979

John Connally, $1,000.
John Porter, $250.

1980

Charles Percy, $500.
Ronald Reagan, $2,000.
George Bush, $1,000.
Americans for an Effective Presidency, $500.
Republican Eagles, $10,000.

POLITICAL CONTRIBUTIONS OF HENRIETTA J. LOUIS (MOTHER)

1977

Steiger for Senate Committee, $350.
1977 GOP Campaign Fund, $650.
Republican National Committee, $450.
Capitol Hill Club, $60.
Evanston Republican Organization, $40.
A Tribute to Gerald Ford, $1,500.
Republican Congressional Boosters, $1,000.
The National Republican Senatorial Committee, $300.
New Trier Republican Organization, $50.
Cunningham for Congress, $50.
United Republican Fund of Illinois, $500.
Women's National Republican Club, $175.
United Republican Fund, $100.
The Conservative Caucus, $150.
National Republican Congressional Committee, $100.
Freshmen Republican Class of 95th Congress, $110.
Friends for Hon. John J. Nimrod, $25.
Americans for Constitutional Action, $50.
Citizens for Dan Hales, $350.
Jesse Helms for Senate Committee, $50.
Republican State Dinner, $50.
Shuster for Congress Committee, $25.
Republican National Issues, $50.

1978

United Republican Fund of Illinois, $500.
Republican National Committee, $200.
Howard Baker, Jr. Re-election Committee, $155.
Birkenbine Campaign Committee, $100.
National Right to Work Committee, $75.
United Republican Fund, $150.
Capitol Hill Club, $60.
Citizens for Percy, $100.
Americans for a Sound Foreign Policy, $50.
Eisenhower Silver Jubilee Dinner, $500.
Republican Congressional Boosters Club, $1,000.
National Republican Party Victory Fund, $300.
Conservative Party of New York, $50.
1978 GOP Victory Fund, $100.
Victory Dinner Committee, $150.
Helms for Senate Committee, $150.
Conservative Party, $50.
Women's National Republican Club, $115.
American Conservative Union, $50.
New Trier Republican Organization, $125.
Senator Orrin Hatch, $50.
Committee for a Free China, $150.
Cunningham for Congress Committee, $50.
National Associates Club, $1,000.
Republican Kick-off to Victory Drive, $300.
National Republican Congressional Committee, $500.
Wisconsin for Bob Kasten Committee, $500.
A.A.U.C. Government, $50.
Evening with Henry Kissinger, $150.
Women's Republican Club of New Trier, $10.
The Goldwater Committee, $25.
Porter for Congress, $300.
Friends of Eldon Rudd, $175.
National Conservative Political Action Committee, $100.
Committee for Responsible Legislation, $50.
Free Congress Foundation, $50.

1979

United Republican Fund of Illinois, $500.
Capitol Hill Club, $60.
George Bush for President, $200.
1979 GOP Victory Fund, $2,255.
1979 Senate-House Dinner, $50.
National Republican Committee, $600.
Crane for President Committee, $10.
New Trier Republican Organization, $245.
Republican Boosters Club, $1,000.
Congressional Club, $50.
Connally for President, $1,000.
The Baker Committee, $300.
National Republican Senatorial Committee, $50.
United Republican Fund, $250.
Women's National Republican Club, $190.
Tower Senate Club, $100.
Citizens United for America, $200.
John Edward Porter, $100.

1980

Keep John Rhodes in Congress, $125.
New Trier Republican Organization, $175.
George Bush for President, $850.
Republican Organization Boosters, $2,000.
Victory 1980, $250.
1980 Senate-House Dinner, $500.
Capitol Hill Club, $60.
Women's National Republican Club, $150.
The Baker Committee, $50.
United Republican Club, $125.
Republican National Committee, $1,100.
Americans Against Union Control of Government, $100.
Moral Majority, $85.
Citizens United for America, $200.
Citizens for Buckley, $200.
Sims for Senate, $100.
1980 Campaign Membership Drive, $250.
1980 Republican Presidential Unity Committee, $100.
National Federation of Republican Women, $50.
Victory 1980, $500.
Conservative Caucus, $300.
N.C.P.A.C.'s Ronald Reagan Victory Fund, $200.
Americans for Reagan, $250.
Hager for Senate Committee, $100.
United Republican Club of Illinois, $500.
Republican Senate Majority Fund, $250.
Republican Congressional Boosters Club, $150.
Council for Inter-American Security, $100.
New Trier Township Women's Republican Club, $20.
Citizens Advocate Political Action Committee, $100.
Goldwater for Senate Committee, $650.
East for Senate, $50.
The Congressional Club, $350.
Republican Governors Association, $50.
Gerald Ford New Leadership Committee, $1,000.
Leadership Foundation, $50.

National Republican Senatorial Committee, $50.
Kasten for Senate Committee, $50.

POLITICAL CONTRIBUTIONS OF HERBERT J. LOUIS, M.D. (BROTHER)

1976

COMPAC (Combined Communications Corp. creation of political action committee), $100.
Hickox for Sheriff Committee, $100.
Republican National Committee, $500.
Republican State Finance Committee, $600.
Steiger for Senate Committee, $100.
Total, $1,400.

1977

Arizona Medical Political Action Committee, $25.
Cactus Wren Republican Women, $50.
Charter Government, $100.
Republican State Finance Committee, $600.
Total, $775.

1978

Arizona Medical Political Action Committee, $25.
Friends of Eldon Rudd, $100.
John Pritzlaff's Re-Election, $100.
Republican State Finance Committee, $598.
Total, $823.

1979

Arizona Medical Political Action Committee, $25.
Corbin Committee, $50.
Charter Government Committee, $100.
Republican Congressional Boosters Club, $1,000.
Re-Elect Mayor Hance Committee, $100.
Republican Senatorial Inner Circle, $1,000.
Total, $2,275.

1980

Arizona Medical Political Action Committee, $100.
Arizona Republican Party, $1,300.
The Goldwater for Senate Committee, $200.
Diane McCarthy's Campaign, $100.
Republican Congressional Boosters Club, $1,000.
Keep John Rhodes in Congress Committee, $1,000.
Eldon Rudd Support Pledge, $50.
Jacquer Steiner, $50.
Total, $3,800.

POLITICAL CONTRIBUTIONS OF MICHAEL W. LOUIS (BROTHER)

1977

Republican National Committee, $25.
National Republican Senatorial Committee, $100.
Helms for Senate, $25.
GOP Campaign Fund, $15.
Republican National Finance, $25.
GOP Campaign Fund, $20.
Republican Boosters Club, $1,000.

1978

United Republican Fund, $500.

1979

GOP Victory Fund, $35.
Conservative Caucus, $15.
Republican National Committee, $25.
National Republican Inter-Committee, $10.
Porter for Congress, $300.
Senate Campaign 1980, $130.
DIMMEREE, $35.
Republican Congressional Boosters Club, $1,000.

1980

Republican National Committee, $80.
Conservative Caucus, $25.
GOP Victory Fund, $25.
Republican Congressional Boosters Club, $1,000.

Arthur H. Woodruff, of Florida, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Central African Republic.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Arthur H. Woodruff.
Post: Ambassador to Central African Republic.
Contributions, amount, date, and donee:
1. Self, (none).
2. Spouse: Jean Woodruff (none).
3. Children and spouses names: William, Lauren, Alexandra, Wells (none).
4. Parents names: (both deceased).
5. Grandparents names: (deceased).
6. Brothers and spouses names: (none).
7. Sisters and spouses names: Mr. and Mrs. Fred Brown (none).

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

John A. Burroughs, Jr., of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malawi.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: John A. Burroughs, Jr.
Post: Ambassador to Republic of Malawi.
Contributions, amount, date, and donee:
1. Self: (none).
2. Spouse: (none).
3. Children and spouses names: (no children).
4. Parents names: Father—John A. Burroughs, Sr.; Stepmother—Yeasavale Burroughs (none).
5. Grandparents names: (deceased).
6. Brothers and spouses names: (no brothers).
7. Sisters and spouses names: (no sisters).

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

John Gavin, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: John A. Gavin.
Post: Ambassador to Mexico.
Contributions, amount, date, and donee:
1. Self, $50, 1979 and 1980, Rep. Party.
2. Spouse, $50, 1979 and 1980, Rep. Party.
3. Children and spouses names: Christina, Maureen, Maria, Michael, (none).
4. Parents names: H. R. Golenor (Stepfather), D. P. Golenor (Mother).
5. Grandparents names: N/A.
6. Brothers and spouses, names: N/A.
7. Sisters and spouses, names: Rel Golenor (half-sister) (None).

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Elliott Abrams, of the District of Columbia, to be an Assistant Secretary of State.

Robert D. Hormats, of Maryland, to be an Assistant Secretary of State.

Robert L. Brown, of Virginia, to Inspector General of the Department of State and the Foreign Service.

Loret M. Ruppe, of Michigan, to be Director of the Peace Corps.

(The above nominations reported from the Committee on Foreign Relations with the recommendation that they be confirmed subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. DOLE, from the Committee on Finance:

Marc E. Leland, of California, to be a Deputy Under Secretary of the Treasury.

Roger William Mehle, Jr., of New York, to be an Assistant Secretary of the Treasury.

John A. Svahn, of Maryland, to Commissioner of Social Security.

Lionel H. Olmer, of Maryland, to be Under Secretary of Commerce for International Trade.

Raymond J. Waldmann, of Maryland, to be an Assistant Secretary of Commerce.

Dorcas R. Hardy, of California, to be an Assistant Secretary of Health and Human Services.

ORDER FOR STAR PRINT—S. 935

Mr. STEVENS. Mr. President, on April 8, Senator GARN introduced a bill, S. 935, to terminate the National Consumer Cooperative Bank. In his statement, he indicated that he was introducing the bill at the request of the administration, since the bill is part of the President's economic package. However, the printing of the bill neglected to include that the bill was introduced by request. Therefore, I ask unanimous consent that S. 935 be star printed so as to read: "Mr. GARN, by request, introduced the following bill."

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THURMOND:

S. 1023. A bill to amend title 10, United States Code, to permit improved and more flexible contracting procedures for the Department of Defense, to permit the Department of Defense to use multiyear procurement contracts under less restrictive conditions, and for other purposes; to the Committee on Armed Services.

By Mr. SYMMS (for himself, Mr. STAFFORD, Mr. RANDOLPH, Mr. ABDNOR, and Mr. BURDICK):

S. 1024. A bill to authorize appropriations for the construction of certain highways in accordance with Title 23 of the United States Code, and for other purposes; to the Committee on Environment and Public Works.

By Mr. GRASSLEY:

S. 1025. A bill to provide for penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from any pharmacist by terror, force, or violence, and for other purposes; to the Committee on the Judiciary.

By Mr. DOMENICI:

S. 1026. A bill to assure the continuation of an adequate regional distribution of offices under the direction of the Chief of En-

gineers; to the Committee on Environment and Public Works.

By Mr. HATCH:

S. 1027. A bill to consolidate Federal assistance to States for health services, to provide greater flexibility to States in administering health services programs, and for other purposes; to the Committee on Labor and Human Resources.

S. 1028. A bill to consolidate Federal assistance to States for health promotion and disease prevention, to provide greater flexibility to States in administering health promotion and diseases prevention programs, and for other purposes; to the Committee on Labor and Human Resources.

S. 1029. A bill to amend title XIII of the Public Health Service Act relating to health maintenance organizations; to the Committee on Labor and Human Resources.

By Mr. MCCLURE (for himself, Mr. MELCHER, Mr. HELMS, Mr. DECONCINI, Mr. MATTINGLY, Mr. JACKSON, Mr. JOHNSTON, Mr. DOMENICI, Mr. THURMOND, Mr. SASSER, Mr. D'AMATO, Mr. ABDNOR, Mr. QUAYLE, Mr. DURENBERGER, Mr. LAXALT, Mr. STEVENS, Mr. TOWER, Mr. HEFLIN, Mr. SCHMITT, Mr. WALLOP, Mr. DANFORTH, Mr. CANNON, Mr. GARN, Mr. GOLDWATER, Mr. BENTSEN, Mr. BURDICK, Mr. SYMMS, Mr. DENTON, Mr. HATFIELD, Mr. HUMPHREY, Mr. HATCH, Mr. EAGLETON, and Mr. COHEN):

S. 1030. A bill to protect firearms owners constitutional rights, civil liberties and rights to privacy; to the Committee on the Judiciary.

By Mr. JACKSON:

S. 1031. A bill to amend section 303 of the Federal Land Policy and Management Act; to the Committee on Energy and Natural Resources.

S. 1032. A bill to amend section 21 of the Act of February 25, 1920, commonly known as the Mineral Leasing Act; to the Committee on Energy and Natural Resources.

By Mr. HOLLINGS (for himself, Mr. THURMOND, Mr. EAST, and Mr. HELMS):

S. 1033. A bill granting the consent of Congress to the agreement between the States of North Carolina and South Carolina establishing their lateral seaward boundary; to the Committee on the Judiciary.

By Mr. GRASSLEY (for himself and Mr. JEPSEN):

S. 1034. A bill to amend title 38, United States Code, to provide a more equitable formula for payments by the Administrator of Veterans' Affairs to States for the cost of care provided in State nursing homes to veterans eligible for such care in Veterans' Administration facilities; to the Committee on Veterans Affairs.

By Mr. MATHIAS:

S. 1035. A bill to provide an opportunity to individuals to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; to the Committee on Finance.

By Mr. HELMS (by request):

S. 1036. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended for two years, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MELCHER:

S. 1037. A bill entitled the "National Rangeland Research Act of 1981"; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. JOHNSTON:

S. 1038. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for amounts representing teachers' retirement annuities attributable to services performed in a State which has not elected Social Security coverage for its employees; to the Committee on Finance.

By Mr. PACKWOOD:

S. 1039. A bill to make the exclusion of amounts received under a qualified group legal services plan permanent, and for other purposes; to the Committee on Finance.

By Mr. MATHIAS:

S. 1040. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the amount authorized to be appropriated as the annual Federal payment to the District of Columbia; to the Commitee on Governmental Affairs.

By Mr. ROTH (by request):

S. 1041. A bill to repeal certain provisions applicable to compensation for the overtime inspectional services of employees of the Immigration and Naturalization Service, and for other purposes; to the Committee on Governmental Affairs.

S. 1042. A bill to amend the Intergovernmental Personnel Act of 1970 as amended; to the Committee on Governmental Affairs.

By Mr. PRYOR (for himself, Mr. PELL and Mr. RIEGLE):

S. 1043. A bill to prohibit the drugging or numbing of racehorses and related practices, and to amend title 18, United States Code, to prohibit certain activities conducted in interstate or foreign commerce relating to such practices; to the Committee on the Judiciary.

By Mr. SASSER:

S. 1044. A bill to establish mandatory sentences for the transportation of stolen goods, and for other purposes; to the Committee on the Judiciary.

S. 1045. A bill to make the use of firearms to commit certain felonies a Federal crime, and for other purposes; to the Committee on the Judiciary.

S. 1046. A bill to help States assist the innocent victims of crime; to the Committee on the Judiciary.

By Mr. PACKWOOD (by request):

S. 1047. A bill to provide for the modification of airport and airway user taxes, and for other purposes; to the Committee on Finance.

By Mr. GARN:

S. 1048. A bill for the relief of Braun Green; to the Committee on the Judiciary.

By Mr. MITCHELL (for himself and Mr. DURENBERGER):

S. 1049. A bill to amend the Internal Reveneu Code of 1954 to expand tax incentives for retirement savings; to the Committee on Finance.

By Mr. MATHIAS (for himself, Mr. PRYOR and Mr. PELL):

S. 1050. A bill to extend the authorization of appropriations for the National Historical Publications and Records Commission for the fiscal years 1982 and 1983; to the Committee on Government Affairs.

By Mr. JEPSEN:

S. 1051. A bill to amend title 10, United States Code, to establish a policy for improved and more flexible contracting procedures for the Department of Defense, to allow the Department of Defense to use multiyear procurement contracts under less restrictive conditions, and for other purposes; to the Committee on Armed Services.

By Mr. TSONGAS (for himself, Mr. CRANSTON, Mr. PELL, and Mr. LEVIN):

S. 1052. A bill to establish a select commission to examine the issues associated with voluntary service; to the Committee on Governmental Affairs.

By Mr. MELCHER:

S. 1053. A bill to amend the Federal Meat Inspection Act to authorize the Secretary of Agriculture to regulate the transportation in commerce of horses intended for slaughter, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GLENN:

S.J. Res. 73. Joint resolution to designate the week beginning June 1, 1981, and ending June 7, 1981, as "Management Week in America"; to the Committee on the Judiciary.

By Mr. MATHIAS:

S.J. Res. 74. Joint resolution designating the week of October 4 through October 10, 1981, as "National Diabetes Week"; to the Committee on the Judiciary.

By Mr. BAKER (for Mr. DOLE) (for himself, Mr. ABDNOR, Mr. BOREN, Mr. BUMPERS, Mr. COCHRAN, Mr. CRANSTON, Mr. D'AMATO, Mr. EAST, Mr. GLENN, Mr. GOLDWATER, Mr. GORTON, Mr. GRASSLEY, Mrs. HAWKINS, Mr. HEFLIN, Mr. INOUYE, Mr. JACKSON, Mrs. KASSEBAUM, Mr. LAXALT, Mr. LEVIN, Mr. LUGAR, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. NUNN, Mr. RIEGLE, Mr. ROTH, Mr. THURMOND, and Mr. WILLIAMS):

S.J. Res. 75. Joint resolution authorizing and requesting the President to issue a proclamation designating the seven calendar days commencing on April 30 of 1981 as "National Beta Sigma Phi Week". Considered and passed.

By Mr. RANDOLPH:

S.J. Res. 76. Joint resolution providing for the commemoration of the one hundredth anniversary of the birth of Franklin Delano Roosevelt; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND:

S. 1023. A bill to amend title 10, United States Code, to permit improved and more flexible contracting procedures for the Department of Defense, to permit the Department of Defense to use multiyear procurement contracts under less restrictive conditions, and for other purposes; to the Committee on Armed Services.

ARMED SERVICES PROCUREMENT POLICY ACT OF 1981

Mr. THURMOND. Mr. President, there is widespread concern about the capability of our Nation's industrial base to respond to the hardware needs of our Armed Forces, either in peacetime or in an emergency situation.

Most defense programs today do not operate even close to economical production rates. Productivity in the defense sector has long been lagging not only that of U.S. manufacturing as a whole, but also that of other nations. Lead-times have increased tremendously in the last 3 years, resulting in delayed deliveries and higher program costs.

Our subcontractor and supplier base has eroded to almost subcritical levels, and our defense industry has little or no capacity to surge production in the short term. Facilities are aging, and the Government-owned machine-tool base is obsolete.

Mr. President, I believe that as we restore defense spending to adequate levels, as we are beginning to do now, industry will, to a large degree, rebuild its own base. But more money for procurement is not enough. We must see to it that we spend this money wisely.

In order to insure national defense preparedness, to conserve fiscal resources, and to enhance defense produc-

tion capability, it is in the interest of the United States to acquire property and services for the Department of Defense in the most timely, economic, and efficient manner.

One of the soundest ways to do this is to increase the use of multiyear procurement. The cost of our present 1-year method is simply too great. Industry at all levels hesitates to make capital investments funded for only 1 year, and both business and Government planning are often defeated by this practice. Multiyear funding offers dramatic benefits in defense programing stability. It enables contractors to plan production and tooling more efficiently. They can achieve significant economies by buying materials and components in larger quantities, thus bringing down the unit cost of a weapon system or equipment item.

Gen. Alton Slay, former commander of the Air Force Systems Command, estimated that multiyear procurement would enable the Department of Defense to routinely save between 10 and 30 percent of the contract price on some acquisitions. Such savings can go a long way toward offsetting the increased expense of high technology defense systems.

Therefore, Mr. President, I am pleased to introduce legislation to amend title 10 of the United States Code to establish a policy for improved and more flexible contracting procedures for the Department of Defense. This bill would allow the Department of Defense to use multiyear procurement contracts under less restrictive conditions.

Mr. President, I would like to draw attention to the fact that my bill is similar to one introduced in the House by the distinguished Representative of the Fifth District of Virginia, Hon. DAN DANIEL. His leadership in this important area has long been widely recognized in the Congress. I am pleased to join with him in offering this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD following these remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1023

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Armed Services Procurement Policy Act of 1981".

DECLARATION OF POLICY

SEC. 2. (a) Section 2301 of title 10, United States Code is amended—

(1) by inserting "(b)" before "It is": and

(2) by inserting before subsection (b) (as redesignated by paragraph (1) of this subsection) the following new subsection:

"(a) The Congress finds that in order to ensure national defense preparedness, to conserve fiscal resources, and to enhance defense production capability, it is in the interest of the United States to acquire property and services for the Department of Defense in the most timely, economic, and efficient manner. Therefore, it is the policy of the Congress that services and property (including weapon systems and associated items) for the Department of Defense be acquired by any kind of contract, other than a cost-plus-a-percentage-of-cost contract, but including a multiyear contract, that will promote the interests of the United States. Further, it is the policy of the Congress that any contract for the purchase of property provide, when practicable, for purchase of property at such times and in such quantities that costs to the Government are reduced and the contractor has an incentive to improve productivity through investment in capital facilities, equipment, and advanced technology.".

(b) (1) The section heading for section 2301 of such title is amended to read as follows:

"§ 2301. Declaration of findings and policy.".

(2) The item relating to section 2301 in the table of sections of chapter 37 of such title is amended to read as follows:

"2301. Declaration of findings and policy.".

MULTIYEAR CONTRACTING

SEC. 3. Section 2306 of title 10, United States Code, is amended—

(1) by striking out "to be performed outside the forty-eight contiguous States and the District of Columbia" in subsection (g) (1);

(2) by redesignating subsection (g) (3) as subsection (i), and by redesignating clauses (A), (B), and (C) thereof as clauses (1), (2), and (3), respectively;

(3) by striking out "such a contract" in subsection (i) (as redesignated by clause (2) of this section) and inserting in lieu thereof "a contract entered into pursuant to subsections (g) and (h) of this section": and

(4) by inserting before subsection (i) (as redesignated by clause (2) of this section) the following new subsection:

"(h) (1) The Secretary of a military department may enter into contracts for periods of not more than five years for the purchase of property (other than contracts for the construction, alteration, or major repair of improvements to real property or contracts for the purchase of property to which section 111 of the Federal Property and Administrative Services Act of 1949 applies, but including contracts for the purchase of weapon systems and of items and services associated with weapon systems) whenever he finds that—

"(A) the use of such a contract will promote the national security of the United States and will result in reduced total contract costs and more efficient rates of production;

"(B) there will be a continuing requirement for the purchase of the property in quantities consonant with current plans for the proposed contract period;

"(C) there is a low risk that the Government will cancel the contract; and

"(D) there is a stable design for the property to be acquired and the risks of failure associated with such design are not excessive.

"(2) In entering into any contract described in paragraph (1), the Secretary of a military department shall consider whether the furnishing of the property under the contract would require a substantial investment in plant or equipment, the incurrence of substantial contingent liabilities, or a substantial investment for the assembly, training, or transportation of a specialized work force.

"(3) (A) If any contract entered into under paragraph (1) of this subsection contains a clause setting forth a cancellation ceiling, such contract may also contain a clause providing that, in determining the amount to be paid to a contractor upon the cancellation of such contract, the Government may include both recurring and nonrecurring costs of the contractor associated with the production of the property to be delivered under the contract.

"(B) At least 30 days prior to the award by the Secretary of a military department of any contract under paragraph (1) which contains a clause setting forth a cancellation ceiling in excess of $50,000,000, the Secretary of such department shall transmit to the Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives written notice of the amount of cancellation ceiling proposed to be included in the contract.

"(C) For purposes of this paragraph, the term 'cancellation ceiling' means the maximum amount that the Government will, upon cancellation of a contract, pay a contractor for costs (and a reasonable profit thereon) which the contractor would have recovered as part of the unit price of the items which would have been delivered under the contract had the contract been completed.".

REPORTS ON MOST EFFICIENT PRODUCTION AND ACQUISITION RATES

SEC. 4. Section 139(c) of title 10, United States Code, is amended—

(1) by striking out "and" after the semicolon in clause (2);

(2) by striking out the period at the end of clause (3) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(4) the most efficient production rate and the most efficient acquisition rate.".

REGULATIONS

SEC. 5. Within ninety days after the date of the enactment of this Act—

(1) the Secretary of Defense shall issue such amendments or modifications to regulations governing defense acquisitions as may be necessary to implement the amendments made by section 2, 3, and 4 of this Act; and

(2) the Director of the Office of Management and Budget shall issue such amendments or modifications to directives of the Office of Management and Budget as may be necessary to implement the amendments made by sections 2, 3, and 4 of this Act.

REPEAL

SEC. 6. Section 8'0 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94–106; 89 Stat. 539), is repealed.

By Mr. SYMMS (for himself, Mr. STAFFORD, Mr. RANDOLPH, Mr. ABDNOR, and Mr. BURDICK):

S. 1024. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; to the Committee on Environment and Public Works.

FEDERAL-AID HIGHWAY IMPROVEMENT ACT OF 1981

Mr. SYMMS. Mr. President, today I am introducing the Federal-Aid Highway Improvement Act of 1981. I am very pleased that the distinguished Senator from Vermont (Mr. STAFFORD) and the chairman of the Environment and Public Works Committee, is cosponsoring this legislation. I am also very pleased that the distinguished Senator from West Virginia (Mr. RANDOLPH), ranking member of the full committee and the Senators from South Dakota (Mr. ABDNOR) and North Dakota (Mr. BURDICK) are cosponsors of this bill.

On March 31, 1981, the distinguished Senator from Vermont (Mr. STAFFORD) introduced the administration's proposed legislation on the Federal-aid highway program by request, and I cosponsored that legislation. S. 841 makes many important program changes which

I support and the legislation I am introducing today reflects and supports many of those changes.

In 1956 when the highway trust fund was established, the Federal Government made a commitment to accelerating the completion of the Interstate System. The Federal matching share was increased from 50 to 90 percent. It was projected at that time that the Interstate System would be finished in 1969 at a total cost of $27 billion. Now, 12 years later, the 1981 estimate on the remaining cost to complete the Interstate System is $53.8 billion, and the current estimated total cost of the entire system, when completed, will be $132.4 billion. This is an unacceptable situation, particularly when the existing Federal-aid systems are in urgent need of major rehabilitation and repair. It is critical that the gaps necessary for connectivity of the Interstate System are completed as quickly as possible so we can get on with maintaining and reconstructing our deteriorating roads and bridges. For this reason the bill being introduced today goes slightly further than S. 841 in redefining what will be eligible for interstate construction funds.

I believe consolidating the many small highway categories that have proliferated over the years is long overdue. This legislation would consolidate categories and provide greater flexibility to the States and localities in choosing their priorities.

In addition, this legislation would remove some of the Federal requirements and design standards now required and give the States more responsibility for their projects. In many cases the State and Federal Governments create processes which are unnecessarily duplicative. This has resulted in unacceptable delays and increased costs. In most cases the State has the capability to do the job and there is no question that they can do it faster and more economically than the Federal Government.

Mr. President, I believe the time has come to cut Federal spending and this will have an impact on the highway program also. This will require a reevaluation of where the Federal interest and responsibility lies. There is obviously a Federal interest in completing and maintaining the Interstate System, the primary system, and the bridge program. Beyond that, the Federal interest is not as clearly defined. S. 841 would end Federal participation in the safety categories immediately and in the Federal-aid secondary and Federal-aid urban systems in 1983. This is an option which should be considered. However, I am concerned that for a variety of reasons, the States and localities may be unable to take responsibility for all these programs in such short time. In Idaho, the secondary system, for example, is a critical system of farm to market roads. The States are experiencing their own economic difficulties and are having problems raising additional revenues. Many of the State legislatures do not consider revenue issues each year. For these reasons, this legislation proposes to retain urban, rural, and safety categories through fiscal year 1986 in order to give the States sufficient time to take over these responsibilities.

I strongly support the President's efforts to reduce Federal spending and, therefore, the budget authority provided in this bill is essentially the same as that provided by S. 841.

The Subcommittee on Transportation, on which I serve as chairman, has scheduled hearings on the legislation I am introducing today and on the administration's bill, S. 841, on April 29 and 30. At that time and during subsequent hearings, the subcommittee will be discussing the issues of interstate completion, interstate rehabilitation, the Federal role in the rural, urban, and safety programs, category consolidation, and reducing Federal requirements and redtape.

Mr. President, times have changed. I believe we must seriously address the problem of deficit spending, work toward balancing the budget, and return those responsibilities to the States and localities which can best be done at that level. In order to do that, the changes proposed in the Federal-aid Highway Improvement Act of 1981 should be implemented as soon as possible. I intend to do everything I can to assure that our highway system continues to be the kind of extensive, connected, safe, and productive network our citizens deserve.

Mr. President, I personally would like to thank the chairman of the Environment and Public Works Committee, Mr. STAFFORD, for the cooperation and the support that he has given me in my new role as chairman of the Transportation Subcommittee. I look forward to working with him and other members of the committee on both sides of the aisle to come forward with highway legislation later this year that will do the best we can with the dollars that are available to keep our highway system growing.

Mr. President, I ask unanimous consent that the text of the bill along with a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1024

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 101. This Act may be cited as the "Federal-Aid Highway Improvement Act of 1981".

REVISION OF AUTHORIZATION FOR APPROPRIATIONS FOR THE INTERSTATE SYSTEM

SEC. 102. (a) Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is amended by striking out "the additional sum of $3,200,000,000 for the fiscal year ending September 30, 1983", and all that follows through the period at the end of the sentence and by inserting in lieu thereof the following: "the additional sum of $3,300,000,000 for the fiscal year ending September 30, 1983, the additional sum of $3,500,000,000 for the fiscal year ending September 30, 1984, the additional sum of $3,400,000,000 for the fiscal year ending September 30, 1985, the additional sum of $3,400,000,000 for the fiscal year 1986, the additional sum of $3,500,000,000 for the fiscal year ending September 30, 1987, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1988, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1989, and the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1990.".

(b) Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is further amended by adding at the end thereof the following:

"Effective October 1, 1981, the obligation of funds authorized by this subsection, except for Advance Construction Interstate projects approved before October 1, 1981, shall be limited to essential construction necessary to complete routes and portions on the Interstate System which are not yet open to traffic. Essential construction consists of (1) full access control; (2) a pavement design to accommodate the types and volumes of traffic anticipated for the 20-year period from date of authorization of the initial basic construction contract; and (3) a design of not more than four lanes in rural areas and all urban and urbanized areas under 400,000 population, and up to six lanes in urbanized areas over 400,000 population as shown in the 1980 Federal census. The obligation of funds authorized by this subsection shall be further limited to the design concepts, locations, geometrics, and other construction features included in the 1981 Interstate Cost Estimate.

(c) Section 104(b)(5)(A) of title 23, United States Code, is amended by adding at the end thereof the following new sentence:

"Notwithstanding any other provisions of this subparagraph, the Secretary in making the revised estimate of the cost of completing the then designated Interstate System for the purpose of transmitting it to the Senate and House of Representatives within 10 days subsequent to January 2, 1983, or thereafter, shall include only those costs eligible for funds authorized by subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, and as further amended by section 102(b) of the Federal-Aid Highway Act of 1981."

AUTHORIZATION OF USE OF COST ESTIMATES FOR APPORTIONMENT OF INTERSTATE FUNDS

SEC. 103. The Secretary of Transportation shall apportion for the fiscal years ending September 30, 1983, and September 30, 1984, the sums authorized to be appropriated for such periods by section 108(b) of the Federal-Aid Highway Act of 1956, as amended, for expenditures on the National System of Interstate and Defense Highways, using the apportionment factors contained in table ——— of Committee Print ——— of the Committee on Public Works and Transportation of the House of Representatives.

HIGHWAY AUTHORIZATIONS

SEC. 104. (a) Each of the authorizations for the fiscal year ending September 30, 1982, contained in section 104 of the Federal-Aid Highway Act of 1978 is hereby repealed. For the purpose of carrying out the following provisions of title 23, United States Code, the following sums are authorized to be appropriated out of the Highway Trust Fund:

(1) For the Federal-aid primary program, $1,500,000,000 for the fiscal year ending September 30, 1982, $1,500,000,000 for the fiscal year ending September 30, 1983, $1,600,000,000 for the fiscal year ending September 30, 1984, $1,600,000,000 for the fiscal year ending September 30, 1985, and $1,600,000,000 for the fiscal year ending September 30, 1986.

(2) For the Federal-aid rural program, $600,000,000 for the fiscal year ending September 30, 1982, $500,000,000 for the fiscal year ending September 30, 1983, $500,000,000 for the fiscal year ending September 30, 1984, $500,000,000 for the fiscal year ending September 30, 1985, and $400,000,000 for the fiscal year ending September 30, 1986.

(3) For the Federal-aid urban program, $800,000,000 for the fiscal year ending September 30, 1982, $700,000,000 for the fiscal

year ending September 30, 1983, $700,000,000 for the fiscal year ending September 30, 1984, $700,000,000 for the fiscal year ending September 30, 1985, and $600,000,000 for the fiscal year ending September 30, 1986.

(4) For forest highways, $34,000,000 for the fiscal year ending September 30, 1982, $34,000,000 for the fiscal year ending September 30, 1983, $34,000,000 for the fiscal year ending September 30, 1984, $34,000,000 for the fiscal year ending September 30, 1985, and $34,000,000 for the fiscal year ending September 30, 1986.

(5) For public lands highways, $16,000,000 for the fiscal year ending September 30, 1982, $16,000,000 for the fiscal year ending September 30, 1983, $16,000,000 for the fiscal year ending September 30, 1984, $16,000,000 for the fiscal year ending September 30, 1985, and $16,000,000 for the fiscal year ending September 30, 1986.

(6) For bridge replacement and rehabilitation under section 144 of title 23, United States Code, $900,000,000 for the fiscal year ending September 30, 1982, $1,100,000,000 for the fiscal year ending September 30, 1983, $1,300,000,000 for the fiscal year ending September 30, 1984, $1,300,000,000 for the fiscal year ending September 30, 1985, and $1,300,000,000 for the fiscal year ending September 30, 1986.

(7) For the highway safety improvement program, $100,000,000 for the fiscal year ending September 30, 1982, $100,000,000 for the fiscal year ending September 30, 1983, $50,000,000 for the fiscal year ending September 30, 1934, $50,000,000 for the fiscal year ending September 30, 1985, and $50,000,000 for the fiscal year ending September 30, 1986.

(b)(1) For each of the fiscal years 1983 and 1984, no State, including the State of Alaska, shall receive less than one-half of one per centum of the total apportionment for the Interstate System under section 104(b)(5)(A) of title 23, United States Code. Whenever amounts made available under this subsection for the Interstate System in any State exceed the estimated cost of completing that State's portion of the Interstate System, and exceed the estimated cost of necessary resurfacing, restoration, rehabilitation, and reconstruction of the Interstate System within such State, the excess amount shall be eligible for expenditure for those purposes for which funds apportioned under paragraphs (1), (2), and (6) of such section 104(b) may be expended.

(2) Subsection (g) of section 144 of title 23, United States Code is amended as follows:

"(g) Of the amount authorized per fiscal year, for each of the fiscal years ending September 30, 1982 and September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986, all but $200,000,000 for fiscal year 1982 and $300,000,000 for fiscal years 1983, 1984, 1985, and 1986 shall be apportioned as provided in subsection (e) of this section. $200,000,000 for fiscal year 1982 and $300,000,000 for fiscal years 1983, 1984, 1985, and 1986 of the amount authorized shall be available for obligations on the date of each such apportionment in the same manner and to the same extent as the sums apportioned on such date except that the obligation of such sums shall be at the discretion of the Secretary and shall be only for projects for those highway bridges the replacement and rehabilitation cost of each of which is more than $10,000,000 and for any project for a highway bridge replacement or rehabilitation cost of which is less than $10,000,000 if such cost is at least twice the amount apportioned to the State in which such bridge is located under subsection (e) of this section for the fiscal year in which application is made for a grant for such bridge. Not less than 15 per centum of the amount apportioned to each State in a fiscal year shall be expended for projects to replace or rehabilitate bridges located on public roads other than those on public roads functionally classified as arteries or major collectors. The Secretary after consultation with State and local officials may, with respect to a State, reduce the requirement for expenditure for bridges not on public roads functionally classified as arteries or major collectors when he determines that such State has inadequate needs to justify such expenditure."

(3) Paragraph (3) of section 202 of the Highway Safety Act of 1978 is amended by striking out "September 30, 1981, and September 30, 1982." and inserting in lieu thereof the following: "and September 30, 1981.".

(4) Paragraph (6) of section 202 of the Highway Safety Act of 1978 is amended by striking out "$1,300,000,000 for the fiscal year ending September 30, 1981, and $900,000,000 for the fiscal year ending September 30, 1982." and inserting in lieu thereof the following: "and $1,300,000,000 for the fiscal year ending September 30, 1981.".

(5) Paragraph (8) of section 202 of the Highway Safety Act of 1978 is amended by striking out "$150,000,000 for the fiscal year ending September 30, 1931, and $200,000,000 for the fiscal year ending September 30, 1982." and inserting in lieu thereof the following: "and $150,000,000 for the fiscal year ending September 30, 1981.".

(c) The unobligated balance of contract authority established in paragraph (15) of section 104(a) of the Federal-Aid Highway Act of 1978 shall lapse September 30, 1981.

(d) Section 203(b) of the Highway Safety Act of 1973, as amended by section 203(a) of the Highway Safety Act of 1978, is amended by striking out "September 30, 1981, and September 30, 1982." and inserting in lieu thereof "and September 30, 1981.".

(e) Section 163 of the Federal-Aid Highway Act of 1973, as amended by section 134(c) of the Federal-Aid Highway Act of 1978, is further amended by striking out "$100,000,000 for the fiscal year ending September 30, 1981, and $100,000,000 for the fiscal year ending September 30, 1982, except that" and inserting in lieu thereof "and $100,000,000 for the fiscal year ending September 30, 1981, except that".

(f) Section 141(1) of the Federal-Aid Highway Act of 1978 is amended by striking out "September 30, 1981, and September 30, 1982," and inserting in lieu thereof "and September 30, 1981,".

INTERSTATE SYSTEM RESURFACING APPORTIONMENT

SEC. 105(a) Section 104(b)(5)(B) of title 23, United States Code, is amended to read as follows:

"(B) For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System:

60 per centum in the ratio that lane miles on the Interstate routes designated under section 103 of this title (other than those on toll roads) in each State bears to the total of all such lane miles in all States; and 40 per centum in the ratio that vehicle miles traveled on lanes on the Interstate routes designated under section 103 of this title (other than those on toll roads) in each State bears to the total of all such vehicle miles in all States. Notwithstanding the preceding sentence, no State excluding any State that has no Interstate lane miles shall receive less than one-half of 1 per centum of the total apportionment made by this subparagraph for any fiscal year.".

(b) The amendments made by subsection (a) of this section are effective October 1, 1981.

INTERSTATE SYSTEM RESURFACING AUTHORIZATION

SEC. 106(a). Section 105 of the Federal-Aid Highway Act of 1978 is amended to read as follows:

"In addition to any other funds authorized to be appropriated out of the Highway Trust Fund, not to exceed $175,000,000 per fiscal year for each of the fiscal years ending September 30, 1980, and September 30, 1981, not to exceed $275,000,000 for the fiscal year ending September 30, 1982, not to exceed $800,000,000 for the fiscal year ending September 30, 1983, not to exceed $1,300,000,000 for the fiscal year ending September 30, 1984, not to exceed $1,700,000,000 for the fiscal year ending September 30, 1985, not to exceed $1,700,000,000 for the fiscal year ending September 30, 1986, and not to exceed $2,200,000,000 for the fiscal year ending September 30, 1987. Such sums shall be obligated for projects for resurfacing, restoring, rehabilitating, and reconstructing routes of the Interstate System designated under section 103 of title 23, United States Code, which are not on toll roads, except that where a State certifies to the Secretary that any part of such sums are in excess of the needs of such State for resurfacing, restoring, rehabilitating, and reconstructing the Interstate System and the Secretary accepts such certification, such State may transfer sums apportioned to it under section 104(b)(5)(B) to its apportionment under section 104(b)(1).".

(b) The amendments made by subsection (a) of this section are effective October 1, 1981.

INTERSTATE SYSTEM RESURFACING

SEC. 107. (a) Section 119(a) of title 23, United States Code, is amended by striking out the words "and rehabilitating" and by inserting in lieu thereof the words "rehabilitating, and reconstructing" and by striking out the words "those lanes in use for more than five years on the Interstate System (other than those on toll roads not subject to a Secretarial agreement provided for in Section 105 of the Federal-Aid Highway Act of 1978)." and inserting in lieu thereof the words "routes of the Interstate System designated under section 103 of title 23, United States Code, which are not toll roads.".

(b) The amendments made by subsection (a) of this section are effective October 1, 1981.

INTERSTATE SYSTEM RESURFACING—FEDERAL SHARE

SEC. 108. Subsection (a) of section 119 of title 23, United States Code, is amended by adding at the end thereof the following: "Effective October 1, 1981, the Federal share for projects financed by funds apportioned under 23 U.S.C. 104(b)(5)(B) for resurfacing, restoring, rehabilitating, and reconstructing routes of the Interstate System designated under Section 103 of this title and which are not toll roads shall be that set forth in section 120(c) of this title.".

HOLD HARMLESS-INTERSTATE RESURFACING

SEC. 109. The amount a State, excluding any State that has no Interchange mileage, receives by apportionment on October 1, 1981, 23 U.S.C. 104(b)(5)(B) shall be sufficient to assure that its total apportionments under 23 U.S.C. 104(b)(5) are not less than that which would have been made on October 1, 1981, to such State under 23 U.S.C. 104(b)(5) under the law as it is before the enactment of this Act.

INTERSTATE SUBSTITUTION AUTHORIZATION

SEC. 110. (a) There is authorized to be appropriated out of the Highway Trust Fund for substitute highway projects under 23 U.S.C. 103(e)(4) $200,000,000 for the fiscal year ending September 30, 1982, $225,000,000 for the fiscal year ending September 30, 1983, $250,000,000 for the fiscal year ending September 30, 1984, $250,000,000 for the fiscal year ending September 30, 1985, and $300,000,000 for the fiscal year ending September 30, 1986.

(b) Section 103(e)(4) of title 23, United States Code, is amended by striking the

eighth sentence and inserting in lieu thereof the following:

"There are authorized to be appropriated out of any money in the Treasury not otherwise appropriated for liquidation of the obligations incurred under this paragraph for substitute transit projects such sums as may be necessary."

(c) (1) The first sentence of section 103 (e)(4) of title 23, United States Code is amended by striking "which is within an urbanized area or which passes through and connects urbanized areas within a State and".

(2) The second sentence of section 103 (e)(4) of title 23, United States Code, is amended by striking "which will serve the urbanized area and the connecting non-urbanized area corridor from which the Interstate route or portion thereof was withdrawn, which are selected by the responsible local officials of the urbanized area or area to be served, and which are submitted by the Governor of the State in which the withdrawn route was located", and inserting in lieu thereof, "which will serve the area or areas from which the Interstate route or portion thereof was withdrawn, which are selected by the responsible local officials of the urbanized area or areas to be served if the withdrawn Interstate route or portion thereof was within an urbanized area or passed through and connected urbanized areas, which are selected by the Governors of the States in which the withdrawn route was located if the withdrawn route was not within an urbanized area or did not pass through and connect urbanized areas, and which are submitted by the Governors of the States in which the withdrawn route was located."

(d) Section 103(e)(4) of title 23, United States Code, is amended as follows:

(1) In the second sentence by inserting after the words "approved by Congress," the words "or as included in the approved 1983 Interstate Cost Estimate, whichever is earlier,".

(2) In the second sentence by striking "enactment of the Federal-Aid Highway Act of 1976 or the date of approval of each substitute project under this paragraph, whichever is later" and inserting in lieu thereof "the date of the withdrawal or September 30, 1983, for substitute projects approved after September 30, 1983,".

(3) In the second sentence after "the basis of he latest cost estimate," add "or that is the basis of the approved 1983 Interstate Cost Estimate, whichever is earlier,".

(e) Section 103(e)(4) of title 23, United States Code, is amended by adding at the end of such subsection the following: "Any route or segment thereof added to the Interstate System after March 7, 1978, pursuant to specific legislation will not be eligible for withdrawal and substitution under this subsection."

(f) The first sentence of section 120(d) of title 23, United States Code, is amended by inserting after the words "traffic control signalization," the following: "including traffic control signalization projects under section 103(e)(4) of this title, notwithstanding the provisions of the fifth sentence of section 103 (e)(4),".

PRIMARY PROGRAM

SEC. 111. (a) The first sentence of subsection (b)(1) of section 104 of title 23, United States Code, is amended by striking out "and priority primary routes".

(b) The first sentence of subsection (c) of section 104 of the Federal-Aid Highway Act of 1978 is amended by striking out "September 30, 1981 and September 30, 1982," and inserting in lieu thereof the following: "and September 30, 1981,".

(c) Section 147 of title 23, United States Code, is repealed.

(d) The analysis of chapter 1 of title 23 is amended by deleting "147. Priority Primary Routes.", and inserting in lieu thereof "147. Repealed.".

FEDERAL-AID URBAN PROGRAM

SEC. 112. (a) Section 103 of title 23, United States Code, is amended by deleting subsection (d) and inserting in lieu thereof the following:

"(d) The Secretary may approve Federal-aid urban programs in urbanized areas which shall be selected by the appropriate local officials so as to serve the goals and objectives of the community, with the concurrence of the State highway department, as provided in section 105 of this title. The programs shall facilitate transportation in the urbanized area and include projects to: reduce congestion and improve the flow of traffic on arterial and collector routes, aid integration of different transportation modes to and from airports and other terminals and business districts, support clean air and energy conservation objectives, make highway capital improvements, improve highway safety, eliminate safety hazards and roadside obstacles, implement transportation systems management activities and serve other national goals and objectives. All public roads in urbanized areas are eligible except those on the primary system and the Interstate System. The applicable provisions of chapters 1 and 3 of this title, including provisions applicable to Federal-aid systems, shall apply to urban programs, except those provisions determined by the Secretary to be inconsistent with this subsection. The Secretary shall not waive the applicability of the planning requirements of section 134 of this title."

FEDERAL-AID RURAL PROGRAM

SEC. 113. Section 103 of title 23, United States Code, is amended by deleting subsection (c) and inserting in lieu thereof: "(c) The Federal-aid rural program shall be selected by the State highway agencies and the appropriate local road officials in cooperation with each other, subject to approval by the Secretary as provided in subsection (f) of this section and section 105 of this title. In making such selections, the needs of agriculture roads, rural mail routes, public school bus routes, local rural roads, airport and water port access roads, and goods movement shall be considered. All public roads except those on the primary system, the Interstate System, and in urbanized areas are eligible. Projects to improve highway safety and nonurbanized public transportation projects, including facilities and technical assistance, are also eligible for assistance under this section. The applicable provisions of chapters 1 and 3 of this title, including provisions applicable to Federal-aid systems, shall apply to rural programs, except those provisions determined by the Secretary to be inconsistent with this subsection.".

TRANSFERABILITY

SEC. 114. Paragraphs (1) and (2) of subsection (d) of section 104 of title 23, United States Code, are amended by striking out "50" each place it appears and inserting in lieu thereof at each such place "100".

HIGHWAY SAFETY IMPROVEMENT PROGRAM

SEC. 115. (a) Subsection 151 of title 23, United States Code, is amended to read as follows:

"SEC. 151. HIGHWAY SAFETY IMPROVEMENT PROGRAM.—

"(a) The Secretary shall establish a highway safety improvement program for projects on any public road or street in rural or urban areas. Assistance shall be available under this program for highway safety improvement projects, as defined in subsection (a) of section 101 of this title; for railway-highway crossing projects as provided for in section 130 of this title; for the implementation of highway-related safety requirements and guidelines issued by the Secretary under section 402 of this title; and for the development, implementation, and evaluation of the highway safety improvement program required under subsection (b) of this section.

"(b) Each State shall develop and implement on a continuing basis a Highway Safety Improvement Program including procedures for the planning, implementation, and evaluation of highway safety improvement projects on all highways, with the specific objective of reducing the number and severity of highway traffic accidents. Each State shall have a process for collecting, maintaining, and analyzing accident, traffic, and highway data; for conducting engineering studies of hazardous locations, sections and elements, for assigning priorities to the various types of hazards identified; for implementing safety improvement projects in accordance with the priorities developed; and for the evaluation of the safety benefits obtained.

"(c)(1) Funds authorized to carry out this section shall be available for expenditure for projects on any public road (other than the Interstate System).

"(2) The Federal share payable on any project under this section shall not exceed 90 per centum of the cost thereof except that the Federal share of safety improvement projects for the elimination of hazards of rail-highway crossings shall not exceed that as provided in section 120(d) of this title.

"(3) The unobligated balance of contract authority established prior to enactment of this section for carrying out section 402 by the Federal Highway Administration shall remain available for obligation as provided prior to enactment of this section and shall lapse not later than September 30, 1984.

"(d) Funds authorized to be appropriated to carry out this section shall be apportioned to the States as follows: 60 per centum in the ratio which the population of each State bears to the total population of all States, and 40 per centum in the ratio which the public road mileage in each State bears to the total public road mileage in all States. The annual apportionment for each State shall not be less than one-half of 1 per centum of the total apportionment. Such sums shall be available for obligation in the same manner and to the same extent as if such funds were apportioned under section 104(b)(1), except that the Secretary is authorized to waive such provisions of this title that he deems inconsistent with the purposes of this section.

"(e) In any State wherein the State is without legal authority to construct or maintain a project under this section, such State shall enter into a formal agreement for such construction or maintenance with the appropriate local officials of the county or municipality in which such project is located.

"(f) One-half of 1 per centum of funds authorized for carrying out this section shall be apportioned to the Secretary of the Interior, who shall exercise the responsibilities assigned to States under subsection (b) of this section in carrying out this section on Indian reservations. Such funds shall be subject to a deduction of not to exceed 5 per centum for the necessary costs of administering the provisions of this section.

"(g) Each State shall report to the Secretary of Transportation not later than December 30 of each year, on the progress being made to implement the highway safety improvement program and the effectiveness of safety improvements in reducing the number and severity of accidents. The Secretary of Transportation shall submit a report to the Congress not later than April 1 of each year on the progress being made by the States in implementing the highway safety improvement program.

(b) Section 152 of title 23, United States Code, is repealed.

(c) The analysis of chapter 1 of title 23, United States Code, is amended by deleting "151. Pavement marking demonstration program." and "152. Hazard elimination program." and inserting in lieu thereof "151. Highway Safety Improvement Program." and "152. Repealed.".

(d) Section 103(e) of the Highway Safety Act of 1973 (P.L. 93-87), as amended by the Congressional Reports Elimination Act of 1980 (P.L. 96-470), is repealed.

HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION PROGRAM APPORTIONED FUNDS

SEC. 116.(a) Subsection (e) of section 144 of title 23, United States Code, is amended to read as follows:

"(e) Funds authorized to carry out this section shall be apportioned among the several States on October 1 of the fiscal year for which authorized according to the following formula:

"All deficient bridges will be divided into four categories: (1) Federal-aid system bridges, or bridges on public roads functionally classified as major collectors, eligible for replacement, (2) Federal-aid system bridges, or bridges on public roads functionally classified as major collectors, eligible for rehabilitation, (3) Off-system bridges eligible for replacement, and (4) Off-system bridges eligible for rehabilitation. The square footage of deficient Federal-aid system bridges, or bridges on public roads functionally classified as major collectors, both those eligible for replacement and those eligible for rehabilitation, shall be multiplied by a factor of two. The square footage of deficient bridges in each category shall be multiplied by its respective unit price on a State-by-State basis; and the total cost in each State divided by the total cost of the nation's deficient bridges shall yield the apportionment factors. No State shall receive more than 8 percent or less than 0.25 percent of the total apportionment for any one fiscal year. The Secretary shall make these determinations based upon the latest available data, which shall be updated annually. Funds authorized to carry out this section which are apportioned under this section shall be available for expenditure for three years after the close of the fiscal year for which they are authorized.".

FEDERAL LANDS HIGHWAYS

SEC. 117. Section 101 of Title 23, United States Code, is amended by adding the following subsection:

"(f) It is the sense of Congress that Federal roads which are public roads be treated under the same uniform policies as roads which are on the Federal-aid systems or part of the Federal-aid programs. The Congress therefore finds that in order to accomplish this objective there shall be a coordinated Federal Lands Highway Program which shall consist of the forest highways, park roads, parkways, Indian reservation roads, and public lands highways. Appropriations for the construction and improvement of such Federal roads shall be administered by the Secretary in conformity with regulations jointly approved by him and the Secretaries of the appropriate Federal land managing agencies.".

CARPOOL AND VANPOOL PROJECTS

SEC. 118. (a) Section 120(d) of title 23, United States Code, is amended by inserting after "traffic control signalization" the words "or commuter carpooling or vanpooling."

(b) Section 142 of title 23, United States Code, is amended as follows:

(1) In subsection (a)(1) delete in the first sentence the words "bus lanes" and inserting in lieu thereof the following: "high occupancy vehicle lanes" and by deleting the words "bus and other" and inserting in lieu thereof the following: "high occupancy vehicle and".

(2) In subsection (b) delete the word "bus" and in lieu thereof insert "high occupancy vehicle".

(3) In subsection (f) delete the words "public mass transportation systems" and in lieu thereof insert "high occupancy vehicles".

(c) The Secretary of Transportation is authorized and directed to expend such sums as are necessary out of the administrative funds authorized by subsection (a), section 104, title 23, United States Code to carry out the provisions of subsection (d), section 126 of the Federal-aid Highway Act of 1978.

(d) Section 146 of title 23, United States Code, is amended by redesignating existing subsection (b) as subsection (c) and by inserting the following new subsection (b):

"(b)(1) The Secretary may approve for Federal financial assistance from funds apportioned under section 104(b)(5)(B) of this title, projects for designating existing facilities, or for acquisition of rights of way or construction of new facilities, for use as preferential parking for carpools, provided that such facilities (1) are located outside of a central business district and within an Interstate highway corridor, and (2) have as their primary purpose the reduction of vehicular traffic on the Interstate highway.

"(2) Nothing in this subsection, or in any rule or regulation issued under this subsection, or in any agreement required by this subsection, shall prohibit (1) any State, political subdivision, or agency or instrumentality thereof, from contracting with any person to operate any parking facility designated or constructed under this subsection, or (2) any such person from so operating such facility. Any fees charged for the use of any such facility in connection with the purpose of this subsection shall not be in excess of the amount required for operation and maintenance, including compensation to any person for operating the facility.

"(3) For the purposes of this subsection, the terms "facilities" and "parking facilities" are synonymous and shall have the same meaning given "parking facilities" in section 137 of this title."

EMERGENCY RELIEF

SEC. 119. (a)(1) The first sentence of subsection (a) of section 125 of title 23, United States Code, is amended by striking the first sentence thereof and inserting in lieu thereof the following:

"An emergency fund is authorized for expenditure by the Secretary, subject to the provisions of this section and section 120 of this title, for the repair or reconstruction of highways, roads, and trails which the Secretary shall find have suffered serious damage as the result of (1) natural disaster over a wide area such as by floods, hurricanes, tidal waves, earthquakes, severe storms, or landslides, or (2) catastrophic failures from any external cause, in any part of the United States. In no event shall funds be used pursuant to this section for the repair or reconstruction of bridges which have been permanently closed to all vehicular traffic by the State because of imminent danger of collapse due to structural deficiencies or physical deterioration.".

(2) Subsection (a) of section 125 of title 23, United States Code, is further amended by inserting in the second sentence, as that sentence read prior to the amendments made by paragraph (1) of this subsection, after the word "appropriated" the words "from the Highway Trust Fund"; by striking the colon in the second sentence and inserting in lieu thereof a period; by deleting "(1)" after the colon in the second sentence; by inserting a period after the words "in such years" and by striking the remainder of the sentence following "in such years".

(b) Notwithstanding any other provision of law, all expenditures made under 23 U.S.C. 125 prior to the fiscal year ending September 30, 1978, are authorized to be appropriated from the Highway Trust Fund.

(c) Subsection (a) of section 125 of title 23, United States Code, is amended by inserting in the second sentence after the words "after September 30, 1976," the words "and not more than $150,000,000 is authorized to be expended in any one fiscal year commencing after September 30, 1980.".

(d) Subsection (b) of section 125 of title 23, United States Code, is amended by striking the period at the end of the first sentence, inserting a colon in lieu thereof, and by adding the following:

"*Provided*, That obligations for projects under this section, including those on highways, roads, and trails mentioned in subsection (c) of this section, resulting from a single natural disaster or a single catastrophic failure shall not exceed $30,000,000 in any State."

(e) The amendments made by subsection (d) of this section shall apply to natural disasters or catastrophic failures which the Secretary finds eligible for emergency relief subsequent to the date of enactment of this section.

(f) Subsection (f) of section 120 of title 23, United States Code, is amended to read as follows:

"(f) The Federal share payable on account of any repair or reconstruction provided for by funds made available under section 125 of this title shall not exceed 90 per centum of the cost thereof: *Provided*, That the Federal share payable on account of any repair or reconstruction of forest highways, forest development roads and trails, park roads and trails, parkways, public lands highways, public lands development roads and trails, and Indian reservation roads may amount to 100 per centum of the cost thereof. The total cost of a project may not exceed the cost of repair or reconstruction of a comparable facility. As used in this section with respect to bridges and in section 144 of this title, "a comparable facility" shall mean a facility which meets the current geometric and construction standards required for the types and volume of traffic which such facility will carry over its design life."

(g) All obligations for projects resulting from a natural disaster or catastrophic failure which the Secretary finds to be eligible for emergency relief subsequent to the date of enactment of this subsection shall provide for the Federal share required by subsection (f) of section 120 of title 23, United States Code, as amended by this section.

(h)(1) Subsection (b) of section 125 of title 23, United States Code, is amended by striking the words "the Federal-aid highway systems, including the Interstate System" and by inserting in lieu thereof the words "the Interstate System, the Primary System, and on any routes functionally classified as arterials or major collectors," in the two places the stricken words appear.

(2) Subsection (c) of section 125 of title 23, United States Code, is amended by striking the words "on any of the Federal-aid highway systems" and inserting in lieu thereof the words "routes functionally classified as arterials or major collectors".

ACCESS TO LAKES

SEC. 120. (a) Section 155 of title 23, United States Code, is amended by deleting subsection (e) and inserting in lieu thereof:

"(e) Sums apportioned in accordance with paragraph (2) of section 104(b) of this title shall be available for projects under this section.

(b) Sums authorized under section 155 of title 23, United States Code, prior to enactment of the section shall continue to be available for the fiscal year authorized and for the three succeeding fiscal years.

(c) Section 104(a)(18) of the Surface Transportation Assistance Act of 1978 is amended by deleting "September 30, 1981, and September 30, 1982" and inserting in lieu thereof "and September 30, 1981."

TERRITORIAL HIGHWAY PROGRAM

SEC. 121. (a) Section 215 of title 23, United States Code, is hereby repealed.

(b)(1) The unobligated balance of sums appropriated prior to enactment of subsection (a) of this section for carrying out section 215 of title 23, United States Code, shall remain available for obligation under the conditions applicable prior to such enactment.

(2) The unappropriated balance of sums authorized prior to enactment of subsection (a) of this section for carrying out section 215 of title 23, United States Code, is rescinded.

(c) Section 120(i) of title 23, United States Code, is repealed.

(d) Section 401 of title 23, United States code, is amended by deleting the second sentence thereof.

(e) The sixth sentence of section 402(c) of title 23, United States Code, is amended to read as follows: "The annual apportionment to each State shall not be less than one-half of one per centum of the total apportionment.".

(f) The analysis of chapter 2 of title 23, United States Code, is amended by deleting: "215. Territories highway development program." and inserting in lieu thereof: "215. Repealed.".

BICYCLE TRANSPORTATION PROGRAM

SEC. 122. Section 217 of title 23, United States Code is amended:

(1) By striking in the first sentence of subsection (a), the words "and the multiple use of highway rights-of-way" and "on or in conjunction with highway rights-of-way";

(2) By inserting after the first sentence in subsection (a) the following: "Federal-aid highway projects may include nonconstruction programs or projects which can reasonably be expected to enhance the safety and use of bicycles."; and

(3) By striking out in subsection (b) the words "that provided in section 120 of this title" and inserting in lieu thereof "100 per centum."

(4) By striking out subsection (e).

HIGHLAND SCENIC HIGHWAY

SEC. 123. Section 161(f) of the Federal-Aid Highway Act of 1973, as amended by section 21 of P.L. 96-106, is further amended to read as follows:

"161(f) The Highland Scenic Highway as authorized by subsection (a) of this section and all associated lands and rights-of-way shall be managed as part of the Monongahela National Forest for scenic and recreational purposes. Vehicle use shall be confined to passenger cars, recreational vehicles and limited truck traffic to the extent such use is compatible with the purpose for which the highway was constructed. Commercial use by trucks may be limited and controlled by permit.".

ALLOCATION OF URBAN FUNDS

SEC. 124. Section 150 of title 23, United States Code, is amended by adding the following sentence at the end thereof: "Funds allocated to an urbanized area under the provisions of this section may, at the request of the Governor and upon approval of the appropriate local officials of the area and the Secretary, be transferred to the allocation of another such area in the State or to the State for use in any urban area."

CERTIFICATION ACCEPTANCE

SEC. 125. (a) Section 117 of title 23, United States Code, is amended as follows:

(1) Subsection 117(a) is amended by striking out "this title" wherever it appears in this subsection and inserting in lieu "any Federal law" and by striking out "projects on Federal-aid systems, except the Interstate System" and inserting in lieu thereof "projects on Federal-aid systems or under Federal-aid programs other than the Interstate System," and by adding at the end the following new sentence:

"Notwithstanding the above, the Secretary may discharge any of his responsibilities under any federal law relative to the physical construction phase of Interstate 4R projects using the procedures of this section.".

(2) Subsection 117(b) is amended by striking out "make a final inspection of each such project upon its" and inserting in lieu "establish procedures for the inspection of such projects upon".

(3) Subsection 117(e) is amended to read as follows:

"(e) Nothing in this section shall affect or discharge any responsibility or obligation of the Secretary under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d), et seq.) or title VI.I of the Act of April 11, 1968 (Public Law 90-284, 42 U.S.C. 3601 et seq.).

(4) Subsection 117(f) is amended to read as follows:

"(1) In the case of projects on Federal-aid systems or under Federal-aid programs as defined by the Secretary and which are not on the Interstate System, in lieu of discharging his responsibilities in accordance with subsections (a) through (d) of this section, the Secretary may, upon the request of any State highway department, discharge his responsibilities under any Federal law relative to the plans, specifications, estimates, surveys, contract awards, design, inspection, and construction of such projects by his receiving and approving a certified statement by the State highway department setting forth that the plans, design, and construction for each such project are in accord with those standards and procedures which (A) were adopted by such State highway department, (B) were applicable to projects in this category, and (C) were approved by him."

"(2) The Secretary shall not approve such standards and procedures unless they are in accordance with the provisions of subsection (b) of section 105, subsection (b) of section 106, and subsection (c) of section 109 of this title."

"(3) Paragraphs (1) and (2) of this subsection shall not be construed to relieve the Secretary of his obligation to establish procedures for the inspection of such projects upon completion and to require an adequate report of the estimated and actual cost of construction as well as other information as he determines necessary."

(b) By adding a new subsection (g) to read as follows:

"(g) In the case of projects in the Federal-aid Urban Program and the Federal-aid Rural Program which are estimated to cost less than $250,000 for physical construction, the Secretary shall discharge his responsibilities under any Federal law relative to the plans, specifications, estimates, surveys, contract awards, design, inspection, and construction of such projects by his receiving a certified statement as described in paragraph (f)(1)."

(c) Subsection 105(b) of title 23, United States Code, is amended by striking out "projects on the Federal-aid secondary system" and inserting in lieu thereof "projects, as defined by the Secretary and which are not on the Interstate System except for the construction phase of Interstate resurfacing, restoration, rehabilitation, and reconstruction projects".

(d) Subsection 106(b) of title 23, United States Code, is amended to read as follows:

"In addition to the approval required under subsection (a) of this section, proposed specifications for projects for construction as defined by the Secretary which are not on the Interstate System except for the construction phase of Interstate resurfacing, restoration, rehabilitation and reconstruction projects, except in State where all public roads and highways are under the control and supervision of the State highway department, shall be determined by the State highway department and the appropriate local road officials in cooperation with each other."

(e) Subsection 112(e) of title 23, United States Code, is amended by striking out "projects on the Federal-aid secondary system" and inserting in lieu thereof "projects, as defined by the Secretary and which are not on the Interstate System except for the construction phase of Interstate resurfacing, restoration, rehabilitation, and reconstruction projects."

DEFENSE ACCESS ROAD

SEC. 126. Section 210(c) of title 23, United States Code, is amended by striking "Not exceeding $5,000,000 of any funds appropriated under the Act approved October 16, 1951 (65 Stat. 422)," and inserting in lieu thereof "Funds appropriated for defense maneuvers and exercises".

MAINTENANCE

SEC. 127. (a) Subsection (a) of section 116 of title 23, United States Code, is amended by striking the second sentence.

(b) Subsection (b) of section 116 of title 23, United States Code, is amended by striking "constructed on the Federal-aid secondary system, or within a municipality,"

(c) The second sentence of subsection (c) of section 116 of title 23, United States Code, is amended to read as follows: "If, within ninety days after receipt of such notice, such project has not been put in proper condition of maintenance, the Secretary shall withhold approval of further projects of all types in the State highway district, municipality, county, other political or administrative subdivision of the State, or the entire State, in which such project shall be located, as he deems most appropriate until such project shall have been put in proper condition of maintenance."

(d) Section 109 of title 23, United States Code, is amended by striking subsection (m) and by relettering subsection (n) to read (m).

(e) Section 116 of title 23, United States Code, is amended by adding subsection (f) as follows:

"(f) The Secretary shall issue guidelines describing the criteria applicable to the Interstate System in order to insure that the condition of these routes is maintained at the level required by the purposes for which they were designed. The initial guidelines shall be issued no later than October 1, 1981."

(f) Section 119 of title 23, United States Code, is amended by striking subsection (b).

(g) Section 116 of title 23, United States Code, is amended by adding subsection (g) as follows:

"(g) Not later than one year after the date of issuance of initial guidelines under subsection (f) of this section each State shall have a program for the Interstate System in accordance with such guidelines. Each State shall certify on January 1st of each year that it has such a program and the Interstate System is maintained in accordance with the program. If a State fails to certify as required or if the Secretary determines a State is not adequately maintaining the Interstate System in accordance with such program, the next apportionment of funds to such State for the Interstate System shall be reduced by amounts equal to 10 per centum of the amount which would otherwise be apportioned to such State under section 104 of this title. If, within one year from the date the apportionment for a State is reduced under this subsection, the Secretary determines

that such State is maintaining the Interstate System in accordance with the guidelines the apportionment of such State shall be increased by an amount equal to the reduction. If the Secretary does not make such a determination within such one year period, the amount withheld shall be reapportioned to all other eligible States.".

CONSTRUCTION

SEC. 128. (a) Subsection (a) of Section 114 of title 23, United States Code is amended to read as follows:

"(a) The construction of any highways or portions of highways located on a Federal-aid system or under a Federal-aid program shall be undertaken by the respective State highway departments or under their direct supervision. The construction work and labor in each State shall be in accordance with the laws of that State and applicable Federal laws. Except as provided in Section 117 of this title, the Secretary shall establish procedures for the inspection and approval of such construction. Construction may begin as soon as funds are available pursuant to subsection (a) of Section 118 of this title. The State highway department shall not erect any informational signs other than official traffic control devices conforming with standards developed by the Secretary on any project where actual construction is in progress and visible to highway users.".

(b) Subsection (c) of Section 121 of title 23, United Sttaes Code is amended by striking the words "following inspections".

RESEARCH AND PLANNING

SEC. 129. (a) Subsection (c) of Section 307, title 23, United States Code, is amended by adding paragraph (5) as follows:

"(5) The sums provided pursuant to paragraph (2) of this subsection shall be combined and administered by the Secretary as a single fund which shall be available for obligation for the same period as funds apportioned under Section 104(b)(1) of this Chapter."

(b) Section 120 of title 23, United States Code, is amended by adding a subsection (j) as follows:

"(j) The Federal share payable on account of any project financed under Section 307(c) of this title shall be 85 percent, except that in the case of any State containing nontaxable Indian lands, individual and tribal, and public domain lands (both reserved and unreserved) exclusive of national forests and national parks and monuments, exceeding 5 per centum of the total area of all lands therein, the Federal share shall be increased by a percentage of the remaining cost equal to the percentage that the area of all such lands in such State is of its total area, except that such Federal share payable on any project in any State shall not exceed 95 per centum of the total cost of any such project.".

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

SEC. 130. (a) There are hereby transferred to and vested in the Secretary of Transportation all functions, powers, and duties of the Appalachian Regional Commission that relate to the Appalachian Development Highway System provided for in section 201 of the Appalachian Regional Development Act of 1965, as amended.

(b) So much of the personnel, assets, liabilities, contracts, properties, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available in connection with the functions, powers, and duties transferred by subsection (a) of this section as the Director of the Office of Management and Budget shall determine shall be transferred to the Secretary of Transportation.

(c) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges which have been issued, made, granted, or allowed to become effective in the exercise of duties, powers, or functions which are transferred under this section which are in effect at the time this section takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Transportation or by operation of law.

(d) The provisions of this section shall not affect any proceedings pending at the time this section takes effect before the Appalachian Regional Commission; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Department of Transportation. Such proceedings, to the extent they do not relate to functions so transferred, shall be continued where they were pending at the time of such transfer. In either case, orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this section had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary of Transportation, or by operation of law.

(e)(1) Except as provided in paragraph (2), the provisions of this section shall not affect suits commenced prior to the date this section takes effect, and in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this section had not been enacted.

(2) No suit, action, or other proceeding commenced by or against an officer of the Appalachian Regional Commission in that officer's official capacity shall abate by reason of the enactment of this section. No cause of action by or against any department or agency, functions of which are transferred by this section or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this section. Causes of actions, suits, actions, or other proceedings may be asserted by or against the United States or such official of the Department of Transportation as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(3) If before the date on which this section takes effect, the Appalachian Regional Commission, or officer thereof in official capacity, is a party to a suit then such suit shall be continued by the Secretary of Transportation (except in the case of a suit not involving functions transferred to the Secretary).

(f) With respect to any function, power, or duty transferred by this section and exercised after the effective date of this section, reference in any other Federal law to the Appalachian Regional Commission shall be deemed to mean the Secretary of Transportation.

(g) Subsection (g) of section 201 of the Appalachian Regional Development Act of 1965, as amended, is amended by striking out "and $215,000,000 for the fiscal year 1982." and by inserting in lieu thereof "and $215,000,000 for the fiscal year ending September 30, 1982, $200,000,000 for the fiscal year ending September 30, 1983, $150,000,000 for the fiscal year ending September 3, 1994, $125,000,000 for the fiscal year ending September 30, 1985, and $100,000,000 for the fiscal year ending September 30, 1986."

(h) Subsection (h) of section 201 of the Appalachian Regional Development Act of 1965 is amended by striking "70 per centum" and inserting in lieu thereof "80 per centum" and by adding at the end the following: "Projects approved after March 31, 1979, may be adjusted to receive a Federal share not greater than 80 per centum.".

NONDISCRIMINATION

SEC. 131. (a) The first and third sentences of subsection (a) of section 140 of title 23, United States Code, are amended by striking the words "or national origin" and inserting in lieu thereof the words "national origin or sex".

(b) Section 140 of title 23, United States Code, is amended by adding new subsection (c) as follows:

"(c) The Secretary, in cooperation with any other department or agency of the Government, State agency, authority, association, institution, corporation (profit or nonprofit), or any other organization or person, is authorized to develop, conduct, and administer training programs and assistance programs in connection with any program under this title in order that minority businesses may achieve proficiency to compete, on an equal basis, for contracts and subcontracts. Whenever apportionments are made under subsection 104(b) of this title, the Secretary shall deduct such sums as he may deem necessary, not to exceed $10,000,000 per fiscal year, for the administration of this subsection. The provisions of section 3709 of the Revised Statute, as amended (41 U.S.C. 5), shall not be applicable to contracts and agreements made under the authority herein granted to the Secretary notwithstanding the provisions of 41 U.S.C. 252(e).".

(c) The title of section 140 of title 23, United States Code, is amended to read:

"SEC. 140. NONDISCRIMINATION."

and the analysis of chapter 1 of title 23, United States Code, is amended by striking out

"SEC. 140. EQUAL EMPLOYMENT OPPORTUNITY."

and inserting in lieu thereof

"SEC. 140. NONDISCRIMINATION."

INTERAGENCY AGREEMENTS

SEC. 132. Chapter 11 of title 23, United States Code, is amended by adding after section 156 the following new section:

"Section 157. Interagency agreements.

"Not later than 180 days after the date of enactment of this section, the Secretary shall enter into agreements with the Secretaries of the Departments of Interior and Defense, the Administrator of the Environmental Protection Agency, and the heads of such other Federal departments, agencies, and instrumentalities as the Secretary determines, to minimize, to the greatest extent possible, duplication, paperwork, and delays in the development and approval of projects under this title and any other provision of law relating to the Federal highway programs. Notwithstanding any other provision of law, such agreements shall provide that actions on applications or requests for permits, licenses, findings, and other approvals and determinations required for such projects will be fully coordinated by the Department of Transportation with the review process established under the National Environmental Policy Act of 1969, as amended, and, to the greatest extent practicable, that a decision with respect to each such application or request will be made contemporaneously with approval of the environmental impact statement, finding of no significant impact, or categorical exclusion required for such project, but in no event later than 90 days after the date of approval of such environmental review document.".

FEDERAL SHARE—FEDERAL-AID RURAL AND URBAN PROGRAMS

SEC. 133. Section 120(a) of title 23, United States Code, is amended by adding after "75 per centum of the cost of construction" wherever it occurs the following: "for projects on the Federal-aid primary system and

50 per centum of the cost of construction for projects under the Federal-aid rural program and the Federal-aid urban program,".

OBLIGATION LIMITATION AND ALLOCATION FORMULA

SEC. 134. (a) None of the funds provided under or included in this Act shall be available for the planning or execution of programs, the obligations for which are in excess of $8,100,000,000 for "Federal-Aid Highways" in fiscal year 1982: *Provided*, That this limitation shall not apply to obligations for emergency relief authorized by 23 U.S.C. 125: *Provided further*, That there shall be no obligation constraints placed upon ongoing emergency projects funded under the Discretionary Bridge Replacement Fund or the Emergency Relief Fund.

(b) For fiscal year 1982, the Secretary of Transportation shall control the obligation of the limitation imposed by the above allocation according to the following formula: 80 per centum in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocated to a State for fiscal year 1982 bears to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocated to all the States for such fiscal year; the remaining 20 per centum not so allocated, in the order in which States having obligated all such sums so allocated submit projects on or after August 1, 1982, to the Secretary of Transportation for his approval and in the amounts for such projects.

(c) Notwithstanding subsection (b), the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction which have been apportioned or allocated to a State, except in those instances in which a State indicates its intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United States Code;

(2) after August 1, 1982, revise a distribution of the 80 per centum made under subsection (a) if a State will not obligate the amount distributed during fiscal year 1982 and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during fiscal year 1982; and

(3) not distribute amounts authorized for administrative expenses and forest highways.

TECHNICAL AMENDMENTS

Sec. 135. (a) Section 101(a) is amended as follows:

(1) In the tenth sentence, by inserting the words "or under one of the Federal-aid programs" immediately after the words "Federal-aid systems";

(2) In the nineteenth sentence, by striking the period at the end thereof and adding the words "or under the Federal-aid programs.";

(3) In the thirtieth sentence, by deleting the words "secondary system" and inserting in lieu thereof the words "rural program", and by deleting the word "system" and inserting in lieu thereof the word "program";

(4) In the thirty-first sentence, by deleting the word "system" each time it appears and inserting in lieu thereof the word "program"; and

(5) By adding after the twenty-eighth sentence the following sentence:

"The term "Federal-aid program" means any one of the Federal-aid highway programs described in section 103 of this title.".

(b)(1) Section 103 is amended by adding to the title the words "and programs" after the words "Federal-aid systems";

(2) Section 103(a) is amended to read as follows:

"For the purpose of this title, the Federal-aid systems, which consist of the primary system and the Interstate System, along with the Federal-aid programs, which consist of the Federal-aid rural program and the Federal-aid urban program, are established and continued pursuant to the provisions of this section.";

(3) Section 103(f) is amended to read as follows:

"The Secretary shall have authority to approve in whole or in part the Federal-aid primary system, the Federal-aid rural program, the Federal-aid urban program, and the Interstate System, as and when such systems and programs or portions thereof are designated, or to require modifications or revisions thereof. No Federal-aid system or program or portion thereof shall be eligible for projects in which Federal funds participate until approved by the Secretary.";

(4) Subsection (g) and (h) of section 103 are repealed; and

(5) The analysis of chapter 1 of title 23 is amended by deleting "103. Federal-aid systems." and inserting in lieu thereof "103. Federal-aid systems and programs.".

(c) Section 104 is amended as follows:

(1) In subsections (a) and (b)(1), by inserting the words "and programs" immediately after the words "Federal-aid system" each time they appear;

(2) In paragraph (2) of section 104(b), by deleting the words "secondary system" and inserting in lieu thereof the words "rural program";

(3) By deleting paragraph (4) of section 104(b);

(4) By redesignating paragraph "(5)" as paragraph "(4)", and by deleting therein the first full sentence and the fifth sentence through the twenty-first sentence;

(5) By redesignating paragraph "(6)" as paragraph "(5)", and by deleting the word "system" and inserting in lieu thereof the word "program";

(6) In subsection (c)(1), by deleting the phrase ", commencing with the apportionment of funds authorized to be appropriated under subsection (a) of section 102 of the Federal-aid Highway Act of 1956 (70 Stat. 374),"; and

(7) In subsection (f)(1), by inserting the words "and programs" immediately after the words "Federal-aid systems".

(d) Section 105 is amended as follows:

(1) In the first sentence of subsection (a) by inserting the words "and programs" after the words "Federal-aid systems", and by deleting in the third sentence the comma and all that follows and inserting a period after the word "part"; and

(2) In subsection (d) by deleting the words "programs for", and by deleting the words "on the Federal-aid urban system" and inserting in lieu thereof the words "under the Federal-aid urban program".

(e) Section 106(d) is amended by inserting the words "or under any Federal-aid program" immediately after the words "Federal-aid system".

(f)(1) Section 108(a) is amended by inserting the words "or under any of the Federal-aid highway programs," immediately after the words "Interstate System," the first time they appear, and by inserting the words "and programs" immediately after the words "Federal-aid highway systems" the second time they appear;

(2) Section 108(a)(2) is amended by inserting the words "or under any Federal-aid program" immediately after the words "Federal-aid system"; and

(3) The last sentence of section 108(c)(3) is amended by inserting the words "or under the Federal-aid program" immediately after the words "Federal-aid system".

(g)(1) Section 109(a) is amended by inserting the words "or under any Federal-aid program" immediately after the words "Federal-aid system";

(2) Section 109(c) is amended by deleting the words "Projects on the Federal-aid secondary system" and inserting in lieu thereof the words "Federal-aid rural program projects";

(3) Section 109(e) is amended by deleting the phrase "No funds shall be approved for expenditure on any Federal-aid highway," and inserting in lieu thereof the following phrase: "No funds shall be approved for expenditure on any highway on the Federal-aid highway system or under the Federal-aid highway program,";

(4) Section 109(h) is amended by inserting the words "or under any Federal-aid program" immediately after the words "Federal-aid system";

(5) Section 109(l) is amended by inserting the words "or under any Federal-aid programs" immediately after the words "Federal-aid system" each time they appear in the first and second sentences, by inserting the words "or under a Federal-aid program" immediately after the words "Federal-aid system" in the third sentence, by inserting the words "or program" immediately after the word "Federal-aid system" in the fifth sentence, and by inserting the words "or under" immediately after the word "on" in such sentence; and

(6) Section 109(l)(1) is amended by inserting the words "or under any Federal-aid program" immediately after the words "Federal-aid system".

(h)(1) Section 113(a) is amended by deleting the words "the primary and secondary, as well as their extensions in urban areas, and the Interstate System, authorized under the highway laws providing for the expenditure of Federal funds upon the Federal-aid systems," and inserting in lieu thereof the words "the primary as well as its extensions in urban areas, and the Interstate System, or under the Federal-aid programs, authorized under the highway laws providing for the expenditure of Federal funds upon the Federal-aid systems and programs,"; and

(2) Section 113(b) is amended by inserting the words "or under any of the Federal-aid programs" immediately after the words Federal-aid systems".

(i) Section 115(a) is amended to read as follows: "(a) When a State has obligated all funds for the primary system or for any of the Federal-aid programs apportioned to it under section 104 of this title, and proceeds to construct any projects without the aid of Federal funds, including one or more parts of any project, on the primary system or under any of the Federal-aid programs in such State, as that system may be designated or any of those programs may be comprised at that time, in accordance with all procedures and all requirements applicable to projects on the primary system or under any such program, except insofar as such procedures and requirements limit a State to the construction of projects with the aid of Federal funds previously apportioned to it, the Secretary, upon application by such State and his approval of such application, is authorized to pay to such State the Federal share of the costs of construction of such project when additional funds are apportioned to such State under section 104 of this title if—

(1) prior to the construction of the project the Secretary approves the plans and specifications therefor in the same manner as other projects on the primary system or under the Federal-aid program involved, and

(2) the project conforms to the applicable standards adopted under section 109 of this title;

The Secretary may not approve an application under this section unless an authoriza-

tion is in effect for the fiscal year for which the application is sought beyond the currently authorized funds for such State and that no application may be approved which will exceed the State's expected apportionment of such authorization.".

(j) Section 118(d) is amended by inserting the words "or under a Federal-aid program" immediately after the words "Federal-aid system".

(k)(1) Section 120(a) is amended by deleting in the first sentence all of the words between "(a)" and "(A)" and inserting in lieu thereof the words "Subject to the provisions of subsection (d) of this section, the Federal share payable on account of any project, financed with primary, rural, or urban funds, on the Federal-aid primary system, under the Federal-aid rural program, and under the Federal-aid urban program shall either"; and

(2) Section 120(g) is amended by deleting the words "Federal-aid highways" and inserting in lieu thereof the words "Federal-aid projects".

(l) Section 121(c) is amended by inserting the words "or under a Federal-aid program" immediately after the words "Federal-aid system".

(m) Section 123(a) is amended by deleting the words "the Federal-aid primary or secondary systems or on the Interstate System, including extensions thereof within urban areas," and inserting in lieu thereof the words "a Federal-aid system or under a Federal-aid program,".

(n) Section 124(a) is amended by inserting the words "or under any of the Federal-aid programs," immediately after the phrase "including the Interstate System,".

(o) Section 129 is amended as follows:

(1) In subsection (c), by inserting the words "and programs" immediately after the words "Federal-aid highway systems";

(2) In subsections (f) and (g)(2), by inserting the words "or programs" immediately after the words "Federal-aid systems" each time they appear; and

(3) In subsection (i), by deleting the words "Federal-aid system, other than the Interstate System," and inserting in lieu thereof the words "Federal-aid project other than one of the Interstate System,".

(p) Section 135(b) is amended by placing a period after the word "flow" and deleting the remainder of the sentence.

(q) Section 137(a) is amended by deleting the words "project on the Federal-aid urban system" and inserting in lieu thereof the words "project under the Federal-aid urban program".

(r) Section 140(a) is amended by inserting the words "or under any of the Federal-aid programs" immediately after the words "Federal-aid systems".

(s) Section 141(b) of title 23 United States Code, is amended to read as follows:

"(b) Each State shall certify to the Secretary before January 1 of each year that it is enforcing in accordance with section 127 of this title all State laws respecting maximum vehicle size and weights permitted on all roads receiving funds under the Federal-aid program, including the primary system, the Interstate System, and is a route functionally classified as an arterial or major collector.

(t) Section 142 is amended as follows:

(1) In subsection (a)(1) by inserting the words "and highways under the Federal-aid programs" immediately after the words "Federal-aid systems", and by deleting the words "as a project on any Federal-aid system";

(2) In subsection (a)(2) by deleting the words "project on the Federal-aid urban system" each place it appears and inserting in lieu thereof "project under the Federal-aid urban program", ; and

(3) In subsection (e)(2) by deleting the words "projects on the Federal-aid urban system" and inserting in lieu thereof "projects under the urban program".

(u) Section 143 is amended as follows:

(1) In subsection (a), (b), and (c) by inserting the words "or under a Federal-aid program" immediately after the words "a Federal-aid system (other than the Interstate system)" each place they appear, and

(2) In subsection (d) and (e) by deleting the words "Federal-aid system on" each time they appear and inserting in lieu thereof the words "Federal-aid system or program on or under".

(v) Section 149 is amended by inserting the words "or under any Federal-aid program" immediately after the words "Federal-aid system".

(w) Section 150 is amended by deleting the word "system" in the title and inserting the word "program" in lieu thereof.

(x) Section 302(b) is amended by deleting the words "on the Federal-aid secondary system," and inserting in lieu thereof the words "under the Federal-aid rural program", and by deleting the words "secondary funds," and inserting in lieu thereof the words "rural funds,".

(y) Section 304 is amended by inserting the words "and highways under the Federal-aid programs" between the word "systems" and the comma.

(z) Section 317(d) is amended by inserting the words "or under a Federal-aid program" immediately after the words "Federal-aid system".

(aa) Section 320(a) is amended by inserting the words "or programs" immediately after the words "highway systems" in the second sentence.

(bb) Section 322 is amended as follows:

(1) In subsection (c)(1) by deleting the words "any Federal-aid system," and inserting in lieu thereof the words "the Interstate System, the Primary System, or is a route functionally classified as an arterial or major collector,"; and

(2) In subsection (c)(2) by deleting the words "any Federal-aid system," and inserting in lieu thereof the words "the Interstate System the Primary System, or is not a route functionally classified as an arterial or major collector,".

(cc) Section 402(d) is amended by inserting the words "and programs" immediately after the words "Federal-aid systems".

Section-by-Section Analysis

SHORT TITLE

Section 101. This section provides that the title may be cited as the "Federal-Aid Highway Improvement Act of 1981".

REVISION OF AUTHORIZATION FOR APPROPRIATIONS FOR THE INTERSTATE SYSTEM

Section 102. This section authorizes $3.3 billion for fiscal year 1983, $3.5 billion for fiscal year 1984, $3.4 billion for fiscal years 1985 and 1986, $3.5 billion for fiscal year 1987, and $3.65 billion for each of fiscal years 1988 through 1990 for the Interstate Highway System construction program. Effective October 1, 1981, obligation of the funds is limited except for Advance Construction Interstate projects approved before October 1, 1981, to essential construction necessary to close gaps on the Interstate System. Essential construction consists of (1) full access control; (2) a pavement design to accommodate the types and volumes of traffic anticipated for a 20-year period from the date of authorization of initial basic construction; and (3) a design of not more than 4 lanes in rural areas and all urban and urbanized areas under 400,000 population. Obligation of the funds is further limited to design concepts, locations, geometrics and other construction features included in the 1981 Interstate Cost Estimate. This section also provides that the Interstate Cost Estimate shall include only those costs eligible for Interstate construction funds.

Section 102 provides a new definition for Interstate "completion". "Completion" would include, in addition to essential access control features, engineering, minimum right-of-way requirements, utility relocation, grading erosion control, drainage, interchanges, structures, pavement, shoulders, signing, lighting, guardrail, and fencing. Excluded from Interstate fund eligibility would be items such as weigh stations, landscaping, pedestrian and bikeway facilities, additional lanes over the maximum allowable and certain added construction costs for special features or treatments to accommodate social, economic, and environmental concerns.

Section 102 also limits the costs eligible for regular Interstate funds to those items, locations, design concepts, etc., as included in the 1981 Interstate Cost Estimate. This limitation constitutes an actual ceiling to preclude addition of new design elements or changes to more costly locations or design concepts. Design or location changes resulting in lower costs will, of course, be permitted.

All items that become ineligible for Federal-aid Interstate funding as a result of the redefinition of Interstate "completion" will be eligible for resurfacing, restoring, rehabilitating, and reconstruction (4R) funding.

AUTHORIZATION OF USE OF COST ESTIMATES FOR APPORTIONMENT OF INTERSTATE FUNDS

Section 103. This section approves the use of apportionment factors for fiscal years 1983 and 1984 Interstate fund apportionments. These factors will come from a revised version of the 1981 Interstate Cost Estimate which will reflect the new definition of Interstate "completion".

HIGHWAY AUTHORIZATIONS

Section 104. This section eliminates the existing authorizations for 1982 and authorizes the appropriation, out of the Highway Trust Fund, of the following sums for fiscal years 1982, 1983, 1984, 1985, and 1986.

For the Federal-aid primary program, $1.5 billion for fiscal year 1982, $1.5 billion for fiscal year 1983, $1.6 billion for fiscal year 1984, $1.6 billion for fiscal year 1985, and $1.6 billion for fiscal year 1986; for the Federal-aid rural program, $.6 billion for fiscal year 1982, $.5 billion for fiscal year 1983; $.5 billion for fiscal year 1984, $.5 billion for fiscal year 1985, and $.4 billion for fiscal year 1986; for the Federal-aid urban program, $.8 billion for the fiscal year 1982, $.7 billion for fiscal year 1983, $.7 billion for fiscal year 1984, $.7 billion for fiscal year 1985, and $.6 billion for fiscal year 1986; for forest highways, $34 million for each of fiscal years 1982 through 1986; for public lands highways, $16 million for each of fiscal years 1982 through 1986; for bridge replacement and rehabilitation (23 U.S.C. 144) $.9 billion for fiscal year 1982, $1.1 billion for fiscal year 1983, $1.3 billion for fiscal year 1984, $1.3 billion for fiscal year 1985, and $1.3 billion for fiscal year 1986; and for the highway safety improvement program, $.1 billion for fiscal year 1982, $.1 billion for fiscal year 1983, $50 million for fiscal year 1984, $50 million for fiscal year 1985, and $50 million for fiscal year 1986.

Subsection 104(b)(1) provides a minimum apportionment of ½ percent of Interstate construction funds to each State, including Alaska. Whenever this amount exceeds a State's need for Interstate construction and Interstate resurfacing, restoration, rehabilitation, and reconstruction, the State may transfer it to the Primary System, the Rural Program, or the Urban Program.

Subsection 104(b)(2) provides for a Discretionary Bridge Fund of $200 million for fiscal year 1982 and $300 million for each of fiscal years 1983 through 1986. Funds are available for a period of four years. Projects eligible for the funds are those costing more than $10 million or those costing at least

twice a State's annual bridge fund apportionment. A technical amendment is also made to 23 U.S.C. 144(g) to change the requirement of expenditures on bridges off the Federal-aid systems to a requirement of at least 15 percentum of expenditures on bridges off public roads not functionally classified as arterials or major collectors. Virtually all of the present Interstate, Primary and Secondary systems and most of the Urban System consists of roads functionally classified as arterials and major collectors. This change would permit expenditure of up to 85 percentum of the total funds on Interstate, Primary, Secondary, and Urban Systems and Off-System arterials or major collectors. The effect of the technical amendment will be to leave the law substantially unchanged. This subsection also deletes the provision of 23 U.S.C. 144(g) which prohibits the expenditure of more than 35 per centum of a State's bridge apportionments off the Federal-aid systems. This deletion will permit discretion to the States to use more of their bridge funds off-system in accord with their own priorities.

A number of categories including forest development roads and trails, public lands development roads and trails, park roads and trails, parkways, Indian reservation roads and bridges, economic growth center development highways, Great River Road, safer-off-system roads, access highways, section 402 FHWA highway safety program, section 152 elimination of hazards program, rail-highway crossings, railroad-highway crossings demonstration program, and bicycle transportation and pedestrian walkways, will not receive new separate funding levels. Most of the projects now eligible in these categories will be eligible under the primary, rural, urban, and safety programs.

INTERSTATE SYSTEM RESURFACING APPORTIONMENT

Section 105. This section establishes a new Interstate 4R apportionment formula and provides a ½ of 1 percent guarantee of 4R Interstate apportionments for each State except Alaska and the Commonwealth of Puerto Rico which have no Interstate mileage.

INTERSTATE SYSTEM RESURFACING AUTHORIZATION

Section 106. This section provides authorizations of $.8 billion for fiscal year 1983, $1.3 billion for fiscal year 1984, $1.7 billion for fiscal years 1985 and 1983, and $2.2 billion for fiscal year 1987, for Interstate 4R and authorizes October 1, 1981, as the effective date when the obligation of Interstate 4R funds for reconstruction can begin. Reconstruction includes all items previously eligible for Interstate construction funds. Interstate 4R funds cannot be used for the reconstruction of toll roads and cannot be used to resurface, restore, and rehabilitate toll roads. The requirement that Interstate 4RF funds be used only on lanes in use for more than 5 years is discontinued. The transfer of 4R funds to primary apportionments is permitted when the 4R funds are excess to resurfacing needs.

INTERSTATE SYSTEM RESURFACING

Section 107. This section makes technical amendments to 23 U.S.C. 119 to conform with the changes made in sections 105 and 106 of this bill.

INTERSTATE SYSTEM RESURFACING—FEDERAL SHARE

Section 108. This section changes the Federal share for Interstate 4R projects from 75 percent to 90 percent effective October 1, 1981.

HOLD HARMLESS-INTERSTATE RESURFACING

Section 109. This section provides a hold harmless feature so that for the first apportionment under the legislation for fiscal year 1983, no State, except Alaska, will receive a combined total of Interstate and 4R funds which is less than the combined Interstate and 3R apportionment would have been under existing law for fiscal year 1983.

INTERSTATE SUSTITUTION AUTHORIZATION

Section 110. This section authorizes $200 million for fiscal year 1932, $225 million for fiscal year 1983, $250 million for fiscal years 1984 and 1985, and $300 million for fiscal year 1986, out of the Highway Trust Fund for substitute highway projects under 23 U.S.C. 103(e)(4). The effect of this authorization is to grant contract authority for substitute highway projects. Funds for mass transit substitute projects will continue to come from the General Funds of the Treasury.

Section 110(c) amends 23 U.S.C. 103(e)(4) to allow withdrawal of, and to include as eligible for the benefits of withdrawal and substitution, any Interstate routes.

Section 110(d) provides that no adjustment will be made for inflation for any substitute projects eligible for Interstate transfer funds after September 30, 1983.

Section 110(e) prohibits withdrawal and substitution for routes or segments of routes added to the Interstate System by specific legislation after March 7, 1978.

Section 110(f) clarifies that 100% federal share shall also apply to traffic control signalization projects which might be included as part of an Interstate substitution project under 23 U.S.C. 103(e)(4). Present law now permits 100% federal share for any project for traffic control signalization.

PRIMARY PROGRAM

Section 111. This section repeals the priority primary program, U.S.C. 147. It amends section 104(b)(1) of title 23, to reflect the elimination of the priority primary program, and section 104(c) of the Federal-aid Highway Act of 1978 to eliminate the 1982 authorization for that program.

URBAN PROGRAM

Section 112. This section would establish the Federal-aid urban program. The existing Federal-aid urban system would be abolished, allowing for a wider range of transportation programs in urbanized areas. The changes will facilitate the achievement of goals relating to equity of programs, energy conservation, center-city revitalization, economic development, and reindustrialization.

All public roads in urbanized areas would be eligible, except those on the primary system and Interstate System. Transit capital projects and transportation system management (TSM) projects would also be eligible as would projects previously categorized as safer-off-system. Consolidated safety programs incorporated by section 115 of this bill, the Highway Safety Improvement Program, are eligible for funding as part of the urban program.

These programs would require approval by the Secretary but the Secretary can streamline the Federal requirements by waiving certain provisions of title 23, United States Code, which are unnecessary or burdensome. The simplified procedures which are now applied to the Federal-aid secondary system (23 U.S.C. 117(f)(1)) would be available to States under the new urban program as well as the new rural program established in section 113 of the bill. At the request of a State, the Secretary may discharge specific title 23 responsibilities as provided in 23 U.S.C. 117(f)(1), such as those related to plans, specifications and estimates, by receiving and approving a certified statement from the State highway department that the plans, specifications and estimates are in accord with the State's standards and procedures, are applicable to the specific projects, and were approved by the Secretary. Section 125 of this bill also provides a certification acceptance procedure in certain instances. These simplified processes are expected to eliminate considerable redtape and encourage effective and efficient use of authorized funds.

FEDERAL-AID RURAL PROGRAM

Section 113. This section amends Section 103 of title 23, United States Code. It combines the secondary program and eligible projects now under the non-safety portion of the safer-off-system program, the Great River Road program, the access to lakes program, the bridges on Federal dams program and the economic growth center program. This would result in a consolidated rural program and end the secondary system designation, thus making funds available for all rural and nonurbanized roads, other than primary and Interstate System roads. Items eligible for funding would be expanded to include nonurbanized public transportation and projects previously categorized as safer-off-system roads. Consolidated safety programs incorporated by section 115 of the bill, the Highway Safety Improvement Program, are eligible for funding as part of the Rural Program. Consolidating the funds for the above mentioned programs and terminating the secondary system designation would increase the flexibility for use of the funds as well as simplify grant and project administration and management. As in the new urban program, the Secretary can streamline requirements by waiving provisions of chapters 1 and 3 of title 23, can discharge his responsibilities under section 125 of this bill, and the simplified procedures which are now applied to the Federal-aid secondary system would be available to States.

TRANSFERABILITY

Section 114. This section amends 23 U.S.C. 104 to permit transfers between primary system and rural program apportionments and between primary system and urban program apportionments of up to 100 percent. Current law now permits 50 percent transfers between primary and secondary systems and between primary and urban systems.

HIGHWAY SAFETY IMPROVEMENT PROGRAM

Section 115. This section establishes a single highway safety improvement program by combining all safety categories—Hazard Elimination, Rail Highway Crossings, Safer-Off-System Roads, and highway safety construction projects.

Each State must develop and implement a continuous highway safety improvement program which includes procedures for planning, implementation and evaluation of highway safety improvement projects. As a part of this program, each State must have a process for inventorying and analyzing accident, traffic and highway data, for conducting engineering surveys of hazardous locations, sections and elements, and for maintaining and implementing a prioritized schedule of projects for the improvement of the hazards identified. Any highway safety improvement project on a public road, except the Interstate, may be funded under this section. The Federal share under this section is 90 percent except for rail-highway crossing projects, in which case the Federal share is that provided in section 120(d) of title 23. Any remaining unobligated balance of contract authority for carrying out section 402 with respect to highway-related safety programs will remain available for obligation, and will lapse not later than September 30, 1984. Highway safety funds are apportioned to the States according to a formula based on population and road mileage.

One-half of one percent of the highway safety funds is apportioned to the Secretary of the Interior for carrying out section 151 safety activities on Indian reservations. The section 151 funds are available as if they were primary funds except where inconsistent with the purposes of this section. In addition, primary system, urban program and rural program funds are eligible for all consolidated safety projects.

The States are required to evaluate the results of the highway safety improvement program and to report annually to the Secretary. The Secretary is required to report annually to the Congress. The State's existing safety reports to the Secretary of Transportation under Section 203 of the Highway Safety Act of 1973 for rail-highway crossings, the Section 151 report on pavement markings and the Section 152 report on hazard eliminations are repealed, as the comparable reports are now included under the one consolidated report provided by subsection (a), which contains a new section 151(g) on highway safety improvement program reports.

HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION PROGRAM APPORTIONED FUNDS

Section 116. This section provides for an annual apportionment starting fiscal year 1982 based upon a formula: All deficient bridges will be divided into four categories: (1) Federal-aid system bridges or bridges on public roads functionally classified as major collectors eligible for replacement, (2) Federal-aid system bridges or bridges on public roads functionally classified as major collectors eligible for rehabilitation, (3) Off-system bridges eligible for replacement and (4) Off-system bridges eligible for rehabilitation. The square footage of deficient Federal-aid system bridges, or bridges on public roads functionally classified as major collectors, both those eligible for replacement and those eligible for rehabilitation, shall be multiplied by a factor of two. The square footage of deficient bridges in each category shall be multiplied by its respective unit price on a State-by-State basis and the total cost in each State divided by the total cost of the nation's deficient bridges to yield the apportionment factors, except that no State shall receive less than one quarter of one percent nor more than 8 percent of the annual apportionment. These funds are available for four years.

FEDERAL LANDS HIGHWAYS

Section 117. This section gives oversight and coordinating responsibility to the Department of Transportation over federal lands highways. It directs the Secretary to work with the appropriate federal agencies in coordinating this program. It would allow the Department of Transportation to continue providing technical assistance for these programs to the Departments of Agriculture and Interior as it has in the past.

CARPOOL AND VANPOOL PROJECTS

Section 118. Subsection (a) encourages State to establish eligible projects for the acquisition of vehicles appropriate for commuter carpools and vanpools. It permits such projects to be funded at a Federal share up to 100 percent by amending section 120(d) of title 23, United States Code.

Subsection (b) amends section 142 (a), (b), and (f) of title 23, United States Code, by clarifying the term "bus lanes" by expanding the scope of projects funded under section 142 to include use by high occupancy vehicles and passengers of public mass transportation. Thus, carpools and vanpools can be accommodated by public transportation facilities, where there is, or is no bus or other public transportation.

A separate authorization for expenditures incurred by the Secretary of Transportation is not included. The Secretary, through the Federal Highway Administration, shall, from funds for administrative expenses, continue to carry out the national policy of promoting commuter modes of transportation which conserve energy, reduce pollution, and reduce traffic congestion.

Subsection (d) amends section 146 (carpool and vanpool projects) of title 23, United States Code. It would permit the use of sums apportioned for Interstate 4R to fund projects for designating existing facilities, or for acquisition of rights of way, or for construction of new facilities, for use as preferential parking for carpools. Any such facilities must be located outside of a central business district and within an Interstate highway corridor and primarily intended to reduce Interstate highway traffic. It would permit a State to contract with any person to operate any such parking facility, but any fees charged for use pursuant to the purpose of this provision shall not be in excess of the amount required to cover operating and maintenance costs. The term "parking facility" would include access roads, buildings, roads, structures, equipment, improvements, and interests in land.

EMERGENCY RELIEF

Section 119. Subsection (a) of this section amends subsection (a) of section 125, title 23, United States Code, to make clear that the term "catastrophic failure" means failures which are sudden, unexpected, and result from external forces, natural in narrow or limited areas such as localized hurricane force winds, earthquakes, landslides, and the like. "Catastrophic failure", for purposes of this section, does not mean failure which is the result of structural deficiencies or physical deterioration. Bridges which are in imminent danger of collapse as a result of structural deficiencies or physical deterioration may be eligible for Federal funding under section 144 of title 23, United States Code, The Highway Bridge Replacement and Rehabilitation Program. Section 125 is intended to establish a fund which is to be held for sudden and unexpected emergencies and is not intended to be used for maintenance costs or for deficiencies in, or the ordinary deterioration of, a structure. These latter expenses are expected to be met by the State or, to the extent a facility qualifies, with funds available under section 144 of title 23.

Subsection (a) of section 125 is also amended to delete the reference to bridges which have been closed to traffic between December 31, 1967 and December 31, 1970 inasmuch as the Committee understands that these bridges have been repaired or reconstructed and are now reopened to vehicular traffic.

Subsections (a) and (b) of this section further provide that all expenditures for emergency relief under 23 U.S.C. 125, whether past or future, shall come from the Highway Trust Fund and not from the General Fund of the Treasury. Section 125 of title 23, United States Code, now provides that 40 percent of emergency relief expenditures prior to the fiscal year ending September 30, 1978 are authorized from the General Fund of the Treasury.

Subsection (c) would amend 23 U.S.C. 125 (a) to increase annual permissible expenditures from $100 million to $150 million beginning with fiscal year 1981.

Subsection (d) would amend 23 U.S.C. 125 (b) to provide that expenditures for projects resulting from a single natural disaster or a single catastrophic failure shall not exceed $30 million in a State.

Subsection (e) would apply the amendment made by subsection (d) to natural disasters or catastrophic failures which the Secretary finds to be eligible for emergency relief subsequent to the enactment of this section.

Subsection (f) would amend 23 United States Code 120(f), which pertains to the Federal share for highway emergency relief projects. Under current law, the Secretary can increase the Federal share to 100 percent. Under this subsection, the Secretary would be able to increase the Federal share to 90 percent, except for forest highways, forest development roads and trails, park roads and trails, parkways, public lands highways, public lands development roads and trails, and Indian reservation roads, which would still receive 100 percent Federal funding.

Subsection (g) would apply the provisions of 23 United States Code 120(f), as amended by the bill, to all natural disasters or catastrophic failures which the Secretary finds to be eligible for emergency relief subsequent to the enactment of the bill.

Subsection (h) makes technical amendments to reflect the fact that this bill replaces the secondary and urban Federal-aid highway systems.

ACCESS TO LAKES

Section 120. Subsection (a) would delete old authorization language and create a new subsection (e) which would allow Federal-aid rural program funds to be used for access to lakes projects. Subsection (b) would allow current projects to continue with funds being available for four years. Subsection (c) would delete the authorization for fiscal year 1982.

TERRITORIAL HIGHWAY PROGRAM

Section 121. Subsection (a) of this section repeals section 215 (Territorial Highway Program) of title 23, United States Code. This program will be eligible for funding by the Department of the Interior.

Subsection (b)(1) of this section would facilitate an orderly transfer of the program to the Department of the Interior by expressly stating that outstanding funds appropriated for carrying out repealed section 215 shall remain available for obligation under the conditions applicable prior to such repeal. Subsection (b)(2) rescinds the unappropriated balance of all sums authorized prior to the repeal of the program.

Subsections (c), (d), (e), and (f) eliminate the Federal Highway Administration's involvement in the highway-safety activities of the territories program by amending pertinent sections of title 23, United States Code.

BICYCLE TRANSPORTATION PROGRAM

Section 122. This section broadens current authority to allow Federal-aid highway funds to participate in a greater variety of projects to encourage bicycle transportation and to provide pedestrian facilities. It would allow States greater flexibility in developing federally assisted bicycle and pedestrian projects by (1) eliminating the requirement that bicycle or pedestrian projects be "on or in conjunction with highway rights-of-way"; (2) eliminating the limitation on the expenditure of Federal-aid highway funds for bicycle or pedestrian projects; and (3) specifically allowing Federal-aid highway funds to participate in nonconstruction projects that are expected to enhance bicycle safety and use. The Federal share for bicycle projects would be increased to 100 percent.

HIGHLAND SCENIC HIGHWAY

Section 123. This section would amend section 161(f) of the Federal-aid Highway Act of 1973, as amended by section 21 of P.L. 96-106, to remove a technical problem presently preventing the State of West Virginia from maintaining the Highland Scenic Highway, located partially within and adjacent to the Monongahela National Forest in the State. It would also allow local light truck traffic and limited commercial truck traffic on a permit basis only.

The Highland Scenic Highway was originally designed and constructed as a multipurpose State highway on the Federal-aid Highway System. As such, it was maintained by the State until the passage of the Federal-aid Highway Act of 1973 which designated it as a scenic highway with portions limited solely to scenic and recreational use and passenger car use. The scenic highway designation precludes community service vehicles such as bread trucks, service trucks and farm trucks from using the highway and use of the road for National Forest management activities requiring use of trucks. This designation thus made the highway a limited service highway which precludes continued

maintenance by the State as State law prohibits the expenditure of maintenance funds on limited service highways.

This amendment would correct this anomaly by modifying the vehicle limitation so that the State could maintain the road and, at the same time, protect the important recreational and scenic values of the highway.

ALLOCATION OF URBAN FUND

Section 124. Existing law permits transferability between urban and primary system funds. However, it does not permit transfer of funds allocated out of urban system funds attributable to urbanized areas of 200,000 or more population from the allocation of one urbanized area to that of another urbanized area or to an urban area. This amendment to section 150 of title 23, United States Code, would permit the transfer of such attributable funds to the allocation of another urbanized area in the State or to any other urban area in the State. A transfer, requested by the State, would be subject to the approval of the Secretary and the local officials of the urbanized area from which the funds are to be transferred. The proposed transfer provision would enhance the capability of the States and local governments by giving them more flexibility in programming projects, setting priorities, and utilizing scarce financial resources.

CERTIFICATION ACCEPTANCE

Section 125. This section amends 23 U.S.C. 117 to provide for: (1) the application of certification acceptance to the construction phase of Interstate 4R projects; (2) the elimination of the requirement to make a final inspection on every project under both the certification acceptance and secondary road plan programs; (3) the expansion of the Secretary's authority to discharge his responsibilities under the certification acceptance concept to include any Federal law provided that the Secretary can make a finding that such projects will be carried out in accordance with State laws, regulations, directives and standards which will accomplish the policies and objectives contained in or issued pursuant to each Federal law; (4) the extension of coverage under the secondary road plan program to: projects on Federal-aid systems or in Federal-aid programs, as defined by the Secretary and which are not on the Interstate System; and for projects in the Federal-aid urban and rural programs which are estimated to cost less than $250,000 for physical construction; (5) the expansion of the Secretary's authority to discharge his responsibilities under the secondary road plan concept to include any Federal law; and (6) under the secondary road plan program, the Secretary shall discharge his responsibilities for projects he defines upon approval of a certified statement; and for projects in the Federal-aid urban and rural programs which cost less than $250,000, upon receiving such certified statement. These changes in no way would relieve the State highway departments from entering into formal project agreements with the Secretary pursuant to section 110 of title 23. The eligibility of certification acceptance to the construction phase of Interstate 4R would apply to those work areas such as award of contract time extensions, construction contract change orders, assessment of liquidated damages, etc., which take place subsequent to actual construction projects being authorized. The amendments would make both concepts more attractive to the States because of the expanded coverage and the reduction in Federal involvement and redtape.

DEFENSE ACCESS ROADS

Section 126. Section 210(c) of title 23, United States Code, provides for the use, up to $5,000,000, of any funds appropriated under the Act approved October 16, 1951 (65 Stat. 422) for highways in military training and maneuver areas. In 1958, Public Law 85-767 (72 Stat. 885), which revised and codified prior highway legislation as title 23, United States Code, repealed other Acts and portions of Acts. In addition, the second Supplemental Appropriations Act of 1957 (including the Bureau of Public Roads under the Department of Commerce) rescinded, effective June 20, 1957, all unexpended appropriations from prior laws. (Public Law 84-855). Thus, there are no current highway appropriations from which any part of $5,000,000 could be made available for the construction, maintenance, and repair of maneuver areas.

In 1955, the Office of Management and Budget directed the Department of Defense to budget for defense access roads. Since 1957, each military department has budgeted separately for defense access roads. By direction of the Assistant Secretary of Defense (Comptroller), maintenance and repair of public highways used for maneuvers will be accomplished from funds made available by the appropriate military department; but in order to insure prompt repairs, military regulations provide that the Commander, Military Traffic Management Command, may authorize the Federal Highway Administration to temporarily use available access road funds, pending payment by the military department concerned from its operation and maintenance funds. Since funds for the repair of maneuver road damage are not available from highway appropriations acts, but are available from defense appropriations acts, the opening clause is misleading and should be amended to reflect current law and practice.

This amendment to section 210(c) of title 23, United States Code, has been coordinated with the Military Traffic Management Command.

MAINTENANCE

Section 127. Subsection 116(b) of title 23, United States Code, requires maintenance agreements between a State without authority to maintain a project constructed "on the Federal-aid secondary system, or within a municipality," and the appropriate county or municipal officials. This section would amend subsection (b) to require maintenance agreements when a State does not have authority to maintain any project.

This section would amend subsection 116 (c) of title 23, United States Code, to permit the Secretary to withhold project approval for projects in specific areas within a State, or for the entire State, where the Secretary finds that a project is not being properly maintained. Under present law, the Secretary must withhold project approval for the entire State for all projects when a single project is not being properly maintained. Present law does not represent a practical enforcement sanction. Stopping all project approvals in an entire State could involve massive disruption of planning and considerable economic waste. The amendment provides a practical enforcement sanction which should be an effective tool in enforcing maintenance.

Subsections (d), (e), (f) and (g) transfer maintenance provisions from 23 U.S.C. 109 and 119 to 23 U.S.C. 116.

Subsections (b), (c), (d) and (e) transfer maintenance provisions from 23 U.S.C. 109 and 119 to 23 U.S.C. 116.

CONSTRUCTION

Section 128. Title 23, United States Code, now requires that the Secretary inspect each highway construction project. This amendment would remove that requirement. The Secretary would establish procedures for inspecting and approving construction but would not have to inspect each project. The amendment would thereby eliminate an unnecessary requirement.

RESEARCH AND PLANNING

Section 129. This section would amend 23 U.S.C. 307 to confirm the legal basis for pooling 1½ percent highway planning and research (HPR) funds into a single fund and to establish a uniform period of availability, and a standard Federal matching share.

The 1½ percent HPR funds are currently pooled by administrative decision. Over the years the funds from which the HPR funds are derived have been legislatively assigned varying periods of availability.

The provision establishing a standard Federal share for HPR funds simplifies the program and eliminates paperwork.

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

Section 130. Subsection (a) of this section would transfer the functions, powers, and duties of the Appalachian Regional Commission related to the Appalachian Development Highway System to the Secretary of Transportation. Subsections (b), (c), (d), (e), and (f) are technical transfer provisions and savings provisions.

Subsection (g) provides authorizations out of the general revenues for the Appalachian Development Highway System of $200 million for FY 1982, $200 million for FY 1983, $110 million for FY 1984, $125 million for FY 1985, and $100 million for FY 1986.

Subsection (h) changes the Federal share for advance construction projects in the Appalachian Development Highway System from 70 percent to 80 percent. The Federal share for regular construction projects on said system was changed from 70 percent to 80 percent by section 138 of the Federal-aid Highway Act of 1978. Advance construction projects were inadvertently overlooked at that time.

Subsection (i) provides an effective date of October 1, 1981.

NONDISCRIMINATION

Section 131. This section amends section 140 of title 23, United States Code, to assure that equal employment opportunity must be provided without regard to sex; to authorize the Secretary of Transportation to conduct and finance minority business enterprise training programs and assistance programs; and to authorize the use of $10 million per fiscal year from the sums apportioned under 23 U.S.C. 104(b) to conduct and finance minority business enterprise training programs and assistance programs.

INTERAGENCY AGREEMENTS

Section 132. This section adds a new section to title 23, United States Code, under which the Secretary of Transportation would be required to enter into memoranda of understanding with other Federal agencies to coordinate the various environmental compliance reviews that apply to Federal and Federal-aid highway projects. The purpose of such memoranda is to minimize, to the maximum extent practicable, duplication, needless paperwork, and delays in approval of projects under title 23, United States Code. This section is intended to reinforce the national policy on minimization of redtape set forth in section 101(e) of title 23, United States Code, by consolidating environmental compliance procedures in a single project development process to be coordinated by the Department of Transportation under the umbrella of the National Environmental Policy Act of 1969, as amended, and by providing for the rapid resolution of Federal interagency disagreements concerning the economic, social, and environmental effects of actions proposed for funding under title 23, United States Code.

FEDERAL SHARE—FEDERAL-AID RURAL AND URBAN PROGRAMS

Section 133. This section amends section 120(a) of title 23 U.S.C., relating to the Federal share. The current Federal share payable for the Federal-aid secondary system and the urban system is 75 percent. This bill redefines the secondary and urban systems as rural and urban programs. The Federal share payable for these two programs is 50 percent.

OBLIGATION LIMITATION AND ALLOCATION FORMULA

Section 134. This section establishes an obligation limitation of $8.1 billion for fiscal year 1982 excluding emergency relief projects and certain emergency bridge projects. The $8.1 billion would be allocated to the States by the following formula: 80 percent in the same ratio as the sums authorized to be appropriated for Federal-aid highways and highway safety construction are apportioned or allocated, and 20 percent on a first come, first serve basis becoming available on August 1.

SECTION-BY-SECTION TECHNICAL AMENDMENTS

Section 135. This section makes conforming amendments to title 23, United States Code, to reflect the shift from urban and secondary system designation to a consolidated urban program and rural program. It also streamlines certain sections of title 23 by deleting language that no longer applies.

ENVIRONMENT AND PUBLIC WORKS COMMITTEE, FEDERAL-AID HIGHWAYS PROGRAM LEVELS

Category	19 2	1983	1984	1985	1986
Interstate construction	3.300	3.500	3.400	3.400	3.500
Interstate resurfacing/rehabilitation (4R)	.800	1.300	1.700	1.700	2.200
Primary	1.500	1.500	1.600	1.600	1.600
Bridge	.900	1.100	1.300	1.300	1.300
Rural	.600	.500	.500	.500	.400
Urban	.800	.700	.700	.700	.600
Safety	.100	.100	.050	.050	.050
Interstate transfer	.200	.225	.250	.250	.300
Other (emergency relief, forest highways, public lands)	.200	.200	.200	.200	.200
Appalachia	.200	.200	.150	.125	.100
Total	8.600	9.325	9.850	9.825	10.250

Note: Interstate funds are apportioned 1 yr in advance of year authorized

Mr. STAFFORD. Mr. President, I am pleased to cosponsor the Federal-Aid Highway Improvement Act of 1981 which is being introduced today by the distinguished Senator from Idaho (Mr. SYMMS) who is chairman of the Subcommittee on Transportation of the Environment and Public Works Committee.

Several weeks ago I introduced S. 841, the administration's proposed highway legislation by request. I believe that legislation goes a long way in addressing the kinds of changes which must be made in the highway program. I have served on the Transportation Subcommittee for a number of years and have advocated a reassessment of the Federal role in the highway program for some time. Now that the Interstate System is reaching completion and resources are limited, it is even more urgent that we give serious consideration to redirecting the Federal contribution to the highway program.

It is important to complete the Interstate System but completion must be redefined. We cannot continue to put the largest portion of Federal highway dollars into 6 percent of the Interstate System when the rest of the Federal-aid system is deteriorating at an alarming rate. We are losing our capital investment in the existing system. A significant amount of the work which remains to be done on the Interstate System is on expensive and environmentally disruptive segments.

S. 841 has eliminated the interstate construction one-half of 1 percent minimum apportionment to States. This may be an attempt to expedite completion. However, some States made an early commitment to completing the Interstate System and targeted most of their resources on constructing the Interstate System often at the expense of their other systems. I do not believe those States should now be penalized and prevented from participating in the largest Federal-aid program. The legislation being introduced today would retain the one-half of 1 percent minimum interstate construction apportionment for all States.

I support the administration's attempt to consolidate and eliminate the many small categories that have been created. This is something the Subcommittee on Transportation has tried to accomplish for several years and with limited resources it is critical that States have as much flexibility as possible to solve their own unique problems. The subcommittee's bill consolidates or eliminates the smaller categories and makes the projects eligible under existing categories.

S. 841 would end Federal funding for the urban and secondary categories in 1983. While I believe the Federal role must be considerably narrowed, I want to be certain that States can provide for these important programs. This may not be a problem for some States but for small or sparsely populated States the revenue base may not be sufficient to immediately provide adequate funds to totally support these programs. I believe ending the Federal support for these programs in 2 years may be a burden on some States, particularly at a time when the Federal Government is asking the States and localities to take responsibility for many programs. States are currently having the same difficulties raising additional revenues that the Federal Government is facing. Therefore, the subcommittee's legislation would extend the Federal Government's contribution to these programs through 1986.

The subcommittee will be studying the impact of Federal requirements and design standards on the Federal-aid highway program. Highways must be constructed with the utmost regard for safety and the environment. We will be looking for ways to accomplish these goals which also will be more cost effective and reduce the time it takes to complete a project. Many of the requirements under Federal and State law are duplicative and unnecessarily time consuming.

Mr. President, I am pleased that the distinguished Senator from Idaho (Mr. SYMMS) has scheduled hearings on both the bill being introduced today and S. 841 beginning April 29 and 30. There will not be sufficient Federal funds to meet all the States' needs in this area in the foreseeable future. The program changes outlined in this legislation must be addressed and fully discussed immediately. To postpone the difficult decisions which must be made is irresponsible.

It will require a creative partnership of Federal, State, and local governments and the private sector in order to assure the preservation of one of the most extraordinary road systems in the world that we have in the United States.

By Mr. GRASSLEY:

S. 1025. A bill to provide for penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from any pharmacist by terror, force, or violence, and for other purposes; to the Committee on the Judiciary.

PHARMACY PROTECTION AND VIOLENT OFFENDER CONTROL ACT OF 1981

Mr. GRASSLEY. Mr. President, I am pleased to introduce the Pharmacy Protection and Violent Offender Control Act of 1981, a bill that will have the effect of providing greater deterrents to the rash of robberies, assaults, and senseless murders in retail pharmacies that have plagued this country in the last decade. At present, the terrorism of an entire class of health-care professionals—retail pharmacists—continues unabated. Specifically, the bill that I am introducing today would make it a Federal offense to rob any pharmacy of a controlled substance.

Robbery of a controlled substance is the only method of obtaining a controlled substance that is not provided for under Federal law. Congress has provided that a person who manufactures, distributes, dispenses, or possesses a controlled substance with intent to distribute, is subject to Federal criminal prosecution and penalties under section 401 of the Controlled Substances Act of 1970.

Similarly, if a person knowingly or intentionally acquires or obtains possession of a controlled substance by misrepresentation, fraud, forgery, deception, or subterfuge, section 403 of the act provides Federal jurisdiction and penalties. The act is silent with reference to the acquisition of drugs through violence. The implication is that this is of no Federal concern.

Well, this is simply not the message that we in Congress want to convey concerning the grim siege being waged upon this Nation's pharmacies. Since 1973, when drug abuse legislation was first introduced, armed robberies to obtain federally controlled drugs from pharmacies have increased by 150 percent—far in excess of the national robbery rate—including an increase of 33 percent for 1979, the most recent year for which statistics are available. Monetary gain from sale of the stolen drugs is only one of the elements of the terrorism caused by pharmacy robbery. One in five robberies results in death or some injury to victims.

Congress has responded to the havoc created by this terrorism with six House bills and two Senate bills introduced in this session alone. I commend my colleagues on their initiative in seeking a solution to this menace and wish to add my own version of a suitable punishment

for drug-related crimes in pharmacies.

Federal criminal jurisdiction over crimes of violence and other unlawful conduct relating to controlled substances would provide for more uniform law enforcement action and punishment of violators. As it is now, punishment of drug-related crimes in pharmacies rests upon the varying provisions of State criminal laws. A Federal law would provide a sanction universally applicable in this country that would be more readily understood and more uniformly applied.

Mr. President, I ask unanimous consent that the text of the bill along with a section-by-section analysis of its key provisions be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1025

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pharmacy Protection and Violent Offender Control Act of 1981".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) robbers and other vicious criminals seeking to obtain controlled substances have targeted pharmacies with increasing frequency;

(2) the dramatic escalation of the diversion of controlled substances for illegal purposes by persons who rob and terrorize federally registered pharmacies is directly related to successful efforts by the Department of Justice to prevent other forms of diversion of such substances;

(3) Congress did not intend that terrorization and victimization of pharmacists and their families, employees, and customers should result from the aggressive enforcement of Federal drug laws;

(4) in order to address a discrepancy in Federal law, it is necessary to make robbery of a pharmacy to obtain controlled substances a Federal offense, as is the case when such substances are obtained by fraud, forgery, or illegal dispensing or prescribing; and

(5) any truly comprehensive strategy designed to curb pharmacy crime must, in cases of robbery, make available the investigative and prosecutorial resources of the Federal Government which are made available when controlled substances are obtained by other unlawful means.

PURPOSE

SEC. 3. It is the purpose of this Act—

(1) to assist State and local law enforcement officials to more effectively repress pharmacy related crime;

(2) to enhance the expeditious prosecution and conviction of persons guilty of pharmacy crimes;

(3) to assure that convicted offenders, especially repeat offenders, receive appropriate mandatory penalties; and

(4) to provide additional protection for pharmacies and pharmacists against the increasing level of violence which accompanies unlawful efforts to obtain controlled substances.

PROHIBITED ACTS

SEC. 4. (a)(1) Part D of the Controlled Substances Act is amended by adding at the end thereof the following new section:

"ROBBERY OF A CONTROLLED SUBSTANCE FROM A PHARMACIST

"SEC. 413. (a) Whoever, by force and violence, or by any intimidation, takes, or attempts to take, from the person or presence of another, any material, compound, mixture, or prescription containing any quantity of a controlled substance and belonging to, or in the care, custody, control, management, or possession of any pharmacist shall be fined not more than $5,000 or imprisoned not less than five years, or both. Whoever violates this subsection after one or more convictions under this subsection or subsection (b) or (c), or one or more convictions under section 406 relating to an offense under this section, shall be fined not more than $10,000 or imprisoned not less than ten years, or both.

"(b) Whoever, in committing, or in attempting to commit, any offense defined in subsection (a) of this section, assaults any person, or puts in jeopardy the life of any person by the use of a dangerous weapon or device, shall be fined not more than $10,000 or imprisoned for not less than ten years nor more than life, or both. Whoever violates this subsection after one or more convictions under this subsection or subsection (a) or (c), or one or more convictions under section 406 relating to an offense under this section, shall be fined not more than $20,000 or imprisoned for not less than twenty years.

"(c) Whoever, in committing or in attempting to commit, any offense defined in subsection (a) of this section, kills or maims any person, shall be imprisoned for not less than twenty years. Whoever violates this subsection after one or more convictions under this subsection or subsection (a) or (b), or one or more convictions under section 406 relating to an offense under this section, shall be imprisoned for not less than forty years.

"(d) Notwithstanding any other provision of law, the imposition or execution of any sentence under this section shall not be suspended and probation shall not be granted.

"(e) As used in this section, the term 'pharmacist' means any person registered in accordance with this Act for the purpose of engaging in commercial activities involving the dispensing of any controlled substance to an ultimate user pursuant to the lawful order of a practitioner.".

(2) The table of contents for the Comprehensive Drug Abuse Prevention and Control Act of 1970 is amended by inserting after the item relating to section 412 the following new item:

"SEC. 413. Robbery of a controlled substance from a pharmacist."

(b) Section 406 of such Act is amended—

(1) by striking out "Any" and inserting in lieu thereof "Except as provided in subsection (b), any"; and

(2) by adding at the end thereof the following new subsection:

"(b) Whoever violates this subsection relating to an offense under subsection (a), (b), or (c) of section 413 after one or more convictions under such section or under this section relating to an offense under such section, is punishable by imprisonment or fine or both which may not exceed the maximum punishment for such offense prescribed in the last sentence of subsection (a) of section 413, the last sentence of subsection (b) of section 413, or the last sentence of subsection (c) of section 413, as the case may be.".

COLLECTION OF DATA

SEC. 5. In order to provide accurate and current information on the nature and extent of pharmacy crime, the Department of Justice shall collect relevant data and include pertinent results in its annual Uniform Crime Report.

SECTION-BY-SECTION ANALYSIS

SEC. 2.—Findings: States the findings of Congress regarding pharmacy crime and finds that pharmacies are increasingly the target of criminals seeking Federally controlled drugs; finds that the increase in pharmacy crimes is directly related to Federal law enforcement activity; finds that such victimization of the pharmacy community was not intended by Congress; finds that the recognition of such robberies—without conditions relating to value, amounts involved or the presence of violence—corrects an obvious discrepancy in Federal law; finds that any rational attack on the problem must involve the investigative and prosecutorial resources of the Federal Government; and that a close cooperative working relationship with pharmacy practitioners is essential to the success of any pharmacy crime campaign.

Section 3.—Purpose: Establishes the purpose of the Act to assist state and local law enforcement officials to more effectively repress pharmacy crime; to enhance the speedy prosecution and conviction of those guilty of pharmacy crimes; to assure that all such offenders, but especially repeat offenders, are actually imprisoned; to protect pharmacists and their pharmacies against violence directed at obtaining federally controlled drugs; and to assure the widest possible involvement of the pharmacy community in the national effort to curb pharmacy crime.

Section 4.—Prohibited Acts: Establishes Federal penalties for the robbery or attempted robbery of federally controlled drugs from a pharmacy. It provides for a minimum penalty of five years imprisonment; ten years if armed or assault is involved; and twenty years if anyone is maimed or killed.

Section 413. (a).—Provides for substantial additional penalties for each subsequent conviction and requires that all extra penalties for such repeat violations be served consecutively and concurrently.

Section 413(b).—Provides for substantial additional penalties where armed or assault is involved.

Section 413(c).—Provides for substantial additional penalties if anyone is maimed or killed.

Section 413(d).—Prohibits suspension of sentence or probation for all stated offenses.

Section 5.—To assure that the nature and extent of pharmacy crime is both current and accurate this section requires that the Department collect appropriate information and that it be published in the annual Uniform Crime Report.

By Mr. DOMENICI:

S. 1026. A bill to assure the continuation of an adequate regional distribution of offices under the direction of the Chief of Engineers; to the Committee on Environment and Public Works.

CORPS OF ENGINEERS OFFICE DISTRIBUTION

● Mr. DOMENICI. Mr. President, I am today introducing legislation that seeks to prevent any greater maldistribution of district offices operated by the Corps of Engineers than now exists.

This bill is necessary because the corps has announced tentative plans to consolidate several corps district offices. There are indications that such a consolidation will aggravate the abnormal distribution that now exists. That is wrong, for it will damage the corps program.

Let me cite one example. There are five corps district offices that follow a general line through the Midwest, parallel with the Mississippi River: Omaha, Kansas City, Tulsa, Fort Worth, and Galveston.

Along the west coast, six offices exist along a north-south axis: Seattle, Walla Walla, Portland, San Francisco, Sacramento, and Los Angeles.

In between there is a single corps office, which is located at Albuquerque, N. Mex.

I do not believe that the present setup is a wise one. I question whether western Colorado and northwestern New Mexico

are best served from a district office as far away as Sacramento. But I certainly am convinced that having Colorado, New Mexico, and other Rocky Mountain States served exclusively from the west coast or Middle West will fail to meet the national interest in a water resources development program.

The problems and challenges are too different. The Rocky Mountain States need at least one office to continue to serve it.

The uniqueness of the water problems in the arid mountain region requires special skills and expertise, which are very limited in the Corps of Engineers outside of the Albuquerque district office. It is difficult for someone from an area where water is plentiful, and State and interstate water laws have little meaning, to appreciate the water problems of the arid West.

In suggesting that there should be a better regional distribution of corps offices, I certainly do not propose that any particular offices should be closed, if ones must be closed. But I would note that there are a number of district offices within 100 miles or so of one another, while that office in Albuquerque serves a portion of an area that is close to half the land mass of the 48 States.

I believe that the national interest demands a corps district in the region. The ultimate development of the energy resources of the West will require intensive and imaginative water resources development programs, if the potential is to be realized. Due to this situation, I find it difficult to comprehend the rationale for closing the Albuquerque district. If anything, the Albuquerque district boundaries should be expanded to take in the Four Corner States: New Mexico, Colorado, Utah, and Arizona; with another district established to take in the Wyoming-Montana area. This would provide districts in areas of common interests and problems.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1026

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, is prohibited from closing, downgrading, or decreasing the staff by more than 10 percentum of any office under the direction of a District Engineer, unless such office is located within 500 miles of another office of the Corps of Engineers of the same rank that existed as of the date of enactment of this Act.●

By Mr. HATCH:

S. 1027. A bill to consolidate Federal assistance to States for health services, to provide greater flexibility to States in administering health services programs, and for other purposes; to the Committee on Labor and Human Resources.

HEALTH SERVICES BLOCK GRANT ACT OF 1981

Mr. HATCH. Mr. President, it is today my great pleasure to introduce the Health Services Block Grant Act of 1981, a bill which will transform and strengthen health services in the United States. Like the administration's health services block grant bill transmitted to the President of the Senate on April 6, 1981, my legislation intends to reset the Federal-State balance. It will preserve and promote vital health services while increasing State and local authority. As Secretary of HHS, Richard S. Schweiker, explained in his letter of April 6, transmitting the administration's bill to the Senate:

The draft bill would provide each of the States and territories with resources and the appropriate control of those resources to deliver health services effectively. It would promote efficiency and responsiveness, allow State and local determinations concerning targeting of resources, and eliminate unnecessary restrictions on the exercise of State responsibility. The proposed legislation would also overcome several of the most serious problems in current Federal health service programs.

The current categorical project and formula grants for health services have not adequately met State and local needs and priorities. The project grants in particular have not been well integrated with health services provided by States and the categorical nature of the grants has limited the flexibility of States to respond to local conditions. States can best tailor programs and resources to meet their specific problems and needs.

The draft bill would eliminate Federal requirements that currently inhibit the effective delivery of health services. The only limitations are that funds may not be used for cash payments, for construction, for the purchase of land or facilities, for inpatient services (except certain inpatient services to be specified by the Secretary) or to satisfy State matching requirements under other Federal programs. In addition, assistance under the draft bill would be subject to the nondiscrimination provisions now applicable to assistance provided under title I of the Housing and Community Development Act of 1974. A key feature of the enforcement mechanism in this provision affords the governnor of each State the opportunity to secure compliance with the nondiscrimination requirements before Federal enforcement actions are taken.

States, their political subdivisions, and other grantees within a State's boundaries have experienced problems with unstable resource allocations. The consolidation of project and formula grants and the vesting of responsibility with the States would effectively substitute stability of funding for the current uncertainty. Funds would be allocated among the States on the basis of a fixed proportion of the amount appropriated for any fiscal year equivalent to the proportionate share of Federal health services funds for each State and entities within the State for fiscal year 1981. Federal requirements for detailed State plans and lengthy reports would be eliminated. Audit requirements in the Intergovernmental Cooperation Act of 1968 would be carried out under governmentwide directives designed to insure that duplicative Federal audit activities were not conducted in addition to State sponsored audits using generally accepted accounting principles. The act would apply to grants under the draft bill in the same manner it applies to all other Federal grant programs.

Because of the efficiences to be realized through the elimination of duplication in services and administration and because of the reduction in unnecessary administrative requirements, significant cost savings would be possible. The draft bill would authorize appropriations for fiscal year 1982 and each of the next three fiscal years of . . . an amount equal to approximately 75 percent of the fiscal year 1981 current services level for the programs which would be replaced by the block grant. As an integral part of the President's program for economic recovery, these expenditure restraints would contribute to ending inflation, which has severely eroded the resources available at the State and local level to provide needed services.

We are convinced that the significant change in approach to Federal-State relations . . . will result in improved programs and greater administrative efficiency at the State and local levels.

My bill does share differences with the administration's draft bill, for example: My health services block grant includes the following programs: Community health centers, black lung services, migrant health, home health, emergency health, mental health services, drug abuse project, and State grants, and alcoholism project and State grants. In addition to these programs, the administration's draft bill includes maternal and child health grants, hemophilia, and sudden infant death syndrome. I expect to see these three programs included in a separate maternal and child health block grant, jurisdiction over which would reside in the Senate Finance Committee's Health Subcommittee, rather than in my own committee.

The movement of these three additional programs into this alternate block grant is consistent with the purposes of this other block and is also part of a comprehensive strategy worked out by Senator DOLE, chairman of the Senate Finance Committee and myself, with the support of Senate Majority Leader BAKER, to assure that wherever possible block grants would not require joint referral between our committees. As introduced, my bill requires referral only to the Senate Labor and Human Resources Committee of which I am chairman.

ACCOUNTABILITY

During hearings held in my Labor and Human Resources Committee there was optimism, as well as concern, about how funds under the block grant would be handled by the States. To assure accountability for Federal funds my bill would require, after the first year, that hearings be held (preferably by the State legislature) on the allocation of funds under the block grant. Further the expenditure of funds under the block grant could be made only by the duly elected legislature of each State by: Direct appropriation, approval of a State plan allocating such funds; or other method, satisfactory to the Secretary, which assures that the funds are allocated in a method which provides an opportunity for affected interests to be heard.

TRANSITION

It is important that the block grants start in fiscal year 1982 (starting October 1, 1981) in order to maximize the time and opportunities available to both the Federal Government and State government. However, many State legislatures are already out of session this year and not every State's executive branch would be prepared to implement a block grant proposal on October 1 even assuming that block grant legislation was

enacted into law by June 30 of this year. Accordingly my bill provides for a phased-in transition during fiscal year 1982. States which are ready to begin block grants on October 1 would be allowed to do so, those with legal or administrative difficulties would be allowed to move into a block grant system during fiscal year 1982 without any unnecessary disruption of health services within the boundaries of their State. I believe that this is an equitable and just means of accomplishing this important transition period.

TECHNICAL ASSISTANCE

It is appropriate that the Secretary of Health and Human Services be directed to provide technical assistance to any State which requests such help in setting up or implementing its block grant program.

EVALUATION

Ultimately, both State governments and the Federal Government will need to know how effective their expenditure of money is. Traditionally the Federal Government has spent between 1 and 3 percent of program moneys for evaluation. Accordingly my bill directs the States to spend no less than 1 percent but not to exceed 5 percent of their block grant money under this bill to accomplish evaluation.

When and where appropriate the State government may well need to appropriate moneys from the accounts to achieve necessary evaluations and to assure adequate accountability for funds. It is my hope that States will not use this money to create additional bureaucracies but will rely heavily on available resources, particularly within universities and academic health centers to provide the necessary evaluation of programs carried out under the block grant.

TRANSFER BETWEEN BLOCKS

Under the administration bill a State could transfer up to 10 percent of the funds it received under any block grant to any one of several other related block grants. I am concerned that this amount may be too large and have inserted within the text of my bill a cap of 5 percent on such transfers. I am interested in whether this provides adequate flexibility.

In conclusion, my bill is similar to the Reagan administration's proposal and shares with it a strong belief in the worthiness of giving States greater resources in assuring the provision of vital health services.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1027

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Health Services Block Grant Act of 1981".

STATEMENT OF FINDINGS

SEC. 2. The Congress finds and declares that—

(1) during the past twenty years the Federal Government has established numerous programs to assist States, local governments, and private organizations in providing necessary health services;

(2) despite the growth in Federal funding of health services, State and local governments and private entities retain primary responsibility for ensuring adequate health care;

(3) the growth in the number of Federal assistance programs and in the associated requirements imposed on recipients of such assistance has resulted in the replacement of determinations of State and local officials as to what health services should be made available through publicly financed programs with decisions of Federal officials;

(4) the proliferation of Federal programs has resulted in substantial inefficiences in the way health services are provided, in burdensome administrative costs, and in spending patterns that frequently do not reflect the priorities and health service needs of the residents of each State;

(5) the best use of governmental health resources in meeting the health care needs of the Nation requires that the Federal Government support and not displace the State role in determining which health services to provide and how best to provide them; and

(6) allowing the States substantial flexibility in the use of Federal financial assistance through consolidation of related assistance programs into a single grant with minimum requirements will help ensure a proper governmental balance, will permit coordinated planning at the State level, and will help ensure the effective use of the resources of the Nation in the health area.

STATEMENT OF PURPOSE

SEC. 3. It is the purpose of this Act to assist each State in—

(1) assuring access to quality health services at reasonable cost for its residents and in particular, for residents with limited means and residents who live in areas with limited availability of health services;

(2) encouraging the use of ambulatory health services;

(3) assuring the most appropriate, effective, and efficient utilization of health care facilities and personnel;

(4) exercising its health care responsibilities in a flexible manner and with a minimum of Federal requirements;

(5) providing health services to migratory and seasonal agricultural workers, medically underserved populations, coal miners, and individuals at home; and

(6) providing health services relating to medical emergencies, mental health, alcoholism and alcohol abuse, and drug abuse.

HEALTH SERVICES BLOCK GRANT

SEC. 4. Subpart I of part D of title III of the Public Health Service Act is amended to read as follows:

"Subpart I—Health Services Block Grant

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 328. For the purpose of carrying out the provisions of this subpart, there are authorized to be appropriated $844,000,000 for fiscal year 1982 and for each of the three succeeding fiscal years.

"ALLOTMENTS; APPLICATIONS

"SEC. 329. (a) From the amounts appropriated under section 328 for any fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to the total amount appropriated under section 328 for that fiscal year as the total amount provided or allotted by the Secretary for fiscal year 1981 to the State and to entities in the State under section 301 of this Act for State mental health services demonstrations, under this section and sections 328, 330, 339, 340, 340A, 1202, 1203, and 1204 of this Act (as such sections were in effect on September 30, 1981), under sections 302, 310, and 311 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (as such sections were in effect on September 30, 1981), under sections 409 and 410 of the Drug Abuse Prevention, Treatment, and Rehabilitation Act (as such sections were in effect on September 30, 1981), under sections 202, 203, 204, and 211 of the Community Mental Health Centers Act (as such sections were in effect on September 30, 1981), under section 427 (a) of the Federal Mine Safety and Health Act of 1977 (as such section was in effect on September 30, 1981), bore to the total amount provided or allotted by the Secretary under such sections and title to all States and to entities in all States from appropriations for fiscal year 1981.

"(b) Each State desiring to receive an allotment for a fiscal year under this subpart shall submit an application to the Secretary. Each such application shall be in such form and shall contain or be accompanied by such information as the Secretary may by regulation require. Each such application shall contain—

"(1) assurances that the State has established procedures under which the legislature of the State may disapprove the receipt by the State of any payment under this subpart;

"(2) assurances that the legislature of the State has complied with the provisions of subsection (c); and

"(3) assurances that the State—

"(A) will reserve not less than 1 percent and not more than 5 percent of the amounts paid to the State under section 330;

"(B) will use the amounts reserved under subparagraph (A) to conduct an evaluation of activities supported under this subpart; and

"(C) has developed or will develop a working relationship with a faculty of a college or university which will provide or assist in providing such evaluation.

"(c) After the expiration of the first fiscal year in which a State receives funds under this subpart, no funds shall be allotted to such State for any fiscal year under this subpart unless the legislature of the State, after the conduct of public hearings by such legislature on the proposed use and distribution of funds to be provided under this subpart for such fiscal year, has allocated the expenditure of such funds by—

"(1) direct appropriation;

"(2) approval of a plan for the allocation of such funds proposed by the chief executive officer of the State; or

"(3) any other method satisfactory to the Secretary which assures that such funds are allocated in a manner which provides an opportunity for affected interests to be heard.

"PAYMENTS TO STATES

"SEC. 330. The Secretary shall make payments, in accordance with section 203 of the Intergovernmental Cooperation Act of 1968 and after receiving the application required by section 329(b), to each State from its allotment under section 329(a) from amounts appropriated for any fiscal year under section 328.

"USE OF FUNDS

"SEC. 330A. (a)(1) Except as provided under subsection (b) or subsection (c), payments made under section 330 and amounts transferred under other provisions of law for use under this subpart may be used by a State for the provision of health services and for related activities, including planning, administration, and education—

"(A) for migratory and seasonal agricultural workers, medically underserved populations, coal miners, and individuals at home; and

"(B) medical emergencies, mental health, alcoholism and alcohol abuse, and drug abuse.

"(2) Each State receiving payments under section 330 is not required to use funds paid under that section to carry out the activities and services described in paragraph (1) in the same manner as similar activities and services were carried out with the support of Federal assistance prior to October 1, 1981.

"(3) The Secretary may provide technical assistance to States in planning and operating activities to be carried out under this subpart.

"(b)(1) Amounts described in subsection (a) may not be used for—

"(A) inpatient services, other than inpatient services prescribed by the Secretary;

"(B) cash payments to intended recipients of health services;

"(C) the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility; or

"(D) satisfying any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

"(2) The Secretary may waive the limitation contained in paragraph (1)(C) upon the request of a State if the Secretary finds that there are extraordinary circumstances to justify the waiver and that granting the waiver will assist in carrying out this subpart.

"(c) From the amounts paid to a State under section 330 from amounts appropriated for a fiscal year, a State may transfer up to 5 percent for use under other provisions of Federal law providing for support of health promotion and disease prevention or social services or for meeting home energy and emergency assistance needs. The State shall inform the Secretary of any such transfer of funds.

"(d) A State shall expend amounts referred to in subsection (a) by the end of the fiscal year following the fiscal year for which they were appropriated.

"(e) A State may use a portion of the amounts referred to in subsection (a) for the purpose of obtaining technical assistance from public or private entities if the State determines that such assistance is required in developing, implementing, and administering programs funded under this subpart.

"REPORTS AND AUDITS

"SEC. 330B. (a) Each State shall prepare reports on activities carried out under this subpart. Reports shall be in such form, shall contain such information, and shall be made at such times (but at least every two years) as the State finds necessary to secure an accurate description of the activities carried out under this subpart and a complete record of the purposes for which funds provided under this subpart were expended. The State shall make copies of the reports required by this section available for public inspection within the State. Copies shall also be provided, upon request, to any interested public agency, and each such agency may provide its views on these reports to the Congress.

"(b)(1) At least every two years, each State shall prepare an audit of its expenditures of amounts received under this subpart and amounts transferred to carry out the purposes of this subpart. Each such audit shall be conducted by an entity independent of any agency administering activities or services carried out under this subpart and shall be conducted in accordance with generally accepted accounting principles. Within thirty days after the completion of each such audit, the chief executive officer of the State shall submit a copy of such audit to the legislature of the State and to the Secretary.

"(2) Each State shall repay to the United States any amounts found not to have been expended in accordance with this subpart, except that the Secretary may offset such amounts against any other amount to which the State is or may become allotted under this subpart.

"NONDISCRIMINATION PROVISION

"SEC. 330C. (a) No person shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this subpart. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

"(b) Whenever the Secretary determines that a State that has received a payment under this subpart has failed to comply with subsection (a) of this section or an applicable regulation, he shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted, (2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or (3) take such other action as may be provided by law.

"(c) When a matter is referred to the Attorney General pursuant to subsection (b) of this section, or whenever he has reason to believe that the State is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.".

TRANSITION PROVISIONS

SEC. 5. (a) The purpose of this section is to permit for fiscal year 1982 only States to choose between operating programs under the block grant established by subpart J of part D of the Public Health Service Act (as amended by section 4 of this Act) or operating programs under the provisions of law (other than provisions relating to authorizations of appropriations, allotment, or distribution of project grants among States) repealed by section 6 of this Act.

(b)(1) Notwithstanding any other provision of law, from the amounts allotted to a State under section 329 of the Public Health Service Act (as amended by section 4 of this Act), a State may choose, for fiscal year 1982 only, to carry out programs under the provisions of subpart I of part D of the Public Health Service Act (as amended by section 4 of this Act), or to carry such programs under the provisions of law (other than provisions relating to authorizations of appropriations, allotments, or the distribution of project grants among States) in effect on September 30, 1981, but repealed by section 6 of this Act.

(2) The provisions of paragraph (1) of this subsection apply to the provisions of law referred to in such paragraph even if there is a specific termination provision or other provision of law ending any program subject to this Act.

(3) Each State selecting the option under paragraph (1) may phase in carrying out programs under the provisions of this Act during any month during fiscal year 1982 after giving notice to the Secretary of Health and Human Services.

(c) The Secretary of Health and Human Services shall provide such assistance to the States as the States may require in order to carry out the provisions of this section.

REPEALS AND CONFORMING AMENDMENTS

SEC. 6. (a)(1) Section 217(f), subparts III and IV of part D of title III, sections 1201, 1202, 1203, 1204, 1205(d), 1206, 1207(a), 1208, 1209, and 1210, and part B of title XII of the Public Health Service Act are repealed.

(2) Section 427(a) of the Federal Mine Safety and Health Act of 1977 is repealed.

(3) Parts A and B of title III of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 are repealed.

(4) Sections 409, 410, and 411 of the Drug Abuse Prevention, Treatment, and Rehabilitation Act are repealed.

(5) The Community Mental Health Centers Act is repealed.

(6) Section 101, part B of title I, titles II and III, and sections 502, 602, 801, and 806 of the Mental Health Systems Act are repealed.

(b)(1) Section 2(f) of the Public Health Service Act is amended by striking out "1201 (2),".

(2)(A) Title XII of such Act is amended by striking out—

"Part A—Assistance for Emergency Medical Services Systems".

(B) Section 1205 of such Act is redesignated as section 1201.

(C) Section 1207(b) of such Act is redesignated as section 1202.

(3) The second sentence of section 455(a) of such Act is amended by striking out ", the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (other than part C of title II), and the Mental Health Systems Act".

(4) Section 507 of such Act is amended by striking out ", appropriations available under the Community Mental Health Centers Act for construction and staffing of community mental health centers and alcoholism and narcotic addiction, drug abuse, and drug dependence facilities,".

(5) Section 513 of such Act is amended by striking out "the Mental Retardation Facilities Construction Act, the Community Mental Health Centers Act,".

(6) Section 1513(e)(1)(A)(i) of such Act is amended by striking out ", the Community Mental Health Centers Act, the Mental Health Systems Act, sections 409 and 410 of the Drug Abuse Prevention, Treatment, and Rehabilitation Act, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970".

(7) Section 1521(d)(2)(A) of such Act is amended—

(A) by striking out ", the Community Mental Health Centers Act," and inserting in lieu thereof "or"; and

(B) by striking out ", and the Drug Abuse Office and Treatment Act of 1972".

(8) Section 1524(c)(6)(A) of such Act is amended by striking out "the Community Mental Health Centers Act, section 409 or 410 of the Drug Abuse Office and Treatment Act of 1972, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970,".

(9) Section 427(c) of the Federal Mine Safety and Health Act of 1977 is amended by striking out the first sentence.

(10) Section 2(b)(1) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended by striking out "and direct Federal assistance to community-based programs to meet the urgent needs of special populations,".

(11) The first sentence of section 101(a) of such Act is amended by striking out "and part C of the Community Mental Health Centers Act".

(12) Section 201(b)(2) of such Act is amended—

(A) by striking out subparagraph (B), and

(B) by striking out "(A)" before "Consistent".

(13)(A) Section 102 of the Drug Abuse Prevention, Treatment, and Rehabilitation Act is amended—

(i) by striking out "and to community-

based programs to meet the urgent needs of special populations" in paragraph (1), and

(ii) by striking out paragraph (2).

(B) Paragraphs (3) and (4) of such section are redesignated as paragraphs (2) and (3), respectively.

(13) Section 406(a) of such Act is amended—

(A) by inserting "and" after the semicolon in paragraph (2);

(B) by striking out the semicolon and "and" at the end of paragraph (3) and inserting in lieu thereof a period; and

(C) by striking out paragraph (4).

(14) Section 413(b)(2) of such Act is amended—

(A) by striking out subparagraph (B); and

(B) by striking out "(A)" before "Consistent".

(15) The table of sections of title IV of such Act is amended by striking out the items relating to sections 409, 410, and 411.

(16) Title I of the Mental Health Systems Act is amended—

(A) by striking out "Part A—Definitions";

(B) by striking out "Other" in the section heading for section 102; and

(C) by striking out paragraphs (3), (4), (6), and (7) of section 102, and by redesignating paragraph (5) as paragraph (3).

(17) The table of contents in the first section of such Act is amended—

(A) by striking out the items relating to sections 101, 105, 106, 107, 201 through 208, 301 through 303, 305 through 309, 315 through 317, 321, 325 through 328, 502, 602, 801, and 806, parts A and B of title I, title II, title III, and parts A, B, C, D, and E of title III, and

(B) by amending the item relating to section 102 to read as follows:

"SEC. 102. DEFINITIONS.".

(18) Section 601(a) of such Act is amended—

(A) by striking out "community mental health centers and other" in paragraph (5); and

(B) by striking out paragraph (6).

EFFECTIVE DATE

SEC. 7. The amendments made by section 4 and the amendments and repeals made by section 6 shall take effect on October 1, 1981.

By Mr. HATCH:

S. 1028. A bill to consolidate Federal assistance to States for health promotion and disease prevention, to provide greater flexibility to States in administering health promotion and disease prevention programs, and for other purposes; to the Committee on Labor and Human Resources.

PREVENTIVE HEALTH SERVICES BLOCK GRANT ACT OF 1981

Mr. HATCH. Mr. President, I am today introducing "the Preventive Health Services Block Grant Act of 1981", a bill which will revitalize our Nation's efforts to promote public health and well-being. This bill is similar to the administration's health prevention block grant proposal transmitted to the President of the Senate on April 6, 1981. The purpose and rationale for my legislation were thoughtfully articulated by Secretary of Health and Human Services, Richard S. Schweiker in his letter of April 6, transmitting the administration's bill to the Senate:

The draft bill would provide the States and territories with resources and the appropriate control of those resources to conduct health promotion and disease prevention activities effectively. It would remove many of the current barriers which inhibit the transfer of resources from one problem area to another as needs dictate. It would promote efficiency and responsiveness by allowing states to undertake creative and cost-effective approaches for reducing preventable morbidity and mortality within their populations. The proposed legislation would also overcome several of the most serious problems in current federal health promotion and disease prevention programs.

The current categorical project grants for preventive health have not adequately met state and local needs and priorities. They have not been well integrated with state preventive health activities and the categorical nature of the grants has limited the flexibility of states to respond to local conditions. States can best tailor programs and resources to meet their specific problems and needs.

The draft bill would eliminate federal requirements that currently inhibit the effective undertaking of preventive health activities. The only limitations are that funds may not be used for cash payments, for construction, for the purchase of land or facilities, or to satisfy State matching requirements under other Federal programs. In addition, assistance under the draft bill would be subject to the nondiscrimination provisions now applicable to assistance provided under title I of the Housing and Community Development Act of 1974. A key feature of the enforcement mechanism in these provisions affords the Governor of each State the opportunity to secure compliance with the nondiscrimination requirements before Federal enforcement actions are taken.

States, their political subdivisions, and other grantees within a State's boundaries have experienced problems with unstable resource allocations. The consolidation of grants and vesting of responsibility with the States would effectively substitute stability of funding for the current uncertainty. Funds would be allocated among the States on the basis of a fixed proportion of the amount appropriated for any fiscal year equivalent to the proportionate share of Federal health prevention funds for each State and entities within the State for fiscal year 1981. Federal requirements for detailed State plans and lengthy reports would be eliminated. Audit requirements in the Intergovernmental Cooperation Act of 1968 would be carried out under Government-wide directives designed to ensure that duplicative Federal audit activities were not conducted in addition to State sponsored audits using generally accepted accounting principles. The act would apply to grants under the draft bill in the same manner it applies to all other Federal grant programs.

Because of the efficiencies to be realized through the elimination of duplication in activities and administration and because of the reduction in unnecessary administrative requirements, significant cost savings would be possible. The draft bill would authorize appropriations for fiscal year 1982 and each of the next three fiscal years of . . . an amount equal to approximately 75 percent of the fiscal year 1981 current services level for the programs which would be replaced by the block grant. As an integral part of the President's program for economic recovery, these expenditure restraints would contribute to ending inflation, which has severely eroded the resources available at the State and local level to provide needed services.

We are convinced that the significant change in approach to Federal-State relations . . . will result in improved programs and greater administrative efficiency at the State and local levels.

As I have said, my legislation does vary in several regards from the administration's draft bill.

Specifically, my health prevention block grant bill includes the following programs: High blood pressure control, health incentives grants to the States, risk reduction and health education, venereal disease, fluoridation, rat control, family planning services, and adolescent health services. In addition to these programs, the administration's draft bill includes lead-based paint poisoning prevention and genetic diseases. I expect to see these two programs included in a separate maternal and child health block grant, jurisdiction over which would reside in the Senate Finance Committee's Health Subcommittee, rather than in the Labor and Human Resources Committee. The movement of these two additional programs into this alternate block grant is consistent with the strategy devised by Senator DOLE and myself, with the support of Senate majority leader BAKER. It assures that wherever possible block grants would not require joint referral between our committees. As introduced, my bill only requires referral to the Senate Labor and Human Resources Committee, which I chair.

ACCOUNTABILITY

During hearings held in my Labor and Human Resources Committee there was optimism, as well as concern, about how funds under the block grant will be handled by the States. To assure accountability for Federal funds my bill requires after the first year, that hearings be held (preferrably by the State legislature) on the allocation of funds under the block grant. Further, the expenditure of funds under the block grant could be made only by the duly elected legislature of each State by: "direct appropriation; approval of a State plan allocating such funds: or other method, satisfactory to the Secretary, which assures that the funds are allocated in a method which provides an opportunity for affected interests to be heard."

TRANSITION

It is important that the block grants start in fiscal year 1982 (starting October 1, 1981) in order to maximize the construction benefit available to both the Federal Government and State government. However, many State legislatures are already out of session this year and not every State's executive branch would be prepared to implement a block grant proposal on October 1 ever assuming that block grant legislation was enacted into law by June 30 of this year. Accordingly, my bill provides for a phased-in transition during fiscal year 1982. States which are ready to begin block grants on October 1 would be allowed to do so. Those with legal or administrative difficulties would be allowed to move into a block grant system during fiscal year 1982 without any unnecessary disruption of preventive health services within the boundaries of their State. I believe that this is the most equitable and just means of assuring the necessary period for transition. It assures that States and local authorities are not left high and dry.

TECHNICAL ASSISTANCE

It is appropriate that the Secretary of Health and Human Services be directed to provide technical assistance to

any State which requests such help in setting up or implementing its block grant program.

EVALUATION

Ultimately, both the State governments and the Federal Government must evaluate these programs' effectiveness. Traditionally, the Federal Government has spent between 1 and 3 percent of program moneys for evaluation. Accordingly my bill directs the States to spend no less than 1 percent but not to exceed 5 percent of their block grant money under this bill to accomplish evaluation. When and where appropriate the State government may well need to appropriate moneys from other accounts to achieve necessary evaluations and to assure adequate accountability for funds. It is my hope that States will not use this money to create additional bureaucracies but will rely heavily on available resources, particularly within universities and academic health centers to provide the necessary evaluation of programs carried out under the block grant.

TRANSFER RETWEEN BLOCKS

Under the administration bill a State could transfer up to 10 percent of the funds it received under any block grant to any one of several other related block grants. I am concerned that this amount may be too large and have inserted within the text of my bill a cap of 5 percent on such transfers, a percentage large enough to insure adequate flexibility without jeopardizing programmatic support.

In conclusion, my bill is similar to the Reagan administration's proposal and shares its commitment to a renewed federalist spirit, providing the States with greater resources in dealing with health promotion and disease prevention. It is a commitment to once again make the protection of the public health a State and local concern, by giving government which is closest to the people the authority and resources to make this possible.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1028

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Preventive Health Services Block Grant Act of 1981".

STATEMENT OF FINDINGS

SEC. 2. The Congress finds and declares that—

(1) during the past twenty years the Federal Government has established numerous programs to assist States, local governments, and private organizations in promoting health and preventing disease;

(2) despite the growth in Federal funding for preventive health services, State and local governments retain primary responsibility for the provision of such services;

(3) the growth in the number of Federal assistance programs and in the associated requirements imposed on recipients of such assistance has resulted in the replacement of determinations by State and local officials as to which preventive health activities need to be undertaken with decisions of Federal officials;

(4) the proliferation of Federal programs has resulted in substantial inefficiencies in the way preventive health activities are undertaken, in burdensome administrative costs, and in spending patterns that frequently do not reflect the priorities and health needs of the residents of each State;

(5) the best use of governmental health resources in meeting the preventive health needs of the Nation requires that the Federal Government support and not displace the State role in determining which preventive health activities to support and how best to support them; and

(6) allowing the States substantial flexibility in the use of Federal financial assistance through consolidation of related assistance programs into a single grant with minimum requirements will help ensure a proper governmental balance, will permit coordinated planning at the State level, and will help ensure the effective use of the resources of the Nation in the health area.

STATEMENT OF PURPOSE

SEC. 3. It is the purpose of this Act to assist each State in—

(1) assuring access to preventive health services for its residents, and in particular, for residents with limited means;

(2) provision comprehensive public health services, controlling rodents, fluoridating water supplies, undertaking hypertension activities, preventing and controlling venereal disease, preventing and controlling tuberculosis, providing family planning services, deterring smoking and the use of alcohol among children and adolescents, and carrying out activities relating to adolescent pregnancy; and

(3) otherwise undertaking health promotion and disease prevention efforts to reduce preventable morbidity and mortality and improve the quality of life.

PREVENTIVE HEALTH BLOCK GRANT

SEC. 4. (a) Part B of title III of the Public Health Service Act is amended by inserting after the heading for such part the following:

"Subpart I—Special Programs"

(b) Sections 314, 315, 316, and 318 of such Act are repealed.

(c) Section 317 of such Act is redesignated as section 312 and section 320 of such Act is redesignated as section 313.

(d) Part B of title III of such Act is further amended by adding at the end thereof the following new subpart:

"Subpart II—Preventive Health Block Grant

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 314. For the purpose of carrying out the provisions of this subpart, there are authorized to be appropriated $194,000,000 for fiscal year 1982 and for each of the three succeeding fiscal years.

"ALLOTMENTS; APPLICATIONS

"SEC. 315. (a) From the amounts appropriated under section 314 for any fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to the total amount appropriated under section 314 for that fiscal year as the total amount provided or allotted by the Secretary for fiscal year 1981 to the State and to entities in the State under section 314(d) of this Act, under section 317 of this Act for rodent control, hypertension, and fluoridation activities, under sections 318, 1001, 1003, and 1005 of this Act, and under sections 401 and 402 of the Health Services and Centers Amendments of 1978 (as such sections and title were in effect on September 30, 1981) bore to the total amount provided or allotted by the Secretary under such sections and title to all States and to entities in all States from appropriations for fiscal year 1981.

"(b) Each State desiring to receive an allotment for a fiscal year under this subpart shall submit an application to the Secretary. Each such application shall be in such form and shall contain or be accompanied by such information as the Secretary may by regulation require. Each such application shall contain—

"(1) assurances that the State has established procedures under which the legislature of the State may disapprove the receipt by the State of any payment under this subpart;

"(2) assurances that the legislature of the State has complied with the provisions of subsection (c); and

"(3) assurances that the State—

"(A) will reserve not less than 1 percent and not more than 5 percent of the amounts paid to the State under section 316;

"(B) will use the amounts reserved under subparagraph (A) to conduct an evaluation of activities supported under this subpart; and

"(C) has developed or will develop a working relationship with a faculty of a college or university which will provide or assist in providing such evaluation.

"(c) After the expiration of the first fiscal year in which a State receives funds under this subpart, no funds shall be allotted to such State for any fiscal year under this subpart unless the legislature of the State, after the conduct of public hearings by such legislature on the proposed use and distribution of funds to be provided under this subpart for such fiscal year, has allocated the expenditure of such funds by—

"(1) direct appropriation;

"(2) approval of a plan for the allocation of such funds proposed by the chief executive officer of the State; or

"(3) any other method satisfactory to the Secretary which assures that such funds are allocated in a manner which provides an opportunity for affected interests to be heard.

"PAYMENTS TO STATES

"SEC. 316. (a) The Secretary shall make payments, in accordance with section 203 of the Intergovernmental Cooperation Act of 1968 and after receiving the application required by section 315(b), to each State from its allotment under section 315(a) from amounts appropriated for any fiscal year under section 314.

"(b) The Secretary, at the request of a State, may reduce the amount of any payment under subsection (a) by—

"(1) the fair market value of any supplies (including vaccines and other preventive agents) or equipment furnished the State, and

"(2) the amount of the pay, allowances, and travel expenses of any officer or employee of the Government when detailed to the State and the amount of any other costs incurred in connection with the detail of such officer or employee,

when the furnishing of supplies or equipment or the detail of an officer or employee is for the convenience of and at the request of the State and for the purpose of conducting activities described in section 317. The amount by which any payment is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be deemed to be part of the payment and shall be deemed to have been paid to the State.

"USE OF FUNDS

"SEC. 317. (a)(1) Except as provided in subsection (b) or subsection (c), payments made under section 316 and amounts transferred under other provisions of law for use under this subpart may be used by a State for—

"(A) hypertension control activities;

"(B) health incentive activities;

"(C) risk reduction and health education activities;

"(D) venereal disease activities;
"(E) fluoridation activities;
"(F) rat control activities;
"(G) family planning services; and
"(H) adolescent health services.

"(2) Each State receiving payments under section 316 is not required to use funds paid under that section to carry out the activities and services described in paragraph (1) in the same manner as similar activities and services were carried out with the support of Federal assistance prior to October 1, 1981.

"(3) The Secretary may provide technical assistance to States in planning and operating activities to be carried out under this subpart.

"(b)(1) Amounts described in subsection (a) may not be used for—

"(A) cash payments to intended recipients of health services;

"(B) the purchase or improvement of land, or the purchase, construction or permanent improvement (other than minor remodeling) of any building or other facility; or

"(C) satisfying any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

"(2) The Secretary may waive the provisions of paragraph (1)(B) upon the request of a State if the Secretary finds that there are extraordinary circumstances to justify the waiver and that granting the waiver will assist in carrying out this subpart.

"(c) From the amounts paid to a State under section 315 from amounts appropriated for a fiscal year, a State may transfer up to 5 percent for use under other provisions of Federal law providing for support of health or social services or for meeting home energy and emergency assistance needs. The State shall inform the Secretary of any such transfer of funds.

"(d) A State shall expend amounts referred to in subsection (a)(1) by the end of the fiscal year following the fiscal year for which they were appropriated.

"(e) A State may use a portion of the amounts referred to in subsection (a)(1) to obtain technical assistance from public or private entities if the State determines that such assistance is required in developing, implementing, and administering activities carried out under this subpart.

"REPORTS AND AUDITS

"SEC. 318. (a) Each State shall prepare reports on activities carried out under this subpart. Reports shall be in such form, shall contain such information, and shall be made at such times (but at least every two years) as the State finds necessary to secure an accurate description of the activities carried out under this subpart and a complete record of the purposes for which funds provided under this subpart were expended. The State shall make copies of the reports required by this section available for public inspection within the State. Copies shall also be provided, upon request, to any interested public agency, and each such agency may provide its views on these reports to the Congress.

"(b) (1) At least every two years, each State shall prepare an audit of its expenditures of amounts received under this subpart and amounts transferred to carry out the purposes of this subpart. Each such audit shall be conducted by an entity independent of any agency administering activities or services carried out under this subpart, and shall be conducted in accordance with generally accepted accounting principles. Within thirty days after the completion of each such audit, the chief executive officer of the State shall submit a copy of such audit to the legislature of the State and to the Secretary.

"(2) Each State shall repay to the United States any amounts found not to have been expended in accordance with this subpart, except that the Secretary may offset such amounts against any other amount to which the State is or may be allotted under this subpart.

"NONDISCRIMINATION PROVISION

"SEC. 319. (a) No person shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this subpart. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

"(b) Whenever the Secretary determines that a State that has received a payment under this subpart has failed to comply with subsection (a) of this section or an applicable regulation, he shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted, (2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or (3) take such other action as may be provided by law.

"(c) When a matter is referred to the Attorney General pursuant to subsection (b) of this section, or whenever he has reason to believe that the State is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.".

TRANSITION PROVISIONS

SEC. 5. (a) The purpose of this section is to permit for fiscal year 1982 only States to choose between operating programs under the block grant established by subpart II of part B of title III of the Public Health Service Act (as added by section 4(d) of this Act) or operating programs under the provisions of law (other than provisions relating to authorizations of appropriations, allotment, or distribution of project grants among States) repealed by section 6 of this Act.

(b)(1) Notwithstanding any other provision of law, from the amounts allotted to a State under section 315 of the Public Health Service Act (as added by section 4(d) of this Act), a State may choose, for fiscal year 1982 only, to carry out programs under the provisions of subpart II of part B of title III of the Public Health Service Act (as added by section 4(d) of this Act) or to carry such programs under the provisions of law (other than provisions relating to authorizations of appropriations, allotments, or the distribution of project grants among States) in effect on September 30, 1981, but repealed by section 6 or this Act.

(2) The provisions of paragraph (1) of this subsection apply to the provisions of law referred to in such paragraph even if there is a specific termination provision or other provision of law ending any program subject to this Act.

(3) Each State selecting the option under paragraph (1) may phase in carrying out programs under the provisions of this Act during any month during fiscal year 1982 after giving notice to the Secretary of Health and Human Services.

(c) The Secretary of Health and Human Services shall provide such assistance to the States as the States may require in order to carry out the provisions of this section.

REPEALS AND CONFORMING AMENDMENTS

SEC. 6. (a)(1) Title X of the Public Health Service Act is repealed.

(2) Sections 401 and 402 of the Health Services and Centers Amendments of 1978 are repealed.

(b)(1) Section 2(f) of the Public Health Service Act is amended by striking out "314(g)(4)(B), 318(c)(1)," and by striking out "1002(c),".

(2)(A) The second sentence of section 311(a) of such Act is amended—

(i) by inserting "and with respect to other public health matters" after "diseases", and

(ii) by striking out "and in carrying out the purposes of section 314".

(B) The first sentence of section 311(b) of such Act is amended by striking out "the purposes of section 314" and inserting in lieu thereof "public health activities".

(c) The first sentence of section 311(c)(1) of such Act is amended by striking out "or condition referred to in section 317(f)" and by striking out "involving or resulting from disasters or any such disease".

(D) The second sentence of section 311(c)(1) of such Act is amended by striking out "resulting from disasters or any disease or condition referred to in section 317(f)".

(3)(A) Section 312(a) of such Act (as redesignated by section 4(c) of this Act) is amended to read as follows:

"(a) The Secretary may make grants to States and, in consultation with State authorities, to political subdivisions of States and to other public entities to assist them in meeting the costs of establishing and maintaining preventive health programs to immunize individuals against immunizable diseases.".

(B) Section 312(b)(3) of such Act (as redesignated by section 4(c) of this Act) is amended by striking out "and in those cases where the applicant is a State, that such program will be provided, where appropriate, in a manner consistent with any plan in effect under an application approved under section 315".

(C) Section 312(h) of such Act (as redesignated by section 4(c) of this Act) is amended—

(i) by striking out "and conditions" each place it appears, and

(ii) by striking out "for each of the programs listed in subsection (j)".

(D) Section 312(j) of such Act (as redesignated by section 4(c) of this Act) is amended by striking out paragraphs (2) through (5).

(E) The heading for section 312 of such Act (as redesignated by section 4(c) of this Act) is amended by striking out "Preventive Health Services" and inserting instead "Immunizations".

EFFECTIVE DATE

SEC. 7. The amendments made by section 4 and the repeals and amendments made by section 6 shall take effect on October 1, 1981.

By Mr. HATCH:

S. 1029. A bill to amend title XIII of the Public Health Service Act relating to health maintenance organizations: to the Committee on Labor and Human Resources.

HEALTH MAINTENANCE ORGANIZATIONS AMENDMENTS OF 1981

Mr. HATCH. Mr. President. today, I am introducing the Health Maintenance Organization Act of 1981. This bill substantially revises the existing HMO law, a revision proposed in the spirit of President Reagan's request that HMO's be

updated and their operations improved. The existing law was designed to demonstrate the national viability of HMO's, a goal that has been achieved. In 1971 there were only 39 HMO's serving 3.5 million people. Today, there are 240 HMO's serving nearly 10 million people. There is at least one health maintenance organization in every metropolitan area in our country.

During these past 8 years, HMO's have been given a chance to work and to grow, an experiment made possible with Federal help. It is now time for the private sector to take full charge of the financing and development of these health care organizations. This legislation will make this possible. In accordance with President Reagan's request, the bill phases out the Federal grant and loan programs for HMO development. In addition, severely restrictive Federal policy requirements for HMO qualification will be eliminated, enabling a greater variety of HMO's to be federally qualified. This should spur innovation and investment. The bill preserves the dual choice provision that mandates access by federally qualified HMO's to millions of potential subscribers. Dual choice is a major step on the road to multiple choice, which is the cornerstone of the competitive approach to health care delivery.

The bill retains the Federal qualification process because it is needed to determine eligibility for dual choice, and because the HMO industry desires it as a "Good Housekeeping Seal of Approval;" and like the Good Housekeeping people, we intend to see that the Federal Government qualifies HMO's that are quality operations. The new Federal qualification process will be less concerned with engineering the nature of HMO's and more concerned with insuring their viability as businesses that supply good services at a reasonable cost. The requirements for Federal qualification should be straightforward. In establishing these requirements, four simple questions should be addressed: Is the applicant an HMO? Does it meet State standards in the quality of the care it dispenses? Does it provide the services it promises, and is it a viable business? This last question is a critical one. Employers who are compelled to offer HMO plans to their employees should be assured that federally qualified HMO's will remain in business for the duration of their contracts. The new Federal qualification process should be lean and credible.

Mr. President, some people have considered HMO's to be a panacea—the basic building block of the standardized national health care system. To me, health maintenance organizations are not a final answer, but they are part of a solution. They are an essential component in a heterogeneous, competitive American health care system. The cost effectiveness of HMO's is well documented. Health maintenance organizations have earned a place in the American health care market, and the Federal Government should now alter its role to allow that health care market to further the development of health maintenance organizations. I believe the Health Maintenance Organization Act of 1981 will do just this, and I respectfully urge my colleagues to support it.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1029

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Health Maintenance Organizations Amendments of 1981".

SEC. 2. Title XIII of the Public Health Service Act is amended to read as follows:

"TITLE XIII—HEALTH MAINTENANCE ORGANIZATIONS

"REQUIREMENTS FOR HEALTH MAINTENANCE ORGANIZATIONS

"SEC. 1301. (a) For purposes of this title, the term 'health maintenance organization' means a legal entity which (1) provides basic and supplemental health services to its members in the manner prescribed by subsection (b), and (2) is organized and operated in the manner prescribed by subsection (c).

"(b) A health maintenance organization shall provide, without limitations as to time or cost other than those prescribed by or under this title, basic and supplemental health services to its members in the following manner:

"(1) Each member is to be provided basic health services for a basic health services payment which (A) is to be paid on a periodic basis without regard to the dates health services (within the basic health services) are provided; (B) is fixed without regard to the frequency, extent, or kind of health service (within the basic health services) actually furnished; and (C) may be supplemented by additional nominal payments which may be required for the provision of specific services (within the basic health services). Such additional nominal payments shall be fixed in accordance with the regulations of the Secretary. A health maintenance organization may include a health service, defined as a supplemental health service by section 1302 (2), in the basic health services provided its members for a basic health services payment described in the first sentence. The requirements of this paragraph respecting the basic health services payment shall not apply to the provision of basic health services to a member for an illness or injury for which the member is entitled to benefits under a workmen's compensation law or an insurance policy but only to the extent such benefits apply to such services. For the provision of such services for an illness or injury for which a member is entitled to benefits under such a law, the health maintenance organization may, if authorized by such law, charge or authorize the provider of such services to charge, in accordance with the charges allowed under such law, the insurance carrier, employer, or other entity which under such law is to pay for the provision of such services or, to the extent that such member has been paid under such law for such services, such member. For the provision of such services for an illness or injury for which a member is entitled to benefits under an insurance policy, a health maintenance organization may charge or authorize the provider of such services to charge the insurance carrier under such policy or, to the extent that such member has been paid under such policy for such services, such member.

"(2) For such payment or payments (hereinafter in this title referred to as 'supplemental health services payments') as the health maintenance organization may require in addition to the basic health services payment, the organization may provide to each of its members any of the health services which are included in supplemental health services (as defined in section 1302(2)).

"(3)(A) Except as provided in subparagraph (B), the services of a physician which are provided as basic health services shall be provided through—

"(i) members of the staff of the health maintenance organization,

"(ii) a medical group (or groups),

"(iii) an individual practice association (or associations),

"(iv) physicians or other health professionals who have contracted with the health maintenance organization for the provision of such services and who have agreed in such contract not to hold members of the organization personally liable for the payment of fees for such services, or

"(v) any combination of such staff, medical group (or groups), individual practice association (or associations), or physicians or other health professionals under contract with the organization.

"(B) Subparagraph (A) does not apply to the provision of the services of a physician—

"(i) which the health maintenance organization determines, in conformity with regulations of the Secretary, are unusual or infrequently used, or

"(ii) which are provided a member of the organization in a manner other than that prescribed by subparagraph (A) because—

"(I) of an emergency which made it medically necessary that the service be provided to the member before it could be provided in a manner prescribed by subparagraph (A); or

"(II) the Secretary has provided a waiver of subparagraph (A) to the organization.

"(C) Contracts between a health maintenance organization and health professionals for the provision of basic and supplemental health services shall include such provisions as the Secretary may require, but only to the extent that such requirements are designed to insure the delivery of quality health care services and sound fiscal management.

"(D) For purposes of this paragraph the term 'health professional' means physicians, dentists, nurses, podiatrists, optometrists, and such other individuals engaged in the delivery of health services as the Secretary may by regulation designate.

"(4) Basic health services (and only such supplemental health services as members have contracted for) shall within the area served by the health maintenance organization be available and accessible to each of its members with reasonable promptness and in a manner which assures continuity, and when medically necessary be available and accessible twenty-four hours a day and seven days a week, except that a health service provided by a health maintenance organization whose service area is located wholly in a nonmetropolitan area may be made available only outside the service area if that health service is not a primary care service and if that service is not generally available within the service area. A member of a health maintenance organization shall be reimbursed by the organization for his expenses in securing basic and supplemental health services other than through the organization if the services were medically necessary and immediately required because of an unforeseen illness, injury, or condition.

"(5) To the extent that a natural disaster, war, riot, civil insurrection, or any other similar event not within the control of a

health maintenance organization (as determined under regulations of the Secretary) results in the facilities, personnel, or financial resources of a health maintenance organization not being available to provide or arrange for the provision of a basic or supplemental health service in accordance with the requirements of paragraphs (1) through (4) of this subsection, such requirements only require the organization to make a good-faith effort to provide or arrange for the provision of such service within such limitation on its facilities, personnel, or resources. "(c) Each health maintenance organization shall—

"(1) have a fiscally sound operation and adequate provision against the risk of insolvency which is satisfactory to the Secretary;

"(2) be a separate corporate entity with a separate board of directors except that if a health maintenance organization is part of another corporate entity, such other entity must provide assurances, satisfactory to the Secretary, that the health maintenance organization will remain financially viable during the period such organization receives any benefit under this title including qualification under section 1309;

"(3) assume full financial risk on a prospective basis for the provision of basic health services, except that a health maintenance organization may obtain insurance or make other arrangements (A) for the cost of providing to any member basic health services the aggregate value of which exceeds $5,000 in any year, (B) for the cost of basic health services provided to its members other than through the organization because medical necessity required their provision before they could be secured through the organization, and (C) for not more than 90 per centum of the amount by which its costs for any of its fiscal years exceed 115 per centum of its income for such fiscal year;

"(4) carry out enrollment of members who are entitled to medical assistance under a State plan approved under title XIX of the Social Security Act in accordance with procedures approved under regulations promulgated by the Secretary;

"(5) have a contractual arrangement with any hospital that is regularly used by the members of such organization prohibiting such hospital from holding any such member liable for payment of any fees which are the legal obligation of such organization;

"(6) not expel or refuse to re-enroll any member because of his health status or his requirements for health services; and

"(7) be organized in such a manner that provides meaningful procedures for hearing and resolving grievances between the health maintenance organization (including the medical group or groups and other health delivery entities providing health services for the organization) and the members of the organization.

"DEFINITIONS

"SEC. 1302. For purposes of this title—

"(1) The term 'basic health services' means—

"(A) physician services (including consultant and referral services by a physician);

"(B) inpatient and outpatient hospital services;

"(C) medically necessary emergency health services;

"(D) diagnostic laboratory and diagnostic and therapeutic radiologic services;

"(E) home health services; and

"(F) (i) immunizations, (ii) well-child care from birth, (iii) infertility services, and (iv) children's eye and ear examinations conducted to determine the need for vision and hearing correction.

Such term does not include a health service which the Secretary, upon application of a health maintenance organization, determines is unusual and infrequently provided and not necessary for the protection of individual health. The Secretary shall publish in the Federal Register each determination made by him under the preceding sentence. If a service of a physician described in the preceding sentence may also be provided under applicable State law by a dentist, optometrist, podiatrist, or other health care personnel a health maintenance organization may provide such service through a dentist, optometrist, podiatrist, or other health care personnel (as the case may be) licensed to provide such service. For purposes of this paragraph, the term 'home health services' means health services provided at a member's home by health care personnel, as prescribed or directed by the responsible physician or other authority designated by the health maintenance organization.

"(2) The term 'supplemental health services' means—

"(A) services of facilities for intermediate and long-term care;

"(B) vision care not included as a basic health service;

"(C) dental services not included as a basic health service;

"(D) mental health services not included as a basic health service;

"(E) long-term physical medicine and rehabilitative services (including physical therapy);

"(F) the provision of prescription drugs prescribed in the course of the provision by the health maintenance organization of a basic or supplemental health service; and

"(G) other health services including voluntary family planning, preventive health services, and medical treatment and referral services for the abuse of or addiction to alcohol and drugs, which are not included as basic health services.

If a service of a physician described in the preceding sentence may also be provided under applicable State law by a dentist, optometrist, podiatrist, or other health care personnel, a health maintenance organization may provide such service through an optometrist, dentist, podiatrist, or other health care personnel (as the case may be) licensed to provide such service.

"(3) The term 'member' when used in connection with a health maintenance organization means an individual who has entered into a contractual agreement, or on whose behalf a contractual arrangement has been entered into, with the organization under which the organization assumes the responsibility for the provision to such individual of basic health services and of such supplemental health services as may be contracted for.

"(4) The term 'medical group' means a partnership, association, or other group—

"(A) which is composed of health professionals licensed to practice medicine or osteopathy and of such other licensed health professionals (including dentists, optometrists, and podiatrists) as are necessary for the provision of health services for which the group is responsible;

"(B) a majority of the members of which are licensed to practice medicine or osteopathy; and

"(C) the members of which (i) as their principal professional activity engage in the coordinated practice of their profession and as a group responsibility have substantial responsibility for the delivery of health services to members of a health maintenance organization (except that this clause does not apply before the end of the forty-eight-month period beginning after the month in which the health maintenance organization becomes a qualified health maintenance organization as defined in section 1309(d), or as authorized by the Secretary in accordance with regulations that take into consideration the unusual circumstances of the group); (ii) pool their income from practice as members of the group and distribute it among themselves according to a prearranged salary or drawing account or other similar plan unrelated to the provision of specific health services; and (iii) share medical and other records and substantial portions of major equipment and of professional, technical, and administrative staff.

(5) The term "individual practice association" means a partnership, corporation, association, or other legal entity which has entered into a services arrangement (or arrangements) with persons who are licensed to practice medicine, osteopathy, dentistry, podiatry, optometry, or other health profession in a State and a majority of whom are licensed to practice medicine or osteopathy. Such an arrangement shall provide—

(A) that such persons shall provide their professional services in accordance with a compensation arrangement established by the entity; and

(B) to the extent feasible for the sharing by such persons of medical and other records, equipment, and professional, technical, and administrative staff.

"LOAN GUARANTEES FOR INITIAL DEVELOPMENT COSTS

"SEC. 1303. (a) (1) The Secretary may guarantee to non-Federal lenders payment of the principal of and the interest on loans made to nonprofit private entities for projects for the initial development of health maintenance organizations.

"(2) For purposes of this section, the term 'initial development' when used to describe a project for which assistance is authorized by this section means the establishment of a health maintenance organization, or, in the case of a health maintenance organization which is a qualified health maintenance organization within the meaning of section 1309(d), the expansion of the services of, or the significant expansion of the membership of, or the area served by, such qualified health maintenance organization. Funds under loans guaranteed under this section may only be utilized for such purposes as the Secretary may prescribe in regulations. Such purposes may include (A) the implementation of an enrollment campaign for such an organization, (B) the detailed design of and arrangements for the health services to be provided by such an organization, (C) the development of administrative and internal organizational arrangements, including fiscal control and fund accounting procedures, and the development of a capital financing program, (D) the recruitment of personnel who will engage in practice principally for the health maintenance organization and the conduct of training activities for such personnel, and (E) the payment of architects' and engineers' fees.

"(3) A loan guarantee under this section may only be made for a loan (or loans) for such costs incurred in a period not to exceed three years.

"(b) (1) Except as provided in paragraph (2), the amount of principal of a loan for an initial development project which may be guaranteed under this section, shall be determined by the Secretary; except that the aggregate amount of principal of loans guaranteed under this section for any project, may not exceed the lesser of—

"(A) $1,000,000 through September 30, 1979, and $2,000,000 thereafter, or

"(B) 90 per centum of the cost of such project (as determined under regulations of the Secretary).

"(2) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued under this section may not exceed such limitations as may be specified in appropriation Acts.

"(c) After September 30, 1981, loan guarantees shall be made under the authority of this section only to such entities as first re-

ceived financial support under this title before such date.

"LOANS AND LOAN GUARANTEES FOR INITIAL COSTS OF OPERATION

"SEC. 1304. (a) The Secretary may—

"(1) make loans to public or nonprofit private health maintenance organizations to assist them in meeting the amount by which their costs of operation during a period not to exceed the first sixty months of their operation exceed their revenues in that period;

"(2) make loans to public or nonprofit private health maintenance organizations to assist them in meeting the amount by which their costs of operation, which the Secretary determines are attributable to significant expansion in their membership or area served and which are incurred during a period not to exceed the first sixty months of their operation after such expansion, exceed their revenues in that period which the Secretary determines are attributable to such expansion; and

"(3) guarantee to non-Federal lenders and to the Federal Financing Bank payment of the principal of and the interest on loans made to nonprofit private health maintenance organizations for the amounts referred to in paragraph (1) or (2).

No loan or loan guarantees may be made under this section for the costs of operation of a health maintenance organization unless the Secretary determines that the organization has made all reasonable attempts to meet such costs.

"(b)(1) Except as provided in paragraph (2), the aggregate amount of principal of loans made or guaranteed, or both, under this section for a health maintenance organization may not exceed $2,500,000 (or $4,500,000 if the Secretary makes a written determination that such loans or loan guarantees are necessary to preserve the fiscally sound operation of the health maintenance organization and to protect against the risk of insolvency of the health maintenance organization and, within 30 days of the making of such loans or loan guarantees, furnishes the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives with written notification of the making of the loans or loan guarantees and the reasons for the determination) through September 30, 1979, and $4,500,000 thereafter. In any twelve-month period the amount disbursed to a health maintenance organization under this section (either directly by the Secretary or by an escrow agent under the terms of an escrow agreement or by a lender under a loan guaranteed under this section) may not exceed $1,000,000 (or $2,000,000 if the Secretary makes a written determination that such disbursements are necessary to preserve the fiscally sound operation of the health maintenance organization and protect against the risk of insolvency of the health maintenance organization and, within 30 days of such disbursement, furnishes the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives with written notification of the making of the disbursement and a copy of the written determination made with respect to it and the reasons for the determination) through September 30, 1979, and $2,000,000 thereafter.

"(2) The cumulative total of the principal of the loans outstanding at any time which have been directly made or with respect to which guarantees have been issued under subsection (a) may not exceed such limitations as may be specified in appropriation Acts.

"(c) Loans under this section shall be made from the fund established under section 1307(e).

"(d) No loan may be made or guaranteed under this section after September 30, 1981, except to such entities as first received financial support under this title before such date.

"APPLICATION REQUIREMENTS

"SEC. 1305. (a) No loan or loan guarantee may be made under this title unless an application therefor has been submitted to and approved by the Secretary.

"(b) The Secretary may not approve an application for a loan or loan guarantee under this title unless—

"(1) in the case of an application for assistance under section 1303 or 1304, such application meets the application requirements of such section and section 1307;

"(2) in the case of an application for assistance under section 1303 or 1304, he determines that the applicant making the application would not be able to complete the project or undertaking for which the application is submitted without the assistance applied for;

"(3) the application contains satisfactory specification of the existing or anticipated (A) population group or groups to be served by the proposed or existing health maintenance organization described in the application, (B) membership of such organization, (C) methods, terms, and periods of the enrollment of members of such organization, (D) estimated costs per member of the health services to be provided by such organization and the nature of such costs, (E) sources of professional services for such organization, and organizational arrangements of such organization for providing health services, (F) sources of prepayment and other forms of payment for the services to be provided by such organization, (G) facilities, and additional capital investments and sources of financing therefor, available to such organization to provide the level and scope of services proposed, (H) administrative, managerial, and financial arrangements and capabilities of such organization, (I) role for members in the planning and policy-making for such organization, (J) grievance procedures for members of such organization, and (K) evaluations of the support for and acceptance of such organization by the population to be served, the sources of operating support, and the professional groups to be involved or affected thereby;

"(4) contains or is supported by assurances satisfactory to the Secretary that the applicant making the application will, in accordance with such criteria as the Secretary shall by regulation prescribe, enroll, and maintain an enrollment of the maximum number of members that its available and potential resources (as determined under regulations of the Secretary) will enable it to effectively serve;

"(5) in the case of an application made for a project which previously received a grant, contract, loan, or loan guarantee under this title, such application contains or is supported by assurances satisfactory to the Secretary that the applicant making the application has the financial capability to adequately carry out the purposes of such project and has developed and operated such project in accordance with the requirements of this title and with the plans contained in previous applications for such assistance; and

"(6) the application is submitted in such form and manner, and contains such additional information, as the Secretary shall prescribe in regulations.

An organization making multiple applications for more than one grant, contract, loan, or loan guarantee under this title, simultaneously or over the course of time, shall not be required to submit duplicate or redundant information but shall be required to update the specifications (required by paragraph (3)) respecting the existing or proposed health maintenance organization in such manner and with such frequency as the Secretary may by regulation prescribe. In determining, for purposes of paragraph (2), whether an applicant would be able to complete a project or undertaking without the assistance applied for, the Secretary shall not consider any asset of the applicant the obligation of which for such undertaking or project would jeopardize the fiscal soundness of the applicant.

"(c) Upon denial of an application by an entity for designation as a 'qualified health maintenance organization' (as defined in section 1309 (d)), the Secretary shall, within a reasonable time as established in regulations, give written notification to the entity making such application of the reasons for denial and shall provide the entity a reasonable opportunity for reconsideration of such determination including, at the entity's election, a fair hearing.

"ADMINISTRATION OF ASSISTANCE PROGRAMS

"SEC. 1306. (a)(1) Each recipient of a loan or loan guarantee under this title shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of the loan (directly made or guaranteed), the total cost of the undertaking in connection with which the loan was given or used, the amount of that portion of the cost of the undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary, or any of his duly authorized representatives, shall at reasonable times, and upon written request which gives reasonable notice and includes a specific statement of the reasons for such request, have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients of a loan or loan guarantee under this title which relate to such assistance.

"(b) Upon expiration of the period for which a loan or loan guarantee was provided an entity under this title, such entity shall make a full and complete report to the Secretary in such manner as he may by regulation prescribe. Each such report shall contain, among such other matters as the Secretary may by regulation require, descriptions of plans, developments, and operations relating to the matters referred to in section 1305(b)(3).

"(c) An entity which provides health services to a defined population on a prepaid basis and which has members who are entitled to insurance benefits under title XVIII of the Social Security Act or to medical assistance under a State plan approved under title XIX of such Act may be considered as a health maintenance organization for purposes of receiving assistance under this title if—

"(1) with respect to its members who are entitled to such insurance benefits or to such medical assistance it (A) provides health services in accordance with section 1301(b), except that it does not furnish to those members the health services (within the basic health services) for which it may not be compensated under such title XVIII or such State plan, and (B) is organized and operated in the manner prescribed by section 1301(c), except that it does not assume full financial risk on a prospective basis for the provision to such members of basic or supplemental health services with respect to which it is not required under such title XVIII or such State plan to assume such financial risk; and

"(2) with respect to its other members it provides health services in accordance with section 1301(b) and is organized and operated in the manner prescribed by section 1301(c).

An entity which provides health services to a defined population on a prepaid basis and

which has members who are enrolled under the health benefits program authorized by chapter 89 of title 5, United States Code, may be considered as a health maintenance organization for purposes of receiving assistance under this title if with respect to its other members it provides health services in accordance with section 1301(b) and is organized and operated in the manner prescribed by section 1301(c).

"GENERAL PROVISIONS RELATING TO LOAN GUARANTEES AND LOANS

"SEC. 1307. (a)(1) The Secretary may not approve an application for a loan guarantee under this title unless he determines that (A) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for loans with similar maturities, terms, conditions, and security and the risks assumed by the United States, and (B) the loan would not be available on reasonable terms and conditions without the guarantee under this title.

"(2)(A) The United States shall be entitled to recover from the applicant for a loan guarantee under this title the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery; and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

"(B) To the extent permitted by subparagraph (C), any terms and conditions applicable to a loan guarantee under this title (including terms and conditions imposed under subparagraph (D)) may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

"(C) Any loan guarantee made by the Secretary under this title shall be incontestable (i) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee, and (ii) as to any person (or his successor in interest) who makes or contracts to make a loan to such applicant in reliance thereon unless such person (or his successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

"(D) Guarantees of loans under this title shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this title will be achieved.

"(b)(1) The Secretary may not approve an application for a loan under this title unless—

"(A) the Secretary is reasonably satisfied that the applicant therefor will be able to make payments of principal and interest thereon when due, and

"(B) the applicant provides the Secretary with reasonable assurances that there will be available to it such additional funds as may be necessary to complete the project or undertaking with respect to which such loan is requested.

"(2) Any loan made under this title shall (A) have such security, (B) have such maturity date, (C) be repayable in such installments, (D) initially bear interest at a rate comparable to the current rate of interest prevailing, on the date the loan is made, with respect to marketable obligations of the United States of comparable maturities, adjusted to provide for appropriate administrative charges, and which may be varied from time to time to reflect changes in the rate of interest prevailing with respect to such marketable obligations, and (E) be subject to such other terms and conditions (including provisions for recovery in case of default), as the Secretary determines to be necessary to carry out the purposes of this title while adequately protecting the financial interests of the United States.

"(3) The Secretary may, for good cause but with due regard to the financial interests of the United States, waive any right of recovery which he has by reason of the failure of a borrower to make payments of principal of and interest on a loan made under this title, except that if such loan is sold and guaranteed, any such waiver shall have no effect upon the Secretary's guarantee of timely payment of principal and interest.

"(c)(1) The Secretary may from time to time, but with due regard to the financial interests of the United States, sell loans made by him under this title.

"(2) The Secretary may agree, prior to his sale of any such loan, to guarantee to the purchaser (and any successor in interest of the purchaser) compliance by the borrower with the terms and conditions of such loan. Any such agreement shall contain such terms and conditions as the Secretary considers necessary to protect the financial interests of the United States or as otherwise appropriate. Any such agreement may (A) provide that the Secretary shall act as agent of any such purchaser for the purchase of collecting from the borrower to which such loan was made and paying over to such purchaser, any payments of principal and interest payable by such organization under such loan; and (B) provide for the repurchase by the Secretary of any such loan on such terms and conditions as may be specified in the agreeemnt. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee under this paragraph.

"(3) After any loan under this title to a public health maintenance organization has been sold and guaranteed under this subsection, interest paid on such loan which is received by the purchaser thereof (or his successor in interest) shall be included in the gross income of the purchaser of the loan (or his successor in interest) for the purpose of chapter 1 of the Internal Revenue Code of 1954.

"(4) Amounts received by the Secretary as proceeds from the sale of loans under this subsection shall be deposited in the loan fund established under subsection (e).

"(5) Any reference in this title (other than in this subsection and in subsection (d)) to a loan guarantee under this title does not include a loan guarantee made under this subsection.

"(d)(1) There is established in the Treasury a loan guarantee fund (hereinafter in this subsection referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts, to enable him to discharge his responsibilities under loan guarantees issued by him under this title and to take the action authorized by subsection (f). There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund. To the extent authorized in appropriation Acts, there shall also be deposited in the fund amounts received by the Secretary in connection with loan guarantees under this title and other property or assets derived by him from his operations respecting such loan guarantees, including any money derived from the sale of assets.

"(2) If at any time the sums in the funds are insufficient to enable the Secretary to discharge his responsibilities under guarantees issued by him under this title and to take the action authorized by subsection (f), he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued under this paragraph and for that purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this paragraph. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this paragraph shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from the fund.

"(e) There is established in the Treasury a loan fund (hereinafter in this subsection referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts, to enable him to make loans under this title and to take the action authorized by subsection (f). There shall also be deposited in the fund amounts received by the Secretary as interest payments and repayment of principal on loans made under this title and other property or assets derived by him from his operations respecting such loans, from the sale of loans under subsection (c) of this section, or from the sale of assets.

"(f) The Secretary may take such action as he deems appropriate to protect the interest of the United States in the event of a default on a loan made or guaranteed under this title, including taking possession of, holding, and using real property pledged as security for such a loan or loan guarantee.

"(g) The Secretary may from time to time deposit into the miscellaneous receipts of the Treasury from the funds established under subsections (d) and (e) amounts that he finds are not needed to accomplish the purposes of those funds.

"AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 1308. (a) For the purpose of carrying out section 1312, there are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1982, and for each of the two succeeding fiscal years.

"(b) There is authorized to be appropriated to the loan fund established under section 1307(e) $75,000,000 in the aggregate for the fiscal years ending June 30, 1974, and June 30, 1975, and thereafter such sums as may be requested by the Secretary to assist health maintenance organizations which received financial support under this title before October 1, 1981.

"EMPLOYEES' HEALTH BENEFITS PLANS

"SEC. 1309. (a)(1) In accordance with regulations which the Secretary shall prescribe—

"(A) each employer—

"(i) which is now or hereafter required during any calendar quarter to pay its employees the minimum wage prescribed by section 6 of the Fair Labor Standards Act of 1938 (or would be required to pay its

employees such wage but for section 13(a) of such Act), and

"(ii) which during such calendar quarter employed an average number of employees of not less than 25,

shall include in any health benefits plan, and

"(B) any State and each political subdivision thereof which during any calendar quarter employed an average number of employees of not less than 25, shall, to the maximum extent practicable, include in any health benefits plan,

offered to such employees in the calendar year beginning after such calendar quarter the option of membership in qualified health maintenance organizations which are engaged in the provision of basic health services in health maintenance organization service areas in which at least 25 of such employees reside.

"(2) If any of the employees of an employer or State or political subdivision thereof described in paragraph (1) are represented by a collective-bargaining representative or other employee representative designated or selected under any law, offer of membership in a qualified health maintenance organization required by paragraph (1) to be made in a health benefits plan offered to such employees (A) shall first be made to such collective-bargaining representative or other employee representative, and (B) if such offer is accepted by such representative, shall then be made to each such employee.

"(b) If there is more than one qualified health maintenance organization which is engaged in the provision of basic and supplemental health services in the area in which the employees of an employer subject to subsection (a) reside and if—

"(1) one or more of such organizations provides basic health services through physicians or other health professionals who are members of the staff of the organization or a medical group (or groups), and

"(2) one or more of such organizations provides basic health services through (A) an individual practice association (or associations), (B) individual physicians and other health professionals under contract with the organization, or (C) a combination of such association (or associations), medical group (or groups), staff, and individual physicians and other health professionals under contract with the organization,

then of the qualified health maintenance organizations included in a health benefits plan of such employer pursuant to subsection (a) at least one shall be an organization which provides basic health services as described in clause (1) and at least one shall be an organization which provides basic health services as described in clause (2).

"(c)(1) No employer shall be required to pay more for health benefits as a result of the application of this section than would otherwise be required by any prevailing collective bargaining agreement or other legally enforceable contract for the provision of health benefits between the employer and its employees. Each employer which provides payroll deductions as a means of paying employees' contributions for health benefits or which provides a health benefits plan to which an employee contribution is not required and which is required by subsection (a) to offer his employees the option of membership in a qualified health maintenance organization shall, with the consent of an employee who exercises such option arrange for the employee's contribution for such membership to be paid through payroll deductions.

"(2) No employer shall be required to provide the option specified in subsection (a) if such employer provides as part of its health benefit package a supplemental benefit specified in section 1302(2) and no qualified health maintenance organization will agree to provide such benefits.

"(d) For purposes of this section, the term 'qualified health maintenance organization' means (1) a health maintenance organization under the terms of this title, and (2) an entity which proposes to become a health maintenance organization and which the Secretary determines will when it becomes operational provide basic and supplemental health services to its members in the manner prescribed by section 1301(b) and will be organized and operated in the manner prescribed by section 1301(c): *Provided, however*, That every health maintenance organization must, at its own expense, demonstrate to the Secretary every two years (or such longer period as the Secretary may, by regulation, require), that such organization is qualified under this title.

"(e)(1) Any employer who knowingly does not comply with one or more of the requirements of subsection (a), (b) or (c) shall be subject to a civil penalty of not more than $10,000. If such noncompliance continues, a civil penalty may be assessed and collected under this subsection for each thirty-day period such noncompliance continues. Such penalty may be assessed by the Secretary and collected in a civil action brought by the United States in a United States district court.

"(2) In any proceeding by the Secretary to assess a civil penalty under this subsection, no penalty shall be assessed until the employer charged shall have been given notice and an opportunity to present its views on such charge. In determining the amount of the penalty, or the amount agreed upon in compromise, the Secretary shall consider the gravity of the noncompliance and the demonstrated good faith of the employer charged in attempting to achieve rapid compliance after notification by the Secretary of a noncompliance.

"(3) In any civil action brought to review the assessment of a civil penalty assessed under this subsection, the court shall, at the request of any party to such action, hold a trial de novo on the assessment of such civil penalty and in any civil action to collect such a civil penalty, the court shall, at the request of any party to such action, hold a trial de novo on the assessment of such civil penalty unless in a prior civil action to review the assessment of such penalty the court held a trial de novo on such assessment.

"(f) For the purposes of this section, the term 'employer' does not include (1) the Government of the United States, the government of the District of Columbia or any territory or possession of the United States, a State or any political subdivision thereof, or any agency or instrumentality (including the United States Postal Service and Postal Rate Commission) of any of the foregoing; or (2) a church, convention or association of churches, or any organization operated, supervised or controlled by a church, convention or association of churches which organization (A) is an organization described in section 501(c)(3) of the Internal Revenue Code of 1954, and (B) does not discriminate (i) in the employment, compensation, promotion, or termination of employment of any personnel, or (ii) in the extension of staff or other privileges to any physician or other health personnel, because such persons seek to obtain or obtained health care, or participate in providing health care, through a health maintenance organization.

"RESTRICTIVE STATE LAWS AND PRACTICES

"SEC. 1310. (a) In the case of any entity—

"(1) which cannot do business as a health maintenance organization in a State in which it proposes to furnish basic and supplemental health services because that State by law, regulation, or otherwise—

"(A) requires as a condition to doing business in that State that a medical society approve the furnishing of services by the entity,

"(B) requires that physicians constitute all or a percentage of its governing body,

"(C) requires that all physicians or a percentage of physicians in the locale participate or be permitted to participate in the provision of services for the entity, or

"(D) requires that the entity meet requirements for insurers of health care services doing business in that State respecting initial capitalization and establishment of financial reserves against insolvency, and

"(2) for which a loan or loan guarantee was made under this title or which is a qualified health maintenance organization for purposes of section 1309 (relating to employees' health benefits plans),

such requirements shall not apply to that entity so as to prevent it from operating as a health maintenance organization in accordance with section 1301.

"(b) No State may establish or enforce any law which prevents a health maintenance organization for which a loan or loan guarantee was made under this title or which is a qualified health maintenance organization for purposes of section 1309 (relating to employees' health benefits plans), from soliciting members through advertising its services, charges, or other nonprofessional aspects of its operation. This subsection does not authorize any advertising which identifies, refers to, or makes any qualitative judgment concerning, any health professional who provides services for a health maintenance organization.

"CONTINUED REGULATION OF HEALTH MAINTENANCE ORGANIZATIONS

"SEC. 1311. (a) If the Secretary determines that an entity which received a loan or loan guarantee under this title as a health maintenance organization or which was included in a health benefits plan offered to employees pursuant to section 1309—

"(1) fails to provide basic and supplemental services to its members,

"(2) fails to provide such services in the manner prescribed by section 1301(b), or

"(3) is not organized or operated in the manner prescribed by section 1301(c),

the Secretary may take the action authorized by subsection (b).

"(b)(1) If the Secretary makes, with respect to any health maintenance organization as defined under section 1309(d)(1), a determination described in subsection (a), the Secretary shall notify the entity in writing of the determination. Such notice shall specify the manner in which the entity has not complied with such assurances and direct that the entity initiate (within 30 days of the date the notice is issued by the Secretary or within such longer period as the Secretary determines is reasonable) such action as may be necessary to bring (within such period as the Secretary shall prescribe) the entity into compliance with the assurances. If the entity fails to initiate corrective action within the period prescribed by the notice or fails to comply with the assurances within such period as the Secretary prescribes, then after the Secretary provides the entity a reasonable opportunity for reconsideration of his determination, including, at the entity's election, a fair hearing, (A) the entity shall not be a qualified health maintenance organization for purposes of section 1309 until such date as the Secretary determines that it is in compliance with the assurances, and (B) each employer which has offered membership in the entity in compliance with section 1309, each lawfully recognized collective bargaining representative or other employee representative which represents the employees of each such employer, and the members of such entity shall be notified by the entity that the entity is not a qualified health

maintenance organization for purposes of such section. The notice required by clause (B) of the preceding sentence shall contain, in readily understandable language, the reasons for the determination that the entity is not a qualified health maintenance organization. The Secretary shall publish in the Federal Register each determination referred to in this paragraph.

"(2) If the Secretary makes, with respect to an entity which has received a loan, or loan guarantee under this title, a determination described in subsection (a), the Secretary may, in addition to any other remedies available to him, bring a civil action in the United States district court for the district in which such entity is located to enforce its compliance with the assurances it furnished respecting the provision of basic and supplemental health services or its organization or operation, as the case may be, which assurances were made in connection with its application under this title for the loan or loan guarantee.

"(c) The Secretary may delegate to a State any or all of his responsibilities under subsection (a) and subsection (b)(1) with respect to entities in that State, but only to the extent that the Secretary finds that the State is able and willing to carry out those responsibilities.

"TRAINING AND TECHNICAL ASSISTANCE

"SEC. 1312. (a)(1) The Secretary shall establish a National Health Maintenance Organization Intern Program (hereinafter in this subsection referred to as the 'Program') for the purpose of providing training to individuals to become administrators and medical directors of health maintenance organizations or to assume other managerial positions with health maintenance organization. Under the Program the Secretary may directly provide internships for such training and may make grants to or enter into contracts with health maintenance organizations and other entities to provide such internships.

"(2) No internship may be provided by the Secretary and no grant may be made or contract entered into by the Secretary for the provision of internships unless an application therefor has been submitted to and approved by the Secretary. Such an application shall be in such form and contain such information, and be submitted to the Secretary in such manner, as the Secretary shall prescribe.

"(3) Internships under the Program shall provide for such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the recipients of the internships as the Secretary deems necessary. An internship provided an individual for training at a health maintenance organization or any other entity shall also provide for payments to be made to the organization or other entity for the cost of support services (including the cost of salaries, supplies, equipment, and related items) provided such individual by such organization or other entity. The amount of any such payments to any organization or other entity shall be determined by the Secretary and shall bear a direct relationship to the reasonable costs of the organization or other entity for establishing and maintaining its training programs.

"(4) Payments under grants under the Program may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(b) The Secretary shall provide technical assistance (1) to entities in connection with projects for which loans are being provided under section 1304, (2) to entities intending to become a qualified health maintenance organization within the meaning of section 1309(d), and (3) to health maintenance organizations. The Secretary may provide such technical assistance through grants to public and nonprofit private entities and contracts with public and private entities.

"(c) The authority of the Secretary to enter into contracts under subsections (a) and (b) shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance by appropriation Acts.

"FINANCIAL DISCLOSURE

"SEC. 1313. (a) Each health maintenance organization shall, in accordance with regulations of the Secretary, report to the Secretary financial information which shall include the following:

"(1) Such information as the Secretary determines is necessary to demonstrate that the health maintenance organization has a fiscally sound operation.

"(2) The information required to be reported under section 1124 of the Social Security Act by disclosing entities and the information required to be supplied under section 1902(a)(38) of such Act.

"(3) A description of transactions, as specified by the Secretary, between the health maintenance organization and a party in interest. Such transactions shall include—

"(A) any sale or exchange, or leasing of any property between the health maintenance organization and a party in interest:

"(B) any furnishing for consideration of goods, services (including management services, but excluding health services provided to members by staff, medical group (or groups), individual practice association (or associations), or any combination thereof), or facilities between the health maintenance organization and a party in interest; and

"(C) any lending of money or other extension of credit between a health maintenance organization and a party in interest.

The Secretary may require that information reported respecting a health maintenance organization which controls, is controlled by, or is under common control with, another entity be in the form of a consolidated financial statement for the organization and such entity.

"(b) For the purposes of this section the term 'party in interest' means:

"(1) any director, officer, partner, or employee of a health maintenance organization, any person who is directly or indirectly the beneficial owner of more than 5 per centum of the equity of the organization, any person who is the beneficial owner of a mortgage, deed of trust, note, or other interest secured by, and valuing more than 5 per centum of the health maintenance organization, and, in the case of a health maintenance organization organized as a nonprofit corporation, an incorporator or member of such corporation under applicable State corporation law;

"(2) any entity in which a person described in paragraph (1)—

"(A) is an officer or director;

"(B) is a partner (if such entity is organized as a partnership);

"(C) has directly or indirectly a beneficial interest of more than 5 per centum of the equity; or

"(D) has a mortgage, deed of trust, note, on other interest valuing more than 5 per centum of the assets of such entity;

"(3) any person directly or indirectly controlling, controlled by, or under common control with a health maintenance organization; and

"(4) any member of the immediate family of an individual described in paragraph (1).

"(c) Each health maintenance organization shall make the information reported pursuant to subsection (a) available to its enrollees upon reasonable request.

"(d) The Secretary may, as he deems necessary, conduct an evaluation of transactions reported to the Secretary under subsection (a)(3) for the purpose of determining their adverse impact, if any, on the fiscal soundness and reasonableness of charges to the health maintenance organization with respect to which they transpired.

"(e) Nothing in this section shall be construed to confer upon the Secretary any authority to approve or disapprove the rates charged by any health maintenance organization.

"(f) Any health maintenance organization failing to file with the Secretary the annual financial statement required in subsection (a) shall be ineligible for any Federal assistance under this title until such time as such statement is received by the Secretary and shall not be a qualified health maintenance organization for purposes of section 1309.

"(g) Whoever knowingly and willfully makes or causes to be made any false statement or representation of a material fact in any statement filed pursuant to this section shall be guilty of a felony and upon conviction thereof shall be fined not more than $25,000 or imprisoned for not more than five years, or both.".

SEC. 3. This Act shall take effect on October 1, 1981.

By Mr. McCLURE (for himself, Mr. MELCHER, Mr. HELMS, Mr. DECONCINI, Mr. MATTINGLY, Mr. JACKSON, Mr. JOHNSTON, Mr. DOMENICI, Mr. THURMOND, Mr. SASSER, Mr. D'AMATO, Mr. ABDNOR, Mr. QUAYLE, Mr. DURENBERGER, Mr. LAXALT, Mr. STEVENS, Mr. TOWER, Mr. HEFLIN, Mr. SCHMITT, Mr. WALLOP, Mr. DANFORTH, Mr. CANNON, Mr. GARN, Mr. GOLDWATER, Mr. BENTSEN, Mr. BURDICK, Mr. SYMMS, Mr. DENTON, Mr. HATFIELD, Mr. HUMPHREY, Mr. HATCH, Mr. EAGLETON, and Mr. COHEN):

S. 1030. A bill to protect firearms owners constitutional rights, civil liberties and rights to privacy; to the Committee on the Judiciary.

PROTECTION OF RIGHTS FOR FIREARM OWNERS

● Mr. McCLURE. Mr. President, if the majority of the Members of the 85th Congress had envisioned the intrinsic flaws of the Gun Control Act of 1968; if the majority of the Congress had looked upon that legislation with a sensitivity toward probable civil liberties abuses—the Gun Control Act would never have become law in its present form.

But in the clear vision of hindsight, the Members of the 97th Congress—each of us—can see the irrefutable evidence of citizens rights crushed under the color of this law.

Where many of those who voted for the Gun Control Act did so with no clear idea of future civil liberties violations, that same lack of vision cannot be claimed today.

The American people—especially the 60 million firearms owners who have been and are the potential victims of this bad law—must surely hold this Congress remiss if we reenact the onerous provisions of the Federal gun control statutes—provisions which have created such an appalling record of abuse—and that is what is at issue in the bill I introduce today.

We must not repeat the legislative mistakes of the past.

Today, with this bill the Senate can assure Americans that the past abuses will never be repeated; that the individ-

ual suffering of hundreds of citizens victimized by two agencies of the Federal Government—the Bureau of Alcohol, Tobacco and Firearms, and the U.S. Department of Justice—will never again be inflicted.

This bill carries the names of one-third of our colleagues. Its support is singularly marked by no partisanship on the issue of the enactment of the code.

It does hold two common elements—a fundamental understanding of the endemic civil rights violations in the enforcement of current law—and a wish to bring GCA 1968 into line with constitutional restraints.

The bill is an act of legislative decency.

It is a means to make good the promise made in the preamble of the 1968 Gun Control Act—that the new gun law would never be used "to place any undue Federal restrictions or burdens upon law-abiding citizens."

Mr. President, that promise has not been kept, because, it could not be kept. The pact between the Congress and the people was not honored because of the very nature of the law itself.

GCA 1968 is, for the most part, a criminal law which contains no element of scienter. Prosecutors need not prove any level of criminal intent to establish guilt.

GCA 1968 is a law under which every violation—even the slightest technical transgression—is a felony.

This is a lethal combination—an invitation to civil liberties abuse by any agency enforcing and prosecuting the law.

In three separate congressional inquiries—two in the Senate Appropriations Subcommittee on the Treasury, and the Crime Subcommittee of the House Judiciary Committee—the abusive and illegal practices of the Bureau of Alcohol, Tobacco and Firearms have been aired.

The record of those hearings has shown without doubt that the statute itself is flawed, and must be changed.

The current director of the BATF has promised instead to create "administrative remedies" to counter admitted civil liberties violations of the past—a quick fix, easily subverted.

This is, after all, a government of laws and not of men. Good men can be replaced with men of evil intentions, and without good law to protect the rights of the innocent, evil men can ultimately prevail.

That concept has been the burning core of BATF's enforcement of the Gun Control Act. Evil men have prevailed.

In any hard look at the practices used by agencies enforcing GCA 1968, from its inception, one stark fact surfaces—that most men and women prosecuted under the law are not criminals. Most have nothing whatsoever to do with street crime. They are citizens whose intent is to obey the law. They are citizens who have been ensnared into committing technical violations which they do not understand.

Entrapment has become the by-word of the so-called law enforcement techniques carried out by the BATF, because this is a law which invites such abuse.

In 2 years of intensive study of the enforcement record of BATF, my staff has found few, if any, cases where BATF applied its energies to pursuing real criminals.

Instead, it has created a whole new class of felons through enticement, and through the manufacture of supposed crimes.

BATF, in massive public relations campaigns in the media, has created the impression that it has been countering illegal gun running. That campaign, that impression, has been totally false.

Commonsense and normal law enforcement would dictate that the agency would find those who are illegally running guns to street criminals and prosecute them.. No one could argue with that.

But the BATF does not prosecute criminals.

Instead, the agency invents a method by which, it claims, criminals could circumvent or break the law, then entices dealers and collectors to become unwitting and unwilling parties to such a scheme. No real criminal is ever involved in such schemes.

For example, it is illegal under current law for a dealer to sell a firearm to an out-of-State resident. Most dealers know this. Most dealers uniformly refuse such a sale. A dealer enticed into knowingly selling a firearm directly to a prohibited buyer might be fair game under the law.

But when it became obvious to BATF that dealers would indeed refuse such an illegal sale, the agency went one step farther.

That one step was something called "strawman"—a technique which has since been repudiated by the current director of the BATF as being a total misdirection and misuse of Federal police powers.

"Strawman" entrapment, very simply, involves an approach to a federally licensed dealer by two agents—one posing as a prohibited purchaser, an out-of-State resident—the other as a legal purchaser.

The resident, usually claiming to be a friend or relative of the nonresident, purchases the firearm—meeting all legal requirements. He gives it to the nonresident agent. When the transaction is closed, the dealer is arrested.

But for what? Where is the crime? The dealer has fulfilled his legal requirements.

Any transfer of the firearm between the two agents—the out-of-State resident and the man who legally purchased the firearm—is a Federal felony, not involving the dealer, but involving the Federal officers. Yet the dealer is arrested.

In closing the transaction, the in-State-resident must sign a Federal form swearing he is the legal purchaser. I believe that such a written oath is an act of willful perjury by the Federal agent. Yet the dealer is arrested.

Since the invention of the "strawman" technique, hundreds of dealers have been prosecuted or driven out of business to avoid prosecution.

Yet there is absolutely nothing in the Federal statute, or in any regulation ever published in the Federal Register, as required under the Freedom of Information Act, which would make "strawman" sales a crime.

There simply is no basis in law for such a prosecution.

And therein lies perhaps the real flaw of the Gun Control Act of 1968.

The act contains a unique silence as to what specific activities are legal or illegal.

Such a decision has been left—or more accurately—taken at the discretion of those in control of the agency.

Literally hundreds of citizens have been arrested, indicted, tried, and convicted for crimes—like "strawman"—which have no definition, either in the statute or regulation.

Furthermore, under the whim of different administrations of BATF, what is legal today will be a felony tomorrow. It is that simple.

We are not talking here about a question of prosecutorial discretion over a well-defined, well-constructed section of statute. We are not even talking about carefully crafted regulations which meet the standards of the Freedom of Information Act or the Administrative Policy Act.

This is something which has no place in the American criminal justice system—agency's discretion in which the definition of what constitutes criminal activities lies wholly in the minds of those in control of criminal enforcement.

We are talking about the destruction of human lives, the destruction of families by government—the end result of such discretionary extra-legal power.

A young Maryland firearms dealer was convicted in U.S. district court of selling five firearms from his private collection, without running the transactions through his Federal records.

The dealer, a man with an impeccable record of personal conduct, was advised by Federal BATF inspectors that such sales were legal—a fact never challenged by Federal prosecutors.

Yet, in spite of those verbally approved sales, the dealer has become a 12-count convicted Federal felon.

Just 1 week before his conviction, the Acting Director of BATF wrote our colleague, S. I. HAYAKAWA, saying specifically that such sales were indeed legal. That policy statement was not sent by the Director to the court—an unmistakable violation of Brady against Maryland, the landmark decision which forbade prosecutors from withholding information favorable to a defendant. In this case, the very innocence of the conduct in question was withheld.

Now, most recently, the current Director of the BATF has informed the U.S. attorney involved in the case that the former Director's policy statement was not only in error, but, "on reconsideration, we have determined that these statements are not accurate and do not comport with the official policy taken by BATF. * * *"

So the statements of field agents to the defendant and the statement of policy of the former Director to a Member of the

U.S. Senate are not official policy, merely because the directorship of the agency has changed.

This is not a squabble over a matter of internal policy. This is a squabble over a matter of internal law. In the balance, for 3 long years, is a man's life, and the ruin of a family. Use of internal law, of secret law do not end with strawman or with the private sales issue.

It extends to a third major area of prosecution for the BATF.

What constitutes a violation of engaging in the business of selling firearms without a license?

A BATF internal memorandum—dated January 5, 1978—says the term "engaging in the business" is not defined in the law or regulations and is indeed not susceptible to a rigid definition. Determinations as to whether a person should be prosecuted for "engaging in the business" are made on an ad hoc, case-by-case basis.

In direct response to last year's Senate hearings conducted by our colleague from Arizona, Senator DECONCINI, and by me, BATF published a bizarre proposed rulemaking—seeking comment on what a definition of engaging in the business should be. This was not an order seeking public comment on specific language proposed by BATF, this was an open-ended request.

Yet in the total absence of a definition of a crime, BATF has prosecuted scores of gun collectors and gun show exhibitions. It is shameful.

And today, while comments are being collected by the agency, BATF agents are entrapping firearms owners into gun sales resulting in "engaging in the business" prosecutions.

But in all of this abuse, there is yet another element which compounds the wrongs of the BATF and of the U.S. Department of Justice.

All too often when a citizen, accused of BATF-manufactured crimes, is tried and acquitted, his ordeal at the hands of the Federal Government is far from over. Having paid the expensive and emotional price of a court trial, the acquitted defendant is then forced to go through a further series of Federal proceedings—all based on the same original manufactured charges.

In pressing this doctrine of vindictive pursuit, BATF refuses to renew an acquitted dealer's license. The dealer is forced to seek restoration of his Federal firearms license, through administrative hearings, and often on appeal, through the courts.

Winning the return of his license, all too often, the dealer is then faced with a civil trial—in a forfeiture action—to seek return of firearms and records confiscated by BATF.

This is a pattern, a well-established formula used by BATF, which amounts to a kind of double and triple jeopardy—and always, the ordeal inflicted by BATF and by U.S. attorneys is based on the same evidence, which led to acquittal on criminal charges.

Mr. President, the McClure bill is drafted to curb specific abuses of civil liberties. It is written to assure that the flaws in Federal gun control statutes which have spawned such abuse are corrected. And it is drafted to assure that the purpose of the Federal statutes will be to curb real criminal misuse of firearms.

If we fail to correct those flaws today, this body will be, in effect, endorsing the wrongful conduct of agencies of the Federal Government.

Mr. President, I thank my colleagues and ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1030

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that the rights of citizens to keep and bear arms under the Second Amendment to the United States Constitution; their rights to security against illegal and unreasonable searches and seizures under the Fourth Amendment; their protections against uncompensated taking of property, double jeopardy, and assurance of due process of law under the Fifth Amendment; and their rights against unconstitutional exercise of authority under the Ninth and Tenth Amendment; have been infringed under, and in enforcement of, existing firearm statutes.

The Congress finds that the agencies charged with enforcement of these laws have divulged information concerning private citizens to local administrators, and to the public, for the purpose of causing harassment and embarassment of these citizens, in violation of the rights of those citizens under the Privacy Act, as enacted by Congress.

The Congress further finds that its intent, as expressed in the preamble to the Gun Control Act, that "it is not the purpose of this title to place any undue or unnecessary Federal restrictions or burdens on law-abiding citizens with respect to the acquisition, possession, or use of firearms, . . ." or "to discourage or eliminate the private ownership or use of firearms by law-abiding citizens for lawful purposes," has been thwarted by these enforcement practices which are aimed at harassing, burdening and harming those law-abiding citizens who choose to own and use firearms for legitimate purposes.

TITLE I—AMENDMENTS TO TITLE 18, UNITED STATES CODE (18 U.S.C. 921–928)

AMENDMENTS TO SECTION 921

SEC. 101. (a) Subsection (a)(10) is amended by deleting the word "manufacture of" and inserting in lieu thereof the words "business of manufacturing".

(b) Subsection (a)(11) is amended by deleting the words "or ammunition" in paragraph (A).

(c) Subsection (a)(12) is amended by deleting the words "or ammunition".

(d) Subsection (a)(13) is amended by deleting the words "or ammunition".

(e) A new subsection (a)(14) is inserted after subsection (a)(13), to read as follows; and the following subsections are renumbered accordingly:

"(14) The term 'engaged in the business' means:

"(A) As applied to a manufacturer of firearms, a person who devotes time, attention, and labor to manufacturing firearms as a regular course of trade or business with the principal objective of livelihood and profit through the sale or distribution of the firearms manufactured.

"(B) As applied to a manufacturer of ammunition, a person who devotes time, attention, and labor to manufacturing ammunition as a regular course of trade or business with the principal objective of livelihood and profit through the sale or distribution of the ammunition manufactured.

"(C) As applied to a dealer in firearms, as defined in section 921(a)(11)(A) and (C), a person who devotes time, attention and labor to dealing in firearms as a regular course of trade or business with the principal objective of livelihood and profit through the repetitive purchase and resale of firearms. The term shall not include a person who makes occasional sales, exchanges, or purchases of firearms or who sells all or part of his personal collection of firearms.

"(D) As applied to a dealer in firearms, as defined in section 921(a)(11)(B), a person who devotes time, attention, and labor engaging in such activity as a regular course of trade or business with the principal objective of livelihood and profit. The term shall not include a person who makes occasional repairs of firearms or who occasionally fits special barrels, stocks, or trigger mechanisms to firearms.

"(E) As applied to an importer of firearms, a person other than a dealer who imports one or more firearms in any calendar year.

"(F) As applied to an importer of ammunition, a person who imports any ammunition for sale or distribution.".

(f) Subsection (a)(20) is amended to read as follows: "The term 'crime punishable by imprisonment for a term exceeding one year' shall not include (A) any Federal or State offenses pertaining to antitrust violations, unfair trade practices, restraints of trade, or other similar offenses relating to the regulation of business practices, or (B) any State offense classified by the laws of the State as a misdemeanor and punishable by a term of imprisonment of two years or less: *Provided, however,* That what constitutes a conviction shall be determined in accordance with the law of the jurisdiction in which the proceedings were held: *Provided, further,* That any conviction which has been expunged or set aside or for which a person has been pardoned or has had his or her civil rights restored shall not be considered a conviction under the provisions of this Act.

AMENDMENTS TO SECTION 922

SEC. 102. (a) Subsection (a)(1) is amended to read as follows: "for any person (A) except a licensed importer, licensed manufacturer, or licensed dealer to engage in the business of importing, manufacturing, or dealing in firearms, or in the course of such business to ship, transport, or receive any firearm in interstate or foreign commerce; and (B) except a licensed importer or licensed manufacturer to engage in the business of importing or manufacturing ammunition, or in the course of such business, to ship, transport, or receive any ammunition in interstate or foreign commerce".

(b) Subsection (a)(2) is amended:

(1) by deleting the words "or ammunition"; and

(2) by deleting the words "and subsection (b)(3)".

(c) Subsection (a)(3) is amended to read as follows:

"(3) for any person to transport into or receive in the State where he resides any firearm purchased or otherwise acquired by such person outside that State, if such purchase or acquisition of such firearm would be in violation of any published ordinance or law of the State or locality where he resides or was in violation of any published ordinance or law of the State or locality where the purchase or acquisition occurred.

(d) Subsection (a)(5) is amended to read as follows:

"(5) for any person to transfer, sell, trade, give, transport, or deliver any firearm to any person who does not reside in the same State

as the transferor when the transferor knows or has reasonable cause to believe that the acquisition of such firearm by such person would be in violation of any published ordinance or law of the State or locality where the transferee resides or would be in violation of any published ordinance or law of the State where such transfer occurs; except that this paragraph shall not apply to the loan or rental of a firearm to any person for temporary use for lawful purposes; and"

(e) Subsection (b) is amended:

(1) by deleting paragraph (3) and redesignating paragraphs (4) and (5) as (3) and (4) respectively;

(2) by deleting in paragraphs (2) and newly designated (4) the words "or ammunition" wherever they appear.

(3) by (i) deleting the words "Paragraph (1), (2), (3) and (4)" and inserting in lieu thereof the words "Paragraphs (1), (2) and (3),"; and (ii) deleting the words "Paragraph (4)" and inserting in lieu thereof the words "Paragraph (3)".

(f) Subsection (d) is amended:

(1) by deleting the words "licensed importer, licensed manufacturer, licensed dealer, or licensed collector" the first time they appear and inserting in lieu thereof the words "any person";

(2) by deleting in paragraph (3) the word "or" following the semicolon;

(3) by replacing the period in paragraph (4) with a semicolon; and

(4) by inserting after paragraph (4) the following:

"(5) who, being an alien, is illegally or unlawfully in the United States;

"(6) who has been discharged from the Armed Forces under dishonorable conditions; or

"(7) who, having been a citizen of the United States, has renounced his citizenship."

(g) Subsection (g) is amended:

(1) by deleting the words "is under indictment for, or who" in paragraph (1);

(2) by deleting in paragraph (3) the word "or" following the semicolon;

(3) by inserting after paragraph (4) the following:

"(5) who, being an alien, is illegally or unlawfully in the United States;

"(6) who has been discharged from the Armed Forces under dishonorable conditions; or

"(7) who, having been a citizen of the United States, has renounced his citizenship;"; and

(4) by deleting the words "to ship or transport any firearm or ammunition in interstate or foreign commerce" and inserting in lieu thereof the words "to ship or transport in interstate or foreign commerce, or possess in or affecting commerce, any firearm or ammunition; or to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce."

(h) Subsection (h) is amended:

(1) by inserting after the word "any" and before the word "person" the words "individual who to his knowledge and while being employed by any";

(2) by deleting the words "is under indictment for, or who" in paragraph (1);

(3) by deleting in paragraph (3) the word "or" following the semicolon;

(4) by inserting after paragraph (4) the following:

"(5) who, being an alien, is illegally or unlawfully in the United States;

"(6) who has been discharged from the Armed Forces under dishonorable conditions; or

"(7) who having been a citizen of the United States, has renounced his citizenship;"; and

(5) by deleting the words "to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce" and inserting in lieu thereof the words "in the course of such employment to ship or transport in interstate or foreign commerce, or possess in or affecting commerce, any firearm or ammunition; or to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce."

(i) A new Subsection (i) is inserted after subsection (h) to read as follows; and the following subsections are renumbered accordingly:

"(i) it shall be unlawful for any person who is under indictment for a crime punishable by imprisonment for a term exceeding one year to ship or transport in interstate or foreign commerce any firearm or ammunition or receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce."

AMENDMENTS TO SECTION 923

SEC. 103. (a)(1) Subsection (a) is amended: (i) by deleting the words "No person shall engage in business as a firearms or ammunition importer, manufacturer, or dealer until he has filed an application with, and received a license to do so from the Secretary." and inserting in lieu thereof the words "No person shall engage in the business of importing, manufacturing, or dealing in firearms, or importing or manufacturing ammunition, until he has filed an application with and received a license to do so from the Secretary."; and (ii) by deleting the words "and contain such information".

(2) Subsection (a)(3)(B) is amended by deleting the words "or ammunition for firearms other than destructive devices".

(b) Subsection (b) is amended by deleting the words "and contain such information".

(c) Subsection (c) is amended by adding the words "*Provided, however,* that nothing in this chapter shall be construed as prohibiting a licensed dealer from maintaining a personal collection of firearms not part of his business inventory and which shall not be subject to the record keeping requirements of this chapter.

(d) Subsection (e) is amended by inserting before the word "violated" the word "willfully";

(e) Subsection (f) is amended:

(1) by inserting the words "de novo" before the word "judicial" in paragraph (3);

(2) by adding the words "whether or not such evidence was considered at the hearing held under paragraph (2)." after the words "to the proceeding" in paragraph (3); and

(3) by inserting at the end thereof the following new paragraph:

"(4) If criminal proceedings are instituted against a licensee alleging violations of this chapter or regulations promulgated thereunder, and the licensee is not convicted of such charges, the Secretary shall be absolutely barred from denying or revoking any license granted under the provisions of this chapter where such denial or revocation is based in whole or in part on the facts which formed the basis for the criminal charges.".

(f) Subsection (g) is amended to read as follows:

"(g)(1) Each licensed importer, licensed manufacturer and licensed dealer, shall maintain such records of importation, production, shipment, receipt, sale, or other disposition, of firearms at his place of business for such period, and in such form, as the Secretary may by regulations prescribe. The Secretary, when he has probable cause to believe a violation of this chapter has occurred, and that evidence thereof may be found on such premises, may enter during business hours the premises (including places of storage) of any firearms importer, manufacturer, dealer, or collector or any importer or manufacturer, of ammunition for the purposes of inspecting or examining (1) any records or documents required to be kept by such importer, manufacturer, dealer, or collector under the provisions of this chapter or regulations issued under this chapter, and (2) any firearms or ammunition kept or stored by such importer, manufacturer, dealer, or collector at such premises. This entry and onsite inspection, based on such probable cause shall be the sole and exclusive procedure for inspecting or examining such records, documents, firearms or ammunition kept or stored by such importers, manufacturers, dealers, or collectors and such procedure shall not be construed as authorizing the Secretary to seize any records or other documents. The Secretary may make available to any State or any political subdivision thereof any information which he may obtain by reason of the provisions of this chapter with respect to the identification of persons prohibited from purchasing or receiving firearms or ammunition who have purchased or received firearms or ammunition, together with a description of such firearms or ammunition and he may provide information as to the ownership of any firearm, to the extent such information may be contained in the records required to be maintained by the provisions of this chapter, when so requested by any Federal, State, or local law enforcement agency.

"(2) Each licensed collector shall maintain in a bound volume the nature of which the Secretary may by regulations prescribe, records of the receipt, sale, or other disposition, of firearms. Such records shall include the name and addresses of any person to whom the collector sells, or otherwise disposes of a firearm, and may be inspected only in accordance with the provisions of paragraph (1) of this subsection."

(f) Subsection (j) is deleted.

AMENDMENTS TO SECTION 924

SEC. 104. (a) Subsection (a) is amended by inserting after the word "Whoever" the word "willfully".

(b) Subsection (c) is amended to read as follows: Whoever uses any firearm or destructive device against the person of another, to commit a felony with respect to which the district courts of the United States have original and exclusive jurisdiction shall be sentenced to a term of imprisonment of not less than one year nor more than ten years. In the case of a second or subsequent conviction under this subsection, such person shall be sentenced to a term of imprisonment of not less than five years nor more than twenty-five years. Notwithstanding any other provision of law, in the case of any conviction under this subsection, the court shall not suspend the sentence of such person or give him a probationary sentence, nor shall such person be paroled or furloughed before completing such minimum sentence. *Provided,* That no person shall be sentenced under this subsection if he establishes to the satisfaction of the court that, the use of the firearm or destructive device was to protect his person or the person of another from a reasonably perceived immediate danger, or was in defense of his person, or the person of another or the property of either from conduct constituting a felony.

(c) Subsection (d) is amended to read as follows:

"(1) Any firearm or ammunition involved in or used in any willful violation of the provisions of this chapter or any rule or regulation promulgated thereunder, or any violation of any other criminal law of the United States, shall be subject to seizure, and upon conviction of the owner or possessor of such firearms or ammunition, may be forfeited. All provisions of the Internal Revenue Code of 1954 relating to the seizure, forfeiture and disposition of firearms, as defined in section 5845(a) of that Code, shall, so far as applicable, extend to seizures and forfeitures under the provisions of this chapter. *Provided,* That any dismissal of charges upon

which such seizure is based, any verdict or disposition on such charges other than "guilty", or any failure of the United States to prosecute such owner or possessor on such charges within one hundred and twenty days of such seizure, shall constitute an absolute bar to such forfeiture, and the seized firearms or ammunition shall thereupon be returned to the owner or possessor.

"(2)(A) in any action or proceeding for the return of firearms or ammunition seized under the provisions of this chapter, the court shall allow the prevailing party, other than the United States, a reasonable attorney's fee, and the United States shall be liable therefor.

"(B) In any other action or proceeding under the provisions of this chapter, the court, when it finds that such action was without foundation, or was initiated vexatiously, frivolously, or in bad faith, shall allow the prevailing party, other than the United States, a reasonable attorney's fee, and the United States shall be liable therefor.

"(C) Only those firearms or quantities of ammunition particularly named and individually identified as involved in or used in any violation of the provisions of this chapter or any rule or regulation issued thereunder, or any other criminal law of the United States, shall be subject to seizure, forfeiture, and disposition."

AMENDMENTS TO SECTION 925

SEC. 105. (a) Subsection (c) is amended:

(1) by deleting the words "has been convicted of a crime punishable by imprisonment for a term exceeding one year (other than a crime involving the use of a firearm or other weapon or a violation of this chapter or of the National Firearms Act)" and inserting in lieu thereof the words "is prohibited from possessing, shipping, transporting, or receiving firearms or ammunition";

(2) by deleting the words "and incurred by reason of such conviction,";

(3) by deleting the words "Secretary may grant" and inserting in lieu thereof the words "Secretary shall grant";

(4) by deleting the words "if it is established to his satisfaction that the circumstances regarding the conviction, and" and inserting in lieu thereof the word "unless";

(5) by deleting the comma after the word "reputation";

(6) by deleting the words "will not be likely" and inserting in lieu thereof the words "will be likely";

(7) by deleting the words "and that the granting of the relief would not be contrary to the public interest"; and

(8) by adding after the words "to public safety." the words "Any persons whose application for relief from disabilities is denied by the Secretary may file a petition with the United States District Court for the District in which he resides for a de novo judicial review of such denial. In a proceeding conducted under this subsection, the court may consider any evidence submitted by the parties to the proceeding whether or not such evidence was considered by the Secretary in denying the application."

(b) Subsection (d) is amended:

(1) by deleting the words "may authorize" and inserting in lieu thereof the words "shall authorize";

(2) by deleting the words "the person importing or bringing in the firearm or ammunition established to the satisfaction of the Secretary that"; and

(3) by deleting in paragraph (3) the words "generally recognized as particularly"; and

(4) by deleting the words "may permit" and inserting in lieu thereof the words "shall permit".

AMENDMENTS TO SECTION 926

SEC. 106. Section 926 is amended by:

(a) redesignating existing section 926 as subsection (a);

(b) inserting the word "only" after the word "prescribe";

(c) deleting the words "as he deems reasonably" and inserting in lieu thereof the words "as are";

(d) deleting the words "The Secretary shall give reasonable public notice, and afford interested parties opportunity for hearing, prior to prescribing such rules and regulations" and inserting in lieu thereof the words: "*Provided*, That no such rule or regulation may require that records required to be maintained under this chapter or any portion of the contents of such records, be recorded at or transferred to a facility owned, managed, or controlled by the United States or any State or any political subdivision thereof, nor that any system of registration of firearms, fireams owners, or firearms transactions or dispositions be established".

(e) inserting a new subsection (b) as follows:

"(b) The Secretary shall give not less than ninety days public notice, and shall afford interested parties opportunity for hearing, prior to prescribing such rules and regulations.".

(f) inserting a new subsection "(c)" as follows:

"(c)(1) Simultaneously with the promulgation of any rule or regulation under the provisions of this Act, the Secretary shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Such rule shall not become effective if within ninety days of continuous session of Congress, one House of Congress adopts a resolution, the matter after the resolving clause which is as follows: "That the _____ disapproves the rule promulgated by _____ dealing with the matter of _____, which rule was transmitted to the Congress on _____"., the first blank being filled with the House of Congress acting, the second blank being filled with the name of the agency issuing the rule, the third blank being filled with the title of the rule and such further description as may be necessary to identify it, and the fourth blank being filled with the date of transmission to Congress.

"(2) The Secretary may not promulgate new rules or regulations identical to any rules or regulations disapproved pursuant to the provisions of this section unless the Congress enacts additional legislation with respect to the Secretary's powers with relation to the subject matter of the disapproved rule or regulation.".

(g) by inserting a new subsection (d) as follows:

"(d) The Secretary shall not prescribe regulations that require purchasers of black powder under the exemption provided in 18 United States Code 845(a)(5) to complete affidavits or forms attesting to that exemption."

AMENDMENTS TO SECTION 927

SEC. 107. Section 927 is amended by adding the words: *Provided, however*, That any provision of any legislation enacted, or of any rule or regulations promulgated, by any State prohibiting the transportation of a firearm or ammunition in interstate commerce through such State, when such firearm is unloaded and not readily accessible, shall be null and void."

TITLE II—AMENDMENTS TO TITLE VII OF THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968 (18 U.S.C. APP. 1201–1203)

SEC. 201. Title VII of the Omnibus Crime Control and Safe Streets Act of 1968 (sections 1201, 1202, and 1203 of the appendix to title 18, United States Code) is hereby repealed.●

Mr. STEVENS. Mr. President, I am pleased to again add my name to a long list of cosponsors of Senator MCCLURE's bill, the Firearms Owners Protection Act. This legislation is intended to protect law-abiding citizens against abuses perpetuated by the Government's gun control agency, the Bureau of Alcohol, Tobacco, and Firearms.

The bill deals with several regulations which have been promulgated by the BATF. It would clarify the definition of "engaged in business" so that firearms collectors will not be continually harassed by the BATF for failure to obtain a dealer's license; it will drop the requirement that dealers must maintain detailed records for ammunition and small amounts of black powder; and it will prevent the BATF from harassing licensed dealers by requiring that the BATF conduct record checks only when there is reason to believe that a violation has occurred.

In addition, should the BATF file a suit which is found to be "frivolous," they will be required to pay attorney's fees. To make sure that the BATF ceases to promulgate such regulations, either House of Congress is given the authority to veto any regulations promulgated by that agency.

Legislation such as this is absolutely necessary. Continued harassment of legitimate gun owners serves no useful purpose.

● Mr. BENTSEN. Mr. President, I am pleased to join Senator MCCLURE and our other colleagues in introducing the Federal Firearms Reform Act. This legislation will make long needed improvements in our firearms laws by clarifying their intent and by redirecting the efforts of the sometimes overzealous Bureau of Alcohol, Tobacco, and Firearms.

No one will argue with the need to control the criminal use of firearms. The wanton killing and maiming of innocent people by individuals who see fit to rein terror with a firearm, or any other weapon, must be brought to a halt. Indeed, this bill tightens the penalties for the use of a firearm in the commission of certain criminal offenses. The bill also makes it an offense for any person—not just licensees as is the case now—to transfer a firearm to prohibited persons; adds illegal aliens, persons with dishonorable discharges, and persons who have renounced their citizenship to the list of persons who are not allowed to ship, transport, or receive firearms; and adds possession to the prohibitions on shipping, transporting, or receiving firearms by unauthorized persons.

These are all good and needed changes to the current law, Mr. President, but what makes this bill extraordinary is its provisions to reign in a Federal agency who has taken upon itself authority the Congress never meant to give it. Since 1792 the second amendment to the Constitution has directed that "the right of the people to keep and bear Arms, shall not be infringed." Yet the Bureau of Alcohol, Tobacco, and Firearms has seen fit to deprive citizens of their rights by confiscating their arms and then failing to return them even if the Bureau de-

cides not to file charges. They have confiscated entire gun collections and disrupted people's lives, and they have even refused to make clear the definitions that they use in their interpretation of the law. This is going to correct this intolerable situation.

Mr. President, in the 10 years I have been a Member of this body I have seen some abuses by some of our Federal agencies but never have I seen such repeated problems with a single organization taking such authority upon itself. This agency has created a catch-22 situation by deciding when a person is "engaged in the business" of firearms sales. In one case it will revoke a dealer's license if his volume of sales is low but it will charge a person with engaging in the business without a license even when the number of guns sold is small. This bill will correct this problem.

BATF has arrested persons for alleged violation of the laws it is responsible to enforce but then it has seen fit to confiscate the persons entire firearms collection, whether or not they were the subject of the alleged violation. If this alone is not enough, the agency has sometimes failed to return the firearms to the rightful owner when they have not followed up on prosecution. This bill will correct this intolerable problem.

One of the major features of this bill is the requirement that the revocation of a license can occur only when the licensee has "willfully" violated a provision of the act. This will remove the possibility of revoking a person's license because they have made an inadvertent error. Under current law a person can be prosecuted for a violation whether or not the person had any criminal intent. This bill will correct this problem.

Further, this bill has been drafted so that we can place some control on the future actions of this agency. It provides some of the same controls that the Congress has imposed on many other Federal agencies. For instance, it requires a 90-day comment period on proposed rules and regulations; provides that either House of Congress will have veto power over any rules or regulations promulgated; and provides that the Secretary shall not propose any new rules which are identical to those previously disapproved by Congress.

Mr. President, this bill provides for significant improvement in our country's gun control laws. It strikes that delicate balance between the right to bear arms and the need to stop criminal activity and it clearly demonstrates to BATF that the Congress thinks it has gone too far in its efforts. I hope that the committee will see fit to take prompt action on this important legislation and that we will be able to pass these much needed improvements into law as soon as possible.●

By Mr. JACKSON:

S. 1031. A bill to amend section 303 of the Federal Land Policy and Management Act; to the Committee on Energy and Natural Resources.

FEDERAL LAND POLICY AND MANAGEMENT ACT AMENDMENT

● Mr. JACKSON. Mr. President, I am introducing today a bill designed to improve the law enforcement capabilities of the Bureau of Land Management by providing a petty offense penalty for violations of regulations issued under the Federal Land Policy and Management Act. This bill is identical to S. 2209 as passed by the Senate last year by unanimous vote.

Prior to the enactment of FLPMA, the Bureau of Land Management (BLM) had no comprehensive authority to enforce Federal law on public lands. Section 303 of FLPMA, which generally gives BLM similar enforcement authority to that held by the National Park Service, the Fish and Wildlife Service, and the Forest Service, was seen as a solution to growing problems of enforcement on public lands. These problems were and continue to be particularly acute in the California Desert, an extremely delicate resource within a 4-hour drive of over 12 million people living in southern California.

Although it was not intended to do so by the Congress, the amount of the penalty provided in section 303(a) has provided a stumbling block to effective law enforcement on the public lands. The statutory penalty fixed by the Congress makes a violation a minor offense. Under Federal law, enforcement action for violations of regulations carrying a minor offense penalty is limited to the physical arrest and transportation of a violator to a magistrate or judge, who may be hundreds of miles away, for arraignment and trial. The alternative actions available to BLM are to "jawbone" the violator into ceasing the illegal activity, or simply to ignore the activity. Since arrest and trial are too severe for most petty violations and the U.S. attorney often declines to prosecute such cases, usually no effective law enforcement action is taken against such less serious violations.

Under the Federal rules of procedure for the trial of minor offenses before U.S. magistrates, only criminal actions involving petty offenses may be commenced by the issuance of a citation or violation notice and only petty offenses may be disposed of by payment of a fixed sum in lieu of appearance at trial. The language of S. 2209 would allow for the issuance of citations and notices of violations by law enforcement officers on the public lands.

The authority for a petty offense penalty would make an arrest and transportation to a magistrate or judge for petty violations unnecessary in order to take enforcement action against petty violations and allow the law enforcement employee or official to continue his or her patrol and other duties. It would also reduce possible court time and expenses.

Consistent with the original intent of section 303, a petty offense penalty would bring BLM law enforcement authority more in line with the law enforcement authorities of other land management agencies. Both the National Park Service and the U.S. Forest Service have a petty offense penalty for violations of their regulations.

BLM's current authority to arrest knowing and willful violators, with a maximum fine of $1,000 and maximum imprisonment of 12 months is retained under the committee bill, thus establishing a two tiered penalty system.

As I indicated earlier, the Senate last year passed an identical bill (S. 2209) by unanimous vote of the Committee on Energy and Natural Resources and of the Senate. Unfortunately, the House of Representatives did not pass S. 2209. It was tabled in the House Committee on Interior and Insular Affairs, largely because of apparent significant misunderstanding about the effect of the bill. Because of this history, I think the Senate should be aware of what S. 1031 does and does not do.

S. 1031

Does have the potential for increasing the preventive as well as other elements of BLM's law enforcement effort on public lands.

Does not make any act a crime which would not have been a crime otherwise.

Does give the Secretary specific authority to utilize unarmed law enforcement personnel with only limited law enforcement authority to enforce any law or regulation relating to the public lands and their resources, violation of which is a petty offense.

Does not broaden the scope of laws and regulations to which the Secretary's law enforcement responsibilities and authorities granted by section 303(c) of FLPMA apply.

Does provide authority to the court to set specific fines for violation of specific regulations, rather than determining the fine on a case-by-case basis.

Does not authorize the Secretary to establish or impose fines.

Does allow a case to be closed by payment of a fine, without court appearance.

Does not deprive an alleged violator of an opportunity of going before the court and making his case, if he so desires.

Does establish a new category of crime for violation of regulations issued under FLPMA, which like violations of U.S. Forest Service and National Park Service regulations does not require that knowledge and willfulness be proved.

Does not eliminate the "minor offense" category already in FLPMA for which knowledge and willfulness must be proved.

Does authorize the Secretary to designate BLM officials and local officials under contract to exercise only citation authority.

Does not prevent designated armed officials with full law enforcement authority from also utilizing citation authority where appropriate.

Does remove some barriers to contracting with local officials, caused by current training requirements, and unwillingness of local officials to commit personnel under current enforcement options.

Does not change the emphasis in FLPMA on use of local officials for law enforcement purposes.

Does provide for different training for unarmed "citation givers."

Does not change the degree and type of training required for armed officials.

Does make it possible for BLM resource employees to carry out "limited" law enforcement functions, with proper training.

Does not make it possible for any employee to carry out law enforcement functions, by use of citations or otherwise, who has not had special training in law enforcement to enable him to

carry out functions assigned to him in a thoroughly professional manner.

Mr. President, I ask unanimous consent that the text of S. 1031 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1031

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 303(a) of the Federal Land Policy and Management Act (43 U.S.C. 1733) is amended by inserting the following sentence after the end of the first sentence: "Any person who violates any such regulation which is lawfully issued under this Act shall be fined no more than $500 or imprisoned no more than six months, or both.".

SEC. 2. Paragraph (2) of subsection (c) of section 303 of the Federal Land Policy and Management Act is amended to read as follows:

"(2) The Secretary may authorize Federal personnel or appropriate local officials to carry out his law enforcement responsibilities with respect to the public lands and their resources. Except as provided in this paragraph such designated personnel shall receive the training and have the responsibilities and authority provided for in paragraph (1) of this subsection. The Secretary may also grant enforcement responsibilities for any Federal laws or regulations relating to the public lands or their resources to Federal personnel or appropriate local officials who are not and will not be authorized to carry firearms. The Secretary shall prescribe the training to be received by, the equipment requirements for, and the procedures to be followed by such persons with limited enforcement authority.".●

By Mr. JACKSON:

S. 1032. A bill to amend section 21 of the act of February 25, 1920, commonly known as the Mineral Leasing Act; to the Committee on Energy and Natural Resources.

FEDERAL OIL SHALE LEASING

● Mr. JACKSON. Mr. President, I am introducing today a bill to remove certain constraints which have inhibited the Department of the Interior's past efforts under its prototype oil shale leasing program to gain the technical and environmental information needed to develop a permanent leasing program. This bill is identical to S. 3050 of the 96th Congress.

First, although this bill would retain the 5,120-acre limitation on lease oil shale tracts, it would add language allowing an increased lease tract size when the Secretary of the Interior determines that a larger area is necessary to permit long-term commercial operations. This new provision would assure the issuance of lease tracts of sufficient size to enable economic development of oil shale resources.

Second, this bill would remove the current limitation of one oil shale lease per person, association, or corporation. The one lease limitation probably inhibits technological development, in that it promotes the use of conservative methods known to be profitable rather than experimental methods which should be encouraged by the prototype program. It also presents a serious disincentive to developers, in that it prevents them from further benefiting from the experience and technology they have developed. In place of this one lease limitation, this bill would permit any lessee to hold two leases in any State and up to four leases nationwide. It further provides that one additional lease may be held in any State where the lessee has achieved commercial production on both leases within that State and where the resources on one of the existing leases in that State will be depleted within 10 years. Also, any leases issued in order to avoid bypassing small acreages of Federal oil shale resources which could not otherwise be mined economically would not be included in the limitations on oil shale lease ownership. These provisions allowing lessees to hold more than the one lease currently allowed will result in the generation of more of the technical and environmental information needed to develop a permanent oil shale leasing program.

Third, this bill would authorize the Secretary to issue, to any person, association, or corporation holding an oil shale lease issued prior to 1985, and thus issued within the prototype oil shale leasing program, an additional lease or leases for the use of other public lands for any use other than the removal of any mineral deposits contained therein, connected with the development of oil shale operations on leased lands. The oil shale lessee would have to demonstrate that the lease is necessary and appropriate for its operations. Uses could include, among other things, disposal of oil shale waste and other materials removed from lands covered by an oil shale lease, and the building of plants, reduction works, or other facilities needed for the operations under an oil shale lease. Allowing such additional leases for the holders of prototype oil shale leases would permit the most efficient mining of oil shale resources, especially in the richest areas, since mining tracts would no longer have to accommodate the processing facilities and spent shale as well as the development operation itself.

Such an additional lease or leases could be issued after the Secretary has considered the environmental and other resource values, and other possible uses of the lands, and has made a determination that the public interest would be served by issuing that lease or leases. A lease issued under this new authority would be issued for such a period of time as the Secretary determines is necessary for the purposes of the lease, would contain such provisions as are needed for proper protection of environmental and other resource values, and would require the lessee to pay the fair market value for the lease.

Lands covered in such an additional lease or leases would remain subject to leasing under other provisions of the act unless that leasing would not be compatible with the oil shale purposes for which the additional lease or leases are issued. The additional lease or leases would not be transferable except in conjunction with the transfer of the associated oil shale lease issued pursuant to subsection (a) of section 21 of the act. Lands considered as additional leases which are under the jurisdiction of a Federal agency other than the Department of the Interior could be leased only with the consent of that agency and subject to any terms and conditions that agency might prescribe. Prior to decisions on the issuance of these leases, the Department would consult with appropriate Federal departments and agencies that have jurisdiction or special expertise on issues associated with oil shale development and production, and with appropriate State and local officials, just as has been done in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) during past prototype leasing activities.

Since a new offsite leasing authority is provided, the existing limited grant of authority to lease adjacent lands necessary for the reduction of the mineral is deleted.

Fourth, this bill would confirm the authority of the Secretary to issue leases allowing the mining, extracting, and disposing of all mineral deposits contained in lands covered by an oil shale lease. These multimineral leases would be subject to such terms, conditions, and restrictions as the Secretary may impose consistent with subsection (a). This confirmation of existing authority would facilitate multimineral development of resources on leased lands.

Fifth, this bill would amend section 27(e) of the act to address fractional or indirect interests in oil shale leases in light of the new ceiling on lease holdings mentioned above. Currently, section 27 (e) provides that no person, association, or corporation may hold any interest in an association or corporation holding any oil shale lease, if that interest, taken together with other direct or indirect holdings greater than 10 percent, would exceed in the aggregate the maximum number of acres of the mineral in question allowed to any one lessee. Since the absolute limitation on the number of acres that can be held by a particular lessee has been changed to a restriction expressed in terms of numbers of leases, the provision charging shareholders with a pro rata share of a leased interest needs to be amended to reflect that change. Thus, this bill amends section 27(e) to provide that any fractional or indirect interest in an oil shale lease will be counted against the leasehold ceiling, rather than a lease acreage ceiling, so that the sum of the fractional holdings of one person, association, or corporation does not exceed the new leasehold ceilings.

Enactment of these amendments to the Mineral Leasing Act will better enable the Department to gain the technical and environmental information needed to develop the permanent oil shale leasing program. This proposal would not only strengthen the prototype oil shale leasing program, but would also advance the efficient development of oil shale resources, and would facilitate the full utilization of the mineral resources of Federal lands through confirmation of the Department's authority to issue multimineral leases.●

By Mr. HOLLINGS (for himself, Mr. THURMOND, Mr. EAST, and Mr. HELMS):

S. 1033. A bill granting the consent of Congress to the agreement between the States of North Carolina and South Carolina establishing their lateral seaward boundary; to the Committee on the Judiciary.

BOUNDARY AGREEMENT BETWEEN NORTH CAROLINA AND SOUTH CAROLINA

● Mr. HOLLINGS. Mr. President, the bill I introduce today, with the support of Senators THURMOND, HELMS, and EAST, grants the consent of Congress to the agreement between the States of North Carolina and South Carolina establishing their lateral seaward boundary. Similar legislation, with broad support from the congressional delegations of both States, has been introduced in the House of Representatives.

This measure is the culmination of a long and thoughtful process. In late 1977, the Boundary Commissions for North Carolina and South Carolina held a joint session in Columbia, S.C., and agreed to recommend to their respective States that the lateral seaward boundary between the two States be delimited by extending the landward boundary line to the seaward limits of the State's territorial jurisdiction. The recommended agreement was executed on January 20, 1978 and forwarded to the State legislatures of North Carolina and South Carolina for consideration. The agreement has been adopted by each State in a manner prescribed by its laws.

On April 2 of last year, Mr. President, I introduced legislation identical to that which I introduce today. It failed, however, to receive the attention and consideration necessary to garner adoption before we adjourned. This measure has broad support and I am therefore hopeful, Mr. President, of prompt review and consideration by the Judiciary Committee and timely and favorable approval by the Senate.●

By Mr. GRASSLEY (for himself and Mr. JEPSEN):

S. 1034. A bill to amend title 38, United States Code, to provide a more equitable formula for payments by the Administrator of Veterans' Affairs to States for the cost of care provided in State nursing homes to veterans eligible for such care in Veterans' Administration facilities; to the Committee on Veterans' Affairs.

MORE EQUITABLE COST SHARING AMONG STATE VETERANS' HOMES

Mr. GRASSLEY. Mr. President, today I am introducing for myself and Mr. JEPSEN legislation to provide a more equitable formula for payments from the Veterans' Administration to States for the cost of care provided in State veterans' homes to veterans eligible for such care in Veterans' Administration facilities.

Presently, State veterans' homes are reimbursed on a quarterly basis, utilizing the submitted veterans days of care provided for each separate category of care, multiplied by the present statutory per diem rates—$13.25 per day of hospital care, $12.10 per day of nursing home care, and $6.35 per day of domiciliary care. The bill I am introducing would allow State veterans' homes to be reimbursed at either 30 percent of the previous fiscal year's average per diem cost for each category of care provided in the Veterans' Administration medical centers, Veterans' Administration nursing home care units, and Veterans' Administration domiciliaries, or 50 percent of the previous fiscal year's per diem cost of care provided within the individual State veterans' home, whichever is the lesser.

The purpose of this bill, as I have stated, is to provide for more equitable cost sharing between the States and the Federal Government in supporting State veterans' facilities. Of course, this means that Federal outlays for State veterans' homes will increase. I know that this will be a matter of some concern to a number of my colleagues; however, I believe that, over the long run, this will actually be a cost-saving measure, since it costs several million dollars less per year for State veterans' homes to provide the same number of days of care than that being provided by Veterans' Administration facilities. A more equitable system of cost sharing will allow State veterans' homes to continue to offer more cost effective care to this Nation's worthy veterans.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1034

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 641 of title 38, United States Code, is amended to read as follows:

"§ 641. Criteria for payment

"(a) The Administrator shall pay to each State amounts determined pursuant to subsection (b) of this section to reimburse, in part, the States for the cost incurred by the States in providing domiciliary care, nursing home care, and hospital care in State homes to veterans eligible for such care in Veterans' Administration facilities.

"(b)(1) Payments to be made under subsection (a) of this section shall be made on the basis of per diem rates of payment to be determined by the Administrator in accordance with this subsection. The Administrator shall determine separate per diem rates of payment for domiciliary care, nursing home care, and hospital care.

"(2) The per diem rate of payment for domiciliary care shall be 30 percent of the average per diem cost of providing domiciliary care to veterans in Veterans' Administration facilities over which the Administrator has direct jurisdiction.

"(3) The per diem rate of payment for nursing home care shall be 30 percent of the average per diem cost of providing nursing home care to veterans in Veterans' Administration facilities over which the Administrator has direct jurisdiction.

"(4) The per diem rate of payment for hospital care shall be 30 percent of the average per diem cost of providing hospital care to veterans in Veterans' Administration facilities over which the Administrator has direct jurisdiction.

"(5) In no case may the payment made under this section with respect to the care of any individual veteran in a State home exceed one-half of the curent cost of that veteran's care in such state home. In determining the cost of a veteran's care in any State home for the purposes of this section, separate determinations shall be made with respect to the cost of domiciliary care, nursing-home care, and hospital care.

"(c) Payments to the States under this section shall be made at such intervals as the Administrator considers feasible, but not less often than once per quarter.

"(d) The Administrator shall redetermine per diem rates of payment under subsection (b) of this section not less often than once each fiscal year based upon costs during the preceding fiscal year of providing care in Veterans' Administration facilities over which the Administrator has direct jurisdiction.".

SEC. 2. The amendment made by the first section of this Act shall take effect on October 1, 1981.

By Mr. MATHIAS:

S. 1035. A bill to provide an opportunity to individuals to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; to the Committee on Finance.

CONTRIBUTIONS TO THE NATIONAL ENDOWMENTS FOR THE ARTS AND HUMANITIES

● Mr. MATHIAS. Mr. President, I am introducing today a bill which would provide much needed financial help for our cultural and educational groups and institutions.

My bill would provide for a voluntary checkoff box on Federal income tax returns for contributions to the National Endowment for the Arts and the National Endowment for the Humanities. Such contributions would be in addition to an individual's tax payment or in lieu of a part or all of a refund.

The National Endowments would transfer those contributions to State arts agenices and State voluntary councils. They, in turn, would make grants to institutions, organizations, artists in both the performing and fine arts, and community groups engaged in cultural and educational activities.

There has been a tremendous increase in participation in the arts in the last decade by Americans. Local theater groups are springing up where Americans can demonstrate their performing talents. In addition, audience attendance at artistic and cultural events in the past 5 years has increased by over 10 percent. The number of local arts councils in Maryland alone has quadrupled in the last 5 years.

Yet the forecast looks bleak for the arts and humanities in future years.

It has been estimated that over $1 billion is needed on a yearly basis to support adequately our many fine cultural and educational activities. Last year the Federal Government appropriated $300 million toward this funding need. However, the President has proposed a 50-percent reduction in funds for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities, stating that the Federal Government, in serving as the main financial patron for artistic and literary pursuits has diminished the historical role of private individual and corporate support for the arts.

I believe that this proposed reduction in NEA and NEH funds will not be offset by private or corporate contributions. I bring to the attention of my colleagues an article from the Wall Street Journal which describes the feeling of the business community toward filling the breach in funding which would be created by the President's funding cuts. The article notes that our Nation's major corporations are already financially committed to a variety of arts projects and programs and expect increasing pressure from other fields for corporate giving as Federal funding is withdrawn.

So it seems apparent that the arts and humanities will need to rely on support from the average American as well as corporate givers.

Mr. President, it is for this reason that I introduce today legislation which would make it easier for the American of moderate means to support the arts, an increasingly important aspect of American life.

It is a sad fact of life for most of our performing and fine arts groups, as well as museums, cultural, and other educational groups that their costs of operation are twice as great as their revenues derived from performances, art sales, gifts, royalties, and general fundraising. The arts and humanities checkoff would provide additional annual revenue and would assure the growth of American theater, performing and fine arts, museums, writers, and the like. It would assure financial security to many small struggling theater companies so that they may focus on their art rather than on continual fundraising.

The humanities endowment checkoff would supplement existing endowment grants to support and encourage American writers, linguists, historians, archaeologists, social scientists, and other scholars in research, publication, and teaching.

The benefit to the Nation would be a broadening of cultural and educational experiences in the American tradition. I believe my bill will encourage the support and participation of each and every American citizen in increasing the prominence of the arts and humanities in our heritage.

Mr. President, I ask unanimous consent that the text of my bill along with the Wall Street Journal article referred to earlier in my remarks be printed in the RECORD.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 1035

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PURPOSE.

It is the purpose of this Act to augment existing financial support for the Nation's arts and humanities activities through private individual and corporate taxpayer contributions.

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) STATE ARTS AGENCY.—The term "State arts agency" means the agency designated under paragraph (2) of section 5(g) of the National Foundation on the Arts and the Humanities Act of 1965.

(2) STATE VOLUNTARY COUNCIL.—The term "State voluntary council" means the agency designated under paragraph (2) of section 7(f) of the National Foundation on the Arts and the Humanities Act of 1965.

(3) STATE.—The term "State" has the meaning given such term by section 3(g) of the National Foundation on the Arts and the Humanities Act of 1965.

SEC. 3. DESIGNATION OF CONTRIBUTION BY TAXPAYER.

(a) IN GENERAL.—With respect to each taxpayer's return for the taxable year of the tax imposed by chapter 1 of the Internal Revenue Code of 1954, such taxpayer may elect to have—

(1) any portion of any overpayment of such tax for such taxable year, or

(2) any contribution in money which the taxpayer forwards with the return for such taxable year,

be available, as the taxpayer may designate on such return, for—

(A) the National Endowment for the Arts;

(B) the National Endowment for the Humanities; or

(C) both such endowments equally.

(b) NOTIFICATION ON RETURN FORMS.—The Secretary of the Treasury or his delegate shall provide that the tax return forms for the tax imposed by chapter 1 of the Internal Revenue Code of 1954 will fully inform each taxpayer of the opportunity the taxpayer has of making a contribution as described in subsection (a) and the purposes for which such contributions will be used. Space shall be made available on the first page of such returns for the designations referred to in subsection (a).

(c) TREATMENT AS OVERPAYMENT.—For purposes of the Internal Revenue Code of 1954, any overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the date prescribed for filing of the return of such tax (disregarding any extension) or, if later, the date the return is filed.

(d) EFFECTIVE DATE.—The provisions of this section shall apply with respect to taxable years beginning after December 31, 1981.

SEC. 4. TRANSFER TO ENDOWMENTS AND TO STATE AGENCIES.

(a) TRANSFER TO ENDOWMENTS.—

(1) IN GENERAL.—Overpayments and contributions designated under section 3(a) shall be transferred at least quarterly to the National Endowment for the Arts and the National Endowment for the Humanities, in the amounts designated to each.

(2) USE FOR ADMINISTRATIVE EXPENSES.—Amounts transferred under paragraph (1) may not be used by either Endowment to meet expenses arising from the administration of this Act or the National Foundation on the Arts and the Humanities Act of 1965.

(b) TRANSFER TO STATE AGENCIES.—

(1) IN GENERAL.—Of the amounts transferred under subsection (a)—

(A) the National Endowment for the Arts shall transfer all amounts received by it to State art agencies, and

(B) the National Endowment for the Humanities shall transfer all amounts received by it to State voluntary councils.

(2) SPECIAL RULES RELATING TO TRANSFER.—

(A) Each Endowment shall establish criteria for determining the amount transferred to each State arts agency or State voluntary council, whichever is appropriate.

(B) Any amount transferred under this subsection shall be treated as donations received from private persons and not Federal assistance.

SEC. 5. USE OF FUNDS BY STATE AGENCIES.

(a) IN GENERAL.—Amounts transferred to State arts agencies and State voluntary councils shall be used to provide grants for eligible projects or productions, or humanities activities, within the State.

(b) 50 PERCENT MATCHING REQUIREMENT.—No grant shall be made under this section for any project unless the State (from any source) matches 50 percent of the assistance to be provided under this section for such project.

(c) 30 PERCENT LIMIT IN CERTAIN CASES.—The total amount of any grant under this section shall not exceed 30 percent of the cost of any project for which an admission or other charge is made to the general public.

(d) ADMINISTRATIVE EXPENSES.—No amount may be used to pay for the administrative expenses of any State arts agency or State voluntary council, whether or not arising under this Act.

SEC. 6. GENERAL PROVISIONS.

(a) NO GRANTS TO ENDOWMENT FUNDS.—Funds provided under this Act may not be used for purposes of making grants to an endowment fund of any institution or otherwise for purposes of being held for investment.

(b) ADMINISTRATIVE PROVISIONS.—If the Chairman of either Endowment after reasonable notice and opportunity for hearing, determines that any State arts agency or any State voluntary council, as the case may be, is not using funds provided under this Act substantially in accordance with the provisions of this Act, then such Chairman may take such action as may be necessary (including suspension or termination of transfers under this section or requiring repayment) to insure that the requirements of this Act are met.

(c) NO EFFECT ON APPROPRIATIONS.—Any amount transferred under section 3 of this Act to the National Endowment for the Arts or the National Endowment for the Humanities, as the case may be, shall not affect the amount which would otherwise be appropriated to such Endowment under any other provision of law for purposes of carrying out section 5(c) or 7(c) of the National Foundation on the Arts and Humanities Act of 1965.

[From the Wall Street Journal, Feb. 26, 1981]

COMPANIES DOUBT THEIR ARTS GIVING WOULD RISE TO OFFSET REAGAN'S CUTS

(By Cynthia Saltzman)

Groups in the arts and humanities, alarmed by proposed steep cuts in federal subsidies, may find cold comfort when they look to business patrons to come to the rescue.

"I just don't see it in the cards that we'll be able to pick up that much slack," says Robert Thill, secretary of the contributions committee at American Telephone & Telegraph Co. The gap to be filled, he says, is "too much of an increase for corporations to make, in view of all the other obligations we have to meet."

The Reagan administration is seeking budget cuts of almost 50 percent at the National Endowment for the Arts and the National Endowment for the Humanities. The proposed cuts total about $165 million.

Some major patrons, such as Exxon Corp. and Pillsbury Co., which respectively give about $2 million and $1 million a year to the arts, say they don't have any plans to change their contribution policies. Only a few companies—mostly the biggest ones—really figure in the field. The Business Committee for the Arts says about 1 percent of the nation's corporations account for more than half the total corporate support for the arts.

THE COMPETITION

Big corporate contributors say they expect increased pressure for contributions in other fields, such as education, health and other service sectors. The Reagan economic plan that is stimulating concern calls for the budget authority of the NEA to be cut to $88 million in fiscal 1982, which starts Oct. 1, 45 percent less than the $159 million al-

located for this fiscal year and almost 50 percent below the $173 million budgeted for fiscal 1982 by the Carter administration. The administration wants to chop the fiscal 1982 budget authority of the NEH by almost half, to $85 million.

The Reagan report asserts that the endowments "for too long" have been "promoting the notion that the federal government should be the financial patron of first resort both for individuals and institutions engaged in artistic and literary pursuits," thus discouraging private contributions.

But corporate officials and arts fund-raisers say the policy of government patronage has been a resounding success. Since the founding of the two endowments in 1965, corporate support of the arts has grown along with federal financing. In 1979, businesses contributed $436 million to the arts compared to the 1967 figure of $22 million, according to the Business Committee.

STIMULATING GIFTS

The federal grants are engineered to encourage private contributions. All NEA grants must be matched by nonfederal funds. In one program, the "challenge grants" given major cultural institutions, each government dollar has to be matched by at least three nonfederal dollars.

Often a grant generates far more in gifts than required. The Museum of Fine Arts in Boston, for instance, has used a $2 million grant to launch a capital campaign in which it has raised $21.5 million.

The large museums, opera companies and symphonies don't have to convince prospective contributors of their artistic merits. But smaller, less-established groups often need the kind of recognition that comes from an NEA grant. It's like a "Good Housekeeping seal of approval," says Edward M. Strauss Jr., president of the Business Committee for the Arts.

"Any small arts organization is immediately asked by a corporation whether it gets money from the NEA or from the state arts council," says Marian Godfrey, director of development of Mabou Mines, an experimental theater group in New York that received about $71,000 of its $290,000 budget from the NEA last year.

"An endowment grant increases both your artistic and your management credibility," says Miss Godfrey.

Arts programs often have government and corporate sponsorship. The large exhibition "Expressionism—a German Institution 1906–1920," now touring the country, was sponsored by Philip Morris Inc. as well as the NEA and the Federal Republic of Germany.

"There's been a wonderful partnership between corporations and government in the arts," asserts Robert W. Bonine, vice president for community relations at Pillsbury. "But there's a limit to how great our participation should be. Corporations already give more to the arts than shareholders and the public think we should."

The final shape of the budget cuts isn't determined, of course, but arts leaders fear that small, more experimental groups are most likely to be hurt. Performing arts groups are particularly worried.

"I asked for a 30 percent increase in the $1.4 million subsidy from private individuals and corporations, to continue what we're doing now, and do the same number of productions," says William P. Wingate, managing director of the Mark Taper Forum in Los Angeles. "We aren't going to get it."

"Today we're producing plays with an average of 10 actors, including understudies, compared with more than twice that many in the late '60s and early '70s," Mr. Wingate adds. "That's how we've coped with inflation." Costs, he says are rising at a 20 percent annual clip.

Museums also find that they have to ask for increasingly large amounts to cover the rising costs of exhibitions. Richard Dougherty, vice president for public affairs at the Metropolitan Museum of Art in New York, says the "Treasures of Tutankhamen" exhibition, which in the late 1970s cost the participating museums $1.5 million for shipping, travel and curatorial expenses, might cost double or triple that now.

In view of inflation and the threat of declining subsidies, cultural organizations will have to seek ways to increase earned income, arts managers say. Mr. Bonine says Pillsbury will try to help arts groups do that. "The next decade is going to be tough for all of us," he says.

Dayton-Hudson Corp., Minneapolis, gives 5 percent of its federal taxable income to nonprofit organizations (the maximum deductible charitable contribution allowed by the Internal Revenue Service). Wayne E. Thompson, senior vice president for environmental development, believes the President should announce a "public policy" encouraging the private sector to do more.

Corporations are bracing for a wave of new money requests from arts groups. "Requests from the cultural sector have increased more than any other sector in the past two years," says AT&T's Mr. Thill. Odile Basch, manager of cultural affairs at Philip Morris, estimates that the company gets 30 to 50 such letters a week from dance, theater and opera companies, museums and other arts organizations.

Leonard Fleischer, senior adviser for the Exxon arts program, says, "Inflation is really a killer for the arts groups." If the Reagan program succeeds in bringing it under control, he observes, "That will help all the arts groups a lot." ●

By Mr. HELMS (by request):

S. 1036. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended for 2 years, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

REAUTHORIZATION OF FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

Mr. HELMS. Mr. President, at the request of the administration I am today introducing the Environmental Protection Agency's bill "to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 2 years." I have also included EPA's request to extend the Scientific Advisory Panel.

One part of this legislation simply extends the authorization of FIFRA through September 30, 1983, and puts a cap on authorized appropriations for carrying out the act of $55 million for fiscal year 1982. That represents a $9.5 million decrease in authorized expenditures from what the Carter administration proposed in its January budget.

The other part of the legislation extends the authorization of the Scientific Advisory Panel until September 30, 1983. Under current law, that panel is only authorized through the end of this fiscal year.

Mr. President, I am introducing the administration's legislation today with the hope that the Agriculture Committee can complete a very simple markup this week while it is working on the 1981 farm bill. In order to comply with the 1974 Budget Act, we must report this legislation out by May 15.

The committee has had—and I am sure will have—no time prior to May 15 to engage in substantive oversight hearings on FIFRA. Budget concerns and the 1981 farm bill have been priority issues.

Because there are a number of concerns with the pesticide registration process which I feel sure members of the committee wish to examine in some detail, I intend to schedule comprehensive oversight hearings during the summer. At that time, we will be able to discuss substantive amendments to current law. I hope that by then EPA will have a confirmed Administrator to address the policy and administrative concerns of Senators on the committee.

I ask unanimous consent that the bill and the transmittal letters from Acting Administrator Walter C. Barber be printed in the RECORD.

There being no objection, the bill and the letters were ordered to be printed in the RECORD, as follows:

S. 1036

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 25(d) of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. 136w), is amended by striking the words "September 30, 1981" and inserting in lieu thereof the words "September 30, 1983".

SEC. 2. Section 31 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. 136y), is amended by adding at the end thereof the following new sentence: "There are hereby authorized to be appropriated to carry out the provisions of this Act for the period beginning October 1, 1981, and ending September 30, 1982, $55,089,000, and for the period beginning October 1, 1982, and ending September 30, 1983, such sums as may be necessary."

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., April 27, 1981.

Hon. JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is our proposed bill "To amend the Federal Insecticide, Fungicide, and Rodenticide Act." This bill would amend section 25(d) of the Act to extend the activities of the Scientific Advisory Panel until September 30, 1983.

Section 25(d) of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) established the Scientific Advisory Panel (SAP) to advise the Environmental Protection Agency (EPA). The SAP is comprised of seven members chosen from among twelve nominees—six nominated by the National Institutes of Health and six nominated by the National Science Foundation. The Act requires that all proposed and final regulations issued under section 25(a) and proposed cancellations or changes in the classification of pesticides be submitted to the SAP for comment as to their impact on health and the environment. Further, the SAP is empowered to advise the Administrator on improving the agency's scientific analyses for FIFRA purposes and to select additional scientists to form sub-panels for the review of major scientific studies conducted pursuant to FIFRA. The present language of the statute calls for the panel to terminate its activities at the end of fiscal year 1981.

Since its establishment in 1976, the SAP has been active on several matters. In 1979 twelve meetings were held to deal with five regulation proposals and four cancellations. During 1980 thirteen meetings were held covering six regulations and four cancellation classification actions. In addition, the panel assisted EPA with a scientific review of six issues of concern to public health. The SAP has been regarded by the scientific

community, the agricultural community, the chemical industry, and the Congress as an important checkpoint for EPA actions under the FIFRA. Under the Act, EPA's charge is to insure that pesticides do not cause "unreasonable adverse effects on the environment", including "any unreasonable risk to man or the environment, taking into account the economic, social, and environmental costs and benefits of the use of any pesticide". The SAP serves the vital function of providing information on health and environmental effects of proposed EPA actions and of providing disinterested and scientifically rigorous review. The various interested parties to pesticide regulatory actions are inclined to view a SAP opinion as disinterested and therefore to accept it, which is crucial if our pesticide regulatory program is to progress.

The Agency has determined that the SAP's continuing review of Agency actions is an essential element of the difficult decision-making processes under the FIFRA. The panel's past record has been exemplary. The enclosed draft bill, therefore, amends the Act to extend the life of the SAP for another two years. We recommend that this proposal be favorably reported and that it be enacted.

The estimated annual operating cost of the SAP is $200,000, which includes an allowance for 3.0 workyears of staff support provided by the Office of Pesticide Programs. This amount has been included in the President's Budget for fiscal year 1982.

The Office of Management and Budget advises that there is no objection to the enactment of this legislative proposal from the standpoint of the program of the President.

Sincerely yours,

WALTER C. BARBER, Jr.,
Acting Administrator.

S. ——

A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

Section 25(d) of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. 136w), is amended by striking the words "September 30, 1981" and inserting in lieu thereof the words "September 30, 1983".

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, D.C., March 26, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is our proposed bill "To extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for two years."

The bill extends our appropriation authorities under section 31 of the Act through fiscal year 1983. These authorities expire on September 30, 1981.

This extension will enable the Environmental Protection Agency to continue the non-research programs envisioned by the Act. We have requested extension of related research and development appropriation authorities in another draft bill, "The Environmental Research, Development and Demonstration Authorization Act of 1982." The non-research activities for which appropriation authorization is sought under the enclosed draft bill include: registration and reregistration, classification and labeling of pesticides, training and certification of pesticide applicators, assistance to State pesticide regulatory agencies, registration and regulation of pesticide-producing establishments, and funding for basic operating expenses and salaries. We recommend that this bill be referred to the appropriate Committee for consideration and that it be enacted.

Our request of appropriation authorization in the enclosed draft bill for fiscal year 1982 for these nonresearch activities under the Federal Insecticide, Fungicide, and Rodenticide Act is $55,089,000. This is the amount requested in the President's 1982 Budget for these activities.

The Office of Management and Budget advises that enactment of this legislative proposal would be in accord with the program of the President.

Sincerely yours,

WALTER C. BARBER, JR.,
Acting Administrator.

S. ——

A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for two years.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 31 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. 136y), is amended by adding at the end thereof the following new sentence: "There are hereby authorized to be appropriated to carry out the provisions of this Act for the period beginning October 1, 1981, and ending September 30, 1982, $55,089,000, and for the period beginning October 1, 1982, and ending September 30, 1983, such sums as may be necessary."

By Mr. MELCHER:

S. 1037. A bill entitled the "National Rangeland Research Act of 1981"; to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL RANGELAND RESEARCH ACT OF 1981

● Mr. MELCHER. Mr. President, last year I introduced a rangeland research bill whose purpose was to direct research related to America's rangelands in order to improve their productivity.

These lands comprise 60 percent of the Nation's land area, yet they are undoubtedly the most neglected lands from the standpoint of productivity improvement and conservation.

My bill followed in the tradition of similar legislation which was promoted for a number of years by the great Congressman from Texas, Bob Pogue, who was chairman of the House Agriculture Committee.

As strongly as we advocated a separate research program for rangeland, neither Congressman Pogue nor I were able to achieve enactment of our legislation.

Now, under the leadership of the House Agriculture Committee's new chairman, Mr. DE LA GARZA, range research legislation is being seriously considered as a part of the House version of this year's farm bill.

I believe this is totally appropriate.

Therefore, I offer my bill once again in the hope that the Senate Committee on Agriculture, Nutrition, and Forestry will take this matter up for consideration when it marks up the section of the bill dealing with agricultural research and extension.

Mr. President, I ask unanimous consent that S. 1037 be printed in the RECORD in its entirety at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1037

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Rangeland Research Act of 1981."

SEC. 2. The National Agricultural Research, Extension and Teaching Policy of 1977 (7 U.S.C. 3101) is amended to add four new sections as follows:

"Subtitle M—Rangeland Research

"PURPOSE

"SEC. 1479. It is the purpose of this subtitle to promote the general welfare through improved productivity of the nation's rangelands, which comprise 60 per centum of U.S. land area. Most of these rangelands are unsuited for cultivation, but produce a great volume of forage inedible by humans, but readily converted to high quality food protein by grazing animals in the most energy efficient form of agriculture. These native grazing lands occur throughout the U.S. and provide the source for major segments of the nation's livestock industry. In addition to the many directly dependent on range, other segments of agriculture are indirectly dependent on range-fed livestock the harvest crop aftermath and to stabilize grain prices by substituting forage for grain in times of grain scarcity or being fed more grain in times of surplus. Recent resource assessments indicate that forage production of rangeland can be increased at least 100 per centum through development and application of improved range management practices while simultaneously enhancing wildlife, watershed, recreational, and aesthetic values and reducing hazards of erosion and flooding.

"RANGELAND RESEARCH PROGRAM

"SEC. 1480. In coordination with the Forest and Rangeland Renewable Resources Planning Act of 1974, the Soil and Water Resources Conservation Act of 1977 and the Renewable Resources Extension Act of 1978, the Secretary is authorized to develop and implement a cooperative rangeland research program to improve the production and quality of desirable naturally grown forage or introduced forage species which are managed in a similar manner to naturally grown forage for livestock and wildlife. The purposes of such a program shall include (1) Studies of management of rangelands and agricultural land as integrated systems for more efficient utilization of crops and waste products in the production of food and fiber. (2) Studies of management of rangeland watersheds to improve condition of water utilization, water yield, water quality, and water conservation, and to protect against onsite and offsite damage of resources from floods, erosion, and other detrimental influences and to remedy unsatisfactory and unstable rangeland conditions. (3) Studies of revegetation and rehabilitation of rangelands including the control of noxious species; and (4) such other studies as the Secretary considers appropriate.

"Rangeland Research Grants

"(b) The Secretary is authorized to make grants to land grant colleges and universities, State agricultural experiment stations, and to colleges and universities and Federal laboratories having a demonstrable capacity in rangeland research, as determined by the Secretary, to carry out rangeland research. This grant program shall be based on a matching fomula of 50 per centum Federal and 50 per centum State funding.

"Reports

"(c) Not later than one year after enactment of the Act, and not later than March 1 of each successive year the Secretary shall submit a report to the President, the House Committee on Agriculture, the House Committee on Appropriations, the Senate Com-

mittee on Agriculture, Nutrition, and Forestry, and the Senate Committee on Appropriations, a summary outlining progress of the Department in meeting the program requirements set forward in this subtitle.

"RANGELAND RESEARCH ADVISORY BOARD

"SEC. 1481. (a) The Secretary shall establish a board to be known as the Rangeland Research Advisory Board which shall have a term of five years, and which shall be composed of the following twelve members appointed by the Secretary:

"(1) Four representatives of the Department of Agriculture's Science and Education Administration,

"(2) Four persons representing State Agricultural experiment stations, and

"(3) Four persons representing national rangeland and range livestock organizations.

The members shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services for the Board, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5 of the United States Code.

"(b) The Board shall meet at the call of the Secretary, but at least once annually, to consult with and advise the Secretary with respect to the implementation of this subtitle and to recommend priorities for the conduct of research and extension programs authorized under this subtitle, under such rules and procedures for conducting business as the Secretary shall, in the Secretary's discretion, prescribe.

"APPROPRIATIONS

"SEC. 1482. (a) There are hereby authorized to be appropriated such funds not to exceed $10 million annually as Congress may determine necessary to support the provisions of this Act.

"(b) Funds appropriated under this section shall be allocated by the Secretary to eligible institutions for work to be done as mutually agreed upon between the Secretary and the eligible institution or institutions. The Secretary shall, whenever possible, consult the Board in developing plans for the use of these funds.".●

By Mr. JOHNSTON:

S. 1038. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for amounts representing teachers' retirement annuities attributable to services performed in a State which has not elected social security coverage for its employees; to the Committee on Finance.

TAX CREDIT ON TEACHER RETIREMENT ANNUITIES

● Mr. JOHNSTON. Mr. President, teachers in many States, including my home State of Louisiana, are not given the option to participate in the social security old age survivor and disability insurance program. Instead, teachers in those States receive basic annuities under a State-administered retirement system. Annuities received in excess of the contributions made into the system by these teachers are fully taxable, whereas old age insurance benefits received under social security are tax free regardless of the contributions made by a particular individual. Consequently, a dollar received in retirement annuities by teachers in these States is worth less than a dollar received under social security. Mr. President, by providing a credit on part of the tax paid on teacher retirement annuities in those States that do not afford their teachers the social security option, the legislation I am introducing today addresses this inequity.

Mr. President, this legislation is not an attempt to provide a special benefit to any group of people. Rather, my bill seeks to provide a measure of equity in the treatment of teacher retirement annuities and benefits received under social security. I believe this represents a fair and reasonable approach and urge my colleagues to give it their support.●

By Mr. PACKWOOD:

S. 1039. A bill to make the exclusion of amounts received under a qualified group legal services plan permanent, and for other purposes; to the Committee on Finance.

LEGAL SERVICES PROVIDED BY EMPLOYERS

● Mr. PACKWOOD. Mr. President, today I am introducing legislation to make permanent a tax provision enacted in 1976 which is designed to encourage employers to provide legal services for their employees. The purpose of this bill is to help assure the continued existence and growth of legal services provided by employers for employees.

The National Resource Center for Consumers of Legal Services estimates that the number of employer-related legal service plans grew from 75 in 1975 to 400 in 1980. The National Resource Center also estimates that there are about 1 million employees now benefiting from these plans. If plans now operating are able to keep operating, and if the number of plans can continue to grow, we will have succeeded in opening the lawyer's door to people of moderate means to a greater extent than ever before in our history.

Federal legislation has played an important part in establishing a climate for the growth of prepaid legal service plans. The first important step came in 1973 when Congress amended the Taft-Hartley Act to allow the use of employee benefit trusts to provide legal services.

In 1976, Congress enacted two tax provisions to encourage employers to provide group legal services for their employees. These changes were enacted with the Tax Reform Act of 1976.

One of these provisions, Internal Revenue Code section 120, expires on December 31, 1981. This section makes the value of legal services benefits provided by an employer tax-free for employees. This income tax exclusion is available if the legal service program complies with numerous detailed requirements. For example, legal service benefits must be provided to workers without discriminating in favor of highly paid employees, officers, or shareholders.

The bill I am introducing today makes this section permanent.

The other tax section enacted in 1976 was Internal Revenue Code section 501(c)(20). It exempts from tax the funds that are used to hold contributions to be used for qualified group legal service plans. That section was made permanent in 1976. This bill does not amend section 501(c)(20).

On April 29, 1980, the Internal Revenue Service proposed regulations for section 120. I believe that in many respects these proposed regulations contain needless restrictions, unjustified by the legislative history or public policy.

I am optimistic that the final regulations will eliminate many of these proposed regulatory excesses. However, if this does not appear to be the case, I will suggest appropriate statutory changes to assure that the original congressional intent behind section 120 can be realized.

Among the areas of concern to me are:

First, excessive restrictions on employee contributions;

Second, excessive restrictions on the definition of "personal legal services";

Third, limitations on initial consultations with a lawyer;

Fourth, excessive restrictions on qualification of a legal services plan which is terminated; and

Fifth, reliance on actual utilization rates of plan benefits to determine if a plan was entitled to qualification.

Mr. President, as I stated, section 120 expires at the end of 1981. This law is an important part of our long-sought goal of helping people of modest means have fair access to lawyers. I hope Congress can act quickly to make it permanent.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1039

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

EXCLUSION PERMANENT

Paragraph (1) of section 2134(e) of the Tax Reform Act of 1976 (relating to the effective date) is amended by striking out ", and ending before January 1, 1982".●

By Mr. MATHIAS:

S. 1040. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the amount authorized to be appropriated as the annual Federal payment to the District of Columbia; to the Committee on Governmental Affairs.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

● Mr. MATHIAS. Mr. President, I am pleased to introduce today legislation that would increase the Federal payment to the District of Columbia by amending the District of Columbia Self-Government and Governmental Reorganization Act of 1973. This bill, which was recently introduced on the floor of the House by Representative DELLUMS, would increase from $300 million to $336.6 million the amount authorized as Federal payment to our Nation's Capital.

Under the present law, the District of Columbia is authorized a Federal payment of $300 million to compensate for the substantial loss in revenue that the city experiences because of the presence of the Federal Government. These lost revenues include property taxes that cannot be collected on Federal property and property owned by foreign govern-

ments, and personal taxes that cannot be collected from persons with diplomatic immunity. The uncompensated value of services that are provided by the civil servants of the District of Columbia to the Federal Government, such as the heroic services of officer Thomas K. Delahanty of the District of Columbia Police Department, must also be taken into consideration when considering the Federal payment.

The Federal payment to the District of Columbia has not been increased for the past 4 years. During this time inflation has had its impact on the District as it has on other cities. The city's tax revenues, however, have not been able to keep up with the inflation rate despite the District's concerted efforts to increase revenue. As a result of the failure of the Federal Government to increase its payment to the District of Columbia, the actual percentage of the Federal contribution to the city's budget has decreased from 25 percent to 20 percent.

A report is due in May of this year from the House District Committee, which will make recommendations for the development of a set formula for determining the Federal payment to the District of Columbia. Until the results of this study can be reviewed, I recommend to my colleagues that this legislation be given prompt and favorable consideration. These increased Federal payments were included in the proposed budgets of both former President Carter and President Reagan.

An increase in the Federal payment to the District of Columbia is important, not only for the city, but for the entire Nation, since the District of Columbia is the prism through which most of the world views our great Nation.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1040

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 502 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 2501d) is amended by striking out "for the fiscal year ending September 30, 1978, and for each fiscal year thereafter the sum of $300,000,000" in the first sentence and inserting in lieu thereof "for each of the fiscal years ending September 30, 1978, September 30, 1979, September 30, 1980, and September 30, 1981, the sum of $300,000,000; and for the fiscal year ending September 30, 1982, and for each fiscal year ending after September 30, 1982, the sum of $336,600,000".●

By Mr. ROTH (by request):

S. 1041. A bill to repeal certain provisions applicable to compensation for the overtime inspectional services of employees of the Immigration and Naturalization Service, and for other purposes; to the Committee on Governmental Affairs.

COMPENSATION RATES ADJUSTED FOR IMMIGRATION AND NATURALIZATION SERVICE EMPLOYEES

● Mr. ROTH. Mr. President, I am introducing today, by request, a proposal to repeal sections 1353(a) and 1353(b) of chapter 8, United States Code. This measure would make uniform overtime compensation rates applicable to employees of the Immigration and Naturalization Service. It would also result in cost savings to the Government. An estimated $5.5 million could be saved annually with the enactment of this measure.

I am introducing this proposal so that there may be a specific bill to which interested Senators and the public may direct comments. I ask unanimous consent that the bill, together with a letter from the Acting Assistant Attorney General for Legislative Affairs at the Justice Department dated April 7, 1981, be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1041

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of March 2, 1931 (8 U.S.C. 1353a and 8 U.S.C. 1353b) is hereby repealed.

SEC. 2. The Immigration and Nationality Act is amended by adding after section 283 the following new section:

"283a. Reimbursement by vessels and other conveyances for extra compensation paid to employees for inspectional duties.

(a) The extra compensation for overtime services of immigration officers and employees of INS for duties in connection with the examination and landing of passengers and crews of steamships, trains, airplanes, or other vehicles arriving in the U.S. by water, land, or air, from a foreign port shall be paid by the master, owner, agent, or consignee of such vessel or conveyance, at the rate fixed under the applicable provisions of 5 U.S.C. 5542 and 5 U.S.C. 5545.

(b) The extra compensation shall be paid if the employee has been ordered to report for duty and has reported, whether or not the actual inspection or examination takes place, *Provided,* That this section shall not apply to the inspection at designated ports of entry of passengers arriving by international ferries, bridges, or tunnels, or by aircraft, railroad trains, or vessels on the Great Lakes and connecting waterways, when operating on regular schedules."

SEC. 3. (a) 8 U.S.C. 1353c (The Act of March 4, 1921 (41 Stat. 1424), as amended), is redesignated as 8 U.S.C. 1353b.

(b)(1) The Act of August 22, 1940, as amended (8 U.S.C. 1353d), is amended by striking the words "the Act of March 2, 1931" and inserting instead the words "section 283a of the Immigration and Nationality Act."

(2) 8 U.S.C. 1353d is redesignated as 8 U.S.C. 1353c.

(c) 5 U.S.C. 5549 is amended by:

(1) striking subsection (2), and

(2) redesignating subsections (3) through (5) as (2) through (4), respectively.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, D.C., April 9, 1981.

The VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: There is herewith transmitted a legislative proposal "To repeal certain provisions applicable to compensation for the overtime inspectional services of employees of the Immigration and Naturalization Service, and for other purposes."

This proposal repeals the Act of March 2, 1931 (8 U.S.C. 1353a and 8 U.S.C. 1353b) so that all overtime compensation for the employees of the Immigration and Naturalization Service (INS) would be calculable under the provisions of Title 5. Section 2 of the proposal amends the Immigration and Nationality Act to incorporate the requirement of the Act of 1931 that carriers reimburse INS for inspectional overtime payments, with the rate of overtime pay being fixed by the provisions of Title 5. Section 3 of the proposal makes technical amendments to various statutory provisions to delete references to the repealed Act and to renumber affected provisions of law.

Presently, overtime compensation rates for INS employees performing inspectional duties are fixed by the Act of 1931. Employees performing duties not encompassed under the 1931 Act as inspectional duties are compensated for overtime work under the provisions of 5 U.S.C. 5542(a), or 5 U.S.C. 5545(c)(2).

Overtime compensation under the 1931 Act is fixed on a basis of one-half day's additional pay for each two hours, or fraction thereof of at least one hour, that the overtime extends beyond 5:00 p.m. (but not to exceed two and one-half days' pay for the full period from 5:00 p.m. to 8:00 a.m.), and two additional days' pay for Sunday and holiday duty. Under 5 U.S.C. 5542(a) overtime compensation is fixed for work over eight hours a day or over 40 hours a week, at one and one-half times the employee's hourly pay rate, but not to exceed the hourly rate of a GS–10 (step 1) employee.

Under 5 U.S.C. 5545(c)(2) overtime is paid for hours of duty which cannot be controlled administratively for substantial amounts of irregular, unscheduled overtime duty (which excludes regularly scheduled overtime, night, Sunday, and holiday duty). The employee receives premium pay for Administratively Uncontrollable Overtime work, calculated at not less than 10 percent nor more than 25 percent of the employee's salary, but not to exceed the pay of a GS–10 (step 1) employee.

This proposal would equalize the overtime compensation rates applicable to INS employees by repealing the 1931 Act, which covers only inspectional overtime. It would also result in costs savings. The 1931 Act results in a minimum "double time" compensation rate, while 5 U.S.C. 5542(a) provides for a rate of one and one-half times the employee's hourly rate of pay, and both that provision and § 5545(c)(2) limit the pay to one and one-half times the hourly rate of a GS–10 (step 1) employee. If the 1931 Act is repealed, and inspectional overtime pay is calculated under cited Title 5 provisions, an estimated annual savings of 5.5 million dollars will be realized.

The proposal would also facilitate administration of INS overtime payments. The limited resources of the Immigration and Naturalization Service necessitate that employees who do not normally perform inspectional duties, such as border patrol agents or criminal investigators, be detailed to inspection stations. Such assignments often require INS to refer to the provisions of the above three acts to calculate one employee's overtime compensation. In addition, INS appropriations for fiscal year 1981 limit overtime pay to any employee to no more than $20,000 per year, unless the Commissioner makes a determination that this restriction is impossible to implement in certain instances. It is possible that this limitation will be applicable to future INS appropriations. The repeal of the 1931 Act will assist INS in making pertinent costs comparisons in its attempts to meet the $20,000 limitation and will ease the recordkeeping which the limitation has imposed.

The Office of Management and Budget has advised that the enactment of this legisla-

tion is in accord with the President's program.

Sincerely,

MICHAEL W. DOLAN,
Acting Assistant Attorney General,
Office of Legislative Affairs.●

By Mr. ROTH (by request):

S. 1042. A bill to amend the Intergovernmental Personnel Act of 1970 as amended; to the Committee on Governmental Affairs.

LEGISLATION TO ABOLISH THE INTERGOVERNMENTAL PERSONNEL ACT

● Mr. ROTH. Mr. President, I am introducing today, by request, a proposal to abolish the Intergovernmental Personnel Act grant program, all statutory personnel requirements established as a condition of the receipt of Federal grants-in-aid by State and local governments and certain other mandatory functions contained in the IPA.

The Intergovernmental Personnel Act was first established in 1970. Since then over $160 million has been distributed to State and local governments through 5,000 separate projects. The intent of the program has been to encourage State and local governments to adopt merit system principles in their personnel management practices and to assist States and localities in adopting innovative and effective employee programs.

This bill would reduce Federal involvement in State and local personnel systems. It would also eliminate various conditions which currently constrain the use of Federal aid funds in functions unrelated to personnel practices. I am introducing the proposal so that there may be a specific bill to which interested Senators and the public may direct comments.

I ask unanimous consent that the bill together with a section-by-section analysis and the letter from the Director of the Office of Personnel Management to the President of the Senate dated April 15, 1981, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1042

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Intergovernmental Personnel Act of 1970 is amended as follows:

(a) Sections 3, 101, 102, 103, 201, 202, 203, 204, 205, 206, 301, 302(c), 303, 304, 305, 306, 501, 502, 503, 504, 505, 506, 507, 508, 509, 511, 512, and 513 are repealed;

(b) Section 2 is amended to read as follows:

"The Congress hereby finds and declares—

"That vital State and local governmental institutions close to and responsive to the will of the people are essential in the maintenance and development of the Federal system in an increasingly complex, interdependent society.

"That, in a vital federal system of divided powers, the responsibility for developing a high caliber State and local public service based on merit principles can and should be vested in the democratic processes which exist in each State and local government.

"That the quality of public service can be improved by the development of systems of personnel administration consistent with such merit principles as—

"(1) recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge, and skills, including open consideration of qualified applicants for initial appointment;

"(2) providing equitable and adequate compensation;

"(3) training employees, as needed, to assure high-quality performance;

"(4) retaining employees on the basis of adequacy of their performance, correcting inadequate performance, and separating employees whose inadequate performance cannot be corrected;

"(5) assuring fair treatment of applicants and employees in all aspects of personnel administration without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights as citizens; and

"(6) assuring that employees are protected against coercion for partisan political purposes and are prohibited from using their official authority for the purposes of interfering with or affecting the result of an election or a nomination for office."

(c)(1) Title I is amended by striking the caption and inserting in lieu thereof "Strengthening State and Local Personnel Administration";

(2) Section 207, Interstate Compacts, is renumbered as section 101;

(3) Section 208 is amended by striking the section head and all that follows and inserting in lieu thereof the following:

"Abolition of Federal Merit Standards.

"Section 102. All statutory merit personnel requirements established as a condition of the receipt of Federal grants-in-aid by State and local governments are hereby abolished."

(d) Section 302 (a) and (b), Admission to Federal Employee Training Programs, are renumbered as Sec. 103 (a) and (b), respectively.

(e) Section 510 is renumbered as Section 104.

(f) Title IV is renumbered as Title II.

SEC. 2. No provision of paragraph (a) of the first section of this Act shall affect any existing authorization or requirement with respect to expenditure of Intergovernmental Personnel Act grant funds, or the review or audit of these grants, made or pending at the time such provision takes effect. Unobligated balances will be deposited in miscellaneous receipts of the Treasury.

SEC. 3. Chapter 13 of Title 5, United States Code, is amended by renumbering Sections 1306, 1307, and 1308 as Sections 1307, 1308, and 1309, respectively; and by adding the following new section:

"Section 1306. Intergovernmental cooperation in recruiting, examining, training and technical assistance.

(a) State and local governments may join with the Office in cooperative recruiting and examining activities under such procedures and regulations as may jointly be agreed upon, provided that there is an equitable allocation of costs.

(b) The Office also may, on written request of a State or local government and under such procedures as may be jointly agreed upon, certify to such governments from appropriate Federal registers the names of potential employees. The State or local government making the request shall pay the Office for the costs, as determined by the Office, of performing the service, and such payments shall be credited to the appropriation or fund from which the expenses were or are to be paid.

(c) The Office may furnish technical advice to State and general local governments seeking to improve their systems of personnel administration, and assistance on request to any Indian tribe, band, nation, etc., as defined in subparagraph (1)(C) of Section 3371 of this title.

"(d) For the purposes of this section, the term "State" and "local government" have the meaning prescribed in section 3371 of this title."

SEC. 4. Except for subsection (c)(3) of the first section of this Act the provisions of this Act shall be effective September 30, 1981. Subsection (c)(3) of the first section of this Act shall be effective upon enactment.

REPEAL OF PORTIONS OF INTERGOVERNMENTAL PERSONNEL ACT OF 1970—SECTION ANALYSIS

Section 1(a) repeals the following provisions of the Intergovernmental Personnel Act:

(1) Sec. 3, Declaration which states principles for administration of the Act.

(2) Sec. 101, 102, 103, which establish an Advisory Council on Intergovernmental Personnel Policy. The work of the Advisory Council has been completed.

(3) Sec. 201, Declaration of Purpose of Title II of this Act.

(4) Sec. 202, which establishes authority and procedures for grants to State governments for improvement of personnel administration.

(5) Sec. 203, which establishes authority and procedures for grants to local governments.

(6) Sec. 204 and 205, which provide for Intergovernmental Cooperation in Recruiting and Examining and Technical Assistance. (Partially restored in Section 3 of amended Bill).

(7) Sec. 206, which establishes the requirement of Office of Personnel Management's coordination of personnel administration support and technical assistance.

(8) Sec. 301, Declaration of Purpose of Title III of this Act.

(9) Sec. 302(c) which authorizes Office of Personnel Management to fund certain costs incurred by admittance of State and local employees to Federal training courses.

(10) Sec. 303, which provides for grants to State and local governments for training.

(11) Sec. 304, which provides for grants to organizations other than State and local governments.

(12) Sec. 305, which provides for grants for Government Service Fellowships.

(13) Sec. 306, which requires Office of Personnel Management to prescribe regulations, coordinate training support, and perform other coordinating functions.

(14) Sec. 501, Declaration of Purpose of Title V of this Act.

(15) Sec. 502, which provides definitions of "federal agency, State and local governments" applicable to this Title. Replaced by Section 3371 of Title 5, U.S. Code.

(16) Sec. 503, which requires the Office of Personnel Management to provide annual reports on the administration of this Act and to avoid duplication with other Federal training assistance and authorizes the Office of Personnel Management to furnish advice or collect information relevant to the administration of this Act and to avoid duplication with other Federal training assistance.

(17) Sec. 504, which requires reports and evaluations of grants from State and local governments.

(18) Sec. 505, which provides for the Office of Personnel Management's review and audit of grants.

(19) Sec. 506, which provides for the method of allocation of the grant funds.

(20) Sec. 507, which authorizes the termination of grants.

(21) Sec. 508, which authorizes advisory committees.

(22) Sec. 509, which authorizes appropriations for this Act.

(23) Sec. 511, which puts restrictions on the use of IPA grant funds.

(24) Sec. 512, which provides for method of payment of grant funds.

(25) Sec. 513, which provides an effective date for grant provisions.

Section 1(b) Makes minor modifications of the State and local merit principles of

Section 2 of the IPA. The responsibility for the development and enforcement of any merit requirements is left up to the State and local governments themselves.

Section 1(c)(1), Changes the caption of Title I.

(2) Renumbers Sec. 207, Interstate Compacts, to become Section 101.

(3) Amends Sec. 208, by eliminating the statutory merit personnel requirements (cited in Attachment A of the Statement of Purpose and Justification) established as a condition of the receipt of Federal grants-in-aid by State and local governments and renumbering it as Section 102.

Section 1(d) Renumbers Sec. 302(a) and (b), Admission of Federal Employee Training Program.

Section 1(e) Renumbers Sec. 510, Revolving Fund.

Section 1(f) Renumbers Title IV as Title II.

Section 2.—Provides authority to complete necessary functions to terminate the grant program.

Section 3.—Provides for cooperative recruiting and examining activities with equitable allocation of costs, for Federal certification of potential employees, and for authority to furnish technical advice to State and general local governments.

Section 4.—Makes effective upon enactment the elimination of the statutory merit personnel requirements established as a condition of the receipt of Federal grants-in-aid by State and local governments.

Establishes September 30, 1981, as the date all other provisions of this Act become effective.

STATEMENT OF PURPOSE AND JUSTIFICATION

A draft bill to amend the Intergovernmental Personnel Act of 1970.

PURPOSE

The purpose of this Bill is to amend the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4721 et seq.), to repeal the Office of Personnel Management's authority to make grants to State and local governments and to abolish all statutory merit personnel requirements established as a condition of the receipt of Federal grants-in-aid by State and local governments.

JUSTIFICATION

The Intergovernmental Personnel Act grant program was first funded 10 years ago. Since that time, the Federal Government has funded, on a joint basis with State and local governments, approximately 5,000 personnel management improvement and training projects at a cost of over $160 million. The purpose of these grants was to provide seed money to State and local governments to stimulate improvement of their systems of personnel administration and to upgrade through training their professional and administrative staffs' management skills.

We believe these projects have demonstrated to these governments the value of investing modest amounts of money to build or improve modern merit-based systems of personnel administration and to train staff in a wide range of management skills. As a demonstration program, identifying best practices, the IPA has achieved its objectives. After ten years of demonstration funding, State and local governments should now be willing to invest block grant funds or their own resources in personnel system improvements and training to the extent that they believe these projects are needed and cost effective.

The statutory requirement for a merit-based system of personnel administration exists now as a statutory grant condition in 19 Federal grant programs providing over $46 billion per year to State and local governments. (Attachment A is a listing of the statutory merit requirements that would be abolished by this legislation.) The original purpose of the Merit System Standards requirement was to insure the impartial and efficient administration of these grant programs by State and local governments. In addition, the Administration is acting to consolidate numerous categorical grant programs into a small number of block grant programs to be administered by the State and local governments. These jurisdictions will have every bit as much interest as the Federal Government in seeing that these grants are administered economically, efficiently, and effectively, since it will be clear to the electorate that program success or failure will be fully within the control of State and local governments. Furthermore, States have significantly upgraded their personnel systems over the years to the point where now almost all substantially meet the current Federal standards. Continued Federal oversight of State and local government personnel procedures is no longer appropriate.

The amendment leaves substantially intact the merit principles and declaration currently in Section 2 of the IPA that the quality of public service can be improved by the development of merit-based personnel systems. It will, however, leave the responsibility for the development and enforcement of any merit requirements up to the State and governments themselves.

The Administration has determined that the elimination of the IPA grant program is necessary as part of the overall effort to reduce government spending and is consistent with the goal to reduce the number of categorical grant programs. The abolition of statutory merit requirements in 19 Federal grant programs is part of an overall Administration goal to reduce Federal regulation and control of State and local government activities.

Elimination of the IPA grant program will reduce the Federal budget by $5.6 million in FY 1981 and $20 million for each year from FY 1982–1986.

[Attachment A]

TYPES OF MERIT PERSONNEL REQUIREMENT OF FEDERAL GRANTS-IN-AID STATUTES THAT WOULD BE AFFECTED*

Food Stamp, Food Stamp Act of 1977, as amended 7 U.S.C. 2020(e)(6)(B).

(B) the State agency personnel utilized in undertaking such certification shall be employed in accordance with the current standards for a Merit System of Personnel Administration or any standards later prescribed by the United States Civil Service Commission pursuant to section 4728 of title 42 modifying or superseding such standards relating to the establishment and maintenance of personnel standards on a merit basis; . . .

Drug Abuse Prevention, Drug Abuse Office and Treatment Act of 1972, § 409, on March 21, 1972; 21 U.S.C. 1176(e)(8).

(8) provide such methods of administration of the State plan, including methods relating to the establishment and maintenance of personnel standards on a merit basis (except that the Secretary shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods), as are found by the Secretary to be necessary for the proper and efficient operation of the plan;

National Health Planning and Resources Development, Public Health Service Act (Title XV), as amended by the National Health Planning and Resources Development Act of 1974, § 1522, on January 2, 1975, 42 U.S.C. 300m-1(b)(4)(B).

(B) provide for such methods of administration as are found by the Secretary to be necessary for the proper and efficient administration of such functions and the State Program, including methods relating to the establishment and maintenance of personnel standards on a merit basis consistent with such standards as are or may be established by the Civil Service Commission under section 4728(a) of this title, but the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with the methods relating to personnel standards on a merit basis established and maintained in conformity with this paragraph;

Old-Age Assistance, Social Security Act (Title I), as amended by the Social Security Act Amendments of 1939, § 101, on August 10, 1939; 42 U.S.C. 302(a)(5)(A).

(5) provide (A) such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan, and . . .

Employment Security (Unemployment Insurance and Employment Service), Social Security Act (Title III), as amended by the Social Security Act Amendments of 1939, § 301, on August 10, 1939, and the Wagner-Peyser Act, as amended by Public Law 81–775, § 2, on September 8, 1950; 42 U.S.C. 503(a)(1) and 29 U.S.C. 49d(b).

(1) Such methods of administration (including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary of Labor shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary of Labor to be reasonably calculated to insure full payment of unemployment compensation when due;

Aid to Families with Dependent Children, Social Security Act (Title IV–A), as amended by the Social Security Act Amendments of 1939, § 401, on August 10, 1939; 42 U.S.C. 602(a)(5).

(5) provide such methods of administration (including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan;

Maternal and Child Health Services/Crippled Children Services, Social Security Act (Title V), as amended by the Social Security Act Amendments of 1939, § 503, on August 10, 1939; 42 U.S.C. 705(a)(3)(A).

(3) provides (A) such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are necessary for the proper and efficient operation of the plan;

Aid to the Blind, Social Security Act (Title X), as amended by the Social Security Act Amendments of 1939, § 701, on August 10, 1939; 42 U.S.C. 1202(a)(5)(A).

(5) provide (A) such methods of administration (including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall

* As incorporated in the United States Code through 1979.

exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan,

Aid to the Permanently and Totally Disabled, Social Security Act (Title XIV), as amended by the Social Security Act Amendments of 1950, § 1402, on August 28, 1950, 42 U.S.C. 1352(a)(5)(A).

(5) provide (A) such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan,

Aid to the Aged, Blind or Disabled, Social Security Act (Title XVI), as amended by the Public Welfare Amendments of 1962, § 1602, on July 25, 1962; 42 U.S.C. 1382(a)(5)(A), note.

(5) provide (A) such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan,

Medical Assistance (Medicaid), Social Security Act (Title XIX), as amended by the Social Security Amendments of 1965, § 1902, on July 30, 1965; 42 U.S.C. 1396(a)(4)(A).

(4) provide (A) such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods, and including provision for utilization of professional medical personnel in the administration and, where administered locally, supervision of administration of the plan) as are found by the Secretary to be necessary for the proper and efficient operation of the plan,

Grants to States for Social Services, Social Security Act (Title XX), as amended by the Social Services Amendments of 1974, § 2003, on January 4, 1975; 42 U.S.C. 1397b(d)(1)(D).

(D) provides that the State will, in the administration of its program for the provision of the services described in section 1397a(a)(1), use such methods relating to the establishment and maintenance of personnel standards on a merit basis as are found by the Secretary to be necessary for the proper and efficient operation of the program, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods;

Comprehensive Mental Health Services (Services and Facilities), Community Mental Health Centers Act (Title II), as amended by the Community Mental Health Centers Amendments of 1975, § 303, on July 29, 1975; 42 U.S.C. 2689t(a)(1)(D).

(D) include provisions, meeting such requirements as the Civil Service Commission may prescribe, relating to the establishment and maintenance of personnel standards on a merit basis.

State and Community Programs on Aging (Older Americans), Older Americans Act of 1965 (Title III), as amended by the Comprehensive Older Americans Act Amendments of 1978, § 307 on October 18, 1978; 42 U.S.C. 3027(a)(4).

(4) provide for the use of such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Commissioner shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods) as are necessary for the proper and efficient administration of the plan;

Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation, Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (Title III), § 303, on December 31, 1970; 42 U.S.C. 4573(a)(5).

(5) provide such methods of administration of the State plan, including methods relating to the establishment and maintenance of personnel standards on a merit basis (except that the Secretary shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods), as are found by the Secretary to be necessary for the proper and efficient operation of the plan;

Mental Health Systems; 42 U.S.C. 9542(1)(F).

(F) include provisions, meeting such requirements as the Office of Personnel Management may prescribe, relating to the establishment and maintenance of personnel standards on a merit basis; and

Adoption Assistance and Foster Care; 42 U.S.C. 671(a)(5).

(5) provides that the State will, in the administration of its programs under this part, use such methods relating to the establishment and maintenance of personnel standards on a merit basis as are found by the Secretary to be necessary for the proper and efficient operation of the programs, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods;

U.S. OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C., April 15, 1981.

Hon. GEORGE M. BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The U.S. Office of Personnel Management is submitting for the consideration of Congress legislation to abolish the Intergovernmental Personnel Act (IPA) grant program, all statutory merit personnel requirements established as a condition of the receipt of Federal grants-in-aid by State and local governments, and certain other mandatory functions contained in the IPA.

The Intergovernmental Personnel Act grant program was first funded by Congress ten years ago. Since then, the Federal Government has funded, on a joint basis with State and local governments, approximately 5,000 personnel management improvement and training projects at a cost of over $160 million. OPM has worked to ensure that these projects have been responsive to the priority needs identified by State and local governments. We believe that the IPA program has basically achieved its objectives as a demonstration program to show State and local governments the value of efforts to build or improve modern, merit-based personnel systems and to train staff in a wide range of management skills.

Consistent with the Administration's overall effort to reduce the number of categorical grant programs, this bill will reduce the Federal involvement in what should be primarily a State or local government responsibility. State and local governments should now be willing to invest block grant funds or their own resources in personnel systems improvements and training to the extent that they believe these projects are needed and cost effective.

With respect to the Merit System Standards, the Administration intends to reduce Federal control and regulation of State and local government activities. The merit personnel requirement that now exists as a statutory grant condition in 19 Federal grant programs should, therefore, be eliminated. The original purpose of the Merit System Standards requirement was to ensure the impartial and efficient administration of Federal grant programs by State and local governments. These jurisdictions are just as interested as the Federal Government in ensuring efficient and effective use of these grant funds. In addition, State personnel systems have been significantly improved over the past 40 years, since these requirements were first placed in Federal statutes, to the point where now almost all substantially meet current Federal standards. Continued Federal oversight of State and local government personnel practices is no longer appropriate.

The elimination of these programs is consistent with the overall goal of the Administration to reduce Federal spending and control over State and local government activities in support of the 1982 revised budget.

The Office of Management and Budget advises that enactment of this legislative proposal would be in accord with the program of the President.

A similar letter is being sent to the Speaker of the House.

Sincerely yours,

DONALD J. DEVINE,
Director.

By Mr. PRYOR (for himself, Mr. PELL, and Mr. RIEGLE):

S. 1043. A bill to prohibit the drugging or numbing of racehorses and related practices, and to amend title 18, United States Code, to prohibit certain activities conducted in interstate or foreign commerce relating to such practices; to the Committee on the Judiciary.

LEGISLATION RELATING TO THE DRUGGING OF RACEHORSES

● Mr. PRYOR. Mr. President, this Saturday marks the 107th running of the Kentucky Derby, America's best known and most loved horserace. But as the eyes of the Nation focus on the race at Churchill Downs, we must also focus our attention on the need for drug-free horseracing.

Today I am joined by Senators CLAIBORNE PELL and DONALD RIEGLE in introducing legislation which would end the practice of drugging or numbing horses before a race. If enacted, this legislation would make it illegal to drug or numb any horse entered in a horserace and would mandate certain testing procedures and programs to insure its proper enforcement.

When I first introduced this legislation last year, I spoke of the misuse of permitted medications. These medications, legal in many racing jurisdictions, were frequently administered to sore or injured horses to enable them to race beyond their physical capabilities.

The perceived threat of Federal action in this sphere has prompted racing commissions in most jurisdictions to take action to ban the use of previously allowed drugs. However, in many States the new rules lack the enforcement

mechanisms offered in my legislation. In some cases the bans were apparently for cosmetic purposes. In one case, a racing commissioner stated publicly that a strict new rule could be repealed as soon as the specter of Federal intervention disappeared.

There is no doubt that this legislation is needed now more than ever. Only last week, a series of wire service articles documented narcotics abuse in racing in no fewer than eight States. This is clearly a problem the sport of racing cannot afford.

Currently horseracing is this Nation's No. 1 spectator sport. I am personally proud that my State of Arkansas has one of the Nation s strongest medication rules and enforces it effectively. Unfortunately, however, Arkansas is one of the exceptions in the world of racing today. Racing laboratories, understaffed and underfunded, are simply not equipped to test for the exotic new substances which are currently available. Honest horsemen, frustrated that they cannot win by racing fairly, are leaving the sport. Spectators and those who wager are turning to other forms of sport. Racing will continue to suffer these troubles until the drug abuse problem is solved.

Evidence of the ongoing problem of drug abuse is all too readily available. At Keystone Park in Pennsylvania, nearly one-quarter of the entries were scratched on the day it was announced that authorities would be testing for Banamine, a potent painkiller. A report by a special New Mexico task force found that administering illegal drugs to horses before a race was a commonplace occurrence in that State. And only last week it was reported that a powerful new experimental drug is being widely used at racetracks on the east coast to influence the outcome of races. Currently laboratory chemists cannot detect this drug, and authorities have been powerless to control its use.

Even States which have acted in good faith to try to eliminate drug abuse have been frustrated in their efforts. Last year, the Florida legislature unanimously passed a bill to ban all prerace medication. However, opponents moved swiftly, and an injunction was soon instituted to prevent the law from taking effect. The future of the legislation or of similar legislation is now in doubt. In Kentucky, the State racing commission passed an equally strict drug rule, turning Kentucky into one of the least permissive States. Yet, a legislative oversight committee overturned the new rule only days before it was to have gone into effect. So this year's Kentucky Derby, instead of being the first drug-free run for the roses in nearly a decade, will simply be business as usual.

Opponents of this legislation are quick to point out that racing is a State responsibility and the Federal Government should not be involved. I agree that the regulation of the horseracing industry is basically a function reserved to the States. But I would also submit that racing has indeed become an interstate activity. Horses and racing fans regularly travel across State lines; and in fact, horses may be trained in 1 State and raced in as many as 30. In addition, wagering can now be conducted interstate. Unless all States prohibit drugs uniformly, the lone State that succeeds in prohibiting drugs may find itself threatened with a boycott from those who want to race with drugs.

The legislation I am introducing today is identical to the legislation which I introduced in the 96th Congress except for two revisions. First, the legislation allows 2 years from the time of enactment for States to pass their own laws so that they may be exempt from the Federal program. After 2 years, the Federal program would go into effect in those States which have not enacted their own programs. Second, the legislation automatically sunsets 10 years after its enactment, thus terminating the Federal program after 8 years. I believe that if drugs are removed from horse racing completely during this period, the sport would benefit greatly, the integrity of the sport would be enhanced, and all of those associated with horse racing would not want to allow future prerace medication.

This legislation will seek to set rational standards and eliminate the problem of illegal drugging and numbing of race horses. I urge my colleagues to act quickly on the passage of this important legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1043

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DEFINITIONS

SECTION 1. As used in this Act—

(1) the term "Administrator" means the Administrator of the Drug Enforcement Administration, Department of Justice;

(2) the term "drugging," when used with respect to a horse entered in a horserace, means the administering to a racehorse of any substance, foreign to the natural horse, prior to the start of a horserace;

(3) the term "numbing," when used with respect to a horse entered in a horserace, means the applying of ice, dry ice, a cold pack, or a chemical or mechanical freezing device to the limbs of a racehorse within ten hours before the start of such horserace, or a surgical or other procedure, which was, at any time, performed in which the nerves of such horse were severed, destroyed or removed;

(4) the term "horserace" means any race of equine animals in any State in which parimutuel betting on the outcome of such race is permitted in such State;

(5) the term "entered," when used with respect to a horserace, means that a horse has been registered with the racing secretary or other authorized racing official as a participant in a specified race, and not withdrawn prior to presentation of the horse for inspection and testing pursuant to section 6(a).

(6) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

FINDINGS

SEC. 2. The Congress finds that—

(1) the practice of drugging or numbing a racehorse prior to a horserace—

(A) corrupts the integrity of the sport of horseracing and promotes criminal fraud in such sport,

(B) misleads the wagering public and those desiring to purchase such horse as to the condition and ability of such horse,

(C) poses an unreasonable risk of serious injury or death to the rider of such horse and to the riders of other horses competing in the same race, and

(D) is cruel and inhumane to the horse so drugged or numbed;

(2) the practice of drugging or numbing a racehorse adversely affects and burdens interstate commerce; and

(3) criminal penalties and other sanctions are necessary in order to prevent and eliminate such practices.

PROHIBITED CONDUCT

SEC. 3. The following conduct is prohibited:

(1) the entering of a horse in a horserace by the trainer or owner of such horse if such trainer or owner knows or if by the exercise of reasonable care such trainer or owner should know that such horse is drugged or numbed;

(2) the drugging or numbing of a racehorse with knowledge or with reason to believe that such horse will compete in a horserace while so drugged or numbed: *Provided*, That the Administrator may by regulation establish permissible trace levels of substances foreign to the natural horse that he determines to be innocuous;

(3) the willful failure by the operator of a horseracing facility to disqualify a horse from competing in a horserace if such operator has, in accordance with section 6(a) of this Act, been notified that such horse is drugged or numbed, or was not properly made available for tests or inspections as required under such section: and

(4) the willful failure by the operator of a horseracing facility to prohibit a horse from racing if such operator has, in accordance with section 5(f) of this Act, been notified that such horse has been suspended from racing.

PENALTIES AND ENFORCEMENT POWERS

SEC. 4. (a) CRIMINAL PENALTIES.—(1)(A) Except as provided in subparagraph (B) of this paragraph, any person who violates any provision of section 4 of this Act shall, upon conviction thereof, be fined not more than $10,000, or imprisoned for not more than one year, or both.

(B) Any person who violates section 4 of this Act and who has been previously convicted for a violation of such section shall be fined not more than $25,000, or imprisoned for not more than three years, or both, upon conviction.

(2)(A) Whoever forcibly assaults, resists, opposes, impedes, intimidates, or interferes with a person while such person is engaged in or on account of the performance by such person of any official duties delegated to such person under this Act shall be fined not more than $25,000, or imprisoned not more than three years, or both.

(B) Whoever, in the commission of any of the acts referred to in subparagraph (A) of this paragraph, uses or threatens to use a deadly or dangerous weapon shall be fined not more than $50,000, or imprisoned not more than ten years, or both.

(C) Whoever kills a person while such person is engaged in or on account of the performance by such person of any official duties of such person under this Act shall be punished as provided in sections 1111 and 1112 of title 18 of the United States Code.

(3) Whoever knowingly makes, or causes to be made, a false entry or statement in a

report or account required to be made under this Act; knowingly fails to make full, true, and correct entries in such records; removes any such documentary evidence out of the jurisdiction of the United States; mutilates, alters, or by any other means falsifies any such documentary evidence; or refuses to submit any documentary evidence to the Administrator for inspection and copying shall be guilty of an offense against the United States, and upon conviction thereof shall be fined not more than $25,000, or imprisoned for not more than three years, or both.

(b) DISQUALIFICATIONS OF OFFENDERS.—(1) Except as provided in paragraph (2) of this subsection, any person who violates any provision of this Act shall, upon conviction thereof, by order of the Administrator, be disqualified from entering a horse in a horserace, operating a horseracing facility, or performing for gain any service rendered in connection with horseracing, for a period not to exceed one year.

(2) Any person who violates any provision of this Act and who has been previously convicted for a violation of such Act shall, by order of the Administrator, be disqualified from entering a horse in a horserace, operating a horseracing facility, or performing for gain any service rendered in connection with horseracing, for a period not to exceed five years.

(c) CIVIL PENALTIES; REVIEW AND ENFORCEMENT.—(1)(A) Any person who knowingly violates an order of disqualification issued under subsection (b) of this section shall be liable to the United States for a civil penalty of not more than $15,000 for each such violation.

(B) The operator of a horseracing facility which knowingly allows a person to enter a horse in a horserace or perform for gain any service rendered in connection with horseracing in violation of an order of disqualification entered under subsection (b) of this section shall be liable to the United States for a civil penalty of not more than $15,000 for each such violation.

(2) No civil penalty shall be assessed against any person under paragraph (1) of this subsection unless such person is given notice and an opportunity for a hearing before the Administrator with respect to such violation. The amount of any such civil penalty shall be assessed by the Administrator by written order. In determining the amount of such penalty, the Administrator shall take into account all factors relevant to such determination, including the nature, circumstances, extent, and gravity of the prohibited conduct, and, with respect to the person found to have engaged in such conduct, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

(3) Any person as to whom a civil penalty is assessed under paragraph (1) of this subsection may obtain review in the court of appeals of the United States for the circuit in which such person resides or has his place of business or in the United States Court of Appeals for the District of Columbia by filing a notice of appeal in such court within thirty days after the date of such order and by simultaneously sending a copy of such notice by certified mail to the Administrator. The Administrator shall promptly file in such court a certified copy of the record upon which such violation was found and such penalty assessed, as provided under section 2112 of title 28 of the United States Code. The findings of the Administrator shall be set aside if found to be unsupported by substantial evidence.

(4) If a person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or, if an appeal is taken, after the appropriate court of appeals has entered final judgment in favor of the Administrator, the Administrator shall refer the matter to the Attorney General, who shall recover the amount assessed in any appropriate district court of the United States. In such recovery action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(d) SUSPENSION OF HORSE FROM RACING.—(1) Any racehorse found to have been drugged or numbed in violation of this Act shall, subject to paragraph (2) of this subsection, be suspended from competing in any horserace for a period of six months for the first infraction, and for a period of not less than twelve months for each subsequent infraction.

(2) No racehorse shall be suspended under paragraph (1) of this subsection unless the owner of such horse is given notice and an opportunity for a hearing before the Administrator within two weeks after the date on which the infraction referred to in such paragraph is discovered. The appeal procedure set forth in subsection (c)(3) of this section shall apply with respect to any suspension order made in a hearing conducted under this paragraph.

(e) NOTIFICATION OF SUSPENSION AND DISQUALIFICATIONS.—Notification of all suspensions and disqualifications under this section shall be transmitted to the operator of each horseracing facility in accordance with such procedures as the Administrator shall by regulation prescribe.

(f) MODIFICATION OF PENALTIES.—The Administrator may, in his discretion, compromise, modify, or remit, with or without conditions, any civil penalty, disqualification, or suspension assessed under this subsection.

(g) PRODUCTION OF WITNESSES, BOOKS, PAPERS, AND DOCUMENTS; DEPOSITIONS; FEES; JURISDICTION.—(1) The Administrator may require by subpena the attendance and testimony of witnesses or the production of books, papers, or other documentary evidence relating to any matter under investigation or the subject of a proceeding under this Act. Witnesses summoned before the Administrator shall be paid the same fees and mileage as are paid witnesses in the courts of the United States.

(2) The attendance of witnesses and the production of books, papers, and documents, may be required at any designated place from any place in the United States. In case of refusal to obey a subpena served upon a person under this Act, the Administrator, or any party to a proceeding held before the Administrator under this Act, may petition the district court of the United States for the district in which such person is found, resides, or transacts business, to issue an order requiring such person to comply with such subpena.

(3) The Administrator may order testimony to be taken by deposition under oath in any proceeding or investigation pending before him, at any stage or such proceeding or investigation. A deposition may be taken before any person designated by the Administrator who has power to administer oaths. The Administrator may require the production of relevant books, papers, or other documentary evidence at the taking of such a deposition.

(4) Witnesses whose depositions are taken and the persons taking them shall be entitled to the same fees as are paid for like services in the courts of the United States.

(5) The United States district courts, the District Court of Guam, the District Court of the Virgin Islands, the highest court of American Samoa, and the United States courts of the other territories are vested with jurisdiction specifically to enforce, and to prevent and restrain violations of this Act, and shall have jurisdiction in all other kinds of cases arising under this Act.

(h) DETENTION OF HORSES; SEIZURE AND CONDEMNATION OF EQUIPMENT.—(1) A person appointed under section 6 of this Act may detain (for a period not to exceed twenty-four hours) for examination, testing, or the taking of evidence, any horse at a horserace which is drugged or numbed, or which such veterinary doctor, based upon the results of an inspection, test, or other procedure conducted under such section, has probable cause to believe is drugged or numbed. Any horse which is detained subject to this paragraph shall not, during such detention, be moved from the place where such horse is so detained except as authorized by such veterinary doctor.

(2) Any equipment, device, paraphernalia, or substance used in violation of any provision of this Act or any regulation issued thereunder, or which contributed to the drugging or numbing of any horse at or prior to any horserace, shall be liable to be proceeded against by process of libel for the seizure and condemnation of such equipment, device, paraphernalia, or substance, in any United States district court within the jurisdiction in which such equipment, device, paraphernalia, or substance is found. Such proceedings shall conform as nearby as possible to proceedings in rem in admiralty.

INSPECTIONS, TESTS, AND RECORDS

SEC. 5. (a) Appointment of Personnel.—For purposes of detecting violations of this Act, the Administrator shall appoint qualified veterinary doctors, biochemists, and such other personnel as the Administrator considers necessary. Such veterinary doctors, biochemists, and other personnel shall, in accordance with such procedures as the Administrator shall by regulation prescribe—

(1) analyze the blood sample which shall be taken from each horse entered in a horserace no sooner than six hours and no later than four hours before the start of such horserace to determine if such horse has been drugged;

(2) examine each horse entered in a horserace within one hour before the start of such horserace to determine if such horse has been numbed;

(3) analyze samples of urine and blood which shall be taken immediately after a horserace from horses that competed in such race, to determine if such horses have been drugged;

(4) perform such other similar tests and inspections as the Administrator considers necessary to carry out this Act;

(5) store blood and urine samples in a frozen state or in any other appropriate manner so that they may be preserved for future analysis.

The identity of any racehorse determined under this subsection to be drugged or numbed shall, in accordance with such procedures as the Administrator shall by regulation prescribe, be reported to the operator of the horseracing facility, the Administrator, and the appropriate United States Attorney. The identity of any racehorse not made available, in accordance with such regulations as the Administrator shall prescribe, for any test or inspection required under this subsection shall likewise be reported to such operator.

(b) TESTING FACILITIES.—(1) The operator of a horseracing facility shall, in accordance with such regulations as the Administrator shall prescribe, provide the Administrator with adequate space and facilities in order that the inspections, tests, and other procedures described in subsection (a) of this section may be performed. Access to such space and facilities shall be restricted in accordance with such regulations as the Administrator shall prescribe.

(2) Any horseracing facility which fails to comply with paragraph (1) of this subsection

shall, by order of the Administrator, be disqualified from holding horseraces while such facility remains in noncompliance with such paragraph. The operator of a horseracing facility which violates such an order shall be liable to the United States for a civil penalty of not less than $10,000, and not more than $250,000 for each day of such noncompliance.

(3) The provisions of sections 5 (c) and (f) of this Act, relating to the assessment, review, collection, and compromise, modification, or remission of a civil penalty apply with respect to civil penalties under this subsection.

(c) RECORDKEEPING AND REPORTING REQUIREMENTS; AVAILABILITY OF RECORDS.—The operator of any horseracing facility shall establish and maintain such records, make such reports, and provide such information as the Administrator may by regulation reasonably require for the purpose of implementing this Act or to determine compliance with this Act. Upon request of an officer or employee duly designated by the Administrator, such operator shall permit entry at all reasonable times for the inspection and copying (on or off the premises) of records required to be maintained under this subsection.

APPROPRIATE USE OF EMPLOYEES OF DRUG ENFORCEMENT ADMINISTRATION AND OF CONSENTING STATES; RESEARCH STUDIES

SEC. 6. (a) The Administrator, in carrying out this Act, shall utilize, to the maximum extent practicable, the existing personnel and facilities of the Drug Enforcement Administration, Department of Justice. The Administrator is further authorized to utilize the officers and employees of any State, with its consent, and with or without reimbursement, to assist him in carrying out the provisions of this Act.

(b) The Administrator shall conduct research studies to develop methods and techniques to identify drugging and numbing practices. The Administrator may contract for such studies with universities, schools of veterinary medicine or other institutions or individuals having special expertise in the detection of drugging and numbing.

STATE EXEMPTIONS

SEC. 7. At the request of the chief executive of any State, the Administrator shall exempt that State from the operation of this Act if he finds that the State has enacted and put into operation a comparable program to prohibit the drugging and numbing of racehorses. In determining whether the State program is comparable, the Administrator shall examine the practices prohibited by State law, the inspections and tests required, and the penalties imposed. The Administrator shall review the operations of each exempted State's program on an annual basis and shall revoke the exemption if the program fails to meet the objectives of this Act. The assessment provided for in section 11 of this Act shall not be levied in any exempted State.

REPORTS TO CONGRESS

SEC. 8. On or before the expiration of eighteen calendar months following July 1, 1980, and every twenty-four calendar months thereafter, the Administrator shall submit to Congress a report upon the matters covered by this Act, including enforcement and other actions taken thereunder, together with such recommendations for legislative and other action as the Administrator deems appropriate.

AUTHORIZATION OF APPROPRIATIONS AND FEES

SEC. 9. There are authorized to be appropriated for the first two fiscal years beginning after the date of enactment of this Act such sums as are necessary to carry out this Act not to exceed $5,000,000 for the development of a Federal enforcement program. For each fiscal year thereafter the Administrator may, in order to meet the costs necessary to carry out this Act, assess a daily fee for each racing day upon the operation of every horse racing facility subject to the provisions of this Act. Such fees may vary to take into account the size of the facility, and shall be assessed and collected in accordance with such procedures as the Administrator shall by regulation prescribe. No funds shall be collected nor shall any be spent to carry out the purposes of this Act for any fiscal year beginning more than 10 years after the date of the enactment of this Act.

AMENDMENT TO TITLE 18 OF THE UNITED STATES CODE

SEC. 10. Section 1952(b) of title 18, United States Code, relating to interstate and foreign travel or transportation in aid of racketeering enterprise, is amended by inserting immediately before the period, "or any act committed in violation of section 3 of the Act entitled 'An Act to prohibit the drugging or numbing of racehorses and related practices, and to amend title 18, United States Code, to prohibit certain activities conducted in interstate or foreign commerce relating to such practices', effective on the first day of the first fiscal year beginning more than two fiscal years after the date of enactment of such Act".

EFFECTIVE DATE

SEC. 11. The prohibitions in this Act including section 10 shall become effective and enforceable on the first day of the first fiscal year beginning more than two fiscal years after the date of enactment of this Act in order to allow the States to develop programs qualifying for State exemptions under section 7 of this Act.●

By Mr. SASSER:

S. 1044. A bill to establish mandatory sentences for the transportation of stolen goods, and for other purposes; to the Committee on the Judiciary.

MANDATORY SENTENCES FOR TRANSPORTATION OF STOLEN GOODS

● Mr. SASSER. Mr. President, I am today introducing legislation that would provide for mandatory sentencing for those involved in the transportation of stolen goods across State lines.

Increasingly, the American criminal has become very sophisticated in his operations. As the recent case of Bernard Welch has demonstrated, modern-day criminals often commit their crimes against property and person in one State, and then dispose of their loot in another State. Welch, the accused murderer of Dr. Michael Halberstam, was found to have stashed several millions of dollars worth of stolen goods in his lavish Virginia home. He is also connected by authorities with thefts in several other jurisdictions throughout the country. And by operating in several jurisdictions, the sophisticated criminal such as Welch can often tie up the investigative resources of the many jurisdictions wherein he commits a crime.

But these modern-day desperadoes must be made to feel the consequences of their crimes. Their crimes respect no political boundaries, and they operate with scant respect for the ability of our Federal, State, and local law enforcement agencies to curb their activities.

And often by reason of their sophistication, these mobile criminals are able to conduct highly successful plea bargaining with local prosecutors and thereby escape stiff penalties for their crimes.

I think that this is an intolerable situation which might be partially remedied by the legislation that I am introducing today. It puts the criminal who seeks to operate on an interstate basis on notice that he will receive a mandatory 2-year sentence for the commission of any felony which involves the interstate transportation of stolen goods. And it provides a further deterrent that in the case of subsequent convictions the criminal will be liable to a 5-year mandatory sentence.

In conclusion, Mr. President, I believe that the American public has had it with these brigands who feel that they can flagrantly disregard the property rights of American citizens. Clearly, the criminal who traffics in interstate stolen goods has a high contempt for the law. He seeks to operate an interstate business, whose goods are the hard-earned property of American citizens and businesses who have little if any ability to track these modern-day criminals.

With the promise of a sure and swift mandatory sentence for their crimes, it is quite possible that the interstate thieves might think twice before commiting their heinous crimes.

Mr. President, I ask unanimous consent that the text of S. 1044 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1044

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part 1 of title 18, United States Code, is amended by adding at the end of section 2314 the following new paragraph:

In addition to any sentence provided for the commission of the felony, such person shall be sentenced to a term of imprisonment for two years. In the case of his second or subsequent conviction under this subsection, such person shall be sentenced to a term of imprisonment for not less than two nor more than five years and, notwithstanding any other provision of law, the court shall not suspend this sentence in the case of a second or subsequent sentence.●

By Mr. SASSER:

S. 1045. A bill to make the use of firearms to commit certain felonies a Federal crime, and for other purposes; to the Committee on the Judiciary.

MANDATORY SENTENCES FOR THE USE OF FIREARMS IN THE COMMISSION OF FEDERAL CRIMES

● Mr. SASSER. Mr. President, today I am introducing legislation which would establish mandatory sentences for the use of firearms in the commission of Federal crimes.

It is a sad fact that the United States has the highest per capita murder rate of any industrialized nation with the exception of war torn Northern Ireland. In 1975, the murder rate in the United States was three times as great as Canada's and four times as great as the murder rate in most all European nations and Japan. Clearly, guns are the primary tool of the American murderer.

Unfortunately, the United States does not have a strong deterrent to the use of firearms in the commission of crimes. I believe that the mandatory sentencing proposal I am offering today is an important step toward filling that void. As well, it is a model that can be adopted by the States.

This bill would require that when a person is convicted of using a firearm while commiting a Federal felony a sentence of 2 years without probation or parole would be added to the sentence of the crime.

I believe that this proposal provides a rational, unemotional response to violent crime in the United States. The penalties are severe, yet within a range that the prosecutor's ability to obtain convictions and plea bargains would not be hampered. The terms are also specific so that penalties are certain and there is no allowance for disparate treatment of criminals.

Mr. President, clearly we have to take strong steps to curb violent crime in the United States. The attack on President Reagan earlier last week and the recent murders of John Lennon and Dr. Michael Halberstam highlight the daily toll of violence in our Nation.

In my own home State of Tennessee, the city of Memphis experienced a doubling of violent crime between 1970 and 1979. In Memphis and Nashville, the murder rate stands at an astonishingly high 13 per 100,000 inhabitants.

Of course, crime is in no way unique to these two cities. The Federal Bureau of Investigation has just reported that violent crime rose 13 percent in 1980. That is the largest increase in the last 12 years. As well, the murder rate has risen 7 percent in the past year.

According to the Attorney General, violent crime rose 59 percent in the last decade and 30 percent of all American households are touched in some way by serious crime, and the most severe involve the use of firearms.

Legislation to curb the use of firearms in the commission of crimes is only one step in the fight against crime. Yet it is a vital step. It is my hope that this bill will not only reduce crime but encourage States and localities to make similar efforts.

Mr. President, I ask unanimous consent that the text of S. 1045 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1045

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part I of title 18, United States Code, is amended by adding immediately after chapter 115 the following new chapter:

"Chapter 116—Use of Firearms in the Commission of Certain Felonies

"Sec.
"2401. Definitions.
"2402. Use of firearms in the commission of certain felonies.

"§ 2401. Definitions.

"As used in this chapter—

"(1) The term 'firearm' means any weapon (including a starter gun) which will or is designed to or may readily be converted to expel a projectile; the frame or receiver of any such weapon; or any firearm muffler or firearm silencer; or any destructive device.

"(2) The term 'destructive device' means any explosive, incendiary, or poison gas bomb, grenade, mine, rocket, missile, or similar device; and includes any type of weapon which will or is designed to or may readily be converted to expel a projectile by the action of any explosive and having any barrel with a bore of more than one-half inch in diameter.

"§ 2402. Use of firearms in the commission of certain felonies.

"Whoever uses a firearm in the furtherance of any felony which may be prosecuted in a court of the United States, an element of which is the use of violence or a threat of violence, shall, in addition to any sentence provided for the commission of the felony, be sentenced to a term of imprisonment for two years. In the case of his second or subsequent conviction under this subsection, such person shall be sentenced to a term of imprisonment for not less than two nor more than five years and, notwithstanding any other provision of law, the court shall not suspend this sentence in the case of a second or subsequent sentence, nor shall the term of imprisonment imposed under this subsection run concurrently with any term of imprisonment imposed for the commission of the felony.".

(b) The analysis of part I of title 18, United States Code, is amended by inserting immediately before the last item the following:

"116. Use of firearms in the commission of certain felonies ---------- 2401"

SEC. 2. This Act shall apply only with respect to those felonies committed after the date of the enactment of this Act.●

By Mr. SASSER:

S. 1046. A bill to help States assist the innocent victims of crime; to the Committee on the Judiciary.

VICTIMS OF CRIME ACT OF 1981

● Mr. SASSER. Mr. President, I am today introducing the Victims of Crime Act of 1981. I want to point out immediately that this legislation is a companion measure to a bill introduced recently in the House of Representatives by the distinguished chairman of the House Judiciary Committee, Congressman PETER RODINO, and I want to commend him for his thorough and tireless work on this matter.

While such legislation has been introduced from time to time over the past several sessions of the Congress and has enjoyed significant support, I believe that now—more than ever—the grave need for such a measure is apparent.

Events over the past several months in and around Atlanta, Ga., in and around our Nation's Capital, in and around many of our cities—coupled with a dramatic increase in the number of violent crimes nationwide—underscore the imperative need for such legislation.

For a victim, an attack by a criminal is usually the mere beginning of a nightmarish ordeal. There are medical expenses. There is the psychological damage. There is the fear of confronting one's accuser. There are lost earnings and other financial hardships not always sufficiently compensated by private insurance plans or social programs.

Also, victims of criminal attacks rarely have people around them who care for them, look after them or share their concerns and fears once criminal proceedings are over.

On the other hand, our legal framework and our judiciary system have rigid guidelines and codes regarding the rights of criminals.

Clearly, this imbalance of concern must be corrected. And in order to forge this change, we need a sound, new direction by the Congress. I believe that the Victims of Crime Act is the vehicle for initiating a new direction.

Credit must be given to the States, however. I want to point out that the models for victims of crime legislation have been developed by the States. Currently, 27 States provide for some form of compensation to victims of crime.

Now, the Federal Government spends millions of dollars annually assisting State law enforcement agencies, prosecutors, courts, and prisons in their treatment of criminals—but in spite of this Federal-State network of cooperation on law enforcement matters, the Federal Government gives little attention to innocent victims of crime.

That's why my legislation focuses on the States.

The Victims of Crime Act of 1981 would:

Reimburse States for 50 percent of State grants—with a $25,000 ceiling on a single grant payment—to crime victims under qualified victims compensation programs;

Require a victim to report the crime to police within 72 hours and to cooperate with all reasonable requests by police;

Not pay for administrative costs of State programs; and

Require States to mandate that criminals pay restitution to their victims where appropriate.

Beyond the obvious need for this legislation, this bill serves several specific purposes designed to improve law enforcement activities in general.

First, it is time that the Federal Government, through enactment of this program, demonstrate compassion for the forgotten innocent victims of crime. There has been much justifiable criticism in recent years that the Government and the courts pay too much attention to the criminals.

Second, we can begin to encourage, through such legislation, crime victims to become more and more involved in the criminal justice system. Prosecutors and law enforcement officials from every part of the country have stated that victims compensation programs generate increased reporting of crime and better victim cooperation at criminal trials.

Third, we can encourage remaining States that do not have such compensation programs to consider their establishment.

I should add a note on a matter that may be of concern to some of my colleagues—and that regards the prospective cost of this legislation. It is estimated that it will cost $15 million during the first year, $25 million in the second year, and $35 million in the third year.

When one considers the hundreds of millions of dollars that go into financing local, State, and Federal prison systems, this figure pales in comparison.

I also want to emphasize that a provision of this bill directs States to require that any person who contracts directly or indirectly with a person charged with or convicted of a crime for an interview, statement, or article relating to crime turn over to the State any money received from that contract. There have

been several disgraceful incidents in recent years in which criminals have actually tried to profit from their crimes—while their victims and the families of the victims have known only loss, shock, and despair.

Finally, I want to commend this legislation to my colleagues and urge their support of it, and I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1046

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Victims of Crime Act of 1981".

POWERS OF THE ATTORNEY GENERAL

SEC. 2. (a) Subject to the availability of amounts appropriated, the Attorney General shall make an annual grant and may make supplemental grants for compensation of victims of crime to each State program that qualifies under section 4. Except as provided in section 5, the grants made to a qualifying State program under this Act with respect to a Federal fiscal year shall equal—

(1) 50 per centum of the then current cost, as determined by the Attorney General, of such State program with respect to qualifying crimes that are described in section 7(8)(A); and

(2) 100 per centum of the then current cost, as determined by the Attorney General, of such State program with respect to qualifying crimes that are described in section 7(8)(B).

(b) For the purpose of carrying out the provisions of this Act, the Attorney General is authorized to—

(1) prescribe such rules as are necessary to carry out this Act, including rules regarding the data to be kept by State programs receiving assistance under this Act and the manner in which these data shall be reported to the Attorney General; and

(2) approve in whole or in part, or deny, any application for an annual or supplemental grant under this Act.

(c) Grants under this section may be made in advance or by way of reimbursement. The Attorney General shall not have the power to modify the disposition of any individual claim that has been processed by any State program.

ADVISORY COMMITTEE

SEC. 3. (a) There is established an Advisory Committee on Victims of Crime (hereinafter in this Act referred to as the "Committee") which shall advise the Attorney General with respect to the administration of this Act and the compensation of victims of crime. The Committee shall consist of nine members, one of whom shall be designated the Chairman, all appointed by the Attorney General. Seven members of the Committee shall be officials of States with programs qualifying under section 4. The Committee shall meet at least two times a year, and at such other times as the Attorney General may direct. The term of office for each member of the Committee shall be one year. The Committee shall remain in existence until September 30, 1985.

(b) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel and transportation expenses, including per diem allowance, in the same manner and to the same extent as persons employed intermittently in the Government service are allowed travel and transportation expenses under subchapter I of chapter 57 of title 5 of the United States Code.

QUALIFYING STATE PROGRAMS

SEC. 4. (a) A State proposing to receive grants under this Act shall submit an application to the Attorney General at such time and in such form as the Attorney General shall by rule prescribe. A State program for the compensation of victims of crime qualifies for grants under this Act if the Attorney General finds that such program is in effect in such State on a statewide basis during any part of the Federal fiscal year with respect to which grants are to be made and that such program meets the following criteria:

(1) The program offers—

(A) compensation for personal injury to individuals who suffer personal injury resulting from qualifying crimes; and

(B) compensation for death to surviving dependents of individuals whose deaths result from qualifying crimes.

(2) The program offers the right to a hearing with administrative or judicial review to aggrieved claimants.

(3) The program requires as a condition for compensation that claimants cooperate with appropriate law enforcement authorities with respect to the qualifying crime for which compensation is sought.

(4) There is in effect in the State a requirement that appropriate law enforcement agencies and officials take reasonable care to inform victims of qualifying crimes about—

(A) the existence in the State of a program of compensation for injuries sustained by victims; and

(B) the procedure for applying for compensation under that program.

(5) There is in effect in the State a law or rule that the State is subrogated to any claim the victim, or a dependent of the victim, has against the perpetrator of the qualifying crime for damages resulting from the qualifying crime, to the extent of any money paid to the victim or dependent by the program.

(6) The program does not require any claimant to seek or accept any benefit in the nature of welfare unless such claimant was receiving such benefit prior to the occurrence of the qualifying crime that gave rise to the claim.

(7) The program requires denial or reduction of a claim if the victim or claimant contributed to the infliction of the death or injury with respect to which the claim is made.

(8) There is in effect in the State a law or rule that, in addition to or in lieu of any other penalty, a perpetrator of a crime is required to make restitution, where appropriate, to any victim or victim's surviving dependent for that crime.

(9) The program does not require that any person be apprehended, prosecuted, or convicted of the qualifying crime that gave rise to the claim.

(10) There is in effect in the State a law or rule requiring any person contracting directly or indirectly with an individual formally charged with or convicted of a qualifying crime for any rendition, interview, statement, or article, relating to such crime to deposit any proceeds owing to such individual or his designee under the terms of the contract into an escrow fund for the benefit of any victims of such qualifying crime or any surviving dependents of any such victim, if such individual is convicted of that crime, to be held for such period of time as the State may determine is reasonably necessary to perfect the claims of such victims or dependents and fully to pay the compensation awarded to such victim or dependent pursuant to the State program.

(b) If a State has a crime victim compensation program in effect on the effective date of this Act which does not otherwise qualify under subsection (a), such program shall be deemed qualified for grants under this Act until the day after the close of the first regular session of the State legislature that begins after the effective date of this Act.

LIMITATIONS ON FEDERAL GRANTS

SEC. 5. For purposes of computing the annual cost of a qualifying State program for grants under section 2, there shall be excluded from such cost—

(1) administrative expenses of the program;

(2) any State compensation award for—

(A) pain and suffering; or

(B) property loss;

(3) any State compensation award to any claimant—

(A) who failed to file a claim under the State program within one year after the occurrence of the qualifying crime, unless good cause for such failure has been found by the appropriate State agency; or

(B) who failed to report the qualifying crime to law enforcement authorities within seventy-two hours after the occurrence of that qualifying crime, unless good cause for such failure has been found by the appropriate State agency;

(4) any amount by which compensation awards with respect to a victim exceed $50,000;

(5) any compensation for loss compensable under the State program that a claimant was entitled to receive from a source other than—

(A) the State compensation program; or

(B) the perpetrator of the qualifying crime; and

(6) any State compensation award for lost earnings or loss of support to the extent such award is greater than $200 a week per victim.

REPORT OF THE ATTORNEY GENERAL

SEC. 6. Not later than one hundred and thirty-five days after the end of each Federal fiscal year in which grants are made to State programs under this Act, the Attorney General shall submit a report to the House and Senate Committees on the Judiciary. The report shall include—

(1) with regard to each qualifying State program—

(A) the number of persons compensated;

(B) a statistical presentation of—

(i) the kinds and corresponding amounts of loss compensated;

(ii) the range in monetary value of claims awarded;

(iii) the reasons for denial of claims; and

(iv) the types of crimes that resulted in claims;

(C) a description of the administrative mechanisms and procedures used in processing claims, including claims for emergency assistance if the program provides for such assistance;

(D) the time required to process claims, including claims for emergency assistance if the program provides for such assistance;

(E) efforts made to publicize the program;

(F) administrative expenses; and

(G) the number of qualifying crimes described in section 7(8)(B) that were compensated; and

(2) with regard to the activities of the Attorney General in carrying out this Act—

(A) an itemized statement of grants and expenditures;

(B) copies of rules made under section 2(b); and

(C) projected expenditures for the Federal fiscal year in which the report is required to be submitted.

DEFINITIONS

SEC. 7. As used in this Act—

(1) the term "dependent" means, with respect to a State compensation program,

any dependent as defined by such State for purposes of such program;

(2) the term "personal injury", with respect to a State compensation program, means personal injury as defined by the State for such program;

(3) the term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands or any other territory or possession of the United States.

(4) the term "compensation for personal injury" means compensation for loss that is the result of personal injury caused by a qualifying crime, including—

(A) all reasonable expenses necessarily incurred for ambulance, hospital, surgical, nursing, dental, prosthetic, and other medical and related professional services and devices relating to physical or psychiatric care, including nonmedical care and treatment rendered in accordance with a method of healing recognized by the law of the State;

(B) all reasonable expenses necessarily incurred for physical and occupational therapy and rehabilitation; and

(C) loss of past and anticipated future earnings;

(5) the term "property loss" does not include expenses incurred for medical, dental, surgical, or prosthetic services and devices;

(6) the term "compensation for death" means compensation for loss that is the result of death caused by a qualifying crime, including—

(A) all reasonable expenses necessarily incurred for funeral and burial expenses; and

(B) loss of support to any dependent of a victim, not otherwise paid as compensation for personal injury, for such period as the dependency would have existed but for the death of the victim;

(7) the term "administrative expenses" means any expenses not constituting compensation for death or compensation for personal injury, and includes any fee awarded by the State agency administering a State compensation program to any claimant's attorney, if such fee is paid in addition to, and not out of, the amount of compensation awarded to such claimant; and

(8) the term "qualifying crime", with respect to a qualifying State program, means—

(A) any criminally punishable act or omission which such State designates as appropriate for compensation under its program; or

(B) any act or omission that would be a qualifying crime under subparagraph (A) except for the fact that such act or omission is subject to exclusive Federal jurisdiction.

AUTHORIZATION

SEC. 8. For the purpose of carrying out the provisions of this Act, there are authorized to be appropriated $15,000,000 for the fiscal year ending September 30, 1982; $25,000,000 for the fiscal year ending September 30, 1983; and $35,000,000 for the fiscal year ending September 30, 1984.

EFFECTIVE DATE

SEC. 9. This Act shall take effect on October 1, 1981, and grants may be made under this Act with respect to the fiscal year which ends September 30, 1982, and succeeding fiscal years.

THE "VICTIMS OF CRIME ACT OF 1981"—SECTION-BY-SECTION ANALYSIS

SECTION 1

Section 1 provides that the short title of the legislation is the "Victims of Crime Act of 1981."

SECTION 2

Section 2 authorizes the Attorney General to make grants to States that have qualified crime victim compensation programs. The amount of a grant that a qualified State program may receive equals 50 percent of the cost of paying compensation to victims of State crimes and 100 percent of the cost of paying compensation to victims of analogous Federal crimes (described in section 7(8)(B) of the bill).[1] Such grants are subject to the availability of amounts appropriated, and grants may be made in advance or by way of reimbursement.

Section 2 also authorizes the Attorney General to prescribe such rules as are necessary to administer the legislation. The Attorney General, however, is prohibited from modifying the disposition of any individual claim that a State program has processed.

SECTION 3

Section 3 establishes a 9 member Advisory Committee on Victims of Crime whose purpose is to advise the Attorney General with respect to the administration of the legislation and the compensation of crime victims. The members of the committee will serve one year terms and receive only travel and transportation expenses and a per diem allowance while away from their homes on committee business.

Seven of the members of the committee must be officials of States with qualified victim compensation programs. The purpose of this requirement is to ensure that those directly affected by the administration of the legislation will have a formal and direct method of making their views known to the Attorney General.

SECTION 4

Section 4 sets forth the criteria that a State program must meet in order to qualify for a grant under section 2.

First, the program must offer (a) compensation for personal injury to any person who suffers personal injury as the result of a qualifying crime, and (b) compensation for death to any surviving dependent of any person whose death is the result of a qualifying crime.

Second, the program must offer to aggrieved claimants the right to a hearing with administrative or judicial review.

Third, the program must require that claimants cooperate with appropriate law enforcement authorities with respect to the qualifying crime for which compensation is sought. This criterion like the others, may be met either by statutory language or by rule or regulation adopted by the appropriate State agency.

Fourth, the State must require that appropriate law enforcement agencies and officials take reasonable care to inform victims about the existence of the State's victim compensation program and the procedure for applying for compensation under that program.

Fifth, the State must be subrogated to any claim that the victim, or a dependent of the victim, has against the wrongdoer for damages resulting from the qualifying crime, to the extent of any money paid to the victim or dependent by the State's victim compensation program.

Sixth, the program must not require a claimant to seek or accept welfare benefits, unless the claimant was receiving such benefits prior to the qualifying crime that gave rise to the claim.

Seventh, the program must deny or reduce a claim if the claimant contributed to the infliction of the death or injury with respect to which the claim is made.

Eighth, the State must be able to require a criminal wrongdoer to make restitution to the victim, or the surviving dependents of the victim, of the crime.

Ninth, the program must not require that any person be apprehended, prosecuted or convicted of the qualifying crime that gave rise to the claim.

Tenth, State law must require that any person who contracts directly or indirectly with a person charged with or convicted of a crime for an interview, statement, or article relating to the crime, turn over to the State any money received from that contract. The State is to hold the money in escrow for a reasonable period and can use the money only to pay claims perfected by the victim, if the wrongdoer is convicted.

Subsection (b) of section 4 provides to States with crime victim compensation programs in existence that the time of the enactment of the legislation a grace period during which they can bring their programs into compliance with all of the criteria of section 4. The grace period lasts from the effective date of the legislation until the day after the close of the first regular session of the State legislature that begins after the effective date of the legislation. During the grace period, the existing State crime victim compensation programs are deemed to be qualified for grants under section 2.

SECTION 5

Section 5 provides that certain expenses will be excluded from the cost of a State program when determining the amount of the Federal grant. Thus, the State itself pays for all of these expenses. The expenses that are to be excluded are: (1) administrative expenses; (2) awards to victims for pain and suffering; (3) awards to victims for property loss; (4) awards to claimants who failed to file a claim within one year after the crime occurred, unless the appropriate State agency finds good cause for the failure to file within that time; (5) awards to claimants who failed to report the crime to police within 72 hours after it occurred, unless the appropriate State agency finds good cause for the failure to report it within that time; (6) amounts awarded to a victim that exceed $50,000; (7) amounts awarded to a victim covering a loss for which the victim was entitled to be compensated by a source other than the State victim compensation program and the perpetrator of the crime and (8) amounts awarded to a claimant for lost earnings or loss of support that exceed $200 per week.

SECTION 6

Section requires the Attorney General to report annually to the House and Senate Judiciary Committee on the administration of the legislation. The report, which is due not later than 135 days after the end of the Federal fiscal year, must provide specified information about each qualifying State program and about the Attorney General's activities in administering the legislation.

SECTION 7

Section 7 defines certain terms used in the legislation.

The term "dependent," for purposes of the legislation, means personal injury as defined by the State for purposes of the State's victim compensation program.

The term "State" means a State of the United States, as well as the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

The term "compensation for personal injury" means, for purposes of the legislation, compensation for loss resulting from personal injury and includes: (a) reasonable expenses for hospital and medical services; (b) reasonable expenses for physical and occupational therapy and rehabilitation; and (c) loss of past and anticipated future earnings.

The term "compensation for death", for the purposes of this legislation, means compensation for loss resulting from death caused by a qualifying crime. Included within

[1] Because there are so few analogous Federal crimes, there will probably be relatively few instances where a State will make an award to a victim for which it will receive 100 percent reimbursement. See House Report No. 95-337, at 6 n. 8; House Report No. 94-1550, at 13.

this term are reasonable funeral and burial expenses and loss of support to any dependent of the victim (to the extent not otherwise covered as compensation for personal injury).

The term "administrative expenses" means, for purposes of the legislation, any expenses other than awards of compensation for personal injury and compensation for death. The term also includes attorney's fees when such fees are paid in addition to, and not out of, the amount of compensation awarded to the claimant.

The term "qualifying crime," as used in the legislation, means: (a) any criminally punishable act or omission that the State designates as appropriate for compensation under its program, and (b) any act or omission that would be a qualifying crime under (a) except for the fact that the act or omission is subject to exclusive federal jurisdiction.

SECTION 8

Section 8 authorizes appropriations for 3 years. The amounts are $15 million, $25 million, and $35 million.

SECTION 9

Section 9 provides that the legislation shall take effect on October 1, 1981, and that grants may be made under the legislation with respect to the fiscal year ending September 30, 1982, and suceeding fiscal years.

ORGANIZATIONS WHICH HAVE SUPPORTED THE "VICTIMS OF CRIME" BILL

International Association of Chiefs of Police.
International Conference of Police Associations.
Fraternal Order of Police.
National District Attorneys Association.
Americans for Effective Law Enforcement.
American Bar Association.
National Council on Crime and Delinquency.
National Conference of State Legislatures.
National Retired Teachers Association.
American Association of Retired Persons.
Americans for Democratic Action.
National League of Cities.
United States Conference of Mayors.
National Moratorium on Prison Construction.
New Jersey Office of the Public Advocate.

STATES CURRENTLY OPERATING CRIME VICTIMS COMPENSATION PROGRAMS

Alaska, California, Connecticut, Delaware, Florida, Hawaii, Illinois, Indiana, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota.

Montana, Nebraska, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Virginia, Washington, Wisconsin.●

By Mr. PACKWOOD (by request):

S. 1047. A bill to provide for the modification of airport and airway user taxes, and for other purposes; to the Committee on Finance.

AIRPORT AND AIRWAY REVENUE ACT OF 1981

● Mr. PACKWOOD. Mr. President, by request of the administration, I am introducing a bill, the Airport and Airway Revenue Act of 1981, to amend the Internal Revenue Act as relates to taxes on aviation users.

Specifically, this legislation sets the airline passenger ticket tax at 6.5 percent, the waybill tax at 3 percent, and the taxes on general aviation jet fuel at 20, 35, 50, 58, and 65 cents, respectively, for fiscal years 1981 to 1985; and 8, 14, 20, 26, and 32 cents, respectively, in fiscal years 1981 through 1985 for avgas.

The purpose of these taxes is to fund the aviation trust fund which pays for airport and airway improvements and development. Today the Senate Commerce Committee ordered favorably reported S. 508, the Airport and Airway System Development Act, which sets the spending levels for aviation system capacity and development improvements.

The administration's revenue bill will be referred to the Finance Committee. I hope we will be able to schedule early hearings on these proposals.●

By Mr. MITCHELL (for himself and Mr. DURENBERGER):

S. 1049. A bill to amend the Internal Revenue Code of 1954 to expand tax incentives for retirement savings; to the Committee on Finance.

EMPLOYEE RETIREMENT SAVINGS CONTRIBUTION ACT OF 1981

● Mr. MITCHELL. Mr. President, I am pleased to join Senator DURENBERGER in proposing legislation which will substantially increase the incentives for Americans to put more of their incomes aside in savings, which is essential if our industry's capital formation and investment needs are to be adequately met in the coming years.

This legislation has two principal provisions.

First, it will increase the tax deduction for contributions to individual retirement accounts to $2,000, from the present $1,500 level.

Second, it will give the same tax benefit—a total of $2,000 tax deduction—to workers now covered by corporate retirement plans and to workers who set up retirement plans of their own to supplement company programs.

There are several factors that make this legislation essential.

Tax policy ought to encourage the creation and maintenance of an adequate level of income for Americans after retirement. The past decade of inflation has added to the insecurity many workers feel about their income prospects after retirement.

News reports that highlight the anticipated increase in the numbers of retirees dependent on the social security system later this century have made many people wonder if the system will survive those strains intact and still be available to them when their turn to retire comes. Perhaps more importantly, many workers wonder if the benefits available under the system will be enough to let them maintain a level of income and lifestyle for which they have striven throughout their working years. Public opinion polls show that almost half of all workers today fear that they may not be able to afford to retire when they want to. Three out of every four workers feel that their current savings and provisions for retirement either are inadequate or will prove to be inadequate when the time comes to retire.

Government can work toward one goal which will materially alleviate these concerns. That is the stabilization of prices. Curbing inflation will give everyone an assurance that their savings will not lose value over the years, and that the provisions they make for retirement today will still be adequate when they leave the work force. Congress is now working on budget reductions and a series of tax provisions designed to help achieve price stability and restore healthy economic growth.

A measure that will move us to that desirable result sooner is this legislation. By rewarding savings and providing an additional incentive to individuals to add to their retirement pension programs, it will increase the capital available to our economy for the investments that are needed to modernize and restore the productivity of American industry.

Because of the rising cost of living, most families' ability to add to or even to maintain their savings programs has been severely strained in recent years. The well-documented decline in the rate of personal savings reflects that fact clearly, and it demands that Congress take corrective action. This tax incentive will make more funds available to families for savings and pension investments immediately. It will serve the dual purpose of helping restore at least some of the ravages of inflation in family incomes while, at the same time, providing a strong incentive to maintain and increase retirement savings.

The proposal in the bill to broaden the current $1,500 deduction allowed against individual retirement accounts is a small step to make up for the effects of inflation on the original $1,500 allowance. The individual retirement account was established in 1975. Since then, the Consumer Price Index has risen by 53 percent, greatly eroding the value of the $1,500 deduction. The $500 increase is a modest effort to offset a portion of that inflationary loss. It is justified not only on grounds of simple equity, but because of the national need to encourage savings specifically.

The other provision of the bill, which extends the same tax deduction to individuals covered by qualified pension plans is essential. It establishes equity between those who can set up their own retirement programs and get a tax deduction for doing so, and those whose retirement programs are set up by their employers, but to which they contribute income which is classed as income received for tax purposes.

This provision also permits workers covered by company pension plans to set up an additional limited employee retirement account of their own and to take a tax deduction of up to $2,000 for their total retirement plan contributions. It is designed to protect workers whose current company plans are very modest and provide minimal benefits, and those workers who choose to change jobs more frequently, which may mean they are not vested in a company plan.

The current wording of the law prohibits any employee of a firm which has a pension program receiving a tax benefit for setting up a private program to supplement it. Clearly, in the case of workers whose companies' pension programs are modest, this is an unfair provision. Equity demands that we permit all employed Americans to receive the same tax benefit when they set aside money for their retirement, regardless

of the circumstances of their employment.

A special provision in the bill also permits individuals who do not contribute to social security to receive a tax deduction of up to $2,000, to the extent that their retirement plan contributions exceed the amount they would have been liable for under the social security payroll tax. This is designed to maintain equity with the majority of workers, who cannot deduct payroll tax contributions from taxable income. It would apply to Federal employees and to the employees of those States which have chosen to exclude their workers from social security coverage.

This legislation is an important first step in devising tax benefits targeted toward savings incentives. Its benefits are targeted specifically toward middle-income taxpayers, whose incomes have suffered from the effects of inflation substantially in recent years, and who have been forced to forgo adding to their savings and retirement programs in order to maintain their living standards on a month-by-month basis.

The effectiveness of this legislation has been demonstrated by the Canadian experience with a similar proposal. A recent study by the Congressional Research Service found that the rate at which middle-income working Canadians contribute to their retirement programs or establish auxiliary programs of their own has been much greater under the impetus of a tax benefit than the comparable U.S. utilization rates for individual retirement accounts.

I strongly believe that targeted tax reductions must form part of any major tax reduction bill the Senate takes up this year. If we carefully target tax incentives toward savings and investment, the current needs of our economy, we not only speed up the rate at which economic growth will revive, but we also help counteract the very serious possibility of an inflationary surge from any additional stimulus for consumption.

And by focusing the incentives on retirement savings, we can help reduce some of the pressure of anticipated demands on the social security system while helping protect the future income of retirees in the coming decades.

I hope the Senate will consider this proposal favorably.●

● Mr. DURENBERGER. Mr. President, I am introducing today with my distinguished colleague from Maine, Mr. MITCHELL, the Employee Retirement Savings Contribution Act of 1981 to encourage individuals to save for an adequate retirement income.

Over the past several years there has been a growing interest in the need to develop public policy to stimulate individual retirement savings. Such an interest has come from the realization that it is necessary to generate long-term investment capital in the United States and to encourage individuals to save more, particularly for those years when they have retired and want to enjoy the fruits of their labors. Consider the fact that as of the third quarter of last year, Americans saved only 5.7 percent of their disposable income, which is substantially below the savings rate of other industralized nations.

Most Americans understand that this lack of savings is a serious problem for our Nation. A recent independent public opinion survey commissioned by the American Council of Life Insurance reveals that while 63 percent of all Americans feel they are saving too little, an even higher 72 percent of working Americans believe their savings toward retirement are not adequate. In addition, almost half the work force feels that they will not be able to afford to retire.

Concerns such as these have generated a considerable public sentiment favoring tax incentives for retirement savings. The President's Commission on Pension Policy recently concluded that individual savings is a vital resource if an adequate retirement standard of living is to be insured. Furthermore, the public opinion survey cited earlier reveals that Americans support the concept of tax incentives for retirement savings by an overwhelming 72-to-15-percent margin.

There can be no question, Mr. President, that the tax system should be designed to encourage all individuals to save whatever funds are necessary to finance an adequate retirement income, building on the protection offered by employer-financed pension plans and on top of the floor of protection offered by social security.

The bill we are introducing today provides that employee contributions to qualified pension plans or IRA's be treated as tax deferred income up to a level of $2,000—$2,250 for a joint return—or 15 percent of compensation if lower. The contributions would be deductible for Federal income tax purposes when made, and retirement income flowing from these contributions would be taxable when received. Employees of the Government who do not pay social security taxes would be permitted to defer only contributions in excess of the amount they would otherwise pay in social security taxes.

We believe this measure provides the following primary advantages:

First, increased capital formation: Retirement savings are an important source of long-term investment capital for the capital goods so essential for a growing and dynamic economy. An employee retirement savings deduction would significantly increase the pool of capital necessary to create jobs and improve productivity. A broad segment of the economy would be aided as retirement savings are managed and invested by all major financial institutions including life insurance companies, commercial banks, mutual funds and savings and loans.

Second, efficient tax cut: By encouraging savings and thus contributing to the capital resources of the Nation, the employee retirement savings deduction will create less inflationary pressure than some other types of individual tax cuts. Such a targeted tax incentive would help to solve the basic national economic problems and at the same time do as much for the individual taxpayer.

Third, reducing pressures on social security: By stimulating persons to save more for their retirement and encouraging employers to establish qualified pension plans, the employee retirement savings deduction will alleviate the escalating pressures on the social security system, which will become even greater as the ratio of workers to retirees drops in the future.

Fourth, increased savings: As of the third quarter of 1980, personal savings by U.S. citizens as a percentage of disposable income had fallen to 5.7 percent, the lowest in 30 years and lower than the rate in other major industrial countries. The evidence of the last three decades is that an increase in pension funds savings—the goal of the employee retirement savings deduction—will result in a net increase in the total volume of individual savings.

Fifth, potential savings: The recent attitudinal survey previously mentioned shows that if the proposed tax deduction is enacted into law, contributions set aside for retirement could increase by more than $11 billion annually.

Mr. President, the Employee Retirement Savings Contribution Act concept has the active support of a broad-based coalition including such groups as the American Council of Life Insurance, the ERISA Industry Committee, the American Society of Pension Actuaries, Association of Private Pension and Welfare Programs, National Association of Automobile Dealers, the Profit Sharing Council of America, National Association of Life Underwriters, Association of Advanced Life Underwriters, and the Bureau of Wholesale Sales Representatives.

Considering the need to encourage increased retirement savings by our citizens, to create the investment capital so essential for a thriving economy, and the potential increased annual savings that could be realized through the employee retirement savings deduction proposal, I urge our colleagues to join Senator MITCHELL and me in cosponsoring and actively endorsing this timely legislation.●

By Mr. MATHIAS (for himself, Mr. PRYOR, and Mr. PELL):

S. 1050. A bill to extend the authorization of appropriations for the National Historical Publications and Records Commission for the fiscal years 1982 and 1983; to the Committee on Governmental Affairs.

NATIONAL HISTORICAL PUBLICATION AND RECORDS COMMISSION

● Mr. MATHIAS. Mr. President, I am introducing today a bill to reauthorize the National Historical Publications and Records Commission for fiscal years 1982 and 1983 at an annual $3 million level. The NHPRC is a part of the National Archives which comes under the General Services Administration. It is a vital link in the preservation, documentation, and publication of our Nation's important historical figures.

The National Historical Publications and Records Commission has two facets. The Publications Division awards grants to universities, foundations, museums, trusts, institutes, and historical societies for the publication of a wide variety of projects.

Publications projects at the present time include the papers of Thomas Jefferson, Henry Clay, Jane Addams, and Booker T. Washington. Works already completed include the papers of Alexander Hamilton and the diary series of George Washington. These projects compile the papers of these great men and women, or in some cases, institutions, and make the record of their beliefs and activities available for students, researchers, and the public in general.

The other facet, the records program, awards grants for the establishment of archives and records management programs and for the preservation of records that are faced with permanent loss. These records are priceless. It takes so little to save them, but, once they are lost they will be gone forever and no amount of money can bring them back.

In my own State, the Maryland Historical Society received $25,000 for the preservation of 6,000 fragile glass and nitrate negatives of Baltimore between 1900 and 1920. The project is halfway completed and already researchers are using the prints that have been produced so far on the average of twice a week. Sixty-five percent of this project's funding comes from the Maryland Historical Society's own treasury.

The Social Law Library in Boston is using an NHPRC matching grant of $37,780 to arrange, clean, deacidify, and buffer valuable documents from the Suffolk County Interior Court of Common Pleas. These documents covered the court's cases from 1699–1820. The 360,000 documents saved from certain destruction by the forces of time and nature covered the early history of law and society and the American Revolution. Works by such men as John Adams, John Hancock, and Paul Revere form a major part of these valuable records. There are many other instances of records in this Nation which require immediate attention, as did those in the Social Law Library.

The reauthorization level for fiscal years 1982 and 1983 proposed in this bill is 25 percent lower than the authorization level of fiscal year 1981. This reduction demonstrates that the NHPRC is taking its fair share in the budget cutting process.

In fiscal year 1980, 256 applications for $7.6 million were made for NHPRC grants. One hundred and forty awards totaling $4 million were made. In fiscal year 1982, the NHPRC expects between $8 and $10 million in requests for the $3 million in actual grant funds. Thus, there will continue to be fierce competition for grants and only the most important projects will be funded.

The cost effectiveness of the NHPRC program is apparent. It is considerably less expensive to develop records programs now than to attempt painstakingly to preserve them in 50 to 75 years' time.

Dr. Raymond Smock, editor of the Booker T. Washington papers, summed up the publications and records programs saying, "They provide so much scholarship for so little money."

The Washington Monument and the Lincoln and Jefferson Memorials are visited by more than 5,800,000 people each year. People visit these monuments because they realize the significant contributions of these great men.

The Capitol contains 93 statues of men and women who have contributed significantly to the growth of this Nation Statuary Hall contains the statues of two famous Senators, Daniel Webster and Henry Clay. Currently their papers are being edited and published in the publications program.

But statues and monuments, no matter how finely sculptured or how beautifully designed, cannot capture the intellect and soul of these great Americans. That is why the publications and records program is so vital.

The dedication of the men and women involved in these projects is impressive. Ronald Hoffman, a University of Maryland historian, works nights and weekends during the year and spends all of his summer working on the papers of Charles Carroll of Carrollton. For this effort, Dr. Hoffman received $3,500 last year from an NHPRC grant, $900 less than if he had taught summer school. I consider this the highest patriotism. There are not many people in the United States today who would sacrifice so much to give their fellow citizens a better understanding of our national heritage. Yet, such sacrifice is common among the scholars of the NHPRC programs.

Two projects of particular importance—the papers of Benjamin Franklin and James Madison—face almost certain demise without continued support from NHPRC.

Mr. President, when my colleagues and I took the oath of office as Senators, we swore "to support and defend" the Constitution of the United States. Yet, "the Documentary History of the Ratification of the Constitution and the First Ten Amendments and the Documentary History of the First Federal Elections," thought by many to be among the best projects that the NHPRC supports, faces certain extinction without continuation of the NHPRC program. It would be a tragedy if this extensive record of the correspondence of Delegates to the Constitutional Convention, personal correspondence of the drafters of the Constitution, and record of the debates of the individual States were to be lost.

The documentary history of the First Federal Congress project includes the House and Senate legislative histories, petitions, debates, and letters to and from Members of Congress. The two volumes of legislative history will go to press at the end of this year. These volumes will provide us with an insight into the First Congress that would otherwise be impossible.

It is our duty as Senators of the United States to defend the Constitution of the United States. But we cannot defend it if we lose the vital historical context in which the Nation's most fundamental document was formed.

The National Historical Publications and Records Commission preserves our Nation's roots and heritage. It is in the national interest that we support it to the fullest possible extent.●

By Mr. TSONGAS (for himself, Mr. CRANSTON, Mr. PELL, and Mr. LEVIN):

S. 1052. A bill to establish a select commission to examine the issues associated with voluntary service; to the Committee on Governmental Affairs.

SELECT COMMISSION ON VOLUNTARY SERVICE OPPORTUNITIES ACT OF 1981

● Mr. TSONGAS. Mr. President, today I am introducing S. 1052, legislation to establish a Select Commission on Voluntary Service Opportunities. I am pleased to have my distinguished colleagues, Senators CRANSTON, PELL, and LEVIN join me in this effort. This bill is being introduced concurrently by Congressman PANETTA in the House of Representatives.

As my colleagues may remember, during the 96th Congress, I introduced a similar piece of legislation to establish a Presidential Commission on National Service. Under the watchful eye of the assistant minority leader, Senator CRANSTON, this bill passed the Senate as title II of the Domestic Violence Prevention and Services Act, S. 1843. Although a similar measure was approved by the House Education and Labor Committee, neither was enacted into law.

This new revised bill provides for a select commission that will conduct a thorough study of the issues associated with voluntary service in our country. The select commission will be composed of 21 members, 11 of whom will be appointed by the President, five of whom will be appointed by the Senate majority and minority leaders, and five of whom will be appointed by the Speaker of the House. In addition, 5 of the 21 commissioners will be young people between the ages of 17 and 25.

The Select Commission on Voluntary Service Opportunities would be given 15 months to conduct its examination. It would then transmit a report to both the Congress and the President. This would contain a detailed statement of findings and conclusions, together with recommendations for any appropriate legislative and administrative actions. In addition, the commission, the President, and any affected executive department or agency would make followup reports to the Congress which would include the desirability, feasibility, and cost of implementing each of the commission's recommendations.

Mr. President, there are many reasons why I believe we need this legislation. First, we need to focus national attention on the need for voluntary service, on opportunities that exist for such service, and on alternative types of national service programs that may help the United States to meet a broad range of national and local needs. Second, we need to explore and assess alternative methods for providing the people of the United States with the incentives and opportunities to provide useful service to their communities and to the Nation. Finally, we need to provide the President, the Congress, and the people of the United States with an overview and analysis of existing opportunities for voluntary service and a series of options for alternative types of national serv-

ice programs designed to help the United States deal with a number of very pressing problems. I believe all these reasons are now especially compelling in light of the massive budget cuts in social services proposed by the President. Clearly, a voluntary national service program could help provide vital services to needy Americans.

SERVICE AS LEARNING

The benefits of service to others are shared between the recipient and the provider. This fundamental aspect of the service experience has been proven to me—and to thousands upon thousands of volunteers—powerfully and personally. My 2 years as a Peace Corps volunteer in a small Ethiopian town were a learning experience that surpassed any formal study before or after it. I lived and learned with students whose lives had been vastly different from my own. I was a Peace Corps teacher, but I hope my Ethiopian friends know how much they taught me.

We had a very personal sense of depending on each other, so it was natural for us to know that nations also must depend on each other. Nothing before or after that time has shaped my view of the world so deeply.

The experience of service puts us in touch with problems on a human scale. Too often public policy is made in a bureaucratic dreamworld. The real impact on people's lives is lost. But living in and learning about culture—whether in Ethiopia or in Appalachia, brings understanding on an approach which embrace the human element. Volunteers do not forget their experiences with VISTA or Peace Corps. They carry the experience with them into future careers.

A voluntary national service program would help more young Americans to understand the complexity of chronic problems. A new, national commitment to service could be the right medicine for our ailing national spirit. It might help turn our society away from the "me generation" of the 1970's. In recent years, many young Americans have grown up to be fashion conscious, but unconscious—apparently unaware—that other Americans are struggling for basic needs.

It is astonishing irony that, while many young people feel their lives lack meaning, many unmet social needs are crying for help. Day care centers go unstaffed. Elderly citizens are shuffled away to inadequate homes because there is no one to care for them. Local communities have many projects—energy conservation and neighborhood cleanups—which desperately need manpower.

The list of human needs could go on. But in analyzing how participants in a voluntary national service program might be apportioned among potential recipients, we must look at both the benefit to the so-called recipient and the benefit to the person who serves. In service, all the participants gain. The education that the service provider gets is a fundamental reason why I support a program of voluntary national service for America's youth.

Despite limited opportunities for full-time volunteer service at present, young people participate effectively in public and private programs. This clearly indicates that the idea of a voluntary national service program has tremendous potential for the United States in the 1980's and beyond. With the potential for greatly expanding the opportunities for service so impressive, we owe it to ourselves and future generations to confront the unanswered questions that surround national service:

What types of service would be most beneficial?

What should be the duration of service?

What incentives for participation should be used?

How can involvement of youth from all ethnic, economic, regional backgrounds be assured?

How much would it cost?

How could existing programs be used to offset the costs of national service?

How would coordination among different levels of government and with the private sector be managed?

Should national service be limited to youth?

There has been much confusion and much dissent regarding the military aspect to national service proposals. I oppose compulsory service, whether civilian or military, at this time. I certainly do not believe that a national service program should be used as a backdoor approach to the draft. I believe that the All-Volunteer Army is working adequately at present, despite some shortfalls in the Reserves.

Many facets of national service deserve thorough analysis and debate. Whatever our opinions on specific features, it would be senseless to establish a select commission with preconceived conclusions. The commissions' mandate should be an open-minded, comprehensive inquiry into the range of voluntary national service possibilities.

This legislative approach is preferable to introducing legislation for a full-scale national service program at this time. If national service is to be successful, it will require a wide base of support. It must be well received by the intended participants, and by Federal, State, and local officials and members of private agencies, who run the programs with volunteers. I fear that to go full steam ahead with a national service program could alienate many of these same people. They might see the program as an infringement of their territory, rather than as the provider of expanded programs and services that it really is. A selection commission will make contact with these people during the study and involve them in the evolution of the idea.

Excellent groundwork has been laid for a Presidential commission by the Committee for the Study of National Service. In 1979, the committee issued its report, "Youth and the Needs of the Nation." It has been a valuable contribution to the debate, but it has raised more questions than it answered.

STRONG INTEREST AMONG YOUTH

Another factor arguing for a select commission is the tremendous interest among young Americans. The Gallup Youth Survey on National Service has found that an overwhelming majority of 13- to 18-year-olds—71 percent—favor a voluntary service system of national service. When asked whether they would be interested in participating in such a program, 22 percent said they definitely would, and another 32 percent said they might.

Last year I held a conference in Massachusetts on national service, in conjunction with the Massachusetts Department of Education. We invited high school students from throughout the State to participate in the day-long event. There were speeches, films, seminars, and panel discussions. At the conclusion of the conference, my staff distributed a questionnaire to the 250 participants. We were somewhat astounded by the results, because throughout the day many people had spoken out against a national service program. Of those who responded to the questionnaire, 164 favored a system of national service and 26 were opposed. This was not a scientifically designed poll. However, it does clearly demonstrate that when people, especially young people, are provided with a clear understanding of what we mean by national service, they support it overwhelmingly. Thus we explain the idea to many more citizens across the country. I am hopeful that a select commission on national service opportunities, holding regional conferences, taking testimony, and talking with our young people, could do just that.

The idea of a voluntary national service system has widespread support among young Americans now—over 70 years after William James first wrote in favor of it. James predicted that young Americans would get "the childness knocked out of them, and would come back * * * with healthier sympathies and soberer ideas." As a new decade begins, our situation cries out for the values inherent in national service.

Mr. President, I ask unanimous consent that the text of the Select Commission on Voluntary Service Opportunities be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1052

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Select Commission on Voluntary Service Opportunities Act of 1981."

PURPOSE

SEC. 2. It is the purpose of this Act to establish a Select Commission to examine the issues associated with voluntary service and—

(1) to focus national attention on the need for voluntary service, on opportunities which exist for such service, and on alternative types of national service programs which may help the United States to meet a broad range of national and local needs;

(2) to explore and assess alternative methods for providing the people of the United States with the incentives and the opportunities to provide useful service to the community and the United States; and

(3) to provide the President, the Congress, and the people of the United States with an overview and assessment of existing opportunities for voluntary service and a series of

options for alternative types of national service programs designed to help the United States deal with a number of serious challenges in the areas of youth employment, conservation or natural resources, protection of the environment, rebuilding the inner cities, education, providing services for older Americans and handicapped individuals, and personnel requirements for a wide variety of Federal, State, and local programs and agencies.

FINDINGS

SEC. 3. The Congress finds that—

(1) voluntary service in a variety of areas represents a vast and essentially untapped resource which can and should be utilized to meet national and local needs;

(2) greater leadership is needed on the part of the Federal Government to encourage the people of the United States to serve and to encourage State and local authorities to provide opportunities for meaningful service;

(3) useful public service is very important for the educational and personal development of young people;

(4) the United States faces numerous challenges which can be better met if we draw upon the creative energies of young people and othere individuals through a program of national service: and

(5) a high-level Commission is needed to make recommendations to the President and the Congress about the effectiveness of existing voluntary service programs and the costs and benefits of alternative types of national service programs.

ESTABLISHMENT

SEC. 4. There is established a select Commission to be known as the Select Commission on Voluntary Service Opportunities (hereafter in this Act referred to as the "Commission").

DUTIES

SEC. 5. The Commission shall—

(1) identify existing voluntary service opportunities in the public and private sectors of the United States and assess the effectiveness of these opportunities in meeting national and local needs, in building a sense of commitment to the community and the United States, and in instilling in the volunteers a sense of accomplishment and pride;

(2) identify incentives which attract, or which are needed to attract, voluntary service in the public and private sectors of the United States;

(3) examine and assess the need for and the desirability, feasibility, and cost of expanding existing service opportunities and incentives and establishing any of the alternatives of national service programs;

(4) identify and examine alternative types of national service programs and assess the relative costs and benefits of such national service programs;

(5) examine the impact of potential changes in the incentives for service, and of various alternative types of national service programs, on existing institutions (including educational institutions, labor organizations, private and public service programs and Federal youth, jobs, and training programs);

(6) assess the cost effectiveness of both alternative and existing voluntary service programs and the feasibility and desirability of incorporating these programs into a comprehensive national service program;

(7) examine the role of all individuals (regardless of age, sex, income, and education) in existing service programs and in the alternative types national service programs;

(8) identify the way in which existing service programs and alternative types of national service programs will provide young individuals and other participants with a sense of accomplishment and pride and opportunity to contribute to the welfare of the society by responding to unmet needs of the community and the United States; and

(9) conduct meetings, hearings, and conferences in various regions and localities in the United States to gather the opinions of a wide variety of individuals, particularly young individuals and those individuals and groups most likely to be affected by any changes in existing service programs or the establishment of a program of national service.

MEMBERSHIP

SEC. 6. (a) The Commission shall be composed of 21 members as follows:

(1) 11 members appointed by the President from among individuals who are broadly representative of private volunteer organizations, secondary and higher education, business, organized labor, the military, social service and civil liberty organizations, Federal, State, and local governments, and groups with a primary interest in service opportunities for youth, handicapped individuals, and older Americans, of which not less than 3 of the members appointed by the President shall be individuals who are not less than 17 years of age and not more than 25 years of age on the date of their appointment to the Commission.

(2) 5 members appointed by the Speaker of the House of Representatives, in consultation with the Minority Leader of the House, of which 2 shall be Members of the House of Representatives and one shall be an individual who is not less than 17 years of age and not more than 25 years of age on the date of the individual's appointment to the Commission.

(3) 5 members appointed by the Majority Leader of the Senate in consultation with the Minority Leader of the Senate, of which 2 shall be Senators and one shall be an individual who is not less than 17 years of age and not more than 25 years of age on the date of the individual's appointment to the Commission.

(b) If any member of the Commission was appointed to the Commission as a Member of the Congress leaves that office, he may continue as a member of the Commission until his successor is appointed.

(c) A vacancy in the Commission shall be filled in the manner in which the orginal appointment was made.

(d) Members of the Commission shall be appointed for the life of the Commission.

(e)(1) Except as provided in paragraph (2), members of the Commission shall each be paid at a rate equal to the daily equivalent of the maximum annual rate of basic pay in effect for grade GS–18 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of the duties of the Commission.

(2) Members of the Commission who are officers or employees of the United States or Members of the Congress shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(f) 11 members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(g) Not later than 45 days after the effective date of this Act, the President shall designate the Chairman of the Commission from among those individuals appointed by the President under subsection (a)(1).

(h) The first meeting of the Commission shall be held not later than 60 days after the designation of the Chairman under subsection (g). The Commission shall meet at least once each 3 months after its first meeting. The date and time of all meetings of the Commission shall be at the call of the Chairman or a majority of its members.

EXECUTIVE DIRECTOR AND STAFF

SEC. 7. (a) The Commission shall have an Executive Director who shall be appointed by the Chairman of the Commission and who shall be paid at a rate not to exceed the maximum rate of basic pay payable for GS–18 of the General Schedule.

(b) Subject to such rules as may be prescribed by the Commission, the Chairman of the Commission may appoint and fix the pay, at a rate not to exceed the maximum rate of basic pay payable for GS–18 of the General Schedule, of such additional personnel as the Chairman considers appropriate.

(c) The Executive Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

(d) Subject to such rules as may be prescribed by the Commission, the Chairman of the Commission may procure temporary and intermittent services under section 3109 (b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–18 of the General Schedule.

(e) Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act.

POWERS

SEC. 8. (a) The Commission may, for the purpose of carrying out this Act, hold such hearings and conferences, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

(b) Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(d) The Commission may accept, use, and dispose of gifts or donations of services or property.

(e) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(g) The Commission through its Chairman may enter into any contract which the Commission deems is necessary.

REPORTS

SEC. 9. (a) The Commission may transmit to the President and to each House of the Congress such interim reports as it considers appropriate and shall transmit a final report to the President and to each House of the Congress not later than 15 months after the first meeting of the Commission is held pursuant to section 6(h). The final report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation and administrative actions as it considers appropriate.

(b)(1) After the final report is transmitted to the President and each House of the Congress pursuant to subsection (a) each executive department and agency affected by the final report, as determined by the President,

shall submit to the President recommendations for implementing the final report.

(2) Not later than 90 days after the final report is transmitted by the Commission to each House of the Congress pursuant to subsection (a) the President shall transmit to each House of the Congress an interim report containing a detailed statement on—

(A) the desirability, feasibility, and cost of implementing each of the Commission's recommendations, and the actions taken or planned with respect to the implementation; and

(B) recommendations with respect to any legislation proposed by the Commission and the need for any alternative or additional legislation to implement the Commission's recommendations.

(3) Not later than 90 days after the interim report is transmitted to each House of the Congress pursuant to paragraph (2) the President shall transmit to each House of the Congress a final report containing a detailed statement on any actions taken to implement the recommendations of the Commission together with any further recommendations for legislation or administrative actions.

TERMINATION

SEC. 10. The Commission shall cease to exist 180 days after its final report is transmitted to the President and each House of the Congress pursuant to section 9(a).

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There is authorized to be appropriated for the fiscal year ending on September 30, 1982, the sum of $3,100,000 to carry out this Act. Any sums appropriated under the authorization contained in this section shall remain available until expended.

EFFECTIVE DATE

SEC. 12. This Act shall take effect on October 1, 1981.●

● Mr. CRANSTON. Mr. President, I am pleased to join my colleague from Massachusetts (Mr. TSONGAS) and my colleagues from Rhode Island (Mr. PELL), and Michigan (Mr. LEVIN) in introducing this bill to establish a Select Commission on Voluntary Service Opportunities. The Commission would focus national attention on the important role of voluntary service in meeting a broad range of local and national needs and to examine alternative types of national service programs which could help us as a nation deal with the serious challenges we face in such areas as youth unemployment, conservation of natural resources, protection of the environment, rebuilding the inner cities, education, providing services for older and handicapped persons, and personnel requirements in a wide variety of Federal, State, and local programs and agencies.

Mr. President, the Senator from Massachusetts (Mr. TSONGAS) has provided invaluable leadership in developing and stimulating interest in this proposal. As a former Peace Corps volunteer, he has an acute awareness of the importance of voluntary service in providing mutual benefits for both the volunteer and those being served. Last year, as chairman of the former Subcommittee on Child and Human Development, I worked closely with the Senator from Massachusetts on a similar measure that was passed by the Senate as title II of the unrelated measure, S. 1843. Unfortunately during conference deliberations, the House conferees insisted that title II not be included in the final version of the bill because of jurisdictional conflicts between various House committees.

On March 12 of this year, Congressman PANETTA, who also was the sponsor of last year's companion measure, introduced H.R. 2500 which is identical to the version being introduced here today. I look forward to working closely with my good friend from California on this proposal.

VOLUNTARY SERVICE NEEDS

Mr. President, I have had a longstanding involvement with programs which provide opportunities for Americans to volunteer their services to help others less fortunate than themselves. As the author of the Domestic Volunteer Service Act of 1973, and as the chairman during the past five Congresses of the Subcommittee on the Labor and Human Resources Committee with jurisdiction over the domestic volunteer programs carried out by the ACTION agency, I have been intimately involved in activities relating to volunteer service. I firmly believe that there is within this Nation a natural reservoir of energy and compassion—and a capacity for people-to-people assistance.

Mr. President, these are difficult times, times when we have been asked to reexamine the role of Government in providing services to our fellow citizens. We need to understand the potential resource of volunteerism to help meet the critical needs of low-income, disabled, and elderly individuals, to mention only three of an almost endless list of potential beneficiaries of voluntary service. We need to explore cost-effective ways to provide needed services and to design new and more efficient methods for meeting unmet social needs. I believe that a close and careful examination of issues relating to voluntary service by a select commission can contribute much to this process.

Mr. President, there is another critical reason why we need to examine carefully the possibility of expanding the opportunities for voluntary service in our country today. I have always been a strong advocate of an all-volunteer military service—just as we have today. There are those, however, who argue that the All-Volunteer Force is not working and urge a return to some form of a military draft.

It is my belief, Mr. President, that by fostering an atmosphere of volunteerism—by raising the status and social desirability of volunteerism—we can assist the armed services in continuing to meet their personnel needs without resorting to compulsion. Various surveys have shown that significant proportions of young people interested in volunteering for a national service program would select military over nonmilitary service. This is an issue I hope that the commission which would be established under this legislation would examine closely.

CONCLUSION

Mr. President, now more than ever it is critical that we provide a challenge to Americans, especially young people, to become more active in the affairs of their country. We need to explore ways to rekindle and reinstill the virtues of volunteerism in our people if we are to meet the challenges of the years and decades ahead. I believe this commission is an important first step in this essential renewal.●

By Mr. MELCHER:

S. 1053. A bill to amend the Federal Meat Inspection Act to authorize the Secretary of Agriculture to regulate the transportation in commerce of horses intended for slaughter, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

HUMANE TREATMENT FOR HORSES

● Mr. MELCHER. Mr. President, I am today introducing S. 1053, the Humane Transportation of Horses Intended for Slaughter Act of 1981.

Both the Humane Society of the United States and the American Horse Council have contacted my office and have asked that I sponsor this legislation to regulate the transportation of horses intended for slaughter.

There is no such regulation needed for show horses, pleasure horses, and race horses, because these animals are extremely valuable, and their owners will see to their care without governmental interference.

But slaughter horses have no such protection.

Past legislation in this area has been aimed as amendments to the Animal Welfare Act, which specifically excludes horses, and deals primarily with animals intended for research.

My bill amends the Federal Meat Inspection Act to authorize the Secretary of Agriculture to do the regulation of transportation of these horses. This act has been used in the past to insure the humane treatment of slaughter animals, and I feel it is an appropriate vehicle for the purposes of this bill.

While groups like the Horse Protection Association and the Society for the Prevention of Cruelty to Animals are not trying to close the slaughter houses that deal with these unfortunate animals, they are rightly seeking legislation that would prohibit the cruel and inhumane treatment to which many horses have been subjected while in transit for slaughter.

An increasing demand abroad for horsemeat has seen the industry in this country explode in recent years. According to the Department of Agriculture, only 5 horse slaughter plants existed in this country in 1970, killing 48,700 horses for the meat export trade. Today there are 20 plants, killing more than 325,000 horses and shipping 120 million pounds of meat, most of it going to France, Belgium, Holland, Italy, and Japan.

Marc S. Paulhus, a field investigator for the Humane Society points out that horses do not travel well since they suffer a good deal of stress. The Humane Society has documented a number of cases where large numbers of horses have been crammed into cattle trucks for long trips to the slaughterhouse under the worst of conditions.

There is nothing the matter with the

slaughter of horses for human consumption abroad. Most of the animals killed are old, injured, winded, bad tempered, or have some other defect. What is wrong is the transportation of horses that are so badly injured that they should be immediately destroyed instead of loading them on trucks. What is wrong is the inhumane transport of the animals in ways that assure many of them die before reaching their destination.

Mr. President, I ask unanimous consent that S. 1053 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1053

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Humane Transportation of Horses Intended for Slaughter Act of 1981."

SEC. 2. The Act of August 27, 1958, as amended (7 U.S.C. 1901–1906) is amended by inserting as a second title the following:

"TITLE II—TRANSPORTATION OF HORSES INTENDED FOR SLAUGHTER

"SEC. 201. In order to insure horses intended for slaughter are provided humane treatment and care it is essential to regulate the transportation, care, handling, and treatment of horses by any person engaged in the transportation in commerce of horses intended for slaughter.

"SEC. 202. When used in this title—

"(a) the term "person" means any individual, partnership, firm, company, corporation, or association;

"(b) the term "Secretary" means the Secretary of Agriculture of the United States or his representative who shall be an employee of the United States Department of Agriculture;

"(c) the term "commerce" means trade, traffic, commerce, transportation among the several States, or between any State, territory, possession, or the District of Columbia, or the Commonwealth of Puerto Rico, and any place outside thereof; or between points within the same State, territories or possessions, or the District of Columbia, or the Commonwealth of Puerto Rico, but through any place outside thereof; or within any territory, possession, or the District of Columbia.

"SEC. 203. The Secretary shall promulgate, by rule within six months after the date of enactment of this title, standards to govern the humane handling, care, treatment, and transportation in commerce of horses intended for slaughter. Such standards shall include minimum requirements with respect to handling, feeding, watering, loading, sanitation, ventilation, and shelter from extremes of weather and temperatures, size and condition of vehicle, position of horses by sex and size, and verification that the horses are fit to travel.

"SEC. 204. The Secretary is authorized to cooperate with officials of the various States or political subdivisions thereof in carrying out the provisions of this title.

"SEC. 205. When construing or enforcing the provisions of this title, the act, omission, or failure of any person acting for or employed by any person engaging in the transportation of horses intended for slaughter, within the scope of his employment or office, shall be deemed the act, omission or failure of the person engaging in the transportation of horses intended for slaughter as well as of such person.

"SEC. 206. (a) Any person engaging in the transportation in commerce of horses intended for slaughter shall keep records as to such transportation pursuant to the provisions of subsection (b).

"(b)(1) Within six months after the date of enactment of this title, the Secretary shall prescribe rules as to the nature of such records that shall be kept, including the names and addresses of all owners of the horses during the previous thirty (30) days prior to sale, the bill of sale or other documentation of sale.

"(2) Such records shall be retained for a reasonable period of time, as determined by the Secretary, and shall be made available at all reasonable times for inspection and copying by the Secretary or his authorized representative.

"SEC. 207. (a) The Secretary shall make such investigations or inspections as he deems necessary to determine whether any person engaging in the transportation of horses intended for slaughter has violated or is violating any provision of this title or any regulation or standard issued thereunder. As a minimum, such inspections shall include, but not be limited to, an inspection by each Federal Meat Inspector located at the slaughter plant where the vehicle shall arrive. For such inspection and investigation purposes the Secretary shall at all reasonable times have access to the places of business, to the facilities and vehicles used to transport the horses, and to those records required to be kept pursuant to section 206. The Secretary shall promulgate such rules and regulations as he deems necessary to permit inspectors to confiscate and destroy in a humane manner any horse found to be suffering as a result of a failure to comply with any provision of this title or any regulation or standard issued thereunder.

"(b) Any person who forcibly assaults, resists, opposes, impedes, intimidates, or interferes with any person while engaged in or on account of the performance of his official duties under this title shall be fined not more than $5,000, or imprisoned not more than three years or both. Whoever, in the commission of such acts, uses a deadly or dangerous weapon shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

"(c) The United States District Courts, the District Court of Guam, the District Court of the Virgin Islands, the highest court of American Samoa, and the United States courts of other territories, are vested with jurisdiction to specifically enforce, and to prevent and restrain violations of this Title, and shall have jurisdiction in all other kinds of cases arising under this Title, except as provided in section 208(b) of this Title.

"SEC. 208. (a) Any person that violates any provision of this Act, or any rule, regulation or standard promulgated by the Secretary thereunder, may be assessed a civil penalty by the Secretary of not more than $1,000 for each violation. Each horse involved shall constitute a separate violation. Each violation and each day during which a violation continues shall be a separate offense. No penalty shall be assessed unless such person is given notice and opportunity for a hearing with respect to the alleged violation, and the order of the Secretary assessing a penalty shall be final and conclusive unless the affected person files an appeal from the Secretary's order with the appropriate United States Court of Appeals. Upon any failure to pay the penalty assessed by a final order under this section, the Secretary shall request the Attorney General to institute a civil action in a district court of the United States or other United States court for any district in which such person is found or resides or transacts business, to collect the penalty, and such court shall have jurisdiction to hear and decide any such action.

"(b) Any person aggrieved by a final order of the Secretary issued pursuant to this section may within sixty days after entry of such an order, seek review of such order in the appropriate United States Court of Appeals and such Court shall have exclusive jurisdiction to enjoin, set aside, suspend (in whole or in part) or to determine the validity of the Secretary's order.

"(c) Any person who knowingly violates any provision of this Act shall, on conviction thereof, be subject to imprisonment for not more than one year, or a fine of not more than $1,000 or both.

"SEC. 209. The Secretary is authorized to promulgate such rules, regulations, and orders as he may deem necessary in order to effectuate the purposes of this Title.

"SEC. 210. If any provision of this Title or the application of any such provision to any person or circumstances shall be held invalid, the remainder of this Title and the application of any such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

"SEC. 211. There is authorized to be appropriated to the Secretary to carry out the provisions of this Title not to exceed $ for the fiscal year ending October 1, 1981." ●

By Mr. GLENN:

S.J. Res. 73. Joint resolution to designate the week beginning June 1, 1981, and ending June 7, 1981, as "Management Week in America"; to the Committee on the Judiciary.

MANAGEMENT WEEK IN AMERICA

● Mr. GLENN. Mr. President, I am today introducing a joint resolution to designate the week of June 1, 1981, through June 7, 1981, as "Management Week in America" in recognition of the significant contribution to the success of the American economy by the profession of management.

Management Week in America has grown since its inception in 1978, under the sponsorship of the National Management Association, a Dayton, Ohio-based association with 62,000 members nationwide. Last year 30 Governors and numerous local officials ceremoniously proclaimed the first week in June as a time to appreciate the past contributions of management professionals and recognize the continued crucial importance of quality management to the attainment of our national goals.

This year, national recognition should be conferred upon Management Week in America in order to heighten public awareness of the important role the management profession plays in American life. A commemorative stamp marking the contributions of the management profession will be issued at Philadelphia during June. But I believe the Congress and the executive branch, too, should join in this recognition by passage of a joint resolution and issuance of an appropriate proclamation, which would be authorized and requested by the measure I am introducing.●

ADDITIONAL COSPONSORS

S. 4

At the request of Mr. CHAFEE, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 4, a bill to provide a cap on Federal unemployment tax rates in certain States.

S. 31

At the request of Mr. ARMSTRONG, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 31, a bill to amend the Internal Revenue Code of

1954 with respect to the deduction of certain expenses in connection with the business use of homes and the rental of residences to family members, and for other purposes.

S. 45

At the request of Mr. SASSER, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 45, a bill to reform the laws relating to the provision of Federal assistance in order to provide State and local governments with greater flexibility in managing programs and projects using such assistance.

S. 114

At the request of Mr. DECONCINI, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 114, a bill to establish rational criteria for the imposition of the sentence of death, and for other purposes.

S. 255

At the request of Mr. MATHIAS, the Senator from Kentucky (Mr. HUDDLESTON), the Senator from New Jersey (Mr. BRADLEY), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of S. 255, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

S. 267

At the request of Mr. DECONCINI, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 267, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 287

At the request of Mr. HEINZ, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 287, a bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities.

S. 294

At the request of Mr. GLENN, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 294, a bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs, to amend certain provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes.

S. 391

At the request of Mr. CHAFEE, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 391, a bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying agents, informants, and sources and to direct the President to establish procedures to protect the secrecy of these intelligence relationships.

S. 395

At the request of Mr. WALLOP, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 395, a bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes.

S. 396

At the request of Mr. DANFORTH, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 396, a bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983.

S. 410

At the request of Mr. JOHNSTON, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 410, a bill to reform the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction of air pollution and oil consumption by existing electric powerplants and to aid utilities in converting to alternate fuels.

S. 468

At the request of Mr. THURMOND, the Senator from California (Mr. HAYAKAWA) and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 468, a bill to amend title 38, United States Code, to expand the eligibility of former prisoners of war for certain health-care benefits provided by the Veterans' Administration, and for other purposes.

S. 491

At the request of Mr. GLENN, the Senator from Rhode Island (Mr. PELL), and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of S. 491, a bill to amend title 5 of the United States Code to provide death benefits to survivors of Federal law enforcement officers and firefighters, and for other purposes.

S. 565

At the request of Mr. STEVENS, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 565, a bill to amend the Internal Revenue Code of 1954 to increase the amount of the deduction allowable for certain moving expenses.

S. 566

At the request of Mr. WALLOP, the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Louisiana (Mr. LONG) were added as cosponsors of S. 566, a bill to amend the Internal Revenue Code of 1954 to retain the oil percentage depletion rate at 22 percent.

S. 613

At the request of Mr. THURMOND, the Senator from Alabama (Mr. DENTON), the Senator from Kansas (Mr. DOLE), and the Senator from Colorado (Mr. ARMSTRONG) were added as cosponsors of S. 613, a bill to amend section 1951 of the United States Code, and for other purposes.

S. 622

At the request of Mr. INOUYE, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 622, a bill to control the export of hazardous wastes.

S. 635

At the request of Mr. HEINZ, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Iowa (Mr. JEPSEN), the Senator from South Dakota (Mr. PRESSLER), the Senator from Vermont (Mr. STAFFORD), the Senator from Arizona (Mr. DECONCINI), the Senator from North Dakota (Mr. BURDICK), the Senator from Michigan (Mr. LEVIN), the Senator from Montana (Mr. BAUCUS), the Senator from Nevada (Mr. CANNON), the Senator from Illinois (Mr. DIXON), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 635, a bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism.

S. 655

At the request of Mr. MATHIAS, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 655, a bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State, or political subdivision, may tax certain income from sources outside the United States.

S. 736

At the request of Mr. CHAFEE, the Senator from California (Mr. CRANSTON), the Senator from Maryland (Mr. MATHIAS), the Senator from California (Mr. HAYAKAWA), the Senator from Montana (Mr. MELCHER), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 736, a bill to provide for the control of illegally taken fish and wildlife.

S. 750

At the request of Mr. WALLOP, the Senator from Oregon (Mr. HATFIELD), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 750, a bill to amend the Internal Revenue Code of 1954 to provide nonrefundable tax credits for investments in qualified industrial energy efficiency and fuel conversion projects, and for other purposes.

S. 752

At the request of Mr. BAUCUS, the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 752, a bill to amend the Internal Revenue Code of 1954 to provide for the awarding of reasonable court costs and certain fees to prevailing parties in civil tax actions, and for other purposes.

S. 790

At the request of Mr. RIEGLE, the Senator from West Virginia (Mr. ROBERT C. BYRD) was added as a cosponsor of S. 790, a bill to amend section 44 of the Internal Revenue Code of 1954 to allow a credit against tax for the purchase of certain new principal residences, and for other purposes.

S. 807

At the request of Mr. ROTH, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 807, a bill to reform the laws relating to the provision of Federal assistance in order

to simplify and coordinate the management of Federal assistance programs and requirements, provide assistance recipients with greater flexibility, and minimize the administrative burden and adverse economic impact of such programs and requirements.

S. 811

At the request of Mr. DOLE, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of S. 811, a bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to permit local distribution companies to continue natural gas service to residential customers for outdoor lighting fixtures for which natural gas was provided on the date of enactment of such act, and for other purposes.

S. 872

At the request of Mr. CHAFEE, the Senator from Rhode Island (Mr. PELL), the Senator from Oregon (Mr. HATFIELD), the Senator from Montana (Mr. MELCHER), and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 872, a bill to amend title 38, United States Code, to extend the period of Vietnam-era veterans' eligibility for readjustment counseling and related mental health services.

S. 885

At the request of Mr. HEINZ, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 885, a bill to amend sections 593, 7701, and 856 of the Internal Revenue Code with respect to tax treatment of loans secured by stock in cooperative housing corporations.

S. 909

At the request of Mr. THURMOND, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 909, a bill to amend the section 924 of the Gun Control Act of 1968 to provide for the imposition of mandatory minimum sentence for or carries a firearm to commit any felony or carries a firearm during the commission of any felony, and for other purposes.

S. 932

At the request of Mr. BAUCUS, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 932, a bill to amend title 18 of the United States Code in order to promote the effective investigation and prosecution of livestock fraud.

S. 974

At the request of Mr. KENNEDY, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 974, a bill to amend chapter 44 of title 18 of the United States Code to control handgun crime.

S. 1015

At the request of Mr. CRANSTON, the Senator from New Jersey (Mr. BRADLEY), and the Senator from Ohio (Mr. GLENN) were added as cosponsors of S. 1015, a bill to separate the Peace Corps from the ACTION agency.

SENATE JOINT RESOLUTION 12

At the request of Mr. INOUYE, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of Senate Joint Resolution 12, a joint resolution to authorize and request the President to designate November 14 of each year as "Operating Room Nurses Day."

SENATE JOINT RESOLUTION 29

At the request of Mr. HEINZ, the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of Senate Joint Resolution 29, a joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning with the first Sunday in June of each year as "National Garden Week."

SENATE JOINT RESOLUTION 47

At the request of Mr. WEICKER, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of Senate Joint Resolution 47, a joint resolution to authorize and request the President to issue a proclamation designating the week beginning May 10, 1981, as "National Small Business Week."

SENATE JOINT RESOLUTION 50

At the request of Mr. DECONCINI, the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Tennessee (Mr. SASSER), the Senator from North Dakota (Mr. BURDICK), and the Senator from Kansas (Mrs. KASSEBAUM) were added as cosponsors of Senate Joint Resolution 50, a joint resolution designating July 17, 1981 as "National P.O.W.-M.I.A. Recognition Day."

SENATE JOINT RESOLUTION 54

At the request of Mr. HEINZ, the Senator from Wisconsin (Mr. PROXMIRE) was added as a cosponsor of Senate Joint Resolution 54, a joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting total outlays of the Government.

SENATE JOINT RESOLUTION 59

At the request of Mr. ROBERT C. BYRD, the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of Senate Joint Resolution 59, a joint resolution designating the square dance as the national folk dance of the United States.

SENATE JOINT RESOLUTION 62

At the request of Mr. DOLE, the Senator from North Dakota (Mr. BURDICK), the Senator from New York (Mr. D'AMATO), the Senator from Indiana (Mr. LUGAR), the Senator from Idaho (Mr. MCCLURE), the Senator from Montana (Mr. MELCHER), the Senator from Arkansas (Mr. PRYOR), the Senator from Maryland (Mr. SARBANES), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of Senate Joint Resolution 62, a joint resolution to authorize and request the President to designate the week of September 20 through 26, 1981 as "National Cystic Fibrosis Week."

SENATE JOINT RESOLUTION 65

At the request of Mr. PELL, the Senator from Connecticut (Mr. WEICKER), the Senator from Arkansas (Mr. BUMPERS), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Indiana (Mr. LUGAR), the Senator from Oregon (Mr. PACKWOOD), the Senator from New York (Mr. D'AMATO), and the Senator from Washington (Mr. GORTON) were added as cosponsors of Senate Joint Resolution 65, a joint resolution proclaiming Raoul Wallenberg to be an honorary citizen of the United States, and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom.

SENATE CONCURRENT RESOLUTION 4

At the request of Mr. DOLE, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Concurrent Resolution 4, a concurrent resolution expressing the sense of the Congress with respect to implementing the objectives of the International Year of Disabled Persons (1981).

SENATE CONCURRENT RESOLUTION 16

At the request of Mr. MATHIAS, the Senator from Connecticut (Mr. DODD) was added as a cosponsor of Senate Concurrent Resolution 16, to declare April as "Fair Housing Month."

SENATE CONCURRENT RESOLUTION 18

At the request of Mr. GOLDWATER, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of Senate Concurrent Resolution 18, a concurrent resolution relating to the free exercise of religion in the Ukraine.

SENATE RESOLUTION 87

At the request of Mr. HEINZ, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of Senate Resolution 87, a resolution expressing the sense of the Senate that the Congress not enact legislation to tax social security benefits, and for other purposes.

SENATE RESOLUTION 115

At the request of Mr. DECONCINI, his name was added as a cosponsor of Senate Resolution 115, relating to the collision of a U.S. submarine and a Japanese freighter.

At the request of Mr. HAYAKAWA, the Senator from Maryland (Mr. SARBANES), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Connecticut (Mr. DODD) were added as cosponsors of Senate Resolution 115, supra.

At the request of Mr. DENTON, his name was added as a cosponsor of Senate Resolution 115, supra.

SENATE RESOLUTION 116

At the request of Mr. LONG, the Senator from Arizona (Mr. GOLDWATER), the Senator from Georgia (Mr. MATTINGLY), the Senator from Washington (Mr. JACKSON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Illinois (Mr. DIXON), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of Senate Resolution 116, a resolution relating to a proposed merger between Texas International Airlines and Continental Airlines.

AMENDMENT NO. 38

At the request of Mr. CRANSTON, the Senator from New Jersey (Mr. BRADLEY), and the Senator from Ohio (Mr. GLENN) were added as cosponsors of amendment No. 38 intended to be proposed to S. 848, a bill to authorize appropriations for the Peace Corps, and for other purposes.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Committee on Energy and Natural Resources on Senate Joint Resolution 71, a resolution to approve the constitution for the Virgin Islands.

The hearing will be held on Friday, May 8, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing, you may wish to contact Mr. Jim Beirne at 224–2564.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy and Mineral Resources will hold a hearing on S. 707, S. 998, and other alternative financing mechanisms for the strategic petroleum reserve.

The hearing will be held on Friday, May 8, beginning at 1:30 p.m. in room 3110 of the Dirksen Senate Office Building.

For further information regarding this hearing, you may wish to contact Mr. Roger Sindelar at 224–4236.

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Public Lands and Reserved Water will hold a hearing on S. 910, to amend the Land and Water Conservation Fund Act of 1965, as amended.

The hearing is scheduled for Thursday, May 7, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Public Lands and Reserved Water, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding these hearings, you may wish to contact Mr. Tony Bevinetto at 224–5161.

SUBCOMMITTEE ON INNOVATION AND TECHNOLOGY

Mr. WEICKER. Mr. President, I would like to announce for the information of the Senate and the public, that the hearing previously scheduled by the Subcommittee on Innovation and Technology of the Small Business Committee on S. 881, the Small Business Innovation Act of 1981, has been rescheduled for Wednesday, May 13, 1981, at 9:30 a.m. in room 424, Russell Senate Office Building. Senator RUDMAN will chair the meeting.

For further information contact Anne Sullivan of the Small Business Committee at 224–5175.

SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH AND RULES

Mr. DANFORTH. Mr. President, the hearings scheduled for April 30 before the Subcommittee on Federal Expenditures, Research and Rules are indefinitely postponed. Persons interested in these hearings, which were to have concerned the Federal Procurement System, should contact Patricia Otto, chief clerk, at 224–0211.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, April 29, for the purpose of holding hearings on Peace Corps legislation and the nomination hearings of Lawrence Eagleberger to be Assistant Secretary of State for European Affairs; on Thursday, April 30, for the purpose of holding hearings on OPIC and the nomination hearings on Charles Wick to be Director of ICA and Nicholas Veliotes to be Assistant Secretary of State for Near Eastern and South Asian Affairs; and on Friday, May 1, to hold markup hearings for the State Department authorization.

Mr. PROXMIRE. Mr. President, it is my understanding that the request has been cleared on our side. We have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY

Mr. STEVENS. Mr. President, I ask unanimous consent for the Subcommittee on International Economic Policy to meet during the session of the Senate on Friday, May 1, to hold hearings on issues of concern to American children in the years ahead.

Mr. PROXMIRE. We have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TRANSPORTATION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Transportation of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, April 29, to hold hearings on highway legislation.

Mr. PROXMIRE. Mr. President, that has been cleared on our side, and we have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Thursday, April 30, to hold hearings on the nomination of Gerald Carmen to be administrator to the General Services Administration.

Mr. PROXMIRE. Mr. President, there is no objection on the minority side.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Friday, May 1, to hold hearings on S. 114, a bill establishing criteria for the imposition of the death penalty.

Mr. PROXMIRE. There is no objection on the minority side.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Monday, May 4, to hold hearings on the nomination of John Hernandez to be Deputy Administrator of the Environmental Protection Agency.

Mr. PROXMIRE. Mr. President, this has been cleared on the minority side. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. STEVENS. Mr. President, I ask unanimous consent that the subcommittee on the Constitution of the Committee on the Judiciary be authorized to meet during the session of the Senate on Monday, May 4, to hold hearings on Senate Joint Resolution 41, a proposed constitutional amendment relating to affirmative action.

Mr. PROXMIRE. Mr. President, this has been cleared on the minority side. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON IMMIGRATION AND REFUGEE POLICY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Immigration and Refugee Policy of the Committee on the Judiciary be authorized to hold hearings during the session of the Senate on Tuesday, May 5,

Wednesday, May 6, and Thursday, May 7, for the purpose of discussing the Commission report.

Mr. PROXMIRE. There is no objection on the minority side.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SECURITY AND TERRORISM

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Security and Terrorism of the Committee on the Judiciary be authorized to meet during the session of the Senate on Friday, May 8, to hold hearings on S. 391, a bill dealing with agents identity.

Mr. PROXMIRE. Mr. President, there is no objection on the minority side.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SEPARATION OF POWERS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on the Separation of Powers of the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, May 6 and Friday, May 8, to hold hearings on S. 158, a bill dealing with the origin of human life.

Mr. PROXMIRE. There is no objection on the minority side.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on May 11 and May 13 for the purpose of marking up pending authorization legislation.

Mr. PROXMIRE. Mr. President, there is no objection on the minority side.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, May 6, and Thursday, May 7, to hold hearings on S. 584 and S. 585, bills dealing with municipal liability.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold confirmation hearings on Paul Vander Myde to be Assistant Secretary of Commerce for Congressional Affairs and Arlene Triplett to be Assistant Secretary for Congressional Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON LABOR

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Labor of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate today to hold hearings on the Davis/Bacon Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. STEVENS. Mr. President, I ask unanimous consent for the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today for the purpose of marking up S. 508, the Airport and Airway System Development Act of 1981, the Amtrak Improvement Act of 1981, and S. 896, the Memphis International Airport bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ANSWERS RECEIVED FROM DAVID STOCKMAN TO QUESTIONS ASKED BY SENATOR GLENN

● Mr. GLENN. Mr. President, on January 8, 1981, Mr. David Stockman came before the Governmental Affairs Committee for his confirmation hearing as Director of OMB. A few days later, on January 12, I sent to Mr. Stockman a list of questions to be answered for the record. This list was sent separately from another set of questions submitted by the Committee on Governmental Affairs. In the course of the organization of Mr. Stockman's operation at OMB the list of questions I sent him was misplaced. On February 20, I resubmitted these questions and the answers to them were finally received on March 25. It is unfortunately too late to include these questions and answers in the hearing record which was sent to the printer some time ago. However, since Mr. Stockman would like to have his answers recorded as an addendum to the official record, I ask to have the questions and answers printed in the Record.

The material follows:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., March 25, 1981.

Hon. JOHN H. GLENN,
Subcommittee on Energy, Nuclear Proliferation and Federal Services, Committee on Governmental Affairs, Washington, D.C.

DEAR JOHN: Enclosed are my responses to the twenty questions you submitted in conjunction with my confirmation hearing before the Senate Committee on Governmental Affairs, on January 8, 1981.

I am sorry these questions were not answered with the original set of 89 questions that was submitted by the Committee. As you know, these questions were not included with the original set. Nevertheless, I would like these questions, and my responses to them, recorded as an addendum to the official record.

Thank you for the opportunity to respond to your questions.

Sincerely,

DAVID A. STOCKMAN,
Director.

ENCLOSURE

Question 1: In your "Economic Dunkirk" speech you list 14 safety, and environmental regulations you want to see postponed in order to "jolt business confidence and market psychology in a favorable direction." You then list the impact of these regulations, but you only put the cost to industry—you never mention the potential benefits to society from these regulations, like the lives and injuries saved from passive restraints (automatic seat belts and air bags) or the cost of collision repairs saved by the 5 m.p.h. standard bumper. Do you feel these benefits don't have to be weighed in the balance? Or do you feel there are no benefits from these proposed regulations?

Answer 1: Regulations impose substantial burden on the economy. Although these burdens are accompanied by benefits, the nation does not know the magnitude of either the burdens or the benefits. Therefore, it is only appropriate to postpone regulations until we have had the opportunity to accurately assess both costs and benefits. Above all, I believe we need additional time to examine not just the regulations I mentioned in my article but also others to assure that costs and benefits have been assessed accurately and that least cost alternatives have been selected.

Once we have completed this reassessment we can then determine what areas of our society need further attention and proceed accordingly.

Question 2: Your memo calls for backfitting mandatory cost-benefit standards in existing statutes like the Clean Air Act; shouldn't this be part of your own recommendations to the President for regulatory deferrals? Will you, in fact, incorporate such analyses in your recomendations? Will you give your pledge on this to the Committee?

Answer 2: The Clean Air Act, as interpreted by the courts, prohibits EPA from considering cost in setting certain air pollution standards. This denies EPA the ability to use information that is clearly essential to setting economic standards. One result is that a dollar is spent to reduce emissions from one source when the same dollar could buy a greater reduction in emissions from a different source. Ensuring that costs are fully considered in setting all air pollution standards will be one of the Administration's top priorities when the Congress considers revisions to the Clean Air Act this spring.

Question 3: In his confirmation hearings, Mr. Baldrige, Commerce Secretary-designate stated that President Reagan should consider talking with the Japanese to obtain some type of voluntary restraints on Japanese auto imports. Based on positions you've taken in the past, especially your opposition to the Chrysler bail-out, I have the impression that you oppose measures to prop up the auto industry and protect it from market forces. My question is whether you agree with Mr. Baldrige and if so how this squares with your previous views?

Answer 3: The question of whether to seek a restriction in imports of automobiles is still under review within the Reagan Administration. However the issue is resolved, it is clear that the main stimulus to the U.S. auto industry will come not from restrictive trade actions but from the positive effects on investment, consumer demand, and interest rates that will result from President Reagan's economic recovery program.

Question 4: You stated in your December interview with the Village Voice that "the role of Government is to take care of—besides all the traditional things—externalities in a market economy. "No firm," you stated, "is going to have a safe workplace unless the Government requires it. No firm is going to

use the collective resources of society prudently—air, water, land—unless the Government establishes limits."

Yet much of your broader credo, as you set it out in your "Economic Dunkirk" memo is aimed at curtailing Government regulation in precisely these areas in the interest of allowing a free economy to operate.

How do you reconcile these views and, in particular, how do you draw the line as to when Government intervention in these areas is valid?

Answer 4: There is no inconsistency between protecting the public from hazards in the workplace and the environment when markets fail to do so, and providing that protection as cost-effectively as possible.

There is no marketplace for environmental resources; neither the owners of smokestacks nor the people who suffer from the smoke are in a position to vote with their dollars for more or less clean air. This is the basic rationale for Government intervention: to provide a valued good which the market fails to deliver. But two other conditions must be met to justify Federal regulation. First, regulation must be the most cost-effective of the available alternatives, including relying on imperfect markets or on State and local authorities. And second, the public must gain more in the value of the protection it receives than it pays for that protection in higher taxes and prices. I do not question the value of safe workplaces and a clean environment, but I do question whether many Federal regulations are providing the right amount of protection at the least possible cost.

Question 5: The General Accounting Office Act of 1980 confers broad authority on the Comptroller General to seek judicial enforcement of GAO's rights of access to information, including information from Executive Branch agencies.[1] The Act does provide an exception to the enforcement remedy for certain materials[2] if the President or the Director of OMB personally certifies that "disclosure of such material to the Comptroller General could reasonably be expected to substantially impair the operations of the Federal Government." However, the legislative history makes clear that this certification authority should be invoked "only on very rare occasions, if ever."[3]

Do you agree that the GAO must be afforded full and prompt access to Executive Branch information?

Would you agree that the certification authority under the General Accounting Office Act should be invoked very rarely, if ever?

Can you envision any circumstances under which you would feel compelled to invoke the certification authority?

Answer 5: Yes, we agree that the GAO must be afforded full and prompt access to Executive Branch information. Although the GAO Act of 1980 establishes procedures for exempting certain information from such access, the instances in which those exemptions may be exercised should not arise often.

The Senate Committee Report No. 96-570 references with approval testimony "that the Executive Branch has always sought to resolve access disputes with GAO expeditiously and on the basis of reasonable accommodations." (Page 8.) With this history, we do not anticipate that the authority of 31 U.S.C. 54 will or should be used frequently.

Because of the generally cooperative working arrangements we have had with the GAO concerning access to records, I do not now foresee circumstances which would warrant the use of my certification authority.

Question 6: A recent National Academy of Public Administration panel report recommended strengthening the role of OMB—particularly the management side—as a step toward improving the current "crisis of public management." Based on what you have been learning about OMB, do you at this time foresee a need for any changes on either the budget or management side to address the concerns expressed by the Academy or problems you have identified?

Answer 6: I would want to withhold judgment at this point on any major organizational changes in OMB. We received the panel report from the National Academy of Public Administration just a few weeks ago (February 19). I know that the Academy is concerned about OMB's capacity to respond on behalf of the President to the major areas of concern represented on the management side of OMB. I assure you that I, my deputy, and my senior associates are reviewing the Academy's report very carefully and we are proceeding with our plan to meet with the panel at a convenient time to explore their ideas in greater detail. In the meantime I want to tell you what I told the senior career staff of OMB. I am impressed by their professionalism, their dedication, and the high caliber of the OMB staff product.

Question 7: A few weeks ago Common Cause issued a report on the GAO. One of its main recommendations was that OMB devote more resources to program evaluation and take explicit responsibility for ensuring agency responsiveness to GAO's recommendations. How do you see OMB's role in assuring that Executive Branch agencies follow through on GAO's recommendations? To what extent do you want to systematize the way OMB assures itself that agencies adequately consider GAO's recommendations?

Answer 7: It has long been a requirement of the Office of Management and Budget (OMB) that agencies of the Executive Branch give careful consideration to the findings, suggestions, and recommendations of GAO reports on the work of their agencies. OMB Circular No. A-50 requires agencies to report to OMB within sixty calendar days after formal transmission of a GAO report concerning their activities. The agency report informs us of the agency's views on the findings, suggestions or recommendations of GAO and identifies the action taken or planned by the agency in response to each recommendation. We review the agency report, identify GAO report items requiring follow-up action, and, when necessary, encourage, assist and coordinate corrective action by the agencies concerned. If corrective action has not already been completed, an estimated date of completion must be given and a second report submitted to OMB not later than 30 days after the date given for completion of the action. Through this systematic review and follow-up we ensure that the agencies take appropriate corrective action in response to GAO recommendations.

Question 8: The Paperwork Reduction Act of 1980 establishes an Office of Information and Regulatory Affairs within OMB to carry out the mandate of the act. What efforts are being taken to staff up this office, and do you foresee any difficulties in having it fully operational by the April 1st effective date of the act?

Answer 8: On January 29, 1981, I announced the establishment of the Office of Information and Regulatory Affairs as required by the Paperwork Reduction Act of 1980. Mr. James C. Miller III has been appointed as the first Administrator.

Initially this Office will include the staff of the Office of Regulatory and Information Policy, OMB (45 positions). In addition, on or about April 1981, the Office of Federal Statistical Policy, Department of Commerce (25 positions) will be transferred to OMB/IRA. Also, later this year the Regulatory Analysis Staff of the Council on Wage and Price Stability (20 positions) will join the new Office of Information and Regulatory Affairs. As a result of these transfers, the new Office will have an authorized strength of 90 positions in 1981 and 1982.

Question 9: Modern computer technology offers tremendous potential for improving the delivery of government services and reducing government costs—one of the primary goals of the incoming Administration. However, OMB has been criticized for taking a far too passive role in promoting initiatives to realize this potential. The Presidential Reorganization Project on automatic data processing and many reports from GAO have taken OMB to task. Do you plan an active leadership role for OMB in this area? What goals do you have? And how do you intend to get moving on this subject?

Answer 9: We agree that modern computer technology offers tremendous potential for improving the delivery of government services and reducing governmental costs. OMB will provide the leadership to exploit this technology through our implementation of the Paperwork Reduction Act of 1980 (P.L. 96-511). This Act, among other things, establishes an Office of Information and Regulatory Affairs within OMB to oversee and develop policies governing the management of Federal information resources. While our responsibility encompasses all Federal information resources, we are especially interested in the effective and efficient management of information technology—computers and telecommunications. Among our goals specifically related to information technology are:

Ensure the Federal information technology resources are acquired and managed in an effective, efficient and economic manner.

Identify initiatives to improve the productivity of Federal programs through the use of information technology.

Use information technology to reduce the cost of government programs and minimize the burden on the public to provide information to Federal agencies.

Ensure that personal information about individuals maintained in Federal computers is adequately protected.

Replace obsolete or inefficient computer systems.

Improve the design and development of Federal automated information systems.

Reduce the length of time it takes to acquire a major information technology system.

While these goals will not be achieved overnight, we have already begun to implement the Act. The Office of Information and Regulatory Affairs was established on January 29, 1981, two months ahead of schedule. Individual plans for implementing each of the tasks and requirements contained in the Act are now being developed. We are also preparing guidance to assist agencies in designating a senior official to be responsible for information management. The Act requires that each agency designate such an official by July 1, 1981. Once these officials have been designated, we intend to move forward

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[1] Pub. L. No. 96-226, approved April 3, 1980, section 102 amending section 313 of the Budget and Accounting Act, 1921, 31 U.S.C.

[2] The materials potentially covered by the exception are inter- or intra-agency documents or law enforcement records that would be exempt from public disclosure under specified provisions of the Freedom of Information Act.

[3] S. Rep. No. 96-570, at p. 8 (1980).

rapidly to implement the Act. These actions will significantly improve the management of all Federal information resources, including those associated with computer technology.

Question 10: The previous Administration has been very supportive of GAO's role in approving agency accounting systems, particularly with regard to the benefits to be derived from strengthening internal controls and minimizing the possibility of fraud, waste, and abuse. What are your views towards continuing to provide OMB leadership in encouraging executive branch agencies to have their accounting systems approved by the Comptroller General?

Answer 10: In accordance with the provisions of the Budget and Accounting Procedures Act of 1950, accounting systems of executive branch agencies are required to be approved by the Comptroller General when they are in conformity with the principles and standards prescribed by him. I was amazed to find that, after thirty years, nearly 40% of the systems have not yet been approved.

This Administration intends to put major emphasis on the elimination of fraud, abuse, and waste in Government as well as the production of timely and meaningful financial information to assist in more efficient and economical management of Government operations. Effective systems of accounting and internal control can contribute to this objective.

It may be that some of the delay in approval of accounting systems has been caused by General Accounting Office procedures which we understand are now under review to see if they can be streamlined. In any event, you may be assured that we will exert vigorous leadership by working with the agencies and the GAO in an effort to speed up the development and approval of accounting systems as well as to install effective systems of internal control.

Question 11: How do you feel about the Federal executive salary problems, that is, the frozen salary for members of the Legislative, Executive, and Judicial levels, which in turn has resulted in freezing over 30,000 other Federal executives' salaries and has created a situation where employees in seven different responsibility levels all make the same salary?

Answer 11: The Administration understands and sympathizes with the seriousness and extent of the problems of inadequate and compressed salaries. The President also expressed a deep concern with the diminishing ability of the Federal Government to attract and retain high caliber executives. Nevertheless, as I wrote to Senator Roth and others on February 17, current economic conditions require that we concentrate our resources on achieving substantial budget reductions. In our view, Federal executives, the Congress, and the Judiciary should forgo salary increases at this time. The President accordingly has determined that we should not now seek an increase in the salaries of high officials.

Question 12: Do you support the salary recommendations of the 1980 Commission on Legislative, Executive, and Judicial salaries (Congressional pay $85,000, Supreme Court Justices $115,000, and Cabinet members $95,000) or would you favor higher or lower pay increases?

Answer 12: It would be incompatible with other budget initiatives to endorse the full recommendations of the 1980 Quadrennial Commission which called for increases of around 40%. When the time becomes less inappropriate to seek resolution of these very real problems, we probably would favor lower scale increases but nothing less than bringing payable salaries in line with legal salary rates as established under P.L. 94–82.

Question 13: Part of the executive pay problem stems from the fact that, historically, Congressional salaries have been linked to Level II of the Executive Schedule and, as Congress has been reluctant to adjust its own pay, it has adversely affected other Federal employees' pay. Would you favor breaking this link and, if so, would you support action to establish a more equitable executive and congressional pay-setting system?

Answer 13: In my letter to Senator Roth, I indicated that we should develop other ways to address this issue before the next Quadrennial Commission report due in 1984, and that we would be glad to work with the Congress in this endeavor. While we recognize the problems of linkage, we are not at this point in a position to favor or oppose breaking the linkage. However, I should point out that a recent Supreme Court decision granting increases to the Judiciary has, in effect, already broken past linkage to some extent. At any rate, we are committed to working with the Congress toward an equitable and mutually satisfactory resolution of these salary problems.

Question 14: Prompted by a series of GAO reports and testimony on the necessity of the Government to improve its debt collection process, OMB established a Debt Management Project in August 1979. GAO has reported that the Government has not been aggressive in pursuing collection and that present collection methods are expensive, slow, and in effective when compared to commercial practices. Top agency management has not devoted sufficient attention to debt collection although billions of dollars are at stake which could be used to help balance the Federal budget. The OMB project was designed to evaluate the adequacy of the Government's billing and collecting systems and was performed at 24 departments and agencies. Since this project has not been completed, how do you plan to ensure that the intent of the project is fulfilled? In addition, what actions will you take to ensure that the recommendations made by GAO and the Debt Management Project are effectively implemented by Federal agencies?

Answer 14: I am very much concerned with improving management, and eliminating abuse of Federal grant and loan programs, as well as the late payment or nonpayment of other debts due the Government. A high priority has been placed on completing the aforementioned project so that a close look at the problems uncovered by the project staff and by GAO can be completed.

In addition, there are a series of legislative initiatives that are being weighed that would materially enhance the ability of the departments and agencies to administratively recover all collectable amounts due now and in the future.

We look forward to your support of our initiatives in the future.

Question 15: The Reorganization Act of 1977 expires April 1981. Do you anticipate that the new Administration will request extension of this reorganization authority? What are your views on the relative effectiveness of reorganizations to (a) improve program management and (b) reduce the Federal budget.

Answer 15: Yes, the Reagan Administration will request extension of the reorganization authority.

We do not regard reorganization as an end objective. Moreover, reorganizations are disruptive and costly both to consider and to implement. There can be situations, however, in which existing organization structure is outmoded and no longer serves its purpose of facilitating efficient program accomplishment. Under such a circumstance, a well-considered reorganization proposal can help improve program management, reduce the Federal budget, or both.

I should point out that the reverse of the situation implied by your question can also occur. That is, reductions in the Federal budget, on the scale being proposed by President Reagan, can prompt reorganization actions in the form of shutting down agencies no longer required. In some cases, residual functions would be transferred and consolidated in a continuing agency. Thus, budget reductions prompt reorganization actions which, in turn, can lead to further budget reductions. This illustrates that reorganizations and the Presidential authority to propose reorganization plans are integral parts of the President's objective of reducing the role and presence of the Federal Government. In proposing reorganizations, the Administration will consult in advance with this Committee and with other concerned Congressional Committees.

Question 16: Under current law, the Executive Branch now provides the Congress with a set of tables on the DOE budget, the so-called Holifield Tables—which show not only OMB's budget request for the Department's various programs, but also the Department's original request to OMB for each of these programs.

I'm sure, given your interest in energy matters, you've used these tables, yourself, in conjunction with your work in the House.

Let me then ask you whether given the obvious value and usefulness of these tables as a tool for the congressional budgetary process you would be prepared to supply such comparisons across-the-board for all the agencies and departments? Don't you think this would enhance communications between the two branches of government and improve our joint control over the budget?

Answer 16: As in the past, OMB supports the sharing of agency budget requests with the Congress after the President's budget has been transmitted to Congress. Under existing law and OMB Circular No. A–10, after the President's budget is transmitted to the Congress, the heads of Executive Branch agencies may provide information concerning their budget requests to the President when the Congress asks for this information in connection with its consideration of the President's budget. The information may be obtained directly from an agency upon the request of a Congressional committee with jurisdiction. These procedures allow an agency to tailor its response to the specific needs of the committee making the request. We doubt that providing agency budget information in the standard format you suggest could be as useful, because different committees like to receive information in differing formats. OMB has also made a practice of not interposing itself between the agencies and their Congressional committees.

Moreover, we do not believe that providing this information routinely for all agencies will enhance communication between the Legislative and Executive Branches or control over the budget. Greater emphasis on agency budget requests would shift discussions of the President's budget from major budget issues to explanations of differences between Presidential recommendations and the more parochial recommendations of the various departments and agencies. This can only serve to cause confusion and divert attention from viewing budget requests in the context of national priorities, economic conditions, and overall budget totals.

Question 17: During the campaign President-elect Reagan strongly implied he intended to abolish the Department of Energy and I believe a number of your own statements have leaned strongly in this direction.

What, in fact, are your views on this issue?

What would happen to the various functions now performed by DOE: Would they simply be eliminated or would they be trans-

ferred to another agency? (Why would transferring them elsewhere help matters?)

Which functions would you try to eliminate? Could you eliminate DOE's defense functions? How about its R&D program?

Answer 17: Whether the Department of Energy is abolished as a department and where its functions might go is not, in my mind, the key issue. The issue is the role of the Federal Government in energy matters as symbolized by the creation of the Department in the last Administration. The Department has, in the past, tended to reflect the view that the Federal role is one of central planning; excessive regulation of conservation and energy supply development; and budget support for all aspects of energy research, development, and demonstration and for commercialization of energy technologies. This Administration, on the other hand, believes in a more limited role for the Federal Government and thus for the Department of Energy. The Administration recognizes the key role and responsibility of the Federal Government to improve the climate for energy investments, the importance of realistic pricing as a means of encouraging conservation, and the fact that it is private industry that has the know-how and resources to make key energy investments to tap domestic resources. The net result is a streamlining and slimming down of the responsibilities presently assigned to the Department as a necessary first step and as reflected in the proposed revisions to the DOE budget.

Beyond that, the Administration has yet to address further changes in the disposition of the DOE beyond the reorganizations recently undertaken by the Secretary. I can assure you, however, that any reassignment of responsibilities that may be considered will take into account the need to ensure effective and efficient operation of the key energy responsibilities of the Federal Government now residing in the DOE. Change will not be undertaken for the sake of change, but only when change will improve government operations or better delineate the Federal role in energy matters.

Question 18: In general, what role do you think the Federal Government should play in energy R&D? Should the Government support demonstration plants? (Pilot scale? Full scale?) When should we insist that the private sector take over?

Answer 18: In support of energy R&D, the Federal Government should generally limit its role to financing long-term high-risk, but high potential, R&D that the private sector is not likely to support in the national interest. Examples would include R&D on magnetic fusion and photovoltaics and basic research on materials and in advanced energy technologies.

The Federal Government should rely primarily on the private sector to support larger technical and commercial demonstrations. If private companies have a significant amount of their own money at risk, they will have more incentive to put forward their best efforts to make projects succeed both from a technical and economic standpoint. This is particularly true in areas such as fossil energy where industry already has considerable "know-how" either in this country or abroad. It is recognized that there may be circumstances in which some limited assistance may be justified to help industry get started on demonstration projects such as through loan guarantees and limited price supports through the Synthetic Fuels Corporation.

The same general argument holds true for pilot plants although some relatively greater assistance from the Federal Government may be appropriate where the technology involved is advanced and the benefits of the pilot project may apply generally to the industry rather than to individual firms.

Question 19: You've expressed your opposition to the Clinch River Breeder Reactor. Should the Government support any breeder demonstration? How far should this go?

Answer 19: For the past 3 years Congress has repeatedly stated its support of the Clinch River Breeder Reactor (CRBR) project through supplementals to the Carter budget. The continuing commitment to Clinch River on the part of the Congress is clear.

The Reagan Administration favors the economical, safe development of nuclear energy. However, determining the appropriate Federal role in the continued development of this energy source is complicated by historical relationships between industry, national labs, previous Administrations and the Congress.

It is our intent that in the future the application of commercial nuclear technology will be the responsibility of the private marketplace. Nevertheless, there are programs, such as CRBR, that need to be finished so that the technical and engineering benefits of our current investment will not be lost. In the future I can foresee a time when the breeder program will be largely commercial, when the Federal program will phase down, and the talent in the national labs turned in new directions.

As for the immediate problems, we will place our highest priority on resolving the regulatory and institutional barriers which currently preclude effective competition of nuclear power.

Question 20: Since 1978, the Office of Management and Budget has been responsible for implementing a system of impact analyses for budget review and legislative and regulatory clearance. This is known as the Urban and Community Impact Analysis (UCIA) system. All Cabinet agencies are required to participate, and the UCIA office in OMB supervises the process and advises senior budget officials on the analytical results. Executive Order 12074 and OMB Circular No. A–116 are the formal implementing documents. Inter alia, the analyses focus on the fiscal impacts on State and local governments of Federal activities. S. 43, which was not acted upon by the full Committee last Fall but has strong bipartisan support, would legislate a similar requirement, and recently enacted paperwork legislation imposes parallel requirements in the area of regulatory clearance.

In the past, there has been criticism of OMB for failing to implement the UCIA process effectively. What is your policy with respect to the UCIA function, and how do you anticipate implementing it?

Answer 20: A major commitment of the Reagan Administration is to redress the balance of power in our Federal system so that States and localities perform more of the governmental decisionmaking where they are affected. As this objective is progressively realized, there will be fewer major Federal actions to be analyzed in terms of their fiscal or other impacts on urban communities.

This Administration is also committed to sharply reducing the burdens and delays imposed by complex regulations and procedures.

Both of these objectives, taken together, prompt a careful review of the UCIA process to determine whether it should be continued, modified or dropped. No conclusion has been reached at this time.

We are aware of the criticisms that have been raised concerning the UCIA process. We will also be interested in utilizing the findings of the on-going GAO review of UCIA which, we understand will be available in May or June.

While UCIA may or may not be continued as the best way to assess urban community impacts, we will continue to be sensitive to those impacts and will find ways to work with State and local governments and groups.●

THE WISE USE OF CONSUMER CREDIT

● Mr. DANFORTH. Mr. President, one of the most important lessons any consumer can learn is the wise use of credit. Through the efforts of Ms. Virginia Rutledge and others, the Missouri Consumer Credit Association-Education Foundation has worked hard to bring this message to young people in high schools throughout Missouri. Beginning in 1975, the association sponsored a statewide program for high school seniors to enhance their understanding of consumer credit. As part of the program, the foundation conducts an annual essay contest.

The first place winner of this year's contest is Gaye Sobotka of Springfield, Mo. Like last year's winner, she is a senior at Hillcrest High School. My congratulations go to Ms. Sobotka, her family, and her teachers for a job well done.

Mr. President, from my travels throughout the State of Missouri and my visits to Missouri's high schools and colleges, I am firmly convinced that America's future is in good hands. I am consistently impressed by the intelligence and thoughtfulness of the young people I meet.

Ms. Sobotka's essay reflects hard work and serious research. Her observations on the wise use of consumer credit merit attention. I ask that her essay be printed at this point in the RECORD.

The essay follows:

WISE USE OF CONSUMER CREDIT

Almost ninety percent of the nation's business transactions involve the use of credit. Credit is the obtaining of goods or services upon the promise to pay for them at a future date. This belief that one will pay is the building block for credit. When credit is properly used, it is seldom abused. Credit that is seldom abused forms a good credit record. A continuous wise use of credit maintains that record. Not everyone can have credit; the right to receive credit must be earned. Consumer credit is based on faith, and faith is based on the foundation of past performances. One's past will stay with him forever, so it is wise to demonstrate one's character by being honest and trustworthy.

To use credit wisely, one needs to budget his income to cover the necessities of life and savings before contracting for the purchase of luxuries. One should not be carried away by the abundance of goods and with the ease that the words, "charge it" is uttered. Common sense is valuable in knowing the difference between "wants" and "needs." Using credit for valid and necessary expenditures is using credit wisely. The consumer should not be an impulsive buyer but sensible about the purchases he makes, so that what he buys is what he really wants or needs. Impulsive purchases run up bills that are hard to keep up with, and are many times unnecessary. Any slack in making payments hurts a good record. One's credit record should be preserved as one of his most valuable financial assets. It can serve as a letter of recommendation to those one may encounter in other places. The maintaining of a good standard of credit is positively to one's advantage.

A proper guideline to follow for wise credit use is to shop as carefully when one buys on credit as when one pays cash. Purchases made on credit are generally more expensive then if a cash purchase were made. The reason for this difference is that when one buys on credit there are charges other than just the charge of the merchandise obtained. There may be handling charges, finance charges, or carrying charges. The

consumer should be sure to know the exact amount of the finance charge, the annual percentage rate (APR), and all other costs of credit. Before buying on credit, one should make sure that the purchase being made is worth the extra charges. One should also be careful when shopping so that he will not contract for larger payments than his budgeted income will permit. A nice "rule of thumb" to follow is to set a limit on how much one will use his credit. Fifteen to twenty percent of one's take-home pay is a good guideline.

Building a good credit record results from the wise use of credit. All charges made become part of one's permanent record. Whether a credit record is good or bad, it will be with one all of his life. Therefore, it is wise to maintain a good record. Always paying on time and never making partial payments will maintain a good credit record. Promptness is important. If one can not make a payment on time, he should contact the company beforehand and try to work out an agreement. Most companies will be understanding and will try to help unless he waits too long to try to make other arrangements for paying. The cooperation from the company depends on one's previous credit record. A wise credit use will produce a good credit record. In case of illness or emergency happenings, it is wise to have a "piggy" bank sitting back. One never knows what economic conditions may come up. Having financial resources standing behind and backing one up is never a mistake. Establishing a steady employment record will also help to preserve a credit record and will make that record more stable.

Henry van Dyke most affably remarked, "No man's credit is as good as his money." This statement can be proved invalid by using credit wisely. Credit makes possible the immediate use of things by buying now and paying in the future. Without credit, people would go without many things. It would be almost impossible to buy a car or a house if one had to pay in cash all at once. Credit is used in many forms; service credit, charge accounts, bank cards, personal loans and installment credit are all very important to a person. Credit makes possible many things one may really want or need. One's credit record should be an asset and not a liability. Credit underwrites mass production, mass distribution and mass consumption, and lower prices are achieved when credit is used in a proper manner. The key to better living is the wise use of consumer credit.●

THE HUNGER STRIKE IN NORTHERN IRELAND

● Mr. DODD. Mr. President, the hunger strike by Bobby Sands in Northern Ireland has already generated violent demonstrations and a resurgence of sectarian hatred in Northern Ireland. Sands' potential death would only intensify the violence and present new obstacles to a peaceful political situation to the status of Northern Ireland.

Renewed violence must be forestalled. I call on the British Government to abandon its complacent attitude toward the hunger strike of Bobby Sands, and to redouble its efforts to seek a compromise that would end the hunger strike. The British must realize that this is not an isolated issue. Sands' death would put a halt to the modest but real progress made recently toward a peaceful solution to the division of Ireland.

We must realize that violence will not strengthen support for the principles of Bobby Sands and like-minded people. It will not change the fundamental political situation in the north or end human rights violations.

The current situation in Northern Ireland demands a period of reflection and new efforts toward a peaceful solution, whatever the outcome of the hunger strike.

I appeal to all in Ireland and to all Irish Americans to prevent violent extremists, who would use any provocation to incite hatred, from using the hunger strike of Bobby Sands as an excuse for further violence and terrorism.

I am heartened by reports that the Reverend John Magee, the Pope's personal emissary, met with Sands. I pray that his intervention will help bring an end to the hunger strike and the increasing prospects for interreligious violence. We should remember the appeal of Pope John Paul II for men of violence to stop the killing in Northern Ireland.●

FEDERAL FIREARMS REFORM ACT

● Mr. SYMMS. Mr. President, I am pleased to have this opportunity to announce my support for the Federal Firearms Law Reform Act being introduced by the Senator from Idaho (Mr. McCLURE). As Senators know, Senator McCLURE has continually been in the forefront in fighting needless and counterproductive Government regulations, and this bill, which I was proud to cosponsor while in the House and now am proud to cosponsor in the Senate, addresses many of the inequities and weaknesses of the 1968 Gun Control Act.

In haste to pass the 1968 act, details of its actual implementation were glossed over and at the same time broad general powers were given to the Treasury's Bureau of Alcohol, Tobacco, and Firearms. The Congress wrongly assumed that in instructing the BATF to issue regulations "reasonably necessary to carry out the provisions of the act," BATF would pay due regard to the emphasis of that act, an emphasis which embraced the necessity to avoid any attempt to place undue or unnecessary burdens on law-abiding citizens or to discourage lawful gun ownership and use of firearms.

Since 1968, although little publicized, we have seen abuses of civil rights and harassment of private citizens in a manner which ignores the purpose and intent of the 1968 act which was to prevent the use of firearms in the commission of crimes. In its enforcement of this act BATF has lost its sense of direction and we in the Congress can no longer allow BATF an unrestrained hand as lawmaker and enforcer.

The McClure-Volker bill would address these problems by changing the 1968 act from a broad, vague, and easily-abused law to one focused specifically at criminal firearm use. This is primarily accomplished by diverting the time and resources of BATF away from lawful citizens to those who would use guns in carrying out crimes, and by removing bureaucratic and wasteful policies. Though existing laws are aimed primarily at keeping felons from obtaining guns, only 10 percent of BATF's gun cases are against felons in possession of firearms or those who sell firearms to felons. Only 4 percent of guns confiscated meet BATF's own definition of "crime guns."

Under this bill, no longer would BATF be able to use vague and undefined terms to make cases against law-abiding citizens. No longer would entrapment of citizens who innocently violated one of the technical provisions of current regulations be allowed. And no longer will there be abusive searches of records and premises, and arbitrary confiscation of property.

Again, the purpose of the McClure-Volkmer bill is to correct weaknesses in a bill which was too hastily considered. It needs to be pointed out that this bill will not assist dangerous individuals in obtaining firearms, nor permit evasion of local gun laws. Nor will it permit mail-order sales, or the importation of "undesirable" firearms. But, it will reorient Federal efforts toward a more effective approach to firearm crime.

It is fitting for this Congress which I believe is willing to seriously consider bureaucratic reforms, the elimination of overburdensome paperwork and the lifting of Government off the backs of the American people to pass the McClure-Volkmer bill. The people of our country have resoundingly indicated their desire for reform. This bill is reform at its best, and I am pleased to be a cosponsor of it.●

THE FIRST ORBITAL TEST FLIGHT OF THE SPACE SHUTTLE

● Mr. CANNON. Mr. President, the Nation is proud of and grateful to astronauts John Young and Robert Crippen and the thousands of other Americans who have labored over the past decade to make the first orbital test flight of the Space Shuttle such a spectacular success.

Our country has benefited immensely from its leadership in flight, both from an economic viewpoint and through its contribution to national security. This leadership has continued from the early flights of the Wright brothers and Charles Lindbergh to the more recent flights of JOHN GLENN and the crew of Apollo 11—Neil Armstrong, Edwin Aldrin, and Michael Collins.

The first flight of the Space Shuttle was a continuation of this leadership. It exceeded all expectations and demonstrated that the United States has attained an unmatched capability to operate a reusable transportation system for various commercial, scientific, and military projects. After completing three additional test flights, the shuttle will have its first operational flight in the fall of 1982. From that time on, it will be used to lift large payloads into low Earth orbit and to perform various activities in space for periods as long as 20 days. Access to space will become routine, and the cost of transporting payloads into space will be reduced.

In the 22 years I have served on the authorizing committees in the Senate for the U.S. space program, I have participated and shared in the enthusiasm and pride, as well as the disappointments, re-

sulting from this high technology endeavor. I have seen the importance of staying with investments and commitments, and I plan to continue my long-term support for this effort.

It is clear that our trading partners and others see the vast commercial opportunities possible in space. The French are developing the Ariane rocket, and the Japanese are developing their own launch capability. The French are planning to launch their remote sensing satellite, SPOT, in 1984. The Japanese also are moving into the area of remote sensing. In the area of communications, the United States has been a world leader, but here too we face increased competition. The Japanese, detecting a gap in the U.S. commitment to communications R. & D. in the 1970's, have energetically pursued communications R. & D. and have already launched an experimental communications satellite in the 30/20 GHz frequency region, a region that will be extremely important to the communications industry in the 1990's.

Even in space science we see more countries involved. The Europeans are pushing forward with the development of experiments for spacelab. They are going to Halley's Comet, as are the Japanese and Russians; we are not. And the Soviet Union continues to develop a capability for extended work in space that we do not have.

I do not wish to leave the impression that we must compete in all areas of space, under all circumstances. There are many areas where cooperative ventures are appropriate as well as cost effective.

The shuttle soon will become the workhorse for both the civilian and military space programs, and it is now time for us to consider carefully how it will be used during the years ahead so that we can continue to maintain our leadership in space transportation, space science, and space applications.

In space transportation we should begin to consider who should operate the shuttle fleet and how many shuttle orbiters should be in the fleet. We should determine the best way to reduce the cost of transporting payloads from low-Earth orbit to geosynchronous orbit. And, we should examine what type of orbital habitat would be useful beyond spacelab in order to allow the shuttle to perform better its primary function of transporting payloads from the Earth to low-Earth orbit.

In space science, we should try to determine what level of space exploration we can afford over the next decade, and thus avoid costly stretchouts of these programs. Once we have made a commitment to a program, it is vital that we try to honor that commitment in order to avoid damaging our relations with our allies or disrupting our scientific and technical teams.

In space applications, it is important that we recognize the importance of our leadership in communications satellites to our social and economic well-being, and we should determine what other potentially profitable commercial enterprises should be nurtured by NASA during the 1980's, such as Earth remote sensing satellites and manufacturing various materials in space.

All of these activities are important for the future of our Nation, and none of them could be pursued vigorously during this decade without the space shuttle. Thus, the recently completed Shuttle test flights is a major milestone in our space program—a space program that increasingly provides benefits on Earth.

POLISH CONSTITUTION DAY

● Mr. SARBANES. Mr. President, this Sunday marks the 190th anniversary of the adoption of the 3d of May constitution in 1791, one of the great achievements in Polish history and one of the world's great historic documents of political freedom and religious tolerance. Maryland's distinguished Polish American community will honor this important occasion with ceremonies organized by the Maryland chapter of the Polish American Congress, a national organization with chapters in all major cities, at Polish Hall on Sunday, May 3. Among those I would like to commend for the time and effort they have given to planning this important event are the officers of the chapter: John F. Pasko, president; Melvin S. Laszczynski, first vice president; Genevieve Jaworski, vice president; Joseph Borzymowski, vice president; Agnes M. Sito, financial secretary; Irene Nickels, recording secretary; Thaddeus Cwalina, treasurer; and Adam Adams, sergeant-at-arms.

As Americans throughout the land celebrate Polish Constitution Day, we share a deep concern over the problems confronting the Polish people today and recall with sadness the tragic history of the Polish nation, marred so often by partition and suppression.

Adoption of the 3d of May constitution, which peacefully transformed the Government of Poland into a constitutional monarchy, marked a zenith in the history of an ancient people whose national banner bore the motto, "For Our Liberty and Yours."

For more than a thousand years, beginning in 964, when certain Slavic tribes united to form the independent state of Polska, Poland's brave sons repeatedly fought against forces of aggression. Credited with stopping Genghis Khan's invasion of Europe in 1250, Poland again rescued Europe from invasion when King Jan Sobieski and his 40,000 Polish troops turned back the Turkish onslaught at Vienna in 1683.

In 1772—in the first of three partitions of Poland—Russia, Austria, and Prussia appropriated large areas of Polish territory, but the Polish people continued their drive for social and political rights. In 1791, this goal was achieved when Poland's last king, August Stanislaw, persuaded the Polish Diet to accept a new constitution, which abolished class distinction, established absolute religious tolerance, and declared the equality of all citizens under the law. By incorporating the 3d of May constitution, protection of the fundamental rights and freedoms of all citizens under the law, Poland became a pioneer in the development of democratic government.

Unfortunately, the Polish experience with freedom under the 3d of May constitution was short lived, as Poland was partitioned again in 1792 and 1795. Despite a heroic but unsuccessful national revolt led by Thaddeus Kosciuszko in March 1794, Poland disappeared completely as an independent state in 1795.

News of the Polish Constitution, adopted just 2 years after the U.S. Constitution, had been enthusiastically acclaimed in the young Republic, and the fate of the Polish people made an equally dramatic impression, captured in the words of Noah Webster:

> When Poland was cut up into three slices, for the three adjoining monarchs, the most hideous outcry was raised by all lovers of freedom.

The Polish people continued to assert their dedication to principles of freedom for over a century. With the solidarity of the partitioning powers broken by World War I, efforts to rebuild an independent Poland received new impetus, a movement in which the Polish pianist and statesman Ignacy Jan Paderewski would play a distinguished and unselfish role.

Interrupting his worldwide music tours to aid the Polish cause, Paderewski along with Roman Dmonski headed the Polish National Committee in France, which in 1917 was recognized by the Allies as the official representative of the Polish people. When Poland declared its independence on November 11, 1918, Paderewski turned to President Woodrow Wilson for support of a free Poland, an idea President Wilson presented at the Paris Peace Conference, and in 1919, Poland again gained its independence.

The newly formed state adhered to the basic ideas of the original 1791 constitution, whose fundamental concepts were still valid after over a century. As we all know, enjoyment of these hard won freedoms was again cut short when in 1939 a brave Poland was overrun by Hitler. Unable to withstand the surprise attack of Germany's motorized armies and powerful air force Poland's situation became hopeless when Soviet troops attacked from the East.

Despite defeat at home, the Polish Government in exile, again served by Paderewski, established new armies abroad, fighting with the Allies in England, North Africa, Italy, Belgium, France, and Germany. Altogether more than 300,000 brave sons of Poland served abroad in the Allied armed forces. Within Poland, where the popu'ation suffered cruel persecution, a powerful underground movement formed, one of the largest in Nazi occupied Europe. Tragically, the end of World War II did not see the restoration to the Polish people of the great rights contained in the constitution of 1791 for which they so bravely fought.

On May 3, we not only commemorate the proud triumph of 1791 when Poland immortalized her people's love of freedom in a democratic constitution, but also gratefully acknowledge the innumerable contributions of the Polish people

to this Nation's struggle to create a free society.

The Polish presence in America dates to earliest colonial times when Polish artisans arrived in Jamestown and built America's first glass factory in 1608. During the American Revolution, two of Poland's most beloved sons, Thaddeus Kosciuszko and Count Casimir Pulaski, rallied to the banner of our newborn country. Kosciuszko, fighting in Poland in later years for the May 3d constitution, would draw upon military experience first gained on American soil where he distinguished himself as both a soldier and an engineer. Fortifications constructed under his direction at Saratoga were credited with enabling the American forces to win a decisive victory in the war, and he later was put in charge of fortifying the highlands at West Point. Describing Kosciuszko, Jefferson wrote:

> As pure a son of liberty as I have ever known and of that liberty which is to go to all and not to the few or rich alone.

Driven into exile in 1772 for leading an uprising against the first partition of Poland, Casimir Pulaski joined General Washington's army in 1777. He was made a brigadier general after distinguishing himself at the Battle of Brandywine. During the spring and summer of 1778, General Pulaski came to Baltimore to recruit and organize an independent cavalry and infantry. Ordered to South Carolina in 1779, Pulaski's legion arrived in time to help repulse a British attack on Charleston. Pulaski himself gave his life for the cause of American freedom when he was shot and fatally wounded during the sieze of Savannah.

The contributions which Polish Americans made to colonial settlement in America and in the War for Independence have been repeated in each succeeding generation and have immeasurably enriched our national political, cultural, and social life. Americans of Polish descent, who today number well over 10 million, contributed significantly to the growth of American industry at the turn of the century and greatly strengthened American labor. Polish Americans have distinguished themselves in every walk of life and all the professions and have served our democratic institutions in countless positions in Federal, State, and local government. Above all, they have always championed our Nation's freedom and honor.

Today the Polish people are seeking to establish certain rights and freedoms and to insure that these basic rights and freedoms are respected. The United States and other nations must continue to respect the efforts of the Polish people to solve Poland's pressing problems. On March 27 of this year the Senate passed a resolution expressing the sense of the Senate that any outside intervention in Poland would be in violation of existing international law and solemn commitments, and supporting efforts by the United States to work with other nations to ease Poland's economic difficulties.

As a cosponsor of this resolution, I join with Polish Americans and indeed all Americans in expressing hope for a peaceful and just resolution of the problems confronting Poland and admiration for the Polish people's historic dedication to the cause of human dignity and freedom.●

REPORT ON ELECTRIC BOAT

● Mr. DODD. Mr. President, yesterday the Department of the Navy released a report on the status of submarine construction at the Electric Boat Division of the General Dynamics Corp., located in Groton, Conn., and Quonset Point, R.I. The report is the product of a joint committee of Navy and Electric Boat officials tasked to report its findings on submarine construction at EB to Secretary of the Navy John Lehman.

I am bringing this report to the attention of my colleagues in the Senate because of the controversies which have surrounded submarine construction at EB for the past 2 months. Allegations of poor workmanship and late delivery schedules have been leveled at Electric Boat by both the Navy and the press. This report, prepared by an objective committee reporting to the Secretary of the Navy, should set those allegations to rest.

The report concludes that the problems EB experienced in the past have all been put behind EB and will not impact on the current delivery schedules. The report also concludes that Electric Boat has the capacity to build one Trident and three 688 attack submarines per year, and that with a modest addition to the workforce EB could boost that productive level to 1½ Tridents and 3 688's per year.

Mr. President, I believe that this country should get on with the job of providing quality submarines to the U.S. Navy. This report makes it clear that the Electric Boat Co. is fully prepared to construct and deliver the Trident and 688 submarines our national defense requires. The report should also dispell any doubts about the need to authorize and appropriate the requested funding for the 10th Trident submarine contained in the fiscal year 1982 defense budget submission.

The report follows:

APRIL 20, 1981.

Hon. JOHN LEHMAN,
The Secretary of the Navy,
Washington, D.C.

DEAR MR. SECRETARY: As a result of your letter of 17 March 1981 to Mr. David S. Lewis, Chairman of the Board of General Dynamics Corporation and Mr. Lewis' favorable response of 25 March 1981, a committee was established consisting of three (3) members appointed by you and three (3) members appointed by Mr. Lewis to assist you in decisions that you would be obliged to make in new construction nuclear submarine awards in the months ahead. The Committee consists of the following members:

Mr. James F. Goodrich, Special Consultant to the Secretary of the Navy (Chairman of the Committee)

VADM John G. Williams, Jr., Deputy Chief of Naval Operations (Submarine Warfare)

Hugh O'Neill, Esq., Special Consultant to the Secretary of the Navy

William Gorvine, Esq., General Counsel, Electric Boat Division

Mr. L. Emmett Holt, Assistant General Manager (Operations), Electric Boat Division

Mr. Norman D. Victor, Director of Planning, Electric Boat Division

On 31 March 1981, you brought the committee together in your office and, with the Chief of Naval Operations, gave us our broad general assignment to address and resolve the following questions:

A. Are the problems of the past (e.g., welding, paint, steel specification, quality control, Government Furnished Equipment (GFE), lead ship design problems in TRIDENT) sufficiently resolved so that it is likely they will not cause further significant delays?

B. Can Electric Boat achieve its currently projected delivery dates?

C. Assuming future Trident and SSN 688 class submarine authorizations, does Electric Boat have the capability of delivering at the rate of one and one-half Tridents and three 688's per year?

D. What recommendation does the Committee have relative to assessing progress?

In order to most effectively carry out your assignment we made full use of all the facilities that you and Mr. Lewis put at our disposal. We reviewed data and reports supplied to us by both Electric Boat and the Navy. We visited the Electric Boat facilities at both Groton and Quonset Point and conferred with senior Electric Boat personnel. We also conferred with senior members of the Naval Sea Systems Command in Washington, D.C., and the Supervisor of Shipbuilding at Groton.

We inspected a number of both Trident and SSN's under construction at Electric Boat and talked with seven of those ships' Prospective Commanding Officers and received their views concerning the delivery of their respective ships.

In arriving at our opinions, conclusions and specific recommendations, we recognized that a number of problems arose over a period of time which have affected the delivery dates for the TRIDENT and 688's under construction at Electric Boat. These problems were the result of a broad spectrum of circumstances such as faulty structural welding, nonconforming carbon steel, design changes, defective government furnished equipment, unique problems associated with the lead ship of a new design, etc. Our purpose is not to examine the relative responsibility of the Navy and Electric Boat for these prior problems, but is instead to ascertain what the current conditions are at Electric Boat and to reach our own conclusions as to whether Electric Boat can achieve the delivery dates which it now projects for all Trident and SSN submarines under contract and for future contracts.

Presented here is our report as a result of your assignment.

A. Problems of the past;

We have reviewed the following past problems in order to determine if they were likely to cause delays in the future:

1. Quality Control/Assurance
2. Nonconforming Steel
3. Structural Steel Welding Problem
4. Defective Painting
5. Government Furnished Equipment Defects
6. Design Revisions in Lead TRIDENT

Our report on each of the above items follows:

(1) Quality control/assurance:

Status.—In February, 1980, Electric Boat developed a Quality Modernization and Upgrade Program to strengthen its existing quality assurance program. An outline and other details of the program were provided to the Navy in May 1980. In October, 1980 this program incorporated recommendations made by the Navy audit team. Electric Boat's current program with the audit team's recommendations was accepted by NAVSEA in November, 1980. The audit team

made forty-three recommendations, including expanded and restructured audit and trend analysis and corrective action programs. Thirty-nine of the forty-three recommendations have been put into effect and the balance are on schedule for completion by June, 1981. NAVSEA and the Supervisor of Shipbuilding will continue to monitor the company's implementation of this program.

Opinion.—The Committee believes that this program upgrade has been adequately addressed and that it supports Electric Boat's scheduled delivery dates. The Committee notes that this is an ongoing program which requires monitoring and updating on a regular basis to assure continued effectiveness.

(2) Nonconforming steel:

Status.—In late 1978, Electric Boat discovered that some nonpressure-hull steel did not meet specification. Subsequent to notification to the Navy of the problem Electric Boat defined the problem, established corrective actions, and strengthened its quality control program. The review, going back to steel purchased in 1970, has been completed and all nonconforming carbon steel purged from EB inventory.

Opinion: The Committee is satisfied that the corrective action is complete and this item will not have an effect on Electric Boat's scheduled delivery dates.

(3) Structural steel welding problem:

Status.—Commencing in November, 1979, Electric Boat and the Supervisor of Shipbuilding discovered structural weld deficiencies. It was established that submarine pressure hull integrity, and thus safety, was not involved. A corrective action program to resolve this problem was developed by Electric Boat, modified and expanded to incorporate Navy views, and approved by the Navy. Electric Boat has completed the corrective work on SSN 698, 699, 700, 701, and SSBN 726. The corrective work on the balance of the ships is proceeding satisfactorily.

Opinion.—The Committee believes that this item has been satisfactorily resolved and that the work remaining on the other submarines will support Electric Boat's scheduled delivery dates.

(4) Defective painting on lead Trident (*Ohio*):

Status.—When *Ohio* was drydocked to late November 1980, inspection of the ballast tanks revealed some deterioration of the epoxy paint coating. In December, 1980, Electric Boat requested a waiver to defer final painting until the first drydocking after delivery for the following reasons: (1) epoxy painting in cold weather should be avoided; and (2) the total paint workload in combination with limited drydock capacity could lead to a delay. Electric Boat recommended that the localized unsatisfactory epoxy-painted areas be protected by using a vinyl paint since it would adhere in the cold of winter and thus provide adequate protection until post-shakedown availability drydocking. The waiver was denied and epoxy paint was applied.

Opinion.—There is a possibility that the applied epoxy paint will show deterioration at the drydocking after the second sea trial. This drydock period is scheduled for three weeks which should be adequate for minor touch up. With this assumption the Committee believes that it will not affect Electric Boat's scheduled delivery date.

(5) Government furnished equipment defects:

Status.—There were significant problems associated with a number of components of government furnished equipment which required Electric Boat to divert manpower to make the necessary corrections. This resulted in delays. Examples of these problems occurred with the main propulsion turbines, ship's service turbine generators, and the motor generator sets. Corrective actions have been taken or deferred to the post-shakedown availability period for all problems associated with government furnished equipment.

Opinion.—While the Committee notes that many of these problems were significant and thus are of continuing concern, the Committee is not aware of any GFE problems that would have an effect on Electric Boat's scheduled delivery dates.

(6) Design revisions in lead Trident (*Ohio*):

Status.—There have been a large number of design revisions (including changes) issued over the past two years, a situation which is typical of the first ship of a new class. For most of 1980 a serious procedural problem existed in getting daily meetings established to provide prompt authorization of this revised work. In November, 1980, a procedure was agreed to by the Navy which provided for rapid evaluation and authorization. There are no outstanding significant design items that require completion prior to sea trials. There is a small group of items (principally miscellaneous stowages) that have been deferred with Navy approval until after the second sea trial but will be accomplished prior to delivery.

Opinion.—In view of the above status, the Committee believes that, given the present stage of construction and testing, it is unlikely that any design revisions (including changes) will impact the first sea trial date. However, it must be recognized that, with the first ship of a new class, there is always some inherent risk of problems as a result of the sea trials. The Electric Boat schedule provides for 67 work days between first sea trials and the acceptance trials. The bulk of the work currently planned for this period is the completion of the deferred work and the final painting of the ship. Some level of minor problems can, therefore, be accommodated during this period but major problems could delay the delivery of *Ohio*.

B. Delivery schedules:

Taking into consideration the opinions outlined above, the Committee then proceeded with its review of Electric Boat's delivery schedules as stated in Electric Boat letter of 10 April 1981, addressed to the Committee. Electric Boat's estimated delivery dates with delivery intervals and NAVSEA's comments for each ship follows:

TRIDENT (Estimated Delivery Dates)

Trident class	EB	Interval (months)
Ohio	SSBN-726—10/31/81	
		12
Michigan	SSBN-727—10/31/82	
		10
Florida	SSBN-728—8/31/83	
		8
Georgia	SSBN-729—4/30/84	
		8
Rhode Island	SSBN-730—12/31/84	
		8
	SSBN-731—8/31/85	
		8
	SSBN-732—4/30/86	
		8
	SSBN-733—12/31/86	

NAVSEA comments: NAVSEA con iders present EB work force can support this schedule.

The Committee is of the opinion that the delivery of SSBN-726 (*Ohio*) and SSBN-727 (*Michigan*) are controlled more by the series of remaining sequential events leading to delivery than by availability of manpower. The remaining events are:

SSBN-726 (*Ohio*)—Events:
First sea trials, 06/21/81.
Delivery, 10/31/81.
SSBN-727 (*Michigan*)—Events:
First sea trials, 06/20/82.
Delivery, 10/31/82.

The Committee believes that the Electric Boat delivery date for *Ohio* is achievable but does not contain additional time for contingencies. The fact that NAVSEA concurs that these delivery estimates are achievable lends credence to *Ohio* being delivered this year. There are no known design problems that affect the first sea trial date. If there are no major problems discovered during sea trials, the Committee has a high level of confidence that *Ohio* will be delivered this year (1981).

The delivery date of the SSBN-727 (*Michigan*) is achievable and does have some additional time included for contingencies. If major problems are discovered during *Ohio* sea trials, the delivery date for *Michigan* could be delayed.

SSN 688 CLASS (APR. 10, 1981 DELIVERY ASSESSMENT)

SSN 688 class	EB	Interval (months)
U.S.S. Bremerton	SSN-698—2/13/81	
		1.5
U.S.S. Jacksonville	SSN-699—3/31/81	
		3.0
U.S.S. Dallas	SSN-700—6/30/81	
		3.0
U.S.S. La Jolla	SSN-701—10/?/81	
		1.5
U.S.S. Phoenix	SSN-702—11/14/31 [1]	
		1.3
U.S.S. Boston	SSN-703—12/22/81 [2]	
		6.0
U.S.S. Baltimore	SSN-704—6/26/82	
		6.0
U.S.S. Corpus Christi	SSN-705—12/24/82	
		3.0
	SSN-706—6/25/83	
		6.0
	SSN-707—12/24/83	
		6.0
	SSN-708—6/23/84	
		6.0
	SSN-709—12/22/84	
		6.0
	SSN-710—6/22/85	
	SSN-719—12/21/85	
	SSN-720—6/21/86	

NAVSEA Comm nts:
[1] December 1981.
[2] February 1982.
[3] With exception of SSN's 702 and 703 noted above, NAVSEA considers present EB work force can support this schedule.

The first two of the six submarines projected by Electric Boat to be delivered in 1981 have in fact been delivered. The *Dallas* (SSN-700) successfully completed initial sea trials on 20 April 1981 and thus should be delivered by 30 June 1981 as scheduled above.

The final controlling path leading to delivery of SSN-701, 702 and 703 starts with the accomplishment of an eleven (11) week pre-sea trial drydocking. The Committee does note that, historically, the remaining events leading to delivery of these ships have been accomplished in approximately 5½ months after completion of this pre-sea trial drydocking.

The table below depicts this drydocking schedule.

	Pre-sea trial drydocking	Delivery
Hull No:		
701	Jan. 31 to April 17, 1981	Oct. ?, 1981.
702	Feb. 27 to May 9, 1981	Nov. 14, 1981.
703	Apr. 17 to July 1, 1981	Dec. 22, 1981.

The Committee is of the opinion that the Trident and 688 Class delivery dates can be met with the 703 date being the most difficult.

C. Capacity:

Having concluded that the present EB trade work force (about 16,000) supports the projected deliveries outlined in EB letter of 10 April, the Committee next looked into the capacity at EB to build submarines. The variables that relate to this area are:

(1) Total manhours required to build a Trident and a 688 class SSN, respectively, and the learning curves for the two classes.

(2) Physical plant limitations.

(3) Availability of manpower in the vicinity of Groton and Quonset Point.

A discussion of each variable follows:

(1) The Navy estimates that a greater number of manhours will be required to build each submarine than EB predicts. In addition, the Navy's learning curves are higher than EB's. NAVSEA maintains that historical learning curves for ships generally, including submarines, support its view. Electric Boat has implemented DOD.NST 7000.2 (Cost/Schedule Control System) and the Committee reviewed its systems for determining schedules and estimated manhours at completion. The Committee believes that this "building block" approach for determining manhours is sound and has the potential to be more accurate than the NAVSEA approach.

The questions which exist as to the correct number of manhours required to build each Trident and SSN 688 class submarine and as to the correct learning curves for the two classes cannot be answered until further experience is gained regarding the actual cost of construction of these ships. However, for purposes of assessing the capacity of the EB shipyard, the Committee elected to give greater weight to the NAVSEA analysis in order to assure that it provided you with a sufficiently conservative answer to this question.

(2) In analyzing the physical plant at both Quonset Point and Groton the committee was impressed with the capability at Quonset Point to manufacture submarine hull sections. Hull sections for more than two Trident and three SSN submarines per year can be manufactured on a two shift basis by about 200 trade people. The remaining 4,350 trade people are involved in the prefabrication of assemblies and work packages for final assembly at Groton. The physical plant at Quonset Point can support a substantially larger work force. At Groton, building positions and docking facilities can support a maximum construction rate of two Trident's and three SSN's per year.

(3) With an increase of approximately 1000 trades personnel (which is reasonable) the Committee believes that Electric Boat has the capacity to build at a rate of one and a half Tridents and three SSN's per year. Electric Boat believes that this same work force could produce two Tridents and three SSN's per year. On a relative basis, additional manpower is more available at Quonset Point than at Groton.

The conclusion of the Committee is that on a conservative basis, with the present 16,000 trade work force, EB today should be able to sustain an annual delivery rate of one Trident and three SSN's per year. With about 1,000 more trade people, which we believe are obtainable, EB could increase this rate to one and a half Tridents and three SSN's per year. Electric Boat's present schedule calls for the following deliveries:

	1982	1983	1984	1985	1986
Trident	1	1	2	1	2
SSN 688 class	2	2	2	2	1

d. Recommendation to assess progress:

The Committee recommends that you task the Chief of Naval Material to provide an additional monthly report in order to afford you a means of tracking progress on all submarines at EB. This report should indicate the actual versus planned percent completion and the actual versus scheduled dates at each of the following milestones:

1. Contract Award.
2. Start Construction.
3. Land Main Propulsion Equipment.
4. Pressure Hull Complete.
5. Initial Fill of Reactor Plant.
6. Launch.
7. Start Combat and Control System Rapid Installation Plan (TRIDENT only).
8. Initial Criticality.
9. First Sea Trials.
10. Delivery.

The Supervisor of Shipbuilding (SUPSHIPS) would forward this monthly report with his comments up through the chain of command to the CNO and you. SUPSHIPS would specifically address any variances between actual and planned accomplishment of milestones.

As agreed at the outset, this report was prepared solely for the purpose of resolving the questions submitted to the Committee by you. Its findings, opinions and recommendations will not be used by either party against the other in asserting, pursuing, or attempting to resolve their rights under any contract.

This completes our report. We await your further instructions.

JAMES F. GOODRICH, JOHN G. WILLIAMS, Jr., HUGH O'NEILL, WILLIAM GORVINE, L. EMMETT HOLT, NORMAN D. VICTOR.●

S. 939—LEGAL SERVICES CORPORATION

● Mr. RIEGLE. Mr. President, on April 8, 1981, I was pleased to join my friend and colleague, Senator EAGLETON and a bipartisan group of Senators in introducing S. 939, to reauthorize the Legal Services Corporation for the next 3 years. I commend the senior Senator from Missouri for his leadership role in this effort. It is my strong conviction that the maintenance of this program, which represents the only concerted and comprehensive effort to offer the poor, elderly, and the disabled access to the justice system in civil matters, is one of the mainstays of our democratic system. The Reagan administration proposes elimination of the Legal Services Corporation with an accompanying gesture which would authorize States to fund legal services out of a social services block grant with no money allocation for those services. Such a proposal is tantamount to telling poor, handicapped, and aging citizens of our Nation that justice in this country is bought at a high price, and that that price is regrettably beyond their means.

Out of its 1981 budget of $321.3 million, the Legal Services Corporation made grants to some 320 programs which will serve over 1.2 million of the Nation's estimated 30 million poor people this year. Much of the time of minimally-salaried legal service attorneys will be spent dealing with the routine legal problems of individuals. The largest percentage of cases involve family matters, and the most frequently provided service is simply giving advice and counsel. However, the value of support and information to the indigent client cannot be underestimated when the very quality of his or her life may be dependent on a rudimentary understanding of bureaucratic processes or landlord/tenant laws. The elimination of legal services can only seek to raise feelings of alienation and frustration among the poor.

We should look more closely at the composition of legal service clients. In 1980 alone, more than one-half million elderly persons who otherwise would have been denied access to the civil court system utilized the services of their local legal aid clinic. Women, who represent a clear majority of Americans living below the poverty line, number over two-thirds of the clients served by the Legal Services Corporation. The Legal Services Corporation also provides a broad range of essential services to poor, handicapped, and minority children. In 1977, over half of the States did not have any provision for court-appointed counsel or guardians to defend the rights of children in neglect cases. Without legal services, many children would go unrepresented. Let us be clear about who would be most adversely affected by the loss of free legal services accessible to all community citizens who meet economic criteria. They are senior citizens, women, and children.

My own State of Michigan receives approximately $6.5 million from the Legal Services Corporation. That money finances 14 programs—10 neighborhood law centers, one migrant farmer legal program, and one Native American legal program. The loss of these services would clearly pose great hardship to the underprivileged citizens of a State characterized by the highest unemployment rate in the Nation and a severely strained social service program.

There is no data to support a belief that any State would actually fund legal services out of an already severely reduced social services block grant. Additionally, the administration's claim that the legal needs of the poor could and would be met by the voluntary efforts of the private bar has been disputed by the American Bar Association. William Reece Smith, Jr., president of the American Bar Association has stated in a press conference on behalf of continued funding for the Legal Services Corporation that "only a small portion of the civil legal needs of the poor could ever be met by this voluntary approach."

I am hopeful that the strong support of the American Bar Association coupled with broad-based bipartisan support for the maintenance of the Legal Services Corporation will result in the reauthorization of this vital community-based program. In the spirit of fiscal restraint, S. 939 calls for no further increase in budgetary allocations for the Legal Services Corporation. The bill recommends an appropriation of $321.3 million for fiscal year 1982, which is the present funding level, with open-ended appropriations for the subsequent 2 years of authorization. I urge my colleagues to join me in support of this bill. It is a very small price to pay to preserve the constitutional mandate of "equal access to justice under the law."●

THE PROBLEMS OF GAO TESTIMONY ON FOOD STAMPS

● Mr. LEAHY. Mr. President, the Committee on Agriculture, Nutrition, and Forestry will shortly be considering legislation to amend the food stamp program. I fully expect that the committee will find ways to achieve savings in this program, some of which I will undoubt-

edly support. However, before important decisions are made on this program, I believe it is important to set the record straight on a few matters.

On April 2, 1981, the General Accounting Office (GAO) testified on the food stamp program before the committee. I, for one, do not believe that the testimony presented met the standard of high quality that we have all come to expect from GAO's work. At the time of GAO's testimony, I responded with remarks that I am providing for the RECORD here.

Basically, my remarks express the belief that portions of GAO's testimony inaccurately reflect the plight of most low-income Americans. The GAO report of June 1978 upon which much of this testimony was based is seriously flawed conceptually and methodologically. My statement of April 2, 1981, which I will ask to be printed at the end of these remarks, details some of the more serious problems with the GAO report.

I would also like to comment upon another portion of GAO's April 2, 1981 food stamp testimony. In that testimony, GAO expressed support for a proposal to vary food stamp allotments according to the age and sex of each household member. This very proposal, in fact, is included in S. 884, the farm bill introduced by Chairman HELMS.

This proposal would effect major reductions in the benefits provided to the elderly and women with small children. It would also be an administrative nightmare. In 1975, the Ford administration issued proposed regulations to implement this plan in two slightly differing variations. Nearly 2,000 commenters responded to this proposal, with 99.5 percent of them opposing it. Included in these commenters were State and local food stamp administrators from around the country.

The Ford administration, which was often critical of the food stamp program, withdrew its proposal with the following comment (40 FR 55646–55656):

> The comments in the foregoing analysis show that Proposal I and II were opposed by nearly all commenters. They disrupt historic benefit patterns and . . . would substantially reduce benefits now provided aged persons and households with small children. Administration of either proposal would be complex, expensive, and error-prone. The proposals are administratively impractical. Accordingly, they are rejected.

Mr. President, I ask that my statement of April 2, 1981 be printed in the RECORD.

The statement follows:

REMARKS BY SENATOR PATRICK LEAHY ON FOOD BENEFITS

Mr. Chairman, I am afraid that I cannot let an important part of the GAO testimony stand unchallenged. I believe that GAO has presented testimony today which is inaccurate in its representation of the plight of most low-income Americans. I also believe that the 1978 report upon which this testimony is based includes major errors in its calculation of the amount of food assistance benefits that low-income Americans receive. I would like now to set the record straight.

(1) On page 2 of its testimony, GAO asserts that some needy households could receive more in food benefits than the average amounts American families of comparable size spend on food.

It is my understanding that, even under GAO's faulty scheme for measuring the value of benefits, its finding that needy households actually receive as much in food benefits as the average family spends on food is highly questionable. While GAO may have found isolated examples of individual families for whom this appeared to be true when GAO's flawed methodology for valuing food benefits is used, the sole instance in which GAO found a category of families for which this was true was for a group of households with six or more members. However, this finding was based on an aberration in GAO's data. GAO's very limited sample included only four households with six or more members, and one of these was a household of 16 members. This resulted in an exaggeration in the sample of the amount of benefits households of six or more members ordinarily receive.

In its report, GAO acknowledged that its findings on households of six or more persons might be invalid. Today's testimony does not.

(2) GAO's testimony states that benefit amounts in sample cases ranged from 104 percent to 192 percent of the amount a household would need to purchase a Thrifty Food Plan diet.

What GAO failed to state is that for the vast majority of its sample (65 of 95 total cases), GAO found that households received less than 100 percent of the Thrifty Food Plan in federal benefits, even under GAO's own procedure for measuring the value of benefits.

Also, I would point out that GAO's sample was drawn from an area which is not representative of the country as a whole. The sample was taken in California, where AFDC and SSI benefits (which are included in GAO's calculations of food benefits) are far above the national average.

In addition, school breakfasts and WIC were available in this area. Two-thirds of all schools in the country have no breakfast program, and many counties have no WIC program.

(3) GAO incorrectly assigned values to many of the food assistance benefits.

GAO counted the entire federal reimbursement for free lunches and breakfasts as a food benefit, rather than just the amount which goes for food. Between one-third and one-half of the reimbursement for lunch goes for labor, administrative and other overhead costs. The amount counted by GAO exceeded by over 50 percent the average school lunch charge for non-poor children.

As a result of this improper valuation of school lunches, GAO, ended up assigning a value for school lunch which equaled about 60 percent of the daily cost of the Thrifty Food Plan at that time. This is despite the fact that school lunch is supposed to provide only about one-fourth of a child's daily calories and one-third of a child's daily nutrients.

Under GAO's scheme, a child receiving a free lunch would have been considered to have received more than 100 percent of the Thrifty Food Plan for that day if he or she spent a total of 56 cents in federal benefits to purchase breakfast and dinner.

If a child had received a free breakfast and lunch, GAO would have scored that child as receiving over 100 percent of the Thrifty Food Plan in benefits that day if 11 cents or more in federal benefits were spent on dinner.

GAO also overpriced WIC benefits by 21 percent. The 1978 report clearly states that GAO utilized the "maximum amount" listed on the WIC voucher, rather than the amount actually spent by participants. During the month of GAO's review, the maximum amount printed on WIC vouchers in California exceeded the actual amount for which the vouchers were redeemed by 21 percent.

GAO assigned a value for free special milk which was 9 percent higher than the national average reimbursement for free milk at that time. While the GAO did not price the free milk incorrectly for Oakland, California, this is another example of where the findings were not representative of the nation as a whole, also, the GAO report was conducted at a time when an additional free milk had to be offered to children receiving free lunches. This is no longer the case.

GAO assigned a high value to hot lunches served in the elderly nutrition program, equal to over 70 percent of the daily costs of the Thrifty Food Plan. The value assigned to these lunches by GAO would have left only 39 cents for an indigent elderly person to feed himself breakfast and dinner, and still remain within the Thrifty Food Plan.

Also, GAO failed to recognize that some elderly persons pay for part of these meals and that most do not participate five days a week.

(4) And finally, GAO has improperly included AFDC and SSI benefits in its calculation of food assistance benefits.

AFDC and SSI do not duplicate food stamps because income from these programs is counted in determining eligibility and benefit levels for food stamps.

Even if part of AFDC and SSI benefits are considered food assistance, GAO has used the wrong measure. The Food Stamp Program assumes that 30 percent of net income will be spent on food. GAO incorrectly utilized a gross income figure in regard to AFDC and SSI.

Furthermore, it is incorrect to assume that 30 percent of AFDC benefits are available for food.

Most states set their AFDC benefit levels knowing full well what food stamp benefits are available. I know that in Vermont, we certainly would not provide payments in excess of what a family needs for food. And, when the maximum AFDC benefit levels in many states are considered ($120 a month for a family of four in Mississippi, $140 in Texas, and similar amounts in several other states), it is highly unlikely that families in these states would have any AFDC money left over for food after shelter, clothing, transportation and other necessities are paid for.

In summary, Mr. Chairman, I do not believe that GAO's testimony serves the Committee well. At the outset, GAO failed to mention that combined Federal benefits to most of the low-income people in its sample were equal to less than 100 percent of the Thrifty Food Plan. In addition, GAO has seriously overstated the true value of the various benefit programs to low-income persons.

Clearly, GAO's analysis is not wholly accurate. Over half of the states pay combined AFDC and food stamp benefits of 75 percent of the poverty line or less. It is likely that few, if any, of America's poor are now receiving food assistance benefits in excess of their true needs.

Mr. Chairman, every member of this Committee recognizes the need to eliminate waste in the Food Stamp Program and our responsibility to carefully scrutinize its costs for possible savings. But it is critically important that we have accurate and unbiased studies and data if this year's budget cuts in the Food Stamps program are to have their intended effects of reducing Federal spending while insuring that no deserving Americans go hungry.●

FEDERAL EMPLOYEE HELPS UNITED STATES WATCH ITS MONEY

● Mr. MATHIAS. Mr. President, with the present emphasis on reducing waste

in Government, I would like to commend Edward E. Thomas, who resides in Calverton, Md., for his actions which will result in millions of dollars being returned to the U.S. Treasury. Mr. Thomas is an employee of the Civil Aeronautics Board and has been so employed for the past 25 years.

Several months ago Mr. Thomas came across some information which, after further investigation on his own time, indicated to him that the U.S. Government was losing millions of dollars by reason of the fact that certain refunds for unused air transportation by Federal employees, including military personnel, were not being returned to the U.S. Treasury due to an apparent administrative misunderstanding.

Mr. Thomas continued to pursue the matter and as a result of his findings and suggestions, clarifying regulations were issued and affirmative action taken by the General Services Administration which have resulted in such refunds being returned to the United States rather than being retained by the airlines after the lapse of a certain period of time. It is this type of alertness on the part of dedicated Federal employees which will help immensely in the battle of balancing the budget. Again, I commend Mr. Thomas for his suggestions.●

DEMOCRATIC NATIONAL CHAIRMAN CRITICIZES SAUDI ARMS SALE

● Mr. BIDEN. Mr. President, in a speech last week before the Women's National Democratic Club, Charles T. Mannatt, the new chairman of the Democratic National Committee, urged opposition to the Reagan administration's announced plan to sell advanced military equipment to Saudi Arabia.

I welcome Mr. Mannatt's strong objection to the sale and commend his words to my colleague's attention. Mr. Mannatt argues that:

The Reagan Administration is pursuing a policy which is leading to a massive arms race, a race which could prove catastrophic not only to our own security, but also to Israel and to the security of the entire region.

What is needed in the Middle East is not more highly sophisticated weaponry, but more highly sophisticated diplomacy in the tradition of the Camp David Accords.

The Reagan Administration, and the Pentagon, ought not bow to the demands of the Saudis by providing them with offensive arms which substantially endanger Israeli security as well as American interests.

The Sidewinder missiles, the F-15 fuel tanks, the aerial tankers and the highly sophisticated AWACS surveillance and air control aircraft give the Saudis a tremendously enhanced offensive capability and access to the most advanced weapons in our arsenal.

Indeed, it is not only dangerous, but unnecessary to sell the Saudis such sophisticated equipment. What is wrong with the current arrangement whereby the United States owns and operates the aircraft?

This serves the best interests of the United States, Saudi Arabia, and Israel without endangering any of them.

The ability of the Saudis to control and secure their weapons in the long run must be carefully considered. Had we delivered AWACS to Iran, we would be in a disasterous position today.

The AWACS is an aircraft with top secret capabilities that are major targets of Soviet intelligence.

The tremendous escalation of Saudi technical sophistication posed by AWACS would forever remove the vital element of secrecy so integral to the defensive strategy of Israel and would seriously erode its ability to defend itself against those of its neighbors who remain hostile.

Moreover, the Saudis need for these weapons has not been proven. Everyone knows that if the Saudi oil fields were seriously threatened, the Saudis would need outside help to defend them. The Reagan Administration package gives the Saudis a new, dangerous offensive capability and takes the Middle East one step further from peace—and one step closer to war.

And what of the future U.S.-Saudi relations? The Saudis now expect us to deliver the AWACS as a litmus test of our relationship.

What will be the next test?

The Democratic platform of 1980 stated our steadfast opposition to the sale of any offensive weapon to any potential or real enemies of Israel.

We stand by that commitment without reservation.●

REDISCOVERING THE AMERICAS

● Mr. WEICKER. Mr. President, within the past 2 weeks, we have marked two important anniversaries. On April 14, we celebrated Inter-American Day, a day dedicated to peace and progress throughout the Americas. Then, we more solemnly observed the 20th anniversary of the Bay of Pigs invasion of Cuba, a distasteful detour in U.S. relations with our neighbors to the South.

Both occasions hold special meaning for us today because they illustrate the two sides of the coin of U.S. foreign policy in this region. On the one hand, we obviously need to cooperate with the countries of the Caribbean, Central and South America if we are to find answers to common economic and environmental problems. On the other hand, we must also reconsider the practical and preferred limits of American intervention in the internal affairs of these nations.

Alejandro Orfila, Secretary-General of the Organization of American States, writes in a recent book titled "The Americas in the 80s: An Agenda for the Decade Ahead" that:

Latin America and the United States have learned from hard experience that the American hemisphere grows strong as our nations move away from abstract views of each other, avoid ideological prescriptions or overly idealistic proposals, and find concrete ways to work together for peace and justice.

Despite such "hard experience," I fear we are again in danger of viewing conflicts to the south of us through lenses distorted by ideology. As a result, a meaningful North-South dialog is forced to play second fiddle to a war of words between East and West. Our Latin American policy is oversimplified to the point of absurdity, with the bulk of the debate narrowly focused on whether or not we should send U.S. military men and materiel to El Salvador. Personally, I believe we should not. But the corollary questions concern me, too. If not military aid, then what should we be doing to ease the strife endemic not only to El Salvador but to Guatemala and many other Latin American countries?

Much has been made of the grenades and guns El Salvadoran guerrillas receive from Soviet allies such as Cuba and Nicaragua. But I would argue that the most potent weapon the Cubans are employing in the Third World is the emphasis they place on education. Cuba is importing thousands of young people from Nicaragua, Namibia and a dozen other nations, teaching them to read, write, and work in a lab and then exporting them back home where they become their country's educated elite. If you visit the Cuban Isle of Youth, as I did last year, you will see the many high schools Castro has built for foreign students. You will find that they are modern and well-equipped. And if you look at the card catalog in any of the libraries, you will not see a single American author. The names are almost entirely Russian. Third World minds bearing the stamp made in Moscow are a much greater threat to this hemisphere than any number of AK 47's.

I remind my colleagues that U.S. educational and cultural exchange programs with Latin America are so small as to be almost insignificant. In 1982, when 143 West Germans will visit the United States through the auspices of our International Communication Agency, we will host only 10 El Salvadorans, 15 Guatemalans and equally small numbers from other Latin American countries. We boost our commitment to NATO, even as we propose to cut back our contributions to the Organization of American States. The significance of these priorities is not lost on our hemispheric neighbors.

Are we not contradicting oursleves by beating the drum about El Slavador even as we turn our backs to the economic, educational and environmental needs of our Latin American neighbors? We must rededicate ourselves to rediscovering the Americas as they exist in reality and not in our minds and to lending a hand where we are needed and wanted.●

A STRONGER U.S. NAVY

Mr. JACKSON. Mr. President, on April 28, I had the good fortune to address the National Association of Superintendents of U.S. Naval Shore Establishments at their dinner meeting in Arlington, Va.

I took this occasion to speak out on behalf of a stronger American Navy and to emphasize the importance of careful attention to detail, orderliness, thorough preparation, advance planning, and abhorrence of waste that must characterize the Navy shore establishments if our Navy is to carry out its vital mission and if it is to give the American taxpayer the best return for the dollars spent.

I ask that the full text of my address be included in the RECORD.

The address follows:

ADDRESS BY SENATOR HENRY M. JACKSON

President Raymond Richetti, distinguished guests, members of the National Association of Superintendents:

I am delighted to be with you on this festive occasion and to say a few words about

the urgent need to build and maintain a strong American Navy.

The United States today is faced with a naval threat more serious than any since World War II. The Soviet Navy has embarked on a program of expansion and modernization that challenges the free use of the seas and thus the lifelines of the Western alliance.

In the last twenty-six years, the Soviets have built over 1,800 new ships and craft in 140 different classes—a program of naval expansion that far surpasses the peacetime efforts of any other naval power. Here are some comparisons:

The number of nuclear powered submarines in the Soviet fleet has increased two and one-half times in the last 12 years, surpassing us in this area in 1970. The Soviets now have half again as many nuclear submarines as we do.

They have been outbuilding us in nuclear powered submarines at an average ratio of three to one.

Since 1970 the Soviets have introduced at least 12 new submarine designs, more new submarine designs than have ever been put to sea by one country during a comparable peacetime period in all of naval history.

For major surface warships, the Soviets now have 40 percent more major combatants than we do. Twelve years ago the opposite was true.

The mission of the U.S. Navy to ensure free use of the seas is much more difficult than the mission of the Soviet Navy which is to deny us the free use of the seas. It is far more difficult to forge a chain than it is to cut a link.

It is not necessary that we match the Soviets ship for ship. But it is essential that the ships we build are capable, dependable, high quality ships that will serve as effective weapons platforms well into the next century. Nuclear power is essential for our major combatant ships.

The Department of Defense has proposed, starting with the fiscal year 1982 budget, a substantially expanded shipbuilding program which includes more high speed attack submarines, another TRIDENT, and long lead-time funds for a sixth nuclear powered aircraft carrier.

This expanded shipbuilding program and the demands of an aging fleet will tax existing facilities and personnel at both private and public yards. Government industrial facilities can look forward to a busy time ahead. To keep up with the task will require lean, tough, professional organizations.

It will be a challenge to all of you and to your counterparts in the private sector to get this work done promptly and efficiently.

One of the great problems the United States faces today is our poor industrial performance as compared with other countries, particularly West Germany and Japan. In this country the preachers of modern "management" are sadly mistaken to think that new computers and more paperwork systems can ever substitute for the individual worker doing his job correctly.

Our immigrant forefathers brought traditions and values to this country that made our Nation great. A sense of pride and satisfaction in their work was the basis for high quality products. The label "Made in U.S.A." was a hallmark of excellence. Unfortunately, in many cases our people consider foreign products more desirable today.

Quality, like democracy, is a matter for eternal vigilance.

There persists in some quarters the unfair perception that Government installations are inherently less efficient than their private counterparts. I don't agree. Our naval shipyards, air rework facilities, and other industrial activities have a good performance record. The toughest jobs are reserved for Government—the jobs that need fast response time from an outfit that can divert manpower from one job to another to respond to fleet needs without exposing the Government to claims.

People who are not familiar with the facts equate the higher apparent costs at Government activities with inefficiency. In so doing, they overlook the difference in functions the Government activities must perform, and the laws and limitations that apply to Government facilities, but not to private ones.

As far as I am concerned, Government shipyards and industrial facilities need not take a back seat when it comes to efficiency. I have seen too many dedicated Government managers and workers to believe that the absence of a profit motive inhibits their efficiency.

I understand that the Naval Sea Systems command has reviewed the upcoming shipbuilding program and recommended that the Navy resume construction of nuclear submarines in at least one naval yard. Although no final Navy decision has been made, I am strongly in favor of building at least some submarines in naval shipyards. This would provide needed added capacity and lessen the Navy's total dependence on Electric Boat and Newport News.

Of course, it takes more than just shipyards to make a Navy. All elements of the Navy's shore establishment are vital to our highly technical Navy.

Today's Navy is atomic, electronic, and hypersonic. It uses imperceptible heat, inaudible sound, and invisible light. It navigates and communicates and forecasts weather by use of space satellites. Submarines can create their own living environment for months at a time beneath the ocean.

The great task of building and maintaining a strong Navy lies before us. There will be plenty of work for the years ahead. The challenge provides an opportunity for the Navy's shore establishment to show what it can do, and in this the members of this Association must play the key role.

To manage a Navy of this technical sophistication requires continuity of management.

By and large you must provide this continuity together with the direction and leadership that is essential for the Navy to carry out its mission. It is upon you that the Navy must rely to inspire in the Navy shore establishments the meticulous attention to detail, orderliness, thorough preparation, advance planning, and abhorrence of waste that is needed to keep the Navy's weapons operating. Training and supervision, of course, are key to this effort.

In the final count, the strength of our Navy and our Nation depends on how well you do your job.

WOMEN VIETNAM VETERANS

● Mr. INOUYE. Mr. President, in the past few years much attention has been given to the plight of Vietnam veterans. The Vietnam war left emotional as well as physical scars on the Americans who served there. Studies have shown that 20 percent of Vietnam veterans have suffered serious readjustment problems. The rate of alcoholism, drug abuse, unemployment, family breakdowns, and suicides are all considerably higher for these veterans than the national average. In recent years the Veterans' Administration (VA) and other veterans' organizations have begun to treat the specific problems of the Vietnam veteran.

It has come to my attention, however, that within this group there exists a little-known minority of women veterans. These women, despite their faithful and patriotic service for this country during the Vietnam war, have been all but forgotten by both the Government and veterans' organizations.

The Government does not even know the exact number of women who served in Vietnam. It is estimated that between 7,000 and 55,000 of the 192,000 women in the services were actually ever stationed in Vietnam. Their actual number is probably much closer to 7,000. Most of these women were members of the Army medical corps, especially nurses.

I am concerned for both the physical and mental health of these women. It was their unenviable duty to deal with the often gruesome casualties inflicted by a war that claimed 57,000 dead and more than 300,000 injured. Though safe from most physical danger, the psychological toll the war took on these women was in many cases more severe than that of front-line soldiers. But because they were women and because they were medical personnel, they were trained not to show their anger and frustration. Instead many turned these destructive emotions inward, creating the psychological time bombs known as the delayed stress syndrome.

Because women generally were not exposed to the dangers of the front lines, they suffered few casualties, per se. Recently, however, the defoliant agent orange, which was used extensively in Vietnam and to which many Americans were exposed, has been linked to serious disease and birth defects in male veterans and their children. Yet even though women were exposed to the chemical while on duty in Vietnam and there have been several cases of these women giving birth to deformed children, no study has been made on the effects agent orange might have had on women veterans and their children.

I am concerned that these women are not receiving the proper medical care and benefits they are entitled to as veterans. There are many reasons these women fail to receive their benefits. Some are unaware they qualify for veteran status. Some are turned away from VA facilities by officials who are either ignorant of the VA's responsibility to women veterans or are simply unwilling to afford them services comparable to those given male veterans. Some are fearful of the effects that being labeled a Vietnam veteran might have on their social, political, and private lives. Still others fear they will be mistreated or discriminated against at VA facilities. These factors contribute to the unfortunate fact that very few women veterans take full advantage of the medical and financial assistance available to them.

Mr. President, I ask that we acknowledge these women who so faithfully served this country in Vietnam as true veterans, that we provide them with the medical and financial aid they might require as such, that we be more responsive to their special needs, and that we afford them the recognition they truly deserve.

Mr. President, I ask that the text of a New York Times article about the efforts of the Vietnam Veterans of America and its Women's Director, Lynda Van Devanter, to further the cause of women veterans, be printed in the RECORD.

The article follows:

WOMEN WHO SERVED IN VIETNAM EMERGE AS VICTIMS OF WAR STRAIN

(By Georgia Dullea)

In the spring of 1979, a siren sounded at a volunteer firehouse in West Islip, L.I. Lynda Van Devanter, a guest in a nearby house, began to scream. The last time she had heard that wailing noise she was an Army nurse in the central highlands of South Vietnam. It was identical to the sound of the red-alert siren that signaled rocket and mortar attacks over Pleiku.

"This is not Vietnam, this is Long Island," she told herself, over and over, and yet she could not prevent herself from crawling combat-style out to the livingroom to find out what had happened.

Miss Van Devanter had been back from Vietnam for eight years before her first flashback. Until then she saw no connection between her war experiences and the profound depression of her civilian life. She knew only that she was drinking heavily and crying continually and had been unable to hold a job or form a close relationship with a man.

HID VIETNAM EXPERIENCE

"At one point I was on unemployment and food stamps and in therapy," Miss Van Devanter recalled the other day. "I never told my therapist I was in Vietnam. That's how deeply I buried it."

Mental health workers in the Veterans' Administration's readjustment counseling program for Vietnam veterans hear stories like this every day. The difference is that women are now telling them. At a time when the Reagan Administration's budget cutters are proposing that the program be scrapped, the women who served in Vietnam are beginning to "come out of the closet," the counselors say, and into the 91 storefront counseling centers around the country.

Of the estimated 193,000 women who served in the armed forces in the Vietnam era, 7,465 of them were stationed in Vietnam, according to Defense Department records. By far the largest number, 4,500, were members of the Army medical corps. Typically, the women signing up at the veterans' counseling centers nowadays are nurses.

DELAYED EFFECTS OF STRESS

Like the men who came for treatment when the first centers began operating in 1980, many of the women are said to be suffering from the disorder known as delayed stress syndrome. They are experiencing the same feelings of depression, anxiety, guilt and alienation, the same painful flashbacks.

For instance, a Texas nurse, Cissy Shellabarger, keeps reliving a scene in which she is running toward a helicopter. The wounded are being brought off on stretchers. A soldier's boot falls from one of the stretchers. She bends to pick up the boot and finds a foot inside.

"I was in one of those 'M.A.S.H' hospitals and I know the kind of trauma these nurses went through," said Shad Meshad, a former Army social work and psychology officer, sitting at his desk in a Los Angeles V.A. hospital.

As a regional director of the counseling programs, Mr. Meshad has treated more than 200 women who are Vietnam veterans. He dismisses the argument, advanced by some, that their war stress was far less severe than that of men because they did not see combat.

What they saw in those operating rooms was an unrelenting procession of "the bits and pieces of people," as he put it, arriving from distant battlefields. What they felt, working 12-hour shifts in a kind of "twilight zone" removed from the war, yet dealing with its effects, was a sense of unreality, of helplessness and anger. Because they were women, he said, "they could not go out and shoot a gun or punch somebody in the nose or get drunk."

"WERE MADE TO HOLD IT IN"

"A lot of them reacted real early," Mr. Meshad went on, "but they were made to hold it in, which is contrary to a woman's nature. Women are usually pretty much out front with their emotions. They weren't allowed this in Vietnam and when they come home it was the same thing. Nobody wanted to hear their stories. Until now, most of them have hidden the fact that they're vets."

Why are they speaking out now, six years after the fall of Saigon? Mr. Meshad and other counselors give most of the credit to Miss Van Devanter.

Seven months ago, the 33-year-old former surgical nurse, who has a bachelor's degree in psychology, went through the counseling program, a process known as "walking through Vietnam." Since then she has visited scores of storefront centers, training counselors there to deal with the special needs of women and urging veterans in these communities, such as Martha Bell of Durham, N.C., and Charlotte Capozoli Miller of Baltimore, to speak out.

But Miss Van Devanter has an even more ambitious mission: As head of the women's project of the Vietnam Veterans of America, which is based in Washington and has a membership of 6,000, she is trying to raise funds for a comprehensive study of the issues unique to women who are veterans of Vietnam.

To date, she has received a $5,000 grant from the Playboy Foundation, and, she said, "I've been turned down by some of the best foundations in the country, including the Ms. Foundation. We are just not a very popular cause."

If the veterans of Vietnam are a "forgotten minority," as they have been called, the women who served as nurses there are the "most forgotten" in Miss Van Devanter's view. She says the women complain that no women have been included in studies on Agent Orange, the toxic herbicide that was used extensively in the war as a defoliant, although some refuse to have children for fear of birth defects. She said the women also complain that veterans' hospitals are generally not equipped to treat their needs, for example, that the hospitals have no obstetrical or gynecological clinics.

According to one study Miss Van Devanter cites, women have been slow to make use of the G.I. Bill of Rights benefits because they were unaware they were entitled to them.

In response, a Veterans Administration spokesman noted that, since only 2 percent of the country's 30 million veterans are women, it would be inefficient for V.A. hospitals to maintain special clinics for them. When a woman requires special services, he said, the hospital either refers her to a civilian hospital or calls in a specialist.

The Agent Orange studies are being conducted on "the population most likely to have been exposed," the V.A. spokesman said, "and it happens that they were males."

"I don't think there were many women flying combat in Vietnam and not many of them in the infantry patrols," he added.

Still, Miss Van Devanter feels the V.A. lacks sensitivity to women's needs.

"When was the last time you saw an ad for the V.A. with a woman's face on it?" she asked. "There are none. And when the women came home from the war and tried to join the veterans' groups they were told they couldn't be full-time members. It was only a couple of years ago that the Supreme Court required the American Legion and the V.F.W. to admit women as full-time members."

For all their anger at the Veterans Administration and at the Government, many of the nurses concede that there are moments when they miss Vietnam. Although some have quit nursing because they can no longer bear the sight of suffering and death, many have taken jobs in burn units or intensive-care facilities, perhaps to recapture what they call "the intensity" of their war days.

"I think about Vietnam often and I find myself wishing I was back there," said Mrs. Miller, who paused in an interview to give her 7-year-old son, Byron, a quarter to buy ice cream. "Life over there was so real and in some ways so much easier. There was no such thing as black or white, male or female. We dealt with each other as human beings, as friends. We worked hard, we partied hard, we were a unit. A lot of us, when we left, wished we didn't have to come home." ●

S. 255, THE PATENT TERM RESTORATION ACT OF 1981

● Mr. EAST. Mr. President, I am today cosponsoring S. 255, the Patent Term Restoration Act of 1981. I am pleased to note that this bill already has some 25 sponsors in the Senate and that it will be the subject of hearings tomorrow before the Committee on the Judiciary.

Under the authority of article I, section 8 of the U.S. Constitution to "promote the Progress of Science and useful Arts," Congress enacted laws to encourage the research and development of new products by providing the holders of all patents with 17 years of protection for their discoveries. However, some products, such as drugs and chemicals, require a lengthy approval process by the Federal Government to demonstrate safety and effectiveness before they can be marketed. Thus, patented products undergoing a review and approval process by a government agency are being kept out of the commercial market and are being denied part of their congressionally guaranteed 17 years of patented life protection.

As an example, it now takes, on average, 7 to 10 years to develop and test a pharmaceutical product. Thus, it is not unusual for a drug product to lose up to one-half of its patent life before it is approved for marketing by the Food and Drug Administration. Similarly, the Environmental Protection Agency has estimated that the patent life for chemical products has been reduced to about 12 years.

To correct this inequity, the Patent Term Restoration Act simply would restore the patent life that has been consumed during a particular product's review and approval process. Specifically, the bill directs that a regulatory review period be calculated for each product that undergoes Federal preclearance procedures and that an equal amount of time be restored to that product's patent, with a maximum restoration period of 7 years.

Passage of the bill would restore fundamental fairness by fulfilling the intent of Congress that all inventions be accorded equal and adequate protection. The bill would also help stimulate investment in the research and development of products such as drugs and chemicals that require lengthy governmental approval. Increasing such incentives will help stimulate the flow of new

and improved products to the public. In the health area, for example, the bill will encourage the development of better medicines which often obviate the need for more costly forms of therapy, such as surgery or hospitalization.

The bill that I am supporting would in no way affect our strong commitment to the public that only safe products are placed on the market. Yet it will alleviate the inadvertent effect that premarket testing and regulatory review requirements have had on the patent system to the detriment of innovation.

One of the greatest challenges we face in the 97th Congress is to find ways to revitalize the American economy. Restoration of the incentive to innovate and create should be one of our principal objectives in this revitalization effort. S. 255 is a simple, equitable, and cost-effective means to achieve this goal and should be a priority item on our legislative agenda. It is therefore my hope that the Committee on the Judiciary and the full Senate will promptly approve this bill.●

YOUNG AT HEART

● Mrs. KASSEBAUM. Mr. President, my colleague, the distinguished Senator from Arizona, recently flew a test model of the F–18. The following article by Ben Cole, printed in the Indianapolis Star, captured that moment and the heart of the man who flew that aircraft. I ask that the article be printed in the RECORD.

The article follows:

WHEN DREAMS COME TRUE FOR THE YOUNG AT HEART

(By Benjamin R. Cole)

WASHINGTON.—A little jet fighter leaped off the runway at Andrews Air Force Base a week ago and climbed 5,000 feet straight up into the indigo-blue April sky.

Sen. Barry M. Goldwater (R-Ariz.) was at the controls.

The test-model F–18 did a gentle roll and Goldwater was on his way.

Just before the white-haired Arizonan donned his flight suit and helmet, a Navy flight surgeon checked him over.

He said, "You know, you're 72 years old."

Goldwater responded, "Yeah."

The doctor frowned and said, "We're concerned about the G(ravity) forces."

Goldwater told him, "Well, would you believe I pulled nine G's in an airplane last May?"

With a ringing laugh, Goldwater said later, "He almost fell out of his chair."

The 32,000-pound F–18 fighter in which Goldwater took off was ordered for the Navy and Marine Corps to be an air superiority fighter and will be developed later for attack.

Goldwater flew with C. D. Tilcher, a Northrop Aviation Corp. test pilot in the instructor's seat up front.

Goldwater rode in the rear cockpit where a student pilot would fly.

"We went straight up about 5,000 feet and just did a nice little roll and we were on our way," Goldwater exulted after the 90-minute flight.

"We just fooled around between Patuxent and Andrews and down what they call the 'forbidden area' where they can fly tests—up some of those creeks off the Chesapeake Bay. Oh God, what a day! You could almost see Phoenix!"

Then he said, "If I were 50 years younger, that's where I'd be," by which he meant in an Air Force jet.

Occasionally, Tilcher took the controls and said to Goldwater, "I want to show you something."

He maneuvered the plane, then gave the controls back saying, "You try it," and Goldwater duplicated his maneuver.

Goldwater was at the controls as the plane landed. While it flies at twice the speed of sound, it comes to earth at 140 to 150 miles an hour.

This, however, isn't exactly a story about how Barry Goldwater flew a jet airplane—the last high performance jet, he says, that he will "have to fly."

It is really a story about the young at heart.

The poet, Robert Browning, put it down in golden words:

Grow old along with me,
The best is yet to be,
The last of life for which the first was made.

While Goldwater flying a jet airplane rejoiced in the youth of his 72 years, President Ronald Reagan, at 70, was amazing his doctors in George Washington University Hospital with the speed of his recovery from an assassin's bullet.

The President's youthful body, they said, did the trick. They should have included as well his young spirit and his joyful heart.

Within the week, the news wires brought a report of how scientists are finding Americans living longer and enjoying it more. Living to 100, they said, is becoming commonplace.

There's a lovely popular song that sums it up so well:

"All your dreams can come true,
"It can happen to you, if you're young at heart."

Cole is head of The Star's Washington Bureau.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of Senate employees who propose to participate in a program, the principal objective of which is educational, sponsored by a foreign educational or charitable organization involving travel to a foreign country paid for by that organization.

The Select Committee on Ethics has received requests for a determination under rule 35 that will permit Senate employees to participate in a program at the Graduate School of American Studies of Tamkang University in Taipei, Taiwan, from April 10 to 18, 1981. The employees are Howard E. Shuman of the staff of Senator PROXMIRE, Melinda Carmen of the staff of Senator HUMPHREY, Howard Segermark of the staff of Senator HELMS, Doyce Boesch of the staff of Senator NICKLES, and Nancy Norell of the staff of Senator MCCLURE.

The committee has determined that participation by these employees in the program at Tamkang University is in the interests of the Senate and the United States.●

TUITION TAX CREDIT

● Mr. HOLLINGS. Mr. President, the tuition tax credit proposal is again making its rounds on Capitol Hill. During the recently concluded recess period a very thoughtful article on this issue, "Violating the Reagan Creed," by Noel Epstein and Marshall S. Smith, appeared in the Washington Post (Outlook page, Sunday, April 12, 1981). Because it is likely that many Members were out of the city at that time I am placing the article in the RECORD. It deserves our attention.

It makes a strong statement that can be summed up best in the words of its authors:

Tuition tax credits would cost billions, expand Washington's reach, meddle in State affairs, increase regulation—and address no problem.

In light of our efforts to reduce Federal spending, reduce the role of the Federal Government in the affairs of the States, reduce Federal regulation and deal effectively with the pressing problems confronting our Nation, it is very difficult at best to understand why proponents of the tuition tax credit scheme press their case for this uncontrollable entitlement program that will cost billions just to start and provide the overwhelming majority of its benefits to the wealthiest segment of our population. We owe our public schools a duty of support and owe our private schools a duty to leave them alone. I believe the tuition tax credit notion, if passed, will destroy our public schools.

Mr. President, it is my definite opinion that a clear understanding of this issue, and its impact on the educational system of our Nation, will lead to only one conclusion: Tuition tax credits should be defeated. The authors of this article are to be commended for the fine job they do in examining this issue. I ask, Mr. President, that the article appear in its entirety in the RECORD.

The article follows:

VIOLATING THE REAGAN CREED—TUITION TAX CREDITS WOULD COST BILLIONS, EXPAND WASHINGTON'S REACH, MEDDLE IN STATE AFFAIRS, INCREASE REGULATION—AND ADDRESS NO PROBLEM

(By Noel Epstein and Marshall S. Smith)

It's just the kind of proposal to appeal to Ronald Reagan. First you create a big new federal responsibility to drain billions from the Treasury. Never mind all that talk about a balanced budget, about finally reining in Washington. What you want is a new, uncontrollable revenue loss that doesn't address any national problem.

Then you want to make sure that this initiative intrudes deeply into state authority, that it doesn't chiefly benefit the "truly needy," and that it raises the prospective threat of more regulation of the private sector. But, above all, you want to make Washington responsible for something long considered none of its affair: subsidizing attachments to religious and ethnic groups.

If you think you couldn't sell this to President Reagan and other newly ascendant conservatives, you are sorely mistaken. They have already bought the package, which goes by the name of "tuition tax credits" for parents of parochial and other private school students. (The tax credit—a dollar-for-dollar tax reduction—would also apply to college tuition, a largely separate question but one that shares in the fiscal folly.)

Indeed, the Reagan support for this measure—specifically, his pledge last October to push the type of bill reintroduced in the Senate by Republican Bob Packwood of Oregon and Democrat Daniel P. Moynihan of

New York—suggests how far conservatives may stray from their principles.

Consider, for example, that old conservative notion—even some moderates and liberals, of all people, agree with it—that Washington should keep its nose out where there is no problem to begin with.

Tuition tax credit supporters of course have long contended that there is indeed a problem, that parochial schools in particular have been facing dramatic enrollment declines, that we are witnessing "the conquest of the private sector by the public sector," as Moynihan is fond of putting it. Packwood even declared during a 1978 Senate floor debate: "Without this tax credit we will see private education in this country shrink to, I will take a guess, 3 percent, 4 percent, 2 percent, I am not sure."

Bad guess.

Private elementary and secondary school enrollments have been doing nicely without any federal tax credits. As the National Center for Educational Statistics reports, the private school share of total enrollments even crept up a fraction over the last decade from 10.5 percent in 1970 to 10.9 percent in 1980.

Yet Packwood, Moynihan and others still want a tax credit covering half of tuition and fees, up to $500 a year when the measure is fully effective—and undoubtedly more later. Indeed, Packwood stated in a recent U.S. News & World Report interview: "I want to start with a relatively modest credit to establish the principle."

The estimated cost of this "modest" credit when fully effective is nearly $2 billion a year, just to cover students already enrolled in parochial and other private elementary and secondary schools. That's almost $2 billion—before including the more expensive higher education portion—which most Americans would have to make up for by accepting a larger share of the federal tax burden. For openers.

If this heavier tax load for the majority would solve no national problem, it certainly would help establish or advance some intriguing principles—especially for conservatives.

Start with Washington meddling in state affairs. Even if private school students were deemed to deserve special aid in some localities, the obvious question for any good conservative—a question President Reagan likes a lot—is: Is this a federal responsibility? Why?

The states, which are constitutionally responsible for education and its financing, clearly can provide financial breaks for private school students if they wish and if they can fashion legally acceptable means. Many states have had heated debates on the issue. A tuition tax credit petition stirred considerable dispute in California last year, for example, but the plan failed to make it to the ballot. Similarly, a tuition credit bill died in the Wyoming legislature this year.

New York, on the other hand, enacted tuition tax breaks for private school students in 1972, following passage of tuition reimbursements in Pennsylvania the year before. Minnesota, Rhode Island and New Jersey chose tuition tax deductions.

The problem is that almost all of these state laws have been struck down as unconstitutional on church-state grounds. The one surviving today is Minnesota's. But even that measure—not terribly different from the Rhode Island law that died in federal appeals court last September—is under court challenge again, and its future is uncertain.

The question is not only why a federal tuition credit wouldn't be struck down by the Supreme Court as well—and the odds clearly are that it would be—but why Washington should stretch its hand into this area at all. Carolyn Warner, education chief of Arizona, puts the matter bluntly: "It is either hypocrisy or ignorance or the greatest con job of the century for Washington to think that tax benefits for private school students are any of its business."

Next, consider conservatives supporting a measure that would help establish a favorite principle of their civil rights movement antagonists.

This one stems from the idea that government ought to distribute benefits according to one's ethnic identity. That notion, central to the worldwide ethnic political wave, emerged in this country in the 1960s with demands first by blacks and then by American Indians, Hispanic Americans, Asian Americans and, ultimately, white ethnic groups.

White ethnic spokesmen in fact complained loudly at times about not getting their fair share (dare one say "quota"?). In a 1975 speech, for example, the Rev. Andrew M. Greeley, a sociologist at the University of Chicago's National Opinion Research Center, attacked the little Ethnic Heritages Studies program—created chiefly to help appease white ethnic groups—as "tokenism with a vengeance."

With conservatives now gutting programs backed by blacks, Hispanic Americans and other racial minorities, it is not difficult to see that tuition tax credits would represent the triumph of the white ethnics.

The overwhelming majority (85 percent) of private elementary and secondary students, after all, attend the religious schools of mainly white ethnic groups. Of these, most (76 percent) are in Catholic schools, which are quite naturally the largest single force behind the tuition tax credit drive.

Tuition tax credit sponsors make no secret of the fact that parochial school education would be the dominant beneficiary here. Understandably, they don't stress the tax subsidies that would help pay tuitions at the junior watering holes of the wealthy, the Exeters and Andovers. Besides, as Moynihan noted when reintroducing the measure, "the number of such schools is growing" on its own.

No, he said that "the object of tuition tax credits is to prevent further decline" at sectarian schools, because, he contended once more, "Their number and enrollments have been declining sharply." (Not so. "Catholic elementary and secondary education has remained at a relatively constant level over the past five years," in the words of the National Catholic Education Association, and enrollments at virtually all other faiths' schools have been rising.)

But the principle here goes beyond just switching benefits to favor mainly white ethnics. It encompasses the idea that Washington has an "affirmative" responsibility to subsidize ties to these groups.

Conservatives have bitterly fought that proposition, most recently when advanced by some Hispanic American and other advocates of bilingual education. President Reagan himself recently declared that "it is absolutely wrong and against American concepts to have a bilingual education program that is . . . dedicated to preserving their native language . . ."

It is actually very American and admirable for ethnic leaders to promote ties to native languages and cultures, just as it is unquestionably American and admirable for religious leaders (often the same people) to cultivate religious attachments. But the point is that neither is a federal responsibility, that Washington has rejected past pleas for what might be called "affirmative ethnicity," let alone for "affirmative religion."

Now tuition credit forces want aid predominantly for students in schools whose basic reason for existence is to maintain religious ties—and they have even borrowed some civil rights movement rhetoric for the occasion. Anyone familiar with the literature will recognize their calls for affirmative government support of "pluralism" and "diversity" in education as echoes of the bilingual, bicultural and Black English movements.

If this were not enough, conservatives might ponder the prospect of tuition credits leading to extensive federal regulation of private schools, if not immediately then in the not too distant future.

Harvard sociologist Nathan Glazer, who prefers voucher proposals and hasn't firmly decided about the tuition credit idea, says: "Perhaps the strongest argument against it is that the courts will insist that they [private schools] are really public schools and that they will then lose all of their benefits."

Tuition credit forces badly want to avoid that. The Moynihan-Packwood bill states, for example, that the tax credits for parents would not be assistance to the schools themselves—an attempt to shield private educators from an array of laws and regulations governing those who get federal aid. But it is an open question how much difference that distinction would make in court.

Courts judge more by a law's effect than by its stated intent. And one of the effects many expect from this measure—however perverse again for its conservative supporters—is that it will result in higher tuitions than the schools otherwise could charge, leaving little real benefit for parents.

"I would expect a tax credit to make it easier for all tuition-charging educational institutions to raise tuitions by the amount of the credit, converting it into a form of aid to the institutions rather than to the students' parents," says David Breneman of the Brookings Institution. "It's not very different from the relationship between the availability of mortgage money and housing prices—when easier financing is available, it contributes to rising housing prices."

What we would have in that case is an ever-growing drain on the Treasury as tuitions keep rising and Packwood's "modest" credit keeps expanding to catch up.

This might bring to some minds, especially conservative ones, the relationship between federal rent supplements and rising rental prices, or Medicare and climbing medical costs. In fact, Sheldon Elliot Steinbach, general counsel for the American Council on Education, a higher education umbrella group, fears that some lawmaker might start thinking about precisely these things. Steinbach, who was a member of the Reagan campaign's education team, says:

"If tuition tax credits pass and university tuitions or other fees go up next year—as they are almost bound to due to inflationary pressures—it's likely that some member of Congress will start a movement to control tuition and room-and-board fees at colleges and universities. Look at hospital cost containment proposals—you'll have education cost containment."

Whatever courts or Congress might decide, the more immediate regulatory issue would involve Internal Revenue Service authority over the tax-exempt schools, especially to ensure nondiscrimination.

It is unclear how much IRS enforcement of civil rights there really might be. For one thing, the bill would permit exclusion from private schools by religion, which should be no surprise. Most parochial schools by their nature divide students according to religion.

Some of these schools certainly accept students of other faiths. Catholic schools, for example, are 91 percent Catholic, 9 percent non-Catholic, largely because of more non-Catholic black enrollments. But this can create sensitive questions regarding religious instruction for non-Catholics.

Chicago's Holy Angels Schools, for example, requires both these children and their parents to be instructed in Catholicism, and the Rev. Paul B. Smith, the principal, reports "about 130 to 150 conversions a year in the

past" and "almost 80 or so conversions last year." More typically, says political scientist Thomas Vitullo-Martin, Catholic schools "tend to adapt their religious instruction when they contain significant numbers of non-Catholics, such as the all-Chinese Catholic school in Philadelphia that honors Taoist rituals and traditions along with its Catholic instruction."

Many parochial school leaders, however, do not want to be forced to admit students of other faiths, and the tax credit bill certainly would permit such exclusion.

For another thing, it's questionable whether Congress would let IRS investigate racial discrimination. The lawmakers have already blocked IRS attempts to get at segregated academies, and one could expect the same today, though Congress' conservative complexion could well change in the future. Moynihan and Packwood, in any case, are in a strange position on this score: While seeking to avoid the regulators' reach, they say their bill has "strong" language on civil rights—the source of most regulatory battles.

The only thing one can count on here are those court fights. Says civil rights attorney Joseph L. Rauh Jr.: "If tuition tax credits ever became a reality, civil rights groups would fight them in the courts to the last ditch. It might even provide an opportunity for us to get the segregationist academies."

Finally, conservatives might consider the fact that their concern for the "truly needy," historically shaky to begin with, would virtually disappear with the tuition tax credit plan.

Reagan, it will be remembered, is pressing for a 25 percent cut in federal school aid, which mainly provides extra help for poor, handicapped and otherwise disadvantaged students—including those at private schools. Moynihan has long been right in complaining that needy parochial school students have been shortchanged under those programs. That abuse, addressed by congressional reforms in 1978, was unconscionable.

But it's certainly no excuse for Congress to take money away from the "truly needy," transfer it chiefly to the better off through tuition tax credits, and make no difference in anybody's education in the process.

It should surprise nobody that private school students are generally more affluent than public school children. Sociologist James Coleman's controversial new study of private high schools, for example, shows that families with incomes above $38,000 a year are more than four times as likely to send their children to the private schools than families with incomes under $7,000.

What may raise some eyebrows, though, is the fact that a tuition tax credit is unlikely to result in many, if any, more students attending private schools. To begin with, there's a "supply-side" problem—many Catholic and other private-school classrooms, already bulging, couldn't accommodate more students. Then there are the expected tuition increases that would offset the tax benefit.

But most of all—and contrary to popular perceptions—there's evidently no desire among the population to rush to private schools. Coleman's study, for example, assumed that everyone was simply given an extra $1,000, and that there were no tuition increases and plenty of classroom seats available. How much effect did he project among the whites, blacks and Hispanic Americans he studied? Almost none.

"Only a very small proportion of public school students would shift, less than half of 1 percent of any of the three groups," he found. So much for what might remain of arguments about the need for "choice," "competition," "diversity," more integration and more educational opportunity for the disadvantaged.

The reality is that tuition tax credits—at least in their early and "modest" stage—would merely force the overwhelming majority of Americans to subsidize a couple of billion dollars in tax breaks for a largely better-off minority already in parochial and other private schools. And, judging by the available evidence, that would essentially remain true even if the size of the credit and the resulting federal budget drain were increased significantly.

The same pattern of giving aid mostly to the non-needy holds at the higher education level. Though the Reagan administration wants to cut college grants and subsidized loans for parents who don't really require them, the college tuition credit when fully effective would simply spread around an estimated $2.5 billion more a year indiscriminately—with no regard for family need.

In short, perhaps the most remarkable thing about the tuition tax credit plan is that conservatives can manage to keep a straight face while supporting it.●

ENERGY CHALLENGES OF THE EIGHTIES

● Mr. JACKSON. Mr. President, earlier this month Mike Harvey, minority counsel for the Energy and Natural Resources Committee, was the keynote speaker at the western Kentucky energy seminar. His remarks dealt with two major energy policy issues of the 1980's. I ask that excerpts be printed in the RECORD.

The excerpts follow:

ENERGY CHALLENGES OF THE 1980'S

(Excerpts from remarks by D. Michael Harvey)

I'd like to share with you today some thoughts about two issues which I believe pose the most significant energy policy challenges of the 1980's.

The first is how we will resolve the inherent conflict between energy development and protection of the environment. I expect that most of you have thought a great deal about that one.

The second is how we will deal with our dependence on imported oil over the next 10 to 20 years. Most people have not thought very much about that.

I think there is no better way, and certainly no more appropriate locale, than to begin by reciting what I regard as one of the most cogent summaries of the social, economic, environmental and, indeed, emotional problems associated to one degree or another with every form of fossil energy development. It goes like this:

"When I was a child, my family would travel down to western Kentucky, where my parents were born and there's a backwards old town, that's often remembered so many times, that my memories are worn. And the coal company came with the world's largest shovel. And they tortured the timber and stripped all the land. Well they dug for their coal, till the land was forsaken. Then they wrote it all down as the progress of man. And daddy won't you take me back to Muhlenberg County down by the Green River where Paradise lay. Well I'm sorry, my son, but you're too late in asking. Mister Peabody's coal train has hauled it away."

Over the last decade Congress, with strong public support, has established environmental protection as a fundamental goal of our society. The various statutes dealing with cleaning up our air and water, reclaiming our land, and maintaining a healthy natural resource base are designed to prevent or minimize environmental damage, and to make resource users, rather than the general public, pay the costs of doing so.

With respect to use of federally-owned resources which will bear a large share of future development, Congress has established basic principles which must be followed—(1) decisions based on land use planning, with ample public participation, (2) maximum protection of the environment, (3) receipt of fair market value for private use of public resources, and (4) close cooperation with State and local governments and local citizens.

As we move into the 80's, many people fear that the growing emphasis on development of domestic energy and mineral resources will lead to a significant retreat from these goals and principles.

We do need to develop domestic fossil energy resources—oil, gas, coal, oil shale and tar sands. Regulatory decisions on proposed development should be made without the frequent delays which have characterized the 70's.

Some of those decisions should be "No." Indeed industry will be better off with a prompt "No," rather than a prolonged "Maybe." Our domestic resources, particularly of coal, are so huge that not every acre needs to be stripped or drilled.

Once the answer is "Yes," the developer must comply with the law.

Compliance will not unduly hinder development. Thanks to OPEC oil price policy and domestic decontrol, our energy producers can afford a high degree of environmental responsibility, at the same time they increase production of oil, gas, coal, and synthetic fuels. Not only that, but they can make money at the same time.

I don't think we need new laws. Existing laws provide a framework for wise use without sacrificing the environment. We may need to review and refine some of them. We should be willing to accept changes that are equally effective and may be more economically efficient. Above all, we must be sure that the laws are promptly and firmly enforced. Under these conditions we can maximize domestic energy production, help revitalize our economy, and maintain a healthy environment.

As part of the domestic energy effort, we must move ahead with the development of renewable energy sources. Over the last six years, Congress in a bipartisan effort established many new programs designed to encourage such renewables as solar heating and cooling, photovoltaics, wind, OTEC, biomass, gasohol, and geothermal. Congress also enacted a wide variety of energy conservation programs, including minimum fuel economy standards for automobiles, appliance and building energy performance standards, and weatherization grants and loans.

The overall result is a national energy policy and program contained in some 25 major laws that is designed to encourage not only production and conservation, but also development of both near-term and long-term technologies.

In addition, Congress legislated programs promoting equity in energy policy by providing assistance to low income families subjected to higher energy prices. And, as I have already pointed out, Congress maintained a strong commitment to environmental quality.

The Reagan budget under the rubric of (1) reducing government expenditures, (2) getting the heavy hand of regulation off the backs of the people, and (3) letting the free market work would drastically change this carefully balanced program. The Reagan Budget is much more than a reduction in Federal expenditures. It represents a series of major policy shifts using "zero funding" as the method rather than amendment or repeal of substantive law.

The budget proposes to greatly reduce Federal law enforcement capability for air and water pollution, toxic substances and surface mining. That's getting the heavy hand of regulation off our backs.

The budget makes massive reductions in coal, conservation, and renewable energy pro-

grams. The new Solar and Conservation Bank would be eliminated. That's letting the free market allocate resources. Strangely, the market principle apparently is not applicable to nuclear fission. Nor is it applicable to tax expenditures or revenue losses from such things as the depletion allowance and allowing exploration and development costs to be expensed.

I don't intend to argue about which of these programs should be saved and which should be eliminated. There is, indeed, a consensus in this country for limiting Federal spending. Nevertheless, we have to look again at the goals of each program and consider whether the goals are still valid and whether the needs are still real. If you conclude that they are, I urge you to make your views known—loud and clear.

Ask what the OMB and Congressional budget cutters offer as a substitute for necessary programs being cut. Which programs do they assume the private sector will take over?

Honest debate should consider all the economic and national security consequences of budget actions, not just the monetary scorecard achievements of the current fiscal year.

It is those economic and national security impacts of energy programs that bring me to my second topic—the geopolitics of oil. To understand this issue one must keep in mind three simple, irrefutable facts.

The first is that human society in the 20th century has developed around easy-to-use, cheap oil; and most of our major institutions, including our military, are dependent upon this particular form of energy.

The second is that no matter what we do in the next twenty years to produce all forms of renewable energy, synfuels, and conventional fuels, we are still going to be dependent upon imported oil for a significant portion of our energy supplies. I know of no one who disputes this.

The third is that oil, unlike most commodities which are sold in the global market, is no longer a resource whose availability is determined solely by market forces; oil is now a political commodity as well.

The result is that there is a close link between our economic problems, our energy problems, and our national security problems. Our access to oil imports will rest in no small part on the strength and credibility of our defenses. Our ability to maintain a strong defense depends on the strength of our economy and our industrial base. The strength of our economy, particularly our ability to reduce inflation, depends in large measure on our ability to hold down the price of oil. Whether we like it or not, these linkages between energy, the economy, and national security will govern national policy in the 1980's.

Last year our Committee took a long, careful look at the implications of these facts and reached the following conclusions:

First, the probability of a major oil supply disruption within the next decade is very high. Any one of a multitude of events could disrupt a major portion of the world's oil supplies for an extended period of time.

Second, the major oil producers are no longer satisfied to receive only money in return for their oil. These countries now routinely want political and diplomatic concessions as well as nuclear technology, high performance attack aircraft and other weapons in exchange for access to their oil.

Third, the consuming nations are increasingly willing to pay the political price for oil, often in reckless disregard for the consequences to their own security and that of their allies. This process is worrisome enough now—with the French and Italians selling nuclear technology with potential weapons application to the Middle East—but the prospects for the future, when the Soviets may enter the world oil market, are ominous.

In 1973, Leonid Brezhnev stated the Soviet intent: "Our aim is to gain control of the two great treasure houses on which the West depends: The energy treasure house of the Persian Gulf and the mineral treasure house of Central and Southern Africa."

This policy has led to what some call the "resource war". I will leave the strategic minerals problem to another day. With respect to energy, suffice it to say that if, in one way or another, the Soviet gain control of the oil tap, they will have the leverage to threaten our future and that of the other free nations.

The dangers are immediate, and they are growing, yet the United States remains vulnerable to a disruption and to political control over its supply of oil.

A fourth finding of our study goes a long way toward explaining why. The national debate over energy policy has been based largely upon a myth that energy independence for the United States is an economically and politically feasible achievement in the foreseeable future. As I have already indicated, the truth is that energy self-sufficiency cannot be accomplished within this century, let alone within the next ten years. Moreover, our allies, who are even more heavily dependent upon Middle East oil, will need aid from the United States in a severe shortage.

The myth of energy independence has had a profound impact on United States energy policy. It has led us to focus on long-term policies for reducing imports—policies which will not sufficiently alleviate the dangers of the gathering energy crisis of the 1980's. It has also led officials and the public to underrate the importance of near-term policies such as strategic stockpiling, contingency planning, and foreign policy initiatives which together can reduce the likelihood and impact of a supply interruption even though they cannot reduce the level of our imports.

The United States needs a revolution in its thinking about energy policy. We must recognize that the geopolitical problems of oil are immediate, and that they demand a response which will have an immediate impact. We must recognize that the geopolitical problems are international, and that foreign and defense policies are as much a part of the solution as programs to reduce oil imports. And we must recognize that *all* the oil consuming nations must confront these problems—regardless of the degree of their dependence on the Middle East. Independent efforts by any one nation to assure its access to oil or to exploit its own energy resources at the expense of its allies will only raise the stakes higher in the global resource war for oil.

Four key measures should provide the cornerstone of this policy:

First, the United States should build a "Domestic Petroleum Reserve" by filling the Strategic Petroleum Reserve as rapidly as possible and by encouraging private stockpiling of petroleum. The tremendous value of adequate reserves has been demonstrated by the war between Iraq and Iran. Because world stocks were high at the outbreak of hostilities, the fall in production did not lead to an immediate price rise. In contrast, during the Iranian revolution in 1979 when world stocks were low, a small supply shortfall caused world prices to nearly double.

The recent Senate action to delete direct funding for the Strategic Petroleum Reserve from the Budget in the pious hope that an "off-Budget" funding mechanism will be enacted is foolish. One could describe it as playing "Russian Roulette" with our national security.

We also must not forget the importance of private oil stockpiles. Private firms, which can fill their stocks without going through complicated government procurement regulations and funding restrictions should be encouraged to build their reserves so the nation is better prepared for a shortage.

Second, the United States should develop plans in concert with its allies to mitigate the impact of an energy emergency. A major oil supply interruption is a virtual certainty within the next ten years. Oil will be used with increasing frequency as a political weapon by the major producing countries. Yet the United States and most of our allies do not have effective plans in place to mitigate the impact of an oil supply interruption or to resist the efforts of those who would use oil for political, diplomatic, and military ends.

The Administration and Congress should give high priority to developing measures to minimize the impact of a major oil supply interruption. We and our allies must also develop collective policies to avoid panic buying and divisive international competition for insecure supplies of oil.

Third, the United States and its allies must work together to ensure stability and resist Soviet advances in the Middle East. The war between Iraq and Iran should put to rest once and for all the notion that the Arab/Israeli dispute is the only—or even the major—obstacle to lasting peace in the Middle East. The instability of leaders and institutions in the area is legendary. Continued threats to Middle East oil in general and Persian Gulf oil in particular will be a constant fact of life for us, our children and even their children.

U.S. security policy in the Middle East should adhere to a few basic principles. Wherever possible, we should rely upon local governments to provide local security. To further this objective, we should develop a coordinated program with our allies to increase military assistance and training for friendly states in the Middle East, so that they can deal with internal disruptions and defend themselves in regional conflicts.

Certain threats, however, particularly overt threats from the Soviet Union, may require a stronger response than any individual Middle East country or group of countries can provide. To deal with these threats, we should enhance our ability to project military power in the region, through facilities agreements and an effective Rapid Deployment Force. We should also work with our allies to develop a common strategy for deterring Soviet advances.

Fourth, the United States should give strong support to programs for increasing oil production outside the Middle East which can significantly increase petroleum supplies over the mid-term. Greater oil production would limit both the demand for Middle Eastern oil and the probability and magnitude of price increases. A successful oil diversification strategy could also go far in reducing the ability of certain producers to exert political pressure on Western oil consumers.

Of course, these measures should be adopted in conjunction with efforts to increase energy conservation and domestic production in the United States. Taken together, these steps will *not* make the United States energy independent—no practical policy can do that in the foreseeable future—but they will reduce the risk of a major energy crisis and mitigate the impact of any crisis that does occur.

Time is of the essence in implementing this program to win the "resource war". In 1938, at another critical juncture in western history, General Douglas MacArthur described the world situation in words that could be used today:

"The history of failure in war can be summed up in two words—too late. Too late in comprehending the deadly purpose of the enemy, too late in realizing the mortal danger, too late in preparedness, too late in

uniting for resistance, too late in standing with one's friends."

In today's "resource war the day is far gone, but it is not too late to act before the night is at hand.

Nor is it too late to reaffirm our commitment to Aldo Leopolds principle of natural resource use:

"We abuse land because we regard it as a commodity belonging to us. When we see land as a community to which we belong, we may begin to use it with love and respect. There is no other way for land to survive the impact of mechanized man."

If we fully follow that principle, it will not always be too late to take our children back to Mulhenberg County down by the Green River where Paradise lay.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36 (b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask to have printed in the RECORD the notifications which have been received. The classified annexes referred to in two of the covering letters are available to Senators in the office of the Foreign Relations Committee, room 4229, Dirksen Building.

The notification follows:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 27, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-39 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to the Netherlands for defense articles and services estimated to cost $9 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-39]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: The Netherlands.

(ii) Total estimated value:

	Millions
Major defense equipment*	$8.2
Other	.8
Total	9.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: Fifty AIM/RIM-7 series SEASPARROW missiles (warshot configured) and 10 AIM/RIM-7 series SEASPARROW missiles with telemetry warheads.

(iv) Military department: Navy (AAE).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending 31 December 1980.

(viii) Date report delivered to Congress: April 27, 1981.

POLICY JUSTIFICATION

THE NETHERLANDS—SEASPARROW MISSILES

The Government of the Netherlands, a NATO ally, has requested the purchase of 50 AIM/RIM-7 series SEASPARROW missiles (warshot configured) and 10 AIM/RIM-7 series SEASPARROW missiles with telemetry warheads at an estimated cost of $9 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of the Netherlands; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

This proposed sale is part of a program to upgrade missile inventories currently maintained by the NATO allies. It will not affect the basic military balance in the region.

These missiles are being purchased to improve existing short range, seabased, surface-to-air missile capabilities. They are defensive weapons only. NATO members of the SEASPARROW consortium already have similar missiles in their inventories, including training and maintenance support facilities.

The prime contractor will be the Raytheon Company of Lowell, Massachusetts.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to the Netherlands.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 27, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-40 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Korea for defense articles and services estimated to cost $900 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-40]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Korea.

(ii) Total estimated value:

	Millions
Major defense equipment*	$585
Other	315
Total	900

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: Thirty-six F-16 aircraft with support equipment, spare parts, training, training equipment, and technical assistance.

(iv) Military department: Air Force (SFA).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See Annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending 31 March 1980.

(viii) Date report delivered to Congress: April 27, 1981.

POLICY JUSTIFICATION

KOREA—F-16 AIRCRAFT

The Government of the Republic of Korea (ROK) has requested the purchase of 36 F-16 aircraft (standard USAF configuration) with support equipment, spare parts, training, training equipment, and technical assistance at an estimated cost of $900 million.

This sale will contribute to the foreign policy objectives of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for modernization and progress in eastern Asia.

The ROK requires additional fighter aircraft to replace its aging F-86 and F-5A aircraft, which are nearing the end of their service lives. The North Korean Air Force enjoys more than a 2:1 numerical advantage over South Korea in numbers of combat aircraft. To offset this quantitative disadvantage, the ROK requires access to qualitatively advanced aircraft such as the F-16.

The sale of this equipment and support will enhance deterrence and contribute to the preservation of peace and stability on the Korean peninsula.

The prime contractors will be the General Dynamics Corporation (air-frame) and the Pratt and Whitney Aircraft Corporation (engine) of Fort Worth, Texas, and Hartford, Connecticut, respectively.

Implementation of this sale will require the assignment of one U.S. Government and five contractor personnel to Korea.

There will be no impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 27, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-42, concerning the Department of the Air Force's proposed Letter of Offer to the Federal Republic of Germany for defense services estimated to cost $38 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-42]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Federal Republic of Germany.

(ii) Total Estimated Value:

	Millions
Major defense equipment*	0
Other	$38
Total	38

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Advanced F-4 aircraft flying training for 20 combat aircrews and air warfare instructor qualification for eight instructor aircrews under a dedicated German Air Force flying program at George AFB, California.

(iv) Military department: Air Force (TNR).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in Section 28 report.

(viii) Date report delivered to Congress: 27 April 1981.

POLICY JUSTIFICATION

GERMANY—ADVANCED F-4 AIRCRAFT TRAINING

The Government of the Federal Republic of Germany (FRG) has requested the purchase of advanced F-4 flying training for 20 combat aircrews and air warfare instructor qualification for eight aircrews at George AFB, California at an estimated cost of $38 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Germany; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

The provision of F-4 combat training and instructor qualification to German Air Force (GAF) aircrews will make vital contributions to the GAF in meeting its NATO commitment. This program has been ongoing since 1976.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Germany.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 27, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-43, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost $42 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-43]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value:

	Millions
Major defense equipment*	0
Other	$42
Total	42

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Five hundred M813 five-ton cargo trucks with concurrent spare parts, major assemblies, and tool sets.

(iv) Military department: Army (VCY).

(v) Sales commission, fee, etc., paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: April 27, 1981.

POLICY JUSTIFICATION

SAUDI ARABIA—CARGO TRUCKS

The Government of Saudi Arabia has requested the purchase of 500 M813 five-ton cargo trucks with concurrent spare parts, major assemblies, and tool sets at an estimated cost of $42 million.

This sale is consistent with the stated U.S. policy of assisting other nations to provide for their own self-defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support the Saudi Arabian effort to improve the security of the country through modernization of the Saudi armed forces.

The M813 cargo truck is already in the Saudi inventory as well as the inventories of several of the nations in the region, and this sale will not introduce a new capability into the region. The quantities requested will allow for the replacement of previously purchased vehicles which will reach the end of their useful life in the near future.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor cannot be determined at this time.

Implementation of this sale will require the assignment of two additional U.S. Government personnel to Saudi Arabia for approximately 14 days.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

VICE ADM. HOMER N. WALLIN, USN (RETIRED)

● Mr. JACKSON. Mr. President, on December 7, 1941, the Japanese delivered a near-fatal blow to the U.S. Pacific Fleet at Pearl Harbor. The individual most responsible for resurrecting our shattered fleet and repairing it for battle was Vice Adm. Homer N. Wallin, USN (retired), a resident of Washington State and a longtime friend of mine.

On the "Day of Infamy," the then Captain Wallin was serving as battle force engineer at Pearl Harbor. Having worked on all facets of ship construction since graduation from the Naval Academy in 1917, he was well prepared to take on the major responsibility of evaluating and repairing the damaged vessels.

Captain Wallin's task was difficult and urgent, America needed its Pacific Fleet back in service to regain control of the sea and check the advancing Japanese Navy. As chief fleet salvage officer, Captain Wallin had the assignment of neutralizing Japanese torpedoes and bombs, and of dealing with the deadly gases and fire hazards on the ships. He had to devise new engineering feats to raise and repair the damaged vessels, and he had to perform his duties without the benefit of critical supplies and with a shortage of skilled manpower.

Vice Admiral Wallin's personal account of the salvage effort at Pearl Harbor is provided in his book, "Pearl Harbor: Why, How, Fleet Salvage and Final Appraisal." In a summary statement of the use of sunken or damaged ships in the war effort, he states:

The enemy achieved much of his goal in the perfidious air raid of 7 December 1941. Although only 19 ships of the almost 100 that occupied berths at Pearl Harbor were sunk or damaged, an important part of the fleet was immobolized for many months.

The shortage of ships prevented decisive action against a superior foe. It was only after new ships joined the fleet from building yards or the Atlantic that offensive warfare could be pursued in earnest.

In a war which lasted nearly four years all nineteen of the Pearl Harbor victims, except *Oklahoma*, *Arizona*, and *Utah*, saw action against the Japanese Navy. This included vessels which had been given up by the Secretary of the Navy as lost, or enumerated by the Japanese as destroyed at Pearl Harbor. The marvel of salvage surprised not only the Japanese but also our own forces.

As described, many of the salvaged ships performed wonders during the war. Their strength augmented the fleet, and it was this overall strenth that ultimately won the unconditional surrender of Japan. We learned that sunken or damaged ships can be put to work again and with greatly increased potential.

In recognition of the outstanding work done by the salvage crews and organization, Admiral Nimitz presented to Vice Aldmiral Wallin the Navy's Distinguished Service Medal on the deck of the aircraft carrier Enterprise. Admiral Nimitz read the citation for the work performed and ended by adding "for being an undying optimist." The medal was accepted by Vice Admiral Wallin in the name of the salvage organization of which he was the distinguished head.

Mr. President, this dedicated and talented individual played a critical role in salvaging our Pacific Fleet. In this, his 87th year, I want to call special attention to his invaluable service to the Nation.●

TUITION TAX CREDITS

● Mrs. KASSEBAUM. Mr. President, earlier this year, U.S. News & World Report carried an interview with Senator ERNEST HOLLINGS regarding tuition tax credits.

I share the view of my distinguished colleague from South Carolina that enactment of tuition tax credit legislation would be a mistake. As a former school board member, I strongly believe that our Nation's primary commitment is to the development of a strong system of public education. Particularly at a time of budgetary restraint, our attention and resources are most appropriately channeled toward making needed improvements in our public schools.

This interview offers a succinct presentation of the case against tuition tax credits, and I commend it to the attention of my colleagues.

Mr. President, I ask that the interview with Senator HOLLINGS be printed in full in the RECORD.

The article follows:

[From the U.S. News & World Report, Jan. 19, 1981]

INCOME-TAX CREDITS FOR TUITION?

(Interview with Senator ERNEST F. HOLLINGS)

Q. Senator Hollings, why do you oppose tuition tax credits?

A. First, on policy grounds. It's an obligation of the government to support public schools and not get involved in private edu-

cation. Our great task today is to rebuild public education. We talk a great deal these days about productivity, and in Japan—our competitor—the educational system does a better job of training youngsters in various skills than does ours. That's what we have to remedy. But this tuition-credit proposal would instead materially contribute to the final demise of public education by starting us off on a tangent of financing private schools.

Second, I'm against it on budgetary grounds. It would initially cost at least 4 billion dollars in lost government revenue. And that would be only a foot in the door. It would grow eventually to billions more. If the credit were adopted, public schools, too, would start to charge tuition and come to Washington for subsidies. Within a few years, the whole public-education system would come in for a tuition grant from Washington. And then you've got yourself a 10-to-20-billion-dollar program of federal support for private schools, parochial schools and public schools. We just cannot extend our financial capacity this way. New federal spending was certainly not the voters' November message.

Finally, I am against the idea on constitutional grounds. Ninety percent of private schools are church related, and the First Amendment—by prohibiting the establishment of religion—prohibits the government from involving itself in church education. The Supreme Court's *Nyquist* opinion is clear on this question.

Q. Why should parents who send their children to a private school have to pay twice—once for the private school they use and a second time for the public schools they don't use?

A. Because public education is the keystone of our democratic government, and it is the duty of all individuals—whether parents or not, whether contributing to private schools or not—to support it. Single individuals who are property owners have for many years been paying to help support public education even though they have no children of their own.

It benefits society as a whole to support public education, which teaches 90 percent of all schoolchildren and promotes an informed, productive society. That helps everyone—including the individual who has no children or one who sends his children to a private school.

Q. But don't private schools deserve some support for taking a financial burden off the public schools?

A. Look: We also have both public and private swimming pools. If you use that argument, we ought to send a check to everyone with a private pool because they're relieving the burden on the public pools, where their children don't have to go to swim. Should we start financing everyone with a private pool in America?

Q. Wouldn't a tax credit encourage diversity in education by supporting private schooling?

A. No, just the opposite. It's in public education that you find diversity. The U.S. has 107,000 public schools, with over 16,000 local school boards and pupils coming from every walk of life—some with discipline problems, some without; some well prepared, some not so well prepared. It's what Horace Mann called the melting pot of America.

The private schools, on the other hand, can choose the brightest kids, those without discipline or language problems, those from high-income brackets. They're more or less uniform in that regard. No melting pot there.

Also, 90 percent of the private schools are church related, mostly Catholic, which means you have one particular type of religion in each. Now, I'm not anti-Catholic or antireligious. I'm married to a Catholic. But the fact remains that in a private, church-related school, you've got to take not only what they teach as education, but also what they inculcate as religion.

Q. Some critics have suggested that a tuition tax credit would mostly help the rich—

A. Of course it would. Poor people don't pay any tuition. But the proverbial millionaire who pays no taxes would get a $250 tax break for sending his kid to Choate or Andover or Exeter.

What this proposal would do is force the little fellow to support with his taxes a private school that slams the door in his face, because there is no way he can get into it.

Q. To what are you referring?

A. Tuition credits would indirectly subsidize the protest schools—private white-flight schools built to avoid racial integration. Here we're trying to build a unitary school system providing equal opportunity, and suddenly we are going to make things easier for protest schools.

Many such academies don't have money for a chemistry lab or gym. Tax credits for parents would boost enrollment, enabling the protest schools to expand their facilities with the tax money of the very people in whose faces they slam the door.

Q. Turning to colleges: Wouldn't a tax credit be less cumbersome than the present system of federal grants and loans to college students?

A. Less cumbersome or not, it would merely encourage colleges to raise their tuition by the amount of the credit, and that would negate the intended benefit. It would be inflationary, too.

I'm not against private schools and colleges. I serve on the boards of some. I commend them. They've done extremely well over the years. But what it all boils down to is that it's the government's duty to support public education, so that is where our tax dollars ought to go—and not to this little academy or that little private school or church school. And we've got to mind the Constitution: Keeping the wall—as Thomas Jefferson said—between church and state.●

SENATOR PAUL TSONGAS SPEAKS ON DOLLARS AND DIGNITY FOR WORKING WOMEN

● Mr. KENNEDY. Mr. President, "9 to 5" is the organization of women officeworkers in the Boston area that has won impressive improvements in office working conditions for women. Started just 8 years ago, the group now has over 1,000 members and is affiliated with the national organization, "Working Women." "9 to 5" has fought effectively for equitable and professional treatment of women officeworkers. Its members have mobilized for improved working conditions, including higher salaries and better opportunities for promotion.

I was honored to deliver the keynote address at the organization's First Convention for Working Women in November 1978. My Massachusetts colleague, PAUL TSONGAS, was keynote speaker at the Second Convention for Working Women, which was held in Boston on April 11. His address emphasized the political, legal, and economic tools that must be utilized for working women to win continued progress in the 1980's. I would like to share his thoughtful remarks with our colleagues. Mr. President, I ask that the text of Senator TSONGAS' keynote address to the Second Convention for Working Women be printed in the RECORD.

The address follows:

(Keynote Address by Senator PAUL E. TSONGAS to the Second Convention for Working Women, Boston, Mass., April 11, 1981)

DOLLARS AND DIGNITY FOR WORKING WOMEN

I am honored to address this convention of working women. I have looked forward to today because I share your convictions and your goals. Quite simply, we believe that discrimination has no place in America. It has no place in the voting booth, no place in the classroom, no place in the workplace.

But I don't have to tell you that many working women suffer discrimination every day. It isn't right, and it isn't legal. Even in strictly economic terms, it isn't rational. But discrimination against women is an unjust, illegal, irrational reality.

It is self-evident that discrimination is wrong. So leaders in business and government now use the right rhetoric—even if they don't support real change. That itself is testimony to the work of 9 to 5 and the other affiliates of Working Women. But you and I know that the victories of the last 8 years are just a start. Battles are being won, but the war for women's rights remains unwon.

Sex discrimination in the office involves 2 things: dollars and dignity. Obviously, they reinforce each other. Money alone can't compensate you for being treated unprofessionally. Without a decent salary, good office conditions don't add up.

As a group, women office workers are not paid what they deserve. Many working women are mistreated in a manner that no one deserves.

Office work itself is essential, hard work. Without one quarter million women office workers, business in Boston would come to a halt. But you get lower pay and less respect than your contribution deserves. Why? Because you are women.

Women make up 44 percent of Boston's workforce, but receive just 25 percent of the total pay.

Discrimination is wrong; it is unacceptable. But if reason alone could cure it, we wouldn't be here today. In the 1980s, we must be even better organized to attack it effectively. We must use all the tools of politics, law, and economics to win decent salaries and professional treatment for working women.

You have won major victories in the past 8 years, despite enormous institutional barriers. Now the challenge is to defend past gains and keep moving forward. To succeed, your strategy must face new realities. These include the new Administration, which is "promising" only in the literal sense. Another reality is America's declining economy, which will hurt your interests unless you act boldly.

WORKING WOMEN AND WASHINGTON

First, let's look at what the new mood in Washington means for working women. We have a new Administration, and strong agreement on the need to restrain federal spending. I want careful economies in every federal department, and I supported many of the Administration's cuts in the Senate. But I would apportion them differently.

I am very concerned about programs designed to improve women's opportunities in employment and education:

Improved day care is a priority. More than 6 million children of pre-school age have mothers who work, yet only 2 percent of the kids are in day care centers. While we need more facilities, the new budget provides less. It folds Title XX social services—which include day care—into a block grant. Its total funding for the next fiscal year is 25 percent below this year's level.

I believe that federal incentives for day care are cost-effective because they increase employment and tax revenues. In fact, day

care means the difference between self-support and welfare for some women. I am working on legislation to increase the day-care tax credit based on financial need, and to raise incentives for industry to provide day care.

Equal education is a priority. Yet the Administration plans to eliminate funding for 2 programs that help schools and colleges end sex discrimination. These are the Women's Educational Equity Act, and Title IV of the 1964 Civil Rights Act. Their total budget: $23 million.

The Administration wants to cut both of these programs by 25 percent this year. Under the proposed budget for 1982, they would disappear into block grants. The fact is that few states have used unrestricted federal funds for projects aimed at sex discrimination. I believe that both of these programs are worth the small federal cost that they require.

Our commitment to end discrimination must not be bargained away in a barrage of false economies. We must keep sensible programs from drowning in the conservative tide.

We also need to support new measures for fair treatment of women. I am cosponsoring the Women's Economic Equity Act of 1981 along with Senator Kassebaum and others.

This tax reform bill would improve your rights in pensions, insurance, inheritances, and other problem areas. For example, it would give tax credits to employers who hire women entering the work force after divorce or the husband's death. The legislation was introduced on Tuesday.

WORKING WOMEN AND THE LAW

The tide against spending and regulation threatens your progress—past and future. Much of that progress was won by enforcing laws such as the Equal Pay Act of 1963 and the Civil Rights Act of 1964. These laws are enforced by the Equal Employment Opportunity Commission (EEOC). The Administration budget cuts the Commission's staff by about 10 percent.

This cut cannot be justified. It would mean the following for the EEOC:

1. Efforts to investigate systemic discrimination would virtually stop.

2. Congress mandate to end discrimination by federal agencies could not be carried out.

3. Litigation—which occurs in less than 1 percent of the EEOC's cases—would decline further.

4 The backlog of charges would mushroom.

The Commission is confronted with a veritable "growth industry" in sex discrimination.

Example: In 1978, the EEOC received authority to enforce the Equal Pay and Age Discrimination in Employment Acts from the Labor Department. An increasing number of workers (women and men) aged 40 to 70 now are filing claims of age discrimination. Older women doing office work suffer a double whammy of discrimination.

Example: Last November the EEOC reaffirmed that sexual harassment violates Title VII of the Civil Rights Act of 1964. It is an outrageous abuse that must be stopped by the actions of public officials, business managers, and other workers.

This is no time to economize on equality. Indeed, there is never such a time. But the cuts keep coming. . . .

The Administration proposes to eliminate legal services for the poor in FY 82. This hurts women disproportionately because over two-thirds of Legal Services clients are women.

The Administration is reviewing contract compliance rules—the basis of the federal affirmative action program. Since 1965 a Presidential Executive Order (No. 11246) has barred job discrimination. It has required businesses with federal contracts to develop specific plans for recruiting and hiring women and minorities. Now the government may abandon specific plans for contractors, in favor of broad performance standards.

Affirmative action may limp along in some form—but the staff in charge of it will be scaled down. This means major backlogs in handling complaints. By definition, justice delayed is denied. This is not "regulatory reform."

We have every right to be concerned. The Administration seems to need assertiveness training in this area. The new mood is mellow; the pace is minimal. But an end to sex discrimination is not a distant ideal for working women. It is the minimum demand, the legal mandate. We must send them this message again and again in every available way.

Legal action has been one of the major tools that 9 to 5 has used to assert basic legal rights. Your record is impressive. It includes major victories on behalf of large groups, as well as support in individual grievances. If a boss is giving a female worker the business, your track record may encourage reason to prevail without legal action. Your ability to apply the law to discriminating businesses is all the more vital now that the federal commitment is falling.

As many of you know, there is one legal issue with potential for breaking fresh ground. It is summed up in the phrase "equal pay for comparable worth." Basically, if 99 percent of secretaries are women, the fact of equal pay for equal work may miss the point. Secretarial and clerical work is said to be chronically undervalued and underpaid because it has been considered "women's work." The theory of comparable worth looks beyond the word processing section to areas where males prevail. It asks for equal pay for work that requires comparable skills and has comparable worth to the organization.

The Supreme Court is reviewing this issue now in the case of County of Washington v. Gunther. I believe this idea will grow stronger and stronger regardless of the High Court's decision. It will help raise your work's perceived value in terms of attitudes and salaries.

But contradicting this new concept is the overall federal line: "Let it be." The fact is that leadership on these issues will come from groups like yours. It will come from Boston and Cleveland, from Seattle and Pittsburgh. Change will come here and there by your using the tools of law and politics to increase justice for working women.

THE ECONOMICS OF JUSTICE

In the past you have used another tool effectively—economic force. You have used organizational strength to make it clear that office injustice will cost employers more than the cost of meeting legitimate grievances. Hardheaded economics is an extremely powerful tool for winning workplace rights. It doesn't involve political or legal debate. It looks to the bottom line on a balance sheet.

The economic force for workplace rights is a strong argument. It doesn't depend on the short-term cost of bad publicity. It is based on the long-term benefit of better productivity. The fact is that discriminating against a working woman is unjust, illegal—and economically irrational. It means artificially holding someone beneath her potential to produce. Discrimination against a working woman is a tragic waste of a human resource.

I believe that any business leader ought to expect your "Bill of Rights for Office Workers" to increase productivity by increasing job satisfaction. U.S. productivity is declining, and we simply cannot afford to ignore improvements in office working conditions that could help employees produce more.

Today's faltering economy is a latent danger to all working women and men. When the American economy isn't expanding, wage increases and promotions are harder to come by. When U.S. output is falling, different groups are at each other's throats trying to hold on at the other's expense.

So I cannot limit my remarks to Washington and the workplace. I can't just leave you with the argument that rights for working women are in the real economic interest of business. The overriding reality is that the American economy has serious ills. All of you need to take an interest in their cure, because all of you have an interest in America's economic recovery. No strategy for working women can succeed if the national economy itself isn't working.

We need tax cuts targeted at industrial revitalization. We need policies to favor savings over consumption. We need to boost productivity through more careful regulation and more extensive research and development. We need to stop the dollar drain for foreign oil, which topped $70 billion last year.

You and I must speak up for hardheaded priorities that recognize economic reality and rebuild our economic strength. One basic decision on federal spending dwarfs all others in importance—the choice between an arms race for military superiority or a goal of equivalence and arms control.

Massive arms spending takes away vital technical expertise and capital needed for reindustrialization and the energy future. Chasing after superiority requires a military budget increase of 9–12 percent. Equivalence and arms control would still boost military spending 3–5 percent in real terms for next year. Let me make the difference concrete by contrasting the low end of superiority (9 percent) with the high end of equivalence (5 percent). I hope that you will remember this 9-to-5 comparison.

What's the difference between 9 percent real growth for defense and 5 percent real growth in military spending during the next decade? $437 billion. What does $437 billion represent in real alternatives?

1. Energy: We could properly insulate every home in America and provide half of them with a solar power hot water heater (meaning less dependence on OPEC): cost—$174.6 million.

2. Capital Formation: We could enact the so-called 2–4–7–10 accelerated depreciation proposal for 10 years, providing funds for capital investments: cost—$157.2 billion.

3. Industrial Research: We could enact the 25 percent tax credit for business sponsored research and development for 10 years: cost—$7.0 billion.

4. Basic Research: We could double the budgets of both the National Science Foundation and National Institutes of Health for 10 years: cost—$43.5 billion.

5. Education: We could fully fund one million college students for four years; cost—$22.5 billion.

6. Quality of Life: We could double the National Endowment for the Humanities for the 1980's: cost—$1.41 billion.

In addition, there would be $30 billion left over with which to give each family a tax rebate of $585.

This option recognizes limits. There is a limit to the national security that billions upon billions can buy. There is a limit to our billions at any time—which requires hard budget priorities. We must target major investments to get our economic strength growing again. Renewed economic growth will make your specific agenda more reachable.

Ultimately, no one who's not a member of a group that suffers discrimination quite knows what it is like. But as a public official, as a lawyer, as a person, I reject the indignities and inequities that too many working women suffer. As a father of two young girls,

I feel a personal stake in working against the sex discrimination that still pervades so much of American life.

I applaud you today for 8 years of hard work and hard-won victories. Let's work together in breaking down the barriers, and rebuilding a strength shared fairly by all.●

ORDER FOR JOINT REFERRAL

Mr. STEVENS. Mr. President, I ask unanimous consent that a regulatory reform bill to be introduced tomorrow by the Senator from Nevada (Mr. LAXALT) be jointly referred to the Governmental Affairs Committee and the Judiciary Committee. I am told this agreement now has been cleared on both sides of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT THE RECORD REMAIN OPEN UNTIL 5 P.M. TODAY

Mr. STEVENS. Mr. President, I ask unanimous consent that the RECORD be open until 5 p.m. today for the introduction of bills, resolutions, and statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 97–6

Mr. STEVENS. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Tax Convention with the British Virgin Islands (Treaty Document No. 97–6), transmitted to the Senate on April 21, 1981, by the President of the United States; and ask that the convention be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I am transmitting for Senate advice and consent to ratification, a Convention between the Government of the United States of America and the Government of the British Virgin Islands for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the Convention). I am also transmitting a related note from the Government of the British Virgin Islands, signed at Washington on February 18, 1981.

The Convention will replace the 1945 income tax convention between the United States and the United Kingdom which was applied to the British Virgin Islands in 1959. The Convention takes into account the modernization of tax treaties which has taken place since that time and is based primarily on the United States and OECD model tax treaties published in 1977. The most important differences from the model tax treaties are the rates of tax at source on investment income. Because of the positive rates at source, the use of the Convention by third country residents in deriving investment income from the United States will decline substantially.

An important feature of the Convention, which benefits the United States in particular, is found in the provisions of Article 25 which provide for the exchange of information. The note of the Government of the British Virgin Islands confirms that financial information will be made available, on request, to the United States. It also confirms that, under the terms of the Convention, the United States may terminate the Convention if, as a result of a change in law or practice in the British Virgin Islands, such information is not made available.

I recommend that the Senate give early and favorable consideration to the Convention and give advice and consent to its ratification.

RONALD REAGAN.

THE WHITE HOUSE, *April 21, 1981.*

RECESS UNTIL 11 A.M. TOMORROW

Mr. STEVENS. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 11 a.m. tomorrow.

The motion was agreed to; and the Senate, at 4:37 p.m., recessed until Thursday, April 30, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate April 29, 1981:

DEPARTMENT OF JUSTICE

Jonathan C. Rose, of Virginia, to be an Assistant Attorney General vice Maurice Rosenberg, resigned.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Robert J. Rubin, of Massachusetts, to be an Assistant Secretary of Health and Human Services, vice John L. Palmer, resigned.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Stephen J. Bollinger, of Ohio, to be an Assistant Secretary of Housing and Urban Development, vice Robert Campbell Embry, Jr.

DEPARTMENT OF THE INTERIOR

James R. Harris, of Indiana, to be Director of the Office of Surface Mining Reclamation and Enforcement, vice Walter N. Heine, resigned.

ACTION AGENCY

Winifred Ann Pizzano, of Virginia, to be Deputy Director of the ACTION Agency, vice Mary Elizabeth King, resigned.

IN THE AIR FORCE

The following cadets, U.S. Air Force Academy, for appointment in the Regular Air Force in the grade of second lieutenant, effective upon their graduation, under the provisions of section 8284 and 9353, title 10 United States Code. Date of rank to be determined by the Secretary of the Air Force.

Abraham, Robert J. xxx-xx-xxxx
Acker, Bruce H. xxx-xx-xxxx
Ackermann, Mark R. xxx-xx-xxxx
Adams, John P. xxx-xx-xxxx
Adkins, James Y. xxx-xx-xxxx
Adkisson, John T. xxx-xx-xxxx
Adler, Terry R. xxx-xx-xxxx
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HOUSE OF REPRESENTATIVES—*Wednesday, April 29, 1981*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious Lord, King of the Universe and Protector of all who trust in You, graciously receive our prayers on behalf of Your people and comfort us with Your tender care. Bless our Nation and those to whom responsibility is given, and justice and righteousness will be the measure of our actions and mercy and love the motivation of our hearts. Keep us ever in Your grace, this day and every day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 195. An act to incorporate the U.S. Submarine Veterans of World War II.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 31) entitled "An act to amend the Truth in Lending Act to encourage cash discounts, and for other purposes," disagreed to by the House of Representatives, and agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GARN, Mr. TOWER, Mr. CHAFEE, Mr. WILLIAMS, and Mr. DODD to be the conferees on the part of the Senate solely for the consideration of all provisions of the Senate amendment except section 303 and modifications thereof committed to conference; and Mr. HATCH, Mr. QUAYLE, Mrs. HAWKINS, Mr. KENNEDY, and Mr. METZENBAUM to be the conferees on the part of the Senate solely for the consideration of section 303 of the Senate amendment and modifications thereof committed to conference.

PERMISSION TO FILE RULE ON HOUSE CONCURRENT RESOLUTION 115, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1982

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tonight, Wednesday, April 29, 1981, to file the rule on House Concurrent Resolution 115, the budget resolution.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. LOTT. Reserving the right to object, Mr. Speaker, if I could just inquire, it is anticipated and I am aware of this as a member of the committee, but so the whole House will know, it is anticipated that the Rules Committee will vote shortly after 4 o'clock this afternoon.

Mr. BOLLING. That is correct.

Mr. LOTT. Then based on the late filing, we would be able to anticipate taking up the rule tomorrow; is that correct?

Mr. BOLLING. That is my understanding.

Mr. LOTT. It is also my understanding that we will have printed in the RECORD today those items that are included in the rule; is that correct?

Mr. BOLLING. That is going to be my second unanimous-consent request, to get a little extra time for Members to perform that service to the House.

Mr. LOTT. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION FOR MEMBERS TO INSERT IN THE RECORD AMENDMENTS TO HOUSE CONCURRENT RESOLUTION 115, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1982

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that Members have until 6 p.m. today, Wednesday, April 29, 1981, to insert in the RECORD amendments to House Concurrent Resolution 115.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

COMMENTS ON PRESIDENT REAGAN'S ADDRESS TO CONGRESS

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I was overjoyed to see the President looking so well. Like all Americans, I am deeply and humbly grateful that so many prayers have been answered in his apparently splendid progress toward full recovery from his wound. The President is an inspirational person. His very demeanor under the extreme duress of his recent crisis had a quality that is truly exemplary. He has been in every sense of the word Presidential through this ordeal.

The beginning and end of the President's speech tonight were like the President himself, inspirational and even poetic at points. He has the capacity to call forth the best in the American spirit and I glory in this ability which he possesses.

It is unfortunate in the extreme that some of those who provided statistical information for this data did President Reagan a grave disservice by describing the House Budget Committee's resolution in factually inaccurate ways.

First. It is thoroughly inaccurate, for example, to assert that the committee measure "projects spending $141 billion more" than the administration-favored plan. This simply is not true. The budget on which the House will vote within the next few days is the budget for 1 year. The truth is that the House committee budget, measured either by the President's economic assumptions or the assumptions of the Congressional Budget Office, spends a little bit less than the Reagan-Stockman budget.

Second. It is quite thoroughly inaccurate to assert that the House Budget Committee "would increase tax payments by over a third," and to imply further as a result of the House committee budget, taxpayers would be "paying a larger share of their income" to the Government in 1984 than at present.

The truth is that the House committee budget includes provisions for permanent tax cuts in the range of $38 to $40 billion annually. Under no circumstances can this be accurately described as an "increase." The only possible basis upon which anyone could conceivably assert that the House committee budget would "increase tax payments" is to project a growing economy and assume the Government

would receive more revenues. But it is quite misleading to imply that the House committee budget increases taxes. It does not. It reduces them.

Third. It is most unfortunate that those who assisted in the President's speech caused him to assert that the House committee budget "cuts the defense budget too much." The truth is that the House committee budget contains proposed increases in defense spending of approximately 22 percent above last year's figure. This comes to an annual increase of slightly more than $30 billion in outlays for the coming fiscal year. Measured either in dollar terms or percentage terms, if adopted, it will represent the biggest peacetime increase in military spending in the history of the United States.

Fourth. The essential and fundamental thing which must be borne in mind is that the committee budget reduces the deficit by approximately one-half the amount of the Reagan-Stockman budget. The President departed from his prepared script to acknowledge that most of the American people prefer a balanced budget to big tax cuts. That is precisely the choice which Congress faces. The Reagan-Stockman budget, with its unprecedented 30-percent cut in individual income taxes over a 3-year period, known as Kemp-Roth, opts for big tax cuts. The House committee budget by comparison, with smaller and more targeted reductions, opts for quicker and more effective routes to a balanced budget.

Again, let me congratulate the President most heartily on his grand physical recovery and the inspirational quality at the beginning and end of his address.

The saddest thing to me personally is the President's assertion in January and reiterated here tonight that he wanted this recovery program to be "Ours—yours and mine." With all my heart I have wanted the same thing.

LIFTING OF SOVIET GRAIN EMBARGO

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, many of us were dismayed, as were many of our friends around the world, by the President's sudden decision to lift the agricultural embargo against the Soviet Union. The embargo was imposed because of the Soviet Union's aggression against Afghanistan. That aggression continues.

The administration's decision of agricultural sales to the Soviet Union is both ill-timed and ill-advised, and I believe the House should have an opportunity to pass judgment upon that decision. I want to notify the House, therefore, that I intend to propose an amendment to the export Administration Act authorizing legislation. That amendment would reinstitute and retain the embargo. That legislation will be before the full Committee on Foreign Affairs early next week, and should my amendment be approved by the committee, as I hope it will be, the full House will have the opportunity to reverse the President's gratuitous boost to the Soviet economy when the legislation comes to the floor.

The timing of the President's action is truly astounding. The United States had just completed an effort to obtain European recommitment to the embargo, and our NATO and OECD allies are understandably upset. The decision has been openly criticized by NATO Secretary General Luns, and by the Japanese Prime Minister.

The decision comes as an amazing about face for an administration that prides itself on being tough with the Soviets, because the step is taken without any apparent compensatory action by the Soviet Union. The aggression against Afghanistan, which brought on the embargo in the first place, continues unabated. As for Poland, are we to understand that the administration wishes to reward the Soviet Union for not invading Poland?

In fact, the reasons for the administration's action are unclear. Various Cabinet members have various explanations. What is clear is that the lifting of the embargo was a campaign promise made by Mr. Reagan. Yet only recently the President expressed the view that lifting the embargo would send the wrong signal to the Russians.

In his campaign, the President contended that the embargo was hurting the American economy more than the Soviet economy. Yet U.S. grain exports in 1980 reached record levels with grain prices steadily rising, while Soviet meat production and consumption declined and our own Defense Intelligence Agency estimated that the Soviets would pay $1 billion more for their grain imports than if they had been able to purchase further amounts from the United States.

The President has suggested also that the embargo is discriminatory—that the farmers were bearing the heaviest part of the burden of our sanctions against the Soviet Union. Apparently he has not heard from the high-technology industries, including the so-called Silicon Valley in the heart of his own State of California. These industries have large potential markets in the Soviet Union which they are unable to supply because of necessary national security and foreign policy export restrictions. Is the President now going gratuitously to open up high-technology trade with the Soviet Union to put those industries on an even footing with the agricultural sector?

I believe, Mr. Speaker, that the Congress should restrain the administration's emerging giveaway foreign policy by acting to restore the embargo before the President gives away the store. Such an action would in no way jeopardize the President's budget proposal or any other aspect of his program which Members of the House might wish to support. It would only be a needed reminder to this administration that the Congress expects our country to get something for what it gives in foreign policy, especially in dealing with potential adversaries. I urge my colleagues to support my proposal to restore the agricultural embargo on the Soviet Union when that measure comes to the floor.

THE ADMINISTRATION'S SHORTSIGHTED ECONOMIC RECOVERY PLAN

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, during the just-concluded congressional recess period I had an opportunity to meet with an advisory panel comprised of representatives from my district's active veterans organizations. Along with many other veterans around the Nation, these individuals who have made major sacrifices for their fellow countrymen feel that they have been victimized by the administration's shortsighted economic recovery plan.

As the administration boasts of the political mandate it received last November, veterans looked to the pledges offered by the Republican platform for comfort as the budget ax began to swing. The veterans plank of the 1980 Republican Party platform pledged to maintain the integrity of the Veterans' Administration, to continue and expand health care programs offered by VA hospitals, and to broaden health care, rehabilitation, and job training efforts for our Vietnam-era veterans. A review of the administration's budget proposals, as accepted by the Senate, suggest a far different course that offers little reassurance for the many veterans that already experience difficulty in securing necessary medical care.

The VA now operates 172 hospitals, which treat about 84,000 inpatients a year, and also pays for an additional 21,000 veteran inpatients treated in non-VA facilities. The VA also employs some 185,000 medical personnel, operates more than 200 outpatient clinics that handle almost 18 million visits a year, and provides critical counseling services through local Outreach centers for our Vietnam-era vets. The Reagan administration proposes, and the Senate has agreed, to

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cut the previous administration's recommendations by $231 million in fiscal year 1981 and $509 million in fiscal year 1982 for VA medical programs.

The impact of these proposals if adopted, Mr. Speaker, would be devastating. The VA hospital construction program would be cut by $66 million in fiscal year 1982, hospital care would be cut by $154 million, outpatient services would be pared by $143 million, the budget for the purchase of medical equipment would be cut by $41 million, nonservice connected outpatient visits would be cut by $106 million, and the readjustment counseling program for Vietnam-era veterans would be terminated.

If we fail to adequately address the misdirection of the administration's budget proposals, we will likely witness a reduction of some 6,000 VA medical personnel and as a result 3,600 fewer inpatients would be treated in VA facilities. Further, outpatient visits will be reduced by 1.7 million. Not only will new hospital construction cease, but we can also expect that currently operative wards in VA hospitals will be forced to close.

While the administration has seen fit to act counter to its own party platform and assurances to veterans organizations, I implore my colleagues to closely examine alternative budget proposals that will not limit the scope of Federal spending at the expense of veterans who so rightfully deserve and must not be denied appropriate medical care.

HUNGER STRIKE OF ROBERT SANDS

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, this is the 61st day of the hunger strike engaged in by a member of the British Parliament, Robert Sands, who does so in order to focus attention on the injustices that exist in Northern Ireland. I sent a telegram to the President urging that he intervene on a humanitarian basis, not political. He responded and decided not to intervene; however, he said he hoped the forces of moderation and peace will prevail, which is consistent with the position of the Holy Father, Pope John Paul II, who sent his private secretary, Cardinal McGee, to speak to Mr. Sands and urge that he cease the undertaking and urge Mrs. Thatcher to apply a little feeling of humanitarianism.

In addition, Mr. Speaker, this week Prince Charles will be coming to the United States. We anticipate appealing to his royal sense of compassion.

PRISONER OF WAR MEDAL

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BADHAM. Mr. Speaker, today I am introducing legislation to establish the Prisoner of War Medal.

The time is long overdue that we in the United States honor those men and women who acted courageously and honorably after being taken and held as prisoners of war while serving this country during an armed conflict. Under the provisions of the bill, those Americans who were taken prisoner by enemy forces during World Wars I and II, Korea, Vietnam, and the *Pueblo* incident would be awarded the POW Medal. To qualify for the medal the person must have been on active duty as a member of the Armed Forces of the United States after April 5, 1917.

As a point of reference, 142,307 prisoners were taken and held captive by enemies of the United States during the period covered by this legislation. The greatest number of these prisoners were taken in World War II, with 130,201 held, of whom 14,072 died. Some prisoners were only held a short time, but in many cases our fellow Americans were held for a period of years. This is particularly true of the 766 POW's who were held during the Vietnam conflict.

I believe the Prisoner of War Medal to be a minimum, but fitting tribute from the American people in recognition of those who sacrificed their freedom so that ours might flourish.

I hope that my colleagues will join me in sponsoring this legislation and include the text of the bill at this point in the RECORD:

H.R. 3298

A bill to amend title 10, United States Code, to establish the Prisoner of War Medal

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Chapter 57 of title 10, United States Code, is amended by inserting at the end thereof the following new section:

"§ 1127. Prisoner of War Medal: Award

"(a) The President, under regulations to be prescribed by him, shall award, in the name of Congress, a medal of appropriate design, called the 'Prisoner of War Medal', to any person who while serving on active duty as a member of the armed forces of the United States, was held after April 5, 1917, by any force hostile to the United States as a prisoner, internee, or hostage, as determined by the President for purposes of this section.

"(b) A Prisoner of War Medal may not be awarded to any person whose service during the period he was held was less than honorable.

"(c) The Prisoner of War Medal shall be awarded posthumously, and when so awarded may be presented to a representative of the deceased as determined by the President.

"(d) Any Prisoner of War Medal that is lost or destroyed or becomes unfit for use without fault or neglect on the part of the person to whom it was awarded or presented may be replaced at cost.".

(b) The table of sections at the beginning of chapter 57 of title 10, United States Code, is amended by inserting after the item relating to section 1126 the following:

"1127. Prisoner of War Medal: Award.".

SEC. 2. This Act shall take effect on October 1, 1981.

ECONOMIC FUTURE

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, a prominent public person once observed "The budget should be balanced. The Treasury should be refilled. Public debt should be reduced. The arrogance of officials should be tempered and controlled, and assistance to foreign lands should be curtailed lest we become bankrupt. The people should be forced to work and not depend on the Government for subsistence."

Those words, Mr. Speaker, were uttered by the Roman statesman Cicero 2,000 years ago. It was good advice then. It is just as good advice now.

I would hope that my colleagues would keep it in mind as we consider the Reagan bipartisan budget proposal. The results of that consideration, as we all know, will determine the economic future of this Nation at least over the decade.

□ 1515

RESUMPTION OF HELSINKI REVIEW CONFERENCE

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, the Helsinki Review Conference in Madrid is soon to close. Violation after violation of its basic human rights provisions by the Soviet Union have already been detailed at the 35-nation Conference. Since the Conference began, the Soviets have repeated beatings, denials of immigration rights, jailings, and placing of dissidents in mental institutions, among many other violations.

Though it cannot now be determined when the Review Conference will finally adjourn, presumably that will occur later this summer. Then what?

Mr. Speaker, I believe the Congress has an ongoing responsibility to put pressure upon the Soviets to live up to the terms of the accord, particularly in view of the very substantial benefits it has received under the Helsinki Final Act.

Accordingly, I have introduced today a specific concurrent resolution asking for followup hearings in both the House and the Senate to determine what additional measures the United States should take to assure Soviet

compliance with the final act of the CSCE, particularly with its human rights provisions. I ask for support of the concurrent resolution from the Members of the House.

RESIGNATION AS MEMBER OF COMMITTEE ON SMALL BUSINESS AND AS MEMBER OF SELECT COMMITTEE ON AGING

The SPEAKER laid before the House the following resignation as a member of the Committee on Small Business and the Select Committee on Aging:

WASHINGTON, D.C., *April 28, 1981.*
Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I am, effective April 29, 1981, resigning my position on the House Committee on Small Business and the Select Committee on Aging.

Sincerely,

DOUGLAS BEREUTER,
Member of Congress.

ELECTION AS MEMBERS OF STANDING COMMITTEES

Mr. MICHEL. Mr. Speaker, by direction of the Republican conference, I offer a privileged resolution (H. Res. 131), and I ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 131

Resolved, That Marjorie S. Holt, of Maryland, be and hereby is elected as a member of the Committee on the District of Columbia.

Guy V. Molinari, of New York, be and hereby is elected as a member of the Committee on Small Business;

Douglas K. Bereuter, of Nebraska, be and hereby is elected as a member of the Committee on Banking, Finance and Urban Affairs;

Mark Siljander, of Michigan, be and hereby is elected as a member of the Committee on Small Business and as a member of the Committee on Veterans' Affairs.

Mr. MICHEL. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION AS MEMBER OF THE HOUSE OF REPRESENTATIVES

The SPEAKER laid before the House the following resignation as a Member of the House of Representatives:

WASHINGTON, D.C., *April 29, 1981.*
Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
The Capitol, Washington, D.C.

DEAR MR. SPEAKER: Effective at the adjournment of the House on Tuesday, May 5, 1981, I hereby resign as a Member of the House of Representatives. I have also today notified the Governor of the Commonwealth of Pennsylvania of my action.

It has been an honor for me to serve the people of Pennsylvania's Third Congressional District as a Member of this body. I leave with nothing but the highest respect for this House and with great appreciation to all of its members for the advice and support that has been given me during my tenure here.

It is my prayer that each Member will be granted special insight as they deal with the difficulties facing our nation.

Respectfully yours,

RAYMOND F. LEDERER,
Member of Congress.

The SPEAKER. The Chair will notify the Governor of the Commonwealth of Pennsylvania of the resignation.

INTRODUCTION OF JOINT RESOLUTION ON APPORTIONMENT OF CONGRESSIONAL REPRESENTATIVES

(Mr. CLINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, reapportionment of congressional seats following each decennial census significantly affects the makeup of the House of Representatives for a full decade. Population figures based on data collected by the U.S. Census Bureau are distorted by the inclusion of illegal aliens. Those States and districts within States having significant numbers of illegal aliens will be rewarded with unfair representation in the House, their population figures padded with an ineligible and nonvoting constituency. The principle of "one man, one vote" will be violated, as the voting constituencies of these districts will be overrepresented in Congress.

Elected representatives from these districts will not be held accountable to illegal aliens on election day. Moreover, there will be an incentive for them to maintain weak immigration laws and enforcement procedures that distort their influence in Congress and in their States. The private interests of their voting constituencies may further exacerbate the social and economic problems of nonvoting, undocumented workers and their families.

The 1980 census found perhaps 5,000,000 persons in the United States "in other than lawful status," although the Census Bureau claims to have counted no more than half. Preliminary Library of Congress figures indicate that an inclusion in the apportionment base of 4.5 illegal immigrants could have shifted congressional seats in seven States.

Some time ago, in hearings on the question of whether aliens should be included in census apportionment figures, the House Judiciary Committee concluded that the exclusion of aliens would require a constitutional amendment. I have introduced House Joint Resolution 233 for an amendment to the Constitution providing that the apportionment of representatives in Congress shall be based on the number of persons legally residing in each State. This amendment will by no means prohibit the counting of illegal aliens for the purpose of Federal grant formulas based on population; it addresses only the reapportionment issue. The identity of illegal aliens would be protected by the confidential status of information collected by the Census Bureau.

I would be happy to hear from any of my colleagues in the House of Representatives who wish to sponsor this resolution with me.

THE 5.3-PERCENT MILITARY PAY RAISE

(Mr. DAVIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS. Mr. Speaker, criticism has recently been leveled at the proposed 5.3-percent July increase in military pay. The budget resolution reported by the House Budget Committee eliminates this provision. I believe that if we adopt the committee's recommendation, we will be doing a great disservice to our military personnel and making a serious mistake. Some critics of the raise have pointed to the increases in recruiting and retention by the services since we adopted the 11.7-percent increase last October as proof that we do not need the July increase, presumably because they believe we have licked the problem.

Mr. Speaker, if we do not approve the July increase, our problems will have only just begun.

Our people in the military are expecting the raises—if they are not passed by Congress, it is going to create a serious morale problem. Last year, there was much noise and concern about our manpower problems. The response of Congress was loud and clear—we will increase the compensation levels for the military. To now reverse this position would be a cruel blow to our service men and women and a breach of faith.

In more tangible terms, our presently successful trends in recruiting and retention will disappear if we do not indicate our firm commitment to providing adequate compensation to our personnel. Recruiters have informed me that one of the biggest selling points to potential enlistees is the expected raises proposed by the administration to take effect this year.

I urge my colleagues to support this raise.

PRESIDENT'S ECONOMIC PROGRAM REQUIRES BOLD ACTION BY CONGRESS

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, we have a President who has had the courage to propose an economic program that requires real discipline on Federal spending. In the House, we will have an opportunity to vote for a bipartisan budget which he has endorsed.

The question is whether we will have the courage to accept his bold leadership, or will we fall into the standard congressional operating procedure—dithering and pecking in an effort to please everybody, and accomplishing nothing of importance.

The real issue as we enter the budget debate is whether Congress has the character to do anything except talk about stopping the runaway growth of the budget.

The majority of the people of our country want us to take the bold action required to correct the serious economic problems afflicting our Nation. Even special interest groups affected by the budget know that the answer is not more spending. They want relief from high inflation and soaring taxes. They want an economic climate of growth and opportunity.

That is the hope offered by the President's economic program and the bipartisan substitute budget he has endorsed. I will vote for the bipartisan substitute.

A CALL FOR SUPPORT OF THE BIPARTISAN BUDGET

(Mr. WALKER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks, and to include extraneous matter.)

Mr. WALKER. Mr. Speaker, I was disappointed a few minutes ago to hear the majority leader refer to the President's speech last night as nice in appearance and long on inspiration, but faulty on the facts. I was shocked to hear the majority leader turn down flatly the bipartisan budget effort undertaken by the gentleman from Ohio (Mr. LATTA) and the gentleman from Texas (Mr. GRAMM). Theirs is a budget that is truly a cooperative appoach, rather than a partisan approach.

To question the President's language here last evening and to question his statistics is to question his assumptions, but that, of course, is exactly what the liberals want to do. They want to question the assumptions, because to go along with the assumptions in the President's address is to go along with the fact that they have failed. Theirs is a liberal budget. Their budget, the O'Neill-Jones budget, is a liberal budget supported by liberal partisans.

The cooperative approach here in the House is the bipartisan bill, the Latta-Gramm bill, which the President has accommodated. That is truly our approach and the one which the American people want.

Mr. Speaker, I include the following data for the RECORD:

BACKUP FACT SHEET [1]

Problems with the Jones-House Budget Committee alternative:

1. Projects spending $141 billion more than the bipartisan substitute over the next three years:

[In billions of dollars]

	Outlays			
	1981	1982	1983	1984
Jones-HBC	662.4	714.6	779.5	839.0
Bipartisan	655.2	689.2	732.3	770.5
Total difference	7.2	25.4	47.2	68.5

Difference:

1982	25.4
1983	47.2
1984	68.5
Total for 3 years	141.1

Reference: Jones/HBC: House Report 97-23, pages V and 3.

2. Cuts over $14 billion in essential defense funding (budget authority):

[In billions of dollars]

	Budget authority		
	1982	1983	1984
Budget Authority:			
Bipartisan substitute	226.3	259.6	294.9
Jones-HBC	219.6	255.6	291.6
Total	6.7	4.0	3.3

Difference:

1982	6.7
1983	4.0
1984	3.3
Total	14.0

Reference: Jones-HBC: House Report 97-23: page 75.

3. Receipts:

a. Jones-HBC would increase tax payments by over a third—adding up to a staggering quarter trillion dollars:

Receipts as projected by Jones-HBC for measure approved on April 9:

1984—$864.85 billion.

1981—$610.90 billion.

Total of $253.95 billion increase

Reference: Page 3 and 69 of House Report No. 97-23, April 16, 1981.

b. Federal taxes would increase by 12 percent per year:

The increase from $610.90 to $864.85 represents a compound annual increase of 12.285 percent.

Reference: same as above.

c. Taxpayers would be paying a larger share of their income to government in 1984 than at present:

Receipts as a percent of GNP projected by Jones-HBC show steady growth:

	Percent
1982	21.3
1983	21.5
1984	21.6

Reference: Jones-HBC projections of GNP by fiscal year were provided by the Committee staff. Projected receipts are shown on page 69 of House Report No. 97-23.

[1] Showing a derivation of numbers used in the President's address.

INTRODUCTION OF BILL TO ELIMINATE PEANUT ALLOTMENT

(Mr. LEWIS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. LEWIS. Mr. Speaker, let me say to my colleagues that I am a new member of the Subcommittee on Agriculture of the Committee on Appropriations. I was astonished in reviewing our budget proceedings to learn that the one digestible agricultural product in our country that we cannot grow on our own property for commercial purposes is a small item known as peanuts.

Any of us who have been in the market lately and noticed the absolutely incredible rise in the cost of peanut butter might have questions ourselves about this process whereby we control the production of peanuts in this country.

I have today introduced a bill to eliminate the acreage allotment process established many years ago by the Federal Government. This system initiated over 40 years ago, allowed those people who were then growing peanuts on x plots of land the right to continue indefinetly to grow peanuts—or to sell or lease the land to somebody else to grow peanuts.

Today there are 571,471 acres for allotment for the purpose of growing peanuts in Georgia, and there are only 1,002 acres in California. Something is wrong about all that—saying that you and I cannot use our land to grow a product that is not only healthy but that would add a lot to our economy if the market forces were allowed to operate.

Mr. Speaker, I urge the support of all my colleagues in this effort to return the peanut market back to the free marketplace.

THE MAJORITY LEADER'S STATEMENTS ON THE PRESIDENT'S SPEECH

(Mr. GINGRICH asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, United Press International quotes the majority leader as saying this, and I quote:

It is unfortunate in the extreme that some of those who provided statistical information for this data did President Reagan a grave disservice by describing the House Budget Committee's resolution in factually inaccurate ways.

It is easy to allege and charge and make these assertions. But I challenge the gentleman from Texas to cohost a special order. Let him show precisely where he thinks the President was inaccurate. If the gentleman from Texas will not outline his specific charges, he should withdraw his vague allegations.

THE TERM "PRIME RATE" HAS BECOME MEANINGLESS AND SHOULD BE DISCARDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 15 minutes.

● Mr. ST GERMAIN. Mr. Speaker, the term "prime rate" has become meaningless and I urge the banking industry to adopt a simpler and more accurate description of its interest rate schedules.

Tomorrow we will be releasing a staff study from the Banking Committee on the prime rate which shows that the phrase has been so often misused, abused and tortured in recent years that the phrase now seems beyond repair.

I suggest the industry abandon its painfully drawn qualifications about the prime rate and adopt in its place a lowest interest rate for business borrowers with all other rates scaled upward from that rate.

The staff study, based primarily on a survey of the Nation's 10 largest banks and entitled "An Analysis of Prime Rate Lending Practices at the Ten Largest United States Banks" found that definitions of the prime and its application provided by the banks were vague and imprecise. The study said that neither logic nor semantics prevented the banks from announcing their lowest rate offered the most creditworthy customers.

The study said:

While lending decisions are complex, it is difficult to accept the idea that multi-billion dollar banks, operating with huge staffs and utilizing the most contemporary technology, cannot price their product accurately and clearly.

The study cites numerous examples of below prime rate lending and said that the misleading nature of prime rate announcements distorted other lending activity.

The study cited, for example, the fact that many small business loans were pegged to the prime rate, moving up or down with each change. The Small Business Administration, the study said, officially ties its lending rates to the prime rate as announced in the Wall Street Journal. Due to the impreciseness of the prime rate as a barometer of actual corporate lending practices, the study urged that SBA and other Government agencies cease the use of the prime in establishing rate schedules.

The study also said that present use of the prime and the prevalence of discounts from the rate could lead to price discrimination for smaller firms lacking alternatives in the credit markets. It also questions whether the prime rate discounting created imprecise benchmarks from which to measure the proper enforcement of such laws as the Equal Credit Opportunity Act.

In transmitting the study to the committee, Mr. ST GERMAIN urged that the commercial banking industry take steps to institute reforms in this area, and make certain that understandable rate schedules are made publicly available.

Mr. Speaker, the bank supervisory agencies should abandon their apathy and take specific steps to assure that the banks adopt a more equitable means of dealing with the question. It is not enough for an agency to simply collect the data with a bureaucratic shrug of the shoulders. Should voluntary and supervisory efforts fail to create a rational, fair, and understandable pricing system that means what it says, the Congress should consider action to protect the public's right to have access to accurate data about this vital sector of the American marketplace.

DISTRIBUTION OF REPORT

Mr. Speaker, we are all interested in reducing the cost of operating the Congress. In that light, we have conducted an analysis of requests for committee prints and hearings for the last Congress. The majority of our requests for hearings and reports—printed at taxpayers expense—have come from organizations and institutions that can afford to bear the cost of such printing. Therefore, we have put this print on sale at the GPO. It can be obtained by writing:

Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402—Attention: Order Desk: "An Analysis of Prime Rate Lending Practices at the Ten Largest United States Banks" (Committee Print 97-2) Staff Report for the Committee on Banking, U.S. House of Representatives—GPO Number: 052-070-055-75-8—Cost: $4.00.

The committee will have a limited number of copies available for distribution, but we suggest that these requests be in writing with a return label enclosed. Requests for multiple copies will be given individual consideration and will result in a delay.

JOINT HEARINGS ON REPORT OF SELECT COMMISSION ON IMMIGRATION AND REFUGEE POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. MAZZOLI) is recognized for 5 minutes.

● Mr. MAZZOLI. Mr. Speaker, I wish to announce that the Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary will hold 3 days of joint hearings with the Senate Subcommittee on Immigration and Refugee Policy on Tuesday, May 5, Wednesday, May 6, and Thursday, May 7, on the report of the Select Commission on Immigration and Refugee Policy.

These are the initial congressional hearings on the Select Commission report, and I expect the subcommittee will hold further extensive hearings on it. On May 5 and May 7 the hearings will begin at 2 p.m. in room 2228, Dirksen Senate Office Building. On May 6, the hearing will begin at 2 p.m. in room 2141, Rayburn House Office Building.

Testimony will be heard from Father Theodore Hesburgh, Chairman of the Select Commission, representatives of business and labor, State and local officials, representatives of the legal community, and other parties with a longstanding interest in immigration and refugee matters.●

THE NATURAL GAS UTILIZATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GRAMM) is recognized for 5 mimutes.

● Mr. GRAMM. Mr. Speaker, together with my distinguished colleague from Illinois (Mr. CORCORAN) and five other Members I am today introducing legislation that will allow this Nation's energy consumers to maximize use of our domestic natural gas resources. The pessimistic outlook for natural gas supplies assumed when the Natural Gas Policy Act (NGPA) and the Industrial Fuel Use Act (IFUA) were adopted in 1978 has fortunately been proven greatly inaccurate. The Natural Gas Utilization Act (NGUA) is a comprehensive bill designed to lift the market restrictions that are now unnecessarily inhibiting the development and use of natural gas resources.

The NGUA will make five significant improvements in existing energy policy: Repeal of the incremental pricing provisions of NGPA; repeal of the IFUA's bans on use of natural gas in existing powerplants, in existing major fuel-burning installations, and in existing outdoor lighting; and authorization for the Secretary of Energy to grant exemptions so that new powerplants and major fuel-burning installations may use natural gas when the use of gas, in conjunction with coal, is necessary to meet environmental standards.

There is ample evidence at this time that natural gas may continue to provide at least one-fourth to one-third of this Nation's energy needs. This may be accomplished with significant environmental and national security bene-

fits compared to replacement with oil and may keep down the energy costs ultimately paid by the consumers of american goods. However, attainment of these benefits will be stymied if national energy policy continues to place artificial impediments on the use of natural gas.

The NGUA is the farsighted approach we need to assure the place of natural gas in our energy future. I encourage you, Mr. Speaker, and my colleagues to review the following section-by-section analysis of the NGUA and join me in this initial effort to remove Government restrictions on the market for natural gas.

SECTION-BY-SECTION ANALYSIS

SECTION 1—SHORT TITLE

This Act is cited as the "Natural Gas Utilization Act."

SECTION 2—STATEMENT OF FINDINGS AND PURPOSES

SECTION 3—REPEAL OF CERTAIN STATUTORY PROHIBITIONS ON THE USE OF GAS BY EXISTING POWERPLANTS

This provision repeals Section 301(a) of the Powerplant and Industrial Fuel Use Act (FUA). The prohibitions on the use of natural gas which will be removed as a result of repealng 301(a) are:

1. The prohibition on the use of natural gas as a primary energy source in an existing electric powerplant on or after January 1, 1990;

2. The prohibition on the use of natural gas as a primary energy source in an existing electric powerplant before January 1, 1990, unless such powerplant used natural gas as a primary energy source at any time during calendar year 1977; and

3. The prohibition on the use of natural gas as a primary energy source in any calendar year before 1990 in greater proportions than the average yearly proportion of natural gas which the powerplant used in calendar years 1974 through 1976. If an existing powerplant began its operations after January 1, 1974, Section 301(a) of the existing law limits the proportion of natural gas it may use to the proportion the powerplant used during the first two years of its operation. The prohibition on gas used by plants beginning operation after January 1, 1974 is repealed along with all other parts of Section 301(a).

SECTION 4—REPEAL OF AUTHORITY TO PROHIBIT COAL-CAPABLE FACILITIES USE OF GAS AND AUTHORITY TO PROHIBIT USE OF GAS IN CERTAIN MIXTURES

The enactment of Section 4 will remove all of the remaining restrictions on the use of natural gas by existing electric powerplants which are not removed under Section 3. This provision also removes all of the restrictions on the use of natural gas by existing major fuel burning installations.

SECTION 5—REPEAL OF THE BAN ON EXISTING RESIDENTIAL OUTDOOR GASLIGHTS

This provision lifts the ban on residential outdoor gas lights that is scheduled to become effective on January 1, 1982. The exemption applies only to those lights in operation on the date of enactment of the Fuel Use Act. The moratorium on new gas lights remains in effect as does the ban on outdoor municipal lighting after 1981.

SECTION 6—EXEMPTION FOR THE USE OF GAS IN GAS-COAL MIXTURES TO OFFSET COAL EMISSIONS

This provision grants any new major fuel burning installation or new powerplant a permanent exemption from the Fuel Use Act to burn natural gas in combination with coal to the extent that is necessary to comply with emissions standards.

SECTION 7—REPEAL OF INCREMENTAL PRICING REQUIREMENTS UNDER THE NATURAL GAS POLICY ACT OF 1978

Section 7 totally repeals the incremental pricing provisions contained in Title II of the NGPA effective on the date of enactment of this Act.●

HOSPITAL AND NURSING HOME BEDS FOR VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. LEATH) is recognized for 5 minutes.

● Mr. LEATH of Texas. Mr. Speaker, today I have introduced a bill that, if enacted, will assure our Nation's veterans that we intend to fulfill our commitment to provide quality health care for those who need such care. My bill would authorize the Administrator of Veterans' Affairs to establish, operate, and maintain not more than 125,000, and not less than 100,000, hospital and nursing home beds over which the Administrator has direct jurisdiction for the care and treatment of veterans and to maintain a contingency to assist the Department of Defense in time of war or national emergency. The bill would further provide that the President must include in the budget transmitted to the Congress for each fiscal year a level of funding for hospital, medical care, and nursing home care for veterans and construction funding sufficient to enable the Veterans' Administration to fully fund, staff, and operate not less than the 82,500 hospital beds and 9,000 nursing home beds.

Mr. Speaker, the past 10 years has been a very difficult period for the Department of Medicine and Surgery. Although the Congress has continued to expand eligibility for care and treatment in VA hospitals over this period, constraints placed on VA's health-care delivery system by the Office of Management and Budget has brought about a rapid reduction of operating beds. OMB has, for example, required that VA use funds appropriated for personnel to pay ever increasing utility bills, or to help absorb annual pay increases, or other such purposes. In addition, even though we have experienced double-digit inflation for several years now, OMB has not allowed adequate increases in VA's medical program to even offset the rate of medical inflation for several years.

Consider, if you will, Mr. Speaker, the following. At the close of fiscal year 1966, the VA operated a total of 116,975 hospital beds. At the close of fiscal year 1982, unless my bill is enacted, the number of operating hospital beds in VA is expected to reach an all-time low of 80,700. This reduction in operating beds has taken place even though since 1971, the demand on VA for hospital care by patients aged 65 or more has increased steadily after having decreased from 1966—when medicare began—through 1970. At present, the level of use of VA medical facilities has returned to what it was prior to medicare.

Another critical factor related to current patient demand is the rapid advancement in age of the World War II veteran. The average age of the 12 million veterans of World War II is about 62. Whereas there are now only 10 percent age 65 and over in the veteran population, 29 percent of all veterans will be age 65 or over and 13 percent will be 75 or over by the year 2000. Because of the age factor, the number of patient-applicants will obviously increase substantially.

Mr. Speaker, even though the VA is now treating more hospital patients than ever before—much to the credit of dedicated health-care personnel in our VA hospitals—the bed level has reached the point where veterans are being turned away because of lack of beds and resources. The increase in the number of hospital patients treated year after year, in fewer beds, has been accomplished largely by reducing the length of time patients spend in the hospital during an episode of care, thus making beds available for more admissions. There is a point, however, where the system is so strained that this can no longer be accomplished. In my view we are reaching that point. As stated earlier, more and more aged veterans will require treatment. The number of episodes of treatment will continue to increase, and the length of stay for each episode will be longer. Therefore, if we do not begin now to bring the number of hospital beds back up to the level I propose, or even higher, we will be facing a crisis of major proportions within the next 2 to 3 years and VA is not going to be able to handle the load of patients seeking and needing care.

Finally, Mr. Speaker, there is another very important reason why my bill should be enacted. Currently, the Department of Defense has no principal backup medical contingency in time of war or national emergency. Rather than looking to the VA as a backup system, the Department of Defense is now looking to the private sector for beds in which to handle casualties during armed conflict. The VA's 172 hospitals, with at least one in every State—except for Alaska and Hawaii—should be the primary backup for the Department. Certain changes in current law are necessary in order to effectively implement such an agreement and our committee is pro-

ceeding to report a measure, which I introduced earlier this year, to the House for early consideration.

Mr. Speaker, it makes no sense at all to me for the Department of Defense to be looking to spend millions of dollars for a backup medical care system in case of war or national emergency with existing VA network that we have already in place. At a time when we are terminating Federal programs, cutting some veterans benefits, and trying to balance the budget, it hardly makes sense for the Department of Defense to be looking beyond the Veterans' Administration for treating casualties resulting from any conflict.

Therefore, Mr. Speaker, in order to establish an agreement between the Veterans' Administration and the Department of Defense, and in order to assure that the VA has the capabilities to make available the number of beds that must be made available at a moment's notice, we must maintain the current level of hospital beds. If OMB continues to drastically reduce the size of the agency's medical capability, any agreement or arrangement between VA and DOD would be useless. The valuable resource of VA hospitals would be of little help to the Department of Defense during a time of conflict if the bed level is reduced to the point where it is inadequate to meet the current veterans' demand.

In summary, Mr. Speaker, my legislative proposal will accomplish two basic important national goals. First, it will make certain that an adequate number of hospital and nursing home beds will be available to treat the rapidly increasing number of elderly veterans who, during the next 10 to 15 years, will require increased periods of hospitalization, particularly for acute episodes of chronic diseases that occur with frequency in this age patient. Second, it is extremely important that we make certain the Veterans' Administration and the Department of Defense enter into an agreement that would assure we have in place an adequate medical backup system in case of mobilization.

I would urge my colleagues to consider this measure and join me in sponsoring this legislation.●

SUBCOMMITTEE ON CRIME TO HOLD AN OVERSIGHT HEARING ON THE BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HUGHES) is recognized for 5 minutes.

● Mr. HUGHES. Mr. Speaker, on Thursday, April 30, 1981, at 2 p.m. in room B-352 of the Rayburn House Office Building, the Subcommittee on Crime of the House Committee on the Judiciary will hold an oversight hearing on the Bureau of Alcohol, Tobacco and Firearms (BATF) with respect to the operations of BATF.

We expect to receive testimony about the current operations of BATF with respect to: First, cigarette bootlegging; second, tracing of guns used in crimes; third, the growing problem of machineguns as crime guns; fourth, arson programs; and fifth, the impact of the proposed budget cuts on law enforcement operations.

The witnesses at the hearing will be G. R. Dickerson, Director of BATF; James Damos, chief of police, University City, Mo., on behalf of the International Association of Chiefs of Police; and James Ahern, director, Insurance Crime Prevention Institute—also former chief of police of New Haven, Conn.

All interested persons or organizations wishing to submit testimony for the record of the hearing or desiring further information should address their communications to the Subcommittee on Crime, Committee on the Judiciary, 207 Cannon House Office Building, Washington, D.C. 20515. Telephone: (202) 225-1695.●

ONE HUNDRED DAYS AND STILL GROPING FOR A FOREIGN POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. SEIBERLING) is recognized for 5 minutes.

● Mr. SEIBERLING. Mr. Speaker, although the new administration promised competence, firmness, steadiness in managing foreign policy, the first 100 days has produced a diplomacy that has all too often seemed indecisive and confused. This is the key point in an outstanding article by Robert G. Kaiser that appeared in last Sunday's Washington Post. Mr. Kaiser, a national staff reporter for the Washington Post, has been chief of its bureaus in Moscow and Saigon.

The article, under the above headline, concludes that the new administrators are clearly ready to confront Soviet power, but not at all ready to explain a coherent approach to world problems. Mr. Kaiser says, "It's clear what the new administration is against, but the world is still wondering what it will be for," besides an enormous increase in defense spending.

Mr. Kaiser's article goes on to point out how international realities now restrict any American President's freedom of action. For example, he says that the Reagan administration has already discovered that Western Europe is not prepared for a policy of total West-East confrontation.

On the contrary, a confrontational American line is likely to feed the very real pacifist and neutralist strains in European thinking that most alarm today's West European leaders—and should alarm Americans, too.

The article goes on to say that if the tough, unqualified, anti-Soviet rhetoric that President Reagan has employed becomes the basis of his foreign policy—

It is likely to prove spectacularly unsuccessful in the months and years ahead, even if the Administration does eventually get its act together. A U.S. Government that attributes (for example) the Palestinian problem, the Iran-Iraq war, the struggle for independence in Namibia, and insurrection in the Philippines entirely to the Soviet Union's machinations is doomed to diplomatic failure.

Mr. Speaker, because of the cogency of Mr. Kaiser's article, I am including it in the RECORD following these remarks so our colleagues may have the opportunity to read it in full:

[From the Washington Post, Apr. 26, 1981]

ONE HUNDRED DAYS AND STILL GROPING FOR A FOREIGN POLICY

(By Robert G. Kaiser)

After nearly 100 days in charge of American foreign policy, the Reagan administration has begun to produce some powerful evidence to support Goldman's Law: "The primary purpose of any new administration is to make the last one look good."

Guido Goldman, director of Harvard's Center for European Studies, enunciated the law. It seems an apt description of the new administration's first three months, which have not been easy. Though they promised competence, firmness and steadiness, the new administrators of American diplomacy have often seemed indecisive and confused. They are clearly ready to confront Soviet power, but not at all ready to explain a coherent approach to world problems. It's clear what the new administration is against, but the world is still wondering what it will be for.

At his Senate confirmation hearings Alexander M. Haig Jr., the self-anointed vicar of Reagan foreign policy, promised a diplomacy of "consistency, reliability and balance," but the first 100 days have not produced it. Instead, Haig has become the most controversial member of an openly contentious administration, has angered the president's most intimate advisers and has raised doubts in Washington and in major world capitals about his staying power—not least because of his repeated threats to resign. Haig's own efforts to establish a single line of administration policy have failed.

This month the U.S. secretary of defense was telling Europeans that talks on nuclear arms control in Europe should be put off because of Soviet "threats of violence or intimidation" against Poland. Days later, the White House justified its decision to lift the grain embargo against Russia in part by pointing to Soviet "restraint" in Poland.

That secretary of defense, Caspar W. Weinberger, has won a reputation in these 100 days as something of a loose cannon on the deck of Ronald Reagan's ship of state. In his first days in office Weinberger came out for American bases in the Middle East—before establishing that any Mideast country wanted them—and for revivial of the neutron weapon in Europe, before learning that Europe wasn't interested, or that the United States might not be able to produce the fissionable material needed to deploy the weapon. More recently he has alarmed Western Europe with his rhetorical repudiation of any kind of detente with the Soviet

Union. Later, when asked what he meant by "detente," Weinberger suggested he was referring to "unilateral disarmament."

Haig has gone to some lengths to repudiate or soften the impact of Weinberger's remarks, but because of his own difficulties, foreigners can't be sure whether Haig or the secretary of defense (who is much closer personally to President Reagan) is actually speaking for the administration. And because Weinberger has sometimes contradicted himself (on the possibility of selling arms to China, for example), his remarks too carry uncertain authority.

All in all, it has been a rocky beginning—at least as rocky as the Carter administration's beginning four years ago. It is difficult to point to any substantial achievement of these 100 days of Reagan diplomacy, and the groundwork may have been laid for some very substantial disasters later on.

On the other hand, nothing irrevocable has occurred during these first 100 days, when the new administration has been preoccupied with its domestic economic policies. In the field of foreign policy, only one definitive comment seems fair now: The administration has squandered its chance to "hit the ground running," as presidential counselor Edwin Meese III and others promised it would during the transition.

Goldman's Law is based on the notion that "we have a lousy political system here," as its author put it in a recent conversation. No other western democracy provides for the complete turnover of virtually every policy-maker's job when a new government takes power. Indeed, only in America does the national security apparatus get more than a new top layer of leadership. The West European powers settle for a few ministers at the top of each department; but in America we can—and do—upend the entire government apparatus.

The Reagan administration not only cleaned out the policy-making positions in Washington; it also fired the ambassadors in most major world capitals. Though there were early promises to fill the jobs quickly, three months later many of them remain empty, or are occupied by designees who have not been formally nominated or confirmed by the Senate. The American embassies in nearly all the major capitals still have no ambassadors.

Much of this can be attributed to bureaucratic delay and confusion, but some of it represents the fruits of unresolved political struggles within the Republican Party. Sen. Jesse Helms (R-N.C.) has become The Great Intimidator of the new administration, personally holding up half a dozen or more key nominations in the Senate. At the White House this is dismissed as intraparty gamesmanship, but in the world it appears to be another sign of weakness and uncertainty.

Besides cleaning out the government, this new administration has decided to radically overhaul the bureaucratic arrangements for the making of national security policy. The Reagan group set out to significantly diminish the role of the National Security Council staff, one objective it has accomplished. Instead of the tightly knit group that dominated the foreign policy process in the first Nixon, Ford and Carter administrations, the Reagan NSC operation is apparently passive and loose-knit. Coordination has not been its strong suit.

Last week, Meese told newspaper editors in Washington that the Reagan administration had solved the problem of the State Department fighting with the NSC. But in some cases at least, this has been accomplished only by both units agreeing to do nothing. For example, as of early last week the administration was still struggling to agree on a reply to a month-old letter from Leonid Brezhnev to President Reagan according to an NSC source. This government can't decide how to deal with Brezhnev's proposals for new negotiations, the source said.

One objective of the new approach to the NSC has been to keep it out of the news, and this has been accomplished—with two notable exceptions. One was a speech by Richard V. Allen warning Western Europe not to succumb to neutralist pressures, a speech reinforcing the confrontational image of the new administration that most alarms European governments. The second was an interview given by Richard Pipes, a Harvard historian and well-known hardliner now working for Allen. According to Reuters news agency, Pipes said the Soviet Union would eventually have to chose between modifying the communist system and going to war. He also said the West German foreign minister was susceptible to Soviet pressure. Haig quickly and brutally repudiated these undiplomatic remarks (which, according to Pipes, were misquotations in the first place).

But the real problem about the Reagan administration's system for formulating and executing foreign policy is that it hasn't yet got one. Senior members of the administration acknowledge the disarray in private conversations. Foreign service officers in the State Department say they are working in a state of constant confusion. Officials involved in debates over arms control policy describe the administration's new officials as stubbornly indecisive. Foreign ambassadors report that their efforts to find out what the new administration is planning are extremely frustrating. It seems safe to predict that whatever becomes recognized as the Reagan approach to diplomacy hasn't been seen yet, but is still to come.

If the administration is without a system for policy management, it is also largely without a policy, except in a negative sense. Reagan, Haig, Weinberger and the others have made clear that this administration opposes Soviet expansionism. They have made a staunch anti-Soviet position the centerpiece of their rhetorical policy. But this has not been translated yet into concrete terms, except for a request for an enormous increase in defense spending.

Even that step left some confusion about administration intentions. During 1980 Reagan campaigned ardently against the SALT II treaty signed by Jimmy Carter, but the huge military buildup Weinberger has proposed contains no new program that would violate the terms of SLAT II. This could be changed later, but so far at least the new administration has confirmed the view expressed by SALT supporters that the treaty would not impinge on any needed American program. "You'd have to go out of your way to find a program that would violate the SALT II treaty," said a new, senior official at the Pentagon who himself used to help the opposition to the treaty in the Senate.

Meese declared last week that the administration was off to a good start in foreign policy: that the allies were united and appreciated the new attention they were receiving. The administration's "so-called hard line," Meese said, had improved the United States' ability to communicate with the Soviets, and gives Americans "a better sense of ourselves."

The combination of more arms and stern anti-Soviet rhetoric has established a new posture for the United States, but it has not produced specific answers to pending policy dilemmas. In word and deed the new administration has indicated that it is more drawn to military solutions than its immediate predecessors, but it has not yet attempted a military solution to any specific problem.

On a number of points the Reagan regime has had to move away from positions enunciated by Reagan the candidate. Whatever the candidate meant about raising the level of relations with Taiwan, the president has done nothing but reassure Peking. Reagan as candidate was much more sympathetic to white rule in South Africa than he has thus far been as president—an ambiguity that has clearly annoyed the South African government. Haig's early effort to transform El Salvador into an East-West battleground has been quietly abandoned, at least for now. Strong skepticism about arms control negotiations has had to yield to intense European desires to see them continued.

These are all examples of how international realities now restrict any American president's freedom of action. Reagan and his associates seem to yearn to return to an era when America's word was decisive in international affairs, but there are numerous other governments that refuse to let that era be revived.

Nigeria and the other black African states can and will influence American policy toward Southern Africa. Both Arab and Israeli interests will continue to alter American policy toward the Middle East. The government in Peking can now make its weight felt in Washington's policy deliberations. Most important of all, the United States; NATO allies can be crucially important to most significant American undertakings in international affairs, particularly in the Soviet-American relationship.

Western Europe, as the Reagan administration has already discovered, is not prepared for a policy of total West-End confrontation. On the contrary, a confrontational American line is likely to feed the very real pacifist and neutralist strains in European thinking that most alarm today's West European leaders—and should alarm Americans, too.

The Europeans have brought this message to Washington and delivered it to traveling Reagan administration officials in Europe. they have conveyed it privately and publicly to government officials, journalists and anyone who will listen. West Europeans are grownups now; they are worried about the developing world, about Southern Africa, about the Arab-Israeli conflict and about all the big issues of the day. In Europe very few of these look like simple East-West conflicts. And European governments will not blindly follow an American policy they disagree with; if they tried they could easily lose the support of their own people.

The principal European lever for influencing American policy in the near future may be the NATO plan to modernize nuclear weapons in Europe by deploying new American missiles that can reach Soviet territory with Germany, Italy, Britain and perhaps other countries. NATO has only agreed to this deployment in principle, and on condition that strategic arms control is pursued with Moscow at the same time.

The Reagan administration's desire to look tough to the Russians could be de-

stroyed if the NATO agreement on new missiles were to fall apart. The Europeans can be expected to take advantage of the influence this situation affords them. (The administration may also throw away its tough image unilaterally with its decision to lift the Soviet grain embargo, a decision that must baffle the Soviets but delight them too.)

Even on matters in the American backyard, the Europeans will be heard from. During the Haig-sponsored furor over El Salvador, for example, West Germany's conservative and hard-line party, the Christian Democratic Union, forcefully disassociated itself from the Reagan administration. The president of El Salvador, Jose Napoleon Duarte, is himself a Christian Democrat to whom the German Christian Democrats feel fraternal ties. It's a nice example of how complicated the modern world can be.

Last year Ronald Reagan told The Wall Street Journal: "Let us not delude ourselves. The Soviet Union underlies all the unrest that is going on. If they weren't engaged in this game of dominoes, there wouldn't be any hot spots in the world."

Ronald Reagan has not been a very visible figure in the first 100 days of his administration's foreign policy. His principal contribution has been rhetorical. The tough rhetoric he has used has suggested that he really believes the view he gave to The Wall Street Journal.

If he does, and if that sort of unqualified anti-Sovietism becomes the basis of Reagan's foreign policy, it is likely to prove spectacularly unsuccessful in the months and years ahead, even if the administration does eventually get its act together. A United States government that attributes (for example) the Palestinian problem, the Iran-Iraq war, the struggle for independence in Namibia and insurrection in the Philippines entirely to the Soviet Union's machinations is doomed to diplomatic failure.

Yet this is the line Secretary Haig seemed to adopt when he described a communist "hit list . . . for the ultimate takeover of Central America," of which "the seizure of Nicaragua" was the first stage. Remarks like that one sound like determined simplification or sloppy thinking. So did Haig's comment on the day of the attempted military coup in Spain that this was "an internal matter" for the Spanish. Haig had to spend a day in Spain this month trying to patch up the damage that one caused by reassuring the Spaniards that this administration really does care about the fate of Spanish democracy.

Or listen to the words of the ubiquitous senior official who travels with secretaries of state on their world trips (if he has the same identity in this administration that he had in the last two, his name is Alexander Haig). This was the comment the high official made as Haig's plane left the Middle East earlier this month:

"There wasn't a place we went that there wasn't a profound lack of confidence in the United States, longstanding doubts about America's staying power, its leadership . . . and above all its willingness to stand up to Soviet aggression. And the minute we addressed these issues in a manner in which it was clear that the United States . . . intends to reassert its global responsibilities and regional responsibilities, to maintain consistent and reliable policies . . . and to indulge in a dialogue in which their views are considered in the formulation of our own policy, this automatically turned each of our hosts into an entirely different mood and attitude."

If improving America's position in the world is as easy as that, the Reagan administration faces the rosiest of diplomatic futures. The suspicion persists, though, that the real prospects aren't that good.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. JOHNSTON) to revise and extend their remarks and include extraneous material:)

Mr. BETHUNE, for 30 minutes, April 30.

Mr. BETHUNE, for 30 minutes, May 1.

Mr. CORCORAN, for 10 minutes, today.

Mr. CONABLE, for 60 minutes, April 30.

Mr. WALKER, for 60 minutes, April 30.

(The following Members (at the request of Mr. SUNIA) to revise and extend their remarks and include extraneous material:)

Mr. ST GERMAIN, for 15 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MAZZOLI, for 5 minutes, today.

Mr. GRAMM, for 5 minutes, today.

Mr. LEATH of Texas, for 5 minutes, today.

Mr. HUGHES, for 5 minutes, today.

Mr. RODINO, for 5 minutes, on April 30.

Mr. SEIBERLING, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. JOHNSTON) and to include extraneous matter:)

Mr. MICHEL in two instances.

Mr. MARTIN of New York.

Mr. LAGOMARSINO in four instances.

Mr. KEMP in five instances.

Mr. GRADISON.

Mr. KINDNESS.

Mr. PHILIP M. CRANE.

Mr. LEBOUTILLIER in two instances.

Mr. JEFFRIES.

Mr. DANNEMEYER.

Mr. LENT.

Mr. GREEN.

Mr. FIELDS.

Mr. RUDD in two instances.

Mr. LOTT.

Mr. DREIER.

Mr. DERWINSKI.

Mr. MCKINNEY.

Mr. EMERY.

Mr. WHITEHURST.

(The following Members (at the request of Mr. SUNIA) and to include extraneous matter:)

Mr. FRANK in two instances.

Mr. ROYBAL.

Mr. MOAKLEY.

Mr. HAMILTON.

Mr. ECKART.

Mr. SYNAR.

Mr. GUARINI.

Mr. YATRON in two instances.

Mr. PHILLIP BURTON.

Mr. EDWARDS of California in two instances.

Mr. STARK in two instances.

Mr. ROE in two instances.

Mr. DE LUGO.

Mr. STOKES in four instances.

Mr. ASPIN.

Mr. MINISH in two instances.

Mr. DOWNEY.

Mr. CONYERS in two instances.

Mr. RANGEL.

Mr. SKELTON in two instances.

Mr. RICHMOND.

Mr. DIXON.

Mr. MCHUGH.

Mr. EDGAR.

Mr. FITHIAN.

Mr. LUKEN.

Mr. LOWRY of Washington.

Mr. DYSON.

Mr. ST GERMAIN.

Mr. LONG of Maryland in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 195. An act to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

ADJOURNMENT

Mr. SUNIA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 29 minutes p.m.), the House adjourned until tomorrow, Thursday, April 30, 1981, at 11 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees, and miscellaneous report filed with the Committee on House Administration, concerning the foreign currencies and U.S. dollars utilized by them during the first quarter of calendar year 1981 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1981

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Delegation to India, Jan. 6–17, 1981											
Beverly B. Byron	1/7	1/8	Japan	22,000	110.00					22,000	110.00
	1/8	1/9	Philippines	570.75	75.00					570.75	75.00
	1/9	1/11	Singapore	388.60	188.00					388.60	188.00
	1/11	1/13	India	1,314.70	166.00					1,314.70	166.00
	1/13	1/15	Egypt	105.000	150.00					105.000	150.00
	1/15	1/17	Greece	6,690.00	150.00					6,690.00	150.00
Transportation, Department of the Air Force							10,426.25				10,426.25
Robert W. Daniel, Jr	1/7	1/8	Japan	22,000	110.00					22,000	110.00
	1/8	1/11	Singapore	582.89	282.00					582.89	282.00
	1/11	1/13	India	1,314.70	166.00					1,314.70	166.00
	1/13	1/15	Egypt	105.000	150.00					105.000	150.00
	1/15	1/17	Greece	6,690.00	150.00					6,690.00	150.00
Transportation, Department of the Air Force							11,138.20				11,138.20
James A. Courter	1/7	1/8	Japan	22,000	110.00					22,000	110.00
	1/8	1/11	Singapore	582.89	282.00					582.89	282.00
	1/11	1/13	India	1,314.70	166.00					1,314.70	166.00
	1/13	1/15	Egypt	105.000	150.00					105.000	150.00
	1/15	1/17	Greece	6,690.00	150.00					6,690.00	150.00
Transportation, Department of the Air Force									$11,138.20		11,138.20
Larry J. Hopkins	1/7	1/8	Japan	22,000	110.00					22,000	110.00
	1/8	1/11	Singapore	582.89	282.00					582.89	282.00
	1/11	1/13	India	1,314.70	166.00					1,314.70	166.00
	1/13	1/15	Egypt	105.000	150.00					105.000	150.00
	1/15	1/17	Greece	6,690.00	150.00					6,690.00	150.00
Transportation, Department of the Air Force									11,138.20		11,138.20
Earl D. Hutto	1/7	1/8	Japan	22,000	110.00					22,000	110.00
	1/8	1/11	Singapore	582.89	282.00					582.89	282.00
	1/11	1/13	India	1,314.70	166.00					1,314.70	166.00
	1/13	1/15	Egypt	105.000	150.00					105.000	150.00
	1/15	1/17	Greece	6,690.00	150.00					6,690.00	150.00
Transportation, Department of the Air Force							11,138.20				11,138.20
Mollohan Robert H.	1/7	1/8	Japan	22,000	110.00					22,000	110.00
	1/8	1/11	Singapore	582.89	282.00					582.89	282.00
	1/11	1/13	India	1,314.70	166.00					1,314,70	166.00
	1/13	1/15	Egypt	105.00	150.00					105.000	150.00
	1/15	1/17	Greece	6,690.00	150.00					6,690.00	150.00
Transportation, Department of the Air Force							11,138.20				11,138.20
Bill Nichols	1/7	1/8	Japan	22,000	110.00					22,000	110.00
	1/8	1/11	Singapore	582.89	282.00					582.89	282.00
	1/11	1/13	India	1,314.70	166.00					1,314.70	166.00
	1/13	1/15	Egypt	105.000	150.00					105.000	150.00
	1/15	1/17	Greece	6,690.00	150.00					6,690.00	150.00
Transportation, Department of the Air Force							11,138.20				11,138.20
Melvin Price	1/7	1/8	Japan	22,000	110.00					22,000	110.00
	1/8	1/11	Singapore	582.89	282.00					582.89	282.00
	1/11	1/13	India	1,314.70	166.00					1,314.70	166.00
	1/13	1/15	Egypt	105.000	150.00					105.000	150.00
	1/15	1/17	Greece	6,690.00	150.00					6,690.00	150.00
Transportation, Department of the Air Force							11,138.20				11,138.20
Floyd Spence	1/7	1/8	Japan	22,000	110.00					22,000	110.00
	1/8	1/9	Philippines	570.75	75.00					570.75	75.00
	1/9	1/11	Singapore	388.60	188.00					388.60	188.00
	1/11	1/13	India	1,314.70	166.00					1,314.70	166.00
	1/13	1/15	Egypt	105.000	150.00					105.000	150.00
	1/15	1/17	Greece	6,690.00	150.00					6,690.00	150.00
Transportation, Department of the Air Force							10,426.25				10,426.25
Bob Stump	1/7	1/8	Japan	22,000	110.00					22,000	110.00
	1/8	1/9	Philippines	570.75	75.00					570.75	75.00
	1/9	1/11	Singapore	388.60	188.00					388.60	188.00
	1/11	1/13	India	1,314.70	166.00					1,314.70	166.00
	1/13	1/15	Egypt	105.000	150.00					105.000	150.00
	1/15	1/17	Greece	6,690.00	150.00					6,690.00	150.00
Transportation, Department of the Air Force							10,426.25				10,426.25
Richard C. White	1/7	1/8	Japan	22,000	110.00					22,000	110.00
	1/8	1/11	Singapore	582.89	282.00					582.89	282.00
	1/11	1/13	India	1,314.70	166.00					1,314.70	166.00
	1/13	1/15	Egypt	105.000	150.00					105.000	150.00
	1/15	1/17	Greece	6,690.00	150.00					6,690.00	150.00
Transportation, Department of the Air Force							11,138.20				11,138.20
William G. Whitehurst	1/7	1/8	Japan	22,000	110.00					22,000	110.00
	1/8	1/11	Singapore	582.89	282.00					582.89	282.00
	1/11	1/13	India	1,314.70	166.00					1,314.70	166.00
	1/13	1/15	Egypt	105.000	150.00					105.000	150.00
	1/15	1/17	Greece	6,690.00	150.00					6,690.00	150.00
Transportation, Department of the Air Force							11,138.20				11,138.20
Edward J. Bauser	1/7	1/8	Japan	22,000	110,000					22,000	110.00
	1/8	1/11	Singapore	582.89	282.00					582.89	282.00
	1/11	1/13	India	1,314.70	166.00					1,314,70	166.00
	1/13	1/15	Egypt	105.000	150.00					105,000	150.00
	1/15	1/17	Greece	6,690.00	150.00					6,690.00	150.00
Transportation, Department of the Air Force							11,138.20				11,138.20
John J. Ford	1/7	1/8	Japan	22,000	110.00					22,000	110.00
	1/8	1/11	Singapore	582.89	282.00					582.89	282.00
	1/11	1/13	India	1,314,70	166.00					1,314.70	166.00
	1/13	1/15	Egypt	105.000	150.00					105,000	150.00
	1/15	1/17	Greece	6,690.00	150.00					6,690.00	150.00
Transportation, Department of the Air Force							11,138.20				11,138.20
Paul L. Tsompanas	1/7	1/8	Japan	22,000	110.00					22,000	110.00
	1/8	1/11	Singapore	582.89	282.00					582.89	282.00
	1/11	1/13	India	1,314.70	166.00					1,314.70	166.00
	1/13	1/15	Egypt	105.000	150.00					105.000	150.00
	1/15	1/17	Greece	6,690.00	150.00					6,690.00	150.00
Transportation, Department of the Air Force							11,138.20				11,138.20
Expenses incurred by entire Delegation in Japan									517.04		517.04
Expenses incurred by entire Delegation in India									2,983.69		2,983.69
Expenses incurred by entire Delegation in Egypt									3,672.28		3,672.28
Expenses incurred by entire Delegation in Greece									2,041.24		2,041.24

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1981—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
WEHRKUNDE CONFERENCE, FEB. 20–23, 1981											
Robin L. Beard	2/20	2/23	W. Germany		106.91		([3])				106.91
W. C. "Dan" Daniel	2/20	2/23	do	596.16	276.00		([3])			596.16	276.00
Samuel S. Stratton	2/20	2/23	do	122.00	56.48		([3])			122.00	56.48
Frederick A. Schatzman	2/20	2/23	do	397.44	184.00		([3])			397.44	184.00
INDIVIDUAL TRAVEL BY MEMBERS AND STAFF, JAN. 3 to MAR. 31, 1981											
William David Price	1/6	1/8	Venezuela	890.25	208.00					890.25	208.00
	1/8	1/10	Peru	77,220.50	225.00					77,220.50	225.00
	1/10	1/18	Brazil	53,306.40	798.00					53,306.40	798.00
Committee total					14,667.39		164,937.15		9,214.25		188,818.79

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[2] Per diem constitutes lodging and meals.
[3] Transportation provided by the military.

Note.—Transportation and other expenses on this travel will be reported by Committee on Interior and Insular Affairs.

MELVIN PRICE, Chairman,
April 2, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND LABOR, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1981

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
James Jeffords	1/2	1/19	Philippines	([3])	([3])		3,108.00				3,108.00
Donald Baker	3/24	3/27	Switzerland	647.70	340.00		982.00				1,322.00
Committee total											4430.00

[1] If foreign currency is used, enter U.S. dollar equivalent; If U.S. currency is used, enter amount expended.
[2] Per diem constitutes lodging and meals.
[3] Per diem submitted to State Department—awaiting decisions.

CARL D. PERKINS, Chairman.
March 31, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1981

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Toby Moffett	1/8	1/12	Sierra Leone		450.00		[3] 3,041.78				3,491.78
	1/12	1/12	England		129.00						129.00
	1/12	1/21	Nigeria		0		[4] 1,106.69				1,106.69
Ted Weiss	1/7	1/12	Sierra Leone	489.00	450.00		[5] 6,083.56				6,533.56
	1/12	1/13	Nigeria	83.15	144.00			25.04	25.98	108.19	169.98
	1/13	1/15	Ivory Coast	49,750.00	218.00			47.76	36.88	49,797.76	254.88
	1/15	1/17	Senegal	65,765.00	285.00			32.55	95.95	65,797.55	380.95
Committee total					1,676.00		10,232.03		158.81		12,066.84

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended. [2] Per diem constitutes lodging and meals. [3] Military aircraft from United States to Sierra Leone. [4] Commercial flight back. [5] Transportation provided by military aircraft.

JACK BROOKS, Chairman.
April 13, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1981

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
James D. Santini	1/6	1/8	Venezuela	890.25	208.00				31.61		239.61
	1/8	1/10	Peru	77,220.00	225.00						225.00
	1/10	1/12	Brasilia, Brazil	13,777.50	206.25						206.25
	1/12	1/18	Rio de Janeiro, Brazil	39,528.90	591.75						591.75
Abraham Kazen, Jr	1/6	1/8	Venezuela	890.25	208.00				31.61		239.61
	1/8	1/10	Peru	77,220.00	225.00						225.00
	1/10	1/12	Brasilia, Brazil	13,777.50	206.25						206.25
	1/12	1/18	Rio de Janeiro, Brazil	39,528.90	591.75						591.75
Nick Joe Rahall, II	1/6	1/8	Venezuela	890.25	208.00				31.61		239.61
	1/8	1/10	Peru	77,220.00	225.00						225.00
	1/10	1/12	Brasilia, Brazil	13,777.50	206.25						206.25
	1/12	1/18	Rio de Janeiro, Brazil	39,528.90	591.75						591.75

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1981—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Jerry Huckaby	1/6	1/8	Venezuela	890.25	208.00				31.61		239.61
	1/8	1/10	Peru	77,220.00	225.00						225.00
	1/10	1/12	Brasilia, Brazil	13,777.50	206.25						206.25
	1/12	1/18	Rio de Janeiro, Brazil	39,528.90	591.75						591.75
Dan Marriott	1/6	1/8	Venezuela	890.25	208.00				31.61		239.61
	1/8	1/10	Peru	77,220.00	225.00						225.00
	1/10	1/12	Brasilia, Brazil	13,777.50	206.25						206.25
	1/12	1/18	Rio de Janeiro, Brazil	39,528.90	591.75						591.75
Douglas Bereuter	1/6	1/8	Venezuela	890.25	208.00				31.61		239.61
	1/8	1/10	Peru	77,220.00	225.00						225.00
	1/10	1/12	Brasilia, Brazil	13,777.50	206.25						206.25
	1/12	1/18	Rio de Janeiro, Brazil	39,528.90	591.75						591.75
Marcus Faust, staff	1/6	1/8	Venezuela	890.25	208.00				31.61		239.61
	1/8	1/10	Peru	77,220.00	225.00						225.00
	1/10	1/12	Brasilia, Brazil	13,777.50	206.25						206.25
	1/12	1/18	Rio de Janeiro, Brazil	39,528.90	591.75						591.75
William Shafer, staff	1/6	1/8	Venezuela	890.25	208.00				31.61		239.61
	1/8	1/10	Peru	77,220.00	225.00						225.00
	1/10	1/12	Brasilia, Brazil	13,777.50	206.25						206.25
	1/12	1/18	Rio de Janeiro, Brazil	39,528.90	591.75						591.75
Thomas Wolfe, staff	1/6	1/8	Venezuela	890.25	208.00				31.61		239.61
	1/8	1/10	Peru	77,220.00	225.00						225.00
	1/10	1/12	Brasilia, Brazil	13,777.50	206.25						206.25
	1/12	1/18	Rio de Janeiro, Brazil	39,528.90	591.75						591.75
Sharon CocKayne, staff	1/6	1/8	Venezuela	890.25	208.00				31.61		239.61
	1/8	1/10	Peru	77,220.00	225.00						225.00
	1/10	1/12	Brasilia, Brazil	13,777.50	206.25						206.25
	1/12	1/18	Rio de Janeiro, Brazil	39,528.90	591.75						591.75
Committee total					12,310.00				316.10		12,626.10

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[2] Per diem constitutes lodging and meals.

MORRIS UDALL, Chairman.
April 1, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1981

Name of member or employee	Date		Country	Per diem		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Thomas J. Downey	1/7	1/12	Sierra Leone	423.00	450.00						450.00
	1/12	1/12	Nigeria				25.97				25.97
	1/12	1/13	England		129.00						129.00
							1,106.69				1,106.69
Transportation by Department of Defense							3,041.78				3,041.78
Charles B. Rangel	1/7	1/8	Jamaica	113.41	75.00		65.40				140.40
	1/8	1/11	Peru	77,220.00	225.00		208.15				433.15
	1/11	1/13	Argentina	801,588.00	402.00		448.75		50.00		900.75
	1/13	1/16	Brazil	20,440.80	306.00		50.00		45.00		401.00
	1/16	1/17	Costa Rica	975.00	75.00		31.25		96.50		202.75
Transportation by Department of Defense							8,223.18				8,223.18
Richard T. Schulze	1/7	1/8	Japan	22,000	110.00						110.00
	1/8	1/11	Singapore	582.89	282.00						282.00
	1/11	1/13	India	1,314.70	166.00						166.00
	1/13	1/13	Egypt	105,000	150.00						150.00
	1/15	1/17	Greece	6,690	150.00						150.00
Transportation by Department of Defense							11,138.20				11,138.20
Committee total					2,520.00		24,339.37		191.50		27,050.87

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[2] Per diem constitutes lodging and meals.

DAN ROSTENKOWSKI, Chairman.
April 6, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1981

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
John Hardt	12/12	12/16	Madrid, Spain				111.70				
R. Spencer Oliver	01/20	01/22	do		89.00		1,156.00			14,382	178.00
	01/22	01/23	Brussels, Bel		114.00					3,671	114.00
	01/23	01/25	Paris, France							1,429	312.00
	01/25	02/11	Madrid, Spain to USA		89.00					123,558	1,513.00
	02/19	04/12	do		89.00		2,662.00			382,310	4,449.00
Christopher Brescia	2/16	2/21	Geneva, Switzerland		93.00		[3] 1,156.00			923	465.00
	2/21	2/25	Madrid, Spain to USA		89.00	139	71.61			3,114	356.00
Deborah Burns	1/25	2/11	do		89.00		[3] 1,128.00			123,558	1,513.00
	3/04	4/12	do		89.00		1,128.00			279,073	3,283.00
Margaret Ann Donovan	1/25	3/15	do		89.00		[3] 1,128.00			368,065	4,361.00
Martin Sletzinger	1/26	3/07	do		89.00		[3] 1,128.00			307,180	3,649.00
Yale Richmond	02/08	4/11	do		89.00		[3] 1,128.00			410,309	4,805.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1981—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Samuel G. Wise	01/27	4/11	Madrid, Spain		89.00		[3] 1,128.00			542,223	6,407.00
Committee total							11,925.31				31,405.00

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[2] Per Diem constitutes lodging and meals.

DANTE FASCELL, Chairman.
April 13, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, ACCOMPANY NORTH ATLANTIC ASSEMBLY PRESIDENT TO ANKARA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAR. 7 AND MAR. 10, 1981

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Peter A. Abbruzzese	3/7	3/10	Turkey	28,785	300		2,027				2,327
Committee total [3]							2,027				2,327

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[2] Per diem constitutes lodging and meals.
[3] Round trip.

PETER A. ABBRUZZESE.
March 24, 1981.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1231. A letter from the Chairman, Interstate Commerce Commission, transmitting a report on the Commission's administration of the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1232. A letter from the Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation to extend the authorization for the Contract Services for Drug Dependent Federal Offenders Act of 1978; to the Committee on the Judiciary.

1233. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing alterations at the U.S. Appraisers Stores, Boston, Mass., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1234. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to consolidate Federal grants to States for social services, to eliminate unnecessary restrictions on those programs and increase flexibility in a State's exercise of its responsibility for program administration, and for other purposes; jointly, to the Committees on Education and Labor, Energy and Commerce, and Ways and Means.

1235. A letter from the Acting Comptroller General of the United States, transmitting a report on the need to extend healthcare services to people in rural areas of several developing countries (ID-81-24, Apr. 28, 1981); jointly, to the Committees on Government Operations and Foreign Affairs.

1236. A letter from the Acting Comptroller General of the United States, transmitting a report on fictitious tax deposit claims (GGD-81-45, Apr. 28, 1981); jointly, to the Committees on Government Operations and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 134. Resolution providing for the consideration of the concurrent resolution (H. Con. Res. 115) revising the congressional budget for the U.S. Government for the fiscal year 1981 and setting forth the congressional budget for the U.S. Government for the fiscal years 1982, 1983, and 1984 (Rept. No. 97-26). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BADHAM:

H.R. 3298. A bill to amend title 10, United States Code, to establish the Prisoner of War Medal; to the Committee on Armed Services.

By BEREUTER:

H.R. 3299. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide that benefits which are received under cafeteria plans and which are not subject to income tax shall not be subject to social security taxes; to the Committee on Ways and Means.

By Mr. VOLKMER (for himself), Mr. SYNAR, Mr. FOLEY, Mr. RUDD, Mr. WILLIAMS of Montana, Mr. HAMMERSCHMIDT, Mr. CLAUSEN, Mr. EVANS of Indiana, Mr. KOGOVSEK, Mr. MURTHA, Mr. MCDONALD, Mr. STUMP, Mr. HANSEN of Idaho, Mr. DE LA GARZA, Mr. LEATH of Texas, Mr. FUQUA, Mr. SENSENBRENNER, Mr. KRAMER, Mr. QUILLEN, Mr. HUCKABY, Mr. ROBERTS of South Dakota, Mr. EMERY, Mr. ANTHONY, Mr. STANGELAND, Mr. WEBER of Minnesota, Mr. D'AMOURS, Mr. NICHOLS, Mr. SHELBY, Mr. SANTINI, Mr. JOHNSTON, Mr. SNYDER, Mr. ROBERT W. DANIEL, JR., Mr. DUNCAN, Mr. TAYLOR, Mr. PAUL, Mr. SOLOMON, Mr. YOUNG of Alaska, Mr. MARLENEE, Mr. HANCE, Mr. HUTTO, Mr. BAILEY of Missouri, Mr. LOTT, Mr. PETRI, Mr. GINGRICH, Mr. GIBBONS, Mr. JEFFRIES, Mr. GRAMM, Mr. ASHBROOK, Mr. HENDON, Mr. WATKINS, Mr. EDWARDS of Oklahoma, Mr. CLINGER, Mr. YATRON, Mr. DANIEL B. CRANE, Mr. FIELDS, Mr. HARTNETT, Mr. DICKINSON, Mr. EVANS of Georgia, Mr. BARNARD, Mrs. HOLT, Mr. CHAPPIE, Mr. BAFALIS, Mr. ATKINSON, Mr. SHUMWAY, Mr. COLLINS of Texas, Mr. HUBBARD, Mr. WHITLEY, Mr. CORCORAN, Mr. GOLDWATER, Mr. WHITAKER, Mr. CRAIG, Mr. ENGLISH, Mr. MCCURDY, Mr. DAVIS, Mr. MYERS, Mr. CHENEY, Mr. PATMAN, Mr. RAHALL, Mr. ALBOSTA, Mr. EMERSON, Mr. BEVILL, Mr. MILLER of Ohio, Mr. CHAPPELL, Mr. BENEDICT, Mr. SMITH of Oregon, Mr. MITCHELL of New York, Mr. NELLIGAN, Mr. DYSON, Mr. LEBOUTILLIER, Mr. TRAXLER, Mr. GILMAN, and Mr. SHUSTER):

H.R. 3300. A bill to protect firearms' owners constitutional rights, civil liberties, and right to privacy; to the Committee on the Judiciary.

By Mr. BOWEN (for himself, Mr. DE LA GARZA, Mr. STANGELAND, Mr. HUCKABY, Mr. COELHO, Mr. ANTHONY, Mr. STENHOLM, Mr. HATCHER, Mr. JONES of Tennessee, Mr. WHITLEY, Mr. MORRISON, Mr. FUQUA, Mr.

BREAUX, Mr. LONG of Louisiana, Mr. TRAXLER, Mrs. BOGGS, Mr. AKAKA, Mr. HEFTEL, Mr. PANETTA, Mr. MICA, Mr. ALBOSTA, Mr. FAZIO, Mr. TAUZIN, Mr. ROEMER, Mr. DORGAN of North Dakota, Mr. BAFALIS, Mrs. SMITH of Nebraska, Mr. MOORE, Mr. LIVINGSTON, Mr. MCCOLLUM):

H.R. 3301. A bill to establish a loan program for the purpose of maintaining a viable domestic sugar-producing industry and assuring adequate supplies of sugar at stable prices for consumers and users; to the Committee on Agriculture.

By Mr. BROYHILL:

H.R. 3302. A bill to provide for revision of the military retired or retainer pay of certain retired members of the Armed Forces who were called or ordered to active duty between October 1, 1963, and October 1, 1971; to the Committee on Armed Services.

By Mr. DANIEL B. CRANE:

H.R. 3303. A bill to amend title 18 of the United States Code to provide penalties for criminal killings of and assaults against civil Federal officers and employees; to the Committee on the Judiciary.

By Mr. PHILIP M. CRANE:

H.R. 3304. A bill to repeal title V of the Motor Vehicle Information and Cost Savings Act pertaining to fuel economy standards for automobiles; to the Committee on Energy and Commerce.

By Mr. GRAMM (for himself, Mr. CORCORAN, Mr. BROYHILL, Mr. WHITTAKER, Mr. RITTER, Mr. DANNEMEYER, Mr. TAUKE, and Mr. MADIGAN):

H.R. 3305. A bill to remove artificial impediments on the use of natural gas; to the Committee on Energy and Commerce.

By Mr. HOLLAND (for himself, Mr. SPENCE, Mr. DERRICK, Mr. CAMPBELL, Mr. HARTNETT, and Mr. NAPIER):

H.R. 3306. A bill to encourage corporations to donate certain historical film to educational organizations by increasing the limit on the charitable contribution deduction of such corporations; to the Committee on Ways and Means.

By Mr. LEATH of Texas:

H.R. 3307. A bill to amend title 38, United States Code, to establish a minimum number of hospital and nursing home beds in medical facilities of the Veterans' Administration; to the Committee on Veterans Affairs.

By Mr. LEWIS:

H.R. 3308. A bill to amend the Argicultural Adjustment Act of 1938 and the Agricultural Act of 1949 to terminate marketing quota and price support programs applicable to peanuts; to the Committee on Agriculture.

By Mr. ROBERTS of Kansas (for himself and Mr. GLICKMAN):

H.R. 3309. A bill to provide for the establishment of a National Argicultural Cost of Production Standards Review Board; to the Committee on Agriculture.

By Mr. ROE:

H.R. 3310. A bill to establish a National Foreign Investment Control Commission to prohibit or restrict foreign ownership control or management control, through direct purchase, in whole or part; from acquiring securities of certain domestic issuers of securities; from acquiring certain domestic issuers of securities, by merger, tender offer, or any other means; control of certain domestic corporations or industries, real estate, or other natural resources deemed to be vital to the economic security and national defense of the United States; to the Committee on Energy and Commerce.

H.R. 3311. A bill to create a Joint Congressional Committee on Foreign Investment Control in the United States; to the Committee on Rules.

By Mr. SMITH of Alabama:

H.R. 3312. A bill to amend section 1751 of title 18 of the United States Code to provide a mandatory death penalty for the assassination or attempted assassination of the President, and for other purposes; to the Committee on the Judiciary.

By Mr. UDALL (for himself and Mr. LUJAN):

H.R. 3313. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WHITEHURST:

H.R. 3314. A bill to provide for payments in lieu of taxes to be made by the United States to local governments for property exempt from property taxation under Federal law which is located within the jurisdiction of the local government and owned by the United States, a foreign government, or an international organization; to the Committee on Government Operations.

By Mr. MARTIN of North Carolina:

H. Con. Res. 120. Concurrent resolution commemorating the American Red Cross upon its centennial; to the Committee on Foreign Affairs.

By Mr. PORTER:

H. Con. Res. 121. Concurrent resolution recommending certain actions to be taken to further compliance with the provisions of the Helsinki Final Act of the Conference on Security and Cooperation in Europe, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ROE:

H. Res. 132. Resolution designating May 3 as "Polish Constitution Day"; to the Committee on Post Office and Civil Service.

By Mr. SOLARZ:

H. Res. 133. Resolution expressing the sense of the House of Representatives that the lifting of martial law in the Philippines is a positive development and that this step should be followed by further progress toward the restoration of democracy in that nation; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. RAHALL:

H.R. 3315. A bill for the relief of Mountaha Bou-Assali Saad; to the Committee on the Judiciary.

By Mr. SHUMWAY:

H.R. 3316. A bill for the relief of Arthur R. Grimm; to the Committee on the Judiciary.

By Mr. VOLKMER:

H.R. 3317. A bill for the relief of Richard Joseph Mottard; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 484: Mr. ROSE.

H.R. 911: Mr. ANTHONY and Mr. DAVIS.

H.R. 1005: Mr. ROBERTS of South Dakota and Mr. WALGREN.

H.R. 1445: Mr. DERWINSKI.

H.R. 1539: Mr. WHITEHURST, Mr. SAWYER, Mrs. HOLT, Mr. LAGOMARSINO, Mr. WEBER of Minnesota, Mr. WINN, Mr. BAFALIS, Mr. KRAMER, Mr. HYDE, Mr. FORSYTHE, Mr. ROBERTS of South Dakota, Mr. D'AMOURS, Mr. PORTER, Mr. ERTEL, Mr. BADHAM, Mr. HORTON, Mr. STENHOLM, Mr. LOTT, Mr. DAVIS, Mr. FISH, Mrs. ROUKEMA, Mr. JEFFRIES, Mr. ROUSSELOT, Mr. WYLIE, Mr. DUNN, Mr. JAMES K. COYNE, Mr. BEARD, Mr. RITTER, Mr. HUGHES, Mr. DE LA GARZA, Mr. FRANK, Mr. PEPPER, Mr. JOHNSTON, Mr. GREGG, Mr. DUNCAN, Mr. TRIBLE, Mr. EVANS of Delaware, Mrs. HECKLER, Mr. PHILIP M. CRANE, Mr. CARMAN, Mr. NEAL, Mr. BARNARD, Mr. GINGRICH, Mr. BEREUTER, Mr. SHANNON, Mr. MATSUI, and Mr. DANNEMEYER.

H.R. 1723: Mr. SIMON.

H.R. 1765: Mr. TAUKE.

H.R. 1964: Mr. SENSENBRENNER and Mr. GOODLING.

H.R. 2036: Mr. FRENZEL, Mr. GOLDWATER, Mr. UDALL, Mr. IRELAND, Mr. STARK, Mr. ROBERT W. DANIEL, JR., Mr. DIXON, Mr. AUCOIN, Mr. SMITH of Oregon, Mr. WALGREN, Mr. MOAKLEY, Mr. FORD of Tennessee, Mr. DORNAN of California, and Mr. DREIER.

H.R. 2039: Mr. BONER of Tennessee.

H.R. 2069: Mr. EVANS of Georgia, Mr. DOUGHERTY, Mr. MILLER of Ohio, Mr. ENGLISH, Mr. WHITEHURST, Mr. BURGENER, Mr. BENNETT, Mr. EVANS of Indiana, Mr. KOGOVSEK, Mr. WEBER of Minnesota, Mr. COLLINS of Texas, Mr. BLANCHARD, Mr. LEBOUTILLIER, Mr. KEMP, and Ms. MIKULSKI.

H.R. 2172: Mr. CLINGER.

H.R. 2173: Mr. HEFTEL, Mr. JENKINS, and Mr. DUNCAN.

H.R. 2232: Mr. MITCHELL of Maryland and Mr. SABO.

H.R. 2262: Mr. WILLIAMS of Montana.

H.R. 2315: Mr. GINN, Mr. SOLARZ, and Mr. DORNAN of California.

H.R. 2512: Mr. EDGAR, Mr. WALKER, and Mr. WALGREN.

H.R. 2588: Mr. SCHEUER, Mr. MURPHY, Mr. CONYERS, Mr. BARNES, Ms. MIKULSKI, Mr. FRANK, Mr. EDWARDS of California, Mr. FARY, Mr. FAZIO, Mr. PEPPER, Mr. FITHIAN, Mr. STOKES, Mr. WYDEN, Mr. MITCHELL of Maryland, Mr. WOLPE, Mr. BRODHEAD, Mr. DORNAN of California, Mr. BENJAMIN, and Mr. BEDELL.

H.R. 2934: Mr. BEARD, Mr. DUNCAN, Mr. COLLINS of Texas, Mr. GILMAN, Mr. JAMES K. COYNE, Mr. DE LA GARZA, Mr. FORSYTHE, Mr. WINN, Mr. LAGOMARSINO, Mr. NAPIER, Mrs. HOLT, Mrs. FENWICK, Mr. MITCHELL of Maryland, Mr. COATS, Mr. ROBERT W. DANIEL, JR., Mr. EVANS of Georgia, Mr. LEBOUTILLIER, Mr. HORTON, Mr. JOHNSTON, Mr. CORRADA, Mr. WHITEHURST, Mr. RAHALL, Mr. SANTINI, and Mr. BURGENER.

H.R. 2963: Mr. HERTEL, Mr. DERWINSKI, Mr. BEDELL, Mr. LUJAN, Mr. EDGAR, Mr. KILDEE, Mr. CORRADA, Mr. NEAL, Mr. GEJDENSON, Mr. WILLIAMS of Montana, Mr. FRANK, Mr. FRENZEL, Mr. DASCHLE, Mr. VENTO, and Mr. HAMILTON.

H.R. 3067: Mr. FIELDS.

H.J. Res. 128: Mr. BEDELL, Mr. CLAY, Mr. COLEMAN, Mr. DUNN, Mr. ERTEL, Mr. EVANS of Delaware, Mr. FAZIO, Mr. FROST, Mr. LIVINGSTON, Mr. OBERSTAR, Mr. RAILSBACK, and Mr. LOEFFLER.

H.J. Res. 238: Mr. CLAUSEN, Mr. MURPHY, and Mr. KILDEE.

H. Res. 100: Mr. BADHAM, Mr. BAFALIS, Mr. BENEDICT, Mr. BEREUTER, Mr. BLILEY, Mr. BROWN of Colorado, Mr. BROYHILL, Mr. BURGENER, Mr. BUTLER, Mr. CAMPBELL, Mr. CHENEY, Mr. COATS, Mr. COLLINS of Texas, Mr. CORCORAN, Mr. JAMES K. COYNE, Mr.

CRAIG, Mr. ROBERT W. DANIEL, JR., Mr. DANNEMEYER, Mr. DECKARD, Mr. DENARDIS, Mr. DERWINSKI, Mr. EMERSON, Mr. EMERY, Mr. ERDAHL, Mr. ERLENBORN, Mr. EVANS of Delaware, Mrs. FENWICK, Mr. FIELDS, Mr. FINDLEY, Mr. FORSYTHE, Mr. FRENZEL, Mr. GILMAN, Mr. GINGRICH, Mr. GRADISON, Mr. GREGG, Mr. GRISHAM, Mr. GUNDERSON, Mr. HANSEN of Utah, Mr. HARTNETT, Mr. HENDON, Mr. HILER, Mr. HORTON, Mr. JEFFRIES, Mr. JOHNSTON, Mr. LAGOMARSINO, Mr. LATTA, Mr. LEBOUTILLIER, Mr. LENT, Mr. LIVINGSTON, Mr. LOEFFLER, Mr. LOWERY of California, Mr. LUNGREN, Mr. MCCLORY, Mr. MCCLOSKEY, Mr. MCCOLLUM, Mr. MCDONALD, Mr. MCEWEN, Mr. MCGRATH, Mr. MCKINNEY, Mr. MADIGAN, Mr. MARTIN of New York, Mr. MARTIN of North Carolina, Mr. MICHEL, Mr. MILLER of Ohio, Mr. MOORE, Mr. MOORHEAD, Mr. O'BRIEN, Mr. PARRIS, Mr. PASHAYAN, Mr. PAUL, Mr. PRITCHARD, Mr. RAILSBACK, Mr. RINALDO, Mr. ROBERTS of Kansas, Mr. ROGERS, Mr. ROUSSELOT, Mr. SAWYER, Mr. SENSENBRENNER, Mr. SHAW, Mr. SKEEN, Mr. SMITH of Alabama, Mr. SMITH of New Jersey, Mr. SOLOMON, Mr. STANGELAND, Mr. STANTON of Ohio, Mr. STATON of West Virginia, Mr. TAUKE, Mr. TAYLOR, Mr. THOMAS, Mr. WALKER, Mr. WEBER of Ohio, Mr. WEBER of Minnesota, Mr. WHITEHURST, Mr. WINN, Mr. WOLF, Mr. YOUNG of Florida, Mr. BAILEY of Missouri, Mr. KEMP, Mrs. MARTIN of Illinois, and Mr. COURTER.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. CON. RES. 115

By Mr. DANNEMEYER:

(Amendment in the nature of a substitute.)

—Strike everything after the resolving clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1981

SEC. 101. The provisions of this title shall supersede the figures set forth in the first section and section 2 of H. Con. Res. 448 of the Ninety-sixth Congress for the fiscal year beginning on October 1, 1980.

SEC. 102. (a)(1) The recommended level of Federal revenues is $600,300,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $9,600,000,000.

(2) The appropriate level of total new budget authority is $710,100,000,000.

(3) The appropriate level of total budget outlays is $655,200,000,000.

(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $54,900,000,000.

(5) The appropriate level of the public debt is $997,100,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $9,400,000,000.

(6) The appropriate level of total gross obligations for the principal amount of direct loans is $71,200,000,000, the appropriate level of total new primary commitments to guarantee loan principal is $85,200,000,000 and the appropriate level of total new secondary commitments to guarantee loan principal is $66,200,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $180,700,000,000;

(B) Outlays, $162,100,000,000.

(2) International Affairs (150):

(A) New budget authority, $23,600,000,000;

(B) Outlays, $11,200,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,450,000,000;

(B) Outlays, $6,200,000,000.

(4) Energy (270):

(A) New budget authority, $5,700,000;

(B) Outlays, $9,200.000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,200,000,000;

(B) Outlays, $13,500,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,600,000,000;

(B) Outlays, $1,100,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $3,200,000,000.

(8) Transportation (400):

(A) New budget authority, $25,100,000,000;

(B) Outlays, $23,850,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,200,000,000;

(B) Outlays, $10,200,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $29,300,000,000;

(B) Outlays, $30,500,000,000.

(11) Health (550):

(A) New budget authority, $17,200,000,000;

(B) Outlays, $66,600,000,000.

(12) Income Security (600):

(A) New budget authority, $249,800,000,000;

(B) Outlays, $229,600,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $22,700,000,000;

(B) Outlays, $22,100,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,250,000,000;

(B) Outlays, $4,550,000,000.

(15) General Government (800):

(A) New budget authority, $5,100,000,000;

(B) Outlays, $4,900,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,200,000,000;

(B) Outlays, $6,800,000,000.

(17) Interest (900):

(A) New budget authority, $77,200,000,000;

(B) Outlays, $77,200,000,000.

(18) Allowances (920):

(A) New budget authority, $1,300,000,000;

(B) Outlays, $1,300,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, $29,300,000,000;

(B) Outlays, $29,300,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1982, 1983, AND 1984

SEC. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1981—

(1) the recommended level of Federal revenues is $650,300,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $51,300,000,000;

(2) the appropriate level of total new budget authority is $720,250,000,000;

(3) the appropriate level of total budget outlays is $643,750,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $6,550,000,000 and

(5) the appropriate level of the public debt is $1,029,850,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $35,750,000,000.

SEC. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $209,480,000,000;

(B) Outlays, $172,080,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,470,000,000;

(B) Outlays, $9,770,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,530,000,000;

(B) Outlays, $6,230,000,000.

(4) Energy (270):

(A) New budget authority, $4,780,000,000;

(B) Outlays, $4,430,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $6,240,000,000:

(B) Outlays, $10,340,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,030,000,000:

(B) Outlays, $3,930,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,230,000,000:

(B) Outlays, $2,130,000,000.

(8) Transportation (400):

(A) New budget authority, $18,080,000,000;

(B) Outlays, $17,430,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $6,170,000,000;

(B) Outlays, $7,020,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $22,740,000,000;

(B) Outlays, $23,890,000,000.

(11) Health (550):

(A) New budget authority, $79,420,000,000;

(B) Outlays, $69,420,000,000.

(12) Income Security (600):

(A) New budget authority, $250,600,000,000;

(B) Outlays, $230,150,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $23,720,000,000;

(B) Outlays, $23,070,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $3,760,000,000;

(B) Outlays, $3,960,000,000.

(15) General Government (800):

(A) New budget authority, $4,480,000,000;

(B) Outlays, $4,380,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,220,000,000;

(B) Outlays, $6,220,000,000.

(17) Interest (900):

(A) New budget authority, $80,050,000,000;
(B) Outlays, $80,050,000,000.
(18) Allowances (920):
(A) New budget authority, $1,300,000,000:
(B) Outlays, $800,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, −$32,050,000,000;
(B) Outlays, —$32,050,000,000.

SEC. 203. (a) There is established a congressional Federal credit budget for fiscal year 1982 of which the appropriate levels of total Federal credit activity for fiscal year 1982 are—

(1) new direct loan obligations, $55,600,000,000;
(2) new primary loan guarantee commitments, $78,500,000,000 and
(3) new secondary loan guarantee commitments, $64,750,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):
(A) New direct loan obligations, $000,000,000,000;
(B) New primary loan guarantee commitments, $50,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(2) International Affairs (150):
(A) New direct loan obligations, $8,230,000,000;
(B) New primary loan guarantee commitments, $8,343,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(3) General Science, Space and Technology (250):
(A) New direct loan obligations, $000,000,000,000;
(B) New primary loan guarantee commitments, $000,000,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(4) Energy (270):
(A) New direct loan obligations, $702,000,000,000;
(B) New primary loan guarantee commitments, $2,645,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(5) Natural Resources and Environment (300):
(A) New direct loan obligations, $24,000,000,000;
(B) New primary loan guarantee commitments, $000,000,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(6) Agriculture (350):
(A) New direct loan obligations, $7,528,000,000;
(B) New primary loan guarantee commitments, $2,431,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(7) Commerce and Housing Credit (370):
(A) New direct loan obligations, $12,650,000,000;
(B) New primary loan guarantee commitments, $35,733,000,000;
(C) New secondary loan guarantee commitments, $64,208,000,000.
(8) Transportaion (400):
(A) New direct loan obligations, $150,000,000;
(B) New primary loan guarantee commitments, $1,145,000,000;
(C) New secondary loan guarantee commitments, $34,000,000.
(9) Community and Regional Development (450):
(A) New direct loan obligations, $845,000,000;
(B) New primary loan guarantee commitments, $79,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New direct loan obligations, $900,000,000;
(B) New primary loan guarantee commitments, $5,200,000,000;
(C) New secondary loan guarantee commitments, $500,000,000.
(11) Health (550):
(A) New direct loan obligations, $93,000,000;
(B) New primary loan guarantee commitments, $100,000,000.
(C) New secondary loan guarantee commitments, $000,000,000,000.
(12) Income Security (600):
(A) New direct loan obligations, $300,000,000;
(B) New primary loan guarantee commitments, $14,792,000,000.
(C) New secondary loan guarantee commitments, $000,000,000,000.
(13) Veterans Benefits and Services (700):
(A) New direct loan obligations, $600,000,000;
(B) New primary loan guarantee commitments, $7,400,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(14) Administration of Justice (750):
(A) New direct loan obligations, $000,000,000,000.
(B) New primary loan guarantee commitments, $000,000,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(15) General Government (800):
(A) New direct loan obligations, $21,800,000,000;
(B) New primary loan guarantee commitments, $000,000,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New direct loan obligations, $145,000,000;
(B) New primary loan guarantee commitments, $750,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(17) Interest (900):
(A) New direct loan obligations, $000,000,000,000;
(B) New primary loan guarantee commitments, $000,000,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(18) Allowances (920):
(A) New direct loan obligations, $000,000,000,000;
(B) New primary loan guarantee commitments, $000,000,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New direct loan obligations, $000,000,000,000;
(B) New primary loan guarantee commitments, $000,000,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $22,700,000,000 the on-budget lending activity to a level not to exceed $32,900,000,000 new primary loan guarantee commitments to a level not to exceed $78,500,000,000 and new secondary loan guarantee commitments to a level not to exceed $64,750,000,000.

SEC. 204. The Congress sets forth the following budgetary levels for fiscal years 1983 and 1984—

(1) the recommended level of Federal revenues is as follows:
Fiscal year 1983: $709,100,000,000;
Fiscal year 1984: $770,700,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:
Fiscal year 1983: $000,000,000,000;
Fiscal year 1984: $000,000,000,000;

(2) the appropriate level of total new budget authority is as follows:
Fiscal year 1983: $788,600,000,000;
Fiscal year 1984: $848,400,000,000;

(3) the appropriate level of total budget outlays is as follows:
Fiscal year 1983: $700,100,000,000;
Fiscal year 1984: $762,450,000,000;

(4) the amount of the surplus or deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:
Fiscal year 1983: $000,000,000, 000;
Fiscal year 1984: +$8,250,000,000;

(5) the appropriate level of the public debt is as follows:
Fiscal year 1983: $1,062,450,000,000;
Fiscal year 1984: $1,080,800,000,000:

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:
Fiscal year 1983: $2,450,000,000:
Fiscal year 1984: $14,050,000,000.

SEC. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1983 and 1984 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1983:
(A) New budget authority, $242,880,000,000;
(B) Outlays, $209,280,000,000.
Fiscal year 1984:
(A) New budget authority, $278,080,000,000;
(B) Outlays, $238,830,000,000.
(2) International Affairs (150):
Fiscal year 1983:
(A) New budget authority, $16,320,000,000;
(B) Outlays, $10,420,000,000.
Fiscal year 1984:
(A) New budget authority, $14,870,000,000;
(B) Outlays, $10,820,000,000.
(3) General science, Space, and Technology (250):
Fiscal year 1983:
(A) New budget authority, $6,980,000,000;
(B) Outlays, $6,680,000,000.
Fiscal year 1984:
(A) New budget authority, $6,480,000,000;
(B) Outlays, $6,530,000,000.
(4) Energy (270):
Fiscal year 1983:
(A) New budget authority, $4,880,000,000;
(B) Outlays, $4,980,000,000.
Fiscal year 1984:
(A) New budget authority, $3,780,000,000;

(B) Outlays, $3,530,000,000.
(5) Natural Resources and Environment (300):
Fiscal year 1983:
(A) New budget authority, $8,940,000,000;
(B) Outlays, $9,390,000,000.
Fiscal year 1984:
(A) New budget authority, $8,690,000,000;
(B) Outlays, $8,140,000,000.
(6) Agriculture (350):
Fiscal year 1983:
(A) New budget authority, $5,230,000,000:
(B) Outlays, $3,380,000,000.
Fiscal year 1984:
(A) New budget authority, $4,080,000,000;
(B) Outlays, $3,480,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1983:
(A) New budget authority, $4,430,000,000;
(B) Outlays, $2,380,000,000.
Fiscal year 1984:
(A) New budget authority, $4,830,000,000;
(B) Outlays, $2,080,000,000.
(8) Transportation (400):
Fiscal year 1983:
(A) New budget authority, $18,680,000,000;
(B) Outlays, $17,880,000,000.
Fiscal year 1984:
(A) New budget authority, $18,830,000,000;
(B) Outlays, $18,480,000,000.
(9) Community and Regional Development (450):
Fiscal year 1983:
(A) New budget authority, $6,420,000,000;
(B) Outlays, $6,470,000,000.
Fiscal year 1984:
(A) New budget authority, $6,370,000,000;
(B) Outlays, $6,320,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1983:
(A) New budget authority, $22,890,000,000;
(B) Outlays, $22,790,000,000.
Fiscal year 1984:
(A) New budget authority, $22,890,000,000;
(B) Outlays, $22,090,000,000.
(11) Health (550):
Fiscal year 1983:
(A) New budget authority, $86,920,000,000;
(B) Outlays, $77,570,000,000.
Fiscal year 1984:
(A) New budget authority, $95,020,000,000;
(B) Outlays, $86,270,000,000.
(12) Income Security (600):
Fiscal year 1983:
(A) New budget authority, $272,950,000,000;
(B) Outlays, $249,000,000,000.
Fiscal year 1984:
(A) New budget authority $292,350,000,000;
(B) Outlays, $266,050,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1983:
(A) New budget authority, $25,170,000,000;
(B) Outlays, $24,270,000,000.
Fiscal year 1984:
(A) New budget authority, $26,770,000,000;
(B) Outlays, $25,470,000,000.
(14) Administration of Justice (750):
Fiscal year 1983:
(A) New budget authority, $3,710,000,000;
(B) Outlays, $3,710,000,000.
Fiscal year 1984:
(A) New budget authority, $3,710,000,000;
(B) Outlays, $3,660,000,000.
(15) General Government (800):
Fiscal year 1983:
(A) New budget authority, $4,380,000,000;
(B) Outlays, $3,980,000,000.
Fiscal year 1984:
(A) New budget authority, $4,430,000,000;
(B) Outlays, $4,230,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1983:
(A) New budget authority, $6,520,000,000;
(B) Outlays, $6,520,000,000.
Fiscal year 1984:
(A) New budget authority, $6,620,000,000;
(B) Outlays, $6,470,000,000.
(17) Interest (900):
Fiscal year 1983:
(A) New budget authority, $82,200,000,000;
(B) Outlays, $82,200,000,000.
Fiscal year 1984:
(A) New budget authority, $82,400,000,000;
(B) Outlays, $82,400,000,000.
(18) Allowances (920):
Fiscal year 1983:
(A) New budget authority, $3,650,000,000;
(B) Outlays, $3,050,000,000.
Fiscal year 1984:
(A) New budget authority, $5,600,000,000;
(B) Outlays, $5,000,000,000.
(19) Undistributed Offsetting Receipts (950):
Fiscal year 1983:
(A) New budget authority, −$34,850,000,000;
(B) Outlays, −$34,850,000,000.
Fiscal year 1984:
(A) New budget authority, −$37,400,000,000;
(B) Outlays, −$37,400,000,000.

SEC. 206. The question of indexing is a central part of developing Federal fiscal policy. About half the Federal budget is subject to indexing either explicity or implicitly. Because of the importance of the indexing question and its implication for the process of Federal budgeting, it is the sense of the Congress that the leadership of both parties should form a bipartisan effort to make a recommendation on indexing reform to be implemented no later than fiscal year 1983.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act—

(1) the House Committee on Agriculture shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $6,735,000,000 in budget authority and $7,153,000,000 in outlays, to reduce spending for the fiscal year 1983 by $7,771,000,000 in budget authority and $7,583,000,000 in outlays, and to reduce spending for fiscal year 1984 by $8,398,000,000 in budget authority and $8,302,000,000 in outlays;

(2) the House Committee on Armed Services shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $17,740,000,000 in budget authority and $17,738,000,000 in outlays, to reduce spending for the fiscal year 1983 by $17,670,000,000 in budget authority and $17,670,000,000 in outlays and to reduce spending for fiscal year 1984 by $17,283,000,000 in budget authority and $17,283,000,000 in outlays;

(3) the House Committee on Education and Labor shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $12,251,000,000 in budget authority and $10,323,000,000 in outlays, to reduce spending for the fiscal year 1983 by $14,581,000,000 in budget authority and $13,365,000,000 in outlays, and to reduce spending for fiscal year 1984 by $17,974,000,000 in budget authority and $16,327,000,000 in outlays;

(4) the House Committee on Energy and Commerce shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $14,761,000,000 in budget authority and $14,806,000,000 in outlays, to reduce spending for the fiscal year 1983 by $15,335,000,000 in budget authority and $15,564,000,000 in outlays, and to reduce spending for fiscal year 1984 by $14,642,000,000 in budget authority and $16,338,000,000 in outlays;

(5) the House Committee on Foreign Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $1,709,000,000 in outlays, to reduce spending for the fiscal year 1983 by $1,775,000,000 in outlays, and to reduce spending for fiscal year 1984 by $1,939,000,000 in outlays;

(6) the House Committee on Government Operations shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $152,000,000 in budget authority and $152,000,000 in outlays, to reduce spending for the fiscal year 1983 by $152,000,000 in budget authority and $152,000,000 in outlays, and to reduce spending for fiscal year 1984 by $152,000,000 in budget authority and $152,000,000 in outlays;

(7) the House Committee on Interior and Insular Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $1,184,000,000 in budget authority and $738,000,000 in outlays, to reduce spending for the fiscal year 1983 by $1,165,000,000 in budget authority and $993,000,000 in outlays, and to reduce spending for fiscal year 1984 by $1,143,000,000 in budget authority and $1,023,000,000 in outlays;

(8) the House Committee on Merchant Marine and Fisheries shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $953,000,000 in budget authority and $821,000,000 in outlays, to reduce spending for the fiscal year 1983 by $1,102,000,000 in budget authority and $1,074,000,000 in outlays, and to reduce spending for fiscal year 1984 by $1,276,000,000 in budget authority and $1,265,000,000 in outlays;

(9) the House Committee on Post Office and Civil Service shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $5,498,000,000 in budget authority and $5,924,000,000 in outlays, to reduce spending for the fiscal year 1983 by $7,065,000,000 in budget authority and $7,499,000,000 in outlays, and to reduce spending for fiscal year 1984 by $8,151,000,000 in budget authority and $8,489,000,000 in outlays;

(10) the House Committee on Public Works and Transportation shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $9,350,000,000 in budget authority and $4,122,000,000 in outlays, to reduce spending for the fiscal year 1983 by $6,501,000,000 in outlays, and to reduce spending for fiscal year 1984 by $8,650,000,000 in outlays;

(11) the House Committee on Science and Technology shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $760,000,000 in budget authority and $721,000,000 in outlays, to reduce spending for the fiscal year 1983 by $772,000,000 in budget authority and $741,000,000 in outlays, and to reduce spending for fiscal year 1984 by $784,000,000 in budget authority and $765,000,000 in outlays;

(12) the House Committee on Small Business shall recommend program changes in

laws within its jurisdiction to reduce spending for fiscal year 1982 by $591,000,000 in budget authority and $455,000,000 in outlays, to reduce spending for the fiscal year 1983 by $629,000,000 in budget authority and $606,000,000 in outlays, and to reduce spending for fiscal year 1984 by $619,000,000 in budget authority and $598,000,000 in outlays;

(13) the House Committee on Veterans' Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $971,000,000 in budget authority and $932,000,000 in outlays, to reduce spending for the fiscal year 1983 by $950,000,000 in budget authority and $957,000,000 in outlays, and to reduce spending for fiscal year 1984 by $1,071,000,000 in budget authority and $1,069,000,000 in outlays;

(14) the House Committee on Ways and Means shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $8,422,000,000 in budget authority and $11,325,000,000 in outlays, to reduce spending for the fiscal year 1983 by $10,425,000,000 in budget authority and $16,225,000,000 in outlays, and to reduce spending for fiscal year 1984 by $10,641,000,000 in budget authority and $16,960,000,000 in outlays.

SEC. 302. Pursuant to section 301(b)(2) of the Budget Act—

(1) the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $6,735,000,000 in budget authority and $7,153,000,000 in outlays, to reduce spending for the fiscal year 1983 by $7,771,000,000 in budget authority and $7,583,000,000 in outlays, and to reduce spending for fiscal year 1984 by $8,398,000,000 in budget authority and $8,302,000,000 in outlays;

(2) the Senate Committee on Armed Services shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $17,740,000,000 in budget authority and $17,738,000,000 in outlays, to reduce spending for the fiscal year 1983 by $17,670,000,000 in budget authority and $17,670,000,000 in outlays, and to reduce spending for fiscal year 1984 by $17,283,000,000 in budget authority and $17,283,000,000 in outlays;

(3) the Senate Committee on Energy and Natural Resources shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $7,836,000,000 in budget authority and $7,526,000,000 in outlays, to reduce spending for the fiscal year 1983 by $7,782,000,000 in budget authority and $7,750,000,000 in outlays, and to reduce spending for fiscal year 1984 by $7,782,000,000 in budget authority and $7,750,000,000 in outlays;

(4) the Senate Committee on Finance shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $14,450,000,000 in budget authority and $19,466,000,000 in outlays, to reduce spending for the fiscal year 1983 by $14,608,000,000 in budget authority and $21,002,000,000 in outlays, and to reduce spending for fiscal year 1984 by $14,608,000,000 in budget authority and $21,002,000,000 in outlays;

(5) the Senate Committee on Foreign Relations shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $2,458,000,000 in outlays, to reduce spending for the fiscal year 1983 by $1,709,000,000 in outlays, and to reduce spending for fiscal year 1984 by $1,939,000,000 in outlays;

(6) the Senate Committee on Governmental Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $6,074,000,000 in budget authority and $5,988,000,000 in outlays, to reduce spending for the fiscal year 1983 by $7,559,000,000 in budget authority and $7,587,000,000 in outlays, and to reduce spending for fiscal year 1984 by $7,559,000,000 in budget authority and $7,587,000,000 in outlays;

(7) the Senate Committee on Labor and Human Resources shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $13,922,000,000 in budget authority and $11,511,000,000 in outlays, to reduce spending for the fiscal year 1983 by $16,925,000,000 in budget authority and $15,369,000,000 in outlays, and to reduce spending for fiscal year 1984 by $16,925,000,000 in budget authority and $15,369,000,000 in outlays;

(8) the Senate Committee on Public Works and Environment shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $6,808,000,000 in budget authority and $2,666,000,000 in outlays, to reduce spending for the fiscal year 1983 by $4,460,000,000 in outlays, and to reduce spending for fiscal year 1984 by $4,460,000,000 in outlays;

(9) the Senate Committee on Small Business shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $591,000,000 in budget authority and $455,000,000 in outlays, to reduce spending for the fiscal year 1983 by $629,000,000 in budget authority and $606,000,000 in outlays, and to reduce spending for fiscal year 1984 by $619,000,000 in budget authority and $598,000,000 in outlays;

(10) the Senate Committee on Veterans' Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $971,000,000 in budget authority and $932,000,000 in outlays, to reduce spending for the fiscal year 1983 by $950,000,000 in budget authority and $957,000,000 in outlays, and to reduce spending for fiscal year 1984 by $1,071,000,000 in budget authority and $1,069,000,000 in outlays;

Sec. 303. Not later than June 15, 1981, the committees named in sections 301 and 302 shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by such sections. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

PART B—ENFORCEMENT MEASURES

SEC. 311. (a) No bill or resolution providing—

(1) new budget authority for fiscal year 1982, or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1982—

which exceeds the appropriate allocation or subdivision made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act, and on any reconciliation legislation required by such resolution.

(b) Subsection (a) shall not apply to bills and resolutions for which a conference report has been filed in either House prior to final adoption by both Houses of this resolution.

PART C—IMPROVED ADMINISTRATIVE PROCEDURES

SEC. 321. Whereas the results of surveys of the Offices of the Inspectors General and hearings with the Comptroller General of the United States and the Inspectors General of the Cabinet departments indicate mismanagement, indifference, and occasional abuse of public trust in the financial administration of Federal programs; whereas the General Accounting Office indicates that, with improved management in the executive branch, and in some cases, the enactment of legislation needed to provide stronger administrative procedures, net savings from the President's budget of $4,850,000,000 are achievable for fiscal year 1982 and additional savings of $6,150,000,000 are achievable for fiscal years 1983 and 1984, it is the sense of the Congress, that the newly created Council on Integrity and Efficiency should prepare comprehensive, long-term plans encompassing at a minimum debt collection, procurement procedures, resolution of audit findings, and the other areas of possible budget savings through improved administrative procedures covered by the General Accounting Office report to the House Committee on the Budget, and that necessary legislation to implement these plans be submitted to Congress no later than June 1, 1981.

By Mr. FAUNTROY:

(Amendment in the nature of a substitute.)

—Strike all after the resolving clause and insert in lieu thereof the following:

That the provisions of section 2 of this resolution shall supersede the amounts set forth in House Concurrent Resolution 448 of the Ninety-sixth Congress for the fiscal year beginning on October 1, 1980.

SEC. 2. (a)(1) The recommended level of Federal revenues is $609,200,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $4,100,000,000.

(2) The appropriate level of total new budget authority is $725,000,000,000.

(3) The appropriate level of total budget outlays is $662,300,000,000.

(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $53,200,000,000.

(5) The appropriate level of the public debt is $994,100,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $9,100,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section, the Congress hereby determines and declares pursuant to section 304 of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1980, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $175,800,000,000;

(B) Outlays, $161,000,000,000.

(2) International Affairs (150):

(A) New budget authority, $24,000,000,000;

(B) Outlays, $11,400,000,000.

(3) General Science, Space, and Technology (250):
(A) New budget authority, $6,500,000;
(B) Outlays, $6,200,000,000.
(4) Energy (270):
(A) New budget authority, $7,100,000,000;
(B) Outlays, $10,400,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,200,000,000;
(B) Outlays, $13,800,000,000.
(6) Agriculture (350):
(A) New budget authority, $5,600,000,000;
(B) Outlays, $1,300,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $7,300,000,000;
(B) Outlays, $3,800,000,000.
(8) Transportation (400):
(A) New budget authority, $25,900,000,000;
(B) Outlays, $24,100,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $9,500,000,000;
(B) Outlays, $11,700,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $32,600,000,000;
(B) Outlays, $32,000,000,000.
(11) Health (550):
(A) New budget authority, $72,200,000,000;
(B) Outlays, $69,000,000,000.
(12) Income Security (600):
(A) New budget authority, $255,800,000,000;
(B) Outlays, $230,500,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $23,000,000,000;
(B) Outlays, $22,400,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,800,000,000.
(15) General Government (800):
(A) New budget authority, $5,400,000,000;
(B) Outlays, $5,100,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,200,000,000;
(B) Outlays, $6,800,000,000.
(17) Interest (900):
(A) New budget authority, $77,200,000,000;
(B) Outlays, $77,200,000,000.
(18) Allowances (920):
(A) New budget authority, $000,000,000;
(B) Outlays, $000,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, −$29,300,000,000;
(B) Outlays, −$29,300,000,000.

SEC. 3. (a) The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1981—

(1) the recommended level of Federal revenues is $717,700,000,000;

(2) the appropriate level of total new budget authority is $777,900,000,000;

(3) the appropriate level of total budget outlays is $709,850,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $7,850,000,000; and

(5) the appropriate level of the public debt is $1,060,000,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $65,900,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a), the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $196,900,000,000;
(B) Outlays, $186,600,000,000.
(2) International Affairs (150):
(A) New budget authority, $16,850,000,000;
(B) Outlays, $10,700,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $7,300,000,000;
(B) Outlays, $6,900,000,000.
(4) Energy (270):
(A) New budget authority, $5,400,000,000;
(B) Outlays, $6,000,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $10,250,000,000;
(B) Outlays, $11,100,000,000.
(6) Agriculture (350):
(A) New budget authority, $5,300,000,000;
(B) Outlays, $5,150,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $11,700,000,000;
(B) Outlays, $4,800,000,000.
(8) Transportation (400):
(A) New budget authority, $20,350,000,000;
(B) Outlays, $18,850,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $8,250,000,000;
(B) Outlays, $10,450,000,000.
Education, Training, Employment and Social Services (500):
(A) New budget authority, $37,250,000,000;
(B) Outlays, $34,400,000,000.
(11) Health (550):
(A) New budget authority, $84,850,000,000;
(B) Outlays, $75,100,000,000.
(12) Income Security (600):
(A) New budget authority, $281,800,000,000;
(B) Outlays, $249,550,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $24,400,000,000;
(B) Outlays, $23,500,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,650,000,000;
(B) Outlays, $4,750,000,000.
(15) General Government (800):
(A) New budget authority, $5,000,000,000;
(B) Outlays, $4,900,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,400,000,000;
(B) Outlays, $6,450,000,000.
(17) Interest (900):
(A) New budget authority, $89,000,000,000;
(B) Outlays, $89,000,000,000.
(18) Allowances (920):
(A) New budget authority, $2,450,000,000;
(B) Outlays, $1,800,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, −$40,200,000,000;
(B) Outlays, −$40,200,000,000.

By Mr. FOUNTAIN:

—Page 6, line 8, strike out "$787,650,000,000" and insert in lieu thereof "$787,990,000,000".

Page 6, line 10, strike out "$714,550,000,000" and insert in lieu thereof "714,805,000,000".

Page 6, line 13, strike out "−$25,600,000,000" and insert in lieu thereof "−$25,855,000,000".

Page 8, line 25, strike out "$6,050,000,000" and insert in lieu thereof "$6,390,000,000".

Page 9, line 1, strike out "$6,150,000,000" and insert in lieu thereof "$6,405,000,000".

By Mr. FOWLER:

—Page 6 line 8, strike out "$787,650,000,000" and insert in lieu thereof "$787,643,000,000".

Page 6, line 10, strike out "$714,550,000,000" and insert in lieu thereof "$714,436,000,000".

Page 6, line 13, strike out "$25,600,000,000" and insert in lieu thereof "$25,486,000,000".

Page 7, line 10, strike out "$7,250,000,000" and insert in lieu thereof "$7,662,000,000".

Page 7, line 11, strike out "$7,050,000,000" and insert in lieu thereof "$7,363,000,000".

Page 7, line 13, strike out "$6,300,000,000" and insert in lieu thereof "$6,031,000,000".

Page 7, line 14, strike out "$6,850,000,000" and insert in lieu thereof $6,628,000,000".

Page 7, line 16, strike out "$8,050,000,000" and insert in lieu thereof "$7,900,000,000".

Page 7, line 17, strike out "$12,350,000,000" and insert in lieu thereof "$12,070,000,000".

Page 7, line 22, strike out "$7,250,000,000" and insert in lieu thereof "$7,100,000,000".

Page 7, line 23, strike out "$4,300,000,000" and insert in lieu thereof "$4,150,000,000".

Page 7, line 25, strike out "$21,350,000,000" and insert in lieu thereof "$21,250,000,000".

Page 8, line 1, strike out "$21,100,000,000" and insert in lieu thereof "$21,075,000,000".

Page 8, line 7, strike out "$28,150,000,000" and insert in lieu thereof "$28,400,000,000".

Page 8, line 8, strike out "$29,400,000,000" and insert in lieu thereof "$29,650,000,000".

Page 24, line 4, strike out "$2,020,000,000" and insert in lieu thereof "$1,770,000,000".

Page 24, line 5, strike out "$1,810,000,000" and insert in lieu thereof "$1,560,000,000".

Page 26, line 6, strike out "$5,430,000,000" and insert in lieu thereof "$5,580,000,000".

Page 26, line 7, strike out "$5,524,000,000" and insert in lieu thereof "$5,674,000,000".

Page 30, line 6, strike out "$5,770,000,000" and insert in lieu thereof "$5,920,000,000".

Page 30, line 7, strike out "$5,779,000,000" and insert in lieu thereof "$5,929,000,000".

Page 30, line 15, strike out "$1,269,000,000" and insert in lieu thereof "$1,019,000,000".

Page 30, line 16, strike out "$989,000,000" and insert in lieu thereof "$739,000,000".

—Page 6, line 8, strike out "$787,650,000,000" and insert in lieu thereof "$787,600,000,000".

Page 6, line 10, strike out "$714,550,000,000" and insert in lieu thereof "$714,510,000,000".

Page 6, line 13, strike out "$25,600,000,000" and insert in lieu thereof "$25,560,000,000".

Page 7, line 23, strike out "$4,300,000,000" and insert in lieu thereof "$4,400,000,000".

Page 8, line 7, strike out "$28,150,000,000" and insert in lieu thereof "$29,750,000,000".

Page 8, line 8, strike out "$29,400,000,000" and insert in lieu thereof "$30,500,000,000".

Page 8, line 10, strike out "$84,650,000,000" and insert in lieu thereof "$82,950,000,000".

Page 8, line 11, strike out "$74,450,000,000" and insert in lieu thereof "$73,150,000,000".

Page 8, line 13, strike out "$278,400,000,000" and insert in lieu thereof "$278,450,000,000".

Page 8, line 14, strike out "$247,650,000,000" and insert in lieu thereof "$247,700,000,000".

Page 9, line 15, strike out "$56,850,000,000" and insert in lieu thereof "$58,950,000,000".

Page 11, line 10, strike out "$9,100,000,000" and insert in lieu thereof "$10,400,000,000".

Page 11, line 16, strike out "$12,650,000,000" and insert in lieu thereof "$13,300,000,000".

Page 12, line 4, strike out "$900,000,000" and insert in lieu thereof "$1,050,000,000".

Page 27, line 25, strike out "$2,885,000,000" and insert in lieu thereof "$4,135,000,000".

Page 28, line 1, strike out "$5,785,000,000" and insert in lieu thereof "$6,735,000,000".

Page 29, line 15, strike out "$3,385,000,000" and insert in lieu thereof "$4,635,000,000".

Page 29, line 16, strike out "$6,235,000,000" and insert in lieu thereof "$7,185,000,000".

(As amended by the Gramm-Latta substitute.)

—Page 6, line 8, strike out "$766,100,000,000" and insert in lieu thereof "$766,091,000,000".

Page 6, line 10, strike out "$689,200,000,000" and insert in lieu thereof "$689,181,000.000".

Page 6, line 13, strike out "$38,900,000,000" and insert in lieu thereof "$38,881,000,000".

Page 7, line 10, strike out "$7,200,000,000" and insert in lieu thereof "$7,510,000,000".

Page 7, line 11, strike out "$6,900,000,000" and insert in lieu thereof "$7,128,000,000".

Page 7, line 13, strike out "$4,500,000,000" and insert in lieu thereof "$4,231,000,000".

Page 7, line 14, strike out "$4,200,000,000" and insert in lieu thereof "$3,978,000,000".

Page 7, line 16, strike out "$7,900,000,000" and insert in lieu thereof "$7,550,000,000".

Page 7, line 17, strike out "$11,900,000,000" and insert in lieu thereof "$11,500,000,000".

Page 7, line 25, strike out "$20,200,000,000" and insert in lieu thereof "$20,100,000,000".

Page 8, line 1, strike out "$19,700,000,000" and insert in lieu thereof "$19,675,000,000".

Page 8, line 7, strike out "$24,600,000,000" and insert in lieu thereof "$25,000,000,000".

Page 8, line 8, strike out "$25,700,000,000" and insert in lieu thereof "$26,100,000,000".

—Page 6, line 8, strike out "$766,100,000,000" and insert in lieu thereof "$765,960,000,000".

Page 6, line 10, strike out "$689,200,000,000" and insert in lieu thereof "$689,195,000,000".

Page 6, line 13, strike out "$38,900,000,000" and insert in lieu thereof "$38,895,000,000".

Page 7, line 23, strike out "$3,100,000,000" and insert in lieu thereof "$3,150,000,000".

Page 8, line 7, strike out "$24,600,000,000" and insert in lieu thereof "$25,400,000,000".

Page 8, line 8, strike out "$25,700,000,000" and insert in lieu thereof "$26,400,000,000".

Page 8, line 10, strike out "$83,300,000,000" and insert in lieu thereof "$81,600,000,000".

Page 8, line 11, strike out "$73,300,000,000" and insert in lieu thereof "$72,000,000,000".

Page 8, line 13, strike out "$261,500,000,000" and insert in lieu thereof "$262,600,000,000".

Page 8, line 14, strike out "$241,200,000,000" and insert in lieu thereof "$242,000,000,000".

Page 8, line 25, strike out "$6,500,000,000" and insert in lieu thereof "$6,160,000,000".

Page 9, line 1, strike out "$6,400,000,000" and insert in lieu thereof "$6,145,000,000".

By Mr. HEFNER:

—Page 6, line 8, strike out "$787,650,000,000" and insert in lieu thereof the following: "$794,300,000,000";

Page 6, line 10, strike out "$714,550,000,000" and insert in lieu thereof the following: "$713,650,000,000";

Page 6, line 13, strike out "−$25,600,000,000" and insert in lieu thereof the following: "−$24,700,000,000";

Page 7, line 4, strike out "$219,600,000,000" and insert in lieu thereof the following: "$226,250,000,000";

Page 7, line 5, strike out "$189,750,000,000" and insert in lieu thereof the following: "$188,850,000,000";

Page 15, line 21, strike out "$865,550,000,000" and insert in lieu thereof the following: "$869,650,000,000";

Page 15, line 22, strike out "$923,250,000,000" and insert in lieu thereof the following: "$926,550,000,000";

Page 15, line 25, strike out "$779,500,000,000" and insert in lieu thereof the following: "$779,750,000,000";

Page 16, line 1, strike out "$839,050,000,000" and insert in lieu thereof the following: "$834,200,000,000";

Page 16, line 5, strike out "−$1,250,000,000" and insert in lieu thereof the following: "−$1,500,000,000";

Page 16, line 6, strike out "+$25,800,000,000" and insert in lieu thereof the following: "+$30,650,000,000";

Page 16, line 9, strike out "$1,094,850,000,000" and insert in lieu thereof the following: "$1,094,200,000,000";

Page 16, line 10, strike out "$1,096,650,000,000" and insert in lieu thereof the following: "$1,091,150,000,000";

Page 16, line 12, after "increase" insert "or decreased";

Page 16, line 14, strike out "$34,850,000,000" and insert in lieu thereof the following: "$35,100,000,000";

Page 16, line 15, strike out "$1,800,000,000" and insert in lieu thereof the following: "−$3,050,000,000";

Page 16, line 25, strike out "$255,550,000,000" and insert in lieu thereof the following: "$259,650,000,000";

Page 17, line 1, strike out "$225,800,000,000" and insert in lieu thereof the following: "$226,050,000,000";

Page 17, line 4, strike out "$291,550,000,000" and insert in lieu thereof the following: "$294,850,000,000"; and

Page 17, line 5, strike out "$260,450,000,000" and insert in lieu thereof the following: "$255,600,000,000".

By Mr. LATTA:

(An amendment in the nature of a substitute.)

—Concurrent resolution revising the congressional budget for the United States Government for the fiscal year 1981 and setting forth the congressional budget for the United States Government for the fiscal years 1982, 1983, and 1984

Resolved by the House of Representatives (the Senate concurring), That—

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1981

SEC. 101. The provisions of this title shall supersede the figures set forth in the first section and section 2 of House Concurrent Resolution 448 of the Ninety-sixth Congress for the fiscal year beginning on October 1, 1980.

SEC. 102. (a)(1) The recommended level of Federal revenues is $603,300,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $8,700,000,000.

(2) The appropriate level of total new budget authority is $719,050,000,000.

(3) The appropriate level of total budget outlays is $660,000,000,000.

(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is −$56,700,000,000.

(5) The appropriate level of the public debt is $994,100,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $9,100,000,000.

(6) The appropriate level of total gross obligations for the principal amount of direct loans is $73,500,000,000, the appropriate level of total new primary commitments to guarantee loan principal is $85,200,000,000, and the appropriate level of total new secondary commitments to guarantee loan principal is $66,200,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1980, the appropriate level of new budget authority and the estimated budget outlays for each functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $180,700,000,000.

(B) Outlays, $162,100,000,000.

(2) International Affairs (150):

(A) New budget authority, $23,600,000,000.

(B) Outlays, $11,250,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,450,000,000.

(B) Outlays, $6,200,000,000.

(4) Energy (270):

(A) New budget authority, $7,650,000,000.

(B) Outlays, $9,600,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,650,000,000.

(B) Outlays, $13,600,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,600,000,000.

(B) Outlays, $2,700,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $6,350,000,000.

(B) Outlays, $3,050,000,000.

(8) Transportation (400):

(A) New budget authority, $24,800,000,000.

(B) Outlays, $23,700,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,200,000,000.

(B) Outlays, $12,200,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $32,000,000,000.

(B) Outlays, $31,750,000,000.

(11) Health (550):

(A) New budget authority, $72,200,000,000.

(B) Outlays, $66,800,000,000.

(12) Income Security (600):

(A) New budget authority, $250,350,000,000.

(B) Outlays, $227,300,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $23,000,000,000.

(B) Outlays, $22,600,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,250,000,000.

(B) Outlays, $4,550,000,000.

(15) General Government (800):
(A) New budget authority, $5,150,000,000.
(B) Outlays, $4,900,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,200,000,000.
(B) Outlays, $6,800,000,000.
(17) Interest (900):
(A) New budget authority, $79,000,000,000.
(B) Outlays, $79,000,000,000.
(18) Allowances (920):
(A) New budget authority, $1,200,000,000.
(B) Outlays, $1,200,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, −$29,300,000,000.
(B) Outlays, −$29,300,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1982, 1983, AND 1984

SEC. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1981—

(1) the recommended level of Federal revenues is $657,800,000,000, and the net amount by which the aggregate level of Federal revenues should be decreased is $51,300,000,000.

(2) the appropriate level of total new budget authority is $764,550,000,000.

(3) the appropriate level of total budget outlays is $688,800,000,000.

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is −$31,000,000,000 and

(5) the appropriate level of the public debt is $1,060,000,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $65,900,000,000.

SEC. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $226,300,000,000.
(B) Outlays, $188,800,000,000.
(2) International Affairs (150):
(A) New budget authority, $17,900,000,000.
(B) Outlays, $11,200,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $7,200,000,000.
(B) Outlays, $6,900,000,000.
(4) Energy (270):
(A) New budget authority, $4,500,000,000.
(B) Outlays, $4,200,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $7,900,000,000.
(B) Outlays, $11,900,000,000.
(6) Agriculture (350):
(A) New budget authority, $5,500,000,000.
(B) Outlays, $4,400,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $7,100,000,000.
(B) Outlays, $3,100,000,000.
(8) Transportation (400):
(A) New budget authority, $20,200,000,000.
(B) Outlays, $19,700,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $7,400,000,000.
(B) Outlays, $8,100,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $24,600,000,000.
(B) Outlays, $25,700,000,000.
(11) Health (550):
(A) New budget authority, $83,300,000,000.
(B) Outlays, $73,300,000,000.
(12) Income Security (600):
(A) New budget authority, $261,500,000,000.
(B) Outlays, $241,200,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $24,800,000,000.
(B) Outlays, $24,050,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,200,000,000.
(B) Outlays, $4,400,000,000.
(15) General Government (800):
(A) New budget authority, $5,100,000,000.
(B) Outlays, $5,000,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,400,000,000.
(17) Interest (900):
(A) New budget authority, $81,750,000,000.
(B) Outlays, $81,750,000,000.
(18) Allowances (920):
(A) New budget authority, $800,000,000.
(B) Outlays, $700,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, −$32,000,000,000.
(B) Outlays, −$32,000,000,000.

SEC. 203. (a) There is established a Congressional federal credit budget for fiscal year 1982 of which the appropriate levels of total federal credit activity for the fiscal year 1982 are:

(1) New direct loan obligations: $55,970,000,000.
(2) New primary loan guarantee commitments: $78,620,000,000.
(3) New secondary loan guarantee commitments: $64,750,000,000.

(b) Based on the allocations of the appropriate levels of total federal credit as set forth in subsection (a), the appropriate levels of new direct loan obligations, new primary loan guarantee commitments and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):
(B) New direct loan obligations: $0.
(B) New primary loan guarantee commitments: $30,000,000.
(C) New secondary loan guarantee commitments: $0.
(2) International Affairs (150):
(A) New direct loan obligations: $8,230,000,000.
(B) New primary loan guarantee commitments: $8,340,000,000.
(C) New secondary loan guarantee commitments: $0.
(3) General Science, Space and Technology (250):
(A) New direct loan obligations: $0.
(B) New primary loan guarantee commitments: $0.
(C) New secondary loan guarantee commitments: $0.
(4) Energy (270):
(A) New direct loan obligations: $1,100,000,000.
(B) New primary loan guarantee commitments: $2,640,000,000.
(C) New secondary loan guarantee commitments: $0.
(5) Natural Resources and Environment (300):
(A) New direct loan obligations: $20,000,000.
(B) New primary loan guarantee commitments: $0.
(C) New secondary loan guarantee commitments: $0.
(6) Agriculture (350):
(A) New direct loan obligations: $7,530,000,000.
(B) New primary loan guarantee commitments: $2,430,000,000.
(C) New secondary loan guarantee commitments: $0.
(7) Commerce and Housing Credit (370):
(A) New direct loan obligations: $14,150,000,000.
(B) New primary loan guarantee commitments: $35,730,000,000.
(C) New secondary loan guarantee commitments: $64,200,000,000.
(8) Transportation (400):
(A) New direct loan obligations: $150,000,000.
(B) New primary loan guarantee commitments: $1,140,000,000.
(C) New secondary loan guarantee commitments: $50,000,000.
(9) Community and Regional Development (450):
(A) New direct loan obligations: $850,000,000.
(B) New primary loan guarantee commitments: $80,000,000.
(C) New secondary loan guarantee commitments: $0.
(10) Education, Training, Employment and Social Services (500):
(A) New direct loan obligations: $920,000,000.
(B) New primary loan guarantee commitments: $5,200,000,000.
(C) New secondary loan guarantee commitments: $500,000,000.
(11) Health (550):
(A) New direct loan obligations: $90,000,000.
(B) New primary loan guarantee commitments: $100,000,000.
(C) New secondary loan guarantee commitments: $0.
(12) Income Security (600):
(A) New direct loan obligations: $300,000,000.
(B) New primary loan guarantee commitments: $14,790,000,000.
(C) New secondary loan guarantee commitments: $0.
(13) Veterans Benefits and Services (700):
(A) New direct loan obligations: $650,000,000.
(B) New primary loan guarantee commitments: $7,380,000,000.
(C) New secondary loan guarantee commitments: $0.
(14) Administration of Justice (750):
(A) New direct loan obligations: $0.
(B) New primary loan guarantee commitments: $0.
(C) New secondary loan guarantee commitments: $0.
(15) General Government (800):
(A) New direct loan obligations: $21,840,000,000.
(B) New primary loan guarantee commitments: $0.
(C) New secondary loan guarantee commitments: $0.
(16) General Purpose Fiscal Assistance (850):
(A) New direct loan obligations: $140,000,000.

(B) New primary loan guarantee commitments: $760,000,000.
(C) New secondary loan guarantee commitments: $0.
(17) Interest (900):
(A) New direct loan obligations: $0.
(B) New primary loan guarantee commitments: $0.
(C) New secondary loan guarantee commitments: $0.
(18) Allowances (920):
(A) New direct loan obligations: $0.
(B) New primary loan guarantee commitments: $0.
(C) New secondary loan guarantee commitments: $0.
(19) Undistributed Offsetting Receipts (950):
(A) New direct loan obligations: $0.
(B) New primary loan guarantee commitments: $0.
(C) New secondary loan guarantee commitments: $0.

(c) It is the sense of Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $23,120,000,000; the on-budget lending activity to a level not to exceed $32,850,000,000; new primary loan guarantee commitments to a level not to exceed $78,620,000,000; and new secondary loan guarantee commitments to a level not to exceed $64,750,000,000.

SEC. 204. The Congress sets forth the following budgeting levels for fiscal years 1983 and 1984—

(1) the recommended level Federal revenues as follows:
Fiscal year 1983: $717,300,000,000;
Fiscal year 1984: $778,900,000,000;

and the amount by which the aggregate levels of Federal revenues should be decreased is as follows:
Fiscal year 1983: $97,000,000,000.
Fiscal year 1984: $144,800,000,000.

(2) the appropriate level of total new budget authority is as follows:
Fiscal year 1983: $811,050,000,000.
Fiscal year 1984: $856,350,000,000.

(3) the appropriate level of total budget outlays is as follows:
Fiscal year 1983: $731,850,000,000.
Fiscal year 1984: $770,300,000,000.

(4) the amount of the surplus or deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:
Fiscal year 1983: −$14,550,000,000;
Fiscal year 1984: +$8,600,000,000.

(5) the appropriate level of the public debt is as follows:
Fiscal year 1983: $1,094,850,000,000;
Fiscal year 1984: $1,096,650,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:
Fiscal year 1983: $34,850,000,000;
Fiscal year 1984: $1,800,000,000.

SEC. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1983 and 1984 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1983:
(A) New budget authority, $259,600,000,000.
(B) Outlays, $226,000,000,000.
Fiscal year 1984:
(A) New budget authority, $294,900,000,000.
(B) Outlays, $255,600,000,000.
(2) International Affairs (150):
Fiscal year 1983:
(A) New budget authority, $17,700,000,000.
(B) Outlays, $11,800,000,000.
Fiscal year 1984:
(A) New budget authority, $16,300,000,000.
(B) Outlays, $12,200,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1983:
(A) New budget authority, $7,700,000,000.
(B) Outlays, $7,300,000,000.
Fiscal year 1984:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $7,200,000,000.
(4) Energy (270):
Fiscal year 1983:
(A) New budget authority, $5,000,000,000.
(B) Outlays, $4,600,000,000.
Fiscal year 1984:
(A) New budget authority, $5,300,000,000.
(B) Outlays, $4,700,000,000.
(5) Natural Resources and Environment (300):
Fiscal year 1983:
(A) New budget authority, $10,600,000,000.
(B) Outlays, $11,000,000,000.
Fiscal year 1984:
(A) New budget authority, $10,300,000,000.
(B) Outlays, $9,700,000,000.
(6) Agriculture (350):
Fiscal year 1983:
(A) New budget authority, $5,700,000,000.
(B) Outlays, $3,900,000,000.
Fiscal year 1984:
(A) New budget authority, $4,600,000,000.
(B) Outlays, $4,000,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1983:
(A) New budget authority, $5,400,000,000.
(B) Outlays, $3,400,000,000.
Fiscal year 1984:
(A) New budget authority, $5,800,000,000.
(B) Outlays, $3,100,000,000.
(8) Transportation (400):
Fiscal year 1983:
(A) New budget authority, $21,200,000,000.
(B) Outlays, $20,300,000,000.
Fiscal year 1984:
(A) New budget authority, $21,300,000,000.
(B) Outlays, $21,000,000,000.
(9) Community and Regional Development (450):
Fiscal year 1983:
(A) New budget authority, $7,400,000,000.
(B) Outlays, $7,600,000,000.
Fiscal year 1984:
(A) New budget authority, $7,400,000,000.
(B) Outlays, $7,300,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1983:
(A) New budget authority, $24,800,000,000.
(B) Outlays, $24,700,000,000.
Fiscal year 1984:
(A) New budget authority, $24,800,000,000.
(B) Outlays, $24,000,000,000.
(11) Health (550):
Fiscal year 1983:
(A) New budget authority, $90,900,000,000.
(B) Outlays, $81,600,000,000.
Fiscal year 1984:
(A) New budget authority, $99,000,000,000.
(B) Outlays, $90,300,000,000.
(12) Income Security (600):
Fiscal year 1983:
(A) New budget authority, $284,200,000,000.
(B) Outlays, $260,100,000,000.
Fiscal year 1984:
(A) New budget authority, $303,500,000,000.
(B) Outlays, $277,100,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1983:
(A) New budget authority, $26,250,000,000.
(B) Outlays, $25,450,000,000.
Fiscal year 1984:
(A) New budget authority, $28,500,000,000.
(B) Outlays, $27,150,000,000.
(14) Administration of Justice (750):
Fiscal year 1983:
(A) New budget authority, $4,100,000,000.
(B) Outlays, $4,100,000,000.
Fiscal year 1984:
(A) New budget authority, $4,100,000,000.
(B) Outlays, $4,000,000,000.
(15) General Government (800):
Fiscal year 1983:
(A) New budget authority, $5,300,000,000.
(B) Outlays, $4,900,000,000.
Fiscal year 1984:
(A) New budget authority, $5,000,000,000.
(B) Outlays, $4,800,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1983:
(A) New budget authority, $6,800,000,000.
(B) Outlays, $6,800,000,000.
Fiscal year 1984:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $6,700,000,000.
(17) Interest (900):
Fiscal year 1983:
(A) New budget authority, $83,600,000,000.
(B) Outlays, $83,600,000,000.
Fiscal year 1984:
(A) New budget authority, $83,550,000,000.
(B) Outlays, $83,550,000,000.
(18) Allowances (920):
Fiscal year 1983:
(A) New budget authority, −$20,400,000,000.
(B) Outlays, −$20,500,000,000.
Fiscal year 1984:
(A) New budget authority, −$34,600,000,000.
(B) Outlays, −$34,700,000,000.
(19) Undistributed Offsetting Receipts (950):
Fiscal year 1983:
(A) New budget authority, −$34,800,000,000.
(B) Outlays, −$34,800,000,000.
Fiscal year 1984:
(A) New budget authority, −$37,400,000,000.
(B) Outlays, −$37,400,000,000.

SEC. 206. The question of indexing is a central part of developing Federal fiscal policy. About half the spending-side of the Federal budget is subject to indexing either explicitly or implicitly. On the other hand, Congress has subjected the taxpayer to reverse indexing, whereby Federal taxes rise 1.5 per centum for every 1 per centum increase in inflation. It is the sense of Congress that the leadership of both parties should form a bipartisan effort to make recommendations on indexing changes so that the spending side of the budget becomes more controllable through the budget process and the taxpayers are protected from unlegislated tax increases brought on by inflation. These recommendations should be made in time to be implemented no later than fiscal year 1984.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act:

(1)(A) The House Committee on Agriculture shall report changes in laws within the

jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $255,000,000 and outlays by $709,000,000 in fiscal year 1982; to reduce budget authority by $425,000,000 and outlays by $381,000,000 in fiscal year 1983; and to reduce budget authority by $712,000,000 and outlays by $546,000,000 in fiscal year 1984; and

(B) the House Committee on Agriculture shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,926,000,000 in budget authority and $1,778,000,000 in outlays for fiscal year 1982; $2,556,000,000 in budget authority and $2,430,000,000 in outlays for fiscal year 1983; and $3,029,000,000 in budget authority and $2,938,000,000 in outlays for fiscal year 1984.

(2) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $966,000,000 and outlays by $966,000,000 in fiscal year 1982; to reduce budget authority by $899,000,000 and outlays by $899,000,000 in fiscal year 1983; and to reduce budget authority by $511,000,000 and outlays by $511,000,000 in fiscal year 1984; and

(3) The House Committee on Banking, Finance and Urban Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $12,914,000,000 in budget authority and $757,000,000 in outlays for fiscal year 1982; $15,219,000,000 in budget authority and $1,930,000,000 in outlays for fiscal year 1983; and $17,735,000,000 in budget authority and $3,256,000,000 in outlays for fiscal year 1984.

(4) The House Committee on the District of Columbia shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $39,000,000 in budget authority and $40,000,000 in outlays for fiscal year 1982; $56,000,000 in budget authority and $64,000,000 in outlays for fiscal year 1983; and $72,000,000 in budget authority and $69,000,000 in outlays for fiscal year 1984.

(5)(A) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344 sufficient to reduce budget authority by $808,000,000 and outlays by $765,000,000 in fiscal year 1982; to reduce budget authority by $1,681,000,000 and outlays by $1,572,000,000 in fiscal year 1983; and to reduce budget authority by $2,785,000,000 and outlays by $2,630,000,000 in fiscal year 1984; and

(B) the House Committee on Education and Labor shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee to as to achieve savings in budget authority and outlays as follows: $12,736,000,000 in budget authority and $10,395,000,000 in outlays for fiscal year 1982; $14,511,000,000 in budget authority and $13,142,000,000 in outlays for fiscal year 1983; and $17,030,000,000 in budget authority and $15,360,000,000 in outlays for fiscal year 1984.

(6)(A) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344 sufficient to reduce budget authority by $1,518,000,000 and outlays by $1,221,000,000 in fiscal year 1982; to reduce budget authority by $1,978,000,000 and outlays by $1,825,000,000 in fiscal year 1983; and to reduce budget authority by $2,486,000,000 and outlays by $2,347,000,000 in fiscal year 1984; and

(B) the House Committee on Energy and Commerce shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $4,885,000,000 in budget authority and $4,082,000,000 in outlays for fiscal year 1982; $5,251,000,000 in budget authority and $4,845,000,000 in outlays for fiscal year 1983; and $5,297,000,000 in budget authority and $5,101,000,000 in outlays for fiscal year 1984.

(7) The House Committee on Foreign Affairs shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $150,000,000 in budget authority and $101,000,000 in outlays for fiscal year 1982; $196,000,000 in budget authority and $167,000,000 in outlays for fiscal year 1983; and $245,000,000 in budget authority and $230,000,000 in outlays for fiscal year 1984.

(8) The House Committee on Interior and Insular Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344 sufficient to reduce budget authority by $815,000,000 and outlays by $369,000,000 in fiscal year 1982; to reduce budget authority by $796,000,000 and outlays by $564,000,000 in fiscal year 1983; and to reduce budget authority by $774,000,000 and outlays by $654,000,000 in fiscal year 1984.

(9) The House Committee on the Judiciary shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $116,000,000 in budget authority and $13,000,000 in outlays for fiscal year 1982; $133,000,000 in budget authority and $81,000,000 in outlays for fiscal year 1983; and $144,000,000 in budget authority and $124,000,000 in outlays for fiscal year 1984.

(10)(A) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344 sufficient to reduce budget authority by $110,000,000 and outlays by $110,000,000 in fiscal year 1982; to reduce budget authority by $179,000,000 and outlays by $179,000,000 in fiscal year 1983; and to reduce budget authority by $191,000,000 and outlays by $191,000,000 in fiscal year 1984; and

(B) the House Committee on Merchant Marine and Fisheries shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $147,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1982; $60,000,000 in budget authority and $32,000,000 in outlays for fiscal year 1983; and $71,000,000 in budget authority and $60,000,000 in outlays for fiscal year 1984.

(11)(A) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344 sufficient to reduce budget authority by $000,000 and outlays by $513,000,000 in fiscal year 1982; to reduce budget authority by $000,000 and outlays by $414,000,000 in fiscal year 1983; and to reduce budget authority by $000,000 and outlays by $357,000,000 in fiscal year 1984; and

(B) the House Committee on Post Office and Civil Service shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $4,737,000,000 in budget authority and $4,650,000,000 in outlays for fiscal year 1982; $6,304,000,000 in budget authority and $6,324,000,000 in outlays for fiscal year 1983; and $7,390,000,000 in budget authority and $7,371,000,000 in outlays for fiscal year 1984.

(12)(A) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344 sufficient to reduce budget authority by $000,000 and outlays by $185,000,000 in fiscal year 1982; to reduce budget authority by $000,000 and outlays by $900,000,000 in fiscal year 1983; and to reduce budget authority by $000,000 and outlays by $1,365,000,000 in fiscal year 1984; and

(B) The House Committee on Public Works and Transportation shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $6,606,000,000 in budget authority and $1,163,000,000 in outlays for fiscal year 1982; $5,122,000,000 in budget authority and $2,665,000,000 in outlays for fiscal year 1983; and $6,241,000,000 in budget authority and $4,355,000,000 in outlays for fiscal year 1984.

(13) The House Committee on Science and Technology shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $78,000,000 in budget authority and $39,000,000 in outlays for fiscal year 1982; $90,000,000 in budget authority and $59,000,000 in outlays for fiscal year 1983; and $102,000,000 in budget authority and $83,000,000 in outlays for fiscal year 1984.

(14) The House Committee on Small Business shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $371,000,000 in budget authority and $247,000,000 in outlays for fiscal year 1982; $487,000,000 in budget authority and $459,000,000 in outlays for fiscal year 1983; and $554,000,000 in budget authority and $533,000,000 in outlays for fiscal year 1984.

(15) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344 sufficient to reduce budget authority by $110,000,000 and outlays $110,000,000 in fiscal year 1982; to reduce budget authority by $108,000,000 and outlays by $108,000,000 in fiscal year 1983; and to reduce budget authority by $106,000,000 and outlays by $106,000,000 in fiscal year 1984.

(16)(A) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344 sufficient to reduce budget authority by $3,831,000,000 and outlays $7,619,000,000 in fiscal year 1982; to reduce budget authority by $3,817,000,000 and outlays by $8,316,000,000 in fiscal year 1983; and to reduce budget authority by $3,694,000,000 and outlays by $8,681,000,000 for fiscal year 1984; and

(B) the House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $978,000,000 in budget authority and $994,000,000 in outlays for fiscal year 1982; $1,294,000,000 in budget authority and $1,312,000,000 in outlays for fiscal year 1983; and $1,647,000,000 in budget authority and $1,675,000,000 in outlays for fiscal year 1984.

SEC. 302. Pursuant to section 301(b)(2) of the Budget Act:

(1)(A) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $497,000,000 and outlays by $944,000,000 in fiscal year 1982; to reduce budget authority by $684,000,000 and outlays by $637,000,000 in fiscal year 1983; and to reduce budget authority by $986,000,000 and outlays by $816,000,000 in fiscal year 1984; and

(B) the Senate Committee on Agriculture, Nutrition, and Forestry shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $3,765,000,000 in budget authority and $3,589,000,000 in outlays for fiscal year 1982; $4,578,000,000 in budget authority and $4,432,000,000 in outlays for fiscal year 1983; and $5,247,000,000 in budget authority and $5,137,000,000 in outlays for fiscal year 1984.

(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $966,000,000 and outlays by $966,000,000 in fiscal year 1982; to reduce budget authority by $899,000,000 and outlays by $899,000,000 in fiscal year 1983; and to reduce budget authority by $511,000,000 and outlays by $511,000,000 in fiscal year 1984.

(3) The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $14,495,000,000 in budget authority and $1,087,000,000 in outlays for fiscal year 1982; $17,097,000,000 in budget authority and $2,665,000,000 in outlays for fiscal year 1983; and $20,249,000 in budget authority and $4,666,000,000 in outlays for fiscal year 1984.

(4) The Senate Committee on Commerce, Science, and Transportation shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,558,000,000 in budget authority and $884,000,000 in outlays for fiscal year 1982; $1,598,000,000 in budget authority and $1,328,000,000 in outlays for fiscal year 1983; and $1,465,000,000 in budget authority and $1,337,000,000 in outlays for fiscal year 1984.

(5) The Senate Committee on Energy and Natural Resources shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $3,714,000,000 in budget authority and $3,348,000,000 in outlays for fiscal year 1982; $3,660,000,000 in budget authority and $3,497,000,000 in outlays for fiscal year 1983; and $3,604,000,000 in budget authority and $3,551,000,000 in outlays for fiscal year 1984.

(6)(A) The Senate Committee on Environment and Public Works shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $185,000,000 in fiscal year 1982; to reduce outlays by $900,000,000 in fiscal year 1983; and to reduce outlays by $1,365,000,000 in fiscal year 1984; and

(B) the Senate Committee on Environment and Public Works shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $4,835,000,000 in budget authority and $793,000,000 in outlays for fiscal year 1982; $3,035,000,000 in budget authority and $1,840,000,000 in outlays for fiscal year 1983; and $3,500,000,000 in budget authority and $2,800,000,000 in outlays for fiscal year 1984.

(7)(A) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $5,107,000,000 and outlays by $8,646,000,000 in fiscal year 1982; to reduce budget authority by $5,459,000,000 and outlays by $9,803,000,000 in fiscal year 1983 and to reduce budget authority by $5,806,000,000 and outlays by $10,635,000,000 in fiscal year 1984.

(B) the Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $96,000,000 in budget authority and $112,000,000 in outlays for fiscal year 1982; $114,000,000 in budget authority and $132,000,000 in outlays for fiscal year 1983; and $149,000,000 in budget authority and $177,000,000 in outlays for fiscal year 1984.

(8) The Senate Committee on Foreign Relations shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $150,000,000 in budget authority and $101,000,000 in outlays for fiscal year 1982; $196,000,000 in budget authority and $167,000,000 in outlays for fiscal year 1983; and $245,000,000 in budget authority and $230,000,000 in outlays for fiscal year 1984.

(9)(A) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $000,000 and outlays by $513,000,000 in fiscal year 1982; to reduce budget authority by $000,000 and outlays by $414,000,000 in fiscal year 1983 and to reduce budget authority by $000,000 and outlays by $357,000,000 in fiscal year 1984.

(B) The Senate Committee on Government Affairs shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows; $4,776,000,000 in budget authority and $4,690,000,000 in outlays for fiscal year 1982; $6,360,000,000 in budget authority and $6,388,000,000 in outlays for fiscal year 1983; and $7,462,000,000 in budget authority and $7,440,000,000 in outlays for fiscal year 1984.

(10) The Senate Committee on the Judiciary shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $116,000,000 in budget authority and $13,000,000 in outlays for fiscal year 1982; $133,000,000 in budget authority and $81,000,000 in outlays for fiscal year 1983; and $144,000,000 in budget authority and $124,000,000 in outlays for fiscal year 1984.

(11)(A) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $676,000,000 and outlays by $680,000,000 in fiscal year 1982; to reduce budget authority by $1,601,000,000 and outlays by $1,535,000,000 in fiscal year 1983 and to reduce budget authority by $2,702,000,000 and outlays by $2,591,000,000 in fiscal year 1984; and

(B) the Senate Committee on Labor and Human Resources shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $12,461,000,000 in budget authority and $9,698,000,000 in outlays for fiscal year 1982; $14,621,000,000 in budget authority and $12,958,000,000 in outlays for fiscal year 1983; and $17,482,000,000 in budget authority and $15,651,000,000 in outlays for fiscal year 1984.

(12) The Senate Committee on Small Business shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $371,000,000 in budget authority and $247,000,000 in out-

lays for fiscal year 1982; $487,000,000 in budget authority and $459,000,000 in outlays for fiscal year 1983; and $554,000,000 in budget authority and $533,000,000 in outlays for fiscal year 1984.

(13) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $110,000,000 and outlays by $110,000,000 in fiscal year 1982; to reduce budget authority by $108,000,000 and outlays by $108,000,000 in fiscal year 1983 and to reduce budget authority by $106,000,000 and outlays by $106,000,000 in fiscal year 1984; and

SEC. 303. In order to give the committees named in sections 301 and 302 flexibility in meeting the reconciliation instructions, a committee may at its option, substitute in whole or in part reductions in spending authority as defined by section 410(c)(2)(C) of Public Law 93-344 for reductions specified to be made in authorizations under that committee's jurisdiction in order to reduce appropriations, so long as the total amount of budget authority and outlay reductions for each fiscal year is the same as or greater than the amounts assigned to that committee in section 301 or 302 above.

SEC. 304. Not later than June 15, 1981, the committees named in sections 301 and 302 shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by such sections. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

PART B—ENFORCEMENT MEASURES

SEC. 311. (a) No bill or resolution providing—

(1) new budget authority for fiscal year 1982, or

new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1982—

which exceeds the appropriate allocation or subdivision made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act, and on any reconciliation legislation required by such resolution.

(b) Subsection (a) shall not apply to bills and resolutions for which a conference report has been filed in either House prior to final adoption by both Houses of this resolution.

By Mr. OBEY:

(Amendment in the nature of a substitute.)

—Strike all after the resolving clause and insert in lieu thereof the following:

That—

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1981

SEC. 101. The provisions of this title shall supersede the figures set forth in the first section and section 2 of House Concurrent Resolution 448 of the Ninety-sixth Congress for the fiscal year beginning on October 1, 1980.

SEC. 102. (a)(1) The recommended level of Federal revenues is $610,900,000,000, and the net amount by which the aggregate level of Federal revenues should be decreased is $2,000,000,000;

(2) the appropriate level of total new budget authority is $723,000,000,000;

(3) the appropriate level of total budget outlays is $662,400,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is −$51,500,000,000;

(5) the appropriate level of the public debt is $994,100,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $9,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $73,500,000,000, the appropriate level of total new primary commitments to guarantee loan principal is $85,200,000,000, and the appropriate level of total new secondary commitments to guarantee loan principal is $66,200,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning October 1, 1980, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $180,250,000,000;

(B) Outlays, $162,050,000,000.

(2) International Affairs (150):

(A) New budget authority, $23,000,000,000;

(B) Outlays, $10,900,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,450,000,000;

(B) Outlays, $6,200,000,000.

(4) Energy (270):

(A) New budget authority, $7,700,000,000;

(B) Outlays, $9,700,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,850,000,000;

(B) Outlays, $13,600,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,600,000,000;

(B) Outlays, $2,700,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $3,050,000,000.

(8) Transportation (400):

(A) New budget authority, $25,100,000,000;

(B) Outlays, $23,800,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,500,000,000;

(B) Outlays, $12,200,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $32,200,000,000;

(B) Outlays, $32,150,000,000.

(11) Health (550):

(A) New budget authority, $72,250,000,000;

(B) Outlays, $66,850,000,000.

(12) Income Security (600):

(A) New budget authority, $252,200,000,000;

(B) Outlays, $227,450,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $23,000,000,000;

(B) Outlays, $22,600,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,250,000,000;

(B) Outlays, $4,550,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $4,900,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,200,000,000;

(B) Outlays, $6,800,000,000.

(17) Interest (900):

(A) New budget authority, $80,600,000,000;

(B) Outlays, $80,600,000,000.

(18) Allowances (920):

(A) New budget authority, $1,200,000,000;

(B) Outlays, $1,200,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$28,900,000,000;

(B) Outlays, −$28,900,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1982, 1983, AND 1984

SEC. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1981—

(1) the recommended level of Federal revenues is $717,050,000,000; and the net amount by which the aggregate level of Federal revenues should be decreased is $2,350,000,000;

(2) the appropriate level of total new budget authority is $793,700,000,000;

(3) the appropriate level of total budget outlays is $716,550,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is +$500,000,000; and

(5) the appropriate level of the public debt is $1,060,000,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $65,900,000,000.

SEC. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $219,600,000,000;

(B) Outlays, $189,750,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,650,000,000;

(B) Outlays, $10,900,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,350,000,000;

(B) Outlays, $7,100,000,000.

(4) Energy (270):

(A) New budget authority, $8,000,000,000;

(B) Outlays, $8,400,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $8,350,000,000;

(B) Outlays, $12,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,450,000,000;

(B) Outlays, $5,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $10,250,000,000;

(B) Outlays, $4,400,000,000.

(8) Transportation (400):

(A) New budget authority, $21,500,000,000;

(B) Outlays, $21,100,000,000.

(9) Community and Regional Development (450):
(A) New budget authority, $7,400,000,000;
(B) Outlays, $9,500,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $29,000,000,000;
(B) Outlays, $29,850,000,000.
(11) Health (550):
(A) New budget authority, $84,950,000,000;
(B) Outlays, $74,700,000,000.
(12) Income Security (600):
(A) New budget authority, $280,000,000,000;
(B) Outlays, $249,400,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $24,800,000,000;
(B) Outlays, $24,050,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,400,000,000;
(B) Outlays, $4,600,000,000.
(15) General Government (800):
(A) New budget authority, $5,350,000,000;
(B) Outlays, $4,900,000,000.
((16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,050,000,000;
(B) Outlays, $6,150,000,000.
(17) Interest (900):
(A) New budget authority, $88,450,000,000;
(B) Outlays, $88,450,000,000.
(18) Allowances (920):
(A) New budget authority, $750,000,000;
(B) Outlays, $700,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, −$34,600,000,000;
(B) Outlays, −$34,600,000,000.

SEC. 203. (a) There is established a congressional Federal Credit budget for fiscal year 1982 of which the appropriate levels of total Federal credit activity for fiscal year 1982 are—

(1) New direct loan obligations, $61,250,000,000;

(2) New primary loan guarantee commitments, $87,750,000,000;

(3) New secondary loan guarantee commitments, $68,750,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):
(A) New direct loan obligations, $000,000,000,000;
(B) New primary loan guarantee commitments, $50,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(2) International Affairs (150):
(A) New direct loan obligations, $7,800,000,000;
(B) New primary loan guarantee commitments, $9,500,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(3) General Science, Space and Technology (250):
(A) New direct loan obligations, $000,000,000,000;
(B) New primary loan guarantee commitments, −$150,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(4) Energy (270):
(A) New direct loan obligations, $750,000,000;
(B) New primary loan guarantee commitments, $1,800,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(5) Natural Resources and Environment (300):
(A) New direct loan obligations, $50,000,000;
(B) New primary loan guarantee commitments, $000,000,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(6) Agriculture (350):
(A) New direct loan obligations, $9,100,000,000;
(B) New primary loan guarantee commitments, $2,200,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(7) Commerce and Housing Credit (370):
(A) New direct loan obligations, $16,300,000,000;
(B) New primary loan guarantee commitments, $42,300,000,000;
(C) New secondary loan guarantee commitments, $68,200,000,000.
(8) Transportation (400):
(A) New direct loan obligations, $150,000,000;
(B) New primary loan guarantee commitments, $1,150,000,000;
(C) New secondary loan guarantee commitments, $50,000,000.
(9) Community and Regional Development (450):
(A) New direct loan obligations, $1,000,000,000;
(B) New primary loan guarantee commitments, $400,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New direct loan obligations, $1,000,000,000;
(B) New primary loan guarantee commitments, $5,200,000,000;
(C) New secondary loan guarantee commitments, $500,000,000.
(11) Health (550):
(A) New direct loan obligations, $100,000,000;
(B) New primary loan guarantee commitments, $100,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(12) Income Security (600):
(A) New direct loan obligations, $300,000,000;
(B) New primary loan guarantee commitments, $17,050,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(13) Veterans Benefits and Services (700):
(A) New direct loan obligations, $600,000,000;
(B) New primary loan guarantee commitments, $7,400,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(14) Administration of Justice (750):
(A) New direct loan obligations, $000,000,000,000;
(B) New primary loan guarantee commitments, $000,000,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(15) General Government (800):
(A) New direct loan obligations, $23,950,000,000;
(B) New primary loan guarantee commitments, $000,000,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New direct loan obligations, $150,000,000;
(B) New primary loan guarantee commitments, $750,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(17) Interest (900):
(A) New direct loan obligations, $000,000,000,000;
(B) New primary loan guarantee commitments, $000,000,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(18) Allowances (920):
(A) New direct loan obligations, $000,000,000,000;
(B) New primary loan guarantee commitments, $000,000,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New direct loan obligations, $000,000,000,000;
(B) New primary loan guarantee commitments, $000,000,000,000;
(C) New secondary loan guarantee commitments, $000,000,000,000.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $24,850,000,000, the on-budget lending activity to a level not to exceed $36,400,000,000, new primary loan guarantee commitments to a level not to exceed $87,750,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,750,000,000.

SEC. 204. The Congress sets forth the following budgetary levels for fiscal years 1983 and 1984—

(1) the recommended level of Federal revenues is as follows:
Fiscal year 1983: $790,950,000,000;
Fiscal year 1984: $867,800,000,000;
and the amount by which the aggregate levels of Federal revenues should be decreased is as follows:
Fiscal year 1983: $23,800,000,000;
Fiscal year 1984: $000,000,000,000;

(2) the appropriate level of total new budget authority is as follows:
Fiscal year 1983: $860,400,000,000;
Fiscal year 1984: $924,850,000,000;

(3) the appropriate level of total budget outlays is as follows:
Fiscal year 1983: $775,650,000,000;
Fiscal year 1984: $838,100,000,000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:
Fiscal year 1983: +$15,300,000,000;
Fiscal year 1984: +$29,700,000,000;

(5) the appropriate level of the public debt is as follows:
Fiscal year 1983: $1,052,200,000,000;
Fiscal year 1984: $1,050,100,000,000;
and the amount by which the temporary statutory limit on such debt should be accordingly increased or decreased is as follows:
Fiscal year 1983: +$18,300,000,000;
Fiscal year 1984: −$2,100,000,000.

SEC. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1983 and 1984 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each

major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1983:
(A) New budget authority, $255,550,000,000;
(B) Outlays, $225,800,000,000.
Fiscal year 1984:
(A) New budget authority, $291,550,000,000;
(B) Outlays, $260,450,000,000.

(2) International Affairs (150):
Fiscal year 1983:
(A) New budget authority, $16,750,000,000;
(B) Outlays, $11,150,000,000.
Fiscal year 1984:
(A) New budget authority, $16,400,000,000;
(B) Outlays, $11,800,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1983:
(A) New budget authority, $7,800,000,000;
(B) Outlays, $7,550,000,000.
Fiscal year 1984:
(A) New budget authority, $7,300,000,000;
(B) Outlays, $7,400,000,000.

(4) Energy (270):
Fiscal year 1983:
(A) New Budget authority, $9,600,000,000;
(B) Outlays, $9,750,000,000.
Fiscal year 1984:
(A) New Budget authority, $8,600,000,000;
(B) Outlays, $8,700,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1983:
(A) New Budget authority, $11,550,000,000;
(B) Outlays, $12,150,000,000.
Fiscal year 1984:
(A) New Budget authority, $11,500,000,000;
(B) Outlays, $11,600,000,000.

(6) Agriculture (350):
Fiscal year 1983:
(A) New Budget authority, $6,600,000,000;
(B) Outlays, $4,950,000,000.
Fiscal year 1984:
(A) New budget authority, $5,950,000,000;
(B) Outlays, $4,800,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1983:
(A) New budget authority, $6,850,000,000;
(B) Outlays, $3,400,000,000.
Fiscal year 1984:
(A) New budget authority, $7,050,000,000;
(B) Outlays, $3,450,000,000.

(8) Transportation (400):
Fiscal year 1983:
(A) New budget authority, $22,800,000,000;
(B) Outlays, $21,800,000,000.
Fiscal year 1984:
(A) New budget authority, $23,400,000,000;
(B) Outlays, $22,600,000,000.

(9) Community and Regional Development (450):
Fiscal year 1983:
(A) New budget authority, $8,150,000,000;
(B) Outlays, $8,200,000,000.
Fiscal year 1984:
(A) New budget authority, $8,300,000,000;
(B) Outlays, $7,850,000,000.

(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1983:
(A) New budget authority, $29,550,000,000;
(B) Outlays, $29,100,000,000.
Fiscal year 1984:
(A) New budget authority, $28,950,000,000;
(B) Outlays, $28,650,000,000.

(11) Health (550):
Fiscal year 1983:
(A) New budget authority, $93,550,000,000;
(B) Outlays, $84,550,000,000.
Fiscal year 1984:
(A) New budget authority, $102,450,000,000;
(B) Outlays, $93,850,000,000.

(12) Income Security (600):
Fiscal year 1983:
(A) New budget authority, $308,050,000,000;
(B) Outlays, $274,850,000,000.
Fiscal year 1984:
(A) New budget authority, $329,400,000,000;
(B) Outlays, $297,200,000,000.

(13) Veterans Benefits and Services (700):
Fiscal year 1983:
(A) New budget authority, $26,250,000,000;
(B) Outlays, $25,450,000,000.
Fiscal year 1984:
(A) New budget authority, $28,500,000,000;
(B) Outlays, $27,150,000,000.

(14) Administration of Justice (750):
Fiscal year 1983:
(A) New budget authority, $4,450,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1984:
(A) New budget authority, $4,650,000,000;
(B) Outlays, $4,650,000,000.

(15) General Government (800):
Fiscal year 1983:
(A) New budget authority, $5,500,000,000;
(B) Outlays, $5,200,000,000.
Fiscal year 1984:
(A) New budget authority, $5,500,000,000;
(B) Outlays, $5,500,000,000.

(16) General Purpose Fiscal Assistance (850):
Fiscal year 1983:
(A) New budget authority, $6,100,000,000;
(B) Outlays, $6,100,000,000.
Fiscal year 1984:
(A) New budget authority, $6,250,000,000;
(B) Outlays, $6,250,000,000.

(17) Interest (900):
Fiscal year 1983:
(A) New budget authority, $87,100,000,000;
(B) Outlays, $87,100,000,000.
Fiscal year 1984:
(A) New budget authority, $83,400,000,000;
(B) Outlays, $83,400,000,000.

(18) Allowances (920):
Fiscal year 1983:
(A) New budget authority, $1,250,000,000;
(B) Outlays, $1,150,000,000.
Fiscal year 1984:
(A) New budget authority, $1,300,000,000;
(B) Outlays, $1,250,000,000.

(19) Undistributed Offsetting Receipts (950):
Fiscal year 1983:
(A) New budget authority, −$40,200,000,000;
(B) Outlays, −$40,200,000,000.
Fiscal year 1984:
(A) New budget authority, −$45,600,000,000;
(B) Outlays, −$45,600,000,000.

SEC. 206. The question of indexing is a central part of developing Federal fiscal policy. About half the Federal budget is subject to indexing either explicitly or implicitly. Because of the importance of the indexing question and its implication for the process of Federal budgeting, it is the sense of the Congress that the leadership of both parties should form a bipartisan effort to make a recommendation on indexing reform to be implemented no later than fiscal year 1984.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act—

(1) the House Committee on Agriculture shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $48,000,000 in budget authority and $274,000,000 in outlays, to reduce spending for the fiscal year 1983 by $48,000,000 in budget authority and $257,000,000 in outlays and to reduce spending for fiscal year 1984 by $174,000,000 in budget authority and $386,000,000 in outlays;

(2) the House Committee on Armed Services shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $1,029,000,000 in budget authority and $1,029,000,000 in outlays to reduce spending for the fiscal year 1983 by $1,056,000,000 in budget authority and $1,056,000,000 in outlays, and to reduce spending for fiscal year 1984 by $686,000,000 in budget authority and $686,000,000 in outlays;

(3) the House Committee on Education and Labor shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $1,850,000,000 in budget authority and $1,640,000,000 in outlays, to reduce spending for the fiscal year 1983 by $2,244,000,000 in budget authority and $2,238,000,000 in outlays, and to reduce spending for fiscal year 1984 by $3,161,000,000 in budget authority and $2,946,000,000 in outlays;

(4) the House Committee on Energy and Commerce shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $749,000,000 in budget authority and $629,000,000 in outlays, to reduce spending for the fiscal year 1983 by $975,000,000 in budget authority and $845,000,000 in outlays, and to reduce spending for fiscal year 1984 by $1,360,000,000 in budget authority and $1,230,000,000 in outlays;

(5) the House Committee on Foreign Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $5,000,000 in outlays, to reduce spending for the fiscal year 1983 by $4,000,000 in outlays, and to reduce spending for fiscal year 1984 by $3,000,000 in outlays;

(6) the House Committee on Government Operations shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $340,000,000 in budget authority and $255,000,000 in outlays, to reduce spending for the fiscal year 1983 by $340,000,000 in budget authority and $340,000,000 in outlays, and to reduce spending for fiscal year 1984 by $340,000,000 in budget authority and $340,000,000 in outlays;

(7) the House Committee on Interior and Insular Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $400,000,000 in budget authority and $400,000,000 in outlays, to reduce spending for the fiscal year 1983 by $400,000,000 in budget authority and $400,000,000 in outlays, and to reduce spending for fiscal year 1984 by $500,000,000 in budget authority and $500,000,000 in outlays;

(8) the House Committee on Merchant Marine and Fisheries shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $99,000,000 in budget authority and $99,000,000 in outlays, to reduce spending for the fiscal year 1983 by $150,000,000 in budget authority and $150,000,000 in outlays, and to reduce spending for fiscal year

1984 by $160,000,000 in budget authority and $160,000,000 in outlays;

(9) the House Committee on Post Office and Civil Service shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $5,430,000,000 in budget authority and $5,524,000,000 in outlays, to reduce spending for the fiscal year 1983 by $7,869,000,000 in budget authority and $8,026,000,000 in outlays, and to reduce spending for fiscal year 1984 by $9,496,000,000 in budget authority and $9,742,000,000 in outlays;

(10) the House Committee on Public Works and Transportation shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $223,000,000 in budget authority and $231,000,000 in outlays, to reduce spending for the fiscal year 1983 by $200,000,000 in budget authority and $231,000,000 in outlays, and to reduce spending for fiscal year 1984 by $200,000,000 in budget authority and $231,000,000 in outlays;

(11) the House Committee on Science and Technology shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $200,000,000 in budget authority and $200,000,000 in outlays, to reduce spending for the fiscal year 1983 by $200,000,000 in budget authority and $200,000,000 in outlays, and to reduce spending for fiscal year 1984 by $300,000,000 in budget authority and $300,000,000 in outlays;

(12) the House Committee on Small Business shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $118,000,000 in budget authority and $71,000,000 in outlays, to reduce spending for the fiscal year 1983 by $152,000,000 in budget authority and $144,000,000 in outlays, and to reduce spending for fiscal year 1984 by $211,000,000 in budget authority and $192,000,000 in outlays;

(13) the House Committee on Veterans' Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $110,000,000 in budget authority and $110,000,000 in outlays, to reduce spending for the fiscal year 1983 by $108,000,000 in budget authority and $108,000,000 in outlays, and to reduce spending for fiscal year 1984 by $106,000,000 in budget authority and $106,000,000 in outlays;

(14) the House Committee on Ways and Means shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $2,535,000,000 in budget authority and $5,175,000,000 in outlays, to reduce spending for the fiscal year 1983 by $2,140,000,000 in budget authority and $6,610,000,000 in outlays, and to reduce spending for fiscal year 1984 by $1,725,000,000 in budget authority and $8,355,000,000 in outlays.

SEC. 302. Pursuant to section 301(b)(2) of the Budget Act—

(1) the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $878,000,000 in budget authority and $1,104,000,000 in outlays, to reduce spending for the fiscal year 1983 by $1,228,000,000 in budget authority and $1,387,000,000 in outlays, and to reduce spending for fiscal year 1984 by $1,704,000,000 in budget authority and $1,866,000,000 in outlays;

(2) the Senate Committee on Armed Services shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $1,029,000,000 in budget authority and $1,029,000,000 in outlays, to reduce spending for the fiscal year 1983 by $1,056,000,000 in budget authority and $1,056,000,000 in outlays, and to reduce spending for fiscal year 1984 by $686,000,000 in budget authority and $686,000,000 in outlays;

(3) the Senate Committee on Energy and Natural Resources shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $400,000,000 in budget authority and $400,000,000 in outlays, to reduce spending for the fiscal year 1983 by $400,000,000 in budget authority and $400,000,000 in outlays, and to reduce spending for fiscal year 1984 by $500,000,000 in budget authority and $500,000,000 in outlays;

(4) the Senate Committee on Finance shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $2,835,000,000 in budget authority and $5,425,000,000 in outlays, to reduce spending for the fiscal year 1983 by $2,615,000,000 in budget authority and $6,985,000,000 in outlays, and to reduce spending for fiscal year 1984 by $2,475,000,000 in budget authority and $9,005,000,000 in outlays;

(5) the Senate Committee on Foreign Relations shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $5,000,000 in outlays, to reduce spending for the fiscal year 1983 by $4,000,000 in outlays, and to reduce spending for fiscal year 1984 by $3,000,000 in outlays;

(6) the senate Committee on Governmental Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $5,770,000,000 in budget authority and $5,779,000,000 in outlays, to reduce spending for the fiscal year 1983 by $8,209,000,000 in budget authority and $8,366,000,000 in outlays, and to reduce spending for fiscal year 1984 by $9,836,000,000 in budget authority and $10,082,000,000 in outlays;

(7) the Senate Committee on Labor and Human Resources shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $1,269,000,000 in budget authority and $989,000,000 in outlays, to reduce spending for the fiscal year 1983 by $1,364,000,000 in budget authority and $1,378,000,000 in outlays, and to reduce spending for fiscal year 1984 by $1,941,000,000 in budget authority and $1,746,000,000 in outlays;

(8) the Senate Committee on Public Works and Environment shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $323,000,000 in budget authority and $231,000,000 in outlays, to reduce spending for the fiscal year 1983 by $200,000,000 in budget authority and $231,000,000 in outlays, and to reduce spending for fiscal year 1984 by $200,000,000 in budget authority and $231,000,000 in outlays;

(9) the Senate Committee on Small business shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $118,000,000 in budget authority and $71,000,000 in outlays, to reduce spending for the fiscal year 1983 by $152,000,000 in budget authority and $144,000,000 in outlays, and to reduce spending for fiscal year 1984 by $211,000,000 in budget authority and $192,000,000 in outlays;

(10 the Senate Committee on Veterans' Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1982 by $110,000,000 in budget authority and $110,000,000 in outlays, to reduce spending for the fiscal year 1983 by $108,000,000 in budget authority and $108,000,000 in outlays, and to reduce spending for fiscal year 1984 by $106,000,000 in budget authority and $106,000,000 in outlays;

SEC. 303. Not later than June 15, 1981, the committees named in sections 301 and 302 shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by such sections. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

PART B—ENFORCEMENT MEASURES

SEC. 311. (a) No bill or resolution providing—

(1) new budget authority for fiscal year 1982, or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1982—

which exceeds the appropriate allocation or subdivision made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act, and on any reconciliation legislation required by such resolution.

(b) Subsection (a) shall not apply to bills and resolutions for which a conference report has been filed in either House prior to final adoption by both Houses of this resolution.

PART C—IMPROVED ADMINISTRATIVE PROCEDURES

SEC. 321. Whereas the results of surveys of the Offices of the Inspectors General and hearings with the Comptroller General of the United States and the Inspectors General of the Cabinet departments indicate mismanagement, indifference, and occasional abuse of public trust in the financial administration of Federal programs; whereas the General Accounting Office indicates that, with improved management in the executive branch, and in some cases, the enactment of legislation needed to provide stronger administrative procedures, net savings from the President's budget of $4,850,000,000 are achievable for fiscal year 1982 and additional savings of $6,150,000,000 are achievable for fiscal years 1983 and 1984, it is the sense of the Congress, that the newly created Council on Integrity and Efficiency should prepare comprehensive, long-term plans encompassing at a minimum debt collection, procurement procedures, resolution of audit findings, and the other areas of possible budget savings through improved administrative procedures covered by the General Accounting Office report to the House Committee on the Budget, and that necessary legislation to implement these plans be submitted to Congress no later than June 1, 1981.

By Mr. PEASE:

—Page 6, line 4, strike out "$688,950,000,000" and insert in lieu thereof "$714,829,000,000".

Page 6, line 10, strike out "$714,550,000,000" and insert in lieu thereof "$711,500,000,000".

Page 6, line 11, strike out "deficit" and insert in lieu thereof "surplus" and on line 13, strike out "$25,600,000,000" and insert in lieu thereof "$3,300,000,000".

Page 7, line 5, strike out "$189,750,000,000" and insert in lieu thereof "$190,750,000,000".

Page 7, line 8, strike out "$11,200,000,000" and insert in lieu thereof "$11,063,500,000".

Page 7, line 11, strike out "$7,050,000,000" and insert in lieu thereof "$7,091,100,000".

Page 7, line 14, strike out "$6,850,000,000" and insert in lieu thereof "$6,615,000,000".

Page 7, line 17, strike out "$12,350,000,000" and insert in lieu thereof "$11,697,000,000".

Page 7, line 20, strike out "$5,100,000,000" and insert in lieu thereof "$5,089,300,000".

Page 7, line 23, strike out "$4,300,000,000" and insert in lieu thereof "$4,233,000,000".

Page 8, line 1, strike out "$21,000,000,000" and insert in lieu thereof "$20,779,300,000".

Page 8, line 4, strike out "$9,500,000,000" and insert in lieu thereof "$9,619,800,000".

Page 8, line 8, strike out "$29,400,000,000" and insert in lieu thereof "$31,265,000,000".

Page 8, line 11, strike out "$74,450,000,000" and insert in lieu thereof "$74,198,000,000".

Page 8, line 14, strike out "$247,650,000,000" and insert in lieu thereof "$249,002,000,000".

Page 8, line 20, strike out "$4,550,000,000" and insert in lieu thereof "$4,131,000,000".

Page 8, line 23, strike out "$4,900,000,000" and insert in lieu thereof "$1,385,000,000".

Page 9, line 4, strike out "$90,100,000,000" and insert in lieu thereof "$88,550,000,000".

EXTENSIONS OF REMARKS

THE BUDGET AND THE POOR

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. STOKES. Mr. Speaker, thank you for providing me with this opportunity to discuss something that is a priority item on the agenda of this legislative body. That item is, Mr. Speaker, the Federal budget. In a few days, the budget will be put to the first test in the House.

For the past 3 months, we have heard arguments, both pro and con, about the President's proposed budget. We have heard administration officials, Members, and other bureaucrats recite number after number and statistic after statistic about the beneficial impact of the President's budget proposal on the Nation's economy.

We have heard a cadre of analysts talk about the alleged waste, fraud, and abuse in Federal programs and insinuate that Mr. Reagan's budget is a remedy for that waste, fraud, and abuse. Mr. Speaker, it seems that some of us have chosen to focus on the numbers, the regulations, and the alleged abuse, casting them as the priorities in the budget debate instead of on the people affected by the budget reductions in various programs.

Mr. Speaker, what I hope we will do, before this body acts on the budget, is to look at what those cold numbers Mr. Stockman has amassed will mean in realistic terms to the group that will be hardest hit by the cuts—the poor and the have-nots of our society.

What I wish that my colleagues would do before we begin the floor debate on this budget or any alternative, is to walk the streets and see the multitudes of our young people already out of work. Contrary to some myths, this is not because they do not want to work, but rather because they lack the training and the opportunities to gain meaningful employment. The Reagan budget will cast those opportunities and training further from their reach.

What my colleagues need to do again, Mr. Speaker, is to go grocery shopping with a welfare mother on food stamps. Then they will get a vivid picture of how difficult it is to purchase the necessary kind of food stuffs for a family on a limited budget. The Reagan budget here too would make it more difficult and possibly impossible for this welfare mother to receive the necessary assistance from the Government to make ends meet.

Mr. Speaker, what I have described is the real world and the stark realities of millions of Americans who are literally at the mercy of the budget ax. My colleagues need to get away from the protected domain of Capitol Hill with the typical reports and numbers which can seemingly be used to justify any particular viewpoint to the real and often frightening world of the disadvantaged.

For in this world, Mr. Speaker, to poor Americans who have supported this Government, numbers, statistics and Government reports do not mean a whole lot. What is important to them is if the kind of support they need to survive and make ends meet is there or not.

Mr. Speaker, in the past few months, as I traveled home to Cleveland, my constitutents asked how this Government, one which claims to be committed to the people, could refuse to tie their best interest and claim to a piece of the American dream to any action on the budget.

Mr. Speaker, I ask my colleagues to think about these words as we begin debate on the budget and ultimately on the lives of millions of Americans. At this time, I would like to insert in the RECORD a column written by Mr. George Anthony Moore of the Cleveland Press about the impact of the budget on this Nation's poor and what lies ahead in terms of floor debate on this critical issue.

BLACKS, ALL THE NEEDY HIT HARDEST BY BUDGET

(By George Anthony Moore)

Most people I meet are shook up over President Reagan's federal budget cuts. I talked to several opinion-making leaders in the black community for their reactions. The responses range from mild to vindictive.

William O. Walker, publisher of the Call and Post, considered one of the leading black weekly newspapers in the country, had this to say:

"There are many programs ostensibly designed to help blacks that are inefficient, wasteful and unproductive. It is in this area where budget cuts can be made with no harm to people who are actually in need."

Walker is a staunch Republican and recently was named as an advisor to President Reagan.

The executive director of the local Urban League, William K. Wolfe, analyzed the budget cuts in those areas that he feels will affect the poor, the elderly on limited incomes and low and moderate-income Americans, and had this to say:

"President Reagan's proposed $50 billion cut in social welfare programs, while increasing defense spending by $16 billion, has created a surge of fear in many individuals whose very livelihood is dependent on those programs. Realistically, if you look at the impact of a $34 billion net reduction in federal expenditures in comparison to our gross national product of $2.7 trillion in 1980, the cuts will only result in a .0125% impact on our economy."

The Greater Cleveland Interchurch Council, headed by Dr. Donald G. Jacobs, was more specific in what it considers the probable impact of the budget cuts on people in Cleveland.

In the area of nutrition, their spokesman pointed out that current food stamp benefits to 163,216 Cuyahoga County residents average only 46 cents per person per meal. The administration proposes to remove over a million working poor and elderly families from the program nationally. More than 8,000 needy people in Cuyahoga County would be affected.

As an example, among those who will suffer is a mother raising two children by herself. Such a mother would lose $24 a month in food stamps. Their per-meal benefits would be reduced to 37 cents. The council was also critical of the cuts in the areas of health care, schools and low-income energy assistance.

Rep. Louis B. Stokes does not like President Reagan's budget nor do the members of the Congressional Black Caucus. Stokes heads the 18-member caucus, which intends to present its own budget when the administration budget is considered by Congress on May 15.

The main disagreement, according to the congressman, is that the Reagan budget cuts benefit the rich at the expense of the poor and the working class.

The caucus agrees with the administration in some areas, Stokes said. Caucus members agree with Reagan that some middle-class children who currently receive subsidized school lunches should be cut off.

And that low-interest government loans for education should be withheld from the wealthy. When this budget goes to Congress, I'm sure the sessions will be, to put it mildly, more than routinely interesting.●

RANDALLSTOWN SENIOR HIGH SCHOOL POLITICAL SCIENCE CLUB TO VISIT NATION'S CAPITOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. LONG of Maryland. Mr. Speaker, on Thursday, April 30, 1981, 30 young men and women from the Randallstown Senior High School Political Science Club will journey to Washington to augment their studies of American Government with a firsthand look at their Nation's Capitol.

These students, led by their teachers Mr. Al Snyder and Mr. Clarence Beebe, will tour the Capitol Building, observe the House and Senate in action, and sit in on a committee hearing as part of their day's activities.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

I look forward to meeting with these students and their teachers to discuss with them the legislative process, their studies of our Government, and their questions about national issues. I am delighted that they have all taken a special interest in our Nation's political process.

Students who will visit us Thursday are:

Howard Bard, Eylan Berman, Daniel Bronstein, Paula Cohen, Jennifer Denhard, Cheryl Dorsey, Steve Frederick, Robert Glatter, Mike Gold, Steve Goldstein, Ben Gottlesman, Steve Greenspan, Becky Hanna, Mark Heckler, Richard Himmelfarb, Leah Hoskin, Brian Karpe, Carolyn Kraft, Chuck Kronsberg, Mike Lepshi, Lary Lichter, Steve Miller, Robert Orandle, Steve Rifkin, Howard Savage, Robyn Savage, Toby Sunshine, Richard Weinerman, Steve Levy, and Felicia Levine.●

TRIBUTE TO WALTER G. SCHEIPE

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. YATRON. Mr. Speaker, on May 3, 1981, a testimonial dinner is being given for Mr. Walter G. Scheipe, warden of Berks County Prison on the occasion of his retirement. This is a most deserving tribute to an outstanding public servant and I am very honored to bring Mr. Scheipe's accomplishments to the attention of my colleagues in the U.S. Congress.

Since January 1969, Mr. Walter G. Scheipe has been the guiding force of the Berks County Prison, one of the top ranking institutions in Pennsylvania, with a daily average inmate population of 195. During his years as warden, he initiated many important programs which have earned him the respect and admiration of his associates and which have resulted in significant improvements in correctional rehabilitation for Berks County.

Warden Scheipe was directly responsible for developing an inmate-work-release program, educational release program, furlough program, institutional Jaycee chapter, and an extended public relations program which included staff/inmate speakers in the community. He also was instrumental in obtaining guest lecturers for various college level law enforcement and corrections programs.

During his tenure, Berks County Prison became the first county prison to establish a working liaison and treatment base at the prison between troubled inmates and Berks County mental health/mental retardation professionals. Further, under his direction, the Berks County Prison became the first county prison to utilize a counseling program incorporating outside community agencies and staff. This initiative allows inmates to continue their rehabilitative program after release and saves the county the salaries involved in employing counselors as part of the prison staff.

Among his many appointments, Warden Scheipe was a delegate to the Governor's Convention on Criminal Justice in 1975, on the advisory council of the Governor's task force on criminal justice information systems, a past president of the Berks County Police Chiefs Association, a consultant to the Pennsylvania Medical Society, council on education and science jail health project and a member of the executive committee and recently a second vice president of the Pennsylvania Prison Warden's Association.

Walter G. Scheipe will be remembered by his fellow colleagues and by the residents of Berks County as an outstanding citizen and as a man dedicated to improving and significantly accomplishing more effective correctional rehabilitation in our area. I am honored to have this opportunity to express the gratitude and appreciation of the people of Berks County to Warden Scheipe. His many years of excellent service will continue to be an inspiration to those of us in public office and to all who are privileged to know him. I know my colleagues will join me in commending this outstanding American and in wishing him every success in his future endeavors.●

ACCOMPLISHMENTS OF ECONOMIC DEVELOPMENT ADMINISTRATION

HON. BERYL ANTHONY, JR.

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. ANTHONY. Mr. Speaker, James T. Jordan, mayor of Monticello, Ark., has provided me with an excellent history of how the Economic Development Administration has helped the economy of that community. I would like to share his comments with Members of this body:

As Mayor of a small city in the state of Arkansas who has seen the many changes that have been brought about by the Economic Development Administration, I am writing to you to express my full support for the continuation and funding of the EDA. I give you the following success story that has been brought about in Monticello, Arkansas as a result of the seed money that the EDA has made available to our community.

In 1966 the City of Monticello received $32,000 EDA money as the first grant to assist Burlington Industries to expand and locate additional plants in our city. The city contributed $32,000 from the General Fund to match this money in providing the industrial water expansion. This, in turn, caused Burlington to expand their operations and created 225 new jobs, as well as saving the jobs which were already there.

In 1967 the Southeast Arkansas Economic Development Council, Inc., made up of 10 counties in Southeast Arkansas, was organized and funded with local funds contributed by the city and county to match a grant from EDA. The office is located in Pine Bluff, Arkansas. During that year we applied to EDA and received a grant for Industrial Waste Disposal in the amount of $109,000, which was matched with $109,000 from local funds. This project allowed Burlington to build an additional plant in Monticello, the Monticello Carpet Mill, creating 125 new jobs. Monticello Carpet Mill now employs about 280 people.

The Health, Education and Culture Center located in Monticello was developed after the City of Monticello, the County of Drew, Monticello School District, Arkansas A & M College (now the University of Arkansas at Monticello), and Drew Memorial Hospital applied for an EDA grant in 1969. A grant from EDA was received for $937,800 ($781,500 from EDA and $156,300 from EDA District Bonus). The City of Monticello, the County of Drew, Arkansas A & M College, Monticello School District, and the Drew County Memorial Hospital Board obligated $625,200 of local funds to make a total project of $1,563,000.

The first project constructed on the HECC site was the Drew Memorial Hospital, which cost approximately $2,000,000. The citizens of Drew County voted in a five mill tax by a large majority to construct this hospital. In less than a year the Monticello School District voted an additional 5 mill school tax to construct a new high school in the complex at a cost of $1,000,000.

The HECC project also provided a water and sewer system to Arkansas A & M College, which at that time used septic tanks. This saved A & M over $1,200,000 in funds. It also provided additional water and sewer for our west commercial and industrial area, which today amounts to $20,000,000.

Since the complex opened, four medical doctor's offices, one dental clinic, one optometrist's office, the Southeast Arkansas Delta Counseling and Guidance Center (headquarters for five southeast Arkansas counties), and a new Army National Guard Armory have been constructed in the complex. Also three acres of land have been provided for the Sesame School for handicapped children, which has an enrollment of about thirty-five children. Recently, the voters of Monticello approved a 5 mill increase for $2,000,000 to provide an addition to the hospital, needed because of growth and needs. I might add that these facilities eventually will help us become the health center for Southeast Arkansas. Through the joint effort of the EDA, the City of Monticello and private investors, over 525 jobs have been created, plus those that have been saved.

In 1970 the City of Monticello applied for another water and sewer expansion grant, needed due to the growth of Burlington Industries and new plants being constructed by Burlington here in the city. A grant of $534,000 from EDA (including $445,000 from EDA and $89,000 EDA District Bonus) was received, with $356,000 contributed by the city, making a total project of $890,000. This project created 500 new jobs through Burlington Industries.

With the help of EDA, we estimate that over 2,500 jobs have been created, plus the retention of jobs that would have been

eliminated if funds from EDA had not been made available. The partnership of EDA, the local community and their contribution, the leadership of the elected officials, the assistance from the SEAEDD (funded in part by EDA), and the investment of private capital has been responsible for our community's doubling in population in the last 10 years. Our bank deposits have increased 4 times during the last 15 years.

I would like to state that as Mayor of the City of Monticello, I feel that we have returned three tax dollars back to the U.S. Treasury for every one dollar spent in the initial investments made by the Federal government through EDA. Congressman, I cannot express how important EDA projects have been to our citizens and local governments, and how important future EDA funding will be to us. We all know that it is good business when you show a profit.●

HONORING JOHNNY SCHIAVENZA

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. STARK. Mr. Speaker, on May 7, 1981, a retirement dinner will be held for Mr. John T. Schiavenza, who will be retiring as the secretary-treasurer of the California Conference of Machinists. I want to take this opportunity to extend my warmest congratulations to him at this time.

John Schiavenza retires after 10 years of serving in this post. This is the culmination of years of dedicated and unending service to his fellow machinists and members of his community. He began his career in the labor movement in 1937 when he organized employees at Marchant Calculators. Through the years his experiences have included serving as business manager of local 1566, member of local lodges affiliated with the IAM and AW and the California Non-Partisan Political League. He has also served on numerous special advisory committees.

Through his long career he has been a committed, and hard-working man. His dedication and sense of responsibility have been unending. I hope his years of retirement prove fruitful for him. And I know I join everyone, his wife, Bernice, and his family, friends, and colleagues, when I wish him health and happiness—and personal thanks for a job well done.●

SALE OF AWACS AIRCRAFT TO SAUDI ARABIA

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. ROYBAL. Mr. Speaker, I would like to go on record as stating my unequivocal opposition to a United States sale of AWACS (airborne warning and control system) surveillance aircraft to Saudi Arabia. I believe that these aircraft would constitute a grave threat to peace in the Middle East and to the security of Israel.

I agree that the security of Saudi Arabia is of major importance to the United States, and that friendly relations with that country are vital. The Saudis have often represented a voice of moderation in comparison to the more radical regimes of Middle Eastern countries such as Iraq and Libya. I should note that there has been much discussion recently as to whether the Saudis are truly moderates. Nevertheless, factors such as the Russian invasion of Afghanistan and the hostile government in Iran are perceived by many persons in both countries as justification for the sale of millions of dollars' worth of sophisticated military equipment to the Saudis.

I believe such a perception is a mistake. While it is true that the above factors contribute to instability in the region, I fail to see the advantage in compounding this problem through Saudi Arabian possession of equipment even more sophisticated than that of our own Air Force. Indeed, the AWACS are so sophisticated that many persons, including former CIA Director Stansfield Turner, have doubted the ability of the Saudis to operate or maintain such a fleet on their own. It has also been pointed out that the main threat to Saudi Arabia lies not in the possibility of a sophisticated air attack, but rather in the recurring Middle East problems of internal disorder, rebellion, and guerilla warfare. AWACS would be of little help in dealing with these very real possibilities. If Saudi Arabia needs more military aid, a wiser course for the United States would be to supply them with more conventional hardware and military training.

I can also foresee the possibility of a costly and destructive Middle East arms race. In the event of a sale of such sophisticated equipment to Saudi Arabia, Israel would certainly feel pressured to purchase substantial new equipment of her own to offset this threat. As you know, the Israeli Government has expressed the strongest opposition to the sale of this equipment. And what of the other Arab countries? It is easy to imagine an increased sale of Soviet arms to the area, as well as the tremendous pressure that will be applied on Saudi Arabia to share AWACS gathered information with other countries. No conditions we put on the use and outfitting of these planes can prevent these possibilities.

We must also keep in mind that given the instability in the region, there is no guarantee that any Middle Eastern government will not be overthrown from within and replaced by a more radical regime. I would urge that we examine this arms sale in the perspective of history. Iran was much more pro-United States than is Saudi Arabia. The Shah had very sophisticated military tastes, and with the help of the United States was able to build his country into the strongest military power in the Middle East. The United States was totally unprepared for the overthrow of the Shah of Iran, and as a result we have had the shame of seeing our own military equipment used against us. We should not be so quick to forget.

I urge you in the interests of the United States, the Middle East, and quite possibly the entire world to oppose the sale of this sophisticated equipment to Saudi Arabia, and to vote against the measure when it comes before Congress.●

REVITALIZING THE AMERICAN ECONOMY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. GUARINI. Mr. Speaker, H.R. 3218 is legislation designed to begin the task of revitalizing our economy and providing for long-term economic revitalization. This two part plan is an alternative individual and business tax cut which would be more fair, less costly, and less inflationary than that advanced by the administration.

Title I of H.R. 3218 establishes a Reconstruction Finance Corporation to offer American business a flexible tool to foster fair and efficient growth of our private sector predicated on our own national interests.

The Corporation is to be administered by a Board consisting of the Secretary of Commerce, the Secretary of Labor, the Secretary of the Treasury, two representatives of business, and two representatives of labor organizations. The Board would have a first year authority to allocate $5 billion in tax expenditures, and an additional $5 billion to assist industries that have difficulty in obtaining financing.

Title II of my bill provides for a $20 billion tax relief program. Of this $20 billion, $16 billion would be tax relief for individuals and $4 billion would be earmarked for tax relief for business. Under my tax proposal a majority of workers would receive more tax relief than they would under Reagan proposals.

This legislation has already sparked a good deal of discussion. With your permission Mr. Speaker, I would like to include in the RECORD an article on my bill which appeared in the AFL-CIO News on April 18, 1981, entitled, "New Tax Bill Offers Aid to Workers, Business." This article gives a good, detailed look at this legislation and its effects:

NEW TAX BILL OFFERS AID TO WORKERS, BUSINESS

A tax bill that meets the AFL-CIO's test of fairness to workers while targeting aid to advance reindustrialization goals has been introduced by Rep. Frank J. Guarini (D-N.J.).

Guarini is a member of the House Ways and Means Committee, which has jurisdiction over tax legislation and later this month will start voting on the ingredients of a committee bill.

The measure introduced by Guarini (H.R. 3218) includes the social security payroll tax credit the AFL-CIO has proposed as a more equitable and less costly alternative to the Reagan Administration's percentage cut in federal income taxes.

Under the Guarini bill, workers would have 20 percent of their social security tax refunded to them through tax credit, and employers would receive back 5 percent of their share of the payroll tax.

The tax credit would be worth more to the majority of wage earners than the Reagan proposal, but the revenue drain would be less because the tax credit would top off at $395 for an individual worker while the Administration income tax would give substantially bigger payments to the very affluent.

All employers would profit from their share of the social security tax credit, but those employing the largest number of workers would benefit most.

The targeted business tax cut urged by the AFL-CIO and spelled out in H.R. 3218 contrasts dramatically with the Administration proposal, which would give accelerated depreciation allowances and the full 10 percent investment tax credits to all business enterprises, regardless of need or economic benefit to the nation.

The revenue loss to the government of the Reagan proposal, just from the faster depreciation, would rise from $9.7 billion in the next fiscal year to $60 billion when fully effective.

As proposed by Guarini and urged by the AFL-CIO, aid to business apart from the 5 percent social security credit would be channeled through a reconstituted Reconstruction Finance Corp. which would invest both public and private funds and guarantee loans to help strengthen the nation's industrial base.

Funds to help modernization or expansion would be provided when this would expand employment opportunities and productivity, strengthen the ability of domestic industries to compete with imports, or assist U.S. firms that have problems meeting government-imposed costs.

The Guarini bill would authorize $5 billion to the RFC for non-tax assistance, such as loans and interest subsidies, and provide another $5 billion in tax subsidies such as refundable investment tax credits and various depreciation allowances—but only to further the reindustrialization goal.

It would include an "anti-pirating" safeguard so that federal aid would not be misused to subsidize the moving of production and jobs from one part of the country to another, plus Davis-Bacon Act safeguards.

At House Ways and Means Committee hearings last month, AFL-CIO President Lane Kirkland protested that the Administration plan would feed inflation and reduce the nation's public resources by giving "huge benefits" to already prosperous firms without any assurance added revenues will go to productive investment.

The added cash flow to business, he said, could just as easily be used "to buy up other companies" or to finance "relocations that destroy jobs and blight local communities."●

TRIBUTE TO JOHN SCHIAVENZA

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. PHILLIP BURTON. Mr. Speaker, on May 7, 1981, a dear friend and a staunch labor leader, John Schiavenza of the International Association of Machinists and Aerospace Workers, will be honored by his many friends on the occasion of his retirement.

John Schiavenza was born in Berkeley, Calif., and by the age of 21 he had organized his employers, Marchant Calculators, and became a charter member of IAM, Local 1566. He became business manager of his local in 1946.

John Schiavenza's concerns for working men and women extended beyond his own local. In 1953, he was elected as part-time secretary-treasurer of the California Conference of Machinists and in 1971 he was elected to that position on a full-time basis. By 1971, the California Conference of Machinists was comprised of 150,000 union members, 115 machinist local lodges affiliated with IAM & AW and the California Machinists Non-Partisan Political League.

John has long been active in both union and civic affairs. He has served on special advisory committees for the California attorney general's office and for State Senator John Holmdahl. He is a trustee for the CMTA/IAM pension fund; a trustee and a member of the board of directors, International Guiding Eyes, Inc.; and a member of the San Leandro Service Center.

In addition, he served on the Alameda County grand jury in 1963, the IAM national planning committee since 1962, and the IAM bylaws committee in 1972.

In 1973, John Schiavenza was honored by the city of Hope when he was presented with their Spirit of Life Award.

I could not let this very special occasion go by without calling his outstanding career to the attention of my colleagues in the House and extending to John and his charming wife, Bernice, very warm best wishes in the years ahead.●

UNWARRANTED INTRUSION IN ISRAEL'S SECURITY

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. GRADISON. Mr. Speaker, as my colleagues know, Senator BAKER has indicated that the administration has agreed to delay the submission of its proposed Saudi Arabian arms sale package until the Congress has had the opportunity to consult on the final shape of that package. While the administration had earlier indicated that a formal announcement of the proposed sale would be delayed for several months, this renewed willingness to permit the Congress a role in formulating and changing the package is welcome indeed.

Frankly, Mr. Speaker, there is much about the timing and substance of the proposed sale that troubles me. I am also somewhat surprised by the twists and turns engaged in by proponents of the sale in attempting to sway public opinion.

The administration proposes to sell Saudi Arabia a package of extra fuel tanks and air-to-air missiles for their already-acquired fleet of 62 F-15 fighters, to extend their range and their lethality; tanker planes, to extend the operating range of Saudi-controlled aircraft through midair refueling; and five sophisticated radar planes, the E-3A Sentry, or AWACS. The latter equipment represents perhaps the most dangerous part of the sale, since several AWACS planes, stationed well within Saudi territory, could direct fighter aircraft from neighboring countries in operations against all portions of Israel. A combination of forces, protected and coordinated by AWACS, would put a severe strain on Israel's defenders. As such, it is a destabilizing element in the Middle East armaments race.

What are the reasons most commonly advanced in support of the sale? Some believe that it would enable Saudi Arabia to help defend the Persian Gulf against Soviet aggression. While these armaments would provide some measure of resistance to a Soviet thrust, they would by no means do the job. Furthermore, any attack on Saudi oilfields would be viewed as a critical strike against the interests of all Western nations, including the United States. It would be unthinkable to leave the defense of the Saudi oilfields to such a token force. Former President Carter said as much in his state of the Union address in January 1980, coming hard on the heels of the Soviet invasion of Afghanistan:

> An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States. It will be repelled by use of any means necessary, including military force.

Obviously, a Soviet military force of major proportions and seeming long duration in Afghanistan is a serious threat to the stability of the gulf region. Even so, as former CIA Director Stansfield Turner among others has argued, the most likely threats to

Saudi Arabia are internal disorder or rebellion and guerrilla warfare sparked by hostile neighbors. For example, the future may bring internal subversion fomented by South Yemen, a Soviet foothold in the gulf region; violence in the oilfields, where there are large numbers of Shia Muslims who may be responsive to the Khomeini call for revolution; or border clashes with Iraq. The Saudis are not well prepared for any of these contingencies. Indeed, supplying the Saudi military with the AWACS plane may make preparation for these events even more difficult. They would expend an inordinate amount of money, time, and energy integrating this equipment into their military command structure while more serious threats were left unattended.

Saudi Arabia is typically viewed as one of the more pro-Western producer states in the gulf. Advocates of the sale cite the increased leverage it would afford the United States in persuading the Saudis to soften their hard line against Israel and in encouraging them to hold oil prices down and production up. The sale would be a concrete example of our friendship, enabling the Saudis to justify to radical Arab critics their close relations with our country by pointing to such tangible security benefits.

Once started down the slippery road of concessions and concrete examples of friendship, it may be hard to stop or to discern the difference between these and blackmail. Despite our continued indications of good will toward the Saudis, including the 1978 sale of F-15 fighters as defensive aircraft, they have not moderated their opposition to the continued existence of Israel. In January, at a conference of Islamic nations, Saudi Arabia was a leader in calling for a holy war to eradicate Israel, our most valuable ally in the Middle East. Furthermore, they have not pledged support for the Camp David Middle East peace process nor stopped their support for the terrorist Palestine Liberation Organization.

It is true that the Saudis continue to produce above their official ceiling, a move first made to soften the impact of production cutbacks by Iran and Iraq when fighting broke out between them. It is also true that the Saudis continue to sell their 10.3 million barrels per day at a price significantly lower than that charged by other OPEC producers; $32 per barrel versus a minimum of $35 to $36 charged by others. While this is beneficial to oil consuming nations, the Saudis have another motive. Thay seek to reassert authority over OPEC to unify crude oil prices as a first step toward fair and balanced production cuts among the producer nations. Their persistent pursuit of a long-term strategy for OPEC oil pricing reflects concern with softening world oil demand due to increased conservation activities by all nations, including the United States; this hastens the day when OPEC's stranglehold on the industrialized west is loosened. In a recent speech, reported by the Economist from the Petroleum Intelligence Weekly, Sheikh Yamani, the Saudi oil minister, noted:

> If we force Western countries to invest heavily in finding alternative sources of energy, they will. This would take no more than seven to 10 years and would result in reducing dependence on oil as a source of energy to a point which will jeopardize Saudi Arabia's interests. Saudi Arabia will then be unable to find markets to sell enough oil to meet its financial requirements.

A neat trick when the Saudis convince us that their self-protective measures are actually taken only for our benefit.

Substituting U.S.-owned AWACS planes flying out of Saudi bases for Saudi-owned planes is said to be unacceptable because the Saudis fear that this increased U.S. presence will draw further Soviet involvement in the area. Yet, U.S. owned or not, AWACS planes are a significant de facto U.S. military presence by themselves. Under the terms of the proposed sale, we would be training Saudi personnel in the operation of the planes until 1989, and U.S. officials have vowed to severely monitor and restrict their use. Any compromise of the AWACS' secrets would be a dangerous blow to American security and such a threat would almost certainly invite a spirited U.S. effort to remove the planes from danger.

Finally, we cannot ignore the issue of commitments made by our Government when the F-15 fighters were sold. In 1978, the executive branch justified this sale as wholly defensive in nature, and assured the Congress that it would not sell the Saudis the AWACS plane or other equipment needed to enhance the capabilities of these fighters. While the strategic situation has changed in the Gulf region, as proponents argue, we must be mindful that both our allies and our adversaries would doubt any future American assurances. This would be particularly true if these commitments were broken without a clear and pressing justification which, given the analysis above, is certainly not the case here.

On balance, Mr. Speaker, I believe the sale represents very poor policy and a serious misjudgment by the Reagan administration. I would urge the Saudis to review their own defensive situation in more realistic terms, and our Government to cease this unwarranted intrusion on Israel's security.●

ALTERNATIVE SOURCES OF FUNDING ALCOHOLIC PROGRAMS

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. MOAKLEY. Mr. Speaker, I would like to share with my colleagues the following letter which appeared in the Letters to the Editor section of the April 27, 1981 Boston Globe. The letter was written by my constituent and dear friend Jack Donahue, who is one of Massachusetts' top advocates of programs and services which deal in the treatment of alcoholism abuse and alcoholism. Jack is also the creator and chief executive director of Hope House, Inc. in Boston, Mass., a nonprofit halfway house for alcoholics. Hope House, among the country's most effective and well-run treatment centers for alcoholics, has earned its impressive reputation as a direct result of the efforts of Jack Donahue.

With Federal moneys for alcoholism treatment becoming more and more erratic and with the growing trend in our Nation to further reduce all Federal spending, fewer and fewer reliable sources of funding for the treatment of alcoholism are available. In his letter, Jack proposes an alternative source of funding for these vital programs, an alternative that I believe holds considerable merit. I urge my colleagues to carefully examine and consider all the benefits of his plan.

HELPING ALCOHOLICS

As the director of Hope House, a half-way house for alcoholics, I would like to bring to the attention of David Stockman the fact that the liquor industry seems to enjoy a special privilege no other American individual or corporation enjoys: There has not been an increase in the taxes of distilled alcohol since 1952.

The tax has remained $10.50 per gallon since that time. Yet, the industry keeps pointing out the amount of revenue we receive from it without ever mentioning the increased consumption of liquor, which has greatly increased industry revenue.

I would like to see even one dollar added to this tax on alcohol. This insignificant amount would support all the alcoholism programs in this country and still leave a surplus of monies which could be used in other health programs. I do not refer to designated taxing or funding. This increase would go into the general fund. I feel that this would be one way of sharing the cost of treating alcoholism in the United States.

One other step which would help to reduce the cost of alcoholism programs to the states and the federal government would be to mandate all health insurance companies to include alcoholism treatment in their health care policies as they do for any other illness. Seventeen states have already done this and others have such legislation pending. A boost from the federal government would be a great help.

If both of these suggested steps were taken, we could keep the present alcoholism

programs in place, spread out the cost, and reduce the need for alcoholism programs to continually seek funds from the federal government, upon which we can never really count.●

PUBLIC SPIRIT OF MABEL OWEN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following letter written by Floyd Quigg on behalf of a fine, public-spirited citizen in my congressional district, Mabel Owen. I feel Floyd has caught the true public spirit of Mabel.

The letter follows:

Hon. ROBERT J. LAGOMARSINO,
Rayburn House Office Building,
Washington, D.C.

DEAR BOB: Any of our colleagues who have "older" neighborhoods in their home districts may be interested in something that's been in progress for decades in Ventura's "Avenue Area." As you know (but colleagues might not), in Ventura "The Avenue" means Ventura Avenue, which starts near the Pacific Ocean and to the Ventura Freeway (US 101) and extends northward for miles, roughly parallel to the Ventura River. The blocks on both sides of it, a half-mile or so in extent, constitute the oldest residential area in the city; close by its famed Mission San Buenaventure, which in 1782 began this community.

Now our city is crowding eighty thousand in population, and the folks five or ten miles to the east rarely see the Avenue Area unless they work in its many oil-industry plants and shops. To many, the eastern reaches of Ventura, it is simply the old area beyond the city's original downtown business district; in their magazine-cover dwellings and modern shopping centers, it seems difficult to get deeply interested in those "poor relations" folk "up the Avenue."

What would it take, in such a situation in modern times, to protect the Avenue Area from harm and indignities, from internal neglect and despair, from external scorn and "ride over roughshod"?

It took and it got, a woman—a special kind of woman—to get the section started and keep it going.

Specifically, it took Mabel Owen, a devout Christian housewife first, comptometer operator whose interest was not confined to columns of figures. She came to Venture on New Year's Day in 1929, wife of an oil company employee; he was also a talented musician. They rented-around for a few years, and then bought a pleasant home on Simpson Street, half-block west of the Avenue; in the backyard they had a barbecue house, ample in size for entertaining, which would prove to be important in her future activities, then unanticipated. The war years of the 1940's sparked a major boom in Ventura County, with its two Navy bases and one Air Force base bringing in people and factories. Ventura's city growth pushed mostly to the east and south, chomping up acres of farmland fast—the kind of land that can produce three or four crops a year.

By 1945 there was an urgent demand for a city dump; and the people and the powers then dominating City Hall picked a spot for it (of course) the Avenue Area, an enticing open acreage near the river and the Southern Pacific Railroad. Locating it there would be easy, surely, for the folks living in that area had little visible political power, and no organized way to get it. So it appeared.

It just happened, however, that the intended dumpsite was only about a quarter-mile west of the home of Harvey and Mabel Owen—and she was not one to accept it in sweet and quiet resignation, without a fight. She just looked sweet and quiet and helpless. When she was confronted with the prospect of the odors and bugs and animals sure to infest the dump—and especially the neighborhood degradation of it, along with the insult of it—she got into such action as the take-over gentry in City Hall did not know could exist in an area of older homes and quiet-mannered people.

Having lived in the neighborhood for years, she knew many of the others for the reason that Avenue folks are like that; it is an actual neighborhood, not a complex of strangers determined to remain strangers. Besides, having worked in the office of the county's assessor, she knew how to identify and locate the owners of strategically placed properties. What was more, she had a place for people to meet and create an organization; it was that barbecue house in her back yard. Not a person to delay or accept defeat for lack of resources somebody might think to be necessary, Mabel Owen was quick to make use of such resources as she and her neighbors already did have.

Taking the initiative when it counted most, she transformed the helpless dismay of individual Avenue residents into mobilized public indignation, a force that could not be ignored safely. It just might tip the scales at the next election and determine whether someone was electable or rejectable.

The Avenue Improvement Association was born. The Avenue dump plan was dumped.

Other neighborhood action was needed, as problems affecting the whole area developed, and the organization was able and ready to work on them. And it was effective; it made a difference. Mabel Owen kept on the alert for anything that might be attempted by officials, that would harm the Avenue as a residential area. She knew that, in practical politics, the time to block anything of this kind is while it's still only an idea or a plan-not after it has been put into some official form, when proponents will fight for it to save their faces.

The next proposal by officials to use those empty acres along the railroad track was to build there a set of shallow pits as open drying beds for sludge from city sewers. Avenue Area residents would have to endure the oders of the whole town; and city officials of that time were determined to force the proposal into completion. Again Mabel Owen and the Avenue Improvement association went into battle; and again with success.

Twenty empty acres having twice been coveted for unlovely ends, there must be no further delay in putting them to use in a manner that would bring comfort and joy to Avenue people. This time Mrs. Owen and the association changed pace. They abandoned the wait-and-see of defense; instead they went on the offense, campaigning for a city recreational center to be built there. It was not easy; the roadblocks were numerous and well made; but today those acres are ball fields, with a well planned building for indoor activities. It's called Westpark.

Other endeavors were likewise positive in nature. One was the organized and timely assistance given when the Rev. Luther McCurtis arrived in Ventura to found a black Pentecostal church on the Avenue; it would serve the special needs of area residents in a manner that would disregard such arbitrary boundaries as race or color or creed. His already active Church of God in Christ would add something extra, a plan and operation to start with individuals who could not get a job, help prepare them by attitude and knowledge for whatever each might be best at doing, help get the job and get him or her started—and do it all free as a Christian service, not as an employment agency or governmental program. For this he would need money, a lot more than he had, and he asked Mrs. Owen to help him get it. After "checking out" the man and his plans, thoroughly, she agreed to try.

She knew where to start looking, including Fritz Huntsinger, Sr., a man who had built himself up "from scratch" and is now Ventura's leading industrialist and philanthropist. He also is, by choice, an Avenue resident. He could and did understand the importance of this new Employment Aptitude and Placement Association, when Mabel Owen told him about it; and he has been a strong supporter of it ever since. Like her, he has learned that nobody can predict now what any one of these individuals—especially the younger ones—may achieve in future years, because of timely personal help offered right now, when it's needed and not refused.

The one most important characteristic of Mabel Owen, in getting her neighborhood the improvements needed, has been that she is a "self-starter." She does not wait to be asked, the trait most desperately needed for decisive action in private enterprise. In her first endeavor, moving to block a city dump in her neighborhood, nobody else would have asked her because nobody else knew she could do it—that she had the necessary know-how and the personal drive for starting and follow-through.

Beyond that is her readiness and skill in utilizing the capabilities of others, and her habit of being completely "color-blind" in sizing up the personal capacity of another person—that, and her disregard of the degree of elegance of attire or speech. It is impossible for a person of one race to imagine accurately what are the feelings of someone who's part of the other race, and relies on that somebody to act and speak for his or her own people.

There is true leadership, and Mabel Owen has been practicing it, every since she made her first response to a need she perceived. How people know she can lead and persuade, being never awe-struck by anyone, and people do ask her to exercise her demonstrated abilities.

Every community in every Congressional district needs leadership of a person like Mabel Owen, and I trust that you will make an effort to call her performance to the attention of your colleagues on Capitol Hill—and what it took to get her started. She represents the ability of a private citizen at its best, not needing the constant direction (especially the giving of entrance cue) by governmental officials. That ability represents a power greater than the White House or Capitol Hill together. That power, and the

will to use it, is what our governmental system is all about.

Cordially,

FLOYD B. QUIGG.●

THE BALTIMORE CHAPTER, CONTINENTAL SOCIETIES, INCORPORATED PROCLAIM APRIL 10, 1981, AS "SAVE OUR CHILDREN DAY"

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, the proposed budget cuts and elimination of many young people from vital school lunch, education, day care, and employment opportunities, make such efforts as those by the Continental Societies, Inc., essential. The Baltimore chapter of this organization proclaimed April 10, 1981, as, "Save Our Children Day." I commend this outstanding symbol and definitive actions surrounding it.

"Save Our Children Day," indeed went beyond the mere symbolic nature of most recognition days. The Continental Children's Society took the responsibility of encouraging and implementing a massive communications drive to the President and Members of Congress to express opposition to Federal budget cuts which could hurt children. I believe that this was a much-needed and very appropriate gesture as the organization celebrates its 25th anniversary. Moreover, it is indicative of the continued dedication of this organization to fairness, equity, and the rights of our children.

Again, let me share my pride and deep admiration for the proclamation of April 10, 1981, as, "Save Our Children Day," by the Baltimore chapter of the Continental Societies, Inc.●

PROSPERITY IS JUST AROUND THE CORNER

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. ECKART. Mr. Speaker, I was impressed last night with the inspirational tone of the President's message, and I agree with the broad goals that he seeks to achieve. It is in our Nation's interest that we all join in this effort.

But as I listened last night, I could not help feeling that some of the President's words sounded vaguely familiar. There was a sound of history about them.

Although the President called for us to "try something new," the prescription we heard was one this Nation has heard before.

I refer the following to the attention of the Members:

Whatever the arguments made, do not be misled by those who say that we need only to tax the rich to secure the funds we need. We must face the absolute fact that the rich can be taxed to the point of diminishing returns, and still the deficit in our ordinary and necessary expenditures would not be covered even upon the basis of the utmost economy. Make no mistake. In these circumstances it is those who work in the fields, at the bench and desk who would be forced to carry an added burden for every added cent to our expenditures.

Whatever the deficit may be and in whatever manner it may ultimately be met, every additional expenditure placed upon our government in this emergency magnifies itself out of all proportion into intolerable pressures, whether it is by taxation or by loans. Either loans or taxes beyond the very minimum necessities of government will drain the resources of industry and commerce and in turn will increase unemployment. Such action can easily defeat our hopes, our plans and our best efforts for the recovery of our country and so indefinitely delay the return of prosperity and employment. We can carry our present expenditures without jeopardy to national stability. We can carry no more without grave risks.

The imperative moment has come when increase in government expenditures must be avoided, whether it be ill-considered, hasty, or uninformed legislation of any kind, or whether it be for new services meritorious in themselves. Any alternative will strike down the earnest efforts of the citizenry of our nation to start us back upon the economic paths to which we must return if we and our children are to have the destiny which everyone has the right to hope and the heart to give to them.

The speech was made September 21, 1931. The President was our 31st, Herbert Hoover.●

THE REGULATORY FLEXIBILITY ACT

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. SKELTON. Mr. Speaker, for 3 years I worked with other friends of small business and small governmental jurisdictions in the Congress to relieve the massive regulatory and paperwork burdens they must endure. Late last year our dreams were realized when our bill, the Regulatory Flexibility Act, passed the Congress and was signed into law by the President.

This act was truly landmark legislation. It is an excellent example of a big institution—the Federal Government—imposing a new discipline on itself. It is in fact a major effort by the largest institution in the world to limit its own negative regulatory impact on small entities.

What does this law do? Basically it does the following:

First, Federal agencies will be required to publish in the Federal Register every 6 months a regulatory flexibility agenda. This agenda will also be sent to the Chief Counsel for Advocacy at the Small Business Administration and agencies will also endeavor to notify small businesses of the agenda through other channels. The agenda will contain a summary of any rules to be proposed which will have a significant economic impact on small business as well as the name and telephone number of a knowledgeable agency official among other things;

Second, whenever an agency has to publish notice of general rulemaking they are to prepare and make available for comment an initial regulatory flexibility analysis. They then must prepare a final regulatory flexibility analysis after having reviewed all comments. In this analysis, they must explain how their rules can be tiered or their burdens on small business otherwise lessened;

Third, agencies must review all regulations currently on the books and determine the continued need for any rules which have a substantial impact on small business. They have 10 years in which to complete this task and may use 1-year extensions, not to exceed 5 years, to complete the task; and

Finally, the Chief Counsel for Advocacy of the Small Business Administration will monitor agency compliance with this law and will report at least annually to the Congress on said subject.

Overregulation is not just a small business problem. It is a problem with significant public consequences. One of our committee's witnesses summed it up this way:

> The overregulation of small business is not just a parochial problem; it is a public problem as well. This public interest lies directly in two areas: (1) the disproportionate impact of government regulation on small business reduces the competitive capacity of small business, thereby placing government in the strange position of encouraging economic concentration, and, (2) consumers, to a large extent, must pay the costs of regulation in the form of higher prices. Thus, while the most immediate and visible impact may fall to the small entrepreneur, the public shares the burden.
>
> The disproportionate impact of regulation on small business stems from economies of scale inherent in the regulatory process. This fact is neither unexpected nor stunning once attention is drawn to it. But as often is the case of the obvious, we tend to dismiss it in our preoccupation with the more specific.

I am pleased to say that I was able to join with other Members of Congress in recognizing the problem and doing something about it.●

EL SALVADOR

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. EDGAR. Mr. Speaker, by now, my outspokenness on U.S. policy in El Salvador must be apparent to all. The reason for that outspokenness is to insure that all sides of this controversial issue are analyzed. My recent trip to Central America and the opportunity I had to meet with leaders of all political ideologies has given me some firsthand experience—albeit brief—which I have wanted to share with my colleagues.

My trip was organized by John McAward, director of the international programs of the Unitarian Universalist Service Committee. Mr. McAward has had a great deal of experience in Central American issues. I submit for the RECORD his astute analysis of the current civil war in El Salvador because I believe it has a bearing on the formulation of U.S. policy in that region:

[From the Los Angeles Times, Apr. 19, 1981]

HOW DIALOG MIGHT END SALVADOR'S WAR

(By John McAward)

Stalemate best describes the current state of El Salvador's civil war. The Salvadoran security forces and the guerrillas of the revolutionary left, unable to achieve a decisive victory, are now locked in inconclusive skirmishes that threaten 5 million Salvadorans with continued violence and death.

The call for a negotiated settlement has gained growing support in Europe, where many hope that Jose Napoleon Duarte, the appointed president of the junta, and Guillermo Manuel Ungo, leader of the opposition coalition, the Democratic Revolutionary Front, can be brought to the bargaining table.

While neither is believed to exercise effective control over his armed faction, both are considered essential to any political settlement. Today they are public enemies, but less than a decade ago, they were victorious partners in an election for president and vice president—only to be denied their rightful office by the military.

Each enjoys respect for his humanitarianism and commitment to social justice. Yet each is perceived as a captive of forces that are beyond his power to control. Duarte's critics claim that Defense Minister Jose Guillermo Garcia is de facto chief of state. Ungo is accused of providing social-democratic window dressing for Marxist forces.

Despite the hostility between the two former allies and the armed clashes between the factions they represent, negotiation is possible. So far, three offers of mediation—by the Roman Catholic bishops of El Salvador, by former West German chancellor Willy Brandt and by the Organization of American States—have been rejected. These actions do not prove that negotiation is an impossible goal, only that it will take powerful pressure, artfully applied, to bring the adversaries to the bargaining table.

Earlier mediation offers were rebuffed because they came from people suspected of bias. Four of El Salvador's five bishops are politically to the right of Duarte, so their offer was refused by the left. Brandt had spoken publicly in support of the left and thus was unacceptable to Durate. The OAS is too easily subjected to U.S. pressure to be trusted by the leftist opposition as a mediator.

Yet no political solution is possible without international mediation. One approach might be for Duarte and Ungo each to select a nation willing to act as a go-between. Those two nations could in turn choose a third country, acceptable to both principals, to organize a peace-keeping operation. All three should be willing to send an internationally backed peace-keeping force into El Salvador at the appropriate time.

Prompt, open elections should be the main objective. A cease-fire agreement would have to confine government forces to the barracks; the guerrillas must agree to take no offensive action. A department-by-department cease-fire (departments are the equivalent of American states), beginning with the least combative areas, would test the word of the combatants and demonstrate the ability of the peace-keeping force to maintain law and order.

An international panel of jurists should be convened to investigate human-rights violations and corruption, and to prosecute the accused. If the military is to survive as an institution, it must be cleansed of corruption and killers, and must accept the principle of civilian government control.

To be sure, the present nature of El Salvador's security forces makes prosecution both problematical and risky. A prosecutor must convince a majority of officers that failure to punish those responsible for serious breaches of conduct will threaten the entire military structure. Only then will members of the military testify against those who they consider to have brought disgrace to the service. Fifty years of continuous and, until recently, unchallenged military rule have produced an officer corps accustomed to iron rule and corruption. When commissioned, these officers never dreamed that they would somebody be under attack from their own people.

Once a cease-fire was achieved, displaced persons could return to their home villages. A neutral electoral commission would register voters as a first step to elections for representatives to a constitutional assembly. With a new constitution, election campaigns for higher offices would commence under the protection of the peace-keeping force.

Four major political forces have indicated a willingness to field candidates in free elections: the Christian Democrats (led by Duarte), the Democratic Revolutionary Front (led by Ungo), the Productive Alliance (made up of business groups) and the military's Party of National Conciliation (PCN).

Recently a high State Department official predicted that the PCN would win any free election. This was challenged by Manuel Enrique Heinz, leader of the Productive Alliance and minister of economics in the previous junta, who declared that in a coalition with urban unions his faction would win. Both Duarte and Ungo also believe their parties would be victorious. With each of the four parties convinced of its own superiority, the moment for negotiations leading to elections may never be more propitious.

But who will convince the military to negotiate? The failure of the guerrilas' "final offense" in January, coupled with the renewal of U.S. military aid, has given the military a scent of victory. Yet atrocities continue against civilians, giving the impression that annihilation, not mediation, is the military goal.

Lately the State Department has tried to disassociate itself from offical atrocities. However, the Reagan Administration (like the Carter Administration) contends that because our military aid goes only to the army and not to the dreaded security forces (the national guard, treasury police and national police), the United States has little influence over those other branches and is not implicated in their atrocities.

What Washington has not acknowledged is that every security officer in El Salvador is a graduate of the nation's only military academy and officers rotate regularly through the various branches of the security forces. Furthermore, all U.S. military aid is channeled through a single unified command headed by Col. Jamie Abdul Gutierrez, vice president and commander-in-chief, and by Defense Minister Garcia, both directly responsible for the actions of all branches.

The United States is actually best positioned to bring about mediation. As opposition to our El Salvador policy mounts among grass-roots Americans and mail to the White House runs 10-to-1 against it, now is the time for the United States to bring pressure to bear against the Salvadoran military. The Reagan Administration can convince the military to accept mediation because continued U.S. support is essential to the military's survival. These realities, combined with international pressures, can force all parties to the conference table.●

PRESIDENT'S PARDON OF MR. FELT AND MR. MILLER

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. EDWARDS of California. Mr. Speaker, I would like to share with my colleagues an excellent editorial which recently appeared in the San Jose Mercury. The editorial reflect's on the President's recent decision to grant pardons to former FBI officials W. Mark Felt and Edward S. Miller. As my colleagues recall, Mr. Felt and Mr. Miller were tried and convicted for their role in authorizing illegal break-ins during the FBI's search for members of the Weather Underground during the early 1970's.

The writer of the editorial expresses well some of the misgivings that I felt upon learning of the President's action. I think my colleagues will find it of interest.

The article follows:

[From the San Jose Mercury, Apr. 20, 1981]

PARDONS RAISE QUESTIONS

President Reagan's pardon of two convicted FBI officials last week is a curious—and potentially dangerous—action that raises some worrisome questions.

By exonerating W. Mark Felt and Edward S. Miller for their roles in authorizing secret break-ins during the FBI's hunt for radical Weather Underground members in 1972-73, the President took the unusual step of initiating the pardon process himself.

Most presidential pardons result from formal applications by the defendants and reach the president through the Office of the Pardon Attorney in the Justice Department. Neither Felt nor Miller had requested such action and, thus, the pardon raises questions about due process under the law.

But, regardless of its origins, a more fundamental concern involves the pardon's impact on American law enforcement.

The administration maintains that it is merely clearing "two men who acted on high principle to bring an end to terrorism that was threatening our nation." Supporters of the pardon—and those who defended Felt and Miller at their trial—contend that the laws governing surveillance and espionage at the time of the break-ins were ambiguous and that the two officials were being held accountable to tougher regulations that came into effect after the fact.

Despite these rationales, and without rehashing the courtroom arguments, the pardon stands as a symbol. The administration has exonerated two men who were convicted and fined (but not jailed) for violating Americans' civil rights.

Can an administration that was recently embroiled in a controversy over loosening restrictions on CIA domestic spying afford to send the country a signal that such "black bag jobs" are worthy of a presidential pardon? In light of this forgiveness, can Americans expect law enforcement agents to respect and enforce constitutional rights with continued vigor and authority?

These troubling signals from the White House, in turn, reinforce suspicion over last month's report that the administration is working on a revised presidential order on domestic spying. According to presidential counselor Edwin Meese, the order under study would "improve our ability to gain intelligence," especially in combating terrorism.

We find these questions and developments unsettling. In this case, President Reagan's misplaced compassion toward two men ultimately may be harmful to the greater good.●

STUDENT AID

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. LAGOMARSINO. Mr. Speaker, there has been considerable concern voiced about the effect of the Reagan administration's economic recovery program on student aid. I think much of this concern is based on misinformation or a misconception of the intended scope of the program. As the Washington Star pointed out in an editorial, the President is proposing only to cut back on the enormous growth which has been experienced in the program in the last 2 or 3 years. The program grew by 52 percent in 1 year, 1978, according to the Congressional Budget Office, and has grown by over 200 percent since then. While this may be gratifying in some respects, the question is how long we can afford to go on without imposing some reasonable limits on the program.

A possible solution, which the Star also mentioned, may be the adoption of a substitute program involving tuition tax credits, which seems like a reasonable way of insuring that all qualified students who want to go to college will have the opportunity to do so.

I commend this consideration to my colleagues, and insert the text of the editorial in the RECORD:

SLIMMING DOWN STUDENT AID

No temple of federal beneficience is more imperiled, to judge by the howls of its priesthood, than the structure that dispenses grants and loans to college students.

There will be strains, both for institutions and individuals, if Congress approves Mr. Reagan's proposals. But two things should be said: The administration is not attempting to tumble the temple down; and the growth in federal student assistance has been staggering—from $585 million in 1970 to $5.6 billion this year. Mr. Reagan is seeking a relatively modest reduction, $1.2 billion less for Fiscal 1982, and to require that middle-income families and students in particular bear a greater portion of the costs of higher education.

The dramatic increase in federal expenditures was strongly abetted by the congressional removal of income ceilings for student assistance. Until 1976, bank loans were guaranteed only for students whose families made under $15,000 a year. In that year Congress raised the ceiling to $25,000, and in 1978 removed the income cap entirely. As a result, participation in the Middle Income Student Loan Assistant program increased by 39 per cent and borrowing by 52 per cent from 1978 to 1979, according to the Congressional Budget Office. Loan volume reached $3 billion in Fiscal 1979, $5 billion last year, and is expected to top $7 billion this year. The so-called Pell grants, the basic educational opportunity grants which are determined on a formula involving family income, assets and other factors, have increased that program's budget from $357 million in Fiscal 1977 to $2.2 billion this year.

Roughly one out of every three college students in the nation now is receiving some form of federal assistance. Can the budget absorb that sort of swelling subsidy? Should it?

Those now portraying the administration's proposals as Visigothic may have forgotten that the effort to trim the major programs predated Mr. Reagan. The final Carter budget proposal called for linking loans more tightly to need, for ending the government's expensive payment of the 9 per cent student interest while the student was in school, and for keeping the maximum grant at $1,800 a year.

President Reagan endorsed the Carter proposals, and recommended increasing the amount of discretionary family income to be deducted from grants under the Pell program, and requiring a $750 contribution from students themselves, except those in "extreme need." That does not seem unconscionable. And the administration has also announced it will seek more money in 1982 for another program: The National Direct Student Loan program provides 4 per cent loans to needy students, with a federal contribution this year of $201 million.

President Reagan has suggested one antidote to the reduced torrent of federal money—tuition tax credits, the avoidance of which led Congress to its excessive benevolence in removing income ceilings from loan programs. Another way to alleviate the crunch on colleges is especially sensible, as we've mentioned before here: to remove the limit on tax deductions for charitable contributions. Reps Richard Gephardt, D-Mo., and Barber Conable, R-N.Y., have introduced such a bill. The Reagan attempt to reduce student assistance should give that measure deserved stimulus.

Student assistance is a wonderful example of federal generosity run amok. It is interesting, as well, to speculate that the easy availability of student loans and grants has counteracted another federal program—the effort to attract middle-class youths to the military with offers of educational assistance.●

SALE OF AWACS IS AGAINST U.S. INTERESTS

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. DREIER. Mr. Speaker, the proposed sale of AWACS radar observation planes to Saudi Arabia is of great concern to me. I have grave reservations over selling this equipment to the Saudis because such action would greatly undermine the security of Israel, our strongest and most dependable ally in the unstable region of the Middle East.

The sale of the AWACS will further escalate an already unacceptable level of tension in the Middle East.

It is clearly the policy of the United States to support the security of Israel, which of course is an integral part of our own national security. This policy is strongly and enthusiastically supported by a great majority of the American public.

The major problem I have with enhancing the Saudi defense capabilities is that no one can offer definitive assurances that the equipment will not be used against Israel, or U.S. interests.

We need only to look at the situation in Iran to see the possible consequences of providing advanced military equipment to Saudi Arabia. It is time that America restore a consistent and rational foreign policy. The sale of this military equipment to Saudi Arabia is against U.S. interests in the Middle East, and it threatens the security of Israel.

Our allies must feel secure in knowing that they enjoy the support of a nation that will base its actions on consistency, justice, and compassion. President Reagan has embarked on a policy of restoring America's ability to counter the Soviet threat, it is therefore crucial that we do not weaken an ally and risk compromising our sensitive military technology.●

MERRILLVILLE'S MOMENTOUS MOMENT

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. FITHIAN. Mr. Speaker, I am pleased to bring to the attention of the House the 10th anniversary of my district's most rapidly growing city, Merrillville, Ind.

Merrillville's past history and present growth are exemplary to the rest of the Nation. Its origins can be traced back to the Pottawatomie Indians. Since the mid-1800's this city has developed from a trading post into a thriving community of 30,000.

Today this dynamic city serves as a pleasing urban environment for families, industry, and commerce. I would encourage other young cities to look to Merrillville as a model for successful growth.

I ask Congress to join me in celebrating Merrillville's 10th anniversary. I congratulate the citizen's of Merrillville on its past and wish them good fortune in their future. In tribute to this great city I now submit to you a short report of its history.

MERRILLVILLE: A CAPSULE REPORT

Merrillville boasts a long and rich history, though the town did not officially exist until incorporated in late 1971. Long before fur traders arrived in the area at the southern tip of Lake Michigan, peace loving Pottawatomie Indians, a nation of hunters and fishermen, were enjoying the natural riches of the dense forests and gently rolling terrain of this Great Lakes region.

As early as 1834, a ceremonial clearing in the woods was called McGwinn's Village after one of the hardy frontiersmen who camped there. However, this proved to be only the first of the area's many names. In 1835, Jeremiah Wiggins arrived. His famed "gift of gab" and intriguing trinkets soon persuaded the Indians that Wiggins was staying and the area was renamed Wiggins Point.

Time saw Wiggins Point become a popular stop for wagon trains bound for Chicago, Joliet, and Kankakee, Illinois. As the nation expanded its western boundaries, 16 trails radiated in all directions from the little settlement. Stores, hotels, liveries, and other businesses supporting the busy wagon and coach trade began to spring up.

When Wiggins died in 1838, local residents decided the name Centreville was a more dignified name for the thriving settlement, only to change it later to Merrillville in honor of William and Dudley Merrill, successful brothers who had a great impact on the town's early growth. In fact, recognizing the value of owning property along the Sauk Trail route to Chicago's Fort Dearborn, Dudley Merrill purchased land there and created the town's first subdivision.

Merrillville remained the community's name until the town and its neighboring settlements—Deep River, Ross, Turkey Creek, Ainsworth, Lottaville, and Rexville—organized collectively under the central government of Ross Township. Thus the area remained for more than 125 years.

And then a decade ago, in 1971, the rural town was officially incorporated as Merrillville. Now, ten years later, the community proper has a population of about 30,000, and is a dynamic, commercial leader in Northwest Indiana. Merrillville is Indiana's fastest growing town, and its momentum for growth continues even through the current economic slowdown.

The vitality of new growth is everywhere. The young community, just now celebrating its 10th anniversary, has attracted many corporate headquarters as well as two major shopping malls and a new, huge entertainment/convention facility. The landscape, once farm next to farm, is now filled with well-groomed residential areas and the mini-skyscrapers of commerce.

Merrillville also emphasizes the importance of community aesthetics. Business and community leaders agree that growth and excellence go hand in hand. The Chamber of Commerce has already begun to focus attention on landscape and architectural excellence through a program of awards and recognition.

So, as this suburban community became a major commercial center, its skyline changed but its spacious suburban look has been maintained. Many of Merrillville's major new developments are located on large parcels of land in attractive commercial parks.

As Merrillville's first decade ends, opportunities for planned development are prime. This decade will see an exciting period of continued growth. With an estimate that Merrillville's population could reach an amazing 100,000 in twenty years, planning provides for expansion of light industry, commercial centers, professional facilities, and residential areas.

Once the thriving stop-off point for wagon trains headed west, Merrillville is echoing its early history with a dynamic shout. Merrillville has made itself known. With surprising energy, the town has rapidly left its rural beginnings to become a major regional center of commerce. It is more than a stopping-off point. Merrillville is the focal point of the map.

On July fourth and fifth, Merrillville commemorates its history with a huge parade and festival. Civic groups, businesses, and government leaders are all coming together to provide a hometown celebration, complete with live entertainment, arts and crafts displays, and activities for young and old. The entire town, indeed most of Northwest Indiana, is expected to turn out to enthusiastically salute the rich and varied history and the rapid progress of Merrillville.●

DEDICATED EMPLOYEES OF THE NORWALK-LA MIRADA UNIFIED SCHOOL DISTRICT

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. GRISHAM. Mr. Speaker, there is hardly a more noble duty that an individual can perform for our Nation than to contribute in some way to the education of our youth.

The Norwalk-La Mirada Unified School District is this year honoring several individuals who have dedicated most of their lives to that cause.

I would like to enter into the RECORD the names of these employees, each of whom has devoted over 30 years of service to the students and employees of the Norwalk-La Mirada Unified School District. All of us owe them a debt of gratitude for their years of work on behalf of the youth of our Nation.

THIRTY-FIVE YEARS OF SERVICE

Bruce B. Butler, Business, associate superintendent.

Frederick A. Chenney, La Mirada, Counselor.

THIRTY YEARS OF SERVICE

Lavonne K. Bowman, La Mirada, assistant principal.

Thomas Cartwright, transportation, garage foreman.

Juanita H. Cirelli, Foster Road, teacher.

John F. Crippen, Neff, teacher.

Nicholas S. Gandolfo Jr., Glenn, counselor.

Jack G. Hagthrop, Morrison, principal.

Cassie Marie Hansen, Johnston, teacher.

Anna B. Kerr, Excelsior, teacher.

Dorothy J. Lefler, Morrison, teacher.

Cyril W. Lowe, Jr., La Mirada, assistant principal.

Wallace G. Moore, La Pluma, teacher.

Richard E. Nedrow, Hutchinson, principal.

Gordon L. Roberts, Waite, principal.

Gladys M. Sayers, Lampton, teacher.

William G. Swain, Dolland, teacher.

Catherine R. Tribe, Dolland, teacher.

Stanley D. Weaver, Johnston, assistant principal.●

BOY SCOUT HONORED

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. SKELTON. Mr. Speaker, I would like to take a few moments to recognize a Raytown, Mo., man who has been awarded the Boy Scout's Honor Medal for Lifesaving. This honor is approved by the National Review Board to individuals "who demonstrate unusual heroism in saving or attempting to save a life at the risk of their own."

In August 1979, Paul Hudson was with Boy Scout Troop 267 of Independence, Mo., on a canoe trip. During the float Hudson and the scoutmaster banked their canoe to check on the progress of the troop as it passed a dangerous point in the river. Hudson noticed a family, not with their party, losing control in the swift current and capsize.

Hudson saw the parents and one child emerge from the swamped canoe,

but realized one child was not in sight. He dove into the river, swam some 30 feet, and pulled 3-year-old Richard A. Prater from beneath the swamped canoe which was trapped under the dredge in 12 feet of water. He then brought the boy safely to shore, where he was returned to his family.

I want to commend Eagle Scout Paul Hudson for his heroic action in the situation, and to congratulate him on receiving the Boy Scout's Honor Medal for Lifesaving.●

TUITION TAX CREDITS

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. RUDD. Mr. Speaker, there are a great many misconceptions being spread throughout our country with regard to tuition tax credits for nonpublic schools. Some people have called this a public versus private issue, others have said that the passage of this tax plan would mean the demise of the public schools. Still more opponents have called this proposal another bill for the wealthy. All of these arguments hold no water.

The following remarks were prepared by Edward Anthony and delivered to a meeting of the American Association of School Administrators (AASA) on February 14, 1981, in Atlanta, Ga. This text was made available to me by a distinguished educator, Dr. Weldon P. Shofstall, who is a former superintendent of public instruction for Arizona and a former dean at Arizona State University. Dr. Shofstall is a strong supporter of a tuition tax credit plan for parents who want a choice of education for their children. I find this speech informative on the issue of tuition tax credits, and particularly well stated in terms of dispelling the myths I have noted above.

I insert the February 14, 1981, speech prepared by Edward Anthony at this point in the RECORD:

SPEECH TO THE AASA CONVENTION

I want to thank you for the opportunity to discuss the tuition tax credit issue with you. I come to you today not so much to debate as to share with you several thoughts about this important issue. I do not seek, nor do I expect to make any dramatic conversions among the membership here, for indeed the leadership of the AASA has already spoken out strongly in opposition to tax credits. What I do hope to accomplish is to communicate to you the thoughts, and concerns, of millions of American parents who wish to exercise their constitutional freedom of choice of education and send their children to nongovernment schools. Let there be no mistake about it, to thousands of parents held within the ever tightening grip of poverty, or those brought perilously close to it by an errant American economy, the potential loss of this freedom of choice is real. It is a matter well within the purview of public policy, and a matter of social justice for them.

Before I discuss the specific issues inherent in the tax credit concept, I wish to emphasize several very important points.

First, and I will go into this further at a later point, the tax credit issue is not a public school versus private school polarizing movement, or at least it is not intended to be on the part of nonpublic school parents. I can tell you from my work with the Catholic Community in this country that the majority of Catholic children are in the public schools, and many families with children in nonpublic schools also have children in the public sector. Public and nonpublic education should represent a cooperative American enterprise serving the needs of children—all children in this country. Nonpublic school parents generally see the "we" versus "they" attitude as counterproductive, and their support for tax credits does not represent a decline in their interest and concern about public education—the fact remains that even with their children in nonpublic schools these parents still pay taxes and maintain a concern that their tax dollars serve the public interest in the best possible manner.

Second, it must be remembered that tax credits are not an educational issue, but a tax issue. In the legislative process, tax credits are considered by the tax writing committees of Congress, not the education committees.

Third, the general concepts embodied in tuition tax credits are not without precedent in the public policy of this country. Congress, in several instances, has stated that it is important to give citizens some relief from tax liability because they have borne a special burden which benefits the entire society. For example, we are allowed under present law to claim a credit for the installation of energy saving devices in our homes because this burden benefits the community as a whole. I know of no one who would not agree that parents who send their children to nonpublic schools are bearing such a burden and that the education of their children in those schools is for the greater public good.

And finally, a major point which must be emphasized is that the tax credits benefit parents and children, not institutions. Tuition tax credits neither insure the continued operation nor the enhancement of nonpublic schools. Tax credits do not mean the granting of federal, state, or local money to any school or institution, rather they represent a public policy in which the federal government allows citizens to keep a portion of their own tax dollars for a specific purpose. In effect, what nonpublic school parents are asking is that they merely be allowed to keep some of their own money because they do not benefit from the taxes which they pay for public education, and yet save the public from the expensive burden of educating their children in public schools. It is, for them, a matter of social justice that they receive some consideration for the burden which they bear, a burden which, contrary to popular thought, is not voluntary, for education in this country is complusory. The argument that all people pay taxes, even those that don't use the public swimming pool, simply is a hollow argument—the government does not require that all citizens swim.

But what of the issue itself? Who will tax credits benefit and how? If one considers all the red herrings that have been placed on the tables of Congress regarding this issue, it is a wonder that there are any fish left in the Potomac river! I would like to review a few of the myths.

Myth Number One, tax credits will accrue to the wealthy. Anyone who has taken the time to know and understand nonpublic education realizes that this is not the case. The vast majority of nonpublic school children, 3.7 million of 5 million, attend schools in our nation's large metropolitan areas. 62.7 percent of these children come from families with incomes of under $25,000—hardly wealthy by today's standards. For the inner city poor, these figures are far more dramatic. A recent study of inner city private schools reveals that 15% of the families have annual incomes of $5,000 or less—35 percent have incomes of $10,000 or less—and 22 percent under $15,000. therefore 72 percent of inner city parents with children in nonpublic schools make under $15,000 a year. For these parents, tax credits are not only a matter of equity, they are a necessity if they are to maintain their freedom of choice.

Myth Number Two, tax credits will mean the demise of the public school system. My first response to this is that I give all you here today more credit for the job you are doing than to assume that a few dollars in tax relief will cause vast numbers of students to leave the public schools. But let's analyze this issue further. First of all, there is no evidence to support this assertion. States which either have, or have experimented with, some form of educational tax relief have not experienced significant loss of public school enrollments. Second, the assertion that the quote-unquote "good" students will leave the public schools also has no basis in fact. If by "good" we mean wealthy or even middle-class students, it is foolish to assume that a minimal tax credit will be any incentive for wealthy parents to move their children. Wealthy parents who wish to send their children to nonpublic schools have already made that choice. Those of you who are familiar with the basic economic principle of "marginal utility" will understand that the family for whom a $250 tax credit will mean something is the family that must scrimp and save to get $250 for tuition for their children. They are the families that will truly benefit.

Myth Number Three, tax credits are really aid to religious institutions. Tax credits do not constitute any aid whatsoever to schools or institutions. They are tax relief for parents. Even if one assumed that tax credits will mean aid to parents of a particular religious persuasion, they are making an invalid assumption. Let's look at the facts. At the elementary and secondary level, 14.7 percent of nonpublic school children are non-affiliated with any religion, and the remaining 85.3 percent of the students are divided among 12 categories of religious affiliation. Keep in mind here, I am talking about students, not school affiliations. If one looks at the total picture of tax credits at all three levels of education, this argument of religious favoritism is even more ridiculous.

Approximately 80 percent of all tuition tax credits will go to higher education students, with about 60 percent of that 80 percent benefiting public college and university students. This hardly constitutes a governmental program benefiting religion or religious institutions.

Myth Number Four, tax credits will foster racial segregation. I, as well as most nonpublic school parents and officials, agree

that there must be safeguards in any tax credit proposal to prohibit the claiming of a tax credit for the purpose to sending children to segregationist institutions. Parents and leaders of the nonpublic schools have encouraged strong language in prominant tax credit proposals to explicitly prohibit parents from doing this. The Council for American Private Education (CAPE), as well as individual nonpublic school groups, have specially qualified their support of tax credits on the condition that any measure passed by Congress should prohibit racial discrimination. I point out to you the CAPE represents approximately 90 percent of all nonpublic elementary and secondary students in the United States.

It might be argued on this point, that currently many nonpublic schools, particularly inner city schools, promote intergration while the system for financing public schools promotes segregation. Dr. Vitullo-Martin a political scientist, has conducted studies which indicate that within the inner cities, nonpublic schools help create and intergrating effect. Because upper middle class families, predominantly white, can afford to move to the suburbs and pay the higher mortgages, they leave behind the minorities in the inner-city public schools. Added to this is the reality that these parents can then deduct their property taxes from their income taxes and may, in effect be paying less per pupil than the inner city minority parents and received better benefits in the newer, more well equipped public schools. The nonpublic school, which offers these parents and the parents of minority children an educational option, help to keep families in the inner city and thus maintain racial balance.

Myth number 5—A tax credit program will be expensive to administer, and will give more money to nonpublic school students than what is given to public school students. A tax credit program would probably require that an additional line be added to the federal income tax form. Any concern about the validity of a tax credit could result in an audit by the IRS in the same manner in which they presently conduct audits. Parents would merely be required to show evidence of their tuition payment in the same way that they now would show evidence if claiming an energy credit.

As far as the cost of the program itself, past credit propoals have been estimated at a loss in federal revenue between 4 and 5 billion dollars. Next to the annual public school budget of approximately $67.1 billion, this is hardly a large portion, expecially if it is kept in mind that 80% of this 4 or 5 billion will benefit college students and a majority of that will benefit public college students. Only about $1 billion would benefit nonpublic elementary and secondary students. It has been estimated that nonpublic elementary and secondary students save taxpayers about $8 billion dollars in revenue—$1 billion for $8 billion is not a bad exchange in anyone's bank.

Myth number six—Tax credits will result in government regulation of nonpublic schools. I find it amusing that this issue is raised more frequently by public school people, who should have little interest in whether or not nonpublic schools are regulated, that it is by nonpublic school officials themselves. I can assure you that nonpublic school parents and officials would not support legislation which did not contain adequate safeguards against extensive regulations. Language in past and present legislative proposals specifically addresses this issue and would limit excessive regulation.

I know that my time is short, and although there are many more issues involved in the tax credit debate, I must conclude my remarks. Despite all the arguments pro and con on this issue, despite the many debates which will take place both in Congress and throughout education circles, a simple principle remains, millions of Americans today are bearing a special burden to fulfill their legal and ethical responsibilities to educate their children, and are doing so within the framework of their constitutional right to freedom of choice. All they are asking is that in this day of rising inflation their government recognize their special sacrifice, as it has in so many other areas of tax relief, and grant them partial benefits for their children. I would ask you, as so many parents have asked me, is this really so unrealistic? Thank you.●

RESOLUTION OF DISAPPROVAL INTRODUCED ON SALE TO SAUDI ARABIA OF AWACS AIRCRAFT

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. LONG of Maryland. Mr. Speaker, I am today introducing my resolution of disapproval of the plan to sell to Saudi Arabia five airborne warning and control (AWACS) aircraft and offensive equipment for F-15 fighter to demonstrate our opposition to the sale before it is submitted for congressional review. The sale of additional fuel tanks and air-to-air missiles for F-15's and highly sophisticated AWACS radar reconnaissance planes jeopardizes Middle East stability and Israel's security.

The sale directly threatens the security of Israel. Equipped with the additional fuel tanks, Saudi F-15's could accurately and with little warning strike any target in Israel from any base in Saudi Arabia. The AWACS aircraft would permit the Saudis to survey Israel's defenses, convey tactical information to Israel's other enemies, and coordinate attacks with precision.

Israel's fears are scarcely imaginary. Saudi forces have played an active role in three out of four wars against Israel in the past 32 years. The Saudis currently fund the PLO with hundreds of millions of dollars a year. They have condemned the Camp David agreements, breaking diplomatic relations with and cutting off assistance to Egypt. Just last month, the Saudi Government renewed its call for a jihad (holy war) to eliminate the Jewish State.

The proposed sale would not solve Saudi internal security problems, would not enable the Saudis to defend against Soviet incursions in the Persian Gulf, would not mitigate Soviet actions in Afghanistan, would not affect the Iran-Iraq war, would directly threaten the security of Israel, and would not contribute to American interests in Middle East stability●

TRIBUTE TO JOE LOUIS

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. DIXON. Mr. Speaker, I rise to pay tribute to one of America's greatest and most beloved athletes, Joe Louis, who passed away from a heart attack April 12.

In a time seemingly bereft of heroes, Joe Louis stood out as a true American original. Winner of 68 of 71 professional fights, the "Brown Bomber" held the world heavyweight title 11 years, longer than any man in history. But as accomplished a fighter as Joe Louis was, his greatest contribution was as a symbol to an American ravaged by depression and bigotry, and to a world troubled by the imminent prospect of global war.

In the ring, all men are equal. There are no walls or barriers, just the naked force of power and agility. One's success is determined by one's physical conditioning and one's will and determination, not by the color of one's skin. By excelling in such a world, Joe Louis was able to lay bare the prejudices and biases of Americans more vividly and dramatically than perhaps any man of his time. Like Jesse Owens before him, Joe Louis showed us both the folly and the danger of racial preconceptions, and his first-round knockout of Max Schmeling in 1938 evoked patriotic pride and celebration from all Americans, regardless of race.

For blacks, of course, Joe Louis' career had special meaning. Four generations of black Americans were transfixed by radio and wire services accounts of his fights, their hopes and dreams more than compensating for the lack of a televised picture. Upon Joe Louis' death, a great black athlete of today, Arthur Ashe, recalled what this man meant to him and his family. I am sure many of us can embellish his account with memories of our own, and it is for that reason I want to share his article with my colleagues:

[From the Washington Post, Apr. 14, 1981]

THE PASSING OF THE LAST IDOL

Joe Louis—the "Brown Bomber"—died before my 40th birthday and his passing represents the final break with my childhood. As a black war baby (1943) I had two idols: Jackie Robinson and Joe Louis. Now they are both gone.

As a kid I listened to him fight on the radio and later watched the Friday Night fights on television with my father. And oh, yes, he drank Pabst Blue Ribbon beer and shaved with Gillette blades. Didn't everybody?

Any fighter who wasn't a heavyweight was always compared with Sugar Ray Robinson. Everybody else was compared with

the Bomber. I can't count the number of times my father said about someone: "Louis woulda knocked him out in two rounds."

My father married the year Joe fought Max Schmeling the seond time. While the world merely awaited this rematch, black America spoke of nothing else. Two years before, Max defeated Joe in 12 rounds just weeks before Jesse Owens won his three gold medals at the Berlin Olympics.

"Our pride was at stake in that second fight," my father noted. "He had to win. We all thought he could but we never thought it would be in the first round. We all celebrated for a week."

We fought all his fights with him. "We'd go to the movies in those days to watch him," my father said. "There wasn't any television then. Even though all we saw were the newsreels, you'd have thought it was for real. One guy once had a stroke at the Hippodrome Theater while watching a Louis fight. We didn't have anybody else. He was all we had.

"You weren't born then but you've got to remember that the Depression was on then. Jobs were real scarce then for black and white alike. I was 18 when Joe boxed against that German (Schmeling) guy. We'd have get-togethers just to listen to his fights on the radio. Then we'd go to the movies later to watch it again for 35 cents. If you took some girl to the movies to watch a Joe Louis fight, she figured you liked her quite a bit. Thirty-five cents was hard to come by in 1938."

I, too, knew Joe Louis. I met him the first time in 1973 at Caesars Palace in Las Vegas where the Alan King Tennis Classic is held. "I watched you play that (Jimmy) Connors guy on TV," he said to me three years later. "From what I could figure out you played him real smart. He beat you before, didn't he?"

"Yes he did—three times."

"Ain't supposed to lose to nobody more than once. I never lost to no fighter but one time."

We all know the Bomber was a bit too frivolous with his money. Though he earned and lost almost $4½ million, his legacy wasn't meant to be measured in money. Bill Cosby once told me in Las Vegas, "No heavyweight champion need ever worry about where his next meal is coming from. There are champions in other sports and there are champions in the other weight divisions. But the world heavyweight champion will always be taken care of. Joe has more than paid his dues. No one need pity him."

Short on words, Joe Louis Barrow spoke with his fists. He had 71 pro fights and lost only three times. My father was among those 70,000 fans at Yankee Stadium on June 22, 1938, for that unforgettable second bout with Schmeling. He was a chauffeur at the time and he "drove these four white fellows to New York to the fight in return for a ticket."

He finally got to meet Joe in person in Las Vegas in 1974. After I introduced him to Joe, tears came to his eyes as he shook Joe's hand. When I related this later to Cosby, he said, "You and I just don't have any idea what that man meant to four generations of black people."

I think I do.●

FREEDOM FOR LITHUANIA?

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. DERWINSKI. Mr. Speaker, the Baltic States of Lithuania, Latvia, and Estonia continue to resist the Russification of their culture and national identities. Although the people of these states have grudgingly learned to live with Russian rule, they have maintained their nationalistic spirit despite the blatant political repression, religious persecution, and cultural genocide to which they have been subjected by Moscow-imposed measures.

Rev. Joseph Prunskis, a leading spokesman for those held captive behind the Iron Curtain, recently wrote in the Chicago Catholic of April 17 of the conditions in Lithuania, and hopes of its people for their freedom from Soviet occupation. The article follows:

[From the Chicago Catholic, Apr. 17, 1981]

FREEDOM FOR LITHUANIA?

(By Father Joseph Prunskis)

In the ethnic mosaic of our nation, the Lithuanian group is impressive. There are about one million people of Lithuanian descent residing in the U.S.

They are a hard working people; their younger generation's efforts at achieving a higher education and preparing itself for various intellectual professions have been successful.

Lithuanians are thrifty and know how to save. They have their own homes and various business enterprises. Although they enjoy success in our prosperous country, Lithuanians are deeply concerned over the plight of the land of their fathers, Lithuania, presently occupied by the Soviet Union.

Lithuania is one of the Baltic States, situated between Poland, Latvia and the Soviet Union. The area of Lithuania is 25,200 square miles. Therefore, Lithuania is larger than Belgium, Denmark, the Netherlands or Switzerland, and has a larger population than Albania, Andorra, Ireland, New Zealand, Panama, Paraguay or Uruguay.

Lithuanians, now dispersed throughout several continents, in the 15th and 16th centuries, were members of one of the largest states in Europe. Lithuanian territory extended from the Baltic to the Black Sea. Expansion of Slavic and German nations, however, diminished Lithuanian territory and in 1795 it lost its independence on being divided by Russia and Germany.

On Feb. 16, 1918, Lithuania regained its independence. During the two decades of life under independence, Lithuania made considerable cultural, economic and social progress. Unfortunately, Hitler and Stalin, by a secret agreement in 1939, signed the so-called Molotov-Ribbentrop pact, permitting Moscow's occupation of Lithuania. On June 15, 1940, the Soviet Union invaded Lithuania with 300,000 soldiers, supported by armored forces and planes.

Lithuania and the other Baltic States became the first victims of Soviet colonial expansion and to this day Moscow keeps Lithuania under its control. Although it is true that Nazi domination was annihilated, the Nazi Molotov-Ribbentrop agreement is still enforced by Moscow and the initial injustice against the Lithuanian nation continues to be perpetrated.

Moscow rules Lithuania by terror. From about three million people, about 300,000 were deported to Siberia. Many Lithuanian political dissidents are incarcerated in prisons and psychiatric wards. In Lithuania no other press flourishes except that dominated by the communist party.

Students who attend church services risk the loss of being able to continue their studies in universities. For their religious beliefs, state officials in many instances, lose their positions.

Communist officials control the appointments of the clergy and young Lithuanians are obstructed by secret police from joining seminaries to become priests.

Students are prevented from participating in church funeral rites even when the services are for one of their own classmates. Russification is being enforced, beginning even with children still in kindergarten.

In incorporating Lithuania, Moscow acted against the very principles of Lenin as they were expressed in a more democratic period of his reasoning (see "Collected Works of Lenin," Vol. XII, p. 13)—"Any incorporation of a small and weak nation into a large or strong State without the definite, clear and voluntary desire to that effect of that nation, and especially if this nation is not accorded the right to decide the problem of the form of this political existence by a free vote—implying the complete withdrawal of the troops of the incorporating or merely strong nation—then the incorporation is an annexation, i.e., an arbitrary appropriation of a foreign country, an act of violence."

The U.S. therefore, does not recognize the incorporation of Lithuania. That doctrine was stressed as recently as the International Conference of Cooperation and Security in Europe, held at the end of 1980 in Madrid.

Warren Zimmerman, one of the vice-presidents of the American delegation, repeating the decision of the U.S. not to recognize the incorporation of Lithuania, quoted the following statement made by a representative of the Lithuanian government in June, 1940: "The Union of Soviet Socialist Republics presented an ultimatum to my government under a flimsy and unjustified pretext. On the following day the Russian Red Army, after having attacked our frontier guards, crossed the border and occupied all of our country. A puppet government was forced upon us by a high Soviet official, sent from Moscow for this purpose. And the entire administration was put under the control of the government of the Soviet Republic."

Dear fellow Americans, we have to renew our efforts to help in the restoration of independence to Lithuania. Mindful that the western world gave independence to various undeveloped African countries, we may ask: Why should Lithuania, who was a member of the League of Nations and who amply demonstrated its readiness for independence, remain a colony of Moscow, in accordance with an agreement between Hitler and Stalin? We should act in the spirit of the principle expressed in the inaugural address of the late President Lyndon Johnson, "We seek no domination over our fellow man, but man's dominion over tyranny and misery."

In the case of Lithuania we need to be reminded of the legacy of the late President John F. Kennedy, who in his inaugural address Jan. 20, 1961, stated: "Let evey nation

know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and success of liberty."

The Lithuanian American Council for four decades has been struggling for the cause of the independence of Lithuania. It deserves our consideration and support.●

TRANSFER DAY IN THE VIRGIN ISLANDS

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. DE LUGO. Mr. Speaker, the people of the Virgin Islands recently observed and celebrated the 64th anniversary of Transfer Day, commemorating the historic occasion of the United States assuming sovereignty over the Virgin Islands.

Former Gov. Ralph M. Paiewonsky addressed the Women's League on Transfer Day. Governor Paiewonsky's remarks look at the Virgin Islands' history, its present, and the course our people should chart for the future. Even though this address is directed to the people of the Virgin Islands, I believe that the message is applicable to all Americans. Therefore, it is with great pleasure that I present to and share with my colleagues the timely remarks of Governor Paiewonsky:

I am pleased to join you today for this observance of Transfer Day—the 64th since that historic occasion in 1917 when the United States assumed sovereignty over these islands.

The Danes occupied these islands for approximately 246 years. They were liberal and paternalistic colonizers who invited and encouraged many other Europeans to join them in establishing commercial activities in these islands and to enjoy the free port status of St. Thomas, which the Danes established to encourage trade.

The Danes and the other Europeans added immensely to the culture of these islands. Life under the Danish administration was easygoing and friendly but there was strict enforcement of the laws. Criminals were dealt with fairly but firmly without delay and punished in accordance with the seriousness of their criminal act. Young delinquents who committed and were convicted of serious crimes were punished by flogging. As a result most people, young and old, feared the Old Fort Jail, which they referred to as the "Red Walls". Today crime is one of our major problems. No one is immune. Stronger measures should be used to curb the increase of criminal activity in our islands.

The Danes left behind a heritage of beautiful historic buildings and monuments that stand today as silent historic witnesses to a glorious past of Danish occupation of these islands.

War conditions forced on Denmark the decision to sell the islands which they knew they were unable to protect and defend from the Germans. It was a sad day for many Danes as well as for Virgin Islanders who loved them—even today, 64 years later—we continue our bond of friendship through the establishment of a local society known as "The Friends of Denmark", and yearly exchange visits with their Danish friends in Copenhagen or their Danish friends coming here to the Virgin Islands.

The most important factor in today's observance lies in the present moment of the history of the Virgin Islands and our status as citizens of the United States of America. As Americans, we are free men and women and this is something for which Virgin Islanders should be thankful.

As we became American Citizens, this opened to us not only a better life in the Virgin Islands, but also the opportunity to share as American Citizens on the mainland. Many Virgin Islanders are today living in many States of the United States wherein they enjoy the same economic, political and social privileges that are symbolic of other American Citizens.

Many of our young students have been afforded the opportunity of attending free public schools on the mainland and later entering one of the many fine universities spread across the face of America. I was privileged to be one of the young students during the 1920's to take advantage of this opportunity to study in a free public high school on the U.S. mainland and then go on to obtain an education in a great university in New York City and I know many of you here today also did likewise.

We Virgin Islander Americans must always remember that the freedom we enjoy is a freedom hammered out through the years of suffering by generations of people who escaped tyranny and oppression to fashion a free life in the United States of America. Let us be mindful of the lessons of history that brought our Nation into becoming a nation and let us clearly understand that the fulfillment of our dreams can only be realized by the recognition of the intrinsic rights of others.

This heritage was passed on to us in the Virgin Islands from the moment our American flag was raised aloft at 4:45 p.m. on March 31, 1917. It remains with us today and will be ours in the future as long as there are good men and women among us who cherish their freedom and realize that freedom must constantly be won anew.

At the ceremonies of the transfer our first Governor said on that historic occasion: "It is earnestly hoped and prayed that no one, and above all, the people of these islands will ever have reason to regret the change." Let us together examine how well that hope of 64 years ago has been fulfilled. We can best accomplish this by carefully examining and comparing the various conditions of life as it existed under the Danish rule prior to 1917 and after 1917 to the present.

From 1917 to 1936 we continued politically under the old Danish colonial law. The inhabitants of the islands were considered Danish subjects. Only those persons born in Denmark were recognized as Danish citizens and their property rights were protected in the sale convention document between the United States and Denmark. Those of us who were born in the Danish West Indies were never Danish citizens, we were Danish subjects. American citizenship was conferred on native born Virgin Islanders by an act of Congress in 1927.

Under Danish colonial law, the franchise to elect members to the colonial councils was vested in every man of unblemished character who resided in the Danish West Indies for 5 years, who had attained the age of 25 years and who either owned a property in the municipality with a yearly rental income of 300 francs in St. Croix and St. John and of at least 700 francs in St. Thomas or in the preceding year had a clear annual income of 1,500 francs. He must, moreover, have resided at least 2 years in the municipality and 6 months within the elective district in which he sojourns at the time the election takes place, and his name must be on the list of persons entitled to vote.

This was not changed until Congress in 1936 enacted an Organic Act for the Virgin Islands in which it established for the first time universal suffrage. The requirements were U.S. citizenship, the ability to read and write and 21 years of age. For the first time women were permitted to register and vote.

Turning to education—the school situation during the Danish times and even during the early American years was inadequate. No high school existed prior to 1930 and it took many years to develop high schools throughout the islands. During the early 1960's the College of the Virgin Islands was created and as a result higher education has made tremendous progress over the last 18 years.

The economic activity of St. Thomas was centered around the harbor and trade, while in St. Croix it was agriculture: the production of sugar was the major activity there.

The islands were poor and most people lived under substandard conditions. Wages were low. It was not until the Navy took over the Islands in 1917 to 1932 that conditions improved somewhat. The Navy paid better wages and improved the health and the sanitation of these islands. With the transfer from the Navy to the Interior Department and civilian government in 1932 this improvement continued and in addition the first public housing project—the Paul Pearson housing was built here in St. Thomas, with many others to follow later.

In 1954 the Organic Act was revised and new economic provisions were added which helped to bring more revenues into the V.I. Treasury. From 1960 to 1970 we experienced unprecedented prosperity, which raised the per capita income of the islands from $800 to over $5,000; the highest in the Caribbean. It created a large middle class. Thousands of homes were built and owned by native families. New industries were established and the tourist trade expanded. New job opportunities were created. Life here in the Virgin Islands is what we make it. Materially, educationally, culturally, and politically, we have made living better than it was and we can continue to make it still better and more meaningful than it is at present. It is true that there are many problems still with us, but remember, we have solved much more difficult ones. It is easier to solve the problems resulting from prosperity than those we had in the past emanating from poverty. Today, as Americans, we should be in a position to count our blessings and look ahead to a better tomorrow. Since the change of sovereignty, we have advanced, politically, educationally, culturally and socially. Therefore, on this 64th anniversary of Transfer Day let us rejoice that we are American citizens in the Virgin Islands, enjoying life and liberty in the pursuit of happiness, a genuine happiness rooted in service, gained by actively participating in civic, social, and economic progress of our islands, fully sharing and enriching our culture and spiritual resources. (But let us not forget our heritage; let us work together to further improve our political, economic and social and spiritual status.)

Let us make every effort to evolve a community that is distinct and distinguished, a community trusted for its loyalty, respected for its dignity, cherished for its tradition and esteemed for its aspiration—and may God help us all to continue to live in freedom and to achieve our goals of a better tomorrow for all of us.●

A TRIBUTE TO GEN. BRUCE C. CLARKE

HON. DAVID O'B. MARTIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. MARTIN of New York. Mr. Speaker, on the occasion of his 80th birthday, I am proud to pay tribute to a truly outstanding American patriot, Gen. Bruce Cooper Clarke, U.S. Army (retired).

General Clarke, the son of a dairy farmer, is a native of Adams, N.Y., in my congressional district. He left his high school as a freshman and enlisted in the Army for World War I—a high school dropout, as he smilingly puts it, destined to become a four-star general. I am pleased to say that the recruiting office in Watertown, N.Y., where he enlisted, now serves as my district office.

Although he later completed high school, even before this he scored high on the entrance examination and won an appointment to the U.S. Military Academy, graduating in June 1925.

Early in World War II, Clarke commanded the engineer battalion of the 4th Armored Division. While in training at Pine Camp—now Fort Drum—his battalion constructed many of the ranges used there today. So outstanding was his performance that, as a junior lieutenant colonel, he was appointed to be chief of staff of the division. He went on to become a combat command commander of the 4th Armored Division and of the 7th Armored Division in combat where he achieved an enviable record and was highly decorated. His exploits are documented in the biography "Clarke of St. Vith, the Sergeant's General."

It sounds incredible that there is a four-star general who retired after 40 years of service in the U.S. Army without ever having served a full tour in the Pentagon. While most military men aspiring to general officer rank seek out the higher staff assignments in the Pentagon, General Clarke was too busy serving with troops. His devotion to troops and dedicated efforts to enhance the noncommissioned officer corps has never ceased—certainly not with retirement.

After World War II, General Clarke became, progressively, commander of the 2d U.S. Constabulary Brigade in Germany, 1st Armored Division, I Corps and X Corps (Group) in the Korean conflict, U.S. Army Pacific, 7th U.S. Army, U.S. Continental Army Command, commander in chief of U.S. Army Europe, and commander of the Central Army Group NATO.

During his service, General Clarke probably spent more time in direct contact with troop units and commanded more soldiers of different nations as their field commander than has any other U.S. Army officer.

On April 30, 1962, General Clarke was officially retired from active duty in the U.S. Army, but he continues to be active in both military and civilian affairs. His sage counsel and highly respected views on the defense of our Nation have been sought by top level officials in the Department of the Army and the Department of Defense.

That his interests encompassed fields outside of the military is evident in his being awarded the Silver Buffalo, the highest award in scouting, by the Boy Scouts of America, and the Freedom's Foundation Award for "long, outstanding volunteer service".

I extend to Gen. Bruce Clarke and to Bessie, his devoted wife of 56 years, all best wishes for happiness in the years ahead.●

GROPING FOR A FOREIGN POLICY

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. McHUGH. Mr. Speaker, whatever our differences on domestic policy, all of us have a common stake in seeing any new administration succeed in the conduct of our foreign policy, and that is why both Republicans and Democrats have tried for many years to foster a tradition of bipartisanship in this sensitive arena.

That is also why many of us have refrained from commenting upon the confusion and disarray that have characterized the Reagan administration's conduct of foreign affairs during its first 100 days in office. At some point, however, it becomes a disservice to both the new administration and the American people to refrain from sharing our concerns with the new administration.

Recently, the Washington Post carried a thoughtful article by Robert Kaiser that accurately captures the spirit of many of the concerns that I have heard expressed privately by both Republicans and Democrats. As Mr. Kaiser points out:

It is difficult to point to any substantial achievement of these 100 days of Reagan diplomacy, and the groundwork may have been laid for some very substantial disasters later on.

At the same time, as Mr. Kaiser also suggests, "nothing irrevocable has occurred during these first 100 days." I believe that assessment is correct, and I certainly join with all Americans in hoping that the Reagan administration will begin to address the very serious challenges we face in a more consistent, reliable, and balanced manner than has been the case to date.

Mr. Speaker, for the benefit of those of our colleagues who may not have seen this article, I am inserting a copy into the RECORD at this point:

ONE HUNDRED DAYS AND STILL GROPING FOR A FOREIGN POLICY

(By Robert G. Kaiser)

After nearly 100 days in charge of American foreign policy, the Reagan administration has begun to produce some powerful evidence to support Goldman's Law: "The primary purpose of any new administration it to make the last one look good."

Guido Goldman, director of Harvard's Center for European Studies, enunciated the law. It seems an apt description of the new administration's first three months, which have not been easy. Though they promised competence, firmness and steadiness, the new administrators of American diplomacy have often seemed indecisive and confused. They are clearly ready to confront Soviet power, but not at all ready to explain a coherent approach to world problems. It's clear what the new administration is against, but the world is still wondering what it will be for.

At his Senate confirmation hearings Alexander M. Haig Jr., the self-anointed vicar of Reagan foreign policy, promised a diplomacy of "consistency, reliability and balance," but the first 100 days have not produced it. Instead, Haig has become the most controversial member of an openly contentious administration, has angered the President's most intimate advisers and has raised doubts in Washington and in major world capitals about his staying power—not least because of his repeated threats to resign. Haig's own efforts to establish a single line of administration policy have failed.

This month the U.S. secretary of defense was telling Europeans that talks on nuclear arms control in Europe should be put off because of Soviet "threats of violence or intimidation" against Poland. Days later, the White House justified its decision to lift the grain embargo against Russia in part by pointing to Soviet "restraint" in Poland.

The secretary of defense, Caspar W. Weinberger, has won a reputation in these 100 days as something of a loose cannon on the deck of Ronald Reagan's ship of state. In his first days in office Weinberger came out for American bases in the Middle East—before establishing that any Mideast country wanted them—and for revival of the neutron weapon in Europe, before learning that Europe wasn't interested, or that the United States might not be able to produce the fissionable material needed to deploy the weapon. More recently he has alarmed Western Europe with his rhetorical repudiation of any kind of detente with the Soviet Union. Later, when asked what he meant by "detente," Weinberger suggested he was referring to "unilateral disarmament."

Haig has gone to some lengths to repudiate or soften the impact of Weinberger's remarks, but because of his own difficulties, foreigners can't be sure whether Haig or the secretary of defense (who is much closer personally to President Reagan) is actually speaking for the administration. And be-

cause Weinberger has sometimes contradicted himself (on the possibility of selling arms to China, for example), his remarks too carry uncertain authority.

All in all, it has been a rocky beginning—at least as rocky as the Carter administration's beginning four years ago. It is difficult to point to any substantial achievement of these 100 days of Reagan diplomacy, and the groundwork may have been laid for some very substantial disasters later on.

On the other hand, nothing irrevocable has occurred during these first 100 days, when the new administration has been preoccupied with its domestic economic policies. In the field of foreign policy, only one definitive comment seems fair now: The administration has squandered its chance to "hit the ground running," as presidential counselor Edwin Meese III and others promised it would during the transition.

Goldman's Law is based on the notion that "we have a lousy political system here," as its author put it in a recent conversation. No other western democracy provides for the complete turnover of virtually every policy-maker's job when a new government takes power. Indeed, only in America does the national security apparatus get more than a new top layer of leadership. The West European powers settle for a few ministers at the top of each department; but in America we can—and do—upend the entire government apparatus.

The Reagan administration not only cleaned out the policy-making positions in Washington; it also fired the ambassadors in most major world capitals. Though there were early promises to fill the jobs quickly, three months later many of them remain empty, or are occupied by designees who have not been formally nominated or confirmed by the Senate. The American embassies in nearly all the major capitals still have no ambassadors.

Much of this can be attributed to bureaucratic delay and confusion, but some of it represents the fruits of unresolved political struggles within the Republican Party. Sen. Jesse Helms (R-N.C.) has become The Great Intimidator of the new administration, personally holding up half a dozen or more key nominations in the Senate. At the White House this is dismissed as intraparty gamesmanship, but in the world it appears to be another sign of weakness and uncertainty.

Besides cleaning out the government, this new administration has decided to radically overhaul the bureaucratic arrangements for the making of national security policy. The Reagan group set out to significantly diminish the role of the National Security Council staff, one objective it has acccomplished. Instead of the tightly knit group that dominated the foreign policy process in the first Nixon, Ford and Carter administrations, the Reagan NSC operation is apparently passive and loose-knit. Coordination has not been its strong suit.

Last week Meese told newspaper editors in Washington that the Reagan administration had solved the problem of the State Department fighting with the NSC. But in some cases at least, this has been accomplished only by both units agreeing to do nothing. For example, as of early last week the administration was still struggling to agree on a reply to a month-old letter from Leonid Brezhnev to President Reagan, according to an NSC source. This government can't decide how to deal with Brezhnev's proposals for new negotiations, the source said.

The objective of the new approach to the NSC has been to keep it out of the news, and this has been accomplished—with two notable exceptions. One was a speech by Richard V. Allen warning Western Europe not to succumb to neutralist pressures, a speech reinforcing the confrontational image of the new administration that most alarms European governments. The second was an interview given by Richard Pipes, a Harvard historian and well-known hardliner now working for Allen. According to Reuters news agency, Pipes said the Soviet Union would eventually have to choose between modifying the communist system and going to war. He also said the West German foreign minister was susceptible to Soviet pressure. Haig quickly and brutally repudiated these undiplomatic remarks (which, according to Pipes, were misquotations in the first place).

But the real problem about the Reagan administration's system for formulating and executing foreign policy is that it hasn't yet got one. Senior members of the administration acknowledge the disarray in private conversations. Foreign service officers in the State Department say they are working in a state of constant confusion. Officials involved in debates over arms control policy describe the administration's new officials as stubbornly indecisive. Foreign ambassadors report that their efforts to find out what the new administration is planning are extremely frustrating. It seems safe to predict that whatever becomes recognized as the Reagan approach to diplomacy hasn't been seen yet, but is still to come.

If the administration is without a system for policy management, it is also largely without a policy, except in a negative sense. Reagan, Haig, Weinberger and the others have made clear that this administration opposes Soviet expansionism. They have made a staunch anti-Soviet position the centerpiece of their rhetorical policy, but this has not been translated yet into concrete terms, except for a request for an enormous increase in defense spending.

Even that step left some confusion about administration intentions. During 1980 Reagan campaigned ardently against the SALT II treaty signed by Jimmy Carter, but the huge military buildup Weinberger has proposed contains no new program that would violate the terms of SALT II. This could be changed later, but so far at least the new administration has confirmed the view expressed by SALT supporters that the treaty would not impinge on any needed American program. "You'd have to go out of your way to find a program that would violate the SALT II treaty," said a new, senior official at the Pentagon who himself used to help the opposition to the treaty in the Senate.

Meese declared last week that the administration was off to a good start in foreign policy: that the allies were united and appreciated the new attention they were receiving. The administration's "so-called hard line," Meese said, had improved the United States' ability to communicate with the Soviets, and gives Americans "a better sense of ourselves."

The combination of more arms and stern anti-Soviet rhetoric has established a new posture for the United states, but it has not produced specific answers to pending policy dilemmas. In word and deed the new administration has indicated that it is more drawn to military solutions than its immediate predecessors, but it has not yet attempted a military solution to any specific problem.

On a number of points the Reagan regime has had to move away from positions enunciated by Reagan the candidate. Whatever the candidate meant about raising the level of relations with Taiwan, the president has done nothing but reassure Peking. Reagan as candidate was much more sympathetic to white rule in South Africa than he has thus far been as president—an ambiguity that has clearly annoyed the South African government. Haig's early effort to transform El Salvador into an East-West battleground has been quietly abandoned, at least for now. Strong skepticism about arms control negotiations has had to yield to intense European desires to see them continued.

These are all examples of how international realities now restrict any American president's freedom of action. Reagan and his associates seem to yearn to return to an era when America's word was decisive in international affairs, but there are numerous other governments that refuse to let that era be revived.

Nigeria and the other black African states can and will influence American policy toward Southern Africa. Both Arab and Israeli interests will continue to alter American policy toward the Middle East. The government in Peking can now make its weight felt in Washington's policy deliberations. Most important of all, the United States' NATO allies can be crucially important to most significant American undertakings in international affairs, particularly in the Soviet-American relationship.

Western Europe, as the Reagan administration has already discovered, is not prepared for a policy of total West-East confrontation. On the contrary, a confrontational American line is likely to feed the very real pacifist and neutralist strains in European thinking that most alarm today's West European leaders—and should alarm Americans, too.

The Europeans have brought this message to Washington and delivered it to traveling Reagan administration officials in Europe. They have conveyed it privately and publicly to government officials, journalists and anyone who will listen. West Europeans are grownups now; they are worried about the developing world, about Southern Africa, about the Arab-Israeli conflict and about all the big issues of the day. In Europe very few of these look like simple East-West conflicts. And European governments will not blindly follow an American policy they disagree with; if they tried they could easily lose the support of their own people.

The principal European lever for influencing American policy in the near future may be the NATO plan to modernize nuclear weapons in Europe by deploying new American missiles that can reach Soviet territory with Germany, Italy, Britain and perhaps other countries. NATO has only agreed to this deployment in principle, and on condition that strategic arms control is pursued with Moscow at the same time.

The Reagan administration's desire to look tough to the Russians could be destroyed if the NATO agreement on new missiles were to fall apart. The Europeans can be expected to take advantage of the influence this situation affords them. (The administration may also throw away its tough image unilaterally with its decision to lift the Soviet grain embargo, a decision that must baffle the Soviets but delight them too.)

Even on matters in the American backyard, the Europeans will be heard from. During the Haig-sponsored furor over El Salvador, for example, West Germany's conservative and hard-line party, the Chris-

tian Democratic Union, forcefully disassociated itself from the Reagan administration. The president of El Salvador, Jose Napoleon Duarte, is himself a Christian Democrat to whom the German Christian Democrats feel fraternal ties. It's a nice example of how complicated the modern world can be.

Last year Ronald Reagan told The Wall Street Journal: "Let us not delude ourselves. The Soviet Union underlies all the unrest that is going on. If they weren't engaged in this game of dominoes, there wouldn't be any hot spots in the world."

Ronald Reagan has not been a very visible figure in the first 100 days of his administration's foreign policy. His principal contribution has been rhetorical. The tough rhetoric he has used has suggested that he really believes the view he gave to the Wall Street Journal.

If he does, and if that sort of unqualified anti-Sovietism become the basis of Reagan's foreign policy, it is likely to prove spectacularly unsuccessful in the months and years ahead, even if the administration does eventually get its act together. A United States government that attributes (for example) the Palestinian problem, the Iran-Iraq war, the struggle for independence in Namibia and insurrection in the Philippines entirely to the Soviet Union's machinations is doomed to diplomatic failure.

Yet this is the line Secretary Haig seemed to adopt when he described a communist "hit list . . . for the ultimate takeover of Central America," of which "the seizure of Nicaragua" was the first stage. Remarks like that one sound like determined simplification or sloppy thinking. So did Haig's comment on the day of the attempted military coup in Spain that this was "an internal matter" for the Spanish. Haig had to spend a day in Spain this month trying to patch up the damage that one caused by reassuring the Spaniards that this administration really does care about the fate of Spanish democracy.

Or listen to the words of the ubiquitous senior official who travels with secretaries of state on their world trips (if he has the same identity in this administration that he had in the last two, his name is Alexander Haig). This was a comment the high official made as Haig's plane left the Middle East earlier this month:

"There wasn't a place we went that there wasn't profound lack of confidence in the United States, longstanding doubts about America's staying power, its leadership . . . and above all its willingness to stand up to Soviet aggression. And the minute we addressed these issues in a manner in which it was clear that the United States . . . intends to reassert its global responsibilities and regional responsibilities, to maintain consistent and reliable policies . . . and to indulge in a dialogue in which their views are considered in the formulation of our own policy, this automatically turned each of our hosts into an entirely different mood and attitude."

If improving America's position in the world is as easy as that, the Reagan administration faces the rosiest of diplomatic futures. The suspicion persists, though, that the real prospects aren't that good.●

PRESIDENT'S BUDGET PROPOSAL WILL SIGNAL BEGINNING OF ECONOMIC RECOVERY

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. RUDD. Mr. Speaker, in last night's address to the joint session of Congress, President Reagan reaffirmed his support for the substitute budget proposal being offered by our distinguished colleagues, Messrs. LATTA and GRAMM. Before the Congress and the Nation he emphasized the necessity of adopting fully the components of his program for economic recovery: spending cuts, tax cuts, stabilized monetary policy, and regulatory reform.

In listening to the President, I was struck by the strength with which he has recovered from his physical wounds and is now forging ahead with a fortified commitment to carrying out the will of the American people. In the next few days we will consider the first portion of the economic recovery program, and thereby set the standard for whether a new path of fiscal responsibility will be forged, or whether we will continue to tread a path which has mercilessly strained American families inflicting high prices, high taxes, and high unemployment. I urge all of my colleagues to join in the bipartisan effort which our Presidnt has endorsed which will signal the turning of the tide for our economy and our Nation. The American people deserve no less than this.●

A TRIBUTE TO THE VOLUNTEERS OF SOUTH NASSAU COMMUNITIES HOSPITAL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. LENT. Mr. Speaker, the cost of hospital care in this Nation is on the rise, but the increase would be steeper still were it not for the dedicated volunteers who give of their time, without pay, in hospitals throughout America.

South Nassau Communities Hospital in Oceanside, a community within the Fourth Congressional District of New York, which I have the honor to represent, has set aside May 13, 1981, as a day to say thank you to its corps of selfless volunteers who serve under the direction of Miss Joan Lutz, director of volunteer services.

Even among these tireless workers, one name stands out as the preeminent volunteer. John Jaeger will, on May 13, record his 22,075th hour of volunteer service, an extraordinary total for an extraordinary man. Mr. Jaeger, who will reach still another milestone shortly—his 80th birthday—is a retired employee of the Grumman Corp., and resides in Freeport. He has been giving voluntary service to the hospital since January, 1969, in fulfillment of a final wish of this late wife.

Mr. Jaeger has made the hopital community at South Nassau his extended family. Five days a week, from 7:30 a.m. to 4 p.m., he walks the floors of the facility, orienting other volunteers, assisting with admissions, accompanying incoming patients to their rooms and calming their fears. Always cheerful and well groomed, he is liked and admired universally by staff and patients alike.

Clearly, Mr. Speaker, this is a most propitious time to recognize the achievements of Mr. Jaeger and the contributions of hundreds of thousands of hospital volunteers in the United States whose only desire is to serve. I congratulate the South Nassau Communities Hospital for making possible this well-deserved tribute to its many devoted volunteers on May 13—a date that marks the 25th anniversary of the establishment of the volunteers services at the hospital. I know that my colleagues will join me in expressing our deep gratitude to the thousands of persons who have volunteered their services to the hospital over the past quarter of a century. They have, indeed, served their community well. Their dedication serves as an inspiration to all of us and particularly to those in the future who participate in the South Nassau Communities Hospital Volunteer Services.●

HUMAN RIGHTS—SOUTH KOREA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. BONKER. Mr. Speaker, last February, during his visit to the United States, President Chun of South Korea met with the members of the Foreign Affairs Committee. At that time I indicated to him that discontent in his country will not disappear until all Koreans are assured the full protection of their basic human rights and a fair voice in their government. I also appealed to him for amnesty for all political prisoners, especially for Kim Dae Jung, and the restoration of democratic freedoms.

In an article in the Wall Street Journal of April 13, 1981, Mr. Keatley, the editor of the Asian Wall Street Journal, indicated the possible development of some positive trends. He quotes an official in President Chun's office who claims to echo the President's views that: "We must liberalize. If we don't, events can be catastrophic.

Only freedom—in the long run—can be the real basis for our national stability." I would welcome any action that restores the democratic freedoms of the Korean people and pray that Mr. Keatley is right when he states that the President of Korea "wants to walk out of the Blue House peacefully when his term ends."

I commend to the attention of my distinguished colleagues the entire article on South Korea.

[From the Wall Street Journal, Apr. 13, 1981]

SOUTH KOREA: READY TO GIVE CHUN A CHANCE

(By Robert Keatley)

SEOUL.—As government publicity explains it, South Korea has entered "the dawn of a new era."

It is a time when things are good and getting better. Prosperity, democracy and social tranquility are drawing near, and Confucian virtue will soon be rampant. "A clean and honest climate in both political circles and officialdom to meet the public desire for a new era and to obtain their trust" is the order of the day.

President Chun Doo Hwan, who recently won a seven-year term in an election he could hardly lose, puts it in even more grandiose terms: "The Fifth Republic, which has an historical mission of creating a new era, pledges to establish genuine peace in this land to build a just, wealthy and powerful state by all means, resolved to realize a second economic takeoff."

Maybe so. But the reality of today isn't quite like the promise of tomorrow. The economy is still faltering after the shock of last year's relapse which produced a negative growth of 5.7%. Political life remains constrained, with hundreds of leading figures banned from public life, on the lam or in jail. Students are restive, the press is censored and many troops not needed on the front lines facing North Koreans are walking city streets, facing South Koreans just in case. Today's calm has an enforced feeling to it.

Yet it would be a mistake to be only negative about South Korea and its near-term future. President Chun—till a year ago an obscure general—has brought this conservative nation a welcome spell of calm and order. Business life is picking up, and officials hope the economy will be back to its 1979 level by the end of 1981, with steady growth ahead. A new constitution and political system are in force, and there are few signs that any Koreans want to challenge them in ways which would shatter the peace.

"The people desire stability; this is a very important element (to them)," says Deputy Prime Minister Shin Hyong-Byon.

Talks with those who support the government, those who oppose it and those who merely watch from the sidelines all point to a similar conclusion: President Chun, though lacking great positive support, has won much tolerance from a public tired of turmoil. Most people seem ready to give him a relatively peaceful chance (despite probable student demonstrations before long) to put his national uplift plans into effect.

But showing progress won't be easy.

The economic front offers that most crucial immediate challenge. Last year's setback was a rude shock for a nation used to growth rates of 10% or so. Unemployment rose, inflation soared and farmers had the poorest crops in decades, thanks largely to dreadful weather. Rising oil import bills (they'll total $7.2 billion this year) added to a feeling of vulnerability after nearly two decades of uninterrupted expansion. The main public desire now seems to be restoration of the advance; Koreans seem ready to accept constraints elsewhere if economic trends are on the mend.

Officials expect that upswing. After this year's expansion offsets last year's contraction, they forecast an average 7% or more growth yearly through the coming five-year plan. They say they're restraining labor costs to keep exports competitive, slowing inflation and in general getting the government out of business. A major state-owned commercial bank will soon be sold to private investors, for example. Overseas sales are already rising at nearly a 20% rate, while factory output is also climbing again.

"This year we will have a growth rate of about 5% or 6%, and I don't think it will be difficult for us to achieve this," says Mr. Shin.

Though a buoyant economy means most people will tolerate continued political restrictions, according to the common wisdom here, even Chun allies say liberalization also is needed to guarantee domestic peace. This gives the president the classic dilemma of authoritarian states; how to relax political controls without endangering basic stability.

An official at the Blue House, the president's official residence, insists such relaxation is coming. "We must liberalize. If we don't, events can be catastrophic. Only freedom—in the long run—can be the real basis for our national stability," he says, claiming to echo the president's views.

The means of doing so are being put into place. A new national assembly, with 151 of the 276 seats controlled by the government party, is organizing itself. These legislators, it is claimed, will be encouraged to speak out on major issues, and to summon government leaders to explain their actions. Tight restrictions on the domestic press are being relaxed slightly, and the political opposition is told it can organize again.

Even some critics give President Chun credit for sincerity. He had himself elected to a seven-year term (serious opponents were carefully eliminated, some by jail sentences) but drafted the constitution so he cannot run again. An aide says the president and his military colleagues all agree most of Korea's recent troubles stem from the late President Park Chung Hee's refusal to relinquish power, and they don't want that repeated. "He wants to walk out of the Blue House peacefully" when his term ends, the aide says.

Many Koreans are skeptical. President Park also promised often to step down but in the end clung to office. Whether President Chun will feel willing and able to surrender power in seven years is impossible to know. But if he brings a measure of order and progress, then quits on schedule, he will have done something unprecedented for South Korea.●

PUBLIC ENERGY COMPETITION ACT OF 1981

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. UDALL. Mr. Speaker, today my friend from New Mexico, Mr. LUJAN, and I are introducing a bill titled "The Public Energy Competition Act." Some of my colleagues may remember it from the 96th Congress; it is an important public policy issue that becomes increasingly deserving of congressional attention as the Nation's energy and economic situation worsens. This county possesses vast reserves of coal and uranium on the public lands that, if efficiently and carefully developed, can lead us a long way down the road to energy security.

The bill is designed to insure that the coal and uranium reserves on the public lands are developed through vigorous competition in the energy industry.

Both the coal mining and uranium mining industries are highly concentrated, with the top eight coal firms producing 30 percent of all U.S. coal produced in 1979. The top eight uranium companies produced nearly 70 percent of the total uranium produced in the United States in 1979. Of the total amounts of coal and uranium produced in 1979 in the United States, oil companies produced 20 percent of the coal and nearly 40 percent of the uranium.

By curtailing the pattern of increasing concentration of energy resources by the major oil companies, we can help insure: First, stability in the energy sector; second, knowledgeable management and decisionmaking by executives close to the technical and resource base; third, diversity and innovation in energy production techniques; fourth, a broader distribution of energy profits in our national economy; and fifth, to some extent a reduction of foreign corporate participation in our energy decisions and energy profits.

The bill states that after December 31, 1981, no person or corporation may directly or indirectly acquire any coal or uranium lease if that person or corporation markets more than a specified daily volume of oil or natural gas. This is designed to allow development of Federal resources in the best interest of the American people. As a custodian of the public lands, the Congress owes the people responsible management of the Nation's resources.●

COMMITTEE IMPROVEMENT AMENDMENTS

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. EMERY. Mr. Speaker, I am pleased to join today with our distinguished Republican whip, the gentleman from Mississippi (Mr. LOTT), in cosponsoring House Resolution 100, "The Committee Improvement Amendments of 1981."

This resolution is a package of seven amendments to the House rules aimed at improving our committee system by making it more manageable and accountable. As the gentleman from Mississippi pointed out in a recent guest column in the Washington Post, this House is becoming increasingly unwieldy and unworkable. The House reform revolution of the last decade "has replaced the centralized committee system with a sprawling and decentralized subcommittee system that has dispersed powers so much that the institution is nearly powerless."

As our Republican whip went on to observe, the committee system, which is the foundation of the legislative process, "is today a crumbling foundation that threatens to bring the entire House down, and with it our representative form of government."

In response to this disturbing development, Mr. LOTT has called for a "blueprint for a House that works." His seven House rules changes would reduce the number of subcommittees and Member subcommittee assignments, put a ceiling on committee staff, strengthen our oversight capabilities, eliminate proxy voting, miniquorums, and joint bill referrals, and require equitable party representation on committees. At this point in the RECORD I include the column from the April 14 Washington Post:

[From the Washington Post, Apr. 14, 1981]

BLUEPRINT FOR A HOUSE THAT WORKS

The recent revolt against increased committee staffing requests in the House of Representatives reflects not only the new budget-cutting mood of members but also a growing consensus that the institution itself is becoming unwieldy and unworkable.

The House reform revolution of the last decade has replaced the centralized committee system with a sprawling and decentralized subcommittee system that has dispersed powers so much that today the institution is nearly powerless. As House Judiciary Committee Chairman Peter Rodino recently observed, "If the trend is not reversed, the day is not far off when every majority member will head a subcommittee. Then we will have no leadership, and no 'followership.' Everybody will be a boss."

Over the last decade, committee staffs have ballooned from approximately 700 to 1,900, and the number of subcommittees has increased from 100 to 152. Yet, over that same period, the number of public bills enacted into law by each Congress has remained relatively stable, averaging around 600. By contrast, the average output of public laws over the previous decade was actually higher—739.

The reason for this relative stability in legislative output is not difficult to discern: the same number of House members are working in approximately the same number of House committees with the same number of hours in a day, days in a week, and weeks in a year. In short, while our legislative capacities are finite, our turf-building and pork-barrel instincts have been pushing demands on members and the House toward the infinite. We have been generating more work for ourselves than we can possibly handle.

All this might be justified as necessary to right the balance with the executive branch or improve the quality of legislation. But if anything, the quality of legislation has been declining in recent years precisely because our subcommittees are less representative of the House and thus are reporting inferior and unacceptable legislation.

The unrepresentative nature of our committee system is partially due to the requirement of the Democratic Caucus that Democrats have "firm working majorities" on certain key committees, a clever euphemism, if ever there was one, for packing these committees with a disproportionate number of Democrats. Though Democrats now make up only 56 percent of the House, they control 60 percent of the seats on the Budget and Appropriations committees, 66 percent of the seats on the tax-writing Ways and Means Committee, and 69 percent of the seats on the Rules Committee, which controls the legislative flow and debate and amendment conditions over all major bills. These are the very committees that hold the key to whether the 1980 electoral mandate and the president's economic recovery program will be fully implemented.

Because members are spread so thinly over a multitude of subcommittee assignments, the House has resorted to "phantom legislating" to get any work done. As few as two members of a committee or subcommittee may constitute a quorum to conduct a hearing, and as few as one-third of the members is sufficient to transact any business.

Moreover, at last count all but four of the 22 House committees permitted proxy voting. It is not unusual for a subcommittee chairman to work his will on a bill with a pocketful of proxies.

In 1974, the House adopted a new rule permitting the speaker to refer bills to more than one committee simultaneously. In the last Congress, it was estimated that such multiple referred bills take four times as long to process and have less chance of passage than singly referred bills.

If the committee system is the foundation of the legislative process, then it is today a crumbling foundation that threatens to bring the entire House down, and with it our representative form of government. What is needed is a new blueprint for a House that works. To that end, I have introduced a resolution entitled "the committee improvement amendments," a package of House rules changes aimed at making the legislative process more manageable and accountable. This resolution would:

Limit all committees, except Appropriations, to no more than six subcommittees, and all members to no more than four subcommittee assignments. This would eliminate 26 subcommittees that existed in the last Congress.

Eliminate phantom legislating procedures by abolishing proxy voting and restoring majority quorum requirements.

Require that each year the House adopt an overall committee staff ceiling to ensure that we regain control over runaway staffing.

Eliminate the practice of simultaneously referring the same bills to more than one committee.

Require equitable party ratios on all House committees to ensure true representation.

Strengthen congressional oversight of federal agencies and programs by requiring formal House adoption of oversight agendas at the beginning of each Congress.

As much as House members may revere the institution, we are also experts on its imperfections and failings. We have an affirmative responsibility to the people we represent to do everything we can to make their House work for them. My committee improvement amendments are one modest attempt to fulfill that responsibility.●

THE RETIREMENT OF COVEDALE SCHOOL PRINCIPAL W. CLIFFORD FRANKLIN

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. LUKEN. Mr. Speaker, on Friday, May 15, residents of my congressional district and Hamilton County will join with teachers and administrators of the Cincinnati Public Schools in commemoration of W. Clifford Franklin, who retired April 30 after 22 years as principal of Covedale Elementary School in Cincinnati.

Mr. Franklin devoted 32 years of his life to the Cincinnati schools, spending 10 years as a teacher and administrator before coming to Covedale School as principal in 1959. During his tenure, he has gained a reputation as a learned educator who understands the special needs and problems confronting public school education. He is respected by teachers, students, and parents alike. Under Mr. Franklin's guidance, Covedale School has made great strides in its curriculum, including an emphasis on its special education program.

Mr. Speaker, it is a privilege and an honor to seek this national recognition of Mr. Franklin and all his good works. I know that you and our colleagues will want to join with me in extending our warmest greetings and congratulations to Mr. Franklin on this occasion and join me in offering our most sincere appreciation for the unselfish service he has given so freely for so many years.

Thank you.●

PROS AND CONS OF THE PRESIDENT'S ECONOMIC RECOVERY PROGRAM

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. WHITEHURST. Mr. Speaker, we have all read numerous editorials about why we should or should not support President Reagan's economic recovery program. For the benefit of you and my colleagues, I would like to share the following editorial which appeared recently in the Norfolk, Va., newspaper, the Ledger-Star, which I

feel clearly points out why it is imperative we support this measure.

BUDGET: WIN BATTLES AND LOSE WAR?

(By Frank Callaham)

President Reagan stressed that he wanted his budget adjustments to be equitable. Everyone, he said, must share equally in the sacrifice if federal spending is to be brought under control and inflation tamed. "Everyone" won't be hurt, obviously. In this situation, as in others, some no doubt will be more equal than others.

But the president may not be too far off his target at that. The earliest victims who squawked were those who saw new adversity for the poor from spending clamps on major social programs: Medicaid, food stamps, etc. But the arts people howled when they found they weren't to receive as much as the Carter budget had promised.

The school districts don't want federal lunch programs trimmed, and those districts which qualify for federal impact funds are doubly upset. College administrators say tighter student loan eligibility will disrupt the institutions' programs—and the students who see an aid source shrinking aren't happy either. There's understandable concern, too, about what will happen to emotionally disturbed Vietnam veterans if the 91 "storefront" Veterans Administration counseling centers across the country are closed.

The localities are alarmed over loss of federal funds to pay Concentrated Employment and Training Act (CETA) employees as well as other federal aid. The localities, then, are saying the states must help fill the gap. But the states complain that their own budgets will be wrecked by the substantial federal grant reductions. They face the loss of some of their own workers and programs.

Local officials worry, too, that mass transit operations will go deeper in the red with a lowering of federal funding. Critics claim reduced Amtrak subsidies will curtail passenger rail service. The miners have protested against the proposal to make the Black Lung Trust Fund pay its own way (which is what it is supposed to do). Some energy-watchers are trying to block cutbacks in Department of Energy operations. Dairy farmers fought hard against the Reagan plan to forgo this month's increase in price supports. The medical community is upset with curbs in health projects, including funds for the type of equipment which may have helped save the president's life. Those who can't afford to hire their own lawyers, administration critics say, will be doomed to unequal justice if legal aid funds go. (Anthony Lewis comments on this on today's page.) Museums are closing and historic preservation funds are being slashed, to the chagrin of some. Others see eternal gloom from pullbacks in federal financing of scientific research.

And so it has gone as virtually every Reagan proposal to control spending has come into focus: predictions of grave national consequences if not total national ruin.

But doesn't a perusal of just this partial listing alert the American people to something else? Something potentially far more dangerous than the envisioned impact—often distorted or exaggerated, incidentally—of any single adjustment?

What the size and diversity of this random, incomplete listing ought to help Americans understand better is how deeply, how fully Washington has involved itself in our lives and activities, how endlessly dependent on Washington's aid virtually every part of our national life has become.

It is this permeation—this incredible, unchecked over-extension of the nation's resources and the taxpayers' dollars—that threatens grave consequences for the United States. This is what, if not checked, really will bring national ruin.●

AAA SCHOOL LIFESAVING AWARD GIVEN TO GENE G. DRISDELLE

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. FRANK. Mr. Speaker, this month the American Automobile Association is presenting three young people the highest award given to the members of school safety patrols throughout the United States, the AAA School Safety Patrol Lifesaving Medal.

The lifesaving medal program was initiated in 1949 by the American Automobile Association to recognize and honor selected school patrol members for their heroic lifesaving contribution to their communities.

Since its inception, there have been more than 200 boys and girls from 27 States and the District of Columbia who have been honored with the lifesaving medal.

An award review board composed of representatives from active national organizations in the fields of education, law enforcement, and safety selects deserving medal recipients from those candidates who have been officially nominated for consideration.

This year one of the recipients of the 1981 award is from my district. He is Gene G. Drisdelle, 13, from Gardner Junior High School, Gardner, Mass. Gene will be honored for his clear judgment and quick action.

He noticed an unattended mail truck rolling backward in the direction of a child who was unaware of the approaching vehicle. Gene quickly grabbed the child, and pulled him out of the path of the truck.

Gene should be recognized for his exceptional judgment and courage in a dangerous traffic situation.●

H.R. 2507 SUPPORTS RECOMMENDATIONS BY THE SELECT PANEL FOR THE PROMOTION OF CHILD HEALTH

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. STOKES. Mr. Speaker, I have informed my colleagues in the House on several occasions on the importance of the Federal Government to adequately finance medical care to pregnant women and newborn infants. In doing so, I have introduced H.R. 2507, the "Maternal and Child Health Care Services Act of 1981," on March 12 and the explanation of the importance of this legislation on April 5, 1981, on page E 1599 of the CONGRESSIONAL RECORD.

The Department of Health and Human Services has argued against an expansion of maternal and child health services because they believe that these services along with funds for community health centers and other programs should be combined into a health services block grant. I believe that the block grant approach will not only reduce funding for pregnant women and infants which will result in higher infant mortality rates and prevent this Nation from reaching its goal to reduce infant mortality to 9 per 1,000 live births in 1990. However, I would like to share with my colleagues in the House a few major findings from the report of the select panel for the promotion of child health called Better Health for Our Children: A National Strategy.

MAJOR CONCERNS

(By the Select Panel on the Promotion of Child Health—December 2, 1980)

The Select Panel began its work by collecting information from hearings, background papers, interviews, site visits, and expert consultations, in an effort to identify and better define major policy issues in maternal and child health. In this process, we discovered a substantial convergence among diverse groups and individuals throughout the country, including parents, health care professionals, researchers and policymakers, on five overriding problems or concerns. All can be simply stated, although their implications for new policy directions are not always as simple to analyze. All focused on domains of health policy where considerable progress has been made already and the Nation has much to be proud of, but where much still remains to be done.

PRENATAL CARE

Prenatal care is clearly related to positive pregnancy outcome. Many of the risks associated with low birth weight can be identified in a first prenatal visit, and steps can be taken to prevent or correct them. Conversely, late care or no care is associated with low birth weight, increased prematurity rates, increased still births, and increased newborn mortality. A pregnant woman who receives no prenatal care is three times as likely as others to have a low birth weight baby (one weighing less than 5.5 pounds).

In 1977, neonatal, post-neonatal and infant death rates were four times higher for babies born to women who received no prenatal care than for those receiving at least some care.

Despite the effectiveness of timely prenatal care, a full 25 percent of all pregnant women receive no care at all or only belated care. These percentages are significantly higher among poor, black, adolescent and unmarried women, those in rural areas and those over 40 years of age—the very groups most likely to be at high risk from other health problems.

ALCOHOL, SMOKING AND DRUG ABUSE

Certain maternal behavior—most notably alcohol consumption, smoking and drug

use—can seriously affect pregnancy outcomes and therefore warrants intensive attention. Since such behavior is almost always well entrenched before a woman becomes pregnant, the most urgent need is to help the pregnant women understand the risk her behavior poses to her unborn child and to assist her in modifying her behavior in ways that eliminate or reduce those risks.

Heavy drinking by pregnant women has been shown to result in a characteristic set of abnormalities called fetal alcohol syndrome (FAS) which afflicts as many as 4,000 to 5,000 infants a year. These infants are often of low birth weight, mentally retarded, and may exhibit physical, neurological and behaviorial problems, with abnormalities and other serious defects in almost half of the cases. Both the risk and the degress of abnormality go up as consumption of alcohol increases.

There is also substantial evidence that smoking increases the risk of spontaneous abortion, neonatal death and low weight births. Women who smoke double their risk of having a low birth weight baby. Infants born to smokers weigh an average of 200 grams less than those born to nonsmokers, and this effect is independent of all other factors known to influence birth weight. Analysis of data from several studies in the United States and Canada shows from 20 to 40 percent of the incidence of low birth weight in these countries is attributable to maternal smoking. Other studies indicate that the more cigarettes a woman smokes, the lower the birth weight of her baby.

Drug use during pregnancy also can result in serious risk to fetal development. Some of the most dramatic and tragic effects are among infants born to users of illicit and addictive drugs such as heroin. Women of child-bearing age make up about one-fourth of all heroin addicts. In one metropolitan hospital center, there has been a five-fold increase in birth to drug addicted women in the past 20 years. Similar trends probably can be found in many urban areas.

Mr. Speaker, I hope that my colleagues will discover from these brief excerpts from the select panel's report important factors that influence pregnancy outcome. I urge the Congress to consider the effects of the proposed block grant for maternal and child health services and support my proposal, H.R. 2507, on improving the accessibility of medical care to an important segment of our society—pregnant women and infants.●

IDA NUDEL

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. LEHMAN. Mr. Speaker, no one illustrates the plight of Soviet Jewry more than Ida Nudel. Known as the guardian angel of the prisoners of conscience, Ida Nudel has risked her own life as an activist and leader of the Moscow Helsinki Monitoring Group before being sent into a 4-year Siberian exile in 1978.

Ida Nudel's 50th birthday was marked this week by a very special tribute in the House of Representatives. I am hopeful that we will greet Ida Nudel personally, as a free person on her next birthday, as we had the great pleasure of greeting ex-refusenik Lev Roitburd in Washington.

Before Ida was forced into internal exile, she devoted herself to helping fellow refuseniks with those daily tasks which most of us take for granted. Her courage, inner strength, and sensitivity to the psychological needs of people suffering severe mental and physical harassment due to their wish to live in Israel gave nourishment to the Jewish emigration movement in the Soviet Union. She delivered packages and mail to prisoners of conscience that Soviet authorities had refused to deliver. Her selfless activism has become a symbol of strength which encourages the continued struggle while she is shut away and denied the possibility of being cared for in her own time of need.

We must continue to denounce Soviet violations of fundamental human rights and press for Ida Nudel's emigration. Our efforts will offer hope to those whose courage know no bounds, and will, I am confident, lead to their freedom.●

REPORTED ANTI-SEMITIC INCIDENTS ON THE INCREASE

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. CONYERS. Mr. Speaker, in recent months newpapers and magazines have reported on an increased incidence of criminal violence against Jewish institutions. This violence has manifested itself in a variety of ways, including arson, firebombings, cemetary desecrations, and vandalism. These violent incidents have caused great anxiety on the part of minority religious groups, particularly among members of the Jewish community.

Anti-Semitic violence is not an isolated phenomenon. There appears to be an increased incidence of criminal violence directed against members of all minority groups. The Anti-Defamation League of B'nai B'rith has published several excellent reports on this problem including a recent report on anti-Semitic violence. I urge my colleagues to review the following report:

ANTI-DEFAMATION LEAGUE OF B'NAI B'RITH
1980 AUDIT OF ANTI-SEMITIC EPISODES

Reported anti-Semitic episodes,including vandalism and other assaults against Jewish institutions, increased by 192% in 1980—from 129 episodes in 1979 to 377 in 1980.

The episodes in 1980 include arsons and attempted arsons, fire-bombings and attempted fire-bombings, vandalisms, swastika daubings, anti-Jewish slogans and other anti-Semitic graffiti.

The largest number of episodes took place in New York State—120. New Jersey had 69; Massachusetts, 34; California, 27; Michigan, 21; Illinois and Rhode Island, 12 each; and Minnesota, 10. Two hundred and forty-three of the 377 episodes—64.5%—took place in five northeastern states—New York, New Jersey, Massachusetts, Rhode Island and Connecticut. There were no episodes reported from Maine, New Hampshire and Vermont.

Twenty-three of the episodes included 10 arsons, two attempted arsons, four firebombings, two attempted fire-bombings, and five cemetary desecrations. The remaining 354 episodes were swastika daubings, anti-Semitic graffiti and other vandalisms.

Of the 377 episodes in 1980, 157—or 41.7%—took place at private Jewish properties such as homes or stores.[1] The remaining 60 episodes—15.9%—took place on public property or in the streets.

OTHER EPISODES

Not included in the 1980 total of 377 episodes were 112 anti-Semitic incidents involving bodily assaults against Jews, harassments, or threats by phone or mail directed at Jewish institutions, their officials, or private Jewish citizens. This class of anti-Semitic activity is separately noted because it was not part of last year's audit and no basis of comparison is therefore available.

Many incidents in which anti-Semitism is a factor go unreported. One reason is that Jewish institutions and Jewish communities around the country wish to avoid publicity that might encourage imitative or repetitive behavior patterns that would result in additional assaults. It is therefore likely that the actual number of anti-Semitic episodes was considerably higher than the 377 cited in the 1980 audit.

ARRESTS AND APPREHENSIONS

Reports received by the League indicate that 20 individuals were arrested or apprehended in connection with 11 of the 377 episodes. These 11 episodes took place in five states—six in New York, two in New Jersey, and one each in Illinois, Pennsylvania and California.

In the six New York episodes, eight persons were arrested or apprehended. In New Jersey, seven individuals were suspects in the episodes. In the Illinois incident, two were arrested, in Pennsylvania there was one arrested, and in California, two were held as suspects.

Fourteen of the 20 individuals arrested or apprehended were aged 17 or under; two were described merely as "youths" with no specific age given; one was described as a male, with no age given, and one was described as age 20.

The remaining two were arrested in Los Angeles on suspicion of arson in connection with a December 6, 1980 fire at a Jewish temple. Both suspects in the episode, which caused an estimated $100,000 in damages, were described by police as members of the neo-Nazi National Socialist American Workers Party, aged 35 and 24.

The Los Angeles episode was the only one reported in 1980 in which charges were brought against members of an organized hate group.

With respect to the other episodes, the fact that the majority of those apprehended were teen-agers or juveniles does not neces-

[1] Not included in the 1980 audit were 52 episodes in which Jewish institutions or Jewish private properties were the targets or the scenes of damage, crime or other possibly hostile activity but in which no clear-cut evidence of anti-Semitism or anti-Jewish motivation was apparent.

sarily mean that youths and juveniles were responsible for most of the 377 anti-Semitic episodes reported during 1980. The number of episodes in which reported apprehensions took place—11 of 377, a mere 2.9%—is simply too small a sample to justify any generalizations.

IMPROVED REPORTING PROCEDURES

The increase in the number of reported episodes in 1980 may in part be attributable to improved ADL reporting procdures following its 1979 national audit, which had shown an increase to 129 episodes from 49 in 1978. The previous audits consisted of tabulation by the ADL of anti-Jewish episodes reported to its 26 regional offices.

For 1980, the ADL instituted procedures designed to augment its capacity to collect and evaluate information about anti-Semitic episodes. The sharp increase in the 1979 figures over those of 1978 also resulted in a greater awareness of the problem on the part of many local Jewish communities and a greater readiness to report anti-Semitic episodes to the ADL as they occurred. The number of episodes in 1980 undoubtedly would have shown a marked increase over 1979 even had there been no change in the earlier ADL procedures and no change in the reluctance by communities to report.

EVALUATION

Anti-Jewish episodes of the kind reported here substantiate what studies have shown over the years—that a disturbingly high quotient of anti-Semitism and anti-Jewish hostility exists just beneath the surface of American life. The overt, if largely unorganized and random, anti-Semitic activity apparent in the reported 1980 episodes is further visible evidence of this widespread anti-Jewish hostility—the tip of a sociological iceberg of anti-Jewish attitudes.

With the exception of one case, there is little evidence that the reported episodes resulted from organized activity by anti-Jewish groups. Rather, they appear to be the work of hostile individuals acting without organizational direction.

The findings underscore once again that anti-Semitism remains a virulent social disease. What is called for is greater public concern, manifested through strengthened law enforcement, realistic penalties, and expanded educational programs.●

VIETNAM ERA VETERANS

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. LOWRY of Washington. Mr. Speaker, I would like to bring the attention of my colleagues to a letter which I received from the chairman of the Washington State House of Representatives Select Committee on Vietnam Era Veterans. This letter details the problems facing Vietnam era veterans in my home State and recommends some actions which the Federal Government can take to help solve these problems. These recommendations have been endorsed by a resounding bipartisan majority of the Washington State House of Representatives. As this House votes on the Federal budget, it is my sincere hope that we will show a similar bipartisan determination to live up to our national obligation to America's Vietnam era veterans:

STATE OF WASHINGTON,
HOUSE OF REPRESENTATIVES,
April 15, 1981.

Hon. MIKE LOWRY,
U.S. Congressman,
Washington, D.C.

DEAR CONGRESSMAN LOWRY: As Chairman of the Washington State House of Representatives Select Committee on Vietnam Era Veterans, I would like to bring to your attention the impact of the Stockman budget cuts on Vietnam era veterans in the State of Washington.

As you know, there are over 200,000 Vietnam era veterans in Washington state. During the past year our Committee held hearings throughout the state on the status of these veterans. A copy of our report is attached. Essentially what we found was disgusting: these veterans who served their country when called continue to suffer an unemployment rate of 20%, suicide and divorce rates twice as high as their peers, lack of access to effective assistance, and insensitive treatment of their mental and physical needs. Our findings have been supported by recently released federal studies (Lou Harris, "Myths and Realities: A Study of Attitudes Toward Vietnam Veterans"; Center for Policy Research, "Vietnam Veterans Readjustment" (5 vols.)).

We found two programs in the entire state which effectively meet the needs of these veterans: Seattle Veterans' Action Center (SEA-VAC) and the VA Psychological Readjustment Outreach Teams in Seattle and Tacoma.

The Stockman budget cuts would eliminate these services, together with all other programs targeted on the readjustment needs of Vietnam era veterans: Veterans Outreach and Community Services/Targeted Technical Assistance (DOL), Vets Centers (VA), Veterans Cost of Instruction Program (Education), and Disabled Veterans Outreach Program (VES).

Mr. Stockman would have these services be continued through block grants to the states and by a demonstrably ineffective (and also reduced) Veterans Administration.

These are federal categorical programs for a reason: they are a federal responsibility. These veterans were drafted or enlisted because their country called. Their country must repay the debt, especially as we are asking others to prepare to make the same sacrifice to bolster their country's defense. I find it highly ironic that the Stockman budget increases defense spending by 17 percent while cutting these defense-related veterans programs at a total saving to the federal budget of one hundredth of one percent (.01 percent).

Our Committee recommended legislation to provide for veterans multi-service centers such as SEA-VAC, to train mental health professionals in the techniques used by the Vets Centers, to strengthen veterans preference in employment, to educate employers about Vietnam veterans employment initiatives, to retain tuition reductions at community colleges for Vietnam veterans, and to encourage a resolution of the Agent Orange controversy. These bills passed out House of Representatives with only two dissenting votes.

I am saddened to see that the federal government, with primary responsibility for veterans affairs, is considering cutting those very programs which our state is attempting to augment.

I strongly encourage your utmost effort to restore funding to those programs identified about and to actively encourage that a Vietnam veteran be appointed Administrator of Veterans Affairs and Assistant Secretary for Veterans Employment (DOL).

I have attached copies of the Select Committee Report and of recent local articles on Vietnam era veterans issues for your information.

Sincerely,

RICK S. BENDER,
State Representative.●

THE 1982 MILITARY CONSTRUCTION PROGRAM

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. STARK. Mr. Speaker, I would like to bring to the attention of my colleagues the following testimony which I presented to the Armed Services Subcommittee on Military Installations and Facilities on April 3, 1981. I presented similar testimony to the Appropriations Subcommittee on Military Construction on April 8, 1981. My statement of the military construction program is as follows:

Mr. Chairman and members of the Subcommittee, thank you for providing me with this opportunity to submit testimony in support of important projects included in the fiscal year 1982 military construction program.

As a Congressional representative of the Alameda area, I am well aware of the importance of military construction projects. National defense does not consist solely of ships, planes, and missiles; it is also the vast network of repair and resupply facilities necessary to maintain our defense forces at a high level of readiness and effectiveness.

Several projects in the fiscal year 1982 military construction program will help the Alameda Naval Air Station in my district to fulfill its vital mission of providing repair and resupply facilities for the U.S. Pacific Fleet. I strongly urge the members of the Subcommittee to give their full support to these projects.

The $7.5 million Pier Improvement Project (P-174) will greatly facilitate aircraft carrier repair and resupply operations at Alameda Naval Air Station. Since the Alameda Naval Air Station is the only facility in Northern California capable of handling our nuclear aircraft carriers, it is particularly important to ensure that these facilities are the most modern and efficient ones available.

Unfortunately, this important pier improvement project has already been delayed several years. I strongly support the Alameda Naval Air Station Pier Improvement Project, and I strongly urge the members of the Subcommittee to give this project their highest priority.

The second 1982 military construction project requested for the Alameda naval Air Station is a $280,000 Family Services center (P-164). This Center will bring together and make accessible a wide range of services for Naval Air Station personnel—chaplains, social workers, and special programs for new families. In view of the many problems our

armed services have had in retaining skilled and dedicated personnel, I think we must give particular attention to special social services which contribute to overall job satisfaction. I hope the members of the Subcommittee will give strong support to the Family Services Center project at the Alameda Naval Air Station.

While the two projects I have mentioned will certainly go a long way toward improving the facilities at the Alameda Naval Air Station, there is still much that remains to be done. Many facilities at the Naval Air Station were built during World War II. Under these conditions, OSHA standards are difficult to meet, productivity and efficiency are undermined, and upkeep becomes increasingly expensive. In view of these circumstances, I urge the members of the Subcommittee to accelerate the pace of improvements at the Alameda Naval Air Station by funding several additional projects in this fiscal year.

Of primary importance at the Alameda Naval Air Rework Facility at the Naval Air Station is the modernization of two jet engine test cells. This project will substantially reduce noise emission, correct persistent water problems, and provide a better and safer workplace for personnel. Unfortunately, only one test cell was funded in fiscal year 1981, and the second test cell was not included in the fiscal year 1982 military construction program. I believe it makes good sense to complete both test cell modernizations as soon as possible. I hope the Subcommittee will consider adding $3.75 million to this year's military construction program to complete modernization of both test cells at the Alameda Naval Air Rework Facility.

Another important project which should be approved without further delay is construction of a new $20.5 million Aircraft Corrosion Control Facility at the Alameda Naval Air Rework Facility (P-749). Designed to replace the present substandard stripping building and outdoor aircraft blast cleaning facility, this new building will substantially reduce air emissions, water pollution, and substantially increase efficiency and productivity. I strongly urge the members of the Subcommittee to add this project to the fiscal year 1982 military construction program.

I would also like to request acceleration of the Repair Steam System Project at the Alameda Naval Air Station. This $3.6 million project would vastly improve the heating systems in 23 buildings at the Naval Air Station, resulting in energy savings so substantial that the system would pay for itself in just six years. This type of savings cannot be ignored, and I urge the Subcommittee to do everything it can to accelerate this project.

In conclusion, I would like to emphasize that the Alameda Naval Air Station is a vital part of our national defense and we must do all we can to aid in that effort. The continued success of this facility, which is important to all of us, depends upon modern, efficient repair and resupply facilities. I urge the members of the Subcommittee to support the Alameda Naval Air Station projects currently proposed for funding in fiscal year 1982, and to accelerate improvements at the Naval Air Station by including Test Cell Modernization, an Aircraft Corrosion Control Facility, and a Repair Steam System in the fiscal year 1982 military construction program.●

PUBLIC APPROVAL OF PRESIDENT REAGAN'S ECONOMIC RECOVERY PROGRAM

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. KEMP. Mr. Speaker, a recent Associated Press-NBC news poll indicated overwhelming support of President Reagan's fiscal package, including both the restraint in spending and the across-the-board 30-percent cut in marginal income tax rates. The poll reported 61 percent in favor of the spending proposals and 71 percent in favor of the tax-rate reduction. I believe that the results of this poll should be of considerable interest to my colleagues, especially since the reporting on it here in Washington was rather scanty. The following AP report appeared in the New York Times on April 25, 1981:

MAJORITY IN POLL SUPPORT REAGAN ON ECONOMIC PACKAGE

President Reagan's economic package continues to have the support of most of the public, an Associated Press-NBC News Poll shows, although 39 percent of those polled said that his cuts in spending "go too far."

The opinions were expressed at the beginning of Congress's two-week Easter vacation, which ends Monday when Congress returns to Washington to resume debate on the Reagan package. Senate Republicans yesterday were completing details of a plan aimed at allaying conservative skepticism over the President's program.

The new poll indicated that public support for Mr. Reagan's economic proposals has not surged in recent weeks, as did the public's ratings of him personally after the attempt upon his life March 30. But more than six out of 10 Americans interviewed supported each of the three main tenets of the Reagan policies—cuts in Federal spending, cuts in Federal taxes and higher military spending.

Sixty-one percent of those who had heard of Mr. Reagan's proposals said they backed his proposed $48.6 billion in cuts in Federal spending. Thirteen percent said they favored some of the cuts and opposed others. Another 13 percent flatly opposed the reductions, while 13 percent of the 1,604 adults interviewed around the country by telephone April 13-14 were not sure.

In an A.P.-NBC News Poll conducted in late February, 58 percent favored the cuts and 16 percent opposed them.

On Mr. Reagan's proposed three-year tax cuts, 71 percent of those who had heard of the economic proposals favored the program and 15 percent opposed it. Fourteen percent were not sure. That is the same as found by the February poll.

Mr. Reagan's proposed increases in spending on military got strong backing, with 70 percent favoring such increases. Nineteen percent were opposed and 11 percent not sure.

On the cuts in spending, 39 percent of those who knew of the Reagan proposals agreed that while Federal spending should be cut, "Reagan's proposed cuts go too far." Fifty-two percent disagreed. The question was asked in this manner: "Do you agree or disagree with the following statement: While Federal spending should be cut, I think Reagan's cuts go too far."

On the issue of tax cuts, 36 percent termed Mr. Reagan's plan too drastic. Fifty-four percent disagreed with that characterization.

In answer to another question, 28 percent of those who knew of the proposals said that the spending cuts did not go far enough. Sixty-four percent disagreed.

There has also been little change in the public's judgment of the probable impact of the Reagan proposals.

Twenty-eight percent said it was very likely that the President's proposals would reduce inflation if they were put into effect. Fifty-one percent said it was somewhat likely that his programs would reduce inflation and 17 percent said it was not likely at all. These figures are almost identical with those from the February survey.

If a choice has to be made, the public, according to the poll, would prefer to cut spending before cutting taxes.

Given a choice among three possible actions, 50 percent said that the Government should cut spending while 27 percent said that Federal taxes should be cut. Nineteen percent said that their first choice would be to increase defense spending. Four percent were not sure.

For a poll based on about 1,600 interviews, the results are subject to a margin of error of 3 percentage points either way because of such chance variations.

Mr. Reagan plans to go before a joint session of Congress on Tuesday night in hopes of regaining momentum for his economic program, which stalled two weeks ago when three Republicans on the Republican-controlled Senate Budget Committee delivered a surprise setback to the Administration.

A Senate source said yesterday that the Administration and Senate Republican leaders had reached tentative agreement on revisions that appeared to satisfy the three Republicans, who joined nine Budget Committee Democrats in rejecting Mr. Reagan's spending and tax cuts because they felt they would leave too large a deficit in 1984.●

LEAD POISONING PREVENTION—A SPECIAL CASE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. RANGEL. Mr. Speaker, the magnitude of the proposals that the Reagan administration has made in the area of health prevention is just beginning to be realized. Unfortunately, because so many of the program changes were made on budgetary rather than substantive grounds, the effect of the proposals on the health of Americans has been overlooked or simply not known. One public health program that is slated for extinction is the Center for Disease Control's lead poisoning prevention program. In its 7 years of existence, this program has been able to decrease the number of incidents of severe toxic lead poisoning through screening and education of the hazards of lead poisoning. I

would like to share with my colleagues an article authored by Dr. Herbert Needleman of the Harvard Medical School that discusses the implications of the elimination of the CDC lead program.

The article follows:

LEAD'S CONTINUING THREAT

(By Herbert L. Needleman)

When I was a pediatric house officer at a university hospital, my colleagues and I saw and treated about 20 cases of severe lead poisoning each year. When we examined these children on the ward, many had brain swelling severe enough to produce coma and convulsions. Most left profoundly brain damaged and handicapped. Some died. Now at most major teaching centers, pediatric residents usually finish their training without ever seeing a case of brain swelling due to lead.

This decrease in lead encephalopathy and death is a public health triumph. Because of projected budgetary changes, it may be short-lived. One of the prominent reasons for the decline in severe lead poisoning has been the activity of the Center for Disease Control's Environmental Health Services Division. This federal program collaborates with local officials in the health screening of children, educating physicians and health officials and advancing the technological level of lead measurement and control.

CDC undertook the lead program in 1974 and transformed it from one of minor consequence to a model of preventive practice. Each year 500,000 American children under age six have their fingers pricked and their lead exposure evaluated. In the process, neighborhoods and entire cities become more aware of the hazard of lead, and the incidence of toxicity drops accordingly. In cities of under 200,000, three years after a lead-screening program begins, the proportion of tested children with excess exposure usually drops to one third of the starting level, as children with high exposure are found and treated, and the community learns of the threat.

While the incidence of reported deaths and lead encephalopathy has decreased, lead toxicity continues to be one of the most important public-health problems for American children, exceeded in significance only by undernutrition. Of the half-million children screened last year, 30,000 were found to have lead toxicity. CDC epidemiologists estimate that 150,000 children under age six, or 1 percent of the population at risk, are intoxicated. This is a bona fide epidemic in which most of the cases go unrecognized. Lead's symptoms, in its milder forms, are headaches, malaise and irritability. None of these complaints carry the label of lead poisoning, and most children with them do not see a doctor.

Even at these lower doses, lead continues to do its quiet mischief. Children with high levels of lead in their teeth (and by inference in their brains), but who have not come to medical attention, are less able intellectually, less attentive and more disturbed. Teachers who are unaware of a child's lead burden report more distractibility and poorer classroom function in those children with high tooth lead. Epidemiologists have estimated that as much as 43 percent of overall classroom functioning in some areas may be attributed to lead exposure.

The current OMB plan calls for the reduction of the slim federal lead budget of $10.5 million by 25 percent, and then, as with other preventive medical programs, the return of these funds to the states by the block grants mechanism. CDC's central lead office will wither in the process.

As one who has spent considerable time educating pediatric specialists and politicians about lead's continuing threat, I am doubtful that many governors will be sensitive to the problem. Certainly 50 state offices as informed and motivated as the CDC central lead program cannot be developed and maintained.

Stripped of central coordination, education and quality control, lead screening and public awareness will slowly slip back to where they were in the '50s and '60s. This may have one educational effect that is not without irony. Pediatric house officers may again be seeing the classic picture of lead-caused brain swelling in the cribs of our children's hospitals.●

DAY FOR REMEMBERING—AS IF THEY COULD EVER FORGET

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. EDWARDS of California. Mr. Speaker, the talented columnist, Michael Daly, has written a most moving piece that was published in the New York Daily News. I ask unanimous consent that this fine column be included in the RECORD.

DAY FOR REMEMBERING * * * AS IF THEY COULD EVER FORGET

The morning of Veterans Day, the salesman named Artemio Moldea took a 9 by 11-inch Manila envelope off the shelf in his bedroom closet. Walking into the kitchen of his apartment in South Brooklyn, Moldea joined his wife at the wooden table by the window. He opened the envelope and removed a stack of papers. At the top of the stack was a letter written on unlined notebook paper and signed by Moldea's son, Albert:

"The real enemy in Vietnam is being bored. We go out. We walk. We walk. We walk some more. Most times, there's nothing. The next day, we go out and walk again. But sometimes there is trouble. There is no warning. The trouble just comes. There is a lot of noise. More noise than you can think of. Then it just stops. It goes fast. You don't even know what is happening. People get hurt. Remember when I fell down the stairs and I cut my chin and it was such a big deal? Everybody was saying, 'Wow, he got nine stitches.' Well, people get blown to pieces here and it isn't such a big deal. When it's over, the guys that didn't get blown to pieces just keep walking. The next day they walk again."

Under the letter was a telegram. The telegram was signed "Kenneth G. Wickham, Major General, USA, C-2037, the Adjutant General, Department of the Army, Washington, D.C."

"The Secretary of the Army has asked me to express his deep regret that your son, Sgt. Albert Moldea, was wounded in action in Vietnam on 14 January 1970 by fragments of a booby trap while at a night defensive position. He received wounds to the chest, face, head and groin area. He has been placed on the very serously ill list and in the judgment of the attending physician his condition is of such severity that there is cause for concern. Please be assured that the best medical facilities and doctors have been made available and every measure is being taken to aid him. He is hospitalized in Vietnam. Address mail to him at the Hospital Mail Section, APO San Francisco 96381. You will be provided progress reports and kept informed of any significant changes in his condition."

Turning over the telegram, Moldea now stared at the message that arrived four days later. This telegram also was signed by Kenneth G. Wickham.

"The secretary of the Army has asked me to express his deep regret that your son, Sgt. Albert Moldea, has succumbed to wounds received in action in Vietnam on 14 January 1970.

"I know the passing of a loved one is one of life's most tragic moments, but sincerely hope that you will find some measure of comfort in knowing that your son served in the finest tradition of American soldiers who on other battlefields and in other places of national peril have given the priceless gift of life to safeguard the blessings of freedom for their loved ones and future generations. In Vietnam today, brave Americans are defending the rights of men to choose their own destiny and live in dignity and freedom. All members of the United States Army join in sharing your burden of grief."

Below the letter was a Form 438 sent from the U.S. Army Personal Property Depot, Saigon, Vietnam.

"Listing of personal property of Sgt. Albert Moldea: two shirts, khaki; one necktie; one cap, garrison; one belt, web, with buckle; one pen, ballpoint; one toothbrush; one nameplate, plastic; two insignia, U.S., brass."

Attached to the Form 438 was a Form 10-249 issued by the U.S. Army Mortuary, Danang, Vietnam. On the line marked "cause of death," a clerk had typed "missile wound to head." On the line marked "place of death," the clerk had typed "map coordinate BT 456089."

Finally, there was a bundle of letters from other people who had lost sons in Vietnam. One was from Mildred Gillen of Detroit, whose son had been killed by a mine near a town called Chu Lai.

"My heart goes out to you. My son, Roy, was killed a year ago. You don't know me, but I share your grief. I tell myself my boy died for his country. Your boy has died for the same country."

Raising his eyes from this letter, the father of Sgt. Albert Moldea looked at the mother of Sgt. Albert Moldea. The mother clamped her lips together. Ten Veterans Days have passed and there are still tears.

"My boy was 18 when he was killed," the father said. "Today he would be 28, still young. Maybe he would have a family."

"Remember when he would baby-sit how much the children liked him?" the mother said.

"I remember," the father said.

Leaving their apartment on Fifth Ave., the father and mother walked up to the Purity Coffee Shop off Union St. The father had tea. The mother had coffee.

"At my job, they said I don't work today, they said it was a holiday for veterans," the father said.

"That's not the right word, 'holiday'" the mother said.

Peering out the window, the father watched a woman walk by leading a child by the hand. On the other side of the street,

two teenagers, a boy in a peacoat and a girl in a leather jacket, were waiting for the No. 67 bus. The boy turned to the girl and said something. The girl laughed.

"My son had a girlfriend," the father said.

"She got married four years ago," the mother said.

"Five years," the father said.

The mother picked up the tin milk pitcher. Dipping her spoon into the cup, she watched the white of the milk swirl through the dark brown of the coffee.

"It's just something my boy had to do," the mother said. "I miss him. With me every day is Veterans Day."●

USE OF BABY FORMULAS AMONG WORLD'S POOR

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. RICHMOND. Mr. Speaker, I would like to comment on my distinguished colleagues Congressman HARKIN from Iowa and Congressman GILLMAN from New York on the infant nutrition resolution they introduced April 2, 1981, recommending that the U.S. representative to the World Health Organization meeting in May 1981 vote in favor of adopting the "International Code of Marketing of Breastmilk Substitutes" and in opposition to any amendments which weaken the purpose of this code.

As stated in a recent editorial in the Washington Post:

The proposal being made in the World Health Organization (WHO) that member governments restrict the marketing of infant formula to encourage breastfeeding, is a tough one for this country and especially for this administration.

Putting aside the tangential, antiregulation argument, the true essence of this antiformula campaign lies with the health impact on developing nations. Many studies have shown that the use of infant formula under unsanitary conditions characteristic of Third World countries poses a real threat to the infant's health.

I would like to enter into the record an excellent, informative article from the April 21 issue of the Washington Post which describes the Brazilian efforts to encourage breastfeeding. Results of a scientific study conducted in Rio de Janiero showed 32 percent of bottle-fed infants needed to be hospitalized for life-threatening diahhrea.

On March 20, 1981, my distinguished colleague from Maryland, Congresswoman BARBARA MIKULSKI, and I wrote a letter to the Honorable Richard Schweiker, Secretary of the Department of Health and Human Services, urging him to recommend that the United States of America vote affirmatively at the WHO meeting for the draft code as presently written.

As a nation dedicated to the promotion of good health for all people, we must recognize the desires of developing nations both to become self-sufficient and to protect the health and nutrition of their infants. These countries have requested our support of measures to regulate the promotion and sales of commercial infant formula to mothers who do not need it, cannot afford it, and are unable to safely use it. Let us join the religious groups, world-recognized nutritionists and pediatricians, and other countries and show that America is firmly committed to combating world hunger, malnutrition, and disease.

The Post editorial follows:

CRITICISM MOUNTS OVER USE OF BABY FORMULAS AMONG WORLD'S POOR

(By Jim Brooke)

RIO DE JANEIRO, April 20.—Responding to a scientific study showing that a large percentage of bottlefed babies in Brazil's largest city are undernourished, the conservative military government of Brazil has launched a campaign to encourage mothers to breast-feed their children.

The campaign was yet another blow to Nestlé, the Swiss-based multinational corporation that has been under fire for several years for promoting the use of infant formula in underdeveloped countries. Nestlé, the sole commercial supplier of infant formula in Brazil, has been accused of encouraging poor mothers to use its formula even though the women often dilute it with unsafe water or are unable to prepare it under sanitary conditions.

The worldwide campaign against Nestlé may even become an issue in the debate over confirmation of President Reagan's nominee for assistant secretary of state for human rights, Ernest W. Lefever, of the Ethics and Public Policy Center in Washington. The center, which reprinted a Fortune magazine article defending Nestlé and describing its church-supported opponents as "Marxists marching under the banner of Christ," has accepted a $25,000 contribution from Nestlé.

Brazil's campaign to promote breast-feeding, launched on the 17th anniversary of the anticommunist coup that brought the military to power here, is undoubtedly the Third World's largest such campaign.

Bearing such slogans as "Infant mortality is five times lower among breast-fed babies," millions of posters of nursing infants are being tacked up in school rooms, health clinics and maternity wards. Soap opera idols have been mobilized for a blitz of radio and television advertising. Starting this month, all light, gas, water and telephone bills—even betting cards for the immensely popular national soccer lottery—will carry the slogan: "Nurse your child."

"I tell mothers their milk is for their babies—cow's milk is good for calves," Dr. Yedda Paschoal de Oliveira, director of the nationwide drive, commented when interviewed recently in her Brasilia office.

Dr. Paschoal calculated that last year families in Brazil spent $100 million on powdered milk, which she said meant 180 million quarts of mother's milk was wasted.

Although breast-feeding was virtually universal in Brazil up until the 1940s, today only one-quarter of Brazilian babies are nursed past two months. By six months, the proportion has dwindled to 2 percent.

Reaching under a stack of breast-feeding posters, Paschoal pulled out a study by the São Paulo School of Medicine that is the backbone of the campaign in Brazil, and has implications for other Third World countries. Working in 1979, the researchers closely monitored the feeding and growth of 191 babies in low income families in São Paulo.

The report found that:

32 percent of the bottle-fed babies suffered from malnutrition, compared to 9 percent of the breast-fed babies. Experts here say 70 percent of the weight of the brain is formed during the first two years of life, and malnutrition at this age often causes irreversible mental deficiencies.

23 percent of the bottle-fed babies had to be hospitalized, while none of the breast-fed babies had to be hospitalized.

Most of the hospitalized babies had diarrhea, which is the most frequent cause of infant death in São Paulo.

A separate study of infants from six to 11 months in Sigulem, a São Paulo suburb, found that 96 percent of deaths registered were among children breast-fed less than six months.

A Nestlé spokesman in São Paulo said recently that he was not aware of the School of Medicine research.

But the survey findings were echoed in random interviews with mothers in Rocinha, one of Rio's largest—and worst—favelas or shantytowns.

"I started giving Nestogeno [formula] to my baby boy at 1½ months, but he got a stomach infection that almost killed the child," one woman, known only as Nichinha, said as she sat in her two-room house, partially roofed with flattened soy oil cans.

Nicinha said her baby was consuming four cans of formula a week. To save money she diluted the mix with flour, corn meal and cream of rice cereal. At $2.50 a can, a month's supply of Nestogeno costs $40, while most wage earners of Rocinha earn Brazil's minimum salary—$80 a month. The Sao Pualo study found that formula feeding a baby for one year would require 43 percent of the income of a poor family of four, compared to the cost of breast-feeding, approximately 4 percent.

"The water here also doesn't help," Nicinha said, waving to a green-gray open sewer gurgling three feet from her doorstep. Favela residents get their water from nearby wells, but they say this water is polluted, frustrating efforts to sterilize baby bottles.

Across the sewer and down a narrow, slippery, narrow alley Maria da Conçeicão sat in her darkened room, nursing her 1-year-old son, Vito.

"They are much stronger," she said of breast-fed babies. "They don't get sick with diseases."

Dr. Amandio Ferreira de Souza, head pediatrician at Rio's Poor Mother Hospital agreed with Maria da Conçeicão's comments.

"Almost all the diarrhea cases I see are bottle-fed babies," he commented.

Without hesitation, Dr. Amandio said his fellow pediatricians in Rio are "100 percent" in favor of breastfeeding, but for many years his profession was the target of a multifaceted promotional campaign by Nestlé.

Until recently, Nestlé gave a free, one year's supply of powdered milk to Brazilian pediatricians, nutritionists and maternity nurses when they or their wives had children. The São Paulo report found that Nestlé advertising helps support professional journals, and Dr. Amandio said the company frequently sponsors meetings of pediatricians.

Nestlé spokesmen maintain that the company never advertised their infant formulas to the general public, but critics charge that promotion occurs in subtle forms.

"The cans always say, 'Mother's milk is best for your child, but in the absence of milk . . .'" commented Dr. Paschoal, director of the nationwide nursing drive. "It is that 'but' that creates doubt in the mother's mind. Studies show that doubt and worry cause the milk to dry up."

In another case, the February issue of Claudia, Brazil's largest circulating women's magazine, carried an unsigned "debate" on breast-feeding. The article contrasted "mothers of the most savage tribes of Africa [who carry] their babies slung around their necks" to "professional, active, independent, women [for whom] breast-feeding can constitute a prison." Sandwiched among the pages of the "debate" was a full-page advertisement for a Nestlé baby cereal.

"Claudia's" readers are middle and upper class, and such advertising has been very successful, according to Ines das Graças Maria, head nurse of the nursery at Santa Lucia private hospital, located in Rio's affluent southern zone.

"The mothers here come up with any possible excuse to get out of breast-feeding: their breasts hurt, they don't have milk, their breasts will fall—sometimes they almost come to blows with the pediatricians over it," she said.●

AMERICAN CATHOLICS ARE BEING USED ON EL SALVADOR

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues a column by Georgia Anne Geyer, entitled "American Catholics Are Being Used on El Salvador."

I believe that my colleagues will find the attached article most interesting:

AMERICAN CATHOLICS ARE BEING USED ON EL SALVADOR

Salvadoran Archibishop Arturo Rivera y Damas, whose own reformist credentials are impeccable, said last week: "The left has lost support because the people saw they were more interested in obtaining power than in fulfilling . . . hope for the people."

The president of the temporary government, Napoleon Duarte, is the most prominent and respected Catholic in the country and founder of the Christian Democrat Party. He is fighting to hold things together until elections in 1982.

Figures just out on the first year of his government's massive land reform show not only that it is working but that production has even remained stable in this turbulent year.

And yet—and yet—this last week has seen demonstrations throughout the United States unprecedented since the Vietnam War. They were waged largely by Roman Catholics, and they were all against Rivera, Duarte and the land reforms.

Perhaps most ironicaly, they were mourning the first anniversary of the assassination of Archbishop Oscar Romero, who was murdered in his chapel, probably by the far right. They were doing all this in his name.

But how many of the mourners and the manipulative activists actually knew Romero, a man I revered, or know the endless, dangerous and unique complexities of Salvadoran politics and society?

FAR LEFT TAKES OVER

When I interviewed Romero in August 1979, for instance, he was bitterly critical of the Marxists. "When I returned from Rome in April, I found their bombs in the cathedral," he said. "Our popular groups had been taken over by the far left. They want the church to support everything, not only justice but all their strategies."

He was equally critical of—and determined to make a change in—the "theology of liberation," which reached it quintessence in El Salvador and which, in effect, makes Christianity and Marxism almost interchangeable.

"If 'liberation' is only temporal, that is not complete," the archbishop commented. "I've always said that such a 'liberation' is not Christian. It must be total—social, yes, but eternal and transcendent."

It is true that Romero hated the far right, which is as much the author of the bloody carnage in El Salvador as the left. Only a month before his death, he wrote a now famous letter to the American bishops begging them to fight against American military aid to the right. But what people are not remembering is that he was a balanced man of the humane center and was against both extremes.

His relationship with the American church is one reason for the little less than extraordinary reaction by American Catholics last week. The terrible murders of the four American Catholic women in El Salvador, probably also by the right, is another. As one church leader described the effect of the murders here, "The death of the four became the symbol of thousands and thousands of dead there that you never heard about."

At the same time, El Salvador is the first of "reverse missions," the church's policy, developed during the last five to six years, of feeding back to home countries information about the people and countries where it has missions.

CONTROL THE MILITARY

Now, there is no question that the savage military in Salvador has to be changed or destroyed—that there must be elections, that this slaughter of the innocent must end. But is the activist Catholic position a wise one? The answer to that may lie in these questions:

Why are virtually none of the activist American Catholics supporting the archbishop there? President Duarte? The Christian Democrats? By ignoring and disparaging the Catholic leadership in El Salvador, are the Americans really supporting what the people there want?

Why are the Catholic missionaries and other American church leaders not supporting land reform? Why indeed do many of them belong to the American protest group, the Committee in Solidarity With the People of El Salvador, that has as its No. 1 priority the dismantling of the land reform? Could it not be that the church people are accepting the word and position of the far left, which wants to destroy all other organizations so that it can preside?

MARXIST CLERGY

Are they willing to recognize the fact, as the Vatican certainly has, that there are many clergy there, in particular many European Jesuits, who frankly describe themselves as "Christian-Marxists" of various incarnations? Do they, in effect, know what confused messages they are responding so tumultuously to?

Many Catholic activists say they want political participation for the people of El Salvador as well as economic participation, yet they are less than entirely moral when they refuse to take the hard responsibility for the structure of that participation. Many of them, to put it bluntly, are being used.●

PETER C. GAMBATESE OF PATERSON, N.J., 1981 MAN OF THE YEAR, St. ANTHONY'S LADIES SOCIETY, FEDERATION OF ITALIAN SOCIETIES

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. ROE. Mr. Speaker, on Sunday, May 3, the residents of the city of Paterson, my congressional district, and State of New Jersey will join together with the St. Anthony's Ladies Society of the Federation of Italian Societies to honor a most distinguished citizen, outstanding community leader, esteemed public safety officer and good friend, the Honorable Peter C. Gambatese, for his standards of excellence which have earned him the highly coveted Man of the Year Award of the St. Anthony's Ladies Society.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to Peter Gambatese and share the pride of his family—his two daughters, Sandra Merino and Geraldine Hillpot; brothers Ralph and Nini; and sister Lillian Liguori as they celebrate this milestone of achievement in their family endeavors.

As a nation comprised of all people of all nationalities and regions throughout the world, each singularly, and rightfully so, proud of his or her individual heritage and united in common endeavor of freedom, justice, and a good life for all, we can most assuredly be proud of the exemplary achievements that the people of Italian heritage have contributed to America's greatness. The selection of Chief Peter Gambatese as the man of the year of the St. Anthony's Ladies Society of the Federation of Italian Societies is indeed a credit to him and his lifetime of good works on behalf of our people.

May I also commend to you the officers and members of this most prestigious Italian-American society of ladies which is comprised of many distinguished citizens and leaders in the community. The organization's current officers are, as follows:

The Honorable Fannie DiGrado, president; Cecilia Gudice, vice president; Sadie Villaro, secretary.

Mr. Speaker, chief Gambatese has indeed earned the highest respect and esteem of all of us for the quality of his leadership and sincerity of purpose in seeking to achieve optimum public safety for all of our people.

We are proud to boast that Pete Gambatese is a lifelong resident of Paterson, N.J., one of four children born to the late Peter and Lillian Gambatese.

He is a police officer of the city of Paterson Housing Police Department and has served with distinction on the force for the past 20 years. In 1963, he was honored by his many, many friends in the field of law enforcement in testimony to, and commemoration of his promotion to the esteemed office of chief. In that same year Chief Gambatese was cited by the Housing Police for singlehandedly disarming a man with a gun who was firing at a group of civilians. In 1978, he was honored by the Housing Police P.B.A. No. 274 for his outstanding service to the department.

Throughout his lifetime Chief Gambatese has forged ahead with dedication and devotion in combating crime and protecting the life and property of our people. We applaud his knowledge, training, hard work, and personal commitment that has enabled him to attain the fullest confidence and strongest support of the people of our community. He has alwys applied the most sophisticated and advanced techniques of his profession.

Mr. Speaker, Pete attended St. Bonaventure's School and unselfishly and honorably served our country in the U.S. Navy during World War II. He was attached to the highly decorated Third Fleet.

During his youth Chief Gambatese was a most proficient boxer. He was three times champion in the Paterson Diamond Gloves competition and was selected the outstanding boxer in 1942.

Chief Gambatese has been a staunch supporter and active participant in many civic and community improvement programs and we applaud his exemplary service for two decades in the vanguard of our public safety officers. We are especially proud of his strong support and helpful guidance on behalf of the youth in our State, especially his dynamic assistance to the young people in the Little Leagues of sports.

Mr. Speaker, it is indeed appropriate that we reflect on the deeds and achievements of our people who have contributed to the quality of our way of life here in America. It gives me great pleasure to call your attention to his many achievements and particularly his official leadership badge of courage and valor as an esteemed Chief of Police. I respectfully seek this national recognition of his contribution to our country in placing others above self in providing safety in the streets, security in the home, and optimum public safety for all of our people.

We do indeed salute the Honorable Peter C. Gambatese of Paterson, N.J.—1981 Man of the Year of the St. Anthony's Ladies Society of the Federation of Italian Societies.●

THE PROBLEM OF CRIME

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, April 29, 1981, into the CONGRESSIONAL RECORD:

THE PROBLEM OF CRIME

One afternoon a few weeks ago I was visiting constituents in southern Indiana. Several police officers surprised me with their reports of the prevalence of drugs in their communities. A county judge commented on the heavy workload of his parole officer. A prosecutor in a large county complained that he did not have an investigator to help him gather facts for court cases. An older person told me that she could not go out at night because her fear of assault prevented her. During a public meeting that evening, a number of constitutents wanted to talk about crime, not about inflation or the economy.

In one way or another, each of these Hoosiers confirmed Chief Justice Warren Burger's recent observation that "crime and the fear of crime have permeated the fabric of American life." A mass of statistics is not necessary to prove the point, but the statistics are worth noting because they are so frightening. Washington, D.C., a city of 650,000, had more homicides in 1980 than did the nations of Denmark and Sweden, whose combined population is 12 million. The burglary rate in America is 100 times higher than it is in Japan. A woman is raped in the United States every seven minutes. More than one-quarter of all the households in the country are victimized by crime at least once a year.

Crime is not a new story in America. The statistics may not show a new "crime wave," but they do reveal a staggering amount of crime. While Americans will welcome Attorney General William Smith's recent pledge that the Justice Department will put a high priority on fighting crime, I suspect that most of them do not expect too much. For a generation, politicians have sought power by declaring war on crime. Legislatures, including the Congress, have appropriated large sums of money to wage that war. Nonetheless, the violence, the killing, and the stealing go on.

One difference in people's mood today is a lack of the old optimism which proclaimed that we knew the problem of crime well and had the solutions to it at hand. People nowadays seem to understand that the problem is complex, and the solutions elusive. The Hoosiers I mentioned seemed to appreciate that the police are up against long odds, that the courts dispense only a rough justice, and that the prisons are bursting at the seams. Their realistic attitude toward crime represents a significant step forward. They recognize that although it may be impossible to get rid of street crime and senseless violence completely, it is important that we not come to accept them.

What is being demanded by people is quite simple and reasonable: They want the criminals brought under control so that we can be safe on the streets and in our homes. Foremost in planning for a safe society should be reform of the criminal justice system, for the detection of crime all the way through to the punishment of criminals. As things now stand, most offenders are not touched by the system. For example, the police never learn of three-quarter of the thefts committed each year. Even when an arrest is made, the chance of the suspect's being punished is slim. Most studies show that fewer than 10% of those arrested for a felony go to prison. Prosecutors have huge caseloads which force them to strike deals with offenders. A speedy trial, which favors the prosecution because of fresh evidence, is regularly denied. A startling amount of crime is committed by suspects who are on release awaiting trail, on probation or on parole. Overworked prosecutors tend to drop other charges when one conviction is obtained, a practice that may make criminals think they can commit many crimes for the price of one. Prisons are so crowded that rioting could erupt in many of them at any moment. The system simply fails to identify and deal harshly with the "career" criminal.

There is substantial agreement on ways to correct deficiencies in the criminal justice system. The question is whether we will have the will to make the effort. As the Chief Justice says, the effort will involve much pain and cost, but not as much pain and cost as are attributable to crime. We clearly need larger police forces of well-trained officers, sensible bail procedures which emphasize the danger the suspect presents to society, closer cooperation between police and prosecutors, less crowded courts, and prisons which provide adequate programs of education and counseling for inmates. Some reforms are problematic, such as long, mandatory terms in jail, but there is no doubt about the deterrent effect of sure sanctions backed up by swift appellate review. Likewise, there is agreement that the system must concentrate on the young, habitual offender. For their part, law enforcement officials acknowledge the necessity of good relations between the police and the community. The Director of the Federal Bureau of Investigation, William Webster, believes that "if people support the police, the police can make a difference."

There is surprising unanimity among the experts that betterment of the criminal justice system alone will not be sufficient. The resources of the family, the church, the neighborhood, and other institutions of great social value must be tapped. It is apparent that the criminal justice system needs such help. The fact of rampant crime and our failure to curb it diminishes our estimation of the worth of our own society and our confidence in its future.●

BLUEPRINT FOR A HOUSE THAT WORKS: PART VII

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. LOTT. Mr. Speaker, today I am reintroducing House Resolution 100, the Committee Improvement Amendments of 1981, with 100 cosponsors. This package of seven amendments to our House rules is designed to make our committee system more manageable and accountable by reducing the number of subcommittees and Member subcommittee assignments; eliminating one-third quorums, proxy voting, and joint bill referrals; requiring equitable party ratios on all committees; requiring formal adoption of committee and House oversight agendas; and providing for the adoption of an overall committee staff ceiling each year.

Mr. Speaker, I have termed this package a "Blueprint for a House that Works," because I think the legislative process in this House is becoming increasingly unworkable and unmanageable due to the breakdown in the committee system. One of the chief causes of this breakdown is the proliferation of subcommittees in recent years—from 69 subcommittees of 19 standing committees in 1951, to 152 subcommittees on 22 standing committees in 1979—a 120-percent increase.

In the last Congress the Select Committee on Committees recommended that all committees, except Appropriations, be limited to no more than six subcommittees, and that all Members be limited to no more than five subcommittee assignments, counting each select and joint committee assignment as one subcommittee assignment. While that proposal received the immediate endorsement of the House Republican Conference and Policy Committee, it never emerged from the Democratic Caucus and therefore was not considered by the House during the 96th Congress.

Instead, at the beginning of this Congress the Democratic Caucus adopted a caucus rule that all committees, except Appropriations, shall have no more than eight subcommittees, or the number of subcommittees they had in the last Congress, whichever is fewer. Moreover, the rule provides that exclusive committees having fewer than six subcommittees may increase the number to six, and committees with more than 35 members may do the same, and may even increase the number to seven upon the granting of a waiver of the limitation by the Steering and Policy Committee. Perhaps as a result of this rule, the number of subcommittees of standing committees at the beginning of this Congress has been reduced by 11, from 152 to 141. But this is still too many.

The proposal contained in my "Committee Improvement Amendments" would limit all committees, except Appropriations, to no more than six subcommittees. This would result in a further reduction of 17 subcommittees from the present 141, bringing the total down to 124.

Moreover, my proposal would limit all Members to no more than four subcommittee assignments on our standing committees.

As the Select Committee on Committees in the 96th Congress noted in its report on its subcommittee limitation proposal:

> On no other issue concerning committee system revision has the Select Committee on Committees found greater agreement on the part of a wider spectrum of Members, staffs and students of Congress than that there are too many subcommittees in the House and that Members have too many subcommittee assignments.

And the report went on:

> This broad agreement extends, too, to both the causes of subcommittee proliferation and Member over-extension and to the adverse effects of this twin phenomenon. . . . Proliferation of the units through which policy is shaped and policy implementation overseen by the House has had a severely centrifugal effect, decentralizing and fragmenting the policy process and stripping policy formation and oversight of much of its coherence and rationality. The growing burden of their committee/subcommittee assignment responsibilities has limited Members' capacity to master the substance of this work, reduced their ability to direct and control the institutional structure of the House, and resulted in the rapid growth of Congressional staff and in too extensive a delegation of authority to non-elected aides.

Mr. Speaker, as I noted in part VI of my "blueprint" discussion, a survey of House Members in the last Congress by that same select committee revealed that 81 percent of the Members agreed that the number of subcommittees should be reduced, and 82.6 percent agreed that a limitation should be placed on Member subcommittee assignments. Moreover, 64 percent agreed that committees should be limited to 6 or less subcommittees, and 62 percent felt that Members should be limited to 4 or less subcommittee assignments.

Mr. Speaker, I hope now that an impressive number of our colleagues have joined as cosponsors of House Resolution 100 the chairman of the Rules Committee will consent to holding hearings on these and other proposals to improve our committee system. The future of the legislative process, indeed of our representative form of government, is dependent on a strong and accountable committee system—something which we are now sadly lacking.

At this point in the RECORD, Mr. Speaker, I include a list of cosponsors of House Resolution 100 and a table on House subcommittees:

COSPONSORS OF HOUSE RESOLUTION 100: THE COMMITTEE IMPROVEMENT AMENDMENTS

Mr. Badham, Mr. Bafalis, Mr. Benedict, Mr. Bereuter, Mr. Bliley, Mr. Brown of Colorado, Mr. Broyhill, Mr. Burgener, Mr. Butler, Mr. Campbell.

Mr. Cheney, Mr. Coats, Mr. Collins of Texas, Mr. Corcoran, Mr. James K. Coyne, Mr. Craig, Mr. Robert W. Daniel, Jr., Mr. Dannemeyer, Mr. Deckard, Mr. DeNardis.

Mr. Derwinski, Mr. Emerson, Mr. Emery, Mr. Erdahl, Mr. Erlenborn, Mr. Evans of Delaware, Mrs. Fenwick, Mr. Fields, Mr. Findley, Mr. Forsythe.

Mr. Frenzel, Mr. Gilman, Mr. Gingrich, Mr. Gradison, Mr. Gregg, Mr. Grisham, Mr. Gunderson, Mr. Hansen of Utah, Mr. Hartnett, Mr. Hendon.

Mr. Hiler, Mr. Horton, Mr. Jeffries, Mr. Johnston, Mr. Lagomarsino, Mr. Latta, Mr. LeBoutillier, Mr. Lent, Mr. Livingston, Mr. Loeffler.

Mr. Lowery of California, Mr. Lungren, Mr. McClory, Mr. McCloskey, Mr. McCollum, Mr. McDonald, Mr. McEwen, Mr. McGrath, Mr. McKinney, Mr. Madigan.

Mr. Martin of New York, Mr. Martin, of North Carolina, Mr. Michel, Mr. Miller of Ohio, Mr. Moore, Mr. Moorhead, Mr. O'Brien, Mr. Parris, Mr. Pashayan, Mr. Paul.

Mr. Pritchard, Mr. Railsback, Mr. Rinaldo, Mr. Roberts of Kansas, Mr. Rogers, Mr. Rousselot, Mr. Sawyer, Mr. Sensenbrenner, Mr. Shaw, Mr. Skeen.

Mr. Smith of Alabama, Mr. Smith of New Jersey, Mr. Solomon, Mr. Strangeland, Mr. Stanton, Mr. Staton, Mr. Tauke, Mr. Taylor, Mr. Thomas, Mr. Walker.

Mr. Weber of Ohio, Mr. Weber of Minnesota, Mr. Whitehurst, Mr. Winn, Mr. Wolf, Mr. Young of Florida, Mr. Bailey of Missouri, Mr. Kemp, Mrs. Martin of Illinois, Mr. Courter.

SUBCOMMITTEES OF HOUSE STANDING COMMITTEES, 96TH AND 97TH CONGRESSES

Committee	Subcommittees		Limit of 6
	96th Cong.	97th Cong.	
Agriculture	10	8	−2
Appropriations[1]	13	13	0
Armed Services	9	7	−1
Banking, Finance and Urban Affairs	9	8	−2
Budget	9	9	−3
District of Columbia	4	3	0
Education and Labor	9	8	−2
Energy and Commerce	6	6	0
Foreign Affairs	8	8	−2
Government Operations	7	7	−1
House Administration	8	7	−1
Interior and Insular Affairs	7	6	0
Judiciary	7	7	−1
Merchant Marine and Fisheries	6	5	0
Post Office and Civil Service	7	7	−1
Public Works and Transportation	6	6	0
Rules	2	2	0
Science and Technology	7	7	−1
Small Business	7	6	0
Standards of Official Conduct	0	0	0
Veterans Affairs	5	5	0
Ways and Means	6	6	0
Total	152	141	−17

[1]The Appropriations Committee would be exempt from the limitation of 6 subcommittees per committee.●

THE SQUABBLE BETWEEN POSTAL OFFICIALS AND CONSUMERS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. STOKES. Mr. Speaker, a few weeks ago, I came across a column by Art Buchwald which depicts an interesting scenario based on the age-old squabble between the Postal Service and its customers. The cause of the conflict, as always, was the delivery of mail in an efficient manner.

In the wake of people demanding more efficient service from the U.S. Postal Service and, in turn, the service asking for assistance from us, I thought it would be appropriate to share the column with my colleagues. At one time or another, I know everyone of us has complained about the Postal Service. Similarly, even though we pay little attention, I am sure that postal officials have complained about the customers and the burdens we place on them to get the mail delivered.

Mr. Speaker, in the throes of this debate, the postal rates were raised to 18 cents, nine digit zip codes were the topic of discussion and the elimination of Saturday mail was proposed. All of these have been suggested as prescriptions for whatever is ailing the Postal Service and the consumers. Well, Mr. Buchwald skillfully addresses these measures and paints an interesting scenario which, although absurd in some respects, may be a preview of things to come if we, the Postal Service and the American people don't start working with one another more to resolve our problems with the mail.

At this time, Mr. Speaker, I would like to enter Mr. Buchwald's column which appeared in the Washington Post in the RECORD.

THROUGH RAIN OR SLEET OR POSTAL HIKES

The post office is going to make one more attempt to see that people address their mail correctly. If this fails, it's going to have to resort to drastic measures.

I was informed of this by a relative who works in the post office, who said the P.O. was losing patience with its customers. "We've done everything we could to make life easier for the customer. We've raised the rates of first-class mail, we've given everyone a five-digit ZIP code, we've put restrictions on the size and shape of the envelopes, and still the mail is late. We have no choice but to take stronger steps to preserve the system."

"How's that?" I asked.

"We're going to up the price of first-class stamps to 18 cents, and institute the nine-digit ZIP code. In that way, the customer will know we really mean business."

"I'm not too clear how raising the price of the stamps and adding a nine-digit ZIP code is going to help. Most people have trouble remembering a five-digit number."

"We have to make the customer realize that when he mails a letter, he has a responsibility for getting it to the other end. He can no longer just dump it in a mailbox and expect the post office to do all the work for him. We've tried to be nice about it in the past, but all we had to show for it were slower deliveries, lost letters, and lower productivity. So we've taken the next step. The letter-writer is either going to have to shape up or ship out."

"So you believe by taking a hard line, the post office service will improve?"

"If the nine-digit ZIP code doesn't sober people up, we have a contingency plan that will change the entire system."

"What's that?" I asked.

"We're going to make the customer deliver his own mail."

"How are you going to do that?"

"It will go something like this: After a person writes a letter, he will take it down to the post office and have the stamp canceled. Then he will proceed to the addressee's house and drop it in his mailbox. If he wants to get it there fast, he can take a taxi. If he isn't rushed, he can take the bus or subway, or even walk it there. But our responsbility ends as soon as one of our employes cancels the stamp."

"I understand that would speed things up in the same town. But suppose someone in Louisville is sending a letter to someone in California. That wouldn't work very well for him."

"We have the answer for that. The person in Louisville would deliver someone else's letter from California to someone in Louisville, and the person in California would deliver the Louisville letter to the person in the town in which he lived. For example, if you were writing to your Aunt Flora in Burbank, you would go to the post office and after the stamp on the letter was canceled, you would pick up a letter from Pasadena. Someone in Burbank who was sending a check to someone in Maryland would pick up your letter and get it to your Aunt Flora."

"That sounds like a great idea," I said. "Through rain or sleet or dark of night the customer will get your mail to you. If that plan goes through, will you be able to lower the price of a postage stamp and eliminate the ZIP code?"

"No, we'll have to raise the postal rates to 20 cents, because we'll have to hire more people to see that the customer delivers the mail properly. Also, we have to keep the new ZIP code or our stamp-canceling machines won't work. The only advantage of the new system will be the customer will be involved with the mail service, and will understand how difficult it is to get a letter to where it's addressed."

"Will the customer also have to deliver junk mail?"

"Certainly not. That mail is much too valuable to leave in the hands of someone who is not trained in our business."●

COMMUNICATIONS WEEK AT CALIFORNIA STATE UNIVERSITY, FULLERTON

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. DANNEMEYER. Mr. Speaker, for the third consecutive year, communications students and professionals will interact on the issues of the communications industry, during Communications Week at California State University, Fullerton, April 27-30, 1981. This fine university is located in the congressional district I am privileged to represent.

The cooperation of professional societies, corporations in Los Angeles and Orange Counties, along with the voluntarism of a new generation of college students and faculty, will once again communicate with each other to broaden their knowledge of the communications professions.

The theme for this year's program is "The Ethical Eye: Examining Media Responsibility." The program will explore social responsibility questions professionals must wrestle with in sending messages through the media.

The communications students of California State University, Fullerton should be commended for their efforts in planning, organizing, and executing Communications Week activities.

I would like to express my support for all persons and organizations dedicated to the success of Communications Week at California State University, Fullerton because of the high standards and professional quality of this annual institution.●

U.S. CATHOLIC CONFERENCE URGES THE ADMINISTRATION TO SUPPORT THE NATIONAL CONSUMER COOPERATIVE BANK

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. ST GERMAIN. Mr. Speaker, since the beginning of the year, my office has received hundreds of letters from all over the country urging that the Congress continue its support for the efforts of the National Consumer Cooperative Bank.

I would like to insert in the RECORD a copy of a letter addressed to the President by the executive director of the Campaign for Human Development of the U.S. Catholic Conference. I would like to quote from that letter:

The Bank is a bargain for the taxpayers. The taxpayers, through the federal government, are providing the Bank with the money that it needs to get started. However, this is seed money, all of which will be returned to the government with interest. The taxpayers benefit because the Bank helps people to become self-sufficient, thereby decreasing the burden on others. Secondly, the taxpayers benefit because the Bank, by strengthening existing cooperatives and promoting the establishment of new ones, helps consumers combat rising prices. This is particularly true in the basic necessities such as food, housing, energy, and health care which are affected most severely by inflation.

Mr. Speaker, I would like to put the entire letter in the RECORD.

CAMPAIGN FOR HUMAN DEVELOPMENT,
Washington, D.C., April 20, 1981.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: When you were elected, we had hoped that the National Consumer Cooperative Bank (NCCB) would enjoy your support. We anticipated this support because the purpose of the Bank is to support locally controlled, self-help enterprises. We are disappointed, therefore, that you have accepted Mr. Stockman's recommendation that the Bank be terminated. We urge you to take a different course and support the continuation of the National Consumer Cooperative Bank.

The National Consumer Cooperative Bank (NCCB) is a unique and worthwhile agency that should continue to receive the strong support of the federal government. The Bank is unique because its major thrust is to encourage local self-sufficiency and self-help by making loans to cooperative enterprises.

The Bank is not a welfare agency or a hand-out program. It is people helping themselves by developing cooperative enterprises. Cooperatives are self-sufficient, locally owned businesses that pay taxes, increases job opportunities, and provide goods and services to local communities.

The Bank is a bargain for the taxpayers. The taxpayers, through the federal government, are providing the Bank with the money that it needs to get started. However, this is seed money, all of which will be returned to the government with interest. The taxpayers benefit because the Bank helps people to become self-sufficient, thereby decreasing the burden on others. Secondly, the taxpayers benefit because the Bank, by strengthening existing cooperatives and promoting the establishment of new ones, helps consumers combat rising prices. This is particularly true in the basic necessities such as food, housing, energy, and health care which are affected most severely by inflation.

The Bank is not a large federal bureaucracy. It is a lean-staffed, decentralized and locally accountable agency. In fact, in a number of years, the Bank will no longer be a federal agency. The Bank charter is designed so that it will eventually be privately owned by the consumer cooperatives throughout the United States that have received loans. If the Bank is allowed to continue, it will stand out as an example of self-help and self-sufficiency at its best.

Let us also not lose sight of the reason for creating the Bank. It was created because cooperatives could not obtain adequate credit from banks and other financial institutions. This lack of credit was confirmed by a study conducted by the U.S. Treasury Department. Furthermore, in less than a year a backlog of loan requests totaling $300 million has developed. It is clear that the cooperative enterprises need this Bank.

The Campaign For Human Development (CHD) is especially interested in preserving the Coop Bank as a resource for the self-help efforts of low-income groups funded by CHD. We have especially supported the Coop Bank's focus on fostering coops benefiting low-income communities through Title II's Self-Help Fund and efforts to provide technical assistance to these coops.

We appreciate your attention to this important matter.

Sincerely,

REV. MARVIN A. MOTTET,
Executive Director.●

SUBWAYS: WORLDWIDE PERSPECTIVES AND COMPARISONS

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, many of my constituents have been grappling with the viscissitudes and struggles posed by riding the New York City subway system. While enduring horrendous maintenance, threadbare funding, fare increases, perennial breakdowns, and rampant crime, New Yorkers have persevered and "strap-hung."

In order to keep the worldwide perspective in mind, I offer for my colleagues a recent article by Frank J. Prial which appeared in the March 27, 1981, New York Times. Mr. Prial surveyed the costs as well as the drawbacks associated with several subway systems of the world. While Moscow's line may be cheaper, and Tokyo's cleaner, the New York City subway system manages to serve more people at greater levels of accessibility than does any other system on a large scale.

"Strap-hangers," Prial wrote, "almost by definition, are gripers." New Yorkers gripe less and endure more aboard these rolling trains of trauma than any other urban dweller in the world. "The higher the fare goes, it seems," Prial stated, "the dirtier and more dangerous the [New York City] system becomes."

Before submitting Mr. Prial's article, I would like to offer a few brief recommendations directed toward subway improvement and rider safety:

Concentrate well-running stock during the peak rush-hour periods so that wage earners in the central business districts of New York's boroughs can get to work with a minimum of delay and frazzled nerves.

Improve outer-to-inner borough service. Queens residents in particular should be able to use the subway at a convenient entrance point near their homes, and be sure of a safe and timely ride to Manhattan.

Increase the use of citizen group patrolling of vacant cars in order to keep spray paint-wielding vandals away from the cars. Accordingly, those convicted of subway desecration should receive jail terms of more than the applicable 30-day stint; if they would rather perform meaningful long-term cleaning to the subways which they previously insisted upon desecrating, society might be better served, and at a much cheaper cost.

Increase electronic security, entrance-exit patrols, and information sharing on suspect identifications in order to combat subway crime.

Instead of hiring more police for the subway system, utilization of more desk-job officers, officers accompanied by canine corps dogs, and auxiliary patrols might be steps toward subway crime's much-needed elimination.

The pride of the New York City subway system is that it functions 24 hours a day, 7 days a week. Washington, Boston, and Paris are also vibrant cities, but their systems close down during hours with scanty ridership. The level of subway crime and the time with the least riders occurs during the wee hours of the day, especially on Saturdays and Sundays. While not seeking to overly encourage automobile use or abandonment of shopping and central city areas, I believe that the only ones misserved by a late-hour subway closing would be the criminals. Therefore, I favor a shutdown of the New York City subway system between the hours of 2:30 a.m. and 5:30 a.m., Monday through Friday, and from the hours of 3 to 7 a.m. on Saturdays. Sunday hours should be from 7 a.m. to 1 a.m. By doing so, I do not seek to inconvenience riders returning from or going to odd-hour jobs; therefore, I favor a half-fare bus fare to persons using mass transit during the subway's non-operational hours. By closing the subway during the darkest hours, prowlers and robbers will not prey in the dark tunnels of New York's unique subway system.

By adopting these solutions, New York's special and vital subway system can once again become known for its quality rather than for its danger.

I wish to offer to my colleagues the following article by Mr. Frank Prial:

SUBWAYS ABROAD: BARGAINS ARE RARE

(By Frank J. Prial)

PARIS, March 26.—If it's a cheap subway ride you seek, head for Moscow, where it costs 7 cents. Rome is inexpensive, Paris is reasonable and so is Frankfurt. New York is steep, Tokyo is climbing and London is the worst.

A check of mass-transit fares in several cities throughout the world found a wide variety but, with the exception of the fares in the Soviet capital, few bargains.

Given the quality of service, which is high, Paris probably offers the best bargain in the Western world. At 75 cents, a single ticket is not cheap, but almost no one buys tickets one at a time, for a packet of 10 tickets is $3.50. Each Paris Métro train has a first-class car. The first-class fare is 90 cents for a single ride, or 54 cents with a packet of 10 tickets.

Some 53 percent of all Paris straphangers pay a flat $17 a month for unlimited use of all subways and buses. This is the cost of the monthly pass known as the Orange Card. There is even a yearly Orange Card, but since most French workers get seven weeks off a year, it does not make much sense. Current cost: $184.

WEEKLY TICKET AN OPTION

Some workers take advantage of the hebdomadaire, or weekly, ticket that is good for 10 rides in a seven-day period. One ride each day must originate at the same station. The cost is about 28 cents a ride, and under French law in companies with 900 or more employees the boss picks up the tab.

Paris and its suburbs are divided into fare zones. These fares cover all of the city and some of the closest suburbs. Paris fares have risen 114 percent since 1970. Riders currently pay about 38 percent of the cost of running the Métro. Of the balance, 30 percent is put up by the eight departments of the Ile de France—the Greater Paris region—and 70 percent is paid by the Government. The operating agency, the Régie Autonome des Transports Parisiens, is a Government agency, not a city one.

Rome's fares, cheaper than those in any other major Italian city, are not much more expensive than Moscow's. The subway fare is 20 cents, the bus fare a dime. A monthly ticket good for all buses and subway lines is $5. If someone in Rome uses only one bus line in his travels, the monthly pass is just $2.

Recent increases doubled the prices in Rome, but they started from a low base. The bus fare, 5 cents for a ride, went to 10 cents four years ago. The subway ticket rose from 10 cents to 20 when a new line went into business a year ago. New increases have been predicted. Rome is supposed to pay for its buses and subways, but last year's $296 million deficit was picked up by the Italian Government.

RUSH-HOUR PENALTY IN FRANKFURT

In Frankfurt there is a penalty for traveling in rush hour—or, on the other hand, an incentive for going in off-hours. The subway ticket is 76 cents from 6:30 to 8 A.M. and from 4 to 6:30 P.M. It is about 62 cents at other times. Most regular travelers in Frankfurt buy monthly cards, good for unlimited rides, which cost $27.25 a month. The Frankfurt system is one of the newest, having opened in 1968 and regularly expanded since then.

In Tokyo, the subway fare is just under 39 cents, up from around 20 cents five years ago and 10 cents in 1971. The bus fare is higher, about 53 cents, up from 35 cents five years ago and 15 cents in 1971. Tokyo's fares, like New York's, are expected to go up shortly, to about 70 cents. The Japanese National Railways, which carry much of the commuter business within the city, charge 100 yen, or about 48 cents, for their basic fare.

In London the fare for the Underground varies depending upon the distance traveled, and a trip within London can cost as much as $4.84 or as little as 44 cents. If the trip continues on into Hertfordshire, Buckinghamshire or Essex, the cost can climb to $5.72. As in Paris, most regular riders in London buy passes. On a daily return run from Harrow to Oxford Circus, which costs $4.84 on an individual ticket, a passholder can save $314.60 over the course of a year. There are also cheaper offhours tickets.

London fares have increased 580 percent over the last decade, according to London Transport, which operates both subways and buses. The Greater London Council picked up about 25 percent of London Transport's costs last year.

Paris and Frankfurt riders tend to give their systems high marks for cleanliness and efficiency; that is less so in Rome, London and Tokyo.

A LOT TO GRUMBLE ABOUT

Straphangers, almost by definition, are gripers. Even so, most veterans of mass transit around the world agree that New Yorkers have rather more to grumble about than others. The higher the fare goes, it seems, the dirtier and more dangerous the system becomes.

Londoners, while they pay high fares, can count on a relatively clean train—except in the smoking cars—and fairly reliable service. Moscow, too, provides spotless trains and platforms and a near-perfect on-time record. Tokyo's trains are extremely crowded at rush hours, and the trash occasionally gets ahead of the work crews, but its system gets fairly high marks for cleanliness. Its schedules, too, are generally reliable.

Paris is getting its first taste of graffiti, much of it in Arabic, as young immigrant workers protest plans to send them back to their native lands. Parisians, fastidious in many things, do not hesitate to toss their used yellow Metro tickets on the station platforms and corridors. They are followed by a small army of broompushing men who see to it that the walkways are spotless. The cars themselves are invariably clean inside and out. Car washing machines are used frequently to keep them that way.

In comparing the various mass transit systems around the world, it should be noted that New York's is a 24-hour system, working 365 days a year. London closes down around midnight; Paris around 1 A.M. Both thus have plenty of time to clean up.●

SAUDI ARMS SALES

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. MINISH. Mr. Speaker, I rise to express my deep concern over the proposal to sell sophisticated AWAC airplanes to Saudi Arabia. On top of the administration's purpose of modifying the F-15 fighters which we have already transferred to the Saudis, the AWAC proposal forms an alarming pattern of arming that nation in a manner which poses a threat to Israel, yet is only questionably necessary for their defensive purposes.

Mr. Speaker, the rationale for arming the Saudis in this fashion is to guard them against future unspecified threats to their security, threats which are supposed to come from Iran, or Iraq, or the Soviet Union, or wherever. Yet the weapons supplied against that vague, distant threat themselves create a more immediate danger which we cannot ignore: they could be readily used against Israel. This is not an empty threat; the reigning monarch of Saudi Arabia has declared a holy war against Israel, and in that volatile region, this state of war against our ally could become a hideous reality at any instant. How in good conscience can we turn over to the Saudis these sophisticated weapons when they continue to threaten our ally, when they actively support the terrorism of the PLO, and when they have declared that the Nation of Israel has no right to exist?

I know well the importance of cooperation with the Saudis. I commend that Government for restraining OPEC oil prices, and I understand their strategic significance. Still, cooperation is a two-way street. If they want our equipment and our protection, they should be willing to grant civilized concessions to our needs and those of our allies. They should concede the right of Israel to exist. They should discontinue their countenance of PLO terrorism. Finally, abandoning the foolishness of a holy war, they should enter into the peace process initiated at Camp David, joining actively in the search for the lasting peace which all civilized people desire. I would hope that the Reagan administration will direct its energy and influence with the Saudis toward steering them toward these goals and away from the risky courses being pursued at present. We must have some adequate understanding with Saudi Arabia, particularly on the subject of Israel, before we rush to arm them in a fashion which we could come to rue.

Mr. Speaker, the sentiments I have heard from many Members and the reports I am getting from the other body lead me to hope that the administration will rethink these hazardous policies and recognize the will of the American people that the security of Israel, our old and loyal ally in the Mideast, must not be jeopardized. I hope that they will withdraw this proposal until proper guarantees and safeguards are forthcoming.●

CARS VERSUS AGRICULTURE

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. JEFFRIES. Mr. Speaker, both the Kansas City Star and the Des Moines Register printed an editorial last month regarding the Japanese auto import controversy. The article follows which compares the auto industry with our agricultural export market and the effect possible restrictions might have on our exports.

While Congress and the administration are pulling and hauling over what, if anything, to do about Japanese motor car imports, it seems a good time to look at another side of the total trade picture. After all, a great many items besides vehicles are exchanged between the world's two largest trading partners. Japan continues to be the No. 1 customer for U.S. agricultural products—and by a long shot.

U.S. farm exports to Japan last year reached $6.3 billion—a 19.7 percent increase over 1979, and the volume that year had set a record as well. The total this year is expected to surpass $7 billion. It is impossible to know how many American farmers and

producers profit from this huge exchange, but the number must be enormous.

Again feed grains topped the list, with more than $1.6 billion in corn sales and almost half a billion in sorghum. Soybean exports amounted to $1.1 billion, with another $600 million for wheat. Japan's purchases of grains and soybeans alone accounted for 10 percent of all U.S. agricultural exports worldwide.

There is more to the story—much more. Although you would never guess it from the outcries of citrus growers, Japan was second only to Canada as an importer of U.S. fruits and vegetables. Japan does have import quotas on fresh oranges and fruit juices. Even so, its citrus imports last year amounted to $136.9 million, with vegetables and related items adding another $132 million.

Despite Japanese restrictions on imported beef and veal, which anger U.S. cattlemen, that nation is the largest purchaser of our beef. The total imports of beef, pork and poultry last year stood at $286 million. Add to that $301 million for U.S. cattle hides and inedible tallow and you are talking about big money. The list goes on and on, including $526 million in raw cotton and $197 million in leaf tobacco. Those are big tickets in the $6.3 billion package.

Trade figures vary from source to source, but not because anyone is tampering with them. Some include shipping, insurance and other oceanic costs and others are based on the value of product once it arrives at the port of entry. Regardless of exact numbers, the point is clear. Although about one out of five cars now sold in this country is manufactured in Japan, the Japanese are eating American. They are also spending billions on other items purchased here.

International trade is a two-way street. The U.S., as the world's No. 1 trading nation, should proceed carefully before it moves to upset a delicate balance. After all, this is not the only market there is.●

IN PRAISE OF THE SEED CLUB

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. DYSON. Mr. Speaker, last Sunday evening, April 26, 1981, I had the distinct honor to be present at a ceremony honoring the mayor of Aberdeen, Md., the Honorable Raymond Harrington Warfield. This salute to Mayor Warfield was hosted by the Seed Club of Aberdeen and its president, Mrs. Dorothy R. Martin.

The Seed Club is an organization comprised of citizens devoted to the improvement of civic, cultural, and political life for the residents of Harford County. President Dorothy Martin and the Seed Club are very much aware of the complexities and diverse relationships among groups of citizens and the club strives to bring together divergent groups for the betterment of Harford County.

Each year the Seed Club honors a Harford Countain who has contibuted to the objectives of the Seed Club. In honoring Mayor Warfield, I would like to submit a short statement from Dorothy R. Martin, president of the Seed Club of Aberdeen, Md.:

FAITH IN ACTION IN THE NEW DECADE

But without faith it is impossible to please him; for he that cometh to God must believe that he is, and that he is a rewarder of them that diligently seek him.—Hebrew 11:6.

Faith is the beginning of everything. Faith is the beginning of every gain, every step of unfoldment, every bit of spiritual growth that we make in this life. In order to put our faith in action, we must put ourselves in harmony with the Divine Law and believe that it is all powerful in our lives.

It is felt that in view of the task of everyday living in this complex society, Raymond had an aching Faith in God for spiritual guidance in order to obtain any degree of satisfaction in fulfilling his role.

The Seed Club has kept alive its cultural propensity for self respect and its faith that produced the spark which kindles the feeling of dignity and special quality.

Step by step we must put our faith to action. Faith is but trusting in infinite wisdom, the perfect power, the abiding Love of God within us.

Today the Seed Club would like to say thank you for your love, your very kind and generous support; and indeed for your faith in us.

Mr. Speaker, I would also like, at this time, to submit a letter addressed to Mayor Warfield from Dr. Percy V. Williams, Assistant Superintendent of Schools for Maryland. Dr. Williams has made many significant contributions to the improvement of education in Maryland and is an adviser to the Seed Club.

MARYLAND STATE
DEPARTMENT OF EDUCATION,
Baltimore, Md., April 3, 1981.

Hon. RAYMOND WARFIELD,
Mayor of Aberdeen,
Aberdeen, Md.

DEAR MAYOR WARFIELD: On behalf of the Seed Club and the citizens of Harford County I wish to express our sincere appreciation for the work you have done to make our community a better place in which to live. You have been diligent in your efforts without becoming boisterous and noisy. In your own quiet manner you have completed many of the improvements necessary so that all people can enjoy the benefits of public water, sewage, lights, police security, and paved walkways (sidewalks). All add to the feeling of community. Humanity has survived because man has concern for his neighbor.

In these times, among people the world over, small differences such as religion, race, national origin, and wealth produce turmoil and strife; we are grateful that the town of Aberdeen has recognized within its limits a person of such character that he has risen above such small things.

We realize also that your wife and family exemplify those same qualities for they have supported your efforts and characterized you as a good and great father and humble, but noble Mayor of Aberdeen, Maryland. Yes, we are all proud of you and can well emulate your practices—those simple God given graces—honesty, charity, humility which you practice so easily and so well.

Very Sincerely,

PERCY V. WILLIAMS,
Assistant State Superintendent.

Mr. Speaker, I would like to offer my praise and congratulations to Mayor Warfield, his lovely wife, Marjorie, and his sons Guy and Kevin. He deserves this tribute for his interest in helping people and encouraging their involvement in civic and cultural interests.

PROFILE OF MAYOR WARFIELD

President of the Harford County Mobile Home Association. He has worked to keep mobile homes on individual lots in Harford County.

Member of the Citizens Advisory Commission—Keeps the County Executive appraised of the climate and attitudes of the citizens of Harford County to enable the County Executive to better serve the commission.

Secretary for the Maryland Municipal League.

Member of the County Voters Council; helped increase the number of black voters for Aberdeen and Harford County.

Member of the Harford County Democratic Club.

Appointed to the Commissioners of Aberdeen in 1976 and elected to the Commissioners in 1979.

Liaison Commissioner of Parks and Recreation—increased recreational facilities for the town of Aberdeen.

Captain for Maryland Manufacture Housing Association.

Three years of service with Open Space Program, Maryland Municipal League.

Member of National Association for The Advancement of Colored People.

Member of Union United Methodist Church.●

CONGRATULATIONS TO MARTIN KOOBATION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. LAGOMARSINO. Mr. Speaker, in June 1980 a distinguished member of my district, Mr. Martin Koobation, will be retiring after 26 years as an educator with the Carpinteria Unified School District.

Mr. Koobation's service to our community began in 1955 after he graduated with a B.S. in agriculture and an M.A. in Education from Cal Poly. Mr. Koobation taught at Carpinteria High School from 1955 to 1962 during which time he coauthored a nursery management instruction manual which is still being used in all high school and college horticulture classes throughout California. He began as an assistant principal at Carpinteria High School in 1960 and in 1966 was appointed principal, the position from which he is now retiring.

During his 15 years as principal, Carpinteria High School has received five full terms of accreditation by the Western Association of Schools and Colleges, accrediting commission for schools.

Additional community service includes serving as both president and vice president of the Montecito Rotary Club. While in the service of the Rotary club he attended the prestigious Rotary international convention in Switzerland as a delegate from the Montecito Rotary. Furthermore, Mr. Koobation has served for two terms as president of the Tri Valley League.

Mr. Koobation's extended service to our district has been valuable, and he will be missed for his friendship and the leadership he provided on the high school campus.

I wish to extend my congratulations and to wish him the best of luck in the future.●

FIFTIETH ANNIVERSARY OF THE NORTHERN OHIO SECTION OF THE AMERICAN INSTITUTE OF AERONAUTICS & ASTRONAUTICS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. STOKES. Mr. Speaker, thank you for providing me with this opportunity to inform my colleagues of the northern Ohio section of the American Institute of Aeronautics & Astronautics 50th anniversary celebration. Mr. Speaker, the institute, under the capable leadership of Mr. John N. McCarthy, held the anniversary dinner dance on April 10 in Cleveland.

Mr. Speaker, preceding the launching of the U.S. Space Shuttle Columbia by only 2 days, the institute's program featured Lt. General James T. Stewart (retired) who spoke on "The Quest for Speed-Air Racing Since 1901." Appropriately, the speech traced man's obsession with flying ever faster beginning with the first International Air Meet in France in 1909.

In addition to the speech, the dinner dance was the appropriate time for the 200 members and guests to honor distinguished pioneers for their extraordinary aerospace endeavors and contributions to society. Mr. Speaker, the honorees and pioneers were as follows: Dr. Abe Silberstein, Mr. Russell S. Colley, Prof. Neil A. Armstrong, Mr. Beverly G. Gulick, Dr. T. Keith Glennan, Mr. Kurt F. Bauch, Mr. Fredrick C. Crawford, Mr. Thomas A. Knowles, Mr. Darrell C. Romich and the late Edward R. Sharp. As a small token of the appreciation of the institute and the Nation for their contributions, each honoree was presented with a "Distinguished Aerospace Pioneer" certificate and medallion commemorating the 50th anniversary of the American Institute of Aeronautics & Astronautics.

I join in commending the American Institute of Aeronautics & Astronautics for 50 glorious years of service and to the honorees for the indelible mark they have made. Mr. Speaker, I would like to close this tribute to both the American Institute of Aeronautics and Astronautics—Northern Ohio Section on their 50th anniversary by citing part of a poem included in the dinner book entitled, "High Flight" which I believe captures the vision and motivation of the members of the institute as they continue to climb to unprecedented heights in the areas of aeronautics and astronautics. The stanza of the poem is as follows:

"Up, up the long, delirious, burning blue
I've topped the wind-swept heights with easy grace
Where never lark or even eagle flew—
And while with silent lifting mind I've trod
The high untrepassed sanctity of space,
Put out my hand and touched the face of God".●

CONGRESSMAN GREEN DENOUNCES SAUDI ARMS SALE

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. GREEN. Mr. Speaker, as my colleagues in this body are well aware, I am very much opposed to the proposed arms sale to Saudi Arabia. This sale would do nothing to protect U.S. interests, jeopardize the security of Israel, and further escalate the arms race in the Middle East. It is as foolish as the first sale of the F-15's to the Saudis and must be stopped.

I have been in contact with the State Department to voice my opposition to this sale and have received some correspondence from the Department which I believe will be of interest to my colleagues. On March 9, I wrote to Secretary Haig to express my concern that this sale would create a security risk for Israel and violate past commitments to Congress. The State Department reply from Acting Assistant Secretary for Congressional Relations, Alvin Paul Drischler, has done nothing to ease this concern. In that letter Mr. Drischler notes:

> The Government of Saudi Arabia has assured us that it will use U.S.-supplied equipment only for defensive purposes. While we cannot totally foreclose the possible use of U.S. equipment by Saudi Arabia against Israel, we believe the risk is small.

This passage explicitly states that a potential risk to Israel exists. That the State Department chooses to classify this as a small risk is of no consequence. We should not present our greatest ally in the Middle East with any additional risk, no matter how small it may be. As a result of this response, I immediately contacted the State Department to express my alarm at this admission. For the benefit of my fellow Members, I ask that this correspondence be inserted in the RECORD.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 9, 1981.

Hon. ALEXANDER HAIG,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: I am writing to express my grave concern over the State Department's recently announced decision to supply Saudi Arabia with additional military hardware for the U.S.-made F-15 fighter planes. As you may know, since coming to Congress in 1978, I have publicly voiced my opposition to providing the Saudis with any such advanced military capability, and strongly opposed the original sale of the planes. When the Carter Administration indicated it was considering the sale of this additional hardware last June, I was among the first Members of Congress to voice my objections on the House Floor. I know that my strong concerns reflect firmly held beliefs of many of my constituents about the peril of this course of action.

You are no doubt aware of the commitment made in 1978 to the Congress by the Carter Administration when the decision to sell the planes was made. Former Secretary of Defense Harold Brown publicly promised the Senate Foreign Relations Committee that a further attack capability for the F-15s would not be requested and the U.S. had no intentions of providing it. On the basis of that commitment, the Congress did not disapprove the sale. While this promise was made by the Democratic Administration, and you have every right to review such a commitment, I do not believe that a Congressional action involving an issue of this magnitude can be lightly overlooked. That promise was made primarily because of the threat perceived by many in Congress which an additional attack capability could have on the security of the State of Israel. Congressional concerns quite rightly were focused on the potential use of these planes against Israel by Saudi Arabia, and the fact that any additional hardware which increased the planes' attack capability would seriously affect Israel's security interests. Thus, the recent determination to provide air-to-air missiles and extra fuel tanks—which has the effect of increasing the possibility of an attack on Israel—thus goes directly counter to the promises made to Congress.

In this regard I am aware that the Department has also announced a proposed $600 million in additional arms sales credits to Israel, presumably so that the Israelis' fears about enhancing the Saudi attack capability might be assuaged. In so doing, it appears that the Administration is acknowledging that the sale of this hardware does bring further security problems for Israel. It is not possible for me to judge at this time whether the additional funds will prove to be sufficient to the Israelis for making whatever security adjustments they will feel are necessary to meet this new escalation and whether their currently strained economy can handle the additional debt such a proposal brings. What this does show however, is that we are now undertaking an action that could have the effect of further escalating the arms race in this volatile part of the world. I am also concerned that one result of this sale will be an adverse effect on the negotiations for a Middle East peace that have been ongoing under the Camp David Accords.

Another strong concern about this policy is that we are supposedly doing this to show the Saudis that we regard them as our friends and that we are willing to pass a test of friendship by acceding to their request. Certainly, the ever present spectre of their oil reserves confronts us at every turn. However, I think we can legitimately raise the question of how good a friend they are to the U.S. by seeking from them some sign that they are willing to pursue actively a policy of peace in the Middle East to help stabilize the volatile situation there. To date there has been no evidence that the Saudis have ceased to support those groups desirious of destroying the State of Israel through terrorism, or that they see as a legitimate use of their power the strengthening of the peace process which Camp David has begun. I would hope that you might receive some sign from the Saudi government in your forthcoming trip to the Middle East that they will actively change their current stance on these matters.

Finally, I would ask you to clarify for me whether the Department is also contemplating pressure on our allies to follow the same course of providing military aid to Saudi Arabia. There have been press reports in recent months, for example, that the U.S. would welcome the sale of battle tanks and other weapons systems which the Saudis are seeking from West Germany. I view with alarm the prospect of an escalating arms supply race in the Middle East, and do not believe that it is in U.S. interests actively to urge our allies to undertake such a course.

Mr. Secretary, I am firmly committed to the maintenance of traditional U.S. policy which recognizes the justifiable concerns of the State of Israel, our most reliable ally in the Middle East. I believe that this is the most effective way to assure U.S. security interests in this part of the world, and hope that our future Middle East policies will reflect a similar concern.

Sincerely,

BILL GREEN

DEPARTMENT OF STATE,
Washington, D.C., April 9, 1981.

DEAR MR. GREEN: I am responding to your letter of March 9 to Secretary Haig concerning the proposed sale of F-15 enhancement items to Saudi Arabia. As you know, Administration officials consulted closely with Congress on this question. We will continue in close contact with the Congress during the upcoming period of Congressional review of these proposed sales.

During our consultations we discussed the undertaking of the previous Administration that certain enhancement items would not be sold to Saudi Arabia. Since 1978, however, there have been profound changes in the regional situation that affect our vital interest and which we believe require a fresh approach. Among such developments were the fall of the Shah, the use of air power to destroy vital petroleum facilities in the Iran/Iraq war and the Soviet invasion of Afghanistan. In this worsened regional situation, Saudi Arabia desires to plan prudently against the worst possible contingency. The items we propose to sell to Saudi Arabia will significantly improve Saudi capabilities to defend its immensely important oil facilities. We have therefore asked Congress to consider with us whether the 1978 assurances continue to serve our interests, given the present strategic situation in the area.

The U.S.-Saudi relationship is characterized by a convergence of interests in many areas. It is a relationship that is critically important and mutually beneficial to both states. The Saudis maintain that a number of their policies have significantly supported U.S. interests: maintaining oil production higher than preferred levels (for example, the decision to increase production to 10 million barrels per day to offset shortages resulting from the Iran-Iraq war); pricing of Saudi crude oil well below the general OPEC level; devoting a high percentage (almost 10 percent) of their GNP to foreign assistance which in many cases complements U.S. efforts to support moderate regimes; and taking the lead in organizing regional opposition to the Soviet invasion of Afghanistan.

The sale of F-15 enhancement items goes beyond the Saudi-U.S. bilaterial relationship. It is highly important that our friends and adversaries perceive clearly that the United States is ready to work with its friends in the area to strengthen regional security. This is particularly important in Southwest Asia and the Persian Gulf region at a time when the Soviet Union has succeeded in entrenching itself in the region's periphery in such places as Afghanistan, South Yemen and Ethiopia.

We recognize that Saudi acquisition of these systems is of great concern to Israel. As you know, a central feature of U.S. policy since the October 1973 war has been to assure fully that Israel retains qualitative military superiority. Israel presently has a highly effective air defense system, manned by well-trained personnel, including sophisticated aircraft such as the F-15 and F-16 as well as defensive missile and gun systems. Moreover, the Saudis have decided to establish the Main Operating Bases for their F-15s in the eastern and southern areas of the country and it would take a considerable effort to upgrade bases closer to Israel to the level of Main Operating Bases.

This Administration will assure that Israel's defenses remain strong under any circumstances. Accordingly, we are planning to seek Congressional approval to provide Israel with additional credits of $300 million each in fiscal years 1983 and 84 for a total of $600 million. These credits will enable Israel to purchase air defense aircraft or other equipment that they have deferred because of their difficult financial position. These credits would be in addition to our extensive and ongoing foreign military sales credits to Israel for the purchase of sophisticated U.S. weapons systems. It is our judgment that Israel will be able to maintain its margin of military superiority over the Arab states and will remain capable of defeating any combination of Arab forces.

The Government of Saudi Arabia has assured us that it will use U.S.-supplied equipment only for defensive purposes. While we cannot totally foreclose the possible use of U.S. equipment by Saudi Arabia against Israel, we believe the risk is small.

Concerning another point you raised, the United States Government is not pressuring our Allies to sell arms to Saudi Arabia, although we are aware that Saudi officials have held discussions with European officials about possible arms purchases. The United States recognizes that our European allies have a role to play in strengthening Saudi security.

I appreciate the concerns you have raised. We have given the most careful consideration to all aspects of the issues in making our decision. It remains our best judgment that U.S. interests are best served by going forward on this sale.

Sincerely,

ALVIN PAUL DRISCHLER,
Acting Assistant Secretary for Congressional Relations.

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 21, 1981.

Hon. ALEXANDER HAIG,
Secretary, Department of State,
Washington, D.C.

DEAR MR. SECRETARY: In response to my March 9th letter to you regarding the proposed sale of arms to Saudi Arabia, I have received a reply on your behalf from Alvin Paul Drischler, Acting Assistant Secretary for Congressional Relations. This letter frankly contains one of the most troubling statements about U.S. policy in the Middle East that I have ever encountered.

After describing the Department's reasons for going ahead with this sale, the letter states:

The Government of Saudi Arabia has assured us that it will use U.S.-supplied equipment only for defensive purposes. While we cannot totally foreclose the possible use of U.S. equipment by Saudi Arabia against Israel, we believe the risk is small.

I am flabbergasted and outraged that the State Department would take any risk, no matter how "small" when the security of Israel is involved. I believe that this statement deserves to be fully explained as soon as possible so that the Congress can consider these implications in its deliberations. I believe that if the Department cannot totally assure the American people that the Saudis will not use these weapons against our most reliable ally in the Middle East, then Congress should immediately dismiss any request to approve this sale.

Sincerely,

BILL GREEN,
Member of Congress.●

NATO GENERAL SPEAKS OUT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. MICHEL. Mr. Speaker, the Chicago Tribune recently published an interview with Lt. Gen. Julius Wesley Becton, Jr., commander of the United States Army VII Corps which defends central Europe from Communist attack. General Becton offers informed and enlightening views of our current NATO problems and opportunities.

I am particularly impressed with this quotation from General Becton:

If we reverted to a draft tomorrow, the draft would not help me one iota for soldiers. We are getting the numbers we need, at least in VII Corps. What I need is greater retention of my buck sergeants, my staff sergeants, my sergeants first-class, that middle management of noncommissioned officer leadership.

That is straight talk, Mr. Speaker. And it means that we had better increase the pay of these middle-level leaders if we want to keep them.

At this time I wish to insert in the RECORD, "General Sees Rising Threat in Europe" from the Chicago Tribune, April 27, 1981.

GENERAL SEES RISING THREAT IN EUROPE—UNITED STATES, GERMANS WORK TO CUT DRUG, RACE WOES

(By Alice Siegert)

STUTTGART, GERMANY—In October, 1978, Lt. Gen. Julius Wesley Becton Jr. assumed command of the U.S. Army VII Corps, which is playing a vital role in defending central Europe, where North Atlantic Treaty Organization and Warsaw Pact forces face each other.

Becton, 54, who works a 14-hour day, is the son of a Philadelphia janitor. He joined the Army in 1943 and taught military science at the age of 30. He is the first black three-star general to serve in Europe.

Becton's troops have the job of providing round-the-clock surveillance over 420 miles of West Germany's border with East Germany and Czechoslovakia, stretching from Coburg in the north to Passau in the south, including the crucial Hof Corridor.

Geographically, the VII Corps covers an area of 31,000 square miles, about the size of Indiana. In addition to U.S. forces, German, Canadian, and French troops are stationed in this part of West Germany, though they are not under Becton's command.

Outnumbered in tanks 3-to-1 by Soviet-led Warsaw Pact forces, Becton's 88,000 men are prepared to defend the VII Corps sector, he says.

In an interview at his headquarters outside Stuttgart, the general discussed some of the military and social problems confronting NATO forces in Germany. An edited transcript of that interview follows:

Q. Do you believe the threat from the East has become greater the last year?

A. I believe the threat is still valid. I believe that they have increased their readiness. Their equipment, from what we are told, is first-rate. I find it difficult to accept . . . that their organization is defensive in nature. I would encourage anyone who believes that to go to the border and take a look.

Q. In the event of a military conflict can the VII Corps hold the important East-West border region against numerically superior Warsaw Pact forces until reinforcements arrive?

A. We can defend effectively against any forces coming in from the East. For how long, I cannot answer, because I cannot tell you what size forces they are going to throw against us. If they are willing to pay a price, any enemy can break through, but there will be one hell of a price to pay.

Q. How would you compare the quality of the U.S. Army in Europe now with that of several years ago?

A. Let me explain my definition of quality. Our society gives us men and women to be trained. Therefore, if the quality of a soldier is poor, it's because we have failed to train that soldier, we have failed to equip that soldier, and we have failed to support that soldier. If you are saying are the soldiers as well educated as they were 10 years ago, probably not, but I think they are just as trainable. When I hear the quality of our soldiers is poor, I answer, "Hogwash."

Q. How do you maintain combat readiness?

A. Everything we do should be toward maintaining combat readiness. Combat readiness in many cases is a state of mind, how you feel about yourself, about your unit, your leaders. Can you shoot? Can you move? Can you maneuver? Can you communicate? All of those things.

Q. On the whole, do you think the German people appreciate the presence of American troops in this country?

A. Yes, not only appreciate, but I think they also realize that our presence here for the last 35 years has probably been the biggest deterrent to war.

Q. On the other hand, there is a growing protest movement against the deployment of nuclear weapons in West Germany. Some of the demonstrators have demanded the withdrawal of American forces. Have you had similar demonstrations in your area?

A. We have had a few peaceful protests, marching up and down the streets in Stuttgart. I understand that they had some demonstrations in front of Patch barracks. I read there is a movement against the Pershing II missiles. We have Pershing I's here. We always had them here. I don't quite understand the rationale.

Q. A Bundestag defense expert reported recently that U.S. troops were being discriminated against and barracks were in a state of disrepair. He mentioned soldiers' being turned down by German landlords or denied access to discos and bars. How bad is the situation?

A. It's not rampant throughout my area, but it caused me concern. There are places in Stuttgart where, because of the prices, the soldiers can't afford to go. In towns like Bayreuth and Amberg my soldiers do have problems going to discos, going to restaurants. Some of the places are against soldiers; others are against minority soldiers.

But it's very difficult for any soldiers to understand when they are protecting the border 365 days a year from places like Bayreuth or Amberg and then go home to their barracks and cannot get served by the very people they are protecting. That's difficult to swallow. I know that the German government is concerned about that.

Q. How is cooperation with German authorities on these problems?

A. I think it's good, and they are getting more and more involved. I think there is realization on their part that this may create problems for NATO. If some investigative reporter were to take pictures of the "off limits" signs with somebody standing out there and saying "you cannot come in here" and then build a story up about how American soldiers are denied these kinds of things, and the picture is shown on the front page of Podunk News, I would suspect some people in Podunk and members of Congress would be a little upset. We use that approach in talking to some of the German officials, and they understand that.

Q. Hasn't (Stuttgart) Mayor Rommel done something to improve the situation?

A. Mayor Rommel tolerates no discrimination, and he makes sure it doesn't happen. When it is brought to his attention, it stops.

Q. How about facilities? Are barracks for American troops up to the same standards as barracks for the German army? And do U.S. soldiers enjoy the same living conditions as their German counterparts?

A. No. Our living conditions have been described by some people as second-class, third-class, fourth-class conditions. Some of (the barracks) are just like they were when we took them over at the end of World War II. We have places where my soldiers are required to work with no heating system, no latrine facilities. We have motor pools here where our tanks stand in mud, which means the soldiers work in mud. We took two German legislators on a tour a couple of weeks ago and showed them places where our soldiers were required to live with their families; one of them said, "I wouldn't put a dog in this house."

Q. If people back in the States read about conditions in which some of the soldiers here work and live, they probably are going to say, "Why don't the Germans defend their own country?"

A. Well, I've heard that statement made by some of our soldiers. The ones who think we are here to defend Germany have missed the entire point of the North Atlantic Treaty Organization. NATO is part of something called the Alliance of Free Nations, and, according to the alliance, an attack on one member is an attack on all members.

There's something else a lot of people don't realize. Let me give you an example. How would the folks of Indiana feel if 88,000 strangers came to live in Indiana with their tanks and their howitzers and their helicopters plus about 78,000 family members? I am not too sure that Indianapolis would be prepared for that.

Q. What other problems do you have?

A. We obviously have drugs, but it's not a major problem We have had a very effective war on drugs in which we rapidly are driving drugs out of the barracks. We are policing those who are trafficking in drugs, and they are getting stiff jail sentences. I do not feel as sanguine about alcohol. I will identify alcoholism as a greater problem than drugs within this command, and I think within the Army, and we are taking steps to curtail excessive use of alcohol.

Q. There has been repeated criticism of the volunteer Army. What is your opinion of the volunteer force?

A. If we reverted to the draft tomorrow, the draft would not help me one iota for soldiers. We are getting the numbers we need, at least in VII Corps. What I need is a greater retention of my buck sergeants, my staff sergeants, my sergeants first class, that middle management of noncommissioned officer leadership.

I think it's clear, however, when you talk about a volunteer force, you've got to talk about the active Army, the National Guard, and the U.S. Army Reserve. And if the Guard and the Reserve are hurting for numbers of people, then we are hurting, because they are the ones we rely upon for reinforcements. For the active-duty forces, I see no problem.●

IT IS TIME TO WELCOME HOME OUR VIETNAM VETS

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. SYNAR. Mr. Speaker, on Sunday, April 26, 1981, we celebrated National Vietnam Veterans Recognition Day. We took time out to let our Vietnam vets know that we are proud of them and thankful to them for the sacrifices they have endured to protect our freedom. There is no doubt that we owe a special debt to all our veterans. However, there is little argument that Vietnam was a different kind of war. Its veterans faced unique challenges on their return home. They

came back to a changed America, to families and friends protesting the war they had been fighting, to backs turned against them rather than open arms to welcome them. I feel a certain sense of pride that we have taken this time to show our Vietnam vets a different America, one that has recognized that the time has come to appreciate their sacrifices.

One of the most important steps we have taken in recent years to let Vietnam vets know we appreciate their unique problems has been the development of the Vietnam Veterans Readjustment Counseling Centers. The law creating these storefront centers expires on September 30, 1981, and there is a strong possibility that these centers will be the victims of budget cuts next year. I would like to take this opportunity to say a few words in support of this important program.

These outreach centers were first set up as a result of a Government study which showed that there are up to 700,000, or 40 percent, of our Vietnam veterans still having problems readjusting to civilian life. These men and women tried to put the war behind them and start a new life. But many could not forget the war and began to suffer from post-traumatic stress syndrome—a psychological disorder resulting from a catastrophe, like a war or natural disaster. This delayed stress syndrome has driven an alarming number of Vietnam vets to drinking, drugs, and even suicide. In some cases, the war had been over for 6 or 7 years before their anxieties about Vietnam began to surface. According to psychologists, these difficulties will surface again and again until they are resolved.

These unique difficulties required unique solutions. The storefront centers have made treatment available to people who never sought help before. All a Vietnam vet has to do is walk in the door. There are no lines to wait in, no forms to fill out—only other veterans and three or four psychological counselors to sit down and talk with them. It is estimated that the 91 centers around the country have reached 52,000 Vietnam veterans in the last year. There are hundreds of thousands more who need our help.

Now is not the time to shut our eyes to the problems of our Vietnam veterans. They need our help now. We have a successful program and our veterans are beginning to talk out their problems with each other. I am glad we have set a special day aside to recognize our veterans. But we can do more. We can find a way to keep the doors to these centers open.

We have finally held out a helping hand to the men and women who were traumatized by Vietnam. I do not believe any American wants to walk away from these veterans now, not when we have just started to truly welcome them home.●

IN COMMEMORATION OF THE 190TH ANNIVERSARY YEAR OF THE POLISH CONSTITUTION DEDICATED TO THE PRINCIPLE OF FREEDOM, LIBERTY AND JUSTICE FOR ALL

HON. ROBERT A ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. ROE. Mr. Speaker, as we look toward the people of Poland to achieve a peaceful internal solution to their current labor and social crisis, it is important to note the universal appeal of the valiant people of the Polish People's Republic and their spirit of democracy which was so eloquently manifested in Polish history upon the adoption of the May 3 Constitution of 1971.

Mr. Speaker, in tribute to the people of Poland who continue to seek freedom and human rights for all of their citizens, I am today introducing in the House a resolution to commemorate this historic event in Polish history, as follows:

H. RES. 132

Resolution designating May 3 as "Polish Constitution Day"

Whereas Poland ranks among the oldest of European nations and became one of the first pioneers of liberalism in Europe by incorporating in the 1791 Polish Constitution the principle of the sovereignty of the people in the state; and

Whereas the people of Poland have for more than a thousand years endeavored to follow the path of peace and freedom and throughout their history have made substantial political, scientific, and cultural contributions to the world; and

Whereas the people of Poland share the same spirit and belief in freedom which inspired the American Revolution and the United States Constitution; and

Whereas Presidents of the United States, the Congress, Governors of our major States, and mayors in our largest cities have consistently observed and paid tribute to the indomitable and freedom-loving spirit of the Polish people; and

Whereas the Constitution of Poland, which was adopted May 3, 1971, represented a milestone in the struggle of mankind to establish representative and democratic government with the full protection of law and equal justice extended to all of the people; and

Whereas May 3 also marks the anniversary of the death of the great Polish patriot, Thaddeus Kosciuszko, to whom our Nation owes so much for his assistance during our struggle for independence: Therefore be it

Resolved, That the President is authorized and requested to issue a proclamation designating May 3 of each year as "Polish Constitution Day", and inviting the people of the United States to observe such day with appropriate ceremonies.

Mr. Speaker, on May 3, 1971, just 2 years after the adoption of our own constitution, the people of Poland succeeded in drafting this memorable document without resorting to violent warfare.

However great this accomplishment, it did not deter the third partition in Poland in 1795 by Russia, Prussia, and Austria.

This proud nation since the end of World War II has been under Communist control. The reemergence of spirit and solidarity of the Polish people again erupted into international prominence 9 months ago when the Solidarity trade union movement protesting labor problems within its borders developed into a battle for labor and social reforms for the struggling people of Poland.

The threat of armed Soviet intervention has been a matter of deep concern to all freedom-loving peoples throughout the world. In March 1981, I joined with my colleagues in sponsoring the sense of the Congress resolution, House Concurrent Resolution 91, calling upon the Union of the Soviet Socialist Republics and others not to intervene in the domestic affairs of the Polish People's Republic. This resolution expresses the concern of the American people and Congress that the Soviet Union realize the high cost of such an invasion and our hope that the Government and the Solidarity trade union movement of the people of Poland will find a peaceful internal solution, as follows:

H. CON. RES. 91

Concurrent resolution calling upon the Union of Soviet Socialist Republics and others not to intervene in the domestic affairs of the Polish People's Republic

Whereas the American people and the people of Poland share a close and lasting cultural bond; and

Whereas the United States Government and our allies have followed a policy of strict nonintervention; and

Whereas the executive branch of the United States Government has clearly stated that any Soviet intervention of the Polish People's Republic would have the gravest consequences in the context of East-West relations; and

Whereas a further deterioration of relations between the United States and the Union of Soviet Socialist Republics may threaten lasting world peace: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the Union of Soviet Socialist Republics and others allow the Polish People's Republic resolve its own problems peacefully without outside intervention.

Mr. Speaker, we can indeed all gain strength from our heritage and it is appropriate at this point in time that we meditate on the anniversary of Polish Constitution Day. I trust that this memorial will help express the deep appreciation and gratitude of all Americans for the wealth of wisdom, standards of excellence and cultural enrichment that the people of Polish

heritage have contributed to the quality of our way of life here in America.

In commemorating this important event, I would like to quote from the Polish 3d of May Constitution, which I believe symbolizes the most deeply held ideals of not only people of Polish descent but the entire human race:

All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society, on an equal scale and on a lasting foundation.

In conclusion, I would like to join with the many Americans of Polish heritage in expressing the deepest of concern of all of our people and our fervent hope that the current volatile situation in Poland will find an early peaceful internal solution.●

MEMBERS INVITED TO HEAR ALDINE SENIOR HIGH SCHOOL SONG

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. FIELDS. Mr. Speaker, I would like to take this opportunity to invite my colleagues to share with me the music of the Aldine Senior High School Band, Thursday morning from 9:30 to 10 on the east steps of the Capitol.

The Aldine Senior High School Song is currently the target of the American Civil Liberties Union, which has filed suit in Houston seeking to force the school to change the song because the song contains the phrase, "In Jesus name we pray."

To Aldine Senior High School alumni—like my mother—such a change would be unthinkable. Aldine Senior High School students past and present oppose the outside interference from the ACLU, and they are concerned about this blatant attempt to reduce or eliminate local control of education.

I have pledged to do all I can to demonstrate my support for Aldine Senior High School in its effort to retain local control over the education of its students, and I would consider it a demonstration of your concern for local control of our schools if you would join me Thursday morning to enjoy for a few moments the song the American Civil Liberties Union wants to destroy.

Your brief appearance on the Capitol steps with me Thursday morning would demonstrate your support for local control of education and would serve as a testament to your belief that there is a place for religion in one's daily life.

Thank you, Mr. Speaker.●

FUEL EFFICIENCY STANDARDS REPEAL

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, when a law is based on a false assumption, it often does far more harm than good. For instance, in the frenzied fear after the oil embargo that the world was running out of energy, Congress enacted several bills. One of these required by law the fleet average for gas mileage on domestic automobiles to meet certain minimum mandatory standards—17 miles per gallon by 1978, 20 by 1980, 21 by 1981, 24 by 1982, 26 by 1983, 27 by 1984, and 27.5 by 1985. The panic was so intense that Congress even set a punishing penalty for failure to comply with the standards. A violating domestic manufacturer would have to pay the U.S. Treasury $5 for each one-tenth of a mile per gallon it exceeded the mandated average. This fine would be levied on each car the manufacturer built. In light of our present gas glut, those penalties are almost ludicrous.

A month ago, gas stocks in the United States reached all-time highs. We had on hand 288.1 million barrels of gasoline in March. Already, however, those historic highs have been exceeded and every forecast of energy supplies indicates that the stocks will continue to grow. Deregulation is fulfilling its promises.

This gas glut is teaching us what we should have learned from the U.S. Geological Survey report in 1975: We have no energy shortage and never have had in terms of potential supply. We have within our own borders extensive and abundant sources of crude oil, coal, and oil shale. With regard to fossil fuels, we are looking into an overflowing barrel, not an empty cup. This, of course, does not even begin to touch upon our vast uranium resources for nuclear power or the prospect of technological advances in geothermal, solar, or other alternative energy sources.

This gas surplus is demonstrating in tanglible terms what we should have learned in economic terms long ago. At the market price of an energy commodity, supply will, by definition, satisfy demand completely. A basic knowledge of human nature will also inform us that the consumer will always feel that the market price is too high. And the producer will always think the price is too low. Yet left alone to reach their own agreement, they will find a price that the consumer considers low enough to make the money he spends worth less than the product he acquires and that the producer considers high enough to make a marginal profit. Neither gets exactly what he wants—for the consumer a free product, for the producer an exorbitant profit—but they arrive at a contract that benefits both.

Unfortunately Government occasionally listens exclusively to the complaining of either the consumer or the producer and enforces a legal maximum price for the consumer, thus creating an artificial shortage, or a legal minimum price for the producer, thus creating an artificial surplus. In the case of energy, Government enforced maximum prices and created shortages. In terms of geology, physics, and natural laws, however, energy is all around us.

Now that we are learning these very basic economic principles, laws that mandate fuel efficiency standards are no longer necessary. In fact, they never were. Accordingly, it only makes sense to relieve the U.S. automobile industry of this entirely unnecessary burden. Applying the same economic principles already discussed, the supply of fuel efficient cars will continue to increase as long as that kind of car is demanded. With the automakers realizing they can only compete and remain solvent by producing more efficient vehicles, fines and penalties are superfluous. Auto manufacturers will only survive if they respond to the market demand. Survival is a far more motivating incentive than government fines. Yet as long as the law remains on the books, the auto industry must hire attorneys and engineers and technicians, who could otherwise be employed increasing fuel efficiency, auto safety and other marketable characteristics of automobiles, to file the necessary papers and submit the mandatory reports and meet the required deadlines with the Government.

At a time when talk of a trade war with our foreign friends over automobile imports is rampant, I would suggest that these attorneys, engineers, technicians, and the Government bureaucrats that check their submissions could better be employed increasing the marketability of domestic automobiles. Removing the burdens from the back of our U.S. industries is far preferable to another round of penalties and fines. Although these fines and penalties would be ostensibly imposed on foreign producers, our consumers would suffer in the long run. Rather than impose Government penalties to protect the penalties already in place, I strongly suggest that we begin lifting all restrictions on free market exchanges. Assuredly the consumers and producers will benefit from those contracts which they freely enter and execute under the protection of the law but without legal interference.

A copy of the bill follows:

H.R. 3304

A bill to repeal title V of the Motor Vehicle Information and Cost Savings Act pertaining to fuel economy standards for automobiles

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title V of the Motor Vehicle Information and Cost Savings Act is hereby repealed.●

TRIBUTE TO MS. MARGARET CONWAY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. YATRON. Mr. Speaker, I rise today to pay tribute to a most distinguished and compassionate individual, who has dedicated her life to helping others, Ms. Margaret Conway.

On Sunday, May 3, 1981, friends and admirers of Peg Conway will join together to honor this outstanding American. Judge Genevieve Blatt, of the Court of the Commonwealth of Pennsylvania will present the American Woman of the Year Award to Peg Conway for her dedication to the widowed of Reading, Allentown, and Pottsville, and many other community services and organizations.

No individual who was lonely, or sick, or in need was ever turned away by Peg Conway. As the regional president of WRAP, an organization to help the widowed of Reading, Allentown, and Pottsville, she has dedicated countless hours to helping the widowed members of her community come together. She has always believed that every individual has something to give and her work with this outstanding organization, which helps lonely people to meet and which encourages them to share the experience they have gained through helping others in their community, underlines her commitment to her fellowman.

Ms. Conway, a former justice of the peace for 12 years was appointed as a delegate to the State legislative board of the Pennsylvania Magistrates' Association. She is also the vice president of the Schuylkill County Magistrates' Association, president of the Reilly Senior Citizens Chapter in Branchdale, a charter member of the Reilly Booster Club, the secretary and treasurer of the Reilly Township Board of Supervisors, member of the election board, Republican committeewoman, member of the Allentown Diocesan Family Life Bureau Board (diocesan and regional), a member of the board of directors for the handicapped in Reading, a member of the board of directors of the area office on Aging in Schuylkill County and on the Schuylkill County Prison Board.

It is indeed fitting that Margaret Conway's achievements should be noted and honored in the U.S. Congress. I wish to echo the sentiments of all those who will gather on May 3 at the Pottsville Club to honor Peg Conway. She is truly an amazing individual. I know that all my colleagues will join me in wishing her continued success in all her future endeavors. The Sixth District of Pennsylvania is indeed most fortunate to count Peg Conway as one of its citizens.●

WASTE, FRAUD, AND MISMANAGEMENT MAY BE THE LEAST OF OUR PROBLEMS

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, in a 1978 report commissioned by the Defense Nuclear Agency—"Measures and Trends, U.S. and U.S.S.R. Strategic Force Effectiveness"—41 different comparisons of United States/Soviet strategic forces over the period 1960–82 were analyzed. In 1962—at the time of the Cuban missile crisis—virtually all of those comparisons favored the United States, mostly by a substantial margin. By 1978, however, the Soviet Union had forged ahead in all 41 categories but 8 with projections that in 3 to 5 years they would be ahead in all.

The most significant area of improvement noted was in ICBM accuracy which, along with megatonnage, constitutes the two principal measures of ballistic missile capability. While both are optimally desirable, a deficiency in either category can be compensated for by superiority in the other.

Soviet ICBM's have traditionally had larger payloads than their U.S. counterpart. The SS-18, for instance, is designed to carry up to ten 2-megaton warheads compared to three warheads of 170 kilotons for the U.S. Minuteman III's. The United States has accepted this discrepancy and has emphasized instead superior accuracy.

During the past 3 years, tests of the SS-18 have consistently demonstrated an accuracy of better than 0.10-nautical-mile circular error probability. This accuracy—better than the U.S. Minuteman force—combined with heavy megatonnage, makes the Minuteman force 90 percent vulnerable to a Soviet first strike attack, according to the Department of Defense.

Soviet superiority in ICBM accuracy and megatonnage is the principal reason the United States is moving to deploy the MX ICBM mobile missile system.

As deplorable as these developments are, they should not cloud the fact that the crucial engineering breakthroughs leading to increased Soviet ICBM accuracy have been traced to the actions of Russian agents either buying or stealing U.S. high techology. In a series of three articles appearing in the Chicago Tribune, April 12-14, 1981, columnist James Coates—drawing upon hearings conducted by the Senate Committee on Governmental Affairs on legislation introduced by Senator Jake Garn, Republican of Utah, to establish an Office on Strategic Trade—shows how the Russian military has taken advantage of U.S. technology.

With specific reference to ICBM accuracy, Mr. Coates explains that the SS-18 is guided by a computer "reverse engineered" from a sophisticated Hewlett-Packard model stolen by Soviet agents at a 1972 Swiss trade show.

Second, Soviet agents bought a machine called the Centalign B from a New England firm under a Department of Commerce license. This machine gave the Soviet Union the capability to grind ball bearings with a degree of precision offered by no other device. Unfortunately, the extremely accurate inertial guidance system of the SS-18—a guidance system which allows Soviet missile crews to lob their warheads down the stovepipe of U.S. silos—was made possible by this same American ballbearing technology.

The national security implications of this sale are obvious. Perhaps not so obvious is the impact it will have on both the size of the defense budget and the economy in general.

No matter how carefully the defense budget is scrutinized, the strategic requirements imposed upon the United States by a mounting Soviet military challenge will dictate a burdensome defense effort for the American people. Legitimate defense needs, as well as waste, fraud, and mismanagement—all have been singled out as contributing factors to the mounting costs. But, what has not been sufficiently scrutinized in the public view is the extent to which the transfer of strategic technology to the Soviet Union contributes to the size of the U.S. defense budget.

The $20 million transaction giving the Soviet Union the Centalign B precision grinding machine has forced the United States to build and deploy the MX ICBM at a Congressional Budget Office estimated cost of over $40 billion.

Is it possible that such callous and reckless disregard for America's security interests—a disregard manifested in the sale of high technology items to the Soviet Union—is the single most significant factor leading to the high cost all Americans are forced to pay to remain free and independent?

I commend the following three articles to my colleagues:

[From the Chicago Tribune, April 12, 1981]

SOVIET ARSENAL MADE IN U.S.A.

(By James Coates)

WASHINGTON.—Through theft, blackmail, and bribery—with an assist from American businessmen eager to make a profit—Soviet agents have obtained enough U.S. high technology to vastly expand their military might—at U.S. expense.

That is the view of many ranking members of the U.S. intelligence community, who say that the Soviet technology-gathering operation is costing American taxpayers billions. Much of the current $189-billion U.S. defense budget is needed to counter Soviet muscle acquired directly through American technology, they add.

Sophisticate U.S. technology is reaching the Soviet armed forces nearly as fast as it is being acquired by U.S. units, say a number of top officials—speaking sometimes on the record and sometimes off.

As a result, Senate Banking Committee Chairman Jake Garn (R., Utah) and others warn, the U.S. must spend billions to counter Soviet military might born of U.S. technology.

The most startling—and dismaying—example to Garn is the discovery that nearly all the engineering breakthroughs in the Soviet SS-18 nuclear missile, which make it accurate enough to imperil all 1,000 American Minuteman ICBM siloes in a first strike, are a direct result of buying and stealing U.S. technology.

The SS-18, which carries up to 10 multiple independently targetable nuclear warheads (MIRVs), is guided by a computer "reverse engineered" from a sophisticate Hewlett-Packard model stolen by Soviet agents at a 1972 Swiss trade show.

The extremely accurate inertial guidance system—which allows Soviet missile crews to lob their warheads "down the stovepipe" of U.S. siloes—is made possible by American ballbearing technology. Soviet engineers now use machines called Centalign B, bought from a New England firm under a Department of Commerce license, to grind bearings with a degree of precision offered by no other machine. The license was granted despite intelligence community warnings.

A military analyst disclosed that the SS-18 guidance systems use an on-board laser measuring device acquired in California by a KGB (Soviet intelligence) operation coordinated out of the Soviet trade consulate in San Francisco.

Dr. Miles Costick, president of the Institute on Strategic Trade here and a frequent debriefer of Iron Curtain defectors, said Russian engineers have told him in interviews that they observed bearings from the Centalign B machines being installed in the SS-18s.

In a 1980 report to the Banking Committee, Garn called the sale of the precision grinders "ill advised" and noted: "The first immediate effect of increased Soviet MIRV accuracy on the American people is the need to build and deploy the MX ICBM, which will cost over $30 billion in constant (1980) dollars."

Since then the Congressional Budget Office has estimated that the MX missile will cost $40 billion.

The SS-18 appears to be the costliest loss to U.S. interests, but it is far from the only case in which an ambitious and often illegal KGB operation has sapped American companies, scientists, and businessmen of technology far more sophisticated than what is available inside the Soviet bloc.

Some other examples:

Commerce Department investigators found that the GEO Space Corp. of Houston exported seismographic equipment used for exploration of underground oil and gas to the Soviets without obtaining proper licenses. The computerized sensing equipment was adapted by the Soviets for use aboard Russian naval vessels, where it can detect a U.S. submarine as easily as it can a Texas gas deposit.

Walter and Frances Spawn, a couple who operated a Corona, Cal., optical research company, were indicted late last year for deliberately exporting sophisticated copper-plated, water-cooled laser mirrors to the Soviets. A high Commerce Department source said in an interview that the CIA has found that the laser mirrors are being tested in the Soviet hunter-killer satellite program.

In August FBI agents posing as Soviet officials arrested Marc Andre DeGeyter of Alexandria, Va., as he tried to sell computer tapes produced by American defense contractors for $500,000. The tapes contained the design for building a "super chip" technology that could be used to inventory an entire army or guide terrain-hugging Cruise missiles over Soviet territory.

Federal agents found a $450,000 letter of credit in DeGeyter's briefcase guaranteed by Techmashimport, a Soviet state trading company, law enforcement sources said.

U.S. officials have concluded that in the last 18 months the Soviets have gained the capacity to build microcomputer chips such as those made in California's "Silicon Valley," south of San Francisco, which has become the world's leading research and development center for solid state electronics. The machines to build the components were shipped to Russia by an American company, L.I. Industries, in boxes labeled "air-conditioners" and "washing machines."

Experts who discussed the technology drain in interviews told of a decade-long spy war in which Western intelligence operatives have sparred with their Soviet KGB and GRU (military intelligence) counterparts from the board rooms of Silicon Valley to the back alleys of Hong Kong.

"One thing I'd have to say," said Francis W. "Bud" Mullen, deputy FBI Director, "is that a lot of the things we accomplish are things you will never hear about: transactions that never occurred because we stopped them.

"I think you will appreciate, that often it is not in the (American) national interest to broadcast what we know about what they (the KGB) are doing."

Costick, who operates under fewer restraints than Mullen, told in a recent report of a dramatic KGB operation in which the KGB attempted to buy a bank in an apparent effort to obtain damaging data to blackmail Silicon Valley scientists.

In this case a man calling himself Amos Dawe approached officials of the Peninsula National Bank in Burlingame, south of San Francisco, in the early 1970s with an offer to buy the bank.

Costick said that Dawe presented letters of credit worth $70 million as part of his offer. The credit was found to be guaranteed through the Moscow Narodny Bank.

The CIA discovered that Dawe was really Law Sheng Moh from Hong Kong. British intelligence apparently supplied information about Dawe to a financial news publication, "Target," and a state banking investigation was launched. The deal collapsed.

"My information is that Law Sheng Moh was trying to buy at least two other California banks because bank owners can get detailed information about people who can become extortion targets," Costick said.

At the Commerce Department, where officials have established a net of informants from the business community, underworld, the CIA, Interpol, and other intelligence-gathering organizations, a key executive noted a "dramatic upswing in KGB activity" in the last year.

"We have cases in every port you can imagine," said the official, who asked not to be identified. "About 50 per cent of our cases move through New York and about 25 per cent are in California. Chicago is another place where we keep busy."

He said that the case involving Spawr Optical Research, Inc., of California may be the most damaging example of the KGB operation recorded recently.

Internal Commerce Department and CIA studies have concluded that the Soviets can use the Spawr laser mirrors to burn holes in U.S. spy and early warning satellites.

Soviet engineers apparently are studying the possibility of placing the Spawr mirrors in one satellite orbiting just below the targeted U.S. satellite while a second Soviet satellite orbits above the target.

A laser beam would then be generated between the two Soviet craft by the mirrors and deflected to strike the American satellite as it passed.

This official noted that although the criminal penalties imposed in the Spawr case and in similar cases appear light, Commerce Department investigators are "encouraged" because Walter Spawr received a 10-year jail term. "Even though all but six months was suspended for Spawr, the verdict was still important to us," the officials said.

[From the Chicago Tribune, Apr. 13, 1981]

SOVIETS WALK RIGHT IN, TAKE AMERICAN TECHNOLOGY HOME

(By James Coates)

WASHINGTON.—The 40 Soviet aircraft specialists had a U.S. Department of State letter of introduction when they visited factories of Boeing, Lockheed, and McDonnell Douglas for a 1973 tour of production lines and shop talk.

They watched Americans building the new wide-body jets—the 747 at Boeing, the DC-10 at McDonnell Douglas, and the L-1011 at Lockheed. Last year the CIA learned while debriefing a defector that the Soviet visitors wore special shoes that picked up metal scraps from the factory floors.

The shavings were analyzed in Moscow and that enabled the Russians to acquire the metal alloys needed to produce their giant Ilyushin II-76T troop transport planes, according to congressional sources who have received CIA briefings on the matter.

Such field trips are just part of an ambitious overt and covert Soviet program that each year obtains some of the most sophisticated technology being developed by the United States.

The technology is being used to bolster Soviet military might, and congressional, administration, and private experts say the U.S. must increase military spending to counter Soviet advances.

Among the examples of how the Soviets acquire the latest American know-how at a fraction of what it costs the U.S.:

Each year a new batch of highly trained Soviet Scientists, usually 35 or older, become "exchange students" and enrolls in top American universities to study high

technology subjects. Dismayed U.S. experts note that, by contrast, nearly every American in the exchange program studies "soft" cultural and historical topics, such as Soviet fairy tales and Russian chamber music.

The Russian Embassy here spends several million dollars a year on a standing order for copies of each of the 80,000 technical reports deposited at the Department of Commerce's National Technical Information Service.

Hundreds of times a year Soviet businessmen negotiate with high technology American companies, ostensibly offering deals in which the U.S. may sell products in the U.S.S.R. once the Americans obtain required export licenses. Actually, such experts as FBI Director William Webster warn, the Soviets use the bargaining sessions to acquire confidential business processes. Commerce Department spokesmen said that the license applications shown to Soviets are kept secret from the public because they often contain confidential information.

Vasili I. Khlopyanov and Vladimir Alexandrov, two KGB executives at the Soviet trade consulate in San Francisco, have been observed operating a program to obtain products and know-how being produced in California's so-called Silicon Valley, according to U.S. intelligence sources. That is a major technology area. More than a dozen major diversions of the highest computer technology have been traced to the Soviet bloc from this operation. The KGB is the Soviet Secret Police.

Webster recently told a group of California businessmen, "I think you would be astonished by the voraciousness of the appetites of hostile intelligence gatherers."

Webster has issued similar warnings in speeches in Chicago, New York, and St. Louis. He told the Californians, "Hostile intelligence gatherers have a strong interest in technological secrets, especially about computers, micro-electronics, fiber optics, and lasers."

He said 11,000 American companies handle classified information through government contracts. The Soviets have obtained much of that data simply by negotiating with U.S. businessmen, he said.

According to FBI reports, as many as 2,000 of the FBI's 7,800 agents in the U.S. work in counterintelligence full time to keep track of the thousands of visitors from the U.S.S.R. and Soviet bloc countries.

John Morrison, a spokesman for Webster, acknowledged that the bureau almost never makes an arrest in the technology transfer area.

"We've had maybe one case in five or six years" with arrests, Morrison said. He cited the arrest last year of Marc Andre DeGeyter, who allegedly tried to sell sensitive computer programs to an undercover agent.

A leading analyst of the Soviet effort to acquire American technology is Dr. Miles Costick, president of the Institute on Strategic Trade here and a close associate of several top intelligence advisers in the Reagan administration.

Costick has estimated that the Soviets have obtained technical equipment and processes that would have cost them more than $100 billion to get without U.S. aid.

Considered particularly significant is Costick's analysis of how the Soviets produced their current generation of ballistics missiles by patiently working through the American system to obtain key technology.

Much of the technology that went into the Soviet missiles came from universities in the Boston area and District of Columbia, Costick said. He cited the case of Anatoly Kochev as one of the more blatant examples. Costick, who gets much of his information debriefing Soviet bloc defectors, said that in the late 1960s, Kochev was assigned to the Leningrad Polytechnical Institute to build a device called an accelerometer.

It measures changes in the pull of gravity on an airborne vehicle and is crucial to accurate flight for a guided missile. Kochev was in charge of the accelerometer project for the Soviet missile program at the time he was sent as an exchange student to Catholic University here to study accelerometer construction.

Shortly after his return to the U.S.S.R., there was a dramatic increase in Soviet missile accuracy. Soon after that, the Soviet Union successfully fired a multiple-warhead missile. Costick indicated that defectors have told him that the first missile breakthrough came from Kochev's studies in the U.S.

There are indications that the Soviet drive to acquire U.S. high technology is moving away from the already successful missile project to focus on the American missile-carrying Trident submarine fleet, which still poses a major threat to adversaries.

The big breakthrough for the Soviets in that area has been the acquisition of tiny electronic devices called array transform processors from a Texas oil exploration firm.

These components, called APs, allow a computer to interpret almost instantly millions of tiny variations in sounds being bounced off deeply buried geologic formations when explosives are detonated.

After the devices were acquired, through GEO Space Corp. of Houston, it was discovered that the Soviets were using them for computers to find American submarines by analyzing tiny variations in sonar signals, not for geological exploration.

Costick told a Senate committee: "I have interviewed for two days a former Soviet intelligence specialist, a geologist by profession, who revealed to me that he and Soviet Navy personnel—trained in Houston—had carried on board Soviet submarines . . . AP's and installed them there next to the shipboard computers."

[From the Chicago Tribune, Apr. 14, 1981]

United States Acts Tardily To Halt Soviet Siphoning of Technology

(By James Coates)

WASHINGTON.—At least twice last year United States officials moved only at the last minute to halt the shipment of military factory equipment to the Soviet Union, despite White House orders to cut off all such transactions.

On March 28, 1980, Commerce Secretary Philip Klutznick sent customs agents from here to New York to embargo crates of aviation machinery. Experts had found that the equipment would cut at least in half the overhaul time period for Soviet helicopters, MIG jets, and Tupolev bombers in Afghanistan and elsewhere.

New York customs officials had refused to stop the shipment, and the crates were on pallets awaiting shipment when the agents arrived from here, according to a report presented in 1980 to the Senate Governmental Affairs Committee by Sen. Jake Garn (R., Utah).

On May 6, 1980, 4½ months after Soviet units swarmed over the Afghanistan frontier in trucks built in the American-designed and supplied Kama River plant, in Russia, Pentagon agents finally forced the bureaucracy to halt the shipment of a 200-foot-long diesel engine assembly line, which would have doubled the factory's capacity.

Experts studying the steady drain of American technology to the Soviets through purchases, theft, bribery and sometimes simply copying from voluminous American public records note that these two cases are considered successful in that the transfer was stopped.

Hundreds or perhaps thousands of other times, U.S. technology has been passed to the U.S.S.R. at bargain-basement rates. Some experts have computed that it would have cost Moscow roughly $100 billion more to acquire its current level of technological expertise if it had not obtained it from the West.

As a result, Garn and other experts said, American taxpayers are confronted with a staggering U.S. defense budget of $189 billion this year and more next year—much of it needed to combat Soviet military prowess acquired directly from U.S. sources.

American intelligence organizations have traced Soviet acquisitions—from the Ryad I, Ryad II, and Ryad III computers which are virtual copies of the IBM 360, 370 and E Series, to the Strella battlefield missile, a copy of the U.S. Red Eye weapon.

From the Rolls-Royce engines powering Soviet troop transports to the mills dating from the 1930s, designed by United States Steel Corp., Western knowhow is noted everywhere in the Soviet military machine.

Russian tanks captured in the 1973 Mideast war were found to be using periscopes and other equipment manufactured in the U.S., a Senate committee was told recently by Pentagon officials.

The Soviet's ZIL plant uses U.S. made equipment, which is operated by teams of American workers. There the Soviets produce several types of vehicles including the Red Army missile launchers that U.S. spy satellites photographed in Afghanistan.

Soviet and Warsaw bloc defectors have told American debriefing officers of numerous instances in which the military establishment directly acquired high technology hardware that Russian negotiators insisted they wanted for peaceful uses.

Soviet dissident Anatoly Shcharansky was charged in a Russian court with illegally telling Western journalists that his country had violated U.S. Department of Commerce agreements by using American computers in its military programs.

Each year 1,000 Soviet businessmen and roughly 6,000 visitors from Eastern Europe companies fan out across the U.S. to visit corporate officers and discuss acquiring technological items under U.S. Commerce Department license.

FBI Director William Webster has warned businessmen to be wary, because often these business deals are simply a ruse to visit factories and obtain information through conversations.

Such aggressive information gathering is not a Soviet practice alone. U.S. officials in the Soviet Union make similar efforts. A top Navy source told, for example, of the time U.S. Vice Adm. Hyman Rickover had his engineers design a tiny radiation sensor inside a fountain pen so he could carry it aboard a Soviet vessel on a ceremonial visit and ferret-out reactor secrets.

But intelligence community experts complain that it is much easier for Soviet operatives to glean information in the open U.S. society than for Americans to work in the

U.S.S.R. and Eastern bloc, where no such freedom is allowed.

In testimony before the Senate Governmental Affairs Committee, Commerce Department officials outlined ways that Soviet businessmen elicit useful data simply by working within the American system.

One of the more effective ways is to approach several competing U.S. firms and to ask them to obtain a license from the Commerce Department for exports to the Soviet Union. The license applications, which are shared with the Soviets but kept from U.S. public view, often contain key data about the process being sought, according to testimony by Eric Hirschorn, a former export chief at the agency.

Another way to obtain information is to apply for a patent. The U.S. government will then make a search of other patents and report to the applicant certain details of any industrial process similar to the one he wants to patent, Hirschorn said.

Often, as in the case of the aborted March, 1980, shipment of aircraft machinery, the free enterprise system and federal bureaucracy become Soviet allies in the technology drain.

In that case, Sermetel, Inc., a company in Limerick, Pa., signed a contract to export to the Soviet Union a patented ceramic-metallic (CERMET) oxide treatment process for the moving parts of jet turbines. The sale meant millions to the company and it was approved and licensed by the Commerce Department.

Concerned Department of Defense officials objected that the sale would give the Soviets not only machines to treat their planes for a couple of years, as originally intended, but also the capability of creating the crucial process themselves.

The CERMET process coats the machines with a preservative so tough that engine parts last several times longer and overhaul time is "greatly reduced," according to a report on the sale written by Sen. Garn.

While Pentagon and Commerce Department officials argued over national security, Sermetel crated its equipment and sent it to New York for shipment to the Soviet Union.

It took a phone call from Zbigniew Brzezinski, U.S. national security adviser, to Commerce Secretary Klutznick, to stop the shipment, Sen. Garn recalled.

The CERMET affair shows, according to Garn, that even when the U.S. tries to stop the technology drain to the Soviet Union, there can be considerable difficulty.

Because the U.S. is an open society and because efforts to stop technology acquisition by Soviets often hurt businesses such as Sermetel, there are many pressures not to block these deals, even when they prove controversial, Commerce Department officials acknowledge.

Garn and other Senate leaders are sponsoring legislation to establish an independent Office of Strategic Trade, without ties to the Commerce Department.

The department, which was created to encourage business, should not have control over the sensitive transactions between the U.S. and the Soviet Union, proponents argue.

Lawrence J. Brady, who directed the export office at the Commerce Department in the Carter administration, resigned last year after publicly complaining about the drain and questioning the administration's motives.

He became a key adviser to the Reagan transition team and is now a consultant to his former Commerce Department office. He is favored, several congressional sources acknowledged, to head the strategic trade office, if one is set up.

Brady told the Senate committee last year: "Administrators must recognize that we are engaged in strategic confrontation with the Soviet Union and that right now the Soviets are winning in their strategy of lull and divide against the Western economies, while it is engaged at the same time in a resource war of economic attrition against the West."●

ADMIRAL STOCKDALE ON NATIONAL DEFENSE POLICY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1981

● Mr. MICHEL. Mr. Speaker, Adm. James Bond Stockdale, the hero who was held prisoner by the Vietnamese Communists and who bravely withstood physical and psychological torture for 7 years, is an American who deserves our attention whenever he speaks and whatever the topic.

On October 8, 1980, Admiral Stockdale spoke at the Hoover Institution in Stanford, Calif., on the subject of "The Debate Concerning Our National Policy." I have read his speech and find it a brilliant and thought-provoking look at the philosophical implication of national defense policy. For those who think defense is simply a matter of "nuts and bolts," high technology and computer analysis, Admiral Stockdale's speech should be an eye opener.

One more word: Admiral Stockdale will soon become a senior research fellow at the Hoover Institution, joining such luminaries as Milton Friedmann and Edward Teller. It is my hope that he will continue to offer us that unique legend of scholarly distinction and military experience that he gained through sacrifice and heroism.

At this point I insert in the RECORD, "The Debate Concerning Our National Defense Policy" by James Bond Stockdale, from Vital Speeches, January 1, 1981.

THE DEBATE CONCERNING OUR NATIONAL DEFENSE POLICY: TOWARD HONOR OR EFFICIENCY

(By James Bond Stockdale, U.S. Navy, Vice Admiral)*

Just twenty years ago this fall I was a U.S. Navy Lieutenant Commander, a fighter pilot just off carrier duty, when I started the most important years of study of my life here at Stanford and the Hoover Institution. In a rather loosely administered two-year postgraduate program that I'm sure would alarm our guests, the Congressional staffers, I was literally given a blank check by the American government with the only requirement that I get a Master's degree and take whatever courses I thought appropriate for a Naval officer in the time remaining. For me, that came to about 125 quarter hours, mostly in the humanities. Our government never spent any money more fortuitously. Within three years of leaving here, I had been shot down over North Vietnam, imprisoned in an old French dungeon in Hanoi, and was becoming the head-of-government of a covertly organized colony of American prisoners of war—such colony destined to remain autonomous for nearly eight years.

Mark Van Doren of Columbia University used to tell his students that, before proclaiming a man educated, one should ask himself this question about him: Could he re-found his civilization? The re-founding of a civilization became my lot, and this Naval Academy engineer thanked God for those twenty-four months of history, politics and philosophy, on this campus, under the tutelage of teachers like Jack Bunzel, Peter Duignan, Steve Jurika and Phil Rhinelander here tonight. Perhaps I should explain how desperately we needed to refound our own civilization in those prisons of North Vietnam. The Communist regime put us all in solitary confinement in an attempt to sever all our ties with each other and with our cultural heritage. This comes hard after a few months, particularly a few months of intermittent torture and extortion. In fits of depression one starts seeing the bottom of the barrel and realizes that, unless he gets some structure, some ritual, some poetry into his life, he is going to become an animal. In these conditions clandestine encrypted tap and flash codes get improvised and start linking lives and dreams together. Then comes the need for common practice in united resistance, and, in due course, if things are working right, codified law commences to emanate from the senior prisoner's cell. The communication network strengthens the bonds of comradeship as over the months and years a body politic of common customs, common loyalties, common values takes shape. Isolation seems to have some sort of a purifying effect on the soul; as time wears on, ever more highminded discourse flows from hard-worked memories which dredge up recollections of the best from the educational background of their owners. Compassion fairly seeps through the walls as the familiar tapping style and mindset of the never-seen neighbor next door become a substitute for family. Morale is tied to the box score of the continuous battle of wits and determination waged against the prison administration. The prisoners' underground, under the positive control of their senior, alternately plays for time, riots, and drives the interrogators up the wall. Where else could one better prepare himself for leadership in such a life than in this Hoover Institution? After lectures by Alexander Kerensky and courses from Bob North on comparative Marxist thought, I felt ten feet tall, even when forced to kneel before that irate political cadre. I could look him in the eye and quietly tell him: "Lenin didn't say that. You're a deviationist." (That was usually a quick and blessed ticket back to my cell.)

This week, I was invited back here from Newport, Rhode Island, to talk with our Congressional staffers about the state of national defense. I believe all I read in the better journals: All our military materiel indicators are down. The United States is number two in the world in conventional forces for sure and in nuclear forces very

*Delivered at the Hoover Institution Dinner for Congressional Staffers, Stanford, Calif., Oct. 8, 1980.

likely. The Department of Defense's so-called "solutions" to such inferiorities are more often than not buried in both high-risk technology and in the "out years" of the budget. Neither high risk nor out years bode well for our national arsenal, and everybody knows it. Dwindling forces and false official optimism bring up that most important aspect of our current dilemma: Public confidence in our defense establishment is eroding. Opinion makers are concluding that military and civilian planners lack heart in what they're doing. They say that every link in the defense chain—Congress, Pentagon, White House, civilian contractors—all seem to be faking it. The fancy scenarios to which we are treated are seen all too frequently to wind up as just plain smoke. Of course, in my last couple of sentences, I have paraphrased Meg Greenfield's column in last week's Newsweek.

As I left Newport, my War College friends advised me: "For God's sake, don't go out there and regurgitate a lot of data that every Congressional staffer knows. Tell them what you really think victory or defeat, the success or failure of arms, ultimately depends on." I brought up Meg's reference to public perceptions of faking it, of smoke, of lack of heart precisely because forty years in uniform, and particularly that decade of war and life behind enemy lines, have taught me that, more than any other factor, military success or failure depends on the moral sentiment, the ethos, the spirit of the man in the street.

That sounds "preachy," doesn't it? Well, I'm in good company. Napoleon: "Sentiment rules the world, and he who fails to take that into account can never hope to lead." Pericles, honoring the military dead in his famous funeral oration: ". . . the important thing today is not to review the details of battles, but to discuss the spirit with which our country faces trials."

Can anybody produce evidence that in the last 50 years the Amercian people ever yielded up the wherewithal for winning, in the absence of a grass roots sense of special value of their society, its institutions, its direction?

Let me tell you, in a Communist country at war, in a Communist city under siege, nothing takes precedence over public support of national policy. We know, of course, that it's a force-fed system; Lenin rigged it that way. The point was not only that the nightly sings, the bribe-proof guards, and their diligent work on their patriotic essays seemed indicative of close coordination between national sentiment and military policy; it was the feel of the party's intimacy with and influence over the man on the street. You have to give the old Bolsheviks credit for forehandedness for designing the whole state system around a party whose primary job it is to track and steer the confluence of public sentiment and policy.

Midge Decter in a recent article contrasts the effort communist countries make to monitor deep-rooted public sentiment vis-a-vis public policy and the way the United States has let the two get more and more out of phase over the past quarter century. Perhaps this is partly because we have become hooked on opinion polls, the statistics of those coarse measurements more or less adequate for data on people's preferences on particular issues. Normal everyday opinion polls, Midge says, are not adequate for ferreting out deep moral sentiment, that ethos which is individually divulged only over time and usually in heart to heart associations. The sentiment that counts lies beneath opinions on issues; it is too fine grained for polls or voting booths. But if it is ignored and kept isolated from the light of political attention, it ". . . will fester in the nether regions where ideas circulate and grow powerful and then become distorted and poisonous."

The classic modern example of this was Lyndon Johnson and his gang of systems analysts' tone deafness and myopia at the outset of public disenchantment with the Vietnam War. The Johnson government was at first insensitive to the disconnect, and then inept in making an early explanation of what was going on. I was in combat and prison when that "nether region" vortex got going in America, but I had a front row seat in North Vietnam when the communist world started watching and enjoying our leaders' belated recognition of the problem and then their over-reaction to it. If spontaneous poster construction at the private soldier level can be considered the ultimate indicator of national elation, then that winter morning in 1968 when prison guards were firing firecrackers and displaying crude sketches of a teary-eyed McNamara leaving the Pentagon for the World Bank had to be their counterpart of VJ Day. That was at about the time most of the Democratic hawks started becoming chickens, (or chickenhawks?). I was in leg irons in cell 13, Alcatraz prison, when the pidgin-English voice on the prison squawk box announced the appointment to office of a certain defense department undersecretary. Two years later, while I was still in cell 13, still in leg irons, the same pidgin-English voice announced on the same cell loudspeaker, that undersecretary's indignant resignation—and then went on to read excerpts from a book of "confessions" he had already written and distributed, describing his disillusionment with the war.

Did we in prison read this public turmoil in the way I'm sure the Vietnamese thought we would read it—as evidence of an unjust war? Certainly not. We read it as 5 years of inept national leadership—as executive failure to insure that the public and the policy were in tune. Sensitivity to that interconnect comes naturally to a combat leader—particularly to a prison leader who has to build and tend his own infrastructure of support. James McGregor Burns calls the type of leadership that is always needed in these cases, indeed needed in any political leadership job in times of stress, "transforming" as opposed to "transactional" (bargaining table) leadership. Good leaders are transforming leaders who make themselves continually conscious of what is going on in the minds of their followers. They are able to do this at a sensitivity level and with a timeliness that permits them to make subtle adjustments to policy when required, and subtle adjustments to the understanding and even mind-set of the man on the street, to match. Great leaders can implant highminded needs in the place of self-interested wants in the hearts of their people.

OK, you say, public sentiment is an important part of the national power equation. So, Mr. Self-Appointed Expert, how do you read that deep-seated American sentiment now? My answer is that, from talks on a hundred college campuses and meetings at a hundred community halls, I think today's American man on the street is frustrated by: (1) the belief that America is weakened to a point where she is no longer in control of her destiny, (2) the fact that he does not like this situation, and (3) the problem of his getting no satisfaction from abstract debates between high-level politics, or from the indecipherable jargon of the Pentagon. Moreover, he is tired of wearing a hair shirt—tired of apologizing for America. He is willing to make more patriotic commitments than his political leaders feel they dare ask. What I see in him is not jingoism; it is neither exaggerated love of country nor doctrinaire hatred of the Russians. It is honest pride in a good and decent society. Our people feel good about being in the core of that shrinking minority of people of this world who are committed to free choice, to the putting down of tyranny, to respect for the due process of law. The restoration of American influence in the world is seen not merely a material benefit, but as a moral benefit, a good in itself.

Will the President elected in 1980 be disposed to accommodate this sentiment as he sets our national course? You and I know that a change of thrust toward an American resurgence in the name of freedom would require at the very least a loud and clear public demand, no matter who is President. How could such a demand be generated?

With that rhetorical question, I could end this speech right now and let the whole thing stand as a sort of sketchily supported pep talk. I'm not going to do that. I'm going to take a crack at that question about what it takes to generate public demand for resurgent action, because I've had some pertinent experiences along that line.

My experience had to do with trying to generate a consensus to support a grand escape attempt from a Hanoi prison. The parallel sounds farfetched, perhaps, but hang on; it will clear up. You might first ask: Why should generating escape support be difficult? Everybody knows that the prisoner's code requires escape whenever possible and unanimous support of all escape efforts. It was not until late—when we were approaching our sixth or seventh year in the lockup—that the ardor of some for a big breakout had cooled. Over the years, several groups had, after months of planning and preparation, made it over the wall and into the jungle—only to be recaptured, returned, and tortured for names of collaborators in their efforts. In time, the North Vietnamese imposed camp-wide reprisal actions following each escape. Bones were broken. The subject of escape became an emotional issue; to argue for more escapes, even when the way had been paved for better-than-ever chances of success, was to ask people to accept risks and to pay costs in support of an idea. The escape idea is a good idea, a heroic idea, but, for the guy who stays behind, as most must, it's just an abstraction about which the question "What's in it for me?" has no answer. What I'm saying is that asking for a public demand for an American resurgence in the name of that good and heroic idea of human freedom poses the same problem. You're asking people to accept risks and pay costs when their answer to "What's in it for us?" is necessarily unclear.

Here's the way arguments over "ideas" line up: You have, on the one side, the supporters of the heroic idea—call them romantics or idealists. You have opposing them the profit and loss guys, the bottom-line guys, the "efficiency" worshipers, the systems analysis, if you will. And then in the background you have the silent majority, or should I say tongue-tied majority, too proud to deny the validity of the idealists' arguments, yet too timid to lay their necks on the line.

How does the debate come out? On which side does the silent majority throw its weight? It depends on the frame of reference within which the argument is conducted. If the botom-line guys, the accommodators, are in control, most escape plans will be scrapped. Fellow prisoner John Dramesi wrote a book about his Hanoi escape plans being scrapped because the criteria for go/no go was set by the straight-sounding, "bottom-line" test: "Compare what we all have to gain with success to what we all have to lose with failure."

Well, no escape could ever go with that criterion, with that rule of evidence. If such a test had been the standard of judgment of the U.S. Navy in 1942. Admiral Spruance would never have engaged the Japanese fleet at the Battle of Midway and we might have lost World War Two. Of course, World War Two was fought before the systems analyst cult had gained the upper hand and imposed such clamps on inspired action. Dramesi's book, Code of Honor, covers territory familiar to me because, as you can read, I was the leader of the romantics who tried unsuccessfully to carry out his plan. All was poised in readiness that March morning in 1971 when a faint-hearted Colonel pushed two years' work down the drain.

John's book is well named because, as I saw it, it was in fact "honor" that was in the balance. On the other side of the scale was a profit/loss ratio, a "What's in it for us?" measurement. American resurgence in the name of freedom is in the same predicament as is honor in a "What's in it for us?" test. Any idea is in trouble if a group opposing it, an "in group," is allowed to set up the criteria which evidence supporting it must meet.

The issue of national defense policy should not be the private property of this or that cult and its particular definitions of reason or justice. To him who says that honor, being unquantifiable, deserves only a footnote in a rational solution, I can reply that sanctifying efficiency, for all its quantifiableness, is merely an expediency to avoid facing an important obligation, to avoid risk and pain.

The outcomes of our most important debates on national defense policy depend primarily on the biases (whether toward honor or toward efficiency, toward idealism or toward accommodation) of those who control the rules of admissibility of evidence, those who set the frame of reference into which the arguments must be hammered. It's obvious that I'm tired of being told that national policy decisions are to be restricted to a "bottom-line" process, and that honor and idealism have to be checked at the door. I think that's wrong from a moral standpoint, and it's particularly wrong at this point in time if we are to keep public ethos and public policy out of conflict. On issues pertaining to national survival, we don't have to accept narrow rules of evidence set by a self-serving cult which is at the same time tone-deaf to public sentiment. Transforming leaders, not myopic managers, should position the fulcrum for these arguments. The choice is both arbitrary and important. Remember Archimedes' lever; depending on where you put the fulcrum, either side can cause the world to move.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 30, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 1

9:00 a.m.

Commerce, Science, and Transportation

To hold hearings on the nomination of Mark S. Fowler, of Virginia, to be a Member of the Federal Communications Commission.

235 Russell Building

Finance

Estate and Gift Taxation Subcommittee

To hold hearings on S. 404, S. 395, S. 858, and S. 574, proposals to revise the estate and gift tax laws and minimize the burden on small and moderate-size estates.

2221 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to continue mark up of S. 480, S. 884, S. 902, S. 943, and S. 994 bills providing price and income protection for farmers and to assure consumers of an abundance of food and fiber at reasonable prices.

324 Russell Building

Appropriations

State, Justice, Commerce, and the Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Secretary of State, and for the administration of foreign affairs.

S-146 Capitol

Foreign Relations

International Economic Policy Subcommittee

To hold oversight hearings on the international issues affecting the well-being of children worldwide.

4221 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

To hold hearings on S. 821, authorizing funds through fiscal year 1984 for the Federal Communications Commission.

235 Russell Building

Environment and Public Works

To hold hearings on the nomination of Ann McGill Gorsuch, of Colorado, to be Administrator of the Environmental Protection Agency.

4200 Dirksen Building

Governmental Affairs

Energy, Nuclear Proliferation, and Government Processes Subcommittee

To hold hearings on community energy conservation programs.

3302 Dirksen Building

*Judiciary

To resume hearings on S. 114, establishing criteria for the imposition of the death penalty for Federal crimes.

2228 Dirksen Building

Joint Economic

To hold hearings on the effect of business/management practices on productivity of the American economy.

6226 Dirksen Building

1:00 p.m.

Foreign Relations

Business meeting, to mark up S. 784, authorizing funds for fiscal years 1982 and 1983 for the Department of State.

4221 Dirksen Building

2:00 p.m.

Agriculture, Nutrition, and Forestry

Business meeting, to continue mark up of S. 480, S. 884, S. 902, S. 943, and S. 994, bills providing price and income protection for farmers and to assure consumers of an abundance of food and fiber at reasonable prices.

324 Russell Building

Environment and Public Works

To continue hearings on the nomination of Ann McGill Corsuch, of Colorado, to be Administrator of the Environmental Protection Agency.

4200 Dirksen Building

MAY 4

9:00 a.m.

Armed Services

Military Construction Subcommittee

To resume hearings on S. 846, authorizing funds for fiscal year 1982 for military construction programs of the Department of Defense.

212 Russell Building

9:30 a.m.

Finance

Savings, Pensions, and Investment Policy Subcommittee

To hold hearings on various proposals directed at reducing tax disincentives for savings and investment, including S. 75, S. 145, S. 936, S. 155, S. 819, S. 142, S. 330, S. 492, S. 141, and S. 457.

2221 Dirksen Building

*Judiciary

Constitution Subcommittee

To hold oversight hearings on affirmative action policies, and possibly to receive testimony on S.J. Res. 41, prohibiting the United States or any State from making or enforcing any law which makes distinctions on account of race, color, or national origin.

2228 Dirksen Building

Labor and Human Resources

*Handicapped Subcommittee

To hold hearings on the effect of rescissions and block grants on special education programs (Public Law 94-142).

4232 Dirksen Building

Joint Economic

To hold hearings on the scope of international economic policy.

2318 Rayburn Building

10:00 a.m.
Commerce, Science, and Transportation
Business, Trade and Tourism Subcommittee
To hold hearings to examine efforts by the Federal Government to promote international tourism.
235 Russell Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for fiscal years 1982 and 1983 for the Nuclear Regulatory Commission.
4200 Dirksen Building

Foreign Relations
To hold hearings on S. 976, authorizing funds for fiscal year 1982 for foreign assistance programs, focusing on assistance to Latin America.
4221 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
Business meeting, to mark up proposed supplemental funds for fiscal year 1981 for the Department of Transportation and related agencies.
1223 Dirksen Building

Banking, Housing and Urban Affairs
Business meeting, to mark up proposed legislation authorizing funds for fiscal year 1982 for Federal housing, community and economic development, and related programs.
5302 Dirksen Building

Foreign Relations
To resume mark up of S. 784, authorizing funds for fiscal years 1982 and 1983 for the Department of State.
4221 Dirksen Building

2:30 p.m.
Environment and Public Works
To hold hearings on the prospective nomination of John Hernandez, of New Mexico, to be Deputy Administrator of the Environmental Protection Agency; to be followed by a business meeting, to consider the nomination of Ann McGill Gorsuch, of Colorado, to be Administrator of the Environmental Protection Agency, and the prospective nomination of John Hernandez, of New Mexico, to be Deputy Administrator of the Environmental Protection Agency.
4200 Dirksen Building

3:00 p.m.
Judiciary
Separation of Powers Subcommittee
To hold hearings on S. 823, providing for the payment of losses incurred as a result of the ban on the use of the chemical Tris in certain fabrics.
424 Russell Building

MAY 5

9:30 a.m.
Banking, Housing and Urban Affairs
Business meeting, to continue mark up of proposed legislation authorizing funds for fiscal year 1982 for Federal housing, community and economic development, and related programs.
5302 Dirksen Building.

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on title II, proposed highway safety amendments of S. 841, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways.
235 Russell Building

Small Business
To hold hearings on the Small Business Administration's size standards proposals.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

Environment and Public Works
To hold hearings on the nomination of G. Ray Arnett, of California, to be Assistant Secretary for Fish and Wildlife, Department of the Interior; to be followed by an Environmental Pollution Subcommittee business meeting, to mark up S. 736, making it illegal to import or trade in live fish or wildlife or animal products which are taken, transported or sold in violation of State or foreign laws.
4200 Dirksen Building

Foreign Relations
Business meeting, to consider pending nominations.
4221 Dirksen Building

Governmental Affairs
Business meeting, to mark up proposed reconciliations of those programs which fall under the committee's legislative jurisdiction.
3302 Dirksen Building

Rules and Administration
To resume hearings on S. Res. 20, providing for television and radio broadcasting of Senate Chamber proceedings.
301 Russell Building

11:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Navy and Marine Corps construction programs.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.
S-126, Capitol

Banking, Housing, and Urban Affairs
Business meeting, to continue mark up of proposed legislation authorizing funds for fiscal year 1982 for Federal housing, community and economic development, and related programs.
5302 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Judiciary
Immigration and Refugee Policy Subcommittee
To hold joint hearings with the House Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary, on public reaction to the recommendations of the final report of the Select Commission on Immigration and Refugee Policy.
2228 Dirksen Building

Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
235 Russell Building

MAY 6

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1224 Dirksen Building

9:30 a.m.
Appropriations
*Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Air Force posture.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To resume oversight hearings to review major banking and consumer protection laws, focusing on banking industry and financial services representatives.
5302 Dirksen Building

Foreign Relations
To begin markup of S. 976, authorizing funds for fiscal year 1982 for foreign assistance programs.
4221 Dirksen Building

Labor and Human Resources
Business meeting, to mark up S. 799, authorizing funds for fiscal years 1982, 1983, and 1984, for certain public health professional education and nurse training programs of the Department of Health and Human Services, S. 800, authorizing funds for fiscal years 1982, 1983, and 1984 for health research programs, S. 801, authorizing funds for fiscal years 1982, 1983, and 1984 for the National Health Service Corps of the Department of Health and Human Services, and proposed legislation authorizing funds for the National Science Foundation, the Health Maintenance Organization, and for certain youth programs of the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

9:30 a.m.
Judiciary
Separation of Powers Subcommittee
To resume hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception.
2228 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Business meeting on pending calendar business.
235 Russell Building

Environment and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

Governmental Affairs
To hold hearings on S. 893, extending for four years the reorganization authority of the President.
3302 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the

Agency for International Development.
S-126, Capitol

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Judiciary
Constitution Subcommittee
To hold hearings on S. 584 and S. 585, bills creating a Federal cause of action for the violation of a person's civil rights under color of State law relating to constitutional rights or laws providing for equal rights of citizens or all persons within U.S. jurisdiction.
2228 Dirksen Building

Judiciary
Immigration and Refugee Policy Subcommittee
To continue joint hearings with the House Subcommittee on Immigration, Refugees, and Internatonal Law of the Committee on the Judiciary, on public reaction to the recommendations of the final report of the Select Commission on Immigration and Refugee Policy.
2141 Rayburn Building

3:00 p.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimate for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 7

8:00 a.m.
Appropriations
*Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force procurement, research and development programs.
1223 Dirksen Building

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for fossil energy programs, domestic energy, supply programs, and Federal leasing policies, Department of Energy.
1224 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to review major banking and consumer protection laws, focusing on thrift industry representatives and State financial institution regulators.
5302 Dirksen Building

Labor and Human Resources
*Handicapped Subcommittee
Business meeting, to mark up proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building

Small Business
To hold hearings on S. 580, to establish program levels for the Small Business Administration Pollution Control Bond Guarantee program.
424 Russell Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 910, proposed Land and Water Conservation Fund Act Amendments.
3110 Dirksen Building

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold hearings on proposed authorizations for fiscal year 1982 for programs which fall under the subcommittee's legislative jurisdiction, including research and development programs of the Environmental Protection Agency.
4200 Dirksen Building

Labor and Human Resources
Education Subcommittee
To hold hearings on proposed legislation to consolidate elementary and secondary educational programs.
357 Russell Building

Rules and Administration
To hold hearings on S. 55, S. 56, S. 57, and S. 58, bills providing for a uniform election poll closing time, change of the day of voting, and election night media projections.
301 Russell Building

11:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Air Force construction programs.
1318 Dirksen Building

2:00 p.m.
Appropriations
*Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, to be followed by markup of proposed supplemental funds for fiscal year 1981 for foreign assistance programs.
S-126, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
Business meeting, to mark up proposed supplemental funds for fiscal year 1981 for the Department of Housing and Urban Development and independent agencies.
1223 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Judiciary
Immigration and Refugee Policy Subcommittee
To continue joint hearings with the House Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary, on public reaction to the recommendations of the final report of the Select Commission on Immigration and Refugee Policy.
2228 Dirksen Building

Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

MAY 8

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to mark up proposed legislation authorizing funds for fiscal year 1982 for the export administration and international affairs programs of the Department of the Treasury.
5302 Dirksen Building

Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 639, relating to the income tax treatment of incentive stock options, S. 702, to allow an income deduction for certain motor carrier operating authorities, and S. 738, to benefit the Port Authority of St. Paul, Minn., by permitting certain advance refunding issues of industrial revenue bonds to qualify under section 103 of the Internal Revenue Code.
2221 Dirksen Building

9:45 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
Business meeting, to mark up S. 755, authorizing funds for fiscal year 1982 for Federal alcohol and drug abuse programs.
1224 Dirksen Building

10:00 a.m.
Energy and Natural Resources
To hold hearings on Senate Joint Resolution 71, approving the Constitution of the Virgin Islands.
3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for fiscal year 1982 for the Water Resources Council, and the Office of Water Research and Technology.
4200 Dirksen Building

Labor and Human Resources
Education Subcommittee
To continue hearings on proposed legislation to consolidate elementary and secondary educational programs.
4232 Dirksen Building

1:30 p.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume hearings on S. 707 and S. 998, bills providing alternative financing mechanisms to fund the strategic petroleum reserve.
3110 Dirksen Building

MAY 11

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

*Labor and Human Resources
Education Subcommittee
To hold hearings on proposed reconciliations of higher education programs.
4232 Dirksen Building

2:00 p.m.
Banking, Housing, and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

MAY 12

9:00 a.m.
Labor and Human Resources
Business meeting, to mark up proposed legislations authorizing funds for preventive health block grants, health services block grants, handicapped programs block grants, and emergency hardship assistance programs.
4232 Dirksen Building

9:30 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126, Capitol
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
457 Russell Building

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National Gallery of Art, and the Bureau of Mines, Department of the Interior.
1224 Dirksen Building
Labor and Human Resources
Business meeting, to mark up S. 755, authorizing funds for fiscal year 1982 for Federal alcohol and drug abuse programs, and proposed legislation authorizing funds for adolescent pregnancy programs, the Older Americans Act, ACTION, and the Head Start program.
4232 Dirksen Building

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force manpower and Reserve programs.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings to review major banking and consumer protection laws, focusing on money market mutual fund and securities regulators.
5302 Dirksen Building
Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on S. 30, requiring each Federal agency to pay interest on contract payments more than 30 days overdue, and related measures intended to improve the Federal Government's bill payment performance.
5110 Dirksen Building
Governmental Affairs
Permanent Subcommittee on Investigations
To hold oversight hearings on alleged fraud and abuse activities within certain home health care services.
3302 Dirksen Building
Small Business
*Innovation and Technology Subcommittee
To hold hearings on S. 881, proposed Small Business Innovation Research Act.
424 Russell Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building
Finance
To hold hearings on the tax reduction proposals in the administration's program for economic recovery.
2221 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain international programs of the Department of State.
S-126, Capitol
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold hearings on proposed cost of living adjustments for Federal employees in foreign lands.
Room to be announced

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to review major banking and consumer protection laws, focusing on money market mutual funds and financial industry representatives.
5302 Dirksen Building
Judiciary
Constitution Subcommittee
To hold oversight hearings to explore the state of the law with respect to school busing
5110 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building
Finance
To continue hearings on the tax reduction proposals in the administration's program for economic recovery.
2221 Dirksen Building
Governmental Affairs
To hold hearings on pending nominations.
3302 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for foreign operation programs, receiving testimony from congressional and public witnesses.
S-126, Capitol
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building
Governmental Affairs
Permanent Subcommittee on Investigations
To continue oversight hearings on alleged fraud and abuse activities within certain home health care services.
3302 Dirksen Building
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

MAY 15

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

MAY 18

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Air Force operations and maintenance programs.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings to review major banking and consumer protection laws, focusing on consumer credit regulators and consumer group and industry representatives.
5302 Dirksen Building
Labor and Human Resources
Business meeting, to mark up proposed reconciliations of those programs which fall under the committee's legislative jurisdiction.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to mark up proposed reconciliations of those programs which fall under the committee's legislative jurisdiction, and other pending calendar business.
4200 Dirksen Building

MAY 19

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to review major banking and consumer protection laws, focusing on former thrift industry regulators and academicians.
5302 Dirksen Building

Labor and Human Resources
Business meeting, to continue markup of proposed reconciliations of those programs which fall under the committee's legislative jurisdiction.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

Energy and Natural Resources
To hold hearings on standby oil controls.
3110 Dirksen Building

Environment and Public Works
Business meeting, to continue markup of proposed reconciliations of those programs which fall under the committee's legislative jurisdiction, and other pending calendar business.
4200 Dirksen Building

Finance
To resume hearings on the tax reduction proposals in the administration's program for economic recovery.
2221 Dirksen Building

MAY 20

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings to review the special prosecutor provisions of the Ethics in Government Act.
4200 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Finance
To continue hearings on the tax reduction proposals in the administration's program for economic recovery.
2221 Dirksen Building

Governmental Affairs
To resume hearings on S. 10, providing for creation of a Commission to design a blueprint for improving governmental performance at the Federal level and throughout the intergovernmental system.
3302 Dirksen Building

MAY 21

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

Environment and Public Works
Business meeting, to resume markup of proposed reconciliations of those programs which fall under the committee's legislative jurisdiction, and other pending calendar business.
4200 Dirksen Building

Finance
To continue hearings on the tax reduction proposals in the administration's program for economic recovery.
2221 Dirksen Building

MAY 22

9:30 a.m.
Governmental Affairs
Oversight of Government Management Subcommittee
To resume oversight hearings to review the special prosecutor provisions of the Ethics in Government Act.
3302 Dirksen Building

JUNE 1

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on overall intelligence matters.
1223 Dirksen Building

JUNE 2

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

Labor and Human Resources
Employment and Productivity Subcommittee
To hold oversight hearings on the implementation of the Farm Labor Contractor Registration Act, and to hold hearings on S. 922, clarifying the meaning of "migrant worker", and to insure the proper administration and enforcement of the Farm Labor Contractor Registration Act.
4232 Dirksen Building

JUNE 3

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on programs of the Central Intelligence Agency.
1223 Dirksen Building

9:30 a.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To continue oversight hearings on the implementation of the Farm Labor Contractor Registration Act, and to hold hearings on S. 922, clarifying the meaning of "migrant worker" and to insure the proper administration and enforcement of the Farm Labor Contractor Registration Act.
4232 Dirksen Building

JUNE 4

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on programs of the National Security Agency.
1223 Dirksen Building

JUNE 8

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on defense intelligence programs.
1223 Dirksen Building

JUNE 9

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of family planning programs.
5110 Dirksen Building

Labor and Human Resources
*Labor Subcommittee
To hold oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
2232 Dirksen Building

JUNE 10

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on special programs of the Air Force.
1223 Dirksen Building

9:30 a.m.
Labor and Human Resources
*Labor Subcommittee
To continue oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

JUNE 11

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on command, control and communication programs and intelligence related activities of the Department of Defense.
1223 Dirksen Building

JUNE 16

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To resume hearings on proposed legislation to consolidate elementary and secondary educational programs.
4232 Dirksen Building

JUNE 17

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To continue hearings on proposed legislation to consolidate elementary and secondary educational programs.
4232 Dirksen Building

CANCELLATIONS

APRIL 30

2:00 p.m.
Governmental Affairs
*Federal Expenditures, Research, and Rules Subcommittee
To hold oversight hearings to identify current problems concerning the Federal procurement systems.
3302 Dirksen Building

MAY 4

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold oversight hearings on the activities of the Civil Aeronautics Board.
6226 Dirksen Building

MAY 7

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume oversight hearings on the activities of the Civil Aeronautics Board.
235 Russell Building

SENATE—*Thursday, April 30, 1981*

(Legislative day of Monday, April 27, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the Honorable TED STEVENS, a Senator from the State of Alaska.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 30, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TED STEVENS, a Senator from the State of Alaska, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. STEVENS thereupon assumed the chair as Acting President pro tempore.

RECESS UNTIL 11 A.M. MONDAY, MAY 4, 1981

The ACTING PRESIDENT pro tempore. Pursuant to the previous order, the Senate will now stand in recess until Monday, May 4, 1981, at 11 a.m.

Thereupon, at 11:01 a.m., the Senate recessed, under the order of Wednesday, April 29, 1981, until Monday, May 4, 1981, at 11 a.m.

ANNUAL REPORT OF THE CORPORATION FOR PUBLIC BROADCASTING—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 48

Under the authority of the order of the Senate of April 29, 1981, the Secretary of the Senate, on April 30, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

In accordance with the Public Telecommunications Financing Act of 1978 (Public Law 95-567), I transmit herewith the Annual Report of the Corporation for Public Broadcasting for Fiscal Year 1980. The period covered by the report precedes my term of office.

RONALD REAGAN.

THE WHITE HOUSE, *April 30, 1981.*

ANNUAL REPORT ON DEVELOPMENTS UNDER THE AUTOMOTIVE PRODUCTS TRADE ACT—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 49

Under the authority of the order of the Senate of April 29, 1981, the Secretary of the Senate, on April 30, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance:

To the Congress of the United States:

In accordance with the Automotive Products Trade Act of 1965 (Public Law 89-283), I transmit herewith the fourteenth annual report relating to developments during 1979. The period covered by the report precedes my term of office.

RONALD REAGAN.

THE WHITE HOUSE, *April 30, 1981.*

ANNUAL REPORT OF THE FEDERAL COUNCIL ON AGING—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 50

Under the authority of the order of the Senate of April 29, 1981, the Secretary of the Senate, on April 30, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 205(f) of the Older Americans Act of 1965 (Public Law 93-29), I transmit herewith the Annual Report for 1980 of the Federal Council on Aging. The period covered by the report precedes my term of office.

RONALD REAGAN.

THE WHITE HOUSE, *April 30, 1981.*

ANNUAL REPORT OF THE ADMINISTRATION ON AGING—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 51

Under the authority of the order of the Senate of April 29, 1981, the Secretary of the Senate, on April 30, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 208 of the Older Americans Act (42 U.S.C. 3018), I transmit herewith the Annual Report for Fiscal Year 1980 of the Administration on Aging of the Department of Health and Human Services. The period covered by the report precedes my term of office.

RONALD REAGAN.

THE WHITE HOUSE, *April 30, 1981.*

ANNUAL REPORT OF THE UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 52

Under the authority of the order of the Senate of April 29, 1981, the Secretary of the Senate, on April 30, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 5(h) of the International Health Research Act of 1960 (Public Law 86-610), I transmit herewith the 13th Annual Report of the U.S.-Japan Cooperative Medical Science Program for Calendar Year 1980. This report was prepared prior to my Administration.

RONALD REAGAN.

THE WHITE HOUSE, *April 30, 1981.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-970. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Air Force's proposed letter of offer to Korea for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-971. A communication from the Secretary of the Army transmitting a draft of proposed legislation to authorize uniform allowances and advanced pay for members of the Armed Forces health professions scholarship program; to the Committee on Armed Services.

EC-972. A communication from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the commissary shelf-stocking function at McGuire Air Force Base, N.J., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-973. A communication from the Secretary of the Army, transmitting a draft of proposed legislation to amend section 2575 of title 10, United States Code, to provide for more efficient disposal of lost, abandoned or

unclaimed personal property that comes into the custody or control of military departments; to the Committee on Armed Services.

EC–974. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Navy's proposed letter of offer to Japan for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–975. A communication from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting, pursuant to law, the final environmental impact statement on distribution and use of federal surplus property at Hamilton Air Force Base, Calif.; to the Committee on Armed Services.

EC–976. A communication from the Secretary of the Army, transmitting a draft of proposed legislation to amend section 4349 (a) of title 10, United States Code, to provide that the companies of the Corps of Cadets at the U.S. Military Academy may be commanded by commissioned officers of the Army, Navy, Air Force, or Marine Corps; to the Committee on Armed Services.

EC–977. A communication from the Principal Deputy Assistant Secretary of the Navy (Logistics), transmitting, pursuant to law, a report on a proposed plan to study the conversion from in-house operation to commercial contract of the Defense Metropolitan Area Telephone System in the Norfolk area; to the Committee on Armed Services.

EC–978. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 313 of title 32, United States Code, to permit the appointment of noncitizen medical and dental officers in the National Guard; to the Committee on Armed Services.

EC–979. A communication from the President of the United States, transmitting for the information of the Senate, progress on the ELF communications system for command and control of submarines; to the Committee on Armed Services.

EC–980. A communication from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting, pursuant to law, a report, an airport master plan, and facility marketing study for the former Richards-Gebaur Air Force Base, Mo.; to the Committee on Armed Services.

EC–981. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, the section of the report of the Director on applications for delays of notice and customer challenges under provisions of the Right to Financial Privacy Act of 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC–982. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 9 of the National Climate Program Act to extend the authorization for appropriations for fiscal years 1982 and 1983, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–983. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on research studies on salmon stocks and the problems of incidental take of marine mammals in the Japanese High Seas Salmon Fishery; to the Committee on Commerce, Science, and Transportation.

EC–984. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, a request for an extension of the time period for rendering a decision in certain cases before the Commission; to the Committee on Commerce, Science, and Transportation.

EC–985. A communication from the Administrator-designate of the Federal Aviation Administration, transmitting, pursuant to law, a semiannual report on the effectiveness of the Civil Aviation Security Program; to the Committee on Commerce, Science, and Transportation.

EC–986. A communication from the Vice President of the National Railroad Passenger Corporation, transmitting, pursuant to law, a report on the average number of passengers on board and the on-time performance of each train operated by the Corporation for the month of February 1981; to the Committee on Commerce, Science, and Transportation.

EC–987. A communication from the Vice President of the National Railroad Passenger Corporation, transmitting, pursuant to law, a report on the total itemized revenues and expenses of each train operated by the Corporation for the month of February 1981; to the Committee on Commerce, Science, and Transportation.

EC–988. A communication from the Secretary of Transportation, transmitting, pursuant to law, the annual report on the utilization of authority granted to designate and rent inadequate quarters, lease housing, and hire quarters; to the Committee on Commerce, Science, and Transportation.

EC–989. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Interior's Report of Shut-In or Flaring Wells Unnecessary, But Oversight Should Continue"; to the Committee on Energy and Natural Resources.

EC–990. A communication from the Secretary of the Interior as Chairman of the National Park Foundation, the 1980 annual report of the National Park Foundation; to the Committee on Energy and Natural Resources.

EC–991. A communication from the Acting Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report on sales of refined petroleum products and sales of retail gasoline for January 1981; to the Committee on Energy and Natural Resources.

EC–992. A communication from the Acting General Counsel of the Department of Energy, transmitting, pursuant to law, notices of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC–993. A communication from the Acting General Counsel of the Department of Energy, transmitting, pursuant to law, a report on meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC–994. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report on the Anthracite Mine Water Control and Mine Sealing and Filling Program; to the Committee on Energy and Natural Resources.

EC–995. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report of the Bonneville Power Administration; to the Committee on Energy and Natural Resources.

EC–996. A communication from the Under Secretary of the Interior, transmitting a draft of proposed legislation authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Environment and Public Works.

EC–997. A communication from the Acting Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, the annual report on the administration of title I of the Marine Protection, Research, and Sanctuaries Act of 1972 for calendar year 1979; to the Committee on Environment and Public Works.

EC–998. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on State medicaid program compliance with section 190(g) of the Social Security Act; to the Committee on Finance.

EC–999. A communication from the Deputy United States Trade Representative, transmitting, pursuant to law, the biannual report on the operation and effect of the Sugar Agreement; to the Committee on Finance.

EC–1000. A communication from the United States Trade Representative, transmitting, pursuant to law, notification of the increase in duty on ethyl alcohol imported for fuel use into the United States; to the Committee on Finance.

EC–1001. A communication from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal years 1982 and 1983; to the Committee on Finance.

EC–1002. A communication from the Acting President of the Overseas Private Investment Corporation, transmitting, pursuant to law, the annual Development report of the Overseas Private Investment Corporation for fiscal year 1980; to the Committee on Foreign Relations.

EC–1003. A communication from the Assistant Legal Advisor for Treaty Affairs, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to April 26, 1981; to the Committee on Foreign Relations.

EC–1004. A communication from the Assistant Legal Adviser for Treaty Affairs, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to April 13, 1981; to the Committee on Foreign Relations.

EC–1005. A communication from the Executive Secretary of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, a report on a new system of records for the FDIC for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–1006. A communication from the Chairman of the Board of Directors of the Tennessee Valley Authority, transmitting, pursuant to law, the annual report of the Authority under the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1007. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on March 24, 1981; to the Committee on Governmental Affairs.

EC–1008. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–1009. A communication from the Acting Chairman of the U.S. Consumer Product Safety Commission, transmitting, pursuant to law, the annual report of the Commission under the Government in the Sunshine Act for calendar year 1980; to the Committee on Governmental Affairs.

EC–1010. A communication from the Chairwoman of the Merit Systems Protection Board, transmitting, pursuant to law, the annual report of the Board under the Government in the Sunshine Act for calendar year 1980; to the Committee on Governmental Affairs.

EC–1011. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on April 7, 1981; to the Committee on Governmental Affairs.

EC–1012. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on April 7, 1981; to the Committee on Governmental Affairs.

EC–1013. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on April 7, 1981; to the Committee on Governmental Affairs.

EC–1014. A communication from the Chairman of the Interstate Commerce Commission, transmitting, pursuant to law, the annual report of the Commission under the Government in the Sunshine Act for calendar year 1980; to the Committee on Governmental Affairs.

EC–1015. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on April 7, 1981; to the Committee on Governmental Affairs.

EC–1016. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on April 7, 1981; to the Committee on Governmental Affairs.

EC–1017. A communication from the Director of the Office of Personnel Management, transmitting a draft of proposed legislation to amend the Intergovernmental Personnel Act of 1970, as amended; to the Committee on Governmental Affairs.

EC–1018. A communication from the Mayor of the District of Columbia, transmitting, pursuant to law, the annual report of the Office of Emergency Preparedness of the District of Columbia for fiscal year 1980; to the Committee on Governmental Affairs.

EC–1019. A communication from the Chairman of the Civil Aeronautics Board, transmitting, pursuant to law, the annual report of the Board under the Government in the Sunshine Act for calendar year 1981; to the Committee on Governmental Affairs.

EC–1020. A communication from the Secretary of the Mississippi River Commission, Corps of Engineers, Department of the Army, transmitting, pursuant to law, the annual report of the Commission under the Government in the Sunshine Act for calendar year 1980; to the Committee on Governmental Affairs.

EC–1021. A communication from the Acting Commissioner of Social Security, transmitting, pursuant to law, a report on a matching system of the Social Security Administration; to the Committee on Governmental Affairs.

EC–1022. A communication from the Chairman of the U.S. Commission on Civil Rights, transmitting, pursuant to law, the annual report of the Commission under the Government in the Sunshine Act for calendar year 1980; to the Committee on Governmental Affairs.

EC–1023. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the annual report of the Board under the Government in the Sunshine Act for calendar year 1980; to the Committee on Governmental Affairs.

EC–1024. A communication from the Chairman of the U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, the annual report of the Commission under the Government in the Sunshine Act for calendar year 1980; to the Committee on Governmental Affairs.

EC–1025. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a list of the reports transmitted by the General Accounting Office for the month of March 1981; to the Committee on Governmental Affairs.

EC–1026. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 5519 of title 5, United States Code, relating to crediting amounts received for certain reserve or national guard service; to the Committee on Governmental Affairs.

EC–1027. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the financial statements of the Overseas Private Investment Corporation for fiscal years 1979 and 1980; to the Committee on Governmental Affairs.

EC–1028. A communication from the Assistant Attorney General of the United States (Administration), transmitting, pursuant to law, a report on a proposed new system of records for the Department of Justice for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–1029. A communication from the Supervisory Copyright Information Specialist, Copyright Office of the Library of Congress, transmitting, pursuant to law, the Office's annual Freedom of Information Report for 1980; to the Committee on the Judiciary.

EC–1030. A communication from the Freedom of Information Officer, U.S. Environmental Protection Agency, transmitting, pursuant to law, the annual report of the Agency under the Freedom of Information Act; to the Committee on the Judiciary.

EC–1031. A communication from the Chief Commissioner, U.S. Court of Claims, transmitting, pursuant to law, findings of the Court in the case of Viola J. Stewart, et al. v. The United States; to the Committee on the Judiciary.

EC–1032. A communication from the Director of the Administrative Office of the United States Courts, transmitting a draft of proposed legislation to authorize public defenders to certify payment of defense witness fees in Federal criminal cases; to the Committee on the Judiciary.

EC–1033. A communication from the President of the U.S. Railway Association, transmitting, pursuant to law, the Association's annual report under the Freedom of Information Act; to the Committee on the Judiciary.

EC–1034. A communication from the Director of the Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to update and improve the implementation of the Criminal Justice Act; to the Committee on the Judiciary.

EC–1035. A communication from the Director of the Administrative Office of the U.S. Courts, transmitting a report on applications for court orders to permit wiretaps during 1980; to the Committee on the Judiciary.

EC–1036. A communication from the Acting Commissioner of the Immigration and Naturalization Service, transmitting, pursuant to law, a report on orders entered in 2,826 cases in which authority was exercised under section 212(d)(6) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC–1037. A communication from the Acting Commissioner of the Immigration and Naturalization Service, transmitting, pursuant to law, reports on 2,825 visa petitions accorded third and sixth preference; to the Committee on the Judiciary.

EC–1038. A communication from the Secretary of Health and Human Services transmitting notice that the annual report of the Public Health Service will be late; to the Committee on Labor and Human Resources.

EC–1039. A communication from the Chairman of the Board of Sallie Mae transmitting, pursuant to law, the annual report of the Association; to the Committee on Labor and Human Resources.

EC–1040. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to emergency medical services; to the Committee on Labor and Human Resources.

EC–1041. A communication from the Secretary of Education, transmitting a draft of proposed legislation authorizing consolidation of 44 existing education programs; to the Committee on Labor and Human Resources.

EC–1042. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Older Americans Act; to the Committee on Labor and Human Resources.

EC–1043. A communication from the Secretary of Health and Human Services, transmitting pursuant to law, the annual report of the Director of the National Heart, Lung, and Blood Institute; to the Committee on Labor and Human Resources.

EC–1044. A communication from the Secretary of Housing and Urban Development, transmitting pursuant to law, an economic analysis of due-on-sale clauses; to the Committee on Labor and Human Resources.

EC–1045. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation entitled "Energy and Emergency Assistance Block Grant Act"; to the Committee on Labor and Human Resources.

EC–1046. A communication from the Secretary of Education, transmitting a draft of proposed legislation to amend the Morrill Act of 1890 and the Nelson Amendment of 1907; to the Committee on Labor and Human Resources.

EC–1047. A communication from the Director of the National Commission for Employment Policy, transmitting pursuant to law the annual report of the Commission; to the Committee on Labor and Human Resources.

EC–1048. A communication from the Administrator of the Small Business Administration transmitting, pursuant to law, vol. II of the Administration's 1980 annual report; to the Committee on Small Business.

EC–1049. A communication from the Acting Administrator of the Veterans' Administration, transmitting a draft of proposed legislation to authorize funds to the Republic of the Philippines to provide payments for care in the Veterans Memorial Medical Center; to the Committee on Veterans Affairs.

EC–1050. A communication from the Secretary of Health and Human Services transmitting a draft of proposed legislation to phase out certain Federal financial support of health maintenance organizations (HMO's); to the Committee on Labor and Human Resources.

EC–1051. A communication from the Under Secretary of Interior transmitting a draft of proposed legislation relieving the Secretary of the Interior from the responsibility of recommending areas to Congress for inclusion in the National Park System; to the Committee on Energy and Natural Resources.

EC–1052. A communication from the Secretary of Commerce transmitting a draft of proposed legislation authorizing appropriations for title III of the Marine Protection, Research, and Sanctuaries Act of 1972; to the Committee on Commerce, Science, and Transportation.

EC–1053. A communication from the Deputy Assistant Secretary of Defense for Administration transmitting, pursuant to law, a report on extraordinary contractual actions to facilitate the national defense; to the Committee on the Judiciary.

EC–1054. A communication from the Acting Director of the Federal Emergency Management Agency transmitting a draft of proposed legislation to amend the Disaster Relief Act of 1974; to the Committee on Environment and Public Works.

EC–1055. A communication from the Secretary of the Army transmitting a draft of proposed legislation to permit delayed active duty training for certain persons enlisting in the Reserve or National Guard; to the Committee on Armed Services.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–65. A petition from a citizen of Julian, California, responding to a privately circulated petition related to national defense; to the Committee on Armed Services.

POM–66. A petition from a citizen of South Laguna, California, favoring congressional cooperation with the efforts of the Reagan Administration to strengthen the military power of the United States; to the Committee on Armed Services.

POM–67. A petition from a citizen of Sun City, Arizona, favoring congressional cooperation with the efforts of the Reagan Administration in strengthening the military power of the United States; to the Committee on Armed Services.

POM–68. A joint resolution adopted by the Legislature of the State of North Carolina; to the Committee on Commerce, Science, and Transportation:

"RESOLUTION 21—HOUSE JOINT RESOLUTION 450

"A joint resolution urging the United States Congress to allow the States flexibility in the use of Federal-aid highway funds.

"Whereas, the State's continued population and economic growth, and the desirability of continuing to attract new industry to raise the standard of living of North Carolina's citizens makes it imperative that the State's good highway system be preserved; and

"Whereas, higher gasoline prices and boycotts have, since October 1973, reduced gasoline tax collections in North Carolina far below the amount that would have been collected based on the pre-1973 growth trend of seven and one-half percent (7.5%) per year; and

"Whereas, highway construction and maintenance costs, particularly for materials that are petroleum-based, are increasing at a rate of more than twenty percent (20%) per year; and

"Whereas, severe winter weather during the last few years has caused extensive damage to many roads in our State; and

"Whereas, these conditions have precipitated a crisis in State and local funding of highways in North Carolina; and

"Whereas, because of this crisis North Carolina will be unable to protect its existing highway system through maintenance activities and will be unable to match federal-aid highway construction funds apportioned to the State: and

"Whereas, all states in the United States are facing the same basic highway funding crisis; and

"Whereas, since 1916 the federal government has taken a strong partnership role with the states in planning the development of the nation's highway system and has provided a large share of the funding of this system; and

"Whereas, since 1970 the federal government has been providing seventy percent (70%) to seventy-five percent (75%) federal funding for construction of improvements to the Federal-Aid Primary System and Federal-Aid Secondary System; and

"Whereas, federal-aid highway legislation prior to 1978 required the states to use the federal aid solely for new construction, with maintenance remaining a State responsibility; and

"Whereas, the Surface Transportation Assistance Act of 1978 required that 20 percent (20%) of the aid for fiscal years 1979 through 1983 be expanded for "3–R" purposes (resurfacing, restoration, and rehabilitation); and

"Whereas, reduced driving resulting from the public's conservation effort requires federal and state lawmakers to reassess the need to appropriate more funds for highway construction; and

"Whereas, the Reagan Administration is considering a proposal to raise the federal gasoline tax, to allow states to use that additional tax, and to allow the states flexibility in redirecting the use of federal aid from the construction of new highways to the maintenance of existing roads and bridges: Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

"SECTION 1. The General Assembly of North Carolina urges the Congress of the United States to amend the Surface Transportation Assistance Act of 1978 to give states receiving federal-aid highway funds the necessary flexibility to use these funds for highway maintenance and other nonconstruction federal-aid highway needs that the Governor and legislature of each state feels are most important.

"SEC. 2. The Secretary of State is directed to send copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate and the members of our State's delegation to the United States Congress in order that they may be apprised of the sense of the North Carolina General Assembly.

"SEC. 3 This resolution is effective upon ratification.

"In the General Assembly read three times and ratified, this the 14th day of April, 1981."

POM–69. A concurrent resolution adopted by the Legislature of the State of Utah; to the Committee on Energy and Natural Resources:

CONCURRENT RESOLUTION

"Be it resolved by the Legislature of the State of Utah, the Governor concurring therein:

"Whereas, predatory animal control is necessary on all land in order to achieve proper livestock, wildlife, and land management;

"Whereas, the Legislature of the State of Utah recognizes that it is necessary to control predators that the carriers of infectious diseases such as rabies;

"Whereas, the sheep and cattle industries in Utah, as well as wildlife in general, are suffering heavy losses from predators;

"Whereas, the use of toxicants for predatory animal control has been banned throughout the United States;

"Whereas, those who have banned the use of toxicants do not fully appreciate the extent of predator damage and the ineffectiveness of non-lethal, non-capture methods, or the importance of the livestock industry, now and in the future, in meeting the nation's food, fiber, and energy conservation needs; and

"Whereas, the elimination of further research on safe toxicants is untimely, particularly in light of preliminary United States Department of Interior research indicating that toxicant 1080 can be used in a selective and environmentally acceptable manner without secondary poisoning.

"Now, THEREFORE, BE IT RESOLVED, That the General Session of the 44th Legislature of the State of Utah, the Governor concurring therein, memorialize the Congress of the United States to enact legislation establishing a national program for continuing research of safe toxicants for predatory animal control.

"Be it further resolved, That the Lieutenant Governor of the State of Utah forward copies of this resolution to each member of the Utah Congressional Delegation, the Speaker of the House of the United States Congress, the President of the United States Senate, the President of the United States and to the Secretary of the Department of the Interior."

POM–70. A resolution adopted by the City Council of Friendswood, Texas endorsing the Corps of Engineers project t Clear Creek, Texas; to the Committee (Environment and Public Works.

POM–71. A resolution adopted by the Senate of the Commonwealth of Puerto Rico; to the Committee on Finance.

"RESOLUTION

"To express the interest of the Senate of Puerto Rico to the Congress of the United States and to President Ronald Reagan, that the provisions of Section 936 of the Federal Internal Revenue Act shall remain in force.

"STATEMENT OF MOTIVES

"Puerto Rico, as well as the rest of the world, is undergoing an acute economic crisis as a result of the inflation which has closely affected all phases of the lives of the citizenry. One of the adverse effects that reflects the impact of this crisis is the uncontrollable rise in unemployment. As it continues its rise, it becomes ever more difficult to counteract its effects.

"Section 936 of the Federal Internal Revenue Act provides tax exemption on the earnings of subsidies of United States firms operating in Puerto Rico. This treatment is a considerable source of jobs, as well as of income to Puerto Rico's budget. This exemption is also an extremely important incentive for the establishment of new subsidiary firms on the Island, which, at the same time generate new jobs and revenues.

"If the exemption provided by said Section 936 is eliminated, it would strike a cruel blow against Puerto Rico's economy

and the Puerto Rican labor force, and consequently, to a great number of Puerto Ricans who, in turn, depend on it.

"One of the main duties of the Legislature, as the direct representative of the People, is to watch over the fiscal stability of the Country and all of those conditions and opportunities that would stimulate an increase in the labor force. In view of this, and answering to a legitimate concern that the exemption under Section 936 could be eliminated, the Senate of Puerto Rico considers as an unavoidable duty, to express itself in this regard, and make it known to the pertinent North American authorities.

"Be it resolved by the Senate of Puerto Rico:

"Section 1.—To express to the President of the United States, the Senate and the House of Representatives of the United States, the wish of the People of Puerto Rico that Section 936 of the Federal Internal Revenue Code that grants Federal tax exemption to the firms established in Puerto Rico that are subsidiaries of United States firms, shall remain in force.

"Section 2.—A copy of this Resolution shall be sent to the President of the United States, the Senate and the House of Representatives of the United States, and for such purpose shall be translated into the English language."

POM–72. A petition from a citizen of St. Petersburg Beach, Florida, praying for a redress of grievances against the U.S. Government; to the Committee on Finance.

POM–73. A resolution adopted by the St. Louis County, Minnesota Board of Commissioners, opposing any further military aid to El Salvador; to the Committee on Foreign Relations.

POM–74. A concurrent resolution adopted by the Legislature of the State of South Carolina; to the Committee on Foreign Relations:

"A CONCURRENT RESOLUTION

"Whereas, it is reported that approximately twenty-five hundred Americans remain in Vietnam, that the remains of four hundred United States servicemen are being held, and eyewitnesses indicate that several Americans are still alive in captivity throughout that region; and

"Whereas, the State of South Carolina reaffirms its hope and desire that time will not efface the memory of these valiant Americans who have made great sacrifices for their country; and

"Whereas, it is the sense of the General Assembly of South Carolina that vigorous efforts should be continued by the government of the United States to obtain the return of all Americans from Vietnam, Laos, Cambodia and other Southeast Asia countries. Now, therefore,

"Be it resolved by the House of Representatives, the Senate concurring:

"That the President and the Congress are memoralized to renew and intensify their efforts and negotiations for a full accounting and return of all Americans from Southeast Asia.

"Be it further resolved that a copy of this resolution be forwarded to the President of the United States, to the President of the United States Senate, to the Speaker of the House of Representatives and to each United States Senator from South Carolina as well as each member of the House of Representatives from South Carolina."

REPORTS OF COMMITTEES

Under the authority of the order of the Senate of April 29, 1981, the following reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 896. A bill to designate the control tower at Memphis International Airport the Omlie Tower.

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. 1078. An original bill to authorize appropriations for the Federal Elections Commission for fiscal year 1982 (Rept. No. 97–47).

By Mr. STAFFORD, from the Committee on Environment and Public Works; with amendments and an amendment to the title:

S. 533. A bill to establish public buildings policies for the Federal government, to establish the Public Buildings Service in the General Services Administration, and for other purposes (Rept. No. 97–48).

EXECUTIVE REPORTS OF COMMITTEES

Under the authority of the order of the Senate of April 29, 1981, the following executive reports were submitted:

By Mr. TOWER, from the Committee on Armed Services:

Henry E. Catto, Jr., of Virginia, to be an Assistant Secretary of Defense.

Russell A. Rourke, of Maryland, to be an Assistant Secretary of Defense.

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Arlene Triplett, of Virginia, to be an Assistant Secretary of Commerce.

Paul A. Vander Myde, of Virginia, to be an Assistant Secretary of Commerce.

(The above nominations, reported from the Committee on Commerce, Science, and Transportation, with the recommendation that they be confirmed subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HATCH, from the Committee on Labor and Human Resources:

Edward N. Brandt, Jr., of Texas, to be an Assistant Secretary of Health and Human Services.

(The above nomination reported from the Committee on Labor and Human Resources with the recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

Under the authority of the order of the Senate of April 29, 1981, the following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PERCY (by request):

S. 1054. A bill to authorize appropriations for the Inter-American Foundation for fiscal years 1982 and 1983; to the Committee on Foreign Relations.

By Mr. MCCLURE:

S. 1055. A bill for the relief of Adan and Sara Ronquillo, husband and wife, and their children Lavina and Marvin Ronquillo; to the Committee of the Judiciary.

S. 1056. A bill for the relief of Francisco Javier Varela and Sandra Elena Alvarez Valera, husband and wife; to the Committee on the Judiciary.

S. 1057. A bill for the relief of Cesareo Baca-Olivas and Candelaria E. Perez de Baca, husband and wife; to the Committee on the Judiciary.

By Mr. SIMPSON:

S. 1058. A bill to amend title 38, United States Code, to provide for the right of the United States to recover the costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State, and for other purposes; to the Committee on Veterans Affairs.

S. 1059. A bill to amend title 38, United States Code, to reduce certain disability compensation awards by the value of social security being received by the payee; to the Committee on Veterans Affairs.

S. 1060. A bill to amend section 315 of title 38, United States Code, to permit veterans with disabilities rated at either 10 or 20 percent to elect to receive a single lump sum compensation payment as an alternative to the existing schedule of monthly payments; to the Committee on Veterans Affairs.

S. 1061. A bill to amend section 3105 of title 38, United States Code, to authorize, with respect to persons eligible to receive certain types of retirement pay as well as pension or compensation from the Veterans' Administration, the inclusion of both such categories of benefits in a single periodic payment; to the Committee on Veterans Affairs.

S. 1062. A bill to amend chapter 23 of title 38, United States Code, to limit non-service-connected burial benefits to veterans with adjusted incomes of $20,000 or less, or with a net estate of $200,000 or less; to the Committee on Veterans Affairs.

S. 1063. A bill to amend section 906 of title 38, United States Code, to repeal the Administrator's authority to permit reimbursement for the cash equivalent of an official headstone or marker; to the Committee on Veterans Affairs.

S. 1064. A bill to amend section 314 of title 38, United States Code, to provide that veterans with service-connected disabilities rated at either 10 or 20 percent shall be paid compensation on an annual rather than monthly basis; to the Committee on Veterans Affairs.

S. 1065. A bill to amend title 38, United States Code, to eliminate education loans for veterans; to the Committee on Veterans Affairs.

S. 1066. A bill to amend title 38, United States Code, to limit educational assistance payments under certain circumstances; to the Committee on Veterans Affairs.

By Mr. BUMPERS:

S. 1067. A bill to allocate conservation storage at Greers Ferry Lake Project; to the Committee on Environment and Public Works.

By Mr. DECONCINI:

S. 1068. A bill to simplify trade procedures, to ease the regulatory burden of small businesses, to provide for contribution in horizontal price fixing cases and to expedite the resolution of antidumping cases; to the Committee on the Judiciary.

By Mr. DODD:

S. 1069. A bill to amend the United States Housing Act of 1937; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. QUAYLE:

S. 1070. A bill to extend the authorization for youth employment and demonstration programs, and for other purposes; to the Committee on Labor and Human Resources.

S. 1071. A bill to provide legislative savings in spending programs within the jurisdiction of the Committee on Labor and Human Resources of the Senate in order to assist in implementing the provisions of section 9, (C) (11) (A) of Senate Concurrent Resolution 9, as revised; to the Committee on Labor and Human Resources.

By Mr. BOREN:

S. 1072. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion from gross income of interest earned on qualified housing savings certificates; to the Committee on Finance.

By Mr. ARMSTRONG:

S. 1073. A bill to amend section 21 of the Act of February 25, 1920, commonly known as the Mineral Leasing Act; to the Committee on Energy and Natural Resources.

S. 1074. A bill to amend section 8 of the United States Housing Act of 1937; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. COHEN (for himself and Mr. MITCHELL):

S. 1075. A bill to amend section 204 of the Flood Control Act of 1965 (Public Law 89-298, approved October 27, 1965); to the Committee on Environment and Public Works.

By Mr. WARNER:

S. 1076. A bill to amend the Immigration and Nationality Act to exempt nonimmigrant aliens entering the United States to perform agricultural labor from the provisions of section 212 of that Act, relating to the establishment of adverse wage rates for nonimmigrant labor; to the Committee on the Judiciary.

By Mr. COHEN:

S. 1077. A bill to provide financial assistance to individuals who are least able to undertake energy conservation investments on their own; to the Committee on Labor and Human Resources.

By. Mr. MATHIAS:

S. 1078. An original bill to authorize appropriations for the Federal Election Commission for fiscal year 1982; from the Committee on Rules and Administration.

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 1079. A bill authorizing the President of the United States to present a gold medal to the widow of Joe Louis; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LAXALT (for himself, Mr. LEAHY, Mr. THURMOND, Mr. ROTH, Mr. BIDEN, Mr. EAGLETON, Mr. ROBERT C. BYRD, Mr. BENTSEN, Mr. MATHIAS, Mr. HATCH, Mr. DOLE, Mr. SIMPSON, Mr. EAST, Mr. GRASSLEY, Mr. DENTON, Mr. SPECTER, Mr. PERCY, Mr. STEVENS, Mr. DURENBERGER, Mr. MATTINGLY, Mr. KENNEDY, Mr. METZENBAUM, Mr. DECONCINI, Mr. BAUCUS, Mr. HEFLIN, Mr. CHILES, Mr. NUNN, Mr. SASSER, Mr. PRYOR, Mr. LEVIN, Mr. SCHMITT, Mr. HELMS, Mr. TOWER, Mr. HATFIELD, Mr. DOMENICI, Mr. WEICKER, Mr. GARN, Mr. BUMPERS, Mr. HARRY F. BYRD, JR., Mr. HUDDLESTON, Mr. DODD, Mr. GOLDWATER, Mr. LUGAR, Mr. COCHRAN, Mr. JEPSEN, Mr. KASTEN, Mr. HUMPHREY, Mr. KASSEBAUM, Mr. BURDICK, Mr. HOLLINGS, Mr. PELL, Mr. ARMSTRONG, Mr. PRESSLER, Mr. WALLOP, Mr. ABDNOR, Mr. D'AMATO, Mr. ANDREWS, Mr. SYMMS, Mrs. HAWKINS, Mr. QUAYLE, Mr. HAYAKAWA, Mr. FORD, Mr. RIEGLE, Mr. DIXON, Mr. MITCHELL, Mr. ZORINSKY, Mr. JOHNSON, Mr. BOREN, Mr. BOSCHWITZ, Mr. HEINZ, Mr. INOUYE, Mr. CHAFEE, Mr. NICKLES, Mr. MATSUNAGA, and Mr. GLENN):

S. 1080. A bill to amend the Administrative Procedures Act to require Federal agencies to analyze the effect of rules to improve their effectiveness and to decrease their compliance costs; to provide for a periodic review of regulations; and for other purposes; to the Committee on the Judiciary and the Committee on Governmental Affairs, jointly, pursuant to the order of April 29, 1981.

By Mr. MATHIAS (for himself, Mr. LONG, and Mr. DURENBERGER):

S. 1081. A bill to amend the Internal Revenue Code of 1954 to provide for a deduction for certain amounts paid into a reserve for service liability losses and expenses of design professionals and for other purposes; to the Committee on Finance.

Br. Mr. STAFFORD (for himself and Mr. ABDNOR) (by request):

S. 1082. A bill to authorize the necessary funds for the completion of certain comprehensive river basin plans for flood control, navigation, and for other purposes; to the Committee on Environment and Public Works.

S. 1083. A bill to amend the act approved August 8, 1972, Public Law 92-367, to authorize the Secretary of the Army to maintain and update periodically the National Inventory of Dams; to the Committee on Environment and Public Works.

S. 1084. A bill to authorize the Secretary of the Army to undertake further engineering and design of water resources development projects upon transmittal of a report to Congress recommending implementation of such projects; to the Committee on Environment and Public Works.

By Mr. DENTON (for himself and Mr. HATCH):

S. 1085. A bill to provide for the Headstart program, and for other purposes; to the Committee on Labor and Human Resources.

S. 1086. A bill to extend and revise the Older Americans Act of 1965, and for other purposes; to the Committee on Labor and Human Resources.

S. 1087. A bill to reauthorize programs under the Domestic Volunteer Service Act of 1973, and for other purposes; to the Committee on Labor and Human Resources.

S. 1088. A bill to promote the goal of economic and social self-sufficiency for American Indians, Hawaiian Natives, and Alaskan Natives; to the Select Committee on Indian Affairs.

S. 1089. A bill to consolidate and provide Federal block grants to States for home energy and emergency assistance, to eliminate unnecessary restrictions on the programs consolidated by this Act and increase the flexibility of States in the administration of such programs, and for other purposes; to the Committee on Labor and Human Resources.

S. 1090. A bill to amend the Public Health Service Act to support services and research relating to adolescent pregnancy and parenthood; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PERCY (by request):

S. 1054. A bill to authorize appropriations for the Inter-American Foundation for fiscal years 1982 and 1983; to the Committee on Foreign Relations.

AUTHORIZATION OF APPROPRIATIONS FOR THE INTER-AMERICAN FOUNDATION

● Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to authorize appropriations for the Inter-American Foundation.

This legislation has been requested by the foundation, and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the president of the Inter-American Foundation to the President of the Senate dated March 19, 1931.

The bill and letter are as follows:

S. 1054

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Inter-American Foundation Act of 1981."

SECTION 1. Section 401(s)(2) of the Foreign Assistance Act of 1969 (22 U.S.C. 290f(s)) is amended to read as follows:

(2) There is authorized to be appropriated not to exceed $12,000,000 for the fiscal year 1982 and such sums as may be necessary for fiscal year 1983 to carry out the purposes of this section. Amounts appropriated under this paragraph are authorized to remain available until expended.

SEC. 2. Section 401(h) of the Foreign Assistance Act of 1969 (22 U.S.C. 290f(h)) is amended to read as follows:

(h) Members of the Board shall serve without additional compensation, but shall be reimbursed for travel expenses, including per diem in lieu of subsistence, in accordance with Section 5703 of Title 5, U.S.C., while engaged in their duties on behalf of the corporation.

INTER-AMERICAN FOUNDATION,
March 19, 1981.

Hon. GEORGE BUSH,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Inter-American Foundation respectfully submits proposed legislation amending the Foreign Assistance Act of 1969 to authorize the sum of twelve million dollars ($12,000,000) for Fiscal Year 1982, and such sums as may be necessary for fiscal year 1983.

In addition, 22 U.S.C. 290f(h) is amended to make per diem rates for Board members consistent with those currently applicable governmentwide.

The Office of Management and Budget advises us that there is no objection to the presentation of this draft proposal to the Congress and that its enactment would be in accord with the program of the President.

If we can be of assistance in this endeavor, please do not hesitate to contact us.

Sincerely,

PETER D. BELL,
President.●

By Mr. SIMPSON:

S. 1058. A bill to amend title 38, United States Code, to provide for the right of the United States to recover the costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for nonservice-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State, and for other purposes; to the Committee on Veterans' Affairs.

S. 1059. A bill to amend title 38, United States Code, to reduce certain disability compensation awards by the value of social security being received by the

payee; to the Committee on Veterans' Affairs.

S. 1060. A bill to amend section 315 of title 38, United States Code, to permit veterans with disabilities rated at either 10 or 20 percent to elect to receive a single lump sum compensation payment as an alternative to the existing schedule of monthly payments; to the Committee on Veterans' Affairs.

S. 1061. A bill to amend section 3105 of title 38, United States Code, to authorize, with respect to persons eligible to receive certain types of retirement pay as well as pension or compensation from the Veterans' Administration, the inclusion of both such categories of benefits in a single periodic payment; to the Committee on Veterans' Affairs.

S. 1062. A bill to amend chapter 23 of title 38, United States Code, to limit nonservice-connected burial benefits to veterans with adjusted incomes of $20,000 or less, or with a net estate of $200,000 or less; to the Committee on Veterans' Affairs.

S. 1063. A bill to amend section 906 of title 38, United States Code, to repeal the Administrator's authority to permit reimbursement for the cash equivalent of an official headstone or marker; to the Committee on Veterans' Affairs.

S. 1064. A bill to amend section 314 of title 38, United States Code, to provide that veterans with service-connected disabilities rated at either 10 or 20 percent shall be paid compensation on an annual, rather than monthly basis; to the Committee on Veterans' Affairs.

S. 1065. A bill to amend title 38, United States Code, to eliminate education loans for veterans; to the Committee on Veterans' Affairs.

S. 1066. A bill to amend title 38, United States Code, to limit educational assistance payments under certain circumstances; to the Committee on Veterans' Affairs.

COST SAVINGS PROPOSALS OF THE COMMITTEE ON VETERANS' AFFAIRS

● Mr. SIMPSON. Mr. President, I am today introducing a series of nine bills. Each of these bills represents a cost-savings measure that the Committee on Veterans' Affairs will consider in legislative hearings next week.

I wish to point out for all interested parties that these bills represent a wide variety of cost-savings proposals that have been recommended to me for consideration, some quite controversial. I personally will express support for some of these proposals and I do not support others; but I sponsor them all in order that the committee may undertake their consideration, as well as the consideration of other cost-savings measures already introduced. They will all serve as vehicles for the final cost cuts that will be made.

The Veterans' Affairs Committee has committed itself to achieving $324 million in cost savings by May 31, and I have every reason to believe that the committee will be successful in its efforts. These bills should stimulate the debate.●

By Mr. BUMPERS:

S. 1067. A bill to allocate conservation storage at Greers Ferry Lake project; to the Committee on Environment and Public Works.

LEGISLATION RELATING TO WATER STORAGE IN GREERS FERRY LAKE, ARK.

● Mr. BUMPERS. Mr. President, today I am introducing a bill, which would prohibit the Corps of Engineers from levying an unfair charge against Heber Springs, Ark., for water storage in Greers Ferry Lake. At the time this reservoir was authorized in 1954, Heber Springs was taking water for municipal use from the Little Red River. With construction of the dam on the Little Red River the city lost its source of water, so in 1960 the corps assumed the responsibility of relocating the city's water supply intake and pipeline from the banks of the Little Red River to the edge of Greers Ferry Lake. The city has been taking its water from the lake at no charge since completion of the project.

Recently, the Corps of Engineers has made efforts to get the city to enter into a contract to pay for withdrawal of water in excess of the pumping capacity prior to the project. When the corps relocated the city's facilities, they provided a 580-gallon-per-minute water supply intake, which equaled the capacity the city had at the time. The city has since expanded its facilities to provide for 1,000 gallons per minute.

Although the Water Supply Act of 1958 gives the Corps of Engineers authority to charge for water storage, it also states that the corps must get an agreement from State or local governments prior to construction or modification of a project that they will pay these charges. The corps did not contract with the city for charges of withdrawal of water at that time. In fact, the only agreement between the corps and the city was for relocation of the water supply intake and pipeline.

The city contends, and I agree, that since they would still be able to withdraw water from the Little Red River if the corps had not constructed the lake, they should not be required to pay for water storage now. However, the city is willing to pay for water from the lake in excess of 1,600 gallons per minute, which is its projected need in the year 2000. This bill would authorize the corps to allocate to the city 2,090 acre-feet for storage for its water supply, which would provide 1,600 gallons per minute.

Mr. President, the design memorandum for the relocation of the Heber Springs water supply discussed an attorney's report on the city's water rights and stated:

> The Attorney's Report . . . establish the fact that the Heber Springs water rights are recognized as "prior rights," and the Greers Ferry Reservoir water rights are, therefore, a "subsequent right" by the project authorizing document. The "first in use" is recognized, generally, by the courts as the "first in rights."

This bill would protect those rights for the city of Heber Springs.●

By Mr. DECONCINI:

S. 1068. A bill to simplify trade procedures, to ease the regulatory burden of small businesses, to provide for contribution in horizontal price fixing cases and to expedite the resolution of antidumping cases; to the Committee on the Judiciary.

SMALL BUSINESS INNOVATION AND SIMPLIFICATION ACT OF 1981

● Mr. DECONCINI. Mr. President, today I am introducing the Small Business Innovation and Simplification Act of 1981. This bill is designed to get at some of the basic problems which inhibit the growth of the small and midsized businesses in this country, and also is designed to create a more expansive environment in which such businesses will be encouraged to increase productivity, create new markets, and sell their products abroad as well as domestically. Statutes and regulations which have governed business for many years have proven to be unwieldy and actually counterproductive to the growth and development of innovation and productivity in American business.

Modern day economic conditions, both domestic and international, require us to rethink many of the basic assumptions about what works or does not work to support and encourage the great economic potential of this country.

This bill is designed to release certain economic constraints which have frustrated the natural evolution of the small and midsized businesses in this country.

TITLE I

This title is designed to encourage small- and medium-sized business to export, to encourage productivity and to encourage innovation.

The favorable impact which expanded exports could have upon the depressing economic conditions we face can hardly be overestimated. Our chronic trade deficits constitute both a spur to inflation and a drag on domestic employment and overall productivity. Exports are needed to offset the effect of massive oil imports, which are not likely to abate significantly for a number of years.

The United States is the world's largest trading nation with combined imports and exports valued at more than $326.71 billion in 1978 compared with $35 billion in 1960. As bad as inflation has been, U.S. trade in 1978 still showed an increase based on 1960 prices of 350 percent—$143.57 billion of the 1978 trade turnover figure were U.S. exports, sales abroad which in many instances produced jobs at home. These agricultural and manufacturing activities contributing the lion's share of the U.S. export total also represented 8 percent of the U.S. gross national product for 1978.

What these figures tell us is how important exports are to both the national economy and local economies.

Still, we face a declining share of the growing world trade market which showed a 25-percent increase in 1979 to more than $9,600 billion. And while free world exports have grown at a brisk rate over the past 20 years, the U.S. share dropped from 20 percent in 1960 to 17 percent in 1970 to about 14 percent today. If our share of the export market had remained at the 1970 level, we would have no trade deficit today. But rising oil prices have obstructed efforts to tread water in this case and today we are

faced with a challenge of regaining our position in the market.

While help appears to be on the way with a growing demand for U.S. export of coal, we must take a number of steps at this time to rationalize present Government regulations which only more and more provide obstacles in exports with no enduring public policy benefit.

Finally, the more we export, the stronger the dollar becomes. Although progress was realized last year in the balance of trade situation of the United States, it still is a severe problem.

A strong export sector is also needed to help shore up America's tenuous position of leadership in international affairs. As we enter the crucial implementation phase for the multilateral trade agreements, the performance of U.S. exports will become the critical factor in determining whether the agreements represent a boon to economic growth.

Unless we act immediately to take advantage of the new markets opened up for our products, the net effect of the multilateral trade agreements will be to facilitate foreign penetration of our domestic markets and denial to our exporters of overseas markets, to our enduring disadvantage.

Mr. President, there can be little doubt that the United States can expand our exports through greater inclusion of medium and small businesses. In fact, we have not begun to tap our economy's full export potential. The Department of Commerce recently estimated that 20,000 additional firms could engage in exporting, but for some reason do not. This is export potential above and beyond the capacity of current exporters to expand their overseas activities. Nearly all of these 20,000 firms are small- and medium-sized companies which have never before exported. You can be sure that an untapped potential of this magnitude does not exist in, say, Japan or Germany, because these are countries where policymakers understand the importance of exports, and leave no stone unturned in the search for additional ways to expand their markets.

For our export expansion efforts to succeed, however, we must look at present regulations in current law which constitute real export barriers unrelated to national security. One of these areas in past years has been that of the application of U.S. antitrust laws to exporters. Just as the benefits of antitrust legislation in the domestic market have been substantial, their "extraterritorial application" has not always provided the same level of advantage to the worker, producer and consumer. Part of the reason is the fact that in a world of over 160 nations, only about 30 have comparable legislation. And of those, extraterritorial application of these statutes has clearly a secondary position to export policies.

American companies have indicated that no other nation so restricts export enterprises such as joint ventures abroad or licensing foreigners to produce patented or trademarked goods abroad as does the United States. Other areas of activity are restricted as well, but perhaps the most consistent criticism has been the lack of firm and precise guidelines on what is and is not permitted in terms of economic activity overseas.

This may be why so many of our small businesses fail to realize their export potential. The single greatest factor distinguishing U.S. trade policy from that of our major competitors is that our Government has not placed a high institutional priority on exports, and thus continues to burden exporters with regulations, paperwork, and outright interference derived from bureaucratic pursuit of competing objectives. In many cases, this interference is both unintentional and unnecessary, and stems from a failure to evaluate domestic programs from the point of view of the importance of export promotion. Needless to say, such Government impediments to exporting, unrelated to national security, fall most heavily on small business, which do not have the time, money, or legal resources to run the gauntlet of redtape.

This title will help in our efforts to mobilize potential exporters, and eliminate one very important, unintended and unnecessary Government impediment without sacrificing the principle of "workable competition" in the domestic market which antitrust laws were established to promote.

The impediment involved is the uncertainty, confusion, and outright fear generated among potential exporters by the extraterritorial application of antitrust laws by Federal agencies. A number of academic studies conducted during the last few years have amply demonstrated that the uncertain state of extraterritorial antitrust enforcement inhibits businesses already involved in exporting. More serious still is the effect on potential exporters, most of which, again, are small- and medium-sized businesses with no erperience. Often the only information these companies possess concerning antitrust enforcement is derived from newspaper and trade journal accounts of spectacular prosecutions involving enormous penalties. As a general rule, they do not have access to legal specialists trained in this tremendously complex area of law, and their own lawyers are likely to advise extreme caution.

The problem is not just that the antitrust laws prohibit activities which could help mobilize potential exporters. The more basic problem is that the lack of accurate information has created an impression that many more activities are subject to prosecution than is actually the case.

The logical source for accurate information concerning the scope of antitrust laws applied to overseas transactions is the enforcing agency itself. But agency personnel, who generally share a prosecutorial ethic, quite naturally do not consider it their job to notify potential violators of activities not subject to prosecution. Furthermore, enforcing agencies do not presently have the means to insure broad public understanding of extraterritorial antitrust enforcement.

This title of my bill would provide such means to the Justice Department and the Commerce Department. Its basic aim is to encourage the issuance of comprehensive disclosures indicating the Justice Department's enforcement intentions concerning broad areas of export activity, keyed to specific product sectors and country markets. The bill would make these disclosures reliable by prohibiting enforcement actions against exporters conducting business pursuant to a disclosure. The disclosures themselves are designed to be easily communicable to small- and medium-sized companies, through trade journals and business magazines.

To further promote effective disclosures, the legislation provides that the Department of Commerce may give limited assistance, on a reasonable fee basis, to smaller companies wishing to petition the Justice Department for a disclosure statement.

As a corollary to the comprehensive disclosure authority, this legislation also makes the Justice Department's current procedure for enforcement statements concerning particular export transactions binding on future enforcement actions.

Monitoring of business compliance with the terms of disclosures is provided for through an injunction proceeding to terminate unauthorized export activities.

Finally, congressional oversight is facilitated through strict reporting requirements imposed on the Justice and Commerce Departments. Within a year, the Congress should be in an excellent position to evaluate the effect of antitrust enforcement on our international trade posture.

The impact of this legislation upon small business exports should be immediate and quite substantial. A very conservative estimate is that six major areas of export activity would be cleared the first year. Assuming only 10 medium-sized businesses utilized the disclosure to begin exporting—again, a quite conservative estimate—$600 million in new export sales could be generated during the first year. This translates into 24,000 new jobs for our sagging economy, and around $15 million in unforeseen tax revenues. All these benefits would be obtained for an expenditure of about $350,000—or less than $15 per permanent job created. Since expanded exports would also help reduce inflation, by reducing the trade deficit, it is obvious that this legislation is an unusually cost-efficient means of stimulating the economy.

It must also be emphasized that this proposal would in no way alter the substance of our antitrust laws, or affect domestic competition. Nor would the Justice Department disclosure program encourage any great measure of concentration in the export sector, since larger companies with access to teams of antitrust lawyers will not benefit significantly. In fact, greater involvement of smaller businesses in exporting could actually reduce the domination of export markets by large multinational corporations.

I regard this title of my bill as an important step—a demonstration by the Congress that it will act to remove obstacles to small business exports where no compelling justification can be offered.

Academic observers are not alone in pointing to extraterritorial antitrust enforcement as an appropriate starting place for a new attitude toward exports while also pointing out the evidence of special burdens placed on small businesses in this country in this area. In fact, this legislation closely parallels policy recommendations adopted unanimously by the National Governors' Association in February 1980. This is legislation which can be supported by all concerned with strengthening our small business exports, regardless of their views on antitrust law or international trade policy.

TITLE II

Title II of my bill will directly address a need of many business people, especially those involved in small- and middle-sized businesses. Today, ordinary business people who want to start a new business or manufacture a new line of products are faced with an initial difficult question: How to learn what Federal regulations and rules will apply to what they are trying to do? This proposal will provide them with a way to get an answer, directly and easily. It means that business people will be able to learn with a single inquiry all the rules with which they have to deal as they go forward in their future planning. It also means that for the first time agencies will have to identify in their rulemaking the people who will be subject to their rule.

Mr. President, it is an unfortunate fact of life that the small business person must overcome many obstacles to his success in this era of multiplying Federal regulations. I applaud the new administration's efforts to eliminate unnecessary rules and regulations. We are now floating in a sea of already existing regulations, and the head of a manufacturing firm finds it is a difficult and risky task to try to navigate his operation. All of us in Congress have received pleas from business people in our States to help them find out with what agencies or regulations they will be dealing if they go ahead with a new business or new products. Every now and then there is the sad case of someone who has moved ahead in planning only to find that the costs will be greater than anticipated because there will be consequences from unforeseen regulations.

We deal with these problems as best we can, but it is a telling commentary on the Federal bureaucracy which has become such a major factor in every businessperson's life that it has not provided a way to let him or her know where and when its rules will impact. Behind this phenomenon is the apparent disinterest on the part of the agencies to consider and identify in their own planning those who will be affected by what they do.

The procedure in title II is a simple one, and can be carried out without extra cost. It requires that agencies, when they are preparing a proposed or final rule for publication in the Federal Register, determine the kinds of manufacturing which will be subject to the rule and identify them according to the standard industrial classifications. The agencies then simply supply those as a separate information element and place it before the written description of the rule. The Federal Register publishes the rule with the SIC information and the information is also stored so that it can be retrieved by computer. The Director of the Register is directed to set up a Business Information Center whose job it is to make this information readily available.

From his or her end, the businessperson is now equipped to find what rules will apply to him or her. He or she is familiar with the SIC because he or she is required to supply information about his or her SIC code to the Census Bureau and others. The SIC code breaks down categories of manufacturing to a fine degree.

Through this legislation, the businessperson will be able, first, to look at proposed and final rules in the Federal Register and tell at a glance if he or she is affected by the rule. This means that the small businessperson will be alerted to upcoming rules and can take advantage of the public comment period before the rule goes into effect. Second, he or she will be able to contact the Small Business Information Center established under the direction of the Director of the Federal Register and retrieve a total listing of all rules which apply to him or her.

Mr. President, this title of my legislation offers a practical solution to a practical problem. It goes a long way to give the business community a handle on how to work more easily and efficiently with Federal agencies. It provides a commonsense approach to answering a question: How to plan ahead with full knowledge of the rules and regulations which will have a bearing on those business plans.

TITLE III

Title III of my legislation is designed to rationalize the process of the allocation of damages in a horizontal antitrust price-fixing suit, so that the largest and most responsible price-fixers do not escape their share of the liability, and so that smaller- and middle-sized businesses which find themselves in the midst of a price-fixing suit are not left responsible for the liability caused by another's wrongdoing.

As we seek more effective enforcement of the antitrust laws against price-fixers in an effort to effectuate the central purpose of the antitrust laws, to provide consumers with better products at lower prices by maintaining competitive markets, and which ultimately encourage innovation and productivity, we must also assure fairness as among defendants, including those who may be at most tangentially related to the charged wrongdoing and who in fact may be wrongly accused. Laws which are legitimately designed to deter and punish wrongdoers should not be used to permit collusive settlements by the plaintiffs with the largest and often most culpable defendants, while extracting larger, or at least proportionately larger payments from smaller, often more vulnerable defendants. A companion bill, H.R. 1242, has been introduced in the House by Congressman BROOKS.

Currently, an alleged price-fixer, under the principle of joint and several liability, is considered liable for the damages attributable not only to its own particular sales to the plaintiff or plaintiffs, but also for the damages attributable to the sales of all co-conspirators. Accordingly, each defendant faces the possibility of liability for treble the entire damages caused by all defendants combined.

In many cases, defendants can arrange to enter into sharing agreements—usually based on relative sales—to apportion the liability among themselves in a way that will avoid grossly disproportionate payments by any one defendant. But it is clear that such sharing agreements are not always possible, especially in nonconcentrated industries with numerous small and medium sized companies in addition to large multinationals and conglomerates.

In cases where sharing agreements cannot be worked out, the effect of this open-ended liability on a smaller defendant who wishes to defend its innocence is to drive it into settlement, even if it believes that the risk of its being found liable is small. It also means that if one or more defendants settle a price-fixing case—for less than their proportionate share of the total liability—without persuading the plaintiff to agree not to seek treble damages with respect to the settling defendants' sales, those who remain in the litigation face the prospect of enormous liability since they would remain liable even for treble the damages caused by settling defendants, as well as their own, less the amount paid in settlement.

Moreover, at least according to some authorities, a losing defendant is not only liable for the damages on all the conspirators' sales, but is also liable for damages on sales by a nonconspirator if, and to the extent that, the plaintiff proves that the prices of the sales of such nonconspirator were affected by the conspiracy.

The result is to allow plaintiff's counsel to settle relatively inexpensively with—or simply not sue—some defendants—usually the large and most responsible or those who want out as quickly as possible—and force the remaining defendants—often those who have the best case or are in the poorest financial position—usually the smaller companies—to settle at a higher rate rather than run the risk of huge liability for not only their own damages but also for the damages of those who opted early and cheaply.

This title will end the abuse of the early out defendant by relieving a defendant of the liability attributable to the defendants who settle and by allowing the defendant to seek contribution from those conspirators who do not settle—or who are not sued by the plaintiff. The defendant could do this in the same action or by instituting a separate action. As a practical matter, this would mean that in most cases—except, for example, where a coconspirator was insolvent or not present in the United States—a losing defendant would be liable, in the end, only for damages caused by its own sales. This title would not, however, change the principle of joint and several liability and thus

would not impair the plaintiff's rights vis-a-vis any defendant. It would only affect the relationship among defendants by putting those defendants who cannot work out sharing agreements—usually the smaller companies in fragmented industries—on roughly the same litigation footing enjoyed by those who can obtain agreements—usually large companies in concentrated industries.

This right of contribution should not overly complicate antitrust price-fixing cases or cause the plaintiff to lose control over its case. In many cases as noted, parties would enter sharing arrangements, which are not affected by this legislation. In cases where the claim for contribution was brought as a cross-claim or by way of impleader in the main action, the plaintiff's claim would in no way be affected and the judge would have discretion to sever or stay the contributors' claims to avoid complications if necessary.

In those situations where a defendant chose to pursue its right of contribution in a second action, the defendant would have to prove that the alleged coconspirator, if not a party to the original action, was in fact a coconspirator—however, that would be a problem among the defendants and would in no way affect the plaintiff's rights to complicate its lawsuit.

The restructuring of the manner in which damages are apportioned in an antitrust price-fixing suit will introduce added elements of fairness and rationality as well as deterrence into the litigation process as a whole. No longer will a defendant who chooses to defend itself rather than bow to settlement pressure be left potentially "holding the bag." At the same time, as each member involved in the conspiracy will be required to pay its fair share of the liability, each defendant will be aware that it cannot escape the responsibility for its own acts and will behave accordingly.

TITLE IV

Title IV of my bill will provide an additional avenue of relief to workers and firms adversely impacted by unfairly priced imports to those already available through the Department of Commerce, the U.S. International Trade Commission, and the U.S. Special Trade Representative's Office.

Mr. President, the failure to enforce the antidumping and other fair trade statutes of this country in a timely manner is inflationary. It is inflationary because the result of predatory pricing policies and other unfair trade practices by foreign competitors cost Federal, State, and local governments billions of dollars in lost revenue and increased unemployment compensation without buying us any enduring consumer benefit. A loss of a productive job due to foreign trade means a loss of tax revenue and a necessary expenditure in trade adjustment assistance payments. A plant closing means a loss of tax revenues because there are no profits to tax and because a loss will be calculated against future profits if the firm is more than a one-company operation. A growing dependence on products from foreign sources results in U.S. dollars going overseas, increasing the balance-of-trade deficit and making our fight against inflation that much tougher.

A reciprocal lowering of tariff and nontariff barriers to facilitate the free flow of fair trade is a goal which we in Congress have steadfastly supported. I voted for the Trade Agreements Act of 1979 which sought to lower trade barriers to all countries. But when trade between countries is neither free nor fair, when pricing practices are undertaken specifically to eliminate or injure an American company or entire industry by the exporting country, then we have to move swiftly and augment the existing statutes so a firm does not disappear before import relief can be obtained.

MUST RECOGNIZE INTERNATIONAL REALITIES

The American marketplace is the most open and the most prized in the world. Compared to other countries of the world, we have a tradition of open borders, both in terms of political tradition and economic policies. But we must understand the changing realities of the international marketplace and be prepared to utilize legally recognized remedies to provide relief to workers and firms threatened by unfair trade practice because these practices threaten the future economic well-being of our country as well.

In order to accomplish this, this title of my legislation would prohibit any person from either importing, assisting in importing, or causing the importation or sale of articles from a foreign country at a price substantially less than the market value or wholesale price of such articles in the principal markets of the country of their production or other foreign countries to which they are commonly exported if first, the sale of these articles would necessarily and directly injure an industry or labor in any line of commerce; second, the sale would prevent, in whole or in part, the establishment of an industry in the United States or, third, restrain or monopolize any part of trade.

In order to obtain this result, my legislation will permit suit to be filed by any person for any violation of, or combination or conspiracy to violate this section in the district court of the United States or any other appropriate court. The result of such action would be an injunction against importation or articles which are resulting in the injury described above because of their sales at less than fair market value. To expedite this process, the district court judge would have a 120-day deadline after the filing of a complaint to make a final judgment.

Even though the Trade Agreements Act of 1979 provided changes and improvements in the procedures and administration of countervailing duty and antidumping laws, we are still looking at a speedy 280-day investigation between the time which an antidumping petition is filed with the Department of Commerce and a final determination is made by the U.S. International Trade Commission to permit the imposition of antidumping duties. So, I think this legislation as it has been described does make an improvement in terms of timeliness.

We must recognize, Mr. President, that in a number of nations governments act in concert with their national companies to formulate and carry out policies calculated to penetrate foreign markets while keeping their domestic markets closed. We see this in an announcement from Japan where the major computer companies of Japan have combined in a program under government sponsorship to penetrate and dominate the world computer market. American steel companies have for a long time recognized that they were suffering from unfair foreign competition from products which were either dumped or priced because of foreign government subsidies in a manner to permit capture of U.S. markets. These are but two examples of the situation which I am talking about.

The effect of such unfair competition in American markets is not felt solely by the shareholders and owners of American business. It is also felt by workers, who are often the first victims of unfair competition—victims, because the loss of an order to a foreign competitor means the immediate loss of a job in the United States.

The United States was singly responsible for the rejuvenation of the industries of Western Europe and of Japan. This was done by American foreign aid, by American loans, and by the export of American technology. It was done by permitting those foreign countries to have restrictive import laws while permitting our markets to remain open. The development of the Japanese automobile industry is a stunning example of this.

Because of America's generosity those nations are now better equipped in some areas than the United States to engage in free and fair competition. But so often, this foreign success in our marketplace was due to an unfair trade practice. The time has come to assure that when an import sale is made in the United States, which results in the loss of an American job, it is a sale which the importer has earned because of superior technology or superior production techniques. The sale cannot and must not be one which is engineered as a result of foreign government subsidies and unfair competition.

The Antidumping Act has been on the statute books for years, but as testified to by the experiences of the steel companies the remedies within Treasury were inadequate. Antidumping is now administered by the Department of Commerce but the remedies remain inadequate.

A right, if it is to be enforced, must be inforced in a timely and economic manner. The executive branch does not provide an adequate remedy against foreign predatory trade practices because the State and Treasury Departments combined with the Office of the President, weigh their actions in predatory trade practices enforcement against the monetary and often illusory needs of international diplomacy.

An injured American worker or businessperson must be given direct access to the courts, a timely hearing, a timely resolution and an economic proceeding with respect to a complaint. The purpose of this is not to restrain trade; it is to

protect American jobs by assuring that any American faced with the loss of his job or his business sales to a foreign competitor, has an expeditious, economic and real remedy which will provide immediate relief against predatory foreign competition. A remedy which comes 6 months, 1 year, 2 years, after the injury, is no remedy at all. The worker affected has been laid off, has moved elsewhere, and has suffered deprivation as has his or her family. This bill provides direct access to the courts or anyone injured by predatory foreign trade practice and provides for an expeditious and economically efficient hearing and judgment.

COSTS OF IMPORT RELATED UNEMPLOYMENT IS CLIMBING

Mr. President, to return a moment to the point that unfairly priced imports unchecked by aggressive enforcement of antidumping statutes, or because of the nature of the laws themselves, are a cause of inflation, we need only to look at the history of the trade readjustment allowance program. As my colleagues know, this program was established to compensate workers through a supplemental unemployment benefit for their displacement due to imports. While it is not possible to say that all import related unemployment was due to "dumping" or other unfair trade practice, it is clear that those industries most vulnerable to predatory trade practices did show high levels of unemployment.

While the trade adjustment assistance program is one which I fully support because of the principle that no single worker or group of workers should be singled out to bear the burden sometimes caused by free trade as a national policy, we must also face some basic facts. Workers would prefer to work. While special allowances are due them, we all understand and should appreciate that when a man or woman is unemployed, there is a loss for which we cannot compensate. So, on this count alone, I think we just have to do a better job in seeing that workers and firms can obtain timely protection. And this title of my bill does that by adding our court system to the process of remedy to halt the consequences of unfair trade practices.

For too long, this Senator has heard from small- and middle-sized firms in his State asking for speedy relief from unfairly priced imports and heaven and earth had to be moved before some relief occurred. For too long we have witnessed situations where import relief was coming only when the firm requesting it was a sole surviving company of the entire industry and was about to disappear. For too long we have been reluctant to insist that other nations—who sometimes seem to be waging a trade war against us with the bullets and bombs of government subsidized goods and artifically low-priced imports—play by the rules of the game. In short, the time has come to say to U.S. firms and workers that your Government is behind you. Your Government is not a public relations firm for "Japan, Inc." or "France, Inc." We will enforce the law. And we will not delay and in the process deny justice.

Mr. President, I know it sounds odd to call this particular cadence with respect to the admittedly complex problems of international trade policy. But if we have learned anything through our experience with OPEC and our growing awareness of the vulnerability of our economy to external economic factors, we cannot ignore the realities of today's world.

Mr. President, I ask the bill be printed in the RECORD.

The bill follows:

S. 1068

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Innovation and Simplification Act of 1981".

TITLE I

FINDING AND CONCLUSIONS

SEC. 101. (a) The Congress finds that—

(1) the unpredictable and conflicting nature of antitrust enforcement and interpretation by United States agencies has caused unnecessary confusion among exporters as to the scope of legitimate overseas activities;

(2) the antitrust laws relating to export sales are extremely complex; yet most small- and medium-sized companies likely to export do not as a practical matter have access to specialized legal advice in this area;

(3) the application of antitrust laws to exporting activities does not reflect critical differences in competitive conditions among various country markets for different products;

(4) the extension of court-made rules developed in the context of domestic commerce to overseas activities does not always reflect the intent of antitrust legislation, and needlessly inhibits legitimate and much needed export sales; and

(5) United States agencies applying antitrust laws to export sales do not sufficiently coordinate interpretation and enforcement practices among themselves, or with other agencies responsible for foreign policy, international trade policy, export promotion, and international monetary policy.

(b) The Congress concludes that—

(1) exporters should not be subject to conflicting demands by diverse United States agencies applying antitrust laws extraterritorially;

(2) United States agencies enforcing antitrust laws should help reduce uncertainty by informing small- and medium-sized companies in a clear, direct, and inexpensive manner, of conduct and structural arrangements which will not be subject to antitrust prosecutions if associated with the export of particular products or services to specific country markets during specified time periods;

(3) legal interpretations and enforcement practices associated with the application of antitrust laws to export activities, as well as the economic consequences of such interpretations and practices, should be communicated to Congress and the public in a timely and effective manner;

(4) conduct and structural arrangements of United States exporters which materially expand overseas sales should be permitted: *Provided,* That they do not have a substantial negative impact on our commerce with foreign nations or otherwise conflict with basic substantive principles and objectives of existing antitrust laws; and

(5) legal interpretations and enforcement practices associated with the application of antitrust laws to export activities should be developed in concordance with considerations underlying foreign relations, international trade and monetary policy, national security, and export promotion.

DEFINITIONS

SEC. 102. For purposes of this title—

(1) The term "structural arrangement" means a situation or course of action that affects the pattern of ownership or control in industry.

(2) The term "conduct" means a practice that may affect domestic competition but does not directly affect the structure of ownership or control in industry.

(3) The term "disclosure" means a statement published by the Attorney General or the Assistant Attorney General for the antitrust division under section 204(a) describing conduct and structural arrangements relating to export sales that will not be subject to criminal or civil prosecution under the antitrust laws.

(4) The term "antitrust laws" means the Sherman Act, the Federal Trade Commission Act, the Clayton Act, and any other Acts in pari materia.

STUDIES BY ATTORNEY GENERAL

SEC. 103. (a) The Attorney General, in consultation with the Secretary of Commerce and the heads of other United States agencies with enforcement responsibility under the antitrust laws, shall conduct studies to determine whether—

(1) the conduct and structural arrangements employed in various countries by various types and sizes of United States businesses to expand exports conflict significantly with basic antitrust principles; and

(2) a more liberal enforcement policy for overseas activities than would be appropriate for domestic transactions would impede thorough implementation of the legislative intent of the antitrust laws.

(b) On the basis of studies carried out under subsection (a), or other information available to the Department of Justice, the Attorney General shall identify conduct and structural arrangements associated with particular types of export sales which the Attorney General determines would not warrant criminal or civil prosecution under the antitrust laws by the Department of Justice.

(c) The initial studies made under subsection (a) shall be completed within one year after the date of enactment of this title and shall be updated annually.

PROCEDURES

SEC. 104. (a) The Attorney General shall—

(1) publish a description of conduct and structural arrangements identified pursuant to section 203 (b) as not meriting criminal or civil prosecution under the antitrust laws and shall make the published description available to all potentially interested exporters; and

(2) establish procedures to assure a prompt response to—

(A) petitions from individual exporters or classes of exporters for the issuance of descriptions under paragraph (1); and

(B) petitions from an individual exporter or group of exporters for the issuance of a statement of civil and criminal enforcement intentions concerning specific conduct in which the petitioner proposes to engage, or structural arrangements the petitioner proposes to establish, in connection with exports.

(b) The Secretary of Commerce may intervene at any time to request that the Attorney General publish a description under subsection (a)(1) with respect to conduct or structural arrangements or to reconsider a description published under such subsection. Within thirty days after receiving such a request from the Secretary, the Attorney General shall take whatever action he determines to be appropriate with respect to the request and inform the Secretary of the determination and action taken. The action of the Attorney General shall be final and shall not be subject to judicial review.

(c) The Attorney General shall establish appropriate forms and procedures for the purpose of—

(1) communicating disclosures issued under subsection (a) to affected parties;

(2) informing exporters of specific actions

they must take to obtain disclosures pursuant to subsection (a), or to be deemed covered by disclosures made pursuant to subsection (a)(2);

(3) determining actions exporters have taken in reliance on such descriptions; and

(4) identifying problems associated with discharging the evaluation, disclosure, and monitoring functions authorized under this title.

(d) Upon request, the Secretary of Commerce may, on a reimbursable basis, provide legal assistance to existing and potential exporters who are unable to obtain specialized antitrust counsel. Such assistance shall be limited to assistance in obtaining enforcement intention disclosures provided for under subsection (a)(2).

(e) Agency proceedings and agency actions (as defined in paragraphs (12) and (13), respectively, of section 551 of title 5, United States Code) under this title shall not be subject to subchapter II of chapter 5 of title 5, United States Code (other than sections 552, 552a, and 552b).

COMPLIANCE BY EXPORTERS

SEC. 105. (a) Notwithstanding any other provision of law, an exporter shall not be subject to civil or criminal prosecution under the antitrust laws by any Federal agency if—

(1) the exporter, or group of exporters, notifies the Attorney General, pursuant to procedures established under section 104(c)(2), that the exporter or group intends to engage in conduct or to establish structural arrangements which have been designated by the Attorney General as conduct or structural arrangements not subject to civil or criminal prosecution under the antitrust laws, and the Attorney General does not object to the proposed conduct or arrangement within thirty days and inform such exporter, or group of exporters, of the specific reasons why the proposed conduct and structural arrangements are not covered by disclosures made pursuant to section 104(a); or

(2) the exporter requests a statement of civil and criminal enforcement intentions concerning a particular transaction pursuant to section 104(a)(2)(B), and within sixty days after the date of the request—

(A) receives an approval from the Attorney General, or

(B) does not receive an objection in writing from the Attorney General to the transaction setting forth the specific reasons why the transaction is in conflict with specific provisions of the antitrust laws.

(b) Whenever the Attorney General objects to proposed conduct or structural arrangements under paragraph (1) or (2) of subsection (a)—

(1) the Attorney General shall notify the exporter or group of exporters of such objections within thirty days (sixty days in the case of a request described in paragraph (2) of such subsection) after receiving notification regarding the proposed conduct or structural arrangements and shall notify the exporter or groups of exporters involved that they may request that a hearing be held on the objections to the proposed conduct or structural arrangement;

(2) the exporter or exporters involved shall notify the Attorney General within fifteen days after receiving the objections if they wish to have a hearing;

(3) the Attorney General shall conduct any such hearing within thirty days after the date on which the request for a hearing under paragraph (2) is received by the Department of Justice;

(4) such hearing shall continue for no more than thirty days; and

(5) the Attorney General shall make the disclosure determination within fifteen days after the completion of such hearing, notify the exporter or group of exporters of the determination, and publish the determination.

(c) A determination by the Attorney General under subsection (b) shall be final and shall not be subject to judicial review.

INJUNCTIONS

SEC. 105. The Attorney General may request any United States district court to issue an injunction regarding a disclosure under section 204(a)(2) of this title; when the Attorney General determines that—

(1) the activity of the exporter or group of exporters is acting outside of the scope of the disclosure;

(2) the circumstances under which the disclosure was issued have substantially changed; or

(3) the disclosure was issued upon inaccurate or fraudulent information.

REPORTS AND DISCLOSURES

SEC. 107. On December 31 of each year, the Attorney General, the Secretary of Commerce, and the heads of other United States agencies directly affected by disclosures under this title shall each file with the Congress, and make public, a detailed report of—

(1) all actions by the appropriate department or agency, or by other interested public and private parties, taken pursuant to this title;

(2) any problems associated with the implementation of this title;

(3) the specific plans of the appropriate department or agency to carry out its responsibilities (if any) under the title in the next fiscal year; and

(4) any recommendations for amendment of this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 108. (a) There are authorized to be appropriated to the Attorney General such sums as may be necessary for the purpose of carrying out this title.

(b) There are authorized to be appropriated to the Secretary of Commerce such sums as may be necessary for fiscal year 1982 for the sole purpose of covering costs associated wtih initial implementation of section 205(d) of this title.

EFFECTIVE DATE

SEC. 109. This title shall take effect on October 1, 1981.

TITLE II

FINDINGS AND DECLARATION OF PURPOSE

SEC. 201. The Congress hereby finds that there is a serious problem regarding the ability of business to plan for the future because of the regulatory maze it finds itself in; and, with over seven thousand new rules promulgated each year, notification of the application of these rules to a particular industry or industries is a necessary responsibility of the Federal Government. The Congress hereby determines that small businesses and other persons should have access to a central information source in order to conduct their future business planning in a coordinated and rational fashion, and in reliance on the proper information. It is the policy of the Congress to ensure that business is able to function in a stable and predictable environment relative to Government actions.

DEFINITIONS

SEC. 202. For purposes of this title—

(1) the term "agency" has the same meaning as in section 552(e) of title 5, United States Code;

(2) the term "rule" has the same meaning as in section 551(4) of such title, except that such term does not include a rule issued with respect to—

(A) a military or foreign affairs function of the United States,

(B) agency management or personnel, or

(C) agency organization, procedure, or practice; and

(3) the term "SIC" means the standard industrial classification for industries as administered by the Office of Federal Statistical Policy Standards.

PUBLICATION IN FEDERAL REGISTER

SEC. 203. Each agency shall publish in the Federal Register with each rule proposed or promulgated after the date of enactment of this title, the SIC code for such industry to which the rule applies.

SMALL BUSINESS INFORMATION CENTER

SEC. 204. (a) The Director of the Federal Register ("Director") shall establish in the Office of the Federal Register, a Small Business Center ("Center"). The Center shall provide to small businesses and other persons, a listing of the rules which apply to any industry or industries within a specified standard industrial classification.

(b) Within five years after the date of enactment of this title, the head of each agency shall ensure that each proposed and final rule of the agency contains the SIC code for each industry or industries to which the rule applies.

(c) The head of each agency shall amend at least 20 per centum of the rules of the agency to include the SIC code in each of the first five years after the date of the enactment of this title.

(d) The head of each agency shall transmit the rules of the agency to the Director. The Director shall compile the rules received and incorporate them into the general index to the Code of Federal Regulations required by section 1510(b) of title 44, United States Code.

TITLE III

AMENDMENTS TO THE CLAYTON ACT

SEC. 301. The Clayton Act (15 U.S.C. 12 et seq.) is amended by inserting after section 4H the following new section:

"SEC. 4I. (a) Two or more persons who are subject to liability for damages attributable to a horizontal agreement to fix, maintain, or stabilize prices under section 4, 4A, or 4C of this Act may claim contribution among them according to the damages attributable to each such person's sales or purchases of goods or services. A claim for contribution by such person or persons against whom an action has been commenced may be asserted by cross-claim, counterclaim, third-party claim, or in a separate action, whether or not an action has been brought or a judgment has been rendered against the persons from whom contribution is sought.

"(b) A release or a covenant not to sue or not to enforce a judgment received in settlement by one of two or more persons subject to contribution under this section shall not discharge any other persons from liability unless its terms expressly so provide. The court shall reduce the claim of the person giving the release or covenant against other persons subject to liability by the greatest of: (1) any amount stipulated by the release or covenant, (2) the amount of consideration paid for it, or (3) treble the actual damages attributable to the settling person's sales or purchases of goods or services. Under item (3) above, actual damages shall not be trebled in proceedings under section 4A of this Act.

"(c) A release or covenant, or an agreement which provides for a release or covenant, entered into in good faith, relieves the recipient from liability to any other person for contribution, with respect to the claim of the person giving the release or covenant, or agreement, unless the settlement provided for in any such release, covenant, or agreement is not consummated.

"(d) Nothing in this section shall affect the joint and several liability of any person who enters into an agreement to fix, maintain, or stabilize prices.

"(e) This section shall apply only to ac-

tions under section 4, 4A, or 4C of this Act commenced after the date of enactment of this section.".

TITLE IV

SALES OF FOREIGN MERCHANDISE AT LESS THAN FAIR VALUE

SEC. 401. Whenever a United States importer of foreign merchandise, or the foreign manufacturer thereof, sells of offers for sale such merchandise at less than its fair value, and such sales or offers for sale—

(1) injure an industry or labor in any line of commerce in any section of the United States,

(2) prevent, in whole or in part, the establishment of an industry in the United States, or

(3) restrain or monopolize any part of trade or commerce in such merchandise, or similar merchandise, in the United States,

then any person injured in his trade or business by such injury, prevention, or restraint or monopoly may, in addition to any other remedy available to him under the laws of the United States, bring an action under this title for damages, or equitable relief, or both.

JURISDICTION; VENUE; ETC.

SEC. 402. (a) The district courts of the United States shall have exclusive jurisdiction of actions brought under this title without regard to the amount in controversy.

(b) (1) An action brought under this title may be brought in any district—

(A) in which the defendant resides, is found, or has an agent, or

(B) in any district in which the plaintiff resides, does business, or has an agent.

(2) No change of venue requested by the defendant shall be granted without the consent of the plaintiff.

PROCEDURE

SEC. 403. (a) A subpena issued by a court in an action brought under this title may be enforced in any judicial district of the United States.

(b) If a United States importer against whom a discovery order, or other order or decree, has been entered by a court in a proceeding brought under this title fails to comply with such order or decree within the time established by the court for compliance, then the court shall issue an injunction prohibiting that importer from entry, or removal from warehouse, for consumption of merchandise which is the subject of the proceeding or which is similar to such merchandise, and from distribution or sale of such articles, until such time as the court is satisfied that the party has complied with the order or decree.

(c) The United States shall not take a position contrary or antagonistic to that taken by the plaintiff in any action brought under this title to which the United States is a party or in any other action brought under this title in an amicus curiae brief or any other pleading.

PERIOD FOR ADJUDICATION; SPECIAL MASTER

SEC. 404. (a) Whenever an action is brought under this title, it shall be the responsibility of the judge to whom the case is assigned to reach a final judgment within one hundred and twenty days after the date on which the complaint is filed. A judge to whom such a case is assigned may appoint a special master to hear the case and make findings of fact.

(b) A special master appointed to hear such a case shall have the power to issue subpenas and to take evidence.

(c) After a hearing, but not more than twenty days after the date on which he is assigned to hear the case, the special master shall prepare and submit to the court a report in writing setting forth his findings of fact. The twenty-day period may be extended by the judge to whom the case is assigned upon the request of either party and, if the extension is requested by the defendant, then—

(1) only with the consent of the plaintiff, or

(2) upon a showing by the defendant of extreme hardship, impossibility, or other extraordinary good cause,

but for not more than an additional forty-five days.

ESTABLISHMENT OF PRIMA FACIE CASE IN COMPLAINT

SEC. 405. (a) If the complaint filed by the plaintiff, in an action brought under this title, sets forth facts upon the basis of which, if true, relief could be granted under this title, then the plaintiff shall be considered to have established a prima facie case that he is entitled to damages or equitable relief under section 401, and the court shall—

(1) issue immediately a restraining order or injunction prohibiting the defendant from further sale, distribution, or entry, or removal from warehouse, for consumption of the foreign merchandise which is the subject of the action, or

(2) require the defendant to post bond, or other security, in an amount equal to three times the amount of damages alleged by the plaintiff to be attributable directly to imports of such merchandise.

(b) Whenever a plaintiff in such an action establishes such a prima facie case, the facts so pled shall be treated as conclusive unless the defendant demonstrates that they are not true or that the plaintiff is not entitled to damages or relief under this title.

(c) If the plaintiff in an action brought under this title is a foreign manufacturer or a United States importer of the foreign merchandise which is the subject of the action, subsections (a) and (b) shall not apply with respect to that action.

DAMAGES, COSTS, AND FEES

SEC. 406. (a) If the plaintiff in an action brought under this title establishes that he is entitled to damages under section 401, then—

(1) he shall be entitled to recover three times the amount of damages shown to have been suffered, and

(2) any award of damages shall not preclude the granting of such equitable relief as may be appropriate under the circumstances.

(b) The court may award court costs and reasonable attorneys' fees to the prevailing party in any action brought under this title upon request made therefor and when, in the judgment of the court, such award is appropriate.

DEFINITIONS

SEC. 407. For purposes of this title—

(1) Foreign merchandise shall be treated as sold or offered for sale at less than its fair value if the United States price (as defined in section 772 of the Tariff Act of 1930 (19 U.S.C. 1677a)) of such merchandise is lower than—

(A) its foreign market value (within the meaning of section 773 of such Act (19 U.S.C. 1677b)), or

(B) if the foreign market value cannot be determined, its constructed value (within the meaning of section 773(e) of such Act (19 U.S.C. 1677b(e))).

(2) The term "United States person" means a citizen or resident of the United States, or a corporation, joint venture, partnership, association, or other business organization organized under the laws of the United States, or any State thereof, or the District of Columbia.

ENFORCEABILITY AS PART OF THE ANTITRUST LAWS; CRIMINAL PENALTY

SEC. 408. (a) Subsection (a) of the first section of the Clayton Act (15 U.S.C. 12) is amended by inserting after "nineteen hundred and thirteen;" the following: "title IV of the Small Business Innovation and Simplification Act of 1981;".

(b) In addition to any liability for damages under section 301, any person who commits any act for which a cause of action for damages is provided by section 301 shall be guilty of a misdemeanor and shall be fined not more than $100,000.

EXEMPTION

SEC. 409. Notwithstanding any other provision of law this title shall not apply to any agricultural products in commerce in the United States.●

By Mr. DODD:

S. 1069. A bill to amend the United States Housing Act of 1937; to the Committee on Banking, Housing, and Urban Affairs.

HOUSING DEVELOPMENT LOAN PROGRAM

● Mr. DODD. Mr. President, today I am introducing legislation to authorize the Secretary of the Department of Housing and Urban Development to begin a Housing Development Loan Program. Current economic conditions and the ineffectiveness of Federal programs have exacerbated Federal housing problems nationally. Today, these problems are approaching crisis proportions. This demonstration project can provide a foundation for the cost-effective and creative policies desperately needed today and for the future.

As a nation, we have failed to keep our commitment of "a decent home and a suitable living environment for every American family." Our country's housing problems are scarred by unattained goals and threatened by the strain of future demand. An increasing number of American families and individuals now find the price of decent housing is well beyond their means—if that housing is available at all.

Restrictive monetary policies and the resultant lack of credit have increased housing construction and financing costs and led to a sharp decline in development. Rental housing production suffers additionally from high operating costs and the unwillingness or inability of residents to support these costs. Private investment in modest rental housing development is further discouraged by local rent control, fear of rent control, restrictions on conversions, and other factors.

This situation has serious long-term implications considering the national rental vacancy rate rests at a record low of 4.8 percent. In my home State, Connecticut, the overall vacancy rate is less than 2 percent at a time when new construction and existing stock are far short of demand. In the cities of New Haven and Hartford, only 88 housing units were added in 1980 while 188 units were demolished. Statewide, only 10,000 units were added that year. The State Department of Housing estimates that 20,000 to 25,000 units are needed annually. Currently, that Connecticut department reports that 173,000 households need housing, either because their current housing is substandard or their incomes are insufficient. This figure includes middle income families caught short by rising housing costs.

At the same time the administration

proposes significant funding cuts for assisted housing. A greater proportion of the dollars the administration would provide would be used in connection with existing housing, and not for new construction or substantial rehabilitation. The Government is decreasing its commitment to new housing when the housing industry is failing to meet current and projected demand.

The picture that develops presents a classic supply-and-demand situation. The price of housing escalates and the incentives to improve that housing diminish because of strong demand. Further, where the supply of rental housing is severely constrained, lower and moderate income renters compete for the same housing stock. The result: lower income families with fewer alternatives spend the greatest proportion of their incomes for the privilege of renting what are often substandard units. Middle-income families, facing new restrictions on the availability of rental units, often overextend themselves financially to purchase homes.

In fashioning solutions, I believe government has a dual responsibility in this area: To help increase supply where needed and to insure that adequate housing is within the means of our lower and moderate income citizens. Where and when increases in housing supply are not keeping pace with current and projected demand, a public purpose is served by the provision of limited Federal incentives to increase housing opportunities. Similarly, low- and moderate-income citizens should not be forced to spend unreasonable portions of their incomes for decent housing.

It is critical that we consider our housing programs as more than a means to provide shelter. Housing is the major component of the infrastructure of our cities and towns. Sound and effective community and economic development strategies are based on the availability, location, and occupancy of apartments and houses.

The strategies we develop in response to current and future housing problems must be able to efficiently and effectively address the Government's responsibilities. Current programs and policies have failed to do this adequately. The section 8 program links the questions of development and income assistance. A single subsidy mechanism provides assistance for rent payments as well as for new construction and substantial rehabilitation.

Not only does this approach involve costly long-term commitments, it inhibits the separation of these two very different issues and prevents us from effectively responding to each. The section 8 program also lacks a mechanism needed to directly involve State and local governments in the development process.

Mr. President, I believe this demonstration will begin to address these problems and future housing policy issues. It can make more effective use of limited financial resources, increase the housing supply where needed, and provide the basis for future policy development. Recognizing that our housing programs have been plagued by moratoriums and insufficiently evaluated policy changes, this demonstration would not disrupt current programs. It would allow us to test creative alternatives without abandoning existing efforts.

Specifically, the demonstration would promote development with second mortgage loans to private developers through State and local governments. By reducing financing costs, these up front loans—for new construction or substantial rehabilitation of multifamily rental housing—would permit development of units at modest, marketable rent levels. By involving State and local governments, local officials could improve their ability to stimulate housing development and coordinate this development with income subsidies.

Funding for this demonstration can be found by reallocating budget authority in the President's proposed budget from a lower priority and presently unsound concept. Additional allocations would not be needed and moneys would not be shifted from ongoing programs serving the housing needs of lower and moderate income citizens.

If this demonstration proves that rental housing can be developed at less cost, it would be appropriate to shift a greater portion of Federal housing assistance to the section 8 existing program that provides income subsidies. The effectiveness of assistance provided by the section 8 existing program is limited where housing supply is constrained, therefore, new development would benefit the program.

The ultimate strategy presented in this demonstration—to expand the level of income subsidies and coordinate such assistance with a cost-effective and independent one-time development subsidy—would increase the number of lower income people served by Federal housing assistance and yield productive investments in housing development. It would also allow us to consider shifting these responsibilities to State and local governments through block grants, confident they could target and coordinate these efforts consistent with local needs.

Mr. President, I envision that this demonstration would be undertaken in the following manner:

Based on objective factors of need, State and local governments would apply to the HUD Secretary for available budget authority on behalf of private developers. The developer would receive a nonamortizing second mortgage loan to facilitate the construction or substantial rehabilitation of multifamily housing at marketable rent levels. Owners would assume an obligation to forward the subsidy in the form of reduced rents and would agree to accept section 8 existing certificate holders.

Loans would be repayable with simple interest upon sale, subsequent conversion, or other disposition as prescribed by the Secretary. The loan size would be sufficient to reduce overall financing costs to a level which would bring rents within eligibility limits for the section 8 existing housing programs in a given area.

Financing would be provided principally by conventional or non-Federal governmental sources with development limits equal to FHA unsubsidized mortgage limits. This will assure cost restraint and project feasibility by requiring lenders to bear the underwriting risk and responsibility. Further, by avoiding exclusive reliance on FHA insurance, many cumbersome requirements on developers which needlessly increase costs would be avoided.

In selecting recipients from areas experiencing low vacancy rates or constrained supply of rental housing, HUD would insure an adequate distribution of funds according to population size, geographics, and other market conditions. The Secretary would give preference to developments involving local contributions through, for example, land contributions, and would require recipient governments to demonstrate prior progress in meeting local assisted housing needs.

By shifting resources proposed in the President's budget for the sale of public housing financing instruments to the Federal Financing Bank, $1.1 billion in budget authority would be available to support approximately 40,000 units under the demonstration at an average per unit subsidy of up to $25,000. This proposal will not decrease the level of new assisted housing unit reservations. Of the available authority, the HUD Secretary could reserve up to $20 million for technical assistance to recipients and for the demonstration evaluation.

By subsidizing production up front rather than continuously over the term of multiyear commitments, the demonstration would evaluate the extent to which long-term costs to the Federal Government would be substantially reduced. Estimates show these costs could drop 30 to 50 percent. Further, some or all of the developed units could provide improved housing opportunities for lower income families and individuals because these units would be eligible for section 8 existing subsidies.

The involvement of State and local officials, able to control the flow of existing subsidies and direct assisted recipients, would increase the likelihood of these improvements. State and local governments can further target these resources and negotiate project composition consistent with local needs because private developers must go through them to apply for loans. Such efforts could foster economic integration within developments, avoid concentrations of lower income people, and defuse local opposition to subsidized housing.

The importance of housing in our cities and towns, the constraints of current programs, and the problems of the construction industry elucidate the need for a new and creative approach to housing policy. However, we cannot aggressively pursue new policies without sufficient experimentation. The abrupt policy changes and moratoriums of past years have hampered rather than helped our efforts. This demonstration would allow us to apply new solutions to our housing problems without abandoning existing commitments. The experience gained through its development and implementation could contribute significantly to future policy.

That we must find cost effective and innovative alternatives to current housing programs is clear and I offer this demonstration as an important first step in that direction.

Mr. President, I ask that the text of this bill be printed in the RECORD.

The bill follows:

S. 1069

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"HOUSING DEVELOPMENT LOAN DEMONSTRATION PROGRAM

"SEC. 15. (a) The Secretary is authorized, pursuant to applications submitted by States or units of local government, to provide second mortgage loans or other comparable assistance to owners of multifamily rental housing projects to assist in financing the construction or substantial rehabilitation of such projects.

"(b)(1) The amount of the second mortgage loan for a project assisted under this section shall be that amount which the Secretary determines is sufficient to provide an initial rental which does not exceed the maximum monthly rent established for the area for existing rental dwelling units assisted under section 8.

"(2) Any loan made under this section shall be secured by a second mortgage on the project and shall not be amortized, but shall be repayable upon the earlier of (A) the expiration of 30 years after the loan was made, or (B) the sale, conversion to other use, or other disposition of the project, as determined by the Secretary. When due, such loan shall be repaid with interest thereon (without compounding) for each year and any fraction thereof the loan was outstanding at a rate determined by the Secretary taking into account the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date of the loan.

"(c) A loan under this section may only be made with respect to a project—

"(1) where the owner agrees (A) to pass the reduction in the debt service payments required by virtue of the loan under this section on to the tenants; and (B) to accept tenants who are certificate holders under section 8 of this Act;

"(2) which secures a mortgage (A) with a principal amount not more than the amount which could be insured for the project under section 207 of the National Housing Act, and (B) with an interest rate and other terms and conditions which the Secretary determines are reasonable;

"(3) which is newly constructed or substantially rehabilitated at the time the loan is made and which contains five or more dwelling units and is used predominantly for residential purposes; and

"(4) which meets other conditions consistent with the purpose of this section and specified by the Secretary.

"(d)(1) The first mortgage on a project subject to a second mortgage under this section may be insured under title II of the National Housing Act.

"(2) Section 213(d) of the Housing and Community Development Act of 1974 does not apply to this section.

"(3) Other provisions of this Act which the Secretary determines are inconsistent with the purposes of this section shall not apply to this section.

"(e) In allocating assistance under this section, the Secretary shall insure an adequate distribution of the funds authorized according to population and the market conditions in various regions in order to provide an adequate demonstration in areas with low rental vacancy rates and other factors constraining the supply of rental housing. The Secretary shall give a priority in allocating assistance under this section to proposals involving local contributions in such forms as donations or sales below market of real property. In no case may assistance under this section be provided with respect to any unit of local government which has not demonstrated satisfactory progress in meeting its assisted housing needs.

"(f)(1) Notwithstanding any other provision of law, no State or local law pertaining to rent control shall apply to any project during the period in which a loan under this section is outstanding with respect to the project.

"(2) Rents charged for units in any such project during the period when paragraph (1) is applicable to the project shall be approved by the Secretary. In approving such rents, the Secretary shall attempt to assure reasonable rentals to tenants and a reasonable return on the investment of the owner.

"(3) Any schedule of rents submitted by an owner to the Secretary for approval shall be deemed to be approved unless the Secretary informs the owner, within 60 days after receiving such schedule, that such schedule is disapproved.

"(g) Not later than April 1, 1982, the Secretary of Housing and Urban Development shall transmit to the Congress a report on—

"(1) the design of the program under this section; and

"(2) the Secretary's initial assessment, based on a review of applications, of the capacity of applicants to carry out the demonstration and the workability of the mechanism provided by the program as a housing development incentive.

"(h) There are authorized to be appropriated for assistance under this section not to exceed $1,120,000,000 for fiscal year 1982. Of the amount available pursuant to the preceding sentence, not more than $20,000,000 shall be available for technical assistance and evaluation of the demonstration under this section.".

SEC. 2. During the fiscal year ending September 30, 1982, the Secretary of Housing and Urban Development shall not obligate or expend appropriated funds in connection with the issuance or refinancing of public housing agency securities to or through the Federal Financing Bank.●

By Mr. QUAYLE:

S. 1070. A bill to extend the authorization for youth employment and demonstration programs, and for other purposes; to the Committee on Labor and Human Resources.

LEGISLATION RELATING TO YOUTH PROGRAMS

● Mr. QUAYLE. Mr. President, yesterday I filed the report of the Committee on Labor and Human Resources on S. 648, to extend the authorization of youth programs under title IV(A) of the Comprehensive Employment and Training Act. This bill is a simple authorization, carries no funding, is consistent with the budget resolution passed by the Senate, and is characterized by the administration as not inconsistent with the President's program.

The bill is, however, subject to a point of order under the Budget Act because it authorizes appropriations for fiscal year 1981 as well as fiscal year 1982 and the fiscal year 1981 authorization should have been reported by May 15 of last year. Fiscal year 1981 funding is now provided under the continuing resolution and, when I introduced the bill, it seemed to me appropriate that the authorizing committee carry out its responsibility to provide a legislative base for funding programs.

This responsibility should, of course, have been carried out last year—but it was not. To carry it out this year creates an issue under the Budget Act procedures and I sympathize with my colleagues who feel that these procedures should be scrupulously followed, even when we are merely repairing an omission of the last Congress. I am therefore introducing today a new bill identical to S. 648 except that it does not provide an authorization for fiscal year 1981. I anticipate that the Committee on Labor and Human Resources will report this bill at its next executive session and the same practical effect will be achieved without any Budget Act issue being involved.

I ask that the text of the bill be included in the RECORD at this point.

The bill follows:

S. 1070

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Youth Employment Demonstration Amendments of 1981".

SEC. 2. Section 112(a)(4) of the Comprehensive Employment and Training Act is amended by adding at the end thereof the following new subparagraph:

"(D) There are authorized to be appropriated such sums as may be necessary for the fiscal year 1982 to carry out part A of title IV.".

SEC. 3. Section 441 of the Comprehensive Employment and Training Act is repealed.●

By Mr. QUAYLE:

S. 1071. A bill to provide legislative savings in spending programs within the jurisdiction of the Committee on Labor and Human Resources of the Senate in order to assist in implementing the provisions of section 9(C)(11)(A) of Senate Concurrent Resolution 9 as revised; to the Committee on Labor and Human Resources.

SAVINGS LEGISLATION

● Mr. QUAYLE. Mr. President, I am today introducing legislation to provide savings in two of the income maintenance programs within the jurisdiction of the Labor and Human Resources Committee. It is my intention to offer all or parts of this bill as amendments to the reconciliation bill when it is considered by that committee. These savings were not among the items assumed by the Budget Committee in its report on the revised second concurrent resolution on the budget for fiscal year 1981, but it seems to me that they make eminent sense and are worthy of consideration. I introduce them today to give my colleagues and other interested persons an opportunity to study them before we move into the reconciliation process. I am also requesting both the administration and the Congressional Budget Office to provide cost estimates for each of the proposals.

A brief description and rationale for the proposals follows:

I. AMENDMENTS TO THE FEDERAL EMPLOYEES COMPENSATION ACT

First, the first amendment to this program is the elimination of the continuation of pay provision. The second amend-

ment is a change in the method by which the cost-of-living adjustment is computed.

Continuation of pay allows a Federal employee who is injured on the job to receive his full wages while his disability claim is under adjudication. The employee may receive his wages for up to 45 days. The Federal system differs from all State systems in that: First, the Federal system requires no waiting period before compensation payments begin; and second, in the Federal system payments are made without any adjudication that the claim is a meritorious one.

Since the continuation-of-pay provision was enacted in 1974, the number of claims submitted has risen dramatically. In 1976, 70,000 employees received continuation of pay without any reduction in the regular claims load of 40,000 claims. By 1977, the GAO reported that claims had risen by over 70 percent in the aggregate.

Second, the second amendment to the Federal Employees Compensation Act would change the formula by which cost-of-living adjustments are computed. Cash compensation to long-term beneficiaries of the Federal employees compensation program is currently indexed to the Consumer Price Indx while Federal wages increase at a much slower rate. From 1974 to 1980, compensation payments increased by 90 percent while salary levels increased by 60 percent. As a result, compensation becomes an ever higher percentage of pay—with the inevitable effect that the injured worker has even less incentive to return to work.

This bill changes the formula to limit automatic compensation increases to an amount consistent with the pay adjustments to general schedule employees or to changes in the Consumer Price Index, whichever is less, so as not only to save on payments but also to preserve work incentives.

II. AMENDMENTS TO THE BLACK LUNG PROGRAM

First, the first amendment to this program would make the black lung disability trust fund a party to proceedings in which it may be determined financially liable for benefits. Eligibility determinations of the Secretary of Labor are subject to appeal where an individual coal operator is liable for benefits. I fail to see why such determinations should not be subject to appeal where the industry as a whole is liable. It is important to note that 36 percent of the Secretary's initial decisions awarding benefits were reversed on appeal in the latest period for which we have data.

Second, the second amendment provides that the trust fund shall not pay retroactive benefits while the responsible operator is contesting a decision. Under present law, the trust fund pays benefits retroactive to the date of eligibility as well as current monthly benefits when the Secretary determines that the applicant is eligible, even though the operator is contesting liability. If the operator is found liable, he is required to repay the trust fund; but if the Secretary's decision is reversed the overpayment to the claimant is hardly ever recouped. Payment of current benefits may be a reasonable accommodation between the immediate needs of a claimant and the needs of a fair adjudication system. However, I do not believe that we need to pay retroactive benefits while a case is under appeal and my bill prohibits such payments.

Third, the third amendment provides that benefits under part B are identified as workmen's compensation benefits, just as they are under part C. The practical effect of this finding is that the combination of black lung disability benefits and social security disability benefits may not exceed 80 percent of his prior earnings, adjusted for wage inflation since he last worked.●

By Mr. BOREN:

S. 1072. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion from gross income of interest earned on qualified housing savings certificates; to the Committee on Finance.

RESIDENTIAL HOUSING TAX INCENTIVES ACT OF 1981

● Mr. BOREN. Mr. President, rampant inflation, high interest rates and unprecedented economic volatility have combined to create a grave situation in our country today. The personal savings rate has declined sharply to about 4 percent of disposable income, or one of the lowest rates in the industrialized world. This decline has serious implications for the economic development of the country, particularly the critical housing industry. Lack of adequate savings as well as high mortgage rates have caused a dropoff in construction of badly needed new homes. Unemployment in the construction industry and related areas such as furniture and appliances remains at a dangerously high level.

The housing sector of the Nation's economy has borne more than its share of the burdens of economic stagnation and high and volatile interest rates over the past year and a half. New housing starts have declined from over 2 million to an annualized rate of about 1.38 million in the first quarter of 1981. For the first quarter of 1981, mortgage lending activity totaled $12.1 billion, a decrease of 13 percent from the first quarter of last year.

Demographic trends in the 1980's suggest a bulge in home buyers due to more newly formed families and greater numbers of single-person households in all age categories. Prominent housing economists and groups such as the National Association of Homebuilders (NAHB) have concluded that the new housing needed each year in the 1980's is in the range of 2.2 million units.

Home prices have risen dramatically over the past decade—from $30,000 in 1970 to about $70,000 in 1980—while family incomes have not kept pace at nearly the same rate. The result is a sharply worsening affordability problem, which has been made much worse by the unprecedented high mortgage interest rates.

To illustrate, assume that a family is willing and able to devote a full one-third of gross monthly income to pay mortgage payments as well as real estate taxes and hazard insurance. Also assume an average mortgage of $65,000 based on an average house price of $72,200 and a 10-percent down payment. Based on the current national mortgage rate of 15½ percent—Federal Home Loan Mortgage Corporation figures—the monthly principal and interest payment is $848; coupled with taxes and insurance, the total monthly housing payment is near $1,000, thus requiring a gross income of $36,000. The end result is that less than 1 family in 5 can qualify to purchase this average home, with the average household income of about $21,000.

The need for a tax-exempt savings program is clear. To stimulate additional consumer savings which can in turn provide needed mortgage funds is the purpose of the act. Mortgage interest rates on these funds can be set below the current high rates and assist thousands of families now priced out of realizing the American dream of homeownership.

It is estimated that $40 billion of savings in these new certificates offered through the Nation's banks and thrift institutions could support approximately 600,000 new mortgage loans. The possible cost to the Treasury in lost tax revenues would be dwarfed by the increase in revenues from new economic activity, including new homebuilding creating new jobs, as well as significant purchases of housing related goods such as appliances, furniture, and so on.

Enactment of this proposed legislation would accomplish three basic needs in our country today:

First, to encourage and attract greater savings, and change patterns that have made the savings rate in the United States one of the lowest in the industrialized world.

Second, to put citizens back to work, building homes and related goods needed in our country.

Third, to help families overcome the terribly high barriers to buying a home of their own.

Many bills have been introduced to stimulate increased savings. The bill I am introducing today, the Residential Housing Tax Incentives Act of 1981, not only provides such an incentive but also goes further with respect to directly targeting funds toward the crippled housing industry.

To briefly summarize, this legislation would create new 3- or 5-year savings certificates at regulated depository financial institutions. The interest earned on such certificates would be exempt from Federal taxation and would consequently carry a lower yield than comparable term taxable certificates. These lower cost funds would be reinvested into residential mortgage loans at rates below prevailing market rates. These mortgages would assist thousands of moderate- and middle-income families throughout the country by making homeownership more affordable.

This program would offer a substantial dual stimulus to savings and homebuilding through existing private sector institutions, without creating the need for any new Government agencies or apparatus. The expected cost to the Treasury in lost tax revenues would be modest

in comparison with the advantages of putting residential construction and related trades people back to work. Moreover, the Nation's mortgage lending institutions will be given a new tool to stem savings outflows and create economically viable lending opportunities.

This new tax-exempt savings certificates concept does not represent a panacea nor bailout for the housing industry, but is a modest step in priming the pump for more consumer savings to fight inflation, greater construction of needed housing, and more affordable financing for the homebuying public.●

By Mr. ARMSTRONG:

S. 1073. A bill to amend section 21 of the act of February 25, 1920, commonly known as the Mineral Leasing Act; to the Committee on Energy and Natural Resources.

OIL SHALE OFF-TRACT LEASING LEGISLATION

● Mr. ARMSTRONG. Mr. President, in recent years, Congress has established a variety of programs to reduce the Nation's dependence on expensive and insecure sources of foreign oil. But we have often ignored many of the regulatory and legal problems which impede or prohibit the prompt and efficient commercial development of our alternative energy resources and our synthetic fuels technologies.

It is my view that, at virtually no public expense and without any increase in overall social or environmental costs, the Congress can greatly increase the production of domestic conventional and synthetic fuels. An excellent place to begin this oversight and reform effort is in connection with the Federal prototype oil shale leasing program.

Since the issuance of four prototype oil shale leases at a competitive sale in 1974, a variety of legal and regulatory problems have impeded the full demonstration of the economic, environmental, and technological feasibility of oil shale development by various methods of mining, including open pit, underground, and in situ. In the last Congress, the House of Representatives and the Senate Energy Committee passed legislation (H.R. 7941) to remove some of these impediments and permit demonstrations of open pit mining on some prototype oil shale leases. This measure, unfortunately, was not acted upon by the Senate prior to adjournment of the 96th Congress.

To correct this major impediment to oil shale development, I am today introducing legislation to amend section 21 of the Mineral Leasing Act of 1920 and section 701 of the Federal Land Policy and Management Act (FLPMA). The purpose of this measure is to grant to the Secretary of the Interior the authority to permit the holders of oil shale leases to utilize the surface estate of adjacent or nearby public lands for siting plant facilities and for the disposal of spent shale or overburden. By doing so, it will eliminate the need to carry out these operations on top of the rich shale reserves and, thus, the need to leave significant portions of this valuable energy resource undeveloped.

This measure is identical to last year's H.R. 7941. I am informed that the administration supports this bill and will seek its adoption, rather than introduce a separate bill of its own.

In essence, my measure will repeal section 701(d) of FLPMA, which effectively prohibits placing plant facilities and waste disposal sites on lands not leased for oil shale development under the prototype leasing program. It is generally recognized today that this section is ill advised and contrary to the national interest and should be repealed. My bill will permit the oil shale resources to be developed in a manner which maximizes resource recovery and minimizes any damage to the environment.

Mr. President, for the benefit of my colleagues and any others who may be interested in this legislation, I ask unanimous consent that excerpts from pages 1 to 3 of last year's Senate Energy Committee Report No. 96–1023 on H.R. 7941 appear in the RECORD. I think this will help to provide additional useful background on the "off-tract" oil shale leasing issue.

The material follows:

REPORT

(To accompany H.R. 7941)

The Committee on Energy and Natural Resources to which was referred the act (H.R. 7941), to amend section 21 of the Act of February 25, 1920, commonly known as the Mineral Leasing Act, having considered the same, reports favorably thereon without amendment and recommends that the act do pass.

PURPOSE

The purpose of H.R. 7941 is to amend the Mineral Leasing Act of 1920 by authorizing the Secretary of the Interior to lease to anyone holding an oil shale lease additional lands outside the existing lease for the purpose of disposing of oil shale waste, construction of plants, facilities, or for any other purpose necessary for the production of oil shale other than mining of shale.

BACKGROUND AND NEED

Lands in Colorado, Utah, and Wyoming contain over 1.8 trillion barrels of oil shale, of which 600 million barrels is recoverable with known technology. In 1974, the Department of the Interior issued four leases under the Federal Prototype Oil Shale Leasing Program. This program was designed to test the environmental and socio-economic feasibility of oil shale development by various methods of mining and processing, i.e., open pit mining, underground room-and-pillar, or in situ. However, development under the program has been minimal, providing supervisory experience and limited technical and environmental information.

One of the major impediments has been the lack of Secretarial authority to allow surface use of additional lands not located within the oil shale lease. In some of the richest shale areas, the most efficient mining operations cannot be accomplished if the processing plant and spent shale disposal are located on the lease site. The additional area authorized by this proposal would be used for disposal of oil shale waste, disposal of overburden removed from the leased lands, for construction of plants, processing facilities, storage facilities, or other surface uses for development of oil shale. The mining of oil shale would not be authorized.

The Rio Blanco Oil Shale Company representative testified during hearing that the 5,120-acre C-a Federal lease tract in the Piceance Basin, Colorado, as an open pit surface mine operation would yield 5 billion barrels of shale oil; a modified in situ method would yield 2 billion barrels of shale oil; and an underground room and pillar operation would yield 1 billion barrels. Thus, the most efficient type of operation developed to date—open pit surface mining—is dependent on an off-lease siting for processing plants and spent shale. When the lease was issued in 1974, the open pit mining and surface retorting method was contemplated. The Detailed Development Plan and Environmental Impact Statement on the Prototype Program contained references to off-lease siting needs for maximum resource recovery. Subsequent to the lease issuance, the Solicitor determined that the 5,120-acre oil shale lease limitation prohibited the Secretary from authorizing the use of any additional lands. This opinion was subsequently reinforced by section 701(d) of the Federal Land Policy and Management Act of October 21, 1976 (P.L. 94–579). Under the terms of H.R. 7941, that opinion and the provision of law would now be superseded in accordance with the procedures outlined in this bill when enacted into law.

H.R. 7941 would authorize the Secretary to issue additional leases, for purposes other than mining, to the holders of oil shale leases issued prior to 1985. Before issuing such additional leases, the Secretary would consider the environmental and other resource values and would make a determination that the leases would serve the public interest. An annual rental, subject to readjustment to reflect the fair market value for the use of the lands would be paid by the lessees. Such leases would also be subject to leasing under other provisions of this Act where such would be compatible with the purposes for which a lease is to be issued under this subsection.

With regard to the public interest which is to be served by the issuance of additional leases, the Committee understands that the Department of the Interior plans to issue such leases only for those lands which would allow the underlying oil shale resource to be recovered in the future. The Committee intends that the requirement that the public interest be served by such additional leases shall be applied in order to prevent economic losses to the Federal government by reason of the utilization of valuable oil shale lands as dump sites for oil shale waste. The Committee assumes that such economic losses would occur where lands containing surface-mineable oil shale deposits were used as dump sites.

Leases pursuant to section 21(d) are authorized for such periods of time as the Secretary determines to be necessary to achieve the purposes for which they are issued. In the event the duration of the lease period is such that it constitutes essentially a permanent use, the Committee recommends that the Secretary consider a sale (reserving the mineral estate to the United States), pursuant to section 203 of the Federal Lands Policy and Management Act.

The lessee of such additional lands authorized by section 21(d) shall pay an annual rental which shall reflect the fair market value for the use of the lands covered by the lease and such payment shall be subject to adjustment so that it continues to reflect fair market value.

The Committee expects that the Secretary shall, prior to the issuance of additional leases authorized by section 21(d), review alternative oil shale waste disposal methods and locations, and reasonable options for the siting of other facilities. The Committee expects that the land use planning process established by section 202 of the Federal Lands Policy and Management Act of 1976 will be followed, and that actions, if any, required by section 102(2)(C) of the National Environmental Policy Act of 1969 will

be taken before any additional lease is issued.●

By Mr. ARMSTRONG:

S. 1074. A bill to amend section 8 of the United States Housing Act of 1937; to the Committee on Banking, Housing, and Urban Affairs.

LEGISLATION RELATING TO SECTION 8 OF THE HOUSING PROGRAM

● Mr. ARMSTRONG. Mr. President, in past months, auditors from the General Accounting Office, Congressional Budget Office, Department of Housing and Urban Development, and investigative reporters nationwide have had a field day compiling evidence of corruption and extravagance in the section 8 housing program—the largest Government effort for housing the needy.

The GAO has written no less than 15 reports identifying severe cost and equity problems plaguing the section 8 program. HUD's own Inspector General states that no less than 17 percent of all section 8 projects are riddled with serious fraud and abuse. The Washington Post, New York Times, Reader's Digest, Washington Star, Denver Post, Boston Herald American, and Providence Journal-Bulletin have all carried stories under headlines such as "Billion Dollar Nightmare," "Poor Last in Line for Housing Assistance," "Taj Mahal in New York Symptom for Rent Subsidy Headaches," "Illegal Aliens Draw Housing Aid While U.S. Citizens Wait," and "Housing and Politics, a Game Everyone Wins Except the Taxpayers and the Needy."

These and other reports too numerous to mention shock the conscience of thoughtful people. And yet I think most of us instinctively, when we see scare headlines like these, tend to discount them; we feel the situation really cannot be so alarming. But, Mr. President, after studying this program for 5 years and carefully examining detailed evidence, I am convinced that, if anything, the situation in the section 8 rent subsidy program is even worse than has been publicly reported thus far.

Starting from an initial appropriation of $42 million in 1974, the section 8 program has already obligated $128 billion—an amount equal to the total amount spent on public housing between 1937 and 1974.

Unless we bring this program under control now, we will have obligated several hundred billion dollars with no apparent way to pay for such costs.

On top of its tremendous cost, the program is inequitable, so poorly targeted that the needy people are the very last to be served, families are literally languishing on section 8 waiting lists while others who are better off financially are benefiting from the program. In one case, the Federal Government is paying subsidies for vacant units in the same city where thousands of people are on a waiting list.

I would like to share with my colleagues a few of the reports that have crossed my desk about the costs and inequities of the section 8 program. After reading them, I hope my colleagues will join me in sponsoring legislation to clean up the extravagance and waste of section 8.

A classic example is New York City's luxurious Taino Towers. Located in East Harlem, Taino's 35-story, concrete-and-glass towers contain 656 air-conditioned apartments, ranging from studios to duplexes and featuring double-size windows and screened-in balconies. There are also greenhouses, an Olympic-size swimming pool, an auditorium and a gymnasium. Apartments in this classy complex do not come cheap. A two-bedroom unit, for example, rents for $508. But none of the tenants will pay the fair-market price. In fact, each apartment in Taino Towers will be subsidized by the government to the tune of $9,608 a year (Section 8 covers $5,869 of this; the rest comes under an older HUD program). The total cost to the taxpayer for this one apartment complex: $6,302,848 each year.

Investigators for Congress's watchdog, the General Accounting Office (GAO), discovered that only one of 17 HUD field offices checked had a system to prevent duplication of subsidy payments.

It comes as no surprise that charges ranging from political favoritism in Rhode Island to outright corruption in New Jersey have plagued HUD operations. A team of reporters from the Providence, R.I., Journal-Bulletin accused officials in Gov. J. Joseph Garrahy's office of handing out projects to those whose political "support" was generous. The Bulletin's allegations—denied by officials—have nonetheless prompted a full-scale investigation of Section 8 housing in Rhode Island. And in New Jersey, a string of convictions and federal-state indictments have been handed down following a three-year housing-fraud scandal. According to the most recent indictments, building contractors James M. Canino and Alvin Raphael allegedly diverted $1.5 million from HUD's Parkview Towers project and used it to improve their own properties with such pluses as swimming pools, cabanas, tennis courts, etc.—Reader's Digest, "Billion Dollar Nightmare at HUD," June, 1982.

If you're very old and very poor, you'll be last on the list for federally assisted housing in Aurora.

Because the federal Department of Housing and Urban Development wants to cut the financial subsidy its paying the Aurora Housing Authority, local officials have been told to find more affluent poor people.—The Denver Post, "Very Poor Last in Line for Federal Housing Assistance," March 23, 1981.

On West 42d Street, near New York's theater district, is a modern apartment complex called Manhattan Plaza. Like a lot of luxury buildings, it has parquet floors, individually controlled heating and air conditioning, and, on the outer units, balconies.

For relatively small fees, residents can sign up for a tennis club ($20 a year plus hourly court fees) and a year-round swimming pool ($172.50 a year). There is also indoor parking for $68.90 a month, cut-rate by Manhattan standards.

But this isn't luxury housing for the rich. It's federally subsidized housing for the poor. And it is rapidly becoming a symbol of the excesses that critics say are endemic in the government's most expensive—and perhaps its most ambitious—housing program.—The Washington Post, "'Taj Mahal' in New York: Symptom of Rent Subsidy Headaches," August 16, 1980.

Preliminary inquiries by congressional investigators strongly suggest that substantial numbers of illegal aliens receive federal housing subsidies while hundreds of thousands of U.S. citizens wait months or years for similar assistance.

The Department of Housing and Urban Development has taken the position that there is no legal basis for inquiring into the citizenship status of persons applying for federal housing subsidies.—The Washington Star, "Many Illegal Aliens Draw Housing Aid While U.S. Citizens Wait, GAO Study Finds," March 16, 1981.

Federally financed housing under the Section 8 program lines the pockets of developers and investors lucky enough to get in on the system.

Developers in Massachusetts seem as eager to give—to the politicans who can control those lucrative projects—as they are to receive their political largesse.

Last year alone Massachusetts received $73 million in federal Sec. 8 housing funds—the largest allocation in the nation. The state also ranked high in another important category—the amount of money its housing developers dropped in the coffers of President Carter's re-election campaign.

Some 70 percent of the $250,000 raised by the Carter campaign in Massachusetts as of April 15 came from Sec. 8 developers, according to Federal Election Commission reports.

In fact, all Sec. 8 developers in the state who contributed to Carter subsequently got new projects approved or tentatively approved in the past year. Supporters not only got preferential treatment, but also a chance to press their case for more housing subsidies with Assistant U.S. Housing and Urban Development Secretary Larry Simons, who holds the Sec. 8 purse strings.

"Sec. 8 is the only program that really gives you enough money to operate with," said Lawrence-based developer Albert J. Brian. "But it's far too expensive. There's no way it can survive."

The projects themselves are often elegantly appointed and beautifully landscaped with such amenities as swimming pools and charming recreation areas. They are built not necessarily to please the tenants—after all, most will have long waiting lists of prospective tenants well before they are completed—but to assure big returns to developers and investors.—Boston Herald American, "Housing and Politics: The Way It Works," June 22, 1980.

We've certainly been rowing the boat for Carter in Massachusetts," said a Section 8 developer who attended the presidential fund raiser but asked that his name not be used. "In return, the president has been generous, to say the least.

Records show that all Section 8 developers in the state who contributed to Carter or to the Democratic National Committee were subsequently successful in winning approval for new projects.

Section 8 developers in Massachusetts were solicited from HUD and MHFA housing lists. According to sources, the developers started receiving "low key" calls from the DNC and Carter fund-raisers early last year. The solicitations were followed up months later, when Carter's public approval rating hit an all-time low, with inquiries about whether any of the developers were having trouble obtaining Section 8 subsidies.

Twenty-two of 28 Section 8 projects (82 percent) funded through the Massachusetts Housing Finance Agency (MHFA) last year went to Carter contributors.

Nine of 10 Section 8 projects (90 percent) funded through MHFA this year to date have gone to Carter contributors, and 92 percent of those projects approved for 1980 (but still awaiting closing ceremonies) have been assigned to Carter contributors.

Of the 91 Section 8 projects currently being reviewed at MHFA, 74 are sponsored by Carter contributors.

Eleven of 15 Section 8 projects funded through HUD's Boston regional office last year went to Carter contributors and 81 out of 102 Section 8 proposals tentatively ap-

proved for 1980 and beyond are sponsored by Carter contributors.

In comparison, from 1976 to 1978 (before Carter began his fund-raising drive) less than 40 percent of the Section 8 projects in Massachusetts went to Carter contributors.

"This is an election year," said one Boston developer with a string of Section 8 contracts. "You gotta be crazy not to contribute."—The Boston Herald American, "Hous-

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The system was designed to fail from the 1980.

"The system was designed to fail from the start," he said. "It was designed to make politicians rich, developers prosperous and the poor more destitute."

These are the main problems of the program as it has been administered.

The costs. If not one more unit of Section 8 housing is ever built, the federal rent subsidy commitment over the next 40 years (the average life of a buidling) for existing projects nationwide would be $231 billion, according to the GAO report.

The rents. Developers are charging excessive rents—sometimes more than double what a comparable privately built project would rent for.

Inadequate monitoring of tenant selection. It has resulted in favoritism, racial discrimination and outright fraud by admitting ineligible tenants.

Failure to meet the needs of low-income and minority families. Most developments have been built for the elderly because that is less controversial and easier to win local approval for.—Boston Herald American, "Housing and Politics: The Way It Works," June 25, 1980.

"It's a gold mine," one developer who has built under the program said.

"To lose money on a Section 8 project, you'd have to be a totally inept individual," said James A. O'Leary, a real estate lawyer who puts Section 8 deals together for two of the state's biggest development companies Ferland Corp. and Kelly & Picerne Inc.

While section 8 is lucrative for developers it costs the taxpayers a lot of money. Here are a few illustrations:

The government-subsidized rents allowed by HUD for modest two-bedroom apartments built in Rhode Island under the program often run over $500 a month—more than some Rhode Islanders pay for apartments in luxury complexes. In Marvin Gardens, a Section 8 project being built in Olneyville, for example, the rent approved by HUD for a two-bedroom apartment overlooking the Roberts Expressway is $535 a month. By comparison, the rent is $401 a month for a two-bedroom apartment in Warwick's Royal Crest Estates, a modern luxury complex with a swimming pool, sauna, gymnasium and courts for tennis, handball and racquetball.

HUD doesn't subsidize rents just for occupied apartments. It also pays developers up to 80 percent of the rent on empty apartments for as long as two months, and a lesser percentage for another 10 months. For example, federal records show that since last May the government has paid $16,063 to the developers of Providence's Lockwood Plaza as rent subsidies for 25 empty apartments.

But, said one Rhode Island developer, "The most important thing to remember about this program is that it is not about providing housing for poor people. It is about making money."

For example, when asked for a basic piece of information—a list of the state's Section 8 projects and the names of the developers building them—Providence HUD officials had to develop the list from scratch, using dozens of applications, mortgage-closing documents and other records scattered throughout the office.

It took Eugenio Corsini, until recently acting director of the HUD Providence Service Office four months to produce the list. When it was completed, it contained many major errors. "Well," Corsini said, "if you want an accurate list, it will take a little longer."—Providence Journal-Bulletin, "Housing Developers Find a Pot of Gold," September 23, 1979.

Noel, the Democrat whom Garrahy succeeded in the governor's office, is part owner of two Rhode Island Section 8 projects worth a total of $4.5 million. He is also a partner in a project in another state and has earned substantial fees putting a dozen Section 8 deals together for developers in six states. Noel said he sees no conflict of interest in his getting approvals for Rhode Island projects through the agency he helped establish when he was governor. "I know some people are going to beef about that, so I'll laugh all the way to the bank," Noel said.

Ronald R. S. Picerne, president of Kelly & Picerne Inc., one of the state's largest development companies, was given approval by the RIHMFC to build the $2 million Woodlawn Gardens project in Pawtucket while he was serving as politically appointed chairman of the RIHMFC governing board. Approval was granted after the RIHMFC executive director, Ralph A. Pari, went to Washington and persuaded federal officials to change a conflict-of-interest regulation prohibiting state housing agency officials from benefiting from Section 8. The new regulation, which requires only that state housing agency officials disclose their involvement, is known by Housing and Urban Development (HUD) officials as "The Rhode Island Clause." "I did that," Pari said when asked about the regulation change. Pari formerly worked as executive vice president of Kelly & Picerne Inc.—Providence Journal-Bulletin, "Politicians Steer Section 8 Profits to Allies," September 24, 1979.

A number of subsidized tenants who drive luxury automobiles and have hidden assets in non-interest-bearing accounts that would disqualify them for the program, according to a former HUD investigator. One elderly woman reportedly has $58,000 stashed away in a checking account, said an MHFA investigator.

Likely to be admitted soon is Marion Fenlon, reportedly the godmother of Gov. Edward King's wife, Jody. Mrs. Fenlon was pushed to the top of the waiting list—above at least one displaced and disabled person—after calls were received at Continental Wingate from King's wife and the governor's office, according to both the former HUD investigator and one of the firm's employees, who said Mrs. Fenlon qualified for an apartment.

Mark French, the 26-year-old son of HUD loan management officer Al French, who lives on a Section 8 subsidy, paying $4-a-month rent, according to a HUD document. French would not speak to a reporter. HUD officials said the case is under investigation.—Boston Herald American, "Builder Gets HUD 'Plums'," August 1, 1980.

A developer made a payoff of more than $100,000 to influence the approval process for lucrative government-subsidized housing projects for the poor, a Journal-Bulletin investigation has found.—Providence Journal-Bulletin, "Officials Were Offered Bribes; One Developer Paid $100,000," September 26, 1979.

Heads of several management companies said the income verification system makes it easy to cheat.

"Defraud me? You could do it. No question," said Robert Branchaud, the boss at Ventures Management Inc., of Woonsocket, which manages a total of about 300 Section 8 apartments.—Providence Journal-Bulletin, "Tenants Find Cheating Easy," September 26, 1979.

Politicians and their friends and relatives have been selected as developers of half the 11 new Section 8 housing projects for the poor recently approved by the Rhode Island Housing and Mortgage Finance Corporation (RIHMFC).—Providence Journal-Bulletin, "More Political Links in Section 8 Projects," November 23, 1979.

Mr. ARMSTRONG. Mr. President, if ever there was a Federal program crying for reform, section 8 is it.

That is why I am introducing today a 25-point section 8 reform bill that will reduce costs, target eligibility to those most in need, reduce the opportunity for political payoffs and increase State and local participation in this program. Specifically, my bill will:

Insure those most in need will receive benefits by eliminating middle and upper income families from eligibility.

Direct HUD (for the first time in the history of the program) to consider costs when evaluating proposed section 8 projects.

Repeal the unauthorized practice of past HUD secretaries of personally allocating up to $4 billion annually for pet projects.

Prohibit last-minute spending crazes by HUD administrators which have plagued the program in the past.

Prohibit illegal aliens from receiving Federal rental assistance.

Establish competitive bidding procedures for the awarding of section 8 contracts.

Prohibit conflict-of-interest participation in section 8 projects by Federal officials.

Provide payment of minimum rents to stop the current practice of actually paying an individual for living in a section 8 unit.

Provide full cost disclosure of all aspects of the section 8 program.

Prohibit Federal housing assistance in communities imposing rent controls which inhibit private sector housing production.

Provide a 6-month notice for tenants now living in units which may convert out of the program.

My bill attempts to avoid ideological and philosophical confrontations and to present solutions already recommended by agencies such as GAO, the Congressional Budget Office and others.

Mr. President, with that word of explanation, I would like to insert in the RECORD a number of articles about the section 8 program, as well as a section-by-section analysis of the bill explaining the specific problem to which each section is addressed.

The material follows:

SECTION 8 REFORM AMENDMENTS OF 1981

TITLE I. BUDGETING, AND FAIR ALLOCATION PROCEDURES

Section 101: Provide Full Cost Disclosure.

Section 111: Prohibit Last-minute Section 8 Contracting.

Section 112: Eliminate the Secretary's Discretionary Fund.

TITLE II: TARGETING SECTION 8 BENEFITS

Section 201: Target Eligibility.

Section 202: Redirect "Economic Integration" Section 8 Policy.

Section 202(b): Rescind "Economic Mix" Regulations.

Section 203: Eliminate Priority Funding for Federal Financing of Partially Assisted Projects.

Section 204: Prohibit Renting Section 8 Units to Ineligible Households.

Section 205: Prohibit Illegal Aliens from Receiving Federal Rental Assistance.

Section 206 & 207: Survey Future Loss of Units.

TITLE III: MODEST, LOW-COST HOUSING

Section 301: Exclude Amenities from Section 8 Housing.

Section 302: Establish Competitive Bidding and Project Selection on the Basis of Complete Proposals.

Section 303: Require Greater Emphasis on Achieving Cost Savings.

Section 304: Prohibit Subsidies for Vacant Units.

Section 305: Repeal Davis-Bacon.

Section 306: Limit Increases in Contract & Fair Market Rents.

TITLE IV: FAIR TENANT CONTRIBUTIONS TO RENT

Section 401: Define "Income" for Eligibility & Tenant Rent Contributions.

Section 401(m): Calculate Divested Assets as Income.

Section 402: Provide Payment of Minimum Rents.

Section 403: Provide Retrospective Accounting.

TITLE V: INCREASE STATE AND LOCAL PARTICIPATION AND RESPONSIBILITIES

Section 501: Eliminate HUD Veto of State and Local Decisions.

Section 502: Prohibit Federal Housing Assistance in Communities Imposing Rent Control.

Section 503: Prohibit Conflict-of-Interest by State and Local Officials.

TITLE VI: FRAUD AND MISMANAGEMENT CONTROL

Section 601 & 602: Permit Local Housing Authorities to Recapture Legal Expense of Prosecuting Fraud and Abuse; Report to Congress on Status of Court Suits Prosecuting Fraud and Abuse.

Section 101: Section 8 Full Cost Disclosure.—

Issue: To insure that Congress knows the full comparative, direct and indirect costs of Section 8 and other federal rental assistance programs so that Congress can base housing policy decisions on complete cost-benefit information, and

To determine the amount of additional federal resources which will be required to insure solvency of housing projects now on line.

Armstrong proposal: Section 101 creates an interagency task force (HUD, OMB and Treasury) to report to Congress within six months:

1. The direct and indirect government cost on a per-unit basis of providing housing under the three major federal rental housing assistance programs.

2. The least expensive means of federally financing Section 8 projects.

3. What additional federal resources will be required to protect the Federal Government's current investment in already subsidized federal housing projects.

Section 101 also directs that no additional reservations of federal rental housing assistance may be made until these reports are transmitted to Congress.

Why section 101 should be enacted: Although more than $200 billion is committed to federeal rental housing assistance, Congress now lacks the basic budgeting and cost data necessary for making sound subsidized housing policy. This is the opinion of the Congressional Budget Office and the General Accounting Office. To quote CBO:

"The procedures used to determine the amount of federal rental assistance to be provided . . . do not consider all the factors that will affect eventual expenditures. Also there are some direct expenses and indirect subsidy costs that are not explicity considered when new commitments are made. Thus:

"1. Congress cannot be confident that the amount of budget authority initially reserved will be adequate and that additional spending authority will not be needed in the future to meet the obligation; and

"2. There is no way to determine from current budget documents either the total cost of different housing assistance programs, or how those costs compare with non-housing programs that are not funded in advance."—March 1979

To quote GAO:

"Housing subsidy costs often have been analyzed with little consideration of indirect subsidies or long-term costs. Consequently, real costs have been misunderstood."—January, 1978

"Because substantial savings could be made if decisions were based on long-term total costs, GAO recommends that HUD provide budget estimates to the Congress which show all major costs over an expected subsidy life . . ."—September, 1980

One indirect cost of providing assisted housing not now reflected in per-unit budget costs is federal financing subsidies. When Congress created Section 8, it intended that the program operate without benefit of federal financing subsidies. Since then, however, the federal government has provided "A vast array of financing alternatives used in conjunction with Section 8 (to the point where) Section 8 financing alternatives are now responsible for the majority of subsidized new construction activity . . . The cost efficiency and effectiveness of these financing mechanisms varies considerably." (General Accounting Office, 1980)

As an indication of the cost savings possible, GAO estimates the federal government would save $96 million if 40,000 units of new construction were shifted from Section 8 financing to the financing method used in the public housing program.

Section 101(a) creates an interagency task force comprised of representatives of HUD, OMB and Treasury Department to report on the least expensive means of financing Section 8 new construction/substantial rehabilitation. Included in this report shall be an analysis of life-cycle costs, operating lives of subsidized housing and risk of financial failure and other factors not now reviewed when analyzing federal housing costs. Section 101 (b) directs the task force to prepare comparative per-unit data on all costs associated with providing federal rental housing assistance.

Section 101(c) directs the task force to determine what additional federal resources will be required to protect the federal government's current investment in already subsidized federal housing projects. Congress is and will continue to appropriate billions in federal resources to insure solvency of existing housing projects. For example, each year for at least the next four years, Congress must authorize an additional $1 billion to cover costs that were not anticipated in the construction of new Section 8 units funded just two years earlier. Also, project reserves for Section 8 and public housing may be grossly inadequate to cover future rent, replacement and operating costs. In fact, now pending before Congress is an urgent $100 million supplemental appropriation bill to keep 32 of the nation's largest public housing agencies—representing 382,717 units—solvent for just the balance of this fiscal year. For FY 82, Congress must appropriate an additional $1.6 billion, and possibly more, in operating subsidies to keep public housing solvent.

A key question, then, is whether the federal government should commit federal resources to additional housing production when the solvency of current housing units is in doubt. Section 101 directs the interagency task force to determine what additional federal resources will be needed during the next 10 years to insure solvency of housing projects now provided.

Finally, Section 101 withholds further commitments of additional housing subsidies until the reports required by this Section are transmitted to Congress. Congress and the Administration should not commit additional resources that may be needed in the future to shore up deficits; it will also enable Congress and HUD to implement cost-savings identified in the reports.

As an indication of the potential spending shortfall in Section 8, attached are materials prepared by the National Association of Housing Redevelopment Officials which project the deficits and potential deficits in the nation's largest public housing agencies. The bottom line is that 382,000 units are in agencies which either operate in the red or soon will be. As a reflection of the tight budget situation, the federal government will only be able to provide 85.5 percent of the money PHAs say they need to avert deficits this year.

The future financial stability of Section 8 projects appears to be equally grim. Indiana University Professor Michael Gleason, writing in the August issue of "Public Administration Review" states that: "It seems likely that under even extremely optimistic assumptions that budget authority for the Section 8 New Construction Program will be insufficient to meet contractual obligations if the units go to term."

In its 1979 study, CBO concurs with these findings . . . noting that it is conceivable that Section 8 units with 20-year contracts could have a spending shortfall of as much as $300,000 a unit.

References

General Accounting Office: Section 236 Rental Housing—An Evaluation with Lessons for the Future.—January, 1978.

Evaluation of Alternatives for Financing Low and Moderate Income Rental Housing.—September, 1980.

Congressional Budget Office: The Long-Term Costs of Lower Income Housing Assistance Programs.—March, 1979.

Dept. of Housing and Urban Development: Departmental Budget Justifications, FY 81.

National Association of Housing Redevelopment Officials: Profile of Public Housing.

Public Administration Review: Budgeting for Federal Housing Programs: A problem and what to do about it.

PHA's with operating reserves below 20 percent of the maximum allowable

1. Boston, Massachusetts 12,800.
2. Bridgeport, Connecticut 2,900.
3. Newark, New Jersey 13,000.
4. Jersey City, New Jersey 3,700.
5. Washington, D.C. 11,900.
6. Philadelphia, Pennsylvania 22,900.
7. Atlanta, Georgia 14,600.
8. Detroit, Michigan 10,200.
9. Chicago, Illinois 46,000.
10. Columbus, Ohio 4,800.
11. Cleveland, Ohio 11,000.
12. El Paso, Texas 6,400.
13. Houston, Texas 3,200.
14. New Orleans, Louisiana 14,000.
15. Kansas City, Missouri 2,200.
16. Hawaii 4,500.
17. San Francisco, California 7,200.
18. Portland, Oregon 2,200.
19. Providence, Rhode Island 2,500.
20. New Haven, Connecticut 3,100.
21. Fall River, Massachusetts 2,600.
22. Lowell, Massachusetts 1,600.
23. Camden, New Jersey 2,200.
24. Elizabeth, New Jersey 700 (small).
25. Wilmington, Delaware 2,600.
26. Jacksonville, Florida 3,200.
27. Peoria, Illinois 1,300.

28. East St. Louis, Illinois 2,700.
29. Los Angeles (City), California 8,200.
30. Memphis, Tennessee 7,100.
31. Trenton, New Jersey 2,000.
32. Patterson, New Jersey 2,400.
33. New York, New York 148,600.

Approx. 382,000 units (when adjusted for rounding).
Approx. one-third of total inventory.

ANNUAL OPERATING DEFICIT IN FISCAL YEAR 1981 FOR SELECTED LARGE PHA'S AND RESERVES SPENT FOR OPERATING EXPENSES

PHA	Operating deficit—Dollar figure, 1981	Dollar amount of reserves spent for operatings expenses
Atlanta	$39,457	$39,457.
Chicago	$18,767,167	Reserve funds were depleted in 1977.
New York	$11,089,000 (100-percent subsidy); $42,500,000 (85.5 percent subsidy).	Total depletion of reserves at 85.5 percent subsidy; $11,089,000 at 100 percent subsidy.
Denver	$523,120	$572,620.
Detroit	$2,812,821 (1980)	Reserve funds are depleted.
Boston	$992,177	Do.
New Orleans	$1,136,264	$1,136,264.
Cleveland	$1,834,498	$1,834,498.
Memphis	$5,145,660	Reserve funds are depleted.
Buffalo	$2,118,075	$2,118,075.
Seattle	$738,757	$738,757.
Minneapolis	$2,476,000	$2,760,000 (estimate).
San Antonio	$3,101,334	$3,101,334.

The effect of 85.5 percent funding of PHA operating subsidies on selected large PHA's

ATLANTA

Jobs Lost

Administrative employees	134
Maintenance employees	117
Total	251

Budget Reductions

Administrative	$821,547
Tenant services	247,909
Protective services	32,851
Ordinary maintenance and operation	1,245,313
Nonroutine expenses	401,356

Including equipment, repairing vandalized units, gutters, downspouts, exterior lighting.

NEW YORK

Jobs Lost

Staff reductions will be achieved through attrition unless utility shortfall is not restored. If not, layoffs may be necessary toward the end of 1981.

Budget Reductions

Administrative	$2,800,000
Tenant services, utilities	1,000,000
Ordinary maintenance and operation	10,500,000
Nonroutine expenses	4,500,000

Services to be reduced: Electrical, plastering, painting, plumbing, carpentry, roofing, dwelling equipment; e.g., ranges and refrigerators.

BALTIMORE

Jobs Lost

Administrative	53
Tenant services	7
Utilities labor	1
Maintenance	121
Total	182

Budget Reductions

Administration	$1,100,000
Tenant services	150,000
Utilities	15,000
Protection services	11,800
Ordinary maintenance and operation	2,040,870
Nonroutine expenses	421,391
General expenses	356,159

Services to be reduced: Electrical, plastering, painting, plumbing, carpentry, roofing, dwelling equipment, e.g., ranges, refrigerators.

BOSTON

Jobs Lost

Total (throughout every division)	175–225

Budget Reductions

Administration	$1,600,000
Tenant services	50,000
Utilities	400,000
Protection services	150,000
Ordinary maintenance and operation	2,200,000
Nonroutine expenses	200,000

Services to be reduced: electrical, plastering, painting, plumbing, carpentry, roofing, dwelling equipment; e.g., ranges and refrigerators, elevator repair, glazing, extermination and rubbish disposal.

NEW ORLEANS

Jobs Lost

Are attempting to handle funding crisis with an attrition policy.

Budget Reductions

Administration	$216,000
Tenant services	104,550
Protection services (66 percent)	100,000
Ordinary maintenance and operation	1,915,060
Nonroutine expenses (100 percent)	374,000

Services to be reduced: electrical, plastering, painting, plumbing, carpentry, roofing, dwelling equipment; e.g., ranges and refrigerators.

DENVER

Jobs Lost

Administrative	3
Maintenance positions	13
Total	16

Budget Reductions

Administration	$100,000
Tenant services	20,000
Ordinary maintenance and operations	200,000
Nonroutine expenses	100,000

Services to be reduced: painting, carpentry, dwelling equipment; e.g., ranges and refrigerators.

	Public housing agencies		Units[1]		Tenants		Subsidy[2]	
	Number	Percent	Number	Percent	Number	Percent	Dollars	Percent of Total
Total, universe	2,763	100.0	1,172,486	100.0	3.4m	100	726.2	100.0
Financially troubled	(263)	(9.5)	(408,929)	(34.8)	(1.1m)	(33)	(403.5m)	(55.6)
Size category:								
Large	(32)	(1.1)	(358,371)	(30.5)	(0.967m)	(28.5)	(380.2m)	(52.4)
Medium and small	(231)	(8.4)	(50,558)	(4.3)	(0.136m)	(4.5)	(23.3m)	(3.2)

[1] As of 1978, there were approximately 34,850 vacant/boarded-up units and the lost rental income totaled approximately $28,000,000. (Source: Departmental MIS.)

[2] 1979 data.

Section 111: Restrict Last-minute Section 8 Contracting.—

Issue: To reduce last-minute preparation of Section 8 contracts.

Armstrong Proposal: Section 111 requires that:

(1) HUD is to reserve no more than 30% of budget and contract authority in the last quarter of the fiscal year, and would prohibit the release of more than 15% of such authority in any month of the fiscal year.

(2) Unspent contract and budget authority from one fiscal year cannot be used in a subsequent fiscal year.

(3) Contract or budget authority that is "committed" to a specific project and which is subsequently released is to remain unspent.

Why section 111 should be enacted: At stake in virtually every Section 8 contract is the Federal government's commitment to provide millions of tax dollars over the course of the next 20 to 40 years. These contracts should not be written in high pressure, deadline environments. Yet the House Appropriations Committee reports that 75% of all Section 8 funds for Fiscal Year 1979 were contractually committed in the fourth quarter of the fiscal year. In fact, 50% of the total was reserved in the 12th month of the fiscal year. In other words, HUD "reserved" some $13 billion in tax dollars in one month.

A Section 8 reservation is the point when Section 8 funds are obligated to a specific project by one of HUD's 52 area offices. Failure on the part of an area office to obligate its funds in a given fiscal year results in the redistribution of those funds among all area offices in the subsequent fiscal year. At times, some HUD area offices issue "paper reservations" which are then canceled by the area office in the subsequent fiscal year. Such funds can then be respent by that area office.

Congress exerts enormous pressure on HUD to achieve housing production goals. This pressure, plus Congressional and administrative delays in allocating Section 8 funds among area offices, are the major factors behind the last-minute reservation rush. In fact, concern over this "last-minute" spending prompted the House Appropriations

Committee to recommend, and Congress to enact a provision in the FY 81 HUD Appropriations Bill virtually identical to Section 111(1) of this bill. This section merely codifies existing appropriations language.

References: House Appropriations Committee: Report of the Investigative Committee Staff—April 4, 1981.

House Appropriations Committee: Hearings on the HUD-Independent Agencies FY 81 Budget.

Section 112: Eliminate the Secretary's Discretionary Fund.—

Issue: Retention of the Section 8 Secretary's Discretionary Fund.

Armstrong proposal: Section 112 eliminates this fund.

Why section 112 should be enacted: Some 20% of annually authorized Section 8 budget authority is placed in the Secretary's Discretionary Fund. This budget authority—more than $4 million spending commitments—is under the direction and control of the Secretary of Housing and Urban Development. Although these funds must be spent according to Section 8 laws and regulations, the Secretary has wide latitude for how these funds are to be spent.

According to the House Appropriations Committee, the Secretary's Discretionary Fund can be used for the following purposes: 1) To meet housing needs which were unforseeable or unpredictable; 2) fulfill objectives of a community's Housing Assistance Plan; 3) provide housing for new communities; 4) meet housing needs of community block grant recipients whose application approval is conditioned on improved Housing Assistance Plan performance; 5) fund alternate methods of low-income housing, or for implementing innovative housing programs.

The Secretary's Discretionary Fund is a huge pool of funds which can be allocated outside of the statutorily and regulatorily established allocation process. Given the wide latitude for which funds can be spent, this fund lends itself to possible abuse. This discretionary fund is not expressly authorized by Section 8 or any other housing law, so no statutory restrictions apply to the release of these funds. The Anti-deficiency Act, however, directs the head officials of federal agencies to take adequate steps to avoid spending shortfalls in the current fiscal year and in future years. Although in theory the Secretary's Discretionary Fund is supposed to fulfill the purposes of the Anti-deficiency Act, in practice the fund is used for other purposes.

For example, on the last day of the Carter Administration—January 19, 1981—more than $2 billion in Section 8 budget authority was released from the Secretary's Discretionary Fund, and was committed to specific proposals for Section 8 new construction units.

Several aspects of this particular release were extraordinary:

1. Its timing . . . the last day of the Carter Administration.

2. Regions 1 and 2 of the nation—the Northeast—received more than 55% of the total released for the nation.

3. Some portions of the country received no allocation. Incredibly, the Northwest Region—hard hit by Mt. St. Helens volcanic destruction—received no funds . . . even though the fund is to be used for "housing needs which were unpredictable, including natural disasters".

4. Unlike past practice, funds were released for specific projects, rather than to HUD area offices to choose how the funds can best be allocated to meet local needs.

5. Although public housing projects are reporting significant budget deficits for this fiscal year, none of the funds were earmarked to shore up those deficits. In fact, virtually all of the funds were released to proposed projects . . . not existing units.

Published news accounts in the past have reported that political influence has been a key factor in the awarding of such contracts. In fact, one Boston newspaper reported in August, 1980 that a large majority of Section 8 projects in Massachusetts were developed by large financial contributors to President Carter's re-election campaign. Eliminating the Secretary's Discretionary Fund can help limit possible politicization of the program.

References: House Appropriations Committee: Report of the Investigative Staff of the Appropriations Committee—April 4, 1980.

Department of Housing and Urban Development: January 19, 1981 release documents of Section 8 funds from the Secretary's Discretionary Fund.

Reader's Digest: "Billion Dollar Nightmare at HUD."—May, 1980.

Providence, Journal Bulletin/Washington Post: "Profiteering in Rhode Island."

Boston Globe: Four part series on Section 8 developers.

Section 201: Targeted Eligibility.—

Issue: To target Section 8 benefits to the truly needy.

Armstrong proposal: Section 201 changes current eligibility from the 80% of median area income to 50% of median area income. Section 201 includes a grandfather clause so that those now living in such units and who earn between 50% and 80% of median area income will not be forced to leave their units.

Why section 201 should be enacted: To insure that limited housing funds are available for those most in need, Section 201 targets Section 8 benefits to the nation's truly needy. Eligibility for Section 8 and other federal rental housing assistance programs is quite broad. Some 70% of all renters in the nation qualify for housing assistance, and 30 million American families—40% of the nation's total—qualify for benefits.

According to HUD statistics, a family living in the District of Columbia earning $21,000 would qualify for Section 8 subsidies, as would a family earning $18,000 living in Cleveland, Milwaukee, Newark, Santa Ana and hundreds of other cities. Subsidizing the rent of middle income families is neither wise nor affordable; yet this is exactly what can happen under the current broad eligibility standards.

Section 201 of this bill limits eligibility to 50% of median area income—the criteria HUD now uses to define a "very low income" family. Even with the enactment of this legislation, some 18 million American families will still be eligible for Section 8 assistance.

This section merely codifies present practice; some 93% of families in Section 8 units meet the 50% income standard. But this section is needed in light of a new HUD policy to place families with higher incomes ahead of those families with lower incomes in awarding Section 8 subsidies. (See Section 202(b).)

References: Department of Housing and Development: Statistical analysis of income limits under Section 8 eligibility standards.

National Low Income Housing Coalition: Benefits of Economic Integration. Testimony before Senate Banking Committee; April, 1980.

Section 202: Redirecting "economic integration" Section 8 policy.—

Issue: To insure that the current goal of achieving economic integration is not achieved at the expense of the truly needy.

Armstrong proposal: Section 202 adds the provision that the Section 8 goal of achieving "economically mixed" housing can only be pursued where consistent with the purpose of aiding very low-income families in obtaining a decent place to live.

Why section 202 should be enacted: Current law states that Section 8 projects should achieve the goal of economic integration so as to avoid warehousing the poor in ghettoes. Section 8 seeks to implement this goal through two methods: 1) broad income eligibility standards; 2) building quality units that nonassisted families would either want to live in or live nearby.

Yet each of these methods actually reduces housing opportunities for the poor while increasing costs. The goal of achieving economic integration represents social engineering at its worst.

This bill, if enacted in its entirety, will change the direction of the Section 8 program to ensure that the truly needy primarily receive its benefits, and that production costs are reduced so that more units can be provided through existing funds.

The bill will change the scope of the Section 8 program to reduce production costs and to target benefits to the most needy. The General Accounting Office surveyed public housing officials, and found they oppose housing higher income eligible families in preference to the very low income families.

References: General Accounting Office: Serving a Broader Range of Families in Public House Could Reduce Operating Subsities.—November 7, 1979.

Section 202(b): Rescinding "economic mix" regulations.—

Issue: To rescind HUD's current regulations for achieving "economic mix" in Section 8 projects.

Armstrong proposal: Section 202(b) rescinds Section 808.603 of Title 24 of the Code of Federal Regulations.

Why section 202(b) should be enacted: Section 808.603 of Title 24 of the Code of Federal Regulations directs Section 8 owners to use their "best efforts" to achieve leasing to families with a range of incomes so that the average of incomes of all families in occupancy is at or above 40% of the median income in the area." Currently, all Section 8 projects have an economic mix of about 22% of area median incomes.

Essentially, these regulations provide a Section 8 unit to an individual at the upper end of current income eligibility at the expense of an individual at the lower end of the current eligibility scale.

In Anne Arundel County, Maryland, local housing officials were directed by HUD to increase their "economic mix" in Section 8 projects, or lose future Section 8 reservations.

In Colorado, local housing authorities have been directed to maintain three separate waiting lists: One for those earning between 60% and 80% of median income; one for those earning between 40% and 60% and one for those earning less than 40%. When a Section 8 project becomes available, 33% of the units are allocated to each waiting list.

Section 202(b) will stop this practice of awarding Section 8 units to upper-income individuals at the expense of the very poor.

References: Senate Banking Committee: Hearings on the Nomination of Samuel Pierce to be HUD Secretary; Title 24, CFR; Denver Post: "Very Poor Last to be Served in Public Housing."

Section 203: Eliminate priority funding for partially assisted projects.—

Issue: To eliminate priority funding for financing of partially assisted projects.

Armstrong proposal: Section 203 provides that projects in which only a portion of units receive direct tenant subsidies can only receive priority funding if the entire project receives no other form of indirect federal assistance.

Why section 203 should be enacted: Current law now provides a funding priority to those projects of 50 or more units where not more than 20 percent of the units are to receive federal tenant subsidies. By this method, HUD hopes to economically mix low-in-

come families with middle and upper middle incomes. Yet these higher income families will receive substantial benefits from the deep interest subsidies associated with federally financed projects.

As a matter of principle, federal assistance should be provided to those most in need. Federal assistance includes indirect financing and insurance of mortgages. These costs are not considered when analyzing the costs of Section 8.

These federal resources should be directed to those most in need, and not to middle income households. This is particularly true since Section 8 is the federal government's primary housing production program aimed at assisting the needy.

To quote the General Accounting Office: "The indirect subsidies associated with partially assisted Section 8 projects greatly increased the cost of the program while providing large rent reductions for middle income renters. A partially assisted project is one in which only 20 percent of the units receive direct Section 8 assistance but where all units benefit from financing subsidies through GNMA tandem or tax-exempt bonds. These lower the rents for all units. For example, at current interest rates the per unit tandem subsidy can easily exceed $10,000 per unit. This is incurred on every unit although only 1 in 5 may serve tenants who qualify for Section 8. If partially assisted projects continue to be developed, some mechanism for reducing or recapturing these indirect subsidies should probably be developed."

References: General Accounting Office: Evaluation of Alternatives for Financing Low and Moderate Income Housing.—September, 1980.

Section 204: Renting section 8 units to those with incomes above Section 8 eligibility standards.—

Issue: Prohibit renting Section 8 units to ineligible households.

Armstrong proposal: Section 204 prohibits renting of any unit provided under the Section 8 program to those earning above eligibility standards.

Why section 204 should be enacted: Current law does not now require that units with Section 8 direct tenant subsidy contracts must house eligible households. As a result, some "market rate tenants" live in units which had been provided for the truly needy. These market rate tenants receive no direct tenant subsidy, but they enjoy substantially lower housing costs as a result of the deep indirect financing subsidies provided for Section 8 projects.

Current HUD regulations permit up to 10 percent of the units located within a Section 8 project to be rented to market rate tenants without seeking HUD approval.

Section 204 prevents the renting of Section 8 units to ineligible households.

The General Accounting Office notes two objections to the renting to ineligible households: "We have two objections to allowing ineligible households to occupy Section 8 units. First, occupancy of Section 8 contracted units by ineligible tenants probably frustrates the intent of the program by causing it to fall short of its planned assistance, even though the money to achieve more assistance has been made available by the Congress. Second, the cost effectiveness of the program is degraded since indirect subsidy costs which are incurred—regardless of who occupies the housing units—must logically be counted against a lower number of assisted households."

GAO surveyed Section 8 units in three cities and found 11 percent of the Section 8 units in Chicago (9,500 total) had ineligible tenants. In fact, one small project had only one assisted household during the past several years, and is now not renting to a Section 8 eligible household.

GAO estimates that if 10 percent of the units now provided under the Section 8 program were filled by ineligible households (and assuming each receives some form of government financed subsidy), more than $82 million would be spent without helping a truly needy person find affordable housing.

What is unfathomable about this current policy of renting to ineligible households is that Section 8 current eligibility is already so broad (see section 201). This policy also reflects how HUD does not consider the indirect financing costs of providing Section 8 units (see section 101).

References: General Accounting Office: Lenient Rules Abet the Occupancy of Low Income Housing by Ineligible Families.—April, 1981.

Section 205: Prohibiting Illegal Aliens from receiving Federal Rental Assistance.—

Issue: To prohibit illegal aliens from receiving housing subsidies.

Armstrong proposal: Section 205 prohibits illegal aliens from receiving federal housing rental assistance.

Why section 205 should be enacted: Current HUD policy states that "there is no legal basis for inquiring into the citizenship status of persons applying for federal housing subsidies." As a result, the General Accounting Office is unable to document the number of illegal aliens living in federally subsidized units. This inability stems from the fact that local housing authorities keep no records on citizenship of those living in assisted housing projects; in fact, HUD prohibits inquiries to be made into applicants' rights to be in the United States. One project manager of a 487 unit project estimates, however, that illegal aliens live in 36% (or 175 units) of the total, according to GAO.

In contrast to HUD, other Federal agencies, such as HEW, the Department of Agriculture and the Department of Labor have explicit policies and procedures, which derive from the Federal statutes under which they operate, for excluding illegal aliens from receiving benefits under their major programs: AFDC, SSI, Medicaid, Food Stamps, and CETA.

In view of the limited amount of federal housing funds available for assisting the needy in this country, and the fact that many eligible citizens cannot be assisted within available appropriations, it is unwise that such funds would be used to assist illegal aliens.

References: General Accounting Office: Report to HUD on Illegal Aliens, June 4, 1980.

Department of Housing and Urban Development: Illegal Alien Policy, April 24, 1980.

New York Times: "Many Illegal Aliens Draw Housing Aid While U.S. Citizens Wait"—March 12, 1981.

Office of U.S. Rep. Wayne R. Guarini (R-Ca.).

Sections 206 & 207: Future Loss of units.—

Issue: To determine the number of units expected to leave the Section 8 program in the next 5 years, and provide timely notice to tenants living in those units.

Armstrong proposal: Sections 206 and 207 direct HUD to survey owners of units with 5-year renewable clauses to determine who will terminate Section 8 participation, and whether, as a result, it will force eviction of tenants for inability to pay higher, unsubsidized rents. Section 206 also requires HUD to notify affected tenants of possible eviction. If a landlord/owner opts out of the program, Section 207 requires tenants receive six months advance notice before they can be evicted. Section 207 also requires HUD to make recommendations for recapturing the cost of the federal government's financing investment in those units which are removed from the Section 8 program.

Why sections 206 and 207 should be enacted: The 1974 law creating Section 8 directed that contracts between HUD and landlords/owners to provide housing last no more than 40 years, and would be subject to renewal every five years at the option of both HUD and landlords and developers. Some 100,000 5-year renewable contracts were entered into. This law was later amended to delete the 5-year option renewal clause. For the 100,000 units, the five year contracts will soon expire. It is uncertain how many units will remain in the program after five years. However, owners of well-located, quality Section 8 units stand to reap large financial gains from the sale of Section 8 projects. If these units are lost, the federal government will not only lose housing for needy families, it will also incur a dismal rate of return on its financing investment.

These sections give Congress, HUD, and affected tenants the information they need to anticipate a reduction in the number of units available to the needy, and to plan accordingly. Second, since thousands of families are now enrolled in community waiting lists for subsidized housing, there is no assurance that these displaced tenants will be able to receive assisted housing. Therefore, tenants who may be displaced should receive as early notice as possible of possible eviction. Third, the federal government provided below market interest rate financing for these units on the basis of 20, 30, even 40-year useful life of the project . . . and not five years. It is reasonable for HUD to research methods to recapture some portion of the federal government's financing investment.

Section 301: Exclusion of amenities from section 8 housing.—

Issue: To insure that Section 8 units fulfill current statutory mandate to be modest housing.

Armstrong proposal: Section 301 directs the HUD Secretary, for the purpose of expanding housing opportunities for the poor, to exclude from proposed Section 8 projects all unnecessary amenities (to be determined after hearings are held on the bill) that can be provided in Section 8 housing.

Why section 301 should be enacted: Although current law requires Section 8 housing to be decent, safe, affordable, modest, non-luxury housing, numerous published articles by HUD, GAO and a number of news and magazine articles indicated that a number of Section 8 units do not fit the above criteria.

"The proponents of housing programs attempt to build developments anyone would be proud to live in," says Dr. Rolf Goetze in the Journal of Public Housing, adding "most of federal housing money goes to pay union scale labor and white collar professionals who collaborate to produce and manage the housing. If the actual benefit of the housing programs is traced, it will be seen that the lion's share goes to more advantaged persons."

Dr. Goetze's statement applies to Section 8. The law creating Section 8 and the subsequent HUD regulations and enforcement offers adequate incentives to build more than just modest, non-luxury units. To quote the House Appropriations Committee: "According to HUD's Assistant Secretary for Housing (Lawrence Simons—Carter Administration), it is his policy to increase the quality of low-income housing by not providing incentives for savings in construction cost. Because of HUD's policy regarding mortgage computation, there are no incentives for the developer to economize on the projects' cost since by doing so he may be penalized by receiving a smaller mortgage. In addition to HUD's lack of incentives to economize on project cost, developers have sound economic reasons to keep costs (and hence the mortgage) as high as HUD will permit. These additional reasons are as follows:

Higher syndication proceeds (they are computed as a percentage of the mortgage),

Higher tax write-offs for those developers who do not syndicate, and

Higher quality projects (which increase the residual benefits from conversion or sale of the property in the future)."

In the past, HUD has wanted to attract moderate and middle income families to Section 8 projects and areas nearby. HUD also wants to place Section 8 units in areas other than inner-city (impacted) areas. Therefore, HUD wants to minimize local opposition to placement of "housing projects" in local areas. HUD also wants to build quality housing for the poor.

To achieve these goals, HUD permits—and even encourages—construction of Section 8 projects that qualify as more than just basic housing. GAO reports and news articles show that Section 8 projects are more than just basic housing; they include amenities like swimming pools, wall-to-wall carpeting, elaborate lobbies, superior landscaping, laundry rooms in separate buildings, etc. The cost of providing and maintaining these amenities is included in the mortgage price of the project, which is government subsidized. For those Section 8 units built and owned by private developers, their profits, to some extent, are determined by the size of the mortgage. The greater the mortgage, the greater their return . . . the greater the cost to the taxpayer.

The General Accounting Office sums up the issue so well: "There is a generous HUD attitude regarding features and amenities not normally expected in subsidized housing. Such housing is costly to produce, involves high rents, and invites resentment on the part of the taxpaying public who see their subsidized neighbors living in better accommodations than they themselves can afford."

For example, GAO found that of 862 Section 8 family units surveyed, an additional 700 to 1,000 persons could have been housed in the space provided. Consequently GAO recommends that HUD require more efficient use of subsidized housing through size guidelines, limitations on size of family units and assignment procedures.

The policy of providing high quality, relatively high-cost projects may have an unintended and undesirable side effect: reducing the number of units available to the poor. Obviously higher costs reduce the supply of units built, and reduce the number of units available to the poor. As an indication of the emphasis HUD places on the quality rather than cost considerations in Section 8 projects, HUD regulations apply only a 5 percent weighted average to cost factors in the selection of proposed HUD projects. (See Section 303)

Section 302: Establish competitive bidding and project selection on the basis of complete proposals—

Issue: To establish competitive bidding, and project selection on the basis of complete proposals.

Armstrong proposal: Section 302 directs HUD to establish a priority in awarding contracts which are located on specific tracts of land provided by states or local government and where developers bid against one another for the right to build projects on that land. Also, section 302 directs HUD to base project selection on the basis of complete architectural proposals.

Why section 302 should be enacted: For the new construction portion of the section 8 program, HUD invites proposals through a competitive bidding process which is "site vs. site" rather than "cost vs. cost". This means that developers submit to HUD proposals for a section 8 project on a specific site and developers compete against other developers on total packages. HUD does not require, nor provide any priority for, competitive bidding on a per site basis. In other words, HUD does not annouce that a specific site will receive a Section 8 project, then invite developers to bid against one another on the lowest price for awarding the contract. This lack of competitive bidding has made HUD subject to considerable political influence, and can lead to substantially increased costs.

In connection with this competitive bidding system, Section 302 directs HUD to select only those proposals which are complete representations of the proposed project. Section 8 new construction contracts are now initially reserved on the basis of incomplete representations of a proposed project's cost, specifications, financing and other details. Once a proposal is selected by HUD, developers have 30 days in which to submit a final proposal which is to include details on construction, financing, architectural drawings, soil analysis, land surveys, mortgage insurance, etc.

The final proposal may, for a variety of reasons, bear faint resemblance to the tentative proposal first submitted. Also, since final cost figures on the project were not provided HUD at the time of selection, HUD may in fact have chosen the most expensive project to have developed. Providing final proposals as the basis for project selection should increase program equity, limit political influence on project selection, and potentially reduce costs.

The reason Congress must encourage methods to reduce costs in project selection is to reduce the need for post-construction cost amendments. Often 18 months or more will lapse from time of tentative project selection to end of construction. Inflation, cost increases and other factors have required HUD to request an additional $1.2 billion annually to cover costs that were not anticipated in the construction of new Section 8 units funded just two years earlier.

References: House Appropriations Committee, Report of Investigative Staff—April, 1980; Department of Housing and Urban Development, Budget Justifications—FY 1981.

Section 303: Require greater emphasis on achieving cost savings—

Issue: Achieve greater emphasis on cost considerations when selecting projects for funding.

Armstrong proposal: Section 303 directs HUD to give a weighted average of 33% when evaluating proposals for newly constructed Section 8 units.

Why section 303 should be enacted: Section 7420.1 of Revision 1 of the New Construction Section 8 Handbook (dated 2-27-81) directs HUD field offices to give a weighted average of 5% to factors related to final costs when evaluating Section 8 projects for funding. Prior to release of the handbook, HUD applied only a 2% weighted average to cost factors.

Here is the new weighted average schedule HUD field offices are to use when evaluating Section 8 projects:

	Points
Final Contract rents	5
Site	25
Design	10
Previous experience of the developer	15
State and Local government review	15–25
Displacement of those living in projects	10
Feasibility of the project from a financing and marketability perspective	20

Because long-term costs of Section 8 are largely determined by construction costs (on which 20-year contract rents are based), it is critical that cost savings be achieved. But past HUD policy does not attempt to encourage savings in constructing Section 8 projects.

To quote the House Appropriations Committee: "According to HUD's Assistant Secretary for Housing (Lawrence Simons—Carter Administration), it is his policy to increase the quality of low-income housing by not providing incentives for savings in construction cost. Because of HUD's policy regarding mortgage computation, there are no incentives for the developer to economize on the projects' cost since by doing so he may be penalized by receiving a smaller mortgage. In addition to HUD's lack of incentives to economize on project cost, developers have sound economic reasons to keep costs (and hence the mortgage) as high as HUD will permit. These additional reasons are as follows:

Higher syndication proceeds (they are computed as a percentage of the mortgage),

Higher tax write-offs for those developers who do not syndicate, and

Higher quality projects (which increase the residual benefits from conversion or sale of the property in the future.

To reduce program costs, and to avoid the need for post-construction amendments, Section 303 directs HUD to increase the consideration it gives to newly constructed Section 8 units. (Also see Section 301)

References: Department of Housing and Urban Development, Section 8 handbook.

Section 304: Prohibit Subsidies for Vacant Units—

Issue: Payment of subsidies for vacant Section 8 units for up to one year.

Armstrong proposal: Section 304 prohibits payment of subsidies for vacant Section 8 units beyond 30 days.

Why section 304 should be enacted: Current law permits federal subsidies to pay for vacant Section 8 units at the full rental price for 60 days, and for an additional 10 months HUD will pay a vacant unit's portion of the project's debt service, as long as the landlord makes a good faith effort to fill the unit.

This policy is far too generous. In one documented case, this provision of law cost taxpayers $16,063 for paying for 25 vacant Section 8 units in Providence, Rhode Island. At the time, there were more than 3,000 low-income families on Section 8 waiting lists in Rhode Island. Denver, Colorado has 4,000 Section 8 certified families on its waiting lists. Virtually all major cities have similar waiting lists of eligible families. GAO reports that 3% of all units in Chicago at one time were vacant.

References: Housing and Community Development Act of 1974, Providence (RI) Journal Bulletin.

Section 305: Repealing Davis-Bacon—

Issue: The application of Davis-Bacon to federally subsidized housing.

Armstrong proposal: Section 305 exempts federally subsidized housing projects from provisions of Davis-Bacon.

Why section 305 should be enacted: There is no question that the Davis-Bacon act increases overall Section 8 costs. The General Accounting Office has recommended the repeal of this Act as it applies to all federal construction projects. HUD and GAO estimates that Davis-Bacon increases program costs from 5 to 25%. In Section 8 projects surveyed in the state of Pennsylvania, Davis-Bacon increased program costs by $1,000 per unit. Also, according to local public housing officials, Davis-Bacon undermines employee morale in that work on locally-funded projects is paid at rates substantially lower than Davis-Bacon. In fact, it is common that a public housing agency employee will work one day on a federal project and earn $3 to $4 an hour more than work performed the next day on a locally sponsored housing project.

According to Sen. John Tower before the Housing and Urban Affairs subcommittee in May, 1979:

"The Davis-Bacon Act requires contractors on federally sponsored construction projects to pay wages at a rate no less than those prevailing in the locality where the construc-

tion occurs. A determination of those prevailing wage rates is made by the Department of Labor. The Davis-Bacon Act was enacted into law in 1931, when economic conditions were far different than they are today. At that time, there was widespread concern over the effect which falling wage rates would have on the income of construction workers. Those conditions no longer exist, nor does the original justification for the act."

The General Accounting Office has developed tentative estimates showing that for each 100,000 of newly constructed, substantially rehabilitated units that Davis-Bacon costs $160 million. Since some 800,000 new Section 8 units have been or are being provided, Davis-Bacon has cost $1.28 billion. That's $1.28 billion that cannot be used to provide more housing for low-income families, or to the elderly and handicapped.

Here is what Gregg Easterbrook, editor of The Washington Monthly has to say about "How Big Labor Brings Home the Bacon":

On Symphony Road in Boston's Fenway district, a contractor is gutting an old building to make apartments for the poor. The renovation is costing $23,000 per unit, and the finished apartments will rent to eligible families for $225 to $375 per month. About a block away, another contractor is fixing up a similar building for a similar purpose. The finished apartments won't be any bigger or better than the apartments on Symphony Road. But there will be one big difference. They'll cost $39,000 each to complete, and will rent for $600 or more.

Sounds like somebody is ripping off the poor. Somebody is. Only this time it isn't the banks, the slumlords, or the faceless multinationals. It's the AFL–CIO, with the consent and assistance of the federal government. In our land of unlimited possibilities, even the defender of the working man has devised a respectable way to steal from the poor.

One rehab is costing more than the other because the construction workers fixing it up are being paid significantly more. In the $23,000 building, a carpenter makes $13.34 an hour—not too shabby. In the $39,000 building, a carpenter makes $19 an hour. Both are doing the same work. In the cheaper building, a plumber makes $15.55 an hour and an electrician $16.27; in the more expensive one, a plumber makes $21.16 and an electrician $20.18. When you add up all the extra wages for workers in the more expensive building you get a surcharge of $16,000, which you pass along to the poor.

This enlightend arrangement is imposed by federal law. The $39,000 apartments are being renovated under a grant from the Department of Housing and Urban Development—which means they are a federal construction project, which means wages must comply with something called the Davis-Bacon Act, which means inflated prices.

References: General Accounting Office, the Davis-Bacon Act Should Be Repealed—April, 1979; Senate Banking Committee, Hearings on Davis-Bacon/May, 1979; The Washington Monthly, How Big Labor Brings Home the Bacon—February, 1981.

Section 306: Limit increases in contract and fair market rents—

Issue: Limiting annual increases in contract and fair market rents.

Armstrong proposal: Section 306 limits increases in contract rents to no further than actual cost increases for the specific project.

Why section 306 should be enacted: The Section 8 program and its associated costs are tied very closely to so-called fair-market rents which are 1) established by HUD for each major housing market in the nation, 2) updated at least annually, and 3) computed separately for existing and newly constructed/substantially rehabilitated units. Fair market rents are supposed to be based on actual rents of comparable modest type housing.

GAO says that fair market rents have:

1. Risen at rates which "could in the future provoke serious challenges to the very existence of the program." GAO found in 8 to 17 cities surveyed that fair market rents set by HUD outpaced rents relating to each of the cities' overall Consumer Price Index, the housing component of the Consumer Price Index and two reputable indexes which measure construction costs.

Partially as a result of high fair market rents, GAO found some families receiving housing subsidies as high as $5,000 to $7,000 and even higher.

2. Created distortions in the marketplace. Because Section 8 units' rents in some areas are higher than unsubsidized units, this increases pressure to charge higher private sector rents, which in turn forces fair market rents to increase.

3. Set rents with too few market rent comparables. In New York City, for example, HUD officials used only 12 private sector rental projects to determine rents for the program. GAO questioned the statistical validity of the projects selected as "comparable."

Because there is so little unsubsidized private sector rental housing production, HUD's own Office of Policy Development reported that;

"All six of the HUD offices we visited were having difficulties finding appropriate comparables in some market areas, particularly those areas in which little or no new construction has occurred in those areas in which there is no housing of the type proposed. In many cases, it has been necessary for HUD appraisers to choose comparables from outside the market area."

GAO also quoted a former HUD official:

"In practice, the ability to fairly determine comparables for multi-family rents has become harder in recent years since more and more of the rental housing now being built is federally supported. Thus, to get private market comparables it is necessary to look to older projects and ones further away, making the adjustments an increasingly large part of the determination. An additional factor undermining the reliability of comparables has been the pressure applied to the Central Office since 1976 to be liberal in the determination of comparables for Section 8 projects. This has been necessary in order to meet production goals and is a reaction to the initial conservatism of FHA comparables."

HUD's Inspector General agrees with the General Accounting Office. A February 7, 1979, report said the following errors have been made in calculating Fair Market Rents:

1. Arithmetic errors.
2. Wrong type of comparables used.
3. Comparables used were over six years old.
4 Comparables used were located outside of the market area.
5. Incorrect adjustments were made.

The Mankato Free Press in Mankato, Minnesota reported that Section 8 rents are higher than the most expensive apartments in town.

The Providence, a Rhode Island journal bulletin said that two bedroom Section 8 rents in the city exceed $530, which was $130 higher than luxury apartment rents in the same area.

4. GAO and HUD found similar errors in calculation of contract rents, which actually obligate the federal government to provide tenant subsidies.

Section 306 directs implements GAO recommendations by directing HUD to limit increases in contract rents to actual cost increases incurred in Section 8 projects.

References: General Accounting Office, Further Actions Needed to Improve Management of HUD Programs—February, 1981; How to House More People at Lower Costs in the Section 8 New Construction Program—March 1981; Evaluation of Alternatives for Financing Low and Moderate Income Rental Housing—September, 1980; Section 8 Subsidized Housing—Some Observations on its High Rents and Costs; and Dep. of Housing and Urban Development, Report of the Inspector General.

Section 401: Defining "Income" for Eligibility and Tenant Rent Contributions—

Issue: Providing a statutory definition of income for purposes of determining tenant eligibility and tenant rent contributions.

Armstrong proposal: Section 401 provides a statutory definition of what constitutes income for all federal rental assistance programs. This definition is largely consistent with statutory and regulatory definitions of other federal public assistance programs. However, some sources of income not now counted in determining Section 8 eligibility or tenant contributions to rent, as well as some income disregards now provided, would count as income under Section 401 (for example, food stamps, unemployment compensation, ACTION stipends, income earned by minors, gifts of cash).

Why section 401 should be enacted: Current Section 8 law states that "the term income means income from all sources of each member of the household, as determined by the Secretary." HUD regulations interpreting this law ignore many sources of funds available to a household. For purposes of calculating tenant contributions to rent, current Section 8 regulations do not consider as income food stamps, income earned by minors, casual and sporadic gifts, unusual medical expenses, foster child care payments, ACTION agency stipends, combat pay, the value of GI Bill benefits applied to educational costs, and the value of all non-liquid assets the household may have.

In addition, Section 8 rules allow a $300 income disregard for each minor who is under age 18 or who is a full time student.

Generally, the same definition of income applies to those living in federal public housing units . . . but the public housing definition of income is even more generous. In addition to the income exclusions and disregards stated above, laws and regulations governing public housing provide:

A 5% income disregard on a non-elderly family's gross income.

A 10% income disregard on an elderly family's gross income.

A $300 income disregard per year for income earned by a secondary wage earner.

An income exclusion for unemployment compensation benefits.

Section 401 provides, a definition of income for all federal rental assistance incomes. Generally, all cash income that a family receives which is not earmarked for a specific expense (GI Bill benefits, medical costs, educational scholarships) is considered as income. Section 401 retains, however, the income exclusion for excessive medical expenses that is now contained in most federal rental assistance programs.

Since federally subsidized tenants only pay a fixed percentage of their incomes for rent with the federal government picking up the difference between the tenant contribution and the actual cost of the unit, it is critically important how income is calculated.

Section 401 is based on the premise that one definition of income should apply to all federal rental assistance programs; that all cash income a family receives should be counted as income, where possible; and that in determining what constitutes income, Congress should recognize that those living in federally assisted units enjoy on average some $4,000 in housing subsidies that is not counted as income in other public assistance payments . . . and is not received by non-assisted families.

Section 401(m): Calculating divested assets as income—

Issue: Calculating divested assets as income.

Armstrong Proposal: Section 401(m) requires that the value of the divested assets are to count when determining tenant contribution to rent.

Why section 401(m) should be enacted: In the 96th Congress, legislation was signed into law which limits eligibility for Supplemental Security Income and Medicaid recipients who dispose of excess assets in order to make themselves eligible for benefits.

In these two programs, a number of states have uncovered an abusive practice in which individuals transfer substantial assets to their families or to others in order to bring themselves down to the welfare eligibility level which will qualify them for such benefits.

Section 401 is virtually identical to legislation enacted last year. Under this provision, an individual applying for housing subsidies will have to continue to count as his own assets which he had given away within the prior year.

References: Congressional Record, Debate on Long-Boren Amendment, Page S16505—December 13, 1980.

Section 402: Payment of Minimum Rents—

Issue: To require minimum rent contributions from Section 8 recipients.

Armstrong proposal: Section 402 establishes minimum rents that all federally assisted tenants must contribute toward rent payments; tenants will pay $50/month in existing housing; and $100/month in units constructed within the last six years in public housing or Section 8.

Why section 402 should be enacted: In Section 8, tenants now pay 25% of net income for rent, but they must pay at least 15% of gross income, if that is higher than 25% of net. Similarly, in public housing, tenants now must pay at least 5% of gross income. As a minimum for all assisted housing units, tenants will have to pay flat dollar minimum rents. This step would mean that families of similar incomes would be subject to the same contribution rate. These minimum rents assure a tenant rent payment even when the family's income after deductions is extremely low.

Because tenants pay a percent of their income rather than a percent of the costs associated with rents, and because of skyrocketing utility costs, there are instances where tenants are actually paid to live in federally assisted units. As one public housing official described the issue:

". . . one recommendation is to establish minimum base rents. These base rents would prevent the payment of negative rents (due to utility allowances) thereby allowing the return of some dignity to those who are getting more than a 'free ride.' No one should be paid to live in federally subsidized housing."

As an example, if 25% of the tenant's income is $35 and the utility allowance is $20, the tenant pays $15 to the owner; if the utility allowance is $50, the owner bills HUD for $15 which he passes on to the tenant. The presumption is that if the building were master-metered, the tenant would have paid $35 to the landlord, instead of to the utility company, and HUD would have paid $15 more in the housing assistance payment to the landlord.

References: Library of Congress, Report on Minimum Rents; National Association of Housing Redevelopment Officials.

Section 403: Retrospective Accounting—

Issue: To provide proper methods of accounting and verification of tenant income for purposes of calculating contribution to rent and eligibility.

Armstrong proposal: Section 403 requires HUD to determine eligibility and tenant contributions to rent on the basis of retrospective accounting of tenant income.

Why section 403 should be enacted: Current law directs HUD to determine eligibility and tenant contributions to rent on the basis of estimates on prospective earnings. The concept embodied in this section, similar to concepts now being developed by the Reagan Administration for other public assistance programs, reverses this current law procedure. The Reagan Administration estimates a cost savings of $300 million annually in Health and Human Services programs alone if these retrospective accounting procedures are adopted.

This section is also necessary in light of one GAO finding that only one of 17 HUD area offices had adequate procedures for verifying tenant incomes.

It simply makes common sense to base tenant contributions to rent on the basis of income actually earned, rather than expected to receive. Section 403 places housing subsidies on equal footing with other public assistance programs.

References: The White House, Program for Economic Recovery, April, 1981; General Accounting Office, Report to HUD, April, 1978.

Section 501: Eliminating HUD Veto of State and Local Decisions—

Issue: To eliminate HUD veto of state and local decisions.

Armstrong proposal: Section 501 eliminates HUD's veto of state and local government's disapproval of Section 8 projects.

Why section 501 should be enacted: Current law allows HUD to veto a state and local government's disapproval of a proposed site for a Section 8 project. Section 502 increases the state and local role in determining the sites of Section 8 projects. The need for Section 501 is documented by a report to the House Appropriations Committee:

"In one case in the State of Pennsylvania, state and local governments submitted to HUD ten sites which merited a Section 8 project, and pledged support for constructing such projects. But the local government said there was one site which was unacceptable for the placement of a low income project. HUD contracted with a private developer to build a Section 8 project on that one site opposed by the local government. State and local governments participate in the Section 8 project selection process by preparing housing assistance plans, which detail their community housing needs. HUD may approve a housing project which local governments believe is inconsistent with the housing plans . . . a source of friction between local citizens and HUD."

References: House Appropriations Committee, Committee Hearing, April 23, 1981.

Section 502: Prohibiting Federal Housing Assistance in Communities Imposing Federal Rent Control—

Issue: To prohibit federal housing assistance in communities imposing rent controls.

Armstrong proposal: Section 502 prohibits federal rental housing assistance to be placed in communities which impose rent controls on unsubsidized multi-family residential property.

Why section 502 should be enacted: Section 8 units are placed in communities which impose rent controls on multi-family residential property. There is virtually no question that the imposition, or the threat, of rent controls diminishes incentives for the production of private sector housing.

The House Banking Committee states: "The committee believes that local governments must address themselves to the underlying reasons for increases in rent, and not simply add to the problem by instituting rent control." The Washington Post agrees: "The main reason to keep rent control appears to be political: many people regard politicians who oppose it as enemies of the poor. What is needed now is for strong politicians to stand up to the myths surrounding rent control in the district and say no to extending this bad (rent control) law."

References: House Banking Committee, FY 1981 Annual Authorization Bill/Committee Report—May 15, 1981; Washington Post, "No on Rent Control"—February, 1980.

Section 601: Permit local housing authorities to recapture legal expense of prosecuting fraud and abuse.

Section 602: Report to Congress on status of court suits prosecuting fraud and abuse—

Issue: To providing incentives for reducing fraud and abuse in Section 8.

Armstrong proposal: Section 601 permits local housing authorities to recapture their legal expenses for court suits brought to prosecute fraud and abuse; specifically, the section permits PHAs to recapture half of court judgments or 100 percent of legal expenses, whichever is more. Section 602 directs HUD to report to Congress the disposition of all cases brought to its attention by public housing authorities of potential fraud.

Why sections 601 and 602 should be enacted: A number of studies and reports document fraud and abuse in the Section 8 program, but relatively few cases of fraud are ever prosecuted. Federal housing laws and regulations are laced with sufficient directives and procedures aimed at providing sound management practices that will reduce fraud and waste. More laws and regulations are not needed; enforcement and cooperation by HUD with public housing authorities is needed.

A number of studies and reports by the General Accounting Office, HUD's own Inspector General, Congressional investigations, national and local newspapers and magazines document fraud and abuse in the Section 8 program.

1. HUD's Inspector General found that 61 percent of the projects reviewed "did not have adequate systems to verify income data provided by tenants."

2. GAO found a 64 percent error rate in projects reviewed for calculating tenant incomes.

3. HUD's Inspector General surveyed 345 units, and found one-third had at least one housing quality standard deficiency. Of those, 40 percent were considered serious "health and safety violations."

4. In 1979, GAO surveyed 17 HUD field offices to determine the adequacy of management controls to prevent duplicate payment of rents. GAO found only one office had adequate controls, and found numerous instances of duplicate payments.

5. HUD's Inspector General estimates that 17 percent of Section 8 projects have "management irregularities." These include:

A. Overcharging tenants by requiring side payments in excess of the tenant's gross family contributions.

B. Requiring tenants to pay for utilities which were to be provided by the project, or requiring tenants to pay for fictitious services such as furniture rental.

C. Improperly collecting assistance payments for vacant units not occupied by Section 8 tenants.

D. Leasing substandard units and/or PHA employees certifying such units as being substandard.

E. Submitting bills for Housing Assistance Payments for units occupied rent-free by project employees.

F. Working with or inducing tenants to falsely establish basic eligibility, or improperly increasing the amount of assistance.

G. Placing tenants in oversized units.

H. PHA employees granting special Fair Market Rents.

In addition, the Inspector General found 17 other types of irregularities in management. These findings were confirmed by a separate investigation by the staff of the House Appropriations Committee.

6. HUD's Inspector General also found violations of program rules by Section 8 tenants. These violations included false appli-

cation, or recertification by the tenant in which income was understated, all sources of income were not listed, or all persons residing in the unit were not reported. There is a 14% frequency rate of tenant irregularities in the Section 8 program.

The House Appropriations Committee verified these findings.

These six defects portray the Section 8 program as one which is administered with little care. The solution, however, does not lie in the adoption of more laws. Most of the abuses which have been brought to light are prohibited either by law or regulation. The solution is proper enforcement of current laws and regulations.

The Investigative Staff of the House Appropriations Committee reports that where flagrant abuse of the program by owners is detected, very little action is usually taken. Housing officials say that removing owners from the program through foreclosure jeopardizes providing housing for the poor. The Appropriations Committee says that reasoning is unacceptable:

"It is understandable why removal of owners from the program is not desirable from the housing officials viewpoint. However, flagrant and continued abuse by owners must be dealt with. Because of the high cost of the leased housing program and the potential number of abusers, irregularities may be costing millions of dollars per year. HUD, in addition to their responsibility to assist PHAs in the detection of abuses, is charged with the responsibility for ensuring that abuses are satisfactorily resolved once detected. This has to be accomplished by working closely with Public Housing officials to provide guidance in their administration of the existing housing program."

The report adds:

"Under the present system, cases of fraud and abuse are referred to the HUD Inspector General for investigation. If warranted, these cases are referred by the Inspector General for investigation to the U.S. Attorney's Office for prosecution in Federal Court. The penalties for violation of federal law are adequate for these type cases. However, because of the relatively minor nature of the violations, the U.S. Attorney's Office usually takes no action."

Public Housing officials also report that HUD has a "hands off" policy for prosecuting fraud. Even if HUD were cooperative, most public housing authorities do not have adequate resources to prosecute fraud and abuse.

References: HUD's Inspector General; General Accounting Office; House Appropriations Committee; and news accounts.

BILLION-DOLLAR NIGHTMARE AT HUD

(By Donald Robinson)

When Congress enacted the Housing and Community Development Act of 1974, the lawmakers generally ignored an obscure rent-subsidy program authorized under Section 8. And why not? Section 8's appropriation that first year was, by Washington standards, minuscule: just $42 million.

Six years later, though, Section 8 is raging out of control. The $3 billion reserved for Section 8 in President Carter's latest budget is only the tip of the iceberg. If the President has his way, the Department of Housing and Urban Development (HUD) will sign contracts in fiscal 1981 obligating taxpayers to shell out $20 billion in rent subsidies in coming years. And that's just this year's commitment. From 1974 to 1979, HUD committed itself to Section 8 subsidies totaling $130 billion.

The beneficiaries of this government largess are legion, although all too few of them are the truly poor who desperately need it. In Los Angeles, welfare families are authorized to live in two-bedroom apartments for as little as $126 a month; HUD picks up the rest of the $503-a-month rent. In San Francisco, welfare recipients live in $472-a-month apartments, courtesy of HUD.

Developers who are awarded contracts to put up new Section 8 apartment complexes do even better. Once the contract is in hand, the idea is to sell interests in the project to wealthy private investors. In so doing, the developer reaps a large and immediate gain, while his new partners—most in the 60-to-70-percent tax bracket—save money they would otherwise lose in taxes. And both can expect to earn large profits over the long term.

Deeply concerned over Section 8's potential for profit finagling is U.S. Sen. William L. Armstrong (R., Colo.), a member of the Senate Banking, Housing and Urban Affairs Committee. "Section 8 is a potential bonanza for grasping politicians, influence peddlers and other rip-off artists," he says. "Before it is through, this one provision of one act may cost taxpayers upward to $600 billion. It is sheer madness."

TAPPING THE TILL

None of this was planned, of course, when Congress approved Section 8 six years ago. The goals of the program—to encourage developers to construct modestly priced rental housing, and to assist the poor in paying their rents—were worthy then, and are even more so today in view of our national housing crisis. But can these goals be realistically achieved under the present provisions of the law?

A developer who wishes to participate in Section 8 program submits his construction plans for a new or rehabilitated apartment house to HUD's local representative. The agency then determines the "fair-market rent" the developer can charge for each apartment. In practice, this simple phrase becomes a nightmare for the taxpayer—for the more luxurious the apartment, the higher HUD will set the rent. Furthermore, HUD will guarantee to pay almost all of the rent for the next 20 to 40 years for any apartment that's occupied by people HUD deems to be poor enough. Qualified families pay only 15 to 25 percent of their gross income for rent and utilities. HUD antes up the rest.

The most amazing thing about the program is the official definition of a low-income family. By Congressional fiat, any family qualifies that earns less than 80 percent of the median income in its area. Thus, in Washington, D.C., a family of four with an income of $16,083 a year is considered poor by HUD and is entitled to a huge rent subsidy from the taxpayer. A family of four in New York City with an income of $17,269 a year can tap Uncle Sam's till for over $6,000 a year in Section 8 subsidies. In Chicago, a four-member family can make as much as $15,034 a year, and still get Section 8 assistance.

"It doesn't make sense," says Senator Armstrong. "You take from a working guy the money he has earned with his hands and you use it to pay for somebody else's housing—housing often far superior to that of the man who is paying the bill."

BIG SPENDERS

The need for housing help to the poor—the genuinely poor—is real. Rent controls, declining construction by private industry, conversions of existing apartments to condominiums, building abandonments—all have combined in recent years to create a severe housing shortage for the 26 million American families who rent apartments or homes. Indeed, the national rental-vacancy rate is five percent, one of the lowest recorded since the Census Bureau started collecting such data in 1956. But is Section 8 any way to solve the problem?

A months-long investigation by The Reader's Digest did disclose some Section 8 projects—in Newark, Jersey City, Chicago and other places—where low-income, elderly and handicapped people are housed comfortably and economically. But these are overshadowed by evidence of extravagance and waste.

A classic example of this is New York City's luxurious Taino Towers. Located in East Harlem, Taino's 35-story, concrete-and-glass towers contain 656 air-conditioned apartments, ranging from studios to duplexes and featuring double-size windows and screened-in balconies. There are also greenhouses, an Olympic-size swimming pool, an auditorium and a gymnasium. Apartments in this classy complex do not come cheap. A two-bedroom unit, for example, rents for $598. But none of the tenants will pay the fair-market price. In fact, each apartment in Taino Towers will be subsidized by the government to the tune of $9,708 a year (Section 8 covers $5869 of this; the rest comes under an older HUD program). The total cost to the taxpayer for this one apartment complex: $6,302,848 each year.

This incredible generosity is compounded by administrative practices that are shockingly lax. Investigators for Congress' watchdog, the General Accounting Office (GAO), discovered, for instance, that only one of 17 HUD field offices checked had a system to prevent duplication of subsidy payments. Thus the agency was often paying developers and tenants far more than the law required. Worse, formulas for verifying tenant income are so complicated that GAO studies have found them to be "incomprehensible." Last year, concerned over this problem, Congress unanimously approved an amendment requiring HUD to tighten control over verification procedures. Buried deep within the Housing and Community Development Amendments of 1979—and adopted despite heavy pressure from developer groups—this major corrective measure is today largely ignored by the HUD hierarchy.

Not surprisingly, HUD administrators often have no idea how much they spend—or on what. Asked how many Section 8 projects were located in his jurisdiction—a statistic that should have been on the tip of his tongue—a top HUD official in the Washington field office confessed that he had no idea. In New York, another administrator could not even guess how much his office had dispensed in Section 8 subsidies. It took him nearly a month to determine the answer: $133 million.

GUARANTEED PROFIT

With so much easy money at stake, it is small wonder that Section 8 has attracted fast-buck artists. Here's how they cash in:

Any developer who gets HUD's okay on a Section 8 project can quickly obtain a mortgage from a bank for 90 percent of the project's cost, since HUD guarantees repayment. What's more, he generally pays only half the prevailing interest rate, with HUD paying the other half. And since HUD guarantees him a profit of ten percent of the cost of the project, he can even borrow most of the money for the down payment on the mortgage.

Given these conditions, it comes as no surprise that charges ranging from political favoritism in Rhode Island to outright corruption in New Jersey have plagued HUD operations. A team of reporters from the Providence, R.I., Journal-Bulletin accused officials in Gov. J. Joseph Garrahy's office of handing out projects to those whose political "support" was generous. The Bulletin's allegations—denied by officials—have nonetheless prompted a full-scale investigation of Section 8 housing in Rhode Island. And in New Jersey, a string of convictions and federal-state indictments have been handed down following a three-year housing-fraud scandal. According to the most recent indictments, building contractors James M. Canino and Alvin Raphael allegedly diverted $1.5 million from HUD's Parkview Towers project and used it to improve their own properties

with such pluses as swimming pools, cabanas, tennis courts, etc.

NEEDED: DRASTIC REFORM

Year after year, the cost of Section 8 escalates. What can be done to stem its waste and extravagance? Senator Armstrong has proposed a seven-point program:

1. HUD should restructure Section 8 to ensure more competitive bidding and to encourage reduction of costs by sharing savings with developers.

2. HUD must eliminate the mountains of red tape that are driving up Section 8's costs.

3. HUD must pay more attention to preserving existing rental housing. Let's stop the epidemic of abandonment.

4. The federal government should subsidize interest rates only for those builders who agree to charge moderate rentals and to maintain their buildings according to clearly defined "decent living" standards.

5. Rental subsidies should go solely to people who need them: families who earn no more than 50 percent of the national median income. (That income was $20,428 in 1978; so the cut-off point for that year should have been $10,214.)

6. HUD must develop an effective system for verifying tenant income.

7. The Justice Department and HUD must promptly take steps to clean out corruption from Section 8 before it infects the entire program.

"Section 8 is a perfect example of a government program that was adopted with little thought and administered with little care," sums up Senator Armstrong. "Drastic reforms are necessary if the interests of the long-suffering taxpayer are to be protected."

[From the Washington Post, Aug. 16, 1980]

"TAJ MAHAL" IN NEW YORK: SYMPTOM OF RENT SUBSIDY HEADACHES

(By Spencer Rich)

On West 42d Street, near New York's theater district, is a modern apartment complex called Manhattan Plaza. Like a lot of luxury buildings, it has parquet floors, individually controlled heating and air conditioning, and, on the outer units, balconies.

For relatively small fees, residents can sign up for a tennis club ($20 a year plus hourly court fees) and a year-round swimming pool ($172.50 a year). There is also indoor parking for $68.90 a month, cut-rate by Manhattan standards.

But this isn't luxury housing for the rich. It's federally subsidized housing for the poor. And it is rapidly becoming a symbol of the excesses that critics say are endemic in the government's most expensive—and perhaps its most ambitious—housing subsidy program.

The program, run by the Department of Housing and Urban Development, is known as Section 8. It was set up with a simple goal: to get builders to build housing for the poor, something they have largely stopped doing.

To achieve this, the program offers a variety of subsidies. In addition to the conventional tax benefits, which the builder may syndicate to raise extra cash, the government calculates what rent level would provide a proper rate of return. This, of course is far too high for poor tenants, so they pay 15 to 25 percent of their income and the government pays the rest. This arrangement virtually guarantees the owner a full house.

In a sense the program is succeeding. Since its inception in 1974, it has generated construction of more than 250,000 new or substantially rehabilitated units, in addition to putting about 700,000 existing apartments under subsidy contracts.

"Right now, 90 percent of new rental housing is built with this or related program aid," said HUD Deputy Assistant Secretary Anthony Freedman.

But the cost is high.

Already, Section 8 accounts for a third of the $6 billion the government spends on housing subsidies. By the end of September, the program will have 1.1 million subsidized units occupied—compared to 2.2 million for all other programs—and the figure will rise rapidly when authorized but still unused units are put on line.

The future, or "run out," cost of Section 8 units already authorized or included in this year's authorization bill, even if no more are ever added, will be at least $130 billion over the years because units stay under contract in the program for 15 years or more.

"I am convinced that [Section 8's] long-range costs could seriously threaten the very financial integrity of the U.S. government," warned Sen. J. James Exon (D-Neb.) in Senate debate a few weeks ago.

The potential demand is enormous. Under the law, any family with less than 80 percent of the median income for its area may receive Section 8 assistance. By this standard, 40 percent of the families in the nation are theoretically eligible.

Manhattan Plaza in some respects is not a typical Section 8 project. Initially planned as a middle-income development but then picked up by HUD for Section 8 when it encountered some difficulties, it has far more luxury than normally goes into a Section 8 new building. And it has special arrangement to house theater people in New York's West Side and some nonsubsidized tenants, like Tennessee Williams, Theresa Wright and Jane Alexander.

But its economics aren't much different from many other Section 8's. It has substantial rents, $798 for a * * * bedroom apartment, and tenants * * * there with incomes of up to about $17,000 a year who get government subsidies of up to $5,000 a year toward their rent bills. According to a highly critical General Accounting Office report, which labeled it one of the "Taj Mahals" of the Section 8 program, in 1978 the average Manhattan Plaza tenant was paying $2,088 rent out of pocket and getting $5,090 government subsidy.

HUD Assistant Secretary Lawrence B. Simons and Freedman, as well as the National Low-Income Housing Coalition and many other housing groups, warmly defend the program.

The basic reason for the high costs of Section 8, Simons has said repeatedly, is not poor management, high eligibility levels or an occasional project of more-than-expected amenities like Manhattan Plaza.

Rather, he says, it is the high cost of building new housing.

Because interest rates, construction and land costs have jumped so enormously in recent years, it is extremely expensive to build new rental housing except for the rich, Freedman said in an interview.

So, as older units go out of use, the supply is shrinking.

Section 8, by providing a fair market return to a developer who agrees to put up a building and then rent the units to low-income people under the rent subsidy, stimulates construction of relatively low-rent units.

Cushing Dolbeare, president of the National Low-Income Housing Coalition, said, "The supply of rental housing is actually contracting. According to the 1977 annual housing survey [Census Bureau], six million low-income households in the U.S. pay at least half their income for rent—when it is generally accepted that a family should spend no more than 25 percent.

"Decent housing costs money for low-income people or anyone else. If we want to fulfill the congressional commitment to see that every American has the opportunity to live in decent housing, it's going to cost money," particularly when you are stimulating construction of new rental housing with the subsidy payment.

Moreover, Dolbeare said, Congressional Budget Office figures show that the U.S. government loses $20 billion a year in taxes through the homeowner interest deduction, which goes largely to middle and upper income people.

"If we can afford that, we can afford $6 billion for the poor. That $20 billion is far less needed by the people who get it than the $6 billion in housing aid is needed by the poor."

Freedman said he does not doubt that developers have made a lot of money off Section 8 housing, but not much housing would be put up if a person could make as much investing his money in 100-percent-safe Treasury bills as in putting it into risky, hassle-filled projects—a view echoed by George Genung of the National Association of Home Builders and John Kregsfeld of Management Partnership Inc. here.

"Excess profits are few and far between," said Kregsfeld. He said a builder—at his own cost—could buy land, pay taxes on it, draw up architectural plans, pay lawyers to get zoning and water and sewer permits, run in wiring, etc.—and then lose it all if he failed to get a Section 8 rental contract on the project. He might have four losing projects with high leases before he got one that looked like a winner. So the profits even out.

Freedman said Manhattan Plaza, which HUD maintains is not typical because it was planned as a private project and was picked up by HUD when it ran into trouble, is much lusher in amenities than virtually any other Section 8 project. Still, he said, in most places a modest pool for low-income kids, a community room for the elderly and air-conditioning in stifling hot Southern cities are acceptable amenities.

The primary reason the program costs so much is the size of its subsidies, which are calculated this way:

HUD sets a fair market rent, based on existing construction costs and rental rates, for different areas of the country.

In some areas, it's pretty high for newly constructed or substantially rehabilitated apartments, one source of sharp public criticism: For example, in San Francisco, a very high-cost area, a four-bedroom Section 8 apartment in a newly constructed high-rise elevator building could rent for $1,035 a month; a three bedroom, $978.

In Montgomery County, one Section 8 new project, Country Club Gardens, will bring about $472 a month for a two-bedroom walk-up. The maximum fair market rent here is $649 for a new, four-bedroom semidetached new house. (HUD sometimes allows higher rents for special reasons.)

These figures are total monthly rent; the government subsidy usually covers three quarters or so of the rent, often more.

The program also provides a subsidy for the tenant who goes out and finds himself a place to live in an existing building. For such housing, built in the pre-inflation days at lower cost, the fair market rent is less. In the Washington area, it would be $435 maximum for a four-bedroom apartment.

The costs of these apartments, especially new ones, seem rather steep to most people. But HUD officials say they merely reflect today's tight housing market and high construction costs.

For a family of four, the new eligibility cutoff in the Washington metropolitan area, just set, is $21,600 a year. In New York, it's $17,050. In San Francisco, $18,700. (By contrast, the poverty line today for a family of four is $7,410.)

These figures, however, are misleading. Although occasionally people close to the cutoff do get into Section 8 housing, as in Manhattan Plaza, most residents are poor.

Nationally, the average 1980 family income of Section 8 residents is only $5,236—less than one-third the national median family income—according to HUD estimates. About

93 percent of Section 8 tenants are at less than half the median.

In the D.C. area, the Council of Governments found a handful of families with incomes of about $15,000 (elderly couples) getting Section 8 aid (Woodland Hills, Arlington; Hunters Woods, Fairfax); most were much lower.

Under Section 8 rules, mandated by Congress, a low-income tenant pays only 15 percent to 25 percent of his income for an apartment. The government pays the rest. That is why, GOA says, that subsidy payments as high as $5,000 to $6,000 per family are commonplace in newly constructed Section 8 units. High rent and poor tenants add up to big subsidies.

Nationally, however, the average is less: HUD estimates that the actual rent paid by tenants in all occupied Section 8 new and substantially rehabilitated housing that was built by private developers is now about $1,210, to which the government adds an average subsidy of $3,245 a year. By contrast, "existing housing" subsidies are much cheaper: only about $1,720 per year, on average.

Since the average welfare family in the Aid to Families with Dependent Children program only receives cash income for all purposes of about $3,500 a year, many people consider the Section 8 subsidies for new housing disproportionate.

There is substantial disagreement over what to do about costs. Sen. William L. Armstrong (R-Colo.), arguing that the income cutoff is absurdly high at 80 percent of median income, pushed an amendment to cut it to 65 percent through the Senate last month.

The National Low-Income Housing Coalition supported this idea; Almost all Section 8 recipients are well below either 65 percent or 80 percent, but the 80 percent theoretical eligibility figure infuriates persons making no more than that but not subsidized.

Some people believe that you could get "more bang for a buck" from a different form of construction subsidy. Sen. William Proxmire (D-Wis.) and Rep. Thomas L. Ashley (D-Ohio) both proposed channeling more of the low-income people into the cheaper "existing housing" under Section 8, and using the savings to subsidize construction of apartments for middle-income people.

They could pay fairly high rents so their individual subsidies would be small, and they could move out of their current apartments and create a larger pool of "existing housing" for the poor. For the same total outlay, more new apartments would be available and more people helped. But the National Low-Income Housing Coalition does not believe the idea will work and helped kill the Senate version. The House version is still awaiting floor action.

[From the Denver Post, Mar. 23, 1981]

VERY POOR LAST IN LINE FOR FEDERAL HOUSING ASSISTANCE IN AURORA

AURORA.—If you're very old and very poor, you'll be last on the list for federally assisted housing in Aurora.

Because the federal Department of Housing and Urban Development wants to cut the financial subsidy it's paying the Aurora Housing Authority, local officials have been told to find more affluent poor people.

In other words, if a person is over 62 and living on $4,800 or less, that person has been placed at the bottom of the housing authority's waiting list.

Those earning between $4,800 and $9,599 are favored now, because the housing authority can collect 25 percent of that income as rent, a far more profitable arrangement than collecting 25 percent of less than $4,800.

Juanette Gant of the housing authority's staff says 57.2 percent of the impoverished elderly in Arapahoe County earn less than $4,800 a year.

The waiting list for the authority's federally assisted housing project for the elderly is lengthy: 257 persons are waiting to get into Buckingham Gardens.

Gant says the authority is no longer taking applications for the two elderly housing projects, or for any of the authority's other housing programs, for that matter. She says there's no point in taking applications when the authority knows there's no possibility of providing the applicants with housing within a year's time.

The reason the authority is giving priority to the more affluent poor is HUD's "Broad Range of Income" program.

Ed Gardner, a HUD spokesman, explained the broad range of income program seeks to have all income levels represented in federally assisted housing in proportion to their representation in the population.

The Federal law controlling HUD says if 57 percent of Aurora's elderly earn less than $4,800, then that's the percentage of very poor people who should be given assisted housing.

Currently, 78 percent of the authority's tenants earn less than $4,800, Gant said. Sixty-one percent of those on the Buckingham waiting list fall into the poorest income category, while 37 percent of the waiting list earn between $4,800 and $9,599, she said.

Gant explained before the broad range of income program was instituted, the housing authority gave the very poorest Aurorans priority. Under HUD's new program, the authority must accept more affluent poor until the authority can achieve the proper percentage of all income ranges.

She said although the waiting list for the project is relatively static and the authority isn't accepting applications, the authority still gets up to a dozen telephone calls a day from people inquiring about public housing.

The rationale behind the HUD policy is not to ghetto-ize the very poor, Gardner said. However, when the broad range of income policy is applied to the elderly, the rationale is simply to save the taxpayers money, he said.

[From the Washington Star, Mar. 16, 1981]

MANY ILLEGAL ALIENS DRAW HOUSING AID WHILE U.S. CITIZENS WAIT, GAO STUDY FINDS

HUD RULES FORBID ASKING ABOUT STATUS

Preliminary inquiries by congressional investigators strongly suggest that substantial numbers of illegal aliens receive federal housing subsidies while hundreds of thousands of U.S. citizens wait months or years for similar assistance.

The Department of Housing and Urban Development has taken the position that "there is no legal basis for inquiring into the citizenship status of persons applying for federal housing subsidies."

Homer Smith, executive director of the Housing Authority of the City of Los Angeles, said recently that his agency used to ask applicants, "Is the head of your household a citizen or legal resident of the United States?" However, he said in an interview, the question was eliminated last year after federal housing officials told him that it violated civil rights laws.

The issue is one illustration of the difficulty of defining the legal rights of illegal aliens, whose numbers were recently estimated by the Census Bureau at 3.5 million to 6 million.

For example, there has been extensive litigation in Texas over the entitlement of illegal alien children to a free public education, while elsewhere some counties are pressing the federal government for help in paying the costs of providing health care to illegal aliens.

Los Angeles officials report that one of every five patients admitted to a county hospital is an illegal alien. They said it cost $91 million to provide hospital services to illegal aliens in fiscal 1978.

Auditors from the General Accounting Office, an investigative arm of Congress, found that "there were substantial numbers of illegal aliens in federally assisted housing projects."

Federal housing officials said they could not estimate the total number of illegal aliens receiving subsidies because applicants were not asked about their citizenship or immigration status.

Rep. Wayne R. Grisham, R-Calif., has introduced a bill to prohibit illegal aliens from receiving federal housing assistance. "I see no reason why assistance should be provided to illegal aliens to the detriment of otherwise eligible low-income families," he said.

Housing officials say that in almost every part of the country they are inundated with applications when they announce the availability of subsidies. The officials say that housing assistance is available to less than 20 percent of those who need it.

An unpublished study by the General Accounting Office notes that almost all statutory federal assistance programs, Medicare, Supplemental Security Income, food stamps, public service employment and others, require that participants be permanent, or at least legal, residents of the United States.

However, Congress deleted a citizenship requirement from a housing appropriations bill in 1952. The existing housing laws, which were revised seven years ago, say nothing about citizenship as an eligibility requirement.

Last year Congress amended the law to prevent foreign students from receiving federal housing assistance. Rep. Bruce F. Vento, D-Minn., offered the amendment after learning of apartments in Minneapolis where almost 30 percent of the subsidized units were reportedly occupied by foreign students.

Supreme Court cases have established that the authority to control immigration, to admit or exclude aliens, is vested exclusively in the federal government. Federal and local officials may not discriminate against citizens or permanent resident aliens on the basis of national origin, and the Fifth and 14th Amendments to the Constitution guarantee "due process of law" and "equal protection of the laws" to any "person" in the United States, not just to citizens.

The high court said in 1971 that states could not deny welfare benefits to legal aliens or impose a residency requirement because in so doing they would encroach on the exclusive federal power over immigration.

But the federal government may impose such restrictions, according to the Supreme Court, which in 1976 upheld a rule denying Medicare benefits to aliens who had not lived in the United States for at least five years.

[From the Boston Herald American, June 22, 1980]

U.S.-FUNDED HOUSING IS FALLING SHORT OF GOALS

(By Shelly Cohen and Greg O'Brien)

"Section 8 (housing) is big in Massachusetts. In Colorado, it's energy. In Arizona, it's water projects. There's nothing wrong with vested interests."—Nick Rizzo, deputy national fund-raiser for President Carter.

"There's no question that in some cases it helps the needy, but it also helps the greedy."—Sen. J. James Exon, D-Neb., member of the Senate Budget Committee.

"It's kept us all alive."—Charles F. Maurer, Massachusetts contractor and developer.

"Housing is not a game of kiddy pool."—

Robert McKay, Citizens Housing and Planning Association.

Politicians get contributions. Developers make money. Construction workers get employment. People get decent housing.

It's a high stakes poker game where everyone wins. Right?

Not quite.

Federally financed housing under the Section 8 program lines the pockets of developers and investors lucky enough to get in on the system.

Developers in Massachusetts seem as eager to give—to the politicians who can control those lucrative projects—as they are to receive their political largesse.

Last year alone Massachusetts received $73 million in federal Sec. 8 housing funds—the largest allocations in the nation. The state also ranked high in another important category—the amount of money its housing developers dropped in the coffers of President Carter's re-election campaign.

Some 70 percent of the $250,000 raised by the Carter campaign in Massachusetts as of April 15 came from Sec. 8 developers, according to Federal Election Commission reports.

In fact, all Sec. 8 developers in the state who contributed to Carter subsequently got new projects approved or tentatively approved in the past year. Supporters not only got preferential treatment, but also a chance to press their case for more housing subsidies with Assistant U.S. Housing and Urban Development Secretary Larry Simons, who holds the Sec. 8 purse strings.

But there are losers in the game.

Largely because it is so costly to build, Sec. 8 housing serves only 1 percent of the nation's 30 million households eligible for assistance.

"The developers run the rents up as high as they can," Sen. James Exon, an outspoken critic of the Sec. 8 program, said in an interview at his Washington office. "No one cares. Everyone is in it for a semi-free ride at the taxpayers' expense."

The Section 8 program, administered by the U.S. Department of Housing and Urban Development, provides rent subsidies for low and moderate income people. Under the program, needy tenants pay only 15 to 25 percent of their gross incomes for rent. The government pays the difference.

Massachusetts Housing Finance Agency is the state's chief conduit for disbursing Sec. 8 subsidies. The agency, in addition, provides private developers with low interest mortgages (usually 6 to 8 percentage points below commercial rates) and other financial incentives to build apartment complexes that will house the needy. The rents in these projects are allowed to exceed fair market values by as much as 20 percent.

But the political system that has grown up around Sec. 8 flourishes.

A key figure in keeping that system well oiled and running is an affable, cigar-chomping Andover businessman—Nick Rizzo, Carter's deputy national fundraiser. Rizzo, by his own admission, sets up appointments between Simons and Sec. 8 developers who have given to Carter.

"Hey, I tell people not to ask me to do anything that isn't reasonable, legal or attainable," Rizzo said.

"Some contributors, for instance, call me up and say things like 'Nick, I want to be ambassador to Mexico.' I tell them I'm the wrong guy and send them over to see Muskie.

"Developers call me up and say things like 'Nick, there are going to be 10 (Sec. 8) projects approved, and I want a chance to get in there and put my two cents worth in for five of them.'

"In those cases, I tell them that their request isn't reasonable," he added. "I tell them that if they want to get in and talk about one—fine."

It's not only within Rizzo's power to set up appointments with Simons, but also to track applications languishing in the HUD bureaucracy.

Often all it takes to speed up the usual two-to-three year approval time for a project is a call from Simons, a former Staten Island developer himself, to the MHFA.

The MHFA, now firm in the control of the King Administration, has been all too willing to comply. After all, Gov. Edward J. King not only prides himself on being pro-business and pro-construction, but also pro-Carter.

He was one of the President's earliest and most ardent supporters. And his chief operative at the MHFA, Administration and Finance Secretary Edward T. Hanley, and Hanley's wife, Theresa, were volunteers in the Carter campaign.

The King Administration got the patronage jobs, the agency contracts and some projects for friends. The Carter Administration got campaign contributions. The state got new housing and jobs.

"1979 was a banner year at MHFA," said one former agency official. "Everybody got money . . . including the President."

"Sec. 8 is the only program that really gives you enough money to operate with," said Lawrence-based developer Albert J. Brian. "But it's far too expensive. There's no way it can survive."

The projects themselves are often elegantly appointed and beautifully landscaped with such amenities as swimming pools and charming recreation areas. They are built not necessarily to please the tenants—after all, most will have long waiting lists of prospective tenants well before they are completed—but to assure big returns to developers and investors.

The elaborateness of the project will mean high "market rents" can be set for the apartments, based on their cost to build. But no one in the projects actually pays the market rent, which ranges as high as $500 to $600 a month.

Low income tenants pay only a small portion of it. The rest of the monthly rent is subsidized by the federal government. The taxpayer picks up the bill.

But even with all the federal generosity towards Massachusetts, the program doesn't come close to meeting the state's housing needs.

"It's buckshot," said Robert McKay of Citizens Housing and Planning Association. You can rationalize any development when you look at the total needs."

But the system and the developer profit motives behind it, do work against some people.

Non-profit groups wanting to build Sec. 8 projects are largely cut out of the action because they don't have the financial backing or the track record of the big developers.

And low income families—the very people the program set out to help are often cut out.

"Those in the most need are families," McKay said. "MHFA and HUD are not meeting that most dramatic need."

Families need three and four bedroom apartments, which are more expensive to build and maintain.

And there's more community resistance to low income housing, than to housing for the elderly, according to Brian, one of the developers who does build family housing.

"People just don't want black people or Hispanic people moving into their neighborhood," Brian said.

That was the contention of the South Shore Coalition for Human Rights, which last week filed a suit in U.S. District Court here, accusing the state of discriminating against minorities in Boston who qualify for low income housing subsidies by squeezing them out of the Sec. 8 housing market.

So most developers aim for housing for the elderly—it moves along faster and the faster it moves, the lower the construction costs and the faster the rents can come rolling in.

"It's a highly profitable operation," Exon said. "There's not a lot of risk, and nobody can guarantee rent better than the federal government."

[From the Boston Herald American, June 23, 1980]

CAMPAIGN FUND-RAISER

(By Shelly Cohen and Greg O'Brien)

There he stood, beneath the crystal chandeliers of the Colonnade Hotel last June—the president's deputy national fund-raiser Nick Rizzo, shaking hands and slapping backs.

Ham and eggs were on the menu. But campaign fund raising, the meat and potatoes of politics, was the entree.

The big attraction? Guest speaker Pat Harris, then U.S. Secretary of Housing and Urban Development. The audience? Some of her most attentive listeners—scores of the state's most successful housing developers—who paid $500 a plate and hoped for their money's worth.

Breakfasts, dinners and even an elaborate sports weekend at the Polo Club in Palm Beach, Fla.—events ranging in price from $500 to $5,000 a person—frequently have been used to attract well-heeled developers.

"We've certainly been rowing the boat for Carter in Massachusetts," said a developer who attened the Colonnade fund raiser but asked that his name not be used. "In return, the president has been generous, to say the least."

On the surface, there is nothing illegal in this system. As Section 8 of the Housing and Community Development Act of 1974 has evolved, it has become the federal government's most important housing program by providing rent subsidies for low and moderate income people. In Massachusetts, some $2 billion in subsidies and $1.2 billion in mortgage loans have been used in the 50,000 units for close to 13,000 people throughout the state. Last year, HUD pumped $73 million in to the state for a variety of Section 8 programs, the largest Section 8 allocation in the nation.

There are other aspects to the program. The Carter re-election campaign, for one, has prospered. Approximately $175,000 of the $250,000 raised by the Carter-Mondale re-election campaign in Massachusetts so far has come from developers, contractors and investors involved in the federally funded Section 8 rent subsidy program. Last year, some of the largest contributions nationwide to the Democratic National Committee also came from local Section 8 developers.

At the same time, records show that all Section 8 developers in the state who contributed to Carter or to the Democratic National Committee were subsequently successful in winning approval for new projects.

"It was all very subtle, but the message was clear," said one developer who received the Carter fund-raising pitch. "Come see us after you give money and we'll take care of you."

Circumventing the average one to three year process, Section 8 proposals from local Carter contributors have been approved in as few as five months. Supporters also gained access to Assistant HUD Secretary and Federal Housing Commissioner Lawrence Simons, who controls the flow of Section 8 money.

The point man in all this is Rizzo, a gregarious 47-year-old Andover businessman and former deputy treasurer of the DNC who still spends three days a week working for the Carter-Mondale campaign in Washington.

Rizzo first became a Democratic power broker as chief fund-raiser for Sen. Paul Tsongas, D-Mass. He once told an interviewer: "Influence isn't power. Influence is derived from the proximity of power. It's the perception of access.

"You raise money. You create obligations, so you're forever building up debts. There are IOUs, no question about it."

So there he was last June at the Colonnade, as he had been at other Carter fund-raising events. Carter's public approval rating was at a record low, but Rizzo was still enthusiastic—with this hand outstretched amid the hotel's "Pinchway" Indian temple hangings—building up IOUs.

"I met him (Rizzo) once, with a bunch of people," said developer Edward Fish, who was awarded two Section 8 projects in 1979 and one so far in 1980. "That's right. He came over to introduce himself at that fund-raiser attended by (Pat) Harris. He was at the door greeting people."

When Rizzo isn't busy greeting contributors, he's often at work setting up appointments for them.

"Once Rizzo gets you an appointment at HUD, it's a signal to (Assistant Secretary) Simons that the developer's political credentials have been cleared," said a former government official. "If the Section 8 proposal in question meets with HUD's or MHFA's requirements, and if discretionary money is available, chances are it gets approved."

"Sure I make calls and set up interviews," said Rizzo, drawing a distinction between what he does and the construction scandal currently being probed on Beacon Hill.

Referring to the probe, he said, "Those guys (previous state administrators) had to be crazy. Putting a fund-raiser in charge of contracts would be like setting the fox to guard the chickens."

Rizzo said he didn't attend the meetings he arranged at HUD and added that he wasn't responsible for what happened during them.

"If things work out, all of a sudden I'm a hero," he said. "I'm known as the man who can get things done. But you don't get a Section 8 project because you give to Nick Rizzo, and nobody buys Nick Rizzo for a thousand bucks."

Simons, a former developer from Staten Island, also acknowledges that interviews were arranged with developers who contributed to Carter, but denies that a contribution meant "the fix was on."

"In the democratic process, all actions are viewed as political," he said in an interview at his Washington office. "I can't prevent those inferences."

And neither can Massachusetts Housing Finance Agency officials, past and present, who say sometimes all it takes for a proposal to get out of the "pipeline" (a list of tentatively approved projects) is a call from Simons followed by a checkmark in the upper right hand corner of the developers' application form, indicating Washington's approval.

MHFA is the state's main conduit for disbursing Section 8 money. The agency has provided developers with more than $1 billion in low interest mortgage loans since its inception 10 years ago.

Section 8 developers in Massachusetts were solicited from HUD and MHFA housing lists. According to sources, the developers started receiving "low key" calls from the DNC and Carter fund-raisers early last year. The solicitations were followed up months later, when Carter's public approval rating hit an all-time low, with inquiries about whether any of the developers were having trouble obtaining Section 8 subsidies.

"I don't think Carter has given away anything they (Section 8 developers) don't deserve," said Rizzo, who also is chief fund-raiser for Sen. Paul Tsongas, D-Mass. "There's no quid pro quo. That's impossible. I mean anyone who thinks so is just dreaming."

Dreaming or not, local developers who contributed generously to Carter's campaign have prospered under the Section 8 program, and those who didn't have gone without—leaving the impression, at least, that if you don't give, you don't get.

For instance:

Twenty-two of 28 Section 8 projects (82 percent) funded through MHFA last year went to Carter contributors.

Nine of 10 Section 8 projects (90 percent) funded through MHFA this year to date have gone to Carter contributors, and 92 percent of those projects approved for 1980 (but still awaiting closing ceremonies) have been assigned to Carter contributors.

Of the 91 Section 8 projects currently being reviewed at MHFA, 74 are sponsored by Carter contributors.

Eleven of 15 Section 8 projects funded through HUD's Boston regional office last year went to Carter contributors and 81 out of 102 Section 8 proposals tentatively approved for 1980 and beyond are sponsored by Carter contributors.

In comparison, from 1976 to 1978 (before Carter began his fund-raising drive) less than 40 percent of the Section 8 projects in Massachusetts went to Carter contributors.

Most of Carter's contributions have come from fund-raising events. One of the biggest fund raisers to date was held at the Polo Club in Palm Beach, Fla., the weekend of the aborted raid on the U.S. Embassy in Tehran. The "sportsmen's weekend," as it was called, was sponsored by the DNC and organized by New York Yankee owner George Steinbrenner.

The event attended by several Section 8 developers, raised $290,000, according to DNC treasurer Peter Kelly who said, almost apologetically, "There was nothing we could do about Iran, so we went ahead with the event."

Kelly said a minimum $5,000 donation was charged for the weekend which included tennis and golf with some of the biggest names in sports. House Speaker Thomas P. "Tip" O'Neill was the guest of honor. Carter stayed at the White House.

Simons attended the fund raiser along with other Cabinet officials and congressmen, including Rep. Joe Moakley, D-Mass. He said he met "informally" with some of the developers "to discuss the budget and things like that."

"Basically, the development community is very interested in what I have to say," Simons added. "These people are going-out and putting their necks on the line. They like to know what's going on and they like to hear from me.

"There's no connection between giving money and getting a project."

But it certainly helps, as some developers will admit.

"This is an election year," said one Boston developer with a string of Section 8 contracts. "You gotta be crazy not to contribute."

[From the Boston Herald American, June 24, 1980]

A DONATION TO CARTER UNLOCKS HUD DOLLARS

(By Shelly Cohen and Greg O'Brien)

If they're on one list, they've made the other.

The first is a list of successful federal housing developers in Massachusetts who contributed to the re-election campaign of Jimmy Carter. The second is a list of approved rent subsidies and mortgage commitments to build low and moderate-income housing projects under Section 8 of the Housing and Community Development Act of 1974.

It's been said that a developer with the right political connections needs little more than a packet of Life Savers in his pocket to compete for—and win—a Section 8 housing project.

The Section 8 program, administered by the U.S. Department of Housing and Urban Development, is a low-risk enterprise with big rewards for developers, who are granted a variety of financial incentives to attract private capital for individual projects.

These incentives include little, if any, up-front money, along with low interest mortgage loans, rent guarantees, annual rent hikes and accelerated depreciation on the projects—worth hundreds of thousands to investors in tax shelters.

Developers and housing officials deny there is any correlation between giving and receiving, but a study of Federal Election Commission reports and HUD documents shows that in all cases involving Carter contributors, money was received before a project was approved.

Take, for instance, two relative novices among Section 8 developers, Phil Manzi, who runs Manzi Auto Sales of Lawrence, and Gerald Gouchberg, a mortgage broker. Both are also friends of Carter's deputy national fund raiser, Nick Rizzo of Andover. Both of them filed their Section 8 proposals the same day (April 10, 1979), contributed to the Carter campaign the same day (June 26, 1979) and won approval for their projects the same day (Sept. 9, 1979). Now they stand to benefit handsomely for their enterprise.

Gouchberg and co-sponsor Phil Singleton, also a Carter contributor, applied at Massachusetts Housing Finance Agency for Ocean Shores, a 202-unit Section 8 complex for the elderly in Lynn, and an $8,450,000 mortgage loan. MHFA is the state's chief source for distributing Section 8 money and providing low-interest mortgage loans to build the projects.

According to FEC reports, Gouchberg and Singleton contributed $1,000 apiece (maximum individual contributions by law) to the Carter campaign on June 26, 1979. The donations were followed by a $2,500 contribution from members of the Singleton family in Lynnfield, and a $500 contribution from Ocean Shores contractor Vincent Barletta.

Gouchberg, records show, also contributed $10,000 to the Democratic National Committee on July 16, 1979. Rizzo, who lives in Andover, said he solicited the contribution.

Two months later, a Section 8 subsidy and mortgage loan for Ocean Shores were approved, and on Nov. 15, 1979 mortgage papers were passed. Most Section 8 projects take two to three years to win final approval.

In addition, Gouchberg on Aug. 15, 1979, received approval for a 26-unit Section 8 development in Lynn, Wilson Gardens, with a $1,042,000 MHFA mortgage loan. Gouchberg also has two Section 8 proposals—Turtle Creek in Beverly and Millhaus in Upton with mortgages totaling $12 million—under consideration at MHFA and two proposals under consideration at HUD's Boston regional office.

Singleton has two Section 8 developments—Morton Apartments in Lawrence and Beachmont Apartments in Revere with mortgage loans totaling $9 million—under consideration at MHFA.

"I devote most of my time to the mortgage business," said Gouchberg. "I'm not a big developer. I just do a few on the side."

"Everyone makes their own judgments and lives with them," said Gouchberg, denying that his applications received preferential treatment.

"I think it's obvious why I contributed. I support both Carter and the DNC. I feel what I'm doing is in the best interest of the country."

Pressed for specifics about why he contributed, he replied, "I don't think I want to get into any more of these questions. It's

a matter of record that I did contribute and I've told you why I did these things, OK?"

Like Gouchberg, developer Manzi filed his application on April 10, 1979. He and his partners sought approval for Park Gardens, a 160-unit Section 8 development for the elderly in Methuen and a $6,683,200 MHFA mortgage loan.

Two months later, Manzi contributed $1,000 to the Carter campaign and four days later, Virginia Enos, an associate of Manzi's co-partner Stanley Sydney, contributed $500.

The contributions were followed by another $1,000 contribution from Michael Manzi, a Manzi cousin and business associate in other ventures and a former officer in Rizzo's defunct travel agency, RPM Tours.

Mortgage money for Manzi's project was committed on Sept. 9, 1979, and the official closing was held two months later.

Manzi also has two Section 8 proposals—Manya Gardens in Dracut and St. Basil's Park in Methuen with mortgages totaling $13 million—under consideration at MHFA and one proposal under consideration at HUD's Boston regional office.

"Why me?" said Manzi in a telephone interview. "Why did you call me?"

Asked about his involvement in HUD projects, he said, "I'll do business with anyone. I even do business with your paper. I buy your paper. Do you want me to keep on buying your paper. Who told you to call me, anyway?"

In response to a question about attending Carter or DNC fund-raisers, Manzi replied, "I go to a lot of events. I went to the Tall Ships. I go to the Symphony. I get invited to a lot of dinners and things. I'm just an average American. Maybe you'd better talk to my lawyer."

By far, the largest Carter and DNC contributions have come from State Street Development Corp. State Street is also the largest Section 8 developer, with 17 subsidized housing projects in Massachusetts and $70 million in MHFA mortgage loans.

State Street Development principals John R. Gallagher, Walter Winchester, Stephen Casey and John J. O'Donnell also have contributed a total of $25,000 to the DNC and $1,000 apiece to the Carter campaign.

State Street officials refused on several occasions to meet with Herald American reporters or return their phone calls.

The profits to be gained from Section 8 projects are enormous—for both developers and investors.

If a developer owns his own construction company and manages the project once it's completed—a common situation—he stands to gain a $1 million profit for every $3 million poured into the project, according to industry officials.

Developers also are assured a steady supply of paying tenants. Under the Section 8 program, needy persons pay only 15 to 25 percent of their gross incomes for rent. The government pays the difference. There are long waiting lists for most projects and in the unlikely event any units go vacant, the federal government will pay 80 percent of the rent for 60 days.

"It's like, a lottery where a few strike it big," said a recent draft report from the General Accounting Office, which is investigating some of the program's alleged abuses.

There are big rewards in it for investors, too.

A developer who needs some capital to sustain his project or start another one, sells interests in his project, along with the right to substantial tax shelters, to wealthy investors. The developer, using his building as an equity in lieu of cash, is able to retain a two-to-four-percent ownership in the project—entitling him to the same tax benefits as his investors.

Investors benefit by being allowed to convert ordinary income—which is taxed at rates as high as 70 percent—into capital gains, which are taxed at substantially lower rates.

Accelerated depreciation in the early years of a project provides yet another tax benefit. Rather than writing off the costs over the life of a building, investors are allowed to take substantial interest and property tax deductions at the start of the project—an immediate return for their investment.

Tax shelters also permit limited partners to take deductions that far exceed the amount of money they have invested in the project.

Consider the recently approved 94-unit Robinson Mill project in Malden, financed with $3.674 million borrowed from the MHFA.

According to records on file at the secretary of state's office limited partners in that project invested a total of $1.310 million. Assuming the usual 90 percent MHFA funding, that leaves an extra $902,000, providing the developers, Robert Tracy and George Macomber, with additional working capital. acquired a hefty dose of political savvy dur- $1,000 to the Carter campaign.

A limited partner in that Malden venture who contributed 5 percent of that equity—$65,000—is able to add his share of that borrowed money—$183,700—to his $65,500 equity, increasing his potential tax deductions dramatically.

The irony of the program, said Sen. William L. Armstrong, R–Colo., is that it is being subsidized by the average taxpayer—"someone making $10,000 a year. It's a ripoff."

[From the Boston Herald American, June 25, 1980]

IT'S A HOUSING PROGRAM WITH A POTENTIAL FOR ABUSE BUILT IN

(By Shelly Cohen and Greg O'Brien)

The Section 8 housing program has been ripe for fraud and abuse.

Instead of providing rental subsidies for low- and moderate-income families as it was designed to do, the plan has become a costly program that has been mismanaged, has given developers cash to burn and has provided few checks on how they burn it.

In the process, it has generated growing criticism. The U.S. Department of Housing and Urban Development has been accused by the General Accounting Office of "showing little concern" for holding down costs. The criticism, echoed by members of Congress, by fair housing advocates and even by developers, is underscored by a former Boston investigator for HUD.

"The system was designed to fail from the start," he said. "It was designed to make politicians rich, developers prosperous and the poor more destitute."

These are the main problems of the program as it has been administered:

The costs. If not one more unit of Section 8 housing is ever built, the federal rent subsidy commitment over the next 40 years (the average life of a building) for existing projects nationwide would be $231 billion, according to the GAO report.

The rents. Developers are charging excessive rents—sometimes more than double what a comparable privately built project would rent for.

Inadequate monitoring of tenant selection. It has resulted in favoritism, racial discrimination and outright fraud by admitting ineligible tenants.

Failure to meet the needs of low-income and minority families. Most developments have been built for the elderly because that is less controversial and easier to win local approval for.

Developers, who specialized in having programs authorized under Section 8 of the Housing and Development Act of 1974—a program designed to benefit low- and middle-income tenants—have been generous with campaign donations to President Carter, the Democratic National Committee and Gov. Edward J. King.

And in turn, the Carter administration has been good to them, sending the state the largest Section 8 allocation in the nation—$73 million. Every Section 8 developer who contributed to Carter or King has won approval for projects in 1979 or 1980.

Much of that $73 million, however, is going to waste, according to the former HUD investigator, because HUD has failed to properly monitor the program and violations such as rent fraud, are repeatedly ignored.

"HUD encourages developers to break the rules," he said. "We (investigators) were told by HUD officials to back off."

Developers, he said, regularly deviate from management plans approved by HUD and the Massachusetts Housing Finance Agency. Those plans include affirmative action hiring schedules rarely enforced after they are committed to paper.

"No one ever checks," he said.

Further, he said, many tenants who do not legitimately meet the income requirements are paying only $60 a month in rent.

"I'm sure what you're suggesting is happening here," said HUD's Regional Director Shelly Friedman. "The system is not foolproof.

"There's only so much policing we can do," he added. "There are people who know how to hide income at all levels of the economic spectrum. But let me tell you something, we take fraud seriously.

"We can't run this program as a Gestapo camp. For one thing, that would be too expensive. We'd spend more money on policing the program each year than we lose in outright fraud that flies out the window."

The GAO agrees. GAO investigators found that 64 percent of the tenants' incomes in the projects they surveyed had been improperly reported. They also reported that the current system for dealing with fraud and abuse is "ineffective."

And while few projects have adequate checks on tenant eligibility, some developers—or their related management firms—are getting as much as $80,000 to $90,000 in government "rent-up fees" for selecting tenants for projects for which there are long waiting lists.

"Section 8 is the only program that really gives you enough money to operate with," said Albert J. Brien, the developer and on-site manager of Arlington Park in Lawrence. "But it's far too expensive. There's no way it can survive."

Arlington Park is a "mixed bag," as Brien describes both tenants and buildings. It is one of the few privately developed housing complexes that provides units of up to four bedrooms for low- and moderate-income families, some in modern townhouse arrangements.

"We have children of all ages here. Some of them are 6; some of them are 70," said Daphne Jones, president of the tenants' association.

The "market rents," based on costs and approved by federal officials, range at Arlington Park from $476 for a one-bedroom apartment to $687 for the four-bedroom townhouse. Nearby comparable one and two-bedroom units rent for $230 to $300 a month in Lawrence.

No one in Arlington Park, however, actually pays the market rent.

All residents pay only up to 25 percent of their incomes. That means, according to office manager Mary Jane Landry the average elderly tenant pays about $81 a month. Most families pay from $185 to $240 a month. The difference between the amount paid by tenants and the market rent is picked up by the federal government.

The GAO found that those so-called "market rents" were in many cases as much as 110 percent of the actual fair market rents found in comparable private apartments in

the area, and that developers intentionally added such amenities as air conditioning, tennis courts, swimming pools and parquet floors, not necessarily for the convenience of tenants but in order to increase their own profits through higher subsidized rents.

"There is just plain more money in Section 8," said Robert McKay of Citizens Housing and Planning Association. "It is the most generous of programs and, therefore, guarantees the solvency of the developer. They can keep raising the rents and the cycle becomes closed. It keeps the money moving toward more subsidized units."

Arlington Park—a 130-unit complex—was financed with a low-interest Section 8 loan of $4.8 million.

But when the cost of the 40-year mortgage and subsidies is combined. Brien said, "this will cost the government $30 million before it's all over."

"This project cost more than $35,000 a unit," Brien added. "If I were to build it privately across the street I could build it for $15,000 a unit."

That situation has not gone unnoticed by the GAO, which in its draft report assailed the high per-unit costs of the program. According to its estimates, each single-family unit will cost taxpayers from $161,000 to $343,000 in construction, interest and rent subsidy costs over its 30 to 40-year lifetime.

Brien estimated that government red tape alone adds 10 percent to the cost of constructing a Section 8 project.

"You wait for funds and sometimes you can only hold these people together for three hours in an office somewhere to close the deal," he said. "We set up a closing in 1975. Then Nixon pulled his moratorium and we had to start all over again."

Those offering professional services—architects and engineers—often charge four to five times the going rate for their work, Brien said, because they know that only one in four projects will ever be built.

MHFA statistics show even worse odds. They say of 1,000 applications filed, only 300 developments have been approved in the last 10 years.

Brien is one of the few developers who builds large-unit family housing.

"Most go for the few the easy stuff—elderly housing," he explained.

The greatest need according to McKay, is for family housing, particularly those with enough bedrooms to accommodate three, four- and five-person families.

"MHFA and HUD are not meeting that most dramatic need," McKay said.

In 1979 alone, MHFA approved projects offering 2,526 units of new housing for the elderly, compared to about 388 units of family housing.

At Merrimack Plaza, a three-building high-rise complex near downtown Lowell, elderly and families co-exist amid landscaped courtyards and park benches.

"It's a nice place," said Ernest Boule, a tenant for the past three years. "It's pretty well kept. And every time someone goes out they paint and fix it up."

But elderly tenants especially rarely give up a coveted apartment there.

"They're all full," Boule said. "Usually the only time one is vacant is if someone dies."

[From the Boston Herald American, June 26, 1980]

FRIENDS OF THE GOVERNOR THRIVE ON HOUSING FUNDS

(By Shelly Cohen and Greg O'Brien)

It was, said a former state housing official, like "a big cookie jar with money in it for friends"—friends of the King administration.

The cookie jar is the Massachusetts Housing Finance Agency and it's brimming with patronage jobs and lucrative federally-financed housing projects.

The MHFA, which channels federal and state low interest loans to private housing developers, is one of the chief sources of housing for low and moderate income people in the state.

It is also a source of rewards for administration faithful, say a number of past and present agency staffers and board members interviewed by the Herald American.

"I saw the agency headed toward influence peddling," the former official continued. "It was a business turned political."

The man put in charge of that business by Gov. Edward J. King is Administration and Finance Secretary Edward T. Hanley, one of King's closest associates dating back to their days together at the Massachusetts Port Authority.

Hanley is an ex-officio member of the seven-member MHFA board, but, according to agency sources, the secretary effectively runs the MHFA from his State House office.

Among the changes since the King administration took office:

Staff turnover has soared to 35 percent in the past year, including the loss of five department heads and two board members. That compares with a 5 percent turnover rate during the first year and a half of the Dukakis administration.

There has been a major and unexpected change in the agency's bond underwriters, a move that stands to benefit the brother of Sen. Arthur J. Lewis, D-Boston, a King loyalist.

All but six of the 38 projects designated by MHFA in the past 18 months included partners or developers who had contributed to King's campaign fund. In one successful project King confidant D. Richard Thissen has an interest.

The King administration intervened in the case of Weston Associates, a politically well connected developer, who ran into financial problems on three projects.

The administration attempted to force patronage appointments on the agency, including Anthony Pagliarulo, brother-in-law of King campaign manager Paul May, to a high-paying job at the MHFA. When some overtures were stymied, the board created a new $42,500-a-year position to bypass a key Dukakis-era holdover.

"That fine line between what is appropriate and what is questionable became blurred," said one former MHFA official.

"It was smashed," said another top official.

Staffers responded by leaving the agency in droves.

"I saw the agency on a slide, and I didn't want to compromise myself," said one former official. "That's why I left."

Latest to exist was Executive Director John Eller, an ordained minister who acquired a hefty dose of political savvy during an earlier stint as research director to the House Speaker's office. He expressed "deep concern for the future of the agency" when he resigned earlier this month.

The King administration's take-over began with the appointment last October of former Malden Mayor Walter J. Kelliher, a $750 King contributor, as chairman of the MHFA board.

Kelliher soon brought in former Malden Redevelopment Authority administrator John J. Blake Jr. to a newly created $42,500-a-year job, a move that further undercut Eller's authority, according to agency sources.

Hanley responded by defending Blake as "very knowledgable in the field" and Kelliher as "one of the leading authorities in public housing on the East Coast."

Former board member Edward Lashman, a Dukakis appointee who resigned in frustration last December over the direction the agency had taken, charged at the time that the Blake job was not needed and called Kelliher "a lightweight" in that letter of resignation.

Lashmans unsalaried slot on the board, along with that of Helen Hamilton of Springfield, another Dukakis appointee who resigned, went vacant for nearly six months until the appointment last May of Brookline real estate appraiser Bernard Singer and William Dearman, assistant director of the Springfield Housing Authority.

Hanley said of Singer, "He has been prominent in the real estate business in the area for 40 years. . . . I consider him one of the best."

Singer also contributed $700 to the King campaign, starting as early as November of 1977.

Asked why under his stewardship the agency's staff turnover had reached 35 percent, Kelliher said, "There's a simple answer for that. The agency is a training ground for people who are in a relatively new discipline. Everyone who has left has gone to work for a developer for a considerable increase in salary."

Ex-officials, however, point to the steady politicization of the agency and to Hanley's interference in its hiring policies.

"I certainly have participated in the hiring policies," Hanley said. "That's my job. I would not be fulfilling my obligation if I didn't. But in no sense is that interference."

Hanley's predecessor, Dukakis Administration and Finance Secretary John Buckley, said he was not involved in the agency's day-to-day operations and usually didn't even attend its monthly board meetings.

"We let the professionals run that agency—Ed Lashman and John Eller," he added, noting, however, that the structure of the agency did lend itself to political pressures.

Eller's predecessor, William White, said he, too, had total responsibility for the agency's hiring policies. "An executive has to have the responsibility," White said. "A board should be a policy-making body. If they don't have enough confidence in the director, then they should get rid of him."

As for the proposed appointment of Pagliarulo, an assistant finance director of the Boston Housing Authority, Hanley said, "I refer many people for jobs. Whether they got the job was based on competence and ability. Anyone I thought was qualified, I would not hesitate to recommend."

That appointment was rejected by Eller, as were at least two other Hanley-sponsored candidates for analyst positions. An agency official said that one of the candidates was discarded after a former employer described the candiate as "dishonest and mentally unstable."

Hanley also denies interfering in the case of Weston Associates, a developer of five MHFA-financed projects, three of which had arrearages totalling approximately $400,000. The firm is headed by Paul Donahue, a politically influential developer with long ties to the King administration. Gerard Doherty, one of the state's most successful developers and a confidant of the Kennedy family, is also a principal in the firm.

MHFA sources said that while Hanley wanted the agency to crack down on all developers who were not making payments on time, he intervened in Donahue's case. After Donahue personally protested to administration officials, Hanley effectively delayed agency action against Donahue and ordered all matters related to the firm to go through his office.

"All I ever did was recommend that he (Donahue) be given a hearing, and he was," Hanley said. "It was decided by the full board to give him a full hearing."

But the big money to be made through the MHFA is in the projects the board approves.

"Developers knew the King administration would be easier to deal with than the Dukakis administration," said a former official.

"The developers are deal oriented and they shifted from the Dukakis administration to the King administration with ease and optimism." Developers had contributed thousands of dollars to the King campaign.

Among the projects approved in 1979 was the 183-unit, $6.02 million Hemenway Apartments in Boston. Principals in that firm, including one of King's closest friends, former design firm head Dick Thissen, contributed at least $3,175 to the King campaign.

Three partners in State Street Development, which won one project and has two in the MHFA pipeline, each donated $1,000, the legal limit.

Two partners in the Beacon Companies, which won three projects in the last 18 months and has three more in the MHFA pipeline, were also $1,000 contributors.

Developer Arthur Winn and his wife each contributed $1,000. Winn's firm won two projects in the last 18 months.

Other $1,000 contributors include developers Doherty, Edward J. McCormack, Jr., a former attorney general; Edward Fish and George Macomber.

BOND LINEUP CHANGED

It was June 3 when the King administration shocked the state's financial community. "We've changed our lineup," Administration and Finance Secretary Edward T. Hanley announced at the regular meeting of the Massachusetts Housing Finance Agency.

For two years the MHFA's sole senior managing underwriter was Goldman Sach & Co., with 35 percent of the agency's bond writing business. But the new lineup left Goldman Sachs with a 30 percent share. Dean Witter Reynolds was for the first time brought in as "co-senior manager" and given 20 percent of the MHFA's bonds to sell, and the First National Bank of Boston's share was cut.

A number of sources both within the investment community and within MHFA itself say the reason for the change was political. Sen. Arthur Lewis, D-Boston, is a key King supporter in the state Senate. His brother, John Lewis, is a vice president at Dean Witter.

RIZZO QUITS JOB AS CARTER FUND-RAISER

(By Greg O'Brien)

Andover businessman Nicholas A. Rizzo Jr., has resigned as deputy national fund-raising director for the Carter-Mondale campaign, a White House spokesman said yesterday.

Rizzo, chief fund-raiser for Sen. Paul Tsongas since 1974, was named assistant treasurer of the Democratic National Committee prior to joining the Carter campaign. Rizzo, who owns an auto parts business, was not available for comment.

Last month, the Herald American reported that Rizzo arranged private meetings between local developers, who had contributed to the Carter campaign, and Assistant U.S. Department of Housing and Urban Development Secretary Lawrence Simons.

The developers were subsequently successful in winning federally subsidized Section 8 housing contracts, worth millions.

In fact, all Section 8 developers in the state who contributed to Carter either won new projects or had proposals tentatively approved.

Records show that about 70 percent of Carter's Massachusetts contributions came from these developers. The Section 8 program, administered by HUD, provides rent subsidies for low and moderate income people. The Massachusetts Housing Finance Agency, the state's chief conduit for disbursing the subsidies, finances construction of the projects with low interest mortgage rates.

Last year alone Massachusetts received $73 million in federal Section 8 housing funds—the largest allocation in the nation.

"The fund raising is all done," said the White House spokesman. "He (Rizzo) has served us well. His work has been completed."

The spokesman said Rizzo's campaign duties ended last month, but denied his departure was hastened by the news reports.

HOUSING DEVELOPERS FIND A POT OF GOLD

(By Bruce DeSilva and Robert W. Stewart)

PROVIDENCE.—One of the fastest ways to get rich in America today is to build government-subsidized housing for the poor.

The Section 8 federal rent-subsidy program helps the poor by allowing them to live in new or thoroughly rehabilitated apartment buildings while paying no more than 25 percent of their incomes for rent. The federal government pays the landlords the rest on behalf of the low-income families and poor old people.

But those who benefit most from the five-year-old Section 8 program are the real-estate developers who legally earn large profits by constructing new apartment buildings or rebuilding old ones under its rules.

A public agency loans the developers nearly all of the money they need to build multimillion-dollar apartment complexes. The developers have to put up little or no money of their own.

Then, through the subsidized rents, the federal government gives the developers most of the money they need to pay back the loans. And when the 25-year-old loans are paid off, the developers will own the multimillion-dollar buildings free and clear.

But developers don't have to wait that long to make money.

They make most of their profits in the first few years of their projects by selling small shares in them to the wealthy, who use their shares to shelter their incomes and save thousands of dollars a year in federal and state income taxes.

Estimates supplied by investment brokers indicate that in Rhode Island alone, developers will make at least $25 million just from the sale of tax shelters in the 60 Section 8 projects that have been built or are under construction in the state.

Since the projects receive virtually 100 percent financing through the government, the developers as a rule don't need any of this money to build the projects. It goes directly into their pockets.

The developers also make money buying and selling the land on which their projects are built and earn still more money managing the project.

"It's a gold mine," one developer who has built under the program said.

"To lose money on a Section 8 project, you'd have to be a totally inept individual," said James A. O'Leary, a real-estate lawyer who puts Section 8 deals together for two of the state's biggest development complained Ferland Corp. and Kelly & Picerne Inc.

Even Wallace St. Angelo, a loan specialist in the Providence Service Office of the U.S. Department of Housing and Urban Development (HUD), acknowledged that a developer "is much richer after he's done one job." HUD provides the rent subsidies for the program.

While Section 8 is lucrative for developers, it costs the taxpayers a lot of money. Here are a few illustrations:

The government-subsidized rents allowed by HUD for modest two-bedroom apartments built in Rhode Island under the program often run over $500 a month—more than some Rhode Islanders pay for apartments in luxury complexes. In Marvin Gardens, a Section 8 project being built in Olneyville, for example, the rent approved by HUD for a two-bedroom apartment overlooking the Roberts Expressway is $535 a month. By comparison, the rent is $401 a month for a two-bedroom apartment in Warwick's Royal Crest Estates, a modern luxury complex with a swimming pool, sauna, gymnasium and courts for tennis, handball and racquetball.

Subsidized rents HUD allows under the federal program in other parts of the country are even higher, up to $836 in New York City, $738 in Austin, Tex., $933 in Los Angeles and $992 in Peoria, Ill., for two-bedroom apartment.

HUD doesn't subsidize rents just for occupied apartments. It also pays developers up to 80 percent of the rent on empty apartments for as long as two months, and a lesser percentage for another 10 months. For example, federal records show that since last May the government has paid $16,063 to the developers of Providence's Lockwood Plaza as rent subsidies for 25 empty apartments.

Supporting just one tenant in one newly constructed or renovated apartment will cost the federal government up to $343,000 over the next 30 years, according to a recent study by the Congressional Budget Office.

And there are a lot of Section 8 apartments—330,000 of them either completed or under construction in the United States. If not a single additional Section 8 project is built after this year, HUD still will be bound by law to spend $231 billion in rent subsidies over the next 30 years to support the program, according to a report prepared earlier this year by the House Appropriations Committee. That is enough cash, if spent all at once, to build 4.6 million $50,000 houses—enough to provide a new house for every family in New England.

In Rhode Island a family of four with an annual income of $14,000 and a single person with an income of $9,800 are considered poor enough to live in the subsidized apartments, according to HUD rules.

But, said one Rhode Island developer, "The most important thing to remember about this program is that it is not about providing housing for poor people. It is about making money."

The key to making any apartment project a success, developers said, is finding tenants who can pay rents high enough to support the project's operating and mortgage expenses. In conventional apartment buildings, whose tenants receive no rent subsidies from the government, the rent is limited by what the tenants can afford to pay.

In a Section 8 project, the only limit on the rent is what the government is willing to pay.

HUD determines what it is willing to pay through a complicated "fair market rent" formula that is supposed to reflect rents paid by everyday people in average non-subsidized apartment buildings, according to James Wallace, an economist in HUD's Boston area office.

However, developers and even some HUD officials admitted there is considerable doubt about the validity of the formula.

Even Wallace conceded that so many factors besides rents paid in the community are used to determine HUD fair-market rents that the process boils down to "a house of cards type thing."

Another HUD official, who asked not to be named, said the formula can be used to justify any rent figure that is needed to make a project profitable enough to get a developer to build it.

Developers said rents in Section 8 projects in Rhode Island are about 25 percent higher than they would have been if the projects could have been built entirely.

The rules for building a Section 8 project vary from state to state. In some states, HUD itself chooses the Section 8 developers through a lengthy and cumbersome competitive process that takes into consideration community needs, project costs and the desirability of proposed sites.

In Rhode Island, Massachusetts and many other states however, HUD has given the responsibility to state housing agencies, which

select developers for lucrative Section 8 projects without any formal competitive review.

In Rhode Island, that agency is the Rhode Island Housing and Mortgage Finance Corporation (RIHMFC), a semi-public agency created in 1973 by an act of the General Assembly.

Each year, after HUD decides how many new rent subsidies it can afford for each state, it tells RIHMFC what Rhode Island's share will be.

The state agency's board of directors approves projects from a backlog of applications that have been reviewed and submitted to the board by the agency staff.

By law, the board has the legal responsibility for the selection process. In practice, however, most of the responsibility is exercised by the agency's staff, headed by Ralph A. Pari, RIHMFC's executive director.

The staff presents to the board of directors only those projects that it thinks should be approved, according to board members and agency staff. In fact, board chairman Frederick C. Williamson, who is also director of the state Department of Community Affairs, said he cannot recall the board re'ecting any project presented to it by the staff.

Even after the board gives its approval, however, projects still must be reviewed by a dozen other federal, state and local officials and agencies, including the Federal Housing Administration, the Statewide Planning Program, and local building inspectors. A project can be stalled or killed at any point during that approval process.

Once a project has full approval, RIHMFC sells tax-exempt bonds to get money to loan to the developers to build the projects. After the projects are built, the developers begin receiving monthly rent subsidies from HUD. They use that money and rents collected from tenants to pay back their government mortgages.

Rhode Island developers have been fast to catch on the benefits of the program.

Since the program began in 1975, the state housing agency, RIHMFC, has given out more than $135 million in loans to finance construction of 46 Section 8 projects. Another 14 projects selected by the state agency were financed through federal mortgage programs.

In all, these 60 projects have a total of more than 5,600 apartments. Construction on another 600 apartments is expected to begin this year in projects that are currently in the final stages of federal and state approval.

HUD officials said that they consider RIHMFC one of the top three state housing agencies in the nation because of the speed with which the Rhode Island agency processes Section 8 applications and gets projects built.

HUD officials said it is because of the agency's ability to produce that the federal government has given Rhode Island about 1.6 percent of the Section 8 apartments financed under the national program even though the state has only about 0.4 percent of the nation's population.

Although HUD is technically responsible for overseeing the operation of the Section 8 program, HUD officials in Providence and Boston know little about how the program actually works in Rhode Island beyond the production figures supplied to them by RIHMFC.

For example, when asked for a basic piece of information—a list of the state's Section 8 projects and the names of the developers building them—Providence HUD officials had to develop the list from scratch, using dozens of applications, mortgage-closing documents and other records scattered throughout the office.

It took Eugenio Corsini, until recently acting director of the HUD Providence Service Office, four months to produce the list. When it was completed, it contained many major errors. "Well," Corsini said, "If you want an accurate list, it will take a little longer."

The Providence HUD office finally prepared a working chart listing the Section 8 projects in Rhode Island and their status when reporters again requested that information after Casimir Kolaski was appointed director of the Providence office.

The idea behind the Section 8 rent-subsidy program dates back to the National Housing Act of 1937. However, Congress did not set aside money for the program until 1974, when earlier federal programs to house the poor began to fail.

In the late 1950s and the 1960s, the main approach had been to provide developers with low-interest, government-subsidized mortgages so that they could build cheaply and charge lower rents. Under some programs, the government also provided direct rent subsidies to a limited number, perhaps 10 percent, of the tenants in a project.

But when inflation began pushing up fuel prices and other costs of operating apartment buildings, many project managers found it hard to pay their bills. The higher costs couldn't be passed on to the tenants because they were too poor to pay higher rents.

The Section 8 program was the government's answer. By having the government pay most of the rent for almost all of the tenants, and by providing for automatic rent increases as fuel prices and other costs increase, the program insures that the project owners will always have enough money to cover operating expenses and to meet their mortgage payments.

HUD has used the new Section 8 program as a means of bailing out faltering projects built under older programs by providing the rent subsidies to tenants living in them. In Rhode Island alone, HUD is now helping pay rent for people who live in 960 apartments in 35 housing projects built under the old programs.

But most of the Rhode Island apartments with Section 8 rent subsidies were built specifically to take advantage of the program.

In fact, except for luxury apartments, few apartment buildings that are not subsidized under Section 8 have been built in Rhode Island in the last three years.

Major developers and builders, including Roland O. Ferland, president of Ferland Corp. of Pawtucket, and John L. Marshall, president of Marshall Contractors Inc. of East Providence, said mortgage interest rates and construction costs are so high that they can't make money building non-subsidized apartments for low- or even for moderate-income people. Ferland said the Section 8 Program accounts for about 73 percent of the apartment development his firm is involved in this year.

At HOMAR Inc., a Marshall subsidiary which specializes in garden-style apartments, "Section 8 is the key. (HOMAR) does little else," said Marshall. "Without Section 8, you could put the key in the door and close it up."

But the program does more than just allow builders and developers to stay in business. It allows them to build multimillion-dollar apartment complexes, which they will own after 25 years, almost always without investing much of their own money and almost always without risk.

It also provides profits for a small group of lawyers and former government officials who have learned to fill out Section 8 forms and guide Rhode Island developers' applications through the state and federal bureaucracies.

Those consultants are generally paid a fee of 1 percent of the project cost. On a $4 million deal, the fee amounts to $40,000.

O'Leary, the attorney for Kelly & Picerne Inc. and Ferland Corp., called the 1 percent fee "a ripoff." He said he charges a set fee.

A skillful consultant can usually make sure that the developer's deal remains "completely cash-free" up to 30 days before the signing of the mortgage papers, said O'Leary.

In fact, several consultants and developers said, sometimes a developer won't have to spend any of his own money at all.

In seeking approval for a project, a developer must provide RIHMFC, the state housing agency, with architectural line drawings and be in control of the land where the project is to be built.

However, developers said most architectural firms provide the line drawings on speculation and charge a fee only if and when the project is approved. As for the land, if the developer doesn't already own it he usually gets an option on it so that he does not have to pay if the project falls through.

At the closing, the developer receives a mortgage for 90 percent of the cost of the development, usually from RIHMFC. Technically, that means he has to put up 10 percent. On a $4 million project, that is $400,000.

But the developer really doesn't have to come up with that much money.

In return for their willingness to build housing for poor people, the government allows the developer and the general contractor of the project a profit of 10 percent of the project cost, excluding the cost of the land and certain fees.

This profit is "a non-cash item, it's a nonexistent item," O'Leary said.

But the developer can still use this paper profit to cover the bulk of his down payment.

Robert R. Gaudreau, whose investment firm, Gaudreau & Co. Inc., has handled tax-shelter sales for 40 percent of the Section 8 projects in Rhode Island, called the use of this paper profit as a down payment "a crazy mechanical formula."

But because of it, it is rare for a developer to have to put down more than $5,000 of his own money on a multimillion-dollar deal, according to developers, HUD and RIHMFC officials.

Section 8 rules also allow the developer a 6 percent return, taken from rental income, on this largely paper 10 percent down payment.

Sometimes developers actually get paid money at the mortgage closings.

That's where the land for the projects comes in.

Some developers increase their already substantial profits by selling land they already own to new partnerships they formed to build Section 8 projects.

In effect, they sell the land to themselves at a higher price than they originally paid for it. The developers make immediate profits of $100,000 or more on such sales.

The new partnerships, however, aren't stuck with the inflated costs. The government is.

The increased land costs are included in the mortgages which the partnerships pay off through the subsidized rents.

One developer who benefited from this was Paul F. Lischio of Cranston. The state agency allowed him a land acquisition cost of $150,000 in the RIHMFC-backed mortgage for Heritage Village, a 100-apartment project on Devil's Foot Road in North Kingstown. The $150,000 was for about nine acres, part of a 20-acre parcel Lischio had bought for $13,500 in 1963.

Limiting the profit a developer can make on his land is the purchase price the state agency is willing to include in its loan to the developer.

RIHMFC currently allows developers land-purchase costs of $1,800 for each apartment in the project. Thus, in a 100-apartment project, the agency will allow $180,000 for the land.

When asked about land costs allowed by the RIHMFC, Executive Director Pari con-

tended that the $1,800 figure is only a maximum. If there is a question about the cost, the agency has the property appraised, Pari said.

However, William S. Wilkinson, the agency's chief development officer, William R. Benford, Jr., its senior construction specialist, and several developers said flatly that there are no independent appraisals.

The agency simply allows a set price for the land, whether it is on the fashionable East Side overlooking a park or in deteriorating South Providence overlooking the interstate highway.

A developer can also make a substantial amount of money managing a Section 8 project.

RIHMFC allows management agents hired by developers a fee of 7 percent of the month's first $20,000 rental income and 3 percent of the remainder. Many of these management companies, such as Ferland Corp's Housing Management Co., are owned outright by the developers.

In a 121-unit project such as Olneyville's Marvin Gardens, where total monthly rents are expected to produce $50,565 in income, the annual management fee would be more than $27,000.

The more units firms manage, the more money they can make. Some companies, which handle as many as six or seven projects, can expect to keep as much as 70 percent of their fees as profit, agents said.

Because the management fees are a percentage of the rent roll, and because the rent roll is a reflection of the total cost of building and operating the projects, management companies are given a built-in incentive for keeping costs as high as possible.

Meanwhile, a developer can make more money farther down the road. In 25 years, after he had paid off his government mortgage with the subsidized rents, the developer is the owner, free and clear, of a multimillion-dollar building. He can continue running it as an apartment complex, convert it to a condominium or even sell it at an huge profit, although in this case some depreciation penalties will be imposed by the Internal Revenue Service.

Despite the large profits being made by developers, the quality of construction varies widely.

Sparrows Point, a 300-apartment complex for the elderly set on a wooded site in Warwick, has won praise for its owner, Woloohojian Realty Corp., and may win an architectural award for its architect, Robinson Green Beretta of Providence.

On the other hand, at Pleasant Ridge, a 50-apartment family project in the Mount Hope section of Providence, tenants and citizen groups have complained for two years about buckling walls and floors, falling ceiling tiles and other construction defects.

Big Incomes Find Shelter Under Housing Program

Almost all of the money that developers make building Section 8 subsidized housing projects comes from selling tax shelters to doctors, lawyers and businessmen who use their shelters to save thousands of dollars in taxes every year.

For example: in Rumford Towers, a $9.5-million, 294-apartment project for the elderly in East Providence, a partnership headed by Roland O. Ferland of Ferland Corp. will make a profit of $751,000 over five years by selling tax shelters.

The Section 8 project also benefits professionals earning more than $75,000 a year who invest to cut their tax payments. Over 15 years, in most cases, a doctor or lawyer can double his money in tax savings alone.

In fact, Section 8 apartment complexes are considered the best tax shelters in the United States today because they are government-subsidized and involve little risk, according to top investment brokers who make their living by advising the affluent on how to avoid heavy taxation.

Robert R. Gaudreau, whose investment firm, Gaudreau & Co., has handled tax-shelter sales for 40 percent of the Section 8 projects in Rhode Island, said a tax shelter in the subsidized housing program is worth 30 to 40 percent more than a comparable shelter in a conventional real-estate deal.

"What it amounts to," said another Providence investment banker, "is government-subsidized tax avoidance."

For example, a doctor in the 60 percent tax bracket who invested $52,000 in a project could be expected to save as much as $100,000 in taxes over 15 years. That figure doesn't count the additional money he could make over the years by re-investing the money that otherwise would have been paid to the government in taxes. In some cases, that additional money amounts to four or five times the original investment.

When a high-income person puts money into a Section 8 project as a tax shelter, it's not like making a normal investment. He doesn't expect a dividend. He doesn't even expect to get his investment back. It's as if he were making a gift to the project developer.

The developer doesn't have to use the money for project expenses to repay loans. He just puts it in his pocket.

The investor isn't interested in earning a profit on his investment. He wants a loss.

Look at it this way. If a person in the 50 percent tax bracket is earning $200,000 a year, he's paying $100,000 a year in taxes. But if he can show a loss of $150,000, that cuts his taxable income to $50,000 and reduces his taxes from $100,000 to $25,000.

If he can do that without having to actually lose the $150,000, he's ahead of the game.

That, basically, is the theory behind a tax shelter.

When an investor puts money into a Section 8 project, he is buying a share of the paper losses that the project shows during the first 15 years or so it's in business. For the most part, those losses aren't real. The project isn't actually eating up more money than it's taking in. But the government allows such large tax deductions for interest payments and depreciation on the building that, on the tax forms, it appears the building is losing a lot of money.

If an investor is able to buy a share of a project for less money than he will save in taxes, he'll make money on the deal.

Eventually, after the project starts showing a profit, he'll have to pay some of the money to the government in taxes. But in the end, he'll still come out ahead.

Ironically, some of the Section 8 developers are buying tax shelters in their own or other subsidized projects to protect their profits.

Ronald R. S. Picerne, for example, has invested in Taunton Plaza Apartments, a 103-unit subsidized apartment complex for the elderly in East Providence being developed by Kelly & Picerne Inc. Picerne has also purchased a tax shelter in Woodlawn Gardens, a 75-unit Kelly & Picerne Section 8 project in Pawtucket, according to records in the secretary of state's office.

Others who have bought into Section 8 projects in Rhode Island as tax shelters are Joseph S. Sinclair, chairman of the board of the Outlet Co.; state Rep. Edward L. Maggiacomo; Howard W. Armbrust, president of the Armbrust Chain Co.; John J. Cummings, president of Industrial National Bank, and Henry E. Kates of Kates Properties Inc.

But their investments pale in comparison to those of Dr. Felix M. Balasco, a Cranston physician, and Vincent T. Sardelli, vice president of T. Sardelli and Sons Inc., a Providence jewelry manufacturing firm.

According to records filed with the secretary of state, Balasco will invest at least $209,980 in five Section 8 housing projects over a five-year period.

The records also show that Sardelli will spend at least $322,848 to buy tax shelters in four projects.

Sardelli said that as far as tax shelters go, Section 8 is "about the best you can get. Uncle Sam has done a good job of chopping down some of these tax shelters."

He said Section 8 projects are attractive because the government "protects" them through rent subsidies. "But it's not a one sided-deal," he said. The people living in the projects "are getting the biggest break." But Sardelli said he is concerned that poor people living in the projects might not "appreciate what they have and keep it up. Sometimes something that comes too easy isn't taken care of. I've asked my accountant that more than once."

"Basically what it's going to do is shelter your income for the next 15 years or so," explained Gaudreau, the investment specialist.

Investors put their money into projects over a five-year period. In each of those years, the losses they buy save them in taxes about the same amount that they put into the deal. In the first year, for example, in return for a $10,000 investment in the 100-unit project, a doctor would expect to get about $18,000 in tax losses. Assuming the doctor is in the 60 percent tax bracket, that translates into an actual tax saving of $10,800.

After the fifth year, the doctor stops putting money into the project. But the project continues to show paper losses in which the doctor gets to share and those losses continue to reduce the doctor's taxes.

Eventually, after about 15 years, the investor would have saved twice as much money in taxes as he had invested in the project during the first five years.

When the projects start to show a paper profit and become a tax liability, the investors have to begin paying taxes, brokers explain.

But if the developers sell the projects at the right time, the investors can make enough money to pay off any taxes they may owe and still keep all the tax money they have saved, the experts said.

Even if the projects are not sold, investors still come out ahead because they will have had years to reinvest the money they would otherwise have paid to the government.

"If you look at the bond tables now, you can see that if you gave me a dollar today and I gave that dollar back to you in 20 years, I could make $6.72 on that dollar. I will have given you your dollar back and still made $5.72," said Gaudreau.

Multiplied by tens of thousands, that's a lot of money.

Politicians Steer Section 8 Profits to Allies

(By Bruce DeSilva and Robert W. Stewart)

If you want to make money building government-subsidized housing for the poor, it helps either to know a politician or to be one.

Top state officials, including Governor Garrahy and William G. Dugan, Jr., his executive assistant, have pressured the state's independent, semi-public housing agency to select their friends and political allies as developers of lucrative subsidized housing projects.

And the state housing agency, the Rhode Island Housing and Mortgage Finance Corporation (RIHMFC), has selected a series of political figures, including former Gov. Philip W. Noel, to build projects under the federal Section 8 rent subsidy program.

These are among the conclusions of a *Journal-Bulletin* investigation of Section 8—a program intended by Congress to provide decent housing for poor families and poor old people.

The investigation found that:

Garrahy and Dugan promised Russell J. Boyle of Providence that his proposal for a $3 million, 110-apartment project would be approved by RIHMFC. Boyle, who served on the Providence City Council for 24 years, is an old friend of the governor. Boyle and his partner, William J. Canning, a Providence developer, could make $450,000 just from the sale of shares in the project as tax shelters for the rich, based on current market figures.

Noel, the Democrat whom Garrahy succeeded in the governor's office, is part owner of two Rhode Island Section 8 projects worth a total of $4.5 million. He is also a partner in a project in another state and has earned substantial fees putting a dozen Section 8 deals together for developers in six states. Noel said he sees no conflict of interest in his getting approvals for Rhode Island projects through the agency he helped establish when he was governor. "I know some people are going to beef about that, so I'll laugh all the way to the bank," Noel said.

Frank Caprio, a Democratic candidate for mayor of Providence last year, is one of the general partners in the $1.8 million Cherry Hill Manor, a 72-apartment project in Johnston. Lt. Gov. Thomas R. DiLuglio, who practices law out of the same office with Caprio, was an original partner in that project. He later sold his interest to his father-in-law when he decided to run for state office. Sources said the project was approved because of the politicians' involvement.

James DiPrete, Jr., the Republican whose eight years as mayor of Cranston ended in 1970, is a half-partner in four projects with a total development cost of $18.2 million. DiPrete personally stands to make $696,000 over the next five years just from tax shelter sale proceeds.

Joseph Matteo of North Providence, one of three equal partners in the $1.1 million Etta Apartments project in Providence, is related by marriage to Governor Garrahy's wife. Sources said the project was approved because of Matteo's involvement. The developers could receive $165,000 just from the sale of tax shelters in their project if they decide not to keep the tax benefits for themselves.

Ronald R. S. Picerne, president of Kelly & Picerne, Inc., one of the state's largest development companies, was given approval by the RIHMFC to build the $2 million Woodlawn Gardens project in Pawtucket while he was serving as politically appointed chairman of the RIHMFC governing board. Approval was granted after the RIHMFC executive director, Ralph A. Pari, went to Washington and persuaded federal officials to change a conflict-of-interest regulation prohibiting state housing agency officials from benefiting from Section 8. The new regulation, which requires only that state housing agency officials disclose their involvement, is known by Housing and Urban Development (HUD) officials as "The Rhode Island Clause." "I did that," Pari said when asked about the regulation change. Pari formerly worked as executive vice president of Kelly & Picerne, Inc.

Orlando Andreoni, the East Providence city solicitor, has a one-third interest in Fox Point Manor, a 98-apartment, $3.2 million project in Providence. The project should earn $465,000 for Andreoni and his partner, Canning, just through the sale of tax shelters for the rich. Informed sources said the project was approved because of Andreoni's participation. Asked if the project were approved because of his involvement. Andreoni said, "Of course not."

John P. Lynch, brother of Pawtucket Mayor Dennis J. Lynch, is one of three general partners in Esmond Village, a 140-apartment, $4.8 million housing project for the elderly in Smithfield. The project will earn $854,822 from the sale of tax shelters alone, according to records filed with the secretary of state. Lynch said politics was not involved in his project's selection.

Pari insisted that politics has never played a role in project selection.

From the time the RIHMFC was created by the General Assembly in 1973, said Pari, "this agency has had no political interference from the governor or any group."

All of the politicians and officials who could be reached denied that they have used political influence to get Section 8 projects approved.

Governor Garrahy, through a spokesman, said he was not available for comment because he was too busy dealing with other problems, including state employee strikes. Matteo, Caprio and Picerne also could not be reached despite repeated calls to their offices.

Dugan, the governor's executive assistant, said the only time he ever contacts RIHMFC is to ask about vacancies for poor people who call his office looking for help.

Asked if he ever tries to influence the RIHMFC's selection of Section 8 projects, Dugan said emphatically, "No. I do not."

However, four developers who asked not to be named said it is generally understood in the housing industry that politics is involved in project section and that Dugan plays a role in picking developers.

"Everybody knows that one of the people you have to see to get project is Dugan," said one developer.

Another developer said he has been advised repeatedly by a longtime member of the General Assembly to "see Bill Dungan" about a stalled Section 8 project application.

Both Dugan and Garrahy personally promised Boyle his project would be approved, according to a political source. Dugan even had the architectual plans in his office for several days the source said.

Boyle in an interview acknowledged it all.

"I sent him the plans and everything else," Boyle said when asked about Dugan. "He was very receptive."

Dugan and Garrahy, in discussions at the State House, "promised" the project to him, Boyle said. However, he contended, the reason is not politics.

The project is to be built on Providence's Smith Hill, where Boyle is still the boss of the 12th Ward Democratic Committee.

"Joe Garrahy said he wanted to do something for Smith Hill," Boyle said. The governor "came from this area," and he and Dugan "realize the necessity" of a housing project for the elderly in the neighborhood, he added.

Boyle noted that HUD, which provides the rent subsidies for Section 8 development, has put a low priority on more housing for the elderly in the city until more housing for poor families is built.

Because of that, Boyle said, his project is temporarily "on the back burner." However, Boyle said the project has been given preliminary approval by RIHMFC and added he is confident that it eventually will be given final approval.

"I'm still hopeful they will come through with their promise," Boyle said of Garrahy and Dugan. "The governor's a friend of mine. I go to see him all the time."

Garrahy also used his influence with the RIHMFC to secure approval of Etta Apartments for Matteo, according to a source close to the agency.

Pari, in denying that any pressure had been exerted on anyone in the agency, said he did not believe Matteo was a partner in any Section 8 project.

However, Angelo V. Beretta, one of the general partners in Etta Apartments, said in an interview that he, contractor James A. Forte and Matteo have equal shares in the project. Baretta said he and his partners "took over" the project from the original developers, former Providence Councilman Joseph Prete and his partner.

Furthermore, Beretta said that he, Forte and Matteo are equal partners in another project, the $4 million, 127-apartment Bear Hill Village in Cumberland.

DiLuglio, who was elected lieutenant governor in 1976 after serving as Johnston town solicitor and chairman of the town's Democratic Party, was one of four original partners in Cherry Hill Manor and an adjacent nursing home in Johnston.

"I was one of the original prime movers" of the Section 8 housing and nursing home projects, DiLuglio said in a recent interview.

Edward J. Mitson, Jr., a Johnston real estate agent and DiLuglio's partner in a Scituate apple orchard, said he put the deals together for the housing project and nursing home in late 1974 with the help of two business associates, Richard Pisaturo and Edward L. DiSimone, both of Johnston.

Mitson said it was he who sought DiLuglio as a partner in the Cherry Hill project.

DiLuglio said that in October, 1975, after he decided to run for lieutenant governor, he sold his interests in both the housing project and the nursing home to his father-in-law, Dr. Anthony Migliaccio.

Meanwhile, Mitson also had to withdraw as a partner in the housing project because HUD officials ruled that his position on the Johnston tax review board created a conflict of interest.

"I went down the hall to see Frank Caprio," Mitson said. "I said, 'Frank, we got a little bit of a beef. Look, why don't you step in as general partner and I'll step out,'" Mitson said.

Caprio, who also had been the Democratic candidate for attorney general in 1970, replaced Mitson as a partner in late 1975 or early 1976, Mitson said. Construction began in July, 1976.

Caprio, Dr. Migliaccio, DiSimone and Pisaturo are now the general partners, sharing in the project's tax benefits and profits, Mitson added.

A source close to the RIHMFC said of Cherry Hill Manor, "The project was approved for Tommy DiLuglio.

But DiLuglio said political influence played no role in the project's approval.

SIX HAVE BIG SHARES IN THE PROFITABLE SECTION 8 BUSINESS

Building housing under the Section 8 subsidy housing program is a profitable business, and among those who have large shares of that business in Rhode Island are Roland O. Ferland, Mrs. Betty Bogosian, Ronald R. S. Picerne, Thomas P. Dimeo, John L. Marshall and Antone Giordano.

Ferland, Bogosian and Picerne are three experienced land developers, among the four biggest in the state. Dimeo and Marshall run big construction companies, both among the 400 largest in dollar volume in the United States. And Giordano is a relative newcomer who was able to build a multimillion-dollar consulting and construction business because he was fast to discover how the rules of Section 8 and other federal programs work.

Roland O. Ferland is the cigar-chomping president of Ferland Corp., for years one of the largest developers of suburban housing and apartment buildings in Rhode Island. His political associations are strong. He has been chairman of each of Mayor Dennis Lynch's successful campaigns in Pawtucket, and is a close personal friend of U.S. Rep. Fernand J. St Germain. The congressman is also an investor in several non-subsidized apartments built by Ferland Corp.

Ferland or his corporation own half-interests in five Section 8 projects with a total development cost of $20.4 million. Those projects are: 103-apartment Parkway Towers and 294-apartment Rumford Towers in East Providence, 90-apartment Maple Gardens II

in North Providence, 97-apartment Cranberry Pond in Warwick and 106-apartment Shoreside Apartments in East Greenwich. The latter is unusual in that Ferland's partner is the local housing authority.

In one other project, Ferland is the lone general partner. It is $5.2-million, 90-apartment Maple Gardens I in North Providence.

Mrs. Bogosian is the feisty president of Woloohojian Realty, which is owned by herself and her two brothers, James Harry Woloohojian and Harry James Woloohojian.

The firm is the owner of six projects with a total development cost of $18.4 million. They are 88-apartment Aaron Briggs, 22-apartment Harwol Court and 65-apartment Statford House, all in Providence; 127-apartment D'Evan Manor in Cranston, and Sparrows Point I and Sparrows Point II, both 150-apartment projects in Warwick.

Furthermore, their construction company, Harwol Construction Inc., is the general contractor for all but one of those projects.

Ronald R. S. Picerne, who was Romeo Sylvester Picerne before he changed his name several years ago, is president of Kelly & Picerne Inc., a development and real estate firm that rivals Ferland Corp.

Picerne has built or is building four projects: $5.3 million, 172-apartment Simmons Village, in Johnston; $2-million, 75-apartment Woodlawn Gardens in Pawtucket; 103-apartment, $3.8-million Taunton Plaza and 72-apartment Wampanoag Apartments, both in East Providence.

The Rhode Island Housing and Mortgage Finance Corporation gave Picerne approval to build Woodlawn Gardens while he was serving as its first chairman. He resigned in 1977.

Dimeo, president of Dimeo Construction Co. Inc., is the lone general partner in three projects with a total development cost of $10.1 million. They are 132-apartment Harris House and 71-apartment 315-Park Avenue in Cranston, and 100-apartment Hardig Brook Village in Warwick.

He is also one of two general partners in Indian Run Village, a 114-apartment, $3.7-million project in South Kingstown. And he is one of four general partners in Braeburn Apartments, a 51-apartment, $1.7-million project in Providence.

Furthermore, Dimeo Construction is the general contractor for all of these projects as well as two others in which Dimeo is not a general partner. Those other two are Matthew XX, a $3-million, 95-apartment project in Warwick; and Blackstone Falls, a $4.3-million, 132-unit project in Central Falls.

Giordano, who used to work with his father in small construction jobs, is now the rotund 36-year-old president of Mast Construction Inc. and Consultants Inc. A Providence College and Suffolk Law School graduate, he wears pin-striped suits, a gold-watch chain and a diamond ring.

Mast Construction is the general contractor for six projects. They are 82-apartment San Souci Apartments in Central Falls; $1.4-million, 48-apartment South Winds in Narragansett; $4-million, 125-unit Bear Hill Manor in Cumberland; $1.7-million, 30-apartment Mercedes IV in Central Falls; 31-unit Woodland Manor in Coventry, and 99-apartment New Cities Apartments in Providence.

Giordano and his two companies are the general partners in New Cities, and he is one of four partners in Woodland Manor.

Furthermore, Consultants Inc. has received consulting fees from developers of several other projects for helping to fill out forms and to get projects through the complicated state and federal approval process.

Marshall, a graduate of Brown University, is the president of Marshall Contractors Inc. and owns a majority interest in HOMAR Inc., another construction company that specializes in building garden-style apartments.

Marshall was an original general partner in Rumford Towers, a 294-apartment, $9.5-million project in East Providence, but subsequently was replaced by another partner.

Although he is a partner in no other deals, his two construction companies are the general contractors for 15 Section 8 housing projects—about one out of four that have been built or are under construction in the state. His firms have built for Ferland Corp., Kelly & Picerne Inc. and a variety of other developers.

[From the Boston Herald American, Aug. 1, 1980]

BUILDER GETS HUD "PLUMS"

(By Greg O'Brien)

When a propsoal for Reservoir Towers, a $9 million federal housing project in Brighton, crossed his desk three years ago, Ken Salk dismissed it outright.

The Department of Housing and Urban Development's deputy housing director in the Boston area office had his reasons.

The sponsor, Continental Wingate's Gerald Shuster, had defaulted on 21 out of 23 federally guaranteed mortgages in depressed Boston neighborhoods—costing the government $8.3 million.

Another factor in Salk's decision was a federal regulation against awarding subsidized housing projects to any developer with a history of defaults on HUD-guaranteed mortgages.

"The proposed sponsor has an extensive history of mortgage defaults and assignments on projects under jurisdiction of this office," Salk wrote in a two-page memorandum dated Jan. 30, 1976, a copy of which was obtained recently by the Herald American.

"Twenty-one of the sponsor's mortgages are currently serviced by this office. Eighteen of these have been assigned to HUD; and for 15 of the 18, the sponsor has offered deeds in lieu of foreclosure. Of the remaining three, assignment is imminent on one, and the other is already in default."

But a year later, Salk changed his mind about Reservoir Towers, and two years later, the project, a 242-unit Section 8 complex for the needy, was a reality. In addition to a low interest mortgage loan from Massachusetts Housing Finance Agency, Continental Wingate also received a $25 million rent subsidy commitment from HUD.

Elegantly appointed and beautifully landscaped, it's a booming project today with 145 subsidized units and a waiting list of more than 500 people. Subsidized tenants pay up to 25 percent of their gross monthly incomes for rent while the government pays the balance on rents that range from $450 to $600 a month. As of several weeks ago, those lucky enough to find shelter include:

Several of Shuster's relatives, including his 77-year-old mother, Rose, a former Continental Wingate stockholder, who lives in a plush apartment on a Section 8 subsidy, paying $109-a-month for rent.

A number of subsidized tenants who drive luxury automobiles and have hidden assets in non-interest-bearing accounts that would disqualify them for the program, according to a former HUD investigator. One elderly woman reportedly has $58,000 stashed away in a checking account, said an MHFA investigator.

Likely to be admitted soon is Marion Fenlon, reportedly the godmother of Gov. Edward King's wife, Jody. Mrs. Fenlon was pushed to the top of the waiting list—above at least one displaced and disabled person—after calls were received at Continental Wingate from King's wife and the governor's office, according to both the former HUD investigator and one of the firm's employees, who said Mrs. Fenlon qualified for an apartment.

Shuster's rebound from failure was nothing short of meteoric.

Once Reservoir Towers was approved, the City of Boston gave Continental Wingate a $300,000-a-year break on property taxes for 40 years and shortly thereafter, HUD awarded Continental Wingate another Section 8 contract—Peterborough Housing in Boston—for which it received a $6.7 million mortgage for renovation work and a $43 million rent subsidy commitment.

Last October, work was completed on the 220-unit Peterborough project, which is located in a high crime area inside the Fenway, but Wingate officials had trouble finding tenants. All of the units are subsidized.

Among those who subsequently received subsidized apartments were:

Forty-five persons who were declared ineligible recently by HUD and MHFA investigators. Several already have received eviction notices from Continental Wingate as a result of the review.

Five Continental Wingate employees who were paying as little as $47-a-month rent while the government paid the balance. One such tenant, Carol Walker, had been registered under the fictitious name of Wanda Roberts, HUD documents show.

Mark French, the 26-year-old son of HUD loan management officer Al French, who lives on a Section 8 subsidy, paying $4-a-month rent, according to a HUD document. French would not speak to a reporter. HUD officials said the case is under investigation.

How did Continental Wingate win approval for Reservoir Towers and Peterborough Housing? HUD's Boston area director Marvin Siflinger says it's because Continental Wingate deserved it.

In a second memo, obtained by the Herald American, dated Jan. 27, 1977, HUD's housing manager Salk recommended approval of Reservoir Towers one year after he rejected it. The memo, in part, stated, "The sponsor has the necessary experience and/or qualifications to carry out required management and maintenance activities."

Asked about the memorandums, Salk told a reporter, "You seem to know more about them than I do."

Noting that his recall of events surrounding the approval was "sketchy," he added, "After listening to all the facts and discussing them with staff, we modified our recommendation and determined that the defaults were beyond Mr. Shuster's control.

"He (Shuster) had been involved in an experimental housing program for low-income Roxbury families (Boston Urban Rehabilitation Program—BURP) that the federal government failed to provide enough money for."

In an interview at his Boston office, Siflinger said HUD had considered "debarment" proceedings against Continental Wingate in the Fall of 1976—a move that might have prohibited the firm from obtaining any more government housing projects.

But in a December, 1976 meeting with Siflinger and Salk, Continental Wingate's New York representative, Carl Ducas, persuaded them to hold off. His arguments were so convincing, in fact, that Siflinger ordered an "exhaustive" study of the troubled BURP program—a decision that resulted in a 60-page study that was forwarded to then-HUD Secretary Patricia Harris.

Continental Wingate subsequently was given clearance to compete for HUD projects.

Despite earlier findings of housing experts, the study concluded that BURP developers, four of whom defaulted, weren't responsible for their failures primarily because of "shallow rent subsidies, unanticipated increases in operating expenses and gaps between the tenants' ability to pay and the rent required to meet operating expenses."

The study also noted that "some (BURP)

owners were basically and solely motivated by the potential profit to be derived from HUD's subsidized programs to the exclusion of other factors."

Most of HUD's findings about shallow subsidies and unanticipated operating expenses clashed with a 1968 BURP study compiled by a Cambridge non-profit organization, Urban Planning Aid. Citing the rehabilitation program's shoddy management and faulty planning, the UPA study said some government housing inspectors "approved buildings which failed to meet their own standards . . . and paid developers for substandard and incomplete work."

In all, there were five BURP developers—each handpicked by the Federal Housing Administration. The late Maurice Simon, who owned 50 percent of the projects, was the only BURP developer who never defaulted.

Nationwide, only a handful of developers with default records in prior HUD programs have been successful in winning new projects, according to HUD officials. The default record, they said, for federally subsidized housing projects is less than one percent.

One reason for Shuster's staying power, according to another BURP study released in 1970, is that he has "a clear understanding of the opportunities and limitations" of government-subsidized programs. "He knows where the money is to be made in the fee structure and acquisition allowances and has identified the financial and processing pitfalls to be avoided," the study said.

The report, written by MIT Professor Langley Keyes, Jr., of the Joint Center for Urban Studies, said Shuster and his BURP partner, Benjamin Polishook, were "chagrined" that they were unable to fulfill their end of the "bargain." In characterizing their attitude about the troubled program, Langley quoted Polishook as saying, "It was better to be a live coward than a dead hero."

Alive and well, Continental Wingate is thriving again and it all began with Reservoir Towers.

Continental Wingate bought the land for the project in 1974 and 1975 from Edward J. McCormack Jr., former state attorney general and former senior vice president of Continental Wingate.

McCormack, a nephew of former U.S. House Speaker John W. McCormack, now serves as Continental Wingate's private attorney.

HUD documents show that Continental Wingate paid $870,000 for the two parcels at 1925 Commonwealth Ave. Records also show that McCormack had purchased the parcels (totalling 79,000 square feet) from the City of Boston for a total of $215,000.

Asked by the Herald American about the difference in price, McCormack said taxes and legal fees on the land along with the initial purchase price brought his expenses close to $800,000. "I didn't make much of a profit at all," he said. "To say otherwise, just isn't true."

Acting as Continental Wingate's attorney, McCormack also helped the firm obtain Boston Redevelopment Authority (BRA) approval for a special tax status on Wingate's Peterborough project.

Subsequently, in a Peterborough Housing marketing brochure, Continental Wingate thanked the mayor and the Boston City Council for their generosity.

"Continental Wingate wishes to acknowledge Mayor Kevin White . . . and the City Council for providing favorable tax treatment pursuant to Section 6A of Chapter 121A of the General Laws," the brochure reads.

Asked recently by the Herald American about findings that indicate questionable tenant selection practices at Reservoir Towers and Peterborough Housing, Shuster said the Privacy Act precluded him from probing the financial backgrounds of his tenants beyond information supplied on a rent application form.

"We have to accept what they tell us," he said. "We have to make our decisions on tenant selection based upon information they put down on their application form. We go by the books."

Asked what he thought about the Section 8 program, Shuster added, "As a whole, it's probably the most equitable, ingenious concept the federal government has ever brought forward. It's a terrific program. The benefits to residents are tremendous. The benefits to developers are good, too.

"The program is built to recognize true operating expense. It's costly, but so is breathing today."

THE SOARING COST OF SECTION 8 HOUSING RAISES EYEBROWS IN U.S. BUDGET OFFICE

(By Bruce DeSilva and Robert W. Stewart)

PROVIDENCE.—The future of the multibillion-dollar Section 8 rent-subsidy program is being debated at the highest levels of the federal government.

Faced with the skyrocketing costs of the program, top federal officials are trying to decide if construction and rehabilitation of apartments under the five-year-old housing program is the best and most economical way to provide safe, decent housing for low-income people.

The debate involves Congress, the Office of Management and Budget (OMB), and the federal Department of Housing and Urban Development (HUD), which administers the rent-subsidy program.

It centers around how HUD ought to be allocating the Section 8 rent-subsidy money it receives from Congress.

HUD can use Section 8 rent subsidies to start construction of new apartments and substantial rehabilitation of old ones.

Under this aspect of the program, private developers get loans, usually from a government agency, to build or rehabilitate the apartments. They pay the loans back mainly with the subsidies HUD provides for the low-income tenants. Tenants have to pay no more than 25 percent of their incomes for rent. HUD pays the rest.

A family of four with an annual income of $14,000 and a single person with an annual income of $9,800 are considered poor enough to live in the subsidized apartments, according to HUD rules.

In Rhode Island, the new Section 8 projects are selected and the loans for their construction are given out by the Rhode Island Housing Mortgage and Finance Corporation (RIHMFC). Developers are allowed to make large profits under the program.

HUD can also give rent subsidies to poor people who then go out and find apartments in existing buildings. That aspect of the program in Rhode Island is handled by the state Department of Community Affairs or by agencies of the individual cities and towns.

Among the questions being asked in Washington are: Is the Section 8 rent-subsidy program really for poor tenants? Or is it a program to keep contractors, builders and developers in business?

"The main issue is that when you just look at the budget cost to the federal government, using an existing housing unit is much cheaper than either rehabilitating an old unit or constructing a new unit," an OMB budget analyst, who asked not to be identified, told the Journal-Bulletin.

The OMB, which is part of the executive office of the President, has made its position clear in numerous "position papers" it has forwarded to HUD officials and President Carter, the analyst said.

"The other side of the issue," he noted, "is that one of the purposes of the federal housing programs is to help support and maintain a healthy housing-construction industry. At least in this administration, OMB has regarded that as a less important objective than trying to put low-income people in a housing project."

One problem, according to Edward T. Martin, regional HUD administrator for New England, is that in areas like the Northeast, where there has been little nonsubsidized apartment construction in recent years, there just aren't that many vacant apartments in existing buildings.

"We have very low vacancy rates," said Martin, who was administrative assistant to Sen. Edward M. Kennedy for seven years before taking the HUD job in 1977. "It's fine to use existing housing if it's available, but in many cases it just isn't available."

Next year the federal government will have to spend $5.5 billion to support its rent-subsidy programs, of which Section 8 is the largest and the only one currently active.

The annual congressional appropriation needed to support the program will climb to $9.4 billion in the next 10 years, according to a report prepared by the Appropriations Committee of the House of Representatives.

The Congressional Budget Office concluded in a report issued earlier this year that supporting a tenant in an existing unit is up to 50 percent less expensive than supporting that same tenant in a new or rehabilitated unit.

Besides the costs involved, the OMB analyst noted, "You can usually place a low-income household in an existing housing unit much more quickly than if you're trying to rehabilitate or construct new housing. The construction periods can be anywhere from 18 months up to three and four years."

Of the 231,650 new apartments that will be made available to low-income tenants under the Section 8 program this year, 106,650, or about 46 percent, will be in already existing buildings. The rest will be in buildings built or thoroughly renovated with mortgages to be repaid with Section 8 funds.

In Rhode Island more than 6,000 new or rehabilitated apartments will be built or under construction under the Section 8 program by the end of the year. By contrast, only 2,489 apartments in existing buildings will be receiving Section 8 subsidies.

"Clearly, when market conditions are favorable, a good case can be made, on the basis of cost effectiveness, to utilize existing units," the House Appropriations Committee said in a budget report issued this year.

In fact, the committee recommended that HUD shift its 1980 subsidy allocation to increase the number of new subsidies for existing apartments from 62,600 to 85,143.

Martin, the HUD regional administrator, acknowledged that the Section 8 new construction and rehabilitation work is profitable for developers and costly to the government.

"I can't challenge any cost argument involving Section 8 any more than I can challenge defense spending," Martin said. "But I can say the question of providing housing for low-income people is something we have to face squarely.

"If the government isn't involved, who will do it?" he asked.

NOEL WILL STRUCTURE A DEAL—FOR A PARTNERSHIP

PROVIDENCE.—Former Gov. Philip W. Noel first got involved in Section 8 as a consultant. He filled out forms for developers and helped get their applications through the federal and state bureaucracies.

"One of the great attributes that I gained out of public service," he said in an interview, "was being able to assist clients to get through the bureaucratic maze because I understand it."

But soon, his role changed.

"After a while," he said, "I realized that I was the No. 1 honcho in the entire operation."

The developers he worked for in Rhode Island and several other states didn't know

how to put the deals together themselves, he said.

"So I started to smarten up," the former governor continued. "They'd come to me and I'd say, 'Sure, but I'm not going to do it for a fee. I want to be a partner.' "

So, after helping to put "more than a dozen deals together" for developers in Rhode Island, Massachusetts, New Hampshire, Washington, Oklahoma, and Texas, he became a Section 8 developer himself.

Noel has a half-interest in Heritage Village, a $2.9 million project in North Kingstown, and is one of four partners in Braeburn Apartments, a $1.7 million project in Providence.

He said the decision by the Rhode Island Housing and Mortgage Finance Corporation (RIHMFC) to approve construction of these projects had nothing to do with politics.

During the interview, Noel took credit for the formation of RIHMFC in 1973, during his first term in the State House.

Noel also noted that he appointed the original members of the RIHMFC board, including its first chairman, Ronald R. S. Picerne, the president of the Kelly & Picerne Inc. real estate company. Picerne, who is now a business partner with Noel in several real estate deals in Rhode Island and other states, was board chairman until 1977.

RIHMFC was created, Noel said, "with anticipation that Section 8 would be coming on line." Congress provided funds for the program in 1974.

Noel indicated he became involved in the Heritage Village project after he was approached by Paul Lischio, a Cranston builder.

The former governor said he helped Lischio in return for a half-interest in the deal for the subsidized 100-apartment complex, which now stands in Devil's Foot Road in North Kingstown.

Lischio said it was Noel who first contacted him about doing a Section 8 project. He said he agreed to a 50–50 split with Noel because the former governor understood the complex program.

"I needed someone who knew," Lischio said. "It was the only way I could make it work. I would never attempt one of these myself."

Although Noel did not disclose figures, partnership records on file with the secretary of state indicate that as equal partners he and Lischio stand to make a total of $300,000 just from selling tax shelters in the project.

In Braeburn Apartments, a 51-apartment complex in the Wanskuck section of Providence, Noel is a partner of John Coffey, prominent lobbyist and a law associate of Noel; Gustin Buonaiuto, who is also a partner with Noel in the Pawtuxet Village Nursing Home in Warwick; and Thomas P. Dimeo, president of Dimeo Construction Co. Inc. That construction company is the general contractor for the project.

In that project, the partners will share an additional $140,000 from the sale of tax shelters, according to partnership records filed with the secretary of state.

Noel said that for a fee, he also put together the deal for the $1.5 million, 53-apartment Greenwood Terrace in Warwick. The owners are Cliff Primeau and Joseph Proscopio, apartment builders whom Noel described as "two great little guys that I've known for 30 years."

Noel said he is also a partner in one Section 8 project in another state.

FERLAND "UNDERSTANDING" GOT DIPRETE INVOLVED

PROVIDENCE.—James DiPrete, former Republican mayor of Cranston, said he first became involved in Section 8 by reaching an informal "understanding" with Roland O. Ferland, president of Ferland Corp.

The understanding, DiPrete said, was that he would use his real estate expertise to find land on which Ferland could develop Section-8 projects. In return, Ferland would make him a partner in those projects.

DiPrete said the understanding was unrelated to his family ties to Ronald R. S., Picerne, first chairman of the RIHMFC board and president of Kelly & Picerne, Inc. DiPrete and Picerne are cousins.

DiPrete said he failed, after working months, to acquire options on four pieces of land for Ferland.

In return for his work, DiPrete said, Ferland gave him an equal partnership in Parkway Towers, a 103-apartment East Providence project.

"I didn't find that land," he added.

Ferland first said the owner of the land, former Democratic state chairman Charles T. Reilly, called him about it.

Then, Ferland said, DiPrete found the property.

And finally, he said they both told him about it "at the same time."

DiPrete said he was later successful in finding the land for two other projects: Maple Gardens II, a $2.6-million project in North Providence, and Cranberry Pond, a $3-million project in Warwick. DiPrete became an equal partner with Ferland in those deals.

Although DiPrete did not find the land for Rumford Towers, another East Providence project, Ferland made him an equal partner in that $9.5-million deal.

That project, according to DiPrete's figures, will earn him $377,000 in tax shelters' sales over the next five years.

Why did Ferland need DiPrete? "I suppose, to be honest about it, he may not have," DiPrete said, "I don't think Ferland loses anything by his association with me."

TAXPAYERS FOOT BILL FOR SECTION 8 PROFITS

(By Bruce DeSilva and Robert W. Stewart)

Real estate developers and land speculators familiar with the rules of the federal Section 8 rent subsidy program have made hundreds of thousands of dollars buying and selling sites for government-subsidized apartment buildings for poor people.

Most of their profits come out of the taxpayers pockets.

Section 8 rules have allowed some developers to make substantial profits by selling to themselves and their partners land they already own.

Others in the real estate business have made money acquiring property and then selling it to Section 8 project developers.

The Section 8 rules even allowed a real estate firm to make a substantial profit by selling Providence buildings that it had rehabilitated 10 years ago under an earlier federal housing program. The new owner is rehabilitating them all over again under Section 8.

Such transactions increase the price of the property, and the taxpayers pick up the tab.

It's all legal and it works like this:

Land costs increased through such transactions are included in low-interest mortgages the Rhode Island Housing and Mortgage Finance Corporation (RIHMFC) gives developers so they can build the projects. Developers pay off the mortgages largely with the rent subsidies that the U.S. Department of Housing and Urban Development (HUD) gives to poor tenants who live in the projects. Higher land costs result in higher government rent subsidies.

Chimney Hill Manor, a $4.2 million, 130-apartment subsidized housing project for the elderly, stands on a 34-acre plot in Cumberland.

How it came to be built there is a complicated story that involves several land transactions among related parties between 1972 and 1977 that resulted in a substantial profit for Ronald A. Ronci, a Greenville developer.

The story also involves Edward P. Manning, now speaker of the state House of Representatives. Manning's law partner, Joseph T. Pari, and Pari's brother, Ralph A. Pari, the executive director of the state housing agency, RIHMFC.

The Chimney Hill site was formely part of a 90-acre parcel off Mendon Road in Cumberland. Located opposite Cumberland Plaza, between the villages of Ashton and Cumberland Hill, the land was purchased many years ago by the late Cumberland Police Chief William J. Boyle and his late brother-in-law, William J. O'Connor.

For years, Boyle and O'Connor couldn't agree on what to do with the property. They went to their deaths still arguing about it. After they died, their heirs were unable to agree on what to do with it.

In February, 1972, O'Connor's heir sued Boyle's wife and children, asking the Superior Court to order the land sold and the proceeds divided among the parties.

Manning, then a state representative but not yet the speaker, represented Patricia L. Doyle, heir to the O'Connor estate. John F. Sherlock, Jr., a Providence lawyer, represented the Boyles.

Together, the two lawyers hired G. Frank Hanaway, a real estate agent who was then deputy majority leader of the state Senate, to appraise the land. He judged the 90 acres to be worth about $70,000.

Hanaway, in his appraisal letter dated Feb. 17, 1972, noted that "a large portion of the property consists of ledge and swamp," and added, "It is my professional opinion that an able and willing buyer would pay no more for the described property."

The property was zoned agricultural. At that time, apartments were not permitted in agricultural zones.

After the appraisal was done, Judge Florence K. Murray appointed Manning and Sherlock, the two lawyers, as co-commissioners for the estate. She ordered them to dispose of the land at "no less than the appraisal price."

On Nov. 30, 1972, Manning and Sherlock sold the land for $70,000 to Ralph Pari, a real estate agent.

But Ralph Pari, who was to become executive director of the new RIHMFC a year later, wasn't the real buyer. He was actually a stand-in for Ronci, the Greenville developer who was a client of Ralph's brother, Joseph.

Ralph Pari, in a recent interview, said it was at his brother Joseph's request that he acted as a stand-in for Ronci. It was done so that Manning's client, the seller of the land, would not learn the true identity of Joseph Pari's client, the buyer of the land, Ralph Pari said. Manning and Joseph Pari were and still are law partners.

Ralph Pari said that if the seller had known of Ronci's interest in the land, the asking price might have been higher. Ralph Pari said he received a fee of "a couple of thousand dollars" for acting for Ronci.

Although the land was sold to Ralph Pari on Nov. 30, 1972, the deed was not recorded in Cumberland Town Hall until nearly a year later, at 9:30 a.m. on Nov. 8, 1973.

One minute later, at 9:31 the land was transferred again. By then, the Town Council had changed the zoning ordinance to allow apartment construction on parcels of more than 25 acres in agricultural zones.

This time, the parcel went from Ralph Pari to the Lambda Corp., a firm that had been incorporated just six days earlier. The original directors of the firm included Ralph Pari and his wife, Violet C. Pari.

Ralph Pari said Lambda was wholly owned by Ronci. Ronci's name did not appear on the incorporation papers, but this is not unusual in corporation filings in Rhode Island.

On papers filed with the secretary of state, Lambda Corp. listed its address as the law office of Manning, Santaniello & Pari.

On Dec. 2, 1973, the appointment of Ralph

Pari as executive director of RIHMFC, the state housing agency, was announced.

Three-and-a-half years later, on June 8, 1977, the Lambda Corp. gave Ronci all 90 acres of the Mendon Road land. No money changed hands in the transaction, according to town hall records.

It was the first time any record showed Ronci as owner of the land that Ralph Pari had bought for him in 1972.

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The general partner in Chimney Hill Associates, the new buyer is the Chimney Hill Housing Corp., whose president is Edward A Fish of Hingham, Mass. Fish is also president of the Peabody Construction Co., Inc., the general contractor for the Section 8 project.

About this time, RIHMFC, the state housing agency headed by Ralph Pari, had chosen Fish's partnership to build a Section 8 project on the 34½-acre site.

Ralph Pari maintained that he had severed all business ties to Ronci by this time. However, a record on file with the secretary of state lists Ralph Pari as the registered agent for Ronci's Lambda Corp. In September, 1977, several months later, Ralph Pari said he did not understand how this could have happened.

Fish's project ran into a snag when William B. Brinson of the Statewide Planning Program, a state agency that reviews all Section 8 proposals, objected that the proposed site was not on a bus line and would isolate its elderly tenants.

In response, Manning, in his capacity as a state representative, wrote a letter pointing out that there was bus service to the site. Manning said at the time that he had worked to get the Rhode Island Public Transit Authority, the state-owned line, to provide the service because he knew that a housing project for the elderly was to be built there.

Ralph Pari also wrote a letter to Brinson on behalf of the project, the planner said. The objection to the project was withdrawn.

Ralph Pari, in a recent interview, said the $70,000 price he originally paid for the land on Ronci's behalf was reasonable "because the property wasn't worth more money at the time. It was zoned agricultural. That price of land has tremendous problems with its ledge, there's rocks galore."

Ralph Pari said he disclosed his involvement in the transaction to the RIHMFC board of directors before the board selected Fish as the developer. Pari's disclosure was reported in the *Journal-Bulletin*.

Ronci is involved in only one other Section 8 project. Ralph Pari said, apparently referring to Melrose Apartments, a $1.8 million, 60-apartment family project in Providence that does not yet have the final approval of the agency.

However, in December, 1977, Ronci applied to the Cumberland building inspector for a permit to build two more high-rise apartment complexes for the elderly on the rest of the land Ralph Pari helped him buy. That request was denied by the building inspector, whose decision was upheld by the Zoning Board of Review.

Earlier this month, Superior Court Judge Eugene F. Cochran overruled the zoning board and ordered the building inspector to issue the permit to Ronci.

Ronci's lawyer, Orlando Andreoni, refused to discuss Ronci's development plans.

Manning, Ronci and Joseph Pari could not be reached for comment despite repeated telephone calls to their offices and homes.

In another land deal, the Woloohojian Realty Corp. made money in the sale of Providence buildings that it had gutted and rehabilitated 10 years ago under an earlier federal housing program for the poor.

The deal involves three pieces of land in Providence that the realty firm bought in the mid-1960s for a total of $28,500. In the ensuing years, the firm made improvements to some of the property.

On one of the parcels, which contained old row houses originally built before 1875 by the Wanskuck Co., a manufacturing firm, the improvements were financed with the help of the federal government.

Government records indicate that by putting up $26,000 of its own money, Woloohojian Realty Corp. was able to borrow $236,000 to renovate the buildings. The realty firm paid only 4½ percent interest on the mortgage, with the government paying the difference between that rate and the higher prevailing market rate.

"We ripped everything out, tore out all of the plaster in the walls and ceilings," James H. Woloohojian said of the project in a 1967 interview.

But by 1978, the once-renovated buildings had become run-down. In fact, the city Office of Code Enforcement declared one of the buildings "unfit for human habitation."

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RIHMFC gave Noel and his partners a $1.7 million low interest mortgage to rehabilitate the old row houses all over again under the Section 8 program.

"We paid dearly for that project," said Noel. "We paid a lot of money for that project." For Woloiohojian Realty, it was "a good deal, not an extraordinary deal," he said.

Elizabeth Bogosian, president of Woloohojian Realty, would not discuss specifically how much money she made in the transaction, but acknowledged that she made a profit.

"I make money on everything I do," she said.

Another land transaction involves Paul F. Lischio, a Cranston home builder who teamed up with Noel to build a Section 8 project.

The project, Heritage Village, is on nine acres of land that was part of a 20-acre parcel on Devil's Foot Road in North Kingstown.

Lischio's real estate firm, Heritage Realty Inc., bought the entire 20 acres for $13,500 in 1963. The land was undeveloped until 1978, when, Lischio said, he got a telephone call from Noel. Lischio said Noel suggested a Section 8 project for the site.

I didn't know one thing about this whole program," Lischio said. "I needed someone who knew."

So, he said, he made Noel a 50 percent partner in Heritage Village Associates, a partnership established to build the 100-unit apartment complex for the elderly. Lischio's firm then sold nine acres of the 20-acre parcel to the new partnership, Heritage Village Associates, for $100,000.

RIHMFC approved the allocation of federal rent subsidies to the Heritage Village project and then gave Lischio and Noel the $2.9 million low-interest mortgage to build the project.

The mortgage included $150,000 allowed by RIHMFC for land acquisition. That figure, according to Lischio, was based on the standard agency allowance of $1,500 for each apartment. (The figure has since been increased to $1,800 per apartment.)

Lischio said that at the mortgage closing, his reality firm received a check for $100,000 for the land. Heritage Village Associates used the remaining $50,000 to cover part of its small down payment on the deal and to pay a variety of legal and consulting fees, Lischio said.

Lischio said he does not feel the $150,000 allowance was excessive. "I put a lot of effort into the development of that parcel," he said.

Meanwhile, Lischio said he and Noel have gotten preliminary approval from RIHMFC to build Heritage Village II, a 104-unit apartment complex for poor families, on the 11 acres left over from the original 20 acres Heritage Realty bought in 1963.

If the deal goes through (it has run into a local zoning problem), the agency under its current operating procedure would allow $180,000 for the land in the mortgage for the new project.

Thus, Lischio and Heritage Village Associates would realize a total of $330,000 for the land the home builder originally bought for $13,500.

OFFICIALS WERE OFFERED BRIBES; ONE DEVELOPER PAID $100,000

(By Bruce DeSilva and Robert W. Stewart)

PROVIDENCE.—A developer made a payoff of more than $100,000 to influence the approval process for lucrative government-subsidized housing projects for the poor, a Journal-Bulletin investigation has found.

It was also learned that two local officials were offered bribes by a representative of a developer who was seeking a zoning decision on one project to be built under the federal Section 8 subsidized housing program. They refused and reported the offers to the Federal Bureau of Investigation.

Two other developers, it was learned, were asked by middlemen for money with which to bribe officials who could help push their projects through the involved approval process.

Officials, developers and others close to the Section 8 industry who talked about bribes insisted on anonymity. They said their businesses would be harmed if it were known that they talked.

One source expressed fear for his life.

"There is too much money at stake," he said. "I could be put out of business, and by that I don't just mean my business. I could end up in a box."

Developers stand to make huge profits on little or no investment by building projects under the federal Section 8 rent subsidy program. The developer of a project can make hundreds of thousands of dollars just by selling small shares in his building as tax shelters to people with substantial incomes, usually in excess of $100,000 annually.

Ralph A. Pari, executive director of the Rhode Island Housing Mortgage Finance Corporation (RIHMFC), which pays a major role in the Section 8 program, expressed doubt that any payoffs have been made.

He said that because so many agencies play a role in the Section 8 approval process, it would be "almost impossible" for any one unscrupulous person to promise approval in return for payment.

One developer acknowledged in an interview that he made a payoff of more than $100,000 in response to a solicitation by an official.

He said the payoff succeeded in moving a previously stalled project through the complicated approval process that involves local heads of government, zoning boards, several state agencies, the RIHFMC, and the federal Department of Housing and Urban Development (HUD).

Three developers and another source close to the Section 8 program independently confirmed parts of the first developer's account.

The first developer said his payoff was arranged to make it difficult to prove who ultimately received the payoff money.

To make the bribe, the developer said he took in a new partner chosen by the official who first approached him about the payoff. The new partner's only role, the developer said, was to share in the hundreds of thousands of dollars earned by selling tax shelters.

The new partner, therefore, was able to take money out of the project and then quitely transfer some of it to others, he added.

The developer excused his decision to make the payoff by calling it "a cost of doing business."

"It was my decision. It had to be made," he said. "It was no different than a guy in New York City who wants to open his doors. As a businessman, you have to make a decision."

Two other developers said they were approached for bribes for officials through middlemen involved in the housing development industry.

Both said they refused, and one of them said he allowed a project to die rather than pay.

The two local officials both from the same community, were approached individually by a developer's representative on several occasions.

One was offered subcontract work in the construction of the proposed project, according to a law enforcement source.

The other local official said in an interview that he was offered another financial deal that would be available with the construction of the apartment building.

This second official said he met with the developer's representative and talked with him on the telephone on several occasions, taping some of the conversations. Once, when the official met personally with the developer's representative, an FBI agent who was investigating the two officials' complaints waited a few blocks away.

The second official said that in their conversations the developer's representative said: "We need your help. We'll do anything. Name it and it's yours."

"Several times he said, "You name it, it's yours," the local official said. "If I would have said, 'Give me $10,000,' I would have had $10,000."

However, the local official said, the developer's representative never specifically offered money.

"He just kept asking me what I wanted," the official added.

The FBI, the official said, not only investigated but at one point tried to get permission from the U.S. Attorney General "to wire me for sound" so that agents could listen in on one of the meetings with the developer's representative. However, the meeting was a last-minute one and there apparently was not enough time for the request to be processed, the local official added.

The local official said the FBI dropped its investigation because it was felt that the offers were too vague to prove guilt and because no money had actually changed hands.

Portions of the developer's account were confirmed by a law enforcement source.

This is the last part of the Section 8 series.

REPORTER ANSWERS CALL TO SECTION 8 PROBE, BUT PROTECTS NOTES, SOURCES

PROVIDENCE.—Journal-Bulletin reporter Robert W. Stewart testified under subpoena before a state grand jury yesterday about stories he and reporter Bruce A. DeSilva wrote last fall concerning the federal government's Section 8 rent-subsidy program in Rhode Island.

But he declined to furnish any of the notes, documents or records that he and DeSilva had gathered in preparing their stories, citing the state's Newsmen's Privilege statute and the First Amendment protections of the state and U.S. Constitutions.

Stewart was directed in the subpoena to bring notes and documents to the grand jury. He testified before the grand jury for 1½ hours, reading sections of the stories in response to questions posed by Deputy Atty. Gen. Susan E. McGuirl and Asst. Atty. Gen. Alan Tate.

Stewart also declined to answer questions about the identities of confidential sources or to reveal confidential information used in preparing the articles, again citing the Constitutions and the privilege law.

Atty. Gen. Dennis J. Roberts 2nd issued subpoenas last Friday for Stewart and DeSilva to appear before the state grand jury. The subpoena was served on Stewart Friday afternoon. DeSilva is out of state and has not been served.

Under the Section 8 program, the U.S. Department of Housing and Urban Development provides rent subsidies to low-income families and elderly people to enable them to live in modern apartment buildings.

Last fall, the Journal-Bulletin reported that the program has allowed developers to make large profits and that in at least one case, a bribe was paid to assure that a project would be built.

TENANTS FIND CHEATING EASY

(By Bruce DeSilva and Robert W. Stewart)

PROVIDENCE.—If you want the government to pay most of your rent but you make too much money to qualify for a federal rent subsidy, it's easy to cheat.

The most a single person can make and still qualify to live in a Section 8 project in Rhode Island is $9,800 a year, according to guidelines set by the U.S. Department of Housing and Urban Development (HUD). Tenants who live in these projects pay no more than 25 percent of their incomes for rent. The rest, which can amount to several hundred dollars a month, is paid to the landlords by HUD.

One way to cheat is to make yourself poor. You can do this by giving all your money to your children. That's legal.

And it's got a retired law officer in South County hopping mad.

The former officer and his wife are living on $12,000 a year from his disability insurance and Social Security. That's about $800 too much for them to get into Beechwood Apartments the new, attractive Section 8 housing project down the street in Narragansett.

But the ex-officer's former next-door neighbors, in-laws of a state official, just moved into the project even though they are better off then he.

They qualified, the former law officer said, by turning over most of their assets, including the proceeds from the sale of their Florida condominium, to their children.

"They even came over and bragged about it," the former lawman said.

"You can do that," said Casimir Kolaski, director of the Providence Service Office of HUD.

"There is nothing legally wrong with divesting assets and then applying" for admittance to a subsidized housing project, he said. "I know there is some of it going on."

While it may be legal, it's an abuse, Kolaski said.

He said the program was meant to help the poor, not those who arrange their finances so that they look poor.

A manager of several Section 8 projects, who asked not to be named, said a handful of tenants in his projects qualified by divesting themselves of their assets.

Some of the Section 8 apartments "are very nice," he said. "Some people feel just because they saved all their lives, why should they be penalized?"

The manager of another Section 8 project said one prospective tenant even showed up at the project rental office with an attorney to help figure out what the tenant needed to do to qualify under the program's income guidelines.

HUD, which provides the rent subsidies, doesn't check on the income eligibility of tenants.

The Rhode Island Housing Mortgage and Finance Corporation (RIHMFC), the state housing agency that makes the mortgage loans used to build the subsidized apartment buildings, doesn't do any direct checking either.

The checking is left up to the private management companies that run the private apartment buildings constructed with the government loans.

Kolaski said the management companies are required by HUD to get written verification of a tenant's income. An income tax form will do if the applicant is willing to provide it, but he can't be required to do so, the HUD official said. A letter from an employer will also suffice, he said.

Furthermore, Kolaski said, the prospective tennant is asked to disclose his assets, such as savings, property or stocks.

The management companies are supposed to check up on these assets, Kolaski said, but they won't find out about assets if the tenants don't disclose them.

"If they don't tell you they have a gold bar under the bed, how will you know?" he said.

Another way to cheat is to lie about how much money you make. That's illegal.

But that's what several prostitutes did to get into a Section 8 federal rent subsidy project in West Warwick.

They were living—and working—in the project last spring until the local police were alerted to the unusual comings and goings there.

The police called RIHMFC, which plays a key role in administering the Section 8 rent subsidy program, and told its officials to get the hookers out of town.

The management firm that operates the project wound up evicting the women.

Heads of several management companies said the income verification system makes it easy to cheat.

"Defraud me? You could do it. No question," said Robert Branchaud, the boss at Ventures Management Inc., of Woonsocket, which manages a total of about 300 Section 8 apartments.

"In many cases," he continued, "we're depending on the honesty" of the prospective tenants.

"We don't like to become policemen," he added. "That's really not our business. It's not what we're paid for."

The head of another management company, who asked not to be named, agreed that cheating is easy.

"We aren't an investigative agency," he said of his firm. "If they sign a statement" indicating how much they are worth, "that's good enough for me.

A few months ago, however, Branchaud's management company stumbled onto a cheater.

One of the firm's employees walked into a local business and happened to see a tenant working at a job that he hadn't told the management company about.

"We reported it to HUD," Branchaud said. The agency, he said, is investigating.

MORE POLITICAL LINKS IN SECTION 8 PROJECTS

PROVIDENCE.—Politicians and their friends and relatives have been selected as developers of half the 11 new Section 8 housing projects for the poor recently approved by the Rhode Island Housing and Mortgage Finance Corporation (RIHMFC).

The recent round of project approvals continues RIHFMC's pattern of choosing the politically connected to develop multi-million-dollar apartment buildings under the lucrative federal program that was intended by Congress to provide housing for the poor.

Among the developers most recently selected by the state agency: former Governor Philip W. Noel, John H. Hines, Jr., counsel to the state Liquor Control Board, and Vincent J. Mesolella Sr., father of Rep. Vincent J. Mesolella Jr., D-North Providence.

A continuing Journal-Bulletin investigation of Section 8 also found that lawyer Joseph Pari has received several thousand dollars in legal fees from both the RIHMFC and private developers for Section 8-related work. Pari is the brother of Ralph A. Pari, executive director of RIHMFC, and the law partner of House Speaker Edward P. Manning.

Developers selected by the RIHMFC to build Section 8 projects usually are able to build multimillion-dollar apartment complexes with little or no money down. They obtain low-interest mortgages through government agencies, including the RIHMFC, and then pay off the mortgages largely with the rent subsidies given to their tenants by the U.S. Department of Housing and Urban Development (HUD).

Developers also make hundreds of thousands of dollars in the first five years after a housing complex is built by selling shares of their projects as tax shelters to people in high tax brackets.

Hines, counsel to the state Liquor Control Board, is the lone general partner in Bradford Court, a 98-apartment project in the Pascoag section of Burrillville, where he was recently named probate judge. Hines is also the former counsel to the state Department of Business Regulation, and former Democratic town chairman and town solicitor in Smithfield. He has no previous experience in real estate development.

Vincent Mesolella Sr., father of the legislator, is one of three general partners in Fieldstone Apartments, a 24-apartment project to be built in Narragansett. HUD regulations bar state legislators from having any interest, "direct or indirect," in Section 8 subsidized housing projects.

Noel, the former Democratic governor and the man who helped write the legislation creating the RIHMFC, is a partner with Paul F. Lischio, a Cranston developer, in the 104-apartment Heritage Village II in Narragansett. Partnerships that include Noel were previously selected to build two other Section 8 projects in the state, including Heritage Village I, also in Narragansett.

Other politically connected developers included in the recently approved projects:

The Kelly & Picerne Venture Corp., headed by Ronald R. S. Picerne. Venture was the first chairman of RIHMFC, until he resigned in 1977. Ralph Pari, the state agency's executive director, is the former executive vice president of Picerne's major company, Kelly & Picerne, Inc. Picerne's firm is the lone general partner in Simmonsville, II, a 102-apartment project in Johnston.

Ferland Corp., headed by Roland O. Ferland, a close personal friend of Rep. Fernand J. St Germain and perennial campaign chairman for Pawtucket Mayor Dennis J. Lynch, a Democrat. Ferland's firm is building Washington Hills, a 120-unit project in Lincoln. Ferland and his companies are also partners in six other Section 8 projects.

Donald L. Goodrich, chairman of the Narragansett Planning Board for 11 years, and Anthony P. Marandola, a former member of the state Bicentennial Commission. Along with Goodrich's brother Paul, they are building 150-apartment Babcock Village in Westerly. It is the first real estate development project for all three men. Their lawyer: Robert Ligouri, who was state director of administration under Governor Noel. The Goodrich brothers are in the insurance and binding business in Goodrich-Blessing Insurance Agency Inc. Marandola is an officer of John Marandola Plumbing and Heating, Inc. of Johnston.

Hines, in a telephone interview, said he thought his project was approved because of an unmet need for housing for poor elderly people in Burrillville. He said his political connections were not the reason for approval but added that they "didn't hurt."

Goodrich and Marandola said politics played no role in their selection. "I don't know anybody," Goodrich said. Their lawyer, Ligouri, did not return telephone calls to his office.

The Mesolellas, father and son, did not return telephone calls made to their office over 3 week's time. Picerne has not returned telephone calls made during the last four months.

Noel and Ferland have consistently maintained that political connections have played no role in their selection as Section 8 developers.

Heritage Vilage II, owned by a partnership formed between Noel and Lischio, is being built on land that Lischio bought in 1963 for $13,500. Heritage Village I, a twin Section 8 project, already stands on the site.

Despite the low price Lischio paid for the land, RIHMFC is allowing a land acquisition cost of $330,000 in the low-interest mortgages it is giving the partnership of Lischio and Noel to build both projects. Lischio gets to keep most of that money, and the mortgage including the land cost will be paid off through the government-subsidized rents.

Joseph Pari, brother of the RIHMFC executive director, has done at least $9,000 in legal work for Section 8 projects, it was learned.

He was paid $3,000 by RIHMFC to give title opinions on 16 Section 8 projects that were financed through the agency in a 1977 bond issue.

John E. Corrigan, chief financial officer of RIHMFC, said there was no conflict of interest in the hiring of the executive director's brother. The hiring was done at arm's length, he said. The agency paid its lawyer, Charles Butterfield of Warwick, to do the work, Corrigan explained. Butterfield, in turn, hired Pari, Corrigan said. Corrigan said he believed the payment by Butterfield was made not to Pari personally but to the firm of Manning West Santiello & Pari. Butterfield did not return repeated telephone calls.

It also was learned that Joseph Pari was hired by developers to do the title searches on at least two multimillion-dollar Section 8 projects approved by the agency. They are Monsignor DeAngelis Manor in West Warwick and Mathew XXV, two of the few church-sponsored projects.

Sidney Kramer, the Providence lawyer who represented the developers of both projects, said he selected Joseph Pari to do the title work because Pari is an excellent title attorney with whom he has worked before. He said it had nothing to do with the lawyer personal connections.

The fees paid to Joseph Pari appear on the projects "closing documents" on file at RIHMFC. Executive director Ralph Pari refused to allow reporters to examine the documents, contending that the information they contain is the "property" of the developers.

Kramer, the developers' lawyer, declined to discuss the amount of the fees.

Sources involved in the Section 8 industry, however, said that the minimum fee for title work on a single project is about $3,000.

Joseph Pari has not returned telephone calls made to his office over three months.

The remaining developers whose projects won recent approval are:

Antone Giordano, president of Mast Construction Inc., is building The Colony, a 17-apartment project in Providence. Giordano and his companies are partners in two other Section 8 projects and are general contractors for six projects.

Paul Anjoorian, whose business interests include the Armenian Rug Co. in Providence and investments in a Las Vegas hotel. He is general partner in Riveredge, a 99-apartment project in Providence. Giordano's consulting firm, Consultants Inc., earned a fee by helping to put the deal together for Anjoorian.

A. Edmund Donatelli Sr. and his son, A. Edmund Donatelli Jr. They are the partners in Georgiaville Manor, a 54-apartment project in North Providence. Their firm, Donatelli Building Co. Inc., will be the general contractor for the project.

Sheldon Gerber, a Providence developer and businessman. He is the sole general partner in Lonsdale Senior Housing, a 130-apartment project in Pawtucket. Although HUD lists Donatelli as the general contractor for the project, Gerber said he will probably hire Dimeo Construction Co. Inc., which along with its principals is a partner in five Section 8 projects and is the general contractor for seven.

Richard W. Ahlborg, head of O. Ahlberg and Sons Inc., a construction company, and Thomas G. DeConcil, head of the Narragansett Caskets Corp. They are partners in Curtis Arms, a 106-apartment project in Providence. They could not be reached for comment.

[From the Washington Post, Oct. 7, 1979]

PROFITEERING ON HOUSING

R.I. POLITICIANS, FRIENDS CAPITALIZE ON HUD PROGRAM FOR POOR

(By Bruce DeSilva)

PROVIDENCE, R.I.—Rhode Island politicians, their relatives and friends are making hundreds of thousands of dollars through a multimillion-dollar federal program intended by Congress to provide housing for the poor.

Known as Section 8 after a section of federal housing law, the five-year-old program allows developers to build multimillion-dollar apartment complexes at virtually no risk and with little of their own money.

The program lend developers nearly all the money needed to build projects and to pay off the government loans, and even lets them make quick profits by selling shares on projects as tax shelters.

Political leaders, including Rhode Island Gov. J. Joseph Garrahy, a Democrat, have used their influence to get friends and allies selected as developers of the lucrative housing projects, according to sources close to the housing program.

And other political figures, including Philip W. Noel, the Democrat who preceded Garrahy in the statehouse, have been selected as developers.

The selection process for Section 8 developers varies somewhat from state to state because of the leeway allowed State governments by the federal Department of Housing and Urban Development (HUD), which funds the program.

In Rhode Island, a key role is played by the Rhode Island Housing and Mortgage Finance Corp., a semipublic agency created by the state legislature in 1973 during the first of Noel's two terms as governor.

A newspaper investigation of political influence on Section 8 in Rhode Island found:

Garrahy and his executive assistant, William G. Dugan Jr., promised Russell J. Boyle that his proposal for a $3 million project would be approved by the state housing agency. Boyle, an old friend of the governor and a political power in Providence, admitted the governor has "promised" him the project. Boyle and his partner could make $450,000 from sale of tax shelters in the project alone, according to current market figures.

Noel is part owner of two projects worth $4 million but said he sees no conflict of interest in his getting approvals for Rhode Island projects through the state agency he helped establish while governor. "I know some people are going to beef about that, so I'll laugh all the way to the bank."

Frank Caprio, a former Democratic candidate for state attorney general and mayor of Providence, is a partner in a $1.8 million project. Lt. Gov. Thomas R. DiLuglio, who practices law with Caprio, was an original partner but sold his interest to his father-in-law in 1973 when he decided to run for state office.

James DiPrete Jr., former mayor of the Republican-controlled city of Cranston, has a half-interest in four projects costing $18.2 million. He said he stands to make $696,000 from the sale of tax shelters in the projects.

A three-man partnership that includes Joseph Matteo, who is related by marriage,

to the governor's wife, was selected as a developer of a $1.1 project in Providence.

One Rhode Island developer who lacks political friendships said he paid a $100,000 bribe in a successful attempt to influence the selection process. He refused to allow his name to be used, but portions of his account were confirmed by three other sources.

The bribery allegation—first reported Sept. 26—is being investigated by Dennis J. Roberts II, the state attorney general.

But reports of political influence have left most state and federal officials unmoved.

For example, Lawrence B. Simons, HUD assistant secretary for housing, said he is concerned only with getting the housing built, not with who builds it.

Garrahy conceded that his office made calls to the state housing agency on behalf of Matteo, Boyle and others, but denied that the calls were meant to influence the agency. The other political figures contacted conceded their ownership of Section 8 projects but denied political influence played a role in their selection.

The scramble for Section 8 projects among politicians and developers is a result of the high profits permitted by the program.

When the state housing agency approves a Section 8 project, the developer receives a low-interest mortgage loan, usually financed through sale of tax-exempt state bonds.

Technically, the mortgage is for 90 percent of the development cost. However, the developer does not have to come up with the other 10 percent. Because the developer is building housing for the poor, the government allows him a guaranteed profit of 10 percent of the project cost, excluding certain fees and land acquisition costs.

The developer uses this paper profit to cover the bulk of his down payment. Several Rhode Island developers and an official of the state housing agency said a developer often puts down no more than $5,000 of his money at the mortgage closing for a $3 million or $4 million project.

The developer pays off his mortgage over 25 or 30 years through rents charged low-income tenants.

However, most of the rent money comes from HUD. Tenants pay no more than 25 percent of their incomes for rent, with the rest paid by HUD to project owners in the form of rent subsidies. The subsidies are increased automatically as operating costs for apartment buildings go up.

For modest two-bedroom apartments for low-income families and poor elderly, the monthly rents allowed by HUD are as high as $738 in Austin, Tex., $933 in Los Angeles and $577 in Washington. The figures include utilities.

In Rhode Island, the approved rent is as high as $535. By comparison, a two-bedroom apartment in a modern complex with a swimming pool, sauna and tennis courts can be rented for $400 a month, including utilities.

Section 8 rents are determined by HUD through a complicated "fair market" formula that is supposed to reflect local rent structures. However, James Wallace, and economist in the HUD area office in Boston, said so many factors go into the formula that it boils down to "a house of cards type of thing." Another HUD official, who asked not to be named, said HUD can use the formula to justify any numbers.

When the mortgage is paid off, through the subsidized rents, the developer will own the multimillion-dollar building. But he does not have to wait that long to make money.

Most of the profit comes during the first five years through sale of shares in the project as tax shelters.

Two partners in the $3.2 million Foxpoint Manor project in Providence, for example, will make $540,000 over five years from the sale of tax shelters, according to one of the principals. Since the developers usually do not need much of this money to build their projects, it goes directly into their pockets.

Persons in the 50 percent federal income tax bracket buy shares in the projects in order to take on their returns depreciation, mortgage interest and other paper losses generated by the projects.

Robert R. Gaudreau said his Gaudreau and Co. investment firm has handled tax shelter sales for 40 percent of the Section 8 projects in Rhode Island. He said federal tax laws designed to encourage investment in housing for the poor make a Section 8 tax shelter worth 30 to 40 percent more than a comparable shelter in a conventional real estate deal.

An official in the federal Office of Management and Budget said his agency is becoming concerned with the high cost of the Section 8 program. The official, who asked not to be named, said a high-level debate on the merits and costs of the program is beginning.

Supporting just one tenant in an average Section 8 apartment for 30 years will cost the government $343,000, according to a study by the Congressional Budget Office. * * *●

By Mr. WARNER:

S. 1076. A bill to amend the Immigration and Nationality Act to exempt nonimmigrant aliens entering the United States to perform agricultural labor from the provisions of section 212 of that act, relating to the establishment of adverse wage rates for nonimmigrant labor; to the Committee on the Judiciary.

WAGE RATES FOR NONIMMIGRANT AGRICULTURAL WORKERS

● Mr. WARNER. Mr. President, I rise today to introduce a bill which will effectively repeal the adverse effect wage rates for nonimmigrant agricultural workers. This legislation will amend the Immigration and Nationality Act to exempt from the provisions of sections 212 and 214 of the act nonimmigrant aliens entering the United States to perform agricultural labor.

Under existing authority, the adverse effect wage rate was established through regulation by the Department of Labor rather than through legislation, a matter I find most disconcerting.

In years past, many American farmers, including those in Virginia, have hired foreign nationals at existing minimum wage rates to harvests crops. They have taken this action because many domestic farmworkers do not desire to work in certain jobs.

The adverse effect wage rate has been opposed vigorously by the Virginia congressional delegation and a broad cross-section of Virginia farmers. The 1981 adverse effect wage rate, set on March 27 of this year, is $3.81 an hour—a hefty 30 cents more than the adverse effect wage rate for 1980 and 46 cents more than the minimum wage, which Congress set at $3.35 an hour, effective January 1.

It is clear that, should these regulations remain intact, legal foreign agricultural labor in the United States would have a higher minimum wage than many domestic workers.

In addition, the regulations would create serious economic hardship for many farmers in their efforts to produce the highest quality and quantity of commodities at reasonable prices for the consumer.

As stated in a recent letter to the Secretary of Labor signed by the entire Virginia congressional delegation:

> It should be noted that the . . . regulation sets an artificial wage rate only for users of temporary foreign farmworkers. No such rate is required to be paid by users of any other temporary or permanent alien workers, with respect to which groups the Department requires only that the "prevailing wage rate" be paid.

Mr. President, this legislation would prohibit any Department from establishing nonimmigrant agricultural worker wages by regulation, returning that authority to Congress, where it clearly belongs.

By Mr. COHEN:

S. 1077. A bill to provide financial assistance to individuals who are least able to undertake energy conservation investments on their own; to the Committee on Labor and Human Resources.

LOW-INCOME WEATHERIZATION ASSISTANCE ACT OF 1981

● Mr. COHEN. Mr. President, today I am introducing a bill that would revise the existing authority in title IV, part A of the Energy Conservation in Existing Buildings Act of 1976, as amended, which authorizes a weatherization assistance program for low-income persons. The ultimate objective of this legislation is to weatherize 2.65 million low-income homes in the next 3 years.

Under this legislation, the weatherization assistance program will continue to be administered to the States in the form of a block grant. Each State will have broad discretion in designing a weatherization assistance program which can best respond to its own particular needs.

To receive funding, each State must submit a plan to the Secretary of Energy which describes the area to be served, climate, energy usage and cost, the number of dwellings in need of weatherization services, and the type of weatherization services to be performed. Although a State must submit an annual plan to receive funding, DOE will not have the authority to reject the plan. Rather, DOE will review the State plan and provide technical assistance, if needed, in order to make the program a more effective one. A State, however, will have total responsibility for developing and administering its own program and meeting its objectives outlined in the State plan. My bill provides DOE with the authority to withhold future funding from States which fail to meet their goals and reallocate these funds to States which have met their goals and expended their funds.

No limitations will be placed on the State other than the requirement that the average expenditure per dwelling unit assisted by a State during any year may not exceed $1,600. This flexibility will allow both low-cost and more expensive improvements, resulting in optimum energy savings per dwelling.

According to DOE, there are approximately 14 million households at or below 125 percent of the OMB poverty income guidelines. At least 13 million low-income homes remain in need of weatherization services. At an average cost

per dwelling of $1,600, the 13 million dwellings could be weatherized for approximately $21 billion.

The legislation I am introducing today sets us on the course toward this objective. At the same time, the 3-year authorization affords Congress an opportunity to periodically review the program and make whatever midcourse corrections are necessary and desirable. My bill authorizes funding for the weatherization assistance program for the next 3 fiscal years at $650 million, $1.54 billion, and $2.2 billion.

Although the current weatherization program has been successful in saving energy, we must increase expenditures and improve delivery of services if we are to achieve our goal of optimum energy savings in the residential sector. This program should be gradually expanded as the capability to operate a much larger program is proven.

A recent study compiled by Urban Systems Research and Engineering in Cambridge, Mass., has confirmed that actual energy savings of 16 to 35 percent have resulted from the DOE's weatherization assistance program. In terms of energy savings, the 1 million homes weatherized to date represent a savings of about 2.5 million to 5 million barrels of oil equivalent per year. At $36 a barrel, this represents a savings of $90 million to $185 million. This savings has a positive impact on the U.S. balance-of-payments deficit and enhances the value of the U.S. dollar abroad. And, of course, it reduces our unacceptably high level of dependence on insecure and expensive foreign oil imports.

If we were to weatherize all low-income homes in need within the next 10 years, the projected energy savings would be 339 million barrels of oil a year—about 16 percent of the oil we currently import. If the price of a barrel of oil were to remain constant at today's world price of $36, this would represent a savings of $12.2 billion. Yet, one can safely assume that the world price of oil will far exceed today's price and that the savings would be even greater. Clearly it is in our Nation's best interest to reduce energy consumption wherever we can.

The annual energy savings resulting from a fully weatherized home will effectively reduce the need for energy assistance for many low-income families. Without an expanded Federal weatherization assistance program, there will be a never-ending and ever-increasing need on the part of the elderly and low-income households for energy assistance to help pay high residential energy bills.

The DOE and CSA have expended approximately $855 million since 1975 to weatherize 1 million homes, which has resulted in significant energy savings. In contrast, over $4 billion has been expended since 1977 for energy assistance which has resulted in no energy savings whatsoever. The $1.8 billion expenditure for low-income energy assistance this year would buy approximately 30.5 million barrels of oil at retail market prices. It is reasonable to project that a similar expenditure for the weatherization assistance program would result in a savings of over 7½ million barrels of oil, or $448 million per year. With these projected savings, the initial expenditure of $1.8 billion would be paid back in 4 years. There is no such return on investment with the energy assistance program.

I am introducing this bill because I believe the administration's decision to terminate the current DOE weatherization assistance program is unwise and contrary to our Nation's efforts to reduce our consumption of energy. Termination of the DOE weatherization assistance program will effectively end all efforts of the Federal Government to help low-income individuals reduce their consumption of energy. The administration believes that weatherization activities are currently being conducted under the HUD community development block grant program and that the DOE's low-income weatherization assistance program is simply an unnecesary duplication. I disagree with this contention because it assumes that a significant portion of HUD CDBG funds are being used for weatherization activities. This is not the case at all.

In order to successfully compete for HUD CDBG small cities funding, communities must target their development plans to assist as many low-income households as possible. Activities which benefit a large number of families, such as sidewalk improvements or street repairs, are usually selected rather than weatherization activities. Since the administration has proposed reductions in CDBG funds, it is likely that competition for small cities will become even tougher, and fewer towns will include weatherization activities in their proposals.

Of greater significance is the fact that 80 percent of CDBG funds went to metropolitan areas and urban counties in fiscal year 1980. The remaining funds went to rural areas, but of the people living in rural areas, only 32 percent lived in communities receiving CDBG funds in 1980. Thus, if we rely on the HUD CDBG program for weatherization activities as the administration proposes, the vast majority of low-income Americans living in rural areas will never receive weatherization assistance.

It is disappointing that in the face of rising energy prices and overdependence on foreign oil, we would terminate a proven, effective method of reducing oil consumption. Although the DOE weatherization assistance program was initially plagued with many problems, it has become a very effective and valuable program.

I do not share the administration's belief that Federal energy conservation assistance should be drastically reduced because individuals, businesses, and institutions are undertaking major conservation efforts on their own as a result of rising energy costs and Federal tax credits. Clearly, rising energy prices alone have prompted many individuals to reduce their energy consumption. But many low-income families are being forced to spend nearly 40 percent of their disposable income on energy and, not surprisingly, these same individuals have reduced their energy consumption more than any other group within our society. These individuals can only further reduce their energy consumption by making conservation improvements to their home. Yet, many of these same individuals are unable to afford to take advantage of the energy tax credits offered by the Federal Government.

I have carefully reviewed data compiled by the Congressional Research Service which examines the extent to which lower income people are able to utilize existing energy tax credits for residential energy conservation. There are several observations worth noting: The general pattern exhibited by the data is that the number of taxpayers reporting residential energy expenditures increases in direct relationship to income; as a taxpayer's income increases, he is more likely to invest in energy-saving equipment. Of the 5.9 million taxpayers claiming a residential energy tax credit in 1978, roughly 57 percent, or 3.4 million taxpayers, had incomes between $20,000 and $50,000. Of the nearly 90 million individual income tax returns filed in 1978, 60 percent reported income below $14,000, while only 16 percent of the taxpayers claiming a tax credit had income below $16,000.

Despite this evidence that the majority of low-income Americans are unable to take advantage of the residential energy tax credits, the administration contends that Federal conservation programs are unnecessary because of these substantial Federal tax credits. Clearly this is not the case.

Fairness is essential to the acceptance and ultimate success of any energy policy. In my view, termination of the DOE weatherization program reneges on a commitment the Federal Government made to American consumers during debate on the windfall profit tax legislation and oil decontrol. When Congress endorsed oil decontrol, we made a commitment to use a portion of the revenues generated to meet the energy needs of the poor. Let me cite an excerpt from the Senate Finance Committee report on the Crude Oil Windfall Profit Tax Act:

> A carefully structured windfall profit tax will make a significant contribution to the Nation's energy program. It will greatly mitigate any inequities resulting from oil price decontrol and, thereby, allow decontrol to go forward. It will provide funds to help reduce our dependence on foreign oil.

The Congress correctly decided that no group of Americans should suffer disproportionately because of a new direction in national energy policy. It is extremely doubtful that this legislation would have passed the Congress without this commitment.

Now, in the face of total decontrol of domestic oil production, we are turning our backs on the most disadvantaged individuals in our society and forgetting the agreement we entered into. By any standard of measurement, if we terminate the weatherization assistance program we are substantially reducing assistance for those most affected by rising energy prices.

It is expected that the windfall profit tax will generate $228 billion in revenue by 1990. It is only proper that some of this money be earmarked for the poor who will suffer disproportionately by this change in Federal energy policy.

On April 9, the Senate Special Committee on Aging held a hearing on the administration's proposals to terminate the weatherization assistance program and to reduce funding for the energy assistance program. It was agreed that the weatherization assistance program is an effective and vital program which must be preserved. The legislation I am introducing today will provide for a continuation of this program, while eliminating the administrative burdens inherent in the existing program. It will also allow us to pursue our national goal of further conservation. I hope my colleagues will appreciate the need for the continuation of this program and support my bill.

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 1079. A bill authorizing the President of the United States to present a solid medal to the widow of Joe Louis; to the Committee on Banking, Housing, and Urban Affairs.

PASSING OF JOE LOUIS

● Mr. RIEGLE. Mr. President, on April 12, we witnessed the passing of a truly great American, Joe Louis. President Reagan's decision to grant special permission for Joe Louis to be buried in Arlington National Cemetery was a fitting tribute to the fighter and a demonstration of the debt which this country owes the man.

The professional boxing record for Joe Louis is certainly impressive. He first took the world heavyweight title in 1937, only 3 years after winning the AAU title. He held the crown until 1949 and defended his title 25 times. Of the 71 professional fights that Joe fought he lost only three, and scored 54 knockouts. It is no wonder that he is recognized as one of the great champions of all time.

Perhaps one of Louis's most spectacular victories was against Max Schmeling in 1938. This fight had become more than just a simple heavyweight contest, and Joe Louis had raised the pride of all Americans and become a symbol of hope in those severely troubled times.

Joe Louis's life was full of victories. He broke the barrier of racial segregation in professional sports 10 years before Jackie Robinson became the first black man to play major league baseball. He served his country in World War II by enlisting at the prime of his boxing career and taking part in numerous exhibition fights which boosted Army morale and enhanced the national spirit.

Mr. President, I have introduced legislation which will provide for a postal stamp to be issued in Joe Louis's name, and a commemorative medal to be struck in his honor. I hope that my colleagues will join me in this effort.●

By Mr. LAXALT (for himself, Mr. LEAHY, Mr. THURMOND, Mr. ROTH, Mr. BIDEN, Mr. EAGLETON, Mr. ROBERT C. BYRD, Mr. BENTSEN, Mr. MATHIAS, Mr. HATCH, Mr. DOLE, Mr. SIMPSON, Mr. EAST, Mr. GRASSLEY, Mr. DENTON, Mr. SPECTER, Mr. PERCY, Mr. STEVENS, Mr. DURENBERGER, Mr. MATTINGLY, Mr. KENNEDY, Mr. METZENBAUM, Mr. DECONCINI, Mr. BAUCUS, Mr. HEFLIN, Mr. CHILES, Mr. NUNN, Mr. SASSER, Mr. PRYOR, Mr. LEVIN, Mr. SCHMITT, Mr. HELMS, Mr. TOWER, Mr. HATFIELD, Mr. DOMENICI, Mr. WEICKER, Mr. GARN, Mr. BUMPERS, Mr. HARRY F. BYRD, JR., Mr. HUDDLESTON, Mr. DODD, Mr. GOLDWATER, Mr. LUGAR, Mr. COCHRAN, Mr. JEPSEN, Mr. KASTEN, Mr. HUMPHREY, Mrs. KASSEBAUM, Mr. BURDICK, Mr. HOLLINGS, Mr. PELL, Mr. ARMSTRONG, Mr. PRESSLER, Mr. WALLOP, Mr. ABDNOR, Mr. D'AMATO, Mr. ANDREWS, Mr. SYMMS, Mrs. HAWKINS, Mr. QUAYLE, Mr. HAYAKAWA, Mr. FORD, Mr. RIEGLE, Mr. DIXON, Mr. MITCHELL, Mr. ZORINSKY, Mr. JOHNSTON, Mr. BOREN, Mr. BOSCHWITZ, Mr. HEINZ, Mr. INOUYE, Mr. CHAFEE, Mr. NICKLES, Mr. MATSUNAGA, and Mr. GLENN):

S. 1080. A bill to amend the Administrative Procedures Act to require Federal agencies to analyze the effects of rules to improve their effectiveness and to decrease their compliance costs; to provide for a periodic review of regulations; and for other purposes; to the Committee on the Judiciary and the Committee on Governmental Affairs, jointly, pursuant to the order of April 29, 1981.

REGULATORY REFORM ACT

● Mr. LAXALT. Mr. President, I am today introducing the Regulatory Reform Act for myself and the distinguished Senator from Vermont (Mr. LEAHY), and for a host of our colleagues. As the broad support for this bill indicates, a majority of the Senate, of whatever political or philosophical stripe, believes that significant changes in the regulatory process are vitally needed.

Though this legislation is styled as a reform bill, its proponents are acting—unfortunately—within a tradition as old as this Nation. In 1776, the Founders could indict King George III because, in the words of the Declaration of Independence:

> He has erected a multitude of new offices, and sent hither swarms of officers to harass our people. . . .

Mr. President, at the outset I wish to acknowledge the major contribution to this bill made by the Senator from Vermont (Mr. LEAHY) and his capable staff. As the ranking minority member of the Subcommittee on Regulatory Reform, Senator LEAHY shares with me a genuine commitment to responsibly dealing with the very serious problems of the Federal regulatory process. Though we each embrace different philosophies of government, Senator LEAHY's cooperation and his diligence served to make the drafting of this bill a true partnership effort.

Undeniably, we differed in our approach to a number of discrete policy issues. Consequently, this bill embodies a series of reasonable compromises. I expect thorough debate of these issues during both committee and full Senate consideration of this legislation. I stand ready to vigorously participate in the amendment process at every level as may be necessary.

Mr. President, I must also acknowledge the labors of other colleagues in the development of this bill. The distinguished chairman of the Committee on Governmental Affairs (Mr. ROTH) and his staff played a central role in the drafting of the legislation. My own chairman on the Judiciary Committee, the distinguished Senator from South Carolina (Mr. THURMOND), guided our work and advised us at every step. Under the leadership of these two chairmen, I anticipate not only a fair and orderly airing of differing views, but the ultimate passage of regulatory reform legislation of which the Senate can be proud.

In a very real sense, this bill is a product of the whole Senate. Its provisions spring generally from the extensive debates of past Congresses. Its proposals have been shaped by the ideas advocated by many of our colleagues over the years. In the provisions for regulatory and cost-effective analysis of regulations we see the handiwork of the distinguished Senators from Kansas (Mr. DOLE), from Arizona (Mr. DECONCINI), from Wyoming (Mr. SIMPSON), from Alabama (Mr. HEFLIN), and from Texas (Mr. BENTSEN). And, of course, the modification to the law governing judicial review of agency actions has long been proposed by our distinguished colleague from Arkansas (Mr. BUMPERS).

Finally, Mr. President, I would be remiss not to express my personal thanks to Congressmen KINDNESS, MCCLORY, and MOORHEAD, to the House Republican leadership, and to their extraordinarily able staff. Too often, Members in either House of the Congress tend to forget the importance of the "other body." From the beginning, we worked with these gentlemen to take advantage of their ideas and draft a bill with the concerns and experience of the House in mind. Consequently, this bill has been shaped most beneficially by our labors together. A House companion to the bill is also being introduced today.

THE RATIONALE FOR REFORM

Mr. President, as we introduce the Regulatory Reform Act and begin Senate consideration of it, we must keep clearly before us both the problems this legislation addresses and the remedies it proposes. Regulatory Reform, after all, is a broad and imprecise term which has been applied to a variety of government efforts. Certainly the new policies and procedures for rulemaking implemented administratively by the Reagan administration comprise the cutting edge of regulatory reform, as does the appointment of new individuals to fill agency posts. Similarly, modifications to the various organic statutes which establish the agencies and authorize their rule making will be the most significant legislative regulatory reform. Foremost among such efforts will be our work on the Clean Air Act under the leadership of the distinguished chairman of the Committee on the Environment and Public Works (Mr. STAFFORD).

This bill is focused on the informal rulemaking provisions of the Administrative Procedure Act and on related matters. As such, this is a procedural measure and occupies only a discrete area of the regulatory reform landscape. Consequently, though the proposals in the bill will go far to remedy several

serious probems in the regulatory process, this bill is only a first step in a broad reform movement.

What are the serious problems we see in the regulatory process? The data developed by scholars and other experts as they examine the performance of agencies over the last decade raises the fundamental question of whether the agencies are satisfactorily fulfilling their mandate. Indeed, as a 1978 working paper of the Yale school of organization and management concluded:

> The social regulatory agencies have been having the substantial effect, but not that directly intended in the legislation establishing their mandate. They have added to costs of production and prices to consumers, without significantly adding to the health and safety of production and consumption.

Similarly, economist Paul MacAvoy criticized the overall performance of Federal agencies in a paper presented last December before the American Enterprise Institute. After describing the costs of regulation, MacAvoy observed:

> Although not easily accounted for in dollar gross national product, the quality of working conditions, products, and the environment could be improved enough to be "worth" the higher costs of goods and services. In fact, such benefits as intended by legislation have not been widely achieved. Water quality has improved in certain rivers, and highway mortality rates have fallen per million passenger miles, but even in these cases other factors besides regulation played the commanding role in improving conditions. On the whole, the results from widespread use of rules have been extremely limited. By the end of the 1970's, the control system had not brought about improvements in general health, safety, and environmental quality.

As a final example, two studies from 1976, reviewing the operation of OSHA, raise the question of agency effectiveness. In his "Crisis in the Workplace: Occupational Disease and Injury," Nicholas Ashford concluded:

> The OSHA Act has failed thus far to live up to its potential for reducing job injury and disease. . . . OSHA has had little measurable impact in reducing injuries and deaths.

Robert Smith, in his more statistical study, similarly reported that:

> The estimated effects [of OSHA] on injuries are so small that they cannot be distinguished from zero.

Linked to this question of agency effectiveness is that of excessive compliance costs. Simply put, it appears that the growing body of Federal regulations has been accompanied by an ignorance of the complete range of effects produced by such regulation, and that this ignorance has often resulted in unexpected costs and other adverse effects which threaten to undermine the salutory goals to be achieved by appropriate regulation.

Several estimates of the aggregate compliance costs of Federal regulations have been developed. In 1977, for example, the Chase Manhattan Bank estimated that Federal regulations cost the Nation's economy more than $100 billion. That figure translated to $470 for each person then living in the United States, 5 percent of the GNP, 25 percent of the whole Federal budget, and 75 percent of the annual private investment in plants and equipment. In the same year, the Office of Management and Budget estimated the cost of Federal regulation to be $130 billion, or $2,000 for every American family.

The very magnitude of such sums is so beyond our common experience that their true impact is lost on us. But make no mistake—the impact of these costs is not lost on the health of the economy or on the lives of the average American. How do we translate these bare figures into meaningful facts? Certainly, Federal regulation aggravates our already extreme rate of inflation by imposing costs on the private sector which raise prices without a corresponding rise in productivity. Indeed, as Dr. James Miller, head of OMB's new office of information and regulatory affairs, has noted:

> Regulation often has a greater effect upon consumer welfare (than other inflationary factors) because it operates directly upon the real supply of goods and services.

The American public spends approximately $60 billion on Federal paperwork, meaning, according to OMB, that meeting Federal paperwork requirements takes a work force larger than the whole steel industry. Of course, it is easy to criticize regulation when we focus on the universally annoying matter of paperwork. Yet even in areas where most would recognize the need for some Government activity, the Federal regulatory machine has gone too far, undermining the goals that machine was designed to achieve.

Due to Federal regulations, for example, it is now estimated to take $54 million and 10 years to bring a new drug to market. This restraint on drug research and development put the United States behind other, supposedly less developed nations in introducing new life saving drugs. In addition, this regulation was responsible for about one-third of the increase in costs for pharmaceuticals between 1960 and 1975.

In a more mundane arena, federally mandated safety and environmental features increased the price of the average car by $666 in 1978. Similarly, it was estimated that in 1977 government regulations added between $1,500 and $2,500 to the cost of a new house.

Yet the broad and serious consequences of our regulatory policies cannot be accurately expressed by one set of numbers. Examine the impact of regulatory compliance costs on energy production and prices.

One illustrative study by the Colorado-Ute Electric Association showed that for the 12-month period ending on June 30, 1978, the cost of complying with Federal regulation for all Colorado-Ute's steam generating stations was 34.6 percent of the total production costs for those stations. And Colorado-Ute's experience is repeated all across the country.

Such costs are obviously passed on to the consumer in higher energy prices, with serious results. As a June 1980 report of DOE observed:

> The immediate effect of rising energy costs has been a loss of income to purchase the other necessities of life—shelter, food, health care—the costs of which have also risen sharply. The continued escalation of home energy costs has had a dramatic impact on the general purchasing power of the poor. . . . Thus, for the period 1978–1980 nearly $14 billion has been taken from the pockets of the most economically disadvantaged segment of our society due solely to increased energy prices.

This report goes on to conclude that continuing cost increases "could jeopardize the health and safety of the poor and elderly of our Nation."

Yet, Mr. President, in tracking down the pervasive effects of regulation we cannot stop at such quantifiable costs, for what are termed the "induced" effects of regulation have serious implications for the future well-being of this country. In his "Costs of Regulation and Benefits of Reform," Dr. Murray Weidenbaum, Chairman of the Council of Economic Advisers, discusses these induced effects, such as the reduced rate of new product introduction due to the increased use of private research and development budgets to meet regulatory requirements. Likewise, the diversion of funds from new capital investment to compliance with Government-mandated social requirements has a significant impact on productivity. For example, Edward Denison of the Department of Commerce estimated the loss of productivity due to investments in environmental and job safety requirements at about one-fourth of the potential average annual increase in productivity.

All this is not even to begin to address the effects of Government regulation on the basic entrepreneurial nature of the private enterprise system. In the words of Dr. Weidenbaum:

> The ultimate costs of excessive government involvement in the economy are not always visible but surely are powerful—the factories that are not built, the jobs that are not created, the goods and services that are not produced, and the incomes that are not generated. These effects have formidable impact on our standard of living and our quality of life.

On top of all these concerns, we, as Government officials, must appreciate the effect of regulation on the confidence American citizens place in their Government and on the respect which they accord to it. Over 2.2 million people responded to a recent questionnaire developed by the Congressional Research Service on attitudes toward Federal regulation. Eighty-two percent felt that Federal regulations were not fair to the people affected by them. Over 94 percent agreed that products cost more because of Federal regulations. Ninety-five percent felt that most Federal regulations are complicated and confusing and over 75 percent believed that the cost of developing and enforcing Federal regulations was "seldom" justified. Finally, 82 percent of those responding were not confident that when new regulations were issued they were based on proven fact.

THE ROAD TO REFORM

So what are we, as the fundamental policymakers of this Nation, to do? I would first observe that my discussion of the ineffectiveness and costs of Fed-

eral regulation is not by any means an indictment of all Government involvement in the "private" sector nor does it impugn the real benefits achieved by appropriate regulation. Yet for over a decade public debate has focused on the putative benefits of regulation. As the price tag for the policies of the past come due, we must ask whether the American people have been well served by those policies. Merely hauling out slogans to berate and intimidate those engaged in public discourse on this matter only forces our public policy to act as if existence on this planet is not encumbered by scarce resources, but does not change that cruel fact. The social goals of our policies can only be undermined by a failure to use our resources wisely.

This catalog of woes does remind us that regulation by administrative agency is not the only, or even the universally preferred mechanism of Government involvement in the private sector. That fundamental policy matter is beyond the competence of the Subcommittee on Regulatory Reform, but must be addressed by other bodies of the Senate when we consider changes to various organic statutes.

Yet these observations of the performance of our regulatory system do suggest some critical weaknesses in that system. As Fred Thompson and Larry Jones, writing in the winter 1980 number of the California Management Review, noted:

It is likely that Federal regulatory decisions are worse, perhaps much worse, than other kinds of Government decisions. This is because the cost of regulation is a cost of Government, but it is not treated as a cost to Government. Consequently, the internal checks that work to promote efficiency and effectiveness in Government are not fully operative where regulation is concerned; in some cases, they may exacerbate the problem.

I believe that the basic policy we must embrace is clear. I can find no better articulation of that policy than the words of our colleague, the distinguished Senator from Texas (Mr. BENTSEN), writing as chairman of the Joint Economic Committee in a June 1980 staff study published by that committee. As the Senator lucidly observed:

Government regulation for too long has been cast in a purely social role as though it should be quarantined from economic scrutiny. No part of the American experience can be afforded that luxury of disregarding other crucial elements of this Nation's quality of life.

Regulation cannot abide apart from all other consideration; it must be a part of the overall strategy to improve living standards. Left as a detached feature of Government, the regulatory network smothers economic opportunity.

To properly evaluate its total impact, Government regulation must be viewed as both a social and economic issue; social because most regulation was designed to bring about cleaner air and water, safer jobs, and an improved quality of life; economic because these social ambitions command huge and previously uncounted amounts of the Nation's resources.

The regulatory reform act embodies this policy. Its provisions are designed to construct within the regulatory process a mechanism by which regulators will rationally evaluate all aspects of a proposed regulation. This legislation is informed by a conclusion akin to that made by Robert Crandall, a senior fellow at the Brookings Institution, writing in the winter 1979 issue of the Brookings Bulletin:

The single most important problem that pervades health, safety, and environmental regulation is the absence of a mechanism to compel the regulators to examine the economic tradeoffs among different ways of achieving a given regulatory goal. . . .

Since few citizens can possibly know how much alternative policies will cost them in terms of reduced resources for buying food, shelter, or medical care, the decision that would minimize the economic cost of social regulation is seldom the one that appears politically most prudent to the agency administrator. He often ends up choosing a needlessly expensive regulation or a very tight standard that could not be justified by its benefits and costs. Only by changing the incentives facing an administrator, or by informing the electorate of his profligacy, can more sensible regulation be achieved.

Mr. President, at this time I will not detail all of the provisions of this bill. In essence, it mandates a procedure, as part of the rulemaking process, which would require agencies to identify and evaluate the tradeoffs inherent in any regulation. This sort of analysis has its antecedent in an Executive order first promulgated in the Ford administration requiring agencies to publish an inflation impact statement with each new regulation. President Reagan's recent Executive Order 12291, mandating a regulatory impact analysis for regulations, is the most current administrative expression of this device. To a great degree this legislation codifies and give uniform application to the policies embodied in Executive Order 12291. Furthermore, by enacting this procedure in a statute, we insure agency compliance to an extent not achieved by executive fiat.

The key to this bill is the requirement that agencies describe and analyze the benefits, costs, and other adverse effects of each new regulation. In spite of the use of the words benefits and costs, it is important to note that this requirement is not in any sense a strict cost-benefit analysis. These provisions have traditionally been termed a regulatory analysis because, unlike cost-benefit analysis, they do not require agencies to quantify every effect of regulation. Rather, an agency is required to identify as precisely as possible the broad range of effects of a regulation, including those which cannot be described in numbers. Thus, this provision recognizes that many of the things we hold most dear, and seek to protect by Federal regulation, are not readily susceptible to expression in quantative terms.

Certainly, identifying the likely effects of a regulation is a difficult exercise. Yet as professor William Rodgers writes in a recent issue of the Harvard Environmental Law Review:

Despite these difficulties, identification and classification of the expected effects if a useful exercise, and arguably essential to rational decisionmaking.

Regulatory analysis is not easy, it is true; but the alternative is for regulatory decisions to be made in secret or in ignorance. These analytical requirements are a response to a common criticism of the regulatory process, such as that recently voiced by Dr. Lester Lave of the Brookings Institution:

Indeed, regulatory decisions have been treated far too casually to date, with guesses being substituted for observable facts and litigation being used too often as a device for delay or the forum for clarifying scientific issues.

Yet saying this is not to claim that regulatory analysis will remove all uncertainty from the regulatory process. Many regulatory decisions in essence must be based on the personal standards of risk aversion of the decisionmakers. But agencies are designed, and this analysis aims, to insure that the public policies promulgated in regulations are based on genuinely expert and unbiased judgments fairly rendered in a public process. Again quoting Dr. Lave.

All of the uncertainty must be described and displayed in the final estimates of risk. By doing this, decision makers can decide how prudent they would like to be. Furthermore, this procedure identifies the most important uncertainties, providing a focus for future research and indicating how new results can be integrated into existing evidence.

In addition to the technical benefits to be gained by such analysis, it is vitally important that regulation making, which is law making with the same practical effect as the legislating done by Congress, be a subject of public scrutiny. Regardless of how well-meaning they may be, agency bureaucrats are unelected officials. Though theoretically they are accountable to the Congress, and through Congress to the American people, the more direct public accountability which would result from the procedures of this bill is appropriate in Republican government, and serves to increase confidence of all citizens in their government.

The regulatory analysis required by this bill provides for the full participation of interested members of the public in both identifying the effects of a proposed regulation and in formulating alternatives to it. Based on the information gathered in this process, and as part of the whole rulemaking, the agency must publish with the final rule its determination that the benefits of the rule will justify its costs, and that, of all the alternatives considered during the rulemaking, the rule is the most cost-effective means of achieving the regulatory objectives. This determination is an important part, but only one part, of the process of rulemaking contemplated under this bill. The information published during the rulemaking illuminates the problems which confront an agency in regulating and the processes by which it goes about to resolve those problems.

The word justify was chosen to preserve a certain flexibility for agency decisionmaking and to insure that the judgment of the agency could embrace the broad variety of elements inherent in any regulatory decision. By the same token, the agency's determination concerning the relationship of the effects

of regulation is to be based on the reasonable judgment of the agency. This formulation is akin to the very familiar reasonable man standard in tort law applied by the courts to determine if a person has acted negligently. Thus, in evaluating an agency determination under the provisions of this bill, one would ask: Would a reasonable person looking at the record before the agency agree with the agency that the benefits of a proposed regulation were worth its costs?

Certainly, this provision is hardly a Draconian burden on agencies. The weighing of tradeoffs is a process which any rational person, whether an individual or a business, goes through to choose between alternative courses of action. Unless one would say that all agencies behave irrationally, Federal agencies at present implicitly identify and assess at least some of the effects of proposed regulations. Paraphrasing the testimony of Dr. Miller before the House during the last Congress, the important thing to bear in mind is that agencies one way or another must make decisions. The question is whether the analysis proposed in this bill can be used to improve the quality of those decisions. Information is never perfect, but this is not to say that less information if preferable to more.

Mr. President, I am convinced that the procedures set out in this legislation will help agencies to more effectively use our national resources to satisfy their statutory mandates and thereby decrease the excessive regulatory burdens which constrain our economic productivity. Roughly borrowing a comment made by a private attorney, expert in administrative law, I would conclude that rules formulated through the procedures of this legislation will be based on sounder reasoning, sustained by economic analysis, well ventilated before the public, and thus less vulnerable over the long run to the changing whims of political expediency.

Mr. President, I ask that the summary of the provisions of this bill and the full text of this bill appear in the RECORD immediately following these remarks.

The bill and summary are as follows:

S. 1080

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Regulatory Reform Act."

RULEMAKING PROCEDURES

SEC. 2. Section 551 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(15) 'emergency rule' means a rule that may be temporarily effective according to the provisions of subsection (b) of section 553 of this title without prior compliance with the provisions of subsections (c) through (g) of section 553 if the agency finds that a delay in the effective date of the rule would—

"(A) seriously injure an important public interest; or

"(B) seriously damage a person or class of persons without serving any important public interest;

"(16) 'major rule'—

"(A) means a rule or a series of closely related rules that causes or is likely to cause—

"(i) an annual effect on the economy of $100,000,000 or more in direct and indirect enforcement and compliance costs;

"(ii) a substantial increase in costs or prices for wage earners, consumers, individual industries, Federal, State or local government agencies, or geographic regions; or

"(iii) significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of enterprises whose principal places of business are in the United States to compete in domestic or export markets;

"(B) but does not mean—

"(i) a rule of particular applicability that approves or prescribes for the future rates, wages, prices, services or allowances therefor, corporate or financial structures or reorganizations thereof, or accounting practices bearing on any of the foregoing, or a rule that involves the internal revenue laws of the United States;

"(ii) a rule that authorizes the introduction into commerce or recognizes the marketable status of a product or service that, pursuant to statute, could not lawfully be introduced into commerce or marketed in the absence of the rule; or

"(iii) a rule that relates to the property or contracts of the Tennessee Valley Authority;

"(17) 'cost' or 'costs' means potential significant costs, including direct and indirect social costs and effects;

"(18) 'benefit' or 'benefits' means potential significant benefits, including direct and indirect benefits and effects.".

SEC. 3. Section 553 of title 5, United States Code, is amended to read as follows:

"(a) This section applies to every rule making except as provided in subsection (b).

"(b)(1) This section does not apply, except when notice or hearing is otherwise required by statute, to any—

"(A) rule to the extent that such rule involves a military or foreign affairs function of the United States;

"(B) rule relating exclusively to internal personnel rules and personnel practices of an agency;

"(C) interpretive rule, general statement of policy, or rule of agency organization, procedure, or practice, other than an interpretive rule or general statement of policy that has general applicability and would have a substantial impact on the substantive rights or obligations of persons outside the agency;

"(D) rule for which the agency for good cause finds that notice and public comment are unnecessary due to the routine nature of the matter or the insignificant impact of the rule; or

"(E) emergency rule.

"(2) In the case of a rule for which an agency makes a finding under subparagraph (D) of paragraph (1) of this subsection, the agency shall publish the rule in the Federal Register with a statement of the finding of the agency under such subparagraph and the reasons therefor.

"(3) In any case in which an agency promulgates an emergency rule—

"(A) the agency shall publish the rule in the Federal Register with a statement which describes the emergency necessitating the promulgation of the rule, the reaons why the agency chose the rule promulgated as a response to the emergency, and the reasons why the agency was unable to comply with the provisions of subsections (c) through (g) of this section prior to the promulgation of the rule;

"(B) the agency shall comply with the provisions of subsections (c) through (g) of this section as soon as practicable after the promulgation of the emergency rule; and

"(C) the emergency rule may not be effective longer than a reasonable period necessary to complete agency compliance with subsections (c) through (g) of this section.

"(c)(1) Notice of proposed rule making shall be published in the Federal Register, unless each person subject thereto is named and personally served with notice or otherwise has actual notice thereof in accordance with law. Such notice shall include—

"(A) a statement of the time, place, and nature of the public rule making proceedings;

"(B) a statement of the specific statutory authority under which the rule is proposed and the specific Congressional intent sought to be achieved by the rule;

"(C) the proposed provisions of the rule, including a succinct statement of the need for, and the objectives of, the rule;

"(D) a statement that the agency seeks proposals from the public for alternative ways to accomplish the objectives of the proposed rule that are more effective or less burdensome than the approach used in the proposed rule;

"(E) a description of the data, methodology, reports, studies, or other information upon which the agency plans to substantially rely in the rule making, and of the purposes for which the agency plans to rely on such information, including an identification of the authors or sources of such information;

"(F) a statement of where the file of the rule making proceeding maintained pursuant to subsection (f) of this section may be inspected or copies of the file may be obtained at a reasonable cost; and

"(G) a determination of whether the proposed rule is or is not a major rule and a short statement of the basis thereof.

"(2) When the agency publishes a notice of proposed rule making for a major rule, the agency shall also publish—

"(A) a description of the benefits of the proposed rule, including any beneficial effects that cannot be quantified; and an explanation of how the agency anticipates each such benefit will be achieved by the proposed rule, including a description of the persons or classes of persons likely to receive such benefits;

"(B) a description of the costs of the proposed rule, including any adverse effects that cannot be quantified; and an explanation of how the agency anticipates each such cost or adverse effect will result from the proposed rule, including a description of the persons or classes of persons likely to bear such costs or adverse effects;

"(C) a description of reasonable alternatives for achieving the identified benefits of the proposed rule, including alternatives that require no government action; that will accommodate differences between geographic regions; and that employ standards which permit the greatest flexibility in achieving the identified benefits of the proposed rule; and

"(D) except where the enabling statute pursuant to which the agency is acting directs otherwise, an explanation of how the benefits of the proposed rule are likely to justify the costs and adverse effects of the proposed rule, and an explanation of why the proposed rule is likely to substantially achieve the rule making objectives in a more cost-effective manner than the alternatives to the proposed rule.

"(3) An agency shall describe the nature and extent of the nonquantifiable benefits, costs, and effects of the proposed rule required to be described under paragraph (2) in as precise and succinct a manner as possible. The description of the benefits, costs, and adverse effects of a proposed rule required under paragraph (2) shall include a quantification or numerical estimate of the quantifiable benefits, costs, and effects. Such quantification or numerical estimate shall include an explanation of the margins of error involved in the quantification methods

and in the estimates used. The agency evaluations of the relationship of the benefits of a proposed rule to its costs and adverse effects required by this section shall be clearly articulated in accordance with the provisions of this section. An agency is not required to make such evaluation primarily on a mathematical or numerical basis.

"(4) Any supplement to or modification or revision of the notice of proposed rule making that is significant shall be published by the agency in the Federal Register and shall contain the information required by this section.

"(d)(1) After publishing the notice of proposed rule making required by subsection (c) of this section, the agency shall give interested persons not less than sixty days to participate in the rule making through the submission of writen data, views, arguments, and statements. The agency may use such other procedures as it determines are appropriate for particular rule making.

"(2) The agency, by timely notice in the Federal Register, shall extend the time for participation in the rule making for a period of not less than thirty days if—

"(A) such an extension is requested in writing by a participant whose personal rights or economic interests are directly and adversely affected by the proposed rule; and

"(B) such request is received by the agency no less than ten days before the sixty-day period for participation in the rule making has expired, unless this limitation is waived by the agency;

provided that no extension of time need be granted if the administrative officer responsible for orderly participation in the proceeding make a written finding that an extension of time is contrary to the public interest, transmits that finding to the participant requesting the extension, and publishes that finding in the Federal Register within ten days of the receipts of the request for an extension.

"(3) When the agency publishes a notice of proposed rule making for a major rule, the opportunity for participation in the rule making provided by paragraph (1) shall also include an opportunity to make oral presentations of data and information relevant to a significant controversy in the rule making. This opportunity for oral presentations shall include an opportunity for cross-examination only (i) when requested by interested persons for the resolution of material issues of fact and (ii) when other available procedures for the resolution of such issues, including oral and written rebuttal, are determined to be inadequate. The agency may establish reasonable procedures to regulate the course of oral presentations to ensure an orderly and expeditious proceeding.

"(4) When rules are required by statute to be made on the record after opportunity for an agency hearing, sections 556 and 557 of this title apply instead of this subsection.

"(5) Nothing in this section authorizes the use of appropriated funds available to any agency to pay the attorney's fees or other expenses of persons participating or intervening in agency proceedings.

"(e)(1) Except for rules which grant or recognize an exemption or relieve a restriction, a final rule shall be published in the Federal Register not less than thirty days before its effective date. Publication of a final rule shall be accompanied by a statement of its basis and purpose, which shall include—

"(A) a statement of the need for, and the objectives of, the rule;

"(B) a description of each of the alternatives to the rule which were considered by the agency, and a statement of reasons why each alternative was rejected;

"(C) a memorandum of law supporting the determination of the agency that the final rule is within the authority delegated by law and consistent with Congressional intent;

"(D) a succinct explanation of how the factual conclusions upon which the rule is based are substantially supported in the rule making file, including a summary of the assessment made by the agency of the comments presented by the public; and

"(E) a description of the data, methodology, reports, studies, or other information upon which the agency is substantially relying in promulgating the final rule, and of the purposes for which the agency is relying on such information, including an identification of the author or sources of such information.

"(2) When a final major rule is published, the statement of basis and purpose shall also include—

"(A) a description and comparison of the benefits, costs, and adverse effects of the rule; and

"(B) except where the enabling statute pursuant to which the agency is acting directs otherwise, a reasonable determination, based upon the rule making file considered as a whole, that the benefits of the rule justify the costs and adverse effects of the rule, and that the rule will substantially achieve the rule making objectives in a more cost-effective manner than the alternatives described in the rule making.

"(3) The preparation of the notice required by subsection (c), and the preparation of the statement of basis and purpose required by this subsection, including any description or analysis of the benefits, costs, and adverse effects of a proposed rule, shall only be performed by an officer or full-time employee of the agency. This requirement shall not apply to the gathering of information to be used in such notice or statement. If such information is gathered by a source outside of the agency, the agency shall specifically identify, in the notice of proposed rule making or in the statement of basis and purpose, the information gathered and such source, and shall describe the arrangement by which the information was procured by the agency, including the total amount of funds expended for such procurement.

"(4) In promulgating a final rule, the agency may not rely on any written material that was not identified in the notice of proposed rule making unless—

"(A) such material was placed in the rule making file; or

"(B) notice was otherwise given that the agency intends to take notice of information appearing elsewhere, and interested persons were given an adequate opportunity to comment upon such material prior to promulgation of the final rule.

"(f)(1) The agency shall maintain a public file for each rule making proceeding. The file and the material excluded from the file pursuant to paragraph (2) of this subsection shall constitute the rule making record for purposes of judicial review. Except as provided in paragraph (2) of this subsection, the file shall contain all the relevant matter before the agency as a result of the rule making, including—

"(A) the notice of proposed rule making and any supplement to or modification or revision of such notice;

"(B) copies, or an identification of the place at which copies may be obtained, at a reasonable cost, of all studies and documentary material upon which the agency substantially relied in formulating the rule;

"(C) all written comments received on the proposed rule;

"(D) transcripts of any oral presentation or cross-examination taking place in the rule making;

"(E) all material that the agency by law is required to make public in connection with the rule making; and

"(F) any statement, description, or analysis required to be prepared by the agency in formulating the rule, including the statement of basis and purpose published by the agency with a final rule pursuant to subsection (e).

"(2) The file required by paragraph (1) of this subsection need not include any material that is exempt from public disclosure under section 552(b) of this title if the agency includes in such file a statement that notes the existence of such material and the basis upon which such material is exempt from public disclosure under such section.

"(3) No court shall hold unlawful or set aside an agency rule because of—

"(i) an inadequacy in the statement required to be published pursuant to paragraphs (2) and (3) of section 533(c) and paragraph (2) of section 553(e), or

"(ii) a failure by the agency to afford an opportunity for cross-examination pursuant to subsection (d)(3) of this section, unless the court finds, upon review of the whole rule making record, that such inadequacy or failure renders the rule unlawful under Section 706(a)(2) (A), (B), or (C) of this title.

"(4) Any analysis of a proposed or a final rule required by another provision of this title or by another statute may be included in the notice of proposed rule making and in the statement of basis and purpose published with a final rule under this section to the extent that such analysis satisfies, or is not inconsistent with, the requirements of this section.

"(g) Each agency shall give an interested person the right to petition for the issuance, amendment, or repeal of a rule.".

REGULATORY REVIEW

SEC. 4. (a) Subchapter II of chapter 5 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 560. Review of agency rules.

"(a)(1) Not later than nine months after the effective date of this section, each agency shall prepare and publish in the Federal Register for comment by interested persons a proposed schedule for the review, within a ten-year period beginning on the effective date of this section, of each major rule in effect on such date.

"(2) At least ninety days before publishing the proposed schedule in the Federal Register, each agency shall make the proposed schedule available to the President or an officer designated by him. Each proposed schedule shall contain a brief explanation of the reasons the agency considers each rule on the schedule to be a major rule and shall include a date set by the agency for the completion of the review of each such rule. The agency shall set a date for initiation of review of each item on the schedule in a manner to ensure the simultaneous review of related items and to achieve a reasonable distribution of reviews over the period of time covered by the schedule. The President or an officer designated by him may select additional rules to be reviewed pursuant to subsection (c) of this section.

"(3) Not later than one year after the effective date of this section, each agency shall publish in the Federal Register a final schedule for the review of the rules referred to in paragraphs (1) and (2). Each agency shall publish the response of the agency to comments received concerning the proposed schedule with the final review schedule.

"(4) Except where explicitly provided otherwise by statute or where an extension has been granted pursuant to subsection (f), each major rule that is in effect on the date of enactment of this section shall be reviewed by the agency within ten years of the date of enactment of this section. Pursuant to such review, the agency shall determine to renew, amend, or rescind that rule.

"(b)(1) Except where explicitly provided otherwise by statute or where an extension has been granted pursuant to subsection (1), each major rule promulgated, amended, or otherwise renewed by an agency after the date of enactment of this section shall be reviewed by the agency within ten years of the date on which such a rule becomes effective. Pursuant to such review, the agency shall determine to renew, amend, or rescind that rule.

"(2) The President or an officer designated by him may select additional rules that were promulgated by an agency after the date of enactment of this section to be reviewed pursuant to subsection (c) of this section.

"(c) An agency shall publish in the Federal Register a notice of its proposed action regarding a rule being reviewed. The notice shall include—

"(1) an identification of the specific statutory authority under which the rule was promulgated and a determination of whether the rule continues to fulfill the intent of Congress enacting that authority;

"(2) an assessment of the benefits, costs, and adverse effects of the rule during the period in which it has been in effect;

"(3) an explanation of the proposed agency action with respect to the rule;

"(4) for a rule that the agency determines no longer falls within the definition of a major rule, or for a rule that the agency proposes to renew with modifications that would exclude the rule from the definition of a major rule, an explanation of the determination or proposal; and

"(5) a statement that the agency seeks proposals from the public for modifications or alternatives to the rule which may accomplish the objectives of the rule in a more effective or less burdensome manner.

"(d) If an agency proposes to rescind or amend the rule, after issuing the notice required by this subsection the agency shall comply with the provisions of section 553 of this chapter; and the requirements of that section and related requirements of law shall apply to the same extent, and in the same manner, as in the case of a proposed agency action which is not taken pursuant to the review required by this section.

"(e) If an agency proposes to renew the rule without amendment, the agency shall—

"(1) give interested persons not less than sixty days after the notice required by this subsection to comment on the renewal; and

"(2) publish the renewed rule in the Federal Register at least thirty days prior to the date on which the renewal of the rule is to become effective with an explanation of the reasonable determination of the agency that the rule continues to comply with the provisions of subsection (e)(2)(B) of section 553.

"(f)(1) Any agency, which for good cause finds compliance with this section with respect to a particular rule to be impracticable during the period provided in subsection (a) or (b), may request the President, or an officer designated by him, to establish a period longer than ten years for the completion of the review of such rule. The President or an officer designated by him may extend the period for review of a major rule to a total period of not more than fifteen years. Such extension shall be published in the Federal Register with an explanation of the reasons therefor.

"(2) An agency may, with the concurrence of the President or an officer designated by him, amend any schedule required by this section for the review of rules if such amendment is published in the Federal Register.

"(g) In any case in which an agency has not completed the review of a major rule within the period prescribed by subsections (a), (b), or (f), the agency shall immediately publish a notice proposing to withdraw or renew the rule under subsection (c), and shall complete proceedings pursuant to subsection (d) within 180 days of the date on which the review was required to be completed under subsections (a), (b), or (f).".

(b) The table of sections for such chapter is amended by inserting after the item relating to section 559 the following new item: "560. Review of agency rules.".

JUDICIAL REVIEWS

SEC. 5. Section 706 of title 5, United States Code, is amended to read as follows:

"§ 706. Scope of review

"(a) To the extent necessary to decision and when presented, the reviewing court shall independently decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of an agency action. The reviewing court shall—

"(1) compel agency action unlawfully withheld or unreasonably delayed; and

"(2) hold unlawful and set aside agency action, findings and conclusions found to be—

"(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

"(B) contrary to constitutional right, power, privilege or immunity;

"(C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right;

"(D) without observance of procedure required by law;

"(E) unsupported by substantial evidence in a proceeding subject to sections 556 and 557 of this title or otherwise reviewed on the record; or

"(F) without substantial support in the rule making file, viewed as a whole, for the asserted or necessary factual basis, as distinguished from the policy or legal basis, of a rule adopted in a proceeding subject to section 553 of this title; and

"(G) unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court.

"(b) In making the foregoing determinations, the court shall review the whole record or those parts of it cited by a party, and due account shall be taken of the rule of prejudicial error.

"(c) In making determinations under clause (2)(C) of subsection (a) of this section, the court shall require that action by the agency is within the scope of the agency jurisdiction or authority on the basis of the language of the statute or, in the event of ambiguity, other evidence of legislative intent. In making determinations on other questions of law, the court shall not accord any presumption in favor of or against agency action.".

VENUE

SEC. 6. Section 2112 of title 28, United States Code, is amended by deleting the last three sentences of subsection (a); redesignating subsections (b), (c) and (d) as subsections (c), (d) and (e), respectively; and inserting the following as new subsection (b):

"(b)(1) If proceedings have been instituted in two or more courts of appeals with respect to the same order and the first such proceeding was instituted more than ten days before the second, the record shall be filed in that court in which the proceeding was first instituted. If the first such proceeding was not instituted more than ten days before the institution of a second proceeding with respect to the same order, the agency, board, commission, or officer concerned shall promptly advise in writing the Administrative Office of the United States Courts that such multiple proceedings have been instituted. Pursuant to a system of random selection devised for this purpose, the Administrative Office thereupon shall select the court in which the record shall be filed. Upon notification of such selection, the agency, board, commission, or officer concerned shall promptly file the record in such court.

"(b)(2) Where proceedings have been instituted in two or more courts of appeals with respect to the same order and the record has been filed in one of such courts pursuant to paragraph (1), the other courts in which such proceedings are pending shall promptly transfer such proceedings to the court of appeals in which the record has been filed. Pending such transfer, any court in which a proceeding has been instituted shall have jurisdiction to grant preliminary relief. Any order granting such relief shall be subject to reconsideration in the court to which the proceeding is transferred.

"(b)(3) Any court in which a proceeding with respect to any order is pending, including any court selected pursuant to paragraph (1), may transfer such proceeding to any other court of appeals for the convenience of the parties or otherwise in the interest of justice.".

REGULATORY AGENDA AND CALENDAR

SEC. 7. (a) Subchapter II of chapter 5 of title 5, United States Code, is further amended by adding at the end thereof the following new section:

"§ 561. Regulatory Agenda and Calendar

"(a) Each agency shall publish in the Federal Register in April and October of each year an agenda of the rules that the agency expects to propose, promulgate, renew, or withdraw in the succeeding twelve months. For each such rule, the agenda shall contain, at a minimum, and in addition to any other information by law—

"(1) a general description of the rule, including a citation to the authority under which the action is to be taken, or explanation of the specific congressional intent to which its objectives respond;

"(2) a statement of whether or not the rule is a major rule within the meaning of paragraph 16 of section 551 of this title;

"(3) an approximate schedule for the significant action dates relating to the rule, including the dates for any notice of proposed rule making, hearing, and final action on the rule; and

"(4) the name, address, and telephone number of an agency official responsible for answering questions from the public concerning the rule.

"(b) The President or his designee shall publish in the Federal Register in May and November of each year a Calendar of Federal Regulations listing each of the major rules identified in the regulatory agendas published by agencies in the preceding months. Each rule listed in the Calendar shall be accompanied by a summary of the information relating to the rule that appeared in the most recent regulatory agenda in which the rule was identified.

"(c) An agency may propose or promulgate a major rule that was not listed in the regulatory agenda required by subsection (a) of this section only if it publishes with the rule an explanation of the omission of the rule from such agenda and otherwise complies with this section with respect to that rule.

"(d) Any determination by an agency concerning the applicability of this section to any action of the agency shall not be subject to judicial review.".

(b) The table of sections for such chapter is amended by inserting at the end thereof of the following new item:

"561. Regulatory Agenda and Calendar.".

EFFECTIVE DATE

SEC. 8. (a) The amendments made by sections 2, 3, and 5 of this Act shall take effect on January 1, 1983, and shall apply to any rule making proceeding for which a notice of proposed rule making has been issued after such date.

(b) The amendment made by section 4 of this Act shall take effect six months after

the date of enactment of this Act and shall apply according to the provisions thereof.

(c) The amendment made by section 6 of this Act shall take effect three months after the date of enactment of this Act and shall apply, according to the provisions thereof, to review proceedings instituted after such date.

(d) The amendment made by section 7 of this Act shall take effect six months after the date of enactment of this Act and shall apply according to the provisions thereof.

SUMMARY OF THE REGULATORY REFORM ACT

INTRODUCTION

The "Regulatory Reform Act" contains a series of amendments to certain provisions of the Administrative Procedure Act. This legislation is not intended to be a comprehensive "regulatory reform" bill, but is focused on the procedures for rule making and for judicial review of agency actions. It is expected that legislation addressing such areas as agency adjudication, agency subpoena power, and the role of administrative law judges will be developed for future consideration.

OVERVIEW

In brief, the major changes to the A.P.A. proposed in this bill—

Require agencies to evaluate on a non-mathematical basis the trade-offs of "major rules" and to determine that such rules are worth their costs and are cost-effective;

Allow oral presentations in major rule makings, including cross-examination where needed to resolve factual issues;

Require agencies to review major rules every ten years to determine if they should be revised or withdrawn;

Prohibit the courts from presuming that agency interpretations of law are valid and require agency factual determinations in rule making to have substantial support;

Address the "race-to-the-courthouse" problem in review of agency action by assigning a case randomly where review proceedings have been instituted in different courts within ten days of each other; and

Require agencies to publish a semi-annual agenda of regulatory actions.

RULE MAKING PROVISIONS

Sections 2 and 3 of the bill amend the definitions and the "informal rule making" provisions of the A.P.A. (5 U.S.C. §§ 551, 553). The major amendments are:

A "major rule" is defined as a rule, or a series of related rules, which will impose compliance costs of $100 million, which will substantially increase prices or costs for wage earners, consumers, etc., or which will have significant adverse effects on employment, productivity, etc.

"Benefit" and "cost" are defined to mean significant benefits and costs, including direct and indirect social benefits and costs.

In the notice of proposed rule making an agency must include:

A statement of the objectives of the rule,

A description of the substantive material on which the rule is based, and

A solicitation of proposals for alternatives to the rule.

For a major rule making, the notice shall also include:

A description of the quantifiable and non-quantifiable benefits and costs of the proposed major rule;

A description of alternatives to the rule; and

Except where another statute directs otherwise, an explanation of how the agency expects the benefits of the rule to justify its costs and why the rule is more cost-effective than the alternatives.

(Agency evaluations of the effects of a major rule are explicitly not required to be done mathematically.)

Interested persons are given sixty days to submit written comments on the proposed rule. For a major rule making, interested persons are also given an opportunity to make oral presentations. This may include cross-examination if requested to resolve a material issue of fact and if other procedures are inadequate to resolve such issue.

In promulgating the final rule, the "statement of basis and purpose" must include:

A statement of the objectives of the rule;

A description of alternatives considered and the reasons for their rejection;

A legal memorandum showing that the rule is within the authority of the agency;

An explanation of the agency's factual conclusions; and

A description of the material on which the rule is based.

For a major rule, the statement of basis and purpose also includes:

A description and comparison of the benefits and costs of the rule; and

Except where another statute directs otherwise, the agency's determination that the benefits of the rule justify its costs, and that the rule is more cost-effective than the alternatives considered.

The analysis of the effects of a major rule cannot be contracted outside of the agency. However, data gathering can be contracted if the source is identified.

A file of the rule making, which is the record for review, must be maintained. The file includes the notice of proposed rule making, the statement of basis and purpose, and other documents of the rule making.

Judicial review of the agency's descriptions and analyses of the effects of the rule and of the use of cross-examination is limited. A rule can be set aside only if an error in these areas violates three of the present standards for review (i.e., such error renders the rule "arbitrary;" such error violates a constitutional right; or such error amounts to the agency exceeding its statutory jurisdiction).

REGULATORY REVIEW PROVISIONS

Section 4 of the bill adds a new section to the A.P.A. requiring agencies to review major rules every ten years. The major features of Section 4 are:

One year after the effective date of this section, each agency must publish a schedule for review of existing major rules within a ten-year period.

New major rules must be reviewed within ten years of their effective date. Amended major rules and major rules which have been reviewed must be reviewed ten years after their amendment or review.

The review is initiated by a notice which explains the proposed agency action, assesses the effects of the rule while it was in operation, determines if the rule is still a major rule, and invites suggestions for improvements in the rule.

Pursuant to the review, the agency amends, rescinds, or renews the rule.

If the agency plans to amend or rescind the rule, the normal rule making procedures apply. (5 U.S.C. § 553.)

If the agency plans to renew the rule without change, it must allow sixty days for public comment and publish the renewed rule with a determination that the rule continues to comply with the rule making provisions (5 U.S.C. § 553).

If it is impracticable for the agency to review a rule within ten years, the President or his designee may grant an extension for up to an additional 5 years.

If an agency fails to review a rule within the prescribed period, it must immediately publish a notice proposing to withdraw or renew the rule and complete rule making proceedings within 180 days.

JUDICIAL REVIEW PROVISIONS

Section 5 of the bill makes two major changes in the A.P.A. provision outlining the scope of judicial review of agency actions. They are:

A court is prohibited from presuming that agency interpretations of law are valid. No burden of proof is shifted.

Agency factual determinations made during informal rule making must have substantial support in the rule making record.

VENUE ("RACE-TO-THE-COURTHOUSE") PROVISIONS

Section 6 of the bill amends the venue provisions of the U.S. Code to deal with the so-called "race-to-the-courthouse" problem. Title 28 U.S.C. § 2112 provides that when proceedings to review an agency order have been filed in two or more courts of appeals, the agency must file the record for review in the court where such proceedings were first filed. Though the filing of the record is not legally determinative of where venue lies, as a practical matter proceedings are rarely transferred from the court where the record has been filed.

Thus, parties often "race" to file a review proceeding in what they consider to be a favorable court. This bill essentially adopts a proposal of the Administrative Conference of the U.S. to randomly select a court when review proceedings have been instituted in two or more courts of appeals within ten days of each other.

REGULATORY AGENDA AND CALENDAR PROVISIONS

Section 7 of the bill adds a new section to the A.P.A. requiring agencies to publish an agenda of regulatory actions they expect to take.

Each agency must publish an agenda in April and October of rules that the agency will be acting on during the following twelve months.

In May and November, the President or his designee must publish a calendar of major rules on which agencies will be acting in the following twelve months.

An agency may propose a major rule that was not included in an agenda if it publishes an explanation for the ommission.

The provisions of this section are not subject to judicial review.●

● Mr. LEAHY. I have long been committed to comprehensive regulatory reform and I am pleased to join my distinguished colleague from Nevada, Senator LAXALT, in introducing the Regulatory Reform Act of 1981.

The Congress begins this debate on comprehensive regulatory reform with a mandate from our citizens.

American citizens are demanding that we get rid of overly burdensome Federal rules and regulations.

They are demanding that we cut through the mountains of complicated, time-consuming redtape.

They are demanding that we eliminate overlapping and duplicative regulations and paperwork such as those which require a small feed and farm supply company to fill out separate forms from the Departments of Agriculture, Commerce, Labor, and Transportation; the FTC, IRS, EEOC, OSHA, and FDA.

They are demanding that we streamline the regulatory process.

They are demanding that regulation be made more cost effective.

And they are demanding that human and capital resources be freed from needless regulatory requirements so that those resources can be used to promote production and efficiency to get our economy moving again.

But with an equally loud voice, the American people are telling us that we must continue to clean up our air and water, to make our work places safe and healthy, to eliminate cancer-causing

chemicals from our food and homes, and to insure that toxic and nuclear wastes do not endanger the health and well-being of generations of Americans not yet born.

We are faced with stubborn, competing demands which require compromise. Senator LAXALT and I have been working since the beginning of this session to develop legislation which finds that compromise. Concessions have been made on both sides of the issues. I still have reservations about certain features of the bill, and feel these issues must be explored thoroughly during the hearing process. This does not detract, however, from my belief that the bill we are introducing today, is a good compromise and a solid vehicle for the achievement of true bipartisan regulatory reform.

Nothing can attest to that more than the long list of Senators joining us today in cosponsoring this bill. I am proud to say that this list contains a majority of Senators from both parties.

The Regulatory Reform Act is designed to reduce the burdens and costs of Federal regulation. It does so by requiring the agencies to evaluate the cost and benefits of proposed regulations, and to solicit and carefully consider ideas from the public for achieving the rulemaking objectives by using more cost-effective, less burdensome alternatives.

Many people question taking a cost-benefit approach to Federal regulation. They accurately point out that traditional cost-benefit analysis is a highly imprecise instrument. A cost benefit approach may invite an objective analysis beyond the state of the art. It emphasizes compliance costs, which can be measured more easily and accurately than benefits. The cost-benefit approach sets values on intangibles like preventing various forms of cancer or how clean air and water affects human life. Even if such values could be set, there is an inherent difficulty in establishing a common measure for comparison of costs and benefits.

Few would argue, however, that the Federal Government should issue regulations without taking the costs and adverse effects of those regulations into account. This bill requires agencies to analyze and solicit comments on the costs as well as the benefits of their regulations and give greater consideration to the effects their regulations have on those regulated.

I emphasize that this bill does not say the ultimate test is whether benefits exceed or outweigh costs. Instead, it requires the agency to use an evaluation of costs and benefits as an analytic tool. When agencies assess costs and benefits and consider alternatives, it is to insure that the benefits of the regulations justify their costs and that the regulations issued achieve the regulatory objectives in as cost effective a manner as possible. This assessment will be published in the statement of basis and purpose accompanying a final major rule.

The bill requires the agencies to set out and evaluate, on a nonmathematical basis, the tradeoffs proposed by regulations in terms of direct and indirect costs and benefits. This requirement applies to "major rules," those 150 to 250 regulations each year of major significance to our society and economy.

It does not suggest that agencies should struggle to assign numerical values to potential costs, benefits or effects which are really subjective. Indeed, the bill specifically states that an agency is not required to make its evaluation of costs and benefits "primarily" on a mathematical or numerical basis. In addition, the agencies are required to explain the margins of error involved in the methods and numerical estimates they use.

The agencies will also be required to take into account and to accommodate differences among the various geographical regions of our country.

The bill makes this process of cost effective Federal regulation an ongoing one, requiring agencies to review existing major rules within 10 years. The agencies must assess the costs, benefits, and adverse effects of their rules, and consider alternative means of achieving their objectives for the future. These provisions are designed to insure that individual major regulations continue to be the most effective means of achieving the objectives sought.

While the bill includes a heightened standard of judicial review, I want to underscore the fact that the cost-benefit analysis itself is not subject to judicial review. Section 3 clearly points out to the court reviewing a major Federal regulation, that its inquiry will be limited to determining whether the agency, after considering costs and benefits, promulgated a reasonable rule.

I must also emphasize that the Regulatory Reform Act of 1981 adopts the premise that the goals and benefits of its approach to Federal regulation—requiring agencies to consider the impact of proposed major rules, exploring alternatives, and insisting on cost effective regulatory activity—are equally applicable to deregulatory Government action.

I stated at the outset that I still have some reservations about this bill and I would like to describe them briefly. I am concerned that in our zeal to reform the procedures of Federal regulations, we do not further delay an already cumbersome regulatory process.

First, the definition of a "major rule" may be interpreted so broad as to require the agencies to apply the bill's intensified assessment of costs and benefits to almost any rulemaking. Our purposes are not met if we overwhelm limited agency resources with unnecessary administrative evaluations whose costs are borne by the taxpayers. I think we need to recognize that in many areas our businesses and industries need prompt decisions from Federal regulators. I want to be sure we do not create a situation where even mundane regulatory activity and minor Federal decisions are delayed unnecessarily.

In addition, an agency's determination of what is a "major rule" is subject to judicial review. However, we want to avoid a situation where the agencies, in order to avoid judicial reversal, are designating more than the 150 to 250 rules we have in mind, as "major."

Perhaps most importantly, the bill's key provisions which require the agencies to evaluate costs and benefits and which are designed to achieve the benefits of Federal regulation by the most cost effective means, do not provide the agencies sufficient direction on how they should assess benefits, how to compute and verify costs, or how to take into account the ranges of error in their estimates of projected costs and benefits. I hope we will be able to amend the bill to provide the agencies with adequate direction for determining these crucial elements of the regulatory decisionmaking process.

The bill permits "hybrid" procedures, including the presentation and cross-examination of witnesses, in any major rulemaking. It also requires the agencies to identify and to provide interested parties the opportunity to comment on all the material the agency relied on in reaching its decision prior to the promulgation of a final rule. These procedures, when combined with the bill's standards for judicial review may increase the time necessary to complete informal rulemaking proceedings and create an even more formal, adversarial and trial-like process than the current rulemaking system. If that is true, it would be a mistake. We should be working to establish a more cooperative process for industry and Government to solve regulatory problems, particularly in the health and environmental areas. We need to work toward expediting rulemaking proceedings, not delaying them.

While I am concerned about these features of the bill, I am convinced that the Regulatory Reform Act of 1981 provides a solid framework for achieving our common goal of retaining the benefits of Federal regulations while reducing the burdens it has imposed on the American public. I am confident, that in the spirit of compromise that has brought Senator LAXALT and me to introducing this bill, these concerns will be addressed and, where necessary, fair compromises reached during the committee's and the Senate's consideration of this important piece of legislation.

In closing, I want to give special thanks to Senator LAXALT and the staff of the Regulatory Reform Subcommittee for their extraordinary efforts in developing this bill.●

● Mr. THURMOND. Mr. President, I am pleased to join today with Senator LAXALT, chairman of the Subcommittee on Regulatory Reform of the Judiciary Committee; Senator LEAHY, ranking minority member of that subcommittee; Senator BIDEN, ranking minority member of the Judiciary Committee; Senator ROTH, chairman of the Governmental Affairs Committee; Senator EAGLETON, ranking minority member of the Governmental Affairs Committee; and a number of my other distinguished colleagues in introducing the Regulatory Reform Act of 1981.

Unlike certain bills which the Judiciary Committee considered during the 96th Congress, this piece of legislation is not intended to be a comprehensive regulatory reform bill. Its provisions focus on the promulgation of new rules and the review of existing rules. It establishes

new procedures to be used in informal rulemaking and sets up a mechanism whereby all existing major rules (a term defined in the bill) are reviewed over a 10-year period to assess whether they should be continued without change, revised, or withdrawn.

Other important provisions of the bill relate to judicial review of agency rulemaking. Section 706, the portion of the Administrative Procedure Act currently devoted to judicial review, would be amended to require that an agency's factual determinations in informal rulemaking have substantial support in the file and that a reviewing court not accord a presumption of validity to an agency's determination on issues of law.

Finally, this legislation would require agencies to publish in April and October of each year an agenda of the rules on which the agency will be taking action in the following 12 months, a provision which would allow for more effective public participation in the rulemaking process.

As I stated earlier and as Senator LAXALT has explained in greater depth, the Regulatory Reform Act amends the procedures for informal rulemaking, currently found in section 553 of the APA. I would like to emphasize those changes which I feel to be of crucial importance to the regulatory reform efforts of this Congress and of the current administration—changes which center on requiring agencies to take a close look at the benefits and costs or other adverse effects of undertaking a particular regulatory action.

In the notice of proposed rulemaking for a major rule, for example, the agency is directed to include a description of the benefits of the proposed rule—together with an explanation of how such benefits will be achieved and a description of those persons likely to receive the benefits—a description of the costs and other adverse effects of the rule, and a description of alternatives for achieving the identified benefits.

Also required, except where the Organic Act pursuant to which the agency is acting directs otherwise, is an explanation of how the benefits of the rule are likely to justify costs and adverse effects and why the rule is more cost effective than other alternatives. When the agency promulgates a final major rule, it is required to include in its statement of basis and purposes its determination that the benefits justify the costs and adverse effects and that the rule is the most cost-effective alternative.

Mr. President, the application of some form of cost-benefit and cost-effectiveness analysis to agency rulemaking is essential, in my opinion, if we are to effectively combat the serious problem of "overregulation" of our economy. Overregulation, in the economic sense, is simply a shorthand term for regulatory activities in which the costs to the American public exceed the benefits. The serious adverse effects of overregulation on our economy are becoming increasingly well known. Such effects include a higher inflation rate, lower productivity, and less innovation on the part of the private business sector. Because government regulation has such a far-reaching impact on our economy, it is absolutely essential that agencies promulgate only those regulations which are clearly necessary and which take the most cost-effective approach to resolving a particular problem.

These principles become even more important when viewed against the background of phenomenal growth in recent years in the number of Federal regulatory agencies and the rules which they promulgate. The statistics which document the "growth industry" of Federal regulation are familiar to most of my colleagues, but some are so shocking as to bear repeating:

Regulatory costs are now running in excess of $100 billion each year, or about $1,800 for every American family.

Federal paperwork annually costs businesses from $25 to $32 billion.

There are currently more than 90 Federal regulatory agencies, with more than 26 of these having been created since 1969.

In 1980 alone, some 7,900 regulations were issued by just over 40 agencies.

There has been an eightfold increase in the size of the Federal Register in the last two decades, from 9,562 pages in 1960 to 74,120 pages in 1980.

Cumulative incremental costs imposed by EPA regulations during the 1980's could total $500 billion if reform measures are not undertaken.

Not only has the amount of Federal regulation and Government intervention in our economy greatly expanded, but the character of that regulation has significantly changed. The newer Federal agencies were established to achieve a variety of "social" goals—such as a cleaner environment, safer products, and a safer and healthier workplace. This new social regulation covers a significantly broader range of industries and a wider variety of commercial activity. Agencies created to achieve these social goals have been given broad, almost standardless, discretion to promulgate those rules they think appropriate.

Thus, the need to bring some measure of objectivity to agencies' decisionmaking processes through cost-benefit and cost-effectiveness analysis seems clear and has been encouraged by a number of economists. For example, Dr. Ronald Wilder, an associate professor of economics in the College of Business Administration at the University of South Carolina, recently wrote:

> The question of whether benefits outweigh costs is an important one because the proper allocation of society's scarce resources requires that these resources be used in those pursuits with the highest proportion of benefits to costs. . . .
>
> Passing regulations without regard for the benefit-cost relationship necessarily results in a misallocation of resources. The fundamental economic problem of scarcity dictates that such misallocations cause a reduction in society's total output.

No one would deny that there may be difficulties in estimating the costs and benefits of regulation, particularly in various areas of social regulation. The difficulties in doing such analyses should not, in my opinion, become a deterrent to doing them at all. As I stated earlier, cost-benefit and cost-effectiveness analyses can and should be used to add some measure of objectivity to the decisionmaking processes of Government regulations.

In drafting the Regulatory Reform Act, Senator LAXALT has attempted to answer some of the concerns expressed regarding agencies doing such analyses. This bill, for example, explicitly states that an agency is not required to evaluate costs and benefits of a proposed regulation primarily on a mathematical or numerical basis. Furthermore, such analyses are not required to be prepared "where the enabling statute pursuant to which the agency is acting directs otherwise."

Having discussed the contents of the Regulatory Reform Act, I would like to comment briefly on what is not in this legislation. As I mentioned earlier, this bill is not intended to be an omnibus reglatory reform measure. It does not attempt to amend the adjudicatory provisions of the APA nor does it deal with the important issue of agencies' adjudicatory and investigatory subpena authority. There are no provisions concerning administrative law judges. These are all areas, however, in which the Judiciary Committee may be focusing its attention in the future.

Finally, the Regulatory Reform Act does not contain a legislative veto provision. S. 890, the Schmitt-Grassley bill, is currently proceeding on a separate track, having been referred to the Subcommittee on Agency Administration. Hearings were recently held on this bill, of which I am proud to be a cosponsor.

Mr. President, I am extremely pleased to note the broad, bipartisan support which the Regulatory Reform Act enjoys. Having significantly more than a majority of the Senate as cosponsors should assure prompt action and passage by the Senate. With this sort of support for regulatory reform in the Congress and with an administration already taking effective action in this area, I am confident that we will be able to make significant progress in curbing the problem of overregulation which has been having such deleterious effects on our economy.●

● Mr. BAKER. Mr. President, I am pleased to see this measure introduced as a bipartisan effort worthy of widespread support. In recent months the American public has been told time and again that "we must get Government off the backs of the people and industries which make this Nation great." Senator LAXALT'S bill, cosponsored by 73 Senators, will take a giant step in this direction without endangering the necessary business of Government.

Under this proposal overly burdensome or ill-advised rules can be eliminated, and a measure of rationality can be brought back to the proliferation of rules and regulations emanating from Washington. I see this measure as a congressional complement to President Reagan's efforts to provide regulatory relief for the American economy. It is time to bring rulemaking procedures and provisions for judicial review into line with the current reality of a bureauc-

racy nearly out of control. I commend my distinguished colleague from Nevada (Mr. LAXALT) for his diligence in seeing that the Senate does its part to reduce the regulatory burden on the American public.●

● Mr. ROTH. Mr. President, I am pleased to cosponsor today, along with Senator LAXALT, Senator THURMOND and 71 of my colleagues, the Regulatory Reform Act of 1981. This legislation represents an important first step in rationalizing the regulatory process by assuring that in the future, no regulation is implemented unless the anticipated benefits justify its compliance and enforcement costs. Our economy can no longer afford regulatory policies which impose enormous and unwarranted costs without regard for the anticipated benefits or the ability of the economy to bear the burden.

This legislation will also effectively reduce the real burden of regulation on the American economy by requiring agencies to review all regulations currently on the books and only reauthorize those regulations where the costs can be justified. Effective implementation of this provision, Mr. President, will reduce growth of the regulatory burden on the American businessman and consumer and, in the near future begin to force real reductions in regulatory costs. I think it is important that we set a target for the reduction on the regulatory burden on the economy and if we have not made significant progress within a few years, that Congress enact laws mandating a reduction in regulatory costs.

Federal regulatory activity has become a pervasive influence in American life. Today it is hard to think of a single aspect of economic or social security untouched by Government regulation. Regulatory agencies are "growth industries" gradually extending to influence both businesses and individuals. We are witnessing the most rapid and consuming growth of centralized control over economic and social activities in our history, and this expansion is becoming extremely costly to both business and the general public.

The growth of Federal regulatory activities is just plain staggering. There are no universally accepted definitions of what regulation entails, but a few general figures illustrate its momentum and meaning. As late as the middle 1950's, the Federal Government had only four areas of major regulatory responsibility: antitrust, financial institutions, transportation, and communications. By 1977, there were 85 Federal agencies regulating some aspect of private activity and over 116 different identifiable regulatory programs. Over one-fourth of these new agencies were created between the years 1969 and 1975. The 30 largest regulatory bodies employed more than 215,000 persons in 1977 and the growth in the total budget of all regulatory agencies was phenomenal—from $2.2 billion to fund Federal regulatory activities in 1974 to $4.8 billion to support such activities in 1979, a 115-percent jump.

One of the results of this rapid expansion has been a tremendous increase in the regulatory burden thrust upon the public and business. The costs regulation imposes on the public has reached truly astounding levels. Accurate calculation of total regulatory costs is impossible at present but several experts have developed rough estimates of such costs which range from $100 billion to $200 billion per year.

Such abstract figures do not tell the whole story, however, for regulatory costs imposed upon business ultimately must be paid for by each of us as consumers. The U.S. Regulatory Council, which was recently dismantled, periodically compiled a list of all proposed regulations along with a projected estimate of their costs. The projected costs to the consumer of many of these regulations is incredible. A proposal from one regulatory agency would increase the costs of a pickup truck by $169 per vehicle. Another would raise the cost of a lawn mower by $35 and most disturbing of all, one regulation proposed would raise local water rates by $10 to $20 a year for each family.

The fact is we can no longer ignore the cost and inefficiencies of our regulatory system. Until rather recently, the chief issue in debate over new Government policies was whether it was legitimate for the Federal Government to do something at all. Today, the legitimacy barrier has fallen and Government is involved in a tremendous range of business and private activity. Because of this fact, we must ask ourselves several important questions: What price must we pay for a given policy? What sacrifices and tradeoffs do we have to make to reach the goals we have set? What level of sacrifice and expense do the goals justify? Without asking these questions and seeking to answer them, we will never be able to slow the rising tide of Government regulation.

Last year's election clearly established that the American people are no longer willing to accept the inefficiencies and costs of our current regulatory system. President Reagan, in pursuing his electoral mandate, established the Presidential Task Force on Regulatory Relief which has already had a positive effect on the regulatory climate. Since its inception 3 months ago, this administration has issued a sweeping executive order requiring agencies to reduce the burdens of existing and future regulations and to minimize duplication and conflict of regulations.

Pursuant to this executive order, the Office of Management and Budget has targeted 110 key regulations for early review and possible modification. Responding to the critical state of the automobile industry, the administration recently announced a series of relief measures, including the relaxation of 34 regulations which will reduce the regulatory burdens on automobile manufacturers in order to restore profits and help put Americans back to work. Each of these initiatives, I am hopeful, will receive the fullest support of both Congress and the American people.

The initial achievements of this administration in the area of regulatory reform clearly demonstrate the importance of Presidential leadership and direction in the regulatory area. The President must be able to balance conflicting national goals and priorities and provide balance and organization in regulatory policy. If each agency is able to pursue its own statutory goals and mission without taking into consideration the greater national good, even the most careful attention to cost-benefit analysis will not prevent the misallocation of resources. For this reason, I am studying the need for legislation which would give the President greater authority over the procedural and substantive decisions of regulatory agencies, especially the independent agencies which are currently virtually unaccountable to any elected officials.

Nor should we neglect the role of State and local governments in regulatory policy, since the causes or regulatory inefficiency can often be traced to conflicts between various levels of government. The cumulative effect of Federal, State, and local regulatory policies has reached absurd levels. A recent study by Colorado State University found that the average American hamburger is subject to 41,000 separate State and Federal regulations stemming from 200 laws and over 111,000 precedent setting court cases. It is my intention to explore the problem of regulatory coordination between different levels of government in hearings before the Governmental Affairs Committee. If necessary, mechanisms should be developed to delegate regulatory responsibilities to States and local governments.

The problems of coordination in regulatory policy are symptomatic of the general confusion and disarray in our Federal system. There is a growing feeling among people across the Nation that their Government on all three levels has become a jumbled, tangled mess. The system we have now resembles a giant marble cake rather than the orderly layer cake it was intended to be. To address this problem of confusion and lack of coordination in the Federal system, I have introduced a bill in the Senate to establish an 18-member citizens commission to thoroughly review all Government policies and activities.

This proposed "Citizens Commission on More Effective Government" is modeled after the Hoover Commission of the 1940's and 1950's, which is the last time a complete study of the Government was conducted. In addition to analyzing intergovernmental policies, including regulatory functions, this commission would analyze all the function of Government in our modern society and explore the extent to which Government should be involved in our lives.

Mr. President, the legislation we are introducing today, while of landmark importance as a first serious step to check the uncontrolled growth of regulatory power, cannot stand alone. In the coming months, the Congress must give careful attention to other proposals to enhance regulatory efficiency and to make regulators more accountable to the people. The Governmental Affairs Committee which I chair will hold hearings to explore some of these alternatives, including proposals for an en-

hanced Presidential role in the regulatory process. In addressing the issue of regulatory policy, we must plan not 1 or 2 years ahead, but rather many years down the road to assure that essential regulatory programs do not destroy the foundations of the American economy.●

● Mr. KENNEDY. Mr. President, I am proud to join with Senator LAXALT, Senator LEAHY, and other colleagues in introducing the Regulatory Reform Act of 1981. This legislation, which has strong support on both sides of the aisle, marks an important step in improving the regulatory process.

I have long been concerned about the impact of regulation on the competitive marketplace. As chairman of the Subcommittee on Administrative Practice and Procedure in past Congresses, I held numerous hearings on the anticompetitive effects of excessive airline regulation—hearings which resulted in the first legislation to deregulate a major American industry. Subsequently, we deregulated the trucking industry, a reform which economists predict will save the American consumer billions of dollars in coming years.

Based on our experience with these industries, I believe that we must eliminate unnecessary Government interference in the marketplace. We should use regulation only as a last resort to achieve important public goals like the protection of health and safety; and when regulation is necessary, it should take the least burdensome approach.

Last year we took important steps toward the elimination of unnecessary regulation by reducing the burden of costly Government regulation on small business, and eliminating unnecessary paperwork. In both the Judiciary Committee and Governmental Affairs Committee, we held lengthy hearings on comprehensive legislation to require agencies to consider the economic impact of their rules. This legislation—supported by the business community, labor, the administration, and Senators in both parties—has provided an important headstart for the activities of the Judiciary Committee this year. I am pleased that Senator LAXALT and Senator LEAHY have continued this strong bipartisan tradition in support of effective regulatory reform, and I hope that the measure being introduced today will be promptly enacted into law.

The legislation attempts to improve agency decisionmaking by requiring agencies to demonstrate that the benefits of the rule "justify" the costs. Few would dispute the value of cost/benefit analysis. However, most economists also recognize that cost/benefit analysis can impair an agency's ability to regulate in those areas where the benefits and costs are not easily quantifiable.

As Murray L. Weidenbaum, now the Chairman of the Council of Economic Advisers and an advocate of cost/benefit analysis, stated in a recent article in the Center for the Study of American Business:

> Reliable measures of costs and benefits are not easily achieved or always possible. Should the loss of a forest be measured by the value of the timber eliminated? What of the beauty destroyed? What of the areas value as a wildlife habitat? In view of such questions it is unlikely that agency decision makers will be faced with simple choices.

For this reason I have serious reservations about the impact of strict cost/benefit analysis on vital health, safety, and environmental regulations. The main focus of antiregulatory debates this year has been on health and environment; designed to preserve clean air and water, to protect land from excessive strip mining, and to limit worker exposure to carcinogens and cotton dust. Rarely do we hear about economic regulations which protect comfortable constituencies and which constitute questionable interference in the working of the marketplace—for example, in the area of tobacco regulation. If we are to take a meaningful approach to regulatory reform, we must not use cost/benefit analysis as a smokescreen to eliminate regulations which serve critical public needs.

While the present legislation attempts to deal with the imperfections and limitations of cost/benefit analysis, more needs to be done. The emphasis of the legislation is on costs; more should be said about benefits. We also need additional provisions to insure that the agency gets the best possible data from the procedures and opportunities for costs they believe will be imposed by the legislation. We should make sure that the regulated entities concerning the judicial review do not permit parties to tie up regulatory decisionmaking in the agencies and the courts.

Furthermore, I believe that the correct approach to effective regulatory reform is to reexamine, agency by agency, program by program, each of our regulatory policies to insure that they meet important public objectives in the most cost-effective manner. In the past Congress, I submitted legislation to require the President and Congress to review according to a fixed schedule, all the major regulatory programs. I intend to reintroduce this proposal in the present Congress, and I hope that it will be considered as part of my comprehensive regulatory reform package.

Mr. President, as a member of the Democratic Regulatory Reform Task Force in the Senate, and as a long-time advocate of fair and equitable regulatory reform, I look forward to the debates over the most effective approach to improve the quality of Government regulation, without hamstringing an agency's ability to protect the public health and safety.●

● Mr. DECONCINI. Mr. President, it is with great pleasure that I join Senators LAXALT and LEAHY in cosponsoring a regulatory reform bill that is certain to become one of the legislative highlights of the Congress. It is a testimony to the hard work and evenhandedness of the distinguished chairman and ranking majority member of the Regulatory Reform Subcommittee that a majority of their colleagues in the Senate will join them today in cosponsoring this legislation. It is clear that the American people's concern about runaway Federal Government has been recognized and that effective measures will be taken to make Federal agencies more accountable.

The bill being introduced today touches on many aspects of the Administrative Procedures Act. Major changes include requiring agencies to determine if their "major rules" are worth their costs and are cost effective; it will premit oral presentations to be made on major rules including cross-examination; it will require agencies to review major rules every 10 years to determine if they should be revised or withdrawn; and it requires agencies to publish a semiannual agenda of regulatory actions. The role of the courts will also be revised to prohibit them from presuming that agency interpretations of law are valid.

In addition, the troublesome "race-to-the-courthouse" problem in review of agency actions is addressed in a manner that assures random selection of venue in proceedings instituted in different courts within 10 days of each other.

Not all of the provisions of the bill are in their final form and undoubtedly good amendments will be offered as the legislation progresses, however, I believe we have a solid foundation on which to build and I intend to wholeheartedly support the general principles of this bill that will lead to better regulatory procedures and accountability.●

● Mr. WEICKER. Mr. President, I am pleased today to cosponsor the Regulatory Reform Act along with a number of my distinguished colleagues. I firmly believe that the regulatory protection of the health, safety, and well-being of all Americans is necessary. I do not believe, however, that such regulations need to be drafted in ways that impede progress or levy undue economic hardships on the private sector. Accordingly, I am convinced that this bill, which amends the Administrative Procedures Act to require Federal agencies to evaluate the costs and benefits of major rules is the correct approach toward easing the economic burden of Federal regulations. I also support the regulatory review provisions contained in the act, because I believe it is healthy to reassess the impact of regulations every 10 years.

Mr. President, I would like to take this opportunity to point out that while excessive regulation is costly to all businesses, small firms are especially hard hit by overregulation.

As chairman of the Committee on Small Business, I know that many small firms experience inordinate amounts of financial and managerial problems in their attempts to comply with the proliferation of regulations generated by Federal agencies. Unlike larger companies, small businesses often do not possess the time, expertise, or personnel resources to comply with regulatory requirements. In fact, a recent study indicates that the average cost of complying with Government regulations is approximately $3,600 per year for every small business in the country.

For these reasons, Congress adopted the Regulatory Flexibility Act last September. This law requires Federal rulemakers to fit regulatory and information requirements to the scale of the business, organization, or governmental entity sub-

ject to the regulation. I will carefully monitor the implementation of this act and its impact on the small business community.

However, I believe that it is not sufficient to require agencies to perform small business impact analyses of proposed and existing rules. I think it also is necessary to assess all of the cost-benefit questions relative to a proposed regulation, which is the clear intent of the Regulatory Reform Act. In so doing, I believe that regulations can be promulgated in an even-handed way so as to maximize their stated objectives, and minimize their costs.

Mr. President, I urge expeditious consideration of this legislation.●

● Mr. BUMPERS. Mr. President, I am pleased to cosponsor this bill. I want to commend Senator LAXALT for the broad consensus he has managed to achieve; I understand that this measure now has at least 70 cosponsors in the Senate.

This bill includes several important changes in current law. The one I am primarily interested in has come to be known as the Bumpers amendment and is included as section 5. This is the same Bumpers amendment language that was included in S. 67, which was introduced on January 6 of this year.

As I have said many times in this body, this change in the judicial review provisions of the Administrative Procedure Act has been widely discussed and debated, and is long overdue. Most Members of the Senate are aware that I first introduced a measure similar to this one in 1975. Over the years support for it has grown; it now has broad support in this body and in the House, and in academic and legal circles as well. The American Bar Association was an early and vigorous supporter as is the Business Roundtable. I think it is safe to say that this is an idea for which the time has come.

Mr. President, I am convinced that the Bumpers amendment language is a necessary plank in any viable approach to regulatory reform. A fundamental premise of our system of government is that the courts interpret and apply the law; they are the ultimate authority on all legal questions. It simply makes sense for courts to decide independently whether an agency has exceeded its authority, without deference to the agency's interpretation regarding the extent of its authority. It is folly to expect an agency to be objective about the limits on its authority, and many court decisions encourage Federal bureaucrats to abuse their power. A recent opinion of the U.S. Supreme Court presents a good example. In Environmental Protection Agency against National Crushed Stone Association, decided only 5 months ago, the Court had this to say:

> When faced with a problem of statutory construction, this court shows great deference to the interpretation given the statute by the officers or agency charged with its administration.

In my view, this is not the way Congress intended the system to work. The Court, not the Agency itself, should decide whether the Agency has overstepped its authority, and the language of section 5 of this bill makes this clear.

Here is a brief explanation of the provisions of section 5 of this bill.

POLICY

The amendments to section 706 of the Administrative Procedure Act are premised on the basic constitutional principal that in a representative democracy, legislative power shall be exercised by elected representatives and not by unelected officials who are not directly responsible to the electorate. The delegation doctrine requires that there be mechanisms for controlling the exercise of delegated regulatory power.

The mechanisms are the requirements that when the legislature delegates power it must establish an "intelligible principle" to govern the delegate, and that the judiciary will hold invalid actions which are not authorized by the statutory delegation. In the words of Mr. Justice Reed—

> An agency may not finally determine the limits of its statutory power. That is a judicial function. *Social Security Board* v. *Nierotko*, 327 U.S. 358, 369 (1946).

The insertion of the word "independently" in the introductory sentence of section 706 reemphasizes this primary role of the courts.

SCOPE OF AGENCY JURISDICTION

The first sentence of new subsection (c) of section 706 directs the courts to exercise their traditional review function to prevent an agency from acting beyond its regulatory authority.

This provision directs the courts to play a more active role in policing regulatory power by closely construing statutes which transfer regulatory authority to administrators. See Stewart, "The Reformation of American Administrative Law," 88 Harv. L. Rev. 1667 (1975). The Supreme Court has followed this approach in two recent decisions. See *FCC* v. *Midwest Video Corp.*, 99 S. Ct. 824 (1979); *NLRB* v. *Catholic Bishops of Chicago*, 99 S. Ct. 1313 (1979). See also *Kent* v. *Dulles*, 357 U.S. 116 (1958); *National Cable Television Assn. Inc.* v. *United States*, 415 U.S. 336 (1974); Schwartz, "Administrative Law Cases During 1979," 32 Ad. L. Rev. 411, 413–415 (1980).

Under subsection (c), a court must determine that the agency's authority to act has been granted expressly in the language of its organic statute or, in the event of ambiguity, by reference to the statute's legislative history or other materials relevant to ascertaining legislative intent. This provision is intended to underscore the duty of the courts to insure that agencies do not transgress the outer boundaries of their authority. Indeed, for a court to allow an agency to go beyond these boundaries would be "an unwarranted judicial intrusion upon the legislative sphere wholly at odds with the democratic processes of lawmaking contemplated by the Constitution." *Lubrizol Corp.* v. *EPA*, 562 F. 2d 607, 620 (D.C. Cir. 1977). See *City of Palestine* v. *United States*, 559 F. 2d 408, 414 (5th Cir. 1977); *National Nutritional Foods Association* v. *Matthews*, 557 F. 2d 325, 326, (2d Cir. 1976).

Subsection (c), then, does not seek to impose any new, strange, or radical duty on the judiciary. Instead, it simply directs the reviewing court to take a hard look at an agency's assertions of regulatory jurisdiction or authority. It will allow the reviewing courts to make use of all appropriate materials for ascertaining the legislative will, but it is not intended to allow abuses of post-hoc legislative history. *Consumer Product Safety Commission* v. *GTE Sylvania*, U.S. 64 L. Ed. 2d 766 (1980). Performance of this duty often will be difficult, but I am confident that the good sense and resourcefulness of the Federal judiciary will be equal to the task.

In making such determinations, the court will be influenced not only by the statute's legislative history but also by the nature of the asserted power. If, for example, the agency is asserting a basic or significant extension of authority, especially one which bears on personal liberties or heralds significant involvement of the agency in a new area or imposes significant costs, the reviewing court should not uphold the extension unless it is convinced that the statute and relevant legal materials demonstrate that Congress specifically or generally addressed the issue, and that the statute does contain the authority asserted by the agency.

On the other hand, if the asserted authority at issue relates to an interstitial or minor matter, the reviewing court might well conclude that although Congress had not really addressed the issue, the matter is of such a character that sensible administration necessarily requires exercise of such an implementing authority.

From the perspective of the agencies, it is true that some statutes are imperfectly drafted, or are silent or even conflicting. In these circumstances, agencies must use their discretion soundly to formulate the most appropriate means of carrying out their basic statutory mandates, filling in what are interstices of the statutory framework by which they are bound but adhering scrupulously to express or implied limitations on their authority.

EFFECT ON DEREGULATION AND EFFORTS TO LESSEN THE BURDENS OF REGULATION

It should be emphasized that the primary thrust of this portion of the bill is to curb attempts by agencies to exercise positive jurisdiction in areas beyond the boundaries spelled out in their organic statutes. It is not intended to prevent an agency from exempting from regulation activities or persons under the traditional de minimus rationale where such exemptions are consistent with the basic purposes of the statute. Nor is this amendment intended to preclude rational interpretation and application of statutory criteria in ways that lessen the costs and other burdens of regulation.

The intent is to exclude those cases where the agency exercises its permissible discretion and declines to take affirmative action. Such a declaration is consonant with the policy to encourage agencies to refrain from taking unneces-

sary or inappropriate regulatory measures.

Nor is the amendment intended to nullify broad grants of administrative discretion where Congress knowingly intends that. When the statute and legislative history are clear that Congress intended a broad delegation, and the grant is not so unconfined as to violate the delegation doctrine, courts should give effect to such an intended broad grant. But the reviewer—the court, not the agency—is to determine independently whether the asserted power has in fact been conferred, either expressly or by implication.

THE "NO PRESUMPTION" CRITERIA

The second sentence of new subsection (c) of section 706, together with the insertion of the word "independently" in subsection (a), is intended to make clear that Congress intends the courts to perform, and to perform diligently, their traditional role as the ultimate and impartial interpreters of the law. It is designed to insure that as to decisions of law, the agency and the appellant stand on equal footing before the law without bias, preference, or deference to either and without any presumption in support of or against agency action, except as to questions of jurisdiction, where the first part of subsection (c) imposes the burden upon the agency.

In providing that the "no presumption" criterion will apply only to questions of law, the intent is to preserve the existing "arbitrary, capricious, an abuse of discretion" standards of section 706 with respect to policy determinations within the permissible limits of agency discretion. The intent is also to make it clear that the reviewing court will apply the new "substantial support" standard in clause 2(F) only to agency factual determinations.

Thus, ample room is left for proper reliance on agency expertise where it actually exists. It is recognized that some issues will involve mixed legal and policy, or mixed legal and fact, aspects. Regardless of the agency's characterization of the issues, the courts must independently define the issues and reexamine independently the questions of law involved; at the same time, the courts should recognize the primary role of the agency with respect to choice of policy, official notice of legislative facts, and factual findings.

It is not the intent of the no presumption criterion to preclude consideration of an agency legal interpretation. This interpretation will be one element of the process of independent judicial reexamination. The effect of any agency interpretative judgment, whether contained in a rule or order, on the court's own interpretation should not, however, depend on some general rule of deference. Rather the court, in examining the agency interpretation, should evaluate the thoroughness in its consideration, the validity of its reasoning, its consistency with earlier and later pronouncements and all those factors which give it power to persuade if lacking power to control. *Skidmore* v. *Swift & Co.*, 323 U.S. 134, 140 (1944). The court should also weigh any countervailing factors bearing on the validity of the agency's legal position.

Thus, the court may not regard the agency's reading of the statute as controlling or entitled to a deference that would avoid the court's reaching its own independent judgment. Accordingly, under this amendment, a reviewing court may not proceed on the assumption that it should uphold an agency's statutory construction so long as that construction is not unreasonable or not irrational. Instead, the court shall regard the interpretation of the statute as a judicial question.

SUBSTANTIAL SUPPORT FOR FACTUAL DETERMINATIONS

The substantial support standard of new clause 2(F) of paragraph (a) relates to review of factual determinations in informal rulemakings. The standard recognizes that in such proceedings there is a distinction between an exercise of discretion (policy choice) by the agency, which remains subject to the "arbitrary, capricious, an abuse of discretion" standard of clause 2(A), and the factual foundation for such a choice.

Relying on the analysis in Administrative Conference recommendation 74 to 4, 1 CFR, sections 305.74–4, the new clause 2(F) requires substantial support for factual determinations in informal rulemaking in two cases:

First. Where the finding of fact is necessary to the rule, that is to say, where the policy choice would fail to satisfy the arbitrary, capricious, an abuse of discretion criterion absent such a finding of fact.

Second. Where the finding of fact is an "asserted" basis for the rule, that is to say, where the agency relies on the finding as part of its rationale for the policy choice reflected in the rule.

Under the terms of clause 2(F) the "substantial support" must be found in "the rulemaking file, viewed as a whole." This provision meshes with other provisions of the act amending section 553 calling for the organized and systematic development of a file on which the rulemaking action is to be based. Pedersen, "Formal Records and Informal Rulemaking," 85 Yale L.J. 38 (1975). The amendment does not preclude an agency in an appropriate case from taking official notice of legislative facts that underpin policy choice.

Earlier versions of this amendment used the words "substantial evidence" rather than "substantial support."

The change in language is meant to negate any implication that the intent of the amendment is to require indirectly the use of trial-type procedures in informal rulemaking. Procedural requirements for such rulemaking will be found in other provisions of the Administrative Procedure Act, as amended, and in constitutional and common law considerations of fairness.

On the other hand, the words "substantial support" are intended to require that the data or materials on which the agency bases its factual determinations must be reliable and credible even though they have not been generated through trial-type procedures, and even though they do not necessarily satisfy the rules of evidence applied in judicial proceedings.

Enactment of these three changes in section 706 will not require all Federal courts to alter their decisional process. As Mr. Justice Frankfurter said with respect to a similar congressional endeavor some years ago:

> Some—perhaps a majority—have always applied the attitude reflected in this legislation. To explore whether a particular court should or should not alter its practice would only divert attention from the application of the standard now prescribed to a futile inquiry into the nature of the test formerly used by a particular court. *Universal Camera Corp.* v. *NLRB*, 340 U.S. 474, 490 (1951).

The ultimate objective of this amendment is to make sure that the pace and scope of regulation conform to the timetable and map established by elected representatives rather than by an unelected bureaucracy.

TECHNICAL

First. The changes in section 706 are not intended to affect any applicable rule of law which provides that in a civil or criminal action reliance on an agency rule or order is a defense. Thus, a defendant who has acted in compliance with an agency rule or order would continue to have any protection the law now provides even if the rule or order is subsequently found to be invalid.

Second. The Congress expects that whenever an agency rule or order is challenged in a civil action where a private party is suing under an express or implied right of action for violation of an agency rule (arguably not a "proceeding for judicial enforcement" within the meaning of section 703 to which the section 706 scope of review applies), the court will apply the same standards of review as set forth in section 706. In stating this expectation there is no intention to imply any new standing or right of a defendant to challenge the validity of an agency rule or order. Thus, only if and to the extent that a rule can be reviewed by the court in the action would the reviewing court be expected to apply the same section 706 tests of lawfulness of agency action.

Third. While this amendment applies to the judicial review of questions arising under the existing and future organic acts of Congress where the general standards for judicial review as previously articulated in section 706 have been applicable, it is not intended either to change any settled judicial interpretation existing at the date of enactment as to the boundaries of a particular agency's jurisdiction or authority determined by a Federal appellate court, or to unsettle any res judicata or collateral estoppel effects of prior court decisions that have become final.

The judicial review provisions in this bill, together with other long-needed procedural reforms it includes, will have the effect of making agencies stop, look, and listen before they act. Where they decide to act, they will have to be more careful about what we in Congress have or have not said in the substantive statutes. The agency will have to be more careful in assembling the facts. The

agency will have to be more careful about what it decides and how it explains its decisions to the regulated, the courts, and the American people. As a result we can expect fewer but better agency actions, less but more reasonable and effective regulation. Regulation will be more likely to be confined to areas that we in Congress have decided require regulation and not in twilight areas into which bureaucratic empire builders will inevitably seek to expand their authority.

Sometimes these procedures will temporarily slow down good agency decisions—such as those to lighten the burden of existing regulations or to repeal regulations which upon reflection are beyond congressional intent. But this will promote rather than retard true and long-lasting deregulation since deregulation will be based on reason and facts rather than slogan or emotion, and will be consistent with our substantive laws. "Shoot from the hip" deregulation would not sustain challenges on judicial review whether or not we amended section 706. Procedural reform at the agency level, which will be promoted by this bill, can help the deregulation process and is long overdue. But we must remember it is no substitute for the careful statute by statute review of the substantive laws by this Congress, which should move forward immediately after the passage of this bill. I commend this bill to my colleagues, and I hope that it will be quickly enacted into law.●

● Mr. LEVIN. Mr. President, I am pleased to join Senators LAXALT and LEAHY and my other colleagues in cosponsoring the regulatory reform bill. As one who strongly supported passage of a regulatory reform bill last Congress, I am most hopeful that the strong showing of bipartisan support for this bill this Congress will guarantee its quick enactment.

Procedures for regulatory analysis such as those contained in this bill are long overdue, and I welcome the efforts made by both the Judiciary and Governmental Affairs Committees to develop a broadly supported bill. I commend Senator LEAHY and Senator LAXALT for their diligence in working together on drafting the language of this bill.

Although I am sufficiently supportive to join my colleagues as a cosponsor, I do retain some reservations as to some aspects of this bill. I am concerned about the breadth of the definition of major rule on the one hand in that it might be read to apply to so many rules that the regulatory process could become suffocated, and yet, on the other hand, I am concerned that the language could be misconstrued so narrowly as to exempt deregulatory activity. It is my belief that strict regulatory analysis must be directed at the acts of both increasing burdens to the society as well as to decreasing protections. It is my understanding that such is the intent of Senators LAXALT and LEAHY.

I also share with some of my other colleagues concern about the definitions of the terms "costs" and "benefits" and the directives that this bill will give to the agencies to analyze these rather difficult and sometimes elusive concepts. I am hopeful that as the bill is considered in the committees and on the floor, the language in this respect can become more clear and more reflective of real impacts.

Finally, I have reservations about the extent to which some of the procedural requirements in this bill may only increase the adjudicatory nature of the regulatory process and consequently proceduralize it to a grinding halt. As skeptical as I am and have been about the many excesses in the regulatory process, I do believe that regulation serves and will continue to serve an important social function. I would hate to see reform be merely a disguise for recission.

One important element for successful and meaningful regulatory reform, however, is missing—and that is the legislative veto. This bill is the appropriate vehicle for Senate consideration of this important issue, and I, along with Senator BOREN, will offer the Levin-Boren, S. 344, legislative veto as an amendment to this bill. Comparable provisions have already been included in the House regulatory reform bills.

I am pleased with the strong bipartisan support for this measure.

We have discussed the legislative veto at length in both Houses and I feel confident that this year is the time to act. The gains made by this regulatory reform bill can best be protected and guaranteed by a legislative veto.●

● Mr. EAGLETON. Mr. President, for the past several years regulatory reform has been among the highest priorities for many Members of Congress. All of us who hold Federal office recognize that the American people are frustrated and angry about the excesses and defects of Federal regulation.

Most of our constituents accept the need for a modern industrial society to do some regulating, particularly in the area of health and safety, but they cannot believe that the thousands of pages of regulations poured out annually in the Federal Register all rise to the level of "necessity" or even "desirability." They are understandably aggravated by the complexity, snails' pace and expense of the regulatory process, and its frequent imperviousness to public input and commonsense. Finally, they are justifiably concerned about the cost of these regulations and the cumulative burden they may place on our weakened economy.

Senate Democrats have been in the forefront of efforts to ease the regulatory burden and improve the regulatory process. With strong Senate Democratic leadership, the 96th Congress enacted landmark legislation deregulating the airline and trucking industries, requiring substantial reductions in the Federal paperwork burden, achieving greater flexibility in the regulatory approaches imposed on small businesses and small units of government and encouraging victims of unjustified agency action to seek vindication.

The Senate also made substantial progress toward comprehensive legislation to improve the regulatory process. Regulatory reform legislation was reported by both the Judiciary and Governmental Affairs Committees. While time did not permit action by the full Senate, last year's efforts paved the way for a fast start this year.

Senate Democrats are very interested in being actively and constructively involved in the regulatory reform effort during this Congress. Several months ago the Senate minority leader appointed a task force on regulatory reform, which I chair. The task force, which includes Senators BOREN, CHILES, KENNEDY, LEAHY, LEVIN, PRYOR, and SASSER, is responsible for analyzing administration and congressional reform initiatives and assisting Senate Democrats in the development of positions in the regulatory reform area. At a recent meeting of the Senate Democratic Caucus, a presentation was made on behalf of the task force and caucus members expressed a general consensus on the fundamentals of regulatory reform legislation.

Today I am pleased to cosponsor the Regulatory Reform Act of 1981 introduced by Senators LAXALT and LEAHY. This legislation reflects a high degree of cooperation and consultation, for which Senators LAXALT and LEAHY deserve particular credit. Their cooperative spirit appears to be shared by the large number of Senators on both sides of the aisle who have joined as cosponsors of the bill.

Democratic support for the Laxalt-Leahy bill stems in part, Mr. President, from a common satisfaction that some core features of the bill closely resemble previous Democratic initiatives. Like the reform bills approved by the Governmental Affairs and Judiciary Committees last year, the Laxalt-Leahy bill would require that major new rules be based on a more thorough evaluation of regulatory costs, benefits, and alternatives. The regulatory reform bill of 1981 also incorporates previous Democratic initiatives to require that existing major rules be reanalyzed and modified or eliminated in light of present circumstances. Democratic-developed provisions for assuring earlier and more useful notice about planned regulatory actions are also included.

Democratic cosponsorship of this bill also clearly reflects a recognition of the major improvements made as this bill has evolved. For example, initial proposals would have superimposed unrealistically strict cost-benefit analysis standards on the rulemaking process; the present version eliminates the notion that costs and benefits can be weighed, makes cost-benefit analysis one of several factors upon which regulatory action is to be based and incorporates safeguards against protracted court battles. Also, the present bill no longer exempts from the regulatory analysis provisions rulemaking proposals which, while deregulatory in that they would reduce compliance costs to a regulated industry, could produce substantially greater costs for consumers, other industries, and the general economy.

Democratic support does not mean that

cosponsors would not favor amendments to strengthen the bill by eliminating some remaining problems. In particular, the caucus has discussed the need to refine the bill's definition of "major rule," provide a clearer direction about how agencies should assess benefits and verify costs, and redress the cumulative tendency of the bill's new requirements to overly formalize the rulemaking process, cause unnecessary delay and erect new barriers to effective participation by members of the public.

Finally, I should point out that consideration of the legislative veto question by the task force and the caucus has produced general agreement to endorse the legislative veto mechanism proposed by Senators LEVIN and BOREN. This endorsement is intended to emphasize the belief of Senate Democrats that Congress has a unique perspective and the clear responsibility to insure that agency rules follow the intent and purpose of the statutes upon which they are based. The Levin-Boren proposal, the only Governmentwide legislative veto bill to be reported favorably by a Senate committee, would permit a strong, timely congressional role without triggering the constitutional and policy objections posed by other veto proposals.

Support for the Laxalt-Leahy bill indicates that regulatory reform need not be a partisan issue. The process by which rules are promulgated needed improvement when Jimmy Carter was President and the Democrats controlled the Senate, and it still does. In efforts to enact legislation last year, Senate Democrats received plenty of help and support from our Republican colleagues. We intend to reciprocate this year by continuing to work constructively and actively to achieve the essential goal of strong, responsible regulatory reform.●

● Mr. PELL. Mr. President, I am pleased to join Senators LAXALT and LEAHY today in sponsoring the Regulatory Reform Act of 1981.

One of the most frequent complaints I hear from Rhode Islanders—individuals and businesses alike—is that Government regulations and redtape have added enormously to the costs of doing business and have helped to fuel inflation. Government regulations today touch nearly every aspect of our economic life and impose a substantial burden in terms of compliance, which in turn is reflected in the cost of goods and services in the marketplace.

The regulatory process needs to be streamlined, to insure that the costs of Government rules and regulations do not exceed their social benefits. The Regulatory Reform Act of 1981 will make Government more responsive to the needs of the people in three key areas:

First, evaluating the need for new regulations: One of the major reasons for the proliferation of Government regulations in the last 10 years has been the lack of thorough analysis of the need for new rules and regulations. The Laxalt/Leahy bill addresses this problem by requiring agencies to evaluate the cost effectiveness of proposed regulations and to demonstrate that a proposed rule is worth its costs in terms of the available alternatives. For the first time, this provision will require agencies to justify, through cost-benefit analysis, all new rules and regulations which will substantially increase prices or costs, or which will have significant adverse effects on employment, and productivity. Additionally, the Laxalt/Leahy regulatory reform bill will require agencies to review the effectiveness of regulations once every 10 years.

Second, expanding public access to the regulation-making process: The Laxalt/Leahy bill will increase public participation in the process by which agencies adopt new rules and regulations. In addition to oral presentations, individuals and small businesses will be given an opportunity, in effect, to cross-examine the agencies on the factual determinations underlying a proposed regulation—before it goes into effect.

Third, a more realistic judicial review process: The courts today are limited in their ability to reexamine the wisdom of agency rules and regulations. The Laxalt/Leahy bill will allow persons aggrieved by regulations greater recourse to realistic judicial relief, by allowing the courts greater freedom to review and set aside an agency's interpretations of law, and the factual evidence used by the agency to justify the regulation.

I believe these reforms will go a long way toward improving an administrative process which, in too many ways, has become an albatross around the American economy. This bill will not prevent agencies from continuing to protect the public interest, but it will reform some of the excesses which have held back productivity and contributed to inflation. One of the most lasting reforms of Government in the eighties should be the rationalization of the regulatory process. The legislation being introduced today will help to achieve that kind of lasting reform, and I urge my colleagues to make regulatory reform a reality by enacting the Laxalt/Leahy bill.●

By Mr. MATHIAS (for himself, Mr. LONG, and Mr. DURENBERGER):

S. 1081. A bill to amend the Internal Revenue Code of 1954 to provide for a deduction for certain amounts paid into a reserve for service liability losses and expenses of design professionals and for other purposes; to the Committee on Finance.

DESIGN LIABILITY SUPPLEMENTAL PROTECTION ACT

● Mr. MATHIAS. Mr. President, I am introducing the Design Liability Supplemental Protection Act today. The purpose of this bill is to amend the Internal Revenue Code to enable architects and engineers to set up partial self-insurance funds to cover service liability, or, in other words, the liability for the product that design professionals introduce into the stream of commerce, be it a building, a road, or a bridge.

The product liability risk retention bill made great progress in Congress last year, passing the House by a wide margin and being favorably reported by the Senate Commerce Committee. It was not acted on by the full Senate before adjournment, but it is expected to be a priority item again in this Congress. The Risk Retention Act, however, does not include architects and engineers in the scope of its coverage. For this reason, I thought it only fair to introduce a separate bill to address their particularly heavy liability insurance costs.

About a year ago, I introduced S. 2512, similar to the bill I am submitting today, and this measure was considered in a day of hearings before the Finance Committee on September 10. The alterations in my current draft of the bill represent the technical modifications suggested by the Joint Committee on Taxation at that time.

Over the past 20 years, product liability laws have changed substantially, making it easier for the consumer to recover damages for injuries attributable to defective products. These changes have exposed the suppliers of products to potentially ruinous liability and, in turn, have increased the cost of insurance that these suppliers must pay to protect themselves from such liability.

Architects and engineers have been hard hit by these changes. They are being forced to the wall by rising insurance rates. Last year 26 percent of the engineering and design firms in the United States did not carry liability insurance, compared to 24 percent in 1979, 17 percent in 1978, and 12 percent in 1977. In California, the figure is even more alarming; in 1980, 40 percent of the firms went bare. A Fortune magazine report found that over the past decade premiums paid by architects and engineers rose from $25 million annually to about $175 million. The high cost of product liability insurance is driving an increasingly large number of firms out of the insurance markets.

Today, design professionals face two equally unattractive alternatives—either to pay the high cost of liability insurance, or to go without insurance and risk disaster for themselves, their firms, and their families. While many large companies have the resources to deal with the liability insurance problem, including simply buying or beginning their own captive insurance companies, the small firm or privately practicing design professional cannot afford these high-priced options.

A recent study indicates that the design industry is dominated by smaller firms—nearly 80 percent of the companies have under 20 employees. And as you know, this is the scale of business operation that we particularly need to concentrate on in our efforts to rebuild the economy. It is this size enterprise that provides two-thirds of the country's new jobs each year.

The severe problem of product liability and professional liability was confronted to a limited degree in the 95th Congress. The problem, however, remains critical. In 1978, we amended the tax code to make it lawful for a corporation to build up a loss reserve account for product liability, but only with after-tax dollars. We also extended from 3 to 10 years the carryback losses attributable to product liability. Unfortunately, these actions are very little help to small

companies with the most severe problems. Today, the tax code gives substantial tax advantages to the purchasers of commercial insurance, but still penalizes those who must self-insure against product and professional liability risk.

Our actions in the 95th Congress were spurred by a special ad hoc panel, chaired by former Representative Whalen, which studied the product liability insurance problem and presented its findings to the House Small Business Committee in April 1977. The study found that small manufacturers were suffering from dramatic increases in product liability insurance costs. There was an average cost increase of 944.6 percent over a 6-year period, while the increase in sales volume was 162 percent. That means that the premium grew at a rate almost six times that of sales.

The panel also found that 21.6 percent of the manufacturing companies surveyed said they were voluntarily operating without any commercial insurance coverage for product liability. And other companies declared that they were forced to buy policies with very high deductibles, paying high premiums for only partial coverage of their risk.

It has become obvious that many small companies are operating either wholly or partially outside the product liability insurance market. Representative Whalen's study concluded that one of every six firms surveyed had been forced to abandon at least one product line as a direct result of product liability problems.

A survey commissioned by the American Institute of Architects and the Consulting Engineers Council revealed that at present only 4 percent of the industry sets aside reserve funds in addition to their insurance coverage, for liability purposes. Of course, there is nothing in current law that stops anyone from insuring himself or herself by starting a type of independent trust fund. However, my bill would ease the Federal tax bite and would allow the small firms and the private practitioners to put aside enough money to cover themselves. Over two-thirds of the firms interviewed in the survey said they would be likely to establish a separate trust if it were tax exempt, such as the one envisioned in my bill.

Specifically, this bill would allow design professionals to deduct from gross income all money they put into a self-insurance fund. In addition, as an added incentive, it would allow interest to accumulate on the corpus of the trust fund tax-free. In other words, the money paid into the fund can be deducted as a cost of doing business, just like insurance premiums.

One encouraging statistic from the survey I mentioned is that 53 percent of the industry indicated they would increase their insurance coverage once they had established a separate liability trust fund.

This figure helps to corroborate my view that a product liability bill will not in practice cut into the business of the insurance companies. Instead, most design professionals will use the trust fund to cover the lower end of their product liability, which is often unprotected because of high deductibles, and will rely on conventional insurance to cover their upper exposure. With the high-risk end covered, they will pay a lower premium and could even afford more insurance, which is in everyone's interest.

Mr. President, I think the time has come to eliminate this inequity in the tax laws. My bill is the direct result of my meetings with the hard-pressed professionals and business owners in this field, and their predicament is amply documented by last year's hearings. If Congress wants to usher in a rising tide of product liability reform, we should see that it lifts all boats, and that we do not leave the design industry with a short anchor line.

In our increasingly complex society, it is more and more often the case that disputes must be resolved by litigation. The incredible technology that the design profession has fostered makes it the medium by which we shall create our future. We must protect this important profession from the damaging and possibly destructive liability suits that may arise from time to time. We must realize that we all will suffer if certain professionals are forced to curtail their activities or even go out of business because of their inability to get adequate protection for themselves.

Mr. President, I ask that the text of the bill be printed in the RECORD following my remarks, and I urge the Senate to act promptly and decisively on this important issue.

The bill follows:

S. 1081

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Design Liability Supplemental Protection Act of 1981."

SEC. 2. SELF-INSURANCE FOR SERVICE LIABILITY LOSSES

(a) LOSS DEDUCTION ALLOWED FOR CONTRIBUTIONS TO TRUST.—Section 165 of the Internal Revenue Code of 1954 (relating to losses) is amended by redesignating subsection (i) and subsection (j) and by inserting immediately after subsection (h) the following new subsection:

"(i) SELF-INSURANCE FOR SERVICE LOSSES AND EXPENSES.—

"(1) GENERAL RULE.—In the case of an eligible taxpayer who elects the benefits of this subsection for the taxable year (in accordance with regulations prescribed by the Secretary), there shall be allowed as a deduction under subsection (a) the sum of any amounts (other than rollover amounts described in paragraph (5)(C)) transferred by the taxpayer for such taxable year to the taxpayer's service liability trust.

"(2) ELIGIBLE TAXPAYER.—For purposes of this subsection, the term 'eligible taxpayer' means any person who is engaged in a trade or business which involves the furnishing of services (within the meaning of paragraph (10)(A)).

"(3) LIMITATION.—The amount of the deduction allowable because of paragraph (1) shall not exceed the amounts specified in subparagraph (A) or (B) of this paragraph, whichever is applicable.

"(A) TAXPAYER WITH SEVERE SERVICE LIABILITY INSURANCE PROBLEM.—In the case of a taxpayer who has a severe service liability insurance problem (as defined in paragraph (10)(E)) for the taxable year, the amount for such taxpayer determined under paragraph (1) shall not exceed the least of—

"(i) 5 percent of the gross receipts of the taxpayer for such taxable year from the furnishing of services with respect to which the taxpayer may incur any service liability,

"(ii) the amount which, when added to the balance of the taxpayer's service liability trust, equals 15 percent of the taxpayer's average yearly gross receipts from the furnishing of services during the base period, or

"(iii) $100,000.

"(B) OTHER TAXPAYERS.—In the case of a taxpayer who does not have a severe service liability insurance problem for the taxable year, the amount determined under paragraph (1) shall not exceed the least of—

"(i) 2 percent of the gross receipts of the taxpayer for such taxable year from the furnishing of services with respect to which the taxpayer may incur any service liability,

"(ii) the amount which, when added to the balance of the taxpayer's service liability trust, equals 10 percent of the taxpayer's average yearly gross receipts from the furnishing of services during the base period, or

"(iii) $25,000.

"(C) BASE PERIOD.—For the purpose of this paragraph, the term 'base period' means the shorter of—

"(i) the period beginning with the earliest preceding taxable year for which the taxpayer elected to have this subsection apply and ending with the current taxable year, or

"(ii) the 5-year period which includes the current taxable year and the 4 taxable years immediately preceding the current taxable year.

"(4) TREATMENT OF DISTRIBUTIONS FROM A SERVICE LIABILITY TRUST.—

"(A) IN GENERAL.—If any amount in a service liability trust is distributed during a taxable year—

"(i) the amount of the distribution (other than amounts described in paragraph (5)(A) and rollover amounts described in paragraph (5)(C)) shall be included in the gross income of the taxpayer from whose trust the distribution is made, and

"(ii) the distribution shall not be treated, for the purpose of determining the amount of the deduction allowable for the taxable year under subsection (a) (determined without reference to this subsection), as compensation by insurance or otherwise.

"(B) PENALTY FOR UNAUTHORIZED DISTRIBUTION.—Except as provided in paragraph (5), the liability of the taxpayer for the tax imposed by this chapter for the taxable year shall be increased by an amount equal to 10 percent of the excess (if any) of—

"(i) the amount distributed to the taxpayer for the taxable year from a service liability trust, over

"(ii) the amount of the deductions allowable for the taxable year which are attributable to service liability losses (within the meaning of paragraph (10)(C)).

"(5) EXCEPTIONS.—

"(A) CORRECTIVE WITHDRAWAL OF EXCESS CONTRIBUTIONS.—Subparagraph (B) of paragraph (4) shall not apply to amounts distributed from any service liability trust no later than the last day prescribed by law for filing the taxpayer's return with respect to the tax imposed by this chapter for the taxable year (including extensions thereof) to the extent that the amount of such distribution is not more than the excess of—

"(i) the aggregate amount of payments by the taxpayer to such trust for the taxable year, over

"(ii) the maximum amount of such payments which may be deducted under paragraph (3).

"(B) CHANGE IN CIRCUMSTANCES.—Subparagraph (B) of paragraph (4) shall not apply to a distribution from a service liability trust if the taxpayer establishes, in accord-

ance with regulations prescribed by the Secretary, that—

"(i) there was reasonable cause for the creation of the service liability trust, and

"(ii) there has been a change in circumstances concerning the taxpayer so that the continued maintenance of such a trust no longer serves a trade or business purpose.

No exception shall be granted under this subparagraph while any amounts are accumulated by the taxpayer pursuant to the second sentence of section 537(b)(5).

"(C) ROLLOVER AMOUNTS.—Subparagraph (B) of paragraph (4) shall not apply to a distribution from a service liability trust to the extent that all or any portion of the distribution is tranferred by the taxpayer to another service liability trust of the taxpayer not later than the 90th day after the day on which the taxpayer receives such distribution. This subparagraph shall not apply to any amount distributed from a service liability trust if at any time during the 1-year period ending on the day of such distribution any other distribution to the taxpayer was not subject to paragraph (4)(B) on account of this subparagraph.

"(D) COMPLETE LIQUIDATION.—Subparagraph (4) shall not apply to a distribution from a service liability trust made on account of the liquidation of the trade or business of the taxpayer which may result in service liability. The Secretary may prescribe regulations providing the extent to which this subparagraph shall not apply to amounts distributed to a taxpayer who remains subject to outstanding service liability claims.

"(E) DEEMED DISTRIBUTIONS.—Subparagraph (B) of paragraph (4) shall not apply to amounts treated as a distribution under paragraph (6).

"(6) SALE MAY BE TREATED AS A DISTRIBUTION.—The Secretary may prescribe regulations specifying facts and circumstances under which the service liability trust of an eligible taxpayer shall be deemed to be distributed. Such regulations shall apply only where there is a transfer (in one transaction, or in a series of related transactions) of more than 50 percent of the control of the trade or business which is the beneficiary of the service liability trust. For purposes of this paragraph, 'control' means—

"(A) voting stock, in the case of a corporation, or

"(B) capital or profits interest in the case of a partnership or sole proprietorship.

"(7) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this subsection, a taxpayer shall be deemed to have made a payment to his service liability trust on the last day of the preceding taxable year if the payment is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof).

"(8) PAYMENTS TO TRUST TO BE IN CASH.—No deduction shall be allowed under paragraph (1) with respect to any payment to a taxpayer's service liability trust other than a payment in cash.

"(9) SPECIAL RULE FOR CONTROLLED GROUPS.—

"(A) IN GENERAL.—For purposes of paragraph (3)—

"(i) in the case of the taxpayer who, during a taxable year, is a member of a controlled group of corporations, only gross receipts properly attributable under section 482 to such taxpayer for such year shall be taken into account; and

"(ii) the aggregate deductions under this subsection taken by all of the members of a controlled group of corporations for each taxable year shall be limited to the amount that would be permitted under paragraph (3) if all the component members of such group were considered to be a single taxpayer.

"(B) DEFINITION OF CONTROLLED GROUP.—For the purpose of subparagraph (A), the term 'controlled group of corporations' has the meaning given such term by paragraphs (1), (2) and (3) of subsection (a) of section 1563.

"(C) DETERMINATION OF CONTROLLED STATUS.—The determination of whether a taxpayer is a member of a controlled group of corporations for a taxable year shall be made on the December 31 which is included in such year.

"(D) CONTROLLED GROUPS CONTAINING PERSONS OTHER THAN CORPORATIONS.—Under regulations prescribed by the Secretary, principles similar to the principles of subparagraphs (A), (B), and (C) shall be applied to groups of taxpayers under common control where one or more of such taxpayers is not a corporation.

"(10) DEFINITIONS.—For purposes of this subsection—

"(A) SERVICE.—The term 'service' means any service which—

"(i) is furnished in the professional design, surveying, planning, evaluation, preparation of studies or specifications, or inspection of construction as a representative of the owner, for the construction or modification of any building or structure on real property; and

"(ii) is performed by a person who is licensed under State law as an architect or engineer.

"(B) SERVICE LIABILITY.—The term 'service liability' means liability for damages arising out of physical injury or emotional harm to individuals or damage to or loss of the use of property attributable to negligence in, breach of warranty regarding, or defects in the professional design, planning, evaluation, preparation of specifications, or inspection of construction as a representative of the owner, by the taxpayer (whether in whole or in part) for the construction or modification of buildings or structures on real property.

"(C) SERVICE LIABILITY LOSS.—The term 'service liability loss' means any loss attributable to the service liability of the taxpayer, including—

"(i) payment on any claim against the taxpayer for service liability,

"(ii) expenses incurred in the investigation, settlement, and defense of any claims against the taxpayer for service liability, and

"(iii) administrative and other incidental expenses of a service liability trust in connection with the operation of the trust and the processing of claims against the taxpayer.

"(D) SERVICE LIABILITY TRUST.—The term 'service liability trust' means any trust—

"(i) established in writing which is created or organized under the laws of the United States or of any State (including the District of Columbia) by the taxpayer;

"(ii) the trustee of which is a bank (as defined in section 581) or another person (other than the taxpayer or any component member of a controlled group of corporations, within the meaning of paragraph (9), of which the taxpayer is a member) who demonstrates to the satisfaction of the Secretary that the manner in which that other person will administer the trust will be consistent with the purposes for which the trust is established;

"(iii) the exclusive purpose of which is to satisfy, in whole or part, the service liability losses sustained by the taxpayer;

"(iv) which, by its terms, is required, in any year in which the taxpayer sustains a service liability loss (within the meaning of subparagraph (C)), to make distributions which (considered together with distributions from any other service liability trust of the taxpayer) equal the lesser of (1) the service liability loss of the taxpayer for the year, or (2) the total amount of the value of all service liability trusts of the taxpayer;

"(v) the assets of which will not be commingled with any other property other than in a common trust fund (as defined in section 584) and will only be invested as permitted in paragraph (11); and

"(vi) the assets of which may not be borrowed, used as security for a loan, or otherwise used by the taxpayer for any purpose other than that described in clause (iii).

"(E) SEVERE SERVICE LIABILITY INSURANCE PROBLEM.—A taxpayer has a severe service liability insurance problem for a taxable year if, for such taxable year—

"(i) the taxpayer is unable to obtain a premium quotation for service liability insurance, with coverage of up to $1,000,000, with a reasonable deductible amount (but in no case with a deductible amount greater than the premium), from any insurer, or

"(ii) the lowest insurance premium quotation for service liability insurance, with coverage of up to $1,000,000, with a reasonable deductible amount (but in no case with a deductible amount greater than the premium), obtained by the taxpayer was equal to more than 2 percent of the gross receipts of the taxpayer for such taxable year.

"(11) RESTRICTIONS ON INVESTMENTS OF ASSETS.—The assets of a service liability trust may not be invested in anything other than—

"(A) public debt securities of the United States,

"(B) obligations of a State or local government which are not in default as to principal or interest,

"(C) time or demand deposits in a bank (as defined in section 581) insured by the Federal Deposit Insurance Corporation, a savings and loan association insured by the Federal Savings and Loan Insurance Corporation, or an insured credit union (as defined in section 101(6) of the Federal Credit Union Act) located in the United States, or,

"(D) any other asset which, under the laws of the State where the service liability trust is organized, is a permissible subject for investment by trustees or fiduciaries administering a trust within such jurisdiction, other than the stock or securities of, or a capital interest in, any eligible taxpayer contributing to that trust.

"(12) EXEMPTION FROM LEVY, ETC.—

"(A) GENERAL RULE.—Any amount in the service liability trust of the taxpayer shall be exempt from levy.

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply to any levy—

"(i) by reason of any service liability of the taxpayer, or

"(ii) by the United States, any State, or the District of Columbia."

(b) TAX-EXEMPT STATUS FOR SERVICE LIABILITY TRUST.—Subsection (c) of section 501 of the Internal Revenue Code of 1954 (relating to organizations exempt from tax) is amended by adding at the end thereof the following new paragraph:

"(22) A service liability trust (within the meaning of section 165(i)(10)(D))."

(c) ACCUMULATED EARNINGS TAX.—Subsection (b) of section 537 of such Code (relating to accumulated earnings tax) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) SERVICE LIABILITY LOSS RESERVES.—Amounts accumulated in a taxpayer's service liability trust shall be treated as amounts accumulated for the reasonably anticipated needs of the business of the taxpayer to the extent those amounts are deductible under the rules of section 165(i). The accumulation of reasonable amounts, in addition to amounts deductible under section 165(i), for the payment of reasonably anticipated service liability losses (as defined in section 165(i)(10)(C)), as determined under regulations prescribed by the Secretary, shall be

treated as accumulated for the reasonably anticipated needs of the business."

SEC. 3. EFFECTIVE DATE.

The amendments made by section 2 of this Act shall apply with respect to taxable years beginning after the date of enactment of this Act.

By Mr. STAFFORD (for himself and Mr. ABDNOR) (by request):

S. 1082. A bill to authorize the necessary funds for the completion of certain comprehensive river basin plans for flood control, navigation, and for other purposes; to the Committee on Environment and Public Works.

WATER RESOURCES DEVELOPMENT OF RIVER BASINS

● Mr. STAFFORD. Mr. President, I am pleased to join with Senator ABDNOR in submitting legislation that has been requested by the administration. This bill would remove the monetary limitation that now exists on overall water resources development in a number of important river basins across the Nation.

I ask unanimous consent that a copy of the legislation, as well as a copy of the letter explaining the bill be printed at this point in the RECORD.

The bill and letter follow:

S. 1082

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in addition to previous authorizations, there is hereby authorized to be appropriated for the prosecution of the comprehensive plan of development of each river basin under the jurisdiction of the Secretary of the Army referred to in the first column below, which was basically authorized by the Act referred to by date of enactment in the second column below, such sums as are necessary to complete the comprehensive plan of each river basin.

Basin:	*Act of Congress*
Alabama-Coosa River Basin	Mar. 2, 1945
Arkansas River Basin	June 28, 1938
Arkansas-Red River Basin	Nov. 7, 1966
Baltimore Harbor	Dec. 31, 1970
Blue River Basin	Dec. 31, 1970
Brazos River Basin	Sept. 3, 1954
Central and Southern Florida	June 30, 1948
Columbia River Basin	May 17, 1950
Connecticut River Basin	June 22, 136
Cottonwood Creek, Calif.	Dec. 31, 1970
Gulf Intracoastal Waterway St. Marks, Tampa	Aug. 13, 1968
Illinois Waterway Duplicate Locks	Oct. 23, 1962
Mississippi River and Tributaries	May 15, 1928
Missouri River Basin	June 28, 1938
North Branch Susquehanna River Basin	July 3, 1958
Ohio River Basin	June 22, 1936
Ouachita River Basin	May 17, 1950
Red Run Drain and Lower Clinton River	Dec. 31, 1970
Red River Waterway	Aug. 13, 1968
Sabine River Basin	Dec. 31, 1970
Sacramento River Basin	Dec. 22, 1944
San Joaquin River Basin	Dec. 22, 1944
Santa Ana River Basin	June 22, 1936
South Platte River Basin	May 17, 1950
Tampa Harbor	Dec. 31, 1970
Trinity River Basin	Oct. 27, 1965
Upper Mississippi River Basin	June 28, 1938
Wabash River Basin	Aug. 13, 1968
White River Basin	June 28, 1938

SEC. 2. Such sums as are authorized by this Act shall include those necessary for the Secretary of the Army to complete local flood protection in the Columbia River Basin as authorized by Section 204 of the Flood Control Act of 1950 (64 Stat. 178).

DEPARTMENT OF THE ARMY,
Washington, D.C.

Hon. GEORGE BUSH,
President of the Senate.

DEAR MR. PRESIDENT: Inclosed is a draft of legislation "To authorize the necessary funds for the completion of certain comprehensive river basin plans for flood control, navigation, and for other purposes."

This proposal is a part of the Department of the Army's Civil Works legislative program for the First Session of the 97th Congress. The Office of Management and Budget advises that enactment of this proposal would be consistent with the Administration's objectives. The Department of the Army recommends that the proposal be enacted by the Congress.

Beginning with the Flood Control Acts of 1928 and 1936, Congress authorized for construction certain basin and project plans subject to a limitation on the amount of funds which could be appropriated for these plans and projects. Today a total of 29 basins are subject to monetary limitations. In recent years, monetary authorization legislation has had to be enacted at least once a year and occasionally, as in 1977, twice in one year. In 1978, failure to pass monetary authorization legislation disrupted schedules on several projects and required suspension of on-going contracts on others. These actions resulted in unintentional federally imposed hardship on the employees who lost their jobs due to suspension of work, as well as significant cost increases for the Federal government. The delays in the monetary authorization have, in the past, placed an administrative burden on the Civil Works Program of the Corps of Engineers as project schedules based on actual appropriations by the Congress were repeatedly disrupted.

The proposed legislation, if enacted, would obviate the need for yearly consideration by the President and Congress of monetary authorization legislation. By proposing this legislation, the Department of the Army does not intend to suggest that the oversight responsibility which Congress exercises over the Civil Works Program should be diminished.

Procedures developed as a result of the passage of the Congressional Budget and Impoundment Control Act of 1974 now provide for annual overview of the entire Army Civil Works Budget by the authorization committees of both Houses of Congress. These annual reviews of the entire Civil Works Budget eliminate the need for periodic review of that portion subject to monetary authorization.

It is difficult to see, from the perspective of the Department of the Army, how the present system of monetary authorization legislation contributes to Congress' necessary oversight function. Accordingly, the Department of the Army believes that it would be appropriate for Congress to consider eliminating any further need for river basin monetary authorization legislation. The proposed bill would accomplish that end. The Department of the Army, in proposing the elimination of river basin monetary authorization limitations, does not in any way imply support for individual projects included in river basin plans. Individual projects which do not meet current criteria and objectives will continue to be opposed by the Administration.

COST AND BUDGET DATA

The Department of the Army hereby submits estimates of increases in basin monetary authorizations for obligations which would be required for complete construction of all authorized river basin plans. The total amount which would be authorized to be appropriated is estimated at $20,000,000,000. This request will satisfy the requirements of Section 607 of the Congressional Budget and Impoundment Control Act of 1974.

Sincerely,

EDWARD LEE ROGERS,
Acting Assistant Secretary of the Army (Civil Works).●

By Mr. STAFFORD (for himself and Mr. ABDNOR) (by request):

S. 1083. A bill to amend the act approved August 8, 1972, Public Law 92–367 "To authorize the Secretary of the Army to maintain and upgrade periodically the National Inventory of Dams"; to the Committee on Environment and Public Works.

NATIONAL INVENTORY OF DAMS

○ Mr. STAFFORD. Mr. President, I am today submitting, along with Chairman ABDNOR of the Subcommittee on Water Resources, a bill that has been prepared and submitted by the administration. This legislation will enable the U.S. Army Corps of Engineers to maintain and update its national inventory of dams.

I ask unanimous consent that a copy of the bill, as well as a copy of the letter from the administration, be printed at this point in the RECORD.

The bill and letter follow:

S. 1083

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act approved August 8, 1972, Public Law 92–367, is amended by redesignating Section 6 as "Section 7" and adding a new Section 6 as follows:

"SEC. 6. The Secretary is authorized to maintain and periodically publish updated information on the inventory of dams authorized in Section 5 of this Act."

DEPARTMENT OF THE ARMY,
Washington, D.C., April 9, 1981.

Hon. GEORGE BUSH,
President of the Senate.

DEAR MR. PRESIDENT: Inclosed is a draft of legislation, "To amend the Act approved August 8, 1972, Public Law 92–367, to authorize the Secretary of the Army to maintain and update periodically the National Inventory of Dams."

This proposal is part of the Department of the Army's Civil Works legislative program for the First Session of the 97th Congress. The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Army recommends that the proposal be enacted by the Congress.

PURPOSE OF LEGISLATION

The purpose of the proposal is to provide authority for the Secretary of the Army to maintain and periodically update the National Inventory of Dams.

Section 5 of Public Law 92–367 (33 U.S.C. 467–467e) authorized the Secretary of the Army, acting through the Chief of Engineers, to carry out a national program of inspection of dams for the purpose of protecting human life and property. The Secretary was directed to transmit to Congress a report of his activities under the program, to include an inventory of dams located in the United States. The inventory was essentially completed in 1975, and it is now out of date. It was determined at that time that additional authority should be sought to maintain and periodically update this inventory.

An up-to-date national inventory would provide an excellent data base for an effec-

tive national dam safety program. Maintaining the inventory at the national level would ensure uniformity of input, including changes in hazard classification and the addition or modification of dams. Moreover, an accurate National Inventory would provide uniform information for large scale water resource development and utilization planning.

The U.S. Army Corps of Engineers would obtain the information necessary to update the inventory from the States and other Federal agencies. The Corps would maintain the National Dam Inventory in a computerized data bank. The inventory and appropriate addenda would be periodically published for distribution. Enactment of this proposal would provide the Secretary of the Army with authority to maintain and periodically update the inventory to ensure its continuing accuracy and usefulness.

COST AND BUDGET DATA

If this legislative proposal is enacted, the cost to the Department of the Army is estimated for five years as follows:

Fiscal year 1982 $500,000; fiscal year 1983 $535,000; fiscal year 1984 $575,000; fiscal year 1985 $615,000; fiscal year 1986 $660,000.

ENVIRONMENTAL AND CIVIL RIGHTS IMPACT CONSIDERATIONS

This proposal has no environmental or civil rights impacts.

Sincerely,

EDWARD LEE ROGERS,
Acting Assistant Secretary of the Army (Civil Works).

By Mr. STAFFORD (for himself and Mr. ABDNOR) (by request):

S. 1084. A bill to authorize the Secretary of the Army to undertake further engineering and design of water resources development projects upon transmittal of a report to Congress recommending implementation of such projects; to the Committee on Evironment and Public Works.

COMPLETION OF WATER PROJECTS

● Mr. STAFFORD. Mr. President, on behalf of myself and Chairman ABDNOR of the Water Resources Subcommittee, I am pleased to submit an administration proposal to allow the corps to continue engineering work on a project once the corps has submitted a project study report to the Congress.

I would note that one of the affects of this bill should shorten the time required before a project is ready to move into the construction phase.

I ask unanimous consent that a copy of the bill, as well as a copy of the administration's letter, be printed at this point in the RECORD.

The bill and letter follow:

S. 1084

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, whenever the Secretary of the Army transmits to the Congress a report recommending implementation of a water resources development project, the Secretary, acting through the Chief of Engineers, is authorized to undertake further engineering and design of such project. There is authorized to carry out this Act not to exceed $5,000,000 per fiscal year.

DEPARTMENT OF THE ARMY,
Washington, D.C.

Hon. GEORGE BUSH,
President of the Senate.

DEAR MR. PRESIDENT: Inclosed is a draft of legislation, "To authorize the Secretary of the Army to undertake further engineering and design of water resources development projects upon transmittal of a report to Congress recommending implementation of such projects."

This proposal is a part of the Department of the Army's Civil Works legislative program for the First Session of the 97th Congress. The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Army recommends that this proposal be enacted by the Congress.

PURPOSE OF LEGISLATION

The purpose of the proposal is to authorize the Secretary of the Army, acting through the Chief of Engineers, to undertake further engineering and design of a water resources development project whenever the Secretary transmits to the Congress a report recommending implementation of such a project.

Enactment of this proposal will enable planning to continue expeditiously on worthy water resources development projects reported to Congress.

This proposal would accomplish the purpose of the now expired authority contained in Section 101(c) of the Water Resources Development Act of 1976, Public Law 94–587, to undertake the Phase I design memorandum stage of advanced engineering and design of water resources development projects. The proposal would allow the Department of the Army to allocate up to $5,000,000 per fiscal year to initiate preconstruction planning for eligible projects.

COST AND BUDGET DATA

If this proposal is enacted, the Department of the Army will be authorized to spend up to $5,000,000 annually for further engineering and design of water resources development projects, although actual expenditures for the first few years of the program are estimated to be only $2,000,000.

ENVIRONMENTAL AND CIVIL RIGHTS IMPACT CONSIDERATIONS

Enactment of this proposal will have no impact on civil rights. If this proposal is enacted, the Department of the Army would properly assess the environmental impacts of water resources development projects that are pertinent to the further engineering and design of such projects in conjunction with and at the time of such further engineering and design studies.

Sincerely,

EDWARD LEE ROGERS,
Acting Assistant Secretary of the Army (Civil Works).

By Mr. DENTON (for himself and Mr. HATCH):

S. 1085. A bill to provide for the Headstart program, and for other purposes; to the Committee on Labor and Human Resources.

S. 1086. A bill to extend and revise the Older Americans Act of 1965, and for other purposes; to the Committee on Labor and Human Resources.

S. 1087. A bill to reauthorize programs under the Domestic Volunteer Service Act of 1973, and for other purposes; to the Committee on Labor and Human Resources.

S. 1088. A bill to promote the goal of economic and social self-sufficiency for American Indians, Hawaiian Natives and Alaskan Natives; to the Select Committee on Indian Affairs.

S. 1089. A bill to consolidate and provide Federal block grants to States for home energy and emergency assistance, to eliminate unnecessary restrictions on the programs consolidated by this act and increase the flexibility of States in the administration of such programs, and for other purposes; to the Committee on Labor and Human Resources.

S. 1090. A bill to amend the Public Health Service Act to support services and research relating to adolescent pregnancy and parenthood; to the Committee on Labor and Human Resources.

LEGISLATION RELATING TO THE WORK OF THE SUBCOMMITTEE ON AGING, FAMILY, AND HUMAN SERVICES

● Mr. DENTON. Mr. President, I take this occasion to introduce six pieces of legislation representing the work of the Subcommittee on Aging, Family, and Human Services. As chairman of the subcommittee I am pleased that the distinguished chairman of the full Labor and Human Resources Committee, Senator HATCH, has joined me as a cosponsor of these bills.

These bills reflect the broad range of issues which lie within the jurisdiction of my subcommittee. Let me say, for the benefit of those who may not be familiar with the scope of our legislative responsibilities, that when the Senate reorganized at the beginning of this Congress, my subcommittee was created out of a consolidation of two former subcommittees—Aging, and Child and Human Development—plus the transfer of a significant portion of the legislation previously considered by a third—the Subcommittee on Employment, Poverty, and Migratory Labor. The investiture of this responsibility has been a challenge as well as an opportunity not only because many of the programs and activities authorized by the subcommittee were part of the President's program for economic recovery, but because every piece of legislation under the subcommittee's jurisdiction—with the exception of one act which we share with the Subcommittee on Labor—will have expired by the end of this fiscal year.

Facing the deadlines imposed by the Congressional Budget Act, and the necessity to act quickly on the President's proposals, this subcommittee has diligently and expeditiously carried out its responsibilities. Hearings were held March 10 on the Head Start program; March 17 on the Older Americans Act; March 24 on the administration's low-income energy proposal; April 9 on the Domestic Volunteer Services Act; April 23 on the President's proposals for the Community Services Administration, the Child Abuse Treatment and Prevention and Adoption Opportunities Act, and the Native American program. In addition, with the cooperation and assistance of the chairman of the full committee, an oversight hearing was held on certain aspects of the family planning program authorized by title X of the Public Health Services Act. As a freshman Senator and a novice to the legislative process, these proceedings have not been merely a matter of public record but have contributed greatly to my understanding of the complexities of these programs and policies. I am grateful to those who participated and regret that these hearings have not yet been published so that all in this Chamber could benefit from them.

These hearings have reinforced my belief that we must target our resources toward our most pressing domestic priorities and maintain our commitment as a Nation to serve those most in need. Nevertheless, as my colleagues review these bills and as discussion on the issues proceeds, we should not lose sight of the fact that a bankrupt country cannot take care of its poor at all. Our most compassionate act will be to restore the financial integrity of this Nation. For this reason, I have pursued aggressively a policy of moving ahead on the President's proposals. While not rubberstamps, these bills are cast in the same mold and will achieve the same objectives the administration has set.

The first bill provides for a 3-year authorization of the Older Americans Act. It would simplify the administrative burden placed on the States and would allow State offices on aging greater flexibility in determining how service dollars are spent. The bill consolidates the separate authorizations for social services, congregate meals, and home-delivered meals under title III of the current act. Included in this authorization would be $95 million transferred from the cash-or-commodities program administered by the Secretary of Agriculture under authority of the Older Americans Act. This transfer would eliminate the option of receiving cash under the program, but States would be allowed to purchase commodities from the Department of Agriculture with their title III allotments.

The bill also lifts requirements that States spend a certain amount of funds on specified services (in-home services, access services, legal services, and a nursing home ombudsman program). Further, it simplifies the list of subjects under title IV to which the Commissioner should give special consideration in awarding grants and contracts for demonstration projects; requires the Secretary of Labor, under title V, to fund projects demonstrating second-career training and placement of persons eligible for employment under the title to private-sector jobs; and would increase coordination between Indian tribal organizations and State offices on aging under title VI by requiring Indian tribal organizations to inform State offices of their intention to apply for funds from the Administration on Aging.

The second bill would reauthorize the Domestic Volunteer Service Act through fiscal year 1983. The bill's major change carries out the President's request to phase down the VISTA program. It also eliminates the setaside under service learning programs for the university year for ACTION program, which has not been operative for the last year. All funds authorized under that section would be used by the National Center for Service Learning to aid educational institutions in establishing community service programs for students. In addition, the bill elevates the stature of the senior companion program under the act by designating it a separate part, like the foster grandparent and retired senior volunteer programs. However, no additional requirements are placed on the senior companion program.

The third bill removes the Native Americans program from title VIII of the Economic Opportunity Act and reauthorizes it for 2 years as a free standing act. The separate authority for the Native American program is appropriate because of the unique relationship that Native Americans have with the Federal Government. This relationship is reflected in the only major change in the program's policy which will now require the Secretary to obtain the approval of the governing body of a reservation or tribe before any ongoing project is modified or altered. Currently, the program only allows the governing body to disapprove of a project before it is funded.

The fourth bill also reauthorizes a valuable program—the Head Start program—by removing it from the Economic Opportunity Act. This program is a part of the administration's social safety net. Its importance is reflected in the generous appropriation requested by the administration in this time of fiscal austerity. The program's emphasis on the family is a credit to its continuation and strong support. To better provide for these programs among the various States, I have proposed two changes to the allotment formula which better distribute the new moneys which will be available to the program next year. Currently the funds are divided into two equal parts on the basis of the number of children in poverty and the number of AFDC recipients.

My bill would first weight the formula so that two-thirds of the distribution would be based on the number of children in poverty, and second, change the AFDC program count from the number of all recipients to the number of children who are recipients in a given State. We found in our hearings that some AFDC children, who have a presumed eligibility, come from families with incomes higher than those in poverty, that there is some double counting between these two poverty indexes; and finally, if the program is to serve children, there is little justification to count all recipients. Under the old formula the average State would get a 16.15-percent increase; under the new formula the average State would get an 18.03-percent increase. No State would lose over last year's allotment and only 18 States would not get increases as great as they would if the current formula were retained.

The fifth bill authorizes an emergency hardship assistance block grant. This bill is modeled on the President's emergency and energy assistance block grant proposal. It would provide funds to States for temporary assistance for food, shelter, clothing, transportation, and home energy. It would provide that two-thirds of the available funds be allotted to States based on the proportion of energy assistance funds they were allotted in fiscal year 1981 according to the existing formula. One-third of the available funds would be allotted to States based on State share of families and unrelated individuals with incomes below the poverty line. It will allow States to set eligibility criteria but adds a priority for low-income individuals and families, especially the elderly.

The bill contains procedures for accountability by funneling the money through the regular appropriation process in each State; for evaluation in conjunction with faculty of a college or university within a State; and for transition to permit, during fiscal year 1982, States to choose between operating programs under the block grant established by this bill or operating programs under the provisions of law—other than provisions relating to authorizations of appropriations, allotment, or the distribution of project grants among States—subject to repeal by this bill.

The last bill authorizes a new title under the Public Health Services Act entitled the adolescent family life program. This act is largely based on the present adolescent pregnancy program passed by Congress in 1978. This legislation would continue to provide comprehensive support services to adolescent mothers. In addition, the program has been broadened in order to find the most effective ways of reaching adolescents before they become sexually active, thus becoming subject to the health, social, and economic consequences of promiscuity.

It will also emphasize adoption as a choice for the babies of unemancipated pregnant teens. It is a tragedy that so many couples are unable to have babies yet are so willing and able to provide homes for them. In all of this, the new legislation spotlights the need to involve the parents of teens. Such involvement is essential both for the prevention of adolescent pregnancies and for the effective utilization of the services offered under the program. Finally, this legislation should serve as a catalyst for research that seeks to learn more about the causes and consequences of adolescent sexual activity. The research component of this bill will enable us to look further into the effect of adolescent pregnancy on the infant, adolescent mother and father, and their parents. In summary, I believe this program will enable us to continue to meet the needs of teen mothers while increasing our knowledge about the entire problem of adolescent sexual activity.

None of the proposals to be introduced today are cast in concrete. Many of these proposals represent an entirely fresh approach to complex issues. I have introduced them. So that interested Senators and the public may comment on them. I have been one who often has said that the Federal Government is not the repository of all wisdom and knowledge. Much less do I presume personal omniscient and I earnestly solicit additional input from all interested parties. Mr. President, I ask that the texts of each bill, accompanied by a section-by-section analysis, be included in the RECORD at this point.

The bills and materials follow:

S. 1085

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Headstart Act".

STATEMENT OF PURPOSE AND POLICY

SEC. 2. (a) In recognition of the role which Project Head Start has played in the effective delivery of comprehensive health,

educational, nutritional, social, and other services to economically disadvantaged children and their families, the Act extends the authority for appropriation of funds for that program.

(b) In carrying out the provisions of this Act the Secretary shall continue the administrative arrangement responsible for meeting the needs of migrant and Indian children and shall assure that appropriate funding is provided to meet such needs.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Secretary" means the Secretary of Health and Human Services;

(2) "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands; except that when used in section 6 (a) of this Act, the term means only a State, Puerto Rico, or the District of Columbia; and

(3) "financial assistance" includes assistance provided by grant, agreement, or contract, and payments may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments.

FINANCIAL ASSISTANCE FOR HEAD START PROGRAMS

SEC. 4. The Secretary may, upon application by an agency which is eligible for designation as a Head Start agency pursuant to section 7, provide financial assistance to such agency for the planning, conduct, administration, and evaluation of a Head Start program focused primarily upon children from low-income families who have not reached the age of compulsory school attendance which (1) will provide such comprehensive health, nutritional, educational, social, and other services as will aid the children to attain their full potential, and (2) will provide for direct participation of the parents of such children in the development, conduct, and overall program direction at the local level.

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. There are authorized to be appropriated for carrying out the provisions of this Act $950,000,000 for the fiscal year 1982, $1,007,000,000 for the fiscal year 1983, and $1,058,357,000 for the fiscal year 1984.

ALLOTMENT OF FUNDS; LIMITATIONS ON ASSISTANCE

SEC. 6. (a)(1) Of the sums appropriated pursuant to section 5 for any fiscal year beginning after September 30, 1980, the Secretary shall allot such sums in accordance with paragraphs (2) through (4).

(2) The Secretary shall allot at least 78 percent among the States, in accordance with the latest satisfactory data available, so that—

(A) one-third of the percent allotted is distributed on the basis of the relative number of children, from birth through 5 years of age, on whose behalf payments are made under the program of aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act in each State as compared to all States; and

(B) two-thirds of the percent allotted is distributed on the basis of the relative number of related children from birth through 5 years of age living with families with incomes below the poverty line in each State as compared to all States.

(3)(A) Subject to the provisions of subsection (b), the Secretary shall reserve 20 percent of the sums so appropriated for each fiscal year for use in accordance with the following order of priorities:

(i) funding shall be given with equal consideration to Indian and migrant Head Start programs and to services for handicapped children, except that—

(I) there shall be made available, for use by Indian and migrant Head Start programs, nationally, no less funds for fiscal year 1979 and thereafter than were obligated for use by Indian and migrant Head Start programs in fiscal year 1978, and

(II) cost-of-living adjustments (which shall, at the minimum reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor) shall be made with respect to such Indian and migrant Head Start programs in fiscal year 1979 and thereafter;

(ii) payments shall be made available to each State or territory, if necessary, to maintain such State or territory at a level of funding equal to its level of funding for fiscal year 1978;

(iii) training and technical assistance activities which, at a minimum, are sufficient to meet the needs associated with program expansion and to foster program and management improvement activities; and

(iv) subject to the provisions of subparagraph (B), the remainder in accordance with such criteria and procedures as the Secretary shall prescribe by regulation.

(B) Additional financial assistance for a fiscal year may be provided to a State if funds are available after meeting the requirements of clauses (i) through (iii) of subparagraph (A), for purposes other than assistance to Indian and migrant programs, services for handicapped children, payments under subparagraph (A)(ii), and training and technical assistance activities, only if such State's allotment for such fiscal year under paragraph (2) and subparagraph (A)(ii) is not greater than 175 percent of the amount such State is eligible to receive in such fiscal year under paragraph (2).

(4)(A) Subject to the provisions of subparagraph (E), the Secretary shall reserve 2 percent of the sums appropriated for—

(i) allotment among Guam, American Samoa, the Trust Territory of the Pacific Islands, the Northern Mariana Islands, and the Virgin Islands, according to their respective needs, and

(ii) the provision of assistance to States in accordance with the provisions of subparagraph (C).

(B) A State shall receive the total amount of assistance calculated under subparagraph (C) for any fiscal year if—

(i) such State receives an allotment under paragraph (2) and paragraph (3)(A)(ii) which is greater than 100 percent and less than 140 percent of the amount such State is eligible to receive under paragraph (2); or

(ii) such State receives an allotment under paragraph (2) only, and such allotment, as compared to the total amount of assistance received by such State in the previous fiscal year, represents an increase which is less than 50 percent of the percentage increase in the appropriation for such fiscal year for which the determination is made as compared to the appropriation for the fiscal year preceding the fiscal year for which the determination is made.

(C) Except as provided in subparagraph (D), each State specified in subparagraph (B) shall receive a total amount of assistance for any fiscal year which is equal to the sum of—

(i) the amount of the allotment received by such State under paragraph (2);

(ii) the amount of any payments received by such State under paragraph (3)(A)(ii); and

(iii) an amount equal to the difference between—

(I) an amount equal to the sum of the total amount of assistance received by such State for the fiscal year preceding the fiscal year for which the determination is made; and the amount derived by multiplying the total amount of assistance received by such State for the most recent fiscal year by a percentage equal to one-half of the percentage increase in the appropriation for that fiscal year for which the determination is made as compared to the appropriation for the fiscal year preceding the fiscal year for which the determination is made; and

(II) the total of the payments received by such State under paragraph (2) and paragraph (3)(A)(ii) for the fiscal year for which the determination is made.

In the case of any fiscal year for which there is no increase in the appropriation as compared to the appropriation for the preceding fiscal year, each State specified in subparagraph (B) shall receive a total amount of assistance for such fiscal year which is equal to the total amount of assistance such State received for such preceding fiscal year. In the case of any fiscal year for which there is a reduction in the appropriation as compared to the appropriation for the preceding fiscal year, the Secretary shall make such adjustments in the total amount of assistance which each State otherwise would receive under this subparagraph as may be necessary to assure an equitable distribution of such assistance under this subparagraph.

(D)(i) Any funds not allotted according to the provisions of this paragraph for any fiscal year shall be allotted according to the provisions of paragraph (2) to those States which, for such fiscal year, receive an allotment under paragraph (2) only.

(ii) If sums reserved under subparagraph (A) of this paragraph are insufficient in any fiscal year to carry out the provisions of subparagraphs (A), (B), (C), and (D) of this paragraph, the Secretary shall transfer from sums reserved under paragraph (3) an amount necessary to carry out such provisions.

(b) Whenever funds appropriated pursuant to section 5 for any fiscal year beginning after September 30, 1978, are equivalent to, or exceed $800,000,000, the Secretary, pursuant to the provision of subsection (a)(3), shall reserve not more than 20 percent of $800,000,000 or 15 percent of the funds so appropriated, whichever is greater.

(c) Financial assistance extended under this Act for a Head Start program shall not exceed 80 percent of the approved costs of the assisted program or activities, except that the Secretary may approve assistance in excess of such percentage if the Secretary determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this Act. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, or services. The Secretary shall not require non-Federal contributions in excess of 20 percent of the approved costs of programs or activities assisted under this Act.

(d) No programs shall be approved for assistance under this Act unless the Secretary is satisfied that the services to be provided under such program will be in addition to, and not in substitution, for, comparable services previously provided without Federal assistance. The requirement imposed by the preceding sentence shall be subject to such regulations as the Secretary may prescribe.

(e) The Secretary shall establish policies and procedures designed to assure that for fiscal year 1978 and thereafter no less than 10 percent of the total number of enrollment opportunities in Head Start programs in each State shall be available for handicapped children (as defined in paragraph (1) of section 602 of the Education of the Handicapped Act) and that services shall be provided to meet their special needs. The Secretary shall report to the Congress at least annually on the status of handicapped children in Head Start programs, including the number of children being served, their handicapping

conditions, and the services being provided such children.

(f) The Secretary shall adopt appropriate administrative measures to assure that the benefits of this Act will be distributed equitably between residents of rural and urban areas.

DESIGNATION OF HEAD START AGENCIES

SEC. 7. (a) The Secretary is authorized to designate as a Head Start agency any local public or private nonprofit agency which (1) has the power and authority to carry out the purposes of this Act and perform the functions set forth in section 8 within a community, and (2) is determined by the Secretary to be capable of planning, conducting, administering, and evaluating, either directly or by other arrangements, a Head Start program.

(b) For the purposes of this Act, a community may be a city, county, or multicity or multicounty unit within a State, an Indian reservation, or a neighborhood or other area (irrespective of boundaries or political subdivisions) which provides a suitable organizational base and possesses the commonality of interest needed to operate a Head Start program.

(c) In the administration of the provisions of this section, the Secretary shall give priority in the designation of Head Start agencies to any local public or private nonprofit agency which is receiving funds under any Head Start program on the date of the enactment of this Act, except that (1) the Secretary shall, before giving such priority, determine that the agency involved meets program and fiscal requirements established by the Secretary, and (2) if there is no such agency because of a change in the assistance furnished to programs for economically disadvantaged persons, then the Secretary shall give priority in the designation of Head Start agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds in the fiscal year preceding the fiscal year for which the determination is made. The provisions of clause (2) shall apply only to agencies actually operating Head Start programs.

(d) The Secretary shall require that the practice of significantly involving parents and area residents affected by the program in selection of Head Start agencies be continued.

POWERS AND FUNCTIONS OF HEAD START AGENCIES

SEC. 8. (a) In order to be designated as a Head Start agency under this Act, an agency must have authority under its charter or applicable law to receive and administer funds under this Act, funds and contributions from private or local public sources which may be used in support of a Head Start program, and funds under any Federal or State assistance program pursuant to which a public or private nonprofit agency (as the case may be) organized in accordance with this Act, could act as grantee, contractor, or sponsor of projects appropriate for inclusion in a Head Start program. Such an agency must also be empowered to transfer funds so received, and to delegate powers to other agencies, subject to the powers of its governing board and its overall program responsibilities. The power to transfer funds and delegate powers must include the power to make transfers and delegations covering component projects in all cases where this will contribute to efficiency and effectiveness or otherwise further program objectives.

(b) In order to be so designated, a Head Start agency must also (1) establish effective procedures by which parents and area residents concerned will be enabled to directly participate in decisions that influence the character of programs affecting their interests, (2) provide for their regular participation in the implementation of such programs, and (3) provide technical and other support needed to enable parents and area residents to secure on their own behalf available assistance from public and private sources.

(c)(1) Each Head Start agency shall assure, to the extent feasible, that with respect to health, nutrition, and other services—

(A) which are furnished to a child in a Head Start program; and

(B) which are furnished with financial assistance made under any other provision of Federal law, the Head Start agency will be reimbursed for such services by the head of the agency providing such financial assistance.

(2) The head of each Head Start agency shall coordinate with other programs serving the children in the Head Start agency to carry out the provisions of this subsection.

SUBMISSION OF PLANS TO GOVERNORS

SEC. 9. In carrying out the provisions of this Act, no contract, agreement, grant, or other assistance shall be made for the purpose of carrying out a Head Start program within a State unless a plan setting forth such proposed contract, agreement, grant, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by the Governor within thirty days of such submission, or, if so disapproved, has been reconsidered by the Secretary and found by the Secretary to be fully consistent with the provisions and in furtherance of the purposes of this Act. Funds to cover the costs of the proposed contract, agreement, grant, or other assistance shall be obligated from the appropriation which is current at the time the plan is submitted to the Governor. This section shall not, however, apply to contracts, agreements, grants, loans, or other assistance to any institution of higher education in existence on the date of enactment of this Act.

ADMINISTRATIVE REQUIREMENTS AND STANDARDS

SEC. 10. (a) Each Headstart agency shall observe standards of organization, management, and administration which will assure, so far as reasonably possible, that all program activities are conducted in a manner consistent with the purposes of this Act and the objective of providing assistance effectively, efficiently, and free of any taint of partisan political bias or personal or family favoritism. Each such agency shall establish or adopt rules to carry out this section, which shall include rules to assure full staff accountability in matters governed by law, regulations, or agency policy. Each agency shall also provide for reasonable public access to information, including but not limited to public hearings at the request of appropriate community groups and reasonable public access to books and records of the agency or other agencies engaged in program activities or operations involving the use of authority or funds for which it is responsible. Each such agency shall adopt for itself and other agencies using funds or exercising authority for which it is responsible, rules designed to establish specific standards governing salaries, salary increases, travel and per diem allowances, and other employee benefits; to assure that only persons capable of discharging their duties with competence and integrity are employed and that employees are promoted or advanced under impartial procedures calculated to improve agency performance and effectiveness; to guard against personal or financial conflicts of interest; and to define employee duties in an appropriate manner which will in any case preclude employees from participating, in connection with the performance of their duties, in any form of picketing, protest, or other direct action which is in violaton of law.

(b) No financial assistance shall be extended under the Act in any case in which the Secretary determines that the costs of developing and administering a program assisted under the Act exceed 15 percent of the total costs, including non-Federal contributions to such costs, of such program. The Secretary shall establish by regulation, criteria for determining (1) the costs of developing and administering such program, and (2) the total costs of such program. In any case in which the Secretary determines that the cost of administering such program does not exceed 15 percent of such total costs but is, in the judgment of the Secretary, excessive, the Secretary shall forthwith require the recipient of such financial assistance to take such steps prescribed by the Secretary as will eliminate such excessive administrative cost, including the sharing by one or more Headstart agencies of a common director and other administrative personnel. The Secretary may waive the limitation prescribed by this subsection for specific periods of time not to exceed twelve months whenever the Secretary determines that such a waiver is necessary in order to carry out the purposes of the Act.

(c) The Secretary shall prescribe rules or regulations to supplement subsection (a) of this section, which shall be binding on all agencies carrying on Head Start program activities with financial assistance under this Act. The Secretary may, where appropriate, establish special or simplified requirements for smaller agencies or agencies operating in rural areas. Policies and procedures shall be established to insure that indirect costs attributable to the common or joint use of facilities and services by programs assisted under this Act and other programs shall be fairly allocated among the various programs which utilize such facilities and services.

(d) At least thirty days prior to their effective date, all rules, regulations, guidelines, instructions, and application forms shall be published in the Federal Register and shall be sent to each grantee with the notification that each such grantee has the right to submit comments pertaining thereto to the Secretary prior to the final adoption thereof.

PARTICITATION IN HEAD START PROGRAMS

SEC. 11. (a)(1) The Secretary shall by regulation prescribe eligibility for the participation of persons in Head Start programs assisted under this Act. Except as provided in paragraph (2) of this subsection, such criteria may provide (A) that children from low-income families shall be eligible for participation in programs assisted under this Act if their families income are below the poverty line, or if their families are eligible or in the absence of child care would potentially be eligible for public assistance, and (B) pursuant to such regulations as the Secretary shall prescribe that programs assisted under this Act may include, to a reasonable extent, participation of children in the area served who would benefit from such programs but whose families do not meet the low-income criteria prescribed pursuant to clause (A).

(2) Whenever a Head Start program is operated in a community with a population of 1,000 or less individuals and (A) there is no other preschool program in the community, (B) the community is located in a medically underserved area as designated by the Secretary pursuant to section 330(b)(3) of the Public Health Service Act and is located in a health manpower shortage area as designated by the Secretary pursuant to section 332(a)(1) of such Act, (C) the community is in a location which, by reason of remoteness, does not permit reasonable access to the types of services described in clauses (A) and (B) of this paragraph, and (D) not less than 50 percent of the families to be served in the community are eligible under the eligibility criteria established by the Secretary under paragraph (1) of this subsection, the Head Start program in each such locality

shall establish the criteria for eligibility, except that no child residing in such community whose family is eligible under such eligibility criteria shall, by virtue of such project's eligibility criteria, be denied an opportunity to participate in such program.

(b) The Secretary shall not prescribe any fee schedule or otherwise provide for the charging of any fees for participation in Headstart programs, unless such fees are authorized by legislation hereafter enacted. Nothing in this subsection shall be construed to prevent the families of children who participate in Head Start programs and who are willing and able to pay the full cost of such participation from doing so.

APPEALS, NOTICE, AND HEARING

SEC. 12. The Secretary shall prescribe procedures to assure that—

(1) special notice of and an opportunity for a timely and expeditious appeal to the Secretary will be provided for an agency or organization which desires to serve as a delegate agency under this Act and whose application to the Head Start agency has been wholly or substantially rejected or has not been acted upon within a period of time deemed reasonable by the Secretary, in accordance with regulations which the Secretary shall prescribe;

(2) financial assistance under this Act shall not be suspended, except in emergency situations, unless the recipient agency has been given reasonable notice and opportunity to show cause why such action should not be taken; and

(3) financial assistance under this Act shall not be terminated, an application for refunding shall not be denied, and a suspension of financial assistance shall not be continued for longer than thirty days, unless the recipient has been afforded reasonable notice and opportunity for a full and fair hearing.

RECORDS AND AUDITS

SEC. 13. (a) Each recipient of financial assistance under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such financial assistance, the total cost of the project or undertaking in connection with which such financial assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the financial assistance received under this Act.

TECHNICAL ASSISTANCE AND TRAINING

SEC. 14. The Secretary may provide, directly or through grants or other arrangements (1) technical assistance to communities in developing, conducting, and administering programs under this Act, and (2) training for specialized or other personnel needed in connection with Head Start programs.

RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

SEC. 15. (a) The Secretary may provide financial assistance through grants or contracts for research, demonstration, or pilot projects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or otherwise in furthering the purposes of this Act.

(b) The Secretary shall establish an overall plan to govern the approval of research, demonstration, or pilot projects and the use of all research authority under this Act. Such plan shall set forth specific objectives to be achieved and priorities among such objectives.

ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, AND PILOT PROJECTS CONTRACTS

SEC. 16. (a) The Secretary shall make a public announcement concerning—

(1) the Act, purpose, intended completion date, identity of the grantee or contractor, and proposed cost of any grant or contract with a private or non-Federal public agency or organization for any research, demonstration, or pilot project under this Act; and

(2) the results, findings, data, or recommendations made or reported as a result of such activities.

(b) The public announcements required by subsection (a)(1) of this section shall be made within thirty days of making such grants or contracts, and the public announcements required by subsection (a)(2) of this section shall be made within ninety days of the receipt of such results.

(c) The Secretary shall take necessary action to assure that all studies, proposals, and data produced or developed with Federal funds employed under this Act shall become the property of the United States.

(d) The Secretary shall publish summaries of the results of activities carried out pursuant to this Act not later than ninety days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such summaries.

EVALUATION

SEC. 17. (a) The Secretary shall provide, directly or through grants or contracts, for the continuing evaluation of programs under this Act, including evaluations that measure and evaluate the impact of programs authorized by this Act, in order to determine their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not directly involved in the administration of the program or project operation.

(b) The Secretary shall operate the programs and projects covered by this Act in accordance with Head Start performance standards. Any revisions in such standards shall result in standards which are no less comprehensive than those in effect on the date of the enactment of the Economic Opportunity Amendments of 1978. The extent to which such standards have been met shall be considered in deciding whether to renew or supplement financial assistance authorized under this Act.

(c)(1) In carrying out evaluations under this Act, the Secretary shall establish for each evaluation a working relationship with faculty of a college or university in the State in which the evaluation is made which will provide or assist in providing the evaluation.

(2) In carrying out evaluations under this Act, the Secretary may require Head Start agencies to provide for independent evaluations.

(d) In carrying out evaluations under this Act, the Secretary shall, whenever feasible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this Act about such programs and projects.

(e) The Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than ninety days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

(f) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this Act shall become the property of the United States.

POVERTY LINE

SEC. 18. (a) The Secretary shall revise annually (or at any shorter interval the Secretary deems feasible and desirable) a poverty line which, except as provided in section 11, shall be used as a criterion of eligibility for participation in Head Start programs.

(b) The revision required by subsection (a) of this section shall be accomplished by multiplying the official poverty line (as defined by the Office of Management and Budget) by the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the revision is made.

(c) Revisions required by subsection (a) of this section shall be made and issued not more than thirty days after the date on which the necessary Consumer Price Index data becomes available.

COMPARABILITY OF WAGES

SEC. 19. The Secretary shall take such action as may be necessary to assure that persons employed in carrying out programs financed under this Act shall not receive compensation at a rate which is (1) in excess of the average rate of compensation paid in the area where the program is carried out to a substantial number of the persons providing substantially comparable services, or in excess of the average rate of compensation paid to a substantial number of the persons providing substantially comparable services in the area of the person's immediately preceding employment, whichever is higher, or (2) less than the minimum wage rate prescribed in section 6(a)(1) of the Fair Labor Standards Act of 1938.

NONDISCRIMINATION PROVISIONS

SEC. 20. (a) The Secretary shall not provide financial assistance for any program, project, or activity under this Act unless the grant or contract with respect thereto specifically provides that no person with responsibilities in the operation thereof will discriminate with respect to any such program, project, or activity because of race, creed, color, national origin, sex, political affiliation, or beliefs.

(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with any program or activity receiving assistance under this Act. The Secretary shall enforce the provisions of the preceding sentence in accordance with section 632 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with, any program, project, or activity receiving assistance under this Act.

LIMITATION WITH RESPECT TO CERTAIN UNLAWFUL ACTIVITIES

SEC. 21. No individual employed or assigned by any Head Start agency or other agency assisted under this Act shall, pursuant to or during the performance of services rendered in connection with any program or activity conducted or assisted under this Act by such Head Start agency or such other agency, plan, initiate, participate in, or otherwise aid or assist in the conduct of any unlawful demonstration, rioting, or civil disturbance.

POLITICAL ACTIVITIES

SEC. 22. (a) For purposes of chapter 15 of title 5 of the United States Code any agency which assumes responsibility for planning, developing, and coordinating Head Start programs and receives assistance under this Act shall be deemed to be a State or local agency; and for purposes of clauses (1) and (2) of section 1502(a) of such Act any agency receiving assistance under this Act shall be deemed to be a State or local agency.

(b) Programs assisted under this Act shall not be carried on in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with (1) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office, (2) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election, or (3) any voter registration activity. The Secretary, after consultation with the Office of Personnel Management, shall issue rules and regulations to provide for the enforcement of this section, which shall include provisions for summary suspension of assistance or other action necessary to permit enforcement on an emergency basis.

ADVANCE FUNDING

SEC. 23. For the purpose of affording adequate notice of funding available under this Act, appropriations for carrying out this Act are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

HEAD START ACT—A SECTION-BY-SECTION DESCRIPTION

STATEMENT OF PURPOSE AND POLICY

Section 2 would extend the funding authority for the Head Start program and require the Secretary to continue the administrative arrangement and funding necessary to provide for the needs of Indian and migrant children.

DEFINITIONS

Section 3 would define "the Secretary" to mean the Secretary of Health and Human Services. Would define "State" to mean State, Commonwealth of Puerto Rico, District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands, except as provided under the allotment of funds, specified in Section 6(a). Under the allotment of funds, "State" would be defined only to include a State, Puerto Rico and the District of Columbia. Would define "financial assistance" as assistance provided by grant, agreement, or contract, and provide that payments could be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments.

FINANCIAL ASSISTANCE FOR HEADSTART PROGRAMS

Section 4 would provide that upon application by an eligible agency, the Secretary may provide financial assistance to such an agency for the planning, conduct, administration and evaluation of a Head Start program. The headstart program would have to be focused primarily on children from low-income families who have not reached the age of compulsory school attendance and provide comprehensive health, nutritional, educational, social and other services to aid the children in attaining their full potential. In addition, the program would provide for direct participation by the parents of such children in the development, conduct and overall program direction at the local level.

AUTHORIZATIONS OF APPROPRIATIONS

Section 5 would authorize appropriations of $950 million for FY 1982; $1,007,000,000 for FY 1983 and $1,058,357,000 for FY 1984 to carry out the provisions of the Act.

ALLOTMENT OF FUNDS; LIMITATIONS ON ASSISTANCE

Section 6 governs the distribution of Head Start funds and limitations on financial assistance.

1. Allotment formula.—Would require the Secretary to allot funds as follows:

At least 78 percent of the total appropriation would be allotted among the States. One third of this allotment would be distributed on the basis of the relative number of children aged 0–5 in families receiving payments under the Aid to Families with Dependent Children (AFDC) program in each State compared to the total of such children in all the States. The remaining two-thirds of the allotment would be distributed on the basis of the relative number of children aged 0–5 living in families with incomes below the poverty line in each State compared to the total number of such children in all the States.

2. Reserve funds and use:

"a. Would set aside a reserve of either 20 percent of the appropriation or, once appropriations reach or exceed $800 million, the greater of either 20 percent of $800 million ($160 million) or 15 percent of the funds appropriated. This reserve would be used by the Secretary, in priority order (a) to provide funding for Indian and migrant programs so that in FY 1979 such funds will be no less than the amount of funds provided for this purpose in FY 1978 and, thereafter will reflect cost-of-living adjustments based on changes in the Consumer price index; (b) to provide hold-harmless payments so that no State's funding level will be less than it was in FY 1978; (c) to provide training and technical assistance sufficient to meet the needs of program expansion and foster program management improvement activities and (d) if available after meeting the above requirements, to provide additional financial assistance to States in accordance with regulations established by the Secretary except that such additional assistance could not be provided to States whose hold-harmless level is greater than 175 percent of the amount they would receive if only the AFDC child/child poverty allotment was provided.

"b. Would set aside a reserve of 2 percent of the amount appropriated, for allotment among Guam, American Samoa, the Trust Territories of the Pacific Islands, the Northern Mariana Islands, and the Virgin Islands according to their respective needs, and to provide additional assistance to certain States so that their funding level each fiscal year will reflect a percentage increase over the previous year's funding level equal to one-half of the percentage increase in the total appropriation for Head Start for that year. States eligible to receive this amount would be those whose funding level based upon the allotment and where provided, hold-harmless payments, is no greater than 140 percent of the amount they would receive if only the AFDC child/child poverty allotment was provided."

If funds from this 2 percent reserve are insufficient to meet the above purposes, the Secretary would be required to transfer a sufficient amount of funds from the 20 percent reserve to accomplish these purposes.

If funds remain in the 2 percent reserve after being used for the above purposes, such funds would be distributed to States that do not require hold-harmless payments on the same basis as provided under the AFDC child/child poverty allotment formula.

If there is no increase in the appropriation over the previous fiscal year, each State eligible to receive additional payments from the 2 percent reserve would receive the same amount of funds as was provided in the previous fiscal year. If there is a reduction in the appropriation below the previous fiscal year, the Secretary would make necessary adjustments in the payments provided to such States to assure equitable distribution.

3. Non-Federal Contributions.—Would provide that Federal assistance for Head Start programs not exceed 80 percent of the approved costs of the program except that a higher percentage may be provided if the Secretary determines, in accordance with objective regulatory criteria, that it is necessary to further the purposes of the Act. Non-Federal contributions could be in cash or in-kind. The Secretary would be prohibited from requiring non-Federal contributions of more than 20 percent of the approved costs of the program. In order to be approved for assistance, Headstart programs would have to satisfy the Secretary (subject to regulations prescribed by the Secretary) that the service provided through the program does not substitute for comparable services previously provided without Federal assistance.

4. Services to Handicapped Children.—Would require the Secretary to establish policies and procedures to assure that no less than 10 percent of the enrollment opportunities in Head Start programs in each State be available for handicapped children (as defined in paragraph (1) of section 602 of the Education of the Handicapped Act), and that services be provided to meet their special needs. Would require the Secretary to report to Congress at least annually on the status of handicapped children in Head Start programs and include in that report the number of children served, their handicapping conditions and the services provided.

5. Rural/Urban Areas.—Would require the Secretary to adopt appropriate administrative measures to assure the benefits of the Act will be distributed equitably between residents of rural and urban areas.

DESIGNATION OF HEAD START AGENCIES

Section 7.—Would authorize the Secretary to designate as a Head Start agency any local public or private non-profit agency which has the power and authority to carry out the provisions of the Act and to perform within the community the functions required under section 8, and is determined by the Secretary to be capable of planning, conducting, administering and evaluating a Head Start program, either directly or indirectly. A community would be defined to include a city, county, or multicity or multicounty unit within a State, an Indian reservation or a neighborhood or other area which provides a suitable organizational base and common interest in operating a Head Start program. Would require the Secretary to give priority in the designation of Head Start agencies to agencies operating Head Start programs as of the date of enactment, as long as the agency meets program and fiscal requirements set by the Secretary. If there is no such agency because of changes in assistance for programs for economically disadvantaged persons, the Secretary would be required to give priority to a successor agency which is operated in substantially the same manner as the predecessor agency receiving funds in the previous fiscal year. Would further specify that in the selection of Head Start agencies, the practice of significantly involving parents and area residents affected by the program be continued.

POWERS AND FUNCTIONS OF HEAD START AGENCIES

Section 8.—Sets forth the conditions for designation of agencies as Head Start grantees, contractors, or sponsors. The agency

would have to have authority under its charter or applicable law to receive and administer funds under the Act, funds and contributions from private or local public sources and funds under any other Federal or State assistance program applicable for support of a Head Start program. The agency must also have power to transfer such funds and delegate powers to other agencies subject to the powers of its governing board and overall program responsibilities. The Head Start agency would also have to establish effective procedures to provide for direct participation by parents and concerned area residents in decisions influencing the character of the programs affecting their interest; provide for regular participation of parents and interested area residents in implementation of programs and provide such persons with technical and other support needed to enable them to secure available assistance from public and private sources on their own behalf.

Each Head Start agency would have to assure that with respect to health, nutrition and other services which are furnished to a child in the Head Start program and which are furnished with financial assistance made under any other provision of Federal law, the Head Start agency will be reimbursed for such services by the head of the agency providing such financial assistance. The head of each Head Start agency shall coordinate with other programs serving children in the Head Start agency to carry out the provisions of this subsection.

SUBMISSION OF PLANS TO GOVERNORS

Section 9.—Would require that as a condition for financial assistance a plan setting forth a proposed contract, agreement, grant or other assistance for a Head Start program be submitted to the Governor of the State and that such a plan not be disapproved by the Governor within 30 days of submission. If disapproved, assistance could be provided if such plan is reconsidered by the Secretary and found to be fully consistent with the provisions of the Act. Would authorize the obligation of funds to cover the costs of the proposed contract, agreement or grant from the appropriation current at the time of submission of the plan to the Governor. Further specifies that the provisions of this section would not apply to contracts, agreements, grants, loans or other assistance to any institution of higher education in existence on the date of enactment.

ADMINISTRATIVE REQUIREMENTS AND STANDARDS

Section 10.—Would set the administrative requirements and standards applicable to each Head Start agency. Such agencies would be required to observe standards of organization, management and administration that will reasonably assure that all program activities are conducted in a manner consistent with the purposes of the Act. Further specifies that such agencies provide assistance effectively, efficiently and free of any taint of partisan political bias or personal or family favoritism. Agencies would also be required to establish or adopt rules that include assurance of full staff accountability in matters governed by law, regulations or agency policy.

Agencies would also have to provide for reasonable public access to information, including public hearings at the request of appropriate community groups and reasonable public access to books and records. Would further require that agencies receiving funds adopt rules providing specific standards governing salaries, salary increases, travel and per diem allowances and other employee benefits. Such rules are to be designed to assure that capable and competent people are employed; that employees are promoted or advanced under impartial procedures designed to improve agency performance and effectiveness; to guard against personal or financial conflicts of interest; and define employee duties in such a manner as to preclude employees, in connection with their duties, from participating in any form of picketing, protest, or other direct action which is in violation of the law.

Would prohibit financial assistance in any case in which the Secretary determines that the costs of developing and administering a program exceed 15 percent of the total costs, including non-Federal contributions. Would require the Secretary to establish, by regulation, criteria for determining the costs of developing and administering each program and the total costs of such program. If the Secretary determines that the costs of administering the program do not exceed 15 percent of total costs, but are excessive, the grantee would be required to take the appropriate steps to eliminate such excessive costs, as directed by the Secretary. Such steps would include the sharing by one or more Head Start agencies of a common director and other administrative personnel. Would also permit the Secretary to waive the limitations of this provision for specific periods (not to exceed twelve months) if the Secretary determines that it is necessary to carry out the purposes of the Act.

Would require the Secretary to prescribe rules governing administrative standards and requirements that are binding on all agencies carrying on Head Start programs with financial assistance under this Act. Would permit the Secretary where appropriate, to establish special or simplified requirement for smaller agencies or agencies operating in rural areas. In addition, would require that policies or procedures be established to insure that indirect costs attributable to the common or joint use of facilities and services be fairly allocated among the various programs utilizing such facilities and services. Would require publication of all rules, regulations, guidelines, instructions and application forms in the Federal Register at least 30 days prior to their effective date and would require that each grantee receive such publication with notice of right to submit comments.

PARTICIPATION IN HEAD START PROGRAMS

Section 11.—Would require the Secretary to establish eligibility criteria for participation in Head Start programs. Criteria could provide eligibility for children from low-income families if their family income is below the poverty line, or if their families are eligible, or in the absence of child care would be potentially eligible for public assistance. Eligibility could also include, to a reasonable extent (currently 10 percent by regulation) children in the area served who would benefit from the program, but whose families do not have incomes below the poverty guideline. Would permit the Head Start program in a local area to set eligibility criteria if it is operated in a community with a population of 1,000 or less individuals; there is no other preschool program; the community is located in a medically underserved and health manpower shortage area and is in a remote location without reasonable access to the above listed services; and not less than 50 percent of the families to be served in the community are eligible under the eligibility criteria established by the Secretary.

Would prohibit the Secretary from prescribing any fee schedule or otherwise provide for the charging of fees for participation in Head Start programs. Would allow families, able and willing to pay the full cost of their children's participation in Headstart programs, to do so.

APPEALS, NOTICE, AND HEARING

Section 12.—Would require the Secretary to prescribe procedures to assure special notice of and opportunity for an expeditious appeal to the Secretary for an agency or organizations desiring to serve as Head Start agencies whose application has been wholly or substantially rejected, or has not been acted upon within a reasonable period of time as determined by the Secretary. Also would require that financial assistance provided under this Act not be suspended except in emergency situations, unless the agency has been given reasonable notice and opportunity to show why such action should not be taken. Further specifies that financial assistance could not be terminated, an application for refunding could not be denied, and a suspensions of financial assistance could not be continued for longer than thirty days unless the recipient agency has received reasonable notice and opportunity for a full hearing.

RECORDS AND AUDITS

Section 13.—Would require that grantees keep records prescribed by the Secretary to include records disclosing the amount and disposition of financial assistance provided under this Act; the total cost of the project, the amount or portions of project costs supplied by other sources and such other records as will facilitate an effective audit. Also would require that for the purpose of audit or examination, the Secretary or Comptroller of the United States have access to any books, documents, papers and records of the recipients that are pertinent to financial assistance received under the Act.

TECHNICAL ASSISTANCE AND TRAINING

Section 14.—Would authorize the Secretary to provide directly or through grants or other arrangements, technical assistance to communities in developing, conducting and administering Head Start programs and training for specialized or other personnel needed in connection with such programs.

RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

Section 15.—Would authorize the Secretary to provide financial assistance through grants or contracts for research, demonstration or pilot projects conducted by public or private agencies. Such projects would have to be designed to test or assist in the development of new methods or approaches to aid in overcoming special problems or otherwise further the purposes of the Act. The Secretary would be required to establish an overall plan to govern the approval of research, demonstration or pilot propects and the use of all research authority under the Act. The plan would have to set forth specific objectives and priorities.

ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, AND PILOT PROJECT CONTRACTS

Section 16.—Would require the Secretary to make public announcement concerning the Act, purpose, intended completion date, identity of grantee or contractor; the proposed cost of the grant or contract; and the results, findings, data or recommendations made as a result of such activities. Public announcements relating to the granting of contracts would have to be made within thirty days of making such grants or contracts. Public announcements relating to the findings would have to be made within ninety days of the receipt of the results. The Secretary would be required to take action to assure that all studies, proposals and data produced or developed with Federal funds employed under the Act become the property of the United States. The Secretary would be further required to publish summaries of the results of activities within 90 days after completion and submit copies of such summaries to the appropriate committees of the Congress.

EVALUATION

Section 17.—Would require the Secretary to provide for continuing evaluation of programs under this Act, including evaluations measuring the impact of programs in order to determine their effectiveness in achieving stated goals, impact on related programs, structure and mechanisms for service de-

livery including comparisons with control groups composed of persons who have not participated in such programs, where appropriate. The evaluations are to be conducted by persons not directly involved in the administration of the program or project evaluation.

Would require the Secretary to operate Headstart programs in accordance with Headstart performance standards. These standards are to be no less comprehensive than those in effect on the date of the enactment of the Economic Opportunity amendments of 1978 and adherence to such standards would be required in making decisions to renew or supplement financial assistance.

In carrying out evaluations, the Secretary would be required to establish for each evaluation a working relationship with faculty of a college or university in the State in which the evaluation is made which will provide or assist in providing the evaluation; be authorized to require Head Start agencies to provide for independent evaluations; be required to arrange or obtain the specific views of persons participating in and served by programs in carrying out evaluations and publish the results of evaluative research and summaries of evaluations of program impact and effectiveness no later than 90 days after completion; be required to take necessary action to assure that all studies, evaluations, proposals and data, produced or developed with funds under this Act become the property of the United States.

POVERTY LINE

Section 18.—Would require that at least annually, the Secretary revise the poverty line used as a criterion for eligibility for participation in Head Start programs. Would require that the revision be accomplished by multiplying the official poverty line (as defined by the Office of Management and Budget) by the percentage change in the Consumer price index during the annual, or other interval immediately preceding the time at which the revision is made. Would require that the revision be made and issued no later than 30 days after the date on which the necessary consumer price index data becomes available.

COMPARABILITY OF WAGES

Section 19.—Would require the Secretary to take the necessary action to assure that all persons employed in carrying out the provisions of this Act receive compensation at a rate which is no greater than the average rate of compensation paid to a substantial number of persons in the area where the program is carried out for substantially equivalent services, or no greater than the average rate of compensation paid to a substantial number of the persons providing substantially comparable services in the area of the person's immediately preceding employment, whichever is higher; or no less than the minimum wage rate prescribed in section 6(a)(1) of the Fair Labor Standards Act of 1938.

NONDISCRIMINATION PROVISIONS

Section 20.—Would prohibit the Secretary from providing financial assistance to any grantee unless the recipient of such funds specifically provides that no person with program operation responsibilities will discriminate with respect to any such program, project or activity because of race, creed, color, national origin, sex, political affiliation or beliefs. Would further require that no persons be excluded from participation, denied benefits of, subjected to discrimination or denied employment in connection with any Head Start program on the ground of sex. Would specify that the Secretary enforce these provisions in accordance with section 602 of the Civil Rights Act of 1964.

Would provide that this section not be construed as affecting any other legal remedy that a person may have relating to such discrimination.

LIMITATION WITH RESPECT OF CERTAIN UNLAWFUL ACTIVITIES

Section 21.—Would prohibit any individual employed or assigned to any Head Start agency from planning, initiating, participating in, or otherwise aiding or assisting in the conduct of any unlawful demonstration, rioting or civil disturbance pursuant to the performance of services assisted under the Act.

POLITICAL ACTIVITIES

Section 22.—Would prohibit programs assisted under this Act from using program funds, services or the employment or assignment of personnel in a manner which supports or identifies such program with any partisan or nonpartisan political activity or any other activity associated with a candidate, or contending faction or group, in an election for public or party office. Would further prohibit any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any election and voter registration activity. Would require the Secretary to issue regulations to provide for the enforcement of this section which shall include provisions for summary suspension of assistance or other action to permit enforcement on an emergency basis.

ADVANCE FUNDING

Section 23.—Would authorize that appropriations for carrying out this Act be included in an appropriation Act for the preceding fiscal year for which they are available for obligation to afford adequate notice of funding available.

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Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Older Americans Act Amendments of 1981".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Older Americans Act of 1965.

ADMINISTRATIVE AMENDMENTS

SEC. 2. (a) Section 102(a) is amended by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services".

(b)(1) Section 202(a)(1) is amended—

(A) by striking out "Department of Health Education, and Welfare" and inserting in lieu thereof "Department of Health and Human Services";

(B) by striking out "all"; and

(C) by inserting after "elderly" the following: "whenever the Commissioner determines that to do so will carry out the objectives of this Act".

(2) Section 202(a)(2) is amended by striking out "serve as a clearinghouse" and inserting in lieu thereof "collect and disseminate information".

(c) Section 202(b) is amended—

(1) by inserting "and" at the end of clause (1);

(2) by striking out "; and" at the end of clause (2) and inserting in lieu thereof a period;

(3) by striking out clause (3); and

(4) by adding after clause (2) the following new sentence: "The Commissioner may review and comment on departmental regulations and policies regarding community health and social service development for the elderly.".

(d) The first sentence of section 203(a) is amended by striking out "shall" and inserting in lieu thereof "may".

(e)(1) Section 204 is repealed.

(2) Sections 205 through 214, and all references thereto, are redesignating as sections 204 through 213, respectively.

(3) Section 206 (as redesignated by paragraph (2) of this subsection) is amended—

(A) by striking out "under section 308 or"; and

(B) by striking out "section 208" and inserting in lieu thereof "section 207".

(f)(1) Section 204(d)(5) (as redesignated by subsection (d)(2)) is amended by striking out ", in consultation with the National Information, and Resource Clearing House for the Aging,".

(2) Section 204(g) (as redesignated by subsection (d)(2)) is repealed.

(3) Subsection (h) of section 204 (as redesignated by subsection (d)(2)) is redesignated as subsection (g).

(g)(1) Section 205(b) (as redesignated by subsection (d)(2)) is repealed.

(2) Subsection (c) and (d) of section 205 (as redesignated by subsection (d)(22)) are redesignated as subsections (b) and (c), respectively.

(3) Section 204(g) (as redesignated by subsections (d)(2) and (e)(2)) is amended to read as follows:

"(g) There are authorized to be appropriated $200,000 for fiscal year 1982, $212,000 for fiscal year 1983, and $227,802 for fiscal year 1984.".

CONSOLIDATION OF AUTHORIZATION FOR SOCIAL SERVICE AND NUTRITION PROGRAMS

SEC. 3. Section 303 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 303. (a) There are authorized to be appropriated $720,155,000 for the fiscal year 1982, $762,000,000 for the fiscal year 1983, and $805,000,000 for the fiscal year 1984 for the purpose of making grants under this title.

"(b) Grants made under this title may be used for paying part of the cost of—

"(1) the administration of area plans by area agencies on aging designated under section 305(a)(2)(A), including the preparation of area plans on aging consistent with section 306 and the evaluation of activities carried out under such plans;

"(2) the development of comprehensive and coordinated systems for social services, congregate and home delivered nutrition services, and the development and operation of multipurpose senior centers; and

"(3) the purchase of commodities from the Department of Agriculture from the allotment of a State.".

ALLOTMENT

SEC. 4. (a)(1) Section 304(a)(1) is amended by striking out "from the sums appropriated under parts B and C for fiscal years 1979, 1980, and 1981," and inserting in lieu thereof "Except as provided in paragraph (3), from the sums appropriated under this title for each fiscal year,".

(2) Section 304(a) is amended by adding at the end thereof the following new paragraph:

"(3) From the sums appropriated under this title for fiscal year 1982, each State shall first be allotted an amount equal to the amount of the program assistance which the State received from the Secretary of Agriculture under section 311 for fiscal year 1981; then the remainder shall be allotted in accordance with paragraph (1).".

(b) Section 304(b) is amended by striking out "under part B or C" and inserting in lieu thereof "under this title".

(c) Section 304(d)(B) is amended by striking out "90 percent in fiscal years 1979 and 1980, and 85 percent in fiscal year 1981, of the cost of social services and nutrition services authorized under parts B and C" and inserting in lieu thereof "85 percent of the cost of social services and nutrition services under this title".

STATE AGENCY RESPONSIBILITIES

SEC. 5. (a) Section 325(a)(1)(D) is amended by inserting "to the extent feasible" before "serve".

(b) Section 305(a)(1)(E) is amended by striking out "divide the State into distinct areas" and inserting in lieu thereof "divide the State into distinct planning and service areas (or in the case of a State specified in subsection (b)(5), designate the entire State as a single planning and service area),".

(c) Section 305(a)(2)(A) is amended by striking out "determine for which planning and service area an area plan will be developed, in accordance with section 306, and for each such area designate," and inserting in lieu thereof "except as provided in subsection (b)(5), designate for each such area".

(d)(1) Section 305(b)(1) is amended by striking out the second sentence.

(2) Section 305(b) is amended by adding at the end thereof the following new paragraph:

"(5) A State which on or before October 1, 1980, had designated, with the approval of the Commissioner, a single planning and service area covering all of the older individuals in the State, in which the State agency was administering the area plan, may after that date designate one or more additional planning and service areas within the State to be administered by public or private nonprofit agencies or organizations as area agencies on aging, after considering the factors specified in subsection (a)(1)(B). The State agency shall continue to perform the functions of an area agency for any area of the State not included in a planning and service area for which an area agency has been designated.".

(e) Section 305(c) is amended—

(1) by striking out "or" at the end of clause (3),

(2) by inserting "or" at the end of clause (4), and

(3) by adding after clause (4) the following new clause:

"(5) in the case of a State specified in subsection (b)(5), the State agency;".

AREA PLANS

SEC. 6. (a) The first sentence of section 306(a) is amended by striking out "for a 3-year period" and inserting in lieu thereof "for the two-, three-, or four-year period determined by the State agency,".

(b) Section 306(a) is further amended—

(1) by striking out clause (2), and

(2) by redesignating clauses (3) through (6) as clauses (2) through (5), respectively.

(c) Section 306(a)(5)(H) (as redesignated by subsection (b) of this section) is amended by striking out ", particularly with respect to the delivery of services under clause (2)".

(d) Section 306(a)(5)(D) (as redesignated by subsection (b) of this section) is amended by inserting "to the extent feasible" before "serve".

(e) Section 306 is amended by repealing subsection (b) and by redesignating subsection (c) as subsection (b).

STATE PLANS

SEC. 7. (a)(1) The first sentence of section 307(a) is amended by striking out "for a 3-year period" and inserting in lieu thereof ", at the election of the State agency, for a two-, three-, or four-year period,".

(2) Section 307(a)(3)(A) is amended by striking out "(including legal services)".

(b)(1)(A) Section 307(a)(13)(B) is amended to read as follows:

"(B) each project will provide meals in a congregate setting or provide home-delivered meals based upon a determination of need made by the recipient of a grant or contract entered into under this title, or both;".

(B) Section 307(a)(13)(D) of such Act is amended by inserting after the clause designation the following: "in the case of meals served in a congregate setting,".

(2) Section 307(a)(13) is amended—

(A) by inserting "and" at the end of subclause (G),

(B) by striking out "and" at the end of subclause (H), and

(C) by striking out subclause (I).

(c) Section 307(a) is amended—

(1) by inserting "and" at the end of clause (13),

(2) by inserting a period at the end of clause (14), and

(3) by striking out clauses (15) and (16).

(d) Section 307(b) is amended by striking out clause (2) and by redesignating clause (3) as clause (2).

ADMINISTRATION OF STATE PLANS

SEC. 8. (a) Section 308(b)(5) is repealed.

(b) Section 308(c) is amended by striking out "under part B or part C, or both" and inserting in lieu thereof "under this title."

AVAILABILITY OF SURPLUS COMMODITIES

SEC. 9. (a) Section 311(a)(4) is amended to read as follows:

"(4) Among the commodities delivered under this subsection, the Secretary shall give special emphasis to high protein foods, meat, and meat alternatives. The Secretary of Agriculture, in consultation with the Commissioner, is authorized to prescribe the terms and conditions respecting the donating of commodities under this subsection.".

(b)(1) Section 311(b) is amended by striking out "1981" and inserting in lieu thereof "1984".

(2) Section 311(b) is amended—

(A) by striking out the designation "(1)";

(B) by striking out "out of funds appropriated under this section, as determined under paragraph (3)" and inserting in lieu thereof "out of payments made by States from their allotments under title III";

(C) by adding at the end of such section the following new sentences: "The Secretary, in consultation with the Commissioner, is authorized to prescribe the terms and conditions respecting the purchase of commodities under this subsection."; and

(D) by striking out paragraphs (2) and (3) of such section.

(c) Section 311(c) is repealed.

SERVICES PROGRAM

SEC. 10. (a) The matter preceding clause (1) of section 321 is amended to read as follows: "Each State having a State plan approved under section 307 shall carry out a program for any of the following social services:".

(b) The matter preceding clause (1) of section 331 is amended to read as follows: "Each State having a State plan approved under section 307 shall carry out a program for the establishment and operation of nutrition projects—".

(c) Section 321(a)(4) is amended—

(1) by inserting "(A)" after "designed";

(2) by striking out "or" and inserting in lieu thereof a semicolon and "(B)"; and

(3) by inserting before the semicolon at the end thereof the following: "; or (C) to prevent unlawful entry into residences of elderly individuals, through the installation of security devices and through structural modifications or alterations of such residences".

(d) Section 336 is amended by striking out "The Commissioner shall carry out a program for making grants to States under State plans approved under section 307 for the establishment and operation of nutrition projects" and inserting in lieu thereof "Each State having a State plan approved under section 307 shall carry out a program for the establishment and operation of nutrition projects".

TRAINING, RESEARCH AND DEVELOPMENT

SEC. 11. (a) Section 404(c) is repealed.

(b) Section 411(a) is amended—

(1) by inserting "or" after clause (4);

(2) by striking out clause (5); and

(3) by redesignating clause (6) as clause (5).

(c) Section 411(b) is amended—

(1) by inserting "and" after clause (1);

(2) by striking out "; and" at the end of clause (2)(D) and inserting in lieu thereof a period, and by striking out clause (3).

(d) Section 411(c) is amended by striking out "through the National Information and Resource Clearinghouse for the Aging".

(e) Section 411 is amended by adding at the end thereof the following new subsection:

"(d) The Commissioner shall insure the collection and dissemination, through publications and other appropriate means, of information concerning research findings, demonstration results, and other materials developed in connection with activities assisted under this part.".

DEMONSTRATION PROJECTS

SEC. 12. (a) Section 421(b) is amended to read as follows:

"(b) In making grants and contracts under this section, the Commissioner shall give special consideration to projects designed to—

"(1) assist in meeting the special housing needs of older individuals by—

"(A) providing financial assistance to such individuals, who own their own homes, necessary to enable them (i) to make the repairs or renovations to their homes, which are necessary for them to meet minimum standards, and (ii) to install security devices, and to make structural modifications or alterations, designed to prevent unlawful entry; and

"(B) studying and demonstrating methods of adapting existing housing, or construction of new housing, to meet the needs of older individuals suffering from physical disabilities;

"(2) provide mental health services to older individuals residing in the community or in nursing homes and intermediate care facilities, including the training of the employees of such homes and facilities in the provision of such services; and

"(3) develop or improve methods of coordinating all available social services for the homebound elderly, blind, and disabled by establishing demonstration projects in 10 States, in accordance with subsection (c).

No funds may be obligated to carry out the provision of clause (2) of this subsection for any fiscal year if funds are appropriated to carry out section 274 of the Mental Health Systems Act.".

(b) The last two sentences of section 421(c)(1) are amended to read as follows: "The Commissioner shall report to the Congress with respect to the results and findings of the demonstration projects conducted under this section at the completion of the projects.".

DISCRETIONARY PROJECTS

SEC. 13. (a) Section 423 is repealed.

(b) Section 425 is repealed.

(c) Section 424 is redesignated as section 423.

REPEAL OF MORTGAGE INSURANCE AND INTEREST GRANTS PROGRAM

SEC. 14. Part D of title IV is repealed.

AUTHORIZATIONS FOR TRAINING, RESEARCH, AND DISCRETIONARY PROJECTS

SEC. 15. Section 451 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 451. (a) There are authorized to be appropriated to carry out the provisions of this title $23,200,000 for fiscal year 1982,

$24,700,000 for fiscal year 1983, and $26,120,000 for fiscal year 1984.

"(b) No funds appropriated under this section may be used for a project in any State unless the Commissioner first notifies the appropriate State agency on aging of the project.

"(c) No funds appropriated under this section—

"(1) may be transferred to any office or other authority of the Department of Health and Human Services which is not directly responsible to the Commissioner; or

"(2) may be used for any research program or activity which is not specifically authorized by this title.".

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

SEC. 16. (a) Section 502(a) is amended by striking out "and who have poor employment prospects,".

(b) The first sentence of section 502(e) is amended to read as follows: "The Secretary, in addition to any other authority contained in this title, shall enter into agreements designed to assure second career training and the placement of individuals eligible for community service employment under this title in employment opportunities with private business concerns.".

(c)(1) The last sentence of section 506(a)(1)(A) is amended to read as follows: "The Secretary, in awarding grants and contracts under this section, shall, to the extent feasible, assure an equitable distribution of activities under such grants and contracts designed to achieve the allotment among States described in paragraph (3) of this subsection.".

(2) Section 506(a)(1)(B) is amended—

(A) by striking out "may" and inserting in lieu thereof "shall"; and

(B) by striking out "not to exceed" and inserting in lieu thereof "which is equal to at least".

(3)(A) The first sentence of section 506(a)(2) is amended by striking out "appropriated" the second time it appears and inserting in lieu thereof "obligated".

(B) Section 506(a)(2) is amended by inserting "the appropriate public agency of each State" after "allotted".

(C) Section 506(a)(3) is amended by striking out "for projects within each State" and inserting in lieu thereof "to an appropriate public agency of each State".

(d) Section 508 is amended to read as follows:

"AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 508. There are authorized to be appropriated to carry out this title $277,100,000 for fiscal year 1982, $293,726,000 for fiscal year 1983, and $308,706,000 for fiscal year 1984.".

INDIAN TRIBES

SEC. 17. (a) Section 604(b) is amended by inserting "(1)" after the subsection designation and by adding at the end thereof the following new paragraph:

"(2) Each tribal organization submitting an application under this title shall take such action as may be necessary to inform each State agency on aging of the intention of the Indian tribal organization to submit such an application.".

(b) Section 605 is amended—

(1) by striking out the subsection designation "(a)", and

(2) by striking out subsection (b).

(c) Section 608(a) is amended to read as follows:

"(a) There are authorized to be appropriated $6,000,000 for fiscal year 1982, $6,400,000 for fiscal year 1983, and $6,800,000 for fiscal year 1984 to carry out the provisions of this title other than section 606.".

REPEALER RELATING TO PART C, TITLE III

SEC. 18. Section 501(b) of the Comprehensive Older Americans Act Amendments of 1978 is repealed.

OLDER AMERICANS ACT AMENDMENTS OF 1981—SECTION-BY-SECTION DESCRIPTION

Section 2(b) would amend Section 202(a)(1) of the Act by modifying the requirement that the Administration on Aging maintain active review and comment responsibilities over Federal policies affecting the elderly, and instead would require that the Administration on Aging review and comment whenever the Commissioner determines that to do so will carry out the objectives of the Act.

Section 2(c) would amend Section 202(b) by deleting the requirement that the Commissioner review and comment on all departmental regulations and policies regarding community health and social service development for elderly, and instead would permit the Commissioner to conduct such review and comment activities.

Section 2(d) would amend Section 203(a) by deleting the requirement that the Commissioner advise, consult and cooperate with the heads of other Federal agencies or departments whose services or programs affect the elderly, and instead would permit the Commissioner to conduct such activities.

Section 2(e) would eliminate the National Information and Resource Clearing House for the Aging.

Section 2(f) repeal the requirement that the Federal Council on Aging conduct an evaluation and study of programs under the Act. (This study has been completed)

Section 2(g) would repeal the requirement that the Commissioner submit to Congress a report on the effectiveness of the legal services under Title III of the Act. (This study has been completed). This subsection would also authorize for the Federal Council on Aging the following amounts: for fiscal year 1982, $200,000; for fiscal year 1983, $212,000; and for fiscal year 1984, $222,812.

CONSOLIDATION OF AUTHORIZATION FOR SOCIAL SERVICES AND NUTRITION PROGRAMS

Section 3 would authorize for Title III the following appropriations: for fiscal year 1982, $720,155,000; for fiscal year 1983, $762,000,000; and for fiscal year 1984, $805,000,000 (These authorizations include a transfer of $95 million from the Department of Agriculture cash or commodities program.) This section would also amend Section 303 by consolidating the authorizations for social services, congregate nutrition services, and home-delivered nutrition services, and would allow a State's Title III allotment to be used for the purchase of commodities from the Department of Agriculture.

Allotment

Section 4(a) would amend Section 304(a) by deleting the reference to the separate allotments to States for social and nutrition services. It also would amend the allocation formula contained in Section 304(a) to require that for fiscal year 1982 each State will first receive an allotment of funds for Department of Agriculture commodities equal to the amount of program assistance which the State received from the Secretary of Agriculture for fiscal year 1981. After this amount has been determined, the remainder of Title III funds would be allotted to States in accordance with the current allotment formula.

State agency responsibilities

Section 5 would amend Section 305(a)(1)(D) which requires that a State agency on aging review and comment on all State plans, budgets, and policies affecting the elderly and instead would require that the State agency conduct such activities to the extent feasible. This section would also amend Section 305 by adding a new paragraph (5) which authorizes that a State, which on or before October 1, 1980, had functioned as a single planning and service area, with the approval of Commissioner on Aging, may, after that date, designate one or more additional planning and service areas within the State to be administered by an area agency (or agencies) on aging. The State agency would be required to continue to perform the functions of an area agency for any area of the State in which an area agency on aging has not been designated.

Area plans

Section 6(a) would amend Section 306(a) by deleting the requirement that an area agency on aging prepare and develop an area plan for a three year period and instead would require that an area plan, at the election of the State agency on aging, cover a two-, three-, or four-year period.

Section 6(b) would amend Section 306 by eliminating the requirement that an area plan on aging assure that at least 50 percent of its allotted funds be expended for access, in-home, and legal services.

Section 6(d) would amend the requirement contained in the renumbered Section 306(a)(5)(D) that the area agency on aging monitor, evaluate and comment upon all policies, programs, hearings, levies, and community actions affecting the elderly, and instead would require that the area agency conduct such activities to the extent feasible.

State plans

Section 7(a) would amend Section 307(a) by deleting the requirement that the State submit to the Commissioner on Aging a plan for a three year period, and instead would require that a State plan, at the election of the State agency, cover a two-, three-, or four-year period.

It would also amend Section 307(a)(3)(A) by eliminating the specific reference to the need for legal services among the social service needs to be evaluated by the State agency.

Section 7(b) would amend Section 307(b) to clarify that nutrition projects may provide congregate meals, home-delivered meals, or both, and that congregate nutrition sites will be located in close proximity to the majority of eligible individuals' residences.

It would also amend Section 307(a)(13) by eliminating the requirement that a State agency may use more than 20 percent of funds allotted for nutrition services to fund social services which support nutrition services. (This requirement was applicable in fiscal years 1979 and 1980).

Section 7(c) would delete Sections 307(a)(15) and (16) which require, respectively, that the State plan provide for the delivery and coordination of legal services, and, that the State agency expend a minimum of 1 percent of its social service allotment, or $20,000, whichever is greater, for the establishment and operation of a nursing home ombudsman program.

Administration of State plans

Section 8 would repeal Section 308(b)(5) which allows a State to transfer a portion of funds appropriated for congregate nutrition services and home-delivered nutrition services from one of these categories to the other. This section would also amend Section 308(c) by eliminating reference to the separate authorizations for social and nutrition services. (These amendments conform to the consolidation of separate authorizations under Title III.)

Availability of surplus commodities

Section 9(a) would amend Section 311(a)(4) by eliminating the requirement that the Secretary of Agriculture maintain an annually programmed level of assistance for commodities donated to recipients of grants or contracts for nutrition services.

Section 9(b) would amend Section 311(b) by deleting the requirement that the Secre-

tary of Agriculture purchase commodities for distribution to nutrition projects with funds appropriated under Section 311 and would insert the requirement that the Secretary purchase such commodities out of payments made by States from their allotments under Title III. This subsection would also authorize the Secretary of Agriculture, in consultation with the Commissioner on Aging, to prescribe the terms and conditions respecting the purchase of commodities and to eliminate the authorization of appropriations for the purchase of commodities under Section 311.

Section 9(c) would eliminate Section 311 (c) which allows a State to elect to receive cash payments in lieu of donated foods for all or any portion of its nutrition program.

Services program

Section 10(a) would amend Section 321, which authorizes social services, to conform to the consolidation of authorizations under Title III.

Section 10(b) would amend Section 331, which authorizes congregate nutrition services, to conform to the consolidation of authorizations under Title III.

Section 10(c) would amend Section 321 (a)(5) by including, as an allowable activity under Title III, the installation of security devices in, and structural modification or alteration of, residences of older persons in order to prevent unlawful entry into such residences.

Section 10(d) would amend Section 336, which authorizes home-delivered nutrition services, to conform to the consolidation of authorizations under Title III.

Training, research, and development

Section 11(a) would repeal Section 404(c) which allows the Commissioner on Aging to make grants for the training of lawyers, and paraprofessional persons who provide legal counseling and services to older persons, or who monitor the administration of programs assisting older persons; and for the training of persons who identify the legal problems affecting older persons and develop solutions for such problems.

Section 11(b) would add a new subsection (d) which would require the Commissioner to conduct activities contained in Section 411 (a)(5) which he is now only allowed to do; i.e. to collect and disseminate information concerning research findings, demonstration results, and other materials developed in connection with research and development projects.

Section 11(c) would eliminate Section 411 (b) which requires the Commissioner to conduct a study related to the differences between the service needs and costs for elderly persons residing in rural and urban areas.

Demonstration projects

Section 12(a) would amend Section 421 (b) by eliminating certain demonstration projects to which the Commissioner is required to give special attention.

This subsection would retain special consideration for demonstration projects which would assist in meeting the special housing needs of older individuals by providing financial assistance to make repairs or renovations to their homes, and studying and demonstrating methods of adapting existing housing, or construction of new housing, to meet the needs of older individuals suffering from physical disabilities; and to develop or improve methods of coordination of all available social services for the homebound elderly, blind, and disabled by establishing demonstration projects in 10 States in accordance with subsection (c) of Section 421.

This subsection would also add special consideration for demonstration projects to assist in meeting special housing needs of older persons by providing financial assistance to install security devices, and to make structural modifications or alterations designed to prevent unlawful entry, and to provide mental health services to older individuals residing in the community or in nursing homes and intermediate care facilities, including the training of employees of such homes and facilities in the provision of such services.

Section 12(b) would amend Section 421 (c)(1) by requiring the Commissioner to report the results and findings of demonstration projects to the Congress at the completion of the project.

Discretionary projects

Section 13 would repeal Section 423 which allows the Commissioner to make grants or enter into contracts for demonstration projects on legal services. This section would also repeal Section 425 which allows the Secretary to make grants for utility and home heating cost demonstration projects.

Repeal of mortgage insurance and interest grants program

Section 14 would repeal Part D of Title IV which provides for mortgage insurance and interest grants for multipurpose senior centers.

Authorizations for training, research, and discretionary projects

Section 15 would authorize for Title IV the following appropriations: for fiscal year 1982, $23,200,000; for fiscal year 1983, $24,700,000 and for fiscal year 1984, $26,120,000. Section 15 also would amend Section 451 by adding a new subsection which would provide that no funds appropriated under this section may be used for a project in any State unless the Commissioner first notifies the appropriate State agency on aging of the project.

Community service employment for older Americans

Section 16(a) would amend Section 502(a) by eliminating "poor employment prospects" as a requirement for participation in the program.

Section 16(b) would amend Section 502(e) by requiring the Secretary of Labor to enter into agreements designed to assure second career training and the placement of individuals eligible for community service employment under Title V in employment opportunities with private business concerns.

Section 16(c) would amend section 560(a)(1)(A) such that grants and contracts to national sponsors would be awarded to the extent feasible, according to the formula in Sec. 506(a)(3), which provides for distribution of funds among States based on the number of persons aged 55 and over.

It would amend section 506(a)(1)(B) to require the Secretary to reserve an amount which is equal to at least one percent (instead of no more than 1 percent) of the amount appropriated in excess of the amount appropriated for fiscal year 1978 for agreements under Sec. 502(e) for second career training and placement of individuals in private business.

It would also amend Section 560(a)(2) by modifying the computation of the excess used in determining to what extent State governments and national sponsors will receive funds under the program to provide that it apply to the amount obligated in fiscal year 1968 rather than the amount appropriated.

Section 16(d) would authorize for Title V the following appropriations: for fiscal year 1982; $277,100,000; for fiscal year 1983, $293,726,000; and for fiscal year 1984, $308,706,000.

Indian tribes

Section 17(a) would amend Section 604 by adding a new paragraph which would require each tribal organization submitting an application under Title VI to inform each State agency on aging of its intention to submit such an application.

Section 17(c) would authorize for Title VI the following appropriations: for fiscal year 1982, $6,000,000; for fiscal year 1983, $6,400,000; and for fiscal year 1984, $6,800,000.

Repealer relating to part C, title III

Section 18 would repeal Section 501(b) of "Title VII (Repealed)," which provides that any project receiving nutrition funds under Title VII of the Act on the day before the effective date of the 1978 amendments, shall continue to receive funds for nutrition services if such project meets requirements and criteria under Title III (as amended).

S. 1087

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic Volunteer Service Act Amendments of 1981".

SPECIAL SERVICE LEARNING PROGRAMS

SEC. 2. Section 114(a) of the Domestic Volunteer Service Act of 1973 is amended to read as follows:

"(a) The Director is authorized to make grants and contracts for projects and programs which encourage and enable students in secondary, secondary vocational, and post-secondary schools to participate in service-learning programs on an in- or out-of-school basis in assignments of a character and on such terms and conditions as are described in subsections (a) and (c) of section 103.".

SENIOR COMPANIONS PROGRAM

SEC. 3. (a) Section 211 is amended—

(1) by striking out subsection (b); and

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively.

(b) Title II of such Act is amended—

(1) by redesignating part C as part D; and

(2) by inserting after section 212 the following new part:

"PART C—SENIOR COMPANIONS PROGRAM

"GRANTS AND CONTRACTS FOR THE PROGRAM

"Sec. 216. (a) The Director is authorized to make grants to or contracts with public and nonprofit private agencies and organizations to pay part or all of the cost of development and operation of projects (including direct payments to individuals serving under this part in the same manner as provided in section 211(a)) designed for the purpose of providing opportunities for low-income persons aged sixty or over to serve as 'senior companions' to persons with exceptional needs. Senior companions may provide services designed to help older persons requiring long-term care, including services to persons receiving home health care, nursing care, home-delivered meals or other nutrition services; services designed to help persons deinstitutionalized from mental hospitals, nursing homes, and other institutions; and services designed to assist persons having developmental disabilities and other special needs for companionship.

"(b) The provisions of section 211(d) and 211(e) and such other provisions of part B as the Director determines to be necessary shall apply to the provisions of this part.".

(c) The heading of part B of such Act is amended to read as follows:

"PART B—FOSTER GRANDPARENT PROGRAM"

(d)(1) The item relating to part B of title II in the table of contents of such Act is amended to read as follows:

"Part B—Foster Grandparent Program".

(2) The table of contents of such Act is amended by inserting after part B the following new part:

"PART C—SENIOR COMPANIONS PROGRAM

"Sec. 216. Grants and contracts for the program.".

(3) The item relating to part C of title II in the table of contents of such Act is amended by striking out "part C" and inserting in lieu thereof "part D".

ADMINISTRATIVE AMENDMENTS

SEC. 4. (a) Section 113(c)(2) of the Domestic Volunteer Service Act of 1973 is amended by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services".

(b) Section 221 of such Act is amended—

(1) by striking out "the Community Services Administration,"; and

(2) by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(c) Section 417(c)(2) of such Act is amended by striking out "Secretary of Health, Education, and Welfare or the Secretary of Health and Human Resources, as the case may be," and inserting in lieu thereof "Secretary of Health and Human Services".

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. (a) Section 501 of the Domestic Volunteer Service Act of 1973 is amended to read as follows:

"Sec. 501. There are authorized to be appropriated $25,763,000 for the fiscal year 1982, and $15,391,000 for the fiscal year 1983 for the purpose of carrying out programs under title I of this Act.".

(b) Section 502(a) of such Act is amended to read as follows: "There are authorized to be appropriated $28,691,000 for the fiscal year 1982 and $30,412,000 for the fiscal year 1983 for the purpose of carrying out programs under part A of title II of this Act.".

(c) Section 502(b) of such Act is amended to read as follows:

"(b) There are authorized to be appropriated $49,670,000 for the fiscal year 1982 and $52,650,000 for the fiscal year 1983 for the purpose of carrying out programs under part B of title II of this Act.".

(d) Section 502 of such Act is amended by adding at the end thereof the following new subsection:

"(c) There are authorized to be appropriated $16,610,000 for fiscal year 1982 and $17,607,000 for fiscal year 1983 for the purpose of carrying out part C of title II of this Act.".

(e) Section 504 of such Act is amended by striking out "and", and by inserting after "1981," the following: "September 30, 1982, and September 30, 1983,".

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS—A SECTION-BY-SECTION DESCRIPTION

SPECIAL SERVICE-LEARNING PROGRAMS

Section 2 would amend section 114(a) to authorize the Director to make grants and contracts for projects and programs which encourage and enable secondary, vocational, and post-secondary students to participate in service-learning programs on an in-school or out-of-school basis under terms described in section 103(a) and (c) of the Act. Existing language in section 114(a), guaranteeing the University Year for Action program a certain portion of funds appropriated under title I, part B of the Act, would be deleted.

SENIOR COMPANION PROGRAM

Section 3 would amend Section 211 of the Act by redesignating the authorization for the Senior Companion program contained in Part B as a separate Part C.

AUTHORIZATION OF APPROPRIATIONS

Section 4(a) would authorize $25,763,000 for fiscal year 1982 and $15,391,000 for fiscal year 1983 for programs under title I (VISTA, Service-Learning, and Special Volunteer Projects) of the Act.

Section 4(b) would authorizze $28,691,000 for fiscal year 1982 and $30,412,000 for fiscal year 1983 for the Retired Senior Volunteer Program.

Section 4(c) would authorize $49,670,000 for fiscal year 1982 and $52,650,000 for fiscal year 1983 for the Foster Grandparent Program.

Section 4(d) would authorize $16,610,000 for fiscal year 1982 and $17,607,000 for fiscal year 1983 for the Senior Companion Program.

Section 4(e) would amend section 504 of the Act by extending until September 30, 1983, the authorization of such sums as may be necessary for administration of the Act.

S. 1088

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Native American Programs Act".

STATEMENT OF PURPOSE

SEC. 2. The purpose of this Act is to promote the goal of economic and social self-sufficiency for American Indians, Hawaiian Natives, and Alaskan Natives.

FINANCIAL ASSISTANCE FOR NATIVE AMERICAN PROJECTS

SEC. 3. (a) The Secretary of Health and Human Services (hereinafter referred to in this Act as the "Secretary") is authorized to provide financial assistance to public and nonprofit private agencies, including but not limited to, governing bodies of Indian tribes on Federal and State reservations, Alaskan Native villages and regional corporations established by the Alaska Native Claims Settlement Act, and such public and nonprofit private agencies serving Hawaiian Natives and Indian organizations in urban or rural nonreservation areas, for projects pertaining to the purposes of this Act. In determining the projects to be assisted under this Act, the Secretary shall consult with other Federal agencies for the purpose of eliminating duplication or conflict among similar activities or projects and for the purpose of determining whether the findings resulting from those projects may be incorporated into one or more programs for which those agencies are responsible.

(b) Financial assistance extended to an agency under this Act shall not exceed 80 percent of the approved costs of the assisted project, except that the Secretary may approve assistance in excess of such percentage if the Secretary determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this Act. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services. The Secretary shall not require non-Federal contributions in excess of 20 percent of the approved costs of programs or activities assisted under this Act.

(c) No project shall be approved for assistance under this Act unless the Secretary is satisfied that the activities to be carried out under such project will be in addition to, and not in substitution for comparable activities previously carried out without Federal assistance, except that the Secretary may waive this requirement in any case in which the Secretary determines, in accordance with regulations establishing objective criteria, that application of the requirement would result in unnecessary hardship or otherwise be inconsistent with the purposes of this Act.

TECHNICAL ASSISTANCE AND TRAINING

SEC. 4. The Secretary may provide, directly or through other arrangements, (1) technical assistance to public and private agencies in developing, conducting, and administering projects under this Act, and (2) short-term in-service training for specialized or other personnel which is needed in connection with projects receiving financial assistance under this Act.

RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

SEC. 5. (a) The Secretary may provide financial assistance through grants or contracts for research, demonstration, or pilot projects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or otherwise furthering the purposes of this Act.

(b) The Secretary shall establish an overall plan to govern the approval of research, demonstration, and pilot projects and the use of all research authority under this Act. The plan shall set forth specific objectives to be achieved and priorities among such objectives.

ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, OR PILOT PROJECTS

SEC. 6. (a) The Secretary shall make a public announcement concerning—

(1) the title, purpose, intended completion date, identity of the grantee or contractor, and proposed cost of any grant or contract with a private or non-Federal public agency for a research, demonstration, or pilot project; and

(2) except in cases in which the Secretary determines that it would not be consistent with the purposes of this Act, the results, findings, data, or recommendations made or reported as a result of such activities.

(b) The public announcements required by subsection (a) shall be made within thirty days of making such grants or contracts, and the public announcements required by subsection (b) of this section shall be made within thirty days of the receipt of such results.

SUBMISSION OF PLANS TO STATE AND LOCAL OFFICIALS

SEC. 7. (a) No financial assistance may be provided to any project under section 3 or any research, demonstration, or pilot project under section 5, which is to be carried out on or in an Indian reservation or Alaskan Native village, unless a plan setting forth the project has been submitted to the governing body of that reservation or village and the plan has not been disapproved by the governing body within thirty days of its submission. If financial assistance is provided to such a project, the Secretary shall not alter the terms and objectives of such project by terminating, suspending or withholding such assistance without the approval of the governing body of the reservation or village on or in which the project is carried on.

(b) No financial assistance may be provided to any project under section 3 or any research, demonstration, or pilot project under section 5, which is to be carried out in a State other than on or in an Indian reservation or Alaskan Native village or Hawaiian Homestead, unless the Secretary has notified the chief executive officer of the State of the decision of the Secretary to provide that assistance.

(c) No financial assistance may be provided to any project under section 3 or any research, demonstration, or pilot project under section 5, which is to be carried out in a city, county, or other major political subdivision of a State, other than on or in an Indian reservation or Alaskan Native village, or Hawaiian Homestead, unless the Secretary has notified the local governing officials of the political subdivision of the decision of the Secretary to provide that assistance.

RECORDS AND AUDITS

SEC. 8. (a) Each agency which receives financial assistance under this Act shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and disposition by that agency of

such financial assistance, the total cost of the project in connection with which such financial assistance is given or used, the amount of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of any agency which receives financial assistance under this Act that are pertinent to the financial assistance received under this Act.

APPEALS, NOTICE, AND HEARING

SEC. 9. The Secretary shall prescribe procedures to assure that—

(1) financial assistance under this Act shall not be suspended, except in emergency situations, unless the assisted agency has been given reasonable notice and opportunity to show cause why such action should not be taken; and

(2) financial assistance under this Act shall not be terminated, and application for refunding shall not be denied, and a suspension of financial assistance shall not be continued for longer than thirty days, unless the assisted agency has been afforded reasonable notice and opportunity for a full and fair hearing.

EVALUATION

SEC. 10. (a) The Secretary shall provide, directly or through grants or contracts, for the evaluation of projects assisted under this Act, including evaluations that describe and measure the impact of such projects, their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such projects. Evaluations shall be conducted by persons not directly involved in the administration of the program or project evaluated.

(b) Prior to obligating funds for the programs and projects covered by this Act with respect to fiscal year 1976, the Secretary shall develop and publish general standards for evaluation of program and project effectiveness in achieving the objectives of this Act. The extent to which such standards have been met shall be considered in deciding whether to renew or supplement financial assistance authorized under this Act.

(c) In carrying out evaluations under this Act, the Secretary may require agencies which receive assistance under this Act to provide for independent evaluations.

(d) In carrying out evaluations under this Act, the Secretary shall, whenever feasible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this Act about such programs and projects.

(e) The Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than ninety days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

(f) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this Act shall become the property of the United States.

DELEGATION OF AUTHORITY

SEC. 11. (a) The Secretary is authorized to delegate to the heads of other departments and agencies of the Federal Government any of the functions, powers, and duties of the Secretary under this Act, as the Secretary may deem appropriate, and to authorize the redelegation of such functions, powers, and duties by the heads of such departments and agencies.

(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this Act.

(c) Funds appropriated for the purpose of carrying out this Act may be transferred between departments and agencies of the Government, if such funds are used for the purposes for which they are authorized and appropriated.

DEFINITIONS

SEC. 12. As used in this Act, the term—

(1) "financial assistance" includes assistance advanced by grant, agreement, or contract, but does not include the procurement of plant or equipment, or goods or services;

(2) "Indian reservation or Alaskan Native village" includes the reservation of any federally or State recognized Indian tribe, including any band, nation, pueblo, or rancheria, any former reservation in Oklahoma, any community under the jurisdiction of an Indian tribe, including a band, nation, pueblo, or rancheria, with allotted lands or lands subject to a restriction against alienation imposed by the United States or a State, and any lands of or under the jurisdiction of an Alaskan Native village or group, including any lands selected by Alaskan Natives or Alaskan Native organizations under the Alaska Native Claims Settlement Act; and

(3) "Native Hawaiian" means any individual any of whose ancestors were natives of the area which consists of the Hawaiian Islands prior to 1778.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. There are authorized to be appropriated $28,000,000 for each of the fiscal years 1982 and 1983 for the purpose of carrying out the provisions of this Act.

REPEAL OF NATIVE AMERICAN PROGRAMS ACT OF 1974

SEC. 14. Title VIII of the Economic Opportunity Act of 1964 (42 U.S.C. 2991, et seq.) is repealed.

NATIVE AMERICAN PROGRAMS ACT—SECTION-BY-SECTION DESCRIPTION

Section 1 would provide that this Act may be cited as the "Native American Programs Act."

STATEMENT OF PURPOSE

Section 2 would promote the goal of economic and social self-sufficiency for American Indians, Hawaiian Natives, and Alaskan Natives.

FINANCIAL ASSISTANCE FOR NATIVE AMERICAN PROJECTS

Section 3(a) would authorize the Secretary of Health and Human Services to provide financial assistance to public and nonprofit private agencies, including but not limited to, corporations and agencies representing Indian tribes, Alaskan Natives, and Hawaiian Natives. Other Federal agencies would be consulted to avoid duplication or conflict among projects.

Section 3(b) would require that Federal assistance not exceed 80 percent of the cost of the project, unless the Secretary determines that additional funding is necessary to further purposes of the Act. Section 3(b) would also allow non-Federal contributions, in cash or in kind, but not in excess of 20 percent of the approved cost of programs.

Section 3(c) would provide that no project be approved unless the Secretary is satisfied that the project would be in addition to, and not in substitution for, comparable activities previously carried out without Federal assistance. Section 3(c) would permit the Secretary to waive this requirement if it would result in unnecessary hardship or be inconsistent with the purposes of the Act.

TECHNICAL ASSISTANCE AND TRAINING

Section 4 would permit the Secretary to provide financial assistance to public and private agencies, and in-service training, in the development, conduct, and administration of projects.

RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

Section 5(a) would permit the Secretary to provide financial assistance for research, demonstration, or pilot projects, public or private, to test and develop new approaches or methods to overcome problems or to further programs of the Act.

Section 5(b) would require the Secretary to establish a plan, setting forth objectives and priorities, to govern the approval of such projects.

ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, OR PILOT PROJECTS

Section 6(a) would require the Secretary to make a detailed public announcement of any grant or contract for projects, except in cases in which it is determined that such an announcement would not be consistent with the purposes of the Act.

Section 6(b) would require public announcements to be made within thirty days of awarding grants or contracts, and that such public announcements would be made within thirty days of the receipt of such results.

CONSULTATION WITH NATIVE AMERICANS AND SUBMISSION OF PLANS TO STATE AND LOCAL OFFICIALS

Section 7(a) would provide that no financial assistance for any project under section 3 or section 5 be carried out unless a plan had been submitted to a reservation or village and had not been disapproved by the governing body within thirty days of its submission. If financial assistance is provided to such a project, the Secretary would not be able to alter the terms and objectives of such project without the approval of the governing body of the reservation or village on or in which the project is carried on.

Section 7(b) would provide no financial asistance for any project unless the Secretary had notified the chief executive officer of the State.

Section 7(c) would provide no financial assistance for any project unless the Secretary had notified the local governing officials.

RECORDS AND AUDITS

Section 8(a) would require each agency receiving financial assistance to keep such detailed records as the Secretary may require.

Section 8(b) would permit access to these records by the Secretary, the Comptroller General of the United States, or any duly authorized representative.

APPEALS, NOTICE, AND HEARING

Section 9 would require the Secretary to establish procedures for the suspension or termination of financial assistance, and for the notice, appeal, and hearing of the assisted agency.

EVALUATION

Section 10(a) would require the Secretary to provide detailed evaluations of projects assisted by persons not directly involved in the administration of the project or programs.

Section 10(b) would require the Secretary, prior to the obligation of funds for projects, to develop and publish standards for the evaluation of program and project effectiveness in the achieving of the objectives of this Act.

Section 10(c) would permit the Secretary to require evaluations from agencies receiving assistance under this Act.

Section 10(d) would require the Secretary, in program evaluation, to obtain specific

views of persons participating in and served by such programs and projects.

Section 10(e) would require the Secretary to publish results of research studies and evaluation summaries of program impact and effectiveness not later than ninety days after completion, and to submit copies to the appropriate committees of Congress.

Section 10(f) would require the Secretary to take necessary action to assure that such studies, evaluations, proposals, and data become the property of the United States.

DELEGATION OF AUTHORITY

Section 11(a) would authorize the Secretary to delegate to other heads of departments and agencies of the Federal government, any of the functions, powers, and duties of the Secretary under this Act, and to authorize further redelegation of such functions, powers, and duties by the heads of such departments and agencies.

Section 11(b) would require departments and agencies of the Federal government to use their powers, duties, and functions in such manner as would carry out the objectives of this Act.

Section 11(c) would allow the transfer of funds appropriated for this Act to departments and agencies, provided such funds would be used for purposes for which they were authorized and appropriated.

DEFINITIONS

Section 12 would define, for purposes of this Act, the following terms:

1. "financial assistance" would include assistance advanced by grant, agreement, or contract, but would not include the procurement of plant or equipment, or goods or services.

2. "Indian reservation or Alaskan Native village" would include the reservation of any Federal or State recognized Indian tribe, band, nation, pueblo, or rancheria and any lands of or under the jurisdiction of an Alaskan Native Village or group, including lands selected by Alaskan Natives or Alaskan Native organizations under the Alaska Native Claims Settlement Act.

3. "Native Hawaiian" would mean any individual any of whose ancestors were natives of the area which consists of the Hawaiian Islands prior to 1778.

AUTHORIZATION OF APPROPRIATIONS

Section 13 would authorize to be appropriated $28,000,000 for fiscal year 1982 and 1983 for the purpose of carrying out the provisions of this Act.

REPEAL OF NATIVE AMERICAN PROGRAMS ACT OF 1974

Section 14 would repeal Title VIII of the Economic Opportunity Act of 1964 (42 U.S.C. 2991, et seq.).

S. 1089

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Hardship Assistance Grant Act".

USES OF GRANTS

SEC. 2. Grants under this Act shall be used, in accordance with the provisions of this Act, by the States to assist low-income individuals and families to overcome problems caused by the high cost of energy and to meet the needs of individuals and families caused by emergencies, including—

(1) assistance to low-income individuals and families for home energy, including low-cost weatherization, and

(2) temporary assistance for food, clothing, shelter, and transportation required by individuals and families because of an emergency, or the preparation and delivery of food, and the furnishing of clothing, shelter, and transportation, required by individuals and families because of an emergency.

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 3. There are authorized to be appropriated $1,780,500,000 for the fiscal year 1982 and for each of the succeeding three fiscal years to carry out the provisions of this Act.

ALLOTMENTS

SEC. 4. (a) From amounts appropriated pursuant to section 3 for carrying out this Act in any fiscal year, the Secretary—

(1) shall allot to each State for such year an amount which bears the same ratio to two-thirds of the amount appropriated for such fiscal year as the amount available to such State for the fiscal year 1981 for low-income energy assistance programs appropriated under Public Law 96-369 and Public Law 96-536, bears to the total of such amounts for all States; and

(2) shall allot to each State for such year an additional amount which bears the same ratio to one-third of the amount appropriated pursuant to section 3 for such year as the number of unrelated individuals and families with incomes below the poverty line in such State bears to the number of such individuals and families in all States.

(b)(1) For the purpose of subsection (a)(1), the amount available to a State, and the total amount available to all the States, to continue the low-income energy assistance program for fiscal year 1981 are deemed to include amounts that would have been so paid to a State but for the payment to certain Indian tribal organizations by the Secretary under section 306(g) of the Home Energy Assistance Act of 1980.

(2) For the purpose of subsection (a)(2), the number of unrelated individuals and families with incomes below the poverty line in each State and all States shall be based on the most satisfactory data available to the Secretary.

APPLICATION

SEC. 5. (a) A grant may be made to a State under this Act upon application to the Secretary at such time as the Secretary deems necessary. Each such application shall—

(1) provide assurances that the State has established procedures under which—

(A) the legislature of the State may disapprove the receipt by the State of any payment under this Act, and

(B) the legislature of the State will comply with the provisions of subsection (c);

(2) provide assurances that the State will transfer funds which will not be needed during the fiscal year for the purposes set forth in section 2 to the health services block grant, the preventive health services block grant, the social services block grant, or the maternal and child health block grant, or all of such grants, and will report to the Secretary at the end of each fiscal year on the transfers made during such year;

(3) provide assurances that the State—

(A) will reserve not more than 1 percent of the amounts paid to the State under section 6; and

(B) will use the amounts reserved under subparagraph (A) to conduct an evaluation of activities supported under this Act; and

(C) has developed or will develop a working relationship with a faculty of a college or university which will provide or assist in providing such evaluation; and

(4) provide assurances that (A) the State will not expend more than 5 percent of its allotment under section 4 for administrative expenses at the State level, and (B) not to exceed 10 percent of the allotment of the State under section 4 will be expended on administration of programs assisted under this Act at the local level.

(b) The Secretary shall approve any application which meets the requirements of subsection (a).

(c) After the expiration of the first fiscal year in which a State receives funds under this Act, no funds shall be allocated to such State for any fiscal year under this Act, unless the legislature of the State, after conducting public hearings by the legislature on the proposed use and distribution of funds to be provided under this Act for such fiscal year, has allocated the expenditure of such funds by—

(1) direct appropriation;

(2) approval of a plan for the allocation of such funds proposed by the chief executive officer of the State; or

(3) any other method satisfactory to the Secretary which assures that such funds are allocated in a manner which provides an opportunity for affected interests to be heard.

PAYMENTS TO STATES

SEC. 6. (a) From its allotment under section 5, the Secretary shall make payments to each State in accordance with section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213), for use under this Act.

(b) Payments to a State from its allotment for any fiscal year must be expended by the State in such fiscal year.

(c)(1) If the Secretary finds that a State has failed (or is likely to fail) in any fiscal year to pay to an Indian tribal organization described in paragraph (2) an amount at least equal to the amount established by paragraph (3), the Secretary may reduce that State's allotment under section 4(a) by the difference between the amount that the State has paid to that tribal organization for that year and such established amount. In any such case, the Secretary may pay all or any portion of that difference to that tribal organization to be expended by it for the purposes of this Act. The provisions of this Act apply to any such tribal organization and to any payments made to it hereunder, except to the extent that the Secretary prescribes different or additional rules (consistent with the purposes of this Act) with respect to application for or expenditure of such payments.

(2) An Indian tribal organization is eligible for a payment under the preceding paragraph if it received payments from the Secretary for the low-income energy assistance program for fiscal year 1981 from amounts that would otherwise have been available to a State.

(3) The amount referred to in paragraph (1) is that amount which bears the same ratio to the allotment under section 4(a) of the State in which an Indian tribal organization is located (as determined by the Secretary) as the amount that the Secretary paid that Indian tribal organization for low-income energy assistance for fiscal year 1981 bore to the allotment of that State for that purpose in that year.

(4) The Secretary shall return to the allotment from which it was derived, any amount that remains available to the Secretary for obligation after he has made to an Indian tribal organization such payments authorized by this subsection as he deems appropriate.

STATE EXPENDITURES

SEC. 7. (a) Prior to expenditure by the State of payments made to it under section 6 for any fiscal year, the chief executive officer of the State shall report on the intended use of the payments the State is to receive under this Act, including information on the types of assistance and services to be furnished and the categories or characteristics of individuals and families to be served. The report shall be provided to the Secretary and shall be made available for public inspection within the State in such manner as to facilitate its review and comment, and shall be revised throughout the year as may be necessary to reflect significant changes in the State's

activities assisted under this Act, and, as revised, be made available to the Secretary and to the public within the State.

(b) In addition to expenditures by the State for the purposes described in section 2, the State may use so much of the amount allotted to it as may be necessary for the costs of administration of the grants made hereunder. Such administrative costs may include the cost of planning, operating, evaluating, and conducting fiscal and substantive reviews of the program supported by grants under this Act.

LIMITATION ON USE OF GRANTS FOR CONSTRUCTION

SEC. 8. (a) Except as provided in subsection (b), grants made under this Act may not be used by the State, or by any other person with which the State makes arrangements to carry out the purposes of this Act, for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other minor energy or emergency related home repairs) of any building or other facility.

(b) The Secretary may waive the limitation contained in subsection (a) upon the State's request for such a waiver if he finds that the request describes extraordinary circumstances to justify the purchase of land or the construction of facilities (or the making of permanent improvements) and that permitting the waiver will contribute to the State's ability to carry out the purposes of this Act.

REPORTS, AUDITS AND EVALUATIONS

SEC. 9. (a) Each State shall submit reports to the Secretary on its activities under this Act. Each report shall be in such form, contain such information, and be submitted at such time, but not more frequently than quarterly nor less often than annually, as the Secretary may find necessary to secure an accurate description of the activities. The State shall make copies of the reports required by this subsection available for public inspection within the State.

(b) Each State shall, for each fiscal year, audit its expenditures from amounts received under this Act. Within one hundred and twenty days following the end of that fiscal year, the chief executive officer of the State shall submit a copy of that audit to the legislature of the State and to the Secretary. The Secretary may also audit those expenditures with respect to any State for any fiscal year. Each audit shall be conducted in accordance with generally accepted audit standards. The State shall repay to the United States amounts found not to have been expended in accordance with this Act or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under this Act.

(c) The Comptroller General of the United States shall, from time to time, evaluate the expenditures by States of grants under this Act in order to assure that expenditures are consistent with its provisions and to determine their effectiveness in accomplishing the purposes of this Act.

TRANSITION PROVISIONS

SEC. 10. (a) The purpose of this section is to permit, for fiscal year 1982 only, States to choose between operating programs under the block grant established by this Act or operating programs under the provisions of law (other than provisions relating to authorizations of appropriations, allotment, or the distribution of project grants among States) subject to repeal by this Act.

(b)(1) Notwithstanding any other provision of law, from the amounts allotted to a State under section 4 of this Act, a State may choose, for fiscal year 1982 only, to carry out programs under the provisions of this Act or to carry such programs under the provisions of law (other than provisions relating to authorizations of appropriations, allotments, or the distribution of project grants among States) in effect on September 30, 1981, but repealed by section 12.

(2) The provisions of paragraph (1) of this subsection apply to the provisions of law referred to in such paragraph even if there is a specific termination provision or other provision of law ending any program subject to this Act.

(3) Each State selecting the option under paragraph (1) may phase in carrying out programs under the provisions of this Act during any month during fiscal year 1982 after giving notice to the Secretary of Health and Human Services.

(4) Notwithstanding any other provision of law, for the purpose of this section the Administrator for any program subject to the option under paragraph (1) authorized by the Economic Opportunity Act of 1964 in effect on September 30, 1981, shall be the Secretary of Health and Human Services.

(c) The Secretary of Health and Human Services shall provide such assistance to the States as the States may require in order to carry out the provisions of this section.

NONDISCRIMINATION PROVISIONS

SEC. 11. (a) No person shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this Act. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

(b) Whenever the Secretary determines that a State that has received a payment under this Act has failed to comply with subection (a) of this section or an applicable regulation, he shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted, (2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or (3) take such other action as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b) of this section, or whenever he has reason to believe that the State is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

REPEALS

SEC. 12. The provisions of—

(1) the Home Energy Assistance Act of 1980;

(2) sections 403(a)(5) and 406(e) of the Social Security Act; and

(3) the Economic Opportunity Act of 1964, other than title VII of such Act;

are repealed.

OFFICIAL POVERTY LINE

SEC. 13. (a) The Director of the Office of Management and Budget shall establish the official poverty line and shall revise it by multiplying the official poverty line by the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the revision is made.

(b) Revisions required by subsection (a) of this section shall be made and issued not more than thirty days after the date on which the necessary Consumer Price Index data becomes available.

DEFINITIONS

SEC. 14. As used in this Act—

(1) The term "poverty line" means the official poverty line established by the Director of the Office of Management and Budget.

(2) The term "Secretary" means the Secretary of Health and Human Services.

(3) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

EFFECTIVE DATE

SEC. 15. The provisions of this Act, and the repeals made by this Act, shall become effective October 1, 1981.

EMERGENCY HARDSHIP ASSISTANCE GRANT ACT—A SECTION-BY-SECTION DESCRIPTION

Section 1 contains a statement of purpose for the Act and provides that the Act may be cited as the "Emergency Hardship Assistance Grant Act." The purpose of the Act would be to provide assistance for home energy and emergency assistance costs. The Act would also decrease the complexity of existing programs and increase State flexibility in administration of the program.

USES OF GRANTS

Section 2 would allow the States to provide assistance to individuals and families for problems related to the high costs of home energy with priority for low-income individuals and the elderly. States would be permitted to provide assistance for paying home energy bills, low-cost home weatherization and temporary emergency assistance such as food, clothing, shelter and transportation. Costs associated with the preparation and/or delivery of emergency assistance would also be permitted.

AUTHORIZATION OF APPROPRIATIONS

Section 3 would authorize the appropriation of $1,780,500,000 each for fiscal years 1982, 1983, 1984 and 1985.

ALLOTMENTS

Section 4(a) would provide for the allotment of funds appropriated under the Act. Two-thirds of the available funds would be allotted to States based on the proportion of energy assistance funds they were allotted under the provisions of P.L. 96-369 and P.L. 96-536. The allotments under these public laws were based on complex formulas which took into account climate. low-income population, energy expenditures and previous energy assistance allotments. One-third of the available funds would be allotted to States based on state shares of families and unrelated individals with incomes below the poverty line.

Section 4(b) specifies that funds originally allotted to the States but paid by the Secretary of Health and Human Services directly to Indian Tribal organizations shall be included in the determination of a State's allotment of fiscal year 1981 low-income energy assistance funds for purposes of section 4(a). The section would also require that the poverty population of a State be based on the most satisfactory information available.

APPLICATION

Section 5(a) would provide that grants may be made to States upon application to the Secretary. In their applications States would be required to establish procedures under which the State legislature could decline funds made available under this Act and assure that the legislature comply with

the public hearing provisions of the Act. The States would also be required to provide that funds not needed during the fiscal year for the purposes of the Act be transferred to either or all of the following programs: the social services block grant, the preventive health services block grant, the health services block grant, the maternal and child health block grant. The State would be required to report to the Secretary at the end of each fiscal year on the transfers made during such year. It would also have to conduct an evaluation of activities supported under the Act and develop a working relationship with a faculty of a college or university to provide such an evaluation. The State would be allowed to use up to 1% of its allotment for this purpose.

Section 5(b) would require the Secretary to approve any application which met the provisions of section 5(a).

Section 5(c) would not allow funds for fiscal years after 1982 to be allocated to a State until the legislature of that State makes provisions for allocation of the funds in a manner which would permit affected interests to be heard.

PAYMENTS TO STATES

Section 6(a) would require that payment to States under the Act be made in accordance with section 203 of the Intergovernmental Cooperation Act of 1968. The Intergovernmental Cooperation Act requires that the Secretary make payments to States in a manner which minimizes the delay between the time of transfer of funds from the treasury and disbursement of funds by the States.

Section 6(b) would require that States spend their allotment for any fiscal year in that year.

Section 6(c) concerns the treatment of Indian Tribal organizations. Indian Tribal organizations that received direct payments for low-income energy assistance from the Secretary in fiscal year 1981, would be eligible for direct payments under the Emergency Assistance Grant Act, if the Secretary determines that they would not receive the same proportion of a State's allotment as they received in fiscal year 1981.

STATE ADMINISTRATION

Section 7(a) would require that States report on the intended use of funds made available under this act before any expenditures are made. The report would have to be provided to the Secretary and made public in a manner which would facilitate review and comment. States would be required to update the report to reflect any significant changes in the program.

Section 7(b) would allow a State to use as much of its allotment as necessary for expenses incurred in administration of the grant. These administrative expenses could include planning, operation, evaluation, and fiscal reviews of the program supported by the grants under this Act.

LIMITATIONS ON USE OF GRANTS FOR CONSTRUCTION

Section 8(a) would prohibit the expenditure of funds provided under the Act for the purchase or improvement of land or the purchase, construction or permanent improvement of any building except for minor weatherization or emergency related home repairs.

Section 8(b) would give the Secretary the authority to waive the provisions of section 8(a) under extraordinary circumstances.

REPORTS, AUDITS, AND EVALUATIONS

Section 9(a) would require the States to submit a report of the activities under this Act to the Secretary. The Secretary would define the contents and timing of the report, except that the reports could not be required more frequently than quarterly nor more infrequently than annually. The States would be required to make copies of the report available for public inspection.

Section 9(b) would require the States to submit to the State legislature and the Secretary an audit of their expenditures under this Act within 120 days of the end of each fiscal year. The Secretary would also be allowed to audit a State's expenditure of funds under this Act.

Section 9(c) would require the Comptroller General of the United States to periodically evaluate expenditures made under this Act.

TRANSITION PROVISIONS

Section 10(a) states that the purpose of the sections would be to allow, for fiscal year 1982 only, States to use grants made under this Act to operate programs repealed by this Act in section 12 (except for any provisions in those programs relating to authorization of appropriations, allotments or distribution of funds).

Section 10(b) would give States the authority, in fiscal year 1982 only, to operate programs repealed in section 12 of this Act with grants made under this Act. The States would be allowed to operate these programs even if there is a specific termination date for the program provided in law. States choosing the option provided in this section would be permitted to phase in the provisions of this Act during any month of fiscal year 1982 upon giving notice to the Secretary of Health and Human Services. For purposes of this section, all programs subject to the option of this section would be under the administration of the Secretary of Health and Human Services.

Section 10(c) would require the Secretary to provide assistance to States for carrying out the provisions of this section.

NONDISCRIMINATION PROVISIONS

Section 11(a) would require that no person be excluded from participation in any activity funded wholly or in part by this act on the basis of race, color, national origin, or sex, and incorporates antidiscrimination provisions of the Age Discrimination Act and the Rehabilitation Act.

Section 11(b) would provide a mechanism for resolution of failure of any State to comply with section 11(a) of this Act. It would provide for referral of problem to the Attorney General or for the Secretary to exercise powers under other appropriate acts such as the Civil Rights Act, the Age Discrimination Act, or the Rehabilitation Act.

Section 11(c) would permit the Attorney General to bring civil action for such relief as may be appropriate if it is believed that a State is in violation of section 11(a) of this Act.

REPEALS

Section 12 would repeal the Home Energy Assistance Act of 1980, section 403(a)(5) and 406(a) of the Social Security Act, and the Economic Opportunity Act of 1964 (except for Title VII). The low-income energy assistance program for fiscal year 1981 is operated under authority of the Home Energy Assistance Act. The emergency assistance for needy families with children program is authorized in sections 403 and 406 of the Social Security Act. The Economic Opportunity Act authorizes the Community Services Administration. Title VII of the Economic Opportunity Act authorizes Community Economic Development.

OFFICIAL POVERTY LINE

Section 13 would provide that the Director of the Office of Management and Budget establish the official poverty line and revise it according to changes in the Consumer Price Index.

DEFINITIONS

Section 14 would define certain terms used in the Act. The poverty line to be used in carrying out provisions of the Act is that established by the Director of the Office of Management and Budget. Secretary would mean the Secretary of Health and Human Services. The term State would include the 50 States, the District of Columbia, the Commonwealth of Puerto Rico and the Northern Mariana Islands, Guam, The United States Virgin Islands, American Samoa, and the Trust Territories of the Pacific Islands.

EFFECTIVE DATE

Section 15 would establish the effective date of the provisions of the Emergency Hardship Assistance Grant Act as October 1, 1981.

S. 1090

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Public Health Service Act is amended by adding at the end thereof the following new title:

"TITLE XIX—ADOLESCENT FAMILY LIFE

"FINDINGS AND PURPOSES

"SEC. 1901. (a) The Congress finds that—

"(1)(A) adolescent promiscuity is emotionally and morally damaging, can be physically damaging, is counterproductive to the normal maturation process, and results in a high risk of pregnancy; and

"(B) early sexual activity and promiscuity can cause severe health hazards to adolescent females and males:

"(2) in 1978, an estimated 1,100,000 teenagers became pregnant of which more than 500,000 teenagers carried their babies to term, over one-half of the babies born to such teenagers were born out of wedlock;

"(3) adolescents aged 17 and younger accounted for more than one-half of the out-of-wedlock births to teenagers;

"(4) in a high proportion of cases, the pregnant adolescent is herself the product of an unmarried parenthood during adolescence and is continuing the pattern in her own lifestyle;

"(5) it is estimated that approximately 82 percent of unmarried teenagers who carry their pregnancies to term live with their families before and during their pregnancy and remain with their families after the birth of the child;

"(6) pregnancy and childbirth among unmarried adolescents, particularly young adolescents, often results in severe adverse health, social, and economic consequences, including: a higher percentage of pregnancy and childbirth complications; a higher incidence of low birth-weight babies; a higher frequency of developmental disabilities; higher infant mortality and morbidity; a decreased likelihood of completing schooling; a greater likelihood that an adolescent marriage will end in divorce; and higher risks of unemployment and welfare dependency;

"(7)(A) adoption is a positive option for unmarried pregnant adolescents who are unwilling or unable to care for their children since adoption is a means of providing permanent families for such children from available approved couples who are unable or have difficulty in conceiving or carrying children of their own to term; and

"(B) at present, only 4 percent of such unmarried pregnant adolescents who carry their babies to term enter into an adoption plan or arrange for their babies to be cared for by relatives or friends;

"(8) an unmarried adolescent who becomes pregnant once is likely to experience recurrent pregnancies and childbearing, with increased risks;

"(9)(A) the problems of adolescent promiscuity, pregnancy, and parenthood are multiple and complex and are frequently associated with or are a cause of other problematical situations in the family; and

"(B) such problems are best approached through a variety of integrated and essential services provided to adolescents and their families by other family members, religious organizations, voluntary associations, and other groups in the private sector as well as services provided by publicly sponsored initiatives;

"(10) a wide array of educational, health, and supportive services are not available to adolescents with such problems or to their families, or when available frequently are fragmented and thus are of limited effectiveness in discouraging adolescent promiscuity and its consequences;

"(11)(A) Federal policy therefore should encourage the development of appropriate health, educational, and social services where such services are now lacking or inadequate, and the better coordination of existing services where they are available; and

"(B) services encouraged by the Federal Government should promote the involvement of parents with their adolescent children, and should emphasize the provision of support by other family members, religious organizations, voluntary associations, and other groups in the private sector in order to help adolescents and their families deal with complex issues of adolescent promiscuity and its consequences; and

"(12)(A) research concerning the causes and consequences of adolescent pregnancy currently tends to be restricted to experience which has been drawn from a small group of communities;

"(B) there is limited knowledge concerning which means of intervention are effective in mediating or eliminating adolescent promiscuity and adolescent pregnancy; and

"(C) it is necessary to expand and strengthen such knowledge in order to reflect the array of approaches to adolescent promiscuity and adolescent pregnancy which are serving populations in urban and rural settings.

"(b) Therefore, the purposes of this title are—

"(1) to promote self-discipline and chastity, and other positive, family-centered approaches to the problems of adolescent promiscuity and adolescent pregnancy;

"(2) to promote adoption as an alternative for adolescent parents;

"(3) to establish better coordination, integration, and linkages among existing programs in order to—

"(A) enable pregnant adolescents to obtain proper care and assist pregnant adolescents and adolescent parents to become productive independent contributors to family and community life, with primary emphasis on services to adolescents who are 17 years of age and under; and

"(B) assist families of adolescents to resolve the problems which are associated with or which cause the behavior relating to adolescent pregnacy;

"(4)(A) to expand the availability of services that are essential to the objective described in paragraph (3); and

"(B) to promote innovative, comprehensive, and integrated approaches to the delivery of such services;

"(5) to encourage and support research and inquiry into the causes and consequences of adolescent promiscuity, contraceptive use, pregnancy, and child rearing;

"(6) to support evaluative research to identify effective educational and such services which alleviate, eliminate, or resolve negative consequences of adolescent promiscuity and adolescent childbearing for the parents, the child, and their families; and

"(7) to encourage and provide for the dissemination of results, findings, and information from programs and research projects relating to adolescent promiscuity, pregnancy, and parenthood.

"DEFINITIONS

"SEC. 1902. For the purposes of this title, the term—

"(1) 'Secretary' means the Secretary of Health and Human Services;

"(2) 'eligible person' means—

"(A) with regard to the provision of all necessary services, a pregnant adolescent, an adolescent parent, or the family of a pregnant adolescent or an adolescent parent; or

"(B) with regard to the provision of the services described in subparagraphs (A), (D), (F), (G), (I), (M), (N), and (P) of paragraph (4), and referral to such other services which may be appropriate, a nonpregnant adolescent;

"(3) 'eligible grant recipient' means a public or nonprofit private organization or agency which demonstrates, to the satisfaction of the Secretary, the capability of providing necessary services in a single setting or the capability of creating a network through which necessary services would be provided;

"(4) 'necessary services' means those services which may be determined by the Secretary to be essential to the achievement of the purposes of this title, including—

"(A) pregnancy testing, maternity counseling, and referral to the types of services specified in subparagraphs (B) through (P) of this paragraph;

"(B) adoption counseling and referral services which present adoption as an option for pregnant adolescents, including referral to licensed adoption agencies in the community if the eligible grant recipient is not a licensed adoption agency;

"(C) primary and preventive health services including pre-natal and post-natal care;

"(D) nutrition information and counseling;

"(E) referral for screening and treatment of venereal disease;

"(F) referral to appropriate pediatric care;

"(G) educational services relating to family life and problems associated with adolescent promiscuity, including information about adoption;

"(H) referral to appropriate educational and vocation services;

"(I) family planning services;

"(J) referral to licensed residential care or maternity home services;

"(K) referral to other appropriate health services;

"(L) child care sufficient to enable the adolescent parent to continue education or to enter into employment;

"(M) consumer education and homemaking;

"(N) counseling for the immediate and extended family members of the eligible person;

"(O) transportation; and

"(P) such other services consistent with the purposes of this title as the Secretary may approve in accordance with regulations promulgated by the Secretary;

"(5) 'adolescent' means an individual under the age of 19; and

"(6) 'unemancinated minor' means a minor who is subject to control, authority, and supervision of his or her parents or guardians, as determined under State law; and

"(7) 'promiscuity' means having sexual intercourse out of wedlock.

"AUTHORITY TO MAKE GRANTS FOR NECESSARY SERVICES

"SEC. 1903. The Secretary may make grants to further the purposes of this title to eligible grant recipients which have submitted an application which the Secretary finds meets the requirements of section 1906 for projects which the Secretary determines will help communities provide necessary services in easily accessible locations, assure a continuity of necessary services and appropriate assistance, and coordinate, integrate, and establish linkages among such necessary services. Projects shall, as appropriate, provide, supplement, or improve the quality of necessary services, and in providing necessary services, give primary emphasis to unmarried adolescents who are 17 years of age or under and are pregnant or who are parents. Projects shall use such methods as will strengthen the capacity of families to deal with the pregnancy or parenthood of adolescents and to make use of support systems such as other family members, friends, religious organizations, and voluntary associations.

"USES OF GRANTS FOR NECESSARY SERVICES

"SEC. 1904. (a) Except as provided in subsection (b), funds provided for necessary services under this title may be used by grantees only to—

"(1) provide such services to eligible persons;

"(2) coordinate, integrate, and provide linkages among providers of necessary services for eligible persons in furtherance of the purposes of this title;

"(3) plan for the administration and coordination of pregnancy and pregnancy-related services for adolescents which will further the objectives of this title; and

"(4) fulfill assurances required for grant approval by section 1906.

"(b)(1) No funds provided for necessary services under this title may be used for the provision of family planning services (other than counseling and referral services) to adolescents unless suitable and appropriate family planning services are not otherwise available in the community.

"(2) Any grantee who receives funds to support necessary services under this title and who, after determining under paragraph (1) that suitable and appropriate family planning services are not otherwise available in the community, provides family planning services (other than counseling and referral services) to adolescents may not use funds provided under this title for the provision of such services if such grantee receives funds from any other source to support such family planning services.

"(c) Grantees who receive funds to support necessary services under this title shall charge fees for necessary services pursuant to a fee schedule approved by the Secretary as a part of the application described in section 1906 which bases fees charged by the grantee on the income of the eligible person or the parents or legal guardians of the eligible person and takes into account the difficulty adolescents face in obtaining resources to pay for necessary services. A grantee who receives funds to support necessary services under this title may not, in any case, discriminate with regard to the provision of necessary services to any individual because of that individual's inability to provide payment for such necessary services, except that in determining the ability of an unemancipated minor to provide payment for necessary services, the income of the family of an unemancipated minor shall be considered in determining the ability of such minor to make such payments.

"PRIORITIES, AMOUNTS, AND DURATION OF GRANTS FOR NECESSARY SERVICES

"SEC. 1905. (a) In approving application to grants to support necessary services under this title, the Secretary shall give priority to applicants who—

"(1) serve an area where there is a high incidence of adolescent pregnancy;

"(2) serve an area where the incidence of low-income families is high and where the availability of necessary services is low;

"(3) show evidence of having the ability to bring together a wide range of necessary services in comprehensive single-site projects, or to establish a well-integrated network of necessary services (appropriate for

the target population and geographic area to be served including the special needs of rural areas) for adolescents;

"(4) will utilize to the maximum extent feasible existing available programs and facilities such as neighborhood and primary health care centers, maternity homes which provide or can be equipped to provide necessary services to pregnant adolescents, agencies serving families, youth, and children with established programs of service to pregnant adolescents and vulnerable families, licensed adoption agencies, children and youth centers, maternal and infant health centers, regional rural health facilities, school and other educational programs, mental health programs, nutrition programs, recreation programs, and other ongoing pregnancy prevention and pregnancy-related services;

"(5) make use, to the maximum extent feasible, of other Federal, State, and local funds, programs, contributions, and other third-party reimbursements;

"(6) can demonstrate a community commitment to the program by making available to the project non-Federal funds, personnel, and facilities;

"(7) have involved the community to be served, including public and private agencies, adolescents, and families, in the planning and implementation of the project; and

"(8) will demonstrate innovative and effective approaches in addressing the problems of adolescent promiscuity, pregnancy, or parenthood, including approaches to provide pregnant adolescents with adequate information about adoption.

"(b)(1) The amount of a grant to support necessary services under this title shall be determined by the Secretary, based on factors such as the incidence of adolescent pregnancy prevention and pregnancy-related services in such area.

"(2) In making grants to support necessary services under this title, the Secretary shall consider the special needs of rural areas and, to the maximum extent practicable, shall distribute funds in consideration of the relative number of adolescents in such areas in need of such services.

"(c)(1) A grantee may not receive funds to support necessary services under this title for a period in excess of 5 years.

"(2)(A) Subject to paragraph (3), a grant made to support necessary services under this title may not exceed—

"(i) 70 percent of the costs of a project assisted under this title for the first and second years of the project;

"(ii) 60 percent of such costs for the third year of the project;

"(iii) 50 percent of such costs for the fourth year of the project; and

"(iv) 40 percent of such costs for the fifth year of the project.

"(B) Non-Federal contributions required by subparagraph (A) may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

"(3) The Secretary may waive the limitation specified in paragraph (2)(A) for any year in accordance with criteria established by regulation.

"REQUIREMENTS FOR APPLICATIONS

"SEC. 1906. (a) An application for a grant to support necessary services under this title shall be in such form and contain such information as the Secretary may require, and shall include—

"(1) an identification of the incidence of adolescent pregnancy and related problems;

"(2) a description of the economic conditions and income levels in the geographic area to be served;

"(3) a description of existing pregnancy prevention and pregnancy-related services (including adoption services education), and including where, how, by whom, and to whom such services are provided, and the extent to which they are coordinated in the geographic area to be served;

"(4) a description of the major unmet needs for necessary services for adolescents at risk of initial or recurrent pregnancies, the number of adolescents currently served in the area, and the number of adolescents not being served in the area;

"(5) a description of which necessary services will be provided in the project using funds under this title or otherwise provided by the grantee, to whom they will be provided, how they will be coordinated, integrated, and linked with other related programs and services and the source or sources of funding of such necessary services in the public and private sectors;

"(6) a description of how the grantee will, as appropriate in the provision of necessary services, involve families of adolescent parents or pregnant adolescents in a manner which will maximize the role of the family in the solution of problems relating to the parenthood or pregnancy of the adolescent;

"(7) a description of the manner in which adolescents needing services other than the necessary services provided directly by the grantee will be identified and how access and appropriate referral to such other services (such as medicaid; licensed adoption agencies; maternity home services; public assistance; employment services; child care services for adolescent parents; and other city, county, and State programs related to adolescent pregnancy) will be provided, including a description of a plan to coordinate such other services with the necessary services supported under this title;

"(8) a description of the grantee's capacity to continue necessary services as Federal funds decrease and in the absence of Federal assistance;

"(9) a description of the results expected from the provision of necessary services, and the procedures to be used for evaluating those results;

"(10) a summary of the views of public agencies, providers of services, and the general public in the geographic area to be served, concerning the proposed use of funds provided under this title and a description of procedures used to obtain those views, and, in the case of applicants who propose to coordinate services administered by a State, the written comments of the appropriate State officials responsible for such services;

"(11) assurances that the applicant will have an ongoing quality assurance program;

"(12) assurances that the applicant shall have a system for maintaining the confidentiality of patient records in accordance with regulations promulgated by the Secretary;

"(13) assurances that the applicant will demonstrate its financial responsibility by the use of such accounting procedures and other requirements as may be prescribed by the Secretary;

"(14) assurances that the applicant (A) has or will have a contractual or other arrangement with the agency of the State (in which the applicant provides necessary services) that administers or supervises the administration of a State plan approved under title XIX of the Social Security Act for the payment of all or a part of the applicant's costs in providing health services to persons who are eligible for medical assistance under such a State plan, or (B) has made or will make every reasonable effort to enter into such an arrangement;

"(15) assurances that the applicant has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing health services to persons who are entitled to benefits under title V of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

"(16) assurances that the applicant has or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing services to persons entitled to services under parts B and E of title IV and title XX of the Social Security Act;

"(17)(A) a description of—

"(i) the schedule of fees to be used in the provision of necessary services, which shall comply with section 1904(c) and which shall be designed to cover all reasonable direct and indirect costs incurred by the applicant in providing such services; and

"(ii) a corresponding schedule of discounts to be applied to the payment of such fees, which shall comply with section 1904(c) and which shall be adjusted on the basis of the ability of the eligible person to pay;

"(B) assurances that the applicant has made and will continue to make every reasonable effort—

"(i) to secure from eligible persons payment for necessary services in accordance with such schedules;

"(ii) to collect reimbursement for health or other necessary services provided to persons who are entitled to have payment made on their behalf for such necessary services under any Federal or other government program or private insurance program; and

"(iii) to seek such reimbursement on the basis of the full amount of fees for such services without application of any discount; and

"(C) assurances that the applicant has submitted or will submit to the Secretary such reports as he may require to determine compliance with this paragraph;

"(18) assurances that the applicant will make maximum use of funds available under title X of this Act;

"(19) assurances that the acceptance by any individual of family planning services or family planning information (including educational materials) provided through financial assistance under this title shall be voluntary and shall not be a prerequisite to eligibility for or receipt of any other service furnished by the applicant;

"(20) assurances that fees collected by the applicant for necessary services rendered in accordance with this title shall be used by the applicant to further the purposes of this title;

"(21)(A) assurances that the applicant will encourage and promote the involvement of the parents or guardians of any adolescent requesting necessary services from the applicant; and

"(B) assurances that the applicant will notify the parents of any unemancipated minor requesting necessary services from the applicant and will obtain the permission of such parents with respect to the provision of such services;

"(22) assurances that primary emphasis for necessary services supported under this title shall be given to adolescents 17 and under who are not able to obtain needed assistance through other means:

"(23) assurances that funds received under this title shall not supplant funds received from any other Federal, State, or local program or any private sources of funds;

"(24) a plan for the conduct of, and assurances that the applicant will conduct, evaluations of the effectiveness of the necessary services supported under this title in addressing the problems such services were designed to address; and

"(25) assurances that the applicant has developed a working relationship with a faculty, college, or university located in the applicant's State which will provide or will assist in providing the monitoring and eval-

uation of the necessary services supported under this title.

"(b) Each grantee which receives funds to support necessary services under this title shall make such reports concerning its use of Federal funds as the Secretary may require. Reports shall include, at such times as are considered appropriate by the Secretary, the results of the evaluations conducted by the grantee of the necessary services supported under this title.

"(c) The Secretary shall provide the Governor of each State a copy of each application received for a grant to support necessary services under this title from an applicant within such State. The Secretary may not take action on any such application for a period of 60 days beginning on the day when the Governor receives such copy in order to permit the Governor to review and submit comments to the Secretary.

"(d) No application submitted for a grant to support necessary services under this title may be approved unless the Secretary is satisfied that necessary services shall be available through the grantee within a reasonable time after such grant is received.

"COORDINATION OF FEDERAL AND STATE PROGRAMS

"SEC. 1907. (a)(1) The Secretary shall coordinate Federal policies and programs providing services relating to the prevention of initial and recurrent adolescent pregnancies. In achieving such coordination, the Secretary shall—

"(A) require that grantees who receive funds to support necessary services under this title report periodically to the Secretary concerning Federal, State, and local policies and programs that interfere with the delivery to and coordination of pregnancy prevention services and other pregnancy-related services for adolescents;

"(B) provide technical assistance to facilitate coordination by State and local recipients of Federal assistance;

"(C) make recommendations for legislation to modify programs administered by the Department of Health and Human Services which provide pregnancy-related services, consult with other departments and agencies of the Federal Government who administer programs that provide such services, and encourage such other departments and agencies to make recommendations for legislation to modify such programs in order to facilitate the use of all Government programs which provide such services as a basis for delivery of more comprehensive pregnancy prevention and pregnancy-related services to adolescents;

"(D) give priority in the provision of funds, where appropriate, to applicants using single or coordinated grant applications for multiple programs; and

"(E) give priority, where appropriate, to the provision of funds under Federal programs (other than the program established by this title) to projects providing comprehensive pregnancy prevention and pregnancy-related services.

"(2) The Secretary shall carry out the requirements of this subsection in a manner which is consistent with the provisions of other Federal laws with respect to the coordination of policies and programs relating to the prevention of initial and recurrent adolescent pregnancies.

"(b) Any State receiving funds under this title to support necessary services shall coordinate its activities with any local agency in the State receiving funds under this title to support necessary services.

"RESEARCH

"SEC. 1908. (a)(1) The Secretary may make grants and enter into contracts with public agencies or nonprofit private organizations or institutions of higher education to support the research and dissemination activities described in paragraphs (5), (6), and (7) of section 1901(b).

"(2) The Secretary may make grants or enter into contracts under this section for a period of one year. A grant or contract under this section for a project may be renewed for four additional one-year periods, which need not be consecutive.

"(3) The amount of any grant or contract for any one-year period under this section may not exceed $60,000. The Secretary may waive the preceding sentence with respect to a specific project if he determines that exceptional circumstances warrant such waiver and that the project will have national impact.

"(b)(1) Funds provided for research under this section may be used for descriptive or explanatory surveys, longitudinal studies, or experimental or demonstration research projects that are for the purpose of increasing knowledge and understanding of the matters described in paragraphs (5) and (6) of section 1901(b), except that such funds may not be used to support research on developing new contraceptives or advancing contraceptive technology or to support research on fetuses.

"(2) Funds provided under this section may not be used for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any building or facility.

"(c) The Secretary may not make any grant or enter into any contract to support research or dissemination activities under this section unless—

"(1) the Secretary has received an application for such grant or contract which is in such form and which contains such information as the Secretary may by regulation require;

"(2) the applicant has demonstrated that the applicant is capable of conducting the types of research or dissemination activities described in paragraphs (5), (6), and (7) of section 1901(b), as the case may be; and

"(3) in the case of an application for a research project, the panel established by subsection (e)(1) has determined that the project is of outstanding scientific merit.

"(d) In carrying out subsection (c)(1), the Secretary shall develop an application which, to the maximum extent practical, is substantially similar to the application used for research programs administered by the Public Health Service.

"(e)(1) The Secretary shall establish a panel to review applications for grants and contracts under this section. Not more than 25 percent of the members of the panel shall be physicians. The panel shall meet as often as may be necessary to facilitate the expeditious review of applications under this section, but not less than three times each year. The panel shall review each project for which an application is made under this section, evaluate the scientific merit of the project, determine whether the project is of outstanding scientific merit, and make recommendations to the Secretary concerning whether the application for the project should be approved.

"(2) The Secretary shall make grants under this section from among the projects which the panel established by paragraph (1) has determined to be of outstanding scientific merit and may only approve an application for a project if the panel has made such determination with respect to such a project. The Secretary shall make a determination with respect to an application within one month after receiving the determinations and recommendations of such panel with respect to the application.

"(f)(1)(A) The recipient of a grant or contract for a research project under this section shall prepare and transmit to the Secretary a report describing the results and conclusions of such research. Except as provided in subparagraph (B), such report shall be transmitted to the Secretary not later than 18 months after the end of the year for which funds are provided under this section. The recipient may utilize reprints of articles published or accepted for publication in professional journals to supplement or replace such report if the research contained in such articles was supported under this section during the year for which the report is required.

"(B) In the case of any research project for which assistance is provided under this section for two or more consecutive one-year periods, the recipient of such assistance shall prepare and transmit the report required by subparagraph (A) to the Secretary not later than 12 months after the end of each one-year period for which such funding is provided.

"(2) Recipients of grants and contracts for dissemination under this section shall submit to the Secretary such reports as the Secretary determines appropriate.

"(g) In carrying out functions relating to the conduct and support of research under this section, the Secretary shall not be subject to the provisions of chapter 35 of title 44, United States Code, except with respect to the collection of survey data which primarily will be used for the generation of national population estimates.

"EVALUATION AND ADMINISTRATION

"SEC. 1909. (a) Of the funds appropriated under this title, the Secretary shall reserve not less than 1 percent and not more than 3 percent for the evaluation of activities carried out under this title. The Secretary shall submit to the appropriate committees of the Congress a summary of each evaluation conducted under this section.

"(b) The head of the office or agency of the Department of Health and Human Services which carries out the provisions of this title shall report directly to the Assistant Secretary for Health with respect to his activities in carrying out such provisions.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1910. For the purpose of carrying out this title, there are authorized to be appropriated $30,000,000 for the fiscal year ending September 30, 1982, $30,000,000 for the fiscal year ending September 30, 1983, and $30,000,000 for the fiscal year ending September 30, 1984.

"RESTRICTION ON ACTIVITIES OF RECIPIENTS OF ASSISTANCE

"SEC. 1911. No recipient of assistance under this title may provide abortion counseling or referral, make any payment for the performance of an abortion, or conduct any research relating to abortion, except that a recipient of a grant or contract under section 1908 may conduct research relating to the negative consequences of abortion.".

(b) Effective October 1, 1981, title VI of the Health Services and Centers Amendments of 1978 is repealed.

ADOLESCENT FAMILY LIFE—SECTION-BY-DESCRIPTION

FINDINGS AND PURPOSES

Section 1901(a) would set forth Congressional findings with regard to this legislation about adolescent promiscuity, pregnancy, and parenthood.

Section 1901(b) would set forth the purposes of title XIX as follows:

(1) to promote positive, family-centered approaches to the problems of adolescent promiscuity and adolescent pregnancy;

(2) to promote adoption as an alternative for adolescent parents;

(3) to establish better coordination, integration, and linkages among existing programs in order to—

(A) enable pregnant adolescents to obtain proper care and assist pregnant adolescents and adolescent parents to become produc-

tive independent contributors to family and community life, with primary emphasis on services to adolescents who are 17 years of age and under; and

(B) assist family in which there is a pregnant adolescent or an adolescent and siblings at high risk to resolve the problems which are associated with or which cause the behavior relating to adolescent pregnancy;

(4)(A) to expand the availability of services that are essential to the objective described in paragraph (3); and

(B) to promote innovative, comprehensive, and integrated approaches to the delivery of such services;

(5) to encourage and support research and inquiry into the causes and consequences of adolescent promiscuity, contraceptive use, pregnancy, and child rearing;

(6) to support evaluative research to identify effective educational and social services, which alleviate, eliminate, or resolve negative consequences of adolescent promiscuity and adolescent childbearing for both the parents and the child; and

(7) to encourage and provide for the dissemination of results, findings, and information from programs and research projects relating to adolescent promiscuity, pregnancy, and parenthood.

DEFINITIONS

Section 1902 would define terms for this program as follows:

Secretary means the Secretary of Health and Human Services (HHS).

Eligible person means a pregnant adolescent, an adolescent parent, or the family of a pregnant adolescent or an adolescent parent, with regard to the provision of all necessary services; or a nonpregnant adolescent, with regard to the provision of the services described in paragraphs (4) (A), (D), (E), (G), (I), (M), (N), and (P), below and referral to such other services which may be appropriate.

Eligible grant recipients means a public or nonprofit private organization or agency which demonstrates, to the satisfaction of the Secretary, the capability of providing necessary services in a single setting or the capability of creating a network through which necessary services would be provided.

Necessary services (hereafter referred to as services) means those services which may be determined by the Secretary to be essential to the achievement of the purposes of this title, including—

Pregnancy testing, maternity counseling and referral services;

Adoption counseling and referral services which present adoption as an option for pregnant adolescents, including referral to licensed adoption agencies in the community if the eligible grant recipient is not a licensed adoption agency;

Primary and preventive health services including pre-natal and postnatal care;

Nutrition information and counseling;

Referral for screening and treatment of venereal disease;

Referral to appropriate pediatric care;

Educational services in family life, including information about adoption;

Referral to appropriate educational and vocational services;

Family planning services, except that such services shall be limited to counseling and referral unless suitable and appropriate family planning services are not otherwise available in the community;

Referral to licensed residential care or maternity home services;

Referral to other appropriate health services;

Child care sufficient to enable the adolescent parent to continue education or to enter into employment;

Consumer education and homemaking;

Counseling for the immediate and extended family members of the eligible person;

Transportation; and

Such other services consistent with the purposes of this program as the Secretary may approve in accordance with regulations,

Adolescent means an individual under the age of 19;

Unemancipated minor means a minor who is subject to control, authority, and supervision of his or her parents or guardians, as determined under state law; and

Promiscuity means having sexual intercourse out of wedlock.

AUTHORITY TO MAKE GRANTS AND ENTER INTO CONTRACTS

Section 1903 would authorize the Secretary of HHS to make grants to help communities provide services in easily accessible locations, assure a continuity of necessary service and appropriate assistance and coordinate, integrate, establish linkages among such services. As appropriate projects would be required to provide, supplement or improve the quality of services. Priority for the provision of services would be given to adolescents who are 17 years of age or under and are pregnant or who are parents. Projects would use methods to strengthen the capacity of families to deal with the pregnancy or parenthood of adolescents and to make use of support systems such as other family members, friends, religious organizations, and voluntary associations.

USES OF GRANTS AND CONTRACTS

Section 1904(a) would provide that funds for services under this program could only be used to provide services to eligible persons; coordinate, integrate and provide linkages among providers of necessary services for eligible persons in accord with the purposes of this legislation; plan for the administration and coordination of pregnancy prevention and pregnancy-related services for adolescents to further the objectives of this legislation; and fulfill assurances required for grant approval set forth in section 1906.

Section 1904(b) would provide that no funds be used for the provision of family planning services (other than counseling and referral services) to adolescents unless such services are not otherwise available in the community. Grantees who determine that those services are not otherwise available may not use funds from this title to provide family planning services if they receive funds for that purpose from other sources.

Section 1904(c) would require grantees to charge fees in accordance with a fee schedule approved by the Secretary of HHS as part of the application. Such fee schedule would base fees on the income of the eligible persons or parents or legal guardians of the eligible person and would take into account the difficulty adolescents face in obtaining resources to pay for necessary services. Grantees could not discriminate in the provision of services because of an individual's inability to provide payment, except that the income of the family would be considered in the case of an unemancipated minor.

PRIORITIES, AMOUNTS, AND DURATION OF GRANTS FOR NECESSARY SERVICES

Section 1905(a) would require the Secretary, in approving applications for service grants, to give priority to applicants who—

(1) serve an area where there is a high incidence of adolescent pregnancy;

(2) serve an area where the incidence of low-income families is high and where the availability of necessary services is low;

(3) show evidence of having the ability to bring together a wide range of necessary services in comprehensive single-site projects, or to establish a well-integrated network of necessary services (appropriate for the target population and geographic area to be served including the special needs of rural areas) for adolescents.

(4) will utilize to the maximum extent feasible existing available programs and facilities such as neighborhood and primary health care centers, maternity homes which provide or can be equipped to provide necessary services to pregnant adolescents, agencies serving families, youth, and children with established programs of service to pregnant adolescents and vulnerable familes, licensed adoption agencies, children and youth centers, maternal and infant health centers, regional rural health facilities, school and other educational programs, mental health programs, nutrition programs, recreation programs, and other ongoing pregnancy prevention and pregnancy-related services;

(5) make use, to the maximum extent feasible, of other Federal, State, and local funds, programs, contributions, and other third-party reimbursements;

(6) can demonstrate a community commitment to the program by making available to the project non-Federal funds, personnel, and facilities;

(7) have involved the community to be served, including public and private agencies, adolescents, and families, in the planning and implementation of the project; and

(8) will demonstrate innovative and effective approaches in addressing the problems of adolescent promiscuity, pregnancy, or parenthood, including provision of adequate information about adoption.

Section 1905(b) would provide that the amount of a grant for services would be determined by the Secretary based on factors such as the incidence of adolescent pregnancy in the geographic area to be served, and the adequacy of pregnancy prevention and pregnancy-related services in the area. In making service grants the Secretary would be required to consider the special needs of rural areas and, to the maximum extent practicable he would be required to distribute funds taking into consideration the number of adolescents in rural areas in need of such services.

Section 1905(c) would place a maximum limit of five years during which a grantee could receive funds under this program. For the first and second years the Federal grant could not exceed 70 percent of the cost of the projects. In each succeeding year the Federal grant would have to decrease by at least 10 percent of the amount of the grant the preceding year, except that the Secretary could waive these matching requirements in accordance with criteria established by regulation.

REQUIREMENTS OF APPLICANTS

Section 1906(a) would require that each application for a grant to provide services be in such form and contain such information as required by the Secretary and shall at least include the following:

(1) an identification of the incidence of adolescent pregnancy and related problems;

(2) a description of the economic conditions and income levels in the geographic area to be served;

(3) a description of existing pregnancy prevention and pregnancy-related services (including adoption services education), and including where, how, by whom, and to whom they are provided, and the extent to which they are coordinated in the geographic area to be served;

(4) a description of the major unmet needs for services for adolescents at risk of recurrent pregnancies, the number of adolescents currently served in the area, and the number of adolescents not being served in the area;

(5) a description of which services will be provided in the project using funds under this title or otherwise provided by the grantee, to whom they will be provided, how they will be coordinated, integrated, and linked with other related programs and services and the source or sources of funding of such services in the public and private sectors;

(6) a description of how the grantee will, as appropriate in the provision of services, involve families of adolescent parents or

pregnant adolescents in a manner which will maximize the role of the family in the solution of problems relating to the parenthood or pregnancy of the adolescent;

(7) a description of the manner in which adolescents needing services other than the services, authorized under this title, provided directly by the grantee will be identified and how access and appropriate referral to such other services (such as medicaid; license adoption agencies; maternity home services; public assistance; employment services; child care services for adolescent parents; and other city, county, and State programs related to adolescent pregnancy) will be provided, including a description of a plan to coordinate such other services with the necessary services supported under this title;

(8) a description of the grantee's capacity to continue services as Federal funds decrease and end;

(9) a description of the results expected from the provision of services, and the procedures to be used for evaluating those results;

(10) a summary of the views of public agencies, providers of services, and the general public in the geographic area to be served, concerning the proposed use of funds provided under this title and a description of procedures used to obtain those views, and, in the case of applicants who propose to coordinate services administered by a State, the written comments of the appropriate State officials responsible for such services;

(11) assurances that the applicant will have an ongoing quality assurance program;

(12) assurances that the applicant shall have a system for maintaining the confidentiality of patient records in accordance with regulations promulgated by the Secretary;

(13) assurances that the applicant will demonstrate its financial responsibility by the use of such accounting procedures and other requirements as may be prescribed by the Secretary;

(14) assurances that the applicant (A) has or will have a contractual or other arrangement with the agency of the State that administers or supervises the administration of a Medicaid State plan for the payment of all or a part of the applicant's costs in providing health services to persons who are eligible for medical assistance under such a State plan, or (B) has made or will make every reasonable effort to enter into such an arrangement;

(15) assurances that the applicant has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing health services to persons who are entitled to benefits under title V of the Social Security Act (maternal and child health and crippled children's services), to medical assistance under a State plan approved under title XIX of such Act (Medicaid), or to assistance for medical expenses under any other public assistance program or private health insurance program;

(16) assurances that the applicant has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing services to persons entitled to services under parts B and E of Title IV and the Social Security Act (social services);

(17)(A) a description of the schedule of fees to be used in the provision of services, as described in section 1904(c) designed to cover the reasonable costs incurred by the applicant in providing such services and a corresponding schedule of discounts to be applied to the payment of such fees, in compliance with section 1904(c), adjusted on the basis of the ability of the individual to pay;

(B) assurances that the grant applicant has made and will continue to make every reasonable effort to secure payment for services from individuals served; to collect reimbursement for health or other necessary services provided to persons who are entitled to have payment made on their behalf for such necessary services under any Federal or other government program or private insurance program and to seek such reimbursement on the basis of the full amount of fees for such services without application of any discount; and

(C) assurances that the grant applicant has submitted or will submit reports as may be required to determine compliance with this paragraph;

(18) assurances that the applicant will make maximum use of funds available under title X of the Public Health Service Act (family planning);

(19) assurances that the acceptance by any individual of family planning services or family planning or population growth information (including educational materials) provided through financial assistance under this title shall be voluntary and shall not be a prerequisite to eligibility for or receipt of any other service furnished by the applicant;

(20) assurances that fees collected by the applicant for services rendered in accordance with this title shall be used by the applicant to further the purposes of this title;

(21)(A) assurances that parental involvement will be encouraged and promoted.

(B) assurances that the applicant will notify the parents of any unemancipated minor requesting services from the applicant and will obtain the permission of such parents with respect to the provision of such services;

(22) assurances that primary emphasis for services supported under this title shall be given to adolescents 17 and under who are not able to obtain needed assistance through other means;

(23) assurances that funds received under this title shall not supplant funds received from any other Federal, State, or local program or any private sources of funds;

(24) a plan for the conduct of, and assurances that the applicant will conduct, evaluations of the effectiveness of the services supported under this title in addressing the problems such services were designed to address; and

(25) assurances that the applicant has developed a working relationship with faculty of a college or university located in the applicant's State which will provide or will assist in providing the monitoring and evaluation of the services supported under this title.

Section 1906(b) would require each grantee to make reports concerning its use of Federal funds as required by the Secretary. Reports would include the results of evaluations conducted by the grantee at such times as required by the Secretary.

Section 1906(c) would require the Secretary to provide to the Governor of each State copies of applications for service grants from within the State. The Governor would have a period of 60 days to review and submit comments to the Secretary.

Section 1906(d) would not allow a service grant to be approved unless the Secretary were satisfied that services would be available within a reasonable time after the grant funds were received.

COORDINATION OF FEDERAL AND STATE PROGRAMS

Section 1907(a) would require the Secretary, in a manner consistent with provisions of other laws, to coordinate Federal policies and programs providing services relating to the prevention of recurrent adolescent pregnancies. In achieving such coordination, the Secretary would be required to:

(A) require that grantees under this title report periodically to the Secretary concerning Federal, State, and local policies and programs that interfere with the delivery to and coordination of pregnancy prevention services and other pregnancy-related services for adolescents;

(B) provide technical assistance to facilitate coordination by State and local recipients of Federal assistance;

(C) consult with other departments and agencies of the Federal government who administer programs that provide pregnancy-related services and made recommendations for legislation to modify programs administered by the Department of Health and Human Services and encourage other departments and agencies to make similar recommendations in order to facilitate the use of such programs as a basis for delivery of more comprehensive pregnancy prevention and pregnancy-related services to adolescents;

(D) give priority in the provision of funds, where appropriate, to applicants using single or coordinated grant applications for multiple programs; and

(E) give priority, where appropriate, to the provision of funds under Federal programs (other than the program established by this title) to projects providing comprehensive pregnancy prevention and pregnancy-related services.

Section 1907(b) would require any State receiving service funds under this title to coordinate its activities with any local agency in the State receiving service funds under the title.

RESEARCH

Section 1908(a)(1). The Secretary may make grants and enter into contracts with public agencies or nonprofit private organizations or institutions of higher education to support the research and dissemination activities described in paragraphs (5), (6), and (7) of section 1901(b).

(2) the time limit is five years maximum.

(3) the amount of any grant should not exceed $60,000 per year except under exceptional circumstances.

Section (b)(1) research funds can be used for descriptive or explanatory surveys longitudinal studies, or experimental or demonstration research projects that are for the purpose of increasing knowledge and understanding of the matters described in paragraphs (5) and (6) of section 1901(b); research on fetuses or for developing new contraceptives or advancing contraceptive technology is prohibited.

(2) Funds may not be used for purchase of land or building improvement.

(c) restrictions on grants:

(1) grants must be made as a result of application

(2) applicant must demonstrate research capability

(3) the application must be approved by a peer review panel

(d) the Secretary will develop an application form similar to those used by the Public Health Service.

(e)(1) the Secretary will establish a review panel, not more than 25 percent may be physicians. The panel shall meet 3 times a year and review each project application, and evaluate it for scientific merit.

(e)(2) The Secretary shall make grants from among the projects which have been rated by the review panel to be of outstanding scientific merit. The Secretary shall determine which projects shall be funded within one month after receiving recommendations from the panel.

(f)(1)(a) Reports. Grant recipients shall prepare reports describing results and conclusions of research within 18 months of the end of the project.

(b) for projects funded for two or more years interim shall be submitted for each fiscal year.

(2) contracts and grants recipients shall provide such reports as the Secretary determines appropriate for dissemination projects.

(g) in carrying out research under this section the Secretary shall not be subject to the provisions of chapter 35 of title 44, United States Code, except with respect to the collection of survey data which primarily will be used for the generation of national population estimates. This section of the code requires OMB clearance for questionnaires.

Section 1909(a) would require the Secretary to reserve not less than one and not more than 3 percent of the funds appropriated under this title for evaluation of activities under the title. The Secretary would be required to submit a summary of each such evaluation to the appropriate committees of Congress.

Section 1909(b) would require the head of the office or agency of the Department of Health and Human Services which administers this title to report directly to the Assistant Secretary of Health.

AUTHORIZATION OF APPROPRIATIONS

Section 1910 would set the authorization levels at $30 million each for fiscal years 1982, 1983 and 1984.

RESTRICTION ON ACTIVITIES OF RECIPIENTS OF ASSISTANCE

Section 1911(a) would prohibit a grantee or contractor who receives funds under this title from providing abortion counseling or referral or making payments for the performance of an abortion, or conduct research relating to abortion, except research relating to the negative consequences of abortion.

REPEAL OF CURRENT LAW

Section 1911(b) would repeal Title VI of the Health Services and Centers Amendments of 1978 effective October 1, 1981.●

ADDITIONAL COSPONSORS

S. 54

At the request of Mr. HAYAKAWA, the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of S. 54, a bill to repeal the provisions of title 23, United States Code, requiring a national maximum speed limit of 55 miles per hour.

S. 234

At the request of Mr. HATCH, the Senator from Nebraska (Mr. ZORINSKY), the Senator from South Dakota (Mr. PRESSLER), the Senator from Indiana (Mr. QUAYLE), the Senator from Florida (Mrs. HAWKINS), and the Senator from Connecticut (Mr. WEICKER) were added as cosponsors of S. 234, a bill to amend the Public Health Service Act to encourage the establishment of home health programs and to amend the Social Security Act to provide expanded coverage of home health services under the medicare and medicaid programs.

S. 255

At the request of Mr. MATHIAS, the Senator from Iowa (Mr. GRASSLEY), the Senator from North Carolina (Mr. EAST), and the Senator from Delaware (Mr. BIDEN) were added as cosponsors of S. 255, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

S. 312

At the request of Mr. LEVIN, the Senator from Colorado (Mr. HART), and the Senator from West Virginia (Mr. ROBERT C. BYRD) were added as cosponsors of S. 312, a bill for the relief of Maria and Timofei Chmykhalov, and for Lilia, Peter, Liubov, Lidia, and Augustina Vashcenko.

S. 344

At the request of Mr. LEVIN, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 344, a bill to increase the accountability of, policy coordination by, and management of priorities by agencies through an improved mechanism for congressional oversight of the rules of agencies.

S. 878

At the request of Mr. CANNON, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 878, a bill to amend the Internal Revenue Code of 1954 to provide an investment tax credit for the installation of certain fire prevention equipment.

S. 956

At the request of Mr. DECONCINI, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 956, a bill to amend the Reclamation Safety of Dams Act of 1978 to authorize additional appropriations, and for other purposes.

SENATE JOINT RESOLUTION 47

At the request of Mr. WEICKER, the Senator from South Carolina (Mr. HOLLINGS), the Senator from Oregon (Mr. HATFIELD), the Senator from Ohio (Mr. GLENN), the Senator from Texas (Mr. TOWER), the Senator from Indiana (Mr. LUGAR), and the Senator from Minnesota (Mr. DURENBERGER) were added as cosponsors of Senate Joint Resolution 47, a joint resolution to authorize and request the President to issue a proclamation designating the week beginning May 10, 1981, as "National Small Business Week."

SENATE JOINT RESOLUTION 66

At the request of Mr. PRYOR, the Senator from Pennsylvania (Mr. HEINZ), the Senator from Florida (Mr. CHILES), the Senator from New Mexico (Mr. DOMENICI), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Montana (Mr. MELCHER), the Senator from Maryland (Mr. MATHIAS), the Senator from Florida (Mrs. HAWKINS), the Senator from Iowa (Mr. GRASSLEY), the Senator from Connecticut (Mr. DODD), the Senator from Montana (Mr. BAUCUS), the Senator from Ohio (Mr. GLENN), the Senator from Arizona (Mr. DECONCINI), the Senator from Arkansas (Mr. BUMPERS), the Senator from Michigan (Mr. RIEGLE), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of Senate Joint Resolution 66, a joint resolution designating May 6, 1981, as "National Nursing Home Residents Day."

SENATE RESOLUTION 111

At the request of Mr. LEAHY, the Senator from Massachusetts (Mr. KENNEDY), the Senator from California (Mr. CRANSTON), and the Senator from Missouri (Mr. DANFORTH) were added as cosponsors of Senate Resolution 111, a resolution entitled "The Infant Nutrition Resolution."

SENATE RESOLUTION 118—RESOLUTION COMMENDING THE CULTURAL LAUREATE PROGRAM

Mr. HARRY F. BYRD, JR. (for himself and Mr. WARNER), submitted the following resolution:

S. RES. 118

Whereas, the Senate should seek means to advance the best interests of all the people of the United States; and

Whereas, in our history of taming a continent and building a great industrial society, our citizens have shown a continuing dedication to both the quality of life and excellence in achievement; and

Whereas, by the public recognition of achievement, our society reaffirms the greatness of our people and encourages continued striving toward that excellence in every walk of life which has made our country the most powerful nation in the world; and

Whereas, there now exists a Cultural Laureate program which enables the people of each State and territory to honor fellow citizens for their outstanding achievements and provides for national recognition by the public of the exceptional accomplishments of the people; and

Whereas, the Cultural Laureate program belongs to the people and operates without any requirement for either State or Federal funding:

Resolved, That the Senate commends the Cultural Laureate program as being in the best interest of all the people and encourages establishment of the Laureate in each of the various States and territories and in the Nation so that the people of the United States can fully and appropriately express their commitments to excellence.

SEC. 2. When the Cultural Laureate becomes truly national in scope, the Senate recommends public recognition of those citizens nominated by the people and selected for honor by groups of their peers to the end that all the people of the world shall know that the greatness of America is firmly based upon the achievements of individual Americans.

● Mr. HARRY F. BYRD, JR. Mr. President, I submit a resolution which would permit the Senate to recognize and encourage the fine goals of the cultural laureate program, which honors outstanding achievement and leadership in all walks of life.

The program has been chartered in the State of Viriginia, where it was conceived and developed by two splendid Virginians—Allen E. Turner and Donald Miller.

The primary purpose of the State cultural laureate program is to give direction to the discovery and ultimate reward of excellence and at the same time to honor that achievement through and on behalf of the entire State.

The laureate awards will honor people in fields that have contributed to and continue to make for American progress and individuals who have improved the quality of life for all of us—the practical as well as the scientific and theoretical. The program is not limited to excellence found just in science, the classic arts, or history—which are covered—but, with equal importance, recognition is acknowledged in technology and services, including such areas as business, building construction, landscaping, and public administration.

Selections are made by 10 peer-group panels, made up of individuals whose background and experience reflect the nature of each award category. The basis for selection is that the person designated for laureation has made the greatest contribution to his fellowman in the category under consideration, and that the work has contributed to human progress and understanding and en-

hanced the opportunity for fulfillment and happiness.

In this way, Virginia honors Virginians for their outstanding achievements. This has been most successful in Virginia, and I commend its initiation to other States to honor the accomplishments of their own.

I submit this resolution to the Senate on behalf of myself and Senator Warner and ask that it be appropriately referred, and I urge its approval.●

SENATE RESOLUTION 119—RESOLUTION COMMENDING THE LATE PETER SALMON FOR HIS SERVICE TO THE BLIND

Mr. RANDOLPH submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 119

Whereas the Senate has been advised of the recent death of Peter Salmon;

Whereas Peter Salmon left behind a legacy of accomplishments in the field of work for the blind;

Whereas Peter Salmon's contributions were of invaluable assistance to the Senate in the development of significant pieces of legislation benefitting blind persons, namely the Randolph-Sheppard Act and the Wagner-O'Day Act;

Whereas Peter Salmon's unsurpassed fidelity and unfailing dedication to the cause of the blind have earned for him our affection and our esteem; Now, therefore be it

Resolved, That Peter Salmon is hereby commended for his long, faithful and exemplary service to the cause of the blind.

AMENDMENTS SUBMITTED FOR PRINTING

PUBLIC BUILDINGS LEGISLATION

AMENDMENT NO. 39

(Ordered to be printed and to lie on the table.)

Mr. STAFFORD (for himself, Mr. MOYNIHAN, and Mr. RANDOLPH) submitted an amendment intended to be proposed by them to the bill (S. 533) to establish public buildings policies for the Federal Government, to establish the Public Buildings Service in the General Services Administration, and for other purposes.

ADDITIONAL STATEMENTS

THE FUTURE OF AMTRAK

● Mr. LEAHY. Mr. President, discussion of Amtrak's fiscal 1982 budget continues as we proceed to establish this Nation's transportation priorities for the future. We owe it to our constituents to hold an informed opinion and, before we vote on Amtrak's future, I think we should take the time to see what we will be voting for or against. This weekend, Amtrak will be giving Congress an opportunity to do exactly that.

The National Railroad Passenger Corp., incorporated in 1971, is now one decade old and to celebrate its 10th anniversary, Amtrak is sponsoring a special family day exhibit for Members of Congress, congressional staffs, and families to allow us to examine first hand the significant progress that has been made in that time. Members of Congress, their families, and guests are invited to come to Washington Union Station on Saturday, May 2, to share some birthday cake and see the best and the brightest of Amtrak's fleet. An exciting feature of this display will be the beautiful new high-level superliner cars currently in use on the western routes. One of each type of these cars will be on display, including the spectacular superliner lounge car. This will be the first major showing of this celebrated new equipment in the Northeastern United States and great pains were taken to bring the cars to Washington on a special route to avoid the low clearance problems which prohibit its utilization in the East.

In addition, Amtrak will be displaying some of its latest "Heritage Fleet" equipment, beautifully rebuilt and restored at Amtrak's own Beech Grove, Ind., facilities. Some of these cars are nearly 30 years old, yet the skilled workmen of the Beech Grove plant, who strip the cars to their frames and carefully clean and repair each component, have returned them to their original beauty, retaining heritage features such as etched glass decorations and Indian wall mosaics. However, these rebuilt cars are different in one very important way. While originally the cars were steam-powered, the refurbished equipment has been converted to reliable, all-electric "head-end" power. An old steam coach will be on display to show contrast.

Complimentary 1-hour excursion rides will be offered aboard the experimental LRC—light, rapid, comfortable—train with its innovative tilt-body capability.

Old and new locomotives, turboliner equipment, intermodal displays and urban transit equipment will also be available for your inspection. For the entire family, Amtrak is planning door prizes, balloons, engineer's hats, and entertainment.

The 2 p.m. birthday cake-cutting ceremony and press event will be presided over by Clark Tyler, group vice president, passenger services and communications, joined by the nine original Amtrak employees.

If you have any questions, you should direct them to Amtrak's Government Affairs Department at (202) 383-3937. I do hope you all will be able to attend. I believe it will be an educational experience as well as just plain fun.●

IN MEMORY OF TENNYSON GUYER

● Mr. METZENBAUM. Mr. President, on April 12, with the passing of U.S. Representative Tennyson Guyer, the Nation and the people of Ohio lost a good and decent man whose years of dedicated service won the respect and admiration of all who had the opportunity to work with him.

Since 1973, Tenny Guyer represented the people of the Fourth District of Ohio, and the people of that district will sorely miss Tenny's devotion to and concern for his constituency.

Tenny Guyer, by his own admission, did not like to make political speeches, but that does not mean he did not like to get up in front of crowds. By his own account, he made 10,000 speeches—in all 50 States, and in 24 foreign nations. He was known for his inspirational and, some said, homespun speeches. He was called the "king of corn" by some, "Ohio's ambassador of good will" by others. Knowing Tenny, either title would have pleased him just fine.

Tenny was a deeply religious man. He was an ordained minister in the churches of God of North America, and in the forties he became a pastor of the Celina Church. He went on to become other things as well—a businessman, a mayor, a State senator, and eventually, a Congressman. But Tenny never lost touch with the deep faith that was the inspiration for his personal and professional life.

Tenny, who used to say that he was "born, bred, and buttered" in Findlay, Ohio, compiled a truly impressive list of awards and achievements. He wrote two books, was named honorary chief of the Cherokee Indians, received the coveted "golden apple award" from the Ohio Education Association, and there is much, much more.

But beyond all of this, I think Tenny would simply want to be remembered as a devoted, conscientious humanitarian who represented the hard-working, patriotic people of rural and small-town Ohio. He was one of the people, he spoke for them, and he devoted his life to their service.

Mr. President, I ask my colleagues to join me in extending deepest sympathy to Tenny Guyer's wife, Mae, his daughters, Sharon and Rosetta, to all his family, and to the people of Ohio's Fourth District, who indeed have lost a fine friend, a responsive leader, and a hard-working legislator.●

THE ARMENIAN MASSACRE

● Mr. LEVIN. Mr. President, every year, on April 24, we pause to remember the million-and-a-half Armenians who were massacred by the Turkish Ottoman Empire in what came to be known as the first genocide of the 20th century.

The world did not learn a lesson from this horrendous tragedy, unfortunately, and we soon found out that history does have a way of repeating itself. We have borne witness to many acts of man's inhumanity to man throughout this century.

On an occasion such as this, therefore, it is incumbent upon us to stop and contemplate what has happened in the past, what the present offers, and what the future promises.

The cold-blooded massacre which took place between 1915 and 1918 is an historic reality. We must always remember it as an event which left an indelible mark on the memory of the Armenian people, and hopefully, on all people.

We know that there are Armenians living in Turkey today who do not enjoy the individual freedoms that we in this country take for granted. We also know that Armenians living here enjoy a solid place in American society and have contributed immeasurably to this society through their participation in the pro-

fessions, the arts, the academic community, the Government, philanthropic endeavors and many other pursuits.

The future, of course, lies in the hands of the children and grandchildren of the early immigrants to this land. They have inherited the meaning of the past and know that they are the keepers of the culture and traditions of a proud people. If they remember what happened, and if they do not allow silence to overcome them or us. Such events could eventually disappear from our experience.

Mr. President, each April 24, then, let us mourn those who perished and cherish those who remain to carry on the dream.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36 (b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of a proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on April 2, 1981, and I submit the letter for printing in the RECORD.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room 4229, Dirksen Building.

The letter follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 2, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of Information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36 (b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I submit for printing in the RECORD the notifications which have been received. The classified annexes referred to in two of the covering letters are available to Senators in the office of the Foreign Relations Committee, room 4229 Dirksen Building.

The material follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-30, concerning the Department of the Air Force's proposed Letter of Offer to Turkey for defense articles and services estimated to cost $78 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

You will also find attached a certification as required by Section 620C(d) of the Foreign Assistance Act of 1961, as amended, that this action is consistent with Section 620C(b) of that statute.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-30]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Turkey.

(ii) Total estimated value:
Major defense equipments $56 million.
Other, $22 million.
Total, $78 million.

(iii) Description of articles or services offered: Fifteen F-4E aircraft with spare parts and support equipment.

(iv) Military department: Air Force (SKA).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Included in report for quarter ending December 31, 1980.

(viii) Date report delivered to Congress: April 9, 1981.

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

POLICY JUSTIFICATION

TURKEY—F-4E AIRCRAFT

The Government of Turkey has requested the purchase of 15 F-4E aircraft with spare parts and support equipment at an estimated cost of $78 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Turkey; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

The 15 F-4E aircraft will contribute to the modernization of the Turkish Air Force. The aircraft will be provided in accordance with, and subject to the limitation on use and transfer provided for under the Arms Export Control Act, as embodied in the terms of sale. This sale will not affect the military balance in the region or our efforts for a peaceful settlement of the Cyprus question.

The prime contractor is not identified in this sale because the aircraft are being provided from inventory.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Turkey.

Considering projected procurement of F-16 aircraft and the planned replacement of F-4 with F-16 aircraft in the units of the active Air Force, the sale of 15 F-4 aircraft to Turkey from inventory will not have a significant adverse effect on USAF readiness.

UNDER SECRETARY OF STATE
FOR POLITICAL AFFAIRS,
Washington, D.C.

Pursuant to Section 620C(d) of the Foreign Assistance Act of 1961, as amended, and the authority vested in me by Department of State Delegation of Authority No. 145-2, I hereby certify that the provision of F-4 aircraft to the Government of Turkey is consistent with the principles contained in Section 620C(b) of the Foreign Assistance Act of 1961, as amended.

This certification will be made part of the certification of the Congress under Section 36(b) of the Arms Export Control Act regarding the proposed sale of the abovenamed articles and is based on the justification accompanying said certification, and of which such justification constitutes a full explanation.

DAVID D. NEWSOM.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C. April 10, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-31, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for other than defense articles and services estimated to cost $900 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-31]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Saudi Arabia

(ii) Total estimated value: $900 million

(iii) Description of articles or services offered: U.S. Government program management and contractor services for the operation of one 500-bed hospital for the Saudi Arabian National Guard for a period of 30 months.

(iv) Military department: Army (ZAC)

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: April 10, 1981.

POLICY JUSTIFICATION

SAUDI ARABIA—HOSPITAL OPERATION AND MAINTENANCE

The Government of Saudi Arabia has requested the U.S. Government to manage a program whereby a commercial contractor operates and maintains a 500-bed hospital complex and associated support facilities for

the Saudi Arabian National Guard (SANG) for a period of 30 months. The estimated cost of the program is $900 million.

The sale will contribute to the foreign policy objectives of the United States by helping to improve the security of a friendly nation, a nation important to regional security and to the energy needs of the free world. Further, by its nature, the program will contribute to domestic health service needs of the nation.

The program to operate and maintain the hospital complex will be a centerpiece of the effort to provide comprehensive medical support to SANG personnel and their dependents. This is the initial step in establishing a complete medical/health care system for SANG personnel and their dependents. The system, when complete, will include two 500-bed hospital centers, 15 health clinics, a medical treatment and evacuation system, a mobile surgical hospital, a field medical system, a surgeon general organization, a medical logistics system and a complete training program for medical personnel. It is highly probable that the U.S. Government will be requested to assist with a portion of the balance of the SANG medical program when the decision is made to proceed. The U.S. Government has been working with the SANG since 1973 to modernize its tactical elements and to develop extensive training and logistical support systems.

This sale will not affect the basic military balance in the region.

The prime contractor will not be known until the procurement process has been completed.

Implementation of this sale will require the assignment of 28 additional U.S. Government and 3200 contractor personnel to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 13, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-32, concerning the Department of the Navy's proposed Letter of Offer to Greece for defense articles and services estimated to cost $20 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

You will also find attached a certification as required by Section 620C(d) of the Foreign Assistance Act of 1961, as amended, that this action is consistent with Section 620C(b) of that statute.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-32]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Greece

(ii) Total estimate value:

	Millions
Major defense equipment*	$16
Other	4
Total	20

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: Six TF-41-A-400 aircraft engines and support.

(iv) Military Department: Navy (LCT).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vii) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Included in report for quarter ending 31 December 1980.

(viii) Date report delivered to Congress: 13 April 1981.

POLICY JUSTIFICATION

GREECE—TF-41-A-400 AIRCRAFT ENGINES

The Government of Greece has requested the purchase of six TF-41-A-400 engines and support at an estimated cost of $20 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Greece; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

The purchase of these engines will provide additional TF-41-A-400 engines for use on A-7 and TA-7H aircraft already supplied to Greece under FMS and Grant Aid. The engines will be provided in accordance with, and subject to the limitation on use and transfer provided for under the Arms Export Control Act, as embodied in the terms of sale. This sale will not affect the military balance in the region or our efforts for a peaceful settlement of the Cyprus question. Greece will have no difficulty absorbing these engines.

The prime contractor will be the Detroit Diesel Allison Company of Indianapolis, Indiana.

Implementation of this sale will not require the assignment of any additibnal U.S. Government or contractor personnel to Greece.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

UNDER SECRETARY OF STATE,
Washington, D.C.

Pursuant to Section 620C(d) of the Foreign Assistance Act of 1961, as amended, and the authority vested in me by Department of State Delegation of Authority No. 145-2, I hereby certify that the provision of TF-41-A-400 aircraft engines to the Government of Greece is consistent with the principles contained in Section 620C(b) of the Foreign Assistance Act of 1961, as amended.

This certification will be made part of the certification of the Congress under Section 36(b) of the Arms Export Control Act regarding the proposed sale of the abovenamed articles and is based on the justification accompanying said certification, and of which such justification constitutes a full explanation.

DAVID D. NEWSOM.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-33, concerning the Department of the Navy's proposed Letter of Offer to Australia for defense articles and services estimated to cost up to $450 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-33]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Australia

(ii) Total estimated value: Up to $450 million.

(iii) Description of articles or services offered: Government furnished equipment, technical services, training, and follow-on support in connection with the Australian Follow-on Destroyer Program.

(iv) Military department: Navy (LWN).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: 21 Apr. 1981.

POLICY JUSTIFICATION

AUSTRALIA—FOLLOW-ON DESTROYER PROGRAM SUPPORT

The Government of Australia has requested the purchase of U.S. Government furnished equipment, technical services, training, and follow-on support in connection with the Australian Follow-on Destroyer (FOD) Program at an estimated cost of up to $450 million.

As an ally under the ANZUS Treaty, Australia plays a major role in assuring the stability of Southeast Asia and the South Pacific and is strategically located with respect to the Indian Ocean. Therefore, the United States has cooperated in improving Australia's military capability through foreign military sales, logistics agreements, and combined exercises.

This sale represents a significant commitment by the Australian Government to modernize and strengthen the Royal Australian Navy and is an integral part of the Australian FOD Program which consists of the construction of FFG-7 class frigates in Australia. Construction of the first two ships is to start in 1982 with up to four more planned for a later timeframe.

The sale of this equipment and support will not affect the basic military balance in the region.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel to Australia; however, Australia will probably seek some U.S. contractor services in Australia during the initial development and construction phases.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 17, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-34 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to Japan for defense articles and services estimated to cost $39 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-34]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Japan.

(ii) Total estimated value:

	Millions
Major defense equipment*	$35
Other	4
Total	39

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services

offered: Thirty-two HARPOON missiles with associated spare and repair parts.

(iv) Military department: Navy (LGR, LGS, LGT).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See Annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending 31 December 1980.

(viii) Date report delivered to Congress: April 17, 1981.

POLICY JUSTIFICATION

JAPAN—HARPOON MISSILES

The Government of Japan has requested the purchase of 32 HARPOON missiles with associated spare and repair parts at an estimated cost of $39 million.

Japan is one of the major political and economic powers in East Asia and the Western Pacific and a key partner of the United States in ensuring the peace and stability of that region. It is vital to the U.S. national interests to assist Japan in developing and maintaining a strong and ready self-defense capability which will contribute to an acceptable military balance in the area. This sale is consistent with these U.S. objectives and with the 1960 U.S.-Japan Treaty of Mutual Cooperation and Security.

These missiles are to be used on four new ships being built in Japan, and acquisition of these missiles is crucial to improvement of the Japanese Maritime Self Defense Force's tactical capability. HARPOON will be the only tactical anti-ship missile in the Force, and therefore the principal anti-surface ship weapon.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the McDonnell-Douglas Corporation of St. Louis, Missouri.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Japan.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-36 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to Japan for defense articles and services estimated to cost $76 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-36]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Japan.

(ii) Total estimated value:

	Millions
Major defense equipment*	$70
Other	6
Total	76

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: One TARTAR launching system, one HARPOON launching system, combat direction system software, and associated support.

(iv) Military Department: Navy (LFX).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending December 31, 1980.

(viii) Date report delivered to Congress: April 17, 1981.

POLICY JUSTIFICATION

JAPAN—TARTAR AND HARPOON MISSILE LAUNCHING SYSTEMS

The Government of Japan has requested the purchase of one TARTAR surface-to-air missile launching system and one HARPOON surface-to-surface missile launching system with related support items at an estimated cost of $76 million.

Japan is one of the major political and economic powers in East Asia and the Western Pacific and a key partner of the United States in ensuring the peace and stability of that region. It is vital to the U.S. national interests to assist Japan in developing and maintaining a strong and ready self-defense capability which will contribute to an acceptable military balance in the area. This sale is consistent with these U.S. objectives and with the 1960 U.S.-Japan Treaty of Mutual Cooperation and Security.

The sale of these systems, which will be installed on a new destroyer being built in Japan, is in keeping with United States desires that Japan expand its defense role. Japan already employs these or similar systems and will have no difficulty in absorbing these items.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractors will be Raytheon of Wayland, Massachusetts (TARTAR fire control), General Electric of Pittsfield, Massachusetts (TARTAR director MK 73), FMC Northern Ordnance of Minneapolis, Minnesota (TARTAR launcher), McDonnell-Douglas of St. Louis, Missouri (HARPOON), and Sperry Univac of St. Paul, Minnesota (combat direction system software).

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Japan.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-37, concerning the Department of the Navy's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost $42 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-37]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Saudi Arabia.

(ii) Total estimated value: $42 million.

(iii) Description of articles or services offered: Training and training support assistance through fiscal year 1985 for Royal Saudi Naval Forces personnel entering military training programs in the U.S.

(iv) Military department: Navy (TAU, Amendment No. 1).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Included in report for quarter ending 31 December 1980.

(viii) Date report delivered to Congress: 17 April 1981.

POLICY JUSTIFICATION

SAUDI ARABIA—TRAINING FOR ROYAL SAUDI NAVY PERSONNEL

The Government of Saudi Arabia has requested amendment of an existing foreign military sales agreement to include an additional $42 million in funding for continuation of training and training support assistance for Royal Saudi Naval Forces (RSNF) personnel entering military training programs in the United States during fiscal years 1981 through 1985. Approval of this request will increase the cost of this sales agreement to $61 million.

This sale is consistent with the stated U.S. policy of assisting friendly nations to provide for their own self-defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support the Saudi Arabian effort to improve the security of the country through modernization of Saudi Naval Forces. In addition, enhancement of the defensive capabilities of Saudi Arabia in a regional context will also contribute to overall Middle East peace.

Saudi Arabia is in the process of enlarging and improving its naval assets and operations through its Saudi Naval Expansion Program (SNEP) with the United States. This program started in 1972 and is scheduled to be completed in the mid-1980's. The SNEP includes the purchase of 29 ships and craft, shore facilities, equipment, and training. The training and training support assistance purchased to date under the SNEP has a value of $417.5 million. This purchase will provide for the continued training of RSNF personnel in established U.S. military schools to insure the RSNF has the requisite numbers of trained personnel to operate and maintain the ships, weapon systems, and facilities purchased from the United States.

This sale does not represent any significant change in the overall military balance in the region.

The training and training support purchased under this agreement will be provided at established U.S. military schools in the United States. Contracts with the commercial sector are not anticipated under this sale.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Saudi Arabia.

This sale will have no impact on U.S. defense readiness.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-38, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for design and construction services estimated to cost $504 million. Shortly after this letter

is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-38]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Saudi Arabia.

(ii) Total estimated value: $504 million.

(iii) Description of articles or services offered: This case provides for design and construction services necessary to provide facilities essential to support the Royal Saudi Navy. It involves a naval academy that was not previously identified in earlier approved cases.

(iv) Military department: Army (HAQ, Amendment No. 14).

(v) Sales commission, fee, etc. Paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: 17 April 1981.

POLICY JUSTIFICATION

SAUDI ARABIA—NAVAL FACILITIES CONSTRUCTION

The Government of Saudi Arabia has requested amendment of an existing foreign military sales agreement to include an additional $504 million in funding for design and construction services for a naval academy in Saudi Arabia. Approval of this request will bring the total cost of this effort to $4.27 billion.

This effort is one of several construction projects being supervised by the U.S. Army Corps of Engineers which, when completed, will provide operational, training, and support facilities for the Saudi Arabian armed forces. The development of defense infrastructure is important in assisting nations to provide for their own security. Further, the values of construction efforts such as these extend far beyond the facilities themselves to the training and economic benefits derived by the labor force.

This particular construction effort is in support of the Saudi Naval Expansion Program (SNEP), which will provide major facilities for the Royal Saudi Navy to include deep-water ports on both the Red Sea and the Persian Gulf, ship repair facilities, training facilities, a naval headquarters, and a naval academy. The scope of the project covered by this amendment includes an administration building, learning resource center, classroom building, dining facility, auditorium, mosque, museum, housing, athletic facilities, sailing facilities, utilities, maintenance and storage facilities, and requisite site preparation. These facilities were identified in master planning reports and will provide a complete academic and training complex.

This sale does not represent any significant change in the overall military balance in the region.

The number of U.S. Army Corps of Engineers personnel at the project site during construction is expected to average five military and 80 civilian employees. However, no increase in the number of U.S. military and civilian employees in Saudi Arabia is anticipated in support of this case due to the completion of other ongoing construction projects. The total contractor work force should approximate 3,000 persons, primarily third country nationals.

The proposed sale will have no impact on U.S. defense readiness since the sale does not involve the transfer of materiel from defense stocks and does not require additional U.S. Government personnel in Saudi Arabia to implement the sale.●

THE EFFECTS OF BUDGET CUTTING

● Mr. DECONCINI. Mr. President, I would like to bring to the Senate's attention an article which appeared in the Arizona Republic on March 22 of this year. Written by John Leach of the Republic staff, the article outlines the fallout Leach expects as a result of the Reagan administration's proposed budget cuts in the area of social programs.

Leach has included problems cited by various public officials. Bill Jamieson, director of the Arizona Department of Economic Security, predicts we will be making a choice between "important programs and essential programs." Jim West, Governor Babbitt's press secretary, says:

You'll have a lot of people truly concerned about cutting the budget, "except for my program" . . . there are a lot of competing interests.

I support the President's program to balance the budget. However, I ask that this article be printed in the RECORD to point out that how we undertake this process is crucial.

The article follows:

FEDERAL REDUCTIONS IN SOCIAL PROGRAMS STRIKE AT WORKERS

(By John Leach)

President Reagan's proposed federal-budget cuts strike at the heart of day care, food stamps and other social programs that enable thousands of low-income Arizonians to keep working and stay off welfare, according to state officials.

"Take the mother with two kids who is really struggling to make it, and day care and food stamps are the only way she can do it," said Bill Jamieson, director of the Department of Economic Security.

"And she's working in a subsidized job to get the training she needs to find work in the private sector. Her subsidized job and the food-stamp benefits are going to be cut, and she won't have day care anymore. What will happen to her and her kids?

"There will be stories like that. No one knows what they're going to do in many cases. They may turn to Aid to Families with Dependent Children, but that will be cut, too."

That is just part of the fallout state officials expect from the Reagan administration's proposed cuts in federal support for a wide range of social programs operated by governments and non-profit agencies in Arizona.

Although precise figures are not available, Arizona is expected to lose $7 million to $13 million from the more than $50 million in federal funds that now flow into the state for a variety of social services.

Also, between $12 million and $24 million of the $118 million in federal funds the state receives for food-stamp payments would be cut, along with about $2 million of the $21 million in Aid to Families with Dependent Children.

In addition to the cuts for social services, the existing categorical grants, which apply to individual programs, would be consolidated into block grants and turned over to Gov. Bruce Babbitt for distribution.

As a result, Babbitt would pick up from the federal government the tough task of deciding who gets what from those diminished funds, which finance everything from day care to vocational rehabilitation for the handicapped.

Jim West, the governor's press secretary, predicts there will be "a lot of squawking," regardless of what choices are made, if Reagan's proposed budget cuts win congressional approval.

"You'll have a lot of people truly concerned about cutting the budget, 'except for my program,'" West added. "There are a lot of competing interests."

The money also benefits groups such as minorities who belong primarily to the Democratic Party, thus making those decisions much more difficult for their fellow Democrat Babbitt.

The political clout of one of those groups was demonstrated last month when the Legislature, under heavy lobbying from low-income working mothers, approved $2.8 million in emergency aid to maintain day-care subsidies for 6,500 children.

Jamieson had proposed reductions in eligibility, which would have cut subsidies for the children, to stay within his budget after the program experienced stronger-than-expected demand for the subsidies.

Babbitt's office is developing a philosophy for distributing next year's federal funds for day care and other social services in a way that would be considered fair by the various groups served by the programs, West said.

Alternatives under study range from across-the-board cuts in programs to full funding for some and elimination of others.

Jamieson favors the latter method, arguing that a scheme must be devised to divide the money fairly among the state and local governments and non-profit groups, and reorder their roles.

"We have to make the choice between important programs and the essential programs," Jamieson said. "We just won't be able to continue some important programs.

"Providing recreation or character-building programs for young people is important, but feeding them and providing medical care and housing are absolutely essential because you can't build character in a hungry child."

Jamieson said he believes Reagan has made the easy decisions by cutting the social programs across the board and has shifted the hard choices—who get helped by the programs—to Babbitt and other governors.

"(For example), are we going to deal with only the severely disabled, those people who are the least likely to get employment, or the moderately disabled, who have a better chance of getting employment?" Jamieson asked.

Reductions in social-service funds also would affect such programs as child-abuse prevention and treatment, mental-retardation services, foster care, runaway- and homeless-youth services and child-welfare services.

Those cuts, when coupled with decreases in food-stamp and job-training programs, would strike hardest at the low-income workers in Arizona who are "really struggling to make it," Jamieson said.

"It's all going to roll up, and the people are going to be hit from all different directions," said Tom McLaughlin, assistant economic-security director for aging, family and children services.

Jamieson said, "That is counterproductive to what the president says he wants to do, which is provide the structures for those people to make it."

A study of the proposed budget cuts in the Aid to Families with Dependent Children and food stamp programs by the respected University of Chicago Center for the Study of Welfare Policy, found that the cuts would so reduce the disposable income of poor workers that their families would be little better off than those relying entirely on public assistance in 10 state.

Arizona was not included in the study.

Jamieson said he also is concerned about the effect of descriptions of the poor as parasites" and "deadbeats" by Reagan and other

conservative leaders that, he said, hit hard at the already-sagging dignity of the poor.

"The poor . . . are very desperate people, and when they hear the rhetoric that is going around, they lose hope," he said.●

AWACS SALE

Mr. MITCHELL. Mr. President, today has been designated a "National Day of Remembrance of the Holocaust," the event which has tragically been so central to our century.

It was the experience of the holocaust and the common responsibility to prevent its recurrence that led to the creation of the State of Israel.

It is a continuing tragedy that Israel's creation and the resettlement of so many hundreds of thousands of Jewish people in a homeland of their own has not been accomplished peacefully. It is ironic that our Nation, which led the world in recognizing the need for a Jewish state, and urging the world to realize that goal, is today contemplating an action which could expose the survivors of the holocaust and their descendants to danger.

I refer to the proposal to ask for congressional approval of the sale of five AWAC's aircraft to Saudi Arabia, along with the dangerously destabilizing equipment that will enhance the offensive capability of the F–15's already sold to that country.

The decision to go ahead with this sale simply repeats the unworkable policy of using American arms to establish stability in the Middle East.

Our decade-long replenishment of the weapons demands of the Shah of Iran did not bring stability to the region. It could not protect the shah in power, and it obviously failed to prevent violence in the Middle East.

During the decade of the seventies, the requests to Congress for more arms for Iran were invariably couched in terms of regional stability and American policy interests.

Today, this request for authority to sell an unprecedentedly sophisticated range of weapons to Saudi Arabia is also being touted as necessary to maintain our mutual friendship, necessary to give the Saudis the means to protect stability in the region, and necessary to send a clear signal to the Soviet Union that we will not tolerate adventurism in the Middle East.

But the facts of the situation reveal no such imperatives.

There is no evidence that the Saudis wish to embrace the Soviet Union in preference to ourselves, or that they would do so because of a failure to sell these weapons to them.

The stability of the region will not be enhanced by the introduction of yet more advanced weaponry to a country which does not have the technologically trained manpower to handle it, and which is not threatened from abroad by large-scale attack.

The decades of war in the Middle East should have amply demonstrated by now that the only way to enhance the region's stability is through negotiated agreements for restraint.

The strategic inappropriateness of this proposed sale is evident. Saudi Arabia faces no threat to which the AWAC's represents a credible deterrent or a useful counter. The transfer of such sophisticated weaponry would force the Saudis into heavier reliance on U.S. personnel for technical assistance; it could ultimately lead to a serious fracturing of our relations. Saudi Arabia does not have the technical manpower to maintain and operate the AWAC's without draining badly needed trained men from its other military operations—operations which are far more relevant to the strategic position of the country.

The combination of the AWAC's, with its sophisticated monitoring capabilities and the offensive additions to the F–15's requested earlier, combine to add a potentially destabilizing escalation of weaponry to an already unsettled part of the world.

I am dismayed that our efforts to encourage stability in the Middle East and to work for a peaceful settlement of the problems in that region are again being abandoned to the chimera of purchasing regional stability and friendship with American weapons. I do not believe this is in the best interests of our Nation or of the nations which have requested those weapons.●

THE DAY BACON WAS DECLARED POISON

● Mr. GRASSLEY. Mr. President, on Sunday, April 26, the Washington Post Magazine carried an article by Philip J. Hilts entitled "The Day Bacon Was Declared Poison." This is a story, as the Post describes it, of—

How one regulatory agency, with the best of intentions, messed up spectacularly, threatening a tenth of the American food supply, and why it could all happen again.

Frankly, I strongly disagree with Mr. Hilts' position that certain Government officials acted "with the best of intentions." Moreover, from that standpoint, I think that he presented only half the story, and thus, only half the tragedy. Nevertheless, he does a fine job of recounting many of the key events. The recollection of those events is very painful to me now as memories of our frustrating bouts with the Food and Drug Administration regarding the nitrite issue are stirred.

I still have to shake my head in disbelief at the incredible decision at FDA to accept the Newberne study at face value without immediately subjecting it to rigorous scientific review. This was, indeed, as Hilts characterizes it in the article, a "key mistake," and the potential for this kind of mistake to be made again remains an Achilles' heel of our food safety regulatory process.

Resolution of the nitrite issue was achieved finally through public pressure that forced a thorough scientific review. It should not have happened in this manner, and it need not happen again if we make the necessary changes in our system to assure that scientific questions are addressed before political ones.

I initiated the effort to get the General Accounting Office started on an investigation of the handling of the nitrite matter shortly after it became apparent that there were serious problems with the way FDA was dealing with it. I was joined in that request by a number of my colleagues in the House who shared my concerns. In retrospect, it is of some satisfaction to know that the resulting GAO report was an important element in the resolution of the issue, but it should not have been necessary and would not have been had our system been more effective.

The nitrite issue has focused attention on the need for a thorough review of our food safety laws and regulatory process. I can assure my colleagues that I will be working during the coming months to make certain that rules of commonsense are applied in this area.

Mr. President, I ask that the text of the Washington Post article be printed at this point in the RECORD.

The article follows:

THE DAY BACON WAS DECLARED POISON

(By Philip J. Hilts)

Nine billion pounds of meat, tons of fowl, fish, cheese and even pet food—on one day in August of 1978 all of it became suspected poison. Ten percent of the entire food supply of America. Sodium nitrite—the salt that is used to preserve, color and flavor our foods—apparently causes cancer, two regulatory agencies announced jointly on that day.

Nitrite soon became both famous and feared. The hot dog, symbol of the casual American diet, seemed suddenly tainted, colored with disease. And not any disease, but the disease that is unpredictable, lingering, disfiguring and extremely painful. Cancer, according to public opinion polls, is something Americans fear more than war.

Then, one day last fall, with what seemed to be equal suddenness, the regulatory agencies jointly said, "Never mind." It was almost two years to the day after their warnings that the regulators said they couldn't prove that nitrite causes cancer after all. "I had a hot dog for lunch," crowed the commissioner of the Food and Drug Administration.

What happened with nitrites is a classic story of the combat between public and private interests, between difficult science and irascible politics. It is a struggle the regulator—no matter what his political affiliation—must face daily: Decisions must be based on science, which is always slow and often ambiguous, despite the pressures of Washington politics, which are quick, clear and powerful.

That is a volatile mixture. If the regulator goes slowly, as the scientific results are checked and rechecked to assure accuracy, he can be accused of covering up what he already thinks he knows, of being a tool of the business interests he is supposed to regulate, of fiddling while the public burns. If he moves too quickly, he can be accused of recklessly toying with people's jobs, of needlessly damaging industry and the economy, of becoming that government shibboleth—the Washington regulator run amok.

One incident in the nitrite episode expressed the dilemma well. Donald Kennedy, then head of the Food and Drug Administration, wrote in defense of his move to ban nitrites gradually: "Scientific peer review tries to establish the validity of a test . . . It is not a complete guarantee of being right . . . [but] regulators can and must be willing to proceed with less than this guarantee. When serious health risks are involved, scientific evidence suggestive of these risks should be enough to justify regulatory action."

(Someone in the meat industry got hold of this internal working paper and marked in the margin: "BIG MISTAKE!")

Later in the same document, Kennedy

concludes, "There are special reasons why we should [run risks of this sort] when the public health is at stake. You have a politically expendable regulator [Kennedy himself] who is prepared to take the blame and will do so if the outcome proves more disastrous than this argument predicts."

At the beginning of the nitrite case, when Kennedy realized how difficult regulation of this simple salt would be, he told his colleagues that this case would be the real, best test of them as regulators.

The test may have been too hard. The result appeared to outsiders to be a series of chaotic charges, and then retreat in disarray.

The small laboratory building in Boston, its bricks blackened with age and soot, was the place the whole drama began. On the top floor is the office of Dr. Paul M. Newberne, a mild-looking man with gray hair and an easy manner.

Newberne is a specialist in animal diet and disease at Massachusetts Institute of Technology. From 1976 to 1978, he raised about 2,100 rats in his laboratory, and fed them nitrite in a dozen different ways. He was testing, for the FDA, the proposition that nitrites cause cancer in animals.

By the winter of 1978, the animals were dead—of cancer, of natural causes, or at the hands of researchers anxious to finish up the experiment and get the cells of the last aged stragglers onto microscope slides.

Lab assistants took the tiny organs from the bodies, pickled them in preservative, inked them with blue stain, impressed them in wax, then sliced them 7/1000 of an inch thick. With the features darkened and the tissue now thinner than paper, the animals' cells had become translucent.

Newberne bent over his gray, double-eyepiece microscope and painstakingly began to count. Among the circular globs and granules of the cells were one that had become elephantine. There were cells stunted and gnarled with disease. He named cell types and made diagnoses out loud as a secretary wrote. It was a long list that was taken down. There were 50,000 slides to see, to recognize, to judge and to diagnose.

What Paul Newberne found surprised him. He did not simply send a report to the FDA. Nor did he even call in a report. He decided he had better carry his news to Washington in person.

Mankind has been curing meats with salts for 10,000 years without benefit of regulatory agencies to guard the public health. There are cave paintings that show meat being cured with sea salt, a good source of nitrite.

But it was not until this century that chemists discovered that the active disinfectant that prevents deadly botulism poisoning is sodium nitrite. We now know that nitrite is virtually everywhere in nature. It is in vegetables in sizable amounts. It is manufactured in human saliva constantly. In fact, our intake of nitrite from cured products is only a small percentage of our total intake of the chemical.

The hazards of nitrite were discovered beginning in 1954 when scientists began to learn that nitrites, under certain conditions, can combine with a variety of chemicals called amines. Together they make nitrosamines, among the most potent cancer-causing agents known to man. Nitrosamines have been found to be carcinogens in 22 species of animals—a deadly superlative among chemicals.

In 1971, the Food and Drug Administration contracted with Newberne and a colleague to study nitrosamines. Newberne got the expected deadly result from his animals. But he got something else as well, something far more disturbing. In one control group, rats had been given nitrite alone, with no amines. Newberne expected to see no nitrosamines formed and no cancers following.

But instead, Newberne reported, this group showed a startling number of lymphomas—malignant tumors, cancers of the lymph system.

It was still two years before Newberne would begin his big study of nitrite, using 50,000 slides. This result was only in a side group, an accidental finding, and could not be relied on for scientific accuracy. But still it was startling.

The findings meant that nitrite itself might be a carcinogen. If that were found to be true, then the whole focus of worry would have to be shifted back one level, from the nitrosamines to the nitrite itself. Worse, food manufacturers were not adding nitrosamines to food, but were adding nitrite to billions of pounds of meat, poultry, cheese and fish.

So it was a few dozen rats, and Paul Newberne's diagnosis of their lymphomas, that began the early history of the great nitrite scare. As a result, the FDA pushed Newberne to do a monumentally large study to learn whether nitrites themselves could cause cancer.

Animal studies of cancer had not been done in any numbers until a few years earlier, in the late 1960s. "The diagnoses in those dark ages went unquestioned," said Dr. Robert Squire of The Johns Hopkins University. "Everybody believed everyone else. The Good Laboratory Practices standard [a uniform standard to assure consistent quality in lab work] hadn't been established yet, and no one suspected the kind of irregularities that could occur."

It is a typical irony in this tale of nitrite that the first accidental result now appears to have been misread and mistaken, according to the pathologist who reviewed the old slides for the government.

"If this early study had been looked at the way we look at these things today, there would have been no need for everything that has happened since . . . I found that half the things called lymphomas were not lymphomas. There was nothing there" to set off the alarm on nitrite, said Squire, who reviewed the work for the government.

Gary Flamm, then assistant commissioner of FDA, said: "Of course, Square may be right . . . We didn't review that study, but if it came in now I certainly think we would review it in some detail. God, yes."

But the FDA didn't review it. Instead, a much larger study was commissioned to look at nitrite alone, to try to prove or disprove that nitrite itself can cause cancer in rats. That study began in 1975.

There were more than a hundred rats in each of 18 groups, each group fed a slightly different way. Some were fed nitrite in their rat chow, some were fed nitrite in their water. Some got large doses, some smaller doses and some none at all. For Newberne, the result was the 50,000 slides to examine every day for months.

Pathology—the examination of tissue to find abnormalities—is notoriously tricky. The pathologist must be familiar with the look of each different sort of tissue as well as the scores of different tumor types, both malignant and benign.

Paul Newberne, a tall man with a soft southern voice, peers into the gray microscope near his desk and says, "If you've got 10 years of experience looking at that under all sorts of conditions, you know whether it is normal or not. You get a sense of how distended the parts are, whether they are irregular or too long for their type, even though only a few of them are actually misshapen."

Newberne started his career 25 years ago as a veterinarian, working for three years in rural Georgia before returning to Auburn University for his Ph.D. in pathology and the beginning of his animal research career. Along the way, Newberne had earned two distinguished fellowships to study animal pathology, and from school he went directly to head a program in nutritional pathology at Auburn.

In the past two decades, he has continued to devote himself to the study of diet and its effect in animal disease.

"This is why we don't all agree on tumors," said Newberne, nodding toward the microscope. What was there looked like the spotted surface of granite. "The tumors show up at such a wide range in their stages of development, and they look different at each stage. The question is whether it has advanced to the stage where it is irreversible, malignant and must be removed before it kills the animal."

By spring of 1978, Newberne had eyed his 50,000 slides of tissue. Seeing the slides one at a time, he had no sense of their pattern; he did not think he had found any special effect. It was only when he tabulated the number of tumors that he began to think he was finding groups of nitrite-fed mice with two to four times more lymphomas.

Newberne was surprised and a little excited. He flew to Washington to meet with Donald Kennedy, then commissioner of the FDA.

"At that meeting we pushed Newberne very hard on a variety of questions," said Kennedy. "I thought he gave a very strong account of himself, and the conclusion at the end of the grilling of a couple of hours was that a report would soon be in the public record as a major indictment of nitrite."

Newberne recalls showing his data, scratched out on a big pad of paper, to a roomful of people. "I said the result was only suggestive and we needed more studies to find out what's going on. That's all I said. I didn't tell them to go ban nitrite. Never."

It was the beginning of May 1978, and the news spread like a shock wave among the small number of people allowed to hear it. Donald Kennedy was upset, according to those who talked with him later. The FDA had just come through a loud, bitter public dispute over the banning of saccharin, the largest public battle the FDA had ever had to face, bigger than the cyclamate case, bigger than the cranberry brouhaha of years past.

Then, up popped an issue much larger and much more complex. From the beginning Kennedy told his colleagues that this case would be their best test as regulators. It was legally complicated because nitrite was governed by several different, competing laws. It was politically scary because there were possibly billions of dollars worth of consequences that would come from any decision. It was a public health nightmare because it was not a simple matter of removing a hazard from the market—the regulators had to balance two hazards. How many fatal cases of botulism or other disease would occur if nitrite were banned as a protector of foods? How many cases of cancer would be caused if it were not banned?

Kennedy called Carol Tucker Foreman, the assistant secretary of agriculture in charge of food quality and consumer services. Her activist approach to food and health issues had already earned her the title of "dragon lady" among pork producers of the Midwest. They believed that "whenever she opened her mouth, pork prices dropped," one meat industry spokesman said.

"Apparently it's true," Foreman said, "that whenever the Commodity News Service carried something on the issue of nitrosamines and our department, the pork belly prices fell the limit. There was quite a lot of fear engendered among the farmers. We just don't know how, in a chemical-filled world, not to frighten people from time to time as we deal with these issues."

Foreman had been wrestling for a few years with the problem of the nitrosamines found in bacon. At just about the time Don Kennedy called, she thought she had finally wrestled it to the mat, arriving at a technical compromise with the meat industry.

She answered the phone in her large second-floor office. "I have some very bad news for you," Kennedy told her. He said he had a study showing nitrite could cause cancer directly, never mind the nitrosamines.

"Oh s---," Foreman said, and sank through the same rapid, dismal thoughts that other regulators say they also had when they heard the news. "All this struggle over the nitrosamines, and now this guy comes in and says that nitrites themselves are the bad actors. This was obviously something much bigger, much worse."

Commissioner Kennedy gathered a group of half a dozen top agency officials to decide what must be done. Contrary to the procedure on smaller matters, he did not turn the Newberne study over to this agency's senior scientists. Kennedy knew that the Newberne report contained political dynamite. He also knew that the FDA was a sieve, which constantly leaked to the press. The fewer people who knew of this report, he figured, the more likely his group would be able to work in peace. This would later turn out to be a key mistake.

Aware that scientific review would take place at some point, the Kennedy group simply went to work on the assumption that Newberne was right. Newberne, after all, had a strong reputation. He was believed to be an especially cautious man in his work and what he said about it.

A single thought hung over the first meetings like a pall: Nowhere had man actually faced the problem of preserving meat without salt. The problem was new and on a scale quite beyond the saccharin flap that had so occupied the previous two years. Epidemics of botulism poisoning could hit the nation if nitrite were suddenly banned. And the applicable law—called the Delaney amendment—seemed to demand an outright ban with no phaseout period.

It was May, and the group talked of picnics: families taking luncheon meat or sausage in plastic wrap and sealed containers. The fatal botulin bacteria grows rapidly in the absence of air. The inside of a sausage or a hot dog is a good place for it to breed. They envisioned children carrying their lunch boxes to school, setting them in the sun for a few hours before lunchtime. That evening, some of them might not come home.

"Since we had no experience with the situation, we had no idea what the real risks were, if some other infections might not result as well," said Flamm. "After all, people will do anything with a sandwich. They will subject a sandwich to the most incredible conditions—one man will take it to a foundry and set it down in better than a hundred-degree heat, another who drives a refrigerator truck will put it back there and let it freeze before lunchtime," said Flamm.

The problems facing Kennedy's caucus were more than the fear of disease. Since man has used nitrite salts for so long in so many ways, its trail through the law is a tangle.

When Kennedy's caucus sorted it out in 1978, it was clear that the law was very strict: It demanded that when a substance is found harmful or carcinogenic, it must be banned.

The law simply allowed no phase-out, moratorium or other ways of backing into regulation. In the case of nitrite, Kennedy and Foreman knew a public health disaster was possible if botulism and food poisoning were not carefully contained after a ban of nitrite.

A nitrite ban could lead to economic chaos for the meat industry, which in nitrite-treated red meat alone is a $12.5 billion operation.

By law, the regulators simply could not consider these things. They did anyway.

Kennedy's strategy was to develop a 50-page paper detailing the options ranging from no action at all to an immediate ban, and then choosing the most reasonable course—a phase-out of nitrite based on the speed with which the nation could find substitute ways of preserving meat.

The group found that refrigeration would not work—too few refrigerators, too many that might break down and let the meat temperature rise above the 40-degree safety mark. Luncheon meat, hot dogs and the like would have to be frozen. To do that, the nation's freezer capacity would have to be doubled.

Over the years, about 700 chemicals have been tested to see if any might make acceptable substitutes. Nearly all have been failures.

To get around the rigid law, Kennedy and his group decided to adopt the tactics of their opposition in the saccharin battle. In that one, they were forced to give up their ban when Congress passed a law declaring a moratorium on the issue. Kennedy thought they might bring their own bill to Congress—this time to prevent *themselves* from banning a substance.

Up to this time, Kennedy had not worried about the scientific data. He had sent the Newberne report to reputable scientists around the country for them to review, checking statistics and logic. Of course, they could not check the pathology. The reports came back positive—the paper itself seemed all right.

At that moment, in late June, Kennedy had no idea that the Newberne study would eventually go well beyond the usual peer review that scientific papers get. "There are two kinds of scientific review," Kennedy explained. "One is peer review, in which a paper is passed out to referees to look it over and see if the conclusions can be justified by the data. A pathology review is something entirely different. It is like a new experiment, only it takes as raw material the data of an older experiment. It is costly and time-consuming and you don't conduct one until it becomes clear that there is a problem with the study.

"Early on, it was not apparent to me that a pathology review was necessary. Actually, earliest on, I wouldn't have known a pathology report if it ran over me in the street," Kennedy said.

"What one does as commissioner when you've got issues in half a dozen scientific areas buzzing around you—you just ask the best questions you can, and decide on the basis of the answers what needs to be done."

So he and his small group of officials worked out a compromise among bitterly competing interests. Only later, at the insistence of other scientists at the FDA, was the deeper scientific review started. A little too late to avoid embarrassment, as it turned out.

Outside the closed circle of Kennedy's caucus, those other FDA scientists had been worried. Politics was being discussed and decided, but no science. The senior scientists waited through the summer, but were not consulted and were not given copies of Newberne's study to review.

The action by Kennedy to keep Newberne's study secret even from the senior scientists at the FDA is the decision that has since been most vigorously attacked by critics. It has also been criticized in a General Accounting Office investigation and in a Congressional Research Service report.

After the FDA had Newberne's report for two months, chief scientists at the FDA began to realize that they were being cut out of the decisionmaking. Whether their judgment was necessary or even useful, they felt hurt to be left out, and upset that their skeptical point of view was not getting a proper hearing. No scientific review was taking place. But political plans were already far along.

"On many an occasion," said Dr. Albert Kolbye, associate science director of the Foods Division of the FDA, "I expressed to Dr. [Howard] Roberts, my immediate superior, my growing dismay and concern that events were proceeding too quickly without an adequate foundation of scientific review. I have never experienced before in my government career a situation where the word was [that] most of us were to be excluded and not to get involved."

Flamm, too, worried. "We had been alerted to somethihg that was wrong with the study. Newberne had called in and changed the numbers of rats supposed to have tumors. He changed them not once, but twice, then three times that I heard about. And they all moved the number of tumors downward. This is extraordinary, and it made us very nervous.

"This was an important case," Flamm said. "I was concerned, extremely concerned, that I should do the right thing . . . During that time I began to walk in the woods of West Virginia with my wife to talk about it. I knew that if I screwed up on this, I would leave government work altogether.

"When the Newberne numbers started to change, we told Kennedy that it was serious. Our case might be going straight down the tube."

Then, the scientists heard that Kennedy was likely to hold a press conference soon to announce plans. They heard the news first by rumor and then by reading it in Food and Chemical News, a trade publication. Kolbye barked loudly about this. Before the supposed press conference, Gary Flamm was asked to help anticipate critical questions about the Newberne study.

"I was role-playing. I was supposed to be Giovanni Salami, the head of the Meat Industry of America. I worked over two FDA scientists and criticized the Newberne report. I think I hit it impressively hard," Flamm said.

Kennedy says he was not told of the three successive changes in Newberne's data. If he had been, he says, it would have shocked him into some quick action. But by the time Kennedy turned from the political and legal questions to the scientific ones, it was August.

Suddenly, the bubble of privacy enjoyed at FDA was burst.

Marian Burros, food editor of The Washington Post, called the FDA, saying she knew of the Newberne study and was going to run a story on it. The FDA concluded that a public statement had to be made.

"Nothing was secure at FDA," Kennedy lamented. "I actually had members of Congress getting internal memos before I got them!"

On a Friday, Aug. 11, a joint statement was issued by the FDA and the USDA.

"A study recently completed for FDA by the Massachusetts Institute of Technology strongly suggests that nitrite produces cancer of the lymphatic system in test animals," the statement said.

Within a few days the 50-page document that the Kennedy caucus had been working on was in the hands of the press. The report said: "FDA has received a report from Dr. Paul Newberne of MIT . . . The agency has evaluated the study and has concluded that it shows that nitrite induces cancer when ingested in laboratory rats . . . FDA expects that its conclusion will withstand further analysis . . . Accordingly, FDA and USDA are planning for a phaseout of nitrite over a period of several years."

There was no more time for deliberation. Everyone was in the water now; the free-for-all began.

The loudest squeal came from the pork producers. "Consumerist zeal running roughshod over science and common sense." was one observation. "The meat in-

dustry," said a Senate Agriculture Committee report, "especially the pork producers, are convinced that removal of nitrite will result in their economic ruin."

One of the unspoken concerns at the time, but one which may have been a major factor in the thinking of meat industry executives, was mentioned by Paul Newberne: "You have to remember that nitrites let them off the hook on many points. Not just botulism. They can be a lot less sanitary in their plants, and so they can spend a lot less money cleaning up and using special equipment. Nitrite, you know, is an excellent disinfectant. I suspect this thought played an important role."

"A nitrite ban would cause prepared meats to disappear," said a Tennessee newspaper in quoting a meat industry spokesman, "disrupting the food supply. The hog industry would be decimated, since 70 percent of U.S. pork ends up in processed meats. What is more . . . nitrite protects against the poison that causes botulism. Banning nitrite could save, say 2,000 lives from cancer each year and lose 10,000 to food poisoning."

Consumer activists were not happy either. "Carol Foreman and Donald Kennedy should go back to the law and read it because they are violating it," said Ralph Nader. The Environmental Defense Fund attacked the agenies for "laying low when they should be racing ahead."

Although the consumerists wanted an immediate ban, the industry wanted no ban and no hints of severe action either.

But even as the FDA and the USDA were weaving a defense for their actions on TV and in interviews, FDA scientists were unraveling it from the other end.

Within six weeks of the announcement that would have altered the eating habits of virtually the entire nation, FDA scientists already knew that the Newberne study had problems. In late September, two independent pathologists looked at the slides that were supposed to contain the rat tumors by Newberne. The two worked separately, but their conclusions were virtually identical.

They disagreed with Newberne on 29 of 35 animals checked. This result was enough to knock the Newberne study below the level of statistical significance, even though only a seventh of the tumorous animals had been checked.

By today's standards, Newberne's diagnoses of that time are considered loose. He lumped together different sorts of tumors under the category of lymphoma.

The FDA soon decided to have all 50,000 slides done by Newberne reviewed by other expert pathologists—a group called the Universities Associated for Research and Education in Pathology (UAREP). Forty-six pathologists looked at all the slides. Their conclusions were just as negative as the earlier reports:

Of the 2,100 or so animals studied, the reviewing pathologists disagreed with Newberne in 897 cases, an enormous 43 percent disagreement. The reviewers normally expect disagreement of only a few percent.

Of the 220 or so tumors that Newberne called cancers of the lymph system—and this was the heart of the study, the reason for banning nitrite—the reviewers could find only 30 such tumors. This is only 14 percent of what Newberne claimed.

"We are at a loss to understand this enormous difference," said Kenneth Endicott, chief of UAREP. Some pathologists have believed that it could not have been Newberne himself who did the diagnoses, that he must have allowed an inexperienced student to do it.

Newberne says he did it himself. He also disagrees with the diagnoses of the many pathologists who reviewed the study.

Says Newberne: "I may be wrong in my diagnoses. All right. But whatever I call it, something is there, and it is not good. I don't give a damn whether you call it lymphoma or call it what the UAREP people call it, histiocytic sarcoma. That doesn't make a damn bit of difference to me. They are malignant tumors. That's what counts."

UAREP's Endicott says, "It does matter. Our pathologists believed the tumors were not derived from the lymph system, but originated in the connective tissue. It is like having an assortment of fruit; when you compare them, do you separate out the oranges and the grapefruits?"

Since the study as a whole identified about two dozen different tumors in various organs, the categories to which the tumors are assigned do matter. If many sorts of tumors are grouped together, the category in which they have been placed might become large enough to indicate a significant result for the study as a whole.

Why Newberne would end up looking so mistaken when his previous work and his reputation have been so strong is "a puzzle that none of us have been able to solve," said one pathologist. "It is really intriguing, especially when you go back to the first small study, the one that started all this. The diagnoses there had exactly the same problems. This is not something a pathologist of Newberne's experience would do. So why did he? No one knows."

"Look," said Kennedy, "science is conducted on the assumption that when you have a seasoned, well-respected investigator from a good institution, and he reaches a scientific conclusion, it is far more likely to be right than wrong.

"In this case you can certainly conclude that Newberne's judgment on what you call a tumor is different from other experts' in the field. It is clear Newberne was doing something very different, but not necessarily wrong."

Nitrite was found not to be a direct cause of cancer, the FDA concluded, though some doubt remains. Donald Kennedy thinks that something suspicious may exist in lower-dose ranges that showed abnormalities, but no tumors. And untouched by the episode altogether is the fact that nitrites do sometimes become potent carcinogens as nitrosamines, though the process is not well understood.

But in the Newberne case, two years and seven days after the bad news on nitrite was first announced, it was repealed.

Smug remarks could be heard from all quarters as the biggest regulatory case ever belly landed, then fell to pieces, leaving behind a heap of smoking wires, wings and struts.

The pork industry says the cost of the whole episode could hardly be calculated, but if someone tries, it says, one should begin with the billion-dollar loss of sales in pork bellies. Though others disbelieve it, the pork producers say the losses occurred when millions of people conscientiously cut bacon and hot dogs from their diets in response to the nitrite "scare."

But the biggest cost of the whole episode, as one congressional staffer said, may have been the public's credulity:

"To cry wolf as big and as loud as it was yelled in this case—that's enough to make us all start giving these agencies some funny looks next time they start talking about what causes cancer. I don't know if that's good or that's bad. . . ." ●

DAYS OF REMEMBRANCE OF VICTIMS OF THE HOLOCAUST

● Mr. DODD. Mr. President, this week we are dedicated to "Days of Remembrance" of victims of the holocaust. It is a time to remember how the world stood silently by while 6 million Jewish men, women, and children were systematically murdered and 5 million non-Jews were sent to their deaths at the hands of the Nazis.

It is a time to reflect upon the obligations of humanity to defend human life as sacred, and it is a time to reaffirm the principles of freedom and tolerance that bind our Republic and hold a hope for peoples throughout the world.

A memorial to the holocaust victims is being planned for a site in Washington, D.C., by the Holocaust Memorial Council. The memorial will stand for all generations as a warning as well as a reminder to those who would perpetrate similar acts of genocide that the appalling silence of the past will not be repeated.

But the strength of our resolution to achieve goals of recognition for human rights of all people depends largely upon the conviction of our words and the consistency of our actions. Today our human rights objectives seem to be slipping further from our grasp and the policies of our Government seem more committed to disregarding abuses than preventing them.

Even in our own Nation, the American tradition of tolerance is being sorely tested. Reported incidents of racial or ethnic terror have increased exponentially in the past 2 years. Ku Klux Klan demonstrations are becoming more visibly frequent and have turned violent in my State and elsewhere. In January of this year, the Simon Wiesenthal Center in Los Angeles was defaced with anti-Semitic epithets and Nazis were forceably evicted from the premises.

There are no justifications for these abuses and no excuses can be offered for failure to recognize and counter these dangerous threats to our freedom. As a nation committed to the principles of equality and liberty, we must continue to defend the human rights of all peoples and oppose movements within our own society that jeopardize the inalienable rights upon which our Government was founded.

In remembering the holocaust and those who suffered and perished during that period of unspeakable evil, we can also renew the American resolve to foster the cause of human rights throughout the world. For it is the voices of the dead who lead us to hear the outcries of the living for justice. ●

THE UNDERGROUND COAL GASIFICATION AND UNCONVENTIONAL GAS RESEARCH, DEVELOPMENT AND DEMONSTRATION ACT—S. 434

● Mr. MATSUNAGA. Mr. President, on February 6, 1981, I introduced S. 434, the Underground Coal Gasification and Unconventional Gas Research, Development, and Demonstration Act. At that time, I inadvertently omitted a request to have the text of the bill printed in the RECORD. I therefore ask that the full text of my bill, S. 434, be printed in the RECORD at this point.

The text follows:

S. 434

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Underground Coal Gasification and Unconventional Gas Research, Development, and Demonstration Act".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) the United States is faced with a finite and diminishing resource base of domestic petroleum and natural gas;

(2) the current imbalance between supply and demand for fuels and energy in the United States is likely to worsen over the next decade even with strong energy conservation efforts;

(3) the national security and economic well-being of the United States is endangered by its dependence on imported energy supplies which are subject to resource limitations, artificial pricing mechanisms, and supply interruptions;

(4) the United States posseses abundant resources of coal and unconventional natural gas which can be utilized by underground coal gasification and unconventional natural gas recovery, respectively;

(5) underground coal gasification techniques and unconventional natural gas recovery techniques can produce clean fuels, including synthetic or natural gas, gasoline, and methanol, and generate electricity;

(6) the domestic resource base for underground coal gasification and unconventional gas resources equals more than one trillion tons of coal and one thousand trillion cubic feet of natural gas, which is equivalent to twice the world's supply of recoverable oil;

(7) the technical obstacles to widespread commercial production of gas from underground coal and unconventional natural gas resources can be defined and solved;

(8) projected product costs of gas from underground coal gasification and unconventional natural gas recovery are estimated to be competitive with expected world energy prices;

(9) environmental consequences of underground coal gasification and unconventional natural gas recovery could be significantly less than those of conventional or synthetic fuels coal utilization; and

(10) it is contemplated that the ten-year program established by this Act may require the expenditure of $200,000,000 for underground coal gasification facilities and $400,000,000 for unconventional natural gas recovery projects.

(b) It is the purpose of this Act to—

(1) establish as a national goal the demonstration of a production capacity equivalent to at least fifteen million cubic feet per day of synthetic natural gas or energy product equivalent from underground coal gasification by 1987;

(2) establish as a national goal the construction and operation of at least one commercial underground coal gasification plant by 1992;

(3) establish as a national goal a production capacity equivalent to two trillion cubic feet per year of natural gas from underground coal gasification by the year 2000; and

(4) establish as a national goal production of three trillion cubic feet per year of unconventional natural gas by 1990 and six trillion cubic feet per year by the year 2000.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "underground coal gasification" means a method whereby coal in place is partially oxidized with oxygen or air and steam producing a medium- or low-heating value gas;

(2) "unconventional natural gas" means natural gas produced from geopressured brines, occluded natural gas produced from coal seams, natural gas produced from Devonian shale, and natural gas produced from tight formations;

(3) "energy product equivalent" means the energy equivalent, in British thermal units, of the stated amount of natural gas or other energy product. Such products may include, but need not be limited to synthetic natural gas, methanol, gasoline, electricity, or chemicals; and

(4) "Secretary" means the Secretary of Energy.

COMPREHENSIVE PROGRAM MANAGEMENT PLAN

SEC. 4. (a) The Secretary is authorized and directed to prepare a comprehensive program management plan for the conduct of the research, development, and demonstration activities under sections 4, 5, and 6 of this Act. Such plan shall include at a minimum—

(1) a detailed description of the functional organization for program management;

(2) a program strategy, including identification of milestones and critical paths, which will be used to achieve the purposes of this Act;

(3) a five-year and ten-year program implementation schedule with associated budget and program management resources requirements; and

(4) supporting research needed to solve problems which may inhibit or limit development of underground coal gasification and unconventional gas production.

(b) The Secretary shall transmit the comprehensive program management plan developed pursuant to subsection (a) to the Congress not later than January 30, 1982.

RESEARCH AND DEVELOPMENT

SEC. 5. (a) The Secretary is authorized and directed to establish research and development activities incorporating presently existing efforts in these areas, as may be necessary to meet the goals of this Act as set forth in section 2. Such activities shall include evaluations, field tests, supporting research, and collection of information, data, criteria, and specifications necessary to support the design efforts undertaken pursuant to section 6.

(b) The Secretary shall, for the purpose of performing his responsibilities pursuant to this Act, solicit proposals and evaluate any reasonable new or improved technology, submitted thereunder, a description of which is submitted to the Secretary in writing, which could lead or contribute to the development of underground coal gasification and unconventional natural gas recovery technology.

(c) The Secretary shall work closely with the appropriate research and technical organizations and industry representatives in order to assure the best possible use of available expertise in carrying out the provisions of this Act, consistent with existing law.

DEMONSTRATION

SEC. 6. (a) The Secretary is authorized and directed to solicit proposals for the design of underground coal gasification and enhanced gas recovery facilities of sufficient size to demonstrate the technical and economic feasibility of producing synthetic and unconventional natural gas.

(b) Subject to subsection (c) of this section, the Secretary is authorized to enter into agreements to construct the following facilities:

(1) a field demonstration facility with a production capacity equivalent to at least fifteen million standard cubic feet per day of synthetic natural gas by the year 1987 from underground coal gasification;

(2) a field demonstration facility with a significant gas production on a continuous basis for a sufficient period of time to collect and analyze system performance and reliability data to determine the commercial viability of the underground coal gasification technology utilized;

(3) no more than six field tests of increased gas production from unconventional gas formations through the use of advanced fracturing technology;

(4) no more than two field tests for the demonstration of unconventional natural gas production from geopressure reservoirs; and

(5) no more than three coordinated field demonstrations of the production of unconventional natural gas from coal seams.

(c) No funds appropriated pursuant to the authorization made in subsection (b) of this section may be expended until the Secretary submits the plans and justification for any underground coal gasification facility or unconventional natural gas recovery facility to be built pursuant to this section, to the appropriate committees of Congress, and waits thirty legislative days. The Secretary shall include the total cost of the facility, proposed participants in the project, and other relevant information.

COMMERCIALIZATION

SEC. 7. (a) The Secretary is authorized and directed to prepare a comprehensive commercialization plan that will permit realization of the national goals stated in section 2 for underground coal gasification and unconventional natural gas production. Such a plan will include—

(1) an analysis of the existing industrial infrastructure and identification of modifications in Government policy necessary to establish a sufficient industrial infrastructure to meet the national goals;

(2) the analysis of any legal and institutional barriers, specifically including—

(i) an analysis of the legal ownership of free methane in coal seams; and

(ii) an analysis of the effect of the inclusion of underground coal gasification in land use planning and coal activity planning; and

(3) an assessment of the necessary Government actions to assist in eliminating economic uncertainties through financial incentives, such as loan guarantees, price supports, pricing policy, or other inducements.

(b) As part of the initiatives for design of the underground coal gasification and unconventional natural gas demonstration projects authorized pursuant to section 6, each respondent shall include in its proposal (1) a plan leading to a full-scale, commercial facility based on the technology used in the proposed demonstration system; and (2) a commercialization strategy which includes the respondent's plans for future participation toward meeting the national goal.

(c) The Secretary shall transmit such comprehensive commercialization plan to the Congress within two years after the enactment of this Act.

REPORTS

SEC. 8. As a separate part of the annual report submitted pursuant to section 801 of the Department of Energy Organization Act (Public Law 95-91), the Secretary shall submit to Congress an annual report of activities pursuant to this Act. Such report shall include—

(1) modifications to the comprehensive plans and programs for implementing this Act;

(2) an evaluation of the state of underground coal gasification and unconventional natural gas, recovery research and development in the United States;

(3) a description of the contracts and grants made under this Act;

(4) an analysis of the progress made in commercializing underground coal gasification and unconventional natural gas recovery technology; and

(5) suggestions for improvements in underground coal gasification and unconventional natural gas recovery research and development, including recommendations for legislation.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. (a) There is authorized to be appropriated, for the fiscal year ending September 30, 1982, $100,000,000, including not less than $25,000,000 for underground coal

gasification activities, inclusive of any funds authorized by any other Act, to carry out the functions vested in the Secretary by this Act.

(b) There is authorized to be appropriated, for the fiscal year ending September 30, 1983, $125,000,000, including not less than $30,000,000 for underground coal gasification activities, inclusive of any funds authorized by any other Act, to carry out the functions vested in the Secretary by this Act.●

NATIONAL NURSING HOME RESIDENTS' DAY—SENATE JOINT RESOLUTION 66

● Mr. PRYOR. Mr. President, I am adding the following Senators as cosponsors to Senate Joint Resolution 66, a joint resolution designating May 6, 1981, as "National Nursing Home Residents' Day". Senator BURDICK, Senator HEINZ, Senator CHILES, Senator DOMENICI, Senator DURENBURGER, Senator MELCHER, Senator MATHIAS, Senator HAWKINS, Senator GRASSLEY, Senator DODD, Senator BAUCUS, Senator GLENN, Senator DECONCINI, Senator BUMPERS, and Senator RIEGLE.

In addition, I would ask that the full text of Senate Joint Resolution 66 be printed in the RECORD.

The text follows:

S.J. RES. 66

Whereas, the month of May of each year is proclaimed Older Americans Month; and

Whereas, over 1 million older Americans reside in nursing homes and one in five older Americans likely will reside in nursing homes at some time;

Whereas, nursing home residents have contributed to the growth, development, and progress of this Nation and, as elders, offer a wealth of knowledge and experience;

Whereas, Congress recognizes the importance of the continued participation of these institutionalized senior citizens in the life of our Nation;

Whereas, in an effort to foster reintegration of these citizens into their communities Congress encourages community recognition of and involvement in the lives of nursing home residents, and

Whereas, it is appropriate for the American people to join in support of nursing home residents to demonstrate their concern and respect for these citizens: Now therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 6, 1981, is designated as "National Nursing Home Residents' Day," a time of renewed recognition, concern, and respect for the Nation's nursing home residents. The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this day with appropriate ceremonies and activities.●

FOURTH ANNIVERSARY OF MOTHERS OF PLAZA DE MAYO

● Mr. KENNEDY. Mr. President, today marks the fourth anniversary of the first time the "Mothers of the Plaza de Mayo" gathered in Buenos Aires to petition their President for information about their missing relatives. These brave women gather every Thursday in the Plaza de Mayo in their nation's capital, simply to ask what has happened to their families since they "disappeared" in the hands of the government's security forces. Up to 15,000 individuals remain unaccounted for, and I believe that it is of fundamental importance that the Government of Argentina hear and respond fully to the simple humanitarian appeal of these courageous mothers, who provide continuing testimony that human rights conditions remain far from acceptable in Argentina.

Mr. President, I request that the text of a statement by the Council on Hemispheric Affairs on this anniversary be printed at this point in the RECORD.

The text follows:

COHA STATEMENT ON THE FOURTH ANNIVERSARY OF MOTHERS OF THE PLAZA DE MAYO

Throughout the last four years of military rule in Argentina, a painful reminder of the costs of that rule has been the silent vigil held every Thursday in the Plaza de Mayo in Buenos Aires by the "Mothers of the Plaza de Mayo." April 30 marks the fourth anniversary of the first time that these women, relatives of the "desaparecidos" (missing persons believed to have been abducted and murdered by the security forces) gathered to petition the president of that nation for information about their missing children or spouses. In Buenos Aires today, the Mothers of the Plaza de Mayo have called on all the citizens of Argentina to help commemorate their vigil by attending their customary three-thirty p.m. gathering and by carrying out a symbolic one-minute work stoppage. In the United States, least we can do to help these courageous women is to recall a little bit of their history and the reasons for their sorrow.

When a military coup toppled the elected government of Argentina in 1976, the country was plagued with uncontrolled and brutal violence which was partly inspired by radical guerrilla groups. The policy of the military officers who seized power was to respond with a brutal war of their own against these urban guerrillas. One tactic employed in the government's campaign of terror against its own citizenry was to "disappear" anyone believed to be connected with left-wing terrorists—the victim would be secretly kidnapped by the security forces and taken to a clandestine prison to be either tortured or murdered outright.

This "dirty war" against terrorism was very effective, and within one year the level of left wing terrorism had dropped enormously. The security forces did not relax their zeal at all, however, and soon people who had no ties to the guerrilla groups began to "disappear." By 1971 it was apparent that the armed forces' campaign of terror was out of control, and it is estimated that upwards of 15,000 persons have disappeared in the five-year period since the military took power.

Efforts to determine the fate of those 15,000 victims through normal channels such as the courts or the police have proved absolutely fruitless. The courts say that they are powerless to locate those who are missing, and writs of habeas corpus filed by relatives of behalf of the victims are routinely ignored. The police have proved to be even more hostile to relatives of the disappeared—in many cases they refuse to even register complaints or reports of disappearances.

It was out of the frustration of these vain efforts that the Mothers of the Plaza de Mayo's vigil was born. In a desperate attempt to learn information about their missing sons, four years ago a small group of women began to assemble outside the Presidential Palace to seek an audition with then President Rafael Videla. The poignancy of their silent and peaceful demonstration encouraged the relatives of other victims to join them.

The weekly vigils were soon made up of more than several hundred women, and they began to attract worldwide publicity. The Madres come from a wide variety of backgrounds, social classes, and age groups. They are the wives, mothers, grandmothers, sisters, daughters, and aunts of the disappeared.

The Madres have four simple requests of the Argentine government: (1) the location of their relatives, (2) their legal status, (3) the state of their health, (4) the charges pending against them. These requests are presented peacefully every week. The most violent act committed by the Madres has been to wave white handkerchiefs at U.S. diplomats as they leave the Argentine president's house in their limousines.

The response of the Argentine government has been typical of that harsh regime. The Madres are frequently harassed and intimidated by the police. Just last March, 70 members of the group were arrested and held by the police before they were released. The Madres have persevered in their quest for information despite all the obstacles placed in their way by the Argentine government and they say that they will continue their vigils until they learn the fate of their relatives.

Since its tiny beginning four years ago, the Madres of the Plaza de Mayo have grown in numbers and in impact, and today they constitute an internationally visible reminder of the continuing human rights abuses of the Argentine junta. At times, up to 2,000 people have joined the Madres in their vigil, and they provided evidence to the O.A.S. Inter-American Commission on Human Rights when it visited Argentina. The Madres now publish announcements in newspapers demanding information on the "disappeared", and provide encouragement and financial backing for relatives of others to come forward with their story. They also provide financial assistance to relatives to visit sons and husbands being held in distant jails, when and if the military government allows such visits.

The announcement for today's vigil in Buenos Aires reads as follows:

El dia 30 de abril 1981 conmemoramos nosotros, las Madres de la Plaza de Mayo, cuatro años de marchas dolorosas en busquedas de nuestros hijos detenidos desaparecidos con una vigilia a las 15:30 horas en la Plaza de Mayo.

(The 30th of April 1981, we, the Mothers of the Plaza de Mayo, commemorate four years of painful marches in search of our detained and disappeared sons with a vigil at 3:30 PM in the Plaza de Mayo.)

The Argentine government has warned that today's vigil is prohibited, but the Madres expect a large turnout nevertheless; General Roberto Viola, the current Argentine president, has said that he will not meet with them. The Madres have said they will meet with no one else.

We wish to express our support for the Madres de la Plaza de Mayo on this fourth anniversary of their unending vigil. We hope that these brave women's simple request for an accounting of their missing brothers, children, and husbands will be granted. The continuing plight of these women is a living rebuttal to the Reagan Administration's claim that the human rights situation in Argentina has "improved dramatically."●

BIRTHDAY GREETINGS TO HERMAN BROTMAN, DISTINGUISHED OLDER AMERICAN

● Mr. CHILES. Mr. President, I would like to take this opportunity as ranking minority member of the Senate Special Committee on Aging to express my sincere congratulations to Mr. Herman Brotman, of Falls Church, Va., on the occasion of his 70th birthday. Mr. Brotman deserves special recognition because of the significant contributions

he has made to the senior citizens of this country, and in so doing, serving as a model of the active, productive older citizen. I am especially happy to acknowledge this important day because of the contributions which Mr. Brotman has made to the work of the Special Committee on Aging.

Herman Brotman is a demographer and statistical analyst who specializes in the trends and structure of the older population of the United States. For each of the past 13 years he authored a statistical analysis of the older population which introduces "Developments in Aging," the Committee on Aging's annual report. When he first wrote the essay it was titled "Every Tenth American," and in the 1980 annual report it is titled "Every Ninth American." This change in title itself, Mr. President, symbolizes the growing numbers and importance of older persons in our society—a change in which Mr. Brotman has played an active role.

As a statistical analyst with the Bureau of Labor Statistics and the President's Committee on Economic Security, from 1935 to 1940, Herman Brotman was involved in the early research which established the social security system. He was later Chief of Statistics for the War Manpower Commission, Labor Attaché to the postwar American Embassy in Austria, and Social Science Analyst in the Office of the Commissioner of the Social Security Administration.

In 1956 Mr. Brotman became the Chief of Research for the Special Staff on Aging in the Department of Health, Education, and Welfare—the forerunner to today's Administration on Aging. In the period 1956 to 1973, he helped to draft the original legislation which later became the Older Americans Act of 1965, was involved in several subsequent amendments to the act, and served as the Chief of the Data Analysis Division of the Administration on Aging.

Mr. Brotman retired in 1973, but in this so-called retirement he has continued his analyses of population trends, contributed papers to the forthcoming White House Conference on Aging, testified at congressional hearings, is involved with the National Commission on the Blind and Handicapped, is a contributing editor of the Gerontologist, and as I mentioned, works with the Special Committee on Aging.

Mr. President, in April 1980, I chaired the first of a new series of committee hearings titled "Work After 65: Options for the 80's." All of our expert witnesses in economics, sociology, and psychology noted that older people can be efficient and creative workers. Herman Brotman serves as an outstanding model of the active and productive older citizen, and I am proud to salute him on this important and happy occasion.●

NCPAC: A BLIGHT ON AMERICAN POLITICS

● Mr. EAGLETON. Mr. President, it is not my custom to rise in praise of a Republican political leader. I make an exception today for the courageous statement of Republican National Committee Chairman Richard Richards, as reported in the Washington Post of April 28, 1981.

In that article, Mr. Richards condemns the activities of the National Conservative Political Action Committee (NCPAC), a group dedicated to vicious attacks on officeholders whose views do not conform to the medieval outlook of NCPAC directors.

What is NCPAC? To whom is it responsible? How does it come by its apparent notion that there is no room in American politics for disagreement or debate?

I have had some experience with this group of political hit men. They attacked me during my last campaign. Fortunately, the people of Missouri saw through their distortions and soundly rejected the NCPAC line.

So far as I can tell, NCPAC ideas and positions are the products of a few Washington-based extremists, principal among whom is the self-appointed NCPAC director, John T. Dolan. Mr. Dolan was quoted in another Washington Post story last year as believing the Federal budget ought to be devoted "99 percent for defense and 1 percent for mail"—the latter presumably so that Mr. Dolan can keep his fundraising operation going.

The Dolan operation is totally dependent on a clever, computerized, direct-mail program which pours misleading diatribes into millions of American homes each year.

NCPAC raises its money by peddling fear and intolerence and then it uses that money to fill the TV screens and the pages of our newspapers with additional attacks upon political figures who do not conform to Mr. Dolan's personal political view.

Mr. Richards has rightly pointed out that it was a NCPAC-type operation which was one of the causes of Watergate. Like the Committee to Reelect the President (CREEP) before it, NCPAC is not responsible to anyone or any party. It is lavishly financed and, in the words of Mr. Richards, is capable of "creating all kinds of mischief."

That is an understatement. Organizations such as NCPAC threaten to turn our political process into some kind of ideological witch hunt where politicians who are judged in the eyes of one man to be heretics are pilloried through every form of slick advertising money can buy. Against those tactics, the possibility for civil discourse on critical issues of the day is doomed.

I congratulate Mr. Richards for his recognition of this danger. He has made a start toward meeting it by appointing a special committee to look into ways of curbing the excesses of groups like NCPAC.

I have called on the Democratic National Committee to join the Republicans in that effort and to form a bipartisan program dedicated to the preservation of civility and decency in American politics.

Neither party can benefit in the long run from allowing groups such as NCPAC to trample our traditional political values into the mud of negative campaigns. The future course of American politics may be at stake here, and I urge all my colleagues to join in restoring a sense of decency to the process.

Mr. President, I ask that the article referred to be printed in the RECORD.

The text follows:

GOP CHIEF DECRIES INDEPENDENT EFFORTS TO TARGET DEMOCRATS ON "SINGLE ISSUES"

(By Lou Cannon)

Independent political groups that are targeting supposedly vulnerable Democrats for the 1982 election campaign have the potential of damaging President Reagan instead, Republican National Chairman Richard Richards said yesterday.

"They create all kinds of mischief," Richards said. "They're not responsible to anyone." He said this was part of the cause of the Watergate scandals.

The GOP chairman said that independent campaigns waged against Democrats on "single issues" could undermine the White House strategy of winning conservative Democratic support for Reagan's economic program and could create a backlash of sympathy for some liberals. Richards said that passage of the program and its subsequent success was the key to success for the Reagan administration.

The Republican strategy on the economic program has been to dangle a carrot of approval in front of Democrats who go along with Reagan rather than threatening them with the stick of retaliation at the polls.

Democrats are likely to be reelected if they support the economic plan, Richards acknowledged.

"I would rather pass the program and solve the problem and not win the House than lose the program and win the House and continue with the problems we have," Richards said.

The GOP chairman also said that independent campaigns, which he said some regard as "dirty," have the potential of creating sympathy for incumbent Democratic Sens. Edward M. Kennedy (Mass.) and Paul S. Sarbanes (Md.), who are targeted by the National Conservative Political Action Committee (NCPAC) for defeat in 1982.

Richards said he will appoint a committee when the Republican National Committee meets this summer to look into the activities of independent expenditure groups and see if there is a way to curb them. These groups, especially NCPAC, are credited with helping the Republicans take over the Senate in 1980 by waging gut-level campaigns against such incumbent Democratic senators as Frank Church of Idaho, George S. McGovern of South Dakota and John C. Culver of Iowa, all of whom were defeated.

These groups may have helped Republicans in some instances and hurt them in others, Richards contended. He said that the campaign against Church was so raw that it backfired and enabled the veteran Idaho senator to almost win an election in which he otherwise would have had no chance.

The real danger, Richards said, is that the excess money these groups raise gives them a reason for being independent of any issue and enables them to create "mischief" because they are well-funded and not responsible to any party.

"That's what happened in Watergate," he added.

Richards said that public opinion polls taken for the RNC by Richard B. Wirthlin shows that Reagan's popularity continues to climb and that his economic program also is highly popular. But the GOP chairman said that Reagan's call for cuts in federal spending is far more popular than his tax cut proposals.

"They're not sold yet on supply-side economics," Richards said.

If the president delivers on the economic program, said Richards, the Republicans could become the majority party. If he doesn't, Richards continued, both the president and his party will be held responsible by the voters.

On another issue, Richards said that the RNC is actively supporting plans to create new Hispanic congressional and legislative districts in California, Texas, New Mexico and Florida in the hope of expanding the GOP base among Hispanic voters.●

SOVIET PERSECUTION OF JURI KUKK

● Mr. D'AMATO. Mr. President, I would like to call your attention to the most recent victim of Soviet persecution, Estonian chemistry professor Juri Kukk. There are so many violations of human rights in the Soviet Union that it is difficult to single out specific cases. One man's suffering is no more remarkable for its being publicized, and Juri Kukk does indeed fit the mold of many Soviet intellectuals who have run afoul of their Government's intolerance of criticism. Juri Kukk, however, is different; he died last month in a Soviet prison.

Kukk taught chemistry in Estonia and was allowed to study on an exchange program in France during 1975–76. Chiefly as a result of his exposure to the West, he renounced his membership in the Communist Party in Estonia in 1978. In May 1979 he requested that his Soviet citizenship be voided and that he be allowed to emigrate to the West. On September 20, 1979, he was suspended from his teaching post at Tartu University.

During 1979 and early 1980, Kukk signed numerous human rights appeals and documents relating to the Baltic States, the Soviet invasion of Afghanistan, and the 1980 Olympics, all of which received publicity in the West. Kukk was first arrested by the KGB in Moscow on January 28, 1980, after leaving the car of an American correspondent for the Christian Science Monitor. Released shortly thereafter, he was arrested again on March 13, 1980, after a search of his apartment and confiscation of numerous manuscripts and his typewriter. After incarceration in the central prison in Tallinn, Kukk was subjected to a number of psychiatric examinations.

He was later indicted under article 194–1 of the Estonian SSR Criminal Code for "spreading deliberate fabrications, and slandering the Soviet political and social system," for which the law prescribes up to 3 years of forced labor. On November 25, 1980, Kukk started a hunger strike in support of Mart Niklus, another leading Estonian human rights activist. Kukk and Niklus were both brought to trial at the same time on January 5, 1981. On January 8, Niklus was sentenced to 15 years and Kukk was sentenced to 2 years at forced labor. Kukk was imprisoned in an Estonian labor camp on January 22 and, in failing health, was transferred to an unknown camp in the Murmansk region on February 26. He died sometime in March, reportedly of suffocation after being force fed with an improper diet by Soviet prison authorities.

As an Estonian, Kukk was a member of a national minority in the Soviet Union, a country that has shown consistent disregard for the rights of all national minorities. Under the 1939 Nazi-Soviet Non-Aggression Pact, the Baltic Republics were annexed by the Soviet Union and have been forced to tolerate 40 years of Soviet oppression. When citizens of these republics act to assert their individual rights, let alone mention their rightful independence, they are treated unmercifully by the Soviet authorities—Juri Kukk is not an isolated example of brutality in the Soviet Union. Unfortunately, we can do little to bring about justice in the Soviet Union; we must not, however, allow injustices to be perpetrated unnoticed.●

THE HOLOCAUST REMEMBERED

● Mr. D'AMATO. Mr. President, today, April 30, marks the traditional memorial day set aside to honor the memory of 6,000,000 martyrs of the Nazi holocaust in Europe some 40 years ago.

Even as we bow our heads in memory of the men, women, and children who were led to their deaths there are those who would seek to perjure history by claiming that the gas chambers, the firing squads, the ovens of annihilation, never existed.

For the truth to be remembered all nations the world over should pause on this day and reflect on the horrors of the holocaust. We, as a civilized planet, cannot be allowed to forget the barbaric inhumanity we witnessed during World War II.

The names of Aushwitz, Buchenwald, Dachau, Bergen-Belsen, and other concentration camps where millions perished will remain forever as mute testimony to the mindless slaughter committed on blameless people by the murderers of the Third Reich.

We must, we cannot allow the horrors of the holocaust to be dimmed by the passage of time. Future generations must be told of the terrors committed by the Nazi's whose apologists are attempting to cover up the holocaust in a futile effort to rewrite history. The stark insanity of the world under Hitler must remain exposed to the truth for all time to insure that this type of unspeakable crime can never happen again.

Let us join together in lighting a memorial yahrzeit lamp to honor the 6 million, for in the glow of truth created by that flickering candle the world will know of their martyrdom.

Thank you.●

PARDONING OF EX-FBI AGENTS FELT AND MILLER

● Mr. HAYAKAWA. Mr. President, today I would like to express my gratitude to President Reagan for his recent decision to pardon ex-FBI agents Edward S. Miller and W. Mark Felt. I have taken a special interest in this matter because of my desire to support our law enforcement officers in the difficult decisions they must make every day. In fact, 2 years ago I introduced a resolution requesting the dismissal of the charges against these two agents. The resolution did not pass, and these two men became the object of 3 years of criminal proceedings.

I support the President in this action because these men acted in the best interest of this country. We must remember the political climate of the early 1970's in order to evaluate the actions of Mr. Felt and Mr. Miller. Our country was involved in the Vietnam conflict. There were many threats to our national security. The terrorist groups that Mr. Felt and Mr. Miller investigated were responsible for bombings of important public buildings, for example, the U.S. Capitol and the Pentagon. These two agents were in search of information they believed would inform the Government of terrorist activities—activities which jeopardized many lives.

Mr. President, in the past we have accepted the granting of amnesty to thousands of draft dodgers; currently, amnesty is being suggested for illegal aliens. Neither of these groups have done anything to serve our country. Mr. Felt and Mr. Miller have. Together they have served our country and its people for over 55 years. Surely they deserve a pardon for their technical errors committed in zealous pursuit of terrorist enemies of our Nation.●

COAL IS THE ANSWER

● Mr. RANDOLPH. Mr. President, for the past 6 years Congress has developed legislation to assure electric utilities reduced consumption of oil and gas. I believe there is little sense in burning oil and natural gas in America's powerplants. Such fuels are simply too valuable to waste on electricity generation when coal can do the job more cheaply. The Energy Supply and Environmental Coordination Act, the Powerplant and Industrial Fuel Use Act, enacted in 1974 and 1978, and last year's oil backout bill passed in the Senate all were attempts to reduce our dependence on fossil fuel imports.

Now we see pending before some of our committees legislation which, because of large domestic natural gas reserves on hand presently, would reverse our current Federal policy toward prohibiting use of gas in our utility boilers. While I accept the premise that there will always be some uncertainty in our energy future and that we must retain the positive ability to shift our direction as a result of new technological advances or new-found reserves, I do not feel repealing the off-gas policy in Federal law is advisable. The editorial in the New York Times, "Stick to Coal," emphasizes the need to develop all energy resources in an organized, integrated manner if we are to have energy policy responsive to national long-term need. My colleagues will be helped by the reading of this well-reasoned opinion, and I therefore ask that the editorial be printed in the RECORD.

The editorial follows:

STICK WITH COAL

Should electric utilities use natural gas when coal can do the job? Three years ago Washington said no, ordering utilities to wean themselves from gas-fired boilers by 1990. Now, with gas supplies looking brighter and the costs of converting to coal look-

ing more formidable, the utility industry is asking Congress to reconsider. The request is short-sighted.

While the outlook for gas supplies has improved, coal remains a sure thing, and time is of the essence. Delay in the transition leaves the unacceptable risk of heavy dependence on imported fuel—a prospect to be avoided even if it means Federal subsidies for conversion to coal.

The picture has changed since the "off-gas" provision for utilities was passed in 1978. Then, natural gas was being consumed faster than it was being discovered, and oil imports were at record levels. In ordering conversion, Congress sought to reserve remaining gas for users who could not switch to coal or nuclear power. But the partial deregulation of prices in 1979 gave the gas industry new incentives to produce. Now gas is being added to reserves about as fast as it is being consumed, and some experts believe great quantities will be found in the next decade.

At the same time, the financial obstacles to coal conversion are growing. For the most part, state regulators have failed to allow rate increases adequate to attract new capital to the utility industry. And Congress has refused to subsidize the conversion process. The problem is probably most acute in the Southwest, where utilities are heavily dependent on gas and face high conversion costs. Investment in conversion must come on top of funds already needed to meet anticipated growth in demand for electricity.

These are not reasons enough to drop the 1990 deadline for conversions. As the natural gas industry is quick to acknowledge, no one knows how much gas remains to be found in the United States. If the optimistic predictions for gas supply turn out to be right, the nation will still be well served by a utility industry equipped to take full advantage of coal.

On the other hand, if they are wrong, and if conversion is long delayed, the bill for imported gas may end up as large as that for imported oil. And it is hard to work up too many tears for the Southwest, where power costs remain low relative to the Northeast and Midwest. Still, energy is a national problem. The less domestically produced gas that is burned by utilities in Texas or Louisiana, the more there will be to heat homes in California and New York.

A compromise, then, would be to insist on rapid coal conversion but permit Federal subsidies for utilities that can prove a genuine cost squeeze. Compared with greater dependence on imports, such subsidies would be merely prudent.●

MULTIYEAR DEFENSE FUNDING—S. 1051

● Mr. JEPSEN. Mr. President, yesterday I submitted legislation, S. 1051, designed to stimulate our defense industrial base by loosening the legal restrictions that limit multiyear funding to a small number of low-value contracts. Commonsense and practical administrative procedures will save many of billions of dollars in defense costs. This proposed bill will provide the Defense Department with the option to initiate multiyear funding for stable programs and thus lower costs for major defense contracts.

The rationale makes good sense. If the Government can offer stable, long-term production funding, the contractor will have incentives that result in lower cost and greater productivity. Likewise, if a contractor knows that he is not going to be subjected to the erratic pattern of year-to-year funding, he will be encouraged to purchase economical lots of long-lead items, such as raw materials and components, well in advance of production. Economies of scale and higher learning curves are possible in a stable program.

As a result, a multiyear funding will provide incentives for capital investment in labor-saving machinery and innovative production techniques and thus expand the competition base in the defense industry.

The bill would repeal the $5 million cancellation ceiling limitation included in the 1976 Department of Defense Appropriation Authorization Act. Instead, the Secretary of Defense would determine an equitable cancellation ceiling on a program-by-program basis that would include both the contractor's recurring and nonrecurring costs.

Several safeguards would help minimize the greater financial risks the Government would assume under such a proposal. Contracts based on cost plus a percentage of cost would be excluded from multiyear funding. Multiyear contracts would only be awarded to stable programs which demonstrate a proven need. In addition, the Government will not be liable the longer a program runs, in the event of cancellation. The Secretary of Defense would be required to notify the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives 30 days in advance of awarding a contract containing a clause with a cancellation ceiling in excess of $50 million.

The bill would make the following changes in title 10 of the United States Code:

First, it provides a revised policy statement that would give Congress the rationale for permitting multiyear funding for defense contracts.

Second, it removes the geographical restriction that prevents the Secretary of Defense from entering into multiyear service and supply contracts within the contiguous 48 States.

Third, it provides the framework for multiyear funding of defense programs. One of the most serious obstacles to multiyear funding is the unrealistic cancellation ceiling $5 million on defense contracts. In addition, contractors are not permitted to include either recurring or nonrecurring costs in the cancellation clause. This prevents multiyear funding in many cases simply because contractors are forced to assume most of the risks if a contract is canceled after the first year.

Finally, it requires the Secretary of Defense to include information on the most efficient production rate and the most efficient acquisition rate for each weapon system in its annual report to Congress. The Secretary would also have to include this information in any new contracts reported to Congress throughout the year.

Mr. President, this bill codifies the recommendations issued in a report last December by a defense industrial base panel of the House Armed Services Committee. This legislation, coupled with H.R. 745 sponsored this year by Representative DAN DANIEL in the House of Representatives, will certainly not cure all the problems plaguing our defense industrial base. However, its implementation will result in substantial savings to the American people as well as long-term improvement in the productivity of America's defense industry.●

HOUSE OF REPRESENTATIVES—*Thursday, April 30, 1981*

The House met at 11 a.m.

The Reverend Ray Hedberg, Arlington Hills Lutheran Church, St. Paul, Minn., offered the following prayer:

Eternal God, our Father: In this moment of quiet and reflection, attune our minds and hearts to Your Spirit.

We pray Your special blessing upon this House and its deliberations. Keep us alert to Your presence in this place, not only as a reminder of a higher will to which all of us are accountable, but also as a sign of Your grace which is new every morning and sufficient for every need.

Lord, hold this Nation under Your care that we may be a people at peace among ourselves and a blessing to other nations of the Earth.

Keep us diligent in the search for truth, persistent in the pursuit of justice, and faithful in all that is expected of us.

Through Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. WEISS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

Mr. WEISS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 371, nays 12, present 1, not voting 47, as follows:

[Roll No. 25]

YEAS—371

Addabbo	Barnard	Boner
Akaka	Barnes	Bonior
Albosta	Beard	Bonker
Alexander	Bedell	Bouquard
Anderson	Bellenson	Bowen
Andrews	Benjamin	Breaux
Annunzio	Bennett	Brinkley
Anthony	Bereuter	Brodhead
Archer	Bethune	Brooks
Ashbrook	Bevill	Broomfield
Aspin	Biaggi	Brown (CA)
Atkinson	Bingham	Brown (CO)
AuCoin	Blanchard	Broyhill
Badham	Bliley	Burgener
Bafalis	Boggs	Butler
Bailey (MO)	Boland	Byron
Bailey (PA)	Bolling	Campbell
Carman	Gingrich	Mavroules
Chappell	Ginn	McCloskey
Chappie	Glickman	McCollum
Cheney	Gonzalez	McCurdy
Clausen	Gore	McDade
Clay	Gradison	McDonald
Clinger	Gray	McEwen
Coats	Green	McGrath
Coelho	Gregg	McHugh
Coleman	Grisham	Mica
Collins (IL)	Guarini	Michel
Collins (TX)	Gunderson	Mikulski
Conable	Hagedorn	Miller (OH)
Conte	Hall (OH)	Mineta
Coughlin	Hall, Ralph	Minish
Courter	Hall, Sam	Mitchell (NY)
Coyne, James	Hamilton	Moakley
Coyne, William	Hammerschmidt	Molinari
Craig	Hance	Mollohan
Crane, Daniel	Hansen (ID)	Montgomery
Crane, Philip	Hartnett	Moore
D'Amours	Hatcher	Moorhead
Daniel, Dan	Hawkins	Morrison
Daniel, R. W.	Hefner	Mottl
Danielson	Heftel	Murphy
Dannemeyer	Hendon	Murtha
Daschle	Hertel	Napier
Daub	Hightower	Natcher
Davis	Hiler	Neal
de la Garza	Hillis	Nelligan
Deckard	Holland	Nelson
Derrick	Hollenbeck	Nichols
Derwinski	Holt	Nowak
Dickinson	Hopkins	O'Brien
Dicks	Horton	Oakar
Dingell	Howard	Oberstar
Dixon	Hubbard	Obey
Dorgan	Huckaby	Panetta
Dougherty	Hughes	Parris
Downey	Hunter	Pashayan
Dreier	Hutto	Patman
Duncan	Hyde	Patterson
Dunn	Ireland	Paul
Dwyer	Jeffords	Pease
Dymally	Jeffries	Perkins
Dyson	Jenkins	Petri
Early	Johnston	Peyser
Eckart	Jones (OK)	Pickle
Edwards (AL)	Jones (TN)	Porter
Edwards (CA)	Kastenmeier	Price
Emerson	Kazen	Pritchard
Emery	Kildee	Pursell
English	Kindness	Rahall
Erdahl	Kogovsek	Rangel
Erlenborn	Kramer	Ratchford
Ertel	LaFalce	Regula
Evans (DE)	Lagomarsino	Rhodes
Evans (GA)	Latta	Richmond
Evans (IN)	Leach	Ritter
Fary	Leath	Roberts (KS)
Fascell	LeBoutillier	Roberts (SD)
Fazio	Lee	Robinson
Fenwick	Lehman	Rodino
Ferraro	Leland	Roe
Fiedler	Lent	Roemer
Fields	Levitas	Rogers
Findley	Lewis	Rose
Fish	Loeffler	Rosenthal
Fithian	Long (LA)	Rostenkowski
Flippo	Long (MD)	Roth
Florio	Lott	Roukema
Foglietta	Lowery	Rousselot
Foley	Lowry	Roybal
Ford (TN)	Lujan	Rudd
Fountain	Luken	Russo
Fowler	Lundine	Santini
Frank	Madigan	Sawyer
Frost	Markey	Scheuer
Fuqua	Marks	Schneider
Garcia	Marlenee	Schulze
Gaydos	Marriott	Schumer
Gejdenson	Martin (IL)	Seiberling
Gephardt	Martin (NC)	Sensenbrenner
Gibbons	Martin (NY)	Shamansky
Gilman	Matsui	Shannon
Sharp	Stokes	Whitehurst
Shaw	Stratton	Whitley
Shelby	Studds	Whittaker
Shumway	Stump	Whitten
Shuster	Swift	Williams (MT)
Siljander	Synar	Williams (OH)
Simon	Tauke	Wilson
Skeen	Tauzin	Winn
Skelton	Taylor	Wirth
Smith (IA)	Thomas	Wolf
Smith (NE)	Traxler	Wolpe
Smith (NJ)	Trible	Wortley
Smith (OR)	Vander Jagt	Wright
Snowe	Vento	Wyden
Snyder	Volkmer	Yates
Solarz	Walgren	Yatron
Spence	Wampler	Young (AK)
St Germain	Watkins	Young (FL)
Stangeland	Weber (MN)	Young (MO)
Stanton	Weber (OH)	Zablocki
Staton	Weiss	Zeferetti
Stenholm	White	

NAYS—12

Edwards (OK)	Harkin	Sabo
Evans (IA)	Jacobs	Schroeder
Forsythe	Livingston	Solomon
Goodling	Mitchell (MD)	Walker

PRESENT—1

Ottinger

NOT VOTING—47

Applegate	Ford (MI)	Moffett
Benedict	Frenzel	Myers
Brown (OH)	Goldwater	Pepper
Burton, John	Gramm	Quillen
Burton, Phillip	Hansen (UT)	Railsback
Carney	Heckler	Reuss
Chisholm	Jones (NC)	Rinaldo
Conyers	Kemp	Savage
Corcoran	Lantos	Smith (AL)
Cotter	Lederer	Stark
Crockett	Lungren	Udall
Dellums	Mattox	Washington
DeNardis	Mazzoli	Waxman
Donnelly	McClory	Weaver
Dornan	McKinney	Wylie
Edgar	Miller (CA)	

□ 1115

Mrs. SCHROEDER changed her vote from "yea" to "nay."

Ms. FERRARO and Mr. MORRISON changed their votes from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

79-059 O - 84 - 58 pt.6

S. 786. An act to provide for continuing United States participation in the International Development Association, to provide for U.S. participation in the African Development Bank, and for other purposes;

S. 999. An act to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and for other purposes;

S. 1001. An act to amend the Earthquake Hazards Reduction Act of 1977 to extend authorization for appropriations for fiscal year 1982, and for other purposes; and

S.J. Res. 75. Joint resolution authorizing and requesting the President to issue a proclamation designating the 7 calendar days commencing on April 30 of 1981 as "National Beta Sigma Phi Week."

ELECTION AS MEMBERS OF STANDING COMMITTEES

Mr. LONG of Louisiana. Mr. Speaker, as chairman of the Democratic Caucus, and by authority of the Democratic Caucus, I send to the desk a privileged resolution (H. Res. 135) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 135

Designating membership on certain standing committees of the House

Resolved, That the following-named Members and Delegate be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on the District of Columbia: Mervyn M. Dymally, California.

Committee on Post Office and Civil Service: Charles E. Schumer, New York, to rank eleventh thereon; and Gus Savage, Illinois, to rank sixteenth thereon.

Committee on Veterans' Affairs: Antonio Borja Won Pat, Guam.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE REVEREND DR. RAYMOND W. HEDBERG

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, it is a great pleasure and honor to welcome as our guest chaplain today, the Reverend Dr. Raymond W. Hedberg, pastor of Arlington Hills Lutheran Church, St. Paul, Minn.

I am certain that my colleagues join me in thanking Reverend Hedberg for his words of inspiration today.

Reverend Hedberg was born in St. Charles, Ill., and attended Augustana Theological Seminary, where he received his doctor of divinity. He is married to Margaret Ranseen and has three children, John, Jane, and Janet.

Reverend Hedberg has served as a pastor since 1944 and has been the pastor of Arlington Hills Lutheran Church since 1959.

During his service in St. Paul, Reverend Hedberg has served his parishioners and the community well. His tireless efforts and humanitarian concern are known throughout the city. I feel most fortunate to have worked with Pastor Hedberg throughout my public service. His dedication has been an inspiration and his counsel invaluable. Reverend Hedberg's commitment has been recognized by his colleagues. He has served as the president of the St. Paul Council of Churches Foundation. In addition, Reverend Hedberg is now the secretary of the Minnesota Synod of the Lutheran Church in America and a member of the ALC/LCA/AELC Committee on Lutheran Unity.

I want to again welcome Reverend Hedberg to Washington and thank him for his words of inspiration.

THERE IS NO BIPARTISAN BUDGET

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, the other evening the President indicated in his message to the Congress that we had a bipartisan alternative to the Jones budget. I think it is important that the American people know and particularly Democrats that are out there, that we do not really have a bipartisan alternative budget. We have a Republican and a conservative budget that we are looking at; so for Democrats, Mr. Speaker, and for moderate Republicans, the only opportunity to vote on a reasonable budget is going to be to vote for the Jones budget, which ultimately is one that I hope we would all support.

TIME TO STAND UP AND BE COUNTED

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, every once in a while in politics there comes a time when it is important for people to stand up and be counted—a time when a single vote will have major implications on our form of government for months and years to come. Such a time will occur next week when we consider the budget for fiscal year 1982.

For several months, the Budget Committee, under the superb leadership of Chairman JIM JONES, wrestled with the legitimate concern of the public that Government expenditures should be reduced. The product the committee developed, which will be presented to the House next week, is one of the finest pieces of work done by a House committee in years. It reduces President Reagan's $45 billion deficit for 1982 to $25 billion. It saves vital programs while at the same time eliminating some that have not worked well. It slows the level of Government spending but it does so with compassion. It speaks to the best instincts of our country rather than to the baser ones.

JIM JONES and the Budget Committee are to be congratulated. They have produced a bill that I will enthusiastically support and which I commend to my colleagues.

□ 1130

THE NATIONAL WORKSITE EMPLOYMENT AND TRAINING ACT

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYMALLY. Mr. Speaker, I am today introducing legislation, patterned after a successful California bill, to stimulate jobs, training, and tax incentives in the private sector.

The State of California has put the full weight of Governor Brown, the employment development department, and the California Legislature which has appropriated $50 million, behind this measure.

The California Worksite Employment and Training Act (CETA) which was authored by my friend and colleague California State Senator Bill Greene, provides for:

First, training with employment;

Second, tax incentives for employers; and

Third, employment opportunities for the unemployed.

This legislation is in keeping with the philosophical thrust of the Reagan administration; that is, emphasis on the private sector with minimum Government involvement.

PRESIDENT REAGAN'S PROGRAM FOR ECONOMIC RECOVERY

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, the President spoke eloquently and persuasively Tuesday evening. I support his program for economic recovery and his call for a quick resolution of the budget issue.

Federal deficit spending is out of control. The budget was in the red last year to the tune of $59.6 billion. Our prodigal overspending must come to a halt, lest we bequeath to our grandchildren an overwhelming burden as their sorry inheritance. The Reagan program, embodied in the Gramm-Latta substitute, is our best hope of reviving the economy that helped make this country great.

The people have suffered the effects of lackadaisical economic management

for too long. I urge my colleagues to act now: Let us enact President Reagan's program for economic recovery.

BOBBY SANDS

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, we are very much concerned about the escalating violence in Northern Ireland. Unfortunately there is no indication that conditions will improve—particulary in light of the imminent threat of further outbreaks if the prisoner and Member of Parliament, Bobby Sands, dies.

Bobby Sands is in his 61st day of hunger striking—he has vowed that he will not concede unless political status is granted to the Irish prisoners in the H-Block.

Prime Minister Margaret Thatcher holds the key to the peaceful resolution of this thorny matter. The issue of political status and civilian clothing for Irish prisoners has long been a point of contention. The violence stemming from this issue can only serve to further scar the generation of children in Northern Ireland who have known nothing but violence for the past 14 years.

I am calling upon Mrs. Thatcher and the elected leaders of Great Britain and Ireland to look at this issue in a humanitarian way, in order to spare the people of Ireland further suffering.

PRESIDENT REAGAN PUT THE DEBATE OVER HIS ECONOMIC PROPOSALS INTO PERSPECTIVE

(Mr. KRAMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KRAMER. Mr. Speaker, in his speech to Congress Tuesday night, President Reagan did an excellent job of putting the debate over his economic proposals into perspective. It has been 6 months since America voted for a change, yet we still face serious economic problems. Now it is time for us to act. President Reagan has given us a comprehensive program for getting the economy back on its feet, and judging from a questionnaire I recently sent to my constituents, it has overwhelming support in the Fifth District of Colorado. For example, 89.5 percent favor the budget cuts Mr. Reagan has proposed; 86.9 percent favor his plan to cut Federal income tax rates by 30 percent across the board over the next 3 years; 87.5 percent agree with his business tax incentives; and 85.2 percent concur with his call for spending more on national defense. Significantly, only 26.9 percent—roughly one in four—think the poor are being asked to shoulder too many of the cuts, and 78.5 percent are optimistic that inflation and interest rates will go down if Congress passes the President's economic package basically intact. In short, they are fed up with business as usual in Washington. They agree with President Reagan that Government is too large, that taxes are too high, and that national defense should be given higher priority. This is the thrust of the Gramm-Latta substitute, which I will be supporting when the budget comes to a vote.

PUTTING OUR ECONOMIC HOUSE IN ORDER

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, last November the voters gave President Reagan and a new Congress an overwhelming mandate to change direction. The President reminded Congress of that mandate Tuesday night when he said, "All we need to do is act, and the time for action is now."

Having just returned from the Easter district work period, I can enthusiastically report that the people of the Fourth District of Indiana want less government and are very anxious to begin the President's economic recovery program.

We have heard talk of how the Reagan program would hurt the poor, the elderly, veterans, and many others. The opposite is closer to the true situation.

It is time we get President Reagan's economic recovery plan in perspective. Even under the President's plan, Federal spending would increase by $40.1 billion next year. So let us stop talking about budget cuts and start describing this program as it really is; namely, a serious attempt to get control of the irresponsible growth of the Federal sector by reducing the rate of growth to manageable levels.

The President's program also deals with badly needed tax relief for American taxpayers.

In 1965, only 6 percent of all taxpayers faced marginal income tax rates of 25 percent or higher. Today, fully 38 percent of all taxpayers face rates of 25 percent or higher. Middle-class people are now paying tax rates formerly reserved only for the rich.

Without changes in the tax rate, individual income taxes will increase at an annual rate of 16 percent between 1981 and 1986.

After adjusting for inflation, hourly earnings of the American worker have declined 5 percent over the last 5 years, whereas Federal personal taxes for this same family have shot up 67 percent in the same period.

I am glad to see the people of my district support the President's commitment to putting our economic house in order again. Mr. Speaker, let us get on with the process.

THE CEREMONY TO BESTOW THE ISRAELI MEDAL OF THE RIGHTEOUS TO POLISH PATRIOT STEFAN KORBONSKI

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, in view of the fact that today we have set aside time in the House to pay homage to the memory of the men, women, and children who were innocent victims of the holocaust, I would like to direct the attention of the Members to a ceremony which will be taking place this afternoon at the Embassy of Israel.

The Israeli Ambassador, Ephraim Evron, will bestow the Israeli Medal of the Righteous to the well-known Polish patriot, Stefan Korbonski for the bravery and human kindness he displayed in risking his life to save Polish Jews from the holocaust.

Mr. Korbonski, a prominent Warsaw lawyer and a leader of the Polish Smallholders Party, was one of the outstanding leaders in the resistance movement in Poland during the Nazi occupation. In this capacity, Mr. Korbonski issued repeated directives to the Polish underground calling for assistance to the imperiled Polish Jews. As a result of his efforts, thousands of Jewish lives were saved.

This ceremony at the Israeli Embassy today reminds us of certain things that we should never forget. In addition to recalling the holocaust which consumed the lives of 6 million European Jews. it reminds us that under the Nazi occupation in Poland there existed a democratic national resistance movement that embraced virtually the entire Polish nation. It also reminds us that the Communist dictatorship, from whose harsher features the Polish people are now seeking some relief, was imposed on them by Soviet bayonets. It reminds us of the heroism of the many thousands of nameless Poles who risked their lives to assist their Jewish compatriots.

This award ceremony is not only a tribute to the courage of Stefan Korbonski, but it is also a tribute to the heroic Polish resistance movement of World War II. At the same time, it is a tribute to the Israeli nation, which has shown that it has as long a memory for the benefactors of the Jewish people as it has for the war criminals who sought their destruction.

NO PULITZER PRIZE FOR THIS WASHINGTON POST STORY

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, on the front page of the Washington Post this morning there was a story describing some action that took place in the Committee on Foreign Affairs yesterday with regard to El Salvador. The article indicated that the administration had suffered a setback by way of an amendment that was adopted by the committee. The amendment that was adopted was not a repudiation of the administration position on El Salvador. As a matter of fact, Members on both sides of the aisle who voted for the amendment that was described in the article specifically stated that they were in support of the President's policies with regard to El Salvador, including military aid, but they felt that the objectives that the administration itself had enunciated should be clarified and spelled out in the bill itself.

On the contrary—and the article did not mention this—the committee did turn down by rather large margins two amendments, one of which would have prohibited any military aid to El Salvador at all. That was defeated by the committee.

Another amendment, which would have required that all military trainers would have to be recalled from El Salvador within 30 days after the effective date of the bill, was also defeated by a nearly 2-to-1 margin.

The Post, as I say, did not even mention those particular votes, an amazing omission. I doubt if the Washington Post will receive a Pulitzer Prize for this story.

DEEP CONCERN OVER THE POLITICAL SITUATION IN IRELAND

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, I want to express my very deep concern over the political situation in Northern Ireland. The 2-month hunger strike of Bobby Sands, the newly elected Member of Parliament who is demanding political prisoner status, has inflamed the north of Ireland and threatens to engulf the area in total civil war.

The political history of Ireland is certainly one of the most tragic of any nation's. The latest chapter involving the hunger strikers of the Maze Prison only adds to the tragedy, and the hardening of positions by all parties—be it the prisoners, the British Government, the IRA, or the Protestant militants—only exacerbates the situation. The stalemate must be broken.

I implore Prime Minister Thatcher to take action now—today—in this matter. As a responsible government, her administration must seek some sort of compromise, on humanitarian grounds, to avert a new wave of bloodshed in Ireland. The alternative to a compromise in the Bobby Sands matter no doubt will lead to Mr. Sands' death, further violence, and, ultimately, set back the cause of peace and justice in Ireland for years to come.

The one bright note of the past few days has been the dedication to the resolution of the conflict by the papal envoy, the Reverend John Magee. His efforts in seeking a compromise are heartening and our hope is that his mission will yield results.

SERVICE OF CONGRESSMAN MORRIS "MO" UDALL

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, the House of Representatives is a body rich in tradition, composed of Members who delight in historical anecdotes. With that thought in mind, I wish to call my colleagues' attention to an anniversary that will be recognized this Saturday, May 2. It was on that date 20 years ago that our esteemed colleague, the gentlemen from Arizona, MORRIS "MO" UDALL, was administered the oath of office for the U.S. House of Representatives by Speaker Sam Rayburn and, thus, became the last Member sworn in during the Rayburn era.

It was a special election to fill the vacant seat of his brother, Stewart, who had joined the Kennedy administration as Secretary of the Interior.

For over two decades MO UDALL's presence has graced this body. He has won the respect and friendship of Members from both sides of the aisle. His quiet, dignified manner, integrity, and personal courage have easily made him one of the most prominent Members of Congress. Certainly his great wit and finely tuned sense of humor have made him one of the most enjoyable Members of Congress—a friend and colleague of so many who have been privileged to serve in this body.

Like so many of his colleagues, this Member regards the gentleman from Arizona as a dedicated public servant, a man who is willing to take a position of conscience on controversial issues.

Whatever stand he takes, whether we agree or disagree, MO UDALL is a respected leader in the U.S. House of Representatives. He is to be congratulated, and I offer this small personal tribute for all he has given to this body in two decades of service. We look forward to working with him during the challenging days of the 97th Congress.

Mr. ASHBROOK. Mr. Speaker, will my colleague yield?

Mr. BEREUTER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding. I certainly want to associate myself with what my colleague, the gentleman from Nebraska (Mr. BEREUTER), has said.

I had been here several months when MO UDALL came on the scene with his sense of humor, intelligence, dedication, and many things. I joined with him on rewriting the Presidential primary system. I traveled through New Hampshire with him. He is a wonderful person to work with, and I am glad the gentleman took the time to point this out.

Mr. BEREUTER. I thank the gentleman from Ohio.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

I just wanted to thank the gentleman for taking this moment, because obviously those of us on the Democratic side have viewed Mo not only with great respect for the wonderful things the gentleman mentioned about him, but also for the leadership he has provided to us over here.

I thank the gentleman from Nebraska (Mr. BEREUTER) for taking that time.

Mr. BEREUTER. I thank the gentleman from New York for his remarks.

ACCUSED MURDERER FREE TO COMMIT VIOLENCE—WHERE IS THE LIBERAL OUTCRY?

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, in his first press interview since the assassination attempt, President Reagan pointed out that, in talking about gun control, we were missing the real causes of crime, such as rising permissiveness. A violent incident this week in Washington certainly reenforces his point. A man who had been indicted the previous week for a contract murder was free on bail. He attempted to rob a store, and was killed in a shootout with a former police officer, a shootout in which a small boy was hit twice. Needless to say, the liberals who were so loudly demanding gun control a few weeks ago were very silent on this incident. They are only interested in gun control, not in criminal control.

Everybody knows the real reason for the skyrocketing crime rate in this country, but our liberal friends don't

want to talk about it. Letting criminals roam free to terrorize our citizens is a policy our liberals have made possible by their antidetention, easy bail policies. By shouting for handgun confiscation, they are able to divert us from this real problem, and from focusing attention on those who cause it.

President Reagan is right. It has been said that, "All that is necessary for the triumph of evil is that good men do nothing." As long as we spend all our time answering the hysterical and hypocritical demands for handgun confiscation, nothing will be done about the real cause of crime.

Liberals insist on putting dangerous criminals back on the street as soon as possible. They then propose that citizens threatened by these criminals be forbidden to have guns. Not only must the people be threatened by felons, but they must be defenseless as well.

It is time we faced the fact that liberals do not care about crime. As long as gun control is the knee-jerk response to our problem, criminal control will be ignored, and so long as we let liberals draw our attention away from criminal control, our streets, will be unsafe.

□ 1145

CONSERVATIVES AND NOT DEMOCRATS?

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, early on in the 1-minute speeches, my good friend and colleague, the gentleman from New York (Mr. PEYSER), got up and called attention to the body that the so-called Latta-Gramm substitute was not a bipartisan substitute at all, that he did not consider the Democrats in that bipartisan effort as being Democrats. The gentleman said they were conservatives and not Democrats.

Well, I would just like to call attention to the body that we have 44 empty seats right over here, and I would certainly welcome all 44 of those conservative Democrats, good conservative Democrats, to come over and let us join in getting this country turned around again.

PROSPERITY IS NOW AUSTERITY

(Mr. LOWERY of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWERY of California. Mr. Speaker, 20 years ago the American people enjoyed the most prosperous economy in the world. However, the freespending economic policies of recent years have reduced that prosperity to austerity for the vast majority of Americans.

For example:

Federal personal taxes on each family have nearly quadrupled in the last 15 years—growing from $1,500 for an average family in 1965 to $5,500 in 1980.

Average weekly earnings, after inflation and taxes, have dropped by over 14 percent since 1972.

Mortgage interest rates have doubled since the early sixties, making homeownership the impossible dream for 90 percent of potential first-time homebuyers.

The list goes on and on.

Today we begin consideration of the first concurrent budget resolution for fiscal year 1982. It is time to chart a new course for Federal fiscal policy. It is time for an economic plan based on sound expenditure, tax, regulatory and monetary policies.

Mr. Speaker, it is time for the Reagan bipartisan budget.

FIGURE IT OUT

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, we have heard and will be hearing words, words, words concerning the vote on the budget resolution.

Instead of adding more to that list, let me instead offer some numbers and statistics that speak for themselves.

The first is 34,968,548.

That is the number of votes received in the Presidential election of 1980 by the major party candidate who opposed the Reagan economic package.

The second figure is 43,267,462.

That is the number of votes received by Ronald Wilson Reagan.

The difference between the two should be on all our minds.

The next set of figures are 49 and 489.

These are the electoral votes received by Jimmy Carter and Ronald Reagan.

But most important of all is this number: 31780:

That is the ZIP code of Plains, Ga. That is where the major Presidential candidate who opposed the Ronald Reagan economic plan in 1980 now receives his mail.

That is my numbers game for the day. Enough said.

PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 115, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1982

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 134 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 134

Resolved, That at any time after the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 115) revising the congressional budget for the United States Government for the fiscal year 1981 and setting forth the congressional budget for the United States Government for the fiscal years 1982, 1983, and 1984, and the first reading of the resolution shall be dispensed with. The provisions of subsection 305(a) of the Congressional Budget Act of 1974 and rule XXIII, clause 8, of the Rules of the House of Representatives shall apply during the consideration of the concurrent resolution in the House and in the Committee of the Whole: *Provided, however,* That no amendment to the resolution shall be in order except the following amendments, which shall be considered only in the following order if offered, which shall all be in order even if previous amendments to the same portion of the concurrent resolution have been adopted, and which shall not be subject to amendment except pro forma amendments for the purpose of debate: (1) an amendment printed in the Congressional Record of April 29, 1981, by, and if offered by, Representative Hefner of North Carolina; (2) the amendment in the nature of a substitute printed in the Congressional Record of April 29, 1981, by, and if offered by, Delegate Fauntroy of the District of Columbia; (3) the amendment in the nature of a substitute printed in the Congressional Record of April 29, 1981, by, and if offered by, Representative Obey of Wisconsin; and (4) the amendment in the nature of a substitute printed in the Congressional Record of April 29, 1981, by, and if offered by, Representative Latta of Ohio. It shall also be in order to consider the amendment or amendments provided for in section 305(a)(6) of the Congressional Budget Act of 1974 necessary to achieve mathematical consistency. If more than one of the amendments in the nature of a substitute made in order by this resolution have been adopted, only the last such amendment which has been adopted shall be considered as having been finally adopted and reported back to the House.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes of that time to the gentleman from Ohio (Mr. LATTA), and pending that I yield myself such time as I may consume.

Mr. Speaker, I see no reason to go into great detail on this rule. Those who listened to the rule being read will know that the key element in the rule is that it makes in order only certain amendments. One of those is by the gentleman from North Carolina (Mr. HEFNER), and it deals with defense. It is a perfecting amendment to the committee resolution.

Another one is proposed by the Black Caucus, and will be offered by the gentleman from the District of Columbia (Mr. FAUNTROY).

Another will be proposed by the gentleman from Wisconsin (Mr. OBEY).

A fourth will be proposed by the gentleman from Ohio (Mr. LATTA).

Each of those latter three are total substitutes.

The method of debate, the general debate, is under the statute. The statute provides for 10 hours of general debate on the budget resolution itself and 4 hours, as I remember it, on the Humphrey-Hawkins bill.

So there are 14 hours of general debate.

To the best of my knowledge, that covers the main essentials, without going into detail, of all of the different substitutes, and I would have to admit that I was less than expert on all of them.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, if I listened carefully to the rule, it seems to me that another key element of it is, that in reality, a majority of this House could vote for every one of the amendments and end up with the final amendment being adopted as the will of the House. Is that correct?

Mr. BOLLING. That is correct.

Mr. WALKER. And so, therefore, the Rules Committee has really structured the rule in a way which, by order, can very much make the difference as to how we finally come out on the determination of the House with regard to the budget. Is that not the case?

Mr. BOLLING. I think that is one that would have to be discussed at considerable length. There are some Members on this side who think we should have figured out a way to give an opportunity to the committee resolution to be voted on first. They would have preferred that.

What we have done is normal procedure, given this situation.

I personally do not believe that the Members of this House are going to pursue a course of trying to vote for more than one proposition.

Therefore, I think that, while the gentleman's notion is all right in theory, it is not really very likely to be practiced.

Mr. WALKER. If the gentleman will yield further, what concerns me is not so much this particular resolution; as far as I am concerned, the structure of it probably plays in favor of what the views are of the gentleman from Pennsylvania with regard to where we ought to finally end up with the budget.

However, it seems to me that we have here the first major closed rule that we will have in the Congress, and what does concern me is the fact that by establishing the order of consideration, the Rules Committee may have set a predecent as to other kinds of rules that we will be considering of a controversial nature, and thereby present us with this dilemma at several points in the future.

Could the chairman comment on that particular concern of this Member?

Mr. BOLLING. This is not a new procedure. I was just checking with staff to make sure that I was right. This is precisely what was done the last occasion, I believe, that we dealt with the budget. There is nothing new about this procedure. There is no precedent.

Mr. WALKER. I thank the gentleman for yielding.

Mr. BOLLING. Mr. Speaker, I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I agree with the statements just made by our very able chairman of the Rules Committee. I support this rule, and I would like to point out to the Members of the House that, with the various substitutes that have been made in order, I think they will find they can fit any of their views into one of these substitutes. Everybody will have an opportunity to express their views by voting either for or against one of these substitutes.

Let me, by way of explanation, just point out some of the differences in the substitutes as far as the aggregates are concerned.

The Budget Committee's aggregates for 1982—we will skip the outyears—are budget authority of $787 billion; the outlays of $714 billion; revenues of $688 billion; and a deficit of $25 billion.

The Congressional Black Caucus substitute: $777 billion in budget authority; $709 billion in outlays; revenues of $717 billion; and a surplus of $7.85 billion.

Unfortunately, they achieve that surplus by an increase in taxes of $59 billion.

The Obey substitute: The budget authority, $793 billion; outlays, $716 billion; revenues, $717 billion; and a surplus of $500 million. But, like the Congressional Black Caucus substitute, they do that with an increase in taxes over the Latta-Gramm substitute of $59 billion.

In the Latta-Gramm substitute, the budget authority is $764 billion; outlays, $688 billion; revenues, $657 billion; and a deficit of $31 billion.

With the Hefner amendment to the Jones substitute, should it be adopted, we would have budget authority of $794 billion; outlays, $713 billion; revenues, $688 billion; with a deficit of $24.7 billion. In this case, tax revenues are up over the Latta-Gramm substitute by $31 billion.

Mr. Speaker, I now have several requests for time.

Mr. BOLLING. Mr. Speaker, I have a number of requests for time.

Mr. LATTA. Mr. Speaker, I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Kentucky (Mr. PERKINS), the chairman of the Committee on Education and Labor.

Mr. PERKINS. Mr. Speaker, I oppose the rule and urge its defeat. I believe that instead of the rule before us now, the first budget resolution of fiscal year 1982 ought to be on the floor of the House under an open rule.

This position is not lightly taken. But I would not have taken it at all if this were not potentially the last opportunity in the Congress where a committee or an individual Member could express a view on component issues of what has come to be called the President's program.

That program, as we well know, is nothing less than the legislative responsibilities of Congress to establish policy and mandate programs.

It comes to us this week in an enormously outsized, tremendously complex, omnibus package. It ranges over every field of government endeavor. It touches the lives of every person in this country.

In my view, it touches with undue severity those Americans who happen to be poor, sick, uneducated, old, jobless, in isolated circumstances, and from a heritage of educational and economic deprivation. And it touches with amazing insensitivity those thousands of children who depend upon the school feeding programs for a balanced meal.

The resolution reported by the Committee on the Budget is a product of great effort on the part of the Members of that body.

I have no doubt that its major provisions have the support of a clear majority of this House. Certainly much of it has my support.

My claim is not that we are being asked to buy "a pig in a poke." I think we are being asked to buy a pig in the *Queen Mary.*

I would like this House to have the opportunity to look at this floating emporium deck by deck, stateroom by stateroom, passenger by passenger, pig by pig. I think we should be able to listen to the squeal on one end and watch the wiggle on the other.

If we do not get that opportunity, Mr. Speaker, then the individual Members are indeed being foreclosed of their rights and their duties to weigh each item separately.

The development of expertise in a given subject area over long years of service on a substantive legislative committee will have been for naught if those Members do not have an opportunity to stand on the House floor and make their own reasoned recommendations.

I supported the Budget Reform Act of 1974 because I saw the need for Congress to establish revenue and spending priorities, and reassert its primacy over them.

But now, 7 short years later, the "baby" of 1974 has become a giant that endangers the household in 1981. Instead of broadened authority over the budget, Congress today finds itself with reduced authority.

This bristling omnibus of radical economic adventures is in no sense a budget. It is a legislative battering ram designed to tear down many of the social programs we have constructed, with the people's support, during the past half century.

If this package is forced down our throats, if we are denied the opportunity to amend or modify it—or even to strengthen it if the need may be shown—then we are surrendering our responsibilities.

If this resolution is passed as reported by the Budget Committee, the work of virtually every legislative committee in the House is effectively ordered by fiat. No further legislative brains will be required. A rubber stamp will be all that is needed.

That is not what the House voted for in the Budget Act of 1974.

The procedure outlined in that act is clean and simple. First we pass the first budget resolution. Then, on the basis of the Nation's developing fiscal situation, we could tidy it all up in the second budget resolution in the fall.

And in that second resolution Congress could impose "reconciliation" if it felt the need. But nowhere in the Budget Act or in its legislative history is it even intimated that reconciliation ought to be imposed in the first resolution.

But somehow this simple act has become a tyrannical ritual. We are expected to pass by the middle of May a first budget resolution which does it all. We legislate by proxy.

Mr. Speaker, I maintain that too much is at stake—both in terms of the country's welfare and of the House's constitutional prerogatives—to submit to such dictation.

Let us open up this resolution and let the membership of the House work its will. That is the tradition upon which this institution was built, and I think we ought to keep it that way.

Only yesterday more than 100 citizens—members of railway brotherhoods from Greenup and Boyd Counties, Ky., were in my office interested in a better railway transportation system. We should have the opportunity to vote on such an important issue. We all know our railway transportation system is decaying and this Congress should do something about it.

□ 1200

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. GREEN).

Mr. GREEN. Mr. Speaker, I thank the distinguished ranking minority member of the Budget Committee for yielding.

Mr. Speaker, I rise to oppose the rule.

I do not object in principle to some limitation on the amendments that may be offered to the House Budget Committee proposal. Plainly the profusion of amendments, most of which would be far more appropriate in scope to the authorizing and appropriating process than to the budget process, that were offered to past budget resolutions, detracted from thoughtful consideration of the budget.

But the limitation, if it is to operate fairly and well, must allow Members reasonable freedom to express their choices among major budget options. This rule does not permit that. In particular I believe this House should have the opportunity to vote on a substitute budget resolution based on the following:

First. Acceptance of the more conservative Gramm-Latta revenue estimates as more accurate than those in any of the alternatives.

Second. Giving the Ways and Means Committee the greater flexibility in determining tax policy that the Gramm-Latta proposal permits.

Third. Reducing the increase in defense spending called for by both the House Budget Committee and Gramm-Latta and using the funds thus released for nondefense purposes.

I drafted an amendment which would have transferred money from the defense function and from water projects to a variety of other nondefense programs, and I requested the members of the Rules Committee to make it in order. They declined to do so. I believe that this is a reasonable approach to the budget problems of fiscal year 1982 and one that other Members would like to support. None of the proposals on which the rule permits a vote are comparable.

Because the failure of the rule to allow reasonable choice among major budget programs subverts the budget process, I urge all Members to vote down the rule.

Mr. BOLLING. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Speaker, at the very outset I want to express my deep appreciation to the distinguished gentleman from Missouri, the chairman of the Committee on Rules, for yielding this time to me. His courtesy has been constant and I really very much appreciate it.

Mr. Speaker, I am urging the Members of the House to vote against the rule, to defeat the rule and to send the matter back to the Committee on Rules, hopefully, to have them report out an open rule where all amendments will be in order, but at the very least, to give them a chance to review the processes that ought to be followed, the processes that were intended when the Budget Act of 1974 was first adopted.

Mr. Speaker, we are now finding ourselves in a position where the promises and the hopes and the intentions of 1974 are being totally diverted and distorted.

At the time that the Budget Act was passed, both the distinguished chairman of the Committee on Rules, who then managed the bill, as well as the people in the other body, who were responsible for its adoption, made it very, very clear that this was supposed to be a totally open process. They provided in the statute for some 10 hours of floor debate and I quote the distinguished member of the other body, Senator Sam Ervin, who said:

> The goal is to provide *all members ample opportunity to* be heard and *offer amendments.* [Emphasis added.]

Instead, what we now have is a mechanism which limits the number and the scope and the detail of the amendments so that only those which are authorized by the Committee on Rules can be offered.

In the instant situation what we have, except for one perfecting amendment, are a series of substitutes so that we really never get to amending specific functions in the basic resolution. Worse, there is at least a 50–50 chance, that we will end up not with the Budget Committee resolution, but with the Gramm-Latta resolution, which will have had absolutely clear sailing with not a single occasion or opportunity to amend it in any way whatsoever.

It seems to me, Mr. Speaker, as a member of the majority, if that occurs what we will have done is in fact to hand our swords over to the opposition before they have been able to capture a majority of this body. It seems to me that that has not been thought through.

I spent 2 weeks back in the district talking to my constituents who understood that the momentum was with the President's very radical, very destructive program, but they kept on urging, "Is there not something you can try to do?"

I said, "I don't know, it depends on the Rules Committee, it depends on the House."

Now this is our last chance to do something, to at least have the opportunity to do something. I urge that this body not turn its back on its own obligations and responsibilities to America. I urge that we defeat the rule.

Mr. Speaker, we have a reconciliation process in this resolution which has gone wild. Last year it was used for the first time. It was adopted as part of the first budget resolution, which was never intended. This year reconciliation is being incorporated, again in the first budget resolution, not just for fiscal 1982, but also for fiscal 1983 and 1984. Again this was never intended and cannot be justified under the 1974 Budget Act.

We are binding ourselves not just for this year, but for the next 3 fiscal years on the crippling of the most important social programs that this Nation has painstakingly adopted in the course of the last 50 years. We are turning our backs on the American people without giving the Members of this House, their representatives, a chance to offer amendments to modify it so that a little less pain, a little less harm is caused.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I will be delighted to yield to my distinguished colleague.

Mr. PERKINS. When this budget resolution was adopted in 1973 or 1974 it was spelled out very clearly, it was only for 1 year. Now they have gone ahead and undertaken to box us in for 3 years. This was unheard of when this budget resolution was debated in 1974.

Mr. Speaker, I want to compliment the gentleman for bringing out that point.

Mr. WEISS. Mr. Speaker, I thank the distinguished chairman for his comments. This resolution literally may provide our last opportunity to influence the future of the Nation. I urge the Members to defeat this rule so that the Committee on Rules can take another try and come back to us with an open rule permitting amendments from all Members.

Mr. BOLLING. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, I would like to thank the gentleman from Missouri (Mr. BOLLING) for yielding.

I also rise in opposition to the rule. I am always reluctant to oppose my good friend from Missouri for whom I have enormous respect, but I think this rule really does subvert the budgetary process and it has to be a matter of grave concern to every Member of this body.

The whole purpose of the concept of the budget procedure was to give, for the first time, an opportunity to the Members of this body to express themselves with respect to national priorities. The concept on which it was sold, and I supported it, was for the first time we would have an opportunity to weigh defense expenditures against education expenditures, health expenditures against space expenditures, jobs programs against foreign aid and so on.

In the energy field I proposed to offer an amendment which was not ruled in order here to reduce the deficit by giving the same kind of cuts to the tax subsidies we give to oil companies that we are giving to solar and conservation. Many Members feel that to have taxpayers subsidize oil company profits while we are decimating school lunch programs is an abomination. It should have a chance for consideration. A real weighing of priorities is denied by this rule and we are indeed put into a straitjacket in the consideration of the budget by only being allowed to consider three substitutes and one amendment.

There are many of us, Mr. Speaker, who feel that the program being put forward by the administration, as reflected in the Gramm-Latta substitute, is really going to be tragic for the country; that the vast increases in defense expenditures, for example, have not only not been justified as needed to increase our security, but they are going to be wildly inflationary and certainly so if combined with the tax cuts that have been proposed. The only control over the inflationary impact of these measures will be the Federal Reserve which has already declared it will raise interest rates in response to further inflationary pressures. This adds more fuel to the fire of inflation and at the same time threatens to throw the economy into a tailspin. Small businesses, already jeopardized by today's interest rates, will be unable to stay afloat—and the Reagan budget slices the SBA funds which might help them. The substantial parts of our economy that are dependent on borrowing, particularly the housing and auto industries, will be devastated and threaten to bring the rest of the economy down with them since they represent so large a part of our work force.

Furthermore, according to the Wharton econometric model study done for the Small Business Committee, 1,750,000 jobs will be lost directly due to the Reagan budget cuts. This will be a personal tragedy for the people thrown off jobs and will have a tremendous destructive ripple effect on the rest of the economy. Higher Federal deficits will result, for each 1 percent increase in unemployment triggers $30 billion in deficit spending as a result of lost tax income and increased unemployment or welfare benefits paid out.

Indeed, so many of the Reagan cuts seem counterproductive economically. They would not really save money—they are just mean. For example, the 300,000 CETA workers thrown out of jobs will surely have to go on welfare; even if supply side economics were eventually to work and create additional private sector employment, no one asserts this will happen overnight. It would take 2 to 3 years, and in the meantime, all these people thrown off work will become public charges. Many may get in trouble, with the resulting burdens on society of crime, violence, drug addiction and the consequent need for more public expenditures for police, jails, and drug programs. What kind of "New Beginning" is that?

Similarly, working mothers will be forced on welfare as day care centers are closed and patients at neighborhood health centers will be forced into hospital emergency rooms where the cost of care is triple. The termination of housing programs will create even more aggravated housing shortages, contributing to, not curing, inflation. And the end of mass transportation subsidies will force thousands of people into cars which will cost the Nation billions in added oil imports and further jeopardize national security by increasing our dependence on imported oil. So much of the Reagan program is economic folly.

The regional impacts of the Reagan budget are also alarming. The Stockman study shows regional neutrality, but it failed altogether to take into account the impact of oil deregulation which devastates the Frost Belt States that rely on oil for home heating and electricity while giving a windfall to the producing States from their increased severance and other energy taxes. It also fails to account at all for the impact of increased defense spending which goes primarily to the Sun Belt.

Lastly, the Reagan program threatens to unravel the social fabric of our society. It constitutes a virtual declaration of war on our cities, on the poor, and on the minorities. The huge preponderance of cuts come from urban programs and particularly those for education, health, food, and housing for those lowest on the economic ladder, with special penalties for low income working people which will drive many of them onto public assistance. We face not only riots in our cities again as a result of this deliberate deprivation, but also consequences which threaten the social and economic well-being of everyone, regardless of income.

In the face of the vastness of the changes proposed and the severity of the possible consequences, it just makes no sense to consider this program under a straitjacket which fails to permit the various assumptions of the changes to be tested by individual votes.

We will not have a chance on the floor of this House to cutback on those defense expenditures and find out what the will of the House might be or to balance those expenditures against other cuts. The educational

system of our country is going to be severaly damaged, many of us feel, by cuts in title I of the Primary and Secondary Education Act and the severe limitations on the student loan and grant programs for students who seek to go to college. In New York the head of the State university estimates we will lose 20 to 25 percent of our students, a tragedy for the country in losing educated people and for the school systems and our investments in them and for our future. But we will not have a chance to test the House with respect to how people feel about those educational programs.

There were thousands and thousands of railroad workers at the Capitol yesterday seeking, in my office and in many others, an opportunity to restore mass transit transportation cuts that are lifelines to many of our communities. They said, "Can't you do something? Can't you at least get the House to express itself on the question of mass transportation?" The answer under this rule is "No."

Veterans are properly outraged at the failure of the administration to deliver on the Reagan campaign commitments to maintain veterans health and education programs, but no vote is to be permitted.

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In short, we are faced with the most revolutionary changes in the role of the Government that we have ever seen and we ought not to have to consider these momentous decisions under a rule that permits only three gross substitutes.

Lastly, we ought not through this process in fact hand over the whole legislative process of this House to two committees, the Budget Committee and the Rules Committee. The authorizing and appropriation committees with expertise developed over years of work in their fields are left with no meaningful input into the process.

We simply must give the House membership an opportunity to express ourselves on the enormous changes that are being wrought with the tremendous economic and social consequences which will affect all of our people.

Therefore, I urge defeat of the rule, and I would urge the Rules Committee to either adopt an open rule or at least a rule which allows the testing of the major areas of change which the Reagan administration has proposed. I testified to this effect before the Rules Committee. I am sorry that they did not see fit to broaden up the process wider than they have.

Therefore, my only alternative is to urge defeat of the rule and reconsideration by the committee.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, I rise today in support of the rule as reported from the committee concerning the first concurrent budget resolution.

I want to commend the distinguished chairman of the Committee on Rules, Mr. BOLLING, for the fair and evenhanded manner in which this matter has been treated. By reporting a rule of this nature, the committee has insured that each significant point of view espoused by Members of this body will have adequate debate and consideration.

The issue is now joined. The House of Representatives is now presented with clear, distinct, and historic choices as to how our Government will approach its economic recovery program.

Only the bipartisan package which will be offered by Mr. LATTA and Mr. GRAMM addresses the crucial aspect of multiyear tax reduction as a means of providing for capital formation and increased productivity.

The choices, as I have stated, will be clear and significantly different. The debate will be instructive to the membership of this body and to the Nation as a whole.

But, Mr. Speaker, this is only the beginning not the end. Under the law providing for this budget process, we are only setting ceilings or aggregates with this resolution. If we are even going to consider, in the authorization and appropriations processes, the President's proposals, we must first pass the Gramm-Latta substitute. I urge adoption of this rule and the bipartisan substitute.

Mr. BOLLING. Mr. Speaker, I yield 4 minutes to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Speaker, in this excursion to the Tower of Babel on the budget, we, Democrats and Republicans, the Congress, and the White House, have been concentrating on our disagreements.

For the first time in two decades the majority of Americans have given a clear mandate for controlling Federal spending and balancing the Federal budget.

The winds we have stirred with all our speeches and pronouncements in the Congress and between the Congress and the administration about our disagreements on how to reach these objectives have given birth to a whirlwind of confusion in the minds of the American people.

In fact, we, whether Democrat, Republican, liberal, moderate, or conservative, have substantial areas of agreement.

We agree on the need for formulating a balanced Federal budget.

We agree that inflation damages the economic ability of everyone to achieve the quality of life we are striving for, for ourselves and all our people.

We agree that Government deficits and high interest rates, while not the only causes of inflation, are important contributing factors and ought to be eliminated or reduced as soon as and wherever possible.

We agree that wasteful Government spending, abuse of Federal programs, and inefficiency in Government administration must be eliminated.

We agree that to keep the freedom of our people and our world secure we must invest more, more wisely in our national defense programs.

We agree that to generate enough jobs for all our able-bodied potential workers we must stimulate more private-sector investment in agriculture, business, and industry.

We agree that the continuing spiral of imported energy costs adds to our inflation problems. We agree that energy independence can only be achieved through the energy self-sufficiency possible through more efficient extraction and use of traditional energy resources combined with the competitive, economically viable development of alternative energy sources such as alcohol fuels, solar, and other renewable resources.

In other words, our disagreements are not over principle goals, but on ways and means.

Most profound of all our agreements is that at this point in our economic history we need to move toward balancing the Federal budget in such a way that we can relieve the tax burden on our people without stimulating a fresh round of soaring inflation and interest rates.

That was my objective when I urged the Committee on Rules to allow us to vote in the House to balance the budget in the coming year.

Because I want to balance the budget while providing more funding for defense than at any other time in our peacetime history, I am accused by the administration of being too liberal and by the liberals of being too conservative.

The administration has told the American people that those of us who want to balance the budget now actually want to increase their taxes. Not true. We want to decrease the double taxation caused by inflation.

What the administration has not told the people is that it wants to finance the tax cuts with budget deficits and let inflation eat up the gains from the tax cuts.

What the administration has not told the people is that it wants to give the rich 27 times more new after-tax income than it proposes for the middle-income taxpayer and 200 times more than it proposes for the low income taxpayer.

Also, what the administration has not told Americans is that many economic experts, whether liberal, moder-

ate, or conservative, have warned repeatedly that the administration's tax reduction proposals will most probably set off a whole new round of inflation and high interest rates.

Just 1 week ago, Dr. Henry Kaufman, internationally respected businessman-economist and supporter of strengthened defense spending, told an audience:

To fight inflation head-on, the need is for the Government to achieve a balanced budget in Fiscal 1982. This would chop inflationary expectations, and, of equal importance, would reduce the role of the Government as a powerful demander of credit. An across-the-board tax cut is inappropriate.

Further, the administration continues to tell us that supply-side tax cuts will reduce inflation. But, Thomas M. Supel, senior economist for the Federal Reserve Bank of Minneapolis, writing in the Bank's Quarterly Review last fall said:

Some of the key arguments that the supply-side advocates use to justify cutting taxes alone or cutting taxes more than expenditures are not supported by the evidence.

Dr. Supel went on to say that his study of data for the period 1950–79 in the United States and seven of our trading partners produced "no strong evidence" that higher productivity in the private sector accompanies lower inflation.

As I said in the beginning, our differences are not in the objectives we believe we should strive for, but in the route we believe we should take to reach them.

I regret that we are not to have a clear-cut opportunity to vote for balancing the budget for the coming year. But, we do have some very serious choices to make. We must decide in making those decisions which of the amendments that will be offered for our consideration will best help us to achieve the balancing of the Federal budget at the earliest possible date without subjecting our people to a new round of crippling inflation.

I believe that the proposal recommended to us by the majority of the members of the Budget Committee is the proper choice because—all other considerations aside—it comes closest to being in balance.

The Budget Committee's proposals not only cut $30.95 billion from current spending levels and are $2.25 billion below the administration's proposals, they cut $19.5 billion off the budget deficit proposed by the administration. If adopted and followed through, they would generate a Federal budget surplus of $25.75 billion in 1984. This would be the first budget surplus since 1969. It would be a surplus $25 billion greater than that in the administration's estimated budget.

Furthermore, the Budget Committee's recommendations would achieve these objectives while allowing for the most rapid increases in defense spending in our Nation's history.

In pursuit of our objective of improved Federal program management and efficiency, the Budget Committee recommends a specific program to restore integrity and sound management to Federal Government operations. This includes congressional action where necessary and executive action where the President already has the authority to make changes.

Comptroller General Elmer B. Staats, in testimony before the Budget Committee prior to his retirement, estimated that improved management practices in the executive branch could save the tax payers up to $14 billion.

The Budget Committee resolution includes a sense of the Congress provision calling on the Council on Integrity and Efficiency, organized by the President, to formulate and announce by June 1, a comprehensive, long-term plan to improve collection of past due debts owed the Government by individuals and companies, resolution of agency audit findings, and procurement procedures and other areas which have been identified by the Government Accounting Office reports to the committee.

In response to the need to stimulate job generating private investment, the Budget Committee has a combination of tax cuts and retention of the Economic Development Administration. Since 1966 the $4.7 billion invested by EDA has leveraged $9 billion in private investment creating or saving 1.4 million private sector jobs, the holders of which pay $6.5 billion annually in Federal, State, and local taxes.

The Budget Committee's recommendations recognize the need for a major and continuing effort to develop national energy independence by allowing for the continuation of loan guarantee programs which would make it possible for farmers and farm cooperatives to get into the manufacture of alcohol fuels. Adoption of these proposals would help insure competition in the energy industry and a fair chance for farmers to be in on the ground floor of an industry that would profit from the processing of the products they grow.

Responding to the national need for development, maintenance, and expansion of export markets for our agricultural and manufactured products and services, the Budget Committee's recommendations allow for the continuation of programs in international trade promotion and development. Thus, the Budget Committee's recommendations allows us to work toward all our common goals. And, they accomplish this without abandoning our thrust toward helping our young people prepare themselves to be contributing members of our society, toward helping our most economically vulnerable citizens avoid destitution and starvation, toward keeping faith with our veterans whose service to our Nation has helped keep us free, and toward maintaining a strong agricultural sector.

The benefits and sacrifices under the Budget Committee's recommendation are shared fairly and equitably as we move toward our goal of defeating Government deficits and inflation and achieving a balanced budget. The Budget Committee's recommendations move us farther and faster than do those of the administration. Let us turn those agreements on principals we share into agreement on this budget resolution recommendations by voting "yes" on passage.

THE POTENTIAL FOR CONFLICT IN NATIONAL POLICIES AND IN FINANCIAL MARKETS

(By Henry Kaufman)

When I was asked to address the National Press Club, I readily accepted the invitation because I believe it is more important now than ever before that there be an ongoing echange of views between our political and financial centers. Many members of this distinguished Club contribute to the assessment of the critical issues facing our nation. More than any other group of journalists, you are responsible for monitoring the links between politics and economics, and for discerning the differences between the political ideal of what should be and the reality of what is and what will be. This task, especially where it involves economics and finance, has become formidable in recent years. No longer can we rest assured that our economy and financial markets will behave in the classical cyclical pattern, with all the predictability which that implies. This assurance has been shattered by structural changes, by many inept national stabilization strategies, and by some external shocks.

The economic recovery that began last summer can also be distinguished from earlier business expansions in a variety of ways. These unusual elements include the following. (1) The economy is incorrectly perceived as brittle, when it actually has good momentum; incidentally, similar misconceptions were held at some earlier comparable periods. (2) Inflation is not about to be resolved. (3) Fiscal policy will continue to be expansionary. (4) Therefore, a great burden will be placed on monetary policy and on the financial markets. The net result is likely to be conflicts in national policies and in financial markets.

UNDERESTIMATING THE ECONOMY

Understimating the underlying momentum of the economy is reflected in preliminary economic statistics and in many forecasts. This shortcoming in the preliminary data was vividly illustrated a few months ago by the large upward revisions in Gross National Product data for the past decade. For example, for the economic expansion in the years 1976 through 1979, real GNP was revised upward by $148 billion total, or 5.7%, business outlays for plant and equipment by $71 billion, or 8.5%, and personal savings as a percentage of disposable income averaged 0.7 percentage points higher. The errors contained in many of the preliminary statistics serve notice on us all to recognize the inadequacies of a lot of current information.

The inadequate recognition in many forecasts of the underlying strengths of the economy can be ascribed to the failure to realize the economic impact of a more liberated financial system. What years ago would have been regarded as large, punishing increases in interest rates no longer brings to a quick end an overheated business boom, or rapidly restores the economy to stability. The adaptation of finance to inflation has changed all that. Consider these differences between two periods 14 years apart. In 1966, when the economy experienced the first full-fledged credit crunch, markets were tight and extremely apprehensive, as interest rates reached the then lofty highs of 6% for the prime loan rate and 5.56% for three-month Treasury bills. Indeed., the mortgage and housing markets virtually ceased to function when corporate bond rates broke out of a 100-year trading range and exceeded 6%. By contrast, in the past six months, when the prime touched a record of 21.50% and three-month Treasury bills 17.05%, financial markets were not even as taut or as apprehensive as they had been back in 1966. I find no comfort in this change. Yet, it does suggest two things. One is the extent to which climbing interest rates have lost their restrictive influence on the economy. The other is the rocket trajectory that interest rates may follow if we continue to rely upon them as the main force for stabilizing the economy. Indeed, in contrast to the past, it seems that any given increase in interest rates is less inhibiting, and any decline is more stimulating.

The misreading of the implications of interest rate increases in the second half of 1980 was partly responsible for many of the "double dip" economic projections for 1981—projections that seem to me to be highly unlikely to hit the mark. The 5% annual rate of real growth estimated on a preliminary basis for the first quarter shows remarkable economic resiliency, reflecting the strength of a more service-oriented—and consequently less cyclically vulnerable—economy, the support from a very expansionary fiscal policy, continued high levels of consumer spending, and evidence of a new surge in business expenditures.

In fact, the heady interest rates thus far in this business recovery have been a fundamental element of support to the business picture, because high financing costs have forced business to maintain low inventories. All this transpired without a full cyclical rebound in new housing activity and in domestic auto production. A cyclical participation by these two laggard sectors would have caused anxieties about economic overheating instead of "double dip." While the auto market may continue to show moderate improvement for the balance of the year, there are no such prospects for new housing. Construction activity is the victim of spiraling costs, diminishing incentives to provide financing, and limited credit. The pressure on deposit-type institutions specializing in housing financing cannot be lifted quickly. Their capital has been impaired by their inability to join the ranks of those institutions that have adjusted to a new world of finance by means of more or less fixed spreads against floating costs. This is the new key to financial viability.

AN EXPANSIONARY FISCAL POLICY

While some slowing in the pace of economic activity is probable this quarter, another acceleration is in prospect for the second half. The powerful stimulative combination of large tax cuts and sizable increases in defense spending is likely to more than offset the restraining influence of a slowing in Federal expenditures, even with some presumed revenue feedback from the tax cut. Think of it in these terms for fiscal 1982: according to the Administration's proposals, stimulants from tax cuts will amount to $54 billion and increases in defense spending will total $27 billion. But, constraints resulting from the sharply slower growth of non-defense outlays of the Government will total $46 billion. The stimulants are bound to have a greater demand multiplier impact than the negative impact coming from a slower growth in non-defense outlays.

The influence on our economy caused by the rise in defense expenditures—expenditures that I believe are vital to our nation—is probably not fully appreciated. We have not had a flourishing defense sector for well over a decade. The last giant step-up in defense outlays was during the height of the Vietnam War from 1966 to 1968, when real defense spending ballooned by an average annual rate of 13.7%. During that period, the rate of inflation was low. The GNP deflator averaged only 3.5%. The U.S. budget deficit averaged only $12.6 billion a year. From 1969 through 1978, defense outlays contracted in real terms by 3.9% yearly. Now, the average annual increase in real defense outlays, as proposed by the Administration, will be roughly 9% a year from fiscal 1981 through 1984. And this time around, the increase is coming when inflation is high and budget deficits are large (see Table 1).

TABLE 1.—AVERAGE ANNUAL DEFENSE OUTLAYS, THE BUDGET AND THE ECONOMY, 1954–84[1]

[Dollars in billions]

	Defense outlays	Percent increase		Defense as a percentage of total outlays	Federal deficit or surplus	Real defense outlays[2]		GNP deflator (percent)
		Defense	All other			Percent change	Percent of real GNP	
1954–65	$46.2	0.2	8.7	51.2	−$2.9	−2.3	10.9	2.0
1966–68	69.1	17.6	12.5	43.8	12.6	13.7	9.1	3.5
1969–78	84.4	2.8	13.4	31.1	−30.7	−3.9	6.2	6.2
1979	117.7	11.9	8.8	23.8	−40.2	3.9	4.5	8.5
1980	135.9	15.5	18.0	23.4	−73.8	3.6	4.9	9.0
1981	162.1	19.3	11.1	24.7	−78.5	7.3	5.2	9.9
1982	188.8	16.5	2.7	27.2	−61.7	6.7	5.3	8.3
1983	226.0	19.7	−1.0	30.9	−33.4	11.6	5.7	7.0
1984	225.6	13.1	1.7	33.2	−9.0	6.3	5.8	6.0

[1] 1981–84 are official administration estimates.
[2] Outlays adjusted by the GNP deflator for defense.

Early signs of the potential impact of increased military expenditures are beginning to be seen. For example, the monthly military prime contract awards of the Defense Department averaged 30% higher in 1980 than in 1978—twice as large as average awards during the 1966–68 era (see Chart 1). (Charts not printed in the RECORD.) Unfilled defense orders at manufacturers totaled $63 billion early this year, compared with $48 billion a year ago, and $35 billion at the start of 1978 (see Chart 2). (Charts not printed in the RECORD.)

I do not question the goals of the new Administration. Lowering the profile of our Government's role in economic life is laudable and deserves support. The new fiscal policy, however, is exceedingly expansionary, does not pursue a course that fights inflation vigorously along the way, and will place nearly all the anti-inflation effort squarely on monetary policy.

I am not convinced that there is real historical evidence to suggest that across-the-board tax cuts will quickly encourage Americans to work harder or to save more. Can it really be assumed during the next year or two that this fiscal strategy will reduce wage settlement increases to single digits, or will remove the rigidities in our rate and price structure? Calling attention to the beneficial impacts of earlier tax cuts is misleading. There is no precedent for taxes being lowered against a backdrop of rising defense expenditures and high inflation. I suspect that inflationary expectations will not be curbed by the slowing in the growth of Federal expenditures; expectations will remain high because the financing requirements of the Government will remain high.

At this time, it is also important to recognize that beating inflation becomes more difficult as an economic expansion ages. I am not talking here about the next quarter or two. When a business recovery is young, inflation is slowed temporarily by a variety of transitory forces. Productivity, benefiting from low utilization of resources, jumps sharply. Demands are held to moderate propositions by business through conservative inventory policies and modest increases in capital outlays. If inflation is to be blunted as the economy continues to grow, fiscal expansion should then quickly move to neutrality. Unfortunately, this is not the direction that fiscal policy is heading during the next few years. There is one aspect of inflation from which we should learn at least one lesson from the past—namely, that once an economic expansion moves beyond its infancy both wage and price pressures persist. By next year, this current business recovery will be well out of its infancy. This may well present an unusual problem because the inflation rate has remained diquietingly high, even in the infancy of the busines recovery. Furthermore, a

much desired acceleration in investments in business capital can exert substantial upward pressure on wages and prices because such investments vie for resources that become scarce in the mature phases of expansion.

As I follow the debate concerning the new economic policy proposals. I find that such labels as "economic liberal" or "economic conservative" have lost all their meaning. Many of my economist friends, who were, I thought, conservative tell me that the economy is brittle. This was once the buzzword of my friends with liberal identities. They are not fearful of too large a fiscal stimulus. On the other hand, my conservative friends, who always advocated a balanced budget, now say a budget deficit to finance tax cuts is part of the essential transition for rebalancing the role of our Government. When many of my liberal friends were in power, the Federal Reserve was implicitly saddled with the burden of limiting excesses in the economy. Now, my conservative friends have made this an explicit assignment, while continuing with an expansionary fiscal policy.

THE UNUSUAL FEATURES OF THE FINANCIAL SETTING

Heavy reliance upon monetary policy to arrest a wage and price spiral and to temporarily halt other excesses is not new. What today is different from the past is the precarious state of our credit markets even before the current economic recovery moves out of its infancy. Let me illustrate how precarious the financial footings of the private sector are at this early stage of the business recovery.

In the household sector, the financial progress is deceiving. While mortgage and installment debt payment relative to personal income was reduced significantly, this ratio still stood at 21% in the fourth quarter of 1980—higher then at any time prior to 1977.

In the business sector, hardly any improvement is visible in corporate balance sheets or in the quality of corporate earnings. Typically, business corporations fund short-term liabilities by financing long, both at the tailend of recession and in the first year or so of business recovery. In the past 20 to 30 years, each of these temporary measures has done little more than interrupt, briefly, an otherwise constant deterioration in the structure of corporate balance sheets. A corporate funding effort was only briefly undertaken last year from about May through July, when an unrivaled volume of new corporate bonds reached the market. Thereafter, because interest rates rose sharply and were very volatile, business corporations adopted an atypical financing strategy for this phase of the business cycle, by resorting primarily to short-term credit facilities.

As a consequence, business corporations are moving through the first year of the current business expansion having done little, if anything, to redress their drastically weakened financial positions. The ratio of liquid assets to short-term liabilities for all nonfinancial business corporations was only marginally above 1979's record low of 0.65 by year-end 1980. The ratio of corporate long-term debt to short-term debt continued to decline, reaching a record low of 2.6 to 1. The interest expense of corporations in 1980 equalled a record high 45% of net profits before taxes, as compared with only 14% for the 1960s. All these facts take on added meaning if we consider that, as an economic recovery matures, the financial position of corporations becomes more strained.

Among financial institutions, including commercial banks and thrift institutions, a number of distinctive and disturbing developments stand out at the present time. Our savings banks and savings and loan associations, the traditional source of most housing credit, are significantly immobilized—an unprecedented development for the early stages of business recovery. In the past, this would have been the time when these institutions were experiencing large savings inflows, repaying loans which they had received from the Federal Home Loan Banks, and making huge lending commitments. Currently, however, these deposit-type institutions are receiving marginal savings inflows (when not actually negative), making modest financing commitments, and have, on balance, added to borrowings in the current expansion. Moreover, their capital positions, in some instances, have been impaired significantly by operating losses and by the large market discounts on their assets. These institutions can be quickly resuscitated only by a sharp decline in interest rates—which I feel is highly unlikely.

Commercial banks have not experienced the reliquefication typical of late recession and early expansion periods, because corporations did not fund liabilities and foreign loan demands have remained strong. In contrast to comparable periods in the past, banks have not appreciably increased their holdings of Government or tax-exempt securities, and have remained on balance, large issuers of negotiable CDs during the current expansion. The typical credit demands on commercial banks have resulted in the continued leveraging of an already thin capital position.

At other major financial institutions, such as insurance companies and pension funds, the portfolio preferences are now weighted toward greater cash flow. This is reflected by an unwillingness to invest in new fixed-income obligations with long maturities, and by efforts to sell long bonds out of portfolios whenever bond prices rally.

Let us also not forget the unusual and dangerous structure of interest rates as we stand on the threshold of the second year of the business expansion. Today, long-term high-grade interest rates are at, or very near, postwar highs. Nine months into previous business recoveries, long-term interest rates were anywhere from 4% to 16% below their previous cyclical highs and, of course, well below the levels of today. Now, short-term interest rates are only 24% to 28% below their postwar peaks and they are ratcheting up again. In past comparable periods, short-term rates were 40% to 60% below their previous cyclical peaks and were typically falling (see Table 2).

TABLE 2.—COMPARISON OF YIELDS AFTER FIRST 9 MONTHS OF ECONOMIC RECOVERY WITH PREVIOUS CYCLICAL HIGH YIELDS

[Percent change]

	Apr. 13, 1981 [1]	December 1975	August 1971	November 1961
Federal funds	−24	−61	−41	−47
3-month certificates of deposit	−28	−51	−36	−47
7-year U.S. Governments	0	−6	−11	−17
30-year U.S. Governments	0	−4	−16	−8
New AA utilities [2]	0	−10	−12	−14
New AAA municipalities [2]	0	−4	−14	−11

[1] Compared with highs reached thus far.
[2] Salomon Bros. estimates.

In addition, in comparable cyclical periods in the past, the first year of a business expansion was one in which interest rates not only fell but also had a very important feature, a positively sloped yield curve. Interest rates on the shortest maturities were much lower in yield than the longest maturities. This type of yield curve—the normal yield pattern—encourages investors to commit funds long in order to capture the higher yields, thus facilitating the funding of corporate liabilities from short to long term, and the financing long term of new homes. A normal yield curve, however, has not endured so far in this business recovery. There have been only brief glimpses of it. Today, three-month Treasury bills yield 120 basis points more than the longest Government bond. During the three preceding comparable periods in 1975-76, 1971 and 1961, this differential ranged from a positive 86 basis points to a positive 308 basis points. In none of these earlier periods did we have the large volatility that is with us today in the bond market (see Chart 3). (Charts not printed in the RECORD.)

In sum, the financial conditons will become even more precarious if monetary policy continues to be saddled with most of the burden of slowing inflation.

FINANCIAL IMPLICATIONS

With this backdrop in mind, what can be said about financial prospects for the U.S. during the next year or so, given the heavy influences on fiscal expansion and monetary restraint? As noted earlier, the U.S. Government will continue to be a large demander of credit. According to the Administration's own estimates, the U.S. Treasury's net new cash needs will total an estimated $62 billion in fiscal 1982 (consisting of the unified budget deficit and the borrowings of the budget agencies, which obtain funds directly from the Treasury). These demands crowd out many business and household borrowers. Hardly a week goes by in which the Treasury is not a net borrower short term. Every month, there is a short-dated coupon issue. Two out of every three months, a mammoth long bond issue is sold.

As corporate borrowing continues to increase, corporate liquidity will erode further. Short-term liabilities will mount. The availability of long-term funds will shrink due to the preferences of investors for short-term high-yielding investments, and the preempting of long-term funds by the U.S. Government.

The availability of funds for housing will continue to be constrained. The savings deposit institutions specializing in housing will try to escape from their specialized functions, and, during this transition, most of them will behave more like convalescents than vibrant institutions.

In the credit markets, shorter maturity financing through commercial paper and shorter-dated bonds will accelerate. This will penalize not only business corporations but also state and local Governments, which, in particular, have pressing requirements to finance long term due to the nature of their underlying projects.

In the direct lending market, the importance of commercial banks will increase, but the increasing demands on them will strain their rather slim capital structure.

When the burden of restraining a headstrong economy falls heavily on monetary policy, then higher interest rates are bound to result. Under the monetarist approach, it is difficult to say how high interest rates will go, but it is safe to say they will go very

much higher than the levels prevailing currently in all maturity sectors. The reasons are found in several features contained in monetarism. For example, a central element of monetarism is to raise, or lower, interest rates to whatever level is required to maintain the growth of the money supply within a predetermined targeted range. This by itself, suggests the continuation of both interest rate volatility and volatility in the yield curve, with the likelihood, however, that a negative yield curve will tend to dominate the financial markets for the next year. A negative yield curve will divert more funds away from long markets and will, therefore, further destabilize our debt structure.

Let me also call your attention to two other aspects of major importance concerning monetary policy that will continue to come into play in the period ahead. They involve the perception of risk and the role of financial institutions in thwarting the intentions of the new monetarism to stabilize the economy.

The abandonment of interest rate management a year and a half ago carried with it the underlying argument that greater interest rate volatility would heighten the perception of risk in financial decisionmaking that was previously lacking. Despite the experience of sharp swings in interest rates and the persistence of an inverted yield curve, credit seems to be readily available at some price. Consequently, a perceived interest rate risk is still lacking under monetarism in our new evolving credit system. The interest rate risk is being taken out of both investing and lending decisions through the creation of new floating rate instruments and the sharp increase in short-term financing. As a result, adoptive institutions push hard to create more debt; the supply of credit is controlled by interest rate spreads rather than by interest rate levels. This, in turn, fosters the perception that there is little risk of credit denial under any set of monetary policy rules. Indeed, this perception may be reinforced by monetarism. The mechanics of monetarism imply that interest rates will be allowed to act as a self-correcting force in restoring the rise of money growth to its targeted path. This has been clearly evident in the past nine months, when a sharp surge in money supply was accompanied by rising interest rates, and a slowing in recent months was followed by a fall in rates.

Thus, it appears, the inherent promise of monetarism is made, that once a rapid rise in money growth is halted, interest rates will be allowed to sink rapidly. This creates the ongoing expectation that the market will not be disciplined by credit denial or lastingly high interest rates. Risks will be perceived as high only when interest rates rise to unexpected heights in a brief period, or when non-monetarist tactics are employed to limit the ability of financial institutions to expand liabilities.

In other words, I would expect financial institutions to continue to push hard to create new debt as interest rates rise, and that we in the securities industry will use all our ingenuity to develop many new credit instruments to drive the credit creation mechanism forward. As a result, the gap between classically defined money and debt and nominal GNP will widen until an excruciating high interest rate level crunches the operating decisions of some in the real world.

SOME PREREQUISITES

In forging an effective national stabilization policy, we should recognize that the American economy is as yet far from brittle, but rather is resilient and that the most urgent need is to strike hard against inflation. In this effort, we face formidable obstacles. Inflation is deeply embedded in our expectations and patterns of behavior, and knocking down the inflation rate as we move to a higher utilization of real resources would be an exceptional feat. Massive tax cuts, large leaps in defense spending, and a slowdown in other Government outlays will not, in my opinion, be enough. These measures will place an extraordinary strain on monetary policy, leading to further distortions in financial markets, much higher interest rates, and additional fragility of our financial system.

No one can design a full set of policy prescriptions that will alleviate our problems easily. I applaud the Administration's proposals to strengthen our national defense, to deregulate a variety of business activities, and to find new ways to improve productivity. At best, I can only suggest a few priorities as I see them from my vantage point in the business and financial community.

To fight inflation head on, the need is for the Government to achieve a balanced budget in fiscal 1982. This would chop inflationary expectations, and, of equal importance, would reduce the role of the Government as a powerful demander of credit, thereby freeing savings to finance the private sector. An across-the-board tax cut is inappropriate. A balanced budget achieved through selective tax cuts and tough controls on expenditures would reduce the chances of a credit clash. What we are faced with now is the need for investment incentives more broadly based than accelerated depreciation. The capital gains tax and double taxation of dividends should be eliminated. This would enhance the capacity for new equity financing and reduce the reliance on debt. The need is for our Government to enforce competitive wage and price practices and not leave adjustments in some sectors to the vagaries of markets, where competition is imperfect. The need is also to recognize that mechanical monetarism should not be the main bulwark against inflation. Financial intermediaries should experience the penalties of monetary restraint and not just pass them along to others. Otherwise, the real world will become the hostage of financial institutions.

I believe we have an opportunity to steer the economy back to stability. This opportunity lies in our willingness to do the most difficult thing first—such as balancing the budget next year and enforcing vigorous price competition in economic markets. Such initiatives would strike the hardest blow against inflation and in favor of the credibility of Government to manage effectively.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, I thank the gentleman, my distinguished colleague from Ohio, for yielding this time to me. I rise in opposition to this rule because I believe it forecloses consideration by the House of a budget process that we should be considering in order to reflect the sense of what the people of this country voted for in November of 1980.

I think what they voted for in November of 1980 was a change in direction of taxes and spending in this country.

What, then, do we have a little less than 6 months down the road for consideration by the House as to the ground rules of what we are going to be permitted to vote upon? We have got two of these proposals, one by Mr. FAUNTROY, one by Mr. OBEY, that will be touted as balanced budgets. Now, who can be against a balanced budget? Really, that is what the people want, but you have to examine the way the balance has come about.

Those two proposals are balancing the budget, but not cutting taxes. For instance, the tax estimate in the Fauntroy proposal is $717 billion. In the Obey proposal, it is $7.7 billion. In the Latta-Gramm proposal, it is $650.3 billion.

Well, there are two ways to balance the budget, of course. You can balance it by raising taxes, or you can balance it by cutting spending. I come by my bias honestly. I urged the Rules Committee to adopt a rule that would permit the House to consider a proposal to balance the budget in fiscal year 1982 by cutting spending. Consistent with that desire, my people prepared and filed yesterday, according to the rules, a detailed proposal identifying 272 specific budget cuts in fiscal year 1982 that total some $52.3 billion. These cuts do not cut social security, MediCal, medicare, aid to families with dependent children. They do cut about $1 billion out of food stamps, which I think is purely defensible.

But, what has happened with the Rules Committee producing this rule? We are not going to be able to consider that proposal because the Rules Committee says we cannot do it. I think it is a travesty, it is an injustice, it is an insult to the people of this country. Bear in mind, Members, that a very recent poll published by the Siblinger Heritage Foundation reflecting the interests of the American taxpayers was that 44 percent of the American people felt that the Reagan program is too low in cutting proposed spending. That is by 44 percent of the people who had that opinion, and since such a high percentage of our people have the opinion, we in the Congress should be cutting more.

What sense does it make for the House to be able to work its will on the spending and taxing levels of this institution without even giving the Members in this body a chance to vote on whether they want to balance the budget by cutting spending?

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I am happy to yield to my colleague from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman yielding to

me, and I appreciate my colleague making the point he is now making. He is right. When the budget process was first set up it was clearly understood that there would not be rules to control Members or prevent them from being able to offer amendments. As a matter of fact, it was a very open process.

Mr. DANNEMEYER. Why does the gentleman think they would be acting on a rule that says we cannot do that now?

Mr. ROUSSELOT. Because they are afraid that a balanced budget resolution, even with tax reductions, would pass. The gentleman knows that as well as I do.

Mr. DANNEMEYER. Does the gentleman mean to say that if the Members of this House had a chance to vote on a proposal to balance the budget by cutting spending, they would do it?

Mr. ROUSSELOT. Absolutely.

Mr. DANNEMEYER. I hope the gentleman will join me in voting against this rule so that we can send this—whatever you want to call it—back to the Rules Committee and put it out in the form where we will have a chance to do what this Member from California says.

Mr. FAUNTROY. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I do not have any time, but I will yield.

The SPEAKER. The gentleman still has 25 seconds left.

Mr. FAUNTROY. I just want to inform the gentleman that he will have an opportunity to vote for not just a balanced budget, but a budget that has a $7.8 billion surplus. Wait and see.

Mr. DANNEMEYER. I thank the gentleman for his observation. I would prefer to balance that budget by cutting spending rather than denying a tax cut to the American people that they so richly deserve.

Let me say in closing, Members, there is a cement truck headed for this Capitol. Thirty States have adopted a resolution demanding that we get our fiscal house in order and adopt an amendment to the Constitution mandating a balanced budget. When it gets to 34 States, we either have to do it or call a constitutional convention. Five States in one house of their legislature, Rhode Island, West Virginia, Ohio, Missouri, Washington, this year have adopted a resolution. When those other houses of four of those five States adopt that resolution the ball game, by the Constitution, is out of our hands. I submit that before that happens we should adopt the step of letting our Members vote on a balanced budget.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Speaker, I rise in strong opposition to this modified closed rule. I do so because it is a gag rule and has the effect of preventing the elected representatives of the American people to debate, to consider and to vote upon some of the most vital issues that we will have to face during the next 2 years. Major decisions and important issues will not be dealt with under this proposed gag rule. The purpose of a deliberative body is to face issues, not to avoid or duck them; and yet this rule permits this body to avoid facing up to its responsibility.

All of us have been receiving correspondence and calls from our constitutents saying, "I support the Latta substitute 100 percent," or, "I support the Jones approach 100 percent." Most, if not all, of these people have not even seen or read either of these proposals. The fact of the matter is that most people, not only in this body but in the country, really do not understand or know what is in these two proposals. Yet these people are asking 100 percent support for something they are not informed about and are talking about buying a pig in a poke. The only way they can become informed about the components of the proposals and the gigantic issues is to permit amendments to be offered so that we can raise these issues.

On whichever side we stand, we at least ought to debate and vote on the issues, such as funding for education, health, and mass transit. Do we want to eliminate the school lunch program? Do we want to cut back on NASA and the glorious success of the Space Shuttle? Do we want to have enormous budget deficits? Should there be even greater reductions? Where is the perennial Rousselot balanced budget resolution this time? It is not here because the rule did not permit its consideration by people elected to represent the taxpayers.

It seems to me there are too many Members who are afraid to face the issues. These are tough issues. But they should be faced publicly. The Members of Congress should be required to go on record. We should not be allowed to escape our responsibilities of voting on these issues by having them precooked, prepackaged, and lumped together. Since the public does not know what is in the specifics of these multibillion-dollar proposals, they will be denied the facts and the Members' positions on these issues because of this gag rule.

□ 1230

Mr. Speaker, I think our responsibility is to face the issues and to come up with a budget that is not swept under the rug by hiding the issues but by facing them forthrightly, and I think we could do a better job and not simply be the end of a computer terminal, by exercising sound judgment and accepting responsibility.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. LEVITAS. Yes, I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's yielding.

Some House Members have become afraid of rules that allow too many amendments, so the answer to the gentleman's question as to why there is not a Rousselot alternative budget resolution is that some Members have become afraid of allowing too many amendments, and that is why we have such a closed rule.

Mr. LEVITAS. Mr. Speaker, I thank the gentleman from California (Mr. ROUSSELOT) for his contribution.

The SPEAKER. The time of the gentleman from Georgia (Mr. LEVITAS) has expired.

Mr. BOLLING. Mr. Speaker, I yield 1 additional minute to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Speaker, it seems to me that if there has ever been a situation in which the American people are entitled to have an opportunity to see where each of us stands on these important issues, whether it is tax cuts or deficits or defense spending or school lunches or revenue sharing or education or health care or any of the vital programs that affect America, including especially the deficits that we have piled one on top of the other year after year, the place to have that debate is here. We should not simply become parrots and say, "I am for something 100 percent," without debating or voting on these issues that add up to more than $700 billion. It is just that type of legislative irresponsibility that has given us the $900 billion plus national debt that President Reagan has asked us to raise the debt ceiling to cover.

Why should we not have an opportunity—and the responsibility—to amend the Jones approach? Why should we not have the opportunity—and the responsibility—to amend the Latta approach? There is only one explanation: There are some Members of this body who are afraid to face those issues. They prefer to keep the public in the dark. They prefer to hide their positions on these critical issues by not debating or voting on them.

We should face them forthrightly. We should have the opportunity to vote on them, and for that reason, Mr. Speaker, I urge we defeat this rule and let us have an open rule, open not just for the Members of this body but for the citizens of the United States.

Mr. BOLLING. Mr. Speaker, I yield 4 minutes to the distinguished delegate from the District of Columbia (Mr. FAUNTROY).

Mr. FAUNTROY. Mr. Speaker, I rise in support of the rule.

The 18 members of the Congressional Black Caucus have acknowledged and accepted the mandates given the Congress and the President of the United States in the November elections. The American people said to us that they are determined that we reduce deficit spending, that we give a substantial measure of tax relief to the American people, that we reduce Federal spending generally, and that we stimulate jobs and economic development across this Nation.

I am pleased to support this rule, Mr. Speaker, because the House will have an opportunity now to vote for a measure that not only balances the budget but which, under the Congressional Black Caucus constructive alternative, has a $7.58 billion surplus. It is a proposal that not only reduces spending but reduces it by some $7.9 billion below that which the administration recommends. It is a proposal that not only provides tax relief but provides nearly $2 billion more in tax relief to the American people than does the administration proposal.

In short, ours is a proposal that enables us to balance the budget, to reduce Federal spending, and to provide the much needed tax relief the American people have indicated they want.

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. FAUNTROY. Yes, I am happy to yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, I just wanted to make sure that all the Members, including my dear colleagues on that side, heard the gentleman's statement which referred to the fact that the proposition the gentleman offers will indeed provide a balanced budget, meeting the high standards the gentleman from California (Mr. ROUSSELOT) has so often advocated calling for a balanced budget.

Mr. FAUNTROY. Indeed.

Mr. MITCHELL of Maryland. I just want it to be on the record of this body that this proposition offered by this group now calls for a balanced budget to be offered to the American people.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. FAUNTROY. But more important, Mr. Speaker, we might add that this realistic budget provides realistic spending levels for social safety net programs while not doing it at the expense of reductions in the defense program. Our budget provides a modest increase above the 1980 funding level for defense.

Now, I know that such a proposal comes as a surprise to many Members of the Congress, to my colleagues here and to the American people, for while we unveiled our constructive alternative budget at the National Press Club on March 18, it has been the best kept secret in the country today. Many of the Members are not aware of it. The American people do not know about it, and the media has apparently succeeded in hiding it from itself.

Only today I heard where the Congressional Black Caucus proposal simply increases social spending. Just last week a supposedly knowledgeable leader of a knowledgeable progressive organization demeaned this comprehensive, constructive alternative budget by calling it a simple transfer amendment. Thanks, however, to the rule which has been recommended by the committee, the light of careful scrutiny may now be focused for all to see upon a sound budget proposal that is proof of the fact that we can reduce Federal spending, we can have a balanced budget, and we can provide tax relief to the American people without placing the burden on the backs of the least among us, the poor, the ill-housed, and the disinherited of our Nation.

I strongly support the adoption of this rule, Mr. Speaker, because even if the details of our constructive alternative budget are not reported in the print and the electronic media of this country, we will have the attention at least of our colleagues and perhaps the people, the millions of Americans, who are fortunate enough to view these proceedings over cable television.

The SPEAKER. The time of the Delegate from the District of Columbia has expired.

Mr. BOLLING. Mr. Speaker, I yield 1 additional minute to the Delegate from the District of Columbia (Mr. FAUNTROY).

Mr. FAUNTROY. Mr. Speaker, there are millions of people who will observe these proceedings, and they will now know that there is a way to reduce deficit spending, to save the Nation the $50.4 billion that the Reagan administration would have us spend in deficit spending this year, reduce Federal spending, and provide meaningful tax relief to the American people, while at the same time maintaining a strong national defense, restoring dispassionate cuts, and making allowance for the necessary safety net programs called for by all other proposals set in order by this rule.

So, Mr. Speaker, I ask the Members to please give us the opportunity to present to this body a constructive alternative to the proposals that have been made for our budget.

● Mr. GLICKMAN. Mr. Speaker, I rise in opposition to the rule which has been proposed for consideration of the budget resolution. While there is clearly a need to limit the number of amendments which can be offered to the resolution, I am convinced that the rule which has been recommended to us has two serious shortcomings. As the rule is proposed, there would be no opportunity for the House to consider modifying either of the two budgets which are viewed as realistic options to achieve a balanced budget. And it will not allow for a modification of the Gramm-Latta budget proposal to specifically address the serious reservations which exist with regard to the tax cut which is assumed.

At this point, readings of the House indicate that the Gramm-Latta substitute will likely carry a majority of the House. But there will be no chance to amend that proposal under this rule either to deal with the tax cut question or to achieve a balanced budget. Likewise, there will be no real opportunity to amend the Committee resolution to end up with a balanced budget.

Need I remind my colleagues that our President and his party have been arguing about the critical need to achieve a balanced Federal budget for years? Need I remind my colleagues that the President's party has advocated amending the Constitution to require a balanced budget?

And I feel sure that most of my colleagues will agree that—as for the President's plan—the real controversy has been with regard to the so-called Kemp-Roth tax cut which it embraces. There are serious questions about its ramifications in terms of inflation rates, productivity increases, and budget deficits. Since reservations have been expressed about it from both sides of the aisle, should not we have an opportunity under the rule to vote on that key aspect of the budget plan?

The fact that those two issues will not be the subject of floor votes under this rule is a serious problem in my eyes. I urge my colleagues to reject the rule.●

Mr. BOLLING. Mr. Speaker, I understand the gentleman on the other side has no additional requests for time. Therefore, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. PERKINS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 328, nays 76, not voting 27, as follows:

[Roll No. 26]

YEAS—328

Akaka	Anderson	Anthony
Albosta	Andrews	Applegate
Alexander	Annunzio	Archer

Ashbrook	Fascell	McEwen	Tauzin	White	Wolpe
Aspin	Fazio	McGrath	Taylor	Whitehurst	Wortley
Badham	Fenwick	McKinney	Thomas	Whitley	Wright
Bafalis	Ferraro	Mica	Traxler	Whittaker	Wyden
Bailey (MO)	Fiedler	Michel	Trible	Whitten	Young (AK)
Bailey (PA)	Fields	Mikulski	Udall	Williams (MT)	Young (FL)
Barnard	Findley	Miller (OH)	Volkmer	Williams (OH)	Young (MO)
Beard	Fish	Mineta	Watkins	Wilson	Zablocki
Bellenson	Flippo	Minish	Waxman	Winn	Zeferetti
Benedict	Florio	Mitchell (MD)	Weber (MN)	Wirth	
Benjamin	Foley	Mitchell (NY)	Weber (OH)	Wolf	
Bennett	Fountain	Moakley			
Bereuter	Frenzel	Molinari			
Bethune	Frost	Mollohan			
Bevill	Fuqua	Montgomery			
Blanchard	Gaydos	Moore			
Bliley	Gejdenson	Moorhead			
Boggs	Gephardt	Morrison			
Boland	Gibbons	Mottl			
Bolling	Ginn	Murphy			
Boner	Goldwater	Murtha			
Bonior	Gonzalez	Napier			
Bonker	Goodling	Natcher			
Bowen	Gore	Neal			
Breaux	Gradison	Nelligan			
Brinkley	Gramm	Nelson			
Brodhead	Gray	Nichols			
Brooks	Gregg	Oakar			
Broomfield	Grisham	Oberstar			
Brown (CA)	Guarini	Obey			
Brown (CO)	Gunderson	Panetta			
Broyhill	Hagedorn	Parris			
Burgener	Hall (OH)	Pashayan			
Butler	Hall, Ralph	Patman			
Byron	Hall, Sam	Paul			
Campbell	Hamilton	Pepper			
Carman	Hammerschmidt	Petri			
Chappell	Hance	Peyser			
Chappie	Hansen (ID)	Pickle			
Cheney	Hansen (UT)	Porter			
Chisholm	Hartnett	Price			
Clausen	Hatcher	Pritchard			
Clinger	Hefner	Ratchford			
Coats	Hendon	Regula			
Coelho	Hightower	Reuss			
Coleman	Hiler	Rhodes			
Collins (IL)	Hillis	Richmond			
Collins (TX)	Holland	Rinaldo			
Conable	Holt	Ritter			
Conte	Horton	Roberts (KS)			
Corcoran	Howard	Roberts (SD)			
Coughlin	Huckaby	Robinson			
Courter	Hunter	Rogers			
Coyne, James	Hutto	Rose			
Coyne, William	Hyde	Rosenthal			
Craig	Ireland	Rostenkowski			
Crane, Philip	Jeffries	Roth			
Crockett	Jenkins	Roukema			
D'Amours	Johnston	Roybal			
Daniel, Dan	Jones (NC)	Rudd			
Daniel, R. W.	Jones (OK)	Russo			
Danielson	Jones (TN)	Santini			
Daschle	Kazen	Sawyer			
Daub	Kemp	Schneider			
de la Garza	Kindness	Schulze			
Deckard	Kogovsek	Sensenbrenner			
DeNardis	Kramer	Shamansky			
Derrick	Lagomarsino	Shannon			
Dickinson	Lantos	Sharp			
Dicks	Latta	Shaw			
Dingell	Leath	Shelby			
Dixon	LeBoutillier	Shumway			
Donnelly	Lee	Shuster			
Dorgan	Lent	Siljander			
Dornan	Livingston	Simon			
Dougherty	Loeffler	Skeen			
Downey	Long (LA)	Skelton			
Dreier	Long (MD)	Smith (AL)			
Duncan	Lott	Smith (NE)			
Dwyer	Lowery	Smith (NJ)			
Dymally	Lujan	Smith (OR)			
Dyson	Luken	Snowe			
Eckart	Lundine	Snyder			
Edgar	Madigan	Solarz			
Edwards (AL)	Markey	Solomon			
Edwards (CA)	Marks	Spence			
Edwards (OK)	Marlenee	Stangeland			
Emerson	Marriott	Stanton			
Emery	Martin (IL)	Staton			
English	Martin (NC)	Stenholm			
Erdahl	Martin (NY)	Stokes			
Erlenborn	Matsui	Stratton			
Evans (GA)	Mattox	Studds			
Evans (IA)	McCloskey	Stump			
Evans (IN)	McCollum	Swift			
Fary	McCurdy	Synar			

NAYS—76

Addabbo	Harkin	Patterson
Atkinson	Hawkins	Pease
AuCoin	Heckler	Perkins
Barnes	Heftel	Rahall
Bedell	Hertel	Rangel
Biaggi	Hollenbeck	Rodino
Bingham	Hopkins	Rousselot
Bouquard	Hubbard	Sabo
Clay	Hughes	Scheuer
Dannemeyer	Jacobs	Schroeder
Dellums	Jeffords	Schumer
Derwinski	Kastenmeier	Seiberling
Dunn	Kildee	Smith (IA)
Early	LaFalce	St Germain
Ertel	Leach	Tauke
Evans (DE)	Lehman	Vento
Fithian	Leland	Walgren
Foglietta	Levitas	Walker
Ford (MI)	Lowry	Wampler
Ford (TN)	Mavroules	Washington
Fowler	McDade	Weaver
Frank	McDonald	Weiss
Garcia	McHugh	Yates
Gilman	Moffett	Yatron
Glickman	Nowak	
Green	Ottinger	

NOT VOTING—27

Brown (OH)	Gingrich	Pursell
Burton, John	Lederer	Quillen
Burton, Phillip	Lewis	Railsback
Carney	Lungren	Roe
Conyers	Mazzoli	Roemer
Cotter	McClory	Savage
Crane, Daniel	Miller (CA)	Stark
Davis	Myers	Vander Jagt
Forsythe	O'Brien	Wylie

□ 1245

The Clerk announced the following pairs:

On this vote:

Mr. Conyers for, with Mr. Roe against.
Mr. Stark for, with Mr. Roemer against.

Until further notice:

Mr. Savage with Mr. Railsback.
Mr. Mazzoli with Mr. Lungren.
Mr. John L. Burton with Mr. Carney.
Mr. Cotter with Mr. Forsythe.
Mr. Phillip Burton with Mr. Brown of Ohio.
Mr. Daniel B. Crane with Mr. Myers.
Mr. Gingrich with Mr. Lewis.
Mr. McClory with Mr. Davis.
Mr. Miller of California with Mr. O'Brien.
Mr. Pursell with Mr. Quillen.
Mr. Vander Jagt with Mr. Wylie.

Mr. AuCOIN changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to announce the intended schedule.

The House has adopted the rule, and will go into the 14 hours of general debate. The Committee will rise at a quarter of 5. Tomorrow the House will go into session at 11 o'clock, and will rise at a quarter to 3.

Anticipating that the 14 hours will not have been completed before Monday we will meet at noon and there will be at least two suspensions on the calendar.

Following votes on suspensions, the remaining time of general debate will be completed on Monday.

On Tuesday, in the order in which the rule prescribes, first will be the amendment on defense. Then the Fauntroy amendment and then will be the Obey amendment, and at 5 o'clock the Committee would rise.

On Wednesday the Committee would continue the budget resolution until 5 o'clock that day, if it has not completed the resolution earlier.

PARLIAMENTARY INQUIRY

Mr. SHUSTER. Mr. Speaker, I rise for a parliamentary inquiry.

The SPEAKER. The gentleman will state his inquiry.

Mr. SHUSTER. With regard to the schedule, the Speaker mentioned two suspensions on Monday. Would the vote on those two suspensions be put over until Tuesday?

The SPEAKER. No; the vote on the two suspensions will take place on Monday.

Mr. SHUSTER. I thank the Speaker.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1982

Mr. JONES of Oklahoma. Mr. Speaker, pursuant to the provisions of House Resolution 134, I move that the House resolve itself into the Committee on the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 115) revising the congressional budget for the U.S. Government for the fiscal year 1981 and setting forth the congressional budget for the U.S. Government for the fiscal years 1982, 1983, and 1984.

GENERAL LEAVE

Mr. Speaker, pending that motion, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter during the consideration of House Concurrent Resolution 115.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Oklahoma (Mr. JONES).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 115) with Mr. FROST in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. Pursuant to the provisions of House Resolution 134, the first reading of the concurrent resolution will be dispensed with.

Pursuant to section 305(a), title 3, Public Law 93-344, as amended, the gentleman from Oklahoma (Mr. JONES) will be recognized for 5 hours, and the gentleman from Ohio (Mr. LATTA) will be recognized for 5 hours.

After opening statements by the chairman and ranking minority member of the Committee on the Budget, the Chair will recognize the gentleman from Oklahoma (Mr. JONES) and the gentleman from Ohio (Mr. LATTA) for 2 hours each to control debate on economic goals and policies.

After this 4 hours of debate has been consumed or yielded back, the Chair will recognize the chairman and ranking minority member of the Committee on the Budget to control the remainder of their 10 hours of debate.

The Chair recognizes the gentleman from Oklahoma.

□ 1300

Mr. JONES of Oklahoma. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we are beginning with this general debate a very historic process which I believe will result in the most dramatic and substantial change in Federal fiscal policy that has occurred in this country in the last 50 years. Whether we are Democrat or Republican, I think all of us read what the American people were demanding last November. They asked that there be serious restraint on the growth of Federal spending and that we get our fiscal house in order.

The alternatives before us today, regardless of which one you are talking about, have a substantial dramatic change in Federal fiscal policy. From the outset I would like to reiterate what I stated when I asked my colleagues to elect me chairman of the Committee on the Budget, and that is this: That the fun-and-games time for the budget process is over. If you want to continue the budget process, then we ought to build a budget based on reality, build a budget that will stand the test of time, and pass a budget which we will support when the individual authorizing and appropriations bills come before the House of Representatives.

I think we have. The Latta-Kemp-Roth substitute or the Republican substitute, and the committee bill present a clear choice in many respects of ways to proceed on budget policy.

Quite frankly, I have been somewhat disturbed by reports that some of our colleagues say for political or other reasons they are going to support this or that alternative, but that it really does not mean anything because when they come back to the authorizing votes and to the appropriating votes, they will vote the other way.

What I want to set out from the very beginning is that so long as I am chairman of the Committee on the Budget, I intend to do everything in my power to make the budget process real—no more fun and games—so that those who vote for the budget resolutions will know what is in those resolutions—and they will be expected to vote the same way when the individual authorizing and appropriating bills come before the House.

Many people think that they can vote one way because of the immediate political pressure on them, but that the pressure will be off 1 week from now, 2 weeks from now, 1 month from now. I think it is incumbent upon every Member of this body to know what is in these resolutions, to know what they are voting on, what they are cutting, and what kind of tax program they are providing, because those who look to you on this vote will be looking to you on subsequent votes to be consistent.

If you think you get out from under the pressure by casting a vote one way today and changing it the next time, you are not going to do it because the same interest groups that are after you today will be after you tomorrow, and you will look worse by being inconsistent.

So I hope that you will make it a point to know what is in these various alternatives.

Some of the reports I have heard that my colleagues indicate that they may support the Republican substitute. They should keep in mind that it really does include the Kemp-Roth tax bill, and there is no way to get around it.

The President of the United States just a few days ago from this Chamber said that the tax program, the Kemp-Roth tax program, was integral to his program, that there would be no compromise, no alternative, so those of you who vote for the Latta Republican substitute are voting for the Kemp-Roth tax bill and you ought to know it.

Some say that a vote for the Latta substitute does not include any kind of severe cuts in elementary and secondary education. That is wrong. The substitute includes deep cuts, 25-percent cuts, in elementary and secondary education, and most of those cuts are going to affect education for handicapped children, and you ought to know it.

Some who have indicated that they may support the Republican substitute say that that does not mean that we are not going to provide for filling the strategic petroleum reserve, and that is not true. The substitute cuts the support for the strategic petroleum reserve by 75 percent. There is no way to get around it, and you ought to know it when you vote.

The substitute, I might also add, will raise a point of order against the appropriation of $3 billion for the strategic petroleum reserve that is pending and ready to come to the floor of the House next week, and you ought to know it.

Some say that they may support the Republican substitute, but that it does not contain any cuts in vocational education or job training, and that is not true. It cuts vocational education; it cuts job training; and you ought to know it. All I am saying is whether you are talking about the cuts in agricultural programs, the cuts in job training, the cuts in education, or the Kemp-Roth tax bill, if you feel you want to support that, I will never question any Member of this body on that decision.

You have your own reasons and you ought to vote for those reasons. All I am saying is let us be consistent; let us be honest with the American people; and you vote today as you are going to vote for the rest of this year on the 1982 budget. The Budget Committee will be keeping, with the responsibilities we have, a scorecard as to where we are, and that scorecard is going to be embarrassing for some people if they are not consistent as the year goes on. So that is one of the first points I wanted to make, that is, that I take my responsibility as chairman of this Committee on the Budget very seriously, and whatever this body passes, I will attempt to enforce to the letter.

Now I want briefly to state how the committee resolution got to its present form because it was not a happenstance event. It was guided by a number of principles and a number of goals that I personally had and the committee had; a number of goals that were laid out after I was elected chairman of this committee. The overriding goal that directed my attention was to put together a budget that would truly lessen the pressures on inflation. Unless we keep that goal uppermost, we are not responding to what the American people said they wanted in the elections last November.

What can we do to get inflation down?

Another goal was to try to limit Federal spending as a percent of gross national product. Many of you recall and some of you cosponsored the efforts we made in the last Congress to start limiting Federal spending, and the first step was to limit Federal spend-

ing to 22.5 percent of GNP. That goal was achieved in this committee resolution. As a matter of fact, we actually cut spending more in aggregate terms than the administration recommended in its March 10 budget.

A third overriding goal was to recommend a tax policy designed to meet the needs of our country and the American people today. In that connection we looked at various tax programs and compared Kemp-Roth to other possibilities, and we found over and over again that the Kemp-Roth tax bill would in effect be a Keynesian consumption-oriented tax policy. It would stimulate demand; there is no question about it.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I will not yield at this time; I would be happy to yield later.

We were unable to get any evidence before our committee that would indicate any significant portion of that tax program would find its way into savings and investment. Does the United States need a stimulus to demand right now? I submit that we do not. What our country is lacking is not demand. If it were soft on demand, we would not have Japanese automobiles flooding our market and other products flooding our market. What the United States needs in comparison to our European competitors, and in comparison to our economic competitors in Asia, is savings, personal savings, investment in research, in more modern equipment, in more modern plant facilities. I submit that the Kemp-Roth tax program does not do that, so we recommended a tax program designed specifically for savings and investment, and specifically for income tax savings targeted chiefly to the broad category of middle-income-tax workers, middle-income workers who have not been the beneficiaries of tax policies very much in the past decade or two. That was another goal—to recommend tax policy that would reinvigorate this economy and give tax relief particularly to middle-income people.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. When I am through, I will yield to the gentleman.

Mr. KEMP. The gentleman mentioned my name. I wonder if he would yield.

Mr. JONES of Oklahoma. I will be mentioning the gentleman's name several times.

Mr. KEMP. The gentleman actually called me a Keynesian, and I wish he would yield so I could answer it.

Mr. JONES of Oklahoma. The gentleman from New York will have plenty of opportunity.

Another overriding goal in putting this budget together was to try to get the deficits down, keeping in mind the overall goal of fighting inflation. Over and over again we heard from those who set the monetary policy in this country that large and continuous Federal deficits have a very adverse effect on inflation and have a particularly adverse effect on keeping interest rates high.

Another overriding goal was to get those deficits down and to get to a balanced budget as quickly as possible. In that connection we cut the administration's proposed $45 to $50 billion deficit in half, and we achieve a balanced budget 1 year earlier than the administration would under its plan—at least 1 year earlier.

Another overriding goal in putting this budget together was this whole question of productivity. We cannot stop inflation until productivity improves. That is a key element. Productivity increased in real terms from 1948 to 1973 on an annual average of 2.4 percent per year. Beginning with the oil embargo and oil price shock in 1973 to the present time, productivity has been stagnant with actually 2 years of declines in productivity. You cannot get hold of inflation; you cannot have real improvements in income so long as productivity is stagnant or declining.

In looking at this question there are a number of ways to get productivity up. One way is to make investments in capital resources, and we try to address that through the tax program. The other is to make investments in human resources. In other words, how do we make the human beings of this country more skilled, more productive, more able to handle the new technology that is going to be required to make us competitive in the future? To do this, we looked at the administration's proposed cuts, and we determined whether or not those cuts were too deep and were adverse to improvement in productivity. So that was another overriding goal.

Another goal, was to try to get some common language in the budget because we have been hearing confusing comments about cuts of $40 billion from that and additions of $7 billion to this, with no common denominator, no common language. I had hoped that we would have a blackboard here that would illustrate this. But let me just say the first thing I asked the committee staff to do was to operate on what I call the automatic pilot theory of government. What if the President went home to California and all Congressmen and Senators went back to their home States, and you put all the programs that we have in the Government today on automatic pilot and adjusted inflation, what would we be spending in fiscal year 1982? Using the latest economic data at the end of March, we would be spending in 1982 on the automatic-pilot theory of government about $745 billion.

President Carter in his last budget submission in January made some recommendations that we used in his budget. So what would he be spending, based on the latest economic data? He would be spending $743 billion, $2 billion under what would be spent automatically.

□ 1315

President Reagan, on his second submission on the budget on March 10, made a number of other changes, and his budget came to $717 billion, a $28 billion cut from the automatic increase, the automatic-pilot theory of government.

The chairman's mark puts spending at $713 billion, and after the amendments in the Budget Committee, spending was at $714.5 billion.

Therefore, the Budget Committee's resolution actually cuts spending more than was recommended by the administration and it cuts spending from what it would be under the automatic-pilot theory by more than $30 billion.

So I think we ought to keep that in perspective.

Now, we have heard that if you use a different set of economic assumptions, for example if you use the economic assumptions that Dave Stockman used when he submitted the Reagan budget, based on economic data of last January instead of late March, that you would be spending less. And the answer is true. If you use those outdated economic assumptions on interest rates, unemployment, inflation, the administration would have spent $695 billion in fiscal year 1982, but the committee resolution would spend between $693 billion and $692 billion in fiscal year 1982. So we still would be under what the administration recommended.

Now, the other evening the President spoke to a joint session of Congress and used some figures that have been developed by those who are pushing the Republican substitute. Those figures led one to assume that somehow, the committee resolution would project spending, if I remember the technically precise quote, at $141 billion more than the Republican substitute over the next 3 years, and that there would be less for defense and that there would be more taxing under the committee resolution over the next 3 years than under the Republican substitute.

You know, that reminded me a little bit of the experience I had several years ago when I was at the White House on President Johnson's staff. We had come back from a Latin American summit conference. President Johnson had been very exhausted, and we stopped for a weekend in Puerto Rico where the President

planned to relax and play golf, and I had my first experience at playing golf with Lyndon Johnson. He had a wonderful way of taking eight shots for every stroke and asking the Secret Service to pick out the best ball, and that was his shot on that particular stroke. We had played several holes, and the sergeant who was going around with us and keeping score finally said, "Mr. President, if you keep up this pace you are going to set a course record."

This story reminds me of the way those who support the Republican substitute play the budget game. They are giving themselves the best shots for their strokes and giving us the worst shots for our strokes.

If you use the same set of assumptions to compare both programs, and compare their substitute to the committee resolution, the fact remains that the committee's bill spends less than Latta. After the Hefner amendment is adopted, we spend the same on defense and, as far as taxes are concerned, the committee resolution calls for a permanent tax cut next year that will stay permanent thereafter. The only difference is in the second and third year we say that before you have additional tax cuts, let us have additonal spending cuts, because over and over again, that is what the American people say they want. They want to cut spending before cutting taxes so that you eliminate the large Federal deficits.

So, finally, I just want to repeat that when I took this position I said publicly, and I reiterate it today: We want the budget process to be realistic. So whatever we do here today, we are going to try to enforce it.

Now let me mention what I see as the differences between the Republican substitute and the committee resolution.

First of all is the size of the Federal deficit.

Now, we do not know for sure what the assumptions are in the Republican substitute. We asked for the substitute last night after it was delivered and submitted to be put in the RECORD. We were unable to get it, and we were not able to get the figures until this morning when the CONGRESSIONAL RECORD was delivered. We still do not know what the assumptions are used in arriving at those figures. We do not know what is cut, what is not cut, and we hope we will be able to get this before the end of this week so that we can clearly delineate where those cuts are so that all Members will know that they are voting on a specific amount of spending reductions, and they will have to vote specifically on cuts later on.

But the first major difference is the size of the Federal deficit. In all honesty, this is a difference of opinion between two conservative economic schools of thought. One school of thought to which I subscribe and to which the majority of the Budget Committee subscribes says that large and continuous Federal deficits put pressure on keeping interest rates high and that puts pressure on keeping inflation high; and, therefore, we ought to bring the deficits down.

The other school of thought says that deficits are really not that important. In fact, the gentleman from New York (Mr. KEMP) said in the debate in the Budget Committee, when asked by the gentleman from Texas (Mr. MATTOX) about the size of the deficits that were being created by this tax program—and I think the record will show it is an exact quote—he said, "Republicans no longer worship at the shrine of a balanced budget."

And that school of thought takes the position that large and continuous tax cuts are more important than large and continuous deficits.

So it is an honest difference of opinion, and it is a difference of opinion upon which Members of this House must take sides.

Another difference deals with the economic assumptions. Why is it that the Republican substitute seems to spend $689 billion while the committee resolution seems to spend $414.5 billion? Why is that?

The major reasons are the economic assumptions. Again, when I took this committee over, I said, "Let us be realistic, let us put together a budget that will stand the test of time, let us not come back here next fall and next spring and next summer, raising the budget because we refused to be honest a year ago, and so let us get the best advice we can as to what interest rates are going to be."

The best advice we had was that the 91-day Treasury bills next year will be 12 percent on the average.

I might add that that is what the Republican-controlled Senate committee also said.

So we have 12 percent interest rates on 91-day Treasury bills next year.

The Republican substitute adopts the administration's optimistic view that interest rates next year will be below 9 percent.

You say, "What difference does this make?"

The difference is significant because if we are right, and interest rates are 12 percent instead of below 9 percent, that means automatically, without any votes on your part or any declaration by the President, Federal spending will increase about $10 billion or $12 billion next year, and that means automatically next spring we are going to bump up against that budget ceiling and we will either refuse to give budget waivers for needed programs or we are going to have to raise the budget ceiling.

And so it is a big difference. And I might point out that 91-day Treasury bills right now are a little above 14 percent, and the prime rate just jumped yesterday to 18 percent. And I think we are much more realistic as to what interest rates will be in 1982 than the Republican substitute.

Another difference is in unemployment and in inflation. We think that unemployment will be slightly higher than the Republican substitute, and we think that inflation will be slightly higher in 1982.

What difference does that make? Well, in unemployment, if it is higher than Latta projects, that means there are more people who are not working and paying taxes, so the revenues are less, and those same people are drawing benefits such as unemployment compensation, so that your outlays are more.

What difference does inflation mean? Well, if you look at our budget, more than one-third of the budget is indexed. That means automatically the benefits increase to social security recipients, some veterans' benefits, and so forth. If the inflation is higher, those benefits go up, no matter what we do.

All I am saying is, why not be realistic from the beginning and honestly try to project what unemployment, what inflation and, particularly, what interest rates are going to be next year; and I think we have done a better job of that in the committee resolution.

And the third major difference is where the cuts actually occur.

I would like to point out, without getting into too much details, where these cuts occur and the differences between the committee's resolution and the administration's package which I assume will be represented by the Republican substitute.

Let us take education. The administration recommended elementary and secondary education be cut 25 percent beginning October 1 of this year. We heard from school district after school district, who told us if you have that kind of a cut beginning in October, we will have to take one of two courses: First, we will have to severely cut back education for the handicapped; or second, if we are going to continue the program, we will have to raise local property taxes. That would be more inflationary.

Second, the school lunch program. The administration recommended a 40-percent cut in the school lunch program, eliminating immediately, beginning October 1, the entire so-called middle-class subsidy.

Now, we recognized in the committee, after hearing from school district after school district, who told us that hundreds of school districts would shut down their school lunch program

because they could not adjust to this change that quickly, we recognized that you cannot continue this forever but, rather than cutting it off immediately in October, we phased the cutoff over 3 years, one-third each year, to allow the local school districts to adjust.

The basic education opportunity grant and the student loan program. The administration recommended cuts of approximately $500 million in those kinds of programs. We pointed out that not only are these good investments in human resources that will make people more productive if they get their educations, but they cannot be enforced, because by the time we do a reconciliation the contracts for the school year beginning in September will already have been made for BEOG's and student loans.

Research, basic research. A number of differences between the Republican substitute and the committee resolution.

We add some funds back for basic research at the National Science Foundation. We add some funds back for energy research, in the development of synthetic fuels, the development of solar energy, and in other ways. I think that is a basic difference that Members ought to look at.

I have already alluded to the jobs program. The committee accepted and endorsed the President's recommendation to cut out all CETA public-service jobs, which amounts to about 350,000 jobs. But in doing so we felt it was important to try to take those structurally unemployed and get them into the private sector employment and give some incentive to those private employers to train these young men and women to get them on the job and to get them into a tax-paying status. We added some money back for training programs.

Medicaid. The administration and, presumably, the Republican substitute calls for a 5-percent cap on medicaid.

There again, we heard from Governors from across the country and from those who are familiar with the medicaid and medicare program, and we felt that that was an unwise cap and that we could cut programs elsewhere and restore partially some of the funding for medicaid.

Why did we do that? Well, take just one example. Four million people who are now eligible for medicaid are also eligible for medicare. We received a great deal of evidence that indicated that there would be a shift of the burden from that program from the broader based, tax-supported medicaid program to the payroll-tax-based social security-medicare program, and that if you put further pressure on the social security system, you were putting further pressure on the Government to raise social security taxes again in the very near future to keep that social security system from going bankrupt. Therefore, we suggested that you make savings elsewhere and restore partially some of the support for medicaid.

□ 1330

So these are some of the differences and we will get into more as the general debate continues.

I want to briefly refer to the differences in the 1981 fiscal year because not a lot of people have focused attention on that yet.

The Republican substitute already spends or authorizes $300 million less than the Appropriations Committee is about to report out this week for possible floor action perhaps next week or the following week.

Now the Appropriations Committee will have to go back and adjust its 1981 appropriations to the Latta resolution if it should pass the House.

Among the things we are talking about are rescissions in education after contracts with teachers have already been made for the school year that begins in September. We are talking about such things as disaster assistance, where it is my understanding from the budget staff that disaster assistance funds are not included if the Republican substitute passes. We are talking about such things as the Vietnam veterans' readjustment program are not included in this particular year if the substitute passes.

So I think it is important to recognize what is at issue. In looking at this budget resolution, we have to also look at the 1981 fiscal year because that is one that we are not going to be able to postpone very long. We are in that fiscal year right now.

Finally, let me mention reconciliation. There are a number of differences with regard to reconciliation. For example, in the Education and Labor Committee jurisdiction, the budget resolution out of the committee calls for $1.8 billion in reconciliation. The Republican substitute calls for reconciliation of $11.2 billion, an additional $9 billion roughly in reconciliation. We will not have many shots at that because once we instruct the committees on reconciliation they have to come up with those dollar savings.

In Energy and Commerce, the difference is between $829 million in reconciliation under the committee bill and $5.3 billion under the Republican substitute.

In Agriculture, the difference is between $374 million under the committee resolution and $2.5 billion under the Republican substitute.

So, all I am saying, in summary, is let us be honest with the American people on these budgets. The time for fun and games is over. What we vote on is what we ought to follow through on. The American people should expect that. I think that we ought to look at the component parts of both resolutions, and then determine what do we really want to support. We should not cast a vote for what is the politically expedient at the moment, but which we intent to renege on later.

I think that we owe the American people that honesty. I think what we have put together in the Budget Committee is sound. It will stand the test of time and I think it ought to be passed by this body.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague yielding.

First of all, I want to make it clear that some of us in this House have never taken this procedure as fun and games. I do not know who the gentleman is admonishing to take it seriously. Some of us have. So I do not think that the gentleman should feel that all of us have felt that it has just been fun and games.

Mr. JONES of Oklahoma. What I had reference to was the disappointment in the last Congress when a lot of people tested their fiscal conservatism on the budget resolution in voting for the reconciliation targets, and then when it came time to implement them, some of us played games. The biggest savings we had was to reduce the twice annual cost-of-living adjustment for Federal retirement programs to once a year, which would have saved the taxpayers nearly $1 billion last year. The most conservative Republican, or at least one of the most conservative Republicans, took the lead on the House floor to disallow that savings.

My point is that those kinds of games have to cease.

Mr. ROUSSELOT. Or in other cases where appropriations bills came up, many of those same people would be adding amendments. That came from both sides of the aisle.

Mr. JONES of Oklahoma. I am not saying this is limited to party.

Mr. ROUSSELOT. Let me clarify a couple of points if I could, as I listened very carefully to the gentleman's comments and appreciate, having been a member of the Budget Committee, that it is a lot easier to talk about saving money than it actually is to implement it when we get down to the specifics.

Now the gentleman has repeatedly said in his statements, I believe I am correct, that the Reagan recommendations for expenditure level were roughly $717 billion.

Mr. JONES of Oklahoma. That is correct.

Mr. ROUSSELOT. That just is not true.

Mr. JONES of Oklahoma. Well, it is true.

Mr. ROUSSELOT. It was $695 billion. I realize that the Budget Committee staff has reestimated some of that at $717 billion.

Mr. JONES of Oklahoma. If the gentleman wants to play in his ball park with figures that are outdated——

Mr. ROUSSELOT. If the gentleman will continue to yield, I want to play in the ball park with actual figures.

Mr. JONES of Oklahoma. Then the committee resolution is $2½ billion below the administration's. It is $693.5 billion.

Mr. ROUSSELOT. The gentleman is assuming that his recommendations are not $695 billion.

Mr. JONES of Oklahoma. If the gentleman wants to assume they are $695 billion, the gentleman also has to assume the committee resolution is $693.5 billion.

Mr. ROUSSELOT. I want to assure the gentleman that I have been through the figures quite thoroughly. I want to assure the gentleman that I have spent a lot of time going through the estimates of the gentleman's committee, if the gentleman wishes to put it that way, or the gentleman's staff, and the Budget Office under Mr. Stockman's direction. I have looked carefully at all recommendations.

What I am saying is no matter how we try to reshuffle it, the President's recommendations are roughly $695 billion in expenditure level for 1982. The gentleman may disagree with that and I hope the gentleman will take the time to try to explain where he thinks those estimates are wrong instead of just saying over and over again, the recommendation at $714 billion is $3 billion less than it is.

Mr. JONES of Oklahoma. I will not yield to the gentleman any more in order to answer him. If the gentleman wants to insist that the administration will spend $695 billion under those assumptions that are based on economic data as of last January, then the gentleman must also be consistent and admit that the committee resolution based on those same assumptions will spend $693.5 billion—$2½ billion below what the administration recommended.

Now to answer the gentleman's second question, I will try to explain again some of the differences. I explained it once in my opening remarks. The differences are primarily in three areas: What do we assume interest rates will be in 1982. The committee of the House, as well as the Republican-controlled Senate Budget Committee, assumed that interests rates in 1982—91-day Treasury bills—would be 12 percent. The administration and Mr. Stockman assumes interest rates will be 8.9 percent in 1982.

Mr. ROUSSELOT. If the gentleman will yield further, fiscal year 1982.

Mr. JONES of Oklahoma. That is correct, fiscal year 1982. That is a big difference in dollar terms because that means that interest on the national debt, which is the third largest item in the budget, will go up automatically another $10 billion to $12 billion because interest rates are higher.

So, I certainly wish interest rates will be 8.9 percent. I would like to borrow money at 8.9 percent today. But wishing does not make it so.

What we tried to do in the House Budget Committee and I believe what the Senate Budget Committee tried to do was to honestly predict as well as we could, what the interest rate on 91-day Treasury bills were likely to be next year. The House Budget Committee and the Senate Budget Committee came to the same conclusion and the two committees are controlled by the different parties.

Mr. ROUSSELOT. If the gentleman will continue to yield, but that does not make up the entire difference which the gentleman states.

Mr. JONES of Oklahoma. The difference between what the unemployment is going to be makes up part of that difference.

Mr. ROUSSELOT. What is the gentleman's unemployment recommendation?

Mr. JONES of Oklahoma. For fiscal year 1982 I believe 7.8 percent versus 7.2 percent of the administration's.

Mr. ROUSSELOT. What is it today?

Mr. JONES of Oklahoma. Unemployment today. I do not have the latest figures. It is around 7.4 percent.

Mr. ROUSSELOT. It is around 7.3. So the gentleman is off on that. I understand the costs that go with unemployment. I appreciate when the gentleman believes sincerely that unemployment is going to be 7.8 it will be a higher cost, no doubt about it. But I think the gentleman is off on the target.

What is the third point?

Mr. JONES of Oklahoma. The third point is inflation rates.

Mr. ROUSSELOT. The gentleman's inflation rate is?

Mr. JONES of Oklahoma. I believe it is about 9.7 percent in 1982 versus 8.3 according to the administration. That is significant, particularly in 1983 and 1984.

Mr. ROUSSELOT. It sure is. I think the projection and assumption differences are very important when we come to the entire budget. So in the gentleman's inflation rate at 9—what now?

Mr. JONES of Oklahoma. I believe 9.7.

Mr. ROUSSELOT. And on the basis of the high level of spending that the gentleman has in his resolution——

Mr. JONES of Oklahoma. No; actually we are spending less.

Mr. ROUSSELOT. The gentleman is spending $714 billion in expenditures.

Mr. JONES of Oklahoma. You cannot go floating in and out of two different sets of assumptions. Does the gentleman want to use the administration's program and the committee resolution on the committee's assumptions or would the gentleman prefer to use David Stockman's assumptions?

Mr. ROUSSELOT. I want to use your assumptions on your resolution. I am now addressing your resolution and the differences between the chairman's resolution and the Reagan administration.

Mr. JONES of Oklahoma. Under either set the bottom line is that for fiscal year 1982 the committee resolution spends $2½ billion less than was recommended by the administration.

Mr. ROUSSELOT. The gentleman keeps saying that and that is the difference of judgment on those three major items which we have now discussed on spending. But the inflation level that the gentleman put in his assumption does have to relate to what the gentleman's final dollar spending is, $714 billion; is that right?

Mr. JONES of Oklahoma. And it has to relate to the administration's also.

Mr. ROUSSELOT. If the gentleman's resolution passes, then those are the ones that go into place. What I do not quite understand is that there is a 9-percent inflation rate and with a $714 billion expenditure level, that the gentleman conceives in his budget, how he thinks that is noninflationary.

Mr. JONES of Oklahoma. A major reason why it is not inflationary is that the deficit is half the size as that recommended in the Stockman budget.

Mr. ROUSSELOT. The Stockman budget. But that is not what we have before us. We have the Latta substitute which is $31 million.

Mr. JONES of Oklahoma. Using those same assumptions it is about half the size under the Latta substitute also.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I am happy to yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

It is very rare that I can understand something as complex as this, but from the gentleman's explanation—and my good friend from California evidently does not want to understand what the gentleman is saying on these figures.

The question was on unemployment. I would like to speak to one section of the committee budget, the House budget, that vastly differs from the Gramm-Latta budget that will affect unemployment and unfortunately what we are dealing with is the projection that under the Gramm-Latta budget there will be in fiscal year 1982

nearly 1 million college students who will no longer financially be able to attend higher education institutions who are going to be out in the marketplace looking for jobs. The jobs are not going to be there.

So I believe actually that if we go with the Gramm-Latta substitute that takes in these slashes in education, that the gentleman's estimates on unemployment are going to be low, but even assuming that they are correct, we are going to have the exact figures the gentleman is speaking of which seem eminently clear to me, that the refusal of the other side to use the same factor in determining their figures as against determining our figures.

So, I just want to lay emphasis on the unemployment factor because of the cuts in that budget on education.

I thank the gentleman for yielding.

Mr. JONES of Oklahoma. I yield to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. I listened with a great deal of interest to the colloquy that just took place between the gentleman from Oklahoma and my good friend from California.

I was very distressed at the difficulty of my friend from California at understanding the points made by the gentleman from Oklahoma. I thought that maybe if the gentleman would yield to me briefly, I might be able to assist my good friend and colleague from California.

So I would like to ask several questions of the gentleman from Oklahoma.

The first: If one takes the same assumptions with regard to either the Republican substitute or the committee bill which was so ably handled by the gentleman from Oklahoma, one comes to the same set of conclusions; is that not correct?

□ 1345

Mr. JONES of Oklahoma. That is correct.

Mr. DINGELL. That is with regard to inflation, with regard to the total level of public expenditures, is that not correct?

Mr. JONES of Oklahoma. Well, the gentleman is correct.

Mr. DINGELL. Now, if you give the same set of assumptions, just for the assistance of the Chamber and for the special assistance of my friend from California, who has had some difficulty with this matter and who really does deserve help because he is an able, valuable Member, what is the difference if we take the administration's assumptions between inflation levels, budget deficits, and total budgetary expenditures, if we take the administration's assumptions?

Mr. JONES of Oklahoma. If we take the administration's assumptions?

Mr. DINGELL. On both proposals.

Mr. JONES of Oklahoma. On both proposals?

Mr. DINGELL. Yes.

Mr. JONES of Oklahoma. And we take the administration's program, which I have to deal with now because I do not have the details of the Republican substitute yet—if we take those assumptions and the administration's projections, they would spend $695 billion next year. The committee resolution, being gaged under the same set of assumptions, would spend $693.5 billion next year.

Mr. DINGELL. What would be the inflation rate if we take the administration's assumptions on both the committee bill and the Republican substitute?

Mr. JONES of Oklahoma. Well, the inflation rate——

Mr. DINGELL. And the interest rate.

Mr. JONES of Oklahoma. The interest rates under the administration's assumptions would be 8.9 percent. The inflation rate would be approximately 8.3 percent, as I recall it, and the unemployment rate would be 7.2 percent, I think.

Mr. DINGELL. Now, under the committee substitute.

Mr. JONES of Oklahoma. We would apply those same.

Mr. DINGELL. Let us now go to what the committee bill would do in terms of its assumptions with regard to inflation, interest rates, budgetary deficits, cost of money, and all the same questions, using precisely the same assumptions, using now the assumptions that the committee used so that the gentleman from California can have the benefit of an expression of what these statistics are when we talk about the same set of figures based on now the committee's assumptions. I want him to have that assistance.

Mr. JONES of Oklahoma. The committee's assumptions would call for interest on 91-day Treasury bills of 12 percent in 1982. The unemployment rate would be 7.8 percent in fiscal year 1982. The inflation rate would be 9.7 percent in fiscal year 1982. That would lead to the administration's total spending at $717 billion. The committee resolution's total spending at $714.5 billion, and the deficit under the administration's program would be $50 billion. The deficit under the committee resolution would be $25 billion.

Mr. DINGELL. Using exactly the same assumptions?

Mr. JONES of Oklahoma. That is correct.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the gentleman from California.

Mr. PANETTA. Mr. Chairman, I thank the gentleman for yielding. This was an issue that had to be addressed by the Budget Committee very early on in its debate with respect to the resolution, because in order to try to decide what the ultimate figures would look like, we have to try to decide what the assumptions would be on the economy in 1982. Admittedly, this involves a little bit of guesswork, whether it is done on the basis of what economists project; whether it is done on the basis of what administration officials project; or whether it is done on the basis of what staff members project, there is some basis of trying to estimate where we are going to wind up in 1982 and develop what those assumption are.

Frankly, some of us on the committee said, "Why do we get into this argument? Let us take the President's assumptions and we can all operate off the same base."

The argument against that, however, is that if we adopt those assumptions, for example, in the interest rate area where the administration is projecting 8.9 percent interest rate when everybody else is projecting somewhere in the vicinity of 12 percent interest rates, we are going to eat it somewhere down the road. We are going to project a budget resolution that will blow up in our faces because we have not been accurate about where the interest rate projections would be.

So we decided then that we would try in some way to try to develop as best an analysis where those interest rates would be, where the unemployment rate would be, where the inflation rate would be, and indeed the Senate Budget Committee is doing exactly the same thing, certainly with regard to interest rates. That is why they have come up with larger sizes in terms of the deficit.

So, the basic focus of the Budget Committee is, let us be realistic about where we are going. If we are going to have an honest budget, one we can stand by down the road, then let us try to get the best assumptions where the economy is going to be. It is no secret that administrations use optimistic assumptions in order to justify the presentation of their plan. It happened under Carter; it happened under Ford; it happened under Reagan. The fact is, they say, "We are going to get to good times if you adopt our budget resolution," but the Budget Committee's responsibility here is to try to determine what in fact the economy is going to look like at that point, so we do not wind up with a budget that is thrown completely out of balance as compared to the goals we had initially established.

Mr. JONES of Oklahoma. Mr. Chairman, I am going to yield to the gentleman from Pennsylvania and the gentleman from Florida, and then yield time to the ranking Republican Member. Under the agreement on the

general debate, the chairman and the ranking Republican would lead off the debate, and then time would be allowed to the gentleman from California, (Mr. HAWKINS), under the Humphrey-Hawkins provisions of the general debate.

I yield to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Chairman, I thank my friend for yielding. I point out to him that in his opening remarks I counted the use of the phrase "Republican substitute" 23 times. Now, I am sure he does not want to mislead this body, and that would not be his intention, but is it not a fact that the substitute, the compromise which is going to be offered which is known as the Latta-Gramm substitute, is indeed a bipartisan substitute and does in fact have bipartisan support, and therefore it is not quite accurate or fair to call it a Republican substitute when it is in fact a bipartisan substitute.

Mr. JONES of Oklahoma. I would expect some Republicans to be voting for the committee resolution. I would also expect some Democrats to vote for the substitute that will be offered by Mr. LATTA, but I think clearly everyone knows this is a Republican-dominated substitute.

Mr. GIBBONS. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Chairman, I want to commend the gentleman for his very lucid and, I think, very clear discussion of this whole matter. My question involves the size of the tax cut that is anticipated under the—well, I am trying to be nonpartisan now if I can—under the Gramm-Latta substitute, and the size of the tax cut that is anticipated under the committee bill. Let us try to concentrate on the calendar year 1982 tax cut.

Could the gentleman tell me the difference between the two, or maybe I ought to give the gentleman some time because I realize that is a very complicate question.

Mr. JONES of Oklahoma. The size of the tax cut?

Mr. GIBBONS. Yes, sir.

Mr. JONES of Oklahoma. In fiscal year 1982, the tax cut under the Latta substitute is the Kemp-Roth tax bill, which is a revenue loss of approximately $55 billion—$54 or $55 billion.

Mr. LATTA. Will the Chairman yield?

Mr. GIBBONS. Let him finish answering the question, and then go back. That is $55 billion in fiscal year 1982?

Mr. JONES of Oklahoma. This is the tax cut under Kemp-Roth approach.

Mr. GIBBONS. Did the gentleman say 55 or 52?

Mr. JONES of Oklahoma. I said 54 or 55.

Mr. GIBBONS. Roughly 54 or 55 in fiscal year 1982.

Mr. JONES of Oklahoma. And under the committee resolution it assumes a tax cut, a gross tax cut of approximately $38 billion in fiscal year 1982.

Mr. GIBBONS. I thank the gentleman.

Mr. DINGELL. Mr. Chairman, will the gentleman from Oklahoma yield further?

Mr. JONES of Oklahoma. I yield.

Mr. DINGELL. I thank the gentleman for yielding. You know, this comment about the Republican substitute or how the proposal is bipartisan reminds me of a little story.

This fellow went into a restaurant and said, "I would like some rabbit stew."

The fellow said, "Well, we don't have any rabbit stew, but we got some horse and rabbit stew."

So he got his bowl of it, and it tasted awful. He said, "My God, this is awful. what kind of stew is this?"

The fellow said, "It is horse and rabbit stew."

He said, "What is the recipe?"

The fellow said, "Well, it is one to one."

He said, "What do you mean?"

He said, "Well, you take one horse and one rabbit," and that is about how bipartisan this thing is. You got one horse and one rabbit.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I wanted to pursue a line of inquiry with reference to the gentleman's assumptions about unemployment. Am I correct in assuming that he stated the committee's position would be a 7.8-percent rate of unemployment?

Mr. JONES of Oklahoma. Let me correct that. In our report, the Budget Committee assumes an unemployment rate of 7.3 percent. The administration assumes 7.2 percent next year, and the three commercial forecasters range from 6.7 percent to 7.7 percent.

The CHAIRMAN. The Chair would like to announce at this point that the gentleman from Oklahoma has 5 minutes remaining in his initial hour of presentation.

Mr. MITCHELL of Maryland. I will try to be a brief as I can. Let us assume this 7.3 percent, and let us make a couple of other assumptions. If the whole supply-side economic approach does work, it is commonly assumed that at least temporarily we will have about another million people out of work. That added on to the 8 million who are unemployed, makes 9 million, right? I would further assume, or did the gentleman assume, or did the staff assume, that even if the proposals go through, the Reagan supply-side economic approach proposals go on, there is going to be a time lag of at least 1 year before the impact of those proposals is felt in the private sector, so did the gentleman take that into account? The point I am trying to make is, if he took it into account, the time lag factor into account, then his 7.3 percent is to me extremely optimistic.

Mr. JONES of Oklahoma. Well, as was pointed out by the gentleman from California, we cannot get precise on these predictions on unemployment. We consulted with the private economic forecasters, and this is the best judgment our economic forecast could be. What all was taken into account I cannot give the gentleman at this time, but I think he does raise a valid point.

Mr. MITCHELL of Maryland. That is a very critical element we have to deal with. Even those who are proponents of this approach have got to consider the speed with which it will work, and there is a commonly shared opinion that it will not work overnight.

Mr. PANETTA. Mr. Chairman, will the gentleman yield further?

Mr. JONES of Oklahoma. I yield to the gentleman from California.

Mr. PANETTA. Mr. Chairman, so that we can make sure we are comparing apples and apples and oranges and oranges, if in fact the committee were to be using the Reagan assumptions with regard to interest rates and unemployment and inflation, the figures would be as follows: With regards to our proposal we would have—the President recommended $695.5 billion in outlays. The committee's projections would be $693.3 billion in outlays.

On revenues, the President's figure was $650 billion. The committee's figures would be $671.15 billion in revenues.

On the deficit, the President's figure is $45.1 billion. Using his assumptions, the committee's deficit would be $22.5 billion. So, if we use the Reagan assumptions in fact the committee's presentation is still $2 billion below with regard to the outlay figure.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding, because I think it is important to compare apples and apples, and that is a good analysis there. It gives us the same set of assumptions. But, I think we also need to explain where that savings comes. Is it not true, then, that in the gentleman's proposal that gets us to that $2 billion below the Reagan figures, you do that by cutting the Reagan figures on defense by over $4 billion. But, you are $4 billion less in spending for defense than the Reagan proposal.

Mr. JONES of Oklahoma. I am glad the gentleman brought that up, because the answer to this is an emphatic no. Under the committee resolution as it now exists, the spending next year on defense would actually be higher than the administration recommended by $900 million. The reason we were higher is that we estimated that spending on previously authorized procurement contracts would be spent out at a faster rate than the administration projected. Now, since that time and in an effort to try to be giving as much money as necessary next year to defense, we added the $900 billion, but since that time the Pentagon has advised us that they believe their spend-out rate is accurate.

I do want to point out, however, that in our recommendations we suggested that the Department of Defense should tighten its belt as much as any other department of government, and we pointed out that the GAO study of all levels of government and some of the fraud, waste, abuse, and mismanagement that occurred, we have such things, for example—this may seem small to some—last year the Department of Defense spent $110,000 to transport a bowling team around the United States. I hardly believe that that adds to the military capability of the United States.

We pointed out, for example, that the multibillion-dollar basing mode, underground racetrack system through Utah and Nevada, the basing mode of the MX missile——

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. JONES of Oklahoma. Mr. Chairman, I yield myself 1 additional minute.

□ 1400

The CHAIRMAN. The Chair will state that the gentleman from Oklahoma (Mr. JONES) has used 1 hour in his opening statement. How much time does the gentleman yield at this moment?

Mr. JONES of Oklahoma. Mr. Chairman, I yield myself 1 minute.

The CHAIRMAN. The gentleman from Oklahoma (Mr. JONES) is recognized for 1 minute.

Mr. JONES of Oklahoma. Mr. Chairman, I want to point this out, because I think it is important, regarding the multibillion-dollar basing mode for the MX missile, which is under review by the Pentagon now and every indication is that it is going to be scrapped in favor of a less expensive mode.

As a matter of fact, I understand that it has been suggested by someone that the basing mode be on Amtrak, since nobody knows where the trains are anyway and that will confuse the Russians as much as anything we could do.

At any rate, we made significant suggestions on ways to save spending at the Pentagon without hurting the military capability in any way.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the gentleman from North Carolina (Mr. HEFNER).

Mr. HEFNER. Mr. Chairman, I would just like to make a point that, since we are talking about the defense outlays, on the markup of the $14 billion supplemental this week, it is not just the Democrats saying that the assumptions are wrong, because a Republican initiative added $500 million to supplement the set-aside. They said the 7½-percent assumption on inflation is wrong, and it was passed with a half billion dollars added to the $14 billion. So we are not the only ones who are changing the assumptions.

Mr. REGULA. Mr. Chairman, I ask unanimous consent that the gentleman in the well be allowed to proceed for 2 additional minutes.

The CHAIRMAN. The Chair will state that the gentleman from Oklahoma (Mr. JONES) controls the time, and the Chair understands that the gentleman from Oklahoma has completed his presentation.

The Chair now recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Chairman, I yield myself such time as I may consume.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I wonder if the chairman of the committee would answer a question for me.

Mr. Chairman, I do not see the gentleman here, so I yield back my time.

Mr. WALKER. Mr. Chairman, will the gentleman yield for 1 minute?

Mr. LATTA. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding, because I did want to make one point before the gentleman from Oklahoma (Mr. JONES) gave up the well.

That is that, instead of comparing apples with apples, he changed assumptions on us in the middle of the stream, and by changing assumptions, if we apply the same set of standards to the administration's defense figures, as he pointed out, then to talk about his defense spending he is still below the administration's figures.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, I appreciate the gentleman's yielding.

I have a question for the gentleman from California (Mr. PANETTA). I listened to the chairman's statement, and I am a little confused as to the relationship for the presumption, if you will, of a relationship between the unemployment level and the tax reduction level.

What is the tax reduction level that the committee budget takes into consideration?

Mr. PANETTA. Mr. Chairman, if the gentleman will yield, it is a $38 billion tax package. That is what the committee has projected. It leaves it up to the Committee on Ways and Means, however, as to how that will be dispersed between business cuts and individual cuts.

Mr. PASHAYAN. What is the administration's analogous figure?

Mr. PANETTA. The $52 billion, I believe, would be the administration's figure.

Mr. PASHAYAN. Mr. Chairman, on the unemployment, does the gentleman consider that particular figure that he has, 7.2 or 7.3, to be influenced by the $38 billion tax reduction?

Mr. PANETTA. I do not believe so. I did not hear the chairman's remarks specifically on that subject, but, frankly, I think that was, in the discussions in the committee, influenced particularly by the size of the deficit, as opposed to any other consideration.

Mr. PASHAYAN. Is it the committee's position that the deficit is a cause of inflation?

Mr. PANETTA. That is correct, after all this time. That is always true, whether it is Democrats or Republicans speaking. It seems to me that the issue here is the size of the deficit.

We can call it a Republican deficit or we can call it a Democratic deficit, but like a rose, a deficit is a deficit is a deficit. It sends the same signals to the Federal Reserve, and it sends the same signals to the money markets.

Mr. PASHAYAN. I appreciate that, but my only point—and I wish the committee chairman were here—was that I did not see any discussion of the relationship between the tax reduction and the economic activity, and it seems to me that a large part of the gentleman's statement more or less assumed a stagnant economy and did not take into consideration some of the principal features of the President's ideas on this subject; namely, that a tax reduction, especially if it is over 3 years, where the business community can anticipate a great purchasing power on the part of public, should actually affect the unemployment levels favorably.

Mr. LATTA. Mr. Chairman, I thank the gentleman from California (Mr. PASHAYAN) for his contribution.

Ms. FIEDLER. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentlewoman from California.

Ms. FIEDLER. Mr. Chairman, I was particularly interested before in the debate offered by the gentleman from California (Mr. PANETTA) regarding the ecomomic assumptions. He made a very clear statement about the fact that whatever program was on the agenda, they were going to definitely do everything they could, and that whether there was a Republican or Democratic President, we were definitely going to hear and see economic assumptions that supported their particular philosophy.

On the other hand, we were told we would not accept the clear fact that if we apply that philosophy to the Jones budget proposal, that, in fact, what we are seeing is economic forecasts that support particular point of view, as opposed to the point of view that is in complete opposition to his position. In fact, we are well aware of the fact that there were at least three different economic models offered to the chairman before he adopted the one that he felt most totally reflected his particular interests.

So I think we have to understand that when he talked about econometric models or various assumptions, we will deal with a Never Never Land of voodoo economics, and in the long run we are not going to see anything more than a matter of opinion on how many dollars have to be spent and raised and how many of those dollars would really accrue to the American people.

Mr. LATTA. Mr. Chairman, I thank the gentlewoman from California (Ms. FIEDLER) for her comments.

Let me say, Mr. Chairman, that I was hoping that during general debate we could talk about the problems that we face in this country, because they are going to have to be remedied, and we could then, at the time we discuss the individual substitutes that will be offered, discuss the details of answering those problems. Unfortunately, the committee chairman made a couple of comments that I think have to be answered, and I will do that at this time.

The gentleman made reference to the fact that he had not seen the Latta-Gramm substitute. Well, let me say that it was in the Committee on Rules yesterday. He could have seen it there had he liked.

Under the rule, it was offered by 6 o'clock last night and printed in the RECORD. He had all morning, if he wanted, to take a look at the CONGRESSIONAL RECORD. And let me say that we have made it almost as clear as we possibly could that it is the Reagan package, with a few minor changes to reduce the deficit.

So I think it is a little bit unfair for our chairman to say that he had no opportunity to see this substitute.

Now, when we talk about opportunities to see what the other side is doing, I have to recall something that occurred in our own Committee on the Budget. We know that the committee chairman came up with the figures in the chairman's mark himself. Believe it or not, he promised us very faithfully that we would see his figures on Thursday before we started the markup on Monday. Believe it or not, we saw them at 2 a.m. Monday morning, 7 hours before we started markup.

So our good chairman has no reason to complain, because he has had the opportunity to see those figures for a long time. The Reagan figures have been out there; we have had them in committee; he knows all about them. So he has no reason to complain that he did not see these few minor changes.

Let me say also that the gentleman complained about the economic assumptions. Well, the administration has come up with its economic assumptions. But what did the chairman do? He sent not one set of economic assumptions over to the CBO analysis, he did not send two; he sent three sets of economic assumptions before he got the numbers that he chose to put into his plan to present to this Congress.

Mr. Chairman, I do know who elected this gentleman last November as President of the United States to lead this country. I thought the people elected the President who spoke in this well just a few short nights ago. I happen to believe the American people elected Ronald Reagan chairman of the board and President of the United States.

Let me say also that the economic assumptions in the Reagan budget came from OMB and the Treasury Department, which have a responsibility to the people of this country to come up with them as accurately as possible. And they did not come by three different times with three different sets of figures.

That is what we are dealing with, Mr. Chairman. If they want to call a spade a spade, we will divert our attention any time to call a spade a spade. I will get back to my original comments and, hopefully, will not have to get into that subject again to correct things that the chairman said. I asked the gentleman to yield during his presentation, and he refused to yield. On the amount of the tax cut under the Reagan plan or the Latta-Gramm plan, the gentleman said, $55 billion. It actually is $51.3 billion.

Mr. Chairman, may I say to my friends that during the next few days, hopefully, we will be debating and could very well be deciding, the economic future of this Nation for decades to come. I cannot, therefore, urge too strongly that the Members of this House lay aside their politics, their regionalism, and their parochialism during this debate and take a cold, hard look at where the present course is taking this Nation that we love so dearly, and having done that, we can send the message to all the American poeple that this Congress that we love so much does have the courage and the will and the wisdom to make corrections in the course we are pursuing in order to head off a collapse of our economic system.

And I might say that a collapse is fast approaching, and I might also say that I have some agreement on this from our chairman of the Committee on Rules himself, who, according to a recent report in the Wall Street Journal, indicated that we have to do something and do it fast.

No thinking person can believe that this Republic, nutured by the free enterprise system, can long servive on its foundation, which is sinking from the weight of expanding Government programs that it cannot afford.

The industrial might of our Nation is being paralyzed by a tax system which will not permit it to modernize and retool in order to put people back to work so we can become competitive again in the world marketplace. When this same tax system takes a larger and larger share of the gross national product every year and puts a disproportionate burden on those who work and produce, and places only negligible disincentives on those who do not, then let me say that we are heading for trouble. The Carter policy had almost 23 percent of gross national product going for taxes, as opposed to 18.6 percent under President Ford, and I say the American people are saying: "We don't want to do it that way."

Despite an ever-increasing population, our Nation fails to increase its productivity in the nonfarm sector and has failed to do so for 3 successive years. We are in trouble when this Republic throws caution to the wind and increases its spending by a half trillion dollars—that is a half trillion dollars—annually during the last decade, while during the same period it was increasing its national debt by more than $600 billion.

All we have to do is to take a look at the record of the spending of this Congress in the last 10 years, and it is scary. It is scary. Believe it or not, we never reached a $100 billion budget for the entire Federal Government until 1962, the second year of President Kennedy's term. We never before reached that spending level in the history of this country. But what have we done since then? We have gone to more than $714 billion in this budget in less than 20 years.

□ 1415

What has been happening to the national debt? Well, we have been spend-

ing beyond our needs and unashamedly passing the bill on to our children and our grandchildren. We would not do that any other place, but we have been doing it here in the Congress. In 1970 our national debt stood at $372 billion. A decade later it was over $900 billion, I do not care what budget resolution is adopted, you are going to go to $1 trillion, $60 billion of debt in order to meet the obligations under that budget.

I say to you that the American people do not want us going in that direction and we had better mend our ways.

When it comes to Government excesses that drive inflation and interest rates so high that people can no longer affort to purchase homes, refrigerators, automobiles, and other necessities of life, the warning signs are up. We had better recognize them.

Let me give you a few examples. In my hometown, I can well recall some 20 years ago a little house that was built. It cost less than $20,000—$20,000 at 5-percent interest. The other day that same house went on the real estate market for $85,000, a more than fourfold increase. And what were the interest rates? Fifteen percent, if the buyer was lucky. If a family starting out has $10,000 to put down on that house it leaves them $75,000 to finance at 15 percent. That is $11,000 a year in interest payments alone. Who can afford it?

Take a $40,000 mortgage at 15 percent; $6,000 interest a year. Who can afford it?

This is what we are talking about. An automobile that used to sell for $4,000 is selling for $8,000, with financing charges of 20 percent in some areas.

It is no wonder that people are walking away.

Let us come down to little items. Just the other day I walked into a little grocery on Independence Avenue and picked up a bar of Dove soap. Do you know how much the price was? Eighty cents a bar; 80 cents for a cake of soap.

I am telling you that we have got problems and we must address them in this House before we complete action on this budget.

Let me tell you that as we looked at the increases that were coming forward under President Carter, they were shocking. Just from the revisions in the Carter budget of 1981, we see outlays of $662 billion. That is 1981.

And he was proposing to the American people, that the outlays in 1982 go to $739 billion, an increase there from $662 billion to $739 billion in 1 year.

We cannot afford it. That is an 11.6-percent increase in Federal spending in 1 single year.

What is President Reagan saying to the American people? Well, let us just cut it back to a 6.1 percent increase. He is not saying that we cut back on 1981, no. He is saying let us restrain the growth to 6.1-percent, and I am telling you that the American people want it restrained. They want it restrained.

At such a critical time in our history, it is good to know that we have a President in the White House who will put politics and the next election aside and do what is best for America. Make no mistake about it, it would have been far easier, far easier, for Ronald Reagan to have adopted Jimmy Carter's business-as-usual budget and become the instant hero of all the special interest groups in this country. No. He recognized the gravity of the problem and had the courage to make the tough decisions which had to be made for the country's sake.

Oh, I know what has been the philosophy around this place for a long time. I was not back here when it first started. It first started under F. D. R., you know, and politically it has worked up until now.

They would say, what does this group want? OK, we are going to take care of you. What does that group want? OK, we are going to take care of you. What does this other group want? We are going to take care of you. You just name it. We are going to take care of you.

And they went all around, taking care of every interest but one, and that was the welfare of the Nation. What is good for America? That is what this President is saying he is going to do. He is going to forget the special interest groups for a change and do something that is right for America, and I say amen to that. It is about time that special interest philosophy goes down the chute.

For far too long we have had the special interest programs passed in this Congress with total disregard for their effect or impact on the country's future and its economic and fiscal well-being.

We have witnessed tampering with perfectly good programs in order to make them available to people for whom they were never intended in the first place.

Let me give you a couple examples. The guaranteed student loan program is a very good example. This program was designed to assist students from low-income families get through college by guaranteeing their loans against default and paying the interest while they were in school.

Just as night follows day in this House, it was not too long before these taxpayer-subsidized loans were made available to all college students, whether they needed them or not. Naturally, since the eligibility for these taxpayer-subsidized loans was expanded to include all students in 1979, the program has grown very rapidly. Between 1979 and 1981 the amount borrowed increased from $2 billion annually to $6.5 billion, and the taxpayers' cost increased from $400 million to $2.5 billion.

No one can justify the taking of tax dollars from a man or woman earning $15,000 per year in order to pay the interest charges on an interest-free loan to the son or daughter of a millionaire while he or she attends college. Yet it is perfectly legal to do so under this program. Such tampering with what has been a very sound program is typical of what has been happening in program after program in this country. As a consequence, every American, young and old, rural and urban, rich and poor, is now paying the price for such errant and foolish ways.

Let me talk to you about a couple other programs that have gotten out of hand. The other day in the local newspaper we had a column written by Jack Anderson on "A Subsidy That Needs a Ceiling." Maybe some of you saw it. If you did not, I want to read it to you, because it talks about the section 8 rental housing program. Let me just read you a couple of paragraphs that show once again a program that needs something done about, and this House has not had the courage to act. But this President has got some courage and he is recommending to this Congress that they make right out of wrong.

This is what Jack Anderson said, under the heading, "A Subsidy That Needs a Ceiling":

> Ronald Reagan's complaint that some government subsidies are going to those who don't deserve them is more than just politcial rhetoric. One program that has gotten completely out of hand is the multi-billion-dollar federal subsidy for construction of new apartment buildings. The huge subsidies are made under the "Section 8" program.
>
> In New York City, for example, until recently a family of four with an income of $17,269 could qualify for as much as $6,000 a year in Section 8 funds. Subsidies of $5,000 to $7,000 a year to a single family are commonplace, complain critics.
>
> The federal payments aren't going for subsistence-level cold-water tenements, or even to the kind of less-Spartan-but-far-from-luxurious units in which many unsubsidized families earning $17,000 live.
>
> Many of these government-subsidized projects have swimming pools, tennis courts, 24-hour security service, billiard rooms, underground garages and other appurtenances that would be the envy of a working-class taxpayer.
>
> Some of these luxury apartments in urban areas rent for $2,000 a month and up—but the tenant who qualifies for Section 8 aid may be paying as little as $200.

And who pays the other $1,800? The taxpayer; the taxpayer.

Anderson goes on:

> The basic trouble with the section 8 subsidies is simply that too many people can qualify for them.

Well, I say to you there is something wrong with a program if anybody can

qualify for a $2,000 a month subsidy for rental housing from Uncle Sam or the taxpayers of this country, to put it more bluntly.

We will hear plenty of whining about the cuts in CETA, yet here is a program that is just full of abuses. Maybe some of you took the time to read an article that was in the local newspaper just recently, "FBI probes use of CETA funds for 'Happy Hour.'" These are taxpayers' moneys.

The FBI is investigating a $400,000 D.C. job training grant to a private corporation that allegedly used more than $100,000 of the money for such purposes as "Happy Hour Training" at two local restaurants, limousine trips to and from National Airport and the purchase of a $178 leather briefcase.

I could go on and on. Among other such expenditures are $45,800 in payments for the Tourism Foundation; $2,875 in leasing costs for a new Mercury Monarch used by a D.C. Institute board member; $5,799 in alleged excessive telephone and postage costs, and so it goes. Even the subcommittee that took these matters up was appalled, was appalled by such abuses.

There is more—$2,850 for a wedding and reception on the *Queen Mary*. Yes. There was $4,734 for the lease of an Audi and a Porsche automobile; $15,000 in loans to friends of an executive director; and get this, you people in America who want a home, $100,000 to purchase land and build a house under CETA being funded by your hard-earned tax dollars.

I say it is time that we did something.

The causes of our economic deterioration are many and complex, but if one traces the changes through the years, I think one will find a parallel between the increasing problems of the American economy and the substantial increases in Government spending and taxes. Rather than solving the problem that many Government spending programs were created to address, history is showing that they have not helped in many cases and many even have made matters worse. About the only people who have consistently benefited from any of the programs instituted over the past decade and a half are those who are paid good salaries to administer them.

Let me tell you, I have to ask, are they using taxpayers' money to send out those telegrams back home to contact your Congressman to keep those programs going to keep their jobs?

□ 1430

Our economic growth averaged 4.2 percent during the 1960's and inflation averaged about 4.8 percent. The Federal budget was still under the $1 billion mark when President Kennedy entered the White House in 1961 and at that time, as I mentioned, the national debt was only $300 billion.

Then as we entered the decade of the 1970's, things began to change, but the outlook was still manageable. By 1970 the Federal Government was spending $196.2 billion; tax receipts were $193.7 billion; and the deficit was 2.8 percent. During the first half of the 1970's the economy looked like this: Productivity rose by an average of almost 2 percent per year—and I might say I have the figures here on the productivity of this great Nation of ours in the nonfarm business sector. From 1978 through 1980 we had a negative—a negative—productivity growth rate in this country, believe it or not. In 1978 it was 0.2 percent negative; in 1979, negative 0.8 percent; and in 1980, 0.6 percent negative productivity growth for this great country.

Despite that, our population keeps increasing. During this period unemployment averaged 5.4 percent; inflation as measured by the Consumer Price Index averaged 6.6 percent. Taxes rose an average of 7.7 percent. Personal savings averaged over 8 percent of disposable income. And as we moved through the last half of the 1970's and into the 1980's, the picture really grew bleak. Unemployment averaged 7 percent. Personal savings averaged only 5.7 percent. Inflation had risen steadily to where it was 13.5 percent, and the tax take on the American people had nearly doubled, rising by 13.1 percent.

By 1981 the Federal tax receipts had more than doubled to $603 billion, but that was not nearly enough to keep pace with spending which had more than tripled from 1970 to $660 billion.

The national debt, as I indicated, has to go up. The first action this Congress had taken was to increase it to $985 billion to pay bills. We are going to have to do more when this budget passes. It is no wonder the economy is on its knees. Along with this increase is size, scale, and scope of spending by Government, we have acquired inflation that was 13.5 percent in 1980, unemployment of 7.5 percent last year, and Treasury bills were selling for 16 percent as the Government tried to finance that enormous debt.

But we have got problems. We have got problems in America. I am telling you that we have got to attack those problems, and we cannot go on that same course. We cannot say business as usual. We cannot say, yes, yes, yes, to all of those groups that have been saying, give us more. Do not give us less; give us more. We have got to do something about that.

Hopefully, when we pass this budget, we will pass a budget that will help bring this country back on its feet again.

Mr. GRAMM. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I will be happy to yield to the gentleman from Texas.

Mr. GRAMM. I thank the gentleman for yielding.

How often it is in these debates that I wish we could debate the clear issue, and so often comments that are made really cloud those issues. If the gentleman would yield to me, there are several points I would like to make that are very germane to this debate and that I think are unclear as we emerge from the comments that were made by the chairman of the committee.

We hear people talk about taxes. We are not here today debating taxes. There will be no tax bill voted on today or next week or until the Committee on Ways and Means reports a tax bill. I asked myself, why do people keep talking about taxes when we are not debating a tax bill? The answer is because we are talking about a spending bill, and they do not want to talk about spending.

What is binding about what we are doing in this budget? Let us cut through some of the rhetoric concerning what is binding. We will be bound to the extent that we impose reconciliation, to the extent that we mandate that the committees of jurisdiction make spending cuts. Are we mandating through reconciliation any kind of tax cut? No. There will be no mandated action on taxes in this budget resolution. But there will be mandated action on cuts in entitlements and cuts in appropriations and authorizations. And what are the differences? The differences could not be clearer. These differences are totally independent of economic assumptions.

First of all, the Budget Committee budget mandates in reconciliation, the only thing that is binding in this whole debate, $15.8 billion of cuts in 1982, and the reconciliation package will be mandated if we pass the Budget Committee budget.

If we pass the President's budget with bipartisan revisions, we will mandate cuts totaling $36.6 billion. That is the difference in 1982—$15.8 billion in real cuts versus $36.6 billion in real cuts in the President's program. In 1983 the Budget Committee budget mandates cuts in reconciliation of $20.7 billion; the Reagan budget with bipartisan revisions mandates reconciliation cuts of $48.2 billion.

In 1984 the budget from the Committee on the Budget mandates cuts that will have to be in one package on reconciliation of $24.8 billion. But compare that to cuts of $58 billion under the President's budget with bipartisan revisions. In what counts, in reconciliations, there could not be a bigger difference. I have heard people here, who I have observed in 3 years in this body as having never voted for a balanced budget, never voted against a big-spending bill, talk about deficits. I ask myself, have these people been born again? Has the fiscal conserva-

tism that sweeps this country gotten to their hearts as it has the hearts of the American people? I do not think so. They are talking about the budget today because they are afraid of a tax cut, because they know if we have a 3-year tax cut we are going to give the people back their money and we are not going to get to spend it.

So finally—and I thank the gentlemen for yielding for this extended comment before we get to Humphrey-Hawkins—I simply would like to make one additional point. We here are talking about spending, not taxes. Nothing we do in this budget will in any way bind us on taxes. If you do not want to cut taxes, you are going to get a chance to vote against a tax cut when it comes out of the Committee on Ways and Means. But if you want to cut spending, do not be deceived. There is a world of difference between these two budgets, and in terms of mandated cuts that will have to be made on reconciliation, independent of economic assumptions, the Jones budget does not cut half as much as the President's budget with bipartisan revisions.

We are seeing differences in economic assumptions used, not to enlighten, not to reflect what is reality, but used instead to cloud the issues. If you assume the President is wrong on everything and the Committee on the Budget is right on everything, and you assume Reagan's figures have to be blown up and will be blown up in terms of additional resources to be passed by this body, you still get startling differences. Defense, in terms of budget authority under the House Committee on the Budget, under their assumptions, is cut by $7.1 billion in outlays. It is cut by $4.4 billion, and in function 500, 550, and 600, social welfare budget authority, assuming that Mr. JONES is right on everything and the President is wrong on everything, the bottom line is this: Social welfare spending is up $24 billion in budget authority.

The point is, that when we pass a budget, it is a set of numbers; it is not a set of assumptions; and those numbers become binding.

What the Reagan administration is saying is that at the Cabinet level, at the Department level, we can make these numbers stick, and if we make those numbers stick, the savings are going to be startling.

Between the two budgets in fiscal year 1982 and the revisions in 1981, there is a difference of $32.6 billion in the amount the House Committee on the Budget would give the committees to spend that the Reagan budget will not. That is a big difference. That difference grows to $47 billion next year and $69 billion in fiscal year 1984, the next year. There is a not a single economic point the President made in his message which cannot be verified, which is not valid, and I think it is time that we quit trying to cloud the issue and get down to the facts. The facts are these: if you want to cut spending, vote for a budget that mandates in reconciliation twice the cuts. If you want more spending, if you do not want to set this country on a new economic direction, say so and vote for the Budget Committee budget.

I thank the gentleman for yielding.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. It is my wish now to yield to the gentleman from California (Mr. HAWKINS) for a discussion of the provisions of Humphrey-Hawkins which relate to this entire debate.

The CHAIRMAN. How much time does the gentleman from Missouri wish to yield?

Mr. GEPHARDT. It is my understanding under the previously arranged rule that I yield 4 hours; is that correct?

The CHAIRMAN. Two hours, under the statute. Two on each side.

Mr. GEPHARDT. I yield 2 hours to the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Chairman, I wish to thank the gentleman for yielding this time to me for the purpose of discussing the economic goals and assumptions being made.

I must confess that having listened to the debate thus far, it seems to me that the only issue is who is spending the most on defense and the least on social programs. I do not think that really is the issue before this Congress. There are some of us who supported the Full Employment and Balanced Growth Act in 1978 from which we have deviated who believe that we should discuss the basic issues confronting the American people today. Everybody obviously who speaks assumes to be speaking for the electorate. I must confess that I do not speak for the electorate; I speak only for myself. Since only 53 percent of the people voted—47 percent preferred not to participate in the last election—of those who participated, 49 percent did not vote for the winning candidate, and the winning candidate won by only 51 percent of the 53 percent who voted. So it reminds me of the remarks of Mae West when she said:

> When I must choose between two evils, I always prefer to choose the one that I have not tried before.

So it seems to me that is the unfortunate situation in which we happen to be, and I am quite sure that that sadness is shared on both sides of the aisle.

As this body begins to debate the economic assumptions of the First Concurrent Resolution on the Fiscal Year 1982 Budget, I am encouraged by the heightened interest of my colleagues and of the general public in national economic policy.

However, my optimism ends at this point because the President has presented Congress with an unbalanced budget based on unbalanced macroeconomic policies and unsound economic assumptions.

We are expected to go along with the supply-siders, that provide the framework for the administration's policies; who believe that "widows and orphans * * * did rather well under inflation"; who say that fixed income people did well by inflation, and that it is the rich who have really been hurt and that regressive taxes help the poor.

The Reagan speech Tuesday night asked us to rely on faith and patriotism. While certainly, in and of themselves, these are virtuous things, they surely cannot seriously be considered as the bedrock needed to bring prosperity and growth back to our economy. It is far to simplistic; yet, as I will discuss further with you, it is the only foundation present in the President's supply-side, domestic spending restraint program.

President Reagan's unbalanced economics are a one-way ticket to deeper stagflation. His hair-trigger tax cuts and unbridled defense spending will be too inflationary; monetary policy and budget cuts too restrictive. The result will be not much change from the otherwise expected high unemployment, high inflation, and slow unbalanced economic growth that will lead to the largest "human deficit" since the Great Depression.

By fiscal year 1984, President Reagan proposes to cut taxes by $145 billion, increase defense spending by $35 billion, and cut civilian spending by $120 billion—all this and balance the budget by 1984.

These figures just do not add up. Based on historical experience, the Congressional Budget Office estimates that the President's tax cut and defense spending will not produce enough economic growth to balance the budget by 1984; leaving inflation at 8.2 percent, unemployment at 7.7 percent, and real growth proceeding at a rate of only 3 percent.

All but one of the budget proposals before us are based on the same general assumption that slashing Federal spending will cure the evils and ravages of inflation. What began as an attack on "Big Government" has turned into an all out war on domestic programs that work to improve the efficiency of our economy. Without regard to other aspects of Government fiscal policy, we are racing down a dead-end street to take out our frustrations over continued stagflation.

A wide range of respected economists have testified that reducing nondefense spending by the amounts con-

tained in all but one of the proposals before us will have little or not effect on the rate of inflation. If we are lucky, it might reduce the inflation rate by a whopping three-tenths of 1 percent in 3 years.

Must we dismantle the very programs which meet human and economic needs, only to promote "anti-inflation psychology" and actually reduce inflation by only three-tenths of 1 percent? What rational, psychological advantage is that? Will it buy a home, more groceries, or pay off a utility bill? Is this really what the President means by improving the purchasing power of the American consumer—three-tenths of 1 percent?

What the President is proposing is to expand the defense sector of the economy while dismantling Federal programs designed to improve the efficiency of the civilian economy. While I am not opposed to a balanced and responsible increase in our defense spending, I believe there should be a more responsible provision for its financing other than through cuts in essential domestic programs or through the process of inflation.

The President's trickle-down tax cuts and the resulting Federal Reserve's restrictive monetary policies will mean disaster for the housing, automobile, and other civilian durable goods industries.

At best, the result will be slow, unbalanced growth. At worst, according to the Joint Economic Committee, it could mean another recession and possibly the worst recovery since World War II.

The American people are not being told the truth about the President's economic program. When they are told that budget cuts will fight inflation, they are not told what a miniscule effect the cuts will really have on inflation. They are not told that the cuts will mean reductions in services they depend on, like student loans, Meals on Wheels, child nutrition, veterans benefits, and medicaid. They are not told that these cuts may cost them their jobs. They are not being told that these cuts will mean fewer buses and subways, fewer trains, fewer small businesses, fewer alternatives to welfare, fewer job-training opportunities, and fewer hopes and dreams for a modest improvement in their standard of living.

When the American people are told that the big tax cuts will create more jobs and economic growth, they are not told about the greater number of people that will lose their jobs due to the budget cuts, and that the economic growth the President expects would be greatly reduced by inflation and tight money policy. In truth, the President's promised growth is a hoax.

The truth is that the President is offering the American people nothing new—he is offering them a backward budget and economic plan that dashes the hopes of more than 13 million unemployed, underemployed, and discouraged workers, not to mention millions of additional working poor and low- and middle-income families that are hard pressed by the high cost of necessary goods and services. Instead, its the same old tickle-down philosophy of subsidizing the rich to help the poor.

Fortunately, not everyone believes President Reagan's crystal ball. However, since the President was unwilling to provide the necessary documentation on how he reached his optomistic "targets," the Congressional Budget Office was forced to reestimate the effects of the President's proposed budget. And according to CBO's econometric analysis, inflation is likely to be 1.2 percentage points higher, unemployment 0.7 percentage points higher, and real economic growth 1.7 percentage points lower than what the President predicts if his budget is enacted.

The odd part about the CBO's conclusions is that if President Reagan's economic plan is enacted, unemployment will be higher, real growth lower, and inflation the same as it would be if Congress made no change in Federal spending policy at all.

What kind of economic plan is that? Is this the President who campaigned on a platform of "pro-growth" and "putting America back to work?

Ironically, most of the effect of the $48 billion budget cut would be lost jobs, lower productivity, fewer small businesses, stalled conservation and alternative energy projects, higher health costs, and higher expenditures for unemployment compensation and welfare—not to mention higher State and local taxes to pay for the lost Federal contributions to education, mass transit, sewers, economic development projects, and social services.

Further evidence of this effect comes from a study prepared by Wharton Econometrics for the Subcommittee on Employment, which found that the President's budget cuts would cost our economy over 1.7 million jobs in fiscal 1982 alone.

I find it very difficult to understand why the President must extract his pound of flesh from programs which increase the efficiency of the economy. Cuts in programs designed to promote small business and competition, to lower the high costs of housing, health care, and energy, and to reduce labor-supply bottlenecks in skilled labor markets will simply exacerbate many of the structural rigidities in our economy that cause inflation. As Prof. Robert Eisner of Northwestern University testified before the Committee on Education and Labor:

> Expenditure reductions in such programs will not reduce inflation but may actually make it worse, and may actually reduce the supply of labor and of goods and services.

In 1978 Congress overwhelmingly endorsed a set of policies, goals, and procedures for achieving full employment and balanced economic growth. However, for each of the last 3 years the President has presented Congress with budgets based on policies that cannot achieve our national goals and did not comply with the procedures set forth in the Full Employment and Balanced Growth Act. These failures have resulted in repeated budgets that do not balance our national priorities.

The primary goals of the Full Employment and Balanced Growth Act are to reduce unemployment to 4 percent and inflation to 3 percent by 1983. Clearly we will miss our mark if we do not make an about-face in our budget and economic policy.

President Reagan was wrong on Tuesday night. He is not "trying something new." Rather, he is proposing to step up his predecessor's attacks on the economic fiber of our country.

Last year the Council of Economic Advisers recommended that the timetable for achieving these goals be postponed: 4 percent unemployment could not be reached until 1985 they said, and 3 percent inflation was postponed until 1988. This year, the goals and timetable were entirely forgotten in the shuffle of Presidents and the smoke of the supply side. We must adhere to the mandate of law, and propose programs that will achieve these goals.

What the President's budget amounts to is a total dismantling of programs without regard for evaluation reports mandated by Congress—often in oppostiton to highly positive performance records and with irretrievable losses in funds already invested. In particular, what is to become of the evolving national manpower policy of cost-effective programs which we had developed by 1978?

One important means of achieving full employment and balanced growth is to improve our supply of labor. That is, to educate, to train, to keep healthy, and to improve the mobility of all members of our work force, especially those for whom the employment opportunities are the poorest. By investing in the productivity and human capital of our work force, labor supply bottlenecks and inflation can be reduced, allowing balanced growth in wages and jobs.

This focused approach to addressing our economy's structural problems and weaknesses is based on our historical experience with high unemployment and inflation. The postwar record, containing as it does protracted periods of both high unemployment and excessive inflation with six recessions, indicates the failure of

"demand management" to adequately serve the economy. The extreme limitations on the use of fiscal and monetary policy to achieve the necessary equilibrium without a more comprehensive economic policy led to the adoption of the Full Employment and Balanced Growth Act of 1978.

The chief goal of macroeconomic policy as expressed in the act should be to first avoid stifling the economy into another recession and, second, to avoid overstimulating some sectors of the economy while restraining others.

The Federal Reserve should cease its present Draconian methods and adopt a long-run monetary policy of moderate restraint to reduce inflation while policies are implemented to lower interest rates and sustain economic growth.

Fiscal policy should be mildly stimulative, with targeted tax cuts to spur job-producing capital investments, particularly in small businesses, while avoiding any undue revenue losses or distortions of investment behavior. Personal tax cuts should be enacted only to offset the effects of inflation and increased social security taxes on low and middle income groups.

Federal spending should be increased moderately, with a greater balance between defense and nondefense spending.

Nondefense spending increases should be concentrated in programs that help improve the structure of our economy and the employability of those who suffer high rates of unemployment, and thus, in the long run, fight inflation and joblessness.

I am not opposed to coherent, responsible regulatory reforms and spending and tax reductions. But, I am firmly convinced that it is our first priority to balance our national priorities by achieving and sustaining full employment and balanced economic growth.

The purpose of this debate is to address the economic goals and policies in the pending first concurrent resolution on the budget. It is appropriate that the discussion on the budget resolution be framed in the context of its national goals and priorities. Yet no where in the budget options before us are these goals articulated. No where in the budget proposals are our national priorities articulated. No where in the budget process are we examining how the specific budget recommendations will achieve our legislated goals.

The process itself, is seriously flawed, and the results therefore will be woefully short of even a beginning attempt to achieve the goals of full employment and balanced economic growth. Until we begin to use the budget process as a means of achieving our goals and not as an end in itself, we will continue to stumble blindly in the economic morass which we have created for ourselves.

I submit that we need to readdress the entire budget process to focus our attention on the legislated goals of economic policy, and to increase the input of the standing authorizing committees in the process of developing the budget resolution. I will present these and other proposals in full at the appropriate time.

The basic message of the Full Employment and Balanced Growth Act is that stagflation need not be our national fate, nor must we feel trapped by a trade-off between inflation and unemployment—policies that combat unemployment can also improve productivity and reduce inflation.

The Full Employment and Balanced Growth Act establishes a set of goals, policies, and procedures for the review of our national economic policies. It is a standard of judgment, not only to see how far we have come—or how far we have not come—but also for evaluating the effectiveness of our policies for achieving our goals. To this date, the path we have taken has led us far from the path of balanced economic growth.

If we proceed as we are now doing, the inflation rate will increase as a result of highly stimulative tax and defense-related policies, while the economy will be depressed by budget cuts that do not reduce inflation.

Therefore, we will be faced with the choice: Either a deeper recession or comprehensive controls across the entire spectrum of the economy which would merely postpone the evil days of reckoning.

The people deserve something better than either of these alternatives.

We can provide them what they rightfully deserve and should expect.

□ 1445

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would request that the galleries be as quiet as possible and that there be as little talking as possible in the Chamber so that the gentleman from California (Mr. HAWKINS) may proceed and may be heard by the Members.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. Yes; I yield to the gentleman, just briefly, however.

Mr. REGULA. I thank the gentleman for yielding.

Mr. Chairman, I was interested in the gentleman's mention of the tight monetary policies. Is the gentleman suggesting that he would favor an expansionary monetary policy by the Federal Reserve to accomplish the goals the gentleman is describing?

Mr. HAWKINS. I would favor only a very slight and restrained growth in the money supply, but I would strongly support a reduction in the interest rate, which I think is one of the greatest contributors to current inflation, and I think that this has been encouraged by this administration, as it was encouraged by the previous administration. I opposed it under the Democratic administration; I stronly oppose it under this administration.

The point, however, that I was making is that this is not even being discussed. It is merely being glossed over, and all of the discussion about inflation is being concentrated on only one thing, and that is budget cuts. All of the testimony which we have had indicates that the amount of reduction, if we reduced all of the budget cuts—and this is not the end; we are going to have to do more of it, I am quite sure that is going to be the inevitable result—all of it would not greatly affect inflation. And yet we keep talking about this. Merely because we do not like these programs, we want to get rid of the programs, and we have kidded the American public that, by getting rid of these programs that help them, that they are somehow going to have a reduction in prices.

Mr. REGULA. Does the gentleman think we can get the lower interest rates that he aspires to, that we all do, without getting into monetization of deficits, which would seem to me to trigger inflation down the road?

Mr. HAWKINS. Well, the inflation is greatly assisted and the deficit is greatly increased by the high interest rates we are paying. I think this is unconscionable. I think that it is giving to the people who have control of the financial markets much more of the income and wealth of this Nation than what they are entitled to and it is taking it away from the poor people who have to attempt to buy homes with high mortgage rates and who must live off of credit. They are the ones who are really paying, and I do not think we are talking about it, I think we are just simply, in a sense, brushing it aside. And that is why I hope that we can at least invoke some debate on that subject.

Mr. PERKINS. Mr. Chairman, will the distinguished gentleman from California yield to me?

Mr. HAWKINS. Yes; I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I wish to compliment my colleague for an outstanding statement.

To my way of thinking, if we were tackling the whole problem instead of a portion of it, we would be rendering much greater service to the American people.

I, too, think that we should do something about the high interest rates, even if this Congress had to take a stand to roll back interest rates, and to have some determination like Harry Truman had when he talked back to the Federal Reserve in 1949.

But we are not planning on taking on any of those bigger problems that are bringing about a bigger deficit every day. And all we have to do to see that action is needed is to look at the interest on the national debt having jumped up so much in the last couple of years.

The gentleman is making an outstanding statement, and I wish to associate myself with my distinguished colleague from California.

Mr. HAWKINS. I thank the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, if the gentleman from California will yield for a couple of moments, I would like to ask the chairman of the Committee on the Budget a few questions.

First, I would like to know the difference between the Budget Committee's bill and the Latta substitute as regards funding for the schools for the upcoming school year.

Mr. JONES of Oklahoma. Mr. Chairman, if the gentleman will yield, first of all, the Budget Committee resolution does not assume any of the rescissions for fiscal year 1981, whereas the Latta substitute does; and, therefore, the Latta substitute, according to the information we would receive, would require laying off some teachers, and under the committee resolution it would not.

Mr. PERKINS. The gentleman's committee bill, then, for the year of 1981, would not require the layoff of teachers under the title I program or of any other educational program?

Mr. JONES of Oklahoma. The gentleman is correct.

Mr. PERKINS. And what levels of funding does the gentleman's bill provide for education in the next school year, 1982 and 1983? And does the gentleman have a 10-percent cutback, as compared to a 25-percent cutback in the Gramm-Latta substitute?

Would the gentleman mind discussing that?

Mr. JONES of Oklahoma. With regard to the cutbacks, the Latta-Gramm substitute would cut back elementary and secondary education programs by 25 percent. The committee resolution would cut that back by 10 percent.

Mr. PERKINS. And as regards the school lunch program, what kind of cutbacks does the gentleman propose, as compared to the Latta substitute?

As I understand, it is 21 percent as compared to 43 percent. Is that correct?

Mr. JONES of Oklahoma. The gentleman is correct.

The Latta substitute would cut the school lunch program over 40 percent. It would immediately cut off, as I understand their proposal, all of the so-called middle-class subsidy for the school lunch program. And the committee resolution does not do that. It phases it out over 3 years.

Mr. PERKINS. Now, lastly in the gentleman's bill and in the Latta substitute, what is the discrepancy insofar as reconciliation is concerned for all of the programs over which the House Committee on Education and Labor has jurisdiction?

Mr. JONES of Oklahoma. If the gentleman will yield, under the committee resolution, the Committee on Education and Labor would reconcile $1.8 billion. Under the Latta substitute, the reconciliation required of the gentleman's committee would be $11.2 billion.

Mr. PERKINS. Mr. Chairman, I wish to thank the gentleman for his remarks.

Personally, I feel the same way that the gentleman from California (Mr. HAWKINS) feels, that if everybody in this country were required to sacrifice, it would be a horse of a different color. But when we tackle this program only partially, I am fearful that we are not going to solve this inflationary problem.

□ 1500

However, I want to compliment the distinguished gentleman from Oklahoma for the great effort that he has put into a very complex problem of trying to represent the various viewpoints that have come before the Budget Committee on so many complex issues.

Mr. HAWKINS. I thank the gentleman.

I would also join in the remarks concerning the chairman of the Budget Committee, who was not present when I began this discussion. I appreciate the time allocated to me and the tremendous contribution that he has made to this particular subject, even though we may have some differences in viewpoint.

Mr. PERKINS. If the gentleman would yield, I wish to associate myself with the remarks of the gentleman concerning the CETA program.

As regards Federal student assistance, the gentleman from Illinois (Mr. SIMON), who is chairman of the subcommittee that handles the student assistance programs, is far more familiar with those programs. I know that he did a wonderful job. I wish to compliment the gentleman from Illinois (Mr. SIMON).

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

I wonder if the gentleman would tell us where he got those tax statistics. They are completely different.

Mr. HAWKINS. They are completely different from what is being told to the American public, the gentleman is quite right.

Mr. WALKER. It seems to me they are completely without basis in fact based upon the economic projects that I have seen. I wondered where the gentleman came up with those kinds of economic statistics.

Mr. HAWKINS. They are in many reports. Their relationship to inflation and unemployment have been presented to the committee from a series of outstanding economists, including John Galbraith of Harvard. They have been presented by Mr. Lester Thoreau of MIT, Robert Eisner of Northwestern, and many others, all of whom discount the possibility of both granting tax relief to high brackets and reducing inflation at the same time.

There is nothing new and there is nothing mystical about the fact that if you give an individual who makes $20,000 or less only $300 or $400 in tax relief and he has to pay social security and he has to pay more in terms of inflated prices, that that individual is not getting the things that you are promising him. He or she still believes that they are getting a tax cut and that just is not true.

Mr. WALKER. If the gentleman would yield further, in other words, the gentleman is basing this on the social security tax increase which I think most of us voted against and yet, I think it was most of the people on the gentleman's side of the aisle who voted for the social security tax increase.

Did the gentleman vote for the social security tax increase?

Mr. HAWKINS. Are you suggesting that we should repeal the social security? If the gentleman is, I will disagree with him.

Mr. WALKER. I am not suggesting that at all. I am suggesting that many of us on this side of the aisle had another alternative available in social security. We offered that instead of raising social security taxes.

Now the gentleman is on the floor saying low-income people are being hurt by those social security tax increases. I agree with the gentleman. We were saying that 2 years ago. Except the gentleman, I think, voted the other way.

Mr. HAWKINS. The gentleman has not interpreted my remarks correctly. I have said that we are imposing on taxpayers, tax liabilities whether from social security or indirectly through inflation a serious burden. That is a statement I make. It is an accurate statement. It is supported by all the testimony before the committees of this House and I am quite sure the Committee on Ways and Means would not differentiate from what source of tax is initiated. The taxpayer is only concerned with what he ends up with at the end of the year. That is what the taxpayer is going to be faced with.

□ 1515

The CHAIRMAN. The gentleman from California has used 38 minutes. Does he wish to yield time to additional speakers at this point?

Mr. HAWKINS. Mr. Chairman, I have other Members who wish to speak on this side. I am reserving the balance of my time.

Mr. RUDD. Mr. Chairman, all of us in the Chamber were witness of an historic occasion Tuesday evening. Our President, Ronald Reagan, spoke to us and articulated once again his vision of America as a free land with a restored, healthy economy.

All of us will be participants these next few days in another historic occasion: Our actions in response to our President's requests for the 1982 budget.

Mr. Chairman, we must back our President. We are not Republicans and Democrats when it comes to this budget at this point in our history. We are Americans. We are the Representatives of those across this land who spoke with their ballots last November. They said they demand a new direction, and they chose Ronald Reagan to chart that direction.

We have, all of us, spent many hours studying the budget and listening to people of all types give us their input. I have, as I am sure you all have, analyzed the various proposals.

There are 10 key points about the Reagan program that I think ought to be remembered, and I certainly am doing all I can to let my constituents in Arizona know about them.

First, the American economy is a mess. It is that simple. We are suffering the worst inflation since World War I. Unemployment is at one of the highest points since World War II. And 90 percent of first-time homebuyers cannot afford to buy a house.

The second point is that without President Reagan's plan, his total plan, things are likely to get worse. For example, it is clear we will have stagflation. Key industries already troubled could go into a tailspin. I am talking here about the auto industry, housing, steel, among others.

Third, a chief cause of the mess in which we find ourselves is runaway Government. We have had 19 deficits in the last 20 years in the Federal budget. Federal personal taxes have nearly quadrupled in 15 years. And regulations now cost us more than $1 billion a year.

Fourth, President Reagan's plan would attack the problem at its source, concentrating on four areas: Spending cuts; tax rate cuts; regulatory relief; and monetary restraint.

Fifth, President Reagan's proposed budget cuts will cut spending growth by two-thirds. This will result in a savings of $48.6 billion in 1982 and put the budget in balance by 1984.

Sixth, cuts are carefully tailored to preserve benefits for the poor while restoring defenses so sorely needed. The social safety net will remain in place. For example, the Federal Government will continue to provide 70 to 75 million meals per day to the poor, the elderly, and needy schoolchildren.

As for defense, spending will rise an average of 7 percent a year in real dollars over the next 5 years. This will restore America's margin of safety.

Seventh, cuts in tax rates will reinvigorate the economy. Cuts in marginal tax rates over the next 3 years are key to future savings, investment, and economic growth. Further, President Reagan's plan also calls for accelerated and simplified depreciation allowances to encourage business investment, which is, of course, a second key to growth. Overall, the President's plan would result in taxes being cut $293 billion from 1982 to 1984.

Eighth, President Reagan already has moved ahead in the field of regulatory relief. The Vice President is chairing a task force that has put forward an auto relief package that saves $10 billion for consumers and industry. The administration also is making progress in seeking ways and means of ending redtape for State and local government.

Ninth, President Reagan wants monetary restraint to come through the Federal Reserve, working side by side with Congress and the White House.

Tenth, the overall benefits of President Reagan's package can be summed up as: Cutting inflation in half by 1984; creating 3 million more new jobs than current policies would; achieving higher levels of growth; and restoring America's competitive place in the world.

Mr. Chairman, before us today is the budget resolution. President Reagan in a bipartisan spirit the other night praised and supported the Latta-Gramm resolution. We cheered our President the other evening. Now it is time to put our votes where our cheers are. Let us back the President. Thank you, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Chairman, I yield myself such time as I may consume.

I yield to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for yielding. This debate, of course, is devoted to the economic goals of our country. Nothing could be more appropriate; nothing could be more timely; nothing could be more important.

Mr. Chairman, we hear several times a week in this Chamber that we are about to vote on the most critical piece of legislation of the year, or that a certain rollcall is the most important vote of the year. Historically such talk is part of the regular routine here.

So, it is not easy to capture anyone's attention with the announcement that our vote on the Latta-Gramm amendment, backed by the President, is a big one.

Nevertheless, I am compelled to state that, in my judgment, many of us will not in our congressional careers make a more important decision.

This particular vote will determine whether this country will make a real change in its spending habit, or whether it makes a token effort by merely slowing down the spending a bit. If we decide to support the President, we will be reversing a free spending policy that has been dominant for nearly a half century.

The President's proposal, now embodied in the Latta-Gramm substitute, makes the dramatic change that I believe the American people want, and for which they voted last fall. It cuts Federal spending by about $45 billion from the Carter proposal.

The committee bill, which I call the O'Neill-Jones, business-as-usual bill, spends $25 billion more than the President's program. Therefore, it does about half the job that the President's proposal accomplishes.

This budget, of course, contains both spending and revenues. The process must consider both. But because there is a separate tax bill, this budget resolution really emphasizes the spending side. The public thinks this vote concerns itself largely with spending control. So do I.

But, our friends in the Democrat majority have chided us supporters of the President's economic programs because our proposal has a larger fiscal year 1982 deficit than the Jones-O'Neill committee resolution. We acknowledge that the balanced budget is farther away, 1984, than we would like, but we are prepared to make the arguments in favor of the balanced economic recovery package offered by the President and against the tax-increase, business-as-usual approach of his opponents.

But, I would respectfully invite the attention of those who quarrel with the President's tax plan to the fact that there will be another, more definitive, vote on that subject later. This vote only sets the perimeters for a tax cut. More importantly, the people perceive it as a spending control bill, and it is in that context that we will all be judged.

Wrapped up in this single vote is all the symbolism, all the emotion, and all the public frustration associated with Big Government spending. If you are for controlling spending, you vote with the President. If you are not, you vote with the speaker and the chairman of the Budget Committee.

That may not be what you intend your vote to mean but that is how it will be interpreted. The committee resolution spends $25 billion more than the President's proposal, the Latta-Gramm substitute. There are other reasons to support the President: He gives more attention to national defense; his is a comprehensive plan for economic recovery; his tax cuts stimulate a lagging economy. But, none is so stark, so dramatic, or so compelling as the need to reduce Federal spending.

I see no way a Representative can avoid that $25 billion differential. Never mind the assumptions. The road to hell is paved with good and bad assumptions. Just look at the most that can be spent, the outlay figures. This may be our last real chance to turn down Government spending curves, to regain control of the Federal budget.

That $25 billion difference ought to make it an easy vote. You will not have to vote for or against any particular program on this rollcall. You will only be establishing perimeters inside of which we must fit all spending for next year. The harder choices on specific programs and specific cuts will inevitably come later, but this is an easy choice.

It is true that approval of the President's program will force hard choices later in the reconciliation bill, and various authorizations and appropriations. Then, each of us will face many unpleasant decisions. When it is all over, we will have cut spending in some programs which each of us believes are good ones, as well as the ones we think are wasteful, ineffective, duplicative or unnecessary. So, even if the vote on this resolution is easy, there is no avoiding the fact that hard choices are on the way.

But, it has to be done. This is an emergency. Our economy is being devoured by inflation, and to protect all of our people we must rise to the occasion.

The main point to remember about this vote, the decision on the Latta-Gramm substitute, is that it is the economy vote of the year, or maybe of the century. It means an unprecedented turnaround in the uncontrolled spending policies of the Government. And every spending cut will be multiplied in the outyears. A dollar, or a billion dollars, saved today equals two next year, more the year after.

In the words of the President, "It's a benchmark for the future." In my own, it is the first signal of a return to fiscal sobriety.

The tax vote will come later. So will the individual program decisions. The matter at hand is spending control. That may be an oversimplification of the resolution and amendments before us, but that is the way the world views it, and that is reality.

So, after suitable debate and discussion, let us do our duty. Let us depart from the fiscal insanity that has devastated our economy. Let us give the economy back to people. Adopt the Latta-Gramm amendment, and change the economic history of the United States.

Mr. REGULA. Mr. Chairman, I rise in support of the bipartisan budget substitute. Passage of this measure is critical. On the shoulders of this budget are the aspirations of the American people, and I think in light of the previous speaker, that this budget is the key to achieving full employment and to reducing inflation. That is a goal that we all share.

First of all, in all fairness I would like to recognize the fact that the chairman of the Budget Committee, in producing the resolution that is before us, also recognizes the aspirations of the American people. I would point out that the House Budget Committee resolution is $25 billion less in spending than that proposed by President Carter. I think that this says that the majority party as well as the minority recognizes that we need to get spending under control, and when under the very able leadership of Chairman JONES, they reduce the projected outlays of their President by $25 billion, it is progress.

The problem is that it is not adequate progress. It will not do the job necessary to achieve capital formation, to lower spending, to reduce the amount that the Federal Government takes out of the gross national product of this Nation. I think that both sides of the aisle recognize that we can no longer monetize our deficits, that we can no longer follow that practice, as we have for many years, of simply printing the money to pay for the fiscal carelessness of Congress.

We no longer have the productivity dividend to use for purposes of monetization. Perhaps the most significant testimony brought before the Budget Committee last year was that productivity in the United States was stagnant; in 1978 it was flat; in 1979 it was actually negative. I would point out that prior to 1978 we did have real growth in productivity, more milk and grain per farmer, more steel per steelworker, more autos per auto worker because of technology, because of modernization of our industrial infrastructure, because of capital formation. Because of this productivity dividend of about 2 to 3 percent per year, we were able to monetize without creating inflation. But, we no longer have the luxury of a productivity dividend because of a lack of capital investment, and because of a change in the structure of our work force. We can no longer continue to run huge deficits without having high rates of inflation or without depriving our ailing capital markets of needed investment because of Government borrowing to finance these deficits.

The reduction in productivity is a very disturbing point, and is one of the things this Congress should address for the long-term economic health of our Nation. I would say to my friends who are concerned about the overall social safety net, the concern for education, the concern for many of the social programs that we have put in place over the many years, if we are going to continue having these kinds of programs, if we want to continue having the ability as a nation to meet the aspirations of people, to provide support for those who are not able to support themselves, we must have a productive economy. If some people of necessity are going to ride in the wagon, somebody has to be pulling the wagon. We need the productivity and we need the capital to make this possible.

Therefore, in the interest of having social programs in the years ahead, it is vital that we redirect the resources of this Nation to produce the necessary taxes in the future, to insure that these programs will be maintained. Certainly, the good things that we all aspire to are dependent on the kind of budget we produce, the kind of fiscal policy that comes out of this body.

The President of the United States stood here Tuesday night, and I just want to quote briefly from his speech. He said:

> But we have much greatness before us. We can restore our economic strength and build opportunities like none we have had before.
>
> As Carl Sandburg said, all we need to begin with is a dream that we can do better than before.
>
> All we need to have is faith, and that dream will come true.
>
> All we need to do is act, and the time for action is now.

I think both sides of the aisle recognize that we need action. It is a matter of difference of how we achieve those goals, both in timing and in method. Certainly, in recent years the American dream has been fettered by the poor performance of the economy. The blame for this performance, at least part of it, must be laid squarely at the doorstep of government. Past fiscal policies have failed. It is, as President Reagan told us Tuesday night, time for a new approach, "a great new beginning." I am sure the fiscal policies embodied in the Latta substitute provide the fiscal and budgetary framework for that new beginning.

If there is one point I feel I must put forward at this time, it is that we are debating a broad fiscal policy blueprint, a framework, and not specific program changes. Too often my colleagues and or friends in the many interest groups interpret our debates on budget resolutions as if we were

changing or directing that specific changes be made in existing programs. This is simply untrue. The budget process is a planning process. It is intended to bring some semblance of order to what otherwise would be a totally uncoordinated, haphazard fiscal policymaking process. I think, in this respect, the process has succeeded. The Congress is required to debate macroeconomic fiscal policy at least twice a year, and I have observed that the quality of the debate has improved greatly since the Budget Act was enacted. This debate is, therefore, healthy and good for the Nation.

Let me return to my main point. What we are doing today is creating a blueprint, a plan for fiscal policy that will guide this Congress when we take up the specific programmatic issues in the weeks that follow.

Adoption of the Latta substitute no more means agreement with each and every administration program proposal any more than adoption of the Budget Committee-Jones budget means agreement with each and every policy program assumption it contains.

I am not enamored with every proposal that the administration has made. For example, I have no intention of voting for any legislation which will diminish the gains we have made for handicapped children. This position is perfectly consistent with my support of the Latta substitute budget. We each have our own means of filling in the program line items contained in the functional totals of the budget, and that is the way it should be.

Earlier this afternoon we had a colloquy between Chairman JONES and Mr. ROUSSELOT, the gentleman from California, as to the impact of assumptions. Chairman JONES stated that if the administration's economic assumptions were used, the spending of the Jones resolution would be $1.5 billion less than the Reagan budget.

□ 1530

Now, I do not want to get into a discussion of how accurate that is, but assuming that this is an accurate statement, I agree that the only proper comparison is with a common set of economic assumptions—how can the chairman state so categorically that specific programs—exhandicapped and vocational education—will be cut so drastically under the President's budget and not under the committee's?

What we are talking about is a fiscal policy. We are talking about targets for the further action of the authorization committees, and for the action of the Committee on Appropriations, and depending on whose assumptions are correct, it will dictate the amount of funds available for these committees to assign the priority judgments that will have to be made by the committees as to whether they are going to spend more for one program and less for another. We all have our prejudices and priorities when it comes to the assignment of moneys available for programmatic purposes.

Mr. Chairman, there is another point that must be made. This year, more than any other since the adoption of the Budget Act, it is crucial that the process move forward to the adoption of a budget resolution with tough reconciliation language. We had some debate earlier about the differences. The gentleman from Texas (Mr. GRAMM) pointed out that the reconciliation language in the Latta substitute is much stronger than that in the Jones resolution, and I would agree with this statement. That is a very important point.

We have all come to the conclusion that the way we can achieve these desirable changes in fiscal policy to allow for more capital formation, to reduce the impact of Government on our lives, and to stimulate real growth and productivity depends on a reconciliation process which can be handled in one vote, where we do not have to deal with each tough issue vote by vote by vote. Therefore, accomplishing the goals of either the Jones resolution or the Latta resolution has to be predicated on having strong reconciliation language. Without strong reconciliation language, there will be no instructions to the committees, and the chances of making significant inroads into the hemorrhaging Federal budget will be lost. We must have a budget resolution because we must have reconciliation. We must have reconciliation because we must regain control of runaway spending. We must have fiscal discipline.

We can no longer count on the productivity, real growth dividend to allow monetization of deficits. We can no longer permit the resulting crowding out the capital markets. Therefore, our goal has to be a strong resolution and a strong reconciliation process that will allow us to change the direction of this Government.

If our young people are to build homes so they can achieve one of the great American dreams—homeownership—if the small businessman is to have capital at a reasonable cost, if we are to have new jobs based on new technology and expansion of industries, if we are to be competitive in trade in the world markets, if we are to have the kind of efficiency that will allow us to maintain the quality of life that we have come to take for granted, it must be predicated on reducing the Government's impact on our credit markets and reducing the Government's impact on taxes on the earnings that people receive for their labor and or investment.

Therefore, I think it is essential that we support the Latta substitute with its strong reconciliation.

I might add, Mr. Chairman, that I look forward to working with my colleague, the gentleman from California (Mr. PANETTA), in achieving the goals that can only be reached by using a strong reconciliation process.

Mr. Chairman, I reserve the balance of my time on this side.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Chairman, we seem to have entered on a new era in politics. It is a politics ruled by instincts and passions which have not been dominant here for many years; a politics of greed and grab; a politics of silent complicity in the destruction of a generation's social and economic progress.

The administration expects to receive authorization to demolish the modest protections of health, education, nutrition, housing, and legal and economic rights which our poorer citizens currently enjoy, in return for grand promises and empty pretensions.

Cuts will come, hurts will be felt, inequalities will worsen, hard-won rights and opportunities will be lost. It will be left for a future Congress to make repairs. I hope that that future Congress will show greater sensitivity for the have-nots of America than we are showing today.

So I rise to ask that a stand be made, not on behalf of charity, or compassion, or justice, but only in the name of reason. For there is compelling economic reason to choose the budget resolution that has been presented by our Budget Committee in preference to the substitute endorsed by the administration.

The administration has presented an economic program which in earlier and wiser times would have been regarded as the work-product of cranks. Its dismal features include:

Monetary and fiscal policies that are totally inconsistent;

A tax policy which places a mystical faith in the superior social instincts of the rich; and

A touching desire to purchase weaponry without paying for it.

In each of these respects, the Budget Committee's resolution is to be preferred over the Gramm-Latta substitute. Moreover, the estimates of spending and revenues in the Budget Committee's resolution are based on honest analysis, using known and tested techniques and sound—if not perfect—economic theory. The economic analysis underlying the admin-

istration's program is a gossamer web of guesstimates, suppositions, table napkin calculations, and wishful thinking. It will scatter before the winds of the earliest economic tempest.

It is by now widely conceded that the administration's economic projections are extremely optimistic. According to the Congressional Budget Office's March 31, 1981, study, real growth of GNP will be 1.7 percentage points lower in 1982 than the administration expects, inflation will be 1.2 percentage points higher, and a full half million more of our citizens will be out of work. In every subsequent year as well, the CBO has presented a vote of no confidence in the soothsaying of the new administration.

It is not hard to see why the administration's program will fail.

First, there is the great inconsistency between the administration's fiscal and its monetary policies. The administration has proposed a highly expansionary fiscal policy. At the same time, the administration expects the Federal Reserve to apply a more inflexibly restrictive monetary policy than we have ever seen. It will not work. A staff study of the Joint Economic Committee, incorporating both the fiscal and monetary assumptions of the administration, explains why. A tight money policy, our computer analysis shows, would arrest real growth, and in combination with such a loose fiscal policy as the administration proposes, will keep interest rates at current destructive levels, accelerating inflation while clobbering investment and housing. The result: A budget deficit well over $100 billion in 1984.

Second, the tax program of the administration will not produce the supply side consequences which the administration predicts. The administration counts on a surge of new work effort, savings, and investment by the affluent, enough to overwhelm the demand-increasing effects of its tax giveaway program. It presents no evidence whatsoever in support of this expectation, for the understandable reason that no evidence exists. In fact, the continuation of extremely tight monetary policy and extremely loose fiscal policy will simply drive inflation to unacceptable levels.

Third, the administration proposes to repeat, on a grand scale, the cataclysmic error of guns-and-butter economics that was first made by a Democratic administration 15 years ago. They propose a military buildup twice that of the Vietnam war. And they propose to finance it, not with a tax increase, but with the largest tax reduction of our times. Meanwhile, the price of military equipment is rising at twice the civilian rate of inflation. Does the administration really believe that the laws of economics have reversed themselves so completely in so short a time?

We have come a long way since the brave days of October 1978 when we enacted the Humphrey-Hawkins Full Employment and Balanced Growth Act. With that act, we committed ourselves to the rapid attainment of full employment and price stability. We established procedures to monitor progress toward the achievement of our goals, including a requirement that a specific timetable be set and adhered to. And now we have just as quickly abandoned our commitments and scuttled our procedures.

Under the old administration, this sabotage was carried out in broad daylight, by a frank admission that the administration's policies could not and would not achieve the statutory objectives. Now, under the new administration, we have a different tactic, with the same result. The administration, while it ignores the act's procedures, has promised an economic performance that will bring us remarkably close to eventual attainment of the act's objectives. Unfortunately, the promises are built on air. And so the Reagan administration has brought about the final corruption of the Humphrey-Hawkins process, and the final disillusionment of those whose faith can still be touched by the promises of a popular President.

And therefore, to you who will be tempted to vote for the Gramm-Latta substitute, let me ask: Are you prepared to accept, with the President, full responsibility for the consequences? What will you tell your voters, a year and a half from now, when we are faced with the murderous inflation, the cruel unemployment, the monstrous deficits, the sky-high interest rates and the slump of housing, trade, and investment which this program threatens to bring? Will you say that you honestly thought the budget deficit did not matter? That you sincerely believed that we could have guns and butter both? That the rich, in whom you now so trustingly place your faith, have let you down?

I do not now talk about charity or compassion or generosity for the poor, the aged, the unemployed, and the infirm. I only remind you that those who are today pressing you to vote for the Gramm-Latta substitute 18 months from now will show you very little charity or compassion or generosity. And then, where will you turn?

Mr. REGULA. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Chairman, I thank my colleague for yielding this time to me.

Mr. Chairman, America's biggest horserace is going to be run this weekend down in Kentucky. Thousands are going to be betting on their choice, and by the time starting time comes around and the horses are loaded into the chutes there is going to be a favorite, a people's choice. Just suppose that when that starting bell goes off, the gatekeeper refuses to open the gate for the favorite. Suppose he refuses to even let the favorite on the track. Suppose he refuses to give the favorite a chance to win, to try to succeed.

How would the people react to that? Of course, they would cry, "Foul."

There is an even more important race taking place here this week, and the eyes of America are on this House, and, more precisely, I would suggest that the eyes of America are on my friends in the majority party—the majority party which has the votes to control what happens at the starting gate of this much more serious race.

It is very clear that our friends in the leadership of the majority party are trying to not even let the Reagan compromise out of the starting gate. They are trying to kill the President's program before its gets started. That is the issue before the country. Is the majority party, which controls this House, going to give the President a chance?

Frankly, I admit I was surprised over the past few weeks to hear the statements of several of my Democratic friends and to read their statements in the newspapers as they went home to their various congressional districts—North, South, East, and West—and when they were urged to support the President, they really could not bring themselves to say that they did not support the President.

□ 1545

The responses, many of the ones I saw I suppose you would put in the category of they said, "Yes, but—"yes, they want to be supportive of the President's budget, but—yes, they want to be supportive of the President's tax program, but—and, of course, yes, but, really means no.

I do not mean to be unkind to many of my friends, but it seems to me that looking at the comments they made back in their congressional districts over this recess, they have taken the art of dissembling and raised it to a high art form.

I think that the American people should not be beguiled by the soothing words, the torrent, the gush, if you will, of soothing words which we seem to have heard in many congressional districts around the country by Members of this body, my friends on the other side of the aisle who are really unwilling back home to confess that they are trying to scuttle the President's program and, of course, trying to scuttle it without scuttling themselves in the process.

There is a saying around this town, "Don't listen to their words—watch their hands." Well, the hands of the majority leadership are on the lever that controls the starting gate. They are trying awfully hard to keep that gate closed so the President will not even be given a chance to get on the track. Fortunately, the President has been willing to compromise. He has accepted a bipartisan substitute. I was quite surprised to hear my good friend, and he is my good friend and my dear friend from Michigan, a few moments ago belittling the important of his Democratic colleagues who are considering supporting the Latta-Gramm bipartisan compromise.

In fact, this is not even sectional support, because I have read several accounts of northern Democrats as well as southern Democrats who are going to support this bipartisan compromise. It seems to me that rather than belittling those Democrats who are willing to give the President a chance, I say we should salute them. Indeed, I believe the American people will salute them for setting partisanship aside and supporting the President, who was overwhemingly elected by the American people.

So, Mr. Chairman, the issue is will the President be given a chance? This is the first test. This is the beginning of the new beginning. For the good of the country, I hope that our colleagues on both sides of the aisle will let the President's program out of the starting gate, will let the President try to run his race for America.

Mr. HAWKINS. Mr. Chairman, I yield 8 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, I thank the gentleman from California and I am pleased to enter this discussion on the Humphrey-Hawkins aspect of the budget and plan to discuss the budget in more detail later in the debate or as we enter the amendment stage next week.

First of all, I want to commend our colleague, the gentleman from California, for reading on the Humphrey-Hawkins Act an action that said to the people of the Nation that we are going to see that every American has an opportunity to work and earn a livelihood; but I regret to say that up to this point we have not lived up to that hope.

It was interesting just about 10 days ago or so, I guess it was, when we had the Space Shuttle, but that Space Shuttle did not happen after 1 year or after 2 years. It happened because we had the technical personnel available years and years ago, there were Members who sat in this body who made an opportunity available for young people who went on and then created a dream and then followed through.

I fear that what we are doing is denying the opportunity for future young people who can create Space Shuttles. If we want to have Space Shuttles and other things that help humanity, we have to have the personnel to do it. Even the Jones substitute, which I support, I regret I think makes some assumptions that are not accurate in the field of manpower.

I made the motion in the Budget Committee to just barely keep alive the CETA program, title II(B) and title VI and I lost that motion on an 18 to 8 vote.

The assumption in Gramm-Latta, the assumption of the administration is that the hundreds of thousands of people who are now working under CETA, not a single one will go on welfare.

Now, my friends, if you believe that, you can believe this microphone is made out of cheese. You can believe anything you want to.

We were faced and are faced regularly with the choice of whether we want some kind of a guaranteed income program or whether we want to have a jobs program in this Nation. Any time you ask any public opinion group on that question, they say, "We do not want the guaranteed income program. We want a jobs program." And yet what the administration has come up with—it does not call it this, but it is a guaranteed income program.

We have a choice of paying people for being productive or paying people for being nonproductive and we have chosen, I think, most unwisely that we are going to pay people for being nonproductive.

If you want to get at inflation, you have to give people a chance to be productive and for people to be productive they among other things have to have that spark of a hope, that sense that Government really cares about them.

I was in a subcommittee hearing this morning and the assistant to Father Hesburgh, the president of Notre Dame, Msgr. John Egan, said that we have to be careful that we do not drape the mantle of hopelessness on the poor of this Nation. I fear that is what we are doing.

I am concerned also that we are in the process of going ahead on this budget and taking a look at manpower and productivity, that we are dividing the Nation by class more and more. I see it happening in the nutrition programs. I see it in the student programs. If we accept Gramm-Latta we are going to be denying in excess of 700,000 young people a chance to go to college. While the excuse is made, this program or that program will help the millionaire's son, it is very interesting if you go back in history when we first started talking about public high schools, one of the arguments against public high schools was that we cannot have public high schools, you will help the millionaire's son.

Well, somehow we decided even if a few millionaires' sons take advantage of public high schools, we would go ahead and have them and we became a richer and finer nation because we did it.

Now there are those who say, oh, no, let us not make college available to everyone because you are going to help some millionaire's son if you do. I say if a millionaire's son takes advantage of the program, that is fine, but that is really not the point, because that millionaire's son can get to college anyway, but there are hundreds of thousands of future Jonas Salks and George Washington Carvers and people who are going to find out how we cure cancer and the cold and all kinds of other things that we are going to be denying an opportunity.

Under this budget we are going to spend another $80 billion or so in new plants and equipment for this country and we are going to cut back on the people who invent the new equipment.

I suggest if we are interested in productivity, take a look at Japan, take a look at Germany. It is very interesting in Japan, for example, if you are in grade school or high school, you go to school an average of 250 days a year. In the United States it is an average of 180. There is great stress on education. There is great stress on these opportunities.

We have, and I am not going to take all the time, but I have the testimony here from Bill Lash, a student at Yale, who testified that if this program goes through, Yale is not going to lose any students, but what is going to happen is that the son and daughter of the custodian is not going to be at Yale, that Yale is going to become a school for the affluent. Are we a better society if that takes place?

Borden economics now says that if the Reagan program goes through, we will at the end of fiscal year 1982 have 9.4 percent unemployment.

What this Nation needs right now is a vision of tomorrow, a vision that the Humphrey-Hawkins Act gave us of an America that is productive, that is working, that has opportunity for everyone and instead, we have a dream of yesterday that is gilded unrealistically.

The gentleman from Wisconsin (Mr. REUSS) said we are going by instinct rather than by analysis, and I think he is correct.

The current issue of Foreign Affairs magazine has a very interesting article by a professor from Johns Hopkins University who points out that of all the industrial nations we already spend more on defense than any other and we spend less on social services than any other. With this budget, we increase that disparity.

One of the things I think we are asking ourselves as we vote on this

budget is whether or not we are a civilized society. We test whether we are a civilized society not by whether we respond to the rich and the powerful, but by whether we respond to people who really need help. I fear that we do not understand that is the decision that we face.

I commend my colleague, the gentleman from California, again for trying to move us in the right direction. I hope in these coming months and years we do not forget the vision he has given us.

Mr. REGULA. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I rise at this time because I would like to discuss the President's budget, the bipartisan budget that has emerged in the House, from the perspective of the Humphrey-Hawkins goal, which is to achieve high levels of employment, without inflation. I believe it is the goal of the administration's budget. It is my goal.

I do not buy the idea that unemployment is an answer to inflation. I heard the gentleman from California standing in the well, eloquently testifying to the fact that he believed that unemployment is inflationary. I agree. Unemployment is inflationary because it reduces the potential of people to contribute to their own lives, their own families, their own communities, and to the economy of the Nation. For a given monetary policy, anything that reduces the potential of this Nation and our people is inflationary.

Conversely, we have found out over the past 10 to 12 very sad years that inflation is no answer to unemployment. Inflation has not cured unemployment in the United States, in the United Kingdom, or any other nation.

□ 1600

I stand here in the middle of the Humphrey-Hawkins debate on purpose. Although I cannot speak for the President, it is my belief that Humphrey-Hawkins is his goal as well. There may be disagreement on the path to that goal among Members on either side of the aisle, but, nonetheless, the President, when he stood before the American people on Inauguration Day, took the statement of Vernon Jordan and gave a little added twist: He said, putting America back to work means putting all Americans back to work. I think he is sincere, and I think his budget is a long step in that direction.

President Reagan did send up very quickly a plan for direction in which he wanted to take the American economy to get us back to work, get us on the road to full employment, and to bring about growth without inflation.

To some orthodox economists in the country today, there cannot be high levels of economic growth without inflation, and unfortunately more of the cynics are on my end of the political spectrum than on the other end.

I am often asked, "Don't you realize, Congressman KEMP, that you are looking for high levels of economic growth? How can you sustain it without inflation?" Because the belief is that if there is a lot of wealth in the country, that generates demand; demand leads to inflation because it bids up prices. I think that is fallacious. I think it is a myth. I think it is barbaric in terms of what such policy means in people's lives.

We absolutely must have high levels of growth. Anything short of restoring prosperity to this country is going to crush the hopes and dreams and potential of people, and that, I think, is something that neither side of the aisle wants. I know it is not something the gentleman from California (Mr. HAWKINS) wants. And my friend, the gentleman from Maryland, (Mr. MITCHELL) has similar goals. You cannot help America's poor by making the country poor. The policies of past administrations and past Congresses are making the American people poorer. And it is not just the poor who are suffering in America today. The whole Nation suffers when we see our country and our economy in the grips of something which we were told a few years ago could never occur simultaneously; that is, high levels of inflation and low rates of growth.

Had the U.S. economy from 1960 to 1980 grown at the same rate it did from 1962 to 1967, that is, around 4.5 percent to 5 percent in real terms—not nominal inflationary terms, but in real terms—the gross national product today would not be $2.5 trillion; it would be $3.7 trillion. We would have another $200 to $250 billion of Federal revenues. We could have balanced the budget. We could have spent more for defense. We would have had less need for social programs and more resources to pay for them. We would have a sounder dollar.

Lane Kirkland—I have quoted not only the gentlemen from California, my friend, Mr. HAWKINS, but I am now going to completely befuddle my friends by quoting Lane Kirkland of the AFL-CIO, who came before the Committee on the Budget recently. This is my first year on the Budget Committee, and I am enjoying it immensely, particularly under the leadership of our very able chairman. I wish he would stop beating me on Kemp and Roth, but other than that, I think he has done a good job.

Lane Kirkland came before the Committee on the Budget, and he said something that I liked. He said the health of the budget depends upon the health of the economy. That is interesting. Some of us think the health of the economy depends upon the health of the budget. But he said the health of the budget depends upon the health of the economy. I am convinced he is right. How do you restore a healthy budget without a healthy economy? How do you get the budget in balance?

Mr. Chairman, theoretically, you could balance the budget tomorrow if you wanted to just squeeze the American taxpayer another $50 or $60 billion. But in reality, if we raised tax rates on the American people still further, the economy would fall off even sharper. Output would drop even more, and the deficit would widen, and we would have more Government borrowing and monetization of debt. What is the alternative?

The President said to the American people and the Congress several weeks ago there is nothing wrong with American that we cannot fix. That was not whistling in the dark; that was not arrogance; that was just basic confidence in the American people and their enterprise. This President really believes that the American people would respond to incentives, to sounder money, to lower interest rates, to more freedom in the economy. I do not believe that he thinks he was elected to repeal the New Deal. I think he feels he was elected to get America moving again and is trying his very best to cooperate with the Congress in bringing about a sounder economic policy, which all of us agree must come.

We have to get the budget under control. It is growing beyond the capacity of the private sector to finance it—and by private sector I mean the people, because ultimately it is people who pay taxes. Businesses do not pay taxes; only people pay taxes, either directly or indirectly in the form of higher prices, or lower wages, or lost jobs.

The President has prescribed an across-the-board reduction in tax rates.

I wish the chairman of the committee, the gentleman from Oklahoma (Mr. JONES) were here. He walked out right after I complimented him. Earlier he stated that those who wish to cut tax rates will unleash upon the American economy devastating deficits, runaway inflation, and give the American people the impulse to go out and spend more money. As for the latter part, I believe the American people have the right to spend their own money. They tend to do it wisely, largely by investing it. And I do not think we ought to get into a habit of trying to pit class against class. All the American people have a stake in restoring the incentive to earn more income.

It is not in the interests of the poor to discourage wealth, and it is not in the interest of the wealthy to discour-

age the poor from becoming wealthy. Let us stop this pointless debate and start talking about what is good for America being good for all the people, because we are still one nation. We are still one people. We are still one family. We still have a stake in ecouraging all people to reach their potential as human beings.

My friend, the gentleman from Oklahoma (Mr. JONES) suggested that the American people might go out and spend money, that we were going to cut tax rates so that it would shovel more dollars into the pockets of the American people, and they would bid up the prices and that would lead to more inflation.

In the first place, this is wrong because a change in tax rates does not change the supply of money. In the second place according to the Joint Committee on Taxation, even if Mr. Reagan's tax cut over 3 years was enacted retroactive to January 1, 1981, with no feedback, there would be a static revenue loss of $113 billion. But the total increase in taxes—this is the 1981, 1982, and 1983 increase in taxes—going on over the next 3 years, because of higher social security payroll taxes and income taxes, caused by inflation, will total $89 billion. In effect, over the next 3 years, including this year, the net tax cut under Mr. Reagan's proposal is only $24 billion.

Mr. Chairman, by 1983 the gross national product in this country should be around $3 trillion.

I see my friend, the gentleman from Oklahoma (Mr. JONES) has come back in. I appreciate it.

Let me ask the gentleman from Oklahoma (Mr. JONES) a question. CBO Director Alice Rivlin tells us, and the Joint Committee on Taxation tells us, that income taxes and payroll taxes are going to be increased over the next 3 years on all the American people by $89 billion, and Mr. Reagan's total income tax cut is $113 billion. That is a $24 billion net tax cut over 3 years without feedback. How, in an economy of $3 trillion, can that cause the dire consequences the gentleman predicts? I am almost embarrassed to stand up here and tell you that the tax cut may be too modest. I am really concerned. I would like to see the President go further. Yet the gentleman is saying, it seems to me, that we ought not to do anything on the lower income tax rates; maybe give those taxpayers the opportunity to open a Keogh account or an IRA account, or raise the standard exemption at the bottom. But is the chairman telling me that a $24 billion tax cut in 3 years, net, in static terms, with no feedback, is going to cause the American people to rush out and overwhelm capacity by buying refrigerators and automobiles? I hope they do, by the way. They ought to have the right to buy automobiles.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I am going to do something the gentleman did not do for me. I am going to yield to my friend because I know he wanted to get his speech done.

□ 1615

Mr. JONES of Oklahoma. I would tell my friend, the gentleman from New York, that, after I completed my speech, I looked for the gentleman to yield to him, and I could not find him on the floor; otherwise, I would have yielded to him at that point, as I did to several other Members on the floor at that time.

Mr. KEMP. Then I am glad I yielded earlier.

Mr. JONES of Oklahoma. If the gentleman will yield, what I have suggested is that there be a tax cut next year and that it pertain to all levels of income, that at the higher level of income it be mostly centered around capital gains reductions, which would be a reduction in the unearned income rates, and at the lower end that we increase the earned income credit, and that for middle-income taxpayers you target certain relief as well as incentives for savings, and that the second and third year of the tax cut should be offset by further spending reductions so that your tax cuts are preceded by spending cuts.

Now, the reason I do that, and I recognize——

Mr. KEMP. When would it be implemented? What year? When would it start? 1981 or 1982?

Mr. JONES of Oklahoma. Most of it would start this year.

Mr. KEMP. Well, when would the personal cut take place?

Mr. JONES of Oklahoma. This year.

Mr. KEMP. 1981?

Mr. JONES of Oklahoma. That is correct. But it would have an impact on fiscal year 1982.

Mr. KEMP. Why not on 1981, as well?

Mr. JONES of Oklahoma. The individual cuts would be October.

Mr. KEMP. Correct me if I am wrong. The gentleman wants to cut the 70-percent bracket to 50 percent?

Mr. JONES of Oklahoma. That is the suggestion we have made on the unearned income.

Mr. KEMP. Wait 1 minute, now. No earned income is taxed over 50 percent.

Mr. JONES of Oklahoma. I just want to make sure we all know what we are talking about.

Mr. KEMP. Well, yes. I think what the trouble is, we are beginning to learn that the gentleman wants to cut the tax rate from 70 to 50, wants to cut the capital gains tax, and that is all.

Mr. JONES of Oklahoma. No; that is not correct.

Mr. KEMP. Wait 1 minute, now. My understanding of the gentleman's proposal is that he wants to cut rates for the top and capital gains, but is not going to cut any other rate.

Mr. JONES of Oklahoma. No; that is not correct.

Mr. KEMP. The gentleman is going to cut some other rates?

Mr. JONES of Oklahoma. What I had suggested, my preference would be to widen the brackets because I think that is more important to a middle-income worker than the marginal tax rate reductions. However——

Mr. KEMP. What is the difference, I would ask the gentleman from Oklahoma?

Mr. JONES of Oklahoma. The base tax you pay, what is taken out of your paycheck.

Mr. KEMP. Well, that is the same as lowering the rate.

Mr. JONES of Oklahoma. It is not, really.

Mr. KEMP. Now, wait a minute.

Mr. JONES of Oklahoma. The lowering of the rate is on the last dollar earned.

Mr. KEMP. The gentleman is on the Ways and Means Committee. Is the gentleman standing on the floor, telling me that widening the brackets so the taxpayers do not get into those thresholds is different than a rate reduction? Is that not disingenuous, I would say to my friend?

Mr. JONES of Oklahoma. No; it is not. What I am saying is that for those categories of middle-income workers, where the brackets are much closer together than the high-income workers, inflation itself pushes these workers into a higher basic tax bracket.

Mr. KEMP. I understand that. Is that not a reduction of rates at which the tax will be paid?

Mr. JONES of Oklahoma. Certainly. It is another way to reduce taxes.

Mr. KEMP. Tax rates?

Mr. JONES of Oklahoma. That is correct. There are two ways to reduce the taxes.

Mr. KEMP. Wait a minute, now.

Mr. JONES of Oklahoma. The basic rate that is paid——

Mr. KEMP. Wait a minute, now. I take back my time.

I apologize.

The gentleman agrees that widening the bracket is, in effect, an effective reduction of the marginal tax rate at which the taxpayer will pay his or her taxes? Yes or no?

Mr. JONES of Oklahoma. The answer is yes, you can reduce taxes by marginal rates by widening the bracket.

Mr. KEMP. I thank the gentleman. Now, does the gentleman want to do it just for some, or does he want to do it for all middle-income people?

Mr. JONES of Oklahoma. We did not get specific as to precisely——

Mr. KEMP. Should we do it just for one class of taxpayers, or should we do it for more taxpayers?

Mr. JONES of Oklahoma. More than one. More than one bracket class.

Mr. KEMP. The gentleman is getting close to suggesting that we either widen the brackets for all taxpayers or we lower the tax rates for all taxpayers, which I am suggesting that we ought to do. And the gentleman found it highly inflationary for me to try to do that. And now the gentleman is getting awfully close to suggesting the same thing.

Mr. JONES of Oklahoma. Will the gentleman yield?

Mr. KEMP. I am just wondering if the gentleman would like to reconsider some of the comments that he has made over the years on the efforts made by Mr. ROTH and myself.

Mr. JONES of Oklahoma. Will the gentleman yield?

Mr. KEMP. Yes; I do.

Mr. JONES of Oklahoma. The inflationary difference pertains to the size of the deficit, not only next year, but in 1983 and 1984 alike.

In order to try to get the deficit down, we have suggested that in 1983, in 1984 further spending cuts precede the enactment of the tax cut.

Mr. KEMP. Well, I want the gentleman to know that I look forward to debating with him on the subject. Now that we have caught on to what the gentleman wants to do, perhaps he ought not be so critical of those of us who just would like to go a little bit further, I think the gentleman and I do not disagree. In fact, I joined with him and with Mr. Steiger, to get the capital gains rate down. That was not all that bad an exercise.

The gentleman helped cut the corporate rate in 1978, the gentleman helped cut the capital gains rate in 1978, the gentleman wants to cut the unearned income tax rate in 1981, he wants to cut the capital gains rate again in 1981, but, darn it, he does not seem to want to cut the personal tax rates of all of the hard-working men and women up in Buffalo and in his own district, and I think it is disingenuous of the gentleman to suggest that Mr. Reagan, who wants to cut tax rates across the board so that everybody gets the same benefit of more incentive, is somehow going to unleash inflation on the American people. He does not deserve this, the President does not deserve the attack on him as somehow lacking in compassion, lacking in plan, lacking in strategy to get America moving again, if there is only a small debate over dotted "i's" and crossed "t's" which sometimes sounds like a medieval theological debate over how many angels can dance on the head of a pin. But I perceive that this debate is not going to be encouraged if we do not at least come to grips with the honest but sincere disagreement between the gentleman and Mr. Reagan on whether we ought to go further in doing what the gentleman wants to do. Winston Churchill said that in wartime there is a time for audacity, and there is a time for caution. He said, "But never for both at the same time."

I believe he was saying at that time, in World War II, it was time for audacity. I think Mr. Reagan is basically being bold in trying to bring to the American people and to this Congress a bold program in tax reform, in fiscal reform, in monetary restraint and ventilation of the regulatory system.

And the gentlemen wants to be cautious. I do not think it is a time for caution. The economy is collapsing around our knees. Steel, autos, housing, the poor unemployed, the economy is not producing, it is not effective, revenues are falling short, inflation, interest rates, T-bills are all going up, and we face a crisis in this country. Mr. Reagan has at least presented to the American people a program, a strategy and an agenda, a package, and I think the gentleman ought to at least give him his due.

Mr. JONES of Oklahoma. Will the gentleman yield further?

Mr. KEMP. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. In the first place, the gentleman incorrectly represents my position with regard to the tax bill and incorrectly quotes me as to my criticisms of the President or his program.

I have never said that the President lacks compassion. I have never said that, and I do not say that now.

Mr. KEMP. I grant the gentleman that.

Mr. JONES of Oklahoma. Second, the tax program that I have recommended does not say, "Give tax relief to corporate interests and not to individual interests," or has any tax bill I have ever——

Mr. KEMP. Wait a minute. I take my time back. Do not do to me what the gentleman accuses me of doing to him. I have never said a word against corporations. Has the gentleman noticed that JACK KEMP stood in the well and did not say a word about corporations? I have not said a thing about business.

Mr. JONES of Oklahoma. The gentleman said "corporate rate cuts."

Mr. KEMP. I am sorry. That was in 1978 we cut the corporate rate. The gentleman voted for it; so did I.

Mr. JONES of Oklahoma. And the gentleman indicated that at the present time I am not recommending for the hard-working, blue-collar worker any kind of tax relief, and that is simply not true.

Mr. KEMP. Wait a minute, now. I said rate reduction. I always try to choose my words carefully in this debate because I know the gentleman is very, very nimble of foot. I do not talk about relief; I am talking about reducing people's rates.

Mr. JONES of Oklahoma. I am talking about reducing people's rates also.

Mr. KEMP. I can show the gentleman that under his plan the tax rate on the American worker is going to go up, not down; spending is going to go up, not down; the tax burden is going to go up, not down; and unemployment, I would say to my friends who are interested in the Humphrey-Hawkins Act, is going to be higher in the fourth quarter of 1982 under the Jones budget by 400,000. That is 400,000 more Americans who are out of work. And I would like to go further. I do not think 7-percent unemployment in 1982 is something to rejoice over. I would join anyone on this floor to get the unemployment rate down further. It is disgraceful to leave this country unemployed.

Mr. JONES of Oklahoma. Once again the gentleman misstates what the chairman's position is.

Mr. KEMP. This is from the House Budget Committee's budget report. Unemployment in the fourth quarter of 1982 will be 7.4 percent, four-tenths of 1 percent higher; that is, 400,000 more Americans out of work in 1982 than under the President's bipartisan budget. Real GNP growth will be 2.4 percent instead of 4.2 percent.

If you want to cut the rate of growth of the American economy in half, if you want more people unemployed, if you want higher interest rates than the President by 3 percent, and if you want inflation to be 2½ percent higher than with the President, then you can vote for the Jones budget.

I can understand the debate over econometrics. But even by their own admission, their own statistics, the Jones budget is a steady-as-you-go, cautious slide toward more inflation, more unemployment, higher interest rates, but ultimately more despair for the American people. And, frankly, the President deserves high marks at the very least for changing the Nation's agenda in terms of economics, because he is simultaneously attacking unemployment and inflation. Now, you can say it will not work. We can debate that. You can say it will not work. But, very frankly, I think the President and those of us who support the Latta bipartisan budget believe that there is a better case to be made, and I think it is time that some of us spoke out and challenged some of these attacks on President Reagan—not from the gentleman from Oklahoma, I admit—as lacking in compassion.

We think you should measure capacity by not how high the safety net is filled up, but by how few people need it.

The essence of a charitable society is to prevent people from having to take charity. It seems to me that heavy accent on growth in the private sector, a high degree of investment and savings, more jobs, greater expansion of the U.S. economy, in the private sector of the economy, would be a charitble act because it would reduce the number of people who would need food stamps, who need welfare, who need unemployment insurance, who need trade adjustment assistance. We were not elected to abolish the safety net. We were elected to reduce the number of people who need it. And who is to say that is lacking in compassion? My parents always taught me that compassion is not giving someone a fish so he eats for a day; it is helping someone learn how to fish so they can eat for a lifetime. I think that is part of the Judeo-Christian ethic. And I am not suggesting that anyone is privy to revealed truth down here in this debate, but we ought to reduce somewhat these attacks on the gentleman from Ohio (Mr. LATTA) and the President and those of us who think there is a better way to get America moving again.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. KEMP. Yes.

Mr. ROUSSELOT. I appreciate my colleague yielding, and I compliment him on his comments.

Mr. Chairman, I thought we had, for a moment, a more specific outline of what my colleague, the gentleman from Oklahoma (Mr. JONES), the chairman of the committee, has in mind, in the way of a specific tax reduction, and he has just mentioned that he favors reducing the number of tax brackets, all the way up and down the line, from 16 to 2, or what are we doing? Can the gentleman be more specific?

Mr. KEMP. Well, I apologize to my friend that I have to leave to catch a plane.

Mr. ROUSSELOT. Let me say that this is the closest we have gotten to specifics.

Mr. KEMP. I am sorry to have to ask the gentleman to get his own time. The gentleman is one of the most effective floor speakers in the House, and I hope he can pursue it with the chairman of the Budget Committee.

I have heard my friends in the Black Caucus say many times what a tragedy it was that this country was caught in the grip of that Phillips curve mentality.

The President deserves credit for being the first to deliver to the Congress and to the American people an agenda for simultaneously attacking inflation and unemployment. He rejects the Phillips curve. And, as I said before, when he spoke before the Congress, he said there is nothing wrong with America that we cannot fix together.

□ 1630

Let me end my remarks, much to the relief of my friends on both sides of the aisle, by saying there is nothing wrong with this country. There is nothing wrong with America. We have not reached the era of limits. America is not over.

All those doomsayers and critics—and I was going to mention some names of authors of books. Someone mentioned "Zero Sum Society" by Lester Thurow, who claims that your gain has to come at my expense and that America has reached its potential and that all that is left is a trade-off between the Northeast and the Sun Belt and black and white and labor and capital and rich and poor.

I do not see that at all. I do not believe it. I reject it intuitively and empirically. And I think the President does, and I think he deserves more credit toward uplifting the debate toward trying to move this country toward the expansion, growth, technological and entrepreneurial renaissance that would make all Americans wealthier and get this Nation back to work and balance the budget through prosperity, not by raising taxes.

Herbert Hoover is gone. But he seems to linger in the hearts of the Congressional Budget Office. It is interesting. Our party is talking about some of the things that Mr. Kennedy used in 1960 to get America moving again and so is the President, and the other party is talking about going back to 1932 and raising taxes to finance its deficits.

The best way to finance the deficit is to remove the need for the deficit, stop this inertia in our economy and get America moving again.

I look forward to working with both sides of the aisle to do so.

Mr. Chairman, optimism has gripped the American people since January. A President was elected to restore the principle that no government can do as much for the people as they can do for themselves. In 3 months, he has forged a coalition which will make this principle the guiding force in our democracy.

The American people are excited about restoring the idea that each individual should have the same opportunity to rise as high as their effort and initiative and God-given talent could carry them. The President understands this excitment. When he spoke to us 2 days ago, he spoke of Americans as people who "have always reached for a new spirit and a higher goal," a people who "have been courageous and determined, unafraid and bold."

The American people are ready for a change and for the first time in two decades they will have it. They will have it because Americans from every background, every ethnic heritage, every rung of the economic ladder are ready to regain responsibility for their own lives. They will have it because the American people have sent an unmistakable signal to each and every Member of this Congress that they have united behind their President and behind the ideas on which his administration is based.

THE REAGAN PROGRAM

President Reagan responded to the demand for change by offering a blueprint for economic progress. The President realizes, as do the people, that there can be no improvement in social problems, no lessening of dependence on Government unless the Nations' economy is prosperous and dynamic. The program was straightforward:

Increase aftertax incentives for both labor and capital to encourage increased work, saving, investment and enterprise;

Reduce unnecessary spending to reduce the share of private resources which are siphoned off by the Government for counterproductive uses;

Stop inflation through a soundmoney policy; and

Eliminate the costly and unncessary overregulation of business and individuals.

Each of these four elements is an integral part of the President's program for revitalizing the economy. None of them can be deleted without endangering the success of the total package. The President has taken the first steps in lessening the regulatory burden and in supporting soundmoney policies by the Federal Reserve Board. He has also taken the first steps in budget and tax rate reform by sending the Congress detailed proposals for limiting Federal spending growth and reducing the marginal tax rates of individuals and business. The next steps belong to the Congress.

THE REAGAN BIPARTISAN BUDGET

Since the President first presented his economic program on March 10, there has been a tremendous amount of debate and consideration of every aspect of his program. From this debate has come a spirit of cooperation in the Congress unequalled since Franklin Roosevelt called the Nation to arms.

Under the distinguished leadership of DELBERT LATTA and PHIL GRAMM, the President's budget request has been transformed from the administration's proposal into a bipartisan proposal. The strong support this budget has on both sides of the aisle comes from the desire of all Members to restore the basic principle of individual effort and liberty to governing the Nation.

The first essential of understanding the Reagan bipartisan budget, as

President Reagan himself pointed out, is that there has been no reduction in Federal spending or revenues. This budget is simply a restriction of the rate of growth which has plagued Federal programs for the past 20 years.

TABLE 1.—FEDERAL SPENDING AND REVENUES, 1979–82

[In billions of dollars]

	Actual		Proposed	
	1979	1980	1981	1982
Spending	493.7	579.6	660.0	688.8
Revenues	465.9	520.0	603.3	657.8

Federal spending and revenues under the bipartisan proposal will decline to 19.3 percent of GNP by 1984, compared to 23.0 and 21.1 percent respectively for 1981. Thus, while the Federal share of resource use will be declining, the actual level of spending will continue to increase.

In the 1980 campaign, President Reagan pledged that the major changes which he intended to make in the distribution of national resources would not adversely affect those receiving benefits under what he called the social safety net. His budget message reiterated this pledge:

While recognizing the need for bold action, we have ensured that the impact of spending reductions will be shared widely and fairly by different groups and the various regions of the country. Also, we have, as pledged, maintained this society's basic social safety net, protecting programs for the elderly and others who rely on government for their very existence.

The bipartisan budget proposal reflects this pledge. In the two budget functions concerned with basic human needs, health and income security, the Reagan proposal calls for substantial increases over the next 4 years:

TABLE 2.—GROWTH OF SPENDING FOR BASIC HUMAN NEEDS

Item	1980 actual	Proposed			
		1981	1982	1983	1984
Health	$58.2	$66.8	$74.5	$81.6	$90.3
Income security	193.1	227.3	241.2	260.1	277.1

Even as the spending for these functions is increasing, the funds will be spent more efficiently, thus providing more assistance to those who require it. A comprehensive policy of block grants to the States will be used to channel funds to those who need them, rather than consuming billions of dollars supporting an inefficient Federal bureaucracy. Local control of spending will be a significant factor in reducing waste, duplication, and deliberate fraud.

The Reagan bipartisan budget quite clearly provides for those who need our help. There will be no refusal of health care for the elderly or the poor who are unable to work; there will be no reduction in school nutrition programs for children whose diets are inadequate; there will be no families left without shelter and heat when they have no means to provide for themselves.

There should be no mistake about the fears of those who oppose the social-program elements of this bipartisan budget. Their fear is not for those who are truly in need. The real fear is the wrath of voters and taxpayers who have final proof that the Federal tax and spending machine has indeed been the cause of economic decline; that it has been the vehicle for locking a generation of America's poor into an endless cycle of demeaning public assistance.

Some critics of the bipartisan budget claim that social goals have been slighted in favor of the national defense. As one of my colleagues pointed out, however, national defense is an overriding social goal. Without security for our basic freedoms there can be no democracy and no human dignity. The foremost function of the Federal Government, therefore, must be to provide for the security of the Nation.

The bipartisan budget provides for significant increases in defense spending. They are long overdue. The share of GNP devoted to national defense has been in steady decline over the past 20 years. We are currently spending well under 6 percent of GNP on national defense. This will increase under the bipartisan proposal to 6.4 percent in 1982.

THE REVENUE PACKAGE

President Reagan's tax package has but one goal: To restore aftertax incentives for both labor and capital to encourage increased work, saving, investment, and enterprise.

The single driving idea behind the tax package is that both labor and capital offer resources to the market based on the real aftertax rate of return to those services. As tax rates rise, the lower returns induce an increasing number of workers and entrepreneurs to seek the untaxed havens of leisure and sheltered investment. Tax rate reductions are necessary to reverse this trend, returning economic resources to their most productive uses.

The Reagan bipartisan budget does not specify the particular tax proposals which will be incorporated in the final Ways and Means Committee bill. It does, however, make adequate room for adoption of the entire tax program which the President unveiled on March 10.

A strange force has come over the Congress in the last 3 months. Not only has the intellectual battle over the effect of marginal tax rate reduction been won, but, there is now virtually no disagreement over the size of the total tax reduction program. The only substantive disagreement remaining is over minor details of writing the actual tax bill.

The optimism of the people over their ability to take charge of their own destiny has permeated this debate as it has that over spending. The Congress has increasingly come to realize what the people have long known: Increased incentives will bring forth effort and achievement which lie dormant under oppressive taxation.

Under President Reagan's original tax program, these increased incentives would be achieved by permanently reducing personal tax rates by 30 percent over 3 years and by providing business with a greatly simplified system of accelerated depreciation. At the end of the phase-in periods for each program tax rates will be reduced greatly. Marginal rates on personal income will be reduced from a range of 14 to 70 percent to one of 10 to 50 percent; the top capital gains rate will fall from 28 to 20 percent; and the depreciation period for industrial machinery will be reduced to 5 years.

Criticisms of the Reagan tax package have been confined almost universally to the reduction in personal rates. There is little concern that the tax reduction for business will have any adverse effects on the economy. This stems from a widespread failure of politicians and economics to appreciate labor as a factor of production. Luckily, American workers make no such error.

It is argued that a reduction in personal income tax rates will be inflationary. This view is offered by those who refuse to recognize that inflation is a monetary phenomenon. They argue that tax reductions in excess of spending reductions will increase aggregate demand and thus increase prices.

Suppose that cutting taxes reduces revenues in the short run compared with what revenues would have been without these reductions. For every dollar of lost revenue, taxpayers have an extra dollar of disposable income. But for every such extra dollar there is one less dollar someplace else. This is caused by the need of the Government either to cut spending $1 or to borrow $1 to pay for continued deficit spending. Either way, the total amount of money in the economy stays the same.

There cannot be any more aggregate income and demand in real terms unless people are encouraged to earn more income first—by working and investing more.

In short, it cannot be inflationary for workers to spend their money and noninflationary for Government to do so. This whole argument is a curious new defense of big government, given that the whole Keynesian justification for high tax levels has always been

that individuals save too much and reduce aggregate demand.

The second major argument against the tax rate reductions has been that an increased rate of return will induce the majority of workers to actually reduce their hours of work. This is based on the notion that families have a target level of income after which they prefer to take leisure rather than increased hours of work. Those who make this argument ignore several key facts.

First, as the argument above shows, there is no change in aggregate income as a result of the tax rate reductions. Income is simply returned from Government to taxpayers. If there is no change in aggregate income, there can be no possibility of labor offering less work as a result of higher incomes. Aggregate income will not increase unless work effort, efficiency and output increase—that is, until there is a supply-side response.

Second, if workers in the aggregate work less and entrepreneurs in the aggregate engage in fewer projects, total output will decline. With constant nominal income and less output, prices will rise to the point that workers will have to return to their former levels of work just to stay even. Thus, there is no possibility of reduction in work effort even if workers maintain target levels of income.

Aside from the technical aspects of this argument, I cannot help but wonder at the view many of my colleagues take of American workers. They are willing to provide reduced taxes for business on the theory that business will produce more, but simply refuse to apply the same logic to the most essential factor of production: labor.

A final criticism made is that the Reagan tax program is biased in favor of the wealthy, that it reneges in some mysterious way on the progressive income tax. Nothing could be further from the truth. As indicated in the table below, after the full phase in of the personal rate reductions, the tax distribution will actually be slightly more progressive than at present.

TABLE 3.—TAX LIABILITY BY INCOME GROUP

	Tax liability			
	Current law		President's proposal	
	Millions	Percent of total	Millions	Percent of total
Adjusted gross income (000):				
Under $10	$6,224	2.2	$3,760	1.8
$10 to $20	39,304	13.7	27,834	13.4
$20 to $30	58,558	20.4	42,079	20.2
$30 to $50	85,706	29.9	62,025	29.8
$50 to $100	51,631	18.0	37,525	18.0
$100 plus	45,235	15.8	35,150	16.9
Total	286,659	100.0	208,373	100.0

Source: U.S. Treasury, Feb. 16, 1981.

The error made is one of attempting to equate the dollars of tax reduction rather than the rates of taxation. Under the Reagan plan a family making $10,000 per year receives tax relief amounting to 1 percent of total income, a family making $50,000 receives 5 percent of total income and the family earning $200,000 receives 10 percent.

What does this mean? It means that the family making $10,000 now pays 4 percent of its income in taxes; the $50,000 family, 19 percent; and the $200,000 family, 38 percent.

It means that the $50,000 family now pays 25 times as much in taxes and the $200,000 family 202 times as much as the $10,000 family.

But does the President's tax plan change the fairness of the Tax Code? In 1984, the $50,000 family pays 26 times as much as the $10,000 family, and the $200,000 family pays 209 times as much. In other words, the net effect of the tax rate reduction is to increase slightly the share of the tax burden paid by upper income taxpayers. It is beyond all reason to call this unfair.

HOUSE BUDGET COMMITTEE VERSUS REAGAN BIPARTISAN BUDGET

The Reagan bipartisan budget package has been designed to increase the rate of economic growth, provide more jobs and lower rates of interest, inflation, and unemployment. These will be the results of prescribed policy changes. Prosperity requires sound fiscal and monetary policies consciously carried out by the Government.

The House Budget Committee has refused to recognize this fact. In 4 days of writing its own budget, the committee was never certain whether it and the Congress have the power to change policies and thus affect economic performance or whether economic performance is independent of policy and therefore becomes the driving force behind the budget.

This confusion tempted Chairman JONES and the majority of the committee's members to adopt a budget which, if passed by the Congress, by the House Budget Committee's own admission, would cause a significant deterioration in economic performance over the next 4 years.

According to the committee, their budget will slow the growth of the economy and, in 1982, put an additional 400,000 workers out of jobs compared to the President's program. Further, it would result in increased inflation and higher interest rates than the bipartisan alternative.

The following table illustrates the different economic results coming from the Reagan bipartisan budget and that of the committee. The figures for the committee are those provided by the chairman in his budget document.

TABLE 4.—HOUSE BUDGET COMMITTEE VERSUS REAGAN BIPARTISAN BUDGET: ECONOMIC PERFORMANCE

Item (1982)	Percent		Practical result
	Reagan bipartisan	HBC	
Unemployment	7.0	7.4	1 percent unemployment puts 1 million Americans out of work
Real GNP growth	4.2	2.4	Incomes reduced by $30 billion, $300 per family
Interest rates	8.9	12.0	Federal interest payments up $8 billion; increase in monthly mortgage payments of over $150
Inflation	7.2	9.9	Increase in Federal income taxes of $18.9 billion due to bracket creep; increase in spending of $13.5 billion

This budget is not the budget of the American people. The American people are optimistic. The people want economic growth without inflation, jobs in which they advance and excel, a rising standard of living earned by their own efforts.

What does the House Budget Committee offer? It offers more of the same pessimism, the same rhetoric of pain and suffering that has plagued the Nation for two decades. It offers austerity in place of growth, inflation in place of sound money, unemployment in place of jobs. The House Budget Committee asks the American taxpayer to suffer just a little more, to wait just a little longer, and the policies which have always failed in the past will finally bring them their salvation.

The President put it best when he said, "Well, that's not acceptable anymore." The taxpayer has lost patience with those who believe that the Federal budget problems will be solved if taxes are raised just one more time. The House Budget Committee is making the same mistake which has plagued Congress for the past 4 years. Federal fiscal discipline cannot be reached on the backs of the taxpayers.

TABLE 5.—HOUSE BUDGET COMMITTEE VERSUS REAGAN BIPARTISAN: REVENUES

[In billions of dollars]

	1981	1982	1983	1984
HBC	610.9	688.9	778.2	864.8
Reagan bipartisan	603.3	657.8	717.3	778.9
Difference	+7.6	+31.1	+60.9	+89.5

The House Budget Committee is counting on the effects of continued high inflation to balance the budget. The committee would add an extra $189 billion of revenues over the next 4 years. It would increase taxes by the

equivalent of the incomes of 9.5 million American families.

Allowing tax revenues to increase by failing to adjust tax rates for inflation leads to a decline in work, savings, investment, and entrepreneurial activity. As these activities are discouraged, output falls, unemployment rises, and Government expenditures skyrocket as more Americans are put out of work.

According to the Congressional Budget Office, each percentage point of unemployment widens the Federal deficit by $25 to $29 billion—$20 to $22 billion in lost revenues and $5 to $7 billion in higher automatic spending on unemployment, welfare, and similar programs. Over the past decade, the minimum unemployment rate achieved at any time has risen from less than 4 percent to almost 6 percent.

The last 4 years have shown that the budget will never be permanently balanced unless we reduce tax rates. With so much historical experience, why does the HBC attempt to balance the budget with a 4-year tax increase of $212.2 billion compared to 1980? To do otherwise would be to admit that 25 years of controlling by the Congress have led only to wasteful programs and needless taxation. It seems preferable to behave as though the electorate has not already learned this.

THE HBC SPENDING PROGRAM

The HBC budget contains an increase of $25.8 billion in spending over the Reagan bipartisan budget for 1982, an increase of $81 billion over the second concurrent resolution for fiscal year 1981.

The committee claims these increases are due mainly to technical reestimates, the magic elixir of budgetary wizards. In fact they are brought about through a series of well-orchestrated policy changes.

National Defense.—By means of one of the better examples of legislative legerdemain Congress has seen in recent years, Chairman JONES and the committee assert that the committee figures for national defense are higher than those of the President's budget and that any policies which he has advocated will be accommodated by their budget. The facts are different.

The committee's original mark was based on a series of policy changes which would have been crippling to the President's defense efforts. Ostensibly, these were made to stay within the President's spending limit as reestimated by the HBC staff. The recommended reductions give some idea of the concerns of the HBC for the Nation's defense.

Just as the HBC budget denies the importance of American labor, it denies the importance of the backbone of our Armed Forces, the fighting men and women who stand ready to defend our Nation. The HBC budget recommended denial of the special military pay raise so essential to retaining highly skilled combat veterans and technicians. Moreover, it singled out as unimportant to military preparedness the provision of adequate housing, schooling and facilities for the families of our fighting forces. For a Nation built on family unity and strength it is sad to hear that the families of our soldiers are considered unimportant to the total defense effort.

A further indication of the low position of the individual in the eyes of the HBC is a suggestion that any further increases in oil prices be absorbed by the armed services without further funding. What are the effects of this policy?

Historically, absorption of cost increases has been taken from operations and maintenance funds. This has meant that increases in some prices led inevitably to purchases of fewer spare parts and reduced funding for training maneuvers, both critical for maximum readiness. The alternative in the case of increased oil prices is to buy less oil. With increased steaming time for the Navy in the Persian Gulf, increases in support flights in Saudi Arabia and a number of potential trouble spots looming, this could only mean that oil for training would be reduced.

Chairman JONES and the HBC withdrew from their recommendations, they claim, when they discovered that the reestimates they had so carefully made were erroneous. They would hold defense spending to the President's level after all. Or would they?

In the lexicon of Federal budgets we deal with actual outlays of Federal funds. We also deal with the contracting and spending authority which is allocated to each account in the Government. HBC did, indeed, leave the outlay level at that recommended by the President. What it did not do was provide the contracting and spending authority to reach that outlay level. That is, HBC said to the Defense Department, "You pay your contractors, but you can't write contracts."

Catch-22: The unpopular policies advocated by the majority of the HBC members were not spelled out in the final report, the funds were simply removed.

It is interesting to note that a motion by one member to reduce the pay of senior members of the Armed Forces passed the committee on a voice vote, only to be defeated when the roll was called.

Social spending: The Federal Government cannot better the lives of the American people through massive infusions of money which destroy incentives, break up families and place millions of young Americans permanently outside the free-enterprise system. This is the overriding lesson of 20 years of social planning and spending. Programs begun under Presidents Kennedy and Johnson and greatly expanded under all Presidents since have failed to solve the problems of economic and social immobility faced by millions of our fellow citizens.

The House Budget Committee has not learned. It offers social spending totals which are $12 billion higher for fiscal year 1982 and the bipartisan substitute. It offers budget authority which is almost $22 billion higher, budget authority which would be spent in future years making fiscal restraint ever more difficult to attain. Over the next 4 years, spending for social programs will exceed the bipartisan budget by more than $40 billion.

Why such a large difference?

The House Budget Committee does not have the faith and the optimism shown by the American people. It still lives in the theories of the past which deny the willingness and ability of those at the lower end of the economic ladder to achieve and succeed.

Those who support the committee's budget would say to the American people, "You cannot be trusted with you own future." They would tax growth, ambition, and hard work to subsidize nonwork and mediocrity. They would bring stagnation not only to the economy as a whole but to the individual lives of millions of Americans.

The great ethnic minorities which came early to this Nation's cities succeeded in climbing to the top through hard work and devotion to family ideals. Italian, Irish, and Polish immigrants found lives of prosperity and growth.

The black and Hispanic immigrants to our cities, blacks from the rural South and Hispanics from our neighboring nations, have found similar dreams grounded by Federal programs which destroy the basic fabric of family life and taxation and wage policies which virtually exclude them from the traditional economic system.

We cannot continue to sponsor social engineering and social planning at the expense of yet another generation of those whose only desire is to work hard for goals shared with all Americans. That, too, is not acceptable anymore.

The Reagan bipartisan budget provides ample funding for those who are unable to help or care for themselves. We would not propose and the American people would not tolerate any other policy.

THE HBC TAX PROGRAM

The HBC budget calls for 1982 revenues to be $31 billion higher than recommended in the bipartisan budget. Following the mistaken notion that the budget can be balanced by raising taxes, the HBC is committed to

achieving fiscal discipline by further squeezing taxpayers rather than by reducing extravagant Federal spending.

While lowering marginal tax rates, in dollar terms the Reagan bipartisan budget tax package calls only for reducing the increase in Federal revenues which is already built into the tax system. The HBC plan would accept some of the President's reductions while rejecting others. Those rejected tell an interesting story. Here is the proposal:

Provide the President's full 30-percent cut in tax rates only for those earning more than $215,400—those in the 70-percent tax bracket. The top rate would be lowered to 50 percent.

Provide accelerated depreciation for business.

Increase the refundable earned income tax credit for low-income families.

Widen tax brackets for middle-income families by a scant 10-percent—not enough to prevent an actual tax increase.

A new wrinkle in the Jones-Rostenkowski tax proposal—one which I would welcome as part of a larger package—is elimination of the distinction between earned and so-called unearned income. The HBC proposal would lower all personal tax rates in the 50-70 percent range to 50 percent. This would provide incentives for savings and investment among the wealthiest Americans.

It should be noted that the President's tax package also lowers the top tax bracket to 50 percent by 1984. The major differences are that President Reagan would provide equal tax rate relief to all taxpayers. Taxpayers would not reach the top bracket until $215,400 under the Reagan plan, whereas they would hit the top tax rate at about $60,000 under the Jones-Rostenkowski plan.

The HBC plan fully accepts the notion that business depreciation must be streamlined, that business taxes must be reduced to stimulate output, productivity, and growth. Business gets its share.

The working poor are also given a boost through the earned income tax credit. This provides a major incentive for these families to continue working and remain off the welfare rolls.

But what about the middle income family? While those in the top bracket are receiving tax reductions of up to 30 percent, there would be no tax rate relief for most middle income families. The family of four which earns the median income is in the middle of the 24-percent tax bracket. Widen the bracket 10 percent and this family stays just where it is. Not only will there be no increase in incentives for this family, but, due to the crush of taxes and inflation, there will simply be no prospect of increased savings and therefore no hope for the future. With tax rates in the brackets above them remaining at current levels, the feeling of frustration which has stymied new economic activity during the past decade will continue.

Will this policy succeed? It will not.

Provide as many incentives for top earners as you will * * * give as many incentives for investment * * * bring as many people out of tax shelters as you can * * * you simply cannot increase the production of goods and services without labor.

The HBC tax plan denies any increase in incentives to labor. It will produce no increase in willingness to work harder or more efficiently, no incentive to seek more overtime, no incentive to improve skills and add to human capital, the mainstay of any economy.

The end result of implementing these policies will be to totally eliminate the progressive tax system by the end of the 1990's. With the top rate set at 50 percent and inflation continuing as called for in the committee budget, bracket creep would push families now earning $20,000 per year into the top bracket by 1990. Those now categorized as below the poverty level would reach the 50-percent bracket in the late 1990's, half their income gone in taxes and still, with little wonder, classed as poor.

These are the policies that try finite patience.

How do we know they will fail? Look to England. There are virtually no taxes on British business. Depreciation allowances are among the most generous in the world. When Mrs. Thatcher came into office she lowered the top tax rates by 23 percent and lowered the top rates on earned income by 20 percent. Taxes were raised on middle-class British families.

The British economy is in a shambles. Output has continued to decline. Tight money policies unaccompanied by tax relief and reduced Government spending have brought the economy to a virtual halt. The Government is depending on the discipline of recession to bring efficiency to British business.

The House Budget Committee intends to bring the economics of Margaret Thatcher to the American economy.

These misguided policies ignore the basic driving force of any free-enterprise economy—the small entrepreneurs. The neighbor down the street with the new idea, funded by his family, his doctor, and his lawyer has always been and will always be the predominant force in economic growth and activity. They are the force for innovation, for injecting hope and vitality into the system. Without their activities there is no capitalism, there is no democracy.

For 25 years entrepreneurs have been ignored here and abroad. As a consequence, productivity is falling, job creation is inadequate and output is stagnant.

The House Budget Committee wants more of the same.

CONCLUSION

The American people sent Ronald Reagan to Washington to change economic policies. The voters were fully aware of the Reagan program as they went to the polls in November. Support for the program was and remains overwhelming.

On Wednesday night the President came before the Congress to announce that through the extraordinary cooperation of both sides of the aisle, a bipartisan budget had been forged which met all the goals of his administration, and, more importantly, all the demands of the American people.

Its time to listen to our people. Share their optimism. Join them in their enthusiasm for the future of the Nation.

The American renaissance of which I have so often spoken is now within our reach.

Mr. HAWKINS. Mr. Chairman, I yield 8 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I want to try, before I make my remarks, to set a different tone. This portion of the debate on the budget is not necessarily related to the budget per se, but rather it is related to whatever macroeconomic postures this Nation is going to assume and it is related also, I guess, to what the philosophical orientation of America should be.

So, before I yield to the gentleman from Oklahoma, I want to confess to my colleagues on both sides of the aisle, there will be no laughter; I will not be a charming person. I can only stand here and recite some facts before my colleagues as I see them tonight.

So, if my colleagues are anticipating that kind of performance, it will not come from me.

I now yield to the chairman of the Budget Committee, the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. I thank the gentleman for yielding.

I just want to make two points and clarify them in response to the previous comments by the gentleman from New York.

The first point is that the budget resolution that came out of the committee that projects unemployment at 7.3 or 7.4 percent, that projects interest rates on 91-day Treasury bills at 12 percent, is not what we would like to have. All of us would like to have lower unemployment and lower interest rates, but we have honestly, after consultation with as much expert advice as possible, tried to determine what they will be, not with mirrors,

not what our hopes are, but what they really will be.

The second point pertains to the question of tax cuts with regard to the differences between a 10-percent cut in marginal tax rates or a 10-percent widening of tax brackets.

It turns out that the widening of tax brackets actually is a more fair or greater tax cut for middle income in that under the Kemp-Roth approach 18½ percent of the tax cuts would go to those under $20,000 and under bracket-widening 23½ percent would go to those under $20,000.

A 10-percent cut in the marginal rates as provided by Kemp-Roth would give 51 percent of the tax relief to those in the categories of $20,000 to $50,000 and under bracket-widening 52.8 percent would go to that income category.

In the higher income brackets, those above $100,000, Kemp-Roth gives 30 percent of the tax relief to these individuals, whereas under bracket-widening they would receive 23.8 percent of the tax relief.

I thank the gentleman for yielding.

Mr. MITCHELL of Maryland. I will reclaim my time.

This House is made up of 435 Members. There are 435 men and women who serve in the Congress of the United States, in the House of Representatives. By rough count, I suspect that there are less than one dozen of those Representatives on the floor at this time. I think that suggests certain things very strongly to me. The first thing that it suggests to me is that the issue on the vote on the budget is more important to those Members than is a thoughtful discussion on where this Nation will proceed in terms of solving its problems of unemployment, productivity, growth, et cetera.

It also suggest to me—and if I am wrong some of the Members who are not here can correct me—that those who are missing may well assume that they have made up their minds on where they will vote on this budget and it does not matter what would come up on the discussion on Hawkins-Humphrey, it does not matter what philosophical arguments and economic arguments will be advanced, they have made up their minds for soley political purposes.

If I am wrong, I will apologize to those Members, but I would suggest there is something terribly wrong in this House when out of a body of 435 men and women, less than a dozen can find the time to sit down and discuss within the parameters of the Hawkins-Humphrey legislation where America should be moving.

It was in 1978 that the Full Employment and Balanced Growth Act came into being. It had laudable objectives. It said that we could reduce unemployment down to 4 percent by 1983 and that we could reduce inflation down to 3 percent by 1983. And indeed, we were moving well in that direction. We came to 1979 and a decision was made that no longer could we implement both parts of the legislation, we could only implement the fight against inflation.

I think it is important to know some of my own thoughts as to why that decision was made. In 1979, when the decision was made, white, male, adult unemployment was at 3 percent, the goal of Hawkins-Humphrey. We had satisfied the requirement for white, male adults and a decision was made which abandoned others to high unemployment in this country. That is a part of the background that I think my colleagues ought to understand.

The general public has heard so much about supply-side economics and the new approach, I think we ought to take a minute just to try to explain in capsule form what we are talking about.

I agree with many aspects of supply-side economics. What we are talking about is to stimulate the economy, to do those things necessary to stimulate the economy through the private sector so the private sector can grow, can prosper, can provide jobs. That is essentially what supply-side economics is all about.

Others have referred to it as the trickle-down theory of economics, that if you strengthen the private corporate sector and make it wax strong, then inevitably sooner or later the benefits of that will trickle down and those whose lives are blighted at this time will be lifted up.

In what is really a philosophical economic discussion I think it is fair to point out that the trickle-down theory of economics has never worked in America. It simply has not. That is not to suggest that it cannot work. Maybe it can. I do not know.

But I am saying it has not ever worked in the history of this Nation and this is the approach that is being made. Maybe it can work. But I would suggest to my colleagues that if it can work, even if the tax stimulus or the incentives that the President wants go through, there is not a single economist in America who would disagree with me when I say——

The CHAIRMAN. The time of the gentleman from Maryland (Mr. MITCHELL) has expired.

Mr. HAWKINS. Mr. Chairman, I yield 3 additional minutes to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding me the time.

There is not a single economist in America who would disagree with me when I say there is a timelag. If the package went through tonight, the results would not show next week, next year, next month.

I said when I took to this well that I was deadly serious about trying to talk from a perspective I think we should be talking from. Even if it works, there is a timelag. Most economists are saying 18 months or 2 years. What in the name of God do you do with the people in that timelag? What happens to them?

All that I am asking is, if we want to try this approach, do it with a word that I have used so often, we have heard so much, do it with some compassion. Do not cut out everything. Do not cut out all the programs until we know this will work.

I suggest a tandem approach. Maybe you are right, maybe you are. And if the private sector, after 18 months produces 1,000 jobs, then reduce CETA by 1,000. If the private sector can supply safe, sanitary, decent housing at the rate of 3,000 units a year after 2 years, then cut section 8. But, do not, for God's sake, demolish these programs until we have tested what the impact of this approach will be.

The gentleman from New York (Mr. KEMP) just left here. He said something about prophets of doom and gloom. Well, I am not one. I believe in the resiliency of this Nation. I think there are prophets of doom and gloom on all sides. I think some have taken this position of talking about the awful state that our economy is in merely to justify an ideological position. They have taken the economy, and it is in bad shape, but it is not in the shape that some would suggest, and are using that to justify moving toward an ideological position that says Government has no responsibility to provide housing, no responsibility to provide education, no responsibility to provide health. That is wrong.

The gentleman from New York (Mr. KEMP) just left, and he said we are one Nation. Well, under the Constitution we are and certainly I would like to think in terms of other areas where we are one Nation, but in reality we are not one Nation. Every Member in this House knows it. The disparity between haves and have-nots is growing, not decreasing and we cannot have that disparity and have one Nation. We cannot have the kind of affluence that exists in every one of our great cities, existing along side of abject proverty. That is destructive of America. We are not one Nation.

I would further recommend that if we pursue this reckless, feckless course of the destruction of these problems, to that extent we pursue the further division of America in preventing us from ever becoming one Nation.

● Mr. ANDERSON. Mr. Chairman, Franklin D. Roosevelt once observed "the will of the government must be the will of the governed." And, in this same spirit, President Reagan told an anxious Nation on Tuesday evening of

a "dream"—a dream for a new and better America, an America with unlimited potential for future growth.

Today, Mr. Chairman, we are debating the very issues which, I believe, will greatly shape our destiny. The budget we have before us spans the programmatic gamut from defense to social issues, from individual to business tax cuts, and from business to investment incentives. It is the latter—investment programs and, specifically, public works investment programs—that I would like to address today.

As you know, the Federal Government is contributing to capital investment in superhighways and lesser roads, jet airports and electronically controlled airways, seaports and waterways, urban and rural transportation systems, flood control structures, industrial parks and municipal wastewater treatment plants.

It is precisely because I share the President's dream of a revitalized, reindustrialized America that I accord great priority to these programs on which so much of the private economy's vitality depends. I fully recognize the need to control inflation, which has proven so disruptive to the economy at large and the lives of individual citizens and various programs, as well as the importance of reduced spending to achieve economic recovery. Necessary reductions over the full range of Federal activities, however, should be undertaken in full recognition of their long-term implications. In addition, while we adhere to wise and prudent funding policies, I believe that we must assure funding sufficient to rebuild and revitalize the public sector infrastructure so as to avoid undercutting the President's program of long-term economic recovery and revitalization.

THE FEDERAL HIGHWAY SYSTEM

The construction and preservation of an adequate highway system is an essential element of the national economy. Without such a system, there can be no possibility of achieving the industrial revival the President has called for.

The Federal-aid highways system in which we have invested billions over the past quarter century—$74 billion for the interstate alone—is deteriorating at an alarming rate because of deferred capital improvements and maintenance. Nearly 26,000 miles of interstate, arterial, and collector highways are in immediate need of major resurfacing or reconstruction, and on the Federal-aid system alone there are more than 55,000 deficient bridges. Merely to restore the highways to their 1975 condition and keep them that way would have required an annual investment of $14 billion a year for capital investments in 1975 constant dollars, according to a 1977 Department of Transportation needs report.

The capital needs of our Federal-aid highway system are only part of the picture. With the nationwide awakening to the new realities of energy and economy in transportation, greater demands have also been placed on our Nation's public transit systems.

THE PUBLIC TRANSIT SYSTEM

Transit use and its capital need have increased accordingly. In fact, the National Transportation Policy Study Commission projects needs for Federal aid of about $130 billion—in 1975 dollars—for urban transit capital requirements through the year 2000, with rural public transit capital needs expected to be about $5 billion.

Only through the continued support for capital investment in mass transit can the demonstrated need for this mode be met. The future of public transportation depends on continuation of our financial investment at levels that will assure essential service and reliability for our Nation's transit systems.

THE AIRPORTS AND AIR TRAFFIC SYSTEM

A similar case can be made for the protection of our capital investment in airports and air traffic control systems. As former chairman of the Aviation Subcommittee, I know that we have, in recent years, fallen behind the needed rate of investment in these facilities to the point where the Department of Transportation and the Federal Aviation Administration are warning that they may be forced to constrain traffic growth in the next few years because of the saturation of runway and air traffic capacity. And we are at the beginning of a decade in which the number of air passenger is expected to double.

According to the national airport system plan, it will cost $2.04 billion in 1978–79 dollars to maintain the existing system, a total of $4.36 billion to bring it up to standard, or a total of $12.67 billion to expand the system to accommodate increased demand over the years 1980–89.

WATERWAYS

Consider also the need for continuing capital investment in our waterways, which handle fully one-fourth of all our intercity commercial cargo at an energy efficiency equal to or better than that of railroads; or what deferred capital investment has meant for our seaports in the new age of supertankers and giant cargo carriers; or the commitment over the past eight years in the form of Federal grants for wastewater treatment plants.

These and many other public works programs do not represent investment in frills; the needs and health of the public, the environment and the economy as a whole are really what is at stake.

Recognizing this, I believe that the only responsible course over the immediate future is to strike a careful balance between spending cuts and programs of public investment. By doing this, then and only then will the dream that the President spoke of become a reality.

THE GRAMM-LATTA SUBSTITUTE

Mr. Chairman, I am also compelled to address two issues in the so-called Gramm-Latta substitute: The level of funding reduction assumed for mass transit subsidies and the reconciliation instructions to the House Public Works Committee pertaining to various highway issues.

For function 400, the Gramm-Latta substitute assumes additional reductions from the administration's proposal of $260 million in budget authority and $130 million in outlays in the mass transit program to reflect an accelerated phaseout of operating subsidies by reducing fiscal year 1982 spending by 15 percent.

In addition, the reconciliation instructions would have the Public Works Committee implement, by June 15, legislation to reduce in fiscal year 1982 the highway safety grant program by $190 million in budget authority and $40 million in outlays; the urban mass transit capital grants and operating subsidies by $1,581 million in budget authority and approximately $200 million in outlays; and Federal-aid to highways by $185 million in outlays for fiscal year 1982 and $900 million for fiscal year 1983. Even more substantial reductions are included for fiscal years 1983 and 1984 for all these programs.

Mr. Chairman, it is not the intention of this Member to endorse any proposal which would require the Congress to act in the next month on issues of such importance as these. Next year the Public Works Committee intends to do a massive review of the highway program in general. Through a series of hearings and deliberations the issues will be resolved. But to legislate in the way that this proposal would dictate would hurt, more than strengthen, our overall program concerns—both substantive and economic. The Surface Transportation Subcommittee, and we are a panel with some experience in transportation issues, will begin examining transportation needs in a comprehensive manner this July. That is the way that issues need to be examined; with care and deliberation. Not by two or three people who have limited experience or knowledge on a subject, and gather in a room slashing hundreds of millions of dollars and making national policy decisions which have long-range implications.

THE RECONCILIATION PROCESS

Lastly, Mr. Chairman, I would like to touch upon the mechanism that will be used to achieve spending reductions this year: the reconciliation process.

Reconciliation is a tool provided for in the budget act with a specified purpose: to require Congress to reconcile, through a second or final budget resolution for a fiscal year, congressional action to date with spending guidelines contained in a first budget resolution.

Reconciliation was never intended by the framers of the Budget Act to initiate policy decisions or legislative action. Reconciliation was created as a reactionary, and not a stimulative budgetary device.

Yet the budget we are considering today provides specific reconciliation instructions to the committees of the Congress. This has an adverse effect on the way Congress legislates, for it precludes meaningful analysis, forecloses debate, imposes serious time constraints, and serves to undermine, rather than strengthen, the overall legislative and budget processes.

More so when the committees are asked to address legislative decisions affecting the outyears. For example, how can a committee be expected to reduce a program for a given fiscal year if the program has not as yet been authorized for that fiscal year? And, even if it has, how can a committee do so in any meaningful, responsive fashion?

Worse still, it is my understanding that the Senate Budget Committee has directed the Senate committees to cut, through the reconciliation process, authorization as well as direct spending programs. In some cases, this involves reductions in programs which have not as yet been authorized. For example, substantial authorization reductions are proposed in fiscal year 1982 and 1983 in the area of urban mass transit operating subsidies, forcing decisions to be made regarding this important program well in advance of deliberative committee consideration of all the issues.

In all cases, it involves matters which fall within the spending jurisdiction of the Appropriations Committee and should not be assigned for reduction to the authorizing committees. I hope that this House would resist any movement in this direction in the upcoming conference on the budget resolution.

Reconciliation was designed to bring spending in line with the budget ceiling for a particular year, not future years, and certainly not with respect to authorization levels. Section 310 of the Budget Act is clear on this, as is section 301(b)(2) which specifically limits reconciliation to the enactment of spending legislation for only the coming fiscal year.

If we are serious about curtailing Federal spending and deficit financing, then I submit, Mr. Chairman, we should so do in a manner which insures the integrity of the legislative as well as the budget process, for only if we do this, is the public interest served.

Thank you.●

● Mr. LENT. Mr. Chairman, as we open debate today on the first budget resolution, I rise in support of the Latta-Gramm substitute, which contains the substance of President Reagan's bold new economic recovery program. It is vital that we get our sick and stagnating economy on the road to full health. The danger in the Democratic alternative budget is that it continues the same old system which has produced ruinously high inflation rates, ever-increasing taxes, unsufferably high unemployment, and soaring interest rates. These combined evils have plunged our great Nation into the worst economic mess since the Great Depression of 50 years ago.

Mr. Chairman, President Reagan's economic recovery program provides the blueprint for pulling us out of this terrible mess. It offers to every person who pays Federal income taxes real relief from the insidious forces of bracket creep which siphons more and more tax dollars from taxpayers each year. It places a much needed limit on Federal spending, which has been such a strong influence in pushing up inflation rates. And it provides tax incentives to business and industry for the modernization and expansion which can increase productivity and provide the new jobs that will reduce our rate of unemployment.

I call upon my colleagues to support President Reagan's bold new approach, and to reject the tired old Democratic alternative in the best interests of this great country of ours. We must discard the wasteful and unworkable policies and programs which have so failed to meet the needs of the people. President Reagan's economic recovery program puts us on the road to a bright new future. Let us work together for that future.●

● Mr. CONYERS. Mr. Chairman, the public might be forgiven for being more than slightly confused about the various budget alternatives that have been presented. From the standpoint of logic and partisan doctrine, a citizen would have to wonder why the Reagan administration budget calls for a $50 billion budget deficit for fiscal year 1982, while the alternative budget of the Congressional Black Caucus provides for a $7 billion budget surplus. If Reagan is so concerned about budget balancing as a tool for fighting inflation, why is he not providing for a balanced budget?

The ordinary citizen might also query how the President proposes to balance the Federal budget by 1984, the date he proposes, as long as the administration calls for $40 billion in additional spending authority for defense next year, and an additional $1.5 trillion, at a minimum, in new defense spending over the next 6 years? Citizens know about cost-overruns at the Pentagon, and may also know that the inflation rate for goods and services in the defense sector is twice as great as the inflation rate increase in the economy overall.

Furthermore, the polls indicate widespread public skepticism toward the President's tax-cutting approach as the means to combat inflation. What they may not know now, but surely will discover down the road, is that the administration's tax proposals in the next few years will further shift the tax burden from corporations to individuals, and among households significantly shift the burden from the wealthy to middle- and lower-income groups.

What the public needs to learn is that there is no special wisdom in the administration's ranks about curing the Nation's economic ills. Its budget proposal offers no special magic for revitalizing the economy. It offers no real strategy for fighting inflation. On the contrary, the Reagan budget plan fails completely in addressing the major sectors of inflation today—energy prices and interest rates.

The Reagan administration budget is a political document that calls for a radical shift in national priorities. It transfers tens of billions of dollars from human resource and income maintenance programs to defense. It adds greatly to existing tax inequities by rewarding corporations and high-income households with billions of additional tax loopholes and subsidies. It cuts funds from programs that affect economically depressed urban centers and regions—specifically, the so-called Frost Belt and adds to the funds going to the growth regions of the South and West. The Reagan administration budget has to be viewed strictly as expressing private-sector and antipublic sector priorities, rather than as a tested formula for righting the economic and social ills of the Nation.

A word about the Congressional Black Caucus alternative budget. It provides for bold, innovative, and equitable tax reform that raises billions in new revenue; maintains domestic human resource programs; provides for an adequate national defense that would force the Pentagon to eliminate billions of dollars lost through waste, duplication, fraud, and mismanagement; and offers a budget surplus that will lessen the pressures on capital markets and, presumably, according to conventional doctrine, help restrain inflation.

The caucus budget also establishes a set of national priorities, that protect the lives of the disadvantaged, promote economic revitalization in economically depressed areas, and distribute tax burdens in the most equitable way possible.

The caucus budget demonstrates an important lesson: If the common goal is to curb inflation, spur productivity, and promote human as well as material capital, there are ways to do it other than the Reagan approach. For the information of my colleagues, I am including here the revenue proposals in the caucus budget, which provide tax relief to individual and business, tax reform to lower- and middle-income households, and that eliminate the most egregious tax loopholes and shelters that currently exist.

CBC BUDGET REVENUE PROPOSALS

[Revenues (in billions of dollars)]

Readjusted Reagan proposal	$667.4
CBC proposal	717.7
The CBC alternative budget rejects the Reagan tax cut proposals	+54.6
CBC tax cuts:	
Increase standard deduction (zero bracket amount) from $2,300 to $2,800 for single return; from $3,400 to $4,300 for joint return	−9.6
Increase earned income tax credit from 10 percent of first $5,000 with a phaseout between $6,000–$10,000 to 15 percent of first $5,000 with a phaseout between $8,000–$13,000	−2.3
Provide a 10-percent nonrefundable social security tax credit for employees	−10.8
Provide a 10-percent nonrefundable social security tax credit for employers	−7.2
Index the earned income tax rates	−17.0
Adopt a phased-in 1st-year capital cost recovery system for equipment only (modeled after Jorgensen/Auerbach proposal)	−9.0
Adopt straight-line 20-year depreciation schedule for buildings only	−0.1
Accelerate low-income rental housing depreciation (15 yrs. useful life)	
Allow favorable tax treatment for excess bad debt reserves for those financial institutions which make loans to small businesses in economically distressed areas	−$0.5
Total cuts	−56.5
Tax expenditures:	
Terminate deferral of income of controlled foreign corporations	+0.5
Terminate deferral of income on Domestic International Sales Corp's	+1.8
Terminate percentage depletion allowance for oil and gas	+2.3
Terminate expensing oil and gas intangible drilling costs	+2.9
Eliminate credit for corporations doing business in U.S. possessions	+1.1
Terminate foreign tax credit on oil and gas extraction income	+0.7
Restrict the capital gains deduction only to productive capital gains	+6.0
Eliminate independent producers exemption from windfall profits tax	+1.0
Reduce business meal deductions by 50 percent and eliminate certain other entertainment deductions	+1.5
Stop subsidizing certain industries by treating ordinary income as capital gains (timber, agriculture, etc.)	+1.1
Eliminate tax straddles	+1.3
Limit mortgage interest deductions to $10,000 annually	+0.6
Put a $1,500 cap on the consumer interest deduction	+1.0
Require inclusion of the minimum tax in estimated tax liability	+0.5
Cut pretax deductions and exemptions 10 percent across the board	+22.0
Total tax expenditure cuts	+44.3
Other tax changes:	
Require large corporations to be at least 80 percent current in their estimated income tax (current requirement: 60 percent)	+1.1
Increase the excise tax on alcoholic beverages by 10 percent	+0.55
Increase the excise tax on cigarettes and cigars by 10 percent	+0.25
Delay the phaseout of the phone tax	+0.35
Improved IRS tax collection	+4.25
Total	+6.5
Users fees:	
Highway users fees for heavy trucks	+0.9
Airport users fees	+0.5
Total	+1.4

● Mr. GONZALEZ. Mr. Chairman, a few years ago we mounted a war on poverty.

The Reagan budget is a war on the poor.

The symbol of the war against poverty was a ladder. The intent was simple: To fashion the ladder that poor people needed to climb out of the trough of hopelessness, to provide the helping hand that would enable people to realize their full potential. It was not a substitute for individual effort; it was a recognition that millions of people were caught in a cycle that they could not break without some kind of help. Sometimes the help had to be in the form of training; sometimes it had to be in the form of rehabilitation; sometimes it had to be in the form of enhanced educational opportunity; and sometimes it had to be in the form of intensive training. But always, the idea was that people who could be helped would get help so that they would become self-sufficient, productive citizens. And millions were helped.

But the symbol of the Reagan administration is not a ladder, it is a net. They say that the poor can help themselves, and that those who cannot will be held up in some minimal kind of existence by a safety net. The difference between these conceptions is profound—for one says that people who are in need deserve compassion, and if they can be helped, ought to be extended some practical assistance to overcome their problems. The other says that the poor are responsible for their own problems, that there is no need to do more than prevent starvation, that compassion is not a reasonable policy.

I believe in compassion. I believe in the ability of people to overcome their problems, given a minimum of help and a reason to have hope.

In the final analysis, that is what this debate boils down to—the hope represented by a ladder, a helping hand, by compassionate policies—against the humiliation and despair of a policy that offers only the snare of a net.

If we do not provide adequate help for education, how can we expect our citizens to compete, to realize their full potential? That is the issue.

If we do not meet the need for housing, how can we expect our citizens to be able to find affordable housing? That is an issue that affects not just the poor, but every one of us.

If we do not provide development assistance to distressed urban areas, how do we expect them to generate the momentum to recover from their distress?

If we do not provide effective employment counseling, how can we expect that those who are having problems finding work will ever be placed? It is not enough to answer that we will force them to take the first job that comes along—for that can well represent slow starvation as the bleak alternative to a genuine opportunity.

If we do not invest in our own people, in our human potential, what makes us the worthy and idealistic society we claim to be? I have always thought that the great dream of America was that everyone should have access to all the education and training that is necessary—not that superior education should be reserved only for the wealthy.

In times long since passed, the Federal policy was to do nothing for individuals. It was assumed that everyone could take care of himself. But if that was ever so, we learned in the Depression that there is no way that individual citizens can always overcome the complexities and calamities of modern industrial life. Yet that is a lesson that the administration tells us we have to forget.

I believe in people; the administration budget believes only in aggregate numbers. If those aggregates do irreparable harm to some people and some places, as the Secretary of Education said they do, then the answer is, that is too bad. That is what the Secretary tells us. Not that there ought to be equity; only that if some are hurt more than others, it is just too bad.

I believe in justice. The administration budget responds only to those who have power and organization. Their budget does not attack the tobacco subsidy, for that is protected by powerful interests. Instead, it attacks the school lunch program. What is it that makes tobacco subsidies defensible, and school lunches wasteful? The difference is that schoolchildren have no lobby. Their budget began with attacks on urban development action grants and veterans' programs, but now those are restored—for which I am glad. But the reason is that those are programs that enjoy powerful friends and well organized lobbies. Their budget attacks assistance to college students, who have no lobby, the unemployed, who have no lobby, and the poor, who have no friends in Washington.

We are promised that there is only one answer to the Nation's economic ills, but that answer consists of a program that Republicans 6 months ago would have attacked en masse. Suddenly a balanced budget is no longer of importance to them. Suddenly, tax policies that create stimulus in the midst of inflation are no longer inflationary. It is only domestic programs, programs for the people, programs for the weak, the poor, the defenseless, that create inflation. That is what they are telling us. They are telling us that those who have the least must give up the most, and that those who

have the most should be given more. They are telling us that God helps those who get tax breaks, and everyone else can wait under the brimming cup, hoping that some of the wealth will spill onto them.

It is incredible that an economic program my Republican friends would have decried as inflationary, just weeks ago, is now the only program that will save the country. The reason, as far as I can tell, is that this economic program will be made to work because it takes funds away from the poor. It does not cut spending at all. It does not cut the deficit at all. Yet it will produce miracles. The miracles, it seems, are produced by ignoring those who need help the most, while spooning more into the mouths of those who need no help at all.

What we are seeing in this Republican budget is not an economic program at all. It is a political agenda, and agenda to wipe out all the programs that respond to the needs of people and cities, schools, and towns of this country. It is an agenda of contempt for our own people, an agenda that says compassion is no longer a concern of this, a land that holds compassion as a great virtue. It is an agenda that says above all, the Federal Government rewards those who have organization and power, and punishes those who are luckless, powerless, and without computerized mailing lists, lobbies, or automatic answers.

Herbert Hoover thought that to extend the help of the Federal Government to a people stricken by the impossible burden of the Depression would break down the Nation's moral fiber. We know that this was not so—for compassionate Federal policies unleashed all the power and might of our people, and they poured out the greatest growth and increase of wealth in all time. Yet now we are being told that Hoover was right, compassion is bad for the people, and only Hoover-like policies will lead to growth and stability. Have we become like the Bourbon kings, capable to learning nothing?

I hope not.●

Mr. JONES of Oklahoma. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. PATMAN) having assumed the chair, Mr. FROST, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 115) revising the congressional budget for the U.S. Government for the fiscal year 1981 and setting forth the congressional budget for the U.S. Government for the fiscal years 1982, 1983, and 1984, had come to no resolution thereon.

□ 1645

ANNUAL REPORT OF CORPORATION FOR PUBLIC BROADCASTING FOR FISCAL YEAR 1980—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce:

To the Congress of the United States:

In accordance with the Public Telecommunications Financing Act of 1978 (Public Law 95-567), I transmit herewith the Annual Report of the Corporation for Public Broadcasting for Fiscal Year 1980. The period covered by the report precedes my term of office.

RONALD REAGAN.

THE WHITE HOUSE, *April 30, 1981.*

ANNUAL REPORT FOR FISCAL YEAR 1980 ON ADMINISTRATION ON AGING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

To the Congress of the United States:

In accordance with Section 208 of the Older Americans Act (42 U.S.C. 3018), I transmit herewith the Annual Report for Fiscal Year 1980 of the Administration on Aging of the Department of Health and Human Services. The period covered by the report precedes my term of office.

RONALD REAGAN.

THE WHITE HOUSE, *April 30, 1981.*

ANNUAL REPORT FOR 1980 OF FEDERAL COUNCIL ON AGING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

To the Congress of the United States:

In accordance with Section 205(f) of the Older Americans Act of 1965 (Public Law 93-29), I transmit herewith the Annual Report for 1980 of the Federal Council on Aging. The period covered by the report precedes my term of office.

RONALD REAGAN.

THE WHITE HOUSE, *April 30, 1981.*

FOURTEENTH ANNUAL REPORT RELATING TO DEVELOPMENTS DURING 1979, AUTOMOTIVE PRODUCTS TRADE ACT OF 1965—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means:

To the Congress of the United States:

In accordance with the Automotive Products Trade Act of 1965 (Public Law 89-283), I transmit herewith the fourteenth annual report relating to developments during 1979. The period covered by the report precedes my term of office.

RONALD REAGAN.

THE WHITE HOUSE, *April 30, 1981.*

THIRTEENTH ANNUAL REPORT OF UNITED STATES-JAPAN CO-OPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce:

To the Congress of the United States:

In accordance with Section 5(h) of the International Health Research Act of 1960 (Public Law 86-610), I transmit herewith the 13th Annual Report of the U.S.-Japan Cooperative Medical Science Program for Calendar Year 1980. This report was prepared prior to my Administration.

RONALD REAGAN.

THE WHITE HOUSE, *April 30, 1981.*

WORKER HEALTH AND SAFETY

(Mr. GAYDOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GAYDOS. Mr. Speaker, much has happened in my area of responsibility, worker health and safety, since the work period began, and I want the interested Members to have a brief report on the news.

The Marie Antoinette Award for April's most inflammatory statement goes to James Miller, III, to whom the

administration has given chief responsibility for regulatory reform.

"It's not the Occupational Safety, Health and Comfort Administration," said Mr. Miller when a Washington Post reporter questioned him about rising worker anger over the administration's seeming eagerness to adopt personal protection devices, like respirators.

Mr. Miller certainly will be in the running for the Antoinette Award for all of 1981. He may run unopposed.

Meanwhile, 38 workers have died in ways which the House should give thought, because ultimately the Members will have to deal with administration proposals on worker health and safety.

Mr. Speaker, for Members who have been busy with the economy, with taxes, and the budget, for those whose attention has been focused on the Space Shuttle and earthshaking events, for those whose concentration rightfully has been elsewhere, I offer a more extensive summary of the news and one context in which to view it.

Cocoa, Fla.: 15 building trades workers were killed when an underconstruction condominium collapsed; 51 workers died when a platform fell 3 years ago at a construction site in West Virginia.

Kellogg, Idaho: One silver miner was killed and another injured by a rock burst in the Sunshine Silver Mine; 91 men died in the Sunshine Mine in 1972, the worst mining disaster in the last 30 years.

Corpus Christi, Tex., and Bellwood, Nebr.: 7 persons were killed and 38 injured in same-day grain elevator explosions; 62 were killed and 53 injured in a series of six elevator explosions 3 years ago.

Carbondale, Colo.: 15 coal miners died 7,200 feet in the earth in a methane gas explosion; 37 had died in all forms of mines this year through April 15; and in 1980 a miner died on the job about every 1.1 working days.

It is not deja vu, Mr. Speaker, but reality, repetitious reality.

The summary is by no means all inclusive.

Repetitious reality is the ugly brute that breaks daydreams with cold stares, the ever-accurate critic that tears down the success stories and monuments mankind would offer as masterworks of imagination. Reality is a rude, relentless, uncooperative, fatherless maverick. And it is with us, always.

The only way to master reality is to use it, not fight it. Someone more experienced than I in the affairs of mankind once offered this formula: "Regulate the imagination by reality; instead of thinking how things may be, see them as they are." I would amend the advice to read" see them as they are and act accordingly."

I worry that in our collective rush, our collective mandate, to fix the economy, to revitalize industry, in short to make a political masterwork, we forget the harshest, most unforgiving critic.

Much regulation in all fields has been approached idealistically, foolishly, unimaginatively, stupidly, dogmatically, harmfully, and this has firmly written the terms "Catch 22" and "Murphy's Law" into the language.

But that means it should be made better, not erased.

Reality also is that the Mine Safety and Health Administration brought about a reduction in mining deaths of about 15 percent comparing last year with the year before.

The reduction is respectable and significant. It shows regulation will work.

Further, reality is that the GAO has attributed recent declines in coal production to labor-management problems and failure to adopt new technology rather than to safety regulation.

And reality is that all mining activity, particularly coal, will increase greatly under the spur of developing markets and administration policy.

But no one has been nominated to direct the Mine Safety and Health Administration as yet.

Grain elevators, particularly the big export elevators, will be more active now that the grain embargo is gone. The 62 deaths of the 2 explosion-filled months 3 years ago came at a time of high activity. Reality has warned us. Australia and other grain-exporting nations handle their elevators without such a high cost in blood and bone.

Labor Secretary Donovan and Occupational Safety and Health Secretary Auchter set aside careers as construction executives to work in Government, and they are aware of a reality that might have escaped most of the House.

The reality is that 20 percent of all job-related deaths in 1979 were in construction, which accounted for only 5 percent of the industrial employment. The primary cause: falls.

Mr. Speaker, one brand of dogmatic idealism that ignored reality led to regulatory excesses that needed correcting because many dealing with regulation thought only of what might be.

But correction is not in dogmatically applying another kind of idealism that seeks to write what might be in production graphs and cost-benefit curves and looks not for the total reality.

Reality is that workers die violently, and reality is that many deaths are avoidable.

Either brand of dogmatism makes only controversy and strife, not progress.

Recently I read an old summation of an official report from last year that reviewed the handling of one series of accidents.

The report found the investigators unconcerned with isolating the causes of the accidents but mightily concerned with issuing citations. They had missed the point of their jobs.

I suggest that the point, and the realistic thing, is to get about the business of finding causes and remedies.

A LITTLE PIECE OF THE ROCK

(Mr. WYDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYDEN. Mr. Speaker, in the past few days I have received hundreds of letters in opposition to legislation aimed at curbing money market funds. I rise today in support of these funds which have given Americans of modest means a piece of the rock in our economy.

Two letters sum up the feelings of Oregonians who are writing me. The first is from a middle income wage earner who wrote:

> For the first time in our lives, my wife and I believe we are getting a fair share on our small life savings investment in the money market. For the first time, we are barely keeping up with inflation because of the higher return from the money market.

A retired couple wrote:

> George and Louise Jefferson of TV fame finally got a pece of the pie. Retired folks like ourselves need to hang on to our piece, just to survive. Many of us have raised our children, built modest savings and invested some of our assets in money market funds. We need our money market funds as a hedge against inflation.

Perhaps the best line of all was the conclusion of this retired couple's letter which said, "Everyone wants his piece of the pie, but it's the small pieces held together by common need that keeps the pie whole."

According to statistics, individual investors have sunk nearly $66 billion in money market funds. These investors include working couples, retirees, near retirees, single men and women and even entire families who use money markets to save together and invest in a better future. They are everyday Americans. They are Americans with just a little bit extra who have to make every little bit count.

Letter after letter I have received reflects a keen interest in saving, in investing in the future, in putting away a nest egg—exactly the goal we all have been trying to achieve to help revive the American economy. Small investor after small investor has told me they are joining in money market funds because they think it is the only avenue open to them to stay even with inflation so what they have earned today will still be worth something tomorrow.

That is exactly the point I want to underline today. Money market funds

are successful because they allow a great cross section of America to combat inflation one-on-one, to defend what is theirs. Stripping small investors of this opportunity is like asking people to take off their coats in a snowstorm.

Without doubt, the banking and thrift industries have a right to be concerned about a "level playing field" when it comes to offering instruments that are competitive with money market funds. And savings and loan institutions, which are suffering from disintermediation because inflation is high and people have withdrawn savings, are quite properly alarmed at the prospect of paying even steeper interest for savings deposits, while still holding long-term loans at relatively low fixed rates.

But the issue is whether money market funds are a cause of the financial industry's woes. The answer is no. The cause runs much deeper, to issues such as overregulation of interest rates and banking operations, to erratic management of U.S. monetary policy and to perpetual Federal deficit spending that crowds private capital markets.

It is not money market funds that have brought down small banks and savings and loans institutions. They are caught in a profit squeeze because marketplace competition—egged on by double-digit inflation—has driven up the cost of deposits while yields from investment portfolios, primarily mortgages, have not kept pace.

If money market funds disappeared, do not believe for a moment that all would be well with small banks and savings and loan institutions. The $66 billion now invested in money market funds by small investors would chase other high-interest bearing instruments—and the cost of deposits would remain high for small banks and savings and loan institutions. Their problem would be the same.

I do not pretend to have the solution that will salvage the thrift industry in this country which is so vital to maintaining a sound housing industry. Perhaps new types of mortgages will help. Certainly achieving a balanced budget and getting the Federal Government out of the borrowing business will help. Maybe soon we will need to look carefully at a program to assist foundering financial institutions.

I do know we head in the wrong direction if we blunt money market funds, one of the few weapons the average American has to battle inflation. It will create more than bitterness. It will generate outrage because it will say to Americans of modest means that the only piece of the pie they can get will be from the pie in the sky.

Americans want to save. They want to halt inflation. They will do what is necessary to accomplish these goals—if we let them. They want more choices, not fewer choices. If any legislation is to be considered, let it be a measure that gives financial institutions authority to compete with money market funds.

During my years as codirector of the Oregon Gray Panthers, I worked to establish a program so countless senior citizens could pool their meager savings and wind up with enough capital to make sound investments that returned a fair yield. Everybody benefited. The seniors were pleased because they were getting more than the interest on passbook accounts. For some seniors, it was now worth it to get money out of pillowcases and shoeboxes, where before to them it never seemed to matter. Many financial institutions were pleased because more deposits rolled into their vaults, and stayed there. People who needed loans benefited because banks had more money to lend.

Money market funds are a logical extension of the modest program we developed in Oregon. They encompass the values of pooling resources for the benefit of the saver, the financial institution, and the creditor. There is minimal risk, but there is a solid return.

The day will come when Congress balances the budget, the Federal Government gets out of the borrowing business and interest rates drop that money market funds may grow less attractive. But I cannot foresee the day when the principle of allowing small savers and investors to band together will ever go out of style. Nor should it.

If capitalism means anything, it means that rich and not-so-rich alike can share in its risks—and its fruits. Why should only the wealthy have access to investment instruments with appealing returns? Savings pools and money market funds—and instruments yet to be developed—assure that the little guy gets a piece of the action, too.

SELECT COMMITTEE ON ASSASSINATION

(Mr. STOKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STOKES. Mr. Speaker, as the former chairman of the Select Committee on Assassination, I have, from time to time, reported to the House about events that have transpired since the committee completed its work in July 1979. I rise now to bring to the attention of the House several items.

In its November 1980 issue, the Washingtonian printed a less than favorable article about the work of the select committee by one of its former investigators, Gaeton Fonzi. The committee's former chief counsel, Prof. G. Robert Blakey, who now teaches at the Notre Dame Law School, and its former deputy chief counsel, Gary Cornwell, wrote responses to Mr. Fonzi's piece. While Professor Blakey's short letter was published, Mr. Cornwell's fuller treatment was not. Because I believe these two statements should be part of the historical record, I ask that they be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

In addition, Professor Blakey and Richard Billings, a key aide on the select committee's staff, have just published through the New York Times Book Co., "The Plot To Kill the President." The book is an effort to go beyond the findings of the select committee and name those who were behind the President's death. The authors asked me and our former colleague, Richardson Preyer, who was the chairman of the JFK Subcommittee, to prepare forewords for possible inclusion in the book. As it turned out, the manuscript exceeded its contracted-for length by over 50,000 words, and the editors at Times Books asked Professor Blakey and Mr. Billings to cut the manuscript down considerably. It was not, therefore, possible to include Mr. Preyer's and my remarks in the published book. Nevertheless, I would like to share them with the House, and I ask that they be included in the CONGRESSIONAL RECORD at the conclusion of my remarks.

Finally, Mr. Speaker, I note that on December 1, 1980, the Department of Justice released a report of the Technical Services Division of the Federal Bureau of Investigations on the acoustical studies of the select committee. The FBI report found that the scientific work done by the select committee was invalid. Although I asked the Department to work with our former staff and its scientists, the work was done in secret, and the FBI report was released before anyone connected to the select committee had a chance to look at it. We had hoped that collaboration would have been possible, since truth, not one-upmanship in public relations, was what was at stake. We had hoped, too, to avoid misunderstandings, for we knew that the Technical Services Division was relatively inexperienced in the acoustical field. The Department of Justice, however, did not choose to collaborate, and it must now suffer the consequences. Professor Blakey and our scientists have carefully reviewed the work of the FBI insofar as it was possible from the incomplete data released and have determined that the FBI fundamentally misunderstood our scientific and evidential analysis. There was, in short, no justifiable basis for the FBI conclusion that our work was invalid. Professor Blakey has given me a memoran-

dum on the FBI report, as have our scientists. I ask that they be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

Mr. Speaker, I have not yet decided how to pursue the matter of the performance of the Department of Justice in its handling of our acoustical studies. The National Science Foundation and National Academy of Sciences have underway a study of what, if any, additional work should be done in this area. When that study is completed, I will make a decision. Until that time, I will continue to keep the House informed of items relating to the work of the former select committee.

The material referred to above follows:

THE JFK ASSASSINATION: A "GREAT WHITE WHALE"?

I write to set the record straight, at least insofar as a two-page letter can adequately respond to an 80,000-word article, Gaeton Fonzi's "Who Killed JFK?" [November 1980].

Mr. Fonzi's thesis is that the investigation of the House Select Committee on Assassinations was a fraud. For those who care about the truth, I refer them to the committee's 686-page final report and its accompanying 27 volumes of supporting hearings and related materials. They speak for themselves.

But Mr. Fonzi goes beyond a general characterization of the public portion of the committee's work and levels a number of specific charges against me personally. Each of them is either simply false or, worse, a half-truth that misleads by what it omits. Their publication without giving me an opportunity to respond was shoddy journalism.

To note one example: Mr. Fonzi suggests that I came to the investigation professionally biased, believing that organized crime had had a hand in the President's death. Not true. In fact, I personally thought it highly unlikely that a conspiracy had led to the assassination and that, if it had, it would not have included organized crime, as the assassination of the President would have been too risky a venture for the mob. Nevertheless, I did not let my personal feelings affect my professional conduct.

Subject to inevitably finite resources, the committee's investigation was, therefore, structured to pursue all conspiracy hypotheses, including, most importantly, official involvement, whether domestic or foreign, as well as those embracing a variety of other relevant groups within our society, not excluding organized crime.

To take another example: Mr. Fonzi quotes me as saying that the committee's investigation was going to be the "last investigation," as if I had arrogantly believed that no one could add to or subtract from anything that I directed. A half-truth. In fact, I said it would be the last investigation unless it resulted in a major breakthrough that radically changed the view not only of the American people but also of its governmental leaders about those tragic events in Dallas seventeen years ago. If so, we then had the reasonable expectation that the Department of Justice would reopen the investigation and bring our congressional efforts to a lawful conclusion in a judicial forum.

On that score, I readily concede that I turned out to be wrong. We did make a major breakthrough—the development of scientific and other evidence showing two shooters in the plaza—but nothing that the Department of Justice has done since our final report shows any sign of a willingness on its part to reopen the investigation.

I have, however, neither the time nor the inclination to respond to each of Mr. Fonzi's misstatements of fact or distortions of the truth. Suffice it to say that he was not hired by me, as he was so lacking in professional objectivity that I would never have employed him in the first instance. As an investigator for Senator Richard Schweiker, he had come upon a lead that purported to connect Lee Harvey Oswald to the CIA. He was convinced that he had the answer to the meaning of the President's death. (Staff members decisively referred to him as an "Ahab" and to his quest as a search for "Moby Dick.")

Nonetheless, I decided to retain him because I thought that his obsession would help assure that his aspect of the committee's investigation (Mr. Fonzi was but one investigator on one of two teams of lawyers, researchers, and investigators working on Oswald leads; he headed neither team) would receive its full due. In fact, it consumed a significant portion of our resources—personnel, money, and time.

The committee's investigation failed to find Fonzi's "Great White Whale," not because we—Fonzi and I—did not try but because the evidence was not there. Mr. Fonzi's article, in short, is not the truth about the committee's investigation but a sad self-revelation of a single man's monomania.

G. ROBERT BLAKEY,
Professor of Law,
Notre Dame Law School.

NOTE.—(Blakey was chief counsel and staff director of the House Select Committee on Assassinations.)

AT ISSUE: A FULL AND COMPLETE INVESTIGATION OF THE ASSASSINATIONS OF PRESIDENT KENNEDY

(A response to "Who killed JFK?" by Gaeton Fonzi in the Washingtonian)

(By Gary Cornwell, Deputy Chief Counsel, House Select Committee on Assassination)

It does not take a careful reading of "Who killed JFK?" by Gaeton Fonzi (The Washingtonian. November 1980) to realize the Fonzi's intent was to discredit the investigation of the House Select Committee on Assassinations. Nor must a reader be especially well-versed on the subject of the Kennedy assassination in general or the Committee investigation in particular to recognize that Fonzi, who served as a Committee investigator, had his own pet theory about the assassination—one that he had acquired before the Committee even existed— and that his failure to document the validity of this theory was a source of deep frustration. (Fonzi's theory, which is based on the testimony of an anti-Castro Cuban exile, Antonio Veciana, is that agents of the Central Intelligence Agency had masterminded the murder of the President. For evidence, he relies on Veciana's statement that on one occasion Lee Harvey Oswald met with a mysterious individual, an apparent intelligence agent who was known to Veciana as Maurice Bishop.) The article does, however, contain severe distortions of fact and fallacies in reasoning which may have escaped the attention of the casual reader with limited access to reliable information, distortions and fallacies that were the result of Fonzi's bias, his frustration, and his apparent naiveté.

Most Americans, I believe, have an appropriate interest in the Kennedy assassination. They want to know who killed their President. They want to know whether they can rely upon the findings of the Warren Commission in 1964 and the House Select Committee in 1978. But because most people do not have the time and resources to seek the answers to their questions, they must rely to a considerable degree on what they are told by presumed experts like Fonzi. When they are told the government did not conduct an effective investigation and are led to believe that the CIA—or at least certain officials of that agency—had a hand in the President's death, more is lost than their faith in the American system of government: government policy is affected. Readers of The Washingtonian are the decision makers—members of congress, executive branch officials, politicians, judges, and citizens who cast votes—who will dictate the future conduct of such investigations; and it is they who will decide if and how the government, including the CIA, will be changed. Thus, if reliance upon "eye-witness" accounts such as Fonzi's is misplaced, if his attitudes and criticisms, however spurious, are made convincing by his talents as a writer, national policy of the future will be based on erroneous assumptions to our mutual detriment. For this reason the article merits careful analysis.

It may initially be helpful to consider what the article is not. It is not, as it proclaims to be, an article by a "top U.S. government investigator." Fonzi is a journalist by trade, and he was but one of many investigators employed by the Select committee. Although the article is title, "Who Killed JFK?", it does not provide an answer to that question. And while The Washingtonian boasts that the author broke "his oath of silence," thereby suggesting some grand purpose is to be served by the daring revelations to follow, the article is in fact little more than a retelling of Veciana's story of the mysterious Maurice Bishop (which the Select Committee had already published in its final report), embellished by Fonzi's speculations and opinions.

It is those speculations and opinions that are most troubling and detrimental, but before considering them in detail it might help to put them in perspective by taking a closer look at Veciana's story. To attempt to resolve the question, "Who Killed JFK?" by focusing exclusively upon the testimony of Antonio Veciana, as Fonzi does, a number of other questions must be answered, Was there a Maurice Bishop? If so, what was his real name and affiliation? (Fonzi speculates that Bishop worked for the CIA, dismissing the possibility that he was employed by another intelligence agency, domestic or foreign, or by some private organization.) Did Bishop really have an encounter with Oswald? (Veciana could be credible but mistaken about his observations, which he himself described as brief and fleeting. Such eyewitness accounts are widely viewed, at least by lawyers, as suspect.) Finally, even if Bishop did meet with Oswald, what was the significance? (While Fonzi would have his readers infer a connection between the meeting and the assassination, several other explanations are equally plausible, especially if we, like Fonzi, are constrained only by the limits of our imagination.)

These are all interesting questions, and they were so regarded by the Committee, which investigated them to the extent possi-

ble. But is Fonzi's suggestion that Veciana's story reveals who killed President Kennedy anything more than irresponsible myopia? Does the importance of Veciana's account go beyond the fact that it was the issue that most interested Fonzi? And, most important, is the Committee's conclusion that Veciana's testimony did not establish CIA complicity adequate cause for asserting that its investigation was a "bureaucratic charade"?

Taken at face value, Veciana's story established no more than the following: he was associated in his anti-Castro activities with a man known to him as Maurice Bishop; Bishop appeared to have intelligence ties, though these ties remained unspecified; and this Bishop, about three months before the assassination, met with a man whom Veciana later identified from photographs as Lee Harvey Oswald. Anything more is sheer speculation. There is no information as to who employed Bishop, and there is no evidence that Bishop either had foreknowledge of or participated in the assassination. (Veciana specifically said he had no answers to these crucial questions, and efforts by Fonzi and the Committee to shed light on them independently were not successful.)

Fonzi's article is not, then, a revelation of "Who Killed JFK," nor is it an exposé of what "insiders know." What it is is one man's speculation about the CIA and his opinion of the Committee. Fonzi's frustration at not being able to prove a CIA plot is perhaps understandable; the way he has chosen to vent it, however, is not. He blames his frustration on insidious forces, intimating that had it not been for a continuing conspiracy (apparently between the CIA and the Committee) to keep him "very, very busy and eventually . . . wear [him] down," he could have established his case against Bishop and the CIA. This assessment of blame and unsupported speculation would not be so harmful if expressed privately or idly pondered by those who make no pretense of having "inside" information. It seems that nearly everyone I meet has his own theory about the assassination, and perhaps due to the character of the President and the nature of his death, emotional attachments to particular theories often develop. In that respect, Fonzi may be in good company—at least numerically. But Fonzi has now proclaimed himself an expert on the assassination, and his theory and his opinion of the Committee, by their publication in the Washingtonian, have gained a measure of credibility. So it is not enough to answer Fonzi by simply stating he is wrong.

Fonzi begins with a reference to the Committee's mandate, House Resolution 222, which called for "a full and complete investigation and study of the circumstances surrounding the assassination and death of President John F. Kennedy. . . ." He then asserts that, "like the Warren Commission, what the House Assassinations Committee did not do was 'conduct a full and complete investigation,'" and opines that ". . . what the Kennedy assassination still needs is an investigation guided simply, unswervingly by the priority of truth." Finally, Fonzi asks, "Is it unrealistic to desire, for something as important as the assassination of a President, an investigation unbound by political, financial, or time restrictions?" Although he apparently intended the question to remain rhetorical, it merits an explicit answer. Clearly, when you stop to think about it, the answer is yes, at least in this country, it is unrealistic.

Every day, citizens of this country are sentenced to long terms of incarceration, and occasionally even put to death, as the result of investigations that are not "unbound by political, financial or time restrictions." The time and financial restrictions result from the budgetary limitations of our police forces and investigative agencies, and the "political" restrictions arise from our basic system of checks and balances (limited power in the hands of any one institution) and civil liberty protections. Because our investigations are so limited, there are minimal criteria to test the sufficiency of the investigative efforts, at least whenever life or liberty is at stake: the short form expression of that test of minimum sufficiency is "proof beyond a reasonable doubt." Only in the world of Perry Mason must investigations produce conclusions with absolute certainty. In the real world, at least in this country, we long ago opted for a system that set political, financial, and time limitations on our investigations, with the result being that our investigations, even those concerning crimes "as important as the assassination of a President", are not guided "simply, unswervingly by the priority of truth."

Should the death of a President be deemed sufficient cause for changing our system of government? Should the Committees' first chief counsel, Richard A. Sprague, whom Fonzi appears to admire, have been granted what Fonzi believes he wanted: total power, and unlimited financial backing and time to pursue "the truth"? Should the political limitations have been removed so Sprague could have had unrestricted access to the CIA's computer system, its central indices, and all of its "raw" investigative files? Can we dismiss the CIA's interest in preserving its sensitive sources and methods as being of no national concern? Or is it that Sprague should have been given the last word on their protection or abrogation, so that the search for "the truth" would have had no roadblocks in its path? And what if in the end—after all CIA files had been reviewed and all agency officers, agents, and employees had been questioned under oath—there still was no absolute proof of Fonzi's theory? In the absence of a CIA confession, what then? Mass administration of truth serum? Jail terms for the recalcitrant at Sprague's whim? Or perhaps Congress should then assume absolute power, taking over the executive branch. But, even with absolute power, financial and time restrictions would still exist. Suppose Sprague wanted everyone who watched the motorcade in Dallas in November 1963 to be interviewed, no matter how long it took? And if his own investigative resources were insufficient, should Sprague have had the Dallas Police Department put at his disposal? Should we be willing to forgo policing the city of Dallas until the President's murder is solved? Until the CIA is proven guilty.

In his article Fonzi describes me as "brashly pragmatic." If that means I tried to make the most of the investigation, given the inherent political, financial, and time constraints, I take the characterization as a compliment. Nor do I object to the application of hindsight to assess performance and suggest what might have been done better, for I readily admit that some mistakes were made. I would never say that criticism of how the federal government too often operates is not needed. Nor would I suggest that so-called exposés of the inner workings of government, to be of value, must come from an unbiased source. I have spent my entire professional career working for the federal government, and much of my energy has been expended in criticizing the policies, procedures, and performance of the agencies I have encountered. I believe, however, that my criticisms have been—in intent and effect—constructive. Most of Fonzi's criticisms, on the other hand, are not constructive: they are based on gross distortions of the facts; they are impractical, and they serve only to undermine the credibility the Committee's investigation deserves. The Committee did conduct "a full and complete investigation," when that phrase is taken in context and the evaluation is based on common sense and reality; pursuit of the truth was the guiding objective, if not the only consideration; and for Fonzi to proclaim that the Committee's investigation was no better than that of the Warren Commission is an abuse of his abilities and reputation.

The majority of my professional career has involved the trial of cases in federal court, and from that experience I've found that everyone has his own biases, prejudices, preconceptions. Not a single witness at any trial, nor a single juror sworn to determine the facts, nor even a judge, performs his duty in a vacuum divorced from the experiences of his life and the impressions they have made upon him. Yet the responsibilities of those persons—to testify truthfully, to weigh the evidence, to judge—are usually performed with a sufficient degree of objectivity. On the other hand, certain safeguards are built into a trial to minimize the effect of prejudice and its related influences (safeguards that too often have no counterparts in the publication of a magazine article). Witnesses are subject to cross-examination; jurors are "excused" from service when their level of bias seems too high; and cautionary instructions are given to the jury. An example of the latter safeguard is the common instruction on evaluating the credibility of witnesses:

"You as jurors, are the sole judges of the credibility of the witnesses and the weight their testimony deserves. * * * You should carefully scrutinize all the testimony given, the circumstances under which each witness has testified, and every matter in evidence which tends to indicate whether a witness is worthy of belief. Consider each witness' intelligence, motive and state of mind, and demeanor and manner while on the stand. Consider also any relation each witness may bear to either side of the case; the manner in which each witness might be affected by the verdict; and the extent to which, if at all, each witness is either supported or contradicted by other evidence in the case. Inconsistencies or discrepancies in the testimony of a witness, or between the testimony of different witnesses, may or may not cause the jury to discredit such testimony. Two or more persons witnessing an incident or a transaction may see or hear it differently; and innocent misrecollection, like failure of recollection, is not an uncommon experience. In weighing the effect of a discrepancy, always consider whether it pertains to a matter of importance or an unimportant detail, and whether the discrepancy results from innocent error or intentional falsehood. After making your own judgment, you will give the testimony of each witness such credibility, if any, as you think it deserves."

It is appropriate that Fonzi's testimony as a witness be so evaluated. I do not propose that it be rejected entirely, but his assertion that the investigation was a farce, that the Committee was guilty of distorting the way government should function, should be carefully weighed. What can be relied upon

with some, if not total, confidence are recitals of events Fonzi witnessed. In fact, the precision with which Fonzi is able to recite conversations indicates he was recording them verbatim. (The time it must have taken to record conversations with other staff members makes me wonder if it was the preparation of his diary, not the demands of the Committee as Fonzi contends, that kept him "so very, very busy and eventually . . . [wore him] down.") That Fonzi is now able to accurately recite such conversations, however, does not necessarily enhance his credibility. First, one might properly question his motive in keeping such a diary, since he was not employed by the Committee as its historian. Did he set out from the beginning more interested in plying his trade as a journalist than in investigating the assassination? Further indications of such bad faith, and thus lost credibility, arise when Fonzi purposefully omits relevant details from conversations so as to distort their meaning. By way of example only, there is this colloquy in the article:

"When I joined the Committee, I thought . . . analytical reports would be especially useful because there was no other investigator with my experience. . . .

"Cornwell told me to stop them. 'I want your reports to be strictly factual,' he said. 'Just give us the information. I don't want any of your analysis going into the record.' That, I said, would require ignoring the validity of the sources of information. . . . 'All right,' Cornwell said, 'if you want to analyze the information, put it on separate yellow paper and I'll tell the mail room not to log it in.' I came to refer to this procedure as the 'Yellow Paper Ploy.' "

Fonzi omitted the explanation I gave for what he calls the "Yellow Paper Ploy." I told him I wanted the staff and the committee to be able to form its conclusions on the basis of the greatest quantity of information possible, and that meant that those conclusions should not be drawn until the end of the investigation after all available facts had been gathered. Since Fonzi, even at that early stage of the investigation, had already reached a conclusion of CIA complicity, he was obviously irritated when I refused to permit him to place this conclusion in our official record.

There are other distortions in the article that bear on Fonzi's credibility as a witness. He claims that Chief Counsel G. Robert Blakey "stacked" the staff with organized crime experts in an effort to prove a Mafia conspiracy. Who are these experts? (The article does not identify them.) Were they assigned to all of our investigative teams, regardless of the subject area for which the team was responsible? (The article does not say.) The fact is that apart from Blakey and me and two attorneys who were successively in charge of the team investigating organized crime (where you might expect to find some expertise on the subject area), there were no staff lawyers with previous experience in organized crime investigations.

Thus, if the investigation was misdirected by the influence of "organized crime experts," the influence could only have been exerted by Blakey or me. Yes, even Blakey and I are subject to the influence of our prior experiences, but Fonzi does not truthfully discuss the probable effect of that influence, or bias, if you will. He writes that we were predisposed to emphasize the possibility of an organized crime plot, and to devote our limited resources to that subject at the expense of his theory that the CIA did it. The fact is that from our experience we were inclined initially to assume that organized crime would not have killed the President, because historically the mob has not employed violence against government officials. Furthermore, as the investigation progressed, we devoted equivalent time and resources to each of the prominent conspiracy theories, focusing equally upon the possibility of involvement by the various government agencies, but organized crime, by agents of the Soviet Union or Cuba, by anti-Castro Cubans, and so on. In the end the Committee's conclusions were based on the relative strengths of the evidence: there were substantial indications of complicity by elements of organized crime, while participation by other groups, including a cabal of CIA agents, was deemed unlikely. In his article Fonzi makes no such comparison of the relative strengths of the evidence, nor is he qualified to do so. His work for the Committee was restricted to his special area of interest, the anti-Castro Cubans, and he further confined himself by concentrating doggedly on a Veciana-Bishop-Oswald link.

Fonzi claims that the investigation was a bureaucratic charade, that what was important was not "what you do, but how what you do looks in relation to how everything else you did looks." He suggests that Chief Counsel Blakey's only objective was to protect the standing institutions of government—namely, the CIA—and not to investigate them. These allegations, I believe, are so patently false that they must be labeled either the product of a blinding bias, or as conscious, willfull misstatements. I suggest to those who can find the time that they evaluate Fonzi's charges in light of what new information the Committee developed and what it said about it. Contained in the Committee's report and 12 volumes of backup evidence is much new information about the assassination, information that no governmental body had ever previously evaluated. It was on the basis of this information that the Committee was able to reach conclusions that seemed inconceivable when the investigation began and even now seem so extraordinary that their significance is difficult to grasp: President Kennedy was probably assassinated as the result of a conspiracy, and the federal government 15 years ago, when the assassination could have been most effectively investigated, botched the case.

Fonzi derogatorily describes Blakey and me as "hired hands" whose sole objective was to shield government institutions from effective scrutiny and criticism. Yet the criticisms of the FBI, CIA, Secret Service, and Warren Commission set forth in the Committee's report, which was prepared under the direction of Blakey and me, are both extensive and pointed. (By making his charge, Fonzi demonstrates his ignorance of the number of man-hours expended in compiling the data that led to our findings that the performance of those agencies had been less than adequate.) Had it uncovered credible evidence of conspiracy on the part of the CIA or any other government agency, which it did not, the Committee would have said so. But the important point is that we did look for such evidence, and owing primarily to the talents of Chief Counsel Blakey and the ability and stature of Committee Chairman Louis Stokes, the search was carried out in a reasonably effective manner (given, among other minor annoyances, the fact that Congress does not, and should not, have absolute power over the executive branch).

For the first time in history, Congress negotiated an agreement with the CIA for "unsanitized" access to its files. Admittedly, the agreement was not foolproof: the CIA possibly could have selectively withheld or destroyed files before turning them over to the Committee. Measures, however, were devised to prevent that. The files contained cross-references, for example, which could and often did lead our staff to request related documents. In addition, we interviewed former and current CIA officers about the nature of the agency filing system generally, and about the identity and location of particular files that might assist our investigation. While these safeguards still do not make the agreement foolproof, it was, I believe, the best that could be reached given the circumstance of two separate and independent branches of government.

As I said, our investigation, like any human endeavor, can be constructively criticized using the benefit of hindsight. I am reminded by Fonzi's article of two issues that Blakey and I pondered during the investigation, which we perhaps should have decided differently. The first has to do with staff selection. We were aware of the possible effects of bias upon the functioning of our staff, and while we tried to secure as much expertise as possible (e.g. an attorney experienced in organized crime investigations to run the team assigned to that area of the investigation), we also tried to avoid hiring anyone who had previously worked on the Kennedy case and might have preconceived notions about it. We made only a very few exceptions to that rule: one was Gaeton Fonzi.

The second issue we pondered involved the size of our investigative staff, which consisted primarily of homicide detectives. It was of the highest quality, consisting of dedicated professionals. But for one significant reason this was not a typical homicide investigation: we were 15 years late. Governor John B. Connally vividly made the point when he appeared at our hearings. He said he had traveled over the world since 1963, and every one he had talked to could remember with precision where they were when they first heard that President Kennedy had been assassinated. On the other hand, we found in our investigation that most people had no recollection whatever of where they were on the morning of November 22, or the day before, or the week before. This does not mean that our investigators were of no value. On the contrary, they gathered valuable information about relationships between individuals of interest to us, and they performed other very useful functions. (Most significantly, it was our investigative staff that made the most important discovery of all: it turned up the Dallas police dispatch tape, which ultimately established that two gunmen fired at the President.) But due to the lapse of 15 years we were forced to rely more heavily on an analysis of scientific data and on a review of voluminous files of government agencies, such as the FBI, CIA, and Secret Service, that contained data recorded in 1963 and earlier years, and somewhat less on traditional investigative techniques. This shift in emphasis away from traditional investigative techniques was frustrating for many of our investigators, and it made Blakey and me wonder whether we should not have retained a somewhat smaller investigative staff, and spent more of our limited resources and time on scientific analysis and file reviews.

Such second-guessing of our investigation notwithstanding, I believe the American people got a comprehensive investigation.

We did not answer all the questions, but we did focus our attention on the major areas of interest. Further, we took a hard look at those specific issues in each area that appeared likely to shed new light on the related questions of conspiracy and the performance of government agencies in 1963-1964.

An excerpt from Fonzi's article is worth repeating, since its significance apparently escaped him when he wrote it. In the summer of 1979, for an undetermined reason, Antonio Veciana was wounded in a shooting assault. His daughter, a reporter for the Miami News, in reflecting upon the attempt on her father's life, told of her pride for her father's efforts as an anti-Castro leader, and Fonzi quoted from her story. "My American friends never understood the politics or the violence that comes with Latin politics," Ana Veciana wrote. "To this day I have not been able to explain, but only to describe, the passion Cubans feel for the freedom that's taken for granted in this country." Like Ana Veciana, I believe we often fail to appreciate our freedom, and we often forget that it comes at a price. Maybe Fidel Castro could have conducted a more "full and complete investigation." No doubt, he would have had more power to do so in his country than the Committee was granted by the Constitution. But one price we pay for freedom is that "even for something as important as the assassination of a President," our investigations include some compromises, and their results, in the words of Chairman Stokes, often contain some "loose ends."

STATEMENT BY LOUIS STOKES, CHAIRMAN, HOUSE SELECT COMMITTEE ON ASSASSINATIONS

When I became chairman of the House Select Committee on Assassinations in March 1977, I faced a series of immediate crises. The Committee's funding resolution had barely been approved by the House, and confidence in our ability to accomplish our work with dignity and objectivity was not high. But I knew what needed to be done, and one of my first tasks was to appoint a new chief counsel and staff director. After the resignation of the original chief counsel and staff director, we were, so to speak, an army with a new commander-in-chief but no field general. In April I appointed a task force headed by Congressman Christopher J. Dodd of Connecticut to conduct an exhaustive search. Based on the recommendations of the American Bar Association, the Federal Bar Association, the National Association of Trial Lawyers, the Association of American Law Schools, the National District Attorneys-Association, the American Civil Liberties Union, and the NAACP Legal Defense Fund, we developed a list of 115 possible candidates, of whom thirty-four were selected for interviewing, and thirteen were actually interviewed. In May the task force recommended three of the thirteen. When one of the finalists dropped out, my choice was narrowed to two, and I selected G. Robert Blakey, then a professor of law at the Cornell Law School. In my judgment, Blakey exemplified the criteria of the Committee's search: investigative experience, prosecutorial experience, administrative experience, integrity, and professional standing. He also had another valuable asset, which was knowledge of the peculiar folkways of Congress, for our investigation was, after all, a congressional investigation.

When Congressman Dodd asked Professor Blakey if he might be interested in the job, he said no, but on reflection he agreed to talk to us. In addition to meeting with the Committee, he had a full and frank discussion with me about what needed to be done and how our task should be accomplished. (It was during that conversation that the decision was reached to announce Professor Blakey's appointment at a press conference in which it would be announced that there would be no more press conferences until our report was written, and our work would proceed without further public fanfare.) As I look back on the course of our work from that point—from June 1977 to July 1979—I realize how fortunate we were that Professor Blakey changed his mind. Without his selfless and untiring efforts, our work could not have come to a successful conclusion.

Now that Professor Blakey and his colleague, Richard N. Billings, have written their own book about the death of President Kennedy, I would like in this foreward to put their work in the context of our investigation, since much of what they have written, though not all, is the product of their experience with the Committee. In so doing, however, I want to make it explicit that while I firmly believe that all those who care about truth and justice must take this book seriously, I do not necessarily share all of Blakey's and Billings's individual conclusions. Let me start by explaining the mandate of our Committee, as it was set out in our resolution, which was passed by the House of Representatives in September 1976. It can be summed up in three simple questions: Who assassinated President Kennedy and Dr. King? (The Kennedy assassination was one of two aspects of our investigation; the other was the murder of Dr. Martin Luther King, Jr.) Did the assassin or assassins have the help of coconspirators? How well did the responsible federal agencies perform before and after the respective assassinations? By December 29, 1978, at the final public hearing of the Committee, I was able to reflect on how well we had answered those questions. We had clearly established that the assassin of President Kennedy was Lee Harvey Oswald, which was in keeping with the findings of the earlier official investigation. We had, however, developed significant new evidence of a conspiracy that was afoot in Dallas on November 22, 1963, which ran counter to the determination of the FBI and the Warren Commission in 1964. Further, we had assessed the performance of the principal agencies—the FBI, the CIA, the Secret Service and the Warren Commission—and found that their performance left something to be desired. (There is a certain irony in the fact that our findings in the King assassination were nearly identical: James Earl Ray was the assassin, as the FBI had established; there was evidence of a conspiracy, which the FBI had failed to consider; and agency performance, principally that of the FBI, was sadly lacking, both in its treatment of Dr. King before his death and in the investigation of his assassination.) As our public hearings ended in December 1978, I noted that the Committee had gone as far as it could; we had fulfilled our legislative obligation. For the Committee to have proceeded to investigate the issue of individual responsibility further would have been unnecessary and inappropriate: necessary because we had learned all that we needed to know to recommend legislative reform, which we did, inappropriate because our mandate called for fact-finding for the purpose of making recommendations, not an assessment of individual responsibility. As establishing personal guilt is rightfully allocated under our Constitution to the executive branch and the judiciary, further investigation by us would have been improper.

I recognized then, of course, that there were loose ends at the termination of the Committee's existence, and there still are, although I am glad to see that Blakey and Billings have made an effort to tie down a good many of them. Obviously, it is to be regretted that there are matters outstanding, but as I said during our public hearings, life itself has many loose ends. It may well be that all the troubling issues that have been raised about the deaths of President Kennedy and Dr. King will never be fully resolved, for it has been many years since they died. Some uncertainty is inevitable in an uncertain world.

Finally, I would like to repeat my closing remarks at that last public hearing in December 1978, for they are still appropriate in 1980. Never again should our society respond as it did in the aftermath of the assassinations of these two great men, who did not receive in death an investigation commensurate with the dignity of their lives. We cannot, of course, rewrite history. We cannot bring back John F. Kennedy or Martin Luther King, Jr. But the past must be a guide for the future. We must promise ourselves that this history will never be repeated.

WASHINGTON, D.C., *July 1980.*

STATEMENT BY RICHARDSON PREYER, CHAIRMAN, JOHN F. KENNEDY SUBCOMMITTEE

The importance of this book—and it is an important book—is that it carries the analysis of the evidence in the assassination of President Kennedy well beyond the point that the Committee was able to reach in the time available and with the constraints under which a committee of Congress must work. As to the constraints, this is as it should be, for individuals may speak with a freedom that a committee of Congress does not have. But putting their analysis and conclusion aside, the evidence Blakey and Billings have marshaled is extremely impressive. I was able to review the facts presented to the Committee not only as one of its members, but as a former federal judge, and, as such, I subjected the evidence to the severest sort of tests. In the end, I came to conclude that it was not a question of whether there had been a conspiracy in the Kennedy assassination, but a question of who the conspirators were. Our conclusion was, therefore quite different from the one that was reached in 1964.

Much of the evidence that was put before us consisted of the statements of witnesses whose reliability had to be doubted to some degree due to the passage of time, if for no other reason. Witness testimony or circumstantial evidence alone would not have been sufficient to lead me to vote to reverse the historic verdict on President Kennedy's death, but there was evidence that did. My judgment did not rest on it alone, as I carefully reviewed the entire record, but the acoustics evidence was the crucial part that, to me, tipped the balance toward conspiracy. The acoustics evidence, a tape recording of the actual sounds of the assassination, was most convincing of the presence of two gunmen in Dealey Plaza. Its detail fit comfortably with the detail of real life. As analyzed by our panel of experts, the tape appeared to me to be unassailable: 22 echoes of shots from the Texas School Book Depository, as well as the grassy knoll, reaching the position of a moving motorcycle,

which was located in photographs just where the acoustic experts said it would be. Since echoes travel and reflect at known speeds, the police tape had to have been recorded in Dealey Plaza or its exact acoustical replica, which obviously does not exist. In addition, the wave-forms produced by the sounds on the tape had the unique signature of supersonic bullets, and they matched in time the physical reactions of President Kennedy and Governor Connally, as they were recorded in a film of the assassination by Abraham Zapruder. Finally, the wave-forms were consistent with the position of the motorcycle. Certain spikes on a graphical display of the tape coincided with the sound of shots coming over the windshield of the motorcycle before it turned into Dealey Plaza, and other spikes coincided with shots fired from the side and rear of the motorcycle after it had made the left-hand turn from Houston onto Elm Street. In view of this kind of evidence, I came to believe, as I said at a press conference on July 15, 1979, the day we released our final report, that it would take a greater leap of faith to reject what the tape told us than to believe it. We should not shrink from the implications of the evidence.

The hard scientific evidence of a second gunman, therefore, altered my perception of the witness testimony and the circumstantial evidence, which no longer had to be the proof of the pudding. I was, for example, particularly impressed with a group of witnesses from Clinton, Louisiana, who testified to the presence in their town in September 1963 of Lee Harvey Oswald together with one David W. Ferrie, a character from New Orleans who was employed by the organized crime leader of that city, Carlos Marcello. Frankly, I was prepared not to put much stock in what the people from Clinton had to say, for they had come forward during the discredited investigation of New Orleans District Attorney Jim Garrison in 1967. (Actually, one of the Clinton witnesses, a Louisiana state legislator, told us he had notified the FBI upon seeing Oswald's picture in the newspaper after the assassination.) But when they appeared before the Committee in executive session in 1978, they struck me as sturdy, honest folk, who had no reason to lie and whose testimony was candid and consistent. The other evidence that I find most impressive as it has been marshaled in this book was not all the product of our investigation; much of it is presented here for the first time. It is the evidence that describes the nature of organized crime and then links Jack Ruby to organized crime, which in turn links organized crime to the assassination. Here we see, for example, the role of Ruby, minor though it may have been, in an organized crime activity in Havana in 1959. (As a member of the Committee delegation that traveled to Cuba, I had a opportunity to evaluate this information firsthand.) Having established Ruby's organized crime association beyond any doubt, Blakey and Billings go on to show that there was no convincing reason, other than his organized crime association, for Ruby to murder Oswald. I could almost contradict myself and say the Ruby link to organized crime is the proof of the pudding. Coupled with the police tape, it leaves little question of the existence of a conspiracy and who, in all likelihood, engineered it.

One other comment needs to be made about this distinctive book. There is an abundance of books about the Kennedy assassination, and I have read a good many of them. Yet I found this book uncommon, and not because I worked with and know the authors. This is a distinctive book because Blakey and Billings bring the reader into the reasoning process. Rather than expect readers to accept a conclusion at face value, they invite them to make their own evaluation of the evidence. This is an open-minded and objective analysis. While not all people will agree with all of its conclusions, myself included, it makes an honest effort to come to grips with the evidence. I commend it to those who want to learn the truth about the events in Dallas in November 1963.

WASHINGTON, D.C., *July 1980.*

MEMORANDUM ON THE ANALYSIS OF THE ACOUSTICAL EVIDENCE THAT SHOWS THAT TWO SHOOTERS WERE IN DEALEY PLAZA ON NOVEMBER 22, 1963

(Notre Dame Law School)

COMMITTEE CONCLUSIONS AND RECOMMENDATIONS

On January 2, 1979, the House Select Committee on Assassinations reported its judgment that "[s]cientific acoustical evidence establish[ed] a high probability [95%] that two gunmen fired at President John F. Kennedy" in Dealey Plaza, on November 22, 1963. H. Rep. No. 95-1828, 95th Cong. 2nd Sess. p. 1 (1979). The Committee also concluded the President was "probably assassinated as a result of a conspiracy." Id.

The Select Committee's acceptance of the acoustical evidence showing two shooters, one from the Texas School Book Depository to the rear of the President, and one from a grassy knoll area to the right front of the President, was based on a variety of factors. See generally *id* at 65-91. Twenty-one ear witnesses, for example, gave testimony in 1963 that they heard a shot from the grassy knoll area, from which the scientific evidence indicated the second shooter fired. Included among those witnesses were a motorcycle policeman to the immediate right rear of the President in the motorcade, a Secret Service Agent to the left rear of the President in the motorcade, a Korean War combat veteran, who was standing on the grassy knoll area in the line of fire, and a railroad employee, who was observing the motorcade from a railroad overpass immediately in front of the motorcade, each of whom testified that they heard shots from both the Texas School Book Depository and the grassy knoll. In addition, at the point from which the shooter fired, fresh footprints in the damp earth were found behind the high picket fence on the knoll, and smoke was seen and smelled near the fence at the time of firing. Finally, a policeman immediately after the firing stopped a man leaving the picket fence area, who falsely identified himself as a Secret Service Agent.

The acoustical evidence, which consisted of a recording of the sounds of the assassination accidentally broadcast by a motorcycle policeman in the Plaza to the police dispatcher and recorded on the police dispatch dictabelt, was also independently corroborated by other scientific evidence. Photographs were located of the motorcycle policeman in the precise position that sounds on the dictabelt indicated he should be in. A film of the events of the assassination showed action in the film that confirmed that the shooting was occurring at the times in the film and from the directions that the dictabelt indicated. Timing and direction were also corroborated by ballistics evidence, neutron activation analysis, and the work of a forensic pathology panel that reviewed films and x-rays of the President's body.

After making its findings on the manner of the President's death, the Committee recommended that the Department of Justice and the National Science Foundation "make a study of the theory and application of the principles of acoustics to forensic questions, using the materials available in the assassination of President John F. Kennedy as a case study." Id at 9.

NATIONAL SCIENCE FOUNDATION STUDY

On August 14, 1980, the National Science Foundation authorized $23,360 for a study (independent tests were not contemplated) by the National Academy of Sciences on the work of the Select Committee. The study was to be headed by Professor Norman S. Ramsey of Harvard. The report by the panel was due in January, 1981. The expectation now, however, is that it will not be completed until the end of March or the early part of April, 1981.

On December 1, 1980, a report of the Technical Services Division of the Federal Bureau of Investigation on the work of the Select Committee was released to the public. See 126 Cong. Rec. H 33489 (December 11, 1980). The 22 page report, which was not accompanied by supporting documentation and did not rest on independent empirical work by the FBI on the dictabelt or sounds in Dealey Plaza, found that the conclusions of the Select Committee were "invalid," since it was neither shown that gunshots were on the dictabelt nor that sounds originating in the Plaza were recorded on it.

According to the FBI report, the scientific analysis relied upon by the Committee necessarily rested on the authenticity of the dictabelt, that is, upon findings that the sounds on the dictabelt identified as gunshots by the committee originated from within the Plaza and that the sounds themselves were gunshots. According to the FBI report, these two elements could be proven if it could be acoustically shown that the information the committee analyzed was unique to Dealey Plaza "to the exclusion of all other locations" or that "eyewitness testimony" could be adduced independently to establish them. The report then noted that other work done by the FBI in connection with the shootout between the Communist Workers Party and the KKK in November, 1979, in Greensboro, N.C., had found a shot whose echo pattern in fact matched the alleged grassy knoll shot within the same degree of tolerance as that accepted by the committee for its match. Consequently, the FBI report concluded that the two elements could not be shown acoustically since it was clear that Greensboro, N.C., was not Dallas, Texas. The FBI report then simply asserted that "no conclusive" eyewitness testimony had been presented to the Committee that the motorcycle microphone was recording in Deally Plaza and that shots were in fact recorded on it.

COMMENT ON FBI CRITIQUE

The FBI report on the work of the Select Committee fundamentally misunderstood[1]

[1] The most charitable reason that can be offered on why the FBI report misunderstood the scientific and analytical work of the Select Committee is that the Bureau's technicians were inexperienced with the sophisticated statistical and acoustical procedures employed by the Committee's scientists. (Until the work of the Committee, the Bureau had never examined similar acoustical issues.) In addition, for reasons that remain obscure, the Bureau declined to work with the Committee's scientists in

The scientific analysis relied upon by the committee; it did not make a finding of identity (100 percent) between an alleged shot from the grassy knoll and a known shot from it; the finding was of a 95 percent probability of a match. Stated another way, the Committee's study recognized that there was, in fact, a 5 perecent chance that the information of the dictabelt did not represent a gunshot from the grassy knoll. (A finding of identity (100 percent) was not practical because of the imprecise character of the dispatcher's recording equipment.) Consequently, the purported "find" by the FBI of a match from Greensboro, N.C., did not undermine the Committee's scientific analysis.[2] Hence the statistical probability of 95 percent was not altered by the purported finding of an obviously mistaken match, and the FBI's assertion that the Committee's acoustical analysis was "invalid" does not withstand close analysis. The Committee's final acceptance of the 95 percent side of the probability rather than the 5 percent side, moreover, rested on the coherence, noted above, of the scenario of the assassination (timing and direction of the shots) portrayed on the dictabelt with the available scientific and other evidence establishing what happened in the Plaza, a coherence not even addressed, much less refuted, by the FBI report.[3] Finally, the assertion by the FBI that there was "no conclusive" non-acoustical evidence that would independently establish the authenticity of the dictabelt and the Committee's analysis of it was nothing more than an assertion. Not only did it ignore the evidence noted above, seemingly, too, it necessarily rested on the underlying assumption that only direct evidence can be used to authenticate the dictabelt, that is, testimony immediately touching on how and what the microphone was recording. In fact, the authenticity of the dictabelt obviously can be and was established by the abundance of circumstantial evidence that corroborated the version of the assassination recorded on the dictabelt.[4]—G. Robert Blakey, Professor of Law, February 17, 1981.

BOLT, BERANEK & NEWMAN, INC.,
Cambridge, Mass., March 27, 1981.

Hon. LOUIS STOKES,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN STOKES: We received on 2 December 1980 the copy of the FBI review of "The Acoustical Reports Published by the House Select Committee on Assassinations" that you graciously sent us. As we declared in our joint public statement of 4 December 1980, a copy of which is attached, we stand firm in our conviction that our findings are logically and scientifically correct and we disagree completely with the conclusions of the FBI. Their review of our work found that we ". . . did not scientifically prove that a gunshot was fired by a second gunman from the grassy knoll area of Dealey Plaza . . .," and that we ". . . did not scientifically prove that the Dictabelt recording of Channel 1 of the Dallas Police Department radio system contains the sounds of gunshots . . .". We have studied the FBI's report and we find that the FBI failed to understand either the methods that we used or the nature of the problem that was posed to us. As a result, in their report the FBI asserts premises that are irrelevant, makes deductions from our report that are incorrect, and presents findings that are unsupported.

The House Select Committee on Assassinations (HSCA), under your chairmanship, selected Bolt, Beranek & Newman, Inc. (BBN), to analyze a Dictabelt recorded by the Dallas Police Department (DPD) on November 22, 1963 to see if it contained sounds associated with President John F. Kennedy's assassination. This DPD Dictabelt contains recordings of transmissions from a mobile police unit whose microphone was on before, during and after the assassination. BBN was asked to determine if the mobile police unit with the open microphone was in Dealey Plaza during the assassination; if so, had the sounds of shots been recorded; the number of shots and the interval between them; the origin of the shots and the type of weapon used.

BBN found that the recorded sounds on the DPD Dictabelt, in particular four groups of impulses, were consistent with the sounds that would have been recorded from a transmitter with an open microphone moving in Dealey Plaza, if four gunshots were fired during the assassination in a specific sequence. BBN found the sequence and the origin of gunshots, and the path of the moving microphone that are needed to produce the sounds actually recorded by the DPD. The combination of these findings, as well as the timing of the impulse groups on the DPD Dictabelt, led BBN to conclude that it is very unlikely that the four impulse groups recorded on the DPD Dictabelt could have been caused by another source.

Subsequent to the BBN analysis, the HSCA examined films of the motorcade that depicted, at the time of the assassination, the part of the motorcade route where BBN had found that the mobile police unit with the open microphone would have to be. The HSCA observed in these films that there was indeed a motorcyle following the path described by the BBN analysis, even though the motorcade order of vehicles described in the Warren Commission report had not placed any motorcycles near that path during the time span of the assassination. Moreover, the HSCA concluded that the specific time sequence of the probable gunshots matches closely the time sequence with which the occupants of the presidential limousine reacted to the shots.

Although the HSCA found that the BBN findings were corroborated by other non-acoustical evidence, the BBN analysis left some uncertainty about the number of shots and their origin. BBN did not prove, nor did it attempt to prove, that the sounds recorded on the DPD Dictabelt were produced by gunfire in Dealey Plaza. The BBN analysis did not exclude the possibility that some unknown source could produce impulse sounds similar to those observed on the DPD Dictabelt. To reduce the uncertainty about the third impulse group, Professor Mark R. Weiss and Mr. Ernest Aschkenasy were asked to examine the sounds in that group and, if possible, establish with greater confidence if this impulse group corresponds to a gunshot sound generated on the "grassy knoll" of Dealey Plaza during the assassination of President Kennedy. To this end, Professor Weiss and Mr. Aschkenasy (W&A) took a different approach to the study of those sound patterns on the DPD Dictabelt that BBN thought might represent the third of four shots.

In effect, W&A were asked that if a gun had been fired on the "grassy knoll" on that occasion, would the sounds of the gunshot as received in Dealey Plaza, and transmitted and recorded by the DPD radio dispatch system resemble the third group of impulses observed on the DPD recording. This question can be answered unambiguously if the position of the shooter and the location of the microphone that picked up the sounds were known, and all of the components of the DPD radio system were known and available. While none of the listed facts are known for the case, W&A were able to use an elementary method, based on fundamental principles of acoustics, that yields a numerical probability of whether the DPD impluse group corresponds to gunshot sounds generated on the "grassy knoll". W&A gathered and examined all the available information about Dealey Plaza and the events that occurred there, and about the DPD radio dispatch system. W&A then isolated a reliable measurement that could be used to compare gunshot sounds to the DPD impulsive group in question. Applying this measurement to an assumed gunshot, for the conditions given in the question, and to the DPD impulse group, W&A were able to compare the two and derive a probability of correspondence.

The approach taken by BBN and W&A is appropriate, relevant and correct for the task. Either the FBI failed to understand or chose to ignore it, since it is not included with the methods listed in the FBI's report. On page 13 of their report, the FBI asserts that "there are at least two known acoustical and one non-acoustical method that could determine whether the four specified implusive patterns on the DPD recording originated from Dealey Plaza, Dallas, Texas, diuring the Presidential assassination on November 22, 1963." The methods that are proposed by the FBI demonstrate that they failed to understand the nature of the task since these methods are inappropriate for the problem at hand.

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the preparation of its critique of their work, preferring to review it in secret and to release the critique publicly before the Committee's scientists had the opportunity to comment on possible misunderstandings. A less charitable comment would note the apparent institutional unwillingness in 1980 to admit that the FBI failed to investigate adequately the death of the President in 1964.

[2] According to the FBI, its "find" matched a 50 millisecond echo pattern used by the Committee's scientists. In fact, the 50 millisecond echo pattern was only used by the Committee's scientists in the preliminary study. The FBI did not, therefore, assert that the 320 millisecond echo pattern relied on by the Committee for its final judgment matched the Greensboro shot. Because the time span (50 vs. 320) is much smaller, the possibility is much higher of finding another match falling within the 5% margin of error. It remains to be seen, therefore, if a "mistaken match" can be found for the full 320 millisecond echo pattern.

[3] Bertrand Russell, *The Problems of Philosophy* p. 140, dealt with coherence in this fashion: "In regard to probable opinion, we can derive great assistance from coherence, which we rejected as the definition of truth, but may often use as a criterion. A body of individually probable opinions, if they are mutually coherent, become more probable than any one of them would be individually. It is in this way that many scientific hypotheses acquire their probability. They fit into a coherent system of probable opinions, and thus become more probable than they would be in isolation * * *"

[4] That an FBI technical report would even implicitly suggest that a fact may be shown only by direct evidence is ironic, as it "is now well established that circumstantial evidence is no less probative than direct evidence * * *" *United States* v. *Dodge*, 538 F.2d 770, 787 (8th Cir. 1976) (Webster, J.).

The first method proposed by the FBI is to show that "the other information on the DPD recording just before, during and just after the pertinent time period was exclusively from Dealey Plaza." This method is appropriate only if all of the sounds recorded in the pertinent time interval were transmitted by the same one microphone. However, as was stated in our reports, sounds transmitted by other microphones also were recorded in this interval. Therefore, this method cannot be used to show that the sounds in this interval originated exclusively in Dealey Plaza. The FBI acknowledges that this method cannot be used. On page 14 of their report, they state that "The first acoustical method cannot be used to validate that the designated impulsive information originated in Dealey Plaza, since other sounds during the pertinent portion either did not originate from Dealey Plaza or their origin is unknown." Yet, after providing some examples of these sounds, the FBI then concludes that, ". . . this method does not show that the designated patterns originated from Dealey Plaza, and in fact, reflects contrary information." Since a method that ". . . cannot be used to validate that the designated impulsive information originated in Dealey Plaza. . ." inevitably will fail to do so, the first part of the FBI's conclusion is meaningless. The second part of the conclusion, in which the FBI states that this method ". . . in fact, reflects contrary information." implies that the method somehow reflects evidence that the impulse sounds did not originate in Dealey Plaza. This part of the conclusion is entirely unsupported. Neither the failure of this particular method to demonstrate that the stuck microphone was in Dealey Plaza, nor the evidence that transmissions from microphones outside Dealey Plaza also were recorded in the pertinent segment of the DPD recording indicates that the stuck microphone was not in Dealey Plaza or in any way provides any information that reflects on where the microphone actually was located.

The second method proposed by the FBI is to prove "that the (impulsive) patterns represent sounds from Dealey Plaza if the information being analyzed is unique to Dealey Plaza to the exclusion of all other locations within the range of the DPD radio system." This method cannot be used even if it can be shown that the sequences of echoes for gunshots fired in Dealey Plaza are unique to that locale. The noise on the DPD Dictabelt, the uncertainty in the location of the moving microphone and, in the case of the "grassy knoll", the uncertainty in the location of the gun preclude the use of uniqueness as a basis for determining the origin of the recorded impulses. BBN was able to use the principle of uniqueness in the analysis of recorded gunshot sounds when they determined the location of the weapons that fired the first several shots at Kent State University in 1970. They were able to do so in that instance because they had prior knowledge of where the recording microphone had been located. No such prior information is available for the microphone that recorded the sounds on the DPD Dictabelt.

In their report to the HSCA, W&A presented the concept of uniqueness to illustrate the relationship between the location of a gun, a microphone, a group of echo producing surfaces and the echo pattern that will be recorded by a microphone. Apparently, the FBI misunderstood this part of the W&A report since they thought that this illustration represents the second method proposed by the FBI. This is seen on page 14 of the FBI report where they state that "the second acoustical method utilizing the alleged uniqueness of the designated sound as applied by Weiss and Aschkenasy, also cannot validate that the impulsive information is from Dealey Plaza."

The only scientifically valid approach that can be taken for the problem at hand is incorporated in the methods used by BBN and W&A in their analysis, yet excluded by the FBI. This approach establishes a basis for calculating the probability that echoes of the gunshots fired in Dealey Plaza and the specified impulse groups on the DPD Dictabelt represent the same event. As it happens, the analysis reveals a high probability that the microphone that transmitted the sounds heard on the DPD Dictabelt was moving in Dealey Plaza at the time of the assassination, and that the recording contains the sounds of gunfire. The analysis also shows that, with high probability, the third group of impulses identified by BBN corresponds to a gunshot sound fired on the "grassy knoll" of Dealey Plaza.

We have attached a memorandum detailing more fully our disagreements with the FBI. We welcome responsible inquiries from any concerned party and hope that this letter and the memorandum will dispel any further confusion.

Respectfully yours,

James E. Barger, chief scientist, Bolt, Beranek & Newman, Mark R. Weiss, professor, Department of Computer Science, Queens College of C.U.N.Y.; Ernest Aschkenasy, consultant, New York, N.Y.

MEMORANDUM

To: Hon. Louis Stokes, Member of Congress, House of Representatives, Washington, D.C.

From: Dr. James E. Barger, Dr. Theodore L. Rhyne, Mr. Edward C. Schmidt, Dr. Jared J. Wolf, Bolt, Beranek and Newman Inc., Cambridge, Mass. 02138.

Date: March 27, 1981.

This memorandum details our disagreements with the FBI critique, found on pages 13 through 20 of their review, of our tests on the Dallas Police Department recording.

On page 13 the FBI asserts that there are "at least" three known methods that could determine whether the four impulse patterns we found originated from Dealey Plaza. Their subsequent discussion of their three methods, to the exclusion of the method we actually used, does not constitute a rational or an effective critique of the findings we obtained from the DPD recording.

First, the FBI observes that we might have shown that all recorded events both just preceding and just following the four impulse patterns originated in Dealey Plaza. We had found that this otherwise sensible method could not be relied upon because we were able to show that not even all recorded events during the time span of the four impluse patterns originated from the same radio transmitter. Since all of these transmitters might not be co-located, we could not assume that all recorded events came from the same place. Even though we did not employ this first method of the three proposed by the FBI, they evidently did—for they conclude that this method ". . . reflects contrary information". We interpret this conclusion of the FBI to mean that the presence of transmitters with unknown location diminishes the likelihood that the transmitter that recorded the impulses was in Dealey Plaza. Thus, their first method simply is a definition of the problem to be solved. Our method was actually to solve the problem. We determined where in Dealey Plaza the transmitter would have had to be if it were to have recorded the assassination gunfire sounds as they appeared on the DPD recording. It was found later by the HSCA that there was a motorcycle with a radio transmitter where we had found it must be. We are unaware of any contrary information contained in our results, and we believe that the FBI conclusion is unsupported.

Second, the FBI observes that we might have shown that the impulse patterns being analyzed were unique to Dealey Plaza. This method is the one that we developed when in 1976 we determined from recorded sounds at Kent State University the locations of the weapons that fired the first several shots back in 1970 by Ohio National Guardsmen. Analysis of the DPD recording did not admit a direct use of this method, because we had no prior knowledge about where the DPD recording microphone may have been—as we did for the Kent State recording.

Our method for coping with this problem involved two techniques. The first technique (during the August 1978 acoustical reconstruction in Dealey Plaza) was to record the sound of the test shots at 36 different locations along the motorcade route. We then compared the DPD recording impulse patterns with each test shot recorded at each location to see if any combinations of test shot and microphone location showed a high correlation. We further recognized that even the 36 microphone locations that we used would not show precisely all the unique impulse patterns that are possible, because of the time it takes for acoustic impulses to travel from one microphone to the next. Therefore our second technique was to add a margin of uncertainty to the test shot echo patterns. This margin was to accept the coincidence of an impulse in a DPD impulse pattern with an echo in our reconstruction pattern if the two occurred with ± 6 msec of each other. This process destroyed the uniqueness of our reconstruction echo patterns, but the 6 msec coincidence margin resulted in only a small increase in the likelihood that unrelated sources of impulses could generate patterns that would match the Dealey Plaza patterns. We demonstrated this fact by calculating that only 13 out of about 2,000 impulse patterns produced by a random process would, on the average, match the four DPD recorded impluse patterns. We chose the random process for which all possible combinations of impulse locations in a finite number of time windows are equally likely to occur. We believe that this random process models quite well all possible permutations of the locations of echo-producing objects.

But the key to our method, and the source of our method's power to discriminate between gunfire recorded by a microphone in Dealey Plaza and any other source of impulses on the DPD recording, was to test for the DPD microphone trajectory. We found that the locations of our microphones that picked up the reconstruction echo patterns that did match with four time-ordered impulse patterns on the DPD recording moved in the direction of the motorcade and at its rate of advance. Thereby, what we gave up in uniqueness of the reconstruction echo patterns we gained back by requiring a co-

herent microphone trajectory as an important, and obviously necessary requirement. The odds are vanishingly small that any process could generate four different impulse patterns in a time sequence that causes each one to match a different reconstruction echo pattern measured at each of four microphones separated by the three distances dictated by the speed of the motorcade.

The most meaningful and the most direct method of verifying whether we have proved that the impulse patterns on the DPD recording are caused by gunfire in Dealey Plaza is to examine independent evidence about the motorcycle trajectory and about the shot timing sequence that our analysis revealed. We did not hypothesize this trajectory, nor did we hypothesize the timing sequence. The HSCA did find that both the motorcycle trajectory and the shot sequence we found were consistent with independent photographic evidence.

Finally, the FBI asserts that the third of three methods that could determine whether the DPD sound patterns that we tested originated in Dealey Plaza requires proof that someone saw a stuck microphone on Channel 1 in Dealey Plaza. We know only of the testimony of Officer McLain that his microphone often stuck open, and that it might have been on Channel 1. Therefore we did not devise our analysis on the basis of this method.

On pages 14 and 15, the FBI report finds that the 50 msec time span analyzed by Weiss and Aschkenasy does not provide compelling evidence of a match. We agree. We based our assessment of the third-shot match achieved by Weiss and Aschkenasy on their finding that 10 coincidences occurred between the 14 DPD impulses and the 12 reconstruction echoes that occurred in a 320 msec time span. The FBI offers no explanation for this occurrence, which is most unlikely if the source of both impulse patterns was not a common one. The common source would have to be gunfire in Dealey Plaza because that is how the reconstruction echoes were obtained.

On page 15 the FBI report asserts that the record sound of a gunshot at Greensboro, N.C., was found to represent "The same impulsive pattern sound on the DPD recording during the Presidential assassination in November 1963". The report says that a probability of 95% or better can be assigned to the similarity between the Greensboro pattern and the alleged third shot pattern on the DPD recording. The data to back up this statement are not contained in the FBI report. We don't know how many impulses are present in the first 320 msec of the Greensboro impulse pattern. We do not know how many of these impulses are coincident with the 14 DPD impulses. Nor do we know what time-window was used for judging coincidence.

Because the data are not revealed by the FBI, we cannot critique their conclusion that the two impulse patterns represent each other to better than 95% probability. But even if the data were found to back up the 95% probability asserted by the FBI, no one could conclude from that fact that our technique was invalid. If the FBI tested each of their 39 echo patterns against the third impulse pattern on the DPD recording, they should expect to find about two such matches assuming that the Greensboro echo patterns are about 320 ms long. One cannot tell how long are the patterns in the FBI report, for they have omitted the time scale on the waveforms they do show.

On pages 17 and 18 the FBI offers some data (without time scale) from Greensboro to show that other impulsive sounds produce echo patterns, besides gunshot. Of course all sounds produce echoes from any impedance discontinuity—whether impulsive sounds or continuous sounds. Our analysis did not in any way assume that because there were echo patterns, therefore the favored sources of these sounds were gunshots.

Neither BBN, nor Weiss and Aschkenasy used the presence or absence of a shock wave to determine if an impulsive sound was a gunshot. It would be wrong to do this. The shock wave occurs only if the projectile is supersonic, and only then if the angle between the line connecting the observer to the weapon and the projectile trajectory is less than the complementary of the Mach angle.

On page 20 the FBI report lists five topics that they describe as problem areas and inconsistencies. Topic 1 refers to Table 4 of the W&A report, in which predicted gunshot echoes are arranged alongside those impulses in the Dictabelt recording that are closest to them in time. It certainly is true that several of the impulses that are listed in this table are less than one millisecond apart. The sentence cited by the FBI, in which W&A state that impulses that are so closely spaced are treated as one impulse is not inconsistent with these data since the statement refers to the method that was used to count the number of impulses that exceed the noise threshold. This is made explicit by the very next sentence, in which the number of such impulses is specified.

Topic 2 refers to the fact that BBN demonstrated that loud impulses such as gunshots are distorted upon transmission through the DPD radio system. We demonstrated this to show why we would base our analysis technique solely on the time-of-arrival of an impulse—and not on the shape or amplitude of the impulse. The time that each impulse is transmitted by the radio is not distorted by the fact that the impulse is loud; only its shape and its amplitude.

Topic 3 observes that no microscopic examination of the DPD dictabelt was conducted to see if the patterns analyzed are caused by surface imperfections. Of course the patterns we analyzed are caused by surface impressions—that is how the recorder works. We did not find periodic impulses, such as would be caused by surface scratches that span more than one groove. We did find more loud impulses on the DPD recording than we found in the reconstruction impulse patterns. These were due to a variety of causes, including keying transients and probably surface imperfections as well. To suggest that the entire impulse patterns were caused by surface imperfections simply is to describe the physical manifestation of any unknown source of noise. We have tested the sensitivity of our technique to noise with our calculations to show the likelihood that noise will resemble gunshot echo patterns in Dealey Plaza.

Topic 4 questions BBN's treatment of the matches between reconstruction echo patterns and DPD recording impulse patterns that do not lie on the about 11 mph locus. We agree that three or four loci could be about equally accepted, if there were no other evidence to help choose between them. However, the motorcycle noise is seen to diminish about four seconds before the spot where we have found that it was at the instant of the first shot. Since the motorcycle was then approaching a 120° left turn, it would have to slow down at that time. The locus we chose is the only one that allows for that. Finally, photographic evidence was found by the HSCA that showed a motorcycle on the locus that we had chosen. That independent verification is the best reason for rejecting as false alarms the matches found along other loci.

Topic 5 deserves more explanation than has been given by Weiss and Aschkenasy. The slight time stretch introduced by them is more rigorous than the FBI supposes. We were unable to determine the exact recorded time scale because there were few clues. But an exact time scale could not be determined anyway because there is always a flutter induced in the time scale by the recorder speed fluctuations. We did determine that the DPD recorded time scale was 5 percent slow, plus or minus about 1 percent. Scientific procedure requires that all possible time scales, within the range of possibility that we had determined, be searched to see if any time scale within this range produces a good match. Thus Weiss and Aschkenasy did search these values and they found a value of 4.3 percent that fits in the range extending from 4.0 percent to 6.0 percent that we had determined.

In summary, we do not find any insights, data, or arguments in the FBI report that we believe will support their conclusions that our tests of the DPD recording are invalid.

THE LATE JOSEPH T. POWER

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, it is my sad duty to inform my colleagues of the death of the well-represented president of the Operative Plasterers and Cement Masons International Association, Joseph T. Power. Mr. Power died of cancer this past Monday, April 27, at his home in Falls Church, Va., at the age of 61.

Joe Power, a Chicago native, joined the union there, and came to Washington in 1960 after being elected executive vice-president of the Operative Plasterers and Cement Masons. In 1963, Mr. Power was appointed general executive board member of the International Association, and went on to become the president of the association in 1970.

As president of the association, Joe Power had worked closely with both President Carter and President Ford. His contribution to the lives of working people was praised by President Reagan only last month. "Mr. Power has set an important example," President Reagan said. "His leadership and instruction have made it possible for the members of his union to find a good life for themselves and their families. He should be proud."

Joe Power was the recipient of numerous honors including an appointment by President Ford to the Board of Visitors of the U.S. Military Academy at West Point. He was also appointed by President Carter to the Na-

tional Institute of Building Sciences, as well as being a member of the executive council of the Building and Construction Trades Department of the AFL-CIO.

He also received numerous appointments from the State Department. He was a member of the U.S. delegation to the 57th session of the International Labor Organization (ILO), and was selected to represent the United States at the DOMEI, the Japanese Confederation of Labor. Mr. Power served as a member of a State Department mission to South America in 1973 and later was a public member of the State Department Foreign Service Selection Board.

In 1975, Joe Power was the recipient of the Green-Murray Award of the Fraternal Order of the Eagles. He was active as a member of the board of directors of Joint Action in Community Services and also served as a board member of the Cooperative Housing Foundation. In 1979, he participated in the AFL-CIO's Free Trade Union Institute.

Upon this sad occasion, my wife, Pat joins me in extending our heartfelt sympathies to his wife, Mary; his two sons, Jay and Joseph; four daughters, Sheila, Kathy Van Holden, Mary Boyd, and Joan McGuin; three brothers and four sisters, John, Edmond, and Gerald, and Kathryn McDermott, Therese Paynter, Margaret McGurn, and Joan Power, who all reside in Chicago.

The visitation will be at Colonial Funeral Parlor in Falls Church, Va., tonight, and services will be held at 10 a.m. Friday at St. Anthony's Catholic Church in Falls Church.

THE BUDGET RESOLUTION—THE ISSUE OF THE DECADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. BETHUNE) is recognized for 30 minutes.

Mr. BETHUNE. Mr. Speaker, it has been a most interesting day. One of the most important matters that will come before this Congress this year, the budget resolution for fiscal year 1982, was offered to the Congress today, and general debate has begun. I personally think it is one of the more important matters that the Congress will address in the next decade.

But not only that, I had many of my colleagues say that during this last week that they would like to have as much time as possible to discuss an issue as important as this, and for that reason, I took out this special order.

Now I notice that my colleague from Virginia (Mr. PARRIS) is on his feet, and I would yield to him.

Mr. PARRIS. Mr. Speaker, I appreciate the gentleman from Arkansas yielding. I want to publicly congratulate him for his efforts on behalf of the program to support and adopt and enact the President's economy recovery program.

Mr. Speaker, the Members of the Republican side of the 97th Congress almost to a man or woman, if not unanimously, have almost unanimously endorsed the adoption of the Reagan bipartisan budget proposal. It is our intention today, therefore, during this special order to discuss the 10 key points of that program, either in this special order or at some additional time we have reserved at a later period this afternoon. As the time becomes available, the following Members will address the various 10 key points of that program, which are as follows:

First, the economy is now in a terrible mess. That subject will be addressed by Mr. DUNN of Michigan.

Second, without the Reagan plan, things could easily get considerably worse. Mr. SMITH of New Jersey will deal with this.

Third, runaway government is the chief cause of some of our problems, and Mr. GUNDERSON of Wisconsin and Mr. BROWN of Colorado will have some words on that subject.

Fourth, the Reagan plan would attack the problem at the source, and Mr. COATS of Indiana will give us some information in that regard.

Fifth, the budget cuts will cut spending by two-thirds, as will be shown by Mr. SKEEN of New Mexico.

Sixth, the program will preserve the benefits for the poor, and Mr. WOLF of Virginia will speak on that subject.

Seventh, cuts in tax rates will invigorate the economy, as will be shown by Mr. CRAIG of Idaho.

Eighth, regulatory relief is already underway. Mr. DAUB of Nebraska will cover that subject.

Ninth, monetary restraint will come through the Federal Reserve System. Mr. HILER of Indiana will discuss that problem.

Tenth, the overall benefits of the Reagan package will be considered by Mr. ROGERS of Kentucky.

There will be other Members of the 97th Congress who will address these and other matters, as I indicated, later today and again tomorrow during debate.

Mr. Speaker, let me just make one observation before I yield the floor. We frequently hear the criticism of this program that there is proposed a reduction in social security benefits, a reduction in veterans' benefits; that the food stamp program will be eliminated, et cetera. None of that is true. There will be no reductions of those programs. The food stamp program will be reduced from $12 billion to approximately $10 billion, but it will have grown in the period of its existence from $34 million to over $10 billion. So, I think that the safety net of the truly poor in this Nation is truly in effect.

As I have indicated, the other gentlemen will deal with that and other subjects in greater detail in just a few moments.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. BETHUNE. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I appreciate the gentleman yielding, because I think it is important on that food stamp point to make a point about how this is being handled by our opposition on this program. I have heard an awful lot of talk about the fact that the food stamp program is being cut. I also hear them say that in the food stamp program they will admit that there is about 10-percent waste in it, and they say it is only 10-percent waste. Yet, they want to absolutely slash the food stamp program to pieces.

However, if we take the figures, and the gentleman from Virginia was precisely correct, a $12 billion program, if they are right with their figure that there is 10-percent waste in it, or 10-percent fraud, abuse, whatever it happens to be, that is $1.2 billion that can be cut out of the program based on their own statistics. We also think there can be administrative savings and a lot of other things. So that they sometimes try to make it sound as though it is only 10 percent over here and that these cuts are far too harsh. In fact, the cuts are responding precisely to the kind of figures they themselves are defining—meaning the opposition.

So, I think the gentleman makes a very, very good point. We are not really doing a lot of damage to the food stamp and other programs. We are responding to what we know is there in terms of waste, fraud, abuse; we are responding to what we know is there in the way of administrative waste and administrative inefficiency, and one really can speak to the truly needy and endorse the Reagan program at the same time.

Mr. PARRIS. I thank the gentleman for his observations. I would just make one other comment. When the food stamp program was initially incorporated into the laws of this Nation, 1 out of 492 Americans qualified under that program. Today, there are 1 out of 6 Americans receiving food stamps in this Nation. I do not think there is a person in this Chamber who can tell us in truth that 1 out of every 6 people in this Nation are economically unable to feed themselves every day in this Nation.

I have just one other point, Mr. Speaker. The Jones proposal is sometimes erroneously classified as a reasonable and conservative alternative to the budgetary problems of this

Nation. It is classified as such because it reduces in its initial year the major deficits of our total expenditure program. That deficit is reached, Mr. Speaker, in one of two ways; you can either reduce your deficit by reducing your expenditures, or you can reduce your deficit by collecting more and increased taxes, and thereby the revenues make a smaller deficit in the net result. I think it is critically important to this discussion that the people of this Nation understand that we would have a lesser deficit as promoted by the Jones proposal, by raising significantly the Federal taxes, taking the dollars out of the pockets of the people of this Nation.

To reach toward a balanced budget, Mr. Speaker, by increasing our taxes, would hardly be a way that any of us can call a reasonable and conservative alternative. I thank very much the gentleman from Arkansas for yielding, and I look forward to the balance of the debate this afternoon and again tomorrow by my colleagues.

Mr. BETHUNE. Mr. Speaker, I thank the gentleman from Virginia (Mr. PARRIS) for his contribution, and I would also like to recognize his effort and the effort of the freshman class in providing what I think is a commendable service here, and that is that very important spadework of laying out in a comprehensive fashion the 10 reasons why this country needs the President's economic recovery program.

I noticed that the gentleman has gotten his freshmen colleagues, who were so successful in their effort here, to hold down the committee funding resolutions earlier in the year and to mobilize once again and come to the floor and make sense, as it needs to be made here, in the halls of Congress.

Mr. Speaker, I notice now that the gentleman from Michigan (Mr. DUNN), who was a leader in this effort to hold down the committee funding resolutions, is here on the floor and wishes to speak to one of the points as to why we need the President's recovery program, and I yield to the gentleman.

Mr. DUNN. Mr. Speaker, I rise today to support the Latta-Gramm substitute, and I rise to talk about the economic mess in which this country finds itself.

Three months ago, in this Chamber, the President said to us, "I regret to say that we are in the worst economic mess since the Great Depression."

I believe that today the present state of our economy is not as bad as it was then. We do not have the devastation that accompanies the fall of the stock market; we do not have the long food lines in our cities; and we do not have our farmlands being turned into dust bowls.

No, we do not have these tragic circumstances of the depression. What we have in front of us, however is worse—the possibility that present conditions in the economy may never improve.

In talking about the economic mess in which the country finds itself, and the even poorer economy of the State of Michigan, we must address the crippling effects of inflation, a phenomenon our President defined as "too many dollars chasing too few goods."

The State of Michigan and its auto industry are competing for dollars, competing for borrowing, competing for spending with the Federal Government. In the last 4 years Federal spending under the Carter administration rose by 60 percent and taxes rose by 70 percent. Under the Jones budget we would indeed have more of the same.

Of all the complicated things that go on here in Washington, there is one simple thing, and that is the power of the Federal Reserve and how that power is exercised to deal with inflation.

The Federal Reserve has repeatedly approached this body and said, "If you will ease up on spending, then we will not be forced to tighten money supplies and raise interest rates."

Repeatedly this Congress has said, "No" to the Federal Reserve. The end result of that has been a Federal Reserve that has manipulated interest rates to prevent people from buying houses and to prevent people from buying cars.

I, as a Member from Michigan, feel that just as no State has suffered more under past Federal policies, no State stands to gain more by acceptance of the Reagan proposal. We have to begin now to get a grasp on Federal spending. In accepting that and the tax cut portion of the Reagan proposal, we will indeed have more money left for people to spend on automobiles, for people to spend on homes, and for people to take home as wages from new jobs.

Mr. Speaker, that is what the Reagan proposal is really all about—a chance to break away from the spending policies which put us where we are, and move us toward a new economic prosperity.

Mr. BETHUNE. Mr. Speaker, I thank the gentleman from Michigan (Mr. DUNN) for his contribution.

Mr. HARTNETT. Mr. Speaker, will the gentleman yield?

Mr. BETHUNE. I am happy to yield to my friend, the gentleman from South Carolina.

Mr. HARTNETT. Mr. Speaker, I thank the gentleman from Arkansas for yielding.

Mr. Speaker, we have just come back from a 2-week recess or a district work period, whichever we prefer to call it.

My colleagues and Members of the 97th Congress and I had the opportunity to address many of our constituents in and around our home districts. Some of our colleagues in the 97th Congress, Mr. Speaker, toured the country and visited other congressional districts in behalf of the Reagan economic recovery program, and I received the same response, Mr. Speaker, I guess, that my colleagues received as they toured this great Nation of ours.

Our leader, President Reagan, made reference the other night to a quote from a former President, Theodore Roosevelt, in regard to the "wrath of the American people." He said, "They are a patient lot"—and they are.

But I find that their patience, as is mine, is growing very weary and very thin. I have had the privilege of being a Member of this 97th Congress now for some 4 months. It will shortly be 4 months as we approach the 4th or 5th of May.

During that time, Mr. Speaker, I, as a Member of this Congress, this great historic Congress, as it has been referred to by our President and others, have had an opportunity to cast maybe one significant vote. The people of this country do not understand that, Mr. Speaker, nor do I as a freshman of this 97th Congress. I, along with my fellow Americans, am attuned to the President in his regard for and his thoughts on cutting the budget and cutting taxes, and we are tired of waiting for this Congress and the leadership of this Congress to act and to move.

Our patience, Mr. Speaker, is wearing thin. Our patience is going to wear thin, and our wrath is going to show. We—and I say, "we" because I am first of all a citizen of this great Nation and second a Congressman—we, the American people, say that our patience is thin.

We support the President. The largest number of Americans probably ever has endorsed President Reagan's plan—more so than have ever before endorsed the economic plan of any previous adminstration in the history of this great Nation.

The people want to know why this Congress has not acted, and as a freshman Member, I cannot tell them, Mr. Speaker. I cannot say, "They haven't acted because the Speaker wants to go down to the Kentucky Derby this weekend so we won't be in Friday."

I cannot say, "You know, we won't be in session Monday because they have to fly back to the National Airport and, you know, they close down the National Airport at 7 o'clock and some people have to come from as far away as Kentucky and California, and it will take awhile."

Why have we not acted, Mr. Speaker, on more than one important issue—that is when we raised the debt ceiling? In these 4 months we have spent our taxpayers' money for nothing. Quite frankly, Mr. Speaker, I, along with many of my colleagues, could

have stayed in my home district and saved the Federal Government lots of travel money and lots of expenses and just flown in for that one significant vote when we voted to raise the debt ceiling limitation.

In our effort here, Mr. Speaker, I will say to the gentleman from Arkansas (Mr. BETHUNE) that the people of my district and, I am confident, the people of his district think what we are trying to do is the greatest thing that has been done for them for a long time.

I will point out to my colleague, the gentleman from Arkansas, that it was said by one of our other great leaders of this Congress that the party that has dominated this Congress thinks this Nation is great because of all the things that Government can do and does do for people, and so they have been dedicated to giving us more and more Government to do more and more things for the American people.

Mr. Speaker, the people who reside in the First District of South Carolina think this country is great for all the things they can do for their Government and for all the things this Government permits them to do for themselves, and they want to see this Congress, this historic 97th Congress, move and act—and act now—as our President told us just the other night.

I find that everyone I have spoken to, Mr. Speaker, I say to my colleague, the gentleman from Arkansas, bar none, agrees with this. Oh, there may be a little indifference in that, just a little, because one may want an OEA vote and one may want a little bit more for school subsidy programs and school lunches, but by and large they are grateful to President Reagan for having offered an alternative to the bigger and greater Government concept that has dominated this Congress for 26 years. I find that they are attuned with me, I with them, and we with our President, and we are urging you, Mr. Speaker, to call upon your colleagues and my colleagues, who are conspicuously absent this afternoon, to get this Congress moving, and let us take these votes that will inspire all our taxpayers and that are important to the future of America.

Mr. Speaker, I thank the gentleman for yielding.

Mr. BETHUNE. Mr. Speaker, I thank the gentleman from South Carolina (Mr. HARTNETT) for his contribution.

Clearly, it has, as our President mentioned the other night, been 6 months since the election, and the gentleman is exactly correct. This is the place and this is the time. The time is now to do something, and that is what this debate is all about.

Mr. DAUB. Mr. Speaker, will the gentleman yield?

Mr. BETHUNE. I am happy to yield to the gentleman from Nebraska.

Mr. DAUB. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, today I would like to generally address the economic recovery package and specifically, regulatory relief.

For years, inflation has been the neutron bomb of our economy—it destroys the dollars in our bank account but leaves the figures intact. One of the causes of this runaway inflation is Government spending. As Calvin Coolidge once sagely noted:

> Only Government can print money—and because this public money does not appear to belong to anyone other than Government—there is a great temptation for Government to bestow it on somebody.

This has got to stop.

The Chinese philosopher Confucious once wrote: "Govern a nation, as you would cook a small fish, don't overdo it." Our Government has overextended its role and overstepped its bounds. The people recognize this, the administration recognizes this, and we, the Congress, must recognize it and act on the will of the people. I urge my colleagues to support the President's program and to act quickly.

Today, I wish to address another integral part of the President's program, that of regulatory reform. In this area, I feel we suffer from good intentions that have gone astray. I think we all agree, there has been and still is, a need for protective regulation—to curb abuses, protect our wage earners' safety, to protect our environment, and encourage fair dealing in our economy.

But the zest for regulation has been carried to an extreme. Government is simply into everything from giant concerns to a 10-year-old boy who sells worms for fish bait. At the rate we are going, we will end up with air bags on bicycles.

Regulations add to inflation, and this additional cost is passed on to the individual consumers. Although difficult to estimate, some studies show that these costs exceed $100 billion annually.

Regulatory excess—the alphabet soup of America—came from Congress. It is now Congress reponsibility to cut back on and clarify this regulatory process. The present regulatory structure is hamstringing the productivity of our economy.

The paperwork and compliance process is literally driving people out of business. In some instances, compliance with regulations of one agency puts our business people in violation of regulations from another agency. Several years ago, Sohio had to give up a pipeline—badly needed to handle Alaskan crude—because it just could not get the 700 permits needed to comply with regulatory agencies, Federal, State, and local. People, in businesses large and small, are spending more and more of their workday pushing papers and filling out Federal forms in triplicate rather than providing productive input and energy to their company. This process hurts everyone, from the wage earner to the chief executive, from the consumer to the supplier. How different life might be if people viewed their Government as a positive force, rather than an enemy that harasses them with thousands of rules unrelated to productivity.

I am confident that this administration and the regulatory relief task force headed by Vice President GEORGE BUSH will produce results at no cost to the safety of our workers or the sanctity of our environment. Now is the time to lift this regulatory burden from the backs of the American people. This effort by President Reagan and the administration should be applauded. Each and every Member of this House should accept the challenge of regulatory reform with anticipation and relief. Is it not about time? By acting strongly and quickly, this Congress can provide more than promise, it can provide fulfillment.

Once again, I urge you, my colleagues to support the President in his efforts. The people are concerned about the Government's ability to devise an effective agenda for the perilous years ahead of us. Regulatory reform is a part of this agenda. If we act positively, we will send a signal to the American people that we have heard their message and that we will act responsibly in reflecting their will.

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Mr. BETHUNE. I thank the gentleman for those excellent comments on one of the integral parts of the President's program, one that needs to be talked about an awful lot. It sometimes gets overlooked in all the discussion about taxing and spending and monetary policy; but certainly the work of the gentleman and the work of the Vice President in this area is very important.

I now yield to the gentleman from Idaho (Mr. CRAIG), who as a Member of the freshman class is also a part of the effort to bring to the people and to this Congress some of the essential data that is necessary in the course of this very important budget debate. I yield to the gentleman.

Mr. CRAIG. I thank my colleague from Arkansas very much. I appreciate some of your time.

My colleague, the gentleman from Michigan, my freshman colleague, just spoke of a quote from the President when on February 5, President Reagan said on national television, "I regret to say that we are in the worst economic mess since the Great Depression."

Why would our President make such a statement to the American people?

Because, Mr. Speaker, it is true. Years of misguided economic policy have created in the United States the phenomenon of rising rates of inflation, high interest rates, unemployment, and economic stagnation.

Let us talk about inflation: 20 years ago, America enjoyed the premier economy of the world. Now, the signs of decay are clearly everywhere.

In 1979 and 1980, Americans suffered back-to-back double-digit inflation for the first time since World War I.

The value of the 1960 dollar has now shrunk to 36 cents and a pound of hamburger that cost 48 cents in 1960 now costs $1.58, while our livestock industry is nearly broke.

Let us talk about high interest rates: The great American dream of owning your own home is now beyond the reach of many Americans,

Mortgage interest rates averaged nearly 13 percent in 1980. This is the highest level in the history of the United States and doubles the levels of the early 1960's. At 13-percent mortgage rates, some 90 percent of those who rent cannot afford to buy their dream—a home.

Let us talk about unemployment: Mr. Speaker, there were more Americans out of work last year, 7.4 million, than in any year save one, since World War II. Unemployment for blacks by the end of 1980 was at the highest level since WWII. If all the jobless people of America stood in a line 3 feet apart, the line would strech from Maine to California. That is a national disgrace.

Let us talk about economic stagnation: In 1960, America produced nearly half of all the cars in the world. Today it produces barely more than a fifth.

After WWII, the United States produced roughly half of the world's steel. Today it produces roughly a sixth.

During much of the postwar period, U.S. productivity rose about 3 percent a year; for the last 2 years. It has actually declined.

The U.S. savings rate is now at the lowest level we have experienced over any 3-year period in the last 30 years.

Mr. Speaker, the United States now stands at the bottom among all the major industrial democracies in its levels of savings and investment. Our savings rate is not even half that of our major trading partners.

What does that mean? It means there is no money left to rebuild and modernize our industrial base which is now years older than that of our major trading partners. Old production units mean low rates of productivity.

Now let us talk about the impact on our people: Average weekly earnings after inflation and taxes have dropped by over 14 percent since 1972. As stagflation continues no one is hurt worse than the poor and minorities.

From 1959 to 1969 the number of families living in poverty dropped nearly 50 percent. From 1969 to 1979, when the economy was growing more slowly, the number of poor families dropped only 6 percent.

As our people stand still or lose ground, they lose faith in America and its Government.

Pollster Louis Harris has been asking over the years what Americans think about their Government. The Harris index of alienation has climbed from 29 percent in 1966 to 44 percent in 1972. Today that polls shows 58 percent of the American people feel their Government does not really care what happens to them.

Mr. Speaker, our President concluded that February 5 television broadcast with this statement: "It is time to recognize that we have come to a turning point. We are threatened with an economic calamity of tremendous proportions and the old business as usual treatment cannot save us."

If American productivity had not begun to slacken off after 1965, due in large part to excessive Government taxation, regulation, and deficit spending, the U.S. gross national product would be $850 billion bigger, enough to balance the budget, cut personal and social security taxes in half, and still provide every American with an extra $2,500 in spending money.

Mr. Speaker, let us quit talking and act. The time is now. The Reagan economic recovery package offers to all Americans that turning point with which we can begin the long and important road to economic recovery. Nothing should stand in our way.

Mr. BETHUNE. I certainly thank the gentleman for that cogent statement.

STATEMENT OF REPRESENTATIVE BARBER CONABLE OF NEW YORK REGARDING GOVERNMENT RETIREMENT SYSTEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 60 minutes.

Mr. CONABLE. Mr. Speaker, I am very grateful for a chance to talk to a number of the new Members about the Federal retirement system, because I do believe we have a problem developing there that needs attention. I will not be claiming my entire hour. I think it will take me roughly 10 minutes to tell you the things that need to be said at this point in what I hope will be only the opening salvo of a dialog about our retirement system and the necessity of getting it under control.

Mr. Speaker, as part of his economic recovery program the President has proposed sweeping reductions in hundreds of programs in the Federal budget, a number of them relating to the compensation of Federal employees and retirees. The seriousness of the problems affecting all of our compensation and retirement programs—social security, civil service, military, private—has been clear to us for several years. Previous administrations have recommended changes to deal partially with them, but Congress has generally declined to act effectively.

All of these problems must be faced and dealt with. In my comments today I would like to address those involving the Government's employees. There the problems continue to worsen and now threaten to shatter the basic personnel system of the Federal Government. Congress needs to summon its courage and correct these destructive conditions.

One of the most serious problems results from the eroding relationship between employee compensation and retirement benefits. It has been the practice in recent years to keep a lid on compensation for top management positions in Government while payments to retirees are increased twice a year in step with the rise of the cost of living. The result has been to give strong encouragement to senior employees to retire from Government rather than continue to work, because the monetary rewards are more attractive. A top level Government employee who retired 10 years ago is today receiving far greater compensation from the Government that his colleague who remained on the job for that period and only recently retired.

Any organization which gives its greatest incentives and rewards to those who leave it rather than to those who remain cannot be serious about the quality or morale of its employees or the effectiveness of their performance.

You have all heard the reports of disproportionate rewards for retirement: the former Speaker of the House who receives more in retirement than current Members of Congress receive in pay today; the employee who retired 10 years ago earning $25,000, now receiving $35,000 in retirement pay; the estimates by the Office of Personnel Management that there are more than 100,000 Federal Government retirees receiving more now than they did on their jobs. Government pensions in the past decade have increased at more than double the rate of salary increases: the top salary level rose only 39 percent, while retirement benefits increased 130 percent.

How has this occurred? How have we created such an illogical system? Is this what we want to continue?

The explanation is quite simple: we have constructed a Federal pension

system over the years which goes far beyond reasonable limits and threatens to overwhelm the American taxpayers.

A major contributing element is the automatic cost-of-living increases granted Federal retirees twice a year, based on the rise in the Consumer Price Index. With the higher inflation rates of recent years this provision has given Federal retirees increases in compensation matched by no other retired group in the country, and by few of those employed, for that matter.

The twice-a-year COLA is not the only unique retirement advantage offered the Government employees. With retirement permitted at age 55, the average retirement age is much lower than in private pension plans. The rate of disability retirements is far higher as a result of too liberal standards. Forty percent of Government retirees in a recent year retired on disability. Military service may be counted toward civil service retirement, as well as toward a military pension.

What demands is this putting on the Federal budget and on the American taxpayers? The Federal Government is now paying 30 percent of payroll to keep up with pension liabilities; that is more than twice the level of private employers. The President's Commission on Pension Policy has noted that if the Government program were funded according to the ERISA standards we impose upon private plans, the cost would be 79 percent of payroll.

If there is no change, costs will go far higher. In the past fiscal year $15 billion was paid into the retirement funds by the Federal Govenment with less than a quarter of that amount, $3.7 billion, contributed by employees. The Joint Economic Committee has projected this cost may soar to $80 billion annually in less than 10 years.

We hear a lot about the financial problems of the social security system, but the civil service retirement fund is worse off, despite the massive contribution being made by the Government. The recent report of the Board of Actuaries of the Civil Service Retirement System places the actuarial underfunding at $147 billion; but that is a so-called static projection. If the dynamic projection recommended by the Board is employed, the underfunding of liabilities stands at $404 billion. In its report the President's Commission revealed that underfunding of our military system is even larger—$444 billion.

I have recently testified before a Ways and Means Subcommittee about the need to bring civil service employees within the social security system as a matter of basic equity. It is a travesty for Congress to mandate that all American workers must participate in the social security program, except for the Federal Government's own employees. Not surprisingly, this leads to the accusing inquiry from our constituents: "If social security is so great, why aren't you and other Federal employees in it?"

Leaders of employee groups are fiercely opposing this recommendation. Yet 45 percent of civil service retirees are now drawing social security benefits earned through moonlighting while working for the Federal Government, or in postretirement employment, and 70 percent will eventually do so as they reach social security retirement age.

Because many of these employees earn only minimum entitlement in their work, they receive the minimum social security benefit designed to give additional aid to low-income workers. At the same time, they gain another windfall by qualifying for medicare benefits as a result of this minimal social security entitlement.

It is natural that Congress should enjoy dispensing such largess to our fellow citizens. But it is other fellow citizens who are bearing the costs. It is time we consider them. As the President said earlier, "We can no longer afford things simply because we think of them."

The President has proposed a number of changes to eliminate unintended advantages without disturbing basic retirement and disability benefits. The changes include adjustment of retirement benefits once a year just as other programs are adjusted; correction of the adjustment mechanisms to reflect true changes in costs for retirees; tightening the criteria for disability benefits. Other reasonable revisions have been recommended for social security, railroad retirement, and black lung programs.

Our inattention to the obvious worsening of these problems in recent years has contributed to the further decline in the credibility of Government and in the belief of the people that we can govern effectively. If we cannot place our own institution in order, how can we presume to prescribe solutions for others?

Our purpose should not be to penalize anyone unfairly; our goal should be evenhanded and responsible treatment of all, the employees and the American taxpayers. Not surprisingly, there are many thoughtful Government employees and retirees who agree, as citizens, that present provisions of Government compensation and retirement systems can be neither justified nor sustained.

It is alleged by some that change of any sort will be the violation of a sacred contract with our Federal employees—that we have lured them into undesirable employment with a generous retirement system, and that men of honor are helpless retroactively to change in any degree a fringe benefit which was part of the compensation for past services rendered. We must take such allegations into consideration, but we must also recognize that paralysis in the face of the runaway statistics I have cited above is a grave breach of the faith the American people must place in representative government if it is to survive.

I ask that Congress turn its attention to the untenable conditions it has fostered in all the Government compensation and retirement programs, and attempt to restore them to a reasonable, equitable and financially sustainable basis. It could give a strong boost to citizen confidence and willingness to join in placing Government on a new course.

□ 1730

BUDGET ASSUMPTIONS

The SPEAKER pro tempore (Mr. MURTHA). Under a previous order of the House, the gentleman from Pennsylvania (Mr. WALKER) is recognized for 60 minutes.

Mr. WALKER. Mr. Speaker, I take this time this evening to continue a discussion begun earlier in the evening on the subject of the Reagan budget and on the general tenor of the debate that has taken place thus far both in the country and on this floor with regard to that budget.

I think one of the words we have heard over and over again today as we sat on the floor listening to the debate is the word "assumption," and I thought it may be important that we understand what that word assumption has come to mean in the course of this debate. The assumption idea it seems to me that we are working with is, where are you coming from? Because everybody has their own set of economic statistics to back up where they want to go. I think the important thing to recognize as we begin to consider the Reagan budget versus the O'Neill-Jones budget, versus the Black Caucus budget, or whoever's budget we happen to be talking about, is where it is coming from?

The most important aspect of the Gramm-Latta budget that we are considering on the floor, and that most of us on the Republican side of the aisle are supporting, and that a large number of Members on the Democratic side of the aisle are supporting, is that we are coming from the perspective of where the President of the United States wants to take this country. I think that is important because the President has outlined four things that he thinks we ought to accomplish on the part of a total economic program.

He said we ought to have spending cuts. He said we ought to have tax cuts. He said that we should deregulate; and he said as a fourth item

that we ought to move toward block grants.

To do those four things, you have to have budget assumptions which allow you to move in that direction. That is specifically what is included in the Gramm-Latta substitute. It is specifically what is not included in the other items we have before us.

So the idea of assumptions is an important idea, because when you begin assuming, you also decide where you are coming from and where you are going. That is what gets lost in a lot of the talk that we have had on the floor today.

What cannot be lost, though, is that the American people have decided that President Reagan has offered economic reform to this country and that the assumptions that we adopt should be in line with the direction that President Reagan has said we should go and the American people agree with. If we start with that assumption, then there can be no other choice than to approve the Gramm-Latta substitute and begin moving us in the direction of economic growth.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I will be very glad to yield to the gentleman from Kentucky.

Mr. ROGERS. I thank the gentleman for yielding.

Mr. Speaker, there has been much debate in this Chamber, in the pages of the Nation's newspapers, and on the evening news about just what the Reagan economic recovery program will or will not do for America.

I would like to take just a few moments to set the record straight about the overall benefits of the Reagan package. In general terms, the overall benefits are very clear.

The Reagan plan will cut inflation in half. From the projected 11.1 percent in 1981, down steadily to 5.5 percent by 1984.

The economic recovery program will create 3 million new jobs in addition to the 10 million new jobs that the economy would naturally generate. That is a total of 13 million of our people back to work.

The President's agenda will increase family take-home pay. For a family of four earning $25,000 the Reagan plan will mean an additional $2,500 in annual income after taxes and inflation by 1984.

The aggregate tax burden will be reduced. Instead of rising to 23 percent of GNP by 1984 as it would under present tax law, the White House-backed plan would make Federal taxes fall to 19 percent of GNP.

With the tax reductions for business and individuals will come increased savings and from that savings increased investment in housing, new factories and expanded businesses.

The Reagan economic proposals will restore America's competitive position in the world. Take the American auto industry for example: The Reagan package of tax cuts, spending cuts, and regulatory relief should mean a consumer savings of $150 a car—and the return of thousands of autoworkers to their jobs.

Something has gone wrong with our economy. The old policies just have not worked and, as the President noted the other night, it is time we tried something new.

As an example of the mess our economy is in, just take a look at the housing market. The median cost of a new home in America is $64,000 and mortgages are running about 15 percent—if you can get one.

Using the standard rule of thumb that $1 in $4 is allotted for housing costs, the annual income necessary to buy this median-priced house is nearly $38,000. I do not know about the rest of you, but the median income of the people in my district is not even a third of that.

Not only will our people be economically prohibited from buying a home, but those that are able to scrape up the money will be making monthly mortgage payments on that median priced house of over $1,200. That is more than the take-home income of most of my folks.

Most consider the cornerstone of the Reagan economic recovery program to be spending reductions. But cutting taxes is also a very important part of the total administration proposal.

Without the Reagan plan, Federal tax receipts are expected to increase some $308 billion over the next 3 fiscal years.

With the Reagan plan, Federal tax receipts will increase by only $171.9 billion—that is 44 percent less of an increase.

By reducing the expected tax burden, we will stimulate new savings and investment which are essential.

Mr. Speaker, these are the benefits of the Reagan economic recovery program for the Nation as a whole.

I would like to take a few moments to describe the benefits of the Reagan program to the people in my own district—one of the poorest congressional districts in the Nation.

After examining the various tax reduction plans in Congress, I decided to back the President's across-the-board tax reduction package because of what it will do for the average retired or working person in southeastern Kentucky.

Under current law, the average taxpaying household in Kentucky's fifth district would pay $2,206 over the next 3 years in Federal income taxes.

Under the Reagan tax cut, which would provide a 30-percent reduction in tax rates for all taxpayers over the next 3 years, the average household in my district would pay only $1,793—a savings of $413.

All totaled, this means that over $71 million will be pumped into the economy of my district over the next 3 years to be spent on groceries, heating oil, housing, or to be saved for a rainy day.

That is $71 million in the pockets of my people, and this benefit of the Reagan program is in addition to the overall improvement of the economy—that is, reduced interest rates, a lower rate of inflation, and more jobs so Americans can go back to work.

President Reagan's economic recovery program means more cash-in-hand for all Americans. Uncle Sam has been taking too much from our paychecks through taxes and too much from our take-home wages through inflation.

We deserve to have more of our hard earned money to spend on our own needs instead of the spendthrift programs dreamt up by Washington bureaucrats.

The numbers tell me that the Reagan economic recovery program makes good sense. We need it, I support it, and I urge each of my distinguished colleagues on both sides of the aisle to support the bipartisan budget substitute when it comes up for a vote.

Mr. WALKER. I want to thank the gentleman for his contribution, because I think he takes my language about assumptions and where are we going and puts it into very practical terms in terms of his own district, in terms of the Nation as a whole. I thank him very much for the contribution he has made.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentleman from Virginia.

Mr. WOLF. I thank the gentleman for yielding.

Mr. Speaker, one key question with regard to the budget cuts is, "Will the poor and needy suffer?" The answer is, "No; they will be among the prime beneficiaries." As the crucial House budget debate opens, I would like to set the record straight with regard to the arguments that the budget cuts are heartless toward the poor. Those of us behind the President's economic package are ready to argue that the Reagan program preserves a social safety net, and benefits for the truly needy are maintained. The combination of a safety net and economic reinvigoration will be far better for the poor than the economic redistribution programs which have been proposed in the past.

Mr. Speaker, this is no time to play games with poverty. This is no time for scare headlines saying that 20 million to 25 million poor people would lose income as a result of the budget cuts. This is simply not true. Let me give you some examples of the safety net in the Reagan budget which pro-

vides basic support for the unfortunate. Example: Social insurance benefits for the elderly, including social security and medicare, will be preserved, 23.5 million retired social security recipients will continue to receive a benefit increase each year to match the rise in prices. Benefits under these programs will exceed $209 billion in fiscal year 1982.

Example: Basic unemployment benefits will continue to protect laid off workers at present levels. This part of the safety net would be funded at over $20 billion in fiscal year 1981.

Example: Benefits for the 4 million needy, aged, blind, and disabled under the supplemental security income program are indexed to the rise in prices, so these individuals would not be faced with the loss of purchasing power.

Let us not lose sight of the fact that the poor and needy have been among the hardest hit by economic policies of earlier years.

Example: From 1970–80, average welfare beneficiaries fell behind. Under the AFDC program, benefits increased from $190 to $271 a month for the average family—but inflation meant those families had one-third less buying power in 1980 than in 1970.

Example: In the prosperity of the 1960's, poverty was cut in half. In the stagflation of the 1970's, the number living in poverty was cut only 6 percent.

I would like to reiterate my strong support for President Reagan's economic program—a program which offers vision for the future and hope at long last for fulfillment of our economic goals. I urge my colleagues to join in a bipartisan effort to get our country moving in the right economic direction while protecting citizens who truly need help.

□ 1745

I might also say that one of the concerns that I have, especially in the area where I live, in northern Virginia, is that young people in our area can no longer afford to buy a home. Parents are concerned about whether or not they are going to be able to educate their children and, of course, all people living on fixed incomes are desperately, desperately hit by the current inflation. I know I have some real concerns about different programs that are going to come up, but I think that we all have to get behind the President and support him, because this program impacts not any one group, but across the board. If there is one thing that we could do to make this country continue to be the type of country that it is, it is to lick inflation; and then we can go on and solve the other problems that we have.

I thank the gentleman very much.

Mr. WALKER. I appreciate the gentleman helping to dispel one of the myths about the Reagan program, and that is that it somehow hurts the poor and the needy of this country.

As the gentleman well knows, at the present time, as we meet here, the Federal Government is spending about $200 billion a year to help the poor of this country. If you divide that by the number of poor people, according to Government statistics, which is 25 million, you will find out that we are spending $8,000 for every poor person. That means that a family of four, on which we base most of our statistics, should be getting $32,000 in benefits from the Federal Government. Of course, they are getting nowhere close to that. They are getting about $10,000 in income and services from Government.

What is happening to the other $22,000? What is happening to that $22,000 is that it is being eaten up by some of these programs that really are not getting the money to poor people. And what the Reagan program is saying is that it is high time that we begin to work at that $22,000 and assure that those people really get the services they need from Government, but that we do not waste the money as well.

And I think the gentleman, in pointing out that the Reagan program does speak to the needs of the poor in this country, makes a valuable contribution to this effort, and I thank him for that.

Mr. WOLF. I might say that my father is a retired Philadelphia policeman, living back in Philadelphia. He has a very small retirement from the police department, a very small income from social security, and has had to go back to work just to manage to make it. And his one message is that if you can do one thing, one program in Washington, and make it work well, that is to solve inflation. I think that is the best way to help those who do not have as much as they would like to have.

Mr. WALKER. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from Indiana (Mr. COATS).

Mr. COATS. I thank the gentleman for yielding, and I appreciate the comments of my colleague, the gentleman from Virginia.

We have just heard some very able discussions about the economic crises facing our Nation, namely, the twin problems of high inflation and stagnant growth, and some of the benefits that will flow from the Reagan program for economic recovery.

I think that it is clear that if we continue on our existing course, that is to say, if we have continued increases in Government spending, higher and higher taxes and additional Government regulations, the results will be easily predictable. We will suffer more inflation, further stagnation and even greater uemployment.

Within 30 days of taking office, President Reagan proposed a carefully integrated four-part program for economic recovery. This is a package made up of spending cuts, tax rate cuts, regulatory relief and a stable monetary policy, and a program firmly based on the campaign commitments of the President, as well as the commitments of many of my colleagues. The President's plan is the only acceptable option because it is the only plan which attacks our problems at their very source.

The central goal of the President's program is to reduce the rate of increase of Government spending. Such restraint is necessary, absolutely necessary, if we are to bring down interest rates and spur economic productivity. The President has proposed spending cuts in nearly 300 individual programs, in virtually every department and agency to the Federal Government. These spending cuts will restore integrity to our entitlement and income security programs. They will also reduce subsidies and benefits for middle- and upper-income class levels. These spending cuts will not, however, jeopardize the social safety net of income security measures which protect the elderly, the unemployed, the poor and our veterans. Nor will these spending cuts prevent us from the necessary rebuilding of our Nation's defense capabilities. Finally, these spending cuts will mean a reversal of the trend toward greater Federal roles in planning and controlling economic and social decisions.

A second important part of the President's program is a set of tax proposals to improve the after-tax, after-inflation rewards for work, saving and investment.

Inflation inevitably increases the burden of taxes on individuals by pushing them into higher and higher marginal rates. In businesses, inflation makes the purchase of new equipment progressively more difficult by reducing the amount of cash flow available for capital investment. The President's tax package attacks both of these problems.

For business and industry, a 5-year phase-in of the accelerated cost recovery system is proposed, with the effective date being January 1, 1981, so that no planned investment is deferred in anticipation of the new system. These tax changes, along with changes in reductions in marginal tax rates for individuals, will make important contributions to raising economic activity above the levels which would be attained under present laws.

The third part of the package which my colleagues will talk about is a plan to provide regulatory relief. The rapid growth of Federal regulation has retarded economic growth and contributed to inflationary pressures.

Finally, the President has proposed in the fourth part of his program a responsible monetary policy. My distinguished colleague, the gentleman from Indiana, will address that subject next.

Perhaps most important of all, the President's program, with all four parts working together, will dramatically and sharply reduce inflationary expectations among the American people. When we have broken these expectations of inflation, we will be on the road to achieving fiscal integrity in this country, increasing savings and investment. People will begin to put their money into savings accounts, knowing that their return will be worth what they put in, and a stable monetary policy. All of this will enhance the role of the marketplace as the principal force in the allocation of resources.

Mr. Speaker, in the next several days we will have the opportunity to consider several budget proposals on the floor of this House. But as I mentioned in the beginning, none of these other proposals are adequate because none of these other proposals attack the root of the problem. Instead, each of these other proposals seeks to compromise between labor and capital, between rich and poor, between conservative and liberal. Only the President's plan deals with the problems of improving the lot for all Americans, regardless of class, regardless of race. Only the President's program will get this country moving again by providing the opportunities and the expansion within our economy. After all, it is those economic opportunities which provide the benefits which we all so greatly enjoy.

Mr. WALKER. Mr. Speaker, I want to thank the gentleman for his articulate presentation of the comprehensive nature of the President's program. It is really what distinguishes it from what the Democrats are doing here. The Democrats, as usual, are coming in to try to slap a band-aid on an economic disease, and they think that by slapping on a band-aid they will get us by this political year. The people are demanding that they do something, so they have come up with a band-aid approach. As the gentleman points out, the President has come up with a vaccine for the entire disease, and it is a comprehensive plan. I think it is something that the American people have to take into account.

I thank the gentleman for his comments.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Mississippi.

Mr. LOTT. Mr. Speaker, first, I would like to commend the gentleman from Pennsylvania for having this special order to give us additional time to talk about the various issues that are involved in these very complex budgets and the substitutes that are pending before the House.

I think it is important that we go into detail on what is involved in the Gramm-Latta substitute.

I also believe this is the most important vote, probably, we will have in this decade as far as the economy of our country and the future of our Government throughout the rest of this century. So there are just a couple of points that I would like to make. One I would like to ask the gentleman's reaction to—and then maybe we could talk about it just a bit here so that the American people can understand what is going on. There has been quite an interesting discussion the last couple of days about apples and oranges. I understand the majority leader said, well, their numbers are different. "We have different assumptions and projections." And the chairman of the Budget Committee talked about how "my assumptions are different, but even if my assumptions are the same as the President's, you know, why, there is still a difference."

Well, he is right, there is still a difference.

I wondered, first, before I came in, what reaction the gentleman from Pennsylvania has about this discussion about the numbers and the projections that are being bandied about, which I do not think the American people really want to get into.

Mr. WALKER. Well, as I said when I led off this discussion, the problem with most assumptions is that it depends upon where you want to go and where you are coming from.

Mr. LOTT. Right.

Mr. WALKER. And their budget very definitely reflects the fact that they are big spenders, they are big taxers, and they want a budget that allows them, if not to do those things quite as much as they have done them before this year, that it gives them the option of doing those things again in the future.

Our budget is aimed at making certain that the big spending habits of the Federal Government for years ahead are curtailed, that taxes are reduced, not just this year, but for a number of years in the future, and that we in fact bring about a total reform of Government.

So their assumptions to some extent belie their intentions, and I think it is important that we not deal with all of the economic details of those assumptions but, rather, just let the American people know where they are coming from and where they intend to go.

Mr. LOTT. No matter which assumptions you use, it is still clear that there is more Federal spending under the Jones committee bill, there is less for defense, and there is a greater tax increase under the Jones proposal.

Mr. WALKER. The gentleman is absolutely correct.

Mr. LOTT. Now, one thing I do want to get across here, too—I think it is very interesting, to me—there are a lot of Members now talking about balanced budgets, wanting to cut Federal spending, but when you get up to the individual issues, they cannot face it.

I heard one comment the other day from the gentleman from Missouri (Mr. TAYLOR). He said, "Everybody wants to go to heaven, but nobody want to die to get there." Everybody is talking about a balanced budget, but nobody wants to face the cuts that we have got to make to get there.

And I think the American people have expressed themselves clearly time and time again that they want this action. We have got the opportunity with the Gramm-Latta substitute. All we are really asking is that the President's program be given a chance. The American people clearly want to at least have a chance to have his various aspects debated and considered by this Congress. If we do not pass this substitute, his program will not even have a chance.

Mr. WALKER. If the gentleman will yield back just for a moment, I think he might agree with me that we have an awfully strange lot of budget balancers on the floor these days, too. The gentleman has been here a little longer than I have been, but some of the people that we hear getting up and articulating balanced budget solutions at the present time are people whom we have watched over the years time and time again vote for the big spending and vote for the big deficit.

Mr. LOTT. That is right.

Mr. WALKER. When we offered balanced budgets in years past, they voted against them on every occasion. All of a sudden they have become born-again budget balancers. It is a rather strange group, to say the least.

Mr. COATS. If the gentleman will yield to me, I think it is an excellent point that the gentleman just made. I think we should recall that it was last May 15, when the Speaker of the House and the President pro tempore of the Senate called a joint press conference to announce that the Democratic Party had achieved a balanced budget for 1981. They had jimmied the figures—pardon the pun—they had fixed the figures, they had garnered false assumptions, and they said, "We have achieved a balanced budget."

Well, here we are now, in 1981, and what have we accomplished? $66 billion in deficit. If that does not prove exactly what is going on this year across the aisle again for 1982, I do not know what does. Let us simply look at the most recent history.

Mr. WALKER. I would say to the gentleman that that may be as close as

they can ever come to a balanced budget. I mean $66 billion here or there is about as close as they ever come.

Mr. LOTT. If the gentleman will yield further, I have one other point. I would like to refer to what is now the Hefner amendment, that moving target that we have been watching for the past week. We did not know, really, until 6 o'clock last night what would be in the now Hefner amendment which was the Jones amendment, but some Members are going to say, "Well, look, the Hefner amendment is going to bring up to the same level of the Gramm-Latta substitute the defense in the committee substitute", our original bill.

My question is: Look, they had the votes in the Budget Committee. If they wanted that level of defense in the bill, why was it not put in the committee bill?

It is purely a political maneuver to try to buy a few more votes. Otherwise it would have been in there in the first place. I think the Members need be aware of what they are attempting to do there and not be duped by that proposal that is now considered and called the Hefner amendment.

□ 1800

Mr. WALKER. I would say to the gentleman that the other thing which is strange about that is that it gives them the opportunity to come to this floor with their rather odd figures to say that they have rather less spending and less deficit and yet they know what they are going to accept is an amendment which takes their figures and throws them totally out of whack of what they are saying in the original debate here.

So, it is another example of rather phony budget keeping within the assumptions that they are making.

Mr. LOTT. One final comment: I do also want to commend the Members of the 97th class who are here participating in this special order and the one before it. It is very enlightening to me and encouraging to see the degree that they have gone into what is in these bills and the statistics and information that they have at their disposal that they are taking advantage of. I do think they should be commended.

Mr. WALKER. Mr. Speaker, I yield to the gentleman from Indiana (Mr. HILER).

Mr. HILER. I thank the gentleman from Pennsylvania.

One of the elements of the President's proposal in his program for economic recovery that does not get a lot of talk here on the floor of the House and in fact one might be able to say it is not legitimately the concern of the Congress or the administration, is the establishment of a stable monetary policy. Clearly, the monetary policy of this country is within the jurisdiction of the Federal Reserve System and no one would imply we should infringe on that. But also the ability to establish a stable monetary policy is heavily dependent on the things the Congress does, the spending bills it votes on, the tax bills it votes on, the taxes that it raises.

It seems to me that for too long we in the Congress have tried to pass the buck off on the Federal Reserve System when the money supply has grown at a rate faster than we would like to see. We tend to say blame it on the Fed when the monetary figures jump up and down and the interest rates skyrocket and we have changes in the prime 36 times in the last several years. But the fact of the matter is that we have increased burdens on the Fed year after year to try to fund that deficit. We have driven the savings of the American people down to a very low level and the Fed is having to monetarize that debt.

Only if we have a stable fiscal policy and if we give money back to people in the form of less taxes so they have more of their own money to spend, without having to go to the credit markets and borrow, borrow, borrow to the hilt, only then will we begin to have monetary policy that can be stable and we can gradually over time bring the growth rate in the monetary supply down and get to a point where we have lower interest rates.

I do not know how the people in the rest of the country are affected, but in the Third District of Indiana that I represent, interest rates are killing that district, be it the construction industry, the manufactured housing industry, the auto industry or the steel industry. High interest rates are killing that district and we have high unemployment there as a result.

We desperately need to have that stable monetary policy so we can begin to bring that growth rate in the monetary supply down in the future years.

We can only do that, though, if we here in the Congress vote to reduce spending, vote to reduce taxes and we have a systematic plan to reduce the deficit of this country.

The President's program of economic recovery offers the best possibility to do all those things, to have people spend less of their money in taxes and more of their own money to spend without having to borrow, to reduce the level of spending and to have a systematic approach to reducing that deficit.

I might also add that something that does not get talked about a great deal in the President's program is a systematic effort to reduce the Federal Government's role in loans and loan guarantees which, as the gentleman from Pennsylvania knows, plays a tremendous role in putting burdens on our credit system in this country which drive up interest rates. This administration is taking a hard look at those loan and loan guarantee programs and saying it is time we get the Federal Government out of some of these areas and return to a more free enterprise type of approach.

We have talked a lot about expectations. It seems to me there is going to be nothing that will make the Federal Reserve System have a better ability to handle the monetary growth in the country than if they can depend on the fact that the Congress is going to vote to restrain that spending, to slow that growth rate in spending, and to return some of the taxes to the American people so they do not have to go out and borrow so much.

Mr. WALKER. I thank the gentleman. It is apparent that the Federal Reserve is going to respond if something happens on Capitol Hill which indicates that they are not the only ones standing between the big spending policies and economic ruin. If they see that the big spending policies are gradually curtailed, the Fed is going to respond and we are going to get lower interest rates. That is the broad base the American people want.

I think that the gentleman has put it very well. I thank the gentleman for his contributions.

Mr. Speaker, I yield to the gentleman from Alabama (Mr. SMITH).

Mr. SMITH of Alabama. I thank the gentleman for yielding.

Mr. Speaker, the brilliance of the President's bipartisan economic recovery plan lies in its celebration of the American dream. President Reagan clearly understands that the strength of our economic system has always been rooted in the promise of hope and opportunity for all. The bipartisan economic recovery plan is well-named because it is designed to restore us to hope and strength.

Our country was founded on hope. The pilgrims came in search of freedom and miraculous things happened. Decade upon decade, economic freedom and the promise of a better life gave Americans the incentive to climb as far as their talents and abilities permitted. Individual success stories were multiplied and we propelled our Nation to greatness. Until recently, we were a people that lived for the future as the American dream became a reality and a symbol of hope and envy to the world.

Sadly, over the past few years, we have sorely abused our freedom. We have allowed our Government to grow far in excess of its legitimate bounds and constrained our economic system that had formerly created a climate that nurtured growth and prosperity. We permitted our opportunity and hope to dwindle and pessimism replaced confidence.

In recent years we have been forced to learn to live with lowered expecta-

tions, double-digit inflation, unemployment, stifling taxes, and reduced productivity. We have come to expect bureaucratic interference in our daily lives. But, we have not learned to like our present dire circumstances. Thankfully, we have not abandoned hope.

Americans realize their dream is slipping away. They remember the years of promise and recognize it is their own Government that is holding them back. They want the same opportunities their forefathers had to prove themselves. They continue to hope for an even better life for their children.

The American people want to see this Nation restored to greatness. They are weary of watching as our leadership and strength are sapped. It is no wonder then, that President Reagan was elected by such a large mandate last November or that he continues to enjoy close to 80 percent popularity. Clearly, the American people share President Reagan's desires to revitalize the Nation. The people have acknowledged President Reagan's appreciation for American ingenuity. Along comes President Reagan who says we do not have to be negative and pessimistic, we can stand tall again and get out of this mess Big Government has created if we limit spending and reduce the burden on taxpayers. And, he offers a logical, positive plan to renew the economy.

For a minute, let us look to the basic differences between the proposals before us. On the one hand, the O'Neill-Jones plan unfortunately only offers us more of the same, and is based on the negative assumptions that the budget is a captive of inflation and unemployment. It is also based on the assumption that the American people need continued Federal direction and that bureaucrats in Washington should guide my constituents in Birmingham, or citizens in other areas of the country.

By contrast, the President's bipartisan plan is based on faith in American capabilities and the marketplace. This plan takes the position that we can indeed improve our lot. That's quite a significant difference.

But we must act now. There is no alternative. We do not enjoy the luxury of delay. Therefore, I urge all my colleagues to listen to the will of the American people as they are in support of the President's bipartisan budget plan of hope. The choice is clear—more of the same, or the President's bipartisan plan of hope.

Already in the first quarter of this year we have experienced a sharp increase in real GNP. This increase represents a significant signal. We have a positive plan, and we can have a new beginning if we act together.

I am reminded of the words of Patrick Henry:

We are not weak if we make proper use of the means which the God of nature has placed in our power.

Mr. WALKER. I thank the gentleman.

I think if I interpret correctly what the gentleman is saying is that the choice is rather clear, it is a choice between stagnation and growth, between hope and hopelessness, between a dream and a nightmare. It also seems to me that the American people are going to rally to that cause that accentuates the positive. That is exactly what President Reagan is doing and exactly what the Latta-Gramm substitute does. It accentuates the positive.

I think it is a rallying cry that Americans in the future will unite behind and that this Congress had better get behind.

Mr. SMITH of Alabama. The gentleman is right. That is what the people want.

Mr. WALKER. I thank the gentleman for his contribution.

Mr. Speaker, I yield to the gentleman from New Mexico (Mr. SKEEN).

Mr. SKEEN. I thank the gentleman for yielding.

Mr. Speaker, the President proposes to cut marginal income tax rates as an integral part of his economic recovery program. I cannot emphasize enough the importance that the tax portion of this program be looked at as an integral part of the entire package, not something separate and apart from the budget reductions, the regulatory relief, and monetary restraints. I believe that the program President Reagan has outlined is the only answer we have left. Cutting marginal taxes, reducing the growth of spending, and following a predictable monetary policy are interwoven measures which will insure that we have come to terms with each of the severe dislocations which threaten our economic future.

As the President pointed out in his message to this body probably the most common misconception is that we are proposing to reduce Government revenues to less than what Government has been receiving. This is certainly not true. Actually, the discussion has to do with how much of a tax increase should be imposed on the taxpayer in 1982. A gigantic tax increase has been built into the system, what the administration is proposing is nothing more than a reduction of that increase.

The President's program to cut taxes has two key elements. No. 1, it would provide for a cut in individual tax rates of 10 percent a year for 3 years. This cut would be effective as of July 1 of this year and would be across the board, treating all taxpayers fairly. No. 2, this proposal would provide cuts in business taxes by allowing a more rapid writeoff of investments in new plant and equipment.

In a nutshell, this program would reduce the expected tax burden, stimulate new savings and investment that are essential, provide greater incentives for work, as taxpayers can keep more of their own money, and at long last, start restoring America's competitive position in the world.

But the bottom line to the entire program is that the Reagan proposals will save taxpayers some $136 billion over the next 3 years, while creating 13 million new jobs over the next 5 years.

To our colleagues on the other side of the aisle who say that the President's proposals will not work. To those who say that it would be inflationary, to those who say it would not increase saving and investment, that it would be a giveaway to the rich, I say to you that a close analytical scrutiny of these charges shows them to be false. Why is it inflationary for more people to keep more of their money and not inflationary for Washington to take and spend their money? It simply is not.

Experience of the past has demonstrated again and again that tax cuts do stimulate economic growth—often far more than critics will admit. Some of the more prominent examples that come to mind are the Coolidge-Mellon cuts in the 1920's; the Kennedy cuts in 1964 and 1965; and the Steiger-Hansen amendments for capital gains reductions in 1978.

The results of these cuts bore out and confounded most critics. During the 1960's the United States had the longest economic expansion in its history. Unemployment after these cuts stayed below 5 percent for the rest of the decade, and finally, contrary to the opposition, Federal revenues actually increased and deficits shrank.

The chief allegation made against President Reagan's tax cut plan is all too much of the same unfounded nonsense. That it would benefit the wealthy at the expense of the country; a Robin Hood in reverse, as some have said.

In reality, by the end of 1984, people who in 1981 earned more than $50,000 will pay 34 percent of the total national tax burden, up from 32.9 percent in 1981.

At the same time, those people earning less than $40,000 in 1981 and who currently pay 54.9 percent of the total burden will actually pay proportionately less—53.8 percent—in 1984.

I think the opposition's attitude indicates a distrust of the American people's ability to choose. We Republicans believe in the American people. We have faith in their ability, through exercising individual freedom and their God-given ingenuity to make better lives for themselves, their families, and their communities. We all know what the opposition policy has done

over the last decade. Is not it time to figure how much of what we know about cutting income tax rates is commonsense and how much nonsense?

Government's first duty has always been to protect the people, not to run their lives. That is the fundamental difference between our party and the opposition. The opposition has demonstrated time and time again that they lack that faith. The record of the past half century shows that under their leadership we have had ever-expanding, centralized government trying to run the lives of our citizens.

I firmly believe that the economic recovery program is essential to the survival of this country. Its balanced combination of tax rate reduction, budgetary and monetary restraint, and regulatory reform, represents the best hope. The only hope of restoring prosperity to all Americans.

The mandate of 1980 was a clear and unmistakable message from the American people to reverse the trend of the last decade—to make America once again of, by, and for the people, and not of, by, and for the bureaucracy.

And finally, I urge you again to consider the true merits of the President's proposals. Taken together, I truly believe that they will put this Nation on a whole new course—a course leading to more growth, less inflation, and a brighter future for all our citizens.

Thank you.

□ 1815

Mr. WALKER. I thank the gentleman for his contribution. It occurs to me that it would be very nice to see all the speeches that our opposition made back in their home districts during the recent district work period, because I have a feeling that very few of them contained the line, "I have got this great new plan for economic change. What it involves is massive new tax increases for you."

I doubt that line was in very many of their speeches, yet when they come back to this town that is exactly what they intend to do in terms of their economic program. So, I think the gentleman points out very well the need for the tax cut program as an integral part of the entire economic direction in which we are going.

Mr. SKEEN. I do not think too many of us would like to go back to our districts and crow about proposing to increase the taxes of this country by a quarter of a trillion dollars.

Mr. WALKER. Mr. Speaker, I yield to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman for yielding, and would like to also thank the gentleman for his input in the ongoing nature of this debate, which is very timely and also a very well taken position on the budget. Time and time again I have seen him stand up and defend the President on the budget, and I am delighted that he has had this special order.

Mr. Speaker, 50 years ago, in the depths of another economic crisis, Franklin Roosevelt told the Nation, "The only thing we have to fear is fear itself."

Now, today, in another economic crisis, an American President—calm, confident, optimistic—asks us to confront fear, to overcome the obstacles we face, to have faith, not dread, in the future.

Twenty years ago the American economy seemed to poise on the edge of a golden age of prosperity. Our currency was strong. We were the preeminent economic power in the world. No one could approach our strength.

The 1960's were a time of great prosperity. We were told then this "new prosperity" might never end.

Today, in the cold, grey dawn of reality, we confront painful truth.

Today, we are in economic crisis.

Today, we must put our economic house in order.

Let us look at the situation today, as compared to the situation 20 years ago:

In 1960, the United States produced nearly half of the automobiles in the world. Today we produce barely 20 percent.

In 1960 we produced roughly half of the world output of steel. Now we produce only one-sixth of the world's steel.

In 1960, although we were recovering from a severe recession, productivity in this country rose 3 percent. Last year, productivity actually declined by 1 percent.

Our rate of savings is at the lowest point it has been since the Second World War. Just last month, $2.3 billion was withdrawn from savings banks and savings and loans.

Sadly, the United States is at the bottom of all major industrial democracies in savings. In Japan, the percentage of total income saved is 21 percent. In West Germany it is 14 percent. In Great Britain it is 7 percent. In the United States it is only 4.1 percent.

And that is not the only thing that bedevils us. We are even confounding the economists, who once assured us you could not have both high inflation and high unemployment.

Mr. Speaker, we are indeed in an economic crisis.

We have 8 million people out of work.

Inflation has been running at double digit figures 2 years in a row, the first time this has happened since the First World War. There are signs of improvement, but unless we take action in this Congress the improvement in the inflation rate will not last.

Mortgage interest rates stood at an average of 13 percent in 1980. This was the highest level in American history. In 1977 36.6 percent of all home buyers were first time purchasers. Today that figure has dropped to 17.8 percent.

Average weekly earnings—after inflation and after taxes—have dropped by over 14 percent since 1972.

Looking at these dismal figures, Mr. Speaker, we might ask who is most badly hit by all these bad economic statistics.

Without question, one would have to answer the poor, the middle class, the handicapped, minorities, single parent households, and those on a fixed income.

Mr. Speaker, from 1959 to 1969—a time of great economic growth—the number of families below the poverty line fell by 50 percent. But as economic growth slowed between 1969 and 1979 the number of families below the poverty line fell by only 6 percent.

Black unemployment is at its highest in any year since 1946. The unemployment rate among black teenagers is a staggering 40 percent.

Mr. Speaker, we have come to know, all too well, the condition we confront. It is called stagflation. At one and the same time, we have high inflation and high unemployment. The underlying causes are the failure to generate enough investment to spur new jobs, new industries, new homes, and with this expansion of our economy, to raise the new revenue that would balance the budget and end inflation. Instead, we have been pursuing policies that destroy initiative and promote the very kind of crisis we are now in.

Our distinguished colleague from New York, JACK KEMP, has put it very well:

> When you subsidize something, you get more of it, and when you tax something, you get less of it. In America we tax growth, work, savings, and productivity. We subsidize idleness, consumption, leisure and debt.

That, Mr. Speaker, sums up our troubles.

Mr. Speaker, it is my conviction that there will be continued stagflation if we reject the President's budget, if we do not go along with the clearly expressed wish of our constituents. They know something must be done. That is why the President's program holds such high levels of support—67 percent in one poll, 64 percent in another.

I can see, all too well, the signs of economic decay in my own district. I have the great honor to represent 33 New Jersey municipalities, including Trenton, N.J. Now, over one of the bridges across the Delaware leading to Pennsylvania there is a sign: "Trenton Makes, the World Takes." The only thing wrong is that Trenton doesn't make all that much anymore. You can see acres of closed factories, idle plants, shuttered warehouses. The

only growth in Trenton, our State capital, is government.

Shortly after I took office it was announced that a plant owned by the Monsanto Co. was going to close. Last year, the Ford Motor Co. closed its plant in Mahwah, N.J., after it had already severely curtailed operations there. Several thousand people were affected.

Are we really going to be complacent, Mr. Speaker, when the Ford Motor Co. loses $839 million in a quarter, as they just have? This is the sixth quarter in which they have lost money. This quarter was their largest loss. The company did not lose money even during the depression of the thirties. If Ford falls—thousands will lose their job.

The Chrysler Corp., Mr. Speaker, also lost some $400 million last quarter. Now this is a corporation that is the beneficiary of some $1½ billion of loan guarantees from the Federal Government. We can not go on underwriting—subsidizing—bankruptcy. No, we have to get this economy back on its feet, get production going again, get our people back to work.

I regret to say the Federal Government has been a prime culprit in this—though I do not say the only culprit. But Government, once seen as a friend, once truly a help, has become a hindrance to our people.

Look at what has happened:

Since 1960, there has been one Federal surplus—and that was 12 years ago.

Federal spending per household has increased 46 percent in 4 years—from $5,026 in 1976 to $7,329 in 1980.

The Federal debt was $400 billion in 1971. Today it is nearly $1 trillion.

The burden of this debt is now $12,180 per family, more than many families earn in a year.

Federal taxes have quadrupled in 15 years, going from $1,500 for an average, middle-income family in 1965 to $5,500 today.

Now, to compound the fault, the Government prints money—endless streams of paper money—to cover its deficits. This debases our currency, cheats the wage earner and taxpayer of their money, defrauds our population.

Mr. Speaker, what will be the result if we do not accept the President's program?

The results will be more inflation and more unemployment.

The buying power of the average family will drop. A family of four earning $25,000 today has $20,566 left after taxes and social security. By 1984 this will be $19,376, if they are still earning the same. That's a loss in buying power of $1,200.

Savings will decline. How can you save money when your buying power is steadily declining?

It will be almost impossible to buy a home. You need a salary of $38,000 to afford a home in today's market. How can a family with $25,000 a year afford a house?

Without the program of the President—without the Gramm-Latta bipartisan budget—the crisis will continue, deepen, intensify.

This is the stark reality of today.

Nor can we expect industrial recovery. Our industries need new infusions of capital. That calls for more savings and investment. Without getting Federal expenditures under control we are never going to get money freed for new capital investment.

Steel, autos, housing have other problems besides a simple lack of investment. But a great many problems will be solved if money is freed to help expansion.

It will mean money free for rebuilding our steel industry, for new plants, new furnaces, new machinery, to modernize steel and restore our steel industry to a preeminent place in the world. The automobile industry will get funds for reconversion to the smaller, lighter cars that Americans prefer and must have. Detroit needs money, not just cars, but to save itself as an industry employing millions in supplementary industries such as rubber, glass, chrome, and steel.

The housing industry can get the funds needed to put up new houses. Just as essential, families can get mortgage money to buy a home. Part of the American dream is homeownership. We must restore this part of the dream.

The first step—the initiative move—is to pass the President's plan as embodied in the Gramm-Latta bipartisan budget.

We have reached that point, Mr. Speaker, where Government is too much with us. I do not say there is no role for Government to play. On the contrary, we must maintain and strengthen the safety net the President has spoken of. And, Mr. Speaker, be assured that in the line-by-line decisions on spending I will be as critical and enquiring as anyone in this House.

But, as the Chinese proverb has it, "A journey of a thousand miles begins with the first step."

This budget resolution is our first vote, our first step.

Government has gotten too big. It consumes too much of the American enterprise and spirit. It no longer summons us to greatness—rather, it destroys our initiative and our will, the great yearning to do more of what built this country.

We now have a government that does not fulfill the dicta of an English king: "Liberty consists of having of government those things by which their lives and their goods are most their own." He was speaking of what people expected of government.

Our people expect the same. The American Government is the servant of our people, not its master.

President Reagan wants to restore the proper role of Government. He is asking our help.

I hope we give it to him.

Mr. Speaker, our time of decision is at hand. We knew we would confront this hour at our swearing-in, even before we were sworn in.

Now the hour has come, and we are called upon for action.

The trust of our people is at stake. Insofar as we can judge, they do support the bipartisan budget, the budget endorsed by President Reagan.

Mr. Speaker, I ask the House to endorse this budget.

Greatness does not come often—not to a President, not to a Congress. We have reached a turning point in our American way. We must accept the new way of things, or be doomed to yet more of the same.

President Lincoln said, "We cannot escape history. We will be remembered in spite of ourselves." Let us be remembered for our vision, our strength, and our determination to do the right thing, no matter how difficult.

I thank the distinguished gentleman from Pennsylvania for this special order.

□ 1830

Mr. WALKER. Mr. Speaker, I thank the gentleman from New Jersey (Mr. SMITH) for his contribution.

As the President said the other evening here on the House floor, we face a true economic crisis, and I think the gentleman has put into some detail the extent of the crisis we face in the economy. I think that is an important contribution, because a number of our colleagues who oppose the Gramm-Latta substitute have said here in the debate that we really do not need to have a plan of the type of that is being offered by the administration because the economy is already beginning to respond.

Well, I do not think they recognize the extent of the Nation's crisis, and they do not want to admit the extent of the Nation's crisis.

The gentleman has added to the record the real devastating nature of the crisis in the economy that now faces us, and I think we have to respond to the kind of statistics he cites. I thank the gentleman for his contribution.

Mr. WORTLEY. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New York.

Mr. WORTLEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, as Members of this body we have two important duties to perform. It is incumbent upon us to represent the wishes of the people who elected us to look after this Nation's business. Equally important is the responsibility of leadership.

Now is one of those times when those two components of our trust meld together. The people in their wisdom asked that there be a change in the attitude and policies emanating from Washington.

I came back from my district work period with a clear sense of what the people want. I had many appointments, as well as five townhall meetings, across my entire six-county district.

The people are willing to make sacrifices to accomplish the necessary changes. This has already been demonstrated by the enormous support the dairy farmers are giving to the President's program for economic recovery. Even though they are the first group in our country to give up some of their traditional benefits from the Federal Government, they understand the wisdom of foregoing old ways to make this economy sound once again.

We cannot try to please every interest group and continue on our path to economic recovery. Most people understand this reasoning and are looking to their own Members of Congress to make the right and sometimes the very painful choices that must be made.

I may not know the key to success, but I do know that the key to failure is trying to please everyone. Our President has given us a recipe to reestablish economic prosperity and to restore economic growth, reduce Government spending and lessen the tax burden on the working people of this Nation. We need that recipe to work. It is a recipe where traditional values, values of hard work, reward for work and growth potential for everyone in all fields of endeavor, will flourish.

A former Supreme Court Justice of the United States once said, "A vote is not an object of art. It is the sacred and most important of democracy and freedom."

Mr. Speaker, the American people recognize the wisdom behind that thought. It is now our turn to complete the work that they set in motion with their ballots last November. The constituents of the 32d Congressional District of New York are indeed awaiting that new beginning that we promised them, and I am prepared to roll up my sleeves and go to work and deliver that promise.

Mr. WALKER. Mr. Speaker, I thank the gentleman from New York (Mr. WORTLEY) for putting some additional perspective in the matter.

It seems to me that is something again that gets forgotten in all we have heard, that there was a mandate in November, and that the American people voted for something specific. Reagan did not hide the fact that he wanted to cut taxes 30 percent, Reagan did not hide the fact that he wanted to cut Federal spending, and Reagan did not hide the fact that he wanted to deregulate. That was the theme of his whole program, and that is what the people voted for. He asked the people for a chance to put his plan into effect, and the American people did not say, "Gee! We didn't know this was coming."

Mr. Speaker, the American people did know it was coming, and that is the reason they voted for President Reagan.

The SPEAKER pro tempore (Mr. GARCIA). The time of the gentleman from Pennsylvania (Mr. WALKER) has expired.

AMENDMENTS TO THE FIRST CONCURRENT BUDGET RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. PARRIS) is recognized for 60 minutes.

Mr. PARRIS. Mr. Speaker, I note with some interest that the first amendment that will be considered by this House when it comes to the time for votes in this regard will be the so-called Hefner perfecting amendment.

My information is, Mr. Speaker, that this amendment would increse the defense budget by some $6.5 billion. I would like to remind the House that this is precisely the same issue on which the sponsor of that amendment, the gentleman from North Carolina (Mr. HEFNER), was recorded as not having voted for in the Committee on the Budget, that motion having failed on a 14-14 tie vote.

So I am puzzled, frankly, Mr. Speaker, that we now have the Hefner amendment when in fact the same amendment or one that is very similar and almost identical thereto was not a matter on which the gentleman was present and voting for in committee.

Second, Mr. Speaker, I am confused by the fact that the adoption of that amendment, were it to be adopted, will have the net effect of increasing the deficit in the total budgetary authorization to an amount almost, if not totally, equal to the Presidential bipartisan proposal. One of the desirabilities of the Jones proposal is supposedly that it has a lesser deficit, and that it is more responsible because we have less of a deficit spending situation. but I submit, Mr. Speaker, that if we adopt the Hefner amendment to the Jones proposal, we will be right back to where we are in terms of the deficit indicated in the President's proposal.

Clearly, Mr. Speaker, the combination of all of these circumstances would lead to the rational conclusion that the only thing to do next Tuesday or Wednesday, whenever the vote comes in this Chamber, is to support the President's bipartisam proposal.

Mr. Speaker, I yield back the balance of my time.

U.S. HOLOCAUST MEMORIAL COUNCIL—"DAYS OF REMEMBRANCE"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PASHAYAN) is recognized for 5 minutes.

Mr. PASHAYAN. Mr. Speaker, each April 24 the Armenian people all over the world observe Armenian Martyrs Day in recognition of the Armenian massacre and more broadly of the dignity of every human being everywhere. Subsequent sordid events, when dictators attempted the complete slaughter of a particular people, were foretold by the Armenian massacre as the first in the 20th century; there is no certainty today that more will never come.

It is therefore most appropriate that the Holocaust Memorial Council give full recognition to the Armenian events as the first in this century of the human crime it seeks to memorialize. The case is most strongly made by Set Momjian, former U.S. Representative to the United Nations, in a speech delivered today before the Holocaust Memorial Council. It is with pleasure that I submit for the RECORD Mr. Momjian's words:

SPEECH BY SET MOMJIAN, MEMBER U.S. HOLOCAUST MEMORIAL COUNCIL AND FORMER U.S. REPRESENTATIVE TO THE UNITED NATIONS, AT A MEETING OF THE HOLOCAUST COUNCIL ON APRIL 30, 1981

Since January 1979, when the President's Commission on the Holocaust requested that the Armenian-American community lend its voice to a universal understanding of genocide, suffering and evil, a surge of renewed hope was born. For sixty-four years, the Armenian people had fervently and solemnly sought to remind all civilized societies of the Armenian Genocide and to point out the freightening consequences of indifference. The formation of the Commission on the Holocaust and subsequently, the U.S. Holocaust Memorial Council, provided an opportunity for the genocide of the Armenian people to be remembered—an opportunity to honor our nation's martyrs.

The Armenian massacres, now known as the First Genocide of the 20th Century, should have been the last. Had the world translated its outrage into effective action against the perpetrators . . . had western civilization honored its solemn pledges to the Armenian nation, the Holocaust may not have taken place. Hitler could not have stated "Who talks nowadays of the extermination of the Armenians?" Yet world outrage promptly retreated to world indifference. Tragically, the Armenian sacrifice, one-half of its population in Ottoman Turkey, also became known as the genocidal prototype for atrocities that followed.

There were few at the time who understood the significance of the Armenian experience. Of those few our people remember with gratitude Ambassador Henry Morgenthau, a tireless crusader who struggled against the horrors of calculated mass murder and Rabbi Stephen L. Wise, an extraordinary humanist who struggled to save those who survived.

Only twenty years later, the lessons unlearned, the Holocaust began. The few who

were aware and who cared were dwarfed by the multitude who did not know, or worse, who knew and were indifferent. The elimination of six million Jews did not occur in secrecy. The world once again stood by as Hitler implemented the Final Solution.

Our Chairman Elie Wiesel stated in the Holocaust Commission's Report to the President, "In times of evil, indifference to evil is evil. Neutrality always helps the killer, not the victim."

The survivors of our tragedies and the tragedies of all people who have suffered such unparalleled persecution inspire us in our mission to prevent their recurrence. Today we have begun the process of reaching out beyond those who have suffered to those who have not. It is vitally important for all Americans to remember, to understand and to be vigilant.

In Yad Vashem in Jerusalem are inscribed the teachings of the Baal Shem Tov, the founder of Hassidism, who in his teaching of hope within despair, said, "Memory is the secret of redemption."

In closing, I would like to share the remarks of Monroe Freedman in a speech to the Armenian community delivered on April 24, 1980 which captures the spirit of our efforts so well.

"In seeking to commemorate those of our own people who have suffered and perished, we bond ourselves not only to them, but to each other, and to all of human kind."

INTRODUCTION OF LEGISLATION TO DISSOLVE THE NATIONAL CONSUMER COOPERATIVE BANK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STANTON) is recognized for 5 minutes.

● Mr. STANTON of Ohio. Mr. Speaker, today I am introducing, on my own behalf and on behalf of my distinguished colleague from California (Mr. ROUSSELOT) a bill to dissolve the National Consumer Cooperative Bank effective September 30, 1981. It provides that the functions of the National Consumer Cooperative Bank would be assumed by the Secretary of the Treasury, in order to liquidate the assets of the bank and to manage its portfolio.

This bill is identical to S. 935, introduced on April 8, 1981, by Chairman GARN of the Senate Banking Committee, and I am introducing it at the request of the administration. It is designed to implement the President's budget reform plan, which in turn constitutes one of the essential elements of the President's program for economic recovery.

When the Deputy Secretary of the Treasury, R. T. McNamar transmitted this bill to the Congress, he said to the Speaker of the House:

As you are no doubt aware, the operating premise of the President's budget reform plan is that Federal support must now be restricted to programs of fundamental national priority. Application of the stringent priority tests of the President's budget reform plan to the National Consumer Cooperative Bank (NCCB) shows that continued Federal support for the NCCB can no longer be justified.

Cooperatives in general already enjoy special Federal tax treatment. Those that provide services to their members economically and have expectations of continued good earnings and strong management should be able to obtain adequate credit privately. Therefore, the use of budgetary resources to subsidize inefficient cooperatives should be discontinued.

In 1978 the legislation to create the National Consumer Cooperative Bank was extremely controversial. The original bill passed the House by a single vote because Members questioned the need to create with Federal "seed money" a separate bank to assist consumer cooperatives.

This past Tuesday night the President stood in this Chamber for the second time to ask Congress to help him in eliminating unnecessary programs, so that the private economy can grow and prosper again. I urge all of my colleagues who believe that Congress must act now to control the growth of Government to support this legislation.●

LEGISLATION TO IMPROVE MANAGEMENT OF UNEMPLOYMENT COMPENSATION PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 60 minutes.

● Mr. FRENZEL. Mr. Speaker, today, I am introducing a bill, with Mr. ROUSSELOT, aimed at tightening, targeting, and improving the fiscal management of the unemployment compensation and trade adjustment assistance programs. Several of the provisions amending the unemployment program and all of the provisions amending the TAA program duplicate those in President Reagan's program for economic recovery. I applaud the President for formulating a package to tighten up to the administration of these two programs. However, I feel there are additional reforms which need to be made. These reforms are particularly important in assisting States to improve the solvency of their unemployment programs.

Mr. Speaker, $6 billion is currently owed the Federal Government by the States for loans made to cover high benefit costs. Some of this debt is carried over from the last recession in 1975. The Department of Labor has estimated that loans for fiscal years 1980–85 could amount to $18 billion. It is time the system by which States borrow from the Federal Government be examined and improved.

The bill includes several provisions to help States strengthen the solvency of their unemployment programs. By meeting certain solvency requirements, a State can qualify for a 0.9-percent cap on the reduction of the Federal tax credit incurred when a State's loan remains unpaid for 2 years. The bill also provides that interest will be changed for any future borrowing.

A section-by-section analysis of the bill follows my remarks here, but let me briefly outline the points of the bill. Along with the cap and interest provisions just described, the bill eliminates the national trigger; requires an individual to have worked 20 weeks, or earned wages equal to 20 times the State's average weekly wage for covered employment, to qualify for extended benefits; and provides for recalculation of the insured unemployment rate (IUR).

The bill also allows a State the flexibility to set a higher optional State trigger than the 5 percent allowed under current law.

The Trade Adjustment Assistance provisions included in the bill are designed to assure that assistance and employability services are more appropriately targeted to trade-impacted workers. By bringing the TAA program more in line with the unemployment compensation program, it will be possible to stop the alarming rate of growth experienced by the program in recent years.

The reforms included in this bill are necessary in order to improve the unemployment compensation program and the trade adjustment assistance program. I hope my colleagues will look over and support the bill.

The section-by-section analysis follows:

SECTION-BY-SECTION ANALYSIS

ELIMINATE NATIONAL TRIGGER

Section 101 of the bill eliminates the national trigger for extended benefits under the unemployment compensation program, effective October 1, 1981. Under current law, when the insured unemployment rate (IUR) reaches a national average of 4.5 percent, up to 13 additional weeks of benefits are available to workers who exhaust their benefits of up to 26 weeks under the regular state programs, regardless of the IUR in any particular state. As of April 6, 1981, 25 states, including the District of Columbia and the Virgin Islands, were below this 4.5 percent average. Without the national trigger, extended benefits will be triggered only in states experiencing unusually high rates of unemployment. DOL has estimated that this proposal will save the program $700 million in fiscal year 1982.

HIGHER STATE TRIGGER LEVELS

Section 102 of the bill allows states to set a higher optional insured unemployment rate (IUR) than is currently allowed under the law. Presently, individual states pay extended benefits (1) when their IUR reaches 4 percent and also is 20 percent higher than the IUR in the comparable 13-week period in the preceding 2 years; or, (2) is 5 percent or higher without regard to the 20 percent factor. (39 states have incorporated the 5 percent optional trigger in their state laws.) In order to allow states flexibility in determining when extended benefits can be triggered, the bill would allow the states the

option of setting their extended benefits at 5 percent or any higher level.

TWENTY-WEEK WORK FORCE ATTACHMENT

Section 103 of the bill requires an individual to have worked 20 weeks, or earned wages equal to 20 times the average weekly wage for covered employment in order to qualify for extended benefits. This provision is necessary to ensure that those with a strong past record of labor force attachment are able to collect extended benefits; likewise, the provision will deter those with only a marginal attachment to the work force from collecting more weeks of unemployment benefits than they actually worked. The effective date of this provision is October 1, 1981.

CALCULATION OF THE IUR

Section 104 of the bill changes the current method for computing the Insured Unemployment Rate (IUR). Presently the IUR is determined as a percentage of workers covered by the state unemployment compensation program who are currently claiming benefits under either the regular state program or the extended benefits program. This means that persons already receiving extended benefits are being included in the calculations which determine when extended benefits should be paid. EB claimants in the IUR calculation can result in state extended benefits being paid for a longer duration than actual unemployment merits. In order to reflect unemployment in a state more honestly and to avoid prolonging the EB period unnecessarily, this bill removes ex-EB claimants from the IUR calculation effective October 1, 1981. The Department of Labor made precisely this change by regulation. However, the regulation was overturned in the court, partly on the grounds that legislation was needed to change the calculation method. This provision would save the unemployment compensation program over $500 million in fiscal year 1982.

SOLVENCY OF STATE PROGRAMS

Title II of the bill revises the mechanism for states' repayment of outstanding loans, and provides a method whereby a state can either avoid the imposition of the federal tax credit reduction or freeze the tax credit reduction at 0.9 percent. This title would also provide for charging interest on any new loans a state may make.

Currently, states are allowed to borrow, interest-free, when state accounts are insufficient to pay benefit obligations. If these loans are not repaid within two years, the 2.7 percent credit allowed to employers in states which have certified programs is reduced by 0.3 percent. This reduction increases 0.3 percent for each year the loan is unpaid. However, because of heavy borrowing by states during the years 1975–77, and the weakened economy during this period, Congress twice passed legislation extending through 1979 the grace period during which the credit reduction would not occur. Now 17 states must repay amounts ranging between $2 million and $1.5 billion. The total outstanding debt currently owed by states is $6.38 billion. DOL has estimated that loans for fiscal years 1980–85 could amount to $18 billion. For 1981–82 alone, it is estimated that states will borrow $9 billion. Clearly, present law must be changed to encourage states to repay their current outstanding loans and to structure their programs so that they are solvent under normal economic conditions.

CAP ON TAX CREDIT REDUCTION

Section 201 of the bill provides that a state can either avoid a reduction in the federal tax credit or qualify for a cap on the credit reduction by meeting requirements certified by the Secretary of Labor.

In order to avoid any reduction in the federal tax credit, the Secretary of Labor must certify that a state has, during the 1-year period ending on November 9 of the taxable year, repaid an amount equal to (1) the potential additional federal taxes for such year (the amount which would have been raised had the credit reduction taken place); plus, (2) any additional borrowings during the year, plus interest on those borrowings.

The bill also provides that states can qualify for a cap of 0.9 percent on the credit reduction. In order to qualify for this cap, a state must be certified by the Secretary of Labor as having met certain solvency requirements, specifically that (1) a state had not increased its outstanding loan balance during the year; (2) no state action was taken during the year which reduced the State's tax effort (as defined by the Secretary of Labor) and (3) no state action was taken during the year which decreased the solvency of the State's unemployment program (no liberalization of benefits without raising taxes sufficient to cover any liberalization). State action is defined as any adjustment in the amount of the state unemployment tax or the amount or duration of benefits under state law which takes effect either in the current taxable year or because of legislation in past taxable years (to insure that no built-in liberalizations of benefits can take effect while a state is under the cap). The effective date of these provisions is December 31, 1980 in order to take into account any repayment made during this year.

CHARGE INTEREST ON STATE LOANS

Section 202 of the bill provides that future advances made to state unemployment funds will be charged interest at the same rate paid by the federal government for interest on state account deposits. Interest would be charged on a quarterly basis at the time the loan is made. Interest will be assessed quarterly because returns on federal investment of state account funds are computed quarterly. Interest, for charging purposes in the bill, is determined on the excess loan amount over the amount in a state's account fund. The interest charged will be added to the balance and must be repaid under the same terms as repayment of any outstanding balance. Any repayments made by a state will be credited to the oldest loan amount (first-in first-out). Any loans made prior to October 1, 1981 will not be charged interest until October 1, 1986. Any loans made after October 1, 1981 will be charged interest immediately.

TRADE ADJUSTMENT ASSISTANCE

SUBSTANTIAL CAUSE

Section 301 of the bill would eliminate the present "contributed importantly" standard for trade impact certifications and require that increased competitive imports be the "substantial case" of the adverse impact on employment and production. Substantial cause would be defined as a cause which is important and not less than any other cause. The substantial cause test would be the same as that used by the International Trade Commission (ITC) under section 201 of the Trade Act. This new standard would increase the impact of foreign trade required for petition certifications. The Trade Act provides special benefits to trade-impacted workers which are more extensive than those applicable to workers whose jobs are adversely affected by other causes. This provision would assure that the trade-impact is sufficient to warrant such additional benefits. The bill also requires that the Secretary before making a certification, must find that there is a substantial probability that the resulting lower level of employment at the firm or subdivision will be permanent.

QUALIFYING REQUIREMENTS

Section 302 of the bill amends the qualifying requirements for adversely affected workers to be eligible for trade readjustment allowances. Current law requires the worker to have at least 26 weeks of employment in the 52 weeks immediately preceding the worker's separation. Adversely affected workers are presently paid TRA for weeks of unemployment after the trade impact date set in the certification. Thus, workers have been able to collect TRA retroactively under the Act. Such retroactive payments may be paid at a time when the employee is currently employed and do not serve the purpose of the legislation, which is the readjustment of the workers. Several changes are made in the qualifying requirements.

First, retroactive payments would be substantially eliminated by limiting payment to weeks of unemployment which begin more than 60 days after the date of an approved petition for certification was filed.

Second, adversely affected workers would be required to exhaust all rights to unemployment compensation (UI), plus extended benefits if applicable, before receiving TRA.

Third, workers would not be paid TRA for any waiting week period provided by any State law.

The provision also adopts the work test of the Federal-State Extended Unemployment Compensation Act of 1970 which requires that claimants whose prospects of returning to their line of work are not good will be disqualified if they fail or refuse to accept "suitable work."

AMOUNT OF BENEFIT

Section 303 of the bill amends the weekly amount of trade readjustment allowance payable under the Act. Present law provides for a wage-replacement rate of 70 percent of previous gross weekly wages up to a maximum of the national average weekly wage in manufacturing. The bill would limit the amount of TRA payable to the same amount as the UI weekly amount payable to that worker for a week of unemplyment.

DURATION OF BENEFIT

Section 304 of the bill amends the duration and maximum amount of TRA. At present, the duration of TRA is 52 weeks, generally. Workers in approved training programs as well as those over 60 years of age can be paid up to 26 additional weeks of TRA. Workers can stretch out the collection of their TRA over a two- or three-year period. The bill provides that an adversely affected worker could only collect the weekly benefit amount of UI and TRA combined for 52 weeks of total unemployment. Workers in approved training programs would still be eligible for up to 26 weeks of additional benefits.

The payment of TRA is intended to assist unemployed workers to readjust to existing economic circumstances. The bill would better accomplish this purpose by encouraging unemployed workers to seek other employment by appropriately limiting the du-

ration and the maximum amount of benefits.

JOB SEARCH ALLOWANCES

Section 305 of the bill would increase the job search allowances for totally separated workers who have obtained employment or a bona fide offer of such employment in an area to which they wish to relocate. Present law provides for payment of 80 percent of job search expenses up to a maximum of $500. The bill would increase the maximum to $600.

RELOCATION ALLOWANCES

Section 306 of the bill increases the relocation allowances for totally separated workers who have obtained employment or a bona fide offer of such employment in an area to which they wish to relocate. Present law provides for payment of up to 80 percent of the expenses for relocation and lump sum payment in the maximum amount of $500. The provision would increase the percentage to 90 percent of reasonable and necessary expenses and the lump sum payment to a maximum of $600.

RECOVERY OF OVERPAYMENTS

Section 307 of the bill broadens the present provisions relating to the recovery of overpayments made to claimants and provides for waivers where equitable. It provides for recovery of overpayments whether fraudulent or otherwise. Overpayments may be recovered from benefits under this Act, unemployment compensation or other unemployment assistance or allowances payable to the workers. It denies benefits in the case of fraudulent statements or the intentional withholding of information.

AUTHORIZATION SECTION RELATING TO A TRUST FUND

Section 308 of the bill deletes the present authorization section relating to a trust fund since such a fund has not been established. In place of that section the bill provides for an authorization of appropriations for such sums as may be necessary to carry out the purposes of the Act.

DEFINITIONS

Section 309 of the bill deletes the definitions of the terms "average weekly manufacturing wage" and "remuneration" since they will no longer be used. This section also amends the definition of the term "week of unemployment" and adds a definition of "benefit period".

EFFECTIVE DATES

Section 310 of the bill sets forth the effective dates of the various proposals. Sec. 301 would take effect for all petitions filed on or after the date of enactment. Sec. 305 and Sec. 306 would take effect with regard to applications for allowances filed on or after October 1, 1981. Sec. 307 and Sec. 308 would take effect on the date of enactment. Sec. 302, Sec. 303, Sec. 304 and Sec. 309 would be effective with respect to trade readjustment allowances payable for all weeks of unemployment which begin after October 1, 1981.●

CONGRESS SHOULD ENCOURAGE THE INCREASED UTILIZATION OF NATURAL GAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, I am pleased today to join Mr. GRAMM and several other Members in introducing the Natural Gas Utilization Act. This legislation would amend two of the five public laws that comprise the National Energy Act of 1978. By amending the Powerplant and Industrial Fuel Use Act and the Natural Gas Policy Act as we have done in the legislation we are introducing today, we believe that the utilization of natural gas—a clean, economical, and efficient fuel—would be greatly encouraged. Substantially the same legislation, S. 980, was introduced in the Senate on April 9 by Senator RICHARD LUGAR.

The NGUA incorporates provisions similar or identical to three other bills I have introduced or joined in introducing during the first few months of the 97th Congress. First, section 3 of NGUA is similar to H.R. 1765, a bill I joined Mr. MOORHEAD, Mr. GRAMM, and others in introducing on February 5. Companion legislation, S. 332, entitled the "Petroleum Displacement Act of 1981," was introduced in the Senate on January 29 by Senators BOREN and NICKLES. This legislation would amend section 301 of the Fuel Use Act.

Second, section 5 of NGUA is identical to H.R. 1464, a bill I joined Mr. YOUNG of Missouri in introducing on January 28. Companion legislation, S. 811, was introduced in the Senate on March 26 by Senator DOLE and three other Senators. This legislation would amend section 402 of FUA, relating to the use of residential outdoor gaslights.

Finally, section 7 of NGUA would have exactly the same effect as H.R. 2017, a bill I was joined by Mr. DERRICK and Mr. GRAMM in introducing on February 24. Identical legislation, S. 29, was introduced in the Senate on January 5 by Senator LUGAR. This legislation would repeal title II—incremental pricing—of the Natural Gas Policy Act.

Mr. Speaker, as members of both energy subcommittees of the Energy and Commerce Committee Mr. GRAMM and I will be directly involved with any natural gas legislation that may be considered by the House, and we urge the support of our colleagues of this important legislation.●

HOLOCAUST REMEMBRANCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. LEHMAN) is recognized for 60 minutes.

Mr. LEHMAN. Mr. Speaker, thank you for consenting to this special order today which I and my distinguished colleague from New York, BILL GREEN, requested to commemorate Yom Hashoa, Holocaust Remembrance Day. In accordance with the establishment of the United States Holocaust Memorial Council, which was signed into law last October, 1 week each year will be designated as the "Days of Remembrance" for the victims of the holocaust and will be marked by a national, civic commemoration and by private and public observances around the country. This week of April 26 through May 3, 1981, marks the first observance since this historic legislation was passed.

People forget, and some people deny that the holocaust happened, even in the face of undeniable evidence. Just as the Nazis tried to erase the existence, the culture, and the history of Jews, there are those today who would still try to erase even that most painful of all memories, the holocaust. Even today, continuing ignorance and bigotry compels us to keep that memory alive.

This remembrance is not only for the victims, but for the living, both present and future. We, the living, must bear the responsibility of insuring that no individual, institution, or government can ever again decide who shall have the right to live.

The holocaust has great significance for Americans. American soldiers liberated many of the camps and were the first witnesses of what the rest of the world, including our country, had ignored. Many of the survivors of the holocaust finally immigrated to the United States and became U.S. citizens, and many went to Israel, where outside threats to Jewish life still exist.

Instead of monuments, the holocaust survivors have stressed the importance of studying the lessons of the holocaust. We must teach ourselves and others, Jews and non-Jews, to understand the unique and universal implications of the annihilation of 6 million Jews, not as an accidental occurrence, but as a primary goal of the Nazis. We need to comprehend the holocaust and to apply that understanding to the present and to the future. The prevention of genocide against Jews, Armenians, or any other people, must be a constant concern.

Mr. Speaker, I think it very appropriate at this time that I yield to the one Member of this body who has himself been a victim of the holocaust. I yield at this time to the gentleman from California (Mr. LANTOS).

Mr. LANTOS. Mr. Speaker, I wish to thank my friend and colleague, the gentleman from Florida (Mr. LEHMAN) for yielding.

Before I begin my remarks, I would like to express my appreciation to the President of the United States, with whom a group of us met this morning in the White House, because with a degree of dignity and intensity and commitment, President Reagan joined us in remembering the holocaust, and we in turn gave thanks that the mindless attack on his life proved unsuccessful.

I also wish to pay tribute to my friend and colleague, the gentleman from California (Mr. PHILLIP BURTON), who played such a pivotal role in bringing about the legislation that makes this week the first Remembrance Week of the Holocaust. The gentleman from California is ill today, and he has asked that he be associated with my comments.

Mr. Speaker, at the meeting with the President, Elie Wiesel, a survivor of the holocaust and perhaps the greatest writer of the holocaust, shared some thoughts with us, and I would like in part to carry his words to you:

How does one commemorate six million victims? What words does one use, what metaphors does one invoke to describe the brutal and unprecedented extinction of an entire world?

Thousands and thousands of flourishing communities survived the fury of the Crusades, the hatred of the pogroms, the afflictions of wars, and the misery, the shame, the despair of religious and social oppressions, only to be swept away by the holocaust.

In all their chronicles and testaments, memoirs and prayers, litanies and poems, the victims stressed one single theme over and over again—Remember, remember and bear witness: This is their legacy to us, the living.

There may be some who will ask: Why remember at all? Why not allow the dead to bury the dead? Is it not in man's nature to push aside memories that hurt and disturb? The more cruel the wound, the greater the effort to cover it. The more horrifying the nightmare, the more powerful the desire to exorcise it. Why then would anyone choose to cling to unbearable recollections of emaciated corpses, of violations of every human law?

Clearly, we have not yet learned to cope with the event—intellectually, socially, philosophically, theologically, Perhaps we never will. The more we know, the less we understand. All we can do is remember. But how does one remember? How does one remember and communicate an event filled with so much fear and darkness and mystery that it negates language and imagination?

Auschwitz transcends history, marks it with a burning seal. Our century may well be remembered not only for the monuments it erected or for the astonishing technology advances it made but also for the Nazi concentration camps.

Elie Wiesel's remarks, Mr Speaker, continue as follows:

□ 1845

It will be remembered for Treblinka and Majdanek and for Belson and Ponar and for Auschwitz and for Buchenwald.

How is one to explain what happened? It could have been stopped, or at least slowed down, at various stages. It was not. Why not? Why the complacency? Why the tacit acquiescence? Why were not the Hungarian Jews, for example, warned about their fate when they arrived at Auschwitz at midnight. They mistook it for a peaceful village. Why were not the railways to Birkenau bombed by either the Allies or the Russians?

The calculated viciousness of the executioner, the helplessness of the doomed, the passivity of the bystanders, all these lie beyond our comprehension. The killers' fascination with death, the victims with hope, the survivors with memory, a new vocabulary needs to be invented to describe the event.

Though Jewish, profoundly Jewish in nature, the holocaust has universal implications. The memory of what was done to one people may shield other peoples.

Naturally, other nations were persecuted and even decimated by the Nazis and their allies and their collaborators, and we honor their memory; but the Jewish people represented a different target. For the first time in history, being became a crime. Jews were destined for annihilation not because of what they said or proclaimed or did or created, but purely because of who they were. Is that why Jews are so concerned with memory?

Is that why so many are attached to a land where many survivors have found pride and refuge? is that why we believe in Israel's right, not only to be secure, but also to feel secure. That small democracy's nightmares are also our nightmares. Israel is today threatened by a holy war, which means total war, which means annihilation.

Are these just words? Yes, they are words, but we are a generation traumatized by the experience of words. We take words seriously. The very idea of another holocaust anywhere is quite simply unbearable and unacceptable to us.

Before the planning of the final solution, Hitler asked, "Who remembers the Armenians?" He was right. No one remembered them, as no one remembered the Jews. Rejected by everyone, they felt expelled from history.

Can you imagine the silence preceding a selection for the gas chambers, the feelings of a man or a woman who suddenly understands that he is the last of his family, the last of his line?

Imagine—no, no one can imagine that kingdom. Only those who were there know what it meant to be there. Theirs was a kingdom that will forever remain forbidden and forbidding; and yet, and yet we must tell the tale. We must bear witness. Not to do so would mean to render meaningless the years, the lives, that we, those of us who survived, received as a gift, as an offering, to be shared and to be redeemed.

We are determined to tell the tale, not to divide people, but to bring them together; not to inflict more suffering, but to diminish it; not to humiliate anyone, but to teach others to humiliate no one. This is why we bear witness, Mr. Speaker, not for the sake of the dead. It is too late for the dead; not even for our own sake, it may be too late for us as well. We speak for the sake of mankind. The universality of the holocaust lies in its uniqueness. Only the memory of what was done to the Jewish people and through it to others can save the world from indifference to the ultimate dangers that threaten its very existence.

That the survivors have not lost their sanity, their faith in God or in man, that they decided to build on ruins and chose generosity instead of anger, hope instead of despair, is a mystery even to us. they had every reason to give up on life and its promise. They did not. Still, at times, Mr. Speaker, they are overcome by doubt and fear. The world has not learned its lesson. Anti-Semitic groups are springing up and some shamelessly deny that the holocaust ever occurred. Fascist groups increase their membership. Intolerance, bigotry, fanaticism, mass executions in some places, mass starvation in others, religious wars, medieval upheavals and then, of course, the ultimate nightmare, the nuclear menace.

What then is to be done? In those times, Mr. Speaker, European Jewry felt abandoned and, indeed, it was abandoned. Other oppressive nations received help, not the Jews. On April 16, 1943, the young commander of the Warsaw ghetto uprising wrote to a friend, "We are fighting. We shall not surrender, but as our last days are approaching, remember that we have been betrayed."

That is what he felt. That is what we all felt. They were betrayed then, and to forget them now would mean to betray them again. We must not allow this to happen. We shall not allow this to happen.

Mr. LEHMAN. Mr. Speaker, I yield such time as he may consume to my distinguished colleague, the gentleman from New York (Mr. GREEN).

Mr. GREEN. Mr. Speaker, I am proud to join my distinguished colleague BILL LEHMAN of Florida, in reserving this time on the floor of the House of Representatives to commemorate Yom Hashoah, the days of remembrance. I wish to thank my colleagues from both sides of the aisle for participating with us in this special order.

As a member of the United States Holocaust Memorial Council and of its predecessor Commission on the Holocaust, I am gratified that the first annual commemoration to mark these days provided in the legislation establishing the Council was held this morning. President Reagan participated in this moving event. Because the Council seeks to encourage national commemorations. I would also acknowledge the numerous events taking place in the country this week.

This Sunday, May 3, at my temple, Temple Emanu-el in New York City, there will again this year be a major civil gathering there to pay tribute to those who perished in the Warsaw ghetto uprising, now 38 years ago. And in cities and towns across the Nation, in our schools and synagogues and churches and local meeting halls, peope have gathered to mark this special time on our calendar. For some, it is also a time of private recollections.

As Americans of all faiths, we observe this collective remembrance so that we will never forget the unspeakably tragic and horrendous events of this darkest period in our world history. Remembering, indeed, is not easy for us to do, but it is necessary that we do it. As we acknowledge the pain and suffering of millions of innocent people, of the 6 million Jews who died because of who they were, and the other millions of innocent people who also perished, we renew our pledge to do all that we can to prevent another holocaust anywhere ever again. As we think of the cultures and traditions that were lost then, we are renewed in

our efforts to gather and pass along to future generations knowledge of that period in our history. And as we remember the failure of the world's political institutions to stop the killing too many refused to admit was going on, we seek ways to hear the voices of those who speak out whenever suffering and inhumanity again occur. We should also never forget that the State of Israel was born out of the destruction of the holocaust and the hard work of its survivors. For this reason it is so special to so many.

In reflecting on the events which brought us to this time for remembrance, the totality of what occurred during the holocaust is impossible to absorb. We have heard and read the individual stories and the overall statistics, and know how immense were the numbers who endured, too few of whom survived. It is from this sense of the larger horror that each of us comes to our individual recollection and from that to our own renewed pledge to prevent there ever being another holocaust. This, I believe, is the central message of these "Days of Remembrance."

In conclusion, I will quote some remarks made by our distinguished Chairman of the Holocaust Memorial Council, Elie Wiesel, at the swearing in last June of the Council members.

From the holocaust, we have learned that we are responsible for one another. We are responsible for the past and for the future as well.

It is my profound hope that through the outcome of the work of this Council, we shall help Americans remember and thus insure our goal of forever preventing another atrocity such as the one we endured too short a time ago.

Mr. LEHMAN. Mr. Speaker, I yield such time as he may consume to my distinguished colleague, the gentleman from New York (Mr. WEISS).

Mr. WEISS. I thank my distinguished friend and colleague for yielding to me. I want to commend him and the gentleman from New York (Mr. GREEN) for arranging this special order.

I am one of the fortunate ones who did not perish in the holocaust. My mother and my sister and I were among the lucky few who were able to leave Europe before the onset. We arrived in the United States in March 1938; but countless of our very close and dearest members of our family, both sets of grandparents, uncles, aunts, granduncles, and grandaunts, cousins perished.

Today we are remembering the slaughter of 6 million Jews during World War II, which has come to be known as the holocaust. This day serves two vital functions: To remind us of the human capacity for cruelty to fellow human beings, and to remind us of the importance of preserving and defending our democratic values and system of government.

"To remember the holocaust is to sensitize ourselves to its critical political lessons," the President's Commission on the Holocaust explained in its September 27, 1979, report. "Nazism was facilitated by the breakdown of democracy * * * the erosion of faith in the political leadership and in the ability of democratic governments to function."

We must be constantly aware of the possibility that a horror such as the holocaust could happen again. We need only look at recent history to see that mass atrocities occur where democratic values have been abandoned, submerged, or ignored. In Kampuchea, for example, more than 2½ million people were killed by the repressive Pol Pot regime. We have also witnessed repression in South Korea and in Argentina. In Uganda, as well, some 300,000 individuals were murdered under the Fascist regime of Idi Amin. And at home and abroad, there is a rising wave of violent and propagandistic antisemitism.

The Presidential Commission report paraphrased a now famous statement by Philosopher George Santayana that underscores the importance of what we are doing today: "Those who forget history are condemned to repeat it."

Never again can we allow Jews to be persecuted as they were during the holocaust. Never again should any people be subjected to such horror. To keep our commitment strong, we must keep the memory of the holocaust alive. In so doing, we can have greater hope that the children of today, their children, and the generations to follow will remember, and understand, that our democratic traditions and humane concern for all who inhabit the Earth must be our foremost pursuit.

● Mr. SOLARZ. Mr. Speaker, it is hard to believe that only 36 years ago, after the liberation of Buchenwald, Dachau, Auschwitz, Bergenbelsen, and numerous other Nazi death camps the world finally and fully realized the extent of the horror of Hitlerism.

It is not my intention this afternoon to offer a complete catalog of the crimes of the Nazi era. I want instead to share a few thoughts with you about the meaning of what happened to the European Jewish community during World War II and what it implies about the future of our world.

Let me begin from the premise that the holocaust is the central existential fact in the history of mankind. The systematic slaughter of 6 million men, women, and children—for no other reason than that they were Jewish—is a shocking indication of the depths of depravity to which the human spirit can sink.

The mass murder of the European Jewish community may have taken place at the hands of the Germans. But make no mistake about that fact that it could happen elsewhere as well. The German people, have no monopoly on evil.

What was unique about the holocaust was the systematic way in which it was carried out and the extent to which it relied on the means and methods of modern technology to effectuate elimination of an entire people. The beast in man, thanks to the technology of death, now has the capacity to overwhelm us all.

As Members of Congress, we have a special obligation to remind the public about this ruthless destruction of human beings because of their race, creed, or political beliefs. But it is by no means our obligation alone. It is, indeed, it must be, the obligation of decent people everywhere to know, not only what happened to the 6 million, but how it happened, and even more importantly, why it happened.

Let future generations of Americans know about the night of broken glass which provided a violent prevision of the slaughter that lay ahead for the Jewish community.

Let them know about Adolph Eichmann, who with bureaucratic efficiency, oversaw the implementation of the final solution itself.

Let them know about the glorious and courageous revolts of the inmates at Treblinka, at Sibibor, at Auschwitz, and Warsaw.

Let them know about the silence of Popes and Presidents who failed to speak out in protest against this monstrous evil.

Let them know how the holocaust had its roots in the theology of anti-Semitism and swept ahead on a tide of world indifference.

And let them know about the Nuremberg trials at which those who were responsible for these foul deeds were finally brought before the bar of justice.

There is a plaque at Yad Vashem, that moving memorial and museum to the 6 million in Jerusalem, which eloquently enjoins us to teach this lesson over and over again:

Son of Man, keep not silent, forget not deeds of tyranny, cry out at the disaster of a people, recount it unto your children, and they unto theirs from generation unto generation, that hordes swept in, ran wild and savage, and there was no deliverance * * *.

President Carter established a Commission on the Holocaust, and the Congress last year created the Holocaust Memorial Council because the lesson of the holocaust is too important to forget. In the words of Emerson, "the only thing which is necessary for the triumph of evil, is for good men to do nothing."

Today, as we formally observe this Day of Remembrance of the Holocaust, let us proceed, not in an atmos-

phere of despair, but in a spirit of hope and determination, that the decent and civilized people of this world will remain vigilant to prevent such a tragedy from occurring ever again.●

● Mr. HUGHES. Mr. Speaker—

In Germany they came first for the Communists, and I didn't speak up because I wasn't a Communist. Then they came for the Jews, and I didn't speak up because I wasn't a Jew. Then they came for the trade unionists, and I didn't speak up because I wasn't a trade unionist. Then they came for the Catholics, and I didn't speak up because I was a Protestant. Then they came for me, and by that time no one was left to speak up.

I rise today to join with my colleagues in remembrance of those who were soldiers of a different kind in World War II—the victims of the holocaust. They were the innocent victims of repression and terrorism by government. Some died because they chose to fight tyranny. Some died because of their political convictions. Some died simply because of their heritage and their religion. They were women and children as well as men and they all died because of fear without direction and hatred without reason and because of the neglect of their fellow men.

They were not the first to fall because mankind became so engrossed in the problems of day-to-day living that we were willing to overlook the excesses of those who promised us something better. We have therefore sought to find a profound lesson in the tragedy that was the holocaust. For without that lesson, without the assurance that those many millions will be the last sacrifices to human greed and indifference, this senseless mass murder is beyond our ability to comprehend and to assimilate.

Yes, in his "Philosophy of History," George Hegel said:

What experience and history teach is this—that people and governments never have learned anything from history, or acted on principles deduced from it.

The reason for these "Days of Remembrance" is to prove Hegel wrong. To say to the world that we have learned an enduring lesson from the unspeakable sorrow of the holocaust. We are telling the people of the world today and most importantly, we are telling those among them that would lead through fear and kill without cause, that never again will the rest of mankind stand idly by and watch the slaughter and think only of their own interests. Our interests lie in the freedom and recognition of the human rights of our fellow men. That is the lesson we have all learned from the holocaust. We will speak up.●

● Mr. GILMAN. Mr. Speaker, today, during our season of rebirth, we are commemorating those millions who perished in the holocaust. These "Days of Remembrance" (Yom Hashoah) were established pursuant to Public Law 96-388 and the United States Holocaust Memorial Council.

Mr. Speaker, this year we are commemorating the 38th anniversary of the Warsaw ghetto uprising, the 36th anniversary of the end of World War II and the tragic murdering of more than 30 million people, including the barbaric systematic slaying of 6 million innocent Jews. The years 1933 to 1945 marked a nightmare for European Jewry, beginning with the infamous slandering and wanton destruction of "Crystal Night" and ending with the brutal cattle car ride to Dachau, Auschwitz, Treblinka, Bergen-Belsen, and the walls of Warsaw. The bravery and unique courage which these men, women, and children exhibited over the years, is inspirational to all of us. One only has to read the diary of Anne Frank to feel the horror that these victims felt daily, in their fight to evade the hands of the SS. It would be tragic to minimize the sacrifice that millions endured under the Nazis. There are those critics who maintain that an annual commemoration of the holocaust is a morbid, self-serving event, with little constructive insight. However, we must be quick to reply to these critics that the realities of the holocaust are still with us, albeit in many different forms. Important lessons still need to be learned. The feelings of nationalism, destiny, racial hatred, economic necessity, and political aims, which gave rise to the Nazi machine are still evident in Europe and in many other areas of the world. The connection must be recognized, or the lessons of the holocaust will have been lost in such regions as Cambodia, Afghanistan, El Salvador, and to a certain extent, the situation in Poland today. In those cases, we ring a systematic, widespread repression of those groups and individuals who have a different political belief, religious conviction or simply the desire to exercise the most elemental human rights. In many cases, it is the government which is responsible for the killing and suffering, in other cases it is communist factions, terrorists and guerrillas which are claiming responsibility. The point is clear: Without public recognition and remembrance of the suffering and pain of those victimized, the license to perpetuate these acts is all the stronger.

The inspiration that the survivors of the Warsaw ghetto and the rest of the holocaust have passed on to us can, and will, serve as a reminder of the limits of the human soul—how man can survive and ultimately overcome the experience of degradation, and how man can rectify the hatred and fear which produces even more violence and abuse by piercing the veil of silence and speaking out and acting against violations of human rights. If it were not for the survivors of the holocaust and the chronicles of memories which exist, and the living memorial of those sympathetic to what happened, the horror of those camps and the realities surrounding its occurrence would be tragically lost forever.

Mr. Speaker, I urge my colleagues to join together on this day of remembrance in prayer for our fellow man, past and present, in the hopes of avoiding another holocaust and to prevent the destruction of any more innocent lives. Let these memories of the past remind us to seek a better tomorrow. To remember the holocaust is to prevent it from reoccurring.●

● Mr. MINISH. Mr. Speaker, "Days of Remembrance" is an important time set aside to commemorate the horrors of the Nazi holocaust, which for many people is remote to the point of abstraction. However, for 6 million Jews and for approximately the same number of non-Jews, the events of the holocaust were a living nightmare. To those individuals who perished in the death camps of Dachau, Treblinka, Warsaw, Auschwitz, Bergen-Belsen and Babi Yar as well as to the survivors, we must pay tribute. For it was their own bravery and courage which provided the strength and will to endure the atrocities imposed on human lives, both strangers and loved ones, in an atmosphere conducive to nothing but hopelessness and despair. Not only is this a time to pay homage to the memory of innocent victims who suffered unimaginable brutality, but also it is an opportunity to remind ourselves of the inhumanity that took place not so long ago. We must learn from this experience so that history does not repeat itself. We must learn from the survivors not to succumb to adversity and to use our strength to work toward a better world.●

● Mr. ZABLOCKI. Mr. Speaker, I join my colleagues today in honoring the survivors, relatives, descendants and friends of the Armenian martyrs who died so tragically 66 years ago, on April 24, 1915.

It is, I believe, a testament to the Armenian people that they have survived this historic crisis and that their descendants have prospered and enriched the lives and cultures of many societies throughout the world, including our own.

Again this year, the date April 24 is a reminder that the protection of the human rights of minorities everywhere requires the eternal vigilance and sympathetic concern of the civilized world.●

● Mr. PEPPER. Mr. Speaker, I appreciate the opportunity to bring to the attention of our colleagues the horrible, inhumane, shameful and real history of the holocaust, which happened in Germany during the Nazi era of the thirties and forties. This was an event

that will long continue to haunt mankind and all those who participated in that gruesome reality with the terrible mirror image of man bent upon the literal destruction of his fellow man for avarice, jealousy, prejudice, for selfish ends and cruelty.

Being a member of the U.S. Senate during and after the war, I attended at Dachau, Germany, the opening of the trials of known perpetrators of the horrors whose effects we had witnessed at Dachau the night before on a tour of the infamous camp where many, many thousands died. This was an event which occurred in our lifetime and produced such enormous evidence of almost unspeakable cruelty and twisted indifference to human life that future generations might almost be tempted to view the holocaust as an almost incredible fact. We must not allow those who say now that Jews did not die at German hands under Hitler to prevail against the mountain of personal testimony of people who barely survived the concentration camps, such as the survivors I met this morning in a ceremony at the White House, who can tell today from experience that what our soldiers saw to be the truth of murder and bodies piled in heaps outside of unspeakably filthy, cold barracks and holding pens was the truth and the only truth proven to be the truth at the trials of the manslayers I myself attended at Nuremberg, Germany, shortly after the conclusion of the war.

Let future generations not forget that the slaughter of millions was not related to the bombs which fell in lesser numbers than have fallen since then and that the documents and photographs giving the detailed orders and evidence of organized murder still exist as indelible evidence of the awful historical truth.

In the words of the poet: "Lord God of hosts, be with us yet—lest we forget, lest we forget!"

Even in the early stages of the war, we were already presented with the testimony of this terrible tragedy in Germany, I ask to include in the body of the RECORD the following speech I gave to the Senate in November 1941, when the awful German crimes were beginning to shock mankind.

[From the CONGRESSIONAL RECORD, Apr. 27, 1942]

JEWISH NATIONAL HOME IN PALESTINE

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an address which I delivered before the National Jewish Fund, New York City, on November 30, 1941.

There being no objection, the address was ordered to be printed in Record, as follows:

"Hitler has not persecuted the Jews. He has persecuted humanity. He has not robbed and plundered and ravaged the Jews. He has robbed and plundered and ravaged men, women, and children with sensitive bodies, breaking hearts, and immortal souls.

"There is, therefore, no Jewish problem today. There is no minority problem anywhere. There is only the problem of humanity, human beings, men, women, and children being treated with that dignity which humanity everywhere deserves.

"The fatherhood of God and the brotherhood of man presupposes the worthiness of man, his right to justice, to fairness, to the strains of mercy.

"It is a mistake, therefore, to think of the various so-called minority problems as presenting separate questions for solution, especially so in this sad time when the whole institution of justice, everything held dear to the race, is under assault by a devil who would overturn heaven and earth to gain his evil ends, who hates every virtue and strives to enshrine every vice which decent men have cursed since the beginning of time.

"To throw back this sinister attack is the duty of all, for none are safe against it. What Hitler has done to nations he has likewise done to the unfortunate of his own people. They have been snatched from their firesides and thrown into the obscurity of a Gestapo grave without a pretense of trial, a semblance of right. They have been hurled into the concentration camp like penned cattle and made beasts of burden for no reward save bread and water. They have been snatched out of their professions, their homes, their businesses and stripped of all their wordly goods and driven like hunted men to roam the face of the earth. The sacredness of the family has been profaned and the laws of God and man have been violated in the demands of the state that the unmarried young women of this unhappy land shall bear the conqueror's pawns with which we shall play the game of world power.

"When a few men are wronged and the force of brutality and the jungle are let loose, when civilization is denied and godliness and goodness scorned, that is no private war, that is a war against man.

"Hence, to vindicate those things for which good men stand, good men everywhere must stand together against wrong, not only wrong to a chosen few, but wrong to any man, woman, or child.

"Today, therefore, those of us bent upon the destruction of Hitler and Hitlerism must see to it that our skirts are clean and that by our own sin we are not forbidden to throw the stones of indignation and retribution against him. We must show that we do so solemnly believe in our hearts in the right of what we fight for; that we shall not condone the existence of wrong in any land within the sway of our own power, or anywhere within the reach of our might.

"Let no man find anywhere that we discriminate against him in favor of another, or that we propose to gain liberty for some and deny to those who too are due it as their just inheritance.

"This struggle in which the world now engages transcends in significance any the world has ever seen. It is Armageddon. Everywhere the forces of right are rallying to a common front against wrong wherever it be.

"I speak especially of these sentiments in regard to the Jewish National Home in Palestine. Since it was under the impulse of such moving sentiments of right and justice that Lord Balfour 24 years ago moved the world and lifted up the hearts of men with his declaration emancipating the Jewish people from the distress of homelessness and restoring to them in their ancient land of Palestine their ancient home.

"As Lord Balfour uttered the words: "His Majesty's Government views with favor the establishment in Palestine of a national home for the Jewish people * * *," he spoke in the spirit of the heroes on the battlefield who were daily giving their lives that other men might live free. In the preamble to the mandate for Palestine gaining recognition "* * * to the historic connection of the Jewish people with Palestine and to the grounds for reconstituting their national home in that country," the formal seal of the civilized world was stamped upon an act which in a way represented the repentance of the world for the wrongs it had done to Jewish people and the world's effort to heal the wounds of those who had so tragically suffered.

"In two decades intervening, Palestine has burst into a great nation, a state deserving and enjoying the admiration of good men everywhere. The fallow ground has been broken and bountiful harvests have come pouring forth. The earth has been stirred and her rich resources yielded up. Magic fingers have woven a great industry into the alert lives of the people. Science has been stimulated, learning and the arts nurtured and a rich culture has grown out of an inspiring Hebrew spring of knowledge and beauty.

"The Jewish National Home in Palestine has become one of the world's established institutions, deserving of the world's support and encouragement. Not only Jews, but all men look upon it as a symbol of freedom regained, a home restored, of the return of the wanderer to his own native land. It gratifies one of man's most ancient longings, his yearning for a part of God's earth to call his own.

"For four decades the Jewish National Fund has been acquiring the memorable soil in Palestine upon which Jewish people might build again Jewish homes, where they might bring forth from the free earth Jewish harvests, where the spirit and the body could be at peace on the good earth.

"How well have Palestine and the Jews vindicated the confidence of all those who through 40 years have built the Jewish National Fund and through it acquired all these many lands. How vivid and how dear, not only to Jews but to those who believe in justice and in humanity, is the name of Herman Schapira, who, while a professor in formerly renowned Heidelberg University, conceived this great dream of a Jewish National Fund to put under the feet of returning Jews their holy Palestine soil.

"I know that today all to whom the appeal of the Jewish National Fund shall come will realize how peculiarly challenging that appeal is in this moment when one must take sides either for good or bad, indifference and opposition, or positive accomplishment toward bettering the lot of men.

"I know then that Britain, the United States, and those unhappy people who have felt the yoke of oppression in every part of the earth will now as never before extend their sympathy to those people who have been singled out and made the most wretched of all. I know that all of us will resolve that that Balfour declaration shall gain added significance and not less. That our scrupulous observance of its contents and its sentiments is the degree of our sincerity to purge our souls of every taint of selfishness or timidity, is the measure of our clear resolution of high purpose, pure aim, and noble effort; is a part of our solemn resolve to make free all slaves, to open the door of opportunity to all worthy to enter and to

give out of this rich earth to every man, woman, and child, even to the wandering Jew, that rare blessing, a home.●

● Mr. BLANCHARD. Mr. Speaker, as a former member of the President's Commission on the Holocaust, and as a current member of the U.S. Holocaust Memorial Council, I would like to take this opportunity to join my distinguished colleagues, Congressman LEHMAN and Congressman GREEN in paying homage to millions of men, women, and children who lost their lives during the holocaust.

It has been my distinct honor over the past few years to have the opportunity to work with distinguished statesmen, scholars, and other esteemed public figures in an effort to determine appropriate and fitting ways in which to commemorate victims of the holocaust. Our efforts have always been guided by a simple yet critical principle—that we must never forget the victims of the holocaust. As Santayana said, "Those who forget history are condemned to repeat it." It is the task of the U.S. Holocaust Memorial Council to keep the memory of this terrible tragedy in the minds of all Americans, now and in the future. Only by maintaining that memory will present and future generations be able to learn the lessons that the holocaust can teach us all. One lesson, a political lesson, was aptly stated in the Holocaust Commission's report to the President. It stated:

> Nazism was facilitated by the breakdown of democracy, the collapse of social and economic cohesion, the decline of human solidarity, and an erosion of faith in the political leadership and in the ability of democratic governments to function.

We must always cherish and be grateful for our democratic way of life yet at the same time we must be vigilant and watchful to insure the continued strength, justice, and freedoms that are provided by our system of government.

And finally, we must remember. Not only on those days that are set aside for our remembrance, but every day we should remember the bravery, the courage, and the nobility of the victims of the holocaust. And we must pledge to stand strongly and unremittingly for the human rights, human freedoms, and democratic principles that are the only certain safeguards against such oppression and human tragedy.●

● Mr. FASCELL. Mr. Speaker, although it has been said many times before, we must not allow ourselves to forget the enormous tragedy of the holocaust. We must remind ourselves, our peers and our children of that period of horror. We must never forget. Remembering, though painful to many of us, will help to insure that this nightmare will not reoccur. We, in Congress, recognized the importance of recalling the events of the holocaust by establishing the U.S. Holocaust Memorial Council. The Congress has resolved that April 28 and 29 shall be designated "Days of Remembrance" during which we can pay homage to the 6 million Jews as well as the 5 million non-Jews who perished under Hitler's plan of genocide.

It is difficult to believe that the atrocities committed by the Nazis in the concentration camps took place less than 40 years ago, in our modern, technologically advanced and supposedly civilized world. The survivors of the holocaust, although lucky to be alive, will carry with them the scars and the nighmares of that unhuman period. We cannot possibly conceive of the horrors, the atrocities, the crimes they withstood. Although we cannot feel what they feel, remember what they remember, we must be aware of what happened—study it and teach our children. It cannot be just something we read in our history books and mention in passing.

We must ask ourselves the question, what relevance does the holocaust have for us today? I believe the holocaust teaches us some important lessons about ourselves and about what our priorities must be in conducting our lives as well as our Government's policies. Hitler's objective was to exterminate an entire people whom he considered to be inferior. The implications of this objective are awesome. The Nazis did not choose as their enemy another nation. Theirs was not a territorial claim, a boundary dispute or an economic aim. Although to suggest that such disputes somehow lend legitimacy to war is also ridiculous. The Nazis chose to annihilate the Jews of Europe. The underlying current of this psychotic and diseased notion is a deep-seated feeling of prejudice. Anti-Semitism is not a new phenomenon—it has been with us throughout the nearly 6,000 years of Jewish history. Anti-Semitism, as well as prejudice against blacks and other minorities represents the worst aspects of human nature. That this prejudice could manifest itself into the reality of the holocaust must give us pause, and make us look at ourselves. Prejudice still exists today in many forms, against many people. It is essential to eradicate prejudice and it must start with teaching our children the evils of prejudice and the necessity of growing to understand and accept all people, though different from ourselves, educating against prejudice should be one of our first priorities, as the horrors of the holocaust so vividly teach us.

The holocaust also represents the epitome of terrorism. Barbaric and inhuman acts were committed in the concentration camps and were carried out in a systematic and procedural manner. Perhaps nothing in our history can be compared to the heinous crimes committed during the holocaust; however, acts of terrorism today are rampant. The taking of our hostages in Iran, the hostilities in Northern Ireland, and the killing of the children here in Atlanta, are only a few examples of the terrorism which exists in our world. The President has declared terrorism one of his top priorities in dealing with foreign policy. I agree that we must do everything possible to bring acts of terrorism under control in foreign countries and in our cities and towns.

Finally, the holocaust was a complete desecration of human rights. Our fellow human beings were stripped of humanity, tortured, defiled, and victimized by the Nazis. However, such disrespect for humanity endangers the human rights and human dignity of all people everywhere. As Americans, we must continue to promote moral objectives which make clear our support for the aspirations of mankind, and that are rooted in the ideals of all Americans. As chairman of the Commission on Security and Cooperation in Europe, I have become keenly aware of and alarmed by the continuation of human rights violation worldwide. It is only through continued public pressure, beginning with each one of us, that we will be able to make any progress toward human rights for all. This must be our goal.

The need to remember the holocaust and its victims is undisputed. We cannot tolerate indifference to the events of that period, because indifference to the holocaust would also herald our indifference to the victims of prejudice and of terrorism and would signify our abandonment of the cause of human rights. We, as a nation, must never forget the lessons of the holocaust.●

● Mr. ANNUNZIO. Mr. Speaker, I rise to join my colleagues, Hon. WILLIAM LEHMAN and Hon. BILL GREEN, in the commemoration of the victims of the holocaust. In the last Congress, I was a proud cosponsor of the bill to establish the U.S. Holocaust Memorial Council. This legislation is now Public Law 96-388 and is a living memorial to the 6 million Jews who were murdered in the holocaust during World War II.

The Council's mandate is to establish a memorial museum on behalf of those who perished in the Nazis' death camps, and to lead appropriate ceremonies each year in commemoration of their martyrdom.

We as Americans have been privileged to live in freedom, and we must never forget the terrible Hitler massacres of the Jews because these murders are the most horrifying example of what can happen in any nation which loses its dedication to the ideals

of liberty and the dignity of all human beings.

The people of our beloved country must never waiver in their determination to continue their efforts to prevent genocide, wherever it occurs in the world, and remain vigilant in defense of our precious heritage of freedom.●

● Mr. MICHEL. Mr. Speaker, in commemorating the holocaust, we are not only making a statement of sorrow and anger and shame about what happened years ago, but a statement of hope and concern and love about the future.

There have been innumerable books written and many dramas and motion pictures and television films made about the terrible events of the holocaust. Nothing I can say today can add anything to the documentation of that tragic occurrence. But simply by joining those who care enough to remember—and to learn from—the holocaust, one can contribute something to the cause of human freedom and human rights.

And that is why I believe that commemoration of the holocaust can and should be the source of hope and concern. Nowhere has George Santayana's famous statement been more compelling than when dealing with the holocaust: Those who are not willing to learn from history are condemned to relive it.

We must and can learn that totalitarianism, ideological fanaticism, racial, religious, national and other forms of hate and discrimination are common enemies of the human race. Our task today is to see to it that these evils do not get the chance to exercise the demonic power they are capable of. This means we must remain strong, both economically, and militarily. We cannot change the past—but we can shape the future. By shaping it for freedom, for our values, and for our best hopes and dreams, we will be remembering the victims of the holocaust in the best way.●

● Mr. BOLAND. Mr. Speaker, I join my colleagues in marking these "Days of Remembrance" commemorating the holocaust.

This annual commemoration, sponsored by the U.S. Holocaust Memorial Council which was formed during the 96th Congress, is a significant and appropriate event. These Days of Remembrance will focus national attention on the horrible acts committed by the Nazis in killing millions of innocent people throughout Europe. It is important that we keep alive the memory of the holocaust in order that ours and future generations can work to prevent similar atrocities from occurring.

This commemoration also serves to remind us that human rights violations around the world cannot go unchallenged. We must be increasingly vigilant in these violent times, when oppression and brutality are perpetuated by nations less dedicated to promoting individual freedoms and basic human rights. The memory of the holocaust should strengthen our resolve to resist the many forces at work around the world which tend to undermine the advances made by civilized nations in the area of human rights.

These Days of Remembrance will do much to advance the cause of human rights around the world. For this reason, I believe it is especially important that we take this time today to lend our voices to this momentous undertaking.●

● Mr. ADDABBO. Mr. Speaker, their locations were Auschwitz, Dachau, Bergen-Belsen, and Buchenwald. They were death camps. In extermination camps such as these, and countless others, 6 million Jewish people, and millions of others, rich and poor, male and female, young child and older adult, brutally and tragically perished at the hands of Nazi German barbarism.

At this time it is indeed an honor to join my distinguished colleagues in the House as we pay tribute to the millions who were senselessly killed in the holocaust, a time which will forever reign in history as one of mankind's darkest hours.

Before I continue, however, I would like to take this moment to commend the distinguished Member from Florida, Mr. LEHMAN, and my colleague from my home city of New York, Mr. GREEN, for their work in the establishment of the U.S. Holocaust Memorial Council and for this special order today. Their work in the formulation of the Council and future monument, a monument for all Americans, Jew and non-Jew alike, will long be remembered and appreciated.

The establishment of the U.S. Holocaust Memorial Council, which includes a Committee on Conscience to resist future threats of genocide, to honor and remember those who fell victim to the Nazi terror, should serve to remind us that the killing, imprisonment, and torture of innocent people, especially the weak and the helpless, the sick and indigent, then and now, cannot be tolerated. It should remind us that those governments which seek to deny its citizens freedom, and with it the right to dignity and respect as human beings, are to be hounded and shunned by the free nations of the world until they accord their people those rights inherent top all free, civilized governments.

Numbers alone cannot, and will not, help us understand and fully mourn those who suffered and were killed, or those who survived and still suffer. Those who were forced to die were not just numbers that were tallied up after the war, nor were they just bodies thrown into mass graves. No, they were human beings with everything to live for, each with a special future. They were doctors, clerks, and tailors. They were mothers and fathers, sisters and brothers, aunts and uncles. They committed no crimes, broke no laws. They left behind people who loved them and people who to this day, miss them.

No memorial, no day of commemoration will ever bring back those whose lives were taken. No memorial will ever erase the memories of fear, depravation, humility, cold, and hunger which those who survived, experienced. What this day of mourning and remembrance can and will do, is educate millions of Americans of what happened to innocent men and women in World War II, and that we must never let it happen again. One does not have to be of the Jewish faith, or of any other faith which too, suffered at the hands of the German Army to understand and feel for those who could not escape to safe soil. As a moment in history it should be a time to be studied and a time for thought.

This day of mourning and the future memorial I hope will bring all of mankind closer together, helping all understand the similarities in our religions and pasts, most of which have had their share of persecution and suffering. The courage and spirit in the face of death of those who died, and the will to live and intestinal fortitude of those who walked away from Auschwitz, Dachau, Bergen-Belsen, and Buchenwald will long remain an inspiration to all who at times face what seem insurmountable odds and problems. The holocaust and the lessons we can learn from it rightfully deserve our attention, for we must never be reluctant to delve into our past if it serves to guide us in the future.●

● Mr. COELHO. Mr. Speaker, 2 days ago I, and a number of my colleagues, had the opportunity to call attention to the commemoration of Armenian Martyrs Day. It is indeed very gratifying to be able to stand before you only 2 days later to commend the U.S. Holocaust Memorial Council for formally including the Armenian genocide in the Council's memorial programs.

As we observe the Days of Remembrance to pay tribute to those men, women, and young people, who were innocent victims of horrendous crimes against humanity because of their nationality, religious preference, or political convictions, let us acknowledge our appreciation to the Holocaust Council for realizing and acknowledging the role which the Armenian genocide played in the entire process that resulted in the holocaust of some 6 million Jews.

It is my hope, and I know of all civilized men, that such atrocities as the Armenian genocide and Jewish holo-

caust shall never again occur. Hopefully, our recognition of these tragedies through the Days of Remembrance will reinforce man's humanity to man.●

● Mr. CORRADA. Mr. Speaker, I am honored to join in this special order in commemoration of the holocaust for we must never allow ourselves to forget that tragedy. Even today the horror of those years and the terrible dehumanization of our civilization can and should continue to serve as an example of how man can hurt his fellow man in a frenzy for power.

We cannot fail but continue to be amazed at how thin the line is between a civilized society and one in which the basic human rights of individuals are not only violated but denied. And we must ask why? Why is it that we often cannot tolerate people who are of different nationality, religion, political beliefs, or language.

The key to it is that we should ask ourselves—different in relation to what? For we are all different in any given place and at any given time. It is this difference which allows us to grow and learn, for in being continuously challenged to defend our beliefs and ideas we have to define them more clearly and logically.

The holocaust symbolizes all that can go wrong in a society and that is why it is particularly important that we take this moment to say a silent prayer on behalf of all those innocent victims that perished in it and to also pray that it will never happen again.●

● Mr. FAUNTROY. Mr. Speaker, it is with a sense of humility and concern over the fragility of the human condition that I join with my distinguished colleagues, Congressman WILLIAM LEHMAN and Congressman BILL GREEN to pay homage to the memory of the men, women, and children who were innocent victims of the holocaust brought on by purposefully genocidal policies conditioned and structured by an ideology of racial hatred and brutality.

The holocaust victims can best be memorialized by rededicating ourselves to fighting bigotry, scapegoating, and indifference to human suffering in the here and now.

The victims of the holocaust must be remembered by all of us and should be a constant reminder of the dangers of narrow nationalism and the excesses of collective self-pride. There was a feeling in the 1930's and 1940's that our Jewish brothers and sisters were somehow strangers and that what happened to them was not terribly important. Such a feeling allowed most of the world to remain silent and in our country led to the rejection of Jewish refugees from Hitler's terror.

Similar instances of indifference and callousness toward human life and human rights plague humanity today and while it is good that we remember, it is imperative that we honor the victims of the holocaust by rededicating ourselves to the politics of reconciliation, nonviolence, and bringing good news to the suffering poor and oppressed here at home and abroad.●

● Mr. ECKART. Mr. Speaker, much has been written and many speeches have been made remembering the holocaust. There are some who think it is time to leave genocide and suffering in the past, and ask when we will allow ourselves to forget.

We will not forget. We will keep remembering the holocaust until Soviet Jews have the full right to worship, live, and travel as Jews; until Israel is allowed to be a secure, proud, and accepted part of the world community and until Jews everywhere are free from the oppression of anti-Semitism. I do not mean just organized programs of discrimination by governments, but also the anti-Semitism of hysterical groups and confused people. These prejudices are the first step to another holocaust.

Until Jews, and all minorities, have these freedoms, we must keep commemorating the holocaust in many ways. Our speeches in Congress are empty unless we back them through support of Israel in the United Nations, commitment to a strong, secure Israel in the Middle East and our work for oppressed Jews in the Soviet Union and everywhere. Every time we take these actions we commemorate the holocaust. Every time we take these actions we say: Never again.●

● Mr. FRANK. Mr. Speaker, we recall today one of the saddest episodes in man's history. I refer to a dark age not long ago which saw 6 million people die at the hands of a regime dedicated to genocide. Today, we commenorate the victims and survivors of the human tragedy of the holocaust.

In the early 1930's, the Third Reich established the avowed objective of depriving all Jews in Germany of their rights. Widespread persecution and virtual exclusion of Jews from society gave way, by the end of that decade, to an even more deplorable policy known as the final solution. This policy involved, simply, the systematic murder of every Jew who fell into Nazi hands. The world remained largely silent as the Nazi regime implemented its solution. Concentration camps and ghettos were built and Jews were rounded up and imprisoned in them. The watching world offered little reaction, and the genocide began.

By 1945, in the space of 6 years, 6 million Jews had been killed, a third of the world's Jewish population, including 1½ million children.

The Nazi engineers of the final solution sought not only to exterminate all the world's Jews but to erase all memory of their cultural, political, indeed all aspects of their existence. Captured Jews were assigned to ghettos or death camps. Prisoners were gassed if lorries became too crowded. And gas could be saved by limiting the amounts prisioners were exposed to, thus prolonging their agony. Authorities economized further by committing children to ovens.

The holocaust has its victims, but also its heroes and great acts of resistance. Raoul Wallenbury risked his life to protect Jews against deportation and death. Emmanuel Ringelman organized a historical society in the Warsaw ghetto so that even if he and the ghetto perished, evidence of the situation would endure. This same ghetto was the scene of an armed uprising against the German Army in 1943 in which the Jews successfully kept the ghetto out of Nazi hands for months.

The holocaust provides a myriad of lessons for humanity. These lessons should not be lost on us. The U.S. Senate should promptly ratify the Genocide Convention—the only international treaty that aims to prevent and punish the hideous crime of genocide. We should not assume that such a crime could not occur in our day and age; we have only to look to Cambodia for proof. Nor should we assume that racism and bigotry have vanished with the Nazis; the forces of ignorance and hatred remain very much with us today.

Mr. Speaker, today, in remembering the holocaust, its victims and its survivors, we must rededicate ourselves to a vigilance so that we may never again experience the unreasoning and unjustified terror that was the holocaust. We must work to eliminate political, cultural, and religious persecution. We must study the holocaust and heed its lessons. Otherwise, we risk making mistakes that would endanger our liberties and rights and give rise to terrorism, fear, and hatred.●

● Mr. YATES. Mr. Speaker, today in many parts of the country people are gathered together in "Days of Remembrance" observances for the 6 million Jews who were systematically murdered by the Nazis in the holocaust.

As part of those observances, I am joining with a number of my colleagues in remembering the victims of the holocaust, and I know that all Members of the House share my very strong belief that it is vital for every American to understand and remember what happened in Nazi Germany.

The holocaust, which began in 1933 and ended in 1945, was nothing less than the single darkest period in human history. It was genocide in the full and most horrible sense of the word with the annihilation of the Jews as its objective. And it almost succeeded.

So I would hope that all of us will set aside a few moments today to re-

member the dead and to pledge that nothing like the holocaust will ever happen again.●

● Mr. WAXMAN. Mr. Speaker, today we are joined together in commemoration of the holocaust—to remember the painful hours in our history when 6 million Jews were brutally annihilated, and to begin to understand its critical lessons. Equally important, as Americans, we must take this opportunity to reexamine our own role in this ordeal and its aftermath, and to reaffirm our commitment to justice and our humane concern for all peoples confronted by genocide, oppression, or poverty.

The holocaust was the systematic and brutal extermination of innocent Jews. The dimensions of this unspeakable crime were awesome; the events that characterized it unprecedented. The sheer quantity of violence and the horror of the mass slaughter itself, make the episode unique in the annals of history. However, we must not let the senselessness of the destruction of European Jewry allow us to believe that an event such as the holocaust is too fantastic to reoccur. Idi Amin's merciless killing of some 300,000 Ugandans or the Pol Pot government's reported slaughter of 2.5 million Cambodians serve as compelling evidence of the potential for history to repeat itself. Remembering can instill caution. As the President's Commission on the Holocaust writes, "Memory can avert future errors."

As Americans, and peace-loving people, the memory of the holocaust points out to us the necessity of preserving our democratic values. It allows us to strengthen our belief in the inalienability of human rights and to appreciate the pluralism and ethnic diversity of our own system. Our own failures during the tragedy, particularly turning our backs during the war on millions of Jewish refugees, have obliged us to reflect inwardly and to reaffirm our commitment to helping others.

Today, as we honor the 6 million innocent victims of the holocaust, we pledge that such atrocities will never again occur. To adhere to that commitment, we must keep to memory of the holocaust alive. I was proud to be an initial cosponsor of legislation creating the U.S. Holocaust Memorial Council—whose goal it is to establish in this country a fitting memorial to the victims of the holocaust—and I am honored to join with my colleagues, BILL LEHMAN and BILL GREEN, in this special order. It is my hope that by the activities of the council and by the establishment of an annual "Days of Remembrance," none will ever forget what happened, or why.●

● Mr. DWYER. As the Nation commemorates those 11 million Jews and non-Jews who perished in the holocaust, we in the Congress must also give pause to reflect on the powerful lesson of that painful memory, and I thank my colleagues, Mr. LEHMAN and Mr. GREEN, for calling this special order.

Our recollections of that most frightful period in history must not only focus on the devastation wrought by the Nazi war machine through segregation, starvation, and ultimately extermination of millions of innocent people.

We must also remember the brave, and often successful, attempts to thwart this systematic Nazi immorality: The Jewish underground; the escape of thousands through the courage of Raoul Wallenber; the Warsaw Ghetto uprising, and so many other examples of a profound sense of strength and commitment to justice that has transcended the immediate horror of genocide to emerge even stronger in the face of new threats.

To say that the problem of prejudice, and its all-too-willing partner, repression, is a large one, would be a gross understatement. The genocide of World War II is still with us, albeit as a more subtle, yet nonetheless oppressive force.

The cultural genocide of the Jewish community in the U.S.S.R. is a fact of life for those who seek only to reaffirm their deep abiding faith and proud Jewish history and culture.

And it is not only the most outspoken who suffer. Some young people from our Student Coalition for Soviet Jewry visited me recently and told of the persistent suppression of Jewish self-education and censorship of even those materials of a non-political nature, as part of the larger Soviet policy of anti-Semitism.

Most recently, Congress saluted Ida Nudel, the only Jewish woman now held in the Soviet Union as a "Prisoner of Conscience." I join my colleagues this week in paying tribute to her profound courage in the quest for religious freedom against systematic Soviet repression.

Persecution of any kind—religious, racial, political—cannot be tolerated, yet it doggedly persists in all corners of the world: the Catholics in Ulster, the Polish labor movement in Warsaw, anti-Semitism and racial and ethnic prejudices here at home.

These Days of Remembrance for the most appalling, inhuman acts of prejudice in recent memory are days well spent, though the vestiges of that insidious and corrupt holocaust mentality will haunt us always. And they should.●

● Mr. BRODHEAD. Mr. Speaker, today we commemorate one of the most tragic events in the history of mankind. When the history of this century is written, all the advances we have made in science and industry, all of our achievements in the arts and humanities, and all the efforts we have made to help people around the world improve their lots—all these will be clouded by the fact that the holocaust also took place in our century.

The magnitude of this tragedy has seldom been equalled—in sheer numbers or in its significance for all those who know of it. For those whose lives were directly touched, the impact is immeasurable. The holocaust abruptly altered the history of the Jewish people, and its aftershock is still felt today in world affairs.

Why do we take the time today, and every year, to commemorate an event which is so universally condemned? Why not do all we can to let it fade into obscurity? Because only by giving serious contemplation to the fact that for a time, so many people allowed so terrible an ideology to grip them, that such horrible barbarism flourished in so civilized a society, can we hope to recognize the signs of a recurrence, and thereby prevent such a recurrence from taking place. Only by a conscious effort to preserve the memory of the holocaust and its degradation can we be led to make a commitment never to let it happen again.

There is nothing we can do to remove the blight on history which has been placed there by the holocaust, nothing we can do to heal the wounds it has caused to so many people. Yet when the history of this century is written, as harsh as its judgment of the holocaust will be, its condemnation will be incalculably more severe if our world did not learn the lessons of the holocaust, and learn them well.●

● Ms. FIEDLER. Mr. Speaker, by act of Congress, every year we take in our "Days of Remembrance," the opportunity to honor the memory of the victims of the holocaust. We rededicate ourselves not only to forget the events of the past, but to continue, in the present, the fight against hatred, intolerance, and the climate that makes them possible and made the holocaust possible. It would be poor remembrance indeed if, in honoring the victims, we ignored the cause of their suffering.

There are many moving memorials to the victims of the holocaust. Surely, the most powerful are the mute bricks and barbed wire in places whose names have become synonymous with 20th century horror. Another memorial may not be as well known, for it is a memorial expressed in life, in remembrance through action. The Simon Wiesenthal Center for Holocaust Studies in Los Angeles is such a memorial to the victims of the holocaust. Mr. Wiesenthal, who last year received a Congressional Gold Medal, has gained worldwide renown for his efforts to bring the crimes of the holocaust to light, to bring to justice the criminals who still walk among us.

Now, he has helped to organize this center, the largest holocaust institution in North America, that will build and maintain a permanent record of the holocaust, that will establish educational programs, conduct research, aid study, and I trust, remain as a living memorial as long as this Nation and its freedom shall endure. Mr. Wiesenthal shows that it is not enough to punish the guilty and help those who survived, important though that might be. In helping to keep the events of the holocaust always before us, the Simon Wiesenthal Center not only serves as a memorial, but also helps to fight the hatred and intolerance that made the holocaust possible.

I am proud to say that the Simon Wiesenthal Center has coordinated the first official Holocaust Commemoriation in the State of California, to be held today in a joint State legislature ceremony in Sacramento.

While the holocaust has become history, the heritage of hate that nurtured and fueled it, the attitude and ideas that made it possible are, too often, with us here, in America, in 1981. It shows itself every time a house of worship is desecrated or defiled. It is painful to imagine what a survivor of the holocaust feels, seeing the swastikas painted on the synagogue wall yet again, not in a nightmare of the past, but here, today. It can strip away all the security that years of peace and freedom have brought. Those who died in the holocaust shall not return through any acts of ours; but shall we leave the hatred that killed them unabated in their place? What more fitting memorial, then, to the victims that for us to act to eradicate religious desecration from the United States?

Because of the sheer magnitude of the holocaust, the millions of lives lost, it is all too easy for the human element of the tragedy to be overwhelmed by the vast inhuman horror. We can easily forget that those who suffered and those who died were people very much like ourselves, people who were suddenly plunged from the commonplace of daily life into the nearest thing to Hell that human endeavor has ever succeeded in bringing forth upon the face of the Earth. Here, today, we remember not numbers, but people. We remember them with the sympathy, honor and respect they deserve. It remains for us to show we too, like Simon Wiesenthal, remember in deeds as well as words.●

● Mrs. FENWICK. Mr. Speaker, today we are observing the "Days of Remembrance" of the victims of the holocaust. The Nazi oppressors made few distinctions in seeking and destroying those who "dared" to be different; either by birth, religion, nationality, or political conviction. By remembering the terrible suffering of those who died in the holocaust we honor their memories and pledge ourselves to oppose the many similar currents of hate that are abroad in the world today.●

● Mr. ROSENTHAL. Mr. Speaker, I join my colleagues today in the observance of a "Day of Remembrance" to honor the memory of the millions who perished during the holocaust. This is in accordance with the Presidential Commission on the Holocaust, which was organized in September of 1979. The establishment of such a Commission is testimony to the commitment of the American people to perpetuate the memories of those who suffered cruel and inhuman treatment at the hands of the Nazis.

The importance of these memorials cannot be overemphasized. Mr. Elie Wiesel, permanent Chairman of the U.S. Council on the Holocaust best described our responsibility to holocaust memorials when he said:

> We are all witnesses . . . both those who lived in that generation, and in any generation . . . we each must tell our story.

No matter how painful, the memories of the destruction, vile atrocities, and utter inhumanity must be recalled. By reminding ourselves, and more importantly our children that these horrors did in fact occur, we can hope to maintain an awareness of man's humanitarian commitment to his fellow man.

In accordance with this Day of Remembrance each of us has an obligation to, in some way, mark the significance of this day. Be it a moment of silent meditation, or any other expression of tribute, let us all take out a few minutes from our day to perpetuate the memory of those who were most brutally exterminated.●

● Mr. WIRTH. Mr. Speaker, I rise to participate in the "Days of Remembrance," the annual commemoration of the holocaust enacted into law last year. I am proud to have been a consponsor of the legislation that established this observance and created the Holocaust Memorial Council, charged with planning a lasting tribute to the 6 million Jews who died during the Nazi terror.

"To remember the holocaust is to sensitize ourselves to its critical political lessons," the President's Commission on the Holocaust stated in its 1979 report, "Nazism was facilitated by the breakdown of democracy * * *, the erosion of faith in the political leadership and in the ability of democratic governments to function."

As stewards of a free society, we must all remain aware of the threat posed to the health of our democratic institutions by intolerance and cruelty. Fascism is that threat in its most virulent form; genocide is the most atrocious manifestation of fascism. Yet outbreaks of this most incredible subversion of humanity still occur. Uganda under Idi Amin, Cambodia under Pol Pot—both modern-day holocausts, made all the more horrifying to the free peoples of the world by the memory of the Nazi genocide.

As Americans face the challenge of the coming decades, we must be ever wary of the tendency of free societies to shed their democratic traditions and embrace authoritarianism. Final solutions exist only in the minds of those who believe that democracy no longer works. Our responsibility is to make the democratic system work for every citizen of our country.

Mr. Speaker, these are days to remember the 6 million Jews who died at the hands of the Nazi regime. These are also days to consider how we can prevent such a holocaust from ever occurring again.●

● Mr. SENSENBRENNER. Mr. Speaker, I am honored to join my colleagues today in paying homage to those who suffered in the holocaust. As a country dedicated to freedom of political and religious thought, it is appropriate that we reflect on this dark hour in history to remind us all of the potential destructiveness of hatred and prejudice.

The holocaust constituted one of the most hideous examples of totalitarianism ever perpetrated on a people. It illustrated the lengths to which tyranny can and will go to achieve its goals, however heinous. As citizens of a country founded on liberty and the sanctity of life, it is easy to forget that not all persons are so fortunate. Having just returned from the Soviet Union, I witnessed the stark reality of the effects of totalitarian rule. Freedom of religion and political ideology are unknown and prejudice and bigotry are rampant. This trip served as a reminder of the liberties and rights which we enjoy and which we often take for granted. The Jewish community has never forgotten the horrors of oppression nor has it been unappreciative of the benefits of freedom.

The concern of this body for those who suffered is evident in the establishment of the U.S. Holocaust Memorial Council and in taking time today to remember the victims and their families. We do this to insure that these outrages are not forgotten and are never repeated.●

● Mr. HOLLENBECK. Mr. Speaker, I would like to take this opportunity to join my colleagues in paying homage to the 6 million men, women, and children that fell victim to Nazi extermination plans during World War II. As a crime unique in the annals of history, different not only in the quantity of violence but in its manner and purpose as a mass criminal enterprise organized by the state against defenseless civilian populations, I believe that we have a solemn obligation to examine the circumstances that prevented

the world from recognizing the moral truths which permitted the holocaust to proceed.

I think the American philosopher George Santayana stated it quite well when he warned that those who forget history are condemed to repeat it. Remembering can instill caution, fortify restraint, protect against future evil or indifference, and can only be prolonged by an understanding of what happended and how it occurred. We must never foreget the dreadful consequences which sometime accompany the exercise of absolute power.

Along these lines, I would like to reiterate my strong support for this annual commemoration of the holocaust during these "Days of Remembrance." Clearly, if we are to learn from the past, we must be aware of what has occurred. Given the depths of human cruelty which are revealed by the holocaust, I can understand how the temptation might exist to sweep such unpleasant memories from our collective consciousness. However, to proceed in such a manner would not only perform a great injustice to ourselves and future generations but also to the 6 million who perished during an event which many of us still regard as inconceivable.●

● Mr. SHAMANSKY. Mr. Speaker, today we remember the holocaust.

World War II was the greatest upheaval of death and destruction in human history. But within the general conflagration another war, unique in the experience of mankind, took place.

One people, the Jews, were singled out for extermination. They became a target not because of what they did but simply because of who they were. The hate-filled doctrines of nazism, supported by anti-Semitic bigotry which still has roots in Western culture, decreed that Jews were subhuman and fit for death.

Concealed and, as we now know, at times ignored, the war against the Jews continued remorselessly. It ended only with the general triumph of good men, good governments, and their allies over the evils of nazism and fascism. Then the truth emerged. One-third of the Jewish people, the martyred 6 million, had been destroyed. The words "holocaust" and "genocide" forced their way into our languages, into our consciences.

We cannot answer with completeness the questions why did it happen, why was it allowed to happen?

But we must not, for our own and humanity's sake, avoid asking those questions. With remembrance we begin our search for parts of the answers.

Remembrance alone, however, is not enough. We must fight the resurgence of fascism around the world, the use of anti-Semitism as foreign policy by certain governments, the institutionalization of bigotry and hatred anywhere.

We must teach our children. We must never forget. We must act.●

● Mr. FLORIO. Mr. Speaker, I am pleased to join with my colleagues today in this commemoration of the innocent victims of the holocaust. It is vitally important that we not forget the cruelty which resulted in the systematic extermination of the Jews during World War II. We all have an obligation to remember, so that we can prevent the occurrence of such atrocities in the future.

I would like to share with my colleagues the following article from Conservative Judaism, January/February 1981, by Dr. Michael Berenbaum, executive director of the Jewish Community Council of Greater Washington and associate professor of religion at George Washington University. Dr. Berenbaum's "Reflections on Teaching About the Holocaust" poignantly addresses the issues that we all must confront as we gather today to commemorate the holocaust.

REFLECTIONS ON TEACHING ABOUT THE HOLOCAUST

(By Michael Berenbaum)

It is now generally accepted that the Holocaust was a watershed in Western history, a paradigmatic manifestation of human evil intensified by the almost unlimited power of the state, fueled by technological and scientific accomplishment, and unchecked by moral, social, religious, or political constraints. The Holocaust is seen as instructive, revealing in its extremity additional dimensions of human nature and reflecting, at least in the minds of some, basic tendencies within Western civilization whether they be demographic, political, economic, social, psychological, or religious. The fact that the Holocaust was perpetrated not by an archaic, maniacal fringe, nor as an expression of barbarianism, but by the most cultured and scientifically advanced of Western societies presents us with a fundamental challenge. Whether restricted to the past or a harbinger of the future, the study of the Holocaust is imperative to an understanding of contemporary human existence. Slowly, it has made its way into academe as a legitimate field of research. Over 200 universities now offer Holocaust courses within some 20 different departments in the humanities and the social sciences.

The teacher of the Holocaust is beset by many difficulties, not the least of which is the restrictive nature of departmental divisions within the University. In what departmental context does the study of the Holocaust belong? In history, political science, government, economics, sociology, psychology, religion, philosophy, German literature, Jewish studies, English, or art? The teaching of the Holocaust has occasioned a number of experiments at team teaching with faculty often bridging not only departments but divisions of the University. My own preference has been to offer the course either as a University course or a college seminar or else within a broad program afforded by the College of Letters, an interdisciplinary program in the study of Western civilization, its literature, history, and philosophy. By opting for the larger context of a University course and by cross-listing the course within another department, I both guide the student's expectations and reflect a greater fidelity to the diversity of the material that will be presented. To teach a Holocaust course only within my home department of religion is to partially misrepresent the focus of the course.

An even more basic consideration is whose history is being taught and from what perspective. Raul Hilberg raises this question most poignantly in his introduction to the magesterial The Destruction of the Eurpoean Jews when he writes:

"Lest one be misled by the word 'Jews' in the title, let it be pointed out that this is not a book about Jews. It is a book about the people who destroyed the Jews. Not much will be read here about the victims. The focus is placed on the perpetrators.[1]"

The controversial aspects of Hilberg's book, those dimensions of his work that have caused acute discomfort to some Jewish historians, must be seen within the context of whose history he is writing and what perspective he has chosen for himself. Similarly, the curious omission in the work of Lucy Dawidowicz concerning the phenomenon of the extermination camps within her study of the Holocaust can also be explained by the history and the perspective that she chose. Her treatment of the Jewish institutions within the ghetto, of the Judenrat, the resistance, and the alternate community composed of self-help groups, is marked by her desire to treat autonomous Jewish institutions (functionally, of course, within extraordinarily narrow boundaries) none of which could exist in the context of total domination within the concentration camp. Thus, Dawidowicz' fidelity to her choice of historical focus leads her to neglect an analysis of the Jewish experience within the concentration camp.

The perspective of the author also shapes the material that is presented. Again, the controversy can be clearly seen between Raul Hilberg and others. For Hilberg, the fundamental questions concerning the Holocaust revolve around the governmental functions necessary to implement effectively so vast a state-sponsored enterprise: the functioning of bureaucracy, the legislative components, the economic components, and the interrelationship between competing segments of the German state. Dawidowicz, on the other hand, focuses her discussion on the ideological image of the Jew in the mind of the German. Hitler occupies a central place within Dawidowicz' work but he plays only a marginal role within Hilberg's discussion. For Uriel Tal and George Mossee, ideology plays a central role in the extermination of the Jews with bureaucracy and the functioning of the state occupying a tangential though not unimportant position, while for Rubenstein, Hilberg, and Arendt the situation is reversed. The perspective on the material is the choice of the author, the decision by which he evaluates the material, the lens through which he focuses and perceives.

I have long been attracted by Kenneth Keniston's notion of objectivity in the social sciences and its applicability to the study of the Holocaust. Keniston has argued that objectivity in the social sciences is achieved when the researcher reveals as fully and as honestly as possible his own subjective perspective and allows the reader to compensate for this subjectivity in reading the material. It is in the interaction between the cautious, informed reader and the selected material that objectivity is achieved.

In the case of the study of the Holocaust, I am convinced that most of these authors are correct in the material that they consider. They are misleading when they extend the explanative power of their consideration beyond its natural boundary and when they claim exclusivity either with respect to mastery of the material or legitimacy. Oftentimes the task of the instructor is to clarify perspectives, to help the student perceive the value and limits of a particular analysis, and finally to broaden the perspective from which the student confronts the material.

LANGUAGE CLARIFICATION

Since language is the means by which we appropriate reality and create a universe of common discourse, the teacher of the Holocaust must be careful to understand the diverse use of language within the historiography of the Holocaust and its relationship to the highly charged emotions of Holocaust scholarship. Nowhere is this difficulty more apparent than in the question of resistance (traditionally meaning thwarting the enemy with violence, expanding to mean "any group action consciously taken in opposition to known or surmised laws, actions or intentions directed against the Jews by the Germans and their supporters" [2]) and the endeavors to recover what Saul Esh has termed the dignity of the destroyed.[3] Two pitfalls must be avoided, namely, mystification and simplification. Mystification claims that all Jews were martyrs while the simplifiers claim that they went to their deaths as sheep to the slaughter. We must, therefore, establish a common language.

I find that the only appropriate way out of the quagmire is for the teacher to share with the students the nature of the terms, their multiple uses and even their misuses in order to unmask the presuppositions that underlie interpretations of the materials.

On a deeper level, there is profound reticence to confront the material under discussion. We are plagued on the one hand by an acute, almost pornographic fascination with either suffering or its infliction. Those who have suffered have an authentic experience that holds a peculiar attraction to a generation seeking its own truths in a world of increasing fraud and deceitfulness. Similarly, there are many who are attracted to the Nazis, to their power, to sadism and to other forms of violence. (Advance screening of students of the course can prevent many an inappropriate student from taking the course.)

On the other hand, even the morally and psychologically healthy student may face difficulties, as do scholars, in confronting the Holocaust and its implications. In a masterful essay in a new work, Lawrence Langer has posed the dilemma most poignantly:

"The implications reach far beyond moral ideology to the role of time and history in human destiny, to the structure of character and the very unity of our lives in the twentieth century. History assures us that man is superior to time when retrospectively he can explain the unexpected, account, in this instance, for the extermination of a people, uncover a system for surviving and thus reduce the event to a partial mental order that somehow theoretically balances the price in human lives paid for that order. But from the perspective of the victims, who of course far outnumbered the survivors, the disorder of meaningless death contradicts the ordering impulses of time. Those who died for nothing during the Holocaust left the living with the paralyzing dilemma of facing a perpetually present grief. To the puzzled inquiry why interest in the Holocaust seems to grow as the event recedes into the past, one answer may be that there is no inner space or time to bury it in."[5]

Langer dissents from the attempt of Frankl and Des Pres to impose a sense of moral order and triumph on Holocaust survivors. He continually argues that the experiences of the camps, the choiceless choices of the victims, undermine our collective universe which is predicated upon a sense of human dignity that demands certain external supports. In the morally denuding atmosphere of the death camps, the external support system rapidly evaporated. Rather than confront the abyss and the void, systems of meaning derived from a pre-Holocaust universe are imposed. To introduce our students to the world of Auschwitz is to shatter illusions, to undermine values, and to restrain their faith in humanity and in each other. Human life comes to be seen as precarious; social institutions and the social order appear vulnerable. Certainly, there is a reluctance to confront this phenomenon within all of us, yet an honest confrontation is a moral necessity if we are to be faithful to our task. One cannot read Frankl or Des Pres without confronting the conflicting tale of Primo Levi and the discussion of Langer.

In recent years, I have found myself interweaving history with biography, secondary sources with primary sources, in order to balance the vast depersonalization of the Holocaust and its historical discussion with the tales of individuals. Diaries and memoirs, novels and oral histories can and should be read along with the standard works in the field. The student thus gains a richer insight into the nuances of meaning, the changing insights of the victims, the conditions within the ghettos and the camps, and the monumental sense of loss. Indeed, the personal account makes the historical discussion take on a renewed vibrancy and fortifies the student with interest and discipline in order to confront the intensive reading demanded within the course.

I still struggle with the issue of what to teach. The subject is vast. Where does one begin, and where does one end? In a sense, one can begin with the gospel accounts of the Crucifixion or the loss of Jerusalem in the year 70. One must describe Jewish existence in the diaspora. One must also share not only the fact of massive Jewish death or the experience of the Jew as victim, but also the nature of the world that was lost in its diversity, not only a romantic visit to the world of Eastern Europe, but the focuses that were threatening that world both from within and without. I also feel an obligation to describe the universe of the bystander in addition to that of the victim and the perpetrator. I always include some discussion of the implications of the Holocaust, both universalistically and particularistically, reflecting on its impact upon Jewish thought and the Jewish people as well as upon Christianity.

Several personal commitments underlie my own teaching of the Holocaust; these are subjective, yet they form the cornerstone of my approach. I have a deep moral commitment to sensitize my students to the manifestations of human evil without having the Holocaust create a new threshold or tolerance for human evil. The risk in teaching the Holocaust is that anything less than its total horror may come to be considered insignificant as a manifestation of evil. (Witnesses, for example, the treatment of the Holocaust by some neo-Nazi movements that are content to concede that one million or one-and-a-half million Jews were killed, but they resist the higher figure as if the one-million figure were tolerable or acceptable.)

The study of the Holocaust raises innumerable questions and tensions with respect to ultimate issues not only of historiography but of a religious and ethical nature. In my own writings, I have moved toward a deeply personal resolution of these issues, which I share but do not impose upon others. I address myself to the question of the divine presence or absence at Auschwitz, to the meaning of tradition and its viability for the post-Holocaust universe, to the need to revolutionize Jewish behavior and the assessment of the past. My own tendency is to affirm the tensions and to dwell in the dialectical moment. I feel a deep obligation to present rather than resolve these questions for my students. The student will inevitably push toward a personal response, and, increasingly, I find myself only willing to offer my response at the end of the process rather than at the beginning.

Those of us whose lives have been shattered and shaped by the Holocaust share the conviction that the material we teach is extraordinarily powerful. My own sense of the mysterium trembidum is a deeply held conviction but never a point of departure for my teaching or scholarship. In the introduction to The Origins of Totalitarianism, Hannah Arendt has summed up my own attitude best:

"The conviction that everything that happened on earth must be comprehensible to man can lead to interpreting history by common places. Comprehension does not mean denying the outrageous, deducing the unprecedented from precedence, or explaining phenomena by such analogies and generalities that the impact of reality and the shock of experience are no longer felt. It means, rather, having and bearing consciously the burden which our century has placed upon us—neither denying its existence nor submitting meekly to its weight. Comprehension, in short, means the unpremeditated, attentive facing up to, and resisting of, reality—whatever it may be."[6]

If, at the end of the process of inquiry and teaching, if occasionally throughout the course we are reminded of the dimension of inexplicability, of the explosiveness and critical importance of the Holocaust, then all is for the good. We cannot begin the process of learning with the statement that one will never know nor can we allow mystery to obscure those dimensions of reality that are comprehensible and discernible through the tools of contemporary scholarship.

NOTES

[1] Raul Hilberg, *The Destruction of the European Jews* (Chicago: Quadrangle Books, 1961), p. v.

[2] Yehuda Bauer, *The Jewish Emergence From Powerlessness* (Toronto: The University of Toronto Press, 1979), p. 27.

[3] Saul Esh, "The Dignity of the Destroyed," *Judaism*, Vol. 15, No. 1 (Winter 1960).

[4] Arthur A. Cohen, *In The Days of Simon Stern* (New York: Random House, 1973), p. 157.

[5] Lawrence Langer, "Choiceless Choices," a paper delivered to the Zachor: The Holocaust Resource Center Faculty Seminar in New York City, January 23, 1979.

[6]Hannah Arendt, *The Origins of Totalitarianism* (New York: The World Publishing Co., 1951), p. viii.●

SPECIAL ORDER ON THE HOLOCAUST

● Mr. MOLINARI. Mr. Speaker, I believe that the most important aspect of the Days of Rememberance of the Holocaust is teaching our children the lessons of history that lead to the holocaust. As philosopher and theologian, Rabbi Joshua Heschel, said:

Six million people were wiped off the face of the earth. And there is a danger they will be annihilated from our memories. Are they doomed to a twofold annihilation?

While the names of such places as Dachau, Auschwitz, and Treblinka are all too familiar to my colleagues and I, are they just as familiar to our children? While it is almost beyond comprehension to realize the wholesale slaughter of human beings we should pause to consider that the last death camp was closed less than 40 years ago.

We read periodically in our local newspapers of teenagers destroying and defacing synagogues and the homes of our Jewish citizens. And, each time I cringe when I learn that the teenager caught knew very little about the holocaust. I must question whether we as parents and the schools are doing enough to relay this message of one of the darkest aspects of the 20th century. I encourage all teachers this week to discuss the holocaust in their classrooms, and for parents to follow up with discussions at home. Let us prove Rabbi Heschel wrong in believing that we may forget the lives of those that were mercilessly killed and persecuted during this black moment of the history of the world.●

● Mr. GEJDENSON. Mr. Speaker, this being the Holocaust Remembrance Day, I would like to take this opportunity to pay homage to the memory of the millions of victims.

We are gathered here to mourn and to remember; to mourn the lives that were lost, the loneliness of a people, a third of whom were annihilated, 1½ million children among these 6 million Jews. How does one mourn such a loss? How does one confront its magnitude, its emptiness and its meaning? The answer of the Jewish People has been to remember—remembering their deaths and the world that was lost, the Jewish universe of Eastern Europe which is no longer, the vibrant culture that spoke Yiddish—the people who walked the streets of Warsaw and the thriving market places of Lodz, who inhabited the Yeshivot of Vilna and the Hasidic courtyards of Berdichev. We remember tonight not only their deaths, but their lives and in so doing we deny Hitler and his cohorts, both contemporary and current, yet another victory. For Nazism sought not only to exterminate all of the Jews in the world, but in addition to eradicate even the memory of their existence. The Nazi crime, which came perilously close to complete fulfillment in a callously indifferent world, is thwarted by our memory; though we cannot undo their deeds, we can at least transmit the memory of their victims through our collective recollection.

To those like myself who were born after the holocaust, its horror and its lessons serve as a legacy that ever penetrates our consciousness. Yet classically, it is not only by mourning and by remembering that we respond to such a loss; it is also by the commitments that we make to each other regarding our future.

The holocaust was not merely a continuation of traditional patterns of anti-Semitism, differing merely in scope and scale from that which our people experienced for centuries in their exilic sojourns. The holocaust represented a specific type of evil, a systematic and bureaucratically organized evil, sponsored by the state and using all of the power and the mechanisms available to a modern government to identify, concentrate, and ultimately murder a segment of its citizens. Representatives in the Reichstag passed legislation defining Jews and prohibiting their interaction with the "Aryan Master Race." Postmen delivered these "decrees." Church and health ministries aided in the identification of Jews. The Treasury systematically audited and confiscated all Jewish possessions and supervised the process of its redistribution, while transportation and travel departments arranged train schedules for deportation and billing procedures for one-way journeys to the camps. All of these processes were legal, sanctioned by the state, approved by its politicians and encouraged by the population. The Attorney General of Germany even apologized for the limited role that he could play in the extermination of the Jews.

Writing to his friend, Martin Bormann, he said:

I intend to turn over criminal jurisdiction against Poles, Russians, Jews, and Gypsies to the Reichfuhrer S.S. In doing so I base myself on the principle that the administration of justice can make only a small contribution to the extermination of these peoples. . . .

So wrote the chief legal officer of a modern state.

As a manifestation of the modern state, the Nazis practiced a perniciously depersonalized form of murder. The individual was robbed of his identity and given a number. Even death in the camps and in the ghettoes was singularly impersonal. People were chosen to die arbitrarily to fill quotas, lorries, or gas chambers so as to provide for an economy of process where not a single space would be wasted. Instead of direct involvement by the perpetrator with the Jew, the process was peculiarly impersonal, detached, cool, and thoroughly bureaucratic. An anonymous member of the ministry of agriculture could thus reduce the food ration per day for those incarcerated in the concentration camps to 400 calories—about one-third of a person's minimum daily requirement—while a cost accountant could limit the supplies of gas to the chambers and thereby insure an even more painful death for children who would consequently be thrown directly into the ovens. Eichmann would claim that he never killed a Jew while he supervised a process that brought 6 million to their deaths, or Rudolph Hoess, the commandant of Auschwitz, would claim that he harbored no particular ill will toward the Jews and tolerated no maltreatment within his camp, where perhaps as many as 4 million people died, where death was the purposeful goal of the camp and where starvation, malnutrition, exhaustion, and human decomposition were not considered maltreatment but rather the ordinary mode of the camp's operation.

Though for the perpetrators the process of death and destruction was impersonal and detached, for the victim, suffering and anguish are always personal. To the perpetrator, a note on some governmental chart presented with pride to Himmler or Hitler was in reality an entire universe to the victims. Our tradition maintains the sanctity of each individual. Whoever kills a person shatters an entire world. Six million worlds were shattered, 6 million people—men, women, and children like you and me—were lost, along with their descendants for all generations.

Many of the tales of the victims survive. We know of Emmanuel Ringelblum who organized a historical society in the Warsaw Ghetto so that even if he and the ghetto perished, their testimony for history would remain. Mordecai Anielevitch and his compatriots, young men and women but in their teens and their early twenties, understood that though they lacked the freedom to avoid death, they still had the choice of what statement to make by their death. Challenging the might of the many, they commenced their resistance on the second night of Passover, the festival of freedom, and withstood the German Army far longer than did the entire armies of France and Belgium combined. Rabbi Yitzchak Nissenbaum taught his flock that what was demanded of the Jews of this world was not the sanctification of God's name—not martyrdom in its traditional sense—but Kedushat Ha Chaim, defiance by survival. Surmounting death by living became a religious requirement in the struggle with Nazism.

If the holocaust is to have meaning to our people, then this meaning must be expressed in the commitments that we make, in the lessons that we learn. The Jewish people have been transformed by the event. We have learned a sense of solidarity—we, all of us, are responsible for one another. The safety and security of American Jewry is for nought unless it can serve as an instrument by which we secure the right of Jews in the Soviet Union, in Iran, in Argentina, and in Israel, unless we feel prepared as proud Americans to challenge the sale of AWACS to an unstable and undemocratic regime in Saudi Arabia that could use these weapons against Israel.

The holocaust has taught the Jewish people many lessons. We have learned the cost of powerlessness and the anguish of isolation. A powerless people may fall prone to victimization, and the only alternative to the loneliness of Jewish existence is a sense of oneness and of mutual responsibility. We have learned to take threats seriously and promises a bit more lightly. The world will forgive us if we take the PLO Covenant, which calls the existence of Israel null and void, seriously—while their whispered words of moderation followed by immediate denials when repeated publicly, are disregarded. We know that the distance between a threat and its realization can be short. Hitler's promise, regarded as ludicrous in 1939, became a reality but 2 years later as the world stood by in disbelief. We have learned that Jewish security and safety can only be guaranteed by a proud people prepared to defend its existence. Our commitment to Israel is deep and profound.

Israel serves not merely as a haven to the oppressed, although that would be sufficient, but as a reassertion of life in a world of death, as the locus of our common past and the site of a future where the Jewish people can build and be rebuilt, can heal and be restored.

The holocaust is also the source of many lessons not particular to the Jewish people, universal lessons that are critical to the fate of humanity. While no event has thankfully equaled the holocaust in its magnitude or intentionality, just within the past years we have witnessed a genocide in Cambodia. The genocidal regime was seated in its honored place among the family of nations at the United Nations—and this genocide by contrast, was the manifestation not of an advanced industrial society of the West but of a far less developed society with alternate religious and cultural tradition. Separated by more than half a century, the following accounts of children huddling before the onslaught of masters resound with the same anguish:

> And thus, as the exiled moved, they left behind them another caravan—that of the dead and unburied bodies, of old men and of women dying in the last stages of typhus, dysentery, and cholera, of little children lying on their backs and setting up their last piteous wails for food and water. There were women who held up their babies to strangers, begging them to take them and save them from their tormentors, and failing this, they would throw them into wells or leave them behind bushes, that at least they might die undisturbed . . . A string of encampments filled by the sick and the dying, mingled with the unburied or half-buried bodies of the dead, marked the course of the advancing throng.—Ambassador Morgenthau's Story.
>
> Lost children, thirsty and hungry, helpless and hopeless, were among the more pitiable sights of the evacuation . . . they would be among the first to perish . . .
>
> Near the French embassy a French schoolteacher observed a communist patrol march through an alley through a line of refugees and by happenstance part a mother and father from their children. The frantic parents protested and sought to reclaim their children . . . The patrol leader thereupon fires a volley of rifle shots, killing both mother and father.
>
> Although not everybody personally witnessed such summary executions, virtually everybody saw the consequences of them in the form of corpses of men, women and children rapidly bloating and rotting in the hot sun. The bodies, sometimes grotesquely contorted in agony, yielded a nauseating, pervasive stench, and they had a transfiguring effect on the hundreds of thousands of people being exiled.—*Murder of a Gentle Land*

The first quote from Ambassador Morgenthau refers to the Armenians of the First World War while the latter quote is from our own time. Where would you guess that it originated? In Central Africa or Central America? In Lebanon or Southeast Asia? The fact that we cannot easily distinguish such descriptions or readily identify the country of their source must fill us with fright.

When Hitler first advanced his proposal to kill the Jews, his advisors reproached him that the world would not stand idly by during such a mass murder. Hitler silenced his opposition by asking, "Who remembers the Armenians now?" Hitler understood well international indifference, the self involvement of countries that refused to let Jews enter their midst, of conferences destined to failure and empty rhetoric. The world's inaction signaled tacit consent, if not active cooperation, with the processes of destruction.

We can learn from the bleakness of the holocaust to care, to remember, and to assume responsibility. Perhaps the most fundamental reason that I have chosen to enter politics is because I believe most profoundly that people using the power of government correctly can make a difference. Were the Germans bad people? Did they suddenly change from the most culturally advanced and sophisticated of modern societies, with well-developed philosophical and musical traditions and advanced scientific and technological knowledge into a nation of primitive barbarians? Why was it that for over a century our people had looked to Germany as a haven from oppression and a bastion of civilization only to find in the fourth decade of the 20th century that Germany was the source of death, devastation, and destruction, of wanton murder and indescribable brutality? A failure of the political institutions and a transformation in the apparatus of government turned a cultured people into a murderous state. I was nurtured on the understanding that the government possessed an unparalled power for evil, yet the few thin rays of light that also emerge from the dark years can sensitize us to the positive use of the powers we possess. Structurally, the same bureaucracies that in Germany were devoted to destruction were marshalled in Denmark in a conspiracy to save Jews and even preserve their wealth in escrow accounts so that they could be returned later to the rightful owners. As swiftly and imaginatively as Eichmann worked in Hungary to deport Jews to their death, a young Swedish diplomat from an aristocratic family risked his life to protect Jews against deportation and death. It will be my privilege within the near future to vote to award Raul Wallenberg honorary American citizenship for his deeds, which illumine a universe of darkness and teach reponsibility and concern in a world often bereft of both.

I believe most deeply that the memory of our past must sharpen our commitment to a collective future. It must frighten us into understanding our potential for both evil and goodness. It must remind us of our responsibility to use the power at our disposal.

We who know the cost of indifference must pledge that we can never ignore the fate of others. We who so painfully realize that though Jews may be the first of the victims of injustice and hatred, they are seldom the last, dare not remain acquiescent to other manifestations of intolerance.

I keep the following quote by Pastor Moeller expressing a Christian confession of failure, in my office opposite my desk:

> In Germany they came first for the Communists and I didn't speak up because I wasn't a Communist. Then they came for the Jews and I didn't speak up because I wasn't a Jew. Then they came for the trade unionists and I didn't speak up because I wasn't a trade unionist. Then they came for the Catholics and I didn't speak up because I was a Protestant. Then they came for me and by that time no one was left to speak.
>
> Even we who are often first dare not wait until they come for us.●

● Mr. DOUGHERTY. Mr. Speaker, last year, the 96th Congress passed

legislation creating a U.S. Holocaust Memorial Council. I welcomed the opportunity to be a cosponsor of that legislation, recognizing the overwhelming need to establish "Days of Remembrances," so that our children and grandchildren will be made aware of the atrocities committed by the Nazis during World War II.

It is extremely important that the deaths of nearly 6 million Jews at the hands of Adolf Hitler's followers never be forgotten. It seems that whenever nations of the world do forget these horrendous occurrences of genocide after time, another example of it takes place. One need only look at Cambodia and Uganda to find recent cases. Let me reemphasize that a valuable method of preventing these massacres is by teaching our descendants of the heinous nature of the slaughters, and by making sure they are not forgotten by anyone. This is the job of the Holocaust Memorial Council, and I am thankful for their efforts.

Even today, there are many former Nazi officials that are "hidden" in the United States, living under assumed identities to escape prosecution for their actions during World War II. Mr. Speaker, when we are discussing the deaths of nearly 6 million people, I think you will agree on the need to find these criminals. In that regard, I cosigned a letter to President Reagan with 103 of my colleagues earlier this year. In the letter, we requested that funding in the fiscal year 1982 budget be continued for the Office of Special Investigations in the Department of Justice. This unit's job is to help in the search for these suspected war criminals and if found, to initiate denaturalization and deportation proceedings against them. It is a major concern of mine that the Office be allowed to continue in its work, and I hope that the President and his officials agree.

There is another method of keeping the holocaust memories from being forgotten. A section of the measure passed last year calls for the establishment of a permanent memorial museum in the District of Columbia dedicated to the victims of the holocaust. The Council is already developing ideas for this museum and is examining possible sites for its location. It is my hope that once it is set up, that my colleagues will bring their families to the museum to visit and learn from the experience.

It is our duty as Representatives to make sure our entire Nation learns from the dreadful experience known as the holocaust, and never forgets this lesson. Again, Mr. Speaker, it is only by taking the action defined in this law now that reduces the possibility of such tragic events from taking place in future generations.●

● Mr. SMITH of New Jersey. Mr. Speaker, the history of mankind has been a bloody one; the centuries are stained with the blood of the innocent. Countless millions have died in massacres, wars, pogroms, and riots.

But the holocaust seems to us particularly unspeakable. Here, in Churchill's words, modern science became a "dark perversion," used to destroy the lives of 6 million innocent men, women, and children.

The world was a more innocent place at the time. When reports of the slaughter of the Jews reached the Western nations, they were not believed. Walter Laquer tells us, in his book "The terrible secret that these first stories were seen as atrocity tales, similar to those spread by the Allies in World War I. We were not going to be taken in again, by such unfounded charges of Nazi brutality. It was incredible, unreal, that this organized sort of murder should be taking place in the 20th century.

But why should we be surprised? We live in a century of murder on the grand scale. Now, 40 years after the holocaust, we know of the genocide of the Cambodian people; we know of the great murders that have taken place in Uganda and Equitorial Guineau; we are sickened and appalled by Georgetown and Atlanta. In his madness, Adolf Hitler was far more representative of this Dark Age than we like to imagine.

Yet, even after all this, it is hard for us to understand what has been termed the "Holocaust Kingdom." Outside, the world was at war, yet there was a clearly defined struggle. But, in places like Auschwitz, Treblinka, Bergen-Belsen, and Buchenwald there existed a world dedicated to murder. Gas chambers daily received their quota of the innocent. Giant crematoria belched smoke, the smoke of the fire consuming millions of bodies. Try to imagine, just imagine, the horror of it.

A rabbi had to bury bars of soap, in a religious ceremony, because the bars of soap had been made from human beings. Ilse Koch had a collection of shrunken heads, heads of the victims of Buchenwald. Supposedly, these were civilized people. We learned how close to the surface the beast was.

We are in danger of forgetting the holocaust. This should never happen. The 6 million dead must call their remembrance to us all the time. For we live in a world that seems, sometimes, committed to death. The culture of death, not life, seems all about us. Instead of celebrating those joyous things associated with life there is a popular preoccupation with negativism, with decay and death.

In this commemoration of the victims of the holocaust we ought to say again; life is sacred. A survivor of the death camps has said it best: Every life is a life worth living. A nation that dedicates itself to life, liberty, and the pursuit of happiness should recall, only too well, a dark time in history when Hell was always in session.●

● Mr. PEYSER. Mr. Speaker, this week, 38 years after the dramatic struggle at the Warsaw ghetto, we are commemorating this period as the "Days of Remembrance of Victims of the Holocaust."

At first glance, one may ask why we remember this vicious era of genocide and degredation. Is it not better to put these unfortunate memories aside? We cannot and must not forget the atrocities that occurred at Buchenwald, Treblinka, Auschwitz, Bergen-Belsen, and Dachau. Six million innocent men, women, and children were brutally tortured and murdered, not for what they had done, but for the simple fact that they were Jews. The Nazi government successfully divided a nation, splitting human society, and eliminated individuals they thought to be undesirable. An annihilation of this magnitude cannot be compared to anything else in history.

The world's failure to recognize the truth over 40 years ago permitted this action to happen. Methodically, the Nazis attempted total destruction, one step at a time. With each move—from the establishment of concentration camps to the extermination of human beings—they waited for a reaction. None came, so, slowly, the genocide began. Butchers and bankers, mechanics, and merchants all were systematically killed and few spoke up.

Today, we remember this despicable era in history. The President's Commission on the Holocaust, which was chaired by Elie Weisel, was established to study the holocaust so that we might prevent this from happening again. They recommended that a living memorial be established that will speak, not only of the victim's deaths, but of their lives—"a memorial that can transform the living by transmitting the legacy of the holocaust." We can hope that all who see this memorial, which will be built in the near future, will be constantly reminded of our past omissions and of our determination to prevent a recurrence of such actions anywhere on Earth in the future.

George Santayana wrote that "those who cannot remember the past are condemned to repeat it." Today, let us remember the heroes of Warsaw, the children of Dachau, and the other victims of repression throughout Europe during this era. Let our reaffirmation of human rights for all individuals ring clear at this time, and let us work together in the future to erase prejudice, racism, and terrorism from this world.●

□ 1900

GENERAL LEAVE

Mr. LEHMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore (Mr. GARCIA). Is there objection to the request of the gentleman from Florida?

There was no objection.

TOMORROW WILL BRING THE REALITY OF THE BUDGET CUTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 10 minutes.

● Mr. ST GERMAIN. Mr. Speaker, when all the budget rhetoric fades, we will still have a nation in need of jobs, housing, education, health, better transportation, and economic development.

Some may feel better if the Federal Government buries its head in the sand and pretends that magically in 100 days all the nagging problems have gone away, and that we will live happily ever after.

Reality suggests that this Nation cannot ignore the real economic and social needs. If the Federal Government decides to ignore the needs, the problems will not disappear. In many cases, State and local governments must pick up the responsibilities and eventually these governmental units must impose new taxes and must go into the credit markets for even greater borrowings. In other cases, programs which we now drop through the budget cutting exercises must be restarted at some later point at greater costs and all the inefficiencies that a new beginning entails.

Let us not kid the American people. Much of this budget cutting simply transfers the burdens and much simply delays the day of reckoning of the basic needs of this economy.

Leaky roof economics always prove the most costly.

In recent weeks, many Members of both parties have talked to me and called the committee offices expressing concern about housing, urban programs, the co-op bank, energy development and export programs under our jurisdiction. Many of the inquiries, of course, stemmed directly from conerns expressed by constituents about specific needs in the various districts.

Budget cutting is popular, no question about it. We all read the polls. But, we cannot have it both ways. These programs cannot be financed with good wishes and good thoughts.

Through months of testimony, speeches, and statistics, we still do not have anyone coming forward with a definitive link between the budget cuts and the desires of the American people to end inflation. And certainly we do not change the economic equations when we shift budget and tax burdens from the Federal to local communities. the people paying the bill are the same.

Mr. Speaker, I want the bloated areas of the budget cut, but I do not buy that every program for community development, for student loans, for the elderly, for mass transit, for energy conservation is bloat, per se.

More than anything else, Mr. Speaker, we must be careful that all these overblown statements about whose cut is the biggest do not mislead the American people. Too often, we have had Presidents and Congresses who have overstated programs and expectations. The Ameican people need hard facts; not more fantasy that would lead them to believe that a cut in a jobs program would mean more jobs.

Mr. Speaker, the hangover from this budget cutting binge is going to be one of the toughest for the American people to suffer through once they learn program by program, community by community what happended to them.●

IS OMB SENDING THE WRONG MESSAGE ON PRODUCTIVITY?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 20 minutes.

● Mr. LAFALCE. Mr. Speaker, one of this country's most important economic problems in recent years has been our dismal productivity record. During much of the post-Second World War period, productivity grew steadily at an average annual growth rate consideraby above 3 percent; but since 1965, the situation in the United States has become increasingly grim and alarming.

From 1965 to 1973, productivity growth slipped to 2 percent on annual basis. From 1973 to 1977, those annual gains dropped to 1.2 percent; and in 1978, productivity growth did not even reach 1 percent. During the last 2 years, productivity has actually declined in this country.

While the United States still enjoys an advantage over our major trading competitors, that lead has declined sharply in recent years. A leading expert in the field has estimated that the level of technology in Japan may actually be higher than that in the United States, and the widespread use of advanced robotics in Japan has the potential of making that a permanent situation.

RAMIFICATIONS

This at first lagging and now declining rate of productivity is of great importance for the general health and vitality of the economy. A healthy rate of productivity growth means improving real living standards for Americans, because increased productivity allows the economy to grow without increasing inflationary pressures.

The direct relationship between productivity and inflation has only recently received the amount of attention that it should have. That relationship is of extreme importance, because every increase of 1 percent in productivity reduces by 2 percent the rates of increase in unit costs and inflation. As the Joint Economic Committee has stressed, without improvements in productivity, the battle against inflaton will be a futile struggle.

Another result of lagging or declining productivity is the increasing inability of U.S. businesses to compete either at home or abroad with their foreign counterparts. The statistics from the Department of Commerce have revealed a seriously deficient international trade performance by this country. During the past 4 years, this country has managed to amass $147 billion in trade deficits; and there are few indications that this situation will change in the near future.

PAST RECORD

In the fall of 1978, the National Center on Productivity and the Quality of Life in the Workplace went out of existence after 3 years of neglect by two administrations. In answer to my and other protests against this decision by the administration, the Carter administration promised forceful action on productivity. What occurred? By Executive order, the President created a National Productivity Council. Due to a certain amount of skepticism about this grandly named body, I held a number of hearings on my Small Business Subcommittees in order to determine whether this Council was actually doing anything. Those hearings revealed a pattern of outright neglect, inaction, and indifference on the part of the administration and the Office of Management and Budget which was nominally in charge of coordinating the productivity effort. Time and time again, I was assured that everything was going smoothly, and yet productivity was actually declining at the same time.

Finally, on May 29, 1980, I asked the General Accounting Office to conduct a comprehensive investigation of the performance of the National Productivity Council, in order to ascertain whether that distressing pattern was a fact. The GAO did comply with the request, and on February 18, 1981, it issued a report entitled "Stronger Federal Effort Needed To Foster Private Sector Productivity." On March 10, I joined with my distinguished colleague from New York (Mr. LUNDINE) to introduce H.R. 2412, the Productivity Improvement Act of 1981, which

would implement the recommendations in the GAO report.

OFFICE OF MANAGEMENT AND BUDGET RECOMMENDATION

In light of that past record, I was very distressed to read in OMB's budget document, entitled "Additional Details on Budget Savings," that the new administration was recommending the abolition of the Commerce Department's Office of Productivity, Technology, and Innovation, the one Federal office that the GAO report singled out for praise because of its productivity enhancement programs. I was seriously concerned about the probability that OMB was sending out the wrong message on productivity, and therefore I immediately wrote Budget Director David Stockman in order to register that concern. I want to share the contents of that letter with all of my colleagues, because this country can ill-afford another 4 years of indifference and neglect concerning productivity from the Federal Government.

The letter follows:

WASHINGTON, D.C., *April 13, 1981.*

Hon. DAVID STOCKMAN,
Director, Office of Management and Budget, Washington, D.C.

DEAR DAVE: On February 18th, a General Accounting Office report was hand delivered to the White House. I had requested this report which was entitled "Stronger Federal Effort Needed to Foster Private Sector Productivity". The report contained two major recommendations. First, it called for the creation of a National Productivity Council by legislative action. Second, it called for the formulation of a comprehensive national productivity plan through the cooperation of the Council and the private sector.

As soon as I received the G.A.O. report, I wrote President Reagan urging him to adopt the two recommendations in the report and to take a forceful leadership role in the field of productivity. Subsequently, I received a reply from Max Friedersdorf, informing me that he was "forwarding my ideas and suggested legislative proposal to the President's economic advisers for thorough consideration."

In light of that positive response for "thorough consideration", I was extremely disturbed to read in O.M.B.'s "Additional Details on Budget Savings" that the Administration has proposed the elimination of the Commerce Department's Office of Productivity, Technology and Innovation (OPTI). I was even more disturbed to read the supposed rationale behind this action, as follows: "The Reagan Administration is aware of no convincing evidence that direct Federal spending programs or specific Federal interventions in the private sector of the economy contribute to increased productivity".

That statement is directly and completely contradicted by the G.A.O.'s report which stressed the imperative need for more forceful Federal Government leadership in the field of boosting productivity. It is also contradicted by the hearing record in my Small Business Subcommittees, in which witness after witness from the private sector and productivity centers emphasized the need for a bolder and more effective leadership role for the Federal Government in the field of productivity promotion. It is also contradicted by the splendid record of the Department of Agriculture and its extension service which have helped make U.S. agriculture the most productive in the world.

Most particularly, the G.A.O. report singled out the Department of Commerce and its OPTI for special praise in its report: The most significant productivity initiative at the Department of Commerce since it was assigned productivity responsibilities was the establishment of the Office of Productivity, Technology and Innovation (OPTI) at the Assistant Secretary level. The Assistant Secretary for Productivity, Technology and Innovation is the focal point for productivity at the Department. Yet, O.M.B. has proposed the elimination of the very and only office which the G.A.O. praised in its report: "The Department of Commerce undertook significant productivity initiatives".

I fear that this O.M.B. decision is reflective of an 18th century view of the world and of an inability to discern what the Federal government should do and what it should not do. I suggest that you consider the role of the Japan Productivity Center which helps ensure the dissemination of the newest technology and labor-saving devices and that you avoid the costly benign neglect approach to productivity which your predecessor employed.

I am also concerned that the O.M.B. decision is sending precisely the wrong signal to federal agencies. In the past, the federal agencies with a few notable exceptions have systematically ignored the importance of productivity and have done little or nothing to promote productivity. Finally, a key agency, the Department of Commerce, has taken important initiatives to promote technological breakthroughs and supply the private sector with technical information and assistance. To terminate those important initiatives is to give the impression that the Reagan Administration isn't really serious about improving productivity.

Finally, I believe that this O.M.B. decision does not live up to the White House's message to me concerning a "thorough consideration" of the G.A.O. report.

Therefore, I hope that you will reconsider this ill-advised and antiproductivity proposal and restore funding for one of the few agencies in the Federal Government that helps boost productivity and economic growth.

Sincerely,

JOHN J. LAFALCE,
Member of Congress.●

IN DEFENSE OF TARGET PRICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. COELHO) is recognized for 5 minutes.

● Mr. COELHO. Mr. Speaker, an unfortunate victim of the administration's budget-cutting program is elimination of the target price mechanism for agricultural commodities. As a member of the House Agriculture Committee representing one of the world's most productive farming areas, I am compelled to resist any such proposal by the administration. The consequences of such an action would be detrimental to both the structure of American farming as well as the consumer who must depend on a stable market of agricultural products.

When Congress passed the Agriculture and Consumer Protection Act of 1973 it sought to protect those farmers who would suffer an unaffordable economic loss when average market prices fell below target price levels. The system has served to moderate the effects of short-term price fluctuations and to enable producers to meet their cost of production.

Target prices evolved from the nonrecourse loan program administered by the Commodity Credit Corporation. These loans insured orderly marketing and enabled producers to hold their crops for sale when the price was most favorable. The U.S. Department of Agriculture would take title to stored commodities posted as collateral, and the CCC would be repaid with interest.

This credit orientation, however, is just one element of an effective Government policy to equalize market forces. Target prices, when coupled with acreage diversions during periods of temporary surpluses, for example, are an equitable method of controlling production and preventing price-depressing surplus stocks.

The viability of the target price mechanism is borne out by the thriving export market for U.S. agricultural commodities which helps to reduce market supply. Over the past 11 years our shipments of farm products abroad has increased sevenfold in value and doubled in volume.

Consider, too, that the world market for agricultural products since 1972 has been extremely volatile. The target price system has stabilized the U.S. export level making farm income less sensitive to dramatic market fluctuations.

Should the administration have its way in taking the target price mechanism out of farm structure, it would only lead to a return to our credit oriented loan programs. As we experienced during the 1950's and 1960's, this would only lead to an even greater commitment of public funds and make us vulnerable to the leverage which can be exerted by competing agricultural producers abroad in the same way the oil exporting countries have exercised their market power.

It would be a mistake, Mr. Speaker, to go along with the Office of Management and Budget in this plan. Where there may be a benefit to the balance sheet of the U.S. Treasury, there will be an offsetting impairment to the fragile market for U.S. farm products. Congress will be acting wisely if it approaches this issue with the same objective that it had in mind when it enacted the 1973 law.●

UPDATE ON RECONCILIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, as chairman of the Reconciliation Task Force of the Budget Committee, I am putting in the RECORD for the convenience of the chairmen and members of the various committees a status report on the submission of the administration's cost-saving legislation. In summary, of the 77 bills the administration plans to submit to the House, 65 have been received. The House is still awaiting delivery of legislation for the medicaid cap, medicaid/medicare amendments, energy and emergency assistance block grant, black lung program, District of Columbia court support, PHS Commissioned Corps bonuses and National Research Service awards, Foreign Service pay for domestic workers and the Federal employees injury compensation program. It is essential that these specific proposals be provided as soon as possible in order for the committees to respond in a careful and thoughtful manner.

The following is a list by committee of legislation received, proposals that have not been transmitted, and the target date provided by the administration for delivery of the remaining bills:

STATUS REPORT ON VARIOUS COMMITTEES

Description, House (April 23, 1981), committee, and transmittal target date

FmHA water and sewer and community loans, Agriculture, sent 3/10.

User charges for grading and classifying cotton, tobacco, and naval store and for warehouse inspection, Agriculture, sent 3/10.

User charges for supervision of grain inspection, Agriculture, sent 3/10.

REA electrical distribution facilities loans, Agriculture, sent 3/10.

Dairy support price indexing, Agriculture, sent 2/13.

Interest rates on FmHA farm ownership loans and emergency loss loans, and SBA disaster loans, Agriculture, sent 3/25.

Interest rates on CCC farmer-held reserve loans, Agriculture, sent 3/20.

Nutrition block grant for Puerto Rico (with Education and Labor), Agriculture, sent 4/24.

Aid to land grant colleges, Agriculture, sent 4/10.

Food stamp program, Agriculture, sent 4/16.

Elimination of dual compensation, Armed Services, sent 4/9.

National stockpile sales, Armed Services, sent 3/19.

Termination of National Consumer Cooperative Bank, Banking, sent 3/20.

HUD-Community development support assistance, Banking, sent 4/21.

HUD-Subsidized housing rent contribution (part of HUD authorization bill), Banking, sent 4/8.

Interest rate on FmHA housing loans, Banking, sent 3/23.

D.C. court support (Admin. will propose amendments), D.C.

Higher education amendments, Education and Labor, sent 3/20.

PHS Commissioned Corps bonus, Education and Labor, uncertain.

Education block grant, Education and Labor, 4/27.

Social services block grant (with Ways and Means Com.), Education and Labor, 4/24.

Federal employees injury compensation program, Education and Labor, 5/11.

Black lung program, Education and Labor, uncertain.

Impact aid, Education and Labor, sent 3/20.

School lunch and child nutrition, Education and Labor, sent 4/3.

Nutrition block grant for Puerto Rico, Education and Labor, 4/24.

Health services block grant (with Energy and Commerce and Ways and Means Committees), Education and Labor, sent 4/6.

Medicaid cap and Medicaid/Medicare amendments and PSROs, Energy and Commerce, uncertain.

Medical services for merchant seamen (with Merchant Marine and Fisheries), Energy and Commerce, sent 4/2.

PHS Commissioned Corps bonuses and National Research Services Award, Energy and Commerce, uncertain.

Repeal of 1981 benefit increase, Energy and Commerce, sent 3/10.

Rail pension assurance amendments (with Ways and Means), Energy and Commerce, sent 3/10.

Health services block grant (with Education and Labor and Ways and Means Committees), Energy and Commerce, sent 4/6.

Health professions education, Energy and Commerce, uncertain.

Health Maintenance Organizations, Energy and Commerce, sent 4/17.

Solid Waste Act amendments, Energy and Commerce, sent 3/19.

AMTRAK subsidies, Energy and Commerce, sent 3/17.

Conrail subsidies, Energy and Commerce, 5/1.

Prevent health block grant, Energy and Commerce, sent 4/6.

Bankruptcy trustees and U.S. Marshals service of process (as part of Justice Dept. reauthorization) (with Foreign Affairs, Intelligence and Judiciary Committees), Energy and Commerce, sent 3/19.

Foreign Service pay for domestic workers (with Post Office Committee), Foreign Affairs, uncertain.

Passport duration and fees (included in State Dept. authorization bill for fiscal years 1982 and 1983), Foreign Affairs, sent 3/11.

Bankruptcy trustees and U.S. Marshals service of process (with Judiciary, Energy and Commerce, and Intelligence Committees) (as part of Justice Dept. authorization), Foreign Affairs, sent 3/19.

Bankruptcy trustees and U.S. Marshals service of process (with Judiciary, Energy and Commerce, and Foreign Affairs Committees) (as part of Justice Dept. authorization), Foreign Affairs, sent 3/19.

Bankruptcy trustees and U.S. Marshals service of process (with Foreign Affairs, Energy and Commerce, and Intelligence Committees) (as part of Justice Dept. authorization), Judiciary, sent 3/19.

INS overtime pay (with Post Office and Civil Service), Judiciary, sent 4/7.

Coast Guard user fees, Merchant Marine, sent 3/17.

Deepwater port user charges (request pending for joint referral with Public Works and Transportation), Merchant Marine, sent 3/25.

Medical services for merchant seamen (with Energy and Commerce Committee), Merchant Marine, sent 4/2.

OPM compensation reform, Post Office, sent 3/25.

Annual indexation of civil service retirement annuities, Post Office, sent 3/17.

Foreign Service pay for domestic workers (with Foreign Affairs Committee), Post Office, uncertain.

Intergovernmental Personnel Act, Post Office, sent 4/15.

INS overtime pay (with Judiciary Committee), Post Office, sent 4/7.

Airline subsidy program reduction, Public Works, sent 3/31.

Airport construction grants, aviation taxes and trust, Public Works, sent 3/19.

Inland water user charge (with Ways and Means Committee), Public Works, sent 3/25.

Municipal waste water construction grants reform, Public Works, sent 4/7.

FEMA-Disaster relief, Public Works, sent 3/19.

Highway construction & safety grants (with Ways and Means Committee), Public Works, sent 3/17.

Mass transit programs, Public Works, sent 3/17.

Deepwater port user charges, Public Works, sent 3/25.

Airport construction grants, aviation taxes and trust (with Public Works and Transportation, Ways and Means), Science and Technology, sent 3/19.

GI Bill: end payments for general flight training and correspondence courses, Veterans, sent 3/16.

Termination of Class II dental treatment, Veterans, sent 3/16.

Reduction in beneficiary travel reimbursement, Veterans, sent 3/23.

Physician and dentist bonuses, Veterans, sent 3/23.

Business loans, Small Business, sent 3/24.

Disaster loan programs (part of bill covering FmHA farm ownership and emergency loss loans) (with Agriculture Committee), Small Business, sent 3/25.

Medicaid cap and Medicaid/Medicare amendments, Ways and Means, uncertain.

Social Security; major reforms and other proposals, Ways and Means, sent 4/7.

AFDC and child support enforcement, Supplemental Security Income, and assistance to immigrants, Ways and Means, 4/27.

Trade adjustment assistance, Ways and Means, sent 3/28.

Unemployment insurance extended benefits and work test and unemployment compensation for ex-service members, Ways and Means, sent 3/10.

Inland waterway user charges (with Public Works), Ways and Means, sent 3/25.

Energy and Emergency Assistance Block Grant, Ways and Means, week of 4/27.

Airport construction grants, aviation taxes and trust (with Public Works and Science and Technology Committees), Ways and Means, sent 3/19.

Highway construction and safety grants (with Public Works), Ways and Means, sent 3/17.

Customs Service overtime pay, Ways and Means, sent 4/20.

Social services block grant (with Education and Labor), Ways and Means, 4/24.

Rail pension assurance amendments (with Energy and Commerce), Ways and Means, sent 3/10.

Health Services Block Grant (with Energy and Commerce and Education and Labor, Ways and Means, sent 4/6.

LEGISLATION TO PROVIDE FEDERAL INITIATIVE IN FIGHT AGAINST CRIME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HUGHES) is recognized for 5 minutes.

● Mr. HUGHES. Mr. Speaker, today I am proud to introduce my first legislation of this Congress to provide for a Federal initiative in the fight against crime. My bill would authorize the expenditure of a modest amount of Federal funds to assist State and local governments in the struggle for control of the streets.

As Chief Justice Burger and Attorney General Smith have both articulated, the problem of crime in America is a serious national concern. The just released Uniform Crime Reports from the FBI indicate an alarming rise in the level of violent crime. Fear of crime is also apparently increasing. The Attorney General has appointed a task force to study these phenomenon of violence in America. While I applaud the moves made by the Attorney General there are steps we can take today to respond. There are criminal justice programs that have been developed and tested with Federal funds and that should be continued. The legislation introduced today will have the effect of continuing the encouragement given to States and localities to use these innovative techniques.

The major feature of the Justice Assistance Act of 1981 is a block grant program for criminal justice funds. Under the bill, the modest sum of $150 million will be distributed to the States primarily on the basis of population. The bill would abolish the bureaucracy of LEAA and replace it with a lean and scaled-down operation that would not impose Federal bureaucratic requirements on State and local recipients.

The major features of the legislation include a requirement that the States provide a 50-percent match for any Federal funds; the elimination of the federally required State planning agencies and councils, and a narrower focus for the grants.

The structure created by this legislation includes the abolition of the Law Enforcement Assistance Administration and the Office of Justice Assistance, Research and Statistics (JARS). In the place of these two overlapping administrative mechanisms a new Office of Justice Assistance is created with the Justice Department.

OJARS was created in the Justice Systems Improvement Act of 1979 and was supposed to serve as a coordinator of the activities of LEAA, the Bureau of Justice Statistics (BJS) and the National Institute of Justice (NIJ). With a much smaller Federal financial aid package, and with program solution and direction left up to the recipients of this aid, the OJARS coordination and support function becomes unneeded.

As evisioned in this act the independent functions of statistical development and research would continue under the mantle of BJS and NIJ within the Justice Department. There is no need, however, to super impose another bureaucracy on to provide coordination between the research statistics arm and the grant giving branch. Thus, under the bill, the Office of Justice Assistance will have independent status within the Department of Justice. The legislation requires coordination between these activities, but does not create a complex structure to accomplish what should happen ordinarily in a well run Department of Justice.

The Office of Justice Assistance (OJA) would have little discretion under the bill. Money would be distributed directly to the States with each State getting a minimum amount and the remainder to be distributed on the basis of population. In order to receive the money a State would have to submit an application that indicated: First, an agreement to provide a 50-percent match for the Federal grant; second, that money be passed through to local governments in the same percentage such governments make criminal justice expenditures in relation to total State expenditures for criminal justice; and third, that the money would be used for programs that have been determined by Congress to have a demonstrated, successful track record.

The bill also eliminates the requirement that State criminal justice planning agencies be created while at the same time recognizing the importance of coordination and planning by allowing the States to use the matching program to fund such activities. The States will be encouraged to carefully examine their criminal justice needs. In the event that planning is deemed to warrant the expenditure of scarce State resources then Federal matching funds would be available. I believe that this approach will avoid many of the bureaucratic nightmares created by the LEAA mandated planning requirements.

The Justice Assistance Act of 1981 provides 12 permissible categories for which criminal justice grants can be made. The 12 programmatic areas reflect those projects which have a proven record of effectiveness. The permissible programmatic categories include: Community and police anti-crime programs; STING operations; arson programs; white collar crime and organized crime programs; career criminal programs; victim/witness programs; treatment alternatives to street crime; prosecutor management information systems; and various programs to alleviate jail and prison overcrowding.

Ninety percent of the grant bank would be distributed to States, for allocation within each State, for use in the 12 program areas. The final 10 percent represents a discretionary fund to be used for technical and support functions, particularly as available from the private sector, in connection with the State programs. A final important feature of the discretionary fund is its availability for use by jurisdictions undergoing crisis situations requiring extraordinary criminal justice expenditures. The situation in Atlanta currently is a case in point.

In addition to the financial provisions of title I of the bill, title II establishes a mechanism whereby jurisdictions experiencing criminal justice emergencies can call upon Federal authorities for law enforcement assistance. The bill provides that upon receipt of such a request, the Attorney General is to convene heads of appropriate Federal law enforcement agencies to respond to the request.

In conclusion, Mr. Speaker I believe that this legislation will provide this House with a focus for developing a Federal initiative on crime. The Subcommittee on Crime will be holding hearings on the appropriate Federal response to our crime problem. These hearings will begin on May 5 and 11. We anticipate receiving testimony from the administration to ascertain its views concerning what steps can be taken during this session of the 97th Congress to respond to what the Chief Justice has correctly described as an assault on our national security. The subcommittee will also hear from police, prosecutors, judges, corrections officials, and respected criminologists. I hope that by beginning this dialog on crime we can delineate carefully the limited, but important role that can be played by the Federal Government.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PARRIS) to revise and extend their remarks and include extraneous material:)

Mr. PARRIS, for 60 minutes, today, and 60 minutes, May 1.

Mr. PASHAYAN, for 5 minutes, today.

Mr. STANTON of Ohio, for 5 minutes, today.

Mr. FRENZEL, for 60 minutes, today.

Mr. CORCORAN, for 5 minutes, today.

(The following Members (at the request of Mr. WEISS) to revise and extend their remarks and include extraneous material:)

Mr. LEHMAN, for 60 minutes, today.
Mr. ST GERMAIN, for 10 minutes, today.
Mr. LAFALCE, for 20 minutes, today.
Mr. SHAMANSKY, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. COELHO, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. HUGHES (at the request of Mr. LEHMAN), for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. RUDD, to revise and extend, immediately following remarks of Mr. HAWKINS, today.

Mr. STOKES, to extend his remarks and include therein extraneous material notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $5,280.

(The following Members (at the request of Mr. PARRIS) and to include extraneous matter:)

Mr. CARMAN.
Mr. CHENEY.
Mr. NELLIGAN.
Mr. DERWINSKI in two instances.
Mr. GILMAN in three instances.
Mr. MCCLORY.
Mr. SHAW.
Mr. BROYHILL.
Mr. DAVIS.
Mr. DOUGHERTY.
Mr. SMITH of Alabama.
Mr. SCHULZE.
Mr. MITCHELL of New York.
Mr. BETHUNE.
Mr. NAPIER in five instances.
Mr. LEWIS.
Mr. LENT.
Mr. LEBOUTILLIER.
Mr. PORTER.
Mr. CORCORAN.
Mr. RITTER.
Mr. DUNCAN.
Mr. JEFFRIES.
Mrs. HOLT.
Mr. DUNN.
Mr. EVANS of Delaware.
Mrs. SNOWE in two instances.

(The following Members (at the request of Mr. WEISS) and to include extraneous matter:)

Mr. GUARINI.
Mr. OBERSTAR in two instances.
Mr. STOKES in five instances.
Mr. ROSENTHAL.
Mr. ERTEL.
Mr. COELHO.
Mrs. BOUQUARD.
Mr. HAWKINS.
Mr. DWYER.
Mr. WRIGHT.
Mrs. SCHROEDER.
Mr. UDALL.
Mr. FASCELL in four instances.
Mr. GAYDOS in four instances.
Mr. ZEFERETTI in two instances.
Mr. PANETTA in two instances.
Mr. CORRADA in two instances.
Mr. SIMON in three instances.
Mr. WON PAT.
Mr. SKELTON in two instances.
Mr. RUSSO.
Mr. ATKINSON.
Mr. STARK.
Mr. CONYERS in two instances.
Mr. VENTO in two instances.
Mr. APPLEGATE.
Mr. OTTINGER.
Mr. GARCIA.
Mr. PHILLIP BURTON in two instances.
Mr. FARY.
Mr. MATSUI.
Mr. HARKIN.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 786. An act to provide for continuing U.S. participation in the International Development Association, to provide for U.S. participation in the African Development Bank, and for other purposes; to the Committee on Banking, Finance and Urban Affairs; and

S.J. Res. 75. Joint resolution authorizing and requesting the President to issue a proclamation designating the 7 calendar days commencing on April 30 of 1981 as "National Beta Sigma Phi Week"; to the Committee on Post Office and Civil Service.

ADJOURNMENT

Mr. LEHMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 2 minutes p.m.), the House adjourned until tomorrow, Friday, May 1, 1981, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1237. A letter from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting the historical and archeological survey of Frankford Arsenal, Philadelphia, Pa., pursuant to section 610 of Public Law 94-431; to the Committee on Armed Services.

1238. A letter from the Secretary of Transportation, transmitting proposed amendments to the previously submitted draft Amtrak Improvement Act of 1981; to the Committee on Energy and Commerce.

1239. A letter from the Acting Administrator of General Services, transmitting a followup report on the recommendations contained in the August 1979 report of the Board of Visitors, U.S. Air Force Academy, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

1240. A letter from the Chairman, Civil Aeronautics Board, Transmitting a report on the Board's administration of the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1241. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend section 1825 of title 28 of the United States Code to authorize Federal Public Defenders, and certain other counsel appointed under the Criminal Justice Act, to certify defense witness fees for payment; to the Committee on the Judiciary.

1242. A letter from the Secretary of Health and Human Services, transmitting notice of a delay until May 29, 1981, in submission of the fiscal year 1980 annual report on title XX of the Social Security Act, required by section 2006(c) of the act; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. House Joint Resolution 238. Joint resolution to approve a constitution for the United States Virgin Islands (Rept. No. 97-25). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, pulic bills and resolutions were introduced and severally referred as follows:

Mr. COLLINS of Texas:

H.R. 3318. A bill to amend the Natural Gas Policy Act of 1978 to remove provisions for incremental pricing of natural gas; to the Committee on Energy and Commerce.

By Mr. D'AMOURS (for himself, Mr. PRITCHARD, Mr. JONES of North Carolina, and Mr. SNYDER) (by request):

H.R. 3319. A bill to amend and extend title I of the Marine Protection, Research and Sanctuaries Act, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. DOWNEY:

H.R. 3320. A bill to require the Secretary of the Treasury to issue guarantees with respect to the payment of the principal and interest of bonds to be issued by the Suffolk County Sewer Authority, in Suffolk County, N.Y., and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 3321. A bill to amend the Federal Water Pollution Control Act to provide Federal funding for the costs of operation and maintenance of waste treatment works; to the Committee on Public Works and Transportation.

H.R. 3322. A bill to amend the Federal Water Pollution Act to require the United States to pay for certain lateral sewer connections for low-income elderly persons; to the Committee on Public Works and Transportation.

H.R. 3323. A bill to amend the Internal Revenue Code of 1954 to allow an income tax deduction to individual taxpayers for costs incurred in connecting a residential sewerline to a public sewage system; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 3324. A bill to amend section 119 of the Internal Revenue Code of 1954 to provide that meals furnished by an employer to an employee may be considered furnished for the convenience of the employer if the meals are furnished on the business premises of the employer generally, except under certain conditions whereby meals may be furnished off the business premises of the employer; to the Committee on Ways and Means.

H.R. 3325. A bill to provide additional funds for certain projects relating to fish restoration, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

By Mr. DYMALLY:

H.R. 3326. A bill to establish a worksite education and training program, and for other purposes; to the Committee on Education and Labor.

By Mr. EDGAR:

H.R. 3327. A bill to amend the Revenue Act of 1978 to provide that the inclusion in gross income of certain amounts of unemployment compensation shall not apply to unemployment compensation which is payable by reason of a work stoppage in 1973 but which was not paid until 1979; to the Committee on Ways and Means.

By Mr. EVANS of Georgia:

H.R. 3328. A bill to amend the Small Business Act to repeal the small business subcontracting program under section 8(a) of such act, and to direct the Small Business Administration to recommend to the Congress a more effective method of furthering the purposes of such section; to the Committee on Small Business.

H.R. 3329. A bill to amend the appeals process for small business set-asides; to the Committee on Small Business.

H.R. 3330. A bill to amend the Small Business Act to terminate on June 1, 1981, the pilot program for small business set-asides under section 8(a); to the Committee on Small Business.

By Mr. FRENZEL (for himself and Mr. ROUSSELOT):

H.R. 3331. A bill to eliminate the national trigger contained in the Federal-State extended unemployment compensation program, to require 20 weeks of work to qualify for benefits under such program, to make certain changes in the provisions relating to loans to State unemployment funds, and to revise the trade adjustment assistance program; to the Committee on Ways and Means.

By Mr. GAYDOS:

H.R. 3332. A bill to extinguish Federal court jurisdiction to require attendance at a particular school of any student because of race, color, creed, or sex; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.R. 3333. A bill to amend title 5, United States Code, to permit present and former civilian employees of the U.S. Government to receive service annuity credit for retirement purposes for all their periods of service to the United States including such service which was covered by social security, regardless of eligibility for social security benefits; to the Committee on Post Office and Civil Service.

By Mr. HANSEN of Idaho:

H.R. 3334. A bill to authorize and direct the Secretary of the Interior to convey, by quitclaim deed, all right, title, and interest of the United States in and to certain lands that were withdrawn or acquired for the purpose of relocating a portion of the city of American Falls out of the area flooded by the American Falls Reservoir; to the Committee on Interior and Insular Affairs.

H.R. 3335. A bill to provide for protection of the John Sack cabin, Targhee National Forest in the State of Idaho; to the Committee on Interior and Insular Affairs.

By Mr. HARKIN:

H.R. 3336. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual and corporate income tax rates, in the estate and gift tax rates, in the amount of certain excise taxes, and in other income and estate tax provisions; to the Committee on Ways and Means.

By Mr. HAWKINS (for himself, Mr. PERKINS, and Mr. JEFFORDS):

H.R. 3337. A bill to extend the authorization for youth employment and demonstration programs, and for other purposes; to the Committee on Education and Labor.

By Mr. HOLLAND:

H.R. 3338. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. McCLORY (for himself, Mr. MICHEL, Mr. LOTT, Mr. KEMP, Mr. CHENEY, Mr. RAILSBACK, Mr. FISH, Mr. BUTLER, Mr. MOORHEAD, Mr. ASHBROOK, Mr. HYDE, Mr. SAWYER, Mr. LUNGREN, Mr. SENSENBRENNER, Mr. MCCOLLUM, Mr. QUILLEN, Mr. BROYHILL, Mr. BROWN of Ohio, Mr. EDWARDS of Oklahoma, and Mr. YOUNG of Alaska):

H.R. 3339. A bill to amend the Administration Procedure Act to require Federal agencies to analyze the effect of rules to improve their effectiveness and to decrease their compliance cost; to provide for a periodic review of regulations; and for other purposes; to the Committee on the Judiciary.

By Mr. MITCHELL of New York:

H.R. 3340. A bill to amend title 38, United States Code, to provide expanded opportunities for individuals to earn educational assistance benefits based on active service in the Armed Forces, and for the other purposes; jointly, to the Committee on Armed Services and Veterans' Affairs.

By Mr. PASHAYAN:

H.R. 3341. A bill to establish the Mineral King National Recreation Area, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 3342. A bill to amend the Internal Revenue Code of 1954 to permit gain from certain involuntary or compulsory conversions to be reportable over a 10-year period; to the Committee on Ways and Means.

By Mr. PASHAYAN (for himself and Mr. COELHO):

H.R. 3343. A bill to assure that weather modification activities and the collection of hydrometeorological information necessary to the management of water resources can be conducted in conjunction with the management and administration of wilderness and other Federal lands; to the Committee on Interior and Insular Affairs.

By Mr. RODINO:

H.R. 3344. A bill to establish a Center for Defense Services, and for other purposes; to the Committee on the Judiciary.

H.R. 3345. A bill to make technical and conforming changes in the patent and trademark laws and in the Civil Rights of Institutionalized Persons Act; to the Committee on the Judiciary.

By Mr. SCHUMER:

H.R. 3346. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Ways and Means.

By Mr. SENSENBRENNER:

H.R. 3347. A bill to provide an opportunity for taxpayers to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. SIMON:

H.R. 3348. A bill to provide additional transitional authority to issue mortgage subsidy bonds under the Mortgage Subsidy Bond Tax Act of 1980; to the Committee on Ways and Means.

By Mrs. SNOWE (for herself and Mr. EMERY):

H.R. 3349. A bill to deauthorize the Dickey Dam component of the Dickey-Lincoln School Lakes project, Saint John River, Maine; to the Committee on Public Works and Transportation.

By Mr. STANTON of Ohio (for himself and Mr. ROUSSELOT) (by request):

H.R. 3350. A bill to dissolve the National Consumer Cooperative Bank, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WALKER:

H.R. 3351. A bill to limit foreign assistance to programs relating to food production and nutrition and military assistance; to the Committee on Foreign Affairs.

By Mr. WALKER (for himself and Mr. NELLIGAN):

H.R. 3352. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income gain on the sale or exchange of certain farmland if the owners of the farmland, in a covenant binding themselves and all future owners of their land, restrict the use of such land to use as farmland; to the Committee on Ways and Means.

By Mr. WALKER:

H.R. 3353. A bill to amend the Internal Revenue Code of 1954 to provide to individuals who have attained the age of 62 a refundable credit against income tax for increases in real property taxes and utility bills; to the Committee on Ways and Means.

By Mr. WAMPLER:

H.R. 3354. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act; to the Committee on Agriculture.

By Mrs. FENWICK:

H.R. 3355. A bill to amend the Social Security Act to provide for a 6-year demonstration program of comprehensive community-based noninstitutional acute and long term care services for the elderly and disabled; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. FUQUA (for himself and Mr. WALGREN):

H.R. 3356. A bill to amend the Earthquake Hazards Reduction Act of 1977 and the Federal Fire Prevention and Control Act of 1974 to authorize the appropriation of funds to the Director of the Federal Emergency Management Agency to carry out the earthquake hazards reduction programs and the fire prevention and control program, and

for other purposes; jointly, to the Committees on Science and Technology, Interior and Insular Affairs.

By Mr. GILMAN:

H.R. 3357. A bill to amend the Internal Revenue Code of 1954 to eliminate the age requirement for eligibility for the one-time exclusion of gain from the sale of a principal residence; to the Committee on Ways and Means.

By Mr. HENDON:

H.R. 3358. A bill to provide for certainty and stability in the planning and management of certain national forest lands; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. HUGHES:

H.R. 3359. A bill to amend the Justice Assistance Improvement Act of 1969, and for other purposes; to the Committee on the Judiciary.

By Mr. JENKINS:

H.R. 3360. A bill to amend the Internal Revenue Code of 1954 to allow certain small businesses to use the cash receipts and disbursements method of accounting without regard to any requirement to use inventories; to the Committee on Ways and Means.

H.R. 3361. A bill to amend the Internal Revenue Code of 1954 to provide that income received by handicapped individuals from activities at certain sheltered workshops shall not be taken into account in determining the allowance for a personal exemption with respect to such individual; to the Committee on Ways and Means.

By Mr. JENKINS (for himself, Mr. SMITH of Iowa, and Mr. FRENZEL):

H.R. 3362. A bill to amend the Internal Revenue Code of 1954 to clarify the tax-exempt status of agricultural and horticultural organizations operated for the purpose of bargaining collectively for the sale of members' products; to the Committee on Ways and Means.

By Mr. JENKINS (for himself, Mr. LEATH of Texas, Mr. STUMP, Mr. HANCE, Mr. FLIPPO, Mr. HEFTEL, Mr. HOLLAND, Mr. BRINKLEY, Mr. SMITH of Iowa, Mr. ST GERMAIN, Mr. GINGRICH, and Mr. NEAL):

H.R. 3363. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion from gross income of interest earned on qualified housing savings certificates; to the Committee on Ways and Means.

By Mr. SANTINI (for himself, Mr. PRICE, Mr. FUQUA, Mr. ARCHER, Mr. AKAKA, Mr. BLANCHARD, Mr. BREAUX, Mr. BURGENER, Mr. CHENEY, Mr. CLAUSEN, Mr. DAN DANIEL, Mr. DORNAN of California, Mr. DUNCAN, Mr. EMERSON, Mr. EVANS of Georgia, Mr. FORD of Tennessee, Mr. GLICKMAN, Mr. GRAMM, Mr. HUCKABY, Mr. HYDE, Mr. JOHNSTON, Mr. KAZEN, Mr. KOGOVSEK, Mr. LAGOMARSINO, Mr. LEATH of Texas, Mr. LOTT, Mr. MURPHY, Mr. RAHALL, Mr. RHODES, Mr. RUDD, Mr. SIMON, Mr. SKEEN, Mr. STENHOLM, Mr. STUMP, Mr. SUNIA, Mr. WHITTAKER, Mr. WON PAT, Mr. WORTLEY, Mr. YATRON, and Mr. YOUNG of Alaska):

H.R. 3364. A bill to establish a national mineral and material policy and council, to provide for a secure minerals and materials base for the national economy and national security, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Ways and Means, the Judiciary, Armed Services and Foreign Affairs.

By Mr. GRAY:

H. Con. Res. 122. Concurrent resolution calling for recognition by the United States of the present Government of Angola and for the establishment of full diplomatic relations between the United States and Angola; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

53. By the SPEAKER: A memorial of the Legislature of the State of Utah, relative to toxicants for predator control; to the Committee on Agriculture.

54. Also, a memorial of the Legislature of the State of New Mexico, relative to Federal solid waste standards; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FROST:

H.R. 3365. A bill for the relief of Chai B. Morgan; to the Committee on the Judiciary.

By Mr. MOFFETT:

H.R. 3366. A bill for the relief of Joseph Luca; to the Committee on Armed Services.

By Mr. PANETTA:

H.R. 3367. A bill for the relief of Velid Mehmed Dag; to the Committee on the Judiciary.

By Mr. PASHAYAN:

H.R. 3368. A bill for the relief of Rodney E. Hoover; to the Committee on the Judiciary.

By Mr. ZEFERETTI:

H.R. 3369. A bill for the relief of Usha Bansal; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 40: Mr. ROSTENKOWSKI.

H.R. 181: Mr. DONNELLY.

H.R. 247: Mr. SMITH of Oregon, Mr. MOLINARI, Mr. MOFFETT, Mr. CHAPPIE, Mr. DORGAN of North Dakota, Mr. PATTERSON, Mr. BONIOR of Michigan, Mr. FORD of Michigan, Mr. DASCHLE, and Mr. HARKIN.

H.R. 380: Ms. MIKULSKI and Mr. BREAUX.

H.R. 654: Mr. BAILEY of Missouri and Mr. ROBERTS of Kansas.

H.R. 746: Mr. ANTHONY and Mr. ROE.

H.R. 747: Mr. DECKARD, Mr. FORD of Michigan, and Mr. FRANK.

H.R. 748: Mr. ECKART and Mr. WOLPE.

H.R. 857: Mr. YOUNG of Missouri, Mr. STUDDS, Mr. EDGAR, Mr. LAGOMARSINO, Mr. OTTINGER, Mr. BONIOR of Michigan, Mr. DE LUGO, Mr. PEPPER, Mr. BEARD, Mr. RICHMOND, Mr. KILDEE, Mr. GARCIA, Mr. MAVROULES, Mr. SCHEUER, Mr. MITCHELL of Maryland, Mr. ROSENTHAL, Mr. WYDEN, Mr. CONYERS, Mr. MOFFETT, and Mr. DOWNEY.

H.R. 1005: Mr. PATTERSON, Mr. SHELBY, Mr. CHAPPIE, Mr. MARLENEE, Mr. KRAMER, and Mr. WHITEHURST.

H.R. 1034: Mr. DORNAN of California.

H.R. 1053: Mr. BETHUNE, Mr. JOHN L. BURTON, Mr. CHAPPIE, Mr. CHENEY, Mr. DREIER, Mr. EDWARDS of Oklahoma, Mr. EVANS of Indiana, Ms. FIEDLER, Mr. HUBBARD, Mr. MCCOLLUM, Mr. MOLINARI, Mr. ROGERS, Mr. SMITH of Alabama, Mr. SMITH of Oregon, and Mr. TRIBLE.

H.R. 1100: Mr. WON PAT.

H.R. 1113. Mr. FUQUA, Mr. BARNARD, Mrs. BOUQUARD, Mr. NICHOLS, Mr. WHITTAKER, Mr. BOWEN, Mr. WILSON, Mr. LAFALCE, Mr. WILLIAMS of Montana, Mr. DASCHLE, Mr. FLORIO, Mr. HUTTO, Mr. WATKINS, Mr. DYSON, Mr. ANTHONY, and Mr. MITCHELL of New York.

H.R. 1250: Mr. JEFFRIES, Mr. MOLLOHAN, Mr. PRITCHARD, Mr. ROBERT W. DANIEL, JR., Mr. BOWEN, Mr. CORCORAN, Mr. ANTHONY, Mr. HOPKINS, Mr. SENSENBRENNER, Mr. ATKINSON, Mr. FISH, Mr. SHUMWAY, Mr. MCCOLLUM, Mr. MINETA, Mr. ROBINSON, Mr. BENNETT, Mr. DORNAN of California, Mr. RAHALL, Mr. ALBOSTA, Mr. RAILSBACK, Mr. ROBERTS of South Dakota, Mr. SHELBY, Mr. BEARD, Mr. YOUNG of Alaska, Mr. ERDAHL, Mrs. BOUQUARD, and Mr. DENARDIS.

H.R. 1297: Mr. BROYHILL.

H.R. 1298: Mr. BROYHILL.

H.R. 1313: Mr. LUKEN.

H.R. 1357: Mr. GARCIA, Mr. JAMES K. COYNE, Mr. CARNEY, Mr. O'BRIEN, Mr. YOUNG of Missouri, Mr. CLINGER, Mr. BENJAMIN, and Mr. MCDONALD.

H.R. 1447: Mr. STENHOLM, Mr. WHITLEY, Mr. IRELAND, Mr. GINGRICH, Mr. VOLKMER, Mr. BEDELL, Mr. AUCOIN, Mr. STANGELAND, Mr. FRENZEL, Mr. HIGHTOWER, Mr. WOLPE, Mr. SIMON, and Mr. TAUKE.

H.R. 1502: Mr. BENNETT.

H.R. 1743: Mr. WORTLEY.

H.R. 1806: Mr. BAFALIS, Mr. DICKINSON, Mr. BENNETT, Mr. ENGLISH, Mr. BAILEY of Missouri, Mr. JOHNSTON, Mr. GINN, Mr. LAGOMARSINO, Mr. BOWEN, Mr. HYDE, Mr. BRINKLEY, Mr. HOWARD, Mr. MCDONALD, Mr. GINGRICH, Mr. ATKINSON, Mr. LAFALCE, Mr. COLLINS of Texas, Mr. BEARD, Mr. STENHOLM, Mr. SHAW, Mr. WYLIE, Mrs. BOUQUARD, Mr. STANGELAND, Mr. PORTER, Mr. MARTIN of North Carolina, Mr. SIMON, Mr. RAILSBACK, Mr. PATTERSON, Mr. GRADISON, Mr. LUNGREN, Mr. CHAPPELL, Mr. ZEFERETTI, and Mr. GILMAN.

H.R. 1853: Mr. JOHNSTON, Mr. O'BRIEN, Mr. PASHAYAN, Mr. SANTINI, Mr. LENT, Mr. MURTHA, Mr. FRENZEL, Mr. SHUMWAY, Mr. COELHO, Mr. BENEDICT, Mr. SMITH of Alabama, Mr. LEBOUTILLIER, Mr. DANIEL B. CRANE, Mr. FORSYTHE, Mr. ROUSSELOT, Mr. WALKER, and Mr. MCDONALD.

H.R. 1854: Mr. LUNDINE and Mr. PATTERSON.

H.R. 1890: Mr. WASHINGTON, Mrs. CHISHOLM, Mr. VENTO, Mr. SCHEUER, Mr. WEAVER, Mr. DERWINSKI, Mr. LEHMAN, Mr. WIRTH, Mr. MITCHELL of Maryland, Mr. BEDELL, Mr. WHITEHURST, Mr. LAFALCE, Mr. YATRON, Mr. CLINGER, Mr. FAZIO, Ms. FERRARO, Mr. PORTER, Mr. LONG of Maryland, Mr. GARCIA, Mr. ANTHONY, Mr. SIMON, Mr. MCHUGH, Mr. BINGHAM, Mr. ROSENTHAL, Mr. MINETA, Mr. SAVAGE, and Mr. CORRADA.

H.R. 1904: Mr. CHENEY and Mr. HAGEDORN.

H.R. 1914: Mr. CHENEY, Mr. DAUB, Mr. PASHAYAN, Mr. WALGREN, Mr. JONES of Tennessee, and Mr. ROE.

H.R. 1919: Ms. FERRARO, Mr. OTTINGER, Mr. PATTERSON, Mr. CORCORAN, Mr. MARKEY, Mr. GARCIA, Mr. RINALDO, Mr. FORD of Tennessee, and Mr. YATES.

H.R. 2017: Mr. EVANS of Iowa, Mr. JOHNSTON, and Mr. O'BRIEN.

H.R. 2157: Mr. BONER of Tennessee.

H.R. 2331: Mr. SEIBERLING, Mr. WHITEHURST, Mr. SHAMANSKY, Mr. MOTTL, and Mr. NEAL.

H.R. 2346: Mr. ST GERMAIN, Mr. BENJAMIN, Mr. FASCELL, Mr. MINISH, Mr. BUTLER, Mr. COELHO, Mrs. BOUQUARD, Mr. BEDELL, Mr. FRANK, Mrs. HOLT, Mr. NEAL, Mr. LOWERY of California, Mr. BONIOR of Michigan, Mr. LEHMAN, Mr. LIVINGSTON, Mr. KOGOVSEK, Mr. OBERSTAR, Mr. JAMES K. COYNE, Mr. EVANS of Georgia, Mr. WOLPE, Mr. HAMILTON, Mr. GUARINI, and Mr. DORNAN of California.

H.R. 2389: Mr. HANSEN of Idaho, Mr. GOODLING, and Mr. BEVILL.

H.R. 2431: Mr. DORNAN of California.

H.R. 2451: Mr. LUNDINE, Mr. GLICKMAN, Mr. SHAW, Mr. SIMON, and Mr. HANSEN of Utah.

H.R. 2500: Mr. LUNDINE, Mr. WOLPE, Mr. RATCHFORD, and Mr. CONYERS.

H.R. 2509: Mr. BAFALIS, Mr. GRISHAM, Mr. JEFFRIES, Mr. LAFALCE, and Mr. SHUMWAY.

H.R. 2512: Mr. MURTHA.

H.R. 2617: Mr. BEDELL, Mrs. CHISHOLM, Mr. NEAL, and Mr. OTTINGER.

H.R. 2774: Mr. BROYHILL.

H.R. 2776: Mr. MCGRATH.

H.R. 2805: Mr. JEFFRIES.

H.R. 2897: Mr. HANSEN of Utah.

H.R. 2942: Mr. GOLDWATER.

H.R. 2964: Mr. ROSE and Mrs. CHISHOLM.

H.R. 3019: Mr. MITCHELL of Maryland, Mr. RODINO, Mr. YATRON, Mr. ROE, and Mrs. FENWICK.

H.R. 3045: Mr. FAUNTROY, Mr. TAUKE, Mr. TRAXLER, Mrs. COLLINS of Illinois, Mr. MAVROULES, Mr. RANGEL, Mr. SIMON, Mr. PEYSER, Mr. PETRI, and Mr. FORD of Tennessee.

H.R. 3046: Mr. JEFFORDS, Mr. YOUNG of Alaska, Mr. MITCHELL of Maryland, Mr. BARNARD, Mr. PEYSER, and Mr. BEDELL.

H.R. 3112: Mr. ADDABBO, Mr. AUCOIN, Mr. BARNES, Mr. BEILENSON, Mr. BIAGGI, Mr. CLAY, Mr. CONTE, Mr. DIXON, Mr. FAUNTROY, Mr. FRANK, Mr. GARCIA, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. OBERSTAR, Mr. ROSENTHAL, Mr. ROYBAL, Mr. WASHINGTON, and Mr. YATES.

H.R. 3114: Mr. RUDD, Mr. FORSYTHE, Mr. WORTLEY, Mr. HORTON, Mr. HUCKABY, Mr. SIMON, and Mr. COLLINS of Texas.

H.R. 3227: Mr. BAILEY of Pennsylvania, Mr. RAHALL, Mr. RICHMOND, Mr. CONYERS and Mr. MURTHA.

H.R. 3269: Mr. IRELAND and Mr. SENSENBRENNER.

H.J. Res. 128: Mrs. BYRON.

H.J. Res. 141: Mr. WINN, Mr. D'AMOURS, Mr. VOLKMER, Mr. BAILEY of Missouri, Mr. DENARDIS, Mr. FORD of Michigan, Mr. ROTH, Mr. PURSELL, Mr. LANTOS, Mr. ALBOSTA, Mr. GUNDERSON, Mr. STANGELAND, Mr. FORD of Tennessee, Mr. AKAKA, Mr. JONES of North Carolina, and Mr. DREIER.

H.J. Res. 177: Mr. MARKEY, Mr. PANETTA, Mr. WON PAT, Mr. PEPPER, Mr. WASHINGTON, Mr. MURPHY, Mr. FLORIO, Mr. ZEFERETTI, Mr. VENTO, Mr. RAHALL, Mr. MOTTL, Mr. FAZIO, Mr. HORTON, Mr. DWYER, Mr. CORRADA, Mr. LANTOS, Mr. MADIGAN, Mr. FISH, Ms. MIKULSKI, Mr. SCHEUER, Ms. FERRARO, Mr. CROCKETT, Mr. PASHAYAN, Mr. MCHUGH, Mr. MOLINARI, Mr. JOHN BURTON, Mr. SIMON, Mr. CONYERS, and Mr. GONZALEZ.

H.J. Res. 214: Mr. ADDABBO, Mr. ANNUNZIO, Mr. BAILEY of Missouri, Mr. BARNARD, Mr. BEARD, Mr. CORCORAN, Mr. CORRADA, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL, JR., Mr. DICKINSON, Mr. DORNAN of California, Mr. DOWNEY, Mr. DYSON, Mr. EDWARDS of Alabama, Mr. EDWARDS of Oklahoma, Mr. ERDAHL, Mr. FAZIO, Mr. FIELDS, Mr. HATCHER, Mrs. HOLT, Mr. HORTON, Mr. HYDE, Mr. JACOBS, Mr. KAZEN, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LEBOUTILLIER, Mr. LEWIS, Mr. LOWERY of California, Mr. MADIGAN, Mr. MATSUI, Mr. MAZZOLI, Mr. MCDONALD, Mr. MOORHEAD, Mr. NICHOLS, Mr. PANETTA, Mr. RAHALL, Mr. ROUSSELOT, Mr. ROE, Mr. RHODES, Mr. SANTINI, Mr. SHAMANSKY, Mr. SMITH of New Jersey, Mr. SUNIA, Mr. TAYLOR, Mr. WINN, Mr. WIRTH, Mr. WOLF, Mr. YOUNG of Alaska, and Mr. ZEFERETTI.

H. Con. Res. 64: Mr. SCHEUER, Mr. FAZIO, Mr. LUNGREN, Mr. WINN, Mrs. CHISHOLM, Mr. KRAMER, Mr. WALGREN, Mr. MADIGAN, Mr. MURPHY, Mr. JEFFORDS, Mr. HUGHES, Mr. WOLPE, Mr. FARY, Mr. LOWERY of California, Mr. ROE, Mrs. FENWICK, Mr. AUCOIN, Mr. PANETTA, Mr. MCCLOSKEY, Mr. GUARINI, Mr. ERDAHL, Mr. OTTINGER, Mr. SOLARZ, Mr. CONTE, Mr. DWYER, Mr. SIMON, Mr. STENHOLM, Mr. FAUNTROY, Mr. CORRADA, Mrs. SCHNEIDER, Ms. OAKAR, Mr. IRELAND, Mr. DAUB, Mr. VENTO, Mr. MCDADE, Mr. KILDEE, Mr. MCHUGH, Mr. FISH, Mr. JEFFRIES, Mr. WAXMAN, Mr. CONYERS, Mr. TAUKE, Ms. FERRARO, Mr. STOKES, and Mr. GOLDWATER.

H. Con. Res. 91: Mr. STOKES, Mr. LOWERY of California, Mr. LANTOS, and Mr. CONYERS.

H. Con. Res. 92: Mr. SIMON.

H. Con Res. 117: Mr. MCGRATH and Mr. LEBOUTILLIER.

H. Res. 100: Mr. HUNTER.

H. Res. 101: Mr. VENTO, Mr. DASCHLE, and Mr. RAHALL.

H. Res. 112: Mr. YATRON, Mr. FOGLIETTA, Mr. BONIOR of Michigan, Mr. STUDDS, Mr. YOUNG of Missouri, Mr. FRANK, Ms. MIKULSKI, Mr. ROE, Mr. FROST, Mr. MOTTL, Mr. PEPPER, Mr. RATCHFORD, Mr. EDGAR, Mr. MOFFETT, Mr. PEASE, and Mr. CONYERS.

H. Res. 122: Mr. FOGLIETTA, Mr. FRANK, Mr. RAHALL, Mr. CORCORAN, Mr. HERTEL, Mr. LAFALCE, Mr. CONTE, Mr. ERDAHL, Mr. SABO, Mrs. CHISHOLM, Mr. LOWRY of Washington, Mrs. SCHROEDER, Mr. EDWARDS of California, Mr. CONYERS, Mr. LANTOS, Mr. BRODHEAD, Mr. YATES, Mr. SOLARZ, Mr. DASCHLE, Mr. PHILLIP BURTON, Mr. YATRON, Mr. MOAKLEY, Mr. PEASE, Mr. BROWN of California, Mr. FORD of Tennessee, Ms. MIKULSKI, Mr. MOFFETT, Mr. BARNES, Mr. MARKEY, Mr. WEAVER, Mr. VENTO, Mr. LEHMAN, Mr. WALGREN, Mr. KASTENMEIER, Mr. DOWNEY, Mr. MINETA, Mr. JACOBS, Mr. RICHMOND, Mr. SCHEUER, Mr. HOWARD, MR. WEISS, Mr. GUARINI, Mr. MILLER of California, Mr. FAZIO, Mr. KILDEE, Mr. MAVROULES, Mr. OBERSTAR, Mr. BEDELL, Mr. GORE, Mr. SEIBERLING, Mr. SIMON, Mr. DELLUMS, Mr. WYDEN, Mr. MITCHELL of Maryland, Mr. DORGAN of North Dakota, and Mr. EDGAR.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

69. By the SPEAKER: Petition of the board of supervisors, Los Angeles County, Calif., relative to Raoul Wallenberg; to the Committee on Foreign Affairs.

70. Also, petition of the board of directors, National Screw Machine Products Association, Addison, Ill., relative to adoption of President Reagan's economic program; jointly, to the Committees on Government Operations and Ways and Means.

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EXTENSIONS OF REMARKS

A REFRESHING ARGUMENT FOR FEDERAL FINANCIAL AID

HON. LOUIS STOKES
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. STOKES. Mr. Speaker, this week, I received a very interesting letter and accompanying case histories from Dr. Harold Enarson, president of Ohio State University in Columbus. The focus of that letter and the case histories was opposition to the President's proposed budget cuts in the area of Federal student financial aid.

Mr. Speaker, I realize that my colleagues on both sides of the aisle, have been deluged with mail on one aspect or another of the proposed budget cuts. Inevitably, incorporated in the mail are statistics, percentages, projections, and notations about funding levels indicating the impact of the cuts and rationale for voting for or against various program budget cuts.

Mr. Speaker, what happens is that the numbers soon take on an inappropriately high significance in our consideration of budget items and the people affected by those numbers plummet to the bottom or our agenda. Well, Dr. Enarson's case histories of young people at Ohio State University who currently receive financial aid helps to restore some of that sensitivity and compassion for people to the budget process which are sorely lacking.

At this time, I think that it would be appropriate to insert the case histories in the RECORD so my colleagues can review it and see what opportunities for advancement—not waste—have been provided through the Federal financial aid program.

The information mentioned above follows:

EXAMPLES OF OHIO STATE UNIVERSITY STUDENTS WHOSE EDUCATION DEPENDS ON FEDERAL STUDENT FINANCIAL ASSISTANCE PROGRAMS BY DISTRICT

DISTRICT 1

Johathan is a minority student from the Cincinnati area. He is completing his first year at OSU and plans to major in administrative science. His family of four includes one parent who earns $8,492 as a custodian. The family also receives Social Security benefits totaling $4,330.

Since his family is not able to provide much help, Jonathan must depend on other sources to meet his financial need of $3,500. This year he is receiving a Basic Educational Opportunity Grant of $1,226, a National Direct Student Loan of $950, plus a state grant and a grant from OSU.

Clearly, any major reductions in the Basic Grant or his Social Security benefits will have a significant impact on Jonathan's ability to continue his education. Also, his younger sister will graduate from high school in June and hopes to attend OSU, putting a further strain on the family's limited funds. Her hopes for a college education, like those of Jonathan, will depend to a great extent on the availability of federal financial aid.

DISTRICT 2

From the Cincinnati area, George is a third-year student in OSU's College of Veterinary Medicine. Like many students in the University's professional colleges, he faces severe problems financing his education. Costs are high and available aid through the federal Health Professions Scholarships and Loans has fallen off.

In order to continue this year, George received a $700 University Scholarship and a $2,100 National Direct Student Loan. The loan was the maximum that could be provided, although he needed more, because of the limited NDSL funds made available to OSU to lend. As a result, George had to make up the rest of his financial need of $6,250 by taking out a Guaranteed Student Loan from a bank.

The GSL program is the critical element in George's financial aid "package." Continued availability of GSL funds is essential, if George is to complete his final year and achieve his goal of being a veterinarian.

DISTRICT 3

David, a communications major from Dayton, hopes to be employed by a television station following graduation in June. Although he is now nearing the end of his work at OSU, he could not have completed his education without federal student aid programs.

Both of his parents are dead. He has been entirely on his own financially and has had to rely on his parents' Social Security benefits. In addition, he has had to work part-time and has received a Basic Educational Opportunity Grant. It appears highly unlikely that David could have completed his education if the major cuts in federal student aid programs now being discussed had been in place a few years ago.

DISTRICT 4

Martin, a freshman from Findlay, plans to major in mechanical engineering. He has had a successful first year, a year that would not have happened without federal student aid programs.

When he applied to OSU a year ago, the financial problems he faced made it doubtful whether he could attend. He comes from a family of six. His father's business was in a slump due to the recession. His mother took a job to help support the family. In order to attend, he needed $2,600.

With funds from the Supplemental Educational Opportunity Grant Program, the National Direct Student Loan, and the College Work-Study Program, he was able to pay for his first year. Next year is the question.

The SEOG, NDSL, and CW-S programs have not been targeted for cuts. But thousands more students will be seeking aid under these programs if the major cuts proposed for the Basic Grant and Guaranteed Student Loan Programs are adopted. Whether Martin, then, would continue to be eligible for sufficient aid to continue his education is uncertain at best.

DISTRICT 5

Marilyn, a first-year OSU student from the Tiffin area, aspires to a career in social work. She is one of two from her family in college. Her father, an auto worker, was recently laid off. Her mother is unable to work because of health problems. Her financial need this year was $3,600. It was met by a Basic Educational Opportunity Grant, supplemented by a University scholarship, a National Direct Student Loan, and College Work-Study funds.

Her financial need next year will be at least as large as it is this year. Whether she is able to continue her education will depend directly on whether there are major reductions in the federal student aid programs on which Marilyn must rely.

DISTRICT 6

In June, Donna, who comes from rural Jackson County, will graduate from OSU with a degree in marketing. She could not have completed her education without a Guaranteed Student Loan to supplement her summer earnings in a local factory.

Donna's case illustrates the critical importance to many students of the GSL program. In her case both parents work but felt unable to provide the level of support calculated in the assessment of her financial need. As a result, she turned to the GSL program on two occasions and, because of its availability, has been able to complete her education at OSU.

DISTRICT 7

Delores is completing her freshman year at OSU and planning to major in home economics. She is one of four children of a Springfield-area family. With two children in college, both parents are working to help pay college expenses, but they can't carry the full costs themselves. Financial aid is needed.

While Delores does not qualify for a Basic Grant, she has received a $1,000 Supplemental Educational Opportunity Grant and has taken out a $1,000 National Direct Student Loan. The SEOG and NDSL funds have made it possible for her to go to college. Her situation next year is uncertain, however, because of the major cuts proposed in the Basic Grant program. If Congress makes these cuts, many more students will have to turn to the SEOG and NDSL programs on which Delores' educational future depends.

DISTRICT 8

Jennifer, an OSU student from Darke County, has hopes for a career in natural resources, specializing in wildlife management. Whether she will realize her hopes will depend upon continued availability of federal student aid.

The separation of Jennifer's parents has made finding money for college extremely difficult. Her mother holds two jobs, works 12 to 16 hours daily, and, understandably, feels she can't continue that pace very long. The family income is less than $11,000. Jennifer's younger sister graduates from high school in June and hopes to go to college in the fall.

In order to attend OSU this year, Jennifer's financial need was nearly $3,800. Most of her need was met with help from federal programs—$1,576 Basic Educational Opportunity Grant and a $1,250 National Direct Student Loan, the maximum loan

amount that was available to her. Clearly, her educational future directly depends on continued federal student aid.

DISTRICT 9

Sally graduated as valedictorian of a Toledo-area high school. She came to OSU to seek a degree in psychology. Now it is uncertain whether she will be able to complete her degree. The problem is money.

In a direct way, Sally's hopes are the "victim" of today's recessionary times. Her father has been struggling for years to keep a small family business going. Her family has sacrificed in every way to keep the business operating, including refinancing their home. Under these circumstances, however, the family has not been able to help Sally with college expenses. Fortunately, federal aid was available—a Basic Educational Opportunity Grant of $1,712, a Supplemental Educational Opportunity Grant, and a National Direct Student Loan. These were supplemented by a $675 local scholarship Sally earned because of her outstanding high school record.

Sally's case illustrates the situation facing many academically superior students who, like Sally, may well not be able to continue next year if the federal student aid programs on which they depend are significantly cut or changed.

DISTRICT 10

Kenneth, who comes from Hocking County, is an OSU freshman who hopes to major in business administration. He is the first on either side of his family to attend college. However, his father is not persuaded that a college education is necessary. As a result, the minimal family support that might be expected under the need-analysis evaluation is not likely to be available to Kenneth.

What this has meant is that without federal aid to meet his financial need of $3,600, Kenneth would not be in school this year. Fortunately, a major share of that need was met by a Basic Educational Opportunity Grant, with additional help from a Supplemental Educational Opportunity Grant, a National Direct Student Loan, and from funds he earns under the College Work-Study Program.

What will happen to Kenneth's plans next year is certainly unclear, if the Basic Grant program is significantly cut. He can't work many more hours under CW-S than he now works. And it is unlikely the University can help him from other resources. His educational future depends directly on decisions now being made in Congress.

DISTRICT 11

Robert, who comes from rural Ashtabula County, is majoring in electrical engineering at OSU. His father died when he was six years old, and his mother has been the major source of family support since then. While her income of $14,000 has not been enough to meet Robert's college expenses, he was able to attend OSU because of a Basic Educational Opportunity Grant and a National Direct Student Loan.

This year, however, Robert's Basic Grant of $826 fell $300 short of meeting the costs of his fees. It is clear that any major reduction in the BEOG program for the coming year will have a direct bearing on whether Robert can find the funds to complete his degree in engineering.

DISTRICT 12

Ellen is an independent student living in Westerville. Her parents were divorced when she was seven years old. Soon after that her father disappeared. Her mother's acute physical problems made it impossible for her to care for Ellen and her sister, and they became wards of the court.

Fortunately, an aunt and uncle have been willing to provide a home for Ellen while she attends OSU. Being able to commute to the campus from her relatives' home has been a help, but Ellen has still needed a Basic Educational Opportunity Grant of $1,262 in order to pursue her goal to become an architect.

The Basic Grant program has made it possible for Ellen to attend OSU. But with fees going up and the possibility of the Basic Grant program going down, Ellen's continued enrollment is in doubt.

DISTRICT 13

Carl is an older student, having worked in a factory after high school. His factory experience convinced him that he needed a college education, and he entered OSU last fall as a self-supporting student. His goal is a career in business, perhaps in his home town of Elyria.

Because of his own income last year he was not eligible for a Basic Educational Opportunity Grant. To finance his education he took out a Guaranteed Student Loan, a National Direct Student Loan and worked part-time under the College Work-Study Program.

Carl typifies many older students who are turning to college as the way to a better life. Yet, his educational future depends directly on the continued availability of funds under the GSL program.

DISTRICT 14

Cynthia comes from Summit County. She is interested in computer science and, as a result, chose to attend OSU. Her mother is divorced, and the family income of $14,600 cannot cover Cynthia's educational expenses of over $4,300. As a result, she has had to depend to a great extent on Social Security benefits available to her as a result of her father's retirement. She also receives a Basic Educational Opportunity Grant of $376.

If Congress eliminates or cuts back the educational funds available through Social Security to Cynthia, then her Basic Grant would have to be significantly increased. But if there are also major cuts in the Basic Grant program, Cynthia may not be able to continue her education toward a career in computer science.

DISTRICT 15

Ruth is a second-year medical student from Columbus. Like many professional-college students at OSU, Ruth began her professional education carrying a heavy burden of debts accumulated in paying for her undergraduate degree. In her case it was $9,000 at the time she entered medical school.

Ruth is still obliged to borrow heavily to continue toward her medical degree. Her financial need this year was $8,500. Despite the fact that she received a $1,200 medical school scholarship and a $2,350 Health Professions Student Loan, she still needed to borrow $5,000 through the Guaranteed Student Loan Program.

Clearly, the continuation of an effective and available GSL program is the critical factor in whether Ruth and many other professional-college students at OSU are able to complete their education.

DISTRICT 16

Terry, who comes from the Canton area, has two years to go in OSU's College of Dentistry. Dental education is expensive, in part because of the cost of equipment each student must buy during the first two years.

Terry's financial need this year was $6,000. The University was able to provide a minimal scholarship and a $2,100 National Direct Student Loan, the maximum available. That still left him far short. He turned to a Canton bank and was able to obtain a federally subsidized Guaranteed Student Loan to meet his additional expenses.

Local banks participate in the GSL program in part because of the interest subsidy provided by the federal government. The continued availability of this program, now under review in Congress, is critical to Terry, who is so near to his goal of becoming a dentist. And the futures of many other professional-college students at OSU also depend directly on the GSL program.

DISTRICT 17

Barry is from Ashland County. Originally he planned to attend OSU's Columbus campus, but financial circumstances made it necessary to live at home and commute to one of OSU's Regional Campuses.

Even staying at home, Barry needs financial assistance to pay for his education. He is one of three children of divorced parents, and his mother's income of $13,000 cannot cover Barry's college costs by any means. This year he is receiving a Basic Educational Opportunity Grant of $1,238, a National Direct Student Loan of $750, and a Regional Campus scholarship of $600.

Barry's objective is a degree in biology. But if the Basic Grant Program, his primary source of aid, is cut in any major way, Barry's plans for a college education may have to be abandoned.

DISTRICT 18

Nancy comes from Columbiana County and has made an outstanding record during her first year at OSU. Her academic success is especially gratifying since many faced with her family's financial circumstances would not even attempt to go to college.

She is one of six children, three of whom are in college in Ohio. Her father is dead. Her mother's income of $11,000 clearly cannot provide much help with the college expenses Nancy and her two sisters face. Federal student aid is making Nancy's education possible.

Social Security benefits, to which she is entitled because of her father, meet part of her expenses. In addition, this year she received a Basic Educational Opportunity Grant of $1,326, a Supplemental Educational Opportunity Grant of $600, and a National Direct Student Loan of $1,200.

Nancy has made a good start at OSU. However, she and many other students are worried about possible elimination of Social Security assistance and cuts in the Basic Grant program. They know that their chances for a college education depend directly on continued federal assistance.

DISTRICT 19

James, one of five children in his family, comes from rural Mahoning County and is hoping to become a medical technologist. His father, an auto worker, has been struggling to support the family because of periodic layoffs at the plant.

James has been able to attend OSU this year only because of federal financial aid—a $576 Basic Educational Opportunity Grant, a $1,000 Supplemental Educational Opportunity Grant, a $500 National Direct Student Loan, and $500 from the College Work-Study Program.

The deep recession and continued layoffs that have hit the auto industry this year mean that James cannot realistically expect help from his family in meeting college costs next year. In fact, James will probably need increased financial aid and will only be able to continue his education if federal aid programs on which he depends continue without major change.

DISTRICT 20

Part-time secretarial work while she was in high school helped Lisa decide to major in business at OSU. She comes from the Cleveland area and has done very well academically during her freshman year. She faces difficult financial circumstances, however.

Her parents are divorced, and the child support her mother had been receiving is no longer available. Lisa's mother is employed, but the annual income of $14,700 does not go far in support of three children, two of whom are in college.

In order to attend OSU this year, Lisa has had to rely on a Basic Educational Opportunity Grant of $1,426, a National Direct Student Loan of $1,250, College Work-Study funds, and a small state grant. With a documented financial need of $3,700 this year, which will likely increase next year, Lisa's educational future depends largely on the availability of a Basic Grant at least as large or larger than the one she had this year. If the Basic Grant program is cut, her chances of continuing in school are not good.

DISTRICT 21

June is from the Cleveland area. Her difficult financial situation is directly due to the depressed state of the real estate business in which her father is employed. A year ago, her chances of going on to college did not look good. The depressed real estate market resulted in a major loss of earnings for her father. With four children in the family, including June who was ready for college and another ready a year later, there seemed to be no way June could continue her education.

Fortunately, she qualified for a Basic Educational Opportunity Grant of $1,426 that helped her pay her fees and buy books. She also received a National Direct Student Loan, a state grant, and took out a Guaranteed Student Loan to complete her college expenses. That was this year.

Now June again faces uncertainty about being able to continue her education. The real estate market is still depressed. The chances of financial help from her family are no better than they were before. June's continued enrollment at OSU depends directly on whether Congress cuts or changes in any major way the Basic Grant and GSL programs on which she depends.

DISTRICT 22

Esther is a minority student from Cleveland, the first in her family to attend college. She is planning to major in computer and information science and is completing her first year at OSU where she has done very well academically.

Getting to college was not easy for Esther and staying in may be equally tough. Money is the problem. She comes from a one-parent family that includes four other children. Her mother's total income is $4,572 in aid to dependent children.

Fortunately, she was able to obtain a Basic Educational Opportunity Grant, a National Direct Student Loan, College Work-Study funds, and grants from Ohio State University and the State of Ohio. Whether Esther returns to school next year will depend upon whether the federal assistance programs which provide her primary support will be continued at levels needed to meet the higher costs she will face. It would be a tragic loss of talent if such an able student as Esther is not able to continue her education.

DISTRICT 23

Richard, a minority student from the Cleveland area, comes from a family of five and is the second in his family now attending OSU. He has received high marks during his first year and plans to major in journalism.

Richard's parents are divorced. He lives with his mother. Her annual income is $15,000. She receives no child support.

Living away from home, Richard is trying to cope with the high costs of college—his financial need was $4,240 this year—but understandably can't look to his family for help.

As a result, Richard has had to depend heavily on a Basic Educational Opportunity Grant of $1,576, plus a National Direct Student Loan, a part-time job under the College Work-Study Program, and a grant from OSU. If Congress approves major cuts in the Basic Grant or other aid programs on which Richard depends, he would be forced into heavier debt, additional workloads, or, perhaps most likely of all, simply be unable to continue his education.●

DEAN JAY KNESBACH, EAGLE SCOUT

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. DOUGHERTY. Mr. Speaker, on May 3, 1981, a young man in my district, Dean Jay Knesbach, will receive the high honor of Eagle Scout from the Boy Scouts of America.

Dean Knesbach has been a Scout for 7 years and during that time he has advanced through the ranks of scouting with a remarkable record. He is a member of Boy Scout Troop 648, sponsored by the Ner Zedek Ezrath Israel Men's Club. Dean is also a brotherhood member of the national brotherhood of Scout campers, the Order of the Arrow. A student at Philadelphia's Northeast High School, Dean has been cocaptain of the cross country and swimming teams and is a member of the track team. He also serves as sports reporter for the Northeast Megaphone and is an active member of the World Affairs Club. In addition to his scouting and school activities, Dean holds a part-time job as a salesman for John Wanamakers northeast store.

Mr. Speaker, to new Eagle Scout Dean Jay Knesbach we offer our heartiest congratulations for this high scouting honor and we extend our best wishes for continued success in scouting.●

MENDING AMERICA

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. McCLORY. Mr. Speaker, the recent violent attacks upon President Reagan, Press Secretary Jim Brady, Secret Service agent, Tim McCarthy, and Officer Tom Delahanty have evoked many expressions of concern and calls for action. A most thoughtful editorial in the April 1 Christian Science Monitor suggests logical public and private steps which should and must be taken to restore order and civility to our society.

Mr. Speaker, I am pleased to attach this editorial for the further edification of my colleagues and all who glean these pages.

[From the Christian Science Monitor, Apr. 1, 1981]

MENDING AMERICA

The American people lift up a prayer of gratitude that their President has survived the aberrant attack on his life. We have no doubt that Mr. Reagan's unfailing good spirits and humor have helped sustain him through this ordeal and will continue to speed his full recovery. He can be buoyed by the nation's continuing prayers for the protection of the presidency and for the smooth working of government in these trying hours. Indeed the whole country can take comfort from the timeless biblical assurance that "the government shall be upon his shoulder."

Adversity can have its purpose. And the question is whether Americans will use this heart-rending occasion for thoughtful self-examination and action. Have they in fact become insensate to the growing violence in society? Some social critics suggest that after seven presidential assassination attempts in this century, after so many slayings of high public figures, the public is inured and almost callous to acts of butchery. Such apathy is the true and dangerous enemy. It must be fiercely resisted and overcome, for the very health and progress of society depend on a vigorous battle with the forces that would undermine it. America is not an enfeebled giant, but moral and spiritual lassitude—more than single outbursts of insanity—could undo its strength.

The warning should be sounded that the expectation of repeated violence against the president and, equally appalling, the chatter now heard about "jinxes" and "astrological signs" supposedly affecting US presidents throughout history risk inviting further barbarities. Such thinking should be permitted no entrance to the nation's mental atmosphere.

An obvious human solution to the terrible events this week is the enactment, at long last, of a stiff law to control the possession and spread of handguns. The civilized world must wonder: how many Americans must fall victim to easily purchased crime before the United States comes to its senses? It must do so now. It can take example from such countries as Britain and Japan, where firearms are under stringent controls and where wild gun play like that all too graphically witnessed two days ago is a rarity.

Reversing the American penchant for guns, a habit that goes back to the violent days of frontier life, will not happen overnight. A federal gun-control law would not automatically or quickly end the dangers of murderous violence or stop a lunatic from the occasional crazed deed. But a beginning must be made to disarm America and educate its people to a different outlook. There are an estimated 55 million handguns in civilian hands and some 400,000 Americans have been killed by gunfire since 1963. It is clear from decades of polling that Americans overwhelmingly want handgun registration. Will Congress finally resist the blandishments (and money) of the firearms lobby and respond to the public will? Moral conscience and political integrity demand that it do so.

Even that is not enough, however. At the heart of the problem is the whole moral and spiritual climate of America. Some hopeful signs can be found of growing concern about the cultural and social environment—sex and violence in films and on television, pornography, salacious books, vandalism and drugs in schools, public graft, white-collar crime, robbery in streets and homes. But isolated concern about this demoralized climate, which breeds violence and terror, has not yet grown into a nationwide intolerance of it. Progress can be made only if citizens everywhere exercise the spiritual discipline necessary to elevate their own lives and also impress on their institutions—schools, churches, business, government—their determination to mend the fabric of an otherwise wholesome and thriving society. Crime is perhaps the most egregious manifestation of today's miasma but even rudeness in the streets and disrespect for the law are subtly destructive.

To get to the bottom line, as they say, there needs to be a gentling of America, a nourishing of those qualities of compassion, tenderness, and love for one another that help heal and build up rather than tear down and destroy. For Americans to give in to anger or fear or helplessness in the wake of the dreadful events in Washington would serve no useful purpose. On the contrary, now is a moment to draw more earnestly than ever on those spiritual resources of wisdom and love that alone can overcome the destructiveness of hatred and envy—and to work together in a spirit of national renewal.

The vicious attack on the U.S. President and three others dealt a shock to the world. The question is whether America will rise to the lesson it holds—and be the better for it.●

COMMEMORATING THE WARSAW GHETTO UPRISING

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. NELLIGAN. Mr. Speaker, April 19 was the 38th anniversary of the Warsaw ghetto uprising. This historic date commemorates the heroic attempts of the Jewish freedom fighters in 1943 to resist their ruthless Nazi oppressors.

The Warsaw ghetto uprising shocked the Nazi forces, for it was the first time that the Nazis faced any organized Jewish military resistance. The arsenal of the Jewish defenders was primarily limited to pistols, handgrenades, and homemade gasoline bombs, and proved to be no match for the overpowering mechanized Nazi weaponry. More than 50,000 Jews sacrificed their lives in the resistance effort.

The anniversary of the Warsaw ghetto uprising symbolizes more than a brave struggle for freedom. It reminds us that we should not hesitate to confront any political system that supports such a program of dehumanization and extermination.●

IS ANYONE OUT THERE LISTENING?

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. PICKLE. Mr. Speaker, one of my constituents, Mr. Jim Jones of Blanco, Tex., has long had a message for Congress. The Washington Post recently included an article on Mr. Jones that I would like to share with my colleagues. It is a provocative article, and it is an idea that is growing. I ask that this article be placed in the CONGRESSIONAL RECORD.

[From the Washington Post, Apr. 28, 1981]

TOP-HEAVY TAX SYSTEM ITS OWN WORST ENEMY

(By Robert J. Samuelson)

The temptation is to say that Jim Jones has crossed the thin line between crusader and crackpot.

Jones—not to be confused with the chairman of the House Budget Committee or the fanatical cult leader—is an amiable, retired Texas businessman who thinks the U.S. tax system stinks. He's been poking around Washington for the past few years, telling anyone who will listen. Too much paperwork, too many contradictions. Junk it, he says. Replace it with a flat tax.

Any practical politician will tell you that Jones is a fool. You can't simply scrap the whole system and replace it with a nice simple tax. That would cause rebellion. We live in a complex society. The tax system reflects the complexity. Its provisions—complicated though they may be—respond to the peculiar needs of all the diverse groups that comprise America.

Which is precisely Jones's insight. We have lost sight of the essential purpose of any tax system: to raise money for legitimate public purposes.

Instead, it has become a vehicle for social engineering and political favoritism. It's tinkered with and twisted to satisfy the gripes and self-pleading of any group that can hire a clever tax attorney and publicist to make its case. Responding to some bad causes and a lot of good ones—individually worthy—has produced a top-heavy system that is becoming its own worst enemy.

All this is worth pondering as Congress prepares to write another tax bill. For no public program is bigger and affects more people than the tax system. Whether people respect the system—no one expects them to like it—determines to a considerable extent whether they respect government. And the evidence is beginning to show that public respect is on the wane.

For years, Americans' high rate of voluntary tax compliance has been the envy of the world. But anecdotal and statistical evidence is now challenging this reassuring cliche. A public opinion survey commissioned last year by the Internal Revenue Service found that as many as one-quarter of the taxpayers may have under-reported their income deliberately at one time or another. A more thorough IRS investigation a few years ago estimated that perhaps 9 percent to 12 percent of income goes unreported.

Of course, there always has been unreported income—from crime, for instance. But the hunch of specialists is that chiseling and cheating are on the rise and, more important, have gained increasing respectability. The system's very complexity—making everyone believe that someone else is benefiting from a special tax break, so why not me?—encourages it.

Jones' description of the tax system as grotesque is hardly unique. Here is Aaron Wildavsky, a well-known political scientist at the University of California (Berkeley), writing in a recent issue of the Washington newsletter Tax Notes:

"Practically everyone I know believes that other people take unfair advantage of the tax code. . . . Those who benefit sneer at how easy it is or feel guilty at taking advantage of provisions presumably designed to do good. There is a pervasive sense that moral values are being subordinated to strategies for minimizing taxes, so that financial gain is suspect—because it appears to be derived more from special privilege than from unusual talent. Consequently, the legitimacy afforded to government by the people, the respect that supports the authority to govern, is being undermined."

And here is the conclusion of a special study commission established by the Chamber of Commerce of the United States:

"The primary conclusion of the commission is that massive tax simplification is urgently required. . . . The Internal Revenue Service is generally an efficient and well-run agency, but no organization can administer so grossly complicated a tax system without gradually assimilating some of the problems of the system it represents. The myriad social policy decisions currently being enforced through the tax system also turns the IRS into a 'lightening rod' for all manner of citizen complaints about their government, whether or not connected with revenue matters."

We have come to this in barely a generation's time. Thomas F. Fields, a lawyer with Tax Notes, recalls that, before the early 1940s, a lot of people "were proud to pay income tax." Rates were low, and a relatively small part of the population paid taxes; it was a sign of distinction, of "having made it." But during the war the government adopted withholding, and then the bite of government spending and taxes increased sharply.

The result is a system so riddled with deductions, credits and income exclusions that tax rates (what's on the forms) and the tax burden (what government actually takes out of the economy) diverge substantially. How much?

Look at it this way. Government spending constitutes about 22 percent to 23 percent of the Nation's gross national product. Roughly, a tax of slightly more than one-

fifth of what we produce will cover that. But the top corporate tax rate is 46 percent. And the individual rates run from 14 percent to 50 percent (for earned income, such as wages) and to 70 percent for so-called unearned income (such as dividends and interest).

All this produces collective gamesmanship on two levels.

First, there's the individual and the firm. Everyone strives to find the maximum combination of credits, deductions and exclusions to reduce taxes. For this reason—or simply because the system is so complicated—two-fifths of all individual returns are prepared by professional accountants or tax services, according to the IRS.

Second, there is the political gamesmanship. At the moment, groups are exhorting Congress to enact, among other things, the following: tax credits for college and private school tuition, tax credits for firms engaging in research and development, liberalized deductions for charitable contributions, and refundable investment tax credits for firms that have large losses. The list goes on.

The upshot is a remarkable centralization of political and economic power. The tax system tells people and firms to do some things, not to do others—and many of the commands represent inefficiencies. At the same time, an increasingly large army of lawyers, accountants, lobbyists and economists now dedicates itself to manipulating the system or (as with economists) simply trying to understand its effects.

Talk about paperwork. The Office of Management and Budget estimates that about half of all government-created paperwork stems from tax forms, to the tune of about 650 million hours annually.

Undoing this mess won't be easy, precisely because tax provisions satisfy broad constituencies, and most were enacted (as Wildavsky puts it) "to accomplish a good purpose." But we need to acknowledge the destructive logic of the process: that every special provision means that general tax rates go higher and that more groups, seeing others with tax breaks, are encouraged to seek similar treatment.

What this requires is a change in mood.

More than ever, every part of the political spectrum believes that the tax system is to be used for special purposes. Liberals, conservatives, unions, corporations, charitable organizations all are chanting for their own pet proposals. The paradox is that the politicians who encourage and respond to these pressures think they're upholding the worth of the political system and the public's confidence in government. In fact, they may be slowly destroying both.●

THE VOYAGE OF "COLUMBIA": NASA PROVES ITSELF AGAIN

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mrs. BOUQUARD. Mr. Speaker, as a member of the Space Science and Applications Subcommittee in the House, I felt most priviledged and delighted to be able to attend the landing of the Space Shuttle craft *Columbia* in California. The successful landing climaxed an almost flawless mission that was a tribute to the National Aeronautics and Space Administration (NASA) and its major Shuttle aerospace contractors. Today, I would like to point out some of the serious challenges which NASA has met over the past decade which were not simply technical.

To me it is impressive that NASA's capability for managing large and complex technical programs has not been weakened during a decade of budget adversity for the agency. As many Members of Congress are well aware, once the glamour of the Apollo flights from 1969 through the early 1970's had worn off, NASA was largely ignored except for a core of faithful supporters in the House (in particular our Science and Technology Committee Chairmen, "Tiger" Teague and DON FUQUA) and Senate and those people throughout the country who appreciate technical accomplishment. The mass media turned to the more pressing earthbound problems of environment and energy, and the American people generally lost touch with the activities of the agency for the past 5 or 6 years. NASA's budget suffered a significant decline in real dollars in the decade 1971-81 and the proud agency's manpower was reduced by roughly 40 percent. This latter constraint coupled with the lid on senior Federal salaries led to the loss of many oustanding administrators, technological managers, and skilled craftsmen while the agency was severely constrained from hiring young engineers as a means of retaining its vitality.

Despite all its problems, NASA has managed once again to pull off a stunning technical success in the face of criticism from the antitechnologists in our society and very difficult institutional pressures. I hope that the Reagan administration will hold to its announced philosophy that the proper role of the Federal Government is in funding high risk technical enterprises. Certainly, the *Columbia* mission falls into that frontier category and the Shuttle era will represent an increasingly complex challenge as industry, scientists and the military develop a spectrum of pioneering payloads for this marvelous new craft. However, I am disappointed that the administration has already cut the NASA budget by nearly 10 percent from the Carter request and I have difficulty reconciling these reductions with the free market philosophy espoused by the Office of Management and Budget.

I hope my colleagues in the Congress appreciate the magnitude of the NASA accomplishment and are willing to see that this doer agency is treated fairly in terms of funding by the Reagan administration in the dawn of the Shuttle era.●

PEACE IN NORTHERN IRELAND

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Ms. FERRARO. Mr. Speaker, on March 1, Bobby Sands went on a hunger strike in his prison cell in Northern Ireland. Regardless of one's position on the Irish situation, it is obvious that this matter raises grave questions regarding human rights violations.

Yesterday I sent a telegram to Prime Minister Margaret Thatcher. In that telegram I asked her to bring this situation to a peaceful end. It is for the good of England, and the good of Ireland for her to set forth this important peace initiative.

The death of Bobby Sands will result in more violence and senseless deaths. Violence and terrorism are common occurrences in Northern Ireland, on both sides, and is leaving scores of men, women, and children dead. As an attorney and as a Member of Congress I find terrorism appalling, both for its violence and its disrespect for the law. This type of violence only prolongs suffering and destroys the innocent.

Once again, we must appeal to the Government of Great Britain to resolve this situation and to put an end to the gross violations of human rights occurring in Northern Ireland. I hope and pray that the time will come when all the Irish people can live in peace and unity. I, therefore, ask my colleagues to pledge themselves toward the attainment of peace and justice in Ireland.●

JOE LOUIS: A LEGACY OF COURAGE

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. HAWKINS. Mr. Speaker, I wish to pay tribute to the passing of a great man and a sports legend who the world will dearly miss but always remember. Joe Louis, the man we all loved to watch box has died but will go on living in the hearts of those who recall his courageous life. I submit to the RECORD an editorial by Authur Ashe, who recounts his memory of the the great Joe Louis:

THE PASSING OF THE LAST IDOL

Joe Louis—the "Brown Bomber"—died before my 40th birthday and his passing represents the final break with my childhood. As a black war baby (1943) I had two idols: Jackie Robinson and Joe Louis. Now they are both gone.

As a kid I listened to him fight on the radio and later watched the Friday Night

Fights on television with my father. And oh, yes, he drank Pabst Blue Ribbon beer and shaved with Gillette blades. Didn't everybody?

Any fighter who wasn't a heavyweight was always compared with Sugar Ray Robinson. Everybody else was compared with the Bomber. I can't count the number of times my father said about someone: "Louis woulda knocked him out in two rounds."

My father married the year Joe fought Max Schmeling the second time. While the world merely awaited this rematch, black America spoke of nothing else. Two years before, Max defeated Joe in 12 rounds just weeks before Jesse Owens won his three gold medals at the Berlin Olympics.

"Our pride was at stake in that second fight," my father noted. "He had to win. We all thought he could but we never thought it would be in the first round. We all celebrated for a week."

We fought all his fights with him. "We'd go to the movies in those days to watch him," my father said. "There wasn't any television then. Even though all we saw were the newsreels, you'd have thought it was for real. One guy once had a stroke at the Hippodrome Theater while watching a Louis fight. We didn't have anybody else. He was all we had.

"You weren't born then but you've got to remember that the Depression was on then. Jobs were real scarce then for black and white alike. I was 18 when Joe boxed against that German (Schmeling) guy. We'd have get-togethers just to listen to his fights on the radio. Then we'd go to the movies later to watch it again for 35 cents. If you took some girl to the movies to watch a Joe Louis fight, she figured you liked her quite a bit. Thirty-five cents was hard to come by in 1938."

I, too, knew Joe Louis. I met him the first time in 1973 at Caesars Palace in Las Vegas where the Alan King Tennis Classic is held. "I watched you play that (Jimmy) Connors guy on TV," he said to me three years later. "From what I could figure out you played him real smart. He beat you before, didn't he?

"Yes he did—three times."

"Ain't supposed to lose to nobody more than once. I never lost to no fighter but one time."

We all know the Bomber was a bit too frivolous with his money. Though he earned and lost almost $4½ million, his legacy wasn't meant to be measured in money. Bill Cosby once told me in Las Vegas, "No heavyweight champion need ever worry about where his next meal is coming from. There are champions in other sports and there are champions in the other weight divisions. But the world heavyweight champion will always be taken care of. Joe has more than paid his dues. No one need pity him."

Short on words, Joe Louis Barrow spoke with his fists. He had 71 pro fights and lost only three times. My father was among those 70,000 fans at Yankee Stadium on June 22, 1938, for that unforgettable second bout with Schmeling. He was a chauffeur at the time and he "drove these four white fellows to New York to the fight in return for a ticket."

He finally got to meet Joe in person in Las Vegas in 1974. After I introduced him to Joe, tears came to his eyes as he shook Joe's hand. When I related this later to Cosby, he said, "You and I just don't have any idea what that man meant to four generations of black people."

I think I do.●

REMEMBERING THE HOLOCAUST

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. SHAW. Mr. Speaker, in observing days of remembrance for the victims of the holocaust, we must call to mind the tragic events of that time. We must remember the past, as the philosopher George Santayana said, lest we be condemned to repeat it. When we remember the holocaust, we remember the period from January 30, 1933, when Hitler became Chancellor of Germany, to May 8, 1945, when the war in Europe ended. During that time, all enemies of the Third Reich were persecuted, but the Jews were the only group singled out for total systematic annihilation by the Nazis. In theory, there was nothing a Jew could do besides leaving Nazi-occupied Europe to escape the death sentence imposed by the Nazis. Every single Jew was to be killed, according to the Nazis' plan. During this time, over 6 million Jews and 5 million non-Jews were the victims of the Nazi genocide. No event in history is comparable to this annihilation. Nations of the world stood by, largely unaware of the attempt of the Nazis to destroy a people.

We must remember the holocaust. We must not forget.●

MEDIA RESPONSE TO THE PRESIDENT'S ECONOMIC RECOVERY PLAN

HON. ED BETHUNE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. BETHUNE. Mr. Speaker, we have heard much discussion by our colleagues on the issue of budget cuts. Here's an interesting perspective from the media.

Recently, WRC "News/Talk" broadcast an editorial about the President's program after it had come under attack by those who claimed the projected cuts in the Department of Health and Human Services would mean 658,000 familes would lose all or part of their welfare benefits.

WRC vice president and general manager Frank Scott was asked which group was right—the attackers or the President's team for proposing the budget reduction? The following is Mr. Scott's reply:

If David Stockman and his people have done their jobs properly, they probably are (right). We hope so. Not because we want to be cast as Administration supporters "no matter what," but because, as we've said for many years, many of the programs of the last two decades are nothing more than well meaning disasters. Disasters that have doubled and tripled the cost of government at an alarming rate, while achieving little or no success. Disasters that have become self-perpetuating sacred cows threatening our very existence.

President Reagan points out that he is accustomed to all these attacks, noting that when a similar move on welfare reform took place in California when he was governor, fully 350,000 simply disappeared from the welfare rolls. And there was no indication that any were victims of destitution. There was a similar occurrence some years ago in a suburb of New York City.

Mr. Reagan's Deputy Press Secretary, Karna Smalls, allows the White House is hopeful some of those 658,000 families mentioned in the Health and Human Services projection will also disappear. We think they probably will.

Frankly, we wish all the doomsayers would disappear, too. Welfare reform doesn't mean attacking the poor. It means getting rid of the bad apples and redefining the terms "poor" and "poverty levels." When we look back over the past 20 years it's like a recurring nightmare. We remember writing alarmed editorials because "The Great Society" kept doubling the number of poor people in the United States by simply redefining what poor meant. Young married college students from upper middle class families suddenly were classified as below poverty levels because they constituted a household but had no official income. So did wealthy retired widows, widowers, and couples.

The examples are legion. And the abuse of such definitions along with the outrageous mismanagement and downright dishonesty that was perpetrated by some of those administering the programs combined to bring this country to the edge of bankruptcy. Does anyone really believe that currently a third of all U.S. households should be receiving welfare in some form or another? Not hardly, but they do!

But good intentions became zealous, grandiose schemes fueled by the questionable aspirations and motives of bureaucrats. A large percentage of those now receiving such welfare would simply have accepted the concept that made America grow. They would have worked to improve their lot and would have done without some of the nonnecessities of life that now seem to be necessities. Things like beer, wine, alcohol, automobiles and color TV sets.

In nutshell, the drive that Mr. Reagan is making for a new direction in America is a drive to change an insidious attitude that has been sold to the American people. An attitude that this country guarantees everybody a piece of the pie. It doesn't and it never has. It is great because it guarantees an equal chance at as big a piece of pie as a person can honestly earn.

So government isn't here to provide the pie. It's here to enforce that word "honesty." To guarantee those equal rights and, certainly, to care for the truly needy.●

A TRIBUTE TO THE LATE TENNYSON GUYER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. STOKES. Mr. Speaker, thank you for this opportunity to pay tribute to one of the fallen warriors of this distinguished body—the late Tennyson Guyer. As my colleagues know, Congressman Guyer died at the age of 67 on April 12, 1981.

Mr. Speaker, even though we sat on opposite sides of the aisle and did not always share the same political views, I had an abundance of respect and admiration for him. For, Mr. Speaker, my friend Tennyson Guyer was a man for all seasons. He weathered every storm of life and every sunny moment with the same humility and honor. This gained him the respect of everyone who knew and worked with him.

Mr. Speaker, Tennyson Guyer was noted around the country and in the Halls of Congress for his speeches on inspirational and patriotic topics. He was an ardent believer in the strengths and positive qualities of this Nation and all of its citizens. Tennyson Guyer transmitted this respect and love for his country and countrymen during his every waking moment.

In addition to the courage and respect for this Nation that Tennyson brought to Congress, he also brought with him a determination to serve the American people to the best of his ability. Mr. Speaker, during his 8 years in Congress, he did just that.

He served on the Veterans' and the Foreign Affairs Committees and the Select Committee on Narcotics Abuse and Control. He recently had chaired a special House subcommittee investigating the problem of Americans still missing in action in Southeast Asia.

From this abbreviated list of achievements, Mr. Speaker, I am sure my colleagues will agree that he made an indelible mark on this body and on this Nation. So too, Mr. Speaker, Tennyson Guyer left us with a powerful legacy of honesty, humility, and devotion to the quality of life for all Americans.

Now, Mr. Speaker, I ask my colleagues to join me in paying tribute to this brilliant statesman, orator, and exceptional human being—the late Tennyson Guyer. My wife, Jay, and I extend our heartfelt condolences to Tennyson's wife, Mae, and his daughters. I hope that the character and principles of Tennyson will live forever in their hearts.●

ALEX DROEGE: WYOMING WINNER IN VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. DICK CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. CHENEY. Mr. Speaker, it is my pleasure to share with my colleagues the following speech written by Alex Droege of Cheyenne, Wyo. Alex recently competed in the Veterans of Foreign Wars voice of democracy program and the theme of his winning speech is "My Commitment to My Country."

MY COMMITMENT TO MY COUNTRY

One hot day in July, 1787, 39 men toiled in their new job. These men were farmers, lawyers, businessmen, even an inventor named Benjamin Franklin. With their jobs they had created a society. Their new job was to create a country—the United States of America. I am a citizen of the country these men created. Now, this country is over 200 years old. These men did their job well. My commitment to my country is to do my job well. The occupation I will hold as an adult is my way of committing my talents and abilities to my country. The purpose of the job I will hold someday is not only to benefit myself, but to keep our country strong in the ideals upon which it was founded—that of freedom, democracy, competition, equality, and free enterprise.

Just as the surgeon uses his medical skills to save the life of his patients, I must use my skills to protect and preserve our American freedom for future generations.

Just as the fisherman in Cape Cod uses his net to gather food, I must gather my knowledge and strength to preserve and improve our nation's Democracy.

Even as the farmer in New England persists in plowing the rocky ground, I must persist in the struggle against forces which threaten our countrys freedom.

Just as the union workers in Detroit fight side by side to save their industry from ruin, I must strive with my fellow Americans to keep our dream of freedom strong.

The California winemakers use ancient skills to produce quality wine, and I must not forget the knowledge and wisdom to be gained from my generations fathers and grandfathers. For it is they who fought to keep our country safe for democracy, and my commitment must be no less.

For it is only in America that an individual can choose his way of life. Only in America does a person have such a wide array of careers to choose from.

The right to be whatever I choose to be is an invaluable privilege that every American should treasure. And I do. Why do I have such a privilege? Because the educational system in America is the finest in the world.

Students come from all over the globe to be taught in our Universities. They can learn of Shakespeare, molecular biology, or even how to carve wood if that is what they choose. The opportunities are vast, and America has proven herself by discovering flight. Yes, the Wright Brothers flew at Kitty Hawk and less than 66 years later Neil Armstrong set foot on the moon. The Dick Tracy fantasy of a tiny computer came true in the calculators that are now the size of a credit card. Henry Ford took the gasoline engine and transformed it into the automobile industry which now employs thousands of workers.

Whatever I choose to be, whatever I choose to do, I have a commitment to my country that I wholeheartedly accept; to be the best that I can, and do the best that I can for my country. America was created because 39 men had a job to do; to build the foundations for democracy and freedom.

By doing my job well, I will truly be making a commitment to my country because I will be helping to strengthen, maintain, and support the ideals upon which our great nation was founded.

The role I choose to play in this country's future, whether it be as a surgeon, a fisherman, or even a farmer will be my way of committing my knowledge and skills to my country—the United States of America.●

BETA SIGMA PHI SORORITY CELEBRATES ITS 50TH ANNIVERSARY

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. ERTEL. Mr. Speaker, on April 30, 1981, the world's largest Greek letter organization will celebrate its 50th anniversary. Since its founding in 1931, Beta Sigma Phi Sorority has grown to include 250,000 members in 12,500 chapters, located in 34 countries throughout the world. In Pennsylvania alone, Beta Sigma Phi numbers 6,500 women among its membership in 308 chapters.

Beta Sigma Phi offers its members a unique opportunity for self-development. Its activities are cultural, social, and philanthropic. From its inception, Beta Sigma Phi has encouraged its members to become active in and give of their time to community organizations of all kinds. There are few cultural, health or charitable organizations in any city who have not benefited in some way from the efforts of Beta Sigma Phi members.

At a time when the Federal Government is withdrawing or curtailing funding for many program areas, it is vital that organizations such as Beta Sigma Phi continue to provide support and involvement in community activities. I am happy to congratulate Beta Sigma Phi on its 50 years of significant contribution to the voluntary sector in this Nation and to the personal development of its membership.●

POSTSCRIPT

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. SCHULZE. Mr. Speaker, I would like to share with my colleagues a recent article which appeared in the Sunday Tribune-Review of Pennsylvania:

The humiliation of the Washington Post over the withdrawal of the Pulitzer Prize from its reporter, Janet Cooke, is symptomatic of a deeper problem. For years the Post has been lurching on a binge of selective investigative journalism that has attacked some of America's most important institutions.

Particularly, the Post has directed its selective attacks at organizations and individuals of philosophical beliefs opposite those of its owner, Kathryn Graham and editor, Ben Bradlee. We recall the constant attacks on any person or institution remotely connected with Barry Goldwater, Richard Nixon, the New Right, the Moral Majority and now, President Reagan. It is no secret in Washington the Post was pro Carter, pro union bosses and pro Democrat officials. Significantly, they have not called for or pursued investigations of entrenched Washington liberal power bases. Now the Post continues to savage Alexander Haig, Reagan's economic policies and the vote of the American people last November.

The Post's blind acceptance of the Cooke story must reflect on its previous stories in other areas. It is a disgrace to journalism that a particular elitist attitude has moved from the editorial page to the front page. The attitude that only the Post can tell the truth about Washington and direct its attitudes and policies, hopefully, has been changed by this dishonest event. The Washington Post is not the arbiter of the correctness of American's attitudes and policies. The sooner the Post editors and staffers recognize this fact, the more honest their reporting will be.●

COMMUNITY REHABILITATION INDUSTRIES CELEBRATES SILVER ANNIVERSARY OF SERVICE TO THE DISABLED POPULATION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. ANDERSON. Mr. Speaker, this year, Community Rehabilitation Industries of Long Beach, Calif. (CRI), is marking its silver anniversary as a private, nonprofit, industrial training center for the physically and mentally handicapped, the emotionally disturbed, and the socially and economically deprived.

First, established in April 1956, CRI has blossomed from a neighborhood center into its present facility in which it serves residents of the Greater Los Angeles Basin and the northwest Orange County area under the philosophy that "Employment is nature's best physician and is essential to human happiness and well being." Its main thrust in 1956 was to provide training and sheltered employment in factory assembly work for a large number of disabled persons who needed to feel that they were meaningfully involved in a productive function.

Twelve health and community organizations including the Long Beach Health Association, the Lung Association, the American Cancer Society, the Epilepsy Society, the Exceptional Children's Foundation—now the Foundation for the Retarded—the Hard of Hearing Society, the Disabled Veterans Association, and others became aware of the need for a workshop in Long Beach after a survey was taken by the California State Department of Employment. Following the inception of the space age in the late 1950's, there was a significant emphasis on providing training opportunities for handicapped persons in aerospace industries in the Long Beach area.

A board of supervisors composed of community leaders and advisers from the Department of Rehabilitation drew up the original plans and generated funds to launch CRI.

With the skilled assistance from the late Justin Johnson, a Hughes Aircraft executive and member of the President's Committee for the Employment of the Handicapped, CRI began supplying the needed manpower to various aerospace manufacturers, including Douglas Aircraft, Grayson Controls, and Norris Industries. Initially, persons who had read about the new workshop in the newpapers or heard of it by word of mouth came in from the street.

Then in 1957, a 3-year research project, "How to put the Hemiplegic to Work," was funded by the Office of Vocational Rehabilitation, and CRI gained national recognition due to the high quality of work they produced as a result of this grant. Approximately a quarter of the hemiplegic clients referred to the shop were subsequently employed in companies in the Torrance, Hawthorne, and Long Beach area.

When this project was completed in 1960, and with upgraded staff, the workshop and the Department of Rehabilitation began a long relationship and CRI was utilized for evaluation of many clients who sought the services for that department.

Due to the enormous success of CRI, a larger facility was needed, and CRI moved across the street into a converted liquor warehouse until 1973. In October of that year, a building improvement grant, and community contributions, allowed CRI to open its present facility on East Anaheim Street, with a total of 26,000 square feet of working space. In 1976 plant II, the former liquor warehouse was upgraded, and now provides services for the developmentally disabled in a work activity center of 14,000 square feet.

Today, CRI offers a full vocational rehabilitation package to include evaluation, work adjustment, work experience, trade training, placement, and followup.

Over the years CRI has trained and placed in gainful employment several thousand disabled persons. In many cases these people would not be self-supporting without the services received at CRI. In addition to the regular training program, CRI facilities are also being used by the adult school district as a satellite for courses intended for the general community such as English as a second language, in which Indonesian refugees enrolled. Basic educational skill courses are also given by the adult school district.

CRI now operates as a self-supporting agency, as the last Government grants to the agency for operational expenses were in 1974. Since then funds to operate the agency have come from revenues generated by subcontract work, fees for services, and public charitable donations.

It has been programs, such as CRI, which have placed handicapped individuals in productive and fulfilling careers and have made these men and women a valuable asset to the community. My wife, Lee, joins me in saluting CRI's executive director, Ernest Faulkner, Jr., and his entire staff for an outstanding job and wish them continued success in the future.●

FAMILY PRIDE

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. BROYHILL. Mr. Speaker, I just wanted to take this brief opportunity to commend one of my constituents from Gaston County, N.C., who recently wrote to me:

I am a working man with a lot of pride and believe in my country one-hundred percent. We are a family of four and I made $10,500 last year. I know I could get free or reduced lunch, but I just could not send my children to school to get something free when we can cut back on something else. We have too much pride.

It is truly heartening to read words like this, when we receive so many complaints each day about individuals who are more than willing to take advantage of the system. In this day and age, when it seems that more and more are turning to the Government for a handout, I am encouraged that this sense of family pride still exists.

I am proud to have this family in my congressional district and only wish there were more like them.●

EXTENSION OF AUTHORIZATION FOR FIFRA

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. WAMPLER. Mr. Speaker, I am today introducing legislation to extend the funding authorization for the Federal Insecticide, Fungicide and Rodenticide Act until September 30, 1982, in the amount of $62,069,000. This is the amount requested by President Reagan in his budget submission. In this legislation I am also extending the authorization for the Scientific Advisory Panel provided for in section 25(d) of FIFRA until September 30, 1985.

President Carter in his budget submission requested the amount of $72,134,000, and it is this amount that was adopted by the House Agriculture Committee in its report to the Budget Committee. As a frame of reference, the current 1981 budget estimate is $69,669,000.

President Reagan's budget estimate is about $10 million less than President Carter's budget, with the bulk of changes falling mainly in three areas—registration standards, $4.3 million; rebuttable presumption against registration (RPAR), $4.5 million; and research and development, $500,000.

The administration has indicated that the decrease in the registration standards will result in a reduced pace of completion of standards, thus stretching out the program in future years. The decrease in RPAR reviews is to be accomplished by reduction in equipment purchases, consulting services, travel and contracts providing for additional exposure analysis and the risk/benefit analysis. Even with this decrease there is forecast to be the same number of RPAR decisions and lab audits in 1982 as expected in 1981.

The reduction for research and development comes partly because of the reduction called for in the registration standards and RPAR reviews.

I have long been a firm believer in the activities of the Scientific Advisory Panel. The scientists appointed to the panel have made a major contribution to the pesticide program, and extending the life of this Panel is not a subject of controversy in my estimation.

This overall FIFRA reduction in the budget appears to be a part of President Reagan's economic recovery plan and I would ask that all Members take this into consideration when it comes time to vote on this extension.●

PRISONER SANDS, MEMBER OF PARLIAMENT

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. SCHUMER. Mr. Speaker, I wish today to express my grave and urgent concern over the continuing hunger strike by Robert Sands and three other inmates of Northern Ireland's Maze Prison. Mr. Sands, who was elected as a representative of the people of Northern Ireland to the British Parliament on April 10, 1981 from his bed in the prison's hospital ward, is today entering the 61st day of his protest. All indications are that he is near death: He has been given last rites for a second time, his weight has dropped to 60 pounds, and his vision and hearing are almost gone. Widespread violence has already erupted in Northern Ireland in the past days in response to reports of his deteriorating condition, and several people have already died in what is reported to be that country's worst outbreak of violence since 1969.

It is key to the restoration of peace in the north of Ireland that this tragic event be settled now by a negotiated compromise between the British Government and the prisoners. The death in detention of any of the prisoners, much less an elected Member of Parliament, will certainly provide the spark for an even greater explosion of violence and destruction in a country which has already seen too much suffering. This hunger strike is the second one in 6 months over improved prison conditions; the first ended only when one of the prisoners reached the brink of death. This time the situation must not be allowed to drag on to a conclusion which no one wants.

The world today, the United States, and even the very city in which we now sit are already the scene of too much violence and death. As Members of Congress, we must work together to achieve peace instead of violence wherever we can. I therefore ask my colleagues to join together in urging President Reagan to communicate the concern of the people of the United States for these prisoners to the British Government, and to press for a timely and peaceful resolution to this already tragic situation.

I would also like to commend the following editorial from the New York Times on the current situation to my colleagues attention:

PRISONER SANDS, MEMBER OF PARLIAMENT

Just what did the voters of Northern Ireland mean by electing an imprisoned nationalist guerrilla to the British Parliament? To some, the victory of Robert Sands constitutes an endorsement of the Irish Republican Army and its bloody ways. Some bitter-enders may even hope, ghoulishly, that Mr. Sands will persist to the death in his 53-day prison hunger strike. But his death would be a tragedy serving no worthy purpose, and to view his election as a mandate for violence is a shallow distortion.

In fact, it was Bobbie Sands' plight, not his politics, that became the central issue in a special election to fill a vacancy. He was put up as a candidate even though he is serving a 14-year sentence for a firearms violation. Mr. Sands and other I.R.A. leaders in the Maze prison have vainly resorted to hunger strikes to force the British to accord them the status of political prisoners.

Catholic voters in the district were encouraged to believe that electing him could save his life, and wring prison reforms from his British jailers. He won by 1,500 votes out of 70,000, thanks largely to a Catholic majority. The contest turned into a sectarian plebiscite because the only other candidate was a hard-line Protestant Unionist.

The outcome was less a vote for the I.R.A. than a vote against a criminal justice system that many Catholics regard as harsh and repressive. And the Sands victory only reaffirms what everyone already knows—that many Catholics feel estranged in a British-ruled, Protestant-dominated province. That estrangement will continue as long as the Protestants appear to enjoy an arbitrary veto over every proposal to devise new links between Northern Ireland and the predominantly Catholic Irish Republic.

Yet there is also unintended irony in his victory. How much better it is for the I.R.A. leaders to embarrass the British by electing a Member of Parliament from the Maze than to go on with indiscriminate killing. How much harder it will be for them to persuade their followers that British democracy is a sham. Politics, however cynical, is preferable to violence in the search for a solution to Northern Ireland's intractable conflicts.●

SENATE-HOUSE COOPERATION: REGULATORY REFORM ACT OF 1981

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. McCLORY. Mr. Speaker, the American people have lost patience with the maze of regulatory redtape which unnecessarily complicates their daily lives and interferes with the conduct of their businesses. In electing President Reagan, the American voter spoke most dramatically in favor of a change in the direction of our Federal Government. The need for less regulatory bureaucracy was unquestionably a part of that November message.

In an effort to promptly implement his mandate, President Reagan has established a Cabinet-level Task Force on Regulatory Relief, under the direction of Vice President GEORGE BUSH. The President has also issued Executive Order 12291, which infuses cost-effectiveness considerations into the promulgation and review of major regulations. This Executive order also grants the Office of Management and

Budget a central role in the regulatory analysis process, and encourages the removal of unnecessary and counterproductive rules.

Consequently, if the 97th Congress is to consider any legislation in this area, we must do it against the backdrop of these Reagan administration initiatives. Congress must be careful to not do anything that would interfere with, or hamper, the deregulatory initiatives already undertaken by the new administration.

Today, Mr. Speaker, I am pleased to join with the distinguished chairman of the Senate Subcommittee on Regulatory Reform, PAUL LAXALT, and others, in sponsoring the Regulatory Reform Act of 1981. This measure is the product of close Senate and House cooperation, in consultation with key administration officials. In an effort to insure compatibility with the current Reagan administration efforts, the bill recognizes the principal role of the President and the executive branch in the administrative process.

The measure we introduce today would result in a significant revision of the rulemaking provisions of the Administrative Procedure Act, 5 U.S.C. 553. Most importantly, agencies would be required to determine the cost effectiveness of all major rules prior to their promulgation. The bill also contains a so-called hybrid provision, allowing oral presentations in major rulemaking proceedings and allowing cross-examination when it is determined to be essential for the resolution of material issues of fact. Furthermore, each agency would be required to establish a schedule for the review over a 10-year period of all major rules currently in force. This review provision is to allow an agency to determine if existing rules should be revised or withdrawn. Where it is impracticable for an agency to review every rule within a 10-year period, the President or his designee is authorized to grant an extension for an additional 5-year period.

In promulgating new rules or removing existing old rules, an agency would have to publish notice and allow at least 60 days for public comment. A rulemaking file would be established for each such proceeding, in an effort to establish a documentary record in the event of judicial review. Agencies would also be charged with the responsibility of publishing an agenda, predicting the major regulatory actions they expect to take within the next year. The regulatory calendar, which already is an active publication, would be made a statutory requirement. Finally, this comprehensive bill also contains a Bumpers amendment, altering the scope of judicial review of agency action. This judicial review section would eliminate the presumption of validity currently afforded agency determinations of law. Furthermore, agencies would have to justify decisions made during an informal rulemaking proceeding through substantial support in the new rulemaking file.

Currently the Subcommittee on Administrative Law and Government Relations of the House Judiciary Committee is engaged in a series of hearings concerning the need for comprehensive regulatory reform legislation. I am very hopeful that this important piece of legislation will receive close consideration during these deliberations. Again, the legislation we introduce today aims at achieving procedural reforms through changes in the Administrative Procedure Act. However, I fully recognize that procedural reforms, alone, cannot bring about full-scale regulatory reform. However, these are necessary and important changes for Congress to make. Additionally, the congressional responsibility in this area must involve a probing, case-by-case look at the various organic stautes—such as the Clean Air Act. I look forward to continued cooperation with our Senate colleagues and the Reagan administration in these efforts.●

ASSOCIATION OF TORRANCE SCHOOL ADMINISTRATORS HOSTS 10TH ANNUAL EMPLOYEES RECOGNITION BANQUET

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. ANDERSON. Mr. Speaker, on May 8, 1981, the Association of Torrance California School Administrators will host its 10th Annual Employees Recognition Banquet to honor its retiring and long-time employees. This banquet gives the Torrance Unified School District and its many supporters an opportunity to express appreciation to these employees for a job well done.

The efficient operating of a school district is becoming an increasingly difficult task. School district employees across our Nation have exchanged a formerly passive approach for one that is more actively concerned with family and community decisions which significantly affect our children. The nature of the profession asks that the employee wear several hats while being paid for only one. The employees are called upon at times to be family counselors, police, arbitrators, crisis managers, athletic directors, lobbyists, and surrogate parents in order to produce students who will contribute to our society. This is an enormous task which calls for only the most dedicated individuals. If there are any services that hold our society together in these uncertain times, we can be sure that the efficient running of a school district rates highly among them.

Mr. Speaker, it is my privilege to acknowledge each of these employees for their commitment to further improving our fine educational system.

The 30-year employees are: Joe T. Brandon, Margaret C. Pelland, and Catherine C. Stock.

The retiring employees are: Gloria P. Bartels, Robert L. Brewster, Mary E. Burruss, Marcus L. Caldwell, Helen L. Cantril, Robert L. Dutton, Virginia Geissel, Grace A. Gindlesperger, Dorothy M. Goodwin, Anthony J. Grasso, Cleo M. Hansen, Phyllis L. Huisenga, Luella M. Jensen, Gordon D. Johnston, Grant C. Jones, Louis Kaplan, Louise Kilburn, Victor V. Kilburn, Wands Lang, Leo Lehman, Leonard Lifton, Joseph S. MacZuga, Evalina B. Marsh, Ina S. Northrup, Lola J. Parchment, Juanita A. Price, Lloyd A. Reist, John D. Reynolds, Virginia R. Rustanius, Melvin P. Schultz, Joseph P. Secula, Jr., Nola E. Shields, Shirley K. Trezise, Smalley W. Vogel, Kathyn L. Wagner, Thoors M. Webber, Louise C. Wendell, Betty J. Wentz and Laura L. Whittington.

Mr. Speaker, my wife Lee joins me in saluting these Torrance Unified School District employees for their many years of service, and wish them the best of success in their future endeavors.●

THE EAST CLEVELAND PUBLIC SCHOOL SYSTEM SUCCESS STORY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. STOKES. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues the kind of success story that is rarely given wide attention. What I am referring to is the yeoman's job the public school system in East Cleveland is doing in terms of educating young people.

There is not a day that goes by that I don't read a letter or see a news story about the inadequacy and death of public schools as viable institutions of quality education. Public schools across this Nation have been accused of being little more than holding cells for children during the day with little opportunity for meeting their goal of educating young people.

Mr. Speaker, some of my colleagues even suggest that the Federal Government, in the wake of proposed massive cuts to public education, consider some kind of tax credit or voucher for private schools as an alternative to public education.

Just as public schools are feeling the heat in terms of criticism by the public and the Government, predominantly black schools and school systems have been labeled for many years as inadequate when it comes to education and as having undisciplined students. Both you and I know, Mr. Speaker, that these labels in most cases were unfair and untrue. But, nonetheless, black schools or school systems, like the East Cleveland Public School System, were all but written off by this Nation a few years ago.

Well, Mr. Speaker, I am proud to report that quality educational instruction, achievement and impeccable discipline are at the pinnacle of the agenda of the East Cleveland Public School System. Under the unrelenting leadership of Dr. Rondle Edwards, superintendent of East Cleveland Public Schools, the purported dying and ineffective school system has become a showpiece for public schools across this Nation.

What the East Cleveland Public School System represents is the fact that with community, local, and Federal Government cooperation, our schools can do an exceptional job in providing our young people with both challenging and beneficial educational opportunities. For unlike some of the myths, Mr. Speaker, in East Cleveland, academic excellence and quality instruction are the norm and not the exception.

With these thoughts in mind, I would like my colleagues to join me in saluting Dr. Rondle Edwards, the teachers, staff, parents, and students who are intricately involved in the East Cleveland Public School System. At this time, I would like to insert in the RECORD an article which appeared in the April issue of Ebony on the East Cleveland Public School System.

[From Ebony, April 1981]

HOW TO STOP TERROR IN SCHOOLS

EAST CLEVELAND GOT TOUGH WITH THE TOUGHIES AND MADE SCHOOLS SAFE

(By Bill Berry)

Ten years ago East Cleveland, Ohio, found itself plagued with the same problems that frustrate most urban school systems: vandalism, class cutting, fights, disinterested parents and racial tensions. "When I first came to Shaw High School in 1965, it was a well-run school and about 95 percent White," Principal Selma Gamble remembers. "But around 1967 we started a transition from White to Black. In 1970 we almost had a total changeover. During this very rapid changeover there was a lot of racial animosity. We found ourselves faced with serious discipline and learning problems. We never had a teacher raped, but we had some students who hit their teachers. This hurt our image and resulted in perceptions that in an all-Black school you might be mugged and cut or harassed."

Teachers, administrators and parents in East Cleveland did not throw their hands up in exasperation and just hope that someday, perhaps, the problems in the schools would go away. Instead, they banded together, and with the support of the school board and community, waged a war on terror in the schools . . . and won!

Today, the East Cleveland schools, which are 99 percent Black and which have a Black Superintendent, Dr. Rondle E. Edwards, have not only successfully coped with such problems as assaults on students and teachers, intruders, truancy and fighting rival gangs, they stand as model institutions where students respect their teachers and vigorously pursue their studies. A variety of methods were used to upgrade the quality of education in the schools, including the establishment of special programs in reading and mathematics, career and consumer education, the R.O.T.C., and programs for the gifted and talented. The cornerstone of the plan to turn the schools around was dedication on the part of teachers and parents alike. Dr. Charles Lawson, assistant superintendent for general administration, emphasizes that "it could not have been done without the parents' help." He recalls that a teacher-parent meeting was scheduled last fall on the same night that one game of the World Series was being played. "I just knew nobody would show up and that I would get home in time to watch the game," he recounts. "but to my surprise, we had a full house. It wasn't just the mothers either; almost all of the fathers were present too. With that kind of involvement on the part of parents, the teachers and administrators feel encouraged to do an even better job."

Typical of the special programs that East Cleveland educators developed is one that focuses on students in elementary schools. "It's important to capture the students' attention and interest when they are young," explains Mrs. Dorothy K. Jackson, coordinator of two important programs. Focus On Cooperative Action & Skills (FOCAS) is a no-nonsense, back-to-basics program that stresses discipline, good study habits and parental involvement, and Selected Curriculum for Optimum Performance and Enrichment (SCOPE) is a program for gifted and talented students. In both programs students are given homework on a daily basis and must adhere to a strict dress code and discipline policy, Mrs. Jackson says. Students may not, for example, wear jeans, T-shirts, shorts or sandals; boys may not have combs or picks in their hair and girls may not wear halter tops. "Yes, we're firm, but we think it will make a difference in a child's achievement and the way he feels about himself and others," Mrs. Jackson says. "Children are curious, they just need stimulation and structure. We have to apreciate the students' abilities and promote them, not suppress them. You must have dedicated teachers who enjoy working closely with parents."

The commitment to turning the schools around began in 1970 when school officials asked a team of researchers at Temple University to evaluate the 8,600-pupil district. The Temple study found a system wrought with poor security, teacher ineffectiveness and student apathy, lack of motivation and behavior and attendance problems. The solution called for the retraining of some of the teachers and dismissal of others; revision of the curriculum to increase learning options for students; firm disciplinary policies; and increased involvement of parents.

At first, Shaw High hired four para-professional security guards to patrol the halls and restrooms. "They caused some controversy," Principal Gamble remembers, "Some people felt their children were being picked on unfairly. But students never really respected them." Insisting that uniformed, armed security personnel would not get results, school officials convinced the board of education to break the single school up into four separate, but contiguous units—by grades—and invest in four licensed principals to work with Gamble. The board was also sold on hiring a force of home-liaison officers, who were required to be certified teacher-specialists, to establish closer and ongoing contact with parents and residents of the community. Likewise, curriculum experts were needed in all schools, the board was told.

"We had a lot of enthusiastic, committed people," Superintendent Edwards recalls, "but we were flat broke. Everybody was ready to work to save the schools, but we had no money to put all of these plans into action."

While school board members asked for and got successive tax levies to put East Cleveland schools on a sound financial footing, Dr. Edwards worked with the academicians to crack down on troublesome students and incompetent teachers. In short order, the schools issued tough, no exceptions, policies. Very rigid policies were instituted to deal with drinking, smoking, drugs and disrespectful behavior. "Any alcohol or drugs on school grounds is automatic expulsion," explains Shaw Associate Principal Stephen Lloyd. "The same holds true for weapons. We try to verify that we have the facts, and once we make the decision we stay by it." Principal Gamble adds, "We have a policy of no hats. Out of 2,600 students there will be some people who will attempt to wear them, but we're at a point that a simple nod is all it takes for a teacher to get a student to remove a hat. We've been consistent in our enforcement and students know we mean business. One big help has been a student organization called The Soul Patrol, which lets us know who's breaking the rules." As for portable radios—the only music a visitor hears at Shaw High today is that of the school chorus or symphony orchestra.

Standing ground with students was only part of what East Cleveland did to turn its schools around. Kirk Middle School Principal Martin Gottlieb remembers well the "attitude" problem that many teachers displayed. "There was the feeling, 'They're Black kids; they're not going anywhere anyway, so why tire yourself trying to help them,'" he recounts. "I always felt that if you expect excellence you start to get excellence. At this school, the students know we expect it." In time, East Cleveland hired a curriculum specialist for each of its schools.

What the curriculum specialists found was a significant number of lackadaisical teachers who were content to waste class time and/or turn students off about education. "It came down to firing a lot of people," admits Dr. Edwards, who once fired his own aunt in Richmond when he found her "busy being middle class and neglecting those very low income Black youngsters she was supposed to be teaching." Dr. Edwards and the school board discovered, however, that it was much more difficult to get rid of a mediocre teacher than simply to say, "You're fired!" Several teachers fought back. Dr. Edwards even found himself, curiously, on the receiving end of a racial discrimination suit when three Black teachers accused him of bias against Blacks. "I don't care what color you are. If you can't do the job of motivat-

ing and challenging students, we can't use you," Dr. Edwards says.

After weeding out the incompetent teachers and providing in-service training for the remaining ones, East Cleveland began the task of retooling the content of courses offered in the schools. Foreign language, music, R.O.T.C. and debate were brought into the high school, which also established an alternative school for potential and hard-core dropouts. A series of Know Your Schools sessions were held on Wednesday evenings, giving parents a chance to meet and chat with students, teachers and administrators. Cooperative programs were formed with area colleges and universities to broaden learning experiences for students. A systemwide reading improvement program called Uninterrupted Sustained Silent Reading was created—when the U.S.S.R. sign hangs on a door no one may enter the room. Also added were programs for gifted students and pupils needing basic skill development. "Someone must be an advocate for the gifted child; we have traditionally emphasized help for the slow learner and neglected the gifted one," explains Mrs. Dorothy Jackson, coordinator of Selected Curriculum for Optimum Performance and Enrichment. Mrs. David Banks, a parent, adds that the gifted program has made her son Deshon "more ambitious, self-confident, self-controlled, self-directed and positive." Mrs. Synolve Moore, council president of the local P.T.A., notes that "whatever progress we've made in East Cleveland stems from the fact that we've been able to attract first-rate teachers. They're not just here for the money."

Not long after East Cleveland took these and a host of other measures, everyone received the news that they had been hoping to hear. "Pre-post standardized test results for the 1979-80 school year reveal that at all grade levels, the average academic growth meets the national average, and at six grade levels, the gain scores exceed the national average," says Dr. Ruth Hervatin, administrator for research and development. "While 10 years ago the average academic achievement was representative of urban students nationally—or six months achievement gains over a 10 month school year—average annual academic growth now matches or exceeds the nationally expected rate. Student absenteeism, behavioral problems and dropouts have all decreased significantly as achievement levels have risen."

Much of the credit for what has happened in East Cleveland schools goes to Dr. Edwards. A man both intensely serious and irrepressibly sunny, Dr. Edwards sees beyond academic abstractions and enumerates more specific ways by which other school systems can combat disorder, violence and less than desirable teachers. As he told members of the U.S. House Education-Labor Committee, which cited East Cleveland along with 160 other "Effective School Programs" last December, "Strong leadership, good discipline and respect for authority, adequate funding, parent involvement and cooperation, and quality teaching and administrative personnel . . . are among the components that make much difference in urban schools and all other schools."

Dr. Edwards' words are demanding, much like those on a wall plaque he can see by glancing across his office on the first floor of the East Cleveland Board of Education building. The plaque describes the quintessential educator: "The mediocre teacher tells/The good teacher explains/The superior teacher demonstrates/The great teacher inspires." Like that educator, Dr. Edwards and East Cleveland are committed to inspiring too.●

TRIBUTE TO A GREAT LONG ISLAND EDUCATOR

HON. GREGORY W. CARMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. CARMAN. Mr. Speaker, Charles Connell is retiring as superintendent of schools of the South Huntington Union Free School District and, with his retirement, Long Island loses a superb educator. Mr. Connell has been in education for 30 years, 27 of them in our community of South Huntington. During those years, he has insisted on sound educational policies and fiscal responsibility. During his administration, his leadership has helped to create a school district which is among the best, not only in our State but in the Nation. Mr. Connell has never lost touch with his fellow human beings—students, teachers, administrators, rich or poor, educated or not. He created a "family" of all the various people within the school organization and the community.

Mr. Connell's retirement from active leadership in our community is viewed with deep regret by all whom he leaves behind.●

AN EDITORIAL FROM THE HARTSVILLE MESSENGER

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. NAPIER. Mr. Speaker, one of the newspapers in my district, the Hartsville Messenger, recently ran an editorial discussing the lessons that we can learn from observing the Conservative leaders in England struggle with their economic problems. We have a great deal of interest in the outcome of those struggles, not only because of the sentimental ties of our common past and heritage, but also because it is very easy to picture ourselves in the same position. Mr. Joseph Wiggins, the editor of the Messenger, is well known as an astute observer and respected for his editorial views. I commend this editorial to my colleagues.

The text of the editorial follows:

BRITAIN'S LESSON

Hartsvillians hard hit by inflation, taxes and the high price of gasoline should take a look at the situation in Britain, where things are even worse. It was reported recently that taxes on alcohol, tobacco, gasoline and automobiles will be raised immediately by as much as 30%. This will push the price of a pack of cigarettes to nearly $2.00, a bottle of liquor to more than $13, and a gallon of gas to nearly $3.50. Individual income taxes will also be raised.

The British are in the middle of a much more severe recession than the one now ending in the U.S. and also have a higher rate of unemployment, now over 10%.

Certain parallels may be drawn between Britain and the U.S. and certain lessons may be learned from their downhill slide since World War II. It may be recalled that the Labor Party gained power at the end of the war and promptly proceeded to nationalize the railroads. It later nationalized steel and other basic industries and expanded social security "from the cradle to the grave."

The British instituted socialized medicine under which every person receives free medical care, courtesy of the taxpayers. This ran doctors out of the country, mostly to the United States, until today Britain has some of the sorriest medical care in the world among civilized nations.

Britain granted independence to nearly all of its empire, on which its pre-war prosperity rested. This, coupled with the welfare measures of its Labor governments, broke the country and reduced it to a second rate power. Productivity is a laugh, exports have fallen, half its food must be imported and the once-mighty British Navy no longer rules the seas.

The British are in far worse shape than Americans, for they had a headstart on us. They were already well into welfare state programs before Democratic administrations embarked the U.S. into the New Frontier, the Great Society, and a dizzy escalation of government spending and social programs. We are now reaping the bitter fruit in a huge national debt, record inflation, high unemployment, and loss of our foreign markets to more efficient producers in Japan and West Germany.

Both countries are now attempting to turn around and make a comeback—Britain under Conservative Prime Minister Margaret Thatcher and the U.S. under Republican Ronald Reagan, also conservative. Both are moving to cut big spending deficits. And both are acting to encourage business and industry and get government off their backs.

The most important lesson to be learned from Britain in this: a sure prescription for economic suicide is to allow the government to fall into the hands of labor leaders, bureaucratic regulators of business and industry, and so-called liberals who believe transferring money from those who have to those who haven't will cure the world's ills. It brought disaster to Britain and it will bring disaster to the U.S. if long pursued.

The prescription for economic recovery and health involves making changes in the basic structure of our economy. We must get off the merry-go-round of endless wage and price increases. We must stop rewarding people for not producing. We must sharply reduce or eliminate the capital gains tax on new investment for productive assets. We must change energy policies and taxes to stimulate energy production. And we must have a substantial firing of thousands of people in government, a massive depopulation of Washington.

If we don't do these things voluntarily, we will bring on a big depression that will do it for us.●

DELAWARE VOICE OF DEMOCRACY WINNER: NANCY E. FLEMING

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. EVANS of Delaware. Mr. Speaker, I would like to take this opportunity to share with my colleagues the winning speech from Delaware in the voice of democracy program sponsored by the Veterans of Foreign Wars.

The theme of this year's contest was "My Commitment to my Country." I would like to commend the ladies auxiliary of the VFW for helping to promote a stronger sense of partiotism among our Nation's young people. Miss Nancy E. Fleming won this year's contest in Delaware with an extremely eloquent and refreshing essay which explains her commitment to the United States. I would like to take this opportunity to commend Miss Fleming for her excellent essay and insert her statement in the CONGRESSIONAL RECORD.

MY COMMITMENT TO MY COUNTRY

What is my commitment to my country? What is my commitment to America? A commitment is: a promise or pledge to do something. What kind of promise or pledge is it up to me to fulfill for my country? I believe that the promise I must keep to America is different from that of my parents or my friends or neighbors. It is as individual and unique as I am, as is evey person's promise. In evaluating what my commitments are I look around me to see how others have fulfilled their commitments to America.

The first thing that comes to mind when a commitment to this country is mentioned is the vision of the people who created America. It certainly took a lot of courage and commitment for the Pilgrims to accomplish building the foundations of a nation. But commitment by no means ended there. Leaders of men have ever since been important contributors to the growing of America. The commitment of those leaders to democracy has been invaluable. They have helped create and maintain a system of government whereby the individual can vote to select the nations' leaders and influence the directions the government will take. But is it only the founders and leaders of America who have fulfilled their commitment to the nation? The answer to that is clearly no. The commitment of millions of others is what has really led America to greatness. Inventors, pioneering new ways to a better life, scientists, gaining knowledge to solve problems, novelists, musicians, pilots, teachers, businessmen, and homemakers, contributing to the every day progress of the nation—these are also people that have fulfilled their commitment to their country. By doing what they do best, each individual contributes to the growth of the nation.

I have examined the past and the present in looking at people's commitments to America. But as I approach adulthood, it is up to me to look into the future and find out what commitments I, as a young adult, need to make to my country. Where will my efforts, talents, and time best be used—how can I make a difference? Of course it is my duty above all to be a good citizen of America. Given the right to vote, I should exercise that right, making my voice count. I should be an informed, active member of the community in which I live. And I must uphold the law. But aside from these things inherent in American citizenship, I have individual goals to set and fulfill—promises to make to my country according to what I do best. To find out what I do best, and to develop my skills in that area, I should pursue an education as far as possible. Education is the key to progess. And with that education I should enter a career suited to me, and my country. Becoming an adult is exciting to me. Being fortunate enough to be an American is an honor to me. Both bring with them privileges and responsibilities. My generation must seek justice and energetically promote the values of democracy. The challenge facing me, as it is the rest of America's youth, now, is that of finding what my own individual commitment to America is, and striving to keep that commitment. I recently heard ten 2-letter words that describe an attitude I admire: "If it is to be, it is up to me." I believe in that philosophy, and since it is up to me, and to every individual of this country, we should each fill our commitment to America by giving of ourselves.●

TRIBUTE TO CLYDE B. WEBB

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. DUNCAN. Mr. Speaker, many times in my life I have served with many dedicated and hard-working public servants, and without a doubt, one of those is the Honorable Clyde B. Webb of the Tennessee State Legislature. I commend to you the following editorial:

[From the Daily Post Athenian, Apr. 9, 1981]

CLYDE B. WEBB DESERVES THE ELKS HALL OF FAME

Awards, honors and recognitions are bestowed for numerous reasons and indicate degrees of appreciation for services performed in specific groups.

Occasionally all of this material gets wrapped in one package and the recipient is elevated to an unusual height.

Clyde B. Webb was accorded such acclaim a short time ago by the Benevolent Protective Order of Elks in Tennessee.

Webb was inducted into the Elk's Hall of Fame.

This ceremony is paid for with a price of service to the member's Lodge, his community and his state.

Webb has traveled and is still journeying along this trail.

He is a successful banker, an avid supporter of education, a hard worker in civic endeavors and a skillful and capable legislator.

Someone put it correctly when they said that more is gained by listening than by shouting.

Clyde Webb has done this. He has listened to his constituents and to his conscience. Then he has shouted his convictions.

The Elks of the state of Tennessee did the right move when they inducted him into their Hall of Fame.●

EL SALVADOR

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. OBERSTAR. Mr. Speaker, during the past several months the expression by the American people of opposition to U.S. military involvement in El Salvador has influenced our policy with respect to that country.

The debate over El Salvador has demonstrated again the wisdom of informed public discussion of foreign policy in a democracy. The American people, in expressing their concern over military involvement in El Salvador, have caused the administration to reexamine its potentially disastrous foreign policy.

The administration has moderated somewhat the policy of Secretary of State Alexander Haig. As we continue out efforts to end the policy of military intervention in El Salvador, we should recognize the contributions that our informed constituents have made to the debate.

On April 11, I had the great privilege of addressing a public meeting in my district, a meeting called by citizens to express popular opposition to U.S. policy toward El Salvador.

The Northern Minnesota Committee on El Salvador organized a most effective program of speakers representing labor, church, and government.

I include for the RECORD a copy of my remarks from that meeting:

EL SALVADOR: AN AMERICAN DILEMMA

I want to congratulate you for the foresight, the decency, and the dedication to the great democratic principles of our country which motivate your stand here today to oppose a policy that goes contrary to the very principles upon which this country is founded.

I am proud to join you in opposition to an absurd policy of intervention in a country where the real enemies of the people are hunger, poverty, unemployment and repression.

The United States policy toward El Salvador is that we, the greatest nation on the face of this earth, are sending millions of dollars in military equipment to arm so-called government security forces that kill more innocent civilians than do communists, Marxists, Cubans and guerillas combined.

I am not here to talk about Vietnam, but America's experience in Southeast Asia is very much on our minds as we review the situation in El Salvador. Those who favor military aid to El Salvador say that Vietnam has paralyzed us, deprived us of the will to act decisively in our national interest, in the interest of democracy and freedom. That is ridiculous. We do not need a parallel with Vietnam to oppose aid to El Salvador. Our policy on El Salvador is wrong.

Former Ambassador White, who, in fact, supported military aid at one point and still supports economic aid, said in February:

"To the extent that you emphasize a military solution in El Salvador, you are going to be buttressing one of the most out-of-control, violent, bloodthirsty group of men in the world. They have killed—at a minimum—five or six thousand kids, just on the mere suspicion that they were involved with the leftists."

Ambassador White is not a Marxist, leftist, communist, or Cuban sympathizer. He is a realistic, professional diplomat who spent years in El Salvador. He recognizes that the policy of providing more arms and advisors, of emphasizing a military solution, overlooks the fundamental causes of unrest and instability in El Salvador and elsewhere in Central America.

The primary cause of violence in El Salvador and elsewhere in Central America and the Caribbean is not communism but human misery. Years of brutality and injustice leave scars not easily healed. They breed fear, hate, and mistrust, which military arms cannot suppress.

The people of El Salvador are desperately poor. The infant mortality rate is four times that of the United States. Functional illiteracy is over 90 percent.

For most of this century, the military have terrorized the people of El Salvador. In 1932, the military put down a rebellion of peasants seeking minimum wage laws and unemployment insurance; 30,000 people were killed.

A legitimate government protects the interests of the people; it does not destroy them. Legitimate government uses the military to defend the country from foreign attack—not to kill its own people in order to maintain the wealth of the few thousand descendents of the "Fourteen Families" who have owned El Salvador in the twentieth century.

Although we are here to discuss a policy which is wrong, there are some very positive aspects of the debate over that policy:

First, the very debate itself is healthy. It is in our democratic tradition. The people of El Salvador are not free to criticize their government's policy openly. This rally could not take place in El Salvador.

Second, we are strongest as a nation when we act in accordance with our fundamental democratic principles. We won two world wars when we fought the militaristic government of Kaiser Wilhelm in World War I and the fascistic, totalitarian regimes of Hitler, Mussolini, and Tojo.

Third, you and citizens like you all over the country are making a difference on the question of El Salvador. Three months ago, we would not have anticipated the public outcry at Secretary Haig's statements on El Salvador and the dispatch of military advisers to that country. We would not have guessed that President Reagan would place Vice President Bush above Secretary Haig in crisis management at the White House. Haig blundered in deciding to make El Salvador a personal symbol of his determination to get tough with the Soviets. Unfortunately, for Mr. Haig, the people with whom he has chosen to ally himself are more adept at killing innocent civilians than communists.

Historically, oppressive governments in Central and South America have found it useful to raise the cry "the Communists are coming" whenever the working people of their countries demanded more food, better wages, land reform, freedom of speech, and the right to participate in government.

Twenty years ago, Murat Williams, John F. Kennedy's ambassador to El Salvador, said that the right wing was screaming "the Communists are coming." I am amazed that the United States still falls for that ploy from the right wing in El Salvador.

In Congress, the news on El Salvador is beginning to be good. We have not stopped military aid, but a concerned Congress has put the Administration on notice that we have grave doubts about that policy.

On Wednesday, on a 4-4 tie vote, the House Inter-American Subcommittee rejected an amendment that would have terminated military aid or attached conditions to that aid. We came within one vote of winning that one in Subcommittee.

In late March, only because the Chairman of the full Appropriations Committee voted for military aid, a House appropriations subcommittee voted to approve the Administration's request for an additional $5 million in military aid.

Eighty Members of Congress, including myself, have sponsored H.R. 1509, legislation introduced by Congressman Gerry Studds, to terminate that aid.

I look upon each of these developments as very promising. Citizens have made a difference.

In January, Mr. Studds visited Central America with our colleagues, Barbara Mikulski and Bob Edgar, who is a Methodist minister. Because of warnings from the State Department, the three House Members were not able to visit El Salvador as they had planned. They did, however, have the opportunity to visit with and interview refugees who had fled the violence in El Salvador. Upon their return, they reported their findings to the House, concluding that U.S. military aid to El Salvador should be ended, and introduced H.R. 1509.

I would like to quote from their statement to the House Appropriations Committee of February 25, 1981:

"Both sides in El Salvador have committed acts of violence which cannot be justified by any standard of human decency. (Note that they placed blame on both right and left.) But we believe very strongly, on the basis of our conversations with refugees, and after consultation with others genuinely familiar with the recent history of El Salvador, that by far the greatest responsibility for violence and terrorism rests with those forces now receiving U.S. guns, helicopters, grenades and ammunition.

"It is these forces, far more than the opposition, that have been waging a special campaign of harassment, torture and murder against the larger segment of the Salvadoran population. There is no reason to believe that supplying these forces with more weapons will lead to anything other than an escalation of the violence, the future polarization of both Salvadoran and Central American politics and the radicalization of thousands of more within El Salvador." (End of quote.)

As Americans, we ought to understand this last observation. We ought to remember how the Founding Fathers responded to tyranny from the British government, which was the legitimate government of the Colonies. We responded by a Declaration of Independence. We did not wait for Parliament to pass an act to declare us independent. We fought a war to end oppression.

The question I have to ask myself as a citizen and as a Congressman is "Why should we send arms to El Salvador?" Unfortunately, many of my colleagues take the opposite approach: "Give me a reason not to send arms." What I want to know is: what are we—a democracy or an arms merchant?

I can think of very little that the people of Virginia, or Hibbing, or Ely, or Minneapolis, or Duluth, gain by increased arms sales to El Salvador. What do we gain by sending military advisors to be killed in Central America? We may face a situation somewhere in the world where such commitment may be necessary, but El Salvador is not the place.

Americans do not need to die so that American fruit companies can continue to enjoy a cheap supply of labor in Central America.

What does Mr. Haig propose to do if the American advisors are killed? There are probably only three options:

First, Withdraw the remaining advisors. Extremely unlikely, given the overall policy of intervention and toughing it out.

Second, Keep the advisors there, and let them be killed one-by-one. Absolutely unthinkable. Or

Third, Send troops to protect the remaining advisors.

The third is really the only option open to Mr. Haig if he were to persist in increasing the number of advisors.

Frankly, I don't think Congress will ever permit the situation in El Salvador to escalate to the level of Vietnam. Politically, you and our fellow citizens across the land are too concerned, too opposed to it, too powerful to permit that.

It is more likely that U.S. military involvement in terms of arms sales will grow to the point where a right wing government is temporarily stabilized. The destabilizing conditions of poverty, ignorance, and repression will remain. El Salvador may be "saved," but at what cost to that country and to Central America? Do we "win" El Salvador, only to lose Mexico?

We all have an interest in the establishment of a stable, civilian government. I do not want to see Soviet or Cuban influence expanded. I do not think that either Cuba or Russia would offer the people of El Salvador much happiness.

Our choice, happily, is not "either/or": either the right wing or the communists. There are peaceful solutions which can be pursued, with reasonable prospects for success.

We should not be victims to gross oversimplification. We do not need to support every right-wing military dictatorship no matter how ruthless, corrupt, and godless it is, just because it calls itself anti-communist. We have to recognize that they are doing so for selfish reasons—to perpetuate themselves in power.

You show not only deep compassion, but great courage as well, to come here today and join in this demonstration. There are people who are critical of you, me, and other participants in this demonstration. They would have us close our eyes to injustice; ignore crimes against wretchedly poor and defenseless people.

They would have us blindly support, with American money, arms and advisors, an El Salvadoran government of oppression, a government whose hands are soiled with the blood of its own people and make America a partner in that oppression.

We could sit back; you, in the comfort of your homes here across the Range, and I, in my other work in the Congress—sit back in silence. But we have learned from history that the consequences of silence are the rise of dictatorship and the suppression of people's rights.

All of us are a part of the family of man; when one of that family is denied his or her

heritage of freedom, it is denied to all of us. When we begin to think that this is "their" problem, not ours, we have already begun the inexorable corrosive process of limiting our own rights.

At the height of Nazi oppression, a Lutheran minister, Pastor Martin Niemoeller, wrote:

"First, they arrested the Communists—but I was not a Communist, so I did nothing. Then they came for the Social Democrats—but I was not a Social Democrat, so I did nothing. Then they arrested the Trade Unionists—and I did nothing because I was not one. And then they came for the Jews and then the Catholics, but I was neither a Jew nor a Catholic and I did nothing. At last they came and arrested me—and there was no one left to do anything about it."

Your presence here, your expression of solidarity with the people of EL Salvador, gives hope that the words of Pastor Niemoeller will not be the epitaph of this generation.●

THE VANISHING EXEMPTION

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. LaFALCE. Mr. Speaker, during the debate concerning the administration's radical proposal to reduce personal income tax rates on an across-the-board manner, virtually no mention has been made of the personal exemption.

One of the major arguments behind this proposal is the invidious impact of inflation on income tax rates, and there is no doubt that the so-called bracket creep is a serious problem for many taxpayers. However, inflation has had an even greater impact on another part of personal income taxes; and that impact has been virtually ignored.

Thirty-five years ago, the personal exemption rate was $500; today, it is $1,000. Yet, the general price level has quadrupled during those 35 years, which means that the real value of the personal exemption has been reduced by 50 percent for all taxpayers. That drastic reduction has not received much attention, despite the fact that the personal exemption affects each and every taxpayer.

Therefore, I want to commend to the attention of all my colleagues a very thought provoking article from the March 31 edition of the Washington Post, entitled "The Vanishing Exemption." The author is Alan L. Feld, who is a professor of law at Boston Unviersity. Professor Feld's article discusses two key aspects of the personal exemption. First, he addresses the question of equity, inflation and the exemption. Second, he reminds us of the basic reason for the existence of the exemption, which is all too often forgotten.

The article follows:

THE VANISHING EXEMPTION

(By Alan L. Feld)

In 1946, when a pound of bread cost about 10 cents, the Internal Revenue Code allowed every person to treat $500 of income as applied to necessities and exempt from income tax. In 1981, when inflation has increased the general price level for all consumer products more than four times the post-World War II level, this income tax allowance for necessities has only doubled, to $1,000 per person. In effect, inflation has cut the tax allowance for necessities by half.

Better known as the personal exemption, the deduction for basic household needs applies to every taxpayer and every dependent. Its function is fundamental in a tax system based on ability to pay. By excluding basic household needs from the tax base, the personal exemption limits the reach of the tax to discretionary income. In operation, the personal exemption provides a bracket below the tax rates stated in the tables, taxing at a zero rate an amount related to family size.

As might be expected, most of the personal exemptions claimed do not benefit wealthy people. In 1976, 91.9 percent of all the personal exemptions claimed appeared on returns reporting less than $30,000 in adjusted gross income.

Not surprisingly, the personal exemption no longer hits the mark in sparing necessaries from the income tax. The Labor Department's urban budget for a four-person family for autumn 1979 gives as its "low" budget an average annual expense figure of $12,585. By comparison, a family of four deducts $4,000 in personal exemptions. It can claim another $3,400 deduction for the zero bracket amount, the old standard deduction, but only by giving up an equivalent amount in itemized deductions such as medical expenses and state taxes. The total of $7,400 is about 60 percent of the "low" 1979 budget for necessaries.

Current proposals for tax reduction virtually ignore the personal exemption. The administration's proposal for across-the-board tax rate reduction do not include any adjustment in the personal exemption. Yet an important justification for those cuts lies in the effects of inflation.

Assuming an income earner can obtain the same real income by increasing dollar income just enough to adjust for inflation, the graduated tax rates will push the income up into higher brackets and increase the proportion of a household's income taxed by the federal government. To prevent an inflation-caused tax increase, the brackets need to be adjusted. As we have seen, the argument applies with equal force to the personal exemption. In fact, the present $1,000 level is exactly the same dollar amount for the personal exemption as prevailed from 1932 to 1939.

The personal exemption allocates deductions roughly on a per capita basis. An increase in the personal exemption provides a more evenhanded tax reduction than bracket adjustments. For a family of four earning $25,000 in wage income, the administration's proposal would cut taxes by $153 in 1981. If, instead, all the revenue cost went to enlarge the personal exemption, the net benefit to this family rises to $279.

Some purists have criticized the personal exemption as not going far enough because a deduction gives net benefits to high-bracket taxpayers that are greater than those for lower-bracket taxpayers. But, to paraphrase Lincoln, the Lord must have loved lower-bracket taxpayers, for he made so many of them. The personal exemption affects everyone who pays taxes; perhaps for this reason it has no special-interest constituency. To get taxes off the backs of the people, rather than just off the backs of the well-to-do, an increase in the personal exemption is both sound and compassionate.●

A MEDAL OF HONOR FOR VIETNAM VETERAN JOSEPH LUCA

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. MOFFETT. Mr. Speaker, I am introducing today a bill that would authorize the President to award a Medal of Honor to ex-marine and Vietnam veteran Joseph Luca, of New Britain, Conn. Joining me in support of this legislation are Mr. BRINKLEY, Mr. MAVROULES, and Mr. RATCHFORD. I hope to enlist the support of the rest of Congress for the passage this session of this important initiative.

Mr. Luca was recommended for the Medal of Honor by his commanding officer, then Capt. O. M. Whipple, for valorous service in Vietnam on March 5, 1967. On that day, Mr. Luca's Marine Corps battalion was on a search and destroy mission in Quang Ngai Province when it was pinned down by Viet Cong weapon fire. Mr. Luca repeatedly opened himself to this fire, and returned it, so that his wounded comrades could be dragged to safety. Said Mr. Luca of his valorous actions, which he performed at age 20:

I did my duty. I put my life on the line because I wanted to help others. I didn't do it because I wanted to be a hero. I did it because I had no choice. Someone had to do it.

Although the Medal of Honor was recommended by Lieutenant Colonel Whipple, the Marine Corps downgraded the award to a Navy Cross. Lieutenant Colonel Whipple, the eyewitness of Mr. Luca's actions, feels so strongly about this matter 14 years after the fact that he still strongly advocates the highest commendation our country can bestow on the brave ex-marine. The Marine Corps, however, will not reopen the awards case because there is no new supporting evidence in favor of Mr. Luca.

It is due to Lieutenant Colonel Whipple's strong feelings about the Medal of Honor for Mr. Luca that I first became involved in this matter. I have carefully reviewed the record, corresponded with numerous authorities, and requested a reopening of the case, but to little avail. Given Mr. Luca's service to the United States, in a war that has permitted little show of public gratitude, I felt it was appropriate last session to introduce a private bill awarding a Medal of Honor to this deserving Vietnam veteran. I am again

introducing this bill in the hope that the 97th Congress will endorse this befitting initiative, as a long-awaited commendation for a brave man, and as a gesture of understanding and support for the services of all Vietnam veterans.●

ILLICIT DRUG TRAFFICKING

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. ZEFERETTI. Mr. Speaker, last week, the Select Committee on Narcotics held a 2-day hearing in Los Angeles, Calif., to assess the extent of illicit drug trafficking on the west coast and to solicit the support and cooperation of the entertainment industry, the most influential segment in our society in a major drug prevention campaign. I was accompanied by my colleagues, TOM RAILSBACK, ROBERT DORNAN, BEN GILMAN, and LAWRENCE DENARDIS. Despite erroneous press accounts, this was our sole purpose, and we feel that we satisfied our objectives.

Mayor Tom Bradley of Los Angeles, Calif., Attorney General George Deukmejian, and Federal and local law enforcement officials testified as to the magnitude of the problem which was described as epidemic. Street crimes in Los Angeles which are drug related are increasing at an alarming rate and organized gangs are murdering to control their territory to sell drugs. The Los Angeles police are to be commended for their untiring efforts to combat the drug scene despite cutbacks in personnel.

The erroneous press reports as to the hearing were based in a large part by misleading statements made by certain Hollywood personalities who strongly objected to our hearing. The reports caused a paranoia within the industry, despite the fact that we came in a cooperative effort to seek the involvement of the entertainment industry in a drug prevention campaign, utilizing its facilities, expertise and talents. There was no statement by the committee to in any way indicate that we were targeting the entertainment industry. We were seeking assistance from the entertainment industry as we intend to seek from other industries and institutions which exercise a major influence in our society.

Fortunately, however, a leading Hollywood television producer, Alan Horn, president of Tandem Productions, Inc., felt committed to testify despite the strong pressure that he not appear. Mr. Horn described his company's recognition of the problems of alcoholism and drug abuse and their programing to convey a message in a constructive manner totally within the context of the well-known and loved characters in the television serial plays, such as "Archie Bunker's Place." Mr. Horn offered his cooperation with our committee to further inject such messages within his programing. Mr. Horn made clear, however, that this endeavor is purely voluntary on his part and future programing will be determined solely by his company without Government interference. We look forward to providing whatever assistance we can to Mr. Horn and any other Hollywood production company that seeks our assistance. Mr. Jack Valenti, president of the Motion Picture Association, who assisted us greatly in preparing for the hearing has graciously offered to serve as a liaison with the entertainment industry.

Here follows the full text of Mr. Horn's statement before our committee:

Good morning. My name is Alan Horn. I am President and Chief Operating Officer of Tandem Productions and T.A.T. Communications Company. In this position, I supervise all business and creative activities of our organization.

For your perspective, there are seven major production companies in the creative community: Universal; Columbia; Fox; Warners; MGM; Paramount; and Disney. In addition, there are approximately three hundred and fifty independent television production companies, the largest of which are Lorimar, Mary Tyler-Moore, Spelling-Goldberg, and Tandem/T.A.T.. Collectively, these seven majors and four independents do the majority of network programming. Tandem/T.A.T. are known primarily as producers of comedy, and our company virtually began with Norman Lear's "All in the Family," "Sanford and Son," "Maude," and "Good Times." In the current season, we have seven television series in production. We number some four hundred people, sixty-five of whom are writers, producers, and forty of whom are actors and actresses. As confirmed by our ratings, our prime time television series reach over two hundred million Americans a week. Episodes of our series that are no longer broadcast on the network (e.g. "All in the Family," "Sanford and Son") reach an additional forty million viewers per week in syndication.

Gentlemen, as I understand it, the purpose of this hearing is to explore how the entertainment community, and television in particular, can be responsive to what you have described as a nationwide drug abuse problem, a problem which leads to violence and crime among our nation's youth, and which manifests itself in our society at every level. Jack Valenti, President of The Motion Picture Association of America, Inc., has urged me to appear before this Committee to seek to explore with you ways in which we in the television industry can support the government's objective of prevention and education as a deterrent to drug abuse.

I volunteered to come here because I believe that we who create television programming have a unique opportunity to serve the interests of this Committee and, consistent with my commitment to the First Amendment, accept the Committee's purpose as just. I therefore offer my cooperation. I am representing only Tandem Productions and T.A.T. Communications Company. I do not purport to speak for others nor represent myself as a spokesman for my industry.

Television is present in nearly every American home and is watched, on the average, over six hours per day. Our primary purpose is simply to entertain, but we are mindful of our presence in the home and the power and pervasiveness of the medium. We strive to program what we believe to be in the best interest of the public, but we recognize that we cannot and do not always succeed. We do, however, enjoy the challenge of taking an issue of social relevance and dealing with it through the telescope of comedy. Obviously we must portray our situations with accuracy. Accordingly, our production company has a public affairs department one function of which is to bring issue-related subjects to the attention of the creative entities, and a research department to supply writers with research and facts; and to bring in experts to serve as on-the-scene consultants for writers, directors, and actors. The subjects we have dealt with over the years read like the front pages of every newspaper. To mention a few, they range from cancer, high blood pressure, heart attacks, and rape, to child abuse, gun control, manic depression, teenage suicide, alcoholism and drug abuse.

Television, of course, is neither the panacea nor the cause of our nation's problems. We cannot change the world. But what we can do is use the medium to shed light on a subject, to inform and educate viewers, and present a point of view. I believe television series are especially effective in this area because—as in real life—we are more apt to listen to a friend than we are to a stranger. The characters on television series really are people who are invited into the viewers' homes each week through the course of the year. The public comes to know and trust them and thus, the series in which they appear have more impact on viewers than a documentary, special, or two-hour movie. In a movie, for example, the viewers must first get to know the character, then decide if he likes and trusts the character, then has to identify the problem or issue being developed, and finally resolve the problem

In episodic television, the viewers come to know our characters the way individuals get to know friends and follow them as they grow and change. When a character experiences a problem with drugs or alcohol, the viewer can lived through that experience because he cares about the character as he would about any other friend. Using the Committee's subjects of drug abuse and alcohol as examples, I've attached story lines of episodes in Tandem/T.A.T. series dealing with these issues to this statement. To quote Norman Lear, "We love to show real people and real conflicts with all their fears, doubts, hopes, and ambitions, rubbing against their love for one another." We do what we do, not because we expect to change the world, but because it's fun and because we care.

With all the media attention given to these hearings, and the reaction in the entertainment industry to suggestions of a Congressional "witch hunt" with regard to drug abuse by members of our community, I would like to comment on the recent TV Guide articles: "Hollywood's Cocaine Connection, Parts I and II."

I will not question the motive of the TV Guide publishers, but I do think it's important to state that the entertainment community, in my opinion, does not suffer from

drug abuse or illegal use of drugs any more than any other community in the United States. I believe that the articles were excessive and misleading in their characterization of the television business. By that I mean that when a reader puts down the articles he is left with the clear impression that drugs, and cocaine in particular, are the very currency with which the television community does its business. Nothing could be further from the truth. In my eight years as a television executive and producer, on both business and creative levels, through countless meetings with network executives, producers, writers, story editors, actors, and actresses, cocaine not only was never profered, but never mentioned or discussed as a substance of trade, currency or exchange. Not once. Is it conceivable that running a television operation of our size, I would not have encountered it, were it so widespread and important a business practice? As if it were not eminently clear from the ratings warfare which is waged daily among the three television networks, let me state that television is a business, like any other business, and decisions are made in the light of their intended impact on profitability. This dollar-mindedness is tempered by an awareness of our public responsibility and the reflection of our medium in light of its pervasive influence. Drugs have simply nothing to do with the process. We are, if nothing else, simply too busy, and have neither the time nor the inclination to participate in such activity. It is indeed unfortunate that an entire industry, an industry of which I am terribly proud, finds itself slandered, and convicted by unsubstantiated allegations and cloudy inneundos. The entertainment business is a tough business and it can be incredibly frustrating. It can also be wonderful; and I'm proud to be a part of it. Thank you.

Attachments follow:

"ARCHIE BUNKER'S PLACE"

TOUGH LOVE

Finding Veronica passed out on the kitchen table one morning forces Archie and Murray to recognize her serious drinking problem. Murray sends her to his doctor who accepts her claim she is not an alcoholic and he prescribes tranquilizers for the tensions she blames her drinking on. Veronica mixes the pills and liquor and ends up in the hospital. The doctor there recommends Alcoholics Anonymous and agrees that Archie's tough approach may help more than Murray's "understanding" one, and when Archie finally fires Veronica for preparing to drink again, she breaks down and then calls AA.

"GOOD TIMES"

THE EVANS' DILEMMA

Failure to find employment after injuries ended his football career sends Keith into a deepening depression and rage and finally to the bottle. But it may be too late by the time Thelma discovers the alcoholic secret behind the change in her husband.

"HELLO, LARRY"

DIANE DRINKS

Sixteen-year-old Diane arrives home drunk and then admits it's not the first time. Her father, Larry, a radio host, begins to delve into the problem, discovering that the problem is not unique to his family (the National Council on Alcoholism lists 3.3 million American teenage alcoholics and many other 14- to 17-year-olds having drinking problems heading toward alcoholism—a 45 percent increase from 1976–1979) and he devises a method to help his own daughter and, perhaps, other families as well, through his radio program.

"THE FACTS OF LIFE"

DOPE

Blair and Sue Ann opt to forsake their other friends and join an exclusive group of girls, but they're not quite sure they're ready to be initiated into the new group's favorite pastime: marijuana. Sue Ann experiments, but a surprise revelation soon results in the group being expelled from school.

"GOOD TIMES"

J. J.'S FIANCEE—PARTS I AND II

J. J. makes a surprise decision to marry the "neighborhood weirdo" who is known for her peculiar moodiness. When his family balks at the move, the pair elope. J. J.'s fiancee begins acting strangely at a motel and disappears out a bathroom window—heading off to find a fix; she's a junkie.

"ALL IN THE FAMILY"

ARCHIE'S BITTER PILL—PARTS I AND II

Unable to cope with bad business, and worried he will lose his saloon, Archie is talked into taking drugs in order to "relax." The family discovers his addiction when he overdoses at the bar.

Mr. George French, president of the Listen America Foundation in California, a major drug prevention organization founded by Art Linkletter to influence young people away from drugs, testified as to the origin of the organization, its purpose, and its future planning. Listen America enlists youngsters to pledge total abstinence from alcohol, smoking, and drugs, and to perform community work. An incentive is an annual award of $5,000 and a new car to the outstanding student, plus scholarships and other prizes to runners-up. Mr. French was accompanied by Marla Weiss, Michael Smith, and Michael Sokoloff, who were finalists in the program. They related their personal experience and satisfaction in dissuading their peers away from drugs.

Mr. French and Mr. Linkletter are to be commended for their program which strives not only to protect the health of our youth but also to promote good citizenship and fruitful lives. The organization is expanding nationally, and we wish it every success.

The cooperation between Federal, State, and local law enforcement is good; however, the proposed cuts in customs personnel on the west coast and the shifting of planes to other parts of the country at a time when the influx of illegal drugs continues unabated is of grave concern, and our committee will explore this issue thoroughly with the administration.

To appreciate the impact of proposed budget cuts on the U.S. Customs Service, consider that our Nation has about 300 ports of entry and more than 100,000 miles of border between those ports—including the bays, canals, and inlets along our ocean borders—all of which must be protected by the Customs Service, the primary Federal agency charged with the responsibility for stopping drugs at the border. To cover this massive area, the Customs Service today has only about 14,000 men and women in the entire Service, a few small boats and about 67 aircraft which are mostly marginally serviceable. Some of the aircraft have been grounded at times by the FAA for safety reasons, and most are not equipped to fly at night or over water.

The present annual budget for the Customs Service is less than $500 million. At the same time, through customs duties, the Service brings into the Federal Treasury billions of dollars each year. Whereas, the drug smugglers also have a multibillion dollar operation. The major difference, however, is that theirs is tax free and equipped with highly sophisticated planes, boats, and electronics.

It is well known that almost all of the illegal narcotics and drugs used in our country are produced outside the United States and must be smuggled through our ports and across our borders. And yet, the U.S. Customs Service, with its mission of protecting our borders, is expected to withstand the proposed budget cuts resulting in the loss of 1,168 positions—about an 8-percent manpower loss—and a reduction of 25 of their aircraft. The results are clear. It is a losing battle, and our losses are counted among the many who suffer hundred-thousand-dollar-a-year heroin habits and the numerous citizens who are victims of robberies, beatings, and murders each day caused by those who are financing their very expensive habits.

Paraphrasing a statement made recently by a top adviser to the President, who indicated that while budget-cutting is a worthwhile venture, "It means little to citizens who are being robbed and murdered." I would hope that we in the Congress, working with the administration, can reevaluate our priorities and take a serious look at budget cuts which reduce even further our already inadequate drug interdiction forces at the border.●

PROTECTING THE PRESIDENT

HON. ALBERT LEE SMITH, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. SMITH of Alabama. Mr. Speaker, yesterday I introduced a bill which I feel will strengthen one aspect of the protection of our President, Vice President, and those in the line of succession and also those whose job it is to assist and protect the President.

We have all witnessed—unfortunately again—the horrible tragedy of an attempted assassination on our President. We have been shocked and frightened. We have questioned our society's ability to continue to operate. We have discussed various weapon regulatory policies. We are all searching for ways to end these sad scenarios.

The bill I have introduced will, I feel, move us closer toward our goal. It calls for a penalty commensurate with the henious crime we are confronted with. It will make the death penalty mandatory for anyone who kills, or attempts to kill, the President, President-elect, Vice President, Vice-President-elect, or anyone in the line of succession acting as President. It also provides for the death penalty in the event any Federal officer or employee is murdered while exercising his duty in protecting the President.

Certainly deciding life or death for a human being is a determination our Nation has always regarded with the utmost gravity. Historically, we as a people have had a high view of life and have created a judicial system which protects life from unwarranted abuse and destruction. We must be determined in this light to use every means at our command to protect those who lead us.

The presupposition basic to any functioning government is that an elected or appointed leader will have the opportunity to exercise leadership.

Unfortunately, we have witnessed a significant number of assassinations and assassination attempts in the recent past, and the phenomenon of assassination has played a recurring role in American politics. To date, the United States has had a total of 9 Presidential assassination attempts, 16 attempts at the congressional level, and even higher figures for lesser officials. Preliminary FBI figures show that violent crime soared by 13 percent in 1980—the biggest jump in 12 years.

Chief Justice Burger earlier this year before the American Bar Association asked, "Is a society redeemed if it provides massive safeguards for accused persons—and yet fails to provide elementary protection for its law-abiding citizens?"

Justice William Rehnquist just Monday voiced his alarm at the deterioration of our society's ability to protect the innocent: "When our systems of administering criminal justice cannot provide security to our people * * * we are rapidly approaching a state of savagery," said Rehnquist. He called on our courts not to weaken the deterrent effect of capital punishment by hindering its implementation. He further stated, "In our Nation's Capital law enforcement authorities cannot protect the lives of employees of this very Court."

Certainly the time has come for us to restore some rationality in our dealings with those who break our laws, and it is fitting that we in Congress begin this restoration by doing what we can to protect those who lead us.●

CALIFORNIA CONFERENCE OF MACHINISTS TO HONOR RETIRING SECRETARY-TREASURER JOHN T. SCHIAVENZA

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. ANDERSON. Mr. Speaker, on May 7, 1981, the California Conference of Machinists will host a dinner at the Woodlake Inn's grand ballroom, 500 Leisure Lane, Sacramento, Calif., to honor the retirement of its secretary-treasurer, and my good friend—John T. Schiavenza.

After graduating from Berkeley High School in Berkeley, Calif., John went to work for Marchant Calculators. In 1937, at the age of 21, John had organized the laborers of this company and was off to a good start in a labor organizing career. He became a charter member of the International Association of Machinists (I.A.M.), Local 1566 in 1937. He married Bernice Andre in 1941. In 1946 he was elected to business manager, and in 1953 he served as part-time secretary-treasurer of the California Conference of Machinists. He was elected to full-time secretary-treasurer in 1971, serving a membership of 150,000 with 115 machinists local lodges affiliated with I.A.M. and aerospace workers, and California Machinists Non-Partisan Political League.

John's concern for his community has motivated him to participate in over half a dozen advisory committees. He has served in the following capacities: member of special advisory committees for the California attorney general's office and for Senator John Holmdahl; trustee for the California Metal Trades Association/I.A.M. Pension Funds; trustee and member of the board of directors International Guiding I.M.C., Inc.; member of the San Leandro Service Center; member of the I.A.M. Bylaw Committee in 1972; member of the National Planning Committee in 1962; member of the Alameda County Grand Jury in 1963.

In addition, John was the recipient of the City of Hope Spirit of Life Award in 1973.

My wife, Lee, joins me in wishing the very best in the years ahead for John, his wife Bernice, their children, Judy, Madigan, and Jim Schiavenza, and their grandchildren, Matthew and Mitchell.●

A TRIBUTE TO THE LATE GREAT JOE LOUIS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. STOKES. Mr. Speaker, when I heard that the great Joe Louis had died at the age of 66 on April 12, I felt as though one of the last stars of this Nation and the beacon of hope in the black community had been snuffed out. I know that many other people across this Nation, black and white, rich and poor, shared my initial reaction.

But, Mr. Speaker, then I began to reminisce about the greatness of Joe Louis and what he meant to the people of this Nation. I came up with a different conclusion. I would like to share those impressions at this time with my colleagues.

Mr. Speaker, not only was Joe Louis the best heavyweight of all times, but he was the inspiration for those who had long before lost all hope of getting a piece of the American dream. For that group, especially black Americans, he embodied the ultimate success story.

Because of this, Mr. Speaker, Joe Louis became an American folk hero. He was the man that brought a depressed America to its feet every time he boxed. Joe Louis was also the cohesive force that brought a segregated and inequitable Nation together as it rallied around its hero. Finally, Joe Louis was the tower of strength that took black Americans with him as he climbed the ladder of success in the boxing ring.

Mr. Speaker, the man, Joe Louis, was an intricate and almost contradictory mixture of physical and moral strength, honesty and keen sensitivity to the plight of others. The "Brown Bomber," as we affectionately called him, could knock out the most difficult opponent with one blow. At the same time, his compassion and love for his country led him to give exhibition matches for our servicemen and donate large purses to World War II service relief.

Black Americans embraced Joe Louis as a credit to our race and an inspiration. For during the 1940's, this strong son of humble southern roots turned premiere boxing superstar, was the only star we had.

But, Mr. Speaker, his presence and greatness actually transcended color. He was, in every sense of the phrase, a credit to the human race.

Joe Louis was that kind of individual who comes into public view perhaps only once in a lifetime. He let us know that physical strength and compassion can be used to win sporting matches as well as the games of life.

Joe Louis was the quiet yet effective transmitter of this lesson of pride and togetherness. Consequently, he ascended to the role of being our champ both in and out of the ring.

Mr. Speaker, after reviewing my remembrances of Joe Louis, I realized that the star I spoke of at the beginning had not dimmed. Rather, the shining star of Joe Louis—the man and the legend—has merely climbed to a higher level of existence.

In closing, I hope that my colleagues will join me in sending condolences to his wife, Martha and family. Good night Joe. As usual, you fought a good fight.●

A VOTE FOR FREEDOM

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. MITCHELL of New York. Mr. Speaker, "A vote for freedom"—that is the way that General Bernie Rogers, the Commander of U.S. Forces in Europe, described the reestablishment of the GI bill in his recent appearance before the House Armed Services Committee. Witness after witness in the past few weeks has eloquently echoed the same sentiment. All have expressed their appreciation for the substantial increase in military compensation enacted during the last Congress, but have warned that many perils still lie ahead.

I could not agree more. The 96th Congress passed a landmark package of improvements in pay and allowances for military personnel. It is important to remember that these were basically a series of remedial measures to correct a rapidly deteriorating military manpower situation about which some of us had been warning for a considerable period of time. We must be very careful that we do not allow any backsliding to the sort of smug complacency which characterized the past administration's—and to some extent, Congress—approach to military personnel problems in recent years.

We have been caught by both sides of the manpower vise: recruitment and retention. On the one hand, the quality of our new recruits, in terms of both educational attainment and mental aptitude, has been declining. Among Army enlistees, approximately half are in the lowest mental category acceptable for military service; only slightly over 50 percent are high school graduates. At the same time, retention has taken a sizable downswing. We are losing not only first-termers, but also those in their second and third enlistments. As the handle of the vise has been steadily tightened, we are being literally squeezed out of our capability to operate and maintain the increasingly complex weaponry upon which our national security rests.

How do we loosen the stranglehold and extricate ourselves? Obviously, there is no one answer and no quick fix. We made substantial progress last year and the results are already being seen in an initial improvement in retention rates. It is important to assure that pay keeps pace with inflation and that we provide adequate bonuses and special pays for skills in short supply. We are overlooking a major possibility, however, if we do not focus our attention on education. Useful though enlistment bonuses may be, they are simply not attracting enough of the high caliber individuals needed to cope with today's level of technology. We should consider the growing value of a good education as an additional incentive to military service. How do we pay the cost? We must examine the reallocation of other higher education dollars in the Federal budget.

The Federal Government is currently investing substantial sums in assisting the young men and women of America in attaining a college degree. During the last fiscal year, the taxpayers footed the bill for nearly $5 billion. In the tight budgetary years which lie ahead, it is time to reevaluate whether we are getting the most for our money. Not only is there no obligation to the country in return for these substantial funds, but many who are helped fail to even pay the money back. Recently, the Justice Department filed 501 lawsuits in three Ohio cities to recover more than $660,000 in unpaid Federal higher education loans. According to U.S. Attorney James C. Cissell: "Nationally, the amount in default for this single student loan program was $732 million, an amount more than four times greater than all the robberies in the Nation in 1978." This is a sobering statistic, to say the least. We are not getting sufficient return on the public funds being spent for higher education.

I am pleased to join in the introduction of legislation to reestablish a new GI education bill. Let me highlight a few points. First, I am suggesting a reinstitution of the Vietnam-era GI bill, because it is an easily understandable program of benefits with a proven success record. We cannot write a single prescription for a miracle drug to heal all of our military manpower woes and will be sorely disappointed if we try to do so. A basic GI bill for all veterans, in return for honorable service, has worked well in the past and, so long as the payment rates keep pace with inflation, I feel it will do so in the future. We should not attempt to fully solve the recurring problem of shortages of personnel in certain skill categories through the GI bill; this is better—and more equitably—addressed through bonuses and special pays, rather than by restricting educational assistance to only some service members.

There is legitimate concern that an educational benefits program may encourage the service man or woman to leave active duty at the end of the initial tour of duty in order to take advantage of their entitlement. The legislation I am proposing incorporates several features to counteract this trend. First, as under the Vietnam-era bill, in-service use would be authorized. As a further inducement to remaining on active duty, the bill provides an educational leave of absence after finishing one enlistment. The military member would be able to, in effect, take up to a year off from being a soldier, sailor, airman, or marine to attend school on a full-time basis. While not receiving basic pay, he would be provided his quarters and subsistence allowance and could use his GI bill benefits to underwrite the costs. At the end of the leave, he would return to active duty with an obligation to pay back 2 months' service for each month's absence.

With the flexibility embodied in this plan, the individual would be able to tailor an education program to his or her specific needs. For example, in some academic disciplines, particularly the scientific and technical fields, it is difficult to finish last year's courses for degree requirements at night. The student often either takes the necessary upper division classes during the day or changes majors. The leave of absence program would make it no longer necessary for some active duty personnel to choose between their military careers and completion of their college degrees.

I can personally testify to the value of the GI bill, having used my benefits to go to school after World War II. It is a good investment, not only in the individual, but also in the country's future. Ultimately, payments received are returned to the Treasury several-fold through taxes paid on the former student's increased earnings' capability. We made a mistake when we allowed the GI bill to die in 1976. I voted against terminating that program. Now is the time to rectify the situation: our young people, the military services, and the Nation will be the better for it.●

MARTIN LUTHER KING AS A UNIFYING FORCE

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. CONYERS. Mr. Speaker, last April 4—the 13th anniversary of the

assassination of Dr. Martin Luther King, Jr.—citizens met in 36 seminars and teach-ins across the country to rediscover, and build upon the moral force of, Dr. King's political thought and practice for this generation of Americans.

Three seminars in Washington explored King's economic philosophy, his concept of the world community, and the struggle he led for civil liberties and human rights. The discussions focused as much on his political practice as it did on his social thought.

At the civil and human rights seminar, a scholar from Stanford University, Dr. Clayborne Carson, presented a paper entitled, "Martin Luther King as a Unifying Force in the Black Struggle." The diversity of attitudes and views among the groups that comprised the civil rights coalition required King's constant efforts at reconciliation and unification. Having created and sustained the greatest political coalition for constructive change in modern America, Dr. King emerged as an extraordinary leader, one of a handful of truly influential leaders in the world of his day.

Dr. Carson's paper contains many lessons for dealing with the political problems of the present day. I recommend it to my colleagues. Dr. Carson is a professor of history at Stanford University and his paper was adapted from his recent book, "SNCC and the Black Awakening of the 1960's," published in March by Harvard University Press.

The paper follows:

MARTIN LUTHER KING AS A UNIFYING FORCE

Much has been said about Martin Luther King as a orator, as a mobilizer, as a strategist for the black struggle, but little has been said about another role which I think was equally important as these public roles. I became familiar with this less well-known side of King as I began to study the Student Nonviolent Coordinating Committee (SNCC). As most of you probably already know, SNCC was often critical of King's leadership, believing him to be too cautious and believing that the black struggle should stress the development of local leaders rather than become dependent upon the occasional charismatic presence of King. Yet, despite the fact that SNCC's criticisms of King sometimes became public and despite the fact that there were constant tensions in relations between SNCC and SCLC, I found that the attitudes of most SNCC workers toward King were ambivilant rather than hostile. I also found that King's attitudes toward SNCC's militancy were similarly complex.

I was struck by the extent to which SNCC workers respected King even as they criticized him, saw the necessity of his charismatic role even as they tried to build a movement that did not rely on great leaders. King, for his part, recognized the necessity of what SNCC was doing in the deep South, and, in a variety a ways, he tried to assist or at least not hamper that work. The picture that emerged of King was of a leader who was caught in the difficult position of constantly having to reassure moderates whose support he needed and yet to refrain from comments that would be destructive to those in SNCC who wanted greater militancy.

There are many incidents I could use to illustrate this notion of King as a unifying force between militant and conservative elements of the civil rights movement. It is worth noting that King might well have brought the student activists at SNCC's founding conference into his own organization. When the student activists met in the spring of 1960, King was the featured speaker. He was greatly admired by the students, and Ella Baker, the Executive Director of his organization has loaned the funds to finance the student meeting. If he had supported the efforts of those within his own organization who wanted to create a student arm of SCLC, they might well have succeeded. He did not lend his support to these efforts, and the students were able to build their own organization.

In subsequent years there were many conflicts between SNCC and King, but King consistently refrained from publicly criticizing SNCC. There must have been many occasions when he was tempted to do so, especially when SNCC activists directly challenged his leadership during the Montgomery protests of 1965. But even in 1966, when it became obvious that SNCC and SCLC were on conflicting courses, King refused to enhance his own popularity by capitalizing on SNCC's increasing unpopularity among white liberals and black moderates. It is these events of 1966 that I wish to discuss briefly.

Some of you might recall that 1966 was a critical year in the black struggle. In January of that year, SNCC became the first civil rights organization to take an official stand against the war. King was under intense pressure from moderates in the civil rights movement who argued that an anti-war stand would hurt the movement. King's private anti-war position was not really private. He had urged blacks to get involved in the peace movement, but, like other black leaders who held similar private positions, he was not yet willing to take the step of publicly attacking the war policies of Lyndon Johnson. King still hoped that he could retain his ties with Johnson while at the same time developing ties with the rapidly expanding anti-war movement.

SNCC's anti-war statement unleashed a flood of criticism and left the organization more isolated than ever from the Johnson administration and the mainstream of the civil rights movement. Clifford Alexander privately advised Johnson that a possible course of action would be to "have the six Negro Congressmen issue a statement expressing the wholehearted support of the Negro people for our actions in Vietnam." Other Johnson administration officials urged moderate black leaders to disassociate themselves from SNCC's position. Johnson advisor Louis Martin talked with NAACP leader Roy Wilkins about the SNCC statement, and soon afterwards Wilkins condemned SNCC in his nationally syndicated newspaper column. Many black leaders, of course, needed little encouragement to attack SNCC. After meeting with Wilkins and Clarence Mitchell of the NAACP and Whitney Young of the Urban League, Vice-President Hubert Humphrey reported that the black leaders were disturbed that the administration appeared to treat leaders of all civil rights groups, including SNCC, "with a sort of benevolent equality," despite the fact that SNCC had engaged "in the most outrageous attacks on the President and the Administration."

It is clear from the available records that the Administration's principal concern was what Martin Luther King would do on the war issue. Alexander, for example, indicated that his main concern was King and informed Johnson that he would talk with Andrew Young "to impress on him the seriousness of the (SNCC) statement and the over-all negative consequences of it for the civil rights movement."

Despite the considerable pressures that were brought to bear on him, King did not join in the new attacks on SNCC. Moreover, he publicly came to the defense of SNCC leader Julian Bond after Bond was denied his seat in the Georgia legislature because he had backed SNCC's anti-war stand. King and SCLC eventually did take an official stand against the war. When this happened King was subjected to attacks even stronger than those that were directed against SNCC.

Later in 1966, King was again put on the spot when SNCC chairman Stokely Carmichael proclaimed the black power slogan during the Mississippi march held after the shooting of James Meredith. Again, nearly all the national black leaders used the occasion to condemn SNCC. Roy Wilkins declared, "We must reject calls for racism whether they come from a throat that is white or one that is black." Whitney Young of the Urban League announced that his organization would repudiate any group that had "formally adopted black power as a program, or which (tied) in domestic civil rights with the Vietnam conflict."

King faced a different dilemma in responding to the black power controversy than he did in responding to the Vietnam issue. He privately opposed Carmichael's use of the black power slogan, and was doubtless angered by the efforts of SNCC activists to embarrass him during the march. King was caught in the gulf between moderates and the growing number of young blacks whose allegiance was shifting toward Carmichael. King criticized the black power slogan on grounds that it connoted anti-white feelings, but when other black leaders issued a statement repudiating black power, he resisted pressures to sign it. He stated that he did not want to associate himself with any effort to "excommunicate" black power advocates.

During the final two years of King's life, his popularity declined as he, like those in SNCC, moved beyond the issue of civil rights reform toward a broader conception of the black struggle. There were still many differences separating King and SNCC, but I think that it was during those final years that King's heroic qualities became most evident. I would argue that the true test of leadership is not to mobilize people to do what they would do on their own but rather to move people to do what they might not do on their own, not to see what we already see, but to teach us to see the world in a new way. The Martin Luther King who spoke at the March on Washington expressed feelings many of us had but could not have expressed with such eloquence. The Martin Luther King who lead the Poor People's Campaign expressed feelings that many of us perhaps should have had but did not always express for those black people who had not benefited from the civil rights reforms of the 1960s. King could have been content to rest on his laurels, to become an elder statesman expressing platitudes at dinners in his honor. Instead, he chose to continue a dangerous course, climbing the

mountain from which he could see the promise land.

I would like to close by reading a selection from King's final book, Where Do We Go From Here: Chaos or Community? In the book he explains why he did not disagree with Carmichael's use of the Black Power slogan on the March through Mississippi, but he also offers one of the most succinct statements that has yet been written on the necessity of the ideas that are reflected in that slogan. Black Power, he wrote,

"* * * is a response to the feeling that a real solution is hopelessly distant because of the inconsistencies, resistance and faintheartedness of those in power. If Stokely Carmichael now says that nonviolence is irrelevant, it is because he, as a dedicated veteran of many battles, has seen with his own eyes the most brutal white violence against Negroes and white civil rights workers, and he has seen it go unpunished * * *.

"There is also great disappointment with the federal government and its timidity in implementing the civil rights laws on its statute books * * *.

"The disappointment mounts as they turn their eyes to the North. * * * The economic plight of the masses of Negroes has worsened. The gap between the wages of the Negro worker and those of the white worker has widened. Slums are worse and Negroes attend more thoroughly segregated schools today than in 1954.

"The Black Power advocates are disenchanted with the inconsistencies of the militaristic posture of our government. Over the last decade they have seen America applauding nonviolence whenever the Negroes have practiced it * * *. But then these same black young men and women have watched as America sends black young men to burn Vietnamese with napalm, to slaughter men, women and children; and they wonder what kind of a nation it is that applauds nonviolence whenever Negroes face white people in the streets of the United States but then applauds violence and burning and death when these same Negroes are sent to the field of Vietnam * * *.

"[Black Power] in its broad and positive meaning, is a call to black people to amass the political and economic strength to achieve their legitimate goals. No one can deny that the Negro is in dire need of this kind of legitimate power * * *. There is nothing essentially wrong with power. The problem is that in America power is unequally distributed. This has led Negro Americans in the past to seek their goals through love and moral suasion devoid of power and white Americans to seek their goals through power devoid of love and conscience * * *. Finally, Black Power is a psychological call to manhood. For years the Negro has been taught that he is nobody, that his color is a sign of his biological depravity, that his being has been stamped with an indelible imprint of inferiority, that his whole history has been soiled with the filth of worthlessness * * *.

"The tendency to ignore the Negro's contribution to American life and strip him of his personhood is as old as the earliest history books and as contemporary as the morning's newspaper. To offset this cultural homicide, the negro must rise up with an affirmation of his own Olympian manhood. Any movement for the Negro's freedom that overlooks this necessity is only waiting to be buried. As long as the mind is enslaved the body can never be free. Psychological freedom, a firm sense of self-esteem, is the most powerful weapon against the long night of physical slaver. No Lincolnian Emancipation or Kennedyan or Johnsonian civil rights bill can totally bring this kind of freedom. The Negro will only be truly free when he reaches down to the inner depths of his being and signs with the pen and ink of assertive selfhood his own emancipation proclamation."

No wonder then, that Cleveland Sellers, one of the SNCC activists who took part in the Mississippi march, wrote afterward that one of the most important aspects of the experience was:

"* * * the deep friendship that developed between Dr. King and those SNCC members who participated in the march. I have nothing but fond memories of the long, hot hours we spent trudging along the highway, discussing strategy, tactics and our dreams.

"I will never forget his magnificent speeches at the nightly rallies. Nor the humble smile that spread across his face when throngs of admirers rushed forward to touch him. Though he was forced by political circumstance to disavow Black Power for himself and for his organization, there has never been any question in my mind * * * that Dr. King was a staunch ally and a true brother.●

MIDDLETOWN, OHIO, TASK FORCE ON FEDERAL SPENDING

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. KINDNESS. Mr. Speaker, A group of citizens in the Eighth Congressional District of Ohio have recently made a significant contribution toward President Reagan's goal of bringing Federal spending under control. These citizens of Middletown, Ohio, formed a task force on Federal spending. It resulted from a need recognized by the Middletown Area Chamber of Commerce to develop a mechanism for reinforcing the public mood for a dramatic reduction in the growth of Federal spending and realistically determining local effects of such a change.

The members of the task force felt that if there were a greater awareness of how much Federal money was being spent in their own community, and how it was being spent, they would be in a better position to determine where reductions and economies could be effected. They would also be in a better position to recommend less costly alternatives.

The specific objectives of the task force were as follow:

To indentify the nature and scope of Federal funds flowing into Middletown; to create public awareness of the use of Federal dollars in the community, and to develop a format for a review process that other communities might find useful in similar projects.

The task force made the following general findings about federally funded programs:

First, many programs exceeded the original intent;

Second, high administrative costs hamper many programs;

Third, overly broad eligibility requirements have resulted in some programs growing out of control;

Fourth, there is much duplication of effort; and

Fifth, many programs actually have work disincentives built into them.

Their recommendations for reducing Federal expenditures include the following:

First, tighten eligibility for programs such as school lunches and food stamps.

Second, administrators' ability to verify eligibility information should be enhanced, and the authority to monitor this information on an ongoing basis should be expanded.

Third, increased emphasis should be placed on the use of Federal block grants.

Fourth, basic social security benefits should remain intact with the exception of the minimum benefit provision. Also, survivor benefit assistance for students between the ages of 18 and 22 should be eliminated. The requirements for disability insurance should be tightened.

Fifth, the Consumer Price Index should be eliminated as the index for adjusting social security and other programs.

Sixth, the public service employment phase of the CETA program should be eliminated.

Seventh, Federal funding for low-income housing should be reviewed with an eye to reducing these subsidies.

Eighth, more use should be made of local funds, including user fees, and private sources.

Mr. Speaker, I commend the members of the Middletown, Ohio task force for the outstanding and inovative work they have done, and for the very useful example they have set for other communities. If the Congress needs further encouragement to bring Federal spending into line, responsible people like those Middletonians in communities all over the United States can provide the ideas and encouragement. I would be happy to share copies of the report of the task force with those who have an interest in it.●

IMMIGRATION STATEMENT

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. DAVIS. Mr. Speaker, the 1970's have been a period of realization for America that her economic power and resources are not limitless. The American public has painfully learned that our supply of energy is finite and that

it must be conserved. This same philosophy of limits also can be applied to the Nation's immigration problems. During the 1960's and early 1970's the United States allowed massive flows of immigrants to enter each year. At that time the economy was growing and strong. Inflation was about 4 percent and the unemployment rate was around 5 percent. In addition, gasoline sold for about 35 cents a gallon. The economy and society had plenty of opportunities for all who wished to work hard, including those people from other nations escaping economic hardships in their homelands. At present the Nation must collectively tighten its belt. The economy is starting to contract instead of grow. Inflation is is about 12 percent and unemployment is reaching 9 percent. In light of this situation, American society has fewer opportunities for its own people not accounting for immigrants who wish to enter and live in the United States. The country must realize that its ability to accept immigrants, like its ability to consume foreign oil has limits and must be controlled.

Presently, the United States has very little control over its immigration policy. We as a nation are accepting more immigrants now than in any other time in American history. There are two loopholes in the present immigration policy that have allowed this situation to exist. The first loophole is in the 1980 Refugee Act. This act sets a limit of 50,000 refugees to be admitted in any one year. However, the President is able to increase this ceiling to allow many more refugees into the country. As a result, over 231,000 refugees entered the United States last year. Most of these people will be granted permanent resident status. To make matters worse the impact of this influx of people is not equally spread throughout the country, but concentrated in pockets such as Miami, Fla., and Seattle, Wash. Specifically these refugees are eligible for most public subsidy programs like food stamps and aid to families with dependent children. This has put a great strain on these areas of the country where refugees tend to migrate. In addition, the Federal Government has no system to process refugees that arrive in large numbers. This situation creates unrest and resentment between the refugees and the communities where they live. The second loophole in the immigration policy is the enforcement of the laws controlling the influx of illegal aliens. In 1980, it is estimated that between 100,000 and 500,000 illegal aliens entered and stayed in the United States. Illegal aliens come to the United States to find better employment opportunities than what is available in their home countries. This influx of people has been so great that illegals have begun to directly and indirectly displace legal residents from jobs. Directly, illegal aliens are willing to work for less pay and in poorer working conditions than legal residents. In some cases this means working for less than the minimum wage and illegally unsafe working conditions. The majority of the jobs illegals take are ones in the secondary labor market. These are the jobs that normally go to teenagers and unskilled workers. Thus the illegals are displacing residents from the sections of the labor force that is presently experiencing the highest unemployment rates. Indirectly, illegal aliens keep whole sections of the labor market in a state of providing low wages and unsafe conditions. In this case illegals instead of displacing one or two legal residents in a plant, are closing whole industrial and agricultural operations from legal residents. It has been argued that in this situation legal residents would not take these jobs. However, without the illegals these employers who are running sweatshop-like operations would be forced to increase the pay and improve the working conditions to at least meet the legal requirements. Under the present law these employers can run dangerous operations without the fear of prosecution because the illegals know that if they report their employer to the Federal inspector they risk being sent back to their home country. Thus, the presence of illegals tend to either directly or indirectly displace legal residents especially those people who need these jobs the most, from the labor market. To illustrate the impact of this displacement situation, the San Diego Board of Supervisors studied this problem and estimated that between 10,000 and 15,000 legal San Diego residents were displaced in the job market by illegal aliens in 1978.

The flood of illegal aliens into the United States is the result of two factors. First, the United States has an overworked border patrol. At any one time there are only 350 border patrol officers and three helicopters to patrol over 1,900 miles of the Nation's Southern border. It is impossible for such a small force to effectively stop the hundreds of thousands of people who each year attempt to illegally cross into the United States. The second factor that has created the flood of illegals entering the country stems from the fact that employers are under no obligation to check the residency status of their employees. In fact because illegals will work for less some businessmen will take advantage of these people and encourage them to illegally enter the country and work.

The combination of these two loopholes has displaced America's immigration policy out of control. In the last 5 years the United States through legal and illegal immigration has allowed more than double the legal limit of immigrants to enter the country. To stop the devastating policy two basic changes need to be made. First, the United States must set firmer limits on the number of total legal immigrants and refugees it admits each year. This would give Congress greater control over the total flow of immigrants that enter each year. This plan would prevent the nearly 200,000 persons that overran the refugee limits last year. The second major change would attempt to reduce or eliminate the economic incentive for illegal aliens to enter the United States. This could be accomplished in two ways. Initially, the Congress would pass tougher fair hiring laws that would make it a crime for an employer to hire anyone without first checking his or her residency status. In addition, the Congress should strengthen the border patrol.

Without these changes in American immigration policy the United States will face a growing problem that will cause increasing economic and social problems. It is time for America to take control of its immigration policy.●

A TRIBUTE TO MRS. FELISA RINCÓN DE GAUTIER DISTINGUISHED WOMAN OF THE AMERICAS

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. CORRADA. Mr. Speaker, it gives me great pleasure to announce to my esteemed colleagues in the Congress of the United States, that on the occasion of the Inter-American Music Festival to be held in Washington, D.C., a very distinguished, extraordinary woman will be honored.

A tribute of great respect, admiration, and affection will be paid to Doña Felisa Rincón de Gautier, one of the most outstanding women of both American continents, and certainly one of the most notable and most loved leaders of the Puerto Rican people.

Born in the small town of Ceiba, Puerto Rico, on January 9, 1897, Doña Felisa grew up in a country dominated by the Spanish culture, but firmly set on the new ways of democracy learned from the American system. It was inevitable that a person of her enthusiasm and capabilities would join soon the feminist movement striving to gain for the Puerto Rican women not only the right to vote—achieved in 1932—but also the right to active participation in politics and government.

Doña Felisa had a great desire to serve the people and after many years in activie politics she was offered in 1946 the vacant position as mayoress of San Juan. She was reelected for five

consecutive terms, holding office until January 12, 1969.

Her work as mayoress won the recognition of friends and opponents alike; a fine example of what a determined, talented woman can achieve in the fields traditionally reserved for the attention of men.

Internationally, her activities covered the many facets of municipal endeavors. In the year 1948, she presided the Third Inter-American Congress of Municipal History, in Buenos Aires. In 1953, she was elected vice president of the Inter-American Organization for Inter-Municipal Cooperation, which had its seat in Madrid. In September 1955, she was appointed delegate of the American Municipal Association, to attend the International Congress for Local Authorities, in Rome.

At the invitation of the Department of State of the United States, she visited a number of Latin American countries on a goodwill mission, which took her to 10 of the most important capitals.

Many countries honored her for her achievements. From Spain she received the Gold Medal of Honor, the Don Quixote Medal; the Medal of Isabel la Católica. From France, the Joan D'Arc Medal; from Ecuador, the Gold Medal of Honor; from Venezuela, the Simón Bolívar Medal; from Israel, the Order of Merit of the Government.

The United States honored her in 1957, when the Secretary of the Navy conferred upon her the Medal for Distinguished Public Service.

A number of colleges and universities, both in the United States and abroad, have also conferred upon her numerous honorary degrees and other awards.

In the year 1954, Doña Felisa received the great distinction of being selected "Woman of the Americas" by the Union of American Women in New York. She was, in fact, recognized as a woman of the Americas by the leaders and the people of the Americas during her time as a public servant as well as today as an elder stateswoman and distinguished citizen.

Mr. Speaker, as a Puerto Rican I am deeply proud of this extraordinary woman who outgrew our small island to become a woman of the Americas. She rendered to the Puerto Rican people notable services which will never be forgotten; and I am sure that I interpret correctly the feelings of every living Puerto Rican when I say: Doña Felisa, you have been the example and inspiration for countless women and men, for countless public servants and leaders in Puerto Rico.

Mr. Speaker, with admiration and pride, I join the tribute offered to this great lady.●

AN EDITORIAL FROM THE MARLBORO HERALD-ADVOCATE

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. NAPIER. Mr. Speaker, in the aftermath of the tragic assassination attempt on the President, there has been a significant amount of public comment on the question of Federal gun control.

One of our outstanding editors in South Carolina, William J. Kinney, Jr., recently addressed this issue in an excellent editorial entitled "A Remedy Must Be Found."

I have followed Mr. Kinney's editorials all my life and have always found his editorial voice to be one of commonsense and reason. Bill Kinney is a man dedicated to the highest ideals of journalism, and I am delighted to call his most recent editorial on gun control to the attention of my colleagues.

Mr. Speaker, I include the editorial "A Remedy Must Be Found," which appeared on April 6, 1981, in the Marlboro Herald-Advocate, in its entirety at the conclusion of my remarks:

A Remedy Must Be Found

Last week's assassination attempt on President Ronald Reagan's life gives emphasis to the need for additional remedies to deal with increasing criminal violence in this country.

Some across the land have called for stricter controls on the sales of handguns similar to the "Saturday night special" used against the President.

Others wish to see complete control of sales of all firearms.

And, many others, who equally deplore the assassination attempt and all its accompanying tragedy, live in fear that some further controls on the sales of firearms may result.

Sen. Strom Thurmond (R-SC) on Friday morning's "Today" show said that he did not feel that Americans should be denied the right to own firearms for the protection of their families, lives, and property, but said he felt stiffer penalties should be brought upon those owners of firearms who use them for violent purposes.

We agree with the Senator.

Those individuals who are predisposed to committing violent crime will not be stopped by stricter registration laws, regardless of how firm their enforcement may be.

We feel the kind of remedies that can be most effective are: greater penalties, swifter trials, and less leniency in dealing with violent criminals.

State legislatures should take steps at once to enact legislation requiring stiffer penalties for violent crimes committed contrary to state laws.

Likewise, the U.S. Congress should increase criminals' penalties at the federal level to deal with violent crimes which break federal laws.

Incidentally, the Congress should also take a clear look at current laws which make it a federal crime to attempt to assassinate the President, Vice President, Cabinet members, and members of the Congress, but do not make attempts upon the lives of staff members a federal crime.

White House Press Secretary Jim Brady probably suffered the most grievous of all the injuries during the assassination attempt as a bullet tore through his brain.

Yet, the shooting of Brady did not break any Federal law.

It seems to us that all of those who are officially part of the higher echelons of our government should be protected by Federal law, also.

We believe that stiffer penalties should be enacted to halt or penalize those engaged in illegal sale of firearms and that stiffer penalties and swifter justice should become the standard operating procedure of all courts in dealing with those individuals who are engaged in violent criminal activities.

Crime is on the increase all across the land.

To bring it under control some changes in our laws must be enacted. We believe surer and stiffer penalties can go a long way in providing solutions.●

SOUTH BAY BAR ASSOCIATION OF LOS ANGELES TO HONOR RETIRING SUPERIOR COURT JUDGE JOHN A. SHIDLER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. ANDERSON. Mr. Speaker, on May 3, 1981, the South Bay Bar Association of Los Angeles will host a dinner at the Marriott Hotel to honor the retirement of the most senior judge of 900 judges serving in California, John A. Shidler. Judge Shidler is concluding 40 years of judicial service in the southern California community as one of the most distinguished and loved judges of his time, having presided over more than 1,000 jury trials.

John was born on May 7, 1911. He came to Torrance in 1923, and has resided there ever since. He attended Redondo High School in the South Bay area. He received his A.B. from Stanford University and his Juris Doctor degree from Loyola University of Los Angeles. The same year he married Rosemary DeCamp in 1941, he was appointed city judge of Torrance. This appointment marked the beginning of a judicial career. He then entered the U.S. Army, rose from infantry private to second lieutenant, and served 7 months as legal officer in the Army Air Corps during World War II.

After military service, John served as justice of the peace for the South Bay from 1947 until 1952, when he became the first judge elected to the new South Bay Municipal Court, which then absorbed six city courts and one justice court. And in 1960, he was appointed to the superior court, where he was to gain four reelections to terms on that court.

John also served as supervising judge at Inglewood when the south-

west district of the superior court was there, and he was the supervising judge when that district transferred to Torrance. It would seem that any man could rest on these accomplishments and be satisfied.

But, Mr. Speaker, John expanded his participation into other areas of his profession and community. He has been a member of the executive, budget, and personnel committee, and other committees affiliated with the Los Angeles Superior Court. He not only graduated from both the National College of Judges and the California College for Judges, he also served as editor of the Judge's Journal, an American Bar Association publication. And in 1963, the U.S. State Department sent him to teach California trial practice to law students in Pakistan.

From 1948 to 1953, John served on the Torrance School Board, and was president of the board. Additionally, he was on the YMCA board of directors for 3 years; headed the South Bay American Cancer Society Drive; and is a life member of both the Torrance Memorial Hospital and the Torrance Historical Society.

Upon retirement, John plans to vigorously pursue an amateur golf career, and will continue to accept judicial assignments without pay.

My wife, Lee, joins me in wishing the very best of success in the years ahead for John, his wife Rosemary, their children, Margaret Zambrano, Martha Rankin, Valerie Stanton, and Rita Louise, and their grandson, Vahid Xavier Zambrano.●

SOCIAL SECURITY BENEFITS

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. GONZALEZ. Mr. Speaker, I am introducing legislation to correct and bring up to date a modification to the social security law, Public Law 84-881, which requires that at age 62 all civil service retirees who are veterans and have combined their military service and civil service for calculation of their civil service annuities must involuntarily accept a recomputation of their annuities. The law omits all credit for their military service after 1956 because of their eligibility for social security benefits due in any part to military service.

When Congress passed this modification, its intention was to provide military personnel a viable social security benefit and to increase their incomes in retirement. The Civil Service Commission as it was called then, opposed the provision that veterans receive credit for both social security and their annuity for the same years of service, taking the position that this would create a double credit in violation of laws which preclude crediting service to two retirement systems at the same time.

The result of the 1959 law, however, has been the reverse for those who were employed by the U.S. Government. This hardship has been phrased "catch-62" since the reductions under the present law become effective at age 62 even though these retirees may not be receiving social security payments for one reason or another. Even when social security benefits are received, the annuity losses are often far greater than any social security payments. Some veterans that retired in 1980, for example, were subjected to more than a 50-percent loss of annuity—a loss which increases for each year of military service since 1956.

The bill that I am introducing today seeks to eliminate the inequities just described which is now included in Public Law 84-881, appropriately known as catch-62. The measure would permit present and former civilian employees of the U.S. Government to receive civil service annuity credit for retirement purposes for all their periods of service to the United States, including such service which was covered by social security, regardless of eligibility for social security benefits.

Mr. Speaker, if this injustice is not corrected, many retirees stand to lose much of their civil service annuity as well as future social security benefits. We cannot allow this to continue to this group of veterans, especially at the time when they need the income the most.●

ECONOMIC EQUITY ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mrs. SCHROEDER. Mr. Speaker, today I am submitting into the RECORD a special report on the Economic Equity Act, which I sponsored with six other members of the Congresswomen's Caucus. Since its introduction on April 7, the legislation has gained several cosponsors and the endorsement of 13 major women's organizations.

The caucus prepared this report for its April 27 issue of Update, a biweekly bulletin on legislative issues affecting women.

The report follows:

SPECIAL REPORT ON THE ECONOMIC EQUITY ACT (H.R. 3117/S. 888)

The Women's Economic Equity Act, H.R. 3117 and S. 888, is one of the most comprehensive economic rights packages ever introduced in Congress. Comprised of 7 titles and encompassing 11 major legislative areas, the bill represents over one year of research and analysis. The package is not the product of one person or group. Members and staff of both the House and the Senate, working together and in consultation with major women's organizations, have combined efforts to propose reforms assuring equality of economic opportunities for women and men.

Strong bi-partisan support accompanied introduction of the bill. Original sponsors included Congresswomen's Caucus Co-chairs Representatives Patricia Schroeder (D-CO) and Margaret Heckler (R-MA), along with Caucus members Senator Nancy Kassebaum (R-KS) and Representatives Geraldine Ferraro (D-NY), Shirley Chisholm (D-NY), Lindy Boggs (D-LA), Barbara Mikulski (D-MD), and Mary Rose Oakar (D-OH). Senators Mark Hatfield (R-OR), Bob Packwood (R-OR), and David Durenberger (R-MN) introduced the companion omnibus bill in the Senate; eleven House and Senate members have joined as additional co-sponsors and 12 major national women's organizations have contributed their endorsements.

Sponsors have stressed that the Act is neither a substitute for the Equal Rights Amendment, nor an exhaustive list of women's economic needs. Reform of Social Security and eradication of the marriage penalty tax, for example, are not included in the package. The measure, however, is an enormously significant advance in eliminating the economic inequities borne by women, currently the fastest growing poverty group in America.

The Economic Equity Act is approximately 100 pages long and includes legislation previously introduced in the 97th Congress as free-standing bills. The House and Senate versions are identical except for language variations and specific remedies suggested in Title II (Dependent Care) and Title VI (Regulatory Reform).

A summary of the bill and a list of its committee assignments is provided below. A bill as long and complex as the Economic Equity Act, however, cannot be fully analyzed in a few pages. For more information, please call Alice Almond Shrock at the Congresswomen's Caucus (202) 225-6740.

Senate: Referred to Committee on Finance.

House: Referred to Committees on Armed Services, Eduation and Labor, Energy and Commerce, the Judiciary, Post Office and Civil Service, and Ways and Means.

TITLE I—TAX AND RETIREMENT

Individual Retirement Accounts for Spouses—Committee Referral: Ways and Means. Also introduced as H.R. 1641 by Rep. Geraldine Ferraro.

This section of the bill would allow a married individual with no income or an income lower than that of his or her spouse to use the spouse's income to calculate the amount that the individual can contribute to an IRA, so long as all other conditions for an IRA are met.

This section also allows alimony payments to be included in computing a person's total income for purposes of determining their maximum allowable contribution to an IRA.

Private Pension Reform—Committee Referral: Education and Labor. Subcommittee: Labor-Management Relations. Also introduced as H.R. 1641 by Rep. Geraldine Ferraro.

This section of the bill would:

Lower the minimum age requirements for participating in a qualified pension plan from age 25 to age 21.

Require plans to pay a survivor's annuity to the spouse of a vested plan participant who died before the earliest retirement age.

Abolish the unilateral right to waiver of survivorship benefits and require the spouse to waive survivor rights in writing.

Eliminate the two-year waiting period for enforcement of the election of joint and survivor's options.

Require pro-rated retirement and survivor's benefits to be granted to divorced spouses unless contrary provisions are included in the divorce decree.

Alter breaks in service rules so that parents who wish to take leave for child-rearing purposes are entitled to the same rights as veterans who leave employment for military service and return to the same employer.

Heads of Household: Zero Bracket Amount—Committee Referral: Ways and Means.

This section of the bill would amend the IRS Code to raise the zero bracket amount for heads of households to $3,400 from the current level of $2,300. It would adjust the tax table by $1,000 to maintain the same marginal rates and income boundaries for inclusion of this increase for heads of households. It would allow a head of household to elect additional zero bracket allowance when determining the number of withholding exemptions on a payroll check. And it would require that only the heads of households with incomes greater than or equal to $5,000 would be required to file a tax return.

Public Pension Reform: Civil Service Ex-Spouses and Survivors—Committee Referral: Post Office and Civil Service. Subcommittee: Compensation and Employee Benefits. Also introduced as H.R. 3040 by Rep. Pat Schroeder.

This section of the bill would provide former spouses of civil service personnel, both male and female, married at least 10 years, to a pro-rata share of the retirement and survivor's benefits, subject to court reviews. The exact amount of the former spouse annuity would depend upon the number of years of marriage that overlap with the creditable years of service toward retirement. The formula used for calculating the former spouse annuity is:

Number of years of marriage during creditable service divided by number of years of employment multiplied by .50 multiplied by total retirement annuity equals former spouse retirement annuity.

This section would also make survivor's benefits mandatory, unless the spouse and former spouse (if any) agree in writing to opt out of the survivor's benefits plan.

Public Pension Reform: Military Service Ex-Spouses and Survivors—Committee Referral: Armed Services. Subcommittee: Military Personnel and Compensation. Also introduced as H.R. 3039 by Rep. Pat Schroeder.

This section of the bill would provide former spouses of military personnel, both male and female, married at least ten years, a pro-rata share of the retirement and survivor's benefits, subject to court reveiw. The exact amount of the former spouse annuity would depend upon the number of years of marriage that overlap with the creditable years of service toward retirement. The formula for calculating the former spouse annuity is the same as that of the Civil Service Ex-Spouses and Survivors provision (see above).

This section would also make survivor's benefits mandatory, unless the spouse and former spouse (if any) agree in writing to opt out of the survivor's benefits plan.

Displaced Homemakers: Tax Credits—Committee Referral: Ways and Means. Also introduced as H.R. 835 by Rep. Geraldine Ferraro.

This section of the bill would extend targeted job tax credits for five years and add displaced homemakers to the list of eligible hirees. Employers who hire displaced homemakers would receive a $3,000 first-year, $1,500 second-year tax credit.

TITLE II—DAY CARE PROGRAM

Committee Referral: Ways and Means. Also introduced as H.R. 1894 by Rep. Barber Conable.

Both the House and Senate versions of this title are similar in goals and intent. Both would modify tax credits to create a sliding scale tax credit based on need, make credit refundable, raise maximum allowable expenses, and extend applicability of credit.

Figures allowed for the above reforms differ somewhat. For example, the House version increases the dollar amounts creditable for one dependent from $2,000 to $2,400; the Senate bill raises the amount to $2,500. Likewise, the percent of expenses allowed as credit for families with adjusted gross incomes of $10,000 or less is set at 50 percent in the House, 60 percent in the Senate. The House version, however, permits credits for out-of-home care for disabled or handicapped dependents 15 years or older, extends applicability of tax-exempt status for dependent care organizations, and permits dependent care credit to be claimed when the sole or both taxpayers have worked on a substantially full-time basis even though one of them has generated insufficient earnings to cover the cost of dependent care purchased during the employment period.

TITLE III—ARMED FORCES

Committee Referral: Armed Services. Subcommittee: Personnel and Compensation.

This section of the bill would:

Eliminate gender-based distinction in the United States Code provisions relating to military service, promotion, appointment, separation, and retirement.

Eliminate a statutory preference for male surviving relatives to receive the personal effects of deceased military personnel.

Require the Secretary of Defense to issue an annual report to the Congress on the status of women in all branches of the military.

This title does not deal with the issue of women in combat.

TITLE IV—AGRICULTURAL ESTATE TAXES AND FARM LOANS

Committee Referral: Ways and Means.

This section of the bill would:

Raise the current $500,000 cap on special use valuation (the land's worth for agricultural purposes as opposed to other commercial usage).

Alter the rules for determining "material participation" for those disabled or over 65, reducing current (and rather strict) regulations on proving such work.

Permit a finding of material participation where qualified farm property is rented to a qualified heir.

Reduce the interest rate on deferred payments of estates taxes to either 6 percent, or to 75 percent of the current prime interest rate, whichever is lower.

Eliminate the present preference for farm purchase loans "to persons who are married." The bill retains a system of preference based on the number of dependents, but eliminates the present distinction between dependents of a married couple and dependents of a single parent.

TITLE V—NONDISCRIMINATION IN INSURANCE

Committee Referral: Energy and Commerce. Subcommittee: Commerce, Transportation, and Tourism. Also introducted as H.R. 100 by Rep. John Dingell.

This section of the bill would prohibit discrimination in all types of insurance on the basis of race, color, religion, sex, or national origin.

TITLE VI—REGULATORY REFORM AND SEX NEUTRALITY

Committee Referral: Judiciary. Also introduced as H.R. 2991 by Rep. Margaret Heckler.

This section of the bill would codify a Presidential Directive of August 26, 1977, requiring all Executive departments and agencies to identify "regulatory, guidelines, programs, and policies which result in unequal treatment based on sex" and to develop proposals to eliminate any resultant sex-based discrimination. The House bill would also require an annual report to the Congress on such review.

TITLE VII—STUDY ON ENFORCING ALIMONY AND CHILD SUPPORT

Committee Referral: Judiciary.

This section of the bill would direct the Justice Department to conduct a one-year study of varying State laws and jurisdictional divisions in national enforcement of child support, alimony, and property settlement decrees; and to define the scope of the problem, analyzing the issues and making policy recommendations to appropriate Congressional committees.●

LINDA BASSETT OUTSTANDING CITIZEN

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. PANETTA. Mr. Speaker, I would like to bring to the attention of my colleagues the accomplishments of an outstanding citizen of California's 16th Congressional District, Linda Lee Bassett.

Linda is being honored later this week by the Monterey Alumni Chapter of Kappa Alpha Psi Fraternity, Inc., for her many years of dedicated service to the people of the Monterey Peninsula, and I am sure that all of my colleagues, when they hear about her numerous activities, will agree with me that she is richly deserving of this expression of community gratitude.

Linda is actively involved as a volunteer with several organizations, both public and private. She currently serves as president of the school board for the Monterey Peninsula Unified School District, secretary and chair of the Laguna Grande Watershed Joint Powers Agency, a volunteer and speaker for the suicide prevention center, vice chair of the Seaside Board of Architect Review, and a member, and former chair, of the Seaside Planning Commission. In addition, she serves or has served on the boards of directors

of Volunteers in Action, the Eskaton Hospital, the Monterey Peninsula Community School of Music, and the Monterey Peninsula Regional Park District.

Linda has received numerous awards in the past acknowledging her excellent work. Among them are the Seaside Chamber of Commerce Citizen of the Year Award, 1976, and the Volunteers in Action Community Service Award, 1979.

Mr. Speaker, at a time when the work of volunteers is becoming more and more important to our society, it is people like Linda Bassett who serve as an example to the American people of what can be accomplished by volunteers who are willing to work both within government and without to improve the quality of life in our local communities. I would like to salute Linda and others like her around this country who do so much for their fellow citizens.●

THE USE OF LSC FUNDS

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. JEFFRIES. Mr. Speaker, it has come to my attention that on December 29, 1980, Alan Houseman, Director of the Research Institute of the Legal Services Corporation wrote a memorandum on Corporation stationery setting forth a plan for lobbying Congress for reauthorization of the LSC. The memo was done at Federal expense. The entire document is printed on page 6079 of the April 1, 1981 RECORD. I would like to quote a paragraph from that memo:

7. Analyze new members of Congress from your area and review all old members of Congress. What is needed is carefully compiled information about all members of Congress. This includes: attitudes, public statements and prior voting records toward legal services and other social benefit programs; their supporters and major contributors from within the bar and general community; possible contacts with their supporters; and their political base in the district or state. This information should be sent to the state coordinator and Office of Government Relations. OGR will develop an analysis of each Congressional person and office. The completed analysis will be sent to each state and program coordinator. The analysis will also include such information as prior Congressional voting records on legal services, positions on other poor people's issues committee assignments, names and background of key staff, and which members influence this member.

In addition, it has come to my attention that the LSC spent approximately $100,000 for a meeting in Puerto Rico from November 9-13, 1980, where among other items the strategy for the lobbying activities was planned. I have heard a tape recording and read a transcript of one of the sessions at this meeting where one speaker stated:

We all know there has been a big turnover in Congress and we have lots of new Members of Congress. Unfortunately, that means those of us who work in Washington are faced with lots of new Members who we don't know anything about. In many instances, far from all, but in many instances, some of those new Members come from your State legislatures and so I would urge you in your spare time—which you have a lot of—I am just joking—to consider doing up just a real quick memo. It can be real informal. I am not asking for anything fancy, but maybe lots of you in your States could do up a memo for us and xerox it and send it to all the national support centers giving us a little bit of background on some of these folks. If you have got a particular relationship with some of them or if you know that there is some winning argument that you can get to them on or some people they listen to—that sort of thing. The more information we have about the congressional delegations from your State hopefully the less we would need to pester you about for information. Anything that you can get into our hands makes our job easier.

This in my opinion is an outrageous and probably illegal use of taxpayers' money. It needs to be stopped immediately. Nonetheless, I want to see every single item in every one of the files kept on me by the Legal Services Corporation and each of its support centers. Therefore, I have sent the following letter to Mr. Dan Bradley, President of the LSC, as follows:

MR. DAN BRADLEY,
President, Legal Services Corporation, Washington, D.C.

DEAR MR. BRADLEY: In the Alan Houseman memorandum dated December 29, 1980, and a tape recording from the November 9-13, 1980, legislative advocacy conference in Puerto Rico, it is stated that the LSC and its support centers maintain files on all Members of Congress.

I hereby request to see every file and every piece of information, analysis, and any other matters that are included in every file the Corporation maintains on me/or my staff. Further, I want to see every file and every piece of information in such file that has been collected and maintained by the organizations on the attached list.

Where any of these organizations have more than one office, I want to see the file kept on me from each office.

I would request that these files be delivered to my office no later than the close of business on May 13, 1981.

Sincerely,

JIM JEFFRIES,
Member of Congress.

I would strongly recommend that my colleagues make a similar request to the Legal Services Corporation. It may be very instructive for you to know what is in your LSC file before you vote on any bill reauthorizing the Corporation.●

WILL LAND REFORM SAVE EL SALVADOR—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. McDONALD. Mr. Speaker, part I of this item appeared in the April 28, 1981, CONGRESSIONAL RECORD on page 7620. While the attention of the Congress today focused on economic matters primarily, we should not forget that the fate of yet another of the nations of the free world is being decided in El Salvador. And since the land reform question in El Salvador was and continues to be a major question, I commend this part II to the attention of my colleagues.

PART II

On March 5 and 6, the U.S.-supported junta sent out squads of soldiers, each with an ISTA official, in a literal invasion of the Salvadoran free-market economy.

Invading parties seized up to 376 of the country's largest, most productive farms. Some owners were allowed to drive away in one car; others walked.

Jeeps, tractors, cultivators, crop-dusting planes, houses with the owners' personal belongings, business records, crops harvested and not yet sold, stored fertilizer and seeds—everything was taken.

While Salvadorans were still stunned by this, soldiers in battle-dress, some in armored cars, seized the private banks and savings and loan institutions.

In the New World, nothing like this extensive, harsh blitz of a country's economic heart had ever taken place before, not even in the violent Mexican and Cuban revolutions.

U.S. officialdom's role was crucial. The reform was heartily endorsed in advance by the Carter diplomats and was planned by Dr. Roy Prosterman, an American, under a U.S. government contract. It was consolidated with help from the American Institute of Free Labor Development under a $1-million U.S. AID contract.

As the big farms were taken, a complete land-reform program was announced. The March 5-6 nationalization of properties of 1,250 acres and above was Phase I. Phase III, implemented in April, gave rented land to renters and share-croppers in 17-acre plots. Phase II, the taking of land from 250 acres to 1,250, still hangs over the economy. It is greatly dreaded, since it would wipe out remaining private farm proprietorship, affecting many thousands.

The junta quickly promised to pay ousted owners and give deeds to the small-plot farmers and cooperatives formed on the big estates. Though U.S. officials have testified before Congress that owners have been paid, until this writing they have received nothing, not even formal eviction notices.

The junta has developed a scam for the ousted owners of large properties. Recently, the latter received notices to pay surtaxes on the lost properties for 1977-1978—a new tax retroactively levied. The junta also asked the ousted owners to pay interest on loans made earlier for improvements on the farms they no longer own. Also, debts for supplies used in producing the crops the

junta seized last March are called collectible against the former owners.

About 100 titles to the 17-acre plots have been issued, but they are questionable because they are not keyed in to the country's established land-deed registries.

Even if the junta fulfills every promise it has made to deed land to small farmers and cooperatives (which are now in effect state-run communes), the state will still dominate the farm-production system because it controls (1) credit, and (2) farm exports. It has never been hinted that these conditions will be changed.

These make every farmer, with a valid title or not, entirely subject to the state, precisely as are the many thousands of small farmers in Poland who are protesting the disincentives such controls entail.

As the full impact of the overnight socialization hit the Salvadoran private sector, many left. By August 1980, the Costa Rica office the U.N. High Commissioner for Refugees revealed that 35,000 had departed thus far in 1980.

They included divested owners, managers, technicians, engineers, auditors, and at length doctors, pharmacists, even bookkeepers and shoe clerks. These were the lifeblood of El Salvador's neo-European civilization. Even the peasants, a sector in many essentials little changed since pre-Colombian times, fled over nearby borders as the Marxist left consolidated to battle the junta.

Some former owners who stayed kept up contacts with their former employes. But the junta organized "hate squads" to try to propagandize the latter into enmity. What portion of U.S. economic help went to subsidize this class warfare cannot be ascertained. But some U.S. tax dollars did.

Accounts of mismanagement in the land reform soon poured abroad. In May, a responsible business group, the Association of Distributors of Agricultural Equipment, protested in a formal document. They politely emphasized that farm equipment was in short supply. Land preparation was "slow and limited." Not enough seed, fertilizers or insecticides were being provided. Funds for prompt payment of "payrolls" (advanced against crops) were scarce.

The group said one requisite was "elimination of graft practices by managerial personnel of the Agrarian Reform." Crop loans and credit arrangement for the communes were lagging. Cotton and sugar planting was down. Coffee growers lacked credit and needed help to combat rust fungus.

Later, a business community remnant formed the "Productive Alliance," and visited Washington to get backing for their participation in junta economic planning. Members revealed new details: Milk herds, divided among peasants, were being slaughtered for cash to live on (since junta advances—"payrolls"—lagged). Fine breeding stock went to the butcher, assuring later meat and dairy shortages.

When equipment, fertilizer and, above all, knowledgeable managers were lacking for the communes on cotton and sugar plantations, the ISTA said "plant corn and beans instead." This reverted the scientifically mechanized, highly productive land to cultivation with the hoe, one slight step beyond the system found when the Spaniards first-arrived.

Coffee was not being fertilized. New coffee plants were not being set out, insuring shortages beginning years hence. Coffee branches were not pruned. This would mean reduced yields later on, for a slightly larger yield this year.

Through the summer of 1980, emissaries from American and local Chambers of Commerce in El Salvador, Guatemala, Nicaragua, Costa Rica and Panama visited Washington to plead against the destruction of free enterprise Carter diplomacy was sponsoring in Central America. The Productive Alliance did so again, to no avail.

The Alliance tried again with Duarte in early 1981, but he denied their requests for participation. "I am the conductor," he said, waving a pencil like a baton. "You are the musicians." They would play his tune.

The Marxists were now killing peasants in land-reform areas; in December, they would boast of killing 6,000 people in El Salvador in 1980. They rejected the junta's overtures, as the junta rejected the Productive Alliance.

Mexico's experience with 66 years of land reform, Peru's with 12 recent years, Chile's under Allende, Argentina's under Peron's export-control system, and that of the heavily subsidized Cuban revolution over two decades were enough augury of failure for the Salvadoran land program. In the fall of 1980, confirmation came from the junta's own top officials.

Atilio Vieytez, junta Planning Minister, visited the U.S. seeking large aid. Vieytez said that even a successful 1981 harvest by itself would not rescue the Salvadoran economy. Nor, very likely, would another in 1982.

In early 1981, junta officials had to admit that El Salvador, whose sugar exports were its third source of foreign exchange, can export little this year. Cotton production is down by over 35 percent. The junta lost $40 million marketing last year's coffee; rust disease and neglect may affect yields this year.

There may be lots of beans, though corn production suffered from shortages of hybrid seed. A long list of imports, including even some medicines, are banned for lack of foreign exchange. Funds are lacking to import fertilizer for next year's crops. Inflation rages.

More than $100 million in various U.S. aid packages was already given or programmed for the junta by early 1981, says congressional sources. Junta head Napoleon Duarte requested $100 million more. Junta spokesmen have raised this to $200 million, and estimated needs at $1 billion over the next five years.

U.S. taxpayers, already "supporting Socialist revolution" in Nicaragua—according to a speech by the Russian ambassador there—now have another economic basket case on their hands.

Without socialism's destructiveness, El Salvador still would have needed outside help promoting either massive emigration or a capital inflow for industrialization. But before socialization hit, the economy offered something to build on.

In the last relatively normal year, 1977, its gross national product per capita was only a few dollars less than Colombia's. International Monetary Fund statistics for that year say that, among 10 representative Latin American countries, rich and poor, El Salvador was second only to oil-rich Venezuela in the percentage of the GNP actually paid in taxes. El Salvador's was 15.1 per cent, Mexico's 10.2 per cent and Costa Rica's 12.2 per cent.

World Bank figures say there was a dramatic redistribution of income between 1965 and 1977. "Most of the redistribution" benefited the "lower 40 per cent of the people," the World Bank noted.

The United Nations measures the concentration of wealth with the "GINI." A U.N. report says El Salvador's pre-revolutionary GINI was 0.50, considered "moderate" and comparable to that of such countries as Argentina, Chile and Venezuela.

Pro-leftists use figures on Salvadoran infant mortality to blacken Salvadoran free enterprise, failing to mention that they are little worse, or better, than the same sad statistic in comparable countries. A recent IADB study showed that deaths of children under age five in San Salvador, the capital, "associated with nutritional deficiency" were 37.2 per cent of all deaths in 1968–1970. Elsewhere in the country, 46.9 per cent of all deaths in those three years were those of illfed children.

The table shows that the percentage in San Salvador, capital of a country with 500 people per square mile, was close to that in uncrowded rural Argentina, one of the world's most fertile and best-endowed countries. Both Cartagena and Medellin, thriving Colombian cities, had higher percentages of deaths of "nutritionally deficient" children than San Salvador. The comparable percentage for Monterrey, Mexico, was 36.1 per cent, only a whisper lower than San Salvador's 37.2 per cent—but producing no clamor for "radical change."

The enemies of free enterprise broadcast far less favorable figures through their propaganda machinery all over the world. But none of the facts established by responsible international agencies are allowed to lighten the black legend used against pre-revolutionary El Salvador.●

THOMAS JEFFERSON GASQUE

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. NAPIER. Mr. Speaker, on Monday, March 23, 1981, the people of Marion, S.C., lost a good friend and the Sixth District a fine and distinguished citizen. Mr. Thomas Jefferson Gasque was 84 when he died. He lived a full life, a life of service to his church and community. He left behind him many good friends who will miss him. They have written a number of glowing tributes that I would like to share, because the life they celebrate is truly an inspiration. Mr. Gasque was a man who saw the possibilities of the situation he was in. He saw the good to be done, the help to be given. And he did it.

Tributes are not unusual at one's death. But Mr. Gasque was such a special man that, 3 years ago, the city paid him an enormous compliment. They had a "Tom Gasque Day" on May 12, 1978, when they took the opportunity to tell their friend how much they appreciated him and to thank him for all of his contributions to the city of Marion.

Mr. Speaker, it is my honor and privilege to call to the attention of my colleagues one of my district's most illustrious citizens, Mr. Tom Gasque.

The texts of the articles follow:

[From the Marion Star, Mar. 25. 1981]

THOMAS JEFFERSON GASQUE

Whenever Marion County begins to list her most prominent and outstanding citizens, the name of Tom Gasque is among the first to be called. His loss will be felt by generations for many years to come because he spearheaded a vision for Marion that carried forth in positive, lasting, and inspirational contributions to the area he loved so much.

He will be missed because he was a man of "firsts." He served on the committee which invisioned the first Marion County Airport, the first swimming pool, the first Christmas Charities, the first Christmas lights, the first Christmas parade, and the first movie made in Marion.

He will be missed because he was a man who spearheaded the founding of valuable organizations whose structure was of such vision as to make them wear well through many years and changing socio-economic circumstances—the Marion Lions Club, the Marion Chamber of Commerce, the Manning Street Corporation (which provided the location for what is now Heritage Sportswear), the Marion Memorial Hospital, and his own top-notch real estate and insurance business, the Gasque-Clemmons Agency.

He will be missed by his beloved church, the First United Methodist Church, which he served for decades as a Board member, an honorary board member, a Sunday school teacher, a Trustee, Chairman of the Trustees, a member of the Building Committee, a District Trustee, Treasurer of the District, and a member of the District Committee for Buildings and Locations.

His wisdom and diplomacy will be missed by our county's government which Tom served as a member of Marion's City Council and a member of the first Planning and Development Board.

He will be missed by industrial developers who will have heard of the delicate and expert negotiations Tom handled for the purchase of the Russell Stover and Dickie Industry properties.

He will be missed during "hard times" because people will remember how he was instrumental in bringing the American Wood Products Corporation to Marion during the Depression, thereby providing many jobs for the unemployed.

He will be missed by many Marion County organizations who relied upon his efforts and judgments to see them through countless service projects—the Lions Club, American Legion Post 5, the Shriners Hospital, and the Marion Boy Scouts.

His astute business acumen will be missed by the First National Bank, of which he was a Director, and Wofford College, which he served as a member of the Board of Trustees.

He will be most particularly missed because we loved him and will always cherish his memory.

The Marion Star wishes to salute the life and contributions of Thomas Jefferson Gasque, secure in the knowledge that those who knew him will continue to perpetuate both his memory and vision for Marion.

[From the Marion Star, Apr. 1, 1981]

TOM GASQUE

(By Lem Winesett)

When my good friend Tom Gasque was lowered to the earth last Wednesday he took with him valuable historical information as well as folklore gained through the many years of his life in Marion.

Tom was a most unique individual. And here we do not attempt to eulogize him. That has already been done. But we do want to reminisce our years together since 1944.

It was a late Thursday in June 1944 when Herman Leder in Whiteville asked me why I didn't go to Marion and buy The Marion Star. Evelyn and I came to Marion that afternoon and Tom Gasque was the first person we contacted. Tom had no financial interest in The Star nor did he receive any commission for the sale but this beginning of my experiences with him was so typical of the role he played in the life of Marion.

Tom did a good selling job. The Marion Star then was not what it is today. Not by a long shot! Instead of selling the paper on its merits he talked about catfish water, Mrs. Shaw's good home cooking and a town of 4500 wonderful people.

Truly this was a major turning point in my life and I give Tom much of the credit for the kindnesses of fate and a lot of hard work. Tom's community spirit and activities blended favorably with my editing and publishing of The Star. We two had much in common. Neither was born with a silver spoon in his mouth and we both stood four square for the progress and development of Marion.

Back in those early days, before United Fund there were all sorts of fund drives. War Bond, Red Cross, TB, Boy Scout, Girl Scout, United Jewish Appeal, Cancer, March of Dimes, and many others, including industrial fund drives and the like. Sometimes two or three going on at the same time. And Ole Tom was always heading the committee or a member of it. All his accumulated wealth would not equal the minimum wage for the hours he spent unselfishly in the interest and welfare of others.

A few years before Tom was recognized with a special "Tom Gasque Day" and the naming of a street in his honor I wrote an editorial in The Star titled "Flowers For The Living" in which I personally expressed my appreciation for his life and contributions to the Marion area people. Right now I'm glad that I did, because he read that and he can't read this. I wanted him to know.

Tom was not only a good civic worker but he was for many, many years a stalwart in Marion Methodist Church. Here again he displayed his fervor for progress and leadership and set an example for family and friends in true christian discipline. As we rode with others of his pallbearers from the church to the cemetery someone significantly remarked: "If Tom isn't in heaven neither of us has a chance."

WE LOST A REAL FRIEND

(By Herb Pickard)

The Chamber of Commerce and the community of Marion lost a real friend and staunch supporter when Mr. Tom Gasque passed away last week. Fortunately, the community was afforded an opportunity to display its affection and appreciation to Mr. Tom on May 12, 1978, when Tom Gasque Day was held in Marion. But even that outpouring of tributes and acclaim did not truly encompass the complete scope of Mr. Tom's contributions to Marion. Aside from his dedicated service to his church, his service club and his alma mater, his contribution to the growth and development of Marion was monumental. He was truly dedicated to those ideals which we in the Chamber so earnestly try to attain. Because Mr. Tom lived here, Marion is truly a better community in which to work, live, and raise our families.●

A TRIBUTE TO JOE HILL

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. PORTER. Mr. Speaker, I wish to pay tribute this afternoon to an outstanding human being and an extraordinary educator. Joe Hill is the superintendent of schools in Evanston's District 65, and he is retiring after the end of this school year. Joe has been a school administrator and educator for 32 years. He has been recognized as a true humanitarian and an expert in his field from the neighborhood to the international level. He has been a leader and member of many civic organizations and the recipient of numerous civic honors and awards. All of Joe Hill's awards and distinctions point out one essential thing his deep commitment and compassion for mankind, and his unselfish willingness to foster and encourage a respect, indeed a love between people, all people from all backgrounds.

Joe Hill has dignified our schools in Evanston with leadership that has been marked by patience, humor, and warmth. His service in Evanston has been a benefit to all who have come in contact with him. Joe Hill has provided a great example to the thousands of kids he has seen pass through our schools. His presence here will clearly be missed.

But we celebrate Joe Hill today and thank him for the gift he has given so many. In that sense, Joe's work goes on. He has left an indelible mark not only on our city of Evanston, his hometown, but our State and our Nation as well. His work in behalf of children and their educational development in a diverse and pluralistic society is a source of inspiration to all Americans. For it, the lives of all of us have been enhanced.●

BOY SCOUT COUNCIL HONORS SHERIFF FRANK BLAND

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. LEWIS. Mr. Speaker, on May 28, the California Inland Empire Council of the Boy Scouts will honor Sheriff Frank Bland of San Bernardino County as its Distinguished Citizen for 1981. I do not want to let this opportunity to acknowledge Frank's great contributions to the county over the past almost 50 years pass without

adding my commendations and congratulations.

Frank has been involved with law enforcement activities almost since his graduation from high school. His first job was as a night watchman for the Needles Police Department back in 1935. Three years later, he was selected to attend the FBI National Academy—only the fifth Californian to be so selected.

In 1941, Frank was invited to join the FBI as an agent which he did. Two years later he enlisted in the Marine Corps. He was then appointed chief of police of the city of Needles prior to his discharge in 1946 and held that post until his assuming his duties as San Bernardino County Sheriff in January 1955.

For the last 26 years, Frank has served as county sheriff. He has been overwhelmingly reelected to that office on six occasions. During his tenure in office, he has been repeatedly cited by his peers for his contributions to the field of law enforcement. To cite one example, the office of the California attorney general recognized his accomplishment in formulating and executing a mass raid technique in the enforcement of narcotic laws. In fact, this technique is now widely used through the United States.

In addition to his official duties, Frank has repeatedly served as a member and adviser to other organizations related to the field of law enforcement. Over the years, these have included the Tri-County Council on Criminal Justice, the San Bernardino County Criminal Justice Planning Board and the Advisory Committee for Project Safer California.

To summarize, Frank Bland is one of the hardest-working, most dedicated public servants it has been my privilege to know. He is universally recognized as one of the most progressive sheriffs in the entire State of California. I am delighted to have this opportunity to join the California Inland Empire Council of Boy Scouts in saluting his contributions to the community and his dedication to the cause of justice.●

VIETNAM VETERANS RECOGNITION DAY

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. SMITH of New Jersey. Mr. Speaker, on Sunday, April 26, in pursuance of the resolution passed by this Congress and signed by the President, we celebrated Vietnam Veterans Recognition Day.

This was finally the time when we could honor those servicemen who served in the American tradition, far away from home, in a war they did not desire, did not plan, but fought valiantly.

When these men and women came home there were no parades for them. The pictures we have from the end of the two world wars—of soldiers marching down wide avenues past cheering crowds—was denied them. Rather, they came home to face frustration and agony.

President Reagan put it well, "There were no victory parades. There were no bands. There were none of the flags they had served so devotedly." No, Mr. Speaker, for our servicemen in Vietnam there were none of these things.

So now, belatedly, we pay them honor. We praise them for a job well done, in the jungles and swamps of Vietnam. We say "Thank You" to our gallant men and women.

Fifty-seven thousand of our men paid the supreme sacrifice. They are not coming back, even to this belated celebration of their gallantry. There were others, in the prison camps, who came home only after long years of suffering.

Two thousand five hundred of our men are still unaccounted for.

We also still have an army of those wounded by their experience in Vietnam. These are the men and women whom our compassion should reach out to, whom we should do everything possible for. I think we should do what we can to maintain the specific programs for these people, programs specifically created to help them.

I am glad we took the opportunity to honor these men. Our Nation owes a great deal to all its veterans, a debt that can never be repaid.

Since the days of Lexington and Concord we have depended on our citizen soldiers. Without them our very national existence would have been denied.

I trust, with this commemoration, we shall restore to our national pantheon the men and women who served in the American Expeditionary Force to Vietnam.●

THE MEDICAID CAP: ITS IMPACT ON HOSPITALS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. STOKES. Mr. Speaker, as we begin to examine the administration's fiscal year 1982 budget, it is important that we look carefully at the proposed medicaid cap and its impact on public and nonprofit hospitals. The proposed cap on medicaid expenditures will threaten public and nonprofit hospitals and clinics, on which millions of uninsured and medicaid beneficiaries depend for both inpatient and outpatient care.

The medicaid program finances health services not only to medicaid recipients but also to the millions of persons considered medically needy. These individuals are served by the public health system and have no health insurance protection. The public health sector is already facing a crisis in health care financing, and a cap on medicaid will serve to heighten this disaster. From 1975 to 1979, 300 hospitals serving the poor throughout the country have closed or relocated. This phenomenon has been especially acute in Northeastern and Midwestern central city areas inhabited by large numbers of low-income families. Alan Sayer, Ph. D. at Brandeis University, reported that of the 326 hospitals located in 19 Northeastern and Midwestern cities studied over a 40-year period, 95, or 30 percent, were closed by 1977. These closures appear to have occurred disproportionately in the most isolated and medically underserved neighborhoods in urban areas. The closings, moreover, have had a profound impact on the availability of employment in these neighborhoods, as well as for continued on-the-job training for many professionals, paraprofessionals, and blue-collar workers.

As medicaid funds grow scarcer, essential health services for the poor will disappear. Further, in order to finance the remaining health institutions that serve the poor, State and county revenues will have to be substantially diverted to health costs, and privately insured patients will have to absorb the cost of uncovered health care costs through higher rates. The State of Maryland estimates a 25-percent rise in health insurance rates as a result of the proposed medicaid cap.

Mr. Speaker, it is my sentiment that the legislation I recently introduced, H.R. 2513, the Medical Care Facilities Protection Act of 1981, will not only benefit individuals who lack health insurance protection, but for our society as a whole. I am confident that my colleagues will agree with me concerning the need to examine the significance of the medicaid cap to the survival of our hospitals, since the fate of many public and nonprofit hospitals is in our hands. It is not too late to act. However, our actions must be swift and compassionate. I believe that H.R. 2513 provides the effective alliance of Federal, State, and local responsibility to safeguard our hospitals.●

MR. E. H. LITTLE'S 100TH BIRTHDAY

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. NAPIER. Mr. Speaker, Mr. E. H. Little, one of the South's outstand-

ing philanthropists, celebrated his 100th birthday on April 10 in Memphis, Tenn. Mr. Little was born April 10, 1881, on a farm in Mecklenburg County, N.C. He grew up in a time and place still suffering the hard times of Reconstruction in the South. He was unable to attend college, but he and his brothers worked together to send one brother to Davidson College to become a Presbyterian minister.

Mr. Little entered the business of selling soap. In time, he was known as the soap king of the world. He likes to tell of driving his buggy down unpaved streets in the South, selling Octagon soap. From this modest beginning, he went on to become president and chairman of the board of Colgate-Palmolive. He built Colgate-Palmolive into an international industrial giant.

The philanthropies of this remarkable centenarian are numerous. He has literally given away millions of dollars, especially, but not exclusively, to educational institutions in the South, including Davidson College, Davidson, N.C.; Queens College, Charlotte, N.C.; Southwestern College, Memphis, Tenn.; and the University of the South, Sewanee, Tenn.; to name but a few. Several of these benefactions are named for his late wife, born Suzanne Trezevant. Mr. Little is an honorary alumnus of Davidson College from which he received an honorary degree of LL.D., in 1953. The college library there bears his name and has no superior on a Southern undergraduate campus.

The 100th birthday party was given by Mr. Little at a country club in Memphis, where he personally greeted a large number of guests.

Mr. Speaker, I take great pride in joining Mr. Little's numerous friends in wishing him much health, happiness, and many good wishes as he begins his second century. It is indeed an honor for me to call to the attention of the House of Representatives the life of this great man.●

ATLANTA CONSTITUTION OFFERS GOOD ADVICE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. SIMON. Mr. Speaker, here and there around the Nation there are voices of reason saying that we have to be viewing our military spending with caution.

I was through Atlanta the other day and bought a copy of the Atlanta Constitution in the airport and came across their excellent editorial, "Watch Military Spending."

I am inserting it in the RECORD for my colleagues in both Houses who I hope will read it. We will all be edified by it if we do:

[From the Atlanta Constitution, Mar. 20, 1981]

WATCH MILITARY SPENDING

The Reagan administration plans to increase greatly, by billions of dollars annually, the government's spending on defense. There currently is widespread support for this increased military spending, but there are two clear dangers which we would be foolish to overlook.

One is the deadly danger of once again spending too much on arms while downplaying steady and continuing efforts at disarmament negotiations, creating an international arms race which not only tremendously increases the chances—at the worst—of Earth's nuclear annihilation but—at the best—draws great resources away from America's birthright promise of a decent standard of living for all its citizens.

The second danger is illustrated by Navy Secretary John Ledman Jr.'s announcement this week that he, as a result of complaints against the prime contractor for the often-delayed Trident submarine, was awarding $1 billion in work on other nuclear submarines to the firm's only competitor. Ledman also threatened to cancel the Trident program altogether, in favor of smaller, more advanced submarines, after the eight Trident subs now under contract are built.

The principal contract for the Tridents is held by Electric Boat, which has boosted its cost from $942 million to $1.2 billion for each of the eight subs. The subs' construction is already running two years behind schedule. The cost-overruns and the delays prompted Ledman's actions and comments.

The second danger is this: There is, as said, strong popular support now for the increased government spending for military purposes—but this support could quickly evaporate if the government and the companies receiving military contracts don't clearly realize that they are spending real money, not just "play money." In the past, almost as an automatic action, there have been numerous delays and cost-overruns, amounting to hundreds of millions, even billions, in contracts awarded for major defense systems and weapons—and this is one reason for the financial mess in which America now finds itself.

The Reagan administration, and the nation's major defense-contracting companies, must not allow such waste of taxpayers' funds to happen again. If Ledman's actions indicate that the government will watch every dollar very closely, then great. The nation's military forces are in need of updating and improvement, and the spending for such can be carried out only if the public continues to support such massive spending of their taxes.●

CIVIL DEFENSE SPEECH

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. SKELTON. Mr. Speaker, on the evening of February 24, I had the privilege of introducing this year's recipient of the National Security Award presented by the U.S. Civil Defense Council. U.S. Senator HARRISON H. SCHMITT, upon receiving this highest civil defense award, made an address that should be shared with the Members of this body, as they point out the urgent need for improved civil defense:

CIVIL DEFENSE SPEECH

Ladies and gentlemen, the introduction you just heard is overly generous, but nevertheless Ike told me, would be appreciated by my mother. You also has some comments about what my father would think of it. I think I'll just leave those alone.

Working with Ike and others on this issue has been one of the pleasures, personal pleasures, of my career in the Senate. I wish we had all been as successful or we would have liked to have been. I am optimistic though, about what is going to be possible in this Congress and future Congresses. Ladies and Gentlemen, a strong civil defense system is the essential fourth leg, if I may use that expression, the essential fourth leg of our strategic defense triangle. A neglected fourth leg, as fourth legs so often are. But it is no less essential to the stability of our strategic defense efforts as any of the other three.

Let me review for a few moments the strategic defense situation we find ourselves in today. For a variety of reasons, a very sound and of late, maybe not so sound, we have a strategic defense policy that is based on mutually assured destruction. That has been the policy of the United States. It is not at all clear that the Soviet Union has had the same policy in their efforts over the last several decades. But for whatever reason we are holding "innocence hostage," in order to prevent war, nevertheless that is what we are doing. On my opinion and the opinion increasingly I think of more and more people who philosophize on the issue, this is an unnatural and immoral situation that should not continue any longer than we absolutely have to.

It results in the situation of mutually assured destruction, results in the liberation and the evermore escalation and capability of weapons and mass destruction. It really offers no real security, and, as I indicated earlier, our principle adversary, the USSR, does not really believe it. If one looks at their preparations, not only for offensive, but activity in their military area, but also in preparations for civil defense, one must conclude that the Soviet Union believes that war is not only possible, it is survival. That is not consistant with the green world which our strategic planets lived for too many years.

But that is where we are and while we are there, there is no question that we must compete within that environment. We must compete with evermore sophisticated weapons of mass destruction and we must compete as we have not been, in evermore rational use of civil defense activity.

But I think there is hope of transitioning out of this particular situation. Not only is there hope in rapidly improving at least the concepts of preparation for civil defense, but also in moving to a new type of overall strategic policy that might call for lack of a better term, mutually secured protection, which obviously civil defense is a major part.

Ladies and Gentlemen, the technological breakthroughs of recent years, have in fact put, on our horizon, the opportunity for defensive weapon systems that literally can protect not only our population but in concept, the population of the world and allows us the option of transitioning from this period of destruction from wanted protection. The first and foremost of the new

technologies of course, are those that deal with high-powered lasers.

My home state of New Mexico I think it is safe to say, is the center of laser research and development in the country, although here are a few people in California who might disagree with that. But when you look at the broad capabilities that are being developed for defense, as well as energy purposes, Sandia, Los Alamos Labs in New Mexico, as well as, the Air Force weapons lab here at Kirtland Air Force Base, I think there is little doubt that that's where most of the activity is taking place. And it is in the Air Force weapons lab, as well as, the White Sands test range where we are beginning to see the elements come together that provide defensive weapons systems for extraordinary potential. The potential for example, to have battleships in the air which can protect bombers. The potential to have a picket line of aircraft that can protect us against intermediate range ballistic missiles and the ultimate potential when in combination with new technologies of the Space Shuttle, of having laser weapons systems that can protect the entire pocket from all categories of missile attack and even air attack. It is truly an exciting defensive concept, one I believe we must explore and I am happy to say that that belief is shared by the President of the United States. In my conversations with him, he has indicated not only a great interest but a great understanding of the potential of these new systems. It is also my hope that with the type of appointments he has made and other obvious inclinations in this administration, that we are going to see an increased emphasis on civil defense.

I was personally pleased in the recent congress when we introduced S. 1660, a bill that would have begun the long process. I hope it's not too long in passing our civil defense programs. Certainly, the cooperation of Ike Skelton and others was extremely useful in that education process. Your civil defense council has supported that effort, and without them and without your efforts in the future, it will be very difficult to be successful.

Now, as we look forward to our defense needs for the 1980's we must build this other cornerstone of the policy of mutually assured protection. Technology is coming along for the weapons systems. The preparation that is necessary for a true civil defense capacity is not coming along nearly as fast as it should. As a matter of fact, if you go around the streets of Albuquerque and it is probably one of the more knowledgeable areas of civil defense, you will probably find that most people think they are still supposed to find shelter in case of a missile attack. When in reality, most of the thinking now, on the subject is that dispersing the population is much better. But you go into the rural areas of New Mexico and the places that would be receiving these people leaving Albuquerque, and say: Are you ready, do you know these people may be coming your way? They obviously do not know that and are not prepared for it. Now the kind of civil defense we are talking about that has a basic dispersal philosophy behind it, not entirely, but basic dispersal philosophy, is need in public awareness and public education. It is a lot less expensive, but a lot more difficult than building shelters. That's where we must be headed. Let me say that it is my opinion, in spite of the tremendously dedicated efforts of many who are in this room tonight, that we still are woefully unprepared in our civil defense efforts in this country.

If I had to categorize into three stages the activity of civil defense, we must rapidly include in our national reference that they would be preparation, relief and recovery. Clearly, the most important of these is preparation. You are prepared if your planning is in place, you have your team tucked in a box, if the public's education has been done and is continuing, and if you have a proper domestic and foreign intelligence and if you have done the kind of simulation and training necessary to be ready the chances are you will never have to use that capability.

If you do none of these things, you certainly increase the probability that someday you'll wish you had done all those things. With all of that, and when I say that, and let me go back to the start of simulation, it sounds like something the astronauts might use, but it is true.

When in 1964 I volunteered for the astronaut program I didn't know what simulation was. I may have thought I knew but I had to look up the wrong word in the dictionary. In reality, we must reach a point where, at the approximate time, we can exercise at least the major command structure that would go into place in the event of a national, truly national, civil defense crisis. I think it is safe to say that that would be very difficult to do today. But we must encourage all elements of our society, the leadership, as well as all other essential elements, to begin to think about this process. A few years ago we learned that it was, at least for awhile. I don't know how long it proceeded. I hope it continued for sometime. Former President Carter and former Vice-president Mondale, did participate in national defense exercises of a variety of kinds. That's extremely important that the upper levels of our government, the people who will eventually have to make the fundamental decisions, be exposed to at least the kinds of problems that they will face when they are faced with those decisions. It's got to be real . . . as real as you can make it, without any aspect of emergency. That is the whole reason our principle will work, because we make them as real as we possibly could so when we were faced with a national emergency situation, obviously one which we never anticipated, we had at least gone through the process of making the right kinds of decisions. It's no less important in Civil Defense, that commitments I'm sure most of you, and all of you who have worked at the local level in Civil Defense, that when you can perform those kinds of exercises, then you have a far better team and confidence than you would ever have otherwise.

And the other third element, recovery, one you'll hope you never have to use, but obviously an essential ingredient of convincing anyone else that you meet and that you know and they know how to recover from an actual national emergency. That's extremely important and has to be part of this overall process in Civil Defense.

Most of us, when we are talking about Civil Defense are thinking in terms of an actual emergency that is warlike. And clearly if we prepare for that, we are prepared for other kinds of civil defense situations. At least in many ways we are so prepared. One of the efforts of the various committees I serve that relate to Civil Defense that I have always tried to reform is and will continue this year, is now that I am chairman of a few of those subcommittees is the concept of anticipation of preparation for knowing what could happen to you if being prepared as you can is good intelligence. That happens when it does happen.

And now let me talk about natural hazards. Ladies and Gentleman, I'll just pick one since I am a geologist . . . A bad earthquake. Those of you who are from southern California know as well as I do, that within your lifetime, almost certain, we are going to stare a major catastrophe in the face in So. Cal. Potentially a million casualties, and we have a simulation: the San Fernando Valley earthquake. You know exactly what's going to happen. If we have a major earthquake in Southern California, you are going to lose all of your public services just like that, because nothing has been done, really done, to prepare the people for a casualty like that.

A few years ago I tried to convince the Carter Administration and they are not alone. Every Administration has the same blind spots: That we should at least begin to put into place, technology that already exists that enable us to anticipate the events of that kind, or predict perfectly of that magnitude. It's been done in China, not always successfully but its been done. There is no reason to hesitate to begin that process here in the United States today.

Yet the biggest roadblock seems to be that nobody knows what to do with the information if you had it. Well, that's the worst excuse I can imagine for not gathering and working with groups like yourselves, at the local level, as well as the national level. We'll figure out what to do with that information and we'll learn how to do it properly and we'll educate the people so we can make a mistake and they won't stay home the next time when it's the real thing.

Let's remember for the most part we are also preparing these other kinds of events. Except, we have to have a little here and a little there to be truly prepared. Believe me, I'll be helping you do that as much as I can.

Now in closing, let me mention one other subject that you ought to become more aware of. I won't dwell on it, but we are going to be doing a great deal with the Science, Space and Technology Subcommittee, about which is as important to the civil defense concept as anything we have to deal with. That is the issue of strategic minerals and energy supply.

You all know about our energy crisis, which in reality is an import crisis; that is we import 45% of our essential petroleum requirements from large unstable regions of the world, politically unstable regions. Most of you are probably not aware that our average import of strategic minerals from many of the same unstable regions of the world totals 65% and many of these strategic minerals, we import all that we use, and we have no domestic capabilities to replace it, and we have an inadequate stockpile if we are ever faced with a cut-off or a threat of a cut-off. You could be everything that is right in the kinds of civil defense activities that you have to deal with on a day to day, month to month, year to year basis, but if the government of ours does not tackle the issue of preparation for stockpiles of strategic minerals then everything you have done is meaningless because we could be brought to our knees economically, we could be brought to our knees in terms of our national defense merely by an embargo or merely by the threat of an embargo.

If we go to our hearings on Science, Technology and Space subcommittee, and Jim McClure moves for it on the Energy and Natural Resources Committee, it will help. Please help us in spreading the information

and the awareness that this is a serious or more serious crisis that faces the country than anything having to do with energy, and we have to work on those issues. Our problem is that you don't put strategic minerals in a gas tank and you don't have to pay for them everyday. But believe me, if you don't have them you're going to pay for them.

So, remember civil defense is preparation, and all that entails is being able to carry out a complete effort when required. And finally we must always show that we know how to recover.

Thank you very much.●

THE NATIONAL MINERAL SECURITY ACT

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. SANTINI. Mr. Speaker, today I am introducing the National Mineral Security Act with an initial cosponsorship of 40 Members. Cosponsorship of this legislation reflects a concern by those Members for a national minerals policy. This bill will provide a basic vehicle for the various committees to address the specific problem areas.

The National Mineral Security Act will establish a coherent national minerals policy to avoid the existing and impending challenge of a major minerals crisis. During the 1970's, America found itself in a troubled and vulnerable posture regarding our oil energy needs; we were caught without an energy policy. We must not continue down the same perilous path of Government indifference that will tumble this Nation into the pitfall of a serious mineral calamity.

As background, there are 220 million people in the United States who annually consume 41,000 pounds of minerals per person. That means over 4 billion tons of minerals are needed each year to sustain the Nation's economy. A decline in domestic mineral production creates an increased dependence on foreign sources. This dependence forced imports of nonfuel minerals for both raw and processed materials to increase from $9 billion in 1973 to $21 billion in 1978.

To aggravate this infringement on our economic stability, the United States has placed its national security in the hands of a few foreign nations. We are heavily dependent on the region of southern Africa for 76 percent of our cobalt, 93 percent of our platinum, 48 percent of our chromium, and a host of other strategic and critical minerals. Without these minerals, we cannot build jet aircraft, weapons, or other military hardware vitally important to our national security. With the turmoil that prevails in southern Africa—from political and social conflicts generated internally to militaristic aggression generated externally—the stability of this region is highly questionable.

We are, indeed, in a resource war. Leonid Brezhnev stated that "control of Europe's sources of energy and raw materials would reduce it to the condition of hostage to Moscow." We were losers in the early fifties during the first battle of the resource war when the Soviets cut off exports of chromium to the United States. We were even bigger losers in the second round of the resource war when a Soviet-encouraged oil cartel put the pinch on American industry and wreaked havoc with our country's economy. We cannot afford to lose round three.

In 1977, President Carter described the Nation's minerals picture as "alarming" and directed an immediate review of the situation. That effort ended in a tragic waste of $3.3 million and 3 years of valuable time. During the past 2 years, I have conducted over a dozen hearings with expert witnesses relating the horror stories of our declining minerals industry. As a result of those hearings, my subcommittee published a report entitled "U.S. Minerals Vulnerability: National Policy Implications," which evaluated the problems and recommended numerous solutions. The National Mineral Security Act is based on the recommendations of that report.

Facing potential mineral problems and pursuing preventative avenues is the best way of assuring our national security and economic stability. NMSA will establish a workable, coherent national minerals policy and eliminate the "crisis-management" humiliation we suffered during the long gas station lines of the 1970's.

A title-by-title analysis of the bill follows;

TITLE I

Title I outlines the findings and purposes of the National Mineral Security Act of 1981.

TITLE II

Title II creates a Council on Minerals and Materials within the Executive Office of the President. Three permanent Council members are charged with responsibilities to coordinate and review government activities related to minerals. The Council would recommend policy options to the President for maintaining a viable national minerals policy.

TITLE III

Title III addresses domestic resource potential on the public lands. The Secretary of Interior is required to review all public land withdrawals and classifications and report back to Congress on the number of acres closed or restricted to mineral location and leasing. A procedure is established to assist the Secretary in determining those lands which may have the most mineral potential, and the highest interest by the private sector for exploration. The legislation does not open up restricted lands; rather, the Secretary would request nominations of areas from the private sector, identify those areas with the highest interest, hold a hearing, and then determine the degree to which those lands should be made available for mineral location or leasing. Also, the December 31, 1983 mining expiration date in the Wilderness Act is extended to December 31, 1993.

TITLE IV

Title IV emphasizes the roles of the Bureau of Mines and the U.S. Geological Survey. BOM is designated as the principal federal agency for mineral data collection and analysis. Various activities are required by both the BOM and USGS to enhance the data base and identification of areas of strategic mineral potential and improving recovery and productivity within the mining and mineral industries. The Secretary is directed to transfer the mineral institute functions of the Office of Surface Mining to the Bureau of Mines.

TITLE V

Title V amends the tax laws to assist the mining industry in making capital investments that are necessary to find, develop, and produce the minerals on which our economy and national security depend. This title would provide for tax-exempt financing for pollution control facilities. In addition, it would allow for accelerated amortization of pollution control and other government mandated expenditures.

TITLE VI

Title VI amends the Administration Procedures Act to bring about regulatory reform. It allows agencies to permit staff argument, call expert witnesses for direct or cross-examination and gives the opportunity for oral argument to resolve controversies over material facts subject to judicial review. This title also requires each agency to make a showing of alternatives which would achieve the objective of lower cost or less adverse effects.

TITLE VII

Title VII amends the Strategic and Critical Materials Stock Piling Act to provide that moneys received from the sale of materials from the stockpile be transferred to the "transactions fund" and be immediately available for the acquisition of those strategic and critical materials for which the stockpile is in deficit. The title thereby removes the present requirement that moneys in the transactions fund be appropriated before they are available for the purchase of stockpile materials.

TITLE VIII

Title VIII requires the Attorney General to review the antitrust laws, rules, and regulations to determine their effect on domestic mining and mineral industries.

TITLE IX

Title IX names the Bureau of Mines as the repository of foreign mineral information and directs BOM to ascertain and fulfill the informational requirements of federal agencies for foreign mineral data. It also requires the Secretary of State to report on foreign policy as it relates to this nation's minerals availability, including the economic and national security interest, the environment for U.S. investments abroad, and future initiatives that could favorably affect U.S. mineral security.

These and other provisions of NMSA are essential for the development of a national minerals policy. This Nation cannot afford to continue its lackadaisical, haphazard approach toward the

importance of a stable domestic industrial base.●

IN SUPPORT OF LEGAL SERVICES CORPORATION

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. OBERSTAR. Mr. Speaker, the concept of equal justice under the law is fundamental to our American system. Congress created the Legal Services Corporation to insure poor Americans the legal resources necessary to the full exercise of their constitutional rights.

The Corporation has enjoyed bipartisan support from across the ideological spectrum because equal opportunity under the law is not a conservative or liberal issue—it is a right founded in the Constitution of the United States.

The Reagan administration proposal to abolish the Corporation would be a travesty upon our legal and constitutional system. I am amazed that any administration would propose such an injustice. If Congress accepts the administration proposal, it raises legitimate questions as to the seriousness of Congress commitment to the concept of equal justice and legal equality.

Chairman PETER RODINO of the Judiciary Committee has introduced H.R. 2506, legislation reauthorizing the Corporation for the next 3 years. I have cosponsored that bill because I believe Congress has a responsibility to assure truly equal justice for all Americans, regardless of economic condition. That goal can best be achieved by continuing the Legal Services Corporation program at an adequate funding level.

The Minnesota State Bar Association holds that view as well, and has spoken out forcefully in support of continued funding of Legal Services Corporation. It is a high tribute to this organization, and to its president, Conrad M. Fredin of Duluth, that they have taken a clear and forthright stand in favor of equal access to legal counsel for all Americans.

Mr. Speaker, I ask that the resolution in support of the Legal Services Corporation adopted by the board of governors of the Minnesota State Bar Association be included in the RECORD. I ask that my colleagues consider the strong endorsement made by the board of governors.

RESOLUTION OF THE BOARD OF GOVERNORS, MINNESOTA STATE BAR ASSOCIATION—APPROVED, MARCH 28, 1981

Whereas, equal justice under law is a fundamental concept of a free society, and accessibility to legal representation for all people is essential to effectuate that principle; and

Whereas, there is a continuing need for low-income residents of Minnesota to receive legal advice and representation in civil matters for which they cannot afford private counsel; and

Whereas, the National Legal Services Corporation pursuant to Public Law 93-355 as amended by Public Law 95-222 provides funding to legal services programs in Minnesota in order that they may provide such services to low-income Minnesotans; and

Whereas, the Congress has found, at Public Law 93-355 Section 1001 (5), that "to preseve its strength, the legal services program must be kept free from the influence or use by it of political pressures"; and

Whereas, the American Bar Association and the Minnesota State Bar Association support the funding of the National Legal Services Corporation and oppose restrictions on the free exercise of independent professional judgment of legal services lawyers in representing low-income persons; and

Whereas, the Reagan administration has announced that it will seek the abolition of the Legal Services Corporation, and an end to budget appropriations for legal services programs, in legislation in the United States Congress,

Now therefore, be it resolved that the Board of Governors of the Minnesota State Bar Association recommends that:

1. The Congress of the United States pass legislation reauthorizing the Legal Services Corporation without restriction on the free exercise of independent professional judgment of legal services lawyers in their representation of low-income persons, and without restriction on the ability of legal services lawyers to pursue on behalf of their clients the same full range of legal remedies that an attorney in private practice would be able to seek on behalf of more affluent clients.

2. The Congress oppose any change to the current form of organization of legal services, or to the current method of funding legal services programs, which would subject programs to control by persons or governmental entities whose interests might be or become in conflict with independent, effective representation of clients by legal services attorneys.

3. The Congress appropriate a sufficient level of funding to the National Legal Services Corporation to enable it to continue the same level of service which it now provides.

4. This resolution be forwarded to the Senators and Representatives from Minnesota.●

GOLDEN ANNIVERSARY OF THE FOUNDING OF BETA SIGMA PHI SORORITY

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mrs. HOLT. Mr. Speaker, today over 250,000 active members of more than 12,000 chapters of the Beta Sigma Sorority are celebrating the golden anniversary of the sorority's founding. In this connection, on January 23 this year, I introduced House Joint Resolution 128, authorizing and requesting the President to issue a proclamation designating the 7 days commencing April 30 of each year as "National Beta Sigma Week."

To date, I have 88 cosponsors of my resolution. In the House, 218 cosponsors are needed before the resolution can be brought to the floor. I am happy to note, however, that the other body took up Senate Joint Resolution 75—identical to House Joint Resolution 128 introduced by me early this year—and passed it yesterday. Considering that the Senate resolution was introduced in behalf of Senator DOLE by the Senate majority leader just yesterday, I certainly commend the other body for getting the resolution through the Senate with dispatch.

Mr. Speaker, it is obvious that the House will not act in time to recognize the world's largest international Greek-letter women's organization today. But I do want to take this opportunity to thank the following colleagues for having cosponsored House Joint Resolution 128:

LIST OF COSPONSORS

Mr. Archer, Mr. Bafalis, Mr. Bailey of Missouri, Mr. Bereuter, Mr. Boner, Mrs. Bouquard, Mr. Bowen, Mr. Breaux, Mr. Brodhead, Mr. Broyhill, Mrs. Byron, Mr. Cheney, Mr. Clay, Mr. Coleman, Mr. Collins of Texas, Mr. Corcoran, Mr. Craig, Mr. Daniel B. Crane, Mr. Daschle, Mr. Derrick, Mr. Dunn, Mr. Dwyer, Mr. Ertel, Mr. Evans of Delaware, Mr. Fascell, Mr. Fazio, Mrs. Fenwick, Mr. Foley, Mr. Forsythe, Mr. Fountain, Mr. Frost, Mr. Gejdenson, Mr. Gingrich, Mr. Ginn, Mr. Gore, Mr. Hammerschmidt, Mr. Hance, Mr. Harkin, Mr. Hatcher, Mr. Horton, Mr. Hutto, Mr. Ireland, Mr. Jacobs, Mr. Jeffries, Mr. Jones of Tennessee, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Livingston, Mr. Loeffler.

Mr. Lott, Mr. McClory, Mr. McCurdy, Mr. McDade, Mr. McDonald, Mr. Madigan, Mr. Marriott, Mr. Martin of New York, Ms. Mikulski, Mr. Mollohan, Mr. Natcher, Mr. Oberstar, Mr. Panetta, Mr. Pepper, Mr. Perkins, Mr. Pickle, Mr. Price, Mr. Quillen, Mr. Rahall, Mr. Railsback, Mr. Roberts of Kansas, Mr. Robinson, Mr. Roe, Mr. Santini, Mr. Shelby, Mrs. Smith of Nebraska, Mr. Stenholm, Mr. Traxler, Mr. Volkmer, Mr. Watkins, Mr. Weaver, Mr. Whitehurst, Mr. Williams of Ohio, Mr. Winn, Mr. Wolpe, Mr. Yatron, Mr. Young of Alaska, and Mr. Young of Missouri.

Mr. Speaker, the late Tennyson Guyer, a beloved friend and colleague of ours, was also a cosponsor.

Even though the House will not be able to act on my resolution today, Beta Sigma Phi's 50th anniversary, I strongly urge my colleagues who have not yet cosponsored House Joint Resolution 128 to do so soon in order that the President may be authorized and requested to issue a proclamation for next year.●

WE MUST MOVE FROM FOREIGN PETROLEUM

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. SIMON. Mr. Speaker, everytime I read Carl Rowan's column, or hear him on the Martin Agronsky program, I become more and more grateful that this Nation has an articulate spokesman like Carl Rowan.

Recently, he had a column about the necessity to move away from foreign petroleum.

The column is right on point.

It is amazing that every study shows that we ought to be doing research to develop synthetic fuels in the Midwest and the East, and yet this administration is suggesting that we continue with synthetic fuel production that uses water from the West and uses the low-sulfur coal from the West, both of which are limited in quantity.

We had better look for some long-range answers, and Carl Rowan's column has more sense than the administration budget has:

MUST MOVE FROM FOREIGN PETROLEUM

WASHINGTON.—Gen. David D. Jones, chairman of the Joint Chiefs of Staff, gave Congress a somber warning last week: Soviet forces near the borders of Turkey, Iran and Afghanistan have been upgraded, and are capable of a thrust toward the Persian Gulf.

Have you thought seriously about what it would mean to your supply of gasoline, of heating and cooking fuel, if the Soviets took over the oil fields of Saudi Arabia, Iran, Iraq, Kuwait?

Has it occurred to you that Nigeria might become so angry over the Reagan administration's game of kiss-and-make-up with South Africa that the Lagos government, our second-biggest foreign supplier, might say: "Not one more barrel"?

Have you asked "what if" the Camp David agreement is sabotaged and Mideast peace talks flounder and the U.S. is faced with another Arab oil embargo?

All these "ifs," we must hope, relate to developments that are not likely to occur. But prudent American leadership must plan on the assumption that the worst could come about. That is why I am disturbed, as are many members of Congress, that the Reagan administration not only has not fashioned an energy policy, but that it is thrashing around in ideological blindness, destroying the policies and programs that his predecessors forged, often at their political risk.

Richard Nixon had to preside over the 1973 Arab oil embargo. He recognized this nation's vulnerability to such denials of energy. He expressed his concern this way:

"We must . . . face up to a very stark fact: we are heading toward the most acute shortages of energy since World War II.

"In the short run this course means that we must use less energy . . . in the long run, it means that we must develop new sources of energy that will give us the capacity to meet our needs without relying on any foreign nation."

President Jimmy Carter outdid Nixon in hyperbole, calling the energy crisis "the moral equivalent of war," but he also outdid all of his predecessors in programming the use of coal, solar energy, synthetic fuels and other techniques to give the United States reasonable independence from the fossil fuels beneath foreign lands.

After almost two months in office, the Reagan administration shows not the slightest evidence that it recognizes the energy peril abroad, or the certainty of tragedy at home if it deludes millions of Americans into believing that as prices rise for gasoline, natural gas, heating oil, American oil tycoons and wildcatters are going to blanket the slopes, the ranges, the bayous, the offshore basins, and suck out more energy than America could ever use.

The greatest threat of an earth-denuding nuclear war lies in a potential contest between the United States and the Soviet Union over the oil and gas deposits beneath Saudi Arabia, Iran, Iraq, Kuwait and the rest of the Persian Gulf area. We should never cede to the Soviets the right to march into those areas without a fight, but prudence suggests that we ought to get our domestic situation in order so that a cutoff of Persian Gulf oil will not mean that our bombers cease to fly, our tanks no longer roll, our factories grind to a halt and our schoolhouses and business places must close.

The people Mr. Reagan has brought to town don't like the synfuels program passed by Congress because they don't like government doing what they think "private enterprise" can do. They think the synfuels program is a gigantic boondoggle whose leaders are slated to get ridiculously high salaries.

They can scale down the salaries, reduce the staff, or whatever, but they ought not let ideology blind themselves to the reality that we must use our abundant technology to move America away from a life-threatening dependency on other peoples' petroleum.●

THE DILEMMA OF ARMS FOR SAUDI ARABIA

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. SKELTON. Mr. Speaker, a recent editorial in the Kansas City Jewish Chronicle tells of the dilemma of furnishing arms to Saudi Arabia and the dangers that accompany such a decision. I commend this editorial to the Members of this body:

THE DILEMMA OF ARMS FOR SAUDI ARABIA

That's a rough scenario for the State of Israel—the proposal of the Reagan Administration to soup up the offensive air striking potential of Saudi Arabia as a part of Washington's determination to make it more difficult for the USSR to penetrate the Middle East.

If Israel protests too much the supply of additional fuel tanks and special bomb racks to those F-15 jet fighters, bought in 1978 when Congress prohibited the current gain demanded by Saudi Arabia, Washington may conclude Israel doesn't worry about the Moscow threat in the Middle East the way the U.S. does. Yet, if Israel does not articulate strong opposition to the deal, such a supine posture may invite added blows against Israel's security the next time around.

Obviously, Israel lacks leverage. Suspended over millions of barrels of Saudi Arabian oil, the gallant little state now experiences a nightmare that a loyal ally of the U.S. should be spared. So let's look at the drama from three points of view, for the sake of reaching reasonable conclusions.

First, what it all means to the Reagan Administration: Mindful of the fact that it is dealing with the heartland of oil wealth (Saudi Arabia supplies 20 to 25% of the non-Communist world's oil), our government seeks to establish bases in Oman, Egypt, Somalia, and Kenya in the hope that Moscow will understand she will face formidable military barriers if and when she ventures deep into that zone of the world. Again, Washington naturally expects Riyadh, ostensibly anti-Communist, to intensify what Washington sees as Saudi Arabia's role as a moderating influence in the Middle East, if we comply with the current request. Then too, that huge kingdom might, in exchange for obtaining our air-to-air missiles and aerial refueling tankers, keep a lid on skyrocketing oil prices.

Second, take note of how pleased Saudi Arabia is with the aviation bonanza now within its grasp. In addition to relishing Israel's discomfort, this oil-powerful empire can feel reasonably protected against incursion by the USSR. And if Washington doesn't oblige, there's always the alternative of acting upon Crown Prince Fahd's threat: "If we find the doors to American and Western arms markets closed, we might turn to the Soviet Union to buy the weapons we need."

Third, a review of Israel's bitter recollections and present anxiety: A quarter of a century ago, King Saud denounced Israel as a "cancer" to be uprooted as such, and stated: "We Arabs total about 50 millions; so why don't we sacrifice 10 million of our number (to wipe out Israel) and live in pride and self-respect?" Israel will never forget that Saudi Arabian units fought against Israel in 1948 and 1973, and aided Egypt in 1967. This is the imperial power that finances the PLO's terrorism campaign at the rate of $400 million a year, the nation that denounced the Camp David agreements and mounted the oil embargo against the U.S. less than a decade ago.

Once equipped with the new sophisticated air machinery by Washington, Saudi Arabia will be able to monitor Israel's own aviation movements over a distance of 500 miles.

President Reagan and State Secretary Haig have made it clear they intend to keep historical U.S. pledges to strengthen Israel against its many Arab antagonists. But Israel, naturally stung by Prince Fahd's call for a holy war against Israel during the January Arab summit—the smashing of "this Zionist-racist arrogance"—shudders at the thought that the new sophisticated, offensive tools America supplies Saudi Arabia may fall into Russian hands.

The least the U.S. should expect from granting the new military strength to Saudi Arabia is a truly firm anti-Soviet stance and a better break in oil. Israel, in its turn, certainly deserves help from Washington in the form of a strong commitment from Saudi Arabia to stop circulating copies of the Protocols of the Elders of Zion, along with agreement to stop war cries directed against Jerusalem.●

HUNGER STRIKE IN NORTH OF IRELAND

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. ZEFERETTI. Mr. Speaker, I join my colleagues this morning in extending an urgent plea to Prime Minister Margaret Thatcher and the British Government to intervene in the hunger strike being waged in Ulster's Maze Prison by Bobby Sands and three other prisoners.

I stress at the outset that I remain staunchly opposed to all acts of violence, whether perpetrated by terrorist groups or the government authorities in Northern Ireland. However, Mrs. Tatcher's callous intransience in refusing to even consider any compromise to this stalemate is merely adding fuel to the fire that will surely explode in Ulster should Mr. Sands or his fellow strikers die. I particularly grieve for the many innocent citizens who will be slaughtered in the outbreak of violence that will surely take place.

Room for compromise is clearly evident in the statements made by Mr. Sands. I implore the Thatcher government to make every effort to seek a compromise settlement before Northern Ireland again erupts in a volcano of bullets and bombs.

It appears that the differences separating the two sides are really a matter of semantics. Among other minor demands, Mr. Sands seeks only to wear his own clothes as opposed to prison garb. We must keep in mind that he and his fellow prisoners were arrested under special laws, held incommunicado for periods of up to 7 days, tried in special nonjury courts that permit coerced confessions as admissible evidence, and sentenced to extremely harsh jail terms—Mr. Sands was arrested while riding in a car in which a gun was found and sentenced to 14 years in prison. Yet these prisoners, convicted of politically motivated crimes, are refused any kind of special status by British officials.

While the prisoners had originally sought to be classified as political prisoners, they have softened their demands to include only minor changes in prison policy, such as clothing, increased visitation rights and the freedom to mix with other prisoners. Yet Mrs. Thatcher maintains that any concession to the prisoners represents submission to the demands of terrorists. A compromise settlement is possible. Despite the efforts of officials of the Irish Republic, the European Commission on Human Rights and emissaries of the Pope, the strike continues. It is clear that only Prime Minister Thatcher has the power and authority to intercede in resolving this tragic standoff. It is imperative to the principles of peace and justice that she act expeditiously in making every effort to resolve this crisis.●

REAGAN'S SCIENCE AND ENGINEERING EDUCATION CUTS—ANOTHER MISTAKE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. BROWN of California. Mr. Speaker, any budget of hundreds of billions of dollars, and thousands of programs is difficult to understand. The budget is especially difficult to understand when one is unfamiliar with the subject, as is the new administration, and one is rushed to make a decision, as the Reagan administration chose to be.

One obvious error in the Reagan budget, whether by ignorance or misguided prejudice, was the proposal to totally eliminate the Federal role of support for science and engineering education. These cuts were especially ironic, coming on the 20th anniversary of the first man in space—a Russian—and at a time of continued U.S. economic decline, relative to that of Japan and Western Europe. All of these countries have a higher degree of scientific literacy than does the United States, which helps to explain much of our problem in the world today.

I am pleased to note that the Science and Technology Committee has decided that this error in the Reagan budget proposal was serious enough to warrant reporting out a budget higher than that requested by the President. I credit the scientific and technical community for this small victory, because it was this community which successfully communicated to the members of the committee the need for restoring this program.

Mr. Speaker, at this time, I wish to share with my colleagues one of the editorials on this subject which I believe summarizes the issue. I urge my colleagues to review this editorial, and to support the recommendations of the Science and Technology Committee when the National Science Foundation bill comes to the House floor.

The editorial follows:

[From the Chemical & Engineering News, Apr. 20, 1981]

A CRY OF PROTEST

(By Michael Heylin)

The new Administration's proposed fiscal 1982 budget for the National Science Foundation (see page 21) has generated some quite vigorous reactions from the scientific community. Under this budget, foundation support for scientific and engineering research would remain high. For instance, funding to the foundation's chemistry division would be 18 percent higher than it is in 1981 and the gain for the chemical engineering division would be 24 percent. However, such gains would be financed, in part, by cuts in other NSF programs.

The biggest bone of contention is the proposed elimination of NSF's long-term program in support of science education—funding for which is slated to be cut from roughly $70 million this year and the $112 million proposed by President Carter for fiscal 1982 to about $10 million, just enough to continue fellowships already awarded. Other big cuts are also planned in support for research in the social and behavioral sciences. A major gain in support of industry/university cooperative research programs has been eliminated. And what would have been a new program to fund modernization of university research equipment will not be funded.

The American Chemical Society already has expressed its displeasure over the Reagan proposals to both the President himself and to the House and Senate committees involved with the NSF budget. According to ACS, "such a plan, if carried out, would deal a severe setback to U.S. science and technology, and to the country's industrial, commercial, and military strengths."

The ACS statement, which was approved by the Board of Directors, also asserts that "Scientific education is the foundation of the entire scientific enterprise, and must have support commensurate with this commitment. This nation could not have attained its present position in science and technology without the strong support by NSF of science education programs. Not only do we need scientifically and technically qualified professional men and women, we also must have scientifically literate lay men and women." The statement also points out that the nation's decision makers and those who elect and support them "need to know and understand science sufficiently . . . so they can function intelligently as involved citizens in a world continually being changed by science and technology."

Allan Bromley, Yale physicist and president of the American Association for the Advancement of Science, made some of the same points in testimony before the House Subcommittee on Science, Research and Technology last month. Among other things, he stated that "To expect scientific and technological progress while abandoning efforts at improving science and technological teaching in our schools is illogical and a disservice to the nation's interests." He views adequate support for effective science education programs to be of the highest priority.

The science community does have a strong case for crying out in protest at the Administration's proposed meat ax approach to NSF programs—especially those involved with education. There seems little doubt that the NSF effort in science and engineering education has been effective over the years. There also seems no doubt that science and engineering education is the goose that lays the golden eggs that science and technology bring to society. And the Administration's suggestion that the education programs until now funded by NSF will be picked up and carried on at the state and local levels does not seem to be well founded.

It is appropriate for scientists to speak out on the NSF budget; it is close to their hearts, it is their turf, they understand it, and can grasp the broader implications of changing it in a precipitous manner. Maybe this involvement will encourage them to

look with equal intensity at other aspects of the overall federal R&D budget for fiscal 1982. From the point of view of the funds involved, some of these dwarf the NSF budget. And, in the opinion of many respected scientists, some involve projects that could, in the long run, undermine the welfare and security of this nation as well as the world.●

THE THREAT TO ISRAEL—IT NEVER ENDS

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, this week, our Nation officially observes "Jewish Heritage Week." This body officially proclaimed the week of May 3–8 as an official time of remembrance and celebration of the Jewish cultural contributions within world and American culture. Observing this week of appreciation is also a time for reflecting upon the type of threat that exists, so well voiced in Tuesday night's hideous raid and missile attack at Kiryat Shimona. When will brutality and destructiveness stop? The history of modern Israel is the story of constant threat from terrorism. The threat is not confined to the land of Israel; unfortunately, it is also pervasive in the halls of the United Nations itself.

I would like to bring an article by Michael Rubinoff entitled, "The Spirit of Hitler in the Halls of the U.N." to the attention of my colleagues. Mr. Rubinoff, a historian, wrote this article last year for Newsday. Its words are timely today.

THE SPIRIT OF HITLER IN THE HALLS OF THE U.N.

(By Michael W. Rubinoff)

Israel's expulsion from the United Nations is no longer an idle threat. Third World states, in league with Communist nations and the radicals of the Arab bloc, are on the verge of achieving their long-pursued goal—reversing the UN's 1947 decision to create a Jewish state in Palestine.

The irony of the current debate in the UN on expelling Israel cannot be lost on anyone. Israel was the first state literally created by the United Nations. Following her successful war for independence, Israel was accorded membership in the UN and its related agencies.

The question of Israel's expulsion can be dated from the time the UN General Assembly chose to equate Zionism with racism in a resolution adopted on Nov. 10, 1975. The hypocrisy of Idi Amin's Uganda, Moammar Khadafy's Libya, and Fidel Castro's Cuba joining with a host of totalitarian dictators in supporting this resolution was not to go unnoticed by the then U.S. ambassador to the UN, Daniel P. Moynihan.

"A great evil has been loosed upon the world," Moynihan said. "The abomination of anti-Semitism has been given the appearance of international sanction. The General Assembly today grants symbolic amnesty—and more—to the murderers of 6 million European Jews."

Moynihan can vouch for the hostility shown in the UN to the American point of view. Since the General Assembly doubled its numbers in the 1960s, extremist one-sided debates and resolutions have increasingly dominated the proceedings. Important issues often have been neglected or ignored in favor of propaganda displays.

Witness the present discussion on expelling Israel, while much of the Mideast is either smarting under Soviet imperialism, as in the case of Afghanistan, or is at war, as in the case of Iran and Iraq.

It is small wonder, then, that many Americans, some of whom once supported the UN, are now rethinking their commitment to that body.

During the Zionism debate five years ago, it was pointed out that the resolution was passed on the 37th anniversary of the infamous "Kristallnacht," the night when Hitler put to the torch the synagogues of Germany. That night was an important marker on the long road for European Jews that ended in the ruins of the Warsaw ghetto, in the Einsatzgruppen extermination pits in Russia and in the gas chambers and ovens of Auschwitz, Treblinka, and Dachau.

Many countries applauded the benevolence of the UN in 1947 when it created the state of Israel to redress the wrongs suffered by European Jews. Today, those same countries are amazed at how a body, originally established to combat Nazi tyranny and the philosophy of Mein Kampf, has degenerated into a forum for some of those very same ideas.

Should the General Assembly succeed in purging Israel from its midst, it will unquestionably lead to the expulsion of other nations.

The ouster of the Republic of China [Taiwan] foreshadows a day when any nation that opposes the spread of communism or defies the threat of oil blackmail will be branded as outlaws or outcasts. It is entirely possible that the automatic majority of power-drunk potentates and petty despots now in control of the UN could someday throw the United States out.

The United States and its allies are soon to be confronted with what could very well be their own fate and future, for when blind hatred is accorded the appearance of public and international respectability, when the technique of the "Big Lie" as personfied by Josef Goebbels is permitted to flourish with impunity and when free men shrink from responsibility into the depths of appeasement, then the spirit of Adolf Hitler is ominously alive.●

REFORMING THE AMERICAN PRESIDENCY

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. UDALL. Mr. Speaker, I would like to call the attention of my colleagues to an article by Arthur Schlesinger, Jr., on "Reforming the American Presidency." This article contains insightful commentary on such reform proposals as the single 6-year term, repeal of the 22d amendment which limits a President to two terms, and the transfer of the date of inauguration from January 20 to November 20. I include it in today's RECORD.

[From the Wall Street Journal, Apr. 7, 1981]

REFORMING THE AMERICAN PRESIDENCY

(By Authur Schlesinger, Jr.)

The ghastly event last week has made Americans think hard about their Presidents, their country and themselves. I do not see how it would be possible to guarantee a President's safety against homicidal madmen without altering in an ominous way the character of the presidency and the character of our democracy. Assassination is evidently the horrible risk U.S. heads of state must endure, and President Reagan has endured it with superb gallantry. We might profitably ask ourselves why we alone among Western democracies suffer this appalling problem, but that is another question.

The assassination attempt will doubtless arrest for a time the decline in Mr. Reagan's national support reported in recent opinion polls. That early decline had already raised questions about our treatment of the presidency. People were beginning to wonder whether we do not demand too much too soon from Presidents, whether the press does not find undue pleasure in criticism and exposure, whether "the breaking of the President" has not become a dominating theme in our modern politics. Not since Eisenhower, people point out, has a President served his "normal" two terms.

ERA OF ONE-TERM PRESIDENTS

Let us pause for a moment. It is a curious notion that a President, elected once, is more or less entitled to re-election. How many Presidents since Andrew Jackson nearly a century and a half ago have served two full consecutive terms? The answer is four in these 145 years—Grant, Wilson, the second Roosevelt and Eisenhower. Since the first half-century of the Republic, the one-term presidency has been more the rule than the exception.

Despite history, the impression persists that we are entering a novel era of one-term Presidents. No doubt this impression accounts for the revival of the idea that we can help restore the presidency by electing our Presidents for a single term of six years. The single six-year term is hardly a new thought. At least 180 constitutional amendments to this effect have been proposed in Congress since Congressman Hemphill of Pennsylvania introduced the first one in 1826. Jackson, W. H. Harrison and Polk favored the idea. The Confederate Constitution adopted it. After the Civil War Andrew Johnson, Hayes and Taft all recommended it. In our own time Eisenhower, Lyndon Johnson and Jimmy Carter have advocated the single six-year term, as have such eminent Senators as Mike Mansfield and George Aiken. Rep. Jack Brooks and Sen. Lloyd Bentsen have introduced single six-year term amendments in the present session.

The conventional argument is that, by relieving Presidents of the concerns of re-election, the amendment would liberate them from politics. Instead of running for a second four-year term, they could concentrate on running the country. Instead of pandering to interest groups and chasing around the country after votes, they would be free to work for the general welfare. Ex-President Carter sees particular virtue in removing from the presidency "the stigma or

insinuation that everything is done for political reasons." A six-year term, moreover, would give a President the time he needs to shape and carry out his programs.

The argument sounds plausible enough until you start to think about it. For it is most unlikely that a single term would liberate a President from politics. He would still have to convince the electorate that his proposals are necessary. He would still have to get his programs through Congress—a task in which he would be handicapped by his position as a lame duck. If he had any sense of responsibility for the future of his party, he would still wish to sponsor and then to campaign for his successor.

Even if a single term could elevate a President above politics, is this what we want in a democracy? The argument for insulating the presidency is profoundly anti-democratic in its implication. It assumes that the President alone knows what is best for the country and that the voters are so wrongheaded and ignorant that a President should be enabled to disregard them. It assumes that the democratic process is the obstacle to wise decision.

The theory of American democracy is quite the opposite. It is that the President's duty is, not to ignore and override the nation's wishes and needs, but to heed and recognize them. Democracy supposes in addition that the voters may often know things that Presidents, remote in the White House sanctuary, do not know—hardly an erroneous supposition when one recalls the considerable price paid in recent times for presidential isolation and willfulness. Few things have a more salubrious effect on a President's awareness of a nation outside and on his sensitivity to public concerns than the desire for re-election.

Recent experience has given the Republic a healthy interest in presidential accountability. But it is hard to imagine a constitutional change more efficiently designed than the single six-year term to release Presidents from the discipline of consent and thereby to revive the imperial presidency.

As for the six-year provision, this is surely too short if a President is doing a good job and too long if he is doing a bad job. Impeachment is a remedy for malversation, not for incompetence. Jefferson, who began by favoring a single seven-year term, eventually concluded that "service for eight years, with a power to remove at the end of the first four" was better. He was right.

Joseph Califano in his book "A Presidential Nation" has made another, and more interesting, argument for the six-year term. He contends that the funding cycle of the federal system demands six years in order to give a new President more time to act on the basis of his own budgeting. But President Reagan and Mr. Stockman, by demonstrating rather brilliantly that a new President need not be completely at the mercy of his predecessor's budget, have diminished the force of Mr. Califano's point.

Moreover, like most thoughtful proponents of the six-year term, Mr. Califano favors it only if accompanied by other changes, as, for example, in the length of congressional terms. He also rejects the idea of a single presidential term. His ground is that the single term would "reduce even further the responsiveness of the modern presidency to the people." Of course the denial or re-eligibility is itself a curtailment of the democratic process. If democracy is about anything, it is about the right of the voters to make a free choice of their leaders. "I can see no propriety," George Washington wrote the year after the adoption of the Constitution, "in precluding ourselves from the service of any man, who on some great emergency shall be deemed universally most capable of serving the public." Hamilton amplified that argument in the 72nd Federalist Paper. Woodrow Wilson said, "By seeking to determine by fixed constitutional provision what the people . . . are perfectly competent to determine for themselves, we cast a doubt upon the whole theory of popular government." Constitutional reformers seeking to improve the presidency might well turn their energies, as Walter F. Mondale, Clark Clifford and Morris Udall have suggested, to repealing the 22nd Amendment, which limits a President to two terms.

INAUGURATION TRANSFER

I don't suppose this will happen. But another amendment proposed this session might have a better chance. This amendment, introduced by Sens. Claiborne Pell and Harry Byrd Jr., would transfer the date of inauguration from Jan. 20 to Nov. 20. Few features of our system more baffle and dismay our friends abroad than the protracted period between a presidential election and the inauguration. In Britain, when one government gives way to another, the new prime minister moves into 10 Downing Street at once. Admittedly two factors simplify transitions in parliamentary regimes. One is the limited number of offices available for political appointment; the other is the requirement in most cases that the cabinet be chosen from the parliament and the consequent prior existence of a "shadow government."

Still, as Professor Robert Wesson of the Hoover Institution has pointed out, a shorter interregnum would compel presidential candidates to assemble their teams in advance of the election. In these days when contrived television spots replace the policy speeches of old, the disclosure of prospective cabinets would do something to restore substance to campaigns and offer the voters better evidence on whic to make their decisions.

A shorter interregnum would in addition relieve Washington of the embarrassing and futile spectral presence of a vanishing administration. it would minimize the dangerous period of policy void that paralyzes domestic decision and invites trouble in world affairs. It would avoid the expensive sprawl of transition "planning" and contention that marked the most recent changeover. And it would further diminish Mr. Califano's budget problem by giving the new Preident time to submit his own budget for the impending fiscal year.

Here is a constitutional reform that would materially improve our democratic process. All power to Sens. Pell and Byrd!●

A HUBERT HUMPHREY SPIRIT NEEDED

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. SIMON. Mr. Speaker, one of the giants in our country's political history was the late Hubert Humphrey.

Nick Thimmesch has caught his spirit and gives sound advice to not only the new Members of the Senate, but to everyone in political life by giving us the Humphrey example.

I hope my colleagues in both the House and Senate will read the Thimmesch column, which appeared originally in the Chicago Tribune.

LESSONS HUBERT HUMPHREY COULD TEACH THE NEW SENATE

WASHINGTON.—Among the sorely missed human qualities in this town are the effervescence, optimism, and spirit of Hubert Horatio Humphrey. It was nearly three years ago that the "Happy Warrior" died of cancer. We haven't seen anybody like Humphrey since, and probably won't for many years.

Humphrey loved the political game with passion. He was a strong Democrat and almost always fought for what he regarded as principle. He panted for humanity and too often implemented such impulses by whipping up another federal program. Humphrey displayed a sharp edge in debate, but he was also a conciliator. He often vehemently disagreed—as veteran Republicans will smilingly testify—but he was never disagreeable. There was no man more popular in the U.S. Senate.

Despite setting some sort of record for the volume of his rhetoric, Humphrey was respected as a senator of stature.

Two of Hubert's best qualities were his inability to be angry at anyone for very long, and his empathy for fellow political warriors of either party. There's no question in my mind that if Hubert were alive, he would be on the phone every other day with President Jimmy Carter, trying to buck him up as he prepares for the sad trip home to Plains, reminding Carter of his accomplishments and the fact that there is much of life before him.

When he was ridden with cancer, pale and feeble, scarcely able to rise in his bed, and only four days from death, Humphrey phoned Richard M. Nixon, Jan. 9, 1978, to wish him a happy birthday.

According to Muriel Humphrey, Nixon was very touched, but not quite as much as on Christmas Day—two weeks before—when Humphrey phoned Nixon to wish him a merry Christmas.

If any opponent had scathed Nixon in campaigns, it was Humphrey, in 1968, when the two fought a close battle for the presidency. Humphrey once introduced Emmett Kelly, the famous clown done up with outlandish pants, sad eyes and rubber-ball nose, as "Nixon's campaign manager and chief economic adviser."

Robert Kennedy's campaign tactics savaged Humphrey in the 1960 West Virginia primary, and later, when Kennedy demanded that Humphrey release his Minnesota delegates, Hubert snapped: "Bobby, go to hell." But Humphrey reconciled with Bobby and all others by whom he was roughed up in politics.

He forgot and forgave the hurts inflicted by Lyndon B. Johnson; Joseph Rauh, the Americans for Democratic Action chieftain who turned on Humphrey; and the scores of demonstrators who spat on and reviled him during the acrimonious Viet Nam period.

Humphrey shook it all off. "He quickly got it out of his system," recalls David Gartner, Humphrey's longtime aide. "He lived at peace with himself. He was always phoning people on their birthdays or when they were ill. He couldn't stop himself from doing that."

Humphrey was such a blend of civility, Warmth, humor, and professional politician. He was no saint. As a poor boy in the trade, he had to look the other way in the old days so he wouldn't see where the campaign bucks were coming from. He also liked a good time, and perhaps that's why he understood human frailty.

The game of politics, as played in the U.S. Senate, should be one where the Hubert Humphreys prevail, no matter what their views. When Humphrey arrived there in 1949, he was brash and full of himself for having led the civil rights fight at the Democratic convention the summer before.

He was given the cold shoulder by many senators and was embarrassed to hear Sen. Richard Russell, the titan from Georgia, pointedly remark: "Can you imagine the people of Minnesota sending that damn fool down here to represent them?"

However, as one sage observed, "In Washington, some grow and some swell." Humphrey grew. He won the respect of all the titans, including Russell, was elected majority whip, and became the man many senators turned to for advice or even consolation. He and Barry Goldwater were buddies, and his old dust-ups with the Kennedys never prevented him from becoming a warm friend of Sen. Edward Kennedy.

The new Senate is distinctive, not just because it is Republican and conservative, but also because a majority of its members are relative newcomers to political life. Let's hope that this Senate develops warmth, civility, and an ability to disagree without being disagreeable—qualities with which Humphrey was richly blessed.●

VOCATIONAL REHABILITATION PROGRAM IN SOUTH CAROLINA

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. NAPIER. Mr. Speaker, one of the true success stories in our fair State, South Carolina, and one that does not get nearly the recognition it deserves, is the vocational rehabilitation program administered by the South Carolina Vocational Rehabilitation Department. It has turned hundreds of thousands of handicapped people into productive workers, at a lower cost per rehabilitated worker than almost any other program in the country. Commissioner Joe Dusenbury has done a wonderful job of coordinating the efforts of his department with industry in South Carolina. Recently, in recognition of the outstanding work that the vocational rehabilitation people have been doing, Riegel Manufacturing Co. in Aiken, S.C., presented Governor Riley with a check for $1,000 to be used by that department.

Mr. Speaker, I think this says something nice about the company, the vocational rehabilitation department, and the workers. Two articles, one about the check and one about the workers themselves, follow my remarks. I commend them to the attention of my colleagues.

RIEGEL PRESENTS CHECK; BUSINESS PEOPLE HONORED

(By Paula Blackmon)

The Riegel Textile Corporation recently presented Gov. Richard W. (Dick) Riley with a check in the amount of $1,000.

The check, donated by Riegel's convenience products division, will be used by the Vocational Rehabilitation Department.

Riegel has two divisions which are involved with contracts with Vocational Rehabilitation centers. Aiken Vocational Rehabilitation Center operates a contract with Riegel in which it completes the full production of wet wipes for distribution to retailers.

We appreciate and enjoy our relationship with Vocational Rehabilitation, and even though we pay taxes which go toward the support of this state agency, we are in favor of their work to the point that we want to make this contribution for the work they're trying to do," said Danny L. Stanton, Riegel's Division Manager for Manufacturing.

RIEGEL PROGRAM BENEFITS CUSTOMERS, HANDICAPPED

(By Wallace C. Hitchcock)

AIKEN.—Pat yourself on the back next time you buy a pop-up dispenser of premoistened towelettes.

You'll be helping a lot of handicapped people gain dignity.

Chances are those Wet Wipes or Baby Wipes you see on the shelves at K-Mart, Revco, Sears and other outlets are packaged by handicapped clients at the Aiken Vocational Rehabilitation Center.

For more than a year nearly 25 handicapped people have been turning huge rolls of absorbent paper into small, moist towels that are handy for baby, household, car trips and removing makeup.

The handicapped clients operate a paper-slitting machine, label the dispensers and fill them with a lanolin solution, stuff them with towelettes and package the product for shipment.

The work is done under contract with Riegel Textile Corporation's Convenience Products Division in Aiken.

And everybody benefits.

Riegel is meeting customer demands for the Wet Wipes and Baby Wipes and the handicapped clients are paid for the work, based on their rates of production, while they learn how to get along on the job.

"We're training our clients to work in a factory or on an assembly line and with the Riegel contract they're getting on-the-job training because we've now got our own factory and assembly line," said Alan Coleman, supervisor at the center.

Coleman pointed out that the towelette contract represents the only vocational rehabilitation program in the country that has handicapped clients working 24 hours a day, in three shifts.

It's a trade secret with Riegel just how many dispensers of moist towelettes are turned out by the handicapped workers, but the company did say a large volume is shipped by rail and truck across the country.

"This is working out real well for us," said Danny Stanton, manufacturing manager for Riegel's Convenience Products Division here.

"We're dedicated to doing the kind of things that will help people to help themselves and the clients are providing a valuable service to us in that they run that operation and do it at a price that's as low as the price we would be able to do it at," said Stanton.

"And we find that the clients doing the work are extremely dedicated to what they do," he added.

The Riegel Corporation last month showed its appreciation for the state's vocational rehabilitation effort by handing Gov. Dick Riley a check for $1,000 to be used in rehab work. Riegel also has a contract with the Columbia Vocational Rehabilitation Center for production of towels.

In accepting the Riegel donation, Gov. Riley said: "In times of economic austerity, this is the kind of civic responsibility that makes up for fewer government dollars."

Coleman said the handicapped people working on the Riegel contract could be dependent on family and friends for a living and some could even be institutionalized at taxpayer expense.

Now, thanks to Riegel and other businesses and industries, the clients have become economically self-sufficient, they have pride and dignity, and feel that they have become a useful part of society, Coleman said.

Coleman's operation, which began in 1947, now has nearly 200 handicapped persons working on nearly 50 contracts from 22 area industries.

The clients repair and assemble storage skids for Clearwater Finishing Company, repair coveralls and lab coats for the Savannah River Plant, fill gas grill hardware bags for Ducane Heating Corporation and assemble wheeled toys for the Roses Stores.

They work on their jobs at the rehabilitation center until they are ready to enter the job market. About 6,000 clients have found jobs after receiving rehabilitation training in Aiken.

"We couldn't do it without the help of our industries," said Coleman.

During 1980 the state's industries and businesses paid over $2 million for contract work done at centers like the one in Aiken, enabling handicapped people to gain experience in realistic work settings.●

IRELAND—HUMAN RIGHTS

HON. WILLIAM CARNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. CARNEY. Mr. Speaker, human rights—a phrase used and sometimes overused by many; the north of Ireland—an area of the world which many cannot understand. Combine the two, and you can begin to understand the problem which exists there.

Can you imagine not being able to have a job because of your religious beliefs? Can you imagine not being able to receive an adequate education for the same reason? Can you imagine being 15 years old and knowing that having either is nothing but a dream?

That is the situation which currently exists in the six occupied counties in the north of Ireland. That is why the current bloodshed exists. That is why we, as one of the most distinguished bodies in the world, must try to look at the situation in terms of right and wrong.

What I ask for is not the condoning of terrorism or anything of the sort. I simply ask that this great body look at the facts. At this point in time, we do not need one of our best allies to be preoccupied with a guerrilla war. What we need is cohesion within our NATO allies. What Ireland needs is its freedom.

I simply ask all of you to help this small country get what another small country sought in 1776—freedom.●

PERSONAL EXPLANATION

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. CORCORAN. Mr. Speaker, due to a previous commitment in Illinois, I was unable to be present and voting today on a motion to approve the House Journal of Wednesday, April 29. Had I been present, I would have voted to approve the motion.●

THE DEFECTION OF RUMANIA'S TOP TRAINERS OF GYMNASTICS

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. RITTER. Mr. Speaker, just before the Easter recess, the news media reported the press conference at the State Department by the top trainer team of the Rumanian women's gymnasts, Mr. and Mrs. Bela Karoly and Geza Pozsar.

These people are ethnic Hungarians and, while their disagreement about their treatment by the Rumanian State Central Federation of Athletics might have been the immediate cause of their defection, there is little doubt that the continuing violation of the human and ethnic rights of the 2½ million Hungarians, mostly in Transylvania, was the underlying concern that led to their final action after much soul-searching.

We hope that the Rumanian Government will be faster than usual in releasing the 7-year-old daughter of the Karolys and the wife and infant child of Mr. Pozsar and I am today urging the Rumanian Ambassador to expedite matters under the family reunification clauses of the 1975 Helsinki Declaration of the Conference on Cooperation and Security in Europe. We understand that, as long as their children are in Rumania, the defectors must refrain from exposing the human rights and ethnic policy grievances which they and their fellow Hungarians suffer in the Communist dictatorship of Mr. Nicolae Ceaucescu.

There are no restraints imposed on us, as lawmakers, to denounce these grievances, however. They include severe restrictions on the use of the Hungarian and German minority languages in public and in official use, despite the guarantees laid down in the Rumanian Constitution—using "salami tactics" for two decades against Hungarian and German sections in Rumanian primary and secondary schools and elimination of any, but literature and linguistic courses on higher education level in Rumania—intimidation and harrassment of anyone protesting any violation of human and ethnic rights despite constitutional guarantees—and dispersion of the skilled labor and professional population of the Hungarian minority into purely Rumanian areas, mostly outside of Transylvania.

Last but not least, the Rumanian Government proceeds by a combination of administrative and punitive measures against the minority churches, including the Hungarian Reformed Church—about 1 million members—and the Roman Catholic Church—about 1.2 million Hungarian and German members—and has an outrageous record also against smaller Protestant denominations—Baptists, Adventists, and Pentecostals—the leaders of many of which are still languishing in prison for trumpted up charges.

Add to this the dire economic situation, we must sympathize with the freedom loving Rumanians as well as with the intrepid ethnic Hungarians and Germans of Transylvania noting their sufferings under a harsh Communist system. We should do everything in our power, in view of our relations with Rumania which are closer than with any other member of the Warsaw Pact, to ameliorate the abuses and to restore a modicum of rights of all Rumanian citizens, particularly those suppressed both on ideological and political grounds.●

FUNDING FOR EDUCATION AND OTHER PROGRAM AREAS SHOULD BE INCREASED

HON. JIM DUNN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. DUNN. Mr. Speaker, I believe that the bipartisan Gramm-Latta budget substitute should budget more money for education and several other important program areas.

Earlier today, I supported efforts that would have allowed revisions to the Gramm-Latta budget. Specifically, I voted against the rule on the budget resolution because it offered no opportunity for amendment.

I believe that the 25 percent reduction in funding for education called for in the Gramm-Latta substitute is unacceptable. I would like to see more money budgeted for education.

Now that efforts to defeat the rule have failed and there is no opportunity for amendment, I will vote for the Gramm-Latta substitute. However, I intend to work for revisions in its budget levels both in the appropriations process and in the second concurrent budget resolution.●

TRIBUTE TO EDUCATORS OF NAPA, CALIF.

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. CLAUSEN. Mr. Speaker, the citizens of the community of Napa, Calif., have been blessed with excellent teachers for many years. Four of those educators are going to retire this year in June. All are outstanding people who will be missed by their fellow staff members, their students and the citizens of their community and school district.

In recognition of their years of dedicated service, I would like to read their names and review their careers for the RECORD. This special congressional recognition is very richly deserved. They are:

(1) Mrs. Elizabeth (Libby) Simpson—Originally from Webster City, Iowa, Mrs. Simpson graduated from the University of Wyoming and spent five years teaching in Sundance in that great state. Following her tenure in Wyoming, Mrs. Simpson moved to California, where she taught for five years in Vallejo. She came to Napa in 1959 and has taught English there for twenty-two years. Mrs. Simpson will enjoy her retirement with her husband and their four children.

(2) William (Bill) Spahr—A University of San Francisco graduate and World War II veteran. Mr. Spahr received his M.A. in Education from the University of California at Berkeley. Mr. Spahr moved to Napa in 1951 and has taught History and Math for 30 years. He and his wife Jean will enjoy a well-deserved retirement.

(3) Mr. Cecil (Pete) Rivers—A graduate of Oklahoma State University and also a World War II veteran, Mr. Rivers taught and coached football at King Fisher in Oklahoma for three years. He moved to Napa in 1950 and had taught and coached football there for over 30 years at both the junior high and high school level. As head football coach at Napa High School, Mr. Rivers complied a record of 49-36-3. He and his wife Mary, who have two children, will retire following a long and full career.

(4) Mrs. Bobetta (Bobbi) Yeiter—A native of San Francisco, Mrs. Yeiter received her B.A. in Psychology from Beaver College in Pennsylvania, Possessor of a varied background, Mrs. Yeiter was a lab technician for Bethlehem Steel before beginning her teaching career at an elementary school in Philadelphia. In 1965, she and her husband Marvin, who is now deceased, came to Napa, where Mrs. Yeiter has served as a teacher, counselor and administrator. She was As-

sistant Principal for Guidance at Vintage High School, and Principal at Ridgeway Junior High School. Also, Mrs. Yeiter has been active in several professional organizations, including the California Personnel and Guidance Association. It appears that her retirement will be as fulfilling as her career.

Mr. Speaker, proper education of our young people is an absolute necessity for the perpetuation of our wonderful, free society. These four career teachers have made a significant contribution to the proper education of Napa young people, and therefore an equally significant contribution to our Nation.●

POLISH CONSTITUTION DAY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. FARY. Mr. Speaker, let us rejoice for those who cannot. In the hearts of Poles everywhere, May 3, is a day of celebration, but in Poland it is a day of silence. This day commemorates that special moment in history when Poland established herself as a free sovereign state.

In 1791, fully 190 years ago, the bold statement that was her constitution, was adopted. The authors of the Constitution were influenced by the American Constitution and the Declaration of Independence as well as by the needs of the Polish Nation. The document itself was a curious mixture of tradition and enlightened ideas. Establishing a parliamentary system of government, the King and legislators of the time, wanted to insure that generations of Poles would enjoy freedom, equality, and individual liberty. Their dream did not live long, as Poland was invaded by Russia in 1792.

The present regime forbids any mention and ignores the existence of this Constitution. In Poland, on May 3, commemoration of Polish Constitution Day is forbidden. Nevertheless, the strength of these ideals remain firm in the hearts of the Poles. Here, in the United States where we live our dream of liberty, we can act as the voice of our brothers and sisters.

Recent actions by Solidarity have heartened us. We pray for their continued strength and believe that through peaceful means, much can be accomplished. In savoring these victories won by our brave countrymen, we must remember at what great risk they place themselves. Our country was established by those who chose to fight for religious and political freedom. Our Founding Fathers left their native country in search of a place where freedom rules, democracy lives, and equality prospers. Today, our dream is realized.

And so, my friends, on this day of celebration let us salute our courageous countrymen and women as they struggle to make their dreams of liberty a reality.●

COMMEMORATION OF BATTLE OF CROOKED BILLET, PA.

HON. JAMES K. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. JAMES K. COYNE. Mr. Speaker, I rise today in commemoration of a proud moment in American history—the Battle of Crooked Billet, Pa.

Mr. Speaker, in the spring of 1778 British forces were still firmly in control of the city of Philadelphia and the Colonial Army under General Washington had not completely recovered from its bitter winter at Valley Forge. Farmers in Montgomery and Bucks County were so disillusioned, in fact, that they were routinely selling food and material to the British. On March 25, 1778, the Pennsylvania Executive Council commissioned Gen. John Lacy to round up a group of Revolutionary volunteers to cut off the supply line between these turncoat farmers and the British forces in Philadelphia. Soon thereafter, Mr. Speaker, General Lacy set out with a group of several hundred men to accomplish that task.

On the evening of April 30, 1778, General Lacy's troops were abruptly surrounded on three sides by the redcoats. At dawn the next morning the British attacked, inflicting heavy casualties on the greatly outnumbered colonial forces. Although 26 of his men were killed in the surprise assault, General Lacy was able to regroup and escape. The Revolutionary forces continued on their mission to cut off the supply line to Philadelphia.

Mr. Speaker, the success of General Lacy's mission was an important factor in defeating the British during the Revolutionary War. Although the Battle of Crooked Billet generally does not make American history books, it nevertheless was an extremely proud moment in our Revolutionary history.

This fact has not escaped the attention of a group of young constituents of mine. The children at Crooked Billet Elementary School in Hatboro, Pa., plan to commemorate the historic occasion with an elaborate ceremony tomorrow. Everyone involved with the school's 203d anniversary celebration of the Battle of Crooked Billet deserves commendation. Preserving America's heritage is something my constituents take very seriously.●

THE 350TH ANNIVERSARY OF LEWES, DEL.

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. EVANS of Delaware. Mr. Speaker, I would like to express my best wishes to all Delawareans who have made possible this celebration commemorating the 350th anniversary of the founding of the first colony in Delaware. This was the Dutch community, Swanendael, meaning "Valley of the Swans," established at what is now Lewes, Del.

In April 1631, a small band of Dutchmen settled a seaport town near present-day Lewes. Unfortunately, it was wiped out by Indians within a year. However, its settlement is still considered vital to the fact that Delaware, and Sussex County in particular, did not become part of Maryland.

History tells us that in 1632 the King of England gave Lord Baltimore a grant of land around the Chesapeake Bay, which included Maryland. Baltimore claimed that the western part of the Delaware River and Bay also belonged to him—and to Maryland. William Penn also claimed the western shore of Delaware River and Bay. When their dispute came to a legal settlement, it was decided that, because Swanendael was settled by the Dutch in 1631, before Baltimore's 1632 claim, the Sussex County area was not part of Baltimore's grant, and consequently, not part of Maryland. Thus the sovereignty of Delaware, our first State, was established.

Hence, Lewes is very important to Delaware's heritage. This 6-month celebration, which began with numerous festivities in April, will include tours of historical houses and landmarks; visits to the reopened Zwaanendael Museum, and previews of the new documentary film entitled, "Lewes: A Town by the Sea."

The efforts of the Delaware Heritage Commission, the Swanendael Heritage Commission, the Delaware Humanities Council, and the Sussex County Historical Society are very much appreciated. I salute Mayor Al Stango and all the people of Lewes in commemorating this historic event.●

SALUTE TO A FINE SOLDIER

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. RUSSO. Mr. Speaker, today one of our Nation's fine soldiers retires from active duty in the Armed Forces. Marine Col. Clifford E. Reese today

leaves the active military rolls after more than 30 years of most distinguished service.

Colonel Reese was born on July 25, 1927, in Greensboro, N.C. He began his career in the U.S. Marine Corps as a private on July 3, 1945. He left the service in December 1947 and returned on July 5, 1953. He has remained on active duty until today and retires with the rank of colonel.

His service record is an exemplary one. He served two tours in Vietnam. Among his decorations are a Purple Heart, 2 Silver Stars, Legion of Merit Award with Gold Star in lieu of a second award, 4 Distinguished Flying Crosses, 70 Air Medals, and numerous other awards. This is evidence of a career thousands of others of our fighting men have only dreamed about.

Wars are fought with weapons, but they are won by men. It is the spirit of the men who defend a nation that is the key to that nation's survival. The flame of liberty sows the seeds of patriots and heroes. Col. Clifford E. Reese is one of our finest examples of both.

Mr. Speaker, today I join the colonel's wife of 30 years, Louise, and his four beautiful daughters, Lynn, Katherine, Patricia, and Laura in congratulating him on his retirement. We wish him God speed in the coming years. On behalf of his Nation, I thank him for his 30 years of honorable service.●

LAW AND ORDER IN THE INTERNATIONAL COMMUNITY

HON. BENJAMIN A. GILMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. GILMAN. Mr. Speaker, Ambassador Elliot Richardson, former head of the U.S. delegation to the UN Third Conference on the Law of the Sea, addressed the American Society of International Law in Washington last Saturday at the society's 75th anniversary.

His timely theme was law and order in domestic and international areas. In elaborating on this, he pointed to the essential incongruity of views on law and order in these two areas. On the one hand, the United States has a strong domestic commitment to law and order that results from our historic interests and values. Even though we now have a surplus of laws that need some pruning, no one would seriously want to eliminate all law and return to a state of nature.

On the other hand, those who advocate law and order at home tend to disparage the growth of international law. The United States is quick to call for observing and strengthening international rules when terrorism, hijacking, or expropriation occur. However, we do not exercise full leadership in advancing international law in other important areas. The Ambassador hopes, as do I, that developing comprehensive international law of the sea may be an exception to this leadership task. A constitution for the oceans would strengthen peace rather than violence. Such a comprehensive agreement would create obligations among states to observe and apply rules to govern their relations in the use of over 70 percent of the Earth's surface.

I concur with Ambassador Richardson that the United States must be ready to negotiate in good faith at the upcoming August session of the Conference and seek additional improvements in the text. If we are ready and prepared to seek improvement, I would hope that we could push toward the successful conclusion of an international agreement.

Mr. Speaker, I commend Ambassador Richardson's excellent address to the attention of my colleagues and in hopes that they will read and profit from it, I am inserting a copy of his text in full at this point in the RECORD:

ADDRESS BY HON. ELLIOT L. RICHARDSON AT THE 75TH ANNIVERSARY CONVOCATION OF THE AMERICAN SOCIETY OF INTERNATIONAL LAW

"Law and order." The phrase is redolent of solid, conservative, native-American values. Calvin Coolidge's supporters carried it on their banners at the Republican National Convention which nominated him for Vice President on the Harding ticket. Barry Goldwater, Strom Thurmond, and Richard Nixon are conspicuous but by no means unique among the host of candidates who have invoked this time-honored slogan.

For most Americans the idea of law and order is a part of our national heritage. Its symbol is the U.S. Marshal, holsters on his hips, tin star on his chest, confronting the "bad guy" at high noon on the shuttered Main Street of a dusty frontier town. It is always the Marshal who's a fraction of a second quicker on the trigger, a little more accurate in his marksmanship. However unbearable the suspense, "law and order" somehow—but invariably—prevails.

When I was a boy I often spent Sunday afternoons with my father and brothers at a wonderful old place, in Dover, Massachusetts, called the Pokanoket Club. One of the club's memorabilia was a framed poster which said something like: "Warning: Thieves, Con Artists, Bunco-Steerers and other assorted Riffraff, including J. J. Rafferty, alias "The Pock-Marked Kid," will, if found within these precincts after 6:00 p.m. this evening, be invited to a Grand Necktie Party hosted by a group of leading citizens. Dated at Las Vegas, Nevada October 19, 1878."

Edmund Morris's account of Billings County Deputy Sheriff Theodore Roosevelt's pursuit, capture, and return to justice of the three thieves who stole his Elkhorn boat is all of a piece with this tradition. It helps to explain the basic attitude underlying T.R.'s later policies. No Western "law man" could have chosen a more fitting motto then "speak softly and carry a big stick." It is a motto many—even most—Americans yearn to see carried over into the larger, more perilous scene of today's world. President Reagan and General Haig, will, they hope, apply it vigorously. It's not the "world's policeman" that we aspire to be (we have never liked policemen) but the world's gun-toting, straight-shooting marshal, the champion of the "good guys" against the "bad guys," the defender of law and order.

From the American perspective, every foreign undertaking that has seriously engaged our blood and treasure has been capable of being cast in these terms. The Spanish-American war was launched to oust from Cuba the oppressive Spaniards who had created "this hideous welter of misery on our doorsteps." "The world," said Woodrow Wilson in 1917, "must be made safe for democracy." On the eve of World War II Adlai Stevenson expressed a similar idea: "I do not think," he said, "that with tyranny in four-fifths of the world, freedom can endure in one-fifth." In Korea and again in Vietnam we saw ourselves as resisting naked and unprovoked aggression.

The image—or self-image—of the "peace officer" suits us pretty well on the whole. Peace. Stability, National integrity. Property rights. Human rights. Self-determination. Throughout our history these have been the principles that have guided American policies and provoked American reactions. We are on the side of law and order both because our interests compel it and because our enduring values are inseparable from it.

On the domestic front, to be sure, it is only the legend that survives. We still have marshals in the West, but they don't have much to do with law enforcement any more. All kinds of officers and tribunals administer laws on water rights and grazing rights, mining claims and timber-cutting, building construction and waste disposal—even, in some places, local zoning ordinances.

The increasingly diverse uses of land, the growth of population centers, and the burgeoning complexity of the economy are among the numerous factors that have spawned a dismaying surplus of laws and litigation. The need for some pruning of this lush growth is scarcely deniable. As even so judicious an authority as Judge Henry J. Friendly recently remarked, "No small part of the perilous decline in the productivity of the United States is due to an overdose of law." I don't know of anyone, on the other hand, who thinks that the answer is reversion to a state of nature, which is to say is a state of savagery.

Incongruously, domestic reactions to an excess of law are echoed in the far more sparsely developed realm of international law. Such is our eagerness to couple tough utterances with military muscle-flexing that we seem at times to have forgotten that the observance of law is our first line of defense. The disparagement of international law comes oddly, in any case, from the mouths of people who set so much store by law and order at home.

The reality, of course, is that the same kinds of interests which give the rich, successful citizen a large stake in the stability and security of his domestic institutions give the U.S. a similar global stake. Where expropriation, hijacking, and terrorism are concerned the U.S. is quick to call for the observance and strengthening of the existing rules. Indeed, the release of our hostages was in no small measure owed to the universal condemnation of Iran's lawlessness, and a unanimous judgment of the In-

ternational Court of Justice gave this reaction a major assist.

Aside, however, from these limited situations, we do not yet seem ready to undertake our full share of leadership in the extension and improvement of international law. We have not yet fully recognized that just as the settlement of the West demanded laws more sophisticated than could be administered by a marshal and his deputies, so the imperious realities of global interdependence cry out for legal institutions more adequate than the international equivalent of frontier justice.

For a while it appeared that the Law of the Sea might be the exception to our more general inertia, and I trust that this may yet prove so. We were, after all, among the first to call for a new United Nations Conference to address the new realities that had rendered obsolete the old rules of ocean law. We saw that wide-ranging factory ships were threatening the destruction of fishery stocks essential to the food supply of growing populations. We knew that the seaward march of deep-water drilling technology would before long bring coastal-state claims to the continental shelf into collision with international control over exploitation of the deep seabed by still newer technology. We had already resisted pressures to enlarge the territorial sea and extend coastal-state rights at the expense of the high-seas freedoms of navigation and overflight.

It was, moreover, an American President, Lyndon B. Johnson, who declared in 1966: "We must ensure that the deep seas and the ocean bottoms are, and remain, the legacy of all human beings." This was the prelude to the unanimous United Nations resolution which in 1970 pronounced the resources beyond the limits of national jurisdiction to be "the common heritage of mankind." It had by then become apparent that the management of these resources—mainly metalliferous modules—would require a new kind of supranational international institution. It was also clear that to resolve the conflicts inevitable under a legal system defining such a complex set of rights and obligations there would have to be established machinery for the binding adjudication of disputes.

These, summarily stated, were the principal considerations that spurred the United States to take a leading part in convening the Third United Nations Conference on the Law of the Sea. Ten years later it was, many of us thought, a near miracle—and a happy augury for the future of international cooperation—that the 160 countries comprising the Law of the Sea Conference had, after 79 weeks of hard-fought negotiations, come close to completing a comprehensive code of law. The resulting Draft Convention is not perfect, of course. It was inevitable, in any case, that the parties would be more conscious of what they had given up than of what they had gained.

The United States, by all accounts the largest winner, is also the loudest complainer. Rather than take satisfaction in the enormous expansion of our rights over the resources of our coastal areas, our success in persuading the rest of the world to go along with our insistence on more stringent standards for the protection of the marine environment and the conservation of marine mammals, our victory on behalf of universal rules guaranteeing the mobility of our air and naval forces, and our achievement of assured access to deep-seabed resources for our mining companies, we have focused instead on the possible ways in which the deep-seabed mining regime might conceivably have created a regrettable precedent for some future economic negotiation.

It is understandable, of course, that a new administration should want time to review such a complex document before making up its mind what changes to seek or whether indeed to accept it at all. That the rest of the world has in fact understood this is confirmed by its willingness to contain its frustrations and give us time to conduct our review. We can in fact, if we return to Geneva next August ready to negotiate in good faith, obtain some additional improvements in the deep-seabed mining provisions of the Draft Convention over and above those that we had in any case intended to seek at the New York session which ended last week.

In my considered judgment, however, it would be a grave mistake to overreach in our demands or to come to Geneva unprepared to engage in any serious negotiations. I base this judgment on two important considerations. The first is that we could thereby jeopardize the chance to get the improvements that would otherwise be possible. The second—and more farreaching—is that we could at the same time undermine this nation's potential for leadership in the many other multilateral fora that will have to be convened if the world is to have any significant hope of coping successfully with its most serious problems.

To make clear the significance of this second consideration it is first necessary to distinguish between two fundamentally different goals of foreign policy. The first involves keeping in check the world's predatory impulses—the Marshal's job, if you will. Managing the balance of politico-military power requires wise judgment and steady nerves. The most that it can accomplish, however, is firmer and cheaper deadlocks. In the case of SALT, for example, success would mean that the USA and the USSR had achieved strategic parity at lower costs than they would otherwise have to incur. If the agreement has been well-designed, the stability of the strategic stalemate will also have been enhanced. Fostering NATO unity in Europe, negotiating mutual and balanced force reductions, and establishing bases in the region of the Persian Gulf are other examples of efforts whose only function is to lock stalemates more firmly into place.

At least minimal success in managing the politico-military balance is a precondition for the opportunity to pursue the second goal of foreign policy: to develop more adequate means of containing the endemic forces threatening stability and even survival. But the former goal can never be a substitute for the latter. It would be folly to suppose that because we have nailed together a solid politico-military structure we can neglect the threats to global stability that will still remain. It would be ironical in the extreme if our concern with terrorism stopped short of concern with its causes. Hunger, population growth, economic development, the burdensome cost of energy, the depletion of non-renewable resources, environmental deterioration, and nuclear proliferation present challenges to our preventive as well as to our positive resourcefulness.

It is both a paradox and an ominous portent that nationalism has reached its most virulent stage at the very time when individual nations are becoming less and less able to cope unilaterally with their most worrisome concerns. Indeed, it is fair to say that no single nation—not even our own—and no small group of nations can by themselves deal successfully with any of the truly serious problems of the foreseeable future. If problems like those I have just listed are soluble at all, it can only be through broad, comprehensive approaches requiring the continuing cooperation of a large number of countries. Hand-to-mouth improvisation will not do. It is totally impractical—it is worse than useless—to convene a large number of nations at frequent intervals or on short notice merely to debate how best to put another band-aid on a running sore. The purpose of multilateral endeavors, rather, should be to design and construct permanent machinery that can continue to operate after the multilateral assemblage has dispersed. As the Law of the Sea Conference has demonstrated, it is possible for the world to achieve consensus on complex and divisive issues, but the investment of time and effort this requires would not be worthwhile if it had constantly to be repeated. Multilateral solutions, therefore, must be anticipatory, not reactive; institutional, not ad hoc.

From this necessary conclusion an important consequence follows. If a multilateral organization is to be more than a debating society, if it is to do more than adopt bland, non-binding resolutions, it must be vested by law with the power to administer law—even to create it. The states which constitute its members must accordingly agree to give the organization such power. By the same token they must agree to be bound by the results of its exercise.

When nations come together for the purpose of establishing an international organization with the capacity to provide a more equitable and effective framework for dealing with a problem transcending national boundaries, they are in essence engaged in the task of constitution-building. This essentially is what delegated to the Law of the Sea Conference have been attempting to do for all human concerns with the oceans.

Similar tasks await the exercise of similar ingenuity and resourcefulness. World trade is an example. Miriam Camps and Saburo Okita are among those who have advocated the creation of new rules and a more comprehensive structure. "If left as it is," Mr. Okita warns, "the world's free trade system, a legacy of our bitter experiences from the pre-war chaos, is likely to break up into the division of exclusionary economic blocks, which would lead to contraction of world trade and increased political confrontations." Another example is the encouragement of foreign direct investment. Here the need is to build the confidence both of corporate investors and of host countries in the security and profitability of such investment as well as in its contribution to enhancing the economic well-being of the host country's people.

Every such effort must at some point address the question of how to allocate decision-making power. Among the scores of difficult issues confronting the Law of the Sea Conference, this was the most resistant to solution. Combining elements of interest-group representation and the requirement of consensus for the most sensitive issues, the compromise reached at Geneva in August of last year is, I believe, fair and workable. Comparable solutions will have to be devised whenever the world community undertakes a new effort to build a new institution with the effective capacity to deal with a significant problem requiring for its solution (or management) the continuing cooperation of a large number of countries.

This kind of undertaking is essentially a lawyer's job. It will, I hope, be the kind of

job that increasingly engages members of the American Society of International Law. Unlike other organizations more to be admired for their lofty pursuit of utopian ideals than for their impact on the real world of today and tomorrow, you have always perceived your role as one of contributing to the shaping of the actual rules that govern relations among nations. You understand that the observance of international law no more depends on being backed up by force than does compliance with domestic law. Your own experience confirms the truth of Professor Roger Fisher's observation that "the command theory of law—the notion that domestic law works because it is backed up by superior force—is plainly wrong when dealing with public law." You recognize, on the other hand, that the need is urgent for the more rapid and comprehensive development of international law than can be accomplished through the slowly evolving practice of sovereign states. You know that such development requires carefully drafted international legislation empowering multilateral institutions to administer legal rules.

May the years between the celebration of your 75th anniversary and the celebration of your centennial be years in which your knowledge and understanding come to be more widely shared and more broadly supported by your fellow citizens. It would be anomalous—it would be sad—it could indeed by disastrous—if a people nurtured in a tradition of internal law and order, creative to the point of excess in inventing legal mechanisms to meet the political and economic requirements of an ever more complex and interdependent domestic society should, through a shortsighted failure to grasp the realities of our global situation, neglect the opportunity to apply this inventiveness to the similar requirements of the world as a whole.

Nationalism, yes, but not at the expense of our national interests. National security, yes, but not under the illusion that weapons are its sufficient protection. A complete foreign policy, a foreign policy that responsibly meets the world's need for our leadership, must also embrace sound, long-range approaches to those critical problems that will continue to plague the world even after our politico-military objectives have been successfully attained. An essential element of such a policy must be an expanded role for the rule of law.

On September 17, 1987 we shall celebrate another anniversary—the completion during a muggy summer in Philadelphia by a group of wise and farseeing men of a brand-new Constitution for a brand-new nation. Let us hope that by then a solid majority of all nations will have brought into force a Constitution for the Oceans. And let us also hope that this encouraging example will give birth to a new era of constitution-building for those other legal systems needed by an ever more closely linked world community.●

AN ALTERNATIVE INDIVIDUAL AND BUSINESS TAX AND REINDUSTRIALIZATION PLAN

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. GUARINI. Mr. Speaker, on April 10 I introduced H.R. 3218, legislation to begin the task of revitalizing our economy and providing for long-term economic stabilization. The bill, which is cosponsored by Representative BRODHEAD, is a $30 billion program targeting $14 billion in tax and nontax relief to the business sector and $16 billion in tax relief to individuals. This two part plan is an alternative individual and business tax cut which would be more fair, less costly, and less inflationary than that advanced by the administration.

Title I of H.R. 3218 establishes a Reconstruction Finance Corporation to invest both public and private funds and guaranteed loans to help strengthen the Nation's industrial base. Title II contains an alternative to the proposed cuts in Federal income taxes. Under this bill workers would have 20 percent of their social security tax refunded to them through a tax credit. Employers would benefit by receiving a 5-percent credit for their share of the payroll tax.

The idea for a Reconstruction Finance Corporation is not a new one. We have turned to a Reconstruction Finance Corporation in the past. During our darkest period, the Great Depression, legislation creating a RFC was signed into law. The RFC helped boost American productivity and employment for nearly two decades. Its service in helping industries convert to a war footing at the beginning of the 1940's is well documented.

The original RFC was created to help reduce unemployment, stabilize prices and encourage economic growth. I am not going to argue that this Nation is in a Great Depression such as we saw in the 1930's. However, no amount of technical statistical data can convince those in our society who are facing economic troubles—whether they be individuals about to lose their jobs or homes, businesses about to go under, or cities on the verge of bankruptcy—that the situation is not every bit as grim as what we faced in the 1930's. As a nation we are faced with high inflation and high unemployment at the same time. On top of this there have never been no clear growth signs in productivity, gross national product, and capital formation.

The above are recognizable categories describing our economic standing. However, we have begun to understand that our present economic plight cannot be understood simply by looking at statistics. There has been a serious deterioration of our cities, particularly those in the Northeast and Midwest, our industrial society is losing ground to a service oriented economy, and the loss of basic industrial strength bodes poorly for our future defense needs.

To confront these U.S. problems of the 1980's we need to create a Reconstruction Finance Corporation. A Reconstruction Finance Corporation could be geared toward the need of creating a stable economy, with an emphasis on private sector employment, and the need to have all areas of the country to participate in this growth. Basic U.S. industries must be bolstered by an industrial policy committed to making the U.S. competitive in world markets, and that policy must have the purpose of advancing all sectors of our economy.

The first goal can be met only if we change our thinking toward our current economic situation. The notion of simply catering to those parts of the economy which are the strongest is shortsighted. Presently, several industries which have been important to our past economic and military defense strength have faced difficult economic circumstances. When these industries are examined in light of our future economic and defense needs, one must ask if our Nation can endure the long-term effects of the present laissez faire governmental philosophy.

The second goal of advancing all sectors of the economy through a restructuring of our industrial policy is endemic to more immediate concerns of our society. We are in a period that has seen great damage done to the American cities—our centers of communications, culture, transportation, finance, and employment. Our cities have faced a decade of outmigration. Population loss has decreased urban tax bases, weakened service delivery infrastructure, and made vast urban areas unattractive to industry. During this same period many urban based industries began to face the reality of changing economic circumstances without the resources necessary to adapt with the times.

These two developments have created an economic circle of decline that must be broken in a way that addresses long term American needs. Under these present conditions, establishment of a Reconstruction Finance Corporation would serve as a needed catalyst in reversing present economic trends and spurring economic development. A RFC would provide the equity capital that our older industries need. It would also target investment funds to those areas in serious need of economic revitalization.

Title I of H.R. 3218 creates a Reconstruction Finance Corporation as an independent entity with powers to make investments in industries and in areas that the RFC deems in the national interest. The broad discretionary powers given to the Board of Directors would include both tax subsidies and nontax tools. Tax subsidies at the Board's disposal include investment tax credits, accelerated depreciation, first year present value depreciation, and carry back-carry forward devices. The nontax tools would in-

clude the use of loans, loan guarantees, and interest subsidies.

The Corporation is to be administered by a Board consisting of the Secretary of Commerce, the Secretary of Labor, the Secretary of the Treasury, two representatives of business and two representatives of labor organizations. The Board would have a first year authority to allocate $5 billion in tax expenditures, and an additional $5 billion to assist industries that have difficulty in obtaining financing. This would include older industries that have difficulty obtaining financing, high risk industries with growth potential, firms competing with subsidized foreign firms, and industries vital to the United States on national security grounds.

In each case where a firm seeks financing, the RFC staff would have to realistically assess its chances to survive. RFC involvement would not be extended if the industry was found to be in terminal condition. In other cases, RFC involvement would not be extended unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies. The RFC would also try to target benefits to firms in areas that are economically distressed, based on criteria such as unemployment, poverty, or pending economic instability due to plant closings.

Title II of my bill would provide alternative individual and business tax cuts to those proposed by the administration. For individuals I am proposing a refundable credit equal to 20 percent of a worker's social security payroll tax. This tax relief would also be extended to public and railroad employees not covered by social security through an equalization credit.

I am convinced that this approach targets tax relief more readily to low- and middle-income families who are having extreme difficulty dealing with double-digit inflation. Families with incomes up to $30,000 would receive 60 percent of the benefits under this proposal, while 15 million low-income workers who do not stand to benefit under President Reagan's tax package would also gain some relief.

This tax credit would be worth more to the majority of workers than the Reagan proposal. However, it would cost less because the tax credit would top off at $395 for an individual and $790 for a working couple, while the administration's income tax plan would give substantially larger payments to the very affluent and less to the hard-pressed low- and middle-income taxpayers.

This Congress has come to realize the importance and the depth of the economic realities facing the United States as we enter the decade of the 1980's. Reindustrialization and capital formation are vital to our Nation's future, and this Congress has the greatest opportunity to begin this revitalization process.

By supporting a Reconstruction Finance Corporation we can offer the businesses of America a flexible tool to foster a fair and efficient growth of our private sector predicated on our own national interests. The AFL-CIO stands firmly behind this legislation, and I am asking you to join with me in sponsoring H.R. 3218 to establish a Reconstruction Finance Corporation and fair and equitable tax relief measures for both individuals and the business community.●

SPEAKING IN SUPPORT OF THE LEGAL SERVICES CORPORATION

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. MATSUI. Mr. Speaker, May 1 of each year is celebrated as Law Day—a day on which this Nation acknowledges the importance of the legal process to our system of government. Since our inception as a country, we have relied on the order of law as the principal means by which we govern. The American people have historically supported this process due to their unfailing belief in the equity of our laws and their just application.

On this Law Day, we have a duty to reaffirm our belief in this principle of legal fairness by speaking in support of the reauthorization of the Legal Services Corporation. Only through the continuation of the Legal Corporation can we guarantee for all Americans equal participation in our legal system.

The creation of the Legal Services Corporation in 1974 represented a national commitment to the provision of legal services to be economically disadvantaged of this land. During the past 7 years, the Corporation's lawyers have assured the poor, the elderly, and the disabled representation in civil legal matters. Without these lawyers, these individuals could easily have become the victims of fraud, governmental abuse, and exploitation.

From my personal experience both as a practicing lawyer and a congressional Representative, I know that the existence of this federally funded program has had a profound positive effect on the lives of many of my constituents. Legal Services of Northern California (LSNC) has undertaken this Federal mandate of providing equal access for the 141,937 qualified recipients residing in the 17 counties of northern California.

Funds for LSNC come from various sources and total over $1.5 million. The sources include the Legal Services Corporation, United Way of the Sacramento area; Area IV Agency on Aging; the Yolo Board of Supervisors; CETA in Sacramento city and county, and the counties of Yolo, Placer, and Shasta; and revenue sharing from the cities of Redding and Vista. The breadth of these funding commitments attests to the community respect which LSNC has earned.

This minimal budget supports a staff of 60 full-time employees, including 12 paralegals and 23 attorneys. They constitute a dedicated staff, trained to provide quality legal services for the poor. The primary focus of their activities involves administrative, landlord-tenant, consumer, housing, and domestic relations law.

The importance of this organization to individual citizens of my district is best understood through illustration. The following narratives are specific examples of the invaluable services LSNC has provided:

DIVORCE AND LOSS OF HOME

A young mother who supported her two children by working supplemented with a minimum of welfare after her separation from her abusive husband, came to the office seeking a dissolution of her marriage and custody of her children. In the course of the divorce proceedings, it became apparent the husband and wife had bought a house but because of their lack of business sophistication, exacerbated by the husband's illiteracy, they had let other relatives put the ownership into the relatives' names. At the time of a stormy separation, the husband had ejected the client and the two children from the house, but then had made no further house payments.

The house was then threatened with imminent foreclosure, and the helpful relatives stepped in once more—to sell the house significantly below market value. To make matters worse, at about this time, the husband left the area. The relatives entered a sales contract with potential buyers. The buyers moved into the house. When an inspection connected with financing the sale of the house took place, the sellers appeared to be required to do about $1,500 worth of repairs before the lending agency would consider a loan. The sellers refused to pay for the repairs, and began an eviction proceeding against the potential buyers. The buyers filed a lawsuit to enforce the sales contract against the sellers.

At this point in time, the client brought these matters to Legal Services' attention. They filed a complaint to enforce a resulting trust as part of the divorce action and joined the relatives as parties.

Ultimately, LSNC was able to settle the housing problem with all the parties: the potential buyers agreed to move out and quit claim any interest they had in the property to the client. The relatives also agreed to turn over their interest (if any) in the property to the husband and wife. In the divorce proceedings, the client was able to buy out her husband's share in the house and now has title in her own name, having avoided the foreclosure.

At last contact, the client was living in the house she worked so hard for with her children.

PARENTAL CHILD-SNATCHING

Shortly after Christmas, 1980, a Southern California Legal Services program made a referral of a dissolution/child custody case

and client to the office. During a lull in extended divorce proceedings, the father, the non-custodial parent, had gotten a deputy district attorney and an investigator to go to the home of the six-year-old child and her mother (the client) and physically took custody of the youngster and transported her to the father's home.

Earlier in the proceedings, where child custody was hotly disputed, the father had taken the child and hidden her for nearly a week after a regular visitation. The mother had been afraid to let the father take the child again, and had not cooperated in visitation, when the father had the child removed to his home, pending a court hearing on renewed visitation.

This office began representation at that point and appeared in court following the removal of the child to her father's home. In spite of various requests, the father did not produce the child for the court hearing and the judge arranged to deliver his decision by telephone. Late that afternoon, the judge communicated his decision: custody to continue with the mother with visitation to the father. Although the father's attorney relayed the decision to the father, the father refused to return the child. In fact, he fled the state with his two teenage sons from a former marriage, and left indications that he had planned to flee if the judge did not grant him custody.

It was a month later, with no message as to the child's whereabouts or well-being, that police in Colorado found and detained the father. The child was returned to her mother. Criminal charges were pursued against the father and were ultimately resolved by a plea to the violation of the continuing court order enjoining removal of the child from the State of California.

After a period of time when the father was denied by court order the right to visit with his daughter, the dissolution was finally resolved with gradually increased visitation until the present time when a joint legal custody order based on a commitment to cooperation has been entered. Meanwhile, the client herself has completed a course of training, has obtained full-time employment, and the child whose custody was central seems to have overcome the disturbing events of the past and is improving in school.

RELOCATION

Clients, parents of eight children, lived in their home for twenty-six years. The property, originally owned by client's employer, was taken by an eminent domain proceeding in 1978 by the Placer County Water Agency.

After several futile attempts to force the family from their home, based on the contention of the Placer County Building Department and the Placer County Water Agency that the building violated building codes, the water agency filed an unlawful detainer complaint in the justice court in July, 1980.

Legal Services filed an alternative writ of prohibition commanding the justice court to stop the unlawful detainer action. The Superior Court issued the alternative writ.

In a parallel action, Legal Services sought and was granted an alternative writ of mandate ordering the Placer County Water Agency to set aside its decision denying statutory relocation benefits to the petitioners.

The thrust of both actions was that the clients are displaced persons who are entitled to relocation benefits under either the California Relocation Assistance Law or the Federal Uniform Relocation Assistance and Real Property Policies Act.

The court ruled in favor of the petitioners, stating that the PCWA had abused its discretion in that the hearing accorded petitioners was not in compliance with the mandate of the California Relocation Assistance Law and the State Relocation Guidelines. Judgment was entered and a peremptory writ issued.

ALIEN LAND LAW

Upon a request for assistance by a group of Chinese senior citizens from the town of Locke, Legal Services brought suit to determine the rights of the residents with respect to the land where their homes are situated. The clients own the homes but the land is allegedly owned by a corporation. The issues include the effect of the Alien Land Law which unconstitutionally prevented aliens from owning land and equitable ownership of land based upon the original promises and actions by the original owners of the land upon which the town is situated. Locke, California, is the last intact example of the Chinese rural agricultural community in this country.

The State of California is now buying the town of Locke for a State park. Negotiations are underway between Legal Services, the State of California, and the corporate land owner to ensure that the elderly Chinese can live out their years in their own homes.

ASSISTING THE CITY

Upon invitation from Sacramento City Council members, Legal Services staff testified before the Council on the necessity for an ordinance allowing low-income persons the right to appeal adverse decisions made by city bodies to the City Council without the payment of an appeal fee. The ordinance was passed and the Legal Services attorney was commended for his contribution and participation by the Council.

COLD WATER CASE

A mother contacted Legal Services when her water heater malfunctioned and the landlord refused to fix it. Legal Services instructed the client on California repair and deduct law. When the client notified the landlord of her intention to repair and deduct, the landlord changed his mind and put in a new water heater.

BLACK MAN THREATENED—QUITS

A writ of mandate was filed on behalf of a marble pourer who was the first Black employee in a small business operated by 2 sets of brothers. After being subjected to racial abuse, name-calling, and finally physical threats, and becoming nervous and ill, he stopped work and applied for Unemployment Insurance Benefits, but was denied.

The Superior Court judge found he had good cause to leave due to this good faith, and reasonable fear of harm, if he continued to work under the very oppressive conditions.

MOTHER LOSES WELFARE ILLEGALLY

Hearsay from an unsupported source declaring the absence of children from the care of their mother receiving aid induced an eligibility worker to declare an overpayment of $4,513 in the case of one young mother of two children, ages 10 and 6. Despite the fact the investigations unit failed to verify the informant's statement, the monthly grant to this family was adjusted to $69 to recoup the alleged overpayment for well over a year.

This matter came to Legal Services attention when the young mother reported to pay a traffic fine only to be informed that when the fine was paid she would continue to owe $35 per month against an AFDC overpayment balance of $5,018. Legal Services investigation, together with evidence brougth forward by the client, established the children had been in their mother's care and living with her during the time in question. For 2-3 months while the young mother was setting up their own home, apart from the grandparents, the mother slept in the unfurnished apartment while taking meals with her children, transporting them to school, and providing the funds for their food and other needs.

At the hearing on the matter, the County acknowledged error resulting in the elimination of the entire overpayment and return of the monies illegally adjusted.

PREGNANCY NOT A DISABILITY

A writ of mandate was filed on behalf of a young married woman who worked as a cashier, became pregnant, and barely averted a miscarriage or a very premature delivery in her 7th month. Her doctor told her to stop working when she was released from the hospital and to take bed rest for the remainder of the pregnancy, or relieve him of liability as her doctor if she insisted on working.

She followed the doctor's orders, but was denied state disability benefits, based on an interpretation of California's law re: disability benefits for pregnancy which in effect denied benefits for a pregnancy-related disability.

A Sacramento Superior Court Judge granted the writ and ordered benefits to be paid. While the case was pending more specific regulations were promulgated clarifying the law, which would make its application fairer in the future. (A premature birth was avoided, due to the careful treatment, and a healthy child was born).

These are but a few examples of how LSNC has kept the promise of the American legal system alive and viable for the poor, the disabled, and the elderly of north California. This local agency, like its counterparts throughout the United States, has proved most accountable, both to its clients and its independent, local board of directors. This local agency, like its counterparts throughout the United States, will cease operation should the administration's proposal succeed.

At issue from the national budgetary perspective is $321 million. Somewhat ironically this dollar figure represents a miniscule percentage of the existing tax expenditure authorized for deductible legal fees. In 1977 the Treasury Department estimated that corporations spent $24 billion in deductible legal fees. Based on a combined State and Federal corporate tax rate of 50 percent, at least $12 billion in legal fee expenses was deductible as a business expense. This 1977 tax deduction for legal fees is more than 36 times the entire 1981 Legal Services Corporation's budget.

Simple equity in terms of budgetary treatment demands the reauthorization of the Legal Services Corporation. More important, simple notions of due process and fair play demand the reauthorization of the Legal Services Corporation. To do otherwise would constitute a congressional betrayal of our

judicial system and the principle of equality which serves as its foundation.●

IN MATTERS OF BUSINESS THEY ARE NOT ASLEEP AT THE SWITCH

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. GAYDOS. Mr. Speaker, here at the dawning of what they call the New Beginning, we are washed by vexing tides of rising imports and falling exports, buffeted by relentless waves of ascending inflation and descending productivity, and made to shiver by the critics' scolding of American labor and industry as foolish, but I am happy to tell the House I have seen the ray of hope, the light at the end of the tunnel. It stems from something old.

The light shines not from the headlamp of an approaching locomotive, but from a signal device.

The signal was made by the people at the Switch, which by any standard qualifies as an "old established firm" of the kind with which it is best to do business.

The Switch marks its 100th year of corporate life this Friday. The centenary day will be greated with unabated vigor.

And the light marks a path we should consider as makers of policy and designers of incentive.

The Switch is what we call the Union Switch & Signal Division in the Pittsburgh area and in the 20th Congressional District of Pennsylvania where it is located.

The nickname is rooted in a long and forceful presence, a form of shorthand identification accorded the respected, the enduring, the reliable. The Switch employs about 1,800 persons and has a yearly payroll of almost $36 million. The Switch is to the 20th district and railroading as the Hill is to lawmaking and the Rock is to life insurance. It just always has been.

One hundred years in business—when the Switch began its early standardization of the use of red and green lights, a pattern now nearly universal for regulating traffic, the electric light (1879) and the telephone (1876) were newborn curiosities. The steam automobile (1889) and the linotype (1885) were in the tinkering stage and some necessities of modern life—aspirin (1889), the zipper (1891) and the safety razor (1895)—were discoveries yet to be made. The steamer and the linotype became obsolete and died.

The others are with us still, changed for the times.

And so is the Switch, also evolving.

My resident centenarian does not dodder or make hesitant steps. It still is in its prime. Force of thought, will and energy are undiminished. The secret to longevity here is staying ahead of the times to keep up with the times, and in tailoring the product to meet the customer's needs, resources and wants.

While a mere youngster of about 40 years, the Switch found a way to make vibrations on railroad track talk to engineers about what was ahead through visual displays in the cab.

Recently the Switch put on the market a solar-powered crossing guard, also available in a propane-powered thermal-electric design, for remote locations where transmitted electric power is unavailable. That is a study in meeting need.

Today they have harnessed digital computers to the vital chore of traffic control so well that a dispatcher can work hundreds of miles of track from one central console. That is a study in increased efficiency.

For tomorrow, they are looking at the new tools, silicon chips, microwave use, and the like.

Employing 2,500 persons worldwide, the Switch is out to do business in North America, South America, Europe, wherever it is to be found.

The trademark is seen in some major European railyards, such as the big one near Rotterdam, and in the big yards across the United States. It shows up on metropolitan transit systems in Ireland, Rumania, and Canada, and at home in New York, Philadelphia, San Diego, and Atlanta.

When a guard arm falls across your path at any one of the thousands of road crossings in the United States, you could make money betting it is connected to the Switch.

Founded by George Westinghouse before Westinghouse Electric, the Switch has a past: It has been independent, merged, divorced, changed its name, taken back its name; it has suffered loss to fire, financial panics, and depressions.

But always the Switch has done business. It has helped move the freight in 5 years. It now is a division of American Standard, Inc.

Over the 100 years innovations conceived at the Switch have moved Americans and the goods they grow and make, buy and sell, safely and efficiently on the railroads, which have added to our language—words like highballing, clear track, side-tracked, and derailed—and to our treasure.

At the Switch in Swissvale, Pa., they are opening their second century by working to get even better at what they did to survive the first—figure out what can be done better, design the equipment to do it, and make it well.

The signal light is on, the ray of hope is green and the first 100 years at the Switch point the way, Mr. Speaker.●

AMTRAK FUNDING CUTS WOULD DESTROY NATIONAL RAILROAD PASSENGER NETWORK

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. VENTO. Mr. Speaker, so often I hear the President's economic program referred to as a Federal spending reduction program. The fact of the matter is, it is much more than a budgeting program, it is a program that will substantially alter governmental policy in a wide array of fields.

A case in point which I would like to present is the administration's proposed reduction is funding for Amtrak. On the surface, the proposed 40 percent cut in funding for Amtrak is viewed by the administration as a fiscal measure, but in reality, the policy effect of such a cut is to destroy the National Railroad Passenger Corporation. To carry out the administration's shortsighted attempt to make Amtrak more cost effective, Amtrak would be forced to make significant route reductions and institute drastic increases in fares. The effect would be to destroy any chance in Amtrak maintaining itself as a viable national transportation network. This fact is spelled out in detail in the following article which appeared in the St. Paul Dispatch, April 8, 1981. I bring it to the attention of my colleagues, so that they may have a better grasp on the policy implications that such a funding cut would bring:

AMTRAK OFFICIAL CLAIMS STATE MAY LOSE SERVICE

(By Jackie Roedler)

All Amtrak trains in Minnesota and 35 other states will stop running on Oct. 1 if the Reagan administration's rail passenger budget is adopted, an Amtrak group vice president said here today.

Clark Tyler said Amtrak could afford to run passenger trains only in the Northeast Corridor—eight states and the District of Columbia—under the funding level being pushed by the administration.

The administration's budget calls for $613 million in federal funds. The National Railroad Passenger Corp. (Amtrak) is asking for $853 million, almost $120 million under its current budget.

"When the administration came up with its budget, it did it in a vacuum," Tyler said. "They didn't look at the impact.

"They just said, 'let's cut the budget 40 percent.' They didn't understand this doesn't mean just a corresponding 40 percent cut in service. It means this nation will lose 90 percent of its passenger train stops, 97 percent of its Amtrak route miles, 60 percent of its labor force, 50 percent of our ridership and more than 60 percent of revenues."

What the administration didn't take into account, Tyler continued, is that the Reagan funding level would put some 14,500 railroad employees out of work, and that would necessitate spending one-half of the

1982 operating budget in payments to those not working.

"If Congress agrees with the administration, why have Amtrak at all? Why, if the idea is to make us cost effective, make us more cost ineffective? But I can't believe Congress will agree to mothball $2 billion of the finest railroad equipment in the world," Tyler said.

Curtailing the budget now, Tyler said, is particularly poor timing because Amtrak ridership is growing steadily. Some 22 million passengers rode Amtrak in 1980.

"Trains are crowded—you can't get a reservation on some lines. We should be expanding service. But if we cut now, Amtrak probably will be gone forever. It would cost millions and millions to get the trains rolling again."

Tyler, who is in St. Paul to tell railroad employees how Amtrak officials are making their case to Congress, takes issue with the idea that Amtrak is the only mode of public transportation that gets government subsidies.

"Rail is the only form of transportation that rides on private right of way, and we maintain and pay taxes on this right of way," he said. "Buses don't pay taxes on freeways.

"If airlines had to pay for all the functions we do, they would lose $2 billion a year. No one is saying they should. But it's ridiculous to say Amtrak is a loser when we're playing with different rules."

What the United States needs, Tyler emphasized, is an integrated system of air, rail and bus that makes it convenient for riders to use public transportation.

"With our energy policy, we should be pushing public transportation. But if public transportation isn't convenient, the rider will say, 'What the hell,' and drive his car."

If the Reagan budget is adopted, Minnesota will lose its Empire Builder service between Chicago and Seattle and its North Star Chicago-Twin Cities-Duluth service.

The Chicago-Seattle run is second in the country in ridership, according to Duane Johnson, district service manager, and ridership on the St. Paul-Duluth leg of the North Star run has gone from 33,399 in 1975 to 68,315 in 1980.

The St. Paul-Duluth service is currently facing a double threat. Gov. Al Quie has recommended that a $475,000 state subsidy by eliminated because of the current state budget dilemma. Without state funding service will be discontinued April 30.●

PRIVATE BILL FOR THE RELIEF OF MR. VELID DAG

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. PANETTA. Mr. Speaker, I am today introducting private legislation for the relief of Mr. Velid Dag, a longtime resident of the United States who has languished for more than 30 years in an immigration limbo. Born in Turkey in 1918, Mr. Dag first visited the United States in August 1939, as an economics student attending Indiana University. He later returned in 1950 to marry Hyla Mac Tillman, a U.S. citizen. He then embarked on a long and distinguished career in service to our country at the old Army Language School and the renamed Defense Language Institute in Monterey, Calif. He was for years the chairman of the Turkish language department, until his retirement in 1977. But because Mr. Dag, acting pursuant to advice from the Turkish Embassy, applied for, and in 1942 was granted, an exemption from U.S. military service as a neutral alien, according to existing law at that time he was forever barred from U.S. citizenship.

When in 1958 Mr. Dag was faced with deportation for failing to maintain his nonimmigrant status, the late Congressman Teague introduced private legislation for his relief. That same year Congress passed legislation (H.R. 6968) which become private law 85-724, canceling the warrants for Mr. Dag's deportation, but denying him permanent resident status in the United States.

Mr. Speaker, I believe that the United States owes more to Mr. Dag in return for his long and loyal service to our country, which has denied him citizenship despite his diligent work in the sensitive field of training members of our Armed Forces in foreign languages. This injustice is all the more pronounced since the circumstance barring his citizenship—namely, the fact that he exercised in 1942 his right as a neutral alien not to serve in the U.S. military—would not be an issue today due to subsequent changes in law (Public Law 92-129). In 1971, lawfully admitted nonimmigrant aliens were exempted from the requirement to register for service in the U.S. military. When Mr. Dag opted to exempt himself from U.S. military service, he was a nonimmigrant alien, the very class of persons which was excluded from the registration requirement by the enactment of Public Law 92-129.

Moreover, there are compelling humanitarian reasons for this Congress to approve my legislation on behalf of Mr. Dag. For over 23 years Mr. Dag has been prohibited from leaving the United States to visit his family and friends in his native Turkey for fear of being denied reentry into the United States. When Mr. Dag learned last year of the illness and then the death of his sister-in-law in Turkey, he was torn with grief and dispair at not being able to be with his family. Moreover, his brother is suffering from ill-health, and Mr. Dag desperately wants to spend time with his brother before it is too late. Despite repeated efforts to seek redress through the Immigration and Naturalization Service, Mr. Dag has not been able to obtain relief through administrative channels. The last and only hope for him is enactment of private legislation for his relief. This must be done quickly. It should not be our policy to keep a loyal resident of our country separated from his loved ones in Turkey at a time when they are in need of his presence and assistance.

Mr. Speaker, Mr. Dag's patience has been truly remarkable, but the time for patience has run out. It is now long past time that the Congress take remedial action to remove an obsolete obstacle to his becoming a U.S. citizen, with all of the rights and benefits such status accords him. He has paid his dues and now deserves to be freed from his long period of captivity in his adopted land.

The very least this Congress should do is to pass legislation enabling Mr. Dag to travel beyond the borders of the United States. And so I urge my colleagues to support this legislation, and I specifically call on the House Judiciary Committee to give this measure prompt and favorable consideration. The text of the bill is reprinted below for the benefit of my colleagues:

H.R. 3367

A bill for the relief of Velid Mehmed Dag

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Velid Mehmed Dag shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of such alien's birth under section 203(a) of the Immigration and Nationality Act, or, if applicable, from the total number of such visas and entries which are made available to such natives under section 202(e) of such Act.●

RARE II REVIEW ACT OF 1981

HON. BILL HENDON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. HENDON. Mr. Speaker, today I am introducing H.R. 3358, the RARE II Review Act of 1981. This is companion legislation to S. 842, introduced in the other body by Senator HAYAKAWA and cosponsored by Senators HELMS, MCCLURE, HEFLIN, SYMMS, HATCH, and EAST.

This bill is designed to provide stability and certainty in planning and management of certain national forest lands. It is neither prowilderness nor antiwilderness. All our forests are national treasures which need to be managed in a way which will maximize the utilization of their outstanding characteristics. For some national forest areas, multiple-purpose management of such activities as recreation, wildlife management, timber harvesting, resource development, watershed, and

others is most desirable. For other areas, single-purpose wilderness designation may be more desirable. This legislation simply provides the mechanism for orderly decisionmaking on such management.

Specifically, the bill insures that national forest areas not designated as wilderness or for other special management purposes by Congress within a reasonable period of time are released for balanced multiple-use management. While the bill does not designate any new wilderness areas, it does provide Congress with the ability to enact wilderness legislation if it so desires. Additionally, it provides a mechanism to end the existing delays which have resulted in de facto wilderness in some 36 million acres which have been in limbo during 10 years of planning.

Briefly, the RARE II Review Act of 1981 would do the following:

Acknowledge that Congress has received RARE II and supporting documents.

Provide that the RARE II final environmental statement is free from court challenges. It applies this ratification retroactively and states that this section should not be construed to limit judicial authority to determine the legality of RARE II in national forests east of the 100th meridian in light of certain provisions of the Eastern Wilderness Act.

For national forest lands west of the 100th meridian, the bill would, first, permanently release nonwilderness areas for uses other than wilderness; second, release and make available for uses other than wilderness, those wilderness recommendations not added by Congress to the national wilderness preservation system (NWPS) by January 1, 1985; and third, release and make available for uses other than wilderness, further planning areas not recommended for wilderness by September 30, 1985, or recommended by that date but not included in NWPS by January 1, 1988.

Once these lands are released, they shall not be reviewed at any later date for suitability in NWPS, unless authorized by Congress.

For national forest lands east of the 100th meridian, the bill would:

First, make lands recommended for wilderness become wilderness study areas as defined by the Eastern Wilderness Act until January 1, 1983, after which they will be managed for uses other than wilderness unless otherwise directed by Congress.

Second, make areas not recommended for wilderness available for uses other than wilderness, unless otherwise directed by Congress.

Third, make lands previously designated by Congress for study for suitability for inclusion or noninclusion in NWPS be administered in accordance with the provisions applicable law. This applies to wilderness legislation enacted in Public Laws 96-550 and 96-560, the Alaska National Interest Lands Conservation Act, and the Montana Wilderness Study Act.

Fourth, release study lands in the above mentioned laws for uses other than wilderness if not recommended for wilderness, or if recommended for wilderness but not designated as such by Congress within 3 years of the conclusion of such study. After such release, those lands would not be subject to further review for inclusion in NWPS.

Fifth, prohibit any further roadless area review and evaluation—RARE—unless authorized by Congress.

Sixth, provide that all national forest lands be managed for uses other than wilderness, except for lands recommended for designation as wilderness or classified for further planning or study. But, it would provide that when such recommendations or classifications expire, these lands will also be managed for uses other than wilderness.

Seventh, prevent the establishment of buffer zones or protective perimeters in areas surrounding established wilderness areas.

Eighth, exempt previously designated wilderness areas from the provisions of this act, with the exception of previously designated buffer zones and protective perimeters.

During 2 days of hearings last week before the Senate Committee on Energy and Natural Resources, Deputy Agriculture Secretary Richard E. Lyng indicated strong Reagan administration support for S. 842. I commend Mr. Lyng's statement to my colleagues and insert it at this point in the RECORD:

STATEMENT OF RICHARD E. LYNG, DEPUTY SECRETARY, U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman and members of the committee, I am pleased to have this opportunity to present the Administration's views on Senate Bill 842, titled the "RARE II Review Act of 1981." Let me begin by expressing to you, and your colleagues in the Senate, my appreciation for your early consideration of this legislation which we believe will help resolve uncertainties concerning the status of areas included in the second Roadless Area Review and Evaluation (RARE II).

Before I deal with the specifics of the legislation, I would like briefly to set the stage with some background information regarding RARE II and its current status following action by the last Congress.

BACKGROUND OF RARE II

In June 1977, the Department of Agriculture initiated a review and evaluation of the roadless and undeveloped lands in the National Forest System. The inventory phase of this review identified 62 million acres. These lands were then subjected to a detailed review and evaluation, including public participation, to determine which lands should be recommended for wilderness, which lands should be managed for uses other than wilderness, and which lands require further study before a recommendation could be made.

The results of the Roadless Area Review and Evaluation were documented in a final environmental statement issued on January 4, 1979. During the period from early January until March, comments on the recommendations and decisions contained in the final environmental statement were solicited from affected Members of Congress, Governors, and other Federal agencies. These comments were considered in a final review which led to a Presidential decision, which was announced on April 16, 1979. The Final Environmental Statement and the changes resulting from the final Administration review recommended that 15.1 million acres should be designated as wilderness by Congress, that about 10.8 million acres needed further study before a decision could be made, and that the remaining 36 million acres should be managed for multiple uses other than wilderness.

RECENT CONGRESSIONAL ACTION

The review included a total of about 16 million acres of roadless areas in the two Alaska National Forests which were subsequently dealt with in last year's Alaska Lands Act (Public Law 96-487). Of the other 46 million acres of roadless areas in the lower 48 States, the Administration recommended 9.9 million acres for wilderness, 7.7 million acres for further planning, and 28.5 million acres as nonwilderness. In addition, 3.4 million acres of primitive area previously recommended for wilderness were included with the RARE II proposals.

In addition to the Alaska Lands Act, the 96th Congress enacted three major wilderness bills involving National Forests that designated 4.5 million acres as wilderness. These include: the Central Idaho Wilderness Act (Public Law 96-312), designating 2.3 million acres; a Colorado Act (Public Law 96-560) designating 1.5 million acres of wilderness, and a New Mexico Act (Public Law 96-550) designating about 610,000 wilderness acres. The Colorado Act also included wilderness designations in Missouri, South Carolina, South Dakota, and Louisiana.

The status of approximately 15.4 million acres of roadless and undeveloped lands, recommended for wilderness or further planning in the lower 48 States, remains to be resolved. This includes 7 million acres recommended as a result of RARE II for wilderness designation, 6 million acres identified for further study, and 2.4 million acres which Congress had earlier mandated as areas to be studied for possible inclusion in the wilderness system. In addition, it is important that the decision with respect to the 36 million acres intended for multiple uses other than wilderness be affirmed by Congress. The administrative decision has been challenged in California where an appeal is pending in the U.S. Court of Appeals for the Ninth Circuit.

It is not the intent of this Administration to undertake yet another Roadless Area Review and Evaluation, nor are major modifications of the RARE II recommendations contemplated. This Administration does intend, however, carefully to consider and to evaluate legislative proposals for additions to the wilderness systems. The Administration is concerned about the potential consequences of additional wilderness designations on the long-term availability of resources including timber, minerals, oil and gas, geothermal resources, developed recreation, and forage production. The costs to society of foregoing benefits from those re-

sources as a result of wilderness designation need to be carefully evaluated.

KEY PROVISIONS AND OBJECTIVES OF S. 842

This legislation seeks to end uncertainty about and to resolve the status of National Forest roadless areas. It would provide for orderly completion of basic land use decisions. Lands identified as nonwilderness in the RARE II study by statute would be managed for nonwilderness, multiple use purposes. They would not again have to be considered for recommendation as wilderness unless specifically directed by Congress.

Lands recommended by the RARE II study for wilderness designation would remain subject to those recommendations until January 1, 1985, except for those in the East which would become wilderness study areas and then be available for nonwilderness uses after January 1, 1983. The wilderness-recommended lands not designated as wilderness by those dates would revert to nonwilderness status and would not again be subject to consideration for possible wilderness designation unless specifically directed by Congress.

Lands in the East reviewed in RARE II and identified for further planning would be immediately available for nonwilderness uses. Similar lands in the West would be available for nonwilderness uses after September 30, 1985, if the further planning had not resulted in a wilderness recommendation. Those western lands now in the further planning category which as a result of further study were recommended for wilderness would continue to be unavailable for nonwilderness uses until January 1, 1988. After that date, they would be so available if they had not by then been statutorily designated.

By enactment of this legislation, the Congress would reserve to itself the authority to direct or permit further study of the wilderness potential of any National Forest System lands. With such Congressional direction, the wilderness alternative would not be further considered administratively during the periodic National Forest planning cycles.

Furthermore, the RARE II Final Environmental Impact Statement would, by this legislation, be insulated from any judicial review or court determination on legal or factual sufficiency.

ADMINISTRATION POSITION ON S. 842

For more than 10 years, almost one-third of our National Forest System has been in a planning limbo of studies, lawsuits, and restudies. With increasing national demands for both renewable and nonrenewable resources, we can no longer afford further delays. The resulting uncertainty is having a severe impact on public and private investments which are essential to the Nation's timber supply, on exploration for a development of mineral and energy resources, on range capability, on wildlife management, and on the expansion of developed recreation opportunities.

We believe the quickest action that can be taken to end the uncertainty and remove the paralysis is to provide in statute that the 36 million acres that were designated for nonwilderness be managed for uses other than wilderness. Therefore, we strongly support those provisions of S. 842. We believe such statutory direction is necessary to avoid legal entanglements such as the *California* v. *Bergland* lawsuit that further prolongs indecision.

The cummulative effects of wilderness and wilderness study designations and challenges to use of nonwilderness roadless areas are having significant impacts on the ability to plan for orderly management of the National Forests to provide essential goods and services. While the proposed legislation does not tie the hands of any future Congress from enacting wilderness legislation, it does provide for an end to the frustrating cycles of delay and uncertainty which have thrown our forest resource planning and management far out of balance. Therefore, we support the provisions of S. 842 that set specific time limits for Congressional action on wilderness recommendations and on completion by the executive branch of recommendations on further planning areas. We likewise support the concept that after these dates, it is proper that National Forest lands be managed for multiple uses other than wilderness unless they have been specifically designated as wilderness.

We also support the provisions of section 5 that provide there will be no further roadless area review and evaluations unless authorized by Congress. Likewise we concur with the provisions of section 6 that preclude the establishment of buffer zones around statutory wilderness; this language is consistent with current policy.

RECOMMENDATIONS

While we support the basic objectives of the bill, we do have a number of suggestions to strengthen or clarify the provisions.

1. Current status of areas

There are some questions regarding which lands have been recommended for wilderness designation, and which lands require further review. For example, legislation enacted during the 96th Congress provides designations different from those in RARE II. In fact, Mr. Chairman, we just received your letter asking us to clarify the status of these lands. We will be happy to provide the Committee a technical document identifying the lands in each category. This will be an updating of the Executive Communication of May 2, 1979, contained in House Document 96-119, to reflect new legislation. This technical document will not include a reevaluation of the wilderness recommendations. We recommend that such a document be referred to in the statute to avoid any future questions regarding the status of specific areas.

2. Nationwide application

We recommend that the provisions of S. 842 be modified to contain the same provisions in both the East and West. We believe the provisions now in the bill pertaining to the West are appropriate and we favor the application of these provisions nationwide. Furthermore, we believe the provisions that apply to the East would require another wilderness study for each area in accordance with the provisions of the Eastern Wilderness Act. This is neither necessary nor desirable and we urge that this requirement be dropped.

3. Effect on other legislation

It is our understanding that S. 842 would not modify or amend in any way the designations or the boundaries of any wilderness legislation previously enacted. However, the bill would apparently supersede the so-called release language included in certain of the legislation enacted by the 96th Congress to provide for permanent release. We believe it would be desirable to incorporate appropriate language in the bill to clarify this point, and provide for the same release of all the nonwilderness RARE II areas.

It also needs to be made clear that if future legislation is enacted, finalizing the RARE II consideration in a state or geographic area, that we would expect appropriate release of lands not designated as wilderness or requiring further planning effective on the date of such future enactments.

4. Management of areas recommended for wilderness

The Secretary of Agriculture currently has authority to consider alternative uses for lands recommended for wilderness. Although these lands would normally be managed to protect their wilderness potential, it is essential that the Secretary not be prohibited from considering alternative uses of these lands prior to 1985 should such uses be deemed to be in the public interest. Consequently, we recommend including appropriate language in the bill that would reaffirm the Secretary's authority to consider alternative uses of the lands recommended for wilderness and modify, if appropriate, his recommendations to the Congress.

On the above questions and other technical points we would be happy to work with the committee members or staff to develop specific amendments. This concludes my prepared statement, Mr. Chairman. I am accompanied by Forest Service Chief Peterson and we will be happy to respond to any questions you may have.●

H-BLOCK OF MAZE PRISON

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. ATKINSON. Mr. Speaker, as we stand here today discussing the business before this Congress, hundreds of political prisoners are languishing in indefinite detention in brutal conditions, denied even the most basic human rights. Mr. Speaker, I am not talking about the Soviet Union or El Salvador or Korea but the United Kingdom. In the backyard of one of our chief allies hundreds of political prisoners are being allowed to starve to death in their attempt to secure status as political prisoners.

The recent election of Bobby Sands to Parliament has only worked to call attention again to the brutal treatment that Britain has accorded to Irish freedom fighters in Northern Ireland. Conditions that normally would receive a strong reprimand by Secretary of State Haig or President Reagan if they occurred in a Communist country are being allowed to exist without a single voice being raised officially. As an American, I am appalled that no strong steps have been taken to stop this miscarriage of justice.

Two weeks ago before this House recessed, I met with a young man who had spent 3 years in the H-block of Maze Prison, Long Kesh. He described in the most vivid of terms the beatings that forced a false confession from him after his arrest and the savage treatment that he was subjected to at Maze. I was shocked at the stories he

told and the description of these occurrences as everyday treatment of hundreds of prisoners. Mr. Speaker, I request that recent letters written by me to the British Ambassador and Secretary of State Haig, as well as other material relevant to this subject, be included in the RECORD and I urge other Members to join me in my request that this systematic denial of human rights be stopped.

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 27, 1981.

Hon. ALEXANDER M. HAIG,
Secretary of State,
Department of State,
Washington, D.C.

DEAR SECRETARY HAIG: I am writing to you now to express my deep concern over the rapidly deteriorating situation at Maze Prison, Long Kesh, Northern Ireland. As I am sure you are aware some 500 prisoners have been on a hunger strike there for almost two months and many, including Bobby Sands, are not expected to live much longer.

We in the United States have long looked to Great Britain as a model of a nation concerned about, and dedicated to, the preservation of human rights. It is particularly distressing, therefore, to see the gross violations of fundamental human rights in Northern Ireland in general, and at Long Kesh in particular.

For this reason I urge in the strongest terms that our government take all diplomatic steps to persuade Great Britain to grant political status to these prisoners and observe the basic rules of human decency.

Sincerely,

EUGENE V. ATKINSON.

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 27, 1981.

Ambassador NICHOLAS HENDERSON,
British Embassy Chancery,
Washington, D.C.

DEAR SIR NICHOLAS HENDERSON: I am writing to express my deep concern over the fate of the approximately 500 prisoners now being held in the H-Blocks of Maze Prison, Long Kesh, Northern Ireland. As you know these prisoners have been on a hunger strike for almost two months now, and many, including Bobby Sands, are not expected to live for much longer.

We in the United States have long looked at Great Britain as a an example of protection and preservation of human rights. Many of our fundamental legal principles have their historical basis in British law and it is particularly distressing, therefore, to see that they are only being honored in the breach, in Northern Ireland.

I therefore, request that you forward my views to Prime Minister Thatcher as strongly in favor of granting political status to those prisoners in Long Kesh who are on strike for basic human rights. While I reluctantly advise other countries on their internal affairs I must do so in this case out of a deep concern for the lives of those imprisoned for their political beliefs.

Sincerely,

EUGENE V. ATKINSON.

BIOGRAPHY 1

I, Seamus Delaney (twenty-one years of age), a native of the Ardoyne area of Belfast, where I was arrested by the RUC and taken to Tennents Street Barracks under British laws which allow political suspects to be held, without charge, for up to seven days.

I was held for four days and sustained a series of beatings which left a total of 27 marks on my body. I was "convicted" before one of the non-jury courts for political offenses, solely on the basis of the confession extracted from me by means of these beatings; 80 percent of the convictions before the special courts for political offenses are based solely on confessions. I then became one of more than 400 Irish political prisoners who refuse to wear a convict uniform, demanding that I be permitted to wear my own clothes as a political prisoner.

In order to enforce acceptance of "criminalization" or portraying Irish political prisoners as criminals rather than as political prisoners the British confined me for one and one-half years naked except for a blanket, without books, reading materials, or access to other prisoners. I was denied toilet facilities so that my cell became filled with human excrement, and I was routinely beaten.

My case drew widespread publicity and was accepted by the European Court of Human Rights at Strasbourg. Because of the widespread publicity and attention from the European Court, the confession was ruled invalid and I was held for re-trial. After one and one-half years on remand status without bail, the British admitted that there was no evidence and released me. I had been sentenced to thirty-one years. Since my release I have been intimately involved with the H-Block Armagh campaign. I am here to ask the American people and the political leaders for support for Bobby Sands, and Frankie Hughes, Pat O'Hara, and Raymond McCreesh who are on hunger strike in the H-Block of Long Kesh.

Bobby Sands is now a candidate for Parliament in the election scheduled on April 9, 1981. He will win the election and thereby demonstrate that in the eyes of the Irish people he will never be a criminal, but a man respected for his opposition to British colonial rule. American Congress can force the British to stop the torture of Irish political prisoners and recognize political status and save the lives of young Irishmen.

BIOGRAPHY 2

I, Noel Cassidy, 33 years of age, am a native of County Monaghan, Ireland, one of the three Ulster counties not held by the British.

In 1978, I drove across the border where I was stopped at a border checkpoint, and subjected to an intense search which included having my jacket pockets torn out. Nothing was found. I was then taken to Gough RUC Barracks in Armagh. Here I was searched again and nothing incriminating found.

I was held under legislation which allows imprisonment for seven days interrogation for political suspects. Approximately 36 hours into the interrogation I was told by the RUC that I had been found in possession of IRA documents at Middletown. Later I was charged with being in possession of the documents found at Gough rather than Middletown.

It was admitted at my trial before a non-jury court for political offenses, that the alleged IRA document was not enclosed within the envelope in which all of my effects were placed.

Despite these irregularities, I was convicted and sentenced to three years imprisonment. I refused to wear a convict uniform or to accept being portrayed as a criminal demanding the right to wear my own clothes as a political prisoner.

In order to break my resistance, I was confined naked except for a blanket, in virtual solitary confinement, without toilet facilities so that my cell became filled with human excrement. I was routinely beaten.

Despite these psychological and physical attacks, I persevered "on the blanket". Four hundred others have followed him.

I was released on February 9, 1981, and was imprisoned throughout the hunger strike.

I have traveled to the United States in order to petition the American people for support for the hunger strikers. I have travelled here without a visa because Irish Republicans are systematically denied visas, but also denied is the simple right to petition American Congressmen and to bring the truth to the American people. I therefore thank you for accepting this my petition, and that of Seamus Delaney and implore you to help save the lives of the hunger strikers.●

THE PEOPLE RESPOND—VII

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. GARCIA. Mr. Speaker, I am inserting into the CONGRESSIONAL RECORD a statement which exemplifies the concern people are feeling over the proposed budget cuts. President Reagan's economic plan would not affect every segment of this society equally; minorities and the poor would have to shoulder the greatest suffering while businesses and the rich would be favored disproportionately. As part of my continuing crusade against the inequities in the proposed economic plan, I am inserting today's statement to show that there are still citizens who are concerned over the impact of this plan:

NANUET, N.Y., *March 20, 1981.*

Hon. ROBERT GARCIA,
House of Representatives
Washington, D.C.

DEAR CONGRESSMAN GARCIA: I am writing concerning the floor speech that you delivered yesterday. In the speech you stated that you would be inserting in the Record letters opposing President Reagan's economic policies.

I am enclosing copies of two letters to the editor that were published in the newspaper The Journal-News. While the letters are not about Reagan they do discuss the conservative trend in American politics. The letters are as follows:

"Kennedy won't be an expense" Oct. 10, 1979

"Democrats have failed their heritage" March 27, 1980

Please note that there is an error in the March 27, 1980 letter. At the top of column 2 the word "conceivable" should have appeared as "inconceivable".

The Journal-News is published at 53 Hudson Ave.; Nyack N.Y. 10960.

If you should place the letters in the Record, I would very much appreciate receiving a copy of the issue it appears in.

Also if you plan to mention the letters in a floor speech, I would like to be informed of this in order that I not miss watching the House on C-SPAN.

With my very best wishes,

Very best wishes,

EDWARD J. BRANCA, Jr.

[From the Journal-News, Mar. 27, 1980]

DEMOCRATS HAVE FAILED THEIR HERITAGE

To the EDITOR:

President Carter's recent announcement of his plans to cut the federal budget brings up the question of where the Democratic Party stands on the issues and whether it remains the party of progress or whether it has become just another tool of the big business establishment.

First, let's look back to the turn of the century when both major parties were dominated by the conservative Wall Street clique who were commonly known as "robber barons."

These supporters of the free-enterprise system were allowed by the political establishment to exploit the consumer, tyrannize the worker and subject racial minorities to the worst kind of human hell. At that time in history this land of freedom witnessed the following: corporate manipulation of prices; unsafe products and working conditions; children laboring in sweatshops; racial segregation and lynchings on a grand scale; lack of unemployment insurance or welfare system to provide food or shelter when the inevitable layoff came.

But at the time the American people were going through the worst of this made-in-America hell, one of the great political parties—the Democratic Party—broke with the conservative past and began a new day for the American people. Franklin D. Roosevelt's party started a 50-year march toward progress. This march began with programs like the NIRA (National Industrial Recovery Act) and the FDIC (Federal Deposit Insurance Corp.) and ended with programs like civil rights and Medicare. None of these reforms would have been possible without a socially progressive Democratic Party. But even now we have not yet come to the end of this great march toward progress. Much more remains to be done.

This nation is still alone in the Western world in not providing a system of adequate health care for all of its citizens; we have not yet provided a quality education for all of the nation's children; we have not yet put an end to discrimination and racial injustice. Only a socially progressive Democratic Party can rally the nation in accomplishing this.

But at a time when the unsolved problems on our nation's agenda cry out for solutions, the Democratic Party—led by President Carter—calls for budget cuts and sounds social retreat. President Carter says he is making these cuts in order to reduce inflation. This argument simply will not hold water. Let me explain why:

The Gross National Product (that is, the total amount of money Americans spend for goods and services each year) is now about $2 trillion while the deficit projected in President Carter's original budget amounted to $22 billion. It is conceivable that this relatively small deficit can create an inflation rate of 18 percent per year.

In reality, inflation has many causes. They include high oil prices (which President Carter wants to raise again); greedy corporations, and inflation psychology. The Carter plan eliminates none of these causes of inflation. Rather, it requires those Americans already on the low end of the economic ladder to bear the greatest amount of the suffering. Carter has never required the rich to sacrifice very much.

Some may say that the Democratic Party is only following a conservative tide in American politics. To this I reply by saying I believe that a great political party should do more than reflect what its leaders think will gain them the most votes. Rather, it is the duty of the socially progressive Democratic Party to inspire the American people to work to improve our society, especially for those who are the most socially disadvantaged.

I have stated how I believe the Democratic Party should be. But, alas, the Democratic Party has forgotten (for the time being at least) its socially progressive heritage.

Therefore, as an enrolled Democratic voter, I have sadly decided to put my party on a system of "electoral probation." No longer will I cast my vote for the entire Democratic slate. Instead, I will support only those Democrats who will, once elected, work for social improvements that the Democratic Party has campaigned for so tirelessly for half a century. I will, of course, support progressive Democrats in the primary.

EDWARD J. BRANCA, Jr.

[From the Journal-News, Oct 10, 1979]

KENNEDY WON'T BE AN EXPENSE

(By Edward J. Branca, Jr.)

NANUET.—Recently The Journal-News has been editorializing that the American people cannot afford the cost of a presidency of Sen. Edward Kennedy. I wish to reply by asking if this country can afford to continue the politics of stagnation and special interest-favoring that has occurred under Presidents Nixon, Ford and Carter? In particular, can we afford to continue the following:

Lack of a national health care plan while medical costs go through the roof? National policy that allows the big energy companies to raise prices and profits exorbitantly while much of the nation will freeze in cold homes and apartments this winter? Continuation of the current system of private-(special) interest financing of Congressional election campaigns?

Also, a system that has given this nation (to quote Will Rogers) "the best government money can buy"; wasteful military spending programs such as the proposed B–1 bomber program that has robbed food from our poor and elderly while contributing to our nation's critical economic problems?

Also, governmental neglect of the Northeast—particularly New York—which has kept this region in near-recession conditions since the early 1970s, with no hope in sight? A grossly unfair tax system that lets (to quote from a Depression-era song) "the rich get richer and the poor get poorer"?

You see, it is not a question of whether this nation can afford a Kennedy presidency. Rather it is a question of whether we can afford not to accept and demand the strong leadership that Ted Kennedy will bring to the White House—leadership that will make America a great nation once again.

COLUMBIA UNIVERSITY,
SCHOOL OF PUBLIC HEALTH,
New York, N.Y., March 23, 1981.

Hon. ROBERT GARCIA,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN GARCIA: It has been brought to my attention that the Administration will be proposing drastic cuts and ultimate elimination of local health planning (HSAs). While I fully support efforts at turning the economy around and recognize that no cuts will be easy, I would strongly urge your active support in opposing more than proportional cuts in this area. The last thing that we can afford to do is eliminate or seriously cripple agencies which provide the sole mechanism for insuring that citizen involvement in health care decisionmaking is maintained.

Sincerely,

SAMUEL WOLFE, M.D., D.P.H.,
Professor of Public Health.

THE BRONX-LEBANON HOSPITAL CENTER,
Bronx, N.Y., March 24, 1981.

Hon. ROBERT GARCIA,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN GARCIA: As a practicing internist and medical educator, I am concerned over the phase-out of the PSRO Program as proposed by the Reagan Administration.

For the past year, I have actively participated as a PSRO reviewer and have been impressed with the effectiveness of peer surveillance in identifying and eliminating problems of medical practice among Medicaid providers, not readily discernible from routine fiscal audits.

I am convinced that, while federal reimbursement programs need streamlining, it would be a disservice to the government as well as the recipients to omit the quality assurance controls which a local PSRO program provides.

Please oppose the phasing out of PSROs and support continued funding at an effective level.

Sincerely,

BURTON COHEN, M.D.●

HON. MICHAEL D. BARNES OF MARYLAND

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. BARNES. Mr. Speaker, I commend my colleague, Mrs. MARGARET HECKLER, for commemorating the 50th birthday of Ida Nudel, the only Jewish woman prisoner of conscience in exile in Siberia, with this special order on April 27.

On this day I joined by colleagues Chairman CLEMENT ZABLOCKI, Mrs. MILLICENT FENWICK, Mr. BENJAMIN GILMAN, Mr. NORMAN LENT, Mrs. PATRICIA SCHROEDER, and Mr. HENRY WAXMAN, along with the Union of Councils for Soviet Jews, in a special ceremony to honor this extraordinary

human being—so extraordinary that even though she has remained for nearly 3 years sealed off in Siberia from family, friends, and world events, she had the power to unite hundreds in Washington yesterday and bring together similar people of goodwill in other American cities and in European capitals to mark her birthday.

She is true testimony to the indomitable, indestructible human spirit. She stirs within us our sense of justice, our deepfelt commitment to protecting life, and our love of liberty. And so, you and I, and others here and in nations abroad paused to pay tribute to this woman of valor and heroic deeds, of missions of mercy to aid prisoners of conscience before her, and of feats of survival to maintain her dignity, health, and sanity in a hostile and primitive environment.

We want Ida Nudel free today, so that she may realize her dream to continue her life with her family in Israel. And we will not cease to speak out time and again, to demonstrate, to make appeals so that she and other Jews and persecuted Christians in the Soviet Union will be let go.

And we believe we will succeed. After enduring 10 years of harsh imprisonment, Josif Mendelevich is now a free man in Israel. After continuous pressure from Congress and many groups represented at the ceremony, I am happy to know that Grigory Hess of Minsk, Grigory Goman of Leningrad, and Grigory Kanovich from near Leningrad have all received their permission to emigrate. With us at the ceremony were Lev Roitburd, who following 2 years' imprisonment in Siberia, presently lives in Israel; and Boris Blitshtein—whose father Lev Blitshtein is my adopted refusenik living alone in Moscow and apart from his family now settled in New York—who within recent months became an American citizen and father of his first-born child.

Last year, I was elated when Lev Pevzner, a Leningrad attorney—and defense lawyer at the infamous Leningrad Trials of 1970—who befriended me on my first trip to the Soviet Union in 1977 was allowed to leave with his wife Yelena and take up residence in Indianapolis, Ind., to be reunited with their daughter and her family. Some of my colleagues and many of those present at yesterday's ceremony helped to welcome him to this country in another congressional reception last May. Now the struggle continues on behalf of his son Alexander, who has been refused three times by the OVIR, and other Soviet Jews, whom Ida Nudel personifies.

As we know, Soviet emigration figures dropped from 50,000 in 1979 to 21,000 in 1980. So our work is clearly going to be difficult. And we cannot neglect the fight for human rights on behalf of victims of oppression and repression in other countries.

I most gratefully thank all of the participants in the ceremony to honor Ida Nudel on her 50th birthday; and I acknowledge now the following persons who participated in the program: Robert Gordon, president of the Union of Councils for Soviet Jews; Lynn Singer, president of the Long Island Committee for Soviet Jewry; Jack Stein, special adviser to the White House; Rabbi Stephen Listfield, Adas Israel Congregation, Washington, D.C.; Ms. Halo Wines, Arena Stage actress; Mr. Ed. Spielman, author, screenwriter, and creative consultant for the State of Israel; former prisoner of conscience Lev Roitburd; string quartet musicians Boris Roninson (Kennedy Center Opera House Orchestra), Hilda Seibel, David Basch, Henry Jarvinen, Mr. LENT and Mrs. FENWICK.

Mr. Speaker, I note that although the following persons could not be with us yesterday, they expressed the wish that their names be included in a birthday message designed by Washington artist Avi Ashery and to be delivered to Ms. Nudel at a later date: Cleveland Amory, Theodore Bikel, Joey Adams, Elie Wiesel, Edward Albee, Gene Kelly, Ernst Neizvestny, Dave Brubeck, Tovah Feldshuh, Harold Prince, Danny Kaye, Douglas Fairbanks, Jr., Schuyler Chapin, David Bar-Illan, Sandra Hochman, Cy Coleman, Helsinki Watch Chairman Robert Bernstein, Ed Klein, Jerry Bock, Max Kampelman, Alexander H. Cohen, Joanne Woodward, and Paul Newman.

Ms. Nudel sent the following note of gratitude to her friends worldwide, which Mrs. FENWICK read at the ceremony:

I would like to express my deep gratitude to each and every one of you, who has been showing his concern for my fate during these painful years of my exile, those who appealed to Soviet authorities for my release, went out to hold demonstrations on my behalf, wrote letters and postcards, sent me parcels with food and clothing. I would like to thank all for what you have been doing for me.

I have been awarded the honor of feeling and experiencing the great force and significance of human solidarity. Your daily and hourly care and intervention on my behalf are protecting me as the authorities realize that they are being held responsible by you for my fate.

Your solidarity is not only providing me with additional strength thus enabling me to bear the psychological situation in which I have been living, but it is also influencing the people surrounding me. Your solidarity has shocked many people; it also made those of them who are capable of judgment, those who can see the difference between justice and injustice and those who have a dignity of their own and can respect the dignity of others, think.

It seems to me that an individual's opposition to social injustice acquires meaning and significance only when it is supported and encouraged by the men of good will all over the world.

In addition, Mr. Speaker, I wish to include in this special order the following telegrams and special messages sent to Ms. Nudel on the occasion of her 50th birthday ceremony.

I join with all of you today to honor Ida Nudel, a prisoner of conscience, on this her 50th birthday. Let us hope that her next birthday will be spent in freedom.—James R. Thompson, Governor of Illinois.

On the occasion of Ida Nudel's 50th birthday celebration, I commend all those who have joined together to remember this brave woman and to call upon the Soviet Union to release her from her bondage.

In 1975, I met Ida Nudel in Moscow. I remember her courage and her leadership in the movement for less restrictive emigration practices. It is my dream to meet her again soon in Israel.

Until then, I encourage you to remain actively involved in efforts to remind the Soviets that we will not remain silent until Ida Nudel is allowed to emigrate from the Soviet Union.—Robert F. Drinan, S. J.

I join you in honoring Ida Nudel for her courage and heroism.—Jacob K. Javits.

I am delighted to add my congratulations on the special occasion of the celebration of your 50th birthday * * *"—Mayor Jane M. Byrne of Chicago.●

TRIBUTE TO JOHN HUNEKE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. OTTINGER. Mr. Speaker, I am greatly saddened by the death of a most outstanding young constituent in Mount Vernon, N.Y., John Huneke. John died on April 10 after a bout with cancer, yet his life serves as an inspiration to us all.

John displayed an indominable spirit in his battle with cancer. Weeks before his death, he became an Eagle Scout, and fulfilled a requirement for a special service project by bringing 100 new blood donors to the Lenox Hill Hospital in Manhattan. Indeed, John Huneke has been a source of strength of all who knew him.

I am including in today's RECORD a tribute to John Huneke which recently appeared in the Mount Vernon Daily Argus. I commend this article to the attention of my colleagues:

[From the Daily Argus, April 16, 1981]

JOHN HUNEKE: A TRUE HERO

John Huneke of Mount Vernon came and went across these pages in recent weeks like a shooting star.

When Huneke died last Friday after a bout with cancer, everyone who had already read about his Eagle Scout award felt a friend and family member had been lost. Such was the affecting nature of the 17-year-old's attitude and courage.

This young man stood for simple precepts, such as never giving up and not feeling sorry for one's self. They were lessons

straight out of a boy's mythology, notions that seemed almost too good to be true.

Huneke was indeed larger than life, smiling broadly from a hospital bed in a Boy Scout uniform bedecked with medals. He was a true boy hero, dreaming dreams and achieving the noblest goals of youth.●

CONGRATULATIONS TO DON R. EISEL

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. APPLEGATE. Mr. Speaker, I would like to take this opportunity to congratulate Mr. Don R. Eisel of New Philadelphia, Ohio, who has recently been chosen for State director of Ohio Moose Association.

Mr. Eisel has been active in this fraternal organization since 1959, serving in a number of leadership positions. He was Secretary for 9 years of the Ohio State Moose Association and later became president.

Along with his positions in the Ohio Moose Association, he has been actively involved in a number of community services. He has served as chairman of the Cancer Fund, the Heart Fund, and the Kidney Fund. He was also presented with a 10-year plaque from the March of Dimes for outstanding service.

Mr. Eisel truly understands the meaning of civic contribution and I extend my heartiest congratulations to him as the State director for the Ohio Moose Association.●

A RESPONSE TO THE INFANT FORMULA INDUSTRY

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. HARKIN. Mr. Speaker, on April 2, 1981, Mr. GILMAN and I introduced the infant nutrition resolution (H. Res. 122), which calls for U.S. support for the World Health Organization and UNICEF's International Code of Marketing of Breastmilk Substitutes. The purpose of the resolution was to counter the effects of intense lobbying by three American infant formula manufacturers, who had publicly announced their opposition to the code in spite of the nearly unanimous and strongly expressed support for the code in the international health community. The three companies jointly distributed a three-page position paper to all of the pertinent executive agencies, outlining the basis of their opposition. Two of those companies, Abbott Laboratories and Bristol-Myers, have, in the last week, sent letters to all congressional offices, reiterating most of the points mentioned in their original commentary.

For the benefit of my colleagues who have received these letters, I should like to present the following response formulated by the International Nestle Boycott Committee. This is a coalition of church, labor, health, and women's organizations which have long been active on behalf of improved infant nutrition. I urge my colleagues to examine this rebuttal and give serious consideration to joining the 58 Members of the House who have thus far cosponsored the infant nutrition resolution.

Mr. Speaker, I submit the attached "Response to the Infant Formula Industry" to be printed in the RECORD in its entirety, along with the names of the groups affiliated with the International Nestle Boycott Committee:

A RESPONSE TO THE INFANT FORMULA INDUSTRY

Three American infant formula manufacturers (Abbott/Ross Labs, Bristol-Myers/Meade Johnson, and American Home Products/Wyeth Labs) have recently circulated a three page commentary attacking both the process and the content of the World Health Organization and UNICEF's International Code of Marketing of Breastmilk Substitutes. Because the industry paper is replete with errors of fact and interpretation we have prepared this background paper on the code as a partial response.

For the past two years the World Health Organization (WHO) and UNICEF have provided leadership to the international community in the search for effective methods to protect and promote breastfeeding. In recent years, virtually every international private and public health agency has noted with alarm the decline of breastfeeding (especially in developing countries) with the associated increased incidence of early infancy malnutrition and mortality. WHO and UNICEF became the logical focal point for coordinating the work of scientists, national governments, nongovernmental organizations, and industry. Member governments had already instructed WHO to direct its energies into primary health care; promotion of breastfeeding was to be the cornerstone of that effort. UNICEF's resources and expertise were already focused on the problems of children.

Working independently from the pressures of politics and private interests, WHO and UNICEF staff scientists, together with invited experts, produced a background document and a slit of recommendations which they considered minimally necessary in light of the critical nature of the decline of breastfeeding. These documents were presented to the October, 1979 WHO/UNICEF Meeting on "Infant and Young Child Feeding," which brought together 150 scientists, representatives of member governments, nongovernmental organizations, and industry. The meeting produced a multifaceted series of recommendations dealing with public nutrition education, maternal support, and revisions of health care delivery and practice, as well as a series of guidelines to govern the marketing of infant formula.

One important recommendation of the meeting was: "There should be an international code of marketing of infant formula and other products used as breastmilk substitutes. This should be supported by both exporting and importing countries and observed by all manufacturers. WHO/UNICEF are requested to organize the process for its preparation, with the involvement of all concerned parties in order to reach a conclusion as soon as possible."

This recommendation was supported by all participants, including industry. A resolution was unanimously adopted in May, 1981 by the World Health Assembly calling on WHO and UNICEF to carry forward the process off formulating a code utilizing the general guidelines offered in the October meeting.

Despite industry's agreement to strictly abide by the October guidelines, over 700 violations of the WHO/UNICEF guidelines by 40 companies in 50 countries were documented during 1980 by the International Baby Food Action Network (IBFAN), an international network of consumer, religious, and health groups. The International Council of the Infant Food Industries and health groups. The International Council of the Infant Food Industries (ICIFI), the major industry trade council, claimed that these were based on differing interpretations of the guidelines. Industry's claim at least served to demonstrate the need for clearly defined policies—an opportunity which the international code formulation process affords.

Between May, 1980 and January, 1981, the Secretariats of WHO and UNICEF conducted a series of consultations with industry as part of the process of finalizing the code's language. Similar consultations were held with governments, scientists, and non-governmental organizations. Altogether, four drafts of the code were produced.

Along the way, industry made numerous attempts to alter the code so that it would be substantially weaker than the recommendations of the October meeting (recommendations which had been subsequently affirmed by all 156 member nations of the World Health Assembly). At various times, the formula industry's tactics included threatening to walk out of key meetings, intense lobbying at WHO (including hiring a retiring Assistant Director General of WHO, Dr. S. Flache, as the trade council lobbyist—Nestle internal documents reveal Dr. Flache was working actively "in our behalf" while still at WHO), and the application of pressure on national governments. Perhaps as a result, the fourth draft is in many respects weaker than the original recommendations from the October, 1979, meeting. In the words of one health minister at last January's Executive Board meeting, "The code contains holes large enough that an unscrupulous manufacturer could drive a herd of dairy cows through them."

Despite the code's weaknesses, it does represent an important step toward protecting and promoting breastfeeding and proper infant care. By restricting intensive advertising and promotion, the code encourages competition in the way of lower prices and improved quality (neither an attribute of present marketing strategies)—rather than competition primarily based on emotional appeals which serve to discourage breastfeeding. A workable set of international guidelines will protect the interests of more ethical manufacturers, while reducing pressures on management and regional sales personnel to use questionable and dangerous marketing techniques. Some exporting nations, such as the Netherlands, have gone so far as to support enactment of the code as an international regulation (rather than a recommendation as suggested by WHO's

Executive Board) so as to assure that Dutch industry will not be jeopardized by the unscrupulous practices of other firms.

The code deserves the support of the U.S. and other exporting nations, both because of the need to protect and promote breastfeeding and because of the open and democratic process through which it was developed. As UNICEF Executive Director James Grant has said: "In part the campaign for breastfeeding must also be a campaign to regulate those who promote and sell commercial infant formula to mothers who do not need it, cannot afford it, and are unable to safely use it."

To quote Grant again, "If all of us in the international community who are working to promote and protect the practice of breastfeeding are successful, we will save one million infant deaths each year in the eighties."

Regarding the eight specific criticisms voiced in the industry paper, we respond as follows.

1. "The code imposes a point of view on all countries, regardless of local cultures, conditions, or need."

The code, together with the WHO and UNICEF recommendations on breastfeeding advocacy and education, maternal support, and changes in health care delivery, is based on two fundamental tenets: that all children deserve the nutrition and protection from disease afforded by breastfeeding; and that children in poverty conditions, regardless of geographic situation, are placed at special risk by artificial feeding. The code "imposes" no point of view; it gives recommendations from the health community about the optimal means of protecting and fostering breastfeeding and appropriate young child feeding practices.

2. "There is no evidence that marketing practices are linked to declines in breastfeeding. WHO's own Collaborative Study . . . failed to reveal that such a . . . code was warranted."

Although several other important factors are involved, there is a wide variety of evidence which shows that marketing practices are linked with the decline of breastfeeding. Even industry's own codes of conduct are based on this assumption. Few could understand why industry should spend so much on promotion to consumers and health care professionals if it were not an effective means for reaching the objectives of expanding sales. In fact, the formula industry utilizes the marketing and promotional practices with equal vigor in national markets (for example, Brazil) where no significant competitor (other than breast milk) exists.

The WHO Collaborative Study on Breastfeeding was not designed to investigate problems of promotion; however, evidence was uncovered in certain national markets linking free sample distribution with the decline of beastfeeding. Testimony to that effect was presented to the Senate Subcommittee on Health and Scientific Research, May 23, 1978, by Dr. Manuel Carballo, director of the WHO study.

3. "The potential for the code's transformation into a binding regulation is clearly implied."

Although it is believed by the Secretariats of WHO and UNICEF that the majority of national governments prefer the code's adoption as a binding regulation, the Executive Board has proposed that the code be adopted in May, 1981 as a recommendation. They believe that the desirability of having the code be adopted unanimously (as were the October 1979 recommendations and all previous WHO breastfeeding resolutions) would offset its somewhat weakened constitutional position. This compromise position has been forwarded in deference to the U.S., which expressed particular constitutional difficulties with the regulation format. (Note: A WHO regulation, it must be understood, is itself only another level of recommendation to governments, and has no actual binding power other than moral authority on member states.)

The Executive Board resolution calls upon the Director General of WHO to closely monitor the code's implemention and effectiveness over the next two years. It should be anticipated that, if industry intransigence on the code continues as threatened by the American companies, national governments will consider additional initiatives to protect the lives of their infant populations.

4. "The draft resolution effectively converts the proposed code from a voluntary to a mandatory code by making it a 'minimum requirement' and one to be implemented (by) 'legislation, regulations and other suitable measures.' "

The code of marketing should reflect as its only concern the protection and promotion of breastfeeding and infant health. Ideally, it should be free from political pressures brought to bear by private interests. Unfortunately, the code has been weakened from the original suggestions made by scientists as expressed in the WHO/UNICEF background document to the October, 1979 meeting. Governments should be encouraged to utilize the code as a "minimum" to avoid further industry pressures to dilute the code even more drastically in the political process.

All WHO resolutions urge "translation into 'legislation, regulations or other suitable measure,' " depending on the political system of the respective nation.

5. "This code represents an attempt to usurp the proper role of sovereign nations."

The code represents no challenge to national sovereignty. It has been constructed by order of the member states of the World Health Assembly; national governments have been asked for formal advice on each of the four drafts and have participated in consultations with other governments in its development; governments are responsible for legislation to implement its procedures. In a December 19, 1981 letter to the Department of Health and Human Services, the Antitrust Division of the Department of Justice concluded that the code presents no legal difficulties to the US when adopted in the recommendation form by the World Health Assembly.

6. "(P)rovisions of the code are designed arbitrarily and severely to restrict, or absolutely to prohibit legitimate commercial activities, . . . which are given very clear constitutional and legislative protection."

The code is designed to restrict or absolutely prevent commercial activities that are harmful to the health and welfare of infants. These promotional activities cannot in any way be characterized as "legitimate;" they have been severely criticized over the last decade by the international health community, by religious and nongovernmental organizations, and even by sectors of the industry.

The formula industry now argues that the prohibition on advertising would violate constitutional rights of free speech. The Executive Branch, Congress, and the courts have long recognized that it is sometimes necessary to restrict advertising in order to protect the public interest or public health (e.g. tobacco and drugs). The inappropriateness of mass-media advertising of infant foods is already recognized in the codes of two U.S. firms; the practice is almost nonexistent in the U.S. due to voluntary constraints and pressure from the health community.

7. "The code's limitation on the development and dissemination of information about infant feeding, even through the health profession, could have negative consequences."

The code places no limits on the dissemination of information to the health profession. It does, however, restrict the use of personal gifts and other inducements designed to encourage health professionals to become promoters of artificial feeding. It also requires industry information to include adequate warnings to health professionals (and labeling information to the consumer) describing the dangers associated with artificial feeding under conditions of poverty. Thus far, the contribution of industry to health education has been severely limited by conflicts of interest. Quite often the information supplied by industry has been incomplete or misleading, designed to promote proprietary products in particular and artificial feeding in general. The code attempts to place limits on areas of conflict of interest and require company materials to reveal product limits as well as advantages.

8. "The code attempts to impose inflexible, unworkable, and unwarranted restraints on the marketing of a product whose worth has been proved over the decades."

A large body of scientific studies, ranging over the years, indicate that the value of breastfeeding is unsurpassed in providing for the proper development of infants and mother-child bonding. Moreover, under the conditions of poverty that are prevalent in developing countries (and some parts of developed nations) decisions about the means of infant feeding have life and death significance. All studies indicate higher morbidity among artificially fed children when compared to their breast fed counterparts. In poverty areas, infant mortality often runs two to seven times higher among those not breast fed.

Health professionals do not universally recommend commercially prepared infant formulas when a breast milk substitute is required. Although conveniently adapted to approximate protein, fat, and calorie balances of human milk, the cost of formula is often so prohibitive that other methods of feeding, better adapted to local environments and circumstances, are preferable. Even if the U.S. commercial infant formulas continue to present health problems both through their manufacture and their generic inferiority to human milk, most notably in areas of immunological protection.

CONCLUSION

Last year the American infant formula industry recommended that the U.S. delegation to the 1980 World Health Assembly oppose the development of the international code. An opposing position was in fact taken by the U.S. at the Assembly, to the embarrassment of the delegation itself. According to internal cable traffic reported in The Washington Post ("State Department Stance is Said to Endanger Third World Infants," July 9, 1980), "even Switzerland accused us of only defending the interests of our multinationals" rather than protecting

the lives of infants. U.S. action had the perverse effect of transforming this critical health issue into a North-South conflict, needlessly jeopardizing the normally scientific and dialogical atmosphere of the World Health Assembly.

After a full year of consultations, the code has emerged as the end product of one of the most democratic and exhaustive deliberations ever undertaken within the international systems. It has received the unanimous endorsement of the WHO and UNICEF Executive Boards. U.S. actions to defeat or oppose the code are certain to be viewed with extreme dismay by both our European allies and by Third World governments. (In the United Kingdom, for example, over 185 Members of Parliament of all parties have signed a resolution calling upon the British Government to back the code as a regulation. The Minister of Health responded by promising full support for the code at the Assembly.) It would seem logical to expect that U.S. intransigence on the code will only work against us on other key issues critical to our national self-interest.

The importance of the code remains primarily moral, not legal. It must be used to encourage action by developing countries and by all governments to protect mothers and children at risk and as a vehicle to pressure industry to voluntarily alter practices now universally criticized for the unnecessary risk they pose to infant health. There is already a large and powerful campaign in the U.S. to persuade the American companies to alter marketing practices along the lines suggested by the code (though more strictly). Parallel campaigns are also underway in Europe and Japan. Such efforts will continue, with or without the code, until company practices are convincingly altered. The adoption of an internationally-supported code will help to assure that moral pressure is applied fairly and evenhandedly towards all segments of the infant formula industry. This, of course, will serve the long range interests of the American formula industry in ways not discussed in the shortsighted critique of the code which has been offered by them.●

DEAUTHORIZATION OF THE DICKEY DAM

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mrs. SNOWE. Mr. Speaker, today, I am introducing legislation which would deauthorize the Dickey Dam portion of the controversial Dickey-Lincoln School Lakes project on the St. John River in northern Maine. My colleague, Congressman DAVID EMERY, joins me in cosponsoring this legislation.

Dickey-Lincoln was authorized as a twin dam project in 1965; $10 million worth of studies later, the Army Corps of Engineers is revising the final environmental impact statement scheduled for completion this summer. The Dickey Dam located upstream would be a storage facility impounding a reservoir with gross storage capacity of 7.7 million acre-feet. The Lincoln School Dam located 11 miles downstream would serve principally to regulate releases from Dickey. Power capacity of the combined project would be 830 megawatts of mostly peaking power. Lincoln School alone would produce 70 megawatts of base power. The bill I am introducing today would deauthorize the Dickey Dam portion of the project while retaining the current authorization for Lincoln School.

Why deauthorize one dam and not the other? As a combined project, Dickey-Lincoln has continually shown a marginal benefit-cost ratio—due predominantly to the magnitude of the environmental and economic impact of the Dickey Dam. From an environmental perspective, Dickey-Lincoln would flood 100,000 acres of Maine timberland and destroy 278 miles of freeflowing rivers and streams, plus 30 lakes and ponds. From an economic perspective, Dickey-Lincoln is estimated to cost $1 billion with a benefit-cost ratio computed by the corps to be 1.2 to 1 based on an unrealistic discount rate of 6⅞ percent. In an economic analysis of Dickey-Lincoln, Prof. Lawrence Hines of Dartmouth College showed that at an 8½ percent discount rate, the American taxpayers would lose 33 cents on every dollar invested in the project. Given that the project will supply only 17 percent of the Northeast's peaking needs and only 25 percent of Maine's peaking needs, we believe that it is hardly enough to warrant the environmental and economic costs that would be incurred.

By deleting the Dickey Dam portion we will be eliminating much of the controversy surrounding the hydroelectric project. Furthermore, by retaining the current authorization for Lincoln School Dam, we will be allowing a thorough evaluation of this dam to see whether it can stand by itself.

I am and will remain a proponent of hydroelectricity, but I do not feel this combined project is in the best interests of the citizens of Maine. In Maine, we need a mix of base, intermediate, and peaking power. To meet these needs, we should be focusing on the development of small scale hydroelectric power as a sensible alternative to Dickey-Lincoln. A study by the Maine Office of Energy Resources shows numerous dams in Maine which are economically feasible to develop. Combined, these dams will be able to produce almost as much energy as Dickey-Lincoln. Furthermore, these dams can come on line in one-half the time necessary for Dickey-Lincoln. We need the power now.

I am fully cognizant of our critical national energy situation, particularly the dependence of the Northeast on foreign fuel imports. The development of Dickey-Lincoln is not the answer. I believe other options exist which can demonstrate a more favorable benefit-cost ratio, such as the Lincoln School Dam. Today, I ask my colleagues to join me in support of a compromise proposal which will not only resolve the controversial questions surrounding this project, but will also allow us to proceed with a rigorous examination of the economic feasibility of Lincoln School.●

SAVINGS AND RETIREMENT INCOME INCENTIVE ACT OF 1981

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. EVANS of Delaware. Mr. Speaker, as the Congress moves forward to consider the tax-related provisions of President Reagan's comprehensive economic program, I hope my friends on the House Ways and Means Committee and the Senate Finance Committee will give careful consideration to the need to dramatically increase the incentives which are available for savings.

The personal savings rate in this country is almost at an all-time low and is pitiful when compared to the savings rate in the other industrialized nations of the world. The Japanese save four times as much as we do, German savings are almost three times our current rate, and the Canadians save twice as much as we do. The combination of double-digit inflation and the unacceptable bias within the Tax Code against savings have combined to lower the American savings rate. Most foreign nations provide generous incentives for individual savings and investment. Given the critical need for capital formation in the American economy today, there is no reason why we should not do the same.

The Savings and Retirement Income Incentive Act of 1981 is designed to achieve a number of worthwhile objectives. This comprehensive bill addresses all of the following national priorities: increasing the rate of capital formation, providing adequate retirement income for all of our citizens, allowing families to earmark more funds for education and housing, minimizing the revenue lost to the Federal Treasury and offsetting the damaging impact of inflation.

Mr. Speaker, I have cosponsored this major proposal and am extremely hopeful that the new mood of fiscal restraint in the Congress will allow us to enact this bill in the near future.

SAVINGS AND RETIREMENT INCOME INCENTIVE ACT OF 1981

BILL SUMMARY

The "Savings and Retirement Income Incentive Act of 1981" is designed to increase the incentives for individual savings and investment in the following ways:

(1) The bill makes permanent the exclusion from tax of the first $200 ($400 on a

joint return) of dividend and interest income and increases that amount to $500 ($1,000 on a joint return) when an individual or spouse attains the age of 65.

(2) The bill permits the use of individual retirement accounts (IRA's) by employees, including government employees and military personnel, who are covered by employer-sponsored retirement plans and increases the maximum allowable deductible contributions to these accounts from $1,500 per year under existing law to $2,000 per year or the total amount of the employee's earned income, whichever is less.

(3) In lieu of a contribution to a separate IRA, the bill permits an employee to make a $2,000 per year tax-deductible, voluntary contribution to his employer-sponsored retirement plan, if the plan so permits.

(4) The bill permits additional voluntary non-deductible contributions of $2,000 per year plus an additional $8,000 over the employee's lifetime to either an IRA or an employer-sponsored plan thereby increasing the size of the account so that the expense of managing and promoting such savings plans will be more easily absorbed. Tax is deferred on earnings from all moneys contributed to the account so that the employee's total savings are also enhanced by such contributions. This provision is similar to existing law regarding corporate pension plans and Keogh plans for the self-employed. Thus, for example, in one year an individual could make a deductible contribution to an IRA of $2,000 and a non-deductible contribution of $10,000; thereafter, he could make annually a deductible contribution of $2,000 and a non-deductible contribution of $2,000.

(5) Finally, the bill permits an employee to withdraw without penalty up to $10,000 from the account in order to purchase a first home or to pay for the higher education of his children. (The amounts so withdrawn are subject to income tax in the year of withdrawal.) This provision will make IRA's attractive to younger employees who are hesitant to invest funds for retirement savings which may still be needed for major family commitments.●

MEMORIAL TRIBUTE TO JOSEPH T. POWER

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. PHILLIP BURTON. Mr. Speaker, on Monday, April 27, 1981, a dear friend and a cornerstone of labor, Joseph T. Power, president of the Operative Plasterers and Cement Masons International, passed away.

While Mr. Power's family is burdened with the grief and the sense of loss of their loved one's passing, the labor movement and the greater community to much the same extent share these same feelings. Joseph Power and the work that identified him established a benchmark of achievement and performance that lends itself to direction and expectation for those to follow. Whether it was in the course of carrying out his charge as a labor official or as an active civic leader, he took his work seriously and with a vigor matched by few.

Mr. Power served his membership unselfishly and faithfully. Several Presidents spanning the years have acknowledged their regard for his abilities by having appointed Mr. Powers to several boards and commissions and as adviser on labor matters of varying nature.

Again in closing, it can be said that while it may take some time to fill the void created by Joseph Power's death, the impression left by this man is everlasting and does leave a genuine feeling that good, both in the quantitative as well as qualitative sense, has been realized during this gentle person's lifetime. I know that many of my colleagues join with me in extending to his wife Mary and family our sympathies and condolences.●

END THE AGE 55 REQUIREMENT FOR CAPITAL GAIN EXCLUSION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1981

● Mr. GILMAN. Mr. Speaker, today I am introducing a bill to allow every American a once-in-a-lifetime chance to keep, tax free, $100,000 of the profit on the sale of his or her principal residence. My bill will simply extend the one-time capital gains tax exclusion of $100,000, now permitted to those 55 years of age or above, to all Americans.

Because of the inflation of the past few years, many Americans are forced to pay taxes on "phantom capital gains"; that is, taxes on price increases due solely to inflation. I hope that eventually the Congress will establish some system of indexing capital gains for the effects of inflation. For now, though, the passage of this bill will protect most American families from inflation's pernicious effect on the taxation of their single most important capital asset, their home.

The passage of this bill, Mr. Speaker, would amount to the provision of simple justice to Americans under, as well as over, age 55. It will free up for the housing market houses now owned by those a few years short of age 55 who would like to sell their homes, perhaps because of high taxes, or because their children have grown and they no longer need such a large home. Because such families would be more willing to sell their homes if exempted from the payment of a heavy tax on "phantom capital gains," the cost of housing would fall somewhat as additional homes came on the market. Individuals would not feel forced to bear the expense of holding on to more house than they really needed solely to avoid paying the capital gains tax.

Mr. Speaker, I commend this bill to the attention of my colleagues for possible cosponsorship, and insert it in the RECORD at this point:

H.R. 3357

A bill to amend the Internal Revenue Code of 1954 to eliminate the age requirement for eligibility for the one-time exclusion of gain from the sale of a principal residence

Be it enacted by the Senate and House Representatives of the United States of America in Congress assembled, That (a) the section heading and subsection (a) of section 121 of the Internal Revenue Code of 1954 (relating to one-time exclusion of gain from sale of principal residence by individual who has attained age 55) are amended to read as follows:

"SEC. 121. ONE-TIME EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

"(a) GENERAL RULE.—At the election of the taxpayer, gross income does not include gain from the sale or exchange of property if, during the 5-year period ending on the date of the sale or exchange, such property has been owned and used by the taxpayer as his principal residence for periods aggregating 3 years or more."

(b)(1) Paragraph (1) of section 121(d) of such Code (relating to special rules) is amended by striking out "age, holding, and use" each place it appears and inserting in lieu thereof "holding and use".

(2) Paragraphs (2) and (3) of section 121(d) of such Code are each amended by striking out "subsection (a)(2)" each place it appears and inserting in lieu thereof "subsection (a)".

(3) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 121 and inserting in lieu thereof the following:

"Sec. 121. One-time exclusion of gain from sale of principal residence."

(4) Section 1033(h)(3), 1034(l), 1038(e)(1)(A), 1250(d)(7)(B), and 6012(c) of such Code are each amended by striking out "by individual who has attained age 55".

(c) The amendments made by this Act shall apply to sales or exchanges after December 31, 1980, in taxable years ending after such date. ●

HOUSE OF REPRESENTATIVES—*Friday, May 1, 1981*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Eternal Father, Giver of every good gift and Author of the way of truth, bless we pray all people who seek to use their talents and abilities in service to others. We recognize that whatever our task or responsibility, all have opportunities to minister in deeds of justice and mercy. May we not only seek to serve through high ideals and righteous goals, but also relate to one another through the confessor and give grace to living—friendliness, respect, trust, and appreciation. May Your love bind us together in the common bonds that reflect the beauty and the wonder of Your creation. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

BILL TO EXTEND SECTION 235(q) OF THE NATIONAL HOUSING ACT OF 1980

(Mr. SHAMANSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAMANSKY. Mr. Speaker, today I am introducing legislation to extend for 2 years section 235(q) of the National Housing Act of 1980, this provision otherwise expires in June. It is a means of supporting the housing industry, assisting middle-income families, and stimulating the economy.

I am not suggesting that extending section 235(q) will be a panacea to the dilemma of homebuilders or homebuyers. However, it can reduce the burden of inflation for the potential buyer and encourage economic activity for the builders.

When a middle-income taxpayer makes a downpayment on a new single family house and contracts to continue this obligation for up to 30 years, the program will in effect "rebate" to him part of his income taxes. The "rebate" will come in the form of assistance in meeting the difference between his 9.5-percent interest obligation and whatever the market rate may be.

Even more important is the fact that this assistance will immediately cause money to flow back into the Treasury. With the first turn of a shovel, withholding for income taxes will begin.

Truly, this is an area in which investment will pay off. It will not generate additional inflation since there is so much unused capacity in contruction.

Last, but certainly not least, it will help middle-income people again share an important part of the American dream—homeownership. Thank you.

SMALL BUSINESS DESERVES TAX CUTS NOT TAX PROMISES

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, in his speech to Congress and the American people on Tuesday night, President Reagan said:

> Let us not overlook the fact that the small, independent businessman or woman creates more than 80 percent of all the new jobs and employs more than half of our total work force.

I agree with President Reagan. But his own tax cut does not agree.

The administration tax cut is fools gold for small businesses.

Small business produces 48 percent of private sector GNP but big business gets 80 percent of the President's tax cuts.

Those who try and fool small business by singing its praises and then shortchanging them on their share of the tax cuts are no friends of small business.

Small business is the seedbed of Yankee ingenuity, and it is time someone understands that.

That is why I am introducing today a resolution that would insure that small business receives at least 48 percent of any business tax cut; 48 percent of production for 48 percent of tax cuts. Now that is a fair tax cut.

It is simply good economics and commonsense to focus tax cuts at our most productive source of new jobs, innovation, and economic growth.

President Reagan asked the Nation Tuesday night, "Isn't it time we tried something new?" You bet it is. For the last 10 years we have been creating tax advantages for our largest corporations, and we have gotten precious little in return besides bigger deficits and a tax system loaded against the little guy.

I just want to say to the President, "If you want a tax cut that really works then join us in passing one that is fair to small business."

MO UDALL'S 20TH YEAR

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, tomorrow will mark MO UDALL's 20th year in the House of Representatives.

He will not like it, but I am going to compare him to Abe Lincoln. They are both tall, compassionate gentlemen, and both blessed with the driest wit this side of Will Rogers.

MO UDALL ran for the Democratic Presidential nomination in 1976 and lost, which proves that the voters are not always right. If he had obtained the nomination, President Udall would now be enjoying his second term in office, the economy would be in order, and we Democrats would not have our beleagured wagons in a circle.

Such is history. It never does what you want it to do.

I have been fortunate to have served in the House half the time MO UDALL has, and when I celebrate my 20th year, I want to see him logging his 40th.

THE REAL BUDGET CHOICES

(Mr. DONNELLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DONNELLY. Mr. Speaker, after listening to the opening rounds of debate on the budget resolution yesterday and as a member of the House Budget Committee, I think it is important that the record be set straight on the real budget choices that face the Congress and the country. Contrary to some opinions given yesterday, the House Budget Committee report does not cut defense spending. In fact, it provides for the largest single peacetime increase in defense spending in our history.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

And we ought to set the record straight about spending levels. The Republican substitute keeps the expenditure projections down by pretending that the economy is going to be in better shape than anyone can reasonably expect. We hope they are right, but you cannot plan a $700 billion spending program on hopes—hopes for an 8.3-percent inflation rate, when unfortunately it could be closer to 10 percent or higher; hopes for an 8.9 percent interest rate, when more realistically it will be in the 10- to 12-percent range.

Phony numbers will not keep down the cost of debt service. Phony numbers will not keep down the cost of indexed programs. The only thing they will do is for a while hide the staggering deficits that the Republican budget will produce.

THE BUDGET: A SUMMARY

(Mr. ROEMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROEMER. Mr. Speaker, as we enter day 2 of the great budget debate let me summarize our current discussion for benefit of those some 400 Members who neither participated in nor sat through the most important dialog in our Nation's economic history.

First, all who came to the well agreed that Federal expenditures need to be cut back—the struggle is for a degree of equity in these cuts.

Second, all who came agreed that the safety net concept would ultimately be judged by how many have to use it—the struggle is for equal opportunity and job creation.

Third, all who came agreed that the yardstick against which these programs must be measured is reduction in inflation and interest rates.

Unfortunately, all three of these points of consensus could fall if we do not agree in the next few days with a final point lurking somewhere out there in our timeless future.

This budget action is but a first step of a long journey; it alone will not get the job done. The second step must include a hard review of benefit indexing, must include a tough review of all our subsidies such as tobacco and foreign aid, must include a water policy that rejects regional pork barreling and business as usual, must include tax reform and relief for working America, must include a critical analysis of waste in defense spending.

You think the first step is hard? Then surely step No. 2 will test our mettle, our courage, our commitment for all times.

WHY SO MANY AMERICANS HAVE RESERVATIONS ABOUT KEMP-ROTH

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, in the heat of debate, much is said which tends to confuse, rather than clarify issues. Let us clarify the reasons why so many Americans in supporting the President's program, have reservations about his tax package, Kemp-Roth.

They are concerned about the size of the deficit and the form such tax relief takes, or who gets what. No one is opposed to a tax cut, least of all the overburdened American taxpayer. But, to their lasting credit, the American people are not so foolish as to want to ruin the economy's chance for recovery in the process.

Why counteract the message sent by budget austerity on the spending side, by being libertines on the revenue side? Deficits are viewed with alarm in financial circles; they fan the flames of inflation.

Yes we can and should have a tax cut; but it should be accompanied by real budget cuts and not big deficits. Hoping that every dollar of tax relief will be returned twofold does not make it so. The evidence is not convincing enough to make it worth the gamble.

That is why we also have to carefully craft a tax package. We just cannot shovel out the tax benefits and find out later most of them went to the upper income. That is not budget austerity.

PROUD PARENTS OF KEMP-ROTH ARE BACKING OFF

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, yesterday we were treated to the spectacle of the coauthor of the Republican substitute, Mr. GRAMM, pleading for support for his budget by assuring Members they could ignore the tax part of his package. It was not to be taken seriously. We were not debating taxes, he argued. That would be decided later.

What nonsense. A budget debate, without discussing the impact of revenues on the totals? How can you discuss budget deficits, or pick and choose amongst competing packages, without looking at the package's tax policy assumptions?

I think it is a measure of just how much Gramm-Latta has been stung by criticism of its inclusion of Kemp-Roth in its revenue assumptions, that proud parents are now backing off and denying association.

But you and I know their package is inextricably bound up with Kemp-Roth—its assumptions, its economic theory, its high deficits, and its rosy scenario. The totals would be totally different, if it were not for inclusion of Kemp-Roth.

I know it is a tough tax policy to defend. But do not deny it is in there. Do not insult the House and the budget process by arguing votes on the budget resolutions can ignore tax policy or do not endorse certain tax policies.

Make no mistake about it. In voting for Latta-Gramm, you would be voting to endorse Kemp-Roth.

□ 1115

TOMORROW IS THE 20TH ANNIVERSARY OF "MO" UDALL'S ARRIVAL IN THE CONGRESS

(Mr. LUJAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUJAN. Mr. Speaker, tomorrow is the 20th anniversary of "Mo" UDALL's arrival in the Congress. I have been privileged to serve with Mo on the House Committee on Interior and Insular Affairs for the past 12 years. I cannot say that we have always agreed on the major issues of the day, but that has not stopped me from admiring and learning from the knowledge and insight of one of the best minds in Congress.

I would also point out that after surviving these 12 years, we have arrived at the point this year where I am the ranking Republican on the committee and Mo, of course, is the chairman. One would think that with a conservative Republican and a leader of the Democratic Party heading up the committee, there would be a lot of infighting, but I submit, Mr. Speaker, that the House Committee on interior and Insular Affairs is one of the most productive committees in this body with one of the best legislative success records of the entire House. I consider Mo to be very largely responsible. I consider him to be one of my very best personal friends. The reason, of course, lies in the kind of man Mo is. As a colleague he is helpful; as a chairman he is fair; and as a friend he is loyal above all.

Mo is the personification of the term "gentleman." His first 20 years in the Congress, of which tomorrow is the anniversary, have set a standard of statemanship, witty debate, and personal conduct that can only be exceeded by Mo himself in the next 20 years, and that, Mr. Speaker, is a pleasant prospect we can all look forward to with warm anticipation.

A MAJORITY OF THE AMERICAN PEOPLE WANT THE PRESIDENT'S PACKAGE

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUMWAY. Mr. Speaker, the time is quickly approaching when we will all face an extremely important decision: Whether to support the President's program for economic recovery by voting for the Gramm-Latta budget substitute, or whether to advocate "business as usual" by supporting Chairman JONES' budget resolution.

The choice, by now, should be clear: The President's program, which substantially reduces the rate of growth of Federal spending and taxation, or the approach favored by the Democratic members of the House Budget Committee, which is based on greater spending and higher taxes.

Recent polls show plainly what the American people, by a large majority, want the Reagan package. The test we face is simply whether we will uphold the clearly expressed will of the people to turn the economy around, or whether we will give into the pressures of the vested interests who fear a bold new approach. I speak as one Member of Congress who is prepared to get America moving again, and I urge my colleagues to join in support of Gramm-Latta.

AMERICAN PEOPLE HAVE MADE IT PLAIN THAT PRESIDENT'S PROGRAM IS WHAT THE COUNTRY WANTS AND NEEDS

(Mr. GRISHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRISHAM. Mr. Speaker, I would like to take this opportunity to add my voice to those who have risen in support of the bipartisan substitute budget resolution.

The American people have made it plain that the President's program is what the country wants and what the country needs. We owe it to the Nation to give our President the support he needs to make his program work.

You know, for the past few months, interest groups have been coming into my office saying. "Support the President, but please do not cut our program." Well I have the same answer for all of them. Once we start adding a little here and a little there, pretty soon we will be right back where we started.

The House Budget Committee bill is not a compromise. It is a retreat along the same path we have followed for so long. It is a retreat in the battle against inflation, unemployment, and low productivity.

Mr. Speaker, I would suggest to my colleagues that this is no time for retreat. It is time to take the initiative, behind the leadership of our President, and do the job the American people have sent us here to do.

OIL COMPANIES—PROFITS DOWN

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, the newspaper headlines stated that the major oil companies in this country had a decline—the first quarter—in profits ranging from 17 to 85 percent.

This year Ashland Oil Co. had its income drop 85 percent from $47 to $7 million and Ashland made just 3 cents a share. What is more, Ashland revenues were up $100 billion. But even on increased revenues their income took a tremendous drop.

Other oil companies included Mobil down 24 percent, Amoco down 34 percent, while Gulf was down 22 percent and Exxon decreased 17 percent.

The higher cost of crude oil purchased from foreign sources was one cause of the setback. Refining expenses have increased. Some oil companies had losses from the shutdown of plants.

I am always wondering why the national television news overlooks business taking losses. But TV newscasters express skepticism when business shows a profit. Profits are good for the economy. Half of the profits from companies go to the U.S. Treasury as taxes to finance our country. Profits provide the capital for better equipment and new machinery to help America stay competitive with aggressive foreign competition. Profits provide for expansion and new jobs. When profits are down, industry hurts, and so does all of America.

REQUEST FOR HELP FROM FEDERAL GOVERNMENT CONCERNING WELFARE REFORM

(Mr. JOHNSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. JOHNSTON. Mr. Speaker, I have been contacted by one of my constituents recently, with regard to the problems of waste, fraud, and abuse which currently exist in a number of Federal income security programs. Dr. Yokeley serves as the chairman of the Surry County Board of Social Services, and as such, I believe he is well qualified to comment on the abuses which occur within the programs administered by the Surry County Social Services Department. Dr. Yokeley goes on to describe specific examples of the types of waste and duplication of benefit payments which he has witnessed during his chairmanship of the board.

Mr. Speaker, because the responsibility for closing the loopholes described by Dr. Yokeley rests with us, I would like to share his correspondence now with my colleagues, by inserting it in the CONGRESSIONAL RECORD:

DOBSON, N.C., *March 30, 1981.*

Hon. GENE JOHNSTON,
House of Representatives,
Washington, D.C.

DEAR GENE: I hope that your first 3 months in Washington have been enjoyable for you. I am very pleased that someone with your ideas and knowledge is serving in Congress. I am sure that your first few weeks in Washington must have been almost overwhelming.

If I can do anything to help you back in North Carolina, please let me know.

One of my reasons for writing is to give you some information about a matter that I know will concern you.

I am currently the Chairman of the Surry County Board of Social Services. Having been a member of this board for the past 6 years, I have frequently been appalled at the misuse, fraud, inequities, waste, and inconsistencies in all the programs that a County Department of Social Services is responsible for administering.

Unfortunately nothing can be done on a local level to change these programs. As you know all welfare reforms have to be made by the Federal Government. That is my purpose for writing you. I hope that you will help initiate such reforms on the Federal level.

I am specifically asking your help to help close loopholes in the various laws and eligibility requirements which make it possible for some recipients to receive much more than their fairshare of government support. In certain cases, the taxpayer must pay twice for welfare recipients. As examples of these duplications in programs, I submit the information on the attached sheet.

Thank you for your time and interest in this matter.

Sincerely,

STEPHEN A. YOKELEY, D.D.S.

People often must wait for long periods of time before they can establish themselves as disabled for social security or supplemental security income. During this interim, they are often recipients of other governmental largesse such as aid to families with dependent children (AFDC), food stamps, housing urban developmental rent subsidies, medicaid, and so forth. Yet, when they finally receive their social security or supplemental security income, they receive backpay to the date of disability with no concern for the large amounts of governmental help they have received in the interim.

For example, a 57-year-old man married to a 18-year-old girl with their three children, became disabled. He was unable to justify his disability for supplemental security income for a number of years. In the meantime the family received $230 per month AFDC, $262 per month in food stamps, medic-

aid to cover all doctor and hospital bills, plus a HUD rent subsidy grant.

When his disability was finally established, he received a lump sum of approximately $16,000. Why should the taxpayers of this county be responsible for this person's maintenance twice?

This same situation could exist with the person awaiting to become eligible for social security income. This time you would have the family receiving supplemental security income for the father, AFDC and medicaid for mother and children, food stamps for all concerned, and a HUD rent subsidy. When the social security is finally established, the family would receive back pay to the date of disability with no concern for the interim support.

THE TIME HAS COME TO LIMIT GOVERNMENT SPENDING

(Mr. GUNDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Speaker, almost 3 months ago to the day the House of Representatives voted to extend the public debt limit by $49.9 billion to a record $985 billion. At that time we were told that the increase was necessary because certain fiscal year 1981 expenses exceeded expected levels: Unemployment cost us $6 billion more than expected, inflation cost us $10 billion more than expected, and interest rates cost us $12 billion more than expected.

Can there be any doubt that we need to get our economy under control again to end these senseless increases in our national debt?

Interest on the national debt alone is projected to cost the American taxpayers $81.75 billion according to the Gramm-Latta budget and $90.10 billion according to the House Budget Committee's proposal in fiscal year 1982. In either case, this is 12 percent of the total outlays of the Federal Government. Expenditures on interest on the national debt are six times greater than expenditures on education over three times greater than expenditures on veterans' benefits, and almost four times greater than expenditures on Department of Agriculture.

The time has come to limit the Government spending that has created a national debt that eats up 1 in every 8 tax dollars. If we do not do it now, we may never have another chance.

THE RALPH NADER APPEARANCE

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, the self-appointed savior of the American economy, Ralph Nader, appeared in my district this week. As a matter of fact, he appeared on the campus of Bowling Green State University in my home town.

He blasted the Reagan budget in general and me in particular. He was against all cuts with the exception of the one he extracted from the students for his appearance.

Mr. Speaker, you may be interested in knowing that I have been informed that he extracted $4,000—$4,000 from the students for that appearance. That is not bad for a person who has done more damage in my opinion to the American economy than any person I can think of.

SUPPORT FOR THE GRAMM-LATTA SUBSTITUTE AMENDMENT TO BUDGET RESOLUTION

(Mr. BENEDICT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENEDICT. Mr. Speaker, I rise this morning to speak on behalf of the bipartisan Gramm-Latta substitute amendment to the budget resolution. I have listened to my colleagues as they have taken the floor to decry these proposed spending reductions as though these changes foretold the death of American society.

Nothing could be further from the truth.

I think this program has broad support throughout this Nation because rising inflation is creating an ever widening chasm between the American people and their dreams of economic opportunity, individual freedom, and equal justice.

I am convinced we must reduce the growth in new spending.

This is not a partisan issue. To me it is a decision on whether we continue on the old path with business and inflation as usual or whether we choose a different road to a better tomorrow. We will soon have the opportunity to take the first step to try to control inflation.

I realize there are those among us who fear change. But I would urge them to remember that without change there is no hope for improvement.

The challenge is ours.

Support the Gramm-Latta substitute as the vital first step we need to take immediately to insure a stronger America and a brighter future.

THE CONSTRUCTIVE ALTERNATIVE PROPOSAL SUBMITTED BY THE CONGRESSIONAL BLACK CAUCUS

(Mr. FAUNTROY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAUNTROY. Mr. Speaker, the distinguished gentleman from Wisconsin (Mr. GUNDERSON) was in the well a few moments ago mentioning the fact that the American people have given to the President and the Congress a mandate. One part of that mandate is that we reduce deficit spending. Indeed, the American people by a margin of 3 to 1, according to a Harris poll, not long ago, indicated that they wanted the budget balanced.

I take this opportunity to inform the gentleman from Wisconsin (Mr. GUNDERSON) that if he will study the constructive alternative budget proposal which has been submitted by the Congressional Black Caucus and which will be considered on Tuesday as the Fauntroy amendment in the nature of a substitute, he will find that he will have an opportunity to vote for a balanced budget—a balanced budget that saves the taxpayers more than $50 billion in deficit spending that the administration would have us to spend, a balanced budget that enables us to spend less money overall than does any proposal before the House this week, and that provides more in tax relief than does any proposal before the House today.

So I hope that the gentleman will take the time to study the Fauntroy substitute. I think he might find himself in support of this very constructive alternative budget proposal.

A POLL HAS INDICATED THAT 77 PERCENT OF AMERICAN PEOPLE WANT 3-YEAR TAX CUT

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I was interested in the remarks that the gentleman from the District of Columbia (Mr. FAUNTROY) just made because he cites poll statistics in order to back up his own budget. But it is interesting to note that in recent days there has also been a poll that did not get very wide circulation that was done for one of our major networks that indicated the 77 percent of the American people want a 3-year tax cut. That is something which the opponents on the other side, and other people who are offering other budget alternatives fail to mention—the fact that the American people want that major tax cut embodied in the Latta-Gramm substitute, and which I think the American people deserve to have this Congress enact.

INTRODUCTION OF THREE TAX MEASURES

(Mr. VOLKMER asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, today I am introducing three separate tax measures, which would seem to the disinterested person as insignificant compared to the burden of the administration's tax cut proposals which the Congress shall face shortly. However, these three proposals are unrelated to that issue, and address other important areas of the Congress taxing powers, and that effect on individual citizens of our country.

The first measure which I am introducing rectifies a glaring error in the current tax code. In the 96th Congress, we attempted to correct an inequity in the tax code relating to the allowability of a deduction from gross income for taxpayers who have repaid supplemental unemployment compensation received under the Trade Readjustment Act. Public Law 96-608 section 3(a) added section 62(16) the IRC, which specifically allowed a deduction from gross income for the repayment of this compensation. The effect of this amendment was to allow workers the benefit of the repayment unreduced by the zero bracket amount, even though they do not itemize their deductions. However, the effective date of the amendment is for the tax years beginning after December 28, 1980. This means that calendar year taxpayers who have repaid such amounts prior to the close of the 1980 tax year will not be covered by that section.

Regrettably, there is no provision in the IRC that would afford relief to workers who repaid $3,000 or less, during the tax year 1980.

My amendment would simply permit those workers who did repay TRA assistance to the Government to deduct from their gross income that amount. This is simply technical in nature, and the Congress should quickly enact this legislation, which corrects the prior Act.

The second legislation which I offer today amends the Internal Revenue Code of 1954 to exempt from the windfall profit tax the first 34 barrels a day of crude oil production on independent producers and royalty holders. There are over 2 million royalty owners who are being hurt by this tax, and the majority of these persons draw a royalty check of only $200 a month or less. These persons are very small investors, who have saved and invested their limited capital, and now find that their investment incentives are being withdrawn by the Federal Government. My proposal would simply exclude from this tax about 1,000 barrels a month, or 34 barrels a day.

Finally, Mr. Speaker, the third tax measure I offer today corrects an ongoing situation faced by many persons in every State in the Union, and it regards the very technical subject of split interest charitable remainder trusts. This form of trust has one or more noncharitable income beneficiaries whose interests are for life or terms of years, and the remainder interest in which passes to a qualified charitable organization or organizations. Section 2055(e)(2)(A) of the IRC applies to these trusts, coupled with Revenue Ruling 72-395 and later amendments to that ruling, which provides mandatory technical provisions which must be contained within the trust document. These rulings and section 2055 provide for conforming procedures, but unless the will was drawn and executed before December 31, 1978, the charitable trust will fail, thus negating the intent of the devisor. My bill simply amends the IRC to allow an additional year to amend wills or other governing instruments to meet requirements for gifts of split interest to charity, and will meet the needs of persons wishing to provide these bequests to charitable organizations.

LEGISLATIVE PROGRAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WRIGHT. Mr. Speaker, I take this time in order to announce to the House the program for the remainder of the day and the anticipated program for the coming week.

We would continue debate today on the budget resolution. Assuming that we will not have completed general debate, it will go over until Monday.

I will ask unanimous consent that when we adjourn today, we will adjourn to meet at noon on Monday. There is a Consent Calendar and one bill under suspension, the Cash Discount Act, H.R. 3132. Then we would continue consideration of the budget resolution on Tuesday when we will meet at noon.

We will meet at 1 o'clock on Wednesday and at 11 o'clock on Thursday and Friday. There will be a Private Calendar and one bill under suspension on Tuesday, which would be the Virgin Islands constitution.

Then completing the consideration of the first budget resolution would be our only other order of business for the remainder of Wednesday and whatever parts of Thursday and/or Friday it might require.

□ 1130

The House would adjourn by 3 p.m. on Friday and by 5:30 p.m. on all other days.

ADJOURNMENT TO MONDAY, MAY 4, 1981

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House convenes on Wednesday next, it convene at 1 p.m.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. LOTT. Mr. Speaker, reserving the right to object, I do so in order to inquire about that particular point, and a couple of others, too.

I was under the impression that we would come in at 12 o'clock on Wednesday. I see here now 1 o'clock. The reason that particularly concerns me, we do not come in until 1 o'clock, and what time would we go out on Wednesday?

Mr. WRIGHT. We would probably go out at 5:30.

Our experience in the past, as the gentleman well recalls, is that we have come in at 3 o'clock on Wednesday, thereby allowing the committees, the authorizing committees, the opportunity to do their work, and the Appropriations Committee ample time on that one day each week in which to complete its labors.

This is a compromise, quite frankly. Those committees have said, "Look, we need some extra time, we do not want to come in at noon. Please, do not force us to give up the little bit of time that we are allotted each week in which to do our work so that we may have a continuing schedule after we finish this budget matter."

On the other hand, to come in at 3 o'clock might put us in the position of not being able to finish a bill that otherwise we might be able to finish on Wednesday. Or, in the alternative, put us in the position of going until 9 o'clock and 10 o'clock in the evening, and I think, as the gentleman from Mississippi realizes, that is not productive of good legislation.

Mr. LOTT. Sure. Further reserving the right to object, my concern here is

that it appears now that the bipartisan Gramm-Latta substitute would not come up until Wednesday, and we are certainly hoping that if it is delayed or if we do not get to it until Wednesday, that we would have ample time to complete the debate on that subsitute and vote on it on Wednesday. Is that the gentleman's anticipation?

The SPEAKER. If the Chair may interject at this time, in my conversation yesterday with the minority whip, I had intended that the House be in session at 12 o'clock; but I have had so many requests from the chairmen who we know are in markup, that we struck a compromise and agreed on the hour of 1 o'clock.

I trust that the gentleman will not object.

Mr. LOTT. Further reserving the right to object, Mr. Speaker, I would like to inquire, it is anticipated, though, that we would take that issue up on Wednesday and hopefully complete it on Wednesday; is that correct?

The SPEAKER. There could be a possibility that it will be taken up sooner than that.

Mr. LOTT. Further reserving the right to object, Mr. Speaker, assuming we do complete it Tuesday or Wednesday, or Thursday perhaps, what business is anticipated that we might have on Friday?

Mr. WRIGHT. I just have to respond to the gentleman that I do not have any in mind at the present time. But some may arise. If there is no business, so much better.

Mr. LOTT. And so that it could be that we will have a pro forma session on Friday, although it is not definite at this point?

Mr. WRIGHT. That is exactly correct. It is possible, of course, we could have a pro forma session. If possible, we will. But we better not plan on it. We want to be on the safe side.

Mr. LOTT. Further reserving the right to object, I had understood earlier that a crop insurance bill will be up on Monday, but that will not be on the agenda, as the gentleman read it here before the House?

Mr. WRIGHT. That is correct. That bill has a budget problem.

Mr. LOTT. I understand.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE GIFT OF FREEDOM

(Mr. SMITH of Alabama asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Alabama. Mr. Speaker, today and throughout the years ahead, I urge Americans everywhere to thank their creator for the gift of freedom, for the love of liberty that God has implanted in us.

As we reflect upon the institutions we hold dear and our heritage of freedom, let us remember the words of our Founding Father:

To personally understand and maintain the American way of life, to honor it by his own exemplary conduct, and to pass it intact to succeeding generations is the responsibility of every true American.

If George Washington were here today, he would remind us that freedom is not free. It has been earned by the blood, sweat, and tears of generations before us. He would tell us that our No. 1 responsibility is to preserve our heritage, to protect our freedom, and pass it on to our children and their children.

In a country where freedom is taken largely for granted, it is difficult to comprehend the plight of politically oppressed people, much less conceive of individuals who are threatened with loss of life, loved ones, employment, or liberty, because of their religion, nationality, political affiliation, or desire to live elsewhere.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1982

Mr. JONES of Oklahoma. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 115) revising the congressional budget for the U.S. Government for the fiscal year 1981 and setting forth the congressional budget for the U.S. Government for the fiscal years 1982, 1983, and 1984.

The SPEAKER. The question is on the motion offered by the gentleman from Oklahoma (Mr. JONES).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 115), with Mr. FROST in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, April 30, 1981, the gentleman from California (Mr. HAWKINS) had 56 minutes of general debate remaining and the gentleman from Ohio (Mr. LATTA) had 1 hour and 7 minutes of general debate remaining on economic goals and policies. The gentleman from Oklahoma (Mr. JONES) had 3 hours 59 minutes of general debate remaining and the gentleman from Ohio (Mr. LATTA) has 4 hours and 22 minutes remaining.

The Chair recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, we have been debating all the various differences we have in our views on the 1982 budget, but I hope all Members are aware of the historic significance of this undertaking.

Are we going to embark on a bold course of national revival, or will we wobble along toward the fate that history prescribes for civilizations that fail to respond to challenges?

We have already wobbled unsteadily through several years of what one notable American described as a national malaise, a sense that nothing much could be done about high inflation, a sagging economy, a decline in international prestige, a diminishing military capability to defend our vital interests.

Well, now we have a new President who says that something can be done about it, and he has asked this Congress to join him in rebuilding the American economy and restoring the strength and credibility of America in world affairs.

President Reagan's budget is the blueprint for the renaissance, and I cannot believe that Congress will brush it aside to continue the failed policies of recent years.

There is no painless way to impose stern limits on the growth of Government spending to make financial resources available for healthy, productive, and noninflationary economic growth in the private sector. But that is the core of the Reagan program, and the task is made more difficult by the need to increase our defense capability.

The choices confronting us in the days and weeks ahead will be very difficult. After years of spending the people's money at a frantic pace to satisfy all manner of wants and expectations, Congress is finally being asked to face the question of what the people can afford. I tell you the people of my district—the poor, the middle income—cannot afford current levels of inflation and taxation.

The President has had the courage to propose a budget that would impose tough restraint on Federal spending, cut taxes substantially to generate productive economic growth, and still protect the essential safety net of help for our neediest citizens.

Will Congress have the courage to support his program, or will we fumble around in the standard operating procedure of a craven collective, which is how one distinguished Member has described the normal congressional approach to fiscal policy?

This is no time for faintheartedness. We have had enough aimless dithering and pecking in the Congress, and the public is sick of it. A great majority of the people are demanding congression-

al approval of the President's program.

The people want to work, save, invest, and produce in an economic climate which rewards such diligence. The people want the economic freedom that built America, and they know it can work again. It is the essence of the Reagan program.

I support the bipartisan amendment that will be offered as a substitute to the recommendation of the Budget Committee. The amendment is consistent with the President's program, it is endorsed by the President, and it is the program that offers hope for America.

Mr. HAWKINS. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, at the outset I want to express my appreciation to the chairman of my Subcommittee on Employment Opportunities, the distinguished gentleman from California, for yielding this time to me. It has been a great privilege to serve with him on that committee during the 4 years that I have served in Congress.

Mr. Chairman, under the guise of reviving and revitalizing the economy of the United States, this administration runs the risk of bankrupting and destroying the economy of this Nation. Through a series of distortions and misstatements and prevarications big and little, the President and his people in the White House and his representatives in this body have managed to suggest that what they are doing is being demanded by a mandate given to them in November.

The very people who are arguing the existence of that mandate now 4 years ago were those who were most vociferous in fighting the programs of the President who was elected in 1976.

The fact is that Ronald Reagan received no mandate. His election was by barely 51 percent of the popular vote. Indeed, it was slightly under 51 percent. That is one heck of a mandate. Indeed, if most people knew what it was that he was going to be recommending, the kind of pain that he would be inflicting on all of the people of America, I am sure that he would not now be in a position to claim a mandate of any kind.

We have heard discussions about how this is all going to be painless and, besides, whatever dislocations there are right now will be taken care of when this great tax giveaway will ultimately result in improving the economy of this country so that the private sector will take care of all of those who up to this point needed the help of Government. What a fairy tale.

The most recent unemployment figures for the Nation are 7.2 percent adjusted seasonally and 7.7 percent without adjustment. In my own city of New York, over the course of the last 3 months, here is the progression of unemployment figures: January 1981, 8.8 percent; February 1981, 9.4 percent; March 1981, 10.5 percent.

What do those people do? The hundreds of thousands of people who are reflected in these statistics? Do they wait for the great by and by when the Reagan economy, assuming that it were to work, ultimately gives them jobs? Do we tell them: "Wait, do not eat, do not pay your rent, do not buy clothing, do not feed your children now because in 5 or 6 years you will be taken care of"?

Do we provide additional help for them to dig holes into which they can crawl and cover themselves in the meantime?

Teenage unemployment in New York is 27.6 percent. For minority, for black kids, unemployment is 43.7 percent.

Does anybody, do the Members of this body, Republican or Democrat, believe that such a level of unemployment will not have drastic consequences for our society?

The Humphrey-Hawkins Act which was approved just 3 years ago directs the President to set forth at the beginning of each regular session of Congress, economic objectives, including goals for the reduction of unemployment and inflation, and recommendations for their achievement. The President's budget is required to incorporate programs and policies necessary to meet the goals of full employment and balanced growth. These goals include a reduction in the rate of overall unemployment to 4 percent—3 percent for adults—by 1983 and full employment as soon as possible thereafter, and 3-percent inflation by the same year and zero by 1988. Further, the act states that the President may recommend modification of this timetable.

President Carter, in his Economic Report transmitted to the Congress just before leaving office in January of this year, stated that the President may modify the timetable for achievement of these goals. In fact, former President Carter stated that attempts to reach the goals of full employment and balanced growth could impair the prospects for improved economic performance.

Unfortunately, although President Reagan makes no mention of the Full Employment and Balanced Growth Act in his budget messages, it is clear that he shares the assumptions of the former President. The very fact that this President has chosen not to include any mention of the goals of this act, when he is proposing a drastic shift in the economic policies of this Nation, demonstrates a lack of commitment to reaching the goal of full employment. Indeed, the President assumes in his budget proposals that by 1983 unemployment will have dropped from 7.7 to 6.6 percent, and inflation from 11.1 to 6.2 percent. The act also requires that the President and the Congress develop explicit economic goals and policies to meet the employment and inflation goals, and requires the development of programs "specifically designed to reduce high unemployment" and "structural unemployment." Yet both the President's budget proposals, and the Gramm-Latta substitute resolution, which reflect these proposals, include an elimination of the primary Federal employment and training program—public service employment, titles IID and VI, under CETA, the Comprehensive Employment and Training Act.

Proposed elimination of the public service employment programs is in violation of a provision under title VI which states that employment shall be provided under this title during periods when the national rate of unemployment is in excess of 4 percent, and "that the number of jobs funded shall be sufficient to provide jobs for 20 percent of the number of unemployed in excess of 4 or 25 percent of the number of unemployed in excess of 4 percent in periods during which the national rate of unemployment is in excess of 7 percent." Under the current national unemployment rate of 7.7 percent, over 1 million jobs must be provided pursuant to title VI alone.

Although this administration may have abandoned its responsibility to develop an effective economic policy and set of programs which provide for all citizens of this Nation, the Congress must not follow this same course. We have a moral obligation as a policymaking body, to formulate and pursue an effective economic program; one which would permit the President to impose wage and price controls, and if necessary, increase Federal spending in order to provide jobs, and a safety net for all of our citizens, not just those who fit the President's definition of the "truly needy." With temporary controls, and responsible Federal spending this Nation can return to the goals of the Humphrey-Hawkins Act. These goals are attainable, but only if the members of the administration, and the Congress will make a commitment to meet these goals. Let us make that commitment.

□ 1145

The President's budget seeks to increase military spending at five times the rate during the course of the Vietnam War. The President is asking us to go on a war footing, from $162 billion this year to $343 billion in 1986, an increase of $181 billion. It has been pointed out by reputable economists across the country, cutting across political lines, that that kind of input into the most inflationary aspect of our economy must, of necessity, drive

this country—unless there are controls, unless there is an increase in taxes—into the most dangerous inflationary levels in our history.

The CHAIRMAN. The time of the gentleman from New York (Mr. WEISS) has expired.

Mr. HAWKINS. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I appreciate the gentleman yielding.

If a Democrat tried to undertake this kind of free wheeling, free spending, throw money at the problem kind of approach to any aspect of our economy, there would be a great outcry on the Republican side. Indeed, right now some of the major business magazines, the most recent one being U.S. News & World Report, are saying that the kind of supply overload of moneys into the military sector is just asking for trouble.

For example, in the last quarter of 1980 alone there was an increase in the cost of some of our major weapon systems of almost $50 billion.

I would urge that we look at the budget proposal of the President very carefully and not simply rubber stamp it because the President says it will do good things for the country. We were elected to exercise our own judgments, and the American people will hold us responsible individually for our acts. When economic chaos befalls us, as it most certainly will if we adopt the Reagan plan, it will not be considered a good defense to say that we only did what Ronald Reagan asked of us.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. Mr. Chairman, I would like to change the focus of debate on this budget resolution thus far from one of emphasis on the cut in spending to one of emphasis on cutting taxes. I really believe that the votes we are going to cast next Tuesday and Wednesday on the various substitutes to the budget resolution may well be the most important votes we will cast in this Congress.

I would like to explain why. This first budget resolution sets these aggregate target levels for spending and for revenues. Although technically they may well not be binding, the point is the Committee on Ways and Means, on which I serve, is not going to cut taxes any less than or any more than is allowed by this budget resolution, and most certainly not any more than this level.

Therefore, if we adopt a budget resolution that does not allow any cut in taxes, there will not be any. Or, if we adopt a budget resolution like the Budget Committee has put forward that allows less of a tax cut than we are seeking in the Gramm-Latta substitute, then we are going to be bound by those terms as well.

So, as a practical matter, the Committee on Ways and Means is not going to send a tax cut bill to the floor that cuts taxes any more than this first budget resolution will allow.

As a theoretical matter that is really the way it ought to be. I agree with the chairman of the Budget Committee in this regard. If the budget process means anything, this first budget resolution ought to mean something. In the past, in the four terms I have been in this House, I have seen, time and time again passage of budget resolutions without their meaning anything. Nobody paid any attention whatsoever to those figures. We really ought to, if the budget process is going to mean anything. As a practical matter we will, as far as the Committee on Ways and Means is concerned.

Therefore, this is why I say these votes on substitutes and the resolution next Tuesday and Wednesday are really going to be the most important votes we cast in this Congress. The most important issue facing this Congress is that of the economy. The most important votes we are going to have occur on whether or not we are going to implement a program the President of the United States has presented to the Congress for economic recovery.

Therefore, if we wing or injure or handicap or cripple what we are going to be able to subsequently do in the area of tax cuts in particular by this budget resolution, then we are in effect winging or handicapping this economic program.

One of the four parts of the economic recovery program of the President is a sound tax cut program. This tax cut program's life depends upon this budget resolution we are going to adopt.

Basically, if we look at what we are hearing in the Committee on Ways and Means, I agree wholeheartedly with the President of the United States that we must have a responsible and substantive tax cut program to help solve our economic problems. One of the real problems we are having today is that of productivity.

Last year the productivity of the United States was almost dead last when compared to other major industrial nations, and for the first time in recent history productivity in this country did not go up, it actually declined in 1980. When you have delining productivity your efficiency is going down, the ability to produce goods and services is going down in terms of competition with foreign countries and in terms of any kind of real growth in this country, which means inflation.

As it costs more to produce something, that is inflation. As you produce less of something in comparison to foreign competition, that is inflation. As people work less hard because there is no incentive because you are not taking home any more money because of high tax rates, that is inflation.

So, basically, what we believe and strongly believe is that the only real way we can address this problem of productivity is to cut taxes in a meaningful way, to cut taxes to make it possible to improve productivity.

Now we do that in this fashion. The reason we have to cut these taxes is to make capital available. I think everybody understands that the way you retool or modernize a factory, the way you have a plant expand, and the way to create jobs, and the way you are able to keep up with Japanese competition in steel and automobiles is to spend money or capital on these factories and these plants. Where does this capital come from? You cannot expect businesses and individuals today to borrow money, not at 15 percent and the prime rate continuing to climb. As a matter of fact, the amount of money American business is borrowing is unhealthy. They ought to be generating that capital in after-tax income. We ought to be encouraging individuals to invest money and this is not true under the current tax situation we have in this country.

So, basically, if we cut tax rates, we generate capital starting with the individual who can invest money received in a tax cut and put it back in the depository institutions in this country where we need it to lower interest rates. We let business have additional profits after their taxes as they will be able to plow capital back into their businesses to retool and modernize. There is a new wrinkle we ought to think about, too. As we reduce the individual tax burden we are letting the taxpayer see he has more after tax income than before and just maybe he will work a little bit harder. How many people do we know now who take off a full day's work because they are paying too much in taxes? In my part of the country a lot of folks will take off for deer hunting season and not work for a month or two because it costs too much to work. They can make almost as much on food stamps and unemployment compensation as they can working and paying taxes.

As long as we have that kind of situation existing in this country, we are going to have inflation and low productivity. We have to make it possible for people to make more money and keep more of what they earn. The same thing is true of the business community, to be able to invest that capital, to be able to retool, modernize our industrial base, to keep up with the Japanese and Germans, and to also be able to have people see it pays more to work than it does to play.

So, we have to have capital to solve our problems of productivity, and productivity is one of the biggest solutions to our problem of inflation.

In the year 1980, according to an article I read the other day in my home town newspaper, taxes on a family making about $30,000 a year, a family of four, went up 25 percent by virtue of their Federal tax burdens—in 1 year 25 percent. In 1965, only 7 percent of all of our taxpayers paid the marginal tax rate of more than 25 percent. By 1977 that figure had grown from 7 percent to 39 percent of the American people who were paying more than this because of bracket creep and because of tax increases.

These dual perils are continuing to push more and more of our taxpayers into higher tax brackets with no more real income to spend by virtue of inflation and these tax increases.

Individuals need a tax break in this country. They need it to be able to work harder. They need it to be able to make ends meet and they need it out of a spirit of fairness.

But what I am contending goes beyond that. We must have these tax cuts to actually make it possible for our economy to grow and to expand and to hire more people and take care of the people in this country who are less fortunate and have no opportunities, as the gentleman spoke so eloquently about a moment ago.

Now, if we look at what we have to vote on next Tuesday and Wednesday, in light of the need for tax cuts, this might color our final decision. First of all, we have the substitute by the gentleman from the District of Columbia (Mr. FAUNTROY). It has no tax cuts for fiscal year 1982, which is another way of saying we are going to have a tax increase of $60 billion.

Moreover, his proposal does not reduce the collective tax burden in this Nation in any year. It is the old wornout theory of taxing Peter to pay Paul. It was not the message of last November.

If we do not cut taxes in this budget resolution, we are actually raising taxes by virtue of the bracket creep and increases.

So, we are talking about $60 billion more coming into the Treasury if there is no tax cut.

I think that is totally unacceptable if we believe we have to have more capital to get this country growing again. The more capital we take from the taxpayers, the less is going to be available for the growth of the economy.

The same thing is true with the Obey substitute. It also does not provide for any tax cuts. Likewise, what we are doing is allowing for a $60 billion increase in taxes there.

The committee budget resolution does provide for a tax cut and to its credit it does, but only about half enough. It only goes about half as far as it should and that is where the attacks are coming in on this resolution as being too little, too late. It is not bold enough, not big enough. It is not good enough. It does not go far enough. It only goes about half way. It provides for about $30.5 billion in tax cuts. That is better than some notions of the committee in the past, but that is not good enough.

As the President said, we have need to be dynamic at this time of economic recovery, not timid, and this is being timid.

Then you look at the Latta-Gramm substitute. Here we find a $51.3 billion tax reduction made possible for the Committee on Ways and Means and the House to be able to enact—that is right, $51.3 billion. That is $20.8 billion more than the committee resolution. That is $51.3 billion more than the Obey or Fauntroy substitutes. But you know, even if we adopt every penny of that $51.3 billion reduction in taxes, do my colleagues realize that taxes are still going to go up, and in the first year of the President's tax cuts, tax growth will still be more than his cuts would correct, meaning the collective tax burden of the Nation in 1982 will still be more than it is today. Neither the Obey nor Fauntroy substitutes approach this level of benefit given in the Latta-Gramm formula.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. MOORE) has expired.

Ms. MARTIN of Illinois. Mr. Chairman, I yield 2 additional minutes to the gentleman from Louisiana.

Mr. MOORE. Even if we cut these taxes $51.3 billion as the Latta-Gramm substitute proposes, we are still going to pay more taxes in 1982 to the tune of $7.8 billion. So we are not really cutting taxes. We are only reducing the amount they are going up. I think that is only fair.

I have heard the statements made that people are concerned about a budgetary deficit and we should not cut taxes as long as that prospect is available to us. In the words of President John F. Kennedy in December 1962, in a speech before the Economic Club of New York, he addressed this same problem.

For my colleagues on the other side of the aisle, let us listen to what that President had to say:

> Our true choice is not between tax reduction, on the one hand, and the avoidance of large Federal deficits on the other. It is increasingly clear that no matter what party is in power, so long as our national security needs keep rising, an economy hampered by restrictive tax rates will never produce enough revenue to balance the budget—just as it will never produce enough jobs or enough profits. In short, it is a paradoxical truth that tax rates are too high today and tax revenues are too low—and the soundest way to raise revenues in the long run is to cut rates now.
>
> I repeat: our practical choice is not between a tax-cut deficit and a budgetary surplus. It is between two kinds of deficits—a chronic deficit of inertia, as the unwanted result of inadequate revenues and a restricted economy—or a temporary deficit of transition, resulting from a tax cut designed to boost the economy, increase tax revenue and achieve a future budget surplus. The first type of deficit is a sign of waste and weakness—the second reflects an investment in the future.

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Let me conclude by saying this: If you believe we have serious inflation today and abundant fiscal problems, then you ought to look at productivity as being one of our solutions. Productivity increases are needed to help solve inflation. The way we are going to bring about increased productivity is by capital formation.

The CHAIRMAN. The time of the gentleman from Louisiana has again expired.

Ms. MARTIN of Illinois. Mr. Chairman, I yield 1 additional minute to the gentleman from Louisiana.

Mr. MOORE. The way we are going to fund this productivity is through capital formation, and the way we are going to form capital is through tax cuts. The way we are going to get the needed tax cuts is through passage of the Gramm-Latta substitute, and rejection of the other substitutes and the committee resolution.

I therefore urge in the name of the economy and tax cuts that we do in fact adopt this substitute.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I will be glad to yield to the chairman of the committee.

Mr. JONES of Oklahoma. I thank the gentleman for yielding. As the gentleman knows, I have the highest respect for him, and we have seen eye to eye on so many issues—a tax policy, a budget policy. I just want to clarify.

As I understood the President when he spoke here Tuesday night, he said that his tax policy was an integral part of this budget program, and I just want to clarify that the Kemp-Roth tax bill, coupled with depreciation reform, is the tax policy we are talking about in the Latta substitute. Is that the gentleman's understanding?

Mr. MOORE. No, I do not agree with that at all.

Mr. JONES of Oklahoma. That is what he said.

Mr. MOORE. That will have to be determined by the Ways and Means Committee in the House. What we are talking about is making it possible to cut the taxes we need for capital formation. Such direction is not named in the budget resolution, and I do not agree with that assessment.

Mr. HAWKINS. Mr. Chairman, I yield 7 minutes to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, as part of the Hawkins/Humphrey Balanced Growth and Full Employment Act the Congress is charged with the responsibility of debating the effect on

the economy of the proposed budget. The concept behind this directive was to insure that the Congress was fully cognizant of the repercussions of our budgetary decisions on the American public.

From reviewing the proposed Reagan budget which will come before us in the slightly altered form of the Gramm/Latta substitute, I can only conclude that both the economy and even more importantly the lives of many people will be adversely affected. While waiting for the millions of jobs that the President claims will be created by his economic recovery plan, millions of Americans will be forced to suffer because they will lose those programs which help the working poor make ends meet such as food stamps, low income-energy assistance, unemployment compensation, legal aid, CETA, health care and day care services just to name a few. But rather than address myself to these obvious inequities in the Reagan proposal, I have been asked to discuss the President's tax proposals and their effect on the average American.

Providing an across-the-board 10-percent tax cut for 3 consecutive years will unjustly benefit those in the higher tax brackets while providing no work incentives for the poor. By 1984, when the full 30-percent tax cut would be in effect, factoring in inflation as well as increases in social security taxes, all taxpayers with incomes under $20,000 would experience an average tax increase of $93. But for the 0.2 percent of taxpayers with incomes of $200,000 and over, the Reagan tax cut would mean an average reduction in their taxes of $19,427 in 1984.

The Congressional Black Caucus has put together a tax program which would provide real work incentives for the working poor and real tax relief to the middle class. For the working poor, we would both delay the tax entry point and provide work incentives through the earned income tax credit. We propose for the 60 percent of taxpayers who take the standard deduction to increase it for singles from $2,300 to $2,800 and for couples from $3,400 to $4,300. This would delay the tax entry point to $8,300 for a family of four. Then we would provide further work incentives by increasing the earned income tax credit (EITC) from its present 10 percent of the first $5,000 with a phaseout between $6,000 and $10,000 to 15 percent of the first $5,000 with a phaseout between $8,000 and $13,000.

For all taxpayers, but most specifically for the middle class which has been hurt the most by increased social security taxes and inflation, we would alleviate ever-increasing tax burdens. The Congressional Black Caucus proposes to do this by providing a 10-percent credit for social security taxes paid. Such a credit would provide relief to some extent that the recent social security rate increases have been regressive. Further we would propose to index the earned income portion of the Tax Code. This would insure all Americans that they would not suffer inflationary tax increases through bracket creep, but rather they would only find themselves in higher tax brackets if and when they had real increases in income.

The Congressional Black Caucus realizes that new incentives must be given to business so that they can obtain the capital they need to modernize their plants and equipment. But we reject the Reagan budgetary proposal which substitute social welfare spending with corporate welfare spending. Most specifically, we feel that the administration's capital formation proposal 10-5-3 which, when combined with the investment tax credit, would result in $1.06 being returned to business for every dollar invested is unconscionably generous to business. Any proposal concerning depreciation should reasonably reflect the real costs of purchasing equipment. Therefore, the Congressional Black Caucus proposes the adoption of a phased in first year capital cost recovery system. This would allow a business to deduct in the year of purchase the present monetary value of the stream of straight line deductions. The present value of future deductions is obviously worth less than the cost of an asset because a dollar today is worth more, due to inflation, than a dollar 5 years from now. Adhering to that principle, the first year capital cost recovery system would place a present economic value on each year's straight line deduction and allow those writeoffs to be taken all in the year of purchase. Unlike the administration's proposal which has incentives for delaying investment our phase in would provide no such incentives to delay because the economic value of a deduction would be preserved under our proposed phase in.

We would finance these broad reaching tax proposals by eliminating existing Government spending which is nonproductive or which results in subsidies to those who could hardly be characterized as needing governmental help or through closing tax loopholes. Some of the loopholes we would close are the $0.5 billion deferral of income of controlled foreign corporations, the $1.8 billion deferral of income on domestic international sales corporations, the $2.3 billion depletion allowance, the $2.9 billion expensing of oil and gas intangible drilling costs, the $0.7 billion foreign tax credit on oil and gas extraction income, the $6 billion which goes to nonproductive capital assets currently receiving capital gains treatment, the $1 billion independent producers exemption from the windfall profit tax, the $1.3 billion in tax straddles, and so forth.

We believe that this tax package is one which will provide incentives to the working poor, real tax relief for the middle class, and more than adequate incentives for business to invest in capital equipment.

Mr. FAUNTROY. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I yield to the delegate from the District of Columbia.

Mr. FAUNTROY. Mr. Chairman, I thank the gentleman for yielding. I simply want to thank the gentleman for correcting the information which was erroneously given the American people and the Congress a moment ago by the gentleman from Louisiana. Mr. MOORE stated that the Fauntroy substitute affords no tax cut. You have informed the Congress and the American people that the Congressional Black Caucus alternative provides $2 billion more in tax relief than does the Reagan proposal; that it does in fact provide $17 billion in tax relief to the American people by indexing of the Tax Code to eliminate the infamous bracket creep. It does provide some $9.6 billion more to the American people through a measure which you, Mr. RANGEL, have introduced to raise the standard deduction for couples from $3,400 to $4,300 a year. It provides some $10.8 billion to the American people in tax cuts in the form of a 10-percent tax credit for social security payments, both for individuals and for companies.

So, I want to thank the gentleman from New York for correcting that misinformation which was provided a few moments ago by the gentleman from Louisiana. I hope that the clarification you have given us will cause more of the American people to look closely at this constructive alternative budget.

Mr. RANGEL. I thank the gentleman from the District of Columbia.

Ms. MARTIN of Illinois. Mr. Chairman, I yield 10 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, this Congress has an historic opportunity to cooperate with the President of the United States to get our country moving forward again. What the President has outlined is very simple: Get the Federal Government out of our everyday lives and let the private sector go to work to increase our standard of living, bring down inflation, and stimulate productivity.

Let us look first at why we must restore the Nation's economic momemtum. The No. 1 problem causing economic stagnation today is the size of the Federal Government. Every increase in the national debt takes capital away from the private market that could be used to finance plants, jobs, and modernization. Our growth needs

are not going to be met as long as we allow 10 percent of our national budget, or about $65 billion in 1981, to go to pay the interest on the national debt. Individuals and business cannot invest and save because their money is confiscated and redistributed unproductively.

As a larger and larger share of our national wealth has gone from the private to the public sector, U.S. productivity has gone down the drain. Productivity has been declining for 15 years and has now ground to a halt. Look at the record: productivity increased at a 3.1-percent rate in 1948–68; 2.2 percent in 1968–73; but only 0.8 percent in 1973–79. This translates into very slow economic growth. Economic growth that averaged around 4 percent annually in the 1960's was minus 1 percent last year. Federal regulation also helps choke economic growth. In 1980 and 1981 fiscal years, the cost of Federal regulations represents 4.4 percent of GNP.

Very simply, our Nation is stagnant because of too much government. The Democrat budget of the Carter administration called for spending that represented 23 percent of GNP. Policies like this are intolerable when we have a 1980 inflation rate of 12.4 percent and interest rates in excess of 20 percent.

Too much government leads to too much spending which leads to rampant inflation. Inflation has literally exploded from a level of about 1.5 percent annually in the 1960's to a level of 13 percent in the last 2 years. Rising prices affect every facet of every American's life; the President is determined to reduce the basis of inflation, Government spending, by calling for the most dramatic budget cuts ever. Look at what impact inflation has on people's lives:

People are pushed into ever-higher tax brackets. In 1965, median income was $8,272 and the average income and social security taxes were $789. This is an effective tax rate of 9.5 percent. In 1981, the median income is expected to be $23,593, with average income and social security taxes of $4,210, for an effective tax rate of 17.8 percent.

Young couples cannot buy their first homes anymore. In 1971, a home that sold for $28,500 with an 80-percent 30-year mortgage at 7 percent interest produced monthly payments of $151.85. The same house this year costs $76,000. With an 80-percent 30-year mortgage at the current 16 percent interest produces a monthly payment of $879.17. Even this prohibitive figure does not include inflationary increases in taxes, energy cost, insurance, and maintenance.

Regulations pouring out of Washington, which the President is committed to reducing with the support of Congress, are breaking the average family. Federal regulations add over $1,000 to the price of a 1982 car. The American family must shoulder an average of $1,800 a year in regulatory costs in an inflationary time when everyone is burdened by high taxes.

The President understands, and so must this Congress, that people cannot continue to hold up under the heavy strain of taxation. In the past 10 years, taxes have grown by 168.5 percent and will go up another 90.4 percent between now and 1986. As it is now, the average American must work each year until May 10 just to pay his taxes.

The President proposes a major cut in tax rates for Americans in response to this flood of bad economic news that has resulted from past liberal policies. We can leave over $220 billion in the hands of the people through tax cuts over the next 5 years to invest and use as they wish by supporting the President's position. The largest part of the tax rate reduction will go to the lowest income earners. This Congess would do well to remember that those who make the most money also carry the heavy burden while 50 percent of all taxpayers—those making $11,000 or less, pay less than 7 percent of the total tax burden.

We have created a bureaucratic monster of a welfare state that depreciates individual responsibility. By cutting back on those eligible for welfare-related payments, we can give individual honor and dignity back to millions of people while not failing to look after those in real need.

Taxpayers are bone tired of endlessly growing social spending programs that undermine people's faith in themselves, the Nation's financial health, and the ability of the Government to do what it should do. Today, 30 percent of the U.S. population is eligible to receive some type of benefits through income redistribution programs. In 1950, we spent $15 billion on social programs; in 1970, we spend $74 billion; last year we spent $300 billion.

Massive spending is only a symptom of a much larger problem: Government out of control. Americans are ready for a change. They are ready to begin making their own decisions about their lives and how they spend and invest their money, where their children go to school, and where they live.

I urge all my colleagues, on both sides of the aisle, to join me in supporting President Ronald Reagan's vision of a new America: An America with less government by bureaucrats and more government by and for the people.

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Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I will be glad to yield to the gentleman from Louisiana.

Mr. MOORE. Mr. Chairman, I appreciate the gentleman's yielding.

I took the floor a moment ago, and there seemed to be some confusion about my remarks concerning the amendment of the gentleman from the District of Columbia (Mr. FAUNTROY). My remarks concerned fiscal year 1982, and from what I see in the CONGRESSIONAL RECORD, there are no tax cuts in fiscal year 1982 in the substitute offered by the gentleman from the District of Columbia. That is the only thing we are talking about for this particular year.

I took a look at the CONGRESSIONAL RECORD of April 29, 1981, on page 7830, and I see where his substitute calls for revenues of $717 billion. The Latta-Gramm substitute calls for revenues of $658 billion. Therefore, the Latta-Gramm proposal allows a $51 billion tax cut, and I do not see a tax cut in the gentleman's amendment and revenues are some $60 billion higher. I do not see where he comes out with a tax cut for fiscal year 1982.

Mr. COLLINS of Texas. Mr. Chairman, I thank the gentleman from Louisiana (Mr. MOORE).

That is, of course, what we are talking about, 1981, 1982, 1983, and building for the future.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Chairman, one of the interesting things, as we debate the economy and try to put it back into kilter again, is the complete absence of any mention of the word, "energy." The President of the United States stood up here a couple of nights ago and talked to the Nation about the economic promise of our country and did not mention the word energy, once.

Now, I ask the Members, if we were to ask the American people, what is the single glaring change that has occurred in your lives over the last 7 or 8 years?

I would maintain that it is the dramatic increase in the price they have to pay for gasoline, the price they have to pay for home heating oil, and the price they have to pay for natural gas and all their energy products.

A study by the Commerce Committee last year found that 38 percent of inflation in 1979 can be attributed to energy price increases. That 38-percent factor is never addressed, never discussed, never talked about.

What does the Reagan budget do about energy? Here is America's new program to deal with the energy crisis in America: We are going to eliminate the solar and conservation bank, we

are going to eliminate the urban waste to energy program, we are going to essentially eliminate the low-income weatherization program, we are going to eliminate the technical and assistance programs for State and local governments, we are going to cut in half the schools and hospitals weatherization program, we are going to eliminate the residential conservation service, we are going to do away with new appliance standards and new building efficiency standards.

And they say also: We are going to slash by 65 percent alternative fuels programs such as gasohol, wind R. & D. and commercialization, low-head hydro and solar R. & D. and commercialization. And the Federal role in emergency planning is emasculated. They say: We do not want to plan for an energy emergency in this country. Let us do away with that program because we do not need it in this country anymore, because God knows we do not have an energy crisis anymore.

What does the Gramm-Latta substitute do with regard to the strategic petroleum reserve? It puts it in serious jeopardy because it puts it in private hands. We will decide the fate of the strategic petroleum reserve in this country, whether we are going to have a reserve of oil in case of a cutoff of OPEC oil, based on whether private investors decide it is a good investment to get into that business. That is a good way to conduct our country's national security they say.

And now we are looking at Iran and Iraq, we are deciding whether we should send aircraft and AWACS to Saudi Arabia, and Libya is trying to get an atomic bomb to drop on Israel. We are deciding that the future of the strategic petroleum reserve is dependent on whether private investors decide to put any money into it.

What is the Republican policy on energy in this country? We are going to completely decontrol all energy prices for the big gas companies and big oil companies in this country.

What does that mean with these market forces? Those market forces are going to depress the amount of conservation existing in our country.

In 1975, 18 percent of our profits in the manufacturing sector of the American economy went to the oil industry. That was 18 percent in 1975. In 1980 it was 40 percent.

Forty percent of all profits in the manufacturing of the American economy went to oil companies.

What does that mean? Well, it means that every other corporation in the nonenergy sector of the American economy, from automobiles on down, has that many fewer dollars to go after in terms of their ability to invest in their own plants to give us the kind of reindustrialization that we need.

What else does it mean? It means that the oil companies have so much extra money that they can go out and buy Kennecott, they can go out and buy AMAX, and they can go out and buy Montgomery Ward. Just in recent times they have spent $15 billion.

Now, we are talking about tax cuts and we are talking about budget cuts. Here is $15 billion that was given to the oil companies so they can go out and try to find some oil in the aisles of Montgomery Ward.

What could we do with that $15 billion? Maybe we could have taken that $15 billion and given it back to the taxpayers and given it to industries in this country; so the transportation industry, the communications industry, and the alternative energy industry could get the proper incentives to make the investments in new technologies that could get us out of the mess we are in, in terms of our dependence on traditional fossil fuels.

Our policy now is to completely deregulate all natural gas and decontrol prices for all oil, and we are looking at 50 percent of our profits in the American economy and the manufacturing sector going to oil companies.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. MARKEY) has expired.

Mr. HAWKINS. Mr. Chairman, I yield 2 additional minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Chairman, I thank the gentleman from California (Mr. HAWKINS) very much.

So it is not just the poor and it is not just the working Americans who are suffering from the effects of this transfer of wealth to the oil companies, but all other nonenergy industries are hurt as well. Business Week warned that this trend could: Lower the ratio of economic growth as more and more companies find it increasingly difficult to find funds for capital investment; lead to a continued loss of economic efficiency because the oil industry will take on unfamiliar projects; and it exacerbates inflation as companies seek to boost their declining profit margins by raising prices.

Perhaps all of that would be worth it as a tradeoff if it significantly contributed to a reduction of dependence on foreign oil. But it is clear, from studies by the Harvard Business School and down through every other study by Princeton and the University of Michigan, that increasing prices alone are not sufficient, that we need additional dollars poured into conservation projects.

What is at stake in this budget is every single conservation project that we put on the books over the years, and they are not even sufficient to begin with. They were grossly inadequate, and still they would wipe them off the books.

That is completely at odds with what the French are doing, with what the Swiss are doing, with what the Germans are doing, and with what the Japanese are doing in terms of trying to make their countries more energy efficient.

The Reagan budget, the Gramm-Latta substitute, is a complete mockery of any attempt on the part of our country to gain energy independence. Indeed, what we do is abdicate the Government's responsibility for putting together an energy agenda in our country and turn it over to the big oil companies and the big gas companies.

If that is the energy policy we are going to have in our country, where tens of billions of dollars are going to oil and gas companies to buy copper companies, to buy timber companies, and to buy drugstores and circuses, fine, that is a great economic policy, but let us not try to kid the American people into believing it is going to solve our energy crisis, because it is not. We could take that $15 billion or $16 billion and put it into energy and really help to break our dependence on imported oil.

Mr. Chairman, the Reagan budget is a disgrace.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 30 minutes of our time to the gentleman from Virginia (Mr. PARRIS).

Mr. NELLIGAN. Mr. Chairman, will the gentleman yield for 5 minutes?

Mr. PARRIS. Mr. Chairman, the Republican Members of the 97th Congress, almost to a man or a woman, unanimously support the Reagan bipartisan proposal, and among them is my colleague, the gentleman from Pennsylvania (Mr. NELLIGAN).

Mr. Chairman, I am delighted to yield 5 minutes to the gentleman.

The CHAIRMAN. Without objection, the gentleman from Pennsylvania (Mr. NELLIGAN) is recognized for 5 minutes.

There was no objection.

Mr. NELLIGAN. Mr. Chairman, I thank the gentleman from Virginia (Mr. PARRIS) for giving up his time at this point. I have to catch an airplane to get home to spread the message on the Gramm-Latta resolution.

Mr. Chairman, I rise in strong support of the President's program for economic recovery.

Yesterday I learned that the dollar rose on the international market. I was heartened to learn that this was in part due to renewed confidence in the U.S. economy. I would like to think that President Reagan's excellent speech of Tuesday had a lot to do with instilling this confidence. Foreign investors apparently know the importance of the President's program, as do a majority of Americans, so it is imperative that we back the President.

However, there was another reason for the rise in the dollar. It rose in part because of the increase in the

prime rate, which is very disheartening news.

I cannot blame foreign investors for wanting to send their money here when they can get such a fine return on their funds.

However, high interest rates are fine for foreign investors, but not for the average American citizen. Our citizens cannot purchase homes, buy cars, or even maintain their standard of living. We must bring interest rates down, and this is exactly what the President proposes to do.

Mortgage interest rates averaged nearly 13 percent last year and are likely to go higher this year. These high rates effectively make homebuying out of the question for many Americans.

High interest rates are also affecting the ability of Americans to buy cars, which is crippling our auto industry. In 1960, America produced half of the world's cars, and now we are barely making more than one-fifth. Related industries such as steel are also suffering. If we are to revitalize these industries, interest rates must come down: otherwise, the investment funds they need will be diverted elsewhere. For example, in recent years we have seen billions of dollars flow into short-term investments to the exclusion of longer term investments of the type needed to purchase expensive capital equipment.

□ 1230

High interest rates also affect our standard of living. When a family must pay outrageously high interest on their loans, it deprives them from using their hard earned money for other purposes.

The combined wallop of high interest rates, increasing social security taxes and rising taxes due to inflation is devastating to the average family.

The President's plan seeks to remedy these problems. The President's balanced four-part program, based not on the shibboleths of the past, but on the promise of a bright, new future of economic prosperity, is needed and needed now.

We have argued that manipulation of the budget will cure all of our social and economic problems. I do not believe this is true. It is apparent that deficit spending is part of our problem, not the solution. Therefore, the President is wisely calling for a balanced budget.

However, he is not calling for it immediately, but by 1984. Why? Because he does not want to balance the budget on the backs of the taxpayers, as others would have him do. He has, instead, called for a tax cut to put more money in the consumer's pocketbook, to put more money into business investment and to put more money into savings.

The President has also called for regulatory reform. He has already put into effect a regulatory relief program to save the auto industry and consumers $10 billion. This is a clear sign of the President's intention to live up to his campaign promises.

The fourth part of the President's program involves a stable monetary policy. Today's high interest rates partially result from the Federal Reserve Board's policy of driving interest rates up to stem inflation. We have seen the unfortunate results of this policy in the housing industry.

The President has properly recognized that stability in the monetary supply is more important than driving up interest rates. In fact, overly high interest rates may negate other aspects of the President's plan. Therefore, I hope that the Federal Reserve Board will work closely with the President to insure the success of the President's program.

As I said earlier, I am pleased to learn that the dollar is rising on the international markets. I am also glad that foreign investors want to invest here. However, I look forward to a time when foreign investors send their money here not because of the high interest rates, but because our factories are working to full capacity, our unemployment rates are low, and inflation has been controlled. I want to see our economy booming again.

President Reagan has offered us a way to revitalize our economy. We must take his lead and support the bipartisan substitute, which is an integral part of the President's program.

The American people sent a resounding mandate to Washington last year and we must now adhere to the wishes of the American people.

So once again, let me urge my colleagues to support the bipartisan substitute.

Not another Member of Congress is taking more of a political risk than I in voting for change: Funds from every conceivable Federal program has been pumped into my district for decades; but it is a time for courage, not politics as usual.

During the recent recess I made a very interesting analogy when I appeared before 800 people of the United Way. Since 1955, contributions to charitable organizations rose to $43 billion a year, seven times that of 1955. While America, a compassionate, generous America with feelings for the poor, while they were raising their budget seven times, there was one difference. Or, I might say there was a parallel. The American Government was also increasing its budget. As the United Way increased its budget by hundreds of thousands of dollars, the American budget increased by billions of dollars. As charitable contributions increased by billions to $43 billion, the American budget increased by hundreds of billions, but there was one startling difference. The United Way paid as it went and the American Government said, "Charge it, charge it." And now we are approaching a trillion-dollar debt with $80 to $90 billion a year in interest. Think of the social programs that would buy.

My colleagues, I say to you, I do not want to leave high unemployment, double digit inflation, not being able to buy a house and high interest rates to my 12-year-old son. I do not want to leave him that legacy and I doubt that my colleagues on the other side of the aisle want to leave their children and grandchildren that legacy.

I ask my colleagues on that side of the aisle to join us so your children will not be left that legacy.

I thank the gentleman from Virginia for yielding this time.

Mr. PARRIS. I thank the gentleman for his comments.

I understand the gentlewoman from Nebraska would like the floor at this time.

Mr. Chairman, I yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the President's program, on which we shall vote next week, in the form of the Reagan Gramm-Latta substitute to House Concurrent Resolution 115. On Tuesday, on the grassy triangle in the front of the Capitol, I went to bat—with some of my colleagues—for the President's program for economic recovery; next week, I would like to see a home run: acceptance of the program by passage of the Reagan Gramm-Latta substitute.

Having spent the April work period in the Third District of Nebraska, where my constituents complain that they are striking out in trying to cope with major league inflation, taxation, and regulation, I have seen and heard—at 39 different meetings and in scores of personal conversations—widespread support for a win for the President's program.

The Reagan Gramm-Latta substitute, which the President endorsed in this Chamber Tuesday evening, is in line with his program for fiscal year 1982. Reflecting the mandate on which he was elected last November, it includes substantial budget savings: $25 billion less in spending than the Budget Committee version.

Moreover, it assumes the first stage of the President's tax-cut proposals, to reduce the rising burden on taxpayers, stimulate savings and investment, and provide incentives for productivity.

In addition, it calls for redirection of Federal activities, primarily through deregulation.

All of these are designed to create a noninflationary, stable monetary policy, while retaining what the Presi-

dent calls a "social safety net" for the elderly, unemployed, and poor.

I rise in support of the bipartisan substitute in recognition of its overall impact on various programs and projects in my district—in recognition of the benefits it provides and the sacrifices it requires. At the same time, while supporting the Reagan Gramm-Latta budget goals on which we will vote, I pledge continuing scrutiny of elements of the budget package. As a member of the Appropriations Committee, I have a particular responsibility, when it comes down to the actual spending stage of the fiscal year 1982 budgetary process, to help assure equity to Nebraska and the Nation.

In terms of the budget goals which the Reagan Gramm-Latta substitute would set, I endorse its acceptance of the President's request for greater funding, compared to fiscal year 1981, for national defense. Restoration of this country's margin of safety is vital to deterrence of foreign aggression.

On another crucial goal, I accept the bipartisan substitute's call for compression of the rapidly expanding energy bureaucracy.

We Nebraskans can cheer about the President's backing—incorporated into the Reagan Gramm-Latta substitute's natural resources and environment category—of the State's water projects. In the vast 17-State area of the West, water is vital. Even now, people are fighting for 8,000 acre-feet of water, as they watch millions of acre-feet flow through underdeveloped rivers and gullies. Untold quantities of water are needed to meet the demands of a growing population both for agricultural products and for energy resources.

In our agricultural district, we are also encouraged by the slight increase for basic agricultural research, Extension Service development, and promotion of agricultural exports.

Moreover, although the education, training, employment, and social services category in both the President's budget request and the bipartisan substitute is reduced over fiscal year 1981, the substitute restores funds—abandoned by the Budget Committee version—for vocational education, vital to the community colleges and universities of my State.

Although both the President's request and the bipartisan substitute reflect increases over fiscal year 1981 in health spending, such increases are held to a minimum. Proposals to give greater flexibility to the States in medicaid spending, deregulate aspects of the health industry, to implement antifraud and antiabuse reforms, and target aid for health manpower education to high priority areas should greatly reduce administrative costs and provide medical benefits and more effective use of tax dollars.

Finally, I applaud the Reagan Gramm-Latta substitute's recognition of the need to provide sufficient funding for veterans' pension and compensation as well as medical programs. This is part of the safety net, designed to fulfill obligations to our Nation's veterans, including a significant percentage of Nebraskans, for their services to this country.

In supporting the Reagan Gramm-Latta substitute, I realize that initiating a new program, rather than acting piecemeal as in the past, is difficult for us all. But the name of the game is economic recovery, and, as the President told us Tuesday evening, "It's the only answer we have left." He urged us to "work as a team." I believe that the bipartisan substitute is a team approach, and I join members of both parties in urging that we "bring it home."

Mr. PARRIS. Mr. Chairman, I thank the gentlewoman for going to bat for the people of this Nation.

I yield to my colleague, the gentleman from Pennsylvania (Mr. RITTER).

Mr. RITTER. I thank the gentleman. Mr. Chairman, I would really like to commend the gentleman in the well for helping put together what is a very important communication to the American people in this most important time.

Mr. Chairman, we are presently engaged in one of the most important debates of our times. We are debating more than just budget aggregates. We are debating the destiny and direction of this great Nation.

For too long the American people have suffered the ravages of inflation. For too long American industry has been strangled by Government regulation. For too long the American people have been saddled by overtaxation. For too long the American economy has been underproductive.

Here is what the economic mess is doing to my constituents in the Lehigh Valley of Pennsylvania. Workers fortunate enough to be covered by a union contract have seen hard-fought wage gains eaten away by inflation. The economic mess has been vicious to the Bethlehem Steel workers and the Mack Truck workers. Inflation has pushed interest rates to the point where if they can afford the interest rates for a new truck or a construction project using steel, they really do not need the loan. The once strong Lehigh Valley railroads are cracking under the weight of a decaying industrial economy.

Apparel and textile mills in the Lehigh Valley cannot afford the necessary loans to help them stay in business and continue employing nearly 30,000 workers. Large-scale construction, the kind worked at by the building construction trades, has almost ground to a halt. For those without the benefits of a union contract the situation is even more grim. People working in the housing industry and in general construction have felt the enormous crunch of inflation-driven interest rates. Homes stand unoccupied. Our Lehigh Valley educators have seen their own take-home pay in real dollars reduced over the years. Under present conditions, there is no way that their take-home pay can keep up with the ravages of inflation. And, so their economic decline continues.

Here is what the economic mess is doing to our senior citizens. Those who have spent their lives putting away a nest egg for their retirement have found that nest egg cracked and half emptied by inflation. Those patriotic Americans who worked all their lives to create the kind of country that gave opportunity to their children and grandchildren are now looking in dismay at our inability to put ourselves back on the right track.

This is simply not the time for business as usual. This is not the time for continuing the same economic policies that are pushing this country to the brink of bankruptcy. We do want a steel industry, a truck industry, an apparel and textile industry, a homebuilding industry, and the continuation of our small business to provide jobs for people. But, we will see these opportunities and others fade into the fog of political rhetoric if it is business as usual.

Before us is a bipartisan budget proposal to begin to stem this tide of economic destruction. It is an opportunity to relieve the overburdened taxpayer from the ruins of inflation. It is an opportunity to rid the Federal Government of the waste and abuse that has plagued it for so long. Before us is a chance to return this Nation to predominance in the marketplace—a genuine hope for our future.

On November 4, the American people shouted their desire for bold, decisive change. And, before us now are a number of proposals claiming to be this vehicle for change. During these days we will debate the merits of each proposal. It is paramount that we resist the temptation at this time to dwell on the specifics of the budget instead of its whole. It is paramount that we not lose sight of the forest for the trees.

Our action here in the next few days is only the first step in our battle against overspending, overtaxation, and overregulation. the real battle lies ahead in the authorizing and appropriating committees. My colleagues, I urge you to look closely at these proposals before you decide which truly represents the will of the people, as expressed last November and in recent months.

□ 1245

Mr. PARRIS. I appreciate the comments of my colleague.

I yield now to the gentleman from Michigan (Mr. DUNN).

Mr. DUNN. I thank the gentleman for yielding. I want to talk on this subject, but let me begin by speaking to remarks made on the floor about a half hour ago concerning the Reagan commitment to energy. We were told there is none. I sit on the Committee on Science and Technology. To the Members here who do not sit on the committee, let me emphatically tell you that there is a Reagan commitment to solving the crisis of energy in this country. That is not the same thing, however, as saying there is a commitment to the Department of Energy.

Let me give you one small example. I am from the State of Michigan. In Michigan we are concerned about new and better automobile engines. This Congress last year authorized $55 million for new and better engine research by the Department of Energy. The Department of Energy does not have the significant expertise in automobile engines, so they forwarded that money to NASA—from Congress to DOE to NASA.

I went to the NASA Lewis Research Center in March and interviewed the head of that Center. They are working on three new engines. I asked the gentleman in charge of that NASA program about the $55 million.

His answer back to me was, "What $55 million, Congressman?"

I said, "What do you mean? How much money did you get?"

He said, "We got $50.1 million."

That is what Mr. Reagan and that is what a majority of the Republicans are against.

The elimination of $4.9 million of bureaucrats here in Washington—that is what the Latta-Gramm proposal, the Reagan proposal, is all about.

In the last few days we have been called unsympathetic. We have been called uncaring. We have been called budget-cutting and ax-wielding. I challenge some of my more liberal Members on the other side of the aisle to answer the question, who is really unsympathetic? Who is really going to benefit from the past policies of this country? We have every conceivable program for the poor that you could think of and then some; yet have we less poor in this country? The answer very definitely is "No." Who has benefited? We have more strength, more power, and more money right here in this Congress; we have more committees, more chairmanships, and more subcommittee chairmanships, all more concerned about their respective turfs than ever has been so before. But have we ever really begun to resolve the real problems that exist out there in the country? I think the answer is no, and that is what the Reagan proposal is all about.

If you take a close look at the Reagan proposals, you will find that what they really do is not burden the poor, but eliminate some of the bureaucrats in this town, and some of the committee funding in these Halls. That is what they are all about. That is why I support the Latta-Gramm approach. Every one of us in this room knows that when our forefathers came to this country—from whatever origin—with an average of less than $7 in their pockets, they did not come here and say, "Where is the nearest welfare office? Where is the nearest food stamp office?" They came here and said, "Where are the opportunities?"

That is what I believe the President's budget is going to do is put those opportunities back.

I do not think this country is suffering from a national malaise. I happen to believe in the American dream. I think it is still alive. It is covered up by a myriad of Federal inefficient spending, wasteful tax expenditures, and bureaucrats. It is our job to begin to peel off those layers, because underneath it all I still think a majority of the American public believes in that American dream.

Mr. PARRIS. I thank the gentleman from Michigan (Mr. DUNN) for his comments.

One of the alternatives that will be presented next week is the so-called Hefner perfecting amendment which adds $6.5 billion to the national defense categories of the budget. I do not mean to question the motives or integrity of my colleague, the gentleman from North Carolina (Mr. HEFNER), every Member of this House is extremely busy, but it is puzzling to me that the gentleman from North Carolina (Mr. HEFNER) has now developed such a passion for the defense budget of this Nation. On April 9 in the so-called Trible amendment, which would have added the identical number of dollars to the defense budget, the amendment tied 14 to 14, and my colleague from North Carolina was recorded as not having voted.

One would certainly think he would have made a particular effort to be present at that time it was considered in committee. I am sure, of course, that this change of attutude is not attributable to partisan political considerations, so I can only assume that his change of heart was brought about by the fact that the $6.5 billion amendment, although it is basically an authority and not a budgetary outlay, would in net effect increase the deficit of the Jones proposal to that or close to that of the Gramm-Latta proposal. So the suggestion that the Jones alternative is a responsible and conservative alternative to the President's bipartisan proposal is simply not correct.

Mr. Chairman, I yield back the remainder of my time.

Mr. HAWKINS. Mr. Chairman, I yield 7 minutes to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. I thank the gentleman for yielding this time to me.

Mr. Chairman, I am pleased to join the discussion of the Federal budget for fiscal year 1982. This debate is particularly important because of the proposals offered by the Reagan administration and the Gramm-Latta substitute. We should not minimize the impact of the choices we will make in voting on this budget. This vote involves far more than dollar levels for Federal outlays: It involves higher health care costs for all Americans and devastating reductions in services for the poorest of the poor.

As chairman of the Subcommittee on Health and the Environment, I have carefully assessed the impact of the administration's budget proposal on the health of our people. I am very concerned that these proposals are not in the best interest of the Nation.

These proposals seek a major restructuring of Federal efforts and directions in health care. They would halt 20 years of progress in improving the health of the American people. The well-being and economic security of millions of Americans would be jeopardized.

My fundamental concern with the Reagan budget is that it proposes to shift or eliminate altogether every Federal program which provides health care services to Americans while it does nothing to address the underlying problem of health care inflation. The Reagan budget fails to recognize that it is inflation in health costs—not Federal health programs—which has created the funding problems we face today.

Last year alone, health care costs increased by 14.2 percent—or $29 billion nationwide. Annual health expenditures by every American exceed $1,000 a person or $4,000 for a family of four.

Hospital costs are now increasing at the record rate of 19.7 percent per year. A day in the hospital now costs an average of $270 and is projected to exceed $500 by 1985 and nearly $1,000 by 1990.

Instead of confronting this unbridled inflation, the Reagan administration has proposed to limit Federal expenditures by merely shifting the cost and responsibility for providing adequate health care services to the States, localities, and individual providers. Health care services to needy children and our most vulnerable elderly and disadvantaged citizens will be cut while health care inflation increases national health care spending by tens of billions. Health care to the

poor will be rationed while the basic faults of the entire health care system—public and private—are ignored.

The Reagan administration has charted its new course for health care without examining the impact of its proposed actions and without consulting with the States and private groups asked to assume additional costs and responsibilities. Let us briefly review the Reagan proposals.

First, Federal costs would be reduced by limiting expenditures on care for the poor. The Federal commitment to share with the States in the cost of care for the indigent under medicaid—a 15-year partnership—would be replaced with a ceiling on Federal financial involvement. The States would be left with the impossible task of meeting the needs that exceed the Federal contribution or reducing vital health and long-term care-services. This cut—despite all the talk about a safety net—is targeted on the very poorest of our people.

The proposal to replace many existing categorical health programs with block grants to the States would also reduce Federal costs at the expense of the poor and underserved. Funding for a wide range of health, mental health, and prevention activities would be reduced by 25 percent and the States given total discretion to decide how or whether to continue any of these programs. Block grants would slash dozens of essential health services including prenatal care, immunizations, family planning, and drug abuse counseling. As the Budget Committee reports:

> These programs provide valuable health care for poor and medically underserved populations. . . they could not absorb a 25% reduction in funding without drastically reducing medical services.

Second, the Reagan budget proposes to abolish two existing Federal programs designed to limit health care costs—health planning and professional standards review organizations. While these programs are not perfect, they are our only tools to control costs. Locally based and staffed by thousands of volunteers, the two programs are now beginning to work.

The Reagan budget would abolish these programs, and give the Nation's health industry a blank check on the Federal Treasury. An unplanned, unreviewed system is the perfect prescription for excess beds, unnecessary care, and even greater health care inflation.

The final Reagan health policy is a heavy dose of rhetoric about a competitive health care system. Beyond rhetoric, however, the administration has provided no concrete details on how it plans to force doctors and hospitals to change their current mode of operation.

And whatever the long-range benefits of increased competition, it clearly will not limit costs in 1982 or 1983. Experience from Boston, Cleveland, and Denver indicates that years are necessary to establish successful health care plans. Even the strongest advocates admit that it will take competitive reforms 10 years to control health care costs. Yet the Reagan administration asks us to believe that $12 billion in savings will accrue to medicare over the next 5 years from this undefined proposal.

The overall effect of the Reagan policies are simple to predict. If these policies are adopted, the Nation will experience higher health care costs, and health services for millions of our citizens will be reduced rather than improved.

Without any effort to restrain costs, Federal, State, and local governments will all face ever increasing expenses for existing benefits and existing beneficiaries. Private industry will see billions of dollars otherwise available for plant modernization, environmental improvement and better wages and benefits devoted to higher and higher health insurance premiums.

But most importantly, continuing increases in costs for our existing programs will inhibit—if not preclude—efforts to improve services for all people. Further efforts to improve effective preventive care for mothers and children will be deferred. Medicare benefits, which already pay less than one-half of the health care costs for the elderly, will continue to erode year by year. The more than 20 million Americans now without adequate health insurance and the 15 to 25 million of our people who live in rural and inner-city underserved areas will see fewer doctors and hospitals available to serve them.

Higher costs and reduced care—that is the message of the Reagan health budget.

I must add some comments about this budget process and the reconciliation procedure that has developed. It is a bad process. It is not a reasonable way to develop policy and make laws. Authorizing committees have expertise in subject areas. Their job is to develop legislation with a full realization of its substance and its impact, and to advise the House accordingly. But that is not the way the process works any longer. Now a budget resolution establishes policy in terms of abstract dollar savings without regard to the substantive impact. Do the Members here today know that adoption of the Gramm-Latta substitute means they are voting:

To slash health prevention and immunizations programs for children?

To reduce funding for nurse training programs by 80 percent?

To repeal the Mental Health Systems Act we passed overwhelmingly only last year?

I do not think so. Yet that is what this process results in. Further, reconciliation instructions now are not just for 1 year, but for 3 years. Reconciliation instructions under the Gramm-Latta substitute cover not just general spending levels, but authorizing legislation as well. This is a bad precedent. The authorizing committees become irrelevant. The House should not accept it.

I oppose the reconciliation process. I oppose the Gramm-Latta substitute. Overnight it will undo health programs which the Congress has been decades in establishing. The health care system will be damaged. People will suffer. We will rue the day if we go along with the proposals before us.

The CHAIRMAN. The Chair recognizes the gentlewoman from Illinois (Mrs. MARTIN).

Mr. HEFNER. Mr. Chairman, will the gentlewoman yield to me since the gentleman from Virginia (Mr. PARRIS) mentioned my name?

Mrs. MARTIN of Illinois. I yield to the gentleman from North Carolina.

Mr. HEFNER. I thank the gentlewoman for yielding. I would like to respond to what little I heard of Mr. PARRIS' remarks. I wish he were on the floor, because I think he alluded to the fact that I was a Johnny-come-lately to increase the defense outlay and the authorization for defense. I do not know the exact extent he referred to me, but if there is a member of the conservative forum, who is Mr. GRAMM, who is a member of the Democratic conservative forum, who hinges on my support for this Democratic position, it was the fact that defense was at the levels the administration asked for. And I highly take exception to the insinuation I am a Johnny-come-lately to support an increase in the budget authority for defense.

If Mr. PARRIS had bothered to check the record when we passed the bill out as legislation, I did go to the chairman and report that I would like to offer this on the floor. We went before the Committee on Rules to make it in order for me to offer this amendment to bring defense spending to the levels that the administration had asked.

□ 1300

I would just like to make that a point of the record. And to prove my point, if there is a member of the Conservative Forum who would come forth, they would acknowledge that this has been my position from the very start.

So if we want to get to a picky thing on this, I think the Members should have a right to defend themselves if they are going to be attacked in this discussion on the budget.

Mrs. MARTIN of Illinois. We certainly gave the gentleman the right to defend himself. We welcome that. That courtesy will always exist on this side of the aisle. I am sure there will be those supporting the gentleman's amendment. We look forward to his support for Gramm-Latta.

I yield 5 minutes to the gentleman from Pennsylvania (Mr. JAMES K. COYNE).

Mr. JAMES K. COYNE. Mr. Chairman, the Easter recess provided a most significant opportunity for Members of Congress to meet with constituents before voting on the budget resolution now being debated. During that recess, I met with hundreds of people in Bucks and Montgomery Counties in southeastern Pennsylvania, and I return to Washington with the firm conviction that my constituents overwhelmingly support the President's budget and tax cutting proposals. My constituent mail as well reflects tremendously strong support for President Reagan's determination to enact a New Beginning—a new philosophy toward the role of Government in our lives.

The first job of Congress on the way to reaching this goal is to vote—across the board—for the President's program. As you all know, this program is now embodied in the bipartisan Latta-Gramm substitute. It is no exaggeration to say that the budget resolution voted out by the House Budget Committee represents a rejection of the President's goals, in favor of continuing business as usual. This country cannot afford to continue business as usual. Those policies have resulted in a quadrupling of Federal personal taxes on the average family in only 15 years, a Federal debt which has grown from $400 billion in 1971 to nearly $1 trillion today, an ever-increasing Federal tax share of the GNP, over 100,000 pages of Federal regulations imposing an unbelievable variety of controls on the lives of all Americans, and a skyrocketing inflation rate.

I think it is truly amazing that, in spite of all that we know of the results of past policies, the House Budget Committee measure calls for greatly increased spending over the next 3 years—$141 billion more than that recommended by the administration—and far less relief for the American taxpayer—tax relief that is universally recognized as critical to restoring incentives for both labor and capital—and essential if we are to foster increased productivity, savings, investment, and enterprise.

It is perhaps even more amazing that because of reports that the economy is improving moderately—if you can believe the economic indicators issued this week—we can now somehow miraculously allow our Federal Government to grow to the astronomical level of $715 billion.

It appears that the Budget Committee only listens to those that tell it what it wants to hear—listening to any faint voice that somehow will continue to justify the runaway growth of the Federal Government.

That, in a nutshell, is the issue before us. How big should the Federal Government be in the years ahead—and who should we listen to—as we make the decisions—as we set the budget—that establishes the size and the growth rate for the Federal Government in the years ahead.

It appears that the Budget Committee does not want to listen to President Reagan, the leader our country chose last November. He wants to hold the Federal Government down—limit its growth with a budget of less than $689 billion.

It appears that the committee does not want to listen to the American people—our constituents—who have, time and time again, expressed themselves in favor of limiting the growth of the Federal Government.

Well, perhaps I can persuade my colleagues to listen to the voice of the future generation; 19 years ago the Federal budget was scarcely $100 billion. Who then would have believed that today, the House Budget Committee would be seeking a $715 billion budget? Who would have been elected in support of such a budget 19 years hence? Well, who today wants the budget in the year 2000, 19 years away, to surpass $2,860 billion? If we allow the current Budget Committee proposal to pass, and continue its level of growth, even at what it calls these conservative levels, then thats the budget for the year 2000, $2,860 billion.

But if we adopt the President's budget and escalate through the year 2000, at the level of the 1982 proposal, then the budget in the year 2000 will be less than half, the Federal budget would become less than half if we allow the Budget Committee level to pass.

The question is, clearly: What will be the size of the Federal Government for the future generations? Well, the choice is very clear. We must support our President and slow the growth of the Federal Government, or else we will continue the programs of the past two decades.

The Latta-Gramm bipartisan substitute is the best vehicle now available to accomplish the critical goals of cutting inflation, creating new jobs, increasing family take-home pay, and reducing the awesome tax burden of the American people. This measure also provides our best weapon for increasing savings and investment and restoring America's competitive position in the world. I wholeheartedly endorse this measure and urge your strong support.

Mr. HAWKINS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as we near the end of this first phase of debate on the budget, I would like to take this opportunity again to express my personal appreciation to the gentleman from Oklahoma (Mr. JONES) for the allocation of time which he has given to us in implementing the Full Employment and Balanced Growth Act mandate that this 4 hours of debate should be given to discussing the assumptions and goals of the Full Employment and Balanced Growth Act. Unfortunately, I think we have done more to discuss the budget issue itself which, while it is an important instrument, is not the only instrument for the accomplishment of the goals of the economy, and that we have paid very little attention to a national economic policy as such. I think that there has been a tendency not to discuss the national goals, certainly in terms of a national policy itself, but to continue the issues of the campaign. I believe, therefore, that on yesterday, when my good friend from New York, the Honorable JACK KEMP, made his remarks, that he perhaps came closer than any of us to returning the debate to full employment itself and to a discussion of a national economic policy. And I commend him for many of the statements that he made, but in particular I commend him for the statement in which he said:

> Had the U.S. economy from 1960 to 1980 grown at the same rate it did from 1962 to 1967, that is, around 4.5 percent to 5 percent in real terms, not inflationary terms, but in real terms, the Gross National Product today would not be $2.5 trillion, it would be $3.7 trillion. We would have another $200 billion to $250 billion of Federal revenues. We could have balanced the budget. We could have spent more for defense. We could have had less need for social programs and more resources to pay for them. We would have a sound dollar.

I think that is a very profound statement. I think that it clearly indicates if from 1978 to today we had implemented the Full Employment and Balanced Growth Act, we would not be so worried about the size of the budget and we would, I think, be debating one budget resolution, rather than a great number of budget resolutions. But today, we have four resolutions before us, two on the conservative side, in a broad descriptive term, and two on the liberal side—again perhaps playing with words when I say "two on the liberal side." We have the situation in which we have two groups of conservatives competing with each other and two groups of liberals competing with each other on a budget resolution. And I think this is because we are not tying what we are debating to a national economic policy.

We may ask, in implementing or in furtherance of the profound statement of the gentleman from New York (Mr. KEMP), why the economy did not maintain a long-term historical real growth rate in the neighborhood of 4.5 percent as it did between 1962 and 1967?

With the Vietnam buildup under the Johnson administration, inflation began to escalate. Then attempts were made to control this inflation based on the trade-off theory, that is, on the assumption that by creating unemployment we could thereby control inflation. Through the use, in other words, of fiscal and monetary restraint.

Absent, however, in this entire scenario since that time and almost with total rejection has been an employment policy for the Nation. We are the only industrialized nation that does not have an employment policy, including manpower programs.

We spend less than 1 percent of the gross national product on manpower programs, and altogether on structural programs little more than that.

Therefore, the macroeconomic policies which we have been using have not been complemented by structural programs.

During the Kennedy administration to which the gentleman from New York (Mr. KEMP) referred, when we did make this commendable progress and did pass the tax cuts of 1964, somewhat in a similar vein to the cry today of a tax cut program, Mr. Kennedy, upon the advice of Walter Heller and other economists, did include with his tax cut a structural program. And while there would be many of us who may differ with the composition of the current tax proposal, we might be more inclined to support its thrust if we were not at the same time eliminating the structural programs as a complement. Today the complement of structural programs is necessary in just the same way that President Kennedy saw that he had to pursue economic goals in the 1960's, the period which the gentleman from New York (Mr. KEMP) refers to as having made the great accomplishment with which we agree.

Now, based on that successful experience as suggested by the gentleman from New York, I would hope that we may begin to focus on where we are now and how we can perhaps join forces, not in adopting any one particular program, but in the implementation of the only national economic policy which we have by law before us today.

The greatest objection to the Reagan program, therefore, is basically the dismantling of what some of us see as structural programs that we believe are needed as a complement to the defense expenditures and to the tax proposals that he is proposing. We are dismantling programs, whether they are good or bad; we are turning our back on the experience of 20 or more years in developing an employment policy and the development of a health program, in the development of a manpower program, in the development of those other many programs to supplement the macroeconomic policies.

And now we intend to turn our back on all of this experience. The supply-side tax cuts of the gentleman from New York (Mr. KEMP) certainly are essential to investment and growth. But investment is not encouraged only by a tax handout. Business people are not waiting to invest merely because they are going to get a tax cut. They are also concerned about the purchasing power of the people, whether there will be markets, and they are not just going to invest because of this one idea that they will be receiving some slight return in terms of a tax cut if they believe that they will not have a market for their product.

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So there are some of us who believe that the tax cuts should go to the low- and middle-income American people as well as to the business interests on some type of a reasonable balance. We should not give it all to one or to the other, rather we should give a reasonable amount for investment and that this added incentive may spur business a little, but we should also say to the American people, "You who lost in your spendable income last year by at least 5 percent, we are going to overcome that, we are going to give you enough in tax returns so that we can overcome this loss in your spendable income." If we give it to the low- and middle-income American people they are going to spend it, they are going to spend it primarily on necessities and business is going to flourish because they will create markets. This is what some of us believe and we believe that there is room for some accommodation between the supply-side economics, as so profoundly expounded by the gentleman from New York (Mr. KEMP), and those of us who say, yes, let us divide up this prosperity. We will give some concessions to you in terms of your supply-side economics, but give us also some concessions on the side of structural programs in order that we can have an economic balance.

That, to me, leaves a lot of room for getting together on some basic issues.

On the issue of a defense program, its size is not the only issue. There are some of us who have supported increases in the defense program, and there are some of us who feel that it has gone too far, that it is getting out of hand. The issue, I submit, Mr. Chairman, is not really its size, but the manner in which the money is going to be spent. To spend a lot of money, no matter how much we spend, if it is spent unwisely and ineffectively, it is certain to weaken our defense because we would be building up inflation and a false expectation, a false sense of security.

We should know whether or not the money is therefore being effectively spent. Our objection also is to the inflationary impact of the President's proposed defense spending. We would not object to it so much perhaps if it was complemented by a program to offset its inflation impact. One of the criticisms of the Johnson administration was that we rushed into a great defense buildup during that administration, during the war in Vietnam, without submitting to the American people a tax proposal to support it. Therefore, we paid for the money that we spent in the Vietnam situation in terms of inflation, a very unwise way to spend to support a defense program. And now we seem to be rushing into making that same mistake, although this time we are not just refusing to support it by a tax program, but we are actually making cuts. I think that we should look very carefully at this policy to see whether or not we are making the same mistake that we accused President Johnson of making and whether or not this will lead to even greater inflation than occurred between 1967 and 1972 because of this great buildup in defense expenditures.

So there are some of us who are not saying that we should turn our backs on increasing defense expenditures, but instead we say let us look at it wisely and let us connect with those expenditures a method of paying for this tremendous increase. Otherwise we run the risk of increasing inflation and thereby getting us into a recession, thus adding to the cost of this defense program and these tax cuts a full-blown recession. This is not the final economic goal that I think the American people would want us to achieve.

So, I submit near the end of this debate that there is room for agreement on taxes and on defense spending if there is an effort to recognize the structural programs that are vital to achieving full employment and balanced growth.

I seriously believe we can achieve the goals of the Full Employment and Balanced Growth Act, 4 percent unemployment and 3 percent inflation, if we are willing to come to an agreement on the appropriate policies and on a strategy of dealing with an overall economic policy rather than acting as we seem to be now, in an ad hoc, purely fragmented and disjointed basis.

I certainly hope that the gesture would be made for some agreement on these policies, and it would seem to me therefore we could, in this House, set the Nation on the correct course.

THE ECONOMIC OUTLOOK AND EMPLOYMENT OPPORTUNITIES

At the present, the short-term outlook is for a very weak economy. Nearly all forecasters foresee a very sluggish recovery for the remainder of 1981 and 1982, with the distinct possibility of another drop in GNP this year.

Due to this stagnation, unemployment is predicted to rise to about 8 percent by the fourth quarter of 1981 and will probably not fall much below 7.5 percent by the fourth quarter of 1982. This may mean the weakest recovery in postwar history, according to the Joint Economic Committee.

The long-term outlook is not much better. The Congressional Budget Office does not expect the unemployment rate to drop below 7 percent by 1986, while inflation will drop to a level just above 7 percent. Most forecasters do not expect real GNP growth to start picking up steam until 1984.

According to a study by Wharton EFA, Inc., prepared for the Committee on Education and Labor, President Reagan's $48 billion of budget cut will cost our economy 1.75 million jobs in fiscal 1982 alone. And while some of those unemployed by the budget cuts would find new jobs stimulated by the President's trickle-down tax cut and increased defense spending, let us look very closely at how the boom sectors of our economy would match up with the location and skills of the unemployed:

On one hand, employment in defense-related industries requires, on average, occupational training of a fairly high-skill level. Unfortunately, it is in the higher skill level occupations—like machine tool operators and shipbuilders—that there tend to be more labor supply shortages.

On the other hand, most of those unemployed by the budget cuts would be in lower skilled occupations with few hopes to receive the necessary training they need, particularly with the large cutbacks in the CETA program.

The result is that unemployment, according to even the conservative estimates of CBO, will be substantially higher than the President predicts. This is shown in the following table I would like to insert in the RECORD at this point:

TABLE 2.—A COMPARISON OF ECONOMIC ASSUMPTIONS

[By calendar year]

Economic variable	1981	1982	1983	1984	1985	1986
GNP (percent change, year over year):						
Administration	11.1	12.8	12.4	10.8	9.8	9.3
January budget	11.4	13.1	12.3	11.8	11.0	10.2
CBO baseline	11.9	12.3	11.8	11.7	11.2	10.8
CBO alternative [1]	11.8	11.9	11.5	11.4	11.7	10.9
Real GNP (percent change, year over year):						
Administration	1.1	4.2	5.0	4.5	4.2	4.2
January budget	0.9	3.5	3.5	3.7	3.7	3.7
CBO baseline	1.4	2.9	2.9	3.3	3.4	3.5
CBO alternative [1]	1.3	2.5	2.7	3.0	3.8	3.7
GNP deflator (percent change, year over year):						
Administration	9.9	8.3	7.0	6.0	5.4	4.9
January budget	10.5	9.3	8.5	7.8	7.0	6.3
CBO baseline	10.3	9.2	8.6	8.1	7.6	7.1
CBO alternative [1]	10.3	9.2	8.6	8.1	7.5	7.0
CPI (percent change, year over year):						
Administration	11.1	8.3	6.2	5.5	4.7	4.2
January budget	12.5	10.3	8.7	7.7	7.0	6.3
CBO baseline	11.3	9.5	9.0	8.3	7.7	7.2
CBO alternative [1]	11.3	9.5	8.9	8.2	7.7	7.1
Unemployment rate (percent, annual average):						
Administration	7.8	7.2	6.6	6.4	6.0	5.6
January budget	7.8	7.5	7.1	6.7	6.3	6.0
CBO baseline	7.7	7.6	7.5	7.4	7.2	7.0
CBO alternative [1]	7.8	7.9	7.8	7.7	7.5	7.2
91-day Treasury bills (percent, annual average):						
Administration	11.1	8.9	7.8	7.0	6.0	5.6
January budget	13.5	11.0	9.4	8.5	7.7	6.8
CBO baseline	12.7	13.8	11.6	10.3	9.8	9.6
CBO alternative [1]	12.6	13.7	11.5	10.2	9.7	9.3

[1] Based on the Administration's budget assumptions, derived by removing from the current policy baseline all tax changes not already legislated, and then incorporating the effects of the Administration's proposals.

Note.—These projections were prepared using the Commerce Department's preliminary estimates of data for 1980.

THE PRESIDENT'S FLAWED ECONOMIC ASSUMPTIONS

According to the Congressional Budget Office, there are several reasons why the President's forecast for the economy is so optimistic, and why CBO disbelieves the President's predictions:

Clearly the President is being more optimistic than recent experience would suggest about such volatile, inflation producing things as world oil prices, weather, and international economic relations, as well as the effects of his oil decontrol policies and scarcities in various sectors of our economy.

The President also assumes that his tax cuts will not be inflationary but instead will produce more economic growth than historical experience and most leading economists suggests.

And another important assumption the President makes is that the Federal Reserve's tight monetary policies will lower inflation quicker, and reduce interest rates faster than ever before—despite the fact that the President does not even control monetary policy.

TALKING POINTS: REAGAN'S TAX CUTS

The President's widely touted tax plan will be far too inflationary, pumping up the luxury consumption expenditures of the rich while failing to offset the income lost by low- and middle-income groups to social security and inflation-induced tax rate increases. The economy cannot accommodate this kind of personal tax cut, and the working people of this country will not tolerate it.

The President's tax cut is too simple, too soon, and too big.

Its across-the-board simplicity ignores far worthier claims for tax relief, such as eliminating the marriage tax, raising standard deductions to overcome inflation, and closing costly loopholes that create incentives for inflationary spending by business and the rich. The simplicity of the President's tax incentives for investment will cause increased distortions in investment decisions and a misallocation of our economy's scarce capital resources. This is not the way to spur job creation, productivity, and lower inflation.

Before we lower personal income taxes across the board as the President suggests, our economy needs to expand its productive investment stock. Otherwise, the President's 30-percent personal tax cut will come too soon and be too inflationary. This cut will not generate the huge savings response the Treasury hopes for. As Prof. Walter Heller, President Kennedy's economic adviser points out:

> In recent years, inflation-wise consumers have been buying ahead to beat price rises. A huge 3-year tax cut on the books is an open invitation to consumers to make a lot of purchases on the cuff. The tax cuts would be seen as "money in the bank" on which they could draw to meet future installment payments.

The President's tax cuts are also too big, and needlessly so. More equitable personal tax reductions could do more to improve the buying power of low- and middle-income consumers, and could do so with a lower revenue cost. And more responsible tax incentives for investments would cause less economic distortion, would cost far less, and would be far more efficient in encouraging job-producing capital investments.

These points are made quite clearly and cogently by Professor Heller in an article he wrote this week in the Washington Post, entitled: "Tax Cuts: Too Simple, Too Big, Too Soon."

Mr. Chairman, I would like to insert a copy of this article in the RECORD at this point:

[From the Washington Post, Apr. 27, 1981]

TAX CUTS: TOO SIMPLE, TOO BIG, TOO SOON

(By Walter W. Heller)

The Reagan-Kemp-Roth 30 percent tax cut is a prime example of "for every problem there is a solution: simple, neat and wrong." Or perhaps more to the point, too simple, too big and too soon. Let me take up those charges in reverse order.

Too soon. Putting a $142 billion personal income tax cut on the books all at once—the first-year cost of $44 billion rapidly mounts to $142 billion per year by 1985—involves unnecessary risks.

First, the Treasury might get a rude jolt on its expectations of a huge savings response to the tax cut. In recent years, inflation-wise consumers have been buying ahead to beat price rises. A huge three-year tax cut on the books is an open invitation to consumers to make a lot of purchases on the cuff. The tax cuts would be seen as "money in the bank" on which they could draw to meet future installment payments on present purchases.

Second, instead of calming inflationary fears, the all-at-once enactment may agitate them. Poll after poll shows people lukewarm about a big personal tax cut, mainly because they fear it would be inflationary. Tax cuts on the books versus budget cuts "on the come" are hardly a way to calm those fears.

Third, as this suggests, Kemp-Roth adopts a cart-before-the-horse approach. True, taxpayers deserve a tax cut as an offset to built-in tax increases, and our soft economy provides enough slack to absorb sizable personal tax cuts later this year. But beyond this, further personal tax cuts should be put in place only after they have been earned by further budget cuts and/or clear evidence of subdued inflation. That would be the path of fiscal prudence.

Too big. By 1985, President Reagan's tax cuts and defense boosts would outrun his budget cuts by about $100 billion a year. By thus perpetuating large deficits—the Congressional Budget Office projects a $50 billion deficit in 1984—the White House would put fiscal policy on a collision course with monetary policy. Much of the force of tax stimulants to investment would be blunted by tighter money and high interest rates. And much of the savings gained through lower tax rates would be absorbed by continued government borrowing. In moderation, tax cuts can strengthen the economy. In excess, they can be self-defeating.

In another sense, the 10-10-10 personal tax cut is simply too big. It preempts so much of the available tax cut money that the prime tax stimulant to investment—accelerated depreciation—has to be phased in over a five-year period. Meanwhile, many a business will postpone investments to qualify for progressively more liberal tax treatment.

By its own supply-side lights, the Reagan administration could do far more for the economy by cutting back its 30 percent personal tax cut and sharply stepping up the depreciation timetable.

Too simple. The present menu of across-the-board tax cuts would use up all of our elbow room for tax reduction and thus crowd out other measures that might have a far worthier claim for tax relief, for example:

Reducing the so-called "marriage penalty" would be more effective than across-the-board tax cuts in two ways: 1) it would provide relief for an obvious case of overtaxation, and 2) it would have a bigger payoff in stimulating additional work effort. Careful studies show that while tax cuts on existing earners don't have much net effect on work effort, second earners in the family do respond to lower tax rates.

Any evenhanded approach to adjusting taxes for inflation would have to boost personal exemptions and the standard deductions to overcome the erosion since 1978.

Though apparently low on today's agenda, cut-backs in payroll taxes—perhaps in the form of income tax credits on payroll taxes paid—would not only provide needed tax relief but also cut business costs.

The Kennedy cuts. Strangely enough, the Reagan tax-cut pattern reverses the approach taken in the Kennedy tax cuts, which the Treasury constantly invokes in behalf of its program. First came the supply-side thrust (or, as we called it, "tax incentives for capital formation and growth") in the form of the 1961-62 actions to initiate the investment tax credit (still the backbone of business tax incentives for growth) and liberalize depreciation.

With these supply-side cuts in place, and the economy still operating well below par, we followed through with the big demand-side tax cut of 1964. To be sure, it had beneficial incentive effects, as we were at pains to point out at the time. But there was no doubt then—and but for supply-side revisionists would not be now—about its primary purpose: to boost demand and thus put existing supply capacity—idle workers and excess plant capacity—back to work.

If the current tax cutters want to draw the right lesson from the Kennedy tax cuts, it would be this: Use much of the existing tax-cut margin for sharply focused investment incentives and then follow through with bigger personal tax cuts as budget cuts as ebbing inflation allow.

Let me add a word on the non-economic aspects of tax cuts. Nothing in the mandate for such cuts calls for suspending the rules of equity and fairness in taxation. If, in flaunting incentives, we flout equity, we will run a grave risk of undermining the democratic basis for confidence in the tax system.

DEFENSE SPENDING AND INFLATION

In the 5 years between 1981 and 1986, the President is proposing to increase defense spending from $162 billion to $304 billion, an increase of $182 billion. During the Vietnam war buildup between 1965 and 1970, defense spending rose by $24 billion. Even if adjusted for inflation, the increase proposed by the President is three times as large as the Vietnam buildup.

As Professor Thurow of MIT points out:

President Johnson's refusal to raise taxes to pay for the Vietnam war is legitimately remembered as one of the key factors leading us into our current economic mess.

President Reagan's defense program is based on overly optimistic assumptions about inflation. For 1984, he projects that inflation in the defense industry will be 2 percent below Carter's forecast and 4 percent below CBO's.

Substantial bottlenecks may develop in labor, parts, and materials markets, including:

Many specialized subcontractors have quit building components for hardware like tanks and submarines.

In the aerospace industry, orders by civilian airlines have shrunk inventories for key structural and electronics components.

Certain types of labor—machine tool operators and shipbuilders, for instance—are in short supply.

There are also possible capacity limitations for defense-specific steel production, despite the general slump in the steel industry as a whole.

According to the latest statistics, the aluminum industry is presently operating at a very high 94 percent of production capacity.

These indicators suggest that the potential for defense spending to be inflationary is fairly high. While I must reiterate that I am not opposed to increased spending for a strong defense, I must also emphasize that these increases must take place in a balanced and responsible manner so that they help, rather than hamper, our progress toward full employment and balanced growth.

Many of these points are expressed quite well in two articles I would like to submit in the RECORD at this point:

The first is by Professor Les Thurow, entitled "How Reagan Can Wreck the Economy", which appeared in the April 14 New York Review of Books.

The second is by former Under Secretary of the Navy, R. James Woolsey, entitled "A Strategy of Fudging Numbers", which appeared this week in the Washington Post.

[From the New York Review of Books, April 14, 1981]

HOW REAGAN CAN WRECK THE ECONOMY

(By Lester Thurow)

The recent discussion of President Reagan's budget has largely overlooked its most alarming feature, so far as the U.S. economy is concerned. Reagan is proposing to increase defense expenditures by $142 billion, from $162 billion for the fiscal year 1981 in the current budget to $304 billion in fiscal year 1985, the last budget of his first term. If re-elected he is planning a further $39 billion increase, to $343 billion in fiscal 1986.

This $181 billion increase over five years can be understood only if it is compared with the build-up of military spending during the Vietnam War. In the five years between 1965 and 1970 military spending rose by $24.2 billion, and soon after rose to a peak of $26.9 billion. After correcting for inflation, a $26.9 billion increase then would be equivalent to a $59 billion increase now.

As a result the military build-up that is currently being contemplated is three times as large as the one that took place during the Vietnam War. Whether an increase of this magnitude is really necessary depends on an analysis of foreign affairs and military readiness that is beyond this review. Some defense experts and legislators are questioning whether many items in the new military budget are actually needed and whether some of them endanger national security more than they protect it. Such questions are certainly important and must be raised. But if such a build-up is necessary, then it is important that it be done in

such a way that it does the least possible damage to the economy.

The Reagan budget has not been clearly understood because, perhaps deliberately, it has been presented as a set of subtractions from or additions to the Carter budget. The policies of President Carter are now irrelevant. It makes no difference what he proposed. Everything that is in the budget is now a Reagan proposal. The only questions to be resolved turn on what President Reagan wants.

In addition to the increase in the military budget, civilian expenditures are scheduled to rise by $76 billion—from $493 billion to $569 billion. After correcting for inflation, we can see that civilian expenditures are down substantially by 16 percent, although they rise in money terms. As a result the total budget increases from $655 billion in fiscal 1981 to $912 billion in fiscal 1986. In addition, President Reagan is proposing a 16 percent reduction in federal tax collections—$196 billion in fiscal 1986—in order to stimulate savings and investment.

President Johnson's refusal to raise taxes to pay for the Vietnam War is legitimately remembered as one of the key factors leading us into our current economic mess. He wanted both the Great Society and the war. But if he was to have both and not wreck the economy, his only option was to raise taxes sharply. He chose not to do so, and he wrecked the economy.

President Reagan wants both dramatic tax cuts to encourage investment and an even more extensive military buildup. But he cannot have both without wrecking the economy further unless he is willing to raise taxes dramatically on private consumption. He has chosen not to do so. If his current program is carried out, he too will wreck the economy.

Military spending is a form of consumption. It does not increase our ability to produce more goods and services in the future. While it may be necessary, it is consumption nonetheless. And as in any private budget, if you allocate more to one form of consumption, you must allocate less to some other form of consumption.

This means equivalent cuts must be made in other forms of consumption. The proposed military increase is so large that it cannot be fully paid for with cuts in civilian expenditures unless the president is willing to abolish major social programs such as Social Security. If he is not willing to do this, taxes must be raised to cut private consumption.

While President Reagan is only preparing for war and not actively engaging in one, the economic problems of military spending spring from the rapid production of weapons, not from their use. The capacity to produce capital goods and equipment, skilled manpower, and raw materials must all be quickly redirected to military production. In shifting both human and capital resources from civilian to military activities tremendous strains are placed on the domestic economy, unless measures are taken to restrain private consumption. Without tax increases the military can get only the necessary capital capacity, skilled manpower, and raw materials by paying more than the civilian economy is willing to pay. This drives up prices and creates, civilian shortages.

The problem is compounded if tax breaks are to be given for investment, as is contemplated by Reagan's economic plan. The capital goods industries cannot produce enough equipment to build both military factories and civilian factories. The investment tax reductions therefore encourage private investors to get into a bidding war with the military for the industrial equipment that is available. The result would be a rapid rate of inflation in capital goods that would eventually lead to inflation in consumer goods. Inflation would break out, as it did during the Vietnam War, but this time the U.S. would be adding inflation to an economic system that already has an 11 percent rate of inflation rather than to a system that had an inflation rate of less than 2 percent.

Unfortunately the negative effects of such a military budget and such a tax policy do not emerge quickly. Remember the acceleration in inflation during the Vietnam period. It was very slow but very persistent. During 1965 inflation stood at 1.7 percent per year. From there it rose to 2.9 percent in 1966-1967, to 4.2 percent in 1968, to 5.4 percent in 1969, and to 5.9 percent in 1970. President Nixon temporarily stopped inflation with wage and price controls in 1971, but when those controls were lifted inflation broke out in an even more virulent form, and has continued to this day.

As with President Johnson, the mistakes of President Reagan will only become obvious long after they have been made. By the time they are obvious, it will be too late to correct them. If the mistakes are to be corrected and the undesirable effects avoided, the correction must be made now—not two to three years from now.

President Reagan talks as if his cuts in civilian government consumption are going to pay for the extra military spending. But he also talks as if those civilian budget cuts are going to pay for the loss in revenue from business tax cuts and from the 30 percent cut in personal income taxes called for by the Kemp-Roth plan. But the sums that will be spent and saved do not match. A $138 billion cut ($43 billion of which has not yet been announced) in civilian expenditures—not an absolute cut but one relative to the Carter budget—simply does not counterbalance a $196 billion tax cut and a $181 billion increase in military spending.

If the Reagan administration were to carry out its current plans, it would have no rational alternative to a large tax increase on private consumption. If we were actually to fight World War III, we would instantly increase taxes to pay for it. If we want quickly to buy the equipment the administration claims is necessary to fight World War III, we have to be willing to do the same.

If the administration is unwilling to raise taxes on private consumption, it will repeat the Vietnam experience. Initially out-put will rise and unemployment will fall. But eventually a sustained inflation will result from the economy's inability to produce both the civilian and military goods that are being demanded of it. But the economic problems of a large increase in military spending go far beyond that of simply keeping total consumption under control. The defense department does not demand exactly the same commodities that civilians give up when their aftertax income goes down. Even if taxes are raised by the requisite amount, essential supplies will have to be directed to military uses without completely disrupting the civilian economy.

To do this, most countries when they decide to wage war or prepare for war traditionally impose controls over production, wages and prices, raw materials, and capital equipment. In this respect, the Korean War is a model of what to do. The Vietnam War is a model of what not to do.

During the Korean War America raised taxes dramatically at the beginning of the war and imposed a full range of wartime controls. When the war proved to be smaller than was first expected, those controls could be gradually eased with no disruption to the civilian economy. Instead of rising during the war, inflation fell from 6.6 percent in the first year of the war to 1.6 percent in the last year of the war.

By contrast, during the 1960s the US did none of the things that would have been necessary to fight the Vietnam War without economic damage. Military spending reached a peak of 13 percent of the gross national product during the Korean War and only 9 percent in the Vietnam War, but the economic damage was far greater during the Vietnam War. The economics of war production calls for planning for the worst possible economic effects and then being pleasantly surprised if the worst does not occur. Perhaps our economy will be able to take the current build-up without being wrenched out of shape, but no one should count on it.

The economic problems of the military build-up planned to take place between 1981 and 1988 are complicated by the current weakness of the American economy and the economic strength of the countries that are our military allies but our economic adversaries. When a nation such as the US sharply increases its military forces, it generally does so at a time when its industrial competitors are also attempting to increase their own military establishments, and are experiencing comparable economic strains. But the Reagan build-up is to take place in a time when our allies are not raising their military expenditures at anything like our pace. Germany has just announced plans to cut back on its defense budget.

The difference poses the problem of how the US can maintain the industrial strength to compete with other countries in civilian production and sales. The basic problem here is not so much one of obtaining critical raw material and equipment, although there may be shortages of both, but is one of skilled workers—craftsmen, engineers, and scientists. Such people will tend to be attracted to military production. Defense contractors will entice workers away from civilian firms by paying higher salaries as they build up their work forces on a crash basis. But even if the salaries were identical there would be a tendency for the most highly qualified people to move into defense. For most engineers, such work is simply more exciting.

Would the typical engineer rather work on designing a new missile with a laser guidance system or on designing a new toaster? To ask the question is to answer it. Military research and development are more interesting since they are usually closer to the frontiers of scientific knowledge and are not limited by economic considerations such as whether the product can be sold in the market. The military is willing to pay almost any premium to have a superior product. The civilian economy is not. As a result the most skilled technicians and scientists move into defense.

But suppose you own a civilian computer firm in Boston and many of your best people leave to work in Boston's higher paying and more exciting aerospace firms. How do you compete with Japanese computer firms that will not be losing their most brilliant employees? The Japanese engineer might also like to work on missiles but he does not have the opportunity to do so. The

result is that you cannot compete; the Japanese computer industry could well drive the American computer industry out of business.

A military build-up of the magnitude proposed by President Reagan almost demands that the US insist that its military allies, who are also its economic competitors, engage in a similar military build-up. From the point of view of equity, the American taxpayer cannot be expected to accept a larger reduction in his standard of living while taxpayers abroad continue to improve their standards of living. But even more importantly, America cannot afford to destroy the competitive strength of its none-too-strong domestic economy. If the skilled workers and funds that are used for defense here are used for civilian production abroad, it should not come as a great surprise if we are driven out of civilian markets. What will happen to the United States if the industries that manufacture semiconductors, micro-processors, and computers are forced out of business while the nation is busy rearming itself? What good does it do us to dominate the world in missile production if we are at the same time being defeated in toasters? In the long run, a civilian economy that consistently fails in competiton abroad will be unable to produce missiles for an effective military economy.

According to the Reagan economic scenario, the burden of total government spending will shrink not because of a decrease in that spending, but because there will be an explosion of economic output. After we correct for inflation, output is supposed to grow 23 percent during the next five years.

This explosion in output is predicted for an economy where growth in productivity has been gradually slowing down since 1965 and has in fact been negative during the last three years. The Reagan administration assumes that productivity is going to return to a 3 percent rate of growth almost instantly, but what will make this happen? Such an increase in productivity has never happened before in our history, and there are good technical reasons for believing that it will not happen now.

Our slowdown in productivity is caused by many factors, including an increasing movement toward services, and sharp declines in construction and mining productivity. These are not going to end suddenly. And the same slow transition will occur in the part of the economy on which the Reagan administration is focusing most of its attention—investment. New investment takes time. Major new industrial facilities typically take from five to ten years to complete, so we will have no output from them for five to ten years. Consequently they will not be raising productivity for five to ten years.

If a little extra investment would cure our productivity problem we would not have such a problem at all. When productivity was growing at more than 3 percent per year, from 1948 to 1965, Americans invested 9.5 percent of their GNP in industrial plant and equipment. While productivity was falling 0.5 percent a year from 1977 to 1980, Americans invested 11.3 percent of their GNP in industrial plant and equipment. We need more investment, but investment cannot cure the productivity problem in the short run.

But in planning a major military build-up, a wise economic general does not argue about whether there will, or will not, be a dramatic rebound in the growth of productivity. He plans such a rapid increase on the conservative assumption that there will not be a sharp change in productivity and hopes to be pleasantly surprised if productivity does in fact dramatically improve. No permanent damage occurs if he plans for slow productivity and finds that productivity is actually growing rapidly. He can always easily cut taxes if the economy has extra unused productive capacity. But if he plans for rapid growth in productivity and it does not occur, the economic damage will be great. Taxes can be raised later on, but as the Vietnam War demonstrated, a tax increase in 1969 does not substitute for a tax increase that should have occurred in 1965.

If vigorous growth resumes, as the Reagan administration assumes it will, the defense budget will generate the kinds of economic stress that we experienced during the Vietnam War. Under Reagan's assumptions about economic growth, the military budget will consume an extra 1.5 percent of the Gross National Product. Vietnam consumed an extra 1.7 percent. But if vigorous growth does not resume, the strains will be far more serious. The military will be absorbing an extra 2.4 percent of the GNP. As a result we should plan for those larger stresses but hope for the smaller ones.

These economic difficulties will also be magnified by the plans for the civilian budget. A 16 percent cut in taxes is supposed to stimulate savings and investment but it is directed at the wrong targets. Any across-the-board tax cut such as Kemp-Roth must confront the fact that the average American family saved only 5.6 percent of its income in 1980. Past experience strongly suggests that given a $100 tax cut, the average American will save and invest $5.60, but will also consume $94.40. In view of our needs for investment and of the military program the administration demands, we simply cannot afford to add private consumption of this magnitude to our economic system. We should be cutting consumption.

Similarly, many of the investment tax cuts proposed by Reagan are poorly conceived. A cut in the capital gains tax that includes both investment in plant and equipment and speculative investment—in land, homes, gold, antiques, paintings, etc.—may suck investment funds out of productive investments and into speculative investments, since speculative investments pay off faster than productive investments. But we need productive investments, not speculative investments. If supply-side economics were to make sense, it would include tax increases for speculative investments.

The current proposal for accelerated depreciation on a "10-5-3"[1] basis gives the largest breaks to commercial buildings and may well encourage the construction of more shopping centers rather than industrial factories. Here again the largest tax breaks should favor new industrial facilities.

The administration's cuts in the civilian budget have relatively little to do with economics. They are good or bad depending upon your view of what constitutes adequate provision for the needy in a good society. My ethics tell me that there is something wrong with cutting nutrition programs for poor pregnant women. Mr. Stockman's ethics tell him that they are precisely the group whose benefits should be cut. Perhaps that is the difference between learning one's ethics and economics in a department of economics rather than at a divinity school.

[1] This means that autos and light machinery can be depreciated over three years; other, generally heavier, machinery over five years; and a variety of real estate over ten years.

There is, however, one major economic problem with the proposed cuts in expenditures. Most of the cuts focus on the working poor—essentially the group that is above the poverty line but within $3,000 of it. This group is going to be faced with a choice. The Reagan administration assumes that a cut in the social welfare benefits for the working poor will force them to work more. It is more likely that it will encourage them to work less to regain eligibility for the programs that they have just lost.

Suppose you are one of the working poor and have a sick child. One choice is to work harder—perhaps by taking a second job—in order to pay the necessary medical bills. Another is to quit working to make yourself eligible for Medicaid. To pose the choices is to give the likely answer. If the second choice prevails, the remaining social welfare programs will have to expand and will cost more than expected. The cuts in the civilian budget will therefore be smaller than the ones now projected.

The result will be that the grave strains imposed on the economy by Reagan's military build-up will become graver still. The dangers of this budget are such that I can think of no priority higher for the nation's economic welfare than close and skeptical scrutiny of all new military expenditures to determine whether they are really needed.

[From the Washington Post, Apr. 28, 1981]

A STRATEGY OF FUDGING NUMBERS

(By R. James Woolsey)

The Reagan administration is beginning to lay some minefields in its own path toward a sensible and sustainable defense policy.

One such minefield bears a close resemblance to one that Jimmy Carter adroitly used to blow a foot off his own credibility: hokey inflation projections. The ideology behind Reagan's ridiculously low inflation forecasts for defense spending is different from Carter's, but the effect—a year or two hence—will be similarly crippling.

Jimmy Carter's pledge of 3 percent annual "real growth" in defense spending became the nominal target for each year's defense budget. But the twin desires to increase domestic spending and to hold down the overall federal budget deficit produced an irresistible incentive each year to squeeze defense more than that target would allow. The only way you could depress real defense growth below 3 percent and still, with a straight face, both claim to be meeting that target and press the NATO allies to do the same was to fudge on the projected inflation rates for defense.

If, say, you were sitting in the White House and you expected inflation in defense to be 10 percent, you would need a 13 percent increase to have 3 percent "real growth." But that, you grumbled to yourself, was a lot of money. So you hit upon the idea of blithely telling the Pentagon to plan for ony 7 percent inflation, so you could budget for a 10 percent total increase and call that "3 percent real growth." That was the long slow curve.

The fast break came later in the same year when, with a sigh, you told the military that inflation in their programs had indeed turned out to be greater than you had expected, but that sadly, there was no money available to make up for your regrettable mistake—they would just have to make do somehow. (These few percentage points meant billions of dollars. And because much of defense spending is effective-

ly fixed rather early in the budget process—manpower costs, for example—the burden of this sort of back-door multi-billion dollar cut ended up hitting procurement and readiness very hard.) As the hapless uniformed military program managers were angrily summoned before congressional committees to explain the resulting cost overruns and to clarify why production lines were being cut back and initial operating dates of weapons delayed, you could even summon a little indignation. "Those people in the Pentagon have got to learn to plan and manage their programs better."

The Pentagon may, however, find it even harder to keep its eye on the Laffer curve than it did on Jimmy Carter's inflation-rate screwballs. The Reagan administration is now forecasting that, by the next presidential election, inflation in defense will be nearly 2 percent below what the Carter administration was predicting and 4 percent below the Congressional Budget Office's projections. The reason appears to be neither a desire to underfund defense nor a desire to make exaggerated real growth claims. Rather it is an effort to show faith in the efficacy of the president's overall economic program and a lack of willingness to admit any exceptions to this rosy inflation-free future—defense or any other.

Nonsense. Whatever happens to the economy as a whole, inflation in the defense sector is not going to come down that fast. Indeed, it is probably still heading up, at rates higher than even CBO projects, for a special set of reasons. The low levels of defense spending in the last several years have led many specialized subcontractors simply to quit the business of building components for, say, tanks and submarines. In the aerospace industry, orders by civilian airlines have also shrunk inventories for key structural and electronics components. Certain types of labor—machine tool operators, for instance—are in very short supply. These problems are several years away from solution, even amelioration, no matter what happens to the economy as a whole, and they will drive inflation in defense procurements for some time. Somebody had better level with Congress and the people about this soon.

The Reagan administration now has a golden opportunity in defense policy. For the first time since Vietnam, there is broad public and congressional support, among liberals as well as conservatives, for an adequate defense budget. Experienced defense supporters in Congress can finally turn the focus of their attention from obtaining adequate budgets to improving the effectiveness of defense spending. Sen. Sam Nunn (D-Ga.) has recently served such notice (the warning of "minefields" in defense inflation and outlay estimates in his metaphor). Some parts of the New Right are becoming intrigued by the possibilities offered by military reform. This opportunity to have many diverse rays of the political spectrum converge on a non-partisan defense policy encompassing both innovation and adequate funding must not be lost.

One of the quickest ways to lose public confidence and destroy that opportunity is to continue to build into the budgeting system the automatic cost overruns and production cutbacks that have become so agonizingly familiar. And, whatever the rationale, the best way to create those melancholy phenomena is to serve up inflation estimates for defense that are even loonier than Jimmy Carter's.

SPENDING CUTS AND INFLATION

Prof. Robert Eisner testified before the Committee on Education and Labor that:

Expenditure cuts, despite rhetoric, in general will do little or nothing to reduce inflation. In many ways they may paradoxically make inflation worse. Reductions in expenditures for mass transit are likely to raise costs not only of public transportation but of gasoline and energy, thus raising the general price level. Cutting back on food stamps will raise the cost of food to the poor and further discourage labor from those who have the alternatives of low-paying jobs or welfare assistance. Cuts in training programs will both reduce employment and increase labor costs. Cuts in government support for education and research will reduce the investment in knowledge on which long-run progress depends.

There we have it. Expenditure reductions in such programs will not reduce inflation but may actually make it worse, and may actually reduce the supply of labor and of goods and services.

BLOCK GRANTS

The primary responsibility of the Budget Committee is to balance national needs and priorities through an examination of the functions of the Federal budget. This function-by-function analysis of the budget is critical to our understanding of the Budget Committee's recommended priorities once the resolution has reached the floor of the House.

However, this is not possible in the resolution before us, particularly because it assumes that substantial "savings" will accrue from lumping so many of our carefully constructed programs into block grants for States and localities. Certainly you may ask what this has to do with economic assumptions—and certainly I must insist that it has everything to do with them.

The determination and provision for the economy's most efficient level of some public goods and services can be done best only by the Federal Government. National defense is, of course, an obvious example, but the same is also true for such public goods as education and job training. Without Federal encouragement and assistance, how many State and local governments can be expected to provide the appropriate level of job training to workers, who might simply use their skills as a ticket out of a depressed region? Many of our programs have been carefully crafted to insure that especially needy target populations will receive the assistance intended for them, and also to eliminate any waste and fraud in Federal programs that are run by other Government entities. With many of these programs lumped into block grants, what assurance is there that the budget levels we vote for in this budget will actually be spent as they are intended?

Ms. MARTIN of Illinois. Mr. Chairman, it is always a pleasure to hear the distinguished chairman of the Committee on House Administration.

At this time I yield 5 minutes to the gentleman from Ohio (Mr. WEBER).

Mr. WEBER of Ohio. I thank the gentlewoman from Illinois for yielding to me.

Mr. Chairman, the best way to get people back to work is if we support the President's program for economic recovery. We have been talking budgets, arguing budgets, since the time of our campaigns. We have been arguing since the President's speech on February 18 to our joint session about various budget proposals. We have been debating budgets beginning yesterday and come Monday, the debate will end, and it will be time for all the players to quit arguing in the huddle and finally to run the play that the quarterback has called.

I refer to the President's bipartisan budget resolution. Last Tuesday I joined millions of Americans in witnessing an inspiring and a moving event, the President, less than 1 month after being seriously wounded, asked Congress immediately to approve a program of reductions in both Government spending and of taxation that would restore vitality to our economy. The overwhelming number of Americans across the country are telling us that our economy is in need of the same kind of courageous recovery that the President has made and that the President's economic program should be blessed with the same unified support that the President himself has received.

I intend to follow the President's lead and the wishes of both the majority of the people in my district and of the Nation. Once again, I wish to voice my strong support for the Reagan bipartisan budget resolution. The passage of this resolution will mark the beginning of the end of business as usual. Its passage by this body will signal to the Nation that we share President Reagan's commitment to the American people and his vision for the future.

For too long our Federal Government has spent, regulated, and legislated beyond all reason. We are all too painfully aware of the results of these practices, the rampant inflation, the rising unemployment, the ever-decreasing productivity, and a declining standard of living for all of the American people.

Can any one of us say that we are proud of our Nation's economic record? I think not. Can any one of us say that it is not time for a change? Once again, I think not. People are saying we do not want 4 more years of the same thing. Passage of the Reagan bipartisan budget resolution will start us on a journey to economic recovery. It is not going to be an easy journey,

but it is necessary to take this first step.

Last November, 44 million Americans voted for President Reagan. And if anything their support for the President since that time has grown. The reason for this is simple: In the months since his election, Ronald Reagan has delivered exactly what he promised the American people, a plan to put America on its way toward economic prosperity, a plan aimed at ending Government excess and extravagance. Likewise, many of us were sent to Congress because of those same promises, put very simply: It is now time for us to deliver. I urge support for the President's program and if we fail, we fail not just ourselves, but those who have elected us.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. WEBER of Ohio. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. I just want to clarify this. The Latta substitute does include the Kemp-Roth tax bill which the President told us Tuesday night was an integral part of that program; is that the gentleman's understanding?

Mr. WEBER of Ohio. That is my understanding and I am strongly in favor of the Kemp-Roth taxation plan.

Mr. HAWKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, for everybody who is looking for a budget proposal that ends up with a surplus, I would like to command my colleagues' attention for just a few moments.

Does anyone in the House have one other than the Congressional Black Caucus and those who are supporting it?

I am very happy to report to my colleagues that many Members who have been promising a budget that was balanced, who have been campaigning on it, who supported the administration, have now found that there is one in existence and it is the one proposed by our colleague from the District of Columbia (Mr. FAUNTROY), and I commend it to my colleagues' attention to seriously examine.

It also carriers $56 billion in tax relief for citizens in this country. Write those figures down, please. A $7.8 billion surplus, not deficit; $56 billion-plus tax relief. How do we do it? Ask further because we finally have taken the administration's challenge when it asked us to come up with something constructive if we had some complaints about the proposals, and we have.

It is an innovative one that is based on tax reform, not tax relief, not tax gimmicks. While the administration budget gives corporations and the high-income households more in the way of loopholes and subsidies and shelters, we go to the people a lot of the Members are secretly trying to target, working people and middle income. The caucus budget maintains the domestic human resource programs, medicaid, low-income housing, education aid, income security for the disadvantaged and the Latta-Gramm budget curtails or eliminates the programs. We do not want that, do we, really? We thought we needed it, but we really do not want it. The Congressional Black Caucus budget provides for adequate defense. We are strong on national defense.

My colleague from California (Mr. DELLUMS) will, at the early part of the week, go into detail. Some of us had reservations about how strong we were on national security, but we want the Members to feel safe in their homes at night. So, let us deal with some programs that are contained within the budget that I think are important.

I must say to my colleagues here that this is the most well-kept budget proposal in the history of budget proposals, since we passed the law giving us this responsibility. Very few people know about it. Not only are most Members of Congress unfamiliar with it, it is in the CONGRESSIONAL RECORD, it will be on your desks. Members in the caucus and many of the liberal supporters who want to go beyond the well-intentioned activities of the chairman of the Budget Committee are prepared to speak with the Members about it, to explain it, to discuss it with the Members.

□ 1330

But, I want to say seriously that it is about time we looked at a way to take care of our objectives. Now, I do not think your constituents will be too upset if you have to modify your programs and your commitment to the administration to actually accomplish what they have said they were going to do, and have somehow failed to come up with either the ability or the will to accomplish it. We are taking care of the people's business in a way that makes me very proud to be associated with this document, and I hope that the Members and the House of Representatives in 1981 will give a very careful and critical evaluation to this most important document.

Mr. FAUNTROY. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the Delegate from Washington, D.C.

Mr. FAUNTROY. Mr. Chairman, I thank the gentleman so much. I simply want to thank him for again reminding the Members of the House that while their constituents have not been the beneficiaries of the wisdom of the Congressional Black Caucus' constructive alternative, they have an opportunity now to assess it, to study it, and they will find that their constituents back home will be thrilled at the knowledge that we have balanced the budget on the one hand while at the same time providing the tax relief that the American people have demanded. We have responded to the mandate of the American people to reduce Federal spending and to cut the deficit, to provide meaningful tax relief, and to put America back to work.

Thanks to the gentleman's work and to his statement in the well, I am confident that many Members who have not yet looked at it will begin to study it and respond to the legitimate desires of the American people.

Mr. CONYERS. I thank the gentleman.

The CHAIRMAN pro tempore (Mr. BENNETT). The gentleman from California (Mr. HAWKINS) has 8 minutes remaining. The rules are that the gentleman must complete his time on economic policies before the general debate continues, controlled by Mr. LATTA and Mr. JONES of Oklahoma on the budget resolution generally.

Mr. HAWKINS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. All the time has expired on economic goals and policies.

The Chair recognizes the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Chairman, I yield 1 hour to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Chairman, I thank the chairman of the Budget Committee. As I start this hour, which will be taken up by different members on our side of the Budget Committee to talk about their views of this budget and the alternative that has come out of the House Budget Committee, I would like to commend our chairman for the job he has done in bringing this budget product out of the committee. It has been a difficult task over the past 3 months, but indeed he has worked very hard with all the members of the committee on both sides of the aisle, and I commend him for the work that he has done.

These budget debates are an important thing in the Congress and an important thing in the country because they give us an opportunity that we rarely ever have in any other context to really sit down and discuss economics; the economic direction of the country and the effect of the most important economic action we take, that is, putting together a budget on our economic future. It really is the only time it happens, and in my view it is one of the best outcomes of having a budget process.

My job in the opening moments of this discussion is to try to directly relate this budget, the alternative that has come out of the House Budget Committee, to our economic state, and to try to compare it with the Reagan budget that came from the President's

office a few months ago. As I begin, I think of the question that I am most often asked by people when they learn that we have an alternative that has come out of the Budget Committee. People most often say, "Why are you trying to change this budget that the President has proposed? Why don't you just pass the program and go on about your business?"

My answer is that the Congress on both sides of the aisle has an obligation to make constructive improvements on any proposal that any President makes, and this alternative that has come out of the Budget Committee is an attempt to make a constructive improvement in what the President has proposed. The President has said that he is trying to do something that we have never tried to do, and therefore we ought to try to do it. I differ from this line of reasoning. I think the President is trying to do something that we have done before and that has failed, and that is, call for very high deficits.

I think the question is, How can we improve on what the President has done? As I said, I think the alternative does that. It does that in three basic ways from an economic point of view. First, the committee alternative calls for less spending in fiscal year 1982 than the President's budget. The committee alternative calls for $2 billion less spending than the President's budget no matter what economic assumptions one uses. We have had a lot of confusion in the last few days about economic assumptions. People say, "Are you using the committee assumptions? Are you using the President's assumptions? Are you using Wharton's assumptions? Are you using Chase Econometrics?"

Whatever assumptions you want to use, the committee alternative spends less money in 1982 than the President's budget by $2 billion. If you project it over 3 years—the President the other night said that the committee alternative spends $141 billion more than the President's does over the 3-year period. The problem was, he was using one set of assumptions for his budget and another set for the committee alternative. The facts are that if you use the same set of assumptions, whatever set you want to use, the committee alternative spends $17 billion less over the next 3 years than the Reagan budget. So, no matter which way you cut it, no matter what assumptions you use, the committee alternative spends less both next year and over the next 3 years.

The second question is taxes. How have we in this alternative improved the proposal with regard to taxes? The first thing is that we have said that tax cuts have to be in lockstep with spending cuts. You know, we have talked a lot here in the last few days about this being the great debate on the budget, and it is; and this being the start and the end of this year's budget process. Nothing could be further from the truth. The budget process started yesterday, continues today, and will keep going for every day that we meet here and do anything for the rest of this year. The budget process happens every time there is an appropriation bill voted in committee; it happens every time an authorization bill is voted on in committee; it happens every time we vote on an amendment on the floor. The fact is that in the past years we have been great at passing a budget and not too great at passing the authorization and appropriatons bills to make the budget come true.

What the chairman said yesterday was very significant. He said, "The time for fun and games is over." We are going to make the budget work. Whatever it is, we are going to try to implement it. That is very important; it is vital; it is critical.

My point is that it makes no sense at all to pass 3 years of tax cuts this summer when we do not even know yet if we can pass 1 year's spending cuts until the fiscal year is actually ended. So, I say the important change on taxes of the committee alternative is that it calls for a 1-year tax cut, not a 3-year tax cut, because it believes that we have got to make tax cuts and spending cuts in lockstep—a vital, critical difference.

Second, let us talk about the amount of the tax cut. The committee alternative tax cut is $38 billion in 1982. The Reagan tax cut is $53 billion in fiscal year 1982; not a great deal of difference, but some. The President the other night said that if we keep going the way we are with the committee alternative, in a few years we will have taxes up by one-third. Then he did something that I thought was remarkably honest. He said that whichever proposal you pass, we are going to raise taxes as a technical matter over the next 3 years. It is a very important point to note, but it really becomes a semantic exercise.

The real issue we should be looking at is what percentage of the gross national product is taken by taxes under each proposal. That is the only way we can really compare what is going on.

Let us just look at fiscal year 1982 budget, because that is what is before us, not a tax cut in 1983 or 1984. We do not know what the committee alternative would call for in 1983 or 1984. Hopefully, it too would reach tax cuts if we could reach spending cuts, but let us look at the effect as a percentage of the gross national product for the next couple of years.

In 1983, under the committee alternative, the percentage of the gross national product taken by taxes would be 21.5 percent of the gross national product. In 1983, under the Reagan proposal, we would take 21.3 percent, so it would be 21.5 as against 21.3. The Reagan proposal clearly takes less of the gross national product in taxes than the committee alternative, but not by much.

In 1984, the committee alternative would take 21.6 percent, and the Reagan proposal would take 21.4 percent. Again, the difference is two-tenths of 1 percent, and clearly that difference comes from the fact that we have a $38 billion tax cut and the Reagan proposal has a $50 billion tax cut.

But, that leads me to what I say is the most important difference between these two budgets; that is, the question of the deficit. In 1982, the House committee alternative calls for a deficit of about $25 billion. The Reagan proposal calls for a deficit of about $50 billion, or double the deficit of the committee alternative. In over 3 years, the deficit under the committee alternative as an aggregate cumulatively is $1 billion over 3 years, but the aggregate deficit under the Reagan proposal over 3 years, using a 1-year tax cut in both cases—so it is a good comparison—is $47 billion. That is the bottom line, important difference between these two budgets.

Three years from now, if you do the committee alternative, you are going to have an aggregate deficit of the 3 years of those budgets of $1 billion, and under the Reagan proposal you would have an aggregate deficit over 3 years of $47 billion.

Now, many, many leading economists today believe and say that the most formidable economic challenge of the last and the next 10 years is how to achieve economic growth without crippling inflation. Among the many important inflation-fighting tools that we have, including wage and price restraint, energy policy, improved productivity, labor-management relations, is the effect of the Federal budget on the economy. It obviously is the place where we have the greatest effect on the economy. Economic authorities have for some period asserted that the deficit created by the budget has a most significant effect on growing inflation, perhaps even more than the indirect impact of Federal spending.

Let me just cite some statistics. In the last 10 years Federal Government borrowing as a percentage of all borrowing has been above 35 percent three time, in 3 three years, 1975, 1976, and in 1980. It is interesting that those are the years in which we had the highest Government deficits. In the last year, Government borrowing as a percentage of all borrowing was the second highest in history; 35.7 percent of all borrowing was sucked up by the Federal Government. The prime lending rate, obviously because of

that, was in double digits for the last year, and it soared above previously known levels in 1975 and in 1976, the last time we had that much Government activity in the money markets.

In fiscal year 1982, the President's budget creates a deficit of $50 billion, while again the House committee calls for a deficit of half that amount. Speaking the other day at the National Press Club, on April 22, Henry Kaufman, an executive partner in the investment firm of Salomon Bros., and a leading economic forecaster, predicted that inflation will go back into double digits later this year, and probably will rise from next year. He also repeated his forecast that interest rates will rise in coming months in contrast to the administration's predictions. He said rates will continue to be too high and unstable because the administration is relying too much on tight money to fight inflation.

Kaufman said that while he supported many of the goals of the new administration, he thought fiscal policy was exceedingly expansionary, does not pursue a course that fights inflation vigorously along the way, and it places nearly all the anti-inflationary efforts squarely on monetary policy. Kaufman said—and listen to this sentence—Kaufman said:

> The present administration, like the previous administration, is relying too much on money policy to fight inflation while fiscal policy stays expansionary.

Three days ago President Reagan gave a courageous and a brilliant statement on behalf of his economic program. The very next day, the stock market went down 12 points because the prime lending rate, which has been falling steadily in the last few months from 20 to 17 percent, went back up to 18 percent, and more increases are not predicted. The fatal flaw, the most critical flaw in the President's program that is improved by the committee product, is the deficit that he projects in the next few years.

The President says, "Let us have a new program. Let us not stay on the course we were on."

I would say, let us try to get back to the course that we thought we were taking, but which we did not accomplish, very frankly. Let us try a course of lower deficits. Let us try a course of fiscal restraint which can then complement monetary policy so that we can actually do something about inflation.

□ 1345

The President would answer that the only way to go into that is with changing marginal tax rates, that that is the magic formula that will make all these problems go away. The problem is that the Paul Volckers and the Henry Kaufmans of the world simply do not think that is the case.

If we continue to fail to heed the Paul Volckers and the Henry Kaufmans of this world, as sobering and discomforting as their observations may be to all of us, we will ultimately pay the heavy price of a failed economy and a people who no longer have faith in any of us or any of our ideas or indeed in their own country.

For all these reasons, from an economic viewpoint, I suggest to the Members that the committee alternative is a superior product, and that it continues in place many of the good ideas in the Reagan budget in a much sounder, a much more stable, and a much more successful economic product.

Mr. Chairman, I now yield 5 minutes to the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. Mr. Chairman, I would like to discuss with my colleagues the implications of the Gramm-Latta budget for our national energy policy. But before doing that, I would like to commend the chairman of the committee, the gentleman from Oklahoma (Mr. JONES), for putting together what I think is a very carefully balanced and thoughtful program. I think as we review its history, the Budget Act hs been successful because the process has been able to reach out to Members from all parts of the country, to all people of all parties and of all ideological persuasions.

It has been successful on the Senate side because Republicans and Democrats worked so well together, a tradition begun by Senator Muskie and Senator Bellmon, who ran the Budget Committee. It was successful on the House side and on the Senate side when last year for the first time we had real bipartisan consensus on developing a budget resolution. The chairman of the committee, the gentleman from Oklahoma (Mr. JONES) has attempted to build such a coalition again this year. It was going very well until there was what I believe was a major mistake by the administration.

It was a mistake to make this purely a partisan and ideological budget. I think that was a great mistake. I do not think that serves either the country or the Congress or the budget process well at all, and it is going to come back to haunt us all. I believe it will prove to be a very painful mistake for the administration to have made.

That said, however, I want to discuss the energy policy outlined in the President's budget and in the Gramm-Latta substitute.

As everybody in the country now realizes, energy stability is absolutely crucial to our economy, and absolutely crucial to our overall economic and social well-being. We have come a long way in the area of national energy policy. If we had taken a poll, as many national pollsters did 4 years ago, on energy, we would have found that 50 percent of the American public did not think the energy crisis was real. And only 4 years ago 70 percent of the American public did not know that we imported oil.

That has changed very dramatically over the last 4 years, and we have seen the emergence of a national energy consensus in this country. It did not develop as fast as many of us would have liked, but at least we have come to the realization that the days of abundant energy and cheap energy are over. We now are making real conservation efforts, and with sharply rising energy prices we have had the development of alternatives to traditional sources of oil and gas, and, most importantly, in terms of our national defense, we have taken many steps for dealing with the crisis internationally on the cutoff of oil and our dependence on imported oil.

We may or may not as Members of the Congress agree with all of that policy or with pieces of that policy, or we may not believe there is any policy at all, but no matter what perspective we take, it is imperative that we look at the President's budget and look at the Gramm-Latta budget to see what it does in terms of our overall energy picture in the United States.

The agreement that I will offer today is that we are risking our entire economic future if we follow what is in the administration's budget or if we follow what is in Gramm-Latta.

Let me give the Members a number of examples. We have decided in this Congress that it is imperative that we have a balanced energy program, one that spurs, in the short term, oil and gas production, in the midterm encourages conservation, and in the midterm and long term depends on alternatives to traditional oil and gas.

That is lost in this budget, both in the administration's budget or in Gramm-Latta. Gone are 80 percent of the conservation effort, and gone, for example, are 70 percent of solar R. & D.

I will give the Members another example. The argument is made that the free market will give us conservation. The administration had argued that pricing alone will provide us with conservation. Pricing does help, and that is why so many of us supported the effort to decontrol the price of oil. But we must do much more than just rely on pricing. We can rely on conservation and make sure we get the cheapest new energy for our use. Existing Federal conservation programs yield us conserved oil for only $20 per barrel. That is in comparison to the $40 a barrel that we are paying for imported oil.

This is conservation? How does pricing alone assist the poor in dealing with their energy problems? How

much do higher prices help a household that is paying 30 percent of its budget today for energy prices? And that is going to go up unless we work to break that cycle.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. WIRTH) has expired.

Mr. GEPHARDT. Mr. Chairman, I yield 6 additional minutes to the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. Mr. Chairman, I thank the gentleman for yielding me this additional time.

Mr. Chairman, it is extraordinarily important that energy conservation is a major Federal priority.

Solar energy is another piece of our energy future. Why is it important to maintain that effort? It is important that we maintain our basic commitment to long-term research and development in this country. We are in the process, under the administration's budget and under Gramm-Latta, of pulling out of solar energy efforts.

What are other countries in this area doing? The Japanese, the Swiss, the French, the Italians, and the Germans are all moving aggressively in major national efforts to accelerate development of solar technologies, particularly photovoltaics. They understand that is where the future is both in their domestic energy production and future world markets. They are not cutting off their nose to spite their face. They are putting their effort into that important long-term technology. What are we doing? Under the administration's budget or under Gramm-Latta, we are cutting the program out from underneath us.

The second major failing, in addition to the balanced energy program, that is found in the administration's program and in Gramm-Latta is the total ignorance of a need for midterm energy strategy. There is nothing found in this budget that will cut our dependence on imported oil during the 1980's.

We have for the the 1990's long-term synthetic fuels and nuclear energy research efforts. We have nothing in the short term.

The administration has argued that pricing will accomplish everything, that increased oil exploration will bridge the gap.

In his appearance before the Budget Committee, Secretary of Energy James Edwards contended that the administration would be able to cut foreign oil imports in this decade by "unlocking the Nation's resources" and predicted that the equivalent of "three Prudhoe Bays" remained to be discovered in Alaska.

These assertions run counter to earlier Department of Energy and every industry estimate of remaining recoverable U.S. oil reserves, even assuming decontrol.

Pricing is not going to bring on in the 1980's vast supplies of new sources of oil and natural gas. Those supplies are geologically limited. Cutting imports has got to be done with conservation and the other components of a balanced energy program.

The administration argues that pricing will solve all our energy problems. It simply will not. The marketplace forces on which the administration intends to rely will not promote oil replacement at a rate commensurate with its value to the Nation in increased economic stability and national security.

We are underpricing our energy in a significant fashion. Instead we are spending more and more on defense of foreign oil. It is a much better investment for us to balance our defense expenditures with investments in a balanced energy policy just as we spend money on developing our current sources of oil

The administration also argues that its energy proposals support the President's program for economic recovery.

The arguments are very clear in the testimony provided before the House Budget Committee that the opposite is true. The administration's proposed energy reductions may undermine the President's entire program for economic recovery. The fact is we are going to become increasingly dependent on imported oil, with all its attendant risks of constantly increasing prices and galloping inflation. We saw that in 1980, and if history teaches us anything at all, it teaches us that Middle East oil prices are going to continue to rise dramatically.

Finally, I should say that in the administration's program there is a tremendous amount of ambiguity relating to our national security. We have heard a great deal of discussion in this budget debate and the last few months about the national security. I think every Member of this House agrees on the necessity of strengthening our national security and providing a better foundation for our whole national security apparatus. But let us take a look at the energy budget cuts in the administration's program and in the Gramm-Latta substitute. They erode our commitment to a sound national security policy. A careful examination of the administration's budget and of Gramm-Latta will show that the administration's domestic energy proposals are inconsistent with the emphasis it has placed on the Nation's vulnerability to oil cutoffs.

In recent testimony before the Senate Armed Services Committee, Defense Secretary Caspar Weinberger identified U.S. dependence on Middle East oil imports as a prime reason for the administration's proposed fiscal year 1982 increases in national defense expenditures. One of the most important "geopolitical realities," the Secretary pointed out, "is our dependence on foreign energy sources. The umbilical cord of the industrialized free world runs through the Straits of Hormuz into the Arab gulf and the nations which surround it. That area, Southwest Asia and the gulf, is and will be the fulcrum of attention for the foreseeable future."

If we are as concerned as we say we are, and must be, about our dependence on imported oil, why are we cutting off our ability to import less oil through conservation and alternative energy programs here at home, and why have we cut off all our ability to respond to an oil crisis?

The administration has eliminated all the mechanisms available to us to buffer ourselves against an oil cutoff.

We see the elimination of all programs developed for this purpose in agreement with our allies, which have worked with all other nations in times of crisis, and now all of those safeguards are gone. That is a basic contradiction and forms the basis of our concern about national security.

I would hope that my colleagues will look very carefully at the energy policy enunciated in the President's budget in the Gramm-Latta substitute. If we do, we will find that, as everybody has testified, an energy policy for the most part is lacking and we do not have the kind of commitment to economic strength and national security that we must have.

Mr. Chairman, the proposal offered by the gentleman from Oklahoma (Mr. JONES) and the House Budget Committee returns us to a fair, balanced, and thoughtful policy and a real commitment to strengthening our national security.

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Mr. GEPHARDT. Mr. Chairman, I yield to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, I thank the gentleman. I rise in strong support of the committee resolution, as against the Gramm-Latta.

Mr. Chairman, I urge my colleagues not to lose sight of the tremendous suffering the Reagan budget would cause to those people in our society who are least able to help themselves. I was struck by the fact that President Reagan in his address to a joint session of the Congress earlier this week did not even touch upon the nature of the cuts he has proposed; far less did he acknowledge the impact of his budget cuts on the poor, the elderly, and those workers who are just barely getting by. His proposals will not just cut away waste and abuse—they will cripple programs that provide the most basic services to millions of our citizens. These are not frills or lavish benefits that go to people who do not need them. The

programs Mr. Reagan wants to cut are vital to the welfare of millions of people, especially in the cities of the Northeast and Midwest. Hundreds of thousands of jobs will be lost and services to the poor and disadvantaged will be cut back in more areas than I have time to mention today.

Let me just illustrate the impact of these budget cuts by describing some of the expected consequences in New York. Cuts in medicaid will further strain hospitals like Bronx-Lebanon in my district that are struggling to survive, threatening the health care of thousands of the working poor. Cuts in programs like day care, family planning, and employment services that help those people on the margin between self-support and welfare could drive 50,000 more people in New York onto the welfare rolls; 13,000 CETA workers who are the backbone of the work force in hundreds of social service programs and neighborhood organizations will lose their jobs. Mass transit cutbacks could add 10 to 15 cents more onto subway fares that are already scheduled to rise, undermining New York's goals of energy conservation and economic development. Funding for the Economic Development Administration, which is the only source of funds for hundreds of small businesses that banks will not back, is being cut by 50 percent; one of the largest employers in my district managed to keep its production lines going last year only because of EDA help. The only sources of help for new housing and community development in urban areas like New York are Federal programs which the administration wants to cut back by anywhere from 15 to 34 percent, stifling the attempts begun during the Carter administration to reclaim areas of the South Bronx from devastation. Funds that support senior citizen centers which provide the hot meals and companionship essential to make life worth living for thousands of elderly people are going to be cut 20 percent under Reagan's proposal. The list goes on and on, but even these few examples serve to demonstrate the human cost of the budget cutting drive the new administration is leading.

And to what end? They argue that cutting the Federal budget is necessary to halt inflation, but I do not share the misguided belief that these reductions will have an impact on inflation that is proportional to the pain they will cause our people. It is even more unlikely that these budget cuts will reduce inflation when the Reagan administration is embarking on the largest peacetime buildup in military spending in our history advocating a tax cut of more than $50 billion that will cause an explosion in personal consumption expenditures. These two developments together will do more to push inflation up than the spending cuts will do to damp it down.

Perhaps the explanation for the widespread desire to cut the Federal budget is to be found in a scarcely concealed desire to reduce the role of the Federal Government as a change agent in our national life. The Republican administration, supported by an ideological majority in the House and a Republican majority in the Senate, is mounting an attack on the social welfare state, trying to repeal commitments made over the past five decades to social justice. I am not prepared to turn my back on those commitments, and I urge my colleagues not to either. There is still so much inequality and suffering in the Nation and the world which will not disappear simply because the profits of private businesses increase. Slowing inflation and providing incentives to greater production through tax cuts will not help the poor, the elderly, and the disadvantaged who lose their food stamps and their chance to obtain decent housing in Government subsidized projects.

I am enough of a realist to know that a head of steam has built up behind the drive to reduce the Federal budget, and cuts are going to be made this year. But I plead with you not to rubberstamp the Reagan administration's hastily drafted, shortsighted, and inconsistent program. The Budget Committee under the leadership of Chairman JONES has proposed an alternative that makes major cuts in a multitude of programs and begins a process of targeting benefit programs more carefully and restraining their rates of growth. But it does not make the wholesale slashes that will cripple vital social services in almost every important domestic program as the Reagan budget and the so-called Gramm-Latta substitute budget proposal would do. To those who find it irresistible to vote for restraining Federal spending, I say the committee bill is the better choice, and I urge you to remember the consequences of budget cuts, and not just the morning-after headlines.

Mr. GEPHARDT. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. PANETTA).

The CHAIRMAN. Without objection, the gentleman from California (Mr. PANETTA) is recognized for 10 minutes.

There was no objection.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I am pleased to yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, there has been some controversy on my amendment. Now, we do not have time for a colloquy with the gentleman from Virginia (Mr. PARRIS), but we have talked.

I would just like to make my position clear on my amendment. From the very first when we started debating this budget, my intentions were that a lot hinged on my support of this budget if the defense moneys were on par with the administration.

I have no ulterior motives, other than my own desire to see the defense moneys go for the strong defense of this country and what I have done in budget outlays for 1982, budget authority, is $226.25 billion.

In 1983, it is $259.65 billion.

In 1984, $294.85 billion in budget authority.

In outlays, it is $188.85 billion.

In 1983, it is $226.05 billion.

In 1984, it is $255.60 billion.

I have been consistent in this when I was talking before the conservative forum. I have been consistent in it from the very start. I would just like for that to be made a part of the record, that I have no ulterior motive for offering this amendment. If it does bring in more votes, so be it; but I wanted to make that in response to the remarks of the gentleman from Virginia (Mr. PARRIS) earlier.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I will yield to the gentleman from Ohio briefly.

Mr. LATTA. Mr. Chairman, I want to thank my friend for yielding.

I am a little bit amazed, however, at my good friend mentioning about his conservatism.

Do I understand that by putting a little bit of money in for BA, that the gentleman is willing to swallow all these add-ons for social programs; is that what the gentleman is saying?

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I would be happy to yield.

Mr. HEFNER. It has nothing to do with that on the social programs. We took no money from defense to put into social programs.

Mr. LATTA. But the gentleman might be doing that?

Mr. PANETTA. Mr. Chairman, if I might retain my time——

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield briefly?

Mr. PANETTA. I will yield briefly.

Mr. ROUSSELOT. I appreciate my colleague yielding.

Now, was this issue debated in the committee; I mean, to raise the budget authority to the given level that you have discussed?

Mr. HEFNER. As far as I am concerned, it was not debated.

Mr. ROUSSELOT. It was not debated?

Mr. HEFNER. Not debated on my behalf, no.

Mr. ROUSSELOT. But I mean, on behalf of the Reagan position on both

budget authority and outlays, was it discussed in the committee?

Mr. HEFNER. I think that the gentleman may be referring to a vote that the gentleman from Virginia (Mr. TRIBLE) had which I missed.

Mr. ROUSSELOT. Did he offer it?

Mr. HEFNER. He may have offered it, but I was not there.

Mr. ROUSSELOT. How did that debate go?

Mr. HEFNER. I was not there for the debate.

Mr. ROUSSELOT. Oh, the gentleman was not?

Mr. HEFNER. Let me make a point——

Mr. ROUSSELOT. The gentleman missed a critical time.

Mr. HEFNER. Mr. Chairman, I highly resent the gentleman's inference. When I have some time of my own, I would like to pursue this.

But I would like to say that the gentleman from Virginia (Mr. TRIBLE) did not make all the meetings. The gentleman from Ohio (Mr. LATTA) did not vote on all the bills. He did not vote on the amendment to put the Veterans' Administration money in, if we want to get to a real technical point.

I attended more meetings probably than any other Member on either side.

I thank the gentleman for yielding.

Mr. PARRIS. Mr. Chairman, would the gentleman from California yield for a brief statement?

Mr. PANETTA. I frankly would like to continue. I have a limited amount of time here.

Mr. PARRIS. I will try to get the gentleman some time.

Mr. PANETTA. Then I would yield to the gentleman.

Mr. PARRIS. I thank the gentleman. I appreciate it.

I just wanted to make the observation, as I made in my earlier comments, that I did not mean to impugn the motives nor the integrity of the gentleman from North Carolina. I wanted to reiterate that for the record and I do so at this time.

I thank the gentleman for yielding.

Mr. PANETTA. I thank the gentleman. When the House votes on the first concurrent resolution on the budget for fiscal year 1982, it will also be voting to implement reconciliation as a tool for achieving spending reductions. Title III of the committee's resolution will mandate House committees to enact a fixed target of savings by June 15 of this year. The Latta substitute provides for the same process of enforcement.

RECONCILIATION

Reconciliation is the procedure authorized by section 310 of the Budget Act which gives Congress the ability to enforce spending reductions set through the first concurrent resolution on the budget. Committees are directed through the resolution to achieve a fixed target of specific savings. While the committees have the flexibility to decide how and where these reductions will be made, they have no flexibility as to the amount of reductions that ultimately must be enacted. The committees must adopt specific legislative changes in authorizing legislation to implement these savings. The legislation is presented to the Budget Committee and incorporated in one bill for consideration by the full House.

Last year, this procedure resulted in the Omnibus Reconciliation Act of 1980 which provided some $8 billion in savings. This year, depending on the final resolution adopted by the Congress, committees will be instructed to report reconciliation savings of $15.8 billion—the committee reduction—or $36 billion—the Latta substitute—by June 15, with action on an omnibus reconciliation bill to be completed by the Congress by July 15. These dates are set by a bipartisan leadership agreement on the legislative schedule for the budget.

HOUSE BUDGET COMMITTEE RESOLUTION INSTRUCTIONS

The committee resolution directs 14 House authorizing committees to report legislation saving $15.823 billion in outlays for fiscal year 1982, $20.684 billion in outlays in fiscal year 1983, and $24.807 billion in outlays in fiscal year 1984.

The committee resolution also provides for approximately $23.6 billion in spending reductions to be implemented by the Appropriations Committee through the normal House appropriations process, including $4.8 billion in savings through improved management and administrative practices.

In addition to reconciliation, the committee requires all spending bills, including both appropriation and entitlement bills which exceed budget allocations, not to be enrolled or sent to the President until they meet those allocations or the allocations are changed.

LATTA SUBSTITUTE INSTRUCTIONS

The Latta substitute directs 17 House authorizing committees to report legislation saving over $36 billion in outlays in fiscal year 1982 and over $48 billion in outlays in fiscal year 1983 and over $58 billion in fiscal year 1984.

The reason that the Latta substitute directs more than $20 billion more in reconciliation is that it follows the Senate decision to direct committees to act not only on legislative reforms or savings but to reduce authorization levels in existing programs by over $24 billion. Thus, instead of allowing the Appropriations Committee to reduce spending through the normal appropriations process, the Latta substitute instructs authorizing committees to change laws within their jurisdiction sufficient to reduce appropriations for programs authorized by the committees by specified amounts.

The Latta substitute would also require all spending bills that exceed budget allocations not to be enrolled, similar to the enforcement process contained in the committee resolution.

THE OBEY AND FAUNTROY SUBSTITUTES

The Obey substitute provides slightly less in reconciliation but generally follows the House committee recommendation. The Fauntroy substitute does not provide for reconciliation.

COMPARISON BY COMMITTEE BETWEEN COMMITTEE RESOLUTION AND LATTA SUBSTITUTE

The following is a comparison of budget authority and outlay reductions that would have to be achieved in fiscal year 1982 by each authorizing committee based on the reconciliation instructions contained in the committee resolution and the Latta substitute. Each plan again would require committees to submit changes by June 15, 1981.

RECONCILIATION—BUDGET COMMITTEE COMPARED TO LATTA SUBSTITUTE—FISCAL YEAR 1982

[In millions of dollars]

Committee	Budget authority	Outlays
Agriculture:		
House Budget Committee	−48	−374
Latta	−2,200	−2,500
Armed Services:		
House Budget Committee	−1,000	−1,000
Latta	−966	−966
Banking, Finance and Urban Affairs:		
House Budget Committee	−None	−None
Latta	−12,900	−757
District of Columbia:		
House Budget Committee	−None	−None
Latta	−39	−40
Education and Labor:		
House Budget Committee	−2,000	−1,800
Latta	−13,500	−11,200
Energy and Commerce:		
House Budget Committee	−949	−829
Latta	−6,400	−5,300
Foreign Affairs:		
House Budget Committee	−None	−5
Latta	−150	−101
Government Operations:		
House Budget Committee	−340	−255
Latta	−None	−None
Interior and Insular Affairs:		
House Budget Committee	−200	−200
Latta	−815	−369
Judiciary:		
House Budget Committee	−None	−None
Latta	−116	−13
Merchant Marine and Fisheries:		
House Budget Committee	−99	−99
Latta	−257	−125
Post Office and Civil Service:		
House Budget Committee	−5,400	−5,500
Latta	−4,700	−5,200
Public Works and Transportation:		
House Budget Committee	−123	−31
Latta	−6,600	−1,300
Science and Technology:		
House Budget Committee	−200	−200
Latta	−78	−39
Small Business:		
House Budget Committee	−118	−71
Latta	−371	−247
Veterans Affairs:		
House Budget Committee	−110	−110
Latta	−110	−110
Ways and Means:		
House Budget Committee	−2,900	−5,800
Latta	−4,800	−8,600

Attached is a complete outline of reconciliation comparisons by committee on both budget authority and outlays for fiscal years 1982, 1983, and 1984.

ENFORCEMENT OF RECONCILIATION

The House Budget Committee is required under the Budget Act to enforce compliance by the authorizing committees with the reconciliation instructions adopted by the Congress. Should committees fail to meet their reduction targets under the first concurrent resolution, the Budget Committee would seek from the Rules Committee appropriate amendments to fully implement the savings targets in the omnibus reconciliation bill. Any savings not achieved by the Congress would be reflected in an increased Federal deficit for fiscal year 1982. Under the committee resolution, the projected deficit is $25.8 billion. Under the Latta substitute, the projected deficit is $31 billion.

RECONCILIATION AND THE BUDGET PROCESS

The reality is that the budget process is only as effective as the enforcement of reconciliation. If authorizing committees or the Congress reject in large part or entirely the savings goals contained in the resolution, the budget process becomes meaningless. Last year, in the struggle over the first reconciliation bill, the House refused to adopt close to $1 billion in savings mandated through reconciliation by rejecting the once-a-year COLA requirement. As a result, $1 billion was added to the deficit for fiscal year 1982. This year, if reconciliation goals are established that are unrealistic or unachievable, or if serious confrontations are created between the authorizing and appropriations committees, or the Budget Committee and the other committees, then the goals of any resolution can be seriously undermined.

The point is that under either the committee resolution or the Latta substitute, significant savings are mandated to be achieved through reconciliation. The Latta substitute, however, takes this process one step further by including over $24 billion in authorization level changes that under the committee resolution would be handled by the Appropriations Committee. As a result, committees like Agriculture, Education and Labor, Energy and Commerce, Public Works and Transportation, and others will have the added responsibility to reduce appropriation levels by billions through changes in authorizations.

As chairman of the reconciliation task force, I will be responsible for enforcing whatever reconciliation instructions and goals are set by the Congress. I would urge Members to adopt those reconciliation goals that are realistic, achievable, and effective in reducing the deficit and improving the economy of this country.

RECONCILIATION—BUDGET COMMITTEE COMPARED TO LATTA SUBSTITUTE

[In millions of dollars]

Committee	Fiscal year 1982		Fiscal year 1983		Fiscal year 1984	
	Budget authority	Outlay	Budget authority	Outlay	Budget authority	Outlay
Agriculture:						
House Budget Committee	−48	−374	−48	357	−274	−486
Latta	−2,181	−2,487	−2,981	−2,811	−3,741	−3,484
Armed Services:						
House Budget Committee	−1,029	−1,029	−1,056	−1,056	−686	−686
Latta	−966	−966	−899	−899	−511	−511
Banking, Finance and Urban Affairs:						
House Budget Committee						
Latta	−12,914	−757	−15,219	−1,930	−17,735	−3,256
District of Columbia:						
House Budget Committee						
Latta	−39	−40	−56	−64	−72	−69
Education and Labor:						
House Budget Committee	−2,020	−1,810	−2,414	−2,408	−3,331	−3,116
Latta	−13,544	−11,160	−16,192	−14,714	−19,815	−17,990
Energy and Commerce: [1]						
House Budget Committee	−949	−829	−1,200	−1,070	−1,610	−1,480
Latta	−6,403	−5,303	−7,229	−6,670	−7,783	−7,448
Foreign Affairs:						
House Budget Committee		−5		−4		−3
Latta	−150	−101	−196	−167	−245	−230
Government Operations:						
House Budget Committee	−340	−255	−340	−340	−340	−340
Latta						
Interior and Insular Affairs: [1]						
House Budget Committee	−200	−200	−200	−200	−300	−300
Latta	−815	−369	−796	−564	−774	−654
Judiciary:						
House Budget Committee						
Latta	−116	−13	−133	−81	−144	−124
Merchant Marine and Fisheries: [1]						
House Budget Committee	−99	−99	−150	−150	−160	−160
Latta	−257	−125	−239	−211	−262	−251
Post Office and Civil Service:						
House Budget Committee	−5,430	−5,524	−7,869	−8,026	−9,946	−9,742
Latta	−4,737	−5,163	−6,304	−6,738	−7,390	−7,728
Public Works and Transportation:						
House Budget Committee	−123	−31		−31		−31
Latta	−6,606	−1,348	−5,122	−3,565	−6,241	−5,720
Science and Technology: [1]						
House Budget Committee	−200	−200	−200	−200	−300	−300
Latta	−78	−39	−90	−59	−102	−83
Small Business:						
House Budget Committee	−118	−71	−152	−144	−211	−192
Latta	−371	−247	−487	−459	−554	−533
Veterans Affairs:						
House Budget Committee	−110	−110	−108	−108	−106	−106
Latta	−110	−110	−108	−108	−106	−106
Ways and Means:						
House Budget Committee	−2,885	−5,785	−2,240	−7,140	−1,825	−8,625
Latta	−4,809	−8,613	−5,111	−9,628	−5,341	−10,356
Totals:						
House Budget Committee	−13,052	−15,823	−15,427	−20,684	−17,879	−24,807
Latta	−53,693	−36,606	−60,630	−48,243	−70,212	−58,023

[1] House Budget Committee figures include some assumptions under multiple jurisdiction—these are counted only once in the House Budget Committee totals. The same is true of Latta totals; they are less than the individual pieces.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I would be pleased to yield to the gentleman from Ohio.

Mr. SEIBERLING. Well, the Senate proposal directs not only the reduction of authorizing funds, but it actually directs the various committees, and one that I am on, the House Interior Committee, for example, to actually change substantive law and abolish whole programs. For example, it directs them to end the land and water conservation fund grants to the States permanently, not just for 1 fiscal year or even 3 fiscal years, but permanently.

Does the Latta substitute follow that same format?

Mr. PANETTA. The Latta substitute follows pretty much the same approach by requiring that the authorizing committees and not the appropriations committees reduce or eliminate programs via the legislative process.

Mr. SEIBERLING. Well, if the gentleman would yield further, this is such an astounding usurpation of the function of the legislative committees as to go way beyond the authority of the Budget Act, and while Congress, of course, can always impose whatever additional conditions we wish, nevertheless, I think the Members ought to understand that when they vote for the Latta-Gramm substitute, if they do, that they will be voting for that kind of change in the basic functions of the Congress enabling a Budget Committee in effect to take over the line item and the authorizing functions of both the appropriations and the authorizing committees. To me it is an astounding power grab which will totally undermine the way that the Congress has functioned historically over the years.

Mr. PANETTA. The Members ought to be aware of the point here.

The CHAIRMAN pro tempore (Mr. BENNETT). The time of the gentleman from California has expired.

Mr. GEPHARDT. Mr. Chairman, I yield 5 additional minutes to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, I thank the gentleman.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I am pleased to yield to the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding.

Would the gentleman for the purpose of really clarifying this issue explain the gentleman's understanding as to the difference in impact of having the reconciliation process apply to the first budget resolution, rather than to the second budget resolution?

Mr. PANETTA. The difference is essentially this, the authorizing committees will be required, once the resolution is passed, to report these savings to the Budget Committee by June 15. In essence, there will be 30 days for the authorizing committees to enact the savings targets that they are directed to enact by the resolution.

Mr. WEISS. If I can paraphrase this, and if the gentleman will yield further to me, is the gentleman telling us that in essence, having the reconciliation process applied to the first budget resolution transforms the first budget resolution from being a vague set of goals or targets to being, in fact, a fixed target as far as expenditures are concerned?

Mr. PANETTA. The gentleman is correct. This was essentially the process that was adopted last year by the Budget Committee and by which the Congress enacted some $8 billion in savings via the reconciliation process.

Mr. WEISS. Now, if the gentleman would yield further, would the gentleman also explain again so that we can understand the other departure, which I think is being used for the first time more drastically by Latta-Gramm, but still historic even in the Budget Committee's resolution of having the reconciliation process apply not only to the current upcoming fiscal year, that is the fiscal year 1982, but having it apply also to fiscal year 1983 and fiscal year 1984 in this first budget resolution. What is the impact of that?

Mr. PANETTA. The gentleman is correct that what the committee resolution provides for, as does the Latta substitute, as does the Senate resolution, is that reconciliation savings are not only directed to be achieved in the fiscal year involved, which would be 1982, but extend beyond 1982 into essentially permanent savings that would extend into 1983 and 1984; so that, in fact, reconciliation is mandated here over a 3-year period.

Mr. WEISS. Mr. Chairman, if the gentleman would yield just for a brief comment on my part, because I am really very concerned about the direction in which we are going and Latta-Gramm and the Senate is taking us there very, very quickly. There was, as I read the history, and I tried to follow the debate and reread the debate which took place when the Budget Act was first passed, there was a certain logic that was built into the reconciliation process. The very word reconciliation was intended to mean that since you applied it to the second budget resolution, if between the time of the adoption of the first budget resolution and the second budget resolution itself, there were appropriations acts or entitlement acts by the authorizing committees which went beyond the second budget resolution, it would be reconciled by cutting back on those appropriations and entitlement in the reconciliation process in the second budget resolution.

□ 1415

What has happened now is that the term "reconciliation" has been given a totally abstract definition which no longer means what it was originally intended to do. It in essence becomes a noose. For example, if you are now talking about the 1983 and 1984 budget being affected, you are no longer talking about cutting back on entitlements and authorizations or appropriations for the current fiscal year; you are speculating as to what may occur in the future; and you are putting a noose around acts of the authorizing entitlements committees in the future. That is a drastic departure.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PANETTA. May I ask for 3 additional minutes?

Mr. GEPHARDT. I yield 3 additional minutes to the gentleman from California.

Mr. WEISS. If the gentleman will yield further, is that not a drastic departure from what it was intended to do?

Mr. PANETTA. I think, although it can be characterized in several ways, the substance is correct in that the first budget resolution is essentially becoming, as it has over the last 2 years, the primary budget resolution, locking in through reconciliation savings that cannot be readjusted through the second budget resolution.

Mr. WEISS. I thank the gentleman.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding. I think this is something the Members really need to understand, and I would like to make sure it is clarified on the record. Let me say, first of all, I spoke in favor of reconciliation last year, to the consternation of some of my colleagues, but, nevertheless, it seemed to me that it was appropriate, in fact essential, that we have reconciliation with respect to mandated spending either by appropriation or by entitlement programs.

But, as the gentleman has said, now this year we are going a little bit beyond that and recommending that they make changes in authorization legislation. However, I am not clear how it will work, and I would like to have the gentleman take an example and explain just how it would work. Let me suggest an example.

Supposing the ceiling for the House Interior Committee's legislative authorizations is to be reduced by $400 million, and we are instructed to report any changes in authorizing legislation. Most of the legislation that we are dealing with is legislation which is merely permissive; it is not mandatory; and it does not say that

you shall spend so much in a particular year but merely that so much is authorized for a program. As I take it, with this authorizing language, we would have to review all of the programs that are within the jurisdiction of the committee, see what they total up to for 1982, and then pass some kind of a bill saying no more could be spent in 1982 than x dollars for programs A, B, C, and D.

Mr. PANETTA. The gentleman is correct.

MR. SEIBERLING. Is that correct?

Mr. PANETTA. The gentleman is correct. I might also say to the gentleman that if the Interior Committee, as an example, does not meet that target in terms of a specific savings target and reports less than the target back to the Committee on the Budget, or fails to report any savings to the Committee on the Budget, the Committee on the Budget would then proceed to the Committee on Rules and ask for an appropriate amendment to restore those savings on the floor.

Mr. SEIBERLING. Let me ask the gentleman what purpose is served by this that would not be served by merely a ceiling on appropriations?

Mr. PANETTA. I think the gentleman is referring to the authorization side of it. I agree with the gentleman. I think that with regard to the authorization side, this is basically a responsibility of the Appropriations Committee. Frankly, they have handled it in the past pretty well in meeting the targets that have been assigned to them by the Committee on the Budget.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PANETTA. May I have 2 more minutes?

Mr. GEPHARDT. I yield 2 additional minutes to the gentleman from California.

Mr. PANETTA. I thank the gentleman for yielding.

I might add that essentially what this does is it takes from the Committee on Appropriations their responsibility and essentially places all of that responsibility in the authorizing committee, forcing the authorizing committee to enact permanent legislative changes in programs and, therefore, removes the flexibility that the Appropriations Committee had to lift and drop spending but not eliminate programs that are in place.

Mr. SEIBERLING. I thank the gentleman.

Mr. PANETTA. I might just state there is a dear colleague letter circulating that summarizes some of the points I am making.

Mr. GEPHARDT. Mr. Chairman, I yield 7 minutes to the gentleman from Wisconsin (Mr. OBEY).

The CHAIRMAN pro tempore (Mr. BENNETT). Without objection, the gentleman from Wisconsin (Mr. OBEY) is recognized for 7 minutes.

There was no objection.

Mr. OBEY. Mr. Chairman, sometimes the strongest friend that any administration has is a constructive critic. If we look back at the history of the implementation of a lot of Great Society programs, for instance, we will see that a lot of them were passed without a whole lot of attention to detail. The titles sounded great; the purposes were admirable; but the implementation was not quite so good in some instances.

Over the years, as a result, we lost public support for a lot of those programs. I think we are in danger of doing the same thing with the administration's economic program.

I know, frankly, politically speaking, that given the events of the last month it appears we are almost expected to take the President's pronouncements as the new Sermon on the Mount. We are almost expected to regard his economic program as the new tablets carved in stone from Mount Rushmore rather than Mount Sinai. I do not think that is a healthy development because the President's program cannot succeed if it is not intelligently reviewed, if we do not pay attention to the details that can mean the difference between the program working and it not working. Let us break the President's budget down into its constituent parts.

What the President has done is basically take the defense budget which President Carter submitted and increased it significantly. Elderly and retirement programs have been nicked a little bit. Interest remains about the same. So if you take those three items in the budget and add them together, for those three items combined, President Reagan is spending more money than President Carter recommended in his budget for 1982—some $480 billion.

The next items would be veterans and unemployment compensation. No matter what we say in the end, the amount in the budget for unemployment compensation, for instance, will be determined by the economy and not by votes which occur on this floor. The total for those two programs will be about $45 billion, bringing us up to a total so far of about $525 billion.

That brings us to the two items which are most in debate in the President's budget.

No. 1 is the safety net. I know most people in this country assume that if you just eliminate waste, fraud, and abuse in the welfare programs, we could balance the budget overnight. The fact is that is baloney. The deficit this year is about $60 billion. The entire budgeted amount for nonelderly poor programs in the Carter budget this year was $40 billion for direct subsidies to the nonelderly poor. One-third of that money goes to the blind and the disabled, so unless we are going to gouge them, we are really dealing in that portion of the budget with about a $25 billion pool of money. Out of that President Reagan has suggested we cut between $6 and $7 billion.

Then we get to the remaining portion of the budget—programs that meet somebody's definition of what a good investment in the future of the country would be. In the Carter budget we had about $187 billion for investment programs, and that is where President Reagan has chosen to target three-quarters of his budget reductions, some $32 to $33 billion.

I would like to suggest that brings into real question what our real determination is in terms of improving economic productivity. I do not say for a minute that all of those programs represent good investments, but they do represent somebody's definition of what an important investment is.

In determining investment policy, we have to look at more than the amount that we intend to invest in buildings and equipment. Capital investment does involve investment in plant and machinery; but it also, I submit, involves investment in people, and if you compare what this administration does to our human capital investments with what other industrial societies do for theirs, I think you understand therein the concern that a number of us have about the investment decisions being made by the administration.

I do not believe it is wise public policy, for instance, for us to provide less in youth training funds this year than we did in fiscal year 1981, especially when we have, I think, a general consensus that CETA is going to go by the board.

If you are a worker in West Germany, you are entitled by law at some time during your adult working life to up to 2 years of retraining. They understand that economies change so fast in 20 years that in order to be productive, workers often have to be retrained in totally new skills or certainly in spinoffs of old and existing skills.

This society spends less in investment per worker, in job training funds per worker, than any other industrial society, and I suspect that has a whole lot to do with our decline in productivity increases, vis-a-vis our major competitors around the world.

If you take science education, from 1960 to the present time our investment in basic R. & D. in science has dropped by 20 percent as a percentage of gross national product. Remember when Sputnik was supposed to have us go the other way? It has not turned out that way. Today we spend 20 percent less. The Germans, on the other hand, are spending over 20 percent

more as a percentage of GNP than they were in 1960. The French are spending over 30 percent more, and the Japanese are spending over 40 percent more.

I suggest that this has something to do with the decline of our lead in productivity.

Take a look at language studies. As the chairman of the committee has said—and, incidentally, I want to take this time to congratulate him. He has, I think, done an excellent job working under the most strenuous and difficult circumstances possible, and I admire the tenacity with which he has attacked the job. I intend to give him all the support I can in passing the committee resolution.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GEPHARDT. I yield 5 additioanl minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. I thank the gentleman.

But as the chairman has pointed out, you can buy in any language, but if you are going to sell, you had better sell in the language of your customer. We do a lousy job as a society in training people to speak foreign languages. If you go to Latin America, you will find Japanese businessmen all over the map speaking Portuguese and speaking Spanish. How many American businessmen speak the same language? How many American businessmen speak Japanese?

When the Russians invaded Afghanistan, we could not find a single person at the Voice of America to speak to the world in the language that most Afghans speak—Pushtun.

□ 1430

So instead we broadcast our broadcasts in Farsi. Two percent of the people in that country speak that language. That is not a very effective way for this country to get its message across to the world, and yet the President's buget makes a substantial reduction, again, in foreign language training programs.

Student loans. How does it fight inflation by requiring students who have to borrow the maximum in order to go to school to pay $4,000 more over the life of that loan in order to go to school.

I would not be a Member of this House today if it were not for the fact that I was fortunate enough to receive a Government scholarship to continue my education back in my college days. In those days we were smart enough to label everything under the sun "defense." So I got a scholarship to study Russian Government under what was called the National Defense Education Act.

Now, I suspect if we could find a way to label it the national defense science education program and the national defense foreign language program, we could pass a whole lot of programs we cannot pass today because we do not have a title which is quite as sexy in terms of public relations.

Take medical schools. I held hearings on the President's budget all over my district last week. A doctor come in, and he said, "Congressman, why don't you admit that if you pass the President's budget you are turning every medical school in this country into a rich kids' school?" He said, "My mother was the first woman in Vernon County to accept ADC. She got $12 a week whether she needed it or not." And he said, "I had to work my way through college and work my way through medical school, and I was lucky to have a wife who could help me with it." But he said, "With the costs today, there is no way that anybody from my background can afford to go to the University of Wisconsin Medical School, or any other medical school you can name." He said, "I guarantee you that you are pricing out average families out of dream of ever having their son or daughter become a doctor."

I do not think we need to do that in this budget.

Teachers' salaries. In 1970 dollars, teachers' salaries today are $3,000 on average lower than they were in 1970. You wonder why we have trouble educating kids today. You wonder why SAT scores are dropping. It is because some of the best minds in the country are no longer staying in education because it is not a good economic deal.

This budget makes it much more difficult to retain quality teachers in schools.

Health care cost control. Health care as a percentage of our GNP is expected to be about 9½ to 10 percent this year. It is predicted to be 17 percent of GNP by 1990. And the President's budget cuts the three programs that have most to do with controlling health costs in this country. It guts the PSRO program. It guts the HMO program. And it guts the program for the health planning agencies at the local level which prevent people from overbuilding on hospital construction and nursing home construction.

Again, I had people testify in those hearings in my district. One community came to the local health planning agency and wanted to add 20 beds to their hospital. The local health service planning agency worked with them, and before they were finished they removed their request for a 20-bed increase, they went to an outpatient program, and they wound up later reducing their hospital capacity by 12 beds. That saved a lot of money in that community.

The peer review system has helped make doctors more efficient. It has helped reduce unneeded surgery and unneeded hospitalization. It has helped doctors improve their treatment practices. In States like mine it has helped save money. It is being gutted in this budget.

These are just some of the decisions that will save pennies and cost dollars.

These mistakes can be rectified for very little money. We can get that money from other areas that have been untouched.

Mr. Chairman, I am out of time and will continue my analysis on Monday.

Mr. GEPHARDT. Mr. Chairman, I yield my remaining time to the gentleman from Massachusetts (Mr. DONNELLY).

The CHAIRMAN pro tempore. The gentleman has 2 minutes remaining.

Without objection, the gentleman from Massachusetts is recognized for 2 minutes.

There was no objection.

Mr. DONNELLY. Mr. Chairman, I had no intention of prolonging this general debate on the budget resolution, but the comments of the gentleman from California (Mr. PANETTA) hit upon what is the most significant, other than the difference in economic assumptions, difference between the House Budget Committee resolution and the Gramm-Latta substitute, and that is the reconciliation process.

I have been reading in my newspapers back home in New England, comments from my colleagues on the Republican side of the aisle from New England, who are saying that they will vote for Gramm-Latta but, in effect, do not worry about it because when the cuts come to the authorizing and appropriations committees, and those cuts that will be devastating—devastating—on New England, do not worry about it, we will mute them and we will take care of them.

Well, the fact of the matter is they will not be able to mute them, they will not be able to take care of them, and programs like fuel assistance, weatherization, housing, education, and transportation, those programs will be cut substantially.

Under HHS's own figures, Mr. Chairman, if we accepted President Reagan's program, not the 103 percent of it that my friends on that side of the aisle want to give them in Gramm-Latta, States like Connecticut, just in programs like health services, social services, and fuel assistance, will lose $30 million. States like Massachusetts will lose $62 million. States like New Hampshire will lose $10 million. States like Rhode Island, $11 million. And on and on and on.

I do not think we were elected to kid the people that we represent. We were elected to be straight with them and to be honest with them.

If you adopt Gramm-Latta, do not go home to your people and say, "Do not worry about it because the appropriations and authorizing committees

will take care of it." They will not be able to take care of it.

The Education and Labor Committee will be ordered to cut $11.1 billion in outlays, and $13.5 billion in budget authority. You cannot take care of your pet programs, you cannot take care of your regional programs if you are cutting out $13 billion.

The CHAIRMAN pro tempore. All of the time of the gentleman from Missouri (Mr. GEPHARDT) has expired.

Mrs. MARTIN of Illinois. Would the Chair advise us how much time we have left?

The CHAIRMAN pro tempore. We have 4 hours and 22 minutes.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia (Mr. BLILEY).

Mr. BLILEY. Mr. Chairman, as I remarked the other day, in considering the first budget resolution, we are confronted with a clear choice: Continuing the reckless taxing and spending policies of the past which have brought us to the brink of economic disaster or charting a new course of fiscal responsibility under the leadership of Ronald Reagan by adopting the Gramm-Latta substitute.

Any discussion of the budget and how we ought to cure our economic illness, must examine how we got into this mess. Otherwise, we may miss the whole point. Unfortunately, that concept—of trying to account for the mess we are in—seems to have escaped the 17 Budget Committee members who voted for the committee resolution.

The history of our economic illness is quite clear. The Federal Government is the culprit. Under the guise of social progress, the Federal Government has, for the past 30 years, subjected the American people to runaway taxation, and runaway regulation. These policies have produced back-to-back years of double digit inflation for the first time since World War I; interest rates of 15 percent; 7½ percent unemployment. All in the name of progress—progress not achieved. These reckless policies have not crept up on us—they are the result of conscious acts by the Congress.

The Federal budget has been balanced only once in the last 20 years. Meanwhile, the national debt has grown from $280 billion to almost $1 trillion. That, Mr. Chairman, is over $12,000 for every family in the United States. Since 1976 alone, the amount of Federal spending for each household in the United States has increased by over 46 percent.

To cover burgeoning deficits caused by its reckless spending, Washington prints more and more money—causing more and more inflation—the crime is compounded. From 1960 to 1965, the U.S. money supply grew an average of 3.1 percent per year and inflation averaged only 1.6 percent. From 1975 to 1980, as the Federal Government heated up the printing presses, the money supply grew at twice the early sixties rate—an average of 7.1 percent. During the same period, inflation accelerated to an average annual rate of 7.2 percent and we all know that it is even higher today. Unless we stop spending, our Nation faces economic collapse.

High tax rates have been another major cause of our economic woes. Cutting marginal income tax rates is integral to the President's program, and to economic recovery. Those who supported the committee budget resolution obviously do not think the people need tax relief. I disagree. In 1965, the average family paid $1,500 in Federal taxes; in 1980, they paid $5,500. Federal taxes as a precent of gross national product—our national income—have risen steadily from 17 percent in 1965 to 20.3 percent today. At the same time, spending has risen to 22 percent of GNP—over one-fifth of the economy's annual production. Unless current trends are reversed, the Federal tax take will rise to over 23 percent of GNP by 1985—nearly one-quarter out of every dollar earned in the Nation. In 1982 alone, with no tax relief, individual taxes will rise by $52 billion.

Excessive Government regulations have also contributed their share to wrecking the economy. Some argue that regulations exist only to protect the American consumer. The more than 100,000 pages of Federal regulations on the books cost Americans over $100 billion a year. Amercans take 800 million hours each year filling out forms for the Washington bureaucracy. Regulations on the automobile industry add approximately $666 to the cost of every new American car. This is the kind of protection one buys from organized crime, not from a free government. The American people deserve better.

The Government is the culprit. My colleagues, we in the Congress are the culprits. In considering this first budget resolution, we have before us only one measure based on the principles of fiscal responsibility necessary to restore prosperity to the American economy. Many voices will be raised in opposition to the spending cuts; we will be told time and time again that they will hurt too much, and that those of us who support Gramm-Latta lack compassion. I know that cuts may hurt. I know that funding will be reduced for some constructive programs. But we simply cannot afford to continue down the reckless spending path of the past 30 years. A billion more here and a billion more there is no longer acceptable. We just cannot afford it. The President was right—we have no other choice.

Mr. Chairman, the Budget Committee wants to spend more than $90 billion for interest on the national debt in fiscal year 1982. Gramm-Latta cuts only $54 billion from President Carter's proposed budget. If it were not for the reckless spending of the past three decades, we could adopt a budget today with a sizable tax reduction, and not have to cut $54 billion in spending. Interest rates would not be hovering near 20 percent; inflation would not be running at double digit levels; unemployment would not be 7½ percent; savings and investment would not be among the lowest in the free world; real earnings of American workers would not be declining; mortgage rates, which have priced some 90 percent of all renters out of the homebuying market, would not be over 13 percent.

I ask my colleagues: Are we going to face up to reality as the President has and adopt his "program for economic recovery"? Or will we try to postpone the day of reckoning until tomorrow?

In closing, I would like to quote for my colleagues a great Virginian, John Randolph, who once served in this house. I ask you to reflect on what different decisions we would be confronted with if his advice had been heeded in the past; and how much more difficult those decisions will be tomorrow if we do not chart a new course by adopting the President's program. Mr. Randolph said, "I have found the philosopher's stone. It is pay as you go, pay as you go." Let us heed those words and join together with the President, chart a new beginning, and restore prosperity and opportunity to the Amerian economy.

□ 1445

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. MARKS.)

Mr. MARKS. Mr. Chairman, I rise today to urge all of my colleagues, on both sides of the aisle, to support the Reagan bipartisan budget substitute. As my colleagues are aware, this budget will be offered by Representatives GRAMM and LATTA as the last alternative budget when we vote next Tuesday. But this budget is not only the last choice for the budget for the House of Representatives to vote on. It is also the last hope for our country—to end the debilitating inflation/no-growth budgets this country has suffered from for so many years.

Mr. Chairman, unlike the other budget choices we will be able to vote on next week, only the Reagan bipartisan budget offers a real choice. It is the choice between the way things have been and a new way. It is the choice between continued inflation and a reduction in inflation. It is the choice between tax burdens which create economic disincentives and some long overdue tax relief. It is the choice between an inadequate defense

budget and the money for our country's defense which is so urgently needed. It is the choice between slow economic growth and an improved economic picture. It is, finally, the choice between no hope and having hope. Frankly, I do not think the choice is a very difficult one.

When President Reagan was elected in November, an overwhelming majority of the American people were saying "It is time for a change. We must try something new." The Reagan bipartisan budget represents that change. It is something new; and, as such, it represents a new chance for our country's economic health. This budget spends $141 billion less over the next three years than does the committee's business-as-usual budget. It provides $147 billion more in tax relief during the next few years than does the committee's business-as-usual budget.

I strongly urge my colleagues on both sides of the aisle to support the President in this vital budget vote and to pass the Reagan bipartisan budget.

● Mr. CORRADA. Mr. Chairman, I rise in support of House Concurrent Resolution 115, the first concurrent resolution on the budget for fiscal year 1982.

First of all I would like to congratulate the chairman of the committee, my good friend and colleague, JIM JONES, for his diligence, hard work, and leadership in developing this budget resolution.

We all know what the mood of the country is regarding budget cuts. We realize we will have to accept some of these cuts.

Having said this, I still cannot, in good conscience, support President Reagan's recommendations that we support the Latta-Gramm substitute. I believe the Latta-Gramm substitute budget not only cuts out the fat but also cuts into the bone of vital Federal programs important to our poor people and important to the economic and social development of the Nation. Furthermore, the so-called social safety net for the poor is full of holes and inequities.

Chairman JONES and the members of the House Budget Committee have done a commendable job in presenting us with an alternative budget which in many ways is more humane and equitable than the Latta-Gramm proposal while accomplishing the goal of restraining Federal expenditures and reducing the budget deficit. As a realist I support the committee bill.

I would be remiss, however, in my responsibility if I did not at this time express my disappointment at the Budget Committee's decision to go along with cuts to certain programs which I consider crucial and which will not likely be replaced by opportunities in the private sector.

One case in point, Mr. Chairman, is the recommendation to eliminate the public service employment programs authorized by titles II-D and VI of the Comprehensive Employment and Training Act (CETA).

I do not think that anyone in this chamber believes that the private sector in this country is in a position to absorb the 300,000 persons that are presently employed under the CETA program, many of them with limited skills and in areas of high structural unemployment. Maybe in 2 or 3 years, if everything that the administration is forecasting as far as the economy is concerned happens, private industry will be in a position to absorb these people along with the additional hundreds of thousands that will be entering the job market during these years. That is why I would have preferred to have the committee recommend a phase out of these programs over a 3- or 4-year period rather than immediate termination.

Having said this, I have no option but to support the committee budget as the most reasonable and balanced that we are likely to get at this time.●

● Mr. DERWINSKI. Mr. Chairman, now is the time for all good men and women in this body to come to the aid of an inflation-weary public. The bipartisan, administration-backed budget resolution offers us a unique opportunity to respond positively and constructively to an almost deafening public demand for fiscal restraint and responsibility in the Federal Government.

President Reagan, in his precedent-breaking appearance before us Tuesday night, summed it up succinctly when he said "there are no more alternatives left." Overindulgence in spending has been a major contributor to the economic burdens inflicted on all Americans. The time has come for a new approach—an approach that is both comprehensive and realistic. That is why I am supporting the Latta-Gramm substitute budget amendment.

As the ranking Republican on the Post Office and Civil Service Committee, I can assure you participation in the budgetary process is a David-Goliath experience for our committee. Membership on our committee is not a headline-grabbing assignment, but when this body immerses itself in the budgetary process, the Post Office and Civil Service Committee plays a feature role. This year is no exception. Under the House budget resolution, our committee will be responsible for producing more than one-third of the more than $13 billion projected savings because of the price tag of legislation under our jurisdiction.

Among the major items under our jurisdiction are the Federal pay reform plan, legislation providing for once-a-year cost-of-living adjustments for Federal annuitants, and a reduction in postal subsidies.

Because of our committee's major impact on the budgetary process, I have worked up a comparison of savings in the Reagan budget, the Latta-Gramm substitute and the House Budget Committee resolution. For comparison purposes, the Reagan budget and the Latta-Gramm substitute are identical in their treatment of legislation under our jurisdiction.

A comparison of postal subsidies under existing law, Reagan budget, and House Budget Committee resolution is as follows:

[In millions of dollars]

	Existing law	Reagan	Budget Committee resolution
Public Service	644	300	300
Revenue foregone	789	500	650
Previously unfunded liability of Post Office Department	69	69	69
Total	1,502	869	1,019

Accordingly, the Reagan budget would result in savings of $633 million. The House budget resolution restores $150 million in revenue foregone above the Reagan budget. The savings are estimated at $483 million.

PAY REFORM

The Reagan, Budget Committee resolution, and the Latta-Gramm substitute all assume enactment of the Pay Reform Act. This would result in an October pay raise of 4.8 percent for Federal employees. Savings are estimated at $3.7 billion.

COLA

The Reagan, House Budget Committee resolution, and the Latta-Gramm substitute assume enactment of legislation providing for once-a-year COLA for Federal annuitants. Reagan budget estimates savings at $510 million, while the House budget resolution savings are lower at $480 million.

REDUCTION IN FEDERAL EMPLOYEES

Reagan budget assumes a reduction of 63,100 positions. This results in an estimated savings of $1,600 million.

The House Budget Committee resolution restores $20 million for IRS investigations and collections and $37 million for examinations and appeals. It claims the $57 million for IRS will result in approximately $487 million in additional revenues.

CIVIL SERVICE AGENCIES—MERIT SYSTEMS PROTECTION BOARD, OFFICE OF PERSONNEL MANAGEMENT, SPECIAL COUNSEL, AND FEDERAL LABOR RELATIONS AUTHORITY

Reagan budget assumes a $12.1 million savings in agencies' budgets.

Budget Committee Resolution does not address items, because they are not large enough. Appropriations Committee will deal with these agencies.

INTERGOVERNMENTAL PERSONNEL ACT

Reagan budget assumes dissolution of program; $8.6 million is provided for fiscal year 1982 to fund various programs in existence.

House Budget Committee resolution does not appear to address item. This is because the savings are so small.

"DUAL COMPENSATION" FOR NATIONAL GUARD RESERVES

Federal employees who are members of the Guard and Reserves presently receive both the regular employee salary and Guard or Reserve pay during summer training camp. Limiting their total compensation to their salary would save an estimated $52 million.

The Reagan budget assumes enactment eliminating dual compensation.

House Budget Committee resolution recommends in reconciliation section, enactment of legislation eliminating "dual compensation," will result in savings of $52 million.

In conclusion, it would be a serious mistake to reject out of hand President Reagan's request for comprehensive reductions in Federal spending. We cannot take the position that reductions should be selective and piecemeal. The choice is clear. Either we accept realistic, across-the-board budget cuts, or face continued economic stagnation.●

● Mr. DREIER. Mr. Chairman, The House is currently debating what is, without a doubt, the No. 1 issue on the minds of Americans today. We are preparing for one of the most important votes we will cast as Members of Congress. The citizens of this great Nation have entrusted in us their very futures. We cannot fail them.

This body has both a grave responsibility and great opportunity. For when we vote to enact the economic proposals of President Reagan as embodied in the Gramm-Latta substitute, we will be voting for a new future for this Nation. As President Reagan said in his speech to the Nation on February 5:

> It's time to recognize that we've come to a turning point. We're threatened with an economic calamity of tremendous proportions and the old business-as-usual treatment can't save us. Together, we must chart a different course.

The new course which President Reagan and the Gramm-Latta substitute set forth is one of economic prosperity, national security, and social sensitivity. The President's comprehensive program for economic recovery, as a package, will restore our country to the greatness we once experienced.

The program will cut inflation in half by 1984, and create millions of new jobs. Aftertax incentives to encourage productivity and investment will be restored. The President's program is the key to a strong, stable, and prosperous Nation which maintains its commitment to the truly needy.

I ask my colleagues on both sides of the aisle to join together in restoring an economic foundation upon which this Nation can grow: a foundation based on responsible Government spending, lower taxes, relief from stifling Government regulation, and a sound monetary policy.

The citizens of this great country deserve policies which provide hope, not only for their economic future, but also for that of their children. We cannot destroy their growing sense of optimism by refusing to let go of economic policies which have repeatedly failed.

I urge my colleagues to vote "yes" for the only measure which offers a new economic course for this Nation: the Gramm-Latta bipartisan substitute.●

● Mr. COATS. Mr. Chairman, as we work toward passage of our first concurrent budget resolution, I am becoming increasingly concerned with charges that the President's program for economic recovery is antifamily and a scourge on the poor.

There are indeed individuals in our society who are dependent upon us through no fault of their own. It is very clear to me that the President's proposal does not threaten these individuals. We know, if fact, that the administration-sponsored bipartisan substitute would actually increase that portion of the Federal budget which goes to preserving the social safety net of programs for the needy.

I was pleased to discover in yesterday's Wall Street Journal a very clear discussion of the President's program and its true effect on the poor. I recommend this editorial to my colleagues' attention:

BUDGETS AND THE POOR

As the crucial House budget debate opens, much of the starch seems to have gone out of the traditional liberal Democrats, but they will doubtless continue to mouth their arguments that the Reagan budget cuts are heartless toward the poor. We are prepared—nay eager—to argue that the Reagan combination of a safety net and economic re-invigoration will be far better for "the poor" than the income redistribution programs the Democrats have always supported.

The kind of game the Democrats have played with poverty is neatly captured in a recent report by their economic braintrust, the Congressional Budget Office. The CBO report caught headlines and the network news shows by saying that 20 million to 25 million poor people would lose income as a result of the budget cuts. Senator Kennedy, who had ordered up the report along with House Budget Committee Chairman James Jones, branded the Reagan proposals an "anti-family budget."

If you look at the report, though, you find a telling anomaly. In deciding who falls below the povery level, the CBO counts "money income," which does not include in-kind aid such as public housing, medical benefits and even food stamps, which look a lot like money to us. In deciding what "the poor" will lose from the Reagan programs, though, the CBO tots up the loss from something else, "spendable income," which includes the in-kind transfers. In other words, in-kind income somehow doesn't count when you give it to the poor, but it does count when you take it away.

A pretty shoddy game for a supposedly professional office that now works for a Republican Senate as well as a Democratic House, but about par for the way "poverty" has been treated these last few years. In order to dispense social welfare benefits, of course, you have to define the eligible "poor." But after you have given them the benefits, do they always remain "poor"? Or at some point have you established the "safety net" that the administration says it will maintain?

There are now more than 180 federal welfare programs, dispensing about $350 billion, or around half of total federal spending. A recent Census Bureau study showed that 34.4 percent of all Americans received in-kind benefits in 1979, and that 74.5 percent of the recipients had money incomes above the poverty line. According to the Office of Management and Budget, 61 percent of total assistance to low-income families is in the form of in-kind benefits. Given this flow of funds, how do economists manage to find any "poor" Americans left?

While it didn't choose to point to them in the current debate, the CBO itself has some data in this question, unofficially reported in speeches by some of its experts. In fiscal 1980, there were over 41 million "poor" persons in the U.S., or about 18.8 percent of the population, if you exclude all government benefits. Once cash transfer payments are included, the number of "poor" persons is halved to 18.8 million, or 8.6 percent of the population. If you add in the value of in-kind transfers, the number is again slashed to under 9 million or 4.1 percent of the population. If you go back to deduct medical care benefits, as a special case, the "poor" amount to 13.5 million or 6.2 percent of the population, who on the average fall below the poverty level by $13 a week.

These numbers are small enough that you must be talking mostly about special cases—retired persons with no incomes but substantial assets, persons who do not want to participate in the programs, and so on. The conclusion seems to us inevitable that we do have a "safety net" providing basic support for the unfortunate. By its own definition the war on poverty has been won. But the traditional liberal Democrats have never taken credit for their victory, because it would remove the excuse for a lot of vote-buying, and because it gives the lie to their promise that ending poverty would end social pathology.

The safety net will not be removed by the Reagan programs. For all its headlines, the CBO study found that of those defined as poor by the "money income" test, only about 4 percent would lose more than 5 percent of their incomes, and by the logic of the matter these have to be persons receiving multiple in-kind benefits lifting their "spendable income" considerably above the poverty level. These numbers suggest, in fact, that the Reagan budget-cutters have done an outstanding job taking the bulk of their savings from the many non-poor who receive transfer benefits.

No one can be happy, of course, about the less fortunate among us losing even 5 percent of their support. But the Reagan program holds out the hope of something in return—a return to a healthy and growing economy, surely the best anti-poverty tonic

ever. With the basic safety net in place, what the poor now need most is not handouts but opportunities. To actually solve their problems, the poor need the satisfaction of making a contribution to society, a chance to advance and—perhaps even more important—a chance to see their children advance. In terms of helping the poor, the Reagan program moves the emphasis where it now ought to go—away from further income redistribution and toward opening the paths of social mobility.

● Mr. LEE. Mr. Chairman, I am today joining with the many members of this House and the American public who have voiced their overwhelming support for the Gramm-Latta budget substitute, embodying the administration's proposed reductions in fiscal year 1982 spending.

I feel that it is imperative to take this first, most important step toward the fiscal solvency of this Nation. There can be absolutely no doubt in the mind of any Member of this House that this is the time for substantial action. We have not, in these past 25 years, had the attention and the approval of our constituencies, and the ambition of a leader like President Reagan, in the harmony we enjoy today. I believe that each and every one of us has had the urge to cut this Government back to a commonsense size, but found ourselves halted by special interest pressure on Congress as a whole or by an uncooperative Chief Executive. Today, those conditions are favorable.

The White House has presented us with a realistic program of spending reductions, and has given us realistic revenue figures at the same time. Neither side of that budget equation, to the best of my ability to discern, has been bloated or deflated artificially simply to win votes. It is a golden time to abandon the recycling of tired economic programs in favor of change—real change.

I urge my colleagues in this House to cast their votes in favor of President Reagan's budget initiatives, in favor of change, in favor of an approach untried, and to give it that opportunity to work. My vote will, most certainly, be cast with our President.

Thank you for this opportunity to make my feelings known.●

Mrs. MARTIN of Illinois. Mr. Chairman, we will reserve the balance of our time for next week.

Mr. JONES of Oklahoma. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BENNETT, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 115) revising the congressional budget for the U.S. Government for the fiscal year 1981 and setting forth the congressional budget for the U.S. Government for the fiscal years 1982, 1983, and 1984, had come to no resolution thereon.

AWACS TO SAUDI ARABIA

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I rise today to offer my voice to the growing opposition to the administration's proposed sale of sophisticated airborne warning and control (AWACS) aircraft and offensive add-on equipment for F-15 fighter planes to Saudi Arabia. If the Congress fails to disapprove this plan when formally submitted, the United States will have heightened Israeli fears that this Nation no longer places the independence and security of the State of Israel at the pinnacle of its Middle East policy, and will assuredly cast grave doubt on the prospects for future peace and stability in the region.

The United States has an undeniable interest in countering the threat of Soviet expansion in the Middle East, and in particular enhancing the defensive capability of key gulf states that still regrettably dictate America's energy and economic future. Clearly, the Saudis have consistently played the temperate role in the machinations of OPEC politics and are deserving of U.S. support.

While this Nation must indeed pursue a balanced strategy in the Middle East, our primary focus must continue to be the protection of Israel's security. This proposed sale to the Saudis is not only contrary to the goals and spirit of the Camp David process, but also represents a direct and very dangerous threat to our traditional and most allegiant ally in the region—Israel. The highly sensitive AWACS aircraft would give the Saudis the capability of monitoring Israel's defenses and conveying tactical information to states that are enemies of Israel, as well as coordinating with precision any offensive attacks on Israel. Saudi F-15's equipped with additional fuel tanks and missiles would be able to accurately and with little warning strike Israeli targets.

Although at first blush it would appear that the Saudis might not be quite as aggressive as some of its neighbors in its posture toward Israel, recent actions affirm historical patterns that indicate otherwise. The Saudis currently pay tribute funds in the millions of dollars to support PLO terrorist activities; they have condemned and hindered the Camp David process; they have severed relations with our closest Arab partner of Egypt; and at the Taif gathering of Moslem states just a few weeks ago, the Saudis called for a jihad or holy war to eliminate the State of Israel.

Thus, Mr. Speaker, the administration's proposed sales would pose a direct threat to Israel, would disrupt continuing efforts to achieve a comprehensive and lasting peace in the region, and would do little to check Soviet intrusions into the region. Further, the recent American experience in Iran should teach us to recognize the danger of placing sophisticated offensive weaponry in the hands of undemocratic regimes that do not hold a firm grasp on power.

The administration's foolhardy plan will only result in a sharp escalation of military buildups in the region further imperiling the fragile framework for meaningful peace that has been developed thus far. Never before has the Congress blocked such an arms sale, yet never before has the need for such action been so very great. I urge my colleagues to join in congressional efforts to disapprove this proposed sale now in the hope that the administration might be convinced of our firm resolve to deny its formal request when submitted. Thank you, Mr. Speaker.

OPPOSE NOMINATION OF JOHN CROWELL FOR ASSISTANT SECRETARY OF AGRICULTURE

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, I am extremely dismayed by the administration's poor choice of John Crowell to be Assistant Secretary for Natural Resources and Environment. In this capacity Mr. Crowell will supervise the Forest Service and shape and implement public forest management policy.

Mr. Crowell was formerly an attorney for Georgia Pacific Corp., before it was forced to divest itself of some of its holdings as part of an antitrust agreement. At that time, he became general counsel for the Louisiana Pacific Corp., a company formed from Georgia Pacific's divested assets. Louisiana Pacific is the second largest lumber producer in the Nation, and purchases more public timber than any other company.

In addition to serving as counsel for these corporations, Mr. Crowell aggressively promoted dramatic, nonsustainable increases in national forest timber sales and other controversial forest policies which would largely benefit huge timber corporations.

Mr. Crowell has spent his entire career as an attorney and spokesman for the major timber corporations. As such, he has been an outspoken advocate for the management of our public lands for the single use of timber man-

agement above all other uses. He is the wrong choice to oversee the forests that belong to all the American people. He is the wrong choice to direct the agency legally responsible for carrying out perpetually sustainable multiple-use management of these lands.

As someone who represented the largest public timber purchaser in the country, Mr. Crowell promoted the industry's point of view on a number of issues: The small business set-aside program, National Forest Management Act regulations, clearcut sizes, streamside buffer strips, departures from the Forest Service's even-flow, nondeclining yield formula, and others. On all of these issues Mr. Crowell's efforts were expended to maximize timber production from the forests at the expense of the rest of the multiple uses.

If the Senate confirms this nomination I fear that the 190-million-acre national forest system will suffer the same kind of abusive management that has befallen the private forests. Mr. Crowell's confirmation will put the timber industry in charge of the national forests. When that happens our public lands will face the same irresponsible, cut-and-run mismanagement, and soil and watershed degrading harvest practices that have wreaked havoc on the private industries' own timberlands. The private industrial forests are now running out of timber and the industry is casting its rapacious eyes on the last old-growth reserves in the public forests. Mr. Crowell's own public statements on forestry issues indicate that he will facilitate this dismal process.

Mr. Crowell wants to eliminate restrictions on clearcut sizes. He opposes designing them to enhance wildlife habitat and minimize visual impacts. This is despite the fact that clearcutting the national forests was considered so objectionable it was almost eliminated by the Monongahela decision. After a great national debate on this and other forestry issues, the Congress passed the National Forest Management Act. This critically important act included specific language to mitigate the effects clearcutting could have on esthetics, on wildlife habitat, and on soil and water resources. In opposing these clearcutting standards Mr. Crowell puts timber production first, because of fear that such mitigation procedures might reduce maximum harvest levels.

Mr. Crowell wants to harvest more timber from streamside buffer strips. Again, timber production has a priority over watershed values and the protection of fishery resources. Timber harvesting and its associated roadbuilding has caused extensive damage to our formerly productive anadromous fisheries. The watersheds of the national forests are our last reservoir of habitat of this valuable sport and commercial fishery. Thoughtless, short-term, excessively timber oriented management of the national forests can eliminate this habitat reservoir. Streamside buffer strips are critically important for fishery production and ought to receive maximum protection from timber harvest.

Mr. Crowell has opposed wilderness allocations because they reduce timber production, disregarding the other multiple uses that wilderness provides to all the people. These multiple uses provided by wilderness are available in perpetuity at little or no cost. If, however, the national forests are to be dedicated as industrial tree farms with timber production paramount, those multiple uses will be degraded. Future management costs for restoring those cutover lands will fall on the taxpayer.

Mr. Crowell has aggressively opposed the small business timber sale set-aside program. Louisiana Pacific, Georgia Pacific, and the others claim timber production as the dominant use of the national forests. They seek to minimize protection of the other uses of the forest. In the same way, they want total control of the marketplace through elimination of the protection offered to small firms by the SBA's set-aside program. Without that program, of course, the smaller firms would be quickly driven out of business by the major timber corporations. Mr. Crowell has been the chief industry spokesman in this effort.

All of these examples demonstrate a mind set of maximizing timber production for the benefit of these corporations, regardless of the cost to the environment, sustainable yield of resources, or to smaller, independent timber companies. This attitude is further reflected by Mr. Crowell's insistence that the national forests increase harvest rates of the country's last reserves of old-growth timber by departing from the even-flow nondeclining yield harvest formula. This extremely irresponsible demand will produce a short-term gain for some, but will leave the Northwest and other regions facing a dramatic shortage of timber in the future. The cost to timber-dependent communities, millworkers, and overcut regions will be severe.

What Georgia Pacific, Louisiana Pacific, and most timber companies want, of course, is to increase timber production from the national forests. It is a laudable goal which I fully support, provided that the harvest level is sustainable and that other forest resources are not degraded in the process. Mr. Crowell and others have long advocated the best way to increase harvest levels would be to scrap the even-flow, nondeclining yield formula for determining harvests. Mr. Crowell has called this formula—which says that we must only harvest as much timber as we can replace—"absurd." I strongly disagree.

When Congress passed the National Forest Management Act of 1976 (NFMA), it was widely hailed, by both the timber industry and environmental groups, as one of the most farsighted and progressive pieces of forestry legislation ever established. The act affirmed that the public's forests are to be managed for all the multiple uses—timber production, watersheds, fisheries, wildlife, and recreation among others. Under the act, all of these resources are to be managed on a sustained-yield basis. But one of the act's most basic principles—one that is absolutely crucial to maintaining long-term, steady production of timber from our national forests—is the concept of even-flow, nondeclining yield.

This concept was made part of the act to guarantee that national forest timber is managed to provide a perpetually sustainable supply of timber. If we cut too fast, we will not have the trees essential to maintain a strong forest economy. Without the even-flow, nondeclining yield protected firmly in law, we could easily see pressures for short-term profits erode our long-term base supply of timber. Much of the timber industry if guilty of overcutting their own lands, yet continues to press for the elimination of the even-flow formula. It is clear that many large timber companies are perfectly willing to sacrifice the long-term economic well-being of thousands of millworkers in order to reap quick profits.

I sincerely hoped that when confronted with the responsibilities of administering the Multiple-Use Sustained Yield Act and the National Forest Management Act, Mr. Crowell would temper his outlook. After all, the Assistant Secretary is expected to manage public resources in a balanced fashion for all uses and interests, not remain an advocate for single-use timber management. This hope was darkened by Mr. Crowell's response during his confirmation hearing.

One of the more significant opinions he expressed was that it would be possible to increase timber harvests to around 35 billion board feet per year from our national forests. This would mean that present harvest levels would be tripled. It would cause widespread degradation of noncommodity forest resources—our watersheds, fisheries, wildlife, and recreational opportunities. Such a policy would mean the end of the even-flow formula and rapidly complete the liquidation of the Pacific Northwest's old-growth forest.

Old-growth forests are an irreplaceable resource. At present harvest rates, we have only a 30- to 50-year supply. Liquidation of this reserve at an even faster rate runs the grave risk

of causing a dramatic decline in future harvest levels.

Of course, the liquidation of the Northwest's old growth is of less concern to the timber corporations represented by Mr. Crowell than it is to smaller companies and independent mills. It is of less concern to the major timber corporations than it is to the millworkers and timber-dependent communities in the Northwest. The big corporations are already making plans to leave the Northwest. They can move their operations to the Southeastern United States, to Southeast Asia, to Brazil. The smaller companies and their employees are left to watch the clearcuts grow back.

This was not merely an offhand statement by Mr. Crowell. It is a reflection of a mind set of someone who has long served the interests of major timber corporations. It is a policy which has been advocated by them for years. To see someone who holds that point of view given authority over the Forest Service ought to deeply disturb those concerned with sustained yield management of our natural resources.

The timber industry is fond of saying that it is more efficient to liquidate our reserves of old-growth timber because it is "dead, decadent, and dying." They want to cut it as fast as possible so that it can be replaced by "thrifty young stands." They portray the old-growth forests as on the verge of collapse and themselves as heroes for rescuing the public from imminent resource waste.

This line is sheer nonsense. Those forests have been standing for 200, 300, 400 years or longer. They are at an equilibrium between mortality and new growth. They are not going to fall down and go to waste, and certainly not within the next 20 to 30 years. So those who advocate a policy of increasing the rate of old-growth harvest on these grounds are either grossly misinformed or are cynically using these arguments to satisfy narrow economic interests. As an advocate of these positions, Mr. Crowell is clearly not suited to be guardian of our timber resources.

We are now faced with the prospect of turning our national forests over to a spokesman for timber corporations that have overcut their own lands, are now discharging their employees, closing their mills, and moving from the Northwest. These companies are guilty of gross mismanagement. They have cut their lands beyond sustained yield, and now are demanding that the public's lands be managed in the same fashion.

Installing Mr. Crowell to implement forest policy is a perfect example of letting the fox guard the henhouse. It is simply incredible that someone who comes from a company that has carried out an almost classic cut-and-run timber operation can seriously be considered for this sensitive post. It boggles the mind that Mr. Crowell, who has had direct experience with the consequences of cutting beyond sustained yield, can call the even-flow formula absurd and publicly proclaim that we should depart from it.

I am convinced that whatever mandate that might have been given by the people to this administration did not include the changes in resource management that Mr. Crowell's appointment will bring. The American people still support conservation. They want the public lands managed wisely over the long term. They oppose the waste and economic dislocation associated with resource exploitation for short-term gains.

I understand that my point of view on forest management may not reflect the opinion of this administration. They have every right to nominate someone who they feel best represents their philosophy on natural resource management issues. But, I have further reservations about Mr. Crowell's ability to carry out Federal policies on public lands without encountering serious conflicts of interest.

It is the responsibility of the Senate to carefully evaluate this nomination. However, in recommending Mr. Crowell's confirmation, the Senate Agriculture Committee acted without the benefit of review of a recent Federal district court decision regarding Ketchikan Pulp Co., a wholly owned subsidiary of Louisiana Pacific.

The guilty verdict against Ketchikan Pulp Co. (KPC), now known as Louisiana Pacific-Ketchikan, raises serious questions about Mr. Crowell's activities in his role as general counsel for the parent corporation, and potential conflicts of interest in actions the U.S. Forest Service might take against KPC as a result of that guilty verdict.

The court found that KPC and Alaskan Lumber & Pulp Co., a Japanese-owned firm, were both guilty of conspiracy "to restrain trade and to monopolize the timber industry in southeast Alaska." The court found that the "two mills achieved monopoly power and exercised this power." Both firms have great natural advantages due to their possession of 50-year leases with the Forest Service which guaranteed them a vast timber supply of their own. The court found that the firms utilized this advantage in "concerted and combined efforts to control the Alaska timber market, to eliminate competition, and to maintain and exercise monoploy power." The decision stated that the wholly owned subsidiary of Mr. Crowell's firm, "together with its executives and employees, was a member of the conspiracy."

Mr. Crowell served in the general counsel's office of Georgia Pacific when that corporation was an owner of Ketchikan Pulp Co. The antitrust activities described by the court were occurring at the time, as well as during the period the company was owned by Louisiana Pacific. In fact, the judge listed both Georgia Pacific and Louisiana Pacific among the coconspirators in this very serious antitrust violation. Mr. Crowell, as a lawyer for Georgia Pacific and general counsel for Louisiana Pacific, would inevitably be involved in advising his company on acquisitions, business practices, contracts, negotiations, and other legal actions.

At this time, it is unclear what role Mr. Crowell may have played in the actions of KPC in Alaska. It is essential that the full range of Mr. Crowell's knowledge of and participation in the actions of Ketchikan Pulp Co., if any, be determined by the Senate before a vote is taken on his confirmation. I urge my colleagues in the Senate to scrutinize carefully this case and thoroughly evaluate whatever part in which Mr. Crowell may have participated.

Even if the record shows no involvement by Mr. Crowell in Ketchikan Pulp Co.'s activities, as Assistant Secretary he will have a great deal to say about Louisiana Pacific's operations in Alaska and elsewhere. The Alaska subsidiary is totally dependent on U.S. Forest Service timber sales. Section 705 of the Alaska Lands Act require the Forest Service to spend at least $40 million or "as much as the Secretary of Agriculture finds as necessary" shall be expended to assure a timber harvest from the Tongass National Forest of 450 million board feet per year. The 50-year contracts that L. P. Ketchikan possesses guarantees them a certain portion of this timber per year and allows them to select sale sites. As a result, all Forest Service actions in Alaska are bound to affect KPC and Louisiana Pacific in a direct way.

Mr. Crowell has promised to remove himself from involvement in any specific matter affecting Louisiana Pacific. Does this mean that he will avoid having to do with all Forest Service activities related to timber management in Alaska? Apparently so.

The Forest Service has several actions that it could pursue in response to the antitrust verdict of guilty. The conspirators manipulated stumpage values by falsely reporting the costs of harvests and the price of materials sold. Stumpage value manipulation is a breach of contract. The Forest Service could sue the corporation to recover funds lost to the Treasury. The Forest Service could discharge the 50-year contracts. The Forest Service could debar the firms from bidding on timber sales in the Tongass. It strains credibility to assume that the personnel within the agency would be insensitive to their Assistant Secretary's past association with Louisiana in considering these options.

The activities of Georgia Pacific and Louisiana Pacific are so closely tied to USFS actions and policies, it is difficult to imagine that Mr. Crowell would not be continually confronted with potential conflicts of interest. For example, how can he deal with the issue of departures from the even-flow nondeclining yield formula, when the Nation's major public timber purchaser, Louisiana Pacific, would obviously benefit? How will he deal with the issue of log exports and enforce the Federal regulations against the substitution of Federal timber for privately exported logs, when his former employers may benefit from such activities?

Mr. Crowell presided over a National Forest Products Association task force which recommended weakening NFMA regulations dealing with clearcut sizes and harvesting within streamside buffer zones. How can he deal in a balanced fashion with regulatory changes that will dramatically effect watershed qualities, fisheries, forest diversity, and old-growth forests, when weakening of these regulations will have a direct financial benefit to his former employers and other timber companies?

In Mr. Crowell's reclusal statement, he said that he would not involve himself in any matters regarding the SBA's timber sale set-aside program. He said he would not involve himself in specific matters dealing with Louisiana Pacific or Georgia Pacific. He also said he would not involve himself in matters arising under the Federal Insecticide, Fungicide, and Rodenticide Act in that it would effect a pesticide corporation in which his wife holds stock. Now, it appears that he will have to excuse himself from decisions or policies affecting national forest management on the Tongass National Forest—the major timber-producing area of Alaska.

In summary we are confronted with an Assistant Secretary designee who assures the Senate that he will avoid any dealings in at least three major areas of his jurisdiction. He is agreed to tie his own hands in these matters.

But there are two problems with this kind of promise. First, they are major areas that any Assistant Secretary for Natural Resources and Environment must deal with. Second, his entire history as attorney and general counsel for Georgia Pacific and Louisiana Pacific, and as spokesman for the large timber corporations in general, indicates that these are among the very areas in which he will want to involve himself.

So, the country faces the prospect of an Assistant Secretary hobbled in major areas of his responsibility, or who will, in time, involve himself in areas he has assured us he would avoid in his prenomination reclusal statement. Now the decision of the Federal court that a wholly owned Louisiana Pacific subsidiary has been caught in a major violation of antitrust laws—conspiracy to monopolize the timber industry in southeast Alaska and to defraud the Treasury of timber revenue—confronts Mr. Crowell with additional conflicts of interests that will remove even more areas from his sphere of operation.

Mr. Crowell's philosophic points of view are, I believe, damaging to the long-term health and productivity of our national forests. But, his philosophy is secondary to the major issue of his close ties to the timber industry.

The administration can conceivably find many who share Mr. Crowell's point of view on timber management. But, if Mr. Crowell's nomination is approved, his past associations will be a constant burden. He will inevitably face conflicts of interest in implementing this administration's forest policies in general. Further, he will face a direct conflict of interest in any action he takes in Alaskan national forests, and in anything pertaining to the Louisiana Pacific and Georgia Pacific Corps. I urge the Senate to examine with extreme care their votes on Mr. Crowell's nomination.

I am unequivocally opposed to Mr. Crowell's public forest management policies and to his confirmation as Assistant Secretary for Natural Resources and Environment.

COMPARISON OF JONES-BUDGET COMMITTEE VERSION OF RECONCILIATION PROVISIONS

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 10 minutes.

● Mr. MICHEL. Mr. Speaker, on Monday, I had inserted in the RECORD a table comparing the reconciliation provisions of the Jones-Budget Committee budget resolution and the Senate reconciliation bill. We have now put together a comparison of the Jones-Budget Committee version with the reconciliation provisions contained in the Reagan bipartisan substitute (Latta-Gramm), and I include this new table in the RECORD.

The table points out once again the great gulf that exists between what the Budget Committee is offering us and the President's program. When it comes to the bottom line of actually requiring implementation of a program of budget reductions, the Jones-Budget Committee proposal allows some $42 billion in greater spending, in terms of 1982 budget authority, than does the Reagan program as implemented by Latta-Gramm. The Budget Committee proposal, in other words, is little more than a sham when it comes to true honest-to-goodness spending reductions.

The table follows:

RECONCILIATION REDUCTIONS FOR HOUSE COMMITTEES (HOUSE BUDGET COMMITTEE AND LATTA-GRAMM [1] VERSIONS)

[In millions of dollars]

House committee	1982				1983				1984			
	Budget authority		Outlays		Budget authority		Outlays		Budget authority		Outlays	
	House Budget Committee	Latta-Gramm	House Budget Committee	Latta-Gramm	House Budget Committee	Latta-Gramm	House Budget Committee	Latta-Gramm	House Budget Committee	Latta-Gramm	House Budget Committee	Latta-Gramm
Agriculture	48	2,181	374	2,487	48	2,981	357	2,811	274	3,741	486	3,484
Armed Services	1,029	966	1,029	966	1,056	899	1,056	899	686	511	686	511
Banking, Finance and Urban Affairs		12,914		757		15,219		1,930		17,735		3,256
District of Columbia		39		40		56		64		72		69
Education and Labor	2,020	13,554	1,810	11,160	2,414	16,192	2,408	14,714	3,331	19,815	3,116	17,990
Energy and Commerce	949	6,403	829	5,303	1,200	7,229	1,070	6,670	1,610	7,783	1,480	7,448
Foreign Affairs		150	5	101		196	4	167		245	3	230
Government Operations	340		255		340		340		340		340	
Interior	200	815	200	369	200	796	200	564	300	774	300	654
Judiciary		116		13		133		81		144		124
Merchant Marine and Fisheries	99	257	99	125	150	239	150	211	160	262	160	251
Post Office and Civil Service	5,430	4,737	5,524	5,163	7,869	6,304	8,026	6,738	9,496	7,390	9,742	7,728
Public Works and Transportation	123	6,606	31	1,348		5,122	31	3,565		6,241	31	5,720
Science and Technology	200	78	200	39	200	90	200	59	300	102	300	83
Small Business	118	371	71	247	152	487	144	459	211	554	192	533
Veterans	110	110	110	110	108	108	108	108	106	106	106	106
Ways and Means	2,885	4,809	5,785	8,613	2,240	5,111	7,140	9,628	1,825	5,341	8,625	10,356
Grand total	13,052	54,106	15,823	36,841	15,427	61,162	20,684	48,668	17,879	70,816	4,808	58,543

[1] Reagan bipartisan substitute.●

SOYBEANS—A LEGISLATIVE BIOGRAPHY OF THE MIRACLE CROP

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 10 minutes.

● Mr. FINDLEY. Mr. Speaker, 1981 completes the fourth decade of legislative life of the soybean price support program—a program devised originally to stimulate production but which successfully has avoided the tighter governmental control applied to other major crops.

Over these 40 years, the production of soybeans in the United States has grown from a crop of around 78 million bushels in 1940 to the all-time record crop of 2.26 billion bushels in 1979. While the 1941 legislation stimulated a rapid increase in production, research and market development have been the second- and third-stage rockets which have given the soybean its meteoric rise to its present global orbit. Increasing new uses for soybean products through the years have provided a fertile field for the market development efforts which have caused sales to blossom around the world.

Price support legislation was inspired early in 1941 by the war in Europe, and the immediate shortage of fats and oils in the United States which followed the Japanese attack on Pearl Harbor. The United States had been dependent on the Pacific area for supplies of vegetable oils for soap, paints, and varnishes. Before World War II, the United States was importing two-fifths of its fats and oils. Soybeans were not widely grown in this country. Although annual acreage had been increasing slowly for two decades, less than 5 million acres of soybeans were harvested in 1940.

Even prior to Pearl Harbor, official Washington had become concerned about the impact of the growing war. The reality of the situation caused a shift in attention from a policy of reducing the buildup of Government stocks of several agricultural commodities—not soybeans—to a policy seeking higher agricultural production to meet wartime needs.

In conjunction with formulating a program for expanding agricultural production, Secretary of Agriculture Claude R. Wickard appointed interbureau coordinating committees for the basic commodities—corn, wheat, cotton, rice, and tobacco. An interbureau coordinating committee for fats and oils authorized on April 30, 1941, recommended sponsoring a program calling for an expansion of soybean acreage.

On June 13, 1941, agricultural conservation programs were announced to encourage increased production of soybeans for oil. Under the new provisions, farmers were allowed to harvest an acreage larger than that harvested for soybeans in 1940 without penalties for exceeding acreage allotments. Ten days later, farmers in States with minimum acreage requirements of soil-conserving or erosion-resisting crops received notice that soybeans harvested for beans for crushing were to be classified as an erosion-resisting rather than an soil-depleting crop. On July 1, 1941, the Steagall amendment was added to farm law, raising the loan rates for basic commodities and directing USDA to support the price at not less than 85 percent parity on those nonbasic commodities, including soybeans for oil for which the Secretary of Agriculture requested that production be increased.

Thus the first Government price support program for soybeans was inaugurated in 1941. On October 21, announcement was made of the first soybean price support loan to be offered by the Commodity Credit Corporation. Nonrecourse loans were offered at a national average support level of $1.05 per bushel, which was equal to 81 percent of comparable parity. At the time of the support announcement, the average farm price for soybeans was about $1.20 per bushel. At the end of the 1941-42 marketing year, the average farm price received for soybeans equalled $1.55 per bushel. The 149,000 bushels placed under price support loans were redeemed before the end of the season. Soybean oil production increased from 564 million pounds in 1940 to 707 million pounds in 1941. In December 1941, price ceilings were placed on soybeans and were continued until the end of World War II.

With the U.S. entry into World War II, the need for a large increase in domestic oil production became even greater and the expansion of soybean production appeared to be the most feasible means of achieving this end. In addition to the support prices, the Government established production goals starting with the 1942 crop. The price support provision for the Steagall commodites was raised from a floor of 85 percent of parity to not less than 90 percent, to remain in effect until 2 years after the termination of hostilities. Production during the war years more than doubled—from 78 million bushels in 1940 to 193 million bushels in 1945.

The price of soybeans during World War II was contolled within a rather narrow range by the price floor afforded by the support loan program and ceiling prices, first on consumer products and later on raw agricultural products.

No acreage allotments or marketing quotas have ever been used to restrict the production of soybeans. However, Federal programs for corn, feed grains, wheat, and cotton often have included cross-compliance provisions applying to soybeans. Farmers participating in these programs sometimes were subject to restrictions on the acreage they could plant to soybeans.

PRODUCTION, MARKETS EXPAND

Soybean production in the United States more than doubled during the 5 World War II years, 1940 to 1945. Output more than doubled again between 1945 and 1952, and again between 1952 and 1961. The first billion-bushel crop was produced in 1968 and the 2-billion-bushel mark was passed in 1979.

Throughout the period since 1940, soybean markets have expanded on the whole as fast as production. Improvements in the technology for refining soybean oil in the late 1940's made it readily suitable as a substitute for cottonseed oil in the manufacture of salad oils, margarine, and shortening.

In the 1950's, soybean oil gradually was displacing cottonseed oil in these uses. Increasing consumption of soybean oil supported expanding production at season average prices usually about 25 cents above the support price.

Congress recognized the product competition in 1956 by adding section 203 to title II of the Agricultural Adjustment Act of 1949, which provided that whenever the price of either soybeans or cottonseed was supported, the other would be supported at a comparable level. This provision has been suspended from time to time and has been suspended under the Food and Agriculture Act of 1977. However, it remains part of the permament legislation and, unless again suspended or amended, will take effect for the 1982 crops.

Before the 1960's, oil was considered to be the most valuable product from soybeans. However, the value of soybean meal as a source of high-protein feed for livestock had become a factor in determining the levels of Government production goals by the end of World War II. At that time, soybean meal was considered suitable only as a feed for ruminant animals. New technology in processing was developed during the 1950's which made soybean meal adaptable as a feed for poultry and swine. By the end of the 1950's, a rapidly expanding livestock economy in Western Europe was creating a strong demand for soybean meal. The market value of the meal became a factor to consider in establishing the Government price support levels for soybeans, even though oil was considered still to be the primary product.

By the late 1960's, the relative values of meal and oil had been re-

versed. The market could absorb all of the meal that was produced but the oil was in surplus supply and large volumes were disposed of through donations and concessional sales under the food for peace program (Public Law 480).

SOY FOODS DEVELOP

Ever since the beginning of recorded history, soybeans had been used directly as food for human beings in the Orient. The West was slow to adopt or adapt oriental food habits and technologies. Some experimentation with soybean meal as a meat substitute or extender was tried during World War II but serious research did not begin until the 1950's. By the early 1960's, scientists had developed commercially feasible ways of producing purified soy protein which could be processed into forms resembling various meats and poultry. A soluble soy flour which could be used in formulating high protein beverages was developed in the early 1960's.

Today, large modern plants process soybeans for animal feed, soy oil, and edible protein. The beans are first cracked for dehulling and then flaked and solvent-extracted to recover the oil. The remaining low-oil flakes may be used for food ingredients.

The basic edible soy product is soy flour, containing about 50 percent protein. In 1965, Archer Daniels Midland Co. obtained a basic patent for texturizing soy flour. The resultant product, textured vegetable protein or TVP, was a major factor in developing the consumer acceptance of soy protein. When hydrated, TVP approaches the fibrous texture and chewy character of meat.

Further processing of the soy flour results in higher protein products called soy protein concentrates—about 70 percent protein—and soy protein isolates—about 90 percent protein. These latter two products may be found in such items as nondairy toppings and coffee whiteners, baked goods, meat products, and high protein food bars and snack items.

Traditionally, the United States source of protein has been meat, since this country has the vast land resources necessary to provide feed and forage for animals. Current world conditions, both economic and cultural, have prompted an increased concern for producing more protein on available land. The adjoining chart [not shown] provided by Archer Daniels Midland Co. shows dramatically how an acre of ground can produce abundant protein when planted in soybeans.

It is this high protein characteristic of soybeans that makes this crop all the more important when it comes to helping meet worldwide nutritional needs, especially in poor countries. Malnutrition is recognized as one of the main detriments to health and economic welfare in much of the world today. It is estimated that more than 1 billion people in the world today have diets insufficient in protein, fats, vitamins, or minerals.

Malnutrition takes its greatest toll among infants and young children. And the Presidential Commission on World Hunger estimates that 16 percent of the world's children are malnourished.

Soybeans are playing an important part in this fight against hunger and malnutrition. In addition to soy flour and soy milk, one of the products designed to meet the special needs of children is a wheat protein concentrate and soy protein blend called WPC-Soy. WPC-Soy is a nutritionally engineered blended food which is easily adaptable to the many different cultural tastes and foods around the world.

SOY OIL USE A RECORD

In the 1979–80 crop marketing year, the domestic use of soybean oil hit a record of 9.3 billion pounds—equivalent to the crush of over 860 million bushels of soybeans. Adding in the 1979 export of 2.3 billion pounds, the processing of soybean oil required the crush of 1.165 billion bushels of over 50 percent of the 1979 crop.

To give it another dimension, soybean oil represented 76 percent of the total vegetable oil use in this country in the 1979–80 crop year, 12.2 billion pounds.

Lecithin is an important byproduct of soybean oil and is widely used for everything from pharmaceuticals to protective coatings. It is a natural emulsifier and lubricant. It is used, for example, to keep the chocolate and cocoa butter in a candy bar from separating.

Soybean lecithin is an approved food ingredient which may be used as a wetting and emulsifying agent, release agent, or antioxidant in processed foods. Its versatility has made it an almost essential ingredient for the processed food industry. For example, it markedly improves the blending and stabilization of any formula involving fats, oils, or shortening. As a release agent, lecithin is an important ingredient in the baking industry.

Ready-to-spread frosting, candy bars, pancake mix, cookies, snacks, and cake mix are just a few of the many food products containing soybean lecithin.

THE YEAR OF NO SUPPORT

Up until 1974, the market had been able to absorb the increased production of soybeans each year. But exports and disappearance of the 1974 crop did not meet expectations.

That year, soybean plantings were reduced by 3 million acres because the relative prices of corn and soybeans were not favorable to soybean production. A poor season reduced yields and production was 333 million bushels less than in 1973.

Imports of palm oil increased dramatically during the 1974–75 marketing year, more than doubling those of the preceding year and reaching 250 percent of the 1969–74 average. Research had successfully fractionated palm oil, making it a competitor in the cooking and salad oil markets for the first time. In 1974–75, palm oil could be produced and delivered to U.S. ports at about 10 cents a pound, but fortunately for U.S. soybean producers, it was being priced by the exporting countries at 17.5 cents per pound f.o.b. gulf ports.

With soybean prices above $8 per bushel and expectations of continued high demand, the Agriculture Department announced on November 27, 1974, that price supports would not be needed for soybeans in 1975.

However, record yields on an acreage only a little below that of 1973 produced a near record crop in 1975. At the same time, as forecast by some USDA economists, the high prices of soybean oil had led to an expansion of competitive sources of edible oil, particularly palm oil, in other parts of the world.

These supplies hit the world market in volume in 1975, resulting in a marked drop in the price of soybeans. In April 1975, the Congress passed legislation (H.R. 4296) which, among other things, would make it mandatory for the Secretary of Agriculture to offer nonrecourse loans on soybeans for the years 1975 through 1977. President Nixon, with the backing of Secretary of Agriculture Butz, vetoed this legislation on May 1, and the veto was sustained.

Many farmers who had production credit loans coming due and lacking the option of price support loans were forced to sell their crops to pay their obligations.

On December 17, 1975, Assistant Secretary of Agriculture Richard Bell rejected pleas that price support loans on soybeans be reinstated on the grounds that prices were still double the support rate and the price break was temporary. Bell said foreign demand was strong and prices soon would readjust. The Agriculture Department was out of the crop storage business and farmers could provide their own storage under a Government loan program for construction of farm storage facilities, USDA's reasoning went.

The season average price received by farmers for soybeans was $4.92 per bushel in 1975—down substantially from the $6.64 level of 1974–75.

Price support for soybeans was reinstated on February 24, 1976, at the level of $2.50 per bushel—an increase of 25 cents over 1974, said to reflect the farmers' cost increase.

Palm oil competition for world edible oil markets continued to increase in 1976. The price outlook for U.S. vegetable oils had become quite unfavorable. American farmers, responding to price signals, planted 4 million fewer acres of soybeans in 1976 than in 1975 and production declined by 182 million bushels. The season average price received by farmers in 1976 was $7.32 a bushel, a record high. The short crop encouraged speculation and pushed the price up to $10.50 a bushel for a short period in May 1977. Less than 15 million bushels were placed under price-support loans. This high price stimulated increased soybean planting in Brazil and dampened the demand for soybean meal as a livestock feed.

High prices also stimulated record plantings of over 59 million acres in the United States in 1977. Record production of over 1.7 billion bushels had a dampening effect on prices and farmers put nearly 97 million bushels of soybeans under price-supporting loans which had been raised to $3.50.

SUPPORT BECOMES MANDATORY

A loan and purchase program for soybeans became mandatory under the Food and Agriculture Act of 1977. Price supports were to be at such levels as the Secretary of Agriculture determined appropriate in relation to competing commodities and taking into consideration the domestic and foreign supply and demand factors. Mandatory set-asides of soybean acreage were prohibited.

Price supports for soybeans were set at $4.50 per bushel—the highest of record and $1 a bushel higher than the 1977 level. Farmers planted a record 64 million acres to soybeans in 1978 and produced a record 1.8-billion-bushel crop. Two successive poor crops in Brazil and a drought in the Malaysia-Indonesia palm oil producing areas kept world oil supplies from outpacing demand in 1978.

A seemingly insatiable market demand for soybeans had kept prices up during 1978—which led to another area-harvested record in 1979 of 70.5 million acres. Record yields of 32.2 bushels per acre pushed production 21 percent above 1978 to an all-time record high of 2.26 billion bushels.

Only a very small percentage of soybean production has been put under price supports in recent years and Government acquisitions under the support program since 1974 have ranged from zero to minuscule. The 1980 crop now is estimated at 1.77 billion bushels—a drop of nearly 22 percent from 1979. Despite the smaller supply and higher prices, soybean demand is expected to remain strong.

CRISIS LEADS TO INCREASE

The farm crisis of 1980 was triggered partly by depressed prices resulting from President Carter's January 4 embargo on sales of grain and soybeans to the Soviet Union and by improved world crop prospects for oilseeds and grains in early 1980. Skyrocketing interest rates on money in the spring of 1980 added substantially to the costs of carrying inventories of soybeans and contributed to a further substantial depressant on prices.

A number of bills were introduced in the Congress to deal with various aspects of the farm crisis, including a proposal to raise the price support on soybeans.

Early in 1980, the American Soybean Association had urged the U.S. Department of Agriculture to keep the loan level at $4.50 per bushel. However, the growing credit-price crisis caused increasing concern among ASA members. Responding to that concern, the organization took a position in favor of increasing the support loan rate from $4.50 to $5.02, a loan rate equal to 65 percent of the average cost of producing soybeans, according to ASA. Since no USDA production cost figures were available, ASA based its projected 1980 production cost on figures obtained from two land grant universities, the University of Illinois and Iowa State University.

Members of the House Agriculture Committee were advised of the organization's policy shift in an April 18 letter from Allan Aves, then ASA president. Aves cited skyrocketing production costs and interest rates as justification for the support increase.

On April 22, Congressman Dawson Mathis of Georgia introduced H.R. 7121, the Soybean Emergency Act of 1980, which provided for the ASA-recommended $5.02 loan level for the 1980 and 1981 crops.

On April 29, 30, and May 1, the House Agriculture Committee held hearings to review the financial problems facing American agriculture. Among recommendations made by farm organizations, the National Grange favored a $6 support level for soybeans and the National Farmers Union favored a level of $7.75. No increase in support levels was included in the recommendations made by the American Farm Bureau Federation and the National Farmers Organization to deal with the farm financial problem.

Naturally, the American Soybean Association favored passage of the Mathis bill since it embodies the ASA's recommendation for a $5.02 support level. However, the Farm Bureau expressed its opposition to a change in the support level in a May 7 letter to Congressman Mathis. The letter from Vernie Glasson, AFBF's national affairs division director, pointed out that the AFBF board of directors recently approved a recommendation by the Farm Bureau Soybean Advisory Committee that the soybean loan rate should remain at the present level of $4.50 per bushel.

AFBF's letter of opposition reasoned as follows:

An increase in the soybean loan rate above the current $4.50 level would have several effects, none of which would aid in easing the economic problems faced by soybean producers. Under a higher loan rate, producers would enter increased quantities of soybeans into the loan programs, creating a stockpile of Government-managed oilseeds. Such a stockpile could become a government-held reserve if soybean prices remained depressed and producers allowed the Commodity Credit Corporation to take control of the soybeans.

An increase in the soybean loan rate would most likely encourage farmers to increase plantings and would certainly not discourage production, as the floor price of soybeans would, in effect, be raised. An increase in soybean production this year would come at a time when prices already are suffering from the impact of last year's large crop and the embargo of soybean shipments to the Soviet Union.

A Government-induced increase in the price of soybeans would discourage domestic use and exports. Use of soybeans must continue to grow rapidly to consume the larger supplies available. The market price for soybeans will not increase until the use of soybeans is more nearly in line with supplies.

In support of its own position, the American Soybean Association asserted that the $5.02 loan level would provide increased credit to growers but not be high enough to interefere with the free market. ASA's statement said, in part:

ASA views the soybean loan program as just that—a loan program, not a price support program. The loan level should be established at a level that will allow a soybean producer to borrow against his soybeans enough money to cover his variable costs of putting in a new crop. In turn, the producer can at any point up to the date of maturity of the loan redeem his soybeans by paying off the loan, including interest, and sell his soybeans on the open market. Used in this manner, the soybean loan program serves as a very valuable financing tool as well as a valuable marketing tool . . .

The last thing we would want is for the loan rate to be so high as to cause farmers to not redeem their soybeans put under loan. The result would be the buildup of large CCC stocks of soybeans which would act to depress market prices in the future.

On May 8, the full House Agriculture Committee voted 24-to-0 to report H.R. 7121 to the House with a recommendation that it pass.

On May 13, Secretary of Agriculture Bob Bergland informed the Agriculture Committee that the Department opposed enactment of the bill, citing the fact that the Secretary has the authority to increase the support level and that "we are currently reviewing all price support programs to determine what, if any, adjustments are necessary in loan rates."

On July 28, President Carter announced a $5.02 loan rate would be in effect for 1980-crop soybeans. This was followed on September 5 by an announcement that the Agriculture Department was considering loan and

purchase levels for the 1981 crop in a range from $5.02 to $5.25 a bushel.

Strangely enough, opposition to the $5.02 support level was based on the fact that it represented an unneeded increase (AFBF) and that it would reduce the discretion available to the Secretary of Agriculture to set a support in line with other commodities (USDA).

None of the arguments in opposition advanced the dangers of basing a support level on the cost of production of the commodity. Unlike supports on other crops, the support level for soybeans proposed by the American Soybean Association was based on a few projections of cost of production. Even the cost-of-production figures compiled each year by the U.S. Department of Agriculture represent many variants including the regions of the country in which the crop is produced.

Given the wide variance in costs of production for any crop grown over such a wide geographic area as soybeans, it is fair to observe that one soybean farmer's cost of production may well be another's profit level. Basing a support level at a given percentage of so-called cost of production can become more an exercise in political gamesmanship than a precise and useful economic formula.

I am convinced that basing loan rates of any commodity on the cost of production is an invitation to trouble. Inevitably, the political forces in the policy committees of the Congress will tend to use the cost of production of the less efficient as the basis for the loan rates. The less efficient are numerous and politically vocal. If the cost of production for the less efficient is used, the resultant loan rate will tend to be high enough to guarantee a profit for the more efficient, and this, of course, opens up the danger of excess production beyond market requirements. In other words, efficient commercial producers—lured by a Government guarantee of profit—will respond to this lure rather than to market prospects. From this, I conclude that loan rates high enough to recover cost of production as determined by Congress are sure to spell trouble. They are apt to invite pricing of commodities by the Government at levels that are artificially high. Because of this artificial pricing, the Government is apt to find itself buying at high prices and selling at lower—and once again substantially in the business of merchandising the commodity.

At the same time, farm prices need the safety net provided by a realistic loan rate—and farmers often need the credit convenience which Government loans can provide. Based on experience, producers are better served by Government loan rates which are geared in some way to the history of market prices rather than to the tantalizing but dangerous concept of production costs. Loan rates set at a percentage of recent market averages are safe and useful.

MARKET AVERAGE BASE PROPOSAL

With minor variations, the market price is the same for all farmers on a given day. The market price also represents the end point in the farmer's business cycle of production to sale. Under normal circumstances, the market price is the price at which the farmer willingly recovers his cost of production plus a profit.

From the farmer's economic standpoint, it should make more sense to base price supports on the realities of market conditions, rather than on the outmoded and inadequate formula involving parity prices or a widely varying cost-of-production formula.

There is legislative precedent for basing the support level on average market prices. The current program for cotton determines the loan rate based on a percentage of the average price of cotton during 3 years of the previous 5-year period, excluding the year in which the average price was the highest and the year in which it was the lowest.

For a number of years, I have advocated consideration of the average-market-price approach as the basis for price supports for other commodities, especially soybeans and grains.

It is gratifying to me that the American Soybean Association has now announced its support for such an approach. In my previous discussions of this price approach, I have used the average market price of the most recent 5-year period, dropping the high and low years. ASA's approach is the same except that the average Chicago quoted cash price would be used as the basis. ASA feels farmers would have more confidence in the use of the Chicago price as the basis instead of the average market price that is compiled and released by the Agriculture Department.

For comparison purposes, following is a table showing how price supports could have been applied to soybeans in recent years, using either the Chicago cash price or average market price as the base:

ANALYSIS OF BASING SOYBEAN LOAN RATE ON RUNNING AVERAGE OF FARM PRICE AND CHICAGO CASH PRICE

Marketing year	Average price received by farmers	Loan rate based on 5-year average price[1]	Average Chicago cash price	Loan rate based on 5-year average Chicago price[1]	Actual loan rate
1974–75	$6.64	$2.56	$6.34	$3.14	$2.25
1975–76	4.92	3.27	5.25	3.94	.....
1976–77	6.81	3.74	7.36	4.43	2.50
1977–78	5.88	4.31	6.11	4.70	3.50
1978–79	6.66	4.55	7.09	4.66	4.50
1979–80	6.28	4.79	6.46	4.88	4.50
1980–81	[2] 7.75	4.70	[2] 7.75	4.91	5.02
1981–82	.....	[2] 4.93	.....	[2] 5.23	5.02

[1] Dropping high and low of 5 years.
[2] Estimates based on latest data.

THE RESERVE TRIAL BALLOON

Soybeans have remained the one major U.S. crop free of Government price-support controls, depending instead on market-oriented supply and demand factors for the crop's phenomenal growth in sales and usage throughout the world.

However, in the fall of 1979, a storm warning went up for America's soybean producers with the suggestion that the Government should offer a federally financed soybean reserve program similar to that in existence for wheat and feed grains.

Its proponents argued that such a program would:

Help maintain soybean prices above cost;

Help maintain the balance of export and price for all U.S. oilseeds;

Help maintain a greater degree of stability in the market price of soybeans;

Reduce the wide year-to-year variation in acreage planted to soybeans, thus keeping the soybean industry on a more even keel;

Help assure foreign customers of continued supply availability at reasonably stable prices; and

Help reduce the pressure for future embargoes such as occurred in the 1970's.

The indication that a soybean reserve program was in USDA's thinking came with comments by Howard Hjort, USDA Director of Economics, Policy Analysis, and Budget, in the Department's annual outlook conference in November, 1979.

In talking to news reporters, Hjort said that a reserve program for oilseeds might be offered and was quoted as saying:

> We are prepared to offer a reserve program for soybeans and cotton. There has been no agreement on the terms or conditions, but for soybeans, the terms would have to be similar to those for corn.

While Hjort admitted that the market had yet to justify a reserve program for soybeans, it is important to recognize that such a reserve program was in the Department's thinking, if not planning. And it is also important to recognize that the one very important commodity still remaining outside the Government's supply management corral is soybeans. And soybeans have managed to stay outside because they are a successful working horse, not a maverick that needs to be corraled for taming.

The trial balloon was not taken lightly by Members of Congress and the American Soybean Association who believed it ought to be shot down before gaining flight.

In a protest letter I drafted to Secretary of Agriculture Bergland, December 28, 1980, several Members of the

House of Representatives joined me in urging Bergland to give "outright rejection" to any soybean reserve proposal.

The American Soybean Association, the national organization representing soybean producers, also vigorously opposed the idea of establishing a soybean reserve.

ASA asserted that:

While the anticipated 1980 soybean carryover is significantly higher than in past years, it would not be out of proportion compared to recent U.S. production and total demand.

A soybean reserve program would have the effect of creating a false demand for soybeans. Without a reserve, farmers respond to actual world oilseed supply and demand and adjust production accordingly.

A reserve in the United States could stimulate greater foreign production. It could be taken by foreign oilseeds producers as a sign that U.S. soybean prices would be kept at artificially high levels. Protected by what they perceive to be a reduced risk of low prices, foreign producers would increase their plantings of soybeans by opening up more acres for production.

A reserve program would increase substantially Federal expenditures for a program that producers themselves have neither asked for nor want.

The vigorous opposition to the soybean reserve idea in and out of Congress, plus the reduced size of the drought-ridden 1980 crop, caused the Carter administration to back off from pressing for a reserve. Has the change in administration killed the Government soybean reserve? It will be revived from time to time, but is unlikely to receive strong support in the next few years.

BULLISH ON BEANS

The growing importance of golden-colored soybeans led the American Soybean Association to refer to the commodity as "the gold that grows."

Look back over the decade of the 1970's and see what has happened. In that 10-year period, soybeans generated $81.7 billion to the U.S. farm economy. Exports produced a positive $43.7 billion to the U.S. trade balance.

During the 1970's, soybean production doubled, exports increased four times, and the total value of the crop increased five times.

Small wonder that ASA refers to it as "the gold that grows."

The decade of the 1970's brought many changes:

Total value of soybeans increased from $2.6 billion to $14 billion, with production doubling from 1.13 billion bushels to 2.27 billion bushels;

Value of soybean exports increased from $1.8 billion to $8 billion, making it the Nation's largest cash export;

Farmland devoted to soybean production increased from 42.5 million acres to 71 million acres; and

The number of farmers growing soybeans increased by about 100,000 to 630,000.

Any discussion of the growing importance of soybeans would have to deal also with the American Soybean Association, the only commodity organization representing the specific interests of soybean producers.

Quite naturally, ASA's growth has paralleled that of soybeans. ASA has 24 affiliated State soybean associations of which 23 fund State and national legislative, research, and market development activities through a grower checkoff and dues system.

Highlights of ASA's growth during the 1970's:

State grower investment programs, through which soybean producers invest a portion of their profits for research, education-legislation, and market development, increased from three States and 51,000 growers to 23 States and 475,000 producers.

Market development funding provided by growers increased from $130,286 to $4,990,081. That funding totaled $11,856,191 over the 10-year period.

USDA's Foreign Agricultural Service allocation for soybean market development under ASA increased from $528,000 to $2,827,150—for the 10-year total of $17,464,144.

The value of market development services provided by international industry, trade associations, or Government—other than FAS—increased from $497,000 to $4,620,551. The cumulative value of these "third party" services during the 1970's totaled $24,257,870.

ASA added six new international offices in the 1970's from which the organization actively promotes increased demand for U.S. soybeans and soybean products. There now are 10 such offices, with more than 200 export promotion activities in 76 countries.

Grower and private industry investments in the ASA Research Foundation increased from $1,000 in 1970 to $364,850 in 1979—with total investments over the 10-year period amounting to $1,379,847.

A CRYSTAL BALL FOR THE 1980'S

The future for soybeans in the 1980's is bright according to Kenneth L. Bader, chief executive officer for the American Soybean Association. He says:

I believe the total value of the soybean crop will double and reach $29 billion by 1985. Soybean yields will continue to improve thus increasing the profit-per-acre potential for soybean growers. Exports should continue to expand because the world's population needs the valuable protein and high-quality oil contained in soybeans.

There are potential roadblocks to continued soybean success, Bader admits. He noted:

The U.S. Government has interfered with the free movement of soybeans into world markets four times in the last 10 years. Such embargoes disrupt our markets and encourage our good international customers to look to other countries for supplies, such as Brazil.

Bader pointed out that it takes hard work and aggressive promotion to overcome the effects of embargoes through development of new markets and expansion of others.

More and more, the expansion of markets for soybeans and soybean products will depend on the results of research efforts to reduce production costs and increase yields.

A number of ASA-sponsored research projects are aimed at moderating the escalation of production costs. For example, one project helped develop a parabolic super-chisel plow for silty clay and clay loam soils, while another project is developing a computer control to automatically adjust five combine functions, thus reducing harvest field losses that can rob a farmer of up to 10 percent of his soybean yield.

Research, too, may hold the key to meaningful increases in soybean production.

The growth of soybean production, and corresponding demand, has defied projection for the past 20 years. During the mid-1960's, farmers, economists, and Government officials worried that a 1-billion-bushel soybean crop could not be consumed. In the past 15 years, not only was the United States' first billion-bushel crop produced and consumed, but we produced, and the world consumed, our first 2-billion-bushel crop.

ASA's Kenneth Bader commented:

The challenge for the 80's will not be, can we sell what we produce, but can we produce what we can sell? The question will not be, can we consume a two-billion-bushel crop, but can we produce our first three-billion-bushel crop?

Rapidly increasing acreage has characterized the recent supply side of the soybean equation. In the past 10 years alone, soybean acreage has nearly doubled—from 42 million acres to 70 million acres. We cannot and should not assume such massive acreage switches for the future.

Since our three-billion-bushel crop won't come from acreage increases, it must come from yield increases. We need to see 80, 90, even 100-bushel soybeans if we are to meet demand projections for the 1980's and beyond.

Soybean growers, through their checkoff dollars, are investing heavily in soybean research. About half of these funds are used for research. Research to produce higher yields involve a current study that is attempting to learn why the soybean plant aborts 65 percent of its pod-producing blooms. Other studies are developing basic information on the soybean plant's inability to fill pods during low moisture conditions. Yet other research efforts are being carried out to develop soybean varieties that are re-

sistant to phytophthora root rot, cyst nematodes, and other plant pests. These are research programs that can more than pay for themselves in increased yields and lower losses.

Research at the University of Illinois is aimed at producing a soybean variety that can reduce processing costs. The experimental line is a Williams-type soybean that is free of an antinutritional element called the Kunitz trypsin inhibitor. This element prevents nonruminant animals such as swine and poultry from utilizing nonprocessed soybean meal. Getting rid of the inhibitor probably will not completely eliminate the need for processing but it could eventually cut 25 to 50 percent off soybean processing costs. The ultimate result should be "tremendous worldwide demand" for the new soybeans and a significant advantage in world markets for the country that grows them, accordingly to University of Illinois plant geneticist Theodore Hymowitz.

In reviewing the past 40-year history of soybeans, a single significant truth emerges. The American soybean industry's phenomenal growth has occurred without expensive Government price support or supply management programs. Contrasted to the other major farm commodities, soybeans move with a high degree of freedom in both domestic and world markets.

This truth is a powerful argument against the intrusion of Government devices to influence supplies and prices.●

SENATE PASSAGE OF THE EXPORT TRADING COMPANY ACT

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 15 minutes.

● Mr. LAFALCE Mr. Speaker, there is a growing awareness that the best way out of this country's serious trade deficits is through the encouragement of increased U.S. exports of goods and services. More and more support is emerging for measures to remove impediments to those exports and to provide incentives for exports. For example, the administration is studying two bills which I have cosponsored that would modify the Foreign Corrupt Practices Act and provide a more equitable tax treatment for Americans working abroad.

However, the major thrust is behind two bills which are companion bills in each House of Congress. The first is H.R. 1648 which I introduced; the second is S. 734 which Senator HEINZ introduced. These are the Export Trading Company Acts of 1981. They have two major provisions. First, they would allow limited investments by financial institutions in export trading companies under tightly regulated conditions. Second, they would extend an existing antitrust exemption for export trading associations to export trading companies under the supervision of the Departments of Commerce and Justice. As part of the latter feature, they would clarify ambiguities in the Webb-Pomerene Act concerning the administration of the process of certifying for antitrust exemption.

U.S. export trading companies would be particularly helpful to small- and medium-sized companies which may wish to export or have the potentiality to export, but do not do so at the present time. These companies would provide marketing and financial assistance to these smaller firms, or they could even take title to the goods and arrange all of the various steps leading to the sale of those goods in another country. The impact could be tremendous, since the Department of Commerce has estimated that 20,000 small- and medium-sized companies have the potential to become new exporters because of the competitiveness of their goods and services.

Support is growing for these two bills. Within the private sector, supporters range from the National Federation of Independent Businesses to the National Forest Products Association to the Marine Midland Bank. A list of supporters follows:

President's Export Council.
National Governors' Association.
U.S. Chamber of Commerce.
American Bankers Association.
National Forest Products Association.
National Association of Manufacturers.
American Association of Port Authorities.
Mining and Reclamation Council of America.
Emergency Committee for American Trade.
National Small Business Association.
American Textile Machinery Association.
Man-Made Fiber Products Association.
American Apparel Manufacturers Association.
Scientific Apparatus Makers Association.
National Machine Tool Builders Association.
American Soybean Association.
Electronic Industries Association.
National Customs Brokers and Forwarders Association of America.
National Federation of Independent Business.
American League for Exports and Security Assistance.
American Electronics Association.
Business Roundtable.
Bankers Association for Foreign Trade.
Task Force on International Trade of the White House Conference on Small Business—Thomas M. Rees.
Acme-Cleveland Corporation.
Commercial Credit Company.
Rockwell International Trading Company.
Philadelphia National Bank.
North Carolina National Bank.
International Trade Operations, Inc.
Export Managers Association of California.
Schueler and Company.
American Institute of Marine Underwriters.
AMERX.

The bills also enjoy broad bipartisan support. The Carter administration supported a similar bill, and the Reagan administration through testimony from Commerce Secretary Baldrige has specifically and enthusiastically backed both bills. At one point, Secretary Baldrige said: "I urge the Congress to pass this legislation quickly."

On the Senate side, an extensive debate over the Senate companion bill occurred on April 8; and after the debate was finished, the Senate passed the bill by the almost incredible margin of 93–0. That vote accurately reflects the fact that virtually no serious opposition exists against the creation of U.S. export trading companies and bank participation in them.

On the House side, H.R. 1648 has attracted the support and cosponsorship of a bipartisan group of more than 70 Members of Congress. The fact that the bill has been referred to three separate committees will complicate the process of passage, but patience and a positive attitude can overcome that potential obstacle.

Indeed, Mr. Speaker, I believe that the Senate's action is a clear and unmistakable signal to the House that it must move on H.R. 1648. I hope that the three committees will consider H.R. 1648 in a timely manner and report out the bill, so that the House is afforded the opportunity to support this important export promotion bill. After 4 years of trade deficits totaling $147 billion, the House must act to encourage and facilitate the exportation of U.S. goods and services; and U.S. export trading companies could play a meaningful role in achieving that mandatory goal.●

SUBCOMMITTEE ON CRIME TO HOLD HEARINGS ON FEDERAL INITIATIVES ON CRIME CONTROL

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. HUGHES) is recognized for 5 minutes.

● Mr. HUGHES. Mr. Speaker, on Tuesday, May 5, 1981, at 9:30 a.m. in room 2226, Rayburn House Office Building, and again at 9:30 a.m. on May 11, in room 2237, Rayburn House Office Building, the Subcommittee on Crime of the House Committee on the Judiciary will hold hearings on Federal initiatives on crime control.

The subcommittee will be examining the Federal role in combating the growing crime problem in America. We will, in particular, be considering the Federal role in assisting State and local law enforcement agencies in matters of concurrent jurisdiction. Our hearings will, therefore, be considering Federal financial aid to State and local governments in the area of law en-

forcement, Federal technical assistance to these efforts, and coordination of Federal efforts across agency lines.

Witnesses at the May 5 hearing will be Assistant Attorney General Rudolph W. Giuliani; Patrick V. Murphy, president of the Police Foundation; Gary Hayes, executive director of the Police Executive Research Forum; Robert Angrisani, on behalf of the International Association of Chiefs of Police; Dennis Roberts, attorney general of Rhode Island and Richard S. Gebelein, attorney general of Delaware on behalf of the National Association of Attorneys General; and a representative from the National District Attorney's Association.

On May 11 the witnesses will include William Webster, Director of the Federal Bureau of Investigation; Prof. Alfred Blumstein, Carnegie-Mellon University; Judge Sylvia Bacon, on behalf of the American Bar Association; and Anthony Travisano, on behalf of the American Correctional Association.

All interested persons or organizations wishing to submit testimony for the record of the hearing or desiring further information should address their communications to the Subcommittee on Crime, Committee on the Judiciary, 207 Cannon House Office Building, Washington, D.C. 20515. Telephone: (202) 225-1695.●

EXPLANATION AS TO VOTE

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

● Mr. DANIELSON. Mr. Speaker, I was unable to be present on the floor of the House of Representatives on April 8, 1981, when the House voted on rollcall No. 23, and agreed to Senate Concurrent Resolution 17, providing for an adjournment of the Congress from April 10, 1981, to April 27, 1981. Had I been present, I would have voted "yea."●

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, I am notifying the House today of the U.S. Export-Import Bank's proposal to provide financial guarantees of $32,620,950 to enable the Mexican Government's electric power agency to buy additional U.S. goods and services for its Laguna Verde nuclear power station.

These guarantees of private loans would enable the Comision Federal de Electricidad (CFE) to purchase in the United States equipment and engineering services valued at $217,473,000.

This Eximbank notification was referred to me as chairman of the Banking Committee's Subcommittee on International Trade, Investment and Monetary Policy. Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, requires that the Eximbank notify Congress of proposed loans or guarantees involving the export of nuclear technology or equipment. Unless Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress after notification.

I am providing for the RECORD the Eximbank notification containing the terms and details of the proposed transaction. I would welcome any comments or questions my colleagues might have about this proposal.

The Eximbank material follows:

EXPORT-IMPORT BANK OF THE UNITED STATES,
Washington, D.C., April 8, 1981.

Hon. STEPHEN L. NEAL,
Chairman, Subcommittee on International Trade, Investment and Monetary Policy, House Banking Committee, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Eximbank has submitted a statement to the Speaker of the House of Representatives and the President of the Senate in accordance with the provisions of Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

NANCY S. PIGMAN,
Congressional Relations Officer.

EXPORT-IMPORT BANK OF THE UNITED STATES,
Washington, D.C., April 6, 1981.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES,
The Speaker's Room,
U.S. Capitol,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the House of Representatives with respect to the following transaction involving U.S. exports to Mexico.

A. DESCRIPTION OF TRANSACTION

1. Background and Purpose

In October, 1972 Eximbank authorized a direct credit of $27.1 million and in October, 1973 a direct credit and guarantee of $34.6 million to Comision Federal de Electricidad ("CFE") to assist CFE in purchasing in the United States, equipment, engineering services and fuel for CFE's Laguna Verde Nuclear Power Station, units 1 and 2. In April, 1977 Eximbank authorized a direct credit and guarantee of $90 million to help finance $120 million of U.S. cost increases for the project. On February 21, 1978 CFE requested that Eximbank provide additional financing to meet additional U.S. costs for the project and Eximbank is now prepared to extend its guarantee of part of the U.S. private financing to be made available to CFE for this purpose. The total private financing will be in the amount of $184,852,050, with the Eximbank guaranteed part thereof being $32,620,950. The total U.S. export value for this transaction is estimated to be $217,473,000.

2. Identity of the Parties

CFE is a decentralized public agency of the Federal Government of the United Mexican States and supplies most of Mexico's electric power. CFE has been a regular customer of Eximbank since 1947, and Eximbank's experience with all of the CFE credits has been good.

3. Nature and Use of Goods and Services

The $217.4 million of U.S. goods and services consists of additional engineering services in the amount of $99.4 million and equipment in the amount of $118.0 million. The increased engineering services result from CFE's continuing inability to provide "in house" design engineering services and from its need for outside construction management.

The accidents at the Browns Ferry and Three Mile Island nuclear power stations in the United States have had a great impact on nuclear power stations under construction throughout the world. The number of regulatory guides in force has dramatically increased. These in turn have required extensive new analyses and design modifications.

In addition to new equipment required for safety, the design engineering task has had to be expanded and therefore, a large portion of this credit must be used for engineering services.

The Mexican nuclear regulatory authority, CNSNS, is closely modeled on the U.S. Nuclear Regulatory Commission. Many of its professional staff have received training at USNRC headquarters in Bethesda. They have incorporated USNRC regulatory guides into their requirements for the Laguna Verde Project from its inception and have similarly upgraded their standards.

4. Executive Branch Approval

In accordance with established procedures, Eximbank requested through the Department of State the views of the Executive Branch on the proposed transaction. State's Bureau of Oceans and International Environmental and Scientific Affairs advised that the Executive Branch has no objection to Eximbank's proceeding with this transaction.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The Eximbank guarantee of $32,620,950 of private financing will facilitate the export of $217,473,000 of U.S. goods and services.

2. Employment Impact

Approximately 40 percent of the total procurement will involve engineering services provided by Ebasco Services Incorporated from Jericho, Long Island, New York. The remaining U.S. purchases consist mostly of equipment being sold by 95 U.S. suppliers located throughout the United States. The total sale is estimated to result in the creation/maintenance of 8,000 man-years of U.S. employment.

2. The Financing Plan

The financing plan for the total U.S. procurement supported by Eximbank is as follows:

	Percent of U.S. costs	Totals
Cash payment	15	$32,620,950
Eximbank guaranteed private source loan	15	32,620,950

	Percent of U.S. costs	Totals
Unguaranteed private source loan	70	152,231,100
Total	100	217,473,000

(a) *Eximbank Charges*

Eximbank will charge a guarantee commitment fee of ⅛ of 1 percent on the undisbursed part of the Eximbank guaranteed private source loan, and a guarantee fee of ½ of 1 percent on the disbursed part thereof.

(b) *Repayment Terms*

The private financing will be repaid in 20 semiannual installments, beginning December 5, 1985; the unguaranteed private source loan will be repaid first, and the Eximbank guaranteed private source loan last.

(c) *Additional Information*

Attached is additional information on Eximbank activity in and economic data on Mexico.

Sincerely,

MARGARET W. KAHLIFF.

MEXICO—ECONOMIC INDICATORS

	1978	1979	1980[1]
Real GDP growth (percent)	7.0	8.0	7.4
Public sector deficit as percent of GDP	5.0	4.0	6.0
Change in consumer prices (percent)	16	20	27
Imports (billions of dollars)	8.1	12.1	18
Exports (billions of dollars)	6.2	8.9	15
Oil and gas exports (billions of dollars)	2	4	10
Current account balance (billions of dollars)	−2.3	−4.2	−6.6
Overall balance of payments (millions of dollars)	+222	+290	+800
External public debt (billions of dollars)	26	29	33
Debt service ratio	53	64	35

[1]Estimated.

EXIMBANK EXPOSURE BY PROGRAM

[In thousands of dollars]

Short term FCIA insurance	$306,703
Medium term FCIA insurance	252,174
Bank guarantees	220,934
Financial guarantees	118,918
Direct credits	1,467,786
Cooperative financing	8,890
Total	2,375,405

TRIBUTE TO SHERMAN SMITH

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I would like to take this opportunity to bring to my colleagues' attention a truly outstanding citizen, Mr. Sherman Smith of Seaside, Calif. Sherman has been a great leader of the Monterey Peninsula community, and the citizens of that area recently honored him with a testimonial. I shall briefly describe to you the work he has done to merit this honor.

Sherman's work and commitment have generally fallen in three categories. The first of these is defense. As a former military officer, he has always been very concerned about the state of our Nation's defense. Knowing that the quality of our fighting forces is the most important factor in determining the quality of our defense capabilities, Sherman has been a prominent spokesman on behalf of sufficient benefits for members of the military. I have found him to be very persuasive and articulate on this vital issue.

Second, Sherman has been a prominent advocate on behalf of equal rights for all Americans. As a member and officer of the NAACP, he has been a tough spokesman in opposition to discrimination and in support of equal opportunity. Mr. Speaker, during the early 1970's, I served as counsel to the NAACP in our area, and it was a pleasure and a challenge to work with Sherman on these issues.

Finally, Sherman has been a strong force for improving education in our area. As a member of the board of directors of Monterey Peninsula College for the past 16 years and as its current chairman, he has been committed to progress and growth at the school. Sherman has been one of the key members of the board, providing leadership in a variety of areas, including MPC's efforts to attract minority students.

I think the greatest tribute to Sherman is not that this testimonial has taken place but that it has taken place at this time. Sherman is not retiring, and no particular milestone has been reached recently. But the people of the Monterey Peninsula think so highly of Sherman that they decided to pay him tribute just for the work he has already done and will continue to do in the future.

Mr. Speaker, it is an honor to know and work with Sherman Smith, and I am pleased that I have been able to inform my colleagues of his accomplishments. I am sure that there will be many times in the future when his fellow citizens pay him tribute, and I am sure that there will be occasion to mention him again before this body.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. CHAPPELL (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HENDON) to revise and extend their remarks and include extraneous material:)

Mr. MICHEL, for 10 minutes, today.
Mr. FINDLEY, for 10 minutes, today.
Mr. TAUKE, for 5 minutes, today.
Mr. COLLINS of Texas, for 45 minutes, on May 4.

(The following Members (at the request of Mr. BEILENSON) to revise and extend their remarks and include extraneous materials:)

Mr. LAFALCE, for 10 minutes, today.
Mr. WEAVER, for 30 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. MOAKLEY, for 10 minutes, today.
Mr. HUGHES, for 5 minutes, today.
Mr. DANIELSON, for 5 minutes, today.
Mr. NEAL, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HENDON) and to include extraneous matter:)

Mr. PETRI.
Mr. DUNN.
Mr. FRENZEL in three instances.
Mr. BADHAM.
Mr. DOUGHERTY.
Mr. PORTER.
Mr. COLLINS of Texas in three instances.
Mr. DERWINSKI in two instances.
Mr. HARTNETT.
Mr. GINGRICH.
Mr. LUJAN in two instances.
Mr. CRAIG.
Mr. MCKINNEY.
Mr. GOODLING.
Mr. FIELDS in two instances.
Mr. YOUNG of Florida in six instances.
Mr. KEMP.
Mr. LEE.
Mr. WINN.
Mr. WAMPLER.
Mr. NAPIER.
Mr. DREIER.

(The following Members (at the request of Mr. BEILENSON) and to include extraneous matter:)

Mr. DE LA GARZA in 10 instances.
Mr. VOLKMER.
Mr. GUARINI.
Mr. GEJDENSON.
Mr. ROSENTHAL in 10 instances.
Mrs. BOUQUARD in five instances.
Mr. HAMILTON in 10 instances.
Mr. STARK.
Mr. RODINO.
Mr. SOLARZ in two instances.
Mr. HUBBARD.
Mr. JONES of Oklahoma.
Mr. BENNETT.
Mr. DANIELSON in two instances.
Mr. CONYERS in two instances.
Mr. FRANK.
Mr. KASTENMEIER.
Mr. EDWARDS of California in two instances.
Mr. SAVAGE.
Mr. WEISS.
Mr. GARCIA in two instances.
Mr. WASHINGTON.
Mr. WAXMAN.
Mr. ZABLOCKI.

Mr. OBEY in five instances.
Mr. FASCELL.
Mr. COLLINS of Illinois.
Mr. MITCHELL of Maryland in two instances.
Mr. HARKIN.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on April 29, 1981 present to the President, for his approval, a Joint Resolution of the House of the following title:

H.J. Res. 155 Joint Resolution to authorize and request the President to issue a proclamation designating May 3 through May 10, 1981, as "Jewish Heritage Week".

ADJOURNMENT

Mr. BEILENSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 52 minutes p.m.), under its previous order, the House adjourned until Monday, May 4, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1243. A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend title 37, United States Code, to authorize uniform allowances and advanced pay for members of the Armed Forces health professions scholarship program; to the Committee on Armed Services.

1244. A letter from the Acting Director, Federal Emergency Management Agency, transmitting a report on the pilot program of designing and constructing buildings to enhance the ability of the buildings to withstand nuclear explosions, pursuant to section 704 of Public Law 96-342; to the Committee on Armed Services.

1245. A letter from the Secretary of Housing and Urban Development, transmitting the sixth annual report on the Community Development Block Grant program, pursuant to section 113(a) of the Housing and Community Development Act of 1974, as amended; to the Committee on Banking, Finance and Urban Affairs.

1246. A letter from the Chairman, National Commission on Libraries and Information Science, transmitting the ninth annual report of the Commission, pursuant to section 5(a)(7) of Public Law 91-345, as amended; to the Committee on Education and Labor.

1247. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to improve rail service in the northeast region of the United States and for other purposes; to the Committee on Energy and Commerce.

1248. A letter from the Acting Chairman, Federal Energy Regulatory Commission, transmitting a report on the study of power pooling in the northeast region, pursuant to section 205(b) of Public Law 95-617; to the Committee on Energy and Commerce.

1249. A letter from the Acting Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during March 1981, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

1250. A letter from the Chairwoman, Merit Systems Protection Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1251. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1252. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

1253. A letter from the Acting Director, Federal Emergency Management Agency, transmitting a draft of proposed legislation to amend the Disaster Relief Act of 1974, as amended; to the Committee on Public Works and Transportation.

1254. A letter from the Federal and State Cochairmen, Coastal Plains Regional Commission, transmitting the 13th annual report of the Commission, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

1255. A letter from the Acting Commissioner of Social Security, transmitting a report on the Social Security Administration matching with Federal and State prison records; to the Committee on Ways and Means.

1256. A letter from the Acting Commissioner of Social Security, transmitting a report on the State and Federal exchange match; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DE LA GARZA: Committee on Agriculture. H.R. 3020. A bill to ensure necessary funds for the implementation of the Federal Crop Insurance Act of 1980 (Rept. No. 97-27). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 3370. A bill to amend the Foreign Assistance Act of 1961 with respect to the use of herbicides on marihuana plants; to the Committee on Foreign Affairs.

By Mr. PHILLIP BURTON:

H.R. 3371. A bill to prohibit discrimination on the basis of affectional or sexual orientation, and for other purposes; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. FAZIO (for himself, Mr. CHAPPIE and Mr. MATSUI):

H.R. 3372. A bill to authorize the construction of a navigation project on the Sacramento River Deep Water Ship Channel; to the Committee on Public Works and Transportation.

By Mr. FITHIAN:

H.R. 3373. A bill to amend titles XVIII and XIX of the Social Security Act to provide more adequate coverage of the services of mental health specialists under the medicare supplemental benefits program and under medicaid programs; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. FOLEY:

H.R. 3374. A bill to amend the Internal Revenue Code of 1954 to increase the allowable contributions to individual retirement plans and to allow employees a deduction for savings contributions to employer retirement plans or to individual retirement accounts; to the Committee on Ways and Means.

By Mr. HARKIN (for himself, Mr. BEDELL, Mr. BINGHAM, Mr. BROWN of California, Mrs. CHISHOLM, Mr. CORRADA, Mr. CROCKETT, Mr. DOUGHERTY, Mr. DOWNEY, Mr. FISH, Mr. FROST, Mr. GARCIA, Mr. GLICKMAN, Mr. HERTEL, Mr. HOLLENBECK, Mr. MAVROULES, Mr. MILLER of California, Mr. MOTTL, Mr. MURPHY, Mr. NEAL, Mr. OBERSTAR, Mr. PEASE, Mr. RICHMOND, Mr. ROE, Mr. SABO, Mr. SHAMANSKY, Mr. SEIBERLING, Mr. SIMON, Mr. SOLARZ, Mr. STOKES, Mr. VENTO, Mr. WALGREN, Mr. WHITEHURST, and Mr. WYDEN):

H.R. 3375. A bill to establish within the National Aeronautics and Space Administration a comprehensive program of automotive research and technology development, and for other purposes; to the Committee on Science and Technology.

By Mr. HAWKINS:

H.R. 3376. A bill to authorize appropriations for the Federal Election Commission for fiscal year 1982; to the Committee on House Administration.

By Mr. HOWARD (for himself, Mr. CLAUSEN, Mr. FARY, and Mr. STANGELAND) (by request):

H.R. 3377. A bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. LUJAN (for himself, and Mrs. BOUQUARD):

H.R. 3378. A bill to establish a uranium enrichment fund; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Science and Technology.

By Mr. NEAL (for himself, Mr. ST GERMAIN, Mr. LAFALCE, Mr. BARNARD, Mr. FRANK, Mr. MATTOX, Mr. WILLIAM J. COYNE, Mr. PATTERSON, Mr. LUNDINE, Mr. LEACH of Iowa, Mr. SHUMWAY, Mr. STANTON of Ohio, Mr. HYDE, and Mr. CARMAN):

H.R. 3379. A bill to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal year 1982 and to require the Secretary

of the Treasury to report on the status of export credit negotiations; to the Committee on Banking, Finance and Urban Affairs.

By Mr. NICHOLS (for himself, Mr. MITCHELL of New York, Mr. MONTGOMERY, Mrs. HOLT, Mr. WON PAT, Mr. HILLIS, Mrs. BYRON, Mr. HUNTER, Mr. SKELTON, Mr. HARTNETT, Mr. BENNETT, and Mr. WHITE):

H.R. 3380. A bill to increase the pay and allowances of members of the Armed Forces; to the Committee on Armed Services.

By Mr. SHAMANSKY:

H.R. 3381. A bill to amend the National Housing Act to extend the period of time during which the Secretary of Housing and Urban Development may provide assistance under section 235; to the Committee on Banking, Finance and Urban Affairs.

By Mr. VOLKMER:

H.R. 3382. A bill to amend the Internal Revenue Code of 1954 to allow an additional year to amend governing instruments to meet requirements for gift of split interest to charity; to the Committee on Ways and Means.

H.R. 3383. A bill to amend the Internal Revenue Code of 1954 to exempt from the windfall profit tax the first 34 barrels a day of crude oil production of independent producers and royalty holders; to the Committee on Ways and Means.

H.R. 3384. A bill relating to the effective date of the provision which allows individuals not itemizing their deductions to claim a deduction for certain repayments of supplemental unemployment benefits; to the Committee on Ways and Means.

By Mr. WAMPLER (by request):

H.R. 3385. A bill to amend section 110(b) of the Agricultural Act of 1949 to eliminate the requirement that the Secretary of Agriculture waive interest on loans made on 1980 and 1981 crops of wheat and feed grains placed in the farmer-held grain reserve program; to the Committee on Agriculture.

H.R. 3386. A bill to amend the U.S. Grain Standards Act to require that fees charged for official inspection and weighing services cover costs to the Federal Grain Inspection Service including administrative and supervisory costs, and for other purposes; to the Committee on Agriculture.

H.R. 3387. A bill to amend the Rural Electrification Act of 1936 to remove provision for the special 2-percent interest rate for insured loans; to the Committee on Agriculture.

H.R. 3388. A bill to increase the interest rates for loans made or insured under the Consolidated Farm and Rural Development Act of water and waste disposal, and essential community facilities; to the Committee on Agriculture.

H.R. 3389. A bill to recover costs associated with cotton classing and standards, tobacco inspection and standards, and warehouse examination, inspection and licensing, and for other purposes; to the Committee on Agriculture.

H.R. 3390. A bill to amend the Housing Act of 1949 to make discretionary the power of the Secretary of Agriculture to provide interest credit subsidy to low and moderate income borrowers, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 3391. A bill to amend the Consolidated Farm and Rural Development Act and the Small Business Act; jointly, to the Committees on Agriculture and Small Business.

By Mr. YOUNG of Florida:

H.R. 3392. A bill to amend title 17 of the United States Code to authorize certain nonprofit use of copyrighted works; to the Committee on the Judiciary.

By Mr. PEPPER (for himself, Mr. FORD of Tennessee, Mr. ROYBAL, Mr. BIAGGI, Mr. ALBOSTA, Mr. ATKINSON, Mr. CROCKETT, Mr. DERRICK, Mr. FRANK, Mr. LANTOS, Mr. MOFFETT, Ms. OAKAR, Mr. OTTINGER, and Mr. WOLPE):

H.R. 3393. A bill to amend title II of the Social Security Act to strengthen the old-age, survivors, and disability insurance program by improving its financing while making necessary modifications in provisions relating to eligibility and benefit amounts in order to make the program more realistic and equitable and to assure that the benefits payable thereunder more effectively serve their intended purposes; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. FORD of Tennessee, Mr. ROYBAL, Mr. BIAGGI, Mr. ALBOSTA, Mr. ATKINSON, Mr. CROCKETT, Mr. DERRICK, Ms. FERRARO, Mr. FRANK, Mr. LANTOS, Mr. MOFFETT, Ms. OAKAR, Mr. OTTINGER, and Mr. WOLPE):

H.R. 3394. A bill to amend title XVI of the Social Security Act to increase the level of the supplemental security income benefits payable thereunder, to provide that an individual's resources shall no longer be taken into account in determining his or her eligibility for such benefits, and to make other improvements with respect to the determination of such benefits; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. FORD of Tennessee, Mr. ROYBAL, Mr. BIAGGI, Mr. DOWNEY, Mr. RINALDO, Mr. ALBOSTA, Mr. ATKINSON, Mr. CROCKETT, Mr. DERRICK, Ms. FERRARO, Mr. FRANK, Mr. LANTOS, Mr. MOFFETT, Ms. OAKAR, Mr. OTTINGER, Mrs. SCHROEDER, Mr. WOLPE, and Mr. WYDEN):

H.R. 3395. A bill to amend the Internal Revenue Code of 1954 to allow individuals a 50-percent refundable income tax credit for retirement savings, to provide for adjustments to the limitations on such credit to reflect inflation, and to otherwise encourage, expand, and simplify independent individual savings for retirement; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. BIAGGI, Mr. DOWNEY, Mr. ROYBAL, Mr. RINALDO, Mr. ALBOSTA, Mr. ATKINSON, Mr. CROCKETT, Mr. DERRICK, Ms. FERRARO, Mr. FORD of Tennessee, Mr. FRANK, Mr. LANTOS, Mr. MOFFETT, Ms. OAKAR, Mr. OTTINGER, and Mr. WOLPE):

H.R. 3396. A bill to amend the Employment Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to improve the security and portability of employee retirement benefits, and for other purposes; to the Committees on Education and Labor and Ways and Means.

By Mr. PEPPER (for himself, Mr. FORD of Tennessee, Mr. ROYBAL, Mr. BIAGGI, Mr. DOWNEY, Mr. RINALDO, Mr. ALBOSTA, Mr. ATKINSON, Mr. CROCKETT, Mr. DERRICK, Mr. FRANK, Mr. LANTOS, Mr. MOFFETT, Ms. OAKAR, Mr. OTTINGER, Mr. WOLPE, and Mr. WYDEN):

H.R. 3397. A bill to amend the Employee Retirement Income Security Act of 1974, the Social Security Act, the Internal Revenue Code of 1954, the Age Discrimination in Employment Act of 1967, and certain other Federal laws, in order to abolish mandatory retirement and establish various incentives designed to increase employment among older workers; jointly, to the Committees on Education and Labor, Ways and Means, Post Office and Civil Service, and the District of Columbia.

By Mr. WAXMAN (for himself, Mr. SCHEUER, Mr. WALGREN, Mr. WYDEN, Mr. SHELBY, Mr. GRAMM, Mr. LELAND, Mr. BROYHILL, Mr. MADIGAN, Mr. BROWN OF OHIO, and Mr. RITTER):

H.R. 3398. A bill to amend the Public Health Service Act to revise and extend the program for health maintenance organizations; to the Committee on Energy and Commerce.

H.R. 3399. A bill to amend titles XVIII and XIX of the Social Security Act with respect to payments to health maintenance organizations; to the Committees on Energy and Commerce and Ways and Means.

By Mr. DERWINSKI (for himself, Mr. ANNUNZIO, Mr. ADDABBO, Mr. BAILEY of Pennsylvania, Mr. BENJAMIN, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mrs. COLLINS of Illinois, Mr. COLLINS of Texas, Mr. COURTER, Mr. PHILIP M. CRANE, Mr. DeNARDIS, Mr. DORNAN of California, Mr. DOWNEY, Mr. DOUGHERTY, Mr. DWYER, Mr. FARY, Mr. FAZIO, Mr. FAUNTROY, Mrs. FENWICK, Ms. FERRARO, Mr. FINDLEY, Mr. FISH, Mr. FORD of Michigan, Mr. FRENZEL, Mr. GRADISON, Mr. GREEN, Mrs. HOLT, Mr. HUGHES, Mr. HYDE, Mr. KEMP, Mr. LAGOMARSINO, Mr. LEBOUTILLIER, Mr. LOWERY of California, Mr. McHUGH, Mr. MINISH, Mr. MURPHY, Ms. OAKAR, Mr. OTTINGER, Mr. PORTER, Mr. RINALDO, Mr. RITTER, Mr. ROE, Mr. ROSENTHAL, Mr. RUSSO, Mr. SMITH of New Jersey, Mr. STRATTON, Mr. VENTO, Mr. WOLPE, Mr. YATRON, Mr. YOUNG of Missouri, and Mr. WEBER of Minnesota):

H. Con. Res. 123. Concurrent resolution to seek the resurrection of the National Churches in the Ukraine; to the Committee on Foreign Affairs.

By Mr. DORGAN of North Dakota:

H. Con. Res. 124. Concurrent resolution expressing the sense of the Congress that 48 percent of any business tax reduction should go to small businesses; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII,

55. The SPEAKER presented a memorial of the Legislature of the State of North Carolina, relative to allowing the States flexibility in the use of Federal-aid highway funds; to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. SHUMWAY introduced a resolution (H. Res. 136) authorizing the Committee on the Judiciary to refer H.R. 3316 to the court of claims for further proceedings in accordance with applicable law, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 18: Mr. FORD of Michigan, Mr. BINGHAM, Mr. DE LUGO, Mr. YOUNG of Missouri, Mr. GRAY, Mrs. SCHNEIDER, Mr. BONER of Tennessee, Mr. STOKES, Mr. RINALDO, Mr. WALGREN, Mr. ROE, and Mr. AUCOIN.

H.R. 269: Mr. DREIER.

H.R. 501: Mr. ADDABBO, Mr. BURGENER, Mr. DAVIS, Mr. ERTEL, Mr. EVANS of Georgia, Mr. FAZIO, Mr. FOGLIETTA, Mr. GRAY, Ms. MARTIN of Illinois, Mr. MARTIN of New York, Mr. WALGREN, Mr. MCCOLLUM, Mr. SKEEN, Mr. SMITH of Alabama, Mr. BEARD, Mr. BONKER, Mr. SNYDER, Mr. DORNAN of California, Mr. BARNARD, Mr. LUKEN, and Mr. MOLLOHAN.

H.R. 1376: Mr. CONYERS.

H.R. 1506: Mr. MONTGOMERY, Mrs. OAKAR, Mr. GREEN, Mr. BENJAMIN, Mr. MATSUI, Mr. LUKEN, and Mr. BROWN of California.

H.R. 1598: Mr. ANDREWS, Mr. WOLPE, and Mr. RICHMOND.

H.R. 1809: Mr. LEHMAN, Ms. FERRARO, Mr. NEAL, and Mr. HARKIN.

H.R. 1819: Mr. ANTHONY, Mr. DASCHLE, and Mr. OBERSTAR.

H.R. 1995: Mr. SIMON, Mr. SANTINI, and Mr. LAFALCE.

H.R. 2121: Mr. MILLER of California.

H.R. 2267: Mr. FRANK.

H.R. 2394: Mr. LEWIS, Mr. FISH, Mr. MITCHELL of Maryland, Mr. ROE, Mr. WAXMAN, Mr. MINISH, Mr. DORNAN of California, Mr. CORRADA, Mr. LEBOUTILLIER, Ms. MIKULSKI, and Mr. FOGLIETTA.

H.R. 2488: Mr. MADIGAN and Mr. MCHUGH.

H.R. 2512: Mr. RITTER.

H.R. 2778: Mr. RAHALL.

H.R. 2830: Mr. SIMON.

H.R. 2844: Mr. BADHAM, Mr. BURGENER, Mr. COLLINS of Texas, Mr. CRAIG, Mr. FORSYTHE, Mr. HANSEN of Utah, Mr. LUJAN, Mr. MARTIN of New York, Mr. PASHAYAN, Mr. STATON of West Virginia, and Mr. YOUNG of Alaska.

H.R. 3073: Mr. WILSON, Mr. COELHO, Ms. MIKULSKI, Mr. BAILEY of Pennsylvania, Mr. BARNARD, and Mr. SAWYER.

H.J. Res. 128: Mr. ANDERSON, Mr. DUNCAN, Mr. HUGHES, and Mr. MONTGOMERY.

H.J. Res. 131: Mr. DANIEL B. CRANE and Mr. FOWLER.

H.J. Res. 230: Mr. DAUB.

H. Con. Res. 67: Mr. BEILENSON, Mr. FOGLIETTA, Mr. HOLLENBECK, Mr. BONIOR of Michigan, Mr. MITCHELL of Maryland, Mr. ROSENTHAL, and Mr. CONYERS.

PETITIONS, ETC.

Under clause 1 of rule XXII,

71. The SPEAKER presented a petition of the President of the House of Representatives, Kingdom of Morocco, relative to the Western Sahara, which was referred to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

LANE KIRKLAND ON INDIVIDUAL AND BUSINESS TAX PLANS AND THE NEED FOR REINDUSTRIALIZATION

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. GUARINI. Mr. Speaker, on March 24 the House Ways and Means Committee heard the testimony of the distinguished president of the AFL-CIO, Lane Kirkland. Mr. Kirkland spoke eloquently before the committee on the administration's tax proposal.

Very simply, Mr. Kirkland spoke on behalf of his membership against the proposed income tax plans. However, rather than dwelling on the negative, Mr, Kirkland came before Ways and Means with an alternative tax and a plan for fostering the economic revitalization of American industry.

On April 10, I introduced H.R. 3218, legislation designed to establish a Reconstruction Finance Corporation and offer a fairer, more equitable tax plan as a basis for beginning America's path to sound economic recovery. This legislation has already received a good deal of discussion, and I believe that it would be helpful to include Mr. Kirkland's testimony on many of the ideas incorporated in this legislation.

Mr. Speaker, I include Mr. Kirkland's testimony before the House Ways and Means Committee concerning the need for a sound tax plan and a Reconstruction Finance Corporation:

TESTIMONY OF LANE KIRKLAND

The AFL-CIO is pleased to present its views on the President's tax proposals. We would also like to take this opportunity to offer an alternative that is equitable and consistent with America's needs.

The President's tax package is grossly unfair and much too costly. It would add to inflation, exaggerate fundamental economic problems and dissipate funds needed for their resolution.

First, the individual income tax reduction: the facade of even-handedness implied in the 10% per year across-the-board cuts quickly disappears upon closer inspection.

Despite claims to the contrary there is no tax cut under the Administration's proposal for some 15 million low income working Americans. Their taxes went up this past January as a result of the Social Security increases; this same group will be among the first to feel the impact of the Administration's cuts in social programs.

The average worker in the private sector who, according to the Bureau of Labor statistics earns about $12,000 a year, would receive a first year cut of $128 if single; but only $92 if supporting a family of four.

A family at the national median of approximately $20,000 would receive $228. At twice the national median ($40,000) the cut amounts to $648—almost 3 times as much. At $100,000 the cut is $1,840—eight times as much.

This same upside down notion of "equity" shows that the 3 year program amounts to a 9.2% increase in after tax income of the $100,000 a year salary earner compared to 3.4% for the $20,000 family and only 1.9% for the $12,000 wage earner.

According to the estimates of both the Administration and the Joint Committee on Taxation nearly 30% of the benefits of the tax cut will go to those with incomes of $50,000 and over—the top 5% of the nation. When fully effective, the average cut for this group will be $5,669. The remaining 95% of the population will receive an average reduction of $743.

Mr. Chairman, clearly a scheme which gives more to those at the top—in absolute as well as relative terms—cannot be considered fair or even-handed.

The so-called "supply side" notion that such cuts in marginal tax rates will entice more people into the labor force and encourage them to work harder completely ignores the fact that there are nearly eight million Americans looking for work, four million on part-time schedules because full-time work is not available, and over one million workers who have dropped out of the labor force because the search for jobs was futile.

The same "supply side" notion presupposes that there is a need for new venture capital and that cutting taxes for the wealthy is the means to that end. Yet the Wall Street Journal (March 18, 1981, page 31) reported that the volume of new capital committed to venture pools in 1980 was almost triple 1979 levels, noted ". . . there is more than enough venture capital to go around . . ." and quoted one analyst as stating, "There's so much money chasing these deals that venture capitalists are in competition with each other."

Business Week added the other dimension in a March 9 article entitled "Why Consumer Spending Hasn't Crumbled." The thrust of the article is found in the following excerpt:

"The consumer market has been split into two tiers. In the top tier are high and upper-middle income families who, because of their rapidly expanding equity in their homes and ability to reduce their taxable income by deducting interest costs and real estate taxes, have been able to continue to spend strongly. The health of the top tier has more than offset the weakness of the bottom tier, which has been battered by rising food, fuel and housing costs."

The article also pointed out that the richest 40 percent of all households account for 60 percent of all retail sales and two-thirds of all spending on highly discretionary consumer goods.

Second, the Administration's depreciation proposal amounts to a rapid and arbitrary speed-up in depreciation write-offs which would render the concept of business income for income tax purposes meaningless. Huge revenue losses would result and the corporate contribution to the costs of government would be cut by over one-third.

By 1986, according to the Administration's budget projections, the corporate income tax will acount for only 7.6% of budget receipts. In 1960, the comparable figure was 23% and currently it's 11%.

In addition to shifting even more of the nation's tax burden away from business and the wealthy, the proposal would substantially distort business investment decisions and change relative tax burdens. Larger, more prosperous, capital intensive firms would reap huge benefits while smaller, labor intensive firms would benefit very little. Healthy, growing corporations would receive tax bonanzas whether they need them or not and the competitive position of smaller firms would be further diminished.

Because of the across-the-board nature of the proposal, and the unfocused manner in which the benefits would be distributed, huge amounts of foregone revenue would end up subsidizing investment that would take place anyway and providing added cash to buy up other companies, increase dividends, invest overseas, speculate, or to finance shut downs and relocations that destroy jobs and blight local communities.

We should also like to point out that this depreciation speed-up proposal (as well as most others) is justified as a means to correct for inflation's impact on the value of depreciation write-offs. According to that argument annual depreciation deductions during periods of high inflation do not compensate for the cost of replacing the asset. But, the Administration's proposal does not even meet the so-called "problem." The write-offs would be faster but any relationship to replacement cost or the rate of inflation would be purely accidental.

The only certainty is that corporate cash flow will increase and federal revenues will diminish. How much of the additional cash flow will go to productive, economy building investment will be determined behind the closed doors of corporate board rooms. In a major study released by the Treasury on the effects of such tax policies on investment the authors, R. S. Chirinko and Robert Eisner of Northwestern University, noted that:

"We found little evidence that a dollar of lost tax revenues from 10-5-3 or the investment tax credit would ultimately gain more than 40¢ in added investment. It would be more cost-efficient to have the government buy the new plants and equipment and give them to business." (see attachment 2)

We see no justification, particularly in this time of budget slashing and proclaimed need for austerity and sacrifice, to throw as much as $60 billion a year in federal tax cuts to the nation's corporations and their stockholders and wait and hope that this largess will trickle down to workers and consumers in the form of needed jobs and more goods and services at reasonable prices.

THE AFL-CIO PROPOSAL

Last month, the AFL-CIO Executive Council presented an alternative individual and business income tax cut which would be fair, much less costly and much less likely to add to inflationary pressures.

The individual tax cut is quite simple—a refundable credit equal to 20% of worker's social security payments. For 1981, the

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

maximum reduction would be $395 for a family with one wage earner and $790 if both husband and wife are working.

Most moderate and middle income taxpayers in the first year would receive as much or more than under the Administration plan. (see attachment 3)

The 15 million low income workers ignored in the President's program would receive a reduction.

The first year cost would be about $16 billion compared to the Administration's $30 billion.

Taxpayers in the $30,000 and below group would receive 60 percent of the benefits compared to the Administration's 40 percent.

Taxpayers in the $50,000 and over income group would still get 10 percent of the cut—twice their population share. But, that's in sharp contrast to the President's proposed 30 percent share to this group.

And, the measure does not lock Congress into a three year program that would risk continued inflation, huge deficits and unconscionable interest rates.

We also recommend that equivalent reductions be granted to public and railroad employees not covered by Social Security. And, that employers receive a 5 percent Social Security tax credit—this would cut business taxes by about $4 billion and be of particular help to smaller, more labor intensive firms.

The reindustrialization business tax cut alternative we urge you to consider would efficiently target funds to the industries and areas where the needs are greatest at minimal cost and risk. It would represent a major beginning toward the revitalization and rehabilitation of this nation's basic industries and economically distressed areas.

Briefly, we recommend the establishment of a tripartite—business, labor and government—Reindustrialization Board. Under this Board a Reconstruction Finance Corporation (RFC) would be set up to channel public and private funds into reindustrialization projects primarily in areas most in need.

The RFC should have initial authority to allocate $5 billion in tax expenditures and an additional $5 billion in loans, loan guarantees and interest subsidies. Emphasis would be on basic industries, and allocation decisions would include factors such as eliminating capacity "bottlenecks," helping new U.S. industries with a high growth potential and aiding firms that have difficulty competing because of unfair foreign trade practices.

Eligibility considerations would include reasonable demonstrations that the aid would be used to finance net increases in domestic investment and would be compatible with the local area's development plans and needs. All recipients would have to comply with nondiscrimination provisions of federal civil rights laws and federal safeguards relating to labor standards and protections such as those provided for in the FLSA and the Davis-Bacon Act.

We would also like to see the funds of the RFC augmented by allocations from pension plan funds, as well as other sources of private capital. Pension plans today are the single largest source of funds for new investment—their total assets amount to more than $600 billion. To assure that the interests of the pensioners are protected, the government should guarantee the invested funds that are placed in the RFC.

Mr. Chairman, we are convinced that curbing inflation, reducing unemployment and solving fundamental problems requires a redirection of the nation's resources. Additional capital investment is needed in many, but not all industries and areas. Tax burdens are too high for many, but not all individuals, and the problems of the poor and the disadvantaged must be solved, not aggravated.

The program we recommend reflects those convictions and we urge your support.●

YOUNG INTRODUCES LEGISLATION TO EXEMPT RELIGIOUS ORGANIZATIONS FROM COPYRIGHT ROYALTIES

HON. C. W. (BILL) YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. YOUNG of Florida. Mr. Speaker, on February 23, I introduced H.R. 2006, legislation to authorize the nonprofit use of nondramatic literary or musical work in the exercise of religion. Unfortunately, H.R. 2006 has a technical error, so I am introducing a clean version of this legislation to prevent any misinterpretations of the intent of my proposal.

Present law exempts organizations from paying royalty fees when they are nonprofit educational institutions using copyrighted works in a classroom or similar place devoted to instruction, such as a place of worship or other religious assembly. My bill strikes the classroom language so nonprofit religious organizations may use copyrighted works under any circumstances in the exercise of religion, provided those activities are not for commercial advantage.

Performance of a nondramatical literary or musical work is authorized under present law when there is no purpose of direct or indirect commercial advantage from the performance. However, transmissions to the public are barred from this exemption. Because many nonprofit religious radio stations, which are devoted strictly to the exercise of religion, do not qualify for the exemption my bill proposes to include those groups under the copyright exemption.

Mr. Speaker, this legislation is necessary to effectively alleviate the problems that confront nonprofit religious groups when required to pay royalty fees on the use of works that are simply utilized to teach the public about their religious heritage, and not for commercial advantage. The new bill I have introduced today, will alleviate this problem and I urge prompt consideration of the proposal.●

SAFE USE OF HERBICIDES TO FIGHT DRUG ABUSE

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. BENNETT. Mr. Speaker, I am today introducing legislation which would allow U.S. foreign aid to once again support the use of herbicides in combating marihuana. After two decades of indecision, America is now losing the war against drugs. It is time for Congress to sound the call to battle before it is too late.

Similar legislation has already been introduced in this Congress which would remove that ban on herbicide spraying. I am deeply concerned, however, that in our commendable zeal to attack the drug problem at its source, we may have overlooked the very real potential health risks to our own children. It is an oversight we can ill afford to make. I am convinced that the legislation I am introducing today will provide a compassionate alternative for dealing with this most difficult problem.

As you may recall, Congress in 1978 approved an amendment to the Foreign Assistance Act prohibiting the use of U.S. foreign aid for herbicide spraying if it was "likely to cause serious harm to the health of persons who may use or consume the sprayed marihuana." Despite its good intentions, HEW's narrow legal interpretation of this amendment has resulted only in the elimination of a highly successful crop eradication program which virtually crippled the massive illegal drug industry in Mexico.

Almost all medical experts agree that paraquat is an extremely toxic substance. At very high levels, it can produce in laboratory animals a form of lung cancer known as fibrosis. In these cases, the normally elastic lung tissue is replaced by fibrous, inelastic scar tissue. Paraquat's effect on humans is unclear.

In a September 13, 1979, letter to the House Select Committee on Narcotics Abuse, HEW Secretary Patricia Harris reaffirmed an earlier opinion by former Secretary Califano that "it is not possible to state with confidence that any dose of paraquat is safe for human inhalation." Mrs. Harris went on to quote Dr. Kaye Kilburn of the Mount Sinai School of Medicine that, "paraquat is an agent demanding the greatest respect."

It is equally important to note that there has never been a single confirmed case of paraquat poisoning in the United States. The Center of Disease Control in Atlanta has asserted that the risk to U.S. public health is minimal at best. Finally, paraquat's effectiveness as a tool to fight drugs is

unchallenged. The United Nations Fund Against Drug Abuse has recommended paraquat as the safest and most effective agent for the control of marihuana.

In testimony before the House Subcommittee on Asian and Pacific Affairs earlier this month, Florida Attorney General Jim Smith pointed to two winter raids in Florida this year that yielded enough high grain cocaine to match half of the Drug Enforcement Administration's worldwide budget. "It is like drawing a bucket of water from the sea," declared Smith. "We must go to the source and cut off the supply * * * you cannot make a profit without a product."

Yet despite all this, even a small potential for physical harm deserves our closest scrutiny. The war on drugs is, in my view, our most pressing domestic priority, but it still must be carefully balanced against the health of all of our citizens, especially among children where marihuana abuse has become so tragically widespread.

This legislation addresses this very difficult balance. Unlike the bills I alluded to earlier, this proposal would require that U.S. foreign assistance be halted immediately should the health of any person be seriously harmed on account of the herbicide. This provision would insure that our public health is protected while allowing a successful and important crop eradication program to continue.

Mr. Speaker, I regard this legislation as a compassionate and workable solution to the herbicide debate. I urge its prompt consideration and approval in the Congress.●

DR. PISAR'S REMARKS ON THE HOLOCAUST

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. DOUGHERTY. Mr. Speaker, as you probably know, May 1 has been declared the official Day of Remembrance by the U.S. Holocaust Memorial Council. It is on this day that we remember the nearly 6 million Jewish persons killed by the Nazis during World War II. Perhaps by marking this day we can educate our descendants and thereby prevent the twin evils of religious persecution and genocide.

Just a few weeks ago, I had the privilege of hearing a speech by Dr. Samuel Pisar, a distinguished international lawyer, on the subject of the holocaust. I am sure that you will find his story both stirring and memorable, and for that reason I would like to include it in the RECORD on this day of remembrance.

SPEECH BY DR. SAMUEL PISAR, MEMORIAL CEREMONY FOR THE SIX MILLION JEWISH MARTYRS

Fellow survivors, friends: Half of me is here with you in this auditorium. The other half is out there on the Rapaport sculpture among the Six Million, including the one million children of whom I used to be one. It is from these perspectives—with one foot planted firmly in our world, a world of which Jerusalem is today the spiritual capital, and with one foot in that other world, of which Auschwitz was the most cursed and the most sacred shrine—it is from these perspectives that I wish to speak to you today. I would like to speak to you, not only with a voice of the modern, educated, sophisticated man that I have become in my new reincarnation, but also with the voice of the subhuman, the little boy who began life in Bialystok, Eastern Poland, and was meant to end it at Auschwitz at the age of thirteen.

When I became a free man, by then of the ripe age of sixteen, I swore that I would never look back. My life was going to be a journey from tragedy to triumph. I was determined to try to touch some of the heights of human experience, as I had touched its lowest depths. This was going to be my personal vengeance, my own way of undoing Hitler's destructive work on our people, if only on the infinitesimal scale of one single human being. And in time I came to live by an ancient proverb, a proverb which tells us that the ink of the scholar means more for our insights than the blood of the martyr.

Today I am no longer sure. Today, in moments of dark premonition, as I look at economic upheavals, at political helplessness, at religious fanaticism, at racial hatred and at mushroom clouds, I see the spectre of a global Auschwitz. As I observe the theatre of the absurd that is threatening once again to overwhelm the world, I believe that we survivors have something valuable to say to our fellow human beings, Jews and non-Jews alike. For we have lived through the collapse of a proud civilization in a burst one summer afternoon, a burst of slogans and of bombs. And that May hurricane had torn through our people, our homes, our temples, our schools, our families, our happiness and our minds, leaving in its wake nothing but misery, cruelty, degradation and death.

To us, the survivors, the Holocaust is not only a perpetual lament, the Holocaust is also a constant and perpetual warning. We know from experience that man is an animal that is capable of the worst just as he is capable of the best, that he is capable of madness as he is capable of genius. For we have witnessed an entire people being industrially put to death while the world at large stood by more or less indifferent. And in the shadow of the permanently flaming gas chamber at Auschwitz, we have witnessed a pilot project for the destruction of humanity, an advance sign of the death rattle of the human species at the threshold of the thermonuclear age, a sign of the final solution.

To us, the Holocaust is therefore also a rich source of lessons, a rich source of energy that an ever-threatened Jewish people in the Diaspora and in Israel will need to face the challenges of survival that surely will come in the years and in the decades ahead.

And yet I remain, in spite of everything, serenely confident of our capacity to meet these challenges. I draw this confidence, first of all, from what I have seen and lived in my own body and in my own soul, my own capacity for survival. I also draw this confidence from what our people has endured since time immemorial from Jerusalem right to Auschwitz, and from Auschwitz back to Jerusalem. What other people has managed to endure such blows to its body and to its soul and yet survive?

I am serenely confident that, generation after generation, we will stand at the graves of the tyrants who would oppress and destroy us. The torrents of blood and hope that have flooded our history have forced us to renew that secret commitment, both at Auschwitz and at Jerusalem. What has seen us through, and what will see us through until eternity, is the common bond of suffering and remembrance that has forged the destiny of our people across time and across space. This triumph of life over hatred, this message of blood and hope, is what we from Auschwitz, with the authority of the numbers engraved on our arms, will carry to Jerusalem for this year's World Gathering of Holocaust Survivors.

Friends, as I stand here before you today in this great city of freedom and of love, I still remember when a very long cattle train carried me away from childhood of happiness to the greatest infernos of our century. I remember all those trains with their perishable human cargoes and all of their cursed destinations. And I remember also the day in June, 1967 when I saw Jews pray again at the Wailing Wall with helmets serving them as yarmulkes and prayer shawls draped over their machine guns. As I saw that unimaginable sight in Jerusalem, I burst into uncontrollable sobs, sobs that came from the depth of my being and from the wells of time. I knew on that day that those long cattle trains with their perishable human cargoes that were heading for Treblinka, Maidanek and Auschwitz had finally reached their destination.

Who would have thought at the time of the destruction of the Second Temple and the massacre at Masada that the center of gravity of Jewish life would somehow manage to shift to Spain, and to Western Europe, and then to Eastern Europe and Russia, and after that to the United States, and then, once again, to a reborn State of Israel?

Who would have thought that throughout the holocausts of history—large and small, the Egyptian slavery, the Babylonian captivity, the Spanish Inquisition, the Russian pogroms, the Nazi genocide—that the Jewish people would manage to preserve its identity and its commitment?

Who would have thought almost 65 years after the Bolshevik revolution that such a vibrant, determined, noble Jewish community would suddenly arise in Russia, a community we had thought lost to another faith, to Communism?

Friends, I fervently believe that as long as hope circulates in our veins like blood, we will continue forever to pump the adrenalin necessary for our survival.●

GOVERNMENTAL INTERVENTION

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. GOODLING. Mr. Speaker, this Nation was founded in revolt against

the excesses of government. For more than a century our society was distinguished by the limits of governmental intervention. However, over the past half century, certain factors combined to expand the role of government, not the least of which has been the inclination of those who would change the Nation for the better to do so by expanding the powers of government.

For the past 20 years we have seen the erosion of public confidence in the Federal Government to find solutions to our most pressing problems. A majority of Americans now feel that the Federal Government does more to make their lives worse than to improve them, and many people are expressing that sentiment with their votes. Declining confidence in Congress and the executive branch is reflected in the inclination of a majority of people to decrease the power of the Federal Government.

It is regrettable that what seems to be happening is a swing in public opinion from excessive faith in Government during the forties to a disdain for it.

We live today in a padded society, where the very measures designed to provide security—such as automatic increases for workers regardless of productivity, constantly increasing unemployment compensation, and increasing pensions for retirees—have added a heavy inflationary burden. While that padding has reduced certain forms of insecurity for millions of Americans, it is also associated with a decline in the work ethic; it has led to rigidity in wages and prices and to Government deficits in good times as well as bad. A new public philosophy would recognize that certain protective measures should be reconsidered. The effect of hundreds of programs—such as trade restrictions, bailouts for large firms, and loan guarantees—that were designed to solve the problems of some specific group have created a bigger problem for everyone. Just as the Depression ushered in an expanded Government role, the circumstances of the past few years suggest that the division of labor between Government and the private sector should be redefined.

The new Reagan administration is introducing proposals for sweeping reductions in tax rates and in the budget. However, the administration's program does not represent a revolutionary change; rather, it is a refinement of an approach to economic policy that has received bipartisan political support for over the past half century. While the Federal Government will continue to accept important responsibilities for insuring people against various economic hazards, such as unemployment and indigent old age, the current proposals spring from the realization that such activities have been carried much too far, and that it is not possible for any government to remain solvent while insuring all the people against everything.

The President has endorsed the bipartisan efforts of the Gramm-Latta alternative budget proposals. I believe that we as Representatives have a duty to listen when the people tell us what they want. Last November the Nation spoke and there is no question that the majority of the people want to turn the economy around through the proposals of the President.

The current Washington fiscal exercises, therefore, should be seen as an effort to redraw the delicate balance between insurance benefits to protect against economic hazards on the one hand, and the corresponding tax and inflationary burdens on the other. For the first time in more than a decade, there are rising sentiments that the course of inflation and economic stagnation, which have persistently been plaguing the United States, may be reversed.

Let us not disappoint the electorate, let us not be irrational and political, but let us all join in the President's efforts and change the country around.●

MARTIN LUTHER KING, JR.—DREAMER IN ACTION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. CONYERS. Mr. Speaker, writing in 1967, a year before his assassination in Memphis, Martin Luther King Jr. observed;

> Our nettlesome task is to discover how to organize our strength into compelling power so that government cannot elude our demands * * *. We require programs to hold up to our followers which mirror their aspirations. In this fashion our goals are dramatized and our supporters are inspired to action and to deeper moral commitment * * *. None of us can pretend that he knows all the answers. It is enormously difficult for any oppressed people even to arrive at an awareness of their latent strengths. They are not only buffetted by defeats, but they have been schooled assiduously to believe in their lack of capacity. (Martin Luther King, "Chaos or Community", 1967.)

By that time, even in the few years preceding, it has become readily apparent to Dr. King that the Federal Government had moved away from its commitment to the Great Society and the struggle to eliminate poverty and racial injustice. The gathering storm of the Vietnam war obliterated most domestic commitments, even the strongest.

As far back as 1964, Dr. King and the Southern Christian Leadership Conference had published a bill of rights for the disadvantaged. That document built upon the declaration of Franklin Delano Roosevelt two decades earlier that Americans—indeed, all peoples—had basic rights to be free of want, free of fear, free of being without a job and life supports, and free to express the deepest aspirations for a better life.

Martin King was shot down in Memphis while marching with the city's striking sanitation workers who were calling for decent working conditions and decent pay. At that time he had already set into motion the march on Washington among the poor, that became known as the poor people's campaign.

Reading King, listening to his speeches makes one thing clear: How far we have diverged from his idea of the moral basis and purpose of government. His death was our loss for many reasons, chief among them his thoroughly moral conception of his own political actions and what government ought to be doing for citizens. Martin Luther King believed that government was created to promote the well-being of its people and to foster a just, free society. Today, it seems, those in the highest reaches of authority believe that government has no such role to play. King believed that each of us has a responsibility for the lives of other citizens—their ability to enjoy freedom and equality, and their well-being. Today, it seems, that moral concept has been supplanted by the reverse concept of "each for himself or herself." And King believed in the interconnectedness of the world's people, of a world community that lived at peace with one another. That view, too, in the highest places has been rejected and replaced by an ominous emphasis on military power, the defense of tyrannies, and confrontation.

To recapture Dr. King's idea of government, citizens from all walks of life last April 4, held a series of seminars and teach-ins in 36 towns and cities across the country. In Washington three seminars took place, one of which at Howard University focused on King's pursuit of civil and human rights.

The distinguished historian, Dr. Benjamin Quarles, professor of history at Morgan State University, presented at that seminar a paper entitled, "Martin Luther King, Jr.—Dreamer in Action." Professor Quarles is the author of "The Negro in the Making of America," "Black Abolitionists," and "The Negro in the American Revolution." In the paper Dr. Quarles explores Martin King's role in the civil rights movement and his leadership in the struggle for justice. I commend this paper to the attention of my colleagues.

MARTIN LUTHER KING, JR.—DREAMER IN ACTION

(By Benjamin Quarles)

In telling the full story of the Montgomery bus boycott Martin Luther King, Jr. concludes by saying that "one can never understand the bus protest in Montgomery without understanding that there is a new Negro in the South, with a new sense of dignity and destiny. Along with the Negro's changing image of himself has come an awakening moral consciousness on the part of millions of white Americans concerning segregation."

In describing these two results of the bus boycott, King is unwittingly dwelling upon two of his most important contributions to his day and to ours: (1) his role in changing the Negro's image of himself and (2) his role in creating among whites a new awareness of the plight of the Negro in the United States. In brief compass we may note these two major contributions.

In bringing to blacks a new determination to struggle and sacrifice for first-class citizenship King furnished a role model by his own activities. His own career had been launched by a successful, a year-long direct action campaign against segregated buses in Montgomery, Alabama. Equally as significant, King's career came to an end by an assassin's bullet im Memphis, Tennessee, whence King had gone to support a strike by garbage workers, 95 percent of whom were black.

During the 13 years between Memphis and Montgomery King preached and practiced a social gospel. "I'm not concerned with the New Jerusalem," he said in 1960. "I'm concerned with the New Birmingham, the New Montgomery, the New South." King conducted voter registration campaigns, pointing out that "one of the most significant steps a Negro can take is the short step to the voting booth." Speaking at a Lincoln's birthday observance in 1958 King asserted that "we want the right to vote now. We do not want freedom fed to us in teaspoons over another 150 years."

King consistently fought for better housing conditions for blacks. In protest against discrimination in housing he held mass demonstrations in Chicago and conducted risky marches in the city's all-white neighborhoods. King supported the technique of selective patronage, of blacks buying goods and services from those who gave employment to blacks. He told blacks that they had power as consumers and that they should tell white businessmen that "if you repect my dollar, then you must respect my person." He urged blacks to form their own credit unions and savings and loan associations, and to become more thrifty.

King's success in inducing blacks to believe in themselves stemmed not only from his activities on their behalf but also from his manner, his style. He was a master communicator, both in the written and the spoken word, with a penchant for descriptive figures of speech. On the platform this arresting presence was matched by a rich and wide-ranging baritone sounding a steady stream of striking figures of speech.

These gifts of communication were accompanied by the gift of reconciliation, of bridging the gap between black groups, between the militant and conservative wing of the civil rights movement, for example. No twentieth century black equaled King in the ability to reach all ranks in the Negro community, the high and the low, "the no D.'s and the Ph.D.'s," as he put it.

King's magic touch was at its most potent with the Negro masses. No man of his advanced schooling was more effective in reaching the black in the street, the poor and uneducated. He may not have fully caught the idiom of the inner city but the black rank and file wherever located could not fail to respond to King's rythmical, call-and-response manner of speaking, combined with the fervent religious overtones of the historic black church.

King's great hold on blacks enabled him to speak plainly to them, telling them things some of them may have preferred not to hear. For example, he exhorted blacks not to use their oppression "as an excuse for mediocrity and laziness." Inner determination, he added, "can often break through the outer shackles of circumstances." In similar vein he pointed out that while there were many things wrong in the white world, there were likewise many things wrong in the black world. There were, he added, some things that blacks must do for themselves—"We can't keep on blaming the white man." King condemned anti-Semitism among blacks. "I solemnly pledge to do my utmost to uphold the fair name of Jews," he wrote in a Southern Christian Leadership Conference Newsletter, "not only because we need their friendship, and surely we do, but mainly because bigotry in any form is an affront to us all."

King's abiding faith in nonviolence as a technique for bringing about social change did not sit well with some blacks, particularly with the young black power militants. King's moral leadership among the great majority of blacks lost little of its lustre, however. Few things imaginable could dissolve the bond that had been forged between King and his legion of Afro-American supporters, each having markedly influenced the other over the years, and each having grown as a result of his reciprocal relationship.

If King was successful in changing the Negro's image of himself, he was also effective, if to a lesser degree, in creating among whites a new awareness of the discriminations against blacks. King was bent on arousing the moral consciousness of whites to the end that interracial reconciliation become a reality. It was ever King's aim to replace the broken community with the beloved community, to build a bridge between the races.

He knew that to get blacks to love whites would not be easy. But he told them that "we cannot walk alone," adding that it was impolitic to distrust all whites since many of them were friends and allies. King had faith that whites would redeem themselves, living up to their Judeo-Christian values and their democratic principles.

In his pursuit of the beloved community King addressed himself to one of the most crucial issues of his time, or of any time—peace and goodwill among groups and peoples based upon the principle of equality. With a characteristically generous gesture toward his own countrymen, however, King couched his principles in terms of a dream which he described as one "chiefly rooted in the American dream." It was a dream, as he said in his well-known March on Washington speech in 1963, "that one day this nation will rise up and live out the true meaning of its creed—we hold these truths to be self evident, that all men are created equal."

And finally it is to be noted that King's dream was not confined to one race or one country, his social horizons knowing no geographic or human boundaries. His broad outlook and sympathies led him to regard himself as a citizen of the world, someone with a concern for the downtrodden wherever they might be found. "All of us must develop a world perspective if we are to survive," he told the audience at Lincoln University's commencement exercises in 1961. "The American dream will not become a reality devoid of the larger dream of a world of brotherhood, and peace, and goodwill." In moving language King re-stated this guiding principle of his career. "All life is interrelated," he said. "We are caught in an inescapable network of mutuality; tied to a single garment of destiny."

King's dual importance as a fighter for freedom at home and throughout the world is best summed up by the opening and closing sentences of his acceptance speech when he received the Nobel Peace Prize in December 1964. On this auspicious occasion, in a sense with the eyes of the world upon him, King's opening sentence was a reference to the "22 million Negroes of the United States of America [who] are engaged in a creative battle to end the long night of racial injustice." King's closing sentence was a reference to his dedication to humanity: "I accept this prize on behalf of all men who love peace and brotherhood."

Martin Luther King, Jr., bears the imperishable quality of the truly great. "I believe," he wrote, "that unarmed truth and unconditional love will have the final word in reality." His life was spent in putting this belief to the acid test.

History is kind to men and women of his mold. He was one of those movers and shakers who at an eventful period proves qualitatively unique. Such a towering figure inspirits all of us, as we take faith from his faith, courage from his courage.●

HANDGUN REGISTRATION

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. HUBBARD. Mr. Speaker, Roberta J. Galli, 903 Springmont Drive, Hopkinsville, Ky., a city that I represent in Congress, has written a very thought-provoking letter urging the need for the registration of handguns. I feel that her letter is one which should be shared with my colleagues and I wish to do so at this time. The letter follows:

DEAR SIR: Again, it is has happened to us—this time four people are wounded—no fatalities so far. I could list the names of prominent people either killed or wounded in the past twenty years by others armed with easily attainable guns, but that's been done before. Not mentioned are the thousands of people also wounded or killed by persons with guns over the years. We have to begin somewhere to stop this senseless killing.

I urge you to support legislation requiring the registration of all handguns and extremely stringent requirements before a handgun could be sold.

We have got to stop this madness or periodically we, as a nation, will continue to lament "Oh My God, Not Again!"

Yours truly,

ROBERTA J. GALLI.●

AUSTRALIA—GETTING BETTER ALL THE TIME

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. McDONALD. Mr. Speaker, as we began to debate the proposed administration budget, it is useful to focus on another country—Australia—which took the path some years ago of reducing big government, curbing inflation, and promotion of the private sector. These policies are now paying off. I commend the comments by Prime Minister Malcom Fraser to the attention of my colleagues. These comments appeared in the form of a statement in Leaders magazine for January, February, and March of 1981.

Strong economic growth is in prospect for Australia this year, well in excess of growth forecast for most advanced industrial countries. This will be the third successive year of accelerating growth in Australia and sets the pattern for an exciting decade of development.

Australia is now reaping the benefits of five years of responsible economic management. With stable policies, we have reined back government spending, reduced inflation and provided assistance for economic development. Through these policies we have restored our international competitiveness and the confidence of the business community.

AN ARRAY OF RESOURCES

The economic climate has created the conditions for a resurgence of investment in the exploration and development of Australia's vast resources. These include: ferrous and nonferrous metals and ores, bauxite and other raw materials and a wealth of energy resources. Our array of energy-related resources—coal, natural gas, oil shale and oil, and uranium—gives Australia unrivaled opportunities for economic growth in the 1980s. Our coking coal has been at the heart of Japanese steelmaking; Production of steaming coal is rising rapidly to fuel electricity generation. And these coal reserves will underpin a three-fold expansion of Australian aluminum output in the next five years.

Official surveys indicate that investment projects under active consideration have a total capital cost approaching $US 34 billion.

In the past, Australia's development has been funded in large part from abroad. The next decade promises enormous potential for overseas participation in this continuing development. Australia recognizes that foreign investors must receive an adequate return, if that potential is to be fully realized.

STABLE ATTITUDE

Australia has a stable and nondiscriminatory attitude toward foreign investment, which I believe is widely accepted by the international investment community.

The general thrust of the policy is to seek Australian participation to the extent appropriate to the particular circumstances of each proposal, with specific guidelines for Australian involvement being set down for particular proposals, for instance, new natural-resource projects. The guidelines define reasonable objectives, rather than requirements, and proposals subject to the guidelines are judged case-by-case.

The combination of sound domestic economic management and a responsible attitude toward foreign investment will see Australia make great strides forward in the 1980s.

Benefits will flow both to the Australian community and to the foreign investor who places his confidence in this country.●

RESUMPTION OF HELSINKI REVIEW CONFERENCE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. PORTER. Mr. Speaker, the Helsinki Review Conference in Madrid is about to resume.

Violations of its basic human rights provisions by the Soviet Union have already been detailed by the Conference—denials of emigration rights, beatings, jailings, and placing of dissidents in mental institutions, among many others.

Though it cannot now be determined exactly when the review conference will finally adjourn, presumably that will occur sometime this summer.

And then what?

The Congress has an ongoing responsibility to bring pressure on the Soviets to live up to the terms of the Helsinki Final Act, particularly in view of the substantial benefits the U.S.S.R. has received under it.

Accordingly, I have introduced today a concurrent resolution asking follow-up hearings in the House and Senate to determine what additional measures the United States should take to assure Soviet compliance with the Final Act, particularly with its human rights provisions.

I ask for and urge the Members support for this resolution.●

ELECTION DAY VOTER REGISTRATION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. FRENZEL. Mr. Speaker, remember President Carter's proposal to allow election day voter registration at the polling places? With uncharacteristic wisdom, the House did not accept that suggestion.

The following article from the St. Paul Pioneer Press of April 22 gives ample confirmation of that wisdom. There is no question that illegal voting occurs under Minnesota's instant registration law. The question is how much.

The article follows:

I-R PROBE CLAIMS 1,500 CITY VOTERS LIED

(By Bill Salisbury)

Up to 1,500 St. Paul voters lied about their addresses and cast illegal ballots in the 1980 general election, an Independent-Republican investigation shows.

The investigation covered those who registered to vote on election day and showed that residency requirements are being flagrantly violated, 4th District I-R Party Chairman Hal Fotsch said today.

Further, Fotsch said, "it appears that none of these illegal voters will ever be prosecuted" because of loopholes in the election-day registration law.

Last November, the 4th Distrtict I-R staff mailed surveys to about 10 percent of those who registered on election day. The Post Office returned 4 percent of these surveys because persons they were mailed to did not live at the addresses they had listed on voter registration forms.

I-R precinct chairman confirmed the voters did not live at their listed addresses by personal visits to landlords and neighbors.

At the same time, the St. Paul Elections Bureau mailed notices to all election-day registrants and had 5 percent of them returned as "undeliverable," Fotsch said.

He said the bureau turned over the names of 25 voters who most clearly lied about their addresses to the county attorney.

"An assistant county attorney informed us it would be impossible to prosecute anyone based upon the information provided by the Elections Bureau," Fotsch said. "He flatly admitted that (the election-day registration law) makes it nearly impossible to obtain any conviction of this law."

Only three Minnesotans have been convicted of voter fraud since the election-day registration law was enacted in 1973.

Fotsch said he is urging the Legislature to put some enforcement teeth in the law. He called for stricter proof of residency, more election judges, procedures for checking the residences of election-day registrants and steps to make prosecution easier.

"The tragedy in all this is that the votes of every properly registered voter are being diluted and to a certain extent taken away by each fraudulent vote," he said. "Minnesota has had a history of many close elections, some decided by as few as five or 10 votes. It could very well be that some of our elected officials were placed there by illegally cast ballots."●

ENERGY MOBILIZATION ACT OF 1981

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. LUJAN. Mr. Speaker, Congressman MORRIS UDALL and I have introduced legislation (H.R. 3236) that will be cited as the Energy Mobilization Act of 1981.

While this bill is similar to fast-track energy legislation of 2 years ago, it

does have some differences that I think will make it more acceptable than was the previous bill.

This bill would speed up the decision-making process on proposed non-nuclear energy facilities, but it would not create a new Federal bureaucracy and would not tread on the rights of the States.

This legislation would establish within the executive branch a small office whose function would be to establish priority energy projects and to establish deadlines for Federal agencies to approve or disapprove major energy proposals.

We all know that many worthwhile energy projects have stalled because of excessive delays in clearing various Federal agencies. These delays cause great uncertainty in the business community and a reluctance to tie up needed capital investment.

It is my belief that this bill represents a well-balanced approach to a problem that seems to worsen with each passing year. It speeds up the process without influencing the outcome of agency decisionmaking.

The main thing that industry wants when it submits a proposal to the Federal Government for an energy project is a much faster yes or no.

The bill does not waive any State laws, and it does not bypass any of the appropriate Federal agencies that must act on these energy proposals. However, it does enable the Council on Energy Mobilization to see that certain priority energy projects are acted upon with dispatch.

We still have an energy crisis in this country and it is time to establish the framework whereby critical energy decisions can be made. This legislation is designed to do just that, without creating a new bureaucracy and additional stumbling blocks.●

RICHARD N. GARDNER, AMBASSADOR OF FRIENDSHIP

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. JONES of Oklahoma. Mr. Speaker, I would like to take this opportunity to honor the former Ambassador to Italy, Richard N. Gardner. At a time when our relations with Europe have too often been marred by tension and strain, Dick Gardner has brought harmony to our relationship with Italy. He has made friends for our country, and impressed our allies with his political understanding, hard work, and diplomacy. Ambassador Gardner is now taking those fine qualities back to the practice and teaching of law, and his presence in Government will be sorely missed, not only by Americans, but also by Italians. I would like to insert in the RECORD an article from the Italian newspaper La Sicilia, which I believe pays fitting tribute to Dick Gardner and the success of his efforts for us abroad.

RICHARD GARDNER LEAVES ITALY—THE AMBASSADOR OF FRIENDSHIP

Italians cannot keep a pleasant memory of Carter as a President of the United States. Even if basic, important reasons did not exist—those reasons due to which the United States (and consequently the whole Western world) reached the limit of an economic, military and credibility crisis of historical proportions just during the Carter administration—even if there were no such basic reasons, he left memories of less than exemplary form and style with us Italians: that smart aleck brother who has connections with Khadafi and picks his business partner in Sicily, of all places; the inopportune and pert young daughter dragged along even in official meetings with Pertini and with the Pope; and even himself, the President, photographed in his shorts at dawn in the Quirinale gardens during his inevitable jogging. Such memories cannot even make us smile.

The last dirty trick of his "Italian series" that Carter pulled on us was to lose the elections. It sounds like a paradox after what we have said above, but it is the truth in view of what our country loses with the change of command at the White House: it loses, first of all, the man who represented the Washington Government in Rome for four years, Ambassador Richard N. Gardner.

By that strange, unwritten law, seemingly anachronistic and absurd in a time of high specialization in all sectors of modern life, U.S. Ambassadors are still considered as "personal" representatives of their President, and therefore follow his destiny, good or bad.

Richard Gardner is therefore leaving, to make room for a man of Reagan, the new President. Personal merits do not count, nor is the amount and quality of the work done determinant: he must go because another is entitled to that place, maybe friend, maybe a campaign assistant. Nothing amazing and nothing shocking in this: it is known to be a rule of the game, which was always observed.

But the "Gardner case" is a special case. Because this educated, balanced man, very active in his official mission but at the same time discreet and prudent in official contacts, is a man who had a deep influence in the diplomatic relationship between Italy and the United States. He landed in Rome, perhaps the "hottest" capital of the Western world, in a tempestuous moment, and his path was immediately laden with difficulties, since his interlocutor was a government torn by sectarianism in a general political situation marked on one hand by the strongest communist party in the free world, and on the other by the strongest neofascist party in the Western world. These four years were tempestuous for the whole world, troubled by an escalating economic crisis without precedent in the last half century; four years in which the ghost of war often grazed us (Afghanistan, the Horn of Africa, Israeli-Arab relations, Poland, the Iranian revolution), and in which Italy suffered the bloody experience of terrorism, the trama of Moro's assassination, the shame of the Lockheed affair and of a hundred other scandals, the wounds of an apocalyptic earthquake. Yet, in these four years Gardner held his post with composure and sang-froid, and with very great diplomatic ability.

A professor of international law at New York's Columbia University, already experienced in international relations thanks to an intense and extended cooperation with Presidents Kennedy and Johnson, he immediately tackled in Rome the main difficulty encountered by all his predecessors: the relationship with the communists. And he solved the problem in a clear and at the same time tactful manner: the United States—he said—would never support or encourage an Italian Government open to communists, but it would not exercise any form of interference and political pressure in Italian internal affairs. A different attitude which was generally appreciated, particularly as compared with the position of previous Ambassadors who had acted as spokesmen, if not protagonists, of different attitudes and "blockades." The "ideological block" which had surrounded the American Embassy for decades crumbled rapidly, and artists, scientists, leftist journalists and even PCI political leaders obtained visas or traveling to the United States without difficulty: L'UNITA', the official PCI newspaper, was able to open a correspondent's office in Washington, and Giorgio Napolitano, Berlinguer's heir apparent, was able to give lectures in American universities.

At the same time, Gardner opened Willa Taverna to intellectuals, journalists, democratic politicians, and wove his portion of the large tapestry through which—after half a century of uncertainty—a socialist party would appear which, overcoming at long last its subordinate position with respect to the PCI, could accept Italy's full participation in the Western world, and would support stabler governments and economic, social and administrative structures adequate to meet the needs of a modern industrial democracy.

That he succeeded in his work appears to be confirmed by facts, notably the coming to power of a young and quite different socialist leadership which represents the independence and the role of the PSI, based on clearly Western, reformist, positions, and offers a renewed possibility of cooperation with the DC and a factual convergence with the great European social democracies.

Gardner's action, furthermore, was not restricted to his relations with the Palace and surrounding areas. Gardner also became popular by traveling all over Italy; during his mandate he visited all Italian regions at least twice, he gave an impressive series of lectures—over one hundred and fifty, it is estimated—in universities, Chambers of Commerce, and the most qualified circles; he took part in cultural and popular events; he was among the first—with tangible evidence of his participation—to visit the earthquake area in Irpinia.

He also had the time and inclination to read Mazzini's writings and to convince his daughter, a Harvard student, to prepare a thesis on Gramsci's thinking.

A separate chapter—last but not least—in the picture of this total commitment to a job considered as a mission, deserves to be devoted to the Ambassador's wife, Mrs. Danielle Luzzatto, Venetian by origin and birth, a beautiful and fascinating woman, intelligent, educated, sociable. To her Venice owes the creation of the worthy foundation "Save Venice" which was received in the United States as a call for help, and which channeled a river of dollars and a myriad of technical offers to save the Laguna. She is

responsible for tens of other initiatives for the rediscovery and the rescue of a number of Italian works of art; she is responsible for the strong promotion action which made it possible for hundreds of Italian youth to study in the United States. In other words, the ideal woman on the side of a first-class man.

Now, then, Gardner is leaving. In the last few days articles in all the main newspapers spoke of him as "the Ambassador of 'confronto'," "the man of the dialogue with all parties," or "the Ambassador who made Italy and the United States understand each other better."

We prefer to remember him above all as a sincere friend, as a gentleman and an honest man. And we greet him as one of us, an Italian "honoris causa."

Farewell, friend Dick. Go back to your books, to your university. We know for sure that you will be back with us, as a gree citizen because in Italy you are only leaving a lot of friends, many of whom will miss you.●

NEW YORK TIMES SUPPORTS EXPANDED ZIP CODE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. DERWINSKI. Mr. Speaker, for months, I have been advocating the soundness of the U.S. Postal Service's proposal to expand the ZIP code system. It is economically sound and will result in improved service.

The New York Times, in an April 28 editorial, came to the same conclusion and specifically endorsed legislation introduced by Senator TED STEVENS to insure that it will be voluntary. I have introduced the same bill in the House and sincerely hope the membership will be as enthusiastic as the New York Times.

The editorial follows:

MOCKING ZIP PLUS 4

Three things Americans like to ridicule are (1) the increasing number of numbers in modern life, (2) the length of time it takes a letter to arrive, and (3) the cost of Government. All are involved in the bargain proposed by the Postal Service that a Senate subcommittee will examine tomorrow. The Service believes that, in exchange for making 1 a little worse, it can make 2 and 3 a good deal better. Despite some Congressional mockery, there's nothing at all ridiculous about that; "ZIP + 4" is well worth a try.

The present five-digit ZIP code, as in New York, N.Y. 10036, makes it possible for machines to direct mail to the right region, state, area and local post office. Adding four digits, as in 10036-1234, would extend the reach of automation, permitting Postal Service machines to dispatch bulk business mail down to the city block, even to the proper building. The Service estimates a saving of 60,000 clerks, without imposing any burden on the individual letter writer. Postmaster General Bolger says that because 84 percent of all mail originates with business, ZIP + 4 is essentially a business system. Individuals would not routinely have to remember or scribble down any more digits than they do now.

Then why not adopt it? Though some mass mailers favor it, other resist the additional cost it will impose. And some legislators pander to the public's distaste for digits. Senator David Durenberger, the Minnesota Republican, has begun a "ZAP the ZIP" campaign.

Another Republican, Senator Ted Stevens of Alaska, now offers a more reasonable approach. His proposal would permit ZIP + 4 to begin June 1 but require that its use be voluntary and that there be a discount for mailers who agree to use it. It is a sensible compromise, and from the perspective of point 3 above, highly desirable. The Postal Service estimates that by 1987 there should be a saving of $600 million a year. That kind of saving deserves support, post haste.●

THE EQUAL RIGHTS AMENDMENT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. STARK. Mr. Speaker, I recently received a copy of a publication entitled "The Equal Rights Amendment Is a Moral Issue" put out by the Mormons for ERA. I found the booklet to be very well written and informative, and one of the most concise and accurate interpretations of an issue that has become extremely complex and misunderstood. I felt that the forthright manner in which the material was presented warranted its reprinting here for my colleagues to read and benefit from as I have.

THE EQUAL RIGHTS AMENDMENT IS A MORAL ISSUE

1. WHAT IS THE EQUAL RIGHTS AMENDMENT?

It is a Constitutional Amendment stating that individuals cannot lawfully be discriminated against on the basis of sex (gender). The Amendment reads in its entirety:

Section 1: Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

Section 2: The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

Section 3: This amendment shall take effect two years after the date of ratification.

2. WHY IS THE EQUAL RIGHTS AMENDMENT NEEDED?

There are hundreds of civil and criminal laws which discriminate against women. At present, legislatures may delay, avoid, or rescind laws granting equal treatment to women.

These unfair laws can be changed one by one, and, despite resistance, they are being changed little by little. This process, however, involves endless litigation and prolongs injustice.

The third clause of the Equal Rights Amendment gives state legislatures two years to review their laws and conform them to the principle of equality. This legislative initiative avoids overloading the courts with costly piecemeal litigation. Also, each state may choose legislation appropriate to its own needs and constituency.

3. WHAT KINDS OF LAWS DO YOU MEAN? CAN YOU GIVE SOME EXAMPLES?

In Georgia and Arkansas, all household goods are the property of the husband.

In Pennsylvania, a married woman must file a petition with the court before she can open a business, but a married man is not required to do so.

Maine and Wisconsin statutes give husbands the right to all business profits, even those earned by the wife.

In Arkansas, a statute gives the husband the sole right to control visitors to the home.

In Alabama, a husband who kills his wife may be charged with the lesser offense of manslaughter.

In North Carolina, a wife who kills her husband is disinherited, but if the husband kills the wife, he may still receive a life estate in her property.

In Oklahoma, women are automatically awarded custody of children of "tender years," while men are automatically awarded custody of children of an age requiring schooling or professional training.

Our home state, Utah, has an equal rights provision included in its original constitution. Yet, a recent study cataloging five hundred pages of laws discriminatory to women demonstrates that the provision has been consistenly ignored by the legislature.

Without a national Constitutional amendment, these laws remain and may remain forever.

4. BUT ISN'T SUCH SEX DISCRIMINATION ALREADY CONSTITUTIONALLY PROHIBITED?

No. Although the Fourteenth Amendment was adopted in 1868, it was more than 100 years later that the Supreme Court decided that "person" in this amendment included women! At best, the Fourteenth Amendment has been applied inconsistently. If the Fourteenth Amendment had been seen as prohibiting discrimination on the basis of sex, it would not have been necessary to pass an amendment in 1920 (after a bitter struggle) granting women the right to vote.

5. SOME PEOPLE SAY THE SECOND CLAUSE OF THE EQUAL RIGHTS AMENDMENT IS DANGEROUS BECAUSE IT GIVES TOO MUCH POWER TO CONGRESS. DOES IT?

No. The second clause reads: "2. The Congress shall have power to enforce the appropriate legislation, thru the provisions of this article." Whenever a law is passed, there must be some provision for enforcement of the law. The second section is standard "enabling clause" necessary for all legislation. It means that, in addition to the authority vested in the state laws, Congress can also enforce the amendment. Thus, it does not interfere with the rights of states except that a state cannot have the right to discriminate illegally. Such language is found in other amendments already a part of the Constitution.

6. DOES THE EQUAL RIGHTS AMENDMENT GIVE TOO MUCH POWER TO THE SUPREME COURT OR TO THE FEDERAL COURTS?

No. Under the Equal Rights Amendment the states would examine and correct their own statutes in appropriate ways for their various constituencies. Federal courts as well as the Supreme Court would continue reviewing cases as they now do, determining whether a law is being obeyed.

7. ISN'T THERE DANGER IN THE SIMPLICITY OF THE LANGUAGE IN THE AMENDMENT?

No. It is consistent with the Constitutional language of the other 26 amendments.

The amendment guaranteeing freedom of speech does not list all the exceptions to that freedom such as conspiracy, treason, or jokingly crying "Fire!" in a crowded theater. Statutory law concerns itself with every "jot and title," but the Constitution deals with concepts and principles. It is that very timeless, flexible language that has kept the Constitution valid and effective for so many years.

8. WHY DID THE PROPONENTS OF THE EQUAL RIGHTS AMENDMENT INSIST THAT NO MODERATING AMENDMENTS BE ATTACHED?

There are three main reasons: a) some of the proposed amendments were unnecessary; b) some of the moderating amendments would have rendered the Amendment ineffective; and c) some would have insured the defeat of the entire amendment and were designed to do so.

When our country was new, statesmen declared that white, educated, property-owning men were all created equal. Since then Constitutional amendments and Supreme Court decisions have recognized that all men are created equal. The Equal Rights Amendment illuminates the principle that all individuals are equal before the law and must have equal rights in a democratic society, regardless of wealth, education, race, or gender.

9. WHAT HAS HAPPENED IN STATES WHICH HAVE EQUAL RIGHTS PROVISIONS?

In such states, laws which are beneficial to women have been extended to both sexes. For instance, in Pennsylvania, property tax assistance and rent rebates to widows have been made available to widowers as well. Those laws which are discriminatory have been made null and void. In rewriting legislation, a person's skills, limitations, abilities, and needs must be considered—not gender.

What has not happened is that same-sex marriages have not been legalized, and locker rooms and bathrooms have remained sexually segregated.

10. BUT WOULDN'T THE EQUAL RIGHTS AMENDMENT BRING ABOUT A UNISEX SOCIETY?

How? Interestingly, every argument against the Equal Rights Amendment was also used to try to defeat woman's suffrage. It was argued that allowing women to vote would defeminize them, make them "like men," take them out of the home, and destroy the American family! Time has given these arguments no more credence, just a new name—the "unisex society." The Equal Rights Amendment would no more create women-like men, or men-like women, than could any other legislation make one man like all other men. We are all individuals, of either sex. The Amendment, far from destroying that individuality, would enhance it.

11. HOW WOULD THE EQUAL RIGHTS AMENDMENT AFFECT SUCH THINGS AS HOMOSEXUAL AND LESBIAN MARRIAGE?

The Equal Rights Amendment does not require a change in state laws forbidding marriage between homosexuals or lesbians. Such marriages are illegal in every state. The Equal Rights Amendment would merely apply existing state laws to both sexes. Thus, if a state will not permit a man to marry a man, it must also forbid a woman to marry a woman.

The legislative intent of the Equal Rights Amendment is to prevent discrimination against persons of different sexes, not the same sex. It governs the legal distinctions based on gender, not on sexual orientation. This position is supported by the impact of state equal rights provisions.

For example, the Supreme Court of the state of Washington in 1974 held that the state law prohibiting homosexual marriage was valid. The court also ruled [that its decision] confirming the illegality of homosexual marriage was supported by both the Washington state equal rights clause and the proposed Federal Equal Rights Amendment. (*Singer* v. *Harris*, 11 Wash. App. 247, 522 P. 2d 1187 [1974].)

12. HOW DOES THE EQUAL RIGHTS AMENDMENT AFFECT LAWS CONCERNING ABORTION?

The Equal Rights Amendment does not affect laws concerning abortion. Supreme Court decisions legalizing abortion under certain conditions were based on a right to privacy as found in the due process clause of the Fourteenth Amendment. (*Roe* v. *Wade*, 410 U.S. 113 [1973], *Doe* v. *Bolton*, 410 U.S. 179 [1973].)

Abortion cannot be a question of equality between the sexes. J. William Hockman, chief Counsel for the Senate Subcommittee on Constitutional Amendments reported: "Since abortion by its nature only concerns women, sex discrimination in this area is a biological impossibility. The proposed 27th Amendment, if ratified, would have no applicability whatever to the question of abortion."

13. HOW WOULD THE EQUAL RIGHTS AMENDMENT AFFECT THE FAMILY?

The Equal Rights Amendment is a friend of the family. Families come in all shapes and sizes. Only 15.9 percent of American households have "traditional" families in which the father is sole wage earner, the mother a full-time homemaker, and the children are still at home.

The Equal Rights Amendment will require the law to view marriage as a partnership in which both husband and wife have rights and responsibilities, although the division of those responsibilities is left to the partners. Women who support themselves and/or their children as single parents or married partners will be sustained in their need and right for equal treatment before the law. When marriages terminate either by death or divorce, it is then that women find that their investment in marriage and family is not protected under the present system.

14. HOW DOES THE EQUAL RIGHTS AMENDMENT AFFECT DIVORCE AND CHILD SUPPORT LAWS?

The Equal Rights Amendment will require that courts award alimony, custody, and child support on the basis of the needs and capabilities of the individuals involved, not by automatic preference based on sex. Because women's legal rights and the enforcement of existing laws are far more limited than is generally believed, the Equal Rights Amendment may well improve support to children of divorced parents.

15. WHAT WILL HAPPEN TO THE PRESENT PROTECTIVE LAWS FOR WOMEN WITH THE RATIFICATION OF THE EQUAL RIGHTS AMENDMENT?

Those laws will be extended to protect both men and women on the basis of individual needs. Laws relating to safety, health, hazardous occupations, and physical limitations are needed by all individuals. It must not be assumed that *all* women or *only* women need protective laws.

16. IF THE EQUAL RIGHTS AMENDMENT IS RATIFIED, MUST CONGRESS DRAFT WOMEN TO COMBAT POSITIONS?

Congress has always had the authority to draft women. The Equal Rights Amendment will require that the draft be based on physical and mental capabilities (as it always has been for men), not on generalizations based on gender. Only those who meet the physical qualifications will be assigned combat positions, which represents a very small 14 percent of all military assignments. Just as deferments and exemptions from the draft have been granted to fathers, husbands, and sons, so would they be granted to mothers, wives, and daughters. Military benefits will also be available to young women who serve in the military. The great injustice would be for Congress to draft women before they receive their equal rights!

Why not correct injustices at the State or local level?

The suggestion that the protection of individuals from sex discrimination be left to state legislatures argues that it is not a fundamental right of federal citizens to be free from such bias. Yet our history has amply illustrated (in terms of Mormons and other minorities) that the issue of states' rights must not shield discriminatory laws and practices.

In the United States all must be equal before the law, regardless of race, religion, or sex—regardless of the state in which a citizen may reside. We look to the Constitution for that protection, for it encompasses our basic liberties as citizens of the United States, liberties which cannot be taken away or abrogated by the states.

WHAT DOES THE EQUAL RIGHTS AMENDMENT PROVIDE THAT THE FOURTEENTH AMENDMENT DOES NOT?

When the Constitution was drafted, it did not recognize women as legal entities capable of owning property, signing contracts, or even voting. When the Fourteenth Amendment was passed in the latter half of the Nineteenth Century to protect the rights of black citizens, any application to women was unthinkable. For nearly a century every effort to extend the protections of the Fourteenth Amendment to women was rejected by the Supreme Court. The Court refused, for example, to extend suffrage to women on the basis of the Fourteenth Amendment (*Minor* v. *Happersett*, 88 U.S. [21 Wall], 162, 22 L.Ed. 627 [1875].)

It is true that some sex discrimination has been eliminated through the Fourteenth Amendment recently, but it is also true that the Supreme Court has stopped considerably short of designating women the same kind of "persons" for purposes of equal protection as men are.

It was not until 1971, in fact, that the Supreme Court was persuaded that a statutory scheme based on sex-classifications constituted unequal protection of the laws. (*Reed* v. *Reed*, 404 U.S. 71 [1971].) But in 1973 when asked in another case to declare sex a "suspect classification" along with race, alienage, and national origin, the Supreme Court refused to do so.

If the Supreme Court had agreed to make sex, like race, a "suspect classification" under the Fourteenth Amendment, all statutory classifications based on sex would be subject to rigorous review known as "strict judicial scrutiny." This would shift the burden to the statutory body to show a "compelling interest" which could be served only by maintaining the sex classification scheme. That is what the Equal Rights Amendment would require. This is what the Fourteenth Amendment would not do.

Between the years 1971 and 1973, the Court was moving toward a position which used the Fourteenth Amendment to prohibit sex discrimination. Since that time the

passage of the Equal Rights Amendment by Congress has, ironically, halted that movement. In 1973 the concurring opinion of Justices Powell, Burger, and Blackman in *Frontiero* v. *Richardson* (411 U.S. 677 [1973]) states:

"There is another . . . compelling reason for deferring a general categorizing of sex classifications as invoking the strictest test of judicial scrutiny. The Equal Rights Amendment, which if adopted will resolve the substance of this precise question, has been approved by the Congress and submitted for ratification to the states. If this Amendment is duly adopted, it will represent the will of the people accomplished in the manner prescribed in the Constitution."

In 1974, the Court again made it clear in *Kahn* v. *Shevin* (416 U.S. 351 [1974]) that it would go no further in scrutinizing statutory classifications based on sex. The Court is looking to the political process to decide this question by the passage or defeat of the Equal Rights Amendment.

IS EXISTING LEGISLATION SUFFICIENT TO ERADICATE DISCRIMINATION?

Opponents of the Equal Rights Amendment argue that existing legislation is sufficient to eradicate present discrimination. The fact is that the best of such legislation is still fragmentary. Title VII of the 1964 Civil Rights Act, for example, applies only to businesses which have more than 15 employees and which engage in interstate commerce. Obviously it does not cover all discrimination in employment.

WILL THE EQUAL RIGHTS AMENDMENT AFFECT SEX-SEGREGATED SLEEPING OR BATHROOM FACILITIES?

Under the Equal Rights Amendment, men and women will not be required to share bathroom and sleeping accommodations. Laws relating to such personal privacy will be unaffected by implementation of the Equal Rights Amendment. The traditional power of the state to regulate cohabitation and sexual activity by unmarried parties would permit segregation of the sexes in sleeping quarters at coeducational colleges, prison dormitories, and military barracks. The Congressional report concluded:

"Another collateral legal principle flows from the constitutional right of privacy established by the Supreme Court in *Griswold* v. *Connecticut*, 381 U.S. 479 [1965]. This right would likewise permit a separation of the sexes with respect to such places as public toilets, as well as sleeping quarters of public institutions. (S. Rep. No. 689, 92d Cong., 2d Sess. 12 [1972].)"

WHAT WILL BE THE LEGAL EFFECT OF THE EQUAL RIGHTS AMENDMENT ON WOMEN AND THEIR FAMILIES?

The Equal Rights Amendment will not affect a woman's right to choose to be a homemaker. It will simply insure that (1) her legal status will in no way penalize her for her choice to stay at home; and (2) should her circumstances require her to be outside the home, her legal status will not handicap her ability to support herself or her family or to otherwise participate in society.

Under English common law, from which most American state laws governing the family were derived, a woman lost most of her legal rights with marriage. According to the common law the "very being or legal existence of the woman is suspended during the marriage, or at least incorporated and consolidated into that of the husband. . . ." (1 W. Blackstone, Commentaries, 442 [6th ed. 1774].)

Although much has been accomplished since women were considered their husband's or father's chattel, there are still laws which view a homemaker as a "kept" woman, an appendage of her husband. The Equal Rights Amendment will require that all federal and state laws give continuing legal status to a woman once she has married, and will recognize her contribution to the marriage.

Cases such as *Coleman* v. *Maryland* and *Conway* v. *Dana* illustrate the principle that a husband and wife have a responsibility to one another and to the fidelity of their marriage, which responsibility cannot be assigned to only one party on the basis of sex. Both parents are also responsible to share the support and care of their children. The Pennsylvania Supreme Court further held that a mother may fulfill her support obligation to her children by staying home and providing full-time child care and homemaking. (*Wasiolek* v. *Wasiolek*, 380 A. 2d 400 [Pa. Sup. Ct. 1977].)

IN SUMMARY, WHAT LEGAL EFFECT WILL THE EQUAL RIGHTS AMENDMENT HAVE?

1. The Equal Rights Amendment will make sex a "suspect classification" under the Constitution, and shift the legislative body the duty to show a "compelling state interest" in order to defend any statutory scheme that treats people differently solely because of their sex.

2. The Equal Rights Amendment will require that laws deal with people on the basis of individual characteristics, not on the basis of their sex alone. It will protect both men and women from legal regulation based on stereotypes about their "proper" roles and functions.

3. The Equal Rights Amendment will give Constitutional sanction to the statutory gains of the last century and establish full equality of citizenship for all Americans.●

VOLKMER OVERVIEW OF FEDERAL FIREARMS REFORM ACT

HON. HAROLD VOLKMER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. VOLKMER. Mr. Speaker, I, along with 90 of our colleagues have reintroduced the Federal Firearms Law Reform Act, a bill to protect the constitutional rights and liberties of law-abiding firearms owners. Our colleague in the Senate, Senator McCLURE, introduced companion legislation with 32 Senate consponsors.

This legislation provides a refocus of the enforcement of our Federal firearms laws away from the bureaucratic regulation and abuse of the rights of law-abiding citizens and toward an actual law enforcement strategy of combating those who criminally use a firearm. The legislation provides for a strict, and certain, punishment of these criminals, through a tough mandatory sentencing procedure.

Although President Reagan has been the victim of a violent attack by a firearm, he has repeatedly stated that more gun control is not the answer to violent crime. He has continued to support the concept of strict criminal penalties for those committing violent offenses.

I believe that my legislation is a proper and reasonable response to the problem of violent crime. It focuses efforts upon the perpetrator of violent criminal offenses. It will force the criminal abuser of firearms to accept responsibility for his acts.

At this point I would like to insert into the RECORD a summary of this legislation. I invite you to join me in this effort to focus on criminal responsibility and at the same time protect the individual rights of law-abiding gun owners everywhere.

THIS LEGISLATION INCREASES THE FOCUS UPON GENUINE CRIMINALS

1. This bill would make uniform the classes of "prohibited persons" who cannot buy or own firearms.

Existing law contains inconsistent classifications. 18 U.S.C. 922 prohibits receipt of firearms by, or sale to, four classes of persons; 18 U.S.C. 1201 prohibits possession by six classes of persons. But the classes prohibited by each section are not consistent, so that a person may be banned from receiving but not from possessing, or possessing but not receiving. Moreover, 1201 makes it clear that a person who has been pardoned is no longer disabled from possessing, but 922's drafters forgot to include a similar section, so whether he may receive is unsettled.

This bill would combine the classes under both sections, eliminating both overlap and inconsistency. Seven classes of persons would be banned from all receipt, purchase, or possession of firearms; the same rules on pardons and expungement would apply to all. Confusion and overlap would be eliminated. Convicted felons would be banned from all such activities, "conviction" being as defined by state law.

2. This bill would expand the prohibitions against purchase from non-dealers by felons and other prohibited persons.

Existing law, paradoxically, makes it illegal for a dealer to sell to "prohibited persons", including felons, but does not prohibit private citizens from doing so.

This bill would prohibit all persons, dealer or not, from selling to felons and other classes of "prohibited persons".

3. This bill would expand the criminal sanctions available against those who use firearms in commission of federal offenses.

Existing law applies a mandatory minimum sentence for those who commit a second-offense use of a firearm in a federal felony. It provides that these persons may not receive probation, but does not prevent them from receiving parole or work furloughs.

This bill would prohibit such persons from receiving parole, or furloughs as well, during the mandatory sentence period. It thus increases the sanctions against genuine, gun-using criminals.

THIS LEGISLATION WOULD NARROW THE LAW'S FOCUS AWAY FROM LAW-ABIDING AMERICANS

1. This bill would force federal agencies to concentrate upon intentional, criminal violators and forbid them to harass law-abiding citizens in an attempt to meet "arrest quotas".

Existing law classifies most GCA violations a "mala prohibita", for which an honest citizen, totally lacking in criminal intent, may be convicted should he make an inadvertent, technical error. BATF has

abused this broad power by ruining the lives and livelihood of law-abiding citizens. Moreover, the availability of "easy cases", without the time consumption and personal risk required to infiltrate genuine criminal markets, has led BATF to divert 75% or more of its resources to making these cases, and only 10% to pursuing armed felons and those who knowingly sell to them. Even a valid federal firearms case expends enough resources to catch and convict ten murderers, robbers or rapists; the bureaucratic waste of these resources, and the waste of innocent lives, cannot be justified.

This bill would require proof of a "willful" violation in order to convict. Innocent intent would now be a defense to an honest citizen, and federal bureaucrats would be forced to focus their arrests against those who willfully break the firearms laws.

2. This bill would tighten the definition of "engaged in the business" of dealing in firearms.

Existing law requires every person "engaged in the business of dealing" in guns to obtain a federal license. Anyone who fails to comply commits a federal felony, even if he does so unintentionally. But the law fails to define "engaged in the business". BATF has frequently abused this vague directive to entrap honest gun collectors into selling two, three or four of their collection, in accord with all laws, then claim that the combination of sales constituted being "engaged in the business". Yet BATF has also refused to issue licenses to persons who likewise sell only a few of their collection, claiming that their resources are overstretched by having to audit so many licensees. Many collectors have thus been ruined; indeed, BATF has been making twice as many "engaged in the business" cases as "felon in possession" and "sale to felon" combined!

This bill would clarify "engaged in the business" to include only those who devote effort to repetitive gun sales for the prime purpose of making a profit. Collectors and hobbyists who occasionally swap or sell incidental to their hobby would not be within the definition. Since prohibitions against sale to felons, etc., would now apply to all persons, not just licensees, the limits on such sales would not be reduced by this narrowing of definition.

3. This legislation would clarify and focus restrictions upon interstate firearms sales.

Existing law contains a general prohibition against all transfers of firearms between residents of different states. The prohibition was intended to prevent persons from evading local gun laws by buying in other areas. The problem is the prohibition is too broad. A person transferring a firearm to a relative in another state may violate this section even if neither state would prohibit the transfer and both parties are permitted to receive and own under federal law. The general rule is, moreover, riddled with confusing and technical exceptions: a person may transfer to a dealer in the other state, transfer by bequest, purchase a replacement firearm with certain paperwork, purchase in a geographically contiguous state (but only certain firearms and only with different paperwork) and so on.

This legislation would narrow this into a specific, hard rule. One citizen may transfer a firearm to another who resides in a different state, and the recipient may bring it into his state, only if (1) both are permitted to receive and possess under federal law; (2) the transfer is legal in the state where the recipient resides and into which he takes the gun and (3) the transfer is also legal in the state where it occurs. If it would violate federal law, the law of the state where it will be taken, or the law of the state where the transaction occurs, it would still constitute a federal crime. Thus the law would ban interstate evasion of local gun laws, but not prevent legitimate transfers where there are no laws to be evaded.

THIS LEGISLATION WOULD BAN BUREAUCRATIC HARASSMENT OF HONEST CITIZENS

1. The bill would ban repetitive harassment of citizens who have proven their innocence of the offenses charged.

Existing law gives redundant methods of harassment. The BATF may file criminal charges (and sometimes convict even without proof of criminal intent), and/or confiscate firearms, and/or revoke a dealer's license, if any. Senate hearings have shown that BATF frequently uses this power to "punish" a person who insists on going to trial and then proves his innocence. After sometimes spending up to $15,000 in legal fees, the victim is informed that BATF will use the same charges in a civil case to forfeit and destroy his firearms collections, or to forfeit his license and livelihood. In one case, BATF used all three, after a dealer had been acquitted by jury, they offered to return his inventory (the entire of which had been confiscated, severely curtailing his business) only if he would waive his right to sue the agents for false arrest and civil rights violations. Present BATF policy defines the principle that a vindication by a jury of one's peers should be enough to end a case.

This bill would provide that where a citizen is acquitted by jury, the case dismissed, or otherwise ended in his vindication, the same charge may not be used to confiscate his property or revoke his license. Moreover, if guns are confiscated on the ground that they were "intended to be used" in a violation, BATF must bring charges within 120 days. This would eliminate abuses such as the one where BATF was still withholding rate collector's items two and a half years after the seizure, without filing a single charge.

2. This bill would ensure that the burden of an unjust or harassing action rests with the government, not with the innocent victim.

Existing law gives the victim of random harassment, such as that outlined above, no remedy. If BATF, by filing of specious charges or a baseless confiscation, forces him to expend money to hire legal counsel, the entire financial burden rests upon the innocent victim. This gives BATF (which receives free legal assistance, courtesy of the taxpayers) a substantial means of harassment.

This bill would provide that a judge shall award a reasonable attorney's fee to the victim of harassment if he secures the return of confiscated property by resort to a court of law. If the government has deprived a citizen of his own property, and cannot defend that deprivation, it should bear the burden—not the innocent citizen. Moreover, the federal district judge would be empowered to award, at his discretion, attorney's fees in any other proceeding where the proceeding was brought maliciously or without justification. Once again, if a federal agency cannot convince a federal judge that they had a basis for initiating an action, there is no reason the innocent victim should bear the costs of proving his innocence. Congress has, in the past, extended similar protections to persons who have been subjected to IRS harassment or deprivation of certain civil rights; given the egregious record of BATF, there is ample justification to extend this protection here.

3. This bill would eliminate useless ammunition recordkeeping and licensing requirements.

Existing law requires persons who sell only ammunition, not guns, to secure a full federal dealer's license, and requires them to record most ammunition sales. Yet even BATF has admitted that ammunition recordkeeping has failed to aid in solution of crimes. Since billions of rounds of ammunition are sold annually, these requirements create significant paperwork creation and licensing requirements without aiding in the fight against crime.

This bill would eliminate the requirement that a store dealing only in ammunition, not in guns, obtain a federal license, and eliminate recordkeeping requirements for ammunition alone.

4. This bill would reduce the risk of entrapment of legitimate dealers.

Existing law simply says that a dealer must record sales of firearms. It does not clarify whether he must record only sales from his inventory or whether he must also record a sale from his private collection. BATF has taken an inconsistent position on this matter. In one recent case, documented in the April, 1980, hearings, BATF induced a legitimate dealer to sell a few firearms from his personal collection, kept at his home and not classed as his business inventory, without recording them in the business records. They then successfully prosecuted him for an unrecorded sale, arguing that lack of criminal intent is no defense. Later, it was discovered that the head of BATF had, during the case, written to Senator Hayakawa, stating that dealers could keep private collections and need not record sales from such—precisely the offense of which the dealer had been convicted.

This bill would clarify the commands of law by providing expressly that a dealer may have a private collection and may sell from it as any other private citizen, subject to all other requirements of the act (no sales to felons, in violation of state law, etc.).

5. This bill would extend to licensed dealers the ordinary protections of the Fourth Amendment.

Existing law permits BATF agents to enter a dealer's premises during business hours for any reason, or for no reason at all, and to examine his records, inventory, etc. BATF agents have utilized this to conduct harassment checks of dealers, sometimes spending hours poring over their records and examining their inventory, without any justification or even suspicion.

This bill would require agents to have probable cause to believe that a violation has occurred, or that he may find evidence of such, before making such a warrantless entry. (Note: BATF has recently claimed to have adopted this as a policy in any event, so it is unlikely to hinder enforcement efforts; but it will ensure that this policy is actually adhered to and does not become mere lip service to the Constitution). This is the minimum protection that can be afforded; even with it, entry could be made without a warrant, which is considered normal constitutional protection for an American citizen, but it is substantially better than existing law.

6. This bill would minimize risks of unjustified bureaucratic regulation.

Existing law authorizes BATF to adopt any regulation thought reasonably necessary, whether or not such has been approved by Congress. Indeed, to override such regulation, both Houses must vote to disapprove, which makes it exceedingly difficult for Congress to limit administrative fiat, and the imposition of rules by nonelected life-term bureaucrats.

This bill sets minimum comment periods for any regulation, provides that either house may override an administrative rule by appropriate resolution, and requires that the regulation be necessary to discharge of administrative functions (rather than "reasonably necessary" as determined in the sole discretion of the administrators).

7. This bill reduces unjustified regulation of suitable imported firearms.

Existing law empowers the administrators to formulate a test under which firearms may be imported or banned from import. The criteria is based upon whether the firearm is suited to "sporting purposes", which is undefined. Criteria now employed not only focus upon a variety of safety, quality, and related tests, but also impose a number of tests (adjustable sights, large caliber, etc.) which are claimed to be related to "sporting purpose".

Under this bill, the secretary would be required to permit importation if the criteria were met, rather than having a discretionary power to refuse, even where all such have been satisfied.

8. This bill will eliminate useless black powder recordkeeping.

Existing law was originally employed by BATF to require full recordkeeping of small-quantity black-powder sales, although black-powder guns (mostly antiques or replicas of such) are rarely, if ever, involved in crime. Congress recently amended the statutes to eliminate recordkeeping for persons buying small quantities for a sporting purpose, whereupon BATF passed another regulation, requiring such buyers to file an affidavit that they were buying such—in order to escape the paper-work! This was a classic example of bureaucratic make-work, in defiance even of the legislature.

This bill would ban such ridiculous and wasteful requirements.

9. This bill will eliminate local harassment of gun owners traveling for legitimate sporting purposes.

Under existing conditions, a person traveling to and from a legitimate sporting event, and taking his firearm with him by automobile, may pass from his own state through others which have different gun laws. He may go from a state which has no permit requirement into one that does; or he may have a permit in his own state but not in every single state through which he will drive. Under many state and local laws, indeed, non-residents cannot obtain a local permit. He may thus be subject to prosecution even though his firearm is kept safely stored where it could not be misused, and be punished even where the law would not allow him to comply.

Under this bill, such a person may transport a firearm through such a state, provided (1) he is traveling in interstate commerce; (2) the gun is unloaded and (3) it is stored so as not to be readily accessible. This protects both the local gun laws and the legitimate sportsman.

WHAT THIS BILL WOULD NOT DO

It would not permit dangerous individuals to obtain firearms. The classes of felons and others forbidden to own arms are, if anything, more comprehensive than existing law. These groups are consistently defined, and private citizens as well as dealers are forbidden to sell firearms to them, rather than just dealers, as under current law.

It would not permit evasion of local gun laws. Interstate transfers could take place only if in accord with federal law, the law of the state of residence of the buyer and into which the firearm will be taken, and the law of the state where the transfer occurs. If the sale is in full accord with all these statutes, no local law could be evaded.

It would not permit mail-order sales. Requirements of face-to-face transfer (whether intrastate or interstate) would still exist, as would all requirements of sale set out above.

It would not permit importation of undesirable firearms. Firearms being imported must not only be suited for sporting purposes, but must meet all other existing criteria.●

INTERVSHOR'S CREATION HAZARDOUS TO LIBERTY?

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. PETRI. Mr. Speaker, one of my constituents, Sister Thomas More Bertels, of Manitowoc, Wis., has taken an active interest in the issue of intervenor funding and has written a very cogent and illuminating guest editorial on the subject. For the benefit of my colleagues, I insert it in the RECORD at this time.

Our political system is a dynamic, open mechansim which breeds all sorts of new developments, some of which are planned and some of which "jes growed", like Topsy. One of the latest is the office of intervenor. If you aren't aware of this post, take heed! The liberty you save may be your own!

The concept is not new. Webster's Unabridged defines the intervenor as one who comes between, or more precisely who becomes "a party to an action or other legal proceeding begun by others for the protection of an alleged interest."

Wisconsin statutes provide for such involvement. The attorney general or his delegate may be required to serve "on various policy-making units of state government," according to the Wisconsin Blue Book. (The key term here is "policymaking," please note!)

This power was expanded significantly in 1967 (Chapter 75). Now the attorney general is required to appoint one of his associates as Public Intervenor, "authorized to formally intervene in all water and other resource proceedings where such intervention is needed for the protection of 'public rights' ".

Farmers have more than a little interest in this office since it has become the tool of a host of special interests groups which are hell bent on telling food producers how they will raise crops and livestock in future. And how well informed is the "public intervenor"?

To judge by his recent campaign to ban Pesticide 2,4D, not very. He claims the chemical is not necessary since alternatives are available; "mowing, tilling, hand labor, tethered billy goats." Suggestions such as this one are enough to send farmers out of food production into fuel permanently! (Have you decided already whether you want to eat or move?)

This weird development is well developed nationally. Newsweek columnist Hugh Sidey (3-30-81) described the latest thing in Washington Intervenors as "an army in pinstripes and Gucci's." Among the several gobetweens he listed was the Food Research and Action Center, "whose troops tramped up to the Hill to protest proposed food stamp cuts. FRAC, employing 25 lawyers, technicians and persuaders, gets two-thirds of its million-dollar budget from the Federal Government it is now attacking. Uncle Sam is once again caught beating himself over the head." (The key concept here is federal funding, please note!)

The number of intervenor groups multiplied during the Carter administration. According to one report, there are some 2,500 operating in our nation's capital. Their leaders do not operate in isolation from one another; they have perfected a technique called "networking," which for all intents and purposes constitutes a one-issue coalition.

A prime example is Rural America Inc., an advocacy group which claims to have made a difference in improving the lives of people and communities in rural areas. "Through our efforts, we have built a strong network of local groups, state affiliates, and a highly-respected and dynamic national orgainization." This claim was made in a brochure advertising the Fifth National Conference of RAI, held in Washington's Shoreham Hotel, Feb. 8-10, 1981. Its purpose: to "adopt a new rural action agenda and strategy for its implementation." According to Columnist Larry Waterfield (The Grower, Sept. 1980), RAI gets "all sorts of funding from federal agencies. It largely exists from the largess of the federal treasury. The federal government * * * the professional critics to attack one of the most productive and socially useful groups in America or the world—the growers, farmers and ranchers."

Intervenor funding! This is a common term for "subsidies government agencies make to 'public interest' groups that participate in the rulemaking proceedings. It is a waste of tax dollars because agencies, themselves, are supposed to represent the 'public interest'," says the editor of Congressional Action, the U.S. Chamber of Commerce newsletter (1-30-81).

FRAC is a federally-funded lobby. RAI is a network of federally-funded lobbies which is itself federally-funded. "Public interest" lobbies differ from so-called "private interest" lobbies in other ways besides the source of their funds.

Pressuring politicians to get their kind of legislation on the books is not the whole story. Intervenors try—often very successfully—to get their adherents appointed to boards, commissions, councils, etc., within the agencies whose mission it is to interpret, implement, enforce this same legislation. The intervenor completes the process by making itself available as a consultor to the same agencies.

Put this process another way: the federal government provides grant money to put intervenor groups in business, then hires their personnel to serve on policy-making boards, then buys the services of the group on a consulting basis! No other lobby has it so good!

Russ Weisensel, Executive Director of the Wisconsin Agri-Business Council (Madison), reminded his membership that all is not well with these intervenors. While every

member of the group—or the network—may tell the same story, "they do not have all the facts; they are not open to reason and logic; they are not interested in understanding an issue from all sides; and they have absolutely no understanding of food production."

Of course, these self-appointed champions of an unknowing constituency don't need the facts nor an understanding of an industry. Who is there to demand a reckoning of facts or funding? Says Sidey, "The danger, of course, is that the sum of all these special interests (intervenors) will ultimately transcend the national good, though at this point so many are clamoring, it appears that they all may fail." Hopefully.

(Incidentally, who knows the name of Wisconsin's very own public intervenor? And what's he/she been up to lately?)●

DISTRESS IN THE AUTO INDUSTRY

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. FRENZEL. Mr. Speaker, the following editorial from the Journal of Commerce of April 27 gives one reason for the distress of American auto companies and their employees that is all too often overlooked.

The chief economist for General Motors says the wage premium paid to American autoworkers is 50 to 70 percent over the wage paid to the average manufacturing worker. In Japan, often cited as the cause for distress, the premium is only 20 to 25 percent.

Sam Nakagama, Kidder Peabody economist, makes the same point about Ford. Average wage cost of Ford employees rose 25 percent to $19.99 per hour from 1979 to 1980.

No wonder the industry is in trouble. Consumers are unwilling to pay the price U.S. automakers need to charge to cover these kinds of costs. So the industry is asking the Government to force consumers to pay it through quotas or tariff.

It is not difficult to see why our $10 per hour constituents do not want to pay for cars built with $20 per hour labor, and even more difficult to see why we should force them to do so through quotas.

The Journal of Commerce editorial follows:

A TEST OF WILL

Marina Von Neumann Whitman, who nine years ago became the first woman member of the Council of Economic Advisers, is now a vice president and chief economist for General Motors. The other day, in an appearance before the New York Financial Writers Association, she ventured some thoughts about the U.S. automobile industry and its ability to match Japanese competition.

Among other things, she scotched the notion that productivity gains can be counted upon to solve all the problems of the economy and of the automobile industry. Even if productivity gains were to double—a most unlikely prospect—that would shave only 1 percentage point off the inflation rate, she said. Moreover, productivity gains can't be expected to offset the labor cost imbalance between the industry here and in Japan. Various calculations, she said, put the wage premium paid to U.S. autoworkers over the average manufacturing worker in this country at from 50 to 70 percent. (She uses a conservative 53 percent.) This compares with a 20 to 25 percent premium paid to their Japanese counterparts.

"There is no exchange rate in the world that would eliminate that differential," she said.

So what is the answer? "There is no question," she said, "that if our industry is to be competitive we have got to change the compensation cost equation."

Sam I. Nakagama, the Kidder, Peabody economist, notes that Ford Motor Co. makes much the same point in its annual report. At Ford, the average earnings of its hourly employees rose to $11.45 an hour in 1980, up from $10.35 in 1979. With benefits calculated at $8.54 an hour, Ford's wage costs rose to $19.99 an hour, a 25.4 percent increase over the year before. The big rise in benefit costs was attributable to the fact that fixed benefit costs were spread over fewer hours worked. Presumably, if the industry had been more active the rise wouldn't have been quite so steep.

Nevertheless, $19.99 an hour for a U.S. factory worker—especially in an industry as hard pressed as automobiles—is beyond belief. As Mrs. Whitman suggested, something has to give. And at Ford, something indeed did. Average Ford employment in the United States dropped to 179,900 last year from 239,500 the year before. And although Ford employment worldwide was down too, to 426,700 from 494,600, the percentage drop in this country, 25 percent, was far greater than that worldwide, 14.7 percent.

General Motors and Ford have been pressing the United Auto Workers to renegotiate their current wage contracts, so far without success. But, Mr. Nakagama notes, the union's attitude might change after local union elections are held this spring.

Charles L. Schultze, who headed the Council of Economic Advisers in the Carter administration, points out that the phenomenon of outsized wage increases is not unique to the automobile industry. "The gap between the hourly employment costs of the steel industry and the manufacturing industry average rose from 25 percent in the mid-1960s to 60 percent in 1980," he noted in a recent article in the Wall Street Journal. "And when it got in trouble a few years ago because of its declining competitiveness, the steel industry took advantage of the very loose and peculiar definition of 'dumping' in our trade laws to wangle from the government a 'trigger-price' mechanism which limits price competition from foreign steel."

Indeed, Mr. Schultze observed, the problem of downside "stickiness" in wages and prices has been made much worse over the past 10 years by a steadily widening wage differential in a number of large unionized industries that are either regulated, highly concentrated or have benefited from the energy situation.

In nine major industries employing more than 3 million workers, he noted, hourly wages (not counting fringes) rose from 19 percent above the manufacturing average in 1967 to 42 percent above in 1980. The relative growth in fringes was probably even larger. The industries are coal, steel, autos, rails, petroleum refining, tires, aluminum, cans and trucking.

What can and should be done? One thing, certainly, should not. The United States should not restrict automobile imports. The Reagan administration has professed support for free trade and opposition to import quotas. But it concedes it has a problem. To fend off legislated quotas, it is urging Japan and its automobile makers to adopt "voluntary" restraints on car exports to the United States.

Mr. Schultze, now a senior fellow of the Brookings Institution, says that if Japanese competition is permitted to continue GM and Ford for the first time in 35 years might get away with a "very modest" wage increase or none at all. Moreover, a refusal to validate the automobile industry's current wage and price structure with protection against imports might help trim wage costs in those other industries much above the national average.

Not to do so, on the other hand, would be a clear signal that the administration—which has staked its political future on winning the war against inflation—has no real intention of doing anything about excessive wage and price increases.●

DO NOT BLOW THE DEFENSE BUILDUP

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. GINGRICH. Mr. Speaker, we conservatives are jeopardizing the future of our desperately needed defense buildup.

After many years of work, we conservatives have persuaded the people that America's defenses were down and strong actions were needed to restore our safety. Our efforts were rewarded. The people have shifted their position on defense, the largest and most rapid shift since Pearl Harbor.

But the people are not fools. While they clearly want a stronger America they do not want their hard-earned tax dollars spent foolishly. And they will resent and reject us conservatives if we fail to use responsibly the trust they placed in us.

Already there is unsettling evidence that conservatives could shatter that trust.

R. James Woolsey and Leonard Sullivan, Jr., are experienced and perceptive men who have seen the danger signals. They speak with authority, having seen the problem from both inside and outside the Pentagon.

I urge all my colleagues who are working to strengthen America to read carefully the two articles printed below. We will fail in our task if we do not avoid the pitfalls they clearly point out.

[From Aviation Week & Space Technology, Apr. 27, 1981]

HOW TO KILL A CONSENSUS

(Big dollar add-ons are being sought for defense by the Reagan Administration—$26 billion more in budget authority in Fiscal 1982 than the original Carter submission. At the same time, more than $40-billion worth of cuts in social and civil programs are being requested. A consensus has developed that the U.S. needs a stronger defense at the same time it attacks inflation, but this could be a fragile consensus. One view on how to destroy this consensus comes from Leonard Sullivan, Jr., former assistant secretary of Defense for program analysis and evaluation. His prescription details are arguable, but the concept that industry or government could fumble away badly needed Defense budget increases to make up for past underfunding deserves a hearing.)

In remarkably short order, the new Administration has committed itself to realigning America's future. Our long-neglected national security interests have finally been granted top federal priority. The President has put forward a five-year plan to increase Defense outlays by 41 percent over what was spent in the prior five years—in constant dollars.

Will this heady, high-flying new status convert the military-industrial inferiority complex into delusions of grandeur? If so, our vital new national security program will be shot down by all those other special interest groups which perceive that their liberal pets are being starved to death to fatten up the military goose that lays those golden defense industry eggs.

Lest we forget, here are 20 easy ways that have been used before to help kill the goose:

Demand only sophisticated weapons (like $3.5-billion carriers and $1.5-billion cruisers) instead of increasing numbers of operational weapons and units as well.

Procure only the latest immature glamour weapons instead of continuing product improvement and life extension of more reliable, operationally mature systems for active and reserve inventories.

Focus on our active forces and neglect our disintegrating reserve structure and industrial mobilization capabilities.

Perpetuate the farce that we can solve warfighting shortfalls with technological magic and mythical force multipliers.

Continue to seek a disproportionate share of the NATO and Northeast Asia security burdens.

Continue to prevent closure of inefficient bases, while artificially propping up civilian Wage Board pay scales.

Keep overruling the Executive Branch by supporting procurements judged unnecessary by Pentagon management.

Continue usurping executive responsibilities by micro-managing Defense programs through outmoded reprograming thresholds and termination clauses; by denying management reserves, and by annually revisiting previous decisions.

Proliferate impractical and costly procurement and accounting practices unrelated to professional management, while discouraging multiyear procurements and stable outyear planning projections.

Continue to avoid making procurements abroad to protect non-competitive U.S. industries, while also continuing to legislate against essential industrial capital investment.

Start bidding up wages and material costs so that much of the increase in appropriations is consumed in sectoral inflation.

Claim that all those learning curves and unit costs made worse by low production rates do not improve with increased production rates.

Continue to neglect opportunities to utilize commercial technology, components and end-items by fostering needless and unreliable military specialization.

Fail to accept the major responsibility for inadequate reliability and maintain ability of most military equipment.

Delay delivery of, and make exorbitant profits on, non-competitive procurements of essential spares, repairables and ground support equipment.

Fail to encourage multiyear procurements or "deregulation" of Defense procurement and reporting practices, while condoning contract "overruns" as acceptable business practices.

Continue to scramble for foreign sales that might better strengthen allied defense industries, while peddling products our less-sophisticated friends cannot operate by themselves.

Fail to plow back new-found profits into plant modernization and productivity improvements.

Fail to initiate needed training programs to provide a new generation of skilled defense industry workers, both blue and white collar.

Ignore community needs to mitigate impact of federal cuts in local social, educational, medical and cultural programs.

[From the Washington Post, Apr. 28, 1981]

A STRATEGY OF FUDGING NUMBERS

(By R. James Woolsey)

The Reagan administration is beginning to lay some minefields in its own path toward a sensible and sustainable defense policy.

One such minefield bears a close resemblance to one that Jimmy Carter adroitly used to blow a foot off his own credibility: hokey inflation projections. The ideology behind Reagan's ridiculously low inflation forecasts for defense spending is different from Carter's, but the effect—a year or two hence—will be similarly crippling.

Jimmy Carter's pledge of 3 percent annual "real growth" in defense spending became the nominal target for each year's defense budget. But the twin desires to increase domestic spending and to hold down the overall federal budget deficit produced an irresistible incentive each year to squeeze defense more than that target would allow. The only way you could depress real defense growth below 3 percent and still, with a straight face, both claim to be meeting that target and press the NATO allies to do the same was to fudge on the projected inflation rates for defense.

If, say, you were sitting in the White House and you expected inflation in defense to be 10 percent, you would need a 13 percent increase to have 3 percent "real growth." But that, you grumbled to yourself, was a lot of money. So you hit upon the idea of blithely telling the Pentagon to plan for only 7 percent inflation, so you could budget for a 10 percent total increase and call *that* "3 percent real growth." That was the long slow curve.

The fast break came later in the same year when, with a sigh, you told the military that inflation in their programs had indeed turned out to be greater than you had expected, but that, sadly, there was no money available to make up for your regrettable mistake—they would just have to make do somehow. (These few percentage points meant billions of dollars. And because much of defense spending is effectively fixed rather early in the budget process—manpower costs, for example—the burden of this sort of back-door multi-billion dollar cut ended up hitting procurement and readiness very hard.) As the hapless uniformed military program managers were angrily summoned before congressional committees to explain the resulting cost overruns and to clarify why production lines were being cut back and initial operating dates of weapons delayed, you could even summon a little indignation:

"Those people in the Pentagon have got to learn to plan and manage their programs better."

The Pentagon may, however, find it even harder to keep its eye on the Laffer curve than it did on Jimmy Carter's inflation-rate screwballs. The Reagan administration is now forecasting that, by the next presidential election, inflation in defense will be nearly 2 percent below what the Carter administration was predicting and 4 percent below the Congressional Budget Office's projections. The reason appears to be neither a desire to underfund defense nor a desire to make exaggerated real growth claims. Rather it is an effort to show faith in the efficacy of the president's overall economic program and a lack of willingness to admit any exceptions to this rosy inflation-free future—defense or any other.

Nonsense. Whatever happens to the economy as a whole, inflation in the defense sector is not going to come down that fast. Indeed, it is probably still heading up, at rates higher than even CBO projects, for a special set of reasons. The low levels of defense spending in the last several years have led many specialized subcontractors simply to quit the business of building components for, say, tanks and submarines. In the aerospace industry, orders by civilian airlines have also shrunk inventories for key structural and electronics components. Certain types of labor—machine tool operators, for instance—are in very short supply. These problems are several years away from solution, even amelioration, no matter what happens to the economy as a whole, and they will drive inflation in defense procurement for some time. Somebody had better level with Congress and the people about this soon.

The Reagan administration now has a golden opportunity in defense policy. For the first time since Vietnam, there is broad public and congressional support, among liberals as well as conservatives, for an adequate defense budget. Experienced defense supporters in Congress can finally turn the focus of their attention from obtaining adequate budgets to improving the effectiveness of defense spending. Sen. Sam Nunn (D-Ga.) has recently served such notice (the warning of "minefields" in defense inflation and outlay estimates is his metaphor). Some parts of the New Right are becoming intrigued by the possibilities offered by military reform. This opportunity to have many diverse rays of the political spectrum converge on a non-partisan defense policy encompassing both innovation and adequate funding must not be lost.

One of the quickest ways to lose public confidence and destroy that opportunity is to continue to build into the budgeting system the automatic cost overruns and production cutbacks that have become so agonizingly familiar. And, whatever the rationale, the best way to create those melancholy phenomena is to serve up inflation esti-

mates for defense that are even loonier than Jimmy Carter's.●

THE SHUTTLE: SPACE VEHICLE OF THE 1980'S

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. FIELDS. Mr. Speaker, the advent of space exploration for the 1980's is upon us. The unmitigated success of the Space Shuttle *Columbia* has demonstrated to the world America's technological prowess. It is incumbent upon this legislative body to acknowledge the impact of this historic event and recognize that the Shuttle has manifested itself as the space vehicle of the 1980's.

We as legislators should realize the significance of this unprecedented voyage and continue to support and encourage further development and expansion of the space exploration program. For this reason, I submit to my colleagues the following article from the April 15 Wall Street Journal. The text of this excellent article follows:

FLYING CATHEDRALS

The space shuttle Columbia radiated majesty yesterday as it made its safe, smooth descent to the Mojave Desert landing strip. America had proven once again its ability to develop a sophisticated technology unmatched in the annals of history.

Commander John Young and Captain Robert Crippen demonstrated that brand of quiet, unselfish courage which has become the hallmark of America's manned-space feats—"the right stuff," as Tom Wolfe so aptly put it.

We were made more aware of their bravery over the last two and one-half days by the uniqueness of this flight. American astronauts had not ventured into space for more than six years, and not since the first lunar landing had the risk seemed more immense and the technology so unproven. Never before had American astronauts ascended into space on the back of a new type of rocket that had not been previously test-launched. Never before had Americans been asked to pilot a spacecraft back to earth for later reuse.

That desire to build a reuseable spacecraft placed an unprecedented burden on its designers, technicians, and astronauts. Massive hinged doors, which had to be opened up while in orbit, had to close securely before reentry. Thousands of small, lightweight tiles—some of which fell off during the launch—had to remain in place in order to protect the shuttle's thin hull from the intense heat of re-entry. And then Messrs. Young and Crippen had only one chance to glide their powerless craft to a safe landing.

A case can be made, of course, that a reuseable spacecraft is extravagant and unnecessarily risky and costly. The Office of Management and Budget, for one, argued in the 1970s that such tasks as deploying space satellites, telescopes and experimental laboratories could be accomplished more cost effectively by using conventional one-shot rockets. Many of the shuttle's missions could be done more cheaply using existing techniques, and some of the things that only the shuttle can do—such as carrying massive payloads into space for, say, a space station or a large laser—are not even off the drawing board and may not be carried out before the end of this century.

Owing to the high cost of runs of the shuttle and the budget-cutting mood in Washington, too, some scientifically more innovative projects are being delayed and even scrapped. For instance, there in no money available for the relatively inexpensive "Mark Twain" probe of Halley's Comet, which will once again appear in 1986 after a 76-year absence. The Europeans and Soviets are planning to explore the comet, but only the U.S. has the sophisticated technology to make a thorough probe.

By now, of course, economic calculations of the shuttle's value will be dominated by sunk costs. Now that the U.S. has spent over $9 billion and uncounted man hours on the shuttle, it has to make the most of its new technology. It does provide the U.S. with ways to match Soviet manned activities in space, upgrading the nation's defense and helping to deter war. And since the path of technology is always unpredictable, scientific and commercial ventures using the shuttle may yet reap large benefits for those of us on the ground.

The space shuttle is the realization of a dream of the test pilots and engineers who first formed NASA more than 20 years ago. It was their dream to develop the capability to fly a craft, with a "stick between the legs," into space and back again. Spacecraft that were lobbed into the sky and plunged down to earth on the end of a parachute were seen as only an intermediate step. Who is to say the dreamers were wrong? Ever since the days of the Wright brothers, the dogged presence of such dreams by a few have immeasurably improved all our lot, though rigors cost-benefit analysis would have branded them as visionary.

Space flights have been called the cathedrals of modern man. Detractors say the money could be better spent on bread and butter rather than on rockets and launch pads or stone and mortar. Yet like cathedrals, space flights are edifices immortalizing man's ingenuity, hard work and sacrifice. How do you quantify an investment in the human spirit?●

REDUCING THE BUDGET FAIRLY

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. CLAY. Mr. Speaker, on April 15, the world's first Space Shuttle made a pinpoint landing at Edwards Air Force Base in California. We have a space program that is a tribute to our Government. There is no reason we cannot have a human needs program that is also a tribute to our society. The Space Shuttle is a symbol of our ever changing world. Since World War II, we have been bombarded with changes; changes that even the most imaginative men have great difficulty comprehending. We have experienced many changes in our system of values and we are emerging from an industrial order and becoming a technological society. In this transition, let us not repeat the mistakes of our past.

President Reagan is asking us to approve a Federal budget which is more than $30 billion less than our current Federal budget. More than 75 percent of the proposed dollar reductions have been taken from social and domestic programs. I am not opposed to a reduced Federal budget. But, the President's plan is a disgrace. He is asking those who have the least to sacrifice the most. We will all share in the rewards of a more stable economy. But, those who give up the least will obviously reap the greatest reward. The efficacy of our President's approach is in serious question.

The administration's budget plan relies on a fundamental principle called short-term profit maximization. Short-term profit maximization is a purely selfish motivation, and it has somehow worked its way into our system of values. I contend that it is our emphasis on selfishness as a virtue that is at the real root of our Nation's economic turmoil.

The social changes of the past decades cannot be ignored. In the 1960's, Government adopted a genuine concern for the needs of individuals. Economic conditions in the early 1960's were very good, most Americans had everything they had ever dreamed of, and it became fashionable to consider the needs of the less fortunate. Demonstrating consideration for the needs of the disadvantaged must not be treated like a passing fad. Today we are facing the first real interclass economic hardship since the Great Depression, and our President is suggesting we behave like spoiled children, that we blame the youngest in the family for disturbing our order. Social and domestic programs are not the demons of our economic frustration. Caring for others is the simplist, cheapest and most valuable form of human giving, but it seems to contradict the selfish values that sustain prosperity in an industrialized system. If Government has contributed to our economic problems, it is only because our society has begun to develop a new system of values. Our human needs programs are not the culprits of hard times. Perhaps many of those who are ardent supporters of Reagan's budget plan are irrationally afraid of hard times they have never known. Blacks and other minority Americans have known many hard times, and they are not afraid. They know how to sacrifice and they know how to survive. They are not afraid, but they are mad. They are angry because they are being asked to give up more than they have; and this is being proposed in the face of all our Government rhetoric about social equality and justice.

Congress has a responsibility to act to improve our Nation's economic stability; but in order to be honest in this mission we must identify the real cause of the problem and recognize that all Americans must share in the achievement of a solution. Reducing one segment of the Federal budget is an off balance approach to balancing the budget. Our social and domestic programs need attention. In many cases they serve neither the people nor the Government with great efficiency and effectiveness. But, if every artist and every inventor who ever conceived a new notion, abandoned the concept when the initial designs failed to meet all expectations, we would have no masterpieces and we would have no new inventions. We cannot blindly forsake our efforts to develop a nation of real equal opportunity. The drastic changes President Reagan has proposed threaten to deepen social inequality. I don't necessarily ascribe to the belief that implementation of the Reagan budget plan will produce a sharp increase in crime, as many of my constituents have suggested; but I do suspect that our Nation's high crime rate may well be tied to our foolish insistence that selfishness is some kind of virtue.

Economic conditions are changing throughout the world, and these changes are affecting our economic stability. As long as our industrialized society depends on international exchange, we will feel the impact of world economic conditions. But, we cannot invent internal solutions to problems that are generated by external forces. When our President pretends to do this, he is suggesting that we believe in magic.

The Reagan administration is proposing to build up the military industrial complex and strengthen our national defense posture in a desperate move to create greater economic stability. This approach is likely only to create new wars. Solutions based on artificial values, like selfishness, are diversions, not remedies. The time has come to reassess our expectations.

I am not opposed to reducing the Federal budget, but I believe that the burden of a reduced Federal budget should be divided equally. The Congressional Black Caucus has designed a compassionate budget which does just that. It reduces our Federal deficit by $43.5 billion while restoring funds for basic educational programs, student financial aid programs, comprehensive employment and training programs, nutritional programs, subsidies for improvements in housing, health care programs, energy conservation and research development; and provides an equitable tax relief program for the middle class and working poor in our society. The Congressional Black Caucus' alternative budget would also improve our national security by supporting more money for military personnel, training, operation and maintenance programs. In one sentence, the Congressional Black Caucus has developed a plan to reduce the Federal budget without reducing our self-esteem. And in the final analysis, the United States may have no more important a resource than the self-esteem of her citizens.

I urge my colleagues to assess the real impact that the Reagan budget plan would have on the individual, and the children who will inherit this Earth. I ask you to support the Congressional Black Caucus in our efforts to preserve and protect the dignity of life for all the people in our United States.●

STATEMENT OF EARNINGS AND TAXES

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. PEYSER. Mr. Speaker, each year that I have served in the Congress I have inserted in the RECORD my total income and taxes paid for the previous year. For the year of 1980, my total income was $71,403. My taxes—including Federal, State, local, and real estate—equaled $24,035.●

THE PEOPLE RESPOND—VIII

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. GARCIA. Mr. Speaker, I am inserting into the CONGRESSIONAL RECORD a statement which exemplifies the concern people are feeling over the proposed budget cuts. President Reagan's economic plan would not affect every segment of this society equally; minorities and the poor would have to shoulder the greatest suffering while businesses and the rich would be favored disproportionately. As part of my continuing crusade against the inequities in the proposed economic plan, I am inserting today's statement to show that there are still citizens who are concerned over the impact of this plan.

Hon. ROBERT GARCIA,
House of Representatives
Washington, D.C.

DEAR ROBERT GARCIA. We are deeply distressed by proposals to combine and reduce all federal funding for day care and other forms of social service into block grants. Day care programs are the only social service which bear a direct relationship to the ability of poor working parents to keep their jobs. Cut back in this program would mean increased welfare rolls. We urge you to hold public hearings on this issue to permit input from all interested citizens.

YVONNE PROPHET.

GLIE COMMUNITY
YOUTH PROGRAM INC.,
Bronx, N.Y., March 24, 1981.

Hon. ROBERT GARCIA,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN GARCIA: We the directors of GLIE (Group Live-In Experience) call upon you to oppose the cuts in federal funding proposed by the Reagan Administration. These cuts will have a serious negative impact upon all New Yorkers, but especially upon the poor disadvantaged and the local community agencies working to help them.

The cuts projected—$41.6 billion in 1982, $81.2 billion in 1984 and $102.7 billion in 1986—will cut through the entire range of social services programs and deprive individuals living below or just above the poverty level from the support they need.

While it may be true that the cuts proposed by the Administration cover almost every facet of government spending, one cannot ignore the harsh fact that the major reductions will come at the expense of social programs for the poor. For example, the food stamp program will be cut by $2.3 billion; child nutrition funding by $1.2 billion (a 50% reduction); welfare by $1.2 billion; subsidized housing for the poor by $500 million; jobs and job training by $4.5 billion; medicaid by $900 million; legal assistance for the poor by $312 million, dangerously eliminating the vital avenue of assuring the process to countless individuals.

GLIE is the only child care agency in the Bronx, providing shelter for homeless and runaway youths. Moreover, we provide job training, education and intensive counseling to them and their families. Our goal is to reunify and stabilize family life.

We trust we can count on your support to uphold these much needed services and to prevent the Reagan cutbacks.

Respectfully,

KEVIN MCGUIRE,
Chairperson.

THE BRONX-LEBANON
HOSPITAL CENTER,
Bronx, N.Y. March 24, 1981.

Hon. ROBERT GARCIA,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN GARCIA: As a practicing pediatrician, I am very concerned over the drastic cuts in the PSRO budget proposed by President Reagan.

I actively participate in peer reviews for the Bronx PSRO because I believe that physicians have obligations regarding quality assurance in medical care.

I have been impressed with our PSRO's activities in identifying and controlling abusive medical practices in order to improve care given to Medicaid recipients and to reduce costs to this program. This PSRO contributed substantial documentation of widespread patterns of prescribing cough medications in dangerous combination to young children, by Medicaid providers to circumvent Medicaid restrictions. As a result of the PSRO efforts, the New York State Medicaid Program eliminated this poor practice which cost more than 3 million dollars annually.

Without the expertise and local concern of the PSROs, it is difficult to see how

abuses like these can be identified and controlled.

I urge you to use the power of your office to prevent the phasing out of the PSRO program and to ensure an adequate funding level.

Very truly yours,

MICHAEL BIHARI, M.D.●

LAW DAY/LEGAL SERVICES

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. EDWARDS of California. Mr. Speaker, since today has been designated "Law Day," I thought it would be appropriate to raise an issue which has to do with equal access to justice and to the law for the poor in our society. I am referring to the President's proposal to do away with the Legal Services Corporation. I believe very strongly that the Congress should not be a party to this effort to deny legal assistance to those who cannot afford to pay for it. I thought my colleagues might be interested in two editorials which appeared in the Los Angeles Times and the Sacramento Bee which explore this issue in some depth. I hope my colleagues will agree that the editorials are persuasive in their explanation of why the Legal Services Corporation must be maintained.

The articles follow:

[From the Los Angeles Times, Mar. 10, 1981]

DENYING THE POOR A CHOICE

There are people in Los Angeles who would be out on the streets, homeless, but for the federal program providing legal aid to the poor. President Reagan wants to end that program by abolishing the federal Legal Services Corp. and eliminating its $321 million budget.

Poor people need equal justice just as much as rich people do, but they cannot receive that equal treatment without lawyers. Former President Nixon knew that, and proposed the legislation that created the independent corporation. The American Bar Assn. knew that, and supported the legislation, which Congress finally passed in 1974.

Legal-aid lawyers often represent people who are cut off from food stamps or welfare payments and don't know how to cope with the bureaucracy. The Legal Aid Foundation of Los Angeles not only represented poor people in danger of losing their homes to fraudulent mortgage counselors and unscrupulous home-improvement contractors but also worked with volunteers from the private Bar to win legislation to curtail these offenses.

It is this kind of representation—lobbying and filing suits against the government—that has drawn conservatives' ire. Reagan himself has been against the idea of poor people's lawyers suing public officials ever since he was governor of California. In 1970, he vetoed a $1.8 million federal grant for the California Rural Legal Assistance Program.

Programs for the poor seem to be drawing more than their share of attention from Administration budget-cutters. To ensure that there is money in the Treasury for legal services to the poor, the Administration could, for example, devise a cap on the amount of interest on credit purchases that can be deducted from one's income taxes. What we are saying, and have been saying, is that there are ways to cut the federal budget, as it should be cut, that do not fall most heavily on the poorest.

Nixon had it right when he said that "justice is served far better and differences are settled more rationally within the system than on the streets." Reagan's plan would deny the poor that choice.

[From the Sacramento Bee, Mar. 12, 1981]

LAWYERS FOR THE POOR

Government-sponsored legal services for the poor, a favorite whipping boy for conservative politicians, including Ronald Reagan, have been targeted for oblivion by Reagan's Office of Management and Budget. If Congress approves the OMB recommendation during the coming months, the federal Legal Services Corp., which now employs about 5,000 lawyers across the country and which serves 1.2 million poor Americans, will be wiped out.

While campaigning for president, Reagan told the American Bar Association that local governments and bar associations might do a better job than the Legal Services Corp. in representing the poor in court. We don't think so. For one thing, local governments would be reluctant to pay legal counsel to pursue suits against local entities—suits, for example, arising from the acts of a county welfare department that unjustly denied benefits or of a municipal public-housing agency that evicted tenants without hearings.

As for turning the job of representing the poor over to private lawyers appointed by bar associations, that might work where there are attorneys who would conscientiously represent indigent clients. But most private lawyers have neither the experience nor the background nor the motivation to represent the poor clients with the same diligence that paying clients are used to. Moreover, private attorneys aren't likely to give much attention to systematic abuses such as consumer fraud and repeated violations of due-process that call for class-action suits.

The concept of providing legal services for those for whom the ordinary benefits of the judicial system have been out of reach now seems such a fundamental and unexceptional part of any enlightened attempt to alleviate the harsh consequences of poverty that it is difficult to understand how any responsible government budgeting agency can, in good faith, recommend eliminating it.

During the 1960s, when black people were demonstrating in the South for their rights or venting their frustration in the most squalid neighborhoods in cities throughout the nation, conservatives, including Reagan, readily advised them and other frustrated Americans, including the white poor, that America provided ample opportunity for peaceful change. Now that the Legal Services program has proved precisely that point, the same voices, in an irresponsible display of shortsightedness, threaten to wipe out the program.

Fortunately, the final decision on maintaining the Legal Services Corp. does not rest with the White House but with Congress. The gulf between legal services available to the poor and those available to persons who can afford private counsel is already yawning and cruel. Congress has a responsibility to narrow the gap, not widen it by doing away with legal services for the poor.●

HOLOCAUST MEMORIAL

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. DERWINSKI. Mr. Speaker, I wish to join with my colleagues in paying a special tribute to the memory of the men, women, and children who were innocent victims of the extreme brutality of the holocaust, and those who were mercilessly massacred by the actions of ruthless and tyrannical governments at various times in history.

On Tuesday of this week, we commemorated the anniversary of the Armenian Genocide, which was the systematic effort by the Ottoman Empire to exterminate the Armenian Christians 66 years ago. I supported the inclusion of this tragic forerunner of the holocaust into the commemorative activities that have been planned by the Holocaust Memorial Council, and I am appreciative that this tragic episode has been recognized by the Council.

In commemorating these Days of Remembrance, we help to remind the world of the indifference to the Armenian Genocide and its aftermath that led Hitler to cite it as a precedent and justification for his own crimes. Today, we recall with sorrow the millions of men and women who were tortured, starved, and murdered as a result of their nationality, political convictions, and their religion. We commemorate them in the determination that this kind of ghastly tragedy will never be permitted to occur again and never be forgotten.

Sustained by their faith and spirit, the survivors and ancestors of the holocaust have maintained their identity and pride, and the establishment of the U.S. Holocaust Memorial Museum will reaffirm traditions of their forebearers and suffering of the Jews, Armenians, Slavs, the Gypsies and others who have been subjected to ruthless executions. It gives us hope that the future will some day, in a great way, compensate for all the tragedies of the past.●

SMALL BUSINESS CONTRIBUTIONS TO THE GOALS OF THE FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1978

HON. PARREN J. MITCHELL
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, the policy goals and objectives of the Full Employment and Balanced Growth Act of 1978 must serve as the foundation for any economic revitalization plan adopted by this body. The economic goals of the country must be:

First, to generate a stable growth pattern with an emphasis on the creation of private sector employment; and

Second, to balance the growth pattern such that all regions of the country and sectors of the economy share in the growth potential.

Stability in the economic growth pattern dictates reducing the currently high rates of inflation; increasing the productivity levels of all the factors of production—land, labor, capital, and as some will argue energy—and spurring investment in the high employment growth sectors of the economy. These three components insure stability in the economic growth pattern and if properly employed will serve to meet the production potential of the economy.

It is obvious, to all concerned, if we employ the existing modes for economic growth the United States will face lower economic growth in the decade of the 1980's than it did in the last two decades. The decade of the 1970's produced an average annual rate of growth that was 1.4 percent below that of the previous decade and an average inflation rate of 4.8 percent above the previous decade. An examination of the historical trends in productivity data reveal a generally declining trend in total factor productivity. The average annual total factor productivity fell from 2.8 percent in 1948–66 to 1.6 percent in 1966–73 and dropped further to 0.8 percent during the 1973–78 period. Since the 1973 oil crisis the rate of inflation, associated with these economic factors, has further exacerbated the decline in our general economic condition. Because of the reduced rate of return on new assets, given the high interest rates and uncertainty in the economy, firms chose short-term investment schemes that offered faster payoffs. Thus, this same period depicted our major industries focusing on diversifying through acquisition rather than reinvesting for increased productivity.

We all agree that the decline of American productivity has been a source of our high inflation and lower economic growth. We also recognize that a new innovative focus must be formulated. At issue, during the debate of this budget, is how do we increase our productivity while approaching our longrun goals of balanced economic growth and full employment?

One of the solutions proposed by the advocates of supply-side economics is the concept of spatial tax incentives or tax investment enterprise zones. This concept was conceived in an attempt to address regional growth disparities. However, to promote the concept of balanced growth we must first recognize that the laissez-faire, supply-side tax argument will render even larger regional distortions. As a result of oil and gas decontrol the energy-producing regions of the Southwest will generate nearly $120 billion in revenues this decade. This is a tax which will be paid by the consuming regions of the Midwest and Northeast in the form of royalties and severances. Complementing this national shift in resources is a proposed accelerated depreciation, capital formation tax cut which will serve to support the trend of manufacturing businesses moving away from these same regions. With Federal budget reductions threatening to curtail services, taxes must be raised in the Northeast and Midwest to meet maintenance levels. Only those regions benefiting from the redistribution caused by oil and gas decontrol will be able to lower their tax base and take advantage of enterprise zones. In the zero sum game of our stagnant economy the pressures created by targeted budget reductions and untargeted tax incentives will prove to create major regional distortions in our growth patterns.

An arc of economic crisis stretches from Gary to Baltimore, tied to the umbilical cord of our older industries. The economic distortions caused by the free market tax incentives and budget reductions not only promote unbalanced regional growth but also support distortions in the industrial mix. Industries as steel, automobile, rubber, glass, and secondary metals are the basic industries of this country. We can not afford to write off our basic industries to foreign competition. Our creditability, with our allies, is jeopardized as they consider the defense posture of a country incapable of producing steel, rubber, or secondary metals. More than 50 percent of our industrial manufacturing capacity is located within that arc of economic crisis. Our most important financial centers are located within that region. The largest harbors are in the older areas of America. Are we to argue that these industries and their associated populations be sacrificed to enhance the growth of the newer areas? That is precisely the conclusion which is defined as budget reductions to the cities and tax incentives to the high-growth industries.

We must maintain our industrial base to be a competitive international production center. Perhaps it will be reduced to small firms and restructured for specific demand but the urban industrial heart of this country must be maintained. The confidence of our allies rest on it viability.

Regional and industrial distortions are predictable consequences of the budget and tax proposals. Their devisive effect is to divide the country into regional boom areas and bust areas, and separate our industrial mix as winning and losing industries. There is nothing more tragic, however, than the effect the budget and tax proposals will have on the citizens of the Northeast and Midwest. Budget reductions will mean that the urban centers of the country will be less able to support the growing portion of their population who will be in need of public assistance. Employment will decline because growth will occur in the regional areas capable of providing local tax abatements and deferrals. Those employable workers with the skills and education who are willing to relocate will migrate to the Sun Belt. The result is a mass of unemployed and unemployable people, basically black with little skill development, concentrated in our urban centers. The United States will have reached the ultimate in our capitalist economic system and our democratic political system. We will be a distinct society of have and have-nots. Not even a stable political economic society as ours can endure that condition for a sustained period. The social and economic costs of this condition cannot be measured.

It is clear that the budget proposals and broad sweeping tax incentives proposed by the Budget Committee and President Reagan will fuel the fires of inflation; exacerbate the problem of unemployment; contribute to the decline of our Northeastern and Midwestern urban centers; accelerate the decline of the industrial base, and widen the disparity in the income gap. The solution to our economic ills lies dormantly in our ability to target our limited resources.

Only through an effort to enhance the viability of the small business sector will the economy once again emerge as the production leader of the world. Economic growth and productivity trends are related to investment in research and development, education, labor skill development, and capital. Thus, to reverse the declining trends we must target our limited resources to bolster research and development, training, and capital.

The most efficient longrun contribution, to increase the productivity of the economy, is through technological innovation. Advances in knowledge

and innovation accounted for more than half the total factor productivity increases in the economy from 1948 to 1973. Specifically, it was the American small business sector that provided the innovation. A recent study commissioned by the National Science Foundation reveals that small firms produced nearly 4 times as many innovations per research and development dollar as medium sized firms, and more than 24 times as many as the largest firms, during that same period. The contribution that small business innovators or entrepreneurs make to society far exceeds their returns. Society, in general, benefits from a healthy risk-taking private entrepreneurial sector. Society also suffers from declines in the risk-taking sector. While corporate outlays remained relatively stable at 2 percent of sales, real Federal R. & D. expenditures were reduced nearly 25 percent from 1970 to 1978. During the same period small businesses received less than 5 percent of the Federal R. & D. expenditure while the less innovative largest firms received more than 50 percent of Federal R. & D. expenditures. If we are to be more productive with less resources, we must target out limited R. & D. expenditures to the innovative small business sector.

The recent decline in productivity and the increases in inflation can, in part, be attributed to the decline in the small business sector. The lack of competition can be directly correlated with both economic ills. It is the innovative entrepreneur, who develops a minicomputer and provides price and quality competition in an existing oligopolistic market. Congressional hearings point to higher consumer costs related to the concentration of economic power. Estimates of the cost to consumers, where competition was stifled, range from $100 billion to $175 billion annually. In the highly concentrated food retailing industry alone, a 1-percent increase in food prices originating in concentrated retail areas cost consumers $1.5 billion annually. Too much market power in large businesses dictate inefficiencies and imperfections in our market system. Thus, both rampant inflation and lackluster productivity can be addressed through a more competitive market system supported by the growth of the small business sector.

Small businesses have the potential of addressing the problem of structural unemployment. Historically, small businesses have served as training grounds for low-skilled workers. They also generated most of the new employment in the last decade. Data reveal that firms with from zero to 20 employees generated 66 percent of new private sector employment. Establishments with 21 to 50 employees created 11 percent. While during the same 1969 to 1976 period, the Fortune 1,000 created less than 3 percent of the new private sector jobs. The 1,000 largest companies created less than 75,000 new jobs while small businesses generated nearly 11 million. Given the limited resources of private and public sector investment, we should target our resources to small businesses in an attempt to meet the full employment goals of the act.

Mr. Speaker, the decline of the economy was preceded by the decline of the small business sector. There is no doubt in this Member's mind that the growth of the economy must be preceded by the growth of the small business sector. The goals of the Full Employment and Balanced Growth Act must serve as canons to meet that growth potential.●

UNITED NATIONS AT ITS FATUOUS WORST

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. WINN. Mr. Speaker, James J. Kilpatrick's column in the Washington Star of April 30 is worthy of consideration by all of us in Congress, as we try to find ways to control inflation and cut back on Federal Government spending. This year Congress is being asked to appropriate almost $600 million as a contribution to the budget of the United Nations. Indeed, U.S. taxpayers each year pay 25 percent of the total U.S. budget.

President Reagan has recently announced that his administration strongly opposes Soviet-sponsored terrorist groups masked as local "freedom" movements being used by the Kremlin as instruments of further Russian expansionism. The South West Africa People's Organization—better known as SWAPO—is one of these Soviet-sponsored terrorist groups. From its bases in Marxist Angola, it carried on its campaign of murder and abduction of black civilians in northern Namibia. It seems as though the United Nations General Assembly, along with the Russians and the Marxist Government of Angola, continue to finance, equip, and train these SWAPO terrorists.

Obviously the Soviets would be very happy to take over Namibia because of its vast uranium, copper, zinc, and diamond deposits and its deepwater port capable of harboring Russian nuclear submarines in a position to bisect the oil lifeline from the Persian Gulf. Over 55 supertankers a day traverse this route to supply the NATO countries of Western Europe and the United States with vital petroleum. Hopefully Congress will prohibit any further U.S. use of hard-earned U.S. tax dollars to subsidize terrorists in Africa or any other place in the world.

The article follows:

UNITED NATIONS AT ITS FATUOUS WORST

NEW YORK.—The essential imbecility of the United Nations seldom has been demonstrated more convincingly than in these past few weeks. By its actions in the matter of South West Africa, the General Assembly has abandoned principle and embraced fatuity instead.

The only reason that justifies the UN's expensive existence is to provide a forum in which all nations may talk over their problems. By refusing to let South Africa speak to a matter with which South Africa is intimately concerned, the assembly has reduced that noble purpose to a cheap travesty.

South Africa is a founding member of the UN. Let us assume for purposes of discussion that South Africa's practices of apartheid constitute an odious denial of human rights. For the moment, let us overlook the odious denials of human rights in most of the Third World nations that are badgering South Africa. Let us remember that the UN never was intended to be a kind of gentlemen's club in which membership would be limited to the socially acceptable. On what grounds can the credentials of a member state be validly challenged?

Well, it is said, South Africa has refused the UN's order to relinquish her protectorate over South West Africa. South Africa has been intransigent and obstructionist. Thus South Africa has forfeited any right to be heard in UN halls.

But these contentions are nonsense—the fatuous blab-blab-blab for which the General Assembly has become renowned. South Africa has not opposed independence for its protectorate. On the contrary, South Africa has used her influence to move South West Africa in precisely those directions the UN supposedly desires. It was with South Africa's approval that elections were held in South West Africa in 1978. Nearly 80 per cent of the registered voters participated; international observers found the elections fair; the resulting Constituent Assembly has provided Namibia, as South West Africa provisionally is known, with a black government in which apartheid has been dismantled.

TENDER MARXIST MERCIES

What is all this "intransigence" and "obstructionism"? South Africa understandably has refused to surrender the people of Namibia to the tender Marxist mercies of Sam Nujoma and his South West Africa People's Organization (SWAPO). That is the sum and substance of the whole affair.

And what is SWAPO? The best that can be said of this outfit is that it probably represents the wishes of a majority of the Ovambo people, the largest of Namibia's ethnic groups.

But at least 10 other defined ethnic groups inhabit Namibia. The notion that SWAPO is "the sole and authentic representative" of the whole country, as the General Assembly proclaims, is sheer fantasy. SWAPO is armed and supported by the Soviet Union. Nujoma is Moscow's puppet. What are we to say of a forum in which only the puppet may speak?

The General Assembly, we are told, is prepared to recommend economic sanctions against South Africa. Any such vain resolution would encounter a certain veto in the Security Council, but that procedural fact of life is the least of the predictable conse-

quences. By treating South Africa as a pariah, the UN, will only harden Pretoria's determination to stand fast. If responsible members of the UN truly want to see self-determination in an independent Namibia; they will work with South Africa and not without her.

From time to time we ought to re-examine an old question: Why the UN anyhow? Why continue the dumb show? Once the UN ceases to serve as a forum, it ceases to have meaning. And when the assembly's avowed purpose is to impose a procommunist, one-party dictatorship upon half a million human beings in a harsh and barren land, it is hard to understand why respectable nations should remain any longer in a house of ill fame.●

ELEMENTARY JUSTICE

HON. GUS SAVAGE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. SAVAGE. Mr. Speaker, I am taking the liberty of inserting into the CONGRESSIONAL RECORD an article from the Chicago Tribune entitled "Legal Services for the Poor."

I recommend its reading to all my distinguished colleagues, for the thrust of this article cuts to the essence of the concept of elementary justice.

If this nation is to pay more than mere lip service to the notion of justice, then we should reject the outrageous and shortsighted proposal by the administration to eliminate the legal services program. If we fail to take this step, future generations will assuredly and rightly accuse us of having been callous and indifferent to the rights of the poor.

[From the Chicago Tribune, Apr. 13, 1981]

LEGAL SERVICES FOR THE POOR

The Reagan administration should reconsider its proposal to eliminate the federal program that provides legal services to the poor in civil cases. Abolishing the Legal Services Corporation, and its budget of about $320 million, would not be an exercise in budget-cutting but an act of rage against some of the cases the corporation's lawyers have brought and won against government agencies. We share the Reagan administration's concern about the habit of inviting the judiciary in to second-guess elected representatives and their delegates in some of these cases, but stripping the poor of their lawyers is a draconian way to solve that problem.

The Legal Services Corporation provides funds to community legal services organizations, which are governed by local boards of directors. The money is used to provide attorneys for poor—truly needy—individuals with legal problems as ordinary as neglectful landlords and as dramatic as violation of their fundamental constitutional rights. Much of what legal services lawyers do does not make headlines. It is the gritty work of day to day counseling and negotiation. But when the lawyers bring a big class action lawsuit against a state or federal agency this often raises hackles.

Legal services spokesmen make the credible arugment that these big cases are cost-effective, since they can solve a lot of poor people's legal problems in one lawsuit. But, again, the corporation is not under attack because of inefficiency.

Still, the poor do have legal rights. And many of these rights cannot be vindicated if free legal services are not available. A tenant wrongfully evicted will simply be out on the street if he cannot afford to pay some potentially crushing legal fees. Even if he wins his case, all he will get is his apartment back. There will probably be no large financial award out of which his lawyer can be paid. While it is true that no court has held that poor individuals have a constitutional right to free legal counsel in civil cases, the legal order itself requires that every individual have some access to the processes of law, regardless of his income.

Complete equality of legal representation regardless of the ability to pay is a utopian idea. But a decent society should blush at the thought that a segment of its population is left outlaw, without a chance to vindicate its legal rights, simply because the people in it cannot afford the high cost of lawyers' time.

If President Reagan does not like the Legal Services Corporation's priorities, he has the power to reshape them—without cutting off all funds—simply by using his authority to appoint the corporation's leadership group. And if, further, he wants the Legal Services Corporation to take its fair share of the budget cuts, that would be unobjectionable.

The legal profession itself should help take up the slack through voluntary contributions of time and money. In New York, the Legal Aid Society already raises a couple million dollars a year from that thriving legal community. There is no reason that the bar in other big metropolitan areas should fail to do at least that much. The legal profession everywhere should recognize the obligations involved in being a profession, as well as the privileges. We hope that if the Reagan administration does decide to keep the Legal Services Corporation alive, the leaders of the organized bar who have been so outspoken in the corporation's defense will turn next to their own members and be just as outspoken in fund-raising efforts.

But if the Reagan administration sticks to its plan to kill the federal legal services program, voluntary contributions in all likelihood will not be enough to fill the gap. And the administration will prove itself insensitive both to the poor and to the ideal that just as no man is above the law's obligation, no man is so poor as to be beneath the law's attention and protection.●

LEGAL SERVICES CORPORATION—A NEEDED SERVICE

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. DANIELSON. Mr. Speaker, because today is Law Day, it is appropriate for all of us to reflect upon the need of all individuals to have access to our legal system and to enjoy justice under the law. The poor in the country have historically had little or no access to the civil justice system.

However, the Legal Services Corporation, which has been in existence since 1975, has greatly improved the availability of our system of justice for the poor, on a nationwide basis.

The Subcommittee on Courts, Civil Liberties, and the Administration of Justice, of which I am a member, and I, personally, have heard from several thousand persons supporting the continuation of the Corporation as the primary means of providing access to the legal system for our country's poor.

Among the Corporation's supporters are a number of State representatives including the speaker of the California Assembly and the majority floor leader in the California State Senate. As a former State legislator, I, too, appreciate the value of having the perspective of all citizens, including the poor.

I would like to share with you letters from the mayor of Los Angeles, a city councilman from Los Angeles, and two State legislators—one from Maryland and one from Tennessee. These four letters represent a small sample of the supportive mail which the subcommittee has received.

CITY OF LOS ANGELES,
OFFICE OF THE MAYOR,
Los Angeles, Calif., April 21, 1981.

Hon. PETER W. RODINO, Jr.,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN RODINO: I would like to express my full support of the Bill H.R. 2506 which you are sponsoring to fully fund the Legal Services Corporation.

I think it would be a grave disservice to the American people not to provide legal services to the poor. The legal Services Corpration has done an excellent job in seeing that such services are available to people who otherwise would be unable to afford them.

Your Bill would be a major effort toward assuring the protection of constitutional rights for our citizens.

Sincerely,

TOM BRADLEY,
Mayor.

CITY OF LOS ANGELES,
CITY COUNCIL,
Los Angeles, Calif., March 31, 1981.

Congressman ROBERT W. KASTENMEIER,
Chairman, Civil Liberties and the Administration of Justice, Subcommittee of Judiciary Committee, Rayburn Office Building, Washington, D.C.

DEAR CONGRESSMAN KASTENMEIER: I write to express my support for the continuation of the Independent National Legal Services.

This program has made legal aid available to those otherwise unable to afford it. The very foundation of law and justice in our nation is based on equal access to the legal system. Without an independent legal network to provide assistance to the poor, that access will be denied. A major segment of our population will be effectively disenfranchised from the judicial system.

As a City Councilman in Los Angeles, I have had experience with the Legal Aid Foundation serving Los Angeles. The lawyers who work for the foundation have provided assistance to the City Council and other government agencies on critical issues

affecting urban life. Most recently, the foundation's major focus has been on housing. My office and many of the agencies within the city government make many referrals of individual problems to the Legal Aid offices. With these referrals I am assured that each person will receive an independent legal review of his problem and further legal assistance if it is warranted. As an elected official dealing with legislative responsibilities, it is important for me to know that I can refer constituents who have legal problems to an appropriate legal agency where that kind of assistance will be provided.

In the early 1960's the United States Supreme Court ruled that criminal defendants are entitled to legal representation. The mandate of the Supreme Court decision was that the legal representation of the indigent in our society was a public responsibility. Not long afterwards, Congress created the Independent National Legal Services program to provide legal representation for indigents in civil matters.

The principle of providing legal assistance remains simply one of equal access under the law to the law. I support all efforts to restore funding of the program. The inherent and fundamental right of access to our judicial system for all people demands that this program be continued.

Very truly yours,

———— ————.

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SENATE OF MARYLAND,
Annapolis, Md., April 10, 1981.

Hon. ROBERT W. KASTENMEIER,
Chairman, Subcommittee on Courts Civil Liberties and the Administration of Justice, Congress of the United States, Committee on the Judiciary, Washington, D.C.

DEAR CONGRESSMAN KASTENMEIER: Some members of your committee may know me, others may not. I am a physician, a State Senator and a Republican. And I write to ask you to preserve one program, Legal Services for the poor.

The Legal Aid Bureau in Maryland receives grants from the National Legal Services Corporation. Last year the Bureau handled 21,714 and helped another 54,514 people. 36.1 percent of its cases were domestic: child abuse and neglect, custody, adoption, guardianship, and divorce. Another 16.5 percent involved statutory entitlements such as Social Security, Supplemental Security Income, Unemployment Compensation, and Veteran's benefits. These cases arose when a government agency, backed by its lawyers, denied or terminated a benefit to the very person Congress intended to help. Bureau lawyers representated a disabled child deprived of education for want of simple testing and placement; they represented a mildly retarded man stripped of his liberty and confined to a state institution.

The work of Legal Services lawyers does not foment social revolution as some claim. It assures even our poorest citizens that they can depend upon our system of justice to work for them.

Sincerely,

ARIS T. ALLEN, M.D.,
Senator, District 30.

SENATE CHAMBER,
STATE OF TENNESSEE,
Nashville, Tenn., March 17, 1981.

Hon. ROBERT KASTENMEIER,
Chairman, House Judiciary Committee, Civil Liberties and Administration of Justice Subcommittee, Rayburn Office Building, Washington, D.C.

DEAR CHAIRMAN KASTENMEIER: It has come to my attention that your subcommittee is undertaking a review of Legal Services Corporation (L.S.C.) in preparation for reauthorization of appropriations. As a State Senator from Memphis, Tennessee, I would like to endorse the continued and increased funding of L.S.C., without restrictions. It is my opinion, both as a private law practitioner and a State Senator, that legal services projects in Tennessee perform many valuable functions in furtherance of access to justice for poor people. Through litigation, legal services projects often enforce state and federal laws which may be ignored by state or local administrative officials. By representing clients in legislative matters, legal services projects make a valuable contribution to our consideration of bills and their possible impact on those unable to otherwise have their voice heard in legislative matters.

As I understand it, projects funded by Legal Services Corporation may undertake to represent clients before legislative and administrative bodies under exception to the L.S.C. Act. The first exception is upon request from a client represented by the legal services project that views as to pending or proposed legislation be expressed to state legislators. Under this exception, legal services projects in Tennessee have professionally and properly advocated for the passage of the Uniform Landlord Tenant Act, regulation of industrial insurance abuses, legislation permitting wage assignment for child support, laws relating to the prevention of spouse abuse, and numerous budgetary matters relating to benefits under programs provided for the protection of the poor.

Under the second exception, legal services projects provide invaluable information regarding the impact of legislation on poor people to me and my colleagues. I have often requested opinions from legal services attorneys regarding legislation as it may impact upon my constituents, and have always received prompt, accurate, and most-useful information. As is often the case in legislative matters, the committees on which I serve are inadequately staffed to provide full and complete analysis, and even when there is staff, there is a lack of practical experience with the working of legislation, which can often lead to unintended effects. Legal services attorneys, working under the L.S.C. Act, help to fill this gap, and represent the interests of their clients.

I hope that during your consideration of the Legal Services Corporation reauthorization, you will leave with legal services attorneys the ability to undertake legislative representation for their clients, so that we may continue to have the benefit of responsible expression of the views of the poor in Tennessee.

Thank you for your kind and full consideration of this matter.

Sincerely,

JAMES H. WHITE.●

LEGISLATION ESTABLISHING URANIUM ENRICHMENT FUND

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. LUJAN. Mr. Speaker, I have introduced legislation for myself and on behalf of Mrs. BOUQUARD that I think is most important to the future of the Department of Energy and to our country, if we are, indeed, serious about trying to balance the Federal budget.

There is no question that we face the need for an expanded uranium enrichment capacity. We must also plan and phase in new and more cost effective enrichment processes; that is, current and improved centrifuge and sooner than we think laser isotope separation and enrichment.

My bill would amend the Atomic Energy Act of 1954 by establishing within the Department of Energy a uranium enrichment revolving fund. The purpose of this legislation is to make the uranium enrichment program a self-sustaining one, and thus eliminate the need for continued appropriations by the Congress.

The rationale for this bill is that in the first few years, budget outlays will be less than the total financial resources available to the fund. The legislation will permit DOE to earn interest on the excess resources which would be available to finance future years' uranium enrichment activities.

This bill streamlines the congressional process in only authorizing annual funding for the enrichment program and eliminates the need for annual appropriations.

This bill provides for a complete annual report to the Congress by DOE on the operation of the enrichment program.

This bill will permit flexibility in implementing the budget up to a defined limit without going to Congress. It will result in the program manager for the uranium enrichment program exercising intense management of program finances since the actual costs and revenues will control program implementation.

The enrichment function must be managed in a professional manner if it is to be cost effective, while at the same time must meet the national nuclear fuel requirements.

New enrichment facilities depending on technology used will require long leadtimes of 7 to 9 years to construct and reach operational capability. This

can only be done with adequate financial and facilities planning.

Answers must be found to such questions as the need for and size of stockpiling nuclear fuels in the event new and added requirements cannot be met by the inplace enrichment capacity.

Better planning is necessary in the planning and utilization of electrical power contracted for, in view of the substantial demand charges for unused power, and fluctuating power requirements.

These are all problems that are more readily resolved if the planning and the operations of the enrichment facilities are clearly vested in the Secretary of Energy with full authority and the responsibility to act.

In summary this bill places the responsibility on the Secretary of DOE to operate this Nation's enrichment capacity in a businesslike manner. And will result in more efficient resource management of the enrichment complex.

The Congress, unlike previous legislation offered, retains the right to oversee the enrichment function, and would determine the annual program through the congressional authorization process and will be kept informed through the annual reporting required.●

REAGAN BUDGET, CONSERVING HUMAN RESOURCES, AND EDUCATION CUTS

HON. JOHN CONYERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. CONYERS. Mr. Speaker, one of the supreme ironies of the Reagan administration, and of the budget plan it is asking us now to adopt, is that a self-proclaimed conservative administration is proposing a set of social and economic programs that do damage to, rather than, conserve the human and material wealth of the Nation.

Historically, political conservatism was a doctrine that called for gradual, rather than radical, change; the preservation of civil order; affirming the reasonable expectations of citizens; the continuity of policies, and keeping the social fabric intact. Conservatism also was known for taking a long view of a society's problems and of conserving its human and material resources, so that these would be available for solving problems.

It is, frankly, difficult to see how the Reagan administration fits into the conservative tradition. Its budget and economic proposals are a case in point. The administration is calling for the curtailment or elimination of virtually every domestic program that citizens have been led to believe in. In calling for the elimination of CSA's community action program, the Legal Services program, the CETA public jobs programs, the VISTA volunteer programs, and many others, it also is likely to do great injury to the social fabric.

In place of continuity and gradual change, the Reagan administration proposes radical change and the uprooting of policies and programs. In place of taking a long view of the society's problems, it proposes a penny-wise, pound-foolish strategy of saving money now and spending it later, probably when it is too late and too costly.

In calling for drastic reductions in human resource programs, the Reagan administration is turning its back on human resources and the need to develop them through education, job training, health care and adequate housing. Instead of conserving the material resources of the land—the infrastructure, transportation, and educational facilities of our cities, among them—the Reagan administration proposes to let them deteriorate further. Instead of proposing measures to conserve energy consumption—a major factor behind inflation—the administration offers measures to spur consumption, such as cutting back on the Nation's railroad system, the most potentially cost-efficient mode of transportation available.

Nowhere is the administration's radical, reactionary thrust more apparent than in its educational proposals. Nowhere are its spending cuts most pronounced and damaging than in the education budget. The Council of the Great City Schools, which oversees the quality of public education facilities, has analyzed the damaging impact of the Reagan—and Latta/Gramm—budget on America's public schools. I recommend that my colleagues read the opening pages of their "Analysis of the Effect of the Fiscal Year 1981 and Fiscal Year 1982 Reagan Budget Proposals on Urban Schools," which follows:

ANALYSIS OF THE EFFECT OF THE FISCAL YEAR 1981 AND FISCAL YEAR 1982 REAGAN BUDGET PROPOSALS ON URBAN SCHOOLS

The fiscal year 1982 Budget and recommendations for revising the fiscal year 1981 Second Concurrent Budget Resolution were announced by the Reagan Administration on March 10th as the best hope for reversing the nation's ailing economy. The broad-based proposals to attain this goal, however, were built on numerous specific recommendations that, when combined, promise to undermine one of this nation's strongest and most successful institutions: the public school system.

The Reagan Administration has proposed reductions in educational funding of about 25%, an amount greater than in any other area of the federal budget. These cuts will be particularly hard-felt in urban areas, for nearly 16% of city school revenues comes from Washington as compared to the national average of 8%.

The Council of the Great City Schools has calculated that its 28 urban school systems will lose about $465M in direct funding in the 1981-82 school year under the Reagan budget proposals. Individual school system losses will range from $124M in New York City to $3.8M in Minneapolis. This loss constitutes approximately 30% of the district's federal funding.

The cuts to the urban schools will not only be large but disproportionate. Of the approximately $1.65B that the 28 urban districts now receive in federal support, about $967M or 58.5% of it comes from the Department of Education. this $967M is approximately 7.0% of the entire ED budget and 10.9% of all ED spending, if dollars for higher education are not counted. Approximately $302.5M of this $967M would be lost to the Great City Schools next school year under the Reagan Ed proposals. This amount constitutes 25% of all cuts recommended from ED, excluding those from higher education programs. This means that the 28 Great City Schools which have about 11% of the nation's students would be asked to absorb 25% of all ED cuts.

This inordinate financial burden on city schools is the result of recommendations by the Administration to cut as deeply into well-targeted poverty programs like Title I, Concentration Grants and Impact Aid as into untargeted ones. Because the proposal cuts concentrated programs by the same percentage as untargeted ones, the impact will be greatest on districts where concentrated need is highest. One dollar taken out of Title I, for instance, will have about twice the negative impact on a poor district as one dollar taken out of vocational education. Instead of the ED cuts being evenly distributed they will affect the poorest districts most severely, the opposite result of what the Administration had intended.

Another $450M in Federal funds received by the Great City Schools comes from the Department of Agriculture's feeding programs. This amount comprises about 27.2% of all funding the urban schools receive from the federal government. While a poor child in a wealthy or middle-income district will be in greater jeopardy under the Administration's nutrition cuts than a poor child in a poor district, the Council has estimated, based on conservative figures obtained from the Congressional Research Service, that its 28 districts will lose about $52.7M or 12% of their expected 1981-82 funding allocation. The losses will have serious effects: schools will be forced to serve meals with only the minimal nutritional requirements, to raise the price of all meals, and to eliminate breakfast and summer feeding programs. Not only will some students not qualify for meals but it is expected that students will have to drop out of the program because of higher prices. Again, rather than protecting the poorest of the poor the Reagan recommendations may have the effect of passing greater costs onto low-income families.

The third major source of federal funding to the city schools comes from DOL's CETA programs. Approximately $178M of the school's $1.65b (or 11%) in federal funding comes from this program. About 10% of this amount is spent for Youth Employment and Training Programs (YETP) which have been targeted for extinction by the Administration. Eliminating YETP would mean that all cooperative youth employment activities between schools and prime sponsors under the 22% provision of Title IV would be scrapped. Although manpower and training programs under Title II-B would be salvaged, the bulk of the non-youth monies

that the city schools receive under CETA is for Title II-D and Title VI PSE jobs. These job slots are used for school security guards, bus monitors, cafeteria servers, custodians and teacher aides. Either these personnel will have to be released or schools will have to cover salaries from general revenues, putting greater strain on local budgets.

The remaining $57M (3.5%) in federal funds to the urban schools come from a variety of sources. $21.5M comes from the D/HHS through the Social Security Act to operate school-based day care programs; $16.4M from the Economic Opportunity Act for Headstart and other pre-school and follow-up efforts; $4.2M in Community Development Block Grant funds to convert closed school buildings for community use; and the remaining $14.9M from other sources like the Corporation for Public Broadcasting, the Law Enforcement Assistance Administration, the National Endowment for the Arts, ROTC and others. In general, these programs are to meet specialized needs in particular districts. Consequently, cuts—amounting to about $10.7M—will hit some districts more severely than others. What can be said, however, is that the loss of these funds will damage the ability of particular districts to provide services that other local agencies are not able or unwilling to provide.

The cumulative effect of this $465M in direct funding cuts to the Great City Schools will be to put the jobs of approximately 20,000 people in jeopardy. In addition, services to about 600,000 needy students will have to be curtailed or eliminated. This $465M loss means that the Administration has proposed cutting monies from urban school districts at a rate 4.3 times greater than should be expected if the burden were shared equally.

These direct funding cuts, however, will not be the only sources of fiscal pressure put on the urban school systems. If inflation continues at its present pace, the 30 percent in direct cuts will be magnified to over 40 percent in real terms over the next two years. In addition, rising costs of energy from government policies on gasoline deregulation and postal increases will affect school systems severely because of their large transportation and mailing costs. Furthermore, the loss of state revenue-sharing funds will put added pressure on local school systems in 18 states where these monies were used routinely to finance elementary and secondary education or teacher retirement funds. And finally, the loss of federal program monies to the cities in the areas of transportation, health, food stamps, energy, criminal justice and others will make it more difficult for the Mayors to cover the reduced funding for schools. Because of reductions in funding at the federal and state levels, local school systems having authority to do so, will be forced to raise tax rates. Those districts without the authority to levy taxes will be driven that much further into debt.

The districts represented by the Council of the Great City Schools are among some of the poorest in the nation. Of the five million students in these 28 systems, 30 percent are below nationally-set poverty limits and 75 percent are minority. In addition, only two of those 28 districts are stable enough financially to hold a (Aaa) bonded debt rating. Nearly all, however, have seen their achievement sources rising over the last three years, partially due to federal support.

The assertion on the part of the Administration that the poorest of the poor will be spared is simply incorrect. Cutbacks in areas that at first glance appear unrelated will merge on urban schools in a fashion that has not been acknowledged by the Administration. In its zeal to cut federal spending, the Administration has ignored how its combined proposals will affect the long range benefit that urban schools serve to the nation in increased productivity, employment, family stability and individual initiative. The results of this short sighted policy will be profound and lasting on the schools and on their ability to provide quality educational services to the urban resident.●

PHYSTY, THE FIRST SPERM WHALE TO SURVIVE IN CAPTIVITY

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. BONKER. Mr. Speaker, the excerpts from an article that I submit for the RECORD recount a miraculous event in the history of marine mammals: The first time a sperm whale has survived in captivity and been returned safely to its natural habitat.

Sperm whales are one of the least known species of whale, making their proper care in captivity all the more difficult. This, coupled with the overwhelming odds against the survival of beached whales and the fact that Physty, as the whale was named, was suffering from a severe case of pneumonia, makes Physty's recovery and safe return to his native habitat a very unique event. The marine mammalogists and others who nursed Physty back to health and assured his safe release deserve the highest praise for their tireless work.

Mr. Speaker, many of my distinguished colleagues share my concern about the need to protect and to conserve the world's whales. The story of Physty is a small but extremely important event in this regard, and I commend these excerpts to my colleagues.

Excerpts from the article follow:

[From the Washington Post, Apr. 29, 1981]

HAND-ADMINISTERED MEDICINE CURES WHALE OF PNEUMONIA

(By Joyce Wadler)

NEW YORK.—It seemed some dread November of the soul when Physty, a young sperm whale, beached himself on Coney Island 10 days ago, listing dangerously on his right side and appearing near death.

Not that his name was Physty then. He was simply *Physeter Catodon;* length 23 feet, weight perhaps 10,000, prognosis bleak. Nine point nine times in 10 when an animal beaches itself it's curtains, Samuel Sadowe, the ocean mammalogist who treated Physty, would later say; besides, this whale seemed to be suffering a severe case of pneumonia

Nonetheless, the local scientists threw a rope about the whale's tail and towed him—at near idle speed—to sick bay. Terrestrians gathered on the shore with flowers and placards of encouragement ("Get Well Whale!"). The scientists swam about the whale in wetsuits, force-feeding him squid laced with Chloromycetin. Over the weekend, Physty, escorted by a buoyant flotilla of 11 boats, headed back to the open sea, the first sperm whale to survive captivity. Samuel Sadowe, as befitting a scientist, took care to hide his feeling as the whale swam away. "Please keep going," he said to himself. His wife, like others on the shore, was not so restrained: she blubbered.

"The first thing we did," said Sadowe, who weighs 145 pounds to the whale's 10,000, "was examine it briefly. To see if it has a reaction to touch, to look at its eyes and see if they're open, to see the extent of the injuries. If it's in too bad shape, it will go into shock; it just won't respond if it's on the way out. . . . Whaleskin is extremely sensitive to touch. . . just touch it lightly with your hand and it responds."

When this whale was touched, says Sadowe, it moved its tail, and moved around a little. It was also clicking—little pulses of sound, eerie, piercing, yet musical; who knows what they mean? The regulations governing marine mammals are very strict, but Sadowe had a letter of agreement with the National Marine Fisheries Service, and the cooperation of the Coast Guard. Deciding that the whale might be saved, they decided to tow him 15 miles to Robert Moses State Park on Fire Island. They tried to be considerate about this, throwing a blanket over the whale's tail before lassoing it, in order to prevent rope burn. In the process Sadowe was whacked by the tail. He understood.

"The animal doesn't have legs," he says, though for the most part he strains to avoid the anthropomorphic. "It swims around, it moves around, with its tail. If someone took a rope and put it around our legs, you and I would struggle, too."

The diagnosis of pneumonia was made at Fire Island, though Sadowe and his team had suspected it from the beginning. Pneumonia is the most common cause of death among cetaceans. The fact that the whale had been listing on its right side made the scientists suspect that a lung might be congested, and finally cultures from the blowhole confirmed the diagnosis. That determined the treatment: 20 million units of penicillin a day, using a seven-inch needle to give the whale its shots, and squid laced with Chloromycetin, which Sadowe shoved, with his hands, down the whale's throat. He experimented to see how least to disturb the whale, finally settling on a method in which he approached the whale from its head, then gently patted it as he moved around it, so the animal always knew where he was. He spent 14 to 18 hours a day with the whale, much of it in the water, and as he did a crowd of 5,000 stood on the shore.

"Human beings don't like to see anything die," says Sadowe thoughtfully, asked to explain this, "and I think the fact that—besides this whale being an endangered species—the whale is so large, yet so gentle. . . ."

By the weekend, the whale was swimming strongly, and was nudged by a motorized rubber raft out to sea.

Humans on the shore remarked that it seemed reluctant to leave the boat basin which had served as its sick bay, swimming away as it approached the gateway. But it did, the humans on the shore yelling, "Go Physty!", the scientists cheering.

The cautious Samuel Sadowe—who went out in a small plane yesterday to see if he could spot the whale—reserves judgment. "I feel pretty good, but I want to wait a week,"

he says, conceding that when you spend so much time with an animal, even though you are a scientist, there is "an attachment."

Which brings to mind, has the whale specialist ever read Moby Dick?

"He shall rise from the deep and beckon ye to follow," quotes Sadowe.●

LAW DAY/LEGAL SERVICES

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. KASTENMEIER. Mr. Speaker, Since May 1 is Law Day, I believe it is appropriate for the Members to consider that responsibility we have to insure that all segments of the population have access to the legal system, and to make equal justice under the law a reality. Presently the Legal Services Corporation is providing a mechanism for delivering legal services nationwide. It is an efficient and effective program which has resulted in minimum access—2 attorneys per 10,000 poor persons—nationwide. President Reagan would dismantle the program, give the local programs none of the present $321 million annual appropriation, and leave to the absolute discretion of the States the decision of whether to fund any legal services, and the administration of funding. Few States presently fund any legal services programs, as has historically been the case.

I have held 7 full days of hearings on H.R. 2506, a bill to extend the authorization of appropriations for the Legal Services Corporation. My subcommittee is presently working on a broad bill to continue the Corporation and make substantial changes in the Legal Services Act to respond to some criticism by witnesses.

Through the hearings and correspondence, I have received overwhelming support for the continuation of the Legal Services Corporation. Among the supporters are Governors, attorneys general, mayors, law deans, and judges. Today I would like to include a few of the letters from judges. I have heard from Federal, State, and local judges from all parts of the country, including Alabama, California, Indiana, Kentucky, Louisiana, Massachusetts, Montana, New York, Oklahoma, and Texas.

The following are a few of these letters. They are the thoughts of Judges Frank M. Coffin, Nicholas J. Walinski, and Timothy Evans.

STATEMENT BY HON. FRANK M. COFFIN, CHIEF JUDGE, U.S. COURT OF APPEALS FOR THE FIRST CIRCUIT

Mr. Chairman, I am happy to respond to your invitation to express my views on H.R. 2506, authorizing appropriations for the Legal Services Corporation for the next three fiscal years. I join with my brothers on the New York Court of Appeals and the Massachusetts Supreme Judicial Court in their statements supporting an adequately funded, independent federal Legal Services Corporation. I would like to share with the Subcommittee my perception of the performance of legal services lawyers in our court and my view of several of the proposals to restrict certain types of legal services advocacy.

It is fairly uncommon for legal services lawyers to appear before our federal court of appeals. This fact is contrary to the image of legal services as principally devoted to reform litigation, but it confirms the statistical evidence that the great bulk of legal services work is routine. On the occasions when we have seen legal services lawyers, they have in my opinion performed competently and sometimes excellently—at least as well as their counterparts in the public and private bars.

I am well aware that not all judges are of this view. I think it understandable that some judges feel that legal services attorneys are overzealous and underpractical. For their causes frequently involve small sums and fine points of law; the plight of their disadvantaged clients is portrayed with a sense of immediacy; and resolution of such controversies frequently demands much time and thought by judges. Yet in retrospect a judge will more often than not view such litigation fully as significant and justified as diversity, tax, and securities cases, or other grist for the judicial mills.

I wish to address briefly three proposals that would restrict the types of advocacy available to legal services attorneys. The first of these, further restricting advocacy before legislative bodies, would in my view create incentives in the wrong direction. Legislative solutions to complex social problems are almost always preferable to judicial ones. Favoring resort to the courts as the preferred means of statutory reform is wasteful of scarce judicial resources and particularly troublesome when it creates friction between the federal courts and state legislatures. Alternatively, an antiquated statutory scheme requiring excessive notice in uncontested custody proceedings might well be deemed ripe for reform should legislators be given first opportunity to take action.

A second class of proposed restrictions would limit the types of matters and clients for which legal services lawyers can provide representation. Such restrictions presently exist for nontherapeutic abortions and school desegregation. I believe such restrictions are unwise. Because legal services clients as a practical matter have nowhere else to turn for legal representation, eliminating the right to representation will often mean eliminating the substantive right itself. The result—different sets of legal rights for the poor and the non-poor—is at odds with the concept of equal justice. Prohibiting legal services representation for certain classes of persons, such as aliens, presents equally profound problems.

A third proposal, transfer of legal services attorneys' fee awards to the national treasury has, I think, been justly criticized by the Association of the Bar of the City of New York. On the one hand, legal services lawyers, with other clients clamoring for their time, can hardly be expected to pursue fee awards for the sole benefit of the fisc. On the other hand, their opponents, realizing this, will no longer have a substantial fee-minimizing incentive to refrain from dilatory tactics.

The Legal Services Corporation has proved to be a worthwhile project. It has made possible the realization of cherished principles for millions—equal access to the forums of decisionmaking, fairness in institutional proceedings and equality of consideration and treatment. These are important and valuable accomplishments. The Corporation deserves the financial support and carefully studied guidance necessary to maintain its record of public service.

U.S. DISTRICT COURT,
NORTHERN DISTRICT OF OHIO,
Toledo, Ohio, April 21, 1981.

Hon. ROBERT KASTENMEIER,
Judiciary Committee, Subcommittee on Courts, Civil Liberties and Administration of Justice, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN KASTENMEIER: I am writing to express my personal concern over the President's recent announcement calling for the elimination of the Legal Services Corporation and federal funding for legal services for the poor. In expressing this concern, I am fully cognizant of your responsibility to eliminate unnecessary federal expenditures. However, I think it would be very unwise to eliminate the Legal Services Corporation (LSC) and funding for legal services.

The Legal Services Corporation provides funding, training, and support to our local programs—Advocates for Basic Legal Equality (ABLE) and the Toledo Legal Aid Society and over 300 programs nationwide. I believe that these programs play a vital role in our legal system. They provide the poor, the disadvantaged, and the elderly who have little or no financial means, the opportunity to bring their claims and grievances to our government and courts. In essence, they provide poor people with access to justice; a principle which is and must remain fundamental to our system of government. They are addressing a need which the private bar is unable to meet.

Locally, I have found ABLE and the Toledo legal aid society to be very effective. In 1980, these programs provided direct services to over 10,000 persons in northwest Ohio. Their staffs, which are underpaid, are highly committed and competent. They represent their clients well and in the highest standards of the legal profession. As I wrote in 1974 in the case of *Davis* v. *Watkins*, 384 F. Supp. 1196 (N.D. Ohio 1974):

"Although everyone who participated in this action deserves commendation, the Court would like particularly to point out the contribution of Advocates for Basic Legal Equality, a local legal services group. They entered the action upon a simple letter of request from the Court, at a point at which it had become apparent that it was not humanly possible for the private attorney, originally appointed, to single-handedly maintain this cause without sacrificing his entire practice. They entered with no hope or promise of compensation and pointedly reemphasized, by their ability and diligence, the very real benefit such groups can afford the communities in which they operate. The private bar, however well-intentioned, cannot be expected to bring to bear the massive amounts of sophisticated legal manpower necessary to pursue an action such as this."

That was my view then. It remains my view today.

Critics are attacking legal services programs for their work on so-called law reform cases claiming that legal service attorneys are promoting their own personal

philosophies. I have not found this to be true.

Legal service attorneys, such as those from ABLE, who have brought class action suits before me represent their clients zealously in the same manner as the private bar and as required by the ethics of their profession. They are surely not promoting their own philosophies.

Nor do they make the law. Legislatures pass our laws and courts interpret them. Many of the cases which are labeled law reform are really law enforcement cases; cases brought to enforce existing laws and regulations on behalf of their clients. Attorneys are obligated to do this for their clients and would be remiss if they did not.

One such case brought before my court by attorneys from ABLE, *Webb* v. *Aggrey*, 447 F. Supp. 17 (N.D. Ohio 1977), involved a man paralyzed by a disease of the central nervous system who needed expensive, full-time medical care in a nursing home. His entire income came from social security and veteran's benefits. His medical care was paid for by Medicaid. Because of a small increase in his veteran's benefits, the Ohio Department of Public Welfare tried to cut off all of his Medicaid in violation of state and federal law which allowed Medicaid patients to deduct their medical expenses from their income in order to qualify for Medicaid. In the *Webb* case I ruled in favor of the plaintiff and against the Ohio Department of Public Welfare. Without the help of legal services lawyers to enforce his legal rights, this man's case would have never gotten to court and I fear left without the ability to pay for medical care, he would have died.

I have listened to much of the public criticism of legal services by opponents who disagree with the court decisions won by legal services attorneys. Just because much of this advocacy has been successful and effective is no reason to punish these programs for doing their jobs as lawyers by reducing or eliminating funding for the Legal Services Corporation or placing further restrictions on legal service attorneys.

Sincerely,

NICHOLAS J. WALINSKI,
U.S. District Judge.

SUTTER COUNTY MUNICIPAL COURT,
Yuba City, Calif., April 9, 1981.

SUBCOMMITTEE ON COURTS, CIVIL LIBERTIES, AND ADMINISTRATION OF JUSTICE,
Rayburn House Office Building,
Washington, D.C.

DEAR SUBCOMMITTEE: I have been the sole Judge of a county-wide Municipal Court for the last two years. At the same time, I have been assigned to the Sutter County Superior Court, and hear cases in that court as time allows and need arises. Prior to my assumption of judicial office, I was involved in a busy general trial practice, handling cases in approximately thirty counties.

During my professional career, I have had extensive contact with a wide variety of legal assistance attorneys, programs and offices throughout the State.

Speaking generally, I have always welcomed the presence of such a resource in the community. As a practical reality, attorneys in private practice will not counsel or represent indigents in non-fee generating cases; judges, who may ultimately be called upon to resolve a dispute, are not in a position to provide legal advice to potential litigants.

The availability of legal resources, to counsel and represent economically disadvantaged individuals, is an absolute necessity, not only for the persons or groups actually receiving the services, but also for the judicial system, and our society as a whole. The people who receive assistance from legal service groups have problems involving food, shelter, education, discrimination and employment; if they have legal assistance, they have effective access to the courts, for adjudication of grievances. In the absence of such assistance, the economically disadvantaged are deprived of the dispute-resolution procedures. The lack of access fosters despair, bitterness, hostility and resort to violence.

Historically, where a significant portion of the population is denied access to the courts and/or legislative processes, the government preventing such access does not long endure. The catalyst for formation of the United States is a classic example of this phenomenon. The present legal assistance programs are, in substantial part, a reaction to the unrest and violence prevalent during the 1960's; more recent riot and siege situations are directly related to situations where a portion of the population feels mistreated by or excluded from the judicial process.

In connection with the recent emphasis on reduction of government budgets and expenditures, critics of legal assistance programs have renewed efforts to eliminate some or all of the programs providing legal services to the poor. While the superficial rationalization for curtailment of such programs is couched in terms of fiscal responsibility, the arguments clearly indicate dissatisfaction with the personality of legal assistance attorneys, the subjects of their attacks, and successes or failures they have experienced in their litigation efforts.

The citizens of this country should not be denied effective access to the courts because some suits are unsuccessful; if 100 percent success were the criteria for allowing law practices, the size of the bar associations would be reduced dramatically. Similarly lawyers who represent Ford Motor Company, IBM and other industrial giants will not prevail in every case, and elite law firms can be sued—and lose in malpractice actions.

Critics of legal aid programs complain that it is unfair to finance, by tax revenues, the salaries of lawyers who sue governmental entities, which are financed by tax dollars, and pay defending attorneys—and judgments, if unsuccessful—through the same source of revenue. If such suits were categorically or even regularly unsuccessful, the argument might have merit; the sad reality is that the suits are all tooo frequently successful, and, more frequently, the governmental agency, by its own recalcitrance, finds that forced compliance is more costly than would have been the case with informal resolutions and accommodations.

The staff of the local California Rural Legal Assistance office has competently and responsibly presented the positions of their clients in the courts, before administrative agencies and before legislative bodies. While their views and positions may not always prevail, they are successful in a significant number of situations. To argue that success requires dissolution is rather bizarre, since the legal programs merely present cases and positions, which are accepted or rejected on the merits of the cases and positions by duly elected executive, legislative and/or judicial officers. Further, staff members of this local office are involved in community affairs generally, as active members of planning commissions, juvenile justice commissions, housing and transit authorities, etc.

Our society needs programs which will provide legal assistance to those who do not have adequate shelter, food, clothing, educational and/or employment opportunities. Eliminating such aid will not eliminate the disadvantaged, but will only restrict their viable alternatives for self-improvement. Removing the voice of the poor will not eliminate poverty.

I apologize for the generalities adopted in this letter, but note that, by and large, the attack on legal service programs are also based on generalities. If specifics would be of assistance, please feel free to contact me.

Very truly yours.

TIMOTHY J. EVANS,
Judge of the Municipal Court.●

AS THE BUDGET DEBATE CONTINUES

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. FIELDS. Mr. Speaker, as this legislative body continues its debate on President Reagan's economic recovery plan we must keep in mind the desperate state of the economy. I firmly believe that implementation of the President's economic program is vital for the long term economic health of this great Nation.

For this reason and for the consideration of my colleagues, I am submitting for the RECORD today, a most timely article which appeared in the April 30, Wall Street Journal. I commend your attention to the text that follows:

BUDGETS AND THE POOR

As the crucial House budget debate opens, much of the starch seems to have gone out of the traditional liberal Democrats, but they will doubtless continue to mouth their arguments that the Reagan budget cuts are heartless toward the poor. We are prepared—nay eager—to argue that the Reagan combination of a safety net and economic re-invigoration will be far better for "the poor" than the income redistribution programs the Democrats have always supported.

The kind of game the Democrats have played with poverty is neatly captured in a recent report by their economic braintrust, the Congressional Budget Office. The CBO report caught headlines and the network news shows by saying that 20 million to 25 million poor people would lose income as a result of the budget cuts Senator Kennedy, who had ordered up the report along with house Budget Committee Chairman James Jones, branded the Reagan proposals an "anti-family budget."

If you look at the report, though, you find a telling anomaly. In deciding who falls below the poverty level, the CBO counts "money income," which does not include in-kind aid such as public housing, medical benefits and even food stamps, which look at a lot like money to us. In deciding what "the poor" will lose from the Reagan programs, though, the CBO tots up the loss from somthing else, "spendable income," which includes the in-kind transfers. In other words, in-kind income somehow doesn't count when you give it to the poor, but it does count when you take it away.

A pretty shoddy game for a supposedly professional office that now works for a Republican Senate as well as a Democratic House, but about par for the way "poverty" has been treated these last few years. In order to dispense social welfare benefits, of course, you have to define the eligible "poor." But after you have given them the benefits, do they always remain "poor"? Or at some point have you established the "safety net" that the administration says it will maintain?

There are now more than 180 federal welfare programs, dispensing about $350 billion, or around half of total federal spending. A recent Census Bureau study showed that 33.4 percent of all Americans received in-kind benefits in 1979, and that 74.5 percent of the recipients had money incomes above the poverty line. According to the Office of Management and Budget, 61 percent of total assistance to low-income families is in the form of in-kind benefits. Given this flow of funds, how do economists manage to find any "poor" Americans left?

While it didn't choose to point to them in the current debate, the CBO itself has some data on this question, unofficially reported in speeches by some of its experts. In fiscal 1980, there were over 41 million "poor" persons in the U.S., or about 18.8 percent of the population, if you exclude all government benefits. Once cash transfer payments are included, the number of "poor" persons is halved to 18.8 million, or 8.6 percent of the population. If you add in the value of in-kind transfers, the number is again slashed to under 9 million or 4.1 percent of the population. If you go back to deduct medical care benefits, as a special case, the "poor" amount to 13.5 million or 6.2 percent of the population, who on the average fall below the poverty level by $13 a week.

These numbers are small enough that you must be talking mostly about special cases—retired persons with no incomes but substantial assets, persons who do not want to participate in the programs, and so on. The conclusion seems to us inevitable that we do have a "safety net" providing basic support for the unfortunate. By its own definition the war on poverty has been won. But the traditional liberal Democrats have never taken credit for their victory, because it would remove the excuse for a lot of vote-buying, and because it gives the lie to their promise that ending poverty would end social pathology.

The safety net will not be removed by the Reagan programs. For all its headlines, the CBO study found that of those defined as poor by the "money income" test, only about 4 percent would lose more than 5 percent of their incomes, and by the logic of the matter these have to be persons receiving multiple in-kind benefits lifting their "spendable income" considerably above the poverty level. These numbers suggest, in fact, that the Reagan budget-cutters have done an outstand¹ng job taking the bulk of their savings from the many non-poor who receive transfer benefits.

No one can be happy, of course, about the less fortunate among us losing even 5 percent of their support. But the Reagan program holds out the hope of something in return—a return to a healthy and growing economy, surely the best anti-poverty tonic ever. With the basic safety net in place, what the poor now need most is not handouts but opportunities. To actually solve their problems, the poor need the satisfaction of making a contribution to society, a chance to advance and—perhaps even more important—a chance to see their children advance. In terms of helping the poor, the Reagan program moves the emphasis where it now ought to go—away from further income redistribution and toward opening the paths of social mobility.●

LAW DAY/LEGAL SERVICES

HON. HAROLD WASHINGTON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. WASHINGTON. Mr. Speaker, today May 1 is Law Day. It is an appropriate day to emphasize the need for legal services for all Americans and especially the poor who are so often denied access to the justice system. I am a firm supporter of the Legal Services Corporation, which provides a mechanism for the delivery of legal services to the Nation's 30 million poor persons. I have cosponsored H.R. 2506 to continue the Legal Services Corporation.

The support for the Legal Services Corporation has been overwhelming. I would like to supply for the record an open memorandum of present and past presidents of the American Bar Association and a statement by over 140 law school deans. The bar has always been supportive of an independent and professional Legal Services Corporation. While it has offered pro bono legal services in many areas of the country, it cannot be the primary vehicle for delivering legal services. I hope that the Legal Services Corporation will be preserved as that primary vehicle.

AMERICAN BAR ASSOCIATION,
Washington, D.C., March 31, 1981.

An Open Memorandum to the Congress.
From: President and Past Presidents of the American Bar Association.
Re: Legal Services Corporation.

The President and each of the undersigned Past Presidents of the American Bar Association urge you to support continued funding for the Legal Services Corporation, the agency which assures to the 30 million poor of our country access to our justice system.

The American Bar Association established its first committee on legal aid 60 years ago under the Chairmanship of Charles Evans Hughes, later Chief Justice of the Supreme Court of the United States.

In 1965 the first Federal legal services program was instituted, after the American Bar Association, under the leadership of now Justice Lewis F. Powell, Jr., urged its creation to expand the availability of civil legal services to the poor.

Finally, in 1974, President Nixon signed into law legislation creating the Legal Services Corporation to "provide high quality legal assistance to those who would otherwise be unable to afford adequate legal counsel."

Over the past 7 years, the Corporation has done an excellent job of fulfilling its mandate. Today the United States can proudly boast that in all 3,000 counties of the country the poor can participate in our civil justice system—an opportunity which we consider a fundamental right.

Convinced that our state and local governments cannot and will not step in to continue to assure the disadvantaged access to our judicial system, and satisfied that depriving them of such access would be unjust and unwise, we ask that you authorize the continuation of the Legal Services Corporation with funding adequate to perform its assigned tasks.

Wm. Reece Smith, Jr., President, 1980–81; Leonard S. Janofsky, 1979–80; S. Shepherd Tate, 1978–79; Wm. B. Spann, Jr., 1977–78; Lawrence E. Walsh, 1975–76; James D. Fellers, 1974–75; Chesterfield Smith; Robert W. Meserve, 1972–73; Leon Jaworski, 1971–72; Bernard G. Segal, 1969–70; William T. Gossett, 1968–69; Earl F. Morris, 1967–68; Edward W. Kuhn, 1965–66; Whitney North Seymour.

STATEMENT IN SUPPORT OF THE LEGAL SERVICES PROGRAM

As a law school dean, I strongly support the reauthorization of the Legal Services Corporation Act and continued funding for the Legal Services Corporation. Substantial funding is essential if we are to make progress toward meeting the goal of equal justice under law.

I think it important that the legal services program continue in essentially its current form. The full range of advocacy—in judicial, administrative, and legislative forums—must be available to lawyers for poor people as it is available to lawyers for everyone else.

ALABAMA

Thomas W. Christopher, University of Alabama, School of Law, University, Alabama.

Donald E. Corley, Samford University, Cumberland School of Law, Birmingham, Alabama.

ARIZONA

Roger C. Henderson, University of Arizona, College of Law, Tucson, Arizona.

Alan A. Matheson, Arizona State University, College of Law, Tempe, Arizona.

ARKANSAS

Robert K. Walsh, University of Arkansas at Little Rock, School of Law, Little Rock, Arkansas.

David Epstein, University of Arkansas, Fayetteville, School of Law, Fayetteville, Arkansas.

CALIFORNIA

George J. Alexander, University of Santa Clara, School of Law, Santa Clara, California.

Ernest C. Friesen, California Western School of Law, San Diego, California.

Sanford H. Kadish, University of California at Berkeley, School of Law, Berkeley, California.

Gordon D. Schaber, McGeorge School of Law, University of the Pacific, Sacramento, California.

Joseph T. Henke, University of San Francisco, School of Law, San Francisco, California.

Florian Bartosic, University of California at Davis, School of Law, Davis, California.

Elwood B. Hain, Jr., Whittier College School of Law, Los Angeles, California.

Bert S. Prunty, University of California, Hastings College of Law, San Francisco, California.

William D. Warren, University of California at Los Angeles, School of Law, Los Angeles, California.

Judith Grant McKelvey, Golden Gate University, School of Law, San Francisco, California.

Leigh H. Taylor, Southwestern University, School of Law, Los Angeles, California.

Richard Andrew Vachon, S.J., Loyola Law School, Loyola Marymount University, Los Angeles, California.

Donald T. Weckstein, University of San Diego, School of Law, San Diego, California.

COLORADO

Thomas G. Brown, University of Colorado, School of Law, Boulder, Colorado.

Daniel S. Hoffman, University of Denver, College of Law, Denver, Colorado.

CONNECTICUT

Phillip I. Blumberg, University of Connecticut, School of Law, Hartford, Connecticut.

Harry H. Wellington, Yale Law School, New Haven, Connecticut.

Howard Alan Glickstein, University of Bridgeport, School of Law, Bridgeport, Connecticut.

DISTRICT OF COLUMBIA

Jerome A. Barron, George Washington University, National Law Center, Washington, D.C.

Steven P. Frankino, Catholic University, American School of Law, Washington, D.C.

Ronald J. Pollack, Antioch School of Law, Washington, D.C.

Wiley A. Branton, Howard University, School of Law, Washington, D.C.

David J. McCarthy, Jr., Georgetown University Law Center, Washington, D.C.

Thomas Buergenthal, American University, Washington College of Law, Washington, D.C.

FLORIDA

Ovid C. Lewis, Nova University, Center for the Study of Law, Fort Lauderdale, Florida.

Elmer Leroy Hunt, University of Florida, Spessard L. Holland Law Center, Gainesville, Florida.

L. Orin Slagle, Florida State University, College of Law, Tallahassee, Florida.

Soia Mentschikoff, University of Miami, School of Law, Coral Gables, Florida.

GEORGIA

Bruce R. Jacob, Mercer University Law School, Macon, Georgia.

James Ralph Beard, University of Georgia, School of Law, Athens, Georgia.

HAWAII

Marvin J. Anderson, University of Hawaii, School of Law, Honolulu, Hawaii.

IDAHO

Cliff F. Thompson, University of Idaho, College of Law, Moscow, Idaho.

ILLINOIS

Charles W. Murdock, Loyola University School of Law, Chicago, Illinois.

John S. Brainbridge, Northern Illinois University, College of Law, Glen Ellyn, Illinois.

Elwin Griffith, De Paul University, College of Law, Chicago, Illinois.

Dan Hopson, Southern Illinois University, School of Law, Carbondale, Illinois.

Lewis Collens, Illinois Institute of Technology, Chicago-Kent College of Law, Chicago, Illinois.

Gerhard Casper, University of Chicago Law School, Chicago, Illinois.

Peter Hay, University of Illinois, College of Law, Champaign, Illinois.

INDIANA

David Thomas Link, Notre Dame Law School, Notre Dame, Indiana.

Sheldon J. Plager, Indiana University, School of Law, Bloomington, Indiana.

Charles A. Ehren, Jr., Valparaiso University, School of Law, Valparaiso, Indiana.

Frank T. Read, Indiana University, School of Law, Indianapolis, Indiana.

IOWA

Richard M. Calkins, Drake University Law School, Des Moines, Iowa.

N. William Hines, University of Iowa, College of Law, Iowa City, Iowa.

KANSAS

Michael J. Davis, University of Kansas, School of Law, Lawrence, Kansas.

Carl C. Monk, Washburn University, School of Law, Topeka, Kansas.

KENTUCKY

Thomas P. Lewis, University of Kentucky, College of Law, Lexington, Kentucky.

William R. Jones, Northern Kentucky University, Salmon P. Chase College of Law, Covington, Kentucky.

Harold G. Wren, University of Louisville, School of Law, Louisville, Kentucky.

LOUISIANA

Bhishma K. Agnihotri, Southern University, School of Law, Baton Rouge, Louisiana.

Paul R. Verkuil, Tulane University, School of Law, New Orleans, Louisiana.

Marcel Garsaud, Loyola University, School of Law, New Orleans, Louisiana.

MAINE

L. Kinvin Wroth, University of Maine, School of Law, Portland, Maine.

MARYLAND

Laurence M. Katz, University of Baltimore, School of Law, Baltimore, Maryland.

Michael J. Kelly, University of Maryland, School of Law, Baltimore, Maryland.

MASSACHUSETTS

Thomas C. Fischer, New England School of Law, Boston, Massachusetts.

Howard I. Kalodner, Western New England College, School of Law, Springfield, Massachusetts.

Albert M. Sacks, Harvard University Law School, Cambridge, Massachusetts.

William Schwartz, Boston University, School of Law, Boston, Massachusetts.

Richard G. Huber, Boston College Law School, Newton, Massachusetts.

Michael Meltsner, Northeastern University, School of Law, Boston, Massachusetts.

David J. Sargent, Suffolk University Law School, Boston, Massachusetts.

MICHIGAN

Keith J. Hey, Thomas M. Cooley Law School, Lansing, Michigan.

John C. Roberts, Wayne State University Law School, Detroit, Michigan.

John S. Abbott, Detroit College of Law, Detroit, Michigan.

Terrance Sandalow, University of Michigan Law School, Ann Arbor, Michigan.

Carl M. Selinger, University of Detroit, School of Law, Detroit, Michigan.

MINNESOTA

Richard C. Allen, Hamline University, School of Law, St. Paul, Minnesota.

Robert A. Stein, University of Minnesota Law School, Minneapolis, Minnesota.

Geoffrey W. Peters, William Mitchell College of Law, St. Paul, Minnesota.

MISSOURI

Rudolph Carl Hasl, St. Louis University, School of Law, St. Louis, Missouri.

MONTANA

John O. Mudd, University of Montana, School of Law, Missoula, Montana.

NEBRASKA

John W. Strong, University of Nebraska, College of Law, Lincoln, Nebraska. Rodney Shkolnick, Creighton University, School of Law, Omaha, Nebraska.

NEW HAMPSHIRE

Robert M. Viles, Franklin Pierce Law Center, Concord, New Hampshire.

NEW JERSEY

Daniel A. Degnan, Seton Hall University, School of Law, Newark, New Jersey. Russell N. Fairbank, Rutgers, The State University of New Jersey, School of Law, Camden, Camden, New Jersey. Peter Simmons, Rutgers, The State University of New Jersey, Newhouse Center for Law and Justice, Newark, New Jersey.

NEW MEXICO

Robert J. Desiderio, University of New Mexico, School of Law, Albuquerque, New Mexico.

NEW YORK

Richard J. Bartlett, Albany Law School, Union University, Albany, New York. Craig W. Christensen, Syracuse University, College of Law, Syracuse, New York. Israel Leo Glasser, Brooklyn Law School, Brooklyn, New York. Lester Brickman, Yeshiva University, Benjamin N. Cardozo School of Law, New York, New York. Robert B. Fleming, Pace University, School of Law, White Plains, New York. Thomas E. Headrick, State University of New York at Buffalo, School of Law, Buffalo, New York.

Peter W. Martin, Cornell Law School, Ithaca, New York.

John J. Regan, Hofstra University, School of Law, Hempstead, New York.

Patrick J. Rohan, St. John's University, School of Law, Jamaica, New York.•

Norman Redlich, New York University, School of Law, New York, New York.

Albert J. Rosenthal, Columbia University, School of Law, New York, New York.

NORTH CAROLINA

Kenneth S. Broun, University of North Carolina, School of Law, Chapel Hill, North Carolina.

Harry Edward Groves, North Carolina Central University, School of Law, Durham, North Carolina.

John D. Scarlett, Wake Forest University, School of Law, Winston-Salem, North Carolina.

NORTH DAKOTA

Karl Warden, University of North Dakota, School of Law, Grand Forks, North Dakota.

OHIO

Francis X. Beytagh, Jr., University of Toledo, College of Law, Toledo, Ohio.

Robert Bogomolny, Cleveland State University, Cleveland-Marshall College of Law, Cleveland, Ohio.

Lindsey Cowen, Case Western Reserve University, Franklin T. Backus Law School, Cleveland, Ohio.

Albert S. Rakas, University of Akron, C. Blake McDowell Law Center, Akron, Ohio.

Norman George, University of Dayton, School of Law, Dayton, Ohio.

Josiah H. Blackmore, Capital University Law School, Columbus, Ohio.

Gordon A. Christensen, University of Cincinnati, College of Law, Cincinnati, Ohio.

James E. Meeks, Ohio State University, College of Law, Columbus, Ohio.

Daniel S. Guy, Ohio Northern University, Pettit College of Law, Ada, Ohio.

OKLAHOMA

Barbara B. Lewis, University of Oklahoma Law Center, Norman, Oklahoma.

Frank K. Walwer, The University of Tulsa, School of Law, Tulsa, Oklahoma.

OREGON

Derrick A. Bell, Jr., University of Oregon, School of Law, Eugene, Oregon.

Fred D. Fagg, III, Lewis and Clark College, Northwestern School of Law, Portland, Oregon.

Leroy J. Tornquist, Willamette University, College of Law, Salem, Oregon.

PENNSYLVANIA

Ronald R. Davenport, Duquesne University, School of Law, Pittsburgh, Pennsylvania.

John E. Murray, Jr., University of Pittsburgh, School of Law, Pittsburgh, Pennsylvania.

James O. Freedman, University of Pennsylvania Law School, Philadelphia, Pennsylvania.

William L. Wilks, Dickinson School of Law, Carlisle, Pennsylvania.

Gerald Abraham, Villanova University, School of Law, Villanova, Pennsylvania.

SOUTH DAKOTA

Walter D. Reed, University of South Dakota, School of Law, Vermillion, South Dakota.

TENNESSEE

James C. Kirby, Jr., University of Tennessee, College of Law, Knoxville, Tennessee.

Nicholas L. White, Memphis State University, Cecil L. Humphreys School of Law, Memphis, Tennessee

C. Dent Bostick, Vanderbilt University, School of Law, Nashville, Tennessee.

TEXAS

Michael T. Johnson, University of Houston, College of Law, Houston, Texas.

Angus S. McSwain, Jr., Baylor University, School of Law, Waco, Texas.

John F. Sutton, Jr., University of Texas, School of Law, Austin, Texas.

Caliph Johnson, Texas Southern University, Thurgood Marshall School of Law, Houston, Texas.

Jeswald W. Salacuse, Southern Methodist University, School of Law, Dallas, Texas.

Garland R. Walker, South Texas College of Law, Houston, Texas.

UTAH

Walter E. Oberer, University of Utah, College of Law, Salt Lake City, Utah.

VERMONT

Thomas M. Debevoise, Vermont Law School, South Royalton, Vermont.

VIRGINIA

Thomas A. Edmonds, University of Richmond, The T. C. Williams School of Law, Richmond, Virginia.

William P. Spong, College of William and Mary, Marshall-Wythe School of Law, Williamsburg, Virginia.

Richard A. Merrill, University of Virginia, School of Law, Charlottesville, Virginia.

Roy L. Steinheimer, Jr., Washington and Lee University, School of Law, Lexington, Virginia.

WASHINGTON

Theodore Clements, Gonzaga University, School of Law, Spokane, Washington.

George Schatzki, University of Washington, School of Law, Seattle, Washington.

Fredric Tausend, University of Puget Sound, School of Law, Tacoma, Washington.

WEST VIRGINIA

Gordon Gee, West Virginia University, College of Law, Morgantown, West Virginia.

WISCONSIN

Robert F. Boden, Marquette University Law School, Milwaukee, Wisconsin.

Orrin L. Helstad, University of Wisconsin Law School, Madison, Wisconsin.

WYOMING

Peter C. Maxfield, University of Wyoming, College of Law, Laramie, Wyoming.●

ETHNIC AWARENESS THROUGHOUT AMERICA

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. BLANCHARD. Mr. Speaker, I would like to call to my colleagues' attention an important point made in an editorial column by Mitch Kehetian, editor of the Macomb Daily newspaper.

Many of us have come to feel that awareness of ethnic heritage is a phenomenon only associated with large mideastern cities. What Mr. Kehetian discovered and points out in this article is that ethnicity is just as ever present and important an aspect of the community in places like Oklahoma. This ethnic awareness is not limited to any one section of the country, it is a universal feature of our national fabric.

Mr. Kehetian also calls our attention to the important fact that April 24 was the date set aside each year to mourn those Armenians who fell victim to the massive genocide at the hands of the Turks. We sadly recall that nearly two-thirds of the Armenian people were killed. While Congress was not in session on April 24, I would like to take this opportunity to urge my colleagues to remember and learn from the lessons that April 24 holds for all of us. Mr. Kehetian's column follows:

ETHNIC AMERICA AND THE OKLAHOMA CONNECTION

OKLAHOMA CITY.—The last time I visited the Sooner State dates back to my Jaycee days when I attended a national meeting in Tulsa, headquarters for the Jaycee organization.

Fifteen years after my first visit, I found both Tulsa and Oklahoma City just as exciting, not only for their progressive municipal development but, moreso, because of this part of the country's growing interest in knowing more about "ethnic America."

In Tulsa, for example, the local CBS television station wanted to tell its viewers about one such ethnic group, the Armenian people.

Interviewer Ramona Hoffman, born and raised in Arkansas and host of KOTV's morning talk show, said it for native Tulsans:

"I love Tulsa. It's a great city and the people want to know more about the heritage of the growing number of ethnic Americans who are now a part of our community."

That's a comment you normally would expect to hear from media people in the eastern industrial cities where ethnic Americans tend to congregate

Needless to say, yours truly was impressed.

Here in the Sooner State capital, I found the same search for ethnic understanding spearheaded by the University of Oklahoma.

What really impressed me was the university's encouragement within the student body; namely, the recognition of ethnic student associations.

Too often, we in the east revere the acceptance and understanding of ethnic culture and aspirations but write off the western states as "foreign territory" for those with ethnic, tongue-twisting names.

Another myth. I know first hand.

When native Sooners who trace their American roots for several generations can grasp my family name as if it was Smith or Jones—that tells you something.

And it was a good feeling, especially after my talk to the Armenian Students Association at the university.

The occasion for my talks in Tulsa and here in Oklahoma City was about my recent travels to present-day Armenia and the depopulated Armenian centers that are now a part of Turkey.

Next week, the same students, here and in Tulsa, will observe a solemn Armenian anniversary—the near extermination of a race that traces its roots back more than 2,000 years to the valley of Biblical Mt. Ararat.

For Armenian people, each April 24 is a period of mourning and rededication to the principle that man will learn from past acts of man's inhumanity to man.

Some 60 years ago, two-thirds of the Armenian population of then Ottoman Turkey fell victim to what has since been depicted by historians as the first case of genocide in the 20th Century.

And in 1939, when the Nazis launched their plan to exterminate European Jews, a madman named Adolf Hitler told the German people:

"Who today remembers what happened to the Armenians."

In more recent history, we have learned of another plan of genocide—this time in a far-off land called Cambodia.

During the weeklong observance in Oklahoma City, foreign-born Armenian students at Oklahoma University will give blood to the local Red Cross.

They will do this to give life to those in need of blood, and through their act express thanks to America and the citizens of Oklahoma who have opened their hearts to the "new arrivals" to the Sooner State.

It's called "returning the favor."●

EL SALVADOR: DOMESTIC PROSPERITY OR GROWING DEPENDENCE?

HON. JACK KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. KEMP. Mr. Speaker, the Subcommittee on Foreign Operations this week had the opportunity to hear the testimony of Enrique Altamirano, the publisher of El Salvador's largest newspaper, El Diario de Hoy, and an

astute observer of the domestic situation in his country. He candidly reports on the sad economic decline in El Salvador, a decline that cannot be explained away as solely the unhappy consequence of the military turmoil afflicting that country, but a decline that is driven by ill-advised economic policies.

These are the sorts of concerns the United States must recognize and work to alleviate, as we craft economic assistance programs to foster development in El Salvador and throughout Central America. And I would hope that our efforts will be directed to the promotion of free enterprise and free market practices, so that the countries we assist will have a true chance to prosper. If we do not meet this responsibility, our foreign aid dollars will only buy us growing dependence on U.S. assistance, rather than successful development toward economic self-reliance.

I ask unanimous consent that Mr. Altamirano's remarks be inserted in the RECORD.

STATEMENT OF ENRIQUE ALTAMIRANO

My name is Enrique Altamirano. As a citizen of El Salvador, I am most grateful to this honorable subcommittee for inviting me to submit my views on economic and military aid by the United Sates to El Salvador. I believe such aid to be imperative if our country is to be saved not only from falling into the Cuban-Soviet orbit, but also from an economic and institutional collapse which, in any event, would open the door to Marxism.

I am the Publisher of El Diario de Hoy, one of the two most widely circulated daily newspaper in Central America. El Diario de Hoy is one of El Salvador's four major daily newspapers.

In regard to the amount and nature of military aid desirable, I believe that professionals in military affairs of the two countries are in a much better position than I to advise; for this reason, I shall limit myself to concrete aspects of the economic problem.

Contrary to persistent reports, El Salvador was never—absolutely never—a country governed entirely for the convenience of a handful of families, at a cost of misery and suffering for the great majority of the population. The truth is that, since the beginning of the decade of the 1960's, it has suffered a population explosion which is responsible in large part for comparatively low living standards and for deficiencies in all fields of development.

A nation which sorely needed to generate working and investment capital, to develop and train its labor force, to attract resources of all kinds from abroad and to shake off the cultural and productive lethargy afflicting some sectors of its population, has for twenty years had from successive governments just the opposite of the policies needful in each of these respects. For twenty years, El Salvador has had one of the highest personal and corporate tax scales in Latin American, and this has placed in the hands of government a higher proportion of the national wealth than in any other country of the Western Hemisphere except the United States and Venezuela.

It should be recalled that the country's central banking system was nationalized just about two decades ago, in a "Catch-Twenty Two" fashion that marked the beginning of our internal national woes. Meanwhile, rigid exchange controls have burdened us, price controls have been applied to almost innumerable products and services, exporting of basic products has been regulated, and the financial system has been subject to regulatory supervision even more diligent than that of the United States.

It is therefore not surprising that El Salvador's economic progress and its monetary stability have fallen far below their achievements of the 1950's.

These observations may surprise some people who were unaware that the root problems are of such long standing and so broad, not arising simply from business management's outrunning market levels. Essentially, our problems are the consequence of government policies that follow socialist blueprints.

Salvadoran private enterprise has paid, on the average, salaries and employee benefits totalling two-thirds of gross income, retaining less than seven percent as profit. This one fact demonstrates the fallacy of insisting that perhaps "a better distribution of the wealth" could raise the living standards of the Salvadoran people. The fact is that what is "distributed" are the disassembled parts of a most efficient set of production systems, thanks to these socialistic schemes, bringing more misery to the country's inhabitants.

Salvadoran free enterprise had made of its country one of the world's four leading coffee producers, using for this feat less than seven percent of the country's land area. This was done by achieving the highest yield per cultivated area in this crop of any country in the continent.

In cotton and sugar, we were always among the first three countries in yield per cultivated area. We also had the greatest beef production for area dedicated to cattle in America after Cuba and Guatemala. We were the country that used the most fertilizers for agricultural area in all of Spanish America.

And according to the FAO [United Nations Food and Agricultural Organization], El Salvador was the only nation in the Caribbean and Central America to have achieved self-sufficiency in the production of basic staple foods, despite our density of population.

The population density which El Salvador has had to feed to achieve this produces some startling statistics. If the United States had El Salvador's population density, your population would be two billion people. For our economy simply to keep up with the need-to-feed is evidence of significant achievement.

But at the same time that private enterprise was growing by dint of great effort, in the process creating the largest middle class numerically in Central America, the government was fueling inflation by pouring the enormous funds collected in taxes into hideously expensive public works, some yielding scant benefit, and others no benefit at all. For example, a sugar refinery built by the government cost nearly four times the price of another like it built by private enterprise.

Various experiments with agrarian reform had been undertaken in our country prior to 1979, among them one instituted by the assassinated ex-president of the FDR [Frente Democrático Revolucionario, political arm of the Salvadoran leftist guerrillas], Enrique Alvarez, when he was Minister of Agriculture. All of these experiments failed of their objectives, in the process destroying lands that had been very productive.

Unfortunately, none of this dissuaded the Carter administration from inflicting upon El Salvador, to our sorrow, a larger dose of what had made the patient ill to begin with.

In recent months, the Salvadorean government has requested economic aid of the United States to continue its reformist programs, and lately, also to cover serious shortages in its balance of payments. Lack of foreign exchange has kept the country from purchasing fertilizers, raw materials for industry, and various consumer goods and services. To make matters worse, the government has failed to collect a good part of the taxes it had on overseas sales in the past, due to the drop-off of the harvests of cotton, sugar and, to a lesser extent, in coffee, caused by the decree of agrarian and financing reform.

Put briefly, we need assistance now to buy what previously we purchased on our own, with resources earned by our exports.

In part, the lack of funds our country suffers today is an indirect consequence of the reigning violence. But it is notable that Guatemala, also under leftist terrorist assault, has not found itself obliged to ask for aid to buy essentials. Similarly, Peru a few years ago was driven to bankruptcy with no significant guerrilla violence, but due to a similar socialism. In our case, national bankruptcy is about eighty percent due to the reforms imposed by the Department of State under the past North American administration.

One year after the imposition of agrarian reform, and the statization of private banking and exports, all of El Salvador's economic indicators bear witness to the scheme's failure. Although for the present, the greater part of our farms remain in private hands, the constant threat of their eventual nationalization, the severe restrictions on credit and the continual harassment of the country's free enterprise, have brought work on these farms almost to a standstill. This is now making itself felt as unemployment, and will severely affect crop yields in the future.

But in coffee, perhaps the principal cause of the decline is that, upon the government's taking control of the internal buying price (since the producer cannot export but must sell to the government), price rises on the international market, which once made up for losses in bad years, also now are absorbed by the government, which alleges that this is for "social benefit".

This amounts to leaving the coffee-growers with all the risks while depriving them of compensating cushions of good-year benefits.

In cotton, two factors have brought about a reduction in planting, which is down from 120,000 manzanas in typical past years to 80,000 manzanas this year [from about 200,000 acres down to about 136,000 acres].

The first factor discouraging cotton planting is that small holders do not want to rent their land to tenant farmers as they traditionally have done, fearing to lose the land under the provisions of Decree 207 [which may be applied to "give" farmlands to renters]. The second factor is restrictions on credit, which exclude renters, those whose properties are mortgaged, those who have not paid past obligations, and others.

In addition, the huge agricultural machines that were the key to high yield on agribusiness farms that are now the proper-

ty of the state have nearly all fallen into disrepair, through lack of maintenance, stealing or stripping by thieves, or simple neglect. Meanwhile, various essentials such as fertilizers have not been supplied, and the time for planting some crops has been allowed to pass due to delays in obtaining credit.

In sugar, which has been a valuable export, El Salvador will scarcely cover domestic consumption this season. The present sugar crop is estimated at 3,500,000 quintals—half the 7 million quintals of 1977. Plantings have been reduced by terrorist burnings, but the greatest factor is the decline of investment.

The other sectors of the economy have been hit by the undermining of confidence by prevalent hostility toward private initiative, which the government appears to share. When this is added to terrorism and governmental threats to go ahead with an economic program which, in Duarte's own words, "goes far beyond what the extreme left proposes," it is not surprising that there is a total paralysis of investment, a mass flight of entrepreneurs, professional men, technicians, skilled workers and ordinary citizens—the human ingredients essential to development.

As of now, the construction industry is virtually stagnated. And for the first time in modern history, the consumption of electrical energy, up by twenty times the kilowattage of thirty years ago, this year has fallen below last year's level.

All forms of commercial advertising have dropped by 40 percent compared to the levels of 1979.

Aside from the descent to below zero reserves, the most striking demonstration of the failure of the reforms is that domestic retail prices have nearly doubled in the past fifteen months, including the price of corn, the population's basic food. Meanwhile, there is an enormous scarcity of many common consumer products—from medicines and surgical gloves to cosmetics, from machine parts to automobiles, from sewing-machine bobbins to vaccines. The only thing that has increased is unemployment, which in the construction trades has idled more than one-half of the entire work force.

Because a great number of factories have shut down or are working part time, the prospects of a solution to unemployment are discouraging. The government, like governments elsewhere, has made efforts to "create jobs" through public works. But the probability is that, for every job thus created, two have disappeared in private industry and business.

It is unrealistic to say that there can be some magic formula which could at a stroke solve all the problems of my country. The first priority, beyond a doubt, is to put an end to terrorism, the cause of the terrible bloodletting and destruction taking place. To accomplish this, the United States should neutralize the Soviet adventurism which avails itself of its bases in Cuba and Nicaragua to keep Central America in turmoil.

The second priority is to restore the rule of law in El Salvador, a step that is imperative for the restoration of confidence and the beginning of a reconstruction process. I must emphasize to this honorable subcommittee that, to institute the ill-named reforms it was necessary to set aside my country's constitution. Those "reforms" violated Salvadorean law, as they would the laws of the United States, as well as the United Nations Declaration of the Rights of Man—and, one might add, the Ten Commandments.

For this reason, all of the associations of lawyers in my country opposed that step, imposed above all by the Department of State of the Carter administration, and by its "proconsular" representative in El Salvador.

In the economic sphere, two things are necessary: firstly, just compensation to the individuals and enterprises that were stripped by force of their possessions; and secondly, the re-establishment of a free-market economic system, this being the only system capable of furthering true development and effectively bettering the quality of life of the Salvadoran people.

Until this moment, the owners of properties taken by the agrarian reform not only have not been paid for their possessions, but the government has even moved to collect from them taxes on the properties taken from them, and taxes on interest earned by bonds supposedly in exchange for those properties—which, aside from being the equivalent of "Confederate money," the property owners have not received.

It should be added that the present value of such bonds, even if they were received by the properties' rightful owners, is four cents on the dollar of the value of the lands. The effect that this is having on investments is not hard to imagine.

The true value of the confiscated farms is around 300 million dollars, including installations and equipment. As it happens, if the total retail price of basic foods consumed by Salvadorans last year is subtracted from what the same volume of these foods costs this year, we find that food price rises in the ensuing year have cost the Salvadoran people a sum equal to the value of the expropriated lands.

Unquestionably, when private properties have been seized on such a scale, it is difficult to reverse the process equitably. But unless and until just compensation is paid to the former owners—and remember that they paid salaries and fringe benefits to a legion of rural workers, as well as taxes—the mistrust now seriously affecting production will persist.

One desirable step would be to give clear title of ownership to the members of the new cooperatives, leaving them free to sell or otherwise dispose of their shares as they may wish, once these have been paid for. Credit thus generated could be made available to dispossessed landowners, for their payment of taxes, for purchase of properties now in government hands, and the like. Also, the farm worker would thus become a proprietor, with a vested interest in his land and in the system.

Finally, it should be noted that when Phase I properties were statized, the government lost a sizable part of its tax base—enough to require that 40 percent of this year's national budget be financed by loans from the Central Bank. At the same time, due to exorbitant operating costs, a great number of cooperatives will be unable to make payments this year on the credits they received.

The government has proven itself to be a very inefficient farmer, and a farmer sometimes corrupt. The United States could make no better use of its economic and political leverage than to encourage the re-establishment of a free agricultural system in El Salvador, if only because it is the most efficient.

The nationalization of the export business has done the country serious economic harm while yielding no advantage—not even politically. The chief damages are the following:

1. Suppression of free-market sales of coffee wiped out brand names, some with generations of institutional prestige, also putting an end to their trading in futures;

2. In the ensuing period, the inexperience of government functionaries has cost the country 40 million dollars through failure to sell at the right time in anticipation of international prices. Clumsily, governmental traders have sought to sell the entire crop, speculating on prices with disastrous effects;

3. Coffee growers have lost the short-term credit for the year extended to them by processors and exporters, and so are obliged to contract mortgage credit with state banks. Due to government control of coffee prices—which it sets below world market prices—growers now find themselves in danger of losing their lands. In other words, the state continues to strip farm owners of their properties, in this case by manipulating credit and prices.

There is no economic, legal or ethical barrier to returning the export trade to the private sector.

Despite the many advantages which the law for years has given the government-run banks of El Salvador, Salvadorans have preferred to deal with private banks. This became impossible with the confiscation of all private banks last year. Ill effects are now making themselves felt. A few of these are:

1. The granting of credit has been politicized;

2. Certain lines of credit have disappeared, for instance, one-year credit primarily on mortgage backing. This has left many businesses out in the cold;

3. With the incursion of government into all aspects of banking, the confidentiality of banking transactions and accounts has been invaded;

4. With all banking, as well as banking supervision, in the hands of the state, the fox has charge of supervising the chicken coop. One of several dangers this involves is that the savings of private citizens are subject to use for political purposes;

5. Instead of market forces channeling the uses of deposit funds, their use is determined by bureaucratic imperatives.

Salvadoran citizens have now had time to suffer the effects of these disadvantages of banking's nationalization individually and personally. Unquestionably, they would now support the return of banking to competent private hands. This could be accomplished by opening a line of credit for the former stockholders of the private banks in the amount of their confiscated shares. Meanwhile, new private banking institutions should be permitted the preferential rights and privileges previously accorded to the governmental banks (e.g., monopoly of government-agency accounts, more attractive interest rates, etc.).

The arguments in favor of calling a constitutional assembly are not persuasive. Justice does not need to be re-invented; the suspended Salvadoran constitution is a model of its kind. Moreover, the climate of violence and unrest we are living through rules out a genuine political campaign and the public debate to afford our people a realistic grasp of means of resolving their present tragedy. With huge numbers of civic, professional and business leaders having fled the country in fear of their lives, with restrictions on the information media, and faced

with the impossibility of safeguarding the lives of candidates for a constitutional assembly, elections these days would hardly represent the nation's unbiased thinking.

For many years now in El Salvador, fruitless efforts have been aimed at finding "political solutions". Political solutions for underdevelopment, political solutions for subversion and for terrorism, and for the various crippling scars our people have suffered.

It is high time to bring economic criteria to bear on economic problems, political criteria on the political ones, and military solutions upon the drive to impose an alien will upon our people by paramilitary force.●

POLAND'S SOLIDARITY MOVEMENT TEACHES IMPORTANT LESSON ON ACHIEVING PEACEFUL CHANGE

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. ZABLOCKI. Mr. Speaker, at a time when unrestrained violence and terrorism are regularly employed to affect political change, the actions of Poland's Lech Walesa and the solidarity movement are as unique as they are courageous.

That important lesson and more was well expressed in the April 6 issue of New Yorker magazine. By way of sharing it with my colleagues, I am pleased to place the full text of this article in the RECORD. What it demonstrates is "that there seems to be no end to the amount the world can learn from the Poles." It is a noteworthy expression of the necessity for this country's steadfast support for the Polish people and the democratic ideals they are valiantly seeking to uphold.

The article follows:

SOLIDARITY MOVEMENT

There seems to be no end to the amount that the world can learn from the Poles. Through the actions of the Solidarity movement, they have refreshed the spirit of freedom everywhere. In them, liberty has flowed from its deepest and purest source: the direct will of millions of people to live and act together honorably and peacefully, unconstrained by the fear, suspicion, deception, secrecy, brutality, and general demoralization that pervade society under totalitarian rule—and, in this case, foreign-sponsored totalitarian rule at that. In opposing a Marxist state, they have given an unexpected confirmation of Marx's theory that the workers themselves could organize and take charge of their destinies. Even the withering away of the state—a Marxist theory never before confirmed anywhere—is occurring (or, anyway, has begun to occur) in Poland. Although they do not call themselves revolutionaries, what they have accomplished—a transformation of society at the molecular level, with an apparently irreversible change in the life and spirit of a whole people—goes far deeper than the accomplishments of most of the insurrections, guerrilla actions, and coups instigated by those who do call themselves revolutionaries. And by their restraint the members of Solidarity have added a hopeful new chapter to the story of nonviolence, for this is the first time that this mode of action has been used to telling effect against a totalitarian adversary. Whereas many other rebellious movements of our era have pursued noble ends with inhuman, or even criminal, means, Solidarity's means and ends have been one. Its members have fought for tolerance by being tolerant; they have fought for the truth by telling the truth; and they have gained freedom by practicing freedom.

The Polish revolution recently entered one of its most perilous phases, leaving the fate of the country once again in doubt. The police in the city of Bydgoszcz, significantly breaking the tacit agreement not to use force which has largely been in effect on both sides since the Solidarity movement was launched, beat up Solidarity members who had refused to leave a meeting with government officials. Not long after the attack, the Politburo, employing the classic totalitarian tactic of blaming the victims for the crime, warned that "results achieved so far thanks to the intensive efforts of party and state and all sensible and responsible patriotic forces to overcome social tensions and stabilize the country's life have been disrupted." (This statement, packing several misrepresentations into a few short phrases, and exuding both menace and self-congratulation, is wholly characteristic of the Polish regime.) The response of the Solidarity movement has again been noteworthy. As usual, it has been peaceful. And even the nonviolent weapon of the strike has been resorted to with reluctance. After attending a meeting with Premier Wojciech Jaruzelski to discuss what should be done, Lech Walesa, the leader of Solidarity, reported, "I told him Solidarity did not want strikes, because we do not wish to finish each other off." This solicitude for the survival of the regime that Solidarity opposes is clearly not attributable to any exaggerated respect for that unworthy institution. Neither is it attributable, exactly, to a Christian love for one's enemy, although at times the intimate grappling of the two adversary partners does resemble an embrace. Rather, Solidarity has held back from a full-scale confrontation out of a fear—apparently shared by the government—of invasion by Poland's "friend' the Soviet Union, which itself fears the total unravelling of what it regards s the foundation of its security, the Warsaw Pact. (Rarely has the word "friend" taken on as ominous a meaning as it has in recent Soviet statements about Poland.)

By chance, at about the time that Walesa was revealing his thinking about his Communist adversaries, another voice, half a world away, was offering some thoughts on how the United States should deal with the Communists in Moscow. The voice was that of Mr. Richard Pipes, a professor of history at Harvard who is now a member of the National Security Council, and, according to the *Times*, he announced that the Soviets would have to choose either "peacefully changing their Communist system . . . or going to war." He offered no third choice. Shortly afterward, the White House let it be known that these sentiments were the private views of Mr. Pipes, and not Administration policy, but the columnist Joseph Kraft has observed that in spite of this disavowal Pipes had "only put into words everybody's perception of Washington's attitude toward Moscow." Walesa seeks to keep the peace on Poland because he knows that if open conflict breaks out and the Soviets intervene, everyone will pay the price. Washington, for its part, knows that if war breaks out between us and the Soviet Union, everyone will also pay the price—for a quite different reason and on an incomparably huger scale. The reason, of course, is the virtually unlimited destructive power of nuclear weapons, which can annihilate both nations and perhaps all others besides (including Poland). The Poles are in the front lines of the fight against Soviet totalitarianism, and for them Soviet oppression, in the form of the Communist government that the Soviets have imposed upon them, is a fact of daily life; yet the Poles hold back from violence in the name of a greater common good. The United States, on the other hand, is far from the action, and American life goes forward without any immediate discomfort from Soviet totalitarianism; yet Washington finds it hard to see any alternative to voluntary capitulation by the other side or the annihilation of both sides. For more than thirty years, nations have tried to work out ways to advance their interests and ideals in the teeth of the nuclear peril without threatening the world with doom, and no one has yet succeeded. But surely the search of the Poles for some pathway between capitulation and annihilation is the right search, and their reluctance to finish each other off is the beginning of wisdom.●

SOVIET INTENTIONS IN LATIN AMERICA

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. FASCELL. Mr. Speaker, I would like to bring to the attention of our colleagues a recent article on Soviet efforts in Latin America. This article, written by Robert Leiken, appeared in the Los Angeles Times on March 8, 1981. An expanded version of the article appears in the spring 1981 issue of the journal, Foreign Policy.

It comes as no surprise to most Members of this body to find in El Salvador the hand of the Soviet Union quietly manipulating the tiller, if not the helm, of the efforts of insurgent forces seeking to overthrow the present governing junta. We have seen the Soviet role in Nicaragua and Grenada, and of course we know too well the Soviet Union's ideological capture of Cuba, a success for the Soviets and a tremendous loss for the Cubans and the free world.

While our own foreign policy sometimes seems to have a body, but no head, sometimes absent direction, or sometimes a paralyzed force—Soviet policy, on the other hand, seems to proceed with a global strategy, and with significant concentration in this hemisphere.

The article follows:

FORCED ENTRY: THE SOVIETS IN LATIN AMERICA

(By Robert S. Leiken)

WASHINGTON.—President Reagan and Secretary of State Alexander M. Haig Jr. were

correct last week when, in separate statements, they warned that the Soviet Union has quietly become a significant factor in Latin American affairs.

Over the last 12 years, detente and rising Latin American independence have formed the background for the Soviets' emergence as an economic, political and military force in the region. Deep-rooted anti-Yankee sentiment and Cuban complicity have provided an atmosphere in which the Soviets have pursued their objectives with majestic impartiality, using not only sympathetic parties and guerrilla organizations, but also reform movements, military juntas and even right-wing dictatorships.

But both the left and right in the United States have misconstrued this steady advance. With post-Vietnam incredulity, leftists and liberals discount reports of Soviet-Cuban activities as Cold War rhetoric. The right supposes that, in the words of Jeane Kirkpatrick, the U.S. ambassador to the United Nations, the United States is being surrounded by "a ring of Soviet bases on and around our southern and eastern borders."

The true situation is less dramatic than the right portrays, but in some ways more serious.

Soviet trade with Latin America—excluding Cuba—grew tenfold between 1970 and 1977. Although it has since slowed as a result of Soviet difficulties in selling their industrial equipment, fully one-third of Soviet-bloc Council for Mutual Economic Assistance (Comecon) Third World imports came from Latin America, even before the latest massive Soviet wheat purchase from Argentina.

Soviet credit to the region, excluding Cuba, grew from 2% of total Soviet credits to developing countries in the 1960s to 25% by the mid-1970s. These loans are generally earmarked for the purchase of Soviet equipment and assistance for state-directed development projects.

By the late 1970s, the Soviets were helping build 20 large-scale hydroelectric and thermoelectric power plants in Latin America. Their most spectacular energy investment is the huge Olmos hydroelectric dam-irrigation project in northern Peru. This project will eventually be linked by pipeline to oil fields in La Petro and to the Soviet-built fishing complex in Paita.

The Soviets have an agreement with Venezuela and are actively seeking one with Mexico—thus far unsuccessfully—for the triangulation of oil trade. The Soviets would supply Venezuelan and Mexican customers in Western Europe, while Mexico and Venezuela would reciprocate by supplying Cuba. Such arrangements would provide Cuba a less costly and relatively secure source of oil and complicate any U.S. embargo efforts. Mexico has agreed to help expand Cuba's oil-refining capacity and exploration efforts.

The Soviets are assisting Mexico in nuclear reactor technology and radiation testing and have offered to supply Argentina and Brazil with enriched uranium. Brazilian and Soviet officials are also discussing technical cooperation in metallurgy, including a project that would unite Brazilian titanium and vacuum metallurgy with the highly advanced Soviet metallic titanium technology. Metallic titanium is an important material used in the aerospace and submarine industries.

In the early 1970s, the Soviet Union became the chief importer of Argentina's grain and meat exports. Carefully cultivated relations with Argentine growers and exporters supplemented those fostered with influential financial groups, small and medium industrialists, administrators of state companies and army officials. Argentina's contravention of the U.S. grain embargo for the Soviet Union in the winter of 1979 demonstrated the efficacy of Soviet economic pressure.

Under Argentine President Jorge Videla, there have been exchanges of military missions and an agreement for the training of high Argentine army officials at a Leningrad military college. Videla's appointed successor, Gen. Roberto Viola, is well known for his promotion of closer relations with the Soviet Union, and the junta has permitted the pro-Soviet Argentine Communist party to function, while proscribing all other left-wing parties. In exchange, the Soviets and Cubans have blocked discussions of the Argentine regime in the U.N. Commission on Human Rights, even as they orchestrate international campaigns against Chile, whose human-rights record is, if anything, somewhat less appalling than Argentina's.

But the Soviet Union's greatest gain has been Latin America's greatest loss: the degradation of Cuba—Latin America's "first liberated territory"—into a structurally dependent economy whose debts are paid in political and military services for its superpower patron. Cuba is again a one-crop colonial export economy, depending on sugar for a higher percentage of foreign earnings than before the revolution and owing the Soviet Union the world's highest per capita foreign debt. In the past several years, it has become a full-fledged member of Comecon and its five-year plans have been tied to Soviet five-year plans. Cuban youths fight Soviet wars in Africa—wars so unpopular among the Cuban people that casualties are unreported, the dead buried in Africa, and the wounded kept at home to avoid public exposure.

The Cuban army in Africa and the Middle East is equipped with Soviet weapons and uniforms. It has been revamped to perform overseas functions complementing those of the East Germans and the Soviets. It has become the dominant factor in the Cuban Communist Party.

Military organization and academies have proliferated and extensive military training is imparted to students and to 250,000 reservists. The 206,000-man Cuban army—second in size in Latin America only to the army of Brazil, a country that has 10 times Cuba's population—affords the Soviets an enormous rapid deployment force with considerable political legitimacy in the Third World.

Despite its military posture, Cuba's most serious immediate threat to the region is not military, but political. The Soviet-Cuban offensive in the Caribbean has aimed in recent years at the island chain that arches eastward toward Europe and Africa and southward toward Guyana, Surinam and the routes from Venezuela.

This offensive makes use of Cuba's quality cultural exports and "solidarity brigades" of teachers, doctors, engineers and advisers to local political groups. An intelligence network is fed by local sympathizers, who add local color to Cuban propaganda, making it far more effective than the staid Soviet variety. These methods develop a public image of Cuba and its Soviet-bloc allies as revolutionaries in a joint struggle against Western imperialism.

Nevertheless, the Soviet-Cuban tide in the Caribbean has ebbed during the last year. Guyana has grown disenchanted with Soviet political interference and meager economic assistance. Cuba's sympathizers among the Surinam sergeants who seized power in February, 1980 have been unseated. Parties friendly to Cuba have lost elections in Antigua, St. Vincent, Dominica, St. Kitts and Nevis, and Jamaica.

In March, 1980, Nicaragua and the Soviet Union announced the signing of a series of agreements for economic, technical, scientific and cultural cooperation. Similar agreements were also reached with several East European countries. Soviet advisers began arriving in Managua and, simultaneously, in other regional capitals, leading Costa Rica's liberal President Rodrigo Carazo to denounce the Soviet Union's "very aggressive policy" in the area and its formation of "fifth columns." As this was going on, the U.S. Congress spent 10 months arguing about a modest Nicaraguan aid package, although initially it did provide $62 million in emergency aid.

The fulfillment of Soviet intentions, however, is by no means assured. The Nicaraguan revolution was fueled by popular aspirations for national independence and development. Within the revolutionary movement and within the Sandinista leadership there is resistance to efforts to place Nicaragua in the Soviet camp. Nonetheless, the prestige of Cuba among the Nicaraguan people and the Sandinista leadership must be weighed—prestige that is partly a legacy of U.S. harassment of the Cuban revolution and U.S. support for Nicaraguan dictator Gen. Anatasio Somoza Debayle.

For several years, Cuba mediated disputes among the Sandinista factions and was instrumental in achieving their unification in March, 1979. Estimates of the number of Cubans in Nicaragua have ranged as high as 8,000. The Cubans have played a leading role in the massive literacy campaign. More ominously, they have filled all the important military intelligence and advisory positions, leading Panama, which had provided Nicaragua with considerable military assistance, to withdraw its military advisers and to offer "friendly warnings" against overreliance on Cuba.

In El Salvador, the three major left-wing guerrilla groups all have anti-Soviet origins, but their subsequent evolution has aligned them with Soviet positions on international issues. Although they now belong—with the Salvadoran Communist Party—to a unified directorate, the three major guerrilla factions still harbor mutual distrust and retain separate organizational structures.

Moreover, the Salvadoran guerrillas are linked with popular organizations. When the Salvadoran army began firing on mass meetings in 1975, popular groups turned to the guerrillas for armed protection. These groups, composed of labor, student and peasant representatives, have widespread backing, especially in the impoverished Salvadoran countryside.

Thus, although far-left organizations form the axis of the Revolutionary Democratic Front, the insurgent coalition also embraces the Social Democratic party, the majority of the Christian Democrats and the liberal wing of the Catholic Church. It is headed by Social Democrat Guillermo Ungo, former running mate of the current junta president, Napoleon Duarte.

In the event that the Salvadoran revolutionary forces manage to defeat the junta, a period of internal infighting and tense relations with Washington may ensue. It will be a time in which the United States will be

challenged to adapt to new conditions, and the main danger to Salvadoran independence will become the Soviet Union and Cuba. The temptation to escalate U.S. involvement—increasing weapon shipments to Central American rightists, and sending U.S. advisers and even troops—should be balanced with the following considerations:

First, such actions would strip the United States of credible allies in the region by estranging Mexico, the foremost, country for the United States in Latin America strategically as well as economically, and crippling U.S. influence with other significant regional actors, such as Venezuela, Panama, Costa Rica and Ecuador. In addition, many European allies of the United States, particularly those with Social Democratic governments, would condemn U.S. actions.

Second, the Salvadoran opposition would become dependent on aid from Cuba, which now it is not. A threatened Nicaragua could be pushed into a similar predicament.

Third, increasing outside intervention could ignite regional war, pitting the governments of Guatemala and perhaps Honduras against Nicaragua and Cuba. A major Soviet strategic objective would thus be achieved: the tying down of U.S. resources already stretched to the limit around the globe.

Washington's persistent mishandling of the contradictions inherent in the U.S. Latin American relationship is the main force promoting Soviet penetration of Latin America. Revolutionary movements in Latin America present one such contradiction. Although they offer the Soviet Union openings for subversion and penetration, they also reflect the actual conditions of the Latin American people—their poverty, backwardness and oppression.

Revolutionary movements embody popular aspirations for social justice, independence and democracy. They are the last wave of the democratic revolution that began in the West in the 17th and 18th centuries and in Latin America in the 19th Century. So history as well as justice is on their side. Is it possible to develop a policy that supports aspirations for equality and independence while opposing Soviet expansionism?

Third World revolutionary movements and governments cover a wide spectrum in their relations with Moscow. A workable anti-Soviet policy in the Third World should keep in mind that revolutionaries in Afghanistan, Angola, Eritrea, Somalia and Cambodia are on the front lines against Soviet aggression; that Yugoslavia leads the anti-Soviet opposition in the non-aligned movement, and that China has been a bulwark against Soviet hegemonism.

In piecemeal fashion, U.S. policy makers have begun to recognize this kind of Third World independence by establishing new ties with nations such as Zimbabwe, Bangladesh and China. Outmoded special relationships with right-wing regimes should not prevent the United States from treating Latin American revolutionary movements with similar flexibility. The distinction between Cuba and Nicaragua may seem a fine one, but the capacity to perceive and act on such distinctions will be decisive for future U.S.-Latin American relations.

If anti-Sovietism is equated with support for reaction in Latin America, anti-Sovietism will suffer. If the interventionist tradition of President Theodore Roosevelt, Secretary of State John Foster Dulles and Santo Domingo is revived, the Soviets will benefit.

The Reagan Administration's policy toward Cuba requires careful handling of contradictions. Many Latin Americans retain respect for the early accomplishments of the Cuban Revolution. Nonetheless, the feeling has grown that something has gone wrong in Cuba. A direct American confrontation with Castro would only shore up his somewhat eroded base of support in Latin America. Economic concessions would enable him to escape from the economic and social morass that dependence on the Soviet Union has created. At present, the best policy is to lay neither a hostile nor a friendly hand on Cuba.

As Latin American independence continues to grow, the United States must find new policy instruments for pursuing its national interests. The old instruments of the era when the United States dominated trade, armed local rulers and freely intervened militarily have become obsolete. Mutual security concerns are developing, and the great test for U.S. policy will be its capacity to design new policies that acknowledge the passing of U.S. hegemony and the danger of rising Soviet influence.

Opportunities are already emerging out of the new reality. The involvement of West European and Third World countries in Latin America has created a host of diplomatic possibilities for the Reagan Administration to pursue. Christian and Social Democratic parties in Western Europe have built bridges to the Central American left—bridges the United States should consider crossing instead of burning.

What is needed is not novel tactics for restoring U.S. hegemony, but a new strategy for the challenging era beginning in Latin American-U.S.-Soviet relations.

If the Reagan Administration chooses to pursue the hegemonism of a bygone era, it will eventually find the sphere of Latin American-U.S. strategic cooperation drastically restricted and Soviet influence in Latin America mounting steadily. What is needed is not a crusade against the Third World, but rather help to those in the developing world who are actively struggling against Soviet intervention. A naked demonstration of American will in Central America, designed to bolster U.S. allies in Europe and elsewhere, will demonstrate nothing but strategic ineptitude and generate more enemies and defeats than converts or victories.●

IGOR GUBERMAN—A PRISONER OF CONSCIENCE AND INSPIRATION TO ALL

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. SOLARZ. Mr. Speaker, I would like to remind my colleagues of the continuing plight of the Jewish prisoners of conscience of the Soviet Union, the refuseniks. Even after the most abusive treatment by the Soviet authorities, they still refuse to give up their faith, nationality, or convictions. It is hard for one not to admire these courageous men and women. All they seek is for the Soviet Government to abide by the agreement to which it legally obligated itself in signing the Helsinki accords.

One refusenik, Igor Guberman of Moscow, has been an author of popular books and science articles for young people. Active in the Soviet Jewish cultural movement, he was the editor of the underground journal, Jews in the U.S.S.R. According to Yuli Kitaevich, a friend of Mr. Guberman's:

> He is one of those people who become legends during their lives. No matter what their occupations—music, literature, science—they are distinguished by their cheerfulness, thirst for knowledge, ability to share their talents and insatiable desire to help others . . .

This poet, writer, journalist has been imprisoned, and for what reason? Simply for trying to exercise his right, under the Helsinki accords, to emigrate from the U.S.S.R.

True the Soviet Government will say, ". . . this man was not jailed because he wished to emigrate, but because he illegally purchased and sold icons." In fact, the Government, under Soviet law, gave Guberman a fair trial.

Yet, was he given a fair trial? In December of 1978 Guberman applied for an exit visa. He was told he would receive one, if he would collaborate with the KGB and keep an eye on emigrating Jews. In addition, he would be required to denounce and prepare charges against other Jewish prisoners of conscience. He refused to be a spy. Then he was arrested on the charge that he was dealing in stolen icons. Evidence indicates that he was arrested not for dealing in icons but for refusing to spy for the KGB, for Igor Guberman had been collecting such relics for years in a perfectly legal manner. When interrogated, Tatyana Guberman, his wife, was not asked about stolen icons but about his authorship of Jewish epigrams which were published in Israel. When Tatyana asked the Soviet investigator why he had not taken all the icons as evidence, she was told that they were of no value to anyone and were only good for the stove. The main evidence of the trial was supplied by two well-known thieves.

This was no fair trial. To my mind this incident is yet another example of the Soviet refusal to abide by their treaty obligations, when it is not in their interest to do so. This is but another incident of the Kremlin's denial of human rights to Soviet Jews.

Mr. Speaker, for Americans freedom is not an abstraction, but a reality. We do not have to think about what it would be like if we had freedom, for we do. We have the freedom to move, to write, to think, to be. Freedoms such as these were recognized as so precious that our Founding Fathers were willing to wage a revolution to gain them. The Soviet Union now must be told that the imprisonment of Igor Guberman, Yosif Mendelevich, Alexi Murzhenko, Yuri Fiodorov, and others cannot go unnoticed. Freedom loving American men and women

cannot rest until these prisoners of conscience are freed and allowed to live and worship as Jews.●

AGRICULTURE LEGISLATION TO IMPLEMENT PRESIDENT REAGAN'S PROGRAM FOR ECONOMIC RECOVERY

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. WAMPLER. Mr. Speaker, I have introduced a number of bills at the request of the administration which have been transmitted for the consideration of the Congress as part of President Reagan's economic recovery program. The titles of the bills and a short explanation follows:

(1) A bill to increase the interest rates for loans made or insured under the Consolidated Farm and Rural Development Act for water and waste disposal, and essential community facilities.

Increase interest rates for water and waste facility loans (FmHA)

Loans and grants are available from FmHA for original installation or improvements of central community water systems, sewage disposal systems and solid waste disposal systems. Projects may be located in or serve open countryside and rural communities of not more than 10,000 population. Priority is given to local public bodies providing service in communities of 5,500 or less, or to projects meeting certain other criteria or need. President's budget recommendations include a 27 percent reduction in funding for fiscal year 1981 and 47 percent in 1982.

Bill amends the Consolidated Farm and Rural Development Act to increase interest rates for loans made or insured by removing the 5 percent ceiling and setting the rate at the cost of borrowing money from the Treasury plus one-eighth of 1 percent. This proposal would save taxpayers an estimated $9.5 million per $100 million in loans over the first five years and an estimated $125 million over the lifetime of the loans.

(2) A bill to amend the Consolidated Farm and Rural Development Act and the Small Business Act;

Increasing interest rates on farm ownership loans and emergency loss loans

Farm ownership loans are available to buy land, refinance debts; construct, repair or improve buildings; improve farmland; develop water facilities; and establish farm-based business enterprises to supplement farming income. Interest rates for insured loans vary according to the cost of money to the government. Reduced rates are available to limited resource borrowers. Limited resource farmers are owner-operators or tenants who lack equipment, sound farming practices, capital, land, and adequate financing. The reduced rate applies to the first three years of the loan, after which the borrower may be asked to pay the regular rate. Interest rates for guaranteed loans are negotiated between the borrower and the lender. The President's budget recommends a 10 percent reduction in fiscal year 1981 and a 45 percent cut in fiscal year 1982.

This bill amends the Consolidated Farm and Rural Development Act by deleting the 5 percent interest ceiling on farm ownership loans to limited resource producers. The cost of loans will be the cost of the money to the government; $13.5 million per $100 million in loans can be realized over the lifetime of these loans due to these amendments.

Emergency loans help farmers and ranchers recover from natural disasters. In recent years this emergency loan program has been expanded to include financing for recovery for adverse economic conditions. Applicants for both types of emergency loans must be unable to obtain credit elsewhere on reasonable rates and terms. The President's budget recommendations for fiscal year 1982 ask for a 20 percent reduction in funding for disaster emergency loans.

The Consolidated Farm and Rural Development Act is amended by Title I of this bill by requiring that emergency loans be limited to amounts provided for in advance by appropriation acts. This bill also deletes the section authorizing emergency loans for producers that can obtain credit elsewhere. The 5 percent ceiling on interest rates for emergency loans is increased to the cost of money to the government. The lifetime savings for eliminating the subsidy on emergency loans for the amount of loss to producers who cannot obtain credit elsewhere is estimated to be $60 million per $100 million in such loans. Elimination of emergency loans to those who can obtain credit elsewhere will reduce the emergency loan program level by $400 million in a typical year.

Title II of this bill would amend the Small Business Act by raising the interest rate for borrowing money for SBA disaster loans to the current cost of borrowing money from the Treasury. If would also remove SBA's authority to make disaster and business loans to farmers. These actions would result in outlay savings of $23 million in fiscal year 1982 and total of $347 million in fiscal years 1982–86.

(3) A bill to amend the United States Grain Standards Act to require that fees charged for official inspection and weighing services cover costs to the Federal Grain Inspection Service including administrative and supervisory costs, and for other purposes.

LEGISLATION REQUIRING USER FEES ON ADMINISTRATIVE AND SUPERVISORY COSTS OF GRAIN INSPECTION

The U.S. Grain Standards Act provides that the Federal Grain Inspection Service (FGIS) shall collect fees to cover costs of official inspection and weighing, excluding administrative and supervisory costs. However, FGIS incurs costs in supervising these activities when performed by others.

The 1976 Amendments directed FGIS to collect fees covering all costs of weighing and inspection, including administration and supervision. A 1977 Amendment then deleted the authority to recover administrative and supervisory costs.

This bill would reinstate authority to recover these costs and would enable the federal government to recover from users those costs clearly identified as benefitting the ones being served. The bill expected to reduce federal outlays by $25 million in fiscal year 82. It is estimated to cost grain handlers about one-third of a cent per bushel of grain.

(4) A bill to amend section 110(b) of the Agricultural Act of 1949 to eliminate the requirement that the Secretary of Agriculture waive interest on loans made on 1980 and 1981 crops of wheat and feed grains in the farmer-held grain reserve program.

LEGISLATION TO REPEAL INTEREST WAIVER ON FARMER-HELD RESERVE

When the farmer-owned grain reserve was initiated, farmers were required to pay interest to the CCC for first-year loans but interest was waived for subsequent years. To attract corn into the reserve after the embargo in early 1980, the Secretary also waived first year interest on loans for a certain amount of corn placed in the reserve program. The 1980 Agriculture Act then directed the Secretary to waive all interest on loans for 1980 and 1981 grain.

This bill would repeal the mandatory interest waiver contained in the 1980 Act. The 1949 Act gives the Secretary authority to waive or adjust interest. Thus, besides being very costly, the present mandatory waiver provision limits the Secretary's flexibility.

This bill will have no effect on 1980 crops. If enacted, the Secretary intends to restore program to its original status, i.e., only charging interest in the first loan year. The estimated savings are $83 million in outlays for fiscal year 1981 and $167 million for fiscal year 1982.

(5) A bill to recover costs associated with cotton classing and standards tobacco inspection and standards, and warehouse examination, inspection, and licensing, and for other purposes.

LEGISLATION TO RECOVER COSTS ASSOCIATED WITH COTTON CLASSING, TOBACCO AND WAREHOUSING

Cotton. USDA now classes about 97 percent of cotton for growers. Historically, grading programs have operated on a self-supporting basis and fees were charged for cotton classing services prior to enactment of the Smith-Doxey Amendment. To provide better quality cotton, Smith-Doxey provided free cotton classing to encourage producers to join groups which carried out cotton improvement programs.

This bill would begin charging fees for cotton classing as of January 1, 1981. It would also treat loose cotton samples differently and would charge fees for the establishment of cotton standards pursuant to the Cotton Standards Act. This Title is estimated to save $13 million in fiscal year 1982.

Tobacco. Tobacco inspection has been free-of-charge since 1935 because of a belief that the high taxes on tobacco limited consumption and decreased grower returns. Despite higher taxes, however, consumption continues to rise. Thus, the USDA believes there is no longer any reason to provide free inspection. This bill will impose fees to cover the services under the Tobacco Inspection Act, including standardization activities which have traditionally been funded by annual appropriations. The bill will put the program—as well as inspection and grading of naval stores products (spirits of turpentine and resin) on a full recovery basis in fiscal year 1982. This Title will save $3 million in fiscal year 1982.

Warehouses. Since passage of the U.S. Warehouse Act in 1916, the inspection examination and licensing of warehouses has been administered as a voluntary program with appropriated funds. Fees recovered less than 10 percent of the costs. The major expenditure is the semi-annual unannounced compliance examinations of each licensees warehouse. This bill will provide for user fees to offset the cost of administering the U.S. Warehouse Act. Title III will reduce federal outlays by $4 million in fiscal year 1982.

(6) A bill to amend the Rural Electrification Act of 1936 to remove provision for the

special 2-percent interest rate for insured loans;

Remove the provision for special 2 percent interest on REA insured loans

REA is currently mandated to provide telephone and electric borrowers that meet special criterion based on subscriber density or an adjusted plant to revenue ratio with special 2 percent interest on loans. The REA Administrator also has the authority to provide this special rate under unique circumstances. The President's fiscal year 1981 budget revisions recommend discontinuance of both insured loans for telephone systems and insured electric loans for power generation and transmission facilities.

This bill would amend the Rural Electrification Act of 1936 to remove the provision for the special 2 percent interest rate for insured loans. Requiring borrowers to pay 5 rather than 2 percent would reduce Federal cost due to interest subsidies by $70 million per $100 million over the lifetime of these loans. Savings over the first five years would be an estimated $10.5 million per $100 million in loans.

(7) To amend the Housing Act of 1949 to make discretionary the power of the Secretary of Agriculture to provide interest credit subsidy to low and moderate income borrowers, and for other purposes.

Changes in the low and moderate income housing assistance program (FmHA)

Home ownership loans are made to families with low and moderate incomes that meet certain criteria. Loans may be used to buy, build, improve, repair, or rehabilitate rural homes and to provide water and waste facilities for the homes. The President's budget recommendation includes a 21 percent reduction in fiscal year 1981 and 27 percent cut in fiscal year 1982 for subsidized loans. Unsubsidized loans will receive increases of 248 percent in fiscal year 1981 and 328 percent in fiscal year 1982.

This bill amends Title V, the Housing Act of 1949 by removing the mandatory requirement that interest credit subsidies be provided on loans to low and moderate income families and leave the Agriculture Secretary with discretionary authority to provide such subsidy. The basis for defining low income on 80 percent of area median income will also be removed. The Secretary would have the authority to define low income. Requirements that 30 percent of total loans to low and moderate income families in any area must go to families with income below 50 percent of area median income would be deleted. This action will direct interest credit subsidy to low income families and will help recapture 73 percent of all interest credit subsidy.●

MO UDALL'S 20TH ANNIVERSARY IN THE HOUSE

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. SEIBERLING. Mr. Speaker, tomorrow is the 20th anniversary of the election to the House of our distinguished colleague MORRIS UDALL. Perhaps it was appropriate that Mo be elected in a special election. All of his colleagues have gotten to know him as a very special person.

Mo is a big man in every sense of the word. He is not only big in physical stature but in moral and intellectual stature. But most of all, he is big in his relations with other people. I have never seen Mo do anything small or petty. When he wins, he is magnanimous to his opponents. He is a formidable fighter for causes that he believes in but, if he loses, he loses graciously. When attacked or challenged, he responds with kindness and humor. I know of no one in the House whose actions more closely follow the Sermon on the Mount.

Mo's gentleness and humor sometimes mislead people into thinking that they can impose upon him or run over him. But, as many who tried to push him too far have found out, Mo's kindly nature does not mean that he is a pushover. On the contrary, as many of us know, Mo is a Rock of Gilbraltar, around whom many a great legislative cause has been built and many a great victory achieved.

It has been my privilege to have served with Mo on the House Interior Committee for most of my years in Congress, including the years in which he has chaired that committee with such distinction. I am delighted to have this opportunity to join in singing the praises of our great colleague from Arizona, MORRIS UDALL.●

THE AUTOMOTIVE RESEARCH ACT OF 1981

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. HARKIN. Mr. Speaker, I am today introducing the Automotive Research Act of 1981, which is being cosponsored by 33 Members of Congress.

The automotive industry is the key to revitalizing America's industrial base and ending our dependence on foreign oil. The Automotive Research Act of 1981 establishes an effective mechanism to promote Government-industry cooperation in making the American automotive industry once again the world leader in automobile production and design. It does so by transferring the Federal Government's coordinating efforts in the area of automotive research from the Department of Energy (DOE) to the National Aeronautics and Space Administration. (NASA)

Why NASA? Because NASA has a long history of accomplishment in technology. While NASA is best known for its successful efforts with the space program, it has an even longer history of success in aviation research and development. It has worked closely with the American aviation industry to do the necessary research to produce reliable, fuel-efficient, and safe aircraft which are competitively priced in the world market. Unlike our automotive industry which is in a very difficult competitive economic position. American aviation firms manufacture and sell over 80 percent of the free world's airplanes. Unlike our automotive industry which has a long history of antagonistic relationships with the Federal Government over regulatory issues, the American aviation industry has developed a close and cordial research and development partnership with NASA. I believe that this relationship is a substantial factor in the success of that industry. Since NASA does not have a regulatory function, the auto industry can overcome its fears of Government regulation and make full use of NASA's research capabilities.

The United States today is facing an economic problem of the first order. Last year we imported $78.6 billion worth of petroleum. We also imported 27 percent of our automobiles. Thousands of workers are unemployed because of the loss of automobile sales to foreign imports. Our inflation rate increased from 9 percent in 1978 to 15.9 percent in the first half of 1980; 83 percent of that increase in inflation was caused by higher energy prices. Its effects were, of course, felt in all sectors of the economy and in all facets of our constitutents' everyday lives.

Now we are hearing about a plentiful supply of energy and a softening of prices. Well, after the 1974 price increases, there was also a lull until the sharp price hikes of 1979 and 1980 again jolted our economy.

So long as we are dependent on imported oil, we run a great risk. Billions of dollars of our increased defense budget are aimed at defending the Middle East supply line. And, no matter what we spend, we will continue to be at risk from political instability in that area.

I believe that OPEC policy on oil pricing has two main components: First, the OPEC nations do not want to set so high a price that will damage the Western economies to a point where OPEC investments are damaged; and second, the OPEC nations do not want to price themselves out of the market. It is in OPEC's best interest to price oil at a point where their buyers do not quickly develop alternatives to imported oil. Clearly it is in the United States best interest to find those alternatives. And, the cornerstone of U.S. policy must be energy conservation: We must reduce our use of and dependence on oil.

Half of the petroleum the United States produces and imports is used for transportation. Over three-quarters of that goes to cars and trucks. If we are to conserve, we must look first to more fuel-efficient transportation.

Now, let us look at the automotive industry. It accounts for 18 percent of our GNP and 11 percent of the employment in this country.

Foreign imports have cost us over 500,000 jobs. For each job lost, government—Federal, State, and local—has a $14,000 loss in income.

The United States now imports 27 percent of the cars bought in America. By 1983, we will be importing 3,000,000 additional engines which will be placed in American-built cars. These engines represent the loss of $5 billion in our balance of payments and 50,000 jobs directly tied to the engine plants. plus two to three times that number of jobs in the supply line.

There has been a lot of discussion about limiting automobile imports. We have convinced Japan to keep its imports down. However, that will not solve our problem. It will allow us to limp along.

We need to adjust our horizons. We should not be looking at slightly increasing the U.S. built portion of our domestic market. We should be aiming at the available sales in the world market. In 1979, we only had a 21 percent share of the world market and we can do better.

Frankly, our auto industry has not been willing to invest in long range research. Additionally, they have not had the benefit of Government-supported research that our competitors have enjoyed. Major innovation in our auto industry is quite rare and very slow to reach the marketplace. The Cadillac motor that starts with eight cylinders and cruises with only four was placed on the market in 1981. The concept was road-tested in 1956, the year before Sputnik. Some say the reason for the lack of basic research is excessive regulation. Others suggest it is the shortsightedness and bureaucracy of the large automobile manufacturers. The reason is not as important at this point as providing the resources to solve the problem.

Our auto industry recently initiated a major retooling effort. Unfortunately, I believe that we are retooling to compete with the Japanese cars that are flooding our markets now. When we are done, we may still be a step behind. We should not be trying to catch up, we should be trying to leapfrog ahead of our competitors. I believe that we can do it. If we can accomplish that effort we will dramatically improve our industrial base and take a giant step toward reducing our need for imported oil.

This country galvanized for action in the early 1960's to place a man on the moon. We came from behind to reach that goal. We can do the same thing in the area of automotive research. At the present time, we are technologically ahead with the Stirling engine. This engine is inherently more efficient than our present internal combustion engines and can achieve a 50 percent greater fuel efficiency. In a minicompact, the Stirling engine could achieve a combined fuel economy number of over 100 miles per gallon. It can burn gasoline, diesel fuel, or literally any liquid fuel without modification. At this point, the Japanese have established 14 research groups who are working on catching up with the United States. We can stay ahead of them on the Stirling and we can gain the lead in a dozen other areas.

For fiscal year 1981, we authorized $113 million for Department of Energy automotive research. I think we should have spent more. I also believe that we should and could have gotten more for our money.

The National Aeronautics and Space Administration has a proven track record of directing its research toward specific and well-defined goals. And it has a history of meeting its goals. NASA has worked well with the aviation industry. It is oriented toward technology pull rather than regulatory push, which has characterized the Government's previous relationship with Detroit. Furthermore, NASA has expertise in areas which would have immediate application for road vehicles. For example, the dynamics of wind resistance and the use of lightweight materials have applications for automobiles just as they do for aircraft.

The National Automotive Research Act would:

Charge NASA with responsibility for achievement of both basic research and technology development that could be utilized by the private sector in the 1985 to 2010 time frame.

Require NASA to develop a comprehensive program management plan for the conduct of the research and technology activities.

Bring together efforts of Federal agencies and the critical expertise of universities within a structure that provides close cooperation with industry through participation in advisory groups.

Make use of unsolicited proposals and assure that small, technically innovative firms' concepts are funded.

NASA would not build a car. It would provide technology for American companies to incorporate in the design of their cars.

The Automotive Research Act of 1981 calls for an authorization of $25 million in fiscal year 1982 to get the program started. This program will not produce results in 1982 or 1983. In 1983 and 1984 we will have to invest considerably more. I know we are in a time of tight budgets. However, we must look at the stakes. And we must look at the potential results: A healthy auto industry, a sharp reduction in oil imports, and a dramatic shift in our balance of payments. We can get America moving again. But not unless we begin now to take the first step.●

GEN. MARK WAYNE CLARK CELEBRATES 85th BIRTHDAY

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. HARTNETT. Mr. Speaker, I would like to bring to your attention the birthdate of one of this Nation's true heroes. Today in my hometown of Charleston, S.C., retired Army Gen. Mark Wayne Clark is celebrating his 85th birthday. Mr. Speaker, this occasion is truly one worthy of our noting.

General Clark served this country through three wars. Along the way, he distinguished himself in ground action in World War I, served as commanding general of the Army ground forces in Europe, deputy commander in chief of the Anglo-American invasion forces on D-Day all during World War II, and during the Korean conflict he was commander in chief of the Army's Far East Command.

General Clark retired from his beloved Army in March 1954 to become president of the Citadel, the military college of the South in Charleston, S.C. The Citadel prospered under the guiding hand of the general until June of 1965.

Charleston is honored to host General Clark where he resides with his wife, Mary. From a grateful nation, General Clark, a very happy birthday and a salute for a job well done.●

U.S. OVERLOOKING EXPORT MARKET

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. FRENZEL. Mr. Speaker, recently the St. Paul Dispatch printed an editorial which counters the usual criticism that the U.S. trade deficit is largely the product of unfair trade practices on the part of our trading partners. The article, I believe, correctly suggests that U.S. businesses must share some of the blame for a lousy balance of trade deficit. And behind the poor export showing of American businesses is the fact our Government gives little help and no incentives.

Many U.S. businesses expect that foreign markets will drop out of the sky, or they simply refuse to expend the effort to develop foreign markets in the first place. Currently only about 12 percent of U.S. manufacturing firms export, which is dismal compared to the performance of our major trading partners.

The article correctly points out that often it is the aggressive small busi-

nesses which find success overseas with just a little effort, and support from the Government.

As long as the Government gives a low priority to export promotion, business, especially small business, will do the same. If we expect export performance, the Government must help with information, assistance and incentives.

Instead the current practice is to overburden potential exporters with regulation, counter-productive laws, and redtape. The U.S. spends a disproportionate amount of money and effort in protectionist schemes to provide crutches for noncompetitive domestic firms than it does to urge productive, growing companies to sell abroad. It is time to play offense instead of defense.

The article follows:

[From the St. Paul Dispatch, Apr. 2, 1981]

U.S. OVERLOOKING EXPORT MARKET

Americans have grown accustomed to pointing fingers across the seas whenever the subject of U.S. trade deficits is brought into the discussion.

"They" have trade barriers that block our goods. "They" take advantage of our free trade policies by "dumping" products on us until our industries are literally smothered.

The numbers are impressive. The U.S. trade deficit last year was $32 billion. Out of the 252,000 manufacturing firms operating in the U.S., only about 30,000 export.

That's a rather dismal picture, all right, but we may be pointing fingers at the wrong culprits. According to an article in the April 13 issue of *Forbes*, we should be blaming U.S. trade imbalances partly on our laziness and ignorance rather than on "unfair" competition from abroad. The Commerce Department estimates, for instance, that U.S. firms, had they been alert to export opportunities, easily could have added at least another $13 billion to our 1980 export balance.

Not surprisingly, the small, agressive firms are doing relatively more export business than the comfortable corporate giants. That, in fact, is why the Reagan Administration advocates funding cuts for the Export-Import Bank (the President believes the bank is interested mostly in big companies with alternate sources of finance) but supports a bill that would encourage small commercial banks to finance small exporters.

According to *Forbes*, small firms do not want more government programs, just more help in educating small businessmen in how easy and lucrative exporting can be.

For instance, back in 1979, Jim Blau, owner of Snow-Way International, Inc., of Milwaukee, was having a devil of a time selling his firm's $1,300 snowplows. So he took his plow to a trade show in Germany, spent $2,000 on a booth, and began demonstrating how the patented design enabled the plow to be easily hooked to the front of front-wheel-drive subcompact cars.

It was an instant hit. By the time he left, he had sold $150,000 worth of plows, including his demonstrator. Today, his firm is selling plows from Australia (for plowing out mudslides) to Saudi Arabia (to plow blowing sand). Exports in 1981 accounted for about 75 percent of his firm's $2 million in revenues.

The Dixie Furniture Co. in Lexington, N.C., meantime, toyed with exports in 1978, but had no real product surplus to export. "I thought your country wanted to export, given your trade deficit," one frustrated European buyer complained to a Dixie executive.

The lightbulb flashed. Dixie invested $20 million in two new factories, and now exports about 8 percent of its $100 million worth of annual production.

Before long, other furniture makers, including large firms such as The Lane Company and Ethan Allen and small ones such as Dunning Industries, were exporting their products. In the past five years, *Forbes* reports, U.S. furniture and lamp exports soared 110 percent, to $544 million.

There are other success stories, but the point is clear: ambitious American firms, even the small ones, can do quite well in a world market that appears eager for American products.

The best help the Reagan Administration can provide, according to successful exporters, is guidance. That chore certainly shouldn't tax the Commerce Department.●

RIGHT DIRECTION

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. NAPIER. Mr. Speaker, in very short order, we will be considering the President's budget recommendations and the recommendations of the Budget Committee. While each one of us may have our own opinions about the places that the budget should be cut and how much it should be cut, there is a remarkable consensus, not only in the country but in this body, that cuts need to be made.

One of the fine editors in my district has written an editorial which expresses very well the recognition that we must learn to restrain ourselves in the area of Government spending and regulation. Mr. Jim DeRoy, the editor of the Manning Times, feels that the President's plan has much merit, and I commend his editorial to my colleagues.

The text of the editorial follows:

[From the Manning Times, Wed., Apr. 1, 1981]

RIGHT DIRECTION

(By Jim DeRoy)

President Ronald Reagan's economic recovery program, now in Congress, will undoubtedly reappear substantially different from the original. But the fact that both parties are willing to make federal spending cuts, and discuss possible tax cuts, shows us the President's program has considerable merit.

The core of Reagan's plan is to produce more savings, which he believes will lead to more investment and in turn added productivity and economic growth. The tax proposals lend themselves to increasing investment resources and incentives to invest.

The administration's tax cuts, spending reductions, and regulatory reforms are based on a belief that a stronger private sector holds the answer to our economic woes. The government's intervention may become a thing of the past, if Reagan has his way, and the free market would than become the governing factor to our economy.

We feel the general direction of Reagan's program is encouraging. Unlike many policies in the past, both Democratic and Republican, the current President's program doesn't call for an overnight miracle cure, but rather aims at a long-term economic recovery and prosperity.

It can easily be seen that the short-term impact of Reagan's program will be negative in several areas of concern, but through this type of dramatic program, and perhaps only through such a program, can we succeed in solving the roots of our economic ill—inflation and declining productivity.●

LAW DAY—BUT CUTS THREATEN CHERISHED IDEA

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mrs. COLLINS of Illinois. Mr. Speaker, it gives me great pride to rise today in honor of Law Day, a day for all Americans to focus on the law and its impact on our day-to-day lives.

Law Day calls on us to recognize May 1, 1981 as a special day of celebration in appreciation of liberties and for a rededication to the ideals of equality and justice for all.

Today is a day of celebration. However, when we realize that the administration would propose to abolish funding for the Legal Services Corporation, which provides legal services for the poor, we must be concerned.

Accordingly, I would like to share with my colleagues two editorials which appeared today in the Chicago Sun-Times editorial section:

[From the Chicago Sun-Times, May 1, 1981]

BYWORDS OF LIBERTY

History arrives Friday, a 765-year-old cornerstone of law: Magna Carta comes to the Public Library's Cultural Center.

The swatch of parchment is a delicate thing. It is one of four surviving original documents of an idea ratified by King John and his barons in 1215. Since then, the copy has rested at Lincoln Cathedral in England.

The idea behind the faded parchment is altogether stronger. It has abided through uproars and revolutions, challenges and triumphs, to form the basis of free people's rights spelled out in law.

It was so on the field at Runnymede those misty centuries ago, when tax-tired barons won concessions from their king. With those barons' rights came others—won for all—that have become bywords of liberty: freedom from unreasonable seizure, prohibition of unfair trial, guarantee of judgment by jury.

Those rights endure still, praise heaven. And Friday, Law Day, is the day for celebrating them. Our law, based on Magna Carta and a host of its philosophical and political successors, spells out officials' powers as well as citizens' rights.

The law remembers, as John was forced to admit and as the Declaration of Independ-

ence had to remind George III, that rulers' misdeeds will be met with rebellion.

In effect, Magna Carta is a "will" of that freedom, starting a priceless inheritance.

The beneficiaries—all of us—are invited to see it and give thanks through Tuesday.

. . . BUT CUTS THREATEN CHERISHED IDEA

Our society is bloated with laws. Often you can no longer protect your rights or do business without a lawyer. Yet high fees mean millions of citizens cannot afford such help. For them, on that practical level, the basic American concept of "equality under law" is a fading ideal on this Law Day.

And the number is growing, especially among low-income citizens who must depend on the Legal Services Corporation. At best, the agency's services are going to be reduced. At worst, Reagan administration budget cutters will abolish it. The outlook is grim.

The independent agency provides legal aid in civil cases for Americans with low incomes. (The limit on a family of four, for example, is $10,000.) And as Sen. Gary Hart (D-Colo.) says, it is a model of efficiency.

The agency's current budget is $321 million a year—not a lot, given its duties—so it not only screens out frivolous cases, it also must omit many important domestic issues.

Deeper cuts are coming. The House Budget Committee recommends a $200 million budget for fiscal 1982; the Senate Budget Committee, $100 million; President Reagan, zero.

The Illinois Bar Association warns that terminating the agency "would seriously impair the administration of justice" here. That's true, and here are a few examples:

When wards of the state Children and Family Services Department were being slapped into state mental institutions and their rights abused, the Legal Assistance Foundation of Chicago (funded by the federal corporation) defended the youngsters. As a result, the courts found such acts unconstitutional. Circuit Court Judge Joseph Schneider said he has never seen a single case with "such significant impact on the lives of children" as this one.

In another case, the Chicago unit won foster care benefits for thousands of youngsters being illegally denied such aid.

Every major bar organization supports the Legal Services Corporation. To scrap it would indicate how little our society really cares about the ideal it is reaffirming on Law Day.●

LAW DAY—LEGAL SERVICES

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. SEIBERLING. Mr. Speaker, today, May 1, is Law Day—a day set aside to recognize the contributions made by the legal system to society. As a lawyer, I am quick to realize that there is a wide perception, in some cases justified, that the contribution lawyers make is not always a beneficial one. Nevertheless, there is one group of lawyers which I can, from my own experience, say, does provide a valuable service to society—the Legal Aid lawyers. In my community, and, I am sure, in many others, they are a hard-working, committed group of professionals who often make personal sacrifices in order to insure that individuals are provided with the best possible legal representation, regardless of their income. As the executive director of the Summit County Legal Aid Society, Everett M. Porter, has stated it:

A poor person not only has the right to quality legal representation, but has the right to have that representation delivered in a professional manner and in a professional environment.

Legal Aid provides that.

The Summit County Legal Aid Society, which serves the area encompassing my congressional district, has fewer than 15 staff attorneys. Yet, in 1979, they handled over 3,600 cases and in 1980, they handled 4,000. Most of the people they represented were either under 21 years of age, or over 60. And the incomes of 90 percent of those individuals were below the poverty line. While the Ohio Commission on Aging, the United Way of Summit County and miscellaneous grants have helped fund Summit County Legal Aid, 80 percent of the funding for the society has come from the Legal Services Corporation.

The president of Summit County Legal Aid, Gerald J. Glinsek, has said:

In a society that is based upon the rule of law, it is essential that access to the institutions and remedies of the legal system be available to all persons in that society, regardless of their status or economic circumstances.

I agree, and I am hopeful that the House will come to the same conclusion and refuse to go along with the President's recommendation to abolish the Legal Service Corporation.

I recently received a copy of a letter to Representative KASTENMEIER on the effect that elimination of the Legal Services Corporation would have on Ohio. Written by State Representative John A. Begala, a constituent of mine, the letter expresses cogently the need for the continuation of LSC. Representative Begala's letter follows my remarks, and I commend it to my colleagues.

OHIO HOUSE OF REPRESENTATIVES,
Columbus, Ohio, April 8, 1981.

Hon. ROBERT W. KASTENMEIER,
Chairman, Subcommittee on Courts, Civil Liberties and the Administration of Justice, Committee on the Judiciary, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN KASTENMEIER: I am writing to support the continuation of direct federal financial support of the Legal Services Corporation. The administration's proposal to eliminate direct funding will, if passed, cause a drastic reduction in public support for these services across the country and in some states, publically supported legal services for the poor will become a thing of the past.

In the State of Ohio, the President's proposal would be disasterous. Because of the recession, which has had especially severe effects on Ohio and other states of the industrial midwest, state tax collections have dropped significantly at a time when public assistance caseloads are skyrocketing. This situation has adversely affected every part of the state's budget.

With this general state financial crisis and the proposed reduction in federal social service funds of 25%, there is little chance of Ohio's finding a way to support legal services to the poor. This will mean that the hope of equality before the law will wither for many thousands of Ohio's poor, who have come to rely on public legal services over the last decade.

Again, I urge the United States House of Representatives to do all it can to restore full federal financial support of the Legal Services Corporation during the budget deliberations in the weeks ahead.

Thank you very much for your consideration.

Sincerely,

JOHN A. BEGALA,
State Representative,
62nd Ohio House District.●

LAW DAY/LEGAL SERVICES

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. FRANK. Mr. Speaker, as a member of the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, I have been impressed with the accomplishments of the Legal Services Corporation and the wide range of support for it. The Corporation should be continued as an essential, not discretionary, program for the Nation's 30 million poor persons.

Among the many supporters in my State are the Supreme Judicial Court, the attorney general, and the secretary of elder affairs. I would like to share with you the views of these important governmental officials. In addition, I am including a recent editorial in the Boston Globe.

SUPREME JUDICIAL COURT,
Boston, Mass., March 30, 1981.

RESOLUTION ADOPTED BY THE JUSTICES OF THE SUPREME JUDICIAL COURT OF MASSACHUSETTS

The Chief Justice and the Justices of the Supreme Judicial Court of Massachusetts hereby affirm their strong support of the federally funded legal services program and endorse the continuation of an independent and fully funded Legal Services Corporation.

The Justices believe that the federal government has an important responsibility to ensure that the nation's poor have at least minimum access to our justice system. This responsibility stems from our nation's dedication to the principles of equality under law for all. We believe that these principles and the efficient administration of our nation's justice system make it incumbent upon the federal government to continue to appropriate funds for legal services at least at the current level.

The Justices also believe that legal services should not be joined, for funding purposes, with other social services programs. To do so would undercut the ability of legal services lawyers to render professional serv-

ices to their clients independently of political and other pressures. The Justices strongly oppose any attempt to retreat from the principles of full and unencumbered representation of the poor.

The Justices urge the bar and judges to support vigorously the principles espoused in this resolution.

Edward F. Hennessey
Robert Braucher
Francis J. Quirico
Herbert P. Wilkins
Paul J. Leacos
Ruth I. Abrame
Joseph R. Nolan.

COMMONWEALTH OF MASSACHUSETTS,
DEPARTMENT OF ELDER AFFAIRS,
Boston, Mass., April 2, 1981.

Hon. ROBERT KASTENMEIER,
Chairman, Judiciary Subcommittee on Administration of Justice, Rayburn House Office Building, Washington, D.C.

DEAR REPRESENTATIVE KASTENMEIER: On behalf of the elderly citizen of the Commonwealth of Massachusetts, I wish to support the continued funding of the Legal Services Corporation.

The Department of Elder Affairs is the principal state agency in Massachusetts dealing with the problems of the elderly population. Not the least of these problems is a continuing need of the elderly for legal assistance in coping with the complexities of modern society.

In 1974, Congress funded the Legal Services Corporation as a non-profit agency to implement the legal assistance efforts of the network of public and private legal assistance groups on the national, state and local levels. As is frequently the case, the program has grown and the Legal Services Corporation budget has been annually increased. Criticism has been levelled at the selection of controversial issues for protracted and expensive litigation in class action suits. It is not surprising that some of the efforts have encountered opposition. The historical legal process is an adversary one, and lawyers are inclined to vigorously advocate their client's position, sometimes to extreme.

In this state agency, although it would be inappropriate to discuss pending litigation, we have sometimes been dismayed to be named as a party defendent in a law suit which seems to categorize all defendents on the basis of some unworthy motivation, such as a callous disregard for the human rights of elderly persons in long term care facilities. It is our belief that the faults that exist in long-term care are being identified and corrected. We are lending every effort to improve the quality of life in these facilities and to find other suitable long range alternatives to institutionalization. It seems more constructive to develop workable solutions on a piecemeal basis than to devote excessive time, money and energy on litigation.

Despite a fundamental disagreement with claims set forth in a few class actions, it must be borne in mind that the Legal Services Corporation and the local legal services organizations that they fund, have done an impressive job in helping the elderly. There are many problems relating to landlord and tenant law, entitlement to government benefits, and consumer disputes in which the legal services attorneys have become expert. We frequently receive worthwhile suggestions as to statutory or regulatory changes to facilitate the delivery of social services for the benefit of those in the most social or economic need.

Originally, the staff of Legal Services may have been young lawyers fresh out of law school, but we now have a cadre of experienced legal staff and paralegals who would be difficult to replace or to bring back into the system if legal services were to be interrupted.

The solution is twofold: (a) Continue the authorization contained in the Older Americans Act mandating the provision of legal services. (b) Enact the necessary appropriations to substantially continue LSC operations.

The Legal Services Corporation should recognize that some redirection of activity is in order, particularly with respect to the time imposed on state agencies in contesting class actions. The Board of Directors of the Legal Services Corporation should undertake a thorough examination of what class action suites have produced in the past and at what cost, and how much likelihood that negotiation might have achieved more, in less time and at less cost.

The real need is a recognition by society of the plight of those who are elderly, sick or handicapped and who require more assistance than we have hitherto been successful in providing. Then we can all direct our energies to cooperative efforts in the needed work of legal assistance.

Respectfully yours,
THOMAS H. D. MAHONEY, Ph. D.,
Secretary of Elder Affairs.

COMMONWEALTH OF MASSACHUSETTS, DEPARTMENT OF THE ATTORNEY GENERAL,
Boston, Mass., March 13, 1981.

Hon. ROBERT KASTENMEIER,
Chairman, Subcommittee on Courts, Civil Liberties, and the Administration of Justice, House Judiciary Committee, House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE KASTENMEIER: Through this letter, I wish to express my strong support for the continuation of the Legal Services Corporation as an independent entity with its own adequate funding. I do so because, as Attorney General of the Commonwealth, I am committed to the principle that equal justice should be a reality for all its citizens.

Legal services offices across this Commonwealth provide essential services to clients who are often in a crisis situation. Some of these people, not knowing where to turn, call this office for help. Because the Department of the Attorney General cannot represent individuals, we refer those who may be eligible for free or reduced rate services to the various legal services offices across the state. These clients need, and should have, assistance of counsel. As a practical matter, it is difficult to see how that would be available to them without the Legal Services Corporation. The private bar cannot realistically be expected to provide "pro bono" legal services in the quantity needed. Moreover, legal services offices have the special advantages of geographic distribution and specialized skills.

In addition to providing direct legal services to individuals, the Legal Services Corporation, through its "back-up" centers, two of which are located in this Commonwealth, provide valuable assistance in representing the general "public interest". This office has worked cooperatively with attorneys from the National Consumer Law Center in presenting testimony on behalf of consumers to the Federal Trade Commission concerning its proposed Credit Practices Rule, and in cases involving the rates charged to consumers by small loan companies in Massachusetts. We have also worked closely with attorneys from the Center for Law and Education in Cambridge on issues involving equal educational opportunity. The various Centers, and the National Clearinghouse for Legal Services, also publish valuable research materials which are unique, both because of their public protection perspective and their low cost.

It has been suggested that the proposal to eliminate direct funding for legal services may be offset by the award of block grants to the states. That proposal will mean the effective elimination of the program in several states. In every state, including Massachusetts, it will mean competition for severely limited funds between legal services proponents and other direct benefit programs which ordinarily would look to legal services agencies for representation. For that reason, I believe that any block grant system must be supplemented by funding of the programs.

Very truly yours,
FRANCIS X. BELLOTTI,
Attorney General.

[From the Boston Globe, Apr. 4, 1981]

LAWYERS FOR THE POOR

The Reagan Administration's proposal to slash the nation's Legal Services program is making distressingly good progress. Current funding for Legal Services totals $321 million. The Senate Budget Committee has agreed to knock that figure down to $100 million in the next fiscal year, and in the House, where the program was thought to have strong support, the Budget Committee is reportedly eyeing a one-third cut in appropriations.

David Stockman, the Administration's budget chief, has inveighed against the notion that people, particularly poor people, are "entitled" to certain government grants. However, even if it is conceded that certain "entitlements" ought to be reduced, it is fundamentally wrong-headed to deny the poor the ability to pursue through legal channels the rights—to have contracts enforced, for example—that are lawfully theirs.

A cut of even one-third in Legal Services funding would impair that ability severely, and if the Congress follows its normal course and compromises between House and Senate on budgeting disputes, the cut could be even more than one-third.

Further the impending cuts in Legal Services are potentially even more severe than the numbers indicate. The Reagan plan is to combine whatever money is made available for Legal Services with other social service grants in a new block fund. It is not improbable that when those monies are finally distributed at the state level, allocations to Legal Services could be even more severe.

The House Budget Committee should resist proposals to make any marked reductions in Legal Services and should insist that appropriations for Legal Services remain separate from other social service funding. Only that way can the poor be assured what is supposed to be a fundamental right in this country—their day in court.●

DEFICIT SPENDING

HON. LARRY E. CRAIG

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. CRAIG. Mr. Speaker, Mr. Harry E. Warren, a member of the Parma, Idaho senior citizens, has summed up in an original verse what the Reagan economic recovery program is all about. There is great wisdom in his years and observation. I would like to share it with my colleagues.

DEFICIT SPENDING

Our Federal Government's finances are in dire distress,
Overspending has brought on this uncalled for mess.
Living too high has finally brought down the ax,—
By spending more than was assessed by tax.
For if you spend more than you make,
With no reserve from which to take,
There surely can only be one end,—
You are headed for broke my friend.
Our Federal Government is on this track
With billions in deficits for many years back.
If Congress keeps on spending like a drunken sailor
The Federal Government will be needing a bailor.
We need to trim our sails, according to the breeze;
Stop sailing along with unrestrained ease.
For if we fail to pay our way,
Our homes, our fortunes will fade away.
And soon our debts will catch up with us.
Then there will be an awful fuss.
There will be no one to bail the Government out.
For no one will have such a mighty clout.
Now there is a way, and its not too late,
Whether its business, or government, or school or state.
Just keep the give below the take
And never again make such a foolish mistake.

HARRY E. WARREN.●

THERAPEUTIC USE OF HEROIN

HON. HENRY A WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. WAXMAN. Mr. Speaker, on behalf of Mr. Madigan and myself, I am pleased to announce the introduction of H.R. 3209, legislation to make heroin available to physicians to relieve the agony of cancer patients suffering intractable pain.

The need for this legislation is great. The ability of the terminally ill to live out their last months and weeks in dignity—without pain—is a right currently denied patients in the United States due to arbitrary restrictions on the therapeutic use of heroin.

The National Cancer Institute estimates that as many as 33 percent of cancer patients will require drug therapy for the relief of pain. While a majority of these patients can be adequately treated with conventional analgesics, there is an important group of patients for whom the pain of cancer is often a greater fear than the disease itself. These patients are often highly tolerant to conventional analgesics and are emaciated which makes frequent injections of pain killers exceedingly painful.

Clinical experience in the United States and abroad has clearly established that heroin is an effective painkiller. In fact, clinical pharmacologists and physicians worldwide recognize heroin as one of the most effective analgesics known to medical science. It is a potent, highly soluble painkiller and therefore an excellent drug for patients unable to tolerate frequent, high volume injections of morphine. Heroin has been used successfully for many years in England for cancer patients whose treatment regime requires an injectable analgesic.

Hearings on the therapeutic use of heroin in the control of intractable pain due to cancer were conducted by the Subcommittee on Health and the Environment on September 4, 1980. At that time, we heard persuasive testimony from practicing physicians who pleaded for a loosening of Federal controls to permit the prescription of heroin for patients for whom conventional painkillers were inadequate.

H.R. 3209 requires the Secretary of the Department of Health and Human Services (HHS) to implement a program for distributing heroin to hospital pharmacies. Supplies of heroin would be provided by HHS and obtained either from stocks seized by the Department of Justice or manufactured from imported opium. Hospitals desiring to participate in the program must maintain adequate security safeguards to deter diversion and approved use of the drug would be limited to the treatment of cancer patients. In many respects, the distribution system proposed in this legislation is modeled after a program currently used by the National Cancer Institute to distribute marihuana cigarettes and THC capsules to control nausea associated with cancer chemotherapy.

Mr. Speaker, at this time I would like to express my personal thanks to Representative EDWARD R. MADIGAN for his support and exhaustive efforts in the development of this legislative proposal. As ranking minority member of the Subcommittee on Health and the Environment and principal cosponsor of H.R. 3209, Mr. MADIGAN has been an indefatigable advocate on behalf of the rights of the terminally ill. He brings to the subcommittee a high degree of compassion and sensitivity well suited to development of the Nation's health care policy.

Mr. Speaker, I urge every Member's support for this bill when it is reported for consideration by the full House.●

SMALL BUSINESS PEOPLE DESERVE TAX RELIEF

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. DORGAN of North Dakota. Mr. Speaker—

Let us not overlook the fact that the small, independent businessman or woman creates more than 80 percent of all the new jobs and employs more than half of our total work force.

That is what President Reagan said Tuesday night in his speech to Congress and the American people. I agree with President Reagan.

"Business" in America is not a monolithic term. There are big businesses and small businesses, and there is a place for each. You cannot build a jet airplane in a backyard shed. Some bigger businesses are necessary. And by the same token, many sprawling corporations generally do not have the flexibility, imagination, and drive of our smaller independent entrepreneurs.

Because big businesses and small businesses are different, their needs are different. A tax cut program that benefits big business does not necessarily help small business. In fact, it can tilt the table against the little guy and prevent him or her from having a fighting chance in our competitive system.

In my 10 years as State tax commissioner in North Dakota, I saw a fundamental unfairness in our tax laws. Our main street business people would pay their taxes, year after year, while very large out-of-State corporations had special provisions, tailor made by Congress, which in many cases reduced their taxes to little or nothing.

The small business people of this country are the strength of our free enterprise economy. They produce 48 percent of our private sector gross national product, and do the job that needs to be done if America is to keep growing and thriving.

I think it is time we pass a tax cut that recognizes the contribution of small business to our economy. That is why I am introducing a resolution to insure that 48 percent of the benefits of business tax cuts enacted this year flow to our Nation's smaller businesses; 48 percent of the tax cuts for 48 percent of the private sector GNP. I think that is only fair.

THE TILTED TAX SYSTEM

Congress has not been very fair in the past. Time and again, in the name of "economic incentive," it has given the tax cake to the multinational

giants and the crumbs to the smaller independent business.

The Heller Small Business Institute has concluded, for example, that "the prevailing tax system continues to penalize small business." It has this effect because so many of the special tax reduction devices are really big business loopholes which smaller companies are not able to use.

Depreciation provisions are a prime example. Small corporations filed about 99 percent of the corporate tax returns between 1969 and 1974, yet they received only about 30 percent of the depreciation benefits during those years.

Similarly with investment credits. The most recent Treasury Department statistics show that in 1974, $6.7 billion of the $9 billion claimed in investment credits went to giant businesses with assets over $250 million, which comprise only 0.1 percent of all corporations. Smaller corporations with assets under $500,000 received less than 1 percent of the benefits, even though these comprised 86 percent of corporations that year.

For years, former Representative Charles Vanik of Ohio sponsored studies of corporate income tax payments showing that some of our largest and most powerful companies are able to ride the loophole train to a virtually zero tax contribution to our Government. Last year, for example, then-Congressman Vanik found that companies like Occidental Petroleum, General Dynamics, J. P. Morgan, and Chemical Bank of New York were paying no Federal income taxes in 1978.

A study by the Office of Advocacy of the Small Business Administration underscored these findings and showed clearly that the bigger you are, the less you pay relative to your size.

Relative tax burdens of various size corporations

[Percentage of total taxes to net worth (1974)]

Size of business receipts:	
$50,000 to $100,000	30.1
$100,000 to $500,000	23.5
$500,000 to $1,000,000	21.3
$1,000,000 to $5,000,000	19.9
$10,000,000 to $50,000,000	16.9
$50,000,000 to $100,000,000	13.6
Over $1,000,000,000	11.5

These injustices, moreover, are on top of estate taxes and other burdens which weigh down our smaller businesses and give large corporations an edge not because they are better, but simply because they are bigger.

MAKING MATTERS WORSE

The Reagan administration is proposing to cut business taxes by an additional one-half trillion dollars over the next decade.

Business tax cuts are a worthy goal which I wholeheartedly support if they are fair to the small businesses of America.

Unfortunately, the administration's 10-5-3 proposal for business tax cuts makes the current discrimination against small business worse.

Nearly 80 percent of the benefits of 10-5-3 would go to the very largest corporations, with assets over $250 million. If that is a small business tax cut, then a grain elevator is a fish.

Not only that. There are specific provisions of the administration's 10-5-3 proposal which deliberately discriminate against the small business person. One example is the preferred treatment 10-5-3 would give owner-occupied commercial buildings over renter-occupied buildings. Treasury Secretary Regan told the House Ways and Means Committee that the purpose of this provision was to "help the big chains."

If Secretary Regan feels the big chains need Government help, that is well and good. But, where does it leave the small business person who rents his or her space and has to compete against these big chains.

A business tax cut like 10-5-3 built exclusively on changes in depreciation schedules is inherently biased against small business. Depreciation changes, by their very nature, benefit capital-intensive firms—firms which use a great deal of machinery in proportion to workers. This is why the biggest winners under 10-5-3 include utilities and oil companies.

Smaller businesses, by contrast, tend to use machines less and workers more. Less than 4 percent of small businesses are manufacturers. Small business stands to gain less from 10-5-3 because they use machines less.

Considerations like these prompted William Hardman of the National Small Business Association to testify before the House Small Business Committee regarding 10-5-3 that "it would be difficult to write a tax bill better designed to speed the extinction of small business."

There is a more basic question. Is depreciation reform alone really an adequate answer to the tax problems of our small business people?

You cannot depreciate assets unless you can buy them. And you cannot buy machinery or buildings unless you have profits and/or access to capital. Increasingly, small businesses have had neither, thanks to our energy price policies and particularly, the Federal Reserve Board's high interest rate policies.

A survey in the March 1981 Heller/Roper Small Business Barometer shows that two of every five small businesses has postponed modernization or expansion due to high interest rates.

Since tight money—and hence high interest rates—are built into the administration's economic game plan, we can look forward to more postponement of small business investment. We can also look forward to more small business failures, since these have escalated rapidly under the Fed's high interest policies.

Will 10-5-3 help a small company that cannot buy plant and equipment, or that is going under, because of high interest rates? To ask the question is to answer it. It is going to take a good deal more than depreciation reform to meet the capital and cash-flow needs of our smaller businesses.

I am not arguing against depreciation reforms. Rather, I am saying that 10-5-3 is the wrong kind of depreciation reform. It is not the answer to the pressing difficulties of our small business people and it is not the right answer to our general economic problems.

TAX JUSTICE IS GOOD ECONOMICS

This is not solely a question of fairness. It is also a question of what will really spur innovation and growth in our economy.

We have heard a good deal about "supply-side" and "capital formation" tax cuts. On this ground we are asked to support 10-5-3. But a business tax cut geared exclusively to big business is not a supply-side tax cut. It is, in large measure, an inefficiency and waste-side tax cut.

Is it not time we learned something from our mistakes?

We have come through an entire decade of perpetual supply-side tax cuts like 10-5-3.

We have had asset depreciation range (ADR), expanded investment credits, and lower taxes on capital gains, all to the tune of $36 billion per year, plus another $8 billion in corporate rate cuts.

Where has it gotten us? The share of GNP going to productive investment remained virtually unchanged from 1969 to 1980. Productivity did not improve. Stagflation continued. And the very largest corporations, which garnered two-thirds of the supply-side benefits over the decade—and which would be the prime beneficiaries under 10-5-3—have produced only about 4 percent of the new jobs over the last 20 years.

What went wrong?

For one thing, nothing in this type of tax cut guarantees that the dollars in question will be used productively. A corporation can make investments it would have made anyway, and simply use the tax savings to add to its lobbying staff in Washington, buy more country club memberships for executives, buy up smaller companies, or invest abroad.

Problems like these prompted Harvard Prof. Dale Jorgensen to describe 10-5-3 "like applying a gold-plated Band-Aid to a gunshot wound."

For another thing, the recipients of these purported supply-side tax breaks frequently have not been companies that needed them or that could use them productively. Take the oil industry, a big winner in the 1970's, which stands to gain $70 billion from 10-5-3 over this decade. Will new tax breaks make the oil industry more productive? Oil companies already have more cash than they know what to do with. More tax breaks will likely finance more company takeovers of department stores and copper companies.

Is this the best way the Federal Government can use this $70 billion?

There is a deeper problem. The economic claims for 10-5-3 rest on the premise that high taxes are the major affliction besetting large U.S. corporations, and that cutting taxes will, therefore, work a miraculous cure. This is wishbone economics. Taxes are merely one of the problems besetting our large corporations. Until we see this, we simply are not going to be able to develop an industrial strategy that makes any sense in this country.

In the first place, many large U.S. corporations are not paying a great deal of tax already. The steel industry, for example, can hardly blame its ills on high taxes, when companies like United States Steel and Bethlehem Steel were paying, in 1978, zero and 8.6 percent respectively in Federal income taxes.

The issue we have to confront is management. Big corporations are like big Government. They tend to become lethargic, bureaucratic, and wasteful. They tend to repeat yesterday instead of adjusting for tomorrow.

"The conclusion is painful, but must be faced," Robert H. Hayes and William J. Abernathy conclude in a pioneering article in the Harvard Business Review, July-August 1980. "Responsibility for this competitive listlessness (of U.S. industry) belongs not just to a set of external conditions, but also to the attitudes, preoccupations, and practices of American managers."

Adds Xerox president David S. Kearns, "Our problem is that American businessmen have grown up with a shortsighted mentality. If all government and regulations were eliminated tomorrow, most companies would face the same problems they face today."

For example, management consultants A. T. Kearny, Inc., estimate that more effective management techniques alone would both boost productivity and increase business profits by $380 billion. Renowned productivity expert W. Edward Deming concludes that 85 percent of all productivity problems relate to management.

Thinking that more depreciation will cure such problems is like thinking that STP will repair a burnt-out engine.

Again, this is not to say that large corporations should not receive a tax cut. We cannot turn our backs on our large industries. Rather it is to say that more depreciation breaks are not going to solve the problems of large corporations that are bent on doing the wrong things the wrong way.

We are looking for the kind of tax cut that can do most to boost jobs, innovation, and economic growth. And from this standpoint, a business tax cut aimed almost exclusively at large corporations is folly.

A real supply-side tax cut, by contrast, would be aimed much more at the productive, hard-working small business people of this country.

Small business is the prolific source of new jobs in the U.S. economy. Prof. David L. Birch of the Massachusetts Institute of Technology found that firms with fewer than 250 employees generated 90 percent of the new jobs from 1969 to 1976. At the same time, firms with estimated employment of over 250 generated only 10 percent of new jobs, yet collected 55 percent of 11 major business tax benefits.

In short, while big business has received the tax breaks, small business has produced the jobs.

Small firms are also the seedbed of Yankee ingenuity. The National Science Foundation determined that between 1953 and 1973 small businesses developed one-half of the major innovations and 23 times as many breakthroughs per research dollar as their larger counterparts.

And the corporate giants? They buy the inventions of the small firms and then buy the firms themselves, ingesting them into their own stifling bureaucracies.

Third, small firms are anti-inflationary. They lack market power and, therefore, must keep down costs and prices in order to compete.

The seeds of tomorrow's growth are in today's small businesses. This has been true in the past and it will continue to be true. Even the oil and auto industries began as backyard operations, and backyard entrepreneurs today are out in front of the industrial giants, exploring the new commercial frontiers of solar energy and alcohol fuels, energy conservation, computer technology, and others which can be the source of American prosperity in years to come.

It only makes sense to provide this small business sector with a business tax cut in proportion to its contribution to the total economy.

AMPLE OPTIONS

There are ample means for accomplishing this.

First, 10-5-3 does have one important virtue. It would greatly simplify depreciation accounting and this would be especially important to small businesses. One way to attain this simplicity, without the drawbacks of 10-5-3, would be to opt instead for the capital recovery system devised by Harvard Prof. Dale Jorgensen and Alan Auerbach and endorsed by both the New York Times and Fortune Magazine.

This approach would allow immediate, first-year writeoff of investments. It would not distort investment decisions or give preference to some types of assets over others. It would have a quicker impact than 10-5-3, would cost the Treasury less, and deserves serious consideration here in Congress.

Second, we need to cut the payroll taxes which discourage job formation and which are a particular drain on smaller businesses.

Third, we need estate tax relief so people can pass along a moderate-sized family business to their sons and daughters.

Fourth, we need to look at a cap on depreciation breaks so that we can target more benefits to our small and medium-sized businesses.

Perhaps most important, we must not forget that tax breaks are useful to a company only if it has profits to begin with; and capital formation tax breaks are useful only if the company has access to capital. If we are going to help our small business people, and get our economy going, we need a supply-side interest rate policy, along with a supply-side tax policy. The latter without the former would be futile.

LET US HEED THE PRESIDENT

"Isn't it time we tried something new?" President Reagan asked Congress and the Nation Tuesday night. You bet it is. For the last 10 years we have been creating tax advantages primarily for our largest corporations, and we have gotten little in return besides bigger deficits and a tax system loaded against the little guy.

Let us not repeat the tired old policies of the past. Let us put President Reagan's stirring words into practice and enact a tax cut that does justice to the hard-working small business people of America.

At this point, I include the following editorial:

[From the Fargo-Moorhead Forum, Mar. 16, 1981]

SMALL BUSINESS NEEDS HELP

While North Dakota is judged to be one of the best states in the nation in which to operate business and industry, businessmen of the state have not been immune to the economic pressures of inflation, high interest rates and recession.

There have been business failures, cutbacks and hiring freezes in North Dakota as there have been in every area of the country.

While North Dakota businessmen lobby for a break or two in the form of tax relief, most of the tax breaks in the next couple of years will go to individuals as mandated by Measure No. 6, an added 6.5 percent tax on oil production with revenues earmarked for funding in education, for tax relief for individuals, and for the good health of the state's general fund.

Nationally, business and industry are promised some breaks by the Reagan administration in the form of tax relief and incentives for expansion. As it turns out, though, most of these benefits will go to big business and industry.

Small business, which is the kind that makes up much of main street in the towns and cities in North Dakota, is about to get the short end of the economic stick. Budget director David Stockman proposes to slice $116 million in loans and $1.5 billion in loan guarantees from the Small Business Administration.

High interest rates significantly dampened small business activity last year. Stockman's plan seems certain to make that worse. Fewer loans of the SBA type mean greater competition for conventional borrowing. That could bring higher interest rates.

Another proposal of the Reagan administration is to wipe out the Economic Development Administration, also a job producer. The administration's plans to speed up business tax writeoffs to spur productivity are welcome, but even they offer little help to those businesses which are losing money and ready to hang out the "for sale" sign.

Small business may need reduced tax brackets. It may need revised pension investment rules because funds from small-company pensions go to institutional investors who invest in big, blue chip securities because of the "prudent man rule." These pension investments feed big companies with investments from small company pension savings.

Even though the Reagan administration is pushing for a shift to supply-side economics, this shift favors mostly big business.

In North Dakota, the shift is more to demand side economics with the new oil production tax providing tax relief in major proportions to individuals. With good conditions, this relief will, as Minnesota's late Sen. Humphrey used to say, "percolate up" to help main street North Dakota.

Small business, collectively, is no small part in the nation's economic picture. It deserves more attention to its needs than it is getting. At last count, 55 percent of all U.S. jobs were in so-called small business.●

TRIBUTE TO "MAN AND WOMAN" OF THE YEAR

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. BADHAM. Mr. Speaker, it is with great honor today that I call the attention of this body to the dedication of two citizens of the city of Costa Mesa, which I have the honor to represent. They are Mildred Mathews and Henry S. Panian, who have been named the "Man and Woman of the Year" for Costa Mesa by the chamber of commerce and will be given their awards at a luncheon on May 14, 1981.

These two individuals, through their years of service to their community, symbolize all that is great in America, for they have given of their time and talents over many years to make Costa Mesa a better place for all its residents.

From the day after Pearl Harbor in 1941, when Mildred Mathews volunteered to serve as a plane spotter, putting in more that 300 hours during World War II, all of the extra hours she could spare, and more, were devoted to the Parent Teachers Association, the Red Cross, Girl Scouts, Community Chest, United Way, the Girl's Club, Historical Society, and Veterans of Foreign Wars Auxiliary.

In many of these organizations Mildred Mathews served as an officer, president, secretary, or board member, undertaking whatever task was asked of her.

Throughout all this time she worked for the local school district, first as a bus driver during World War II, finally for a total of 24 years, rising to the position of superintendent of transportation, from which she retired 14 years ago.

Henry Panian, a professor at Orange Coast College, has an unbelievable record of community service for the past 22 years. He has served as a member of the Downtown Redevelopment Citizens Advisory Committee, as a member of the City Charter Study Committee, City Housing Study Committee, as vice chairman of the Costa Mesa Bicentennial Committee, and was the city's representative at bicentennial activities at Rutland, Vt., Paris, France, and Dorset County, England.

Henry Panian was a founder of the Orange Coast Civil Association and served as its president and director; he was part of the drive to construct the Orange Coast YMCA building and has served the Costa Mesa Chamber of Commerce on numerous committees.

Furthermore, Henry has been active in community planning and development, city park development, served the Boy Scouts in various capacities, and has been particularly active as president of the Costa Mesa Historical Society. He was an elected director of the Mesa Consolidated Water District and despite all the activities chronicled here, he had time left over for professional pursuits outside his teaching activities.

It is with pride that I point to the accomplishments of these two fine Americans, who richly deserve the honor of being chosen as Man and Woman of the Year in Costa Mesa for 1981.●

STUDY FINDS EB CAPABLE OF HANDLING MORE WORK

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. GEJDENSON. Mr. Speaker, on February 17, the Navy cirumvented the normal competitive bidding process and awarded the Newport News Shipbuilding & Drydock Co. contracts to build three SSN 688 class fast attack submarines. The decision was made amid heavy criticism of the performance of the Electric Boat Division of General Dynamics by both Secretary of Defense Caspar Weinberger and Navy Secretary John Lehman. At that time Secretary Lehman named a six-person team with representation from both the Navy and General Dynamics to look into the capacity of Electric Boat to handle more work.

The committee released their findings earlier this week and concluded that most of the criticism of Electric Boat was inaccurate. The report found that Electric Boat does have the ability to handle more work, showing that charges that Electric Boat had too much work to do were made without a full understanding of the complexities of submarine construction.

Mr. Speaker and fellow Members of the House, it is my hope that this report will put to rest the ludicrous suggestions that have been made in recent months to build the Trident submarine overseas or to reopen Government run Navy shipyards. The last suggestion would have us build fast attack submarines at a cost to taxpayers that is far higher than the cost we have historically paid to the private sector for submarines. Both ideas, overseas construction and a Government run Navy shipyard, sharply contradict the administration's concern for our economy, the size of Government and our Nation's defense. Both should be rejected.

This week's report carefully analyzed the capacity of Electric Boat to construct submarines. The six-person team visited the shipyard facilities in Rhode Island and Connecticut and toured subs under construction. They conclude that EB currently has the capacity to build 1 to 1½ Trident Submarines a year and three SSN 688 fast attack submarines a year. They further conclude that Electric Boat can deliver the boats under construction on time under the existing revised schedules.

At a time when all of us are concerned about increasing private sector investment and the productivity of our workforce, the Electric Boat shipyard has gone through a costly and at times difficult process expanding its physical plant and its trained workforce to reach the capacity described above. The report concludes, as many of us have been saying for months, that Electric Boat is fully capable of continuing its historical role in the Nation's sub building program.

Below are excerpts from the Navy-Electric Boat study:

METHODOLOGY

In order to most effectively carry out your assignment we made full use of all the facili-

ties that you (Navy Secretary Lehman) and Mr. Lewis put at our disposal. We reviewed data and reports supplied to us by both Electric Boat and the Navy. We visited the Electric Boat facilities at both Groton and Quonset Point and conferred with senior Electric Boat personnel. We also conferred with senior members of the Naval Sea Systems Command in Washington, DC, and the Supervisor of Shipbuilding at Groton.

We inspected a number of both TRIDENT and SSN's under construction at Electric Boat and talked with seven of those ships' Prospective Commanding Officers and received their views concerning the delivery of their respective ships.

In arriving at our opinions, conclusions and specific recommendation, we recognized that a number of problems arose over a period of time which have affected the delivery dates for the TRIDENT And 688's under construction at Electric Boat. These problems were the result of a broad spectrum of circumstances such as faulty structural welding, nonconforming carbon steel, design changes, defective government furnished equipment, unique problems associated with the lead ship of a new design, etc. . . .

QUALITY ASSURANCE

In February, 1980, Electric Boat developed a Quality Modernization and Upgrade Program to strengthen its existing quality assurance program. . . .

The Committee believes that this program upgrade has been adquately addressed and that it supports Electric Boat's scheduled delivery date. . . .

NONCONFORMING STEEL

In late 1978, Electric Boat discovered that some nonpressure-hull steel did not meet specification. . . .

The Committee is satisfied that the corrective action is complete and this item will not have an effect on Electric Boat's scheduled delivery dates. . . .

WELDING PROBLEMS

Commencing in November 1979, Electric Boat and the Supervisor of Shipbuilding discovered structural weld deficiencies. . . .

The Committee believes that this item has been satisfactorily resolved and that the work remaining on the other submarines will support Electric Boat's scheduled delivery dates. . . .

DEFECTIVE PAINT

When OHIO was drydocked in late November 1980, inspection of the ballast tanks revealed some deterioration of the epoxy paint coating. . . .

There is a possibility that the applied epoxy paint will show deterioration at the drydocking after the second sea trail. This drydock period is scheduled for three weeks which should be adequate for minor touch up. With this assumption the Committee believes that it will not affect Electric Boat's scheduled delivery date. . . .

GOVERNMENT EQUIPMENT DEFECTS

There were significant problems associated with a number of components of government furnished equipment which required Electric Boat to divert manpower to make the necessary corrections. . . .

While the Committee notes that many of these problems were significant and thus are of continuing concern, the Committee is not aware of any government furnished equipment problems that would have an effect on Electric Boat's scheduled delivery dates. . . .

DESIGN CHANGES

There have been a large number of design revisions (including changes) issued over the past two years, a situation which is typical of the first ship of a new class. . . .

In view of the above status, the Committee believes that, given the present stage of construction and testing, it is unlikely that any design revisions (including changes) will impact the first sea trial date. However, it must be recognized that, with the first ship of a new class, there is always some inherent risk of problems as a result of the sea trials. . . .

If there are no major problems discovered during sea trials, the Committee has a high level of confidence that OHIO will be delivered this year (1981). . .

The first two of the six submarines projected by Electric Boat to be delivered in 1981 have in fact been delivered. The DALLAS (SSN-700) successfully completed initial sea trials on 20 April 1981 and thus should be delivered by 30 June 1981 as scheduled. . .

The Committee is of the opinion that the TRIDENT and 688 Class delivery dates can be met with the 703 date being the most difficult.

CAPACITY OF SHIPYARD

(1) The Navy estimates that a greater number of manhours will be required to build each submarine than EB predicts. . . .

(2) In analyzing the physical plant at both Quonset Point and Groton the committee was impressed with the capability at Quonset Point to manufacture submarine hull sections. . . .

At Groton, building positions and docking facilities can support a maximum construction rate of two TRIDENTS and three SSN's per year. . . .

(3) With an increase of approximately 1000 trades personnel (which is reasonable) the Committee believes that Electric Boat has the capacity to build at a rate of one and a half TRIDENTS and three SSN's per year. . . .

CONCLUSION

The conclusion of the Committee is that on a conservative basis, with the present 16,000 trade work force, EB today should be able to sustain an annual delivery rate of one TRIDENT and three SSN's per year. With about 1,000 more trade people, which we believe are obtainable, EB could increase this rate to one and a half TRIDENT and three SSN's per year.

Mr. Speaker, in conclusion I would like to point out that Electric Boat is scheduled to deliver seven subs to the Navy this year. To date, two subs have been delivered, one in February and one in March, both in accordance with scheduled delivery dates. *Ohio,* the Nation's first Trident is ready for sea trials and will be delivered by the end of the year. These deliveries are concrete proof that the negative publicity Electric Boat received on the Hill earlier in the year was not deserved and painted a very inaccurate picture of the current capabilities of the shipyard. Electric Boat is, as the Secretary of the Navy noted in a recent Senate hearing, the highest quality submarine building facility in the free world. The shipyard can operate in the most efficient manner possible with a steady flow of contracts in the years to come. Again as the Secretary of the Navy noted, the peaks and valleys of our shipbuilding program in the past were costly and harmed our industrial base. They should be avoided in the future. The joint Electric Boat-Navy report shows that Electric Boat is fully capable of playing a major role in our Nation's sub building program in the years to come.●

POLISH CONSTITUTION DAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. DERWINSKI. Mr. Speaker, I wish to take this opportunity to call the attention of the Members to an important date in the history of Poland. On Sunday, Poles throughout the free world will celebrate the historic Polish national holiday—the 3d of May Constitution Day. This is an important reminder to all, that Poland was one of the first pioneers of freedom in Europe.

It was on May 3, 1791, that Poland adopted a constitution that led to a complete reform of its internal life and asserted its democracy. But it came too late, and could not put a halt to the third partition of Poland in 1795 by Russia, Prussia, and Austria.

Even though the constitution did not have a chance to take hold, this was one of the brightest events in Polish history. Through the decades, the spirit embodied in the Polish Constitution has never died in the hearts of Poles who have remained in their native land. Today, we see Poles striving again for national renewal and toward freedom from coercion. The recent developments in Poland hold the same promise as the 190-year-old Constitution.

While many invasions and subsequent partitions have prevented Poland from developing her democratic ideals into a permanent form of government, these setbacks have failed to break the aspirations of the people of Poland, those of Polish descent throughout the world for freedom and the right to determine their own destiny.

The valiant Poles are only asking for the most basic demands that workers all over the world will recognize: better wages, improved food supplies, the right to strike, the abolition of censorship, and the right to worship. The Solidarity movement brings hope that their future will see a flourishing Poland, inspired by her great traditions and ideals.

It is particularly fitting for Americans to pay tribute to this major contribution to democracy in the world. Even more so, we honor the event since the United States was able to

build and grow on its own constitutional Government, while Poland, as early as 1795, was subjected to partitions and exploited by neighboring countries. This day also serves as a reminder of the close links between this Nation and the free Poland that existed prior to the outbreak of World War II.

Although Poland is clamped in the grip of the Soviet bloc today, the Polish people in free countries proudly commemorate May 3 as a day for remembering and honoring Polish democracy and freedom. On this 190th observance of the adoption of the first democratic constitution in Europe, the Poles look forward once again to the time when they will have true independence both in the national life of Poland and in the individual lives of its citizens. They courageously persist in their efforts to ease the oppression imposed upon them by the Communist Warsaw Government.

The Third of May, which should belong to every Pole, not just those living apart from the mother country, gives encouragement to the citizens of Poland in their continuing struggle for their democratic rights. We must join in the hope that the Polish people will yet realize the attainment of the ideals and spirit of their May 3 Constitution Day.●

LAW DAY/LEGAL SERVICES CORPORATION

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, May 1, 1981

● Mr. RODINO. Mr. Speaker, Today, May 1, is Law Day—an opportunity to reflect upon and celebrate our American system of law and justice. The theme of Law Day this year is "Law—the Language of Liberty." The theme underscores the inseparable relationship between our system of justice and the preservation of the freedom we enjoy in our democracy. The Preamble of the U.S. Constitution, in reciting the basic purposes of our Government, puts "establish justice" second only to "form a more perfect Union."

Judge Learned Hand once said that, if we are to keep our democracy, there must be one commandment: "Thou shalt not ration justice." It is because of this belief that the preservation of equal justice under law is a cornerstone of our democratic way of life that I, and many of my colleagues, believe the Legal Services Corporation must be preserved. Without the Corporation, millions of our Nation's neediest citizens will be denied access to justice and the opportunity to resolve their problems through traditional, peaceful, legal processes. It is for this reason that I have introduced H.R. 2506, to reauthorize the Corporation through fiscal year 1984.

There has been a tremendous outcry of protest around the country since the administration proposed the elimination of this program March 10. The protest has come from every part of the country, from urban and rural areas, from conservatives and liberals, from Republicans and Democrats.

Some indication of the widespread support for this program may be gleaned from the following materials which I would commend to the attention of all Members of Congress.

The first is a listing of over 150 bar associations in 44 States and the Commonwealth of Puerto Rico which have provided me with copies of resolutions and other statements of support for the preservation of the Legal Services Corporation. The listing is, I am sure, far from exhaustive of the broad-based support for this program among bar associations—a traditionally conservative community.

The second is a resolution unanimously adopted by the board of governors of the American Bar Association on April 10, 1981, reaffirming the ABA's strong support for this program.

The third is a listing of petitions received from 39 law schools, containing thousands of signatures, calling for the preservation of the Corporation.

Mr. Speaker, we must not ration justice in our society if our democracy is to survive as we know it. The Legal Services Corporation is the means by which we as a nation are meeting our responsibility to assure equal access to civil justice for the Nation's poor. No realistic alternative means of meeting this responsibility has been proposed. The Corporation deserves the support of our citizens, and the materials I have offered above reflect the fact that the program does have broad-based support.

LISTING OF STATE AND LOCAL BAR ASSOCIATIONS FROM WHICH RESOLUTIONS AND OTHER STATEMENTS SUPPORTIVE OF THE LEGAL SERVICES CORPORATION HAVE BEEN RECEIVED AS OF APRIL 29, 1981

ALABAMA

Huntsville Madison County Bar Association.

ARIZONA

Maricopa County (Phoenix) Bar Association.
Pima County (Tucson) Bar Association.

ARKANSAS

Arkansas Bar Association.
Pulaski County (Little Rock) Bar Association.

CALIFORNIA

State Bar of California.
Bar Association of San Francisco.
Barristers Club of San Francisco.
Los Angeles County Bar Association.
Beverly Hills Bar Association.
California Young Lawyers Association.
Contra Costa County Bar Association.
High Desert Bar Association.
Long Beach Bar Association.
Monterey County Bar Association.
Orange County Bar Association.
Laywers' Club of San Francisco.
San Luis Obispo County Bar Association.
Pasadena Young Lawyers Association.
Santa Cruz Bar Association.
Southern Alameda County Bar Association.
Women's Bar Association of Los Angeles.

COLORADO

Colorado Bar Association.
Colorado Women's Bar Association.
Colorado Lawyers Committee.
Arapahoe County Bar Association.
Boulder County Bar Association.
First Judicial District Bar Association.
Pueblo County Bar Association.
San Luis Valley Bar Association.
Southwest Colorado Bar Association.
Thirteenth Judicial District Bar Association.

CONNECTICUT

Connecticut Bar Association.

DELAWARE

Delaware Bar Association.
Kent County Bar Association.

FLORIDA

The Florida Bar.
Dade County Bar Association.
Young Lawyers Sections, Dade County Bar Association.

GEORGIA

Atlanta Bar Association.
Younger Lawyer Section, State Bar of Georgia.
Atlanta Council of Young Lawyers.

GUAM

Guam Bar Association.

IDAHO

Idaho State Bar.
First District Bar.
Clearwater Bar Association.
Sixth District Bar.
Third District Bar.

ILLINOIS

Illinois State Bar Association.
Chicago Bar Association.
Chicago Council of Lawyers.
Cook County Bar Association.
Madison County Bar Association.
Women's Bar Association of Illinois.

INDIANA

Allen County Bar Association.
Knox County Bar Association.
Marion County Bar Association.
Michigan City Bar Association.

IOWA

Iowa State Bar Association.
Cerro Gordo County Bar Association.

KANSAS

Kansas Trial Lawyers Association.

KENTUCKY

Louisville Bar Association.

LOUISIANA

Louisiana Trial Lawyers Association.
Shreveport Bar Association.
Twenty-first Judicial District Bar Association.
Webster Parrish Bar.

MARYLAND

Maryland State Bar Association.
Young Lawyers Section, Maryland State Bar Association.
Bar Association of Baltimore City.

MASSACHUSETTS

Massachusetts Bar Association.

Boston Bar Association.
South Middlesex Bar Association.

MICHIGAN

State Bar of Michigan.
Oakland County Bar Association.

MINNEOSOTA

Minnesota State Bar Association.

MISSISSIPPI

Warren County Junior Bar Association.

MISSOURI

The Missouri Bar.
Bar Association of Metropolitan St. Louis.
St. Louis County Bar Association.
Women Lawyers Association of Greater St. Louis.
Kansas City Bar Association.
Boone County Bar Association.
Callaway County Bar Association.
St. Joseph Bar Association.

MONTANA

State Bar of Montana.

NEBRASKA

Nebraska State Bar Association.

NEW HAMPSHIRE

New Hampshire Bar Association.

NEW JERSEY

New Jersey State Bar Association.
Essex County Bar Association

NEW MEXICO

State Bar of New Mexico.
New Mexico Trial Lawyers Association.
San Juan County Bar Association.

NEW YORK

New York State Bar Association.
Association of the Bar of the City of New York.
New York County Lawyers' Association.
New York Lawyers for the Public Interest.
New York State Administrative Law Judges Association.
Broome County Bar Association.
Bar Association of Erie County.
Madison County Bar.
Monroe County Bar Association.
Onondaga County Bar Association.
Otsego County Bar Association.
Delaware County Bar Association.

NORTH DAKOTA

State Bar Association of North Dakota.

OHIO

Ohio State Bar Association.
Bar Association of Greater Cleveland.
Columbus Bar Association.
Toledo Bar Association.

OKLAHOMA

Oklahoma Bar Association.
Oklahoma County Bar Association.
J.J. Bruce Law Society.
Choctaw County Bar Association.
Custer County Bar Association.
Garvin County Bar Association.
Jackson County Bar Association.
Payne County Bar Association.
Texas Bar Association.

OREGON

Oregon State Bar.
Lane County Bar Association.
Marion County Bar Association.
Coos-Curry Bar Association.
Sixth Judicial District Bar Association.

PENNSYLVANIA

Pennsylvania Bar Association.
Philadelphia Bar Association.
Allegheny County Bar Association.
Adams County Bar Association.
Cambria County Bar Association.
Chester County Bar Association.
Dauphin County Bar Association.
Delaware County Bar Association.
Lancaster County Bar Association.
Lawrence County Bar Association.
Luzerne County Bar Association.
York County Bar Association.

PUERTO RICO

Puerto Rico Bar Association.

RHODE ISLAND

Rhode Island Bar Association.

SOUTH DAKOTA

State Bar of South Dakota.

TENNESSEE

Tennessee Bar Association.
Tennessee Trial Lawyers Association.

TEXAS

State Bar of Texas.
Texas Young Lawyers Association.
Dallas Bar Association.
El Paso Women's Bar Association.
Fort Worth Black Bar Association.
Houston Bar Association.
Jefferson County Bar Association.
Mexican-American Bar Association of San Antonio.
Orange County Bar Association.
San Antonio Black Lawyers Association.
Travis County Bar Association.
Val Verde County Bar Association.

VERMONT

Vermont Bar Association.

VIRGINIA

Montgomery, Floyd, Radford Bar Association.
Peninsula Bar Association.
Roanoke Bar Association.

WASHINGTON

Washington State Bar Association.
Washington State Young Lawyers Association.
Clallam County Bar Association.
Grays Harbor County Bar Association.
Kitsap Bar Association.
Kittitas County Bar Association.
La Raza Lawyers Association.
Loren Miller Bar Association.
Seattle-King County Bar Association.
Young Lawyers Section, Seattle-King County Bar Association.
Whatcom County Bar Association.

WEST VIRGINIA

West Virginia State Bar.

WISCONSIN

State Bar of Wisconsin.
Milwaukee Young Lawyers Association.

WYOMING

Wyoming State Bar.

RESOLUTION ADOPTED BY AMERICAN BAR ASSOCIATION BOARD OF GOVERNORS, APRIL 10, 1981

Whereas the American Bar Association has consistently supported the provision of effective civil legal services to poor persons through independent, federally-funded programs; and

Whereas the American Bar Association supported the creation of the Legal Services Corporation in order to ensure that legal services programs provide effective representation free from political pressures and in accordance with the ethical standards of the legal profession; and

Whereas the American Bar Association has consistently supported the funding of the Legal Services Corporation and believes it a highly cost-effective method for providing legal services to poor persons through an appropriate combination of delivery systems: Be it hereby

Resolved, the American Bar Association reaffirms its support for the Legal Services Corporation and strongly urges its continuation with adequate funding.

LISTING OF LAW SCHOOLS WHICH HAVE CIRCULATED PETITIONS SUPPORTIVE OF THE LEGAL SERVICES CORPORATION APRIL 30, 1981

1. American University, Washington College of Law.
2. Antioch School of Law.
3. University of Arizona College of Law.
4. University of Bridgeport School of Law.
5. Case-Western Reserve University School of Law.
6. Catholic University of America, Columbus School of Law.
7. University of Chicago Law School.
8. Cornell Law School.
9. Delaware Law School, Widener University.
10. DePaul University College of Law.
11. Franklin Pierce Law Center.
12. George Washington University National Law Center.
13. Hofstra University School of Law.
14. University of Kentucky College of Law.
15. Louisiana State University Law School.
16. Loyola Law School (California).
17. Marquette University Law School.
18. Mercer University, Walter F. George School of Law.
19. University of Michigan Law School.
20. University of Missouri School of Law.
21. New York Law School.
22. University of North Dakota School of Law.
23. Northwestern University Law School.
24. Ohio State University College of Law.
25. University of Pennsylvania Law School.
26. University of Pittsburgh School of Law.
27. University of Puget Sound School of Law.
28. Rutgers University School of Law.
29. University of Santa Clara Law School.
30. University of South Dakota School of Law.
31. University of Southern California Law Center.
32. Southern University School of Law.
33. Stanford Law School.
34. Temple University School of Law.
35. University of Toledo College of Law.
36. Villanova University School of Law.
37. Willamette University School of Law.
38. College of William and Mary, Marshall-Wythe School of Law.
39. University of Wisconsin Law School.●

SENATE—*Monday, May 4, 1981*

(Legislative day of Monday, April 27, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL. D., offered the following prayer:

Almighty God who knowest all things and from whom nothing is hidden; limitless, timeless, unchanging Lord, let Thy glory fill this place, let Thy love fill our hearts, let Thy wisdom fill our minds.

In these crucial days some issues appear to be impossible of resolution. But we know that what is impossible for man is not impossible to Thee for whom all things are possible.

Thou hast said:

If any man lack wisdom, let him ask of God, who gives to all generously and without reproaching, and it will be given him.—James 1: 5 R.S.V.

Grant to the Senators grace to acknowledge their need and give them Thy wisdom in their deliberations.

Thy great, impartial love encompasses all who are poor and elderly and distressed. Thou art able to guide to decisions which are responsive to their needs and conform to Thy justice and equity. Guide, O Lord, so that the legislation created here will transcend human wisdom and achieve the greatest good for the greatest number.

We pray this in the name of Thy Son, our Saviour for Thy glory and for the sake of the people of this Nation and the world. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE LEGISLATIVE PROGRAM FOR TODAY AND THE REMAINDER OF THIS WEEK

Mr. BAKER. Mr. President, I would like to detail the schedule of the Senate for today and for this week as it presently appears.

The distinguished minority leader or his representatives, I believe, had been apprised of these matters at the close of last week, but let me reiterate them now to see if there are any difficulties with the schedule I am about to describe.

It is the intention of the leadership today to proceed to S. 1000, Calendar Order No. 52; S. 1002, Calendar Order No. 54; S. 1003, Calendar Order No. 55; S. 831, Calendar Order No. 56, which is the series of bills reported from the Committee on Commerce, Science, and Transportation.

It is my understanding that these bills are cleared, and that they may take a fair amount of time today, and there may be rollcall votes on one or more of these measures. As I understand it, all of them are not unanimous-consent items.

I would like to inquire of the distinguished minority leader if there is any dissent from that description of the measures that I identified.

Mr. ROBERT C. BYRD. Mr. President, efforts are continuing on this side to ascertain whether or not there is any problem with any of the four, and I should be able to get back to the majority leader within a reasonable time.

Mr. BAKER. I thank the distinguished minority leader.

I am also advised, while the minority leader is on his feet, that Calendar Order No. 60 on the Calendar of General Orders, which is a bill to designate the name of the control tower in my home State of Tennessee, has also been cleared on this side, and I would like to include that in the list of items we might dispose of today.

Mr. ROBERT C. BYRD. That will be included in the inquiry.

Mr. BAKER. I thank my friend, the distinguished minority leader.

Mr. President, in addition to the items just dealt with, it will be my hope that we will proceed to the consideration of S. 730, Calendar Order No. 50, the crop insurance bill, if that item can be cleared for today or in any event as soon as possible this week.

Mr. ROBERT C. BYRD. That will be included also in the inquiry.

Mr. BAKER. I thank the minority leader.

While we are at it, I understand we are prepared now on both sides to proceed to the consideration of the Executive Calendar, with the exception of the two nominations which have been reserved and provided for on Thursday, that is to say, the Pauken nomination and the Ruppe nomination. Other than that, I do not find any notations on my calendar.

I wonder if the minority leader can advise me if the other nominations that appear on today's Executive Calendar might be dealt with on this day?

Mr. ROBERT C. BYRD. Mr. President, I can respond to the distinguished majority leader in due course, which will not be long.

Mr. BAKER. I thank the minority leader.

Mr. President, in view of that, let me proceed with the description of the remainder of the week as a matter of information, and then I will be glad to yield the floor.

As I indicated earlier, I would like to do the Federal Election Commission authorization bill, and as soon as we can do it, I would like to schedule it. But in any event, I hope we can clear it for disposition on today, tomorrow or Wednesday.

In addition to that, the public buildings legislation, S. 533, has now been reported from the Committee on Environment and Public Works. I would respectfully request the distinguished minority leader to consider if we might schedule that for action as soon as it qualifies or, perhaps, on Tuesday or Wednesday of this week.

Mr. ROBERT C. BYRD. That matter will also be explored.

Mr. BAKER. I thank the distinguished Senator.

I have already indicated, Mr. President, that on Thursday the Senate will proceed to the consideration of the Thomas W. Pauken nomination to be the Director of the ACTION agency under a 2-hour time agreement, and on the nomination of Loret M. Ruppe to be Director of the Peace Corps under a 1-hour time limitation as previously detailed.

Mr. President, perhaps the most pressing and important business to come before the Senate this week will be the first concurrent budget resolution which has been ordered reported from the Budget Committee. If my calculations are correct, that resolution will qualify under the 3-day rule on Thursday. It would be the intention of the leadership to proceed to it as soon as possible. I am encouraged to think that members of the Budget Committee—perhaps Members on both sides of the aisle on the Budget Committee—might be agreeable to proceeding to the consideration of that item on Wednesday, but I would like to inquire of the distinguished minority leader if he will be in a position to inquire about possible acceleration of the consideration of that resolution.

Mr. ROBERT C. BYRD. Mr. President, the inquiry will be made.

Mr. BAKER. I thank the Senator.

I wish to express my appreciation to the minority leader for permitting me to

explore the possibility of scheduling significant legislation for this week.

SENATOR BAKER SPEAKS AT COMMENCEMENT EXERCISES OF SALEM COLLEGE, W. VA.

Mr. BAKER. Mr. President, yesterday I had the opportunity to travel to the home State of the distinguished minority leader and speak at the commencement exercises of Salem College. It was a truly remarkable event, and I genuinely enjoyed the opportunity to visit that valley of learning, as is the designation given locally to Salem College.

I was accompanied there by the distinguished senior Senator from West Virginia, the long-time chairman and now ranking member of the Environment and Public Works Committee, Senator RANDOLPH.

It was with great pleasure that I was permitted to make that address. It gives me great pleasure now to report to the Senate that not only was that a pleasurable occasion for me, but also it was an awesome one politically, because I learned firsthand of the extraordinary respect in which the distinguished minority leader is held by his constituents. I want to report to him for his edification that, as far as I could tell, he and JENNINGS RANDOLPH are the most popular men in the universe.

Mr. ROBERT C. BYRD. Mr. President, yesterday was the occasion of a remarkable visit by a remarkable Senator to a remarkable State.

I welcome, as I did prior to his going, the coming of HOWARD BAKER to West Virginia at any time. We will always treat him with the greatest diplomacy, warmest of affection, and every consideration will be explored at any time he will visit our State.

I thank him for his remarks of today. I am glad that he had a useful visit. I am sure the people of West Virginia received something very beneficial and lasting from his brief visitation there. I hope he will return.

Mr. BAKER. Mr. President, I thank the minority leader.

Mr. President, I have no further need for my time if any is remaining under the standing order. I am prepared now to yield to any Senator or to yield to the minority leader if he has some need for it.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent, following on after the expiration or the yielding back of the time for the two leaders under the standing order and time under the special order for Senator ZORINSKY, that there be a period for the transaction of routine morning business not to extend more than 30 minutes, in which Senators may speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. DENTON). Under the previous order, the minority leader is recognized.

ORDER OF BUSINESS

(The following proceedings occurred later in the day and are printed at this point in the RECORD by unanimous consent:)

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that no business will be transacted for a little while, pending the clearance of certain matters on the calendar. If no other Senator wishes to be recognized at this time, I will proceed with my 39th statement on the U.S. Senate.

Mr. BAKER. Mr. President, I congratulate the minority leader on his continued diligence in presenting the series on the history of the U.S. Senate.

At the appropriate time, I hope he will permit me to request permission of the Senate to have these presentations prepared and bound as a Senate document.

Mr. ROBERT C. BYRD. Mr. President, the distinguished majority leader is very kind, and I am deeply appreciative of his remarks on this occasion, as I have been on other occasions, when he has addressed his attention to these statements.

THE UNITED STATES SENATE: FIRST CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I have spoken on various aspects of the history of the Senate, beginning with my first statement on the general subject of the United States Senate, which occurred on March 21, 1980. Today, I will make my 39th speech on the subject of the United States Senate; and I should like to begin a series of statements that will cover the history of the Senate and its deliberations in chronological order, examining the major issues that have faced our predecessors, and, at times, have shaken the very foundations of the Union. Along the way, I plan to focus attention on some of the remarkable personalities who walked the halls of the Senate—Richard Henry Lee, Roger Sherman, Webster, Clay and Calhoun, Randolph of Roanoke and Blaine of Maine, "Bluff Ben" Wade and "Pitchfork Ben" Tillman, Huey Long, Rebecca Felton, the senior and junior Robert La Follettes, and Henry Cabot Lodges, Joseph McCarthy, and Richard B. Russell.

I will begin by looking closely at the First Congress, where many of our current rules, precedents, and customs were first forged. In examining the First Congress, I have been aided by the work of the First Federal Congress Project located at George Washington University. I commend the Project's fine work to my colleagues. To date, the Project has published three impressive volumes of the *Documentary History of the First Federal Congress*.

The introduction to Volume I of *Documentary History* explains the significance of the First Congress, and it is worth quoting at length. So I shall quote at some length.

> When the First Federal Congress convened in March 1789, it seemed unlikely that the experiment represented by the new Federal Constitution would succeed. The United States had a population of four million and its area was larger than any European state except Russia. There was no example in history and no support in traditional political theory to encourage those who would attempt to govern such a nation by a republican form of government based on the consent of the governed. Many Federalist supporters of the Constitution, as well as Antifederalist critics, doubted that the plan of government devised by the Philadelphia Convention would work in practice, unless changes were made—either formally by amendment or informally by interpretation—to bring the new Constitution closer to their sometimes-conflicting standards of perfection.
>
> Yet the American experiment did succeed. For almost two centuries, this has astonished skeptics. 'God,' a familiar epigram observes, 'looks after fools, drunkards, and the United States of America.' Indeed, the success of the American form of government has been remarkable; not only has the U.S. Constitution operated to provide a greater degree of justice, prosperity, and liberty to its citizens than that realized by any nation in recorded history, but it has also shown such impressive stability that it is now the oldest written constitution in operation in any modern state.
>
> How can we account for this success? Much credit belongs to the genius of the framers of the Constitution—their historical and intuitive knowledge of man and politics. Yet that is not the full explanation. Many nations have come to ruin under constitutions deliberately patterned on the American model. It was the way in which the American people implemented their Constitution that made a functioning system from the document's abstractions. Nothing was more essential to the enduring success of that system than the First Federal Congress . . .

The First Congress was to meet on March 4, 1789, in the newly refurbished Federal Hall in New York City to count the electoral votes for president and vice president, inaugurate the winners, and get on with their business. At sunset on March 3, thirteen of the big guns on New York's battery were fired to signal the end of the floundering Confederation. At sunrise the next day, church bells rang to welcome the birth of the new constitutional government. The *Pennsylvania Gazette* reported that "A general joy pervaded the whole city on this great, important and memorable day."

The jubilation soon died for want of fuel. When the members of the House and Senate assembled, it was embarrassingly clear that only thirteen of the fifty-nine representatives and only eight of the twenty-two senators from the eleven states (Rhode Island and North Carolina had not yet ratified the Constitution)

were present. The first entry in the Senate's *Journal* reads, "The number not being sufficient to constitute a quorum, they adjourned . . ."

I think these first eight men deserve special recognition. From New Hampshire, there was John Langdon, who had sheparded the Constitution through his state's convention, and Paine Wingate, the Harvard-educated congregational minister. Massachusetts was represented by Caleb Strong, active in the Constitutional Convention and later governor of his state. Connecticut sent two aggressive Federalists: Oliver Ellsworth, destined to become Chief Justice of the Supreme Court, and William Johnson, newly elected president of Columbia College. Pennsylvania's two senators were the wealthy Philadelphia financier Robert Morris, and the irascible William Maclay, from whose journal of the First Congress I have often quoted. Finally, there was William Few, who had completed his long journey from Georgia before the members from New Jersey could bestir themselves to cross the Hudson River.

I have mentioned in an earlier statement the efforts of these exasperated eight to spur their absent colleagues into attendance. At Mount Vernon, George Washington, a man with a strict sense of duty, who felt certain he would be president if only Congress could convene to count the votes, regretted the "stupor and listlessness . . ." On April 1, Thomas Scott came over the Alleghenies from western Pennsylvania to give the House its first quorum. But it was not until April 6, when Richard Henry Lee arrived from Virginia that the first quorum of twelve senators was secured.

Many of his younger colleagues stood in awe of Richard Henry Lee. A striking, tight-lipped gentleman, he was fifty-seven, the same age as George Washington. He, along with Thomas Jefferson and Patrick Henry, had drafted Virginia's first protests against Great Britain. He was most revered for the resolution he introduced at the Continental Congress on June 7, 1776, which began with the thrilling words, "Resolved: That these United Colonies are, and of right ought to be, free and independent states . . ." By the time he reached the Senate, Lee had only a few years to live, but he would play an active role.

The twelve senators who met on April 6, were the first of the ninety-four men who would serve from that point until 1801. This figure, I should note, does not include Albert Gallatin of Pennsylvania, who attended and voted in the Senate but was afterward declared ineligible. For information on the characteristics of these first ninety-four senators, I am deeply indebted to a fine doctoral dissertation by Roy Swanstrom of Seattle Pacific College which was printed as a Senate Document in 1962.

Though the nation was new, these men brought with them records of long experience in political statecraft. Eighteen had been members of the Constitutional Convention. More than forty had served in the ratifying conventions of their states. Forty-two had had experience as legislators in the Continental Congress or the Congress of the Confederation. Eighty-four had served in their state or provincial legislatures. Nine had been governors. Others served as judges, mayors, state attorneys general, and treasurers. No wonder John Adams, standing before the Senate for the first time as vice president, was moved and reassured to see before him:

> . . . so many of those characters, of whose virtuous exertions I have so often been a witness—from whose countenances and examples I have ever derived encouragement and animation . . . Those celebrated defenders of the liberties of this country, whom menaces could not intimidate, corruption seduct, nor flattery allure . . .

About sixty of these first eighteenth century senators had been in uniform during the Revolution. Joseph Anderson of Tennessee, a Continental Captain at twenty years of age, served at the seige of Yorktown. Jesse Franklin of North Carolina, a soldier at seventeen and hero of King's Mountain and Guilford's Court House, was so hated by the loyalists on the frontier that when he was captured he was hanged by his own bridle, only to have it break, allowing him to escape. Only three senators, Johnson of Connecticut, and Wingate and Livermore of New Hampshire, were lukewarm to the Revolution. These were men who made painful decisions about whether or not to support the Revolution, or whether or not to leave families behind to spend long months in Philadelphia working on a Constitution many predicted was doomed to failure. Upon reading their diaries and letters, one is tempted to think of these men as colleagues who shared many of the same concerns we do today. During the First Congress, one senator's house was robbed while he was away serving his nation. Another's wife died. William Grayson of Virginia became the first senator to die in office; another senator was badly hurt in a carriage accident. They worried about children growing up back home without them, and about infants with measles. Some grew weary during long sessions; some complained about their rooms; and one wrote home about the excellent pineapple he had tasted.

Then, as now, the majority of senators were lawyers. But being a lawyer left much time for other pursuits. In the South, many lawyer-senators owned large estates to which they devoted much time. In the North, many invested in mercantile and manufacturing projects. Elijah Paine of Vermont combined all three: he was a lawyer, farmer, and owner of a cloth factory and saw and grist mills. The Senate's critics complained about this preponderance of lawyers. Philadelphia's hypercritical *Aurora* charged that lawyers in Congress were "machines of precedent," and sneered that they could reach no decision without first consulting "Vattel, Grotius, Bynkerscock, or Puffendorf." Later, when a bankruptcy bill was before the Senate, the *Aurora* claimed that the lawyers had pushed it through, hoping it would yield "handsome pickings to a flock of harpies."

The arrival of Richard Henry Lee was the signal for the first senators to get down to the business of the nation. They set to work by electing a president pro tempore, John Langdon of New Hampshire. Forty-eight and handsome, Langdon and his brother, Woodbury, had both been delegates to the Continental Congress. As speaker of the New Hampshire assembly in 1777, he found the colony's treasury empty just when troops were needed to repel Burgoyne's offensive. Langdon rose and said, "I have $1,000 in hard money. I will pledge my plate for $3,000 or more. I have seventy hogsheads of Tobago rum which I will sell for the most it will bring. They are at the service of the state." He then adjourned the assembly so that its members might volunteer for military service. Langdon joined the brigade, equipped through his generosity, that won the battle of Bennington. After the Revolution, he personally paid the expenses of the New Hampshire delegation to the Constitutional Convention.

Having elected Langdon, the senators next chose Oliver Ellsworth to go downstairs and inform the House that the Senate was prepared to carry out its constitutional duty of counting electoral votes in the presence of the representatives.

Every step of the procedure that followed was a first. In the hushed chamber—hushed as it is now, one can hear a pin drop—the members watched Langdon open and count the electoral ballots. According to the Constitution, the individual receiving the highest number of votes would become president, the second highest would be vice president. While this plan was to secure the ablest men for both offices, in practice, it was certain that sooner or later it would produce a president and vice president of opposite political persuasions. Indeed, this happened sooner rather than later, but I will speak of that at a later date.

Fortunately, in the first election, there was no party contest. Langdon announced that George Washington had received sixty-nine votes, John Adams, thirty-four, John Jay was a distant third with nine, and nine other men divided the remaining twenty-six votes among them. As vice president, Adams could be relied upon to cooperate fully with George Washington.

The Senate dispatched messengers to carry the certificates of election to George Washington at Mount Vernon and to John Adams in Braintree, Massachusetts. Can you imagine not having television? Upon receiving the news, Washington said he was "much affected by this fresh proof of my country's esteem and confidence." He set off for New York on April 16, 1789.

While the Senate waited for Adams and Washington to arrive, it continued its own organization. The House and Senate appointed chaplains and other officers, and they adopted their rules of procedure. In the Senate, the appoint-

ment of committees would be by ballot and every member could introduce bills on his own responsibility. In the House, the appointment of committees was left to the Speaker, and bills were to be introduced only by special committees after discussion in the Committee of the Whole.

There was little initial dissent over these measures. Rancor between the Senate and House only began to grow when the Senate showed a tendency for self-aggrandizement. Can you imagine? The Senate's inflated opinion of itself—heavens, one would never have contemplated such—rekindled all the old fears that had been raised at the Constitutional Convention. The fact that the first dilatory senators had been so slow in coming to New York hadn't helped matters. Representative Henry Wynkoop of Pennsylvania expressed the misgivings of many when he wrote that their conduct savored "too much of the remains of Monarchical Government, where those promoted to public office consider themselves as clothed with Magesterial Dignity instead of confidential servants of the People."

During the debates on the Constitution, the Senate was portrayed by its friends as a bulwark of stability—of the "haves" against the hasty and radical actions of the "have nots"—and denounced by its foes as dangerous to the liberties of the people. The type of men elected to the Senate in its early years encouraged those who hoped it would be a conservative influence and confirmed the worst fears of its detractors. No one looking at these first senators could have any doubt about the social class they represented. The Senate roll from 1789 to 1801 read like the "Who's Who" of wealthy and socially prominent families—they were the "haves" their supporters counted on.

Two of Pennsylvania's first senators were among the nation's richest men. Robert Morris was known as the "financier of the Revolution." William Bingham had made a fortune in war profiteering and invested his profits in land speculation. While the Senate met in Philadelphia, their homes were the scenes of some of the most lavish entertainment in America.

Maryland's Charles Carroll of Carrollton was reputedly worth half a million dollars—a lot of money in those days. New York's Philip Schuyler owned thousands of acres in the Mohawk and Hudson Valleys. George Cabot represented one of the most patrician families in Massachusetts. Ralph Izard of South Carolina was a member of one of that state's oldest families. Even senators from the frontier states of Kentucky and Tennessee came from socially prominent families. William Cocke of Tennessee who, at sixty-five enlisted as a private to fight the Creek Indians with Andrew Jackson, came from a family established in Virginia since 1628.

Once it finally met, the Senate lost no time in trying to assert its superiority over the House. The senators decided that all communications from the upper to the lower chamber should be merely sent down by the Secretary, but that in the reverse case, two members of the House must bring the communications to the bar of the Senate. The House greeted the suggestion with a mixture of amusement and resentment. It replied, via its clerk, that it would send its message any way it pleased. and the Senate was powerless to enforce its will.

Bruised but uncowed, the senators next tried to enhance their prestige by proposing a pay differential in their favor. At the Constitutional Convention, there had been a move in this direction, but it was checked by Charles Pinckney of South Carolina who proposed that senators receive no salary at all, limiting their numbers to wealthy men only. The Constitution stated only that congressmen would receive unspecified compensation from the federal treasury. The House suggested a compensation of $6.00 a day for members of both chambers, plus $6.00 for each twenty-five miles traveled to and from sessions. The Senate objected to the implied equality and amended the bill to increase the senators' pay to $8.00 per day. Those independently wealthy senators hardly needed the extra $2.00. The issue was one of prestige, not penury.

Several senators used this opportunity to expound on the superior rank of their chamber and their personal disdain for money. The sharp-tongued Maclay lisened in disgust. And I quote from his journal:

> Up rose Izard; said that the members of the Senate went to boarding houses, lodged in holes and corners, associated with improper company, and conversed improperly, so as to lower their dignity and character; that the delegates from South Carolina used to have 600 pounds per year, and could live like gentlemen, etc. Butler rose; said a great deal of stuff of the same kind; that a member of the Senate should not only have a handsome income, but should spend it all . . . Mr. Morris likewise paid himself some compliments on his manner and conduct in life, his disregard of money, and the little respect he paid to the common opinions of people.

Maclay was outraged and claimed he led the fight against the pay differential as well as against high salaries for any Federal official. He adds in his diary, "I did not speak long, and, enraged as I was at such doctrines, I am sure I did not speak well." When the matter came to a vote, however, only three other Senators voted with Maclay.

The House naturally denounced the Senate's proposal. Some representatives argued that they should have the higher pay. Others claimed that higher pay would only cause the senators to prolong sessions. But the amended bill had come back to the House in August, uncomfortably close to the end of the session. And, of course, there was no air conditioning in those days. Representatives feared that if they defeated it outright they would have to go home without any pay at all. While Representative James Jackson of Georgia claimed he would rather go home penniless than accept the principle of House inferiority, his colleagues were in a compromising mood. They reluctantly accepted the salary discrimination, but only for special sessions. The pay bill as passed reduced the differentiation to $1,00—senators to receive $7.00 per day while representatives received $6.00. Moreover, the differentiation did not go into effect until March 4, 1795, and applied only to the special session that met between June 8 and June 26, 1795. The act expired March 4, 1796, making the Senate's victory rather hollow. In fact, when the matter of pay came up again in 1796, in the midst of the intense antiaristocratic sentiment spurred by the French Revolution, the senators realized that renewed claims of superiority would only damage their reputation and dropped the issue after only one year of receiving the higher salary.

Ironically, what was interpreted as the Senate's ultimate display of arrogance was not intended as such. The closing of the Senate's doors to the public subjected its members to a sustained barrage of criticism for five years. The sight of its closed doors, day in and day out, goaded suspicions that dark antidemocratic plots were hatching behind them. The Senate's secrecy contrasted sharply with the deliberations of the House, which were not only open to the public but reports of which were widely circulated through the newspapers. The *National Gazette* fumed in 1792:

> This patrician style, this concealment, this affection of preeminence but illy accords with the spirit of republican government. The Constitution of the United States acknowledges no superiority of one legislative body over the other, and to assume it is a violation of its principle, and an insult to the character of freemen. It is a strange maxim in republican policy, that the agents of the people should keep their deliberations concealed from those from whom they derive their political existence.

Yet while this policy was soon bitterly attacked for its aristocratic connotations, it was apparently not adopted in a deliberately anti-republican spirit. The Senate was merely following the precedent of its predecessor, the Congress of the Confederation. Even the most outspoken critics of patrician pretensions voiced little objection at the time. Maclay, the bitter foe of aristocracy, was a member of the committee assigned to write the Senate's Standing Rules which not only said nothing about opening the Senate's doors but ordered that "inviolable secrecy shall be observed with respect to all matters transacted in the Senate . . ."

In their letters home, senators justified their decision. Samuel Johnston of North Carolina claimed that opening the doors to visitors would encourage posturing—can we imagine posturing by Senators?—waste time, and cost money. Paine Wingate of New Hampshire told

friends, "You know I am not a friend to mystery and hypocrisy, but there are certain foibles which are inseparable from men and bodies of men and perhaps considerable faults which had better be concealed from observation. How would all the little domestic transactions of even the best regulated family appear if exposed to the world . . ."

The Senate's doors remained tightly closed throughout the First Congress, but the battle to pry them open was brewing.

Once the ground rules for the Senate and House were laid, the House turned its attention to financing the new government. Upstairs, however, the Senate still floundered over questions of etiquette, matters it considered of equal importance to the concerns before the House. The arrival of Vice President Adams raised a number of procedural questions. "Bonny Johnny Adams," as Maclay satirically called him, was fresh from nine years abroad as American minister, chiefly to England. Many felt the experience had undermined his native republican simplicity. With the House of Lords in mind, Adams wanted the Senate Sergeant at Arms to be called the "Usher of the Black Rod." Senators must, he believed, be called the "Right Honorable" in the minutes. But Adams' greatest story was his own role. Surveying the Senate, he was much distressed. Malclay recorded Adams' plaintive speech:

Gentlemen, I feel great difficulty how to act. I am possessed of two separate powers . . . I am Vice President. In this I am nothing, but I may be everything. But I am president also of the Senate. When the President comes into the Senate, what shall I be? I cannot be president then. No Gentlemen, I cannot, I cannot. I wish gentlemen to think what I shall be.

Maclay goes on:

Here as if oppressed with a sense of his distressed situation, he threw himself back in his chair. A solemn silence ensued. God forgive me, for it was involuntary but the profane muscles of my face were in tune for laughter in spite of my indisposition.

Next Adams turned his attention to a title for the president. He and several senators felt that "President of the United States" was too humble an appelation. Afterall, there were "Presidents" of fire companies and cricket clubs. The senators finally hit upon a title the majority liked—"His Highness, the President of the United States of America, and Protector of the Rights of the Same"—and hoped the House would go along. The House would not. "President", its members argued, was perfectlv good enough. Several members, not wishing to appear reluctant in the distribution of appropriate titles, devised one for the portly vice president. Adams, who wore a side-curling wig on his balding head, was thereafter lampooned as "His Rotundity."

While this bickering was going on, the president-elect was making his way to New York. The inauguration was set for April 30 in the Senate Chamber. The Senators assembled in their chambers that morning to await the arrival of the House and the new chief executive. Everyone was a bit nervous and confused—not the least being Adams. Minutes before Washington was to arrive, the vice president again sought help from the senators:

Gentlemen, I wish for the direction of the Senate. The President will, I suppose, address the Congress. How shall I behave? How shall we receive it? Shall it be sitting or standing?

In the midst of the discussion that followed, the representatives arrived at the door. This raised the question as to how they were to be received. While the senators were trying to decide what to do, the representatives filed in and unceremoniously took their seats. Finally, preceded by drums and bagpipes, George Washington arrived, and was escorted out onto the balcony where he took his oath of office.

With this ceremony finished, Maclay rejoiced that at last the Senate could get down to the business of government. But it was not yet to be. Washington had hardly left the chamber when the exasperating Adams brought up the matter of how the Senate should respond to the president's inaugural address. Their patience by then thoroughly tried, the senators agreed that it would be best for them to prepare a reply which they would then deliver to the president at his residence.

On May 18, the Senate traveled by carriage to Washington's house on Cherry Street. Maclay grumbled all the way but left us a good description of what followed:

We made our bows as we entered, and the Vice-President, having made a bow, began to read an address. He was much confused. The paper trembled in his hand, though he had the aid of both by resting it on his hat, which he held in his left hand. He read very badly all that was on the front page. The turning of the page seemed to restore him, and he read the rest with more propriety.

The President took his reply out of his coatpocket. He had his spectacles in his jacket-pocket, having his hat in his left hand and the paper in his right. He had too many objects for his hands. . . .

He held his hat and his spectacles and his paper. So, he had too many objects for his hands.

Having adjusted his spectacles, which was not very easy, considering the engagement of his hands—holding the hat and holding the paper—he read the reply with tolerable exactness and without emotion.

On the surface, it may seem that the Senate was merely frittering away precious time in fussing over its relations with the president. But, as historian Forrest McDonald, in his *The Presidency of George Washington*, noted, "beneath all this nonsensical ostentation and formality . . . lay some deadly serious jockeying for power . . . The exaggerated deference toward the president was designed, at least in part, to ensure that if court politics developed, the senators would have first rank as courtiers. The exaggerated insistence on formality, on the other hand, was part of a design by the senators to protect their prerogatives against executive encroachment."

One might conclude that the Senate's persistent claims to superiority over the House might have resulted in such bitterness that their interactions were suffused with mutual rancor. But that was generally not the case. Relations between the Senate and House during the First Congress were usually friendly. Joint committees, exchanged information, visits to each others' chambers, and social contacts all helped promote good will.

Nor is it true that the Senate spent the whole First Congress arguing over etiquette and form. Despite its foibles, the first Senate left behind a record of solid achievement, as we shall see.

When Washington replied to the Congress' response to his inaugural address, he told the senators and representatives that he was ready and eager to join with them "in the arduous but pleasing task of attempting to make a nation happy." Both Houses of Congress, dominated by strong Federalist majorities, set about this task with optimism.

The first order of substantive business in putting the machinery of the national government to work was the raising of the revenue to run it. In mid-May, the House passed a revenue-producing tariff bill and sent it to the Senate. The Senate added numerous amendments and sent the measure back to the House which rejected nearly every one of them. In conference, a bill acceptable to both Houses was finally hammered out and passed. This may sound pretty routine to us, accustomed as we are to such negotiations. But imagine what it was like in 1789 to be truly feeling your way along—without precedent, without previous experience between these two Houses, feeling your way along—to face your colleagues in the very first bargaining session, where you felt the whole weight of the Senate's prestige at stake in your compromises.

With the promise of revenue, the House and Senate set up various executive departments. The first three were the Departments of Foreign Affairs, afterwards named the Departments of State, Treasury, and War. Washington selected Thomas Jefferson as the first Secretary of State, thirty-five-year-old Alexander Hamilton as Secretary of Treasury, and General Henry Knox, who weighed 300 pounds, as Secretary of War.

Next, the Congress set salaries for everyone from the President down to the clerks of the departments. Washington had suggested that, as was his arrangement during the Revolution, he not be paid a salary. He was willing to be reimbursed only for expenses incurred in the line of duty. Many senators, however, recalled that those bills had been rather high and might go higher Washington's liquor bill alone—perish the thought, for 1789, totaled almost $2,000, $2,000! How much would that amount to in these days of high inflation? So they decided to allot him $25,000 a year. The vice president received $5,000; the Secretary

of State, $3,500; and the other cabinet officers, $3,000.

Throughout the summer of 1789, the House and Senate struggled to agree on a set of amendments to the Constitution, to be known as the "Bill of Rights," which would pacify North Carolina and Rhode Island and encourage them to ratify the whole Constitution. In September, the amendments were submitted to the states. By December 1791, the required three-fourths of the states had ratified them.

As the first session of the First Congress drew to a close in September, it was clear that much of the legislation it had produced had been initiated by the House and fine-tuned by the Senate. The Senate worked over House bills with great diligence: In the case of a bill regulating coastal trade, the Senate made 169 amendments. This was largely how the framers of the Constitution had viewed the Senate's role. But the Senate also made two major contributions of its own to the session. The first was the Senate's efforts to establish its "advice and consent" prerogatives.

I think it would be well if Senators in our dav would go back and read the history of the Senate's efforts in that early day, in that first session, to establish its own advice and consent prerogatives. Perhaps we would be more clearly assured that the constitutional provision regarding advice and consent is not a pro forma—not a pro forma—requirement and that the Senate does not have a responsibility to rubberstamp the nominees of any President. It is a serious responsibility and it is an event which gives the people of the United States, acting through their elected representatives in the Senate, the opportunity to reach a judgment on the basis of the merits and qualifications of each nominee as to whether that nominee should be confirmed or rejected.

The second contribution was embodied in the Judiciary Act, which created the third branch of the government.

The framers of the Constitution envisioned the Senate as an executive council to advise and restrain the president, particularly in the areas of appointments and treaty making. Before the Senate had been in session two months, its powers were put to the test. In June, John Jay, acting as temporary Secretary of State until Jefferson could return from France where he was the American Minister, appeared before the senators to explain that President Washington desired their advice and consent to appoint William Short to replace Jefferson in Paris.

The question seemed only to require a simple "yes" or "no" vote, but a controversy arose as to whether this should be by voice votes or by secret ballot. Maclay vehemently supported the secret ballot. A senator who openly voted against the president, he argued, would surely lose his place in the presidential "sunshine," or, conversely, he might vote against his conscience to win the president's "warmth." Ellsworth of Connecticut argued that secret ballots were the devices of, at best, the bashful, at worst, the most "bad and unprincipled" men. Maclay's forces won and, by secret ballot, the senators declared their advice and consent to Short's appointment. This was but the first of several sparring matches between the president and the Senate in which the latter sought to make clear that its prerogatives were not to be trifled with by the former.

In August, the question of voting methods arose again in regard to treaty approval. Washington notified the Senate that he was coming to their chamber to seek their advice and consent to some Indian treaties. This time, despite objections, the senators voted that they would record their positions by voice vote. On Saturday, August 22—incidentally, the dates of the current year, 1981, fall on the same days as those in 1789. So August 22, of 1981 will be Saturday, just as August 22, 1789 was a Saturday. On Saturday August 22, Washington and General Knox entered the chamber carrying the treaties which Vice President Adams read aloud to the assembled senators. "Carriages were driving past," reported Maclay, "and such a noise, I could tell it was something about 'Indians,' but was not a master of one sentence of it. Signs were made to the doorkeeper to shut down the sashes."

Adams asked the senators to give their advice and consent to the first article, but Senator Morris said it was so noisy that he hadn't heard the article and asked for a rereading. Adams obliged, but when he again asked for the senators' verdict, "there was," Maclay said, "a dead pause." The senators had not been able to digest the material so quickly, but were so in awe of having the president in their midst that they hesitated to ask him questions. Another reading was requested, but still the senators couldn't vote. Growing more bold, they voted to postpone their decision and finally Morris moved that the treaties be referred to committee. Seeing "no chance of a fair investigation of subjects while the President of the United States sat there, with his Secretary of War—weighing 300 pounds, as I indicated earlier—to support his opinions and overawe the timid and neutral part of the Senate," Maclay seconded the motion.

"As I sat down," Maclay noted "the President of the United States started up in a violent fret. 'This defeats every purpose of my coming here' were the first words that he said." Indeed, Washington was right. The confrontation between the President and the senators had significance. This episode ended forever the idea that obtaining the Senate's advice and consent was merely a formality.

Listen, Senators of today! Not merely a formality.

Though the senators approved the treaties two days later, they had vigorously asserted their independence from the executive. Washington was deeply insulted. His first visit to the Senate was his last, establishing he precedent of presidential communications by written message.

While the importance of the Senate's treaty powers became more and more clear as years passed, the significance of the Judiciary Act was evident at once. The Act was largely the work of three senators: Ellsworth of Connecticut, Paterson of New Jersey, and Strong of Massachusetts. By coincidence, all three men were forty-four years old. Although Ellsworth was known for his copious use of snuff and his disconcerting habit of talking to himself, many of his colleagues regarded Ellsworth as one of the shrewdest members of the Senate. In 1796, Washington acknowledged the Connecticut senator's political and legal acumen by naming him Chief Justice of the Supreme Court. Paterson had led the fight of the small states at the Constitutional Convention. The year after the Judiciary Act passed, he resigned from the Senate to become governor of New Jersey. Who would want to resign from the Senate to become a Governor? Well, he did. Three years later, Washington named him an associate justice of the Supreme Court he helped to create. Strong was another able lawyer, whose seriously impaired eyesight, the result of smallpox, did not prevent him from rising to the top of Massachusetts' political ladder.

The leading Antifederalists in the Senate, notably Lee and Grayson of Virginia, Butler of South Carolina, Langdon and Wingate of New Hampshire and Maclay of Pennsylvania, greatly feared a system of strong federal courts, viewing them as a threat to state sovereignty and the people's rights. Though staunch Federalists, Ellsworth, Paterson and Strong could see the validity of such fears and steered a middle course. They devised an intricate system of federal and state courts which shared judicial sovereignty and allayed Antifederalist fears. Their ingenious bill passed the Senate on July 17 and became law on September 24. Two days later, John Jay of New York was confirmed as the first chief justice of the Supreme Court.

The second session of the First Congress convened on January 6, 1790. Washington stood before a join session to deliver his State of the Union message which contained a long shopping list of proposals for legislation. Among them were a uniform system of weights and measures, procedures for naturalizing new citizens, and action on the proposals of the Secretary of Treasury. This last issue, Hamilton's proposals, would occupy the Congress throughout the session, generate the bitterest debates thus far, and expose the first scandal to touch the House and Senate.

The tempest grew out of two of Hamilton's recommendations. The first was that the certificates of the Continental Congress, originally issued to soldiers and farmers who had supplied the army with goods, be redeemed at par by a new issue of stock. Secondly, Hamilton proposed that the state debts be assumed by the federal government in the same way.

The old certificates had long since depreciated to as low as fifteen cents on the dollar, and, at that rate, most had been assigned to speculators by the im-

poverished soldiers and farmers. When Hamilton permitted advance information of his scheme to leak out, the rate quickly rose to fifty cents on the dollar. Suddenly, three swift ships set sail from New York's harbor for the South to buy up as many certificates as possible at the former price before the news reached the backcountry. There was no television, no radio, no telephone, no wireless telegraph.

It was whispered that among the owners of these ships were members of Congress. Can one imagine! Representative James Jackson of Georgia thundered from the House floor, "My soul rises indignant at the avaricious and moral turpitude displayed." So also rose the souls of his fellow citizens who had parted with their certificates for fifteen cents on the dollar! It was reported that the already wealthy Senator Robert Morris stood to make $18 million from the scheme. Maclay, always ready to believe the worst of his colleagues, confided in his diary, "I really fear the members of Congress are deeper in this business than any others."

Maclay wrote that the Senate, having nothing else to do while the House was arguing over the certificate issue, adjourned early each day so that its members might go below and watch the heated debates. After almost a month of debate, led by pro-Hamilton Federalists, James Monroe of Virginia offered what he felt was a just compromise which permitted both the speculators and the orginal certificate holders to earn a reasonable profit.

Maclay applauded Monroe's proposal but lamented, "The opposition are governed by principle, but I fear in this case interest will outweigh principle." He was right. Hamilton's original funding measure passed the House and the Senate. In the months that followed, it was revealed that almost forty of the measure's most vocal supporters stood to profit from its passage. In the Senate these included Robert Morris, Caleb Strong, John Langdon, Oliver Ellsworth, Pierce Butler, Rufus King, and Philip Schuyler, Hamilton's own father-in-law.

When Congress turned its attention to the problem of state debts, it immediately stumbled upon another hornet's nest. These also had been largely bought up by speculators—Senator Morris, for example, owning most of the outstanding debt of Virginia. In addition, states with smaller obligations failed to see the justice of being taxed for the benefit of states with large debts. Hamilton and his forces encountered heated opposition which threatened to tie up the entire session.

Aid came to the Federalist from an unlikely quarter—Thomas Jefferson, the leader of the opposition. Jefferson later claimed that the resolution of the impasse resulted from a deal he struck with Hamilton over dinner. Jefferson promised to use his influence to induce the southern states to support assumption in return for a promise that the nation's permanent capital would be placed somewhere along the Potomac. Recent scholarship has challenged Jefferson's memory and revealed a story far more complicated. Nevertheless, during June and July of 1790, several votes were changed, and Hamilton's assumption bill passed.

As important as assumption was, the other half of the compromise of 1790 was equally significant and represents the Senate's chief contribution to the second session of the First Congress. For a detailed discussion of the incredible behind-the-scenes wheeling and dealing that led up to the decision on the capital's permanent home, I am indebted to Kenneth Bolling, whose doctoral dissertation, "Politics in the First Congress" contains an excellent chapter on the subject.

Senators arrived in New York knowing that the residence question would likely be the most divisive issue to come before the First Congress. In the length of time it was before them, in the politicking it engendered off the floor and in the number of seemingly unrelated areas, like assumption, into which it intruded, the residence issue surpassed all others. In a nation so aware of its sectional differences that it seriously speculated about the best place to divide the country into two nations, the problem had been a plague since 1783 and almost prevented the adoption of the resolution calling the new government into being in the summer of 1788.

Of course, the outcome of the months of bitter arguing and complex sectional maneuvering was the decision to move the capital to a site along the Potomac, but it came only after dozens of alternatives were discarded. Senator Morris ceaselessly lobbied for a site near Trenton on the Delaware River, where, his enemies pointed out, he happened to own a large tract of land. As part of the final deal, while the new southern capital was made ready, Congress would move to Philadelphia for ten years beginning with the First Congress' third session.

Congress adjourned on August 12, 1790, and bid goodbye to New York City. Senator Maclay, always grumbling, was one of the very few senators who had found the city inhospitable. He claimed that in six months he did not receive a single invitation from a citizen of that city. More convivial members of Congress, however, were overwhelmed with attention.

Sectional politics, not the city's hospitality, were the prime factors in the Congress' decision to move on. When the members reconvened for their third session on December 6, 1790, they found that the influx of so many government officials had overtaxed Philadelphia's housing facilities. There were the usual complaints about high prices, but thrifty Maclay paid only $3.00 per week for room and board, a dollar less than in New York.

In his opening message to the third session, President Washington mentioned the military expedition of General Josiah Harmar to quell the Indians in the Northwest Territory. Although his audience did not yet know that Harmar's forces had met with disaster, they were briefly upset by what they considered a waging of war without a declaration by Congress. They were soon too busy with two new economic reports from Hamilton, however, to worry about Harmar and the Indians. The first called for chartering a national bank. The second recommended, among other levies, a tax on the producers of "spiritous liquors" which, though it passed, would set to brewing the discontent that would later erupt into the Whiskey Rebellion in western Pennsylvania.

The national bank bill occupied most of the third session. To the extreme annoyance of Secretary of State Jefferson and the Antifederalists, Hamilton openly managed his supporters in the House and Senate. The bill s enemies argued that not only would the bill benefit northern commercial interests and the wealthy, but it might be unconstitutional. Despite these objections, the Federalist majorities in both Houses carried the day. The measure's critics, however, succeeded briefly in raising doubts in Washington's mind about the wisdom of signing the bill. Faced with Hamilton's masterful rebuttal and the veiled threats of northern senators to reopen the issue of a southern capital, Washington signed the bill.

Amidst the soft glow of candles and increasing factionalism exhibited by the debates over the bank bill, the First Congress came to an end on March 3, 1791. As the senators prepared to return to their homes, they could look back with satisfaction. Despite the peccadilloes of Adams and their own concern with proper etiquette, they had gotten a new nation on its feet and under way. They had witnessed the counting of the first electoral votes and the inauguration of the nation s first president. They made certain that the president understood that their constitutional powers could not be trifled with and they had established precedents at every turn. They had set up the executive departments of War, State, and Treasury. While the senators mainly had fine-tuned bills sent them from the House, they had also initiated such major legislation as the Judiciary Act, and they hoped that they had finally resolved the residence question.

In addition to major legislation, the Senate considered many bills of a routine nature among the 144 measures that it received or initiated during the First Congress. Incidentally, of that number, the Senate passed 118 bills, of which 94 became public law. The very first public law was signed on June 1, 1789, and it provided for the administration of oaths to public officials in support of the Constitution. Other acts provided for the custody of the nation's official seal, for the construction of lighthouses, for the registration of sailing vessels, patents and copyrights, and for the enumeration of the nation's population.

That first census, by the way, counted slightly under four million inhabitants, including approximately 700,000 men and women held in chattel slavery. The census revealed that Philadelphia was then our largest city and that the center of population lay twenty-three miles east of Baltimore. Based on the 1790 census, each member of the House would repre-

sent a district of approximately 33,000 persons (compared with an average of 515,000 as a result of the 1980 census). At the same time, the size of states represented by senators ranged from 59,000 in Delaware to 692,000 in Virginia, the nation's most populous state.

Volume I of the *Documentary History of the First Federal Congress* offers an excellent overview of the earliest Senate which enables us to put its work into perspective and even further enhances my respect for our predecessors who met for the very first time 192 years ago. I close with this quote:

The First Federal Congress convened in a time of national crisis. The first nation to win independence from a European colonial empire and a new nation less than a decade removed from its Revolution, the United States faced real dangers of falling into anarchy or despotism. In fact, the First Congress confronted in one form or another almost every problem that would rise to plague or threaten the Union of the States in the future: secession . . . , States' rights, constitutional amendment, admission of new states, threat of war, military preparedness, inflation, depression, unfavorable trade balance and tariff reform, taxation, speculation, sectionalism, slavery, Indian affairs, veterans' pensions, congressional salaries, election irregularities, government support of science, government patronage of the arts, administration of public lands, and many others. Some of the problems it solved; some it merely postponed. Yet, despite its difficulties, the Congress survived, leaving to the future a sturdy foundation on which a great nation could build.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I now yield to the distinguished Senator from Wisconsin, Mr. PROXMIRE, such of my time as he may utilize and the remainder thereof to Mr. ZORINSKY if he should have need for it in addition to the time allocated to him under the special order.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank the minority leader. I will not take very much time.

FINANCIAL HOLDINGS AND INCOME TAX RETURN OF SENATOR WILLIAM PROXMIRE

Mr. PROXMIRE. Mr. President, in 1963, 1965, 1967, 1970, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, and 1980, I submitted for the RECORD a history of my financial holdings from the time I was first elected to the Senate in August 1957 until April 1980. In order to bring the full record up to date, I submit herewith the history of my financial holdings since April 1980.

The bulk of the securities I hold are in State and municipal bonds totaling $50,000.

My other assets include ownership of a home in Madison, Wis., on which I owe a mortgage to the former owners; ownership of my home and furnishings in Washington, D.C., on which I owe a mortgage to the Perpetual American Federal Savings of Washington, D.C.; ownership of a 1972 automobile; ownership of two checking accounts in Washington, D.C. banks, one checking account in a Madison, Wis., bank and one savings account in a Madison, Wis., bank. The combined balance as of this date in these four accounts is $12,736.15.

I also hold a land contract on a house in Madison, Wis., in the amount of $77,677.69 and a note on my former residence in Washington at 3220 Ordway Street in the amount of $6,881.42.

I estimate my net worth to be about $500,000.

To the best of my knowledge, this is an accurate record of my financial holdings and obligations.

STATE AND LOCAL INCOME TAXES EXCEED SENATE SALARY

In addition, I herewith submit a balance sheet showing my net worth and how it was arrived at, a copy of 1980 Federal income tax return and a list of all honorariums received during 1980.

I paid $50,168 to the Federal Government in taxes on my 1980 income. In addition, I paid $12,009 to the State of Wisconsin on 1980 income.

This means that the taxes I have just paid to the Federal Government and the State of Wisconsin added together actually exceeded my entire Senate salary by more than $1,500. And that amount means that I received exactly nothing net last year from the Government. In fact I was paying the Government $1,500 for the privilege of working for it. Of course when some of my Wisconsin constituents here that I got nothing for my work as a Senator, their reaction may be: "PROXMIRE got exactly what he was worth as a Senator: Nothing."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NET WORTH OF SENATOR WILLIAM PROXMIRE AS OF MAY 1981

Municipal and state bonds, $50,000.00.
Three checking and one savings account:
Washington NS&T checking, $967.82.
Washington Riggs checking, $1,245.18.
Madison, Wis., checking, $2,755.46.
Madison, Wis., savings, $7,767.69.
4613 Buckeye Rd., Madison land contract, $7,767.69.
Note on 3220 Ordway St., NW, Washington, D.C., $6,881.42.
3097 Ordway Street, NW., D.C.:
Assesed value, $318,933.00.
Mortgage value, ($59,542.26).
Furnishings, $15,000.00.
118 Bradford Lane, Madison, Wisconsin:
Assessed value, $46,100.00.
Mortgage value, ($33,287.22).
Cash deposit in Civil Service retirement, $66,606.77.
Total, $501,105.55.

HONORARIA RECEIVED IN 1980

YPO Chicago Chapter, Chicago, Ill., $2,000.
Youngstown State University, Youngstown, Ohio, $2,000.
Denver Democratic Central Committee, Denver, Colo., $1,500.
Western States Meat Packing, Anaheim, Calif., $1,500.
McKendree College, Lebanon, Ill., $1,500.
Pace University, Manhattan, N.Y.C., $1,000
Wm. Paterson College, Wayne, N.J., $1,000.
Southeastern La. State U., Hammond, La., $1,000.
Boise State University, Boise, Idaho, $1,000.
Boca West, Boca Raton, Fla., $1,500.
Washington Post—article, $200.
Vanderbilt University, Nashville, Tenn., $1,000.
Franklin University, Columbus, Ohio, $1,000.
Mercyhurst College, Erie, Pa., $1,250.
Health Seminar, Portsmouth, N.H., $1,000.
Democratic Council, Albuquerque, N. Mex., $1,000.
Birmingham Southern College, Birmingham, Ala., $1,500.
Ocean County College, Toms River, N.J., $1,500.
Computer Dealers Assn., Washington, D.C., $1,000.
Towson State University, Towson, Md., $1,000.
Brookings Institute, Washington, D.C., $550.
CATO Institute, $900.

U.S. INDIVIDUAL INCOME TAX RETURN, 1980, WILLIAM AND ELLEN H. PROXMIRE

Income

8. Wages, salaries, tips, etc., $90,838.
9. Interest income (attach Schedule B if over $400), $7,905.
10a. Dividends (attach Schedule B if over $400), $2,586.
10c. Subtract line 10b from line 10a, $2,586.
11. Refunds of State and local income taxes (do not enter an amount unless you deducted those taxes in an earlier year—see page 9 of instructions), $250.
13. Business income or (loss) (attach Schedule C), $44,227.
14. Capital gain or (loss) (attach Schedule D), $2,330.
18. Pensions, annuities, rents, royalties, partnerships, etc. (attach Schedule E), $974.
21. Other income (state nature and source—see page 10 of instructions, $2,000.
22. Total income. Add amounts in column for lines 8 through 21, $144,502.

Adjustments to income

24. Employee business expenses (attach Form 2106), $4,092.
30. Total adjustments. Add lines 23 through 29, $4,092.

Adjusted gross income

31. Adjusted gross income. Subtract line 30 from line 22. If this line is less than $10,000, see "Earned Income Credit" (line 57) on pages 13 and 14 of instructions. If you want IRS to figure your tax, see page 3 of instructions, $140,410.

Tax computation

32. Amount from line 31 (adjusted gross income), $140,410.
33. If you do not itemize deductions, enter zero, $21,296.
34. Subtract line 33 from line 32. Use the amount on line 34 to find your tax from the Tax Tables, or to figure your tax on Schedule TC, Part 1, $119,114.
35. Tax. Enter tax here and check if from Schedule TC, $48,070.
37. Total. Add lines 35 and 36, $48,070.

Credits

47. Balance. Subtract line 46 from line 37 and enter difference (but not less than zero), $48,070.

Other taxes

48. Self-employment tax (attach Schedule SE), $2,098.
54. Balance. Add lines 47 through 53, $50,168.

Payments

55. Total Federal income tax withheld, $30,823.
56. 1980 estimated tax payments and amount applied from 1979 return, $23,035.
62. Total. Add lines 55 through 61, $53,858.

Refund or balance due

63. If line 62 is larger than line 54, enter amount overpaid, $3,690.

65. Amount of line 63 to be applied to your 1981 estimated tax, $3,690.

ITEMIZED DEDUCTIONS AND INTEREST AND DIVIDEND INCOME, 1980

Schedule A—Itemized Deductions

Medical and Dental Expenses

1. One-half (but not more than $150) of insurance premiums you paid for medical care. (Be sure to include in line 10 below.), $150.

5. Balance of insurance premiums for medical care not entered on line 1, $177.

7. Total (add lines 4 through 6c), $177.

8. Enter 3% of Form 1040, line 31, $4,212.

10. Total medical and dental expenses (add lines 1 and 9). Enter here and on line 33, $150.

Taxes

11. State and local income, $11,973.

12. Real estate, $3,288.

13. General sales (see sales tax tables), $749.

16. Total taxes (add lines 11 through 15). Enter here and on line 34, $16,010.

Interest expense

17. Home mortgage, $4,966.

18. Credit and charge cards, $565.

19. Other (itemize) automobile loan, $75.

20. Total interest expense (add lines 17 through 19). Enter here and on line 35, $5,606.

Contributions

21a. Cash contributions for which you have receipts or cancelled checks, $1,135.

22. Other than cash (see page 17 of instructions for required statement), $850.

24. Total contributions (add lines 21a through 23). Enter here and on line 36, $1,985.

Miscellaneous deductions

31. Other (itemize):

Tax preparation, $750.

Investment expense, $25.

Miscellaneous expenses, USS, $170.

32. Total miscellaneous deductions (add lines 30 and 31). Enter here and on line 38, $945.

Summary of Itemized Deductions

33. Total medical and dental—from line 10, $150.

34. Total taxes—from line 16, $16,010.

35. Total interest—from line 20, $5,606.

36. Total contributions—from line 24, $1,985.

38. Total miscellaneous—from line 32, $945.

39. Add lines 33 through 38, $24,696.

40. If you checked Form 1040, Filing Status box: 3, enter $1,700, $3,400.

41. Subtract line 40 from line 39. Enter here and on Form 1040, line 33. (If line 40 is more than line 39, see the instructions for line 41 on page 19.), $21,296.

Part I interest income

Lowy note, $606.

O'Brien, $7,046.

United Bank & Trust, $253.

2. Total interest income. Enter here and on Form 1040, line 9, $7,905.

Part II dividend income

Dreyfus Money Market, $2,586.

4. Total of line 3, $2,586.

8. Dividends before exclusion (subtract line 7 from line 4). Enter here and on Form 1040, line 10a, $2,586.

PROFIT OR (LOSS) FROM BUSINESS OR PROFESSION

Part I—Income

1a. Gross receipts or sales, $25,000.

1c. Balance (subtract line 1b from line 1a), $25,000.

3. Gross profit (subtract line 2 from line 1c), $25,000.

5. Total income (add lines 3 and 4), $25,000.

Part II—Deductions

29. Travel and entertainment, $126.

32. Other expenses (specify):

a. Expenses incurred, $5,666.

b. Expenses recovered, $5,666.

33. Total deductions (add amounts in columns for lines 6 through 32s), $126.

34. Net profit or (loss) (subtract line 33 from line 5). If a profit, enter on Form 1040, line 13, and on Schedule SE, Part II, line 5a (or Form 1041, line 6). If a loss, go on to line 35, $24,874.

PROFIT OR (LOSS) FROM BUSINESS OR PROFESSION

Part I—Income

1a. Gross receipts or sales, $19,855.

1c. Balance (subtract line 1b from line 1a), $19,855.

2. Cost of goods sold and/or operations (Schedule C–1, line 8), $442.

3. Gross profit (subtract line 2 from line 1c), $19,413.

5. Total income (add lines 3 and 4), $19,413.

Part II—Deductions

29. Travel and entertainment, $60.

33. Total deductions (add amounts in columns for lines 6 through 32s), $60.

34. Net profit or loss (subtract line 33 from line 5). If a profit, enter on Form 1040, line 13, and on Schedule SE, Part II, line 5a (or Form 1041, line 6). If a loss, go on to line 35, $19,353.

Schedule C–1.—Cost of goods sold and/or operations

4. Materials and supplies, $442.

6. Add lines 1, 2c, and 3 through 5, $442.

8. Cost of goods sold and/or operations (subtract line 7 from line 6). Enter here and on Part I, line 2, $442.

CAPITAL GAINS AND LOSSES

Part II—Long-term capital gains and losses—Assets held more than one year

8. Mass bonds, August 14, 1978 to November 19, 1980, $10,341, $15,000, $4,659.

11. Add lines 8, 9 and 10 in column f and column g, $4,659.

12. Combine line 11, column f and line 11, column g and enter the net gain or (loss), $4,659.

16. Combine lines 12 through 15, $4,659.

18. Net long-term gain or (loss), combine lines 16 and 17, $4,659.

Part III—Summary of parts I and II

19. Combine lines 7 and 18, and enter the net gain or (loss) here, $4,659.

21. If line 19 shows a loss—a. Enter one of the following amounts: (iii) If line 7 and line 18 are net losses, enter amount on line 7 added to 50 percent of the amount on line 18, $2,330.

21. b. Enter here and enter as a loss on Form 1940, line 14, the smallest of: (iii) Taxable income, as adjusted, $2,330.

SUPPLEMENTAL INCOME SCHEDULE

Property A, (d) Depreciation (explain in Part VI) or depletion (attach computation), $265.

(e) Other expenses (explain in Part VII), $709.

(f) Net loss, $974.

8. Totals, (d) Depreciation (explain in Part VI) or depletion (attach computation), $265.

(e) Other expenses (explain in Part VII), $709.

(f) Net loss, $974.

9. Total rent and royalty income or (loss). Combine amounts in columns (f) and (g), line 8. Enter here and include in line 18 below, $974.

Part VI—Depreciation claimed in part II. If you need more space, use Form 4562

See attached.

(g) Depreciation for this year, $265.

Totals (Property A), $43,300.

Part VII—Expenses claimed in part II

Other (list), see attached.

Properties, A $709.

INCOME AVERAGING

Base period income and adjustments	1st preceding base period year 1979 (a)	2d preceding base period year 1978 (b)	3d preceding base period year 1977 (c)	4th preceding base period year 1976 (d)
1. Enter amount from:				
Form 1040 (1977, 1978, and 1979)—line 34				
Form 1040A (1977 and 1978)—line 10				
Form 1040A (1979)—line 11	109,041	89,578	76,540	
2. (a) Multiply $750 by your total number of exemptions in 1977 and 1978		2,250	2,250	
(b) Multiply $1,000 by your total number of exemptions in 1979	3,000			
3. Taxable income (subtract line 2(a) or 2(b) from line 1). If less than zero, enter zero	106,041	87,328	74,290	76,335
4. Income earned outside of the United States or within U.S. possessions and excluded under secs. 911 and 931				
5. On your 1980 form 1040, if you checked box:				
2 or 5 enter $3,200 (in col. (d))				
1 or 4 enter $2,200 (in col. (d))				3,200
3 enter $1,600 (in col. (d))				3,200
6. Base period income (add lines 3, 4 and 5)	106,041	87,328	74,290	79,535

Computation of averageable income

7. Taxable income for 1980 from Schedule TC (Form 1040), Part I, line 3, $115,114.

9. Subtract line 8 from line 7, $115,114.

11. Adjusted taxable income (subtract line 10 from line 9). If less than zero, enter zero, $115,114.

12. Add columns (a) through (d), line 6, and enter here, $347,194.

13. Enter 30 percent of line 12, $104,158.

14. Averageable income (subtract line 13 from line 11), $10,956.

Computation of tax

15. Amount from line 13, $104,158.

16. 20 percent of line 14, $2,191.

17. Total (add lines 15 and 16), $106,349.

19. Total (add lines 17 and 18), $106,349.

20. Tax on amount on line 19 (see caution below), $45,744.

21. Tax amount on line 17 (see caution below), $45,744.

22. Tax on amount on line 15 (see caution below), $44,451.

23. Subtract line 22 from line 21, $1,293.

24. Multiply the amount on line 23 by 4, $5,172.

28. Tax (add lines 20, 24, and 27). Enter here and on Schedule TC (Form 1040), Part I, line 4 and check Schedule G box, $50,916.

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

Part II—Computation of net earnings from nonfarm self-employment

Regular Method

5. Net profit or (loss) from: a. Schedule C (Form 1040), $44,227.

6. Total (add lines 5a through 5e), $44,227.

8. Adjusted net earnings or (loss) from nonfarm self-employment (line 6, as adjusted by line 7), $44,227.

Nonfarm optional method

9a. Maximum amount reportable under both optional methods combined (farm and nonfarm), $1,600.

Part III—Computation of social security self-employment tax

12. Net earnings or (loss): b. From nonfarm (from line 8, or line 11 if you elect to use the Nonfarm Optional Method), $44,227.

13. Total net earnings or (loss) from self-employment reported on line 12a and 12b. (If line 13 is less than $400, you are not subject to self-employment tax. Do not fill in rest of schedule), $44,227.

14. The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement taxes for 1980 is, $25,900.

16. Balance (subtract line 15c from line 14), $25,900.

17. Self-employment income—line 13 or 16, whichever is smaller, $25,900.

18. Self-employment tax. (If line 17 is $25,900, enter $2,097.90; if less, multiply the amount on line 17 by .081.) Enter here and on Form 1040, line 48, $2,098.

TAX COMPUTATION SCHEDULE

Part I—Computation of tax for taxpayers who cannot use the tax tables

1. Enter the amount from Form 1040, line 34, $119,114.

2. Multiply $1,000 by the total number of exemptions claimed on Form 1040, line 7, $4,000.

3. Taxable Income. Subtract line 2 from line 1. (Figure your tax on this amount by using the Tax Rate Schedules or one of the other methods listed on line 4.), $115,114.

4. Income Tax. Enter tax and check if from: × Form 4726. Also enter on Form 1040, line 35, $48,070.

EMPLOYEE BUSINESS EXPENSES

Employee business expenses deductible in computing adjusted gross income on form 1040, line 31

23. Other Expenses: Schedule attached, $2,669.

24. Total of lines 19 through 23, $2,669.

26. Excess expenses (lines 24 less line 25). Enter here and include on Form 1040, line 24, $2,669.

EMPLOYEE BUSINESS EXPENSES
ELLEN H. PROXMIRE

Automobile expenses

A. Months auto held for business use, 9 months.

B. Total mileage for months in A, 7,000 miles.

C. Portion of B applicable to business, 4,900 miles.

Regular method:

1. Gasoline, oil, lubrication, etc., $637.
2. Repairs, $293.
3. Tires, supplies, etc.,
4. Other: Taxes, $18. Lease payment, $3,049. Insurance, $529.
5. Total $4,726.
6. Percentage of expense applicable to business (line C above divided by line B above), 70.00 percent.
7. Business portion (line 5 multiplied by line 6), $3,308.
9. Total, $3,308.
16. Enter the amount from line 9 or line 15 whichever is used $3,308.
17. And parking fees and tolls $200.
18. Total, $3,508.

Employee business expenses deductible in computing adjusted gross income on form 1040, line 31

19. Airplane, boat, railroad, etc., fares, $284.

21. Automobile expenses (from line 18), $3,508.

23. Other Expenses: 1,400 mi. second car, $280.

24. Total of lines 19 through 23, $4,072.

25. Less: Employer's payments for above expenses (other than amounts included on Form W-2), $2,649.

26. Excess expenses (line 24 less line 25). Enter here and include on Form 1040, line 24, $1,423.

MAXIMUM TAX ON PERSONAL SERVICE INCOME

Personal service income

Wages, $90,838.
Business income, $44,227.
Miscellaneous, $2,000.

Deductions against personal service income

Employee business, exp., $4,092.

1. Total personal service income, $137,065.
2. Total deductions against personal service income, $4,092.
3. Personal service net income—Subtract total of line 2 from total of line 1, $132,973.
4. Enter your adjusted gross income, $140,410.
5. Divide the amount on line 3 by the amount on line 4. Enter result as a percentage. If more than 100 percent, enter 100 percent. Round to nearest 4 numbers, .9470.
6. Enter your taxable income, $115,114.
7. Multiply the amount on line 6 by the percentage on line 5, $109,013.
9. Personal service taxable income. Subtract line 8 from line 7, $109,013.
10. If: on Form 1040, you checked box 2 or box 5, enter $60,000, $60,000.
11. Subtract line 10 from line 9. If line 10 is more than line 9, do not complete rest of form, $49,013.
12. Enter 50 percent of line 11, $24,507.
13. Tax on amount on line 6*, $51,201.
14. Tax on amount on line 9*, $47,316.
15. Subtract line 14 from line 13, $3,885.
16. If the amount on line 10 is: $60,000, enter $19,678, $19,678.
17. Add lines 12, 15, and 16. This is your maximum tax, $48,070.

*Use Tax Rate Schedules from Form 1040 or Form 1041 instructions.

WILLIAM AND ELLEN H. PROXMIRE, H RENTS AND ROYALTIES

	Amount
Income	0
Other expenses:	
Miscellaneous	50
Taxes	104
Interest	555
Total	709

Description and date	Basis	Prior	Method	Life	Depreciation	Accumulation
Depreciation:						
Land—November 22, 1980	11,500					
Bradford—November 22, 1980	31,800		5L	20/20	265	265
Total	43,300	0			265	265
Total expenses and depreciation					974	
Net profit or loss					974—	

WILLIAM AND ELLEN H. PROXMIRE, 1980 EARNINGS

	Gross	Federal withholding taxes	FICA	State withholding taxes	City withholding taxes
U.S. Senate (H)	60,663	24,912		5,104	
Washington whirlaround (W)	30,175	5,911	1,588		
Total	90,838	30,823	1,588	5,104	
Miscellaneous income: Washington Whirlaround (total)	2,000				
		50 percent	30 percent		20 percent
Contributions:					
Prevention blind		850			
By check (H)		985			
By check (W)		150			
Total		1,985			
Allowable		1,985			

PREVENTION OF BLINDNESS SOCIETY,
Washington, D.C., December 29, 1980.

Received from Ellen Proxmire merchandise which donor values at $850.

Your generous donation means more services to save sight—more glaucoma tests, more help for children with eye problems, and more sight restoration for people with cataract.

Thank you very much.

Sincerely,

ARNOLD B. SIMONSE, Ph. D.,
Executive Director.

CERTIFICATE

I hereby certify that I was in a travel status in the Washington, D.C. area, away from my home in my home State of Wisconsin, in the performance of my official duties as a Member of Congress for 245 days during the year 1980 and that my deductible living expenses while in such travel status amounted to $3,000.

STATEMENT OF CONGRESSIONAL REIMBURSEMENTS AND EXPENSES

Note: Before preparing this statement, please read the accompanying information. Some reimbursements are not includible in gross income and other reimbursements, in some circumstances, need not be reported on your return. Do not include amounts received from non-Congressional sources. You may use Form 2106 in place of this statement. (attached.)

CONGRESSIONAL REIMBURSEMENTS FOR EXPENSES

1. Reimbursement at the rate of 20 cents a mile for one round trip to the Home District during each regular session, $5,710.

2. Reimbursement for other travel expenses, $331.

3. Reimbursement for other deductible expenses (if any), $12,109.

4. Reimbursement for nondeductible expenses (if any), None.

5. Total reportable reimbursements, $18,150.

EXPENSES DEDUCTIBLE AS ADJUSTMENTS TO INCOME

6. Travel expenses: Living expenses in the Washington, D.C. area. The maximum amount allowable is $3,000, $3,000.

7. Travel expenses: Other (attach detailed statement), $5,710.

8. Other expenses (limited to amount on line 3), $12,109.

9. Total expenses, $20,819.

10. Excess Reimbursement (Excess of line 5 over line 9. Include on Form 1040, line 20), None.

11. Deductible Expenses (Excess of line 9 over line 5. Include on Form 1040, line 23), $2,669.

EXPENSES DEDUCTIBLE AS ITEMIZED DEDUCTIONS

Note: These expenses include deductible Congressional expenses, other than for travel, which were not reimbursed by Congressional allowances. They include those expenses which may have been reimbursed from outside sources, such as contributed funds. Specify the kind of expense and total all expenses of the same kind. If additional space is needed, list the expenses on a separate sheet. Write "See separate sheet attached" on line 12 and enter the total amount on line 13.

12. Parade Vest, $45. Photography expenses, $125.

13. Total expenses deductible. Include on line 31, Schedule A (Form 1040), $170.

SENATOR WILLIAM PROXMIRE, EXPENSE SCHEDULE, 1980

Travel	Office	Phone	Dues and sub	Per diem	Air mail	Court costs
104	42	630	120	115	121	3,498
127	191	470	96	45	69	1,239
115	31	205	143	155	94	395
138	19	617	147	42		
118	139	290	581	214		
115				39		
133				123		
158				44		
124				558		
131				104		
121				84		
133				51		
155				121		
33				123		
137				92		
166				306		
166				109		
15				27		
144				101		
137				76		
144				150		
133				67		
133				146		
266						
147						
44						
136						
136						
147						
147						
147						
136						
147						
136						
331						
136						
300						
374						
5,710	422	2,292	1,087	2,892	284	5,132

Note: Statutory reimbursement, 331.

Mr. PROXMIRE. Mr. President, I may have come close in the past, but, as far as I know, this is the first time I have paid more in taxes to the Federal and State Governments than I received in salary from the Federal Government for my duties as a U.S. Senator.

HISTORY, MYTH, AND THE HOLOCAUST

Mr. PROXMIRE. Mr. President, in the April issue of the journal Democracy, historian Pierre Vidal-Naquet attacks the notion, supported by a growing number of scholars, that the Jewish holocaust never really occurred.

Vidal-Naquet lists the critical shortcomings of this "revisionist" school, which deals with the fact of the Hitler genocide by "replacing an unbearable truth with a reassuring lie." The revisionists share a few basic premises, as Vidal-Naquet notes: There was no genocide, and the instruments that symbolized it, the gas chambers, never existed. They claim that most Jews in the camps died because of illness, or at the hands of the Soviet Russians; the "final solution" for Jews in the West was no more than expulsion of Jews to Eastern Europe; the figure cited for Jewish victims of Nazism is much lower than has been stated. Writes German lawyer Manfred Roeder:

> There does not exist a single document worthy of the name that places the total losses of the Jewish population during the last war at more than 200,000 . . . It should be mentioned, too, that Jews who died a natural death are included in this figure; and that the genocide theory is an invention of Allied, and especially Zionist, propaganda.

Vidal-Naquet charges that the revisionist literature "is not a history of the 1939–45 war, but a reflection of contemporary mental attitudes, principally since the 1960's"—neo-Nazism, anti-Zionism, German nationalism, and so forth. He discusses some of the techniques of the revisionist scholars.

For example, any direct testimony furnished by Jews is considered a lie and an invention; in general, any document that gives firsthand evidence of Nazi methods is branded as either false or tampered with; any Nazi document is accepted at face value if it is written in coded, unfamiliar language, but is ignored if written plainly—as in Goebels' diary entry for May 13, 1943:

> There is therefore no other solution for modern nations except to exterminate the Jews.

All postwar evidence from Nazis is considered to have been obtained by means of torture or intimidation. Yet Vidal-Naquet notes that—

> Under these circumstances, it is rather strange that not one SS leader should have denied the existence of the gas chambers.

The aim of this school is quite clear, as Vidal-Naquet points out "to ideologically deprive a community of what is represented by its historic memory."

George Orwell's famous formula, "who controls the past controls the future * * * Who controls the present controls the past," has great pertinence here. It is certain that mainstream holocaust research contains some inaccuracies and misinformation, but such faults cannot invalidate the historical fact. And by perverting this enormous historical fact into equally grotesque fiction, the revisionists dilute the horror of genocide, thus making it possible—even unnoticeable—once again.

The Genocide Convention is designed to combat this travesty. Its definitions and assumptions are quite specific: it outlaws the act or intent to destroy, in whole or in part, any racial, ethnic, religious, or national group. By defining the crime so specifically, the treaty should withstand the attempts of those who pervert the language or select the evidence to present historically inaccurate viewpoints.

The Greek Muses claimed to "know how to tell lies that are exactly like realities; but when we want to do so, we also know how to proclaim truths." The revisionists can make the same claim. Yet in the fact of such disturbing irresponsibility, Vidal-Naquet thinks that "we may be grateful if, in the dreariness of our time, we can garner a few particles of truth" and "experience an occasional small satisfaction." That genocide is a crime is one such truth. Let us ratify the Genocide Convention.

Mr. President, I yield back the remainder of my time to the distinguished Senator from Nebraska.

RECOGNITION OF SENATOR ZORINSKY

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from Nebraska. It is the Chair's understanding that the Senator has a 15-minute special order.

Mr. ZORINSKY. That is correct.

THE COMPLIANCE REVIEW REIMBURSEMENT ACT

Mr. ZORINSKY. Mr. President, I am pleased to have Senator HATCH, chairman of the Committee on Labor and Human Resources, join me today in introducing a bill which would provide reimbursement to educational institutions for the costs incurred in responding to compliance reviews conducted by the Office for Civil Rights of the Department of Education.

The costs of such reviews have become excessive. Many investigators are going beyond all reasonable bounds in demanding information from the educational institutions. For instance, the Omaha public schools have been the subject of such a review even though no complaints had been received prior to the investigation. In order to compile the data required by the Office for Civil Rights, the school district has had to establish a task force made up of approximately 500 persons, including every principal and assistant principal in 90 schools, all activity sponsors, coaches, counselors, central office staff, legal counsel, and others. The investigation has been going on for almost a year and the cost to the school system has been estimated at $77,500.

The bill which we are introducing today provides that the funds to be reimbursed to the educational institutions come out of the operating budget of the Office for Civil Rights. No additional appropriations will be required by this leg-

islation. Their current budget of $50 million will be adequate for this purpose.

This legislation will not hinder the Office for Civil Rights in investigating specific complaints within their jurisdiction as required by law. It is my hope, however, that it will reduce the compliance reviews which are initiated in the absence of complaints. In their zeal to uncover all possible "violations," they have reached the point of absurdity. The Omaha public schools have been informed that they cannot have girls' glee clubs because that would violate the sex discrimination provision, title IX, of the Education Amendments of 1972. Announcements of cheerleader tryouts are being scrutinized to determined whether boys are covertly being discouraged from participating. Officials of a college in Nebraska, during the course of a title IX investigation, were asked for their written policies on towel distribution and reporting malfunctioning electrical outlets. This was in response to OCR investigators soliciting complaints from the students and being told that the boys' tennis team did not get towels and that the electrical outlet the girls used for their hair dryers in the washroom was not working.

An article in the March 1981 issue of Instructor magazine, entitled "There's Something Wrong Here * * *," stated that a regulation requiring schools to keep discipline records by race, sex, and handicap is on the Department of Education's "back burners." It went on to note that apparently the Office for Civil Rights believes that minority students in some schools are receiving more than their share of disciplinary actions. The article speculated about the possibility of a quota system for disciplinary action being established, and that once a quota had been reached, additional violations could go unpunished. Albert Shanker, president of the American Federation of Teachers, in commenting on this issue, predicted that such a regulation would result in an increase in violence and school discipline problems.

Mr. President, much has been written about the activities of the Office for Civil Rights, but the problem remains. We need to keep a tighter rein on these bureaucrats. They are attempting to take away local authority by dictating the nature of school operations. I have been informed by our school officials that their total effort appears to be directed toward overhauling a local school system and making it a sociological endeavor.

It is my hope that the effect of this legislation will be to place a degree of restraint on the Office for Civil Rights. If they are required to consider the cost effectiveness of their actions, they may hesitate before initiating a massive and disruptive investigation of an educational institution where there has been no complaint. It is not unreasonable to expect that they, too, be bound by budgetary considerations. Without such restraints, it can be expected that the harassment of our educational institutions will persist and an ever-increasing amount of time will be taken away from the primary function of these institutions, which is—lest we forget—the education of students.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1091

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Compliance Review Reimbursement Act".

FINDINGS

SEC. 2. The Congress finds that—

(1) the costs relating to compliance reviews and similar investigations by the Office for Civil Rights of the Department of Education are a significant burden upon educational institutions; and

(2) the costs of such compliance reviews have become unreasonable and have interfered with the principal function of such institutions which is the education of students.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "educational institution" means—

(A) any local educational agency as defined in section 1001(f) of the Elementary and Secondary Education Act of 1965; or any private "elementary school" or private "secondary school" as defined in Section 1001 (c) and (h) respectively of the Elementary and Secondary Education Act of 1965;

(B) any State board as defined in section 195(9) of the Vocational Education Act of 1963; and

(C) any institution of higher education as defined in section 1201(a) of the Higher Education Act of 1965;

(2) the term "Secretary" means the Secretary of Education; and

(3) the term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

ENTITLEMENT

SEC. 4. (a) Each educational institution in a State is entitled to receive reimbursement for reasonable costs (including personnel costs) incurred in compliance reviews or other similar investigations conducted by the Office for Civil Rights of the Department of Education concerning that institution. The entitlement made by this section may not include any costs related to corrective actions required as a result of any such review.

(b) The entitlement provided by subsection (a) of this section shall be available for reasonable expenditures made during the period beginning May 1, 1980, and ending September 30, 1984.

APPLICATIONS

SEC. 5. (a) Each educational institution entitled to receive assistance under section 4 of this Act shall submit an application at such time, in such manner, and containing or accompanied by such information as the Secretary deems reasonably necessary. Each such application shall—

(1) describe the costs of complying with the review or other investigation imposed by the Office for Civil Rights of the Department of Education and

(2) provide for such fiscal control and fund accounting procedures as may be necessary (A) to insure a proper accounting of Federal funds paid to the applicant of this Act, and (B) to insure the verification of the costs of complying with such review or other investigation.

(b) The Secretary shall expeditiously approve any application that meets the requirements of this section.

WITHHOLDING

SEC. 6. Whenever the Secretary, after reasonable notice and opportunity for a hearing to any educational institution, finds that there has been failure to comply with the provisions set forth in the application of that agency approved under section 5, the Secretary shall notify the institution that further payments will not be made under this Act until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, no further payments shall be made under this Act.

PAYMENTS

SEC. 7. (a) From amounts available under section 8, the Secretary shall pay, in accordance with the provisions of this Act, to each educational institution which has an application approved under section 5, an amount equal to the amount needed for the purposes set forth in the application.

(b)(1) Payments under this Act shall be made as soon after approval of the application as practicable.

(2) Payments under this Act may be made in installments, in advance or by way of reimbursement with necessary adjustments on account of overpayments and underpayments.

AVAILABILITY OF APPROPRIATIONS

SEC. 8. Payments made under section 7 based upon entitlements under section 4 shall be paid from the appropriations for each fiscal year beginning after September 30, 1980, available to the Office for Civil Rights, of the Department of Education. The expenditures of the Office for Civil Rights for each such fiscal year for purposes other than entitlements under this Act shall be reduced by the amount of entitlements required to be paid by this Act.

Mr. ZORINSKY. Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, is there an order for morning business?

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 30 minutes, during which time Senators may speak for up to 5 minutes each.

Is there morning business?

Mr. BAKER. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended to not more than an hour and 30 minutes and that the conditions be changed so that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDIVIDUAL VIEWS OF SENATOR ERNFST F. HOLLINGS—ON FIRST CONCURRENT RESOLUTION

Mr. HOLLINGS. Mr. President, in reporting the first concurrent resolution on the budget for fiscal year 1982, I had filed individual views. In the printing of those individual views and the report itself, the sheets became jumbled; there was a mistake in the printing as well as a few other corrections. We are trying to correct that now with a star print.

In the meantime, I ask unanimous consent to have my additional views in that

report as amended printed in the RECORD as if delivered on the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, on Thursday, April 9, 1981, the Senate Budget Committee met at high noon to vote on reporting the first budget resolution for fiscal year 1982. The committee had previously reported a reconciliation bill of $45 billion which the Senate approved by a wide margin. Now, the committee's task was to incorporate the spending cuts in the budget resolution and adopt a revenue figure that would honestly yield a balanced budget, if not in fiscal year 1982, at least by fiscal year 1984. Since President Reagan and the Senate were in substantial agreement on spending cuts, the primary issue before the committee was the tax cut. This would determine whether we set a path for declining deficits in 1982 and 1983 so that by 1984 there would be a zero deficit—a balanced budget.

The committee during the previous week had engaged in vigorous debate on economic assumptions. For the first time in its history, the Budget Committee ignored the economic assumptions of the nonpartisan Congressional Budget Office (CBO). It formulated a budget not using the CBO estimates, but instead using "Reaganomics" which predicted nearly twice the growth rate in 1982 predicted by other major economic forecasters, as well as totally unrealistic inflation and interest rate projections. Even with these false assumptions about the economy, however, the tax plan adopted by the committee which included the Kemp-Roth personal tax cut program still left a $45 billion deficit in 1984 rather than a balanced budget. Using the CBO estimates, the 1984 deficit actually amounted to over $80 billion—not the $45 billion asserted by the Republicans. The Democrats balked at the false estimates and the deficit and three Republicans waxed eloquently of why they would not support an unbalanced budget. The resolution was voted down, 12 to 8.

The committee reconvened at 2 p.m., April 28. Two weeks had ensued—and a lot of shenanigans. The Republicans consulted with Defense Department officials to jimmy the defense figures. They also met with David Stockman, Director of the Office of Management and Budget, to determine additional cuts for fiscal year 1983 and fiscal year 1984 in order to balance the budget.

Republicans had made three conflicting promises. First, they had indicated that reconciliation was not to become a habit. Once the 1981 reconciliation bill was adopted, there would be no request for further ones in 1982 and 1983. Yet, at the same time, Mr. Stockman was stating that additional budget cuts would be needed for fiscal year 1983 and fiscal year 1984. I am told that when he started reviewing these proposals with Budget Committee Republicans, he was told to close the notebook. Under no circumstances would Congress totally eliminate education programs, et cetera. The cuts he proposed were too drastic. Any further mention of them now would only cause more difficulties.

Second, Republicans had promised a balanced budget by 1984. But they had painted themselves into a corner. What had been fundamental Republican doctrine for a balanced budget now seemed to disappear. After all, they said, "the budget resolution is binding only for fiscal year 1982." "Why all the fuss about 1983 and 1984?" "Those years are not binding—only targets." "Why worry over out years that no one can control?"—or rather no one wanted to control. Moreover, it was quite apparent that the Finance Committee would not go along with a 3-year tax cut. So no one was in charge for 1984. "Let us agree on any figures for 1984," they pleaded, praying that the Finance Committee would save them from their folly. It was like diving into an empty pool and hoping that the Finance Committee would fill it with water before they hit the bottom.

I was dismayed to observe the change in-budget discipline over the 2-week period. I had thought that the three dissenting Republicans would assume their responsibilities as members of the majority and vote to report the resolution; that is, since none of the figures upon which their "No" votes were premised had changed, they would still vote to report the budget resolution, registering their continued objections to the deficit, but stating their votes would merely give the President a chance to have his economic recovery program considered by the full Senate. This was exactly what the President was asking Democrats to do. But that was not to be. The chairman changed his mark to include phony savings—of the type he had previously described as baloney.

The following table, which I ask unanimous consent to have printed in the RECORD, shows the plan that allowed three Republicans, and, unfortunately, three Democrats, who had previously voted no, to vote aye.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

REPUBLICAN PLAN TO BALANCE THE BUDGET IN 1984
(ADOPTED BY SENATE BUDGET COMMITTEE APR. 28)

	Fiscal year—		
	1982	1983	1984
Budget outlay totals rejected by committee on Apr. 9	704.1	762.0	815.4
Additional savings proposed and accepted:			
1. Use administration's estimate of outlays in function 050 (Defense)[1]	5.1	2.1	7.4
2. Assume 1 percent cut in each function, including defense, for waste, fraud and abuse[2]		7.2	7.7
3. Assume 40 percent pay absorption in function 050 (Defense)[2]		1.9	1.9
4. Assume passage of legislation increasing Presidential impoundment powers[3]		5.0	5.0
5. Additional cuts not yet proposed[3]		15.4	22.8
Total	5.1	31.6	44.8

[1] Not included in SBC reestimated.
[2] Included in SBC reestimated, but actual savings are questionable.
[3] Included in SBC reestimated, but actual savings are doubtful because cuts are unspecified.

Mr. HOLLINGS. Mr. President, a few comments are necessary on these items. Consider the first three items in the table. In his address before Congress on April 28, 1981, President Reagan criticized the budget resolution reported by the House Budget Committee for containing a $14 billion cut in the defense function. If the CBO outlay estimates resulting from the administration's budget authority policies are followed, item No. 1 amounts to a cut of $5.1 billion in national defense in 1982 and $2.1 billion in 1983.

Item No. 2, a 1 percent from waste, fraud and abuse, while highly desirable, will more likely come from Operations and Maintenance and Procurement—the primary readiness accounts of the DOD. That cuts another $2.3 billion from DOD in 1983. Item No. 3, 40 percent pay absorption, is well above the norm of 20 percent absorption for the Defense Department. President Reagan's budget actually calls for no pay absorption at all in 1982. In 1983, this amounts to another $1.9 billion cut. Cumulatively, the first three items in the table cut defense in 1982 by $5.1 billion and in 1983 by $6.3 billion. What is hidden behind these cuts is the effect of the phony inflation number for defense used by the Budget Committee. With good reason, the Republicans on the committee will not expose the impact of using the more realistic deflators of the CBO. Doing so would show further cuts of $3.6 billion in 1982 and $8.9 billion in 1983. So we have the President saying he does not like the House Budget Committee's numbers for defense—a $14 billion cut over 3 years—but he likes what the Senate Budget Committee proposes for defense—an $8.7 billion cut in 1982 and a $15.2 billion cut in 1983—a total cut of $23.9 billion in just 2 years.

This is bad enough, but at least those cuts can be identified. The last two items do not enjoy even that flimsy justification. The increase in Presidential impoundment powers, item No. 4, implies that the Congress will appropriate more money than the President's request. Otherwise, there is little need for the President to be able to impound appropriations. Why should the Budget Committee assume that the Congress will act with imprudence in the future?

Why should the committee invite the corruption that led to the institution of the Impoundment Control Act in the first place? No one should want to return to the days of unilateral and unconstitutional impoundment under Presidents Nixon and Ford. But the Republicans had to find savings somewhere. They had to balance the budget.

But even including these dubious savings proposals, the schemers were still short $22.8 billion for a balanced budget in 1984. Thus it was that the Republicans abandoned all responsibility. Repudiating the honest budget discipline which produced the historic reconciliation spending cuts, the Republicans reached into thin air and proposed over $38 billion of unspecified, unidentified, "additional cuts not yet proposed for fiscal years 1983 and 1984." (Item No. 5 on the table.)

This is sham. It severely limits the credibility of this budget resolution. More significantly, it puts a cloud over

the entire budget process. Over the years, the bipartisan leadership of the Budget Committee has had the task of keeping Senators' "feet to the fire" on the budget. This is not a pleasant task; it is not an easy one. The only chance for success is to appeal to Members' conscience and sense of responsibility. But when the committee leadership engages in unconscionable tactics of this sort, it stands denuded. Irresponsible leadership is incapable of bringing strays back on the reservation. April 28 was indeed a sad day for the budget process.

The third promise made by the Republican majority was for an invigorated effort to improve our defense capabilities. Because it failed to deliver on its promises of a balanced budget and identified functional spending cuts, the majority has not lived up to this pledge. The CBO assumes that inflation on defense purchases will average about 10.7 percent during the fiscal years 1981–84 period. This is almost 3 percent higher than the average annual inflation estimate for such purchases in the President's budget.

The following table compares forecasted deflators with actual price changes in defense purchases since fiscal year 1974, and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEFENSE PURCHASE DEFLATORS

[In percent]

	1974	1975	1976	1977	1978	1979	1980	1981
Forecast	3.0	5.8	15.0	7.9	6.8	6.2	7.0	8.9
Actual	7.5	12.4	8.0	10.2	7.9	8.7	15.0	[1] 12.0

[1] Current CBO estimate.

Note: Fiscal year 1977 includes the transition quarter.

Source: DOD Comptroller's Office.

Mr. HOLLINGS. Mr. President, this table shows that in every year but 1976, actual inflation exceeded the amount forecast by substantial amounts.

The next table compares the administration forecasts to those of the Congressional Budget Office for fiscal year 1982 through fiscal year 1986, and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEFENSE COMPOSITE DEFLATORS

[Percentage]

	Fiscal year—				
	1982	1983	1984	1985	1986
Reagan:					
Budget authority	8.9	6.9	6.2	5.6	5.3
Outlays	9.7	7.5	6.5	5.8	5.3
CBO:					
Budget authority	10.8	8.9	8.4	8.0	7.6
Outlays	10.8	9.2	8.4	8.1	7.6

Mr. HOLLINGS. Mr. President, using the CBO forecast, which Congress has used in all previous budget resolutions, the defense budget proposed in this budget resolution is underpriced by about $45 billion in budget authority and $29 billion in outlays over fiscal years 1981–84. This underpricing increases to roughly $125 billion in budget authority and $90 billion in outlays by 1986, the end of the President's 5-year defense program projection. I cannot imagine a Congress that purports to favor improvements in military capability supporting a defense budget that is so purposely and grossly underpriced in order to assert a fictitious budget balance in 1984.

A second fraud in the reported defense totals is the use of the administration's outlay estimates rather than those of CBO. As mentioned previously, the Republicans have chosen to hide an additional $15 billion in spending through fiscal year 1984, including over $7 billion alone in fiscal year 1984, by this means. The fraud is appreciated when one understands that for every other function in this budget resolution, the CBO estimates are used—but not in defense. Compounding this inconsistency is the fact that CBO outlay estimates, not the administration's, are used for the committee's fiscal year 1981 defense recommendation. Apparently the CBO estimates are considered more valid than the administration's for fiscal year 1981, but strangely they become invalid for fiscal years 1982–84.

Trying to cover this inconsistency, the chairman of the Budget Committee argued that he had checked with the chairman of the Armed Services Committee who gave his okay to the depressed outlay totals. But the chairman of the Budget Committee checked with the wrong chairman. He should have checked with the chairman of the Appropriations Committee, since Appropriations is the committee that will be given a lump sum under the budget resolution to allocate to its subcommittees. In the minds of those working the defense budget on the Appropriations Committee, they will be working off a substantially higher figure than provided in the budget resolution. In the minds of others on the committee, it will appear that the Senators on the Defense Subcommittee are robbing the other programs and subcommittees of their rightful share. This situation is essentially what caused the problems last year on the Appropriations Committee. This year, the two chairmen have gone to great lengths not to repeat the same holocaust. But the majority vote on the first budget resolution, with these defense assumptions, most assuredly will start another donnybrook, further damaging the credibility of the budget process.

I like President Reagan's politics. He has stated, "If you do not like my economic recovery program then submit an alternative." Senators, HART, MOYNIHAN, RIEGLE, and myself submitted alternatives. My plan limited tax cuts to $21 billion in 1982, restricted the cuts solely to the supply side, and postponed across the board cuts in personal income taxes and corporate taxes until 1983. As the following three tables show, my plan assured a balanced budget by 1984. But, strangley enough, the Republicans could not support the proposal. I ask unanimous consent to have the tables printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TAX REDUCTION PROPOSAL

[Fiscal years, in billions of dollars]

	1981	1982	1983	1984
Individual	−0.7	−7.7	−29.2	−42.9
Marriage penalty, $1,000/$2,000 interest and dividend exclusion	−.2	−3.8	−7.2	−8.6
Personal rate cut of 5 percent in 1983	−.5	−3.9	−9.0	−12.3
			−13.0	−22.0
Business	−4.3	−13.7	−21.4	−28.2
2-4-7-10 depreciation	−4.3	−13.7	−18.6	−19.0
Corporate rate cut to 40 percent in 1983			−2.8	−9.2
Total tax reduction	−5.0	−21.4	−50.6	−71.7
Supply side incentives as proportion of total (percent)	100.0	100.0	74.0	70.0

FEDERAL DEFICIT

President	−54.9	−45.0	−22.8	0.5
CBO reestimates	−60.9	−67.5	−63.8	−48.5
Hollings	−58.9	−45.8	−30.9	

COMPARISON TO ADMINISTRATION PROPOSAL

President [1]	−8.9	−53.9	−100.0	−148.1
Hollings	−5.0	−21.4	−50.6	−71.7
Difference	−3.9	−32.5	−49.4	−76.4

[1] Includes individual income tax reduction and depreciation reform.

Mr. HOLLINGS. Mr. President, the first budget resolution for fiscal year 1982 as reported by the committee, using its own economic and spending assumptions, is as follows, and I ask unanimous consent to have the table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Fiscal year—			
	1981	1982	1983	1984
Budget authority	716.0	775.1	812.6	865.0
Outlays	662.7	699.1	730.5	770.7
Revenues	599.9	650.3	709.1	770.7
Deficit/surplus	−62.8	−48.8	−21.4	

Mr. HOLLINGS. Mr. President, the first budget resolution has been reestimated using the economic assumptions and spending estimates of the Congressional Budget Office. I ask unanimous consent to have this table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Fiscal year—			
	1981	1982	1983	1984
Budget authority	717.1	784.7	833.0	899.8
Outlays	661.3	712.8	754.4	817.5
Revenues	598.4	652.8	705.4	767.3
Deficit/surplus	−62.9	−60.0	−49.0	−50.2

Mr. HOLLINGS. Mr. President, this estimate includes all of the savings proposed by the committee majority except the use of the administration's estimates of defense outlays. The reason that the CBO defense outlay assumptions were used is that it is generally agreed that the rate of outlay spending from budget authority and defense policy cannot be controlled. Two years ago, we started the rapid deployment force.

The defense budget jumped $35.2 billion in 1981 over 1980. Military contract awards were up 30 percent in 1980 over 1978; unfilled defense orders at manufacturers totaled $63 billion at the beginning of this year compared to $48 billion a year ago and $35 billion at the start of 1978. The Pentagon has repeatedly maintained that it cannot control outlays made pursuant to contracts already signed.

In a written reply to a House Defense Appropriations panel query, the Pentagon said:

> In the practical sense, DoD has very little control over expenditures without causing unnecessary disruption to the execution of programs or arbitrary and/or unfair practices to contractors (and) deferral and/or rescission of funds to finance programs Congress intended to be fully executed.

No doubt this is why the chairman of the Armed Services Committee moved a defense figure for the defense function using the CBO outlay estimate.

An even more realistic appraisal of the current budget picture is realized using CBO economic assumptions and spending estimates, but excluding unidentified savings. It assumes savings from the proposals to require 40 percent pay absorption by the Department of Defense and to cut 1 percent from each budget function for waste, fraud, and abuse.

While these cuts are likely to be achieved by cutting into programs rather than by eliminating waste, fraud, and inefficiencies, they can at least be identified by budget function. However, this reestimate does not assume savings either from legislation increasing Presidential impoundment powers or from additional cuts not yet proposed, since in neither case can the savings be identified either by program or by budget function.

In addition, the resumption of Presidential impoundment authority is not even likely to occur, and the "unidentifiable" cuts that have been identified by the administration are so unrealistic that neither it nor anyone else with sense wants to mention them, let alone support them.

I ask unanimous consent to have this table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Fiscal year—			
	1981	1982	1983	1984
Budget authority	717.1	784.7	853.3	927.5
Outlays	661.3	712.8	774.7	845.2
Revenues	598.4	652.8	705.4	767.3
Deficit/surplus	−62.9	−60.0	−69.3	−77.9

Mr. HOLLINGS. So there we are, Mr. President. Fifteen Senators voting to report this budget resolution—all promising a balanced budget, and knowing all along it cannot happen. The fraud and abuse is not too much in the programs as in the promises contained in this first budget resolution.

President Reagan's program contains the right elements. But certain of the elements come in the wrong size and at the wrong time. The program consists of:

First, spending cuts; second, cuts in regulations; third, tax cuts; and, fourth, increases in defense.

A sense of history is necessary to understand why the Reagan program—a good program—will go awry. President Reagan is right in stating that the task is to clean up the mess that has built up over the past years. But it is not the past 25 years of Democratic Congresses as he likes to allude to—it is the past 10 years that is causing the grief.

Lyndon Johnson gave us the last balanced budget in 1968–69 and prior to that all administrations were fiscally sound. The cumulative deficit for the fifties and sixties, for the 20 year period from 1950 to 1970, including the Korean war, the New Frontier, the Great Society and the war in Vietnam, was $74.7 billion. That was for 20 years. But in the last 10 years, the cumulative deficit from 1971 to 1981 exceeds $400 billion. So the President hits the deck in face of a tremendous inflationary surge. No President, no Congress could balance the budget and avoid a recession all in one year. It requires a tightrope act.

Last year, I met with 23 economists who were reviewing the economic projections for fiscal year 1981 of the Congressional Budget Office. It was a composite. There were five former chairmen of the Council of Economic Advisers, there were the managers of the econometric models, there were Nobel Prize winners in economics. They emphasized that the concern of the country was inflation and the goal was to get by the next business cycle without causing an even more spiraling inflation in 1982 and a deeper recession early in 1983.

They counseled that all stimulus and tax cut packages should be resisted in 1980 and beginning in 1981—solely on the supply side—there should be a relatively small tax cut that would promote savings, investment, productivity. The business cuts should be projected forward over the ensuing 3 years so that business could invest on those cuts. They further counseled that if we cut spending sufficiently, held up on new programs, and stopped deficit spending, we could then move for demand-type tax cuts so as to cut down on the size of government. They all cautioned that you could not increase defense, cut spending, cut taxes, and cut the size of government all in 1 year. It had to be done in steps.

President Reagan constantly refers to the Kennedy tax cut of 1964 and herein a sense of history is most valuable. In steps, President Kennedy first initiated the investment tax cut for business in 1962. It was 2 years after business had geared up for productivity before the step of across-the-board personal income tax cuts—or demand-side tax cuts—were enacted.

By then demand was in order. The average inflation rate between 1959 and 1964 was one-half of 1 percent. In contrast, due to the tremendous surge just described, the average inflation rate for the past 4 years has been right at 10 percent. The problem in 1964 was a lethargic, dormant economy. The problem in 1981 is an overheated inflationary economy.

But the steps that the economists have recommended and programs last year in the second concurrent budget resolution for 1981 are sound. Under the present budget resolution, the Congress last August called for a $10 billion tax cut in 1981, $16.1 billion in 1982, $38 billion in 1983, and $55 billion in 1984.

What has upset the apple cart is that President Reagan has come now in January calling for an immediate $54 billion tax cut and the mix is mixed.

Rather than being limited to supply side like exemption for interest earned from personal saving, or marriage tax exemptions, or investment tax credits for business and depreciation allowance—four-fifths is given over to a personal income tax cut across the board, only one-fifth to business or other supply-side cuts. Four-fifths is demand; one-fifth is supply. This is Keynesian, not supply economics.

President Reagan is right when he says we do not want more of the same. But he is unmindful of the fact that inflation has cost government programs just as it has cost the taxpayers and that the Congress has been engaged in both stimulative spending and stimulative tax cuts which have contributed to the inflation.

The typical pleas of the stimulators over the past few years is "Why not a Marshall plan?" America is a rich country. Why can we not do for our own country what we did early after World War II for Europe and Japan. In the 4-year period, 1947–51, the Marshall plan cost $18 billion. Translated into 1980 dollars, this is $67 billion. Few realize that in 1977, we spent $80 billion stimulating.

It was an $80 billion Marshall plan in countercyclical, capital improvements, public works construction, medicare, medicaid, food stamps, CETA job training, et cetera. And we spent another Marshall plan of $80 billion each year 1978, 1979 and 1980. We have been bountifully stimulating the economy with Marshall plans.

But what President Reagan ignores is that Congress has also stimulated the economy with tax cuts. We had the Tax Reform Act of 1969, the Revenue Act of 1971, the Tax Reduction Act of 1975, the Revenue Adjustment Act of 1975, the Tax Reform Act of 1976, the Tax Reduction and Simplification Act of 1977 and the Revenue Act of 1978.

Democratic tax-cutters know how to stimulate with tax cuts—as well as spending. The great loss to revenues from tax cuts is inestimable. We know

that tax expenditures rose from $40 billion in 1970 to over $200 billion in 1980.

While it cannot be said for sure that we would have avoided an additional $400 billion deficit in the past 10 years with these revenues, it goes without saying that most of the inflation from deficits could have been avoided. But the point is that when the President pleads: "Isn't it time that we tried something new?"—Tax cuts are not new to this Government.

In fact, in 15 years of service I have yet to see a personal income tax increase bill. We have not increased the tax rates.

Workers through increased productivity or inflation have moved into higher brackets. But Washington has not passed any personal income tax increase. They regularly, however, have been passing tax cuts. And to admonish not "to repeat the mistakes of the past" is exactly what I am worried about. All of these cuts in the past 10 years have been solely on the basis of increasing productivity. So I hesitate when I hear the same cry again. I do not want as the President says to "limp along doing the same things that have brought us our present misery."

What are the hard facts? The hard fact is that the Reagan-Kemp-Roth personal tax cut of 10 percent across the board as proposed will stimulate demand and cost the budget $118 billion in fiscal year 1984. The hard fact is that the depreciation allowance will add another $30 billion.

The hard fact is that the increase in defense proposed by President Reagan will add another $100 billion by 1984. Other Government programs will rise by $45 billion.

There is no way for a varied economy to make up for the lost revenues and higher spending. The even harder fact is that the Senate budget resolution promises an increase in the deficit next year rather than a decrease. I would hate to be around with all the promises, having cut all the programs, and next year see President Reagan have a bigger deficit than President Carter. The psychology of hope that is so often dwelled upon by David Stockman would turn into a psychology of despair.

Once again, the elements are right. If the President can limit his tax cuts to the supply-side and apply them in growing amounts, then we can reduce the deficit next year and have a balanced budget by 1984. We can do this while also increasing defense.

But no one with business sense looks upon the President's program as giving the quick results promised, and as a result, interest rates are starting back up this week. Unfortunately, Washington is in heat. I understand. I am for giving the President a chance. But I cannot knowingly let him go down the wrong road to the detriment of the country.

PLACING LIMITS ON U.S. MILITARY AID TO EL SALVADOR

Mr. CRANSTON. Mr. President, I am joining my distinguished colleague, Senator DODD, to cosponsor S. 869, the El Salvador Assistance Act. This legislation, if enacted, would set specific conditions to govern the use of any U.S. military aid in El Salvador.

I support this legislation because I believe it is important for Congress to establish some specific limits on the use of U.S. military aid and personnel in the war in El Salvador. We must make certain that these taxpayer dollars and these U.S. personnel are being used in ways that promote goals which we can fully support.

I have tried to give the new administration limited, qualified support on El Salvador. Recently, my concern has been increased by a number of disturbing developments. These include the dubious nature of the administration white paper on El Salvador and the exaggerations about the extent of continued Communist involvement there, the lack of any real evidence of interest on the part of the administration in curbing rightwing violence in El Salvador financed by wealthy El Salvadorans presently in Miami, and the continued overemphasis on a military solution and on viewing the fighting in El Salvador as primarily a United States-Soviet conflict.

I announced last February that I supported sending economic assistance and military hardware to El Salvador in view of the large infusion of arms from Communist countries. But I have always questioned the need for American advisers since that could lead to an escalation of our involvement.

In February, I drew the line on supporting the sending of any more advisers to El Salvador. I also urged the Reagan administration to set conditions for continuing military aid.

El Salvadoran guerrillas have received arms and aid from other Communist powers, to be sure. But the root cause of the fighting is not any conflict between superpowers. The causes of the war are local in nature; and the same must be true of any peace, if it is to succeed.

Therefore, I believe our Government must do all it can, even as we seek to halt the flow of weapons to the guerrillas and to assist the Duarte government, to insure that the government we are supporting is prepared to make the political, social, and economic changes essential if an enduring peace is to be achieved.

The legislation which I am cosponsoring today would state clearly those conditions under which the United States will continue to provide military aid to El Salvador. It would require the President to certify every 6 months that it is desirable to continue military aid to El Salvador, because that nation's government:

First, is not engaged in a consistent pattern of gross violations of internationally recognized human rights;

Second, has achieved substantial control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces;

Third, is making continued progress in implementing essential economic and political reforms, including the land reform programs;

Fourth, is committed to the holding of free elections at an early date or has held free elections; and

Fifth, continues to demonstrate its willingness to negotiate with opposition groups an equitable political resolution of the conflict.

The legislation also states that the President, before certifying the above conditions, must certify that the Salvadoran Government has made good faith efforts to investigate the recent murders of six Americans and bring to justice those responsible for the killings.

Should the Congress reject the Presidents certification, military aid to El Salvador could be prohibited by adoption of a concurrent resolution of Congress within 30 days of any such Presidential certification.

Mr. President, I have been following developments in El Salvador very closely in recent weeks and have had the opportunity as a member of the Foreign Relations Committee to question administration officials about our El Salvador policy on frequent basis. I have become increasingly convinced that while we must continue our efforts to oppose the illicit flow of weapons from certain Communist nations to the El Salvadoran guerrillas, we must maintain U.S. pressure for those human rights, political and land reforms in El Salvador which are essential to drying up the limited popular support for leftist opponents of the current El Salvadoran Government. If we are to accomplish this objective, we must state clearly those conditions under which we can continue to provide military aid to El Salvador.

In the long run, I do not believe the American people will continue to support military aid to El Salvador unless it is clear that progress is being made there on reform efforts and on controlling the brutal excesses of elements of the El Salvadoran security forces, and that the door has been left open for a peaceful settlement which would resolve the current civil war by means other than pure force of arms. The legislation which I am cosponsoring today would reflect these concerns felt by so many Americans and would make these conditions our clear policy and part of our laws.

PRESIDENT REAGAN'S ATTITUDE AFTER THE ATTEMPTED ASSASSINATION

Mr. THURMOND. Mr. President, there has been much praise about President Ronald Reagan's laudable performance after the March 30 assassination attempt. Permit me to add a few more words about Mr. Reagan's attitude and demeanor.

The President clearly and forcefully demonstrated to the Nation that he is a strong-willed person who can face such an extraordinary and dangerous situation with dignity and courage.

It is heartening that the bloom has returned to the President's cheeks and that he has gained back most of the weight he had lost. But, in a recent interview, he confessed "feeling a kind of pain or discomfort there constantly that you hope day by day is getting less, and I think is getting less." Yet it should be noted that his first impulse a few days

after the shooting was to return to work, and, after he was assured by his doctors that it was permissible, he did return to his duties.

It was also a stream of jokes and jests from a wounded Ronald Reagan that reassured Americans in the days after the shooting. His positive, optimistic attitude, laced with humor, underscored that the Government was functioning smoothly with the President still in command.

The President's popularity is very high and, as witnessed by his outstanding speech before a joint session of the Congress on April 28, he dynamically and effectively rallied the Congress and the American people in support of his spending and tax cut package.

I have heard many comments from constituents that the President's popularity will increase because of the exemplary way he handled himself during a time of crisis and personal danger. Many have said that he displayed a grace that has to be attractive to everyone.

Still other comments have centered on the fact that the President's courage and other admirable human characteristics will only serve to enhance the upbeat mood of the country. The manner in which he has bounced back after his first day in the hospital will add to his image as a tough administrator who is dedicated to serving the American people.

It can be said that the best way to judge people is to see how they react during a crisis or under a lot of pressure. I think as a result of the events of March 30, many people—including some of his political foes—will have more confidence in the President as a graceful, solid and thoughtful man with a sense of humor.

Indeed, some pollsters, looking into their crystal ball as to the future, believe Ronald Reagan may remain popular through his first term whether his economic program works or not.

While it is too soon to speculate on the President's continued popularity, it is significant that polls and surveys are showing a sharp upswing in his approval rating.

The image of the President is being developed, the U.S. News & World Report magazine recently noted, as one of a tough President and Commander in Chief "with luck on his side."

Mr. President, in order to share with my colleagues an excellent news account from Time magazine on President Reagan's attitude and quips, I ask unanimous consent that this article appear in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SERIOUSLY, FOLKS . . .

When Nancy Reagan first arrived at George Washington University Hospital, her husband deadpanned: "Honey, I forgot to duck." The President, a onetime radio sportscaster, borrowed that line from Prizefighter Jack Dempsey, who said it to his wife in 1926 after losing the world heavyweight championship to Gene Tunney.

The crack was the first in a barrage of good-humored quips that Reagan tossed off after the shooting. The remarks, made before he had learned that other victims had been critically injured, did much to reassure his family, his staff and the American public that he was still healthy enough to laugh. They were also the envy of at least one other comedian. Said Johnny Carson to his audience at Hollywood's Academy Awards ceremony: "I was tempted to call him and ask if he had any more of those one-liners I could use."

Examples of the President's jests:

To surgeons, as he entered the operating room: "Please tell me you're Republicans."

In a written note, upon coming out of anesthesia in the recovery room (paraphrasing Comedian W. C. Fields): "All in all, I'd rather be in Philadelphia."

In another note, recalling a Winston Churchill observation: "There's no more exhilarating feeling than being shot at without result."

In a third note: Send me to L. A., where I can see the air I'm breathing."

In yet another note written while surrounded by medical staff: "If I had this much attention in Hollywood, I'd have stayed there."

Complimented by a doctor for being a good patient: "I have to be. My father-in-law is a doctor."

To an attentive nurse: "Does Nancy know about us?"

To a nurse who told him to "keep up the good work" of his recovery: "You mean this may happen several more times?"

To Daughter Maureen: The attempted assassination "ruined one of my best suits."

Greeting White House aides the morning after surgery: "Hi, fellas. I knew it would be too much to hope that we could skip a staff meeting."

When told by Aide Lyn Nofziger that the Government was running normally: "What makes you think I'd be happy about that?"

RUSSELL B. MAXEY'S BOOK, "SOUTH CAROLINA'S HISTORIC COLUMBIA"

Mr. THURMOND. Mr. President, Columbia, the capital city of my great State of South Carolina, is now fortunate in having a comprehensive piece of literature which depicts the city through the years.

The picturesque book entitled South Carolina's Historic Columbia was written by Russell B. Maxey, a native South Carolinian, who also provided the photographs used in the book. Mr. Maxey is a retired civil engineer who now devotes his time to traveling and recording his experiences, with both pictures and words. This book displays his unique skill in these areas.

The book is so significant that the South Carolina General Assembly adopted a concurrent resolution recognizing the exceptional quality of this book and commended Mr. Maxey for his contribution to the history of our State.

Mr. President, in order that I might share this resolution with my colleagues, I ask unanimous consent that a copy of this resolution appear in the CONGRESSIONAL RECORD.

There being no objection, the resolution ordered to be printed in the RECORD, as follows:

A CONCURRENT RESOLUTION

Whereas, a major book featuring outstanding photographs of our capital city, Columbia, authored by Russell B. Maxey, has recently been published; and

Whereas, Mr. Maxey's book, entitled "South Carolina's Historic Columbia," is a classic example of the fact that a photograph is worth a thousand words and, with hundreds of fine photographs, this great work of art is worth millions of words; and

Whereas, many of the photographs used, depicting beautiful Columbia as it is and as it was in years gone by, were taken by the author, who is a highly skilled photographer; and

Whereas, Mr. Maxey, a retired civil engineer, came to Columbia from his native Bennettsville in 1924 and, after an active career in engineering in both the public and private sectors, now devotes his time to travel, writing and architectural photography and has had his works published in numerous magazines, newspapers and professional journals; and Whereas, "South Carolina's Historic Columbia" probably represents the most comprehensive photographic anthology of the city yet compiled and will undoubtedly serve as an irreplaceable research source to other writers and historians; and

Whereas, in addition to being a valuable research source, the book is also an enjoyable and readable volume which will bring pleasure and entertainment to many South Carolinians; and Whereas, it is therefore appropriate that the members of the General Assembly, whose ties to Columbia are so close, recognize this splendid contribution to the literature of the State and commend the author for his efforts and obvious talent. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring: That the General Assembly, by this resolution, recognizes the outstanding quality of the recent book authored by Mr. Russell B. Maxey entitled "South Carolina's Historic Columbia" and commends the author for his substantial contribution to the literature, art, culture and history of the State which his publication represents.

Be it further resolved that a copy of this resolution be forwarded to Mr. Maxey in Columbia.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair, and that will be until about 2 o'clock.

The PRESIDING OFFICER (Mr. ABDNOR). Without objection, it is so ordered.

Thereupon, the Senate, at 1:20 p.m., took a recess, subject to the call of the Chair.

The Senate reassembled at 2 p.m., when called to order by the Presiding Officer (Mr. GOLDWATER).

SALE OF AWACS TO SAUDI ARABIA

Mr. PRESSLER. Mr. President, on April 21, the administration announced its intention to sell, first, military equipment to Saudi Arabia to enhance its 62 F–15 aircraft; and second, 5 airborne warning and control aircraft systems (AWACS). Later this summer, the Senate will be asked to make an extremely difficult decision on these sales, a decision which could have a profound impact on our relationship with two important Middle East countries: Israel and Saudi Arabia.

Israel has been America's closest ally in the Middle East for 35 years and is strategically vital to our own national interests. Saudi Arabia is a pro-Western nation that exports 10 million barrels of

oil a day to the industrialized democracies and is vulnerable to attack from hostile neighbors. This decision will, therefore, need to be handled with a great deal of care.

That is why, Mr. President, I rise to discuss my specific concerns about the AWACS sale, as earlier I stated my opposition to the F–15 enhancement sale. Transferring AWACS to the Saudis in the manner suggested by the administration:

Risks compromising highly sophisticated technology to the Soviet Union;

Risks shifting the Middle East military balance against Israel;

May be counter-productive to the defense of Saudi Arabia; and

Can be accomplished in a different way that offsets these other problems.

Mr. President, let me discuss these four points one at a time.

AWACS contains computer and radar technology which is far in advance of what is available to the Soviet Union. It is true that some sensitive systems will be removed, but any Air Force officer will tell you that even the stripped-down Saudi version contains highly sensitive equipment. There are currently plans to build about 52 AWACS for the United States and NATO use. The Saudi AWACS would be the first AWACS sold outside of NATO. If they are compromised by the Soviets, this could harmfully affect the performance of the other 52 that provide for our own defense.

I am not suggesting that the Saudi Government would cause such a compromise, but we must remember that we are dealing with a potentially volatile kingdom with a large Palestinian population. Four years ago a similar point was made when Congress considered AWACS for Iran. We can only be thankful that these aircraft were never delivered to Iran.

Second, this sale, when combined with the F–15 enhancement proposal, strikes at the very strength of Israel—technology. Front line Arab air forces alone have a 2 to 1 fighter aircraft superiority ratio over Israel, but most analysts agree that Israel is still dominant in the Middle East air balance. The major reasons for Israel's continued dominance in the face of these odds are trained manpower and technology. AWACS and the F–15's are part of a broader Arab drive to gain similar technology for themselves. We can argue about the specific offensive or defensive capabilities of AWACS—but that misses the point. It is the cumulative effect of this technology transfer and advanced military training—which the AWACS deal symbolizes—that presents the ultimate threat to Israel.

Third, AWACS may be counterproductive to Saudi Arabia's own defense interests. In an April 23 article in the Washington Post, former CIA Director Stansfield Turner concluded:

> AWACS is such a complex piece of military equipment that there is no way the Saudi military establishment could operate or maintain a fleet of them on its own.

The AWACS sale would probably divert Saudi manpower and attention away from other tasks more fundamental to their own security.

Mr. President, I ask unanimous consent that Stansfield Turner's article be placed in the RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRESSLER. Finally, Mr. President, we come to the crucial point. There are alternatives that should meet Saudi Arabian and Western defense needs in the Persian Gulf without the complications that I have just discussed. We currently have four U.S. AWACS in Saudi Arabia. Senator JACKSON has suggested a United States-Saudi command structure for AWACS that remain under U.S. title. This could be accomplished by leasing rather than selling AWACS to the Saudis. Other alternatives should be considered. But as currently presented by the administration, I must concluded that the AWACS sale is not in the U.S. national interest and I will vote against it.

EXHIBIT 1

NO TO AWACS

(By Stansfield Turner)

For more than 20 years, the United States helped the shah of Iran to build that country into the strongest military power in the Middle East. The shah's taste for the most sophisticated military hardware in our inventory was legend, and his shopping list was long, although Iran, a nation of 36 million, lacked the technical expertise to maintain and fully use the equipment it bought. Accordingly, it also had to purchase foreign technical help and support to keep its military machine running. We all know what happened.

In 1978, the Carter administration, with the consent of Congress, agreed to sell our newest and most advanced fighter aircraft, the F15, to Saudi Arabia. Because of the potential threat to Israel, Congress was explicitly promised that we would not also sell the Saudis the external fuel tanks that would extend the F15's range, or bomb racks that would turn it into an attack aircraft. By the spring of 1980, the Saudis were back asking for these external equipments as well as the super-sophisticated Airborne Warning and Command Aircraft, AWACS. AWACS is a Boeing 707 with a large rotating radar antenna on top and a vast complex of computer systems inside. It detects other aircraft at great distances, and tracks all air activity within its zone of coverage.

The Saudi rationale for their need for these additional F15 equipments and AWACS was that their situation had changed since they contracted for their F15s in 1978. Specifically, Iran had fallen into less friendly hands, and the Soviets had invaded Afghanistan. It would, therefore, be in the best interest of both the United States and Saudi Arabia—unquestionably a pro-Western force in the Middle East—for the Saudis to strengthen their ability to counter any other hostile moves in the region.

Their real concern, which was not a part of their argument, was that two years had elapsed and the Saudis had not seen enough progress on the Israeli-Palestinian issue. To test our resolve to push for a solution acceptable to the Arabs, the Saudis were asking us to take an action that would be opposed by Israel. It was one way to test whether we would eventually pressure Israel into making concessions on the Palestinian question. The Saudis were also buying time for themselves with the radical Arabs. By obtaining such a visible symbol of U.S. support, they could demonstrate to the radicals that their limited association with the United States had value. They thereby hoped to ward off additional pressures from the Arab radicals to break with the United States or even to use the oil weapon as a means of pressuring the United States to force concessions on Israel.

Having given the Saudis the F15s in 1978, it would be difficult to deny them the extra equipments under the present circumstances. Admittedly, longrange F15s and the AWACs in Saudi hands will present some added risk to the Israelis, but they are fully capable of handling it.

Whether we should permit the Saudis to purchase AWACs is another question. The Saudis are our friends. Providing them with AWACs would not be a friendly act because it would not be in their best interests. It is such a complex piece of military equipment that there is no way the Saudi military establishment could operate or maintain a fleet of them on its own. Saudi Arabia has only 4 million people on which to draw and has a lesser level of education than Iran. Even with extensive outside technical assistance, sustaining the AWACs would be a severe drain on the Saudi military technical resources. In the long run, they would resent the fact that they could not operate the AWACs and that they remained dependent on us.

More important, it would distract the attention of the Saudi leadership from more urgent military tasks. The most likely threats to Saudi Arabia are internal disorder or rebellion and guerrilla warfare, encouraged and supported by its neighbors. It would be wishful thinking to believe that a nation in as great a state of flux as is Saudi Arabia today would not be subject to domestic unrest or subversion. When such troubles develop, the Saudi security forces must have the capability of grappling with them.

In November 1979, Saudi military and domestic security forces proved themselves quite inept in quelling a minor disruption at the Great Mosque in Mecca. This was apparently a purely domestic matter, but in the future the Saudis must worry about subversion fomented by South Yemen, where the Soviets have a strong foothold; disorders in the vital oil fields, where there are large numbers of Shia Muslims who may be responsive to the Khomeini revolutionary movement; and perhaps even armed clashes with neighboring Iraq. The Saudis are not well prepared for any of these contingencies today. They have turned to Pakistan to supply mercenaries to help them, but the monarchy should have military and internal security forces of its own that are loyal and under full control.

Against this background, it would be irresponsible for use to help them prepare to defeat a sophisticated air threat, for which the AWACS was designed and which has a low probability of occurring, when they are incapable of handling the more elementary threats of insurrection and guerrilla warfare that are highly probable. As friends, we should try to draw their attention to the realities of their situation. They do not need the AWACS nearly as much as they need other forms of military equipment and training. There is no way they can absorb AWACS into their military structure without detracting from their primary concerns. Even if there are short-term advantages to the United States in establishing some continuing military presence on the Arabian peninsula through the provision of AWACS, we should forgo that in favor of doing what a genuine and long-term friend would do: Be frank and put the friend's interests up front. That is the only way to protect our interests, anyway. Clearly this will not be an immedi-

ately popular response, but friends should not aspire to popularity.

We can mitigate the impact on the Saudis of turning them down on AWACS. We could give them a squadron of F15s immediately, several years ahead of the delivery of those they are purchasing. The U.S. Air Force would have to maintain and operate these for them for several years while Saudi pilots and mechanics complete their training. The Saudis, however, would see that we are serious about helping them all we can. They would also see, in time, that the way to be a friend is to be honest and frank rather than to say yes to an ill-advised request.

ADDITION OF ANTISATELLITE RESPONSIBILITIES TO ARMS CONTROL AND DISARMAMENT AGENCY

Mr. PRESSLER. Mr. President, I am submitting an amendment today during the Foreign Relations Committee markup of the Arms Control and Disarmament Agency authorization in order to give the director of that Agency explicit authority to undertake research, development, and other studies with respect to antisatellite activities. The wording of the present act is somewhat ambiguous in respect to authority of the Agency in this field, and I consider antisatellite efforts on the part of the Soviet Union so important that I wish to remove that ambiguity.

Satellites have become increasingly vital during the last decade not only to our defense system but also to our communication system. There is an absolute guarantee that their significance will increase manyfold during this decade. We cannot therefore be too attentive to any threats to the functioning of our satellite systems. The Arms Control and Disarmament Agency should have explicit authority in this area, as verification of all strategic and many other arms control agreements relies heavily on satellite systems to provide essential data. Similarly, of course, our defense depends upon detecting violations of any such agreements or detecting indications of impending hostilities.

Our commercial communications system has become increasingly reliant on satellites. One need only look at any evening news program to realize just a small part of the importance of satellites in transmittal of both voice and images.

In conjunction with notice of this amendment, I ask unanimous consent to have printed in the RECORD a copy of an article that appeared in TV Guide, which sets out some of the vital issues regarding killer satellites, and my amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

IT'S GETTING SCARY UP THERE!

(By Rod Townley)

Jan. 21, 1981: the Soviets launch a Cosmos 1241 spacecraft, which enters a low earth orbit. Its function: to be a target.

Feb. 2, 1981: the Soviets hurl a second spacecraft into orbit. Its function: to destroy the first spacecraft.

This second vehicle, known as a "hunter" or "killer" satellite, requires only two quick orbits to reach an attack profile less than 5 miles from its target. At that range it could disable the first satellite by firing packets of pellets at it, by zapping it with a low-power laser or simply by blowing up and letting the hot, flying shrapnel do the job.

It did none of these things. The Soviets brought it down from orbit, allowing it to burn up upon reentry. It was only a test, the second in nine months, the 18th since 1968.

But on March 14, 1981, the Soviets went one test further. A hunter satellite was actually exploded—damaging the satellite that had been sent up for target practice. And the U.S. Department of Defense has been getting nervous.

Even before the Soviets' operational test in March, Sen. Larry Pressler (R-S.D.) had called for Congressional hearings, declaring that "there may be no effective safeguard against attacks on our vital communications satellites. If the Soviet Union refines laser weapons, which is a likely prospect, our satellites will be even more vulnerable."

Air Force master seregant Mike Bergman is a spokesman for NORAD, the North American Air Defense Command in Colorado Springs, Colo. He adds: "The Soviets have an operational device. The U.S. effort right now is in research and development."

Some analysts suggest that the Soviets may have as much as a 10-year lead in this form of weaponry. And after RCA's Satcom III disappeared following its launch in December 1979, there was even some speculation that it had been bumped off by a killer satellite. Bergman insists, however, that "there's no evidence whatsoever" that this is the case.

Although the farfetched speculations are easily dismissed, any real threat to our satellites concerns the Defense Department; the Nation's early-warning system depends on them. Innumerable sensitive military communications (often encrypted), as well as military reconnaissance, depend on satellites.

Then there are the commercial satellites, particularly those used for telephone and television. Senator Pressler is concerned that the disruption of these nonmilitary services could severely affect European and American commercial transactions. And in the event of emergency, the Government might need to commandeer some of these civil satellites for military purposes.

Philip Klass, author of "Secret Sentries in Space" (Random House, 1971), considers it unlikely that the Soviets would launch a fleet of killer satellites against our communications system unless they intended to follow up immediately with an all-out nuclear attack. To do otherwise would be "to tip their hand."

In any event, the threat is not immediate. At present the USSR's killer satellites have not reached higher than 600 miles—a low-orbiting altitude, while most of our communications satellites are floating at an incredible 22,300 miles above the equator in "geosynchronous orbit." What that term means, says Craig Covault, an editor at Aviation Week & Space Technology, is that "you can park over a fixed point on earth, because the spacecraft's orbital velocity at that altitude matches exactly the rotation of the earth.

"So the real mother lode," says Covault, "in terms of U.S. space capability, is in that high-altitude orbit." It also means that these satellites, for now, are about 21,700 miles out of harm's way.

There are those, Covault included, who believe that the Soviets are working on ways to attack spacecraft up in geosynchronous orbit. The most likely method, he says, would be to try to arm a low-orbiting satellite (maybe only 200 miles high) with a high-energy weapon, such as a laser, "and fire that beam straight through on up." Currently, no laser weapon that accurate exists.

Another possibility might be the concept of the "space mine"—a geosynchronous communications satellite with a bomb inside it. With the aid of little thrusters, it could "come up right beside a U.S. spacecraft," says Covault, then explode, taking its target with it.

It's hard to see what's going on 22,300 miles out in space, so the U.S. has developed a 40-inch telescope as part of a "ground-based, electro-optical deep-space surveillance" system (GEODSS). Computer-linked TV cameras will peer through 10 of these 'scopes positioned in five observatories around the world to monitor some 4500 man-made objects in space—even those as small as 1 foot in diameter. If something is going on out there, we will know about it.

Before long, we will also be able to do something about it. A new Space Defense Operations Center, in Colorado Springs, will control the NORAD tracking network and coordinate our own antisatellite weapons system,

Yes, we have been developing an antisatellite weapon too. It should be ready to test early next year, if the President decides to make it operational. Unlike killer satellites, it will not go into orbit. It will be launched from under the wing of a McDonnell Douglas F–15 fighter plane and will slam into its target like a bullet.

There is also, says Covault, "shoot-the-breeze back-room talk in the White House" about providing subsidies to commercial-satellite operators to make their hardware more maneuverable (better able to dodge attacks) and to provide special coatings to minimize the effects of electronic jamming attempts. The first generation of satellites with "formidable survivability measures" will be the DSCS IIIs, scheduled for launching beginning this summer.

But the truth is, no one wants to get into star wars over the satellites. For information on military hardware in Iron Curtain countries, we rely heavily on reconnaissance satellites. The Soviets, suggests Philip Klass, "have only to buy Aviation Week and the Congressional Record and The New York Times." Even if it came to the unlikely scenario of both sides scoring equal orbital knockdowns, he says, "the net loss would be to the United States. Simply because we have more to lose."

AMENDMENT TO THE ARMS CONTROL AND DISARMAMENT ACT

A new section 404 of Foreign Relations Authorizations Act for fiscal year 1982 and 1983:

Section 31(b) of the Arms Control and Disarmament Act (22 U.S.C. 2571) is amended by inserting the following phrase after the last semicolon: "and of all aspects of antisatellite activities;".

FILING OF REPORT ON SENATE RESOLUTION 93 EXTENDED TO MAY 31, 1981

Mr. CHILES. Mr. President, on behalf of Senator HEINZ, I ask unanimous consent that the filing date for the report of the Special Committee on Aging regarding Senate Resolution 93 be extended from April 30, 1981, to May 31, 1981. This resolution would authorize the printing of additional copies of part 1 of the committee's annual report entitled "Developments in Aging." This report covers congressional and administration activity regarding aging programs and policies during 1980. In my judgment, it is particularly important that adequate access to this report be made this year, given the administration's proposed fiscal year 1982 budget for programs impacting

on the elderly, and the effects that these proposals would have on programs providing much-needed medical and social programs, services, and benefits for our older citizens.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. BAKER. Mr. President, I inquire of the distinguished minority leader if he is in position to make an announcement of any of the calendar items we discussed this morning.

Mr. ROBERT C. BYRD. Mr. President, in response to the distinguished majority leader's inquiry, I am prepared to state for this side of the aisle that the following calendar items have been cleared for action by unanimous consent: Calendar Orders Nos. 52, 55, 56, and 60, as well as, if I may, if the majority leader will pardon me, 64 and 65.

Mr. BAKER. Those are budget waivers.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I thank the minority leader.

Mr. President, in view of that announcement, I ask that the Senate turn to the consideration of the first item identified and cleared with the minority leader which, I believe, would be Calendar Order No. 64, the budget waiver for item No. 52, I believe, on the calendar.

The PRESIDING OFFICER. May I inquire which does the majority leader want first?

Mr. BAKER. The budget waiver, Mr. President, which would be Calendar Order No. 64 which underlies and gives authority to consider Calendar Order No. 52, which will be the next item which I hope the Chair will place before the Senate.

BUDGET ACT WAIVER

The resolution (S. Res. 113) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1000, was considered and agreed to, as follows:

S. RES. 113

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1000. Such waiver is necessary because S. 1000 authorizes the enactment of new budget authority which would first become available in fiscal year 1981 and such bill was not reported on or before May 15, 1980, as required by section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

On June 3, 1980, the Senate passed S. 2459 which, among other things, provided for a fiscal year 1981 authorization for the National Transportation Safety Board in the amount of $18,900,000. Unfortunately this bill was never acted upon by the House of Representatives. As a result, no fiscal year 1981 authorization for the Board was ever enacted.

S. 1000 would correct this omission by providing a fiscal year 1981 authorization for the Board in the amount of $18,540,000. This correction is largely technical in nature since the Congress has already appropriated $18,200,000 for the Board's activities in fiscal year 1981 (Public Law 96-400).

AUTHORIZATION OF APPROPRIATIONS FOR INDEPENDENT SAFETY BOARD

The bill (S. 1000) to amend the Independent Safety Board Act of 1974 to provide authorizations for appropriations, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Independent Safety Board Act Amendments of 1981."

INDEPENDENT SAFETY BOARD AUTHORIZATION OF APPROPRIATIONS

SEC. 2. Section 309 of the Independent Safety Board Act of 1974 (49 U.S.C. 1907) is amended by adding at the end thereof the following new sentence: "There are authorized to be appropriated for the purposes of this Act not to exceed $18,540,000 for the fiscal year ending September 30, 1981, $19,925,000 for the fiscal year ending September 30, 1982, and $22,100,000 for the fiscal year ending September 30, 1983, such sums to remain available until expended.".

PRIORITY OF BOARD INVESTIGATIONS

SEC. 3. Section 304(a)(1) of the Independent Safety Board Act of 1974 (49 U.S.C. 1903(a)(1)) is amended by inserting before "The Board may request" the following new sentences: "Any investigation of an accident conducted by the Board under this paragraph (other than subparagraph (E)) shall have priority over all other investigations of such accident conducted by other Federal agencies. The Board shall provide for the appropriate participation by other Federal agencies in any such investigation, except that such agencies may not participate in the Board's determination of the probable cause of the accident. Nothing in this section impairs the authority of other Federal agencies to conduct investigations of an accident under applicable provisions of law or to obtain information directly from parties involved in, and witnesses to, the transportation accident. The Board and other Federal agencies shall assure that appropriate information obtained or developed in the course of their investigations is exchanged in a timely manner.".

REPORTING OF AVIATION INCIDENTS

SEC. 4. Section 304(a)(6) of the Independent Safety Board Act of 1974 (49 U.S.C. 1903(a)(6)) is amended by inserting "and aviation incidents" immediately after "accidents".

EXAMINATION AND TESTING OF PHYSICAL EVIDENCE

SEC. 5. Section 304(b)2) of the Independent Safety Board Act of 1974 (40 U.S.C. 1903(b)(2)) is amended—

(1) by inserting immediately before the period at the end of the first sentence the following: ", including examination or testing of any vehicle, rolling stock, track, or pipeline component or any part of any such item when such examination or testing is determined to be required for purposes of such investigation. Any examination or testing (A) shall be conducted in such manner so as not to interfere with or obstruct unnecessarily the continued flow of goods or services in interstate commerce by the owner or operator of such vehicle, rolling stock, track, or pipeline component, and (B) shall be conducted in such a manner so as to preserve, to the maximum extent feasible, any evidence relating to the transportation accidents, consistent with the needs of the investigation and with the cooperation of such owner or operator"; and

(2) in the last sentence, by inserting ", examination, or test" immediately after "inspection" each place it appears.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask that the clerk report the other seriatim, including the underlying budget waivers.

BUDGET ACT WAIVER

The resolution (S. Res. 114) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 831, was considered and agreed to, as follows:

S. RES. 114

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act of S. 831. Such waiver is necessary to permit consideration of an additional fiscal year 1981 authorization of appropriations for the United States Coast Guard which was not reported on or before May 15, 1980, as required by section 402(a) of the Congressional Budget Act of 1974.

Specifically, S. 831 would increase the fiscal year 1981 authorization for operating expenses of the Coast Guard by $88,840,000. This additional authorization is necessary to permit a fiscal year 1981 supplemental appropriation for the United States Coast to cover increased fuel costs for the Cuban refugee sea patrols and for increased expenses as a result of the Nunn-Warner Military Personnel Act. Thus, without this waiver, the pending appropriation figures would exceed the amounts already authorized to be appropriated for fiscal year 1981.

AUTHORIZATION OF APPROPRIATIONS FOR THE COAST GUARD

The Senate proceeded to consider the bill (S. 831) to authorize appropriations for the Coast Guard for fiscal year 1982, and for other purposes which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Coast Guard Authorization Act of 1982".

TITLE I—AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1982

SEC. 101. Funds are hereby authorized to be appropriated for necessary expenses of the Coast Guard for the fiscal year 1982, as follows:

(1) for the operation and maintenance of the Coast Guard including expenses related to the Capehart housing debt reduction: $1,402,898,000, and such additional sums as may be necessary to meet unforeseen circumstances;

(2) for the acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities vessels, and aircraft, including equipment related thereto: $537,200,000, to remain available until expended;

(3) for the alteration or removal of bridges over navigable waters of the United States, constituting obstructions to navigation: $17,500,000 to remain available until expended; and

(4) for research, development, testing, and

evaluation: $29,730,000, to remain available until expended.

SEC. 102. For fiscal year 1982, the Coast Guard is authorized an end-of-year strength for active duty personnel of 39,904: *Provided*, That the ceiling shall not include members of the Ready Reserve called to active duty under the authority of section 712 of title 14, United States Code.

SEC. 103. For fiscal year 1982, average military training student loads for the Coast Guard are authorized as follows:

(1) Recruit and special training: 3,660 student-years;

(2) Flight training: 118 student-years;

(3) Professional training in military and civilian institutions: 655 student-years; and

(4) Officer acquisition: 1,038 student-years.

TITLE II—COAST GUARD MANAGEMENT

SEC. 201. Subsection (a) of section 1 of the Act of March 4, 1915, c. 143, 38 Stat. 1084, as amended (31 U.S.C. 686(a)), is amended by inserting "the United States Coast Guard," in the first proviso immediately after "Federal Aviation Agency,".

SEC. 202. (a) Subsection (a) of section 41a of title 144, United States Code, is amended to read as follows:

"(a) The Secretary shall maintain a single active duty promotion list of officers of the Coast Guard on active duty in the grades of ensign and above. Reserve officers on active duty other than pursuant to an active duty agreement executed under section 679 of title 10, United States Code, retired officers, and officers of the permanent commissioned teaching staff of the Coast Guard Academy shall not be included on the active duty promotion list.".

(b) Subsection (d) of section 41a of title 14, United States Code, is amended by striking "extended".

SEC. 203. Title 14, United States Code, is amended as follows:

(1) By amending subsection 41a(b) by inserting the following immediately before the period at the end of the second sentence: ", except that the rear admiral designated by the Commandant to the position of Chief of Staff shall be the senior rear admiral for all purposes other than pay".

(2) By amending subsection 290(a) by inserting the following in the second sentence immediately after the words "vice admiral": "or in the position of Chief of Staff".

SEC. 204. Title 14, United States Code, is amended as follows:

(1) By amending the section heading of section 711 to read as follows:

"§ 711. Exclusiveness of service.".

(2) By striking the first sentence of section 711.

(3) By amending the table of sections at the beginning of chapter 21 of such title to read as follows:

"711. Exclusiveness of service.".

SEC. 205. Public Law 96-376 (94 Stat. 1509) is amended as follows:

(1) By amending paragraph (1) of the first section by striking "$1,248,367,000;" and substituting "$1,337,207,000;".

(2) By amending section 2 by striking "39,600:" and substituting "39,819:".

SEC. 206. Subsection 93(p) of title 14, United States Code, is amended by inserting the following immediately after "of such lines and cables,": "including the installation and use of telephone in residences leased or owned by the Government of the United States when appropriate to assure efficient response to extraordinary operational contingencies of a limited duration,".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS UNDER THE MARINE PROTECTION, RESEARCH, AND SANCTUARIES

The bill (S. 1003), to amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to authorize appropriations for such title for fiscal years 1982 and 1983, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1434) is amended by—

(1) striking "and not" immediately after "1978" and substituting ", not"; and

(2) inserting immediately after "1981" the following ", not to exceed $2,235,000 for fiscal year 1982, and not to exceed $2,235,000 for fiscal year 1983".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

OMLIE TOWER AT THE MEMPHIS INTERNATIONAL AIRPORT

The bill (S. 896) to designate the control tower at Memphis International Airport the Omlie Tower, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the air traffic control tower at the Memphis International Airport is designated and shall hereafter be known as "Omlie Tower". Any reference in a law, map, regulation, document, or other paper of the United States to such control tower shall be held and considered to refer to "Omlie Tower".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NOMINATIONS

Mr. BAKER. Mr. President, I might say, for the benefit of our colleagues in the Senate, that certain negotiations are underway now to try to establish, if possible, a time certain to vote on seven nominations from the Foreign Relations Committee which are on the Executive Calendar at this time. It is my hope, and I address this to the minority leader, that we might be able to do that. I would suggest, if possible, that we consider a time tomorrow afternoon. The time that occurs to me and the time that would seem to meet the maximum convenience on this side would be at 2 o'clock tomorrow afternoon, with one vote to count for seven, as there are seven nominations involved.

Might I inquire if the minority leader would be agreeable to seeing if that would be suitable to his side of the aisle.

Mr. ROBERT C. BYRD. Yes; the telephones to offices on the minority side are being engaged at this point to see if such a request would be agreeable.

There are other nominations which the distinguished majority leader had inquired about earlier and which have now been cleared. If he is ready, I will be glad to state them from this side.

Mr. BAKER. Mr. President, I would be most grateful for that.

Mr. ROBERT C. BYRD. Mr. President, the nominations on page 2 involving Messages Nos. 182 and 212, Department of Transportation and Department of Commerce, are cleared on this side of the aisle for action at this time.

On page 3, all nominations are cleared, with the exception of Message No. 169, the Department of Health and Human Services. That completes the Executive Calendar.

Mr. BAKER. Mr. President, I thank the distinguished minority leader.

Could I inquire of the status of Executive Calendar No. 88 on the first page?

Mr. ROBERT C. BYRD. Both nominations on the first page are temporarily held.

Mr. BAKER. Mr. President, I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, in view of the announcement just made by the minority leader, I ask unanimous consent that the Senate go into executive session to consider the nominations appearing on page 2, under Department of Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF TRANSPORTATION

The assistant legislative clerk read the nomination of Donald Allan Derman, of the District of Columbia, to be an Assistant Secretary.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF COMMERCE

The assistant legislative clerk read the nomination of Sherman E. Unger, of Ohio, to be General Counsel.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF THE TREASURY

The assistant legislative clerk read the nomination of Marc E. Leland of California, to be a Deputy Under Secretary.

● Mr. DOLE. Mr. President, on April 23, the Committee on Finance held a hearing on the nomination of Marc E. Leland and found him to be eminently qualified by reason of his experience and character to perform the functions of Deputy Under Secretary of the Treasury and Assistant Secretary for International Affairs.

Our committee voted unanimously to recommend that the Senate confirm Mr. Leland's nomination.

Mr. Leland possesses an impressive record. In public service he has served as senior adviser to the U.S. delegation to the Mutual and Balanced Force Reduction Talks in Vienna, and as general counsel first for the Peace Corps and then for ACTION. In academia he has been a faculty fellow at the Harvard Law School in foreign and comparative law and a Ford Foundation fellow. Mr. Leland has also practiced law privately both in San Francisco and London.

As Deputy Under Secretary and Assistant Secretary for International Affairs at the Treasury Department, Mr. Leland will have a variety of responsibilities. He will advise and assist the Secretary and the Under Secretary for Monetary Affairs in the formulation and execution of policies dealing with international monetary, financial, commercial, energy, and trade policies and programs.

The Committee on Finance has reviewed Mr. Leland's financial position, the results of the investigation by the FBI and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.

I highly recommend Mr. Leland to you, and urge you to vote to approve his nomination.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The assistant legislative clerk read the nomination of Roger William Mehle, Jr., of New York, to be an Assistant Secretary.

● Mr. DOLE. Mr. President, on April 23 the Committee on Finance held hearings on the nomination of Roger W. Mehle, Jr., and found him to be eminently qualified by reason of his experience and character to perform the functions of Assistance Secretary of the Treasury for Domestic Finance.

Our committee voted unanimously to recommend Senate confirmation of Mr. Mehle's nomination.

Mr. Mehle brings to the post for which he has been nominated a unique combination of academic training and practical background. Mr. Mehle has been educated as a lawyer as well as a municipal finance specialist. In his last position as head of a major investment banking firm's public finance department, Roger Mehle demonstrated his thorough knowledge of the municipal finance field, his knowledge of people, and his obvious ability to take charge and get a job done. It is this background and these abilities which will make Mr. Mehle such a valuable resource in the Treasury.

As Assistant Secretary of the Treasury for Domestic Finance, Mr. Mehle will have wide-ranging responsibilities. He will be responsible for advising the Secretary and Under Secretary for Monetary Affairs on Federal finance, municipal finance, corporate finance, and financial institutions policy. These areas will include responsibility for the New York and Chrysler loan guarantees, the general Federal credit programs as well as Fedral policy for the beleaguered savings and loans institutions.

I highly recommend Mr. Mehle to you, and urge you to vote to approve his nomination.

The Committee on Finance has reviewed Mr. Mehle's financial position, the results of the investigation by the FBI, and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF COMMERCE

The assistant legislative clerk read the nomination of Lionel H. Olmer, of Maryland, to be Under Secretary of Commerce for International Trade.

● Mr. DOLE. Mr. President, on April 23, 1981, the Committee on Finance held a hearing on the nomination of Lionel H. Olmer to be Under Secretary of Commerce for International Trade. As chairman of the committee, it is a privilege and a pleasure to advise the Senate of the committee's decision by a unanimous vote on April 28, 1981, to report favorably the recommendation of Mr. Olmer. I might also note that the Committee on Banking, Housing, and Urban Affairs has also favorably reported this nomination.

Mr. President, the Committee on Finance has reviewed Mr. Olmer's financial position, the results of the investigation by the FBI, and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.

Mr. Olmer has been nominated to fill a critically important position in the administration. The Under Secretary of Commerce for International Trade, as head of the International Trade Administration, is responsible for coordinating all issues concerning trade administration, international economic policy and programs, and trade development in the Department of Commerce. Included in these responsibilities are administration of countervailing duty and antidumping investigations as well as administration of the trigger price mechanism. He also has responsibility for overseeing the functioning of the Export Administration Act.

The Under Secretary must also work closely with the Office of the U.S. Trade Representative. The USTR has lead responsibility for developing and coordinating U.S. trade policy. It is essential that the closest cooperation be maintained between the Under Secretary for International Trade and USTR if each office is to be able to effectively carry out its assigned functions.

Mr. Olmer has had a distinguished public and private career, providing him with an excellent background and experience for the position to which he has been nominated.

From 1977 until his nomination, he was director of international programs for Motorola, Inc., where he was responsible for development and implementation of international trade strategies. He was particularly concerned with the trade opportunities created by the multilateral trade negotiation agreements. Partly as a result of this effort, Motorola has become the first major U.S. high-technology manufacturer to penetrate the highly competitive Japanese public telecommunications market. In Africa, Mr. Olmer helped Motorola succeed in markets long dominated by European telephone equipment manufacturers.

Before joining Motorola, Mr. Olmer was in public service for nearly 5 years. He served on the President's Foreign Intelligence Advisory Board, ultimately as staff director. The Board, established by President Eisenhower in 1956, consisted of private citizens who advise the President on the adequacy of U.S. foreign intelligence, including economic intelligence.

Mr. Olmer is a graduate of the University of Connecticut and holds a law degree from the American University. He is a member of the Connecticut and District of Columbia bars.

He served as an officer in the U.S. Navy where he was assigned to the staff of the Chief of Naval Operations. He is a graduate of the National Defense University. He is also a member of the Board of Directors of the International Rescue Committee and Chairman of its Washington Advisory Group, a voluntary agency whose purpose is to aid in the relief and resettlement of refugees.

Mr. President, Mr. Olmer is well qualified to serve in this important position.

I urge that the Senate approve his nomination.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The assistant legislative clerk read the nomination of Raymond J. Waldmann, of Maryland, to be an Assistant Secretary.

● Mr. DOLE. Mr. President, on April 28, 1981, the Committee on Finance held a hearing on the nomination of Raymond J. Waldmann to be Assistant Secretary of Commerce for International Economic Policy. As chairman of the committee, it is a privilege and a pleasure to report the committee's decision by a unanimous vote to report favorably the recommendation of Mr. Waldmann. I might also note that the Committee on Banking, Housing, and Urban Affairs has also favorably reported this nomination.

Mr. President, the Committee on Finance has reviewed Mr. Waldmann's financial position, the results of the investigation by the FBI and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.

Mr. Waldmann has been nominated to fill a very important position in the administration. The Assistant Secretary for International Economic Policy is a principal officer responsible for formulating, recommending, and representing the Commerce Department's positions on economic policy, as it affects the trade position of the United States, including enforcement of the multilateral trade negotiations agreements, development of U.S. policies on foreign investment, and responsibility for sectoral trade policy and U.S. policies, legislation, and regulations affecting exports, including export finance, investment guarantees, taxation, antitrust, and the entire range of incentives and disincentives.

The Assistant Secretary must also work closely with the Office of the U.S. Trade Representative. The USTR has lead responsibility for developing and coordinating U.S. trade policy. It is essential that the closest cooperation be maintained between the Assistant Secretary for International Economic Policy and the USTR if each office is to be able to effectively carry out its assigned functions.

Mr. Waldmann has had a distinguished public and private career, providing him with an excellent background and experience for the position to which he has been nominated. From 1976 to the present, Mr. Waldmann was in practice in Washington, D.C., as an attorney, counseling clients in the areas of international investment, transportation, communications, and corporate matters. During this period, Mr. Waldmann wrote numerous articles and books on foreign investment in the United States and abroad, and on other international economic issues. He also served as chairman of the American Bar Association Committee on Foreign Investment in the United States, and editor of the ABA Intelligence Law Newsletter, and was a member of the Washington Institute of Foreign Affairs. He is also the chairman of the International Subcommittee of the U.S. Chamber of Commerce's Catastrophic Energy Working Group.

Prior to 1976, Mr. Waldmann had a distinguished record in public service, serving as staff assistant to the President for policy planning from 1970 to 1973, where he conducted policy studies on population growth, drug control, export expansion, and rural development, and as Deputy Assistant Secretary of State for Transportation and Telecommunications from 1973 to 1975, where he coordinated U.S. policy in international aviation, shipping, and communications, served as chairman of the U.S. delegation in numerous negotiations, including the first Intelsat Assembly, and coordinated the international activities of the CAB, the FCC, and FMC. From September 1975 to September 1976, Mr. Waldmann was special counsel to the President for review of the intelligence community and assisted in drafting foreign policy studies, the 1976 state of the Union message and the fiscal year 1977 budget.

Mr. Waldmann is a graduate of the Massachsuetts Institute of Technology, and has a law degree from Harvard Law School. He is a member of the Massachusetts and District of Columbia Bars, and has served as a management consultant with Arthur D. Little, specializing in regional development and management strategies.

Mr. President, Mr. Waldmann is well qualified to serve in this important position. I urge that the Senate approve his nomination.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The assistant legislative clerk read the nomination of Dorcas R. Hardy, of California, to be an Assistant Secretary.

● Mr. DOLE. Mr. President, on April 28, 1981, the Committee on Finance held a hearing on the nomination of Dorcas R. Hardy to be Assistant Secretary for Human Development Services in the Department of Health and Human Services. As chairman of the committee, it is my privilege to report the committee's unanimous decision to report favorably the nomination of Miss Hardy.

The Committee on Fnance has reviewed Miss Hardy's financial position, the results of the investigation by the FBI and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.

The office of Assistant Secretary for Human Development Services has wide-ranging and important duties. Miss Hardy will be directly responsible for administering programs in the area of vocational rehabilitation, developmental disabilities, title XX programs, Head Start, runaway youth, and the new title IV programs of foster care, adoption assistance and child welfare. I am convinced that Miss Hardy is aware of the intense interest of the U.S. Senate in the programs which she will direct if confirmed. These are programs which the Senate helped design and we will continue to monitor their implementation.

Miss Hardy comes to us with excellent qualifications for this position. Since 1974 she has served as the associate director of the University of Southern California's Center for Health Services Research. This multidisciplinary research center addresses economic, social and health policy issues. From January 1973 to April 1974 she was assistant secretary for health under Governor Ronald Reagan for the State of California. She also served 2 years as the executive director of the Health Services Industry Committee of the Cost of Living Council from 1971 to 1973.

Miss Hardy's career has provided her with a view of State and local government and their human services management problems as well as a perspective of the concerns of providers and consumers of services. She understands the crucial need for communication between the Congress and the executive branch. She understands the negotiations involved in this relationship and her priorities are one with the administration: To restore States to a full and effective partnership with the Federal Government. It is time for the States to begin to have the freedom to take responsibility to guide their human services programs.

In these times of limited resources and difficult decisions, we need people in the executive branch who understand our desire to move in a new direction. Dorcas Hardy is such a person. I highly recommend Miss Hardy to you, and I urge you to vote to approve her nomination.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The assistant legislative clerk read the nomination of John A. Svahn, of Maryland, to be Commissioner of Social Security.

● Mr. DOLE. Mr. President, the Committee on Finance held a hearing on April 28, 1981, to consider the nomination of John A. Svahn to be Commissioner of the Social Security Administration. Mr. Svahn's nomination was approved by a unanimous vote and, as chairman of the committee, I urge the full Senate to confirm Mr. Svahn today.

The Committee on Finance has reviewed Mr. Svahn's financial position, the results of the investigation by the

FBI and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.

Jack Svahn has been nominated to fill one of the most critical—and challenging positions in the Federal Government today. The position of Commissioner of Social Security is one of the most important in the Federal Government. Social security touches the lives of nearly every man, woman and child in our Nation, providing benefits to more than 36 million Americans and promising future benefits to the more than 100,000,000 men and women who are today investing their hard-earned tax dollars in the system. The Members of this body are fully aware of the problems facing the social security system—fiscal problems and administrative problems. SSA needs a full-time Commissioner. SSA needs a Commissioner whose dedication to the job and the program is total. Jack Svahn has demonstrated such dedication.

Members of the Finance Committee know Jack Svahn well. He has testified before our committee and has worked with us many times over his long career as a public official and a private industry advocate of the kinds of policy issues and management improvements he intends to bring to this post.

Beginning in 1971, as then-Governor Reagan's chief deputy director and later director of social welfare, Jack Svahn was a principal architect of the basic reforms of the Nation's largest State public welfare program which were widely adopted by other States throughout the country.

From 1973 through 1976, Mr. Svahn was responsible for major improvements in the Nation's welfare, medicaid and social services programs.

As acting commissioner of the then-Department of Health, Education, and Welfare's Community Services Administration and as Commissioner of its assistance payments administration, he made constructive changes in the AFDC and social services programs, improving their administration and strengthening the role of the States in their day-to-day operations.

As Deputy Administrator and Administrator of the Department's Social and Rehabilitation Service from 1974 through 1976, Jack Svahn played central roles in two major initiatives that took shape in close cooperation with this committee: the enactment of the historic title XX social services program and the title IV-D child support enforcement program.

From 1976 through 1980, Mr. Svahn served as a private consultant to industry, States and the Federal Government, concentrating on public management, health, welfare, and economic issues.

Jack Svahn would bring to the Social Security Administration a sense of purpose and a commonsense approach to its administration.

He has proven, by his performance in public office and his service with the Reagan administration transition teams on social security and health care financing, that he is a man well suited to help guide our social security and public assistance programs through the difficult times we all know to lie ahead. I urge his confirmation by the full Senate.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF DEFENSE

The assistant legislative clerk read the nomination of Henry E. Catto, Jr., of Virginia, to be an Assistant Secretary.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The assistant legislative clerk read the nomination of Russell A. Rourke, of Maryland, to be an Assistant Secretary.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF COMMERCE

The assistant legislative clerk read the nomination of Arlene Triplett, of Virginia, to be an Assistant Secretary.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The assistant legislative clerk read the nomination of Paul A. Vander Myde, of Virginia, to be an Assistant Secretary.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I understand this has been cleared on the minority side, as well.

REGULATORY REFORM BILL—REFERRAL WITH INSTRUCTIONS

Mr. BAKER. Mr. President, I ask unanimous consent that S. 1080, the regulatory reform bill, which has been referred jointly to the Committees on the Judiciary and Governmental Affairs now be referred with instructions that after one committee reports the bill, the other shall have 30 days in which to report or be deemed discharged from further consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ZORINSKY ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate convenes on Tuesday, May 5, following on after the time allocated to the two leaders under the standing order, there be a special order in favor of the Senator from Nebraska (Mr. ZORINSKY) for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

REQUEST FOR HEARING PERMISSION

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate Judiciary Committee on the Constitution be permitted to hold hearings beginning at 2 p.m. on May 6.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object.

Mr. HATCH. Mr. President, I withdraw that request.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

Mr. BAKER. Mr. President, I understand that Executive Calendar No. 126 has now been cleared. I inquire of the distinguished minority leader if that is correct?

Mr. ROBERT C. BYRD. That is correct.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to executive session for the purpose of considering Executive Calendar No. 126, the nomination of Edward N. Brandt, Jr., of Texas, to be an Assistant Secretary of Health and Human Services.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The assistant legislative clerk read the nomination of Edward N. Brandt, Jr., of Texas, to be an Assistant Secretary of Health and Human Services.

Mr. HATCH. Mr. President, I am honored to speak on behalf of the nomination of our country's next Assistant Secretary for Health in the Department of Health and Human Services, Dr. Edward Brandt. The Committee on Labor and Human Resources had the opportunity to hear and talk with Dr. Brandt on April 29, and voted in unison to report his nomination to the floor.

Prior to this confirmation hearing, I met several weeks earlier with Dr. Brandt, at which time he enumerated his views and expressed his opinion on a wide range of health-related issues—the dramatic scope of which further proving that this extraordinary man is right for the job he is being asked to perform.

Ed Brandt has been dealing with public health issues for 22 years. As vice chancellor for health affairs at the University of Texas Medical School, he earned a universally recognized reputation for intellectual honesty coupled with prolific qualities as a top administrator. Texas, because of its diverse population, reflects many of the same health problems which plague our Nation as a whole—all of us keeping in mind the legacy of "Texas Brags" that everything in Texas is bigger.

Now, Dr. Brandt will have the opportunity to perform his good work on a national scale. His résumé and formidable list of credits are further testimony to his ability to get this vital job done.

Dr. Brandt's philosophy and disposition are almost identical to those of President Reagan, and he can best assure a smooth transition to the administration's new health policies. He shares my own view that it is time to put a harness on Government controls, the regulatory apparatus which makes American health care one of the most regulated industries in the world. He stands for a return to free enterprise, a return to individual responsibility, the sense of community and the true charity which made this country great.

With all of this in mind, I look forward to working with Dr. Brandt, as do the members of the Labor and Human Resources Committee, and encourage my colleagues to vote for his nomination's approval without delay. Thank you.

(By request of Mr. ROBERT C. BYRD, the following statement was ordered to be printed in the RECORD.)

● Mr. BENTSEN. Mr. President, I want to commend President Reagan for nominating Dr. Edward N. Brandt, Jr., to be Assistant Secretary for Health Affairs at the Department of Health and Human Services, and I urge my colleagues to join me in voting to confirm his appointment.

Ed Brandt is an excellent choice for this position and will bring a wealth of expertise and a proven record of achievement to his new post at HHS.

After earning his medical and doctoral degrees and teaching for several years at the University of Oklahoma, Dr. Brandt moved to the University of Texas and rose through the administrative ranks to become vice chancellor for health affairs of the 109,600 student system. As vice chancellor of one of the country's largest and most diverse medical education systems, Ed Brandt assumed a leadership role in the development of a family practice residency program which has successfully placed physicians in rural communities throughout the Southwest.

In 1979 Ed was the recipient of a special award from the Texas Academy of Family Physicians for his "significant contributions to the teaching of family medicine."

While with the University of Texas system, Dr. Brandt also functioned in the capacity of university liaison to the health profession organizations. His success in forging linkages between the teaching and practice of medicine has been such that the Governor of Texas recently selected him to chair a statewide Medical Education Management Effectiveness Committee—designed to bring management techniques to the medical education/health science sector of State government and to insure that academic preparation is keyed to the State's health care needs.

In addition to his academic and administrative duties, Ed Brandt has made significant contributions to a wide range of health-related activities. He has served, for example, as chairman of the National Institutes of Health Primate Center's Review Committee, chairman of the Task Force on Access to Health Care of the Texas Medical Association, chairman of the Section on Medical Schools of the American Medical Association, and chairman of the American Medical Association Committee on Accreditation of Continuing Medical Education.

Dr. Brandt's excellent record in the health-care field is complemented by his outstanding scholarly contributions as author of more than 100 papers, editorials, book reviews, and abstracts.

Mr. President, at a time when we are facing some very difficult and significant choices about how the Federal Government can most effectively support health services and research; when we are searching for ways to increase the number of Americans willing to enter many of the health-care professions; when we are committed to providing the American people with the most advanced levels of care at the lowest possible cost to the taxpayer, then I believe it is essential to have that effort guided by talented, innovative, compassionate, and experienced professionals.

I congratulate President Reagan on his selection of Ed Brandt for this crucial position at the Department of Health and Human Services, and I am proud to lend my enthusiastic support to his confirmation.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to the various nominations just dealt with.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The distinguished majority leader has the floor.

Mr. BAKER. Mr. President, I commend the Chair for his attention. I apologize for permitting time to escape.

The minority leader and I are trying to arrange the schedule for the consideration of seven nominees from the Foreign Relations Committee for tomorrow. I think we are making good progress. I apologize for the delay.

At the moment, I was intending to pursue that inquiry. While we may still try to do that, for the moment I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MARIE ABRAMS: A "NEAT" VOLUNTEER

Mr. FORD. Mr. President, the Louisville section of the National Council of Jewish Women has selected Marie Abrams as the recipient of the 1981 Hannah G. Solomon Award.

This award is presented to an outstanding person in the community who has made significant contributions in education, family life and other areas through her civic efforts.

I can think of no one more deserving of this honor than Marie. It is an appropriate tribute to an individual who has, through the years, unselfishly given of her time and talents to make her community and State a better place.

A partial list of Marie's accomplishments includes: NCJW Louisville section president (1975–77); National NCJW board member (1977–81); charter president of Kentucky Youth Advocates (1977); chair of Community Relations Council (1981); chairperson of the task force on educational funding for Jefferson County Schools; chaired Kentucky Commission on Women (1974–78) and now is a member of the commission; recipient of Young Leadership Award by Jewish Community Federation (1976).

I have had the pleasure of working with Marie on many occasions and I am pleased to see this recognition come her way. Marie's civic accomplishments were highlighted in a recent article in the Courier-Journal. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MARIE ABRAMS: A "NEAT" VOLUNTEER

(By Yvonne Eaton)

Periodically, Marie Abrams thinks "It's time I finish growing up and decide what I want to do as an adult. There's a real danger my kids will make career decisions before I do."

But then she tells herself that none of the jobs available can match her volunteer work for excitement.

One suspects it'll be a while before Mrs. Abrams gives up her volunteer work and her commitment to the community. They've been an important part of her life too many years.

The National Council of Jewish Women, Louisville Section, will recognize Mrs. Abrams' volunteer work for the community and the council Thursday when it presents her with the Hannah G. Solomon Award at 7:30 p.m. at The Temple.

The award, which is given by National Council of Jewish Women sections all over the country, was named for a Jewish woman who organized a women's program for the Parliament of Religions at the 1893 Chicago World's Fair. Jewish men had said they didn't need the women's help. Mrs. Abrams describes Mrs. Solomon as "one of the original pushy women."

Mrs. Abrams' résumé in volunteer work covers many areas, but she says that if she has any specialties they are youth and family.

She's on the boards of the Louisville section of the National Council of Jewish Women, the Kentucky Youth Advocates, of which she was charter president, and Jewish Hospital. She chairs the Task Force on Educational Funding for Jefferson County schools and the community-relations council for the Jewish Community Federation, of which she is also a board member. She is a member of the public-education committee of the Louisville Area Chamber of Commerce and the state Legislative Research Commission task force to review the Juvenile Code.

In the past Mrs. Abrams served as chairwoman of the Kentucky Commission on Women, on the national board of the National Council of Jewish Women, and on the Governor's Task Force on Juvenile Delinquency. She was chairwoman of the task force's subcommittee on status offenders.

Volunteer activity "is one ego trip after another," Mrs. Abrams says. "Nothing is more fun than to take on a volunteer project and carry it out and see it finished. When you see the (juvenile) detention center is not on top of the jail and know you are a part of seeing it was a separate center, it's just really neat—neat, that's what my kids taught me."

Mrs. Abrams puts in as many hours on her projects as do most paid workers. She estimates "in excess of 40 hours, though I've never added them up. I guess I didn't want to." Often she has a meeting every week night but one.

What concerns Mrs. Abrams is that "In this society in which we live status is achieved by the amount of money earned. If this is true then the volunteer job becomes worthless" and a lot of women don't want to be volunteers.

The 43-year-old Mrs. Abrams comes across as forthright and articulate. Nothing incenses her more than to be told something's "never been done that way before. If somebody tells me something thats not logical, I dig my heels in . . . I think the most important thing we can teach our children is that the meek don't inherit the earth. The meek get dumped on.

Mrs. Abrams isn't interested in running for political office again because "I like being able to be forthright in what I want to say." Of her losing race in 1969 for state representative on the Democratic ticket, Mrs. Abrams says, "I was glorious in defeat."

Mrs. Abrams thinks her forthrightness can be traced back to her family and being an only child.

She can remember political discussions in her Louisville home that ended in agruments between her and her father, Leo Kahn. "He would say, 'What do you know? You're naive.'" And she would answer, "What do you know? You're a bigot." But "we both knew neither of this was true," Mrs. Abrams said. She is very close to her parents and describes them as "very neat people."

Mrs. Abrams says her mother taught her to always be the best, to learn and ask questions. From her father she learned, "You can do anything you want to do."

Family and religion are important to Mrs. Abrams.

"No one can work as a volunteer and work the hours I work without the support of my family," she says. Her husband, Ronald, a certified public accountant, is "especially supportive." And he, too, is involved in volunteer work in both the general and Jewish community.

Both believe in the saying, "It is not incumbent upon you to complete the task but neither are you free to desist from its altogether." Part of Mrs. Abrams' volunteer work relates to her trying to show by example what's important in life. She recalls that when her daughter, Beth, had finished the second grade in Sunday school she announced she was going to quit because it was boring. Her mother decided to teach Sunday school to show her daughter its importance. Beth, now 18, is a freshman at George Washington University, and her brother Marc, 16, is a junior at Central High School. Mrs. Abrams is pleased that both have been involved in volunteer activities at The Temple and their schools.

There's a framed quote in Mrs. Abrams' kitchen on Lime Kiln Lane that tells something of her philosophy about raising children. It reads, "There are only two lasting bequests we can give our children. One is roots, the other wings."

The wings, she says, have to be started early so children can learn independence. "You don't start at 17 to let them be involved in decisions." When her children were young, Mrs. Abrams has "home more days than I was out. My volunteer work was gradual."

Mrs. Abrams thinks her motivation "came from my Jewishness. Someone once said, 'There's no such things as a Jewish ostrich.' We look at everything in the world around us."

From her "Jewishness," she learned to try to see that justice is done, to work on the cause rather than the effect. "That's what leads me into advocacy," she notes.

The National Council of Jewish Women was the root of her volunteer work, Mrs. Abrams says. Through it she became involved in the community and learned how to stand up and talk about issues to the public.

One of her most exciting experiences was testifying before the U. S. Senate on tax credits. She entered her testimony in the record and then spoke off the cuff. "It was fun. I liked it. I wasn't afraid. It was like a challenge," she says.

Twice in her life Mrs. Abrams has worked for pay. She taught at Southern High School for 1½ years after she was graduated from the University of Louisville in 1959, and was a substiute teacher for a couple of years.

(Earlier she attended Vanderbilt University two years, where she met her husband, a New York native, and married him in 1958.)

During the 1972 and 1974 state legislative sessions Mrs. Abrams worked for Gov. Wendell Ford as a paid administrative aide, working with volunteers who were interest in legislation.

In those few months she found she had more free time than when she was volunteering. "I was excused from all community responsibilities," she believes "When women enter the work force they shouldn't forget all about the community."

Proposed cuts in government funds make Mrs. Abrams "terribly disturbed and pessimistic about education and all human services . . . All my constituency are going to be fighting each other for the same dollar. I think that could be dangerous to society."

Mrs. Abrams says her friends claim she doesn't live in the real world and that she is naive, a description with which she disagrees.

She concedes, however, that she doesn't want "to be involved in watching dishonesty and corruption. I hate gossip and I don't want to know about personal and private lives. I don't like pettiness."

Although she knows that her volunteer work might not make the world different, she "can't see injustice done and not try to stop it. That keeps me in tune with the real world," she says.

She thinks the "real" world of business should use, in part-time paying positions, the skills that volunteers like herself have learned.

If this is possible, will Mrs. Abrams join the work force? "In another year I'll have no kids at home and I don't want to be tied down."

J. R. MILLER RETIRES AMID PRAISES

Mr. FORD. Mr. President, the longtime president and chief executive officer of the Green River Electric Corp. in Owensboro, Ky., J. R. Miller, retired on March 31 after 35 years of distinguished service.

I would like to say a few words in tribute to the impact on improving the quality of life and the future of the Green River area.

At the time J. R. assumed leadership of GREC in 1946, the cooperative had 3,823 consumers and 773 miles of line. At the end of 1980, consumer accounts numbered more than 21,000 along more than 3,000 miles of line in the nine county service area.

Under Miller's leadership, the cooperative has experienced unequalled growth and now sells more electricity than any other electric distribution cooperative in the Nation.

But his interests and endeavors have not been limited to the role of Green River Electric in meeting the area's energy needs. He has taken an active role in scouting, the political arena, higher education, and fundraising for worthy causes.

He has been active in Jaycees, the Owensboro-Daviess County Chamber of Commerce, the Owensboro YMCA, and has served on the board of trustees of both Brescia College and Kentucky Wesleyan College. He is currently a member

of the regional executive committee and national board of directors of Boy Scouts of America.

He also is now serving in his first term as major of Owensboro, where he has continued his commitment to orderly growth and responsible leadership.

So, in reality, J. R. has merely ended one career and started another where he will continue to be a driving, active and positive influence in behalf of his community, area, and State. The impact he has had—and continues to have—on the local, State, and national level will be a lasting tribute to his intellect and aggressive work.

A recent article in the Owensboro Messenger-Inquirer reflected the role J. R. has played in promoting the growth and prosperity of the area served by Green River Electric and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MILLER EXITS GREEN RIVER COOPERATIVE AMID PRAISE

(By Cheryl Truman)

There was little fanfare on J. R. Miller's last day as manager of Green River Electric Corp. The desk in his office was nearly clear of papers, contracts, memos—the litter of decision-making.

A single pink-and-white birthday card on the desk marked Miller's 65th birthday. It said, "To the world's greatest thinker."

Miller, now 65, started out in 1935 as a serviceman and part-time salesman for Mississippi Power and Light Co. and in 1938 became manager of Rural Electric System in southwest Mississippi.

A Mississippi native, Miller came to Kentucky on a temporary basis when he accepted a job with Green River in Owensboro rather than one at another utility in Bardstown. He said he came to Owensboro "because I thought I could get the job done quicker and move on."

That was 35 years ago.

Miller, who is in his second year as mayor of Owensboro, has served as manager, president and, more recently, chief executive officer-president of Green River.

"I think we're leaving it a viable utility," Miller said Tuesday.

However, a former board member of Green River said that assessment is too modest. "He's recognized as one of the three best co-op managers in the United States," said T. H. Leet, who served on the Green River Board for 36 years (1944–80). "He's done more for this whole section of the country . . . than anybody I know of."

Dean Stanley, Miller's successor at Green River, also praised Miller's work in developing the cooperative, saying that "J. R. Miller to me is one of a kind individual . . . I don't think anyone could ask for any other opportunities than what J. R. has given me."

In 1938, Green River was formed with 811 customers, mainly farm families who wanted lights. By the time Miller came to Green River, there were 3,823 customers and 733 miles of line.

Today, it handles approximately 18,000 customers. And over the years, electricity has come to mean more than lights. It means industry.

Miller said that the Big Rivers Electric Corp., Green River's power wholesaler, was created in part as a response to a desire to create capacity for industrial development in the area around Owensboro.

"We had to have a source of electricity if we were going to develop economically," Miller said. "It became evident then if there was going to be any industrial or economic development in our area, we had to find sources of power acceptable to industry."

The industrialization of Hancock County is a result of the increased power supply, Miller said.

He served as both manager of Green River and coordinator of Big Rivers until a permanent manager for Big Rivers was named in 1962.

"I have never nor do I now make any attempt to build monuments," Miller said, referring to his involvement in the creation of Big Rivers. "I simply want to see it succeed as a power source."

"You do what needs to be done to meet the demands," he said.

But even Big Rivers may be outgrown, Miller said, if synthetic fuels development takes place in the Owensboro area.

"We don't have the capacity to serve them (the synfuels plants)," Miller said. "I had no interest in it from the electric sales standpoint."

He said his support of synfuels development was based on the economic boon it would create for the affected communities and on the concept of U.S. energy independence.

But, according to Miller, if synfuels plants are regulated as strictly by the federal government as are power facilities, the plants could not be built at all.

Miller said that what he believes are unnecessary and excessive pollution regulations have not been as effective as the government anticipated and that the costs of implementing the regulations have been passed on to the consumer.

Six years ago, Miller predicted that if federal regulation did not ease up, utility costs would double by 1980. "I was wrong," he said Tuesday. "They more than doubled."

In 1978, Miller testified before a subcommittee of the U.S. Senate Commerce Committee that "If these increased costs . . . are any indication of what costs are going to be for the electric utility industry to meet demands for the next two decades, then there is not a question of shortage of electricity. There is a question of whether or not the public can pay for it."

Miller also discussed an issue that has repeatedly been in the public eye over the last decade, Green River's 20-year service area agreement with Owensboro Municipal Utilities. The agreement allowed OMU to pick up the area inside the U.S. 60 by pass, or approximately seven square miles. However, the agreement did not permit OMU to indefinitely expand its service area as the city annexes, a right it had under a contract that was terminated in 1974.

In 1975, Miller said that if that agreement was continued, "If I agree with what they (city of Owensboro) are asking me to agree to, I would be committing extinction of Green River."

Miller said he did not argue about what territory the city should or should not serve. "We recognized that . . . the city has a right to grow, and we wanted it to grow."

He said he is not antagonistic toward OMU because of the dispute.

But Miller was in the center of another OMU-related controversy when he ran for mayor in 1979. Miller at that time pledged to withdrew from the nominating process for OMU board members, a pledge Miller said he regrets.

"I think any man with integrity can vote his conscience based on the facts," he said.

Miller said he decided five years ago that he wanted to retire from Green River at 65 but added that he was looking at several options to return to work at a later date.

He would not elaborate on what those options are or when he would make a decision on them.

Meanwhile, he said his retirement from Green River and the appointment of Bill Sequino as Owensboro city manager should "relieve me of the day-to-day, nitty gritty decisions I've had to make in the past weeks and months."

"I think I can be absent for great periods of time and not be concerned about it," Miller said.

Retirement promises a change in lifestyle, Miller said. "This will be the first time in 50 years I've been unemployed," he said. "I am looking forward to the day when I don't have the requirement to do anything except what I want to do."

He will not be keeping his office at Green River, Miller said. "I won't look over anyone's shoulder," he said.

THE SALE OF AWACS TO SAUDI ARABIA

Mr. FORD. Mr. President, 4 weeks ago, I spoke against the proposed upgrading of the F–15's we have agreed to sell to Saudi Arabia. My objections not only still stand, but can also be applied to the proposal to sell the Saudis five AWACS: This advanced weapon system will threaten the security of Israel and will engender another costly round of arms spending as Israel tries to regain her compromised air superiority. We have seen these two problems aise in the Middle East before and they are not new arguments.

What is different this time is the dimension that would be added to the next Arab-Israeli conflict. At the first sign of a threat from anybody, be it Iraq or Syria, Israel would almost certainly launch a preemptive strike against the AWACS planes lest the Saudis offer their use to a neighbor. Heretofore reluctant to commit themselves to armed aggression against Israel, intentionally or not, the Saudis would become involved in war. As the Wall Street Journal so astutely observes:

AWACS isn't the only thing likely to come crashing down. How long would the House of Saud survive?

Mr. President, the question of the survival of the Royal Family obviously has not been seriously considered by either the administration or the Saudi Government. The AWACS sale brings with it the very real possibility of absolute disaster. Luckily the proposal will not be sent to the Congress until the autumn and there is time to think again about its merits.

I ask unanimous consent that the Journal editoral of April 20 be printed in the RECORD, and urge my colleagues to read it carefully.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SELLING THE SAUDIS TARGETS

The Reagan administration seems to be pulling back from a decision to sell AWACS aircraft to Saudi Arabia. If that's so, it comes as welcome news.

AWACS stands for airborne warning and control system—a flying computer jammed with sensitive radar and electronics that can see over the horizon, monitor enemy deployments and communications, and direct an attack. Five of the aircraft were to have been included in an arms deal that initially took shape in the Carter administration.

A number of arguments against the sale have been advanced, however, and the administration now indicates it is rethinking its position rather than face a sure fight in Congress. But the deal seems far from dead.

and so far as we can tell the most telling argument against selling AWACS to the Saudis hasn't yet surfaced. This is the danger that an AWACS sale would pose to our own chief goal in the Persian Gulf—Saudi stability.

The overall arms deal, which includes F15 fighters and air-to-air missiles, has already attracted a good deal of heat. Israel understandably objects to our selling any such sophisticated equipment to a country that supports the Palestine Liberation Organization. To Israel and its powerful friends in Congress, it was bad enough when the Carter administration began talking about selling the F15s. Then the Reagan administration moved toward adding long-range fuel tanks to the F15s, which might enable them to strike Israel directly. Now comes AWACs, possibly the most sophisticated weapon extant.

There have also been persuasive objections from the American side. An AWACS sale to a backward kingdom like Saudi Arabia makes little sense, it's argued. The Saudis would be unable to properly operate them anyway, and they might fall into enemy hands, as much equipment in Iran did. If AWACS are needed in the area, better to man them ourselves, as we did when the Iran-Iraq war threatened to spill over into Saudi Arabia.

All of these arguments make some sense to us. But the really compelling argument involves what might happen to an AWACS-armed Saudi Arabia.

It's not too difficult to imagine the Middle East situation heating up again to the point of war. As in the past, Israel might launch a preemptive strike that has as its goal, say, the neutralization of growing Syrian strength. But the first target to be attacked probably wouldn't be Baghdad. It would almost certainly be the AWACS planes with which Saudi Arabia would be temped to aid its Arab friends.

For the first time, in other words, Saudi Arabia would be directly involved in a Middle East conflict. AWACS may be a mighty fortress in the sky, but given the Israeli record it's not likely to be a fortress the Israelis can't overcome. And if Israel succeeds, AWACS isn't the only thing likely to come crashing down. How long would the House of Saud survive?

Nowhere do we find an indication that the Reagan administration has considered this potentially disastrous possibility. If not, its appalling. We hope it's only a case of a missed connection between the strategic thinkers at State and Defense and the top decision-makers, a problem that may be alleviated once the logjam of middle-level political appointments is broken. But whatever the case, we hope that the administration will go no further with the notion of making targets out of the Saudis.

THE ADOLESCENT FAMILY LIFE BILL—S. 1090

Mr. HATCH. Mr. President, I am honored to join as a principal cosponsor of the adolescent family life legislation introduced by my distinguished colleague from Alabama, Senator DENTON. I do so acknowledging the leadership and foresight Senator DENTON embodies in this and so much of what he does. These are difficult times for our Nation. We are focusing much of our attention on attempts to improve our economic problems. Yet there is another and equally important set of problems, Mr. President, which affects the moral and social fiber of America, and which can have long-range consequences equally as damaging as our economic troubles. These are the problems that occur when our young adolescents become prematurely involved in sexual activity, which then can lead to additional problems of adolescent contraceptive use, adolescent pregnancy, adolescents being invloved in abortions, and adolescent childbearing.

These related problems strike at the heart of American family life. I have said many times before, and reaffirm today my firm conviction, that the families of America are our greatest national resouce. Family life provides the foundation upon which a healthy and prosperous society can develop. Any force that trends to undermine family life, and the vital relationships between individuals in family, strikes at the roots of our society itself. One of the family's necessary roles is providing for, socializing, and taking responsibility for the development of our children. Another of the family's primary functions is found in the marriage relationship where couples seek and find love, companionship, and security. When young people engage in intimate physical relationshps before they are ready or willing to take on the responsibilities of either marriage or childbearing, they jeopardize their own emotional and physical health, and they jeopardize their chances for establishing satisfying and productive families of their own.

Too often in the past, we have addressed these problems faced by our young people from a perspective that is is too narrow and which ignores the moral guidance and supportive strength which can be provided to them by their own families. We have supposed that all our problems would be solved if we faced these complex social, moral, emotional, and family issues by improving birth prevention technology, and distributing contraceptives—at Government expense—to all who wanted them. But by adopting an approach that emphasizes the biology of sex, and contraceptive technology, as we look at current trends we find we have taken the wrong path in approaching these adolescent problems.

Mr. President, during the past decade we have spent more than $1.5 billion on what has been called "family planning services," though as far as adolescents are concerned, I do not think that name is very appropriate. During that same decade the percent of out-of-wedlock births for all women under 20 who gave birth has risen from 31.5 percent in 1970 to 44.9 percent, and is probably approaching 50 percent today. The percent of never-married women ages 15 to 19 who have experienced sexual intercourse has risen 66.7 percent between 1971 and 1979. The number of abortions performed on teenaged females has risen from 243,440 in 1973 to 442,900 in 1978, and is probably over 500,000 now. Though these statistics are shocking, they represent many young lives that have been severely damaged, and millions of babies who will not have the opportunity to grow up in family circumstances which would promote their optimal development.

The bill introduced today by my friend and colleague from Alabama, Senator DENTON, seeks to address the problem of adolescent sexual activity—and the train of problems that follow it—by promoting approaches that are much broader, and I believe much wiser, than the unsuccessful, narrow, and insensitive approaches of the past. The adolescent family life bill declares that its primary purpose is to seek family-centered solutions to these problems. We must seek to promote a dialog between parents and their adolescent children. We must seek to bring the resources of the family to bear in working with our young people. I strongly believe that this is a far better approach than encouraging federally funded agencies to intervene between parents and their children.

This bill also seeks to promote adoption as a positive option. There is ample research to demonstrate that trying to raise a baby as a young, single teenage mother is a very difficult and discouraging task. Such mothers are much more likely to become dependent on welfare, drop out of school, and be faced with a lifetime of lower income. For many of these young women, adoption offers the opportunity for the baby to be provided with a fine home when the mother herself is unable to care for and raise it herself.

Mr. President, I believe that my distinguished colleague from Alabama is ahead of his time with the introduction of this bill. In closing, let me say that even though these problems are serious, I believe we can begin to develop family-centered solutions that will work. I hope we can all support increased efforts to find solutions to these personal and very delicate problems, and the subsequent personal tragedies which can and do result from them.

AUTHORITY FOR THE RECORD TO REMAIN OPEN UNTIL 5 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that the RECORD remain open until 5 o'clock today.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEE ON FOREIGN RELATIONS TO FILE REPORT TONIGHT

Mr. BAKER. Mr. President, this matter has been cleared on the minority side.

I ask unanimous consent that the Committee on Foreign Relations have until midnight tonight to file a report on the nominations of Chester A. Crocker and Myer Rashish.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of April 29, 1981, the Secretary of the Senate, on May 1 and May 4, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on May 1 and May 4, 1981, are printed at the end of the Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. STAFFORD, from the Committee on Environment and Public Works:

Ann McGill Gorsuch, of Colorado, to be Administrator of the Environmental Protection Agency.

John Whitlock Hernandez, Jr., of New Mexico, to be Deputy Administrator of the Environmental Protection Agency.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1056. A communication from the Secretary of Agriculture transmitting a draft of proposed legislation to implement the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for Such Carriage; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1057. A communication from the Acting Assistant Secretary of Agriculture for Governmental and Public Affairs, transmitting, pursuant to law, Part One of the Annual Report of the Department of Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1058. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Department of Agriculture Should Have More Authority to Assess User Charges;" to the Committee on Agriculture, Nutrition, and Forestry.

EC–1059. A communication from the Secretary of the Interior transmitting, pursuant to law, notice of the required soil survey and land classification prior to construction of irrigation facilities for the West Oakes portion of the Garrison Diversion United; to the Committee on Appropriations.

EC–1060. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, the Report of the Board of Visitors, U.S. Air Force Academy; to the Committee on Armed Services.

EC–1061. A communication from the Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report on the progress of the Reserve Officers' Training Corps Flight Training Program for 1980; to the Committee on Armed Services.

EC–1062. A communication from the Acting Assistant Secretary of Defense, transmitting, pursuant to law, the Historical and Archeological Survey of the Frankford Arsenal; to the Committee on Armed Services.

EC–1063. A communication from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation entitled "Housing and Community Development Amendments of 1981"; to the Committee on Banking, Housing, and Urban Affairs.

EC–1064. A communication from the Comptroller General, transmitting, pursuant to law, a report entitled "The Federal Structure For Examining Financial Institutions Can Be Improved"; to Committee on Banking, Housing, and Urban Affairs.

EC–1065. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to further amend the Marine Mammal Protection Act of 1972, to authorize appropriations for fiscal year 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–1066. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Act of August 11, 1939, as amended, to provide that funds to be expended under the Act must first be approved through an appropriation act, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–1067. A communication from the Acting Chairman of the Interstate Commerce Commission, transmitting a draft of proposed legislation to amend the Interstate Commerce Act (49 U.S.C. 10101 et seq.) to eliminate gender-specific language contained in the Act; to the Committee on Commerce, Science, and Transportation.

EC–1068. A communication from the Secretary of Transportation, transmitting, pursuant to law, proposed revisions to previously submitted proposed legislation relating to Amtrak; to the Committee on Commerce, Science, and Transportation.

EC–1069. A communication from the Acting General Counsel of the Department of Energy, transmitting a draft of proposed legislation to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1982 and fiscal year 1983, and for other purposes; to the Committee on Energy and Natural Resources.

EC–1070. A communication from the Under Secretary of the Interior, transmitting, pursuant to law, notice of a proposed oil lease on the Outer Continental Shelf; to the Committee on Energy and Natural Resources,

EC–1071. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the U.S. Appraisers Stores, Boston, Massachusetts; to the Committee on Environment and Public Works.

EC–1072. A communication from the Secretary of Health and Human Services, transmitting notice that the annual report on title XX of the Social Security Act will be late; to the Committee on Finance.

EC–1073. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Assurance Needed That Import Classifications Are Accurate"; to the Committee on Finance.

EC–1074. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Fictitious Tax Deposit Claims Plague IRS"; to the Committee on Finance.

EC–1075. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Improving Independent Evaluation Systems In The Multilateral Development Banks"; to the Committee on Foreign Relations.

EC–1076. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Management Problems With AID's Health-Care Projects Impede Success"; to the Committee on Foreign Relations.

EC–1077. A communication from the President of the Inter-American Foundation, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1969 to authorize appropriations for the Inter-American Foundation; to the Committee on Foreign Relations.

EC–1078. A communication from the Senior Associate General Counsel of the Federal Home Loan Bank Board, transmitting, pursuant to law, notice of a proposed new system of records for the Board for implementing the Privacy Act; to the Committee on Governmental Affairs .

EC–1079. A communication from the Deputy Assistant Secretary of Housing and Urban Development, transmitting, pursuant to law, a report on a new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–1080. A communication from the Director of Administration, Department of Energy, transmitting, pursuant to law, a report on a new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–1081. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Federal Payment to the District of Columbia: Experience Since Home Rule—Analysis of Proposals for Change"; to the Committee on Governmental Affairs.

EC–1082. A communication from the Director of the Administrative Office of the United States Courts, transmitting a draft of proposed legislation to extend the authorization for the Contract Services for Drug Dependent Federal Offenders Act of 1978; to the Committee on the Judiciary.

EC–1083. A communication from the Administrator of the U.S. Small Business Administration, transmitting, pursuant to law, the annual report of the Administration on activities under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–1084. A communication from the Acting Commissioner of Immigration and Naturalization transmitting, pursuant to law, a report on the case of an alien found admissible to the United States; to the Committee on the Judiciary.

EC–1085. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation the Head Start and Native American programs; to the Committees on Labor and Human Resources.

EC–1086. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the implementation of the Age Discrimination Act; to the Committee on Labor and Human Resources.

EC–1087. A communication from the Special Assistant, Office of the Secretary of Defense, transmitting, pursuant to law, the report of the Department of procurement from small and other business firms for October, 1980; to the Committee on Small Business.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–75. A resolution adopted by the Board of Directors of Gold Kist, Inc., relating to the peanut price support program; to the Committee on Agriculture, Nutrition, and Forestry.

POM–76. A resolution adopted by the Senate of the Commonwealth of Massachusetts; to the Committee on Appropriations:

"RESOLUTION

"Whereas, investigators and auditors of the Energy Department of the United States have found a pattern of trading in crude oil that they believe to be part of a criminal conspiracy to reclassify inexpensive 'old' oil for highly priced foreign oil; and

"Whereas, the Houston, Texas, office of the Energy Department has called for a grand jury investigation of the matter; and

"Whereas, the major oil companies have reaped major financial benefits from the reclassification transactions at the expense of the American consumer; and

"Whereas, the continued investigation by the Energy Department of the alleged criminal conduct will be effectively blocked by budget cuts proposed by the President of the United States: now therefore be it

"*Resolved*, That the Massachusetts Senate memorialize the President and the Congress of the United States to take the steps necessary to preserve the funding of the Energy Department investigation of criminal activity in crude oil transactions; and be it further

"*Resolved*, That copies of these resolutions

be transmitted forthwith by the clerk of the Senate to the President of the United States, the presiding officers of both branches of the Congress of the United States, and to the members thereof from the commonwealth."

POM–77. A resolution adopted by the Senate of the Commonwealth of Massachusetts; to the Committee on Appropriations:

"RESOLUTION

"Whereas, after five years of bipartisan effort, the adoption assistance and Child Welfare Act was enacted by the Federal Government, and

"Whereas, the act provides funds for the protection of children and families, adoption subsidies, and family reunification services; and

"Whereas, the objective of the act is to break the cycle of children drifting from foster home to foster home, to prevent child abuse and to reunite families; and

"Whereas, budget cuts proposed by President Reagan would effectively eliminate the foster care and adoption reforms by merging the funding with forty other programs; and

"Whereas, the ways and means committee of the United States House of Representatives and the finance Committee of the United States Senate will soon make major decisions on budget matters; now therefore be it

"Resolved, that the Massachusetts Senate memorialize the President and the Congress of the United States to preserve the funding of the Adoption Assistance and Child Welfare Act; and be it further

"Resolved, that copies of these resolutions be delivered forthwith by the clerk of the Senate to the President of the United States, the presiding officers of the United States Senate and the House of Representatives, and to the members thereof, from the commonwealth."

POM–78. A joint resolution adopted by the Legislature of the State of California; to the Committee on Armed Services:

"RESOLUTION CHAPTER—

"Assembly Joint Resolution No. 32—Relative to closure of McClellan Air Force Base.

"LEGISLATIVE COUNSEL'S DIGEST

"AJR 32, Moorhead. McClellan Air Force Base: closure. This measure would memorialize the President and Congress to oppose proposals to close McClellan Air Force Base.

"Whereas, McClellan Air Force Base, located in the Capital City of Sacramento, California, is one of five major air force logistic command centers in the United States; and

"Whereas, the base has been a major aircraft repair facility for over 45 years; and

"Whereas, McClellan is the sixth largest U.S. Air Force Base with 12,800 civilian employees and 3,600 military personnel; and

"Whereas, McClellan is the home facility for other critical and essential military organizations, including the headquarters for an Air Rescue and Weather Reconnaissance Wing as well as the only air force communications group responsible for all message traffic to Hawaii, Guam, the Philippines, Okinawa, Japan, and Korea; and

"Whereas, the base plays a key function in supporting the responsibility of the Strategic Air Command (SAC) in the maintenance of, and communications for, the mission of SAC; and

"Whereas, McClellan has been a part of the State of California prior to the building of our armed forces during World War II, and could not be duplicated today without expending an estimated one to two billion dollars; and

"Whereas, McClellan Air Force Base is geographically and strategically located on the West Coast and serves as a gateway to our forces in the Pacific Basin; and

"Whereas, information has been received by the Legislature regarding the future closure of McClellan in the Defense Department programming of military installations; and

"Whereas, the potential loss both to the personnel of McClellan as well as the State of California which would result from this proposed closure is inestimable in terms of technology, health and welfare, jobs, and community spirit; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California repectfully memorializes the President and Congress of the United States to reconsider the strategic importance of McClellan Air Force Base and to oppose proposals to close this important military installation; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM–79. A petition from a citizen of Mount Kisco, New York, favoring congressional cooperation with the efforts of the Reagan Administration to strengthen the military power of the United States; to the Committee on Armed Services.

POM–80. A concurrent resolution adopted by the Legislature of the State of Utah; to the Committee on Commerce, Science, and Transportation:

"RESOLUTION

"Be it resolved by the Legislature of the State of Utah, the Governor concurring therein:

"Whereas, consumption of alcoholic beverages constitutes the United States' most severe drug problem, resulting in more illness, injury, and death than from all other drugs combined;

"Whereas, the consumption of alcoholic beverages presents a special danger for youth;

"Whereas, the National Institute on Alcohol Abuse and Alcoholism in its Fourth Special Report to Congress on Alcohol and Health of 1979, estimated that the excessive consumption of alcoholic beverages in that year alone cost the United States approximately $42,750,000,000, breaking down the cost as follows:

Lost Production	$19,640,000,000
Health and Medical	12,740,000,000
Motor Vehicle Accidents	5,140,000,000
Violent Crime	2,860,000,000
Social Responses	1,940,000,000
Fire Losses	430,000,000
	$42,750,000,000

"Whereas, the United States Department of Health and Human Services and the Bureau of Alcohol, Tobacco and Firearms reported in 1980 that the consumption of alcoholic beverages by pregnant women can be hazardous to the health of unborn children;

"Whereas, the Comptroller General of the United States has stated in his report to Congress that the consumption of alcoholic beverages is the single largest factor in highway deaths with some 25,000 persons dying annually in drunk driving or drinking related accidents;

"Whereas, it has been medically established that the consumption of alcoholic beverages over a short period of time can cause sickness or death;

"Whereas, lack of public awareness concerning the dangers of alcohol use and abuse is widespread and there is an urgent need to educate the public concerning those dangers;

"Whereas, warning labels are now required on other drugs and products and have been helpful in warning the public of potential health hazards caused by the use of those products;

"Whereas, the health warnings on cigarette packages and in advertisements have produced many beneficial results;

"Whereas, a proper, concise limited warning on the labels of alcoholic beverage containers would be beneficial and cause people to seek detailed information about the dangers in the use and abuse of alcohol, and in many instances would be preferable to other forms of government action, which might be more intrusive or more costly; and

"Whereas, warning labels can effectively supplement other private and public health education efforts; now, therefore, be it

"Resolved, That the General Session of the 44th Legislature of the State of Utah, the Governor concurring therein, urge the Congress of the United States to pass a bill that mandates a warning label on all alcoholic beverage containers sold in interstate commerce, and that due consideration be given to a proposed warning which includes the following: Warning using this product:

"May be hazardous to your health;

"May impair driving ability;

"May create dependence or addiction; and

"During pregnancy may harm the unborn.

"LEGAL AGE REQUIRED FOR PURCHASE

"Be it further resolved, That the Lieutenant Governor forward copies of this resolution to members of the Utah Congressional Delegation, the Speaker of the United States House of Representatives, the President of the United States, and the chairpersons of the Senate and House Committees to which such bills may be referred."

POM–81. A resolution adopted by the City Council of Long Beach, California, favoring the efforts by the Federal Government to return powers to local entities; to the Committee on Governmental Affairs.

POM–82. A joint resolution adopted by the Legislature of the State of California; to the Committee on the Judiciary:

"Resolution Chapter —

"Assembly Joint Resolution No. 30—Relative to federal aid to Atlanta.

"LEGISLATIVE COUNSEL'S DIGEST

"AJR 30, Hughes. Federal aid to Atlanta.

"This measure commends President Reagan for approving an additional $1.5 million in federal aid to assist the City of Atlanta, Georgia, in its investigation of the tragedy involving slain and missing black children.

"Whereas, as the 22nd name was added to the list of slain and missing black children in Atlanta, Georgia, President Reagan announced he was providing an additional $1.5 million to help pay for the investigation aimed at ending the city's 'nightmare'; and

"Whereas, deploring the baffling crimes as "one of the most tragic situations that has ever confronted an American community," President Reagan approved the funds which will augment the $979,000 in federal aid sent to Atlanta on March 5 for social programs connected with the child slayings; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California commends President Reagan for approving an additional $1.5 million in federal aid to assist the City of Atlanta in its investigation of the tragedy that has continued for more than 19 months; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM–83. A resolution adopted by the County Clerks and Auditors Association of Utah, relative to election and polling times; to the Committee on Rules and Administration.

POM-84. A resolution adopted by the County Clerks and Auditors Association of Utah, relative to media coverage of elections; to the Committee on Commerce, Science, and Transportation.

POM-85. A resolution adopted by the County Clerks and Auditors Association of Utah, relative to a Sunday election day; to the Committee on Rules and Administration.

POM-86. A resolution adopted by the Senate of the Commonwealth of Puerto Rico; ordered to lie on the table.

"RESOLUTION

"To express the sentiment of the People and the Senate of Puerto Rico that the President of the United States, Mr. Ronald A. Reagan, will soon recover his health and return to his exectuive duties after the attempt against his life, of which he was a victim on this day; to express the vigorous repudiation of this vile criminally violent attempt against the life of the President; to express the solidarity of the People and the Senate of Puerto Rico with the People of the United States, in repudiating and condemning this attempt against the life of President Reagan.

"STATEMENT OF MOTIVES

"The news media have brought us the sad news of the dastardly criminal attempt against the life of the President of the United States, the Honorable Mr. Ronald A. Reagan, in which other persons in the group were wounded. This news has filled the People of Puerto Rico and this Senate of the Commonwealth of Puerto Rico with indignation, and we have immediately expressed our vigorous repudiation of this vile attack and act of violence against the life of the President, raising a prayer to God that He will restore his health and allow him to return to fulfill his important public duties without delay.

"This Senate, as the democratic symbol of our People, also wishes to express its solidarity with the People of the United States, and the Government, in repudiating the criminal act, and also in the desire that the health and life of President Reagan be restored.

"We also express our hope that the persons who were wounded or affected by this repudiable act, will soon be on the road to recovery.

"Be it resolved by the Senate of Puerto Rico:

"Section 1.—To express the deep and sincere feelings of the People of Puerto Rico and of this High Body, in absolute repudiation of the dastardly and criminal act against the life of the President of the United States, the Honorable Mr. Ronald A. Reagan, on this day.

"Section 2.—To raise a prayer and ask God to protect and restore his health so that he may return to fulfill his responsibilities as First Executive of the Nation without delay.

"Section 3.—To express our spiritual and moral solidarity with the People of the United States and the Government in rejecting this act of violence, and expressing our sincere and profound wish that President Reagan's health will be restored.

"Section 4.—To similarly express our hope that the health of the other persons affected in this abominable attempt on the President's life will soon be recovered.

"Section 5.—That a copy of this Resolution, duly translated into the English language be sent to the President, Mr. Ronald A. Reagan, to the Senate and to the House of Representatives of the United States, and all the news media for its diffusion and the information of the People."

REPORTS OF COMMITTEES SUBMITTED DURING RECESS

Under the authority of the order of the Senate of April 29, 1981, the following reports of a committee was submitted on May 1, 1981, during the recess of the Senate:

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Con. Res. 19. An original concurrent resolution setting forth the recommended congressional budget for the United States Government for the fiscal years 1982, 1983, and 1984, and revising the congressional budget for the United States Government for the fiscal year 1981 (Rept. No. 97-49).

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 113. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1000.

S. Res. 114. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 831.

ORDER FOR STAR PRINT—S. 751

Mr. HATCH. Mr. President, I ask unanimous consent that S. 751 be star printed to reflect a change in wording that was inadvertently not included in the bill as introduced.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ZORINSKY (for himself and Mr. HATCH):

S. 1091. A bill to provide an entitlement for educational institutions for the reimbursement of the reasonable costs incurred in responding to compliance reviews conducted by the Office for Civil Rights of the Department of Education, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. PACKWOOD:

S. 1092. A bill for the relief of Luis Monzon; to the Committee on the Judiciary.

S. 1093. A bill for the relief of Sandra Reyes Pellecer; to the Committee on the Judiciary.

By Mr. BENTSEN (for himself and Mr. RANDOLPH):

S. 1094. A bill to facilitate the development of channels, anchorages, ports and harbors and to authorize Federal participation in the construction of improvements to channels, anchorages, ports and harbors to promote commerce and export of domestic commodities; to the Committee on Environment and Public Works.

By Mr. ABDNOR:

S. 1095. A bill to amend the Water Resources Planning Act; to the Committee on Environment and Public Works.

By Mr. KASTEN (for himself and Mr. PACKWOOD):

S. 1096. A bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. ARMSTRONG:

S. 1097. A bill entitled the "Small Business Tax Relief Act of 1981"; to the Committee on Finance.

By Mr. PACKWOOD (for himself and Mr. SCHMITT) (by request):

S. 1098. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. PACKWOOD (by request):

S. 1099. A bill to amend the Natural Gas Pipeline Safety Act of 1968, as amended, and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1982 and 1983; to the Committee on Commerce, Science, and Transportation.

S. 1100. A bill to improve rail service in the Northeast Region of the United States and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 1101. A bill to provide in cooperation with the States benefits to individuals who are totally disabled due to employment-related brown lung disease and to the surviving dependents of individuals whose death was due to such disease or who were totally disabled by such disease at the time of their death; to the Committee on Labor and Human Resources.

By Mr. KENNEDY (for himself, Mr. RANDOLPH, Mr. WILLIAMS, Mr. PELL, Mr. EAGLETON, Mr. RIEGLE, and Mr. METZENBAUM):

S. 1102. A bill to revise and extend certain health services programs, and for other purposes; to the Committee on Labor and Human Resources

By Mr. HATCH:

S. 1103. A bill to consolidate and simplify the administration of Federal aid for elementary and secondary education and to restore control over education to States and to local educational agencies; to the Committee on Labor and Human Resources.

By Mr. PRESSLER:

S. 1104. A bill to amend the International Investment Survey Act of 1976 to provide an authorization for further appropriations, to avoid unnecessary duplication of certin surveys, and for other purposes; to the Committee on Commerce, Science, and Transportation.

S. 1105. A bill to amend the International Travel Act of 1961 to authorize appropriations for fiscal year 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN (for himself and Mr. RANDOLPH):

S. 1094. A bill to facilitate the development of channels, anchorages, ports and harbors and to authorize Federal participation in the construction of improvements to channels, anchorages, ports and harbors to promote commerce and export of domestic commodities; to the Committee on Environment and Public Works.

PORTS DEVELOPMENT AND ASSISTANCE ACT OF 1981

● Mr. BENTSEN. Mr. President, today I am introducing legislation designed to address the compelling national problem of port construction. Several of my colleagues have vividly illustrated the scope of this problem by relating it to the limitations that port capacity is placing on coal exports. General Heiberg recently reiterated the constraints on new port construction in testimony before the Environment and Public Works Committee. He stated that the project to deepen Norfolk Harbor to handle deep-craft coal vessels would not be completed until 1989 under existing authorizing and appropriating processes.

But the problem is broader than just coal related ports. Deeper draft vessels are being utilized in transporting many commodities—oil, grains, ores. Delay, on the other hand, is affecting all port projects. In my State I can identify delays at virtually every major port. At Corpus Christi, a construction project authorized in 1968 has yet to be completed.

At Freeport, a construction project authorized in 1970 with a B/C ratio over 6 to 1 has yet to be started. At Brownsville, a construction project with a completed—and favorable—Chief of Engineers report has yet to be authorized. Three ports in Galveston Bay—Houston, Texas City, and Galveston—have been authorized for study since 1967 and the studies have yet to be completed.

Clearly, the Federal Government has a primary role in port construction. To execute this role Congress must have sound evaluations of the costs and benefits of constructing channels at various locations. But, it is also necessary to provide flexibility in limited circumstances—from the current system to facilitate port development. The bill I am introducing today creates one such mechanism.

Current law discourages non-Federal port authorities from developing their own faciliites. It limits the reimbursement of such construction costs or the subsequent payment of operation/maintenance costs to those cases where Congress acts on an ad-hoc basis to authorize and appropriate funds for such costs. My bill is designed to structure a limited reimbursement program.

As I describe the elements of this bill, let me clarify a few things at the outset. First of all, this bill does not open the Federal coffers to any port project that a local entity dreams about. The financial risk is on the port authority. Second, all congressional responsibilities are preserved. Third, this bill would reimburse 75 percent of the construction costs of main channel dredging. Current procedures would pay 100 percent of these construction costs.

On the other hand, those ports that seek to use the provisions of this bill would enjoy the benefits of deeper draft channels far sooner than those ports that wait on the normal process.

Under this bill ports seeking to move faster than the current procedures would apply for eligibility under the provisions of the bill. Once their application is approved and they receive the appropriate construction permits, a port could begin construction of its main channel. Simultaneously, the corps would be authorized to study the advisability of a deeper channel at that port—taking into account the benefits and costs of the local improvements. All studies would have to conform to water resources council guidelines for determining the most cost-effective project.

Reimbursement would be available under the following conditions:

Congress authorizes a Federal project.

Congress appropriates funds for the project.

Prior to construction, the corps approves the dredging plans.

During construction, the corps inspects the construction.

After construction, the corps certifies that construction was done in accordance with the authorized project.

Construction begins within 3 years from the issuance of Federal permits.

Nonfederal interests can be reimbursed only for those portions of their projects which are included in the approved Federal project.

Certainly, Mr. President, not every port will seek to take the risks associated with the options in this bill. But, port facilities need to be built and new ways need to be developed to facilitate their construction. This bill offers a clear step in that direction.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill and the text of the bill be printed in the RECORD.

There being no objection, the bill and the analysis were ordered to be printed in the RECORD, as follows:

S. 1094

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Ports Development and Assistance Act of 1981".

SEC. 2. (a) The Congress finds that many of the Nation's ports and harbors are not capable of serving the shipping interests of this country because—

(1) authorized depths at many ports are inadequately maintained;

(2) modernization of the international shipping fleet has necessitated new harbor and channel dimensions; and

(3) energy self-sufficiency requires that harbors and channels be constructed to serve the vital export of domestic energy resources which will help foster our own reliance on these sources.

(b) The purposes of this Act are to—

(1) authorize Federal participation navigation improvements to ports and harbors;

(2) expedite port and harbor construction projects; and

(3) provide non-Federal sector encouragement to construct port and harbor dimension projects by establishment of a reimbursement process.

SEC. 3. (a) The Secretary of the Army, acting through the Chief of Engineers is authorized to study and prepare a feasibility report on the enlargement of the navigation improvements at each deep-draft harbor serving international shipping in the United States.

(b) Each study shall be completed within twelve months of the first appropriation for the port project proposed for deepening.

(c) Each study shall consider but not be limited to the advisability of deepening harbor dimensions to accommodate the current and projected size of vessels used in international trade and the projected traffic capacity at each port.

(d) Such study shall also include costs and benefits of improvements initiated by local interests after the date of enactment of this Act which the Secretary determines are compatible with, and constitute an integral part of his recommended plan, which shall be developed in accordance with the Principles and Standards issued by the Water Resources Council.

SEC. 4. (a)(1) Each port through the appropriate non-Federal port authority shall submit an application to the Secretary of the Army for eligibility to participate in the reimbursement established by Section 5 of this Act.

(2)(A) Such application shall be forwarded to the Committee on Environment and Public Works of the Senate and Committee on Public Works and Transportation of the House of Representatives for review.

(B) The application shall lay before the Committees for 90 days for review and approval as provided by subparagraph (C) of this section. If no action is taken within the time specified, the application shall be returned to the Secretary of the Army for consideration as provided in subparagraph (C).

(C) An application for eligibility for reimbursement assistance may be approved by a resolution of the Committee on Environment and Public Works and the Committee on Public Works and Transportation within the period of review specified in the preceeding subparagraph. The Secretary of the Army is authorized to review and approve any application submitted by a non-Federal port authority not acted upon by the Congressional Committees to which referred by subparagraph (A).

(b) The following ports are eligible for reimbursement as provided in Section 5 of this Act—

Galveston Harbor, Texas;
Corpus Christi Harbor, Texas;
Brazos Island Harbor, Texas;
Norfolk Harbor and Channels, Virginia;
Brunswick Island Harbor, Georgia; and
Houston Ship Channel, Texas

SEC. 5. (a) Upon the enactment of a project authorization for port or channel improvements based upon a survey authorized by section 3(a) of this Act, the Secretary of the Army, acting through the Chief of Engineers, shall reimburse the local interests (non-Federal port authority), in accordance with subsections (b) and (c) of this section, for 75 per centum of the funds expended by such interests to construct such portions of the project as are included in the approved project, if prior to such construction by the local interests, the detailed plans and specifications of such portions of such project were approved by the Chief of Engineers, if during such construction by local interests the Chief of Engineers inspected the work in progress, and if, after such construction by local interests has been completed, the Chief of Engineers certifies that such construction was in accordance with the authorized project.

(b) The cost of work for which reimbursement is authorized by this section shall be determined in accordance with section 8(a)(2) of the Act of March 2, 1919 (33 U.S.C. 624), as amended, or shall be the amount actually expended by local interests, whichever is the lesser.

(c) The authorization to reimburse local interests contained in this section is subject to appropriation, and shall expire three years from the issuance of appropriate Federal permits, unless local interests begin construction of any portion of the project which is included in the approved budget within such three-year period.

SECTION BY SECTION ANALYSIS

Section 1—Title.

Section 2—Findings.

Section 3—This section authorizes the Corps of Engineers to prepare feasibility reports on enlarging deep draft U.S. harbors serving international shipping. Studies would have to be completed twelve months after their first appropriation. The studies would have to include the costs and benefits of improvements initiated by local authorities that are compatible with the potential federal project. The studies would have to conform to the Water Resources Council guidelines for determining the most effective project.

Section 4—This section provides an application and listing procedure for ports wanting to use the provisions of the bill. Ports

would apply to the Secretary of the Army. Applications would be sent to the Senate Environment and Public Works Committee and the House Public Works and Transportation Committee for 90 days. Applications would be approved by resolution of each committee or by the Secretary of the Army after the 90 day referral period. Additionally, the following ports would be eligible for the options provided in this bill:

Galveston Harbor, Texas;
Corpus Christi Harbor, Texas;
Brazos Island Harbor, Texas;
Norfolk Harbor and Channels, Virginia;
Brunswick Island Harbor, Georgia; and
Houston Ship Channel, Texas.

Section 5—This section defines the reimbursement conditions. Non-Federal interests would get a 75% reimbursement of construction costs under the following conditions:

Congress authorizes a Federal project.

Congress appropriates funds for the project.

Prior to construction, the Corps approves the dredging plans.

During construction, the Corps inspects the construction.

After construction, the Corps certifies that construction was done in accordance with the authorized projects.

Construction begins within three years from the issuance of Federal permits.

Non-Federal interests can be reimbursed only for those portions of their projects which are included in the approved federal project. Limits are placed on the reimbursement costs based on theoretical costs or actual costs, whichever is lesser.

By Mr. ABDNOR:

S. 1095. A bill to amend the Water Resources Planning Act; to the Committee on Environment and Public Works.

WATER RESOURCES PLANNING ACT OF 1981

Mr. ABDNOR. Mr. President, today I am introducing the Water Resources Planning Act of 1981. This bill is a revised version of a draft bill which I introduced into the RECORD April 9 for discussion purposes. After several days of hearings and consultation with various interested persons and groups, I have revised my original draft and developed this bill.

This legislation seeks to establish a structure that will allow us to develop a comprehensive water management program for our country. It establishes a National Board of Water Policy, which will have responsibility for the development of a strong, comprehensive water policy for this Nation. The Board will have an independent chairman, a strong link with the States, and will advise the President and Congress on policy issues, especially with respect to the need for changes in laws and procedures.

The bill also authorizes funding of State and regional planning grants and a program of water research.

I believe passage of this bill is necessary if we are to resolve the serious water resource problems confronting our Nation.

Recently I chaired 3 days of hearings on water policy issues. These hearings were scheduled after our review of the administration's proposed budget. The administration proposed to rescind 1981 funds for the Water Resources Council and the Office of Water Research and Technology. The committee concluded that this action was too precipitous, and endorsed my motion to transfer some funds from the Corps of Engineers construction general account to fund the WRC and OWRT in fiscal year 1981 and fiscal year 1982. A more complete description of the motion is contained on page S3073 of the RECORD for March 31, 1981.

At the hearings of the Subcommittee on Water Resources which I am proud to chair, we had over 50 witnesses who described problems and discussed the need for a coordinated Federal policy, for comprehensive State and Federal water resources planning, and for a continuing effort in water research. Dozens of other written statements on these issues have also been entered into the committee hearing record. Throughout those 3 days, almost every witness mentioned the same problems and defined the same needs. They discussed them in different terms and from different perspectives, of course—but common threads ran through almost all of the testimony. I would like to share with my colleagues some of the issues which were raised at the hearings.

First, there is a need for an independent body to define a comprehensive water policy and make recommendations to Congress and the President regarding necessary changes in laws and regulation to implement such policy. To a witness, everyone agrees that this need exists and that existing organizations which are designed to perform this task have failed to do so. I do not want to get involved in assessing blame, because I believe to some extent we must all share it. But I believe we can learn from our mistakes—at least I hope so.

The organization needs to be relatively small. In the past, similar groups have been bogged down with too many members, many lacking an intense interest in water resources.

The organization needs to be independent of any department or agency. Other than the witness from the Department of the Interior, who advocated the establishment of a National Policy Office in that Department, all other witnesses were emphatic that water policy not be established in one agency. The reason for this need is simple: There are a number of Federal organizations involved in water resources development. To allow responsibility for water policy to rest in one organization would, in fact, make all other organizations subservient to it. From a management perspective, this is unacceptable.

The organization needs to have a strong independent person to chair the group. In the past, interagency task forces have failed because members were the heads of Federal agencies. They could not make independent policy decisions. In addition, Congress did not have a very large role in the selection of the chairman, except in confirming that person as a member of the Cabinet. Nor was there a mandate for the group to advise not only the President, but also the Congress on policy issues.

The States need to be more involved in development of national water policy. All witnesses agreed there needs to be a strong link with the States. Others also felt that there should be links with local government entities and regional planning groups, such as river basins commissions.

Second. With respect to the States, many witnesses expressed a need for the continuation of planning grants. Some stated that continuing in the amount of funding is far more important to the States than the amount of funding itself.

In the past, States have been allocated funds to be used for State water planning personnel. The precipitous cutoff of these funds will have a severe impact on the planning capability of some States. Many States have proceeded to retain staff and incur expenses in anticipation of receiving fiscal year 1981 funds. To withdraw half of those funds at the end of most States fiscal year will be an unfair and undue hardship on those States. Even in cases where State legislatures will be capable of providing supplemental funding, they cannot respond rapidly to the need for State funds.

Many State legislatures are already out of session and they will not be in session again until January. Others will not be in session for another year and a half. Many States would find themselves in the position of having to lay off personnel, then rehiring in 1982 or 1983. Most likely the best employees will have found other work and replacement personnel will have to be hired. This will obviously cause a serious disruption in State water planning capability.

Many of our witnesses indicated that Federal funding should be continued indefinitely, or even increased. However, others only urged that if planning grants were to be phased out, that this to be accomplished over a period of a year of two. This kind of lead time will provide the States with the necessary time to either absorb the program with State funds or make the necessary reduction in program expenses. I believe that there is a continuing need for a Federal role in water resources planning. I am aware that fiscal constraints force us to be more selective in financing planning activities. It will also be necessary for the States to assume an increased financial role in planning activities.

Third, there needs to be a continuing Federal role in water research activities. Several members of research institutes testified about the need for water research. Many indicated that universities were optimal organizations for research activities and indicated that each State needed its own institute to deal with State-specific problems. Others, however, indicated that universities were not the only possible places for research and that national research should be funded on a competitive basis, rather than through a formula allocation to each State.

One of the major issues in controversy throughout the testimony was a specific set-aside for saline research. The general concensus seemed to be that saline research was essential, but that funds should not be specifically set aside for this purpose. Again, testimony indicated that the immediate cutoff of research funds would create serious problems with existing, viable organizations. If

the research institutes are to be phased out, with States assuming a larger role, this must occur over a few years. Serious disruptions in a national program of water research will otherwise result.

Again, however, I recognize that this must be a time of fiscal restraint. We must ask for a greater financial commitment from non-Federal sources before any such program is continued for a longer period of time.

Fourth, all of the witnesses indicated that there were serious problems with river basin commissions. Yet, they also agreed that basin planning is a desirable goal. Most indicated that States did not have enough involvement in the commissions, that a reduced Federal presence would be beneficial. Other witnesses asserted that the commission output—basin plans—need to be more specific and should have a purpose. That is, the plans should be used.

Of all the programs we considered, river basin commissions had no enthusiastic supporters. Only some witnesses indicated that they should be continued. I believe that there is value in the concept of basin planning, but I believe there must be an increased non-Federal financial role and that only those commissions which develop specific, usable plans should continue.

Mr. President, my bill is the product of that wise counsel. It is very straightforward. It seeks to address the major needs that I believe were identified during our hearings.

First, the bill establishes a National Board of Water Policy. The Board is composed of five members: four high-ranking administration officials, plus a chairman to be appointed by the President, with the advice and consent of the Senate. I believe it is essential that Congress be involved in the development of national water policy. An independent chairman is more likely to insure that involvement. The Board is charged with the responsibility for defining inconsistencies in existing water policies and developing recommendations to the President and Congress on policy issues and the need for changes in law and procedures.

My bill also responds to the need for increased State involvement in the development of policy. It establishes a State advisory council which provides advice to the National Board. The State advisory council will have five members, selected from persons recommended by the National Governors Association. The chairman of the council will work closely with the National Board, and other State council members will be encouraged to attend national board meetings.

Third, my bill establishes an Office of Water Programs in the Department of Interior to fund State and river basin planning and water research. The bill is designed to continue existing programs through fiscal year 1983. After that time, the Office will fund planning and research activities on a competitive basis. This section of the bill will give existing program administrators enough lead-time to plan for the future. It also requires a 50-percent match from non-Federal sources. This will indicate a serious financial commitment from the non-Federal entities involved in planning and research. Priority for Federal funding will be given to proposals which have the potential for broad national or regional application.

Mr. President, I am introducing this bill today, which I hope will provide a framework for development of a meaningful national water resources program—a program which encourages and facilitates water planning and research. I ask unanimous consent that a copy of my bill, together with a more detailed section-by-section analysis, be printed in the RECORD.

Mr. President, I also ask that the printing of this bill be done as rapidly as possible as we hope to have a markup Wednesday morning.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1095

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Water Resources Planning Act, as amended (42 U.S.C. 1962 et seq.), is further amended by deleting all after the enacting clause and inserting in lieu thereof the following: "That this Act may be cited as the 'National Water Resources Research and Planning Act of 1981'.

"TITLE I—GENERAL PROVISIONS

"NATIONAL BOARD OF WATER POLICY

"SEC. 101.(a) There is hereby established a National Board of Water Policy (hereinafter in this Act referred to as the "Board"), to be composed of the Secretary of the Army, the Secretary of the Interior, the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, and a chairman chosen by the President, with the advice and consent of the Senate. The Chairman shall be compensated at the rate for Level II of the Executive Schedule under Section 5313 of Title 5, United States Code. Actions of the Board shall be by majority vote.

"(b) The Board shall meet at least six times annually to: (1) advise the President and Congress on matters relating to water resources policy; (2) identify inconsistencies in such policy and programs and to recommend to the President and Congress changes in law or procedures that will emphasize the wise, cost-effective development and use of the water resources of the United States; (3) establish and issue rules and procedures designed to assure the implementation of a national water resources policy and program, pursuant to law, with attention to coordination among departments and agencies of the United States; and (4) recommend to appropriate Federal agencies goals and priorities for programs within their jurisdiction, including studies and research, where needed, and the development of plans for river basins that have been identified by the Board, to assure the wise management and development of the waters of the United States.

"(c) The Board shall, as necessary, utilize the expertise that is available in departments and agencies of the United States.

"(d) For the purposes of administration and reimbursing other Federal departments and agencies for staff assistance under the terms of subsection (c) of this section, the sum of $1,000,000 is authorized to be appropriated to the Board for the fiscal year ending September 30, 1982, and for each fiscal year thereafter.

"OFFICE OF WATER PROGRAMS

"SEC. 102. (a) There is established within the Department of the Interior an Office of Water Programs (hereinafter in this Act referred to as the 'Office'), which shall report to the Secretary of the Interior through the Assistant Secretary for Land and Water Resources, on matters relating to water policy within the responsibilities of the Secretary, and shall coordinate and administer the programs authorized by titles II, III, and IV of this Act.

"(b) The Office shall be headed by a Director, appointed by the Secretary of the Interior.

"(c) The Office shall issue such rules and regulations as it finds appropriate to carry out its requirements under the terms of titles II, III, and IV of this Act.

"(d) At the direction of the Board, the Office is authorized to prepare periodic assessments of national water needs, including studies of the adequacy of supplies of water needed to meet national, regional, and State requirements.

"(c) For the purposes of administration and the undertaking of necessary assessments, the sum of $3,000,000 is authorized to be appropriated to the Office for the fiscal year ending September 30, 1982, and for each fiscal year thereafter.

"STATE ADVISORY COMMITTEE

"SEC. 103. (a) To assist the work of the Board, there is hereby established a State Advisory Committee (hereinafter in this Act referred to as the 'State Committee'), which shall be composed of five members.

"(b)(1) The Chairman of the State Committee shall be appointed by the Board from persons recommended by the governing body of the National Governors Association on the basis of his or her understanding of the Nation's water resources needs and shall participate in all meetings of the Board to assure that it is informed of the position of the states on all issues before it.

"(2) The remaining members of the State Committee shall be selected jointly by the Board and the Chairman of the State Committee from persons recommended by the governing body of the National Governors Association in order to provide for a broad national and regional representation in water resources management, including, if appropriate, at least one non-Federal representative of a river basin commission established pursuant to Title IV of this Act.

"(c)(1) The State Committee shall meet at least six times a year to review actions and proposals made by the Board, and to offer its analysis of such actions and proposals, including recommendations for changes. Any such analysis shall accompany any report submitted by the Board to the President and Congress.

(2) The State Commitee is also authorized to consult with the Office under the terms of Section 201 of this Act.

"(d) The sum of $50,000 is authorized to be appropriated to the Board to reimburse the members of the State Committee for necessary expenditures for the fiscal year ending September 30, 1982, and for each fiscal year thereafter.

"SEC. 104. The agencies authorized to be established by Sections 101 and 102 and Title IV of this Act are authorized to hire necessary staff and to contract for studies to carry out their authorized functions, within available sums.

"SEC. 105. Nothing in this Act shall be considered to alter existing law with respect to the ownership and control of water.

"SEC. 106. As usual in this Act, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, and the Virgin Islands.

"TITLE II—STATE WATER PLANNING

"SEC. 201. In order to assist the various States in the wise use, development, and management of the water resources of the United States, and after consultation with

the State Committee, the Office is authorized to make grants to the States and to river basin commissions established pursuant to Title IV of this Act to assist them in developing comprehensive programs and plans for the use, development, and management of water and related land resources.

"SEC. 202(a). From the sums appropriated pursuant to section 204(a) of this title, the Office shall make allotments to the States and to river basin commissions established pursuant to title IV of this Act in accordance with regulations promulgated by the Office, on the basis of the need for planning assistance, including needs resulting from the impact of Federal activities or projects upon such State or region.

"(b) From sums appropriated pursuant to section 204(b) of this title, the Office shall after consultation with the Secretary of the Army, make grants to the states and to river basin commissions established pursuant to title IV of this Act on a basis of applications by such States and commissions to study specific water resources problems with national or regional character, and to develop specific plans to address such problems.

"(c) The sums allocated under this section for the purpose of implementing a program approved under section 203 of this title, or any appropriate program submitted by a river basin commission established pursuant to Title IV of this Act, shall be matched on the basis of no less than one non-Federal dollar for every Federal dollar.

SEC. 203. (a)(1) For the purpose of Section 202(a) of this Act, the Office shall approve any program for comprehensive water and related land resources planning which is submitted by a State, if such program—

"(A) provides for comprehensive management of the intrastate or interstate water resources, or both, in such State necessary to meet the needs for water and water-related activities, taking into account the need to coordinate among Federal, State, and local agencies, and any nongovernmental entities having responsibilities in the affected fields;

"(B) designates a State agency (hereinafter referred to as the 'State agency') to administer such program; and

"(C) provides such accounting, budgeting, and other procedures for the proper and efficient administration of the program as are necessary for keeping appropriate accountability of the funds allocated to the States under this title.

"(2) For the purposes of section 202(b) of this Act, the Office shall, with the approval of the Secretary of the Army or at the direction of the Board, approve a program for comprehensive water and related land resources planning which is submitted by a State, if the program—

"(A) provides for a comprehensive program, including specific plans, for the management, conservation, and development of the intrastate or interstate water resources, or both, in such State, necessary to meet problems of a national or regional character related to water and water-related activities, taking into account the need to coordinate among Federal, State, and local agencies, and any nongovernmental entities having responsibilities in the affected fields;

"(B) designates a State agency (hereinafter referred to as the 'State agency') to administer such program; and

"(C) provides such accounting, budgeting, and other procedures for the proper and efficient administration of the program as are necessary for keeping appropriate accountability of the funds granted to the States under this title.

"(b) The Office shall not disapprove any program under paragraph (a)(1) of this section without first giving reasonable notice and opportunity for hearing to the State agency administering such program.

"SEC. 204. (a) For the purposes of the grants to be made under the terms of section 202(a) of this title, there is authorized to be appropriated to the Office the sum of $12,000,000 for fiscal year ending September 30, 1982, the sum of $12,000,000 for the fiscal year ending September 30, 1983.

"(b) For the purposes of the grants to be made under the terms of section 202(b) of this title, there is authorized to be appropriated to the Office the sum of $10,000,000 for the fiscal year ending September 30, 1984, and for each fiscal year thereafter.

"TITLE III—WATER RESOURCES RESEARCH

"STATE RESEARCH INSTITUTES

"SEC. 301. (a) The Office is authorized to assist the work of water resources research and technology institute, center, or equivalent agency (hereinafter referred to as the 'institute'), to be established in the States. Each established institute shall have responsibility for planning, conducting, and/or arranging for competent research and development in relation to water resources, including investigations and experiments of either a basic or practical nature, or both; to promote the dissemination and application of the results of these efforts; and to provide for the training of scientists and engineers through such research, investigations, and experiments.

"(b) The designated institute shall cooperate closely with other colleges and universities in the State with demonstrated research, information dissemination, and graduate training capabilities in developing a statewide program directed to resolving State and regional water and related land problems, and shall cooperate closely with regional consortia, as may be designated by the Office, to increase the effectiveness of the institutes and for the purpose of regional coordination, particularly the river basin commissions established pursuant to title IV of this Act.

"(c)(1) For the utilization of funds authorized by paragraph (e)(1) of this section, each institute shall submit to the Office for its approval a water research program that includes assurance, satisfactory to the Office, that such program was developed in close consultation and collaboration with the director of that State's department of water resources, or similar agency, and other leading water resources officials with the state, including interested members of the public. Such program shall include plans to promote research, training, information dissemination, and other work meeting the needs of the state.

"(2) No program under paragraph (e)(2) of this section shall be approved by the Office unless it is accompanied by assurances from the institute that such program was developed in close consultation and collaboration with the director or directors of the department of water resources, or similar agency, of that state or states, and other leading water resources officials within the State, including interested members of the public. Such program shall include plans to promote research, training, information dissemination, and other work meeting the needs of the State, and shall be designed to encourage regional consortiums of institutes and plans that address significant research needs in the area of water management, development, and conservation that have a regional or national character.

"(d) From the sums appropriated pursuant to subsection (e) of this section, the Office shall make grants, to be matched on a basis of no less than one non-Federal dollar for every Federal dollar.

"(e)(1) There is hereby authorized to be appropriated to the Office for the purpose of carrying out subsection (c)(1) of this section an amount sufficent to provide $150,000 to each participating institute, on a cost-sharing basis, for the fiscal year ending September 30, 1982, and for the fiscal year ending September 30, 1983.

"(2) There is hereby authorized to be appropriated to the Office for the purpose of carrying out subsection (c)(2) of this section the sum of $5,000,000 for the fiscal year ending September 30, 1984, and for each fiscal year thereafter.

"RESEARCH GRANTS

"SEC. 302. (a) In addition to the grants authorized by section 301 of this title, the Office is authorized to make grants, on a matching basis, to the institutes established pursuant to section 301 of this title, as well as other qualified educational institutions, private foundations, river basin commissions established pursuant to title IV of this Act, private firms, individuals, and local and State governmental agencies for research concerning any aspect of a water-related problem which the Office may deem as desirable in the national interest.

"(b) Each application for a grant pursuant to this section shall state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the importance of the project to the Nation, as well as to the region and State concerned, its relation to other known research projects theretofore pursued or currently being pursued, and the extent to which it will provide an opportunity for the training of water resources scientists. No grant shall be made under this section except for a project approved by the Office, and all grants shall be made upon the basis of the merit of the project and the need for the knowledge which it is expected to produce when completed.

"(c) The sum of $12,000,000 is authorized to be appropriated to the Office for the purposes of this section for the fiscal year ending September 30, 1982, and for each fiscal year thereafter.

"SEC. 303. The type of research to be undertaken under the authority of section 302 of this title and to be encouraged by the institutes established under section 301 of this title shall include, without being limited to, aspects of the hydrologic cycle, supply and demand for water, demineralization of saline and other impaired waters, conservation and best use of available supplies of water and methods of increasing such supplies, water reuse, depletion and degradation of ground water supplies, improvements in the productivity of water when used for agricultural and commercial purposes, and the economic, legal, engineering, social, recreational, biological, geographic, ecological, and other aspects of water problems, scientific information dissemination activities, including identifying, assembling, and interpreting the results of scientific and engineering research on water resources problems, and providing means for improved communication of research results, having due regard for the varying conditions and needs for the respective States and regions, for water research and development projects now being conducted by agencies of the Federal and State governments, the agricultural and engineering experiment stations, and other university research centers and for the need to avoid undue displacement of scientists and engineers elsewhere engaged in water resources research and development.

"SEC. 304. For the purposes of section 301 of this title, an institute may be established at one college or university in each State, which college or university shall be a college or university established in accordance with the Act approved July 2, 1862 (12 Stat. 503; 7 U.S.C. 301ff), entitled 'An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts' or some other institution designated by Act of the

legislature of the State concerned: *Provided*, That (1) if there is more than one such college or university in a State established in accordance with said Act of July 2, 1862, funds under this section shall, in the absence of a designation to the contrary by act of this legislature of the State, be paid to the one such college or university designated by the Governor of the State to receive the same, subject to the office's determination that such college or university has or may reasonably be expected to have the capability of doing effective work under this title; (2) two or more States may cooperate in the designation of a single institute or regional institute, in which event the sums assignable to all of the cooperating States shall be paid to such institute.

"SEC. 305. With respect to patent policy and to the definition of title to, and licensing of inventions made or conceived in the course of, or under any contract or grant pursuant to this title, and withstanding any other provision of law, the office shall be governed by the provisions of sections 9 and 10 of the Federal Nonnuclear Energy, Research, and Development Act of 1974 (Public Law 93-577: 88 Stat. 1887, 1891; 42 U.S.C. 5908.5909): *Provided, however*, That subsections (l) and (n) of section 9 of such Act shall not apply to this Act; *Provided further, however*, That, subject to the patent policy of section 408, all research or development contracted for, sponsored, cosponsored, or authorized under authority of this title, shall be provided in such manner that all information, data, and know-how, regardless of their nature or mediums, resulting from such research and development will (with such exceptions and limitations, if any, as the Office may find to be necessary in the interest of national defense) be usefully available for practice by the general public.

"TITLE IV—RIVER BASIN COMMISSIONS

"SEC. 401. (a) The President shall declare the establishment of a river basin commission responsible for water and related land resources within such basin, upon the request of the States within which all or a significant portion of the basin or basins concerned are located, if the request (1) defines the area, river basin, or group of related river basins for which a commission is requested, (2) is made in writing by the Governors or in such manner as provided by State law, and (3) is concurred in by not less than two-thirds of the States within which portions of the basin or basins concerned are located.

"(b) Each such commission shall—

"(1) after giving consideration to any appropriate action by the Board, work with the affected States to coordinate planning for the management and development of water and related land resources in the basin, and

"(2) submit, if appropriate, applications for grants for the purposes of Title II or Title III of this Act.

"(c) Each such Commission, if requested by the member states and approved by the Board, may—

"(1) prepare and keep up to date, to the extent practicable, a comprehensive, coordinated, joint plan for Federal, State, interstate, local and nongovernmental management and development of water and related sources in the basin;

"(2) rank priorities for the collection and analysis of basic data for investigation, planning, and construction of projects; and

"(3) foster and undertake such studies of water and related land resources problems in its area, river basins, or group of river basins as are necessary in the preparation of the plan described in paragraph (1) of this subsection.

"MEMBERSHIP

"SEC. 402. (a) Each river basin commission established pursuant to this title shall be composed of one member appointed by the Board, together with one member from each State which lies wholly or partially within the basin or portion of the basin for which the commission was established, and the appointment of each such member shall be made in accordance with the laws of the State which he represents. In the absence of governing provisions of State law, such State members shall be appointed and serve at the pleasure of the Governor. The chairman of each commission shall be selected by the commission.

"(b) A Commission may increase its size by adding members that represent Federal departments with expertise and responsibility for water resources management and development in the basin.

"SEC. 403. (a) In the work of the commission, every reasonable endeavor shall be made to arrive at a consensus of all members on all issues; but failing this, full opportunity shall be afforded each member for the presentation and reporting of individual or opposing views.

"(b) Vacancies in a commission shall not affect its powers but shall be filled in the same manner in which the original appointments were made.

"(c) A commission shall terminate upon decision of a majority of the State composing the commission. Upon such termination, all property, assets, and records of the commission shall thereafter be turned over to such agencies of the United States and the participating States as shall be appropriate in the circumstances: *Provided*, That studies, data, and other materials useful in water and related land resources planning to any of the participants shall be kept freely available to all such participants.

"SEC. 404. Each river basin commission, within the funds available, shall—

"(1) submit a report on its work at least annually, to the Congress, the Governor of each participating State, and the heads of such Federal, State, interstate, and international agencies as the Board or the Governors of the participating States may direct;

"(2) submit to the Governors and the legislatures of the participating States a comprehensive, coordinated, joint plan, or any major portion thereof or necessary revisions thereof, for water and related land resources management in the area, river basin, or portion of a basin for which such commission was established. Before the commission submits such a plan or major portion thereof or revision thereof to the Board, the Board shall transmit the proposed plan or revision to the head of each affected Federal department or agency, the Governor of each State, and each interstate agency, and to the head of the United States section of any international commission if the plan, portion, or revision deals with a boundary water or a river crossing a boundary, or any tributary flowing into such boundary water or river, over which the international commission has jurisdiction or for which it has responsibility. Each such department and agency head, Governor, interstate agency, and United States section of an international commission shall have ninety days from the date of the receipt of the proposed plan, portion, or revision to report its views, comments, and recommendations to the Board. Following a period of 90 days in which a commission may modify its plan, portion, or revision after considering the reports so submitted, the Board shall transmit such plan to Congress, together with the views, comments, and recommendations submitted by each Federal department or agency head, Governor, interstate agency, and the United States section of an international commission.

"SEC. 405. (a) For the purpose of carrying out the provisions of this title, each river basin commission may—

"(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable.

"(2) acquire, furnish, and equip such office space as is necessary.

"(b) The chairman of each river basin commission shall appoint the personnel employed by such commission, and the chairman shall, in accordance with the general policies of such commission with respect to the work to be accomplished by it and the timing thereof, be responsible for (1) the supervision of personnel employed by such commission, (2) the assignment of duties and responsibilities among such personnel, and (3) the use and expenditure of funds available to such commission."

SEC. 2. (a) Rules and regulations pertaining to water research and state program grants in effect as of the date of enactment of this Act shall remain in effect until superseded by new rules and regulations issued by the Office.

(b) The Water Resources Council and the Office of Water Research and Technology are hereby abolished, and all assets and responsibilities are transferred to the Office for use as the Secretary of Interior may determine.

(c) Public Law 95-467 is hereby repealed.

SECTION-BY-SECTION ANALYSIS

TITLE I

Section 101 establishes the National Board of Water Policy, defines its membership and its duties and responsibilities. The Board will be composed of four top officials of the Administration plus a chairman appointed by the President and confirmed by the Senate. The Board shall advise the President and Congress on matters relating to water resources policy. This includes identifying inconsistencies in policy and programs, and recommending to appropriate Federal agencies goals and priorities for programs within their jurisdiction. One million dollars is authorized to be appropriated each year for staff assistance.

Section 102 establishes the Office of Water Programs in the Department of Interior. The Office will administer state and regional planning grants and a water research program.

Section 103 establishes a State Advisory Committee to assist the work of the Board. The Board shall be composed of 5 members selected from nominees selected by the National Governors Association. The Chairman of the Committee will be a non-voting participant in all Board work. The Committee will review and analyze actions and proposals of the Board. Analysis and related recommendations shall accompany any report which the Board will submit to the President and Congress.

TITLE II

This Title authorizes the Office of Water Programs to make planning grants to states and river basin commissions. Grants will total $12,000,000 in FY 1982 and FY 1983, and will be allocated on the basis of need for planning assistance. In FY 1984 and every year thereafter, $10,000,000 is authorized to be appropriated. From 1984, grants will be awarded on a competitive basis in response to proposals from state planning personnel and river basin commissions. Grants will be awarded to study specific water resources problems with a national or regional character. Such grants will be awarded by the Office of Water Programs with the approval of the Secretary of the Army or at the direction of the Board. Each grant must be matched at least one-to-one by non-Federal funds.

TITLE III

Title III establishes a program of Federal water resources research. The Office of Water Programs is authorized to grant $150,000 to each water research institute in FY 1982 and

FY 1983. These grants can be made only after an institute submits a water research program and assurances that the program was developed in close coordination with that state's department of water resources. Federal funds must be matched on a one-to-one basis by non-Federal funds. After FY 1983 $5 million will be available for research institutes. Grants will be awarded to institutes on a competitive basis. Research institutes must match Federal grant funds on a one-to-one basis.

In addition, the Office is authorized to expend $12,000,000 annually for specific water research. Specific research grants will be awarded on a competition basis to any person or organization in response to proposals. They shall be matched on a one-to-one basis by non-Federal funds.

TITLE IV

Title IV authorizes the establishment of river basin commissions, if affected states request their formation. The chairman of each Commission shall be appointed by the Board. Each state within the basin shall appoint one Commission member. The Commissions shall undertake specific planning tasks and are eligible to be awarded funds under Titles II and III of this Act. Specific basin plans developed by commissions shall be submitted to the Board who shall transmit one plan to relevant federal agencies for comment. The plan shall subsequently be transmitted to Congress with Board and federal agency comments.

By Mr. KASTEN (for himself and Mr. PACKWOOD):

S. 1096. A bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

PRODUCT LIABILITY RISK RETENTION ACT OF 1981

Mr. KASTEN. Mr. President, I am pleased to introduce for myself and Senator PACKWOOD a compromise version of the Product Liability Risk Retention Act; a bill that would allow manufacturers, wholesaler-distributors and retailers to establish product liability risk retention groups and to purchase product liability insurance on a group basis.

This version of the bill has evolved out of an extraordinarily detailed study and extensive negotiation. This included the work of a Federal Interagency Task Force, a published options paper which gave all interest groups an opportunity to comment and exclusive hearings in the House and Senate. A major breakthrough occurred last year when, at the result of hearings conducted by Senators CANNON and PACKWOOD, the Risk Retention Act was modified so as to eliminate any Federal presence or costs in its operation.

Throughout the process, the Risk Retention Act has gained the support from the product seller community. Today, it is supported by over 200 national business organizations, including the National Association of Manufacturers, the National Association of Wholesaler-Distributors, the National Machine Tool Builders Association, and the National Federation of Independent Businesses, and the Small Business Legislative Council. It is also supported by a number of consumer groups and the American Trial Lawyers Association.

For a period of time, a large segment of the insurance industry was opposed to the bill. Nevertheless, the version that I am introducing today is either supported or not opposed by the overwhelming majority of the insurance industry. In that regard, the National Federation of Insurance Brokers and companies such as The Insurance Co. of North America, and Continental Insurance Co. have indicated their support for this bill. The American Insurance Association which represents the majority of product liability insurers and the Alliance of American Insurers, which represents a substantial number of product liability insurers, have indicated that they do not oppose this version of the bill. Thus, the majority of buyers and sellers of product liability insurance have reached agreement about its fairness.

The bill would remove unnecessary regulatory barriers at the State levels so as to permit the formation of product liability self insurance cooperatives. This will assure that product liability insurance rates remain competitive and provide additional capacity in the insurance market to help product sellers weather the vagaries of the insurance cycle.

Unfortunately, there are signs that the insurance cycle may be entering a downturn. Very recently Mr. William O. Bailey, president of Aetna Life & Casualty, advised State regulators that his company will move promptly to "restore prices for its property-casualty coverages to more reasonable levels in relation to costs." Citing deteriorating underwriting results, Mr. Bailey indicated that product liability insurance pricing must make a further adjustment upward. In the year 1980, the property-casualty insurance industry suffered the second greatest underwriting loss in its history.

Underwriting losses do not reflect the entire insurance picture; in the same year the property-casualty insurance industry earned over $10 million in investment income. Nevertheless, this picture could change drastically if we are successful in reducing the high-interest rates that adversely affect the Nation today. The Risk Retention Act will help assure that in this atmosphere of rapid change, product liability insurance rates and premiums are set on a fair and equitable basis and it will do this by reducing rather than increasing regulation of insurance.

The Risk Retention Act will also facilitate the group purchase of insurance. This will provide new alternatives for the marketing of insurance by agents and brokers alike.

I did want to mention briefly, an area of controversy that had developed regarding prior risk retention bills that have been introduced in the Senate such as S. 69. Those bills permitted both Bermuda and the Cayman Islands to charter the risk retention groups. Many members of the insurance industry believed that it was inappropriate to give that much power to foreign countries. On the other hand, because the laws in an overwhelming majority of States are not adapted for the chartering of risk retention groups, product sellers believed that the inclusion of Bermuda and the Caymans as charterers was absolutely necessary.

This version of the Risk Retention Act contains a compromise on that issue. It permits Bermuda and the Caymans to charter groups for only a 3-year period; however, during that time the groups must meet the certification requirements of at least one State. It is hoped that during the 3-year period States will be encouraged to enact laws that will facilitate the formation of risk retention groups.

In conclusion, I wish to note that this is merely a first step in addressing the product liability problem. Later in the year I plan to offer a product liability tort law proposal that will help stabilize what has become a serious impediment to interstate commerce. Today, conflicting, widely disparate product liability rules have made it extraordinarily difficult for consumers to know their rights and for product sellers to know their obligations. In certain product lines it is virtually impossible for insurers to develop reliable underwriting practices. I should add however, that the development of uniform product liability standards will take a great deal of time and careful thought. At this point, we can address at least one part of the product liability problem.

By Mr. ARMSTRONG:

S. 1097. A bill entitled the Small Business Tax Relief of 1981; to the Committee on Finance.

SMALL BUSINESS TAX RELIEF ACT OF 1981

● Mr. ARMSTRONG. Mr. President, today I am introducing the Small Business Tax Relief Act of 1981 to provide incentives for new business ventures and to aid existing small business.

The importance of small business to the American economy is well established. Some 97 percent of all firms in the United States are small businesses. Small business in America provides 56 percent of the employment in the private sector and generated more than half of all business receipts. Over the last 9 years, small business has been the job creator in the American economy. While total employment over that period rose by 9.9 million, the Fortune 1000 firms employed only 74,897 of that number or 0.8 percent. Increases in State and Federal employment accounted for 3 million new jobs and the remainder were added by small firms.

The small business sector of the economy is also a source for the innovations and inventions which have led to productivity increases and provides the competitive edge in world markets. A National Science Foundation study for the period 1953 to 1973 concluded that small firms produced about four times as many innovations per research and development dollar as medium-sized firms and about 24 times as many as the largest firms.

Finally, small business has been the way countless Americans entered the economic life of this country—adding to

and increasing their share of the national wealth. With each succeeding generation, new groups have made their rightful claim on a "slice of the pie" and small business has helped to meet those demands.

But, many of us believe we have now come close to closing that door on the young, the disadvantaged, and those who would otherwise start new ventures, create jobs, and stimulate the economy. A consultant on minority affairs and employment in a recent visit to my office commented that earlier generations rented a shop, picked up their tools, or bought a piece of equipment and went into business. Certainly, they faced barriers which were not easily overcome. Many of those still exist today; but, we have added to rather than reduced the difficulties.

Small business exists in a climate of economic uncertainty caused by severe inflation, overwhelming paperwork and regulatory burdens, and a tax structure unfavorable to new enterprises. The Commission on Federal Paperwork estimated that small businesses spend approximately $15 billion per year on paperwork imposed on them by various Federal agencies. In my State, a study several years ago identified 184 separate forms which required the attention of Colorado businessmen, and the number has increased. Estimates of the cost to business of Government regulation at all levels reach as high as $100 billion annually. The 29th annual report of the Senate Select Committee on Small Business notes that the burden of these regulations fall disproportionately on small business which must generally absorb such costs, "costs that in many cases can severely cripple a company's growth."

Add to these burdens the fact the venture and expansion capital for small business is difficult, if not impossible, to find. This lifeblood of any enterprise is being dried up by public policies which encourage consumption at the expense of savings and investment; polices which impede raising risk capital; and a tax code that inhibits growth.

The Small Business Tax Act of 1981 which I am introducing today is designed to help reverse these trends and create a more favorable climate for small business. The provisions of this bill are:

First. Gain from sale of sole proprietorship. The "rollover" provision would allow a small businessman who sells his entire business interest and reinvests the entire proceeds in another qualifying small business venture within 18 months to recognize no gain at that time. If the sale occurs after age 55 years, the taxpayer has the option of electing capital gains treatment on the accumulated gain or ordinary income treatment in conjunction with a special 10-year averaging mechanism. This provision is similar in many ways to the treatment of a gain on the sale of a residence.

Second. Increase in additional first-year depreciation allowance for small business. This section of the bill simply increases the amount which may be claimed for additional first-year depreciation from the existing 20 percent of the first $10,000 to $20,000 if married and filing jointly—of investment to 25 percent of the first $25,000 to $50,000 if married and filing jointly—of investment. This provision is designed primarily to benefit the small businessman by allowing him to recoup a greater part of his investment via reduced tax liability.

Third. Rapid amortization of certain federally required expenditures. This section provides for the rapid amortization over a 26-month period, of federally required expenditures to plant and equipment. The aim of this provision is to give a rapid writeoff to businesses forced to comply with Federal laws or regulations such as OSHA, HEW rules for the handicapped, regulations governing pollution control, and so forth. To qualify for rapid amortization, such changes would have to be certified by the particular Federal agency as being in compliance with the law and of a type which does not significantly increase output or capacity. The provision would apply only to existing facilities.

Fourth. Removal of certain limitations of deferral in case of small DISC's. The Domestic International Sales Corporation is an important device for increasing export sales and in so doing, reducing our balance-of-payments deficit and inflation. This provision of my bill changes current law to allow a small DISC having adjusted taxable income of $1 million or less to be exempt from the base period limitations imposed on large DISC's. As a result of this change, small manufacturers will be encouraged to develop export sales as a result of the tax deferral offered via the small DISC provision.

Fifth. Optional cash method of accounting for taxpayers operating as a sole proprietor. This section allows the sole proprietor to choose the method of accounting, either cash or accrual, which will be more beneficial. Small businesses with inventory which are frequently not equipped to utilize the LIFO accounting provisions currently suffer a hidden tax which is brought about by the inflationary increase in the value of that inventory. Under this section of my bill, any appreciation in inventory would not have to be shown until such time as there is a cash sale providing the proceeds with which to pay the tax.

Sixth. Refund or credit of employer share of certain excess social security taxes. Social security taxes are a source of agitation to most employers, because of the amount and related paperwork. Yet, many employers unknowingly pay a greater amount in social security than is necessary. This occurs when an employee is employed by two or more employers during the year. In this situation, there is, generally, an excess employer contribution which is never refunded to the employers. Presently, an employee can claim a credit for excess social security tax withheld.

However, there is currently no similar provision for employers. This provision of my bill would require the IRS to credit or refund to each employer his proportionate share of the overpayment. Qualifying employers would be identified when an employee claimed the credit. Within 90 days, the IRS must credit or refund the appropriate amount to each employer. One of the benefits of this plan is that employers automatically receive the payment without having to complete any complex forms of paperwork.

Seventh. Expense of filing Federal forms. This final section of the bill grants a tax credit of $5 for each form or document which a small business is required to file pursuant to Federal law. The crushing burden of Federal paperwork is well known to every small businessman. The theory behind this provision is simply that the Government should help to defray the expense of complying with the requirements it imposes on business.

I believe this bill and the companion measure (H.R. 100) introduced in the House by Representative DICK SCHULZE, who has been a forceful leader in this effort, will provide needed incentives for small business and further meaning to the concept of economic opportunity.●

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 1101. A bill to provide in cooperation with the States benefits to individuals who are totally disabled due to employment-related brown lung disease and to the surviving dependents of individuals whose death was due to such disease or who were totally disabled by such disease at the time of their death; to the Committee on Labor and Human Resources.

BROWN LUNG DISEASE BENEFITS ACT OF 1981

● Mr. HOLLINGS. Mr. President, today Senator THURMOND and myself are reintroducing legislation to provide compensation benefits for textile workers who have become totally disabled due to brown lung disease. Brown lung, or byssinosis, is a disease of the lungs which afflicts textile workers exposed to cotton dust over a period of years. The disease begins with a simple irritation of the bronchial airways and develops with time into a cough, chest tightness, shortness of breath and finally into a chronic disabling condition similar to emphysema or chronic bronchitis.

The need for this legislation points up the conspiracy of neglect which has victimized textile workers for decades. It has been more than 200 years since byssinosis was first recognized in foreign countries as a disease associated with textile manufacturing. In Great Britain it has been a compensable occupational disease since 1942, but until just a few short years ago few people in the United States recognized the existence of the disease or the serious problem it constituted with the textile industry. New medical evidence, derived from studies on American textile workers, now indicates there may be as many as 35,000 active and retired textile workers suffering from brown lung.

For many victims of byssinosis time is running out. There are thousands of retired individuals who have worked 30, 40, and 50 years in textile mills who today are physically and financially crippled because of brown lung disease. In many instances they are living without a re-

tirement pension, without adequate social security, and without the breath to walk up a flight of stairs. It is primarily for these individuals that I urge the Senate to give prompt and favorable consideration to this legislation.

I ask unanimous consent, Mr. President, that a listing of the major provisions of the Brown Lung Disease Benefits Act of 1981, and the bill, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAJOR PROVISIONS OF THE BROWN LUNG DISEASE BENEFITS ACT

1. Level of Benefits. Compensation benefits are calculated at one-half the rate of compensation received by a federal worker, GS 2 level, who is totally disabled. If the law were in effect today, compensation rates would be as listed below:

No dependents, $279.71 per month.
One dependent, $419.57 per month.
Two dependents, $489.50 per month.
Three or more dependents, $559.43 per month.

Any compensation received under state law would be subtracted from the federal compensation.

2. Liability. Benefit payments are paid by the federal government and by responsible employers. Eligible workers who have retired before January 1, 1981 will receive benefits paid for by the federal government. Benefits for those retiring on or after January 1, 1981 will be paid by the owner or owners who employed the brown lung victim.

3. Medical Presumptions. The legislation authorizes the Secretary of labor to establish and use medical presumptions in determining whether a worker is totally disabled due to brown lung disease and whether the disease was caused by the worker's employment in a textile plant.

4. Total Disability. A worker is considered to be totally disabled when it is medically determined that byssinosis prevents the individual from performing work comparable to that which he or she performed while employed in the textile industry.

5. Time Limitation. To be eligible for a claim, a worker must file with three years of a medical determination of byssinosis. A claim for benefits by an eligible survivor must be filed within three years of the enactment of this Act or three years after the date of death, whichever is later.

6. Job Protection. No employer may discharge or in any other way discriminate against a worker because he or she is suffering from byssinosis or has filed a claim for brown lung compensation benefits.

S. 1101

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Brown Lung Disease Benefits Act of 1981".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) there are a significant number of workers who are totally disabled due to byssinosis arising out of their employment in the textile industry;

(2) there are a substantial number of survivors of workers whose deaths were due to such disease or who were totally disabled by such disease at the time of their death;

(3) few States provide benefits for death or disability due to such disease, to workers or their surviving dependents; and

(4) the Congress, by enactment of title VI of the Federal Coal Mine Health and Safety Act of 1969, has provided for the payment of benefits to 1969, has provided for the payment of benefits to coal miners who are totally disabled due to pneumoconiosis arising out of employment in the coal mines and to the surviving dependents of such miners whose deaths were due to such disease or who were totally disabled by such disease at the time of their death.

(b) It is therefor the purpose of this Act to provide assistance in cooperation with the States to workers who are totally disabled due to byssinosis arising out of their employment in a textile plant and to the surviving dependents of workers whose deaths were due to such disease or who were totally disabled by such disease at the time of their death.

DEFINITIONS

SEC. 3. For the purposes of this Act the term—

(a) "dependent" means—

(1) a child as defined in subsection (g) without regard to paragraph (2)(B) thereof; or

(2) a spouse who is a member of the same household as the worker or is receiving regular contributions from the worker for his or her support or whose husband or wife is a worker who has been ordered by a court to contribute to his or her support or who meets the requirements of section 216(b) (1) or (2) of the Social Security Act. The determination of an individual's status as the wife of a worker shall be made in accordance with section 216(h)(1) of the Social Security Act as if such worker were the "insured individual" referred to therein. The term "wife" also includes a 'divorced wife" as defined in section 216(b)(1) of the Social Security Act who is receiving at least one-half of her support as determined in accordance with regulations prescribed by the Secretary of Health an Human Services from the worker, or is receiving substantial contributions from the worker (pursuant to a written agreement), or there is in effect a court order for substantial contribution to her support from such worker;

(b) "byssinosis" means chronic dust disease of the lung and the sequelae arising out of employment in a textile plant;

(c) "Secretary" means the Secretary of Labor;

(d) "worker" means an individual who is or was employed in a textile plant;

(e) "spouse" means the wife or husband living with or dependent for support on the worker at the time of his or her death, or living apart for reasonable cause or because of his or her desertion, or who meets the requirements of section 216(c) (1), (2), (3), (4), or (5) and section 216(k) of the Social Security Act, who is not married. Such term also includes a "surviving divorced wife" as defined in section 216(d)(2) of the Social Security Act who, for the month preceding the month in which the worker died, was receiving at least one-half of her support as determined in accordance with regulations prescribed by the Secretary, from the worker, who was receiving substantial contributions from the worker (pursuant to a written agreement) or there was in effect a court order for substantial contributions to her support from the worker at the time of his death;

(f) "total disability" shall have the meaning given it in regulations of the Secretary except that such regulations shall provide that a worker shall be considered totally disabled when it is medically determined that byssinosis prevents such individual from engaging in gainful employment requiring the skills and abilities comparable to those of any employment in a textile plant or plants in which such individual engaged with some regularity and over a substantial period of time. Such regulations shall not provide more restrictive criteria than those applicable under section 223(d) of the Social Security Act;

(g) "child" means a child or a step-child who is—

(1) unmarried; and

(2)(A) under eighteen years of age; or

(B) under a disability as defined in section 223(d) of the Social Security Act, which began before the age specified in section 202(d)(1)(B)(ii) of the Social Security Act, or in the case of a student, before he ceased to be a student; or

(C) a student.

(h) "Student" means a "full-time student" as defined in section 202(d)(7) of the Social Security Act, or a "student" as defined in section 8101(17) of title 5, United States Code. The determination of an individual as the "child" of a worker, widow or widower, as the case may be, shall be made in accordance with section 216(h) (2) or (3) of the Social Security Act as if such worker, widow or widower were the "insured individual" referred to therein;

(i) "employer" means the operator of a textile plant;

(j) "textile plant" means a work place where workers are exposed to cotton dust which, if inhaled in sufficient quantities over a period of time, may impair lung function to the point that byssinosis exists; and

(k) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, or any other territory or possession of the United States.

BENEFIT CLAIMS

SEC. 4. (a) Any claim (other than a claim under subsection (a) of section 5) for benefits for death or total disability due to byssinosis shall be filed pursuant to the applicable State worker's compensation law, except that during any period when workers or their surviving wives, widows, children, parents, brothers, or sisters, as the case may be, are not covered by State worker's compensation law which provides adequate coverage for byssinosis they shall be entitled to claim benefits under this Act.

(b)(1) For the purposes of this section a State worker's compensation law shall not be deemed to provide adequate coverage for byssinosis during any period unless it is included in the list of State laws found by the Secretary to provide such adequate coverage during such period. The Secretary shall, no later than October 1, 1981, publish in the Federal Register a list of State worker's compensation laws which provide adequate coverage for byssinosis and shall revise and republish in the Federal Register such list as may be appropriate to reflect changes in such State laws due to legislation or judicial or administrative interpretation.

(2) The Secretary shall include a State worker's compensation law on such list during any period only if he finds that during such period under such law—

(A) benefits must be paid for total disability or death of a worker due to byssinosis;

(B) the amount of such cash benefit is substantially equivalent to or greater than the amount of cash benefits prescribed by section 4(a);

(C) the standards for determining death or total disability due to byssinosis are substantially equivalent to section 3(f) and the regulations of the Secretary promulgated thereunder;

(D) in the case of a worker any claim for benefits on account of total disability of a worker due to byssinosis is deemed to be timely filed if such claim is filed within three years of a medical determination of total disability due to byssinosis;

(E) there are in effect provisions with respect to prior employers which are substantially equivalent to the provisions contained in this Act; and

(F) there are applicable such other provisions, regulations, or interpretations which

are consistent with the provisions of this Act and with regulations promulgated hereunder as the Secretary determines to be necessary or appropriate to assure adequate compensation for total disability or death due to byssinosis.

The action of the Secretary in including or failing to include any State worker's compensation law on such list shall be subject to judicial review exclusively in the United States court of appeals for the circuit in which the State is located or the United States Court of Appeals for the District of Columbia.

ENTITLEMENT TO BENEFITS

SEC. 5. (a) (1) Subject to the provisions of subsection (b) of this section, retired and other workers suffering from byssinosis shall be entitled to benefit payments under this section to be made by the Secretary as follows:

(A) In the case of total disability of a worker due to byssinosis the disabled worker shall be paid benefits during the disability at a rate equal to 50 per centum of the minimum monthly payment to which a Federal employee in grade GS–2 who is totally disabled, is entitled at the time of payment under chapter 81 of title 5, United States Code.

(B) In the case of death of a worker due to byssinosis or of a worker receiving benefits under this part, benefits shall be paid to his spouse (if any) at the rate the deceased worker would receive such benefits if he were totally disabled.

(C) In the case of the child or children of a worker whose death is due to byssinosis or of a worker who is receiving benefits under this part at the time of the worker's death, or who was totally disabled by byssinosis at the time of the worker's death and in the case of the child or children of a widow or widower who is receiving benefits under this subsection at the time of such individual's death benefits shall be paid to such child or children as follows: if there is one such child, benefits shall be paid at the rate specified in paragraph (1). If there is more than one such child, the benefits paid shall be divided equally among them and shall be paid at a rate specified in paragraph (1) increased by 50 per centum of such rate if there are two such children, by 75 per centum of such rate if there are three such children, and by 100 per centum of such rate if there are more than three such children: *Provided*, That benefits shall only be paid to a child for so long as he meets the criteria for the term "child" contained in section 3(g): *And provided further*, That no entitlement to benefits as a child shall be established under this paragraph for any month for which entitlement to benefits as a widow or widower is established under paragraph (2).

(D) In the case of an individual entitled to benefit payments under subparagraph (A) or (B) of this subsection who has one or more dependents, the benefit payment shall be increased at the rate of 50 per centum of such payments if such individual has one dependent, 75 per centum if such individual has two dependents, and 100 per centum if such individual has three or more dependents.

(2) Notwithstanding paragraph (1), benefit payments under this section to a worker or his surviving spouse, child, parent, brother, or sister shall be reduced on a monthly or other appropriate basis, by—

(A) an amount equal to any payment received by such worker or his surviving spouse, child, parent, brother, or sister, under the worker's compensation, unemployment compensation or disability insurance laws of the State of the worker on account of the disability of such worker, and

(B) the amount by which such pyament would be reduced on account of excess earnings of such worker under section 203 (b) through (l) of the Social Security Act if the amount paid were a benefit payable under section 202 of such Act, and

(C) an amount equal to not more than 50 per centum of any benefits received under the Social Security Act.

(3) No payments of benefits shall be required under this subsection:

(A) except pursuant to a claim filed therefore in such manner, in such form, and containing such information, as the Secretary shall by regulation prescribe; or

(B) for any period prior to six months after the date of enactment of this Act.

(b) On or after six months after the date of enactment of this Act, any claim for benefits for death or total disability due to byssinosis shall be filed pursuant to the applicable State worker's compensation law, except that during any period when workers or their surviving spouses, children, parents, brothers, or sisters, as the case may be, are not covered by a State worker's compensation law which provides adequate coverage for byssinosis they shall be entitled to claim benefits under this Act in accordance with subsection (a).

(c) Benefits payable under this section shall be deemed not to be income for the purposes of the Internal Revenue Code of 1954.

TIME LIMITATION AND MEDICAL PRESUMPTIONS

SEC. 6. (a) (1) Any claim for disability benefits by a worker under this Act shall be filed within three years of a medical determination of total disability due to byssinosis.

(2) Any claim for death benefits by a survivor of a worker under this act shall be filed within three years of the date of enactment of this act or three years after the date of death, whichever is later.

(b) The Secretary in conjunction with the National Institute for Occupational Safety and Health shall by regulation establish standards, which shall include appropriate presumptions, for determining whether a worker is totally disabled from, or in the case of a deceased worker, was totally disabled from, byssinosis and whether such byssinosis arose out of the employment in a textile plant or plants.

EMPLOYER LIABILITY

SEC. 7. (a) Each employer shall be liable for the securing of benefits to employees equal to or greater than those provided by this Act.

(b) During any period in which a State worker's compensation law is not included on the list published by the Secretary under this Act each employer in such State shall secure the payment of benefits for which he is liable under this Act by—

(1) qualifying as a self-insurer in accordance with regulations prescribed by the Secretary, or

(2) insuring and keeping insured the payment of such benefits with any stock company or mutual company or association, or with any person or fund, including any State fund, of such company, association, person or fund which is authorized under the laws of any State to insure worker's compensation.

(c) In order to meet the requirements of clause (ii) of subsection (a) of this section, every policy or contract of insurance must contain—

(1) a provision to pay benefits at a level not less than that required under this Act, notwithstanding the provisions of the State worker's compensation law which may provide for payments in a lesser amount;

(2) a provision that insolvency or bankruptcy of the operator or discharged therein, or both, shall not relieve the insurance carrier from liability for such payments; and

(3) such other provisions that the Secretary may by regulation require.

(d) No policy or contract of insurance issued by a carrier to comply with the requirements of clause (2) of subsection (a) of this subsection shall be cancelled prior to the date specified in such policy or contract for its expiration until at least thirty days have elapsed after notice of cancellation has been sent by registered or certified mail to the Secretary and to the employer at his last known place of business.

PAYMENT OF BENEFITS

SEC. 8. (a) If a totally disabled worker or widow, child, parent, brother, or sister is entitled to benefits under this Act and (1) an employer liable for such benefits has not obtained a policy or contract of insurance or qualified as a self-insurer, as required by section 7 of this Act, or such employer has not paid such benefits within reasonable time, or (2) there is no employer who was required to secure the payment of such benefits the Secretary shall pay such worker or such widow, widower, child, parent, brother, or sister the benefits to which he or she is so entitled. In the case referred to in clause (1), the employer shall be liable to the United States in the civil action in the amount equal to the amount paid to such worker or his widow, widower, child, parent, brother, or sister under this Act.

(b) The Secretary may also by regulation establish standards for apportioning liability for the benefits under this subsection among more than one employer, where such apportionment is appropriate.

(c) (1) Benefit claims based upon employment in a textile plant prior to January 1, 1981 shall be paid by the Secretary in accordance with the provisions of this Act.

(2) Benefit claims based upon employment in a textile plant after January 1, 1981 shall be paid by the responsible employer in accordance with the provisions of this Act.

COOPERATION WITH STATES

SEC. 9. With the consenting cooperation of State agencies charged with administration of State worker's compensation laws, the Secretary may, for the purpose of carrying out his functions and duties under this Act, utilize the services of State and local agencies and their employees and notwithstanding any other provision of law, may advance funds to or reimburse such State and local agencies and their employees for services rendered for such purposes.

REGULATIONS; OTHER LAWS

SEC. 10. (a) The Secretary is authorized to issue such regulations as he deems appropriate to carry out the provisions of this Act. Such regulations shall be issued in conformity with section 553 of title 5, United States Code, notwithstanding subsection (a) thereof no later than nine months following the date of enactment of this Act.

(b) Within one hundred and twenty days following the convening of each session of Congress the Secretary shall submit to the Congress an annual report on the subject matter of this Act which is under his jurisdiction.

(c) Nothing in this title shall relieve any employer of the duty to comply with any State worker's compensation law except insofar as such State is in conflict with the provisions of this Act and the Secretary by regulation, so prescribes. The provisions of any State worker's compensation law which provides greater benefits than the benefits payable under this title shall not thereby be construed or held to be in conflict with the provisions of this title.

(d) During any period after the date of enactment of this Act, in which a State workmen's compensation law is not included on the list published by the Secretary under section 421(b) of this part, the provisions of Public Law 803, sixty-ninth Congress (44 Stat. 1424, approved March 4, 1927), as amended (other than the provisions contained in sections 1, 2, 3, 4, 7, 8, 9, 10, 12, 13, 29, 30, 31, 32, 33, 37, 38, 41, 43, 44, 45, 46, 47,

48, 49, 50, and 51 thereof) shall (except as otherwise provided in this subsection and except as the Secretary shall by regulation otherwise provide), be applicable to each operator of an underground coal mine in such State with respect to death or total disability due to pneumoconiosis arising out of employment in such mine. In administering this part, the Secretary is authorized to prescribe in the Federal Register such additional provisions, not inconsistent with those specifically excluded by this subsection, as he deems necessary to provide for the payment of benefits by such operator to persons entitled thereto as provided in this part and thereafter those provisions shall be appliable to such operator.

RESEARCH

SEC. 11. (a) The Secretary is authorized to enter into contracts with and make grants to public and private agencies and organizations and individuals for the construction, purchase, and operation of fixed site and mobile clinical facilities for the analysis, examination, and treatment of respiratory and pulmonary impairments in active and inactive textile plant workers.

(b) The Secretary shall initiate research within the National Institute for Occupational Safety and Health and is authorized to make research grants to public and private agencies and organizations and individuals for the purpose of devising a simple and effective test to measure, detect, and treat respiratory and pulmonary impairments in active and inactive textile plant workers. Any grant made pursuant to this section shall be conditioned upon all information, uses, products, processes, patents, and other developments resulting from research being available to the general public, except to the extent of such exceptions and limitations as the Secretary may deem necessary in the public interest.

DISCRIMINATION

SEC. 12. (a) No employer shall discharge or in any other way discriminate againt any worker employed by him by reasons of the fact that such worker is suffering from byssinosis or has filed a claim for benefits under this Act or any other State or Federal law. No person shall cause or attempt to cause an operator to violate this section.

(b) Any worker who believes that he has been discharged or otherwise discriminated against by any person in violation of subsection (a) of this section, or any representative of such worker may within ninety days after the violation occurs apply to the Secretary for a review of such alleged discharge or discrimination. A copy of the application shall be sent to the person who allegedly committed such violation who shall be the respondent. Upon receipt of such application the Secretary shall cause an investigation to be made of the allegations contained therein. Such investigation shall provide opportunity for public hearing at the request of any party to enable the parties to present information relating to such alleged violation. Each party shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any hearing shall be on the record and shall be subject to the provisions of section 554 of title 5 of the United States Code. Each hearing examiner presiding under this Act shall receive compensation at a rate not less than the rate prescribed for GS–16 under section 5532 of title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that such violation did not occur he shall issue a decision, incorporate and order therein, requiring the person committing such violation to take such affirmative action as the Secretary deems appropriate, including but not limited to, the rehiring or reinstatement of the worker to his former position with back pay. If he finds that there is no such violation he shall issue an order denying the application. Such order shall incorporate the Secretary's findings therein.

(c) Whenever an order is issued under this subsection granting relief to a worker, at the request of such worker a sum equal to the aggregate amount of all costs and expenses (including attorney's fees) as determined by the Secretary to have been reasonably incurred by such worker for, or in connection with the institution and prosecution of such proceedings, shall be assessed against the person committing the violation.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. There is authorized to be appropriated for the purposes of this Act such sums as may be necessary.

Mr. HOLLINGS. Finally, Mr. President, in reintroducing this bill, the distinguished senior Senator from South Carolina and I are recognizing the fact that hundreds of thousands of working are possible victims by byssinosis. Those workers who are most likely to contract it are the backbone of the textile industry which is vital to our regional economy. Estimates indicate that 250,000 to 300,000 textile workers are significantly exposed to cotton dust in the primary textile industry. This bill would establish a method for compensating these workers for disability that arises out of their employment. Such compensation is only fair.

Several years ago, Mr. President, Congress initiated a compensation program for those who suffer from black lung. I urge the Labor and Human Resources Committee to arrange to hold hearings on this bill as soon as possible. Delay only increases the number of those who suffer from this debilitating condition.●

By Mr. KENNEDY (for himself, Mr. RANDOLPH, Mr. WILLIAMS, Mr. PELL, Mr. EAGLETON, Mr. RIEGLE, and Mr. METZENBAUM):

S. 1102. A bill to revise and extend certain health services programs, and for other purposes; to the Committee on Labor and Human Resources.

HEALTH PROGRAMS AMENDMENTS OF 1981

Mr. KENNEDY. Mr. President, I am pleased to introduce the Health Programs Amendments of 1981. This bill, which is cosponsored by Senators RANDOLPH, WILLIAMS, PELL, EAGLETON, RIEGLE, and METZENBAUM is an important step forward in our national commitment to providing quality health care for all Americans.

Our bill is a constructive response to the administration's ill-considered proposal to fold virtually all public health activities into two formless block grants.

The administration's proposal would profoundly restructure Federal support for vital health and prevention services. The administration would eliminate all Federal responsibility for assuring that there are at least minimum primary care services in our Nation's poor urban and rural areas. The administration would end all assurances that funds are available for vitally needed services for the Nation's mentally ill, alcoholics, and drug addicts. The administration would terminate the Federal Government's historic commitment to providing needed support for maternal and child health—a commitment that began in 1935. The administration would pull back from the promising start we have made in addressing the complex physical, psychological, and social problems of adolescent pregnancy. The administration would walk away from assurances that vital preventive activities—genetic and hypertension screening, health education, and programs for controlling venereal diseases—will continue to receive adequate funding. The administration would close out Federal support for key urban health activities—such as rat control and lead-based paint poisoning prevention.

In its place, the administration proposes to become little more than a tax collector for the States in the areas of health services and prevention services. The administration's proposals for these block grants contain no assurance that Federal dollars will be spent to meet key health needs. They contain no assurance that funds will be targeted to the poor and the underserved. They contain no assurance that services provided by the States with Federal funds meet minimum quality standards. In short, the administration's legislation is nothing more than a formula for writing a blank check.

These proposals obviously raise profound questions about the Federal Government's role in, and responsibility for promoting the Nation's health—particularly the health of the poor and underserved. At a time when the administration is also proposing to cap medicaid and to relax fundamental Federal medicaid standards for services and eligibility, these proposals portend serious consequences for the Nation's health delivery system.

The administration justifies these proposals as providing States greater flexibility to define and meet local needs, and as a means of reducing administrative costs. We all support these two goals. But the administration's proposal fails to meet the test of fairness and equity. After all these Federal programs were developed precisely because States and local governments were either unable or unwilling to meet basic health care needs such as primary care in the medically underserved areas of this country. That is why the Federal Government developed a community health centers program.

The administration claims that administrative savings can justify the radical decrease in funding for health activities. If anything, past experience is to the contrary. State experience with other block grant programs indicates that State administrative costs may run as much as three to five times higher than the administrative costs for a typical Federal categorical program.

In contrast, our bill reflects a careful weighing of each of the programs included in the block grant, continuing Federal programs where appropriate and proposing consolidation and increased flexibility for the States in other areas.

COMMUNITY AND MIGRANT HEALTH CENTERS

Perhaps the most important feature of the bill is title I, which would reauthorize the community health and migrant health center programs for 3 years. These programs have demonstrated their ability to provide essential primary care services in medically underserved urban and rural areas. Nine hundred and sixty

primary care centers serve nearly 6 million urban and rural Americans—71 percent of whom have incomes below $7,000 in 1979. Eighty percent of the users of these centers are from minority groups.

Community health centers, migrant health centers, and black lung clinics are an integral part of health service delivery system in medically underserved areas; 79 percent of community health centers are located in the most severely underserved areas, and on average, the centers reach approximately two-thirds of the population in their target areas.

Centers have improved the health status of their users. In one county served by a center, infant mortality dropped by 40 percent over 4 years, while neighboring county rates remained the same. In Baltimore, there was a 60-percent decrease in rheumatic fever from 1960 to 1970 in communities with comprehensive health centers. Studies have shown that hospitalization of center users has dropped by 25 percent to 67 percent.

Centers are cost effective. Savings from reduced hospitalization alone exceed the cost of the program. Health center costs are 44-percent lower than the national average for comparable services Cost per encounter for health centers is significantly lower than for medicaid.

The bock grant proposal threatens to undo the progress we have made in providing primary care in underserved areas. Many States have little or no experience in planning and delivering primary care. The New York State Health Commissioner has observed:

> There are several programs slated for consolidated funding, such as community and migrant health centers, with which New York has no experience . . . (The proposal) threatens to disrupt service delivery and to adversely affect the health and welfare of New York residents.

Our proposal would amend the community health center program to assume that funds are directed to areas most in need. We are firmly convinced that the Federal Government has a continued responsibility and obligation to assure that primary care is available to the poor and underserved—an obligation that can only be met by continued Federal funding of community and migrant health centers and black lung clinics.

Our bill would authorize these programs in fiscal year 1982 at the fiscal year 1981 continuing resolution level—the level adopted by the Senate Budget Committee in the first concurrent budget resolution for fiscal year 1982. Although this level will lead to service diminution as a result of inflation, it is an appropriate balance of the need for fiscal restraint while retaining the minimum level of support necessary to provide adequate care.

IMMUNIZATIONS

Title II of our bill would extend for 3 years the authorization for childhood immunization programs. Funds spent for prevention programs such as immunizations are among our best investments in the Nation's health—yet only 2 cents out of every health dollar is spent for prevention.

The importance of a continued Federal responsibility for immunization programs is clear, as the administration has recognized by removing immunization from the block grant. Without a strong and visible Federal effort, immunization levels drop, as the experience of the 1970's demonstrated, with potentially disastrous consequences for the public health. With such an effort, it is possible to maintain safe levels of immunization. Secretary Califano's immunization initiative succeeded in raising children's immunization levels for major vaccine-preventable diseases from a dangerous two-thirds to over 90 percent between 1977 and 1980.

Our bill would authorize the childhood immunization program for fiscal year 1982 at the fiscal year 1981 continuing resolution level. This, too, is consistent with the actions of the Senate Budget Committee.

ADOLESCENT PREGNANCY

Title III of our bill would reauthorize the adolescent pregnancy program created by title VI of the Health Services and Centers Amendments of 1978.

The adolescent pregnancy program provides coordination, integration, and linkage of community efforts directed toward reducing the incidence of unwanted adolescent pregnancies and providing comprehensive services to the already pregnant adolescent.

It encourages the development of innovative approaches to meeting the comprehensive health, educational, and social services needs of the pregnant adolescent.

The Federal program responds to a critical national need. Over 1 million adolescent girls become pregnant each year, 600,000 go full term and 90 percent keep their babies. Even more disturbing is the increasing number of pregnancies among younger teenagers—approximately 30,000 girls who are 14 years or younger become pregnant each year.

Federal, State, and local costs from teenage pregnancy are high. It is estimated that in 1975, $4.65 billion was paid in welfare benefits to women who had their first child while they were a teenager.

Comprehensive programs for pregnant adolescents and their families are cost effective. In one study, 24 percent of teenagers in comprehensive programs had become pregnant as compared with 43 percent and 45 percent in the two other groups, after more than 2 years.

Grantees in this program must make maximum use of funds from existing programs such as adult and vocational education, medicaid, job training, food and nutrition, maternal and child health and family planning. In addition for every $1 of program money spent, an additional $2 of existing Federal, State, or private sector money is accessed.

The program's share of the funding for projects is decreased on a sliding scale so that by the end of a 5-year period the community is supporting the project through its own funding sources.

In fiscal year 1979 the first grants were awarded to four comprehensive health projects. In fiscal year 1980 $6.4 million in grants were awarded to 27 public and nonprofit private organizations to provide services to pregnant teenagers and teenage parents. These grantees are located in 21 States and the District of Columbia. It is estimated that some 38,000 teenagers will benefit from the services offered. Projected for fiscal year 1981 are grant awards to 34 comprehensive projects serving 54,000 persons.

The positive start that this program has achieved in its first years could be dissipated entirely if the program were folded into a block grant. States are now only beginning to learn that comprehensive services for adolescents and their families are essential to responding to the complexities of adolescent pregnancy. If forced to compete for scarce funds in a formless block grant, this small but innovative program may be overlooked entirely.

FAMILY PLANNING

Title IV of our bill reauthorizes title X of the Public Health Service Act for family planning services, research and training for 3 years, with the fiscal year 1982 authorization at 10 percent below the fiscal year 1981 continuing resolution level. This proposal recognizes the need for fiscal constraint while continuing the Federal commitment to this worthwhile program.

Title X dollars are dollars well spent. From 1974 to 1979, patient enrollments increased by 137 percent, while funding increased by only 34 percent. The cost per patient per year is only $90 for medical services, contraceptive supplies, and counseling. There is little administrative overhead in title X. Of the moneys Congress appropriates, 95.3 percent go directly to local programs for the provision of patient services.

Title X has been a very cost-effective program. A recent study has shown that for every dollar spent for family planning by the Federal Government, a savings of $1.80 was achieved the very next year in health and welfare costs. Between 1969 and 1975, the Federal Government's investment in family planning of $584 million yielded a savings of $1.1 billion to the Federal Government.

Title X—funded agencies have provided a focus for the provision of all family planning services regardless of source of funding. Agencies funded by title X have coordinated other Federal programs that provide complementary reproductive health care services—title V maternal and child health, title XIX medicaid and title XX social services—and have been able to assist those whose services were paid for by State or local governments, private insurers or personal fees.

HYPERTENSION COORDINATION AND INFORMATION

Title V of our bill creates a new Office of Hypertension Coordination and Information in the Office of the Assistant Secretary for Health. Under title VI of this bill, funds for hypertension services are included in funds made available to States for health programs. We believe, however, that the absence of a Federal

focal point for coordinating national information and awareness efforts would severely hamper effective private sector efforts in promoting hypertension prevention and treatment. The creation of a central office at the Federal level will permit continued national visibilty of hypertension prevention and treatment efforts, while leaving service activities to the States. The office will be authorized at $1 million for fiscal year 1982.

HEALTH SERVICE CONSOLIDATION

Title VI of our bill is a constructive approach to furthering the Federal/State partnership in health care, through consolidation of a number of small, categorical health programs into a grant to the States. In contrast to the administration's proposal, our block grant consolidates programs that are well suited to State administration, and provides adequate standards for accountability to assure that the public health is promoted by this approach to the delivery of services.

This title would consolidate programs for sudden infant death syndrome, genetic screening, hemophilia, emergency medical systems, home health, veneral disease, hypertension, rat control, fluoridation and lead paint poisoning prevention into a single grant to the States. Funds previously available to the States under section 314(d) of the Public Health Service Act would also be included in this grant. States would be provided flexibility in the use of these funds, but would be required to continue some existing effort in each of these program areas to assure an orderly transition from categorical programs and to permit States an opportunity to develop planning and administrative capacity to maximize the use of these health dollars.

Under this program, States are required to prepare a plan identifying the needs for public health services and programs, the intended use of these funds and the benefits expected to be achieved through this expenditure. After the first year, States will be required to compare the expected and actual benefits from these programs, to permit an assessment of the States success in using this new flexibility to achieve improvements in the health of all the people of the States. States will be required to develop strong fiscal auditing procedures to assure that funds are spent properly, and are used to provide services, not simply to cover State administrative costs. A 10-percent limit is placed on expenditures other than those that go directly for services in the communities.

In developing these plans, and in delivering services, States will be required to work closely with local governments, community based organizations and the public, to assure that services are provided in a manner that will respond to local needs and make best use of existing service delivery mechanisms. States must use the funds provided under this title to supplement existing State efforts and not as a substitute for on-going State funded programs.

An important element of this title is the requirement that the Secretary prepare an evaluation of the States' efforts under this program. This evaluation, which will examine the effects of the States' use of these funds on the public health, will permit us to examine under what circumstances State administration of health programs works and why, and where continued Federal involvement is needed. This evaluation will permit the Congress and the American people an opportunity to debate the appropriate role of Federal, State, and local governments in a calm and informed atmosphere, rather than plunging blindly into a radical transformation of health care service based at best on wishes and surmise. The health of the American people deserves no less.

Our block grant proposal assumes that mental health and substance abuse programs will continue to be funded separately in order to meet the critical service needs in these areas. In mental health, our proposal assumes the implementation this year of the Mental Health Systems Act of 1980. This act, which was enacted with substantial bipartisan support only last year, provides an innovative framework for coordinating mental health programs on the Federal, State, and community level. We believe this program should be given an opportunity to demonstrate its worth in helping meet the mental health needs of our Nation.

HEALTH MAINTENANCE ORGANIZATION

Title VII of our bill concerns health maintenance organizations.

Passage of the original HMO Act in 1973 has encouraged both private and public organizations to establish and operate HMO's. This is a Government program that has worked and worked well. HMO's have grown from 39 organizations with 3.5 million members in 1971 to more than 240 HMO's with 9 million subscribers today. Of the 240 HMO's in operation today, 120 are federally qualified and serve more than 6 million individuals.

The HMO program was created in a Republican administration and has enjoyed widespread bipartisan support over the years. Secretary Schweiker was one of its architects and strongest Senate supporters.

HMO's work. They save money for everyone. They have been able to reduce the cost of medical care by combining the incentives of prepayment with the efficiencies of an organized health care delivery system. HMO's have been able to realize substantial savings, which they pass on to their members through additional benefits and reduced out-of-pocket cost sharing. They do this by substituting ambulatory care for more expensive hospital services. Many studies found that total health care costs to HMO members are 10 to 40 percent less than those of people with conventional health insurance. Moreover, studies have found that the quality of HMO care is as good, if not better, than traditional fee-for-service medicine.

Without continued support, the impressive gains made by HMO's could well be lost over the next few short years. We would be denied the only real vehicle for competition in health and lose the opportunity of saving considerable public and private health care expenditures.

The administration has proposed terminating the grant program for HMO's and phasing out the loan program over the next 2 years. This proposal could do incalculable damage to HMO's now in the development process and ignore the real and continuing need for a Federal role in assuring that capital is available to potentially viable and competitive HMO's that cannot obtain private financing.

Our bill would continue the grant program for HMO's already receiving Federal support in their development process to assure that the Federal investment is not lost through premature withdrawal of support. It would provide additional funds for loans and loan guarantees to meet expected Federal obligations on past commitments, while maintaining a $5 million revolving fund to provide capital for the startup of promising HMO's.

The bill eliminates the mandatory set-aside of 20 percent of grant and loan funds for rural HMO's, but continues the priority for medically underserved areas. This will provide needed flexibility in providing Federal financial assistance, while retaining the commitment to promote the development of HMO's in both urban and rural underserved areas.

The maximum loan or loan guarantee to any HMO is increased to $7,000,000, with the maximum annual loan or loan guarantee is increased to $3,000,000.

Section 702 of our bill provides for a small demonstration grant program designed to evaluate the need for future Federal financial assistance for HMO development. Under this demonstration, the Secretary will choose a small number of sites currently unserved or underserved by health maintenance organizations, in both urban and rural areas, to make planning and development grants, and compare the experience of these communities with comparable communities that do not receive financial assistance. The Secretary will be authorized to grant waivers from the requirements of section 1301 if he determines that such a waiver will promote the purposes of the demonstration. In this way, Congress will be in a better position to determine whether there is sufficient private sector capital available to develop HMO's in promising areas or eliminate Federal support remains necessary, and which if any of the requirements of section 1301 deserve modification to promote the competitiveness and viability of HMO's.

Section 703 would modify the present community rating requirement by amending section 1302(8) to allow for class-based rating on the basis of age, sex, marital status, or family size. Although traditional community-rating principles seem best suited to the HMO model, this amendment will provide HMO's flexibility, where appropriate, to compete more equally with other forms of health insurance.

Finally, the bill eliminates the 15-percent ceiling on contracts with individual providers for federally qualified HMO's—30 percent in rural areas—after the expiration of 4 fiscal years after the

HMO becomes federally qualified. This amendment will permit flexibility to adopt the model of service design best suited to individual communities.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1102

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Health Programs Amendments of 1981".

TITLE I—COMMUNITY AND MIGRANT HEALTH CENTERS

EXTENSION OF COMMUNITY HEALTH CENTERS PROGRAM

SEC. 101. (a) Section 330(g) of the Public Health Service Act is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(g)(1) For grants under subsections (c) and (d), there are authorized to be appropriated $325,000,000 for the fiscal year ending September 30, 1982, and $350,000,000 for the fiscal year ending September 30, 1983. The Secretary may not obligate or expend for grants under subsection (c) in any fiscal year an amount which exceeds 2 per centum of the funds appropriated under this paragraph for that fiscal year and the Secretary may not obligate or expend for grants under subsection (d)(1)(C) in any fiscal year an amount which exceeds 5 per centum of such funds.".

(b) Paragraph (3) of section 330(g) of such Act is redesignated as paragraph (2).

CRITERIA FOR DETERMINING AREAS AND POPULATION GROUPS IN NEED OF SERVICES OF COMMUNITY HEALTH CENTERS

SEC. 102 (a) Section 330(b)(3) of the Public Health Service Act is amended by adding at the end the following: "The Secretary shall prescribe criteria for determining the specific shortages of personal health services of an area or population group. Such criteria shall include infant mortality in an area or population group, other factors indicative of the health status of a population group or residents of an area, the ability of the residents of an area or of a population group to pay for health services and their accessibility to such services, and the availability of health professionals to residents of an area or to a population group.".

(b) Section 330(e)(2) of such Act is amended by inserting before the second sentence the following: "Such an application shall also include a demonstration by the applicant that the area or a population group to be served by the applicant has a shortage of personal health services and that the center will be located so that it will provide services to the greatest number of persons residing in such area or included in such population group. Such a demonstration shall be made on the basis of the criteria prescribed by the Secretary under subsection (b)(3) and on additional criteria which the Secretary shall prescribe to determine if the area or population group to be served by the applicant has a shortage of personal health services.".

AUDITS OF GRANTS TO COMMUNITY HEALTH CENTERS

SEC. 103. Section 330 of the Public Health Service Act is amended by adding at the end thereof the following:

"(h)(1) Each entity which receives a grant under subsection (d) shall provide for an independent annual financial audit of any books, accounts, financial records, files, and other papers and property which relate to the disposition or use of the funds received under such grant and such other funds received by or allocated to the project for which such grant was made. For purposes of assuring accurate, current, and complete disclosure of the disposition or use of the funds received, each such audit shall be conducted in accordance with generally accepted accounting principles. Each such audit shall evaluate—

"(A) the entity's implementation of the guidelines established by the Secretary respecting cost accounting,

"(B) the processes used by the entity to meet the financial and program reporting requirements of the Secretary, and

"(C) the billing and collection procedures of the entity and the relation of the procedures to its fee schedule and schedule of discounts and to the availability of health insurance and public programs to pay for the health services it provides.

A report of each such audit shall be filed with the Secretary at such time and in such manner as the Secretary may require.

"(2) Each entity which receives a grant under subsection (d) shall establish and maintain such records as the Secretary shall by regulation require to facilitate the audit required by paragraph (1). The Secretary may specify by regulation the form and manner in which such records shall be established and maintained.

"(3) Each entity which is required to establish and maintain records or to provide for an audit under this subsection shall make such books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of such entity upon a reasonable request therefor. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the authority to conduct such examination, copying, and reproduction.".

SERVICES TO MIGRANTS BY COMMUNITY HEALTH CENTERS

SEC. 104. The Secretary of Health and Human Service shall review the performance of community health centers which have received grants under section 329 of the Public Health Service Act (relating to migrant health centers) to determine if the community health centers have provided services to migrants in a manner which is consistent with the needs of the migrants. In determining if the services have been provided in such a manner, the Secretary shall consider the hours of operation of a center, the bilingual capabilities of a center's staff, and the ability of the center's staff to detect, report, and treat adverse health effects resulting from exposure to pesticides. The Secretary shall report the results of the review conducted under this section to the Congress not later than six months after the date of the enactment of this section and shall include in the report actions taken by the Secretary to assure that community health centers receiving grants under such section 329 will provide services to migrants in a manner consistent with their needs.

EXTENSION OF PROGRAM FOR MIGRANT HEALTH CENTERS

SEC. 105. (a) Section 329(h) of the Public Health Service Act is amended by striking out paragraph (1), (2), and (3) and inserting in lieu thereof the following:

"(h)(1) For the purposes of subsections (c), (d), and (e), there are authorized to be appropriated $43,400,000 for the fiscal year ending September 30, 1982, and $48,000,000 for the fiscal year ending September 30, 1983. The Secretary may not obligate or expend for grants and contracts under subsection (c)(1) in any fiscal year an amount which exceeds 2 per centum of the funds appropriated under this paragraph for that fiscal year, the Secretary may not obligate or expend for grants under subsection (d)(1)(C) in any fiscal year an amount which exceeds 5 per centum of such funds, and the Secretary may not obligate or expend for contracts under subsection (e) in any fiscal year an amount which exceeds 10 per centum of such funds.".

(b) Paragraph (4) of section 329(b) of such Act is redesignated as paragraph (2).

TITLE II—IMMUNIZATION OF CHILDREN

IMMUNIZATION

SEC. 201. Section 317(j)(1)(A) of the Public Health Service Act is amended by striking out "and" after "1980," and by inserting before the period a comma and the following: $"30,000,000 for the fiscal year ending September 30, 1982, $31,500,000 for the fiscal year ending September 30, 1983, and $33,000,000 for the fiscal year ending September 30, 1984".

TITLE III—ADOLESCENT PREGNANCY

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. Section 607 of the Health Services and Centers Amendments of 1978 is amended—

(1) by striking out "and" after "1980" and inserting in lieu thereof a comma; and

(2) by inserting before the period a comma and "$10,000,000 for the fiscal year ending September 30, 1982, $12,000,000 for the fiscal year ending September 30, 1983, and $14,000.000 for the fiscal year ending September 30, 1984".

TITLE IV—FAMILY PLANNING

PROJECT GRANTS FOR FAMILY PLANNING SERVICES

SEC. 401. Section 1001(c) is amended by striking out "and" after "1980" and by inserting before the period a semicolon and "$143,000,000 for the fiscal year ending September 30, 1982; $157,000,000 for the fiscal year ending September 30, 1983; and $172,000,000 for the fiscal year ending September 30, 1984".

TRAINING GRANTS AND CONTRACTS

SEC. 402. Section 1003(b) of the Public Health Service Act is amended by striking out "and" after "1980;" and by inserting before the period a semicolon and "$3,000,000 for the fiscal year ending September 30, 1983; and $3,500,000 for the fiscal year ending September 30, 1984".

RESEARCH

SEC. 403. Section 1004(b)(1) of the Public Health Service Act is amended by striking out "and" after "1980," and by inserting before the period a comma and "$2,500,000 for the fiscal year ending September 30, 1982, $3,000,000 for the fiscal year ending September 30, 1983, and $3,000,000 for the fiscal year ending September 30, 1984".

INFORMATIONAL AND EDUCATIONAL MATERIALS

SEC. 404. Section 1005(b) is amended by striking out "and" after "1980;" and by inserting before the period a semicolon and "$630,000 for the fiscal year ending September 30, 1982; $700,000 for the fiscal year ending September 30, 1983; and $800,000 for the fiscal year ending September 30, 1984".

TITLE V—HYPERTENSION

ESTABLISHMENT OF OFFICE

SEC. 501. The Public Health Service Act is amended by inserting after section 318 the following new section:

"OFFICE OF HYPERTENSION COORDINATION AND INFORMATION

"SEC. 319 (a) The Secretary shall establish within the Office of the Assistant Secretary for Health an Office of Hypertension Coordination and Information, which shall be headed by a Director appointed by the Secretary. The Director shall—

"(1) provide assistance to the States and other public and private entities in coordinating the provision of hypertension prevention, screening, and treatment services;

"(2) disseminate information and research findings concerning innovative and effective methods for screening, treating, and preventing hypertension;

"(3) coordinate with public and private entities national and local efforts to inform the public and promote public awareness concerning the risks of hypertension and the need for hypertension screening, treatment, and prevention activities; and

"(4) establish a national clearinghouse to (A) facilitate the exchange of information concerning matters relating to hypertension screening, treatment, and prevention, (B) facilitate access to such information, and (C) assist in the analysis of issues and problems relating to hypertension.

"(b) By January 1 of each year, the Director shall publish and transmit to the Congress a report concerning hypertension and hypertension screening, treatment, and prevention. The report shall be in such form and manner as the Director determines appropriate, and shall include—

"(1) an analysis of the extent of hypertension and the need for hypertension services, including preventive activities and screening throughout the Nation and in each State;

"(2) an analysis of national, State, and local public and private activities designed to prevent, screen, or treat hypertension, including the extent to which States have used funds provided under section 313 to conduct such activities; and

"(3) recommendations for Federal, State, and local public and private efforts to respond to unmet needs for hypertension prevention, screening, and treatment.".

TITLE VI—HEALTH SERVICES BLOCK GRANT

SEC. 601. The Public Health Service Act is amended by inserting after section 311 the following new section:

"HEALTH SERVICES BLOCK GRANT

"SEC. 312. (a)(1) From the amounts appropriated under subsection (h) for any fiscal year, (other than the amounts reserved by the Secretary under subsection (g)(2)) the Secretary shall allot to each State an amount which bears the same ratio to the total amounts appropriated under such subsection for that fiscal year (other than the amount reserved by the Secretary under subsection (g)(2)) as the amounts provided or allotted by the Secretary for fiscal year 1981 to the State and to entities in the State under section 317 for rodent control, hypertension, and fluoridation activities, under sections 314(d), 316, 318, 339, 1101, 1121, 1131, 1202, 1203, and 1204 of this Act (as such sections were in effect on September 30, 1981) and under sections 401 and 402 of the Health Services and Centers Amendment of 1978 (as such sections were in effect on September 30, 1981) bore to the amounts provided or allotted by the Secretary under such sections to all States and to entities in all States from appropriations for fiscal year 1981.

"(2) By October 1, 1981, the Secretary shall prepare and transmit to the Congress a report which recommends an equitable formula for the allotment of funds under this section. In developing such formula, the Secretary shall consider the relative population of each State, the per capita income of each State, the financial need of each State, and the amount of State and local expenditures for health activities in each State. In determining the financial need of a State, the Secretary shall consider the percentage of the population of the State which has an income that is below the poverty income level established by the Secretary and the percentage of the population of the State which is living in medically underserved areas.

"(b)(1) The Secretary shall make payments, in accordance with section 203 of the Intergovernmental Cooperation Act of 1968, to each State from its allotment under subsection (a) from amounts appropriated for any fiscal year under subsection (h).

"(2) The Secretary, at the request of a State, may reduce the amount paid under paragraph (1) by the amount of the pay, allowances, and travel expenses of any officer or employee of the Government when detailed to a State health authority and the amount of any other costs incurred in connection with the detail of such officer or employee, when the detail of such an officer or employee is for the convenience of the State health authority and for the purpose of carrying out a program with respect to which its payment under paragraph (1) is made. The amount by which any such payment is so reduced shall be available for payment by the Secretary of the costs incurred in detailing the personnel, on which the reduction of such payment is based, and such amount shall be deemed as part of the payment and shall be deemed to have been paid to the State.

"(c)(1) Except as provided in paragraphs (2) and (3), amounts paid under subsection (b) may be used by States to assist in meeting the costs of providing services related to sudden infant death syndrome, genetic screening, hemophilia, emergency medical systems, home health services, venereal disease, hypertension, rat control, fluoridation, lead paint poisoning prevention, and other public health services designed to improve health status.

"(2) Amounts paid to the States under subsection (b) may not be used for—

"(A) cash payments to intended recipients of health services;

"(B) the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility, or

"(C) satisfying any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

"(3) Not more than 10 percent of the amounts paid under subsection (b) shall be used for the payment of salaries and expenses other than salaries and expenses involved directly in the delivery of health services.

"(d)(1) By January 1 of each fiscal year, each State receiving a payment for such fiscal year under subsection (b) shall prepare and transmit a report to the Secretary. Each report shall be in such form and in such manner and shall contain such information as the Secretary may require. Each report shall contain—

"(A) a description of the needs in the State for the services described in subsection (c)(1);

"(B) a description of the extent to which such services are provided in the State;

"(C) a description of the plans of the State to meet the needs identified in paragraph (A) through existing and new services;

"(D) a description of the manner in which the State intends to use the payment made under subsection (b) during the fiscal year in which the report is made, and the expected benefits to be achieved with such payment through each of the types of services described in subsection (c)(1); and

"(E) a description of the manner in which the State expended the amount paid under subsection (b) for the preceding fiscal year, including a description of the benefits achieved through the expenditure of such amount, a comparison of the benefits achieved through the expenditure of such amount with the expected benefits identified in the report for the preceding fiscal year under subparagraph (D), and a description of the plans of the State to remedy any difference between the expected benefits identified and actual benefits achieved.

"(2) The report required by paragraph (1) for fiscal year 1982 need not contain the description required by subparagraph (E) of such paragraph.

"(e) Each State that receives a payment under subsection (b) shall—

"(1) provide for such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of and accounting for such payment;

"(2) assure that such payment will be used to supplement and not supplant the level of non-Federal funds that would otherwise be made available for the activities for which such payment is provided;

"(3) assure that, to the maximum extent feasible, local public health entities and community based nonprofit organizations are involved in the design of State plans for the expenditure of such payment and in the delivery of services supported by such payment; and

"(4) assure that, prior to the implementation of any plan for the expenditure of any payment under subsection (b), the public has an adequate opportunity to comment on the proposed use of such funds, and that, prior to the submission of any report pursuant to subsection (d), the public has an opportunity to comment on the proposed report.

"(f)(1) No person shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this section. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

"(2) Whenever the Secretary determines that a State that has received a payment under this subpart has failed to comply with paragraph (1) or an applicable regulation, he shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to (A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted, (B) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or (C) take such other action as may be provided by law.

"(3) When a matter is referred to the Attorney General pursuant to paragraph (2), or whenever he has reason to believe that the State is engaged in a pattern or practice in violation of the provisions of this subsection, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

"(g)(1) By October 1, 1983, the Secretary shall prepare and transmit to the Congress an evaluation of the efforts made by States with amounts paid under subsection (b). The report shall include—

"(A) a description of the needs, throughout the Nation and in each State, for the services described in subsection (c)(1);

"(B) a description of the level of such services provided throughout the Nation and in each State prior to October 1, 1981, and of the need for such services prior to such date;

"(C) a description of the proposed use by the States of amounts provided under this section, and the expected benefits to be achieved by the States through the expenditure of such amounts;

"(D) an evaluation of the actual expendi-

ture by the States of amounts provided under this section, including the benefits actually achieved by the States through the expenditure of such amounts, the difference between expected benefits specified in the reports by the States submitted under subsection (d) and the actual benefits achieved by the States, and a description of continuing unmet needs for the services described in subsection (c)(1).

"(2) For the purpose of conducting the evaluation required by paragraph (1) of this subsection, there shall be available to the Secretary, pursuant to section 513 of this Act, 1 percent of any appropriation for payments under this section.

"(h) For the purposes of this section, there are authorized to be appropriated $204,000,000 for the fiscal year ending September 30, 1982, $224,000,000 for the fiscal year ending September 30, 1983, and $244,000,000 for the fiscal year ending September 30, 1984.

"(i)(1) For the purpose of assuring an orderly transition from health activities supported with Federal financial assistance in fiscal year 1981, each State receiving a payment under this section shall assure that, except as provided in paragraph (2)—

"(A) for fiscal year 1982, each activity carried out in the State which was supported in fiscal year 1981 section 317 (for rodent control, hypertension, and fluoridation activities) and under sections 316, 318, 339, 1101, 1121, 1131, 1202, 1203, and 1204 of this Act shall receive from the payment made to the State under subsection (b) an amount which is not less than 70 percent of the amount provided for each such activity in fiscal year 1981 in that State;

"(B) for fiscal year 1983, each activity carried out in the State which was supported in fiscal year 1981 under section 317 (for rodent control, hypertension, and fluoridation activities) and under sections 316, 318, 339, 1101, 1121, 1131, 1202, 1203, and 1204 of this Act shall receive from the payment made to the State under subsection (b) an amount which is not less than 60 percent of the amount provided for each such activity in fiscal year 1981 in that State; and

"(C) for fiscal year 1984, each activity carried out in the State which was supported in fiscal year 1981 under section 317 (for rodent control, hypertension, and fluoridation activities) and sections 316, 318, 339, 1101, 1121, 1131, 1202, 1203, and 1204 of this Act shall receive an amount from the payment made to the State under subsection (b) which is not less than 50 percent of the amount provided for each such activity in fiscal year 1981 in that State.

"(2) If the amount appropriated for fiscal year 1982, 1983, or 1984 for allotments to States under this section is less than the amount authorized in subsection (h), the Secretary shall by regulation modify the percentages specified in subparagraphs (A) through (C) of paragraph (1) so that the percentage required for each activity described in subsection (c)(1) bears the same ratio to the percentages specified in such subparagraphs as the amount appropriated for such fiscal year bears to the amount authorized for that year.

"(3) If the Secretary determines that a State is unable to provide the services described in subsection (c)(1) in the amount required by subparagraphs (A) through (C) of paragraph (1), the Secretary may directly fund such services until such time as the Secretary is satisfied that the State is capable of providing the amount and types of services required by such subparagraphs. Any such sums which are expended directly by the Secretary in a State shall be deducted from the State's allotment under subsection (a).

"(4) The Secretary may waive the requirements of paragraph (1) upon a determination that the State has demonstrated to the satisfaction of the Secretary, that the interest of the public health would be furthered by a waiver of those provisions.".

TITLE VII—HEALTH MAINTENANCE ORGANIZATION EXTENSIONS

SEC. 701. (a) Section 1309(a) of the Public Health Service Act is amended to read as follows:

"(a) There are authorized to be appropriated such sums as may be necessary for the fiscal year ending September 30, 1982, and the two succeeding fiscal years for grants and contracts under sections 1304(a), 1304(b), and 1317. No funds appropriated under this subsection may be obligated or expended for a grant or contract under section 1304(a) for an entity unless that entity received a grant or contract under section 1303 or 1304(a) for the fiscal year ending September 30, 1981, and no funds appropriated under this subsection may be obligated for a grant or contract under section 1304(b) for an entity unless that entity received a grant or contract under section 1303, section 1304(a), or section 1304(b) for such fiscal year.".

(b) Section 1309(b) of such Act is amended to read as follows:

"(b) To assure that the loan fund established under section 1308(e) has a balance of at least $5,000,000 at the end of each fiscal year, to meet the obligations of the loan fund resulting from defaults on loans made from the fund, and to meet the other obligations of the fund, there are authorized to be appropriated to the loan fund $40,000,000 or such greater amount as may be necessary to assure such balance and meet such obligations".

(c) Section 1304(1) of such Act is amended by striking out "1981" and inserting in lieu thereof "1984".

DEMONSTRATION AND EVALUATION

SEC. 702. Title XIII of the Public Health Service Act is amended by inserting after section 1304 the following new section:

"GRANTS AND CONTRACTS FOR DEMONSTRATION AND EVALUATION OF THE NEED FOR HEALTH MAINTENANCE ORGANIZATIONS

"SEC. 1304A. (a) The Secretary may make grants to and enter into contracts with public or private nonprofit entities for the purpose of demonstrating and evaluating the need for Federal financial assistance to develop health maintenance organizations in areas that are not now adequately served by health maintenance organizations. Funds made available under this section may be used for—

"(1) projects for surveys or other activities to determine the feasibility of developing and operating health maintenance organizations;

"(2) planning projects for the establishment of health maintenance organizations; and

"(3) the initial development of health maintenance organizations.

"(b) An application for a grant or contract under this section shall contain—

"(1) information concerning the extent to which the area to be served is being served by any existing health maintenance organization;

"(2) information concerning the need for Federal financial assistance for projects to determine the feasibility of health maintenance organizations, to plan for the establishment of health maintenance organizations, or to develop health maintenance organizations; and

"(3) such other information as the Secretary may by regulation prescribe.

"(c) In considering applications for grants and contracts under this section, the Secretary shall give priority to areas that are not served by health maintenance organizations or that are inadequately served by health maintenance organizations, and shall to the maximum extent practicable, attempt to identify comparable areas that are not served or are inadequately served by health maintenance organizations for the purpose of comparing and evaluating the development of health maintenance organizations in underserved areas where Federal assistance is provided as compared with development of health maintenance organizations in underserved areas where no Federal assistance is provided.

"(d) For the purpose of conducting the demonstration projects under this section, the Secretary may waive compliance with any of the requirements of section 1301 to the extent and for such period of time as is necessary to accomplish the purposes of this section.

"(e) By January 1, 1984, the Secretary shall prepare and transmit to Congress a report evaluating the need for and efficacy of Federal financial assistance for the development of health maintenance organizations. The Secretary shall evaluate the projects carried out under this section in preparing such report and may include in such report any other information that the Secretary determines appropriate.

"(f) For purposes of carrying out this section, there are authorized to be appropriated $4,000,000 for the fiscal year ending September 30, 1982, $3,000,000 for the fiscal year ending September 30, 1983, and $2,000,000 for the fiscal year ending September 30, 1984.".

REVISION OF REQUIREMENTS FOR HEALTH MAINTENANCE ORGANIZATIONS

SEC. 703. (a)(1) Section 1301(b)(3) of the Public Health Service Act is amended—

(A) by striking out subparagraph (c); and

(B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

(2) Section 1301(b)(3)(A)(iv) of such Act is amended by striking out "subject to subparagraph (C),".

(3) Section 1310(b)(2) of such Act is amended by striking out "or (B)" and inserting in lieu thereof "(B) individual physicians and other health professionals under contract with the organization, or (C)".

(b) Section 1302(8) of such Act is amended—

(1) in the second sentence by striking out "the next sentence" and inserting in lieu thereof "the last sentence of this paragraph"; and

(2) by inserting after the second sentence the following: "Under such a system rates of payment may also be determined on a per-class basis but only if the classes used in the system are established on the basis of age, sex, marital status, or family size or any combination of such bases. Except as authorized in the next sentence, rates determined on a per-class basis must be equivalent for all individuals in the same class and for all families in the same class.".

INITIAL COSTS OF OPERATION

SEC. 704. (a) Section 1305(b)(1) of such Act is amended to read as follows:

"(b)(1) Except as provided in paragraph (2), the aggregate amount of principal of loans made or guaranteed, or both, under subsection (a) for a health maintenance organization may not exceed $7,000,000. In any twelve-month period the amount disbursed to a health maintenance organization under this section (either directly by the Secretary, by an escrow agent under the terms of an escrow agreement, or by a lender under a guaranteed loan) may not exceed $3,000,000.".

(b) Section 1305(d) of such Act is amended by striking out "1981" and inserting in lieu thereof "1986".

(c) Section 1307(e) of such Act is repealed.

LIMIT ON SPECIAL CONSIDERATIONS

SEC. 705. (a) Section 1303(1) of the Public Health Service Act is repealed.

(b) Section 1304(k) of such Act is repealed.

(c) Section 1305 of such Act is amended by striking out subsection (e) and by redesignating subsection (f) as subsection (e).

By Mr. HATCH:

S. 1103. A bill to consolidate and simplify the administration of Federal aid for elementary and secondary education and to restore control over education to States and to local educational agencies; to the Committee on Labor and Human Resources.

ELEMENTARY AND SECONDARY EDUCATION CONSOLIDATION ACT OF 1981

● Mr. HATCH. Mr. President, I am introducing today the administration's draft bill to consolidate 44 existing elementary and secondary support programs into two simplified allocations of funds to provide educational support at the State and local level in a way which will substantially reduce Federal regulations. This legislation would allow the States and localities considerable discretion and flexibility in setting priorities and in administering the programs. This flexibility is necessary to assure that the programs adapt to individual local and State needs and to attain maximum efficiency in the delivery of services.

I have long been concerned with the growing encroachment of the Federal Government into educational matters which I believe traditionally and constitutionally belong at the State and local level. The time is ripe for us to reassess the efficacy of our current approach to Federal support of elementary and secondary education. This approach embodies a detailed categorical scheme buttressed by exhaustive and exhausting regulations. It is a scheme often characterized by inflexibility, disunity of purpose and effect of programs, and an adversarial relationship among Federal, State, and local authorities.

It is a scheme based upon the notion that State and local educators are not to be trusted, upon the presumption that wise policy will not be achieved unless and until education is insulated from the desires and values of the local citizenry. Thus our present Federal approach has perhaps inadvertently weakened the effect of local values, has drawn attention away from productive instruction in many cases, and has robbed many of our school administrators of their initiative and their sense of responsibility.

Indeed, the growing Federal presence in education has encouraged our citizens, as well as our professional educators, to abdicate their responsibilities to the Washington watchdogs. Do you suspect unwise use of local funds? Do not worry, the Federal Government keeps tabs on those things. Are you grieved by the school board's choice of textbooks or curriculum? Write a letter to the U.S. Secretary of Education or file a Federal suit. Whatever you do, however, do not waste time organizing on a local level; do not bother to run for positions on the school board. The action is in Washington.

If we are to reverse this trend we must restore to our people the opportunity—and the responsibility—for governing themselves. It is for these reasons that I am proud to attach my name to this bill. Its concept is sound, its intent worthy. It is not perfect in its present form, but I am confident its block grant and consolidation proposals will furnish an essential basis for a full consideration of the issues we must face as we reassess and hopefully restructure the Federal role in achieving national educational objectives.

I ask unanimous consent that there be printed in the RECORD the text of the bill as well as the letter of transmittal from Secretary of Education Terrel H. Bell to the President of the Senate and a section-by-section analysis.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1103

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Elementary and Secondary Education Consolidation Act of 1981".

TITLE I—FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS

STATEMENT OF PURPOSE

SEC. 101. It is the purpose of this title to provide financial assistance to States and local educational agencies to improve educational achievement, especially in basic skills and career preparation, for educationally deprived children, handicapped children, children in schools undergoing desegregation, migratory children, children in institutions for neglected or delinquent children or in adult correctional institutions, and for adults lacking basic skills.

AUTHORIZATION OF APPROPRIATIONS

SEC. 102. There are authorized to be appropriated for the purposes of this title for the fiscal year ending September 30, 1982 $3,790,124,000 for the fiscal year ending September 30, 1983 $3,979,630,000, for the fiscal year ending September 30, 1984 $4,178,612,000 for the fiscal year ending September 30, 1985 $4,378,542,000, and for the fiscal year ending September 30, 1986 $4,606,919,000.

ALLOTMENTS TO STATES

SEC. 103. (a) From the sums appropriated in any fiscal year for the purposes of this title, the Secretary shall reserve up to 1 percentum of such sums for the purposes of payments to Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, to be allotted in accordance with their respective needs under this title, and to the Secretary of the Interior for programs and projects designed to meet the special educational needs of eligible Indian children on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior or through contract with the Department of the Interior.

(b) From the remainder of the sums appropriated for purposes of this title for any fiscal year, the Secretary shall allot 87 percentum of such sums to the States for grants to local educational agencies to assist them in meeting the special educational needs of educationally deprived children, handicapped children, and children in schools undergoing desegregation. The Secretary shall allot the remaining 13 per centum to the States to assist them in meeting the special educational needs of handicapped children for whom the State has responsibility, children in institutions for neglected or delinquent children or in adult correctional institutions, migratory children, and adults lacking basic skills.

(c) Of the 87 per centum to be allotted to the States for grants to local educational agencies, the Secretary shall allot 75 percentum of such sums to the States on the basis of the number of low-income children in accordance with subsection (d) and 25 per centum of such sums on the basis of school-age population in accordance with subsection (g).

(d) Of the sums allotted to the States on the basis of the number of low-income children—

(1) each State shall receive for fiscal year 1982 an amount that bears the same ratio to the total amount of such sums as the amount awarded to the State for fiscal year 1981 under sections 111 and 117 of the Elementary and Secondary Education Act bears to the total amount awarded to the States under these sections for fiscal year 1981, and

(2) each State shall receive for any fiscal year subsequent to fiscal year 1982 an amount equal to the amount the State received under paragraph (1) for fiscal year 1982, and ffom any remaining sums, an amount that bears the same ratio to the remainder as the amount determined under subsection (e) bears to the sum of such amounts for all the States.

(e) The amount referred to in subsection (d) (2) shall be determined by multiplying the number of low-income children in the State by the average per pupil expenditure in the State except (1) if the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, the amount used shall be 80 per centum of the average per pupil expenditure in the United States, or (2) if the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, the amount used shall be 120 per centum of the average per pupil expenditure in the United States, and (3) in the case of Puerto Rico, the amount used shall be determined by multiplying the ratio of the average per pupil expenditure in Puerto Rico to the lowest average per pupil expenditure of any of the fifty States by 80 per centum of the average per pupil expenditure in the United States.

(f) For purposes of this section, the term "low-income children" means—

(1) children aged 5 to 17, inclusive, from families below the poverty level as determined on the basis of the most recent decennial census data available from the Department of Commerce, using the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census, and

(2) children aged 5 to 17, inclusive, from families receiving an annual income, in excess of the current criteria of poverty, from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act, using the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census for a nonfarm family of four in such form as those criteria have been updated by increases in the Consumer Price Index.

(g) Of the sums allotted to the States on the basis of school-age population, each State shall receive for any fiscal year an amount that bears the same ratio to the total amount of such sums as the school-age population in the State bears to the school-age population in all the States, except that—

(1) for fiscal year 1982 each State shall receive an amount that bears the same ratio to the total amount of such sums as the amount awarded to the State for fiscal year 1981 under sections 611 and 617 of the Education of the Handicapped Act (for programs involving State grants and preschool incentive grants) and under sections 606(a) and 608 of the Emergency School Aid Act (for programs involving grants to local educational agencies) bears to the total amount

awarded to the States under these sections for fiscal year 1981, and

(2) for fiscal year 1983 each State shall receive an amount equal to 75 per centum of the amount the State received under paragraph (1) for fiscal year 1982, and from any remaining sums, an amount that bears the same ratio to the remainder as the school-age population in the State bears to the school-age population in all the States.

(h) Of the remaining 13 per centum to be allotted to the States, the Secretary shall allot 80 per centum of such sums to the States on the basis of the number of other eligible children in accordance with subsection (i) and 20 per centum of such sums on the basis of the number of eligible adults in accordance with subsection (1).

(i) Of the sums allotted to the States on the basis of other eligible children, each State shall receive for any fiscal year an amount that bears the same ratio to the total amount of such sums as the amount determined under subsection (j) bears to the sum of such amounts for all the States, except that—

(1) for fiscal year 1982 each State shall receive an amount that bears the same ratio to the total amount of such sums as the amount awarded to the State for fiscal year 1981 under subparts 1, 2, and 3 of part B of title I of the Elementary and Secondary Education Act bears to the total amount awarded to the States under these sections for fiscal year 1981, and

(2) for fiscal year 1983 each State shall receive an amount equal to 75 per centum of the amount the State received under paragraph (1) in fiscal year 1982, and from any remaining sums, an amount that bears the same ratio to the remainder as the amount determined under subsection (j) bears to the sum of such amounts for all the States.

(j) The amount referred to in subsection (i)(2) shall be determined by multiplying the number of other eligible children by the average per pupil expenditure in the State except (1) if the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, the amount used shall be 80 per centum of the average per pupil expenditure in the United States, or (2) if the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, the amount used shall be 120 per centum of the average per pupil expenditure in the United States, and (3) in the case of Puerto Rico, the amount used shall be determined by multiplying the ratio of the average per pupil expenditure in Puerto Rico to the lowest average per pupil expenditure of any of the fifty States by 80 per centum of the average per pupil expenditure in the United States.

(k) For purposes of this section, the term "other eligible children" means—

(1)(A) handicapped children in average daily attendance at schools for handicapped children operated or supported by a State agency directly responsible for providing free public education for handicapped children, including schools providing special education for handicapped children under contract or other arrangements with such State agency,

(B) handicapped children who have left an educational program described in subparagraph (A) in order to participate in an educational program for handicapped children operated or supported by a local educational agency if—

(i) they continue to receive an appropriately designed educational program; and

(ii) the State agency transfers to the local educational agency in whose program such children participate amounts equal to the sums received by the State agency under this title which are attributable to such children.

(2) neglected or delinquent children in average daily attendance at schools for such children operated or supported by a State agency directly responsible for providing free public education for such children in institutions for neglected or delinquent children or in adult correctional institutions, including schools under contract or other arrangements with such State agency, and

(3) the estimated number of migratory children of migratory agricultural workers or of migratory fishermen, aged 5 to 17, inclusive, who reside in the State full-time and the full-time equivalent of the estimated number of such migratory children who reside in the State part-time.

(l) Of the sums allotted to the States on the basis of the number of eligible adults, each State shall receive for any fiscal year an amount that bears the same ratio to the total amount of such sums as the number of eligble adults in the State bears to the total number of these adults in all the States, except that—

(1) for fiscal year 1982 each State shall receive an amount that bears the same ratio to the total amount of such sums as the amount awarded to the State for fiscal year 1981 under section 305 of the Adult Education Act bears to the total amount awarded to the States under this section for fiscal year 1981, and

(2) for fiscal year 1983 each State shall receive an amount which is equal to 75 per centum of the amount the State received under paragraph (1) for fiscal year 1982, and from any remaining sums, an amount that bears the same ratio to the remainder as the number of eligible adults in the State bears to the total number of such adults in all the States.

(m) For the purposes of this section—

(1) the term "eligible adults" means adults who do not have a certificate of graduation from a school providing secondary education (or its equivalent) and who are not currently required to be enrolled in schools, and

(2) the terms "State" and "United States" include the fifty States, the District of Columbia, and Puerto Rico.

ALLOCATIONS BY THE STATES

SEC. 104. (a) Each State shall allocate the sums received in any fiscal year under subsections (d) and (g) of section 103 to local educational agencies on the basis of data which the State determines are consistent with meeting the needs of eligible children referred to in section 104(a), including measures of poverty, educational deprivation, numbers of handicapped children, enrollment of children in schools undergoing desegregation, or such other indicators as deemed appropriate, except that—

(1) for fiscal year 1982 each local educational agency shall receive no less than an amount that bears the same ratio to the total amount allotted to the State under subsection (d) as the amount awarded to the local educational agency for fiscal year 1981 under sections 111 and 117 of the Elementary and Secondary Education Act bears to the total amount awarded to the State under these sections for fiscal year 1981, and

(2) for fiscal year 1983 each local educational agency shall receive no less than an amount equal to 75 per centum of the amount the local educational agency received under paragraph (1) of this subsection for fiscal year 1982.

(b)(1) Each State shall allocate the sums received under subsection (h) of section 103 to carry out the activities authorized under section 105(d). The State may use the sums to carry out activities directly, under its own supervision and control, or may award subgrants to, and enter into contracts with, local educational agencies and other public and private agencies, organizations, and institutions, and individuals. In making awards under this title, the State may give clear consideration to community-based self-help organizations of demonstrated effectiveness.

(2) No subgrant may be made with funds received under subsection (h) of section 103 to other than a public agency or nonprofit private organization or institution.

AUTHORIZED ACTIVITIES

SEC. 105. (a) A local educational agency may use funds received under section 104(a) only for programs and projects which are designed to meet the special educational needs of—

(1) educationally deprived children residing in public school attendance areas with high concentrations of such children,

(2) handicapped children (especially the severely handicapped), and

(3) children in schools undergoing desegregation.

(b) Such programs and projects may include the employment of additional staff to assist in meeting the special educational needs of the children referred to in subsection (a); the development or acquisition of curricula, methods, practices, techniques, materials or equipment to support more effective instruction; the in-service training of teachers and school staff; exemplary educational activities; community relations activities; repair or minor remodeling of schools and other instructional facilities (but not structural alterations to buildings or the acquisition of land or existing structures); incentives for superior teaching and school performance in the education of students with special needs; developmental, corrective, and other supportive services; and planning, evaluation, dissemination and other activities directly related and necessary to achieve the purpose stated in section 101.

(c) The local educational agency shall determine which needs to address with the funds received under section 104(a) and how to meet these needs.

(d) A State may use the sums received under subsection (h) of section 103 for the purpose set forth in section 101 only to support—

(1) programs and projects to meet the special educational needs of handicapped children in schools operated or supported by a State agency directly responsible for providing free public education for handicapped children, including schools providing special education for handicapped children under contract or other arrangements with such State agency and programs and projects operated or supported by a local educational agency for handicapped children who have left an educational program operated or supported by a State agency;

(2) programs and projects to meet the special educational needs of neglected or delinquent children in institutions for such children or in adult correctional institutions operated or supported by a State agency responsible for providing free public education for neglected or delinquent children in such institutions, including schools providing education for such children under contract or other arrangements with such State agency;

(3) programs of education for migratory children of migratory agricultural workers or of migratory fishermen, including interstate and intrastate coordination to identify and serve eligible children; and

(4) programs of adult education that will enable adults lacking basic skills to acquire the skills necessary to function in society and for those who so desire to continue their education to the level of completion of secondary school.

TITLE II—FINANCIAL ASSISTANCE FOR IMPROVEMENT OF SCHOOL RESOURCES AND PERFORMANCE

STATEMENT OF PURPOSE

SEC. 201. It is the purpose of this title to provide financial assistance to States for activities that will encourage academic excel-

lence through more effective instructional and management practices for elementary and secondary education; improve student achievement, especially in basic skills and other subjects addressed by State and local instructional goals; increase opportunities for educational services for students with special needs; and strengthen State oversight and management functions.

AUTHORIZATION OF APPROPRIATIONS

SEC. 202. There are authorized to be appropriated for the purposes of this title for the fiscal year ending September 30, 1982 $565,070,000, for the fiscal year ending September $30, 1983 $593,324,000 for the fiscal year ending September 30, 1984 $622,990,000, for the fiscal year ending September 30, 1985 $654,139,000, and for the fiscal year ending September 30, 1986 $686,846,000.

ALLOTMENTS TO STATES

SEC. 203. (a) From the sums appropriated in any fiscal year for the purposes of this title, the Secretary shall reserve up to 1 per centum of such sums for payments to Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands, to be allotted in accordance with their respective needs, and to the Secretary of the Interior for programs and projects designed to serve Indian children on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior or through contract with the Department of the Interior.

(b) From the remainder of the sums appropriated for purposes of this title for any fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to the remainder of such sums as the school-age population in the State bears to the school-age population in all the States, except that—

(1) for fiscal year 1982 each State shall receive an amount that bears the same ratio to the remainder as the amount paid to the State, and other agencies, organizations, and institutions within the State in fiscal year 1981 under the antecedent programs of this title bears to the total amount paid to the States, and other agencies, organizations, and institutions within the States in fiscal year 1981 under the antecedent programs,

(2) for fiscal year 1983 each State shall receive an amount equal to 75 per centum of the amount the State received under paragraph (1) in fiscal year 1982, and from any remaining sums, an amount that bears the same ratio to the remainder as the school-age population in the State bears to the school-age population in all the States, and

(3) no State shall receive less than an amount equal to .6 percent of the remainder of the sums appropriated for purposes of this title.

(c) For purposes of this section—

(1) the terms "State" and "United States" include the fifty States, the District of Columbia, and Puerto Rico, and

(2) the term "antecedent programs of this title" includes—

(A) activities under sections 183 (except national evaluation and studies) and 194 of the Elementary and Secondary Education Act;

(B) programs under title II (except sections 207, 209, and 210), part B (except evaluation) and parts C through M of title III, title IV, title V, title VII, and title IX (except programs involving research and development, information clearinghouses, and professional development under section 905) of the Elementary and Secondary Education Act;

(C) State educational agency incentive grants, multicultural arts awards to States, and grants to Territories under section 608 (a) of the Emergency School Aid Act;

(D) programs under sections 608(b) and 611 of the Emergency School Aid Act;

(E) severely handicapped projects under sections 621 and 624 of part C, programs under 623 (except early childhood research institutes), demonstration projects for adult and postsecondary students under section 625, demonstration projects and technical assistance activities under part E, regional resource centers under section 621, and personnel development programs under sections 631, 632, an 634 of the Education of the Handicapped Act;

(F) programs under the Career Education Incentive Act (except the national information effort under section 4);

(G) programs under part B of title V of the Economic Opportunity Act (except activities involving research and development and resource centers);

(H) programs under the Alcohol and Drug Abuse Education Act;

(I) the Pre-college Teacher Development in Science program administered by the Secretary under the National Science Foundation Act of 1950;

(J) the Teacher Center program under section 532 of the Higher Education Act and the Teacher Corps program under part A of title V of the Higher Education Act (except evaluation activities);

(K) programs involving training and advisory services under title IV of the Civil Rights Act of 1964; and

(L) the Cities in Schools program and the PUSH for Excellence program under section 303(d)(1) of the Elementary and Secondary Education Act.

ACTIVITIES AUTHORIZED

SEC. 204. (a) The amounts allotted to each State under section 203 may be used only for the following activities relating to preschool, elementary school, second school, and adult basic education to achieve the purposes set forth in section 201:

(1) projects to strengthen the curriculum of schools—such as basic skills instructions, education about our system of law and its underlying principles, and arts education—and integrating such curriculum changes into the overall instructional program;

(2) projects to increase community involvement in school programs, including, for example, volunteers in schools; parent participation in the education of their children; participation by business, the professions, museums, and other community groups in developing school programs and as instructional and technical assistance resources to the programs; and community school programs offering education, recreation, and other social services to meet community needs;

(3) professional development programs for teachers, administrators, and other school personnel, including, for example, training programs to assist such personnel in serving educationally deprived children, handicapped children, children in schools undergoing desegregation, and other children with special educational needs;

(4)(A) pilot and demonstration projects—

(i) to improve education for educationally deprived children, handicapped children, children in schools undergoing desegregation, and other children with special educational needs;

(ii) to address significant educational problems and needs such as improving student motivation and reducing school violence and vandalism;

(ii) to improve the quality of instructional efforts involving the use of technology; and

(iv) to improve educational equity for women;

(B) projects under this subsection may include, for example, incentives for superior teaching and school performance in educating children with special needs, and projects to attract educationally deprived children to careers in the biomedical sciences;

(5) regional and interstate educational programs;

(6) technical assistance and dissemination of information to strengthen school instructional programs, including, for example, projects to assist local educational agencies in meeting the needs of children in schools undergoing desegregation and in developing and implementing plans for the elimination of discrimination on the basis of race, sex, or national origin in the schools;

(7) studies and other projects to improve school management and the coordination of resources in a school to meet the needs of individual children;

(8) the acquisition for instructional purposes of school library resources, textbooks, and instructional equipment and materials;

(9) to the extent necessary to implement other activities authorized by this section, repairs and minor remodeling of schools and other instructional facilities (but not structural alterations to buildings or the acquisition of land or existing structures);

(10) programs to strengthen State educational oversight and management through such activities as the collection and analysis of statistics, consultation and advice to local educational agencies, studies of educational policy issues and assessment of educational progress, and exchanging information about successful educational practices;

(11) administration of this Act, including planning, technical assistance to local educational agencies and other subgrantees under the Act, the evaluation of activities funded under the Act, the dissemination of information about these activities, and audits of expenditures under the Act.

ELIGIBILITY FOR SUBGRANTS AND CONTRACTS

SEC. 205. (a) A State may use the funds received under this title to carry out directly under its own supervision and control the activities authorized under section 204 or the State may award subgrants to, and enter into contracts with, local educational agencies and other public and private agencies, organizations, and institutions to carry out the purposes of this title. In making awards under this title, a State may give clear consideration to community-based self-help organizations of demonstrated effectiveness.

(b) No subgrant may be made under this title to other than a public agency or nonprofit organization or institution.

TITLE III—GENERAL PROVISIONS

STATE PLANS

SEC. 301. (a) Prior to expenditure by a State of assistance received under this Act for any fiscal year, the State shall prepare a plan that describes the intended use of payments the State will receive under this Act, including information on the types of activities to be supported and the categories or characteristics of the individuals to be served.

(b) The plan shall be made public within the State in a manner that will facilitate comment from any person (including any Federal or other public agency) during the development of the plan and after its completion.

(c) The plan shall be revised throughout the year if there are substantial changes in the activities described in the plan. If the State amends its plan, the State shall use the same procedures used to prepare a plan.

(d) In carrying out the requirements of this section, the State may require from local educational agencies and other subgrantees such information as the State deems necessary.

STATE ACTIVITIES REPORTS

SEC. 302. (a) Each State shall prepare a report on its activities under this Act.

(b) The report shall be in such form, contain such information, and be of such frequency (at least once every two years) as the State finds necessary to secure an accurate description of those activities, to secure a complete record of the purposes for which the funds were spent, and to determine the extent to which the funds were expended consistently with the plan required under section 301.

(c) The State shall make copies of this report available for public inspection within the State. Copies of the report shall also be provided, upon request, to any interested Federal or other public agency, and any such agency may provide its views on the report to the Congress.

(d) In carrying out the requirements of this section, the State may require from local educational agencies and other subgrantees such information as the State deems necessary.

AUDITS

SEC. 303. (a) Each State shall make provision for audits of its expenditure of funds received under this Act. Such audits shall be made at least once every two years, and shall be conducted by an entity independent of any agency administering a program funded this Act, in accordance with generally accepted accounting principles. Within 30 days after the completion of each audit, a copy of that audit shall be submitted to the legislature of the State and to the Secretary.

(b) A State shall repay to the United States the amount of funds received under this Act ultimately determined not to have been spent in accordance with Federal law, or the Secretary may offset any such amount against any other amount which the State is or may become entitled to receive under this Act.

(c) Each State shall conduct or arrange for audits of the expenditure of funds received under this Act by local educational agencies. Such audits shall be made at least once every two years and shall be conducted by an entity independent of any agency administering a program funded under this Act, in accordance with generally accepted accounting principles.

(d) States that recover or offset amounts allocated under section 104(a) found not to have been spent in accordance with Federal law may reallocate such amounts among other local educational agencies for use in accordance with the purposes for which the amounts were originally distributed.

LOCAL EDUCATIONAL AGENCY TRANSITION PLAN

SEC. 304. For fiscal year 1982 each local educational agency receiving assistance under section 104(a) of this Act shall prepare a plan on how it will administer the consolidated Federal assistance provided under that section. The plan shall include information on steps the local educational agency will take to prepare for the transition from separate Federally supported programs of assistance for the educationally deprived, the handicapped, and children in school undergoing desegregation authorized through fiscal year 1981 to the consolidated Federal support for such students under this Act beginning in fiscal year 1982. It shall describe the intended use of payments the agency is to receive, including information on the types of activities to be supported and the categories or characteristics of the individuals to be served. The plan shall be made public within the jurisdiction of the local educational agency in a manner that will facilitate comment from any person (including any State or other public agency) during development and implementation of the plan.

PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS

SEC. 305. (a) The requirements of this section apply to any project—

(1) under title I that is carried out by a local educational agency with funds received under section 104(a); or

(2) under title II that is carried out either—

(A) by a local educational agency, or

(B) by the State directly or through a contract by the State with another agency or organization; and

(3) that provides services, materials, or equipment for the benefit of children in public elementary or secondary schools, including the participation of teachers of such children (and other educational personnel serving such children) in training programs.

(b) In designing a project subject to this section, a local educational agency or the State shall take into account the needs of children in nonprofit private elementary and secondary schools through consultation with private school officials.

(c) The local educational agency or State shall provide for the equitable participation of children in nonprofit private elementary and secondary schools in the project's services, materials, and equipment, including the participation of teachers of such children (and other educational personnel serving such children) in training programs and the repair or minor remodeling of public facilities as may be necessary for their provision—

(1)(A) wth respect to projects under title I, in proportion to the number of eligible children referred to in section 105(a) who are enrolled in nonprofit private elementary and secondary schools in the district of the local educational agency and in consideration of the special educational needs of these children; or

(B) with respect to projects under title II, in proportion to the number of eligible children in nonprofit private elementary and secondary schools in the area to be served who have the educational needs the project is intended to address; and

(2) on a basis comparable to that provided for public school children.

(d) If the special educational needs of the children enrolled in nonprofit private schools are different from the educational needs addressed by the plan or project, or if the services, materials, or equipment under the project are not feasible or necessary to benefit children in one or more private schools in the area to be served, as determined by the local educational agency or State, in consultation with the appropriate private school officials, the local educational agency or State shall provide such other arrangements as will assure equitable participation of private school children in the benefits and purposes of title I or title II, as applicable.

(e) Expenditures for services, materials, and equipment to benefit children enrolled in nonprofit private schools shall be equal (consistent with the number of eligible children to be served) to expenditures under title I or title II for the benefit of children enrolled in the public schools in the area to be served, taking into account the needs of the individual children and other factors that relate to such expenditures.

(f) If a State is prohibited by law from providing for the participation of private school children in programs, as required by this section, the Secretary shall waive such requirements, and shall arrange for the provision of services to such children in accordance with the requirements of this section.

(g) If the Secretary determines that a local educational agency or the State has substantially failed or is unwilling to provide services to children in private schools in accordance with the requirements of this section, the Secretary shall arrange for the provision of services to such children, except that in the case of a local educational agency that has not complied with the requirements of this section, the Secretary shall arrange for services only after affording the State an opportunity to provide services within a reasonable period of time.

(h)(1) When the Secretary arranges for services pursuant to this section, the Secretary shall, after consultation with the appropriate private and public school officials, pay to the provider the cost of such services, including the administrative cost of arranging for such services, from the appropriate allotment to the State.

(2) Pending final resolution of any investigation or complaint that could result in a determination under this subsection the Secretary may withhold from the allotment of the affffected State the amount the Secretary estimates would be necessary to pay the cost of such services.

(3) Any determination by the Secretary under this section shall continue in effect until the Secretary determines that there is no longer any failure or inability on the part of the local educational agency or State to meet the requirements of this section.

(i)(1) The Secretary shall not take any final action under this section until the local educational agency or the State affected by such action has had an opportunity, for at least forty-five days after receiving written notice thereof, to submit written objections and to appear before the Secretary to show cause why that action should not be taken.

(2) If a local educational agency or State is dissatisfied with the Secretary's final action after a proceeding under paragraph (1) of this subsection, it may appeal to the United States court of appeals for the circuit in which such agency or State is located in accordance with the provisions of section 455 of the General Education Provisions Act.

(j) Nothing contained in this Act shall be construed to authorize the making of any payments under this Act for religious worship or instruction.

COMPLAINT RESOLUTION

SEC. 306. (a)(1) Each State that receives funds under this Act shall develop and implement written procedures for the resolution of each complaint concerning violations under provisions of this Act (except section 307), including complaints referred to the State by the Secretary and complaints by representatives of children enrolled in private schools that those children are not receiving the services to which they are entitled under this Act.

(b) Such procedures shall provide an opportunity for the complainant or the complainant's representative to present evidence on matters relevant to the complaint and to question the parties involved before an impartial hearing examiner.

(c) A decision made in a proceeding conducted pursuant to this section shall be final and shall be rendered within 120 days of receipt of the complaint.

(d) No person or class of persons shall have the right to bring a civil action with respect to any complaint concerning violations under provisions of this Act (except section 307) without exhausting the administrative remedy provided for in this section.

NONDISCRIMINATION PROVISION

SEC. 307. (a) Whenever the Secretary determines that there has been a failure to comply with title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, section 504 of the Rehabilitation Act of 1973, or title IX of the Education Amendments of 1972 in any program or activity receiving Federal financial assistance under this Act, he shall notify the chief executive officer of the State and afford him an opportunity to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer does not secure compliance, the Secretary shall take such action as may be provided by law. The time afforded the chief executive officer under this sub-

section shall not reduce the time otherwise available to the Secretary to secure compliance.

(b) When a matter is referred to the Attorney General pursuant to subsection (a) of this section, or whenever he has reason to believe that there has occurred a pattern or practice is violation of the civil rights provisions referred to in subsection (a) in any program or activity receiving Federal financial assistance under this Act, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

DEFINITIONS

SEC. 308. (a) Except as otherwise provided herein, as used in this Act—

(1) the term "State" means a State, Puerto Rico, Guam, the District of Columbia, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

(2) the term "Secretary" means the Secretary of Education or the Secretary's designee;

(3) the term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school;

(4) the term "elementary school" means a day or residential school which provides elementary education, as determined under State law, and the term "secondary school" means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade twelve;

(5) the term "school-age population" means children aged 5 to 17, inclusive;

(6) the term "handicapped children" means mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other health impaired children or children with specific learning disabilities who by reason thereof require special education;

(7) the term "children in schools undergoing desegregation" means children who are enrolled in a school which is directly affected by the implementation of a plan which requires the desegregation of minority group segregated children or faculty in the elementary or secondary schools of the agency or provides for the elimination, reduction, or prevention of minority group isolation in such schools and children who are enrolled in a school that offers a special curriculum capable of attracting substantial numbers of students of different racial backgroups;

(8) the term "educationally deprived children" means children who need special educational assistance to attain a level of achievement appropriate for children of their age;

(9) the term "public school attendance areas with high concentrations of such children" means attendance areas in which the number or percentage of educationally deprived children in the public schools (or at particular grade levels in such schools) is at least as great as the average number or average percentage of such children in all the public schools in the district (or at those particular grade levels);

(10) the term "adults lacking basic skills" means adults who do not have a certificate of graduation from a school providing secondary education and who have not achieved an equivalent level of education, or adults who lack sufficient mastery of basic educational skills to enable them to function effectively in society;

(11) the term "equipment" includes machinery, utilities, and building equipment and any necessary enclosure or structures to house them, and includes all other items necessary for the functioning of a particular facility as a facility for the provision of educational services, including items such as instructional equipment and necessary furniture, printed, published, and audio-visual instructional materials, telecommunications, sensory, and other technological aids and devices, and books, periodicals, documents, and other related materials;

(12) the term "nonprofit" as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individuals;

(13) the term "average per pupil expenditure" means in the case of a State or the United States, the aggregate current expenditures, during the third fiscal year preceding the fiscal year for which the computation is made (or if satisfactory data for that year are not available at the time of the computation, then during the most recent preceding fiscal year for which satisfactory data are available), of all the local educational agencies in the State, or in the United States (which for the purposes of this subsection means the fifty States, and the District of Columbia), as the case may be, plus any direct current expenditures by the State for operation of such agencies (without regard to the source of funds from which either of such expenditures are made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year;

(14) the term "adult" means any individual who has attained the age of sixteen;

(15) the term "generally accepted accounting principles" means generally accepted Government auditing standards for financial and complicated audit.

ADMINISTRATIVE ACTIVITIES

SEC. 309. From the sums received by the States under title II, not more than the greater of $600,000 or an amount equal to 2 per centum of the amount received by the State under title I and 9 per centum of the amount received by the State under title II in any fiscal year may be used for the administration of this Act by the State and for activities to strengthen State oversight and management, authorized under section 204 (a) (10) and (11).

AVAILABILITY OF APPROPRIATIONS

SEC. 310. Notwithstanding any other provision of law, unless expressly in limitation of this section, funds appropriated in any fiscal year to carry out activities under this Act shall become available for obligation on July 1 of such fiscal year and shall remain available for obligation until the end of the succeeding fiscal year.

INSUFFICIENT APPROPRIATIONS

SEC. 311. (a) If the sums appropriated for any fiscal year for making payments under title I are not sufficient to pay in full the amounts provided for in sections 103(d)(2), 103(g)(2), 103(1)(2), 103(1)(2), and 104(a)(2), such amounts shall be ratably reduced to the extent necessary to bring such payments within the limits of the amounts so appropriated.

(b) If the sums appropriated for fiscal year 1983 for making payments under title II are not sufficient to pay in full the amounts provided for in section 203(b)(2), such amounts shall be ratably reduced to the extent necessary to bring such payments within the limits of the amounts so appropriated.

OTHER APPLICABLE PROVISIONS OF LAW

SEC. 312. (a) The General Education Provisions Act does not apply to programs and projects conducted under this Act, except that—

(1) sections 400(d), 412 (a) and (b)(1), 414, 416, 420, 422(a) (1) and (2); 432, 437(a), 438 through 452, 454, and 455 are applicable; and

(2) programs and projects conducted under this Act are applicable programs for purposes of such sections, and

(b) the Intergovernmental Cooperation Act of 1968 applies to programs and projects under this Act.

REPEALS

SEC. 313. There are hereby repealed—

(a) titles I, II, III (except part A, IV, V, VI, VIII, and IX of the Elementary and Secondary Education Act of 1965,

(b) the Education of the Handicapped Act (except sections 602, 622, 623, 624, 625, 627, 633, 635 and 636, and parts E and F),

(c) part A and section 532 of title V of the Higher Education Act of 1965,

(d) the Adult Education Act (except section 316),

(e) the Career Education Incentive Act,

(f) the Alcohol and Drug Abuse Education Act, and

(g) part B of title V of the Economic Opportunity Act of 1964.

EFFECTIVE DATE

SEC. 314. The provisions of this Act shall take effect October 1, 1981.

ELEMENTARY AND SECONDARY EDUCATION CONSOLIDATION ACT OF 1981—SECTION-BY-SECTION ANALYSIS

TITLE I

FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS

Purpose.—Section 101 of the bill sets forth the purpose of title I, which is to provide financial assistance to States and local educational agencies to improve educational achievement, especially in basic skills and career preparation, for educationally deprived children, handicapped children, children in schools undergoing desegregation, migratory children, children in institutions for neglected or delinquent children or in adult correctional institutions, and adults lacking basic skills.

Authorization of Appropriations.—Section 102 would authorize the appropriation of $3,790,124,000 for FY 1982, $3,979,630,000 for FY 1983, $4,178,612,000 for FY 1984, $4,387,542,000 for FY 1985, and $4,060,919,000 for FY 1986.

Allotments to the States.—Section 103 provides the formula for allotting the funds appropriated for this title under section 102. Under subsection (a), the Secretary would be authorized to reserve up to 1 per cent from the sums appropriated for payments to the insular areas and to the Secretary of the Interior for programs for eligible Indian children in schools operated by, or through contract with, the Department of the Interior. Under subsection (b), the Secretary would allot 87 per cent of the remaining sums to the States for reallocation to local educational agencies to assist them in meeting the special educational needs of educationally deprived children, handicapped children, and children in schools undergoing desegregation. The remaining 13 per cent would be allotted to the States to assist them in meeting the special educational needs of handicapped children for whom the States has responsibility, children in institutions for neglected or delinquent children or in adult

correctional institutions, migratory children and adults lacking basic skills.

Subsection (c) provides that of the 87 per cent to be allotted to the States for reallocation to the local educational agencies, the Secretary would allot 75 per cent of such sums to the States on the basis of the number of low-income children multiplied by a per pupil expenditure factor, and 25 per cent of such sums on the basis of school-age population. For purposes of this section, the Secretary would count low-income children in the same manner as they have counted for determining eligibility under title I of the Elementary and Secondary Education Act.

Under subsection (h), 80 per cent of the remaining 13 per cent would be allotted to the States on the basis of the number of handicapped children for whom the State has responsibility, the number of neglected or delinquent children in State-operated institutions, and the number of migratory children multiplied by a per pupil expenditure factor. The remaining 20 per cent would be allotted to the States on the basis of the number of adults who do not have a certificate of graduation from a secondary school.

In order to give the States an opportunity to adjust to funding shifts resulting from the application of a new formula, the bill would hold the States harmless in FY 1982 with respect to their relative funding positions under the antecedent programs in FY 1981. Of the sums allotted to the States on the basis of the number of low-income children, the Secretary would allot to each State in FY 1982 a share equal to the share the State received in FY 1981 under sections 111 and 117 of the Elementary and Secondary Education Act. Of the sums allotted to the States on the basis of school-age population, the Secretary would allot to each State in FY 1982 a share equal to the share the State received in fiscal year 1981 under sections 611 and 617 of the Education of the Handicapped Act and under sections 606(a) and 608 of the Emergency School Aid Act. Under subsections (1) and (1) each State would receive in FY 1982 an amount based on the State's FY 1981 share under subparts 1, 2, and 3 of part B of title I of the Elementary and Secondary Education Act, and an amount based on the State's FY 1981 share under the Adult Education Act. In FY 1983 each State would receive no less than 75 per cent of these amounts. The States would not be held harmless in subsequent fiscal years except that each State would receive no less than the amount the State received in FY 1982 under subsection (d) from the sums allotted on the basis of the number of low-income children.

Allocations by the States.—Section 104 deals with the 87 per cent that States must reallocate to the local educational agencies each year. It provides that each State would allocate the sums received in any fiscal year under section 103(d) and (g) to local educational agencies on the basis of data which the State determines is consistent with the needs of eligible children referred to in section 105(a), including measures of educational deprivation, poverty, numbers of handicapped children, enrollment of children in schools undergoing desegregation or such other measures as the State deems appropriate, except that in FY 1982 each local educational agency would receive a share of the sums allotted under section 103(d) at least equal to the share the agency received in FY 1981 under sections 111 and 117 of ESEA, and in fiscal year 1983 each local educational agency would receive no less than 75 per cent of this amount. Section 104 further provides that each State shall allocate the sums received under subsection (h) to carry out the activities authorized under section 105(d). The State may carry out these activities directly or may award subgrants to or enter into contracts with local educational agencies and other public and private agencies. A State would not be required to allocate the funds received under subsection (h) for the same purposes and in the same proportions as the Federal allotment to the State as long as the funds are distributed so as to meet the purposes of this title.

Authorized Activities.—Section 105 sets forth the activities for which funds provided under this title are to be used.

Subsection (a) provides that assistance received by a local educational agency under section 104(a) would be used to meet the special educational needs of educationally deprived children in school attendance areas with high concentrations of such children, handicapped children, or children in schools undergoing desegregation. The local educational agency would choose which needs to address and how to meet those needs. The bill would authorize activities permitted under the antecedent programs, including the employment of additional staff; the acquisition of curricula, techniques, materials, and equipment; in-service training; community relations activities; repair or minor remodeling; special incentives for superior teaching and school performance; developmental, corrective and supportive services; and planning, evaluation, dissemination and other administrative activities.

Subsection (d) provides that the remaining funds allotted to the States under this title would be used to support programs and activities to meet the special educational needs of handicapped children for whom the State has responsibility, neglected or delinquent children in State-operated institutions or in adult correctional institutions, migratory children, or to support adult basic education.

TITLE II

FINANCIAL ASSISTANCE FOR IMPROVEMENT OF SCHOOL RESOURCES AND PERFORMANCE

Purpose.—Section 201 provides that the purpose of title II is to provide financial assistance to the States for activities which will encourage academic excellence through more effective instructional and management practices for elementary and secondary education; improve student achievement, especially in basic skills and other subjects addressed by State and local instructional goals; increase opportunities for educational services for students with special needs; and strengthen State oversight and management functions.

Authorization of Appropriations.—Section 202 would authorize the appropriation of $565,070,000 for FY 1982, $593,324,000 for FY 1983, $622,990,000 for FY 1984, $654,139,000 for FY 1985, and $686,846,000 for FY 1986.

Allotments to the States.—Section 203 sets forth the formula for allotting the sums appropriated for purposes of this title to the States. Subsection (a) authorizes the Secretary to reserve up to 1 per cent for payments to the insular areas and to the Department of the Interior for Indian children. Subsection (b) provides that the Secretary would allot the remaining funds to the States on the basis of school-age population, except that no State would receive less than .6 per cent of the total amount alloted under this title.

A hold harmless provision is also provided for FY 1982 and FY 1983. Under this provision each State would receive in FY 1982 an amount based on the share the State and other awardees within the State received in FY 1981 under the antecedent programs of this title, which are listed in section 203. In FY 1983 each State would receive an amount equal to 75 per cent of the amount received in FY 1982. Any remaining funds in FY 1983 would be alloted by the Secretary to the States on the basis of the State's share of school-age population.

Authorized Activities.—Section 204 describes the activities authorized under this title. These activities are those authorized under the antecedent programs and include projects to strengthen school curricula (e.g. basic skills instruction, arts education); projects to increase community involvement in school programs; professional development programs; pilot and demonstration projects (including projects using technology and improving educational equity for women); regional and interstate education programs; technical assistance and dissemination of information to strengthen school instruction; acquisition of school library and instructional materials and equipment; repairs and minor remodeling; activities to strengthen State educational oversight and management; and administrative activities.

Title II activities focus on improving the capability of local educational agencies and States to administer effective programs and to target resources where they are most needed. While it is expected that many of the activities would be carried out by local educational agencies, the States would have the flexibility to coordinate these activities with State policies and other State resources to achieve maximum benefits.

Eligible Recipients.—Section 205 provides that a State could carry out the purposes of this title directly or through subgrants to or contracts with local educational agencies, or other public or private nonprofit organizations and institutions or individuals. Subgrants could be made only to public agencies or nonprofit organizations or institutions.

TITLE III

GENERAL PROVISIONS

State Plan.—Section 301 describes the State plan required under the Act. Prior to expenditure of funds received under this Act for any fiscal year, each State would be required to prepare a plan which describes the State's intended use of the funds. The plan would include information on the types of activities to be supported and the categories or characteristics of individuals to be served. The State would be required to make the plan public in a manner that would facilitate comment from any person (including any Federal or other public agency) during the development and implementation of the plan.

The State would revise the plan during the year as necessary to reflect substantial changes in the activities to be supported and any revisions would be made public in a manner that would facilitate comment. The requirement for a State plan is designed to provide accountability to State citizens for use of Federal funds. There is no provision for Federal approval or disapproval of the plan.

State Activities Report.—Section 302 requires each State to prepare a report at least once every two years in a form the State finds necesary to provide a complete record of the purposes for which funds received under this Act were spent, including an accurate description of the activities assisted under the Act, and the extent to which the funds were expended consistently with the plan required by this Act.

The State would make copies of these reports available for public inspection within the State and would provide copies, upon request, to any interested Federal or other public agency. Each such agency may provide its views on these reports to the Congress.

Audits.—Section 303 requires the State to provide for audits of its expenditure of funds received under the Act at least once every two years. The audit would be conducted by an agency independent of any agency administering programs funded under the Act. A copy of the audit would be sent to the State legislature and the Secretary within 30 days of its completion. The State would be required to repay any

amount found not to have been spent in accordance with Federal law or the Secretary could offset any amount against any other amount the State is or may become entitled to receive under the Act.

Subsection (c) requires the State to conduct or arrange for audits of the expenditure of funds received by local educational agencies under the Act. The State would be permitted to reallocate any amount recovered or offset from the sums allocated under section 104(a) among other local educational agencies for the purposes for which the sums were originally distributed.

Local Educational Agency Transition Plan.—Section 304 requires each local educational agency to prepare a single plan for fiscal year 1982. The plan would contain the same type of information as required for the State plan, as well as information on the steps the local educational agency plans to take to prepare for the transition from separate Federally supported programs to consolidated support. The local educational agency would be required to make the plan public so as to facilitate comment.

Participation of Children Enrolled in Private Schools.—Section 305 sets forth the requirements for the participation of children enrolled in private schools in the benefits of the Act. Under current law, private school children are eligible to participate in the benefits of the antecedent programs of this Act. Section 305 would continue their equitable participation on the same basis in the programs to be conducted with the assistance to be provided under the Act. Any project carried out by a local educational agency or by the States directly or through a contract which provides services, materials, or equipment for the benefit of public school children would be subject to the requirements of this section.

A local educational agency or the State would be required to take account of the needs of private school children through consultation with private school officials, provide for the equitable participation of these children in the project's services, materials, and equipment on a basis that is comparable to that provided to public school children, taking account of the number of children in private schools and the needs of the private school children. If the needs of private school children are different or if the services, materials, or equipment to be provided are not feasible or necessary to benefit private school children, other arrangements would have to be made. Expenditures would have to be equal, taking into account the number and needs of private school children.

Section 305 also includes a "by-pass" provision authorizing the Secretary to provide for the participation of private school children where the local educational agency or the State is unable or unwilling to do so. The Secretary would make arrangements for appropriate services and would pay for such services from the appropriate State allotment. However, in the case of a local educational agency that is unable or unwilling to comply with the requirements of this section, the Secretary would first give the State an opportunity to provide services within a reasonable period of time. The affected local educational agency or State would be entitled to notice and a hearing before any final action were taken and could appeal the action to the U.S. Court of Appeals.

Complaint Resolution.—Section 306 requires each State to establish written procedures for the resolution of complaints concerning violations under provisions of the Act (except section 307), including complaints referred to the State by the Secretary. The procedures would have to provide the complainant with an opportunity to present evidence and question the parties involved before an impartial hearing examiner. A decision in the proceedings would be final and would have to be rendered within 120 days of receipt of the complaint. No person or class of persons would have the right to bring a civil action with respect to any complaint relating to violations under provisions of this Act (except section 307) without exhausting the administrative remedy provided for in his section.

Nondiscrimination.—Section 307 is modelled on the nondiscrimination provision in title I of the Housing and Community Development Act of 1974. This section provides that whenever the Secretary determines that there has been a failure to comply with title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, section 504 of the Rehabilitation Act of 1973, or title IX of the Education Amendments of 1972 in any program or activity assisted under this Act, the Secretary must notify the Governor of the State and afford him up to 60 days to secure compliance. If the Governor does not secure compliance, the Secretary may take any action provided by law. Subsection (a) further provides that the Secretary would have such time as would otherwise be available to the Secretary to secure voluntary compliance.

Under subsection (b), the Attorney General would be authorized to bring a civil action whenever he has reason to believe there has occurred a pattern or practice of violations under the laws referred to in this section in any program or activity assisted under this Act.

Definitions.—Section 308 defines the terms "State", "Secretary", "local educational agency", "elementary school", "school-age population", "handicapped children", "children in schools undergoing desegregation", "educationally deprived children", "public school attendance areas with high concentrations of such children", "adults lacking basic skills", "equipment", "nonprofit", "average per pupil expenditure", "adult", and "generally accepted accounting principles".

Administration.—Section 309 provides that from the funds allotted under title II a State may not spend for administrative activities and strengthening its own staff capabilities an amount greater than an amount equal to 2 per cent of the amount received by the State under title I of this Act and 9 per cent of the amount received by the State under title II, or $600,000, whichever is greater.

Availability of Appropriations.—Section 310 would provide for forward funding under this Act.

Insufficient Appropriations.—Section 311 provides for ratable reduction of the payments to States and local educational agencies under this bill where appropriations are insufficient to pay in full the amounts provided for in the bill.

Other Applicable Provisions of Law.—Section 312(a) makes applicable to programs and projects funded under the Act the following provisions of the General Education Provisions Act: sections 400(d), 412(a) and (b)(1), 414, 416, 420, 422(a)(1) and (2), 432, 437(a), 438 through 452 454, and 455. These provisions provide for—

Extended availability of funds for expenditure at the State and local levels; a contingent one-year extension of the authorization statute; planning and evaluation; prohibition of Federal control of education and of use of funds for busing to overcome racial imbalance; dissemination of information about the program; recordkeeping concerning the disposition of Federal funds; protection of the privacy of student records; inspection by parents of instructional materials in experimental projects; limitations on particular types of psychiatric or psychological examinations or tests; procedures for limiting, suspending, or deferring Federal funding based on noncompliance with nondiscrimination provisions of law; procedures for hearings before the Education Appeals Board (and for judicial review) concerning enforcement actions by the Secretary related to audit determinations and cease and desist orders.

Other provisions of the General Education Provision Act are made inapplicable to programs and projects under this Act.

Section 312(b) notes the applicability to the Intergovernmental Cooperation Act of 1968 to programs and projects under the Act. The Intergovernmental Cooperation Act provides, among other provisions, that Federal funds shall be properly accounted for as Federal funds in the accounts of the State; that the Federal agency and the Comptroller General shall have access for audit purposes to pertinent books and papers; and that the Comptroller General shall conduct studies of programs at the request of cognizant congressional committees. The audit provisions of the Intergovernmental Cooperation Act would be carried out under government-wide directive designed to ensure that duplicative Federal audit activities are not conducted in addition to State-sponsored audits using generally accepted accounting principles.

Repeals.—Section 313 would repeal titles I, II, III (except part A), IV, V, VI, VIII, and IX of the Elementary and Secondary Education Act; the Education of the Handicapped Act (except sections 602, 622, 623, 624, 625, 627, 633, 635, 636, and parts E and F); part A and section 532 of title V of the Higher Education Act of 1965; the Adult Education Act (except section 316); the Career Education Incentive Act; the Alcohol and Drug Abuse Education Act; and part B of title V of the Economic Opportunity Act.

Effective Date.—Section 314 provides that the provisions of this bill would become effective October 1, 1981.

SUMMARY OF "ELEMENTARY AND SECONDARY EDUCATION ACT OF 1981"

I. Title I (Financial Assistance to Meet Special Educational Needs).

A. Funds are divided into three categories:

1. Secretary may reserve up to 1 percent of Title I funds off the top for insular areas (Guam, Virgin Islands, etc.) and Indian Education.

2. 87 percent of the remainder is passed through States to Local Educational Agencies (LEA's, i.e. schools) to serve the following populations in the proportions and amounts the LEA's deem appropriate (no Federal determination of priorities or minimum amounts):

a. Educationally-deprived Children (Title I, ESEA).

b. Handicapped Children (PL. 94–142.)

c. Children in Desegregating Schools (ESAA).

(Note: The Federal statutes formerly covering these categories, and all those mentioned hereafter are repealed.)

This 87 percent of Title I funds is allocated among the states partly by the number of low-income children times a per pupil expenditure figure and partly on the basis of school-age population.

3. The remaining 13 percent of Title I funds are granted to the States for direct state services or support of grants and contracts. Disbursements may only be used for purposes permitted in the Act, but the state has full discretion as to which activities it will fund and in what amounts.

Permissible uses:

a. Services to students in state operated schools for the handicapped, neglected and delinquent children, or correctional institutions now provided under Title I, ESEA.

b. Services to migratory students now under Title I, ESEA.

c. Adults lacking basic skills now provided for under the Adult Education Act.

This 13 percent is allocated among the states by proportion based on their share of the nation's handicapped/delinquent/ne-

glected/migratory children and adults without high school certificates.

B. Transition ("hold harmless") Provisions for FY 1982 and FY 1983 are included, designed to govern state allotments and prevent large unexpected drops in Federal aid during these transition years. (Details are set out on Attachment A)

II. Title II (Financial Assistance for Improvement of School Resources and Performance

A. Funds are divided into two categories:

1. Secretary may reserve up to 1 percent of Title II appropriation for insular areas and Indian Education.

2. Remaining 99 percent is allotted to the states for the following activities, with full discretion of which they wish to fund and in what amounts:

a. Basic skills and other projects to strengthen the curriculum,

b. Projects to increase community involvement,

c. Professional development,

d. Pilot and demonstration projects for:

i. Children with special needs (as identified in Title I)

ii. Student motivation and reducing violence and vandalism,

iii. Educational equity for women,

iv. Use of technology

e. Regional and interstate programs,

f. Technical assistance and dissemination,

g. Improvement of school management,

h. Acquisition of school library resources, textbooks, and instructional equipment and materials,

i. Repairs and remodeling as required for any of the above,

j. Strengthening state oversight and management, and

k. Administration of the Act.

Funds are allotted among the states on the basis of school-age population, except that no state will receive less than .6 percent of the Title II appropriation.

B. Transition Provisions are also included for FY 1982 and FY 1983 to maintain some financial continuity (see Attachment A for details).

III. General Mechanics

A. State Plan:

1. The state prepares a plan which describes the intended uses of funds. There is no requirement for prior federal review or approval—the plan need only be made public in a manner (developed by the state) to permit public review and comment during its development.

2. The plan is to be revised during the year to reflect changed conditions if appropriate, and the revision is to follow the same procedure for review and comment.

3. The State may require any information it deems necessary from LEA's and subgrantees in preparing its report and revisions (thus, the potential for the states to reimpose the paperwork saved by block granting).

B. State Report:

1. The only required evaluation report is one which must be prepared by the States, at least once every two years, describing the activities assisted, purposes for expenditures, and consistency with their prior State Plans.

2. Copies must be made public within the State.

C. Local Plan:

1. There is no requirement for a local plan (thus no formal means of public review and comment other than what may already exist) except for the LEA's receiving Title I funds for FY 1982. This transition plan must explain the intended use of the funds and describe the activities and individuals to be assisted for the year.

2. The plan must be made public for review and comment during development.

D. Audits:

1. At least once every 2 years each state must make provision for an audit of all funds it expends under the Act.

a. Must be conducted by an entity independent of any agency administering a program funded under the Act.

b. Must be conducted according to generally accepted accounting principles.

c. Copy of audit must be furnished to state legislature and to the Secretary of Dept. of Education.

2. At least once every 2 years each state shall arrange for an audit of LEA expenditures under the Act. These audits are subject to the same requirements as set forth for state audits except that no copies need to be furnished to anyone.

3. Repayment/Set-off: The state shall repay to the Secretary funds he determines not to have been spent in accordance with the Act or he may withhold the sums from future allotments.

Note: this applies just to state expenditures and not to improper local expenditures. The paragraph giving the State power to reallocate improperly-spent LEA funds to other LEA's is unclear.

E. Private Schools:

1. States and LEA's must provide money to non-private schools serving children targeted in plans or set forth in Act on an equitable and comparable basis (but no funds to be used for religious purposes).

2. There is a bypass provision like that in current law allowing the Secretary to administer private school participation directly where there is State/LEA inaction or, because of state law, state incapacity to assist private schools.

F. Complaint Resolution:

1. States are to develop *their own procedures* for handling complaints of violations of Act's provisions.

2. Procedures must provide for impartial hearing officer, presentation of evidence and questioning of parties. Administrative remedies must be exhausted before civil suit is filed.

G. Non-discrimination:

1. Basic non-discrimination provisions are preserved without change from current law. However in case of violations, as determined by the Secretary, the Governor has an additional 60 days to secure compliance before further action by the Department.

2. As under present law, the Secretary may refer matters to the Attorney General, who may file civil suit for appropriate relief, including injunctions.

H. Administrative Allowance: Out of Title II funds, the State can use the greater of $600,000. or [2 percent of Title I funds plus 9 percent of Title II funds it receives] to administer both Titles.

I. Forward Funding: Forward funding is preserved.

J. Ratable Reductions: Ratable reduction provisions are included in case the appropriation is not sufficient to insure payment of the entitlement sums set forth in the 1982 and 1983 transition provisions.

K. Miscellaneous Provisions: include the applicability of some sections of the General Education Provisions Act. Among other points these authorize *federal audits* and make applicable the student record privacy and Hatch Act protections.

L. Effective Date: October 1, 1981.

M. Authorized Appropriations

Title I:

Fiscal year:	
1982	$3,790,124,000
1983	3,979,630,000
1984	4,178,612,000
1985	4,387,542,000
1986	4,606,919,000

Title II:

Fiscal year:	
1982	$565,070,000
1983	593,324,000
1984	622,990,000
1985	654,139,000
1986	686,846,000

Note: Since these basically reflect the President's requested 25 percent cut, they will be lower than the Budget's Committee figures.

N. Subgrants and Subcontracts:

1. Title I: The states may through subcontracts or subgrants employ public or private organizations in carrying out their plans for the 13% of Title I funds they retain.

2. Title II: The states may through subcontracts or subgrants employ only public or private *non-profit* organizations in carrying out their plans for Title II funds.

O. State Administration of Funds:

Nowhere in the Act is there a designation of who in each state is to receive and administer the funds on the state level. As a result each state will internally make this decision, with the Executive likely moving things in the absence of Legislative action. In all states with which I am familiar the Legislature has the power to direct the Executive in how and on whom funds are to be spent, regardless of where those funds come from (except where a condition is attached to the receipts of those funds, as is the case now with federal aid to education). Therefore I expect in all cases that the Legislatures will be active in giving direction to the Title I funds (the 13%) retained by the states and the Title II funds. Under the language of the Act as proposed I think it doubtful that the Legislatures could direct the LEA's on how they are to spend their pass-through funds.

ATTACHMENT A—TRANSITION SCHEME FOR FY 1982 AND FY 1983

State allotments for the next two fiscal years will be figured as follows:

A. Title I:

1982—Of the 87 percent to be passed through to LEA's, each state will receive the same proportion of 75 percent of this sum as it received in 1981 of the total appropriation under §§ 111 and 117 of ESEA.

Of the remaining 25 percent of the 87 percent, each state will get the same proportion of total as it received in 1981 under the Handicapped Act and ESAA (children in desegregating schools).

Of the 13 percent to be retained by the state for direct services and subgrants, each state will get the same proportion of the total as it did for corresponding programs in 1981.

1983—Of the 87 percent to be passed through to LEA's, each state will receive from the 75 percent portion at least the amount it got in 1982 plus from any excess a proportion based on its share of the nation's low-income children (Note: this formula is a floor for all years subsequent to 1983 also.)

Of the remaining 25 percent of the 87 percent, each state will get 75 percent of its 1982 amount plus a proportion of any excess based on its share of the nation's school-age children.

Of the 13 percent to be retained by the state, each will receive 75 percent of its 1982 amount plus a proportion of any excess based on its number of eligible children (handicapped, migratory, etc.) times a per pupil expenditure figure.

B. Title II:

1982—Each state will receive the same proportion of Title II funds that it and other organizations in the state received in 1981 under Title II's antecedent programs.

1983—Each state will receive at least 75 percent of the 1982 amount, and a proportion of the excess based on its share of the national school-age population.

LEA allotments for FY 1982 and FY 1983 will be subject to the following:

1982—Of the 87 percent pass-through funds under Title I, each LEA will receive of the 75 percent mentioned above at least as

much proportionally as it did in 1981 under §§ 111 and 117 of ESEA.

1983—Each LEA will receive of the 75 percent of the 87 percent no less than 75 percent of its 1982 amount.

THE SECRETARY,
Washington, D.C., April 28, 1981.

Hon. GEORGE BUSH,
The Vice President,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: Enclosed for the consideration of the Congress is a draft bill entitled the "Elementary and Secondary Education Consolidation Act of 1981".

The enclosed bill would authorize two major consolidations involving 44 existing elementary and secondary education programs. (A list of the programs consolidated is attached.) Title I of the bill would consolidate programs to assist States and local educational agencies in meeting special educational needs, including programs under title I of the Elementary and Secondary Education Act (ESEA), the Education of the Handicapped Act, the Emergency School Aid Act, and the Adult Education Act. Title II of the bill would consolidate programs to improve the resources and performance of schools, including various programs authorized under ESEA and other Acts.

This bill would change the Federal approach to financial support of elementary and secondary education by shifting to States and local governments many of the responsibilities for education decisions and policy making that have been exercised by the Federal Government in recent years. States and local educational agencies are in the best position to make choices about how to meet educational needs addressed by the dozens of existing Federal elementary and secondary programs that would be consolidated under this measure. They are, also, the only governmental bodies that can integrate Federally supported activities with related ones of their own. The proposed legislation would permit States and localities to make the decisions, as they most appropriately can, as to how, when and where educational services should be provided, about priorities among needs, and about what services should be offered.

The new approach rejects the implication of previous laws that educators are not to be trusted and their actions should be circumscribed by mandates, prohibitions, and regulations. We believe that educators will make every effort to provide services that meet the needs of students. Indeed, such officials have a major stake in serving the public well since they are employed by State and local taxpayers who provide $11 out of every $12 spent on public education.

Accordingly, the bill would repeal existing grant authorizations along with the provisions that generate the need for burdensome and unnecessary regulations and reports. There would be no fiscal requirements such as maintenance of effort, supplement not supplant, comparability, excess costs, or matching. There would be no required advisory committees or other procedural mandates that detract from the authority of responsible officials. There would be no program "set-asides", earmarks or other division of funds beyond the appropriation authorizations and the allocation provisions governing them. There would be no required applications, mandated lists of eligible schools or students, or average daily attendance reports.

But while this bill represents a change in approach to Federal assistance, it does not retreat from national objectives. It is not general aid or revenue sharing nor would it permit tax relief. The proposed legislation directs benefits to the same students with special needs as under present laws, especially deprived, the handicapped, children in schools undergoing desegregation, adults lacking basic education skills, the neglected and delinquent, and migratory children. Moreover, use of funds is limited to the same types of activities as under the existing laws.

The bill is, in addition, an education assistance measure, one directed at improving educational achievement for students. It sets out clear goals in each title that emphasize better performance in our schools and, in so doing, provides a standard for which States and localities should strive. The bill permits use of funds to achieve these objectives and authorizes, in each title, use of funds as incentives for superior teaching and school performance in educating children with special needs. Removal of Federal fiscal limitations will encourage integrated educational services for children based on their needs rather than separation of services for accounting purposes. The bill properly focuses on learning rather than prescribed procedures or means.

The following paragraphs describe each of the major elements of the bill and provide additional information as to the basis for our proposals.

The purpose of title I of the bill is to provide financial assistance to States and local educational agencies to improve the educational achievement of special populations, including the educationally deprived, the handicapped, children in schools undergoing desegregation, neglected or delinquent children, migratory children, and adults lacking basic skills.

Under title I the funds would be allotted to the States on the basis of data that broadly reflect the distribution of these populations. Under section 103 of the bill most of the funds (87 per cent each year) would be allotted to the States for allocation among local educational agencies. Seventy-five per cent of these funds would be allotted to the States on the same basis as funds are allotted to local educational agencies under title I of ESEA, and 25 per cent would be allotted on the basis of school-age population. The remaining funds (13 per cent) would be allotted to the States on the same basis as funds are allotted under subparts of title I of ESEA that provide assistance for the institutionalized handicapped, neglected and delinquent students, and migratory children and the Adult Education Act.

Under section 104 the State would allocate the combined poverty based and pop ulation based allotment to local educational agencies (except for the 2 year hold harmless provision described below) using data that are consistent with meeting the needs of the eligible children. The State would also decide how to direct the funds provided for migratory neglected and delinquent and other eligible children and adults.

To give the States and local educational agencies an opportunity to adjust to changes in funding resulting from the application of the formula, the bill also provides hold harmless provisions. In FY 1982 each State's share of the funds allotted would be based on the State's FY 1981 share under the antecedent programs of title I of the bill. Similarly, each local educational agency would receive in FY 1982 an amount based on its FY 1981 share of the funds allotted under title I of ESEA. In FY 1983 the States would receive no less than 75 per cent of the amounts awarded under this title in FY 1982. Each local educational agency would likewise receive in FY 1983 no less than 75 per cent of the amount it was entitled to receive in FY 1982. In subsequent fiscal years the States would only be held harmless with respect to those funds allotted on the basis of the number of low-income children.

Section 105 of the bill describes the activities for which Federal funds would be used under title I. Subsection (a) provides that any local educational agency receiving assistance under section 104(a) shall use the funds to meet the special educational needs of educationally deprived children, handicapped children, and children in schools undergoing desegregation. The local agency would choose which needs to address with the assistance provided under this title, and how to meet these needs. The local educational agency would not be required to allocate the funds received among the eligible children along the same lines or in the same proportions as the Federal allotment to the States or the State allocation to the local agencies. Subsection (d) provides that the remaining funds allotted to the States under this title be used to meet the needs of the other eligible children and adults. As under the antecedent programs, the State could meet these needs directly and through grants to and contracts with local educational agencies and other public and private nonprofit agencies and organizations.

Title II of the Act consolidates programs that are designed to encourage academic excellence through more effective instructional and management practices for elementary and secondary education, improve student achievement, increase opportunities for educational services for students with special needs, and strengthen State oversight and management functions.

The programs consolidated include, for example, grants to improve local educational practice under title IV-C, ESEA; the program to acquire instructional materials and resources under title IV-B, ESEA; the Basic Skills program under title II, ESEA; the Women's Educational Equity program under title IX-C, ESEA; and particular demonstration, technical assistance, and personnel development programs focused on groups with special needs under sections 621, 623, 624, 625, 631, 632, and 634 of the Education of the Handicapped Act, sections 608 (a) and (b) and 611 of the Emergency School Aid Act, and part B of title V of the Economic Opportunity Act. Title II also consolidates many small categorical programs that emphasize particular curriculum areas or problems.

All of these programs address important and worthy educational objectives. As categorical programs, however, each has generated its own separate requirements and procedures. To participate in these programs, local educational agencies and States must maintain these activities separate from their regular instructional and administrative efforts. This has exacerbated the problem of curriculum fragmentation and has undermined any attempt to institutionalize reforms as a regular part of the elementary and secondary school curriculum.

States would receive title II funds under a formula based on school-age population, subject to a provision that no State would receive less than 0.6 per cent of the title II funds. A hold harmless provision for FY 1982 would provide each State with an amount based on the share received by the State and awardees within the State in FY 1981 under the antecedent programs. In FY 1983 each State would receive an amount equal to 75 per cent of the amount received by the State in FY 1982.

Under section 205, each State would have discretion to carry out Title II activities directly or through subgrants or contracts. Subgrants could be made to any public agency or nonprofit private organization or institution, including community-based organizations. The Act would not constrain the manner in which the State awarded subgrants. For example, it could do so by formula or through competitive processes. Title II provides flexibility to school administrators to marshall financial and other resources in a manner that responds best to their particular needs and opportunities in improving the

quality of their schools. The activities authorized by section 204 encompass all of the activities authorized under the antecedent programs.

Title III contains general provisions for the Act. Under section 301, a State must prepare an annual plan describing the intended use of payments under the Act. For the purposes of this plan, the State may require from local educational agencies and other subgrantees such information as the State deems necessary. Section 302 requires a State report on activities supported under the Act at least once every two years. Both the plan and the report must be made public within the State, and there must be an opportunity for public comment during the development and implementation of the plan. There is no general requirement for plans for local educational agencies or other subgrantees under the Act. However, section 304 requires a one-time plan for FY 1982 of local educational agencies assisted under title I of the Act on how they will make the transition from separate categorical programs to the consolidated grant. These provisions replace detailed requirements for categorical State and local plans and provisions for Federal review and approval or disapproval of State plans contained in the antecedent statutes.

One major enforcement measure provided for in the bill is the audit provision. Section 303 requires the State to provide for the audit of its expenditures at least once every two years. The State would repay any funds found not to have been spent in accordance with Federal law or the Secretary would offset the amount against any other amount the State is or may become eligible to receive. The bill would also require the State to conduct or arrange for the audit of the expenditures of local educational agencies. The State would be authorized to reallocate to other local educational agencies any amount allocated under section 104(a) found not to have been spent in accordance with Federal law, for the purposes for which the funds were allotted to the State. The emphasis on State and local audits conforms to current audit policies of the Office of Management and Budget and the General Accounting Office, under which Federal auditors would not duplicate these audits but rather would build upon them.

Title III also includes provisions confirming the Federal Government's ultimate responsibility to see that the law is complied with and that funds are used only for the intended beneficiaries and purposes of the law, and not for general aid or tax relief for the States. In addition to the provisions for State and local audits, the Act recognizes the applicability to programs under the Act of provisions of the Intergovernmental Cooperation Act of 1968 and makes applicable provisions of the General Education Provisions Act concerning audits by the Secretary and the Comptroller General and the Secretary's authority to raise and resolve issues related to possible violations of the law. With the elimination of detailed and technical Federal requirements for administration of the program, we expect that the need for use of Federal sanctions will be greatly reduced.

With respect to requirements for serving private school children and nondiscrimination provisions of law, the Act preserves the ultimate enforcement responsibility of the Federal Government but also encourages the States to take a more direct role in securing compliance. The requirements for serving private school children in section 305 follow those contained in titles I and IV of the Elementary and Secondary Education Act. If a local educational agency or State is unable or unwilling to provide equitable services to private school children, the Act provides for a by-pass by the Secretary, but in the case of a local educational agency that is unable or unwilling to provide these services, only after the State has had a reasonable period of time to institute its own by-pass.

Under section 307, whenever the Secretary determines that there has been a failure to comply with title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, section 504 of the Rehabilitation Act of 1973, or title IX of the Education Amendments of 1972 in any program or activity assisted under the Act, he must provide the chief executive officer of the State an opportunity, not to exceed 60 days, to secure compliance before proceeding with other actions authorized by law.

I urge the Congress to give the draft bill its prompt and favorable consideration.

We are advised by the Office of Management and Budget that enactment of the draft bill would be in accord with the program of the President.

Sincerely,

T. H. BELL.

ELEMENTARY AND SECONDARY EDUCATION CONSOLIDATION ACT—ANTECEDENT PROGRAMS

[Dollar amounts in millions]

	1981 continuing resolution	1981 revised request	1982 revised request
TITLE I: FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS			
Grants for disadvantaged (Elementary and Secondary Education Act, title I):			
Basic grants to local educational agencies (sec. 111)	$2,824.9	$2,118.7	----------
Concentration grants (sec. 117)	142.1	106.6	----------
State agency migrant grants (sec. 143, 144)	288.0	216.0	----------
State agency handicapped grants (sec. 146)	165.0	123.8	----------
State agency neglected and delinquent grants (sec. 151, 153)	37.8	28.3	----------
Emergency school aid (Emergency School Aid Act):			
Basic grants to local educational agencies (sec. 606a)	107.8	80.9	----------
Special programs and projects (sec. 608a)	75.1	56.3	----------
Magnet schools, pairing and neutral site schools (sec. 608(a)(1), (2) and (3)	30.0	22.5	----------
Education for the handicapped (Education for the Handicapped Act):			
State grant program (pt. B, sec. 611)	922.0	691.5	----------
Preschool incentive grants (pt. B, sec. 619)	25.0	18.7	----------
Adult education (Adult Education Act): Grants to States (sec. 304)	120.0	90.0	----------
Subtotal, title I (ESECA)	4,737.7	3,553.3	3,790.1
TITLE II: FINANCIAL ASSISTANCE FOR IMPROVEMENT OF SCHOOL RESOURCES AND PERFORMANCE			
Grants for disadvantaged: (Elementary and Secondary Education Act, title I):			
State administration (sec. 194)	47.0	35.3	--------
Evaluation (sec. 183)	8.0	5.4	----------
Improving local educational practice (Elementary and Secondary Education Act, title IV-C)	91.4	50.0	----------
Strengthening State educational management (Elementary and Secondary Education Act, title V-B)	51.0	38.3	----------
Emergency school aid (Emergency School Aid Act):			
Special programs and projects (sec. 608a)	8.5	6.4	----------
Grants to nonprofit organizations (sec. 608b)	7.5	5.6	----------
Educational television and radio (sec. 611)	6.4	4.8	----------
Training and advisory services (Civil Rights Act, title IV)	45.7	34.3	----------
Women's educational equity (Elementary and Secondary Education Act, title IX-C)	10.0	7.5	----------
School libraries and instructional resources (Elementary and Secondary Education Act, title IV-B)	171.0	128.2	----------
Education for the handicapped (Education for the Handicapped Act):			
Severely handicapped (pt. C, sec. 621 and 624)	5.0	3.8	----------
Early childhood education (pt. C sec. 623)	18.8	13.8	----------
Regional vocational, adult, and postsecondary programs (pt. C, sec. 625)	2.2	1.2	----------
Innovation and development	7.8	2.8	----------
Regional resource centers (pt. C, sec. 621)	9.8	7.3	----------
Special education personnel development (pt. D, sec. 631, 632, 634)	58.0	43.5	----------
Career education incentives (Public Law 95-207, sec. 4)	14.8	9.9	----------
Community schools (Elementary and Secondary Education Act, title VIII, sec. 803, 810, and 812)	10.0	3.1	----------
Consumers' education (Elementary and Secondary Education Act, title III-E)	3.6	2.7	----------
Law-related education (Elementary and Secondary Education Act, title III-G)	1.0	.7	----------
Basic skills improvement (Elementary and Secondary Education Act, title II):			
State grants programs	13.4	11.4	----------
Discretionary programs	18.1	12.6	----------
Follow Through (Headstart-Follow Through Act)	35.2	28.2	----------
Gifted and talented (Elementary and Secondary Education Act, title IX-A)	5.4	3.8	----------
Alcohol and drug abuse education (Alcohol and Drug Abuse Education Act)	3.0	2.2	----------
Arts in education (Elementary and Secondary Education Act, title III-C)	3.5	2.6	----------
Metric education (Elementary and Secondary Education Act, title III-B)	1.7	1.3	----------
Ethnic heritage studies (Elementary and Secondary Education Act, title IX-E)	3.0	2.2	----------
Cities in schools (Elementary and Secondary Education Act, title III-A, sec. 303(d)(1)	3.0	2.3	----------
PUSH for Excellence, (Elementary and Secondary Education Act, title III-A, sec. 303(d)(1)	1.0	.7	----------
Teacher corps (Higher Education Act, title V-A)	29.0	21.5	----------
Teacher centers (Higher Education Act, sec. 532)	13.0	9.8	----------
Precollege science teacher training (National Science Foundation Act of 1950)	2.5	1.9	----------
Subtotal, title II (ESECA)	769.3	505.1	565.1
Total, Elementary and Secondary Education Consolidation Act	5,447.0	4,058.4	4,355.2

ADDITIONAL COSPONSORS

S. 170

At the request of Mr. PACKWOOD, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 170, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 396

At the request of Mr. DANFORTH, the Senator from Montana (Mr. MELCHER), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 396, a bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983.

S. 517

At the request of Mr. BENTSEN, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 517, a bill to amend the Clean Air Act to provide for further assessment of the validity of the theory concerning depletion of ozone in the stratosphere by halocarbon compounds before proceeding with any further regulation of such compounds, to provide for periodic review of the status of the theory of ozone depletion, and for other purposes.

S. 643

At the request of Mr. JEPSEN, the Senator from Hawaii (Mr. INOUYE), and the Senator from Florida (Mrs. HAWKINS) were added as cosponsors of S. 643, a bill to amend the Internal Revenue Code of 1954 to provide explicitly for the exclusion of social security benefits from taxable income.

S. 777

At the request of Mr. TOWER, the Senator from Louisiana (Mr. LONG) was added as a cosponsor of S. 777, a bill to amend the Federal Water Pollution Control Act to restrict the jurisdiction of the United States over the discharge of dredged or fill material to those discharges which are into navigable waters, and for other purposes.

S. 839

At the request of Mr. DOLE, the Senator from Iowa (Mr. JEPSEN), and the Senator from Kansas (Mrs. KASSEBAUM) were added as cosponsors of S. 839, a bill to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes.

S. 869

At the request of Mr. CRANSTON, his name was added as a cosponsor of S. 869, a bill to place restrictions on military assistance and sales to El Salvador.

S. 905

At the request of Mr. PRESSLER, the Senator from South Dakota (Mr. ABDNOR) was added as a cosponsor of S. 905, a bill to require the inspection of imported meat and meat food products, to require the grading of meat and meat food products, to require the Secretary of Agriculture to establish a labeling system for meat and meat food products, and for other purposes.

SENATE JOINT RESOLUTION 51

At the request of Mr. DOLE, the Senator from Montana (Mr. BAUCUS), the Senator from North Dakota (Mr. BURDICK), the Senator from Rhode Island (Mr. CHAFEE), the Senator from New York (Mr. D'AMATO), the Senator from New Mexico (Mr. DOMENICI), the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Indiana (Mr. LUGAR), the Senator from Maryland (Mr. MATHIAS), the Senator from Montana (Mr. MELCHER), the Senator from Rhode Island (Mr. PELL), the Senator from Delaware (Mr. ROTH), the Senator from South Dakota (Mr. PRESSLER), the Senator from Arkansas (Mr. PRYOR), the Senator from Maryland (Mr. SARBANES), the Senator from New Jersey (Mr. WILLIAMS), the Senator from South Carolina (Mr. THURMOND), and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of Senate Joint Resolution 51, a joint resolution authorizing and requesting the President to issue a proclamation observing the 35th anniversary of CARE (the Cooperative for American Relief Everywhere, Inc.), and designating May 10 to 16, 1981, as "CARE Week."

SENATE JOINT RESOLUTION 62

At the request of Mr. DOLE, the Senator from North Dakota (Mr. ANDREWS), the Senator from Arizona (Mr. DECONCINI), the Senator from Mississippi (Mr. COCHRAN), and the Senator from New Hampshire (Mr. HUMPHREY) were added as cosponsors of Senate Joint Resolution 62, a joint resolution to authorize and request the President to designate the week of September 20 through 26, 1981, as "National Cystic Fibrosis Week."

SENATE JOINT RESOLUTION 66

At the request of Mr. PRYOR, the Senator from California (Mr. CRANSTON) and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of Senate Joint Resolution 66, a joint resolution designating May 6, 1981, as "National Nursing Home Residents Day."

SENATE CONCURRENT RESOLUTION 4

At the request of Mr. DOLE, the Senator from Maryland (Mr. SARBANES) and the Senator from Minnesota (Mr. BOSCHWITZ) were added as cosponsors of Senate Concurrent Resolution 4, a concurrent resolution expressing the sense of the Congress with respect to implementing the objectives of the "International Year of Disabled Persons (1981)."

SENATE CONCURRENT RESOLUTION 19—ORIGINAL CONCURRENT RESOLUTION REPORTED DURING THE RECESS SETTING RECOMMENDED BUDGET LEVELS

Under the Authority of the Order of the Senate of April 29, 1981, Mr. DOMENICI, from the Committee on the Budget, reported the following original concurrent resolution on May 1, 1981, during the recess of the Senate:

S. CON. RES. 19

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1981, October 1, 1982, and October 1, 1983:

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $650,300,000,000;
Fiscal year 1983: $709,100,000,000;
Fiscal year 1984: $770,700,000,000;

and the amount by which the aggregate levels of Federal revenues should be decreased is as follows:

Fiscal year 1982: $51,300,000,000;
Fiscal year 1983: $97,100,000,000;
Fiscal year 1984: $144,800,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982: $775,100,000,000;
Fiscal year 1983: $812,600,000,000;
Fiscal year 1984: $865,000,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $699,100,000,000;
Fiscal year 1983: $730,500,000,000;
Fiscal year 1984: $770,700,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: $48,800,000,000;
Fiscal year 1983: $21,400,000,000;
Fiscal year 1984: $0;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $1,091,200,000,000;
Fiscal year 1983: $1,154,300,000,000;
Fiscal year 1984: $1,197,600,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1982: $91,400,000,000;
Fiscal year 1983: $63,100,000,000;
Fiscal year 1984: $43,300,000,000.

(b) Based on allocations of the appropriate levels of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the preceding subsection of this resolution, the Congress hereby determines and declares pursuant to section 310(a) of the Congressional Budget Act of 1974 that, for the fiscal years beginning on October 1, 1981, October 1, 1982, and October 1, 1983, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1982:
(A) New budget authority, $225,400,000,000;
(B) Outlays, $188,000,000,000.
Fiscal year 1983:
(A) New budget authority, $254,300,000,000;
(B) Outlays, $221,100,000,000.
Fiscal year 1984:
(A) New budget authority, $289,200,000,000;
(B) Outlays, $250,300,000,000.

(2) International Affairs (150):
Fiscal year 1982:
(A) New budget authority, $16,800,000,000;
(B) Outlays, $11,100,000,000.
Fiscal year 1983:
(A) New budget authority, $16,100,000,000;
(B) Outlays, $11,500,000,000.
Fiscal year 1984:
(A) New budget authority, $17,200,000,000;
(B) Outlays, $12,000,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1982:
(A) New budget authority, $7,200,000,000;
(B) Outlays, $7,000,000,000.
Fiscal year 1983:
(A) New budget authority, $7,700,000,000;
(B) Outlays, $7,300,000,000.
Fiscal year 1984:
(A) New budget authority, $7,200,000,000;
(B) Outlays, $7,200,000,000.

(4) Energy (270):
Fiscal year 1982:
(A) New budget authority, $4,400,000,000;
(B) Outlays, $6,900,000,000.
Fiscal year 1983:
(A) New budget authority, $3,800,000,000;
(B) Outlays, $6,500,000,000.
Fiscal year 1984:
(A) New budget authority, $2,800,000,000;
(B) Outlays, $4,900,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1982:
(A) New budget authority, $8,400,000,000;
(B) Outlays, $12,800,000,000.
Fiscal year 1983:
(A) New budget authority, $10,700,000,000;
(B) Outlays, $11,800,000,000.
Fiscal year 1984:
(A) New budget authority, $10,800,000,000;

(B) Outlays, $10,900,000,000.
(6) Agriculture (350):
Fiscal year 1982:
(A) New budget authority, $5,400,000,000;
(B) Outlays, $4,600,000,000.
Fiscal year 1983:
(A) New budget authority, $6,400,000,000;
(B) Outlays, $4,700,000,000.
Fiscal year 1984:
(A) New budget authority, $5,400,000,000;
(B) Outlays, $4,900,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1982:
(A) New budget authority, $8,300,000,000;
(B) Outlays, $4,800,000,000.
Fiscal year 1983:
(A) New budget authority, $5,200,000,000;
(B) Outlays, $4,200,000,000.
Fiscal year 1984:
(A) New budget authority, $5,800,000,000;
(B) Outlays, $3,800,000,000.
(8) Transportation (400):
Fiscal year 1982:
(A) New budget authority, $21,700,000,000;
(B) Outlays, $21,000,000,000.
Fiscal year 1983:
(A) New budget authority $20,800,000,000;
(B) Outlays, $20,100,000,000.
Fiscal year 1984:
(A) New budget authority, $21,300,000,000;
(B) Outlays, $20,100,000,000.
(9) Community and Regional Development (450):
Fiscal year 1982:
(A) New budget authority, $7,000,000,000;
(B) Outlays, $9,200,000,000.
Fiscal year 1983:
(A) New budget authority, $7,500,000,000;
(B) Outlays, $7,800,000,000.
Fiscal year 1984:
(A) New budget authority, $7,800,000,000;
(B) Outlays, $7,600,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1982:
(A) New budget authority, $26,800,000,000;
(B) Outlays, $27,400,000,000.
Fiscal year 1983:
(A) New budget authority, $26,900,000,000;
(B) Outlays, $26,600,000,000.
Fiscal year 1984:
(A) New budget authority, $26,100,000,000;
(B) Outlays, $26,100,000,000.
(11) Health (550):
Fiscal year 1982:
(A) New budget authority, $83,600,000,000;
(B) Outlays, $73,400,000,000.
Fiscal year 1983:
(A) New budget authority, $90,800,000,000;
(B) Outlays, $80,900,000,000.
Fiscal year 1984:
(A) New budget authority, $99,600,000,000;
(B) Outlays, $88,900,000,000.
(12) Income Security (600):
Fiscal year 1982:
(A) New budget authority, $263,900,000,000;
(B) Outlays, $237,300,000,000.
Fiscal year 1983:
(A) New budget authority, $286,800,000,000;
(B) Outlays, $253,000,000,000.
Fiscal year 1984:
(A) New budget authority, $307,500,000,000;
(B) Outlays, $270,300,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1982:
(A) New budget authority, $24,500,000,000;
(B) Outlays, $23,900,000,000.
Fiscal year 1983:
(A) New budget authority, $25,500,000,000.
(B) Outlays, $25,100,000,000.
Fiscal year 1984:
(A) New budget authority, $26,500,000,000;
(B) Outlays, $26,000,000,000.
(14) Administration of Justice (750):
Fiscal year 1982:
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1983:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1984:
(A) New budget authority, $4,700,000,000;
(B) Outlays, $4,700,000,000.
(15) General Government (800):
Fiscal year 1982:
(A) New budget authority, $5,000,000,000;
(B) Outlays, $4,800,000,000.
Fiscal year 1983:
(A) New budget authority, $5,200,000,000;
(B) Outlays, $5,000,000,000.
Fiscal year 1984:
(A) New budget authority, $5,300,000,000;
(B) Outlays, $5,300,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1982:
(A) New budget authority, $6,400,000,000;
(B) Outlays, $6,400,000,000.
Fiscal year 1983:
(A) New budget authority, $6,500,000,000;
(B) Outlays, $6,500,000,000.
Fiscal year 1984:
(A) New Budget authority, $6,900,000,000;
(B) Outlays, $6,800,000,000.
(17) Interest (900):
Fiscal year 1982:
(A) New budget authority, $89,500,000,000;
(B) Outlays, $89,500,000,000.
Fiscal year 1983:
(A) New budget authority, $93,700,000,000;
(B) Outlays, $93,700,000,000.
Fiscal year 1984:
(A) New budget authority, $94,600,000,000;
(B) Outlays, $94,600,000,000.
(18) Allowances (920):
Fiscal year 1982:
(A) New budget authority, $0;
(B) Outlays, $0.
Fiscal year 1983:
(A) New budget authority, —$20,400,000,000;
(B) Outlays.—$20,400,000,000.
Fiscal year 1984:
(A) New budget authority, —$27,800,000,000;
(B) Outlays—$27,800,000,000.
(19) Undistributed Offsetting Receipts (950):
Fiscal year 1982:
(A) New budget authority, —$33,500,000,000;
(B) Outlays, —$33,500,000,000.
Fiscal year 1983:
(A) New budget authority, —$39,400,000,000;
(B) Outlays, —$39,400,000,000.
Fiscal year 1984:
(A) New budget authority, —$45,900,000,000;
(B) Outlays, —$45,900,000,000.

REVISIONS TO THE SECOND CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1981

SEC. 2. Pursuant to section 304 of the Congressional Budget Act of 1974:

(a) Section 1 of H. Con. Res. 448 is revised as follows:

(1) The recommended level of Federal revenues is $599,900,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $8,600,000,000.

(2) The appropriate level of total new budget authority is $716,000,000,000.

(3) The appropriate level of total budget outlays is $662,700,000,000.

(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $62,800,000,000.

(5) The appropriate level of the public debt is $999,800,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $91,100,000,000.

(b) Section 2 of H. Con. Res. 448 is revised as follows:

(1) National Defense (050):
(A) New budget authority $181,000,000,000;
(B) Outlays, $162,900,000,000.
(2) International Affairs (150):
(A) New budget authority, $23,300,000,000;
(B) Outlays, $11,000,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $6,500,000,000;
(B) Outlays, $6,200,000,000.
(4) Energy (270):
(A) New budget authority, $7,000,000,000;
(B) Outlays, $9,800,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $10,400,000,000;
(B) Outlays, $13,600,000,000.
(6) Agriculture (350):
(A) New budget authority, $5,600,000,000;
(B) Outlays, $2,700,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $6,600,000,000;
(B) Outlays, $3,400,000,000.
(8) Transportation (400):
(A) New budget authority, $25,000,000,000;
(B) Outlays, $23,900,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $8,000,000,000;
(B) Outlays, $11,300,000,000.
(10) Education, Training, Employment, and Social Services (500):
(A) New budget authority, $30,800,000,000;
(B) Outlays, $31,800,000,000.
(11) Health (550):
(A) New budget authority, $71,800,000,000;
(B) Outlays, $66,400,000,000.
(12) Income Security (600):
(A) New budget authority, $250,200,000,000;
(B) Outlays, $229,700,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $23,300,000,000;
(B) Outlays, $22,800,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,400,000,000;
(B) Outlays, $4,700,000,000.
(15) General Government (800):
(A) New budget authority, $5,300,000,000;
(B) Outlays, $5,000,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, —$28,800,000,
(B) Outlays, $6,800,000,000.
(17) Interest (900):
(A) New budget authority, $79,500,000,000;
(B) Outlays, $79,500,000,000.
(18) Allowances (920):
(A) New budget authority, $0;
(B) Outlays, $0.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$28,800,000.-000;
(B) Outlays, —$28,800,000,000.

RECONCILIATION

SEC. 3. (a) Congress hereby determines and declares that it is necessary to make changes in enacted laws in order to reduce budget authority by $14,667,000,000, and outlays by $2,353,000,000, in fiscal year 1981; to reduce budget authority by $52,825,000,000, and outlays by $36,945,000,000, in fiscal year 1982; to reduce budget authority by $59,228,000,000, and outlays by $47,694,000,000, in fiscal year 1983; and to reduce budget authority by $68,074,000,000, and outlays by $56,937,000,000, in fiscal year 1984.

(b) The Committees on Appropriations of the House and Senate shall report not

later than June 5, 1981, legislation to reduce previously enacted appropriations by $13,300,000,000 in budget authority and $1,500,000,000 in outlays for fiscal year 1981; by $3,200,000,000 in outlays for fiscal year 1982; by $1,800,000,000 in outlays for fiscal year 1983; and by $1,100,000,000 in outlays for fiscal year 1984.

(c) Not later than May 31, 1981, the committees named in subsections (c)(1) through (c)(29) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by subsections (c)(1) through (c)(29) of this section. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(1)(A) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $163,000,000 in fiscal year 1981; to reduce budget authority by $474,000,000 and outlays by $928,000,000 in fiscal year 1982; to reduce budget authority by $659,000,000 and outlays by $618,000,000 in fiscal year 1983; and to reduce budget authority by $794,000,000 and outlays by $795,000,000 in fiscal year 1984; and

(B) the Senate Committee on Agriculture, Nutrition, and Forestry shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $645,000,000 in budget authority and $3,000,000 in outlays for fiscal year 1981; $3,243,000,000 in budget authority and $3,200,000,000 in outlays for fiscal year 1982; $4,011,000,000 in budget authority and $3,961,000,000 in outlays for fiscal year 1983; and $4,613,000,000 in budget authority and $4,517,000,000 in outlays for fiscal year 1984.

(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $233,000,000 and outlays by $233,000,000 in fiscal year 1981; to reduce budget authority by $966,000,000 and outlays by $966,000,000 in fiscal year 1982; to reduce budget authority by $899,000,000 and outlays by $899,000,000 in fiscal year 1983; and to reduce budget authority by $511,000,000 and outlays by $511,000,000 in fiscal year 1984.

(3) The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $6,146,000,000 in budget authority and $133,000,000 in outlays for fiscal year 1981; $15,460,000 in budget authority and $958,000,000 in outlays for fiscal year 1982; $18,412,000,000 in budget authority and $2,274,000,000 in outlays for fiscal year 1983; and $21,303,000,000 in budget authority and $3,882,000,000 in outlays for fiscal year 1984.

(4)(A) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $150,000,000 and outlays by $150,000,000 in fiscal year 1982; to reduce budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1983; and to reduce budget authority by $450,000,000 and outlays by $450,000,000 in fiscal year 1984; and

(B) the Senate Committee on Commerce, Science, and Transportation shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,558,000,000 in budget authority and $884,000,000 in outlays for fiscal year 1982; $1,598,000,000 in budget authority and $1,328,000,000 in outlays for fiscal year 1983; and $1,465,000,000 in budget authority and $1,337,000,000 in outlays for fiscal year 1984.

(5) The Senate Committee on Energy and Natural Resources shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,071,000,000 in budget authority and $106,000,000 in outlays for fiscal year 1981; $3,714,000,000 in budget authority and $3,404,000,000 in outlays for fiscal year 1982; $3,660,000,000 in budget authority and $3,628,000,000 in outlays for fiscal year 1983; and $3,604,000,000 in budget authority and $3,711,000,000 in outlays for fiscal year 1984.

(6)(A) The Senate Committee on Environment and Public Works shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $185,000,000 in fiscal year 1982; to reduce outlays by $900,000,000 in fiscal year 1983; and to reduce outlays by $1,365,000,000 in fiscal year 1984; and

(B) the Senate Committee on Environment and Public Works shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,350,000,000 in budget authority and $68,000,000 in outlays for fiscal year 1981; $4,935,000,000 in budget authority and $793,000,000 in outlays for fiscal year 1982; $3,035,000,000 in budget authority and $1,872,000,000 in outlays for fiscal year 1983; and $3,500,000,000 in budget authority and $2,826,000,000 in outlays for fiscal year 1984.

(7)(A) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $212,000,000 and outlays by $295,000,000 in fiscal year 1981; to reduce budget authority by $4,354,000,000 and outlays by $9,354,000,000 in fiscal year 1982; to reduce budget authority by $4,494,000,000 and outlays by $10,870,000,000 in fiscal year 1983; and to reduce budget authority by $4,618,000,000 and outlays by $11,761,000,000 in fiscal year 1984; and

(B) the Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $96,000,000 in budget authority and $112,000,000 in outlays for fiscal year 1982; $114,000,000 in budget authority and $132,000,000 in outlays for fiscal year 1983; and $149,000,000 in budget authority and $177,000,000 in outlays for fiscal year 1984.

(8) The Senate Committee on Foreign Relations shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,050,000,000 in budget authority and $301,000,000 in outlays for fiscal year 1982; $600,000,000 in budget authority and $367,000,000 in outlays for fiscal year 1983; and $435,000,000 in budget authority and $531,000,000 in outlays for fiscal year 1984.

(9)(A) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $513,000,000 in fiscal year 1982; to reduce outlays by $414,000,000 in fiscal year 1983; and to reduce outlays by $357,000,000 in fiscal year 1984; and

(B) the Senate Committee on Governmental Affairs shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $4,776,000,000 in budget authority and $4,690,000,000 in outlays for fiscal year 1982; $6,360,000,000 in budget authority and $6,388,000,000 in outlays for fiscal year 1983; and $7,462,000,000 in budget authority and $7,440,000,000 in outlays for fiscal year 1984.

(10) The Senate Committee on the Judiciary shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $116,000,000 in budget authority, and $13,000,000 in outlays for fiscal year 1982; $133,000,000 in budget authority and $81,000,000 in outlays for fiscal year 1983; and $144,000,000 in budget authority and $124,000,000 in outlays for fiscal year 1984.

(11)(A) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $39,000,000 and outlays by $49,000,000 in fiscal year 1981; to reduce budget authority by $658,000,000 and outlays by $622,000,000 in fiscal year 1982; to reduce budget authority by $1,601,000,000 and outlays by $1,495,000,000 in fiscal year 1983; and to reduce budget authority by $2,702,000,000 and outlays by $2,551,000,000 in fiscal year 1984; and

(B) the Senate Committee on Labor and Human Resources shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,388,000,000 in budget authority and $414,000,000 in outlays for fiscal year 1981; $10,303,000,000 in budget authority and $7,928,000,000 in outlays for fiscal year 1982; $12,363,000,000 in budget authority and $10,913,000,000 in outlays for fiscal year 1983; and $15,224,000,000 in budget authority and $13,525,000,000 in outlays for fiscal year 1984.

(12) The Senate Committee on Small Business shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $97,000,000 in budget authority and $67,000,000 in outlays for fiscal year 1981; $526,000,000 in budget authority and $390,000,000 in outlays for fiscal year 1982; $564,000,000 in budget authority and $541,000,000 in outlays for fiscal year 1983; and $554,000,000 in budget authority and $533,000,000 in outlays for fiscal year 1984.

(13)(A) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in sec-

tion 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $14,000,000 and outlays by $14,000,000 in fiscal year 1981; to reduce budget authority by $32,000,000 and outlays by $32,000,000 in fiscal year 1982; to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1983; and to reduce budget authority by $24,000,000 and outlays by $24,000,000 in fiscal year 1984; and

(B) the Senate Committee on Veterans' Affairs shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $414,000,000 in budget authority and $375,000,000 in outlays for fiscal year 1982; $397,000,000 in budget authority and $404,000,000 in outlays for fiscal year 1983; and $522,000,000 in budget authority and $520,000,000 in outlays for fiscal year 1984.

HOUSE COMMITTEES

(14)(A) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in sec-401(c)(2)(C) of Public Law 93–344, sufficient to reduce outlays by $163,000,000 in fiscal year 1981; to reduce budget authority by $232,000,000 and outlays by $693,000,000 in fiscal year 1982; to reduce budget authority by $400,000,000 and outlays by $362,000,000 in fiscal year 1983; and to reduce budget authority by $520,000,000 and outlays by $525,00,000 in fiscal year 1984; and

(B) the House Committee on Agriculture shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $645,000,000 in budget authority and $3,000,000 in outlays for fiscal year 1981; $3,243,000,000 in budget authority and $3,200,000,000 in outlays for fiscal year 1982; $4,011,000,000 in budget authority and $3,961,000,000 in outlays for fiscal year 1983; and $4,613,000,000 in budget authority and $4,517,000,000 in outlays for fiscal year 1984.

(15) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $233,000,000 and outlays by $233,000,000 in fiscal year 1981; to reduce budget authority by $966,000,000 and outlays by $966,000,000 in fiscal year 1982; to reduce budget authority by $899,000,000 and outlays by $899,000,000 in fiscal year 1983; and to reduce budget authority by $511,000,000 and outlays by $511,000,000 in fiscal year 1984.

(16) The House Committee on Banking, Finance and Urban Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $7,146,000,000 in budget authority and $143,000,000 in outlays for fiscal year 1981: $14,139,000,000 in budget authority and $808,000,000 in outlays for fiscal year 1982: $16,534,000,000 in budget authority and $1,669,000,000 in outlays for fiscal year 1983: and $18,789,000,000 in budget authority and $2,632,000,000 in outlays for fiscal year 1984.

(17) The House Committee on the District of Columbia shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $39,000,000 in budget authority and $40,000,000 in outlays for fiscal year 1982; $56,000,000 in budget authority and $64,000,000 in outlays for fiscal year 1983; and $72,000,000 in budget authority and $69,000,000 in outlays for fiscal year 1984.

(18)(A) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $808,000,000 and outlays by $725,000,000 in fiscal year 1982; to reduce budget authority by $1,681,000,000 and outlays by $1,532,000,000 in fiscal year 1983; and to reduce budget authority by $2,785,000,000 and outlays by $2,590,000,000 in fiscal year 1984; and

(B) the House Committee on Education and Labor shall also report changes in laws and within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,282,000,000 in budget authority and $372,000,000 in outlays for fiscal year 1981; $8,578,000,000 in budget authority and $6,733,000,000 in outlays for fiscal year 1982; $10,035,000,000 in budget authority and $8,968,000,000 in outlays for fiscal year 1983; and $12,324,000,000 in budget authority and $10,872,000,000 in outlays for fiscal year 1984.

(19)(A) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $176,000,000 and outlays by $110,000,000 in fiscal year 1981; to reduce budget authority by $695,000,000 and outlays by $1,011,000,000 in fiscal year 1982; to reduce budget authority by $903,000,000 and outlays by $1,537,000,000 in fiscal year 1983; and to reduce budget authority by $1,164,000,000 and outlays by $2,056,000,000 in fiscal year 1984; and

(B) the House Committee on Energy and Commerce shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $764,000,000 in budget authority and $19,000,000 in outlays in fiscal year 1981; $4,885,000,000 in budget authority and $4,088,000,000 in outlays for fiscal year 1982; $5,251,000,000 in budget authority and $4,846,000,000 in outlays for fiscal year 1983; and $5,297,000,000 in budget authority and $5,101,000,000 in outlays for fiscal year 1984.

(20) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of the committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,050,000,000 in budget authority and $301,000,000 in outlays for fiscal year 1982; $600,000,000 in budget authority and $367,000,000 in outlays for fiscal year 1983; and $435,000,000 in budget authority and $531,000,000 in outlays for fiscal year 1984.

(21) The House Committee on Interior and Insular Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $331,000,000 in budget authority and $84,000,000 in outlays for fiscal year 1981; $815,000,000 in budget authority and $369,000,000 in outlays for fiscal year 1982; $796,000,000 in budget authority and $564,000,000 in outlays for fiscal year 1983; and $774,000,000 in budget authority and $654,000,000 in outlays for fiscal year 1984.

(22) The House Committee on the Judiciary shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $116,000,000 in budget authority and $13,000,000 in outlays for fiscal year 1982; $133,000,000 in budget authority and $81,000,000 in outlays for fiscal year 1983; and $144,000,000 in budget authority and $124,000,000 in outlays for fiscal year 1984.

(23)(A) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $39,000,000 and outlays by $39,000,000 in fiscal year 1981; to reduce budget authority by $242,000,000 and outlays by $242,000,000 in fiscal year 1982, to reduce budget authority by $479,000,00 and outlays by $479,000,000 in fiscal year 1983; and to reduce budget authority by $641,000,000 and outlays by $641,000,000 in fiscal year 1984; and

(B) the House Committee on Merchant Marine and Fisheries shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $147,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1982; $60,000,000 in budget authority and $32,000,000 in outlays for fiscal year 1983; and $71,000,000 in budget authority and $60,000,000 in outlays for fiscal year 1984.

(24)(A) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce outlays by $513,000,000 in fiscal year 1982; to reduce outlays by $414,000,000 in fiscal year 1983; and to reduce outlays by $357,000,000 in fiscal year 1984; and

(B) the House Committee on Post Office and Civil Service shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $4,737,000,000 in budget authority and $4,650,000,000 in outlays for fiscal year 1982; $6,304,000,000 in budget authority and $6,324,000,000 in outlays for fiscal year 1983; and $7,390,000,000 in budget authority and $7,371,000,000 in outlays for fiscal year 1984.

(25)(A) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce outlays by $185,000,000 in fiscal year 1982; to reduce outlays by $900,000,000 in fiscal year 1983; and to reduce outlays by $1,365,000,000 in fiscal year 1984; and

(B) the House Committee on Public Works and Transportation shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,350,000,000 in budget authority and $68,000,000 in outlays for fiscal year 1981; $6,446,000,000 in budget authority and $1,033,000,000 in outlays for fiscal year 1982; $5,122,000,000 in budget authority and $2,697,000,000 in outlays for fiscal year 1983; and $6,241,000,000 in budget authority and $4,381,000,000 in outlays for fiscal year 1984.

(26) The House Committee on Science and Technology shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $82,000,000 in budget authority and $35,000,000 in outlays for fiscal year 1981; $78,000,000 in budget authority and $39,000,000 in outlays for fiscal year 1982;

$90,000,000 in budget authority and $59,000,000 in outlays for fiscal year 1983; and $102,000,000 in budget authority and $83,000,000 in outlays for fiscal year 1984.

(27) The House Committee on Small Business shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $97,000,000 in budget authority and $67,000,000 in outlays for fiscal year 1981; $526,000,000 in budget authority and $390,000,000 in outlays for fiscal year 1982; $564,000,000 in budget authority and $541,000,000 in outlays for fiscal year 1983; and $554,000,000 in budget authority and $533,000,000 in outlays for fiscal year 1984.

(28)(A) The House Committee on Veteran's Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $14,000,000 and outlays by $14,000,000 in fiscal year 1981; to reduce budget authority by $32,000,000 and outlays by $32,000,000 in fiscal year 1982; to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1983; and to reduce budget authority by $24,000,000 and outlays by $24,000,000 in fiscal year 1984; and

(B) the House Committee on Veterans' Affairs shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $414,000,000 in budget authority and $375,000,000 in outlays for fiscal year 1982; $397,000,000 in budget authority and $404,000,000 in outlays for fiscal year 1983; and $522,000,000 in budget authority and $520,000,000 in outlays for fiscal year 1984.

(29)(A) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $36,000,000 and outlays by $195,000,000 in fiscal year 1981; to reduce budget authority by $3,659,000,000 and outlays by $8,383,000,000 in fiscal year 1982; to reduce budget authority by $3,591,000,000 and outlays by $9,373,000,000 in fiscal year 1983; and to reduce budget authority by $3,454,000,000 and outlays by $9,745,000,000 in fiscal year 1984; and

(B) the House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $978,000,000 in budget authority and $994,000,000 in outlays for fiscal year 1982; $1,294,000,000 in budget authority and $1,312,000 000 in outlays for fiscal year 1983; and $1,647,000,000 in budget authority and $1,675,000,000 in outlays for fiscal year 1984.

SEC. 4. The enactment of savings required by this resolution is critical to the health of the economy of the Nation; and

Expeditious action on legislation pursuant to these instructions is critical to achieving the savings required by this resolution; and

The Senate is committed to completing action on the savings legislation required by this resolution at the earliest possible time; and

It is the sense of the Senate that Senate committees instructed in section 3(c)(1) through (c)(13) of this resolution should begin deliberations on the legislation those committees are required to report under this resolution as soon as the resolution is agreed to in the Senate; and

It is the further sense of the Senate that Senate committees should report the legislation required by section 3(c) of this resolution as agreed to in the Senate, except to the extent that the amounts referred to may be modified in conference with the House of Representatives, by May 31, 1981.

SEC. 5. The Senate Committee on Governmental Affairs should report changes in laws within the jurisdiction of that committee which would reduce the costs to the Government which result from waste, fraud, and abuse. Savings in appropriations and expenditures from trust funds from such statutory changes are estimated to be $700,000,000 in budget authority and $1,300,000,000 in outlays in fiscal year 1982; $1,000,000,000 in budget authority and $2,000,000,000 in outlays in fiscal year 1983; and $1,500,000,000 in budget authority and $3,000,000,000 in outlays in fiscal year 1984.

FEDERAL CREDIT ACTIVITY

SEC. 6. There is established a Congressional Federal Credit Budget for fiscal year 1982:

(a) The appropriate levels of total Federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $51,452,000,000.

(2) New primary loan guarantee commitments, $85,626,000,000.

(3) New secondary loan guarantee commitments, $70,042,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity for fiscal year 1982 as set forth in subsection (a) of this section, the appropriate levels of new direct loan obligations, new gross loan guarantee commitments, and new secondary loan guarantee commitments for each functional category is as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0.

(B) Gross new loan guarantee commitments, $30,000,000, of which $0 shall be secondary loan guarantee commitments.

(2) International Affairs (150):

(A) New direct loan obligations, $11,183,000,000.

(B) Gross new loan guarantee commitments, $11,043,000,000, of which $0 shall be secondary loan guarantee commitments.

(3) General Science, Space, and Technology (250):

(A) New direct loan obligations, $144,000,000.

(B) Gross new loan guarantee commitments, $0, of which $0 shall be secondary loan guarantee commitments.

(4) Energy (270):

(A) New direct loan obligations, $4,504,000,000.

(B) Gross new loan guarantee commitments, $6,502,000,000, of which $0 shall be secondary loan guarantee commitments.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $24,000,000.

(B) Gross new loan guarantee commitments, $0, of which $0 shall be secondary loan guarantee commitments.

(6) Agriculture (350):

(A) New direct loan obligations, $8,878,000,000.

(B) Gross new loan guarantee commitments, $3,597,000,000, of which $0 shall be secondary loan guarantee commitments.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $13,689,000,000.

(B) Gross new loan commitments, $121,175,000,000, of which $69,542,000,000 shall be secondary loan guarantee commitments.

(8) Transportation (400):

(A) New direct loan obligations $475,000,000.

(B) Gross new loan guarantee commitments, $1,504,000,000, of which $0 shall be secondary loan guarantee commitments.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $841,000,000.

(B) Gross new loan guarantee commitments, $1,280,000,000, of which $0 shall be secondary loan guarantee commitments.

(10) Education, Training, Employment, and Social Services (500):

(A) New direct loan obligations, $1,424,000,000.

(B) Gross new loan guarantee commitments, $6,197,000,000, of which $500,000,000 shall be secondary loan guarantee commitments.

(11) Health (550):

(A) New direct loan obligations, $93,000,000.

(B) Gross new loan guarantee commitments, $175,000,000, of which $0 shall be secondary loan guarantee commitments.

(12) Income Security (600):

(A) New direct loan obligations, $2,959,000,000.

(B) Gross new loan guarantee commitments, $17,446,000,000, of which $0 shall be secondary loan guarantee commitments.

(13) Veterans' Benefits and Services (700):

(A) New direct loan obligations, $648,000,000.

(B) Gross new loan guarantee commitments, $7,383,000,000, of which $0 shall be secondary loan guarantee commitments.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0.

(B) Gross new loan guarantee commitments, $0, of which $0 shall be secondary loan guarantee commitments.

(15) General Government (800):

(A) New direct loan obligations, $31,000,000.

(B) Gross new loan guarantee commitments, $31,000,000, of which $0 shall be secondary loan guarantee commitments.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $145,000,000.

(B) Gross new loan guarantee commitments, $756,000,000, of which $0 shall be secondary loan guarantee commitments.

(17) Interest (900):

(A) New direct loan obligations, $0.

(B) Gross new loan guarantee commitments, $0, of which $0 shall be secondary loan guarantee commitments.

(18) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0.

(B) Gross new loan guarantee commitments, $0, of which $0 shall be secondary loan guarantee commitments.

(19) Off-Budget Agencies:

(A) New direct loan obligations, $6,414,000,000.

(B) Gross new loan guarantee commitments, $5,145,000,000, of which $0 shall be secondary loan guarantee commitments.

(c) It is the sense of the Congress that the President through administrative actions should limit in fiscal year 1982 total Federal Financing Bank origination of direct loans guaranteed by other Federal agencies to $16,400,000,000; and Federal Financing Bank purchases of loan assets from Federal agencies to $6,531,000,000. It is the further sense of Congress that direct borrowing transactions of Federal agencies should be, to the maximum extent possible, restricted to the Federal Financing Bank.

SEC. 7. It shall not be in order in the House or the Senate during fiscal years 1981 and 1982 to consider any bill, resolution, or amendment authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation Acts.

MISCELLANEOUS PROVISIONS

SEC. 8. No bill or resolution providing new budget authority for fiscal year 1982 or pro-

viding new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 in excess of the allocation to or report by a committee or subcommittee pursuant to section 302 of the Budget Act shall be enrolled until Congress has completed action on the Second Budget Resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution or both.

SEC. 9. (a) It is the sense of the Congress that due to the extreme rate of inflation in the United States economy, the possible cost-of-living effects of Federal regulations and legislation shall be carefully monitored as part of a program of fiscal restraint. Cost-of-living effects should therefore be a prime consideration in developing both regulations and legislation. In order to coordinate the aggregate economic impact of regulations with Federal fiscal policy, it is the sense of Congress that the President should implement a "zero net inflation impact" policy for the regulations promulgated in the remainder of fiscal year 1981 and for fiscal year 1982. This policy will require the President to keep an accounting for fiscal year 1981 of all new regulations which have a significant, measurable cost to the economy. Cost-saving modification need not affect the same area of economic activity as the cost-inducing regulations. The President should institute an exemption procedure to assure the promulgation of regulations necessary to avert any imminent threat to health and safety.

(b) It is also the sense of Congress that the Director of the Congressional Budget Office should issue a periodic "inflation score-keeping" report which shall contain an estimate of the positive or negative cost-of-living effects, wherever measurable, of legislation enacted to date in the current session of Congress. The report shall also indicate for each bill, promptly after it is reported by a committee of Congress, whether—

(1) it is judged to have no significant positive or negative impact on cost of living;

(2) it is judged to have a positive or negative cost-of-living impact on the amount specified in terms of both dollar amounts and change in the Consumer Price Index; or

(3) it is judged likely to have a significant positive or negative impact on cost of living, but the amount cannot be determined immediately.

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Tuesday, May 5, 1981, at 10 a.m. in room 301 of the Russell Senate Office Building to continue hearing testimony on Senate Resolution 20, which provides for television and radio coverage of the proceedings of the Senate.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, the Committee on Rules and Administration will hold a hearing on Thursday, May 7, 1981, at 10 a.m. in room 301 Russell Senate Office Building to examine the impact of election night media projections of election results prior to the closing of polls in some States. The committee will hear testimony on this issue from Members of Congress, State election officials, representatives of the broadcast industry, and other witnesses. The committee will also consider various legislative proposals (S. 55, S. 56, S. 57, and S. 58) providing for uniform poll closing times nationwide, prohibiting the release of election results until all polls are closed, and changing election day to Sunday in 1982, 1984, 1986, and 1988.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate from Monday, May 4, through Friday, May 8, for the purpose of marking up the farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE SEPARATION OF POWERS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on the Separation of Powers of the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, May 5, to hold a hearing on S. 823, a bill to provide for payment of losses incurred as a result of the ban on the use of the chemical TRIS in apparel, fabric, yarn, or fiber.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TOXIC SUBSTANCES AND ENVIRONMENTAL OVERSIGHT

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Toxic Substances and Environmental Oversight of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, May 5, to consider four authorizations bills—Environment Research and Development, TSCA, Noise, and CEQ.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be allowed to meet during the session of the Senate on Wednesday, May 13 and Thursday, May 14 to hold oversight hearings on home health care operators.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold hearings on international tourism promotion.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE HELSINKI PROCESS AND MADRID-SOVIET HYPOCRISY AND OBSTRUCTION

● Mr. HEINZ. Mr. President, the Madrid review session of the Conference on Security and Cooperation in Europe—the Helsinki accords—will shortly reconvene for what we hope will be its concluding set of meetings. The May 5 opening date will mark the seventh month the conference has been in session at Madrid.

As a newly appointed member of the U.S. Commission on Security and Cooperation in Europe, I think some observations on the Helsinki process, its past and future, are appropriate before the next session begins.

The United States and other Western delegations have maintained throughout the negotiations that any agreement at Madrid must be balanced; that is, it must provide for equal progress in all the major areas covered by the Final Act. I fully support this position. If the United States is to agree to language promoting the security goals of basket I, then the agreement must also contain language which will give a comparable degree of support to the economic and scientific cooperation goals of basket II; to the human contacts and other provisions of basket III; and in particular to the goals of principle VII—the basic statement on human rights in the Helsinki document.

Thus far at Madrid, there has been extensive discussion of the possibility of holding a meeting under CSCE auspices to discuss security issues. I believe that such a meeting could be useful if the agenda is carefully drawn and if the criteria developed by the United States and its NATO allies are accepted.

At the same time, such a meeting must require balance in other areas of the Final Act. Meetings of experts on human rights and human contacts, as proposed by the United States and some other Western countries would constitute an important element of that balance.

The Western nations have consistently insisted on this kind of balance throughout the history of the Helsinki process. Much of the original impetus for the first conference, which many of us in the United States viewed with some trepidation, came from the Soviet Union as an effort to achieve certain security goals including Western acceptance of post-World War II European borders, an issue of only historical consequence to some but one of great symbolism and real significance to the Russians.

From the beginning, however, the Western states have insisted on a balanced approach and have consistently and effectively, though not always successfully fought to focus the world's attention at Helsinki, then Belgrade, and now Madrid, on our agenda as well. And our agenda has been a human rights and a human contacts agenda; one intended to bring to the attention of the peoples of Eastern Europe the rights and liberties usually guaranteed them in their own constitutions but denied them in fact, and to make clear this denial and suppression in the starkest terms.

Through these periodic review fora, the Eastern European nations quite properly have been held to an exacting standard, and the hypocrisy of their words in the face of their actions has been made clear to all the world. In doing so the West has laid bare the fundamental difference we have with the Communist bloc, a difference that transcends eco-

nomic and political incompatibilities but is rooted in the way we perceive the individual and his role in society. The Helsinki process has made this difference clear and has helped to distinguish the different paths that face a new nation on the road to development.

The Helsinki process has also dramatized the success and failure of these different paths. The Western approach, reflecting a faith and confidence in the ingenuity, persistence, and determination of the individual, has produced relatively free and prosperous economies compared to the closed and ossified economies of Eastern Europe. It is noteworthy, and ironic, that those Marxist economies that have made the most progress, Yugoslavia and more recently Hungary, have been the least orthodox and most innovative in their approach.

In short, there are lessons in these different models of development, and the Helsinki process has played an essential role in teaching them.

Still the most significant issues through the process, however, is the Soviet Union itself, its presence, and its policies lurking behind its surrogates. It has not been a benign presence, and its policies have not been benevolent. In fact, the Soviets have consistently violated both the letter and the spirit of the commitments made originally in Helsinki in all three of the Final Act's baskets.

Although I do not expect it, the Soviets could facilitate the negotiation of a meaningful document at Madrid by bringing their practices into line with their promises.

At Helsinki, the Soviets promised to "refrain from the threat or use of force against the territorial integrity or political independence of any state."

Since Helsinki, they have launched a full-scale invasion and occupation of Afghanistan, and used their military forces to threaten the peace and stability of central Europe itself.

At Helsinki, the Soviet Union promised to "promote the effective exercise of civil, political, economic, social, cultural and other rights and freedoms which derive from the inherent dignity of the human person" and they confirmed "the right of the individual to know and act upon his rights and duties in this field."

Since Helsinki, they have continued to arrest persons for crimes such as publishing ideas without prior government approval or practicing a religion, and they have imprisoned persons such as the courageous Helsinki monitors who sought to "know and act upon their rights."

Soviet fulfillment of its previous agreements is the first step in building security and cooperation in Europe and the rest of the world. Such fulfillment, however, would hardly be consistent with the Soviet Union's past record.

SOVIET PROPAGANDA AND SECURITY ISSUES AT MADRID

Since the beginning of the Helsinki process, the Soviets have tried to use its security dimension as a forum to spread propaganda for furthering security in Europe. Such ideas are intended to make the Soviet Union appear peace-loving and cooperative. But in reality, they are empty gestures. These propagandistic efforts culminated recently in the proposal for a conference on military détente and disarmament in Europe to take place after the Madrid meeting. This idea was originally announced at a Warsaw Pact Foreign Ministers' meeting in December 1979 and was subsequently proposed by Poland at the Madrid review meeting in November 1980.

An examination of these proposals—by the same country which invaded and continues to occupy Afghanistan and which today stands poised on the borders of Poland—underlines their emptiness and hypocrisy. Foremost among the Soviet ideas is a nonaggression pact to consist of a treaty signed by all the Helsinki signatories on the non-first-use of either conventional or nuclear weapons in solving disputes. The use of Soviet troops and armaments in Afghanistan clearly undermines the sincerity of Soviet support for this pact.

Another proposal calls for freezing the membership of both NATO and the Warsaw Pact, a measure clearly intended to undermine expected Spanish entry into NATO while having no effect whatsoever on the Warsaw Pact which has no prospects of new members—at least voluntary ones—in sight. A third idea—intended to affect constituencies in Western Europe concerned over U.S. medium-range missiles placement—stipulates that no nuclear weapons of any kind should be placed on the territory of any country which does not at present possess such weapons.

At Madrid, the United States and its NATO allies have supported the French idea for a post-Madrid Conference on Disarmament in Europe (CDE). This proposed conference, to be closely linked to the Helsinki process, would consider new confidence-building measures (CBM's) which build upon those already in the Final Act, such as prior notification of major troop maneuvers and movements and invitations of military observers to witness those maneuvers. By concentrating on confidence-building measures which promote the growth of confidence and security at basic levels of military activity, the United States and its Western allies hope to make a real contribution to furthering transparency of military actions and, thereby, diminish distrust and tension of Europe.

The French Conference proposal has four basic principles. First and foremost, all confidence-building measures adopted during this proposed conference must be applicable to all of Europe, from the Atlantic Ocean to the Ural Mountains, thus including all of the European part of the Soviet Union. This would mark a significant improvement over what is now in the Helsinki Final Act, the prior notification of major military maneuvers over 25,000 troops, which is applicable only to the 250 kilometers of Soviet territory bordering other European participating states. The other three criteria in the French mandate are that these new measures must be militarily significant, verifiable and politically obligatory.

As part of the so-called peace initiative launched at the 26th Party Congress in February, Chairman Brezhnev indicated that the Soviet Union would consider expanding the zone of applicability to the Urals if corresponding measures were taken by the West, particularly by the United States and Canada. In the intervening weeks, the Soviets have steadfastly refused to elaborate on just what they mean by these "commensurate" or "corresponding" measures by the West.

The United States and Canada have made it clear to the Soviets that they will not consider any part of the territory of North America to be subject to Final Act CBM provisions since these apply specifically only to military activities on the European continent.

Soviet reluctance to explain their concept of corresponding Western obligations calls into question the seriousness of Brezhnev's latest peace proposals. Unless the Soviets are willing to come forward with concrete explanations on this key issue, their latest "concession" will have to be dismissed as the same kind of propaganda that has made up the history of Soviet security proposals in the Helsinki process.

At the Madrid meeting itself, the Soviet delegation keeps referring to the "peace-loving action" of the Soviet Union undertaken at the 26th Party Congress. Yet, as so often with Soviet rhetoric, these initiatives have resulted in no action, only words. Action would entail the withdrawal of Soviet troops from Afghanistan. It would mean the withdrawal of thousands of Warsaw Pact troops now encircling and threatening Poland. It would mean, as stated explicitly in the Helsinki Final Act, the prior notification of both large- and small-scale maneuvers, such as the unnotified and lengthy Warsaw Pact maneuvers just ending in Poland. These actions are not happening. The presence of thousands of Warsaw Pact troops around Poland, the holding of prolonged maneuvers inside that country and the continuing war in Afghanistan clearly shows that the latest Soviet peace initiatives, like their predecessors, are nothing more than empty propaganda gestures.

HUMAN RIGHTS AND BASKET III

The Soviet record of compliance with the humanitarian provisions of the Helsinki Final Act is dismal. The Soviet Government has continually and blatantly disregarded the pledge contained in principle VII of basket I—to "respect human rights and fundamental freedoms." Its adherence to the provisions of basket III—to facilitate family reunification, emigration and travel, to improve working conditions for journalists, and to ease restrictions on the flow of information—has been equally poor. The rate of emigration has declined significantly; jamming of Western radio broadcasts which had been discontinued since the initial negotiations on the Final Act have been renewed; Western correspondents have been subjected to all forms of intimidation; and the litany of political prisoners grows longer every day.

Despite the confirmation contained in the Final Act that organizations and individuals have a "relevant and positive

role to play in contributing" to the goals of the Helsinki Agreements, efforts by Soviet citizens to monitor their Government's compliance with the Final Act have met with brutal repression. At present, there are 51 imprisoned Helsinki monitors in the Soviet Union. Many of these brave men and women are well-known in the West: Uri Orlov, the founder and leader of the Moscow Group; Anatoly Shcharansky, the Jewish activist and founding member of the Moscow Group; Mykola Rudenko, the leader of the Ukrainian Group; and Viktoras Petkus, a founding member of the Helsinki Group in Lithuania. Others, while equally courageous, have escaped the spotlight of Western attention but not, unfortunately, the wrath of Soviet officials. Most recently, on April 2nd, 27-year-old Tatiana Osipova, a member of the Moscow Helsinki Monitoring Group, was sentenced to 5 years in a labor camp to be followed by another 5 years in internal exile. The only crime Ms. Osipova and her colleagues committed was to take seriously the guarantee contained in the Helsinki Agreement that persons have the "right to know and act upon their rights."

Another recent repressive action was the arrest of March 17 of Russian worker Anatoly Marchenko, a prominent human rights activist and the author of "My Testimony," the first expose of the post-Stalinist labor camps. Marchenko—who suffers from a chronic bleeding ucler—has already spent 14 years in Soviet camps. Tragically, Marchenko is but the latest victim in the Soviet drive against supporters of workers' rights in the Soviet Union. Other such advocates recently imprisoned include Mikhail Kukobaka, Evgeny Buzinnikov, Viktor Nekipelov, Vadim Konovalikhin, Romen Kosterin, Gennady Bogoliubov and Vassily Razlutsky. On January 6 of this year, Ukrainian engineer Aleksei Nitkitin was declared "insane" and is now incarcerated in the same psychiatric hospital as Ukrainian miner and free trade unionist Vladimir Klebanov.

At the now-recessed Madrid meeting of the Conference on Security and Cooperation in Europe, the U.S. delegation—joined by nearly all other Western nations—strongly condemned the Soviet Union for these and other human rights abuses. The American delegation repeatedly stressed the importance of human rights to the development and maintenance of genuine cooperation and security in Europe. The Soviet delegation was put on notice that the United States expected—and, indeed would insist upon—progress in the human rights and humanitarian field, in addition to the military security and economic areas.

Mr. President, I think we all understand that this kind of progress is not going to happen simply because we would like it to occur. Indeed, more often than not our efforts in this direction appear to run up against a brick wall. There are, however, small victories that make the effort worthwhile, and there may well be larger successes we will never know about in terms of preventing even worse actions from taking place. Even without victories, however, the effort is worth the time and cost. It is worth it because once again we are showing the difference between a free society and a repressed one and we are making that difference clear to the entire world. Like tossing a pebble into a pool of water, we are making ripples that will touch millions of people all over the world. In doing so we set an example that may produce change and may save lives, and that is worth any cost and any effort.●

PISTOLS AND POLITICS

Mr. KENNEDY. Mr. President, last week the Washington Star carried an important series of articles by Mary Thornton and Phil Gailey on the handgun control issue and the activities of the gun lobby.

The series, entitled, "Pistols and Politics," is an excellent analysis of the issue now before the Congress, and I ask that it be printed in the RECORD.

The articles follow:

[From the Washington Star, Apr. 27, 1981]

PISTOL CONTROL ENEMIES DRAW BEAD ON CONGRESS

(By Phil Gailey and Mary Thornton)

Every 50 minutes an American is killed by a pistol. On Feb. 5, 12-year-old Kevin Anderson of Chicago took his place in this statistical category.

He was killed while walking home from school, when he happened into the line of fire during a street shooting over a $30 gambling debt.

In Washington, 9-year-old Derrick Johnson's time came on April 11. Frederick Wilder, age 4, found his father's loaded pistol under a pillow. He shot Johnson in the head while their parents ate a fish dinner in another room.

You will rarely hear these names—or the names of most of the other 10,000 Americans killed by pistols each year—mentioned in debate over pistol controls.

It was not Kevin Anderson's death but the assassination attempt against President Reagan that moved Rep. Henry J. Hyde, a Republican from Chicago, to soften his longstanding opposition to any form of legislation to control pistols.

And Derrick Johnson's death did not light up the switchboards of the various groups promoting pistol controls, or bring in a flood of financial contributions from sickened Americans, the way John Lennon's murder did.

From 1963, when President John F. Kennedy was assassinated with a rifle, through 1980 more than 388,000 Americans of all ages were killed by gunfire, including 170,000 murders, an equal number of suicides and 48,000 accidental shootings.

They were, for the most part, the nobodies. It took the assassinations of Robert F. Kennedy and Dr. Martin Luther King Jr. to persuade Congress to pass the 1968 Gun Control Act, a measure that critics say is riddled with loopholes that mock the word "control" in its name.

That small step did nothing to slow the proliferation of pistols in this country: An estimated 55 million are in circulation, and the number increases at the rate of 2.5 million each year.

What the act did do was to galvanize and mobilize the so-called gun lobby—the organized support for unlicensed and unlimited distribution of pistols. The pistol lobby has helped snuff out every control proposal to come before Congress since 1968.

Led by the high-powered, 1.8 million member National Rifle Association, the pistol lobby spends millions of dollars to oppose congressmen and senators who fail its purity test, to provide legal assistance to persons charged with gun law violations and to hold the line against what it considers the slightest infringement on the rights of gun owners.

When it comes to watching Congress, the pistol lobby's eye is on the sparrow.

In 1975, for example, it successfully opposed a proposed federal regulation that would have required a simple safety warning on certain ammunition boxes. More recently, the NRA helped stamp out an anti-terrorism measure in Congress that would have required the manufacturers of explosives to put color-coded chips called taggants into their products to make it easier for authorities to trace the source of bombs. The NRA charged that taggants had not been proved safe.

The pistol lobby has now drawn a bead on the 1968 Gun Control Act itself, and on the law's chief enforcer—the Treasury Department's Bureau of Alcohol, Tobacco and Firearms. An NRA-backed bill sponsored by Sen. James McClure, R-Idaho, and Rep. Harold Volkmer, D-Mo., would weaken the act and clamp new restrictions on the enforcement powers of BATF, which the NRA accuses of harassing "law-abiding" citizens.

The attempt on Reagan's life on March 30 has done nothing to soften the president's longstanding opposition to pistol control laws. Reagan remains a member in good standing of the NRA and subscribes to its position that such laws would be ignored by criminals.

On Capitol Hill, the attack on Reagan has touched off a new round of debate on the issue of pistol controls. Despite an intensive effort by the pistol lobby to keep the incident from spooking its congressional allies, the shock of John W. Hinckley's alleged attempt to commit the ultimate "Saturday Night Special" crime may have caused some hairline cracks in the ranks of pistol control opponents.

Senate Judiciary Committee Chairman Strom Thurmond, for example, now says he will consider legislation to close a major loophole in the 1968 law—a ban on the importation of parts that are used to assemble cheap pistols in this country. Hinckley's .22-caliber revolver, which he purchased for $47 at Rocky's Pawn Shop in Dallas, was assembled in a Miami gun factory from parts made in West Germany.

Another sign comes from Sen. James Abdnor, R-S.D., who defeated liberal Democrat George McGovern with the strong backing of the NRA. Abdnor said he still believes pistol control laws would be "a waste of time," but the ease with which Hinckley bought his pistol and explosive "Devastator" bullets has left him wondering if maybe there should be a waiting period for purchasing a pistol.

Also, Abdnor, who co-sponsored the McClure-Volkmer bill last year, appears to be wavering on how far Congress should go in tampering with the gun laws already on the book.

The Senator, who has not yet decided whether to co-sponsor the same bill this year, said in a recent interview that the McClure-Volkmer proposal might "go too far the other way, now that we're looking at it sensibly. . . . I'm mixed up on how far we should go, but law enforcement is big with me right now."

Abdnor wants tough mandatory sentencing for all crimes involving the use of firearms—a sentiment embraced by Sen. Edward M. Kennedy, D-Mass., and Rep. Peter Rodino, D-N.J., in the pistol control bill they introduced April 9.

"They ought to be put in the slammer so far back they have to feed them with a slingshot," said Abdnor of criminals who, according to the NRA, have given pistols a bad name.

Congress, which thought it worthwhile to require a health warning on a pack of cigarettes, in the past has been unwilling even to require a "Keep Away from Children" warning on a box of "Devastator" cartridges. One "Devastator" bullet similar to those fired at President Reagan exploded under an FBI microscope.

Asked why Americans need explosive bullets for their pistols, James J. Featherstone, director of legal affairs for the NRA's Institute of Legislative Action, replied: "Self defense."

He added, "There is no such thing as a good bullet or a bad bullet. A gun has no soul. It is not morally good or bad."

Perhaps the same argument can be made for the variety of weapons and deadly gadgets that are advertised in the many gun magazines on the market. Their ad pages offer a $300 combat knife called "The Force," a $29 kit that allows you to convert your semi-automatic Uzi machine pistol into full automatic, brass knuckles sold as paperweights, blow guns that provide "silent, powerful, accurate hits like a rifle bullet," pistol silencers, Nazi bayonets, and books on "manhunting."

There are even walking cane guns described as a "popular companion of the gentlemen and ladies of the 1890s." The ad says, "Happily, federal law exempts this blackpowder firearm from the 1968 Gun Control Act (but be sure and check with local ordinances before carrying it loaded)."

They are all part of the American arsenal and according to the NRA, the Second Amendment to the U.S. Constitution protects the rights of citizens to own them. And the people who order the blow guns, machine pistols and cane guns are part of the grassroots constituency that can be rallied like the original "Minutemen" when the NRA raises the danger flag.

It would be a mistake, however, to assume the pistol lobby is dominated by crackpots, superpatriots and extremists. Rather, it is a loose union of hunters, indoor and outdoor shooting sportsmen, firearms and ammunition makers, conservationists and sporting goods businessmen.

According to the National Shooting Sports Foundation Inc., an association of arms makers dealing primarily in matters of trade and technical manufacturing questions, in 1978 more than 16 million hunters contributed more than $281 million in state hunting license fees and excise taxes on sporting arms and ammunition to state game and fish budgets.

It says that dollars from hunting and fishing licenses together provide 62 percent of the annual income of these state agencies. Excise taxes on firearms and ammunition are used exclusively for wildlife restoration. And the money from duck stamps is used by the U.S. Fish and Wildlife Service for acquisition of wetlands for wildlife.

This is one reason the NRA can count on the support of some wildlife and conservation groups, as well as state game and fish agencies, in opposing pistol controls, though it is not clear how requiring the registration of pistols, or a waiting period before purchase, would cost the conservationists anything.

Although the real battle is over pistols, not sporting firearms, the NRA has managed to portray the issue as an assault on the rights of all gun owners, arguing that the restrictions on "handguns" would be only the first domino to fall.

"They (NRA) cast every issue on an impossible basis," said Richard Davis, a former assistant Treasury secretary for enforcement who was villified by the gun lobby in 1978 for proposing a regulation to make it easier to trace firearms used in crimes. "They want to debate every proposal as a gun confiscation issue, or whether it will stop crime."

The NRA contends that pistol controls would only deprive citizens of a means of self defense while doing nothing to keep guns out of criminal hands. With so many pistols already in circulation, the pistol lobby contends, criminals would have little trouble stealing and illegally buying weapons for years to come.

Whatever effect pistol controls would have on crime, they could save lives, groups promoting controls argue. They cite these FBI statistics: 77 percent of the people murdered were not the victims of coincidental felonious assaults; 52 percent were killed by a family member or acquaintance in so-called crimes of passion.

Public opinion polls for years have found that a majority of Americans favor stronger laws governing the sale of pistols. Yet, the debate and the statistics rolls on: a pistol sold on the average of every 13 seconds, 29 pistol deaths on an average day. Every year police seize 250,000 firearms, most of them pistols, from the people they arrest. For every pistol picked up by authorities, four are manufactured in this country.

In a Chicago bar a few weeks ago three persons settled a dispute that had begun with a snowball fight earlier in the day. All three whipped out pistols, and when the exchange of gunfire ended, bartender James Kimbrought, 50, lay dead. He had been pouring one of the gunmen a drink.

[From the Washington Star, Apr. 28, 1981]

PRO-PISTOL CANDIDATES BAG BIG CONTRIBUTION

(By Mary Thornton and Phil Gailey)

Early in his presidential campaign, Sen. Edward M. Kennedy scheduled a meeting with a group of autoworkers in a small union hall in Iowa.

He planned to talk about unemployment and inflation—his main two campaign issues—and expected a receptive audience.

But instead, the workers immediately attacked him on his proposals to ban the Saturday night special. As it turned out, they had just received letters from the National Rifle Association that led them to believe Kennedy wanted to confiscate their hunting rifles.

"It almost appeared that they were willing to risk losing their jobs as long as they could hold on to their guns," Kennedy said.

The issue was one that haunted him throughout the campaign, but especially in the early primaries in Iowa, New Hampshire and Maine as the NRA continued mailing letters, took out full-page ads in local newspapers and distributed bumper stickers and leaflets reading, "If Kennedy Wins, You Lose."

For Charles Grassley, the Republican who took a U.S. Senate seat away from John Culver, the Iowa experience with the NRA was quite different.

Grassley, a staunch conservative who is opposed to any form of pistol regulation, found himself the recipient of tens of thousands of dollars in assistance from the pistol lobby.

Records on the file at the Federal Election Commission show that the NRA spent $56,950 on the Grassley campaign in direct contributions and independent expenditures on his behalf. That doesn't count individual contributions by NRA members or the cost of letters the organization sent to members urging them to vote for Grassley.

It also does not include the $7,756 from the Gun Owners of America or the $1,500 contribution from the pistol manufacturers.

Grassley says he doesn't know for sure whether it was the pistol lobby that made the difference for him in the election, but he says it had a major impact.

"I could tell when those letters hit as I was campaigning on Main Street, Iowa, in those very small towns," he said. "Because, within a day or two, I began running into people on the street who would say, 'Oh, you're the one we got a letter about from the NRA.'"

He adds that at about the same time he began to spot NRA-supplied bumper stickers saying, "Sportsmen For Grassley."

Among the special interest groups that abound in Washington—from the anti-abortion forces to the tobacco industry—few cause more anxiety on Capitol Hill than the pistol lobby, a loose coalition of sporting groups, wildlife organizations, and manufacturers of guns and ammunition, led by the NRA.

Most of the groups, in fact, are more interested in rifles and other sporting weapons than in pistols, but the two issues have been inseparable. The argument put forth by the lobby is that any effort to regulate pistols will eventually lead to the confiscation of all firearms.

The pistol lobby has been stunningly successful over the past 13 years at fighting off any attempt to strengthen the Gun Control Act of 1968, which was enacted after the assassinations of Robert F. Kennedy and Martin Luther King Jr.

The efforts of the lobby have not been hurt by the fact that a number of members of Congress have been heavily involved in the gun owners' groups.

Both Rep. John Dingell, D-Mich., and Rep. John Ashbrook, R-Ohio, are on the board of directors of the NRA. And the Gun Owners of America lists six senators and 29 representatives as members of its "Congressional Board of Advisers."

The spearhead of the pistol lobby is the NRA. Operating on a $30 million annual budget out of an eight-story marble and granite office building near the heart of downtown Washington, the organization—using computers and sophisticated direct mail techniques—has been able to immediately mobilize its 1.8 million members on virtually any gun-related issue.

The NRA is supported by the dues and contributions of members and gun clubs as well as the firearms and ammunition manufacturers who advertise extensively in the NRA magazines.

James Featherstone, general counsel for the NRA and director of legal affairs for the NRA's Institute for Legislative Action, estimates that his organization spent more than $800,000 in last November's presidential and congressional campaigns, in addition to the $1 million in printing and mailing costs for letters to members urging them to support NRA-backed candidates in key races.

There is no way of knowing for sure how much was spent on the campaign by the pistol lobby. In addition to the NRA, there are other pro-pistol groups like the Gun Owners of America, the Citizens Committee for the Right to Keep and Bear Arms and the Second Amendment Foundation as well as the hunting, sport-shooting and conservation groups that are involved in the pistol control issue.

Then too, there are the pistol and ammunition manufacturers. But their political contributions are difficult to track because virtually all these companies are owned by large conglomerates. For example, records at the Federal Election Commission indicate that Colt Industries' political action committee spent $94,175 in the last election and Olin Corp.'s PAC contributed $34,526, largely to candidates opposed to pistol controls.

A study by the National Catholic Reporter of campaign contributions by the pistol lobby's most active organizations—the NRA, the Citizens Committee, Gun Owners of America and Colt Industries—found that those groups successfully backed 29 senators and 288 representatives in the 1980 elections.

By contrast, Handgun Control Inc. spent only $6,300 for campaign contributions last year. And the other major lobbying group

for pistol control, the National Coalition to Ban Handguns, made no contributions.

Ronald Reagan was the beneficiary of $46,290 in independent expenditures from the NRA and $114,213 from the Gun Owners of America.

On the other hand, Federal Election Commission records indicate that the NRA spent more than $205,000 on negative advertising in trying to defeat Kennedy's presidential bid.

Sen. James Abdnor of South Dakota, who defeated liberal Democrat George McGovern, was aided by $24,111 in contributions and independent expenditures by the NRA and an additional $5,678 from the Gun Owners of America.

Other new conservative senators who were supported by the pistol lobby include Steven Symms, R-Idaho ($8,000 from the Gun Owners of America and $5,000 from the NRA); Alfonse D'Amato, R-N.Y. ($16,259 from the NRA and $6,000 from the Gun Owners of America); and Paula Hawkins, R-Fla. ($2,000 from the NRA and $6,000 from the Gun Owners of America).

Featherstone notes that the legislative institute, the NRA's lobbying arm that came into existence about five years ago, has an annual lobbying budget of $4 million.

John Snyder, chief lobbyist for the 300,000-member Citizens Committee for the Right to Keep and Bear Arms, says that his organization spends Washington and grass-roots lobbying efforts.

Featherstone suggests that if these efforts had been going on in 1968, there would not be any pistol control laws on the books now.

There are plenty of examples to indicate that he's probably right.

Jimmy Carter said in his 1976 campaign that he favored strong controls on pistols. He backed down when his advisers said there was no way he could get such a bill through Congress.

Also, the pistol lobby won a major victory when Robert Strauss, President Carter's special trade envoy, approved lowering the U.S. tariff on imported gun parts from 21 percent to 8.2 percent.

That drew a protest from Nelson T. Shields, head of Handgun Control Inc. who insisted the lower tariff would make it even more profitable for U.S. manufacturers to produce the cheap, concealable pistols used frequently in crime.

But Shields recalls that the only response from Strauss' attorney, Richard Rivers, was: "Health and safety matters are not our concern. We're concerned with trade."

As it turned out, the pistol used in the recent shooting of President Reagan was made of cheap imported parts.

In 1975 Kennedy attempted to push through an amendment that would have authorized the Consumer Product Safety Commission to require the ammunition industry to put the following warning on boxes of bullets: "Keep Out Of The Hands Of Children" and "Do Not Store In A Warm Place." The issue was opposed by the pistol lobby and defeated 11-75 in a Senate dominated by Democrats.

As a rule, legislation to place tighter restrictions on pistols has rarely made it out of committee. One prime example was a 1976 bill that would have prohibited manufacture of a large percentage of the Saturday night specials. The House Judiciary Committee approved the bill on a Friday.

But the NRA roared into action with phone calls, letters and advertising, and by the end of the following week, the committee voted to recommit the bill and then killed it, with four members changing their votes.

This year the pistol lobby is backing a bill sponsored by Sen. James McClure, R-Idaho, and Rep. Harold Volkmer, D-Mo., which would weaken the 1968 Gun Control Act and place new restrictions on the enforcement powers of the Bureau of Alcohol, Tobacco and Firearms.

Volkmer was the largest beneficiary of the pistol lobby's money in the House of Representatives. FEC records indicate the NRA gave him $5,650 in contributions and then made independent expenditures of $26,536 to boost his campaign in Missouri.

But Volkmer insists that the Volkmer-McClure bill is not related to that campaign support.

"The NRA had nothing to do with it," he said. "They do help me. I won't deny that. But the NRA didn't write that bill, we wrote that bill. Now, after we'd written it, they came in, looked it over, had suggestions, we discussed it. . . . We made some changes."

Volkmer added that he was opposed to pistol control long before he came to Congress.

Volkmer said he does not expect his bill to get anywhere this year because of the huge amount of economic legislation that Congress will have to deal with. But the pistol lobby is already gearing up to support his effort.

Meanwhile, Kennedy and Rep. Peter Rodino, D-N.J., filed a bill this month that would ban the Saturday night sepcial and generally tighten pistol laws, including a provision for a 21-day waiting period and a background check for anyone attempitng to purchase a pistol.

The pistol lobby is attacking the bill on the grounds that waiting periods and bans on Saturday night specials wouldn't deter criminals, who would just pay a little more for their guns from underground sources.

"Gun control laws have not even the remotest relationship to crime," Featherstone says. "They're totally irrelevant."

[From the Washington Star, Apr. 29, 1981]

BELEAGUERED BURAEU AT TREASURY BECOMES THE TARGET OF THE PRO-PISTOL LOBBY

(By Phil Galley and Mary Thornton)

Children visiting the Bureau of Alcohol, Tobacco and Firearms gun museum in Washington are given a card making them honorary junior agents and urging them to obey all laws.

This souvenir strikes most people as innocent enough. But not the Gun Owners of America, which alerted its membership to the hidden dangers of such child's play.

"There's no doubt in my mind," wrote GOA Executive Director Larry Pratt in a fundraising letter to members, "that BATF is encouraging them (the children) to spy on their parents and neighbors."

The letter went on: "Tomorrow while you're at work these kids could be sneaking around your property. You can expect them to be peeking in the windows of your house or car to find out more about your hunting rifle or gun collection. Then, for the impressionable youngster, the most important part of all—sending a SECRET report to the government."

It is not known how much money this perceived threat to the rights of gun owners brought in for the GOA's national advertising campaign against the BATF, but the episode is indicative of how various pro-pistol groups regard the federal agency responsible for enforcing the nation's firearms laws.

Back when BATF's "revenooers" were chasing the makers and runners of illegal spirits they rarely stirred the wrath of their congressional watchdogs. There was no moonshine lobby.

But with moonshining down to a trickle, the agency increasingly has been turning its enforcement attention to violations of the nation's firearms laws. As a result, it has found itself in the pillory before Congress and on the hit list of groups such as the National Rifle Association for allegedly running roughshod over the civil liberties of gun owners and traders.

The threat comes from both ends of Pennsylvania Avenue. In Congress, Sen. James McClure, R-Idaho, and Rep. Harold Volkmer, D-Mo., have introduced legislation to curb what they see as "abuses" of BATF's enforcement powers. And inside the White House, President Reagan's budget slashers are considering sharp cuts in the agency's funding and manpower.

Budget Director David Stockman's office has proposed trimming the bureau's manpower from 3,600 employees to 3,200—a chop that some officials say would cripple the agency's firearms unit. The White House proposal also would transfer some of BATF enforcement functions to other agencies.

Treasury Secretary Donald Regan told Congress after the assassination attempt on the president that the administration is reviewing its plans for BATF. The agency still is awaiting the final word on its fate.

Whatever the White House decides to do about the bureau, its critics on Capitol Hill and in the pistol lobby are not likely to rest until the agency has been shackled.

What BATF's detractors have in mind is embodied in the McClure-Volkmer bill—a controversial measure that would, among other things, exempt gun collectors from the requirement of obtaining a federal license in order to sell from their collections, restrict BATF inspections of gun dealers' records, require proof that a violation was "willful" and limit the bureau's power to confiscate guns.

The hearing rooms of the House and Senate have provided the stage for the pistol lobby's ongoing campaign to paint BATF as a bureaucracy trampling the rights of citizens who collect, trade and sell firearms.

Dozens of alleged victims of BATF abuses have been invited to tell their stories to congressional hearings in recent years, and no case has become as celebrated as that of Paul and Billie Hayes, a New Mexico couple who ran a gun shop for 20 years before BATF charged them with illegally selling guns in 1978.

Sen. Dennis DeConcini, D-Ariz., a member of the Senate Appropriations subcommittee that investigated alleged BATF abuses in 1979, at the time suggested that "BATF is an agency that needs to be saved from itself."

He said the testimony before his panel "indicates that BATF has moved against honest citizens and criminals with equal vigor simply because (it) has taken the view that individuals who are interested in firearms are either criminal or close to it."

Then the subcommittee heard from the Hayes couple, whose case was presented as an example of how BATF harasses law-abiding citizens in the business of selling firearms.

They were charged with illegally selling weapons to a non-resident of their state. Their stock of firearms was confiscated, and Hayes claims he suffered a heart attack as a result of the trauma.

A jury took seven minutes to acquit the Hayes of all charges against them, which the senators took as an indictment of BATF.

"When you have people not investigating something serious, you're bound to have these kinds of violations (of civil rights)," said James J. Featherstone, general counsel to the NRA and a former assistant Treasury secretary for enforcement.

BATF gave a different account of its role in the Hayes case.

Bureau officials testified that their agents were contacted in early 1978 by the Valencia County sheriff after the arrest of Jose Sosa, an illegal alien, for cattle rustling. The man told authorities in a deposition that when he first tried to buy the .22-caliber revolver, Hayes told him he could not sell a firearm

to an illegal alien and suggested that his employer, Max Perea, could purchase the gun for him.

"Perea then signed the paper and he, Sosa, paid Hayes the money and Hayes gave him the gun," BATF said in a statement to the subcommittee. This is called a "straw man" purchase.

BATF also said it had received reports from local law enforcement officers alleging that the Hayes store was a "fence" for stolen firearms. The bureau cited a secretly taped conversation between one of its undercover agents and Mrs. Hayes as corroboration. "She told (the agent) that they sometimes bought 'stolen' guns that were not recorded in their books," the BATF statement said. "She said they sold the 'stolen' guns to their friends and didn't have to log them in the record."

On six different occasions, BATF said, its undercover agents made illegal "straw man" purchases of firearms from Hayes before raiding the store.

"The NRA tried to put them across as Ma and Pa Kettel, but they sound to me more like Ma and Pa Barker," said Sam Fields, executive director of the National Coalition to Ban Handguns, which vigorously challenged the NRA's account of the Hayes case.

The Hayes case is only one of the dozens of gun cases receiving financial and legal support from the NRA's newly established Firearms Civil Rights Legal Defense Fund.

Earlier this year the National Law Journal reported that as the NRA shifts its attention to the courtroom it has raised "some serious questions about what sort of people really violate firearm regulations."

The report added, "Indeed, the taped statements and prosecution testimony in various NRA cases include offers to sell guns to Mexican bandits, New York street gangs and the white Rhodesian army; there are boasts of owning illegal weapons and descriptions of funneling guns to illegal Mexican aliens."

David Hardy, an NRA consultant and lawyer who offers legal assistance to persons charged with firearms violations, said an effort is made to aid cases that raise important questions and highlight what he calls the BATF practice of picking on honest citizens for technical violations instead of concentrating on criminals.

Last year, for example, Hardy said only 10 percent of the cases brought by BATF involved convicted felons—a number disputed by G. R. Dickerson, head of BATF. Dickerson, himself a member of the NRA, said the record shows that 54 percent of the cases his agency recommended for prosecution in 1980 involved felons with prior records.

Dickerson said the bureau in recent years has been concentrating its enforcement powers on such groups as motorcycle gangs, "hate groups" and organized crime. He also has placed strict curbs on the use of the "straw man" technique in investigations.

As a result, BATF conducted only 103 investigations of firearms licensees in 1980, compared with 340 the year before. It issued licenses to nearly 180,000 firearms dealers, revoked only 10 licenses, and investigated less than 3 percent of the more than 36,000 new applicants last year.

These statistics, say BATF officials, hardly read like harassment.

Both former and present BATF officials concede that there have been some abuses in the agency's enforcement activities, but they insist that a series of corrective actions in recent years have made the bureau as responsible as any other federal law enforcement agency.

"You have to remember," said Richard Davis, a former assistant Treasury secretary for enforcement, "that BATF is the only law enforcement agency with a powerful lobby group investigating it. What is not pointed out in these criticisms is that BATF does not prosecute, it only investigates. It was local law enforcement people who asked BATF to investigate Hayes, it was a local grand jury that indicted and it was the local U.S. attorney who prosecuted.

Davis, now an attorney in Washington and New York, said in a recent interview that many of the bureau's past mistakes stemmed in part from gray areas in the 1968 Gun Control Act. "And these ambiguities in the law were built in by the Congress in compromising with groups like the NRA," he said. "They decided to leave it vague and let it work itself out."

Davis contended that every time Treasury proposed regulations to clarify parts of the law, "the NRA opposed it as an usurpation of legislative authority."

The former Treasury official, who took office in the early 1977, learned what a magnum-force lobby he was up against when he proposed modifying existing reporting requirements on sales of firearms to make it easier for the government to trace weapons used in crimes.

He was called a "liar" by Rep. John Ashbrook, R-Ohio, in a congressional hearing, a "troll" by newspaper columnist Patrick Buchanan and attacked as both a Nazi and a Communist by members of the various anti-gun control groups.

There were even unkinder things said about him in many of the 350,000 letters that inundated his office between March and June to protest the proposal. Some called him anti-Semitic and reminded him that "the holocaust started with gun control" in Germany. Some of the mail contained used scraps of toilet paper.

"It is a tactic of the NRA—and you see it in how they deal with Congress as well as how they dealt with me—not to engage in a civil dialogue, but to make it an unpleasant matter," Davis said. "They try to make your life miserable."

When the gun lobby had finished with him, Davis was summoned to Capitol Hill to be taught a lesson. Congress asked him how much it would cost to implement his proposal, he replied about $4.2 million and lawmakers then voted to cut the BATF budget by that amount.

Davis said it was a classic case of NRA distortion. Under the Davis-BATF proposal, gun retailers—not the BATF—would keep the records containing the names and addresses of individual buyers, and thus the names of individual pistol owners would not be in government files. But by having the names of the retailers in its computers, BATF would be able to more easily trace firearms used in crimes.

The proposed changes, Davis told a House subcommittee, would "involve only what Congress has authorized and what the public has a right to expect—that we seek ways to enforce our current laws more effectively."

NRA computers spun out thousands of mailgrams to association members warning that the proposed regulations would "establish a computerized national registration system," and would "set the groundwork for the stated goal of President Carter and the Justice Department: registration of all private firearms."

Neal Knox, the NRA's chief lobbyist, told reporters at the time that the issue provided the NRA an opportunity to fire a warning shot over the head of the Carter administration.

"It never hurts to further Mr. Carter's education," Knox said then. "We intend to make sure that Mr. Rich Davis is well aware of the NRA."

It was the last time the Carter administration raised the issue of gun control with the Congress.

[From the Washington Star, Apr. 30, 1981]

U.S. PISTOL LAWS AMONG LOOSEST IN THE WORLD

(By Mary Thornton and Phil Gailey)

While pistols killed nearly 10,728 Americans in 1979, there were only 52 pistol deaths in Canada that year, 58 in Israel, 42 in West Germany, 48 in Japan, 34 in Switzerland, 21 in Sweden and eight in Britain, according to figures compiled by Handgun Control Inc.

In New York City alone, FBI statistics show there were 1,814 murders last year, 56 percent of them committed by pistols. Ten policemen were killed on duty.

In London, another large port city with similar racial and economic tensions, there were 179 homicides, the vast majority of them committed by knives and bludgeons. In the past three years, only one British policeman has been killed on duty.

The large U.S. pistol lobby—which argues that the Constitution guarantees Americans the right to carry any firearm they choose—contends that the abnormally high U.S. homicide rate is due to cultural differences with other countries, not differences in pistol laws.

But they cannot deny that the United States has the most lax pistol control laws of any major industrialized country in the world.

There are between 55 million and 60 million pistols in circulation in the United States, with 2.5 million being added to that number every year. Including rifles and shotguns, there are believed to be as many as 200 million firearms in the country.

In Britain, on the other hand, almost no licenses are granted for private ownership of pistols or rifles. Except in unusual circumstances, even the police do not carry firearms. And although the British, like Americans, have had major crime problems, few of those crimes involve pistols.

Members of the pistol lobby, led by the 1.8 million-member National Rifle Association, argue that the tough pistol control laws that have been enacted in certain parts of the United States—notably Massachusetts, New York City and the District of Columbia—have been a failure.

Indeed, studies of the effectiveness of those laws have come up with mixed findings. But proponents of pistol control argue that it is almost impossible for any local controls to be effective as long as residents can easily go to a nearby jurisdiction, buy their pistols illegally and bring them home.

The federal Gun Control Act of 1968, enacted by Congress following the assassinations of Robert F. Kennedy and Martin Luther King Jr., is so weak and full of loopholes and ambiguities that it is considered a joke by most law enforcement agencies.

Although Americans are bound by a hodgepodge of 25,000 local firearms regulations, the federal law allows anyone over 21 without a record of crime, drug addiction or mental illness to own anything from a Saturday night special to a fully working machine gun—except that the machine gun would have to be registered and taxed.

Under federal law, almost anyone without a record for criminal activity, drug addiction or mental illness can become a federally licensed firearms dealer—as long as he can pay the required $10 fee.

Federal law enforcement sources say it is so easy to become a legal firearms dealer that motorcycle gangs have been appointing "armorers," members without criminal records who become "dealers" and procure weapons for the gangs at wholesale prices.

Observers in other countries marvel not only at the ease with which Americans can obtain pistols, but also at the widespread desire to own weapons.

Japan, for instance, has one of the toughest pistol control systems in the world. Private ownership is virtually outlawed except for occasional cases of antique gun collectors and a small group of target shooters who participate in major competitions. The Japanese authorities even control ownership of any sword longer than 15 centimeters.

In Canada, the country most often compared with the United States, strict pistol control laws have been in effect for 50 years. Ownership of pistols is largely restricted to members of the armed forces and police. In rare cases, ownership is allowed for protection of life and for shooting clubs, collectors and other limited circumstances.

In 1978, Canada—a country where sport hunting is at least as popular as it is in the United States—enacted a law requiring registration of all rifles and shotguns. Persons who want to own such a weapon must go through a waiting period, averaging five to six weeks, while police check out their backgrounds for any criminal behavior or mental illness. There are also mandatory additional sentences for crimes involving firearms.

Toronto Police Chief John Ackroyd, a strong proponent of firearms control, says he doesn't believe limitations on pistol ownership are the "be-all and end-all . . . But it's one small cog in the wheel of trying to reduce crime in the community."

He adds that strong firearms laws probably won't have much effect unless there are heavy penalties for violation and for crimes involving firearms.

Ackroyd said he fears that Canada, which tends to follow the U.S. lead in many areas, will have a tendency to weaken its laws.

"You've been enacting legislation down there for the last 15 years that helps the criminal. We tend to follow. We tend to copy your laws," he said.

One issue that both sides of the pistol issue seem to agree on is that it is time to provide heavy mandatory additional penalties for any crime committed with a pistol.

A pistol control bill recently introduced in Congress by Sen. Edward M. Kennedy, D-Mass., and Rep. Peter Rodino, D-N.J., would provide an extra two years for the first offense and five years for the second

William Nickerson, who until recently served in the Treasury Department as deputy assistant secretary for enforcement, with oversight over the federal firearms laws, says he would like to see a mandatory 10-year additional sentence for anyone committing a felony with a firearm.

"When you're talking about someone who plans to rob a bank, or even a gas station, they're not planning on getting caught in the first place, and I don't think the threat of an extra year or so is going to mean anything," he said.

Nickerson also warns that to be effective, any mandatory sentencing involving firearms used in crime would have to be nationwide, rather than state by state.

And James Featherstone, general counsel for the NRA, agrees that long, mandatory sentences would be a deterrent to crime with a firearm.

The first state to enact a mandatory prison sentence—of at least one year—for any person convicted of carrying an unlicensed pistol was Massachusetts in 1975.

Reviews on how the laws working are mixed.

Judges have seemed reluctant to imprison otherwise innocent people for breaking the pistol law.

But on the other hand, a study of Boston crime rates by the Northeastern University Center for Applied Social Research has found that the number of murders committed with pistols dropped dramatically after the law was enacted.

The study, conducted by Glenn L. Pierce and William Bowers, found that in the first two years following the new Massachusetts law, homicides committed with pistols dropped 55 percent in Boston and 23 percent in other similar sized cities.

At the same time, assaults with other weapons—knives, blunt instruments and others—increased, but the report made the point that those weapons generally are much less deadly.

Pierce concluded from the study that the decrease in homicides probably occurred not among long-term criminals but among people who get involved in a crime on the spur of the moment and normally law-abiding citizens who get involved in violent arguments that end in homicide.

He said he believes that there may be as much violence as ever in this portion of the population, but that the other weapons available are not as lethal.

"People may have been doing the same things they always did," he said, "but when they got in trouble, they didn't have a gun."

The toughest pistol control law in the country is the one enacted by the District of Columbia in 1977, which bans any new pistols in the city and requires residents who owned pistols before the law went into effect to register them every year.

A three-year study of the law by the U.S. Conference of Mayors found that pistol homicides in D.C. dropped 26.2 percent during the study while pistol murders nationwide dropped by 6.5 percent during the same period.

Crime experts say that homicide rates tend to be cyclical and vary according to a number of factors, many of them unknown.

Critics of the D.C. law charge that anyone who really wants a pistol can get one simply by driving to Virginia and buying it illegally.

It is possible in Virginia to obtain a local driver's license in a single day—without any proof of residence—and then to buy firearms in certain counties on the same day. Dealers aren't required to conduct any background check or even to verify that the identification or the address is correct.

The eight-month-old New York City law provides a mandatory minimum one-year prison term for most defendants who have prior felony convictions and are convicted of carrying unlicensed, loaded pistols.

But Mayor Edward Koch said recently that the law is not working because of a huge backlog that has already built up in the courts. And he has charged that judges are not going as far as they should in enforcing the new law.

Opponents of such laws insist that it is criminals, not pistols, who are the problem.

Lafe Pfeifer, a member of the NRA board of directors, points to Switzerland, a country where every male between the age of 18 and 60 is automatically a member of the militia and keeps weapons in his home. The crime rate there is very low.

"Your problem in Washington isn't so much the guns as it is the fact that they let the criminals out on the street, no matter what they've done," he said.

Sen. Charles Grassley, R-Iowa, said "You're assuming that if you have gun control, you're going to have less killing. I don't think that's been proved . . . Besides, only 55 percent of the people get killed with guns. What are you going to do about the other 45 percent? Outlaw sticks?"

Rep. Harold Volkmer, D-Mo., coauthor with Sen. James A. McClure, R-Idaho, of an NRA-backed bill that critics say would weaken the current law and destroy federal enforcement powers, asks what the pistol control advocates would do about the pistols already in circulation. The problem, he says, is not the pistols.

"Nothing could be further from the truth. . . . The problem is that a lot of people love violence in this country. If you don't believe me, watch your television . . . You've got money makers in New York and Hollywood that love violence, who make money by violence. Until we stop glorifying violence, I don't think you stop violence.

"And remember this country has during its lifetime been a country of confrontation . . . violent confrontation. You don't change that overnight."

PISTOL LOBBY FACTIONS FEUD WITHIN NRA

(By Mary Thornton and Phil Galley)

Four years ago at the national convention in Cincinnati, a well-organized band of hard-line rebels threw out the National Rifle Association leadership in one of the most far-reaching shakeups in the organization's 110-year history.

The emotional issue that triggered the "Cincinnati revolt" was one that the NRA has been identified with for years—pistol control.

The old leaders, accused of being a bunch of environmentalists and bird watchers who had become soft on pistol control, learned that the issue could be as hazardous for them as it could for the members of Congress on the NRA's political hit list.

As NRA members gather in Denver this weekend for their 1981 national convention, another internal shootout is certain in the continuing Byzantine feud that appears to have much to do with how the NRA is perceived—as primarily the steel-hard gun lobby or as an organization of outdoorsmen.

While the fight is basically over the organization's bylaws and methods of choosing leadership, it also brings out the intense and sometimes vicious internal politics that have made the NRA a divided house.

On one side is a faction called the Federation of the NRA, the hard-liners who led their own members in the organization's executive hierarchy. This group believes the NRA's primary concern should be opposing any government infringement on what it contends is everyone's constitutional right to bear arms.

On the other side is a faction known as the Patriots, the group toppled from power four years ago. They also oppose pistol control. But they believe that in addition to lobbying against that issue, the NRA should retain its original purpose of being a family-oriented organization that promotes marksmanship, safety, hunting and conservation.

"We have a very, very effective, beautiful operation called the Institute for Legislative Action (the NRA's lobbying arm)," said Lafe Pfeifer of Dallas, a member of the Patriots. "They're pros at what they do. If we have an NRA board (of directors) composed entirely of political activists, what is the ILA going to do? We're not just a political lobby."

Pfeifer is typical of the type person the Federation wants to keep out of power. His life revolves around family and outdoor activity—largely marksmanship, firearm safety training and hunting. "I've hunted all my life," he said. "But if I kill a deer, every scrap of that deer is going to be eaten."

He joined the NRA in 1942 as a Boy Scout and since then has been involved with Scouts, the 4-H Club, and a number of NRA marksmanship and safety programs for both young people and adults. He is currently on the NRA board of directors.

He is a conservationist, a breed the Federation has singled out for special criticism.

"I'm a member of the Texas Game Warden's Association," he says. "I believe in game laws, in limits, in taking game legally. . . . Is that a bad thing to say? Yes, I believe in conservation."

But he adds quickly that he would never support pistol control. "It's not the guns," he said. "Its like saying that flies cause garbage or that water causes tidal waves. I think they should punish those who would misuse firearms, but leave me alone."

Members of the Federation, who are wide-

ly represented in the NRA leadership, declined to be interviewed. Weldon Clark of Baltimore, an officer of the Federation, refused to answer questions about the internal fight and added that other Federation members also would refuse.

Because of that, the Federation side of the dispute has been put together for this story from the group's articles, editorials and political advertisements in gun-related publications.

Joseph Tartaro, the editor of Gun Week, a weekly publication widely favored by members of the hard-line Federation said, "What's involved is not ideological differences perhaps so much as organization differences.

"In any large group, you tend to have people who feel management should be directed by their group. What is probably involved is the politics of the membership" he said.

Tartaro said the major difference between the two factions is that the Patriots would "invest more authority in the hands of the board (of directors) and the committees appointed by the board. The Federation favors more member input."

Members of the Patriots say the fighting between the two factions has gone on unabated since the 1977 Cincinnati convention.

Last year, Pfeifer said, the two sides had agreed to "a period of healing, a time of, 'Hey, fellas, let's just sit back and let it work.' "

But he adds, "We hadn't even left the airport before the tom-toms began beating and the effigies began to be burned."

The two sides had promised they would not publicly field slates of candidates for this year's convention, allowing the candidates instead to be chosen by the NRA nominating committee and an internal petition process. But Pfeifer says the Federation quickly broke its pledge and began to advertise its own list of candidates.

And at that point, the California Rifle and Pistol Association proposed the series of by-law changes that will be the focus of the battle this weekend in Denver.

Probably the largest argument will be over the method of selecting the executive vice president, the person who actually runs the NRA with its multi-million dollar budget.

Of the 1.8 million members of the NRA, only about 275,000 are life members eligible to attend the conventions and to vote in NRA elections.

Until the 1977 convention, the executive vice president was chosen by the board of directors, who are elected by a mail-in vote. But since that year's revolt, the office has been filled by a vote of the members at the convention. The Patriots would like to see a return to election by the board.

The problem, says Michael Opsitnik, a Patriot and an officer of the California Rifle and Pistol Association, is that the largest number of members ever to show up at a convention was 1,248 last year—less than half of 1 percent of the eligible voters.

"The way they've set it up, they can take over a $50 million organization with 625 votes," Opsitnik complains. "The Federation says this is election by the members. We say . . . if they call this election by the members, they must have studied politics in Russia."

A second bylaw change being sought by the Patriots involves the selection of candidates for the board of directors.

Until the 1977 convention, candidates were chosen by a nominating committee. Since the 1977 rule changes, they can be chosen either by the committee, which reviews resumes and does thorough background checks on its candidates, or by individual petition with at least 250 signatures of voting NRA members.

The Patriots are seeking a new rule this year that would require an indication on the mailed ballot as to whether a candidate was chosen by the nominating committee, by petition or both.

Pfeifer said he believes there have been abuses in the petition system with petition papers coming in that have been altered or copied.

He also says that there are suddenly Federation candidates turning up under the petition process who have "no past, no history. They just suddenly appear."

He also doubts the accuracy of some of the biographical information being circulated by the petition candidates: "At no time is there any verifications of credentials by the petition process. You can publish any biography you damn well please."

Hard-line Federation leaders are attempting to make the Denver convention a referendum on the leadership of Harlon B. Carter, NRA executive vice president, and Neal Knox, head of the Institute for Legislative Action—two of the new officials installed after the 1977 purge.

To the NRA members, it seems a serious fight between widely differing factions but those outside the organization say that regardless of which side wins, the fight for pistol control won't be easier.

Sam Fields, executive director of the National Coalition to Ban Handguns, calls it "an internal personality fight. Ego. They want control of a $40 million organization. It's strictly a power move by different groups. Old people, new people, but not a dime's worth of difference between them."

FOOD STAMP PROGRAM

● Mr. LEAHY. Mr. President, today I provide additional information on the food stamp program which I hope will lead to a more informed and substantive debate on the food stamp program in Congress this year. The following paper, "Food Stamps: Program at a Crossroads," was written by Robert J. Fersh, who currently is a staff member of the Committee on Agriculture, Nutrition, and Forestry. A shorter version of this paper appears in the spring 1981 issue of Public Welfare, the journal of the American Public Welfare Association.

In this paper, Mr. Fersh provides an excellent summary of the food stamp program's history and explains what factors have contributed to the program's growth in participation and cost in recent years. The paper also addresses some of the issues involved in administering this complicated program and analyzes the implications of some of the major reform proposals now before the Congress.

The paper follows:

FOOD STAMPS: PROGRAM AT A CROSSROADS

(By Robert J. Fersh)

With the advent of the Reagan Presidency and the 97th Congress, the Food Stamp Program will unquestionably be a center of controversy. Its recent significant growth in participation and cost has been the subject of heated Congressional debate over the past two years. It is thought to be high on the list of social programs which the Reagan Administration will attempt to prune, and incoming Senate Agriculture Committee Chairman Jesse Helms has openly expressed his intention to make major reductions in food stamp costs one of his top priorities.[1] Since the program is scheduled to expire on September 30, 1981, it must be reauthorized before that time if benefits to millions of low-income Americans are to continue. Given the frenetic pace of change in the Food Stamp Program in recent years and the likelihood of major legislative changes in 1981, it seems important to take stock of where the program stands and examine how it got there.

RECENT PROGRAM HISTORY

In recent years, the Food Stamp Program has not suffered from lack of controversy or Congressional attention. Since 1971, no less than six authorizing bills have been enacted which significantly affected the design and operation of the program.[2] Other minor amendments have been added through the authorizing and appropriations processes of Congress.

Since the 1974–1975 recession, the Food Stamp Program has drawn nearly uninterrupted scrutiny from Congress. At that time, a confluence of factors—geographic expansion of the program, conversion of participants from the Food Distribution Program to food stamps, sharply rising unemployment—led to a major growth in participation. As a result, the visibility of the program increased, bringing with it a proportionate increase in public criticism. Open criticism of the program by cabinet-level officials of the Ford Administration [3] focused even greater attention on the program.

By the fall of 1975, several major food stamp reform bills were introduced in Congress and hearings on the program began in earnest. Congress was feeling the pressure and seemed determined to take action on the program in 1976, a full year before the authorization for the program would expire and the time when Congress ordinarily would have reexamined the program. Not to be outdone, the Ford Administration decided to shortcut the Congressional process and issued comprehensive regulations early in 1976.[4] The regulations were intended to significantly lower food stamp benefits and tighten eligibility guidelines. In a lawsuit on behalf of program participants, over half of the States, and many labor unions, public interest, religious and civil rights groups, USDA was enjoined from implementing the regulations.[5]

Although both Agriculture Committees of Congress diligently pursued food stamp reform in 1976, no food stamp legislation with a major impact on benefit levels or eligibility emerged. While there are undoubtedly many reasons why no such bill was enacted in 1976, one contributing factor was the easing of the food stamp "crisis." As recovery from the economic recession proceeded, the food stamp rolls steadily declined. The urgency of enacting curbs to program participation subsided as total participation declined from the high of 19.3 million in May 1975 to 17.4 million in July 1976. (This pattern continued through 1978. By mid-1978 the unemployment rate dropped to 6.0 percent and participation fell below 16 million persons.)

Under a somewhat different political atmosphere, food stamp reform was achieved in 1977 when Congress enacted, largely intact, a bill proposed by the Carter Administration. Essentially, this bill was designed as a trade-off between enhancing program accessibility and tightening program eligibility and administration, with a bottom line of modest additional cost. The law eliminated the purchase requirement (EPR),[6] which heretofore had been viewed as a major impediment to program participation by many of the neediest Americans. To pay for the expected increase in participation, benefits were lowered mainly by reducing net income eligibility guidelines, raising the benefit reduction rate from an average of about 25 percent to 30 percent, and capping the allowable deduction for high shelter costs. The new standard deductions, in combina-

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tion with the 30 percent benefit reduction rate, resulted in a significant loss of benefits for certain working people, residents of colder States and participants with high medical costs.

One final feature of the 1977 Act, perhaps above all, is responsible for the repeated Congressional battles over the Food Stamp Program in the past two years. Fearful that elimination of the purchase requirement would result in higher than anticipated costs, the Congress placed spending limits on the program for fiscal years 1978–1981. These "caps," as they were called, were based roughly upon Congressional Budget Office (CBO) projections of program costs. When these "caps" proved to be inadequate to meet program needs in FY 1979 and FY 1980, it was necessary for Congress not only to enact additional appropriations for the programs, but also to pass substantive legislation authorizing the additional spending. In 1979 and 1980, when Congress acted to lift the "caps," it also reexamined many other aspects of the program and enacted a series of amendments aimed at tightening program eligibility and management.

The need for Congress to enact both authorizing and appropriation bills, and the complications created by the Congressional budget process, nearly brought the Food Stamp Program to a complete halt in June 1980. Only emergency legislation at the eleventh hour averted a directive by the Secretary of Agriculture to the States to suspend program benefits. This drama served to further focus public attention on the program and evoked much discussion of the basic worth of the program to the society.

THE CURRENT PROGRAM

Cost

Perhaps no aspect of the program has drawn more attention than its cost. Without question, food stamp costs have risen at a meteoric pace in recent years. As recently as FY 1978, the annual cost of the program was about $5.5 billion. In FY 1981, costs are projected to be nearly double that amount. What accounts for this increase?

While there are a variety of factors, a major factor has been a deterioration in economic conditions since 1978. Food stamp costs are essentially determined by two factors—participation and benefit levels. To the extent unemployment and prices go up, Food Stamp Program participation and benefits levels also rise. USDA currently estimates that each additional percentage point in the unemployment rate increases average annual participation by 1.0–1.3 million people at a cost of about $600 million. It appears that among social programs, the responsiveness of the Food Stamp Program to the unemployment rate may be second only to unemployment insurance programs. It is thus not difficult to see how the rise in the unemployment rate since 1978 (an increase from 5.8 percent in the fourth quarter of calendar 1978 to 7.7 percent in the third quarter of calendar 1980) could have had a significant impact on program participation and costs.[7]

Food price inflation in the past few years has reached unprecedented levels. Since food stamp benefits are adjusted to keep pace with the cost of a special marketbasket of foods (which constitutes the Thrift Food Plan), the rate of food price inflation has a direct effect on program costs. The current rule of thumb utilized by USDA is that each 1 percent rise in food costs results in $148 million in additional costs a year; that is to say, that if all other things are equal, food stamp costs will rise $1.5 billion in a given year if the average food price inflation in that year is 10 percent higher than the year before. Since increases in the cost of the Thrifty Food Plan have averaged nearly 10 percent a year since FY 1978, there is no question that food price inflation has had a major impact on overall program costs.

According to CBO, food price inflation above and beyond what it had anticipated in 1977 accounted for an additional cost of $760 million in FY 1979. Without this factor, the program cost would have been below the FY 1979 ceiling established in the 1977 legislation. (Actual FY 1979 costs were $6.884 billion; the FY 1979 "cap" was $6.159 billion.) In FY 1980, USDA has estimated that economic factors account for about two-thirds of the difference between actual costs and 1977 projections.[8] The same appears to be true for FY 1981. These economic factors would have caused the Food Stamp Program costs to substantially exceed the statutory caps established for FY 1980 and FY 1981 even if there had been no elimination of the purchase requirement.

Without question, the increase in participation as a result of the 1977 Act has added to program costs. It appears that the 1977 Act resulted in an increase in participation of about 4.0 million people,[9] which is about 1.6 million more persons than USDA had anticipated. While the cost of paying benefits to the additional 1.6 million persons is significant (about $760 million in FY 1981), it accounts for a relatively small proportion of the costs by which the original FY 1980 food stamp cap was exceeded and the original FY 1981 cap is expected to be exceeded.

One of the main reasons why the 1977 Act resulted in a larger than anticipated participation increase was the fact that fewer persons than expected were removed from the program due to the tightening provisions of the Act. USDA had estimated that 1.3 million persons would lose eligibility; in actuality, about 500,000–700,000 persons left the program.[10] This misestimate may have occurred, in part, because food stamp participants have experienced a decline in real incomes in recent years. According to an internal USDA study, incomes of food stamp recipients rose only 17 percent in the period September 1976 to November 1979, while the cost of living went up 32 percent. Since fewer participants' incomes rose to the levels anticipated in 1977, there were fewer than expected participants in the higher income ranges when the tightening provisions of the 1977 Act were implemented. In addition, for those remaining on the program, benefits were higher than was anticipated, causing additional program costs.

One reason why food stamp household incomes have lagged behind inflation may be tied to the fact that about one-third of all food stamp households also receive Aid to Families with Dependent Children (AFDC). AFDC is not indexed for inflation in most States and in fact, a recent study found that AFDC recipients experienced a 19 percent reduction in average real benefit levels in the 1970's.[11] There is anecdotal evidence that this trend is continuing, or perhaps even worsening.[12] Because food stamp benefits are indexed for inflation, the program cushioned some of this impact. However, the net effect is that the Food Stamp Program is providing an increasing proportion of the benefits paid to welfare recipients and food stamp costs are reflecting this.[13]

In summary, food stamp costs have risen dramatically in the past few years, and are expected to nearly double between FY 1978 and FY 1981. The majority of the increase appears to be attributable to economic factors. There is reason to believe that an easing of the higher rates of unemployment and inflation would lead to a stabilization, if not a decrease in program costs. To put the current rate of growth in perspective, it is interesting to note that it is not unprecedented. In the two year period from FY 1974 to FY 1976, program costs almost exactly doubled. Yet, in response to economic recovery, total FY 1977 and FY 1978 program costs were less than those in FY 1976.

Participation

As of September 1980, food stamp participation stood at an all-time high of about 22 million persons, representing nearly 8 million households nationwide. These figures include nearly 2 million persons in the Commonwealth of Puerto Rico who participate in the program. To understand how participation reached this level, it is helpful to briefly review the program's history.

The modern Food Stamp Program started out as a pilot project in June 1961, serving 6 project areas (which ordinarily correspond to counties) in six different States. During that month, about 50,000 persons participated. Throughout the 1960's, the program expanded and by 1969, 1489 project areas were in the program, serving about 3 million people. In 1971, uniform eligibility requirements were implemented in the program for the first time and by the end of FY 1971, 2027 project areas were in the program serving 10.5 million persons.

It should also be noted that during this time period, many poor families continued to receive commodity assistance from the Commodity Distribution Program which had been established in the 1930's. Between FY 1961 and FY 1971, participation in this program fluctuated between 3.5 and 7.4 million persons, although participation was generally declining. By FY 1973, Commodity Distribution participation stood at 3.3 million persons while food stamps reached 12.1 million persons. (See Table 1 for side-by-side comparison of food stamp and commodity distribution participation.)

TABLE 1.—Peak Participation

[millions of persons]

	Commodity distribution program	Food stamp Program
Fiscal year:		
1962	7.4	0.2
1964	6.1	.4
1966	4.8	1.2
1968	3.5	2.4
1970	4.1	6.5
1972	3.6	11.6
1974	2.4	13.7
1976	0.1	19.0
1978	0.1	17.1
1980	0.1	22.1

Source: USDA, Food and Nutrition Service, Program Reporting Section.

In 1974, several factors contributed to the start of the steepest growth in the Food Stamp Program's history. For the first time, the Food Stamp Program was extended to all political subdivisions nationwide, including Puerto Rico. In doing so, food stamps supplanted the Commodity Distribution Program, picking up most of its remaining participants. Between FY 1973 and FY 1975, Commodity Distribution participation dropped by over 2 million persons.

However, the most dramatic increases in participation appear to be attributable to the rapid rise in the unemployment rate which occurred in 1974 and 1975. In June 1974, food stamp participation stood at 13.5 million persons. Eleven months later in May 1975 participation hit a peak of 19.3 million persons. The unemployment rates corresponding to these two periods were approximately 5.1 percent and 8.9 percent, respectively.

Following the high point in May 1975, food stamp participation generally declined and stood at 15.5 million persons in November 1978. In December 1978 and January 1979, the food stamp purchase requirement was eliminated and participation began to rise. The

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combination of EPR, the rise in the unemployment rate in the spring of 1980 and other lesser factors (such as increased public familiarity with the program) appear to account for the growth of the program to its current level of 22 million persons.

One other possible factor contributing to the recent growth in participation could be the effect of inflation on low-income households. Some families, who have been eligible to participate all along, may be finding it necessary to come into the program due to the erosion of their food purchasing power caused by high rates of inflation. The inflation may be causing enough of a pinch on their budgets that they are seeking assistance which they had heretofore done without. One indication that this might be true comes from the military. In the past 18 months there have been a spate of press articles [14] about the increased use of food stamps by low-paid members of the armed forces who no longer can stretch their salaries to meet their families' needs. It could well be that civilians with comparable wages are also joining the program in significant numbers.

One interesting and unforeseen side effect of EPR was that it did not bring as many new people into the program as the participation statistics make it appear. Much of the early and rapid growth in participation after implementation of EPR (1.5 million persons in January 1979 alone) is thought to be due to an increase in the percentage of persons already certified for food stamps actually participating in the program. According to USDA, about 10 percent of those certified to participate in 1978 failed in each month to purchase their stamps.[15] This may have been due to a variety of reasons, including the lack of sufficient cash to make the purchase. After EPR, however, no cash was required and nearly all certified households acquired the benefits to which they were entitled. USDA estimates that about one-fourth (or about one million persons) of the increase in participation due to EPR may have been attributable to this factor.[16]

The current participation peak of about 22 million persons is thus nearly 3 million persons more than the peak of 19.3 million in May 1975. EPR unquestionably was a significant factor contributing to this increase. Yet, EPR has brought into the program only persons who would have been eligible for the program all along. In fact, in 1977 and again in 1980, Congress enacted laws which actually tightened income eligibility guidelines. USDA has estimated that the combined effect of these laws was to eliminate 1.5 million participants from the program and reduce the pool of persons potentially eligible for the program by over 6 million.

EPR had the most dramatic effect upon participation of elderly persons and those residing in predominantly rural areas. Estimates place the increase in participation among the elderly due to EPR at 42 percent, compared to 26 percent for non-elderly households. In the smallest, most rural project areas, participation increased about 55 percent between November 1978 and November 1979, compared to an 11 percent increase in the most urban project areas. In absolute numbers, about 42 percent of the overall November–November participation increase took place in the smallest, most rural project areas, while about 20 percent of the absolute increase occured in the largest, most urban areas.[17]

It appears that EPR has been successful in achieving what its proponents sought. The program has become more accessible to low-income persons, with the largest increases in participation occurring amongst those who historically have had a relatively low rate of program participation.

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Income levels and assets

According to the best available data, the recent large increases in participation have had no significant effect on the income distribution of participants. It appears that EPR brought on new participants whose incomes, on the whole, were similar to those on the program before.[18] The most recent USDA survey data indicates that the average gross income of a food stamp household (including cash government transfer payments) is $3900 a year. Over half of all food stamp households have gross annual incomes less than $3600; nearly three-fourths have gross annual incomes of $4800 or less; and less than 2 percent have gross incomes over $9000 a year, and these are mainly large households.[19] About 87 percent of all households have gross annual incomes below the poverty line and about 6 million Americans with incomes below the poverty line do not get food stamps.[20]

In terms of assets, USDA survey data indicates that 60 percent of all food stamp households have no liquid assets. About 29 percent of all households own their own homes (compared to 67 percent of the rest of the population). Approximately two-thirds of all households own no car or other vehicle.[21] The 1980 amendments tightened the assets test for households without two or more elderly members. The limit on liquid assets allowable to these households was reduced from $1750 to $1500. As might be expected from the overall assets data, the estimated savings from this provision was relatively small.

Benefit levels

Food stamp benefit levels are based upon the Thrifty Food Plan, the least costly of four food plans developed by USDA. If a household has zero net income after the appropriate income deductions have been applied, the household qualifies for food stamps in the full amount of the Thrifty Food Plan for that family size. For instance, as of January 1, 1981, a household of four with zero net income will qualify for $233 a month in food stamps. For the vast majority of food stamp households who have net income above zero, benefits are equal to the amount by which the Thrifty Food Plan amount for their family size exceeds 30 percent of their net income. In 1981, a household of four with a net income of $300 would receive $143 ($233—$90=$143) in monthly food stamp benefits.

The level of food stamp benefits has not been a primary target of those who wish to reduce the size and cost of the program. In FY 1981, the maximum food stamp benefit paid to a four-person household will be about 65 cents per person per meal. The average benefit is expected to be about 44 cents per person per meal. The average participating household of three members will receive about $111 a month in benefits.

The Food Stamp Program is aimed at increasing the food purchasing power of low-income Americans. The tie-in to the Thrifty Food Plan does insure that some relationship between benefit levels and minimal nutritional standards is maintained, but it is difficult to argue that the Food Stamp Program has been designed to allow food stamp participants the wherewithal to purchase nutritionally adequate diets. Data from the 1977–78 USDA Nationwide Food Consumption Survey indicate that only about 14–18 percent of households spending at the Thrifty Food Plan level received a diet which met 100 percent of the Recommended Daily Allowances (RDA's) for the basic nutrients, as recommended by the National Academy of Sciences.

The Agricultural Research Service of USDA described the Economy Food Plan (a precursor to the Thrifty Food Plan which cost the same amount) as a diet "for temporary use when funds are low." ARS also stated:

"Studies show the few families spending at the level of the Economy Plan select foods that provide nutritionally adequate diets. The cost of this plan is not a reasonable measure of basic money needs for a good diet. The public assistance agency that recognizes the limitations of its clientele and is interested in their nutritional well-being will recommend a money allowance for food considerably higher than the cost level of the Economy Plan. Many welfare agencies base their food cost standards on the USDA Low-Cost Food Plan which costs about 25 percent more than the Economy Plan." [22]

In addition, the adequacy of the Thrifty Food Plan's cost as a basis for benefits is further undermined if participants live in areas where food prices are relatively high (as many inner-city recipients undoubtedly do) or where the State charges a sales tax on food. Eighteen States reduce food stamp purchasing power by up to 6 percent by levying a sales tax on all food purchases.

Thus, food stamp benefit levels are not often characterized as overly generous. The achievement of a minimally nutritious diet will ordinarily require food stamp recipients to supplement their food purchases by spending a higher proportion of their limited incomes on food and/or participation in other nutrition programs.

Miscellaneous household characteristics

To complete the profile of the Food Stamp Program presented thus far, several additional sets of statistics may be found to be of interest. All of the following information is based upon recent Food Stamp Household Characteristics Survey, including preliminary data from the November 1979 survey.

Age

Slightly over half (52.5 percent) of all food stamp participants are children under the age of 18. About 12.3 percent of all participants are elderly (60 or older) or disabled. Thus, these two categories comprise about two-thirds of all participants.

Of the remaining 35 percent of participants, about 28 percent (or four-fifths) are parents. Nearly half of these are single parents (13.5 percent of all participants), the overwhelmingly majority of whom are women. The remaining parents (14.7 percent of all participants) are those in two-parent households.

Work status

Unless exempt, food stamp recipients are required to register and search for work.[23] Exemptions from work requirements may be granted on the basis of age, disability, responsibility for care of children or incapacitated adults. In addition, households with a member already working a minimum of thirty hours a week may be exempted from work requirements.

At the outset, 36 percent of households heads are exempt from work requirements because they are either too young or too old or disabled. About 11 percent of all household heads are working full time. Once other exemptions are factored in, only about 14 percent of all household heads are "employable," and subject to work requirements. Some of these households have members working part-time.

Other

Two other statistics normally of interest pertain to the participation of college students and strikers. As of October 1980, USDA estimated that about two-tenths of one percent of all food stamps participants were full-time students in college or post-secondary training. The Food Stamp Amendments of 1980 eliminated about three-quarters of the students who formerly participated in the program.

The best available data indicates that strikers have historically comprised less than one percent of the program. It is possible that the assets test may serve as an effective screen to greater participation by strikers. Their participation is also conditioned upon satisfaction of work requirements.

PROGRAM MANAGEMENT

The last part of this article will address some of the issues entailed in administering this very large, complicated and costly program. Direct responsibility for administration of this program lies with State and local welfare departments. However, unlike AFDC, the Food Stamp Program has a requirement for uniform national program standards, including all eligibility and benefit guidelines. Program rules and regulations are issued by USDA, and, by and large, do not and cannot afford the same degree of administrative flexibility to the States as is provided in AFDC. Almost by definition, this uniform national program cannot be as responsive as other programs to the wide divergences in conditions and administrative styles which exist across and within the various States.

One indication of how well the Food Stamp Program is administered is provided by quality control (QC) data compiled by the States under Federal supervision. QC data is derived from detailed reviews of a statistically valid sample of cases in each State. State reviewers take actual food stamp cases and subject them to a far more rigorous review for possible error in eligibility and benefit level determination than is conducted by the State when actual eligibility and benefit level determinations are made. From these QC reviews, it is possible to project what USDA calls the "cumulative allotment error rate" (or dollar error rate). The dollar error rate is the percentage of total benefit dollars which were issued in error. It includes benefits issued to ineligible persons, overpayments and underpayments. To calculate the net overspending rate, the percentage of underpayments should be subtracted from the sum of overpayments and ineligibles.

The latest QC data available is from the six month period from October 1979 to March 1980. Nationwide, the dollar error rate was 12.6 percent, reflecting 5.0 percent in payments to ineligibles, 5.2 percent overpayments and 2.4 percent underpayments. The net overpayment rate was 7.8 percent. If this error rate were maintained for the remaining six months of FY 1980, the total dollar value of errors in administration in FY 1980 would have been nearly $700 million more than would have been spent if the program had been administered perfectly.

This appears to be a relatively high percentage of error in administration. AFDC, which is perhaps the welfare program most comparable to food stamps, had a nationwide dollar error rate of 10.4 percent during the April to September 1979 period. However, before too severe blame is assigned to Federal, State and local administrators, a number of factors should be taken into consideration.

Since 1977, the Food Stamp Program has been through a most turbulent period. Three major food stamp bills have been enacted (with a fourth on the way). Few other social programs have undergone such frequent and widespread changes. Implementation of the 1977 Act alone required the rewriting of most of the major regulations governing the program. Many new regulations on new subjects also had to be developed.

The dozens of revised regulations involved development of new policies on hundreds of different issues. The translation of policies from the law, to regulations, to operating manuals and instructions in every State is an arduous and complicated chore. To then train thousands of workers nationwide within a short lead time about the intracacies of the hundreds of policy issues they must address under rushed circumstances day to day is a monumental task.

Even if regulations issued by USDA were perfectly expressed, it would be difficult to get the message out nationwide and assure uniform and accurate administration nationwide. But regulations obviously are not and cannot be perfect. Inevitably, mistakes are made and ambiguities exist.[24] Even the most highly trained and astute caseworker is likely to misapply some aspect of program policy or miscalculate a benefit allotment. This is especially true when one considers that the Food Stamp Program is not a program which requires a few simple facts about people's lives and then provides or denies benefits. There are many complex determinations that must be made and the level of benefits provided turns on a great number of variables. Because of the nature of the program, its clientele tend to have more volatile life circumstances than other welfare programs. The simple fact that the Food Stamp Program has a greater percentage of participants with earnings that AFDC or Supplemental Security Income (SSI) tends to make it more difficult to administer than other programs. A great many factors—such as earnings, family size, shelter costs—must be monitored month to month for many people in the Food Stamp Program than in the other programs.

Add to these factors the fact that the Food Stamp Program has experienced very rapid growth in the past two years. In some States, participation has more than doubled, straining the capacity of staff whose numbers have not kept pace with caseload growth. Since front-line welfare work is often high-pressure and many States pay workers relatively low salaries, staff turnover is often a problem. The constant need to train new people and deploy inexperienced staff must contribute to higher error rates.

These are just a sampling of the many factors which make Food Stamp Program administration difficult. (There are other important factors which could be added to the list, such as court orders which include difficult to administer relief, such as retroactive benefits, for class action plaintiffs.) There have been a covergence of these factors on the Food Stamp Program in recent years. Yet, despite the magnitude of the error rate found in the October 1979–March 1980 QC sampling period, there is a silver lining to that statistic.

The dollar error rate achieved in the October 1979–March 1980 period, the first period measured after implementation of the 1977 Act, is lower than the error rate found in the two preceding periods during which QC data were compiled. The decline in the error rate, despite the adverse background conditions, is probably primarily due to the major program simplifications mandated by the 1977 Act. The standard deductions in particular removed a major source of program error by supplanting a variety of itemized deductions for work-related medical and other expenses.

So, on the positive side, there is reason to believe that error rates may be on the way down. The large caseload growth experienced during FY 1980 has leveled off. The simpler program mandated by the 1977 Act should lead to lower errors over time as food stamp workers gain greater familiarity with detailed program requirements. However, progress in lowering error rates is dependent upon the cooperation of Congress. In 1979, Congress eroded the standard deduction concept by instituting special medical deductions for elderly and disabled participants. In 1980, a separate dependent care deduction was added, effective in FY 1982, replacing the one that is currently merged with the shelter deduction. And now, there are several legislative proposals that are candidates for serious consideration in the 97th Congress and could have a significant adverse effect on program administration.

Among these are proposals to count in-kind benefits as income, complicate assets tests, recoup food stamp benefits through the tax system and restore the purchase requirement. Each of these has been strenuously opposed by State and local food stamp administrators in recent years. To the extent proposals involve detailed valuation of in-kind benefits and assets, the potential for administrative error increases greatly. State and local administrators lack the staff to do highly individualized and subjective calculations which may entail frequent adjustments in participants' benefits. And, even if the calculations required are individualized, a proposal can pose a significant administrative headache. One particular legislative proposal to count school lunch benefits against food stamps was debated in the 96th Congress. It would have required food stamp agencies to change the benefit levels going to several million households nationwide nearly every month according to a formula. Particularly in States without sophisticated computer systems, it would have entailed a major new workload.

A proposal to recoup food stamp benefits through the tax system was debated exhaustively in the House Committee on Agriculture during the 96th Congress. One of the major reasons the Committee voted this proposal down was the vocal and near unanimous opposition to this proposal on administrative grounds by State and local food stamp administrators. It would have involved tremendous new monitoring and recordkeeping chores for food stamp agencies for what appeared to be little, if any, payoff. This proposal, which passed in a House floor vote but was later dropped in the House-Senate conference, is expected to reappear in the 1981 food stamp debate.

The full or partial reintroduction of the food stamp purchase requirement would unquestionably complicate program management. It would add considerably to administrative costs by restoring a layer of cash transactions to the program. This would require a renegotiation of issuance contracts with thousands of issuance agents to cover the increased transaction and security costs of handling cash.

There is a substantial possibility that certain issuance points (such as banks) would not be willing to resume the more complicated cash transactions they had performed in the past. Costs of printing, shipping, storing, securing, redeeming and destroying coupons would rise to reflect an increase of 40 percent or more in the amount of coupons which would be needed. (Prior to EPR, about 40 percent of coupons issued were to cover the purchase requirement.) The increased number of food stamps in circulation would likely result in an increase in the black-marketing of food stamps. Since recipients will receive a greater proportion of their income in stamps, they will have a greater incentive to trade some of them in for cash.

Restoration of the purchase requirement would necessitate increased monitoring of issuance points. A number of improper practices, ranging from outright fraud to failure to make timely deposits of cash, spurred the Food Stamp Vendor Accountability Act of 1976. The existence of vendor fraud likely contributed to the passage of EPR in 1977, which eliminated the problem.

From a broader perspective, restoration of the purchase requirement would appear to be a step backward in administration of the welfare system. Many welfare analysts already bemoan the duplicative administrative structures of the AFDC and Food Stamp Programs, which serve millions of the same people. Restoring the purchase requirement

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would add to the current overall administrative costs. Given the likely effect that it would have on food stamp participation, restoration of the purchase requirement would raise significantly the ratio of administrative costs to benefit costs, which already is a sore point in the public's perception of these programs.

No discussion of the Food Stamp Program management would be complete without some mention of fraud and abuse. Like many other social programs, and perhaps more so than most, the Food Stamp Program is plagued by stories of fraud and abuse. But like street crime or income tax cheating, there are no good statistics on the rate of fraud and abuse. Whatever reported statistics there are (and these have been very low) only express the misuses of the program which have been detected. How much occurs in addition is hard to say.

It is important, though, to understand what constitutes fraud and abuse. The error rate, for instance, does not measure fraud and abuse, although some of the errors the quality control system detects in eligibility and benefit determinations may well have been caused by fraudulent behavior. However, most of the errors are more likely due to innocent mistakes—a miscalculation by a worker, a failure to promptly report a change in family composition by a client.

The buying of expensive or "junk" food items in a supermarket also does not constitute fraud or abuse. Although such buying habits are, understandably, an irritant to the public, they are not proscribed by the law. Certainly instances of imprudent spending by food stamp recipients hurt the program's image. However, the available evidence is that food stamp recipients buy more nutrients per dollar than other food shoppers.[25]

In a program of the magnitude of food stamps, some misuse of the program is inevitable. A central chore for both politicians and program managers is to design the program in such a way that fraud and mismanagement are minimized. At some point, however, the marginal cost of curtailing these evils will exceed the benefit. At this point, either a certain amount of waste will have to be tolerated or the program will have to be closed down because the level of waste is unacceptably high. Another possible solution, that of making massive cuts in benefits, does not really address the fraud issue. Massive benefit reductions will certainly penalize innocent people; there is no guarantee that the incidence of fraud will be reduced whatsoever.

In the past few years there has been a great deal of legislative and regulatory activity to tighten management and combat fraud. Many proposals of USDA, developed in conjunction with their Office of Inspector General, are being put into effect. In addition, Congress has added other administrative tools and incentives to address perceived problems.

Among the various legislative proposals enacted in the past 2 years are: a requirement that persons disqualified due to fraud agree to repay benefits fraudulently received before reentering the program; an incentive to States to prosecute fraud by allowing them to retain 50 percent of all funds recovered through prosecution; a requirement that all applicants furnish social security numbers to facilitate verification of their income; expanded authority for States to verify information provided by applicants; authorization for computer matching of information provided by clients with records of other programs such as unemployment insurance and social security; authority for the Secretary of USDA to require photo-identification cards; a system of fiscal sanctions and incentives to spur improved performance by States in program administration; authority for States to utilize retrospective accounting and monthly reporting; and a higher rate of Federal matching funds for States which computerize operations to improve management and lower error rates.

These provisions build on the administrative improvements of the 1977 Act, most notably the standard deductions and the elimination of the purchase requirement. The 1980 Act addressed another area of perceived abuse by eliminating most college students from the program. The combined effect of the 1977, 1979, and 1980 amendments could have a dramatic positive effect on program administration. However, such improvements do not occur overnight and cannot occur without sufficient staff and resources to make them effective. A period of relative calm in the program would maximize the effectiveness of the measures Congress has already enacted.

Conclusion

In many respects, the Food Stamp Program is at a crossroads in 1981. After several years of rapid growth in participation and cost, it has become a central issue in the national debate over spending priorities. The changing of the guard in the White House and in the Senate will probably place the program in an even more defensive posture than in recent years. The potential for significant changes in eligibility limits, benefit levels and program management is very large. Such changes could not only have a dramatic effect on this program, but could reverberate throughout the welfare system.

FOOTNOTES

[1] Ward Sinclair, "Ascendency of Helms Puts Food Stamp Program Under the Gun," The Washington Post, (November 12, 1980), p. 3.

[2] P.L. 91–671, January 11, 1971; P.L. 93–86, August 10, 1973; P.L. 94–339, July 5, 1976; P.L. 95–113, September 29, 1977; P.L. 96–58, August 14, 1979; P.L. 96–249, May 26, 1980.

[3] In an August 12, 1975 speech before the 32nd Annual Junior Achievers Conference in Bloomington, Indiana, Secretary of the Treasury William E. Simon described the Food Stamp Program as "a well-known haven for the chislers and rip-off artists." (Press release, Department of Treasury, August 12, 1975, p. 5.) This statement was picked up by the national press. See Rachelle Patterson, "Controversy taints food stamp program," Boston Sunday Globe, (September 14, 1975), p. 50.

[4] Proposed regulations were issued February 27, 1976 and final regulations were issued May 7, 1976 (41 Federal Register 18781).

[5] *Trump* v. *Butz*, U.S. District Court, D.C., Civ. No. 760933 (1976).

[6] Until the 1977 Act, almost all participants were required to pay a part of their incomes for a set allotment of stamps. The amount of stamps they received was equal to their cash payment plus a "bonus." Once EPR was implemented, the household received only the "bonus."

[7] The rule of thumb showing the interaction between the unemployment rate and participation, and the rule of thumb in the next paragraph showing the relationship between food price inflation and cost reflect the best USDA estimate of the current interaction of these factors. While unemployment and inflation have always affected participation and cost, the current rules of thumb show a somewhat larger impact from these factors than was true in the past.

[8] Correspondence with the Office of Policy, Planning and Evaluation, Food and Nutrition Service, USDA, January 1981.

[9] *Ibid.*

[10] U.S. Department of Agriculture, Food and Nutrition Service, "Elimination of the Purchase Requirement in the Food Stamp Program, Effect on Participation and Cost," October 1979, pp. 28–29.

[11] Richard A. Kasten and John E. Todd, *Transfer Recipients and the Poor During the 1970's*, Prepared for Second Research Conference of the Association of Public Policy Analysis and Management, October 24 and 25, 1980, p. 11.

[12] Not only were many States failing to give regular cost of living increases, several have implemented or will implement shortly reductions in their AFDC benefit levels. In Oregon, the State reduced AFDC benefits 21 percent on October 1, 1980. By redefining part of the remaining AFDC grant as energy assistance (which is not counted as income for food stamp purposes), the State was able to offset most of this AFDC benefit decrease (about 71 percent of it) with a food stamp increase. The net result was that recipients' income went down only 6 percent, with food stamps providing a much larger percentage of the recipients' income than before.

Other States reducing AFDC benefits are: Connecticut, where the maximum benefit for a family of four was $517 in July 1979 and $477 in July 1980; Virginia, where the maximum benefit for a family of four was $335 in July 1979 and $305 in July 1980; South Dakota, where a 5 percent benefit reduction was implemented January 1, 1981; and Utah, which reduced the percentage of the standard of need it pays from 75 percent to 72.5 percent on October 1, 1980, with a further decrease possible in the spring of 1981. In addition, there are other States contemplating decreases.

[13] One of the ironies of the automatic cost of living increase in the Food Stamp Program is that it appears to be a deterrent to AFDC benefit increases. As Kasten and Todd point out (p. 12), each AFDC increase results in a higher percentage of overall AFDC-food stamp costs being borne by the State. For example, in New York the Federal government pays 50 percent of AFDC benefit costs and 100 percent of food stamp costs. If the State raises its AFDC payment level by $20, the cost would be shared equally by the Federal and State/local government. However, a $20 AFDC increase results in roughly a 30 percent (or $6) food stamp benefit decrease since AFDC benefits count as income for food stamp purposes. The net product of the AFDC increase is as follows: State/local costs are up $10, Federal costs are up $4, the recipients' overall benefits are up $14 and the State bears a higher percentage of total AFDC-food stamp costs than before the increase.

[14] For instance, Seth Effron, "Servicemen in State Get Food Stamps," Wichita Eagle and Beacon, (June 12, 1980), p. 1A; Hal Spencer (The Associated Press), "Thousands in service are using food stamps," Flint Journal, (Michigan, October 1, 1980). The following sentence appeared in the Spencer article: "Department of Defense and Navy spokesmen in Washington readily concede that a growing number of servicemen and women, probably numbering in the thousands, must rely on food stamps to supplement government-paid incomes battered by inflation." Also, Julie Hendrix, "Hungry Airmen encouraged to take food stamps," Mesa Tribune, (Arizona, October 22, 1980); Willene Anderson, "Many military families must rely on food stamps," News Tribune (Tacoma, Washington, August 31, 1980).

[15] "Elimination of the Purchase Requirement," p. 25.

[16] *Ibid.*, p. 27.

[17] U.S. Department of Agriculture, Food and Nutrition Service, "Effects of the 1977 Food Stamp Act," Second Annual Report to the Congress, January 1981, pp. iii, 18, 19.

[18] *Ibid.*, p. iv.

[19] Correspondence with the Office of Policy, Planning and Evaluation, Food and Nutrition Service, USDA, January 1981.

[20] *Ibid.*

[21] *Ibid.*

[22] U.S.D.A. Agricultural Research Service, "Sample Menus and Food Lists for One Week Based on U.S.D.A. Economy Food Plan," page 1 (November 1975).

[23] Job search, which was mandated by the 1977 Act, had not been implemented at the time of this writing, but was expected to be in effect by the spring of 1981.

[24] Both Congress and the courts have recognized that some percentage of errors in the administration of welfare programs is unavoidable. This fact was acknowledged by the courts in a major AFDC case, *Maryland v. Mathews*, 415 F. Supp. 1206, U.S. District Court, D.C., 1976. In the 1980 Food Stamp Amendments (P.L. 96–249) Congress acknowledged the inevitability of errors in food stamp administration by providing enhanced Federal funding to States with dollar error rates below certain levels. A State can qualify for a 65 percent Federal share of its administrative costs for a fiscal year if its dollar error rate is below 5 percent and 60 percent Federal match if it is below 8 percent or the national average, whichever is lower. Otherwise, States qualify for a 50 percent Federal match for administrative costs.

[25] Donald West, "Food Expenditures by Food Stamp Participants and Nonparticipants," reprinted from *National Food Review*, NFR–3, June 1978, pp. 26–27, 46–48.

AN ESTIMATE OF THE FISCAL IMPACT OF PRESIDENT REAGAN'S BUDGET PROPOSALS

● Mr. LEVIN. Mr. President, the University of Michigan Institute for Social Research recently completed its own fiscal impact analysis of the administration's budget proposal. This analysis arrives at conclusions dramatically different from those reached in the regional analysis released by the administration. The institute for social research analysis considered both the regional as well as the State impact of the budget cuts.

The most alarming conclusion is that losses in spending for capital improvements, community development, and social service programs are far greater in low-growth States that need this very assistance than in other States. These older, industrial States are faced with major new investments in bridges, sewers, roads, and community development projects and with growing educational and social services to relatively high concentrations of disadvantaged groups. By substantially reducing levels of support for capital spending and social services in those States that have the least ability to replace these funds from their own resources, the administration's budget seems likely to make the disparities between low- and high-growth States even more pronounced.

Mr. President, I ask that this fiscal analysis prepared by the Institute for Social Research of the University of Michigan be inserted in the RECORD.

The analysis follows:

INTERGOVERNMENTAL FISCAL ANALYSIS PROJECT: AN ESTIMATE OF THE FISCAL IMPACT OF PRESIDENT REAGAN'S BUDGET PROPOSALS

This paper presents preliminary estimates of the fiscal impact of President Reagan's budget proposals for fiscal 1981 and 1982. A number of such estimates already have appeared, including a recent analysis produced by the Office of Management and Budget. This analysis differs from others in relying on a multi-year record of past federal spending in states and regions. In brief, our method measures the annual federal government expenditure for account or function X, in state Y, for the period 1978–1980, computes that expenditure as a fraction of total national program or functional spending for the same period, and then applies that fraction to functional or program sums proposed in various budget proposals. The result is an estimate of future spending built directly on each state's past receipts from federal programs. Since state-level federal spending, in total or by function, is known to be relatively stable for short-run periods,[1] and since we use a three-year average rather than a single year, these estimates should be more accurate than calculations produced by other known methods.

This analysis also relies on a different approach to analyzing budget reductions than other recent studies. Rather than attempting to allocate changes in outlays for a single year, this report focuses on changes in budget authority, loan obligations and loan commitments. Since many of the policy changes proposed by the Reagan budget will affect spending levels for several years, it seems more sensible to focus on resources available as a result of Administration proposals than to estimate actual expenditures. The figures in this report, therefore, do *not* represent estimates of the level of spending or outlays in a given year, but rather changes in the amount of funds available for expenditure.

Our analysis makes clear that the impact of President Reagan's budget reductions will be most severe in states that recently have been experiencing the slowest rates of economic growth. Since these states are concentrated in the Northeast and Midwest, the impact of the Reagan reduction will be disproportionately concentrated in those regions. In states composing the American Ruhr—New York, New Jersey, Pennsylvania, Ohio, Michigan, Indiana and Illinois—where population and job losses in recent years have created serious economic hardship, the reductions proposed by President Reagan will be particularly severe. To some extent the severity of Reagan's reductions in these states arises from proposed cuts in programs for which the location of expenditures is an important policy consideration, that is, grants to state and local governments for the provision of services or the construction and maintenance of capital infrastructure such as streets and sewers. Reductions in such programs, together with reductions in programs that are regionally neutral in intent but biased in impact, concentrate President Reagan's reductions in a few states, rather than spreading those cuts evenly across the country.

This clear imbalance in the distribution of budget reductions is likely to be accentuated by the inability of governments in slower-growing states to continue or replace the activities currently financed with federal funds. Governments in growing states, by contrast, are less likely to be affected by these reductions, both because they now receive fewer dollars from these programs and because they generally are under less financial pressure than governments in slower-growing states. Their potential loss is smaller and their ability to replace loss is greater. In short, the Reagan budget proposals will have their most substantial impacts on those states which are least able to cope with them. It is a program of focused inequity.

FEDERAL SPENDING AND ECONOMIC GROWTH

Table 1 presents estimates of the differences in eventual expenditures between the Administration's budget revisions and the January budget proposed by the Carter Administration. Estimates of likely changes in both total federal spending and spending for the several budget functions which the Administration proposes to change substantially are provided for groups of states that experienced varying levels of economic growth between 1972 and 1977.[2] The results are quite striking. Of the $53.6 billion in net reductions from the January budget, approximately $18.4 billion, or 34 percent, will affect the ten states with the slowest rates of economic growth over the mid-seventies. By contrast, only about $8 billion, or 14 percent of the total, will result in reduced federal spending in states which experience the fastest rates of economic growth over the same period.

As might be expected, not all changes affect each group of states in the same fashion. The slowest growth states appear to gain substantial benefits from increased defense spending, amounting to approximately 31 percent of the total increase proposed by the Administration over both years. In similar fashion, the states with the highest rates of economic growth would be most severely affected by the Administration's proposed reductions in the levels of lending and loan guarantees and commerce and housing credit. The two groups of states with the highest rates of economic growth would appear to lose approximately $8.9 billion or 45 percent of the reductions in lending and guarantees proposed by the Administration for 1981 and 1982. These states have experienced relatively high rates of growth in population, housing construction and other economic activity, leading to high levels of support from various mortgage insurance programs operated by the Federal Housing Administration. The President's proposed reductions in these programs can be expected to impact most severely in the high growth states.

By contrast, the slower growing states are the most severely affected by proposed reductions in education and income security programs. Of the $2.4 billion in proposed reductions in income security programs for which we are can account, over 60 percent will be concentrated in the two groups of states with the slowest rates of economic growth. These states receive substantial funds from the Section 8 housing and child nutrition programs, for example, and might be expected to be disproportionately affected by proposed reductions from these programs. Similarly, the Administration's reductions in funding for a variety of education programs would be most severely felt in the slower growing states. Of the $13 billion in reductions proposed over two years, our estimates indicate that over 50 percent would be translated into reduced spending in states with lower levels of economic growth.

THE REGIONAL IMPACT

This concentration of reductions in slower growing states means that the impact of the Administration's budget will be most severely felt in the Northeast and Midwest, since slower growing states are concentrated in these areas. Table 2 presents estimates of the likely regional impact of the Administration's budget. These figures suggest that the Administration's budget will have its most severe impact on the Middle Atlantic and East North Central regions, which contain the slowest growing states with the most severely pressed governments—Michigan, New York, Pennsylvania, Indiana, Ohio, New Jersey and Illinois. Of the $53.6 billion in 1981 and 1982 reductions in obligations, or

[1] See Anton, Cawley and Kramer, *Moving Money*. (Cambridge, Mass.: Oelgeschlager, Gunn & Hain, Inc., 1980), pp. 10–11.

[2] The index of economic growth used here to classify states combines changes in value added by manufacturing, wholesale and retail sales, and selected service receipts, weighted by the fraction of employment in each of these four sectors.

commitments, approximately $19.7 billion, or over 36 percent, will translate into reduced spending or lending in these two regions. By contrast, the Mountain and Pacific states such as California, Arizona, Idaho, Utah, Montana and Washington account for only 18.5 percent of the proposed reductions. The three southern regions, which include the states of the old Confederacy but exclude the District of Columbia (which is not counted in any figures in this report) are affected by approximately 34 percent of the Administration's proposed reductions for 1981 and 1982.

In short, while the regional consequences of the Administration's reductions are not as pronounced as some have argued, the impact of these proposed changes will be most severely felt in those regions that have experienced the most persistent economic decline and whose governments have experienced the most substantial difficulties in balancing their budgets. Precise—or even imprecise—estimates of the net economic impact of President Reagan's budget on the economies of these states are difficult to generate, but it seems likely that proposed reductions in federal spending will exacerbate problems of economic decline and budgetary strain now plaguing these states.

Many observers have argued that the geographic impact of much of the budget is, and should be, ignored in making spending decisions. Decisions about defense spending, it has been argued, should be made on the basis of strategic and efficiency criteria—how to get the most effective package of forces and equipment for the least money—than on the geographic impact of these choices. In similar fashion, income security programs or programs designed to assist particular target groups such as the elderly or Indians should direct resources to the areas where the poor or the target population live, rather than being explicitly concerned with geography. Particular states or regions have claims on these programs only to the extent that target groups live in them.

While there is merit in these arguments, there are portions of the budget for which location is an appropriate policy concern.

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The last two columns in Table 3 display average scores for each group of states on standardized indices of tax effort and capacity for 1977. As these figures suggest, slower growing states are levying substantially higher taxes than faster growing ones and have substantially less "slack" capacity to levy additional taxes.

Reductions in grant programs thus seem likely to exacerbate existing disparities between rich and poor states in the level of services they provide citizens relative to the taxes they levy. Much prior research has noted that major new investments in infrastructure such as sewers, roads, or bridges are required in declining states, and that governments in these states are responsible for providing education and other social services to relatively high concentrations of disadvantaged groups. By reducing levels of support for capital spending and social services most substantially in those states which have the least ability to replace these funds from their own resources, the Administration's budget seems likely to exacerbate these disparities.

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TABLE 1.—ESTIMATED DIFFERENCES IN EXPENDITURES BETWEEN CARTER AND REAGAN BUDGETS, FISCAL YEARS 1981 AND 1982 BY COMPOSITE ECONOMIC GROWTH INDEX QUINTILE (1972-77)

[In millions of dollars]

Quintile[1]—Composite economic growth index	Function					
	Total	Defense (050)	Commerce and housing (370)	Education (500)	Income security (600)	All other functions
1981 budget:						
1 (Low)	−4,932	1,770	−1,209	−1,151	−2,086	−2,255
2	−2,811	1,051	−993	−718	−1,028	−1,123
3	−940	592	−714	−432	−601	215
4	−2,091	1,392	−1,462	−584	−585	−851
5 (High)	−1,325	918	−949	−537	−604	−153
National total	−12,099	5,723	−5,328	−3,423	−4,905	−4,166
1982 budget:						
1 (Low)	−13,477	7,110	−2,614	−3,383	−6,615	−7,975
2	−8,768	4,138	−2,122	−1,966	−3,523	−5,294
3	−6,193	2,343	−1,513	−1,152	−2,042	−3,829
4	−6,689	5,322	−3,164	−1,750	−2,234	−4,863
5 (High)	−6,370	3,599	−1,995	−1,995	−2,023	−4,580
National total	−41,496	22,513	11,408	−9,621	−16,438	26,541

[1] Quintiles are composed as follows:
1 (Slowest growing): Delaware, Illinois, Maryland, Massachusetts, Michigan, Missouri, New Jersey, New York, Pennsylvania, Rhode Island.
2 Alabama, Connecticut, Florida, Georgia, Indiana, Nebraska, North Carolina, Ohio, South Carolina, West Virginia.
3 Arkansas, Kentucky, Maine, New Hampshire, New Mexico, Tennessee, Vermont, Virginia, Wisconsin.
4 Arizona, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Oregon, South Dakota, Utah.
5 (Fastest growing): Alaska, Louisiana, Mississippi, Montana, Nevada, North Dakota, Oklahoma, Texas, Washington, Wyoming.

TABLE 2.—ESTIMATED DIFFERENCE IN EXPENDITURES BETWEEN CARTER AND REAGAN BUDGETS, FISCAL YEARS 1981 AND 1982, BY CENSUS DIVISION

	Estimated differences, Carter—Reagan (millions)					
	Fiscal year 1981			Fiscal year 1982		
	Total	Defense	All other	Total	Defense	All other
New England	−757	965	−1,252	−610	2,811	−3,421
Mid-Atlantic	−2,622	799	−3,421	−7,024	3,293	−10,317
East north-central	−2,393	519	−2,912	−7,649	2,118	−9,767
West north-central	−849	469	−1,318	−3,607	1,840	−5,447
South Atlantic	−1,507	851	−2,358	−6,579	3,229	−9,808
East south-central	−1,040	225	−1,265	−4,318	878	−5,196
West south-central	−795	609	−1,404	−4,121	2,414	−6,535
Mountain	−1,064	200	−1,264	−3,898	746	−4,643
Pacific	−1,273	1,355	−2,627	−3,69	5,185	−8,875
The Nation	−12,099	5,723	−17,822	−41,496	22,513	−64,009

TABLE 3.—ESTIMATED PERCENTAGE DISTRIBUTION OF 1982 REDUCTIONS IN SUBFUNCTIONS CONTAINING MAJOR GRANT PROGRAMS AND TAX EFFORT AND CAPACITY, 1977, BY QUINTILE COMPOSITE ECONOMIC INDICATOR

Quintile, CEI[1]	Social services and education[2]	Infrastructure and economic development[3]	Average tax effort 1977[4]	Average tax capacity 1977[4]
1	34.8	38.3	108	101
2	20.6	20.8	86	93
3	11.9	13.2	92	91
4	18.3	15.4	98	99
5	14.4	12.3	84	114
Total	100.0	100.0	[5]100	[5]100
Proposed reductions fiscal year 1982 (millions)	$3,863	$10,019		

[1] Quintiles are the same as table 1.
[2] Includes the following subfunctions: Elementary and secondary education (501), training and employment (504), and social services (506).
[3] Includes the following subfunctions: Pollution control and abatement (304), ground transportaticn (401), community development (451), and area and regional development (452.)
[4] Source: Kent Halstead, Tax Wealth in Fifty States: 1977 Supplement (Washington, D.C., 1979), table 2.
[5] Average, Nation.

APPENDIX TABLE 1.—ESTIMATED DIFFERENCES IN EXPENDITURES BETWEEN CARTER AND REAGAN BUDGETS FOR FISCAL YEAR 1981

Area	Division code	Region code	CEI index	Function (dollars in millions) Total	Defense (050)	Commerce and housing (370)	Education (500)	Income security (600	All other functions
Alabama	6	3	2	−354	62	−101	−78	−120	−116
Alaska	9	4	5	−35	28	−13	−8	−11	−37
Arizona	8	4	4	−268	72	−188	−55	−40	−50
Arkansas	7	3	3	−143	13	−41	−45	−49	−22
California	9	4	4	−860	1,097	−741	−321	−347	−541
Colorado	8	4	4	−245	54	−173	−42	−51	−38
Connecticut	1	1	2	84	332	−34	−40	−95	−73
Delaware	5	3	1	−49	14	−7	−13	−15	−29
District of Columbia	5	3	−0	−292	119	−31	−23	−51	−307
Florida	5	3	2	−465	173	−234	−123	−131	−116
Georgia	5	3	2	−409	91	−135	−84	−135	−140
Hawaii	9	4	4	−54	41	−20	−15	−25	−37
Idaho	8	4	4	−65	4	−43	−14	−10	−5
Illinois	3	2	1	−801	87	−163	−166	−291	−282
Indiana	3	2	2	−207	103	−89	−59	−72	−98
Iowa	4	2	4	−168	27	−71	−36	−15	−70
Kansas	4	2	4	−96	58	−57	−31	−29	−36
Kentucky	6	3	3	−206	29	−76	−63	−88	−7
Louisiana	7	3	5	169	48	−88	−75	−98	342
Maine	1	1	3	−78	38	−21	−23	−27	−44
Maryland	5	3	1	−371	164	−123	−59	−115	−238
Massachusetts	1	1	1	−361	272	−62	−106	−213	−251
Michigan	3	2	1	−531	138	−142	−136	−132	−259
Minnesota	4	2	3	−320	80	−168	−57	−89	−86
Mississippi	6	3	5	−163	88	−68	−93	−48	−42
Missouri	4	2	1	−106	276	−113	−75	−97	−97
Montana	8	4	5	−90	5	−43	−17	−22	−14
Nebraska	4	2	2	−77	15	−43	−21	−24	−5
Nevada	8	4	5	−143	8	−98	−10	−22	−22
New Hampshire	1	1	3	−64	24	−17	−11	−26	−34
New Jersey	2	1	1	−464	135	−122	−103	−224	−149
New Mexico	8	4	3	−82	28	−42	−26	−39	−2
New York	2	1	1	−1504	443	−353	−305	−677	−612
North Carolina	5	3	2	−327	70	−94	−89	−128	−86
North Dakota	4	2	5	−29	10	−26	−13	−15	15
Ohio	3	2	2	−612	157	−154	−135	−209	−271
Oklahoma	7	3	5	−171	48	−82	−48	−96	7
Oregon	9	4	4	−151	12	−48	−38	−27	−50
Pennsylvania	2	1	1	−654	222	−112	−170	−275	−319
Rhode Island	1	1	1	−92	20	−13	−17	−48	−34
South Carolina	5	3	2	−212	42	−77	−55	−50	−72
South Dakota	4	2	4	−53	4	−33	−15	−28	19
Tennessee	6	3	3	−318	46	−134	−70	−110	−49
Texas	7	3	5	−650	500	−378	−209	−222	−341
Utah	8	4	4	−131	25	−87	−19	−13	−38
Vermont	1	1	3	−46	10	−12	−11	−13	−30
Virginia	5	3	3	557	290	−131	−64	−104	506
Washington	9	4	5	−173	177	−123	−56	−64	−107
West Virginia	5	3	2	−232	7	−32	−33	−64	−109
Wisconsin	3	2	3	−241	34	−73	−62	−54	−86
Wyoming	8	4	5	−40	5	−31	−3	−6	0
New England	1	1	−0	−557	695	−159	−209	−422	−463
Mid-Atlantic	1	2	−0	−2,622	799	−587	−578	−1,176	−1,080
East north-central	2	3	−0	−2,393	519	−621	−559	−759	−973
West north-central	2	4	−0	−849	469	−512	−247	−297	−262
South Atlantic	3	5	−0	−1,507	851	−833	−521	−742	−262
East south-central	3	6	−0	−1,040	225	−379	−304	−367	−215
West south-central	3	7	−0	−795	609	−588	−377	−465	26
Mountain	4	8	−0	−1,064	200	−704	−190	−203	−167
Pacific	4	9	−0	−1,273	1,355	−946	−438	−474	−770
Northeast	−0	1	−0	−3,179	1,494	−746	−787	−1,598	−1,543
North-central	−0	2	−0	−3,241	989	−1,132	−806	−1,056	−1,235
South	−0	3	−0	−3,342	1,685	−1,801	−1,201	−1,574	−451
West	−0	4	−0	−2,337	1,554	−1,650	−628	−677	−937
The Nation	−0	−0	−0	−12,099	5,723	−5,328	−3,423	−4,905	−4,166

APPENDIX TABLE 2.—ESTIMATED DIFFERENCES IN EXPENDITURES BETWEEN CARTER AND REAGAN BUDGETS FOR FISCAL YEAR 1982

Area	Division code	Region code	CEI index	Function (dollars in millions) Total	Defense (050)	Commerce and housing (370)	Education (500)	Income security (600)	All other functions
Alabama	6	3	2	−940	240	−217	−186	−362	−415
Alaska	9	4	5	−259	104	−25	−55	−36	−247
Arizona	8	4	4	−758	273	−419	−173	−154	−286
Arkansas	7	3	3	−677	46	−84	−113	−181	−345
California	9	4	4	−1,978	4,223	−1,639	−1,013	−1,325	−2,224
Colorado	8	4	4	−987	187	−376	−104	−157	−537
Connecticut	1	1	2	700	1,391	−71	−120	−263	−238
Delaware	5	3	1	−109	55	−16	−31	−52	−65
District of Columbia	5	3	−0	−1,816	503	−38	−232	−175	−1,872
Florida	5	3	2	−1,606	623	−512	−355	−528	−834
Georgia	5	3	2	−1,428	344	−284	−221	−447	−819
Hawaii	9	4	4	−131	148	−42	−49	−87	−101
Idaho	8	4	4	−410	12	−89	−46	−44	−242
Illinois	3	2	1	−2,443	346	−348	−421	−899	−1,121
Indiana	3	2	2	−832	433	−190	−210	−313	−552
Iowa	4	2	4	−590	109	−140	−78	−102	−380
Kansas	4	2	4	−413	208	−112	−68	−112	−329
Kentucky	6	3	3	−1,025	100	−162	−181	−305	−657
Louisiana	7	3	5	−1,168	186	−180	−183	−341	−650
Maine	1	1	3	−187	157	−40	−65	−100	−138
Maryland	5	3	1	−994	645	−271	−178	−336	−853
Massachusetts	1	1	1	−680	1,043	−130	−316	−604	−673
Michigan	3	2	1	−1,669	555	−302	−395	−686	−842

Area	Division code	Region code	CEI index	Function (dollars in millions) Total	Defense (050)	Commerce and housing (370)	Education (500)	Income security (600)	All other functions
Minnesota	4	2	3	−1,037	329	−366	−147	−273	−579
Mississippi	6	3	5	−684	364	−141	−196	−208	−504
Missouri	4	2	1	−359	1,093	−236	−204	−365	−648
Montana	8	4	5	−376	18	−84	−58	−64	−187
Nebraska	4	2	2	−422	52	−87	−46	−84	−258
Nevada	8	4	5	−387	30	−217	−37	−57	−106
New Hampshire	1	1	3	−125	99	−29	−31	−72	−91
New Jersey	2	1	1	−1,319	542	−268	−343	−689	−560
New Mexico	8	4	3	−447	107	−87	−82	−118	−268
New York	2	1	1	−3,773	1,817	−773	−966	−1,971	−1,890
North Carolina	5	3	2	−1,166	236	−199	−224	−427	−553
North Dakota	4	2	5	−340	35	−53	−32	−46	−245
Ohio	3	2	2	−1,852	640	−335	−374	−753	−1,030
Oklahoma	7	3	5	−949	189	−173	−133	−250	−584
Oregon	9	4	4	−634	47	−97	−119	−126	−339
Pennsylvania	2	1	1	−1,932	925	−246	−479	−890	−1,242
Rhode Island	1	1	1	−198	80	−23	−52	−123	−80
South Carolina	5	3	2	−644	152	−164	−133	−213	−286
South Dakota	4	2	4	−446	13	−66	−39	−76	−277
Tennessee	6	3	3	−1,488	174	−289	−172	−378	−822
Texas	7	3	5	−1,327	1,993	−795	−473	−772	−1,281
Utah	8	4	4	−342	102	−185	−61	−51	−148
Vermont	1	1	3	−121	41	−22	−30	−45	−65
Virginia	5	3	3	−55	1,147	−288	−173	−322	−419
Washington	9	4	5	−688	662	−264	−187	−231	−669
West Virginia	5	3	2	−577	28	−64	−96	−134	−310
Wisconsin	3	2	3	−852	145	−146	−158	−248	−444
Wyoming	8	4	5	−190	17	−62	−18	−17	−109
New England	1	1	−0	−610	2,811	−314	−614	−1,207	−1,285
Mid-Atlantic	1	2	−0	−7,024	3,293	−1,287	−1,788	−3,550	−3,692
East north-central	2	3	−0	−7,649	2,118	−1,320	−1,558	−2,899	−3,990
West north-central	2	4	−0	−3,607	1,840	−1,060	−613	−1,059	−2,715
South Atlantic	3	5	−0	−6,579	3,229	−1,779	−1,411	−2,458	−4,140
East south-central	3	6	−0	−4,318	878	−809	−735	−1,254	−2,397
West south-central	3	7	−0	−4,121	2,414	−1,232	−902	−1,543	−2,859
Mountain	4	8	−0	−3,898	746	−1,519	−579	−663	−1,882
Pacific	4	9	−0	−3,690	5,185	−2,067	−1,422	−1,805	−3,581
Northeast	−0	1	−0	−7,634	6,104	−1,602	−2,401	−4,757	−4,977
North-central	−0	2	−0	−11,256	3,957	−2,380	−2,171	−3,958	−6,705
South	−0	3	−0	−15,018	6,521	−3,840	−3,048	−5,255	−9,396
West	−0	4	−0	−7,588	5,930	−3,586	−2,001	−2,468	−5,463
The Nation	−0	−0	−0	−41,496	22,513	−11,408	−9,621	−16,438	−26,541

SUMMARY CONCLUSIONS

1. President Reagan's budget reductions will be twice as severe for states with declining economies as for the most rapidly-growing states (Table 1).

2. Because slow growth (or declining) states tend to be concentrated in the north-east-midwest area, there is a clear and severe regional bias to President Reagan's budgetary proposals (Table 2).

3. Although Defense spending will increase in low growth regions, the largest increases in defense expenditures will occur in high growth areas such as the Pacific or South Atlantic states (Table 2).

4. In low growth states, substantial increments in defense expenditures will be more than offset by very large reductions in spending for commerce and housing credit, education and training, and income security activities (Appendix Tables 1 and 2).

5. The net loss, compared to President Carter's proposals, will be very substantial for states suffering from low growth and high unemployment. Michigan will lose more than $2 billion; New York's loss will exceed $5 billion (Appendix Tables 1 and 2).

6. Losses to low growth states in capital infrastructure and social service programs will be proportionately more severe than total losses suffered by these states (Table 3).

THE DEATH OF JOSEPH T. POWER

Mr. KENNEDY. Mr. President, Joseph Power, president of the Operative Plasterers and Cement Masons International Association, who passed away last Monday after a long illness, was widely acknowledged to be one of the finest men in the American labor movement. His death is a serious loss to the members of his union and to all of America's working men and women.

Joe Power began his career as a plasterer in his hometown of Chicago and quickly rose to a position of influence, local 15 of the plasterers union there.

In 1960 he was elected executive vice president of the International Association here in Washington and in 1970 became international president, a position he held until his death.

Throughout his long career, Joe Power displayed qualities of personal integrity and dedication which were a model for all of organized labor.

He was a warm, compassionate human being whose sincerity was evident in both his personal and professional relationships. He worked tirelessly on behalf of his union and regarded each and every one of its members as a part of this family.

Joe Power had a keen interest in and long association with international labor matters. He served as a public member of the State Department Foreign Service Board and was a member of the U.S. delegation to the 57th session of the International Labor Organization.

He was also deeply involved in community affairs serving on the board of directors of Joint Action Community Services and the Cooperative Housing Foundation.

The loss of Joe Power diminishes us all. I know the Members of this body join me in expressing our deepest sympathy to the Power family and to each member of the Operative Plasterers and Cement Masons International Association.

AMERICA'S SURVIVAL: AN ASSESSMENT BY A DISTINGUISHED ACADEMICIAN

● Mr. HELMS. Mr. President, this past week I received from a friend in Fayetteville, N.C., the text of an address delivered on April 2 by Dr. Frank L. Grubbs, chairman of the history and political science department at Meredith College in Raleigh.

My Fayetteville friend, Carl A. Barrington, Jr., was present for Dr. Grubb's address. He was impressed. Now that I have read the text of the address, I also am impressed.

As Carl Barrington said, in assessment of the Grubbs speech, too often we erroneously assume that the entire academic and intellectual community of America has been swept up in what Mr. Barrington calls "the liberal philosophy." The truth is, a large percentage of our teachers and professors are clearly aware that the very survival of America as a free nation is on the line.

In any event, Mr. President, I want to share with my colleagues, and others who read the CONGRESSIONAL RECORD, the impressive remarks by Dr. Grubbs. For that reason, I ask that the text of Dr. Grubb's address be printed in the RECORD.

The statement follows.

THE UNITED STATES IN THE WORLD TODAY: PROBLEMS OF SURVIVAL

(By Frank L. Grubbs)

In his farewell address to the Nation, President Jimmy Carter declared, "For this generation, life is nuclear survival. . . ." Webster defines survival as the ability to stay alive and existent. In the annals of history, the human species had to learn survival in small groupings, then collectively as nation states. Today, our chief problem is survival as a nation in a world dangerously alive with nuclear threats. Every one of us in this audience tonight has a vital stake in the survival of the United States as an independent and sovereign people. Our freedoms, the welfare of our families, and life as we know it depends on the United States remaining an

independent self-determining state. And yet, we have existed as a sovereign people for one hundred and ninety-eight years since that day in 1783 when the Government of George III granted us our independence.

We have risen from a collection of thirteen struggling colonies to the wealthiest nation on this earth. But we need not delude ourselves into thinking that our star will not fall. History reveals that nations decline, fall, and often reemerge as sovereign powers in later centuries, as Russia, China, Egypt, Israel, and India have done so aptly. But this historic fact can be of little comfort for us when we realize that nations which once declined and reemerged as significant powers were never destroyed by nuclear weapons. (The two atomic devices which destroyed Nagasaki and Hiroshima did not destroy the Japanese nation.) We face the dire threat of total nuclear destruction with which no nations have had to contend in the past.

Nuclear war would destroy the entire American continent, either through blast or radioactive poison. Our destruction, however, can be accomplished almost as effectively as total war if we allow ourselves to become militarily dominated by a foreign power possessing such superior nuclear devices that we dare not attack the adversary for fear of absolute annihilation.

Let me clarify the point. For the first time in history it is possible for one nation to so dominate the earth that that nation could be supreme without firing a shot (or to be more modern a single missile). Not to just dominate the "known world" as ancient Rome did but to dominate the entire globe. The possibility exists if one nation manages to achieve a sudden breakthrough in nuclear weapons. Indeed, nuclear weapons allow a nation to predominate without having a large population or extraordinary wealth. Thus, it is perfectly possible for a nation like the Soviet Union to outdistance the United States in nuclear weapons' technology and dominate not only us but the world, even though the Soviets have a population of only 260 million people. To defy a nation with this kind of nuclear superiority would be to risk, not physical invasion, but the destruction by missiles of every population and military complex in our land. To retaliate in kind would be foolish since a nation capable of producing superior weapons would also be capable of developing superior defenses.

Therefore, the most immediate task for the American people is to maintain nuclear parity with the Soviets; something which we have failed to do these last four years while the Carter Administration believed in Detente. During these years, the Soviets built the world's largest nuclear missile submarine, developed a new MIRV warhead capable of delivering ten nuclear bombs at once, and more accurate ICBM's. (At present, the United States can deliver only five warheads simultaneously.) The point is often made by the American press, to justify less spending on developing our ICBM's, that they are more accurate than those of the Soviets. For example, a very accurate but smaller American missile fired at Johnson Hall would hit it directly. The "cruder" Russian ICBM fired at Johnson would hit Bob Martin's Exxon Station across the street, both would totally destroy a radius of some twenty miles. If we had to choose between the two missiles we would choose the Russian one would we not? Especially if we worked in Johnson Hall? This business of splitting hairs on the accuracy of American and Russian ICBM's is applicable only if the Russians are shooting at a particular silo in Montana or trying to hit the underground communications center below Camp David. Otherwise, the question of whose missile is the most accurate is a moot one.

Moreover, during the past three years, the Russians have developed a quick strike force which can deliver more than 10,000 Soviet troops, tanks, etc., as far as 6,000 miles from the Soviet Union within days. The United States has no such strike force. Only during the last weeks of the Carter administration did we belatedly begin constructing one not yet in place. Soviet tanks are more powerful than ours, their armies better prepared, their reserve forces better equipped, the navy more numerous. And this fall Jane of England, the foremost authority on the world's armed forces, declared that the Soviet air force was now larger than ours. Only in the area of tactical nuclear weapons does the United States still lead the Soviet Union.

Indeed, Russian Armaments superiority overall has become so serious our Joint Chiefs of Staff and the CIA have warned us that during the period from 1981 to 1985 the Soviets might well decide to launch an attack on the United States, or challenge us in an area vital to our national security—and hope to win. The situation is so serious that last year President Carter reluctantly began the process to bolster the American armed forces during the last eight months of his administration; and President Reagan is now attempting to rebuild our military equal to that of the Soviets as quickly as possible.

Make no mistake about the need for this action, the balance of power now lies with the Soviet Union. This nation cannot long tolerate being second place. Even if we and the Soviets reach an agreement on SALT II or SALT III the balance of power must be mutually guaranteed on whatever level the disarmament treaties dictate. We can well afford to reduce our forces only if the Russians reduce theirs to a comparable level.

Consequently, our first problem of survival in the remaining part of this century is to maintain parity with the Soviets in nuclear and conventional armaments. If parity can be achieved through disarmament agreements, then so be it; but if not, parity must be maintained in any case.

It would seem to the most casual observer that the United States should be able to maintain a weapons balance with the Soviets the remainder of this century even though Russia spends twenty-five percent more on armaments than we do. But just to maintain parity throughout the years will require a resurgence of American unity on foreign policy which has been lacking since Vietnam.

Since Vietnam too many of our people have chosen to believe that survival for this nation is simply a matter of minding our own business in this world, and the need for large armed forces is, therefore, slight. Unfortunately, survival for the United States means more today than just focusing our attention within our borders. For while we sat here during the last four years like the New Jerusalem radiating goodness toward all men, the Soviets continued to penetrate new areas in Asia, Africa, and now Latin America.

During the period of the Carter years, I am afraid that the American people and that president totally misunderstood the full intent of the Soviet Union. We might remember the words of Ambassador Toon upon his return to the United States two years ago, "If I have learned anything during my eight years in Moscow, it is that the Russians intend to knock off the United States."

Now, many Americans find his statement absolutely incredible. These peace loving and humanly occupied Americans see the Russians as simply supporting popular revolutions when possible or securing their borders, but definitely not serious about knocking off the United States much less Western Europe. The Russians are just rough, uncouth, boys who play the game of one-up-manship simply because they have the sporting spirit. They are like the bull in the china shop, always breaking things but not really intending to.

Even so, I believe that eventually, if not presently, the commonsense of the American people will prevail, and we shall rebuild our military forces even though that rebuilding will be expensive. This nation will reach parity with the Soviets within four years despite the doubting Thomases who believe it all quite unnecessary. I believe that the vast majority of our people would rather error on the side of armaments than chance a Soviet resurgence of superiority in nuclear weapons.

Consequently, our first problem of national survival—the regaining of nuclear and conventional armaments parity with the Soviets can be realistically accomplished whether through disarmament agreements or a military buildup.

Unfortunately, our second problem of survival as a nation is far more complex than maintaining weapons parity. For after parity has been accomplished we will have to face up to continued Soviet expansion of a conventional kind. This task will require a resurgence of the American will to stand together united against Soviet imperialism. Can we find the determination to stand against Soviet expansion? I wish I could say yes we can. But I have serious doubts at the moment.

During the present conservative swing in American political spectrum, it might appear that we are on our way to cultivating a national determination to balance off the American will to resist aggression, with the Soviet will to expand their influence. But I am thinking of the long haul. What will the mood of our people be in 4 years? What position will a new President take then? I am assuming that Reagan will not run for a second term. My students keep telling me that he will die in 1983 according to some ancient formula which they swear by. In any case, in 4 years will we return to our fascination with détente, that the Russians are well meaning but rough guys?

I am concerned about our determination to oppose Soviet internationalism because historically we have rarely seen the Russians realistically. In the past 38 years, since 1943, we have convinced ourselves, alternately, that the Soviets are our friends, our enemies, or neutrals, and now our enemies again. Will this historic cycle continue?

The Soviet invasion of Afghanistan is a recent example of the American mood change toward the Russians. Carter came into the Presidency thinking that the Soviets were basically goodwilled, reasonable people who would respond positively to a foreign policy based on "sweetness and light." He designed our policy accordingly, reduced our military, subdued the CIA, and all but told our allies the world over that we intended to mind our own business.

The sudden Soviet invasion of Afganistan shook up that president and brought forth the startling assertion from him that he was absolutely shocked by the Soviet behavior. This despite the fact that Brezhnev had declared officially in 1968 the Soviet Monroe Doctrine of not allowing client communist states to depart the Soviet alliance; the so-called Brezhnev Doctrine. We thought the Russians had forgotten all about their policy. We should remember that the Soviets never forget anything, whether in 1943 or 1981. They mean what they say!

Moreover, I am afraid that those Americans who believe the problems which lie between us and the Soviets are chiefly our own doing are terribly unaware. In his book the Cripple Giant former Senator J. William Fulbright continually blames the United States for inviting Soviet aggression around the world by insisting upon maintaining American military personnel and alliances vis-a-vis the Russians. Would the Soviets cease their expansion if we withdrew our interests to the North American Continent? I think not.

Historically, there is little reason to believe that the Soviets would ever trust the West or can do so psychologically. For their national experiences since 1917 have conditioned them to believe that the capitalistic world is against their existence as the chief communist state. The Russians are paranoid and their paranoia is so deep-seated we probably cannot unseat it within our lifetime. Indeed, this paranoia accounts for the tremendous national will which the Soviet people have mustered. Moreover, the Soviet people support their government's efforts to control all land and sea areas bordering upon Mother Russia, and the domination of any other areas of the world which they consider vital to their national interests.

No, the Russian will to survive is not totally dependent upon what we do. The United States and the West have given the Soviets ample opportunity in the last thirty years to work out any problems which they might have with the capitalistic world; but to little avail. The Soviet view of the West has not changed since World War II. As early as 1943, Stalin began making plans to seize Eastern Europe while professing friendship with the Allies. Surely, this was the point at which Russia could have seized the opportunity to develop a new policy towards the capitalistic world. She chose not to.

Again, the Soviets attempted to extend their influence over Japan during the last weeks of the war. President Harry Truman, never a friend of the Russians, quite rightly prevented them from doing so by turning down the Russian demand that they share in dividing up the Japanese Empire. Truman's policy was highly realistic, and we have never lived to regret his action.

The Soviet refusal to work with the West in creating a better world after World War II only illustrated the strong Russian belief that the West would someday invade Russia and overthrow the citadel of communism. Consequently, the Soviets created a new postwar paranoia about the West which continues to this day. There is little question that the paranoia serves the purposes of the Soviet leadership in controlling the Russian people. For there is some truth to the suspicion that the Soviet leadership needs enemies to maintain the Russian people's determination to undergo any sacrifice and continued privation for the sake of national power.

Since 1945 every Russian young man and young woman has been subjected to a continued negative propaganda about the West. The Soviet leadership has done its job well. The Russian people have, today, a national unity envied by the world. The leadership has maintained immense armed forces with little complaint from the Russian people. Every Soviet citizen is ready to serve his country, their civil defense is superior to ours, their economy can be converted from a peacetime to a wartime footing at a moment's notice, and their technology continues to develop fearful weapons without ceasing. The Soviet will to survive is far superior to that of the West and apparently will remain so in the foreseeable future.

Allow me to quote from the Christian Science Monitor of last month, "The Kremlin represents a form of government that believes might makes right. . . . For it is force and fear that today's Kremlin uses to keep order and to expand influence abroad. . . . The Western concept of man as an individual possessing inherent rights is alien here." Or to quote the Soviet KGB agent who ripped the film from an American reporter's camera the other day, "In your country you do things your way, here we do them our way."

It has been popular in some quarters, especially among some American intellectuals and in some of the news media, for certain Americans to believe that the average Soviet citizen will soon tire of his government's severe policies and stage a gigantic rebellion at a future point. Or for the Russian citizen to create so much opposition to his government through work stoppages that more moderate Soviet leaders will eventually take over the Kremlin. For Americans who believe this way, they are placing Western attitudes on the Russian mentality. Of all that we can learn, the average Russian has no intention of disrupting his government, politically. He certainly has no intention of questioning his government's adventures overseas or its military buildups.

Now, you might say, what about the reported Soviet automaker strikes last summer and some other vague dissension among Russian workers in Leningrad? Is this not the beginning of Soviet discontentment? For all that we know, these Russians were agitating for better economic conditions, not political changes or military deemphasis.

The truth of the matter is, the average Russian fears democracy and most certainly fears capitalism. Several years ago the Convocation Committee brought to Meredith the Soviet dissident Paul Litvinov, son of the first Soviet Ambassador to the United States in 1934. Litvinov is presently living in New York City and the leader of a large group of Russian dissidents in the United States. He prints a newsletter which reports conditions within Russia and maintains contacts with several Soviet dissidents within that nation.

Litvinov told the Foreign Affairs class that he personally did not support capitalism for Russia. "It simply would not work there," he explained, "because the Russian people view capitalism as supporting the rich only. A situation which existed in Russia under the Czars. The Russian people would never return to that kind of economy." He preferred the kind of socialism now practiced in Western Europe.

Moreover, Litvinov maintained that Russians fear democracy as much as capitalism. "The Soviets think of democracy as inviting disorder and anarchy. Disorder might encourage another revolution or to a lesser extent a rebellion against the State. And no Russian is willing to return to the chaotic days of the revolution," he declared. Law and order are the key components within Russia today and anyone who threatens to disrupt Soviet order is deemed undesirable by the Russian people. It is common knowledge among international legal authorities that the hardest penalties are reserved for those who commit political crimes in the Soviet Union. There is no death penalty for civil crimes. That is reserved for political offenses. Today, however, the political offender is more likely to be sent to a mental hospital where his will to resist is broken down.

Now let us turn our attention to the American national will to survive at all costs. Alas, compared with that of the Soviets I do not think our national will is strong. There is little doubt that the American people would arise as one in defense of our homeland if outright military invasion were a factor. I do not doubt that our people would make every sacrifice to prevent a physical invasion of our shores. Even the "Hell no, we won't go," crowd might consider fighting. But a willingness to defend our Nation against physical attack is not a true test of the kind of American determination needed for us to survive in the Twentieth Century.

Since Vietnam, the American will has been fragmented and weak. Our people have been more interested in raising their living standards than in America's position in the world vis-a-vis the Soviet Union. We have been deeply mired in isolationism not wanting to become involved in international problems. We have been a people divided by vocal minorities who believe that money spent for defense is money not shuffled into welfare programs. A people who have believed that if we are sweet to the Russians they will return our effort in kind. That the world's major international problems are caused by us alone and certainly not by the communists. A people who elected a president four years ago who believed likewise. In a nutshell, I do not doubt the will of our people to defend the nation proper, but I am not sure the American people have the will today to stand against Soviet expansion into those areas of the world which affect our national security.

I see no particular evidence, even in the year of Ronald Reagan that our Nation is prepared, or even realizes what it means to have to muster the national will which can withstand years of constant tangling with the Soviets over parts of the world which may not appear to us to be vital immediately to our existence.

"Vital to our existence" is a phrase which not all Americans interpret the same way. Surely, some think this nation can survive by simply sitting on the North American Continent and minding its own business. The idea is not new. When it was advocated by men like Lindbergh in the late thirties it was called the Fortress America idea. The goal was to have North America so heavily armed no one would dare attack us. The remaining part of our earth could go its own way.

Now, when the Fortress America idea was proposed the United States was an oil exporter. We imported few minerals from abroad, primarily diamonds, rubber, and tin. Today the situation has radically changed. We import 60 percent of our oil, 30 percent from the Persian Gulf, and a host of critical minerals mostly from Africa. Business Week Magazine alone has published three articles this fall on the critical dependence of our nation on African minerals like chromium, titanium, diamonds, etc. Most of which are used either in our space programs or in drilling for oil and natural gas. Make no bones about it, the United States cannot survive, as you know it today, by sitting on the North American Continent and minding our own business. If we sought to do so, we would return to the 1930's when only one American out of one thousand owned an automobile, used little electricity, had no air conditioning, depended on a simple diet grown in the local market area, and ate meat only on Sundays, all with an unemployment rate of 30 percent.

Even if we deliberately chose this primitive life style to avoid international problems, we would eventually subject ourselves to Soviet nuclear blackmail which would in turn turn us into a surrogate state of international communism. No, the Fortress America idea is dead, it will simply not fly today even if it continues to fascinate the National Council of Churches and the Catholic bishops and many minority Americans.

If we Americans want to provide any kind of independence and self-determination for our children and continue to exert some kind of autonomy in this world, we will have to get used to the idea that the world is very much with us, and we cannot escape that fact. We simply must understand that there are certain areas of the world which cannot be turned over to unfriendly governments. The Persian Gulf, Africa, and Latin America are such areas. Taken together they provide us with our major resources of oil and minerals.

Of course, one could believe in some kind of international cooperative idea as former Senator Fulbright does when he said two months ago that even if the Soviets did seize the oil fields of the Persian Gulf they would have to sell the oil to someone, and the chief buyers have always been the west

and Japan. So what is the difference, we buy the oil from communist governments instead of pro-western Arab ones? Fulbright believes that the communists cannot use all that oil themselves; they need hard cash desperately and will be willing to continue to sell oil on the world market.

To accept Fulbright's international cooperative idea is to believe that the Russians must have the cash flow and must not keep the oil in the ground. But again we are thinking in Western terms. The Soviets do not have to sell the oil or obtain much needed cash from the sale of it. They could simply hold it to the detriment of the west and Japan. Since the Soviet Government controls its people with such completeness they need not fear a public outcry at holding the oil if it is in the interest of Mother Russia to do so.

The same holds true for African minerals. Those who say the Soviets will have to sell these resources to the first buyer are thinking in capitalistic terms involving a free enterprise economy. The communist controlled economy does not work in this way. Demand is what the government determines. Resources are allocated within vast bureaucratic agencies which serve the political purposes of the state, as much so as the economic. Minerals controlled by communism could simply be circulated among Russia and her surrogate states and never reach the west.

I stated earlier that our second problem at surviving today is the creation of a national will to face down Soviet expansion even after parity has been achieved in weapons. And the mustering of such a will is difficult for a democracy where dissent is fashionable and indeed encouraged politically every four years.

Now let me draw you a scenario of what could happen if the American people do not conjure up the determination to resist Soviet expansion. A scenario very much on the minds of our strategic planners.

Let us start with the Persian Gulf area, an area absolutely vital to our economy. In the scenario, the Iranian government fails to create political stability and civil war erupts between the Kurds, Arabs, and Persians. The Soviet Union is quick to exploit the situation. It sends armaments and money across its borders with Iran and through Afganistan. The Soviets deny, officially, their interference in the civil war but continue to support the local communists in a clandestine manner. However, they do declare their sympathy for the communist movement which is fighting heroically against Muslem autocracy.

The United States government decides not to support the non-communist factions because the American public and Congress will not sponsor either military aid or advisers to those groups. Public opinion is that the war does not concern us; and if we intervene, even on the aid only level, we might become involved in another Vietnam. Due to public concern and pressure, the American government lets matters take their own course, as we did in Angola during the Ford and Carter administrations, and as we did in Ethiopia after the overthrow of Haili Selassie.

With Soviet aid and encouragement, the communists take control of Iran and the Soviet Union quickly extends diplomatic recognition and a military pact which pulls Iran into the Russian empire. The Soviets now control one-half of the Persian Gulf and the strait of Hormuz.

The Soviets are now in a position to put pressure on Pakistan, a Western ally. This nation shares a border with Iran and Afghanistan and is historically an enemy of India which has been very friendly to Russia in the last fifteen years. Outflanked by the Russians on the northwest and west and with an unfriendly India to the south, President Zia seeks help from the United States. The American government is not interested. The awarding of mass military and economic aid to Pakistan would anger those Americans sensitive to welfare needs and the power of the military industrial complex. Domestically, the United States is not convinced that Pakistan is that important to American security. President Zia has little choice but to come to terms with the Russians as quickly as possible. Pakistan is now effectively neutralized like Finland today which dares not anger the Soviets for fear of eminent invasion.

The Soviets then force the new communist government of Iran to cede to Iraq those areas north of the Persian Gulf which Iran has historically claimed (the areas concerned in the present Iraqi-Iranian War). This action strengthens Soviet influence in the Gulf area by impressing the remaining Arab States with the predominance of American influence and the absence of American power.

In the meantime the United States does nothing but speak out against Soviet tactics in the United Nations, talk of cutting off grain to the Soviets, and boycotting future Olympic games.

Consequently, the pro-western Arabs on the west bank of the Gulf become alarmed at the lack of American initiative in their front yards. Arabia, Oman, the United Arab Emirates, North Yemen, and Kuwait all seek an immediate understanding with the Soviets. The Soviets respond positively, promising friendship treaties with each country, military aid to be used against Israel, the Arabs hated enemy and America's chief ally in the Near East. Soviet economic advisers visit these Arab countries constantly, and military advisers soon follow. Behind the scenes the Soviet advisers are encouraging local Arab leftists to revolt against the Royal Families and Shieks who control these countries. With Soviet weapons and money and in the absence of American support, these Arab countries fall one by one to the leftists.

Meanwhile, the American people see no serious threat to their security because the oil continues to flow to the west and Japan. (A Newsweek in December showed that only 43 percent of the American people were willing to fight to retain the oil fields of the Persian Gulf.)

With the Persian Gulf oil fields under the control of leftists friendly to the Soviet Union, Japan and Western Europe became concerned about their economic security. Japan which imports 100 percent of her oil overall seeks a new reapproachement with Russia.

Soviet leaders make the appropriate trips to Tokyo, say the appropriate things about the great friendship between the Japanese and Russian peoples and promptly begin encouraging the large socialist-communist movement there to agitate against the Japanese government. In order to gain oil and keep domestic tranquility, the Japanese government declares its neutrality and pushes out American military personnel and bases. Oil is thicker than friendship, or shall we say that today oil is friendship.

Likewise, the Western Europeans, except for the English who will be self-sufficient in energy by 1985, became nervous. The Europeans receive some 80 percent of their oil from the Gulf. Led by the West Germans who have the largest industrial complexes in Europe, the French and Italians follow Japan's example and seek to secure their oil supplies. It is clear to all that Japan will continue to receive her oil as long as it is a Soviet friend. The Western Europeans have decided that it is better to insure their economic security, also, than continue to base their military security on the hesitance of the United States to face up to Soviet expansion.

Europeans have to consider two facts: (1) the United States is impotent (2) that impotency probably extends now to Western Europe. Soviet leaders make triumphant trips to the capitals of Western Europe and in the process hint that friendship between Russia and themselves could exist so much more nicely if NATO were not in the way. After all, the Russian suggests, if we are friends with you what need is there of an American-dominated military organization in Western Europe. The Europeans understand the message and shortly fall away from NATO in exchange for the oil and natural gas vital to their economies. Soviet influence is now paramount in Western Europe.

We can accuse the Russians of a lot of things, but we cannot accuse them of being stupid. Generally, the Soviets are cautious and extremely practical in their foreign policy objectives. If anything, they are extreme conservatives in inernational adventures. They seek to dominate only where the opportunity presents itself; they pick their locales carefully knowing full well that their chances of success are in the long run good.

Therefore, the Soviets do not cut off the oil to the United States after their domination of the Gulf, Japan, and Western Europe. Oil continues to flow, though now through the ranks of Soviet warships who dominate the oil routes.

Since the United States has refused to challenge the Soviet penetration of the Gulf and Western Europe, the Russians are ready for the penetration of Africa. Egypt is neutralized. The Egyptians have learned the same lesson as the Europeans, if the United States will not stand up to the Soviets in the Gulf then it will probably not support Egyptian resistance to Soviet imperialism in Africa. Egypt makes a new friendship treaty with Russia in return for economic aid and a final solution of the Israeli problem.

The situation in Africa deteriorates rather rapidly for the United States. Black African countries, struggling to create new nations, see full well that the Soviets are the dominant power in the area. One after another, the Africans approach Moscow for economic and military aid. They endorse the goals of international socialism, brotherhood, and anti-capitalism. As these African states move into the Soviet orbit their rich mineral deposits become a tool of communist diplomacy.

The tendency of weak third world countries to drift towards a nation which can clearly demonstrate its military superiority is understandable. Yet, some Americans persisted in believing that that nation which tries to do what is moral, what is humane, and carries a soft stick, gains the most influence in the Third World. This has not been the case historically. Weak nations fear for their own safety and usually saddle up the predominant power for security. Righteousness has nothing to do with the positions, international power does.

In the last four years, West Germany has been a prime example of self-preservation even though the Germans are hardly a third world nation. During the Carter years, as the United States followed a policy of semi-isolationalism and non-involvement, Helmit Schmidt moved closer to an economic understanding with the Soviets. As Russian power grew near Western Europe, American influence declined. Schmidt saw the handwriting on the wall. Fearing for the security of Germany, he approached the Soviets about favorable trade agreements and the right to import Soviet natural gas. The Russians, of course, were only too glad to oblige. Today West Germany imports 18 percent of its natural gas from communist dominated countries and is asking for more. Schmidt is also reneging on his increased NATO budget and seeking to revive the era of détente which appeared to tone down the military threat to Europe. He has strayed some distance from the American orbit in

four years. If a nation like West Germany can get nervous about its security because the United States appears to have undergone an isolationist baptism, can we blame the weak third world nations for feeling similarly.

In our scenario, as the Soviets successfully dominated the Gulf, Africa, Western Europe, and Japan, life in the United States goes on as usual. (Remember this scenario depends on the failure of the American will to stand against Soviet expansion and the American belief that since there has been no direct attack on the United States we are in no immediate danger of any kind.) Indeed, the American lifestyle has not suffered at all as the Soviets penetrated areas vital to our economy. The disappearance of NATO has brought no Soviet attack upon Europe, the oil continues to flow, as do the African minerals.

But new leftist revolts began to spring up in Central America. Weapons and money are freely sent from Castro's Cuba along with "volunteers" as they are known in the communist jargon. Again, the American government hesitates to respond due to a negative public outcry: the Latin American leftists are fighting bloody dictatorships too long supported by the United States; the revolts are local in nature; social in origin, the public declares.

The American military are branded warmongers and spokesmen for the military-industrial complex. Powell in the Raleigh News and Observer continues to portray the military as stupid, greedy, half-couth men with large chickens on their oversize hats. The National Council of Churches and the Catholic bishops both condemn American interference in the social revolutions of Central America. America minority leaders join the chorus. Congress is intimidated, and the President is powerless to interfere. The United States fails to act again, but this time on its own doorstep.

At the conclusion of the six or so Central American revolutions, Cuban influence is supreme in that area. Moreover the success of the Cuban penetration has a profound influence on the remaining Latin American nations. Larger states like Brazil prepare their own defense, smaller ones like Uruguay and Guyanas turn into the Cuban orbit. The Mexicans, who have never been convinced that Castro was a bad sort of fellow, quickly reach a reapproachment with Cuban. A deal is struck, Cuba will not attempt to infiltrate the Yucatan in return for Mexican acceptance of a Marxist Central America and Caribbean. From the Rio Grande to Tierra Del Fuego American influence cools down considerably as numerous ruling juntas and dictatorships seek to secure themselves against communist infiltration by compromising with communism. Latin America moves into the neutral zone.

It appears now that those Americans who feared Soviet international intentions were dead wrong. The bull is in the china shop and the china remains intact. America continues to import her vital resources and life at home is perking along well under good employment and a satisfactory industrial output.

Alas, this scenario is not a "they lived happily ever after one." Having now isolated the United States from its major allies and neutralized the Third World nations, the Soviets are prepared to make a new reapproachment with China. The Chinese, who had hoped to have the United States an ally against the Russians, decide after repeated warnings to Washington about Soviet intentions, that the Americans are hopelessly living in a dream world of their own making, and seek a new friendship with the Kremlin. The Soviets welcome back their long lost Chinese neighbors. The United States is now completely isolated on the North American Continent.

At this point, the Soviets have several options: they can simply be satisfied with having isolated the United States and having established predominance over two thirds of the globe; or, they can decide now is the time to knock off the United States and end our annoying presence once and for all; or they can resort to economic blackmail to twist us slowly in the wind until we deteriorate.

The Soviet leaders decide to twist us slowly in the wind. A military strike at the United States would provoke enough of a counter-response to destroy much of the Soviet Union. And the Russians, never fools about their prospects at survival, decide not to try this World War III approach. To allow business as usual with America, however, would be to accept the presence of a potential military threat from a rejuvenated United States in the future.

Therefore, Soviet strategy is fairly simple: Cause a major industrial depression in the United States while at the same time avoiding World War III. The tactic is to cut off the oil flow to North America and the mineral resources, legitimately. The task is not too difficult; communist governments in the Near East stop the flow of oil, much as the Arabs did in 1973. But this time the excuse is oil field technical difficulties, work stoppages, or equipment repairs. The Soviet Navy, now three times larger than the American, fans out along the oil route to prevent an American attack upon the oil fields. When the American government protests the cutoff, some oil is restored, some oil fields kept shut down. African minerals are cut off. Unfortunately, the cutoff of the oil and minerals is not an act of war. No American territory has been threatened, no American personnel dead, all nations involved maintain diplomatic relations with the United States and give sensible reasons for the cutoffs.

A major recession sets in in the United States. Shortly, a major depression is threatened. The Russians restore the oil flow and minerals for several months, then another shut down, more excuses, another recession, this deeper than the first. After several years of an erratic supply flow, unemployment climbs in the United States, inflation rises dangerously, energy supplies are critically short, industrial production drops some 40%.

The United States now has but few options. Seize the foreign oil fields and mineral deposits, attack the Soviet Union, or come to terms with the Soviets. Military action is out of the question. The United States has lost its major military bases around the world. A major war would be a disaster for America. Washington decides to strike a deal with the Soviets. A deal is negotiated largely because the United States has no other choice except that of outright destruction. The oil and mineral flows will be resumed, the Soviets declare, if the United States reduces its military forces to a national defense level. The United States accepts.

The crisis has passed. The Soviets are the uncontested masters of the world. There has been no World War III, no American dead, just the steady demise of a people being slowly strangled to death economically.

Of course, the scenario is a fabrication; it is based on nothing more than the concerns of some of our strategic planners. But then again—

In the Raleigh News and Observer of January 19, 1981, there is an interesting article dated Washington UPI titled, "Mao's Transcript for World Conquest Is Revealed." The article is one of those little things which one does not know whether to believe or not. You know, like the article about people returning from the dead and describing hell in vivid terms. Our reaction is not to believe these things, yet the chills up and down our spines cast some doubt on our good intentions.

At any rate, this article maintained that a secret Chinese document dated 1951–53 had been discovered describing a plan for world conquest submitted to the Soviet Union by Mao Tse-tung. The plan advocated outright communist attacks on weak nations, especially when no western response was likely; and, subversion to topple stronger anti-communist governments, until the United States had been isolated from its allies: "With Asia and Africa disconnected from the capitalist countries of Europe there will be a total economic collapse in Western Europe in 1973.

Crushing economic collapse and industrial breakdown will follow the European crisis. Canada and South America will find themselves in a hopeless and defenseless position, that will leave the United States alone and surrounded by fallen allies and communist states. The revolution will have been completed." Representative Walter H. Judd (R. Minn.) was reported to have said, "the document was a blueprint for world conquest similar to Mein Kampf but no one would believe that either."

Who knows whether or not the Mao document is authentic? I can say, however, that the document's intent fits well with Mao's well-known strategy of causing the fall of non-communist states by occupying the countryside and isolating the cities. Simply substitute resources for countryside and the U.S. for city and you have a plan for isolating the United States from its vital resources.

You will note that the so-called Mao document named the year 1973 as completion of the isolation of the United States. The document's author believed in an accelerated historical development similar to St. Paul's belief that Christ would return quickly. The Christian movement has survived almost 1,500 years longer than St. Paul invisioned. The Russians may have the patience of Job. They may not be in a hurry, they may be content to wait for the final triumph of communism. Time may be of little importance to them in expanding their influence over this globe; especially if their objectives are won piece by piece.

Overall, a long-haul strategy holds some promise of success for the Soviets. Democracies are notoriously dull during non-crisis times. They sleep instead of watch. They concentrate upon their domestic problems and all segments of their people fight year after year for their share of the political and economic pies. Our international wills are weak since no imminent danger threatens. A Soviet strategy of surrounding the United States with leftist governments and controlling our vital resource supplies is a deadly one. Chaotic economic conditions caused by the severe shortages of oil and minerals would topple any capitalistic economy. And note that this particular kind of Soviet strategy is designed to avoid war, proceed slowly, indeed throughout the years, and never attack the United States or its possessions directly.

Tonight, I have touched upon two basic problems of survival for the United States during the remaining part of the Twentieth Century. The first, to maintain parity in weapons, both nuclear and conventional, with the Soviets, I have said I believe we can accomplish. The second, to muster the national will to stand against Soviet expansion year after year is more difficult to accomplish as long as we fail to agree on whether or not the Soviets are a menace to our survival.

Ned Woodall, an anthropologist, wrote, "In an instance of competition between two cultures of equal technological sophistication the one with the most efficient social organization will prevail." The Durants and Arnold Toynbee came to similar conclusions in their studies of civilizations. "Efficient social organization" may be translated "national will."

Regarding the weakness of America's world position since Vietnam. A British Colonel Alford, of the Department of the

International Institute for Strategic Studies in London asserted last month, "Unless the United States can successfully recreate the aura of American Power . . . the regional states will tend to deter to the Soviet Union." Alford referred not only to the Third World but to our allies as well.

Any sign of indecisiveness on our part not only influences Soviet opinions of our resolve to resist their encroachment but it also causes our allies to doubt our firmness to protect their interests. But we must, in my opinion, take some kind of stand against Russian encroachment, whether that stand be simply economic aid, diplomatic initiatives, or military action. I do not see World War III as the greatest danger, but the slow encirclement of our nation by Pro-Soviet governments. The only way to prevent this encirclement is to base our foreign policy on military power and diplomatic fortitude. The military power need not be applied, it need only to exist, if we Americans will allow it. Historically, the Russians respect power, both military and economic. Historically, they take advantage of weakness and any sign of it. The Soviets are not fools, they halt their expansion when faced by a determined adversary. They push forward when their adversary is weak.

Francis Parkman, one of the best 19th century American historians wrote about the spread of the French Empire into the Mississippi valley during 1739–1754, "Many thought that the alarm about French encroachment was a device of designing politicians and they did not awaken to a full consciousness of the peril till it was forced upon them by a deluge of calamities." This is how many Americans see Soviet encroachment today; it is a myth of the industrial-military complex; it does not really exist; it is a political scapegoat for conservatives seeking power.

In the final analysis, I believe that it will be the American people, not the Russians, who will determine the fate of this young nation. "Freedom is the sure possession of those alone who have the courage to defend it," wrote Pericles in 430 BC. Pericles' statement has never lost its relevancy.●

UNANIMOUS-CONSENT AGREEMENT—NOMINATION IN THE DEPARTMENT OF STATE

Mr. BAKER. Mr. President, I have been advised now by the minority leader, who is on the floor, that we have reached agreement between us, at least, on a convenient way to deal with the seven nominations appearing on page 2 of today's Executive Calendar, beginning with Calendar No. 110 and continuing seriatim through 116, being all of the nominations under Department of State.

Mr. President, I ask unanimous consent, in accordance with the arrangement the minority leader and I have worked out, that at 2:45 p.m. on tomorrow, the Senate go into executive session for the purpose of considering the seven nominations that I have just identified; that the nominees be considered en bloc; that there be one rollcall—and I suggest that a rollcall vote will be ordered—on all seven to count for one vote; and that, after the disposition of those seven nominations, the Senate immediately return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays on the nominations at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask for the yeas and nays on the nominations.

The PRESIDING OFFICER. Is there a sufficient second? There seems to be a sufficient second.

Mr. BAKER. Mr. President, I thank the Chair for his perspicacity, his powers of observation, and his accuracy in totaling the show of hands for the nomination.

The yeas and nays were ordered.

PROGRAM

Mr. BAKER. Mr. President, in a moment, I shall ask that the Senate stand in recess until tomorrow. Before I do that, may I once again state the program, as I hope for and see it, for tomorrow.

TUESDAY

I shall ask, at the moment, that the Senate come into session at 11 o'clock. There is one special order tomorrow for the distinguished Senator from Nebraska (Mr. ZORINSKY). It is my hope that, during the day tomorrow, the Senate can turn to the consideration of Calendar Order No. 50, the Commodity Credit Corporation bill, the so-called crop insurance bill; and Calendar Order No. 54, the National Climate Program Act, out of the Committee on Commerce. We have no clearance on those two items, but they have been the subject of discussion for some time and it is my hope that we can do those two items, either before we turn to consideration of the State Department nominees at 2:45 or immediately after that.

In any event, Mr. President, at 2:45, the Senate will go into executive session to consider the seven nominees under Department of State. There will be a rollcall vote—which already has been ordered—on those nominees, to be considered en bloc.

After the disposition of business in executive session, the Senate, under the order just entered, will return immediately to legislative session.

WEDNESDAY

Mr. President, it is hoped, once again, that on Wednesday we can turn to the consideration of two other measures—the Federal Election Commission bill and the Public Buildings Act.

THURSDAY

Thursday, it is anticipated, will be a big day, and I would like to get as much of this out of the way as possible before we turn to the consideration of the budget resolution. It is my intention on Thursday to ask the Senate to proceed to the consideration of the first concurrent budget resolution. I believe I am correct in stating that it will then qualify under the rules of the Senate.

We also have two nominees ordered for consideration on Thursday—the Pauken nomination and the Ruppe nomination.

Mr. President, has an order been entered for the convening of the Senate on Thursday?

The PRESIDING OFFICER. There is an order to proceed as in executive session, but no order for convening.

ORDER FOR THE CONVENING OF THE SENATE ON THURSDAY

Mr. BAKER. Mr. President, I ask unanimous consent that on Thursday next, the Senate convene at 8:45 a.m.

The PRESIDING OFFICER. Without objection, the Senate will convene at 8:45 a.m. on Thursday.

Mr. BAKER. Mr. President, that disposes of all the business the Senate can transact today. I have outlined the programs. I hope it will occur tomorrow. Orders have been entered with respect to the situation on tomorrow.

The Senate will be in session on Wednesday, with the hope that we can turn to the consideration of the measures I have identified for that day.

I expect rollcall votes on both days. There most certainly will be rollcall votes on Thursday. The Senate will be in session on Friday as well.

ORDER FOR CONVENING OF THE SENATE AT 11 A.M. TOMORROW

The PRESIDING OFFICER. The Chair inquires whether the Senator stated that there would be no session tomorrow.

Mr. BAKER. There will be a session tomorrow. I thank the Chair for asking for the clarification. The Senate will convene tomorrow at 11 o'clock. Have I obtained that order?

The PRESIDING OFFICER. No.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate convene at 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I hope that legislative business can be transacted between 11 o'clock and 2:45 p.m. At 2:45 p.m., there will be a rollcall vote to consider en bloc the seven nominees under the Department of State.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 11 a.m. tomorrow.

There being no objection, the Senate, at 2:43 p.m., recessed until tomorrow, Tuesday, May 5, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate May 1, 1981, under authority of the order of the Senate of April 29, 1981:

DEPARTMENT OF AGRICULTURE

Mary Claiborne Jarratt, of Virginia, to be an Assistant Secretary of Agriculture, vice Carol Tucker Foreman, resigned.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

John V. Byrne, of Oregon, to be Administrator of the National Oceanic and Atmos-

pheric Administration, vice Richard Asher Frank, resigned.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Pamela Needham Bailey, of Virginia, to be an Assistant Secretary of Health and Human Services, vice Billy M. Wise, resigned.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Stephen May, of New York, to be an Assistant Secretary of Housing and Urban Development, vice Horace Dicken Cherry, resigned.

OFFICE OF THE U.S. TRADE REPRESENTATIVE

David R. MacDonald, of Illinois, to be a Deputy United States Trade Representative, with the rank of Ambassador, vice Robert D. Hormats.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Fred Joseph Villella, of California, to be Deputy Director of the Federal Emergency Management Agency. (New Position)

Executive nomination received by the Secretary of the Senate May 4, 1981, during the recess of the Senate, under authority of the order of the Senate of April 29, 1981:

ENVIRONMENTAL PROTECTION AGENCY

John Whitlock Hernandez, Jr., of New Mexico, to be Deputy Administrator of the Environmental Protection Agency, vice Barbara Blum, resigned.

CONFIRMATIONS

Executive nominatioins confirmed by the Senate May 4, 1981:

DEPARTMENT OF TRANSPORTATION

Donald Allan Derman, of the District of Columbia, to be an Assistant Secretary of Transportation, vice Mortimer L. Downey III, resigned.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Edward N. Brandt, Jr., of Texas, to be an Assistant Secretary of Health and Human Services, vice Julius Benjamin Richmond, resigned.

DEPARTMENT OF COMMERCE

Sherman E. Unger, of Ohio, to be General Counsel of the Department of Commerce, vice Homer E. Moyer, Jr., resigned.

Arlene Triplett, of Virginia, to be an Assistant Secretary of Commerce, vice Elsa Allgood Porter, resigned.

Paul A. Vander Myde, of Virginia, to be an Assistant Secretary of Commerce, vice Andrew E. Manatos, resigned.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF THE TREASURY

Marc E. Leland, of California, to be a Deputy Under Secretary of the Treasury, vice C. Fred Bergsten, resigned.

Roger William Mehle, Jr., of New York, to be an Assistant Secretary of the Treasury, vice Roger C. Altman, resigned.

DEPARTMENT OF COMMERCE

Lionel H. Olmer, of Maryland, to be Under Secretary of Commerce for International Trade, vice Robert E. Herzstein, resigned.

Raymond J. Waldmann, of Maryland, to be an Assistant Secretary of Commerce, vice Abraham Katz, resigned.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Dorcas R. Hardy, of California, to be an Assistant Secretary of Health and Human Services, vice Cesar A. Perales, resigned.

John A. Svahn, of Maryland, to be Commissioner of Social Security.

DEPARTMENT OF DEFENSE

Henry E. Catto, Jr., of Virginia, to be an Assistant Secretary of Defense, vice Thomas B. Ross, resigned.

Russell A. Rourke, of Maryland, to be an Assistant Secretary of Defense, vice Russell Murray 2nd, resigned.

HOUSE OF REPRESENTATIVES—*Monday, May 4, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Clap your hands, all peoples! Shout to God with loud songs of joy!—Psalms 47: 1.

We acknowledge, O God, that we ought lift our voices in words of praise and songs of triumph. Yet, we become weary because the world rings with conflict and accusation and there seems so little to cause rejoicing. We know, too, that You encourage us to begin each day in a spirit of hope and with the potential for service and caring. Lead us, O God, from any despair over the anxieties of life, to reach to You, the Author and Finisher of our faith, that we may go forward in joy, aware of Your presence and confident of Your love. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making supplemental appropriations and rescissions for the fiscal year 1981, and for other purposes.

Mr. CONTE reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

HAPPY ANNIVERSARY, MO UDALL

(Mr. WILLIAMS of Montana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS of Montana. Mr. Speaker, today marks the first legislative day of the 20th anniversary of Congressman MORRIS UDALL'S service in the U.S. House of Representatives. Congressman UDALL, during those 20 years, has represented his constituents and the people of this Nation with charm, grace, high intellect, and deep humor. There are those of us who believe that he is this body's most effective legislator.

Happy anniversary, Mo.

ANOTHER MASSIVE FEDERAL DEFICIT MEANS TWO MORE YEARS OF DOUBLE-DIGIT INFLATION

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, we are spending a very damaging signal to financial markets by proposing budgets for 1982 which have very large deficits.

The current 1981 deficit is already $65 billion, well above the administration's projection of $55 billion. American business is worried that if Government borrowing to finance the deficit continues at this rate, that interest rates will make productivity growth impossible this year.

If yet another massive Federal deficit is forthcoming in 1982, the Federal Reserve will undoubtedly continue to turn the screw on interest rates, further stifling the expansion of business and industry and slowing economic recovery.

Interest payments on the debt are already a staggering 10 percent of the total budget outlays. If we continue this vicious cycle of deficits and resulting increases in interest rates, the Nation might as well brace itself for another 2 years of double-digit inflation.

REAGAN BUDGET DEFICIT MEANS HIGH RATE OF INFLATION

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remark.)

Mr. DANIELSON. Mr. Speaker, one of the most distressing things about the Reagan budget is its casual acceptance of a big Federal deficit. According to the House Budget Committee, it will be one of the largest deficits in our history. The result is predictable. The Government will have to go into the credit markets, raise interest rates, and borrow money that would otherwise be available for productive investment. The increase in interest rates will boost the rate of inflation.

That is one reason why Wall Street is wary of the Reagan budget. It may explain why the stock market tumbled 12 points the day after President Reagan addressed us on the need for his plan.

The White House says it may succeed in balancing the budget by 1984, but the margin of error is so slim that a single economic sneeze between now and then could make this an impossible goal.

I do not think it is necessary fully to list the impact of higher interest rates because we all know the human pain that they cause. Young couples are priced out of the housing market. The auto industry remains stalled because the monthly payments on new cars are prohibitive. State and local governments must reduce services because of higher borrowing costs.

During the recent campaign we were promised a balanced budget. A vote for big deficits is not a vote for fiscal integrity. A decision to push interest rates up to even higher levels will not improve the health of our economy. And an endorsement of the Reagan budget will send a clear message to the American people that their Government is not ready to begin living within its means.

BYRDS OF A FEATHER FLOCK TOGETHER

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I was very gratified to learn over the weekend that Senate Minority Leader ROBERT BYRD has decided to vote for the Reagan budget proposals.

I can sum up his decision with one word—bipartisanship.

It is the one essential ingredient to economic recovery. It is the muscle of the mandate the voters gave us last November. It is the heart of everything we do between now and the end of the year. I do not think, frankly, that either side of the aisle is strong enough to go it alone.

Without bipartisan cooperation we cannot accomplish anything on anybody's terms.

It has been some time since there was so great a need to put aside party differences, to put aside the skepticism and distrust. But there is that need now.

It is not all that important why anyone chooses to cooperate with the other side. The motivation may be self-preservation. The motivation may be the good of the Nation. The moti-

vation may be resignation to the basic political facts of life. Whatever the reasons, we have to cooperate, and not just in name, but in practice.

I hope the old adage is true. BYRDS of a feather flock together.

TAX FREEDOM DAY

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. COLLINS of Texas. Mr. Speaker, Tax Freedom Day this year comes on Sunday, May 10.

Back in the Middle Ages, we have always remembered with compassion the serfs who had to serve their masters for 3 months out of each year, which represented slave taxation. The serf worked his servitude until March 31.

Think of the poor average citizen today who has to work until May 10 just to pay his taxes. How we wish that our taxes were paid for by March 31. And every year it gets worse. The Tax Foundation has stated that it took 6 days longer in 1981 than it did in 1980 to pay your taxes.

With taxes getting 43 cents out of every $1, there is little left for the average workingman.

But what hurts even more is the fact that there is very little money left for business to provide capital. Business is not able to buy new machinery. Business is not able to buy new equipment. The average age of equipment in the United States is 17 years, whereas the average age of equipment in Japan is only 10 years.

Chief Justice Marshall said, "The power to tax is the power to destroy." We are destroying America with too much Government which brings on too much taxation.

HAPPY BIRTHDAY, GENERAL MARK CLARK

(Mr. HARTNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARTNETT. Mr. Speaker, last week I had placed in the RECORD of the House a small paragraph or two commemorating the 85th birthday of Gen. Mark Wayne Clark. General Clark is the oldest and last surviving high-ranking general officer who served in World War II. I think it is only fitting that this House of Representatives recognize him by more than just a printed word in the RECORD.

So, on behalf of myself and my colleagues from South Carolina, I want to wish General Clark many more happy, healthy years.

When I see demonstrations such as that which took place yesterday at the Pentagon by all those people protesting involvement in El Salvador, and then I see proud Americans like General Clark, who are growing old now, still proud to be Americans, it makes me wonder what men like General Clark must think. I only hope that when the time may come again, that we once again will have men like General Clark willing to do their duty.

On behalf of my colleagues from South Carolina, I want to extend to Gen. Mark Clark many years of happiness.

□ 1215

DEMOCRATIC ALTERNATIVE BUDGET OFFERS BEST MIX ON CUTTING TAXES

(Mr. KOGOVSEK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOGOVSEK. Mr. Speaker, yesterday we were treated to the spectacle of the principle architect of Kemp-Roth reacting to months of mounting criticism for his way-out tax package. He called it a tax package for blue collar workers and argued that the Democratic alternative as outlined by Chairmen ROSTENKOWSKI and JONES, and privately preferred by many members of the minority party, is a tax relief bill for the wealthy.

How quickly can ground be shifted or the leopard's spots changed? For weeks the White House has proudly admitted that its tax package did give the bulk of its tax relief to the upper income bracket. The White House has said the Democrats were making the mistake of wanting to rewrite it so it would give more relief to the middle-income taxpayers.

What Democratic leaders have been maintaining all along is that an across-the-board approach is extravagant and wasteful, given the constraints of the size of the Federal deficit.

Tax rate relief or bracket widening is good for middle-income taxpayers. Upper income taxpayers would respond favorably to capital gains relief, elimination of the distinction between earned and unearned income, and liberalization of retirement account taxes.

The Democratic alternative attempts to come up with the best mix, not relying on one approach to cutting taxes. It can accomplish the desired results: Increased savings, stimulation of investment, and tax relief for the middle-income taxpayer.

CASH DISCOUNT ACT

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3132) to amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

The Clerk read as follows:

H.R. 3132

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cash Discount Act".

TITLE I—CASH DISCOUNTS

SEC. 101. Section 167(b) of the Truth in Lending Act (15 U.S.C. 1666f(b)) is amended to read as follows:

"(b) With respect to any sales transaction, any discount from the regular price offered by the seller for the purpose of inducing payment by cash, checks, or other means not involving the use of an open-end credit plan or a credit card shall not constitute a finance charge as determined under section 106 if such discount is offered to all prospective buyers and its availability is disclosed clearly and conspicuously.".

SEC. 102. (a) Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by adding at the end thereof the following:

"(z) As used in this section and section 167, the term 'regular price' means the tag or posted price charged for the property or service if a single price is tagged or posted, or the price charged for the property or service when payment is made by use of an open-end credit plan or a credit card if either (1) no price is tagged or posted, or (2) two prices are tagged or posted, one of which is charged when payment is made by use of an open-end credit plan or a credit card and the other when payment is made by use of cash, check, or similar means. For purposes of this definition, payment by check, draft, or other negotiable instrument which may result in the debiting of an open-end credit plan or a credit card-holder's open-end account shall not be considered payment made by use of the plan or the account."

(b) Effective April 10, 1982—

(1) subsections (x) and (y) of section 103 of the Truth in Lending Act (as redesignated by section 603(b) of Public Law 96-221) are redesignated as subsections (y) and (z), respectively; and

(2) subsection (z) of such section (as added by subsection (a)) is redesignated as subsection (x) and is inserted after subsection (w).

SEC. 103. Any rule or regulation of the Board of Governors of the Federal Reserve System pursuant to section 167(b) of the Truth in Lending Act, as such section was in effect on the day before the date of enactment of this Act, is null and void.

TITLE II—BAN ON CREDIT CARD SURCHARGES

SEC. 201. Section 3(c)(2) of Public Law 94-222 (15 U.S.C. 1666f note) is amended to read as follows:

"(2) The amendments made by paragraph (1) shall cease to be effective on February 27, 1984.".

SEC. 202. Not later than two years after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall prepare a study, on the basis of a review and analysis of such data and studies as it finds appropriate, and shall submit its findings to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives on the effect of charge card transactions upon card issuers, merchants, and consumers, including to the extent possible—

(1) the effects of charge card transactions on retail sales;

(2) the effect of charge card usage on consumers and on merchants, including the effects on merchant cost; and

(3) the effect of charge card usage on the pricing of goods and services, with a comparison of the costs resulting from payment by (A) currency and coin, (B) by personal check or similar instrument, (C) by in-house credit plans, and (D) by charge card.

TITLE II—MISCELLANEOUS

SEC. 301. Section 625(c) of Public Law 96-221 is amended by adding at the end thereof the following: "Any creditor who elects to comply with such amendments and any assignee of such a creditor shall be subject to the provisions of sections 130 and 131 of the Truth in Lending Act, as amended by sections 615 and 616, respectively, of this title.".

SEC. 302. Section 5137 of the Revised Statutes (12 U.S.C. 29) is amended by adding at the end thereof the following new paragraph:

"Notwithstanding any other provision of this section, any national banking association which, on the date of enactment of this paragraph, held title to and possession of real estate which was carried on the association's books at a nominal value on December 31, 1979, may continue to hold such real estate until December 31, 1982, if the earnings from such real estate are separately disclosed in the financial statements of the association.".

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 20 minutes, and the gentleman from Delaware (Mr. EVANS) will be recognized for 20 minuites.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WALKER. May I inquire, Mr. Speaker, is the gentleman from Delaware (Mr. EVANS) opposed to the bill?

The SPEAKER. Is the gentleman from Delaware (Mr. EVANS) opposed to the bill?

Mr. EVANS of Delaware. No; Mr. Speaker, I am not opposed to the bill.

The SPEAKER. Is the gentleman from Pennsylvania (Mr. WALKER) opposed to the bill?

Mr. WALKER. Yes; Mr. Speaker, I am.

The SPEAKER. The gentleman from Pennsylvania (Mr. WALKER) is entitled to the time that the gentleman from Delaware (Mr. EVANS) would have had.

So the gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 20 minutes, and the gentleman from Pennsylvania (Mr. WALKER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legislation, H.R. 3132, before the House today is merely an instant replay, for technical reasons, of legislation that was passed by this body on February 24 by an overwhelming margin of 372 to 4.

Similar legislation was passed by the Senate, but, unfortunately, a nongermane amendment was attached to the Senate bill which has caused a very difficult parliamentary procedure.

The nongermane amendment, which deals with appointing a Surgeon General who is over the maximum age allowance, brought about a conference on the legislation of unique proportions. Members of the Committee on Banking, Finance and Urban Affairs of the House were appointed as conferees for the banking provisions of the legislation, while members of the Committee on Energy and Commerce were appointed as conferrees for the Surgeon General section. House and Senate Banking conferees met last week, and the House conferees agreed to accept the Senate version of the banking provisions. There was no disagreement by any House conferee on either side of the aisle, and the whole conference took up less than 2 minutes.

Unfortunately, the conferees on the Surgeon General section have not reached agreement, and because the bill cannot be moved unless both groups of the conference agree, the legislation is stalled.

This is unfortunate because it is an important bill and one that could save consumers millions of dollars a year in cash discounts while at the same time protect them from being charged extra if they choose to pay with a credit card.

The ban on credit card surcharges expired on February 27, and since that time I have heard of a number of instances where merchants have imposed surcharges on credit card customers. Many merchants have not gone the surcharge route because they wanted to wait and see what Congress is going to do in this area. If Congress does not act, then, I have been told, surcharges for credit cards will become commonplace.

Mr. Speaker, all of the issues of this legislation have been thoroughly and carefully discussed. There have been hearings by both the House and the Senate, the legislation has been debated both on the House and Senate floors, and the legislation has also been approved by a conference committee. It has already passed the House, it has passed the Senate, and it has been signed and approved by a conference committee. I would add that the legislation was also passed by the House in the last Congress but was not taken up by the Senate because of the lateness of the session.

Today's action is merely a technical one so that the legislation can go back to the Senate. Today's action is simply a way to expedite an important piece of legislation which has passed both Houses by huge margins. It is legislation that must not be allowed to remain in limbo any longer. Americans want cash discounts, and they are opposed to surcharges. This legislation has broad bipartisan support, and I would hope that this body would once again pass the legislation so as to avoid parliamentary complications.

Mr. Speaker, I want to take a few minutes to comment on a "Dear Colleague" letter that has been circulated late week by the gentleman from New York (Mr. ROSENTHAL) and the gentleman from Massachusetts (Mr. FRANK). I want to set the record straight because of the factual inaccuracies in the letter. In fact, the last time I saw so many errors was at a doubleheader between the Mets and the Giants.

The "Dear Colleague" letter suggests that this bill has been acted upon without a chance for all sides to be heard. Nothing could be further from the truth, for over 4 years this legislation has had hearings in the House and has had full discussion on the floor and has passed the House and the Senate.

The legislation prohibits the surcharging of a credit card. Anybody can understand that language. We are against surcharging. When I spend $20 for a tank of gasoline, I do not want somebody to add 5 percent more on a credit card so I will be charged an extra dollar to make it $21. That is what this fight is all about.

There have been untold hearings on both the House and Senate side, and I want to tell the Members in all sincerity that I do not know of a single person who wanted to testify on the legislation who was not given the opportunity to testify. The "Dear Colleague" letter reports a number of organizations who are opposed to the credit card surcharge ban. Of all of these groups, only one group asked to testify at our hearings, and they were given the opportunity to testify.

When the bill was last before this body, it passed by a vote of 372 to 4. It is curious to me that both of the gentlemen from New York (Mr. ROSENTHAL) and (Mr. LAFALCE), who is quoted extensively in the "Dear Colleague" letter voted for the legislation.

I would further point out that the antisurcharge ban has been in effect since February 1976 and has worked well. I have received numerous letters from consumers asking that the ban be extended. I have not had a single letter from an individual consumer asking that the ban be removed, and I ask that the gentleman who cosponsored the "Dear Colleague" letter show me letters from individual consumers asking that the surcharge ban be removed.

The "Dear Colleague" letter gives the impression that credit cards are only for rich people. If you accept that

statement, you must believe that only rich people live in the United States of America. There are over 600 million credit cards in circulation in the United States of America. Credit cards cut across all economic boundaries—the rich, the poor, the middle class. Everybody carries a credit card. It is not a luxury item anymore. It is almost a necessity in this society that you have a credit card. If you vote to allow a merchant to surcharge a credit card, you will be hurting people at all economic levels. When you vote to surcharge, you are voting to say to the businessmen of America, "Oh, yes, you have got a right to add an extra charge on that credit card."

Who are these people who are at all economic levels? You know who these people are. They are your constituents. They are the people who voted to send you to the Congress, and I can tell you that if you vote to increase the credit card costs, you are going to face an avalanche of criticism that will be greater than the tax cut forces, because this will immediately affect everyone's pocketbook. And when it affects the pocketbook of the American people—and we all have been talking about mandates—well, this is where the mandate came from, the pockets of the American people who responded in the last election.

If we fail to continue this ban on credit card surcharges and instead allow for extra charges every time a credit card is used, in less than 6 weeks I predict we will be back here putting the ban back into effect because of pressure brought about by our voters.

True, the credit card ban has expired, and we have seen some instances where surcharges have been used. But for the most part, merchants have not started to put surcharges into effect because they are waiting to see what Congress is going to do in this area before moving ahead.

Let me address myself to this Alice-in-Wonderland economic approach cited in the "Dear Colleague" letter. When a merchant accepts a credit card for, say, a $100 purchase, the merchant submits the credit card bill to the credit card company and is paid by the credit card company, not the full $100 but a discounted amount. The credit card company will charge a fee, usually in the area of 2 or 3 percent, for handling the collection and paperwork on the credit card amount. The merchant, instead of receiving $100, will receive $97.

The writers of the "Dear Colleague" letter contend that the merchant, when setting prices, will automatically build the 3-percent fee to the credit card company into all of his prices. In short, they contend that the merchant inflates all prices 3 percent before he even opens his business.

Now, if you accept that argument—and I do not—we can move to the next level of ridiculousness. If the merchant can pass the 3-percent fee on to a credit card customer, he would be willing to cut prices 3 percent and thus help the cash customer.

Now, in the world of goodness, sweetness and light, where the good fairy runs the Federal Reserve Board, that is the way it works, but in the real world that is not the way the song goes. If we allow credit card surcharges, the merchants would merely add—and you know this—the cost of credit card discounts onto the credit card price, but he will do nothing to lower cash prices. The cash customer will not be helped, the credit card customer will be hurt, and the economy will be further damaged because of the inflated extra charges.

□ 1230

This legislation does provide help for the cash customer. It allows a merchant to give an unlimited discount for cash so that those who do not have credit cards or would rather pay with cash can get an opportunity at reduced prices; but at the same time, it protects those who must use credit cards from being exploited.

If you vote against the legislation, you are going to be telling every young mother who goes to the drug store to buy a prescription for her child, she uses a credit card because she does not have enough cash to cover cost of the needed medicine that she is going to have to pay extra—extra to help her sick child.

You will be telling millions of senior citizens who use credit cards to pay for life-sustaining medicines because of the tax receipt benefits of a credit card that they are going to have to pay more for that medicine.

If you are willing to tell millions of Americans that the House of Representatives is going to punish them because we live in a credit card economy, then that is a decision that you are going to have to make.

H.R. 3132 is a good bill. It helps both cash customers and credit card holders. It is a bill that consumers want. The question is, do you want to give consumers what they want?

Now, all of you who are here this afternoon, you are all familiar when credit cards first were initiated how the large institutions of this country used the telephone book. They mailed everybody a credit card. It was going to be a bonanza. All of a sudden, we on the Banking Committee began to get reports. These banks who had issued these credit cards were beginning to lose millions and millions of dollars. Who do you think paid for those lost millions? The customers of their banks. Your constitutents paid for these lost millions of dollars.

Now, as they began to tighten up on issuing these credit cards, what did they do? They began to change rules every 6 months. They began to add added charges. They began to add a yearly premium on these credit cards so that you had to pay $15, $10, in order to have these credit cards or you would have to pay a monthly fee of x number of dollars for that credit card.

Do not ever fail to realize this, that once we open up the door and we take away the surcharge ban on credit cards, these same people are going to surcharge that credit card and it is going to cost your constituent more money, and this is what this fight is all about.

Mr. WALKER. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, first of all, I would like to say that we have to put down the gentleman from Illinois as undecided on this bill.

I rise in opposition to the bill, Mr. Speaker, and I rise in opposition because I have some problems with the assumption in the bill. The bill assumes that there is going to be some price less than what is being charged at which somebody can get a cash discount. If that is the case, it seems to me, Mr. Speaker, that we have a bill here which has a built-in inflationary factor. That is what concerns me. At a time when we are making budgetary considerations in this body, a bill which builds inflation into the budget, I think has some problems.

Why do I say it builds in inflation? Well, what we are saying is that if you have a credit card, you are going to be charged a certain price; however, a merchant may be able to give you a price at less than that, a cash discount if you pay cash. You can take off the ceiling, as I understand this bill; that cash discount could be anywhere from 1 to 20 percent, I suppose. If that is the case, it seems to me that the consumers of this country deserve the right to have the price being charged the lowest price that that merchant could afford to charge and still make a little money for himself and to keep his business going. Any price over and above that is inflationary.

I think we ought to be taking inflation out of the economy, not mandating it into the economy, for credit or for any other reason.

Therefore, I have some problems with the assumption here. The assumption is that somehow everybody ought to pick up the cost of credit. I do not think that the cash customer ought to be required to pick up the cost of credit. I think he ought to be required only to pay that which the merchant needs to charge in order to make some money on his product. The consumer should not be paying for services he doesn't require.

If we do that, Mr. Speaker, it seems to me that what we would do is lower inflation substantially and in so doing reflect more across the board what the real prices are that need to be charged in this country. If you reflect real prices in this country, you have taken out a lot of the inflationary psychology that has been afflicting the economy as well and I think that would be a plus for us in the future.

Mr. WALKER. Mr. Speaker, I reserve the balance of my time.

Mr. ANNUNZIO. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Michigan (Mr. DINGELL) and then I will reserve the balance of my time.

Mr. DINGELL. Mr. Speaker, I thank the gentleman from Illinois for his kindness in yielding to me.

Mr. Speaker, this bill, H.R. 3132, was originally passed by the House in the form of H.R. 31. In the other body, a nongermane amendment was added which would provide a waiver for the Surgeon General only of the age limitation applicable to all commissioned regular corps officers of the Public Health Service. The amendment is apparently needed to allow one individual, now a Federal employee, to be nominated as Surgeon General. I understand that H.R. 3132 does not contain this amendment and the other body hopes to pass it without such a nongermane amendment. I support that effort.

The amendment to H.R. 31 as passed by the Senate was referred to our committee. The Health Subcommittee, chaired by the distinguished gentleman from California (Mr. WAXMAN) held a hearing, but a markup was canceled when the administration refused to allow the beneficiary of this amendment to testify.

Thereafter, on April 8, 1981, a conference on H.R. 31 was requested by the House. Members of the Energy and Commerce Committee were named as conferees to section 303. The other body named conferees for this section on April 29. The house tried to arrange for the conferees to meet this afternoon, but such a meeting was not possible. At the suggestion of the other body, a meeting is scheduled for May 12, 1981, in the afternoon, unless, of course, our committee is marking up other legislation under the May 15 Budget Act deadline.

In the meantime, H.R. 3154 has been introduced and referred to our committee which, I understand, is more acceptable to the administration than section 303 of H.R. 31. At the same time it raises other problems in that it is more than just a mere waiver of the age limitation. The Committee on Energy and Commerce will consider that bill as soon as possible.

Mr. WALKER. Mr. Speaker, I yield 3 minutes to the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. Mr. Speaker, for the second time this year I rise in support of the Cash Discount Act, which consistent with the spirit of our times has now escalated from H.R. 31 to H.R. 3132. The bill we have before us today is a slightly improved version of the bill we passed in February with only four dissenting votes.

Our chairman, the distinguished gentleman from Illinois (Mr. ANNUNZIO), has explained the bill. I do not think there is any question about where he stands on this bill. I do not think there is any question about his sincerity in the numerous hearings that he held on this bill. I do not think there is any question about his sincerity in helping the American consumer and I am not going to burden anyone with a further discourse on its contents.

However, I think it is important to emphasize that the conferees on H.R. 31 from the Banking Committees of the respective Houses did agree on the provisions which we now offer as H.R. 3132.

The conferees were also in agreement that it was more expeditious to proceed in this fashion than with H.R. 31 and as the ban on credit cards surcharges expired this past February, we would be well advised to move as expeditiously as possible.

Mr. Speaker, I do not believe there is any controversy about title I of this bill. Allowing merchants to offer discounts for cash purchases in excess of 5 percent without making themselves subject to some ridiculous regulatory problems makes sense for both merchants and consumers. This is consistent with our free enterprise system and I think it is also a positive step, rather than a negative one, in fighting inflation.

Title II which bans surcharges for the use of credit cards is somewhat more controversial. When S. 414, the companion to H.R. 31, was debated in the other body, there was much debate about extending this ban and we have heard some here today.

Let me say that I cannot disagree with those who argue that there is little difference between permitting a discount for paying cash or imposing a surcharge for using a credit card. Basically, it depends on what kind of a sales price you are starting from, and I will be the first to agree that it is not our role to dictate how a seller should price his wares. On the other hand, this business of surcharges has gotten somewhat emotional and I must confess somewhat confusing because we are not fully conversant with the economics of the market. For this reason, we have agreed to a Senate provision—section 202—calling for a study by the Federal Reserve with a report and recommendations within 2 years. That will give us time to either make the ban permanent, modify it, or eliminate it before the 3-year extension of it proposed in this bill expires.

Mr. Speaker, I am not a proponent of needless regulations. I am a strong proponent of some consistency in Government policies to reduce excessive costs of compliance with them.

The SPEAKER pro tempore. The time of the gentleman from Delaware has expired.

Mr. WALKER. Mr. Speaker, I yield 1 additional minute to the gentleman from Delaware.

Mr. EVANS of Delaware. I thank the gentleman for the additional 1 minute.

Right or wrong, we currently impose a ban on surcharges for the use of credit cards. I think we are right in imposing that ban on the use of surcharges in credit cards, and I agree with the gentleman from Illinois (Mr. ANNUNZIO), but although that ban actually expired February 27, millions in the business community continue to observe the ban because they expect us to extend it. If we do not extend it today, but let it lapse, and reimpose it for some reason after the study, the burden of the costs of two policy changes will come down on the backs of the American consumer.

Therefore, I support the extension at this time and urge my colleagues to do the same. At the same time, I certainly urge the Federal Reserve to expedite this study so that if we find this ban is truly counterproductive, we can eliminate it at the earliest possible time.

Mr. HYDE. Mr. Speaker, would the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. I thank my friend for yielding.

I just want to go on record in strong support of the Annunzio legislation. I think it is well crafted. It serves a need and I wholeheartedly support it.

Mr. WALKER. Mr. Speaker, I yield 6 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, I hesitate to intrude on this parade of support for the bill, but it does seem to me that some discussion of it might be useful.

I first would like to say that the gentleman from Illinois is correct in defending the hearing process. He is incorrect in thinking that he has to defend it from anyone.

The "Dear Colleague" letter to which he referred made no criticism of the hearing process. We have no criticism to make. We are not asking people to vote against this bill on the grounds that it was procedurally irregular. The gentleman from Illinois is a model of regularity and neither I nor the gentleman from New York suggested to the contrary.

The question we have is whether the Congress is going to enact a price control on the retail industry. Those Members who come here pledged to deregulation and opposed to price control should understand what is at issue. The gentleman from Delaware is right, there is no controversy about title I. If the suspension fails, the bill can go back to the committee, be amended, and title I could come out unanimously.

The issue here is very simple. If you are a merchant primarily in the retail business and someone comes to you with a credit card, he or she imposes an extra cost on you. You have to pay the credit card company a certain percentage. You have more paperwork to do. You may have a credit check to do. It costs a little more time for your employees at a busy time.

Right now cash customers and credit card customers are paying the same amount. What that means is that the credit card customer is being subsidized by the cash customer, not to the whole amount, but partially. The cost, which is undeniably imposed—and let us be clear, no one denies that a credit card customer imposes extra costs on a merchant—and what you are being asked to do is to say to that retail merchant, yes, we understand that you must take an extra cost. We forbid you to charge for it. We will do your pricing.

The gentleman from Delaware said we should not do the pricing. Well, then the gentleman cannot vote for this bill, because this bill is a price control on retail merchants and the retail sector happens to be one of the more competitive sectors of our economy.

□ 1245

There is certainly no argument here for a monopoly. There is no argument here that the market is not working in the retail sector. It works reasonably well.

The gentleman from Illinois says everybody has got credit cards—rich people, poor people, and so forth. It is like everything else. The rich people may have them, and the poor people may have them, but the rich people have a heck of a lot more credit cards than the poor people. People on the lower income scale have less. Senior citizens have difficulty getting credit cards.

You impose the most blatant price regulations you can in this bill and you should understand that. You cannot talk about opposing price regulation and price control when you vote to say to a merchant, you may not charge for that cost, which is a very real cost: You have got to pay the credit card company; you have got to do all that paperwork; but the Congress says do not charge anybody for it. Treat the cash customer the same as the credit card customer on the surcharges.

Second, we are subsidizing the credit card user. We talk about trying to promote savings. We talk about trying to cut down on consumption of some sort. This is a bill to subsidize the user of credit cards, because no one denies credit cards impose an additional cost on the merchant. When you by congressional fiat ban that merchant from recovering an undeniable cost imposed upon him, you are imposing a subsidy on the beneficiary—the credit card user. That is why groups from the Heritage Foundation to Consumers Union oppose the bill. It is inflationary; it is unneeded price control regulation, and this economic regulation is regressive.

On the whole, yes, there are poor people with credit cards and rich people with cash. On the whole, rich people are likely to use credit cards more. Businesses are more likely to use credit cards, so when you impose on the merchant a rule that he may not differentiate by charging more for the credit card user than for the cash customer, you are making poorer people subsidize wealthier ones and you are imposing a big fat regulation in price control. You are telling a merchant what he can and cannot charge for an undeniable cost. You are making that subsidy come out of the hides of the merchants and the cash customer. None of that is denied.

If we were talking about a sector in which the market did not work, the gentleman from Illinois would be right in talking about consumer protection. But if there is a sector of our economy that is competitive, that is the retail sector, and I do not believe competition there would allow an excessive charge above what is reasonable. No one has denied that credit card customers are imposing an extra cost on business.

As for having the Federal Reserve study it, that is fine with me, but why do they not study it with the free market situation in place—that a merchant is allowed to charge, not that a merchant is not allowed to charge? There is simply no justification for Congress at this time talking about the cash customers of America—on the whole a lower-income group—providing a subsidy to the credit card customers.

Those on the Republican side, if they have been talking about decontrol and imposing price control, better ask what can be done with this principle in this bill. If you ban a retail merchant from charging a customer, who undeniably imposes a charge on him, on what philosophical basis do you oppose other regulation? To deregulate oil but to regulate the small merchant seems to me to be a very silly way to work with the economy.

I hope this suspension is defeated to allow it to go back to committee for the allowance of cash discounts but without this inflationary regulation.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. WALKER. Mr. Speaker, I yield 1 additional minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. ROEMER. Mr. Speaker, will the gentleman yield to respond to a brief question?

Mr. FRANK. I yield to the gentleman from Louisiana.

Mr. ROEMER. I appreciate the remarks of the gentleman from Massachusetts, and I completely agree with his position. There are two points he made I would like to emphasize. No. 1, the gentleman says this bill will subsidize a portion of the marketplace, the credit card portion. That is particularly true, is it not, with the high cost of money these days where the credit card portion of the market uses that money for a period of time, and that is a direct subsidy we ought to take away.

The second point the gentleman makes goes in the face of the position taken by the gentleman from Delaware (Mr. EVANS) who preceded the gentleman from Massachusetts. He said we do not understand the economics of this marketplace. If we do not understand the economics of this marketplace, how can we restrict and regulate what we do not understand?

Mr. FRANK. I agree with the gentleman. If we have a study by the Federal Reserve, knowledge ought to precede regulation. Regulation ought not to precede knowledge.

Mr. ROEMER. I thank the gentleman.

Mr. WALKER. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, this is a good bill. With all due respect to the gentleman from Pennsylvania, I thought that I was listening to an argument in favor of this bill when he indicated his reasons for being against it. Then the gentleman from Massachusetts (Mr. FRANK) said that if a merchant allows his product to be sold at less than the tagged price for cash, that that is somehow subsidizing credit card purchasers. I have not heard any such illogical conclusion on this bill since I have been in the House. I have been listening to debate on this provision now for about 7 years, and I argued back 7 years ago that a cash discount was not a finance discharge so that it had to be reported under the truth in lending law. That was the whole argument at that time. So we said that if a merchant offers up to 5 percent in discount for a cash purchase, that would not be regarded as a finance charge. I said why do we not take off the ceiling? Why should

there be a ceiling? Why do we not deregulate the price? That is what this is all about. If a merchant wants to sell his product below the tag price if a person pays cash for it, that is what this is all about. That amounts to deregulation of the price of the product. Also, the merchant does not have to go through all the paperwork which is involved in a credit card purchase if the person pays cash.

I had supposed that there was not going to be any argument or dispute on the first part of this bill on the cash discount provision, because it seemed so obvious to me that a merchant ought to be able to offer his product for any price if it is purchased by cash. He ought to be able to give it away, if he wants to. I would think that the arguments against this bill as far as the cash discount provision are not well taken.

The surcharge provision I thought might be misunderstood.

The surcharge provision is a small businessman's provision. Many small businesses now use credit cards, and it would be unfortunate if a large credit card company which issues the credit card would add a surcharge to that small businessman; costs, after the fact.

This provision merely says that a surcharge cannot be added on top of a finance charge where a credit card is used for a purchase. I just think this should not be allowed.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the gentleman for yielding, and I want to commend him for clarifying the issue, and I appreciate it very much. I have one question. I noticed the other body added an amendment which would require a study of the effect on credit and transactions on card users, merchants, and consumers. What would be the cost of that study?

Mr. WYLIE. I would say to the gentleman not much, because the mechanism is already in place to study the impact of the surcharge provision. I would say that Treasury has already accommodated us with a considerable amount of study in this regard, but I would say that this is an accommodation really to the Senate, which does not really mean all that much.

The SPEAKER pro tempore (Mr. MURTHA). The time of the gentleman has expired.

Mr. ANNUNZIO. Mr. Speaker, I yield 2 minutes to the gentleman from Delaware (Mr. EVANS). That gives me 2 minutes remaining which I will reserve.

Mr. EVANS of Delaware. I thank the distinguished gentleman from Illinois (Mr. ANNUNZIO) for yielding so that I might answer in part some of the questions that have been raised here on the floor. Essentially the conclusion that has been arrived at that cash customers are subsidizing credit card users is not a conclusion that is supportable by the facts. That is precisely why the Senate provision provides for a 2-year study. If the argument has merit, then we can change things. If it does not and we change now we are creating a great deal of instability in the marketplace again, and that is precisely what we are trying to get away from. We want to create stability rather than inconsistency. Why make policy changes for the sake of change? We can be consistent by continuing a policy that was in place prior to February 27, and if there are reasons for change, then the Federal Reserve study will indicate them.

Mr. FRANK. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Massachusetts.

Mr. FRANK. I do not understand how the gentleman can say it is questionable whether cash customers subsidize credit card users. It seems to me undisputable if the cash customer and the credit card customer are paying exactly the same price, it is indisputably a subsidy, since it costs the merchant something to service the credit card customer. It does not cost him to service the cash customer. How can that not be a subsidy if they pay the same price?

Mr. EVANS of Delaware. If the gentleman from Massachusetts will yield back, when we speak of cash transactions, we are also talking about checks, and there is a potential loss with fraudulent checks. Therefore, we do not know what the cost is, and, therefore, we should take that into consideration. That is the reason for the study.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

The gentleman from Massachusetts (Mr. FRANK) has missed the whole point of the bill, as he did in committee. If there is a discount for cash, the purchaser would be paying less than the person who pays with a credit card.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. WALKER. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. ROSENTHAL).

Mr. ROSENTHAL. Mr. Speaker, I rise in opposition to H.R. 3132, and very reluctantly because of the distinguished authorship of my good friend, the gentleman from Illinois (Mr. ANNUNZIO).

Mr. Speaker, several of my distinguished colleagues have wondered why we should care about the proposed prohibition on credit card surcharges particularly when stores will be authorized by title I of this bill to offer discounts to their cash customers. What is the difference, they ask?

That is a fair question. The answer is that many retailers do not like to use cash discounts.

But let me pose the same question in another way. What good is served by Government price fixing in this instance? Why should the Government prohibit merchants for charging for their costs of handling credit card transactions?

Would it make sense, for example, for the Government to prohibit restaurants from advertising separate prices for their ham-and-eggs breakfast plate and for a cup of coffee? Should they be forced by law to quote a single higher price for the combination and then—if they wanted—to give the customers a cash discount for skipping the coffee? The cup of coffee is like the credit card service, and this bill is like requiring the restaurants to charge a combination price to people who do not want the coffee.

In my opinion, such Government intervention in the retail market is totally without justification. It impedes free competition, and free competition is one of the most important forces against inflation and for lower costs for consumers.

Mr. WALKER. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, I think the gentleman from Massachusetts (Mr. FRANK) made one of the strongest arguments we have heard here this afternoon as reasons to be opposed to this bill. He pointed out that this is really an antisavings bill because really what we are doing with this bill is we are encouraging people to move toward credit purchases rather than encouraging them to save.

It seems to me that time and time again on this House floor we are inconsistent. We lose track of where we have been in days previous when we are going in days ahead. One thing roundly admitted on both sides on the budget debate is that we need to have more savings in this country and more investment. On the same day we are taking up that budget debate, we are going to be trying to make this bill consistent with that budget—yet, we are for savings in the budget, and against savings in this legislation.

This bill we are considering right now inspires more credit purchases and subsidizes more credit purchases. If we want to go along the line of trying to justify the budget we are trying to put in place, we ought to oppose this bill.

Mr. ROEMER. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Louisiana.

Mr. ROEMER. I thank the gentleman for yielding. I have heard arguments, just for a point of information, that there were objections to the cash discount portion of this bill. Does the gentleman know of any objections to the cash discount portion of this bill?

Mr. WALKER. I would say to the gentleman I am a little concerned about the assumption behind the cash discount, because I think it assumes there is a price lower at which a merchant can make a profit. Therefore, it seems to me that that part of the bill may be an inflationary assumption; but really what we are talking about is in terms of opposition to the credit surcharge portion of the bill.

□ 1300

Mr. ROEMER. And that is the thrust of this argument. To deregulate half the market and not look at the other half makes no sense, and to look at the market with these kinds of restrictions, when the proponents of this bill admit that they do not understand how the marketplace works, makes absolutely no sense.

Mr. WALKER. I thank the gentleman for his contribution.

● Mr. WAXMAN. Mr. Speaker, I rise in support of H.R. 3132, the Cash Discount Act. This is essentially the same bill as H.R. 31, which passed this House by an overwhelming margin in February of this year. I voted for this legislation at the time and I will vote for it again today.

But as important, my primary reason for speaking today is to bring to the attention of the House the admirable leadership of the chairman of the Consumer Affairs and Coinage Subcommittee, Mr. ANNUNZIO. His patient guidance has been remarkable during the past 2 months as the Senate has used this bill as a vehicle for procedural circumvention of the committee structure and rules of the House.

During original consideration of this bill, Senator HELMS added a nongermane amendment which rewrote parts of the Public Health Service Act. At that time he assured the Senate that his amendment had been cleared by the House and was noncontroversial.

I can only say that the appropriate committee of the House was not consulted and that the Subcommittee on Health and the Environment has several questions and reservations on the Senator's purposes, language, and procedure. As a result of these reservations and the lack of cooperation of the Department of Health and Human Services, the Commerce Committee has been unwilling to agree immediately to Mr. HELM's language, conference on this nongermane provision has not yet begun, but we will start soon on what I anticipate to be a difficult series of meetings.

During all this time and trouble, the gentleman from Illinois and his staff have been extremely helpful and cooperative and I want to take this opportunity to thank him for his courtesy.

I regret that the Senate has chosen to confuse this important legislation with irrelevant matters, and I am grateful to the chairman for his aid and perseverance in sorting out the confusion.

Thank you.●

● Mr. STANTON of Ohio. Mr. Speaker, I rise in support of H.R. 3132, the Cash Discount Act. I congratulate Chairman ANNUNZIO and the gentleman from Delaware, our ranking Republican on the Consumer Affairs Subcommittee for moving so expeditiously to bring this bill to the floor. Unfortunately it was impossible to reach agreement on the other body's nongermane amendment to H.R. 31 but by our action here today we can resolve the Banking Committee's responsibilities. I think it is important to note that H.R. 3132 contains those provisions jointly agreed upon by the Senate-House conferees on H.R. 31, hence we expect that action on this bill will follow swiftly in the other body. This is important because the ban on surcharges expired this past February.

Mr. Speaker, H.R. 31 passed the House in February with only four dissenting votes. Unfortunately there was very little consideration to the economic impacts of continuing the ban on surcharges while authorizing unlimited discounts for the use of cash. Suddenly we find some opposition to extending the ban. Some of the arguments against doing so seem to have some merit. On the other hand I would recommend caution because there are unanswered questions about the affects the elimination of the ban would have. For example, we know that many small businesses have been able to expand their businesses because of the ready availability of credit cards. While larger merchants may be able to offer their own credit cards—for which they will obviously never impose a surcharge—smaller merchants availing themselves of credit cards offered by others may find it disadvantageous to compete in a market where they have to impose a surcharge.

There are several other problems which we feel need some study. For that reason the bill contains a requirement for the Federal Reserve to undertake a study of this matter and report back to us so we can better understand what the impact might be of eliminating the ban on surcharges. I recommended that we pass this bill today and address the surcharge question at a later date when the study has been completed.

Mr. Speaker, in addition I wish to join my colleague, the chairman of the Banking Committee, in support of section 302 of H.R. 3132 which extends to December 31, 1982, the authority of national banks to hold real estate which was written down on the books of such banks to a nominal amount on or before December 31, 1979.

For the reasons he has stated, the 97th Congress should have an opportunity to address its attention to both the law and the recent interpretation given it by the Comptroller's Office, and in the interim, enforcement action by the Comptroller's Office should be stayed.

It should also be noted that to the best of our information, all of the banks affected by the Comptroller's recent action are located in States which permit State-chartered institutions to hold real estate indefinitely if such real estate has been "written down" to zero or a nominal amount. If this provision is not adopted, there is every reason to believe that these banks will leave the national banking system since some have already indicated their intention to do so.

Other than the Comptroller's Office, which feels it must enforce existing law as it is interpreted by that Office, we know of no opposition to this provision and it is supported by the American Banker's Association.

Mr. Speaker, I urge the adoption of the Cash Discount Act, H.R. 3132.●

Mr. ANNUNZIO. Mr. Speaker, I yield myself the remaining time.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. ANNUNZIO) is recognized for 2 minutes.

Mr. ANNUNZIO. Mr. Speaker, I would like to point out to my colleagues that what they are voting today is not a new program. This program has been in effect since 1976, and it has worked well.

There has been a lot of rhetoric today by many Members. But if the Members want to charge people more money—it is just that simple—vote against the bill. If the Members want to cut costs to both cash customers and credit card users, then vote for the bill.

This is exactly the committee position. So I urge all of the Members on both sides of the aisle to support the committee and to vote for this legislation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the bill, H.R. 3132.

The question was taken.

Mr. FRANK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 296, nays 43, not voting 92, as follows:

[Roll No. 27]

YEAS—296

Addabbo	Fary	Madigan
Akaka	Fascell	Marlenee
Albosta	Fazio	Marriott
Alexander	Ferraro	Martin (IL)
Andrews	Fiedler	Martin (NY)
Annunzio	Fields	Matsui
Anthony	Findley	Mattox
Applegate	Fish	Mavroules
Archer	Fithian	Mazzoli
Ashbrook	Flippo	McClory
Atkinson	Foley	McCollum
AuCoin	Ford (MI)	McCurdy
Bafalis	Forsythe	McDade
Bailey (MO)	Fountain	McEwen
Bailey (PA)	Frenzel	McGrath
Barnard	Frost	Michel
Barnes	Fuqua	Mikulski
Beard	Gibbons	Mineta
Benedict	Gingrich	Minish
Benjamin	Ginn	Moakley
Bennett	Glickman	Molinari
Bevill	Goldwater	Mollohan
Blanchard	Gonzalez	Montgomery
Bliley	Goodling	Moore
Boggs	Gore	Moorhead
Boland	Gramm	Murphy
Bolling	Green	Myers
Boner	Gregg	Napier
Bonior	Grisham	Natcher
Bouquard	Gunderson	Neal
Bowen	Hagedorn	Nelligan
Breaux	Hall (OH)	Nelson
Brinkley	Hall, Ralph	Nichols
Brodhead	Hall, Sam	Nowak
Brooks	Hamilton	Oberstar
Broomfield	Hammerschmidt	Panetta
Brown (CA)	Hance	Parris
Brown (CO)	Hansen (ID)	Pashayan
Burgener	Hawkins	Patman
Butler	Heckler	Patterson
Byron	Hefner	Pease
Carman	Hendon	Perkins
Carney	Hertel	Peyser
Chappell	Hightower	Porter
Chappie	Hiler	Price
Cheney	Holland	Pursell
Clinger	Hollenbeck	Railsback
Coats	Holt	Reuss
Coelho	Hopkins	Rhodes
Coleman	Howard	Richmond
Collins (TX)	Huckaby	Rinaldo
Conte	Hughes	Ritter
Corcoran	Hunter	Roberts (KS)
Coughlin	Hyde	Roberts (SD)
Coyne, William	Ireland	Robinson
Craig	Jacobs	Rodino
Daniel, Dan	Jeffords	Rogers
Daniel, R. W.	Jeffries	Rose
Danielson	Jenkins	Roth
Daub	Johnston	Roukema
Davis	Jones (NC)	Rousselot
de la Garza	Jones (OK)	Rudd
Deckard	Jones (TN)	Russo
DeNardis	Kazen	Sabo
Derrick	Kemp	Sawyer
Derwinski	Kildee	Scheuer
Dingell	Kogovsek	Schneider
Dixon	Kramer	Schroeder
Dorgan	Lagomarsino	Schulze
Dornan	Lantos	Seiberling
Dreier	Latta	Sensenbrenner
Duncan	Leach	Shamansky
Dwyer	LeBoutillier	Sharp
Dymally	Lee	Shaw
Early	Lehman	Shelby
Edwards (AL)	Lent	Shumway
Edwards (OK)	Levitas	Shuster
Emerson	Lewis	Siljander
Emery	Livingston	Skeen
English	Loeffler	Skelton
Erdahl	Long (LA)	Smith (AL)
Ertel	Long (MD)	Smith (IA)
Evans (DE)	Lott	Smith (NE)
Evans (GA)	Lowery	Smith (NJ)
Evans (IA)	Lujan	Smith (OR)
Evans (IN)	Luken	Snowe
Solomon	Thomas	Whitley
Spence	Udall	Whittaker
St Germain	Vander Jagt	Whitten
Stangeland	Vento	Wilson
Stanton	Volkmer	Winn
Stark	Walgren	Wolf
Staton	Wampler	Wortley
Stenholm	Watkins	Wylie
Stratton	Waxman	Yatron
Stump	Weaver	Young (AK)
Synar	Weber (OH)	Young (FL)
Tauke	White	Young (MO)
Tauzin	Whitehurst	

NAYS—43

Bedell	Frank	Roemer
Bellenson	Gejdenson	Rosenthal
Bingham	Harkin	Shannon
Burton, John	Kastenmeier	Stokes
Burton, Phillip	LaFalce	Studds
Clay	Lundine	Walker
Collins (IL)	Markey	Washington
Conyers	Mitchell (MD)	Weber (MN)
Courter	Moffett	Weiss
Dellums	Mottl	Williams (MT)
Dunn	Murtha	Wolpe
Eckart	Ottinger	Wyden
Edwards (CA)	Rahall	Yates
Fenwick	Rangel	
Ford (TN)	Ratchford	

NOT VOTING—92

Anderson	Fowler	Mitchell (NY)
Aspin	Garcia	Morrison
Badham	Gaydos	O'Brien
Bereuter	Gephardt	Oakar
Bethune	Gilman	Obey
Biaggi	Gradison	Paul
Bonker	Gray	Pepper
Brown (OH)	Guarini	Petri
Broyhill	Hansen (UT)	Pickle
Campbell	Hartnett	Pritchard
Chisholm	Hatcher	Quillen
Clausen	Heftel	Regula
Conable	Hillis	Roe
Cotter	Horton	Rostenkowski
Coyne, James	Hubbard	Roybal
Crane, Daniel	Hutto	Santini
Crane, Philip	Kindness	Savage
Crockett	Leath	Schumer
D'Amours	Lederer	Simon
Dannemeyer	Leland	Snyder
Daschle	Lowry	Solarz
Dickinson	Lungren	Swift
Dicks	Marks	Taylor
Donnelly	Martin (NC)	Traxler
Dougherty	McCloskey	Trible
Downey	McDonald	Williams (OH)
Dyson	McHugh	Wirth
Edgar	McKinney	Wright
Erlenborn	Mica	Zablocki
Florio	Miller (CA)	Zeferetti
Foglietta	Miller (OH)	

□ 1315

The Clerk announced the following pairs:

On this vote:

Mr. McDonald and Mr. Pepper for, with Mr. Dyson against.

Mr. Zeferetti and Mr. Guarini for, with Mr. Garcia against.

Mr. Gephardt and Mr. Biaggi for, with Mr. Crockett against.

Until further notice:

Ms. Oakar with Mr. Trible.

Mr. Pickle with Mr. Erlenborn.

Mr. Obey with Mr. Pritchard.

Mr. Simon with Mr. Mitchell of New York.

Mr. Roe with Mr. O'Brien.

Mr. Leland with Mr. Regula.

Mr. Hubbard with Mr. Paul.

Mr. Heftel with Mr. Taylor.

Mr. Gray with Mr. Snyder.

Mr. Aspin with Mr. Gilman.

Mr. Bonker with Mr. Kindness.

Mrs. Chisholm with Mr. Lungren.

Mr. Donnelly with Mr. Gradison.

Mr. Edgar with Mr. Martin of North Carolina.

Mr. Florio with Mr. Dougherty.

Mr. Mica with Mr. McCloskey.

Mr. Foglietta with Mr. Dannemeyer.

Mr. Wright with Mr. Daniel B. Crane.

Mr. Schumer with Mr. Dickinson.

Mr. Zablocki with Mr. Philip M. Crane.

Mr. Rostenkowski with Mr. Quillen.

Mr. Natcher with Mr. McKinney.

Mr. D'Amours with Mr. Miller of Ohio.

Mr. Daschle with Mr. Horton.

Mr. Dicks with Mr. Hartnett.

Mr. Hutto with Mr. Morrison.

Mr. Downey with Mr. Petri.

Mr. McHugh with Mr. Williams of Ohio.

Mr. Miller of California with Mr. Wirth.

Mr. Leath of Texas with Mr. Brown of Ohio

Mr. Lowry of Washington with Mr. Bethune.

Mr. Traxler with Mr. Badham.

Mr. Santini with Mr. Bereuter.

Mr. Roybal with Mr. Broyhill.

Mr. Savage with Mr. Campbell.

Mr. Swift with Mr. Clausen.

Mr. Solarz with Mr. Hillis.

Mr. CLAY, Mr. JOHN L. BURTON, and Mrs. COLLINS of Illinois changed their votes from "yea" to "nay."

Messrs. FORD of Michigan, WALGREN, ATKINSON, and Mrs. SCHROEDER changed their votes from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just passed, H.R. 3132.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1982

Mr. JONES of Oklahoma. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 115) revising the congressional budget for the U.S. Government for the fiscal year 1981 and setting forth the congressional budget for the U.S. Government for the fiscal years 1982, 1983, and 1984.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oklahoma (Mr. JONES).

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 334, nays 2, present 1, not voting 94, as follows:

[Roll No. 28]

YEAS—334

Addabbo	Dymally	Lantos
Akaka	Early	Latta
Albosta	Eckart	Leach
Alexander	Edwards (AL)	LeBoutillier
Andrews	Edwards (CA)	Lehman
Annunzio	Edwards (OK)	Levitas
Anthony	Emerson	Lewis
Applegate	Emery	Livingston
Archer	English	Loeffler
Ashbrook	Erdahl	Long (LA)
Aspin	Ertel	Long (MD)
Atkinson	Evans (DE)	Lott
AuCoin	Evans (GA)	Lowery
Bafalis	Evans (IA)	Lowry
Bailey (MO)	Evans (IN)	Lujan
Bailey (PA)	Fary	Luken
Barnard	Fascell	Madigan
Barnes	Fazio	Markey
Beard	Fenwick	Marlenee
Bedell	Ferraro	Marriott
Beilenson	Fields	Martin (IL)
Benedict	Findley	Martin (NY)
Benjamin	Fithian	Matsui
Bennett	Flippo	Mattox
Bethune	Foley	Mavroules
Bevill	Ford (MI)	Mazzoli
Bingham	Ford (TN)	McClory
Blanchard	Forsythe	McCurdy
Bliley	Fountain	McDade
Boggs	Frank	McEwen
Boland	Frenzel	McGrath
Bolling	Frost	Michel
Boner	Fuqua	Mikulski
Bonior	Gejdenson	Mineta
Bonker	Gibbons	Minish
Bouquard	Gingrich	Moakley
Bowen	Ginn	Molinari
Breaux	Glickman	Mollohan
Brinkley	Goldwater	Montgomery
Brodhead	Gonzalez	Moore
Brooks	Goodling	Moorhead
Broomfield	Gore	Mottl
Brown (CA)	Gramm	Murphy
Brown (CO)	Green	Murtha
Burgener	Gregg	Myers
Burton, John	Grisham	Napier
Burton, Phillip	Gunderson	Natcher
Butler	Hall (OH)	Neal
Byron	Hall, Ralph	Nelligan
Campbell	Hall, Sam	Nelson
Carman	Hamilton	Nichols
Carney	Hammerschmidt	Nowak
Chappell	Hance	Oberstar
Cheney	Hansen (ID)	Panetta
Clinger	Harkin	Parris
Coats	Hartnett	Pashayan
Coelho	Hawkins	Patman
Coleman	Heckler	Patterson
Collins (IL)	Hefner	Pease
Collins (TX)	Hendon	Perkins
Conte	Hertel	Peyser
Conyers	Hightower	Porter
Corcoran	Hiler	Price
Coughlin	Holland	Pritchard
Courter	Hollenbeck	Pursell
Coyne, William	Holt	Rahall
Craig	Hopkins	Railsback
Crockett	Howard	Rangel
Daniel, Dan	Huckaby	Ratchford
Daniel, R. W.	Hughes	Regula
Danielson	Hunter	Reuss
Daub	Hyde	Rhodes
Davis	Ireland	Richmond
de la Garza	Jacobs	Rinaldo
Deckard	Jeffords	Ritter
Dellums	Jeffries	Roberts (KS)
DeNardis	Jenkins	Roberts (SD)
Derrick	Johnston	Robinson
Derwinski	Jones (OK)	Rodino
Dicks	Jones (TN)	Roemer
Dingell	Kazen	Rogers
Dixon	Kemp	Rose
Dorgan	Kildee	Rosenthal
Dornan	Kindness	Roth
Dreier	Kogovsek	Roukema
Duncan	Kramer	Rousselot
Dunn	LaFalce	Rudd
Dwyer	Lagomarsino	Russo
Sabo	Solomon	Weaver
Sawyer	Spence	Weber (MN)
Scheuer	St Germain	Weber (OH)
Schneider	Stangeland	Weiss
Schroeder	Stanton	White
Schulze	Stark	Whitehurst
Seiberling	Staton	Whitley
Sensenbrenner	Stenholm	Whittaker
Shamansky	Stokes	Whitten
Shannon	Stratton	Williams (MT)
Sharp	Studds	Wilson
Shaw	Stump	Winn
Shelby	Synar	Wolf
Shumway	Tauke	Wolpe
Shuster	Tauzin	Wortley
Siljander	Thomas	Wyden
Skeen	Udall	Wylie
Skelton	Vander Jagt	Yates
Smith (AL)	Walgren	Yatron
Smith (IA)	Walker	Young (AK)
Smith (NE)	Wampler	Young (FL)
Smith (NJ)	Washington	Young (MO)
Smith (OR)	Watkins	
Snowe	Waxman	

NAYS—2

Kastenmeier	Mitchell (MD)

PRESENT—1

Ottinger

NOT VOTING—94

Anderson	Gephardt	Moffett
Badham	Gilman	Morrison
Bereuter	Gradison	O'Brien
Biaggi	Gray	Oakar
Brown (OH)	Guarini	Obey
Broyhill	Hagedorn	Paul
Chappie	Hansen (UT)	Pepper
Chisholm	Hatcher	Petri
Clausen	Heftel	Pickle
Clay	Hillis	Quillen
Conable	Horton	Roe
Cotter	Hubbard	Rostenkowski
Coyne, James	Hutto	Roybal
Crane, Daniel	Jones (NC)	Santini
Crane, Philip	Leath	Savage
D'Amours	Lederer	Schumer
Dannemeyer	Lee	Simon
Daschle	Leland	Snyder
Dickinson	Lent	Solarz
Donnelly	Lundine	Swift
Dougherty	Lungren	Taylor
Downey	Marks	Traxler
Dyson	Martin (NC)	Trible
Edgar	McCloskey	Vento
Erlenborn	McCollum	Volkmer
Fiedler	McDonald	Williams (OH)
Fish	McHugh	Wirth
Florio	McKinney	Wright
Foglietta	Mica	Zablocki
Fowler	Miller (CA)	Zeferetti
Garcia	Miller (OH)	
Gaydos	Mitchell (NY)	

□ 1330

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 115), with Mr. FROST in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole rose on Friday, May 1, 1981, the gentleman from Oklahoma (Mr. JONES) had 2 hours and 59 minutes of general debate remaining, and the gentleman from Ohio (Mr. LATTA) had 4 hours and 13 minutes remaining.

The Chair recognizes the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Chairman, I yield 1 hour to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I think it is important, as we proceed on the debate on the budget resolution, to inform Members of the Congress as accurately as possible what the impact of their votes will be in terms of a resolution and in terms of the responsibilities of each of the Members.

One of the dangerous aspects that has developed during this debate on the budget, both within and without the House, is the implication that somehow this is not real, that these are nebulous targets, that they will not really impact on the committees or on the Members or, for that mater, on their constituents; that somehow all of this can be avoided down the road. If you believe this, you are not only fooling yourselves, you are fooling the American people. They will not tolerate the impression that we are going to adopt a resolution which is not business as usual, and then undermine that resolution through business-as-usual tactics in the House.

The Agriculture Committee on the Senate side, for example, has already added $8.5 billion to the farm bill above their resolution. The Agriculture Committee on this side is now commencing work on a farm bill and is already beginning to add to the figures contained in the resolution. The fact is that the budget resolution has a tool to force compliance, and that is reconciliation, which must be completed by June 15.

The committee resolution provides for $15.8 billion to be reconciled by the committees, plus $23.6 billion to be resolved through the appropriations process. The Latta substitute provides for $36 billion, all incorporated in reconciliation, to be implemented by June 15 by the authorizing committees. The same amount is involved here.

The real question is, How do we accomplish it? Do we put it all in reconciliation, or do we protect part of it in terms of the appropriations process? That is a very important question. It is a very real question that must be considered by the House. The purpose of this hour is to explore what the impact of the reconciliation on authorization levels as well as on legislative savings will be, with regard to various areas.

Mr. Chairman, I yield 9 minutes to the gentleman from Texas (Mr. DE LA GARZA), chairman of the Agriculture Committee.

The CHAIRMAN. Without objection, the gentleman from Texas (Mr. DE LA GARZA) is recognized for 9 minutes.

There was no objection.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman from California, and I also would like to commend him, as a member of the Agriculture Committee, for expressing his concern to the members of that committee as to the thing that we are doing today as we are marking up farm legislation and the possibility that what we do may have to be—or will be—impacted, whichever route we take here.

Mr. Chairman, the day of decision on the first concurrent resolution on the budget for fiscal year 1982 fast approaches. It seems to me that nothing is more important to the decision of each Member than an understanding of the impact of each of the two major proposals—the Budget Committee resolution and the so-called Latta substitute. I want you to be aware, therefore, of the effect that each of these proposals would have on the programs within the jurisdiction of the Committee on Agriculture, which I am privileged to chair. We must keep in mind, as we consider these matters, that while the approach differs, each of the proposals contemplates a reconciliation process which will make binding the figures contained in whichever budget resolution we adopt. Under either proposal, the result on agriculatural programs will be direct and substantial.

The Budget Committee resolution would direct the Agriculture Committee to report legislation saving $48 million in budget authority and $374 million in outlays for fiscal year 1982. The Budget Committee recommends that the savings in budget authority be accomplished by legislation imposing fees upon the users of grain, cotton, tobacco, and warehouse inspection services which have heretofore been furnished by the Department of Agriculture through appropriated funds.

The Budget Committee recommends that the savings in outlays be accomplished by legislation imposing user fees, as discussed above, $48 million; eliminating a waiver of interest for the first year on loans on grain in the producer owned reserve, $165 million; eliminating the emergency feed and the farm storage facility loan programs, $160 million; and eliminating interest subsidies on certain loans of the Farmers Home Administration, $1 million. While the Agriculture Committee could achieve the directives prescribed by the Budget Committee through reductions in other programs, it is obvious that the reconciliation process would have a serious effect upon agricultural programs and producers.

It should be noted that, earlier this year, the Committee on Agriculture reported out and the Congress adopted legislation repealing a scheduled April increase in the dairy price support level which resulted in savings estimated by the Congressional Budget Office to be $160 million in fiscal year 1981, and $86 million in fiscal year 1982.

The Latta substitute would direct the Agriculture Committee to report savings of a much greater magnitude for fiscal year 1982; namely, a total of $2.181 billion in spending and appropriation authority and $2.487 billion in outlays. As has been explained, the approach of the Latta substitute on reconciliation is different from that in the Budget Committee resolution in that Latta mandates reductions in authorizations as well as in entitlements, reductions not merely for fiscal year 1982 but for out years. It mandates changes in permanent legislation, usurping the authority of the authorizing committees. We believe that any reductions of this nature should be accomplished through the appropriation process and not through a reconciliation process which effectively ousts the authorizing committees from their proper role.

The Latta substitute furnishes no guidance with respect to its directives. However, assuming that it reflects proposals which have been made by the administration, we believe that it must contemplate legislative action affecting the following programs.

The Latta substitute would require reductions in spending authority of $255 million and in related outlays of $709 million in fiscal year 1982. Since, as we understand the term, direct spending programs within the authority of the Agriculture Committee are those carried out through the Commodity Credit Corporation, the only savings in this area which we are able to identify would be reductions in restoration of the borrowing authority of the Corporation which would result in reductions in the amount of borrowing authority available with which to carry out the Corporation's programs. Achievement of savings of this nature for fiscal year 1982 would, in our opinion, require legislation reducing the levels of price support for a number of crops, including wheat and feed grains, which have already been announced by the Secretary of Agriculuture and upon which the farmers of America have relied in conducting their 1981 production operations. Much of these crops would not come under the program until fiscal year 1982.

The reduction in outlays could be achieved by action such as reduction in dairy price supports to a level somewhere between 65 and 68 percent of parity—with savings estimates ranging from $286 to $743 million—and legislation terminating the emergency feed program, $60 million.

The Latta substitute also contemplates action to achieve savings in budget authority of $1.926 billion and in related outlays of $1.778 billion. These figures relate primarily, as we understand it, to the food stamp program. Savings of $1.8 billion in budget authority and a somewhat similar amount of outlays would result from primarily legislative and some administrative program changes proposed by the administration. The food stamp bill expires September 30, 1981. Our committee now has under consideration as part of the farm bill, extension of the food stamp program. The subcommittee has reported a bill to the full committee with proposals which would make considerable savings in the program. The Latta proposal goes beyond that and would make additional changes that would fall heavily on the needy. The balance in reduction in both budget authority and outlays would have to be found in changes in other programs within the committee's jurisdiction, such as imposition of user fees and cutbacks in other USDA programs which operate with appropriated funds.

It is obvious that the Latta substitute would impact much more sharply than would the Budget Committee resolution on American agriculture, as well as upon low-income households in need of food assistance.

I must also point out that, to the extent the proposals under consideration apply to binding figures for the out years, our committee forecasts an acute problem. It is extremely difficult for the committee to make meaningful and accurate estimates of the fiscal needs of agricultural programs within its jurisdiction even with respect to the current or the forthcoming fiscal year. The same is true with respect to the food stamp program, inasmuch as program cost is heavily affected by factors not susceptible to accurate long-range estimation, such as the rate of unemployment and the rate of inflation as reflected in the cost of food. It is, in short, literally impossible for the committee to make meaningful estimates for these programs with respect to the out years. A process which would impose ceilings or limitations for the out years upon these programs could have disastrous results. It could well make it impossible for the committee to provide for the kinds of programs which are essential to insure a healthy and productive agricultural sector capable of supplying the food and fiber needs not only of this Nation but of much of the world.

□ 1345

Mr. PEYSER. Mr. Chairman, will the gentleman yield for a question?

Mr. DE LA GARZA. I am happy to yield briefly.

Mr. PEYSER. My question, Mr. Chairman, is being asked because I think a lot of people, myself included, have a problem with both reconciliation and this budget process. I notice that the Senate Agriculture Commit-

tee has acted to restore the dairy support that the House voted to reduce. Now, they have also accepted the budget.

What I do not understand is, how can the body over there restore those funds and at the same time be supporting the administration's budget which does not allow for those funds? How does that get worked out?

Mr. DE LA GARZA. Mr. Chairman, the gentleman is going to speak soon to individual Members about how they reconcile that vote, because that is what I am trying to explain here today. We cannot have it both ways.

Mr. PEYSER. That is exactly the point I am trying to get at, that while the Senate Budget Committee supports the administration, they have voted additional moneys that are covered in the legislation they supported.

Mr. DE LA GARZA. Mr. Chairman, I am not going to burden the Members further except to make this statement, which I made in response to the gentleman from New York (Mr. PEYSER): The fact is that we are now making up farm legislation.

I have given the Members some of the figures, but we have to—and here I am using the same word—reconcile ourselves to the fact that what we do here on the floor is going to impact on what we will have to do later in the Committee on Agriculture. No matter what figures we used for now, no matter what legislation we finally pass, the reconciliation process is going to give us a figure within which we have to accommodate the programs in agriculture.

My explanation to the Members here is that they should look very carefully at that, because the impact of what we do here will be such that it may necessitate—and it most undoubtedly will, regardless of which way we go or what we do in the Committee on Agriculture—that we proceed carefully in determining how we provide for the food and fiber needed not only for our Nation but for many other nations of the world.

Mr. PANETTA. Mr. Chairman, I yield 8 minutes to the gentleman from Rhode Island (Mr. ST GERMAIN).

The CHAIRMAN. Without objection, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 8 minutes.

There was no objection.

Mr. ST GERMAIN. Mr. Chairman, the Latta substitute, like the President's budget proposals, goes beyond the worthy goal of trimming waste, and cuts deep into the heart of programs that are vital to the American people.

Programs under the jurisdiction of the Banking Committee take severe cuts under the Latta substitute, totaling almost $13 billion in budget authority for fiscal year 1982, $15 billion for fiscal year 1983, and $17.7 billion for fiscal year 1984. Although I can indicate the general magnitude of harm these cuts engender, it is hard to know exactly what the Latta substitute will mean for the people of this country.

The authors of this amendment as of this morning have neglected to tell this committee and the House anything about how they arrived at their numbers. Before we can be expected to even consider the Latta proposal we must demand that their underlying economic assumptions be made clear.

For instance, what level of inflation does the latta substitute presuppose; how many unemployed people do they predict will result from their proposal; will the economy experience any real growth in GNP? Without knowing these predictions, and how they were determined, we cannot have the slightest idea whether the proposal will lead us toward full employment and low inflation, or further away from those goals, than we now are. Thus, expecting us to vote for the Latta proposal is expecting us to buy a pig in a poke. This we cannot do. The destiny of our country and the economic well-being of our people are too important to be left to guesses and fond wishes.

More specifically, the Latta substitute does not give us any hint of how the authorizing committees are expected to reach the desired levels of cuts. Authorizing committees are not simply black boxes into which preconceived numbers are thrown, and out of which good public policy is supposed to come. Real people are affected by each choice we make here. This House must demand to know how the sponsors of the Latta substitute expect us to make these cuts.

The Latta substitute represents a significant departure from the current budget process. The ramifications of this change must be made clear from the outset. By including programs other than entitlement or quasi-entitlement programs in its reconciliation measure, the Latta substitute would do serious damage to the role of the authorizing committees as they have developed their programs over time, and as envisioned by the Congress in developing the 1974 Budget Control and Impoundment Act.

As originally conceived, reconciliation was designed to provide a means to bring already enacted spending legislation in line with the second concurrent budget resolution. The Latta substitute in its reconciliation measure directs committees to enact legislation that effects savings for years beyond the current legislative year. The Latta substitute goes far beyond the proper function of reconciliation.

Further, the Latta substitute would prevent committees which have developed an expertise in complex policy areas from being able to exercise the necessary oversight required to respond in a timely manner to changing economic, social, and other conditions.

In order to achieve the level of savings required for fiscal 1983 and 1984 under the Latta substitute, programs which the Congress currently authorizes on an annual basis, such as subsidized housing, would need to be authorized on a multiyear basis. Yet, throughout the history of subsidized housing programs, the Congress has determined that it can only effectively respond to the volatile nature of the housing market and to changing local needs if it reauthorizes these programs on an annual basis.

For example, the mix between newly constructed and existing housing units, which is a critical element of that funding decision for subsidized housing, must be determined on an annual basis if the Congress is to adequately respond to changing rental vacancy rates and neighborhood conditions within local communities. Decisions concerning the level of funding and the number of units assisted are predicated on the availability and type of financing which the marketplace can provide. It would be impossible to predict this over a multiyear period, given the volatility of interest rates, and the sensitivity of credit availability to the changing economy.

Although the Latta substitute sponsors fail to provide committees with any reasonable breakdown of how cuts within committee jurisdiction should be made, the House Banking Committee has assumed that they would resemble the cuts proposed in some detail by the Senate Budget Committee, and it is on that basis that our response is made.

I will, for the sake of time, address only the largest cuts from this committee; specifically, those from subsidized housing, the Export-Import Bank, and the community and economic development and energy conservation programs.

The reductions in subsidized housing contained in the Latta substitute would have a tremendously adverse impact on the poor and the elderly. It could result in a 40-percent reduction of subsidized housing units funded through fiscal year 1984. That would be as many as 300,000 fewer units. Currently, subsidized housing is available for fewer than one-fifth of the eligible poor and elderly. Waiting lists for public housing in some areas are as long as 8 years. The effect of the Latta substitute would mean hundreds of thousands of the poor and elderly could not be assisted.

The Latta substitute would also lead to further deterioration of the existing subsidized housing stock. Last year, Congress provided for comprehensive modernization of the existing public housing units. These units represent over $60 billion in Federal investment.

Many are sliding into decay and deterioration. The Latta substitute, by forcing a reduction in funds intended by Congress to deal with this problem, would thwart efforts to preserve our existing resources. Failing to address needed improvements to public housing now will lead to far more costly expenditures in the future.

In the areas of community and economic development and energy conservation, the Latta substitute would mean that the community development block grant and urban development action grant programs, as well as other categorical programs, could be reduced by as much as 30 percent over the next 3 years. These are programs which benefit small and large, rural and urban communities. They have enabled our communities to reclaim neighborhoods, restore housing, attract and retain jobs, and reduce the energy costs of the poor and the elderly.

The Latta substitute would eliminate completely the $200 million weatherization grant program—a program that has been so helpful to the elderly and others suffering from astronomically high energy costs.

Under the urban development action grant program alone, an average of 6 private dollars are leveraged for every Federal dollar expended. Reductions of the magnitudes proposed by the Latta substitute in these programs will dramatically slow the progress that has been achieved in reclaiming declining cities and towns, and in enabling growing communities to continue to expand.

Turning now to the substantial cuts in the Export-Import Bank's direct lending authority, the Senate Budget Committee recommended that the Bank's budget authority be cut by $2.5 billion in fiscal year 1982, by nearly $4 billion in fiscal year 1983, and by $5.3 billion in fiscal year 1984.

Frankly, this is about the worst time to cut back on Eximbank programs. This country is in the midst of negotiations with other countries aimed at cutting back on export subsidies. The most effective clout we can have in pursuing these talks to proper conclusion is to pursue an aggressive export promotion policy of our own. Anything less amounts to unilateral disarmament.

As we reported to the Budget Committee on March 20, 1981:

> This reduction could have a significant detrimental impact on U.S. exports, and on U.S. exporting industries which compete with foreign exporters benefiting from highly subsidized export credit provided by their governments. Without comparable Eximbank assistance, some U.S. exporters, in particular those producing high technology and large capital goods, will lose export sales, for want of competitive financing. Employment in those industries will suffer.

In addition to the immediate direct loss in jobs we must consider the many small subcontractors which would lose business.

Aside from the question of whether these cuts are wise, there is the question of whether it is appropriate to instruct the Banking Committee to approve legislation to make them effective. Under current law the committee sets an overall ceiling on the amounts of loans, guarantees and insurance that can be outstanding at any one time. The Appropriations Committee, then, sets ceilings on the amount of new commitments that can be made in any 1 year. There is no appropriation of budget authority and outlays since these figures are a function of the Bank's cash flow, loan disbursements, and repayments. If the Latta substitute is adopted, the Banking Committee would have to enact, for each of 3 fiscal years, ceilings on new Eximbank activity and predict what effect those ceilings would have on the Bank's actual cash flow. This may be impossible; and if not, it would simply duplicate the work now done annually by the Appropriations Committee.

I have picked out the largest cuts from which our country and citizens will suffer under the Senate budget resolution, and presumably under the proposed Latta substitute. It would be easy to continue down the list of unwise cuts, from the national consumer cooperative bank through the solar bank and on to the strategic petroleum reserve, but we do not have the time to discuss each in detail at this moment.

The President, the Congress, and the Nation, however, should know that the House Banking, Finance and Urban Affairs Committee intends to investigate the ramifications of all budget cuts suggested to it in a timely but thorough manner. The people deserve no less. We ask that the sponsors of the Latta bill make clear to us, and the Nation, the assumptions and predicted effects of their substitute bill.

□ 1400

Mr. PANETTA. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey (Mr. HOWARD).

The CHAIRMAN. Without objection, the gentleman from New Jersey (Mr. HOWARD) is recognized for 10 minutes.

There was no objection.

Mr. HOWARD. Mr. Chairman, a heavy responsibility has been laid on all of us in this Chamber today. In the name of budgetary restraint, we are called upon to defer and even dismantle a broad range of Federal programs long regarded as essential to the well-being of our society.

But before we come to a decision on these proposals. I believe it is imperative that we examine most carefully the mechanism that has been offered for arriving at that decision: The reconciliation process.

The Members should understand clearly that, if this mechanism is accepted on this issue, it will have a significant and, I submit, unfortunate impact on the way in which Congress legislates, now and in the future.

In formulating the Congressional Budget Act, the reconciliation concept was suggested by Charles Schultze, who proposed that Congress "use the same method for finalizing its budget as is used by the Executive Branch." The legislative history also supports the position that reconciliation was intended to implement the determinations made in the second, or final, budget resolution for a fiscal year.

But that was not the case last year—the first time reconciliation was implemented on the spending side—nor is it the situation this year. There are those who say that in these unprecedented economic times. Reconciliation is a necessary procedure. But it must also be said that inclusion of reconciliation in the first budget resolution significantly diminishes the responsibilities of the authorizing committees for making policy decisions in a meaningful fashion. It precludes meaningful analysis. Forecloses debate, imposes serious time constraints, and serves to undermine, rather than strengthen, the overall legislative and budget processes.

If it is the decision of Congress to reduce Federal spending, then so be it. But I do not believe the mechanism for that decision should be reconciliation in the first budget resolution. Nor should reconciliation in any spending resolution call for spending reductions in the outyears. Neither approach is contemplated by the Budget Act. Reconciliation was designed to bring spending in line with the budget ceiling for a particular year, not future years. Section 310 of the Budget Act is clear on this, as is section 301(B)(2), which specifically limits reconciliation "To the enactment of spending legislation for the coming fiscal year."

We can achieve the reductions necessary in fiscal years 1982-84 by lowering the total budget ceilings for those years when we enact the budget resolutions. Attempting to force those reductions now, prior to consideration of the budget resolution for those years, does violence to the Budget Act and robs Congress of the flexibility it must have if Federal spending is to be controlled and sound fiscal policy achieved.

In addition, it is my understanding that the Senate Budget Committee has directed the Senate committees to cut, through the reconciliation process, authorization as well as direct spending programs. In some cases, this involves reductions in programs which have not as yet been authorized. In all cases, it involves matters which fall

within the spending jurisdiction of the Appropriations Committees and should not under the Budget Act, be targeted for reduction by the authorizing committees. I, for one, hope that this House would resist any movement in this direction in the upcoming conference on the budget resolution.

Mr. Chairman, one of the primary purposes of the Budget Act was to fashion a process whereby the authorization and appropriation committees would make spending and fiscal decisions in an orderly and meaningful manner. However, that is not the situation we see today, nearly 7 years after the adoption of the Budget Act.

Recognizing this, I believe that the time is now ripe to begin work on making the budget process an even more useful exercise by reaffirming the intended role of the authorizing committees. In talking to other Members, I know that there is great interest in doing so, and I am committed to working with all Members to insure the success of that effort.

Mr. Chairman, I would now like to address the issues contained in the so-called Gramm-Latta substitute which are of concern to the Committee on Public Works and Transportation: the funding levels assumed for some of our major program areas and the reconciliation instructions given to our Committee.

With respect to public works issues, the Gramm-Latta substitute differs from the Budget Committee resolution in three specific program areas: urban mass transit operating subsidies, ADAP, and the Economic Development Administration.

In function 400, Transportation, the Gramm-Latta substitute reduces the administration's proposals for mass transit operating subsidies for fiscal year 1982 by $260 million in budget authority and $130 million in outlays through acceleration of the phaseout for these subsidies. Conversely, the House Budget Committee resolution, while assuming the President's spending level for fiscal year 1982, rejects the phaseout and proposes for fiscal year 1983 an additional $400 million in budget authority and $200 million in outlays, and, for fiscal year 1984, $750 million in budget authority and $500 million in outlays.

In function 450, Community and Regional Development, the Gramm-Latta substitute restores, for fiscal year 1982, $100 million in budget authority and $12 million in outlays to the administration's proposals for EDA development, loan, and other grant programs. It goes on, however, to assume its termination at the end of fiscal year 1982. The Budget Committee resolution assumes for fiscal year 1982 a funding level of $350 million in budget authority and $100 million in outlays, with sufficient funding for fiscal years 1983 and 1984.

The Gramm-Latta substitute also assumes the administration's figures for ADAP: $450 million in fiscal year 1982 and $324 million in budget authority for the Airport Trust fund's facilities and equipment program. The Budget Committee assumed in its resolution $750 million and $400 million, respectively, for these programs.

In all three instances, I believe that the Budget Committee's resolution more accurately strikes a balance between spending cuts and program needs.

Of equal concern to me is the reconciliation directive contained in the Gramm-Latta substitute.

Unlike the Budget Committee resolution, it directs the Committee on Public Works and Transportation to achieve cuts in authorizations as well as spending—a practice which I have already indicated has raised a number of concerns on the Senate side. In addition, it imposes on our committee an almost impossible task, to address by June 15—one short month away—legislation in the area of EDA, regional commission, highway safety, mass transit operating subsidies, Federal-aid highways, EPA construction grants, TVA, and Army Corps of Engineers water project construction grants.

Just in the area of highways for example, it must be said that it has always been our committee's intention to undertake next year a comprehensive review of the whole Federal-aid highway program.

How are we to address in 1 month the needs and concerns of this program, or any other, and really do justice to the legislative process? To do so, I submit, would turn the dream the President spoke of last Tuesday evening into a nightmare.

I do not challenge the immediate need for restraint in this budget. I ask only that in making our decisions we use a little discretion. We have an enormous capital investment in the American economic structure that cannot and must not be sacrificed for illusory, short-term benefits.

Mr. Chairman, it is precisely because I share the President's vision of a revitalized, reindustrialized America that I urge continued adequate funding for the public works programs in which so much of our national treasure has been invested.

Reductions across the whole range of Federal activities may indeed be necessary at this time, but they should not fall disproportionately upon the very programs on which rests all hope of long-term, lasting economic stability.

Private enterprise cannot do its job without a functioning system of public highways, airports and airways, mass transit, water and sewer lines, and a host of other services which government alone can provide.

But the sad truth is that this complex system is breaking down today because we have failed to protect our capital investment. Today, our funding of public works, as a percentage of the gross national product, is less that half of what it was in 1965.

The Interstate Highway System, now almost completed after 25 years and some $80 billion of public money, is wearing out faster than it can be repaired. Just about 1 in every 10 miles of the system is in need of immediate resurfacing—and that is the very best of our highways.

Bridges all over the country are collapsing. Sewers and water lines are rotting away. City transit systems are breaking down. Billions of dollars in coal for export pile up in antiquated seaports, and our airports are congested almost beyond belief for lack of development funds.

Mr. Chairman, I refuse to believe that this Congress will accept as its public works policy: "Build it and Forget it."

The people of this Nation have invested their toil and treasure in the public works foundations of our economy. It is up to the Congress now to protect that investment.

Mr. Chairman, I am happy to yield to the chairman of our Economic Development Subcommittee, the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Chairman, the gentleman from New Jersey has made an eloquent statement on the need to continue to replace the Nation's infrastructure and on the need to retain the Economic Development Administration and other programs under the jurisdiction of the House Public Works Committee, which the gentleman so ably chairs.

Mr. Chairman, I would like to point out that the reconciliation provisions of the Gramm-Latta proposal amount to an abdication of congressional responsibility under the Constitution toward the budget and toward the programs over which we have jurisdiction. It is simply a rubber stamp of the administration's program. It severs Congress from its own independent judgment on the individual programs under jurisdiction of our various committees.

The President has called the Congress and the American people to a program of fiscal restraint and we have responded in the Public Works Committee with budget reductions and the Subcommittee on Economic Development which I chair has reduced the budget for economic development 70 percent below the authorization level and 40 percent below the current year appropriation level, but Gramm-Latta with reconciliation instructions——

The CHAIRMAN. The time of the gentleman has expired.

Mr. PANETTA. Mr. Chairman, I yield 1 additional minute to the gentleman from New Jersey.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield further?

Mr. HOWARD. I yield.

Mr. OBERSTAR. Reconciliation under Gramm-Latta for EDA and the Appalachian Regional Commission and the multi-State regional commission programs means no program for next year and the following years. It means that these programs are sunsetted at the end of the 1982 fiscal year. That is not a way of legislating. That is simply abdicating independent judgment of this legislative body to that group down at the other end of Pennsylvania Avenue. That is not the way the Constitution was intended to operate.

In considering the budget resolution this week, the House faces a difficult and important task which will have an impact not only on Government spending, the role of Government, and budgetary matters, but also on the responsibility of Congress to make spending decisions and establish priorities which affect thousands of Americans.

The budget resolution as reported by the House Budget Committee is a responsible and pragmatic response to curbing Federal spending and maintaining a careful balance between the needs of people and the responsibility to curb inflation. As part of the budgetary process, the authorizing committees will be asked to make savings in budget authority through the reconciliation process. The committee bill recognizes the need for multiyear planning by requiring committees to make cutbacks in budget authority which will lessen the spending impact and the outlay of Federal funds for fiscal years 1983 and 1984.

I am most concerned about the use and, I believe, abuse of the reconciliation process as included in the Gramm-Latta substitute which has been embraced by the administration.

The budget process, as envisioned in the Budget Act, was designed to give Congress greater responsibility and authority over the budget. Gramm-Latta makes a travesty of this goal. Not only would its passage represent an abdication of the legislative responsibility of authorizing committees, but also a surrender of our flexibility and independence to the Executive Branch. Because Gramm-Latta so closely mirrors the administration's proposal, it is really asking Congress to merely rubber stamp the administration's budget, rather than exercise our own independent judgment.

The implications of this reconciliation travesty are awesome, and set a dangerous precedent for future years. Last year the reconciliation process addressed only entitlement programs, those that mandate spending. This year, Gramm-Latta would override the jurisdictions of all authorizing committees. Will the executive branch next year send up its own reconciliation bill, for Congress to introduce "by request" and then pass without question?

Mr. Chairman, if we abdicate our responsibilities now, there will very soon be no role for authorizing committees—either to initiate needed programs, or manage existing ones.

The budget figures for our own Public Works Committee tell the story. The Gramm-Latta proposal has the cumulative effect of requiring tne Public Works and Transportation Committee to cut $10 billion from its programs over the next three years, with resulting heavy legislative as well as dollar damage to all programs under our jurisdiction. Such cuts represent not simply modification of spending levels, but would mandate repeal of numerous entire programs.

This proposal goes beyond cutting Federal spending and requiring the authorizing committee to make decisions to reduce spending for fiscal year 1982. It actually destroys the potential for the Congress to respond to changes in the economy or changes in needs which might take place in 1983 and 1984.

This proposal has the effect of destroying the entire structure and the authorities for key job creating and economic stimulus programs. There is no way we can predict with any certainty the job needs which we will be facing in the mid-1980's. However, if we follow the reconciliation process instructions of this proposal, we are expected to assume there will be nothing but economic recovery, economic prosperity and full employment in 1983 and 1984. As much as we all might hope that that will be the situation, it is irresponsible to lock ouselves into a budget in mid-1981 based on this prophesy.

Effective Government programs require constant budgetary review and program adjustments to see that they are appropriate. This is why we have an annual budget process, and that is why we have authorizing committees, appropriations committees and budget committees. Let us not destroy this critical balance in our enthusiasm for swift and bold budgetary action.

As an example of how the inflexibility of the Gramm-Latta reconciliation would cripple Congress ability to respond to changing economic conditions, let us take the Economic Development Administration which is under the jurisdiction of the House Public Works Subcommittee on Economic Development, which I chair.

The administration has frozen all job-creating programs under EDA, submitted a rescission of all remaining EDA funds for fiscal year 1981, and has requested only closeout funding for 1982. They are now in the process of dismantling the agency.

The administration-backed reconciliation, unlike the Budget Committee's measure, asks us to acquiesce in virtual termination of EDA now, during the first week of May 1981, and legislatively sunset the agency at the end of 1982. We are asked to reduce EDA far below its viable level, today, when we have no way of knowing what conditions the economy will be in 6 months from now, much less next year.

Our committee has argued that even under the best of economic conditions, not all areas of the country will benefit equally from the hoped for recovery.

There is great question in the minds of many of this Nation's foremost economists that the administraition's assumptions are sound.

It is at least as likely that unemployment will still be high next year, assuredly in certain regions if not across the Nation. And, while I do not want to sound like a prophet of doom, it is also possible that next year's statisistics will closely resemble the current ones. Or, they could be worse.

At this time next year, if Congress adopts the administration-backed reconciliation, there will be no EDA; there will be no agency, no institution, and no people to administer any new programs Congress may decide are needed. The full two decades of economic development experience and expertise embodies in EDA; the skilled, knowledgeable professionals not at the desks, will be gone. There are virtually irreplaceable national assets.

At this time next year, should the need arise, Congress will not have the time to write new programs, recreate an agency, hire and train comparable professionals, to rescue the country from economic stagflation.

It makes eminently better sense, it seems to me, to keep EDA's staff and programs ready to respond to next year's needs.

To illustrate my point, let me cite the experience under the criticized but definitely effective Local Public Works program.

Congress enacted the Local Public Works Capital Development and Investment Act in 1976. During the 6-week application period, EDA's regional offices received approximately 25,000 applications totaling more than $24 billion. By early February 1977, EDA had approved more than 2,000 projects. By December 31, 1977, construction was underway or completed on every one of those projects, and on 85 percent of the 8,555 projects approved under the second round of LPW.

LPW had its faults, but thanks to the fact that EDA was there to administer the program, needed projects were approved, money was allocated

and thousands of people were put to work in less than 12 months.

Whether future economic conditions will require that kind of heroic effort, or simply an increase in funding for EDA's regular programs; or any other type of job-creating programs Congress may in the near future decide are necessary, we must have an administrative structure and a staff, to carry those programs out.

To tie Congress hands now, on May 1, 1981; to close out now all possibility of response to adverse economic conditions in future years, is foolhardy.

Once the administration's program has had a chance to prove itself; once the entire Nation—not just certain regions—is on the road to recovery, it may make sense to close out job-creating programs.

Now the administration is asking Congress to gamble the livelihoods of countless Americans on an untried and somewhat dubious proposition.

This is a gamble I urge this House to reject.

Mr. HOWARD. Mr. Chairman, I congratulate the gentleman for his statement in behalf of these vital economic development programs that should not absolutely be killed, as the Gramm-Latta proposal would do, because they are so very, very necessary.

I would also like to have my colleagues who are interested in the Tennessee Valley Authority or have any interest in that to look over this Gramm-Latta proposal very seriously, because you can just about forget about that if this Gramm-Latta proposal goes through.

Mr. PANETTA. Mr. Chairman, I yield 6 minutes to the gentleman from Kentucky (Mr. PERKINS), chairman of the Committee on Labor and Education.

The CHAIRMAN. Without objection, the gentleman from Kentucky (Mr. PERKINS) is recognized for 6 minutes.

There was no objection.

Mr. PERKINS. Mr. Chairman, I rise in opposition to the Gramm-Latta substitute.

Mr. Chairman, I stand here in the firm conviction that, whatever way the House votes on this first budget resolution, whatever amendment is adopted, we are about to inflict great damage upon this country.

Clearly, we have fixed our sights upon a balanced budget—not this year, not next year, but somewhere down the road in the uncertain future.

Some in the country and the Congress have allowed themselves to be convinced that the road to that goal must be blasted through the vitals of some of the greatest social programs ever devised. They have accepted priorities that do not include education for disadvantaged children, do not include nutrition for the school age population of America, and do not include training for thousands of young people who will not otherwise find their way into productive jobs and contributing citizenship.

In my judgment, they are shaving away the promise of the Nation's future to make good the political slogans of today.

I want to see a balanced budget as much as any Member of this House. But I do not think our economic situation is so desperate that we must buy it at the cost of an unbalanced and unstable country in the years ahead. That is precisely the course upon which we are embarking this week, if we do not reverse our field before it is too late.

Notwithstanding my disagreement with the premise underlying the legislation before us today, I realize that in this democratic forum we must choose between alternatives. Even if Tweedledee is only marginally better than Tweedle-dum, we are obligated to make that distinction in our votes.

I have been a member of the Education and Labor Committee for more than three decades, and its chairman for 14 years. I have seen the development of some great programs in those twin fields from idea to field implementation. Some have been great from the start, and others have become great only through substantial amendment. Others have been disappointing in their effectiveness. But all of them have been sincerely directed toward the betterment of life for the American people.

Today, I want to discuss the impact of this budget resolution on some of those programs within the purview of the Education and Labor Committee, and to suggest which of the pending viable amendments would be better than the others.

ELEMENTARY AND SECONDARY EDUCATION

I am convinced that our citizens will be most unhappy with the results if we go along with the Gramm-Latta substitute. By encompassing the President's proposal to cut 25 percent from elementary and secondary education, the Gramm-Latta substitute would bring about a host of adverse effects for our schools. These effects were powerfully documented in our committee's hearings on the Reagan budget proposals.

There are several reasons why I believe the Gramm-Latta substitute should be defeated.

The first reason is economic. Stated simply, there is virtually no chance that long-term recovery can be accomplished by proposals that hamper the Nation's capability to invest in the human capital created by education.

If we drastically reduce our education programs in 1981, what will be the long term costs to the local, State, and Federal governments in 1985, or 1991, or 2000? Looking at the issue in purely economic terms, the costs of remedial education for the older student, unemployment benefits for untrained workers, or welfare for illiterate adults are far greater than the per pupil expenditures for our existing Federal education programs.

Just let me give an example. Our committee received data showing that for every $2 in Federal education money to school districts that is saved, it will cost at least $1 more in unemployment compensation due to teacher layoffs. Is this economically sound?

And, we heard testimony from the Wharton Econometric Forecasting Associates that if all the President's proposed cuts are adopted, the annual rate for inflation would still be barely a fifth of 1 percentage point lower by the end of fiscal year 1982.

Second, I am greatly concerned about the equity of these cutbacks. I, of course, recognize the need to control Federal spending. But I am also convinced that education is being targeted for more than its fair share of cuts. For example, in fiscal year 1981, education is being asked to take 34 percent of the proposed outlay savings, although it makes up only 2 percent of the Federal budget. In fact, 70 percent of the budget is not being touched at all.

Moreover, there has been no attempt to parcel out cutbacks according to the merits of individual programs. For example, all recent evaluations have demonstrated that the title I program for disadvantaged children under the Elementary and Secondary Education Act has a substantial impact on students' achievement. Yet, this program is slated for a 25-percent cut by the President.

Third, the testimony we received from parents, students, business people and educators shows that there is no question the policies embodied by the Gramm-Latta substitute will have a substantial cost in human terms. For example, according to the administration's own budget documents, their proposed cutbacks for title I, ESEA, result in 1.38 million fewer disadvantaged children being served. Apparently, the Gramm-Latta proponents are telling us that what happens to these children who will lose compensatory education services is not important. And this is just for one program. Similar losses of services to handicapped, migrant, limited-English speaking and other needy groups are a certainty under this proposal.

Fourth, I am concerned about some of the details of the administration's proposals. For one thing, the timing is unsound. The majority of the cuts in elementary and secondary education are scheduled to take effect for fiscal year 1981, which would affect this upcoming school year. In many school districts, budgets have already been set, teacher contracts have already

been approved, tax rates have already been determined for the upcoming school year. To hand down a 25-percent cutback in Federal funding a few months before the school year will throw these local districts into financial disarray.

Another aspect of the administration's proposal that concerns me is their recommendation to consolidate elementary and secondary education programs. The administration is arguing that a consolidation will help offset a large part of these cutbacks by reducing administrative costs. Yet, the GAO tells us that the average administrative costs for categorical education program is only 4 percent. Even if we assume consolidation would offset the administrative costs, (a questionable assumption, at best), this 4 percent would hardly soften the impact of a 25-percent cut.

Mr. Chairman, for all these reasons I would oppose the Gramm-Latta substitute. I just do not think the savings for elementary and secondary education is worth the woeful price we must otherwise pay.

CHILD NUTRITION

In mirroring President Reagan's economic plan, the Gramm-Latta substitute is recommending a $2.3 billion or 43 percent cut in child nutrition for fiscal year 1982.

The severity of this cut will end the school lunch program in thousands of schools across the country. It will also mean a total elimination of other viable nutrition programs by the beginning of our next school year.

In alining itself with the administration, the Gramm-Latta substitute supports the administration's contention that while the Federal Government is not in the business of subsidizing lunches for middle-income children, it is not turning its back on the truly needy.

I just have two or three points:

The Federal Government is by no means the sole benefactor of the school lunch program. A large percent of support money for free and reduced price lunches comes from the 60 cents that the middle income child pays each day for a school lunch. A smaller percentage comes from the State match that is based solely on the number of Federal dollars spent in support of school lunches for middle-income children.

Under the Gramm-Latta substitute, schools stand to lose the 40 cent Federal subsidy for the middle-income student's participation and any State matching dollars they now receive. Schools report that in order to recoup these losses, the price of a school lunch will double next year.

This means that the 14.2 million children that pay 60 cents this year will have to pay $1.25 next year. Did someone say this budget resolution aims to cure inflation?

Many of these so-called middle-income children are from families with incomes ranging from $15,000 to $20,000. Next year a family of 4 earning $20,000 will have to pay an additional $234 in lunch moneys.

Compare this to the tax cut of $134 that this family will receive under the Gramm-Latta proposal. Simple mathematics tell you that these working parents would fare better with subsidized lunches.

If the Gramm-Latta substitute adheres strictly to the administration, my colleagues, Mr. GRAMM and Mr. LATTA, would also assure the public that their proposal will not harm the truly needy.

Based on USDA figures, every 1¢ cut in the school lunch subsidy means a 1-percent drop in participation. The Gramm-Latta substitute eliminates the 39.5¢ subsidy for middle-income children. Based on the direct proportion, 40 percent or 6.8 million middle-income children will drop out of the school lunch program next year.

The American School Food Service Association views this as a conservative estimate and anticipates 40,000 schools closing their lunch programs next year because of the sharp decline of middle-income participation. What will happen to the millions of poor children that are enrolled in these schools? To the best of my knowledge, neither the administration's proposal nor the Gramm-Latta substitute have a "safety net" provision protecting these truly needy.

There are other proposals included in the Gramm-Latta substitute that adversely affect the poor.

Approximately 1 million children who come from families with incomes between $10,000 to $15,000 will have to pay 300 percent more for a school lunch next year.

The Gramm-Latta substitute will cut the WIC program by 30 percent forcing 700,000 low-income, infants and children with documented health problems out of the program.

Studies have proven that the WIC program significantly reduces the incidence of low birth weight babies, anemia and infant mortality. We have conclusive evidence showing that this program is cost-effective in terms of reducing Federal costs for medicaid, special education and disability payments down the road.

The Gramm-Latta substitute includes cuts aimed at the child care food program. The Federal Government pays out very little to make day care affordable to working mothers. The Gramm-Latta substitute will effectively drive the day costs up so many working mothers will have to quit their jobs and be forced on welfare in order to stay home with their children.

The House Budget Committee settled on $1 billion or 21 percent cut in child nutrition. This is significantly less than the $2.3 billion as proposed in the Gramm-Latta substitute or the $1.6 billion cutback contained in the Senate-passed reconciliation instructions. However, it is still a substantial cut when compounded with the other Federal education cuts that schools will have to absorb.

There are only two major differences between the Gramm-Latta substitute and the House Budget proposal. The House Budget proposal does not include a $300 million cut in the WIC program nor does it call for total elimination of the 39½ cents subsidy for middle income children in fiscal year 1982. Instead the Budget Committee recommends a 3-year phaseout of the subsidy with a 33-percent reduction in fiscal year 1982, a 50-percent reduction in fiscal year 1983 and the elimination of the remaining subsidy in fiscal year 1984.

Mr Chairman, although the House Budget Committee figures are not as onerous as the Gramm-Latta substitute or the Senate-passed mark of $1.6 billion, the intent is just as misguided. Whether it be a total elimination of the 40-cent subsidy this year or grandfathering over a 3-year period, schools across the country are going to be forced to close down their lunch programs as greater numbers of middle-income children drop out.

We started this program after World War II because there were so many youngsters that failed their physical examinations because they were malnourished. We are going to go full cycle if we eliminate the program now. This will happen if we cut back drastically in the unique funding structure under which the school lunch program operates. I urge this House to consider very carefully the outcome of its action on this program.

THE CETA PROGRAM

For approximately 2 weeks beginning March 24, 1981, the full Committee on Education and Labor heard testimony from 122 witnesses on the impact of the proposed fiscal year 1982 budget cuts.

A recurrent question in the hearings dealt with the hidden social and human costs of the administration's budget proposals, and the impact these hidden costs would have for those already living at—or near—subsistence levels.

I frankly admit I am one person that does not understand how cutting 770,000 CETA jobs in fiscal year 1982 will aid this country's inflation and unemployment problems. Can anyone seriously contend this is a blow for economic sanity?

But it is easy to speak in terms of numbers, and percentages, and statistics without once formulating the notion that when we speak of a 770,000 job loss estimate, we are really

talking about at least 770,000 persons (or more) who will not be receiving paychecks to buy food, or receiving paychecks to pay their monthly living expenses, or receiving paychecks to meet their rental obligations.

And there are other equally significant human costs. Many of these costs are hidden from easy view, but which nevertheless take a huge toll of this Nation's resources. For example, the Wharton Econometric Forecasting Associates say that President Reagan's job elimination budget cuts will cause an increase of $5.5 billion in unemployment compensation costs alone.

We can easily enough envision this catastrophic drain on the Federal Treasury—while at the same time deploring the economic policies that will have caused it.

What is very difficult to see are the hidden social costs brought on by misguided notions of how to fix up an ailing economy. There appears to be no room in this kind of budget-mindedness for simple human concern.

In this regard one of the committee's hearing witnesses commented on the price we would be paying in social costs. He said:

> The family dimensions of economic and budget policy cannot be ignored. Human costs are harder to quantify, but they are just as real. They show up in broken marriages, in increased tensions and violence within families, in fearful and discouraged children, in families without hopes or dreams. These proposals will intensify the pressures in millions of families.

He further noted:

> The absence of a job has obvious economic consequences, but it also can increase tensions and fears within a family. Studies indicate divorce, family violence and other forms of emotional stress increase in situations of joblessness.

A mayor of a medium-sized Eastern seaboard city, answering the question of CETA cuts, saw two possibilities for his city:

> The first one is that the city will be flattened out, that it will be a city of great despair, of vastly increased unemployment, a dispirited city. The second alternative is that it will be a riotous city.

Again in terms of social costs and human costs, increased unemployment—which will come in the wake of these cuts—will cost us plenty.

So will despair, loss of spirit, and the potential for domestic upheavals.

We are being told every day by some of our colleagues that "all boats rise with the tide."

My answer is that boats that get sunk, do not rise at all.

A case in point is that those CETA/Public Service Employment (PSE) participants, who will lose their jobs because of the budget cuts, will not be reemployed because many of them will not have completed their job training, and will therefore lack certain essential skills.

What we are facing is a wholesale sinking of good, sound programs with good, sound track records. Programs like food stamps, child nutrition, aid to the handicapped, student assistance, medicaid, unemployment insurnace, elementary and secondary education grants—and CETA.

I am for the continuation of CETA because:

The 570,000 CETA jobs in the private sector would be saved;

The projected 1,750,000 job loss would not occur in 1982;

CETA workers would continue to be tax-paying, productive consumers, instead of becoming unemployed welfare recipients;

Studies show that 65 to 75 percent of all Public Service Employment (PSE) participants eventually obtain unsubsidized employment;

CETA/Public Service Employment participants provide millions of dollars worth of services to senior citizens, troubled youth, battered women, rape victims, the handicapped, and abused children.

I am for the continuation of CETA because it has proven its worth and value in this society.

I am for the continuation of CETA—and its full funding—because of the promise it holds for us in the continued development of a health, productive population—well trained to compete in this technological age by producing the goods and services this Nation will need for its growth and prosperity.

Mr. Chairman, I have only highlighted a few areas of the budget which I am concerned about. There are many other areas of great concern. The cutbacks in the area of higher education—student aid, for instance, will lead to thousands and thousands of citizens not being able to attend college. This cutback to me is extremely foolish. These student aid programs pay for themselves many times over in terms of income tax paid by persons who have advanced their economic position in life.

I began this discussion by saying the outlook was for great mischief to the Nation, whatever the outcome is on this budget resolution.

I hope this House will be seized by its conscience and led to safer and more reasonable ground.

Lastly, Mr. Chairman, I am especially concerned about one aspect of the Gramm-Latta substitute dealing with reconciliation.

Section 301(5) of the substitute requires the Committee on Education and Labor to reduce entitlements by $808 million for fiscal year 1982, $1.68 billion for 1983, and $2.78 billion for 1984. This section also requires the committee to reduce appropriations for programs authorized by that committee to achieve savings of $12.7 billion in 1982, $14.5 billion in 1983, and $17 billion in 1984.

I understand from the material that was distributed concerning the Gramm-Latta substitute that the committee is supposed to reduce our entitlements by $565 million in guaranteed student loans and by $2.3 billion in child nutrition for fiscal year 1982.

I do not know how else the Gramm-Latta substitute expects us to reduce our programs. Therefore, I would like to ask Mr. LATTA some questions.

I would like to ask the gentleman from Ohio (Mr. LATTA), first, which entitlement programs are being suggested as regards the $808 million which must be reduced in section 301(5)(A).

I am asking the gentleman from Ohio (Mr. LATTA) a question. I asked the gentleman from Ohio which entitlement programs are being suggested as regards the $808 million which must be reduced in section 301(5)(A).

Mr. LATTA. As the gentleman understands, we do not designate programs. We merely designate figures and they are within the jurisdiction of the gentleman's committee.

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Mr. PERKINS. Which authorized programs are being suggested for cutbacks in section 301(5)(B) which calls for a $12 billion reduction? I know the gentleman has some programs in mind that call for that $12 billion reduction, and we would like to hear what constitutes that makeup of $12 billion.

Mr. LATTA. Once again, I remind the gentleman that it is within the jurisdiction of his committee to make the cuts that are recommended by the House. When the time comes and we vote on the matter of reconciliation, we will not be telling him what particular programs he must reduce.

Let me say to the gentleman from Kentucky that he is well aware of the fact that his committee has been responsible for a lot of the explosion that has occurred in the Federal budget in the last several years, and certainly he has a responsibility to bring the spending under his committee back under control.

Mr. PERKINS. Let me say to my distinguished colleague that we are delighted to accept a reasonable part of the responsibility and to accept reasonable cuts, but we feel that his cuts are not only unreasonable but we might as well repeal many of these programs. I am sure the gentleman has some idea of why he used that $12 billion reduction for fiscal year 1982 and what programs he expected us to include in that $12 billion.

Mr. LATTA. May I refer the gentleman to this book that he has available with many, many suggested ways for him to get to that $12 billion. It would do him well to take a look at it and to see where some of these programs

that have come out of his committee have gotten us into the jam we are in now.

Mr. PERKINS. Let me ask the gentleman another question. I see him with the President's budget. As regards fiscal years 1983 and 1984, those cutbacks are even more severe than for fiscal year 1982. If I understand correctly, we are to amend these laws to cut back these programs deeper and deeper in those years below the current funding level even through 1983 and 1984; am I correct in that, or am I wrong in my analysis of his substitute? If I understand the gentleman correctly, then he is telling us that not only does his substitute—he held up the substitute—call for a cut of 25 percent in elementary and secondary education but in many other areas?

Mr. LATTA. Let me just stop the gentleman there. He is bringing up 1 program out of 45. The President has recommended that we go to a block grant approach, and he put 45 programs into 2 block grants to have a savings of about 25 percent in administration and other costs off of the top of the program.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PANETTA. I yield 8 additional minutes to the gentleman from Kentucky (Mr. PERKINS).

Mr. LATTA. If the gentleman from Kentucky will yield further, Mr. Chairman, putting those programs into block grants and sending them back to States like Kentucky would be one way we could eliminate the cost of the administration and the cost of the bureaucracy here in Washington.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding. I would like to say to the gentleman in the well that the question he has just asked the other side is the most embarrassing question that can be asked on any of these issues. The one thing the administration and those who are proposing the Gramm-Latta budget do not want to answer is, what is really going to happen to the people in these programs? That is the question he has asked, and it is too bad that they do not really have the courage to say to the American public when it comes to education that we are talking about in the next year or two the dropping of a million students out of college, poor, low-middle income, as well as middle income. We are talking about eliminating nutrition programs and cutting back in the very essence the programs this Congress has had the courage and the brains to develop. But they do not want to get involved. They just say, you figure it out.

Mr. Chairman, I thank the gentleman for the time.

Mr. LATTA. Mr. Chairman, will the gentleman yield,

Mr. PERKINS. I thank the gentleman from New York (Mr. PEYSER) for his contribution.

If I understand the gentleman from Ohio correctly, his substitute not only calls for a cutback in elementary and secondary education for 1982 of 25 percent, but it also requires us to lock these cutbacks into law by reducing the authorizations for these programs so that the Committee on Appropriations cannot appropriate above those decreased levels.

If I further understand the gentleman, he is telling us that we must amend these laws to provide for less and less spending in the future, by reducing the authorizations lower and lower for fiscal years 1983 and 1984. Now I yield to the gentleman from Ohio and ask him if that is correct for 1983 and 1984.

Mr. LATTA. Let me say to my friend, in answer to the gentleman from New York (Mr. PEYSER), there are 45 programs dealing with elementary and secondary education that the President proposes that the Congress put into two block grants. Those programs are enumerated on pages 87, 88, and 89. I would be happy to take the time at this moment to read them not only to the chairman but to the gentleman from New York (Mr. PEYSER) because he has attempted to point out only one or two programs and say these programs are the ones which are going to take the 25-percent cut. This has given a false impression of what the administration is proposing.

Mr. PERKINS. That will not be necessary. All right. Let us take the school lunch program that is in the gentleman's substitute and in his budget. He proposes to eliminate the subsidy completely for middle-income children in the regular school lunch program, the reimbursement of 39 cents. He eliminates the reimbursement for schoolchildren for a meal served of 19½ cents, and he also knocks the commodities—all of it—about 19 cents. Am I correct in that? That means the school lunch program is going to double in price by next October 1, assuming the Gramm-Latta substitute goes into effect. Am I correct in that statement?

Mr. LATTA. May I say to the gentleman something, let us stick to one program.

Mr. PERKINS. I stuck to one. We will get specific and stick to specific programs. I just asked that gentleman from Ohio, since he knocked the 39-cent subsidy—that includes the commodities and the reimbursement rate—out from under the regular program, if some 40,000 school lunch programs will not close in this country next October 1, and if the school lunch will not double by October 1?

Mr. LATTA. No, no, no.

Mr. PERKINS. Where are you going to get the food if you have got no subsidy for it from the Government?

Mr. LATTA. I know the gentleman has done very well down in Kentucky, if this report is true which came out in yesterday's Washington Post, he is now getting the equivalent of $6,676 out of the taxpayers of the rest of the Nation for every family in his state. He is doing very well down there. Perhaps a little too well.

Mr. PERKINS. Let me say to the gentleman that is not correct.

Mr. LATTA. Let me respond to the gentleman about the school lunch program.

Mr. PERKINS. All right. That is not a correct statement, and the gentleman well knows that. All right, please answer the question on the school lunch program.

Mr. LATTA. On the school lunch program right now the taxpayers are picking up a subsidy on all school lunches—all school lunches. The gentleman will agree with that, that there is a subsidy on all school lunches whether it is for a millionaire's son or daughter or for the student coming from the poorest family in the district. This is a subsidy.

Let me just finish. Perhaps the gentleman from Kentucky did not know that this came out of his committee. Let me just tell him something, that the President is now proposing that we not pick up that subsidy—that the workingman out there, the workingman in the gentleman's district and in my district who does not have all that wealth—not pick up that subsidy for all those rich kids whose meals are now being subsidized, and to reduce that subsidy to families having an income under $15,630 a year. That is what we are talking about.

Mr. PERKINS. I do not yield any further. I am running out of time.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. PERKINS) has expired.

Mr. PANETTA. I yield 2 additional minutes to the gentleman from Kentucky.

Mr. PERKINS. I want to answer the gentleman's question. The gentleman could not make a statement that is farther from the truth. About 85 percent of these children are children from families with incomes of $15,000 to $35,000 that go into the school lunchroom, that constitutes these 27 million children each day that go into the school lunchroom.

Mr. LATTA. If the gentleman will yield, that could not be further from the truth? Is the gentleman saying that he is not subsidizing the meals of millionaires' children?

Mr. PERKINS. I do not yield any further, Mr. Chairman.

Mr. LATTA. Is he subsidizing these meals or not?

Mr. PERKINS. I will not yield any further. Yes, we subsidize all children in America that go into that school lunchroom but 85 percent of them are within incomes under the regular program from $15,000 to $35,000. Then there is the free and reduced-price lunch program, and you have a few children, I guess, that go into the schoolroom from families in higher income brackets. But by and large this is the greatest feeding program in the world and it is for all children, and why destroy it?

The Gramm-Latta substitute just destroys this program. The program for the free and reduced-price lunch will not float without this other program, and you are just destroying the whole program under the gentleman's proposal.

Mr. LATTA. Will the gentleman yield?

Mr. PERKINS. I cannot yield any further at this time, because my time is running out, Mr. Chairman. I want to make a few other observations.

The full Committee on Education and Labor heard testimony from 122 witnesses on the impact of the proposed fiscal year 1982 budget cuts. What is very difficult to see are the hidden social costs that the deep cuts in CETA will bring about, and here we do away with all public service employment and 50 percent of the training programs.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PANETTA. Mr. Chairman, I yield 1 additional minute to the gentleman from Kentucky.

Mr. PERKINS. I submit that the Gramm-Latta substitute, Mr. Chairman, will destroy and repeal many programs that even the President does not want repealed.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from California.

Mr. PANETTA. I thank the gentleman for yielding. I think it is important to point out that we are talking in terms on the Latta substitute of not only the question of legislative savings but we are also talking about authorization levels to the tune of almost $11 billion.

Mr. PERKINS. That is correct.

Mr. PANETTA. As a consequence—and we really ought not to kid people about this—as a consequence of that, the likelihood is that it is going to impact on practically every program under the gentleman's jurisdiction.

Mr. PERKINS. That is correct.

Mr. PANETTA. Whether it is child nutrition or whether it is guaranteed student loans, or whether it is black lung, or whether it is impact aid, vocational education or elementary and secondary education, or whether it is Meals on Wheels, or whatever program we are talking about, it is going to impact. You cannot kid anybody that you can get $11 billion out of nowhere.

Mr. PERKINS. That is correct, and that is that deception that is presently in the Gramm-Latta substitute.

Mr. PANETTA. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. DINGELL).

The CHAIRMAN. Without objection, the gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes.

There was no objection.

Mr. DINGELL. Mr. Chairman, I rise in strong opposition to the Latta substitute which totally throws the orderly budget process out the window and which binds this and future Congresses to change laws that have been carefully crafted over the past century.

I would like to take this opportunity to honor the distinguished gentleman from Oklahoma (Mr. JONES) for a truly masterful job.

He has shaped a budget resolution that carries out the intent and purpose of the Budget Act of 1974 and preserves and strengthens the constitutional responsibilities of the Congress, its committees and its Members.

He has shaped a budget resolution that carries forward the intent of the citizens of this country—as expressed in the elections last year—to radically reduce Federal spending and which does so fairly and equitably.

To do this, for the past 4 months he has trod a cautious path through one of the trickiest political minefields I have seen in all my years in national politics, a task made all the more dangerous by the fact that many of the mines have been placed in his path by supposed friends and allies.

So I say to my friend from Oklahoma, on behalf of all who believe in our constitutional process, thank you for a magnificent job and good product for which we can vote with pride and confidence.

I intend to vote for the Jones budget resolution.

I strongly support budget reduction. My "no" vote on the Latta substitute will be against a radical and irresponsible proposal that undermines the congressional process, emasculates the Congress, its authorizing and appropriating committees and its Members, and cedes to the Executive unprecedented and potentially dangerous new power.

I want to take this opportunity also to compliment several other of my colleagues for their own efforts to restore some balance and some equity to the Federal budget. I want in particular to compliment WALTER FAUNTROY and the other members of the Congressional Black Caucus for seeking equity and balance in Federal revenue raising and spending by closing tax loopholes. I look forward to working with the caucus and with others in the House to restore some equity and some sense to our tax laws.

When the Congress passed the Budget Impoundment and Control Act of 1974, the intent was to return control over expenditures to the Congress, to take away from the administration the powers over the purse which have been usurped by the executive branch, so that the Congress could with the applause of the people carry out its constitutional duties to raise and expend Federal revenues.

□ 1430

The Latta substitute, if approved by this body, will totally subvert that process and will simply return entire control over the budget to the Executive with one vote; and the House and the Senate will thereby have abdicated in its entirety their responsibility by that action.

I would observe, parenthetically, to my colleagues that this also is a curious aberration in the way the budget resolution is being handled under the Latta substitute, because under the theory of the Budget Act and the clear language as it was passed, we are now only supposed to be dealing with these matters in an advisory capacity and and in an advisory fashion, as opposed to binding the Congress and thus deciding the size and the shape of the boy by cutting off his arms and legs to fit a suit that somebody else has designed for him. And it was contemplated that the later action of this Congress in the second budget resolution, which would occur around the 1st of October, would be the final and binding decision that we would make.

I hope that the Members have now caught on to the fact that the Latta substitute imposes binding reconciliation on standing legislative committees of the House—for the next 3 years. Moreover, the Latta substitute goes much further than requiring cuts in entitlement programs. It reaches all the way to mandating cuts in budget authority the Congress has provided in countless laws and programs. This unprecedented usurpation deprives the authorizing committees of authority to set spending priorities for programs under their jurisdiction.

Let me turn, for a moment, to some of the problems the Latta substitute poses for the Committee on Energy and Commerce, which I have the honor to chair.

In addition to assuming other massive cuts in medicaid, the Latta substitute makes the remarkable assumption that $900 million can be saved by reducing medicaid fraud. Now, I am as staunch a supporter as anyone of eliminating fraud. But I must say I find myself puzzled by the Latta assumption, considering the fact that this is the administration that started off by firing the very people in the ex-

ecutive branch who could get control of fraud, the Inspectors General. That self-defeating activity is really quite incredible.

Now, one of the rare bits of information that we have been able to receive on this matter is that it proposes to take the strategic petroleum reserve off budget. I used to think that was commendable. I originally suggested it to my dear friend, the gentleman from Texas, when I thought that it made a deal of good sense. On the basis of sober and hard analysis, I must regrettably say that I do not believe that it is possible to take this item off budget and still not have the same effects that you would have on the economy by keeping it on budget.

If you sell bonds which are outside the budget, you have the same inflationary effect and you have the same deficit effect, in terms of the Federal Government pulling money out of the economy; and if you do it through some convertible kind of bond mechanism, then you have precisely the same effect, because you have got to buy the oil, but you may later, at some future time, pay it off in oil, which has increased enormously in value, to the overall detriment of the taxpayers.

The consequences of elimination of the strategic petroleum reserve could be economic disaster to this country because each barrel of that oil that is in storage means $350 to the gross national product of this country. Clearly keeping that is absolutely essential.

Considering the lack of meaningful sentiment for taking the strategic petroleum reserve off the budget, then, this Congress may decline to enact legislation to accomplish that end.

Given the likelihood that Congress will decide to keep the reserve on the budget, that eliminates three-quarters of the savings the Latta substitute would mandate the Energy and Commerce Committee to make in fiscal year 1983.

Now, if we do not take the strategic reserve off the budget, and yet are forced to reduce the committee's authorized programs by $4.8 billion, let us think for a moment what the committee might cut. The Latta substitute already assumes major cuts in the following areas:

Conrail: Immediate dismemberment of Conrail and elimination of rail freight service throughout the Midwest and Northeast, thereby increasing unemployment and adding to inflation by raising the cost of shipping goods to market.

Amtrak: Drastic cuts so as to eliminate all Amtrak service outside of the Washington-New York-Boston corridor.

Health programs: Enormous cuts that would immediately impose on the States substantial additional health care funding requirements that they are incapable of meeting.

Medical research and preventive medicine: Deep cuts from the Center for Disease Control, the National Institutes of Health, immunization and disease prevention and control, nurse training, alcohol and drug abuse, programs to control lead-based paint poisoning, and drug labeling.

Federal Trade Commission: Cuts from antitrust enforcement, thereby reducing competition in the marketplace—and increasing consumer prices and inflation—and driving out small businesses.

Securities and Exchange Commission: Cuts in the SEC budget, thereby reducing the SEC's ability to root out corporate fraud and abuse and to protect investors—and taking us back to the days of robber barons and monopolies.

Energy: Elimination of the Solar Energy and Energy Conservation Bank, and decreases in low-income fuel assistance, low-income weatherization assistance, energy research and development, in ways likely to guarantee that our dependence on imports—and the price tag for that—would increase yet again.

So, if the Congress does not wish to take the strategic reserve off budget, then it is clear that, if the Latta substitute is approved, even bigger cuts will have to be made in health programs, rail service will be totally eliminated, and additional major cuts in energy and other programs within the jurisdiction of the committee will be necessary.

Mr. Chairman, the list could go on and on. Indeed, it would have to if you consider that aside from entitlements amounting to some $29 billion within the committee's jurisdiction, we have only jurisdiction over about $16 billion of the entire Federal budget. To cut, as the Latta substitute would require, some $5 billion out of that $16 billion would involve some incredible legislative drafting and program termination.

So, Mr. Chairman, aside from the disaster the Latta substitute would be for this House as an institution, I hope my colleagues can see the sorts of specific program and policy problems it would raise. The Latta substitute must be defeated.

I yield to my friend, the gentleman from Tennessee (Mr. GORE), very briefly.

Mr. GORE. I thank my chairman for yielding, and I think that the Members of this body should be well aware that this is a national security program important to the future of our country, the money for which is being removed from the budget on the excuse that some scheme can be come up with later on.

I will talk at some length about this later during the debate, but I wanted to highlight it at this point. It is not a military program, but it is a national security program.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DINGELL) has expired.

Mr. PANETTA. Mr. Chairman, I yield 5 additional minutes to the gentleman from Michigan.

The CHAIRMAN. Without objection, the gentleman from Michigan (Mr. DINGELL) is recognized for 5 additional minutes.

There was no objection.

Mr. DINGELL. I thank my dear friend.

Mr. Chairman, the substitute invents a saving of $1.5 billion by settling oil pricing regulation violations.

My Subcommittee on Investigations of the Committee on Energy and Commerce found that if we go this level, we will give the oil companies an amnesty of about $9 billion because there are at least $9 billion in overcharges. Indeed, in the budget of the administration, there was a huge cut in terms of expenditures for enforcement to clean up outstanding cases which will absolutely guarantee the loss of that much money.

● Mr. SYNAR. Mr. Chairman, I simply want to take a moment to express my fullest support for the comments of the gentleman from Michigan. I have been seriously concerned over the slow progress we have made the past few years in filling the strategic petroleum reserve. A cutoff of imports sometime in the next decade is almost certain to happen, and we can not afford to be caught unprepared again. We cannot risk more cutbacks or delays in crude oil purchases for the reserve. We have already waited too long to establish a high, constant fill rate, and it would be a serious mistake to suddenly cut Federal funding for the reserve with the vague hope that we can quickly establish a private financing scheme to achieve the same fill rate. The people of this Nation realize how important it is for us to fill this reserve, and I have found overwhelming support for spending the Federal dollars necessary to do that quickly.

The Congress should look at alternative financing means to see if there is a workable way to accomplish our goals without Federal funding. But we should cut funding for the reserve from the Federal budget after we have found that means, not before.●

Mr. PANETTA. Mr. Chairman, how much time do I have left?

The CHAIRMAN. The gentleman has 4 minutes remaining.

Mr. PANETTA. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, we have had presented here by the chairmen of some of the key committees an indication of what will be involved in terms of dealing with the area of reconciliation.

The purpose of this is informative, so that Members understand that we are not just playing games with regard to this resolution. These are firm targets. The purpose of reconciliation is to set firm goals for the authorizing committees. The obligation of the authorizing committees, regardless of what resolution is adopted, will be to report by June 15 those savings. If they do not, then the Budget Committee would have the responsibility to go to Rules and ask that those amendments be presented on the floor to force a vote on the floor with regard to those savings.

The distinction here between the committee resolution and the Latta resolution is that the Latta resolution includes not only reconciliation on legislative savings, but reconciliation with regard to authorization levels.

Authorization levels should be under the jurisdiction of the Appropriations Committee. It was the view of the committee on this side that we ought to protect the Appropriations Committee's jurisdiction to review reductions in these areas between now and September, according to their procedures. The Latta approach would virtually eliminate the ability of Appropriations to do that and would force the authorizing committees to in fact reduce the authorization levels legislatively, which means by law that those programs would either be terminated or reduced. That is the intent of reconciliation.

Mr. LATTA. Will the gentleman yield?

Mr. PANETTA. I yield to my friend, the gentleman from Ohio.

Mr. LATTA. Did not the Senate do exactly what we are proposing?

Mr. PANETTA. The gentleman is absolutely correct.

Mr. LATTA. I thank the gentleman.

Mr. PANETTA. The Senate is proposing the inclusion of authorization levels, but I think the Members on this side should make a basic decision: Is this achievable? Is this something we can truly achieve, in terms of this resolution?

The CHAIRMAN. The gentleman's 2 minutes have expired. The gentleman has 2 minutes remaining.

Mr. PANETTA. Mr. Chairman, I yield myself the remaining 2 minutes.

The question which has to be asked here is: Are we setting goals by virtue of this resolution which will never be achieved?

That is the question.

Last year we did it with so-called balanced budget resolution that the Democrats proposed. The result is, we are facing a $61 billion deficit because many of the goals laid out in that balanced budget resolution for fiscal year 1981 were not achieved. And now I am asking: With the $36 billion resolution that is facing us if the Latta substitute is adopted, forcing each of the authorizing committees to come up with these savings, is this achievable, it is going to happen, or are we simply again fooling the American people with regard to the goals being established by the Congress?

The worst thing we could do right now is to kid the American people that somehow we are going to perform miracles in the next few months, that authorizing committees are not going to look at their interests, that the Appropriations Committee is not going to look at their interests. That is the reality of this institution. We ought to understand it now and not kid the American people that somehow it is all going to go away in the next few weeks.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I do not know what the gentleman means by "trying to kid the American people."

Mr. PANETTA. I would be happy to explain that.

Mr. LATTA. If this House acts, we are not kidding anybody. All we are doing is saying, "Let us act like the Senate has acted." The Senate voted overwhelmingly to support reconciliation on the same scale as contained in the bipartisan substitute.

Mr. PANETTA. If I might clarify my remarks, let me be more specific.

Mr. LATTA. Go ahead.

Mr. PANETTA. At a time when we set this resolution in place, with specific targets that are included in reconciliation, it does not help to have the White House indicate that somehow they are going to deal with individual Members with regard to their particular area on cuts.

Mr. LATTA. I do not believe I have ever heard the White House speak out on that sort of thing.

Mr. PANETTA. It does not help if the leadership on either side indicates that there is great flexibility here in which we can avoid the decisions that will be structured by this resolution. That is the thing that concerns me most. Because if that happens, it undermines not only reconciliation, but it undermines the budget process itself.

The CHAIRMAN. The time of the gentleman from California (Mr. PANETTA) has expired.

The Chair recognizes the gentleman from Ohio (Mr. LATTA).

Mr. GRAMM. Mr. Chairman, will the gentleman yield me 2 minutes?

Mr. LATTA. I yield 2 minutes to the gentleman from Texas (Mr. GRAMM).

Mr. GRAMM. I would just like to say that I think the exercise that we have had here today, with full committee chairmen coming forward and basically saying, "Look these guys who are presenting the President's program are shooting with real bullets," his been quite informative.

Look at the reconciliation numbers they are talking about. They are talking about forcing the committees of authorization which, like the bureaucracies that administer Federal programs, have become the captive of the special interest groups they represent, to make real cuts, and the Members need to realize that before they vote for this budget. Gramm-Latta mandates reconciliation twice as high in dollar terms as under the committee budget. And I would just like to say that that is exactly the point. I hope no Member of this body will vote for Gramm-Latta, which is simply an update of the President's budget, under the assumption that this is a game. We are shooting real bullets. This reconciliation is going to force committees to report cuts that they do not want to make, but that is what the American people want and that is why I think we are going to be successful.

I thank the gentleman for yielding.

□ 1445

Mr. LATTA. I thank the gentleman for his statement.

Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. JOHNSTON).

Mr. JOHNSTON. Mr. Chairman, after extensive research I have not been able to ascertain that anybody in this House has made $1 billion. I have heard them discuss it quite a bit in the last few days and it occurs to me that we are really trying to fool the American people because as we all know, the budgets we are talking about are predicated on some assumptions that none of us know whether or not they will prove true.

If we knew next year what the Treasury bill rollover rate was going to be, then we could go out and make some of the billions of dollars we are talking about by simply going forward in the Treasury bill future market.

For us to stand up here and talk about the sums in these budgets in absolute terms is ridiculous. What the Reagan budget is designed to do is offer the American worker some incentives, some incentives to work because he is going to keep more and more of the money he earns.

The Members of this House cannot stage any economic miracle. The only economic miracle that can be attained in this country will be attained because the American worker chose to make it possible.

Last week the Wall Street Journal reported that if the average workweek in this country went from 35 hours as it was last year to 35½ hours, we would increase our gross national product by $24 billion.

Now, let us think about $24 billion. We are talking about sums much in

excess of that, but let me point out that of the 134 countries in this world, 119 of them do not have total economies totaling $24 billion. To add that to our gross national product all it takes is the incentive on the part of the American workers to add a half hour to his average workweek next year. That is saying make that extra sales call, put in that extra hour of overtime, and we will add more to our economy than all the people in 119 countries are able to create in their own economy in the entire space of 1 year.

We have created a monster. We have created a system; it is almost like if a man came to work on Monday morning we take 10 percent of his money, on Tuesday 20 percent, on Wednesday 30 percent, on Thursday 40 percent, and on Friday 50 percent and by Saturday we are taking 60 percent of the money he earns.

Well, the American worker is not going to be fooled. He knows that if he goes to the beach for the weekend or if he goes bowling or just hangs around the house and has a good time with his family, he gets to keep everything. But if he goes to work, the Members of this body are taking more and more away from him. He is sick and tired of it.

The Reagan proposal is very, very simple. It says to the American workers over the next 3 years we are going to cut the share of your money that we are taking by one-third and only with that incentive will the American worker go back and add that extra half an hour or hour to his workweek that we need to restore this economy. We can talk about dollar amounts. We can talk about what we are going to do. But the truth of the matter is: Only the American working people can make any economy possible and unless we do something for them, then all we talk about, debate and discuss down here is for naught.

Thank you, Mr. Chairman.

Mr. LATTA. Mr, Chairman, I yield 6 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I thank my friend for yielding me this time.

May I take this opportunity to publicly compliment the gentlemen from Ohio (Mr. LATTA) for the persistent and excellent work which he has performed in bringing his budget proposal to the House floor.

The gentleman from Texas (Mr. GRAMM) is to be commended for his work, on the Gramm-Latta substitute.

In his speech to a joint session of Congress last Tuesday night President Reagan spoke eloquently of the urgent need to address our Nation's economic problems.

The 15th District of Ohio which I represent includes part of Franklin County and Madison County and is made up of rural, suburban, and urban areas, shopkeepers and farmers, large corporations and small family businesses. It is comprised of both white collar and blue collar workers and is blessed with a broad employment base. The economy of the 15th District is not dependent on the success of any one industry, and historically it has been sheltered from the punishing effects of high national unemployment. It is a good place to live, work, and rear a family.

But recent economic statistics have shown that even this island of economic stability is not unaffected by the harsh fallout of the failed economic policies of the past. Statistics compiled by the Ohio Bureau of Employment Services show that unemployment in Franklin County is almost three times higher than its average unemployment rate in 1968, and has increased significantly over the average unemployment rate in 1980. The Columbus area chamber of commerce estimates that consumer prices have increased by more than 165 percent since 1967, which means that items purchased for $1 in 1967 now cost a shocking $2.65. The chamber of commerce also reports that housing permits issued by area communities dropped by a third from 1979 to 1980, and that the decline from 1970 levels is even more pronounced.

Statistics like these may seem impersonal, but they have a direct relation to the lives of our friends and neighbors back home. Each percentage point increase in the unemployment rate means more people forced to live on subsistence levels and more money spent by Government agencies on nutritional and unemployment assistance. Each percentage point increase in the inflation rate means a decline in the real income of working men and women. Each decline in issued housing permits means less construction and more people out of work because our economy has been mismanaged.

In his speech Tuesday night the President asked: "Is it not time we tried something new?" To that I would add: "Isn't it time we tried something that worked?" Clearly, these statistics show that the old solutions to economic problems—more spending, more Government programs, more taxes—have not worked, and will not work.

During the recent recess I became convinced that the people of the 15th district are enthusiastically supportive of the President's new approach to our economic difficulties. Recently, I sent out a questionnaire. Over 20,000 responses have now been received. By a margin of more than 10 to 1, respondents to my questionnaire favored the President's budget-cutting proposals. They expressed overwhelming approval of the President's tax reduction proposals and his efforts to tie spending cutbacks to tax rate reductions. They indicated broad support for specific proposed cutbacks, for tightening of food stamp eligibility requirements, and for reduction in Postal Service and mass transit subsidies.

The message could not be more clear. The 15th district wants a smaller, more efficient Government. They want relief from the increasing rate of inflation and the crushing tax burden which the unchecked growth of Federal spending has imposed on the American family. They want action to combat wasteful use of their tax dollars.

Mr. Chairman, for these reasons I am proud to declare my support for the Gramm-Latta budget resolution which the President has endorsed. I am convinced that this bipartisan proposal offers the best opportunity to correct the deficiencies in our economy and to end the tragic human misery which past economic policies have imposed.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague's comments and I know he has been an individual serving in the House who has provided a continuous vigil on the whole effort to slow down and stop the wild spending, as we might put it, of the Federal Government.

Did I understand the gentleman to say that in the 20,000 responses he received from his district the support for the Reagan budget proposals or the Latta-Gramm substitute, it was about 10 to 1?

Mr. WYLIE. It was about 10 to 1, that is correct.

Mr. ROUSSELOT. Ten to one?

Mr. WYLIE. Yes, sir; it was even surprising to me. I knew that the President had widespread support for his budget proposals, but I did not know it would be of that magnitude.

Mr. ROUSSELOT. I know the gentleman's district is not overwhelmingly Republican. He works very hard to keep his district informed as to what he is doing.

Mr. WYLIE. On paper, I might say, there are more registered Democrats than Republicans.

Mr. ROUSSELOT. There are more registered Democrats than Republicans?

Mr. WYLIE. That is correct.

Mr. ROUSSELOT. And yet the response was still 10 to 1?

The CHAIRMAN. The time of the gentleman from Ohio (Mr. WYLIE) has expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. I thank the gentleman.

Mr. LATTA. Let me just point out as the gentleman well knows, the gentle-

man comes from a metropolitan area, Columbus, Ohio.

Mr. WYLIE. That is correct, the city of Columbus makes up most of my district.

I thank each of the gentlemen for their contribution.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. I just want to clarify. Did I understand the gentleman that the Gramm-Latta substitute in the gentleman's mind and in the administration's mind clearly includes the Kemp-Roth tax bill as a component part of that, as the President pointed out here last week?

Mr. WYLIE. On my questionnaire, I included a budget cut question, and tax cut-budget cut question as supported by the Reagan administration. Yes; I do understand that tie-in.

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Chairman, we have read that this week's debate on the budget is a "historic event." Indeed, it is historic because, for the first time in many decades, we have a chance to fundamentally change the direction of our national economic and fiscal policy. We have the chance to reverse the trend of uncontrollable Government spending that has led to unmanageable growth in program after program.

It is an opportunity born of necessity and required by the economic realities of today.

In constituent meetings all over the country—including those in my own Seventh District in Bergen County, N.J.—the people last month sent a message that we first heard in November 1980. Their message was loud and clear: Get serious about controlling Government spending.

While Congress certainly has a responsibility to lead, it also has a particular responsibility to listen. And if we listen to the people, we all should know by now that they are demanding strong medicine for a serious economic illness. Let me read from a letter that I received from a constituent in Glen Rock, N.J., that is typical of the sentiment I hear in dozens of letters each day:

> In my perception, as a taxpaying, employed middle-class citizen, inflation is the greatest of many economic ills. It causes myself and other Americans to spend most of our income on necessities, and provides a disincentive to save money. It also creates havoc in financial markets, causing great financial pain for citizens like me and my family is such basic American rights as financing a home and a car.* * * While the President's program may not be perfect, I think it's fair—and I think it's important to have broad Congressional support to be successful. I write you because I fear if the nation does not recover from this inflation now, it may never.

Mr. Chairman, my constituent reminds us eloquently of the reasons the Gramm-Latta amendment deserves our support. It is the best alternative we have before us. We must recognize that the budget resolution is an imperfect instrument, and that all compromises, by definition, leave unmet desires on both sides of the issue. In my own case, for example, I would have preferred to see a slightly different balance between our defense budget and mass transit funding during the upcoming transition period. But in noting these differences, we must still choose the better of the alternatives. And while the Democratic alternative is more Republican than anything we have seen from the Democrats in many, many years, it still does not, in my opinion, do enough to reduce the underlying growth rate of government spending.

A LONG-TERM OUTLOOK FOR A CHANGE

It is important to understand, during the course of this debate, that we are not only deciding on dollar spending targets in the short term, we are also setting the stage for a fundamental new relationship between Federal, State, and local governments in the long term.

Gov. Dick Thorburgh of Pennsylvania, chairman of the National Governors' Association Committee on Community and Economic Devleopment, took of this fact in a May 3 article in the New York Times. The Governor, in noting the association's support of block grants if given sufficient flexibility, stated:

> The States and the administration need to continue to negotiate a long-range sorting out of appropriate state and federal roles in such areas as income-support programs, education, transportation, community and economic development, and law enforcement.

I would suggest, Mr. Chairman, that Gramm-Latta does a much better job of requiring that we redefine these fundamental relationships and, in doing so, gives local decisionmakers the flexibility they need.

In the 1970's we had the illusion that Federal funds are nearly inexhaustible. In the 1980's, the realities are catching up with us. Just look at a few examples:

In my own subcommittee area of housing, we have example after example of well-meaning programs whose costs have escalated out of control. For instance, the section 8 program would grow from $5.6 billion in subsidized housing in 1981 to $9.4 billion in 1986—without even one new commitment. That is a projected 68-percent increase in the next 5 years without even being able to help one additional family.

The trade adjustment assistance program is another example of a well-intentioned Federal program that is out of control because the entitlements are written too broadly. Its costs have increased more than tenfold between 1977 and 1980, from $151 million to more than $1.6 billion. In 1981, these costs are expected to nearly double again to nearly $3 billion.

If we do nothing to change the laws or reduce the budget, the growth of Federal outlays between 1982 and 1986 is staggering. Under the Carter budget, outlays would have increased from $740 billion to $1 trillion, $50 billion between 1982 and 1986. In short, Federal outlays would increase by 42 percent in 4 short years.

Given these facts, it is not enough for Congress to approve cosmetic budget changes. While the Jones budget proposal does reduce Federal spending, it could also lead to more than $132 billion in spending in excess of the President's proposals by 1984. I say this will be unacceptable to the American people and unacceptable to the requirements dictated by our economic situation.

There is one other point I think is often overlooked as we prepare to vote on the budget alternatives. We must make a real effort to reduce expenditures from their current level of 23 percent of the gross national product to about 19 percent. This is the long-term outlook we absolutely need, and the numbers in the Democratic alternative simply do not do enough to work toward this goal.

CRITERIA AND COMPROMISE

I believe we must recognize the Gramm-Latta proposal for what it is: a compromise. Certainly there are areas that we would like to see changed, but the important point here is that this compromise can work. Moreover, it can work while meeting several very important criteria:

First, it makes a real effort at getting control of the uncontrollable aspects of the budget and, as noted, it seeks to start reducing the percentage of our Federal outlays as compared to the GNP.

Second, it is a compromise that is reasonable, balanced, and can be supported by Members of both parties who share the President's views that we must reduce budget growth.

Third, it seeks to preserve the social safety net. Vital programs for our senior citizens, veterans, and the neediest Americans are still there—as well they should be. We all recognize that some adjustments will have to be made during the authorizing and appropriations process, but in general we have met our goal in regards to the "safety net."

What we have been witnessing in the last few weeks, Mr. Chairman, is an unprecedented scramble by the professional bureaucrats and vested interests to protect their turf. Yes; we have also heard from citizens who

have very legitimate concerns, but even they have understood that we can balance the need for essential programs and the goal of reducing Federal spending to a more manageable level.

A REDEFINITION OF ROLES

What will a vote for Gramm-Latta mean—in the long term and in the short term? No matter how important and well intentioned these programs are—and a good case can be made—we cannot look to the Federal Government to solve all our problems. We cannot expect the Federal Government to keep spending money at the level of 23 percent of our gross national product. And we cannot allow the Federal Government to take the rap every time a State abrogates its own responsibilities. What we can expect—indeed, where we have an obligation—is a program that maintains needed programs while reforming the long-term budget process. We need a program, as my constituent wrote, that attacks our No. 1 problem of inflation. This upcoming vote is going to be our first true test of our willingness to undertake this most difficult task.

□ 1500

Mr. LATTA. Mr. Chairman, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I would like to commend the gentlewoman from New Jersey on an excellent statement, and I concur wholeheartedly.

Mrs. ROUKEMA. I thank the gentleman.

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Mr. Chairman, I want to thank the gentleman from Ohio for yielding.

Mr. Chairman, I recently had the occasion to meet with many groups in my district in Illinois, and as you can imagine the conversations always turned to the budget and the proposed budget cuts. During these conversations I found a great deal of support for balancing the Federal budget as well as holding down spending wherever possible.

Although I disagree with some of the specific spending cuts that have been proposed, and I intend to work toward reordering some of the priorities contained in the administration backed amendment to the budget resolution, I do believe that it is absolutely essential that we change the direction in which our country is headed. As I view it, that is what the Gramm-Latta substitute will achieve, and I intend to support it.

Back in 1965 Government at all levels represented 27 percent of the gross national product. Now it represents approximately 40 percent. To me that indicates that Government at all levels has become way too big. Without question this growth in spending has contributed to the problem of skyrocketing inflation.

We have no choice but to swallow some of the bitter remedies to cure our economic ills. I believe that a majority of the American people not only are willing to accept this cure, but they are actually eager to give this economic program a chance. Therefor I urge my colleagues to join me in supporting the Gramm-Latta amendment.

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado (Mr. KRAMER).

Mr. KRAMER. Mr. Chairman and members of the committee, first I would like to associate myself with the remarks of the gentleman from Ohio (Mr. WYLIE) in his praise of Representatives LATTA and GRAMM for their work on this budget.

Incidentally, in a recent questionnaire I did in my district, the response thereto was approximately 90 percent—almost 90 percent of my constituents favored the kind of initiatives that are undertaken in this budget.

Mr. Chairman, the House has a unique opportunity before it today—the opportunity to seize the moment, and, take that first step toward fiscal responsibility, increased productivity, economic recovery, and most importantly, responsiveness by the Federal Government to the expressed wishes of the American people.

The Members of the House of Representatives have this opportunity to join with their colleagues in the Senate and with the President of this Nation in a positive offensive against the rampant inflation, the uncontrollable Federal spending and the burdensome taxes which are defeating taxpayers, businesses, and the economic future of America.

Today we can change this cycle. Today we have the opportunity to enact meaningful and significant changes in our economic policy—changes which will enable the economy to do an about face from the Keynesian demand theories, which have led us into this moment of economic stagnation and have bound our taxpayers tightly in ropes of increasing inflation. It is essential that the Congress enact a program designed to tear us free from these stultifying economic practices.

Private enterprise can no longer continue to operate successfully and productively under the excessive Federal regulations and fluctuating monetary policies practiced by past administrations with the assistance of the Congress. Individual taxpayers are forced to spend their after-tax income on living expenses as rising inflation and interest rates have eaten away at the value of the dollar. With individuals increasingly unable to set-aside money in savings or investments, capital formation, productivity, and the GNP are all suffering.

President Reagan's economic recovery policy provides a Federal budget and a program which place faith in private enterprise as the root of our economic strength rather than the Federal Government. This policy formulates a budget which allows State and local governments to regain control over decisions and responsibilities affecting their citizenry which have been assumed by the Federal Government to the detriment of local public services.

Responding to the collective voice of the American people, the Reagan plan cuts the growth rate in Federal spending to less than half that proposed in the Carter budget. In addition to curtailing Federal spending, the economic recovery plan designs tax cuts to expand the economy's productive base, lower unemployment, and reduce budget outlays. Under the previous administration's proposals, Federal receipts would have risen 96 percent within 5 years, but under the Reagan budget Federal receipts will only rise 28 percent 1981 and 1984, when the budget will be balanced. These tax cuts for individuals and business, in addition to spending to exercise greater control over resources. Since incentives to economize are stronger in the private sector than in the public sector, the availability of increased resources combined with a stable monetary system and expanding productivity capacity should lower the rate of inflation and provide further relief for American consumers.

After the realistic, positive approach of the Reagan budget, the Jones committee budget is a poor second. The main reason for rejection of the Jones committee budget is its business-as-usual approach to the Federal budget. The Jones budget would result in further growth in Federal spending, increases in the money supply, and a continually rising tax burden and inflation rate. Through his budget, Chairman JONES demonstrates a lack of faith in the ability of individuals to chart their own course without the domination and guidance of the Federal Government in every aspect of their lives.

Because of the increased Federal spending, the Jones budget enacts a smaller tax cut at a later date than the tax cut proposed by the administration. President Reagan's tax cut would total more than $9 billion in 1981 and $51.3 billion in 1982 as part of a 3-year program to reduce individual income tax rates by 30 percent and accelerate business depreciation.

The Jones committee budget tax-cut plans will not provide the incentives and resources necessary to stimulate investment and economic growth.

Since real tax burdens in the next few years will come from scheduled increases in social security taxes and the impact of tax bracket creep from inflation, the Jones committee tax cut plan, if implemented, will continue the same devastating tax policies which we are suffering under today. In fact, the Jones budget will result in a net tax increase of $75.6 billion by 1984.

We do not have to accept the Jones committee budget. We can be responsive to our constituencies by passage of the Gramm-Latta bipartisan budget substitute. House Republicans have worked closely with Members of the majority on this effort to provide a realistic, workable alternative to Chairman JONES' budget. The President strongly supports this substitute as it contains the provisions of his budget while reducing spending further than originally requested: $6.3 billion less in budget authority and $6.1 billion less in outlays. The bipartisan budget calls for the same amount of revenues as the President's budget—$650.3 billion, and the deficit is $6.1 billion smaller.

As a consistent proponent of, and recognizing the tremendous need for, a balanced Federal budget to curb the growth of the Federal deficit spending policies, I frankly would like to see us reach that goal sooner than 1984. In fact, I have introduced legislation in the Congress which would amend the Constitution to balance the Federal budget and limit Federal spending. Clearly though, the President's budget proposal is designed to move us in the direction of a balanced budget while Chairman JONES' budget would continue past policies which promote such Federal deficit spending. I shall continue to support the rapid achievement of a balanced budget and to work toward realization of this goal.

The House will not just be voting on one budget over another, the House will be voting on the economic and political principles which this country will follow and which will determine the state of our economy henceforward. Will we heed the voice of the electorate? Will we deliver on the message sent to us last November? Or will we pay lip service to the wishes of the American people and proceed with business as usual, enacting a budget which only perpetuates the failed policies of the past?

Let us respond to the call of the people and of our President. It is time for a change. Let us seize this moment and this opportunity to make America proud and great again.

□ 1515

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. KRAMER. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I thank my friend for yielding.

As the gentleman knows, we are very strongly on different sides of this issue, so I will not enter into a debate on that issue with the gentleman, but I would like to raise a question on something that the gentleman and others have mentioned repeatedly, and that is that you were working with the majority party to work out a budget and you have arrived at a bipartisan budget.

To me, that is really as misleading to the American public as much of what I perceive the administration's budget to be.

How does the gentleman define a "bipartisan budget"? In other words, how can he say he is working with the majority party when he has a handful of Members who claim the Democratic party who have worked with him? I mean where does he get that as a "majority of the Democratic party"?

Mr. KRAMER. Mr. Chairman, obviously, as the gentleman indicated, we are coming from different perspectives on this issue, on the whole issue of which budget is the proper budget. I think the question the gentleman poses will only be answered when we insert our cards in the machine. I suspect at that time either I will give the gentleman an apology for calling it a bipartisan budget or, if the vote is as I expect it will be, the gentleman will concede considerable support from his side of the aisle. In that event, I hope the gentleman will respond likewise.

Mr. PEYSER. Mr. Chairman, if the gentleman will yield further, I would be happy to do that.

But what would the gentleman use or what would his side use as a measurement as to whether this is a bipartisan budget? In other words, if 10 Democrats over here vote for this program, would he then say that becomes a bipartisan program?

One thing further, if the gentleman would just give me this opportunity: I wanted to look up the definition in the Webster's Dictionary, which I did, of what a partisan is, because they talk about bipartisan, but I wanted to know what a partisan is.

It says that a partisan is a "firm adherent to a party, a faction, or a cause."

I would like to suggest to the gentleman that the so-called bipartisan is not represented by anyone who is a firm adherent to the Democratic Party and its principles, so I do not think you have any way of having a bipartisan budget.

Mr. KRAMER. Mr. Chairman, perhaps it would be inappropriate for me, not being a member of that party, to respond to that, but I would be happy to yield to the gentleman from Texas (Mr. GRAMM) for an answer.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. KRAMER) has expired.

Mr. LATTA. Mr. Chairman, I yield 2 additional minutes to the gentleman from Colorado (Mr. KRAMER).

Mr. GRAMM. Mr. Chairman, I thank the gentleman for yielding.

I would like to say to those who doubt the bipartisan support of this budget that if they will only wait until Tuesday or Wednesday, when we finally have this rollcall vote, they will see it up here on this board, because we are going to pass this budget.

Second, I think it is important to recognize that not every Democrat who ever lived has been for throwing the people's money away. Let me quote the founder of our party, Thomas Jefferson. He said, "We must make our choice between frugality and liberty or profusion and servitude."

"If we can prevent the Government from wasting the labor of the people under the pretense of caring for them, they will be happy." So I remind the gentleman from New York that on this issue the founder of the Democratic Party is on my side and not on his side.

Ms. FIEDLER. Mr. Chairman, will the gentleman yield?

Mr. KRAMER. I yield to the gentlewoman from California.

Ms. FIEDLER. Mr. Chairman, I think one of the important points that has to be made at this particular stage of the discussion is that while there are Republicans and Democrats who happen to be in the House of Representatives, this is a bipartisan effort that is supported by Republicans and Democrats all across the entire Nation.

In my own community we polled a district which was 60 percent Democrats, and over 84 percent of those polled support the Latta-Gramm substitute representing the Reagan economic package. Therefore, what occurs here on the floor reflects only a small number of those people we represent in our communities, and if those Members who support the Democratic alternative will go home, they will find a substantial amount of support for this effort from Democrats and Republicans alike.

Mr. KRAMER. Mr. Chairman, I agree. Those are two excellent answers, and I can only say that maybe "bipartisan" was the wrong word. "Nonpartisan" is a better word. This is a budget for the American people.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. MCEWEN).

Mr. MCEWEN. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I take this opportunity to ask a brief question of the gentleman from Ohio (Mr. LATTA). The Reagan budget proposal and the Senate budget resolution both include funding for the completion of the gas

centrifuge enrichment plant at Portsmouth. Does the Latta-Gramm proposal include funding for completing this project on schedule, without further costly delay?

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I yield to the gentleman from Ohio.

Mr. LATTA. Yes, the administration funding request is incorporated in the Latta-Gramm proposal. The proposed reductions in the energy function were accomplished by putting the strategic petroleum reserve off-budget and making administrative savings and do not touch the gas centrifuge enrichment funding.

Mr. McEWEN. Mr. Chairman, I thank the gentleman.

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentlewoman from California (Ms. FIEDLER).

Ms. FIEDLER. Mr. Chairman, I would like to discuss economic assumptions. Or more precisely, demystify them, they are nothing more nor less than a guess about the future, and the only certainty about the future is that it is uncertain. You can wrap economic assumptions in algebraic regression equations or in poetry, you can take the average of all the economic assumptions published, you can rate economic assumptions by the prestige of the author. But any way you cut it, economic assumptions are merely uncertain guesses about the future.

But it is worthwhile considering for a few minutes how the economic assumptions for the budget from the committee came about, I think it is fair to say that the committee budget relied on econometric models. Specifically, the models cited during budget hearings were from Chase Econometrics, Data Resources, and Wharton Associates. These three models, with some variations, have been used to challenge the President's forecasts. Apparently, these days, an economist without his model is like a cowboy without a gun.

What are these models? They are bought and sold for large sums. Because they involve computers they sound modern and scientific. With some exceptions, they are secret and cannot have undergone scrutiny by objective scholars.

The news media, unable to evaluate the conflicting models have solved the problem by citing all models that cost a lot of money. Our duty in this House must go beyond that. Each model consists of regression equations—that is, algebraic equations that represent correlations between historical data, such as between inflation and interest rates. But the equations differ among models. The exact equations are not reported, even in scholarly journals.

I understand that today in the academic world, these models are coming in for some very severe criticism. The point is not that models have not been forecasting well. The point of the criticism is, instead, that the models may suddenly cease forecasting well if there is a major policy change.

Many economists, such as Robert Lucas and Thomas Sargent, are making the point that much of the correlation between economic variables is determined by people's expectations. If people are rational, their expectations will suddenly change when they see a good reason to think Government policy has changed.

I would suggest to you, Mr. Chairman, that President Reagan is bringing to this country just such a major policy change. And I would further suggest that the reliance on these backward-looking econometric models will be proved by history to be misplaced. This will not be the first time that econometric models have misinterpreted past economic performance.

It is precisely this obsession with the past that misled the model forecasters into predicting imaginary recessions between 1975 and 1978. This came about because for many years the savings rate in the United States had been about 6½ percent, so the econometric models assumed that it would always be so. This led them to predict a recession that did not come. It did not come because ordinary people are not as shortsighted as the modelmakers had assumed.

By the mid-1970's, people realized that rising inflation made saving foolish. So, during the last 4 years, they reduced their savings rate down to 5½ percent. But the models tried to push it back up to 6½ by forecasting a fall in personal spending, and therefore, an imaginary recession.

For 3 straight years—1975, 1976, and 1977—these models kept predicting a recession. Acting on these predictions, former President Carter and his associates in Congress cranked up an expansive fiscal and monetary policy. That policy gave us the worst inflation in half a century. And finally in 1979, that inflation did give us the long awaited recession. The econometric models did not predict the recession—they caused it.

Not only are econometric models inherently backward looking, but their problem is compounded because their masters, the modelmakers, tend to be fascinated with algebraic models, but are not very interested in what people actually do out there in the real economy. So it takes the modelmakers a long time to wake up to the fundamental changes in people's thinking and habits. In other words, econometric models are only as good as the assumptions built into them. That is why those preparing the committee version of the budget did not hesitate to change their economic assumptions three times in 3 weeks.

The committee is, of course, entitled to make whatever economic assumptions it wants. It is entitled to point to whatever econometric models it chooses. Their judgments about the American economy and the American people are entitled to as much weight as each of you may choose to give them.

But they are not entitled to the aura of scientific and mathematical inevitability. The future cannot be predicted with mathematical equations any more than it can be predicted with a crystal ball. And when those mathematical equations are constantly manipulated to produce a desired result, the Members of this House should take any claims of objective nonpartisanship with at least a grain of salt.

Now let us look at the factors that the committee's economic assumptions ignore. The assumptions ignore the psychological effects of a $50 billion budget cut, they ignore the value of relieving the public of the crushing effect of bracket creep, they ignore the potential gains from regulatory reform, and most importantly, they ignore the role of leadership in creating the public confidence and sense of direction that all economic and cultural revivals must have.

In short, the econometric models relied on by the committee are incapable of calculating, and indeed they refuse even to consider, the invigorating impact of President Reagan's policies and the inspiring effect of Ronald Reagan, the man.

Thus, today, econometric models are the maginot line of economic forecasting. Reality is outflanking the models while the committee's budget sits in the bunker fighting today's battle with yesterday's feeble assumptions.

□ 1530

Mr. PEYSER. Will the gentlewoman yield for a question?

Ms. FIEDLER. Yes.

Mr. PEYSER. The question I have, and first of all, I agree with much of the statement that the gentlewoman just made, but I guess what I am trying to reconcile is that the gentlewoman has mentioned that the modelmakers, the people who often speak out saying what the public should do or what the effective programs will be and then it does not work out to be that way. I wonder how the gentlewoman reconciles the Reagan administration's opening statement in January of the tremendous economic mess we are in as a country, and yet the economic indicators at the end of the first quarter, much to the embarrassment of the administration, have shown that the country has moved really economically forward in this last quarter showing very positive trends and none of these horrendous cuts have been made and no tax re-

funds have been made and it looks to me like the same thing is happening with the Reagan administration as the gentlewoman claims with the Carter administration. The gentlewoman happened to be right with the Carter administration.

Ms. FIEDLER. I think the most important point the gentleman has made is that there is no embarrassment over the fact that the economy is improving. In fact, one of the factors that have been missed in the budget of the committee is the mere fact of the hope for the future. This is exactly one of the points that I am making. I would hope that it would continue to improve.

We had a good deal of hearings before the Budget Committee and one of the individuals who came was the president of United States Steel. He made a clear statement that simply because they hoped for an improved condition in the economy that instead of spending $800 million to improve their equipment and machinery, retool, that instead their hope for the future was projected in the fact that they were allocating $1.3 billion for that very purpose in the coming year. That is an example about how personal attitude makes a substantial difference in the outcome of behavior. I would hope that we would continue to see forecasts that show improvement and reality that rests upon that improvement.

Mr. PEYSER. I appreciate that. If the gentlewoman will yield further, the gross national product increase and the productivity increase in this last quarter is certainly not a result of positive thinking. I am all for positive thinking, but it is a result of people spending their money and other people employing people to do the job. That is what I think it all comes down to.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentlewoman.

Ms. FIEDLER. I think that is the entire issue, the fact that people have a hope as a result of the Reagan Presidency and the Reagan economic package that, indeed, there will be more individuals employed, that there will be a more optimistic view of the future and consequently they are willing to take risks that they were unwilling to take under the Carter administration.

Mr. LATTA. Mr. Chairman, I yield 6 minutes to the gentleman from Utah (Mr. MARRIOTT).

Mr. MARRIOTT. Mr. Chairman, I thank the chairman for yielding.

Mr. Chairman, I rise today to join with other members of the Republican Party and some of my Democratic friends to endorse and to be consistent with the gentleman from New York (Mr. PEYSER) and Mr. Webster, the semibipartisan resolution.

The decade of the 1970's will probably go down in history as one of the worst periods in American economic history. Government spending reached over $600 billion or more. The national debt was approaching a trillion dollars.

Taxes increased. the Federal Government's financial liabilities increased from $1.8 to $6.5 trillion.

Productivity in this country declined to its lowest level.

The misery index, unemployment plus inflation, topped 20 percent.

The value of the dollar abroad declined.

Social spending increased from $76 to $284 billion.

National defense spending declined from 50 percent of the budget to 23 percent of the budget.

Inflation started at 2.4 percent and ended up at 13 percent.

These statistics tell it all. The direction of the seventies and the mistakes of the seventies are basically responsible for the problems that we find ourselves in today.

The only way to correct those mistakes and to solve the problems will be to reverse the trends. The old programs simply have not worked.

It is time, in my opinion, for every American, every Congressman, every Senator, every special interest group, to reevaluate the real cause of our problem and to reevaluate the honest solutions to those problems.

We have heard a lot in the last couple days about the alternative plans. Really, there are no alternative plans at all. The Reagan-Gramm-Latta program is really the only viable solution. The rest are simply schemes arrived at by juggling around the revenue figures.

Cutting spending and increasing productivity is what the thing is all about and that is what the Gramm-Latta program does.

I believe the Reagan-Gramm-Latta plan is fair for everyone. Let me justify that statement. I do not want to justify it by looking just at dollar amounts in the budget, because almost everybody will receive some increase in actual budget expenditures. Rather, let us look at the budget pie as a hole. Let us see what has traditionally happened to the various functional percentages and let us see how we have been cutting up this Federal pie.

In 1970 we were paying 40 percent of the budget for defense. By 1980 that had slipped to 23 percent, and we have all seen the trouble that has caused.

This bipartisan substitute budget moves defense spending back upwards to 27 percent of the budget, still short of the traditional 40 or 50 percent level.

Take foreign aid, for example. In 1970 foreign aid was 2.2 percent of the budget. In 1980 it was cut to 1.8 percent of the budget. The Reagan administration in keeping up with the people's demands have reduced it even further to 1.6 percent of the budget.

How about income security? Income security was 21.9 percent of the budget in 1970. It reached 33 percent by 1980. Has the Reagan administration been hard on the poor? Just the contrary. Their budget calls for nearly 35 percent of the budget to go to income security. That is the highest level yet.

Education, training and social services, were 4.4 percent of the budget in 1970. That category rose to 5.3 percent of the budget. With the elimination of CETA and converting categorical grants to block grants, it is possible under their budget to do the same job with 3.7 percent of the budget and, frankly, I think that is fair.

How about Government spending? In 1970 general government spending was 1 percent of the budget. In 1980, it was eight-tenths of a percent. Now under the Reagan program it is seven-tenths of a percent of the budget.

So when you look at everything in perspective, when you look at everybody's special interest in regard to a percent of the budget, rather than a dollar figure, the Reagan-Gramm-Latta proposal seems to me to be very fair.

I believe that by evaluating the budget on the basis of fair percentages and by doing a better job of prioritizing, we will have the best chance of getting this country going again, balancing the budget, eliminating debt, reducing inflation, and bringing down interest rates.

Thomas Jefferson, that great Republican, once said:

> I place economy among the first and most important of Republican virtues and public debt as the greatest danger to be feared.

That is what we agree on.

We all have an obligation to keep Government trim, effective, and efficient, and that is what this budget sets out to do. After all, any government big enough to give all of us everything we want is also big enough to take everything we have got.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentleman from Utah.

Mr. MARRIOTT. Let us support the bipartisan proposal. Let us hold the administration to its word. Let us get the country going again. Let us balance the budget and let us do it in a way that is fair to every group by determining now what their percent of the budget is. Let us give each function a fair percent of the pie and then let us work together to increase the size of the pie.

Mr. LATTA. Mr. Chairman, I yield 6 minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, I appreciate the gentleman from Illinois yielding to me at this time. It is my purpose today to outline the reasons why I strongly support the bipartisan budget substitute. As we all know the vote on the budget resolution will be one of the most important votes ever taken in this Chamber. In effect we must make a choice between a reasonable and rational proposal that will put America on the road to economic stability, or a proposal that, in effect, continues business as usual. I have opted for the reasonable and rational approach of the bipartisan substitute.

I would like to commend Mr. GRAMM and Mr. LATTA for working so hard to formulate this bipartisan substitute budget proposal. I would especially thank PHIL GRAMM on this side of the aisle for his work. At the same time, I would commend Chairman JIM JONES for the equally hard work he put into the committee budget proposal. And I would particularly like to thank BILL HEFNER of North Carolina for protecting the interests and needs of the veterans during committee deliberations. However, when the two proposals are compared in every aspect, I feel the bipartisan substitute best serves the needs of the Nation. I regret a number of us on this side of the aisle cannot support the committee proposal.

My primary interests are the allocations for national defense and veterans affairs. In both cases, the bipartisan substitute provides adequate funding in budget function 050 and function 700. In fact, the bipartisan substitute provides exactly the same amount of $188.8 billion in outlays for national defense as proposed by President Reagan on March 10. In the case of veterans' programs, our substitute actually increases Mr. Reagan's March proposal from $23.6 billion to $24.05 billion outlays

I would also note that the American Legion, the Veterans of Foreign Wars, and AMVETS have all written letters expressing their support for the bipartisan budget substitute. Their organizations represent over 3 million veterans in America. They support the Gramm-Latta substitute because this proposal provides for a strong defense posture for America. They also feel that the bipartisan substitute treats our Nation's veterans and their dependents fairly and will provide for an adequate level of medical care and earned benefits.

This increase in funding outlays for veterans programs is needed to preserve an adequate level of health care for our veterans. When we presented our case to the Office of Management and Budget on veterans programs, they listened to us and agreed to the higher figure in the bipartisan substitute. And I might add that I am pleased with the cooperative spirit of the OMB and their willingness to work with us to reach an acceptable compromise.

Projected spending for national defense and veterans is not as much as I personally would have liked, but I also realize that we must practice restraint in all areas of Federal spending, including defense and veterans programs. Like so many of my colleagues, my primary goal is to put this country back on the road to economic stability which means reducing spending and beginning the process that will lead to a balanced budget by fiscal year 1984. And in order to achieve this goal, we must be willing to compromise in all areas of Federal spending and we must be willing to accept less than we might like. This we have done in the areas of national defense and veterans programs. However, we cannot accept the cuts in defense spending being proposed by the House Budget Committee. To accept the House Budget Committee proposal will put us that much further behind in rebuilding our military and, in my opinion, will end up costing more over the long run.

Mr. Chairman, I would also remind my colleagues that in our bipartisan substitute we have made even more cuts in Federal spending than proposed by the President on March 10. As a result, the deficit in our substitute is $31 billion or $14 billion less than Mr. Reagan's March proposal. Quite frankly, I would like to see even less of a deficit or no deficit at all. But being realistic, I know that it is not possible to balance the budget in fiscal year 1982 without causing severe disruptions in domestic programs. We also cannot balance the budget in the space of 1 year and provide room for some kind of tax reduction.

You know, Mr. Chairman, we can talk about which budget proposal does this or that or whether it has the support of the Democrats or the Republicans. But the bottom line is that President Reagan has the confidence of the great majority of the American people and they want Mr. Reagan's economic programs implemented.

So I am going to give the American people what they want and what I think they need by voting for the Gramm-Latta substitute.

□ 1545

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I yield 5 additional minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding. As the gentleman knows, I and other Members of this House hold him in very high regard for the work that he has done for the veterans particularly in this country, and his patriotic feeling for the country is certainly unequaled by anybody. So we start off on a very solid basis of a good many years of relationship. But something the gentleman said I would like to raise a question on. He raised a question that the Gramm-Latta substitute was supported by the American Legion, the VFW, and the American Veterans. I know that I have heard from my local posts, local American Legion posts, just as recently as last Friday, who were in total opposition and told me, and they do not even know about the Jones budget. But they said they were in opposition to the President's budget. Has the gentleman got an endorsement of the program from the national committees?

Mr. MONTGOMERY. That is a national endorsement from the national organizations that I mentioned. When we go back in open session, I will submit these letters for the record for the gentleman to see.

Mr. PEYSER. I appreciate the gentleman's telling me that because, as I say, the locals in my area made a point of calling me to let me know of their own opposition. This is not all the locals. This is some of the local posts who called me because they were concerned about many other things because they said they understood there was another budget that gave the same amount to veterans, the same amount to defense—which the gentleman's budget in his amendment would do—and did not take away from their kids' education and take away from these other areas. That is why I am wondering.

Mr. MONTGOMERY. I appreciate the gentleman's comments, but the three national organizations that I mentioned are totally in support of the Gramm-Latta substitute.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding. I would like to commend the gentleman in the well for his statement and for his support of President Reagan's proposal as embodied in the Gramm-Latta substitute. Everybody in this House knows, and I think every veteran in this country knows the gentleman has been a staunch supporter of veterans' matters. He has been a fighter.

We discussed this matter. We discussed the needs of the veterans—he and I—a couple of different times, and we were successful in getting in our substitute the amount the gentleman in the well said his committee could live with and the veterans' organizations could live with. Is that true?

Mr. MONTGOMERY. That is correct. I might say that the Veterans' Administration and veterans' pro-

grams are not sacred cows. There is almost $500 million for cuts in veterans' programs in both the Jones proposal and also the Gramm-Latta substitute. So veterans' programs will be cut. But we are trying to keep it out of the Vietnam era outreach programs, out of pensions and compensation, and out of medical care. And also by not cutting back on personnel in the regional offices. We will find the cuts elsewhere but not in the ones I have mentioned.

Mr. LATTA. I just want to again thank the gentleman for his support. It has been a tremendous pleasure for me to work with him and to work out these problems.

Mr. MONTGOMERY. I appreciate the gentleman's working with me. Quite frankly, this is the first time we have ever been able to work with the Office of Management and Budget. We have been able to meet with them and also the veterans' organizations have met with the director of OMB and familiarize him with veterans' problems.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Louisiana.

Mr. ROEMER. I thank the gentleman for yielding.

I would like to commend the gentleman from Mississippi (Mr. MONTGOMERY) both for his statement today and his record in this Congress, which I think, epitomizes the point in rebuttal to a point raised earlier today on this floor, and that is what kind of substitute is this? Is this truly bipartisan? Just what kind of substitute is this? I think the gentleman's example in this Congress shows what it is. It is supported by people who put their country before their party. I know that is hard for a lot of people to understand in a House of Representatives that has two microphones in the well, one for Democrats and one for Republicans, but I think it is high time.

Mr. MONTGOMERY. I do not quite understand the argument on bipartisanship. I felt like I had some imput into the Gramm-Latta substitute. I am rather proud that I am part of it.

Mr. PEYSER. If the gentleman will yield, I know my friend over here, the gentleman from Louisiana (Mr. ROEMER). I hope that is not what he meant when he said there were people here who put country over party, and the inference was that Democrats who were contesting what we do not see as a bipartisan program and what we do not agree with have a question of our patriotism and our feeling for country. I would certainly welcome the gentleman's response, because that is what he said.

Mr. MONTGOMERY. I will be glad to yield to the gentleman from Louisiana (Mr. ROEMER). Before I yield, let me say both the gentlemen are great patriots, and I think we are just arguing about nothing.

Mr. PEYSER. I agree with the gentleman. I do not think it should be said that country does not come before party.

Mr. ROEMER. If the gentleman will yield, I cast no aspersions on the patriotism of the gentleman from New York (Mr. PEYSER), only on his statement.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. MONTGOMERY) has expired.

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut (Mr. DENARDIS).

Mr. DENARDIS. Mr. Chairman, I count myself among the millions of Americans who believe this budget debate is a most historic occasion.

It is the first skirmish in the first battle in the long war or process to redirect in a fundamental way the manner in which Government is conducted in this country. My intent is to speak of the economic theories and assumptions which underlie the budget proposal and the President's economic recovery program, and do so in perhaps a slightly different way than has been offered, at least from my side of the aisle.

I will be voting for the Gramm-Latta amendment to the pending resolution, which I believe signals an end to the uncontrolled growth of Federal spending, a growth that I think is literally wrecking the economic fabric of this country. But my vote in this process at this point means nothing more than that.

The new departure which we, I think, will see as a result of this debate and vote in American economics and public policy stems from the growing perception that the programs prompted by the economic theories of John Maynard Keynes and the New Deal are not appropriate to the 1980's.

The Keynesian view was that aggregate demand is a crucial factor in determining the level of the economic activity and that the Government can manage this demand through monetary and fiscal policies to maintain high levels of employment and production. Keynes sanctioned deficit spending by governments to bolster the economy, and his view became widely held by practitioners of American Government.

But the Keynesian system seemed to unravel during the 1970's. The United States experienced both inflation and economic stagnation—a contradiction, according to Keynes. Governments were eager to run deficits to spur a lagging economy, but elected leaders seemed unwilling or unable to undertake the belt-tightening measures to deal with inflation.

As the United States began to live with its double-digit inflation, for the first time many economists and policymakers began to conclude that Keynes' theories were more useful for dealing with a 1930's style depression rather than a 1970's style of stagflation. It is now clear that the postwar economic consensus has broken apart and that we are in a new ball game.

Let us look at the emerging elements of the new economic approach. First, the economic notion that people respond to specific incentives. If people are given the right incentives, the market is better equipped than Government agencies to serve the public interest. The trouble is that many Government policies have been providing the wrong incentives, prompting many Americans to spend too much and save and invest too little.

Moreover, Federal economic and tax policies have prompted inflation and made spending more sensible than saving and investing.

Let us bear in mind that Keynesian economics focused on demand and emphasized Government management of aggregate demand. If the demand was there, the economists seemed to believe supply would be forthcoming. But while the United States has inflated demand in recent years, problems have come from the supply side, where insufficient investment has led to low productivity levels.

This leads to a second concept of the new economics—an emphasis on supply rather than demand. As supply siders see it, Government tax policies have stifled investment and encouraged wasteful consumption, leading to long-term deterioration in the Nation's ability to produce goods on terms competitive with other nations. To arrest the decline in American efficiency and high inflation rates that inefficiency brings, the new economics recommends reduction in business taxes and new incentives to encourage investment and production.

Many of these notions are lumped under the banner of "reindustrializing America," necessary in order to enable American industry to meet foreign competition.

A third element is a growing doubt about the efficacy of Government intervention in the economy. This translates itself into a turn toward rational expectation theories which argue that the public knows what is happening and responds to it, that is, responds to reality, not the rhetoric. Politicians may promise to cut inflation, but they often pursue politics that permit prices to keep on rising. The proponents of the rational expectations approach oppose intermittent tinkering as unworkable and advocate Government policies that involve minimal interference with the economy and policies which are consistently pursued over extended periods of time so that the public can respond to them. Those are the basic assumptions, but let me

hasten to add, however, that Keynesian demand management and supply-side economics are similar in at least one respect, in that they both utilize broad-based stimulus for ecouraging economic growth. Where they are both deficient is that they ignore the underlying dynamics of a national economy.

Both ignore the fact that the lion's share of the productivity increase since the 1940's is due to the quality of the work force and its successful integration with new capital.

We need to value and develop human capital. We need to expedite the rate at which our economy adapts to scarcity and new technology. The American economy has arrived at a point where its productive capacity cannot be enhanced by broad-stroke policies. We need policies that promote the use of human resources as productive capital—policies that promote the overall level of productivity and thereby encourage price stability and competitive production.

We must encourage the education, training, retraining, and relocation of the labor force to provide new products; we must encourage the application of new technologies; and we must encourage the integration of labor and other resources for competitive production.

Let me also mention some other considerations that are on my mind and relate to this debate, and which I think, bear stating for the RECORD.

First is the question of what we do as we begin to slim down the public sector and encourage the private sector, encourage new growth in that sector. We must not forget that politics still plays a roll, and that we still have a role here. We can use politics. We can use this arena as a creative process to harness private interests to public goals through carefully crafted incentives, and toward that end I would like to contribute in the weeks and years ahead.

Second, let us look at one item of the budget which I feel needs to be examined carefully and that is defense. This Congress, I am confident, will devote much time and attention to national defense issues and that we will reject a blank-check approach to the President's request for awesome increases in defense spending. It is unrealistic to think we can solve our national defense problems simply by spending more. We criticize social problems by saying that we cannot solve problems simply by throwing money at them. This criticism is even more valid for defense problems.

It is not enough to say that we want America to be as strong and as influential as it once was and as respected in the international world. Before major decisions are made on weapons systems which will cost billions, a great deal of thought must be given to the purpose those systems are to serve.

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The central question is not what kind of equipment you give the troops, but what you expect them to accomplish with that equipment.

The administration, the Senate, and the House Armed Services Committee have an obligation to engage in intensive thinking about the future of national defense and the role of weapons and other systems which compose the defense posture. If we buy the wrong weapons systems because we have an inadequate strategy and we attempt to use those systems with an ill-prepared officer corps, we may think we are safe when in fact we are not.

There is one final point that I want to raise, and that is that in this era of scarcity we have got to balance the equities and we have got to balance the equities very carefully, and that all must shoulder the burden of budget cutting, budget cutting that is necessary. But I want to say that when we look at the priorities in this budget, come midsummer and come September, I think we need to make some adjustments. It is clear to me that there are mistakes in judgment in the proposals of the Office of Management and Budget, that there are serious lapses in an understanding of the regional problems of the Northeastern United States. Farm crop subsidies and pork barrel water projects have been spared the budget cutters' knife so far, and they will have to share in the sacrifice. There is no escaping that.

In the weeks ahead, I intend to fight in my committees for reconsideration of such things as Conrail, and Amtrak subsidies, student loans, legal services, urban education needs, and other matters. But let me hasten to say that I accept the aggregate numbers at least in the Gramm-Latta bottom line and that I know that in the first budget resolution this is not a place to wage those wars on individual programs that I think need to be engaged. They will come later, along with the literally thousands of decisions that will be made during the appropriations process. It is in that stage of the legislative process where compromises will be made, where regional needs will be met, where balances will be struck, where burning controversies over public policy will be resolved. But this first budget resolution is not the place for such battles.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentleman from Connecticut.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Before we proceed, the Chair would like to announce that at this time the majority has 1 hour and 59 minutes of general debate remaining; the minority has 2 hours and 54 minutes of general debate remaining. If all of that time should be used, that will be 4 hours and 53 minutes of general debate remaining.

Mr. DENARDIS. Mr. Chairman, let me conclude by saying that this first budget resolution is not the place for all of the battles that I have outlined in my statement thus far. What we do today and tomorrow, this week, is to tell the American people that their desire to see Federal spending reduced is being met. And toward that end, I concur with Gramm-Latta.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. DENARDIS. I yield to the gentleman from Connecticut.

Mr. MOFFETT. I thank the gentleman for yielding.

Mr. Chairman, I must say, having known the gentleman back home for a number of years, I think almost 10 years, and watched his many years of distinguished service in the State Legislature of Connecticut and his really fine work there on mass transit, student financial assistance, aid to the elderly, that I guess the word I would use is "sad," I am saddened by the contrast of the gentleman's record and his now embracing Gramm-Latta, which would make phenomenal cuts in the gentleman's own district, as he knows, for mass transit, student financial aid, and child nutrition assistance.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. DENARDIS) has again expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentleman from Connecticut (Mr. DENARDIS).

Mr. DeNARDIS. I yield further to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. I have completed my statement. I must just say that it is a very sad day indeed——

Mr. DeNARDIS. Is there a question, or is it just simply a comment?

Mr. MOFFETT. It is a comment, if the gentleman would care to respond to it.

Perhaps the gentleman from California would like to respond to it.

Mr. DeNARDIS. No. I would like to respond to the gentleman from Connecticut, who apparently was not listening to my statement very carefully or who came in late.

Mr. MOFFETT. Oh, I listened very carefully to the whole thing.

Mr. DeNARDIS. Then the gentleman did hear that the assumptions upon which Gramm-Latta is built are assumptions that I support now and in a very general way have supported during my years as a Connecticut State senator.

The gentleman will recall that I was chairman of the Finance Committee in the Connecticut State Senate in 1973 and 1974, and during that period of time I supported the kinds of economic notions that are embodied in Gramm-Latta.

There is a period of consistency there on economic matters.

The gentleman is correct in saying that I have worked for and supported mass transit, higher education, and other matters.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. DENARDIS) has again expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentleman from Connecticut.

Mr. DENARDIS. Mr. Chairman, I see no inconsistency in supporting prudent economic policies geared toward introducing supply-side notions in a demand-side world where the string has run out on the demand management approach and indicating that within the broad parameters of this first budget resolution there is an opportunity to fight for priorities.

It is—and I am sure the gentleman from Connecticut (Mr. MOFFETT) recognizes—a zero sum game, and I am prepared to play in that zero sum game and fight for the Northeast.

Mr. MOFFETT. If the gentleman will yield, does the gentleman see room for low income energy assistance on the supply side?

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DENARDIS. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague yielding.

Mr. Chairman, I compliment the gentleman on his statement on this budget, his understanding in a complete way of every aspect of it. The gentleman has done an excellent job of covering it, and I am sure his constituents back home will know that he understands the budget process.

Mr. MOFFETT. I thank the gentleman from California.

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentlewoman from Illinois, (Mrs. MARTIN), a very valuable member of our committee, and I want to commend her for her outstanding service on our committee as a freshman.

Mrs. MARTIN of Illinois. Mr. Chairman, first of all, although he is not here, my thanks for the lessons and I think the friendship offered by the chairman of the Budget Committee and to the ranking minority member who has helped the freshmen more than I can say; and, in that sense, a bipartisan approach, even though they may differ on this particular budget resolution, has helped one such as I, new to Washington and the Federal scene, I think, accumulate the beginning of some wisdom and, hopefully, I can learn from both gentlemen.

Mr. Chairman, I, as most of you, have just returned recently from spending 2 weeks in my district. We then all know that the American people are demanding that the Federal Government get its house in order, adopt a policy of fiscal responsibility and restraint, and begin to address the economic ills which beset this Nation. The American people are aware of what the future holds if we fail to act. The desire for change is clear and convincing; we must act, we must act decisively, and we must act now. Our people realize that they can no longer live under the burden of excessive taxation, spending, and regulation which their Government has imposed upon them over the last 20 years, and they are demanding relief. That supposedly free ride provided by Government now has fares so high and service so slow that even the most frequent passenger wants off.

Listen to what an Irish priest from my district's largest city, hardly a traditional Republican, writes:

> The budget cutting proposals of the Administration are altogether too modest to bring the government's appetite for funds down to the people's ability to pay . . . Provided the cuts have been made evenhandedly, as the President professes they have been, they should be approved without delay . . . I do not get the sense that the Congress realizes that, to the poor and the racial . . . minorities, . . . it is not a question of a preference for extravagant programs or for the economy. The people no longer have the wherewithal to contribute. The money has run out. Sadly, the message of the 1980 election has not gotten through, I fear.

We have before us a clear choice: We can choose a new direction which will reduce Government spending and provide a needed economic stimulus, or we can choose a program that can only be characterized as business as usual, with the same emphasis on spending for social programs and a desire to do ever more for every special interest group which comes to feed at the Federal trough. That is more of the program that got us into this situation. With an increase of $7 billion in social spending over President Reagan's recommendations, the resolution which is before us runs counter to the attitudes of the American people which were so clearly expressed just last November. The proponents of this budget resolution have forgotten the events leading up to and culminating in the recent election, or else they have deliberately and arrogantly chosen to disregard the wishes of the electorate. In either case, the American people are the losers.

In past weeks, we have all been subjected to the pleas of a continuous stream of special interests, each seeking an exemption from budget cuts. It is true: These budget cuts will impact upon virtually every American, and that is right and fair, but what will life be like in these United States in 10 years if we fail to curb the growth of Government spending and give tax relief? Can we be certain of even bare economic survival if the inflation rate continues to worsen? Should we expect 20 or 30 percent inflation rates if we fail to reverse the upward spiral? Are we willing to take this gamble, to continue to mortgage our future and that of our children and grandchildren? Are we willing to gamble on the possibility of economic ruin? I think not, and I think it is incumbent upon this body to finally reverse this alarming trend. We can do it in this Congress; we must do it if we are to survive.

Only a few short days ago, President Reagan stood in this Chamber and enthusiastically endorsed the Gramm-Latta alternative budget. Let us examine in more detail what the adoption of this alternative would mean for us, then let us project what the future would look like under the chairman's proposal for business as usual.

The President has proposed significant savings. Can we afford to keep expanding programs, at an ever increasing cost to the American taxpayer, if it means the failure to curb the upward and persistent spiral of inflation? It is indisputable that the element of our society which suffers the worst from the ravages of inflation is that with low incomes, at or below the poverty line. Inflation is the cruelest tax of all on these, the least fortunate members of the society.

Some short-term sacrifices simply must be made if we are to provide a climate of increased economic opportunity for those who have in the past been excluded from participation in the work force. I have the confidence that we can, by adopting the economic recovery package put forward by President Reagan and embodied in the Gramm-Latta alternative, achieve the necessary economic revitalization, so that those who want to work in a productive society can have the opportunity to do so. It seems to me that the long-term beneficial effects of the President's proposal on those with lower incomes alone is justification enough for its adoption.

Many programs of assistance to the average middle income family are also scheduled to be reduced or eliminated under the Reagan-Gramm-Latta approach. Again we must ask, can we do without these programs if our economic survival depends on reducing or eliminating these expenditures? If we are to rise up from economic morass in which we have become mired over the past 20 years, we must once again learn to say "No." Adjustments will have to be made, belts must be tightened, attitudes of entitlement must be

changed if we are to survive. The American people know this, they expect it, and they will respect us for it.

There are programs that underwrite big business and give to those who can well afford to pay their own way. Let them end. And with Gramm-Latta, they do.

What can we expect to gain from adoption of the Reagan-Gramm-Latta package? Although economic recovery will not be immediate, we can look for substantial improvement by next year. But the greatest benefits will be in the long-term effects of reduced Government spending, slower growth in the money supply, increased productivity resulting from the revitalization of our industrial base, and ultimately and most importantly, a marked drop in the annual rate of inflation.

And what can we expect if we adopt anything less than the bipartisan alternative? Well, let us look at the track record of the policies of the past. Since 1960, the Federal budget has been balanced only once. Do we need another 20 years of the same? The dollar of 1960 is worth 36 cents today. Do we want to further devalue that already meager dollar? Over the past 15 years, Federal taxes have grown from 17.7 percent of the gross national product to 20.3 percent, and with business as usual, we can expect that figure to rise to 23 percent by 1985. Can our people and our economy afford that increase? Taxes paid by the average family of four earning $25,000 have risen almost fourfold, from $1,500 per year to $5,500 last year. Do we want to further strap our families by increasing that burden even more? And Federal spending has grown by 46 percent over the past 4 years alone. Is it really any wonder that we are in a crisis situation as a result of these policies?

Mr. Chairman, there is one specific area of the budget where the Congress has a clear obligation to act, and the American people expect us to act decisively in providing a real increase in national defense capability. While the Chairman's figures reflect an increase in outlays over the Reagan package, this increase is achieved through the artful use of smoke, which even the Government says is bad for our health. The issue of national security is one to which an honest, long-term commitment must be made, and this resolution falls far short of that reliable criterion.

In summary, Mr. Chairman, we have before us today a clear choice between a new direction or a program that can only be characterized as "that's just another day, another dollar." Where has business as usual gotten us? A $1 trillion debt, a prime rate of 18 percent—today 19 percent—inflation at 13 percent, a weakened military posture, a tax burden so heavy that business and individual taxpayers cannot save or invest. Has the massive influx of Federal money helped our citizens? Is the unemployment rate lower? Look at the figures. Are our cities better off? Has public housing solved the problem of shelter for the poor or has it created prisons for its inhabitants? What is the answer? Certainly not more of the same medicine. We have switched doctors. Now let's try his new course of therapy. We know the old one is not working and the patient is failing fast. We owe this chance for a new beginning to ourselves and to our Nation.

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Mr. PEYSER. Mr. Chairman, will the gentlewoman yield?

Mrs. MARTIN of Illinois. I yield to the gentleman from New York.

Mr. PEYSER. The gentlewoman mentioned a letter from a Catholic priest. I do think it is important that we bring this out. I went to a meeting at St. Joseph's Nursing Home in Yonkers, N.Y.

The CHAIRMAN. The time of the gentlewoman from Illinois (Mrs. MARTIN) has expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentlewoman from Illinois (Mrs. MARTIN).

Mr. PEYSER. Mr. Chairman, will the gentlewoman yield?

Mrs. MARTIN of Illinois. I yield to the gentleman from New York.

Mr. PEYSER. At that meeting we had Catholic priests, rabbis, Protestant clergy, black and white, representing that whole area. Without exception they were all there to plead with me to do what I could do to change the thrust and to change the kind of program that was being advocated by the Reagan administration.

So, without measuring the pros and cons of that, the gentlewoman is not expressing, I guess, nor am I, a complete absolute that the Catholic clergy feels one way or the other because it is very clear to me they do not.

The one other statement of fact that I think it is important that we all recognize is that the Reagan budget, the Latta budget that we are now going to be voting on, shows a deficit of $45 billion.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Mrs. MARTIN of Illinois. I yield to the gentleman from California.

Mr. ROUSSELOT. That is wrong.

Mr. PEYSER. That is wrong if the gentleman wants to use the inflation figures and the unemployment figures that are in sort of a dream world, but it is right if the gentleman uses the right figures.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. BAILEY).

Mr. BAILEY of Missouri. Mr. Chairman, I had not planned to speak during this debate on the first budget resolution. Simply stated, I am voting for the Gramm-Latta substitute because I believe it will work.

We have listened to over 7 hours of debate on the budget thus far. The eloquence, logic, statistics, and humor of the past 2 days have been impressive and predictably partisan. Last Thursday, the gentleman for Michigan (Mr. DINGELL) equated that Gramm-Latta proposals to a horse and rabbit stew with equal parts of both adding up to a less than bipartisan stew. I get a different feeling.

Every plan must have a leader. In this case that leader is President Reagan and he has presented a proposal to Congress. Over the past few weeks, various of our Democratic colleagues have indicated support for Gramm-Latta and the President's economic recovery program. Over the recess, the St. Louis Post-Dispatch berated one of our Democratic colleagues for voicing support of Gramm-Latta. Such editorializing, however, ignores the role of a Congressman. We are here to represent the American people. Our distinguished Speaker recognized that recently, telling the Washington Post:

> I can read Congress . . . they go with the will of the people, and the will of the people is to go along with the President.

When a Member of the House makes a good faith decision on how his constituents want him to vote, I believe it is inappropriate to criticize him for voting the people before this party.

When a majority Member votes for Gramm-Latta or other elements of the President's economic recovery program, that vote does not represent an endorsement of each and every budget cut or each and every element of the President's program. The vote does recognize, however, that there is a higher interest than one's party affiliation, or district, or State, or region and that is the national interest.

I believe that national interest spoke last November. The majority of Americans told us to do five basic things: First, reduce the Federal budget; second, shore up our national defense; third, get the government off our backs; fourth, cut our taxes; and fifth, give us a renewed climate of optimism to get this country rolling.

We are today debating only one of these elements. My distinguished colleague from Missouri (Mr. GEPHARDT) said last Friday that the budget deficit is a big problem in our economy. I agree, but that is only the place we start. President Reagan has sent us just not a budget proposal but an entire economic recovery program which links our five instructions from the American people into a cohesive whole, encompassing an economic philosophy, the outlines of optimism, and a plan of action. I believe the American people want President Reagan, his

philosophy and his programs to have a chance.

President Reagan's program for the next 4 years is a dramatic departure from the past. I can appreciate the concerns that something so different and new can bring. Historically, we have always been a people of spirit, of pioneering resolve and unafraid of the future. We need to reinvigorate those qualities now starting in Government and sweeping out to encompass our industries, our businesses, labor, and the very structure of our culture and society. President Reagan's plan gives us the new beginning we need.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon (Mr. SMITH).

Mr. SMITH of Oregon. Mr. Chairman, inflation is the primary problem confronting the 97th Congress, and I firmly believe we will see no change in the inflation rate unless we support the spending and tax revisions proposed by President Reagan.

We must pass President Reagan's spending cuts as an entire package—not take a piecemeal approach. Even though many popular programs will be cut, we must remember that our common goal is to reduce inflation so that the dollar will have renewed strength and all Americans will benefit in the long run.

President Reagan has offered Congress and the American people a blueprint to put this Nation back on the right track. It allows free market principles to work, without special interest influence and Government redtape. It restores incentive and the opportunity to invest, save, and reap the rewards of hard work—something that past administrations and Congresses have taken away.

We cannot allow ourselves to be fooled by measures which will be offered by the majority here today where proponents will say they can balance the budget much earlier than the Reagan administration's proposal. This tactic has been used before unsuccessfully. Let us not continue to approach this problem as we have in the past but strive to make the changes which are necessary and vital to the success of the Reagan economic package.

My constituents have entrusted in me their desires for a change from the business-as-usual attitudes of the past. The American people have requested these changes, and the time to act is now. President Reagan, in his determination to achieve a healthy economy, has given the citizens of this country optimism like we have not seen for many years. Let us not stray from the mandate given to us last November—lend your support to the Gramm-Latta substitute—the vehicle to deliver the President's message to the American people.

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentleman from Delaware (Mr. EVANS).

SUPPORT PRESIDENT REAGAN'S ECONOMIC PROGRAM

Mr. EVANS of Delaware. Mr. Chairman, this Nation has always been a beacon, a light of hope to those who have searched for individual freedom, opportunity, and happiness. That light is now in danger of being extinguished if we do not act decisively. Fortunately, we have the opportunity to do just that.

The citizens of this country are frustrated over the rate of inflation and unemployment that has existed for far too long in this country of ours. It has caused a great deal of human suffering. It has placed great burdens on most Americans.

I believe that the actions of the Federal Government have been the most important cause of our distressing situation. The spending, tax, regulatory, and monetary policies of the Federal Government have combined to create a climate of inflation that is compromising the economic potential of the United States. We have an economic crisis of staggering proportions and many Americans are seriously questioning the economic future of this country. The vicious cycle of inflation and recession which has wrecked our economy for over a decade can only be broken with a comprehensive plan that attacks the root causes of our dilemma.

By providing the Congress with a comprehensive program to revitalize the American economy, President Reagan has taken a major step toward establishing a "New Beginning" which will redefine the role of the Federal Government in the operation of the Nation's economy. The major elements of President Reagan's overall plan for economic recovery include:

(1) SLOWING THE GROWTH OF FEDERAL SPENDING

The uncontrolled growth of Federal spending and the accompanying deficits have been a primary cause for the high rate of inflation. For too long, the Federal Government has been enjoying a long and gaudy night on the town. Now, in the cruel gray light of the morning after, we are faced with the pressing need to count the costs, pay our bills, and get our fiscal practices back in line. We need a radical departure from the past and fiscal restraint is an absolute necessity.

While I am pleased that the Reagan administration has recognized the fundamental importance of the "safety net" programs which provide essential benefits to millions to truly deserving Americans it is clear that the tremendous increases in Federal spending have far outweighed the taxpayer's ability to pay for what are in many cases attractive programs. Although a number of difficult and unpopular decisions are going to have to be made, President Reagan's overall economic plan has absolutely no chance of success without a sharp reduction in the rate of growth of Federal spending over the next several years. While each component of the President's comprehensive economic program is essential, fiscal restraint is an absolute and compelling necessity.

(2) REDUCING THE TAX BURDEN

The level of taxation in this country is absolutely unacceptable. Inflation is pushing every American family into a higher tax bracket and is reducing the ability of businesses to make the type of investments which will produce jobs for all of our workers.

President Reagan is quite properly proposing to dramatically reduce the tax rates on personal income and to provide additional tax incentives for businesses to invest in new machinery and structures. This type of supply side tax reduction program will help savers, workers, and producers—the enterprising Americans who are bearing the weight of the heavy tax burden.

(3) PROVIDING REGULATORY RELIEF

The massive influence of Government regulation on every aspect of our daily lives is costing the American consumer billions of dollars a year and wasting millions of man-hours on unnecessary paperwork. The Government does have a legitimate role in safeguarding workers and consumers, guaranteeing equal opportunity, and protecting the environment. However, I believe that the cost of regulation can be lowered without sacrificing worthwhile social goals. The task force on regulatory relief, chaired by Vice President GEORGE BUSH, will be the leading edge in the administration's efforts to prudently reduce the Government-imposed barriers to economic growth.

(4) CONTROLLING THE GROWTH OF THE MONEY SUPPLY

The final element of this package consists of the application of a consistent monetary policy by the Federal Reserve Board by reducing the rate of growth of the money supply, interest rates should drop to lower levels. Lower interest rates will provide major help to the hard-pressed automobile and housing industries.

Mr. Chairman, I would also like to point out that the revitalization of our economy is also critically important to the credibility of our Nation's foreign policy and our ability to pay for the desperately needed improvements in our national security programs. With a strong economy at home, we can be more effective in encouraging the forces of liberty and democracy in foreign countries. The implementation of this comprehensive economic package will make a major contribution to

President Reagan's effort to restore respect for America around the world.

If we do not accept the new policy initiatives contained in this program, the inflationary trends in the economy will intensify. We have a real opportunity to implement new ideas and reverse the steady deterioration of our economic system. The Congress has an obligation to the American people to move quickly and decisively. This program really does represent our society's last hope to stimulate economic growth, provide a productive job for every worker, and eliminate inflation.

Mr. Chairman, the first concurrent budget resolution stands out as a beacon of hope for freedom, economic opportunity, and personal happiness. This program is designed to once again provide an opportunity for people to move up the economic ladder. Our destiny as a Nation does not lie in bringing people down to some common standards, but in providing each individual with an equal chance to move up to his or her highest potential.

There are some risks associated with moving forward in an aggressive manner with this comprehensive program. However, everybody must recognize that the present course of economic policy is loaded with tremendous danger. This plan is based on sound expenditure, tax, regulatory, and monetary principles. This agenda for the future recognizes that the consistent application of these sensible policies will release the strength of the private sector, eliminate the intrusive activities of the Federal Government, and lower inflation.

I urge my colleagues to recognize that there are no viable alternatives to the bipartisan program which has been endorsed by President Reagan. This program represents the most effective means of restoring a sense of hope for the American People.

Mr. Chairman, the American people gave President Reagan a strong mandate for change exactly 6 months ago today. The people I have been talking to in Delaware want and deserve action. I urge my colleagues to support President Reagan's comprehensive economic program.

Mr. REGULA. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. MCCOLLUM).

Mr. MCCOLLUM. Mr. Chairman, we have been listening to debate for several hours, and I think the debate has been an excellent debate as far as the issues are concerned, but it seems to me that in my listening to the debate that those who support the Budget Committee's proposal have been predicating a great deal of their assumptions on the basic premise that we must in fact have a reduced deficit by actually allowing taxes to increase. Even though we are not here debating the tax bill or tax reform, that is indeed a basic assumption that has been discussed, talked about and further expanded upon. I frankly support the Latta-Gramm proposal.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. MCCOLLUM. I will yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. The gentleman knows that the committee's resolution calls for additional tax cuts after spending cuts are made? I am sure the gentleman will want to have that.

Mr. MCCOLLUM. I am aware of that, very much so. I, however, believe that the tax cuts we have to have need to come now, they need to become coordinated with spending, and I believe that is the key to controlling inflation.

The problem is an understanding of what causes inflation. Inflation is caused not by some old Keynesian concepts of consumer spending, but inflation is caused by two primary factors. One of them is the creation of too many dollars, largely by the Federal Government, to fund a runaway public debt. The other is the decline of the underlying value of the dollar. We have not had a solid standard for the dollar in years. It has not been gold or silver or anything else tangible, but the underlying value of the dollar has been the productivity of the American people. We cannot solve the problems of our economy today or cure inflation until we recognize that very fact, and until we increase productivity.

For years and years and years, productivity went up in this Nation, and when it did, so did our economy despite the fact that we were ravished by excessive spending. Until we get to the point where we once again control that and get productivity to go up instead of declining, as it has in recent years, it would not make any difference if we had a fixed number of dollars out there on the open marketplace; say, if it were $500 billion and we never could create any more, and we would not have any more execessive spending, we still have to control and get back into our economy the productivity that made this Nation great to control inflation.

The only way we can do that is by cutting taxes. Cutting taxes and cutting spending are both essential in order to control inflation. I submit to this Congress and to the Members, my fellow colleagues, that the President's and the bipartisan proposal of Latta-Gramm is essential to this because it founds itself on the basic assumptions of tax cuts as well as spending cuts. Until we get that under control, until we look at that, we cannot in any way conceivably control inflation. I would submit further that if we do not get on with that today, we are going to see ourselves in the hole by many billions of dollars further down the pike by anybody's assumption; whether we listen to the figures that we read that are so confusing in the papers or the many of them the Members have heard here on the floor day after day, or hour after hour recently in this debate, it will not make any difference at all if we do not cut both spending and taxes now.

Mr. REGULA. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. FIELDS).

Mr. FIELDS. Mr. Chairman, I rise in enthusiastic support of the Gramm-Latta substitute, which embodies the essence of President Reagan's economic recovery program.

While I recognize the temptation to debate this amendment along party lines, I urge my colleagues to put aside partisan politics and work together to restore economic vitality to this great Nation.

I believe the Reagan economic recovery program, as presented by our distinguished colleagues, Congressmen GRAMM and LATTA, is our last, best hope to avoid economic calamity in our Nation. That program and this substitute amendment deserves our wholehearted support.

Mr. Chairman, I represent the north and east sides of Houston, an area that represents quite well the thinking of most Americans. My district is not, historically, a Republican district and it is not traditionally a conservative district, either.

Thirty-six percent of my constituents are union members; 30 percent are black or hispanic; and 70 percent of my constituents have only a high school education, a blue collar worker's district.

It is a constituency made up of hard-working, patriotic Americans who are willing to make the necessary sacrifices to insure that their children and grandchildren live in a nation with a strong economy . . . a nation with hope and opportunity for its people.

These Americans have written to me literally by the hundreds with one simple message: Support the President's economic program.

The broad-based support the President's economic program has received indicates to me that the people believe enactment of that plan will provide more Americans with more jobs, will cause fewer lives to be wasted on welfare and will lead to a rekindling of the work ethic and entrepreneurial spirit. Passage of the Reagan package would permit individuals to work for themselves and their families once again, to restore upward mobility to American life, rather than working nearly 6 months a year to pay their taxes.

Mr. Chairman, failure to approve this substitute amendment will give new life to current economic conditions which have brought untold misery to millions of Americans in the form of persistent double-digit infla-

tion, high unemployment, and destruction of the American way of life.

Mr. Chairman, I realize it is difficult to oppose the views of a small, well-organized special interest group. But we, as Members of the greatest legislative body in the world, now must put aside the views of a few so that we can truly benefit the many.

There is no doubt that enactment of the Reagan economic recovery will adversely affect certain individuals. However, unless inflation and deficit spending are ended, this Nation will cease to exist as we know it.

Mr. Chairman, a great American argued not long ago that "the most urgent economic business before the Nation is the prompt and substantial reduction of Federal income taxes in order to speed up our economic growth and wipe out our present excessive unemployment."

Mr. Chairman, this statement was not made by the current occupant of the White House but by President John F. Kennedy, on the eve of the enactment of his tax legislation which gave us the most significant marginal tax cut in our Nation's history.

I urge that we now rekindle the torch of economic freedom and that beacon of hope for all Americans by supporting together the Gramm-Latta substitute amendment.

Can we in good conscience do any less?

Mr. REGULA. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky (Mr. ROGERS).

Mr. ROGERS. Mr. Chairman, I rise today in opposition to House Concurrent Resolution 115 as reported out of committee, and in support of the President's program for economic recovery.

I would also like to commend my distinguished colleagues from Ohio (Mr. LATTA) and from Texas (Mr. GRAMM) for their outstanding efforts in drafting a bipartisan compromise.

Mr. Chairman, when the President addressed the Congress last week, Americans were impressed with his courageous return just weeks after the attempted assassination.

But it is not enough for the President to take a courageous stand by himself. There is an urgent need for us all to boldly return to the ideals which have made America great.

There is no denying the ills our country confronts. We have suffered double-digit inflation for years now. Interest rates continue to soar.

We find ourselves in the vicious cycle where individuals find it harder and harder to make ends meet. Businesses suffer from the declining sales and increased costs of production. they find it increasingly difficult to provide the needed jobs. Then Government spending goes up to supplement the incomes of laid off workers. And then the inflationary cycle goes on and on.

Sooner or later we are going to have to break into this vicious cycle, and it will take the kind of courage the President has already demonstrated.

The first step we will have to take is to break the pattern of increased Federal spending—spending which has fueled inflation for the past decade.

The Jones resolution calls for an increase of $77 billion in budget authority. Mr. Chairman, the people of my district can simply not afford the increased inflation which will result from this huge increase in Federal spending.

The proposal endorsed by the President does not cut Federal spending, as some of his opponents would have us believe—it increases fiscal year 1982 spending by more than $57 billion over the previous year. This smaller increase will allow us to continue necessary programs while helping us to get Federal spending and inflation back under control.

The second step we must take in breaking the vicious inflationary cycle is to cut taxes, so that people can hold on to more of their wages and purchase the goods that they and their families need.

The Reagan tax proposal will save the average household in my district $413 over the next 3 years.

When you consider all the taxpayers in my district, this means that more than $71 million will be pumped into the Fifth District over these 3 years—to be spent to local businesses, so that more jobs will be available.

Mr. Chairman, I maintain that a wage earner has the right to hold onto his earnings. The Federal Government does not have the right to tax the men and women of my district to pay for all the schemes dreamed up by Washington bureaucrats.

I support the President's tax reduction proposal, and oppose any effort to retain taxes at their current high level.

Finally, a third and vital step which we must consider in the budget is how to protect the needy.

As we reduce inflation and restore our economy to order, the burden of balancing the Federal budget should not be borne by the elderly, the ill, the children—by those who for any reason are unable to help themselves.

The President's program does provide for these needy individuals.

We must absolutely take care of the senior citizens. I am talking about the retired American, who in his younger years left early every morning for a day of hard work. I am talking about the parents who have carefully raised a family and spared no effort to provide for their loved ones.

These are now the people who, in retirement and living on fixed incomes, find themselves in desperate conditions. Their costs of food, housing, and utilities go up each month—they are forced to stretch their social security or pension checks further each month just in order to make ends meet. But there is a limit as to how far they can stretch those checks.

These senior citizens have given all that they had to their family, communities, and country—they should not be made to suffer as we go about balancing the Federal budget.

Mr. Chairman, I support the President's proposal to keep the social security benefits for these senior citizens in need, to continue medicare, and to increase funds for that part of the budget providing for senior citizens centers and nutrition programs for the elderly. And I wholeheartedly support the continuation of the food stamp program for the needy elderly.

A second major concern I have is for the veterans. These patriotic men and women have answered their country's call when America was in need. They spared no effort, they offered their lives for their country. Today, when these veterans may be in need, whether in old age, disability, or sickness, we must serve them as well as they served us.

Mr. Chairman, the President has advocated holding firm in our commitment to veterans by retaining benefits for those in need. I wholeheartedly support his proposal to retain these veterans' pensions and medical and disability benefits.

Another concern which must be addressed is education. Our schools provide the means for our children to better themselves—to have the opportunities their parents never had and which they dream of for their children.

For this reason, I support the President's decision to continue Federal aid for education through the block grant program. For too long States and local school districts have been caught up in the expensive and time consuming redtape which is always attached to Federal funds. A block grant will eliminate much of this redtape and so will make it easier for the educators to do their job of educating our children.

Finally, I would like to express my concern for the coal miners. Each day these miners go into the Earth to mine the coal our country so needs—the energy which will release us from OPEC's stranglehold.

But mining coal is hazardous—over 100,000 Americans are afflicted with black lung which can come from breathing the dust in the mines. They suffer the suffocating cough, the weakening and shortness of breath.

These men and their families should not bear the burden of supplying our country with energy all by themselves. While we must develop a better financial underpinning for the program,

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black lung benefits for these people who are in need must definitely be continued.

Mr. Chairman, I have indicated several groups which must be provided for. But the poor of our country and my district go beyond these distinct groups. They include the families who rely on food stamps and other Federal programs to care for hungry children; they include the men who receive unemployment benefits when they have been laid off of work. They include the whole group of men and women, young and old, who find themselves unable to work, unable to make a living to provide for themselves and their families.

The President's program does provide for these poor people. It increases, not decreases, spending for them, from $239.3 billion in 1981 to $366 billion in 1986—an increase of over $126 billion.

Mr. Chairman, the President has submitted a carefully balanced proposal to reduce inflation, reduce taxes, and still provide for our Nation's needy.

Bold actions will be necessary to reduce inflation and to return our country to a prosperous path. We cannot retreat from the problems confronting our country, we cannot use bandaids to cure our country's cancerous ills.

Much of the budget debate so far has focused on the concerns of our Nation's needy. I understand their deep concern, since I have one of the poorest districts in the entire country.

Because of this I support the President's program to reduce inflation and taxes, so that these people will be better able to make ends meet.

At the same time, we must continue to monitor the implementation of his program carefully. We must make sure that the safety net for the poor holds, that the President's program to provide for the needy is fully implemented. We must make sure that the elderly, the disabled, the ill, the children—that those who cannot help themselves—are taken care of.

I urge my colleagues to join with me in supporting the President's program, and to stand firm with me in making sure that the programs for the truly needy are not only continued, but are better operated, so that better assistance is available to those who are in need.

Mr. REGULA. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia (Mr. TRIBLE).

Mr. TRIBLE. Mr. Chairman, the eyes of America are on us this week as we move to final action on the all-important first concurrent budget resolution.

We stand today on the threshold of an opportunity for which many of us have long waited: This week, just 22 weeks after the sweeping mandate of the last election, we are in position not just to support—but to pass—a Federal budget which will put this country back on the road to economic recovery.

This Nation's need for economic recovery knows no bounds: Americans from every part of the country—from every walk of life—and of every political persuasion have suffered from years of double-digit inflation, high taxes, and soaring interest rates. Those crushing burdens are destroying the wages, savings, and dreams of the American people.

In November, the American people sent Congress a message that could not have been louder—that could not have been clearer.

The message was threefold, and the Reagan response to that message was threefold: Restrain the runaway rate of growth in Federal spending; cut substantially, individual income tax rates to restore the incentives to generate renewed economic growth and prosperity thoughout our land; and, just as important, take the steps necessary to maintain a national defense strong enough to insure peace and freedom in this troubled world.

Mr. Chairman, we must respond rapidly yet responsibly to the sweeping mandate issued by the American people just a few short months ago. The bipartisan Gramm-Latta substitute is a forceful and responsive means to that end.

We have heard each competing version of this budget resolution subjected to every conceivable set of economic assumptions. Repeated attempts have been made to persuade the American people that the Reagan-Gramm-Latta proposal is not the way to go.

But really when all is said and done, only the numbers remain. And the numbers clearly show that Gramm-Latta and no other alternative proposes the lowest budget authority—the lowest outlays—the lowest levels of taxation. The American people are calling for real reductions in the growth of government. And with Gramm-Latta, that is what they will get.

On taxes, the differences between the bipartisan Gramm-Latta approach and the several, less responsive alternatives, are critically important. Gramm-Latta is an evenhanded, across-the-board move to provide some measure of tax relief to every American taxpayer. The others are not.

Gramm-Latta is a 3-year, long-range effort to provide some assurance that inflation will not throw millions of taxpayers into higher tax brackets. The others are not.

Gramm-Latta recognizes that no greater barrier to individual economic achievement has arisen in recent years than punitive Federal tax rates. Gramm-Latta, alone among the four proposals before us, addresses that problem by lowering tax rates. The others do not.

On defense, the Gramm-Latta proposal has not budged an inch. We are right where we were in committee. We are strongly supportive of the President's request today as we were then. We opposed the House leaderships effort to deny America's men and women in uniform their badly needed pay raises. And we opposed the House leaderships effort to concede a strategic edge to the Soviets. We were the ones fighting for adequate national defense funding in committee.

On defense, the Gramm-Latta proposal reflects the President's determination to reverse years of real-dollar reductions. Gramm-Latta underscores without apology the need for a strong national defense in the context of an expanding, healthy, vibrant economy.

We can return to a path of solid and sustained economic growth by supporting the President's bold move to attack our economic problems en bloc. This President understands that past efforts to solve economic problems fell short because related problems must be considered together.

Thus, the administration's coordinated plan—spending reductions, tax rate cuts, regulatory reform and responsible monetary policy—addresses all of our economic ills, and lays the foundation for higher, and sustainable, levels of prosperity.

This is an historic moment. This is our opportunity. This week, Congress can join the American people and their President at the genesis of the most sweeping economic revival in half a century.

But we must act now; for opportunities slowly seized are quickly lost; and this historic opportunity may not come again.

Mr. REGULA. Mr. Chairman, I yield 7 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, my colleagues, I rise in support of the Gramm-Latta substitute. Last week marked the beginning of an historic debate in this Chamber. After years of spendthrift policies and misguided attempts to be all things to all people, reality is beginning to dawn in Washington. The reality that there are finite limits to what Government can do. That we do not have infinite resources at our command, nor infinite wisdom.

This is the week we begin to restore economic sanity to the Nation, and restore control of our Government to its people.

We have a very clear choice. The committee bill represents the old way of doing things. The Gramm-Latta substitute represents a new beginning. The committee bill, clings to the philosophy of government by taxation,

government by regulation, government by bureaucracy. It dictates to the people. The substitute embraces a philosophy of government by the people: Representation, rather than regulation; participation, rather than taxation.

Make no mistake; this vote represents a crucial watershed in the future development of our Nation and our federal system of government. Over the past 20 years, we have seen a shift of responsibilty from the private sector and from the State and local level to the Federal level. Washington bureaucrats oversee thousands of programs, affecting everything from the length of a high school student's hair to the number of outhouses on a ranch. Potomac potentates, decide who you can hire, who you can live with, and how much money you're going to have left at the end of the month.

All this at great expense and even greater inefficiency. As a result, the private sources of services have dried up. Replaced by civil servants. And private sources of money have dried up, blotted from the marketplace by massive Government borrowings. Government at all levels now takes up over 40 percent of the gross national product. The Federal Government alone accounts for some 23 percent. The average wage earner pays more in taxes than he does for shelter—and you know how much a home costs these days.

Do not be fooled by the misleading deficit projections in the committee budget. There are only two ways you can eliminate a deficit. One is to cut costs; the other is to raise taxes. The committee resolution, in comparison to the substitute, increases costs, and increases taxes even more! It cuts the deficit—but at the expense of the taxpayers.

The Gramm-Latta substitute, which has the strong support of the President, cuts the rate of increase in taxes, and cuts the rate of growth in Government—to lead us to a healthier economy, more jobs in the private sector, and lower rates of inflation and interest.

I do not support every detail in the substitute resolution. It gives too much in some areas and not enough in others. If I had my druthers, I would adjust some of its priorities.

But the Gramm-Latta substitute is infinitely better than the committee resolution. It puts a cap on Government growth. It allows adjustment of the tax rates to offset bracket creep, which robs the taxpayers. And it sets us on the path toward economic recovery. The specifics can be adjusted, and will be adjusted as the committees of this House and the Senate work their will. But the all-important principle of establishing a cap on Government spending, on Government growth, on Government intrusion, is established in the substitute. It obeys the principle which we must all obey in our private lives and in our businesses: That although there are many things you would like to have, you can not spend more than you make, not for long, and we have come to that point today.

Mr. Chairman, some of my colleagues on the majority side of the aisle seem to be saying: It is inflationary when people spend their own money; it is not inflationary when Government takes that money from them in the form of taxes and spends it. Nonsense!

The voters have spoken; the day of reckoning is upon us. We cannot flinch or delay or conjure up excuses any longer. We must act, and act responsibly. Gramm-Latta is the responsible alternative, the needed remedy. I urge an aye vote.

□ 1645

Mr. REGULA. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. SHUMWAY).

Mr. SHUMWAY. Mr. Chairman, I rise today in support of the bipartisan Gramm-Latta substitute to House Concurrent Resolution 115, the first concurrent budget resolution for fiscal year 1982 as reported by the House Budget Committee. I applaud my colleagues on both sides of the aisle who have joined in support of the President's program for economic recovery, which is embodied in Gramm-Latta, and am particularly pleased that so many of my Democratic colleagues have expressed a willingness to give President Reagan's plan a chance. Senate Minority Leader Byrd, in remarks reported over the weekend, has indicated his support for this position and thus typifies the truly bipartisan consensus that has developed on this fundamental issue of economic recovery.

The Gramm-Latta substitute represents a bold and necessary departure from the Federal spending and tax policies of the past; a decisive break with business as usual. Such an approach is not only essential if we are to resolve our serious economic problems but, perhaps more importantly, is entirely consistent with the wishes of the American people as expressed last November 4. In fact, although concern has been expressed by those directly affected by the reduction or elimination of specific programs, popular support for the President's entire package, as shown by the most recent polls, remains extremely strong among Democrats and Republicans alike.

I am therefore disappointed that some of our colleagues on the Democratic side and, in particular, those serving on the Budget Committee, have chosen to reject the President's proposal. Basically, it is asserted that the President and, by extension, Gramm-Latta cuts spending and taxes too much. Without going into the merits or lack of merit of specific programs—although it must be understood that for each Federal program there is a built-in constituency that is generally well prepared to lobby Congress—I would like to reemphasize a point central to this entire debate. Although President Reagan has alluded to this fundamental point on several occasions, his message seems to have been lost by some. Simply stated, neither the President nor Gramm-Latta propose to cut Federal spending or taxes in fiscal year 1982. The only reduction contemplated is in the rate of growth of spending and taxes initially proposed for fiscal year 1982 by former President Carter. This should come as no surprise. If the events of last November 4 meant anything at all, it was that the Federal Government was growing too large too quickly.

Double-digit inflation, which has grown from a level of about 5 percent when former President Carter took office in January 1977, remains our most serious economic problem, and presents perhaps the gravest threat to our national well-being. The crippling affect of runaway inflation on those living on fixed incomes, on young couples attempting to buy a home, on small businessmen confronted by astronomical interest rates, and by families attempting to feed, clothe, and educate their children is obvious and has been spelled out in great detail during this debate.

In order to ease these inflationary pressures, the Reagan administration has proposed to reduce the rate of growth of Federal spending for fiscal year 1982 over fiscal year 1981 to only a little more than half that of former President Carter's budget. The President suggests that spending be increased—increased, not cut—by about 6 percent for fiscal year 1982. Likewise, even if Kemp-Roth is adopted in its entirety, as the President proposes, the effect will be only to slow the rate of increase in Federal tax receipts. As my colleagues are aware, taxes will automatically increase next year even if the President's program is fully accepted.

Mr. Chairman, when analyzed from this perspective, it is clear that the President's program is not the drastic reversal of Federal policy suggested by its opponents. In fact, the President is not proposing aggregate reductions in either spending or taxes for the coming fiscal year. He has proposed, simply, that it is time we reduce the rate of growth of Government.

When viewed in this light, Mr. Chairman, the President's program can be seen as the moderate approach it truly is. As my colleagues are aware, there are many who feel that Gramm-

Latta does not go far enough, who feel that Federal spending should actually be reduced in comparison with past levels. The President, however, has suggested a program that moves in the right direction without overlooking the truly needy and other elements in our society that rely upon Federal assistance.

In embodying the President's program, the Gramm-Latta substitute is a moderate approach to our economic problems, and is deserving of the widespread bipartisan support it has generated. I urge all my colleagues who have not yet done so to join in this effort.

Mr. REGULA. Mr. Chairman, I yield 8 minutes to the gentleman from Wisconsin (Mr. GUNDERSON).

Mr. GUNDERSON. Mr. Chairman, as we have been deliberating this budget for a couple of days, I am sure we all think we have heard every aspect of the debate possible, but perhaps I can offer a thought process that is perhaps a little bit different today, being a rural legislator and being from a very rural district. I am a rural legislator who happens to believe there is a great deal of merit in school lunch programs, a great deal of merit in conservation assistance programs, and a great deal of merit in the Farmers Home Administration and in rural electric programs as well as rural telephone programs. So the decisions we are facing as we deal with the budget alternative in front of us become all that much more difficult as we consider the fact that one of those budget alternatives reduces the totals in these areas more than any other particular proposal in front of us.

Yet I think we have gone beyond those narrow concerns that we have as rural legislators in rural America. We have to look at the whole Federal Government process, and let us do that, if we can, for just a moment. Let us recognize that it was during the term of Lyndon Johnson that we first spent $100 billion in this budget process, and it was not even 10 years later then that this Congress approved a budget of about $200 billion in 1970.

Now, in 1980, we are looking at a budget that was about $580 billion, and here for fiscal year 1982 we are looking at something which is somewhere around the $700 billion level.

Then we look at the entitlements and find we have grown in the last 10 years from 65 percent of the budget being in the entitlement process to 73 percent in the entitlement process of the budget. We see that it is becoming uncontrollable.

I think it is perhaps worthwhile to philosophize for just a few moments and quote our Governor of the State of Wisconsin, who pointed out that this quote has become quite famous. It is from Lenin in the 1900's, and he said, "Don't worry about Germans because they will militarize themselves into nonexistence." And they did that.

He said, "Don't worry about the English because they will expand themselves into nonexistence."

They did that.

And finally he said, "Don't worry about those fledgling Americans because they will spend themselves into nonexistence."

And I am afraid, I say to my colleagues, that that is the point we are at in this debate today, to decide whether or not we are going to make Lenin's predictions true and correct on all three counts.

We have demonstrated time and time again here the figures on the national debt facing this country, but I think the facts are, whether we look at the Jones proposal or look at the Latta proposal, that we are looking at the interest on that national debt and we are finding out that we are spending 10 to 12 percent of our budget on the interest on that national debt. That is exactly four times the amount we spend on the total Department of Agriculture, and it is about six times the amount we spend for the entire Federal programs for aid to education.

Therefore, I think it is time that we as Members recognize and we as American people recognize that we only have one economy in this country, and every time the Government's part of that economy increases, the part available to us as individuals decreases, and that is why we get inflation.

I think we have to recognize that we only have one system of credit available in this country, and every time the Government takes a bigger part of that credit to operate its deficit, all of a sudden the amount available to us as businessmen and individuals decreases, and all of a sudden we get more inflation and interest rates go up.

Perhaps I am oversimplifying the process, but it affects us all. We take all the impacts of the Federal budgetary process for the last decade or two, and we look at what that means to rural America.

I would like to give the Members an example which has influenced me greatly as we consider this budget process. An agricultural economist at the University of Wisconsin, R. A. Luening, said that if you take a typical 40-cow dairy herd in western Wisconsin and provide the buildings and the support land to make that 40-dairy-cow herd successful today, you would have to spend probably $280,000 to purchase that farm. Let us assume for just a moment that we have a youngster entering school today; he is going to go through primary and elementary and secondary school, and he is going to go on, because he wants to be a good farmer, to a 2-year short course at the university. The fact is that in 1995, when he completes his education and tries to purchase mom and dad's farm, that $280,000 farm today, he is going to need some $1,063,000, if he has any hope of purchasing that home or that farm at even a 10-percent inflation rate through the past few years, and that is not with compound interest.

All of a sudden, I think the impact of what we are doing today is driven directly home to that small farmer or that small businessman, and we realize that capital formation is becoming the No. 1 problem for our farmers and our small businessmen in rural areas.

Second, I think we recognize that inflation and high interest rates—and high interest rates are always going to be a couple of points above the interest rate—are causing a real cash-flow problem for these farmers and small businessmen. An then I think we can recognize the result of all this and we can look back at the programs we have had and what I said at the beginning about these programs, the Farmers Home program, the school lunch program, and the conservation programs, and the fact is that we as a Federal Government cause inflation, and by no means and by no amount can we provide enough Government assistance to our American citizens to keep up with the inflation rate as we know it today. There are simply not enough programs that we can devise to help them cure that ill unless we get the economy under control.

Quickly, then, I think we ought to recognize as rural legislators the fact that the inflation we have, unless we change it, will simply destroy the family farm. The fact is that unless we change it, inflation will simply destroy the fine conservation efforts we have made, and it will simply destroy all of our commercial efforts.

And unless we get the economy under control, the fact is that we will find difficulty feeding our own people, to say nothing of feeding a hungry world, simply because there will not be enough land remaining in agriculture in America to feed the American citizens.

Now, we can carry this same dialog into public education in America, and we recognize that the recession of the past few years is decreasing the amount of dollars available from the State and Federal levels to local education systems. We in Wisconsin have just cut over 5 percent across the board to all local school districts because of the recession, and we recognize on the other side that inflation is increasing not only the cost of operating district schools but also the property taxes, and we are getting a public backlash to our school education system from the rising costs of public schools. Then we look at our local governments and we see the myriad of rules and regulations that we have im-

posed on our local governments that are simply disenfranchising many citizens from participating in local government because they do not have the time or the capacity to keep up.

Then we look beyond that and we see from a rural perspective that we are almost being disenfranchised from monetary assistance because we do not have the specialized grantsmanship to help us compete with the big cities for all the categorical grant programs that "Big Brother" in Washington has set up for us.

Quickly, I think that we realize we are going to be making some tough decisions as we face these budget votes in the next couple of days, but I hope we will consider those decisions carefully. I hope we will recognize those decisions as being business as usual, perhaps with a 1-year pause or perhaps as a bold new economic change in our country. I hope that we recognize the possibility, as we continue business as usual through 1995, of not having a family around with the ability to purchase a farm versus perhaps some small reduction in our Farmers Home Adminstration lending programs at the present time.

□ 1700

I hope we recognize that business as usual will create a major backlash to public education as we consider the alternative.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. REGULA. Mr. Chairman, I yield 1 additional minute to the gentleman from Wisconsin (Mr. GUNDERSON).

Mr. GUNDERSON. I thank the gentleman.

I hope we will consider, as we are looking at education, the choices that we have, which are the backlash against public education and its funding or simply a very small reduction of just over a penny in what the Federal Government's contribution is to the total cost of education at the local level.

My friends, we have a choice today. It is a choice between business as usual or allowing our young citizens of the future to achieve the American dream. That is why I as a rural legislator, although voting for some tough cuts, must support the bipartisan proposal of Latta and Gramm.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I will be happy to yield what time I have left.

Mr. JONES of Oklahoma. The administration's plan calls for 70 percent of parity for dairy price supports. That is incorporated in the endorsed Republican substitute.

I assume the gentleman will vote for 70-percent dairy price supports when this comes up and will not be inconsistent and change his vote.

Mr. GUNDERSON. Oh, I will tell the gentleman, we have just come from the House Agriculture Committee this afternoon where we have been marking up the farm bill. We happened to mark up the dairy section. The facts are that what we have already done in the dairy area by eliminating 80 percent and going at least to 75 percent violates the administration's proposal.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. REGULA. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. GOLDWATER).

Mr. GOLDWATER. Mr. Chairman, I rise in wholehearted support of the bipartisan alternative to the Jones budget proposal, the Gramm-Latta substitute to House Concurrent Resolution 115.

In so doing, let me compliment the chairman of the Budget Committee, my very good friend, the gentleman from Oklahoma (Mr. JONES). I think the gentleman has demonstrated to the House during this debate why he was the appropriate individual to chair the very difficult task of structuring a budget for 1982. Having to deal with all the particular ins and outs and parochial interests of every Member of the House of Representatives certainly takes a certain quality of understanding, of sympathy and certainly patience in order to structure and put together the kind of budget necessary.

Now, Mr. Chairman, no sooner had the President finished his state of the Union address several weeks ago and he delivered his 3-point solution to our economic ills, when outside my door lined up literally hundreds of individuals looking for exemptions to the President's program. The education lobby, the oil lobby, the aerospace lobby, the defense lobby, and certainly State and local governments who over the years have had Federal programs pushed upon them, were all there looking for exemptions from the President's proposed spending cuts.

I told them all the same thing:

I am sorry, someone else beat you to it: middle America. The people in my district have pounded on my door year after year, week after week, saying enough; enough high taxes, enough Government redtape, enough government.

Small business pounded on my door and, again, said enough, they, too, want relief. Last fall we were elected to come back here and manage the U.S. economy in a way that would not hinder but enhance our free market economic system.

Well, in reflecting upon how our great Nation got in this economic mess, and there may be as much difference of opinion as there are individuals in this body, it seems to me we have turned our backs on free market economics and over the years set a new policy of Government growth and involvement in our daily lives.

When Franklin Roosevelt was elected in 1932, perhaps the changes he made at that time were needed to bring this country out of the Depression; but unfortunately, that great experiment was never stopped. Even after the country recovered, we seemed to continue on under the same national policies that called for more and more Government. An attitude developed in this country that somehow Government, and not the individual, was paramount; that somehow Government wisdom and not free market wisdom was more important. All of us fell into the same kind of syndrome, that Government can do it best; or, let Government do it all.

We saw politicians in the fifties and sixties running for office, promising that if elected they were going to deliver this or that program. This went on year after year; in the process we watched Government grow and grow. In the 12 years I have been here our Federal budget has increased threefold—from less than $200 billion to over $600 billion today.

We have truly adopted a national policy of spend and spend, tax and tax, and promise and promise. Maybe this was fine during the thirties, forties, and fifties; but soon in the late sixties and the seventies we began to find our economy in total disarray and a government that no longer could take hold of it or understand it, let alone manage it.

At the same time we began piling regulation upon regulation, as a response to the belief in the 1930's that somehow we were producing more than we were consuming and the solution, therefore, was not to produce so much. We adopted these policies.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. REGULA. Mr. Chairman, I yield 2 additional minutes to the gentleman.

The CHAIRMAN. Without objection, the gentleman from California (Mr. GOLDWATER) is recognized for 2 additional minutes.

There was no objection.

Mr. GOLDWATER. We adopted the premise that, in essence, encouraged consumption at the expense of production.

The underlying assumption, along with the increase in taxes and increase in Government programs, has been building until today we have reached the point where in my congressional district people are pleading with me to work with the new administration, which was elected to make some major departures from past national policy. People look to us to restore confidence in our economy and to find a solution for the inflation which is destroying the very fabric of this country.

People in my district no longer can buy homes. Small business does not have the ability to go out and borrow capital in order to grow. Individuals are hurt as they are pushed down on the economic ladder, instead of having the opportunity to climb up.

No, Mr. Chairman, I think the American people spoke in November of this last year when they selected President Reagan to try to do something with the problems we face as a nation. If for no other reason, I support this program because of that. The President has the overwhelming mandate of the people. He has presented a three-point, well-thought-out program and I think that we should give him an opportunity to see what he can do.

Obviously, no one can agree with all the particulars, but in my opinion we have a unique opportunity and we should rise to it. The price we have to pay for continuing on, as is, is too great: astronomical taxes, unemployment, newly built houses sitting empty, double-digit interest rates, inflation; the list goes on and on, Mr. Chairman. We must turn the economy around and do something different.

We are a compassionate nation and it seems to me that the height of our compassion will be demonstrated not by how many people we put into social programs to help them out, but by measuring how many people are no longer in need. We can do that by having economic growth as proposed by the bipartisan program, the Gramm-Latta substitute to House Concurrent Resolution 115.

The Gramm-Latta substitute protects the legitimate social needs while it begins the arduous process of rebuilding our economy. If enacted as a whole, the Gramm-Latta budget will bring unemployment down to 7 percent, bring the national growth rate up to 4.2 percent, push inflation down to 7.2 percent and interest rates down to about 9 percent. Now I would say that this substitute does something—something really constructive—for the economy. This will start to solve America's problems.

A lot has been said about the inequity of increasing defense spending at the expense of social spending. I do not think that it is a simple, either-or situation; we are cutting social spending because the necessity of economic independence and stability forces us to. We are increasing defense spending to insure our national independence in the face of an unprecedented, 22-year Soviet military buildup. Clearly, if we want to protect ourselves, defend our national sovereignty and fulfill our obligations to our allies, we have to rebuild our Armed Forces.

The military is in deplorable shape right now. Military manpower is at an all-time low in recruitment and educational levels. We can not even keep these enlistees much beyond one term. One weapons acquisition program after another has been canceled or deferred. Our bombers and fighters are grounded constantly because operations and maintenance money has been raided to provide pay increases and armaments acquisition programs.

The Soviets have been pouring billions upon billions into their armed forces to the point where, many military experts believe, we are functionally behind the U.S.S.R. in military readiness. Even if we move quickly now to rebuild, we will have 4 to 5 years before the increased spending produces substantially increased defense capabilities. Will the Soviets wait? And, if we do not move now, can we rely upon the Soviets not to press their advantage? How many more Afghanistans can we ignore? I would like to quote the distinguished Secretary of the Navy, John Lehman, in observing:

> To insure peace, we must be invincible in war . . . the purpose of defense is deterrence—persuading another that action against us will bring him more harm than gain.

The Jones budget recommends a defense budget that is $7.1 billion in budget authority and $4.4 billion in outlays less than the Gramm-Latta substitute. I believe that this speaks for itself.

In conclusion, I suggest that what we do here in the House on this budget will determine the direction of our country for decades to come and what kind of economic legacy we will leave for our children. Our country is staggering under the double burden of inflation and confiscatory taxes. We have put off the inevitable too long. It is time to show ourselves worthy of our constituents' faith in our resolution. We know that the solution proposed in the Gramm-Latta substitute is the correct—albeit difficult—solution. For that reason, I strongly urge my colleagues to support this bipartisan approach.

Mr. REGULA. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. PURSELL).

Mr. PURSELL. Mr. Chairman, I have not personally decided how I am going to vote. I am sure most of the Members of Congress have. As a Congressman from Michigan, one of the largest industrial States in the Nation, I am budget cochairman of the Northeast-Midwest Coalition, a bipartisan group. Many of us, both Republicans and Democrats, have had concerns about the distribution and the flow of tax dollars, regardless of what your national priorities are. When you look at the priorities in either budget, I could say for the most part many of us in our region feel that there is not an equitable distribution of those dollars, when we all at the same time want to balance the budget; so we are talking about two things here. All of us are attempting in both political parties to balance the budget, turn the economy around, reduce taxes wherever possible and let the citizen back home and local government decide Federal policy instead of those of us in Washington; but after the budget cuts and the 1981 supplemental rescissions are over, and we spend a lot of time on this year's budget cuts, if you look at the 1982 budget which we are discussing today and the projections for dollars up through 1982 and 1984, we have some major concerns that those distributions of those priority projects and lower priorities are not equitable.

So we asked OMB to do a study, take the Federal dollars and see where the distribution is made across the country. They said they would do that. That was about maybe 35 or 40 days ago. They came back and released the study and the New York Times and other papers, without having much chance to reflect on that, it did go to the press before we had the study, I might point out, which I think is a question that is in bad taste; but be that as it may, that OMB study took the various categories of the Federal budget in four categories: Human resources, physical resources, Government operations and other issues, miscellaneous issues, and took the Federal dollar and showed where we were not too far off in some of our categories in the Northeast and the Midwest; but they made one great huge mistake. They left out the defense budget. Twenty-four percent of the Federal budget was not in this study.

I think for an organization as large as OMB with all their computers and Federal staff to do a study like that and ignore a major piece of the Federal budget is what I would consider irresponsible.

So we did that study and we looked at those figures. We took the OMB figures, picked up the Defense Department, and when you look at the figures, when you add those together, it shows that the South, who is losing some area of dollars in budget cuts and other categories, food stamps and others, education, student assistance, and you can name them, when you picked up the new defense dollars for the South and the West, they come out plus. The South comes back to its even figure, roughly a tradeoff. They loss some in other areas and gain it back in defense, so they come out in pretty good shape.

Now, in the West they gained a few more dollars, from 168 to 213, I think it is. I will submit this report for the record.

So I guess we are playing a double standard here in my opinion. We are saying let us cut the budget, balance the budget, look good for the taxpayers, and then turn around and pump in a total of I think $788 billion of new

defense money up through 1984, roughly going from 24 percent of the budget up to 30 percent of the budget and putting it in regional parts of the district where, in fact, you have very low unemployment problems; Houston, unemployment about 2 percent approximately and some of those, and yet we are putting big money, new money, and we are talking about balancing the budget and reducing inflation here, new money into areas that already have high employment.

We have other States and other parts of the country, Michigan, New York, New Jersey, experiencing major unemployment areas, from 13 to 20 percent across the board, depending on what parts of the State you come from.

So I am more concerned not so much with the short-term 1981 budget cuts, I am concerned with Federal policy in the long term that takes the taxpayers' dollars that we do spend, whether you are for defense or against defense or in my opinion, I am former infantry officer, I think we ought to help the Navy; we have some issues in the military budget that are important to the defense of this Nation and to the free world. I think we all agree on that, but not every category of the defense budget. My God, every defense contractor in this Nation is jumping with glee.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. REGULA. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. CHAIRMAN. Without objection, the gentleman from Michigan (Mr. PURSELL) is recognized for 1 additional minute.

There was no objection.

Mr. PURSELL. I met a former employee of the Science and Technology Committee the other day. He said, "I have left Science and Technology."

I asked Tom where he was going and he said, "I'm going over to the Pentagon." He said, "That is where all the new money is."

□ 1715

So you know they move from agency to agency.

I guess, in summary, those of us who want to stay within our party and those of us in the Democratic Party who want to have broader concerns, and I think my party has not done a statesmanlike job in recognizing other parts of the Federal budget in terms of student assistance and human needs, believe they are equally and probably more important than some of the major priorities I see reflected in this budget for defense.

So I am very dissatisfied with both proposals. We have decided we will fight it out. I think those of us on Appropriations will make those fights in terms of equity on other priorities in my party, at least those of us serving on the Committee on Appropriations, to help restore some sense of balance of sensitivity in this budget fight we are experiencing this week.

Among the items discussed were the following figures taken from a recent budget analysis of the Northeast/Midwest Coalition's Budget Task Force, of which I am cochairman:

	United States,	Northeast	Midwest	South	West
I. OMB summary of per capita regional distribution of outlay reductions (in dollars) called for in the fiscal year 1982 Reagan budget:					
Human resources	$102	$113	$108	$97	$93
Physical resources	36	35	34	37	38
Government operations (primarily civil service pay reform)	14	10	10	20	15
Other (Primarily defense and foreign operations)	14	12	6	16	23
Total	166	170	158	169	168
II. DOD projection of per capita regional distribution of increases in defense outlays (excluding prime contracts) called for in the fiscal year 1982 Reagan budget	71	64	169	169	213

The CHAIRMAN. The time of the gentleman has expired.

Mr. REGULA. Mr. Chairman, I reserve the remainder of my time.

Mr. JONES of Oklahoma. Mr. Chairman, I yield 30 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I would just like to make one observation about the previous speaker, if I could have his attention. I would just like to make one observation about the previous speaker, the gentleman from Michigan (Mr. PURSELL). I think that when Lyndon Johnson was President, he would have been well served if he had had in his own party more people who were critically examining some of the items in the Great Society programs that we were passing through in those days before they went on the books almost without congressional review because they were so popular at that time.

I might just say that I think the gentleman regardless of how he votes on the resolution is performing a service both to the House and to his party when he does raise some of the questions which are legitimate questions to be raised in any legislative body. I think this administration, like all others before it, will find out sooner or later that the meanest thing any opposition can do to you is to not review your programs critically and carefully.

As someone once said, sometimes we are made the most unhappy when we get the things we pray for. It seems to me that the administration in this instance might be a little happier 2 or 3 years from now if they do not get some of the things they are praying for today.

I guess I would call my remarks today chapter 2 in my response to the Sermon on the Mount which we received from the President last week. As I said then, I know that it is unpopular at the present time to raise even the slightest criticism about any portion of the President's budget. But I tried to point out last Friday how some of the actions being taken by the President would in fact have a detrimental effect on our ability to stimulate productivity in this country.

I would like to raise three other concerns today: First, who the business tax cuts do not help; second, why the budget as presented by the President is, indeed, highly inflationary; and third, how the budget does fall unfairly on certain groups in the country.

Then I would really like to discuss the basic problem we are going to have to deal with as an institution. That is the reform of the budget process itself so that we do not have some of the escapist budgeting and some of the escapist remarks which we have heard here ad nauseam today and last Friday.

Very briefly, on business taxes, the President's goal is one we all support. It is to try to stimulate increased productivity and increased jobs by increasing capital investment. I think there is bipartisan agreement that we need that, but there are three problems with some of the specifics of the President's proposal: No. 1, you have to look beyond the title. You have to look at the meat of the bill. Titles alone do not solve problems, and when you look at the administration's business tax proposals you see, for instance, that they assume we are so wealthy or that the administration's proposals will create so much new wealth that we do not have to make the critical choices and the hard choices necessary in order to determine what kinds of investment the country most needs. That is a wrong thing to do.

The country does need new industrial plants. The country does need new industrial equipment. And it needs those new industrial plants much more than it needs new shopping centers, for instance. But the fact is the administration's tax proposals will give equal tax breaks to both kinds of construction, and that is not, I believe, in the interest of the country.

Second, the rapid depreciation and the machinery and the equipment deductions that the administration is proposing are, in my judgment, vital. But again the administration in the way it is allocating those resources is being terribly wasteful and terribly shortsighted. It is, for instance, trying to encourage new construction in its accelerated depreciation for buildings.

If you give an undue bias to new construction as opposed to rehabilitation of old buildings, what do you do? You hurt the section of the country the gentleman from Michigan (Mr. PURSELL) was talking about—the Snow

Belt. That is where most of the existing industrial structures are, and those industrial structures are going to have to be refurbished and modernized. We do not have sufficient incentives in the tax provisions being provided under the administration package to deal fairly with the problems presented in that section of the country.

That is another shortcoming of the administration's business tax proposals.

The third shortcoming: the types of industry which the administration's package will really help. We had before our task force on the Committee on the Budget the vice president of United States Steel. It was made apparent in those hearings that while the administration suggests that this proposal will provide a lot of help for the steel industry, in fact 10-5-3 as is presently designed—and 10-5-3 is the package the administration is specifically supporting—provides very little help to the steel industry.

The Tripartite Advisory Committee recognized that the steel industry needed about $4 billion a year in new capital. How much do they get out of the administration's 10-5-3 proposal? They would get approximately $700 million if the administration's proposals were fully refundable. They are not refundable, so the steel industry in fact gets very little in direct assistance under the President's program.

Second, the high technology corporations in this country that have supplied most of the job growth the last 10 years—they again get very little in the way of tax help out of the administration's proposal because many of those companies make very little in the way of profit the first few years they are in business. They plow most of their money back in—very little in the way of profit.

So what do they get? Again, they have come before the Committee on the Budget. They said: "Look 10-5-3 is fine, but it does not really help us very much. What we need are some R. & D. tax credits." We need that far more than we need 10-5-3. You do not find very much of that in the administration's proposal.

You have many of the major economists in the country who are predicting huge deficits for the next 4 years if we do not change the President's program.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I would really like to complete my statement first. The gentleman's side has had a long time this afternoon. I would like to get some things off my chest I have been waiting to say for a long time.

In addition, Lester Thorow from MIT has been saying some very interesting things. He has pointed out, for instance, that this administration is about to make the same mistake in the way it is going to fund the defense budget that the Johnson administration made a long time ago. Somebody said this was a new departure, a new economic proposal.

There is nothing very new about this. We have seen this all before.

What they are going to do is this: They are saying, we have got to have the biggest defense buildup since World War II. And so what are they going to do? They are going to pump into the economy over the next 3 years an additional $200 billion in defense. Then they are going to cut about $140 billion from civilian programs, and then they are going to give you an additional tax cut of another $200 billion. When you add those three numbers together, will anybody tell me, unless you are the president of an Optimist Club, how you can put those three figures together and not have another inflationary cycle in this country?

This is carbon copy Lyndon Johnson in terms of trying to fight the Vietnam war without paying for it, only now what we are getting is a buildup for another war without, I submit, paying for it, and that is highly dangerous economically. We ought not to do it through big deficits and high interest rates at least until we think about it much more than we have thought about it so far.

On budget fairness, I have already mentioned a good many problems in the President's budget that I see.

The song that is being sung is one of budget fairness, when in fact if you look at the melody and you look at the lyrics, there is not a whole lot in the way of budget fairness in this amendment.

For instance, we are going to cut back on the 43-cents-per-meal subsidy for people on food stamps. We are going to go after the double-dipping third graders on the school lunch program. But what are we doing for the tax-deductible business lunch? All of these members of the chamber of commerce who are writing all of us and saying "You have got to stop this wasteful spending!" do not tell you that this budget does not do anything about their tax-deductible business lunches.

On a $20 business lunch, if your corporation is in the 46-percent bracket, how much does Uncle Sam pay? Nine dollars twenty cents. That is some subsidy, isn't it, boys and girls. Compare that to what is happening with people on food stamps. Compare it with what is happening with schoolchildren on the school lunch program.

Seventeen thousand military officers in this country make more in take-home pay equivalent than their boss, the Secretary of Defense. Does that make a lot of sense? I do not think so, but that is what the administration recommendation provides.

We are eliminating the eligibility for people between the ages of 62 and 65 for the minimum benefit on social security, even though they qualify on the basis of poverty but do not qualify on the basis of age under the President's new recommendations. Is that really necessary? Can we not afford the $10 million it would take to cut them in on some of the largess which other people are still going to be getting in large measure in that budget?

I could go on and on, and I will when my time comes on my amendment later in the week.

But what I simply want to say is this: Any budget—any budget is bound to have elements of inequity. I do not assume that this President wants to be any more unfair than any other President. But the problem is that when the budget makes massive reductions in the Federal budget and purports to spread fairly, across the board, the sacrifice which is being asked, should we not take special care to see to it that that sacrifice in fact is equal and in fact is equitable? I think we should.

The public does not know some of the items in the package right now, but they will learn over time. It seems to me that if any administration wants to sustain over the long haul public support for efforts at sacrifices in this country, then in its own interest, it ought to take a look at the inequities in the budget and try to accept some of the adjustments made by the chairman of the Committee on the Budget in his resolution. They are attempts to even out in at least some minor way some of the glaring inequities.

□ 1730

I hope that we remember that 1 year from now a lot of people are going to be asking, when they do find out the specifics: "What did you try to do to change it? What did you try to do? Did you just sit there and let them roll over you? Did you at least speak out? How did you vote?"

I hope this House will be able to say that it did try to change it. But even more importantly than the numbers in this resolution today, if we have any respect at all for ourselves as an institution, we have to begin to take a look at the process which has produced this document and the debate which we will experience for the rest of the week.

We have heard people say, for the last I do not know how many hours since we have been in session today, we have heard people say, "Well, we can vote for this." One of my colleagues from Wisconsin preceded me in the well and said, well, he is going to support the President's budget, but, by golly, he is then going to go into the Agriculture Committee and make

changes to reflect the interest of the State of Wisconsin.

I want to see those changes made, too. But there is one difference between that speaker and myself; and that is that he has not been around here, and I doubt very much he would make that statement if he had more time to review this budget process. He has not been around here long enough to understand the damage that is done to this institution when we play these kinds of games.

The chairman has been trying to point out all week that if you vote for this resolution, baby, then you have an obligation in the reconciliation process to stick with every item that comes from this resolution. But you watch what is going to happen. People will vote for this resolution, and then 3, 4, 5 weeks down the line we will get an appropriation bill, we will get an authorization bill, and Members who have voted to cut billions of dollars out of the agriculture budget in this bill will then attempt to cover their tracks and vote for higher agriculture bills when they come out of the Agriculture Committee. Members will do the same thing on education programs, on health programs. You name it. You name it.

Do you know what that is called? That is called cheap shot budgeting. It is called escapist budgeting. And that is brought on us because the process itself encourages phoniness.

And so I would suggest to you that if any of you are at all interested in some of these institutional problems, I would simply ask that you take a look at the supplemental views on page 327 of the committee report which I submitted and which the gentleman from Missouri (Mr. GEPHARDT) joined me in submitting to the House.

What we do is to outline some of the problems which we have in the present budget process. In addition to the problem of cheap shotting, we have other problems. The nature of the budget process right now means that we always look at the discretionary programs. We pay very little attention to the built-in entitlement programs. And that means we hammer harder and harder on the smaller part of the budget and we leave almost untouched the portion of the budget which has grown the fastest in the last 5 years. That is not very smart budgeting. And our process in part contributes to that kind of addle-headed action on our part.

Issues come before us three times a session. The budget process is like the old speech I–A course you used to take. Your teacher would tell you: "Tell them what you are going to say, then say it, and then tell them what you said." That is what we do in the budget process. We tell them what we are going to do in the first budget resolution, then we do it on the appropriation bills and on the authorization bills, and then we tell them what we did on the second budget resolution. We do everything around here three times.

We do not need to spend that kind of time on this, but we do because we have not yet faced up to the necessity to reform this budget process. We have really legislation by exhaustion, when you get right down to it, because of the process.

I would simply like to suggest for your consideration some kind of variation of the following plan: Let the Budget Committee do what it does now, which is to prepare its budget plan for the year. Let the plan come to the House but be held, let it not be voted on in the first instance. Then let us request of our committees that they make the following changes.

The gentleman from Michigan and I both serve on the Appropriations Committee. We know what happens in the Appropriations Committee. I love that committee. I think it is one of the great committees of the House. But the fact is we avoid necessary choices in that committee. How do we do it? Because we have the 13 separate subcommittees produce 13 separate appropriations bills. The Appropriations Committee never puts those bills together in one package so that we are forced to choose between priorities. We take the easy way out. We do not want to argue with each other, so we bring 13 separate bills to the House floor, vote on 13 separate packages, and then conference 13 separate bills.

What I would like to do is see the Appropriations Committee required to put those 13 appropriation bills together in one bill, make their choices internally, and then send that to the Rules Committee. That becomes title I of the Budget Act. Then I would like to see the Ways and Means Committee take all of their revenues plans for the year, all of them, not just the main ones, all of them, put them together in one package, send it to the Rules Committee, and that becomes title II. Then have the authorizing committees deal with whatever entitlement issues need to be dealt with that year. That goes to the Rules Committee. That becomes title III. The Rules Committee then fuses that into one omnibus budget bill, you bring it to the floor, each committee chairman can manage his committee's title of the bill, and if the packages are out of line from what the Budget Committee has suggested, then the Budget Committee would have the right of first recognition to offer a substitute amendment to the whole blessed package.

In my judgment, if you did that, you would call into play all kinds of informal forces around here, which would move the committees in an exorable negotiating process until they reach accommodation.

I do not think that the Appropriations Committee or the Ways and Means Committee or the Budget Committee on the other side of the issue would want to risk an all-or-nothing, up-or-down, belly-bumping vote on the whole thing. So I think you would have a series of accommodations reached so that we could in fact bring a budget bill to the floor, vote on it once, and have a budget.

The problem right now is that we are voting on a resolution—some people say it is binding, some say it is not. If you are voting on an adjustment in a functional category, people say, "Well, the assumption of the Budget Committee is that that money is going to be taken out of A, B, C, D, E, and F." The committee says, "Well, I do not know about that, maybe it should come out of X, Y, Z instead, as long as we hit the same dollar amount."

That means that nobody really knows what they are doing.

So it seems to me that if we want to deal with the budget in the simplest way, instead of voting on a budget resolution and then voting on 13 separate appropriation bills, then voting on a revenue bill, then voting on some additional entitlement changes, then voting on additional revenue bills, what we would do if we were going to vote on a budget would be very simple; we would vote on a budget. The budget is the collective action of all of the committees that spend money or raise money.

It seems to me we ought to put it together in one vehicle. If we did, we would not have the Members here doing what they are going to be doing over the next 4 days, taking one cheap shot after another at people in this House who are responsible enough to try to do what the institution requires rather than playing political games.

It seems to me what we would have then is a process under which, if somebody voted for an amendment, it would have a real effect on a real program, not a theoretical effect on a program which has not for certain been defined, which is merely within a functional category which is being adjusted by the budget resolution.

So it just seems to me, regardless of party, regardless of philosophy, I do not care if you are conservative, liberal or an Irishman, this is nonideological, it is nonpolitical, and I would hope that Members on both sides of the aisle would take a look at the suggestion that the gentleman from Missouri (Mr. GEPHARDT) and I have made, and if they do not like it, give us some constructive suggestions on changing it so that we can finally get off this ethereal nonsense that always surrounds the budget resolution and get down to some really hard, concrete, specific, and honorable choices.

Mr. SHANNON. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Massachusetts.

Mr. SHANNON. Mr. Chairman, I would like to commend the gentleman on his statement.

Mr. Chairman, I have been sitting here this afternoon listening to the debate and seeing Republican Members step down in lockstep into the well and pledge their undying support for the Gramm-Latta, the Reagan budget.

And I know the districts of some of these Members, and I know that they are similar to my own. And it bothers me that they are going back to their districts and they are saying they have reservations about this resolution, and they are saying that they really do not want to cut student aid, they really do not want to cut aid to public education, nutrition programs, social security benefits. But there should be no mistake about it. When you vote for the Reagan budget, you are voting to do all of these things and, to the degree that this budget process encourages people to go down there and stand in the well and say one thing, and go home to their constituents and claim that they did something else, it needs to be changed and I hope it is changed.

Mr. OBEY. I thank the gentleman.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I read the gentleman's full separate views in the House Budget Committee report, and I certainly commend to my colleagues that they read it if they have not already. But as the gentleman has outlined here today, as well as in his printed views, the gentleman has made a real contribution to the better understanding of this process and its reform to make it a truly effective process.

But like the gentleman from Massachusetts, I have not only heard Members on that side of the aisle appearing to talk to their constituents quite differently from what they have talked here, but they have come to various congressional committees and said that they cannot support the Reagan proposals as they relate to a certain project in their district or as they relate to a certain program, and yet they come right out here on the floor and say that they are 100 percent behind it. That kind of gamesmanship is not only misleading but I think may not work.

The Gramm-Latta reconciliation provisions are very tough. They not only mandate the changing of the appropriations but the changing of authorizing legislation. And if you get to the Senate side, they go even further and direct the specific programs be wiped out.

So one of two things is going to happen. Either we are going to have kind of sham, or else we are going to have ourselves in a straitjacket to the point where everyone is suddenly going to be screaming for relief because they find that they cannot wiggle out of these various categories into which they have plunged themselves by this kind of approach to the budget.

I commend the gentleman for pointing out the logical end where we are heading if we go along with the Gramm-Latta Reagan approach.

Mr. OBEY. I thank the gentleman.

Mr. Chairman, I would also point out one other thing. The logical extension of the process in which we are engaged over the years has led us to a situation in which we pay very close attention to direct subsidies which are provided through appropriation actions. We pay almost no attention to indirect subsidies which are provided through the tax code, even though in some cases those may be very much bigger than the individual subsidies for which we provide a specific appropriation. And it seems to me that it is necessary to have a process which tries to provide equal focus on all of the problems. I think that something like the process which I suggested would be much better than would be the present nonsense arrangement.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Ohio.

Mr. REGULA. First of all, I think the gentleman has an intriguing idea on the budget. I think some of the mechanics of it as to establishing a fiscal discipline on the Ways and Means process and the Appropriations process would have to be part of that resolution. But we can discuss that again.

I did want to clarify one point on the gentleman's statement on the taxes. Would the gentleman agree that, while the President has proposed certain tax changes, as far as the budget resolution itself, it does not control the makeup of any change in the Tax Code, and that this will be a judgment that will have to be made by Ways and Means and, ultimately, by this body, and that there only will be room in the resolution for the proposals as articulated by the President's program?

Mr. OBEY. Well, I am not quite sure I follow the gentleman's question.

Mr. REGULA. Well, the gentleman mentioned there would be a lot of specific weaknesses in the tax proposal of the President.

Mr. OBEY. The gentleman is going back to my earlier remarks.

Mr. REGULA. Yes; at the early part of the gentleman's statement. The gentleman mentioned all of these specifics. Would the gentleman agree that the budget resolution itself does not control the makeup of the Tax Code changes?

Mr. OBEY. Well, it does not because the Finance Committee and the Ways and Means Committee in the end will determine what the specific tax provisions are. But there is no question that the Jones proposal is far more responsible fiscally than is the President's proposal because the Jones package does have a somewhat more limited approach to tax cuts.

I would love to give away the building on tax cuts. What politician would not like to vote to cut them all? But the fact is that we are walking into a situation in which we are going to repeat the mistakes made by the Johnson administration when they tried to provide for a huge military buildup without having the wisdom and the courage to raise the taxes to pay for it. And our inflation rate went from 1.6 percent to almost 6 percent, increased by almost four times.

□ 1745

You can bet that if you cut domestic programs by some $140 million, increase defense by $200 billion and increase the tax cut or provide for a tax cut of $200 billion, we are putting a whole lot of stimulus in that economy that we cannot afford at the time when we have high interest rates.

Mr. JONES of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Chairman, examination of the Reagan administration fiscal program reveals it to be the most inflationary proposal ever to be considered by the Congress. In my estimation, adoption of this program—supply side economics—will lead to further pressures on finite resources, raising their prices, to further printing of money—the deficits—the requisite for more and steeper inflation, to diverting vast amounts of money into nonconsumptive production—the military—and to a massive transfer of wealth from middle- and low-income groups to the most affluent groups creating speculative pyramiding of prices.

Eventually there could be only one result of this program: The collapse of our economy. A reading of history will show you that similar circumstances prevailed in the 1920's, preceding the stock market crash and the Great Depression.

I am tempted to say that the foundation of the Reagan program, supply side economics, is lafferable, if it were not such a dire and dangerous matter.

Supply side economics assumes we have vast unused resources and industrial capacity. We do not, at least in the resources and capacities this administration is looking to. Indeed, the United States has made capital ex-

penditures as great as or greater in recent history than most other industrial nations. Perhaps we have been investing in the wrong things, in nonproductive or inefficient capital equipment? I wish the market were free to work this out but it is not, for most such capital in this country is in the hands of the large corporations via retained earnings and so decisions are made by boards of directors and only occasionally, such as Chrysler tempered by the market.

Yet again supplysiders claim that the tax cuts would increase productivity while demand is somehow held down. The most conservative economists doubt this for it flies in the face of Say's law wherein production creates demand. So they rely on monetary policy to repress demand. I suppose so. Perhaps interest rates at 25 percent, 50 percent or some higher figure might eventually curb demand. A collapse of our economy, which would surely follow, would indeed curb demand.

But all this is theory. Let us take a close look at what actually occurs with the Reagan program.

There is surely a massive transfer of wealth from middle to upper income groups. This is already taking place and would be accelerated. Interest on the national debt is close to $100 billion. The taxes raised from all of us to pay that astounding figure flow to those who own Treasury bills and bonds, another aspect of present monetary policy little noted.

The tax cuts for the affluent are an invitation for the grossest stock market speculation and I would not be surprised to see the Dow Jones at 1,600 or 2,000 in the not too distant future. Real estate will be left behind and will eventually hit the skids followed by an eventual crash in the stock market.

Then let us look at the deficits: $45 to $60 billion in the next few years. The printing press will continue to crank out billions, and it will be used to buy the most inflationary goods there are: military weaponry and overseas bases.

I am not arguing here for or against military spending: I am saying that military spending is the most inflationary kind of spending because the goods produced, bombs and guns, are not purchased by consumers. Actually, the potential consumers would rather not have them even given to them, and while the producers derive income, no consumer demand is sopped up, thus more money is chasing fewer consumer goods.

Put the vast increase in military spending in Reagan's proposal together with the continuing vast deficits and you and end up with strong inflationary pressures.

Now those who believe both that we must build up our military capacity and at the same time take actions to curb inflation should therefore accept the kinds of controls imposed during other periods of military buildup, World War II and Korean war. There were no such controls during the Vietnam war and indeed our present inflation found its seeds in that very event.

I personally believe we can have a strong military by both spending on the military differently and less, and so, I oppose price and wage controls as unnecessary to a proper fiscal program. But again my point here is not to debate military spending or wage and price controls but to show that when it comes to inflation, the Reagan proposals lack safeguards at the time they will bring about strong inflationary pressures.

So we have a package leading to a stock market crash that transfers wealth into the hands of speculators, puts pressure on the very resources we have overused driving prices up, prints money through deficits which fuels inflation, and spends money on goods that are not sold in the market place, all without other inflation-curbing controls, and relying on the very high interest rates now devastating our economy to slow down demand.

It is a program for the gutting of America.

Mr. JONES of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut (Mr. MOFFETT).

Mr. DE LUGO. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from the Virgin Islands.

Mr. DE LUGO. Mr. Chairman, I rise today to indicate my support for House Resolution 115, the first concurrent budget resolution as reported by the House Budget Committee.

This proposed budget is a sensible and decent one, more cautious about inflation than the administration's proposal and more humane in its spending reductions. In addition to keeping the Government on the road toward a balanced budget—in fact, it projects eliminating the Federal deficit a full year ahead of that predicted by the President—this proposal also reorders this Nation's priorities by restoring billions of dollars to social programs that provide aid and comfort to millions of disadvantaged Americans.

This "counterbudget" is more compassionate in its cuts, contrasting starkly to the Draconian, "let the chips fall where they may" approach to budget cutting advocated by the administration. Moreover, it insures that the burden of resolving our Nation's economic difficulties will be shared by all Americans, not just those who can least afford it.

In the area of education, for example, we have made significant restorations of money that will help insure that a proper education is afforded to our children. Restored is approximately three-fifths of the funds for elementary and secondary education that the administration proposed to cut. Specifically, we have restored $500 million for student loans, $200 million for basic educational block grants, $600 million for employment and training and enough money to restore vocational education assistance to its fiscal year 1981 level.

These actions will become welcome news to the people of the Virgin Islands who, in a recent poll, indicated that education would be the Government's top priority for improvement—even ahead of our much-needed electric and water supply improvements.

Regarding benefits for veterans, this proposal is much more generous. As the Representative of the district that has, on a per capita basis, the highest percentage of Vietnam veterans of any other State, I can assure you that Virgin Islanders will welcome the extra $600 million that is provided for medical care and research. I believe that we owe a special debt of gratitude to those who have "borne the battle" that should not be cast aside under the guise of fiscal austerity. This budget is a step toward paying off that debt owed to those thousands of unselfish men and women who have provided for the safety and well-being of their fellow countrymen.

All in all, this proposed budget provides $7 billion more than the administration would for social programs. This still means that most of them will suffer cuts; however, the sting will certainly be less severe. For example, food stamp and child nutrition spending would be reduced by $1 billion each versus the President's recommendations of $1.7 billion and $2.1 billion. The Legal Services Corporation, which provides free counsel to the indigent in civil cases and which was targeted for extinction by the administration, would be saved temporarily. The medicaid program will receive an additional $700 million. Similar examples abound.

Mr. Speaker, in the last speech he ever gave to the Senate, Hubert Humphrey waxed eloquent when he said:

> The moral test of government is how it treats those who are in the dawn of life, the children; those who are in the twilight of life, the aged; and those who are in the shadows of life, the sick, the needy and the handicapped.

The grave moral crisis facing this Congress is how to get our economic house in order without wreaking havoc on the lives of those less fortunate than us.

This budget confronts that dilemma head on and resolves it with flying colors, and I am pleased to indicate my support for it.

Mr. MOFFETT. Mr. Chairman, I would first like to start out with a couple of thank yous. If I might have

the attention of the gentleman from Wisconsin (Mr. OBEY) for a moment and say that a lot of our colleagues and this one included are grateful for the kind of work that the gentleman has done in his presentation today which I think sums it up beautifully.

Second, I would like to thank the distinguished chairman of the Budget Committee for his effort. I know it has not been easy. Perhaps my philosophy and his differ to some extent, but I, for one, am proud of the job that he has done and what our colleagues on the Budget Committee have tried to do.

I intend to strongly support the Jones resolution.

Mr. Chairman, we read many articles these days about how our society desperately needs heroes and we do indeed. I think temporarily at least we have some heroes in the society. The President was justifiably viewed as a hero for coping with the assassination attempt and we are all glad, more than happy to salute him as a hero for that.

I think, however, that the notion that there is something heroic in embracing Gramm-Latta really needs to be discussed, that there is something heroic in looking at the various interest groups that have a great deal of fear about the Republican substitute and standing up to them, that there is something heroic about that.

It is a most peculiar brand of heroism indeed when one looks at the cuts that are involved. Time and time again in this cloakroom and I am sure it happens in the other one as well in private. Members who plan on supporting the Republican alternative will say in candor that they realize it will not have a significant impact on curing our inflationary woes and on increasing productivity, but they feel they must vote for it. They tend to talk about their action in most heroic terms.

I wonder if we were really heroic would we not be confronting some of the things that the gentleman from Wisconsin (Mr. OBEY) has discussed and others have discussed? In the supplemental appropriations coming up it is my understanding there will be some amendments to knock out some water projects. Then we will see just how heroic our colleagues are on both sides of the aisle, when the Columbia Dam amendment which will probably be offered by the gentleman from Indiana (Mr. DECKARD) is offered, to knock out funding for that.

Let us see what kind of heroism we have in this body. When the defense budget comes up, I think the obscenity of the amount—and what Lester Thurow says about it of course is that it will wreck the economy—the obscenity of the amount is apparent to anyone who looks at it. Let us see if we have the kind of heroism in this body to address that kind of defense budget and really look at what we need in defense and what is waste and junk in that defense budget and it is not going to buy us a penny of national security.

Most of all, I think, is the question of whether we will have the heroism to really look at programs that work. Why not take 4 or 5 months a year with a legislative moratorium and look at programs on the books and analyze them seriously and say this part works and this part does not work. We are going to cut out part of it, but we are also going to have the courage and we are going to be heroic enough to look some of these reactionary elements in the eye wherever we find them.

The people say that Government has no purposeful, meaningful role, that we are going to have the courage to look them in the eye when we do find those parts of the programs that work and we are going to say, let me tell you something, if you do not want to talk about compassion, if you do not want to talk about our moral obligation in some of these areas, talk about what the gentleman from Wisconsin (Mr. OBEY) has mentioned again and again, the word investment. Are we smart enough to see wise social investments in the future that will save us money that we will not have to spend later on? I cannot find anyone in my district who wants to spend $25,000 per inmate in the year 1990 for the juvenile justice cuts we are about to make right now.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has expired.

Mr. JONES of Oklahoma. Mr. Chairman, I yield 1 additional minute to the gentleman from Connecticut.

Mr. MOFFETT. I cannot find anybody in the district who wants to spend $500 to keep a low birth weight baby in the hospital for $500 a day. That is what is happening when we cut out the $400 a year we are spending on a poor pregnant woman for nutritious food. We cannot find any of those people when it is put to them that way. Are we heroes enough to go back home and look people in the eye and say, here is the choice, it is not like you are getting off the hook. This is not proposition 13 where we have a big surplus in the bank and we will work it out somehow later on. Do we have the courage to look them in the eye and say it is going to cost you more later on for what may now seem like a great deal of heroism?

Some Members are expected to support Gramm-Latta. Some are being consistent. Some are doing it out of fear. The sad thing is that so many others know better, they know better and it disappoints us, particularly on this side of the aisle, to see some of our colleagues rushing to embrace what will be a temporary phenomenon and have temporary appeal.

Indeed, this is not the kind of heroism that our society needs.

Mr. JONES of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR of Michigan. Mr. Chairman, the citizenry has voiced its wishes and it would be a usurpation of the principles of representative government to ignore or deny it. If there were any doubts that the November elections signaled a desire for a lesser tax burden, lower Federal expenditures, and lower budget deficits, they have been erased by the substance of our mail and the tenor of our town hall meetings.

As forceful as that popular statement has been, there are some in this body who would have us read more into the people's wishes than was ever intended.

The people have articulated the broad set of economic goals that I just mentioned concerning taxes, expenditures, and deficits. Nowhere have they blessed anyone's list of priorities in reaching them.

Nowhere have they stated a desire for the largest increases in military funding in the history of the Republic at the expense of nearly every other Federal responsibility. What they have demanded is the best defense not merely the most expensive.

Nowhere have they demanded that hazardous waste enforcement be left to the manufacturer which in the past has produced miscarriages, deformity in our children, and broken health. What they have demanded is that Government not needlessly harass hard working, honest business people.

Nowhere have they demanded an end to the educational assistance that prevents a college education from becoming the province of the rich. What they have demanded is that the Government vigorously prosecute those who would flaunt the public's good will by refusing just repayment. Nowhere have they demanded an end to the low-income energy assistance program, an action which would condemn many of our elderly to shiver in the darkness of their own homes because they cannot afford the fuel prices which enabled Exxon to earn $5.5 billion in profits in 1980. What they have demanded is that our programs be run efficiently without creating a bureaucratic structure as costly and intransigent as the problem itself.

Nowhere have they demanded an emasculation of the food stamp or child nutrition programs, an action which would send innocents to school hungry, impairing their learning ability, and forcing them into a life of reduced opportunity. What they have demanded is that these programs not be available to those who will not work as well as to those who cannot work; that they not be open to the

marginally comfortable as well as the abject poor.

In all these things, the people demand efficiency, frugality, a diminution of the size of their government, and a lesser burden to the worker. And they shall have it.

However, the American people remain guided, even in their anger, by a sense of fair play and compassion. Those in Government who have wrapped themselves in the tallies of the 1980 elections to espouse the cause of wealth, to slay justice with the sword of self-righteousness, ride the back of the tiger.

The American people want reform but they will not suffer inequity as a vehicle to that reform.

They will not stand for a Reagan tax cut that provides a $5 per week tax reduction for families earning less than $20,000 per year while those earning more than $100,000 per year will receive a yearly tax reduction of $6,837.

They will not stand for a Reagan budget which calls for an end to sewage treatment grants which will halt community growth and require substantial user fees, while leaving untouched the tax exemptions which go to the oil companies comprising 8 of the 10 richest corporations in America.

They will not stand for the elimination of Vietnam veterans psychological readjustment centers after only 1 year of operation while the Director of the Office of Management and Budget increases his own office's budget by 14.5 percent (a greater percentage increase than that provided for defense).

They will not permit a Reagan reduction of trade readjustment assistance to unemployed auto workers while continuing business tax deductions for first class air travel and the "three-martini lunch."

They will not permit needy children to go without food in order to provide a subsidy for next year's tobacco crop.

These are not the priorities of the American people and the Latta-Reagan substitute does a disservice to their intelligence and sense of justice to insist that they are.

The Republican plan is what it has always been: That of the rich belongs to the rich, and that which belongs to everyone else is negotiable. It invokes the warning of William James that "a great many people think they are thinking when they are merely rearranging their prejudices."

This year, however, it constitutes the cruelest form of deception because they use the earnest cries of the people for relief to refloat the trickle-down theory: that if we provide enough incentive to the rich, some of it will find its way to everyone else.

Who speaks for the American people? Both the Jones resolution and the Latta-Reagan substitute make huge cuts in expenditures from the budget proposed by President Carter in January. Both provide a large increase in defense spending—in either case, the largest U.S. peacetime increase in history. Both provide a considerable tax reduction: Latta, a 3-year 30-percent reduction; Jones, a 1-year $38 billion reduction that could be expanded once we have determined its effect on the economy. However, the Latta substitute would leave us with a $39 billion deficit, while the Jones deficit would be $25.6 billion moving to a $25.75 billion surplus by 1984. Administration predictions under the Reagan plan constitute a great leap of faith. Unless the predictions of nearly every major forecasting organization in the country are incorrect, administration proposals will produce a deficit of enormous proportions by 1984 with estimates ranging as high as $70 billion. A $70 billion deficit with all of our social and assistance programs virtually dismantled will leave little room to refloat the economy.

In any other year, the Jones resolution would have been labeled an extremely conservative proposal. This year its opponents, with smoke and mirrors, are labeling it the "liberal alternative."

It is my intention to support the Jones resolution rather than the Latta-Reagan substitute, not because it is a perfect document, but because it gives Americans what they seek—large spending cuts, tax reductions, increased defense spending, and a balanced budget within 2 years.

However, it does so on the basis of a more equitable distribution of the burden, and a more responsible, cautious approach into uncharted economic territory.

There is virtually no risk or sacrifice to the wealthy in the Reagan plan. Should it fail they will still be wealthy and the rest of our people will be left to shift for themselves. That is not my idea of equity. I appreciate the Budget Committee's responsive yet more responsible approach. They have made the tough decisions. They have refused to barter our future for snake oil and black magic while responding to the popular will.

They have had an enormous task in balancing needs and interests under the auspices of principle but as Charles Evans Hughes said, "A man has to live with himself and he should see to it that he always has good company." I think the Budget Committee has provided themselves good company with the fair and compassionate decisions that they have made and, on this matter, that is the company I prefer to keep.

□ 1800

Mr. JONES of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, before I proceed I would like to state in the RECORD that the colloquy that the gentleman from California (Mr. PANETTA) and I had on May 1, at page 8172, may have misled some Members, and I think we need to correct it.

I asked the gentleman from California some questions about the Budget Committee's resolution. He at that time was discussing the Gramm-Latta substitute with respect to reconciliation and apparently thought I was referring to the Gramm-Latta substitute. In response, he described what turns out to be Gramm-Latta's reconciliation effect rather than that in the Budget Committee's resolution.

I would just like to confirm that in the RECORD, and I understand that the gentleman from California agrees that that is the case.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from California.

Mr. PANETTA. Mr. Chairman, I thank the gentleman for yielding. I think the basic question was, which one of the resolutions includes authorization levels as part of the reconciliation.

Mr. SEIBERLING. Correct.

Mr. PANETTA. The answer to that is the Latta substitute and not the committee resolution.

Mr. SEIBERLING. I am glad to get the gentleman's correction, because it would be very disturbing to me to think that we were going over that cliff with the proponents of Gramm-Latta.

Mr. Chairman, I am sure all of us have, as I have, received calls and letters from people who say simply, "back President Reagan 100 percent." Certainly, that would be an easy thing to do in the present political climate. But I do not believe that Members of Congress have the right to abdicate their constitutional responsibility to use their best judgment as to what is in the interest of the country and their constituents. Certainly, I am not prepared to turn over the Nation's legislative powers to the Director of the Office Management and Budget and the other bureaucrats who prepare the legislative recommendations submitted by the executive branch.

Last Tuesday, we rejoiced in the President's visit to this Chamber to address the joint session. We rejoiced in his narrow escape from death, his rapid progress toward recovery, and his gallantry in appearing so soon after his ordeal. But I would like to ask my colleagues: Would the President have been here last Tuesday, looking so miraculously recovered, if the President's surgeon had been told, "Do not worry about how you do it; just get the bullet out"?

The American people have made it clear that they want inflation and runaway Government brought under

control. Inflation is like a bullet whose consequences could be fatal to the Nation, if it is not removed.

But the American people have not told us to hack away blindly without regard to the consequences. The people have every right to expect that we will use the same degree of care, skill, and solicitude for their interests and for the Nation's health and safety as the President's surgeon did for him when the President was on the operating table. Unfortunately, and ironically, the budget proposal prepared by the bureaucrats of OMB—and that is essentially what the Gramm-Latta proposal is—does not exhibit that degree of tender loving care for the interest of millions of Americans.

Mr. Chairman, in an effort to give the people of my district an opportunity to evaluate for themselves the specifics of the President's budget proposals, my staff and I spent 3 weeks digging out the details as to the impact of these proposals on the Akron metropolitan area. The analysis, even in summary form, ran to 26 single-spaced, typewritten pages and to 6 pages of fine print in the CONGRESSIONAL RECORD for April 1.

I sent copies of the analysis to the news media in my district and 1,000 individual copies to cities, organizations, and individuals in the district.

On April 17, in conjunction with the University of Akron, I held a 4-hour public conference on the Federal budget for fiscal year 1982. Hundreds of people attended in person and the proceedings were broadcast from start to finish over public radio. The panelists included Robert Fulton, chief counsel, U.S. Senate Budget Committee; Dr. Harold Williams, chairperson, department of economics, Kent State University; Don Stephens, executive director, Akron Regional Development Board; Roy Ray, mayor of the city of Akron; Elizabeth deBruin, representing the Summit County United Way; and Edward Davis, clerk of council, city of Akron, and past president of the Akron City Council. In addition, I outlined the changes in the Reagan budget impact on the Akron area that would be make if the recommendations of the House Budget Committee were adopted.

After the various panelists completed their presentations, there was extensive audience participation with statements and questions. I believe this process was educational not only for the audience but for members of the panel, and particularly for myself. Without attempting to elaborate on all of the points that were made, let me attempt to summarize the key conclusions expressed by the members of the panel, other than Mr. Fulton, who summarized overall trends in Government spending and the rationale behind the Senate Budget Committee's approach.

Dr. Williams concluded that if the whole Reagan package were adopted, it would be highly inflationary. He indicated that the deflationary effect of the expenditure cuts may well lag behind the inflationary effect of the tax cuts, and that there is really no way to get a balanced result with the Reagan package. He recommended a delay in tax cuts and focus on cutting Government expenditures and reducing the increases in defense expenditures.

Mr. Stephens, a Republican and former county commissioner, concluded that at the recent rate of growth of Government, most of us would end up on Government assistance, and the private sector would continue to shrivel. While emphasizing that throwing dollars at problems does not always solve them, he stressed that budget cuts must not jeopardize health, welfare, and safety.

Mayor Ray, also, a Republican, supported President Reagan's overall approach to the budget but then went on to stress that the cities of the industrialized Northeast and Midwest must not be slighted. If, as a result of budget cuts, we lose the federally funded tools for these cities, he said, then the bias in existing Federal programs and taxation against our region and its cities must be corrected. He spoke strongly for sparing the UDAG and general revenue sharing programs.

Ms. deBruin, representing the United Way and health and social service agencies, pointed out that of the 443 people employed through CETA in Summit County, 95 percent are economically disadvantaged and 45 percent are minorities. Moreover, she said, termination of the CETA program will have a serious impact by shifting these people to other federally funded programs and to United Way programs. Furthermore, United Way programs have used CETA employees for staff, so the CETA termination will have a double effect on United Way agencies. While urging greater flexibility for local agencies in using Federal funds, Ms. deBruin stressed that the reduction proposed by the administration in its block grant proposal is too abrupt, both as to size of cuts and speed of change. She also pointed out that citizen involvement will no longer be required where we have block grants, and expressed the view that this would be a mistake. She further noted that State matching will no longer be required if we have a block grant, and that this will cause additional loss to the local social agencies.

Former councilman Edward Davis recalled what the unregulated free market did in the 1930's for some people in the United States. He noted that the free market system does not provide defense, a healthy environment, aid to the poor and disadvantaged, a safe work place, or public health programs such as Salk vaccine immunization. He said that since the 1930's, the Federal Government has properly assumed the responsibility of assuring a decent standard of living for all. The reasons for many of these Government programs was the failure of the free market, he said, yet with one stroke of the pen, a lifetime of work and achievement for human beings can be wiped out. He concluded that if we are not careful, we are going to burn down the barn to roast the pig.

As you might expect, during the audience participation period, comments were received stressing diverse points of views. A considerable number in the audience expressed the view that the cuts for educational expenditures in the proposed Reagan budget were extremely shortsighted and would cause eventual reductions in the competitiveness of our economy. Strong pleas were heard from a number of groups as to the devastating effects of the proposed cuts on the poor and elderly. Without going into detail on all of the audience response, I would simply say that it was overwhelmingly critical of the manner in which the Reagan administration's budget approaches the problem of cutbacks, even though there was a general undercurrent of recognition that overall cuts in spending are desirable. Strong arguments were made in favor of reducing the Reagan administration's proposed defense spending level.

Mr. Chairman certainly it is possible to achieve reductions in Federal spending that are on the same order as those in the Gramm-Latta substitute and still avoid the devastating effects that it will have on people and on some of our most cherished institutions. Clearly it is also possible to achieve a balanced budget sooner than Gramm-Latta would and to do so while providing noninflationary individual tax relief, greater availability of capital, and greater incentives to business investment.

I also believe it can be done without doing violence to the jurisdictions of the legislative and Appropriations committees and to Congress as an institution.

The budget resolution carefully worked out by the House Budget Committee, and particularly its dedicated and brilliant Chairman, JIM JONES, achieves these objectives. The Gramm-Latta substitute does not.

Mr. JONES of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. PEASE).

Mr. PEASE. Mr. Chairman, the Members of the House are very fortunate to have the opportunity to vote for a balanced budget this year. Amidst the cries of a mandate, one point rings clear: The American people

want a balanced budget. Polls have consistently shown opposition to a budget deficit. The American people have raised their voices and they have been heard. Their message is plain: Balance the budget even if it means a smaller tax cut. The message that we send back to the American public is vital to the health of our economy.

I proposed an alternative budget in March which not only balanced the budget but provided for a surplus as well. While providing for growth in the budget for our Nation's defense needs, its outlay reductions equaled those of President Reagan. The cuts were fairer and more evenhanded than the President's. My proposal emphasized increased efficiency in Government and elimination of waste and fraud. In addition, it cited $25 billion in tax expenditures and user fees which would end Federal subsidies where they are not needed.

I had the opportunity to testify before the House Budget Committee and present my ideas. In turn, the Budget Committee reported out a proposal which was more fiscally responsible in its economic assumptions and spending trends. I compliment Mr. JONES and the Budget Committee for a difficult job well done.

Mr. Chairman, I also testified before the House Rules Committee and requested that the rule allow me to offer my proposal during consideration of the budget by the full House for fiscal year 1982. I was very pleased to have the Rules Committee give consideration to my proposal, and I commend Members for their work in this most difficult and important task.

The Rules Committee did not allow me to offer my proposal during consideration of the budget, and I regret that. But I am grateful that other votes which are in order will give us the opportunity to respond in a positive and responsible manner to the American people by voting for a balanced budget.

The importance of a balanced budget has been demonstrated by economists such as Dr. Otto Eckstein, president of Data Resources, Inc. In response to my inquiry, he said:

> In the current context of high inflation, excessive Government borrowing and insufficent private capital formation, a balanced budget or a surplus budget would be highly desirable. The traditional fiscal policy reasoning, that too sharp a swing in the budget could trigger a recession, has little applicability in the current context. The private economy has an abundance of inherent strength, and it is only the necessity to limit money supply growth which is creating the high interest rates that are holding back the total private advance. If the Federal Government borrowed less and pumped less purchasing power into private hands, monetary policy would not have to be so stringent and could allow credit-financing private spending, such as housing, to proceed in stonger fashion. Thus, the general thrust of your proposals is correct and would be beneficial to the economy.

Mr. Eckstein also added that this focuses on an important issue which is being lost in the current debate between the administration and the Democratic leadership in Congress. Would not the economy be better off if the budget really were balanced? Would not the benefit of lower interest rates made possible by that approach have just as good or better repercussions for capital formation, employment, and inflation fighting than all of the new supply side rhetoric and old trickle-down theory we hear these days? After all, in response to my questioning, the Chairman of the Federal Reserve, Paul Volcker, told the Ways and Means Committee that "the objective for this Congress must be to have a realistic program to balance the budget."

Yet the administration continues to promote tax cuts and deficit spending. A family of four earning $20,000 will get an annual tax cut of about $294 or $24 per month under the Reagan proposal. This money will be insignificant to average taxpayers as they continue their struggle with rising costs and spiraling inflation. A 10-percent individual tax cut will be swallowed up in the tidal wave of inflation, and our economy may not weather the storm. President Reagan proposes to borrow money to pay for the tax cut and put the budget in deficit to the tune of $60 billion in fiscal year 1982. This is clearly inflationary.

My colleagues, Mr. GRAMM and Mr. LATTA, have a proposal which has been called bipartisan. But what could be more bipartisan than a balanced budget? As Mr. LATTA said in a debate on the budget last year at this time:

> Mr. Chairman, let me say to my friend, the gentleman from New York—and I know he is a fiscal conservative—that there comes a time when you either have to put up or shut up. You are either for or against a balanced budget and you vote accordingly. The Honorable Charlie Halleck, a former Member of this body, used to put it another way, that you have to fish or cut bait. And right now is that time. You are either going to act fiscally responsible in this Congress or you are not.

The Republican Party has traditionally supported a balanced budget, and this year Republicans have that opportunity once again. But the importance of this issue should not be lost in partisan rhetoric; fiscal responsibility is not unique to any party. We all realize the importance of fighting inflation and sending that response to the American public. Wall Street economist Henry Kaufman claims a balanced budget beginning in October "will fight inflation head on." I hope that my colleagues will join me in this fight.

□ 1815

Mr. JONES of Oklahoma. Mr. Chairman, I yield 6 minutes to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, at the outset let me express my appreciation to the distinguished chairman of the Committee on the Budget for yielding this time to me and let me commend him for the very hard job that he has assumed and the exemplary manner in which he has discharged it.

Mr. Chairman, the American people, watching this process, cannot but be totally discouraged by their lack of representation in this body. I can understand some of the more benighted members of my own party, the small handful who on the basis of conviction will be voting for the Republican budget. However, I cannot understand those Republican Members coming from areas such as my own, and from similar areas in surrounding States and elsewhere, who on the basis of their professed principles and past voting records should be supporting the Budget Committee's resolution rather than that being pressed upon them by the Reagan administration.

Selling out one's principles is not justified even though the whiphand of a President of their own party may be heavily applied. And I suspect that whether they come from New York or New Jersey or Connecticut or any of the other areas where millions of Americans desperately depend on the continuation of Federal programs, their constituents will see through the charade they are performing. I think that those constituents who happen to be represented by Members who bear the label, "Republican," will very soon demonstrate what they expect of those whom they elected to office. The President may not come up for reelection for 4 years, but those of us who serve in this House, Republican and Democrat alike, all come up for reelection at the same time, in 1982.

Mr. Chairman, the cuts that are being proposed, in cold figures alone, should disturb all of us. Food stamps will be cut, under the Gramm-Latta proposal, by 21 percent, child nutrition by 36 percent, CETA by 63 percent, vocational education by 25 percent, health services by 26 percent, housing assistance by 32 percent, and low-income mortgage assistance by 24 percent. Mass transit subsidies would be eliminated.

These cuts are anything but even handed, despite the administration's claims to the contrary. At the same time obvious boondoggles remain in the budget, such as the Tennessee-Tombigbee Waterway and the Clinch River breeder reactor, and an already bloated Department of Defense continues its charmed life exempt from any real cuts, despite clear evidence

that it wastes awesome sums every year.

The oil industry retains its special tax exemption, but funds for development of alternative energy sources are chopped. Corporations continue to enjoy excessive tax breaks, but the poor would watch legal services and their right to equal justice disappear. The cost of social program cuts are devastating in human terms. The number are large, but they cannot tell the whole story.

Listen to the mother of an autistic child who recalled that before Federal guidelines mandated how aid to handicapped children should be spent the States failed to provide adequate services for such children. Under the Reagan block grant proposal, she testified before our committee last month—and I quote—"It is inevitable that States would go back to their old ways and kids would go back to staring and rocking in corners of our institutions, and we will not save a penny. Instead," she said, "we will pay and pay."

Listen to Gary Cook, a young student of Lowell, Mass., who got a job after he was enrolled in a JOBS program, one of the welfare demonstration projects that would be eliminated by the administration. Gary Cook had bounced between short-term jobs, then he went onto welfare, but the Lowell Job Club made things different. "They built up my morale," he said, "and made me realize the talent that I do have." He told that to the Committee on Education and Labor. He is now working at a permanent job and is off public assistance.

If the Gramm-Latta budget is adopted, the Gary Cooks of this Nation will not make that transition.

Mr. Chairman, we have a real choice. All of us, Democrats and Republicans, can vote our convictions or we can sell them out. The bulk of the Democrats in this body will be voting their convictions, but some of our Republican colleagues, I fear, will not.

Mr. Chairman, we are today debating budget proposals which are presented without any opportunity for amendment. This process contradicts the intent of the Budget Act of 1974. It actually suppresses the capacity of this body to make critical choices. We are stuck now with this flawed process and will in all likelihood adopt the most flawed of the budget proposals, the Reagan budget in its so-called bipartisan disguise, Latta-Gramm. This substitute, offered by Representatives LATTA and GRAMM, cuts spending by $6 billion more than the President's budget. It is 103 percent Reagan, as one White House aide reportedly said. If "bipartisan" is intended to be synonymous with "compromise," this budget is certainly no such animal.

While proposing to cripple or eliminate many social programs, this Reagan-based proposal would more than double defense spending by 1986. This massive boost is the largest peacetime buildup in our history. By putting us on a wartime footing, it is certain to further destabilize our economy and add to inflation.

The President's economic assumptions, shared by Latta-Gramm, contradict every reasonable economic model. They assume that rapid improvements in inflation, unemployment, interest rates, and productivity will occur almost immediately upon implementation of their budget, even as the Federal Reserve maintains a tight rein on the money supply. There is no precedent for this magical recovery as the Budget Committee has pointed out.

Under the best of circumstances such an outcome is improbable. Yet an unfocused tax cut certain to be spent, not invested, is also part of the equation. With that tax cut considered, I believe a positive outcome to be all but impossible. Disaster is on the horizon.

Such dire economic prospects give all of us reason to be fearful. For the poor, the bad omens are intensified by the budget cuts that would undermine the real "safety net" Government now provides. Slashes in child nutrition, food stamps, CETA, AFDC, medicaid, health services, education, housing assistance, and many other specific programs will obviously harm the truly needy.

I cannot emphasize too strongly that American families will be seriously harmed by these cuts. Instead of strengthening the family, the President would erode its foundations. Many poor families face not one, but many cuts. Just one cut would cause hardship; a sequence of cuts will be really destructive.

The working poor can only be discouraged from working by these cuts. A University of Chicago study recently demonstrated that the President's cutbacks in AFDC, food stamps, and tax credits would actually reduce the incentive to work. The income gap between the "near-poor" who work and receive some public assistance, and the poor who do not work at all would narrow to a negligible amount. In both my home State of New York, and the President's home State of California, the difference in incomes between the recipient who works and the one who does not would be just $15 a month. In Louisiana, there would be no difference at all.

The administration's budget, or Latta-Gramm, would put 1,750,000 people out of work, according to Wharton Econometric Forecasting. CETA cuts will account for 300,000 jobless—11,500 in New York City alone. Altogether, the unemployment rate would jump 1.4 percent; an additional $9 to $12 billion would be spent for unemployment insurance, and another 1.5 million persons would be added to the food stamp rolls. Paying for these new obligations will be especially difficult when the increased joblessness by itself will have reduced Treasury revenues by approximately $40 billion.

These budget cuts are inequitable. They are irresponsible. And they are not even cost effective. What justification can be made for them, when one of every six children in America today is poor, and a black child has one chance in two of being born into poverty? We should be increasing our efforts on these children's behalf, not ending them.

With these cuts, we would mortgage our future to a dubious set of economic assumptions. We would forgo investment in programs that have yielded far more than the money spent, and put our faith in economic theories that fly in the face of our most basic notions about human behavior. When people get money back from taxes, they spend it, they do not invest in industrial plants. Not unless they are exceedingly wealthy—and in that case, they probably already have shelters enough to keep tax payments at a shamefully low level. Yet we would ignore the evidence of our experience, and make the poor pay for an adventure in economic theory.

How does one explain to an urban slumdweller or rural sharecropper that he cannot get legal aid because it is expected in Washington that his income, 3 or 4 years down the road, will be high enough to enable him to afford a lawyer? Or how to explain to someone who cannot afford private medical care that we in Washington have decided that the Nation cannot afford to pay for them?

I find it hard to believe that this Congress would impose such harsh cutbacks on the poor, while at the same time throwing money at the national defense. Defense spending creates fewer jobs per dollar than most other types of Federal expense, and distorts economic competition in an inflationary way. Even George Gilder, conservative author of "Wealth and Poverty," has said that defense spending is more inflationary than transfer payments for social programs.

Money for new weapons will never revive the economy. Instead it is likely to wreck it, particularly when the administration refuses to acknowledge that it has not found money to finance this spending binge. Combined with the tax cuts, such defense spending almost guarantees a disastrous economic situation 5 years from now.

Today we should be heading the opposite direction from that outlined by the administration. We should be using wage and price controls to restrain inflation while careful, precise adjustments are made in tax structure, spending, and regulation that can re-

store economic health. We should be using Government to create jobs, not to put people out of work.

No exact model of this course of action is before us today. The major alternative proposal, offered by the House Budget Committee, restores a significant amount of the money cut from social programs. It makes a more modest, and far less inflationary tax cut. It is founded on more reasonable economic assumptions. If it is a choice between this budget and the Latta-Gramm proposal, I would reluctantly support the Jones budget. But the likelihood is that we will not even have the chance to cast a vote for or against it.

The budget proposed by the Congressional Black Caucus, and presented by Mr. FAUNTROY, is the best alternative available. While some minor adjustments could be made, this budget generally restores funding to valuable social programs that the President would cut. It thereby continues the Federal commitment to the poor and underprivileged that the President's budget would abandon. The Fauntroy budget joins the Obey proposal, which I could also support, in presenting a balanced budget. It achieves this result by rejecting the President's inflationary tax cut, yet would provide real tax relief in modest, sensible ways. Finally, this budget presents lower spending than the President's or the Jones budget, even while recommending defense spending above former President Carter's 1982 recommendation. It deserves the support of all my colleagues.

Mr. JONES of Oklahoma. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio (Mr. SHAMANSKY).

Mr. SHAMANSKY. Mr. Chairman, as a business lawyer, businessman, and Congressman from a very representative district of our country, I must be concerned with the possible impact of the Reagan budget proposals on all segments of the public. In their pure form, the administration's plans benefit those already rich, hurt the poor, and cast the middle class—the bedrock of our community—adrift on inflationary seas.

There are serious problems with the President's proposals—especially the Kemp-Roth income tax cuts—which, I believe, could greatly worsen our present inflation.

Peter G. Peterson, chairman of Lehman Bros., Kuhn Loeb and Secretary of Commerce in the Nixon administration, impeccably Republican, warns that the administration's suggested tax cuts lean too much toward consumption, too little toward the reinvestment we urgently need. He cautioned that if even a few of the President's assumptions are wrong, we could be headed toward the largest budget deficit in our history next year.

Henry Kaufman, the highly respected chief economist at Salomon Bros. of Wall Street, said the administration's overall program "is exceedingly expansionary and does not fight inflation." He said that under the pressure of Kemp-Roth's 10-percent-a-year-for-3-years income tax cuts, interest rates easily could break the 21-percent record reached last year. This would cripple economic recovery.

When the general outline of the President's economic package emerged earlier, the prestigious investment firm of Kidder, Peabody & Co. noted the Nation's financial community must now look to House Democrats to "significantly modify the Reagan program to maintain fiscal responsibility."

What has happened is that some ideological radicals have gained ascendancy in parts of the new administration. In the guise of budget cutting, they propose to experiment with their untried pet theories, using the economy of the entire United States as a guinea pig. It is, as Kidder, Peabody suggested, the responsibility of Congress, and especially the Democratic majority in the House, to act as loyal opposition and resist such potentially destabilizing economic experiments.

I supported on the House floor tax cuts which will spur investment, create new jobs, and improve the productivity of the American economy. These tax cuts include accelerated depreciation schedules for business, improved exemptions from income taxes for interest earned in savings accounts, and modifications of the capital gains taxes. But Kemp-Roth across-the-board cuts are an umproven elixir; patent medicine tax breaks which favor the superrich over the middle-income people who are the backbone of our society. Vice President BUSH himself described President Reagan's proposals as "voodoo economics."

I favor the general size of the reductions advanced by the President. The proposal offered by House Budget Committee Chairman JIM JONES agrees with the President in three out of four cases. But it disagrees in some important areas:

The President wants to reduce significantly Federal support for primary and secondary education, for job training, for nutrition for children, and medical care for the elderly. The "truly needy" will become truly needier—and unnecessarily so.

He also proposes the elimination of the Economic Development Administration, an agency which has helped support redevelopment in downtown Columbus and thereby economic growth in all of central Ohio.

Many of the administration's proposed reductions simply are—as I said—not necessary to curb the growth of the Federal budget and controlling inflation. In contrast the administration throws away hundreds of millions of dollars on the obsolete Clinch River breeder reactor, tobacco subsidies, and traditional pork barrel water projects.

Also worthy of noting is the refusal of the administration to close any of the notorious tax loopholes which could save more than enough to offset some of the unnecessary cuts which hurt the elderly, sick, and poor so badly.

The defense budget remains basically the same under the Jones and Hefner proposals as under the President's. Expanded military spending, vital to our national security, can be maintained safely only by tax cuts prudently applied so as to arrest renewed inflationary pressures.

I campaigned for a balanced budget and for action to curb inflation. The problem with the Kemp-Roth proposal for those of us who believe in prudent economics, is this: Kemp-Roth's sweeping, 3-year tax cuts are not offset by matching budget cuts.

Walter Heller, former chairman of the President's Council of Economic Advisers, recently recommended that "further personal tax cuts should be put in place only after they have been earned by further budget cuts and/or clear evidence of reduced inflation. That would be the path of fiscal prudence."

The too likely result of the Kemp-Roth as now proposed will be bigger and bigger deficits and more inflation—the very things I campaigned against. We are not arguing that the economy does not need a catalyst for increased investment, job creation, and productivity increases. But as with all-powerful medicine, timing and dosage are crucial.

First let us cut the budget and reduce the Federal deficit. This will have the effect of lowering interest rates, spurring productive investment, and strengthening the economy in general. Specific tax cuts, focused where they can benefit the economy without adding to inflation, should be made as suggested above. Tax revenue then would rise and personal income taxes could be cut significantly without inflationary results.

I realize it might be easier politically to join in the emotional climate of the moment and approve the President's package without question. But the possible dangers for the economy are too great for any of us who believe in prudent economics to suspend judgment.

As a businessman, a lawyer, and most importantly as Representative of a middle-American district, I am interested in economic growth and stability, in curtailing both inflation and the expansion of the Federal Government. I think the position outlined by Chairman JONES—supporting many of the President's proposed cuts, modify-

ing others, and calling for more realistic tax reductions—will do just that.

□ 1830

Mr. JONES of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. SHANNON).

Mr. SHANNON. Mr. Chairman, I would like to thank the gentleman for yielding and I would like to commend him for his very able handling of this bill.

I have only been in the Congress for the last 2 years and in that 2 years we have had a lot of discussion of the budget, the budget processes, how much money the Government should be spending, what the proper role of Government should be. These debates have followed a pretty set pattern of various Members of the House coming into the well and advocating their ideology or their regional interests or their constituents' interests, but there is a new element, I think, that has been entered into this budget debate. I have seen time and again this afternoon and last week members of the Republican Party come down into the well, stand at that microphone and say that they intend to support the President's proposal, that they are going to support the President's budget proposal, but with a little message, a little additional message to their constituents, "Don't worry about it. I got reservations about it, but we are going to change this or we are going to change that or we are going to change the other thing and we are not going to hurt our own constituencies. We are going to support the President's proposal, but don't worry, I have concerns about mass transit."

I have heard Members from New Jersey and New York talk about the need to put money into mass transit.

"I am going to support the President's proposal, but we are going to put more money into low income energy assistance." Republican members from New England say they are going to protect their constituents in that way.

"I am going to support the President's proposal, but I have reservations about the nutrition program cuts. I am going to support the President's proposal, but I have reservations about the cuts in guaranteed student loans and other financial assistance."

They come down here and they make a mockery of the budget process. They make a mockery of the political process when they say they support the President's proposal, when they say that they are going to go back to their constituents and they are going to protect their interests, because they are not going to protect their interests.

Make no mistake about it, my Republican colleagues, if you vote for the President's budget proposal, you are voting to cut student financial aid. You are voting to cut social security benefits. You are voting to cut educational aid at the elementary and secondary level. You are voting to cut nutrition programs. You are voting to cut mass transit drastically. You are voting to hurt your constituents.

Now, if you believe that that is in the best interests of the country, if you believe that that pain has to be inflicted on your constituents in order to get the country out of its economic problems, I commend you for your courage; but I ask you, please be honest with your colleagues in the House. Please be honest with your constituents. Please be honest with the American people and do not promise your constituents that you are going to try to change the President's budget numbers later, because you are not going to have that opportunity.

Now, there are many, many Members of the House of Representatives who in the last several years have had the courage to stand up and say to their constituents, "I cannot vote for what you want me to vote for this time around, because I think that the economy dictates a different course."

I really do admire that, but I think that the message of the last election, if there was a message, was to be honest, be honest with the people of this country about what we are doing. Do not drop the bombs and then bemoan the fact that they are going to hit people. Do not cut the programs and delude yourselves or delude your constituents into thinking that they are not going to hurt people, because they are.

I spent a lot of time in my district in the last few weeks and many of my constituents supported President Reagan in the last election. As a matter of fact, he carried my congressional district. Many of them are asking me, "Please, please do not be an obstructionist, but please do not rubber stamp this program. Please try to represent our interests."

I hope that my Republican colleagues are going to think between now and the time of the vote about the needs of their individual constituencies. I hope that we are not going to see a lock step Republican Party throughout this whole Congress, as we have seen here this last week and as we have seen here today. I hope we are going to see the House of Representatives play the role that it is supposed to play in reviewing the President's program and doing what is right for the American people; but I hope we are not going to hear any more of these foolish reservations expressed, any more of these efforts to go on the record against a program that all of you are going to vote for, any more effort to try to delude the people into thinking that they are not going to get hurt by what is going to happen here tomorrow if the President's proposal passes, because it is time for honesty. It is time for a bipartisan effort to get the economy in shape and it is a time to be straight with the American people.

Mr. JONES of Oklahoma. Mr. Chairman, I yield 7 minutes to the gentleman from Tennessee (Mr. FORD).

Mr. FORD of Tennessee. Mr. Chairman, first I would like to commend many of my colleagues on this side of the aisle who have been so eloquent in opposition to the budget proposal that is before the House today. I would also like to commend the chairman of the Budget Committee. I would have to say that we do not agree on every provision that is before the House today, but I would like to commend him for his time and his hard work on the budget process.

Mr. Chairman, the action we take in the budget process this time will signal a message to the citizens of this country and to the world about how we feel in general toward certain basic rights and equal opportunity in America.

Mr. Stockman has told us that "the poor have no right or entitlement to services." Certainly the budget that the administration has presented, as well as the Latta proposal, attempts to make that philosophy a reality.

The decision that we make regarding the fiscal year 1982 budget will have far-reaching, if not everlasting, effects. If we accept the administration's Latta proposal, it will legitimize the notion that in America we have two worlds, one for the right and powerful and one for the poor and powerless. For the poor, the elderly, and the disadvantaged, the basic services that the administration wants to cut mean the difference between subsistence and destitution.

No evaluations were conducted to ascertain which federally funded programs work and which ones do not. These budget cuts seem to be based on the political decision of looking to who benefits from what programs. The President chose to defend his special interest constituency, the tobacco producers, the grain farmers, and those who will benefit from his huge tax cut; but approximately 75 to 80 percent of the budget cuts will come at the expense of the poor, the children, and the disadvantaged. There is something callous about eliminating food stamp benefits for about 1 million people or reducing AFDC benefits to 1.2 million people, nearly all of whom have incomes below the poverty line.

There is something callous about cutting housing assistance for low-income families and eliminating their right to legal services.

It seems strange that those who have cried over the years for a balanced budget now say it is all right to

have a deficit in order to finance a huge tax cut and to increase defense spending, despite inflation and the existing national debt.

Mr. Chairman, let us further examine some of the effects the budget cuts will have.

Food stamps: The Latta substitute cuts $1.65 billion. This reduction is proposed despite the projected increase in unemployment which will rise constantly.

We look and we see the child nutrition program. According to the Latta substitute, it reduces it by $2.3 billion. In a crude way, the substitute says that the extra $1.3 billion is too much to feed millions of hungry children in this country in which we live.

Health programs and medicaid: The Latta substitute assumes an overall cap on the Government's contribution toward medicaid. The program currently serves 21 million low-income people, including 6.1 million children.

Furthermore, the administration's proposal and the Latta substitute assumes a 25-percent decrease in funding for health care centers that serve the needs of the poor, as well as propose block granting of 26 categorical programs into two programs.

We look at education. As if the Budget Committee's proposed cuts were not severe enough, the Latta substitute cuts $500 million more in elementary and secondary education funds and $700 million more from student financial aid programs.

Subsidized housing: Despite large scale shortages of subsidized housing, the Latta substitute permits funding for only 175,000 units, compared to the Budget Committee's 250,000. Again, where do the poor go?

Tax savings: The administration's budget proposals as contained in the Latta substitute assume passage of the administration's tax cut proposal. This tax cut proposal is as generous to the wealthy as the budget cuts are stingy to the poor.

The individual side of the administration's tax cut is a windfall for the rich.

It provides little, if any, tax relief for lower and middle income taxpayers. For example, those families earning $10,000 or less will get a tax cut averaging $33, while those earning $100,000 will average $6,800.

With the Latta substitute, we have one bad plan making room for another. We have budget cuts which leave no social safety net, so that we can all have a piece of the action within this budget proposal that is before the Congress and respond to the American people.

The defense budget: The administration has proposed the largest peacetime increase in military expenditures; but the problems of addressing our national security cannot be addressed by the military budget alone or by writing a blank check; by not saying to the Pentagon that you will have a blank check and you will be able to respond and spend in any way you so desire.

The administration proposes to spur this new capital investment in defense production without the tax increase that has historically proven necessary to sustain this kind of military buildup.

Mr. Chairman, I close by saying that indeed we are at the fork in the road relative to the future of this country. We can continue to go down the road toward equal opportunity for all people, realizing that there are adjustments that need to and should be made.

If this great body of sensible men and women adopts the administration's plan, we will legitimize a permanent underclass in America without hope of their ever overcoming the potholes of poverty in America.

Mr. JONES of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, first I wish to commend the chairman of the Budget Committee for his very thoughtful approach to this subject and to commend him, too, for the concern he has taken and the compassion he has shown in providing at least for some consideration of human services and programs that are going to affect the needy and the disadvantaged. Yet while considering all of this, I approach our consideration of the House budget resolution with a deep sense of uneasiness. In our breakneck rush to reduce Federal spending to bend to a legitimate public concern, too little attention has been paid to the human side of the ledger.

I view the scene today from the perspective of 32 years as a Democratic Member of this body. From this vantage point, I can say that it is not and never has been the role of the Congress to thoughtlessly rubberstamp the budget of a President. It is not the role of the Congress to stand meekly by while an administration—any administration—seeks to undo in 100 days, 50 years of programs responsible for immense social progress for all Americans.

This is not to say that we will not work with the administration in its efforts to provide more jobs, to throttle inflation, to revitalize industry. I think we have given ample evidence that we are prepared to cooperate. We are prepared to trim fat where it can be found, to eliminate waste where it exists, to cut back if we have overreached, to abolish programs that have not worked.

But, before we decide to vote for massive reductions in social services, let us consider some of the consequences:

It will mean throwing thousands out of work and deferring the promise of jobs to countless other American workers;

It will mean that hundreds of thousands of low-income children will have reduced school lunches;

It will mean that thousands of women and infants will go without proper nutrition;

It will mean that the inner-city families living in rat-infested tenements, who have been waiting for public housing, will have to wait still longer before they can live decently;

It will mean that elderly shut-ins will no longer receive the meager comforts afforded by various health, CETA, and social programs;

It will mean that the businesses that have been helped by UDAG and EDA loans to invest in our cities will no longer be able to take a chance—to open up and put people to work; and

It will also mean the elimination of legal assistance to poor people—making a travesty of our cherished American goal of equal access to justice.

This administration is pledged to creating a society that will enable all our citizens to become productive members of society. But what it seeks to do will work against that goal.

Elimination of 300,000 CETA jobs and reduced funds for job training are proposed. Will this help the young and the disavantaged members of our society develop skills they will need to hold permanent jobs in private industry?

Cuts in Federal funds for elementary school remedial reading programs that are undeniably successful are sought. Will this provide black, minority, and low-income children the chance to compete—and to produce—for America?

Mr. Chairman, just as surely as the budget cuts fall most heavily on the needy, the administration's tax proposals benefit most the well off. Full debate of that issue is still to come. In the course of our consideration of tax legislation, I trust we will take a hard look at some of the tax loopholes that deprive our Government of billions that contribute to the huge deficits the administration foresees. For example, the oil depletion allowance costs $2.3 billion a year. The deduction for intangible drilling costs for oil companies. That's another $2.9 billion.

Finally, Mr. Chairman, there is another element of the President's proposal that adds to my unease. We all agree on the need to maintain a strong national defense, but he is asking for an increase of $44 billion in that area for next year alone. His long-range plans for defense dwarf the outlays of the Vietnam war years. And his estimates are probably conservative given the Pentagon's track record. In fact, the Comptroller General has shown that billions upon billions are wasted

in defense spending. Yet this area has been virtually untouched by the budget cutters' knives.

The President asks us to accept on faith the proposition that massive and ill-considered reductions in social spending, a huge defense buildup, and an untested tax theory that has provoked skepticism across the range of economic thought will fuel the productive engines of the economy, cool the fires of inflation, balance the budget, and create jobs for all who want to work. We cannot do that in the face of all the warnings we have received. For if they fail, all our people, our richest resource, will suffer, and their confidence in government will be eroded.

Our debate comes at a time when we have criticized managers of many American businesses for too heavy an emphasis on short-term profits and gains. We remind those managers that it is careful, long-term investments that insure a business' long-term competitive health. But we overlook our own advice in managing the business of the people. The preventive medicine of these programs is not only more humane and consistent with the American notions of justice and fair play—it is also less expensive.

□ 1845

Mr. JONES of Oklahoma. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. MINETA), a member of the Committee on the Budget.

Mr. MINETA. Mr. Chairman, I believe it is important to emphasize that the President's proposed budget and the Gramm-Latta substitute cut needed investment, not only in our Nation's human resources, but also in our Nation's capital resources. While many investments are best left to the private sector, most Members will agree that there are certain investments which must be made by the Government to insure a sound economic future for the country. The private sector alone will not provide adequate resources for highways, railroads, mass transit, airports, or many long-term investments in scientific research and development. Without Government support, the needed investment in our country's capital infrastructure and in long-term technological development will not be made. I see this as a major shortcoming in the President's proposal and the Gramm-Latta substitute.

Both represent a radical departure in Federal transportation policy which will have a severe impact on many States and localities. These proposals contain huge cuts in mass transit and highway assistance and substantial cutbacks in rail aid and aviation programs.

The reductions and the new transportation policies they would require will increase the tax burden in many States and localities. They will preclude construction of new urban rail transit systems. They will slow down highway construction. They will require substantial increases in rail and air fares, and they will cutback rail passenger routes and services.

I believe that the House Budget Committee resolution proposes a more realistic and achievable level of funding for transportation programs.

The House Budget Committee's proposal restores operating funds to insure greater preservation of national Amtrak service and provides for the reorganization of Conrail.

The Gramm-Latta proposal reduces mass transit operating assistance even further than the administration, resulting in acelerated phaseout of mass transit operating subsidies. The committee rejects this phaseout proposal and restores some funds for operating assistance.

The committee's budget also provides necessary funding for the airport development and planning program and for airport facilities and equipment. The administration cuts in ADAP would be achieved by declaring the 41 largest airports ineligible for ADAP assistance beginning in fiscal year 1981. This proposal is only one of the many examples in which the administration has made cuts without reviewing the consequences.

The House Aviation Subcommittee held hearings on this issue a few weeks ago, and we found the administration's justification for this proposal to be virtually nonexistant—and by "we" I mean Members on both sides of the aisle. The administration had no study or evidence that the larger airports were better able to raise their own capital than other airports would be. They proposed that each airport be given authority to impose its own taxes on passengers using that airport. But they had no idea how such a system of nonstandardized taxes all over the country could be made to work. And more importantly, they really had no answer as to why a passenger at one of these larger airports would not be cheated by paying the same Federal ticket tax as someone at a smaller airport, while being prevented from having any of these funds returned as ADAP grants to the airport he or she actually uses. Then on top of that, the person would have to pay the local head tax to make up for the airport's lost ADAP funds.

Another area where the administration failed to review actual need is the F. & E. program. F. & E. funds buy radars, the air traffic control computers, and the precision approach systems which are essential to air safety. Four months ago, the FAA completed its 10-year capital needs study. The funding level necessary just to prevent a significant deterioration of system performance, according to this study, would require a funding level of $500 million. We are already trying to skimp at the $400 million level in the House Budget Committee's resolution. To cut the program any further, would be a flagrant disregard to safety.

The President also proposes to eliminate the Economic Development Administration and provides no funding for the EPA construction programs in fiscal year 1982. The Gramm-Latta substitute accepts the administration cut in EPA and restores some funds for the EDA through fiscal year 1982, but assumes its termination at the end of that fiscal year. These cuts will eliminate job creation and retention measures and incentives for firms to locate or expand in distressed areas.

The committee rejects the administration's proposal to eliminate the EDA, and restores outlays for the program as requested in the Public Works and Transportation Committee's views and estimates.

The committee also restores funds in the EPA sewage treatment construction grants to provide for State management assistance.

We all recognize the need to control inflation. We are all committed to slowing the growth of Federal spending and reducing the size of Government. And I believe that we will work with the President to make sure we follow through with our commitment.

The President is correct in calling for the level of spending reductions he has proposed. The House Budget Committee's resolution contains cuts of the same magnitude. However, the committee's proposal pays particular attention to addressing the administration's recommendations to promote our national goals of investment, productivity, and growth. We have, as I have already outlined for you, restored funds necessary to maintain and develop our Nation's capital infrastructure. The resolution was carefully crafted after thorough evaluation of each program.

The budget developed by the Budget Committee will require adjustments and sacrifices by everyone. Public transit fares will increase, student loans will be more difficult to receive, and school lunches will cost more. This budget plan is responsive to the public demand for reduced Government spending and a lower deficit, while maintaining our commitment to the truly needy in our society, to developing our Nation's capital infrastructure, and to increasing our national security.

I believe the House Budget Committee's budget resolution meets the goals we share with the President and the Nation, and addresses our need to improve the economy.

I strongly urge you to support the House Budget Committee resolution.

Mr. JONES of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. LUNDINE).

Mr. LUNDINE. Mr. Chairman, the House now faces one of the most crucial decisions in recent years. There have been many in the past who have doubted that the congressional budget process could survive as a mechanism for setting public policy. The outcome of our debate right now could determine whether those fears are justified.

Two months ago, the President presented his budget for 1982 to Congress and challenged anyone to come up with a better plan. Exercising its responsibility under the Budget Act, the House Budget Committee set to work analyzing the President's proposal—checking its economic assumptions, assessing its impact on the economy, evaluating its priorities. The result is a House budget resolution which we are considering today and which, in my opinion, fulfills that challenge of offering a better plan.

Certainly, the House committee's budget is not perfect, and I, like many other members, disagree with particulars in it. But, it does provide a clear alternative—one which meets the major economic concerns of this country more responsibly than the budget proposed by President Reagan.

No American can doubt that the No. 1 national concern remains inflation. And no one in this Chamber should doubt that the House Budget Committee's proposal is much better calculated to moderate inflationary pressures than is the President's budget or its new surrogate, the Gramm-Latta substitute. Why is this the case?

First, there is the crucial matter of the deficit. The House committee's budget cuts the President's proposed deficit for the coming year in half. Given the American people's concern about the size and persistence of Federal deficits and their relation to inflation, I am amazed that President Reagan has seen fit to submit a budget with nearly a $50 billion deficit for the coming year. That is a budget deficit larger than any submitted by President Carter and one which is destined to be inflationary.

During my 5 years in the Congress, I have voted against more than half of the budget resolutions which have come before us because I felt they did not go far enough toward reducing the deficit. Only 1½ years ago, in fact, I opposed the final budget for 1980 because it permitted a deficit of $29 billion. Given the deterioration of the inflation picture since then, I can scarcely countenance a $50 billion deficit today. Even the $25 billion deficit envisioned under the House committee's budget is less than optimal, but clearly it represents an improvement.

Just as it exercises more restraint on the deficit, the House committee's budget also adopts a more responsible posture on spending. A false notion has been assiduously promoted by some partisans that the House Budget Committee is a big spender, compared to the President. That impression was furthered by the President's seriously inaccurate statement, in his televised address on Wednesday, that the House committee's proposal results in $141 billion more in spending than his own budget. Nothing could be further from the truth, and I can only side with our majority leader, Mr. WRIGHT, in charitably ascribing this error to those among the President's staff who supplied him with faulty data.

The truth is that, based on the same economic assumptions, the House Budget Committee spends $2 billion less in the coming year than the President's budget. And, although we are voting now on only a single-year budget, the 1983 and 1984 projections accompanying the House committee's budget show cumulative spending over the next 3 years of $17 billion less than the President's budget. The fact is that, under the House committee's proposal, the budget will be nearly in balance in 1983 while the President is expected to produce another deficit of $50 billion. Under the House committee plan, by 1984 Federal spending will be reduced to 21 percent of gross national product (GNP) from more that 23 percent this year.

Why is it that the President's budget is so much more inflationary? Above all, this occurs because the administration proposes dramatic increases in military spending plus drastic cuts in taxes which, taken together, cannot possibly be offset—even by the severe budget cuts which the President recommends. I will return to the question of military spending under the President's proposal in a few minutes. But in judging the Reagan budget on the extent of its inflationary impact, I am most concerned about its provisions for unrestrained tax cuts.

I doubt there is a single Member of this body who disputes the need for some tax reduction both to get the economy moving and to compensate Americans for tax increases caused purely by inflation. Achieving these goals, however, without overheating the economy, requires some moderation and some targeting in a tax cut. Unfortunately, the President's proposal is characterized by neither. The Reagan budget explicitly allows for an unprecedented cut of 30 percent in personal income taxes over the next 3 years—the so-called Kemp-Roth plan—at a cost to the Treasury of $44 billion in 1982 and a total of $244 billion over the full 3 years.

There are serious problems of equity in such a 30-percent across-the-board tax cut. More than two-thirds of the benefits will accrue to those earning more than $25,000 per year; those with annual incomes between $10,000 and $20,000 will average an aftertax increase of 1.9 percent in income while those in the $50,000 to $100,000 range will average 4.5-percent increase in earnings.

But, quite apart from the distribution of benefits, the economist impact is extremely disturbing. It is almost inconceivable that such an enormous and general tax cut would not overheat the economy and, thus, push upward an already intolerable level of inflation. As economist Lester Thurow observed recently:

> Any across-the-board tax cut such as Kemp-Roth must confront the fact that the average American family saved only 5.6 percent of its income in 1980. Past experience strongly suggests that given a $100 tax cut, the average American will save and invest $5.60 but will also consume $94.40 . . . we simply cannot afford to add private consumption of this magnitude to our economic system.

By contrast, the House committee's budget provides for a significant tax cut for individuals in 1982—some $28 billion—but not of the magnitude required for Kemp-Roth. Moreover, the committee recommends structuring the cut in ways that are more beneficial to the economy and to most working families through such measures as an offset for payroll tax increases and direct incentives to increase savings.

When the full revenue provisions of each budget—including business tax cuts—are compared, the House committee targets half of its tax reduction toward savings and investment while the President's budget directs only 20 percent to those purposes.

If the President's budget thus fails the test as anti-inflationary, so is it equally disqualified as truly conservative. To understand why, one need only examine its economic assumptions.

I remember from my experience as a mayor, assembling the city budget years ago, that there was always the temptation to juggle one's economic assumptions. If one wanted to spend a bit more, one could always overestimate sales tax revenues, for example, and thus make the budget appear to work out. Such a strategy, however, hardly counts as conservative. On the contrary, it is an exceedingly risky proposition and one which is paid for sooner or later. I am afraid that is exactly what will happen in the case of the President's budget.

The President bases his budget, for example, on the assumption that interest rates in the next year—as measured on short-term Treasury bills—will average slightly less than 9 percent. Given the experience of the past 2 years, does anyone seriously believe that this will prove to be the case? Certainly the continued reliance on

monetary policy and the Federal Reserve Board to carry on the anti-inflationary fight, does not exactly presage relief from high interest rates. Nor do the econometric forecasters such as Data Resources Inc. expect a drop in interest rates. Nor, for that matter, does much of the private sector that has formed the core of the President's support. I was interested to note last week, for example, that the chief economist for Salomon Brothers, the Wall Street investment bankers, flatly contradicted the President's assumptions. In a speech before the National Press Club, Mr. Henry Kaufman predicted that interest rates would continue to be high and volatile for the next 2 years. On this point, then, I believe the House Budget Committee's assumption of 12 percent interest rates is a good deal more reliable.

The President's assumptions are equally unrealistic in gaging inflation. The Reagan budget is based on the expectation that inflation will average only 7.2 percent in the coming year. Coming on the heels of 2 successive years in which the consumer price index rose more than 12 percent, I wonder how many Americans find the administration's projection credible. Again, Mr. Kaufman's prognosis is sobering. Assuming enactment of Mr. Reagan's budget, Mr. Kaufman still believes inflation will remain above 10 percent at the end of this year and probably higher in 1982. Perhaps even more striking was the discovery in Wednesday's Washington Post that John Kenneth Galbraith and Arthur Burns—two economists who are usually poles apart—seem to be in agreement that the President's economic assumptions, embodying the expected supply-side effects, are rather dubious. Once again, then, the House committee's assumption of 10 percent inflation in 1982 seems much closer to the truth.

No one should doubt that unrealistic economic assumptions can have a devastating impact. I would remind all of us that less than 1 year ago President Carter and our Congressional Budget Committees worked diligently to present us with a balanced budget for the current fiscal year. I and my colleagues sincerely believed that we were approving a balanced budget when we voted last spring.

Yet, though the intentions behind the budget were good, the economic assumptions were not. The result is that the real deficit in that same budget has now reached $50 billion before the fiscal year has even expired and the American people have grown still more disillusioned with our ability to exert control. If the President's budget for the coming year starts out with a $450 million to $50 billion deficit and his assumptions are even less plausible than last year's, then one can easily imagine the fiscal disaster that may confront us before that year is over.

These three factors—the deficit, the tax cuts, and the economic assumptions—seem to me the most important points of distinction between the House committee's budget and the budget submitted by the President.

But, there is one further criterion on which a budget should be judged. Within the levels of outlays, revenues, and budget authority which a budget resolution sets, there is still the question of how Federal spending is distributed among the various functions of Government. In this regard, I believe the test of a decent budget is fairly simple. A budget deserves support if first, it contains significant measures related to the improvement of productivity, and second, it is committed to improving the economic opportunity for all Americans.

Although the House committee's budget provides for nearly the same level of Federal spending as the Reagan budget, and although nearly three-fourths of the President's specific budget cuts were accepted by the committee, yet there are significant differences in the distribution of the remaining budget reductions which I believe make the House committee's budget even more compassionate and more supportive of economic recovery.

In the area of productivity and revitalization, for example, the House committee does not follow the Reagan budget in vitiating nearly every economic development program in existence. Rather, the urban development action grants (UDAG) are preserved as a separate program and the Economic Development Administration is rescued from extinction, with nearly half of its funds restored. Both of these programs have brought private sector investment and thousands of new jobs into economically distressed areas around the country, including the Southern Tier of New York.

Another area of the budget which is crucial to our national economic recovery is energy development. Here, the Reagan budget ignores all of the hard-won bipartisan achievements of the last 4 years which have given this country, for the first time, the foundations of a comprehensive energy policy. The Reagan budget essentially guts the synthetic fuels program, eliminates the solar energy conservation bank, seriously reduces funds for low-income weatherization and other energy conservation efforts, and substantially cuts back development of a whole range of alternative, renewable resources.

Each of the programs is essential if America is indeed to regain a position of energy independence by the end of this century. The House committee's budget, recognizing the essential nature of this goal, restores nearly $500 million to these programs. At the same time, their proposal reduces the administration's substantial increases in nuclear development.

One crucial area of the budget both contributes to improved productivity and enhances individuals' own economic opportunity. I am speaking of aid to education.

A great deal has been said about capital formation and investment in the context of productivity improvement. These factors are important, but they do not stand alone. I very much fear, based on his budget, that the President does not understand the human factor in productivity, which is just as important and in which education plays a key role.

Our increasingly service-oriented and technologically advanced economy depends upon a well-trained work force. The demand for better-educated manpower, however, arises at the very time that the success of our educational system is being called into question. The dream of a college education seems to be receding beyond the barriers of prohibitive cost for many young Americans. Meanwhile, our high schools appear to be discharging a growing number of ill-prepared youth who are not only unemployed but unemployable.

Against this backdrop, the Reagan budget proposes particularly serious cuts in the area of education—roughly 25 percent reductions in most major programs. Unfortunately, the House committee has been unable to fully reject these cuts but it has succeeded in restoring significant funding in some places. For example, $600 million has been restored to student loans and grants which will make the difference in many moderate-income students' ability to enter college. Additionally, $450 million is restored for training and employment programs for severely disadvantaged youth. Funds are also added to the National Science Foundation for important research and science education programs. And significant funding is restored to the elementary and secondary education program to support compensatory reading and math instruction for those who need help with basic skills. Surely these changes in the Reagan budget are welcome; now is not the time to diminish our investment in America's future.

There are other programs to which the House committee has restored small amounts which do not contribute directly to economic opportunity but help preserve a decent living for those in need—such as low-income energy assistance to help those, particularly our elderly, who are hit by sharply rising fuel bills and hot lunches for schoolchildren. The committee has also sought to blunt the strongly antiwoman bias in the budget cuts by restoring money for day care

services, work incentives for mothers receiving aid to families with dependent children (AFDC) and nutrition programs for young mothers and infants.

There is a final area of the House committee's budget which has invited attack out of all proportion to its significance. The House committee has recommended a reduction from the President's budget of $6.5 billion in budget authority and $4.4 billion in outlays for national defense. There are those who would charge that this proportionately minuscule cut makes the House committee's budget weak on defense. In the context of a 1982 defense budget of roughly $200 billion, such accusations are utterly hollow.

The House budget resolution calls for an increase in real dollars for defense of more than 10 percent in budget authority and 6 percent in immediate spending in the coming year. This $30 billion increase is the largest peacetime rise in military spending in U.S. history. In just 2 years, from fiscal year 1980, the recommended budget authority for defense will have risen more than 50 percent.

On the whole, I would agree that over the past decade we have allowed our defense development to lag while the Soviet Union has pursued the largest defense buildup in history.

But, I believe that we should respond to this situation with a sustained and rational program to strengthen our military capability. The enormous surge in military spending under President Reagan's budget strikes me, instead, as a reckless inclination to throw money at a problem.

An excessive and hasty growth in military spending poses two serious threats: one economic and the other structural. They are closely related. In the first place, military procurement is a particularly inflationary form of Government spending. The Reagan defense budget calls for an immediate increase of 33 percent in military procurement and it is doubtful that our economy can accept this level of increase without a serious shock.

In a compelling article, economist Lester Thurow recently outlined the danger in stark terms. After noting that the increase in military spending under the President's projections for the next 5 years is three times as large as the increase America experienced during the Vietnam war, Thurow observes:

> President Johnson's refusal to raise taxes to pay for the Vietnam War is legitimately remembered as one of the key factors leading us into our current economic mess. Completing the parallel, Thurow concludes, "President Reagan wants both dramatic tax cuts to encourage investment and an even more extensive military buildup. But he cannot have both without wrecking the economy further unless he is willing to raise taxes dramatically on private consumption. He has chosen not to do so.

Frankly, we should not need even these chilling forecasts from the academic community to make us wary of huge increases in defense spending. We need only look to the example of our allies. It does not strike me as an accident that countries such as West Germany and Japan, whose records in combating inflation are putting our economy to shame, are spending far smaller portions of their budgets on defense. West Germany, for example, has not even met its NATO pledge for a 3 percent increase and Japan actually reduced its defense expenditures last year by over $1 billion. By the same token, some of those counties which are tied to a stronger defense posture such as Israel and Great Britain continue to have serious inflation problems.

The second threat from a sudden surge in defense spending is that it will probably cause serious dislocation in our domestic industries. There is a serious doubt today as to whether the United States has the industrial base which could sustain a prolonged military conflict. That, in itself, is another argument for focusing more of our defense efforts on conventional preparedness instead of endless rounds of more sophisticated and expensive nuclear hardware such as the MX missile. But, if we are indeed unready to respond to a sudden increase in military procurement and production, the Reagan budget may not at all be in our best national interests. In a provocative new book on this subject entitled "The Defense Industry," former Deputy Assistant Defense Secretary Jacques Gansler explores the consequences of sudden booms in military spending.

> It is necessary to look at the specific structure and condition of the defense industry in order to see what the economic effects of such increased expenditures are likely to be . . . [in the late 1970's for example] defense production competed with commercial aircraft production for engineers, skilled laborers, the use of certain production machinery and many critical parts . . . it was highly likely that greatly increased defense funds, spent on the present products with the present contractors, would not yield significantly more military equipment but would only raise the prices. The impact would be inflationary with little benefit either in terms of employment or national security.

It would seem, then, that our best national interests would be served by a steady, but less radical increase in military spending coupled with a more coordinated policy of revitalizing key industrial suppliers and expanding the supply of skilled manpower. In this regard, I believe the relatively small decrease in the Reagan military budget contained in the House committee budget is fully defensible and I continue to have serious concerns about the economic impact of even the committee level.

There are, then, several points of important difference in the spending priorities of the House committee and Reagan budgets. But the similarities are far greater than the differences. The President is not justified in claiming, as he did the other night, that passage of the House committee's budget would constitute a continuation of past policy. No budget which makes $30 billion in spending reductions from a current services budget, provides for almost a $40 billion tax cut and approves an unprecedented increase in defense spending, can be called a continuation of business as usual.

The President is obviously enthusiastic about his program, but in his insistence thus far that Congress pass his entire package without any modifications he is demanding a blank check which no President has ever been given. I would remind the President that even Franklin Roosevelt, at the height of an economic crisis that was surely more serious than today's and working with a Congress controlled by his own party, recognized the need to be flexible, to compromise and to accept refinements in policy.

I do not look upon the House Budget Committee's resolution as a partisan response to the President, nor do I feel my support of that budget is motivated by partisan instinct. I share the President's desire for a fresh start and I want to give him the chance. But I also believe the Congress has the obligation to insure that the program we are embarking on is not a false start instead of a fresh one. The stakes are too important to be decided on the basis of partisanship and I am willing—as I hope my colleagues are—to work toward a realistic and positive budgetary plan regardless of its ramifications for my political future.

Mr. JONES of Oklahoma. I thank the gentleman from New York (Mr. LUNDINE) very much for his words.

Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. GARCIA).

Mr. GARCIA. Thank you, Mr. Chairman. I will be very brief.

As I take this floor today, I remember the day that President Reagan, who was then candidate Reagan, came into the South Bronx, and he said to a number of young people, "Look, there is very little I can do for you unless you elect me." Mr. Reagan was elected. To the people of the South Bronx, I could have told you before, and I will tell you now, he had only one intention and that intention was to cut back on the poor. There is no question in my mind that he came into the South Bronx because President Carter had been there before.

Government continues to function, and it goes on and on and on. It is like a cycle. But there is no question in my mind about what this administration is doing to the poor. To those people

who will vote to take away from the poor, all I can say to you is the following, that someday the pendulum will swing, and I just hope that none of your children ever find themselves in a position of poverty where it is difficult for them to maintain themselves and they have to go to somebody, because that is what is taking place in many areas of our country today. There is no question that this budget cut is going to have a devastating effect.

All I can say to the chairman of the Committee on the Budget is that I am happy to say that while his budget as well cuts, and the cuts are going to be significant in either event, at least our Committee on the Budget has shown humaneness, has shown the ability to understand the needs of the poor.

Mr. Chairman, there are two realities confronting Congress today. First, the President's budget cuts are coming. Second, they are grossly unfair to the poor in our cities.

The President has strong support to address the financial imbalance existing in the Federal budget and I certainly do not quarrel with his goal. However, there are many other areas far more suited to cuts than the ones Mr. Reagan has proposed. Over 60 percent of the proposed cuts in budget authority will fall on the poor and working poor.

Federal grants to State and local governments will be cut significantly from over $54 billion in 1981 to $47 billion in 1982. While these numbers may seem large, the job of improving the living environment of the inner city is far from complete and a reduction of 14 percent can not help.

New York City stands to lose millions of dollars in Federal aid next year. No less than $110 million will be cut from the city's food stamp program affecting some 1.2 million residents. Over $50 million will be cut from the city's share of medicaid funding causing undue harm to our elderly health care system. Additionally, 11,500 CETA jobs, 1,300 of them in the South Bronx, will be lost sending shock waves throughout the local economy and especially hampering the survival and stability of many small businesses and their employees.

The President goes on to reduce housing subsidies and to propose an increase in the share many will have to pay for their rent. Additionally, over $120 million will be lost in operating subsidies for our overburdened transit system. Better than $140 million will be cut in legal and social services also.

Within the South Bronx, approximately $675,000 in rehabilitation assistance for 1- to 4-family homes will immediately be lost and over $2 million over the next 2 years. The Young Adult Conservation Corps will also be wiped out.

Though difficult to quantify, the impact on human services and health care in the South Bronx will be drastic. Over 600 community organizations—people helping themselves and their neighbors—will be confronted with service cuts.

These cuts will severely impact on the city at the same time the President proposes to continue or expand tax breaks for the higher income groups and for the energy business including big oil.

The President believes that such cuts will cure inflation and hence aid everyone. I hope that he is right but I fail to see his logic as he doubles the mega-billion dollar defense budget over the next few years. The President is not cutting the budget. Rather he is merely shifting money from the poor and urban areas to the military establishment. With the waste and inefficiences existing in the Pentagon, this trend is deeply disturbing. However, the President is going much further. In fact, 25 years of hard won social legislation is being wiped out with the stroke of a pen.

There are other more fair ways to get costs under control without hurting, indeed almost destroying the living conditions of so many urban Americans. This is the Federal spending goal we should seek. It is the reason I support the Democratic Party alternative budget sponsored by Chairman JIM JONES.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina (Mr. NAPIER).

Mr. NAPIER. Mr. Chairman, I rise in support of the Gramm-Latta bipartisan substitute to the House Budget Committee's approved budget resolution. The bipartisan substitute has incorporated various provisions designed to improve our position of military strength while maintaining benefits for those poor and needy in our country.

According to the bipartisan substitute, defense spending will be targeted at $162.1 billion for 1981 and at $188.8 billion for 1982. The proposal will allow for an increase in spending of an average of 7 percent per year over the next 5 years. Mr. Chairman, we need to strengthen our military capabilities in order to maintain a balance of power with the Soviet Union. The bipartisan substitute proposal will help us to do this. Increased funding will strengthen our strategic forces, improve America's military readiness, and accelerate the modernization of U.S. combat forces.

Our ability to deploy forces in remote areas, such as the Indian Ocean and the strategic Persian Gulf, will be improved by increases in naval surface forces. Special equipment will be acquired to enable combat forces to operate in hostile environments, such as desert warfare. The modernization of our conventional forces will be accelerated by a more rapid procurement of new equipment, including tanks, helicopters, naval aircraft and missiles. The combat readiness of U.S. Forces will be improved by providing funds for additional spare parts needed to sustain higher operating rates and to fill war reserves requirements. Provisions for higher military pay rates will also contribute to readiness by attracting and retaining skilled military manpower. We need these improvements so that our strength and capabilities will not be suspect and so military equilibrium on a global scale can be maintained.

Mr. Speaker, the improvements in our military capabilities and defense forces are not intended to come at the expense of the poor and helpless in this country. Precautions will be taken to insure that the necessities of life will be provided. The bipartisan proposal has allowed for spending targets of $239.3 billion in 1981 and $263.9 billion in 1982 for social programs. The proposal is committed to protecting basic retirement, health, and income assistance requirements. Social benefits for the elderly, including social security will be preserved in full. In keeping with promises made in the past, 23 million retired social security recipients will continue to receive benefit increases each year. Federal outlays for the medicaid program will be limited to $16.3 billion for fiscal year 1981 and will rise only 5 percent in fiscal year 1982. Federal block grants for medicaid expenditures will not prevent those in poverty from receiving medical assistance, but rather, the block grants will result in a significant reduction in Federal administrative overhead. The proposal will not end income assistance to individuals who must rely on public assistance to meet their basic needs. It is designed to improve these programs, making them more effective and efficient. Changes in the aid to families with dependent children will save $671 million in 1982. Many social programs will continue to operate as they were designed to do, providing assistance to millions of needy families. The proposals will not be instituted to hinder the poor, but rather to bring expenditures under control and to allow programs to fulfill their intended purpose.

Mr. Speaker, I support the Gramm-Latta bipartisan substitute proposal because it provides an opportunity to correct many of the problems which we are now facing in our country. It will allow us to provide for the needs of our people as well as for our common defense.

Mr. Speaker, in addition to my comments I would like to request unanimous consent that a telegram from the Greater Florence Chamber of Commerce concerning President Rea-

gan's economic program be included in the RECORD at the conclusion of my remarks:

FLORENCE, S.C.,
April 30, 1981.

Representative JOHN NAPIER,
Washington, D.C.:

The Greater Florence Chamber of Commerce Board of Directors in a called meeting on April 30, 1981 approved the following statement, recognizing that the economic situation in the United States is very serious and that President Reagan's economic program would benefit the country as a whole, we the members of the Greater Florence Chamber of Commerce support the President's program and urge the Members of Congress to vote in favor of its passage. Further we feel these proposals offer reductions in Federal expenditures and reductions in business and individual income tax rates at a time when they are sorely needed. America's declining productivity is directly attributable to governments growing share of our Nation's resources which deprives private citizens and businesses of the capital they need for investment and to a rising tax burden which may discourage many people from working. It is clear his proposed cuts are directed at paring down inflation. We feel the President's program when enacted will chart a new course that would alternately restore the confidence of Americans in themselves, their Governments and their country.

THE GREATER FLORENCE
CHAMBER OF COMMERCE.

● Mr. GONZALEZ. Mr. Chairman, the subcommittee I have the honor to chair must consider housing and community development issues. We have to concern ourselves with the question of how this country is going to provide the affordable housing our citizens need; we have to concern ourselves with the immensely difficult and complex issues of community development. All of these are enmeshed in the budget issues before us today.

The Latta-Gramm substitute is bad news.

The Latta-Gramm substitute is bad news for everyone who hopes to build or buy a home.

It is bad news for those people who need some form of assistance in order to get into decent housing.

And the Latta-Gramm substitute is bad news for every local public official who needs Federal help in order to provide basic community services.

No one really knows what the economic assumptions of the Latta-Gramm substitute are, but we have to assume that they are essentially the administration assumptions, since I do not believe my good friend would depart far from the gospel of his party. That gospel says too much credit is going into housing, and indeed the Latta resolution would embrace that idea by reducing FHA credit ceilings. Moreover, that gospel says that you have to employ supertight money in order to offset the inflationary fires of the built-in 3-year tax cut program. Tight money means no money for housing; it means a difficult to impossible climate for writing long-term fixed rate mortgages, which are the life and blood of our housing industry. Taken together, the Latta-Gramm resolution's antihousing credit bias and tight money policy assumption simply means that we cannot hope to produce anything like the amount of housing this country requires.

The result of too little housing production will be a continued inflation of housing prices, because too many buyers are already chasing too few homes. It will mean a continued drop in the availability of rental housing, and a continued ratcheting of rental rates. These are the makings of a housing crisis, and the symptoms are already advanced.

Mr. Stockman, our former colleague, said in his famous manifesto that nothing special should be done for housing, or for other afflicted industries. But the administration has embraced special treatment for the auto industry. The housing industry is no less afflicted, and deserves no less help. The housing crisis is already upon us—we see it in bankruptcies among builders, in record low rental vacancy rates, in terribly depressed construction starts, in record high mortgage interest rates, in the distress of savings institutions, in rocketing real estate crises, and in every other measure including unemployment in the construction industry. Yet the Latta-Gramm substitute would not only do nothing to end that crisis, it would extend it—for it buys the assumption that there is already too much credit in housing, though the complete range of statistical data says otherwise.

All of this means bad news for people who want to buy a home. There will not be enough homes to satisfy demands, credit for them will be tight, and the consequence will be rapid inflation in housing costs—and this at a time when already only 6 out of 100 Americans can afford to buy a median-priced new home.

The news of the Latta-Gramm substitute is bad for people who need assisted housing, too.

Nobody knows how the Latta-Gramm numbers were conjured up, but if we look at their effects, it is possible that they would cut off 300,000 subsidized housing starts in the next 3 years. This would have several disastrous results.

For one thing, builders would get less help than they are today. As I speak, about 36 percent of all housing starts are subsidized. That tells us just how tough life is for builders; they are staying alive on subsidized construction. Latta-Gramm would saw off a good part of their survival ladder.

Each housing unit that does not get built translates into an American family that is not able to find a decent home at an affordable price. Right now, only one-fifth of those eligible for assisted housing are able to find a subsidized home to live in. The pressures are greatest on those with the greatest need. In places, the waiting list for public housing will keep applicants waiting for 8 years.

The Latta-Gramm substitute would not only do less for subsidized housing production, it would lead to the serious deterioration of existing public housing. The value of our public housing stock is $60 billion, but the Latta-Gramm substitute would undermine efforts to keep that investment sound. Why? The reason is simple. Every building has to receive modernization from time to time—whether it is privately owned, publicly owned, commercial or residential. The Latta substitute would cut the heart out of the public housing modernization program and thereby thwart efforts to preserve housing assets that we have painfully built up and which we must keep in useful condition unless we are willing to see rapid deterioration in places that already are in desperate straits.

No matter what price range of housing you consider, the Latta-Gramm substitute solves no problems; it only compounds problems we already have, and creates new ones that we have been able to avoid thus far.

The Latta-Gramm substitute is also bad news for communities that are trying to cope with basic needs and at the same time provide essential services.

Community development programs, under the Latta language, would suffer cuts of about 30 percent over the next 3 years. There is not a city in this country that will be able to produce the revenues needed to offset that kind of reduction in Federal help. It means less drainage, it means fewer street repairs, it means less slum clearance and redevelopment, it means less housing rehabilitation. It means less economic development, it means less investment in energy conservation. For communities that have precious little to begin with, the losses will be greatest of all. These are the same communities that will have the least resources with which to make up the losses in community development efforts.

I know that my friend from Ohio is an amiable man, and that he would not deliberately harm anyone. But I say to my friend, and to the House, that his budget language would not only do great harm in the next 12 months, it would lock us into a 3-year program that would compound the damage each year. This long-term commitment is based on economic assumptions about which there is great debate, and the validity of which there exists no proof. It is a risky thing. When the sacrifices called for are

translated into human terms, I do not believe they are reasonable or acceptable.

A vote for the Latta-Gramm substitute is a vote against adequate housing, in any price range. It is a vote against adequate community development, in any city, large or small, but especially in any community that is already in distress. A vote for the Latta-Gramm substitute is a vote to abandon basic programs and policies that have evolved through long and painful debate, policies that both parties have long accepted and which the great majority of thoughtful people in housing and development efforts agree are right, workable, and needed. This massive abandonment of basic programs would be undertaken in the name of a slender and ephemeral hope, but even the hope is masked by the knowledge that this plan, the Latta-Gramm plan, envisions never building the kind of housing we must have, never redeveloping communities that need redevelopment, and never meeting the basic need for housing, for any citizen who happens to be poor or forced to live on a limited income. That does not sound like the American dream to me. It sounds like a return to a dismal past. That is the worst news of all.●

● Mrs. COLLINS of Illinois. Mr. Chairman, it is with great pride and pleasure that I rise to speak on behalf of the Congressional Black Caucus (CBC) budget alternative introduced by my dear colleague, Mr. FAUNTROY. On March 18 of this year, the CBC responded to President Reagan's challenge to "come up with an alternative to his budget proposals." Subsequent to that date, the CBC has made readjustments in its budget which, I believe, make it even more attractive and acceptable.

The CBC budget shares many of the same goals which President Reagan has enumerated. It accepts the need for a reduction in the rate of growth of Federal Government spending, it accepts the need for a revision in the current capital cost recovery—that is, depreciation—provisions, it accepts the need for real growth after inflation in the defense budget so that our defense capabilities can be upgraded, it accepts the need for revisions in the Tax Code to provide relief to the citizens of the United States, and the revised CBC budget actually calls for a surplus; yes, that is correct, a surplus of $7.85 billion in fiscal year 1982. The one thing we do not accept is the apparent view of the administration that the people have to right to expect any help from the Federal Government. That is why the CBC has developed this budget alternative that can be fiscally sound, as well as compassionate to people,

Our budget takes a far more comprehensive look at what is needed for the economic revitalization of our country. It restores more than $12 billion in budget authority, in 1982, to vital education, employment, and social services, and it does not consolidate the categorical grant programs which we, here in Congress, have felt necessary to establish in order to attack long-standing social and economic ills. Can we honestly expect to increase our industrial output if we do not have an adequate supply of trained personnel? Can we really expect the working poor to continue to work, taking second and third jobs, just to reach the point they were before social services were cut?

Do the automobile and other sagging, primary industries upon which our entire country depends, really need a 10-5-3 depreciation schedule which, because of an insufficient tax liability, due to huge losses, they cannot even use?

Do the affluent in this country really deserve a huge, disproportionate, aftertax savings when the middle class will actually suffer higher taxpayments?

I say the answer to all of these questions is no and that is why I reject the Gramm-Latta and other budget proposals in favor of that offered by the CBC.

The CBC budget restores cuts made in such desperately needed programs as: The food stamp program, the school lunch program, child nutrition program, CETA jobs, elementary and secondary education, Community Services Administration, and Legal Services program.

It recognizes the priority of continuing and upgrading our country's commitment to mass transportation.

It accepts the need to create additional incentives for the construction of new housing and the rehabilitation of existing housing stock.

It also offers the opportunity to restore fiscal sanity equitably, without forcing the poor and working classes to bear an undue share of the burden.

Mr. Chairman, I would like to also discuss the energy section of the CBC alternative budget from my perspective as a member of the House Energy and Commerce Committee.

That section of the CBC energy budget restores cuts made in such desperately needed energy programs as: Low-income weatherization; energy conservation; nonfossil energy supply; and energy information and regulation.

And does so with a projected overall budget surplus. It enhances the energy employment outlook by providing for creation of new commercial jobs in conservation, solar synthetic fuels and the conventional energy supply sectors of our economy.

It should also be noted that by providing phased fuel assistance for those budgets hardest hit by the requisite rapid increases in fuel prices, the CBC budget would immediately support economic revitalization.

For example, the provision of fuel assistance partially insures utility bill collectibility. These revenues in turn allow the utilities to better compete the ever scarce investment capital they required to favorably meet future energy demands and supply constraints.

President Reagan's energy budget proposals and its House clone Gramm-Latta are based upon so-called supply side economic theories not only present a grave danger to the poor and underpriviledged in America, but also to our long energy security. In fact, they more closely resemble a blindside blow, destined to break the backs of those Americans who are already sagging under the oppressive burden of crude oil deregulation and other shifts toward free market solutions to our economic woes. As the real income of all Americans, especially the poor and other low- and fixed-income individuals, decreases, it is inconceivable that the services which make the daily lives of millions of Americans more bearable be dismantled while the military budget be elevated to the status of a sacred cow. The trickled down effects of President Reagan's economic revitalization programs are uncertain and, at best, long term. In the meantime, the human suffering bound to result from moves which will almost certainly result in even worse fuel price based inflation, while removing the flow of cash payments and assistance to those who most need it, is being ignored. In his budget, President Reagan has unleashed a time bomb whose potential for destruction exceeds any we have ever seen. The consequences will be grave if those who do not have are made to feel that they may never have. The poor and impoverished have seen their condition improve with the gains achieved by the social reform movements in the past 20 years; can we honestly sit idly by and watch these gains be destroyed and expect no reaction?

The category of General Government, budget category 800, is one of the smallest. It is less than 1 percent of budget authority—nonetheless, the Black Caucus budget addressed this category and increased it by $100 million dollars over the Reagan budget. We did so because the caucus budget generally presumes that the Federal Government will continue to be the provider of vital support for many of the programs that help the poor and disadvantaged. Thus, the demand on the facilities of the Federal Government will be increased. Accordingly, we believe that the money will be required to insure that Federal buildings are maintained so that they can continue to serve the public. This assumption, of course, is not reflected in the proposal of the Reagan administration.

We believe this provides another example of the integrated approach taken by the Black Caucus in drafting its alternative budget. Changes in one budget category sometimes have an effect on other categories and in this case we believe that additional funds will be required so that the Federal Government can play the role that we envision for it in the years ahead.

New solutions are needed.

Mr. Chairman, I have been urging my colleagues for weeks to reject President Reagan's budget proposal as unconscionable. The House Budget Committee's alternative is equally unacceptable, failing to take positions on such fundamental issues as whether or not to consolidate the categorical grant programs. We have before us a proposal which will work and is fair; I urge you all to support adoption of House Concurrent Resolution 113, the Congressional Black Caucus' budget alternative.●

Mr. REGULA. Mr. Chairman, I have no further requests for time, and I yield back the remainder of my time.

Mr. JONES of Oklahoma. Mr. Chairman, I have no further requests for time, and I yield back the remainder of my time.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. FROST, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 115) revising the congressional budget for the U.S. Government for the fiscal year 1981 and setting forth the congressional budget for the U.S. Government for the fiscal years 1982, 1983, and 1984, had come to no resolution thereon.

EL SALVADOR

(Mr. STUDDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STUDDS. Mr. Speaker, the debate over U.S. policy toward El Salvador has only begun.

Whether our role in influencing events in that country and in other states of Central America ultimately proves to be a constructive one, or whether it becomes instead a simple and inexcusable reprise of past errors remains for the American people; speaking for themselves and through their Representatives in the Congress and executive branch, to decide.

What is clear is that we have made, thus far, a very poor beginning. Our current policy reflects our wishes and our self-esteem; but it does not reflect, nor will it change for the better, the realities of El Salvador.

Our money, our bullets, and our advice have been lavished upon El Salvador, but we will never create through purchase, coercion, or instruction an El Salvador ignorant of its own history. The people of El Salvador have been promised elections; they have been promised reforms; they have been promised justice; but still they are killed. Still they are driven from their homes by the National Guard, still they are kidnaped and multilated by the treasury police, still they have no workable system of civil justice.

The commitment of the United States to finance, arm, and support diplomatically the junta of El Salvador was made at far too little cost to the right wing terrorist forces of that country. Such forces exist not outside the bounds of civil and military power in El Salvador, but throughout the security forces and the Government at very high levels. This is the reality of El Salvador, as anyone capable of reading or of counting dead bodies ought to understand. It is a reality which ought to engender restraint, not premature commitment; and which requires a U.S. policy with far more flexibility and future options than that upon which we are currently embarked.

It is my intention, at this time, to carry to the floor of the House of Representatives my effort to terminate U.S. military assistance to the Government of El Salvador. Such aid makes more, rather than less likely the chances for a victory by those elements of the opposition with whom we have the least in common. It makes Fidel Castro more credible, more politically attractive, and more effective in Central America than he has any moral or historical right to be. Finally, it builds an ever-constricting cage for America's own policymakers, who may soon find themselves trapped by the very realities they have sought so ardently to deny.

U.S. military aid to El Salvador, as I have said several times before, is unnecessary, illogical, unjust, impolitic, and wrong. The American people have the right to know how their Representatives stand on this issue.

A VOTE FOR GRAMM-LATTA SUBSTITUTE IS A VOTE FOR CONTINUING HIGH INTEREST RATES

(Mr. WYDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYDEN. Mr. Speaker, my home State of Oregon has been devastated by the effects of excessively high-interest rates—the product of tight money policy.

The reason why I support reducing deficit spending is to get the Federal Government out of the borrowing business and to create an environment in which interest rates can drop.

My fear is that if we pass a budget resolution that locks us into huge personal tax cuts over the next 3 years, we may doom all chances of reducing deficit spending and achieving a balanced budget. That would mean a continuation of a tight money policy and a continuation of high interest rates.

That would mean fewer buyers for housing, fewer houses being built and fewer logs milled into lumber. That would mean a continuation of double-digit unemployment in States like Oregon.

One of the reasons why many have supported the huge Kemp-Roth tax cut is because it will give the economy a shot in the arm, even if the budget deficit is not reduced quite as much.

There is no better indicator of apprehension of that claim than Wall Street itself. The Wall Street Journal this morning contains the evidence. It reports that one indication of the fear of continuing inflation is that long-term interest rates have risen to new heights.

It seems clear to me, then, that a vote for the Gramm-Latta budget substitute this week is in very real terms a vote for higher interest rates and more inflation.

Mr. Speaker, in the last few hours, I think we have all been given a better idea of just how the administration expects its budget and tax strategies to work—a tight Fed policy, which translates into a policy of high interest rates.

Last week the Under Secretary for Monetary Policy admitted "you have to look at the world through monetarist-colored glasses" to understand how the administration expects to beat inflation while projecting deficits totaling over $100 billion the next 2 years. Tight monetary policy, in other words.

Today's Journal reports the same Mr. Sprinkel as feeling the Fed's current course is correct, "even if the anti-inflationary program produces high interest rates and sluggish growth over the short term." Others in the administration are reported as increasingly nervous that the Fed might be easing up and thus "undermine" the administration's program to cool inflation with budget cuts and tax relief.

Yet reports from the market this morning continue to be disturbing. "They're not convinced anyone has a handle on inflation," an expert is quoted as observing. Mr. Stern goes on to observe that "the tax cuts, budget restraint and regulatory revisions proposed by Reagan don't deal with inflation over the short term." One indication of the fear of continuing inflation is that long-term interest rates have risen to new heights.

It is becoming increasing clear that the administration's chief reliance is going to be on a tight monetary policy and high interest rates to accommodate the exorbitant deficits which follow as the direct result of Kemp-Roth. A vote for Gramm-Latta is a vote for continuing high interest rates.

MELISSA YODER WINS ESSAY CONTEST

(Mr. JOHNSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. JOHNSTON. Mr. Speaker, the Burlington Board of Realtors, which is located in my district, recently conducted an essay contest in which entrants were to write on the subject of "How the Freedom To Own Property Will Affect My Future." The winner of the contest was Melissa Yoder, a senior at Graham High School. Ms. Yoder's essay examines the importance which our society has always placed on the right—and the ability—of the average citizen to own his or her own home. Indeed, as Ms. Yoder points out, such a right and privilege has always been pretty much taken for granted in this country until recently. Unfortunately, unless we get our economy turned around soon, we are going to see more and more individuals denied the opportunity of ever purchasing their own home.

Ms. Yoder's essay contains some valuable observations on the role of home ownership in our society, and I would like to share her thoughts with my colleagues by inserting her essay in the CONGRESSIONAL RECORD.

HOW THE FREEDOM TO OWN PRIVATE PROPERTY WILL AFFECT MY FUTURE

(By Melissa Yoder)

From the time a young child in America is born, he is constantly exposed to the idea of property ownership. This child learns that there was an old lady who lived in a shoe and that a man named Jack built a house that was practically bursting at the seams. The slightly older child is exposed to the proverbial idea that a man's home is his castle, and what young child, when looking to the future, has not dreamt of a large house on a hill. Thus, from the very beginning, the right to own property is taken for granted. As a high school senior, I am aware that most people my age do not give a second thought to this very valuable right.

The Third Amendment states that a homeowner can not be forced to quarter soldiers during peacetime. Although many people today consider this idea absurb, it was once considered to be a very valid concern, as evidenced by its inclusion in the Bill of Rights. Yet even as we laugh, citizens in communist states suffer the problems of property being owned by the few elite individuals comprising the government. The private citizen cannot even dream of a private home.

But just what is so important about owning a home? The renter takes a lease with the understanding that his money buys nothing but time. He has no legal recourse should the owner decide to sell his property or convert to condominiums. The homeowner's dollar buys much more. For comparable monthly payments he receives a valuable commodity, with which he can do pretty much as he pleases. Not only may he sell it at will, but he may decorate as he desires and may also use the equity in the house to get loans to start a business, to send the children to college, or even buy more real estate. Also, a house does not depreciate in value like an automobile, but appreciates, becoming worth much more than the purchase price. Real estate is one investment that keeps pace with inflation. Most importantly, the homeowner has security from the hustle and bustle of the modern world.

Americans are lucky. The rights to buy, sell, lease, give away, and within law use their property as they desire are unique to this country. George Orwell's masterpiece "1984" paints a gloomy picture of a world where the government has so infringed upon individual property rights that the citizens' quarters receive constant government monitoring. Terrible, yes, but just how close are we to this spector? High taxes, interest rates, and government regulations make home ownership harder and harder to achieve.

My generation was raised on the concept of private property ownership, a right most basic to constitutional American values. A future in an America where these rights were demolished or severely restricted would not be a future in the America I love.

IOWA PETITIONS IN SUPPORT OF THE PRESIDENT

The SPEAKER. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, over the past few weeks I have received nearly 200 petitions, signed by approximately 5,000 residents of Iowa.

Those petitions reflect the beliefs of a solid majority of American citizens from all parts of the country—Americans who are worried about high inflation, burdensome taxes, and excessive Government intervention.

In short, the words of one of my constituents best sum up the feelings of most Americans when he says: "The only thing I want from the Federal Government is less."

It is easy to understand why these people feel the way they do. Despite the enormous improvements in the economy during the first 100 days of the Reagan administration, our economy is still in sad shape.

Inflation is running at double-digit levels. Our budget deficit is still projected at over $50 billion in the near term. Nationwide, millions of workers are jobless, while locally in my district, unemployment figures range from 5 to 8 percent—all above the State average, and, in the case of Dubuque, above the national average. And the Federal Government has intervened much too often in our daily lives.

Our Nation is suffering from a double-edged malady. On the one hand, inflation is eating up the purchasing power of each American's paycheck. And, on the other, Federal tax collectors are taking a larger chunk to help finance the budget deficits.

The economy has been severely harmed, due to Government's failure to reduce spending—and hence taxes—encourage capital formation, and private sector savings, and adjust the tax system to recognize the impact of inflation.

The incredible growth in Federal spending, coupled with heavy taxation, has left a dwindling percentage of national income to individuals and businesses. The loss of purchasing power has been particularly significant among low- and middle-income groups. The argument that the Federal Government can make better use of expenditures than the average taxpayer has been proven incorrect. In fact, the propensity of the private sector to make investments that stimulate productivity is much greater than that of the public sector.

There are no quick and easy answers to our current economic problems. It would be expedient, however, to adopt traditional economic solutions. In the past, remedies have focused almost exclusively on the demand side of the economy, and, as a result, policymakers have faced the inevitable tradeoffs between rising unemployment and declining inflation. Unfortunately, these kinds of policies, aimed primarily at restricting the money supply, will not provide the answers. They will only result in a serious recession, which I consider an inefficient and inhumane way of fighting inflation.

What we need is a policy that does more than fine tune the economy—one that is not geared to rapid economic and political payoffs, but, instead, attempts to crush inflation from a variety of fronts. What we need is a multiyear program of spending and tax policies that will encourage savings, investment, and productivity without contributing to a Federal deficit. What we need is a program that will strike a balance between helping individuals keep pace with inflation and increase their disposable income and providing incentives to the business community to increase productivity, investment, growth, and employment.

As we consider the budget during the next few days, we should all bear in mind the thoughts of the many people who are looking to us for leadership and section regarding the economy. Then we will support the President's plan—a plan that moves us in the direction of economic growth and stability.

In closing, it should be noted that these petitions are the result of one woman—Wilma Heitzman. A citizen

activist in the very best sense of the word, Mrs. Heitzman works at the grass roots for the causes in which she believes. On many occasions, she has demonstrated that one person can make a difference.●

CHICAGO'S POLISH CONSTITUTION DAY PARADE, 1981

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on Saturday, May 2, 1981, the 190th anniversary of the first democratic Constitution of Poland, the Polish National Alliance sponsored Chicago's annual Constitution Day parade and it was my pleasure and honor to be on the reviewing stand at this event.

Superintendent of the Chicago Police Department Richard Brzeczek represented Hon. Jane M. Byrne, mayor of Chicago, on the reviewing stand. Also on the reviewing stand were the outstanding president of the Polish National Alliance and the Polish American Congress, Aloysius A. Mazewski; the distinguished vice president of the Polish National Alliance, Helen M. Szymanowicz; U.S. Senator FRANK H. MURKOWSKI of Alaska; Congressman ED DERWINSKI; Congressman JOHN FARY; State Representative Thaddeus Lechowicz; State Senator Leroy W. Lemke; Alderman Roman Pucinski; Alderman John Marcin; Alderman Richard Clewis; Hon. Marilyn R. Komosa, associate judge of the circuit court of Cook County; Chester P. Majewski, member of the metropolitan sanitary district of Greater Chicago; and many other dignitaries.

The parade in Chicago's downtown consisted of thousands of marchers and many bands, marching units, and floats, along with dignitaries representing business, labor, politics, and civic organizations too numerous to mention. Hundreds of thousands of Chicagoans viewed the parade in person in commemoration of the heroic struggle of the Polish people to uphold the principles of freedom in the 1791 Constitution.

Mr. Speaker, at this point in the RECORD I wish to insert the 2-day program which took place in Chicago to celebrate Polish Constitution Day. The program follows:

PROGRAM

SATURDAY, MAY 2, 1981

Program at Reviewing Stand—Dearborn and Washington Streets—12 Noon

Welcome: Mrs. Helen M. Szymanowicz, Vice President, Polish National Alliance, General Chairman, Poland's Constitution Day.

National Anthems: Mr. Bogdan Parafinczuk, Accompanied by U.S. 81st Army Band, Fort Sheridan, Illinois.

Parade Narrators: Mrs. Helen M. Szymanowicz, Mrs. Lottie S. Kubiak.

Grand Marshals: Superintendent of Police Richard Brzeczek, Hon. Marion G. Kudlick Sr.

Parade Coordinator: Larry Rzewski.

Program at Richard J. Daley Center—1:30 P.M.

Welcome: Mr. Roman Kolpacki, Commissioner Distict 12, Polish National Alliance.

Invocation: The Rt. Rev. Joseph K. Zawistowski, Bishop, Western Diocese, Polish Natinal Catholic Church.

Master of Ceremonies: Hon. Aloysius A. Mazewski, President Polish National Alliance; President Polish American Congress.

Remarks: Honorable James R. Thompson, Governor, State of Illinois.

Remarks: Honorable Jane Byrne, Mayor, City of Chicago.

Greetings: Hon. Joseph A. Drobot, President, Polish Roman Catholic Union of America.

Greetings: Mrs. Helen Zielinski, President, Polish Women's Alliance.

Principal Address: Hon. Frank H. Murkowski, U.S. Senator of Alaska.

Benediction: Very Rev. Edward F. Pajak, Pastor, Holy Innocents Parish, Urban Vicar.

SUNDAY, MAY 3, 1981

Assembly for Solemn Mass: 10:00 A.M.—Holy Trinity School Hall, 1123 Cleaver St.

March to Church: 10:15 A.M.—To Holy Trinity Church, 118 Noble St.

Solemn Mass: 10:30 A.M.—Rev. Casimir Tadla, CR., Pastor, Principal Celebrant. Co-Celebrants—Rev. Casimir Czaplicki, SCS; Rev. Cyprian Swierczynski. Homilist—Rev. Casimir Czaplicki, SCS. Deacons—Rev. Dr. Edward C. Rozanski, Rev. Mr. Stefan Stanczak. Choir under direction of Mr. Joseph Labuda.

Executive Committee: Helen M. Szymanowicz, Chairman; Roman Kolpacki, Commissioner Dist. 12 PNA; Genevieve Wesolowski, Commissioner Dist. 12, PNA; Joseph I. Sikora, Commissioner Dist. 13, PNA; Kazimiera Pytel, Commissioner Dist. 13, PNA.

Through adoption of the May 3 Constitution, Poland transformed itself into a modern state. That Constitution paid tribute to a noble past, and it was designed for a then-free Poland. Yet it looked to the distant future as well as to the contemporary scene—the theme of that precious document was the love of liberty, the respect for individual freedom, and the granting of rights to the individual on the basis of equality.

The May 3 Constitution was, moreover, to be the standard for all the laws and statutes of all future legislatures of Poland. Provision was made for religious freedom, for civil liberties, for personal liberty, and the guarantee of liberties by common defense. Tragically, however, only 4 years after the adoption of the Constitution, Poland was partitioned and conquered by her autocratic neighbors, Russia, Prussia, and Austria.

A statement by the Polish National Alliance entitled, "The May 3d, 1791 Constitution" follows:

THE MAY 3, 1791, CONSTITUTION

To the Poles and their descendants May 3rd is a national holiday—for it bestows upon the Poles a priceless heritage of humanitarianism, tolerance and a democratic precept conceived at a time when most of Europe lived under the existence of unconditional power and tyranny exemplified by Prussia and Russia.

Poland's parliamentary system actually began at the turn of the 15th Century, but a series of defensive wars, internal stresses, outside influences, widespread permissiveness and excessive concern for the rights of dissent brought Poland to the brink of disaster and anarchy in the 19th Century. Urgently needed reforms became imperative.

The May 3rd, 1791 Constitution was the first liberal constitution in Europe and the second in the world, after the Constitution of the United States.

Following the American pattern it established three independent branches of government—executive, legislative and judiciary. Throughout the constitution runs a philosophy of humanitarianism and tolerance, such as liberty to all people—rule by majority—secret ballot at all elections—religious freedom and liberty.

In terms of democratic precepts, the May 3rd Constitution is a landmark event in the history of Central and Eastern Europe.

Mr. Speaker, on this 190th anniversary of the Polish Constitution of 1791, I was honored to join Americans of Polish descent in my own city of Chicago and all over this country who paused in salute to their ancestors who sacrificed so much to achieve freedom in Poland. The Polish people continue today to struggle for the freedom to decide their own national destiny, as well as for economic, religious, and individual freedom. Let us Americans stand firm in defense of this precious heritage.●

"IS OMB SENDING ANOTHER WRONG MESSAGE ON PRODUCTIVITY?"

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

● Mr. LAFALCE. Mr. Speaker, last week, I pointed out that OMB had proposed the termination of the most effective Federal agency in terms of increased productivity. For the sake of a shortsighted budgetary savings, Commerce's Office of Productivity, Technology and Innovation will be abolished, despite a favorable and positive assessment of that office by the General Accounting Office.

Mr. Speaker, I have the painful duty to report that OMB has done it again. Tucked away in appendix II of the "Additional Details on Budget Savings" is a section entitled, "Programs Being Recommended for Termination over 1981-1986." One of those recommendations is the future termination of the Federal Mediation and Conciliation Service's grants for labor-management committees. This modest, yet beneficial program will be funded at $2.5 million during fiscal year 1982; and I want to take this opportunity to severely protest this antiproductivity recommendation.

There is no better way to diminish productivity than through labor and management strife. Conflicts between labor and management can either slow down or stop production altogether, and the traditional adversarial relationship between labor and management can contibute to these work stoppages. On the other hand, a willingness to cooperate and listen to the other's problems and proposals cannot only create a happier and more pleasant workplace, but it can also boost productivity in that workplace.

One of the best, if not the best, ways to achieve this goal is through the formation and operation of labor-management committee, both at the firm level and the community level. These committees can aid the flow of communication between workers and employers and between labor unions and chambers of commerce. This free flowing communication is very important for labor peace, because labor strife is often the result of misunderstandings, misinformation and a general failure to communicate.

A specific example of this is western New York, including my 36th Congressional District. On an areawide basis, the Buffalo-Erie County Labor-Management Council has been established with strong support from key business and labor leaders from throughout the area. The council has helped reduce labor strife in western New York and has encouraged the formation of labor-management committees at individual firms. The council has also helped educate its members about the importance of productivity and has disseminated valuable information on the various ways to enhance productivity at the firm level.

Although labor-management committees have a proven track record for boosting productivity through increased labor-management cooperation, Federal support for them has been chronically insufficient. Yet, that Federal support, both in terms of more publicity and increased financing, is vital for the creation of these committees and their proper functioning over time.

Elimination of Federal assistance for labor-management committees would be a clear signal that the administration is not really interested in labor peace, in labor-management cooperation and in increased productivity. This recommendation is another case of OMB sending the wrong message on productivity to the American people.●

A WARNING FROM WALL STREET ON THE REAGAN BUDGET

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, of the many exaggerated and distorted claims being made in behalf of the Reagan-Gramm-Latta substitute budget resolution, none is more egregious or dangerous than the claim that it will bring quick relief in the battle against inflation. Almost every responsible economist, whether liberal, conservative, or in between, has disputed that claim.

In the business section of last Sunday's Washington Post, Hebart Rowan, the Post's distinguished economic writer, points out this fact and cites the recent statement by Henry Kaufman, the respected chief economist at the investment banking firm of Salomon Bros., who recently stated publicly that Mr. Reagan's proposals to cut personal income tax rates and increase defense spending threaten to overheat an already expanding economy.

The Wall Street Journal for April 23, reporting Mr. Kaufman's statement, noted that he said that the President's proposals, if combined with the tight monetary policy favored by the President, would produce continued double-digit inflation, a new rise in interest rates along a "rocket trajectory," and a further blow to credit markets already languishing in a "precarious state."

According to the Wall Street Journal Mr. Kaufman challenged "supply-side" theorists in the administration, saying that there is not any historical evidence that an across-the-board personal tax cut will quickly create incentives to work and save.

Mr. Kaufman concluded that, to fight inflation effectively the Government should balance the budget in the fiscal year ending September 30, 1982, instead of fiscal year 1984 as the Reagan administration has promised. It is interesting to note that only the Obey and Fauntroy substitutes would achieve a balanced budget in fiscal year 1982, although the Budget Committees' resolution would come close to a balanced budget in fiscal year 1983, while the Gramm-Latta substitute does not project a balanced budget until fiscal year 1984.

On April 24, the Washington Post, in an editorial "A Warning from Wall Street," commented on Mr. Kaufman's remarks. The editorial noted that even if there should be a significant "supply-side" incentive effect of the administration's tax proposals, it would operate relatively slowly, while the immediate effect, as Mr. Kaufman observes, would be a leap upward in spending and inflation.

If the Gramm-Latta substitute should pass, with its rigid reconciliation mandate to the authorizing committees, the country can only hope and pray that the theories, on which it is based will prove to be correct, though they defy the wisdom of the most distinguished members of the economics profession. In particular, those Republicans and others who may have fallen in with President Reagan's overselling of his unproven theory and climbed out on the limb with him must hope and pray that the laws of economics will not operate to saw it off. If I were in their shoes, I would be starting to feel a bit nervous even now.

Mr. Speaker, the Wall Street Journal article and Washington Post editorial follow these remarks:

[From the Wall Street Journal, Apr. 23, 1981]

HENRY KAUFMAN SAYS REAGAN'S PROGRAM SIGNALS MORE INFLATION, INTEREST-RATE RISE

(By Christopher Conte)

WASHINGTON.—President Reagan's economic proposals, which already face problems in Congress, were roundly criticized by an influential financial-market analyst.

Henry Kaufman, chief economist at Salomon Brothers, said Mr. Reagan's proposals to cut personal income tax rates and increase defense spending threaten to overheat an already expanding economy.

He said the proposals, if combined with the tight monetary policy favored by the President, would produce continued double digit inflation, a new rise in interest rates along a "rocket trajectory," and a further blow to credit markets already languishing in a "precarious state."

Mr. Kaufman's speech shook the credit markets yesterday afternoon, but bond prices rebounded later in the day.

Mr. Kaufman said he supports the administration's goal of strengthening the military and reducing the federal government's role in the economy. But he said the President's overall economic program "is exceedingly expansionary, and doesn't pursue a course that fights inflation along the way." He said the program would "place nearly all the anti-inflation effort squarely on monetary policy."

The Salomon Brothers economist chose a conspicuous location to comment on the Reagan economic program—a luncheon at the National Press Club. His speech came less than a week before Congress returns from Easter recess to resume considering the administration proposals. Some economic policies recommended by the President, especially his three-year, 30% reduction in personal income tax rates, already face considerable opposition in Congress.

The administration program fails to recognize that the economy already has "good momentum," Mr. Kaufman said. Although he agrees with many economists who expect a slowdown in the current quarter, he said the economy's growth rate should pick up again in this year's second half. This is especially likely, he said, because the proposed tax cuts and military spending increases are a "powerful stimulative combination." That would more than offset the restraining influence of a proposed slowdown in nondefense federal spending.

Challenging the "supply-side" theorists in the administration, Mr. Kaufman said there isn't any historical evidence that an across-the-board personal tax cut will quickly create incentives to work and save. Rather than reducing inflation, the administration's proposed tax cuts could aggravate it, he argued.

Under Mr. Reagan's program, he said the nation's annual inflation rate would climb to between 10% and 10.5% by year-end from the first quarter level of 7.8%. Those figures are based on a broad measure derived from the gross national product, or total U.S. output of goods and services.

The economists was even more critical of the administration's contention that the tight monetary policies will restrain inflation. "When the burden of restraining a headstrong ecomony falls heavily on monetary policy, then higher interest rates are bound to result," he said. Specifically, he predicted that the prime lending rate, currently around 17½ will exceed "within the next 12 months" the record 21½% rate posted in 1980.

"Financial conditions will become even more precarious if monetary policy continues to be saddled with most of the burden of slowing inflation," he warned.

The Wall Street economist concluded that to fight inflation, the government should balance the budget in the year ending Sept. 30, 1982, instead of fiscal 1984, as the Reagan administration has promised. But there seems little chance of this happening. Many analysts doubt that even the administration's less-ambitious goal will be achieved.

Although Mr. Kaufman called an "across-the-board" tax cut "inappropriate," he recommended stronger investment incentives than an accelerated depreciation proposal put forth by the administration. He suggested eliminating capital gains taxes and the "double taxation" of dividends, which are taxed first as corporate profit and then as income to the individuals who receive them.

[From the Washington Post, Apr. 24, 1981]

A WARNING FROM WALL STREET

The unsentimental people who make up the financial markets have never been enthusiastic about President Reagan's plan for a three-year series of tax cuts. The financial people—the bankers, brokers and dealers—are interested, above all, in the future of the inflation and its close companions, the interest rates. Under the Reagan plan, they anticipate a prolonged period in which interest would be high, volatile and very risky to both borrowers and lenders. Henry Kaufman of Salomon Brothers was speaking unusually sharply Wednesday when he warned against the implications of the Reagan tax cut. But his views are widely shared in Wall Street, and they deserve careful attention here in Washington.

The Reagan plan means parallel reductions in both spending and tax rates that would leave the deficit in roughly the present range for at least another year and a half—even if everything goes as the administration anticipates. But things probably won't go as it anticipates. Federal spending over the winter was running significantly higher than projected, and the current fiscal year is already more than half over. The full fiscal impact of rising defense spending still lies ahead.

In the credit markets, the U.S. Treasury takes what it needs to finance the federal deficit, and the rest of the economy gets along with what's left. That makes people whose business is credit, like Mr. Kaufman, attentive to the forecasts of federal borrowing. They are particularly attentive these days because the Federal Reserve Board has repeatedly declared its determination to restrain the amount of credit available. If the federal deficit keeps pushing upward when the Federal Reserve is pushing down, the pressure will be expressed once again in very high interest rates. That in turn will mean poor growth in the real economy of production, profits and jobs. It will also mean a rising danger of industrial bankruptcies.

A large tax cut, in those circumstances, can only heighten the tension. The administration argues that its tax cut will reduce inflation by encouraging people to work harder, save more and produce more. But the incentive effect would operate relatively slowly. The immediate effect, as Mr. Kaufman observes, would be a leap upward in spending and inflation.

There's a wide consensus that some sort of tax cut is necessary this year to offset some of the recent increases imposed by inflation as it pushes people up into higher tax rates. But the size of that tax cut is the crucial question. Mr. Reagan's plan would decrease revenues by $54 billion in fiscal 1982, with further decreases in the following two years. A Democratic alterntive, offered by Rep. Dan Rostenkowski, chairman of the House Ways and Means Committee, suggests a one-time cut of about $40 billion. But the economy is running unexpectedly strongly and the administration's campaign to control spending has slipped a little behind schedule. Even Mr. Rostenkowski's suggestion of $40 billion is beginning to look too large.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCCOLLUM) to revise and extend their remarks and include extraneous material:)

Mr. PARRIS, for 60 minutes, today.

Mr. TAUKE, for 5 minutes, today.

(The following Members (at the request of Mr. WEISS) to revise and extend their remarks and include extraneous material:)

Mr. RODINO, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. LAFALCE, for 5 minutes, today.

Mr. FLIPPO, for 30 minutes, on May 5, 1981.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MCCOLLUM) and to include extraneous matter:)

Mr. WORTLEY.

Mr. HOPKINS.

Mr. SAWYER.

Mr. MICHEL.

Mr. FRENZEL.

Mr. ROTH.

Mr. HORTON.

Mr. MCKINNEY.

Mr. HYDE.

Mr. LEBOUTILLIER.

Mr. JEFFRIES.

Mr. DORNAN of California in three instances.

Mr. GOODLING.

Mr. DENARDIS.

Mr. CORCORAN in two instances.

Mr. NAPIER.

Mr. ASHBROOK in two instances.

(The following Members (at the request of Mr. WEISS) and to include extraneous matter:)

Mr. SOLARZ.

Mr. STARK.

Mr. SEIBERLING in 10 instances.

Mr. RODINO.

Mr. STUDDS.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. FIFTHIAN.

Mr. FRANK in two instances.

Mr. MURTHA.

Mr. FORD of Michigan.

Mr. HOWARD.

Mr. ROE.

Mr. LEVITAS.

Mr. DELLUMS.

Mr. GARCIA.

Mr. DINGELL.

Mr. CONYERS in two instances.

Mr. ROSENTHAL.

Mr. LONG of Maryland.

Mr. HUBBARD.

Mr. SKELTON in four instances.

Mr. OTTINGER.

Mr. TRAXLER.

Mr. BINGHAM in five instances.

Mr. ECKART.

ADJOURNMENT

Mr. WEISS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 58 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 5, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1257. Communication from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1981 and budget amendments for fiscal year 1982 (H. Doc. No. 97-49); to the Committee on Appropriations and ordered to be printed.

1258. A letter from the Secretary of the Interior, transmitting certification that an adequate soil survey and land classification has been made on the West Oakes portion of the Garrison Diversion Unit, Pick-Sloan Missouri Basin program, North Dakota, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to section 1 of

the act of July 31, 1953; to the Committee on Appropriations.

1259. A letter from the Director, Export-Import Bank of the United States, transmitting a report on the export expansion facility program, covering the quarter ended March 31, 1981, pursuant to Public Law 90-390; to the Committee on Banking, Finance and Urban Affairs.

1260. A letter from the Acting General Counsel, Department of Energy, transmitting a draft of proposed legislation to reduce costs and the public reporting burden and increase the efficiency of the Energy Information Administration; to the Committee on Energy and Commerce.

1261. A letter from the Acting Chairman, Interstate Commerce Commission, transmitting the Commission's comments on the reports of the Consolidated Rail Corporation, the United States Railway Association, and the Secretary of Transportation concerning the future Federal funding and operations of Conrail, pursuant to section 703 of Public Law 96-448; to the Committee on Energy and Commerce.

1262. A letter from the Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation to revise section 3006A of title 18 of the United States Code to improve the delivery of legal services in the criminal justice system to those persons financially unable to obtain adequate representation, and for other purposes; to the Committee on the Judiciary.

1263. A letter from the Acting Comptroller General of the United States, transmitting a report on the Federal role in planning, selecting, and funding State and local parks (CED-81-32, April 22, 1981); jointly to the Committees on Government Operations and Interior and Insular Affairs.

1264. A letter from the Acting Comptroller General of the United States, transmitting a report on monitoring techniques for assessing the quality of rivers and streams (CED-81-30, April 30, 1981); jointly to the Committees on Government Operations, Interior and Insular Affairs and Public Works and Transportation.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MONTGOMERY: Committee on Veterans' Administration. H.R. 1100. A bill to amend title 38, United States Code, to expand eligibility of former prisoners of war for certain health-care benefits provided by the Veterans' Administration, and for other purposes; with amendment (Rept. No. 97-28). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. H.R. 3400. A bill making supplemental and further continuing appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes (Rept. No. 97-29). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WHITTEN:

H.R. 3400. A bill making supplemental and further continuing appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes; to the Committee on Appropriations.

By Mr. BAILEY of Missouri:

H.R. 3401. A bill to reform the laws relating to the provision of Federal assistance in order to provide State and local governments with greater flexibility in managing programs and projects using such assistance; jointly, to the Committees on Government Operations and Rules.

By Mr. CLAY:

H.R. 3402. A bill to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FLORIO (for himself, Mr. LENT, Ms. MIKULSKI, Mr. MADIGAN, Mr. SCHEUER, Mr. LEE, and Mr. MOFFETT):

H.R. 3403. A bill to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1982 and 1983, to provide for the establishment of Regional Training Centers to assist in improving the emergency response and enforcement capabilities of State and local personnel, and for other purposes; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. FLORIO (for himself, Mr. LENT, Mr. SCHEUER, Mr. LEE, and Mr. SANTINI):

H.R. 3404. A bill to amend the Independent Safety Board Act of 1974 to authorize appropriations for fiscal years 1981, 1982, and 1983, and for other purposes; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. FRANK:

H.R. 3405. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. FRENZEL:

H.R. 3406. A bill to amend the Internal Revenue Code of 1954 to provide that the requirement that mortgage subsidy bonds be used only to provide financing to new homeowners will not apply to financing provided to elderly individuals acquiring stock in certain cooperative housing corporations; to the Committee on Ways and Means.

By Mr. JACOBS:

H.R. 3407. A bill to amend the Federal Reserve Act to prohibit Federal Reserve banks from purchasing certain obligations of foreign governments; to the Committee on Banking, Finance and Urban Affairs.

By Mr. JOHNSTON:

H.R. 3408. A bill to amend title 17 of the United States Code to exempt nonprofit veterans' organizations and nonprofit fraternal organizations from the requirement that certain performance royalties be paid to copyright holders; to the Committee on the Judiciary.

By Mr. OTTINGER:

H.R. 3409. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income a certain amount of interest earned on the All Saver Certificate offered only at savings institutions; to the Committee on Ways and Means.

H.R. 3410. A bill to amend the Internal Revenue Code of 1954 to double the amount of interest and dividend income exempt from tax, to allow taxpayers to elect to receive a refundable credit in lieu of the partial exclusion of interest and dividend income, and to provide for a special partial exclusion of interest and dividend income in the case of elderly taxpayers with low and moderate incomes; to the Committee on Ways and Means.

By Mr. STANGELAND:

H.R. 3411. A bill to transfer to the Secretary of the Army certain functions, powers, and duties of the Secretary of Transportation relating to water vessel anchorages, bridge location and operation, and the provision of icebreaking facilities and aids to navigation; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

By Mr. STARK:

H.R. 3412. A bill to amend the Freedom of Information Act to restrict the defense of agencies by the Department of Justice in litigation challenging the withholding of information, and for other purposes; jointly, to the Committees on Government Operations and the Judiciary.

By Mr. STRATTON (for himself and Mrs. HOLT):

H.R. 3413. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1982, and for other purposes; to the Committee on Armed Services.

By Mr. TAUKE:

H.R. 3414. A bill to restrict the authority of the Chief of Engineers to terminate certain cottage site leases on the Upper Mississippi River; to the Committee on Public Works and Transportation.

By Mr. WAXMAN (for himself and Mr. DINGELL):

H.R. 3415. A bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization; to the Committee on Energy and Commerce.

By Mr. BENNETT (for himself, Mr. MCCOLLUM, and Mr. CHAPPELL):

H.R. 3416. A bill to amend title 29 of the United States Code, to change the types of hearings which a magistrate may conduct, and to change the jurisdiction for the consideration of, and the standards for the granting of, writs of habeas corpus by Federal courts upon the application of persons in custody pursuant to judgments of State courts; to the Committee on the Judiciary.

By Mr. MINISH:

H.R. 3417. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income up to $1,000 of interest and dividends; to the Committee on Ways and Means.

By Mrs. SMITH of Nebraska:

H.J. Res. 246. Joint resolution designating January 20, 1982, as "National Freedom Day"; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

56. By the SPEAKER: Memorial of the Senate of the Commonwealth of Massachusetts, relative to funding of the Energy Department investigation of criminal activity in crude oil transactions; to the Committee on Energy and Commerce.

57. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to funding for the Adoption Assistance and

Child Welfare Act; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DECKARD:

H.R. 3418. A bill for the relief of Honesto K. Fenol, doctor of medicine, his wife Rosabella Montes-Fenol, and their son Lawrence Mark Fenol: to the Committee on the Judiciary.

By Mr. JACOBS:

H.R. 3419. A bill for the relief of Ralph W. Clayton; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 39: BAILEY of Pennsylvania.

H.R. 63: Mr. SIMON, Mr. YOUNG of Alaska, Mr. MOORE, Mr. RUDD, Mr. SMITH of Alabama, Mr. STUMP, Mr. GREGG, Mr. EDWARDS of Oklahoma, Mr. JEFFRIES, Mr. JAMES K. COYNE, Mr. BROOMFIELD, Mr. SENSENBRENNER, and Mr. HADGEDORN.

H.R. 168: Mr. BAILEY of Pennsylvania.

H.R. 334: Mr. MCCOLLUM.

H.R. 450: Mr. HUCKABY, Mr. FORSYTHE, Mr. HENDON, Mr. JEFFRIES, Mr. GOLDWATER, Mr. KRAMER, Mr. SHAW, Mr. FRENZEL, Mr. ERLENBORN, and Mr. WALKER.

H.R. 644: Mr. HUNTER.

H.R. 645: Mr. MCCOLLUM.

H.R. 790: Mr. FORSYTHE, Mr. JAMES K. COYNE, Mr. WHITEHURST, Mr. MONTGOMERY, Mr. HATCHER, and Mr. WINN.

H.R. 794: Mr. LIVINGSTON, Mr. OTTINGER, Mr. WHITEHURST, and Mr. MINETA.

H.R. 798: Ms. MUKULSKI, Mr. HYDE, Mr. MOFFETT, Mr. SAVAGE, and Mr. ROE.

H.R. 801: Mr. MITCHELL of Maryland, Mr. ANTHONY, Mr. FROST, Mr. APPLEGATE, and Mr. HYDE.

H.R. 1200: Mr. HANSEN of Utah.

H.R. 1246: Mr. RAILSBACK.

H.R. 1339: Mr. THOMAS.

H.R. 1340: Mr. THOMAS.

H.R. 1458: Mr. BEDELL.

H.R. 1540: Mr. HUNTER.

H.R. 1576: Mr. ROE, Mr. DE LUGO, Mr. ROSE, and Mr. MITCHELL of New York.

H.R. 1600: Mr. PORTER, Mr. ROUSSELOT, Mr. WAMPLER, and Mr. TRIBLE.

H.R. 1694: Mr. ADDABBO, Mr. FAUNTROY, Mr. CORRADA, Mr. WON PAT, Mr. BIAGGI, Mr. LEHMAN, Mr. DE LUGO, Mr. STOKES, Mr. HUGHES, Mr. DOUGHERTY, Mr. FRANK, Mr. DWYER, Mrs. CHISHOLM, Mr. BINGHAM, and Mr. ROE.

H.R. 1778: Mr. LAGOMARSINO and Mr. ROBINSON.

H.R. 1779: Mr. LAGOMARSINO, Mr. ROBINSON, AND MR. SOLOMON.

H.R. 1852: Mr. FAZIO.

H.R. 1860: Mr. DUNCAN.

H.R. 2262: Mr. JAMES K. COYNE.

H.R. 2319: Mr. DASCHLE.

H.R. 2389: Mr. GRAMM, Mrs. HOLT, Mr. TAYLOR, Mr. BARNARD, Mr. WINN, and Mr. KINDNESS.

H.R. 2440: Mr. SAVAGE, Mrs. FENWICK, Mr. LEACH of Iowa, Mr. HILER, Mr. KINDNESS, Mr. LEHMAN, Mr. DYSON, Mr. BAFALIS, Mr. FORSYTHE, Mr. YATRON, Mr. LAGOMARSINO, Mr. LUNGREN, Mr. PANETTA, Mr. GORE, Mr. MAZZOLI, Mr. D'AMOURS, Mr. SIMON, Mr. HOLLENBECK, Mr. WALGREN, Mr. PEASE, Mr. OTTINGER, Mr. DOWNEY, and Mr. WALKER.

H.R. 2445: Mr. HUNTER.

H.R. 2824: Mr. BURGENER.

H.R. 2835: Mr. EVANS of Delaware, Mr. SAVAGE, and Mr. JAMES K. COYNE.

H.R. 2861: Mr. BEDELL and Mr. COLLINS of Texas.

H.R. 2974: Mr. MCDADE, Mr. CLAY, Mr. LANTOS, Mr. WILLIAMS of Montana, Mr. MOTTL, Mr. WINN, Mr. ERDAHL, and Mr. CONYERS.

H.J. Res. 6: Mr. ERLENBORN.

H.J. Res. 68: Mr. BEILENSON, Mr. DERWINSKI, Mr. DORNAN of California, Mr. FAZIO, Mr. FISH, Mr. FRENZEL, Mr. GINN, Mr. PASHAYAN, Mr. PEPPER, Mr. SIMON, and Mr. WINN.

H.J. Res. 128: Mr. NEAL, and Mr. STRATTON.

H.J. Res. 162: Mr. DENARDIS, Mr. NEAL, Mr. GREGG, Mr. WEBER of Minnesota, and Mr. DUNN.

H.J. Res. 196: Mr. HOWARD.

H.J. Res. 211: Mr. DORNAN of California.

H.J. Res. 212: Mr. MICHEL, Mr. SCHUMER, Mr. FRENZEL, Mr. LEWIS, Mrs. COLLINS of Illinois, Mr. LEE, Mr. FUQUA, Mr. DUNCAN, Mr. BOLAND, Mr. FAZIO, Mr. SMITH of New Jersey, Mr. JONES of Tennessee, Mr. AKAKA, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LOTT, Mr. PEPPER, Mr. ROE, Mr. BEVILL, Mr. BARNARD, Mr. RICHMOND, Mr. MOTTL, Mr. MADIGAN, Mr. ERDAHL, Mr. PEYSER, Mr. BEDELL, Mr. SOLARZ, Mr. LANTOS, Mr. HORTON, Mr. HAMMERSCHMIDT, Mr. SIMON, Mr. VENTO, Mr. WINN, Mr. WHITTAKER, Mr. LUNGREN, Mr. SUNIA, Mr. FROST, Mr. YATRON, Mr. FORSYTHE, Mr. LONG of Maryland, Mr. LOWERY of California, Mr. MAZZOLI, Mr. BURGENER, Mr. NEAL, Mr. KILDEE, Mr. YOUNG of Missouri, Mr. CHENEY, Mr. DORNAN of California, Mr. RAHALL, Mr. CAMPBELL, Mr. BOWEN, and Mr. RICHMOND.

H. Con. Res. 79: Mr. JAMES K. COYNE.

H. Con. Res. 82: Mr. ANNUNZIO, Mr. ATKINSON, Mr. BEDELL, Mr. BLANCHARD, Mr. CAMPBELL, Mr. CONABLE, Mr. CORCORAN, Mr. JAMES K. COYNE, Mr. EDWARDS of Oklahoma, Mr. ENGLISH, Mr. FRANK, Mr. FUQUA, Mr. GUNDERSON, Mr. HAMMERSCHMIDT, Mr. HUBBARD, Mr. HUTTO, Mr. IRELAND, Mr. JONES of Tennessee, Mr. KOGOVSEK, Mr. LOWERY of California, Mr. LOWRY of Washington, Mr. MARLENEE, Mr. MCCOLLUM, Mr. NEAL, Mr. NICHOLS, Mr. OTTINGER, Mr. PATTERSON, Mr. SIMON, Mr. STANGELAND, Mr. SYNAR, Mr. VENTO, Mr. WON PAT, and Mr. STENHOLM.

H. Con. Res. 118: Mr. ADDABBO, Mr. WAXMAN, Mr. ALBOSTA, Mr. FOGLIETTA, Mr. RICHMOND, Mr. DIXON, Mr. CLAY, Mr. WEISS, Mr. PEPPER, Mr. YATES, Mr. HARKIN, Mr. SCHEUER, Mr. AUCOIN, Mr. DORGAN of North Dakota, Ms. MIKULSKI, Mr. LEHMAN, Mr. RANGEL, Mr. FRANK, Mr. BRODHEAD, Mr. BIAGGI, Mr. BARNES, Mr. D'AMOURS, Mr. ATKINSON, Mr. EDGAR, Mr. WEAVER, Mr. MILLER of California, Mr. TRAXLER, Mr. DOWNEY, Mr. EDWARDS of California, Mr. FROST, Mr. FLORIO, Mr. OTTINGER, Mr. MARKEY, Mr. SANTINI, Mr. MAVROULES, Mr. GARCIA, Mr. WYDEN, Mr. LEBOUTILLIER, Mr. FORSYTHE, Mr. MARKS, Ms. FIEDLER, Mr. STARK, Mr. DOUGHERTY, Mr. MOFFETT, Mr. MITCHELL of Maryland, Mr. WOLPE, Mr. COELHO, and Mr. BLANCHARD.

PETITIONS, ETC.

Under clause 1 of rule XXII,

72. The SPEAKER: presented a petition of R. B. Moore, Honolulu, Hawaii, and others, relative to Public Health Service clinics and hospitals, which was referred to the Committee on Energy and Commerce.

EXTENSIONS OF REMARKS

FUENTES ON EL SALVADOR

HON. GERRY E. STUDDS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

Mr. STUDD. Mr. Speaker, Carlos Fuentes is one of the most eloquent and thoughtful writers on United States-Latin American relations in the world today.

His recent article concerning U.S. policy toward El Salvador should be read by every Member of this House prior to their being asked to vote to authorize additional U.S. military assistance to that country:

[From the Washington Post, May 3, 1981]

WHERE ANGLOS SHOULD FEAR TO TREAD—WADING INTO EL SALVADOR'S 500-YEAR WAR BETWEEN CIVILIZATION AND BARBARISM

(By Carlos Fuentes)

"Two centuries ago," writes Arthur Schlesinger, "American revolutionaries accepted help from France. That did not mean they were the disciplined agents of European monarchies; they were simply fighting for their lives."

Since then, other revolutions have come to the Americas, most recently in Nicaragua, and now in El Salvador. They have come for the same reasons that they came to the Thirteen Colonies in 1776, to France in 1789, to Mexico in 1910, to Russia in 1917, to Guatemala in 1944, to China in 1948, to Bolivia and to Cuba in the 1950s and to the whole colonized world in the aftermath of World War II—reasons deeply rooted in the local culture, the history and the economy, in the heavens and in the hells of a people's imaginations, its memory, its hopes, its self.

The problems in El Salvador have been around for five centuries. Their name is colonialism, the internal colonialism of the traditional ruling class and the external colonialism inherent in client-state relations.

El Salvador shares with Guatemala, with the Nicaragua of the Somozas, indeed, with all of Latin America, problems that existed long before the United States or the Soviet Union came into being; problems as old as the discovery of the New World. Our lands were not only discovered and they were not only colonized: They were conquered, and conquest plus colonization spelled what Max Weber calls "patrimonialism." That is, a form of domination characterized by the subordination of all public and private rights in favor of the chieftain and his clan of relatives, favorites, sycophants and hangers-on. This form of colonialism—the right of the conquistador—excludes competent administration or economic planning: It is based on obedience and whim, not on the law. This state of things requires a standing army—thugs, mercenaries, death squads—responsive to no law save that of the caprice of the ruling clan.

This confusion of public and private functions and appropriations has been the almost constant style of governance in Latin America, from the Indian empires to the Spanish colonies to the modern republics. We understand this is Latin America. We intimately know that if we ourselves do not abolish these conditions, we shall never be viable societies, harmonious communities, minimally prosperous, sufficiently independent.

Many men and women have tried to change this barbaric order through reform. Others have had to use arms. The United States knows this conflict between reform and revolution: Jackson and the two Roosevelts and Kennedy could reform; Washington and Lincoln had to fight and their fights were cruel, bloody and necessary. But they never had to reform or revolutionize such a persistent, ancient and slow-moving creature as this turtle of the new Latin American colonialism, protected by its standing army.

How many people in this country, except a few specialists—certainly not the policymakers themselves—really know the political traditions and the cultural realities of El Salvador in 1981? How many are truly aware of the troubled history of Latin America: conquest and colonization in the 16th century; legal independence but economic dependency since the 19th century; and again since the 19th century, the heritage of our perennial struggle between civilization and barbarism? The basic dilemma of our nations, far beyond ideological nit-picking and strategic posturing, is this demand that we choose: between civilization, the respect due to a man's hands, a woman's sex or a child's eyes; or barbarism and the brutality that humiliates, tortures and then murders us all.

And if these realities were ignored, how dare the faraway government of the United States rush in as if it intimately knew them and were able to act in the best interests of a people who, alone, understood the dynamics of their own history, their own contradictions, their family affairs?

There are deep inequalities today, and staggering poverty, in many other nations of Latin America, Africa and Asia; but there is not always an accompanying revolutionary situation. Sometimes, as in Mexico or India, nationalist revolutions have created political institutions that cushion class warfare, permit policies of mediation and even of postponement, and are at times capable of effective and flexible reform.

In Algeria and Zimbabwe, Tanzania and Nigeria, institutions are being fashioned out of the anti-colonial experience and many of the problems of those new nations will surely find political solutions because of the ongoing process.

But in El Salvador the political process was brutally interrupted in 1932 when the army under the command of Gen. Maximiliano Hernandez Martinez encircled and then massacred 30,000 people in order to crush the peasant and proletarian rebellion that was simply asking for a minimum wage, like Oliver Twist asking for one more bowl of gruel. Ever since, from coup to rigged election to countercoup and through constant irresponsiveness to the needs of the people, the process in El Salvador was smothered. Who cared?

I shall tell you who cared. Father Rutilio Grande cared, who was killed because he said that poverty is not the will of God, but the greed of a few. Archbishop Oscar Romero cared, who was killed because he found it intolerable that illiteracy in El Salvador would affect almost half of the population. Four American religious workers cared, who went to work so that infant mortality in El Salvador should not be three and four times higher than in any industrialized nation. The leaders of the National Democratic Front cared, who offered political opposition along with political solutions and paid for it with their lives. Jose Napoleon Duarte, the president of El Salvador, should care, he who was tortured by the same thugs with whom he shares power today, who was deprived of his electoral victory in 1972 by the same guerrillas with whom today he offers free elections to a population that has seen its brothers and sisters and fathers and mothers and children die, assassinated by the same death squads that are supposed to guarantee free elections in El Salvador.

Yes, those who knew and cared have been silenced. The political opposition has been decimented. Yet a revolution of a complex profile—Catholic, agrarian and nationalist in its very roots, but also with strong Marxist, Christian Democratic and Social Democratic trends, with militant students and accountants, printers and bank clerks—has claimed a right to do for El Salvador what has not been achieved in nearly five centuries: the abolition of the traditional form of domination; at the very least, the creation of a few conditions that might permit an evolution of the political structure.

They have met the army. I guess they found out what every Latin American democratic movement has had to find out for itself: that as long as the army protects the fortress of colonialism, conditions will continue to be what they have traditionally been. Perhaps the true problem of El Salvador is not the overthrow of this or that junta, but the overthrow of the army. For the army is the only obstacle between any form of evolutionary democracy and the congealed colonialism that feeds its own vicious circle. In order to exist, colonialism needs an army to protect it through repression; in order to exist, the army needs a colonial structure that it must defend and preserve through repression. This vicious circle has been there for almost five centuries.

When the U.S. ambassador to the United Nation says that violence in El Salvador is created by outside intervention, not by a social injustice that has "existed for decades," she forgets that violence has also existed for decades, that it has, in fact, coexisted with social injustice for centuries.

And when the U.S. secretary of state says that "We are not going to be dragged into another Vietnam, but the problems will be dealt with at the source of the difficulty," we hope that he understands that the "source of the difficulty" in El Salvador is military and paramilitary repression, the arrest of political evolution by the army.

How can you ask the political opposition to accept peaceful methods when their spokesmen and militants have all been brutally silenced by guns? Who will come out to parley while the death squads are abroad?

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Perhaps Alexander Haig and Jeane Kirkpatrick, if they are real anticommunists, will come to understand that by helping the military in El Salvador they help communism in El Salvador. That by identifying the Soviet Union with the revolution in El Salvador, they hand the Soviet Union a moral victory that belongs only to the Salvadoran people. And that even if Cuba and the Soviet Union did not exist, there would be a revoluton in El Salvador. And that if it were true that arms flow into El Salvador from Hanoi and Havana and Managua and should then cease to flow, the civil war would continue in El Salvador because it depends on historical factors that have nothing to do with communism—and because the vast majority of the arms come from private sources contraband in Florida, Texas and California.

The way out of this mess is not to identify military success in El Salvador with the macho prestige of the United States. For whether the United States loses or wins militarily in El Salvador, it always loses. It loses because if it thinks it wins it will have done so at the expense of the social and economic self-determination of the Salvadoran people. It will have only strengthened the prevalent official brutality and postponed the next insurrection. But it also loses if it thinks it has lost militarily because it will then have passed over the opportunity to help El Salvador in the only way it can be helped by the United States. And this way is for the United States to swallow hard and choose to become simply one among many participating forces in the economic and social solving of El Salvador's problems according to El Salvador's needs.

The opposition in El Salvador knows, as the revolution in Nicaragua has learned, that once in power it can and should choose a plurality of sources of support—financial, technological, political. The choice for Nicaragua and El Salvador, the choice for all the underdeveloped nations, is not between the United States and the U.S.S.R. It is between Cold War obeisance to one of the two superpowers or the new, multipolar, freer polity taking shape in spite of Moscow and Washington.

The nations of Africa, Asia and Latin America do not want to be pawns in a chess game played by two players only.

More and more, each nation clearly perceives its own national and regional interests. Nigeria or Mexico, Poland or Venezuela, Zimbabwe or Pakistan, Hungary or Algeria, China or Brazil—none of the emerging nations wants to be caught in the East-West conflict that serves the United States or the U.S.S.R., but not their own peoples.

Listen to the president of Mexico when he warns Washington that neither stability nor justice in this hemisphere will be served by elevating the civil war in El Salvador to the undesired status of an arena of East-West confrontation.

Listen to the president of Costa Rica when he says that the intelligent thing would be to adopt a friendly, constructive policy towards Nicaragua and when he warns that excessive military aid would weaken Duarte and other civilians in the Salvadoran government.

Listen to the president of Venezuela when the warns that no one in Latin America "wants to repeat the painful experience of U.S. intervention."

For God's sake, listen to Duarte himself when he says that it is not military aid, but economic and social betterment that will help El Salvador.

The United States should connect the realities of Central America to those of the emerging nations in Asia and Africa. It should truly understand Western Europe's desirable role as an enlightened broker in the relations between the developing and the industrialized worlds. It should glance at the severe tensions within the Soviet bloc. And it should conclude, with true courage—with true self-interest—that nobody's welfare shall be furthered by inventing a fictitious fulcrum of East-West confrontation in a small country. Especially one where, even if it did "go Communist," the U.S.S.R. would be unable to maintain it in its orbit without paying an impossibly exorbitant material price.

I suspect that the U.S.S.R. does not want El Salvador in its orbit. The Soviet Union prefers to wink at the United States and say: "I have understood you. You can do whatever you like in your sphere of influence. I can do whatever I like in mine. We strangle Afghanistan. You strangle El Salvador. We strangle Poland. You strangle Nicaragua. And if it comes to the crunch and you want to strike at sources not outside the target area, here goes Cuba and here comes West Berlin. Okay?"

No, not okay: The balance has changed, because in our area Mexico and Venezuela have emerged. They have a role to play in Central America and the Caribbean. Their message is: Hands off El Salvador, everyone! Negotiate! Do not internationalize an internal conflict! Do not invent an East-West confrontation in a land that only requires North-South cooperation.

On April 8, Presidents Jose Lopez Portillo of Mexico and Luis Herrera Campins of Venezuela overcame, in a statesmanlike fashion, their differences over El Salvador and presented their good offices to help find a settlement there. The United States has a role to play, too, but only if it is in concert with the other nations of the area. What no one will tolerate is a proconsular attitude from Washington.

What we expect of the United States is to investigate the murders of its own citizens in El Salvador and not to condone them.

What we expect from the United States is to play a hand in stopping the murders committed by the army and the paramilitary groups in El Salvador, not rewarding them.

What we expect from the United States is a decision to isolate the parasite army of El Salvador, not to give more and more guns to Al Capone.

What we expect the United States to do is to help us all create a true atmosphere for political bargaining and political process making in El Salvador. Politically enlightened solutions can be found there, if foreign intervention from any quarter comes to a stop and the violence ceases. The concerned political factions seem to be willing to talk through impartial mediators; a transitional government might emerge from these talks; then elections can be held and, perhaps, from the Salvadoran drama a modus vivendi for the whole Caribbean and Central America will emerge.

What we expect the United States to do is to loyally participate in our own Latin American policy of shifting power from the army to the people, of ending the long rule of the army, of cooperating with Mexico and Venezuela and Costa Rica and West Germany and the soviet Union and East Germany and Sweden and Japan and Canada in offering the peoples of El Salvador and Nicaragua the plural sources of aid they need to reconstruct their shattered economies.

What we expect the United States to do is to shift its attention from the sterility of East-West confrontation to the fertility of global economic negotiations.

What we expect the United States to do is to show true political courage and cut through the fog of its repugnance toward Cuba: Lift the embargo, talk, listen, see if the Cubans are interested or not in being hugged to death by the Russian bear. Find out if the Cubans are interested or not in coming out of 20 years of hardship and siege mentality justified by the U.S. aggressions. Find out if the Cubans are willing or not to exchange their bargaining chips—Angola, their place in the Soviet bloc, their popularity in the Third World, Guantanamo—for a newfound status of respect and influence in hemispheric politics.

What we expect from the United States, above all, is what so many Americans are saying all over your country: no irrational policies.

The bandwagon that started rolling against El Salvador in January is preternaturally lonely. It has been slowed down. It must come to a halt.●

REV. OSCAR E. HEILMAN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. SKELTON. Mr. Speaker, recently, with great sadness, I learned of the death of Rev. Oscar E. Heilman, a well known and highly respected citizen of Concordia, Mo.

Pastor Heilman was born on January 9, 1887, in Chemnitz, Germany. He came to America in 1904, studied and graduated from Concordia Seminary in June 1910.

Reverend Heilman served as the first circuit rider missionary in the Black Hills of South Dakota, assuming the responsibility for 17 preaching stations. He came to Concordia, Mo. in 1933 to serve as the minister at St. Paul's Lutheran Church, serving this congregation until he retired in 1977.

Pastor Heilman will be remembered as a dedicated minister and an outstanding individual. I extend my sincere sympathy to his family.●

REAGAN PLAN HARD TO SELL IN THE SOUTH

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. LEVITAS. Mr. Speaker, I would like to bring to my colleagues' attention a two-part article from the Atlanta Constitution by Dr. Donald Ratajczak. Dr. Ratajczak, a noted economist, comments on southern concerns about President Reagan's economic program, particularly in regard to the Federal deficit. The article is very enlighten-

ing, and I commend it to my colleagues' consideration as follows:

[From the Atlanta Constitution, Apr. 22, 1981]

REAGAN PLAN HARD TO SELL IN THE SOUTH

(By Donald Ratajczak)

Last week's review of the regional gains that the South might expect from President Reagan's budget program had a little Southern flavor. After sifting through the statistics prepared by Budget Director David Stockman for a group of Southern editors, one suspects that the gentleman from Buncombe inspired Stockman to prepare his report.

The Administration needs the support of Southern Democrats if its beleaguered tax reduction package on personal income is to succeed. However, most of those Democrats have been taught that budget deficits create inflation.

Moreover, many Southerners who faced Republicans won in opposition to that three-year program to reduce personal income taxes that currently is in jeopardy. The president may claim a mandate for his programs, but the Southern Democrat has a mandate too. And they are not the same.

A briefing on how tax reductions can accelerate the expansion of tax revenues could have addressed the deficit concerns of the South. However, front-page headlines which declared that the administration continues to support supply-side economic principles would sell few papers.

Instead, the budget director declared that the South would benefit from the president's program. Of course, according to supply-side principles, other beneficiaries include the North, the Midwest and the West, but the administration had not completed its analysis of their gains. (Their Congressional votes already have been largely determined.)

I generally agree with the views expressed recently in the Wall Street Journal by Bud Weinstein of the University of Texas and the Southern Growth Policies Board. He believes the president's program should not be considered on the basis of regional gains or losses.

Nevertheless, the regional aspects of the program have been emphasized in this latest attempt to gain Southern support. According to Stockman's figures and the tax analysis contained in an article on regional budgetary impacts, gains in the South will be less than elsewhere.

Most analysts concede that budget cuts hurt the working poor more than most other groups. The latest census should confirm that the working poor remain more heavily concentrated in the South than elsewhere. Indeed, administration figures show a per capita loss from budget cuts in the South that is not exceeded by any other region.

On the tax side, lower per capita incomes in the South mean lower marginal tax rates for the average Southern worker. An across-the-board reduction in marginal tax rates should have a smaller supply-side response in the South than nationwide, according to some supply-side arguments. At any rate, the per capita reduction in proposed taxes must be lower in the South than nationwide.

Other parts of the president's program, such as accelerated depreciation and military pay increases, could be beneficial to the South. But the buncombe served by Stockman to Southern editors received more attention than it deserved.

Next week I would like to suggest what a Southern member of Congress could do to respond to this attention from the administration.

[From the Atlanta Constitution, Apr. 29, 1981]

SOUTH SHOULD BACK REAGAN PLAN—IF

Now that the president has again appealed for passage of his economic program, the time is arriving for Southern members of Congress to decide whether the administration plan should prevail. A vote against the program certainly can be justified.

Figures released by the Office of Management and Budget indicate that the South would receive fewer benefits from the program than any other region. A week ago the administration implied the opposite result.

The president wants a three-year tax cut. Budget reductions have been specified to offset only the first year of tax reductions. Guaranteeing a three-year reduction in tax rates when only a part of the necessary budget reductions have been specified proved too much for some Senate republicans to accept. Southern Democrats should be equally concerned about the deficit potential of this unbalanced program.

Reductions in inflationary expectations, one of the cornerstones of the administration's optimistic forecasts, are not apparent in any of the traditional methods of measuring expectations. Wage settlements are not trending downward, long-term interest rates remain at historic highs and the futures market for short-term interest rates actually has trended upward since the program was announced.

The "economic Dunkirk" that required decisive economic remedies is not even on the horizon. Despite an inevitable slowing from the 6.5 percent real growth in economic activity during the winter, the forces of cyclical expansion seem well entrenched. Even uncontrollable inflationary pressures in energy and agriculture are more favorable than anyone expected three months ago.

The only "economic Dunkirk" is in the credit markets, and rapid growth of government debt is largely responsible for that.

I do not believe the magnitude of economic response to personal tax rate reduction approaches what its defenders claim. The program is economically risky. The president should be able to initiate his program but Congress should abort the effort if the economy is going off course.

Therefore I would recommend that Southern Democrats support the president, but only with the following provisions:

First, tax reductions on personal income should begin in January 1982, rather than this year.

Second, the reductions in 1982 should be limited to lowering the 70 percent bracket to 50 percent and to a 5 percent across-the-board reduction in marginal tax rates. The remaining reductions leading to the 30 percent tax-cut goal should, if permitted by the economic conditions outlined below, occur equally in the following two years.

Third, any tax reductions beyond 1982 should be contingent upon the administration submitting specific budget reductions for fiscal 1983 and beyond that are compatible with the goals outlined in the administration's initial budget proposal of last Feb. 18. Failure to submit such specific budget reductions should nullify subsequent tax reductions.

Fourth, economic growth in the four quarters through September must fall no lower than a percentage point below administration forecasts. Inflation, as measured by the CPI, should exceed administration forecasts by no more than a percentage point in the 12 months through September. Otherwise, tax reductions in the subsequent year should be nullifed.

If the administration is unwilling to accept these safety net provisions, Southern Democrats should oppose more than a one-year tax reduction.●

NATIONAL RAISIN WEEK

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. PASHAYAN. Mr. Speaker, on behalf of myself and Representatives BILL THOMAS and TONY COELHO, I wish to bring to the attention of our colleagues that the California raisin industry is celebrating National Raisin Week through May 9.

While the jelly bean is the new snack item here in our Nation's Capital, the raisin industry wishes to focus in on nature's candy that is both high in energy and delicious in taste. It is a natural supplement to any diet.

California raisin sales have continued at record levels for many months, with consumers buying this tasty product for eating out of hand, in bakery products, for cooking, in cereals, and many other uses.

Most encouraging are the high sales volume and very substantial household penetration. This kind of success reflects the results of effective advertising and promotion by the industry and individual packers.

An average of more than 250,000 tons of raisins are produced in a normal crop year in California, home of the world's largest raisin industry, and the success of the industry is of great significance to the economic welfare of many thousands of Americans.

High commendation should go to the California Raisin Advisory Board for its activities in advertising, promotion, and research.

Utilizing funds provided by participating producer and processor members, CALRAB carries on its program of aggressive advertising and promotion, not only domestically, but in 17 countries throughout the world, in cooperation with the U.S. Department of Agriculture's Foreign Agricultural Service.

We also wish to point to the important work of the Raisin Bargaining Association, which has successfully brought raisin growers and packers together in a concerted effort to give them a better voice in marketing.

All raisin growers and packers, whether independent or cooperative, also are deserving of praise for their efforts on behalf of this major industry.

Also meriting special commendation in the raisin industry is the work of the Federal Raisin Advisory Board and the Federal Raisin Administrative Committee, who operate under Federal marketing orders which have done so much to bring about the orderly marketing of our raisin crops and have also been instrumental in the development of export markets.

The raisin industry, which effectively utilizes the self-help tools of sales promotion and advertising in the best American tradition, well deserves a special salute during this National Raisin Week.●

OUR WATER PROBLEM

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. MURTHA. Mr. Speaker, the question confronting the United States is not whether we face a water problem, but whether we will take the necessary steps to prevent the problem from growing into a devastating crisis.

The early signs of the problem have led to water rationing throughout parts of the Northeast, parched land in the farm belt, and lawsuits over water rights in the West. In each of those areas, citizens and government officials have spent more and more of their time looking toward the sky for welcome relief from the rain. Instead, they have seen what could be the beginning of a prolonged drought across the United States. In fact, rain is but a small part of the answer. A great deal of our water future rests with water quality, wise technology, careful planning, and a long-range outlook. The days are over when we can always expect unlimited supplies of water to be at our fingertips; the days are here when we must examine the problem and begin to develop solutions.

Nationwide, 83 percent of all the water consumed in America goes for agricultural needs. In following order of consumption are manufacturing, 8 percent; personal-domestic use, 7 percent; power generation, 1 percent; and public lands 1 percent. In 1950 the Nation took 12 trillion gallons of water out of the ground; by 1980 the figure has more than doubled, and each day 21 billion more gallons flow out of water resources than seep in.

We have used water without stopping to quantify it. It takes 14,935 gallons of water to grow a bushel of wheat; 60,000 gallons to produce one ton of steel; 120 gallons to put a single egg on the breakfast table.

Yet, one key element of the water problem is that it calls for a deft combination of local and national solutions, for the problems vary from locality to locality. In Pennsylvania for example, the largest water user is electric generating stations, 60 percent; followed by industry, 29 percent; the public, 10 percent; and agriculture 1 percent. The Institute for Research on Land and Water Resources of The Pennsylvania State University estimates that over the next 15 years modest increases will occur for public water and industrial use, electric utilities will decrease their use by 14 percent (due mostly to recycling technology), yet agriculture use is projected to increase sixfold.

Another aspect of the Pennsylvania problem is that while the eastern portion of the State has experienced water shortages that have led to first stage rationing, water fall in the western half has been sufficient.

The problems also vary from household to household. The parallel with energy is clear—we have become a Nation ignoring the limited nature of water, we use it freely without concern for conservation. The average Pennsylvanian uses 87 gallons of water a day, only 2 of which are used for drinking and cooking.

Another aspect of the problem in Pennsylvania to be mentioned here is Pennsylvania's water system. Throughout the Northeast we have aging, faltering water supply systems. The city of New York balances its water supply precariously on rotting, out of date water supply tunnels. Of 2,400 water systems in Pennsylvania, the Department of Environmental Resources reports that 255 need filtration plants, another 62 have filtration deficiencies, 278 have insufficient yields, 240 have insufficient storage, and there are 90 water supply dams which have been found unsafe. Many communities in the 12th Congressional District still must rely on water systems that provide unclear, unsanitary water.

That leads naturally to the problem of water quality, a key gap in our present water supply. In Pennsylvania, some 2,900 miles of stream are seriously affected by coal mine draining; pollution also comes from 300,000 acres of land left abandoned from previous strip mining decades ago. It is projected that in 1983 nearly 2,200 miles of major streams in Pennsylvania will not meet established water quality goals. Mine drainage coupled with other pollution sources will account for over 90 percent of the water-quality limited steam miles.

Thus, to ignore the problem would be folly. To ignore that it has national consequences would be equally disastrous. But to ignore that many of the solutions must be locally initiated would also be heading in the wrong direction. Actually, the water problem presents a classic case for Washington to provide creativity. With the new mood in Washington to attack problems on a combined national-State-local basis, water can serve as a prime example of that approach.

Briefly, here are some of the steps I believe must be taken, not necessarily listed in order of need.

First, the executive branch and Congress must streamline their water decisionmaking apparatus. A total of 22 congressional committees deal with some aspect of the water problem. Federal money alone comes from four different agencies while many more have an input.

Second, individual and community water savings must begin at once. We must make Americans aware of the problem, and State and local government must finance projects to educate the people. Water companies must join in the effort. The State of New Jersey adopted extra high water rates for homes where usage overran the families' average needs, and that kind of penalty may be necessary in the future. We must begin to develop a water conservation ethic.

Third, governments—local, State, and Federal—must be willing to allocate precious financial resources to attack the water problem. It will be expensive to solve this problem. But starting to spend now will be a lot less expensive than trying to catch up later, and working in a crisis situation. Water (in some quantity) will continue to fall to the Earth, but we must manage it better and have the facilities to manage it. Last year the Federal Government spent $28.4 million in grants for water-sewage improvements in 82 Pennsylvania communities, the State added 47 grants or loans totaling $1.4 million.

Fourth, research must continue. The typical water research project may take as many as 10 years to develop. Penn State's water resources lab outlined for me recently work they had done over several years for a total of $90,000 that eventually saved a community $32 million in water development costs.

Fifth, Congress must take a new look at its policy on public works projects. Where they contribute significantly to the future water supply of a community, they must be given priority. In New Jersey, recently, where they were struggling to fill 70 percent of their water system, water from a major storm was overrunning several collection dams wasting millions of gallons of water. Collection and distribution systems must improve.

Sixth, technology must be made to adapt to water. Electric generating stations in Pennsylvania are moving more toward ways to recycle their water to save use. Yet, so many of the technologies we talk about for the future rely on water including synthetic fuels, coal-slurry pipelines, oil-shale development, some solar tech-

nology. Communities must begin to evaluate major water users in their area and companies must work to develop technologies that will make the most efficient use of water.

Seventh, we must continue programs aimed at preventing pollution and increasing the water quality of the supplies we have, not only above ground in rivers and streams, but in groundwater supplies as well.

These represent just some of the priority steps necessary. I will be talking about many more in the weeks ahead. At the bottom line, though, rests the fact that America must become water conscious. Just like the energy crisis we experienced in the 1970's, the water crisis seems almost inevitable in the coming years unless we change our ways. Just as the era of cheap, plentiful energy ended, so, too, do we face the end of the era of cheap, plentiful water. The water crisis is not here because of a sudden lack of rain; it is here to stay regardless of the rainfall, and we must begin to act immediately to keep it under control.●

STUDENT SURVEY OF KAUKAUNA HIGH SCHOOL

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. ROTH. Mr. Speaker, during the Easter recess I had the opportunity to survey students of Kaukauna High School, Kaukauna, Wis., who are constituents in my Eighth District of Wisconsin.

The results of that survey are being submitted so that my colleagues in the Congress also may benefit from the opinions of young people in the Midwest.

[In percent]

	Yes	No	Maybe
1. Would you take a summer job if it meant earning less than the minimum wage?	38	20	42
2. Do you favor a military draft?	37	50	13
For women, too?	31	50	19
3. Would you volunteer for 2 years with the Peace Corps or a Community Action Agency as an alternative to the draft?	34	40	26
4. Do you expect to find a job near your home and settle down here?	43	27	30
5. Do you think you will go into the same line of work as your parents?	11	68	21
6. Do you support President Reagan's program to cut the Federal budget?	45	25	30
Some of it?	61	20	19
7. Do you agree with the President that a national campaign to inform young people about drug abuse is a solution to a problem threatening our future generations?	43	37	20●

SELF-HELP PROGRAMS BELONG IN THE BUDGET

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. SOLARZ. Mr. Speaker, as we debate the budget proposal of the House Budget Committee, I would like to bring to my colleagues' attention the fact that the administration's proposal has deleted funding for important self-help programs that have made a significant impact on the lives of millions of Americans.

Despite this administration's rhetoric about the need for the Federal Government to support self-reliant programs and to respect local community initiatives, OMB has decided that the small funds used to support such programs as the Consumer Co-op Bank, the Office of Neighborhood Self-Help in HUD, and the Solar Energy and Conservation Bank must be eliminated.

Last year HUD's Office of Neighborhood Self-Help was able to generate $14 in local resources for every Federal dollar spent. The National Co-op Bank had planned to make loans to 88 co-ops across the country this year to enable their members to cut energy, housing, and food bills. This bank was funded by the Congress, but by 1985, its co-op members would have owned its stock and returned the investment of the Federal Government. Low and moderate income families had hoped that Solar Energy and Conservation Bank loans at small subsidies would have allowed them to make renewable energy and conservation improvements that would have cut their heating bills and saved energy. Something that a prime rate of 18 percent makes impossible.

As someone who believes strongly that the Federal Government should be encouraging and stimulating more self-help activities in the neighborhoods and communities of this country, I would like to bring to the attention of my colleagues that the budget resolution reported by our committee restored $100 million in funding for the Solar Energy Bank and the National Consumer Co-op Bank.

Mr. Speaker, an excellent article on these self-help programs was published in the Washington Star, and I submit it for the benefit of my colleagues in today's RECORD.

The article follows:

PUT OUR MONEY WHERE THE SELF-HELP IS

(By Bruce Stokes)

President Reagan rarely misses an opportunity to trumpet his administration's devotion to the traditional American virtue of self-reliance. His proposed 1982 budget belies this commitment, however, by cutting to the quick nearly every federally-funded self-help program. The elimination of programs designed to enable the poor to escape dependence on the public sector suggests that conservatives are mainly interested in self-help for the rich.

America's small towns and city neighborhoods are a reservoir of human resources that can be mobilized to solve energy, housing, and food programs at the local level. A recent Gallup Poll indicates that two out of three citizens are willing to participate in such community betterment activities or to assist in social service tasks. But these resources are often unfocused. Citizen efforts often need a helping hand in the early stages; the government can provide the professional skills and financial resources they lack.

One of the legacies of the Ford and Carter administrations was a federal commitment to use tax dollars to help people help themselves. Washington now supports urban gardening and homesteading programs. It provides incentives for energy conservation and the use of solar energy. And it loans money to cooperatives that save consumers money and to employee-owned factories that enable workers to save their jobs.

GREAT LEVERAGE

In these and similar self-help programs, a relatively small amount of government money can leverage larger amounts of private capital and voluntary services. For example, the Office of Neighborhood Self-Help Development in the Department of Housing and Urban Development estimates that for every dollar it invests in self-help projects, $14 is contributed from local resources. Few government programs can boast of such a return on the public's money.

The Office of Neighborhood Self-Help Development is one of the programs now waiting for the budgetary ax to fall. This office provides direct grants to urban and rural community organizations for use as investment capital in revitalization projects. In the barrio neighborhood in Tucson, a Chicano group has employed federal seed money to establish a factory to manufacture adobe brick, while a community association in South Portland, Maine, is using a grant to reconstruct fishing piers in order to bolster the local fishing economy.

The Office of Management and Budget argues that these activities duplicate the efforts of the Neighborhood Reinvestment Corporation and that, in any case, block-grant funds in the 1982 budget will be available for self-help purposes. But the Neighborhood Reinvestment Corporation is a lenders' institution, constrained by participating banks' reluctance to extend credit in the poorest neighborhoods. Moreover, a block-grant approach forces neighborhood self-help groups to compete with downtown developers for funds. The inherent inequality of this competition was one of the reasons programs such as the Self-Help Office was created in the first place.

OMB Director David Stockman also proposes revoking the Charter of the National Consumer Cooperative Bank. The Co-Op Bank was established in 1978 to provide cooperatives with access to technical assistance, and credit at market rates of interest. The tenants of Town Center on Sixth Street NW in Washington, for example, are using a loan to convert their rental complex into a co-op, thus forestalling condominium conversion. The West Oakland Food Co-op has borrowed money to create the only food store within a three-square-mile-area of a black inner-city neighborhood in Oakland,

California. And the Chatham Park Village Cooperative in windy Chicago has a loan to purchase and install storm windows on its 550 units.

The administration says closing the bank will save millions of dollars. Such reasoning neglects the fact that most of these expenditures are loans that will ultimately be repaid with interest. OMB also moralizes that cooperatives that "provide services to their members economically and have expectations of continued good earnings and management should be able to obtain adequate credit privately." Congress originally established the Bank precisely because a Treasury study showed that the credit needs of consumer cooperatives were not being addressed.

This may be true, but consumers—especially low-income consumers—are often slow to respond to signals from the marketplace because they have difficulty obtaining credit for energy improvements. If the United States is to cut back rapidly on petroleum imports, then the shift to renewable energy resources must not be needlessly impaired by consumers' limited access to financing.

Cutting these programs will reduce 1982 federal budget outlays by $269 million. But it's a false economy. To date, Office of Neighborhood Self-Help Development projects have generated 4,500 jobs and more than 6,000 housing units, both at a cost below that of many other government programs. Co-op Bank loans that are now pending would help members of 88 co-ops cut energy, housing, and food bills. Without credit from the Solar Energy and Conservation Bank, many passive solar systems—which generally are not aided by tax-credit rules—would be too expensive for any but the wealthy.

In an era of fiscal restraint, the budgets of self-help programs cannot be spared from scrutiny. But abandoning all support for self-help efforts calls into question the administration's real commitment to citizens taking a more active role in solving their own problems.

SOLAR PROGRAM LANGUISHES

A third self-help program to be pared from the budget is the Solar Energy and Conservation Bank, which was to start up this year and provides subsidies on loans and a few grants for low- and moderate-income people to adopt renewable energy and conservation improvements. This program hoped to use the various small subsidies to encourage more people to build passive solar houses, retrofit existing homes with passive and active solar systems, or weatherize and insulate their dwellings. A buyer of a new passive solar home would be eligible for as much as a $5,000 mortgage subsidy, for example, while residents of multifamily dwellings could receive up to $400 per unit for conservation improvements.

The administration defends its action by saying that substantial economic incentives already exist for such investments as a result of rising energy prices and tax credits.●

MORTGAGE REVENUE BONDS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. FRENZEL. Mr. Speaker, today I am introducing a bill to amend a section of the mortgage revenue bond provisions included in the Omnibus Reconciliation Act of 1980. My bill would allow mortgage revenue bonds to be used in the financing of elderly housing cooperatives.

Public Law 96-499 currently includes a provision that states a person cannot have owned a house within 3 years of qualifying for a low-interest loan provided through the sale of tax-exempt bonds for housing. The intent of the provision was to direct this type of housing assistance toward first time home buyers. Unfortunately, it prevents another important group, the elderly, from utilizing tax-exempt bonds as a housing assistance tool.

Elderly housing cooperatives have been very successful as a means of providing a housing alternative for people over 60 who no longer need a detached single-family home, but who want to maintain their independence. The cooperatives have also been valuable in freeing up existing single family homes for young people just getting into the housing market.

In the past, mortgage revenue bonds have been used to provide financing for elderly housing cooperatives, enabling the sponsors of the cooperatives to offer units that are affordable to those with low and moderate incomes. Elderly housing cooperatives can comply with the purchase price limitations and other targeting provisions found in Public Law 96-499. Only the first-time home buyer clause is prohibiting them from going forward at this time.

It is my feeling that providing the elderly with an affordable housing alternative, thereby increasing the stock of existing housing for young home buyers, is a responsible use of mortgage revenue bonds that should be allowed to continue. It is my hope that actions to correct the current situation will be taken by Congress this session, and that hearings on this proposal can be scheduled in the near future.●

BREAST MILK SUBSTITUTES—A CONTINUING CONTROVERSY

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. HORTON. Mr. Speaker, the World Health Organization will soon take up a draft international code for the marketing of infant formula and other breast milk substitutes. For several years, the Organization and other interested parties have debated whether there should be an international code, whether current marketing practices should be curtailed, and whether the world community ought to register its collective voice on the issue. It is a complex and troubling debate with advocates on both sides of the issue arguing forcefully for their respective positions.

Earlier this year, I submitted an edited commentary on the deliberations of the World Health Organization in Geneva, Switzerland. At this time, I would like to insert a recent Washington Post article which, in my opinion, threads a careful and thoughtful path through the fabric of this ongoing international issue. I commend the following article to my colleagues:

GOVERNMENTS TO VOTE ON WORLD CODE

(By Jonathan Power)

LONDON.—The baby food war, a good six years old, is heating up. In early May at the World Health Assembly, the United States and other governments will be asked to vote on an international code limiting the marketing practices of the major baby food companies.

It was all begun by a British journalist, Mike Mueller, who in 1974 wrote a pamphlet "The Baby Killer" for the British relief agency, War on Want. It accused Nestlé and other baby food companies of promoting bottle-feeding in poor countries at the expense of breast-feeding, leading to a sharp rise in infant mortality rates.

Only when the report was republished by a Swiss organization and retitled "Nestlé Kills Babies" did it attract notice.

Since then, the baby formula campaign has gained increasing numbers of adherents, not only from social action groups, but from the churches, noted pediatricians, and not least from senior officials in the World Health Organization and the U.N. Children's Fund.

UNICEF's wise and perceptive executive director, James Grant, has observed that if we can "promote and protect the practice of breast-feeding, we can save 1 million infant deaths each year in the 1980s."

Perhaps this seems an extraordinary claim, but in fact the abandonment of breast-feeding in Third World countries has gone so fast that there is little reason to doubt its accuracy.

In Chile 20 years ago, 95 percent of 1-year-olds were being breast-fed. By 1975 it was down to 20 percent. Research has shown that Chilean babies who were bottle-fed during the first three months of their life suffered three times the mortality rate of those who were exclusively breast-fed.

The baby food companies in their defense say two things. First, the fall in breast-feeding is not their fault—life styles are changing all over the world. Women want to work and want a substitute for nursing.

Second, they say, they have become increasingly careful about their promotional techniques, admitting in a kind of backhanded way that the criticism ranged against them has had some impact.

But to what extent are life styles changed by commercial pressure? It is difficult to be precise, although one can assume that the

companies would not waste their money on advertising if it did not show some return. The fact is that the infant formula companies package and promote their product in shops, nurseries, clinics, hospitals and in the media in such a way that women of poor countries struggling to be emancipated and modern, are easily swayed.

It's not difficult to understand—women in industrialized countries went through this experience themselves only a generation ago. Now the pressures are working the other way and in Britain, for example, 63 percent of mothers breast-feed, more than double the proportion 10 years ago. Western mothers are now being told firmly and strongly by their doctors that breast milk is best, more nourishing and confers protection from viral and bacterial attack.

These are all good reasons for cutting down the pushing of brightly presented alternatives in the Third World, where health education is much less developed then in the industrialized countries.

In October 1979, WHO and UNICEF convened a special meeting on infant feeding which recommended an end to various marketing approaches. In practice the 1979 recommendations have too often been ignored.

One wonders why the companies go on, despite the criticism. The fact is it is a highly competitive $2 billion a year business and as European and North American mothers go back to breast-feeding, new markets have to be found.

This is why the WHO-UNICEF mandatory code is needed. And once it is passed, governments need to legislate to make sure it is enforced.●

THE REVIVAL OF AMERICA

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. SKELTON. Mr. Speaker, recently, I had occasion to be part of a flag ceremony program at Walker High School in Vernon County, Mo. A young student, Steve Cubbage, made an address which was truly inspiring and quite patriotic. I offer Steve Cubbage's speech for the RECORD at this time:

THE REVIVAL OF AMERICA

Unprecedented in the history of the world is the explosion of social, political, and technical advances that have occurred in this country. America, in the brief span of 300 years has grown and developed into the greatest nation on the face of this earth. From the early 1700's to the present, the people of this country have worked together to produce some of the greatest accomplishments ever achieved by mankind. It was American ingenuity that accelerated the rate of travel from the gallop of a horse to more than three times the speed of sound. It was American ingenuity that advanced communications from the pony express to the instantaneous message; and it was American ingenuity that put the first human footprint on the surface of the moon. Credit for our success as a nation belongs to all.

The one major element that has determined why so much success and prosperity happened here in such a short time, is our unique form of government. It is a government which strikes a working balance between the rights of the governed and the rights of the government itself. The American people are blessed with many freedoms that people of other nations can only dream about. In America you have the freedom to worship, to learn, to assemble, and to debate any issue. America is a land where a family can find its own home. It is a country where the voices of the people will be heard, and you are free to come and go and seek a better life. Let it be our duty as Americans to continue to uphold the concept that everyone has an equal right to life, liberty and the pursuit of happiness, as expressed in the Declaration of Independence. When these rights are maintained and upheld we will have done justice to that inspirational statue in New York Harbor, that its French sculptor once called "Liberty Enlightening the World."

Today America is troubled by the perils of double digit inflation and a blundering economy. The belief in an even better tomorrow and an easier way of life is the desired goal of every American, but recently this belief has become corroded by uncertainty and doubt. Our American industries have taken a back seat to those productive wizards across the sea. The occurrence of two recent events has shown us that our nation has become relatively powerless and that it has lost much of its clout it once had in this world: these two events are of course the Soviet invasion of Afghanistan and the Iranian hostage crisis. All this turmoil and crisis has dealt a serious blow upon the American people's confidence in the future. Americans feel as if they were riding on a runaway merry-go-round with no where to get off.

America's troubles are genuine, but they are not unsolvable. There must be a revival of that inspirational spirit which dwells in the heart of every true American. This is the same spirit which in the past has brought forth the people who have worked together with imagination, vitality, and persistence. These people produced commerce, industry, and communications, and transportation beyond anything this world has ever seen. Recently this spirit has become entrapped inside the hearts and souls of the American people. This is because the good life we once knew has turned into a treadmill, thus shaking our confidence in the future. America's troubles are attributed to changes at home and abroad which have brought about a lack of will, failure of nerve, and a moral decay in the attitudes of the American people.

The time is now for a great and disciplined effort on the part of the American people for the renewal of America. The real renovation of America must begin in the hearts and minds of the people of this country. America has entered a new and promising decade, with it comes the first real chance to put behind us all the notorious wounds of the past 15 years. However, the American people must realize that America will get better only when Americans are convinced that it is up to them to make it better. Success in all this will depend on renewal in the region of intellect and spirit. It will require maintaining our already contested lead in science and technology, and also developing a versatile energy policy, which is not hampered by such things as the hysterical fears of nuclear power. Success will also require a nation that is far better educated than we are now. We must view education not as a right but as a privilege. Through the gifts of education and knowledge the people of this nation will be able to open the door to a brighter and more prosperous future. Most of all it will take people who feel a sense of responsibility for themselves, for their communities, and for the country in which we live.

To believe in an American Revival one must believe in the abilities of individual Americans. Success will not come easy and it will be accomplished at a considerable price. It will require patience, a virtue very rare in America, In the end the revival of America will be achieved by the people who went about their lives with courage and patience, faith and optimism, and the conviction that obstacles still exist to be overcome and that the United States has a strong and beneficial role to play in this world. This dream will come true because this is a land where nothing is impossible and the American people have the freedom and the desire to make dreams come true. The sun will rise tomorrow, with it comes the beginning of a new age and the rebirth of America.

Today more than any other time in America's history we need to renew our faith in the Spirit of America. I hope my observations will help each of us realize our part in this American Renewal.●

FIGHT INFLATION, SUPPORT THE PRESIDENT

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. JEFFRIES. Mr. Speaker, much ado has been made in recent days about the administration's budget cuts. Everyone likes the idea but few are willing to take the cuts. Members of the House Budget Committee continue to hear that the budget cuts in X are greater than X's total percentage of the budget, and are therefore not fairly distributed. I submit that this common complaint is an indication that the cuts are indeed fair and across the board.

We cannot continue in our present course. Federal spending must move away from carte blanche mentality if runaway inflation is to be controlled. Double-digit inflation, a phenomena particular to this generation, need not be a lasting characteristic if we begin to act responsibly. The President's proposed budget for fiscal year 1981 is a workable budget and a step in the right direction. Let us not drag our feet, but act quickly to implement the necessary cuts.

The lasting solution to inflation has its roots in private enterprise. Business must feel free to invest and grow; this cannot be the case if Government spends more than its takes in. A healthy business environment must include a stable money supply and investment incentives. How can this healthy environment exist if Government does everything to discourage it by continuing its irresponsible fiscal policy. Americans can no longer tol-

erate Government which takes an ever-increasing share of the GNP.

Finally, if America is to have a New Beginning we, as Members of Congress, must not be afraid to make politically unpopular decisions; that is, cutting Federal programs. The time has come for Congress to make some hard decisions concerning our priorities. Which is more important, lavish Government spending or a strong America? We can't have both.●

WILL CUTTING VETERANS BENEFITS DOOM THE ALL-VOLUNTEER ARMY?

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. FITHIAN. Mr. Speaker, surely one of the most disturbing and dangerous of the budget cuts proposed by administration Budget Director David Stockman are the cuts affecting the Nation's veterans. In budget documents submitted by OMB to the Congress, Mr. Stockman naively asserted that many veterans programs represent unwarranted beneficiaries or payments, and that Federal personnel and overhead costs and program waste and inefficiency must be reduced by closing 91 VA facilities across the country. Veterans from all corners of the Nation are rightfully appalled by these claims. Fortunately a number of administration officials—including the President himself—appear to understand the link between fair treatment of today's veterans and today's recruitment of tomorrow's veterans. Nowhere are the discrepancies between Budget Director Stockman's proposed cuts for veterans programs and the need for strong enlistment incentives for today's recruits more articulately voiced than in the recent column written by Philip Geyelin, herein reprinted from the Washington Post.

The article follows:

[From the Washington Post, Mar. 23, 1981]

A NOBLE CAUSE LOST?

(By Philip Geyelin)

Much has been made, and quite rightly, of the Reagan administration's decision to shut down some 91 "storefront" counseling centers for Vietnam veterans across the country. But that is only the first wave of the assault on Vietnam War veterans by David Stockman's Office of Management and Budget.

As if by the most careful calculation, OMB has gone through the federal budget and neatly excised programs of the Labor and Education departments, as well as the Veterans Administration, specifically designed to help those who served in the military in the Vietnam years. Marked for extinction are efforts to hire the disabled; to find jobs for the unemployed; to promote education and vocational training; to deal with psychological readjustment; to ease the anxiety and provide medical attention for those fearful of exposure to the toxic effects of the dreaded herbicide Agent Orange.

Says one Vietnam veteran advocate in the Labor Department: "It's a wipeout of the only benefits that we were able to get in all of the last 10 years." Total savings: $70 million—less than one percent of total VA outlays.

Now where, you might ask, does this special pleading fit into a column regularly devoted to foreign policy and matters having to do with national security? I would turn to President Reagan's own spoken record to make the connection.

"Because our national security is so dependent upon the people in our armed forces, we must do all in our power to assure that they are of the highest caliber," Reagan told the American Legion last year, in mid-campaign. "The key to building and retaining effective military forces is to encourage people to pursue a career in the services of their choice."

One way to "attract and retain superior people," he went on, is "to restore the GI Bill, one of the most effective, equitable and socially important programs ever devised."

True to his word, the president is supporting a new peacetime GI Bill to provide education and other benefits for the military veterans of the future. But in the very same budget he would strip away a provision that would have extended for another two years the expiration date of GI Bill education benefits for those who served in the time of the Vietnam War.

That is precisely the part of the connection between national security and public policy on the treatment accorded Vietnam veterans that the president and his budget-cutters can't seem to make. In their efforts to make military service more attractive, respectable, honorable—to lay to rest that part of the so-called Vietnam syndrome—the government would dangle the carrot of aid to education and other compensation for time lost and service rendered. The hope would be to avoid having to use the stick of conscription.

But just how enticing is that carrot likely to look to potential volunteers when, at the same time, comparable benefits for the most recent generation of veterans are among the first items singled out for budget cuts in a government economy drive?

You think the present generation of potential veterans won't notice? Perhaps. But it won't be for lack of effort by the Vietnam veterans, already thoroughly aroused by Stockman's handiwork. Their numbers, you could say, are relatively small: Some 9 million men and women were in uniform in the Vietnam years, of which about 2.6 million actually served in the combat zone. And it is often said that the Vietnam experience for most veterans was, in fact, not all that much more stressful than in other wars.

But more than enough respected psychologists and psychiatrists have come up with persuasive evidence that just as the war was distinctively destructive, so was its emotional impact on many of those who were caught up in it and its aftereffects.

Last year, in his famous defense of the Vietnam effort as a "noble cause," Reagan was at pains to note that "we have been shabby in our treatment of those who returned." Last month, hailing their valor, he talked of Vietnam veterans, not as having been "defeated" but as having been "denied permission to win."

Does it not occur to him that this experience alone must have taken some considerable emotional and psychiatric toll?

Psychologist John Wilson, director of a definitive study, "The Forgotten Warrior," argues that "appallingly few psychiatric people know anything about Vietnam veterans—they are misdiagnosed, mistreated." He estimates there are a half-million or so alienated Vietnam veterans beyond the reach of conventional VA medical help.

Hence the 91 VA "outreach centers" in modest, unforbidding storefronts, manned largely by fellow Vietnam veterans. Those are the community-based operations David Stockman would disband, on the ground that the established facilities of the federal government can do the job.

That is not only "shabby." It is also an invitation for a "single issue" political outcry that, however indirectly, cannot help having serious repercussions for the military services—and, by extension, for national security.

When the supplemental appropriations bill for fiscal year 1981 comes to the floor later this month, I intend to offer an amendment which will transfer funds from Army Corps of Engineers water projects—projects left virtually untouched by the Director of OMB—to veterans' programs earmarked for substantial cuts. Construction of water projects can be slowed until we find our way clear of the current fiscal crisis. Our Nation's veterans—and the hundreds of thousands of young men and women we hope to recruit into the Armed Forces over the next few months—will not wait.●

PERSONAL FINANCIAL STATEMENT

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. LONG of Maryland. Mr. Speaker, each year at this time I make a voluntary disclosure of income, taxes, and liabilities.

For 1980 I paid a total of $24,884.68 in taxes, including $20,848.43 income taxes, and $4,036.25 in property and sales taxes.

My chief source of income was $60,662.50 salary as Congressman. Other income included: an annuity of $1,338.15 and dividends of $788.33 from the Teachers Insurance Annuity Association (TIAA); $267.62 from the College Retirement Equities Fund (CREF); gross rents of $6,000 from my farm and $3,700 from my townhouse both located in Harford County; $200 from the Sunpapers for two articles; and $12.80 in interest from savings.

Following my longstanding policy, no gifts from constituents or interest groups, however small or in whatever form, were accepted by me or my staff—not even flowers or fruit.

As of May 1, 1981, real property consisted of my home in Ruxton purchased in 1946 for $32,000; a 112-acre farm in Harford County bought in 1965 for $118,000; and a townhouse in

Harford County bought in late 1979 or $47,900. My farm and my Ruxton home are free of debt. My mortgage for the townhouse (Yorkridge Federal Savings and Loan Association) is $38,094.

Contributions to the Federal Retirement System for 1980 totaled $6,470.08. In nearly 19 years as a Congressman, I have contributed a total of $59,160.00 to this fund (which cannot be withdrawn in cash). Estimated capital value of my Teachers Insurance Annuity Association policies (not convertible into cash) was $16,907.27.

Other assets as of January 1, 1980, include a 1980 Regal Buick, valued at $7,000; a 1977 Volare Plymouth station wagon, valued at $2,100; shares in the T. Rowe Price Prime Reserve Money Market Account valued at $2,000; home rugs and furnishings, my wife's jewelry—nearly all inherited—clothing, and a checking account sufficient to pay current bills.●

HOLOCAUST: IMPORTANT LESSON FOR THE WORLD

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. DORNAN of California. Mr. Speaker, most of us have had the opportunity to personally discuss the horrors of the holocaust with survivors of the Nazi concentration camps. An esteemed Member of the other body is himself one such person who outlived his inhuman captors. These who endured provide us a valuable legacy. They remind the world that so-called civilized societies are capable, if unchecked by a strong moral conscience, of committing the most horrendous atrocities.

Unfortunately, there are those who would reject this lesson by denying that the holocaust ever occurred. Recently, a concerted effort has been made by an organization calling itself the Institute for Historical Review to discredit the testimony of both our GI's who broke into the World War II death camps and of the skeletal survivors that our soldiers liberated. Ignoring the physical evidence of the camps, the remains of thousands upon thousands of emaciated victims, as well as voluminous documentation, this so-called institute would have us believe that the holocaust is a macabre fabrication. How utterly sick.

An excellent editorial from a major newspaper in the district I represent forcefully outlines why decent people everywhere must resist this holocaust denial. I commend to my colleagues the following Santa Monica Evening Outlook editorial:

DECENT CITIZENS MUST FIGHT HOLOCAUST DENIAL

Some countries—most notably the Soviet Union—are famous for their revision of history to suit themselves. People or events which offend the official line are simply written out of history as if they never existed.

Following in these spiritual footsteps is a Torrance organization, the Institute for Historical Review, founded about two years ago by William Carto, the treasurer of the Liberty Lobby, an ultra rightwing group. Carto's purpose in founding the institute, is to prove that the Holocaust—the wholesale massacre of Jews by Nazi Germany—never happened.

"The Holocaust is about as real as the emperor's new clothes," says the Institute's director, Lewis Brandon, who finds it remarkably easy to ignore the mounds of bones, disregard the reports of people who survived the concentration camps, and dismiss the eyewitness accounts of American soldiers who finally burst through the gates of Dachau and other camps to discover the transcendent horror of this ultimate inhumanity.

Brandon's attempts to make the rest of the world believe in his dogma include publishing a pseduo-intellectual journal—The Journal of Historical Review—and offering a $50,000 cash reward to anyone who can prove "that even one Jew was gassed in a Nazi concentration camp, as part of an extermination program." In addition, he's also offering a reward of $25,000 for anyone who can prove the authenticity of the Diary of Anne Frank.

A Long Beach businessman, Mel Mermelstein, presented Brandon with a claim for payment of the $50,000 citing as his evidence an affidavit of his experiences in the Auschwitz and Birkenau camps in Poland in 1944. When Brandon refused to pay, Mermelstein sued. His case—for $17 million claiming breach of contract and "injurious denial of established fact"—is pending in L.A. County Superior Court.

Brandon also refused to pay $25,000 to renowned Nazi-hunter Simon Wiesenthal, even after Wiesenthal offered to produce an expert from the Royal Institute for War Documentation in Amsterdam to vouch for the authenticity of the Diary of Anne Frank.

In other times, it might be easy to dismiss both the Institute and Brandon's efforts as those of cranks and eccentrics. But the current resurgence of anti-Semitic vandalism not only in the Los Angeles area, but in the world at large, forces us to sit up and pay attention.

Efforts such as Brandon's cannot be allowed to succeed. For while there are hundreds of thousands of Holocaust survivors alive today to testify to the horrors of the camps and to reveal the intellectual and moral bankruptcy of Brandon's efforts, what will happen 20 or 30 years from now when those voices too are silenced by death?

Brandon and the others like him have a First Amendment right to write and publish their hate-filled revisionism; we wouldn't advocate denying them that right. But we also believe that efforts such as those made by Messrs. Mermelstein and Wiesenthal should have the strong support of every decent American—Jew and non-Jew. Lies and half-truths cannot go unchallenged, for to allow that only gives them strength and credibility.

That challenge must come from decent people every day, for the truth competes with falsehood in the most unlikely of forums: Cocktail conversation, casual discourse and a few words exchanged at a morning coffee break are all powerful opportunities for the truth to triumph or suffer.

The decent person who remains silent while a neighbor or co-worker argues for a lie is as gulity as the liar. The German people were decent people, but they remained silent while Jews were hauled off in cattle cars and exterminated. We cannot remain silent for in the end, no person is free as long as one person is oppressed, and oppression cannot survive in a society where the truth prevails.

Anti-Semitism as an evil tradition has been with us for thousands of years, and it will probably remain for thousands more. But it must be controlled by the combined voices of millions of decent people who raise their voice for the truth.●

FEDERAL FIREFIGHTERS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. CLAY. Mr. Speaker, today I am introducing legislation which would eliminate a glaring inequity in the treatment of Federal firefighters by reducing the regularly scheduled Federal firefighter workweek from 72 to 56 hours. The bill also authorizes the payment of 25 percent premium pay and overtime pay for any hours in excess of the 56-hour workweek.

Federal firefighters currently work a scheduled 72 hours per week, for which they receive about the same pay as most municipal firefighters receive for an average 54-hour week. While the Fair Labor Standards Act extended special overtime provisions to all fire and police personnel, including Federal, mandating the payment of overtime for all hours in excess of 54 hours per week, under a decision of the Comptroller General, Federal firefighters working 72 hours per week receive only one-half time, not time and one-half, for each of the 18 hours of overtime they are required to work each week.

The rationale for this payment scheme was that since Federal firefighters receive regular pay, which includes 25 percent premium pay, for each of the 72 hours they work, they are only entitled to receive one-half time their regular rate of pay for the 18 overtime hours. What this has meant to the average Federal firefighter—GS-5, step 4—is the payment of approximately $1.85 per hour for 18 hours of overtime. As a result, the Federal service has experienced difficulties in retaining high quality personnel, with many firefighters leaving to work for municipal fire departments.

Recognizing the inequity of the 72-hour work week, the 95th Congress

passed an identical bill, H.R. 3161, with wide bipartisan support in both the House and Senate. However, the President vetoed the bill on the basis of arguments set forth by the Civil Service Commission during the consideration of the bill. Those arguments were rejected by both the House and Senate Civil Service Committees for various reasons.

The first point of contention was that the legislation did not reduce premium pay for Federal firefighters, arguing that premium pay should be reduced when hours are reduced. This argument was based on a faulty interpretation of premium pay provisions.

Under existing law, Federal employees who regularly perform substantial amounts of standby duty beyond a normal tour of duty are entitled to receive additional compensation in lieu of overtime, night differential, Sunday and holiday pay. This sum is called premium pay. It is a percentage, not to exceed 25 percent of an employee's base pay. The actual percentage of premium pay which an employee receives is fixed by the Office of Personnel Management on the basis of overtime, nights, Sundays, and holidays worked. The 56-hour workweek would meet each of the criteria for full premium pay, and is therefore justified under current law.

The second major objection to the legislation was that it would impair the ability of the heads of Federal agencies to manage the work force. I must point out that no provision of the vetoed bill would have had this effect. The legislation simply said that "the regularly scheduled administrative workweek of Federal firefighters shall be an average of 56 hours per week, computed on the basis of a period of 21 consecutive days." It went on to provide that "the duration and frequency of work shifts occurring within such period shall be determined under regulations prescribed by the Civil Service Commission." It seems that this provision would fully permit agency heads to manage Federal firefighters.

The third and final objection to the House- and Senate-passed bill was that the Department of Defense would be required to hire 4,600 new Federal firefighters at an annual cost of $46.7 million. Defense Department estimates must be questioned, and were rejected by both the House and Senate, in light of Congressional Budget Office estimates that only 2,200 new Federal firefighters would be needed if the 72-hour workweek were reduced, at a cost of $24.3 million.

One final point: Throughout consideration of the vetoed bill, the reduction of the Federal firefighter workweek, along with the continuation of 25 percent premium pay, was regularly characterized as some sort of a windfall by those opposing the bill. I must point out that the provisions of H.R. 3161 would have decreased the average Federal firefighter's weekly paycheck by approximately 9 percent. Furthermore, comparisons between Federal firefighter locals and corresponding municipal locals revealed that municipal firefighters earned at least $500 more per year for an average 54-hour workweek, with Federal firefighters working 33 percent more hours per week. Under these circumstances, the depiction of this bill as a windfall for Federal firefighters was and remains unwarranted.

I believe that this discussion of the issues involved completely supports our arguments that Federal firefighters continue to be treated unfairly by the Federal Government in terms of work hours and compensation. I have therefore introduced this bill, and expect both the House and Senate to lend their support once again, so that this unfair treatment of Federal firefighters may finally be rectified.●

THE MYTH OF THE OVER-PRIVILEGED AUTO WORKER

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. FORD of Michigan. Mr. Speaker, last week's Wall Street Journal contained a column by Douglas Fraser, president of the United Auto Workers, that clearly explodes "The Myth of the Over-Privileged Auto Worker."

The real problem facing the auto industry today is not high wages or expensive gasoline, it is high interest rates. Mr. Speaker, I should like to call Mr. Fraser's cogent remarks to the attention of my colleagues as we embark this week on a discussion of a national economic policy—a policy as proposed by Mr. Stockman that may lead the country to even higher interest rates and greater budget deficits.

[From the Wall Street Journal, Apr. 27, 1981]

THE MYTH OF THE OVER-PRIVILEGED AUTO WORKER

(By Douglas A. Fraser)

As he reviewed the annual May Day parade, Soviet President Brezhnev is said to have asked and aide who the well-dressed civilans were who marched alongside the soldiers. Told they were economists, Bezhnev demanded to know why economists were in the ranks with the military. "You'd be surprised at the damage they can do," the aide responded.

One group in America that can attest to the damage at least some economists can do is the nearly 200,000 auto workers who have been laid off for months with little hope of returning to work soon.

Having suffered an import invasion and a regional and sectoral depression caused by economic and sectoral depression caused by economic policies designed to battle inflation with high unemployment, auto workers lately have endured attack after attack from certain economists who want to blame wages for the U.S. auto industry's slump.

You can't pick up a newspaper or turn on the tube without being subjected to the handwringing of a Peter Drucker or a Paul McCracken. Their message: Auto workers are gluttons whose greed has brought about the decline and fall of the big Three.

FORTY PERCENT OF AMERICANS EARN MORE

Before accepting the myth of the overprivileged auto worker, consider the following:

An average auto worker at General Motors who worked a standard 40-hour week in 1980 earned $21,456, about $1,700 less than the $23,180 the federal government said was required for a modest standard of living for an urban family of four. Nearly 40% of working Americans earn more than the average auto worker.

Despite cost-of-living increases, the auto worker, like most other workers, suffered a *decrease* in real purchasing power last year because of inflation.

Where the U.S. Big Three auto worker's hourly labor cost is 56% above his or her Japanese counterpart, the typical U.S. auto manager outearns his Japanese colleague by some 700%.

The percentage of the corporate dollar going to labor costs has remained essentially the same for many years, as have auto workers' wages as a percentage of sales.

None of this is to argue that auto workers have failed to negotiate good labor agreements over the years. Their success in winning a decent standard of living—now under such direct attack—is an accomplishment of which they can be proud.

The UAW's bargaining gains in the auto sector occurred because it is a high productivity and high profit industry. The auto worker's slice of the economic pie has been decent, because his or her labor helped bake a pie that has been large. Despite six cyclical downturns, productivity increases in the auto industry have averaged 3.4% since the 1950s—outstripping by far the manufacturing sector average. The slippage since 1978 can be traced to low capacity utilization. Those who cite the gap between auto wages and manufacturing wages conveniently ignore the fact that over any 10-year period one chooses, productivity and profitability in the auto sector have also run ahead of the manufacturing sector average.

The UAW over the years has not opposed the introduction of new technology into the workplace, because we understand that decent labor settlements depend on that productivity growth. The union believes that the benefits of higher productivity should not accrue just to Big Three executives and shareholders, but to the workers (through improved wages and benefits) and consumers (through price moderation and higher quality).

The productivity of the U.S. auto sector continues to remain among the highest in the world. Despite the closing of the gap between the U.S. and Japan due largely to our industry operating at under 60% of capacity, the U.S. economy can produce a small car in just about the same number of labor hours as the Japanese economy.

At the same time that gap has narrowed, auto workers' wages in other countries have been increasing more rapidly than in this country. The Bureau of Labor Statistics calculates that hourly compensation from 1975

to 1980 in the motor vehicles and equipment industry increased 101% in Japan and West Germany, and a far lower 68% in the U.S., despite higher U.S. inflation.

Hourly compensation today of U.S. auto workers no longer significantly exceeds that of our industrial trading partners, except Japan. In several cases, such as West Germany and Belgium, real labor costs per hour actually exceed those paid here. And in many countries, auto workers' job security and input into corporate decisionmaking far exceed what U.S. auto workers enjoy.

Japan's tremendous gains in the auto export sector can be attributed in large part to the lower wages paid auto workers. Companies such as Nissan and Toyota currently reap the benefits of high productivity, while they pay wages as if those workers were employed in an auto industry with the productivity level of Mexico, Spain or at best Italy.

High productivity, in other words, doesn't earn auto workers decent purchasing power in Japan. Where it takes a U.S. worker the equivalent of 600 hours of straight time pay to buy a Dodge Omni, a Japanese auto worker must labor for 1,100 hours to buy a comparably equipped Toyota.

Much of our country's economic growth has come because workers' wages have been sufficient to enable them to buy products which in turn have created jobs and prosperity. One has only to go to the new Ford plant in Valencia, Spain, with its postage-stamp size parking lot, to recall our own early days when no one earned enough to afford to buy the cars they built. No one has a bigger stake in the fight to remain competitive with foreign producers than the worker. Yet the answer does not lie with rolling back workers' wages to the levels paid in Japan or Korea or Brazil.

The ripple effect of that would be devastating for the American people. Decent wages don't benefit just the worker. They benefit the small merchants where the worker shops, the real estate agent who sells him a house, the company that builds the TV set he buys, the insurance agent who sells him a policy, the dentist who treats his kids' teeth, the school district where his taxes pay the bills and on and on.

Competing on wages with countries that share only minimally the benefits of productivity with their workers can hardly be an appropriate national goal for America.

Still the economists and pundits clamor for wage cuts in a climate that must be the worst for the auto industry since the Great Depression. Quick to demand a sharing of sacrifice, they remained silent when the issue was a sharing of abundance.

The chairman of GM recently urged auto workers to "come to the party" by reopening labor agreements and, presumably, forgoing gains previously agreed to by the company. No one at GM, however, suggested auto workers come to the party in mid-contract when GM posted 1978 profits of $3.5 billion.

DISSERVICE TO THE WORKERS

Those who have attempted to depict wage levels as the cause of the auto crisis do a disservice not only to the workers who are suffering from the downturn, but to the broader public, because attention is diverted from the real causes of the industry's problems.

To get the auto industry moving again, the government must abandon the discredited strategy of purposefully engineering recession to attack inflation. Interest rates in the 16% to 20% range absolutely devastate auto sales as loan money dries up and dealers become unable to carry cars in inventory.

The Reagan administration should take actions that would stimulate the industry, such as tax credits for individuals who buy more fuel-efficient domestically produced vehicles and replace their older, less safe and more polluting gas guzzlers.

President Reagan must achieve meaningful and binding short-term restraints on Japanese auto exports during the [illegible]ate period in which the U.S. converts to compete in the small car sector. Equally important, the UAW has been arguing for m[illegible]ars that Japanese auto companies must be required to open plants in the U.S. where they currently have an $11 billion market.

Attacking these very real causes of the auto depression offers the best hope for rebuilding this crucial segment of our economy. While wages are not the real villain the Druckers and McCrackens make them out to be, labor-management relations may very well have to change as part of this process.

Rather than seeking to lower workers' already-eroding standard of living, why shouldn't we seek changes that will result in a bigger economic pie being baked through higher productivity, economic stimulus and fair trade and investment policies?●

RALPH ERDWIN, FORMER STATE REPRESENTATIVE AND SENATOR

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. SKELTON. Mr. Speaker, recently, with regret and sadness, I learned of the death of Ralph Erdwin of Concordia, Mo.

Mr. Erdwin was a member of the Missouri House of Representatives from 1941–45. He served the 45th district. In 1945 he was elected as the State senator from the 17th district, serving until 1948.

He was a farmer, auctioneer, real estate broker, and insurance agent.

Mr. Erdwin will be remembered for his service to his community and his State. I would like to extend my deep sympathy to his family.●

PHARMACY IN BOLD PERSPECTIVE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. ROSENTHAL. Mr. Speaker, I am delighted to have this opportunity to bring to the attention of my colleagues in the House of Representatives a speech recently made by Muriel Nellis, an author in her own right, and the wife of Joseph L. Nellis, special counsel to the House Judiciary Committee.

Mrs. Nellis' remarks were delivered at the 23d Annual Pharmacy Congress which was held at St. John's University in Jamaica, N.Y., which is in my congressional district.

Mrs. Nellis also wrote a recent best seller, "The Female Fix", about the problems of women becoming accidentally addicted to legal prescription drugs; and she was a member of the President's Commission on Mental Health. So she knows whereof she speaks.

Her address follows:

PHARMACY IN BOLD PERSPECTIVE

(By Muriel Nellis)

My colleagues in confusion; fellow hostages to the rhetorical whims of fiscal politics; my companions in troubled pursuit of pride and the American promise; caring consumers, service providers, students, professionals, scholars-in-survival, I am pleased to join with you in our human quest for direction and understanding.

Like modern-day followers of Diogenes, together we must try to find an honest, consistent national health ethic. On that path, we must not be mislead by the recurring political, economic or institutional signposts in double-speak jargon. As we search for answers, we must begin with the right questions and with knowledge that responses will differ, most from the particulars of perspective—a selective, rather than inclusive truth.

In his autobiography, "The Court Years", the late Supreme Court Justice Douglas made the point perfectly. He wrote about a story he told to a gathering of the Judicial Conference. A lawyer, invited to address other attorneys and judges worked prodigiously to prepare a scholarly paper on Roman Law. When we arrived at the hotel, in a distant city, he grimly discovered that he had left his paper at home. Since there was no way to improvise on that very technical subject, he decided to embark on a flight of fancy. To the delight of his audience, he talked for twenty minutes about sex. At home, a few days later, his wife asked him about his speech. What had he done in lieu of his forgotten paper. He responded: "Oh, I gave a talk on aviation."

Some time later, his wife met one of the conference dinner guests who remarked . . "Charlie gave us one of the most fascinating talks I have ever heard". His wife replied . . "Amazing. To my knowledge he has only tried it twice. The first time he got sick to his stomach and the second time his hat blew off".

Reaction is often a product of time, place, interpretation and depends on personal perspective—context.

More to our point, in the world of macroeconomics, Medicaid is a budget-drain that last year paid out twenty-one billion dollars in—(to quote President Reagan's Budget Statement)—"high federal contribution, excessive benefits' provisions and overly generous eligibility . . for a poorly managed, social program that fails to provide cost-effective services to those most in need". Thus, from the official White House view, the proposed cuts and limitations are appropriate measures, consistent with the Nation's desire to reduce the budget, constrain an unwieldy Federal presence in social issues and return responsibility to the states.

Pharmacy may see the Medicaid program, its fiscal and regulatory problems quite differently. Caps, constraints and budget-cuts

have been the antithesis of many individual and organized actions for change. The proposed Medicaid reforms will affect 70% of all pharmacies, 8500 convalescent facilities, 3500 hospitals, 110,000 practising physicians—and over 21 million recipients . . 35% of whom are elderly or handicapped.

Consider the impact on a community pharmacist. Many States, like New York's example, already beset by budget crises, face political disagreements that are transmitted to other jurisdictions, like Westchester County. The County executive charges that the State is passing the financing buck to local government. But, the owner of a Rye Beach Pharmacy faces immediate wholesaler bills, no reimbursement of Medicaid cash outlay—and, an elderly patient needing more digitalis.

Let us concede that Medicaid has grown in both runaway costs and problems. Let us also agree with those who are properly critical of this poorly managed program that, is in spite of its wanton appearance, it has virtuously improved poor people's access to health care, for the first time. In the past decade, this program may be responsible for reducing infant mortality by half.

Can we believe that this civilized nation's best interest—the health of its people—will be better served by disparate states' political, budgetary or regulatory agendas? There is little evidence to support that notion. Certainly, Congress' good intentions have, in this case as in others, run amok. But, was it simply because of federal red-tape? And before we further hobbled this human experiment, shouldn't we have first concerned ourselves with what went wrong and how? Shouldn't we be asking the same questions about other programs—even regulations—that have noble purposes, before deciding that their cost alone renders them expendable? What do we sacrifice for fiscal expediency?

Can we measure the benefits of reductions in funding and concommitant federal oversight against the risks of the thwarted ambitions of health care students, who will be denied scholarships; or against the proposed 84 million dollar cut in aid to health professions schools?

Perhaps we have passed the tolerable fail-safe point and cannot salvage these and other ambitious programs. Whatever the immediate and long-term implications, maybe this country is ready to pay the price in exchange of an elusive, promised stability. Out of this painful dilemma should come new wisdom, at least.

We could begin by altering our perspectives on too-broad, but catchy phrases like, "A balanced budget", "State's Rights", the bureaucracy, or "Anti-Regulatory", to name a few. Before applauding or condemning, let's cautiously examine the implications of adopting, dismissing or partially implementing the theories they only suggest.

Likewise, let us carefully scrutinize the legislative system that, for all of its hard work and good intentions, is too often distorted—I think, more by imprecision than by calumny.

Medicaid provides a good example of one kind of legislative sloppiness. At its inception in 1965, it was nothing more than another characteristic "add-on" to a health care bill for the elderly, that had been the subject of lengthy debate. But, however the various elements of a bill emerge and become law, the critical rules and regulations which attend to implementation are NOT designed, written or formally reviewed by the Congress.

Instead, the Executive Department and agencies having jurisdiction for managing budgets and programs described by the law assume responsibility for defining the "rules of the road". The Congress, having acted in full—often after lengthy, pre-passage procedures, including political, constituent and special-interest considerations, that affect substance and calendar alike—moves on. For the most part, thereafter, the progress and problems of those laws are reviewed in oversight and appropriations hearings, by the committee assigned in each body. Each success is viewed as universal, as a general rule. Problems are perceived as sporadic and only occasionally as part of a pattern.

I submit to you, if an oversight process was mandated, prior to promulgation of the various Departments' proposed rules, regulations and accountability requirements, many, foreseeable loop-holes, difficulties and inequities could be avoided. such an "early-warning" process would require additional time and labor—if not by congressional committee, then by GAO—and could be limited to major-impact legislation. Congress should look favorably on such a measure. It could provide some systemic insurance against predictable weaknesses or other shortcomings in legislative application, that often thwart their intent and confront us with crises.

As a rule, processes affect perception. Those beliefs shape perspectives and, over time, affect results.

That is a significant equation, even as it applies to pharmacy's assessment of its current posture and future course.

At local, State or Federal levels, government action is largely an embodiment of elected officials' responses to effective constituent demand. When excesses occur, they often reflect the zeal of some special interest. Some may be overly repressive. Others, overly expansive. Occassionally, measures are so obviously uneven in benefit that the overreaching hand of influence is grievously apparent. Equity is sometimes elusive, as you know. I should add here that sometimes a carelessly considered exception can become a useful precedent—even when other reasons or separate merit fail. In the case of anti-trust exemptions: The growing pressure on pharmacy to be heroic caregivers in the midst of a national health-financing crisis, should entitle it to some exceptional consideration. Bottled-up trauma is unhealthy.

Let's examine your condition further.

Each so-called "vested-interest" group must present a credible case and be in a position to represent that its mission is laudable to the larger, voting public. Does the pharmacy profession now enjoy such a presence? Does the existence or would the absence of pharmacy regulations alone strengthen or weaken pharmacy's posture? Or has pharmacy fallen victim to other subliminal factors and self-regulating, inhibiting forces within its own professional and industrial domains?

I propose that the survival of pharmacy depends on some introspective audit that recalculates real worth, re-thinks hierachical relationships and re-values the general public's high regard.

During the past two decades I have had the good fortune to have been involved in the passion-evoking issues of my time. I have been tested by the always, and never-changing political tools of rehetroic and transplant organ-systems in Washington. And I have been able to take some experience, insight and, often irreverent, communications skills throughout this country. I have listened and measured the common wisdon against institutional perceptions of the public mind. Small, distinct extremes aside, and notwithstanding degrees of difference—wrought by cultural, geographic or economic conditions—the people of this nation share many similar values, opinions and needs. They may not have always understood and therefore seldom trust either the medium or the message. But they judge the outcome, as it affects their lives. The views I offer here—with particular emphasis on the healthcare system and pharmacy—reflect those dimensions, along with well-earned, personal impertinence.

You must believe that most people feel poised uncomfortably on a health care precipice, more than on a frontier. The public hears mixed messages of drug benefits vs. risks, of professionalism (Quality Assurance) as against profits (cost-containment). Media coverage of local and national interest illuminates avarice, intra-disciplinary jockeying for privilege, patients and payment.

It is unsettling and raises understandable uncertainty about even traditional institutions and patient relationships—once unquestioned.

Although advances in scientific technology appear to offer new benefits in disease diagnosis and surgical techniques, there are nagging reservations about the efficacy and wisdom of the once-venerable "medical model" for maintaining good health. The air grows heavy with suspicion about both the scholarship and the motives of practitioners and their allies. An attitude of challenge is spreading and becoming a national mind-set. The popularity of "alternative" health providers and optional approaches to traditional therapies is increasing. These myriad activities, many of which are couched in controversy, at least signal a common disaffection with the existing medical industry and practises.

Situated, as it now is, at the end of the chain of distribution, pharmacy bears a particular burden and is increasingly vulnerable in this atmosphere of disregard. Pharmacists are perceived as just the final commercial link in an increasingly expensive system of uneven, uncertain, scatter-gun care. Most are physically removed from the view of the patient. Consequently, they are remote from advisory or empathetic interaction with people seeking relief, cure or assurance. Thus, whether owner or staff-employee, the contemporary pharmacist-merchant is seldom afforded the authority given physicians. Moreover, the frustration, even the concealed contempt of unsatisfied or chronically ill patients, feeling beleaguered by costs and discomfort, may be easily transferred to the pharmacist.

It is a bitter, ironic development.

Modern medical practice has been shaped by the progress of the pharmaceutical industry, becoming increasingly a chemically reliant system. Logically, that evolution should have simultaneously enhanced the role of pharmacy as an active, collegial partner with medicine. The public should have developed a picture of the pharmacist as an expert, an integrated professional.

But, the free market interposed other elements. The size and numbers and scope of the pharmaceutical industry grew, enormously. At every level, the market expanded. There was more—products, producers—prescription and over-the-counter, copy-cat and new combinations. Greater business opportunity was coupled with an expansive in-

vestment in promotion, merchandising and effective distribution. New outlets were sought for many items, now to be sold as just another line of consumer goods and mistakenly seen as safe from any shelf. Those developments, in an atmosphere of intensely drug-reliant medical therapy produced a diffuse, competitive marketplace. Pricing and shifting employment trends became dominant concerns and a tradesman image settled over pharmacy.

The status of professional pharmacy was diminished—and in more than patient relationships. The loss of esteem, whether individual or as a group is insidious. This pervasive pattern affected professional and government arenas, as well. It was evident in the virtual absence of pharmacy's voice or concerns on peer review boards, in health system agencies and legislation. In the halls of Congress and regulatory departments, pharmacy's presence was most often relegated to the halls.

This nation's people need pharmacists to step up and be counted. You are not expendable.

Since it is easier to be critical than to correct, let us form a common bond and resolve to do both, with a passion for change. We must take timely action to have impact on each process, help shape the system of beliefs, lest it continues to contort the outcome. Pharmacy must reclaim its professional place at every point in the health care continuum. Through distinctive and expanding education and training, there are critical contributions that each pharmacy specialty can be expected to make to the design and delivery of more precise, more efficient care.

A pharmacist belongs—on every hospital floor, in clinical practice, in community pharmacies, at every emergency room episode, in disease and research centers, in schools at every level, as consultants in every professional school of health and medicine, on each State and Federal board or commission related to physical sciences, as a trusted advisor to medical societies and practitioners, needing to "first do no harm" with drug choices or dosages, as a respected gatekeeper for those who produce and promote drugs.

That's pharmacy, in proper perspective. I can see it. You must give it life.●

PRESIDENT'S PROGRAM NEEDED

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. HUBBARD. Mr. Speaker, Brad Arterburn, P.O. Box 1222, Paducah, Ky., a city that I represent in Congress, has written a very thoughtful and comprehensive letter telling why we should vote for President Reagan's spending and tax cut program. I feel his letter is one which should be shared with my colleagues and I wish to do so at this time. The letter follows:

DEAR REPRESENTATIVE HUBBARD: I want to voice my support for President Reagan's comprehensive package of spending and tax cuts. We need this program in its entirety, not a shallow-gutted program. You know, as do all Americans, what we just went through on April 15th, if we were hard working enough to have earned anything at all.

Taxes and federal spending are ruining our Democracy. Government's responsibility is to protect life, liberty and the pursuit of happiness, not to tax the people to the hilt and spend that tax money (plus $985 billion more) on hundreds of socialized programs that cause our society to become more and more dependent on the Federal Government!

You must take a hard conservative stand on spending and tax cuts. It may be our last chance to stop the undermining of our economic system and our freedom as we know it today.

I also urge support of Congressman Ron Paul's House Bill 391, which is the best legislation advocating gold-based monetary reform ever introduced in Congress. We need to get our money back on a sound foundation. It is imperative, along with tax and spending cuts, that we re-establish a strong footing for our currency. Gold backed dollars are the only way to do this. Look back through history for examples of what has happened to currencies and nations that arbitrarily continued to print money backed by nothing!

Thanking you for your consideration I am,

Sincerely yours,

BRAD ARTERBURN.●

CONGRESSIONAL SALUTE TO THE HONORABLE LEONARD PINE, O.D., OF NEW JERSEY 1981 "PAUL HARRIS FELLOW," ROTARY CLUB OF WAYNE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. ROE. Mr. Speaker, On Wednesday, May 6, the residents of my hometown of Wayne, Eighth Congressional District and State of New Jersey will join together with our fellow Rotarians in testimony to the good works of an outstanding community leader, prominent doctor of optometry, distinguished citizen and good friend, the Honorable Leonard Pine, O.D. of New Jersey, whose standards of excellence throughout his lifetime have earned him the most highly coveted honor of being chosen the 1981 Paul Harris Fellow of the Rotary Club of Wayne—the highest award that Rotary can bestow upon any of its members. I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations to Dr. Pine and share the great pride of his good wife and two children in this milestone of achievement in his most illustrious and rewarding lifetime of fulfillment and purpose.

Mr. Speaker, the Rotary Club of Wayne is one of our Nation's most prestigious affiliates of Rotary International whose motto: "We make a living by what we get—we make a life by what we give"—"service above self"—and their good deeds in helping others, young and adults alike have served to inspire all of us. Leonard Pine has by his example and lifetime of dedication to these same true American ideals personified exemplary leadership in his outstanding responsible service to our people.

Dr. Pine's personal commitment to the economic, social, and cultural enhancement of our community has been a way of life for him. In his career pursuits he has truly achieved a highly respected reputation as an optometrist of great eminence and his professional expertise is applauded by all of us. Today we seek national recognition of his exemplary good works as a Rotarian of distinction from a grateful community for his compassion, dedication and untiring efforts in service to his fellowman.

Mr. Speaker, with your permission I would like to insert at this point in our historic journal of Congress a biographical outline of his personal and professional history, as follows:

LEONARD PINE, O.D. OF WAYNE, N.J.

PERSONAL AND PROFESSIONAL HISTORY

Education: East Side High School, Paterson, N.J.—1949. University of Louisville, AB, Psychology—1952. Pennsylvania College of Optometry, Doctorate in Optometry—1956.

Military Service: U.S. Army Hospital Eye Clinic, Fort Campbell, Ky. 1956-58. During year 1957—instructor of Troop Information and Education.

Professional Experience: 1958 to date—General practice with emphasis on contact lenses and visual training. 1970-1973—Optometric consultant, Wayne Parochial Schools.

Professional memberships: American Optometric Association; New Jersey Optometric Association; Bergen-Passaic Optometric Society.

Civic Service: Exalted Ruler, Wayne, Elks, 1962-63. President, Wayne Rotary Club, 1963-64. Outstanding Young Man of the Year, Wayne Jaycees, 1966. Councilman, Wayne Township, 1966-73. Council President, Wayne Township, 1968. President, Foundation for the Handicapped, Wayne, 1967, 1976-80 Trustee, Edward Sisco Senior Citizens Housing Project. Staff Member, Vision Foundation Crusade. Member, Passaic County Board of Social Services—1977-78.

Memberships: Temple Beth Tikvah, Wayne (Trustee of Temple Men's Club, 1973 to date). B'nai B'rith, Northern Valley Chapter-Vice-President. North Jersey YM-YWHA, Wayne. Wayne Racket Club (Trustee, 1976) President 1980.

Mr. Speaker, all of us who have had the good fortune to know Dr. Pine are especially proud of his many accomplishments which have truly enriched our community, State and Nation. May I particularly commend to you his outstanding public service in sharing the burdens and seeking a better life for our handicapped as well as improved physical and mental health through social and vocational rehabilitation programs for the handicapped.

Mr. Speaker, as we reflect upon the history of our great country and the

good deeds of our people who have made our representative democracy second to none among all nations throughout the world, I appreciate the opportunity to call your attention to this distinguished gentleman and seek this national recognition of all of his good deeds. I know you will want to join with the Rotary Club of Wayne, N.J. in honoring our good friend Leonard as an outstanding citizen and great American. We do indeed salute the Wayne Rotary Club's "Paul Harris Fellow"—the Honorable Leonard Pine, O.D.●

TRIBUTE TO REPRESENTATIVE MORRIS K. UDALL—20 YEARS IN CONGRESS

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. HOWARD. Mr. Speaker, MORRIS K. UDALL, our distinguished colleague and good friend, has served in the U.S. House of Represenatives for 20 years. His legislative record is one of brilliance, compassion, and hard work. He is a natural leader, but not because of a need to control others or achieve personal gain. His sincere desire to make this country a cleaner, safer, and more equitable place to live has motivated his every action.

Mo's good humor has, at one time or another, helped all of us put things in proper perspective. It has mended wounded egos and patched up disagreements so that the business of the House of Representatives could proceed. Mo pokes fun at himself, but in so doing, keeps us in touch with where we came from and why we are here.

Since he was elected by Arizona's Second Congressional District in 1961, he has been out front on almost every national issue. He is not one to shrink from controversy. Instead, Mo has tackled some of the most difficult issues of our time—energy, environment, the Vietnam war, and election reform. In his self-effacing manner, Mo jokes about his Democratic Presidential primary loss in 1976. But in his 20-year congressional career, Mo has rarely lost on an issue. He works too hard and covers his ground too well to let that happen.

Mo was among the first to understand and write about the key link between energy and the economy—something we may be dangerously losing sight of in our fervor to cut spending without really addressing energy's inflationary impact.

As a member and then chairman of the Committee on Interior and Insular Affairs, he has played a leading role in virtually every important environmental bill in the last 15 years. As the floor whip of the Democratic Study Group, he was a moving force in civil rights legislation of the 89th Congress. And his record in support of election reform is without equal.

I have trudged through snow and ice in Iowa and New Hampshire with Mo UDALL and I would do it again in a second if he asked. I am sure the loyalty, friendship, and respect I feel for this man is shared by all who join with me in honoring him on his 20th anniversary.●

THE PEOPLE RESPOND—IX

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. GARCIA. Mr. Speaker, I am inserting into the CONGRESSIONAL RECORD a statement which exemplifies the concern people are feeling over the proposed budget cuts. President Reagan's economic plan would not affect every segment of this society equally; minorities and the poor would have to shoulder the greatest suffering while businesses and the rich would be favored disproportionately. As part of my continuing crusade against the inequities in the proposed economic plan, I am inserting today's statement to show that there are still citizens who are concerned over the impact of this plan.

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, N.Y., March 26, 1981.

Hon. RAYMOND DONOVAN,
Secretary of Labor,
Washington, D.C.

DEAR MR. SECRETARY: The termination of 300,000 public service employees in the next three months will impose widespread hardship. In New York State, and I am sure I speak for many of my fellow governors, we will make every effort to place those laid-off in permanent unsubsidized jobs.

However, our efforts are hampered by the policies of the United States Department of Labor that deny eligibility for Targeted Jobs Tax Credits to about one-third of all PSE enrollees. This is because DOL policy currently requires that PSE wages be calculated in family income, preventing enrollees from eligibility under the three "economically disadvantaged" target categories.

I recognize that Congress wanted the TJTC "disadvantaged" eligibility to match that of CETA. However, even though CETA regulations (Section 675.4) include wages paid for both PSE and OJT in the calculation of family income for CETA purposes, DOL has intentionally provided a policy to qualify OJT participants but did not do the same for PSE participants. In determining an OJT participant's eligibility for TJTC, family income is calculated at the time of entry into CETA. Thus OJT wages do not count.

Because of the critical need to offer every type of assistance to terminating PSE participants, I urge that the Department of Labor immediately revise the policy on PSE eligibility for TJTC by making policy on PSE consistent with that for OJT. Family income should be calculated at the point of entry into CETA. This would make all of Title II-D and most of Title VI participants in the three target groups eligible for TJTC.

The gravity of the problem requires prompt action if unnecessary suffering is to be avoided.

Sincerely,

HUGH L. CAREY,
Governor.

NEW YORK, N.Y.,
March 27, 1981.

To: The Honorable Robert Garcia, U.S. House of Representatives.

From: The Regents Advisory Council to the New York City Project.

The Regents Advisory Council, representing a cross section of the citizens involved in and concerned about the New York City Public Schools, is fearful that the President's proposed cuts in educational funds, the institution of the formula for educational block grants will have a calamitous effect on the city's school system and the children it serves.

The proposed 25 percent reduction in funds will reduce the number of teachers, supervisors and paraprofessionals available for instruction so badly needed by so many of our students. For such a proposal to come at a time when the system is beginning to overcome inadequacies in basic education is disheartening. For the first time in years there have been reading gains in each one of our city districts.

In an attempt to improve educational quality, the school system has mandated a holdover policy that contains provisions for remedial services to assist the students in achieving competence. The $124 million federal funds allocated for remediation and supplementary instruction are absolutely essential if the students needs are to be met.

The proposed educational block grants are potentially destructive. While details are unavailable as to how the monies would be allocated, experience has shown that the cities do not fare well under such a plan. There are no safeguards to ensure that the dollars will be spent in areas of greatest educational need, nor, in fact, in education itself.

We are also dismayed by the precipitous manner in which the proposed cuts are to be instituted. We find it unacceptable that no public hearings have been scheduled particularly when these proposals are of such catastrophic dimensions. While we recognize that the public outcry for economies in government may seem to mandate such actions, it is questionable that this outcry dictates such drastic measures against public education.

We are concerned for the young people in our city's and country's public schools, and see their future educational development as essential to our future national welfare. We urge you to consider very carefully such drastic reductions in phases to enable the school system to adjust in a coherent and productive manner.

SETTLEMENT HOUSING FUND, INC.,
New York, N.Y., March 13, 1981.

Hon. SAMUEL PIERCE,
Secretary of HUD,
U.S. Department of HUD, Washington, D.C.

DEAR SECRETARY PIERCE: I am writing to express my concern about the proposal to increase rent in HUD-assisted Section 8 projects from 25 to 30 percent of income. Such policy, if enacted will not result in significant cost savings to the federal govern-

ment but will impact negatively on family budgets of persons already struggling hard to survive.

Section 8 funds are reserved for the maximum contract rents, as if tenants pay nothing. The tenants' contributions are placed in an escrow account to cover future increases in operating costs or decreases in tenant contributions due to loss of income. Thus the increase to 30 percent of income means an increase in the escrow fund, not a reduction in spending.

The families at the higher end of the income limits are most affected, because the absolute dollar increase is larger for them. For example, in New York the highest income for a family of 4 at initial occupancy is $19,950. Assuming that there are two children in the family, the rent would go from $403 to $484 a month. It is easily possible that this family would leave the project and be replaced by a family earning $4,000, who would pay $71 at 25 percent of income or $85 at 30 percent of income. Obviously the eventual cost (to the escrow fund) of subsidizing the lower income family will be much higher.

In short, by forcing unconscionably high rents on lower income families, HUD would be raising the eventual cost of the subsidy program. The possibility of achieving an income mix would be much less likely and the overall effect extremely unfortunate.

I would urge you to reexamine this plan in view of the effect on the tenants and the probability that cost savings would not be achieved.

Sincerely yours,

CLARA FOX,
Executive Director.●

JUDGE FLOYD L. SPERRY

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. SKELTON. Mr. Speaker, over the recent recess I was saddened to learn of the death of a good friend and one of the leading citizens of western Missouri. Judge Floyd L. Sperry of Clinton, Mo., died on April 26.

Judge Sperry served for 34 years as commissioner of the Kansas City Court of Appeals. Prior to that he held the offices of Henry County prosecuting attorney and mayor of Clinton. He was an active participant in the affairs of his community serving in Democratic Party offices, the Masons, the American Legion, and the Henry County Bar Association.

In my tenure as a Member of Congress I had several chances to meet and communicate with Judge Sperry. I enjoyed those encounters and benefited from them. Please allow me to use this means of showing my respect and admiration for Judge Floyd L. Sperry.●

THE LEFT IN EL SALVADOR

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. DORNAN of California. Mr. Speaker, I was impressed by a trenchant statement by Jim Whelan of the Sacramento Union, March 15, 1981, "El Salvador: Banana Peel Policy." At a recent symposium on El Salvador sponsored by the prestigious Council for Inter-American Security held on March 6 in Washington, D.C., Whelan observed that the Reagan administration must avoid making the same mistakes as the Carter administration lest our difficulties in Central America deepen. Simply because the Reagan administration inherited a nightmare in El Salvador does not mean that it cannot resolve the crises with public support, provided that it understands the problem clearly and communicates that awareness to others.

Contrary to unjustified assertions by Carter administration appointees that our enemy in El Salvador was the right, we have good reason now for focusing our attention also on the role of the left, including the violent roles played by Cuba, the Sandanistas, and the Soviets. The Reagan administration simply must come to grips with the reality of the situation in El Salvador if a free-market economy is ever to flourish there.

I urge my colleagues to examine Mr. Whelan's insightful remarks:

EL SALVADOR: BANANA PEEL POLICY

The following text was adapted from a speech by Sacramento Union editor Jim Whelan before a symposium on El Salvador sponsored by The Council for Inter-American Security, held March 6 in Washington, D.C.

Ralf Dahrendorf, director of the London School of Economics, observed a few months ago how volatile things social and political have become in our turbulent world. The result, he said, is a near-absence of in-depth discussions of the issues and forces of the 1970s.

The reason for this, Dahrendorf added, is plain enough: As soon as one has tried to make sense of things social and political, they have changed again.

That certainly is true of El Salvador today. Yet, within those limitations imposed by rapid change, I believe it is possible nonetheless, to focus on a single proposition which lays bare a dangerous error of perception underlying the Reagan administration's bold but improvised moves in El Salvador.

That proposition is that the Reagan administration is now—and will remain, unless it rapidly and clearly repudiates two key premises of its Salvador policy—poised on a philosophical banana peel. The perils of premising policy on such a slippery footing are too obvious to be labored.

And what is that philosophical banana peel? It is, I submit, that conceit which holds:

(1) That the October Revolution which overthrew the Romero government in 1979 was either desirable—or, even more preposterously, inevitable;

(2) That the present de-facto government is on the correct "progressive" track—if only the gunslingers would leave them alone.

If the Reagan administration continues to operate on those premises, then it is, I fear, doomed to a pratfall both unnecessary and costly—for us, the United States, and for Salvadorans who have already suffered enough because of our blunders.

Those premises—the inevitability of revolution, the saintliness of the junta—are Carter premises. And it was Carter—and his all-too-eager satraps—who did so much to put us, put El Salvador, in the mess we are now in.

Quickly—and before someone drops a butterfly net over me—let me attempt to insist on certain things I am saying, as well as certain things I am not saying.

The first of them:

I am not—repeat, not—advocating the abandonment of the present government in El Salvador.

I am not—repeat, not—advocating the overthrow of the present government in El Salvador.

But I am saying—as clearly and as forcefully as I can—that we be clear in our own minds, and then make clear to the rest of the world, that the recent tragedy of El Salvador is, in large measure, a tragedy of flawed and preverse policies put in motion by the Carter administration.

And I am further saying that these flawed and perverse policies released—and even nourished—a revolutionary whirlwind which has already all but laid waste any hope of real democratic growth or material progress in Nicaragua; a whirlwind which then plunged El Salvador into the agony of its present abyss, a whirlwind which, even yet, threatens Guatemala and Honduras.

And, I am saying, finally, that those flawed policies and the whirlwind they released, certainly and clearly were decisive in changing what Moscow likes to call the "Correlation of Forces" in the area—precipitating the massive Soviet and Soviet-surrogate outside intervention which we must now confront in the area.

Let me go back to those two key premises—inevitability and saintliness—and add a third: the need, the urgent need—I believe—for the Reagan administration to recognize and react to the reality that much of the confusion—in this country as well as abroad—concerning U.S. purposes in El Salvador—was fostered by Carter administration ambivalence—if not downright deception.

That ambivalence—or deception—resided in the almost fanatical belief of New Left zealots in the Carter administration that the enemy in El Salvador—indeed, in the world—was the Right, and not the Left. As a result, the Carter administration ignored—if not actually suppressed—its own intelligence estimates showing a Kremlin perception that with the Sandinista victory in Nicaragua, El Salvador was ripe for revolution.

As a further result, the Carter administration ignored—or downplayed—mounting evidence of active, aggressive Cuban, Sandinista and Soviet involvement in El Salvador. That zeal—that affection for what former Ambassador Robert White has called "The Passionate Left" caused the Carter administration to direct its most withering fire against the villainies of the Right. Ambassador White still does, of course.

Small wonder, then, that so many of our own people, so many of our own allies, and putative allies with their own ideological malodorous fish to fry—small wonder that they profess surprise when Washington suddenly, flamboyantly, discovers the hand of the international Left in the drama.

As to the evidence that we knew long ago—at least a full year ago—that Moscow was cranking up a major adventure in Central America, one need look no further than the State Department's Feb. 23 Special Report No. 80—though even that chronology does not go back far enough, overlooking, as it does, a CIA warning issued back in May of 1979.

For these reasons, it is, I believe essential, that the Reagan administration be bold enough to make plain—at home and abroad—that the Carter administration's schizophrenia is not its schizophrenia. The Right is, at present, at least, a significant factor in the destabilization of El Salvador only to the extent that there is a war going on there. Even a document so tendentious, so dogmatic, as the Carter administration's last hurrah on human rights, the Feb. 2, 1981 report, almost whiningly makes the point—though for radically different reasons—that the government doesn't make war on the Right and the Right doesn't make war on the government. Both, however different their present motives, however different a potential later scenario, are making war on the Left.

The Left is, now, the enemy. No need to be schizophrenic about it! The Left has been the only significant enemy for the better part of a year—no need to be schizophrenic about it. Whether that is, because the real essential center of power of the government itself has moved too far to the Right is a different question: That government remains the only one El Salvador has, the one we have and do and—in my opinion—must support—so no need to be schizophrenic about it.

Another quick aside: Yes, I am aware of the target practice at the U.S. Embassy. Yes, I am aware of Major D'Abuisson. It remains my conviction that the Right poses no serious threat at this time to the junta—beyond the reality of how far the Right has already pushed the junta. But the junta is, again and after all, the government we do support, the one we are stuck with.

Lest I bury my own point, allow me to resurrect it:

The Carter administration, until the last month of its own life, pooh-poohed the role of the Left—and that specifically included Cuba, the Sandinistas and the never-evenmentioned Soviets. It did so in line with its own commitment to Zbgniew Brzezinski's "theory of modernization, of revolutionary change!" It is, therefore, important, I believe, that the Reagan administration attack four-square this source of confusion.

Back, briefly, to my basic premises: the desirability, the inevitability of change.

The underlying support for such a premise in two parts.

The first says the country was in such a stew that change was desperately needed.

The second, that if we didn't preempt with our kind of revolution, why the other side—the Left—was about to stage theirs.

Balderdash!

Space does not permit a detailed documentation of my claim that—though far from perfect—the El Salvador of 1977, when the Carter administration first began turning the screws—was doing clearly, resoundingly better than most Third World countries in improving the social, political and economic lot of its surfeit of citizens. Even in 1979, when our policies had helped to uncage the Left, even with a hostile government next door in Nicaragua—the Romero record was clearly superior—and far more promising—than what would follow.

Or, are we to take seriously the notion that we—and the so-called revolution we fostered—have really "saved" the country? Saved it, through the death of 9,000 to 11,000 of its citizens in a single year? Saved it by creating an unprecedented flotsam of at least 62,000 refugees at home and who knows how many more fleeing at whatever cost, to die in the Arizona desert, or, at best, live in the twilight of civilization as illegal aliens?

Or, is it saving a country to foster a revolution which converts a country with one of the strongest and most promising growth rates in Latin America in 1977 into one with 50 percent unemployment and an appalling, negative growth rate of as much as 9 percent this year? Is it saving a country to transform it from one in which laws, while imperfect and imperfectly applied, did exist and were applied, into one in which there is no law and no respect for any human rights?

I think not. El Salvador did not need the October Revolution nor—as the Feb. 3 White paper demonstrates, the Left had nowhere near the strength, nor unity, nor firepower to topple the Romero government. The Left gained its power only when Moscow deemed it propitious to move into and exploit the chaos that revolution precipitates. I cannot leave this theme, by the way, without remarking how much better off El Salvador would be today if we had worked with, instead of against, the friendly Romero government back in 1977 and 1978, when the country was experiencing a genuine economic boom.

Instead, we choked off aid—economic aid from 1977 through 1979 was a paltry $29 million; military aid a piddling $600 thousand. By contrast, we dumped $58.3 million in economic aid last year alone, and $5.9 million in military aid last year. For this year, we have programmed economic aid of $90 million—and there is talk of as much as $300 million. All this because we wanted to save a country from its own solvency and promise, creating instead a Bangladesh!

As to the second premise, the correctness of the "progressive" government and its reforms. Briefly, ever so briefly, it seems to me that you have to believe in some sort of tooth fairy to believe in the wisdom of breaking up some of the most productive farms in the Western Hemisphere, and redistributing them among 300,000, largely unskilled farm families. You furthermore must believe in a tooth fairy to imagine that the peasantry would benefit from that any more than the country would.

President Jose Napoleon Duarte believed in no such fairy, or at least a year ago he was willing to tell me that he foresaw no significant transfers of actual titles to lands on into the indefinite future, precisely because the peasants lacked the skills to manage plantations. The reality, then, the alternative? Collectives, run by government experts?

Is it really better to work for the government than for a private patron—one who could—and was, increasingly—policed by the government?

And is the whole population really going to be better off through "reforms" which mean that a country historically able to feed itself, now no longer can?

As of last week, by the way, the government—in what must have been a PR gesture—had handed out 200 titles to peasants. Yet I suppose that that is referable to actually creating 300,000 handkerchief plots.

The financial, so-called reforms—seizing the banks, credit institutions, control of exports—are desirable, I suppose, if you happen to believe in the authoritarian, socialistic state. Me, I do not, and so I wonder what's so good for us—the supposed champions of free enterprise, the market economy—about a de-facto government, chosen by no one, having such a whip hand over the lives and livelihood of the entire citizenry? (A cynical aside: I saw a news story a day or so ago about Duarte, product himself of a military coup, decrying those who only seek to seize power by—guess what?—force!)

The Reagan administration inherited a nightmare in El Salvador. The Reagan administration is not, however, going to win the public support it must have unless it understands clearly how the mess was created—and then communicates that awareness to others. Otherwise, it will slip on the philosophical banana peel left by the Carter administration—the contradictions between what the Carter crowd was telling the world, until only a few days ago, and what the United States is saying now.

Logic—and a decent amount of experiences, of background—can carry me that far. To go beyond, I will need a crystal ball—and a great measure of the boldness.

With that said, on to a speculation or two:

(1) El Salvador does not need to become Vietnam. Indeed, it would be as grievous an error to increase the U.S. military presence in El Salvador as it would be to diminish the flow of U.S. military and economic assistance.

(2) But, El Salvador must become a Vietnam if the Soviets or Cubans or Sandinistas persist in making it so; only this time we cannot afford to flinch—the world needs no more Cambodias.

(3) In point of fact, however, I would expect to see the level of fighting decline steadily in the months ahead in the face of clear U.S. resolve.

(4) As peace returns, I believe we should use our influence with the junta to move as rapidly and cleanly as they can into a market economy—the one best hope for expanding, not only the economy, but also the country's social and political frontiers.●

BILLEE HUGGARD—NEW YORK'S SMALL BUSINESS PERSON OF THE YEAR

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. WORTLEY. Mr. Speaker, Billee Huggard is New York State's Small Business Person of the Year. No small feat for a tall, blond mother of one who set her stakes in the highly competitive construction business.

It all stemmed from Billee's first affair * * * it was with the paving business. An energetic mother, Billee was not content using only her domestic talents so she went to work for a small paving contractor called Merit Paving, Inc. It was love at first sight. She

quickly learned every facet of the paving business including how to operate various pieces of equipment. Billee soon became a project supervisor and a card-carrying member of the Operating Engineers Local 545.

Then the Huggards moved away from Florida to Syracuse, N.Y. After an initial setback with local firms that thought a woman could not handle construction, Billee was hired by Reed Paving Co. as an office manager. The cream always rises to the top and so Billee was soon a field supervisor again—this time in Syracuse. Then Billee became manager, and after that, she purchased the stock of Reed Paving and took control of it.

At the time Billee took control, the company was floundering * * * business was bad. But she was able, through hard work, business acumen and superb managerial skills, to turn things around. The first little jobs that were given to Reed Paving as tests to see what it could do were done expeditiously and properly. As soon as the job was completed, Billee visited the job and made it a point to call the customer to see if he was satisfied with the job.

The rest is history. Billee Haggard is one of a very select group of women executives in the totally male dominated construction industry. And she is the first woman executive to receive this award in the State of New York.

We all wish her success in capturing the national Small Business Person of the Year Award.●

TAX POLICY AND TELEVISION SHOW PRODUCERS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. STARK. Mr. Speaker, I am sure we all understand that the production of television shows is big business—involving the investment of millions of dollars and the dedication of a vast number of creative talents. But, recent disclosures by "60 Minutes," the excellent TV series produced by CBS, describe strange financial relationships between TV networks, producers, and investors which call into serious question the practices which apparently have become commonplace in the industry.

Now, let me make my position clear. The entertainment industry is an extraordinarily important industry in today's economy, and, for that matter, in a free society. Indeed, it is because of that, that the manner in which television shows are financed, the arrangements by which investors are attracted and between those that purvey and those that create television fare are all matters which can, in fact, affect every American, and indeed, viewers throughout the world. The complicated financial arrangements are given further elucidation in a recent article in Panorama magazine which causes me to question the tax implications if such practices are indeed as widespread as this article indicates. I had assumed that the large incomes, the tremendous wealth, the gigantic budgets of television production, in the finest Hollywood tradition, must create substantial revenues for the U.S. Government through our normal taxation policy.

I am simply not sure today that this is so. The situation calls for a thorough investigation, and very possibly, legislation.

During television's infancy, the networks produced many of their own shows. However, they found it expensive to maintain big studios, so within a relatively short time, they began to farm out production to private companies. The production companies sold their shows to the networks on a cost-plus basis, insuring the producer a fixed margin of profit. Under this system, the network owned the production and had the right to the profits from selling the show for syndication or to foreign countries and so forth.

In the early 1970's, the Federal Communications Commission handed down a ruling that the networks could no longer own what is referred to as back-end rights; that is, the right to sell for syndications, foreign country use, and so forth. This meant that the producer held such rights. It also meant the end to cost-plus contracts.

When the network selects a script, they order a pilot to be produced and agree to pay a license fee for the pilot. It is usual for the license fee not to cover the cost of the production of the pilot. As a matter of fact, if the network likes the show and it runs for a whole season, or even for several seasons, at least it is alleged that the license fee paid for the show rarely covers the cost of each episode, and that each episode is produced at a loss. The system supposedly calls for the producer to sustain a loss over the period of establishing a long-run show in order to make millions of dollars on the so-called back-end rights. Relatively few shows are such successes as to command a great deal of money for syndication and other back-end rights. And, this means that the system is supposed to call for the producer to be constantly gambling, losing on some shows and making it up with large profits on other shows.

Obviously, few producers could or would actually live with a system like that. It is alleged that side arrangements are made between the networks and producers, where payments are made by the networks to the producer for mythical services or for other shows when, in fact, they are payments in addition to the license fee for a given show that the network wishes to keep and the producer is producing for them. The implications to the investors of a particular show are obvious. The production could appear to be operating at a loss, even a substantial loss, at the same time the producer is reaping good, perhaps extraordinary, profits. But, the situation raises questions in addition to simple injustices to individuals or organizations. It raises serious questions with regard to tax avoidance and tax deferral with respect to a medium which has a profound effect on the entertainment industry and our society as a whole.

Is the money being paid to a corporation owned by the producer or to the producer as an individual?

What are the tax considerations for the network if it is rechanneling money from successful series showing a profit, to unprofitable series which are all packaged by the same producer or production company? Depending on the distribution of profit and loss affected by this procedure, significant tax avoidance or deferral could be made possible.

Is it possible for a producer to use the nonlicensing revenue to offset personal business expenses which would not ordinarily be deductible?

If this money is channeled into a separate corporation of the producer, unbeknownst to his investors, can this money then be converted to the personal use of the producer by means of the corporate shell?

These are a few of the preliminary questions which must be answered to begin to understand what many believe to be great opportunities for tax avoidance and deferral which exist in a multimillion-dollar industry. An in-depth investigation is certainly warranted—a healthy development for the television industry with potential benefits to the American taxpayer.●

IDA NUDEL

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 27, 1981

● Mr. WEBER of Minnesota. Mr. Speaker, on April 27, Ida Nudel celebrated her 50th birthday. This woman, who is in internal exile in Siberia, stands as a reminder to us all of the absence of religious freedom within the Soviet Union.

For 10 years this woman of great ideals has asked to leave the Soviet Union. Her request has constantly been denied by Soviet officials. In 1978 she was arrested for hanging a banner outside her Moscow apartment which read, "KGB Give Me My Visa." She was allowed no representation at the

trial, nor allowed to have any witnesses testify on her behalf. She is now serving the third year of a 4-year sentence in Siberia.

Her belief and courage is a beacon of light in a dark totalitarian regime. She will give us the courage to continue our support for freedom-loving people all around the world.●

GOOD INTENTIONS, TRAGIC RESULTS: WHAT WENT WRONG?

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. McKINNEY. Mr. Speaker, I would like to share with my colleagues an enlightening article by Calvin Fentress and David M. Friend which appeared in the May 1981 edition of Life magazine.

This article graphically depicts the problems many States are experiencing with the existing mental health delivery system. It further shows that our policy of neglect and abandonment must be replaced by one which provides the most appropriate and beneficial form of treatment for mentally disabled citizens.

GOOD INTENTIONS, TRAGIC RESULTS: WHAT WENT WRONG?

Out of nowhere they come. Their desperate acts flash before us on the nightly news, then they are gone. How familiar they seem. . . . In 1974 Vernal Walford tried to strangle an attendant at Massachusetts' Northampton State Hospital (NSH). Within 48 hours he was discharged, and he flew to Florida.Three months ago he was acquitted by reason of insanity of abducting a nine-year old boy from a Miami hotel and slitting the child's throat.

Kim Wolk (not her real name), a woman with a history of suicide attempts, was released from NSH in 1978. Not long after, at a nearby private psychiatric unit, she ran up four flights of stairs and leaped from an open window but survived. Five months later, back in NSH, she set herself on fire. Next month Wolk is scheduled to be released from the hospital again.

Last September Francis Hoben, just settled in a Northampton lodging home, plunged a $14 kitchen knife into his neck. He died. Hoben was distraught over local news accounts critical of his NSH release two weeks earlier, accounts detailing how, in 1974, he had beaten his mother and sister to death with a baseball bat.

These harrowing episodes represent more than just the isolated defeats of one mental hospital in one state. They are, rather, slivers of a much larger story—the story of a failed revolution in mental health care, a story of good intentions gone wrong.

It is hard to imagine how a notion so well intended could have misfired so badly. To those who conceived the idea (and coined the mouthful of a word) almost 20 years ago, "deinstitutionalization" was to be a humane and giant step forward in the care of the mentally ill. For 100 years and more, the back wards of "insane asylums" had served as holding pens. Rather than treatment (for there was no treatment), they afforded the mad little more than permanent exile, with the gothic horrors of electroshock "therapy" sometimes thrown in.

The widespread use in the mid-1950s of the "miracle" drugs—Thorazine and Prolixin and, later, lithium—spurred the first great revolution in mental health care. The drugs gave rise to an entirely new theory of treatment. Psychoses needn't be cured (not that they ever had been); instead, the new psychotropic medicines made patient *management* the foremost mission of the mental health establishment. The next step was logical: if you could calm sick people, you could get them out of institutions and into society, i.e., deinstitutionalization.

The 1963 Community Mental Health Act was to set deinstitutionalization in motion. Federal grants would allow state hospitals to resettle America's mentally ill, to move them into less restrictive community-based settings where comprehensive follow-up services would be readily available. Deinstitutionalization would enable those who might otherwise be permanently "warehoused" to reenter society, thereto lead fuller, more productive lives than ever possible in any madhouse.

That was the idea. And the ideal. In almost every respect, reality has mocked it. True, mental patients have left the asylums; during the past 25 years, the nation's 280 state mental facilities have released 419,000 of them. The population of California's state hospitals is down 75 percent, Massachusetts' down 85 percent. Morover, nationwide, the length of institutionalization for the mentally disturbed has been dramatically reduced. In 1955 the average stay of a patient in an Oklahoma mental hospital was 2,964 days—more than eight years. Today it is one month. Many former patients have been able to make it on the outside. In Massachusetts 30 percent never return to state hospitals. Some aftercare programs provide more extensive treatment than the institutions they were designed to replace.

To this extent, then, the snake pit, the loony bin, the nuthouse on the edge of town is on its way to becoming an American relic. In its place, however, has evolved a system—or nonsystem—that has left a quarter of a million mentally ill people without supervision. structure or assistance. Although there now exist more than 600 community mental health centers and some 300 psychiatric halfway houses in the U.S., half of all ex-patients never see them. Instead, thousands join a national subculture of street psychotics, lost in the shuffle save when one takes a baseball bat to mom. From flophouse to welfare hotel, in and out of jail, they roam San Jose's back alleys, Chicago's uptown area, Manhattan's upper West Side—the mental health ghettos . . . "lunatic slums" . . . that have sprung up in almost every American city.

Too often, denizens of this underworld of the disturbed are a danger to themselves or to others. But for most former patients, the legacy of deinstitutionalization is less dramatic though equally grim. There is an all-purpose epithet for what has happended to them. It is called "dumping."

Understandably, large numbers of ex-patients cannot cope with their desolate newfound freedom. Seventy percent of all mental patients have been hospitalized before. Many, adrift in a schizophrenic daze between asylum and hostile world outside, are, in effect, revolving-door cases who use the ward as a furlough from "real life." At the Northhampton VA, the hospital from which Neal DeLuck (page 60) was released, one patient has been readmitted 132 times.

A rising number of former mental patients winds up in U.S. jails. Like the hospitals, the jails usually are understaffed and poorly financed. Certainly they are ill equipped to care for the mentally ill. Says New York Mayor Edward Koch, "The state policy of releasing patients without adequate support has turned the city's neighborhoods into mental wards and the police into hospital orderlies." (One tactic recently adopted by Manhattan police is the use of large nets to snare and subdue violent and often deranged suspects.)

At the Hampshire County Jail in Northampton, at least 10 percent of the inmates always are former NSH patients. "This is no place for the mentally ill," says Merton Burt, who runs the prison. "There are no nurses here. And the patients are easy targets. They get abused physically."

What went wrong with deinstitutionalization? Just about everything. In many regions legislators, only too happy to phase out costly mental hospitals, proved reluctant to finance alternative care; in some areas community services simply never materialized. Many states superimposed their own bureaucratic grids on the federal plan so that federal funds, instead of being passed on directly to local mental health centers, were channeled through the sieve of state agencies. And, as with most redtape schemes, more became less. Says the General Accounting Office, "Many mentally disabled persons have been released from institutions before sufficient community facilities and services were available."

Massachusetts, a state considered among the most enlightened in its approach to mental health care, exemplifies the fate of the vaunted halfway house. "Today," says clinical psychologist Dr. Eugene Orro of the University of Massachusetts, "the halfway house is as stigmatized as the hospital." Though many programs across the state, like Anita Miller's (*above*), are run effectively, they appear to be the national exceptions. And even in Northampton, a local building inspector says that most of the town's homes for former mental patients would be forced to close if they were subjected to standard building codes. In many such settings, medication is dispensed by people with no training. "They just hand out the pills," admits an official.

"Most halfway houses in Springfield refuse those who need them most desperately," explains Jack Bourgeois, a former Massachusetts patient advocate. "If you're violent or assaultive or in really bad shape, forget it. You can't get into those places. No one wants you."

Many taxpayers are outraged by the "new crazies" down the block—or even by the prospect of them. Of the 2,000 residential mental health centers proposed last year, 1,300 were scrapped due to neighborhood opposition. "Imagine how the community feels," says a Northampton patrolman, who estimates he sees an ex-NSH patient every hour on his nightly downtown beat. "Many of them are aggressive and end up arrested. Those who are submissive are victimized and preyed upon. One ex-patient told me his goal in life is to put a .357 magnum to my head and pull the trigger. Now he's wandering the streets."

Deinstitutionalization's most unexpected failure has been its price tag. A cost-benefit analysis by the University of Wisconsin concludes that running a network of state hospitals is almost always cheaper than community care. Dr. Robert Okin, who recently resigned as Massachusetts's commissioner of

mental health, estimates that if done right, it will cost twice as much to treat patients outside his state's institutions as in. Funding for privately operated group homes and treatment centers is routinely misappropriated. The National Institute of Mental Health, the umbrella agency that monitors clinics and halfway houses, has little authority to enforce any standards on the private vendors. As a result, dumping breeds dumps.

Another aspect of deinstitutionalization that has backfired has been that of patients' civil rights. In the '60s and '70s, a series of court decisions recast the rules for confining mental patients. The first held that someone can be involuntarily placed in an institution only if he is homicidal, suicidal or unable to care for himself. Later, a district court guaranteed the mentally ill "suitable care and treatment under the least restrictive conditions." A federal court went further; no one could be held in a mental ward without a treatment plan. For all the abuses of confinement that these rulings reversed, the upshot was unavoidable—more patients were turned out of hospitals, and more were turned away. Wayne Wadman left Northampton State two years ago. "The staff members told me, 'Don't come back. We're closing. We don't have a place for you anymore. Call crisis intervention if you need help.' "

The court decrees have had other troubling implications as well. In Massachusetts, mental patients now have the right to refuse any form of treatment from Thorazine to sewing. Jack Bourgeois, who has spent six years as an NSH attendant and worked on a field team that referred ex-patients to community programs, is enraged by the Catch-22 built into the new rights of mental patients. "How the hell can a crazy man know whether or not to take his meds? He's crazy!"

Despite the bag ladies wandering the streets of Boston and Springfield, Massachusetts has been on the leading edge of mental health reform. In the last five years of Commissioner Okin's tenure, the state's mental health budget has risen from $30 million annually to $150 million, and each year 100,000 of its citizens receive some form of community mental health service.

As the state continues to deemphasize its mental hospitals, officials are exploring new alternatives, such as revamping existing structures into "quarter-way houses," group homes that would save taxpayers the expense of tearing down old facilities and building new ones. Dr. Orro would like to transform existing hospitals into cooperatives populated by a mix of mentally ill, retarded and "normal" people, an experiment that is being tried in Scandinavia. "The system also has to provide a role for psychiatrists that is more than just administering medications," says Dr. Okin. "Medical schools should be training their students in real community settings." Others advocate the establishment of small psychiatric units serving 20 to 30 people each; it is a concept not unlike that put forth by Northampton State superintendent Pliny Earle a century ago.

The 1981 federal budget for community mental health care is $286 million. It is not nearly enough. Says Okin, "Aftercare services will work if given a chance, but no state can take a system that has been warehousing patients for years and transform it into a humane, first-class treatment program and expect it to cost less." In the era of reduced federal spending, fresh revenue for "first-class treatment" is unlikely to be soon forthcoming. In March the Reagan administration proposed cutting the mental health services budget by 25 percent. In Franklin County, Mass., which houses many former Northampton State patients, county commissioners have called for an immediate moratorium on new halfway houses to curb state costs. The successful program that welcomed Anita Miller is among those singled out by the commissioners as "outrageous, lavish and intolerably expensive."

Carol Thompson, executive director of Anita Miller's residence program, says, "This country takes care of the medically disabled. What does it say about our values if we do less for those with mental disabilities?"

And all the while, the exodus from the asylum continues. Today only 140,000 patients remain in state mental hospitals. If present trends continue, nearly 100,000 of these holdovers will be shunted out into society in the next five years. It is unlikely that half of them will receive any outside services at all, yet it is this last wave of patients, with its high proportion of the dangerously disturbed, that requires the most care.

Antonio Vico (not his real name), 38, has lived in Northampton State Hospital for most of the last 20 years. In that time he has seen the hospital's population shrink from 2,000 to 275. Two years ago, within a week of his own release, he tried to slit his throat with a razor. He has remained in ward G2-West ever since. But now, once again, he is due for discharge.

Staring out the barred hospital window, nervously fingering the scar on his neck, Vico admits he is not ready to cope with life outside. In the last two years, three of Vico's best friends were released from NSH. All three killed themselves. Vico knows that he needs a carefully supervised program. He needs someone qualified to dispense his daily dose of Thorazine. He needs companionship. Outside, he is unlikely to find any of these things. Meanwhile, the hospital, under court order to phase out by 1983, is pressing him to request an immediate discharge. "They keep telling me it's nice and rosy outside," he says. "But where would I go? There's no place out there ready for me."●

RESULTS OF CONGRESSIONAL QUESTIONNAIRE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. HYDE. Mr. Speaker, I am pleased to share with my colleagues the results of my 1981 congressional questionnaire. Judging from the response I have seen to this poll, the so-called voter apathy of the 1970's is dead. In 6 years of polling my constituents, this is the largest return I have ever received: Nearly 33,000 constituents responded to my questionnaire.

Following the President's speech in this chamber last night, I would particularly like to point out the overwhelmingly favorable response that I received to question No. 1—84 percent of those responding favor adoption of the Kemp-Roth tax cut plan; and question No. 2—88 percent of those responding favor reducing Federal spending even though it may affect programs they support.

Following are the complete results of my 1981 questionnaire.

1. Do you favor the adoption of the Kemp-Roth tax cut plan—an across-the-board 10 percent a year cut in income tax rates over a three year period? Yes: 84 percent. No: 16 percent.

2. Would you favor reducing federal spending even if it affects programs you support? Yes: 88 percent. No: 12 percent.

3. Would you favor abolishing the Department of Energy? Yes: 53 percent. No: 47 percent.

4. Would you favor abolishing the Department of Education? Yes: 56 percent. No: 44 percent.

5. Would you support an increase in the Defense budget? Yes: 76 percent. No: 24 percent.

6. Do you favor an increase in the pay and benefit levels of military personnel to insure a more adequately prepared defense? Yes: 74 percent. No: 26 percent.

7. Would you support a "work fare" program that would require able-bodied welfare recipients to work a minimum number of hours for their state or community in order to continue receiving benefits? Yes: 96 percent. No: 4 percent.

8. Should the Congress continue efforts to limit or prohibit abortions paid for with federal money? Yes: 71 percent. No: 29 percent.

9. Should illegal aliens presently in the country be granted amnesty? Yes: 16 percent. No: 84 percent.

10. Many countries require all citizens to have a national identification card as one way of controlling illegal immigration. Would you support legislation requiring the development of a fraud proof national I.D. card for all Americans? Yes: 64 percent. No: 36 percent.

11. Should the Social Security basic eligibility retirement age limit be raised? Yes: 26 percent. No: 74 percent.

12. Would you support a move to a nine digit zip code if it meant faster mail service? Yes: 34 percent. No: 66 percent.

13. Do you think school busing to achieve racial balance should be mandatory? Yes: 6 percent. No: 94 percent.

14. Should the federal government subsidize daycare centers to help working families? Yes: 30 percent. No: 70 percent.

15. Do you support the State registration of all gun owners? Yes: 80 percent. No: 20 percent.

16. What should Congress do, if anything, to help control the proliferation of "Saturday Night Specials" (cheap handguns)? Choose one:

A. Pass legislation to ban the manufacture, importation, sale and possession of "Saturday Night Specials"—8 percent.

B. Pass legislation requiring mandatory penalties for those who use handguns in the Commission of a crime—23 percent.

C. Both A & B—67 percent.

D. None of the above—2 percent.

17. How serious do you think crime is in your community? Choose one:

A. Very serious—23 percent.

B. Mildly serious—61 percent.

C. Not serious—16 percent.●

SAUDI ARABIA PROVIDES MASSIVE ASSISTANCE TO PLO TERRORISTS

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. LEBOUTILLIER. Mr. Speaker, just 3 months ago, the administration announced that international terrorism would succeed human rights as a special policy concern of the United States. Since that time, attention has been drawn to: First, Soviet financial support, training, and arming of Palestine Liberation Organization guerrillas; second, the use of Cuban and Libyan surrogates as conduits to terrorist groups; third, support of guerrillas in El Salvador and South-West Africa; and fourth, broadcasts supporting the holding of the American hostages in Iran.

Not so well known, however, is the fact that Saudi Arabia has been financing the PLO at the rate of nearly $1 million per day.

In a recent article in the New York Post, April 29, 1981, Columnist Michael J. Berlin details the extent of the Saudi-PLO relationship. Rifles, machineguns, antitank guns, ammunition, money, and Palestinian youth sent to PLO training camps in Syria—all are part of the military link between the PLO and the Saudis.

At a time when the administration is asking the country to support its antiterrorist policies, can it also ask the Congress to support its proposed F-15/AWAC sale to Saudi Arabia?

The PLO is a major source of instability throughout the world. To provide sophisticated military aid to a country which fails to recognize this glaring fact is the height of folly.

I commend the following article to my colleagues:

SAUDIS SEND ARMS TO PLO TERRORISTS

Over the last three months, Saudi Arabia has shipped Western-made rifles, machine guns, anti-tank guns and $50 million in cash to the military camps of the Palestine Liberation Organization, intelligence sources told The Post last night.

In addition, the sources revealed that the Saudi National Guard rounded up 450 Palestinian youths living in Saudi Arabia and sent them to the PLO's guerrilla training camp at Hamuriya in Syria.

Details of the military link between the PLO and the Saudis were provided by intelligence officials who oppose the U.S. sale of AWACS reconnaissance planes and other sophisticated arms to Saudi Arabia.

They said the arms shipments, payment and other PLO-Saudi cooperation were agreed upon last December at a secret meeting between PLO chief Yassir Arafat and the commander of the National Guard.

There are indications, they said, that the Saudis agreed to this in return for the easing of Syrian threats to invade Jordan.

Israel has long charged the Saudis with providing funds for PLO terrorism. It renewed these charges last week to make its case before Congress against the AWACS sales proposed by the Reagan administration.

The White House has maintained that the arms shipments to Saudi Arabia will not threaten Israel. But the U.S. has not dealt with the issue of Saudi support for the PLO military threat to Israel.

One reason for the American silence on this point is that the details of the Saudi-PLO relationship have never been publicly spelled out.

The Post learned, however, that after the December deal, the Saudis shipped the PLO the following items:

20,000 rifles, including American made M-16s and G-3 and FN weapons made in Western Europe.

500 0.5 machine guns.

20 outdated anti-tank guns with 1000 shells.

Almost 1 million rounds of small-arms ammunition.

The deal also included a provisio that $50 million of the $85 million provided by the Saudis to the PLO each year be earmarked for the PLO's Operations Dept., headed by Saad Sail, whose code name is Abu Walid.

Sail's outfit runs training camps at Hamuriya and Dabara in Lebanon at which guerrillas from terrorist groups all around the world—including Japan's Red Army and Italy's Red Brigades—get PLO training. Sail also uses the Saudi fund to run the PLO guerrilla strikes across the Israeli border, the sources said.

Beyond the cash and arms, the sources said, Saudi-PLO cooperation also involves a 5 percent payroll tax on all Palestinians working in Saudi Arabia. This is deducted from their salaries and transferred to the PLO by the Saudi government.●

FIGHT AGAINST A-21

HON. LAWRENCE J. DeNARDIS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. DENARDIS. Mr. Speaker, I would like to take this opportunity to shed light upon academia's campaign against circular A-21 forms. A-21 refers to the Office of Management and Budget circular entitled "Cost Principles for Education Institutions," which was most recently published in the March 6, 1979, issue of the Federal Register. Intended to establish cost accounting principles for colleges and universities performing research under Government grants, in reality it represents a prime example of excessive Government interference in academia.

By way of background, A-21 was designed as a means for the Government to account for its money. While no one would argue with the concept of accountability, we must all strongly question a procedure which threatens academic freedom and scientific inquiry by requiring an onerous kind of documentation by faculty members receiving research grants. Specifically, faculty members must account for 100 percent of their activities by keeping track of and reporting precisely, in percentages, how must time they spend on research, teaching, administration, counseling, and other activities.

Vehement opposition to this unnecessary bureaucratic redtape has spread across the academic community. The objections are perhaps best summarized by A. Bartlett Giamatti, former professor of English and comparative literature and now president of Yale University—which I am pleased to have located in my district—in his article, "Science and the University" (Science, vol. 210, Nov. 28, 1980). In his article, Dr. Giamatti states that he objects to A-21 on the grounds that:

Some individuals in the government must believe that government fully owns a principal investigator and has a right to require documentation of that person's "work load" even when that work is unconnected with federally sponsored work.

Some individuals in the government must misunderstand completely that it is impossible to segregate teaching from research from administration in doing basic research and to assign precise percentages to these false distinctions.

Such requirements to create false categories will inevitable result in reports which are wholly meaningless and may only bury, not reveal, genuine instances of improper use of federal money.

In conclusion, we must recognize that we cannot afford to let this form of Government meddling to continue. These is no doubt that time or effort reports are meaningless and a waste of time. I strongly urge all Members to join the fight against A-21.●

SAUDI OIL PRICING CANNOT JUSTIFY AWAC SALE

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. FRANK. Mr. Speaker, the administration is making a very grave error in proposing to sell Saudi Arabia a package of extremely sophisticated and dangerous military equipment which will greatly destabilize the Middle East. In proposing to allow the Saudis to increase enormously the offensive capacity of the F-15's sold to them in 1978, and in proposing an unprecedented sale of the AWAC's to Saudi Arabia, the administration is asking us to support a quantum leap in the Middle East arms race. The administration proposes this sale despite Saudi Arabia's repeated insistence that Israel, not the Soviet Union, is the target of Saudi weaponry. Nor is the administration deterred from this sale by the all-out support the Saudis have shown for the terrorists PLO, nor by Saudi Arabia's unremitting bitter hostility toward the Camp David peace accords.

One reason we have been given for the sale is to reward the Saudi's moderation in the pricing of oil. This is wholly specious. Saudi Arabia's oil pricing policy is dictated by Saudi Arabia's own pressing development needs. As the possessors of a vast supply of oil, with their long-range plans to transform their country into a sophisticated industrial nation, they choose for their own reasons to price oil at a level that will maximize their long-term goals. There is no evidence at all for the view that they price oil to help the United States.

Hobard Rowen, a leading economic analyst for the Washington Post clearly debunks the myth that the Saudis are doing the United States a favor in pricing their oil. His article entitled "Yamani's Nonsense" is printed below so that this wholly unsupported argument in favor of selling more arms to the Saudis can be exposed:

[From the Washington Post, Apr. 30, 1981]

YAMANI'S NONSENSE

(By Hobart Rowen)

Sheik Yamani, the oil minister of Saudi Arabia, is a master in the art of communication. For years, he has managed to convince otherwise sophisticated reporters and editors that his country, on behalf of its friends in the West, has exercised restraint in oil pricing.

In a speech to the Foreign Policy Association in New York last week, Yamani spoke of the "sacrifices" his nation is making to keep the United States happy, among them "forgoing $1.9 billion annually in favor of the U.S.A." by maintaining oil prices $4 per barrel lower than the rest of the cartel.

The fact is that the Saudis have a very clear and logical strategy that dictates their oil production and price levels. The $32 Saudi price (compared with $36 for the rest of OPEC) and their production at a sustained level of 10 million barrels a day have everything to do with the Saudis' own best economic interests, and nothing to do with keeping the United States happy.

The most significant development in the world energy market is that oil-producing capacity now exceeds demand, which has been slowed by high OPEC prices. Last year, the Big Seven industrial countries cut oil consumption by 3 million barrels a day, and there is every indication this is the start of a long-run trend.

On "Meet the Press' April 19, NBC's Bill Monroe brought up the matter of the glut, which is weakening oil prices. Guest Yamani anwered with a brilliant piece of propaganda later featured by the print and electronic media: "As a matter of fact, this glut was anticipated by Saudi Arabia and almost done by Saudi Arabia. If we reduce our production to the level before we started raising it, there would be no glut at all. So we engineered the glut and we want to see it in order to stabilize the price of oil."

He added that, if Saudi Arabia so chose, it could cut production of 10 million barrels a day to 6 million "and live happily at that level. And if you take away from the market 4 million barrels, then immediately, you will have a shortage. The price of oil will go up." As The Wall Street Journal quipped the next day, "How could anyone refuse to sell AWACS to a bunch of nice guys like that?"

The glut, of course, is a result of several factors, including a depressed world economy caused by high oil prices. In addition, there is the greater economic viability of coal, nuclear energy and other energy sources at these prices, as well as dramatic dividends from conservation. But no one on the "Meet the Press" panel calley Yamani's bluff: A reduction of 4 million barrels a day in output would cost his government $48 billion a year (each 1 million barrels a day at $32 being worth $12 billion annually to the Saudis), threatening the viability of the Saudi economy.

The correct reading of Saudi oil production and price policy was given by Yamani himself, in Dhahran, Saudi Arabia, a few weeks ago. Then he had to respond to criticism from a countryman for not going along with the higher prices of other OPEC nations.

"We must not be moved in the direction that other [OPEC] countries are moving in," Yamani said. Saudi Arabia, he continued, is "in a race with time" to establish an industrial base. "If we force the West to invest heavily in finding alternative sources of energy, they will," he continued. "This would take no more than seven years and would result in reducing dependence on oil as a source of energy to a point that will jeopardize Saudi Arabia's interests."

There you have a blunt, clear and defensible statement of the Saudi national interest. It contrasts quite sharply with the nonsense Yamani fed to the Foreign Policy Association about a $1.9 billion "sacrifice" for the good old U.S.A. By keeping the price below the rest of OPEC, Yamani hopes to slow down the shift to alternative sources of energy. It is an intelligent economic decision.

On the other hand, as Yamani said in Dhahran, countries like Algeria, which by 1990 will run out of oil to export, want to push prices as high as possible to maximize their revenue in the short term. "If I were an Algerian," Yamani said, "I would no doubt wish that the price of oil today would reach $100 a barrel—even if I brought the world economy down. Because no matter what happens to the world, they must buy this oil from me regardless of how much I encourage them to look for alternative energy sources. . . ."

But the Saudis and Yamani must take a different approach. Relative price moderation will extend and protect marketability of their oil into the next century. But just as the Saudis wish to decelerate the trend away from oil use and toward coal, natural gas and nuclear energy, it is in America's best interest to accelerate that precise trend, diminishing excessive dependence on imports.●

GRAND RAPIDS IS NAMED ALL-AMERICA CITY

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. SAWYER. Mr. Speaker, I am extremely proud, and pleased to announce that the city of Grand Rapids, Mich., a city of 181,000, which I represent here in the Congress, was recently named by the National Municipal League as 1 of 10 communities to receive All-America City designation for 1981. Awards to All-America Cities are made on the basis of citizen action at local levels, wherein community action and citizen organization result in cooperative decisionmaking and problem solving.

Needless to say, residents of Grand Rapids are proud of the honor bestowed upon our community, in recognition of our community spirit and accomplishments. In Grand Rapids specifically, a crime prevention and child watch program, the Burton Heights business revitalization program, and the creation of a major cultural event—the Grand Rapids Arts Festival, were named as particularly significant in the award decision.

Grand Rapids is in the midst of an exciting renewal with our new convention center, hotels, office buildings, downtown mall, and the Gerald R. Ford Museum, adding to its attractiveness, but it was the involvement of our citizens on a large scale predominantly through three local projects aimed at improving our community that was responsible for the All-America City designation. The acceptance of the All-America City award will take place in Grand Rapids on June 5, the opening day of festival 81, one of the events which earned the city the designation. I invite my colleagues to visit a truly great American city this summer and fall.

I would like to thank all citizens of Grand Rapids who were a part of this effort, and in particular, Tamsen Vanderwier, who headed the local effort to win this award, Gerald Helmholdt, president of the Burton Heights Business Association, George Lyons, chairman of the board of the chamber of commerce and general manager of WZZM-TV, and Stuart Cok, president of the Grand Rapids Chamber of Commerce.

My heartiest congratulations, Grand Rapids.●

WESTCHESTER AND PUTNAM COUNTIES' SPECIAL OLYMPICS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. OTTINGER. Mr. Speaker, 1981 is the International Year of Disabled Persons as proclaimed by the United Nations in order to make the needs of the disabled an international priority. As a longtime supporter of the rights of disabled persons, I wholeheartedly support this effort.

While great strides have been made in recent years to enhance the lives and opportunities of disabled Americans, we still have a long way to go. Therefore I want to bring to the attention of my colleagues a special event taking place in Westchester County, N.Y. Weschester and Putnam Counties

have joined forces to proclaim April 25 "Special Olympics Month" in honor of the International Year for Disabled Persons. Culminating this month of special activities will be the annual Special Olympics meet on Saturday, May 9 at the New York School for the Deaf in White Plains. I am looking forward to participating in this wonderful event again this year.

Area 3 Special Olympics of Westchester and Putnam Counties is a highly visible organization which supports numerous year-round activities, six training clinics, involves over 1,000 handicapped children and adults, hundreds of volunteers and fully supports, equips and maintains this multifaceted program. As part of New York State Special Olympics, Inc. founded by the Joseph P. Kennedy, Jr. Foundation, area 3 has provided ongoing programs for special athletes since 1972.

In 1972 there were approximately 1,000 mentally handicapped students in this area's public, BOCES, and noninstitutional private schools. At that time the area's special Olympics program was modest, consisting of dedicated educators from two area schools transporting a handfull of their students in vans to adjacent Special Olympic districts to compete in one day events. There were no regular training sessions, no volunteers other than the participant's teachers and family, no publicly or recognition and no money for expansion. Furthermore, there was no possibility for a handicapped person who did not go to one of these two schools to participate in any Special Olympics' activity.

In September 1972, area coordinators Jack Carey and Eileen Bisordi, sent letters to numerous civic organizations requesting assistance. The Yorktown Area Jaycees joined the Special Olympics planning committee and offered the full resources of their organization to develop area meets for local competition and recognition of the athletes. The Yorktown Area Jaycees rented the facilities of Yorktown and Lakeland High Schools and sponsored 2 days of activities for the Special Olympians. Competition was held in track and field and gymnastics, 124 handicapped athletes competed in these first district meets.

In the following years from 1973 to 1974, area 3 Special Olympics not only organized local and district meets, but began to expand its volunteer base and gain publicity, thus attracting more handicapped participants. At the end of the 1974 year there were three district meets where over 220 Olympians from numerous schools participated, and events were expanded to include swimming.

By early 1975 the area 3 Special Olympics program was growing fast. Year round training was begun and training sites opened up in local colleges and recreation agencies, events were expanded to indlude basketball, floor hockey, bowling, and winter sports.

As the program expanded in 1976 through 1977, fund raising was becoming increasingly important and was requiring signficant time and effort which was being diverted from the main purpose of improving and expanding the Special Olympics program. The Yorktown Area Jaycees decided to concentrate their efforts on one fundraiser, the walk-a-thon, rather than spreading the effort over two or three different activities. Thus they worked at improving and streamlining the walk-a-thon, which was and remains the main fundraiser for Special Olympics. The 1976 and 1977 walk-a-thon had over 1,000 participants and brought $13,000 and $10,800 respectively to area 3. Thus enabling concentration toward programing.

From 1978 to 1979 area 3 incorporated another major fundraiser, the swim-a-lap, which doubled the financial resources of the area. Also major donations from corporations enabled area 3 to improve the quality of local events and increase programing. The area was not only able to provide local and area meets, but also able to send athletes to many of the New York State meets and to the 1979 international games at Brockport, N.Y.

Volunteers comprising the board of directors and steering committee represent not only educators and parents of the handicapped, but also businessmen, recreation specialists, college students, and interested civic minded people. By 1979 it became imperative to recognize the area's decision-making committees and by 1980, the area had a 15 member working board of advisors with specific job profiles and newly drafted bylaws.

The goal of area 3 special Olympics is to provide athletic training and competition for the handicapped of Westchester and Putnam Counties. With the registration of Olympians increasing every year, area 3 is working to realize its goal. At the area meet of 1980, there were over 850 athletes participating in track and field, gymnastics, and swimming. Area 3 anticipates that up to 1,000 athletes will register for the 1981 area meet.

Mr. Speaker, the area 3 Special Olympics program has matured in its short 9 years and is recognized as a model program in the State and in the country.●

FOR A FREE RUSSIA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. DORNAN of California. Mr. Speaker, I would like to share with my colleagues important material concerning the aims and aspirations of the Coalition for a Free Russia. Quoting the declaration of the free Russians, the coalition states:

The program of the Communist Party has proved itself to be the most outrageous deception in the history of mankind.

The imposition of Communist rule has had dismal consequences for the Russian people. Before the Soviet leadership began to destroy social development in their own country by introducing Communist tyranny early in this century, culture did flourish; the economy did prosper; and the inhabitants of the land did have the freedom that people in the West have always loved and fought so hard to preserve. On February 26 and 27, 1981, the Coalition for a Free Russia held a convention in the Senate Office Building. I direct your attention to the following account of that significant meeting, prepared by Dr. Igor Glagolev for the March 1981 bulletin of the Association for the Cooperation of Democratic Countries.

FOR A FREE RUSSIA

The magazine Russia Abroad and the newspaper Russian Life called this convention a historical one. Russian Life pointed out that representatives of the first, second and third emigration from the Soviet Union, sharing the program of full opposition to Marxism and communism and recognizing the future Free Russia as a friendly alliance of its peoples united by the historical past and by the common fate, participated in the Convention. It was the First Convention of the Russian emigrants in the history of the United States to meet with sympathy by Government circles, wrote the newspaper.

Coalition for a Free Russia, which organized the Convention, received a message from Mr. Ronald Reagan. He wrote to Mr. Karali, the Chairman of the Coalition: "Please, extend my greetings and best wishes to the participants of the manifestation of support by your organization for a free and democratic Russia. The goal of a free and democratic Russia is one that is shared by many Americans . . . The goal of this and future Administrations must be to preserve an international climate and conditions in which all those aspiring for freedom, justice and self-rule will yet fulfill this rendezvous with destiny."

Senator Steven Symms said at the Convention that the Russian freedom fighters had an extensive experience in their struggle against communism. The American people and the peoples of Russia should fight for freedom together.

Congressman Lawrence McDonald expressed the following ideas in his speech: "It is good that the Congress and the Government of the United States consider what a free Russia might mean to the world. Most

international terrorism would end without Moscow's backing and inspiration. Most so-called wars of liberation would end. Much of the world's misery and poverty would end. The arms race would end. What a better world it would be with a free Russia! So this goal of yours is most worthy and something the United States should support."

Congressman Robert Dornan stated in his message: "It is my firm conviction that in the conduct of American foreign policy we must always make the critical distinction between the Russian people and the bureaucratic and . . . brutal elite that rules over them. The West must never fail to distinguish between . . . tyrants and the victims of that tyranny . . . God bless and keep you."

Speeches of the priests at the Convention were very important. Bishop Gregory of Manhattan gravely condemned the persecution of religion in the U.S.S.R. Father Alexander Kiselev eloquently described the great significance of Christianity in the thousand years of history of Russia.

Dr. P. Magerovsky, Dr. R. Desrosiers, Mr. P. Krachtovsky and Mr. S. Durilin pointed out that culture and economy prospered in Russia before 1917; human rights were secured. Only communist terror beginning in 1917 interrupted rapid social development of Russia.

Prof. N. Fedorov, Dr. F. Bandurko, Dr. G. Woloshyn, Prof. Yu. Olkhovsky and Mr. I. Kornienko analyzed the history of the military and political struggle against communism since 1917 and up till the present time.

The Chairman of the Coalition for a Free Russia, Mr. A. Karali, presented the main paper of the Convention devoted to the activities of the Coalition. Coalition for a Free Russia, founded in 1979, has united more than 40 organizations and has organized mass demonstrations against communism and for freedom in Russia and other countries. It has participated in international conferences and published its policy statements in leaflets and periodicals, including Congressional Record. The ideas of the Coalition have reached tens of millions of people in Russia with the help of the Voice of America.

The Coalition supports the best historical traditions of Russia and strongly condemns the aggressive policy of the Soviet dictators. In the process of free discussion the Coalition has worked out a common Declaration, which shows the way of the creation of a free Russia.

The XXVI Congress of the Communist Party of the Soviet Union, which is held in Moscow at present, is unlawful, declared Mr. Karali. The leaders of the U.S.S.R. have not been freely elected by the peoples of Russia, and they do not represent the interests of these peoples. They must retire. Their program has completely failed.

The interests of the peoples of Russia are represented by the Coalition for a Free Russia.

Speeches from Mr. V. Baranov, a worker who actively participated in the freedom movement in the Soviet Union, Prof. F. Bogatyrchuk, Mr. M. Altan, Mr. F. Yurter, Mr. P. Koltypin, Mr. S. Flotov, Colonel G. Moiseev, Mr. I. Pinotsi, Mr. Yu. Meyer and Mr. A. Shifrin, Director of the Research Centre of Soviet Concentration Camps, were devoted to the modern problems of the U.S.S.R.: the failure of the economic program of the Communist Party of the Soviet Union, modern Soviet concentration camps, Soviet aggressive army, persecution of the Crimean Tartas and other victims of the communist terror.

Mrs. V. Politis, Mr. V. Mantulin, Mr. H. Tabachnik and Mr. D. Rosenberg analysed the problems of the emigrants from Russia and their relations with the governments of the West. It was suggested to stop discrimination against the emigrants of the Russian origin, both in the U.S.S.R. and in the West.

The discussion on the future Free Russia aroused great interest. Dr. A. Fedoseyev, the author of the books "The Trap" and "On a New Russia", suggested to introduce the system of free enterprise in Russia and to secure the right of self-rule to the local communities in the country. He stated that socialism in the U.S.S.R. and other countries has entered the stage of disintegration. Prof. B. Browzin said that it would be advisable to divide the cultivated land in Russia among the peasants who work on it at present. Dr. V. Zezulin suggested that Free Russia should be guided by the philosophy of solidarism, of cooperation among people.

Dr. I Glagolev expressed the conviction that the foreign policy of Free Russia should be the policy of peace and reduction of arms, the policy of cooperation with the other free countries; the arms race should stop and the danger of a nuclear war disappear; the Soviet troops should be withdrawn from the countries, which are occupied by them at present.

Coalition for a free Russia and Congressman L. McDonald made the following Joint Statement:

"Taking into considertion that the peoples of Russia and the United States of America have historicaly made a great contribution to the world civilization, that these peoples have never fought against each other, that they have exchanged their cultural achievements and that these peoples strive for freedom and reject communist tyranny, we, representatives of these peoples, deem it necessary that the future Free Russia and the United States of America should live in permanent peace and friendship".

The following Joint Statement was made by the leaders of the Coalition for a Free Russia and the organization Free Poland:

"Coalition for a Free Russia demands withdrawal of Soviet armed forces and military advisers from all foreign countries, where they are deployed, and their demobilization. It demands free elections and free enterprise system in Russia. Organization Free Poland fully supports these demands. Both organizations recognize the Confederacy of Independent Poland as a political party representing various ideologies within the united resistance movement in Poland, which represents the majority of the people of Poland. Both organizations support the demands of the Confederacy of Independent Poland for withdrawal of the Soviet troops from Poland and for free elections in Poland, the only way to secure freedom and independence of Poland. Both organizations will undertake all necessary efforts to stimulate the policy of the future freely elected governments of Poland and Russia toward peaceful and friendly cooperation between these nations forever."

Dr. K. Hanff, President of the organization Free Poland, and Dr. M. Pstrag-Bielensky, Representative of the Confederacy of Independent Poland, analysed the goals of the Polish anti-communist movement.

The speech of Mr. H. Mayar, the Chairman of the Afghan Community in the United States, was met with great attention and sympathy. The speaker described the heroic fight of the freedom-loving Afghan people against heavily armed forces of the aggressive Soviet army.

Dr. M. Costick greeted the Convention in the name of the Serbian freedom movement, Mr. G. Slavov—in the name of the Bulgarian National Front

Grand Duke Vladimir sent a friendly message to the Convention.

Authoritative representatives of the Russian and American public—Mr. A. Sollogub, the editor of the magazine Russia Abroad, Prof. V. Pirosckow, the editor of the magazine Voice of the Russian Emigration, Mr. N. Petlin, the editor of the newspaper Russian Life, Captain F. Manson, a representative of the American Legion, Mr. B. Narcissov, a poet, Mr. K. Kostukevich and Mr. V. Gordeuk—addressed the Convention.

The message of Alexander Solzhenitsyn, the greatest writer and freedom fighter of our age, was met with standing ovation. A. Solzhenitsyn wrote: "Reading the list of the members of your Coalition, including also inhabitants of the Caucasus and Cossacks, I, who was born in that region, wish success to your Coalition and your convention with a still stronger feeling. There is a cruel misunderstanding of the past, present and future Russia in the whole world; Russia is wrongly identified with communism—a fatal mistake for the world. Let your meetings and your work help to clear away these mistakes in America."

In conclusion, Mr. V. Mantulin read the Declaration of the Coalition for a free Russia, which contained the following statements, among others: "The Program of the Communist Party of the Soviet Union, adopted by the XXII Congress of the Party in 1961, has completely failed. The main promise then was that the U.S.S.R. would surpass the United States and all industrialized nations in the standard of living. It was promised further to secure for the Soviet citizens free apartments, free lunches at work and in school, free rest homes and old peoples homes, nurseries and kindergartens, free consumer services, uniforms and textbooks for students, reduction of prices and elimination of taxes. It was also promised to democratize the government and change the leadership of the country periodically, to be followed by peaceful coexistence and world disarmament. Not a single promise has been fulfilled: the Program of the Communist Party has proved to be the most outrageous deception in the history of mankind. Such Party has no right to govern or even to exist.

The central issue in the world today is developing a strategy of eliminating the communist system, subsequent liberation of hundreds of millions of people and prevention of a communist nuclear attack . . .

While the people of resurrected Russia will choose by themselves the right time and methods to paralyze the communist dictatorship, the free world has a political right and moral obligation to assist the Russian people in the long overdue struggle for real freedom.

In the process of overthrowing the dictatorship the Soviet military forces should be converted into the Liberation Army of Russia, dissolving the KGB and the entire political apparatus of the Soviet armed forces. The Soviet troops presently deployed in other countries should be withdrawn to the historic territory of Russia without delay.

Coalition for a Free Russia holds the opinion that the peoples of liberated Russia will by themselves resolve all fundamental problems of their society on the basis of universal human rights, past experience and their religious and secular convictions. The Basic

Law of the Land in its spirit and letter should be compatible with the authentic historical traditions of Russia and in consideration of the positive constitutional experience of other free countries. Territorial, administrative and economic problems of various ethnic groups of Russia should be resolved by the ethnic groups themselves within the state as a whole.

Coalition for a free Russia is calling for the restoration of the following fundamental rights: free elections to executive, legislative and judicial offices; reestablishment of freedom for all religions; the right of private ownership; free enterprise system; private land ownership by farmers and peasants; free trade and labor unions; free press and news media; unrestricted travel in Russia and abroad; fair and equal justice for all; education free of government intervention.

God is with us!"

Tens of millions of people in Russia learned of these ideas thanks to the broadcasts of the Voice of America from the hall of the Convention for a free Russia.●

CRS SEMINAR PROGRAMS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. GOODLING. Mr. Speaker, while the Congressional Research Service of the Library of Congress began offering seminars on a limited basis for Members of Congress and senior staff in 1971, it took the guidance of a former Member to ignite the program by virtue of his experience, creative ideas, and solid backing for such a CRS role.

Gilbert Gude served the people of Montgomery County, Md., in the U.S. House of Representatives for 10 years, becoming Director of CRS in 1977, at the beginning of the 95th Congress. Immediately he formed the Office of Member and Committee Relations in the Office of the Director, and gave the charge to develop: One, seminars on legislation before the Congress, and two, professional development programs which would serve the staff to the Congress of the United States.

It is an ambitious offering, served by a small but committed staff who administer the series known as the CRS Legislative Institutes—basic, advanced, and graduate—which teach the nuts and bolts of committee, floor, and conference procedures, and the CRS District Institute allowing staff from field offices throughout the country to travel to Washington for three days of mastering the ins and outs of information—casework, grants, and projects, and how to use CRS—which will make them stronger in their District staff positions.

By the 96th Congress, Gude & Co. devised and offered the first Public Policy Issues Institute—with its scope being the briefing on issues which that session of Congress will deal. The PPI offering has continued at the beginning of each session of Congress since, with 45 courses of 2-hour duration offered prior to the 97th. It can be likened to the government department of a major university, where congressional staff elect courses along issue tracks of interest to their boss, committee assignment of the Member, or interests of the consistency the Member represents.

CRS has many capabilities with its 500 professionals representing every academic excellence imaginable, but the CRS seminar programs now in place afford visibility for the Institution that didn't exist before. It has been observed that CRS was one of the best kept secrets on the Hill prior to Gude.

The seminar programs have allowed Members and staff alike to gain a greater recognition and understanding of the resource which is unique to our legislative branch—the research and reference capabilities represented by the dedicated professionals of the Congressional Research Service.

Gilbert Gude and his staff are serving the Congress well. His Office of Member and Committee Relations have provided a window into an incredible resource—not another Government bureaucracy, but a responsive institution which by mandate is nonpartisan and objective, excellent in its reputation, and distinguished by the man of vision who leads it.●

UNITED STATES SHOULD NOT HEED SAUDI ARABIA'S PLEAS

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. HUGHES. Mr. Speaker, I was privileged to join with many of my colleagues last month in raising questions about the proposed sale of AWACS to the Saudi Arabian Government. I continue to strongly believe that such a sale is ill advised.

On March 15, the Atlantic City Press published a column entitled "U.S. Shouldn't Heed Saudi Arabia's Pleas" by David R. Kotok, a respected and thoughtful citizen of Vineland, N.J., whom I have had the privilege of working with for many years.

Mr. Kotok, an economist, examines the economic power of the Saudi Government and raises the questions that we in this body continue to examine in determining the wisdom of the proposed sale. Mr. Kotok finishes his column with the most profound question we have to ask in light of our recent experience with Iran: "Is the Saudi regime stable?" If the answer to that question is negative, then the next logical question is not "Should we sell them this highly sophisticated equipment of war," but rather, "Do we dare take the risk?"

I commend to the attention of my colleagues this insightful article by David Kotok.

U.S. SHOULDN'T HEED SAUDI ARABIA'S PLEAS

(By David R. Kotok)

Saudi Arabia wants the U.S. to sell it "conformal fuel tanks and bomb racks," specialized equipment which converts the F-15 fighter plane into an offensive weapon. In addition, they have indicated that they may wish to buy airborne radar capability (AWACS) and tanker planes capable of refueling the F-15 in the air.

We should refuse their request.

In May 1978 the Congress approved the sale of 60 F-15s to the Saudis only after an explicit commitment that they were to be used for defensive purposes. During the 1980 campaign, President Carter vowed not to approve equipment sales which gave the F-15 "offensive" capability. Candidate Reagan implied the same position.

As President, Ronald Reagan is experiencing Saudi diplomatic pressure and that includes their threat to use the "oil weapon." This issue will be a good test of his convictions.

Proponents of the sale cite Saudi moderation on oil pricing as an act of "friendship" toward the U.S.; they ignore Saudia Arabia's use of prices and production levels as the means by which the Saudis preserve their own power within OPEC.

The Saudi's American supporters claim that seven years of indecisive energy policy has let power shift out of our hands, that we would be reckless if we did not recognize Saudi Arabia as the holder of that power.

This "power" argument ignores the almost 25 percent decline of American oil imports in the last three years. It suggests that higher energy prices are not having any effect, that the economics of the marketplace do not work. It implies the U.S. will not become energy independent.

As for Saudi "friendship"—let the record speak for itself.

They first used the "oil weapon" following the 1973 "Yom Kippur War" when they embargoed sales to the United States and the Netherlands; their reason—those countries had supported Israel. They fail to mention how their policy caused oil to rise from $3 to $12 per barrel in one year.

They have continued to use the "oil weapon," raising or lowering their production so that world oil prices remain near the OPEC cartel levels—price levels set by their influence and currently near $40 per barrel.

They refused to support the Camp David peace accords; they attempted to isolate Egypt's President Sadat as a penalty for making peace. The Saudi leaders recently called for "jihad," an Islamic Holy War, against Israel; their armed forces have participated (albeit often late and weakly) in three Arab wars against Israel.

They give financial support to international terrorism; they are the PLO's largest benefactor. They give shelter to despots; their current guest is Uganda's former dictator, Idi Amin.

They have discouraged the U.S. from accumulating oil in the Strategic Petroleum Reserve; the Carter Administration succumbed to this pressure and ceased filling the reserve at Saudi request. It appears that the Reagan Administration will fill it.

Only if we ignore both words and deeds can we be sanguine about Saudi Arabia possessing F-15s with offensive capability.

Is the Saudi regime stable?●

NORTHERN ILLINOIS UNIVERSITY—A LEADING EDUCATIONAL INSTITUTION IN THE 15TH CONGRESSIONAL DISTRICT

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. CORCORAN. Mr. Speaker, Northern Illinois University, a major university in my congressional district, will hold its annual Washington alumni dinner in the Nation's Capital on May 14.

Each year Dr. William R. Monat, the university's president, meets with Northern Illinois alumni in the area, many of whom hold prominent positions in government, business, industry, education, and other fields, to report on the progress of one the Midwest's leading educational institutions.

This is a watershed year for Northern, which is at a point in its development where the university is reflecting on its beginning as a 2-year normal school in 1895, considering its expansion over the years to university status in 1957, assessing the best ways to meet the needs of its current enrollment of 22,000 students drawn from 23 counties in Illinois, and planning for the crucial role the university will play in the social and economic success of the region for years to come.

President Monat eloquently captured the unique position the university occupies:

> Northern Illinois University is intellectually and geographically positioned to chart courses and expand horizons leading into the twenty-first century. We see around us the forces which will dominate the next two decades and preconditions the next century in terms of the economic, political and social dynamics molding our agrarian heritage and our urban reality. The future is exciting. We are in the most vital region of the middle west. We are surrounded by the centers of growth and development: intellectual, political, economic, industrial, scientific and social. The twenty-first century beckons all of us: It is the day after tomorrow in the life of this nation. I challenge the university community to recognize and embrace with enthusiasm that realization and the challenges it holds.

I believe that Northern is well on its way toward meeting the challenges of the future.

The university's outstanding faculty, administrators and supportive alumni have contributed to Northern's distinction of being cited by the Kiplinger magazine Changing Times as one of only 64 colleges and universities in the country providing quality education at a reasonable cost. It was the only public institution in the State of Illinois so named. A university's success in providing education at a reasonable cost is a considerable achievement. To do this and maintain the second highest admissions standard of the 13 tax-assisted institutions in Illinois is a significant achievement in the world of higher education.

The university's 440-acre main campus in De Kalb and the 140-acre center for instruction in Oregon, Ill., offer courses to Illinois residents, many out of State students and more than 750 international students from 70 foreign countries. The university also provides employment for more than 5,000 individuals.

David Buswell, manager of Government affairs at Fiat Allis in Washington and a 1957 graduate of Northern, has assumed the responsbility of keeping the alumni in the National Capital area abreast of the university's progress. Mr. Buswell points out that business and governmental leaders in Illinois and throughout the Nation consistently call upon Northern staff and the university's research and service centers to provide the expertise necessary to help solve governmental problems, environmental, education and administrative issues and many other specialized concerns.

Education has been called a debt due from present to future generations.

Northern Illinois University has striven to honor this commitment to my constituents in the 15th Congressional District and to many students throughout the State and the Nation who seek intellectual growth at this fine Midwest university.●

CBC VERSUS REAGAN/LATTA/GRAMM BUDGET

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. CONYERS. Mr. Speaker, the public should be forgiven for being confused about the various budget alternatives.

The Reagan administration, for example, has called Government spending the single biggest factor behind inflation and the rundown American economy. Yet the Reagan budget is more than $50 billion in deficit. It promises to balance the budget for 3 or 4 years from now. Even worse, while it condemns Government spending in general, it asks the public to endorse one of the biggest spending sprees in history—an additional $40 billion, at a minimum, in new military spending next year and, over the next 6 years, at least an additional $1.5 trillion in new military spending.

The administration has told the American public that waste, fraud, and mismanagement in Federal programs cause untold economic ills and, in any case, are an unconscionable ripoff of taxpayers. It, then, is slightly amusing—and tragic, too—to discover that the same administration has done virtually nothing to combat waste, fraud, and mismanagement at the Department of Defense, which according to the respectable and conservative weekly, U.S. News & World Report, is the single biggest offender of all. Incidentally, this same journal, based on congressional Republican sources, estimates waste and fraud at the Pentagon to exceed $15 billion annually, while others contend it goes far higher. If my memory serves me correctly, no one, not even the most dedicated fiscal conservative, has unearthed that amount of waste in any of the major domestic programs and agencies.

The American people are not being fooled about the Reagan administration recipe for curing the economy's ills. Polls indicate broad skepticism that the administration economic and budget program can bring down inflation significantly. What the public also is learning is that the Reagan administration budget can make the economy even worse than it is today.

Another reason why the public should be confused about the budget debate: They have been told by the administration, by its supporters in the corporate world and the media, by every center of established power and privilege in the country, that their budget formula is the one and only way to solve the problems of the economy. They have cleverly nourished the myth that the administration possesses special economic wisdom, that no one else possesses.

I suspect citizens, by and large, doubt the administration's overblown claims. After all, in recent memory several administrations have made similar claims, and each time the problems of the economy only worsened.

In any case, along comes the Congressional Black Caucus—18 Members of Congress—to challenge the Reagan administration formula head on. The caucus alternative budget calls for:

> Bold, innovative, and equitable tax reform, while the administration's budget gives corporations and the highest income households more of the same in the ways of tax loopholes, subsidies, and shelters;
>
> The caucus budget maintains domestic human resource programs—medicaid, low-income housing; education aid; income security for the disadvantaged, food stamps, badly needed urban aid—while the Reagan (or if you will, the Latta-Gramm) budget curtails or eliminates these programs;
>
> The CBC budget provides for an adequate defense and would compel the Pentagon to root out its waste, duplication, and mismanagement, while the administration simply calls for more of the same at DOD;
>
> And, finally, the caucus budget continues to assist economically depressed regions and pockets of chronic unemployment, while the

Reagan/Latta/Gramm budget simply calls for their abandonment altogether.

The Congressional Black Caucus budget shows the public there are ways other than the Reagan plan to curb inflation, bring down the deficit, and promote economic recovery. It proposes a balanced budget, which, strangely enough, this preeminently fiscally austere administration cannot find the time or room to accomplish. Its priorities are different.

Just a word about Detroit, the city I represent. There is more than one Detroit in the Nation today. Detroit may be worse off economically than other cities, but others are not far behind. What about the Clevelands and Youngstowns; the St. Louis' and Birminghams; even cities in growth areas that do not have enough local capital to finance the growth that is taking place?

The Reagan/Latta/Gramm budget will, I am afraid, accelerate the economic and public sector slide in most urban centers, and do irreparable damage to urban America. Whoever thinks that the private sector alone can produce all the capital investment needed in urban America is either whistling in the wind or else chasing the ghost of yesteryear—the ghost of preindustrial America that, really, exists no more.

I urge my colleagues to oppose the Reagan/Latta/Gramm budget proposal, and support the budget alternative offered by the Congressional Black Caucus.●

EXIMBANK BUDGET CUTS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. BONKER. Mr. Speaker, as chairman of the House Export Task Force, I would like to announce a member's meeting of the task force on Wednesday, May 6 at 4 p.m. to discuss export financing. the meeting will be held in room H310.

Adequate export financing is absolutely critical if the United States is to remain competitive with our foreign counterparts. President Reagan's budget calls for a sharp cutback in levels for Eximbank funding. As a result, I feel the recommended demand for official export financing will be inadequate to meet the anticipated, legitimate demand for official export financing, or to enable the United States to offset the export credit subsidies offered by our principle foreign competitors. On Wednesday, the task force will examine the following aspects of this critical issue:

The theoretical justification for some Government-supported export financing; the discussion will be led by Dr. Penelope Hartland-Thunber, senior economist at the Georgetown Center for Strategic and International Studies.

Present export financing programs and the effects of the proposed budget reductions, to be discussed by John Lange, Director of the Office of Trade Finance, Department of Treasury.

Credit subsidy programs and the international credit war, presented by Bob Cornell, Deputy Assistant Secretary for Trade and Investment Policy, Department of the Treasury; Mr. Cornell will head the U.S. delegation to the upcoming OECD meeting.

The Eximbank was singled out for a sharp cutback by budget strategists in the administration to show that the business community was sharing in the sacrifices called for by the President's economic program. I believe such cuts represent false economy—and come at a most unfortunate time, at a point when our chief competitors in Europe and Japan have declared a war over credit by liberalizing the terms of their officially supported credit subsidies.

Increasingly, foreign buyers for big-ticket items are selecting their suppliers on the basis of financing. A recurrent lack of adequate and reliable resources has made the Eximbank less competitive than its foreign counterparts—yet a competitive and aggressive entry into the financing of exports is the No. 1 congressional mandate for the Bank. Benefits from the Bank go far beyond large corporations, since every billion dollars of export loans is believed to create from 30,000 to 40,000 jobs.

The credit war I mentioned is escalating; virtually all the major industrial countries—the members of the Organization for Economic Cooperation and Development (OECD)—have been increasing, or plan to increase the official government credit they offer, at highly subsidized interest rates, to finance their exports.

To meet this ruthless competition, our exporters, especially those exporting large capital or high-technology goods, must turn to the Export Import Bank. Yet in the face of this challenge, we are offered a proposal which severely restricts the Bank's ability to compete. The President's plan calls for a $752 million reduction in the agency's loan-making authority this year and an $11 million reduction by fiscal year 1984, a 16-percent cutback. Also recommended are direct loan reductions of $6.7 billion over the next 5 years, and the virtual elimination of discount loan programs. Added to the cut in direct loans are proposals to cut Eximbank guarantees of commercial loans made at market rates. The budget would limit loan guarantee commitments to $8.2 billion in fiscal year 1982.

I predict many overseas sales will be lost as a result of the Exim budget reductions. The consequences will be higher unemployment; a shift in production by larger multinational firms from the United States to those countries offering extensive export credit financing; deterioration of the country's balance of trade; and loss of U.S. leadership in many of the high-technology industries that must export to maintain their competitive edge in research, development, and productivity. This is the result even though the taxpayer is not actually involved in Exim budget cuts—as this is a reduction in authorization, not appropriations.

Under the President's proposals we would, in effect, be unilaterally disarming the United States in this export credit war.

I expect these and other issues to be discussed and debated Wednesday at the task force meeting. I urge the Members to attend.●

SAVE THE COMMUNITY SERVICES ADMINISTRATION

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. FRANK. Mr. Speaker, the President has proposed to merge most of the programs administered by the Community Services Administration into a new social services block grant to be operated by the States. The effect of this consolidation, I am afraid to say, will undermine the very effective programs which CSA has run.

Robert M. Coard, the executive director of Action for Boston Community Development, the CSA-funded program serving Boston, has written a very excellent defense of continued funding for CSA which appeared recently in the Boston Herald-American. In the article, he points out that President Reagan has consistently stressed the need for self-reliance and private sector involvement in solving some of our most pressing social problems and that CSA programs meet that goal. He notes that even the Heritage Foundation has recommended that CSA programs be retained and that they argue that the needs of the poor, minorities, consumers, and other groups must be met by specific approaches by the Federal Government. Such an approach would be impossible under the President's block grant proposal.

Mr. Coard has for several years been an outstanding leader in Massachusetts, fighting for the needs of the poor and for social justice. Mr. Speaker, I ask my colleagues, in voting on the President's block grant legislation or in voting on the bill filed by the distinguished gentleman from North

Carolina, Mr. ANDREWS, which would reauthorize CSA, to consider carefully the article by Mr. Coard, which I ask to have printed in the RECORD.

A copy of the article follows.

WE'D LOSE MORE THAN WE'D SAVE IF WE CUT SELF-HELP FUNDS

(By Robert M. Coard)

Throughout his campaign for the presidency, Ronald Reagan stressed the themes of self-reliance and private sector involvement in seeking solutions to social problems. It therefore seems curious that along with this budget reduction recommendations in social programs, he has recommended the abolition of the Community Services Administration (CSA).

Those unfamiliar with the structure of CSA and its network of community action agencies may question how the recommendation to close down CSA is inconsistent with Reagan's policies.

The answer is found in CSA's authorizing legislation, which charges community action agencies funded by CSA "to stimulate a better focusing of all available . . . resources upon the goal of enabling low-income individuals . . . to secure the opportunities needed to become self-sufficient."

Action for Boston Community Development, Inc. (ABCD), the community action agency for the City of Boston, has implemented this policy by using CSA funds to leverage additional funds from a variety of sources—both governmental and private.

One of our newer projects is the ABCD/Shawmut Bank training program. The program provides low-income Boston residents with training for jobs in the banking industry and includes guaranteed placements in Shawmut banks for 100 program graduates. Other banks in the city have expressed interest in similar programs.

Much of the conservative thought that has served as a philosophical base for the Reagan/Stockman budget cuts has come from the Heritage Foundation, a conservative think-tank located in Washington, D.C.

Even the Heritage Foundation's report on the Federal anti-poverty agencies (CSA, the Legal Services Corporation and ACTION) includes recommendations to retain these agencies, stating that their small cumulative budget makes "their fullscale operation possible with mere pocket change."

In an even more surprising statement the conservative think-tank concludes that "the needs and interests of the poor, of minorities, of consumers and other groups . . . demand *specific* approaches aimed at empowering the poor and the disadvantaged to overcome adverse conditions by means consistent with self-respect." (emphasis added)

To be certain, the report takes issue with the specific measures and philosophy of the current leadership of anti-poverty agencies, but the report in no way suggests that block granting anti-poverty funds would be a more efficient way to help the poor join the mainstream of American economic life.

The report also specifically recommends the establishment of a closer relationship between CSA programs and the private sector, a recommendation that may in fact be harder to achieve if anti-poverty funds are lumped together with direct social service dollars in a massive state-administered block grant.

Even the Heritage Foundation's recommendations for specific budget levels for CSA include a cut of only five percent for FY 82. The report is much closer to the Ronald Reagan we heard on the campaign trail than the David Stockman we now hear each night on television.

Stockman is using budget cuts as a smoke screen to obscure the dismantling of a structure of Federal programs that have served the poor for over 50 years. His actions are often indiscriminate, as is the case with CSA, and cut out the very programs that foster self-reliance Republicans have called for in past years.

CSA has provided a ladder out of poverty and into the mainstream of American economic life for hundreds of thousands of poor persons. We should not allow it to be dismantled for savings that even the Heritage Foundation characterizes as "mere pocket change."●

WILFRED L. SIMENDINGER

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. GRISHAM. Mr. Speaker, it is my pleasure to bring to the attention of the House a passing accomplishment of a personal friend, and outstanding Californian, Wilfred L. Simendinger.

For the past year, Wil has served as president of the California Contact Cities Association, an organization of local government representatives watching out for the interests of their constituents.

It has been my honor to serve with Wil on the city council of my hometown of La Mirada, Calif. Wil also served as mayor of that city three times, most recently in 1977.

Wil has been a resident of the city of La Mirada for 25 years. During that time he has devoted himself to civic activities. He has been chairman of the Scouting program and the little league baseball program. He served 6 years on the parks and recreation commission and was on the advisory committee to the planning commission to formulate a master plan for the city.

The YMCA and chamber of commerce have also benefited from his hard work and dedication as he served on the boards of directors of both of those organizations.

Wil's dedication to his community has been matched by his dedication to country and family. During World War II, he served his Nation in the Navy for 35 months.

I'm sure that Wil's wife Rae, his sons Tim and Mark, his daughter Terri, and his two grandchildren, Ben and Luke, share in the pride that we can all feel that our Nation can produce men like Wil Simendinger to stand as an example to us all.●

EL SALVADOR

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. DELLUMS. Mr. Speaker, American taxpayers are increasingly becoming more concerned with the fact that their hard-earned money is being utilized in El Salvador. The Reagan administration has been promoting the image that our military and economic assistance package to the Salvadoran Junta is a small scale program. Our research has shown, however, that, through bilateral and multilateral channels, the Reagan administration will be seeking more than $250 million of the taxpayers money during 1981 to be put into the coffers of that tottering regime. While critical attention has been focused on the military assistance package and the U.S. advisers' being sent there, little has been done to examine the uses to which our so-called economic assistance is being put.

Expert economists working for development agencies in El Salvador have told me that the ravages of war, the technical and administrative incompetence of that government, and the widespread corruption among military and civilian officials have resulted in the near total waste of the excessive and surprisingly generous U.S. grants and loans.

Regardless of where each Member of Congress stands politically concerning the current conflict in El Salvador, there is ample evidence to show that for purely technical and economic reasons the United States should reconsider its financial commitments to that country.

According to the March 26 issue of the Washington Post, the Gallop survey of March 15, 1981, found that 2 of every 3 Americans fear that the situation in El Salvador will develop into another Vietnam. Less than 1 of each 5 Americans favor any kind of aid to the Salvadoran regime.

For the RECORD I would like to introduce correspondence from a constituent on this matter, as well as, documentation supporting the arguments being made in this letter.

WASHINGTON, D.C.,
March 24, 1981.

A. T. International is a non-profit corporation created by a mandate of the U.S. Congress to promote appropriate development strategies in low-income countries. At this agency I am responsible for numerous projects in Central America, a region which I visit regularly and with whose situation I am considerably familiar. The views expressed herein are my own and do not reflect necessarily those of A. T. International or its staff.

When A. T. International reports to the pertinent committees of the U.S. Congress on the use of our modest federally-financed

budget, I am required to account for every expenditure in every project under my supervision. This is as it should be. I am certain you will agree that the taxpayers of this country have a right to know in comparable detail where, how and for what purposes all U.S. foreign assistance funds are being spent. This is particularly important in such cases where U.S. assistance may have a long term impact on the interests of the U.S. and the recipient country. Such, I believe is the case of El Salvador.

Through inquiries with U.S. government bilateral aid agencies and the multilateral lending institutions active in El Salvador and through my own experience in the region, I have learned that:

1. The U.S. government is programming $135.4 million in military and economic assistance for El Salvador for FY 1981 through bilateral channels. An additional $118.6 million in U.S. funds is being programmed for assistance through multilateral agencies. The total tax-payer's monies being sent to that embattled Central American country is a staggering $253 million dollars, or approximately one hundred times the budget allocated to our agency for the whole Latin American and Caribbean region.

2. The situation in El Salvador as it emerges from personal visits and from what has become a near-consensus in the U.S., European and Latin America media differs drastically from the one portrayed by our Department of State. The emerging consensus points to:

The growing inability of the civilian-military regime to govern El Salvador, manage its economy and control the indiscriminate use of violence by its own security forces with the corresponding erosion of its popularity and legitimacy.

The endurance, sophistication and political legitimacy of the broad-based opposition coalition attempting by both military and diplomatic means to unseat the current government and put an end to the civil war.

The economic situation in El Salvador is deteriorating at a faster rate than the most pessimistic forecasts of only a few weeks ago, while mismanagement of economic assistance programs is widespread.

Voting behavior in the House Appropriations Committee on the matter of aid to El Salvador indicate that too few members of Congress are willing to examine critically the context into which U.S. foreign assistance funds are being poured so generously. Given the magnitude of the initiatives being taken by the administration and the sizable costs associated with it, I believe that a thorough investigation of the executive's disposition of funds through the various agencies involved is in lieu.

Given that over 85 percent of U.S. funds programmed for El Salvador are being described by the administration as "development assistance", then it becomes especially critical to examine some factors that will influence the use of these funds.

Mr. Carlos Federico Paredes C. was Undersecretary for Planning and Coordination of Social and Economic Development of the Salvadorean government until his resignation in mid-January 1981. At a lecture given at Johns Hopkins University's School of Advanced International Studies on March 23, 1981, Mr. Paredes explained in considerable detail the reasons why no economic development projects can be implemented successfully in El Salvador at this time. He pointed to the following factors:

1. The severe obstacles restricting the activities of Salvadorean and externally-based technical assistance and project management personnel are linked to the continuing and escalating civil war. Multilateral lending agencies' staff—particularly from the Interamerican Development Bank and the World Bank—are hesitant and often outright unwilling to visit the country, not to mention project sites.

2. The social and political environment has created a favorable climate for widespread unethical practices on the part of government officials and ranking military personnel. Administrative chaos combined with a overzealous concern to protect "security sensitive" information makes it virtually impossible to monitor expenditures and disbursements. Government control of banking institutions further complicates this essential task.

3. The private sector in El Salvador—one of the prinicpal beneficiaries of bilateral and multilateral economic assistance—is understandably hesitant to invest the capital resources being made available. Their uncertainty about the economic prospects of their country and the future of the government is best shown by their unwillingness to invest and the documented continuing outflow of capital from the country.

The mechanisms used to take out the hard currency being brought into the country are well known in El Salvador and internationally. Salvadorean exporters under-invoice their shipments abroad and have the buyers deposit the differences in third country bank accounts. Importers of consumer goods and capital equipment make arrangements with suppliers to over-invoice incoming shipments. When payment is made the difference is again deposited outside the country. In short, the economic assistance being granted to El Salvador probably leaves that country's economy almost as fast as it comes in. In the process there is little or no increase in the country's productive activity.

These are only a few of the dramatic aspects of the situation in El Salvador. It is deeply disturbing to think that the new administration has rushed to identify itself with the fate of this near-totally isolated, corrupt and anachronistic regime. It is the responsibility of the U.S. Congress to press the administration for a change of course in El Salvador.

At a time when the poor and low-income people in the U.S. are being asked to sacrifice and to pay tributes to an austerity program whose human and social costs are likely to have long range implications for the future of our society, the Congress has a special obligation to question forcefully the yet-to-be-articulated rationales for continuing to assist the Salvadorean regime.

Sincerely,

GINO LOFREDO,
Operations Officer, Latin America and Caribbean Division, A.T. International.

EL SALVADOR

US READY TO PUT PRESSURE ON THE AID DONORS

When British prime minister Margaret Thatcher visited Washington at the end of February, Secretary of State Alexander Haig was asked if the United States was asking its allies to do anything more than give verbal support to the US position on El Salvador. He replied: "No, we're not asking it. We have reminded them that what is occurring here in this hemisphere is of vital interest to them as well as to us." The unasked question, however, is: who wants to foot the bill?

Under plans now being prepared in Washington, Western Europe, Canada, Japan and other non-US donor nations will pay 45 percent of the cost of aid to El Salvador this year. Out of total US and multilateral aid of US$464.9m, they will pay US$210.9m through their contributions to the World Bank, Inter-American Development Bank (IDB) and the IMF. Direct US aid and US contributions to multilateral aid will account for the other US$254m.

In addition to these planned payments, it has been reported this week that the US administration is hoping to push through Congress a further US$63.5m in direct emergency aid, to prop up the crumbling Salvadoran economy. Economy minister Guillermo Diaz Salazar has said his government urgently needs US$240m in balance of payments assistance and US$260m in public sector investment. Lack of working capital (aggravated by a flight of capital) and the disruption caused by the war, in particular by the repression directed against the trade unions, had led to factory closures and rocketing unemployment, he said. Industry was operating at only 50 per cent of capacity.

Non-US Donors' Aid Contributions, 1981

[U.S. dollars in millions]

Argentina	12.1
Belgium	4.7
Brazil	12.8
Canada	9.7
Denmark	1.6
Finland	1.4
France	10.9
West Germany	11.7
Great Britain	16.2
Italy	6.5
Japan	10.1
Mexico	9.1
Netherlands	3.0
Norway	1.5
Sweden	2.4
119 other countries (excluding United States)	97.2
Total non-United States	210.9

Note.—Amounts given are each country's share of international financial assistance to El Salvador by virtue of their overall contributions to international financial institutions operating in El Salvador.

Source: World Bank, IDB, IMF.

The US is expected to put considerable pressure on the multilateral agencies to increase their lending to El Salvador, despite their misgivings about lending to a government which is hardly likely to observe the conditions normally attached to such loans.

As it is, the European and non-US share of aid to El Salvador has risen sharply from last year's 34 percent of a total of US$183.9m. West German, whose Social Democrat government has cut off direct aid and recalled its ambassador because of human rights violations, will provide US$11.7m this year if all costed projects are approved. Mexico and Canada, both likewise critical of the US position, will find themselves providing US$9.1m and US$9.7m respectively.

UNITED STATES AND MULTILATERAL AID TO EL SALVADOR

[U.S. dollars in millions]

U.S. fiscal year	1979	1980	1981
AID	6.9	52.3	82.6
Pub. L.–480	2.9	5.5	17.4
Peace Corps	1.6	0.5	.....
Military aid	.....	5.9	35.4
Eximbank	6.4	0.7	n/a
OPIC	8.5	.....	.....
CCC	.....	4.0	22.0

UNITED STATES AND MULTILATERAL AID TO EL SALVADOR—Continued

[U.S. dollars in millions]

U.S. fiscal year	1979	1980	1981
HIG	.....	9.5	5.5
IBRD	23.5	.....	[1] 77.0
IDB	29.5	48.5	[1] 101.6
IMF	.....	57.0	123.4
Total	79.3	183.9	464.9

[1] Total costed projects.

Source: U.S. Government and listed agencies.

For the moment, World Bank and IDB projects are in limbo because of the danger to missions in the field and the difficulty of monitoring how the funds are being spent. However, an IMF standby arrangement of US$123.4m has been under discussion, and a compensatory financing loan of US$82.3m, not included in the totals given above, may be in the works. The IMF drew strong criticism for making a US$66m loan to the Somoza regime in Nicaragua on 13 May 1979, two months before his fall (LAER VII, 19).

One telling example of the pressure exerted by the US came on 10 December 1980, when the IDB approved US$45.4m for the US-sponsored land reform. The Europeans evinced a notable lack of enthusiasm, but the loan came from the bank's special operations fund, in which the US holds 62 per cent of the capital. In the World Bank and IMF, on the other hand, the US has only about 22 per cent of the votes, and a simple majority can block a loan. Under the Carter administration, the US took the lead in injecting 'human rights' considerations into international bank decisions, voting 118 times to block loans to 16 countries. A common front of European, Canadian and Third World votes could now block US loan proposals.

One reason for the IMF members to be uneasy about lending to El Salvador is that it is impossible to tell whether the money is being used for military purposes, since the loans go straight to the central bank. Suspicions of military use of IMF credits arose in 1977 in the case of South Africa, which received US$464m from the IMF when it was increasing military spending by US$450m and holding the line on non-defence spending. International bank loans, for their part, may free up money for military spending if the specific projects to which they are tied were already being considered for funding by the government.

The European Common Market is to unblock about US$900,000 worth of humanitarian aid to El Salvador after receiving assurances from the Red Cross that it would reach the needy. The EEC had been under pressure from the US not to release the aid in case it benefited the guerrillas.

GUERRILLAS WINNING THE BATTLE FOR HEARTS AND MINDS

Widespread fighting, the heaviest since mid-January, has again broken out, with the guerrillas launching a series of raids on military targets. The headquarters of the policia de hacienda in San Salvador and in San Miguel were attacked simultaneously last week, along with the army barracks in Santa Ana. Attacks have also continued on strategic bridges and power lines in various parts of the country, and at least two factories in San Salvador have been burnt to the ground.

The army has been engatged for the past ten days in operations against the guerrilla strongholds, in the frontier department of Morzazán, in San Vicente, and, closer to the capital, around Suchitoto and Guazapa. Three units of troops fresh from counter-insurgency training in the Canal Zone have been sent into Morazán, with full air support.

Jon Snow, a journalist from a British televisison company, accompanied the army on similar operations two weeks ago. He returned last week to the area, which the army claimed to have cleared, and visited a guerrilla camp 70 miles from San Salvador. He reported seeing several hundred armed guerrillas undergoing training, and was told that there were about 1,000 in the immediate vicinity. The arms he saw had been captured from the army, and the military training was being given by Salvadorans who had served in the regular army.

Snow was able to contrast the relationship between the guerrillas and the local people with the reception the army had been given in the same area. He described the interdependence between them, and how the guerrillas' doctors tend the local civilian population, in exchange for food. Many of the people in the area have suffered the brutality of the right-wing death squads and the national guard.

By contrast, he said, the army can never afford to stay long in the areas they have temporarily cleared, because the local people simply leave and will do nothing to assist their stay. The army has neither the manpower nor the popularity to hold these country areas.

Reports from outside bear even less resemblance to what is happening on the ground. Last week a State Department spokesman was claiming that events in El Salvador had entered a 'favourable phase'. The Department was desperately trying to damp down the media interest which they have been so assiduously fueling over the past two months.

Washington has been professing satisfaction that the arms flow from Nicaragua has been drying up in the past few days. But the evidence for this claim is as slight as that for the original charges. The Nicaraguans continue to deny that there has ever been a substantial flow of arms, or that it was officially backed.

The United Nations human rights commission has agreed to send an investigator to El Salvador to report on abuses of human rights. The resolution, proposed by Mexico, Cuba and Algeria, also insists that no elections should take place until the terror is halted. The United States abstained in the voting. The Church's legal aid body in San Salvador says the death toll for the past 15 months is now close to 17,000.●

MURDER GUNS—NOT HANDGUNS

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. BINGHAM. Mr. Speaker, recently, a personal friend, Mr. Philander Claxton, Jr., sent me his ideas on giving the deadly handgun a new name—the murder gun. His idea of reeducating the public to think of small, concealable firearms as "murder guns" rather than as innocuous sounding "handguns" could help everyone to regard these weapons more seriously. Murder guns, as Mr. Claxton suggests we call them, are used primarily to injure or kill other human beings. Long guns or rifles are used for hunting or for shooting at a distance with accuracy. But the murder gun is used just as its name implies—to kill. The increasing number of innocent men, women, and children who have become victims of the murder gun is appalling, and perhaps this subtle reeducation might give pause to those misguided people who buy and use these dangerous weapons.

Mr. Claxton's text follows:

Let's all stop calling them "hand" guns and call them murder guns.

The change is legitimate. We're not against pistols because they are "hand" guns but because they are convenient, dangerous, frequently used murder guns.

The change is desirable. It is inherently impossible to get people excited about "hand" guns. The semantics are inescapably, insurmountably, wrong. The term is at best neutral, innocuous, with no negative content. At worst, it has a slightly positive content—people like hands.

"Murder gun" obviously has a descriptive, penetrating negative content. It says why the gun is bad and it says it strongly.

Bumper stickers, slogans and arguments might be designed to picture a gun firing, with the following slogans:

Murder guns murder people

Stop murder guns before one stops you

A murder gun can murder you

Murder guns murdered 11,000 last year—are you next?

Machos need murder guns—men don't

Murder guns will murder 12,000 wives, husbands, and children this year. Is yours next?

Murder guns will murder 12,000 this year—will you be one?

How will the NRA look saying: "Murder guns don't murder people; people murder people. . ."●

IMPACT OF REAGAN/LATTA/GRAMM BUDGET ON DETROIT

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. CONYERS. Mr. Speaker, the impact of the Reagan administration budget—the Latta/Gramm substitute—will be twice as severe for States with declining economies as for the most rapidly growing States, according to a new study by the University of Michigan's Institute for Social Research. The institute study continues:

The Administration's budget proposes substantial reductions in financial assistance to state and local governments. Compared to the January (Carter) budget, the Administration proposes to reduce authority for grant programs by over $40 billion over two years . . . the proposed reductions have the greatest geographic inequity in those parts of the budget where geographical equity should be of greatest concern.

The Reagan/Latta/Gramm budget proposal flies in the face of Federal

laws that mandate balanced economic growth, in particular the Full Employment and Balanced Growth Act of 1978.

According to Michigan's Social Research Institute, the State of Michigan, which probably is experiencing the worst economic and fiscal conditions of any State in the Nation, will forgo under the Reagan proposal $142 million in commerce and housing grants, $136 million in education grants, $132 million in income security payments, and $259 million in other functions, as compared to what the impact would have been under the January Carter administration budget.

While it is difficult to estimate all of the impacts of the Reagan/Latta/Gramm budget on towns and cities, I want to share with my colleagues information on certain of the impacts on the city of Detroit. A summary of the city of Detroit impact follows:

SUMMARY

In Education, Detroit's public schools would lose some $16 million as a result of the proposal to consolidate programs into block grants and reduce overall funding by 25%.

In Trade Adjustment Assistance Benefits, Detroiters would lose $130 million in fiscal year 1982, as a result of restrictions proposed (48% of all TRA payments went to Michigan in fiscal year 1981, and Detroiters received 24% of Michigan's TRA benefits).

In CETA public service employment jobs, Detroit will lose under the Reagan proposal $33 million in CETA funding and 4,158 PSE jobs.

In subsidized low-income housing, the Administration proposal would result in 39 percent fewer new units, as compared to the January Carter budget, a 36 percent drop in rehabilitated housing and a 20 percent drop in Section 8 rental assistance.

In EDA economic development funds, Detroit stands to lose some $45 million in a variety of projects and some 11,780 jobs, that otherwise would have been created or retained (in addition, Detroit's Comprehensive Economic Development Strategy, which was developed in conjunction with EDA, HUD, and UMTA would be abandoned.)

In Urban Development Action Grants (UDAG), Detroit would lose between $25 and $30 million annually if the Administration's proposal to cut funding is implemented (and since the UDAG program has been so successful in leveraging private capital, overall the UDAG program reduction could result in private investment dollars.)

At this point, I want to share with my colleagues excerpts of the Institute for Social Research's study of the Reagan budget plan's impact on regions of the country:

AN ESTIMATE OF THE FISCAL IMPACT OF PRESIDENT REAGAN'S BUDGET PROPOSALS

(Intergovernmental Fiscal Analysis Project, the University of Michigan)

This paper presents preliminary estimates of the fiscal impact of President Reagan's budget proposals for fiscal 1981 and 1982. A number of such estimates already have appeared, including a recent analysis produced by the Office of Management and Budget. This analysis differs from others in relying on a multi-year record of past federal spending in states and regions. In brief, our method measures the annual federal government expenditure for account or function X, in state Y, for the period 1978–1980, computes that expenditure as a fraction of total national program or functional spending for the same period, and then applies that fraction to functional or program sums proposed in various budget proposals. The result is an estimate of future spending built directly on each state's past receipts from federal programs. Since state-level federal spending, in total or by function, is known to be relatively stable for short-run periods, and since we use a three-year average rather than a single year, these estimates should be more accurate than calculations produced by other known methods.

THE REGIONAL IMPACT

This concentration of reductions in slower growing states means that the impact of the Administration's budget will be most severely felt in the Northeast and Midwest, since slower growing states are concentrated in these areas. Table 2 presents estimates of the likely regional impact of the Administration's budget. These figures suggest that the Administration's budget will have its most severe impact on the Middle Atlantic and East North Central regions, which contain the slowest growing states with the most severely pressed governments—Michigan, New York, Pennsylvania, Indiana, Ohio, New Jersey and Illinois. Of the $53.6 billion in 1981 and 1982 reductions in obligations, or commitments, approximately $19.7 billion, or over 36 percent, will translate into reduced spending or lending in these two regions. By contrast, the Mountain and Pacific states such as California, Arizona, Idaho, Utah, Montana and Washington account for only 18.5 percent of the proposed reductions. The three southern regions, which include the states of the old Confederacy but exclude the District of Columbia (which is not counted in any figures in this report) are affected by approximately 34 percent of the Administration's proposed reductions for 1981 and 1982.

In short, while the regional consequences of the Administration's reductions are not as pronounced as some have argued, the impact of these proposed changes will be most severely felt in those regions that have experienced the most persistent economic decline and whose governments have experienced the most substantial difficulties in balancing their budgets. Precise—or even imprecise—estimates of the net economic impact of President Reagan's budget on the economies of these states are difficult to generate, but it seems likely that proposed reductions in federal spending will exacerbate problems of economic decline and budgetary strain now plaguing these states.

Many observers have argued that the geographic impact of much of the budget is, and should be, ignored in making spending decisions. Decisions about defense spending, it has been argued, should be made on the basis of strategic and efficiency criteria—how to get the most effective package of forces and equipment for the least money—than on the geographic impact of these choices. In similar fashion, income security programs or programs designed to assist particular target groups such as the elderly or Indians should direct resources to the areas where the poor or the target population live, rather than being explicitly concerned with geography. Particular states or regions have claims on these programs only to the extent that target groups live in them.

While there is merit in these arguments, there are portions of the budget for which location is an appropriate policy concern. A long standing and widely accepted proposition in public finance holds that a major concern of the central government in a federal system should be to insure a balance between the level of taxes citizens pay and the public services they receive. Citizens should get more or less the same services for the same level of taxes, regardless of where they happen to live, and one of the goals of federal policy should be to maintain this relationship primarily through grants to subordinate units of government.

The Administration's budget proposes substantial reductions in financial assistance to state and local governments. Compared to the January budget, the Administration proposes to reduce authority for grant programs by over $40 billion over two years. While we do not present here a detailed accounting of the impact of these proposals, our findings suggest that these reductions will be disproportionately concentrated in the slower growing states to an even greater extent than the budger reductions as a whole. In short, the proposed reductions have the greatest geographic inequity in those parts of the budget where geographic equity should be of greatest concern.

This argument is demonstrated in Table 3, which presents information on the impact of proposed reductions for two major sets of programs: (a) those supporting the construction or maintenance of infrastructure and economic and community development, and (b) those providing support for social services. In both of these areas, the Administration's program reductions concentrate spending cuts in the slowest growing states to a greater extent than does the budget revisions as a whole.

These reductions seem likely to widen the disparities in the relative levels of services and taxes between growing and declining states, since the slower growing states are already levying taxes at higher rates than faster growing states and have less taxable capacity than do more prosperous areas. The last two columns in Table 3 display average scores for each group of states on standardized indices of tax effort and capacity for 1977. As these figures suggest, slower growing states are levying substantially higher taxes than faster growing ones and substantially less "slack" capacity to levy additional taxes.

Reductions in grant progams thus seem likely to exacerbate existing disparities between rich and poor states in the level of services they provide citizens relative to the taxes they levy. Much prior research has noted that major new investments in infrastructure such as sewers, roads, or bridges are required in declining states, and that governments in these states are responsible for providing education and other social services to relatively high concentrations of disadvantaged groups. By reducing levels of support for capital spending and social service most substantially in those states which have the least ability to replace these funds from their own resources, the Administration's budget seems likely to exacerbate these disparities.●

TRIBUTE TO DAN McCONNELL

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. TRAXLER. Mr. Speaker, I would like to join the people of the Eighth Congressional District in saluting Dan McConnell, a distinguished educator from Saginaw, Mich., on the occasion of his retirement as superintendent of Saginaw Township community schools. Dan has initiated many outstanding programs that have been important to the Saginaw community and were models for other school systems to follow.

Dan has helped to institute competency testing for all high school students. Passing this test is a requirement for graduation.

He has also introduced the Parent Advisory Council system to the school district, which is active and expanding. The caliber of this council is such that it has received national commendation.

Dan has designed an efficient gifted and talented selection process, curriculum model and evaluation design that was excellent enough to receive special Federal funding.

Dan has helped to expand the educational facilities of Saginaw Township schools to include an adult education and community school program that is extremely effective and cooperates actively with those in other school districts.

Dan has also started a home building program for high school students, in which a home is built and sold each year.

In addition to the aforementioned programs, Dan McConnell has developed involvement in and support of the academic track activities in Saginaw County and has encouraged the growth and strength of the athletic association. Dan has shared information and inspiration about these programs by speaking, teaching, through the news media, and by welcoming visitors to the Saginaw community to examine and evaluate the activities under his guidance.

He served as instructor for Central Michigan University in the tricounty area for a number of years and through his impact on their educational program, influenced teachers and administrators elsewhere. He was awarded the first Distinguished Alumnus Award from Central Michigan University for his dedication and service to that institution and education in that area.

He has served as officer and member of many education and service organizations in the tricounty area. They range from the board of directors of the Michigan Association of School Administrators, president of the Northwest Kiwanis, president of the Saginaw County Superintendents Association, PTA's, PTSO's, athletic associations and the Knights of Columbus.

A significant achievement through the service clubs was his development of the academic olympics that was sponsored for all the public and parochial high schools in Saginaw Township. These olympics made visible the academic achievement of students in this area and gave them honor and recognition for such achievement.

Dan is retiring this year due to health reasons. His presence will long be felt here because of the high value he has placed on promoting good educational practices and his gift of sharing those practices with others.●

A JAPANESE LOOK AT OUR BUSINESS PROBLEMS

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. CORCORAN. Mr. Speaker, I am inserting in the RECORD for my colleagues' consideration an article that recently appeared in the Economic Eye, a digest of views from Japan put out by the Keizai Koho Center. The article, "Will America Regain Its Competitiveness?" was written by Dr. Kazuo Koike, an economics professor at Nagoya University in Japan.

Dr. Koike visited the United States, and the result of his observations while here is an incisive and instructive description of American business practices and productivity as they appear to the Japanese eye. This article is particularly timely now, as we wrestle with the problem of how to improve American business productivity, and the unusual perspective from which Dr. Koike writes provides insight for us all:

WILL AMERICA REGAIN ITS COMPETITIVENESS?

(By Kazuo Koike)

Everybody is asking, Is America all right? My own outlook, based mainly on an analysis of human resources, is that the United States will maintain sufficient competitiveness against the countries of Western Europe. Hence it will continue to be a major competitive force among the advanced countries of the world. There is reason for unease, however, when comparing the United States and Japan, for the gap between these two countries will probably last at least 10 years.

Views on America's future prospects tend toward both extremes. Some people emphasize America's decline, while others regard this as Japanese arrogance and insist that America's vitality is still strong. I think it dangerous to judge the United States only in the context of comparison with Japan. A safer line of analysis employs a general comparison with all advanced countries competing in the world market. Such a frame of reference prevents the rash assumption that an "American disease" is eating away at the vitals of the United States.

Generally speaking, it is difficult to gather voluminous evidence and make sweeping pronouncements on the trends in any given country. For this reason my comments must be regarded only as my own opinions. Yet undeniably the trends in the United States are of vital importance to the livelihood of Japan. Since I had the opportunity recently to make a brief trip to the United States to visit various U.S. companies and labor unions, I intend here to discuss my impressions, evaluated in the light of my own past experiences, and to present the reasons for the outlook I gave above.

THE TARRYTOWN STORY

The Tarrytown story is well known to those in personnel and labor circles in America. Tarrytown, a suburb of New York City, is the site of a General Motors car assembly plant. This plant is one of the oldest of GM's 18 assembly plants, and in the past it was known for low efficiency and a high rate of defective products. During the 1970s, however, and particularly after the 1973 oil crisis, the Tarrytown plant went through a process of change. Management and union leaders began to cooperate, and the plant's employees put forward valuable suggestions regarding the positioning of machinery and the methods of operation. By the late seventies, the plant had become one of GM's best in terms of both efficiency and quality.

My own plans to visit the Tarrytown plant unfortunately fell through, but its story can be found in Robert H. Guest's "Quality of work life—learning from Tarrytown" in the July-August 1979 issue of the Harvard Business Review. Back in 1952 Guest coauthored the classic Man on the Assembly Line with Charles R. Walker. I know of no other book that delves into assembly-line operations in such detail. In any event, Guest's Tarrytown article is well worth reading.

To oversimplify the Tarrytown case to the point of doing it injustice, it seems that what in Japan would be known as "quality-control circles" were instituted. Referred to the United States as a "quality of work life" program, this entailed workplace personnel putting forward suggestions—albeit less frequently and actively than their Japanese counterparts—on how their work could be handled better.

One might ask how America's powerful labor unions regard such cooperation between labor and management. The fact is that this program enjoyed union cooperation right from the start. To avoid misunderstanding, I should point out that I am referring to the Tarrytown plant's union and not the industrywide United Auto Workers. Most Japanese are only aware of the large, nationwide U.S. labor unions, but these giant unions are composed of smaller unions, called locals, that generally include all the blue-collar workers at a given plant or company regardless of the workers' occupations.

Tarrytown's GM plant as well has its own local, and although it is a UAW member that has made a name for itself by its tough bargaining posture, its leaders agreed to cooperate with management in improving the plant's operations. And when GM's top management became aware of this cooperation, it gave the Tarrytown endeavor its support and permitted a considerable outlay of funds.

QUALITY-CIRCLE ACTIVITIES

Tarrytown-type endeavors are being made throughout the United States, and data on

them are being collected by the many American productivity centers that have sprung into being in New York, Houston, and elsewhere. Although I visited only Houston's productivity center, some of the materials available there gave examples of the kinds of activities under way. The major emphasis seems to be on suggestion systems, quality circles, and team activities. To encourage the diffusion of such techniques, the center in Houston holds 80 seminars a year for 4,000 participants. This in itself indicates that America has considerable drive and may be a force to be reckoned with in the future.

Appreciation of America's strength is greatest among the generation of Japanese who experienced combat with the United States in World War II and the gifted Japanese who spent their youth in the United States in later years. In a speech before an audience composed of such people, I once said that it is essential for Japan to convey to Americans the techniques it uses to train its workers. Otherwise there will be a growing tendency for Americans to think that the Japanese are competing with them in mysterious ways, which will foster the belief that Japan's growth must somehow be controlled.

Acquisition of skills I will discuss later. What I want to describe here is the reaction of my audience. They pointed to the events of World War II. It was the Americans, they stressed, who had unhesitatingly adopted Admiral Isoroku Yamamoto's carrier-oriented tactics as their own and who had even applied the tactics on a larger scale. My audience felt that once America learns the right know-how, it will systematize it and counter-attack furiously.

Yet on the other hand there seems to have been no improvement whatsoever in the frequently cited signs of decline in American society, or at least so I gathered from my short stay. In fact it struck me that the situation had worsened. In terms of law and order, for example, the neighborhoods where one is advised to avoid walking alone at night have significantly increased compared with five years ago.

In terms of work as well, nobody suggested that there had been any improvement in the laxity of workers' discipline. Some said that the situation had not changed, but many others claimed that it had deteriorated. In fact, three times during my three-week trip, personnel failed to fulfill their duty in responding to my requests. But this is a well-known phenomenon and I will not dwell on it here.

KEEPING THE LID ON COMPANY INFORMATION

Which has the upper hand, the decline in discipline or the motivation to improve? To address this question, I decided to study the situation at various American companies. The companies I visited were all ordinary firms not known for advanced quality-circle activities.

Talented pioneers appear in every country. The important question, however, is whether the achievements of these pioneers are imitated widely or whether the pioneers remain exceptions. It is for this reason that I chose ordinary companies for my survey. I also hoped to be able to meet with their union leaders. I was fortunate in that with the help of the Japan External Trade Organization I was able to visit almost 20 companies and on occasion their unions. Most of these were American companies, and it is on these that I will concentrate my remarks.

One of my questions was whether management was informing its workers, on either a monthly or a quarterly basis, about plant or company production levels. The answers I received were generally in the negative. The only affirmative replies came from two companies that had stock sharing plans for their employees. These companies said that since their workers were also stockholders, they were provided with information on production levels every quarter.

A fact apparently not yet widely known in Japan is that American unions place great emphasis on seniority. As long as workers are union members (I refer here to blue-collar workers), the order of promotion to better-paid jobs is decided entirely on the basis of who has worked the longest in the same workplace; assessment of a worker's past record is hardly taken into consideration. And when workers are laid off, those who have been hired most recently are laid off first. Ability and aptitude are played up in contracts, but actual practice is quite a different matter.

After determining that the company was not an exception in this respect, I phrased my next question as follows.

Obviously it is overwhelmingly to a worker's advatage under these circumstances to stay at the same company for a long time. Were workers to move to another company, they would have to start at the bottom rung again even if they were still doing the same kind of work, for they would have no seniority. Realizing the truth of the situation, workers know that if their company runs into trouble, their livelihood will be endangered. Since the loss of their present jobs would set them back considerably, they should have a strong interest in keeping the company afloat. In view of all this, I asked, don't you suppose that your employees would like to have information about your company's situation?

The responses were of two types. The first was that what I had said was correct in theory and that seniority was to the worker's advantage, but that employees were as apathetic as ever. The second was that the company's senior workers did indeed have a strong interest in how the company was performing. Yet only a few companies made information available to satisfy this interest and to generate greater concern among workers for the company's situtation. The conventional reason given for this secretiveness was fear that the information might pass into the hands of competitors.

If this is the extent to which workers are provided with information about their company's performance, it is hardly likely that much attention will be paid to suggestions from workers regarding methods of production. My investigations corroborated this conclusion. Of all the companies I visited, both large and small, not one had even a small or infrequently utilized system for workers' participation in the quality-control field.

WILLINGNESS TO MAKE CHANGES

Disinterest in workers' opinions was by no means total. A substantial number of companies had set up suggestion systems. The people in charge of personnel affairs at the major corporations I visited were without exception aware of the Tarrytown story. All had obtained information on Tarrytown, whether by reading Guest's article or from other sources. Some had even made copies of Guest's article for storage in their files with other related materials. With one exception, all the major corporations were considering activities of the quality-circle type. And a few added that they were well into the planning stage and expected implementation in the near future.

The extent of their interest became clear when I questioned them on such matters as the proposed number of participants in each quality circle, whether the meetings would be held during working hours, whether the participants would be paid for time spent at circle meetings, and if they had discussed the matter with the union local.

The answers varied, but on the whole the companies seemed to have given the matter a good deal of thought. Common replies were that the quality circle would have between 10 and 20 people, that the meetings would be held during working hours, and that the participants would thus be paid. Discussions with union leaders, they said, were already under way. In other words, large corporations displayed a sensitive reaction to my questions on quality-circle activities.

This is an eye-opening discovery. For over half a century American industry was supreme in the world, and it was natural to think that American methods were best. Other factors contributed to the strength of U.S. business, such as the fact that in two world wars American soil never became a battlefield, but even so, American supremacy lasted so long that naturally the Americans would come to believe that their ways were best. Even when American supremacy began to decline, it would not have been surprising to find companies rejecting new methods. Such, for example, seems to be the attitude of major companies in Western Europe. But in the United States the reaction of large companies has been remarkable. Management in particular has shown that it is willing to make changes.

UNION POWER

Yet a question thrusts itself forward. What will be the reaction of America's powerful unions? For they are, after all, one of the factors reducing America's vitality

American unions, it seems to me, are as powerful as their British counterparts. By powerful I mean that they have almost completely blocked management from exercising its discretion in respect to layoffs and assignment of personnel. As far as I know, it is only these Anglo-Saxon unions that have grown so strong as to prevent management from using assessments of past performance in deciding who will be promoted to better-paid positions, who will be transferred to less advantageous work, and who in the worst case will be let go.

The powerful voice of these unions is concentrated mainly on wages and working conditions; regarding other matters they have shown little interest. Participation in management, for example, is a topic that neither American nor British unions have actively explored.

Starting in the early seventies, however, signs of change became apparent. These signs occurred, moreover, not merely in obscure unions but also in the United Steelworkers of America, which together with the United Auto Workers is one of the leading unions in the United States. Although the steelworkers have long been a pacesetter in determining the level of wage increases in America, they recently proclaimed unilaterally that they will not strike in the immediate future. Management welcomed this statement of intentions and announced that bonuses for steelworkers would be made available.

The reason for the change was obviously competition from Japan and Western

Europe. A strike would have only caused further damage to the domestic industry's market, the steelworkers probably concluded, for once an American union goes on strike, work is often brought to a stop for a lengthy period. Had this happened, the United Steelworkers could not have protected the jobs of its members.

At the time, I was visiting local unions at various companies in the Midwest. When I asked union leaders what they thought of this decision, many seemed perplexed but responded that what the steelworkers did was their own affair. Few people were critical.

Union activity is directly influenced when competition is tough and workers face the danger of losing their jobs. Guest did not emphasize this point in his study of Tarrytown, but one may assume that there, too, workers were motivated by the fear that they might lose their jobs. For as mentioned, Tarrytown was one of GM's least efficient assembly plants, and after the oil crisis much of its work force was laid off. Apparently this caused workers to fear a total closure of the plant because of its inefficiency.

In a country where unions are strong, the closure of a company or plant deals a hard blow to the workers there. Were the unions not as strong, a strict seniority system would not be in force and those workers who lost their jobs could secure good positions in other companies. But with strong unions that exercise total control over job assignment, any worker who moves to another company must start again from the bottom. Protecting workers' jobs hence means keeping the plant or company at which they work from going out of business.

THE AUTONOMY GRANTED TO THE LOCAL

Some people probably question the truth of this assertion, for are not American unions organized horizontally as trade unions that reach across company boundaries? Even were a local to attempt to come to the company's aid, would not the parent union prohibit such activity?

The unions one reads about in newspapers are always the national unions, and most of these unions are apparently not interested in management-participation agreements. Only the United Steelworkers, in fact, has entered into such an agreement. It is true that few national unions—the International Association of Machinists and Aerospace Workers, for example—are lined up in militant opposition to management participation, but it is also true that few national unions have worked out any kind of policy for cooperating to improve productivity.

Yet it is the locals and not the national unions that are actively involved at the company and plant levels. Locals are the subdivisions that comprise the national unions. As their name implies, they are organized on a local basis and not necessarily by company or plant, or at least they were organized that way up to World War I. And even today the locals of skilled construction workers are still organized on a true regional basis.

Since the mid-thirties, however, when unions in heavy industries began to reorganize and spread out, it became common for locals to organize separately at each company or plant and to enroll all blue-collar workers regardless of their professions. As a result, the locals of manufacturing industries today are virtually all unions of this type. In this sense the United states, like Japan, is one of the few countries where true union organizations have been established separately at each company or plant.

There are exceptions. At small companies, for example, workers from several companies may form one union. Even in this case, however, work contracts are drawn up separately at each company.

Another exception is the International Brotherhood of Teamsters, America's largest union. Originally a union of truck drivers, it has expanded into the manufacturing sector and is now a vast organization with 2.3 million members. Because of its history, its locals are still organized by community. The local chapters are large, with membership numbering from 5,000 to upward of 10,000. The Teamsters' full-time union officials work at the locals, not at plants, even in the case of major plants. Nevertheless, contracts and negotiations are dealt with on an individual company basis.

Locals have considerable autonomy. It would be more accurate, in fact, to say that they control the bulk of the decision-making authority. The voice of the national unions is only powerful in such easily unified areas as the size of wage increases and the length of working hours. Other matters, including the senority system, are the province of the local. For this reason locals are able to make decisions on matters relating to productivity. Let us now look at how such decisions are being handled.

THE ATTITUDES OF LOCAL LEADERS

I asked local union leaders if they were prepared to assist in boosting productivity if their companies were faced with serious competition jeopardizing jobs. I also inquired about the conditions that would govern such cooperation.

Only one of the people I spoke to was an official at a regional chapter, the next union level above the local. This older man was guarded in his reply, maintaining that one was not always able to trust what the management said. But if jobs were endangered by competition, he stated, some contract conditions might be set aside.

The local union leaders who had the closest contact with a plant or company answered most forthrightly. The subject of boosting productivity, they said, was not taboo. Provided that a proper agreement had been drawn up for the distribution of any benefits, the union was unlikely to oppose increased productivity.

When questioned in more detail about what they had in mind, they responded that they might rotate workers from job to job inside the plant and promote discussions between supervisors and the union's rank and file. I commented that worker rotation might come into conflict with the union's senority system, but they said that there would be no problem since only workers with the same job classification would be rotated.

My talks with company managers confirmed this view. At one company considering the implementation of such a system in the near future, a management representative told me that of the company's two locals, one had already reviewed the proposals and given its approval. The other apparently was not interested in the matter but was unlikely to raise any objections.

Implementation of productivity-boosting plans is impossible without the cooperation of local unions, and it is to these unions, not the national unions, that companies with such plans are turning. Since America's locals have a great deal of autonomy, lack of cooperation from national unions is not likely to be a major obstacle.

THE DECLINE OF DISCIPLINE

Perhaps the foregoing comments will evoke the criticism that I am disregarding the disruptive trends within American society. One major reason for America's social decay is probably to be found in the observation advanced by Tsuneo Iida that discipline in American society has reached an all-time low. According to Iida, the absence of the type of mass unemployment that occurred between the two world wars and the guarantee of a minimum standard of living through social security lead naturally to a weakening of discipline.

But in this regard there are few differences between Western Europe and the United States. It is not only U.S. companies that are troubled by a high rate of absenteeism. The problem is widespread in all the advanced nations except Japan.

The confusion that has accompanied attempts to eliminate America's virulent racial discrimination also accounts for a large part of the disruption in U.S. society. The confusion has without doubt been formidable.

Consider the case of a company that does not require prospective black employees to pass a test, for they are hired only for certain types of work, but that does have screening requirements for whites, for they have every chance of being promoted. To correct the discrimination in this company, suppose that the management decides to give blacks opportunities for promotion. Naturally the company will also decide to use the same screening tests for blacks as in use for whites. But what may happen next? A cry may be raised that such screening requirements for blacks are only another way of discriminating against them; the company may back down on its screening policy; and work efficiency at the company may plummet.

The changes made in America during the 1970s were probably among the major social revolutions of the twentieth century. Yet the confusion of the early seventies is no longer apparent, and calm is returning. The effects of an upheaval of this scale may linger for many years, but the situation will not get any worse. In the long run the confusion resulting from the elimination of racial discrimination will gradually subside.

To sum up, there is a very strong likelihood that the United States will maintain more than enough strength to compete successfully with Western Europe. Among the advanced nations in general, America will not suffer a serious decline.

I have my doubts, however, as to whether America will be strong enough to compete with Japan, at least over the short run. Speaking only in terms of labor, the differences in the respective competitive power of Japan and the United States are a function of the degree of thought given by blue-collar workers to ways of improving productivity. In any country, technical experts are employed to study questions of production efficiency. What is remarkable in Japan is that blue-collar workers are also involved.

Although the contribution made to productivity by the Japanese blue-collar worker is a phenomenon frequently cited, the causes behind this phenomenon are not clear. Some people, particularly the Japanese themselves, say that the underlying cause is the loyalty of workers to their companies. Others, particularly Americans, argue that because unions are weak, workers are submissive and obey management's order without question.

Both these arguments place the emphasis on the worker's mental attitude. They share the assumption that if the will is there, ways to help the company will be found. Yet I question whether the proper mental attitude is by itself sufficient to generate ideas on how work can be improved and productivity raised. Such benefits may be forthcoming in the short run, but they are unlikely to continue over the long run unless the workers have an adequate technical background. This brings us at last to the question of skill acquisition among Japanese workers.

JAPANESE-STYLE SKILL ACQUISITION

My hypothesis is that the important differences between Japanese and American blue-collar workers stem from the way skills are acquired. I assume that there are no inherent differences in aptitude, but that there are differences in the systems by which workers are trained.

Systems of on-the-job training that enable workers to start a job and learn while they work are common to large enterprises in both countries. In Japan, however, more types of work are experienced. Instead of simply becoming acquainted with the main tasks in one particular work station, employees are also rotated to neighboring work stations closely related to their own.

American workers, by contrast, generally stay at one work station and they do not necessarily learn all the main tasks even in that single area. In Japan, a worker assembling medium-sized machinery is from time to time transferred to small and large machinery assembly.

Through experiencing a wide range of related work, employees gain a background facilitating an understanding of the mechanics of production in a particular work station or department. If, for example, a worker learns not merely how to operate a machine but also how to repair it, that worker will develop a better understanding of the machine. This means that the workers are very close to being technicians due to the technical background they acquire. Such a background is the basis for the long-term creation of ideas on how to improve productivity.

Another difference is that the opinions of employees are actively solicited in Japan. The availability of opportunities to make suggestions on how the production system can be improved signifies the delegation of a certain amount of authority to those on the factory floor. The workplace becomes more like an industrial democracy. Compared with a situation where all methods and every single step of the job are decided from above, the presentation of opportunities to offer opinions encourages workers to speak out.

An important point, therefore, is whether a trend toward broadening work experience exists in America. I investigated this question by focusing on a typical work area in a plant and asking what sort of work new employees were given initially and how they were rotated after that. From the results I was forced to conclude that there had been practically no diversification of employees' work experience since my previous visit to the Midwest five years ago. The fact is, the routes of job rotation are closely linked with union policies on work assignments according to seniority, and changes are not likely to be easy.

There were two hopeful signs, however. The first of these was the aforementioned idea of rotating workers among different jobs with the same job classification. A number of local union leaders were actively trying to gain acceptance for this.

Second, the unions were following a common policy of trying to incorporate more workplaces into the same seniority system. The conventional practice has been for each workplace to have its own seniority system, within which the order of promotion or layoff is determined according to employees' length of continuous service. By bringing more workplaces into the same seniority system, employees can experience a wider range of jobs.

If these two policies re effectively implemented, it will be possible to broaden workers' skills in the American context. Acquisition of a wide range of skills would no longer be an exclusive preserve of the Japanese.

Changing the structure of skill acquisition will take time, however. Whereas a machine that is out of date can be simply removed and replaced, skills exist inside the human mind and body and cannot be easily altered. In the case of skill acquisition, moreover, the instructors, trainees, skilled workers, and union are all linked together in a social system. The system can be changed, but time is required. America's uneasiness about the ability of its workers to compete with Japanese workers will no doubt persist until this period of time has elapsed.●

PUBLIC EDUCATION MUST BE RUN BY THE PUBLIC

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. ASHBROOK. Mr. Speaker, Mr. Speaker, there are two possible ways to define a "public" school. The National Education Association (NEA) says it is a school financed by the government. Using that definition, the NEA claims that a friend of public education is an enemy of schools which government, and especially the Federal Government, does not finance and control. From this NEA definition, it follows that the more a school is controlled from Washington, the more public it is. In other words, if we accept their definition, we must accept their socialistic, elitist conclusions.

I do not accept the NEA's definition. To me, a truly public school is a school controlled by the public, regardless of how its expenses are paid. It is those who want to take control of the schools away from the parents and taxpayers who are the enemies of true public education. An educational system run from Washington is the very opposite of public education.

If you accept the NEA's definition, it is easy to believe that tuition tax credits for parents of private school children is "a threat to public education." According to the NEA, the Cleveland and Boston schools systems, each of which is paid for by taxpayers but ruled by a single Federal judge, are true public schools, while parochial institutions in those cities, where parents and teachers still have a voice, are not.

The steady decline of the SAT scores of high school graduates began in 1963, which happens to be the time liberals' drive to end local control of schools was taking effect. Learning has declined steadily as the dictates of bureaucrats and the whims of judges have taken the place of guidance by teachers, elected school boards, parents, and local officials. As government schools have become less and less true public schools, they have deteriorated.

Again and again, we have heard the orchestrated screams of outrage from the New York Times, the Washington Post, the NEA, the AFT, and other liberal elitists, because a parent has dared to question the content of a textbook. We hear the same outraged cries when people dare to question the dictate of a judge as to where their children must go to school. Liberals claim they are "champions of public education," but they do not want the people to have any effective voice in running them.

Liberals have done to the schools what they have done to the economy. Claiming to be "champions of the working people," they have destroyed millions of jobs and the hopes of the next generation of American workers for a better life. They claimed they were "proworker" because they were actually antibusiness. The result was that they hurt both business and workers. The NEA claims it is the friend of public education because it is the enemy of private education. As a result, the Washington educational establishment, which has been controlled by the NEA, has done tremendous damage both to public and to private education.

A true friend of public education is a friend of all education. He seeks to return government-run schools to local control, and to give parents the alternative sending their children to schools where they feel their wishes are more respected than in government-owned institutions, at some cost to themselves. He is for an educational system which is run for and by the people. If that makes him an enemy of public education, then public education has become a strange creature indeed.●

PRESERVING THE RIGHT TO EQUAL JUSTICE

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. GARCIA. Mr. Speaker, in 1965, under the leadership of the American Bar Association, the first Federal legal services program was instituted. In

1974, under the administration of President Nixon, the original Legal Services Act was signed into law. Presidents Ford and Carter have similarly supported the Legal Services Corporation. On Tuesday, March 10, 1981, President Reagan recommended the abolishment of the Legal Services Corporation.

President Reagan's mandate is to maintain effective, efficient, and successful programs in Government. Measured in these terms, President Reagan's opposition to the Legal Services Corporation is inexplicable. In 1980 alone, the Legal Services Corporation provided services to over 1 million clients. According to William Reece Smith, Jr., the president of the American Bar Association, these needs could not have been met through the actions of "a purely voluntary effort on the part of the organized bar." In 1980, only 2 percent of the Corporation's budget was spent on overhead. To place the financial burden for such a program on the States would only duplicate costs and strain already restricted resources. The Legal Services Corporation has provided professional legal counsel in the solution of housing, family, education, juvenile, health, and employment problems to the truly needy.

Therefore, I see that the administration's proposal is more profound than any so-called mandate given to the President. Rather, it is the effective denial of a right basic to all Americans—the right to equal justice under the law. Given the history of the Legal Services Corporation, abolishment should not be the issue. Rather, the impetus should be in furthering and encouraging the work of the Legal Services Corporation in insuring minimum access to the courts.

I am committed to this cause and oppose wholeheartedly the passage of the Reagan-Stockman zero funding proposal.

I include for the RECORD three newspaper articles which have appeared in the New York Times supporting the Legal Services Corporation:

[From the New York Times, Mar. 8, 1981]

SAVING MONEY? NO, PRESERVING JUSTICE

So it isn't the cost, after all, that bothers Mr. Reagan about legal services to the poor. It's the very idea of this program, which has enriched American justice, that sticks in the craw of a President who tilted against its lawyers when he was Governor of California. He offers to let the states use some of their other Federal money to sustain the program, if they like. But he knows not many will. Mr. Reagan aims to kill the Legal Services Corporation. He should be stopped.

The issue here is not just another worthy social program that America can't fully afford. It is a matter of protecting a fundamental principle of a fair society—equal justice. Legal Services represents in civil law what public defenders represent in criminal law: a chance for poor people to establish their rights by means available to the rest of society.

Ever since the Supreme Court ruled in 1963 that indigents charged with crimes are entitled to free representation, they have been routinely supplied with public defenders. But the same is not true when poor people are harassed by arrogant welfare agencies for hostile landlords. Without the Federally funded Legal Services program, they would have to represent themselves or rely on overworked legal aid bureaus and inexperienced law students.

The Federal lawyers have not only moved energetically to press individual grievances but have also brought class actions to correct systematic injustice. And that, of course, is why the program has made few friends among the elected officials, businessmen and bureaucrats it has beaten in court. Mr. Reagan has never forgiven California's Rural Legal Assistance program for requiring him to spend more than he wanted on welfare and Medicaid.

Governors and state legislators cannot be relied on to support some decentralized version of the program. Their policies and agencies are often the targets of suits by these lawyers. Legal equality for the poor ought to rest on a sounder foundation.

Legal Services is no radical scheme for the redistribution of wealth. The American Bar Association warmly supports the program because conservative and liberal lawyers alike know it is a plan for fairly establishing rights. The relief it manages to obtain for the poor can be won only under laws passed by legislatures and interpreted by the courts. But a legal right, like a tax benefit, is meaningless for those who cannot afford the experts to claim it.

There may be aspects of Legal Services worth debating; it may even be that economies could be found in its $320 million budget. But to kill the program, under the pretense that the states are free to keep it alive, is unconscionable. The issue is not whether to save money; it is whether to preserve justice.

[From the New York Times, Mar. 27, 1981]

THE BAR TO THE RESCUE OF JUSTICE

It is heartening to see the organized bar rallying to the defense of the Federal Legal Services program for poor people. The outcry by the American Bar Association and various state associations has already had some effect in Congress. The Senate Committee on Labor and Human Resources has broken with President Reagan, voting at least to let the program continue, though with only a third of its present funds. That is progress, but hardly enough.

Mr. Reagan's bid to end all Federal subsidy is a policy stroke masquerading as an economy move. Conservatives in his Administration are out to kill the program because they have mistakenly concluded that it carries "the cudgels of liberals" at taxpayer expense. As Governor, Mr. Reagan lost several skirmishes to California's Rural Legal Assistance and he once tried to veto its Federal grant. As President, he was easily persuaded to pull the plug.

The bar groups know better. They especially know that the occasional class action suits that arouse the shrillest controversy are a small portion of the work of the poverty lawyers. Day in and day out, they give poor people an equal chance to assert their legal rights in cases of job discrimination or divorce or conflict with a state agency. As the bar association's national president, William Reece Smith, recently testified, the program merely guarantees equal justice under laws written by legislatures and interpreted by courts.

The Reagan team's suggestion that the states use part of their general Federal funds for legal services, if they wish, is a cynical sentence of death. The lawyers often battle against state agencies and can hardly expect protection from state governments. As Alexander Forger of the New York State Bar Association observes, to depend on state subsidy will guarantee that the program is "emasculated by political pressures."

Lawyers recognized the value of Legal Services years ago. Congress needs to heed their advice now.

[From the New York Times, Apr. 8, 1981]

SAVE LEGAL SERVICES

(By Rozlyn L. Anderson and Patricia L. Irvin)

Despite bar association efforts here and elsewhere in support of the endangered Legal Services Corporation, among individual lawyers ominous lines have been drawn between those who want the Corporation to exist and those who agree with the Reagan Administration's recommendation that it be abolished in fiscal 1982.

As recent law school graduates, we find that many in our profession are jarring our most comfortable assumption: Weren't we taught that equal access to our system of justice is a principle as sacred to lawyers as the Hipocratic Oath is to doctors? As the debate has grown, so has our dismay over others' attitudes toward the sanctity of this principle.

"I simply don't believe in Legal Services," announced one lawyer of our acquaintance. The remark was startling in its overbreadth yet representative of an increasingly familiar philosophy. Many people are indifferent to the plight of the poor. Indeed, the now-fashionable opposition to welfare and other social programs, though short-sighted, logically may have some roots in demonstrated administrative weaknesses and evidence of fraud. But why sacrifice Legal Services? Why dismantle the one vehicle that can continue to make the idea of equal justice a reality?

Another young lawyer confronts our position with his own brand of realpolitik: "Legal services for indigents is not a Federal concern. It's not my responsibility as a taxpayer to buy lawyers for the poor. Poverty is not my fault." This let-'em-eat-cake approach, coming from an officer of the court, yet bereft of ethical and legal underpinnings, "shocks the conscience," to borrow Justice Felix Frankfurter's phrase.

Such "reasoning" misconstrues the legislative intent behind the creation, in 1974, of the Legal Services Corporation. Congress, quite apart from its desire to have taxpayers share the cost, wished to affirm the fundamental principle that every individual deserves equal representation in, and access to, our court system. Furthermore, the Corporation was intended to be immune from any ideology that questions the social utility of any program for the poor.

Many who oppose Federal funding for legal services to the poor in non-criminal cases say that they don't object to the "ends" of equal justice—only the "means." Thus, they offer the meager suggestion that these services be provided by "well-paid" private lawyers rather than by the Government. At best, this proposal miscalculates—at worst, ignores—hard numbers. There are about 30 million people below the poverty

line—an income of less than $7,750 for a family of four. The National Organization of Legal Services Workers estimates that under current funding levels, there is only one attorney for every 5,000 people below the poverty line, in contrast to one for every 334 above it. According to a recent article in The National Law Journal, only 20 percent of the poor who face a civil legal problem get the legal assistance they need. Each year, some 1.4 million cases are handled by 6,200 attorneys in the Legal Services Corporation. If the Corporation is abolished, who will fill the void? Many lawyers in private practice already donate time and money, juggling private and pro bono publico work; in addition, numerous law firms provide generous financial support for legal services for the indigent.

But when even the Corporation program, staffed by attorneys who work full time and well, cannot meet current needs, it is sheer fantasy—and an effective renunciation of the principle of equal justice—to assume that the private bar can provide sufficient services or funds to meet the legal needs of some 30 million poor citizens. And we doubt that states will want to finance legal services for the poor out of block grants.

We are troubled by the unsubstantiated contention that Corporation lawyers use Federal funds to advance "questionable" social reforms. The nightmare of Legal Services attorneys clogging our courts with actions designed to harass state and local governments has no factual basis. In reality, perhaps 80 percent of the Corporation's caseload consists of matrimonial, family, housing, and consumer-protection problems—areas in which almost every citizen seeks legal representation at some point in life. Must the disadvantaged be limited to legal services for what is politically palatable? If so, who will determine that standard?

Whether they cast their opposition to the Legal Services Corporation as a philosophical bent against all social services, as a new approach to federalism, or as an unabashedly selfish stance that one need not share one's own hard-earned resources with others, attorneys who argue for the Corporation's abolition cannot, with consistency, claim any fealty to the tenet of equal justice.●

BIG GOVERNMENT, NOT PRESIDENT, HAS ROBBED THE MIDWEST

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1981

● Mr. ASHBROOK. Mr. Speaker, many liberals, ready to use any ploy to defend big government, have begun to fan the flames of sectionalism, setting the Frost Belt against the Sun Belt.

This tactic is in character. To defend abortion, many liberals resort to anti-Catholic stereotypes of a kind we have not been subjected to since the heyday of the Ku Klux Klan in the 1920's. They have set race against race with quotas in hiring and schools. Not content with promoting religious and racial division, liberals have decided to exploit sectionalism.

One of the main themes Ohio liberals have trumpeted is the fact that, of each dollar paid by Ohioans in Federal taxes, only 78 cents is spent in our State. In other words, each $5 billion spent by the Federal Government has meant a net loss of over $1 billion to our State's economy.

Is it not odd, Mr. Speaker, that liberals have just noticed this fact? They certainly never mentioned it over the last 30 years, as they voted, year after year, to increase Federal taxes and Ohio's losses.

Obviously, the best thing for Ohio is to cut Federal expenditures, and leave Ohio taxpayers' money in our State. That is also the best thing for America as a whole, which is why liberals do not want to talk about it. They know that if the debate is limited to what is good for all Americans, liberals will lose it.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 5, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 6

9:00 a.m.

Appropriations

*Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.

1224 Dirksen Building

*Commerce, Science, and Transportation

Business meeting on pending calendar business.

235 Russell Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to continue markup of S. 480, S. 884, S. 902, S. 943, and S. 994, bills providing price and income protection for farmers and to assure consumers of an abundance of food and fiber at reasonable prices.

324 Russell Building

Appropriations

*Defense Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force posture.

1223 Dirksen Building

Appropriations

HUD-Independent Agencies Subcommittee

To hold oversight hearings to review flood insurance programs administered by the Federal Emergency Management Agency.

Room S-126, Capitol

Banking, Housing, and Urban Affairs

To resume oversight hearings to review major banking and consumer protection laws, focusing on banking industry and financial services representatives.

5302 Dirksen Building

Foreign Relations

To begin markup of S. 976, S. 848, S. 993, and S. 785, bills authorizing funds for fiscal year 1982 for foreign assistance programs.

4221 Dirksen Building

*Labor and Human Resources

Business meeting, to mark up S. 799, authorizing funds for fiscal years 1982, 1983, and 1984, for certain public health professional education and nurse training programs of the Department of Health and Human Services, S. 800, authorizing funds for fiscal years 1982, 1983, and 1984 for health research programs, S. 801, authorizing funds for fiscal years 1982, 1983, and 1984 for the National Health Service Corps of the Department of Health and Human Services, S. 1029, proposed Health Maintenance Organizations Amendments, and proposed legislation authorizing funds for the National Science Foundation, and for certain youth programs of the Comprehensive Employment Training Act (CETA).

4232 Dirksen Building

Veterans' Affairs

To hold hearings on numerous legislative proposals limiting funds of certain services and programs administered by the Veterans' Administration, including S. 916, S. 918, S. 919, S. 920, S. 636, S. 1058, S. 1059, S. 1060, S. 1061, S. 1062, S. 1063, S. 1064, S. 1065, and S. 1066.

412 Russell Building

10:00 a.m.

Environment and Public Works

*Water Resources Subcommittee

Business meeting, to mark up proposed legislation authorizing funds for fiscal year 1982 for the Water Resources Council, and the Office of Water Research and Technology.

4200 Dirksen Building

Finance

Business meeting, to continue markup of numerous spending reduction proposals.

2221 Dirksen Building

Governmental Affairs

To hold hearings on S. 893, extending for four years the reorganization authority of the President.

3302 Dirksen Building

Select on Intelligence
To hold a closed briefing on language training programs of the Department of Defense.
Room S-407, Capitol

2:00 p.m.
Agriculture, Nutrition, and Forestry
Business meeting, to continue markup of S. 480, S. 884, S. 902, S. 943, and S. 994, bills providing price and income protection for farmers and to assure consumers of an abundance of food and fiber at reasonable prices.
324 Russell Building

Appropriations
*Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, Sahel development program, Africa regional program, and the Near East regional program.
S-126, Capitol

Appropriations
Labor, Health and Human Services, and Education Subcommittee
Business meeting, to mark up proposed supplemental funds for fiscal year 1981 for programs of the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Foreign Relations
Business meeting, to continue markup of S. 976, S. 848, S. 993, and S. 785, bills authorizing funds for fiscal year 1982 for foreign assistance programs.
4221 Dirksen Building

Judiciary
Constitution Subcommittee
To hold hearings on S. 584 and S. 585, bills creating a Federal cause of action for the violation of a person's civil rights under color of State law relating to constitutional rights or laws providing for equal rights of citizens or all persons within U.S. jurisdiction.
2228 Dirksen Building

Judiciary
Immigration and Refugee Policy Subcommittee
To continue joint hearings with the House Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary, on public reaction to the recommendations of the final report of the Select Commission on Immigration and Refugee Policy.
2141 Rayburn Building

3:30 p.m.
Governmental Affairs
Intergovernmental Relations
Business meeting, to mark up S. 807, improving the structure and process of the Federal assistance system to State and local governments.
6202 Dirksen Building

MAY 7

9:00 a.m.
*Appropriations
*Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force procurement, research and development programs.
1223 Dirksen Building

Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for fossil energy programs, domestic energy, supply programs, and Federal leasing policies, Department of Energy.
1224 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to continue markup of S. 480, S. 884, S. 902, S. 943, and S. 994, bills providing price and income protection for farmers and to assure consumers of an abundance of food and fiber at reasonable prices.
324 Russell Building

Banking, Housing, and Urban Affairs
To continue oversight hearings to review major banking and consumer protection laws, focusing on thrift industry representatives and State financial institution regulators.
5302 Dirksen Building

Judiciary
Consitution Subcommittee
To continue hearings on S. 584 and S. 585, bills creating a Federal cause of action for the violation of a person's civil rights under color of State law relating to constitutional rights or laws providing for equal rights of citizens or all persons within U.S. jurisdiction.
2228 Dirksen Building

Labor and Human Resources
*Handicapped Subcommittee
Business meeting, to mark up proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building

Small Business
To hold hearings on S. 580, to establish program levels for the Small Business Administration Pollution Control Bond Guarantee program.
424 Russell Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

Appropriations
Labor, Health and Human Services, and Education Subcommittee
Business meeting, to continue markup of proposed supplemental funds for fiscal year 1981 for programs of the Departments of Labor, Health and Human Services, and Education.
S-128, Capitol

*Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Air Force construction program.
S-126, Capitol

Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 910, proposed Land and Water Conservation Fund Act Amendments.
3110 Dirksen Building

Finance
Business meeting, to continue markup of numerous spending reduction proposals.
2221 Dirksen Building

Foreign Relations
To hold hearings on arms limitations issues.
S-116, Capitol

Labor and Human Resources
Education Subcommittee
To hold hearings on proposed legislation to consolidate elementary and secondary educational programs.
357 Russell Building

Rules and Administration
To hold hearings on S. 55, S. 56, S. 57, and S. 58, bills providing for a uniform election poll closing time, change of the day of voting, and election night media projections.
301 Russell Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
Business meeting, to continue markup of S. 480, S. 884, S. 902, S. 943, and S. 994, bills providing price and income protection for farmers and to assure consumers of an abundance of food and fiber at reasonable prices.
324 Russell Building

*Appropriations
*Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, American schools and hospitals abroad, international disaster assistance, Inter-American Foundation, and the Peace Corps, to be followed by markup of proposed supplemental funds for fiscal year 1981 for foreign assistance programs.
S-126, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
Business meeting, to mark up proposed supplemental funds for fiscal year 1981 for the Department of Housing and Urban Development and independent agencies.
1223 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Judiciary
Immigration and Refugee Policy Subcommittee
To continue joint hearings with the House Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary, on public reaction to the recommendations of the final report of the Select Commission on Immigration and Refugee Policy.
2228 Dirksen Building

2:30 p.m.
Appropriations
District of Columbia Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 8

9:30 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to continue markup of S. 480, S. 884, S. 902, S. 943, and S. 994, bills providing price and income protection for farmers and to assure consumers of an abundance of food and fiber at reasonable prices.
324 Russell Building

Banking, Housing, and Urban Affairs
Business meeting, to mark up proposed legislation authorizing funds for fiscal year 1982 for the Export Administration Act and international affairs programs of the Department of the Treasury.
5302 Dirksen Building

Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 639, relating to the income tax treatment of incentive stock options, S. 702, to allow an income deduction for certain motor carrier operating authorities, and S. 738, to benefit the Port Authority of St. Paul, Minn., by permitting certain advance refunding issues of industrial revenue bonds to qualify under section 103 of the Internal Revenue Code.
2221 Dirksen Building

Judiciary
Security and Terrorism Subcommittee
To hold hearings on S. 391, establishing criminal penalties for the disclosure of classified information identifying an individual engaged in foreign intelligence activities for the U.S. Government.
2228 Dirksen Building

9:45 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
Business meeting, to mark up S. 755, authorizing funds for fiscal year 1982 for Federal alcohol and drug abuse programs.
1224 Dirksen Building

10:00 a.m.
Energy and Natural Resources
To hold hearings on Senate Joint Resolution 71, approving the Constitution of the Virgin Islands.
3110 Dirksen Building

Labor and Human Resources
Education Subcommittee
To continue hearings on proposed legislation to consolidate elementary and secondary educational programs.
4232 Dirksen Building

Joint Economic
To hold hearings on the employment/unemployment situation for the month of April.
2318 Rayburn Building

10:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for fiscal years 1982 and 1983 for the Nuclear Regulatory Commission.
4200 Dirksen Building

1:30 p.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume hearings on S. 707 and S. 998, bills providing alternative financing mechanisms to fund the strategic petroleum reserve.
3110 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
Business meeting, to continue markup of S. 480, S. 884, S. 902, S. 943, and S. 994, bills providing price and income protection for farmers and to assure consumers of an abundance of food and fiber at reasonable prices.
324 Russell Building

MAY 11

9:00 a.m.
Select on Indian Affairs
To hold hearings on S. 262, to provide for the payment of a specified sum to a named individual in full satisfaction of a claim against the U.S., S. 478, to provide for the partition or sale of certain restricted Indian lands in the State of Kansas, and S. 547, to provide for permanent improvements to certain lands belonging to the Siletz Indian Tribe in the State of Oregon.
5110 Dirksen Building

9:30 a.m.
Foreign Relations
Business meeting, to resume markup of S. 976, S. 848, S. 993, and S. 785, bills authorizing funds for fiscal year 1982 for foreign assistance programs.
4221 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To hold hearings on S. 1040, to increase the amount authorized as Federal payment to the District of Columbia, to compensate for lost revenue due to the presence of the Federal Government within the city.
3302 Dirksen Building

Judiciary
To hold hearings on S. 995, to provide for contribution of damages in antitrust price-fixing suits.
2228 Dirksen Building

*Labor and Human Resources
Education Subcommittee
To hold hearings on proposed reconciliations of higher education programs.
4232 Dirksen Building

2:00 p.m.
Banking, Housing, and Urban Affairs
Business meeting on pending calendar business.
5302 Dirsken Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Foreign Relations
Business meeting, to continue markup of S. 976, S. 848, S. 993, and S. 785, bills authorizing funds for fiscal year 1982 for foreign assistance programs.
4221 Dirksen Building

MAY 12

9:00 a.m.
Labor and Human Resources
Business meeting, to mark up proposed legislations authorizing funds for preventive health block grants, health services block grants, handicapped programs block grants, and emergency hardship assistance programs.
4232 Dirksen Building

9:30 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126, Capitol

Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
457 Russell Building

MAY 13

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National Gallery of Art, and the Bureau of Mines, Department of the Interior.
1224 Dirksen Building

Labor and Human Resources
Business meeting, to mark up S. 755, authorizing funds for fiscal year 1982 for Federal alcohol and drug abuse programs, and proposed legislation authorizing funds for adolescent pregnancy programs, the Older Americans Act, ACTION, and the Head Start program.
4232 Dirksen Building

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force manpower and Reserve progams.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings to review major banking and consumer protection laws, focusing on money market mutual fund and securities regulators.
5302 Dirksen Building

Foreign Relations
Business meeting, to resume markup of S. 976, S. 848, S. 993, and S. 785, bills authorizing funds for fiscal year 1982 for foreign assistance programs.
4221 Dirksen Building

Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on S. 30, requiring each Federal agency to pay interest on contract payments more than 30 days overdue, and related measures intended to improve the Federal Government's bill payment performance.
5110 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To hold oversight hearings on alleged fraud and abuse activities within certain home health care services.
3302 Dirksen Building

Small Business
*Innovation and Technology Subcommittee
To hold hearings on S. 881, proposed Small Business Innovation Research Act.
424 Russell Building

Veterans' Affairs
Business meeting, to mark up S. 468, establishing an advisory committee on former prisoners of war, making such veterans eligible for certain health care benefits, S. 1008, exempting by law the retired-recalled military personnel assigned to the American Battle Monuments Commission from the end strengths and grade limitations that are authorized to the military departments which furnish them, and related measures including title II and III of S. 26, S. 380, S. 458, S. 636, S. 689, S. 872, S. 914, and S. 921.
Russell Building

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Navy and Marine Corps construction program.
1114 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Finance
To hold hearings on the tax reduction proposals in the administration's program for economic recovery.
2221 Dirksen Building

1:30 p.m.
Governmental Affairs
Intergovernmental Relations
To hold hearings on fiscal disparities within the Federal budget system.
235 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain international programs of the Department of State.
S-126, Capitol

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Foreign Relations
Business meeting, to continue markup of S. 976, S. 848, S. 993, and S. 785, bills authorizing funds for fiscal year 1982 for foreign assistance programs.
4221 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold hearings on proposed cost of living adjustments for Federal employees in foreign lands.
Room to be announced

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to review major banking and consumer protection laws, focusing on money market mutual funds and financial industry representatives.
5302 Dirksen Building

Judiciary
Constitution Subcommittee
To hold oversight hearings to explore the state of the law with respect to school busing.
5110 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

Finance
To continue hearings on the tax reduction proposals in the administration's program for economic recovery.
2221 Dirksen Building

Governmental Affairs
To hold hearings on pending nominations.
3302 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for foreign operation programs, receiving testimony from congressional and public witnesses.
S-126, Capitol

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue oversight hearings on alleged fraud and abuse activities within certain home health care services.
3302 Dirksen Building

Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

MAY 15

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Governmental Affairs
Federal Expenditures, Research, and Rules Subcommittee
To hold oversight hearings on the Federal procurement system.
3302 Dirksen Building

MAY 18

9:00 a.m.
Appropriations
*Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Air Force operations and maintenance programs.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings to review major banking and consumer protection laws, focusing on consumer credit regulators and consumer group and industry representatives:
5302 Dirksen Building

Labor and Human Resources
Business meeting, to mark up proposed reconciliations of those programs which fall under the committee's legislative jurisdiction.
4232 Dirksen Building

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Guard and Reserve Forces construction program.
1224 Dirksen Building

Environment and Public Works
Business meeting, to mark up proposed reconciliations of those programs which fall under the committee's legislative jurisdiction, and other pending calendar business.
4200 Dirksen Building

Foreign Relations
To hold hearings on the nomination of Ernest W. Lefever, of Maryland, to be Assistant Secretary of State for Human Rights and Humanitarian Affairs.
4221 Dirksen Building

2:00 p.m.
Foreign Relations
To continue hearings on the nominations of Ernest W. Lefever, of Maryland, to be Assistant Secretary of State for Human Rights and Humanitarian Affairs.
4221 Dirksen Building

MAY 19

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to review major banking and consumer protection laws, focusing on former thrift industry regulators and academicians.
5302 Dirksen Building

Labor and Human Resources
Business meeting, to continue markup of proposed reconciliations of those programs which fall under the committee's legislative jurisdiction.
4232 Dirksen Building

Veterans' Affairs
Business meeting, to markup numerous legislative proposals limiting funds of certain services and benefits provided to veterans, including (S. 916, S. 918, S. 919, S. 920, S. 636, S. 1058, S. 1059, S. 1060, S. 1061, S. 1062, S. 1063, S. 1064, S. 1065, and S. 1066.
412 Russell Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building
Energy and Natural Resources
To hold hearings on standby oil controls.
3110 Dirksen Building
Environment and Public Works
Business meeting, to continue markup of proposed reconciliations of those programs which fall under the committee's legislative jurisdiction, and other pending calendar business.
4200 Dirksen Building
Finance
To resume hearings on the tax reduction proposals in the administration's program for economic recovery.
2221 Dirksen Building
Foreign Relations
To continue hearings on the nomination of Ernest W. Lefever, of Maryland, to be Assistant Secretary of State for Human Rights and Humanitarian Affairs.
4221 Dirksen Building
2:00 p.m.
Foreign Relations
To continue hearings on the nomination of Ernest W. Lefever, of Maryland, to be Assistant Secretary of State for Human Rights and Humanitarian Affairs.
4221 Dirksen Building

MAY 20

9:00 a.m.
Select on Indians
To hold oversight hearings on the recent report and future plans of the Navajo and Hopi Indian Relocation Commission.
457 Russell Building
9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building
Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings to review the special prosecutor provisions of the Ethics in Government Act.
4200 Dirksen Building
10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the MX construction program.
1318 Dirksen Building
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building
Environment and Public Works
To resume oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building
Finance
To continue hearings on the tax reduction proposals in the administration's program for economic recovery.
2221 Dirksen Building
Governmental Affairs
To resume hearings on S. 10, providing for creation of a Commission to design a blueprint for improving governmental performance at the Federal level and throughout the intergovernmental system.
3302 Dirksen Building
2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the MX construction program.
1318 Dirksen Building

MAY 21

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building
10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the MX contruction program.
1318 Dirksen Building
Environment and Public Works
Business meeting, to resume markup of proposed reconciliations of those programs which fall under the committee's legislative jurisdiction, and other pending calendar business.
4200 Dirksen Building
Finance
To continue hearings on the tax reduction proposals in the administration's program for economic recovery.
2221 Dirksen Building
2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the MX construction program.
1318 Dirksen Building

MAY 22

9:30 a.m.
Governmental Affairs
Oversight of Government Management Subcommittee
To resume oversight hearings to review the special prosecutor provisions of the Ethics in Government Act.
3302 Dirksen Building

MAY 26

9:30 a.m.
Labor and Human Resources
To hold oversight hearings on the activities of the National Cancer Institute, relating to contracts and procurement policies.
4232 Dirksen Building

MAY 27

9:30 a.m.
Labor and Human Resources
To continue oversight hearings on the activities of the National Cancer Institute, relating to contracts and procurement policies.
4232 Dirksen Building

JUNE 1

9:00 a.m.
Appropriations
*Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on overall intelligence matters.
1223 Dirksen Building

JUNE 2

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

Labor and Human Resources
Employment and Productivity Subcommittee
To hold oversight hearings on the implementation of the Farm Labor Contractor Registration Act, and to hold hearings on S. 922, clarifying the meaning of "migrant worker", and to insure the proper administration and enforcement of the Farm Labor Contractor Registration Act.
4232 Dirksen Building

JUNE 3

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on programs of the Central Intelligence Agency.
1223 Dirksen Building

9:30 a.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To continue oversight hearings on the implementation of the Farm Labor Contractor Registration Act, and to hold hearings on S. 922, clarifying the meaning of "migrant worker" and to insure the proper administration and enforcement of the Farm Labor Contractor Registration Act.
4232 Dirksen Building

Veterans' Affairs
To hold oversight hearings on procedures for the adjudication of certain claims, and to hold hearings on S. 349, to provide for limited judicial review of the administrative action of the Veterans' Administration, and to provide reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building

JUNE 4

9:00 a.m.
Appropriations
*Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiv-

ing testimony on programs of the National Security Agency.
1223 Dirksen Building

9:30 a.m.
Veterans' Affairs
To continue oversight hearings on procedures for the adjudication of certain claims, and to hold hearings on S. 349, to provide for limited judicial review of the administrative action of the Veterans' Administration, and to provide reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building

JUNE 8

9:00 a.m.
Appropriations
*Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on defense intelligence programs.
1223 Dirksen Building

JUNE 9

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of family planning programs.
5110 Dirksen Building

Labor and Human Resources
*Labor Subcommittee
To hold oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
2232 Dirksen Building

JUNE 10

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on special programs of the Air Force.
1223 Dirksen Building

9:30 a.m.
Labor and Human Resources
*Labor Subcommittee
To continue oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

JUNE 11

9:00 a.m.
Appropriations
*Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on command, control and communication programs and intelligence related activities of the Department of Defense.
1223 Dirksen Building

JUNE 16

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To resume hearings on proposed legislation to consolidate elementary and secondary educational programs.
4232 Dirksen Building

JUNE 17

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To continue hearings on proposed legislation to consolidate elementary and secondary educational programs.
4232 Dirksen Building

JUNE 25

9:30 a.m.
Veterans' Affairs
Business meeting, to mark up S. 349, to provide for limited judicial review of the administrative action of the Veterans' Administration, and to provide reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building.

JULY 8

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 917, increasing the rates of disability compensation for disabled veterans, and the rates of dependency and indemnity compensation for their survivors, S. 911, authorizing the payment of a special pension to the survivor of persons awarded the Medal of Honor, and S. 915, S. 779 and S. 112, bills providing for memorials to honor the memory of certain deceased members of the Armed Forces.
412 Russell Building

JULY 15

9:30 a.m.
Veterans' Affairs
Business meeting, to markup S. 917, increasing the rates of disability compensation for disabled veterans, and the rates of dependency and indemnity compensation for their survivors, S. 911, authorizing the payment of a special pension to the survivors of persons awarded the Medal of Honor, and S. 915, S. 779, and S. 112, bills providing for memorials to honor the memory of certain deceased members of the Armed Forces.
412 Russell Building

JULY 22

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 5, S. 7, S. 25. S. 26, S. 48, S. 105, S. 248. S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces.
412 Russell Building

JULY 23

9:00 a.m.
Veterans' Affairs
To continue hearings on S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces.
412 Russell Building

SEPTEMBER 16

9:30 a.m.
Veterans' Affairs
Business meeting, to mark up S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces.
412 Russell Building

Cancellations

MAY 6

9:30 a.m.
Judiciary
Separation of Powers Subcommittee
To resume hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception.
2228 Dirksen Building

3:00 p.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimate for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 7

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume oversight hearings on the activities of the Civil Aeronautics Board.
235 Russell Building

2:00 p.m.
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building